



2026 Budget

2026 BUDGET

WORKSHOPS



September 9

- Overview
- Operating Budget
- Outside Agencies
- 10-Year Financial Plan

September 23

- 10-year Capital Improvement Plan
- Fee Schedule

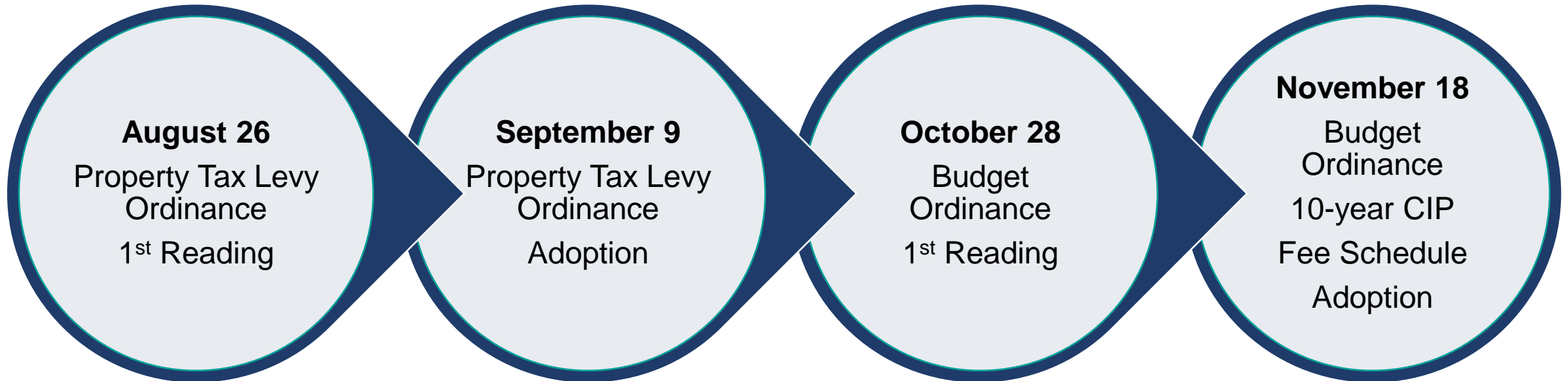
October 14 (Optional)

- Recap & Discussion



2026 BUDGET

ADOPTION PROCESS



2026 BUDGET

WORKSHOP 1 AGENDA



- 2026 Budget Highlights
- Total Budget Comparison
- Primary Revenue Sources
- Budget Overview
 - *General Fund*
 - *Special Revenue Funds*
 - *Enterprise Funds*
- 10-year General Fund Projection
- Outside Agency Discussion
- Questions & Feedback

2026 BUDGET

OVERVIEW



The Budget considers the Council's five (5) focus areas:

- Fiscal Responsibility
- Safe, Inclusive, and Connected Community
- Service & Innovation Excellence
- Economic Growth
- Sustainability

This budget serves as a:

- Policy Tool
- Operations Guide
- Financial Plan
- Communications Device

2026 BUDGET

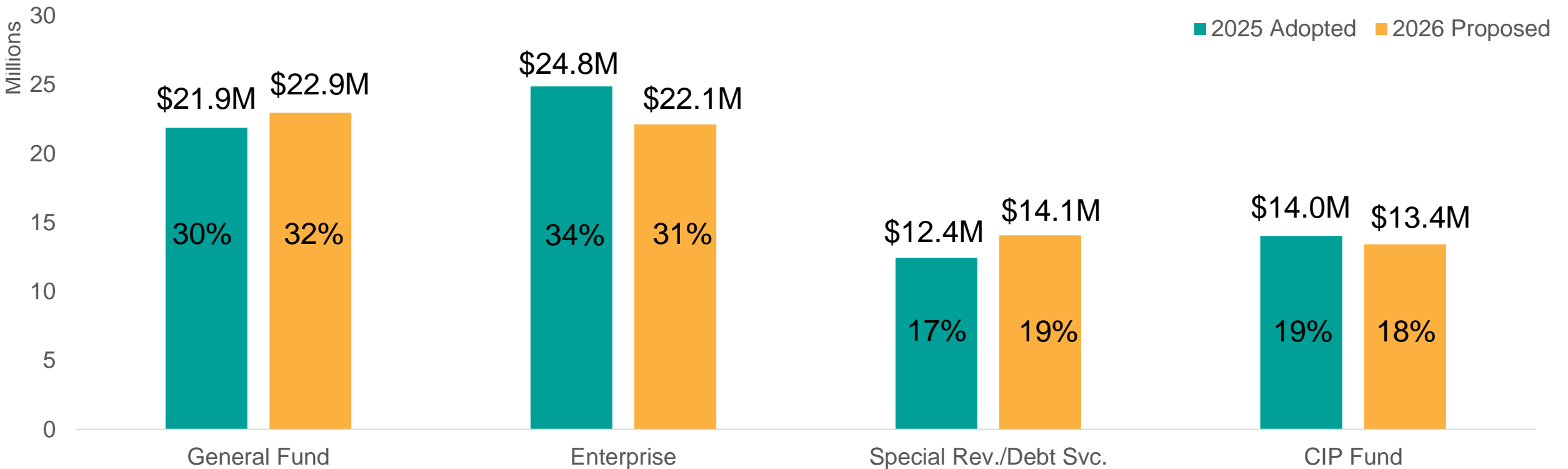
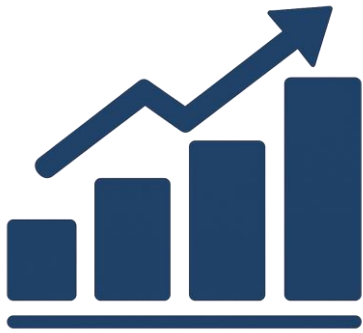
HIGHLIGHTS



- Total budget almost \$650k less than 2025 Adopted
- 3% Sales Tax Growth +\$307k
- 5% Property Tax Growth +\$210k
- \$1M General Fund Increase from 2025 Adopted Budget
- Continued Investment in Employees
 - Wages
 - Professional Development & Training
- Intuitive
- Sustainable

2026 BUDGET

TOTAL BUDGET COMPARISON



2025 Adopted	2026 Proposed	\$ Change	% Change
\$73,169,779	\$72,527,765	\$(642,014)	(0.9%)



2026 BUDGET

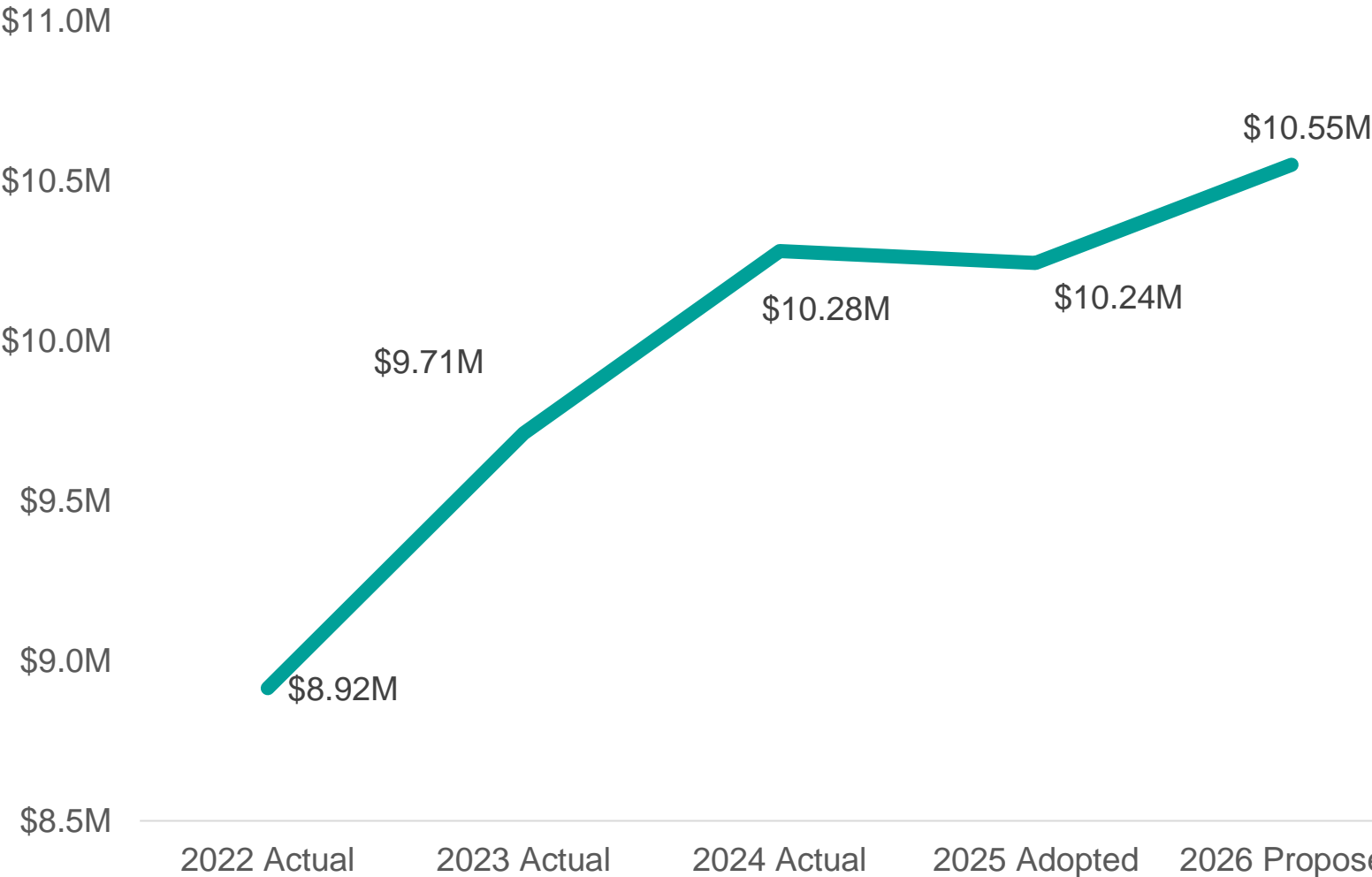
PRIMARY REVENUE SOURCES



- Sales Tax
- Property Tax
- Bed, Booze, and Board (3B) Tax
- Business Improvement District (BID)/ “Pillow Tax”

2026 BUDGET

SALES TAX

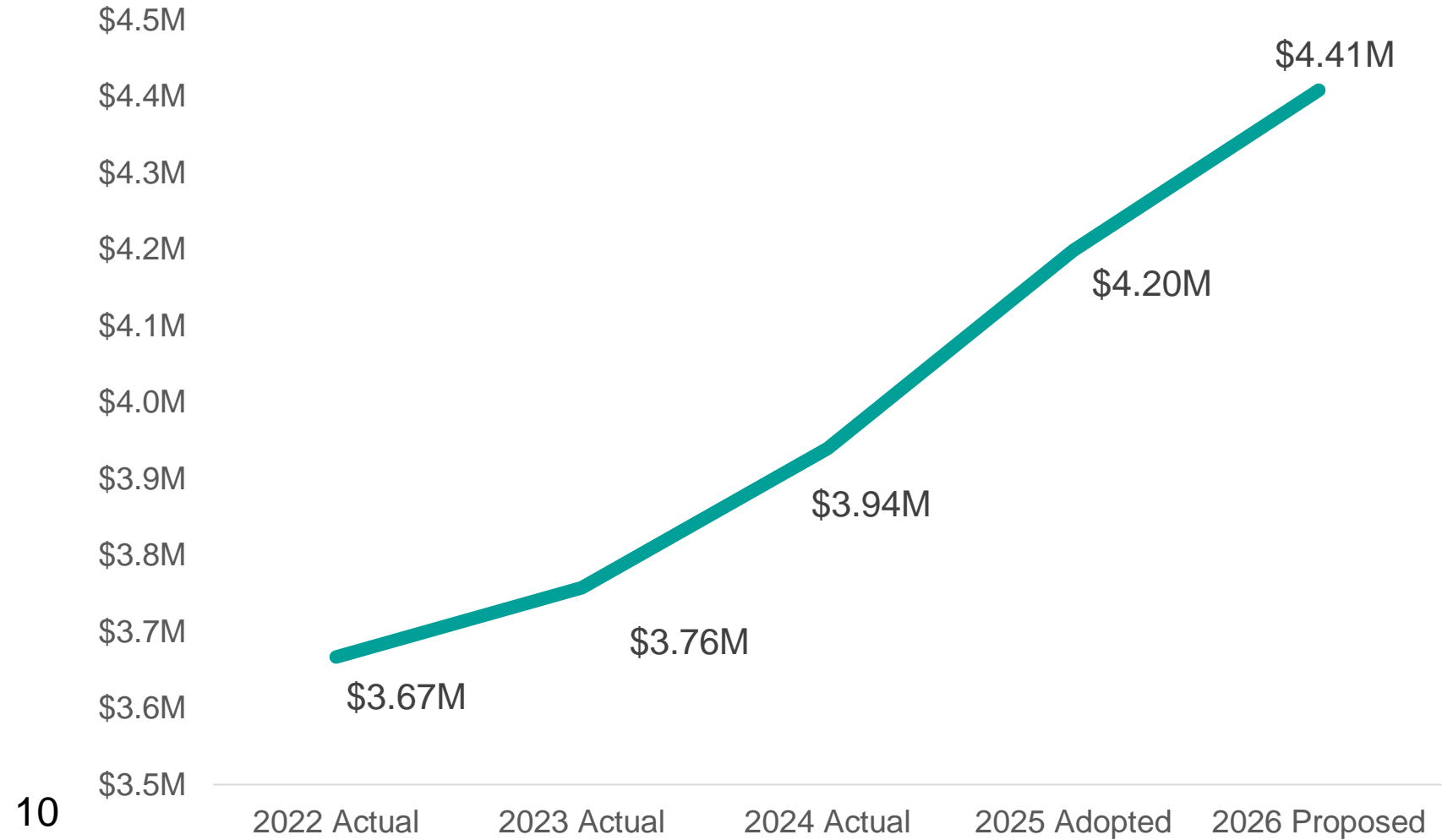


2025 Budget	\$10,243,779
Projected 3% Increase	<u>307,313</u>
2026 Recommended	\$10,551,092



2026 BUDGET

PROPERTY TAX

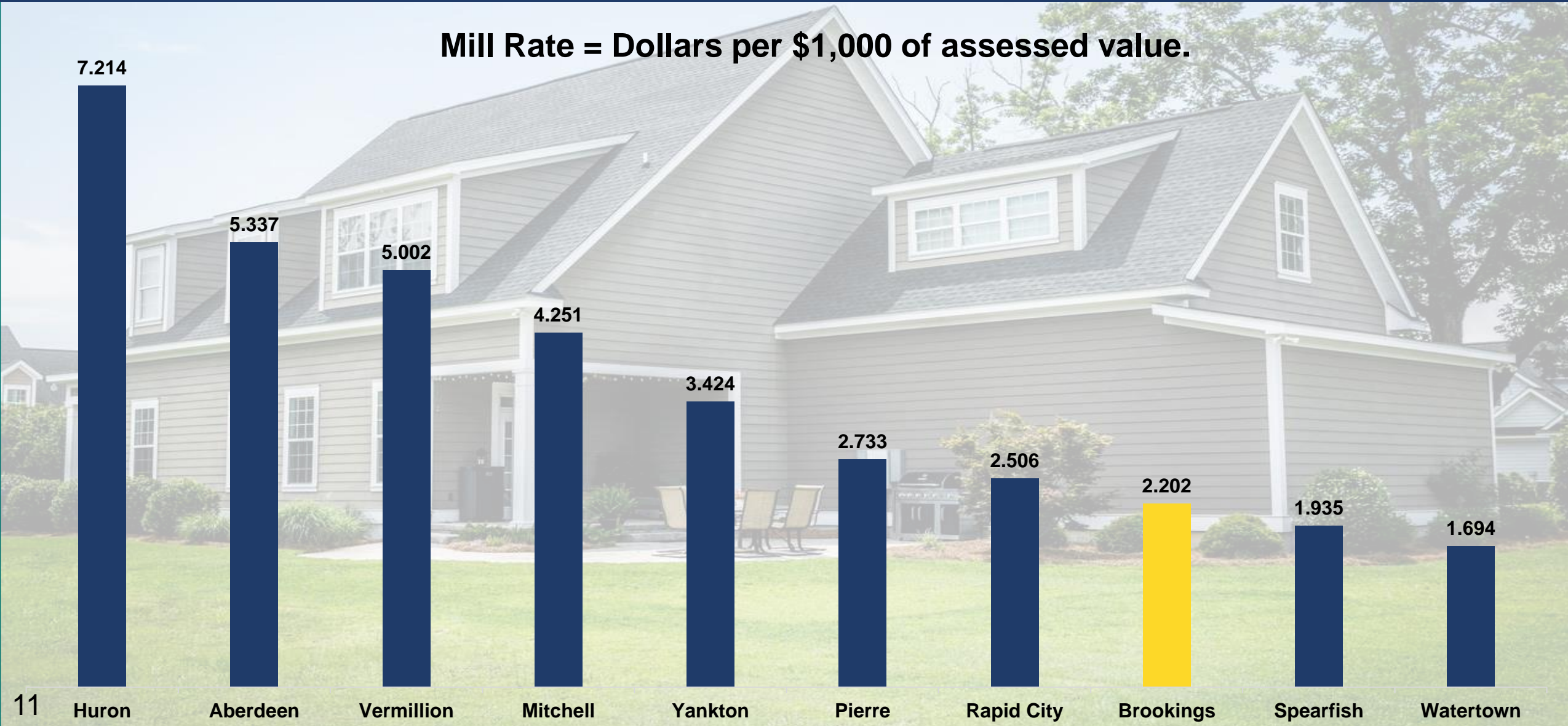


2025 Budget:	\$4,198,703
2.9% CPI:	121,763
2.09% Growth	<u>87,753</u>
2026 Requested:	\$4,408,219



Property Tax Mill Rate by Municipality

Mill Rate = Dollars per \$1,000 of assessed value.



Brookings maintains one of the lowest municipal property tax rates among peer communities.

WHERE PROPERTY TAXES GO

\$350,000 Home

\$4,584 Taxes

PUBLIC SCHOOL
53%

Schools
\$2,438

COUNTY
30%

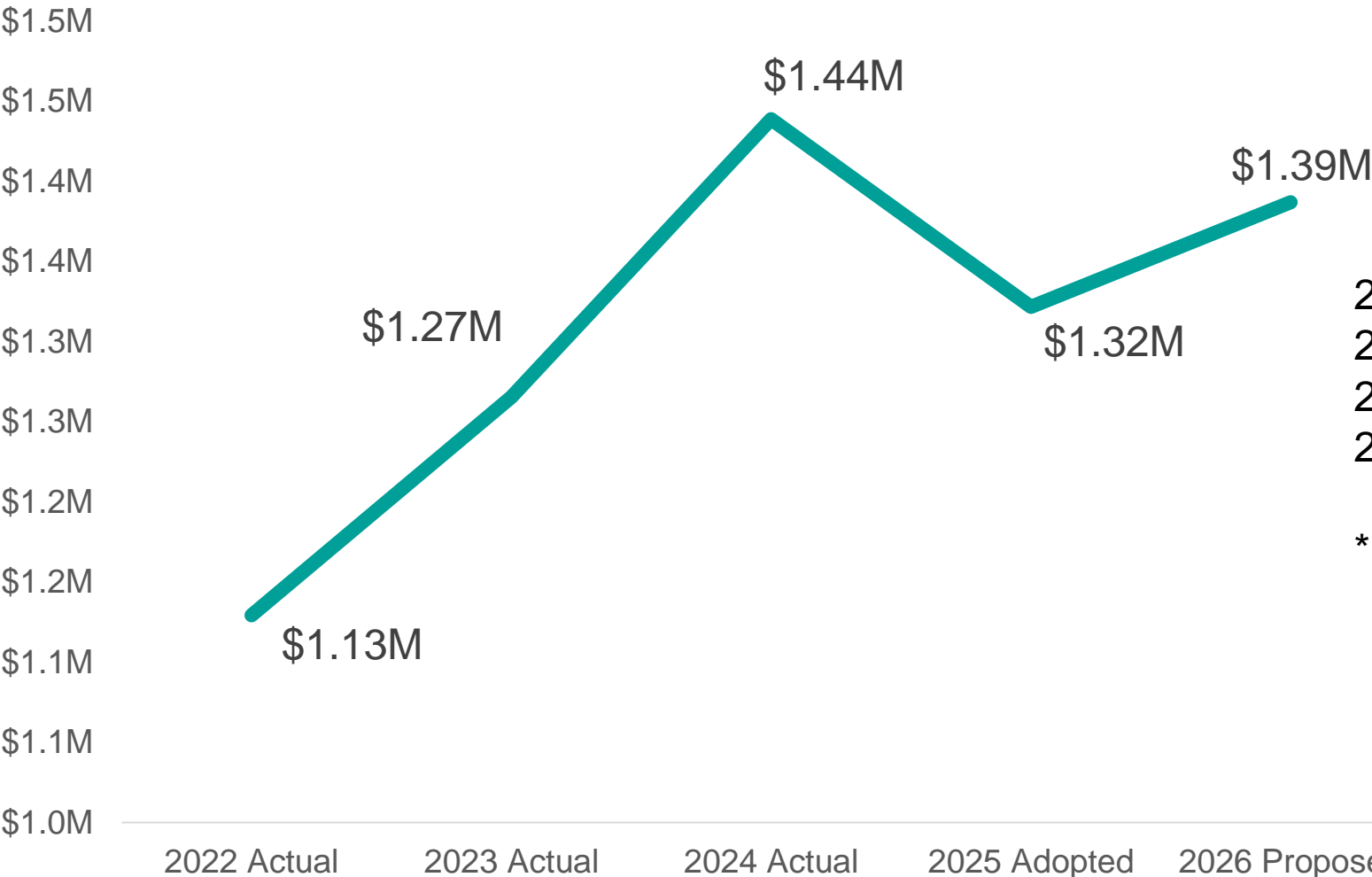
County
\$1,375

CITY
17%

City
\$771

2026 BUDGET

BED, BOOZE, AND BOARD (3B) TAX



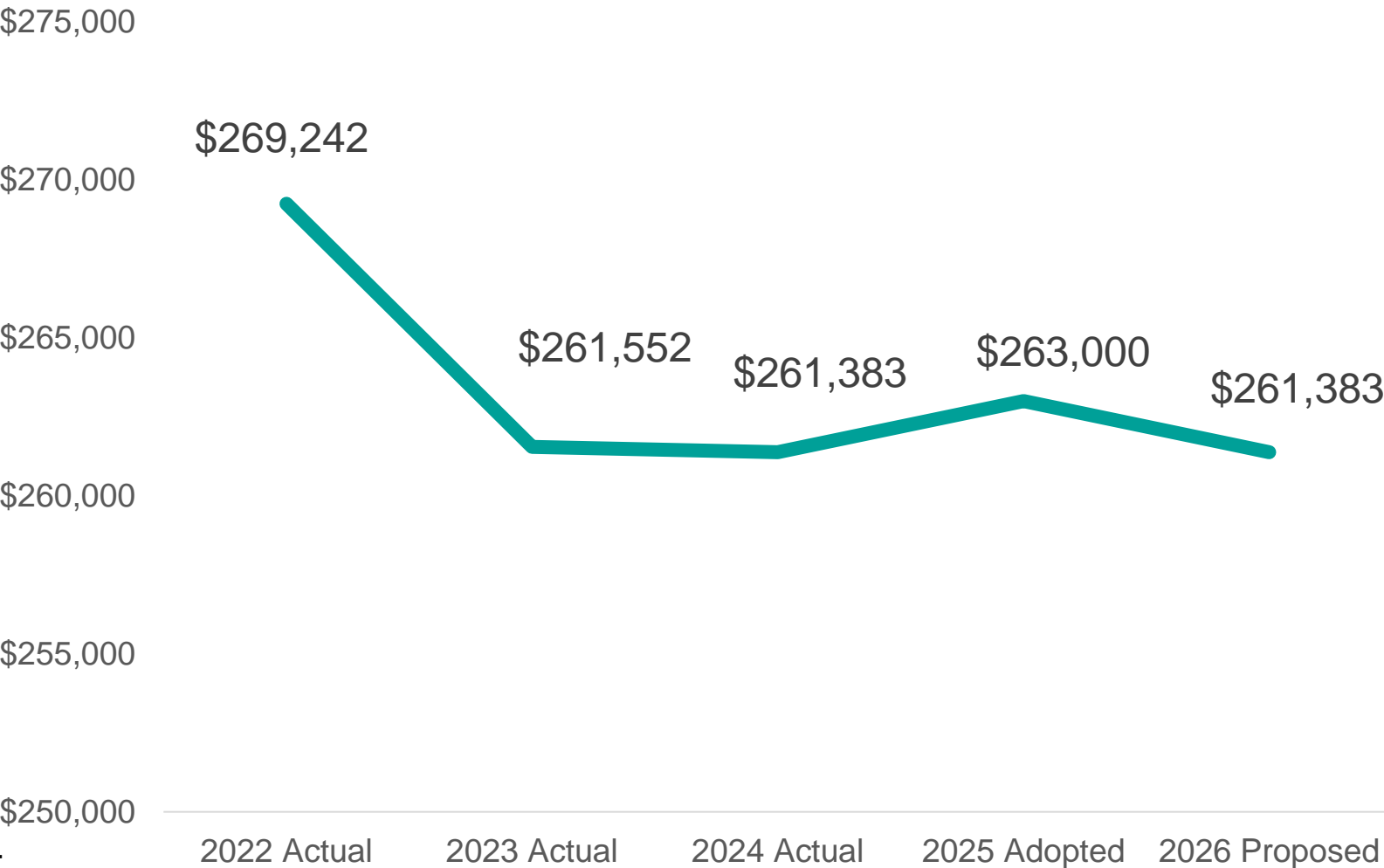
2024 Actual*	\$1,329,230
2.2% Inflation for 2025	29,243
2.1% Inflation for 2026	<u>28,528</u>
2026 Recommended	\$1,387,001

*Less one-time audit payment in 2024



2026 BUDGET

Business Improvement District (Pillow) Tax

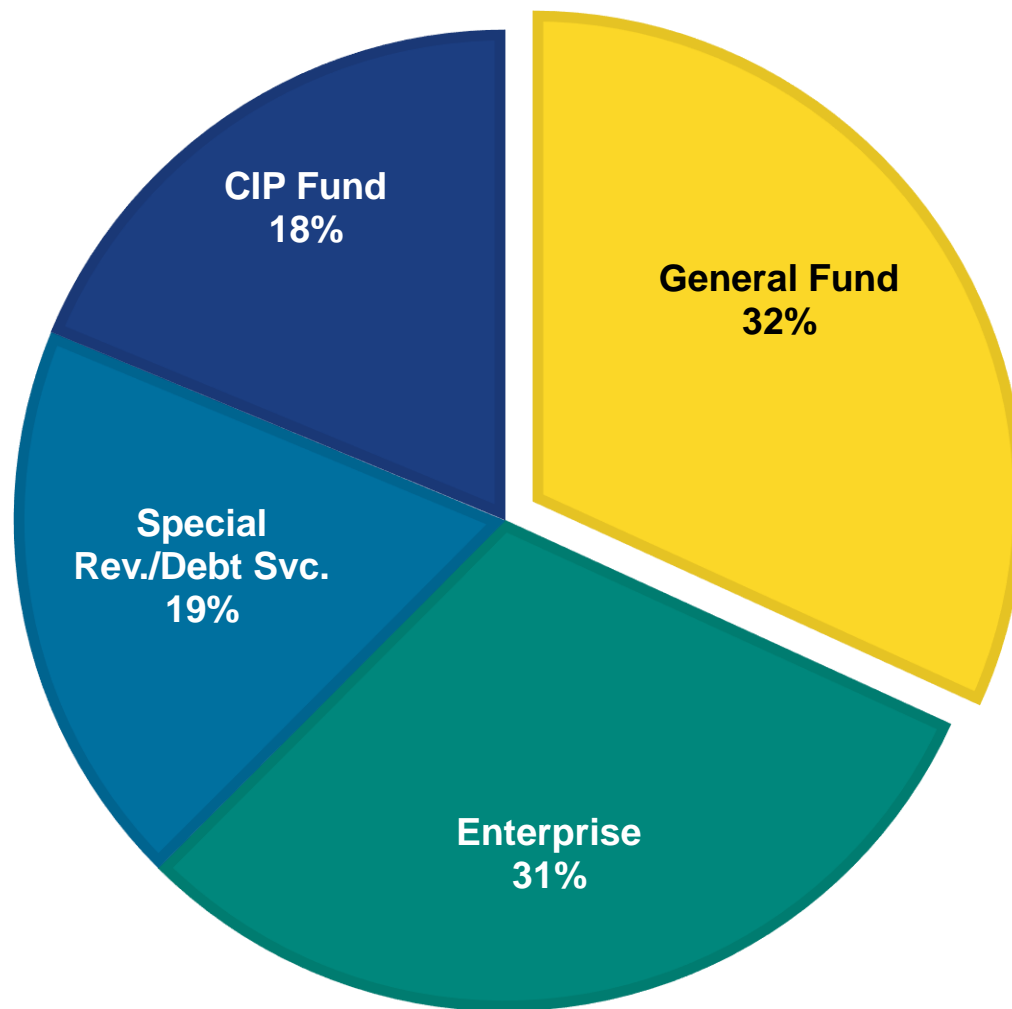


- \$2 per night on hotel stays
- Projected to remain flat to 2024 actual revenues.



2026 BUDGET

GENERAL FUND PROFILE



General Fund

- 2026 Budget: \$22.9M
- \$ YoY: +\$1M
- % YoY: +4.97%

2026 BUDGET

GENERAL FUND OVERVIEW



- Balanced Budget: Revenues = Expenditures
- 4.97% increase over 2025 Adopted Budget
- Total Budget: \$22,948,083
- \$1M Increase from 2025 Adopted

2026 BUDGET

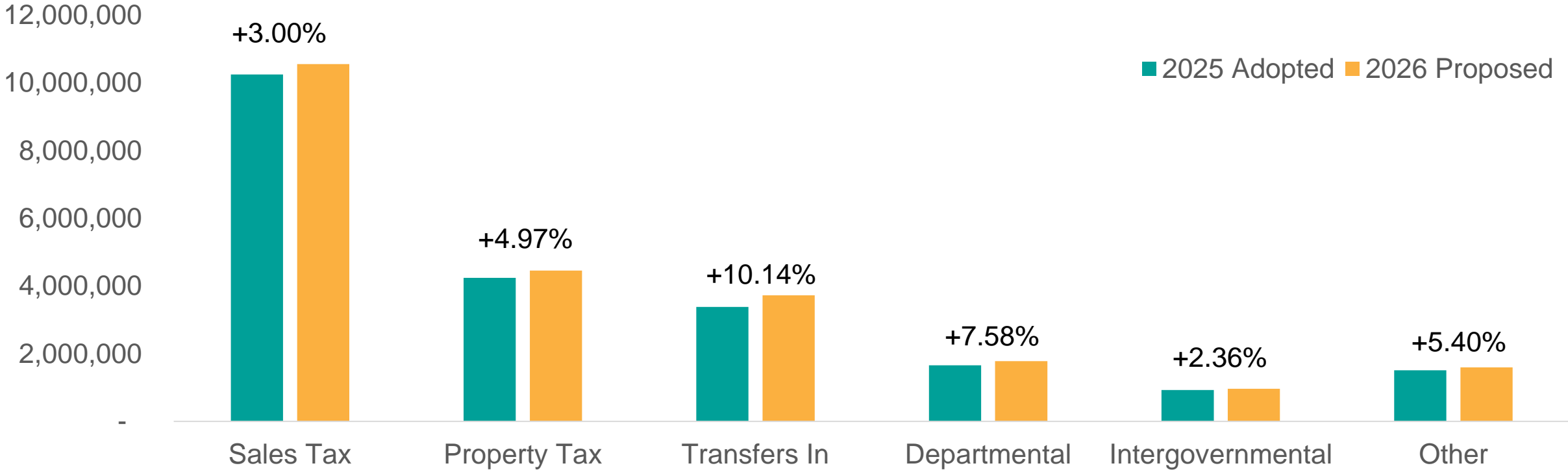
GENERAL FUND INITIATIVES



- New City Attorney Relationship
- Ordinance Recodification
- Salary Survey to be conducted in 2026 and implemented in 2027
- Proposed wage increases
- Facilities
 - 5th Street Gym
 - City/County Administration Building
 - Safety & Security Initiatives (cameras, safe room buttons)
 - IT and Server equipment upgrades

2026 BUDGET

GENERAL FUND REVENUES

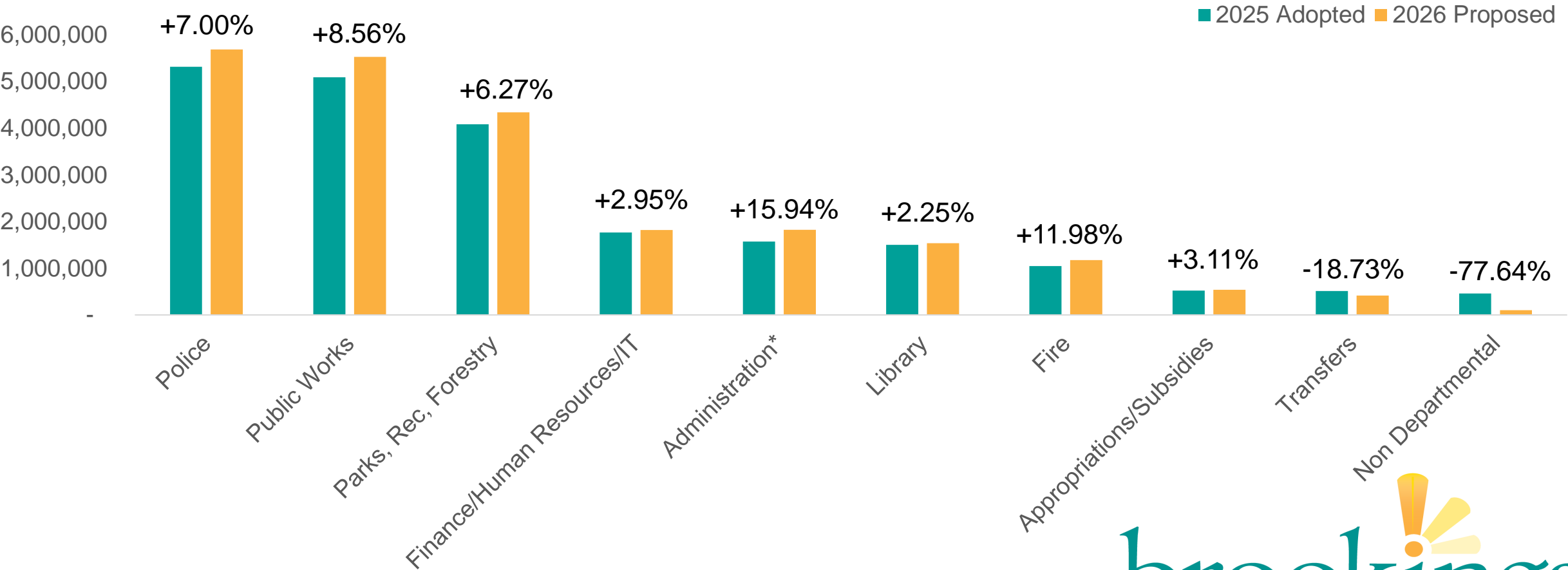


Sales Tax, Property Tax, and Transfers In account for 82% of revenues.



2026 BUDGET

GENERAL FUND EXPENDITURES

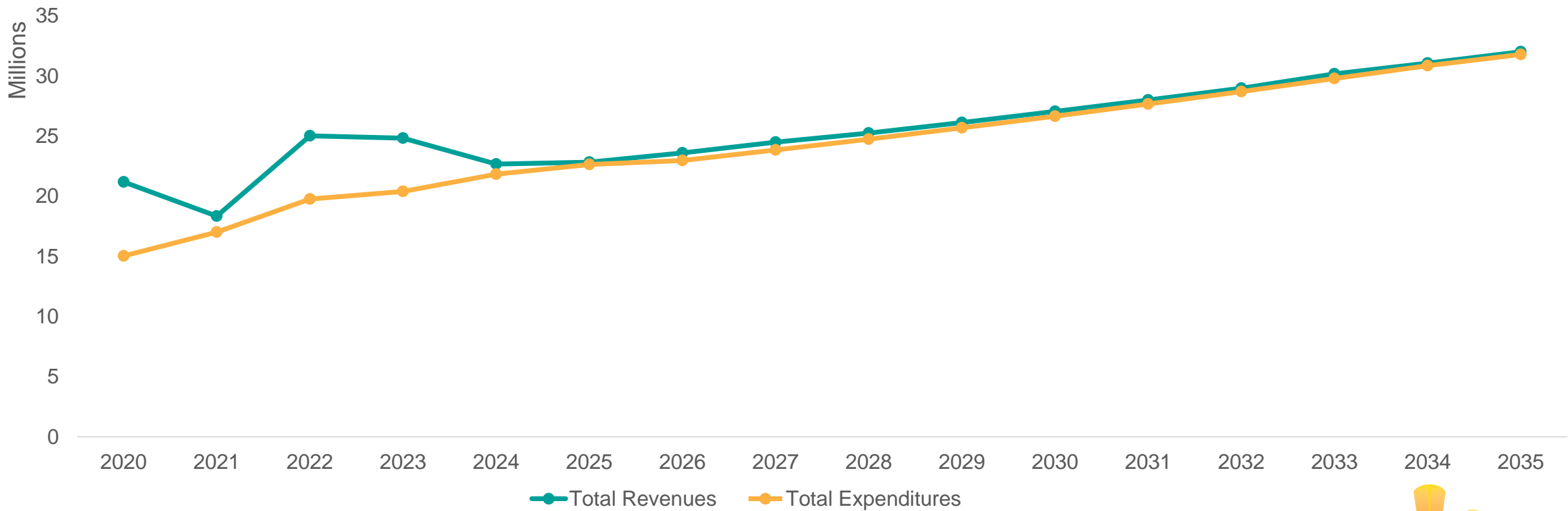


* Administration: Mayor & Council | City Clerk | City Manager | City Attorney



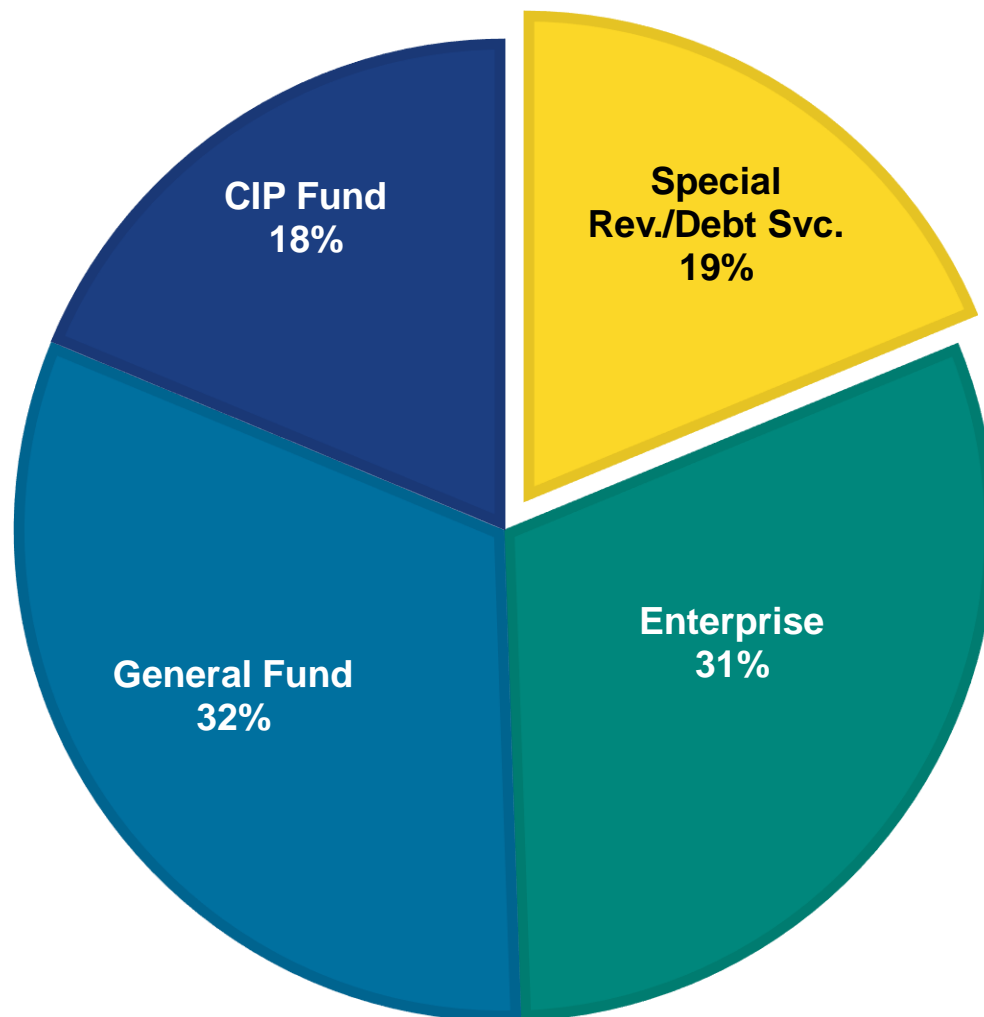
2026 BUDGET

GENERAL FUND OUTLOOK



2026 BUDGET

SPECIAL REV./DEBT SVC. PROFILE



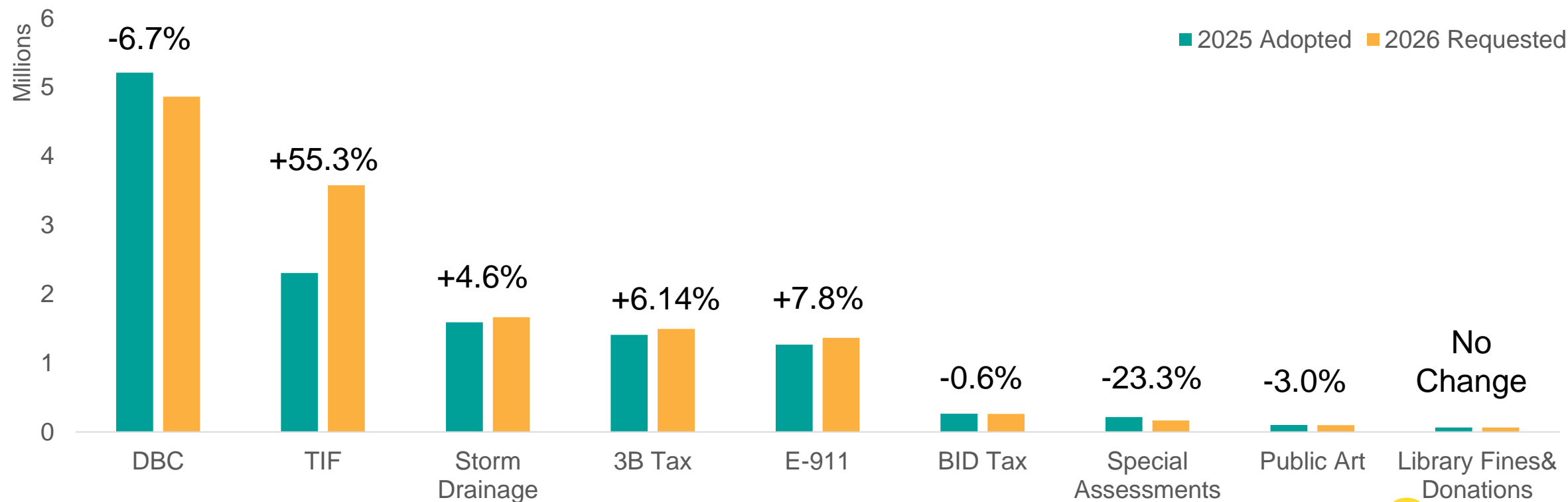
Special Revenue/Debt Service

- 2026 Budget: \$13.5M
- \$ YoY: +\$1.1M
- % YoY: +8.87%



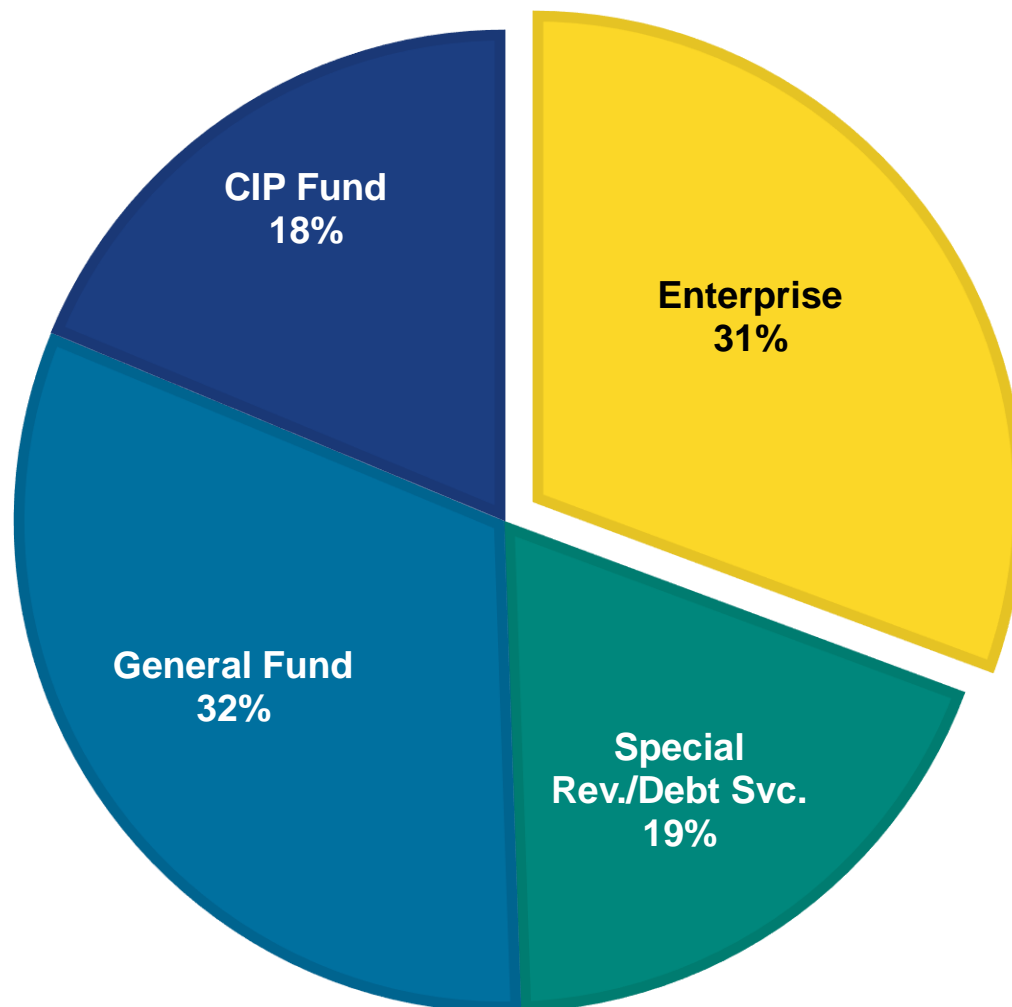
2026 BUDGET

SPECIAL REVENUE/DEBT SERVICE EXPENDITURES



2026 BUDGET

ENTERPRISE FUNDS PROFILE

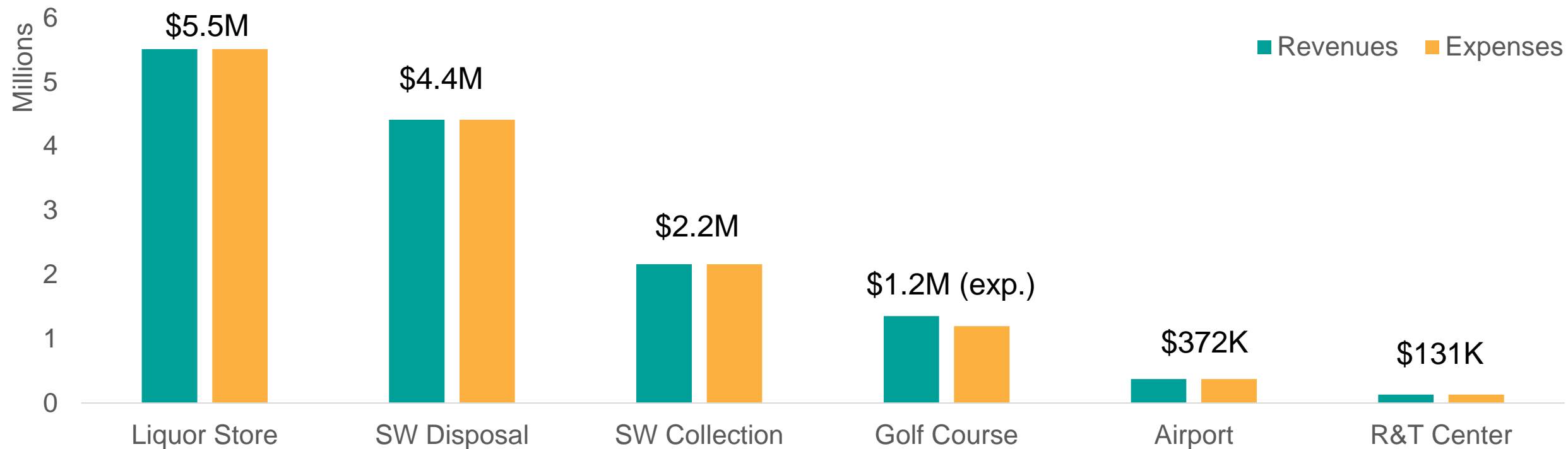


Enterprise Funds

- 2026 Budget: \$22.1M
- \$ YoY: -\$2.8M
- % YoY: -11.24%

2026 BUDGET

ENTERPRISE FUNDS



2026 BUDGET

OUTSIDE AGENCIES FUNDING PROCESS



- Social Service Agencies
 - Budget increases each year by inflation factor
 - United Way processes applications and makes recommendations in January/February

- Other Outside Agency Requests
 - City's application process May-June
 - Evaluated during the budget process

2026 BUDGET

OUTSIDE AGENCIES – GENERAL FUND



Entity	2024 Funded		2025 Funded		2026 Recommended	
Brookings School District	\$	185,250	\$	195,000	\$	195,000
Brookings Humane Society		46,505		50,000		50,000
Brookings Arts Council		30,000		30,000		30,000
Community Band		6,000		6,000		6,000
Humanities Council		15,000		-		15,000
Social Service Agencies		258,035		268,715		274,254
Total General Fund	\$	540,790	\$	549,715	\$	570,254



2026 BUDGET

OUTSIDE AGENCIES – BBB/BID



Entity	2024 Funded		2025 Funded		2026 Recommended
Merged Organization	\$	865,183	\$	858,000	\$ 901,103
Research Park		154,000		145,000	135,000
SDSU Student Visitor Promotion		25,000		45,000	55,000
Dacotah Bank Center		290,633		390,000	367,744
Total BBB/BID	\$	1,334,816	\$	1,438,000	\$ 1,458,847

2026 BUDGET

OUTSIDE AGENCIES – OTHER FUNDS



Entity	2024 Funded		2025 Funded		2026 Recommended	
SDSU PAC (CIP)	\$	916,666	\$	916,666	\$	916,666
Brookings Health System (CIP)		100,000		100,000		100,000
Scholarship Fund (Liquor)		100,000		100,000		100,000
Big Sioux Water Festival (Storm Drainage)		1,000		1,000		1,000
Total Other Funds	\$	1,117,666	\$	1,117,666	\$	1,117,666
Total Outside Agencies	\$	2,993,272	\$	3,105,381	\$	3,146,767





Questions & Feedback