



Executive Summary

City Council Business Meeting

AGENDA ITEM-NEW BUSINESS:	Resolution 2025-0922-03 Adopting the 2026 Preliminary Budget & Tax Levy
PREPARED BY:	Jacob Kolander, City Administrator
RECOMMENDED ACTION: Approve Resolution 2025-0922-03, adopting the 2026 Preliminary Levy and Budget as presented.	

Summary

Please see the attached budget memo from Abdo.

When we began the 2026 budget process in July, the City was facing a proposed 10.86% tax levy increase. After extensive discussion and collaboration during our budget workshops, I'm pleased to present a reduced preliminary levy increase of just 5.87%.

At the recent Police Commission meeting, three budget scenarios were considered. I have selected the lowest-cost option, which reflects a \$26,677 reduction, a 3.27% decrease from the original proposal. This decision helps us maintain fiscal discipline while still supporting public safety.

It's worth noting that once the Preliminary Levy is adopted, the Final Levy cannot exceed that amount. While there is a slight possibility the Police Commission may need to adopt the higher budget—depending on hiring outcomes to replace a departing officer, I am comfortable moving forward with the lower budget at this time. If an adjustment becomes necessary, we can cover the difference from the Capital Fund, avoiding any further increase to the tax levy.

Recommendation

I recommend that the Council approve Resolution 2025-0922-03, adopting the 2026 Preliminary Levy and Budget as presented. This reflects our shared commitment to responsible budgeting and maintaining essential services without placing undue burden on taxpayers.