

2027 Proposed General Fund Budget & Levy Overview

Revenue

1. Property Tax Levy All Funds: Increase from 2026 budget of \$423,889 or 7.56%
 - a. Debt Service Levy increase of \$84,692:
 - i. Addition of 2025B (\$222,418) and 2025C (\$433,491) bonds
 1. The levy for 2025C is reduced by \$250,000, offset with the Federal USDA Grant
 2. Updated 2025B with actual construction costs
 - ii. Reduced levies for 2013C and 2020A to adjust for fund balance vs. expected future payments
 - b. Tax Abatement of \$43,490 (*note: this is a budget estimate as final tax rates are not known until early 2027*)
 - c. Equipment Levy: Decrease from 2026 budget of \$5,595
2. LGA: Increase of \$4,300 per State on August 4th

Expenses

1. Personnel (Wages & Benefits) - Proposed increase of \$322,076 or 6.58%
 - a. Wages – non-union projected at 4.0% market adjustment plus steps
 - b. Health Insurance – Current carrier BCBS through SourceWell Insurance Pool: 2027 rate cap is 19%, based on most recent claims data budgeted at 19% increase.
 - c. Dental Insurance – Current carrier is Health Partners through 12/31/2026. Maintained current rates for 2027. (*Note: 2025 dental renewal and 2-year rate guarantee = 12.6% decrease*)
 - d. Life Insurance, Short-Term Disability & MN Paid Leave – Maintained 2026 rates based on rate guarantee with MetLife
2. Operations, Maintenance & Capital:
 - a. Property and liability Insurance: Maintained 2026 budget amount, \$0 increase. LMCIT will have an updated outlook on premiums in fall 2026.
 - b. Contribution to New Prague Area Schools for Fitness & Aquatic Center – decrease from FY26 budget of \$2,305
 - c. Capital & Special Projects
 - i. Streets: \$181,000 is included to purchase a ½ ton crew cab truck, asphalt patcher, lift station, street building roof
 - ii. Parks: \$99,000 is included for ½ ton truck, building improvements, snowblower for Toolcat
 - iii. Park Board: \$30,000 is included for first ½ sprinkler system for Memorial Park and continued maintenance for prairie restoration
 - iv. Police: \$69,000 squad car and associated equipment
 - v. Tech Network: \$50,000 for continued equipment upgrades and replacement
3. Other Notables:
 - a. Elections: The City budgets for elections only during election years. There are currently no elections in 2027.
4. Discretionary Expense: Budget contingency \$26,775 to cover unexpected costs or changes that arise during the fiscal year so that the City can respond to unforeseen needs without disrupting other planned expenditures. This contingency will change throughout budget season as needed.
5. Transfers: Transfer from equipment fund of \$347,000 to offset capital expenditures.