

COUNCIL ACTION FORM

Meeting Date: September 11, 2025
Staff Contact: Leslie Herring, City Administrator

Agenda Item: Consider Resolution No. 148-2025 approving a tax rate in excess of the Revenue Neutral Rate for the 2026 budget year

Background/Description of Item

Over the last several months the Council and staff have worked to develop the 2026 budget. The Governing Body reviewed the recommended budget on June 12th and again on July 10th. At the July 10th meeting, the City Council approved providing public notice to exceed the Revenue Neutral Rate.

Staff Comments/Recommendations

The Revenue Neutral Rate is the tax rate in mills that will generate the same property tax in dollars as the previous tax year using the current tax year's total assessed valuation. In Westwood, the Revenue Neutral Rate for fiscal year 2026 would be 18.822 mills. The 2026 recommended budget provides for a total mill rate of 25.199, increased by 4 mills from fiscal year 2025 to increasing funding to the City's under-resourced Capital Improvement Fund/Plan.

Per Senate Bill 13, the recommended budget requires a Revenue Neutral Rate hearing to exceed the revenue neutral rate provided by the County Clerk. Notice of intent to exceed the Revenue Neutral Rate was provided to the County Clerk by July 20th and the notice of public hearing was published on August 26, 2025. The public hearing will occur at the beginning of the September 11, 2025 meeting. The adoption of the 2026 budget will occur following the adoption of the Revenue Neutral Rate resolution.

Staff recommends the City Council approve a resolution adopting a tax rate in excess of the Revenue Neutral Rate for the 2026 budget year.

Suggested Motion

I move to approve Resolution No. 148-2025 approving a tax rate or mill levy rate in excess of the Revenue Neutral Rate for the 2026 budget year.