

Memorandum

TO: City Council
FROM: Kevin Knopik , Finance Director
DATE: December 15, 2025
SUBJECT: Amending 2026 Debt Levies
ITEM NUMBER: 10.d
SECTION: GENERAL BUSINESS

REQUESTED MOTION

To adopt proposed resolution number 25-96 reducing debt levies for fiscal year 2026 per Minnesota Statutes.

INTRODUCTION

The finance department prepares cash flow projections for all debt service funds on an annual basis for the purpose of monitoring cash flow activity and determining necessary tax support. Tax levies in support of debt payments are established annually as part of the budget process. The proposed motion and attached resolution revise the scheduled debt levies (as recorded at the County) from \$2,058,784.18 down to \$1,300,000.00 for 2026.

DISCUSSION

Staff recommends the following levy adjustments, please refer to the "2026 Final Debt Levy" attachment.

- The levy is eliminated for the 2013C and 2020A GO improvement refunding debt issues because the scheduled levy is not needed at this time. This often occurs due to special assessment prepayments in previous years.
- The levy is rounded to \$185,000 for the 2013A street bonds to provide levy consistency from year to year.
- The levy is reduced to \$184,000 for the 2014A maintenance center bonds because of the allocated share of debt payments provided by utility funds.
- The levy is reduced to \$334,000 for the 2017A tax abatement bonds because of debt service contributions from the Community Investment and Capital Asset Replacement funds.
- The levy is rounded to \$250,000 for the 2018A street bonds to provide levy consistency from year to year.
- The levy is rounded to \$197,000 for the 2022A street bonds to provide levy consistency from year to year.
- The levy is eliminated for the 2024A bond as the debt payments are being funded by transfers in from other city funds.
- The levy is reduced to \$150,000 for the 2025A bond as the city has capitalized interest on hand to meet debt payment requirements.

This proposed action to amend debt levies is consistent with the proposed tax levy and the revised budget as presented under separate items in this agenda.

RECOMMENDATION

Staff recommends adoption of the proposed resolution 25-96.

ATTACHMENTS

[Final 2026 Debt Levy.pdf](#)

[Res 25-96 Pay 2026 Final Debt levy.pdf](#)