
TO: Kate Thunstrom, City Administrator
FROM: Darcy Mulvihill, Finance Director
SUBJECT: Tax Levy/Stormwater Discussion and Setting of Levy including adjustment to debt service levies
DATE: September 15, 2025

OVERVIEW:

Council will be presented with a power point discussion on the Tax Levy for 2026 and Stormwater presentation.

After that presentation Council will need to act on two resolutions:

1. Attached is a resolution to adjust the tax levy for bonded indebtedness for 2026. The city has two bonds outstanding that have debt service tax levies authorized at this time. The 2017A GO Capital Improvement Bonds and the 2023A GO Capital Improvement Bonds. The city has averaged the levy stream out over the life of the bonds so that the levy stays consistent. The city also contributes some funds from the Water and Sewer Funds to help with the repayments on the 2017A Bonds. The attached resolution adjusts levied amount to what we need to pay back the bond issues.
2. State law requires the city to certify its preliminary 2026 levy to the county by September 30, 2025. This levy **cannot be increased** when the final levy is adopted in December. The council also needs to set the date that the budget and levy will be discussed in December, which allows for public input. This resolution also sets the date for the Public Hearing on the 2026 Levy and Budget for Monday December 1, 2025, at 6:00 pm as part of the regular city council meeting.

Please refer to the attached slide presentation for the breakdown of the levy.

ACTIONS TO BE CONSIDERED:

Approve the attached resolution adjusting the debt service levy for 2026.

Approve the attached resolution setting the preliminary levy.

BUDGET IMPLICATION:

The levy that is set will determine the level of the proposed expenditures for 2026.

Attachments:

1. Taxes and Stormwater Presentation
2. Estimated Tax Receipt-2026
3. Resolution Adjusting the Tax Levy for Bonded Indebtedness.
4. Resolution Providing the Preliminary Approval of a Proposed 2026 Tax Levy and Setting Budget Public Hearing Date.