



AGENDA REPORT

City Council Meeting

TODAY'S DATE: August 7, 2025

MEETING DATE: August 20, 2025

TO: Mayor and Sandpoint City Council

FROM: Sarah Lynds, Finance Director

SUBJECT: FY 2026 Annual Budget Hearing & Final Adoption of the Budget

DESCRIPTION/BACKGROUND: The preparations for the fiscal year 2026 budget started in February 2026 with the first Council budget workshop occurring during the July 9th, 2025, Council meeting. Presentations from City staff on the 2026 Capital Improvement Plan (CIP) Projects and the operating budgets for the Fire Department, Central Services Department (Clerk's Office, IT Division, Legal Services, Central Services/General Government Projects/Grants), Finance Department, Streets Division of the Public Works Department, and the Planning and Building Divisions of Community Planning and Development (CPD) Department.

A second workshop took place at the July 16, 2025 Council meeting with presentations on the City-wide revenue sources and the operational budgets of the Police Department, Community Planning and Development (CPD) Department (Park Division, Recreation Division and CPD Admin), and the Public Works Department (Utility Divisions – Water, Wastewater, Sanitation/Garbage, Fiber and Stormwater and the Public Works Administration/Engineering).

A third budget discussion was held at the July 30, 2025, Council meeting and the City Fund Balances and Net Positions for each fund were evaluated and Resolution 24-006 Financial Policies Guidelines (in particular 'C. Use of One-Time Resources Policy' on page 29) was discussed. In addition, the preliminary budget ceiling amount of \$49,927,665 was approved and a public hearing was scheduled for August 20, 2025.

At the August 6th, 2025 meeting additional discussions surrounding the FY 2026 budget were held and the Council passed motions to move \$40,000 of \$ from 'Improvements to Rental Property' GL # 01-1970-7730-0000-19719008 to 'Tech Services – Transportation' GL # 01-1970-4340-4164 and change the one-time \$ project 'West and North Gateway Sign' GL # 01-1600-4610-4630 to a one-time \$ project 'City Efficiency/Asset Assessment/ Audit' – GL # 01-1600-4310-4123.

The final property tax information was received from Bonner County on August 4, 2025 and the amount of Property Tax levy amounts and charts have been updated in the budget and budget charts in the budget book.

The Notice of Public Hearing for the FY2026 budget was published in accordance with Idaho Code 50-1002 in the Bonner County Daily Bee on August 5th and 12th and the public hearing is scheduled for August 20, 2025.

STAFF RECOMMENDATION: Hold public hearing and adopt the ordinance for the City of Sandpoint FY 2026 budget in the amount of \$49,927,665.

ACTION: Adopt the ordinance for the City of Sandpoint FY 2026 budget of \$49,927,665.

WILL THERE BE ANY FINANCIAL IMPACT? N/A

HAS THIS ITEM BEEN BUDGETED? N/A

ATTACHMENTS:

- 1) Bonner County Daily Bee Notice of Public Hearing
- 2) FY 2026 Annual Appropriation Ordinance
- 3) Resolution - Certifying the Amount of Forgone Increase to be included in FY26 Budget
- 4) 2025 L-2 Worksheet to be submitted to the County by September 4, 2025 - per Idaho Code 63-803(3)

Link to the budget book:

<https://city-sandpoint-id-clear.doc.cleargov.com/11437>