

# **BEMIDJI CITY COUNCIL COUNCIL WORK SESSION AGENDA**

Monday, December 8, 2025

**City Hall  
317 4th Street NW  
5:30 PM**



**CALL TO ORDER/ROLL CALL**

**BUSINESS**

a) 2026 Levy and Budget

**ADJOURN**

# CITY COUNCIL AGENDA ITEM



**Meeting Date:** December 8, 2025  
**Action Requested:** Council discussion and consensus on a final levy number to be set at the December 15th, 2025 council meeting.  
**Prepared By:** Rich Spiczka, City Manager

---

## **Background:**

The purpose of this work session is to bring some additional data to a discussion on where the 2026 Final Levy will land. The council set the preliminary levy in September of 2025 at 6%. This sets "the ceiling" of what we can budgeted for in 2026. The most recent 5 year average of our annual levy increase has been 6.6%.

Staff is understanding to the sensitivity regarding the cost of increased taxes on the public. They have been mindful in plans for 2026 and receptive to feedback to assure we are addressing real needs and being creative to limit cost impacts to the public. The 6% preliminary levy would set the levy at \$8,957,121. Included in that number:

General Levy	\$7,886,021
Sanford Center CIP	\$210,000
Annual Street Improvements	\$535,000
2007 GO- Public Works Building	\$275,100
TIF Districts	\$51,000

Staff does realize there may be movement downward from that 6% number. They have reviewed options and have provided some opportunity for items that could be removed to reach a lower number. The two CIP items listed in the Options slide of the presentation are both projects that are not needed in 2026 after additional vetting and consideration. These projects can safely wait for a future budget cycle.

The goal of tonight's work session is to find some consensus on a final number that will allow staff the week to reevaluate and tweak any numbers in order to achieve the agreed-upon goal. This will allow for passage of the final levy on Monday, December 15th.

## **Recommendation:**

# **BEMIDJI CITY COUNCIL WORK SESSION**

**DECEMBER 8TH, 2025**

# What will we review

- Historical Data- What is our recent history?
- How do 2025 and 2026 compare?
- What are we proposing to fund in our CIP?
- Overall look at the overall CIP impacts
- Options/High Points/Impacts

# History of Levy in Bemidji

Year	Total Dollars	% change	Tax Capacity	Tax Rate
2021	\$6,652,154	8.3%	\$13,522,236	49.19
2022	\$7,236,529	8.8%	\$14,154,230	51.13
2023	\$7,557,457	4.4%	\$17,013,600	44.42
2024	\$8,107,342	7.3%	18,376,156	44.12
2025	\$8,450,000	4.2%	18,990,183	44.50

# 2025 vs 2026 options

Year	Total Levy	% increase	
2025	\$8,450,000	4.2%	
2026	\$8,619,116	2%	169,000 increase
2026	\$8,788,119	4%	338,005 increase
2026	\$8,957,121	6%	507,007 increase

# Proposed 2026 CIP Funding

- Fire Truck- \$1.2 million
- PW-Streets Equipment \$485,000
- Police Squad Cars \$240,000
- Finance Software \$250,000
- Parks Equipment \$169,500
- GIS- \$23,000
- Legal Integration Software- \$12,000
- PW Engineering- \$10,000
- Elections- \$4,500

## Funds committed/contracts signed/required

\$1,456,500

\*Fire Truck purchase contract is committed

\*Squad cars for PD contract is committed

\*Legal software necessary for interface with BPD and Beltrami County Sheriffs Office.

\*Poll pads for elections required by county

**\*At 6% levy the entire list to the left is fundable**

# City of Bemidji CIP Plans

- \*General Levy needs on average approx. 1.5 million CIP at present to be sustainable
- \*Eliminating CIP creates a back log for future CIPs
- \*Staff are working to collaborate and cooperate on equipment moving forward
- \*Equipment replacement is based off weighing reliability with maintenance costs and down time- a calculated and diligent replacement plan is necessary
- \*CIP timelines are not completely in our control due to partnerships and shared operations/facilities (Elections, Law Enforcement, etc)

# Options to reduce levy

Item	Current '26 Expense	Proposed	Savings
Recreation Budget	\$275,000	\$200,000	\$75,000 (.89%)
2026 Fire CIP (to '27)	\$1,260,000	\$1,220,000	\$40,000 (.47%)
2026 PW CIP (to '27)	\$485,000	\$335,000	\$150,000 (1.78%)

# Overall Thoughts

**\*Staff does not believe the options presented to reduce the levy will sacrifice service. The CIP items suggested to get pushed to '27 will not impact essential services.**

**\*Staff believes this budget is very lean and some concern does exist in unknown or "what if" scenarios.**

**\*Any levy under 4.2% would be less than any budget in quite a long time. The 5 year average is 6.6%**



# 2026 General Fund Budget

## Revenues

	Revenue Budget 2025	Revenue Budget 2026	Revenue Amount Change
Property Taxes (6% Levy)	\$ 7,404,029	\$ 7,886,021	\$ 481,992
Other Taxes & Assessments	\$ 1,620,300	\$ 1,300,000	\$ (320,300)
Licenses & Permits	\$ 146,200	\$ 306,059	\$ 159,859
State Aid & Grants - LGA	\$ 4,777,187	\$ 4,788,318	\$ 11,131
Other revenue	\$ 229,090	\$ 586,000	\$ 356,910
Fire Revenue	\$ 735,000	\$ 797,752	\$ 62,752
Fines & Fees	\$ 170,196	\$ 371,475	\$ 201,279
Transfers	\$ 2,927,332	\$ 4,210,000	\$ 1,282,668
<b>Total Revenue</b>	<b>\$ 18,009,334</b>	<b>\$ 20,245,625</b>	<b>\$ 2,236,291</b>

## Expenses

	Expenses Budget 2025	Expenses Budget 2026	Expenses Amount Change	CIP
Administration	\$ 630,112	\$ 606,799	\$ (23,313)	
Assessing	\$ 138,000	\$ 140,000	\$ 2,000	
Contingencies	\$ 225,000	\$ 225,000	\$ -	
Economic Development	\$ 30,000	\$ 30,000	\$ -	
Election	\$ 4,450	\$ 15,650	\$ 11,200	\$ 4,500
Engineering & PW Admin	\$ 657,424	\$ 702,404	\$ 44,980	\$ 10,000
Finance	\$ 718,457	\$ 747,738	\$ 29,281	\$ 250,000
Fire & Emergency	\$ 2,039,063	\$ 2,292,636	\$ 253,573	\$ 1,260,000
GIS	\$ 165,256	\$ 164,977	\$ (279)	\$ 23,000
legal	\$ 803,919	\$ 835,358	\$ 31,439	\$ 12,000
Library	\$ 239,275	\$ 245,850	\$ 6,575	
Mayor & Council	\$ 176,690	\$ 178,783	\$ 2,093	
Parks & Trails	\$ 1,348,059	\$ 1,445,352	\$ 97,293	\$ 169,500
Planning & Zoning	\$ 481,303	\$ 627,446	\$ 146,143	
Police	\$ 6,241,038	\$ 6,807,874	\$ 566,836	\$ 240,000
Recreation	\$ 661,306	\$ 275,000	\$ (386,306)	
Sanford Center	\$ 350,000	\$ 350,000	\$ -	
Streets	\$ 1,756,381	\$ 1,744,757	\$ (11,624)	\$ 485,000
Technology Services	\$ 175,000	\$ 185,000	\$ 10,000	
Transfers	\$ 166,000	\$ 171,000	\$ 5,000	
<b>Operating Expenses</b>	<b>\$ 16,996,733</b>	<b>\$ 17,791,625</b>	<b>\$ 794,892</b>	<b>\$ 2,464,000</b>

## Operating Expenses with CIP

\$ 20,245,625

# 2026 Property Tax Levy



	2025 Levy	9/30/2025 Proposed 2026 Levy	Variance from 2025	Percent Change from 2025
<b>General Levy</b>	\$ 7,404,029	\$ 7,886,021	\$ 481,992	6.51%
<b>Sanford Center Capital Improvements</b>	\$ 210,000	\$ 210,000	\$ -	0.00%
<b>Annual Street Improvements</b>	\$ 535,000	\$ 535,000	\$ -	0.00%
<b>Debt Levy</b>				
2007 GO - Public Works Building	\$ 276,971	\$ 275,100	\$ (1,871)	-0.68%
TIF Districts	\$ 24,000	\$ 51,000	\$ 27,000	112.50%
<b>Total</b>	<b>\$ 8,450,000</b>	<b>\$ 8,957,121</b>	<b>\$ 507,121</b>	<b>6.00%</b>
<b>Tax Capacity</b>	<b>\$ 18,990,183</b>	<b>\$ 19,033,237</b>	<b>\$ 43,054</b>	<b>0.23%</b>
<b>City Tax Rate*</b>	<b>44.50%</b>	<b>47.06%</b>	<b>3%</b>	<b>5.76%</b>