

City of Wabasha 2026 Budget

December 2, 2025

6 PM

City Council Meeting and Tax
Levy Public Hearing



2026 Budget Presentation

Purpose: Understand 2026 Budget and Tax Levy

- Definitions
- 2025 Major Accomplishments
- Budget Process
- Property Tax Levy and Trends
- 2026 Budget Overview
- 2026 Capital Improvement Fund



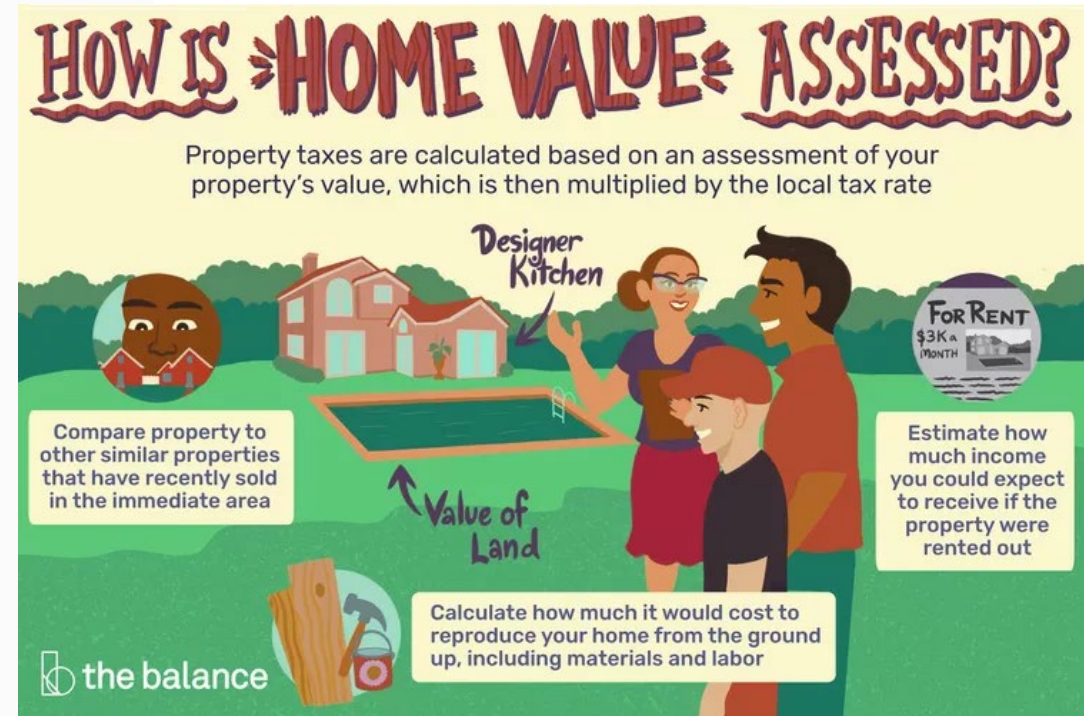


Why did my property taxes go up?

- Market value of your property likely changed. If you don't agree with the Taxable Market Value of your home, contact Wabasha County in **April**.
- Budgets and levies of various taxing jurisdictions
- Special assessments may have been added
- Today >> Why did the **City of Wabasha levy** go up by 10%?

Levy and Budget versus Valuation

- The budget is the amount of money that the City is planning to spend in a fiscal year.
- The levy is amount of taxes that the city is collecting from taxpayers in a fiscal year.
- Property Valuation is the estimated market value the County classifies your property and applies a tax rate to determine how much taxes that you pay.



How the General Fund Levy is Calculated

General Fund Revenue Sources

Local Government Aid

State Aid

Franchise fees

Pool fees

Campground fees

Park fees

Permit Fees

Lodging Tax

Contribution from Port Authority

Contribution from Water and Sewer Funds

General Fund Expenses

Salaries and benefits

Supplies

Consulting Fees

Professional Services

The difference between budgeted revenues and budgeted expenses is the General Fund tax levy collected through property taxes.

Additional 2026 levies: Library, Port Authority, Debt Service, Ambulance, and Capital Improvement Plan.

City of Wabasha Vision Statement and Strategic Priorities



Vision Statement:

The City of Wabasha is committed to the preservation of its history, to affordability and high quality of life, a vibrant tourism community, and conserving its exceptional natural environment.

Strategic Priorities:

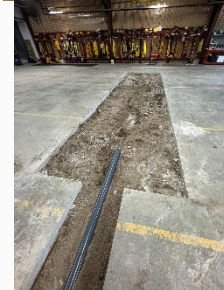
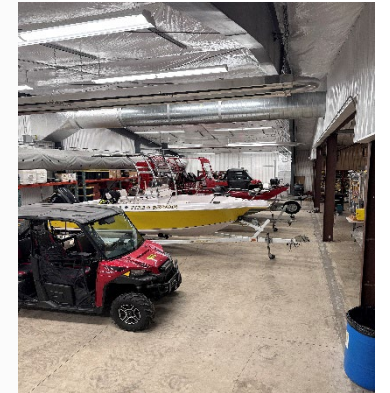
- Community Growth and Development
- Sustainable Infrastructure
- Financial Resource Development
- Organizational Strength

SUSTAINABLE INFRASTRUCTURE



- ✓ Fire hall addition, concrete apron, upgraded old ventilation system, floor drain
- ✓ Repaving most deteriorated streets, replace Market
- ✓ Added rip rap to prevent future erosion along river
- ✓ Added new bike path lighting and fixed path
- ✓ Fixed fencing at Heritage Park
- ✓ Moved Malone playground out of flood zone

And followed our long-term strategic financing plan !





COMMUNITY GROWTH AND DEVELOPMENT



- ✓ Added new Skate Park
- ✓ Began environmental, engineering, demo work for Highway 60 project
- ✓ Added EV Charger
- ✓ Façade Improvement Grant Program distributed over \$18,000 in grants to five businesses for improvements to the exterior of their buildings.
- ✓ Added playground to Eagles Basin



Coulee Way

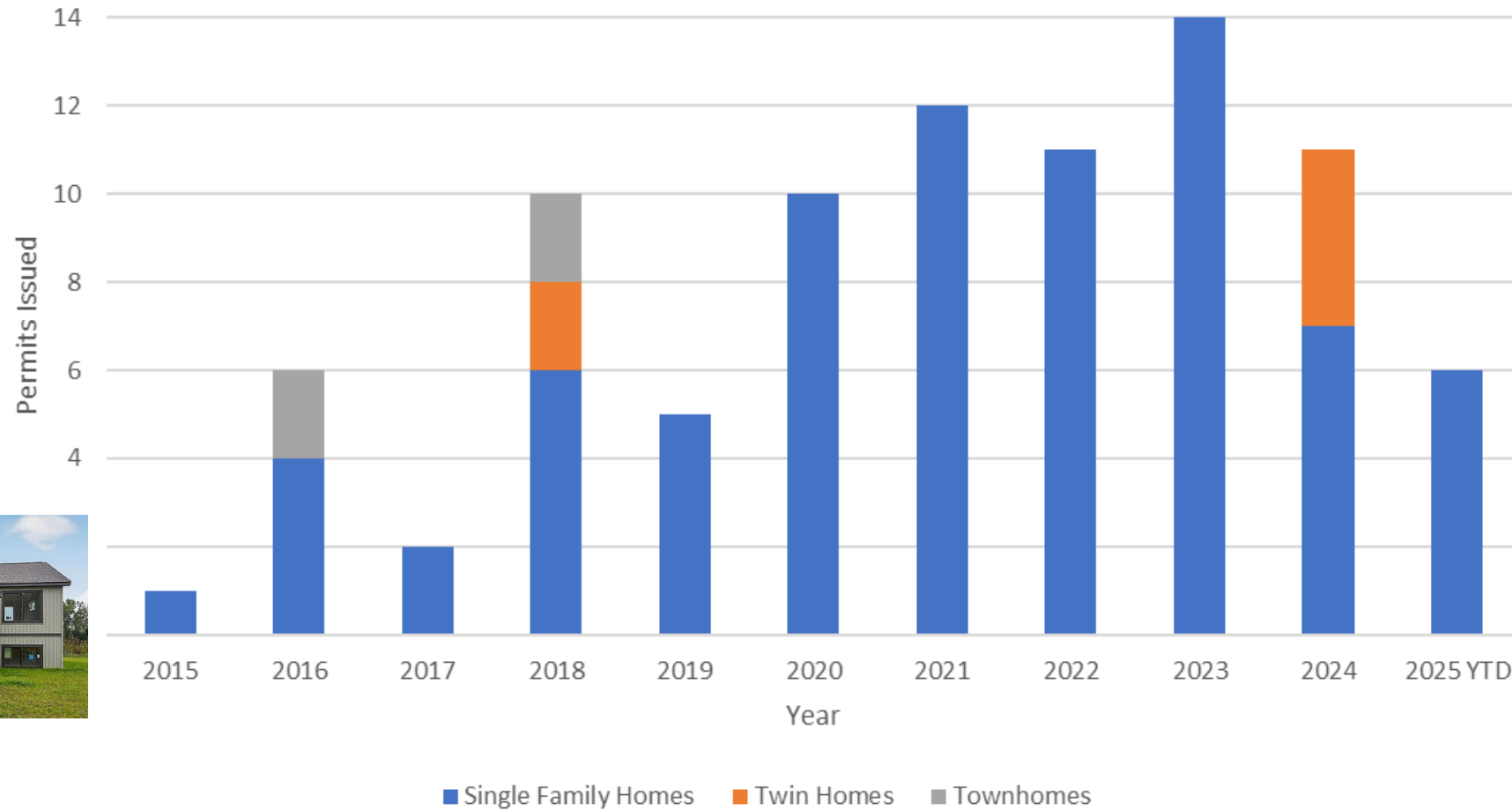


Before



After

2025 Building Permits Issued



- 107 flat fee permits (due to storm damages, re-roofs)
- 22 valuation permits with total valuation of \$12,517,000 (W-K renovation)
- 1 Commercial \$3,000,000 (California Overland Truck Wash)
- 6 new single-family homes permitted, 6 new single-family homes for sale!

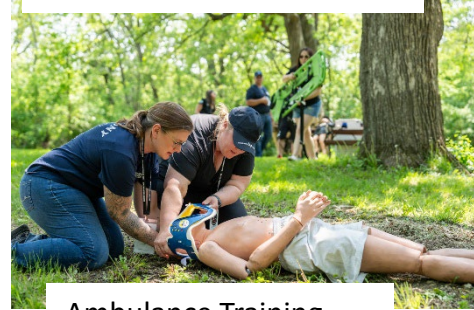
FINANCIAL RESOURCES



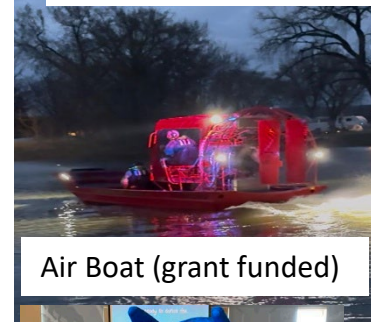
- ✓ 100% increase in ambulance revenue since 2022 (\$258,000).
- ✓ \$888,304 in federal and state grants including \$297,956 for flooding and \$111,701 towards the new ambulance.
- ✓ \$41,000 in Library donations and grants
- ✓ \$75,000 donation from WNB Financial for Athletic Complex.
- ✓ Port Authority generated \$307,423 in net income through Section 217d Army Corps Partnership.
- ✓ \$76,000 in investment interest earnings.



Section 217d partnership



Ambulance Training



Air Boat (grant funded)



TH60 community meeting



WNB Financial donation



Toward Zero Death Grant





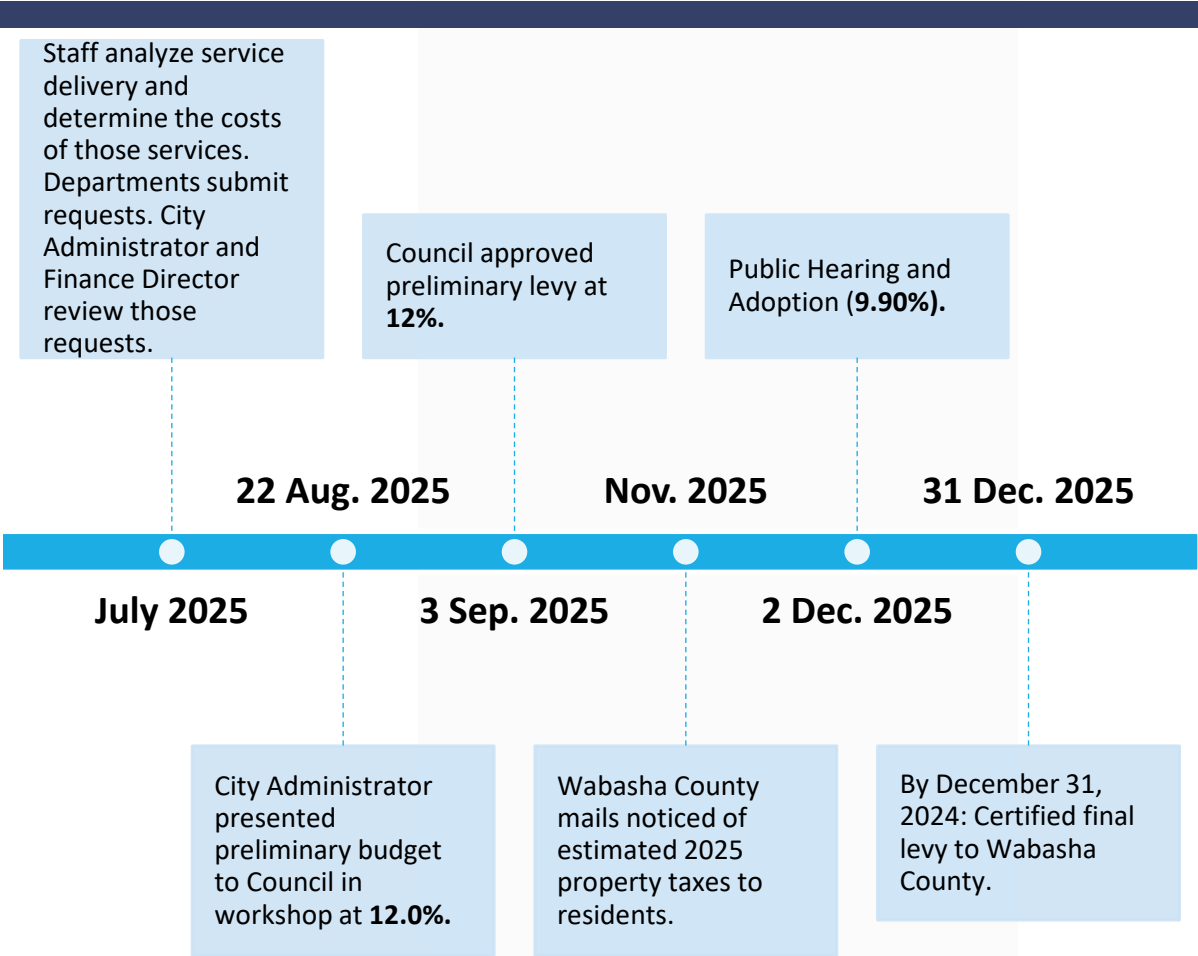
ORGANIZATIONAL STRENGTH



- ✓ Record breaking year for fire, projected to complete the year at (170 calls) and ambulance calls (1000 calls by year end). **60% call increase for fire and 42% increase for ambulance over the last two years.**
- ✓ 31 volunteer fire fighters and 20 volunteer EMT/EMRs. Monthly training.
- ✓ Staff retention, experienced staff
- ✓ Wastewater Treatment Plant is in compliance. Public education events.
- ✓ 16 search warrants this year: drugs, sexual assault, vehicle theft, armed robbery, burglary, fraud, financial exploitation, child pornography
- ✓ Invested staff time in Continuing Education



2026 City of Wabasha Budget Process



2026 City of Wabasha Tax Levy

Summary of Levy Breakdown

			2025 Budget		Proposed 2026 Budget		Percent Increase (Year to Year)
General Fund and Ambulance			\$1,999,447		\$2,172,223		8.6%
Library Fund			\$189,138		\$216,525		14.5%
Port Authority			\$61,381		\$61,381		0.0%
2019A Debt Service - Street Project			\$40,000		\$40,000		0.0%
2023A General Obligation Improvement			\$211,594		\$216,214		2.2%
2025A General Obligation Improvement			\$0		\$64,610		100.0%
Capital Improvement Plan			\$270,000		\$275,000		1.9%
Total			\$2,771,560		\$3,045,952		9.90%

← Wages health

← Retirement

← 4% of levy
increase

← Invested debt
savings

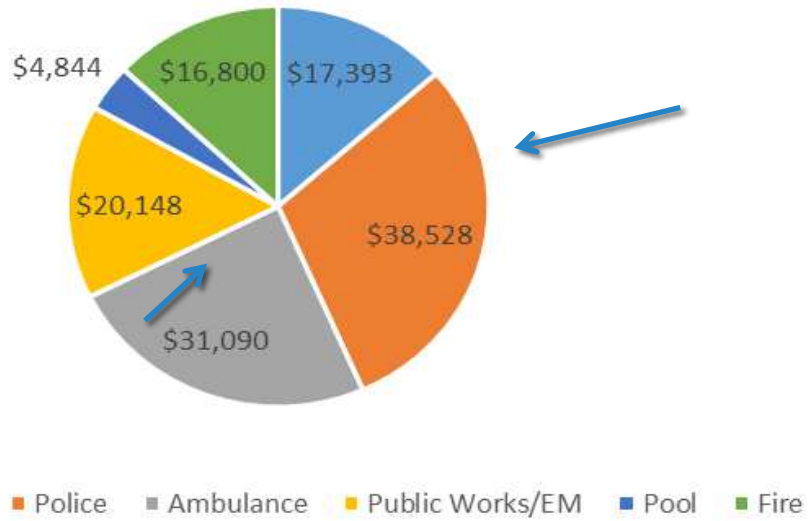
- \$274,392 increase from 2025 to 2026
- About a \$200 increase for a resident with a \$275,000 home

2026 Budget Highlights

62% in wages and benefits

+\$130,374 in wage increases

Wage Increase by Department



+\$79,000 Health Care Cost Increases (20% increase)

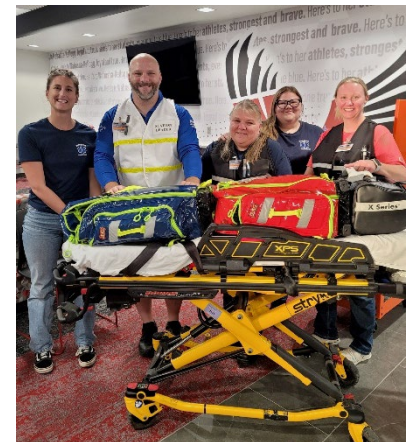
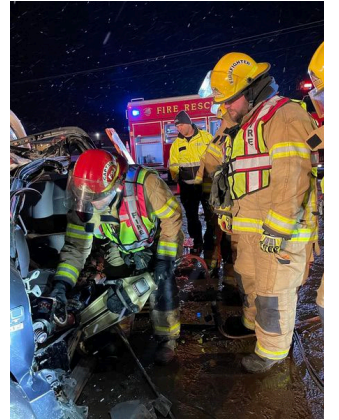
+ \$20,000 Minnesota Paid Leave (Admin, 50% employees)

+\$15,000 Fire Maintenance Equipment and Uniforms

-\$25,000 moved Main Street and Chamber to Port Authority

-\$8,000 park maintenance

Net Expense Increase:
\$327,982*
7.6% increase



2026 Revenue Budget Highlights

2026 Revenue Budget: \$2,195,504

2025 Revenue Budget: \$2,045,296

Increase from 2025 to 2026: \$150,208

Percent increase from 2025 to 2026: 7.3%

Budgeted Revenue Increases from 2025 to 2026:

- Ambulance Services: \$67,000
- Police State Aid: \$21,868
- Minnesota Paid Leave: \$20,000
- Port Authority Staff Contribution: \$16,499
- Fire State Aid: \$12,000
- Ambulance Township Revenue: \$10,000



2021 – 2026 Budget Summary

Department	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	2025 Budget	2026 Budget	\$ Change 2025 to 2026	% Change 2025 to 2026	
Council	\$24,257	\$25,977	\$23,580	\$27,573	\$28,744	\$32,282	\$3,538	12%	CGMC \$3,538
Elections	\$1,353	\$12,054	\$1,442	\$8,582	\$3,000	\$11,725	\$8,725	291%	\$1000 increase election judges
Engineering	\$59,389	\$60,040	\$52,736	\$125,809	\$55,000	\$61,000	\$6,000	11%	Bolton Menk costs the same, building inspector, off set by revenues
Admin	\$380,173	\$444,631	\$406,572	\$429,009	\$451,693	\$509,365	\$57,672	13%	HSA admin fees, new paid leave law (all employees, under Admin)
Accounting	\$32,219	\$32,585	\$48,459	\$62,435	\$40,000	\$39,500	-\$500	-1%	
Legal	\$63,970	\$44,911	\$33,684	\$33,793	\$35,000	\$37,000	\$2,000	6%	
City Hall	\$41,809	\$35,054	\$33,597	\$47,903	\$39,200	\$38,900	-\$300	-1%	
Police	\$940,403	\$1,005,126	\$1,105,780	\$1,158,708	\$1,289,719	\$1,372,306	\$82,587	6%	Wages
Fire	\$203,236	\$192,351	\$190,305	\$233,312	\$210,872	\$257,657	\$46,785	22%	Vehicles, pay increase, uniforms
Planning and Zoning	\$54,433	\$92,131	\$73,914	\$92,480	\$98,426	\$93,875	-\$4,552	-5%	Main Street moved to Port
Ambulance	\$389,525	\$396,873	\$524,389	\$619,080	\$721,853	\$779,967	\$58,113	8%	New overtime schedule Ambulance
Public Works	\$732,073	\$727,821	\$770,991	\$826,798	\$874,954	\$930,660	\$55,706	6%	Wages
Pool	\$77,030	\$97,871	\$95,161	\$104,084	\$106,921	\$109,690	\$2,769	3%	
Miscellaneous	\$84,554	\$223,486	\$39,648	\$130,136	\$29,000	\$22,000	-\$7,000	-24%	Chamber costs moved, cost of new transit bus
Emergency Mgmt	\$2,624	\$5,419	\$4,790	\$99,262	\$9,362	\$6,600	-\$2,762	-30%	
Information Technology	\$34,807	\$38,645	\$36,000	\$48,839	\$51,000	\$65,200	\$14,200	28%	New license for GIS
Capital Improvement Plan	\$0	\$0	\$0	\$225,000	\$270,000	\$275,000	\$5,000	2%	
Total	\$3,121,854	\$3,434,978	\$3,441,047	\$4,272,803	\$4,314,744	\$4,642,727	\$327,982	8%	
Separate Levy									
Library	\$195,364	\$210,521	\$204,939	\$215,938	\$242,076	\$271,181	\$29,105	12%	

2021-2026 Revenue Summary

<u>Description</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2026 Proposed</u>	<u>Percent Change 2025 to 2026</u>
Aids and Credits	\$743,653	\$762,904	\$731,242	\$1,110,363	\$811,577	\$852,528	5%
Fees for Service	\$496,531	\$473,179	\$554,720	\$646,187	\$537,259	\$540,417	1%
Ambulance	\$180,136	\$257,249	\$424,745	\$458,281	\$471,000	\$531,900	13%
Licenses and Permits	\$61,834	\$45,398	\$59,006	\$82,086	\$48,600	\$53,150	9%
Miscellaneous	\$26,803	\$40,357	\$82,882	\$68,418	\$24,940	\$42,068	69%
Staff/Street Lights	\$152,162	\$167,462	\$114,641	\$116,622	\$151,920	\$175,441	15%
Total	\$1,661,120	\$1,746,549	\$1,967,236	\$2,481,956	\$2,045,296	\$2,195,504	7%

Minnesota Paid Leave
50% cost share employees,
HSA contributions

Southeastern Minnesota Cities Tax Rate Comparison

City	Population	Proposed Levy	Per Capita	Levy Increase	Tax Rate
Chatfield	3,005	\$2,914,780	\$969.98	5.38%	86.0%
Caledonia	2,767	\$1,565,646	\$565.83	12%	59.0%
Dodge Center	2,829	\$2,629,023	\$929.31	6%	80.0%
Kellogg	419	\$347,288	\$828.85	8%	81.6%
Greenfield Township	1,700	\$329,000	\$193.53	9%	9.6%
Lake City	5,315	\$5,267,106	\$917.30	7.00%	59.5%
Pine Island	3,930	\$4,218,893	\$1,073.51	4.25%	83.0%
Plainview	3,516	\$3,095,900	\$880.52	6.00%	81.1%
St. Charles	4,037	\$2,642,643	\$635.41	9.50%	59.0%
Wabasha	2,500	\$3,063,734	\$1,108.62	9.90%	75.3%
Average				7.45%	

The Proposed Levy is the total amount we request in taxes. Per capita compares taxes by population. The tax rate shows how each individual homeowner's taxes are calculated- is the percentage used to calculate someone's tax.

$$\text{Local Tax Rate} = \frac{\text{Local Tax Levy (revenue needed)}}{\text{Total Tax Capacity (for all properties)}}$$

2026 Monthly Tax on a \$275,000 Home: \$166.37



Library
\$8.96



Port Authority
\$2.54



Debt Service
\$13.28



City Hall
\$24.94



Police
\$47.25



Community Services
\$12.76



Public Works
\$27.45



Ambulance
\$10.27



Pool
\$2.60

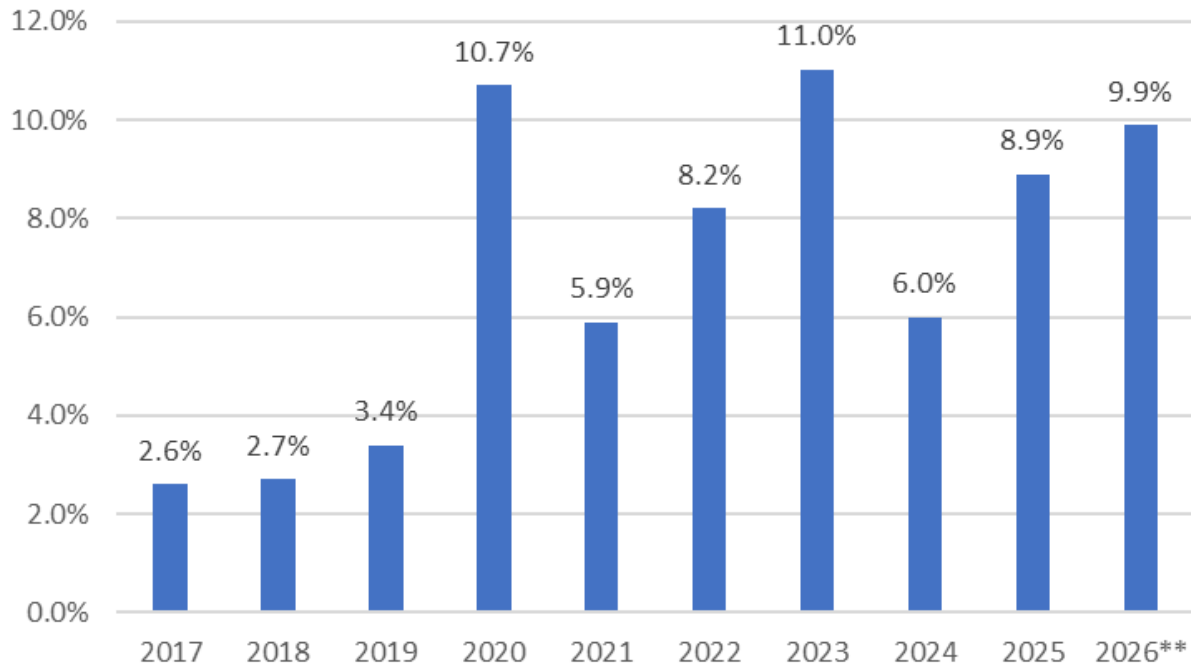


Fire/Emergency Management
\$4.94

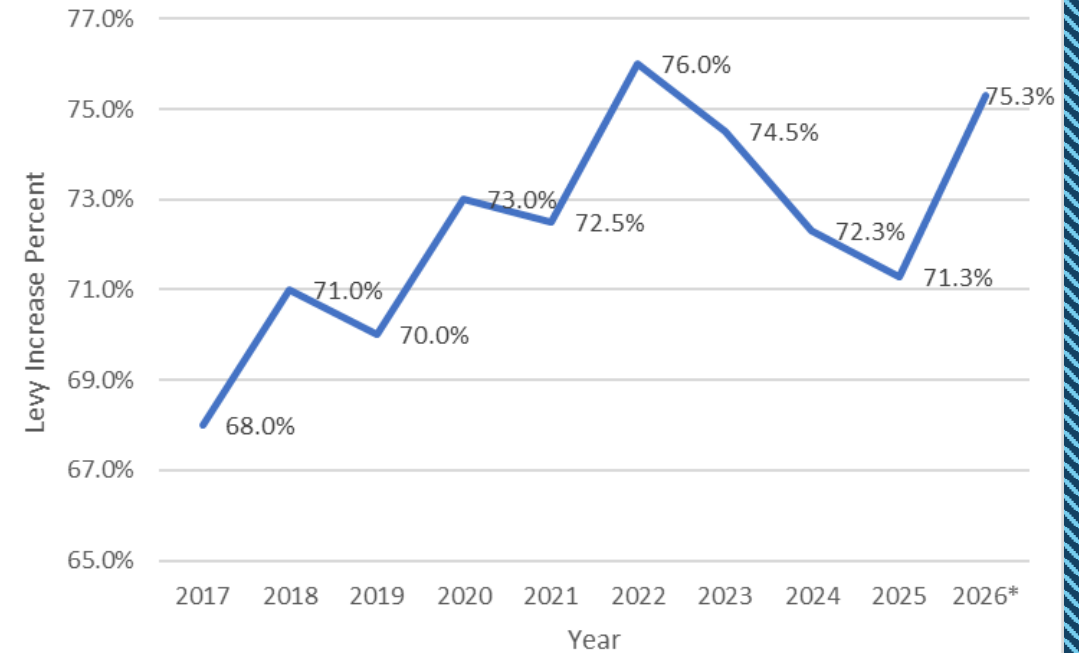


Capital Improvement
\$11.38

Levy Percent Increase by Year

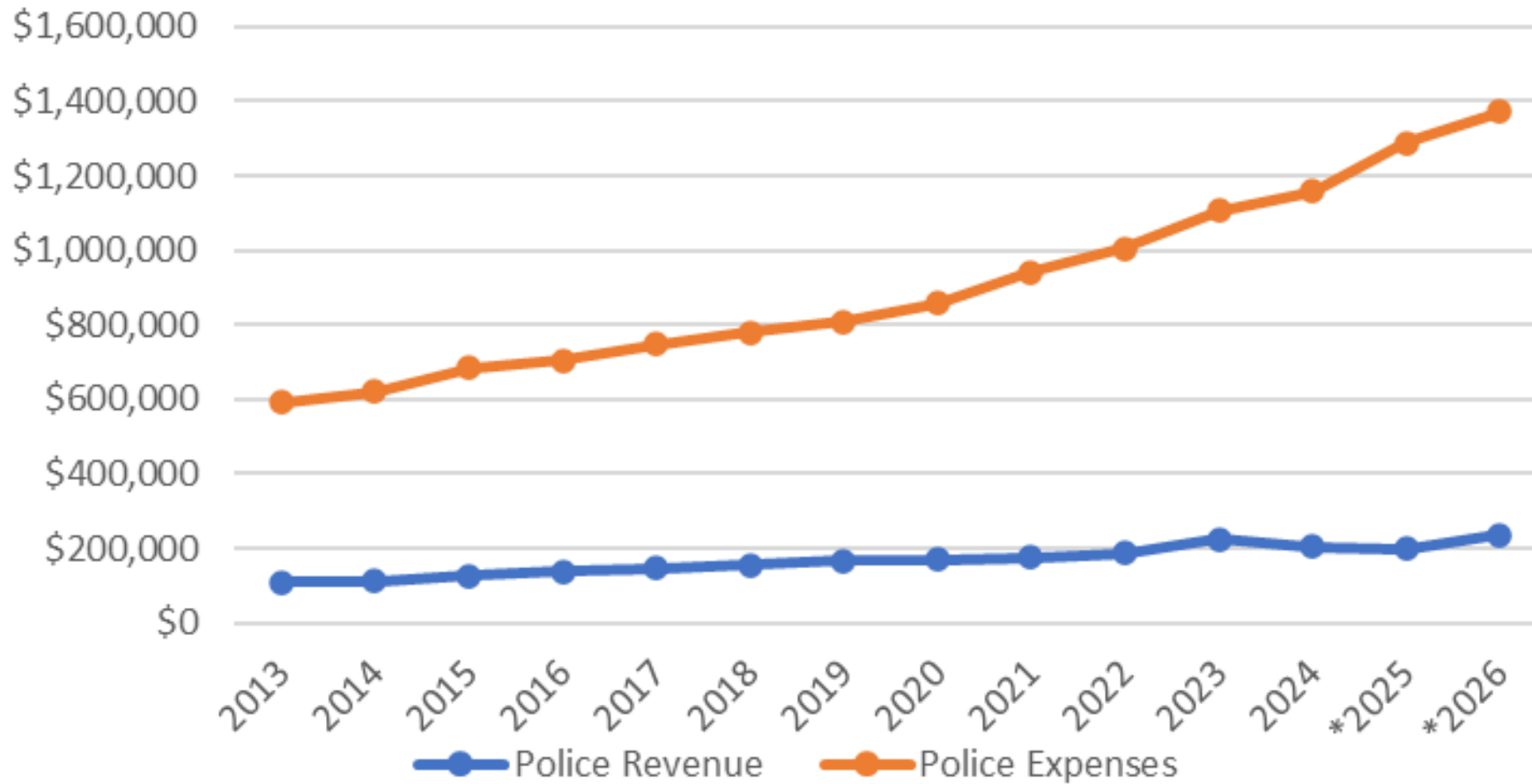


City of Wabasha Tax Rate by Year



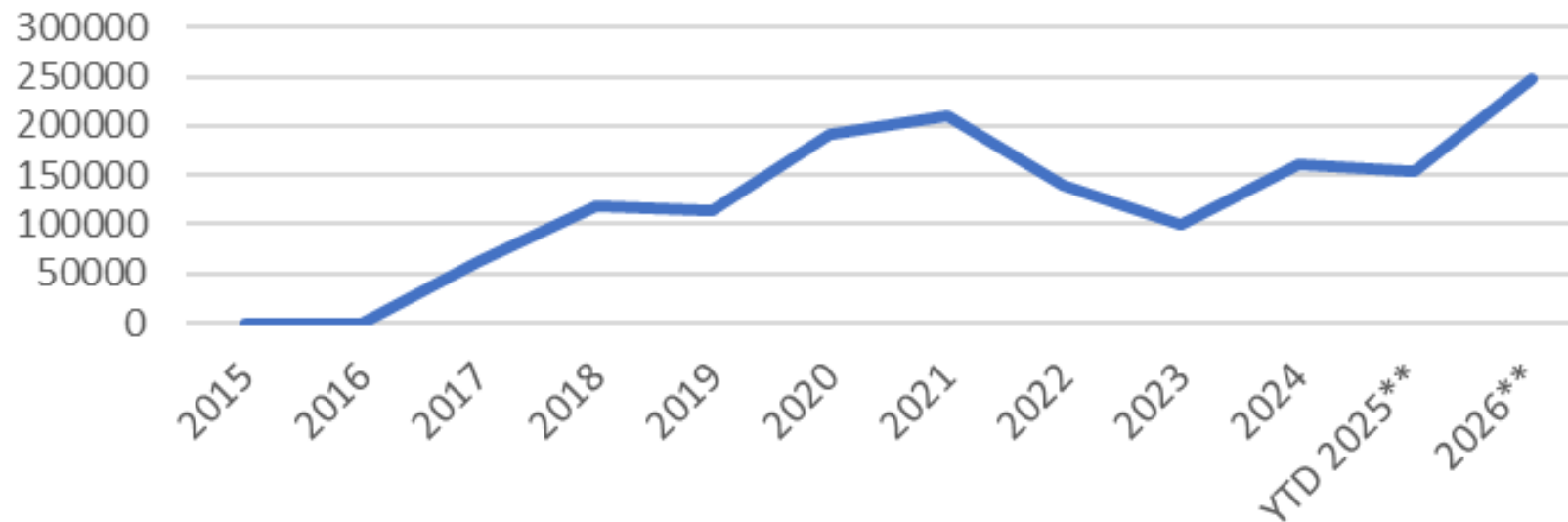
- \$100,000 was transferred from General Fund reserves to lower levy in 2018 and 2019.
- Inflation, decline of ambulance volunteerism, police wages major factors
- CIP was funded at \$0 in 2020 and 2021. We've aimed to increase CIP contributions through franchise fees.

Police Revenue and Expenses



Wages and benefits costs have increased, but revenues have not increased.

Ambulance Levy Impact (Revenue minus Expenses)



We have transitioned from a volunteer service.

Added ALS in 2023 to increase revenues.

No reliable aid from State of Minnesota to off set costs.

2026 Property Tax Impact

- Based on a home with a \$275,000 value in 2025, the estimated tax increase in 2026 would be \$191.58 (\$15.97 per month).
- 75.3% Tax Rate
- 4.1% increase in Net Tax Capacity from 2025 to 2026

2026 Property Tax Impact		
Assessed Home Value	\$200,000	\$275,000
Annual City Taxes	\$1,356	\$1,996
Monthly City Taxes	\$113	\$166
Annual Tax Increase	\$134	\$192
Monthly Tax Increase	\$11.19	\$15.97

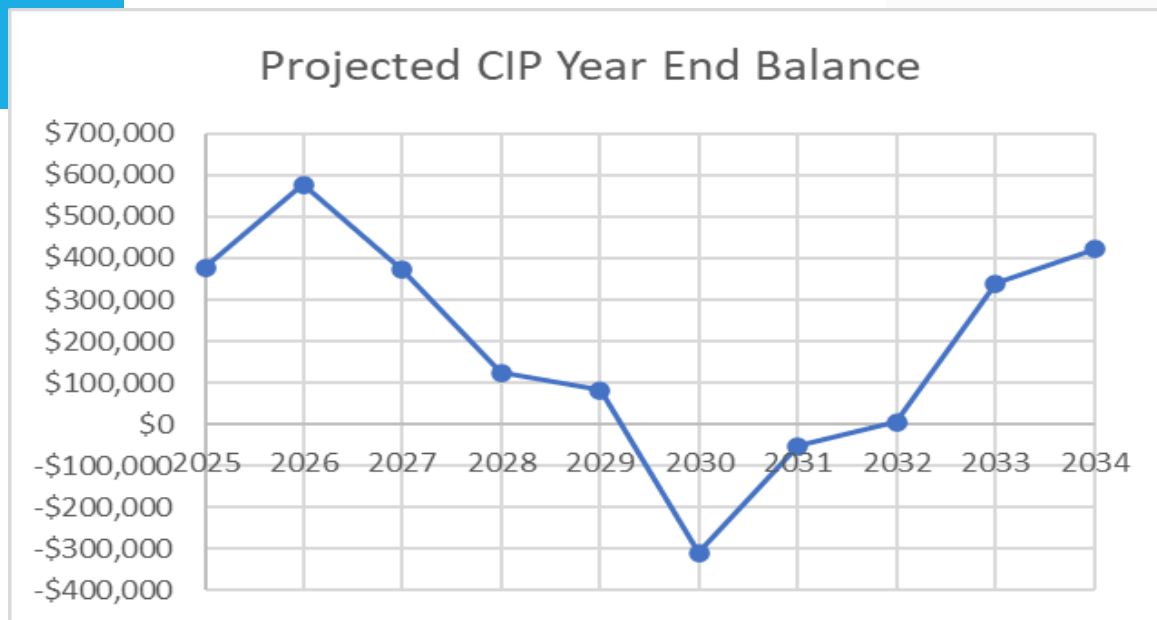


2026 through 2026
Capital Improvement Plan
 Wabasha, MN
Projects By Funding Source

Source	Project # Priority	2026	Total
Capital Improvement Fund			
2026 Downtown Line Striping	26-PW-01	30,000	30,000
Emergency Management	EM	2,000	2,000
Fire Hall: ADA Improvements	26-FIRE-01	10,000	10,000
Library Building Maintenance	MAINTENANCE	5,000	5,000
Police Squad Car	SQUAD CAR	50,000	50,000
Pool Liner: Patching and Painting	26-POOL-01	5,000	5,000
Server	26-ADMIN-01	11,218	11,218
Sidewalks	SIDEWALKS	10,000	10,000
Toolcat Revolving Purchase	PW Toolcat	5,000	5,000
Turnout Gear to Meet OSHA Guidelines	27-FIRE-01	36,000	36,000
Two Lucas Devices	LUCAS	13,000	13,000
Capital Improvement Fund Total		177,218	177,218
GRAND TOTAL		177,218	177,218

City's savings account for equipment and building maintenance and streets

CIP Fund Projected Balance



Projected CIP Year End Balance				
Year	Beginning Balance	Contributions	Requests	Ending Balance
2025				\$378,561
2026	\$378,561	\$375,000	\$177,218	\$576,343
2027	\$576,343	\$345,000	\$549,410	\$371,933
2028	\$371,933	\$345,000	\$593,000	\$123,933
2029	\$123,933	\$345,000	\$387,000	\$81,933
2030	\$81,933	\$345,000	\$737,000	-\$310,067
2031	-\$310,067	\$345,000	\$87,000	-\$52,067
2032	-\$52,067	\$345,000	\$287,000	\$5,933
2033	\$5,933	\$345,000	\$12,000	\$338,933
2034	\$338,933	\$345,000	\$262,000	\$421,933

- Assumes all projects in CIP get funded. We will need to make cuts or move out projects.
- Assumes \$275,000 CIP budget contribution in 2026, plus \$100,000 in Xcel franchise fees (\$375,000)
- Assumes \$250,000 CIP budget contribution in 2027 and beyond, plus \$100,000 in Xcel franchise fees per year (\$345,000 total).
- Starting in 2027, we have a number of major truck purchases, in 2026, we will need to identify potential grants or pushing out purchases to ensure the CIP stays funded.
- Council discussions were regarding the one-time CIP contribution from the debt savings for the street project. It's about a \$30,000 additional contribution. **To remove that would result in about a 1% levy savings > 8.4%.**

Next Steps

- Questions, Discussion
- Possible approval of City of Wabasha 2026 Budget

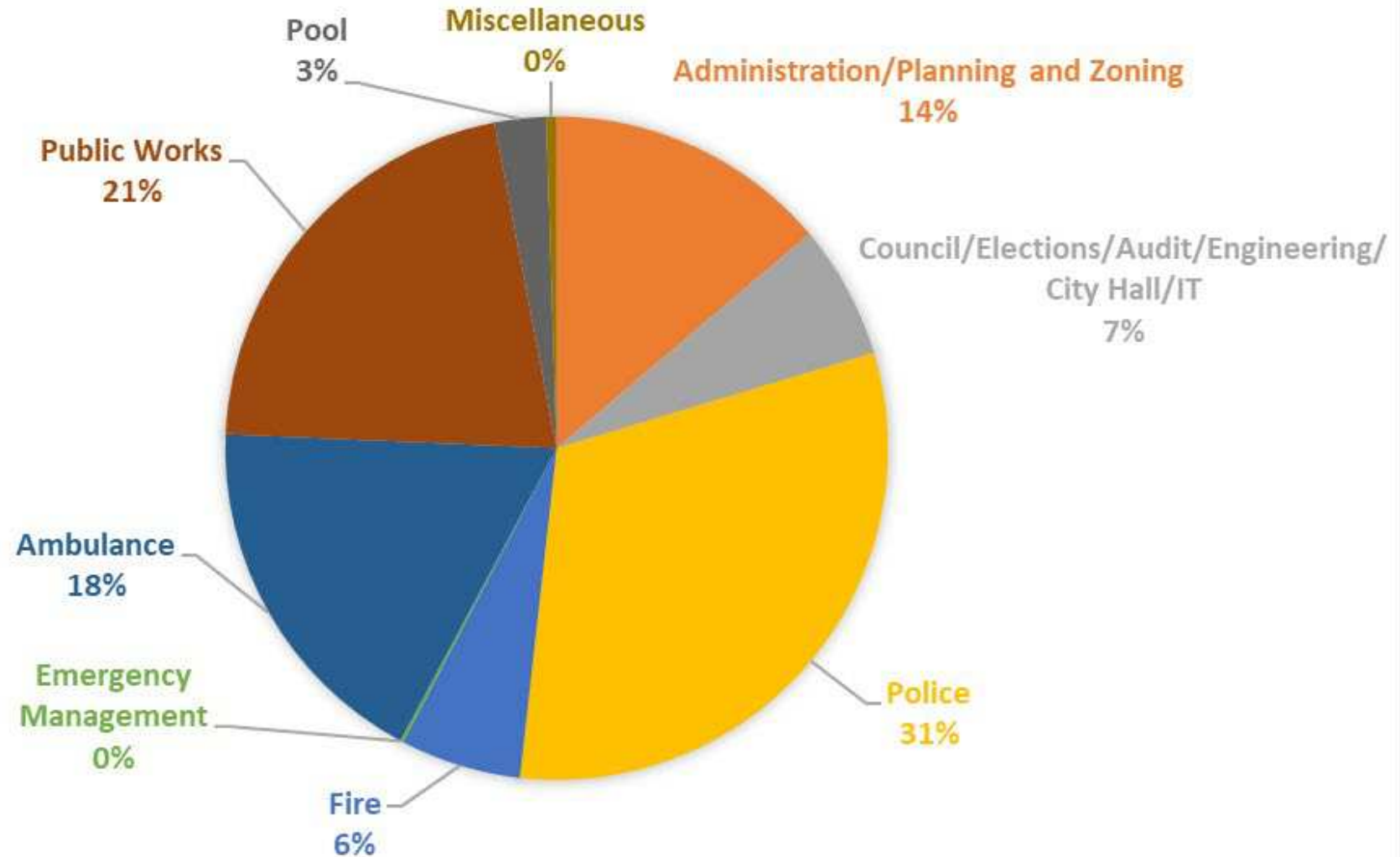


Thank you to all the City staff on a great year and for your efforts to put together the budget. Thank you to our Wabasha City Council for their support and thoughtful input.

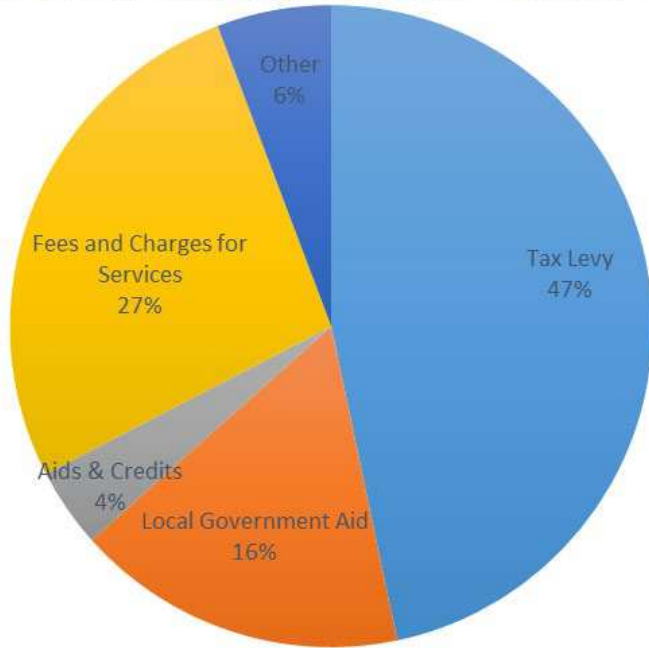


Additional Charts for Informational Purposes

2026 General Fund Expenses by Department

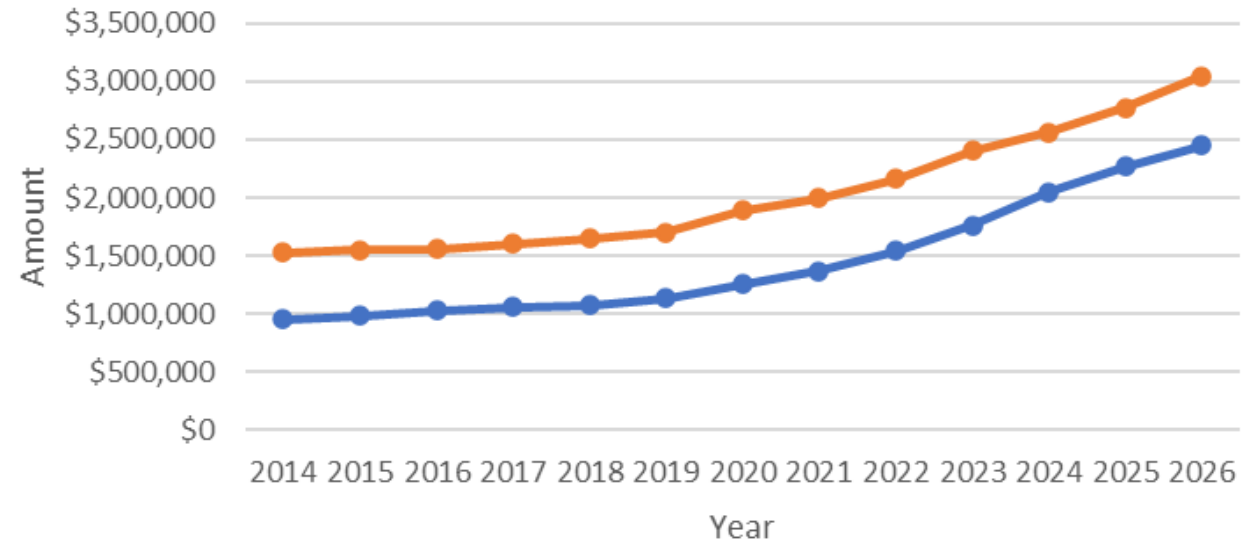


2026 General Fund Revenue Sources



■ Tax Levy ■ Local Government Aid ■ Aids & Credits ■ Fees and Charges for Services ■ Other

City of Wabasha Tax Levy



—●— General Fund Tax Levy Plus Ambulance CIP Contribution
—●— Total City of Wabasha Tax Levy

- The total City of Wabasha levy is higher than General Fund levy due to street projects, Port Authority, and the Library.
- Inflation, ambulance, police major factors

2025 and 2026 Debt Service Payments

<u>Description</u>	<u>2025 Payment Amount</u>	<u>Fund</u>
General Obligation Water Revenue Bonds, Series 2015A	\$46,850	831: Well 3
General Obligation Improvement Note, Series 2019A	\$58,880	399: 2019 Street Improvement
General Obligation Improvement Bonds, Series 2023A	\$154,500	350: Athletic Complex and 389: 2023 Street Project
PFA Loan: 2023 Street Project	\$288,910	800: Water and 810: Sewer
Total	\$549,140	

2026 Debt Service Payments		
<u>Description</u>	<u>2026 Payment Amount</u>	<u>Fund</u>
General Obligation Water Revenue Bonds, Series 2015A	\$46,621	831: Well 3
General Obligation Improvement Note, Series 2019A	\$58,365	399: 2019 Street Improvement
General Obligation Improvement Bonds, Series 2023A	\$266,200	350: Athletic Complex and 389: 2023 Street Project
General Obligation Improvement Bonds, Series 2025A	\$62,689	367: 2025 Street Project
PFA Loan: 2023 Street Project	\$305,643	800: Water and 810: Sewer
Total	\$739,518	

