



Agenda Item Report

Meeting Type: Common Council

Meeting Date: November 4, 2025

Item Title: 2026 Budget

Submitted By: Matt Amundson, City Administrator

On Thursday October 23rd, the Department of Revenue rejected the budget amendment approved by the Council on October 14. The deadline for submitting 2025 budget amendments was June 30, 2025. This experience has provided another learning opportunity in our ongoing budget process.

In response, I have prepared a revised 2026 Budget that excludes the previously submitted 2025 amendment. This updated budget ensures the City remains eligible for the Expenditure Restraint Program.

To meet the program's requirements, we reduced General Fund expenses by **\$175,810.03**. The primary adjustment involved transferring the revenues and expenses associated with **Recreation** and the **Community Center** to a newly created **Special Revenue Fund**.

Below is a summary of the key changes:

Revenues:

- **Taxes; Local Levy (Page 1):** Reduced to **\$2,842,917.44**
- **Program Revenues (Page 3):** Moved to **New Special Revenue Fund (Page 26)**
- **Total General Fund Revenues (Page 4):** Reduced to **\$5,531,954.74**

Expenses:

- **Administrator; Merit (Page 6):** Reduced to **\$45,000**
- **Treasurer; Health/Dental/Vision (Page 7):** Reduced to **\$26,148.55** (a decrease of \$477.30)
- **Community Center Expenses (Page 15):** Moved to **New Special Revenue Fund (Page 27)**
- **Recreation Expenses (Page 16):** Moved to **New Special Revenue Fund (Page 27)**
 - *Note: The salary and benefits of the Recreation Director remain in the General Fund.*
- **Total General Fund Expenses (Page 19):** Reduced to **\$5,531,954.74**

List all Supporting Documentation Attached:

2026 Draft Operating Budget (10/23/25)

Action Requested of Council:

Consider and take action on 2026 Budget.