



## Finance Department

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**Date:** June 16, 2025  
**To:** Karen Kapusta-Pofahl, Common Council Chief of Staff  
**From:** Dave Schmiedicke, Finance Director  
**Subject:** 2026 Operating Budget Agency Request Target

The Common Council's General fund target for the 2026 operating budget is \$1,273,960. This budget target reflects 99.25% of your cost to continue budget. Per the Mayor's guidance, your agency is not required to put forth a reduction plan, but you will be expected to develop your budget within this target amount.

Your cost-to-continue budget reflects the following global adjustments: salary and benefits adjustments (step and longevity increases, cost of living adjustments, VEBA rates), updated workers compensation and general liability insurance rates, and updated interdepartmental charges (e.g. fleet rate, facilities cost) if applicable, and other charges determined through the City's cost allocation plan. As part of the budget development process, the finance budget team will make additional citywide adjustments, including updates to health insurance and WRS rates as rates become available.

Funding can be reallocated across services and major expenditure categories so long as the overall agency amount is in line with the budget target. Funding reallocations that are \$10,000 or more at the Major level, or funding reallocations that include personnel changes, must be detailed in the Service Budget Proposal form.

As a reminder, your completed operating submission is due close of business on Friday, July 18, 2025. A completed operating submission will include the following components:

1. Transmittal Memo
2. Service Budget Proposal form for each Service within your agency
3. Line item budget submitted in Munis
4. Position Allocation Change form (if applicable)

In addition, agencies may submit supplemental requests in limited circumstances. Please reference the 2026 Operating Budget Kick Off materials for specific details. If you have an eligible expense for a supplemental request, you must submit a separate proposal form. I encourage you to review the full budget instructions prior to beginning work on your budget submission. If you have any questions regarding the guidance do not hesitate to contact your assigned budget analyst.

As always, please reach out to your budget analyst regarding any questions with this year's process. Thank you for your efforts.