



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, ICMA-CM, Administrator, Clerk/Treasurer

Date: December 9, 2025

Subject: 2025 General Fund Budget and Tax Levy

Staff is requesting approval of the final 2025 property tax levy and the 2026 General Fund budget.

The proposed final levy for taxes payable in 2026 is \$4,982,100, a 5.52% increase from the prior year. The levy supports general government operations, debt service, and ongoing capital investment. The levy is composed of:

- General Revenue: \$4,310,534
- 2022 Street Improvement Levy: \$24,078
- 2024 Street Improvement Levy: \$28,421
- Capital Improvement Plan Levy: \$204,320
- 2021A G.O. Improvement Bonds: \$414,747

The increase is driven by personnel costs, inflation across most operating categories, and continued capital replacement requirements, as outlined during the Truth-in-Taxation hearing on December 1. The proposed levy is \$48,160 lower than the preliminary levy adopted on September 2.

The proposed 2026 General Fund budget totals \$6,118,772 and is balanced. Revenues primarily come from the property tax levy, intergovernmental aid, licenses and permits, and service charges.

Expenditures fund City Council operations, administration, public safety, public works, recreation, parks, and other essential services. The budget adds a 13th licensed peace officer through the creation of an Administrative Captain position. It also includes wage adjustments, contractual obligations, inflationary cost increases (fuel, insurance, utilities, and supplies), and higher IT and operational costs.

Staff recommends the City Council:

- Adopt Resolution No. 2025-45, approving the final 2025 property tax levy collectible in 2026.
- Adopt Resolution No. 2025-46, approving the 2026 General Fund budget.

If you have any questions, please do not hesitate to contact me at 763-784-6491.