



CITY OF
LONG LAKE

City Council Agenda Report

City of Long Lake

450 Virginia Avenue, PO Box 606
Long Lake, MN 55356

MEETING DATE / September 16, 2025

SUBJECT: Adoption of Preliminary 2026 Payable Levy; Establish Truth in Taxation Public Meeting Date to Discuss Levy and Proposed Budget

Prepared By: Scott Weske, City Administrator **Report Date:** 9/10/2025

Recommended City Council Action

Staff recommends the following separate motions:

Motion to adopt Resolution No. 2025-29 establishing the preliminary property tax levy payable in 2026 for the City of Long Lake.

Motion to adopt Resolution No. 2025-30 establishing the Truth in Taxation public meeting date as December 2, 2025 to discuss the proposed levy and budget for taxes payable 2026 for the City of Long Lake.

With the above actions, the City Council will be complying with the statutory requirements to establish and communicate proposed levy information, to select a taxes payable 2026 Public Meeting date to discuss the proposed levy and budget, and to certify the City's preliminary levy and proposed budget to the County Auditor by the required deadline of September 30, 2025.

Council should be aware that the final levy adopted by end of December 2025 can decrease from the preliminary levy, but it generally cannot increase without the addition of specific allowable "add-on" levy circumstances.

Overview / Background

The preliminary 2026 budget and levy was discussed at the September 2 Council work session. Staff has incorporated the City Council's feedback into the current proposed levy. The Council will discuss the final levy and budget prior to final levy adoption at the Council's second meeting in December.

Revenues:

Local Government Aid (LGA) for the year 2026 continues to be \$0.

Expenditures:

Police Contract

The annual estimated contract fee for 2026 will be \$350,170 resulting in an \$8,210 increase from the 2025 amount.

Fire Department

The budget was increased \$196,046, with an estimated cost of \$300,000 which includes the City's capital contribution of \$50,000.

Health Insurance

Staff is estimating a 10% increase; however, staff will know more in the coming months once plans and rates are provided by carriers. Staff is aware that a change in insurance carriers may be necessary based on expense.

Employee Wages

A 3% COLA increase is budgeted for all employees along with some step increases for ones not maxed out.

Salary Allocations:

% of Total	Budget		2026	2025	\$ Change
40.92%	41500 General Fund Admin		\$ 296,978.44	\$ 279,931.00	\$ 17,047.44
16.47%	42280 Fire Dept Admin		\$ 119,517.02	\$ 112,656.00	\$ 6,861.02
20.55%	43050 Public Works		\$ 149,134.60	\$ 148,250.00	\$ 884.60
8.22%	601 Water Fund		\$ 59,653.84	\$ 59,300.00	\$ 353.84
6.16%	602-Sewer Fund		\$ 44,740.38	\$ 44,475.00	\$ 265.38
6.16%	603-Storm Water Fund		\$ 44,740.38	\$ 44,475.00	\$ 265.38
0.76%	601 Water Fund (ON CALL)		\$ 5,523.59	\$ 6,582.00	\$ (1,058.41)
0.76%	602-Sewer Fund (ON CALL)		\$ 5,523.59	\$ 6,582.00	\$ (1,058.41)
100.00%	TOTAL		\$ 725,812	\$ 702,251.00	\$ 23,560.83

Levy Details:

Bond Debt Service

Estimated \$87,981

Go Bond 2016A - \$45,457

Go Bond 2017A - \$42,524

Final Levy History

2018 - \$1,064,579

2019 - \$1,064,579

2020 - \$1,118,585

2021 - \$1,232,677

2022 - \$1,277,908

2023 - \$1,406,740

2024 - \$1,577,558

2025 - \$1,745,661

Proposed Levy Option

2026 - \$1,785,402

Tax Rate

37.15

36.417

36.576

36.58

36.245

33.441

33.441

33.441

Tax Rate

33.441

Under this scenario, the proposed levy is an increase of \$39,741 or 2.28% which is no increase in the tax rate.

Currently Budgeted Items:

2050 Comprehensive Plan

\$10,000-Accounted for under Planning-Professional Services

Seal Coating-Budgeted Transfer from GF to Coating Fund

\$60,000

Fire Department-Budgeted Transfer from GF to FD Capital

\$50,000

Removal of Emerald Ash Borer impacted/dead Ash Trees from Parks and City Right-of-Way

\$40,000= \$30,000 in Streets and \$10,000 in Parks

Possible Tax Rate Increase Options-in \$25,000 increments

Levy	Surplus	Tax Rate	Tax Rate Change	Percent Increase
\$ 1,785,402.20	\$23,048.39	33.467%	0.000%	2.277%
\$ 1,810,402.20	\$48,048.39	33.936%	0.469%	3.709%
\$ 1,835,402.20	\$73,048.39	34.404%	0.937%	5.141%
\$ 1,860,402.20	\$98,048.39	34.873%	1.406%	6.573%
\$ 1,885,402.20	\$123,048.39	35.341%	1.874%	8.005%
\$ 1,910,402.20	\$148,048.39	35.810%	2.343%	9.437%
\$ 1,910,402.20	\$148,048.39	35.810%	2.343%	9.437%
\$ 1,935,402.20	\$173,048.39	36.279%	2.812%	10.869%
\$ 1,960,402.20	\$198,048.39	36.747%	3.280%	12.301%
\$ 1,985,402.20	\$223,048.39	37.216%	3.749%	13.734%
\$ 2,010,402.20	\$248,048.39	37.685%	4.218%	15.166%
\$ 2,035,402.20	\$273,048.39	38.153%	4.686%	16.598%
\$ 2,060,402.20	\$298,048.39	38.622%	5.155%	18.030%
\$ 2,085,402.20	\$323,048.39	39.090%	5.623%	19.462%
\$ 2,110,402.20	\$348,048.39	39.559%	6.092%	20.894%

The idea is to show what increases would look like if the Council would like to pursue a road project in 2026. The current proposed levy only has a \$23,048 surplus.

A road project in 2026 would impact the levy by an estimated \$252,000 a year if was a \$3 million dollar project. Which is around a 4.218% tax rate increase or 15.566% levy increase.

An estimated \$495,000 if it was a \$6 million dollar project. Which is 8.9% tax rate increase or 29.487% levy increase.

Supporting Information

- 2026 Preliminary Overview
- 2026 General Fund Budget Revenues
- 2026 General Fund Budget Expenses
- 2026 \$3 Million Dollar Debt Schedule
- 2026 \$6 Million Dollar Debt Schedule
- Rate Increase Schedule
- Resolution No. 2025-29 establishing the preliminary property tax levy payable in 2026
- Resolution No. 2025-30 establishing the Truth in Taxation public meeting date as December 2, 2025