



Memorandum

Meeting Details: September 10, 2025

Prepared For: Hon. Mayor Brooks & Board of Commissioners

Staff Contact: Andrew Laflin, Finance Director

Subject: Ordinance 2025-16 Adopt Tentative Budget FY 2026

Background

Each year the Board of Commissioners is presented with three versions of the upcoming fiscal year's budget: a proposed version, a tentative version, and a final adopted version. This is a best practice process followed by municipal Finance Departments across the country that allows for staff and the Board to fully review and make changes to the document. Budget workshops were held with the Board of Commissioners on March 26th, April 23th, May 28th, June 25th, July 23rd, and August 27th in order to review and discuss the budgeted information prepared by fund and by department. The latest proposed version of the FY 2026 Annual Operating and Capital Budget was submitted and reviewed during the August 27 budget workshop. No changes to the budgeted balances have been made since the August 27 budget workshop.

Budgetary highlights:

- Total budgeted deficiency (excess of expenditures and other outflows over revenues and other inflows) totals \$11,678,113. This budgeted shortfall will be absorbed by existing reserves, also referred to as available fund balance within the applicable governmental funds and available net position within the enterprise funds. This deficiency is largely due to the City's capital improvement plan for FY 2026, which is projected to total \$13,740,000.
- Within budgeted personnel costs, the proposed employee Cost of Living Adjustment (COLA) increase and maximum merit increase are not to exceed 3% and 3%, respectively. These proposed limits were presented at the May 28 workshop and are reflected in this tentative budget for FY 2026.
- Excluding capital outlay and non-recurring operating expenditures and related grant and contribution revenues, total City-wide revenues and other inflows exceed expenditures and other outflows by \$674,937 for the fiscal year 2026 budget.

Fiscal Impact

Budgets have been prepared for all governmental and proprietary funds of the City, 11 in total. All funds are in balance and the total expenditures and other uses within the FY 2026 budget for all funds is approximately \$47.2 million.

Recommendation(s)

Staff recommends approval of Ordinance 2025-16 on First and Second Reading.

Attachments

- Budget Ordinance 2025-16
- Tentative Budget Book