

The following is a list of potential areas of consideration to assist in operational and debt budget management. They are offered in the spirit of the policy on city debt limit at 3.5% enforcing responsible fiscal stewardship and transparency. These ideas are intended only as a starting place for research and discussion.

All ideas recognize the due process for development of policies and ordinances including but not limited to committee and council discussion, input from appropriate staff and experts, and legal review to ensure compliance with state and federal statutes.

I. Limit of General Fund Balance as percentage of operating budget

II. Limit on General Obligation Debt Levy as percentage of city's equalized value

A. State limit 5%

B. Current city policy 3.5% ([see 2026 budget page 165](#))

C. Consider lowering it to 3.25% or 3%

- We have more sinking funds (e.g. police car fund) that use save-up rather than borrow to fund certain capital expenditures

D. See [Finance Committee Meeting 2/24/2026 item #9](#)

III. Limit how often the city can go to binding referendum

A. Creation of a "cool down" period after a failed referendum

B. Placement of referendums only in April and November General elections

IV. Automatic closure of inactive funds, and reallocating the funds

A. Include feedback from certain committees for certain funds (e.g. landmarks for landmark funds, Parks and Rec for park funds) on where to re-allocate to.

B. Inactivity defined roughly as no expenditures from the fund or planned capital expenditures for a certain period.

V. Treatment of Tax Increment District Net New Construction

A. Reported to the Department of Revenue annually on form PE-300 as "Allowable Levy Increase Attributable to TID Net New Construction"

- 2024 that was \$31,744 as [reported by Joint Review Board](#)
- 2025 that was \$5,489 as [reported by Joint Review Board](#)

B. Allocate a certain small percentage of that number to operational costs

C. Most of the funds then go to covering debt or paying cash, rather than raising operational costs, with intent to lower overall burden on taxpayers

VI. Treatment of new Special Utilities (established after a set date) in relation to operational levy to ensure their creation is tax burden neutral

A. See [Finance Committee Meeting 2/24/2026 item #8](#)

VII. Clear policy and process around creation and advertising of new positions and total FTE.

A. Combining part-time to full-time positions because of impact on benefits

B. Creation of new positions "up" the salary schedule

VIII. Process around Capital Improvement Expenditures when it comes to over-budget quotes

A. Determining what projects we are "cutting" or what projects we can re-allocate from because they were under budget

B. Higher vote threshold than simple majority