2026 Executive Operating Budget
Common Council Amendments (Proposed)

General and Library Fund Summary

	Net Expenditures	GF Revenue	Levy
Executive Budget	**$ 452,505,115**	**$ 125,838,694**	**$ 326,666,421**
Finance Committee			
Finance Cmte Proposed Amendments	$ 236,295	$ -	$ 236,295
Finance Cmte Adopted Amendments	$ 218,037	$ -	$ 218,037
Total Finance Cmte Recommended Budget	**$ 452,723,152**	**$ 125,838,694**	**$ 326,884,458**
Common Council			
Common Council Proposed Amendments	$ -	$ 218,037	$ (218,037)
Total Common Council Proposed Budget	**$ 452,723,152**	**$ 126,056,731**	**$ 326,666,421**
Maximum Allowed Levy			**$ 331,564,924**
Remaining Levy Capacity -- Executive Budget			$ 4,898,503
Remaining Levy Capacity -- FC Recommended Budget			$ 4,680,466
Remaining Levy Capacity -- CC Proposed Budget			$ 4,898,503
Maximum Allowed Expenditures			**$ 380,384,799**
Net expenditures, less debt service and other ERIP execeptions			$ 379,966,514
Remaining Expenditure Capacity -- Executive Budget			$ 418,285
Remaining Expenditure Capacity -- FC Recommended Budget			$ 200,248
Remaining Expenditure Capacity -- CC Proposed Budget			$ 200,248

Finance Dept recommends leaving a $200,000 margin for future readjustments to ensure the City qualifies for the 2027 ERIP payment. Executive budget, as amended by Finance Committee, including proposed Common Council amendments, leaves $248 in expenditure room above the recommendation.

						General & Library Fund			Other Funds	
#	**Agency**	**Amendment Title**	**Sponsor(s)**	**Co-Sponsor(s)**	**Action**	**General Purpose Revenue**	**Net Expense**	**TOAH Impact**	**Revenue**	**Expense**
1	General Fund Revenues	Reduce property tax levy through allocation of fund balance	Rhodes-Conway, Vidaver, Govindarajan	Field, Matthews, O'Brien, Guequierre		$ -	$ -	$ (2.25)	$ -	$ -

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Identifying Information

Agency:	General Fund Revenues	Amendment #:	1
Amendment Title:	Reduce property tax levy through allocation of fund balance	Page #:	40
Sponsor(s):	Mayor Rhodes-Conway, Council President Vidaver, Council VP Govindarajan	Action:	
Co-Sponsor(s):	Field, Matthews, O'Brien, Guequierre	Vote:	

Amendment Narrative

Reduce the property tax levy by $218,037 by allocating that amount from the general fund unassigned balance ("fund balance") to cover additional expenses added through Finance Committee amendments.

Amendment by Funding Source

	General Fund	Other Funds
GF Revenue	$ -	$ -
Agency Revenue	$ -	$ -
Agency Expenditure	$ -	$ -
Total	$ -	$ -

Note, the proposed changes are within the GF revenue major, resulting in a $0 change in the summary tables

Amendment by Major Expenditure/ Revenue Category

	General Fund	Other Funds
GF Revenue	$ -	$ -
Agency Revenue	$ -	$ -
Salaries	$ -	$ -
Benefits	$ -	$ -
Supplies	$ -	$ -
Purchased Services	$ -	$ -
Inter-Dept Charges	$ -	$ -
Inter-Dept Billings	$ -	$ -
Other	$ -	$ -
Total	$ -	$ -

Ongoing Fiscal Impact

Taxes on the Average Value Home (TOAH) Impact	$ (2.25)
One-Time or Recurring	One Time
Annualized Cost	n/a

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Co-Sponsor(s):	Field, Matthews, O'Brien, Guequierre	Vote:	

Finance Department Analysis

The executive operating budget allocated $2.0 million from the general fund unassigned balance ("fund balance") to reduce the property tax levy. By allocating this amount, the City reached the maximum allowable carryover of unused levy limit authority under state law (approximately $4.9 million, or 1.5% of the prior year property tax levy). The tax increase on the average value home under the executive budget was $30.41 (0.9%).

On October 27, 2025, the Finance Committee proposed and adopted seven amendments to the executive operating budget. These amendments added $218,037 in general fund expenditures. The summary table of the amendment packet, attached to Legistar 90249, reflected an increase of the property tax levy of $218,037 to fund the increased expenses. These increased expenditures brought total expenditures to the level recommended by the Finance Department to qualify for state aid under the Expenditure Restraint Incentive Program (ERIP). Property taxes would increase by an additional $2.25 after incorporating the Finance Committee amendments, for a total of $32.66 (1%) .

This Common Council amendment would change the funding source for Finance Committee amendments from property tax levy to fund balance. This would keep the total property tax levy amount the same as the adopted budget ($326,666,421). This would lower the taxes on the average value home by $2.25 compared to the Finance Committee recommended budget.

The total amount of fund balance applied would increase from $2,000,000 to $2,218,037. The City's 5-year operating budget plan includes utilizing $40 million in fund balance over five years. The City will be able to meet its long-range fund balance targets with the additional use of fund balance in 2026. Fund balance is a one-time source of funding, so on going costs will have to be covered by other general fund revenues in future years.

Changing the funding source for Finance Committee amendments **does not** create additional budget capacity under the Expenditure Restraint Incentive Program (ERIP). The executive budget, as amended by Finance Committee, leaves $200,248 in expenditure room. The Finance Department recommends leaving a $200,000 margin for future readjustments to ensure the City remains eligible for the 2027 ERIP payment. If the Common Council follows the Finance Department recommendation, it would have $248 in expenditure room for further amendments.