

# 2026 Proposed General Fund Budget & Levy Overview

## Revenue

1. Property Tax Levy All Funds: Increase from 2025 budget of \$290,150 or 5.46%. This has an average tax impact of 4.19% on Scott County residential property owners. *\* As of the writing of this report, staff have not received Le Sueur County data.*
  - 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: Increase 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 – Implementation of recommended compensation by AutoSolve based on Compensation Study performed
    - i. Staff would receive a 3.3% increase, and then be assigned to the closest step, without lowering wage.
    - ii. Adjusted one Administrative Assistant (Grade 8) to Administrative Coordinator (Grade 10) starting January 1, 2026
    - iii. Modernized, simplified titles of some positions
  - b. Added one additional Public Works Maintenance employee, starting January 1, 2026
  - c. Health Insurance – Renewal of 2025 plan, at a 16.9% increase (based on Council direction)
  - d. 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.
  - e. 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 Q4 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: \$100,000 to begin putting aside funds to complete work on City Hall as mentioned in 2023 Facility Study.
    - 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.
  - c. Tech: \$11,325 for Laserfiche electronic document storage
4. Other Notables:
  - a. Elections: The City budgets for elections only during election years. In 2026 there are two elections.
5. 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 \$0.