

**City of Sedgwick
City Council Meeting
August 7, 2024**

TO: Mayor and City Council

SUBJECT: 2025 Proposed Budget

INITIATED BY: Administration

AGENDA: Old Business

Background: The 2025 Proposed Budget was brought before the governing body on July 2, 2024. At that time, it was recommended that staff research historical revenues and expenditure further to determine if cuts could be made to lessen the amount of reserve spending from year to year. It was further recommended that staff present a budget that held the mill levy flat in lieu of taking a 1 mill decrease as originally presented.

Analysis: Upon further research, staff concluded that the city's revenue sources were limited due to lack of industry and the size of the municipality. Any cuts to the expenditures that would result in significant savings would have to be made on the employee side of the house which would have a direct impact on the ability to provide high quality services within the city. Alternatively, the city could cut back on transfers to capital funds, however those cuts would result in a decreased spending authority and lack of sufficient funding for future purchases.

Staff is presenting the governing body with two options:

A) Mill levy set at 74.588

This budget sees a decrease in the sidewalk cost share program, façade improvement program, and transfers to the CEF for all departments. The general fund would see a cash reserve of \$200,000 which represents a \$34,600 increase from 2024.

B) Mill levy set at 74.990

This budget sees the same decreases as option A, however the general fund would see a cash reserve of \$205,535 which represents a \$40,105 increase from 2024.

Financial Considerations: Option A: The budgeted expenses exceed the budgeted revenue by \$842,201 with cash reserves (\$512,640 after cash reserves).

Option B: The budgeted expenses exceed the budgeted revenue by \$842,034 with cash reserves (\$506,938 after cash reserves).

Recommendations/Actions: Council determination

Attachment: