



Debt Service Funds, Internal Service Funds, & Special Revenue Funds

PRESENTED TO THE CITY COUNCIL ON JUNE 15, 2026

Presentation Overview

- Debt Service Fund
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 - 4A
 - 4B
- Health Insurance
- Support Services Fund - IT
- Medical Transport Fund
- Solid Waste Fund
- Cemetery
 - Operating
 - Endowment
- Equipment Replacement Funds
 - Governmental
 - Proprietary
- Equipment Services Fund
- PEG
- HOT/MOT
- MC Funds
 - Building Security Fund
 - Juvenile Case Management Fund
 - Technology Fund

General Debt Service Fund

	FY 24-25 Actual	FY 25-26 Adopted	FY 25-26 Revised	FY 25-26 Year-End	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Beg Fund Balance	\$ 6,851,142	\$ 4,676,225	\$ 4,676,225	\$ 4,839,928	\$ 2,864,718	\$ 1,040,614	\$ 1,151,818	\$ 1,263,006	\$ 1,374,178
Revenue									
Property Tax Revenue	\$ 10,496,962	\$ 12,761,130	\$ 12,761,130	\$ 12,801,789	\$ 14,125,013	\$ 14,548,763	\$ 14,985,226	\$ 15,284,931	\$ 15,590,629
TIF2 Transfer-In	\$ 691,104	\$ 729,051	\$ 729,051	\$ 729,051	\$ 727,575	\$ 724,250	\$ 721,175	\$ 743,375	\$ 734,525
4A Transfer-In	\$ 4,155,630	\$ 4,126,727	\$ 4,126,727	\$ 4,126,727	\$ 4,733,514	\$ 4,734,462	\$ 5,067,698	\$ 6,267,836	\$ 6,262,113
4B Transfer-In	\$ 3,025,483	\$ 3,035,774	\$ 3,035,774	\$ 3,035,774	\$ 3,641,078	\$ 3,538,355	\$ 3,813,983	\$ 3,086,012	\$ 3,238,797
Other Revenue/Other Financing	\$ 312,305	\$ 466,437	\$ 466,437	\$ 198,250	\$ 148,688	\$ 111,516	\$ 111,516	\$ 111,516	\$ 111,516
Total Revenue	\$ 18,681,485	\$ 21,119,119	\$ 21,119,119	\$ 20,891,591	\$ 23,375,867	\$ 23,657,346	\$ 24,699,598	\$ 25,493,669	\$ 25,937,579
Expenditures									
General Debt Service	\$ 12,819,261	\$ 14,974,553	\$ 14,974,553	\$ 14,974,553	\$ 16,097,507	\$ 14,548,763	\$ 14,985,226	\$ 15,284,931	\$ 15,590,629
TIF2 Debt Service	\$ 691,104	\$ 729,051	\$ 729,051	\$ 729,051	\$ 727,575	\$ 724,250	\$ 721,175	\$ 743,375	\$ 734,525
4A Debt Service	\$ 4,155,630	\$ 4,126,727	\$ 4,126,727	\$ 4,126,727	\$ 4,733,514	\$ 4,734,462	\$ 5,067,698	\$ 6,267,836	\$ 6,262,113
4B Debt Service	\$ 3,025,483	\$ 3,035,774	\$ 3,035,774	\$ 3,035,774	\$ 3,641,078	\$ 3,538,355	\$ 3,813,983	\$ 3,086,012	\$ 3,238,797
Cost Allocation	\$ 1,220	\$ 700	\$ 700	\$ 696	\$ 297	\$ 312	\$ 327	\$ 344	\$ 361
Total Expenditures	\$ 20,692,699	\$ 22,866,805	\$ 22,866,805	\$ 22,866,801	\$ 25,199,971	\$ 23,546,142	\$ 24,588,410	\$ 25,382,497	\$ 25,826,425
Change in Fund Balance	\$ (2,011,214)	\$ (1,747,686)	\$ (1,747,686)	\$ (1,975,210)	\$ (1,824,104)	\$ 111,204	\$ 111,188	\$ 111,172	\$ 111,155
Ending Fund Balance	\$ 4,839,928	\$ 2,928,539	\$ 2,928,539	\$ 2,864,718	\$ 1,040,614	\$ 1,151,818	\$ 1,263,006	\$ 1,374,178	\$ 1,485,333
Debt rate per \$100 value	\$ 0.1923	\$ 0.2285	\$ 0.2285	\$ 0.2285	\$ 0.2285	\$ 0.2285	\$ 0.2285	\$ 0.2285	\$ 0.2285

Health Insurance Fund Discussion

- The Health Insurance Fund projection assumes a cap of 5% annual increase in contributions (from both employee and the city contributions)
- Lockton is projecting between 4% - 8% annual increases to claims expenditures based on the current plan

Health Insurance Fund

	FY2025 Actual	FY2026 Adopted	FY2026 Revised	FY2026 Year-End Estimate	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Beginning Fund Balance	3,341,574	3,115,653	3,115,653	3,359,088	4,272,753	4,464,949	4,425,728	4,067,937	3,344,077
Revenue									
Health and Dental Premium- Qty	5,572,512	5,749,903	5,749,903	5,749,903	6,037,398	6,339,268	6,656,231	6,989,043	7,338,495
Health and Dental Premium- Other	898,732	955,985	955,985	955,985	1,003,785	1,053,974	1,106,673	1,162,006	1,220,106
Other Revenue	1,579,856	1,108,550	1,108,550	1,852,818	1,225,334	1,304,525	1,405,876	1,522,599	1,655,895
Total Revenue	8,051,100	7,814,439	7,814,439	8,558,706	8,266,517	8,697,767	9,168,779	9,673,648	10,214,496
Expenditures									
Claims	6,033,498	6,286,304	6,286,304	6,024,869	6,270,858	6,724,930	7,276,718	7,876,013	8,527,082
Other Expenditures	2,000,088	1,604,533	1,604,533	1,620,172	1,803,463	2,012,057	2,249,853	2,521,495	2,832,370
Proj. Budget Balancing Measures									(1,000,000)
Recurring Supplementals									
One-Time Supplementals									
Total Expenditures	8,033,586	7,890,837	7,890,837	7,645,041	8,074,321	8,736,987	9,526,571	10,397,508	10,359,452
Change in Fund Balance	17,514	(76,398)	(76,398)	913,665	192,195	(39,221)	(357,791)	(723,860)	(144,956)
Ending Fund Balance	3,359,088	3,039,255	3,039,255	4,272,753	4,464,949	4,425,728	4,067,937	3,344,077	3,199,121
FB% of Expenditure	41.81%	38.52%	38.52%	55.89%	55.30%	50.66%	42.70%	32.16%	30.88%
Qty Contribution	5%	5%	5%	5%	5%	5%	5%	5%	5%
Employee Contribution	5%	5%	5%	5%	5%	5%	5%	5%	5%

Support Services Fund - IT

	FY2025 Actual	FY2026 Adopted	FY2026 Revised	FY2026 Year-End Estimate	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Beginning Fund Balance	1,734,440	1,924,033	1,924,033	2,780,850	1,479,057	766,445	760,465	762,904	773,117
Revenue									
Contributions	6,540,060	6,713,025	6,713,025	6,713,025	7,973,361	8,212,562	8,458,939	8,712,707	8,974,088
Other Revenue	215,876	44,100	138,639	130,212	33,890	31,857	32,175	32,497	32,497
Total Revenue	6,755,936	6,757,125	6,851,664	6,843,237	8,007,251	8,244,418	8,491,114	8,745,204	9,006,585
Expenditures									
Personnel	2,030,320	2,154,464	2,154,464	2,209,875	2,265,962	2,346,984	2,431,088	2,518,400	2,609,050
Base Expenses	3,679,207	5,906,938	6,272,562	5,935,155	6,453,901	5,903,415	6,057,586	6,216,591	6,380,610
Reductions						0	0	0	0
Recurring Supplementals									
One-Time Supplementals									
Total Expenditures	5,709,527	8,061,401	8,427,025	8,145,030	8,719,863	8,250,398	8,488,674	8,734,991	8,989,661
Change in Fund Balance	1,046,410	(1,304,276)	(1,575,361)	(1,301,793)	(712,612)	(5,980)	2,440	10,213	16,924
Ending Fund Balance	2,780,850	619,757	348,672	1,479,057	766,445	760,465	762,904	773,117	790,041
FB% of Expenditure	48.71%	7.69%	4.14%	18.16%	8.79%	9.22%	8.99%	8.85%	8.79%

Medical Transport Fund

	FY2025 Actual	FY2026 Adopted	FY2026 Revised	FY2026 Year-End Estimate	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Beginning Fund Balance	874,744	956,564	956,564	1,123,534	766,499	104,353	0	0	0
Revenue									
Ambulance Transport	2,010,347	2,281,052	2,281,052	2,326,801	2,443,141	2,516,435	2,591,928	2,669,686	2,749,777
Other Revenue	47,037	39,200	39,200	39,200	35,280	33,163	33,495	33,830	33,830
Transfer In	0	0	0	0	0	596,971	740,026	780,803	824,100
Total Revenue	2,057,384	2,320,252	2,320,252	2,366,001	2,478,421	3,146,569	3,365,449	3,484,319	3,607,707
Expenditures									
Personnel	1,584,590	1,299,324	1,299,324	2,353,590	2,892,676	2,997,432	3,106,229	3,219,233	3,336,619
Base Expenses	224,003	398,716	398,716	369,446	247,891	253,490	259,221	265,085	271,088
Incentives (Ed)	0	0	0	0	0	0	0	0	0
Medical Transport Transfer Reductions						0	0	0	0
Recurring Supplementals One-Time Supplementals						0	0	0	0
Total Expenditures	1,808,594	1,698,040	1,698,040	2,723,036	3,140,567	3,250,922	3,365,449	3,484,319	3,607,707
Change in Fund Balance	248,791	622,212	622,212	(357,035)	(662,146)	(104,353)	0	0	0
Ending Fund Balance	1,123,534	1,578,776	1,578,776	766,499	104,353	0	0	0	0
FB% of Expenditure	62.12%	92.98%	92.98%	28.15%	3.32%	0.00%	0.00%	0.00%	0.00%

Solid Waste Fund Discussion

Waste Connections Contracted Rates

- Proprietary fund – charge customers for refuse, recycling and city administrative cost
- Refuse and recycling operations outsourced to Waste Connections
 - No SW rate increases to customers – FY2019-2023
 - Financial strategy was to draw down fund balance in Solid Waste Fund – (FY2019- FB% was 63%)
 - Council approved new 5-year contract on May 1, 2023
 - Extend Contract through September 2029
- Prior year CPI increases - Waste Connections Contract (CPI Letter is received annually by the city in July)
 - FY2022 – 4% Increase
 - FY2023 – 10% increase
 - FY2024 – 8% increase
 - FY 2025 – 4% increase
 - FY 2026 – 4% increase
 - FY2027-2030 – CPI + Fuel Adjustment

Solid Waste Fund Discussion

Impact to Residential Customers

After no rate increases from FY2019–FY2023, a phased adjustment was implemented over FY2024, FY2025, and FY2026 to align customer rates with actual solid waste and recycling costs.

The impact to residential rates is outlined below. These increases include adjustments to solid waste and recycling rates, as well as administrative, overhead, and franchise fees:

- Fiscal Year 2024 increase of \$3.64 per month
- Fiscal Year 2025 increase of \$2.39 per month
 - \$1.00 litter abatement fee was added to the “Admin and Overhead” in 2025
 - Litter abatement services will go out for bid this summer. Forecasted costs may be adjusted based on the awarded contract and final pricing.
- Fiscal Year 2026 increase of \$0.88 per month
- Fiscal Year 2027 projected increase of \$1.38

Citizens Rates	2023	2024	2025	2026	2027
Waste Collection	\$ 13.50	\$ 16.20	\$ 17.28	\$ 17.97	\$ 19.05
Recycling	\$ 2.50	\$ 3.00	\$ 3.21	\$ 3.34	\$ 3.54
Admin and Overhead	\$ 1.00	\$ 1.10	\$ 2.10	\$ 2.10	\$ 2.10
Franchise Fee	\$ 1.20	\$ 1.54	\$ 1.64	\$ 1.70	\$ 1.80
Total	\$ 18.20	\$ 21.84	\$ 24.23	\$ 25.11	\$ 26.49

Solid Waste Fund

	FY 24-25 Actual	FY 25-26 Adopted	FY 25-26 Revised	FY 25-26 Year- End Est	FY27 Projected	FY28 Projected	FY29 Projected	FY30 Projected	FY31 Projected
Beginning Fund Balance	\$ 588,882	\$ 416,698	\$ 416,698	\$ 649,363	\$ 732,396	\$ 786,360	\$ 842,071	\$ 901,025	\$ 963,243
Total Revenue	4,735,664	5,163,995	5,163,995	5,016,357	5,401,054	5,810,382	6,254,021	6,733,153	7,250,648
Total Expenditures	4,675,183	5,019,517	5,019,517	4,933,324	5,347,090	5,754,671	6,195,066	6,670,934	7,185,146
Change in Fund Balance	\$ 60,482	\$ 144,478	\$ 144,478	\$ 83,033	\$ 53,964	\$ 55,711	\$ 58,954	\$ 62,218	\$ 65,502
Ending Fund Balance	\$ 649,363	\$ 561,176	\$ 561,176	\$ 732,396	\$ 786,360	\$ 842,071	\$ 901,025	\$ 963,243	\$ 1,028,746
FB % of Expenditure	13.89%	11.18%	11.18%	14.85%	14.71%	14.63%	14.54%	14.44%	14.32%

Cemetery Operating Fund

- Supports the daily maintenance of the cemetery
- Estimated FY26 Ending Fund Balance: \$661,551
 - Projected FY27 Total Revenues: \$73,790
 - Projected FY27 Total Expenditures: \$26,415
- Estimated FY27 Ending Fund Balance: \$708,926

Cemetery Endowment Fund

- State law requires that 15% of principal lot sales be kept in an Endowment Fund
- Estimated FY26 Ending Fund Balance: \$251,461
 - Projected FY27 Total Revenues: \$13,845
 - Projected FY27 Total Expenditures: \$0
- Estimated FY27 Ending Fund Balance: \$265,306

Equipment Replacement Fund- Governmental

- Maintains vehicles and equipment replacement schedule
 - Supported by General Fund, PPF and ESF funds
- Estimated FY26 Ending Fund Balance for ERF \$6,861,724
 - Projected FY27 Total Revenues: \$1,558,978
 - Projected FY27 Total Expenditures: \$1,341,296
- Estimated FY27 Ending Fund Balance for ERF: \$7,079,407
- Estimated Funding Level at the end of FY27: 69.7%
 - The funding level has allowed the city to drop contributions to the ERF fund to 90% of the calculated Contribution, reducing the city contribution by \$255k

Equipment Replacement Fund- Proprietary

- Maintains vehicle and equipment replacement schedule
 - Water & Wastewater and Golf Funds
- Estimated FY26 Ending Fund Balance: \$1,807,596
 - Projected FY27 Total Revenues: \$797,938
 - Projected FY27 Total Expenses: \$458,784
- Estimated FY27 Ending Fund Balance for ERF: \$2,146,740
- Estimated Funding Level at the end of FY27: 58.1%

**FY27 Proprietary ERF projections include planned year-end transfers of approximately \$1.56M from Water and \$111K from Golf, to be formally amended later in the fiscal year*

**Proposed figures are inclusive of the budget amendment item brought forward this evening*

Equipment Services Fund

- Supports maintenance, repairs and fuel purchases for the City's fleet and heavy equipment
- Inflation rate increase impacting cost of repairs and fuel prices
- Contributions from operating departments to support operations
- Estimated FY26 Ending Funding Fund Balance: \$526,605
 - Proposed FY27 Total Revenues/Contributions: \$2,279,440
 - Proposed FY27 Total Expenditure: \$2,215,214
- Estimated FY27 Ending Fund Balance: \$590,831

Other Funds

Public Educational and Governmental Fund (PEG) – Revenues to be used for capital expenditures related to a municipal public access channel and the broadcasting of council meetings to the public. FY27 expenditures are to fund one-time expenditures.

- Estimated FY26 ending fund balance: \$125,996
 - Proposed FY27 Revenues: \$44,000
 - Proposed FY27 Expenses: \$90,149
- Estimated FY27 ending fund balance: \$79,847

Hotel/Motel Fund – Revenues are from a 7% hotel/motel tax imposed on the rental of hotel/motel rooms located within the city – Funds are restricted to promoting tourism, conventions, and related activities within the city

- Estimated FY26 ending fund balance: \$634,571
 - Proposed FY27 Revenues: \$573,000
 - Proposed FY27 Expenditures: \$527,344
- Estimated FY27 ending fund balance: \$680,227

Municipal Court Funds

MC – Technology & Security Fund – Revenues to be used to purchase or maintain technology enhancements for municipal court operations, and security personnel, services, and items related to the municipal court building

- Estimated FY26 ending fund balance: \$21,109
 - Proposed FY27 Revenues: \$18,001
 - Proposed FY27 Expenses: \$204
- Estimated FY27 ending fund balance: \$38,906

MC – Technology Fund – Revenues to be used to purchase or maintain technology enhancements for municipal court operations,

- Estimated FY26 ending fund balance: \$40,211
 - Proposed FY27 Revenues: \$1,098
 - Proposed FY27 Expenses: \$0
- Estimated FY27 ending fund balance: \$41,310

MC – Building Security Fund – Revenues to be used to for personnel, services, and items related to the municipal court building

- Estimated FY26 ending fund balance: \$146,202
 - Proposed FY27 Revenues: \$4,043
 - Proposed FY27 Expenses: \$8,650
- Estimated FY27 ending fund balance: \$141,595

* 2025 Legislative action for the consolidation of the Municipal Court Security and Technology Funds. The bottom two funds are the legacy funds that are required to maintain historical fund balances for their intended purposes.

Municipal Court Funds

MC – Juvenile Case Management Fund – Revenues to be used for personnel cost, travel, supplies and other expenses related to the Juvenile Case Manager

- Estimated FY26 ending fund balance: \$927
 - Proposed FY27 Revenues: \$13,000
 - Proposed FY27 Expenses: \$10,000
- Estimated FY27 ending fund balance: \$3,927

Questions/Comments