

# 2025 Proposed General Fund Budget & Levy Overview

## Revenue

1. Property Tax Levy All Funds: Increase of \$759,769 or 15.75%
  - a. Equipment Levy: Decrease to \$40,304 to continue the policy of levying for \$1,000,000 between Debt Service and the Equipment Levy.
2. LGA: Increase of \$1,842
3. Interest Income: Decrease of \$50,000 to maintain a conservative budget approach.
4. Building Permits: Consistent with 2024 budget due to unpredictability of large storm events
5. Police Liaison Revenue: Increase of \$54,592 for 75% payment per agreement with school

## Expenses

1. **Personnel (Wages & Benefits)** - Proposed increase of \$353,473 or 8.16%
  - a. Wages – projected at 2.8% COLA plus steps
    - i. Adjusted one Administrative Coordinator (Grade 10) position to Administrative Assistant (Grade 8)
  - b. Health Insurance – In 2023 we committed to a 2-year agreement. 2025 max increase is 15%
  - c. Dental Insurance – Current carrier Delta Dental of MN, renewal information is released in September current proposed budget includes a 10% increase.
  - d. Life Insurance & Short-Term Disability – In 2023 committed to a 3-year agreement with the Hartford, no rate increase through 2025.
2. **Operations, Maintenance & Capital:**
  - a. Property and liability Insurance: 10% increase and \$0 agent fee increase
  - b. Contribution to New Prague Area Schools for Fitness & Aquatic Center – increase from FY24 budget by \$24,048
  - c. Capital & Special Projects
    - i. Government Buildings: Regardless of the decision on future facilities, it is clear that either City Hall will need additional maintenance or money will be needed for a new facility. To that end, I have included \$100,000 in the capital outlay budget for either City Hall facility work or to be used towards a new facility.
    - ii. Fire: \$25,000 has been included to begin updating radios.
    - iii. Building Inspector: \$35,000 is included to replace the aging office furniture within the Community Development office.
    - iv. Planning: \$20,000 is included to replace the 2009 Ford Fusion.
    - v. Streets: \$265,000 is included to purchase a dump truck, plan to utilize Equipment Certificates with 2025 bond issue.
    - vi. Parks: \$35,000 is included for a utility vehicle, replacing a 2014 model and \$32,000 is included for a 60" zero turn lawn mower.
    - vii. Park Board: \$43,126 is included for sidewalk extension on 12<sup>th</sup> Ave SE and \$35,000 is included for a Central Plaza Shade Structure.
    - viii. Tech Network: Increased by \$48,000 to start replacing equipment. With the growing use of technology around the City, staff worked with CTS to start future planning equipment replacement.
3. **Professional Services:**
  - a. Administration: Increased by \$20,804 for general fund portion of compensation study.
  - b. Planning: The next step after completion of the Comprehensive Plan is to update the Development Code to work in tandem with the Comp Plan. Because the Code has not seen a full overhaul in decades, instead having

been piecemealed, I am recommending a full re-write. This would help reorganize the code and include graphics for many of the regulations so that it is easier to read and understand for developers and for citizens improving their property. Informal quotes for this work came in around \$80,000. In 2024 \$40,000 was set aside and use of ARPA funds in 2025 of approximately \$40,000.

4. **Debt Service:**

- a. Debt Service payments increase primarily due to 2024A payments

5. **Other Notables:**

- a. Elections: The City budgets for elections only during election years. In 2024 there are no elections but annual county fees remain in place.

6. **Discretionary Expense:** Budget contingency allowance to remain at \$25,000, which is the same as 2024.

7. **Operating Transfers Out:** For the past 12 years, through 2023, the City has transferred \$121,270 to the Golf Club to assist with debt service and operations. In 2024, the transfer is \$41,946. For 2025 the transfer is \$29,819.