IMPORTANT INFORMATION ABOUT THE PROPOSED CITY OF PARKERS PRAIRIE TAX LEVY

You deserve to know how your tax dollars are spent. The information provided below is a summary of the City's General Fund Budget and Tax Levy for years 2026 and 2027.

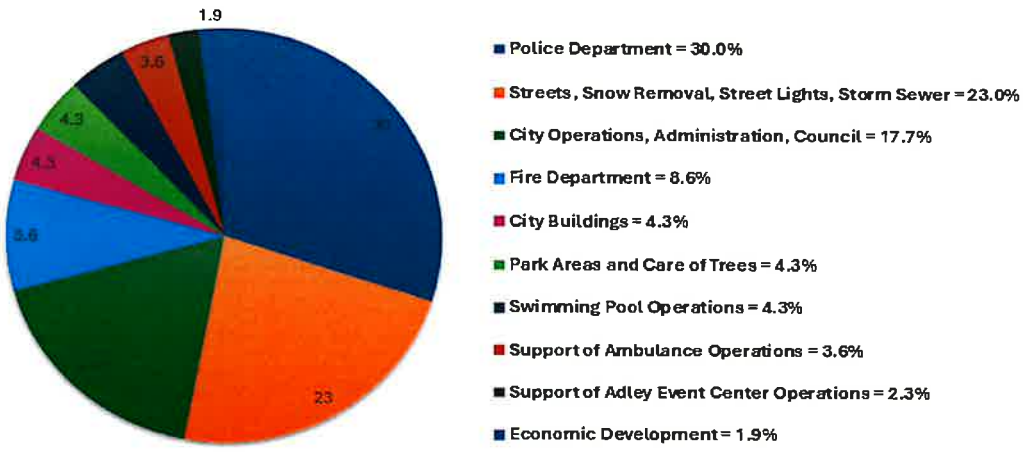
2026

2026 EXPENDITURE BUDGET		2026 REVENUE BUDGET	
City Admin, Operations, Council	$212,262	Local Government Aid	$341,707
Economic Development	$21,000	Police State Aid	$27,700
City Buildings - Operations & Maintenance	$57,434	P.O.S.T. and Other Police Revenues	$23,800
Election Administration (no elections in 2025)	$6,100	Swimming Pool Revenue	$75,400
Police Department	$379,965	Lodging Tax Revenue	$4,000
Fire Department & Fire Relief	$92,246	Reimbursement from OTC Solid Waste	$2,000
Streets, Storm Sewer, Snow Removal	$357,577	Small Cities Grant Funds	$25,547
Park Areas & Care of Trees	$61,209	Public Safety Funds	$0
Swimming Pool Operations	$113,640	Miscellaneous Revenues	$27,412
Support of Ambulance Service	$33,600		
Support of Adley Event Center Operations	$29,000	City of Parkers Prairie ACTUAL Tax Levy for 2026	**$842,475**
Lodging Tax	$4,000		
Solid Waste Administration	$2,008		
TOTAL EXPENDITURE BUDGET FOR 2026	**$1,370,041**	**TOTAL REVENUE BUDGET FOR 2026**	**$1,370,041**

2027

2027 PROPOSED EXPENDITURE BUDGET		2027 PROPOSED REVENUE BUDGET	
City Admin, Operations, Council	$219,158	Local Government Aid	$342,829
Economic Development	$21,680	Police State Aid	$27,700
City Buildings	$53,350	P.O.S.T. and Other Police Revenues	$22,600
Election Administration	$0	Swimming Pool Revenue	$69,800
Police Department	$419,200	Lodging Tax Revenue	$6,000
Fire Department & Fire Relief	$106,020	Small Cities Grant Funds	$23,630
Streets, Storm Sewer, Snow Removal	$304,781	Public Safety Funds	$0
Park Areas & Care of Trees	$52,800	Miscellaneous Revenues	$24,362
Swimming Pool Operations	$122,560	City of Parkers Prairie PROPOSED Tax Levy for 2027	**$863,963**
Support of Ambulance Service	$44,634		
Support of Adley Event Center Operations	$27,000		
Lodging Tax	$6,000		
Development Incentive Property Tax Rebate	$3,701		
TOTAL EXPENDITURE BUDGET FOR 2027	**$1,380,884**	**TOTAL REVENUE BUDGET FOR 2027**	**$1,380,884**

The PROPOSED Tax Levy for 2027 shown above represents an increase of $21,488, or 2.55%, over 2026. The chart below shows where your 2027 TAX LEVY DOLLARS will be spent, based on the expenditures (and where applicable, the revenues that offset specific expenditures) listed above.



Your feedback is important to us! Contract City Administrator Beth Wussow at the Parkers Prairie City Hall with questions or comments at 218-338-4115. Comments or inquiries may also be emailed to **bwussow@ci.parkers-prairie.mn.us** or mailed to Parkers Prairie City Hall, 102 North Otter Avenue, P.O. Box 70, Parkers Prairie, MN 56361. Feedback will be shared with our City Council members. A copy of the City budget is accessible at the City Hall or by contacting Beth at the address above. We thank you for being a part of our Parkers Prairie community!

Dear City of Parkers Prairie Community Member,

Parkers Prairie is an amazing City to live in! We are fortunate to have vital services, great schools, safe drinking water, beautiful parks, and amenities like a swimming pool and a gorgeous event venue. When so many small cities are losing their schools, police departments, and ambulance services, Parkers Prairie is only growing stronger. This is a community where people feel safe, respect one another, want to raise our families, or enjoy quiet retirement. I couldn't imagine living in a community where we had to wait 45 minutes for law enforcement or for an ambulance to respond to an emergency. Living in a community without a school would be like waiting for the whole town to disappear. Indeed, we are very fortunate to call this beautiful community home.

Challenges all of us are facing today. Inflation is impacting in every person in every city, township, and county. We are all feeling the pinch. Our residents and business are all experiencing increases in living and operating expenses such as food, services, supplies, and energy. At the City level, we are experiencing the same. Just like each resident, we are paying more for operating supplies, insurance, and energy. Cuts in federal and state funding are making it more challenging to balance the budget while still trying to limit the impact we have on taxes and fees that we pass on to our community members. Despite these challenges, we remain dedicated to keeping Parkers Prairie a great place to live.

What are we doing to combat rising costs? We continue to search for alternative funding sources. Many of the services we provide and improvements we make would not be possible without grant funding, and we continue to seek out these opportunities. We are exploring alternative energy sources to help lower costs. We actively work to attract new housing developments and new business, because continued growth lessens the tax burden on everyone and strengthens every aspect of our community.

Budget & Tax Levy information. The information on the opposite side of this letter is a summary of the revenue and expenditure budgets for the departments supported by the City's General Fund. The 2027 budget and tax levy will be finalized this December. You will notice that some of the items in the expenditure budget on the left are supported (or offset) by revenues listed on the right. The total *PROPOSED* tax levy for the City, payable in 2027, is $863,963. This levy amount is an increase of $21,488 over 2026 (2.5% increase). Please don't confuse the levy increase percent with the city's overall TAX *RATE*. When our City's tax capacity increase is greater than our levy increase, *our tax rate actually decreases.* With the projected increase in the City's tax capacity for 2027 and the projected levy amount for 2027, our City's tax rate may *decrease as much as 7%.*

Utility Rates for 2027. We expect to raise water and sewer utility rates in 2027. The reasons for the increase are rising costs in operating supplies and services, and higher debt service (bond) payments for street/utility improvements. It is impossible to compare one city's utility rates to another city's rates because each city has unique set of circumstances, different debt, different infrastructure layout, equipment age, etc. Each year we ask our City Engineer to assist with a utility rate analysis to aid us in setting rates that will allow us the adequate revenue to pay our operating costs, equipment upkeep, and save for future infrastructure improvements. The result of this year's analysis indicates the necessity to raise water and sewer base rates by as much as $2, and usage rates by $1 per 1,000 gallons. While no one wants to see rates rise, increases are unfortunately unavoidable.

Each year, at the beginning of the regular City Council meeting in December, time is set aside for the members of the public to speak to the Council regarding the City's budget and *proposed* tax levy for the upcoming year.
This public hearing is called the Truth in Taxation Public Meeting, and it takes place *prior to* the Council adopting the upcoming year's budget and tax levy.
The next Truth in Taxation Meeting (regarding the *2027* tax levy) will take place on Monday, December 21, 2026, at 7:00 pm at the Parkers Prairie City Hall, but it is not necessary to wait until December to contact us with any questions or comments regarding City budgets, the tax levy, utility rates, or other items within the City that are of concern to you. My office phone number, address, and email are listed below.
I would be happy to talk with you!
**Please note that the Truth in Taxation Public Meeting is NOT the meeting where you may discuss the valuation or classification of your property. If you are interested in discussing the valuation or classification of your property, please feel free to contact the Otter Tail County Assessor's Office at 218-998-8010.*

On behalf of your elected officials, and myself, I want to say that we welcome your comments, feedback, questions, and ideas. We want you to understand that we care about the same issues that are important to *you.* Know that we are listening when you tell us about your priorities and your visions for our community. Feel free to talk to us, email us, or write us a letter. We thank you for being a part of the Parkers Prairie community!

Sincerely,

Parkers Prairie MINNESOTA

What is a Tax Levy, and how are the Budgets and Tax Levy determined?

Each summer the City begins working on the budget for the following year. We look at what the costs will likely be to operate each department in the City – including our police, fire, ambulance, streets, water and sewer utilities, parks, and amenities like the Aquatic Center and the Adley Event Center. Then, we factor in revenue that may offset those costs– such as Police and Fire State Aid, and Local Government Aid from the State. The difference between what we need to operate the City and the revenue that comes in is the **TAX LEVY** amount. By SEPTEMBER 30th the City must submit a *proposed* levy amount to Otter Tail County. We continue to work on the budgets through the fall as more information becomes available to us. By November, property owners should receive their proposed tax statements from the County.

YOUR TAX STATEMENT WILL INCLUDE LEVY AMOUNTS FROM THREE ENTITIES:

- **The City of Parkers Prairie**
- **Otter Tail County**
- **School District #547**

The City will decide on its FINAL LEVY amount and adopt next year's budget on DECEMBER 21, 2026, as it must be submitted to Otter Tail County before the end of December.

Beth Wussow, City Administrator
bwussow@ci.parkers-prairie.mn.us
218-338-4115
102 North Otter Ave. P.O. Box 70
Parkers Prairie, MN 56361

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