



## CITY COUNCIL COMMUNICATION

**DATE:** June 15, 2026

**FROM:** Clayton Gray, Chief Financial Officer

**AGENDA ITEM:** Consideration and possible action on Ordinance 06-22-26, amending the budget for the 2025-2026 fiscal year and authorizing amended expenditures as provided; providing for the repeal of all ordinances in conflict; providing a cumulative clause; providing for a severability clause; and providing a savings clause; and establishing an effective date.

### **SUMMARY:**

- The 2025-26 budget for the Capital Projects Fund was developed with the expectation that the City would issue debt during the year to fund upcoming projects. However, because debt proceeds must generally be expended within 36 months, and due to the potential for extended timelines associated with County road projects, any possible debt issuance has been postponed until at least the next fiscal year.
- To ensure adequate funding for ongoing and necessary projects within the Capital Projects Fund, this Ordinance authorizes a transfer of \$3.5 million from the General Fund.
- The General Fund balance is sufficient to support this transfer while maintaining a fund balance well above the City's required minimum of 25%, remaining in excess of 100% of annual General Fund expenditures.
- Public Works Director Jim Bolz has advised that the cost of the 2025–2026 Street Rehabilitation Program has increased to \$512,000. Accordingly, this Ordinance also increases the related expenditure budget by \$150,000 to ensure adequate funding for the project costs.

### **FISCAL INFORMATION:**

- This budget amendment increases expenditures in the General Fund by \$3,500,000 and revenues in the Capital Projects Fund by \$3,500,000 (a \$0 net change to the City's overall budget.)
- This budget amendment also increases expenditures in the Capital Projects Fund by \$150,000 to cover the additional costs associated with the 2025–2026 Street Rehabilitation Program.

### **RECOMMENDED MOTION OR ACTION:**

- Staff recommends approval.

### **ATTACHMENTS:**

- Ordinance 06-22-26.