Staff Report

November 3, 2025 Council Workshop Meeting

2026 Operating Budget Presentation
Presenter: Debra Brooks, Budget Analyst and Cathy Huber Nickerson, Finance Director
Time Estimate: 30 minutes

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BACKGROUND: The 2026 Operating Budget presentation is to review the proposed changes in operating budgets with both revenues and expenses. The presentation will also cover how the City determines the changes to the operating budgets and how the changes are prioritized within the City's Strategic Plan.

SUMMARY: Operating budgets fund the core services provided by the City some of which are mandated by State's legal framework, some by City municipal code and others by Council priorities. These budgets include police and fire protection services, park maintenance and recreation, library operations, general government services, stormwater, water and sewer operations as well as internal services such as fleet, facilities, and IT maintenance.

Funding sources for these services include general revenues such at taxes, service fees and charges, grants, state-shared revenue and in some dedicated revenue sources.

BENEFITS TO THE COMMUNITY: Operating budgets are largely considered the essential service the public relies on day to day. These services include public safety, clean water, sewer and solid waste collection and disposal and safe streets. Other services are considered the community or cultural aspects to our city including Library hours and programming, park events and recreation, safe trails and bike paths and event gatherings such as Hometown Holidays. These are some of the services provided with staff and services funded by the 2026 Budget.

STRATEGIC PLAN: City operations for 2026 meet the following priorities:

- Safe and Accessible Community
- Stewardship of City Assets
- Vibrant Community Amenities
- Economic Prosperity
- Engaged Workforce

The presentation will provide how changes to the 2026 Adopted Budget to the 2026 Mayor's Recommended Budget address the Strategic Plan priorities.

POTENTIAL CHALLENGES: The potential challenges for any operating budgets are unanticipated cost escalators such as inflationary pressures, tariffs, supply chain issues, and high bid responses. In addition, one of the largest impacts on operating budgets is the change in staffing. It is expensive to lose talented staff with recruitments, overtime in backfilling, training, and the loss in productivity for the team.

BUDGET IMPACT: The 2026 Operating Budget is largely a continuous of the 2025 initiatives which is by design with a biennial budget. The only significant change is the addition of three police staff which will be funded from dedicated Criminal Justice Sales Tax shared by Clark County as a whole,

RECOMMENDATION: Next steps include the public hearing and consideration for the 2026 Budget Ordinance on December 1, 2025.