

City Council Meeting Date: September 23, 2025

To: Mayor and City Council

From: Ben Martig, City Administrator
Brenda Angelstad, Finance Director

Consideration of a Preliminary 2026 General Fund Budget and Establishing a Date and Time for the Public Hearing (Resolution 2025-098).

Consideration of Resolution Adopting a Proposed 2025 Total Tax Levy Payable in 2026, includes HRA & EDA (Resolution 2025-099).

Action Requested:

Council approves the resolutions adopting a proposed 2026 General Fund Budget and setting the date and time for the Public Hearing and adopting a proposed 2025 total tax levy payable in 2026, includes HRA & EDA.

Summary Report:

On September 16th the City Council had a budget work session, where they reviewed the preliminary budgets and preliminary levy.

Council expressed consensus in adopting the 9.9% option presented by staff. There were several Council members at the worksession that did express interest in finding alternative options to the Sunday hour changes in service levels. The Mayor suggested prior to closing the last budget worksession meeting that based on feedback to include two alternative resolutions for consideration of the budget and tax levy that include:

- A. 10.2% preliminary tax levy and corresponding preliminary budget that would include the ability to explore alternative options in the coming budget meetings to include in lieu of Sunday library hour reduction; or
- B. 9.9% preliminary tax levy and corresponding budget that would presume that Sunday hour reductions are part of the preliminary budget.

Attached is a presentation related to the budget. Staff is continuing to update the presentation with other information for the council and public that summarizes the proposed budget. Some of those may be included at the meeting but also following the meeting more enhanced budget and tax levy formats will be developed for informing the public.

Alternative Options:

Council is presented with both a 9.9% and 10.2% options as attached.

The budget resolution is approved at the fund level. Therefore, this does allow some adjustments to the final budget with either the 9.9% or 10.2% options and doesn't detail in the resolution all the line-item adjustments.

Financial Impacts:

Included in presentation

Tentative Timelines:

The preliminary budget and levy must be adopted by the end of September per State Law. Therefore, the recommendation is to adopt one of these corresponding options.