

City of Minot 2026 Proposed Budget

Recommendations

August 18, 2025

Dear Fellow City Council Members,

This evening, we wish to present our response to the 2026 City Manager Proposed Budget (CMRB2026). Our recommendations come after thoughtfully reviewing the proposed budget, meeting with City staff and considering what the residents of Minot want and deserve.

Prior to sharing our recommendations, it is helpful to look back over events in 2024 and 2025. A year ago, for Fiscal Year 2025 the Council used \$3,500,000 dollars from General Fund Reserves to balance the budget. While this provided a welcome tax break for citizens, it reduced the amount that would otherwise have been levied. This took place while a campaign for Initiated Measure #4 was underway, which would have eliminated property tax in North Dakota transferring responsibility for funding local government to the State Legislature and imposed a cap on local governments. In November, voters rejected Measure #4 with a 63% majority vote opposed. In January 2025 when the ND Legislature got to Bismarck, property tax reform was a top priority agenda item, resulting in the eventual passage a HB1176, containing several important components:

- Local governments were capped at a 3% increase.
- To calculate the 3% cap, a base year within the last 3 years may be selected.
- The Primary Residence Credit was increased from \$500.00 to \$1600.00 per home.
- The Homestead Tax Credit was made available to more homeowners.

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Additionally, Governor Armstrong has stated publicly his intention that Legacy Fund earnings will pay for a larger share of property tax over time, and there was talk during the session of expanding relief to additional classes of real property, e.g., agricultural, and commercial.

While the Legislature was still in session, work began on the City of Minot's 2026 Budget. It was a very in-depth process with City Manager, Department Heads and Staff, after guidance by City Council, to start with a clean slate and develop a look three years forward, with a -3%, flat, and +3% scenario for each based on the levy this year/FY2025. The staff presented the results to the City Council, and while savings in a number of areas made sense and were significant, many of the flat and -3% scenarios were impractical or unacceptable. Our City Manager and City staff used this exercise to prepare the proposed budget that is now being reviewed. While staying within the rules and guidelines set forth by the state, the selected base year for the CMRB2026 was FY2024. The 3% increase and calculation for debt incurred allowed within new state law was also used.

It is important for all of us to note that as a state and a city, we are in a transitional period on a track to reducing property tax burdens. This proposed budget shows progress. This budget sets the baseline for future budgets in a capped environment. We are all elected to approve a budget that provides necessary municipal services to our residents, while adhering to the law passed by our state legislators. With that in mind, on the next page is a list of recommendations and adjustments to the CMRB2026 for your consideration.

Sincerely,

Mayor Mark Jantzer and Alderwoman Lisa Olson

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- Adopt the CMRB2026 as recommended,including the changes outlined below, along with vital components such as the annual pay and health insurance plan, the VERF,and the community contribution requests. The proposed budget also contains a number of cuts or deletions that we support.
- The CMRB2026 allows for proposed cuts to remain in the budget to continue quality municipal services. Included are report writing software and handguns for the police department, nine fire fighting positions, two full time dispatcher positions and one part time dispatcher position. We continue to support funding the partnership with Minot State University that will help provide community resource officers.
- Additional adjustments that we recommend are as follows:
 - Decrease the street maintenance budget from \$12,000,000 to \$11,000,000.
 - Reduce the percentage of sales tax dollars for economic development from 15% to 10% and increase the percentage of sales tax dollars by 5% for property tax relief.
 - Eliminate funding in the amount of \$500,000 for Economic Development Projects.
 - Adopt a sales tax ordinance that allows for flexibility in the distribution of funds, as needs change on an annual basis. This allows the City Council to make decisions based on current needs.
 - Decrease funding for the Facade Improvement Program from \$300,000 to \$200,000. Retaining this program is recommended by the Economic Development Committee and has helped increase property values in the downtown business district. We support proposed staff amendments to the program such as caps and lowering the percentage of the loan amounts.

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- Retain one FT lieutenant at the Minot PD in the amount of \$159,000(*Salary and benefits*).
- Create a FT advanced analytical administrator position at the Minot PD in the amount of \$117,680(*Salary and benefits*).
- Increase the number of unfunded patrol positions at the Minot PD from eleven to twelve.
- Retain Minot FD funding for PPE in the amount of \$85,845.
- Retain a FT Executive Secretary in the City Manager and Mayor's office, in the amount of \$93,028(*Salary and benefits*).
- Create one FT Heavy Equipment Operator position in the amount of \$85,002(*Salary and benefits*). This would be funded through enterprise funds.
- Following several years of discussions, we believe that it is time to make a financial commitment to the remodeling of the current Minot Police Department building. While a final amount for remodeling is not available, we believe it will be in excess of \$15,000,000. With that amount in mind, we propose that \$5,000,000 be taken from reserves annually for FY2026, FY2027 and FY2028, with the initial money included in FY2026.

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