

**Brainerd, MN  
August 25, 2025**

Pursuant to due call and notice thereof, the Budget Workshop of the Brainerd City Council was called to order at 6:00 p.m. by Council President Bevans.

Upon roll call, the following members were noted as present: Johnson, Stunek, Yeager, Erickson, Bevans, Czeczok, and O'Day. Mayor Badeaux was also noted as present.

### **2026 Budget and Levy**

Finance Director Hillman explained that a city must adopt a budget for at least the General Fund but is not required to adopt a budget for all funds and outlined how a city develops a budget. The discussion of the workshop focuses on the Working Funds (General, Public Safety, Parks, and Streets), debt and capital which are the funds the City needs to levy for operations.

Finance Director Hillman stated that the preliminary levy must be set by September 30<sup>th</sup>, 2025, with the final levy being set by December 31<sup>st</sup>, 2025. Finance Director Hillman gave an overview of the proposed budget and levy. The current proposed levy for 2026 is \$7,966,136 and is a 12.23% increase over the 2025 levy. The Personnel and Finance Chair and Council President requested presenting a zero increase to the Library and EDA levies. The presentation highlighted the various revenue and expense categories, as well as the capital and debt needs for 2026, explaining the assumptions used in the budget and reasons for the changes between the proposed 2026 and 2025 budgets.

Member Johnson stated that Finance Director Hillman has done a great job on the budget so far. There are variables that are still unknown. He would suggest waiting to adopt the preliminary levy until after the health insurance RFP is received if possible. He would also like staff to evaluate the payment in lieu of taxes (PILOT) of other municipalities for the contribution from the electric utility to the general fund.

Chair O'Day stated that he would like to see the preliminary closer to the final levy as that is the information that the citizens get mailed out to them and where the questions come in. He is comfortable waiting to set the preliminary levy, possibly calling a special meeting to do so.

### **Adjourn**

The Chair adjourned the meeting at 6:30 p.m.



Nicholas W. Broyles  
City Administrator