

MOTION TO AMEND RESOLUTION 25-0697R

BY COUNCILOR AWAL:

I move to amend Resolution 25-0697R as follows (proposed amendments are in red strikeout and underline):

CITY PROPOSAL:

RESOLVED, that pursuant to Minnesota Statutes, Section 275.065, the city council adopts the following proposed tax levy:

Section 1. The sum to be raised by taxation for the year 2026 for general operations is hereby determined to be the sum of ~~\$45,191,955~~ \$46,059,927 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts of the city, as set forth in the following sections, viz:

Section 2. There will be levied for the support of the general fund the sum of ~~\$27,673,155~~ \$28,541,127.

Section 3. There will be levied for support of the Parks fund the amount of \$280,000

Section 4. There will be levied for the support of the street lighting fund the amount of \$2,547,200.

Section 5. For the payment of debt, there will be levied for the general obligation debt fund the sum of \$7,564,200.

Section 6. That pursuant to Laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$280,000.

Section 7. There will be levied for the support of the street maintenance fund the amount of \$2,300,000

Section 8. That there will be levied for the support of capital funding the amount of \$4,547,400.

Statement of Purpose

This resolution sets the maximum property tax levy for the year 2026. The Mayor's proposed property tax levy increase for 2026 is \$1,793,383, which is a 4.13% increase. This motion to amend sets a property tax levy increase for 2026 of \$2,661,355, which is a 6.13% increase. The increase is equal to the projected 2026 tax receipts to the City of Duluth for new construction of 1.43% plus a 2.70% CPI inflation factor plus 2%.

The City Council must approve and certify a proposed tax levy to St. Louis County no later than September 30. The Council must adopt the final levy in December of the same or lesser amount.

The Council will have the opportunity to discuss budget priorities and the funding for these priorities before the final levy is set in December.

