

# 2026 Proposed General Fund Budget & Levy Overview

## Revenue

1. Property Tax Levy All Funds: Increase from 2025 budget of \$370,704 or 6.98%
  - a. Equipment Levy: Increase from 2025 budget to \$268,135 to continue the policy of levying for \$1,000,000 between Debt Service and the Equipment Levy.
2. LGA: Increase of \$4,299 from 2025 budget
3. Interest Income: Increased of \$10,855 from 2025 to help lower levy
4. Building Permits: Consistent with 2025 budget due to unpredictability of large storm events

## Expenses

1. Personnel (Wages & Benefits) - Proposed increase of \$179,543 or 8.16%
  - a. Wages – projected at 4.0% COLA plus steps
    - i. Adjusted one Administrative Assistant (Grade 8) to Administrative Coordinator (Grade 10)
    - ii. Added on additional Public Works Maintenance employee
  - b. Health Insurance – Current carrier BCBS through SourceWell Insurance Pool: 2026 rate cap is 17%, based on most recent claims data budgeted at 17% increase.
  - c. Dental Insurance – As of Jan 1, 2025, current carrier is Health Partners with a 2-year rate guarantee through 12/31/2026. Note: 2025 had a 12.6% decrease.
  - d. Life Insurance & Short-Term Disability – 2026 is a bid year, maintained current rates based on preliminary bid review.
2. Operations, Maintenance & Capital:
  - a. Property and liability Insurance: LMCIT will have an updated outlook on premiums in fall 2025. Current proposed budget is a decrease of \$420 and \$0 agent fee increase
  - b. Contribution to New Prague Area Schools for Fitness & Aquatic Center – increase from FY25 budget of \$33,130
  - c. Capital & Special Projects
    - i. Government Buildings: Continuing the practice of putting aside funds for ongoing maintenance of City Hall, \$100,000 has been included in the capital outlay budget for either City Hall facility work or to be used towards a new future facility.
    - ii. Fire: \$27,500 has been included to begin updating radios.
    - iii. Streets: \$124,000 is included to purchase a tree lift (shared with Parks) and a F-550.
    - iv. Parks: \$50,500 is included for tree lift (shared with Streets), utility cart, and building updates.
    - v. Tech Network: \$50,000 for continued equipment upgrades and replacement
3. Professional Services:
  - a. Administration: \$35,000 for Long Term Financial Plan.
  - b. Police: Increased by 17,000 for County Attorney fees.
4. Other Notables:
  - a. Elections: The City budgets for elections only during election years. In 2026 there are two elections.
5. Discretionary Expense: Budget contingency increase from \$25,000 to \$45,195 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. In 2026, the contingency account can be used if the compensation study results in recommendations for increased wages or benefits.
6. 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 was \$41,946. For 2025, the transfer is \$29,819, and the 2026 draft budget reflects a transfer of \$17,692.