

REGULAR COUNCIL MEETING
MARCH 24, 2026 AT 6:00 P.M.
MILES CITY HALL

Mayor Brandon Meyer called the special council meeting to order at 6:00 p.m. N. Corlis, N. Voss, A. Petersen and R. Wilslef were present. L. Horst by via phone. Mayor Brandon Meyer presided.

PUBLIC HEARING: Regarding City of Miles's Proposed Property Tax Levy for FY2026-2027 Budget

Mayor Meyer opened the public hearing to solicit comments for the FY2026/2027 Budget. The primary purpose of the public hearing is for citizens to voice their objections or concerns. A motion was made by N. Voss to open the Public Hearing for the Proposed Property Tax Levy for FY2026/2027 Budget at 6:00 pm, it was seconded by L. Horst. Motion carried.

Mayor Meyer provided an explanation of the increase in tax rate. The City of Miles experienced a revenue growth decrease of 3.06% for FY 2026–2027, which resulted in approximately \$2,630 less revenue compared to the previous fiscal year. In order to maintain consistent funding for city operations and services, the council adjusted the property tax rate.

The current tax rate for FY 2025–2026 is \$10.95 per \$1,000 of taxable valuation, and the proposed tax rate for FY 2026–2027 is \$11.28 per \$1,000 of taxable valuation. This adjustment helps offset the decrease in revenue growth.

Property taxes are calculated using the actual or assessed valuation determined by the county assessor, which is then multiplied by a rollback percentage to determine the taxable valuation. That taxable valuation is what the city's tax rate is applied to.

For FY 2026–2027, the rates by property type are \$6.35 per \$1,000 for residential property and \$14.35 per \$1,000 for commercial property. Residential and commercial properties share the same rollback percentage on the first \$150,000 of assessed valuation. Tax increase = $(\text{Property Value} \div 1,000) \times 0.32$

Glen Mommsen informed the Council that taxes have increased each year since 2022 and warned that the City's taxable valuation will continue to decline without new housing development. He cautioned that the city should begin reducing its budget and remain mindful of spending at the end of the fiscal year to avoid placing additional burden on taxpayers. Glen also questioned the amount of surplus the city is projected to have this fiscal year as well as next fiscal year. He noted that with that level of surplus, the city should not need to raise the tax rate. The Clerk clarified that the figures presented are estimates only.

Mayor Meyer expressed concern that even small decreases in fund balance could become a negative trend over time, especially if new construction remains limited and the tax base does not grow. The Council discussed the upcoming year's projected \$2,600 budget shortfall and noted that while the amount is small, recurring deficits could lead to larger financial challenges in the future.

With no further discussion, Mayor asked for a motion to adjourn the public hearing meeting. L. Horst made that motion, A. Petersen seconded the motion. Meeting adjourned at 6:18 p.m. Motion carried. Ayes 5, Nays 0.

Brandon Meyer, Mayor

ATTEST:

Brenda L. Tebbe, City Clerk