Budget Work Session
Fiscal Year 2026-2027

July 14, 2026

General Fund Proposed Revenue Assumptions

Certified Total Estimated Value as of April 30: $8,182,202,589 - 1% increase from previous year

Certified Estimated Value of New Construction as of April 30: $127,397,145 (equates to $740,740 in revenue) - split 76%/24% between General Fund and Debt Service Fund

Proposed Sales Tax Revenue is a 2% increase over FY 2026 Budgeted/Projected (6-month actuals at 47% of budget)

Assumes an estimated voter approval rate of .581442 which includes the 3.5% revenue cap plus increase for 2026 debt issuance

Projecting a 5% increase for trash revenue

Items Included in Proposed Base Budget

	Amount
12% increase in health insurance	$517,470
3% average merit increase for General Employees (effective January 2026)	$341,568
Public Safety step increase	$316,280
Total General Fund	**$1,175,318**
12% increase in health insurance	$74,829
3% average merit increase for General Employees (effective January 2026)	$82,289
Total 4B Sales Tax	**$157,118**
12% increase in health insurance	$52,832
3% average merit increase for General Employees (effective January 2026)	$88,221
Total Utility Fund	**$141,053**

Changes to Previous Budget Numbers

Reduction in Healthcare increase from 15% to 12%

Added $100,000 to Streets Budget for Street Maintenance

Balanced Budget with recommended requests of $896,602

Use of Fund Balance for large purchases instead of issuing PPFCOs - $1.8 million

General Fund Summary

Estimated Beginning Fund Balance - 10/01/26	**$ 22,965,151** (a)
Proposed Revenues FY27 (@ .581442)	70,401,729
Proposed Expenditures Base Budget FY27	(69,505,127)
Recommended Requests (Recurring Expense)	(18,195)
New/Replacement Equipment (One-Time Uses)	(878,407)
Use of Fund Balance	(1,853,000)
Estimated Ending Fund Balance 09/30/27	**$ 21,112,151 (b)**

a) Assumes 2% of expenditures unspent in FY 2026 - $1,386,088

b) Estimated Ending Fund Balance is 30%.

Recommended Requests - General Fund

Dept	Description	Amount
	Personnel (Recurring)	
Police	Crossing Guards x 2	18,195
	Total	**$ 18,195**
	New/Replacement Equipment (One-Time Uses)	
Facilities	Server Room AC	50,000
Police	Replacement Vehicles (3 Patrol, 1 CID)	251,000
Police	Upgrade in-car Camera System to M500	135,540
Police	Drone as First Responder (funded by grant - except maintenance cost)	40,367
Fire	Paratech Stabilization Struts	21,500
Building Inspection	Replacement Trucks for Bldg Official and Inspector	100,000
Streets	HSIP 78	200,000
Library	Library Sorter	$ 80,000
	Total	**$ 878,407**
	Total Requests	**$ 896,602**

Use of Fund Balance

Dept	Description	Amount
Fire	Outdoor Warning Sirens	80,000
Fire	Hydraulic Rescue Tool Replacement	100,000
Fire	SCBA Replacement	1,000,000
EMS	2027 Ambulance	673,000
	Total Use of Fund Balance	**1,853,000**

Utility Fund Summary

Estimated Beginning Fund Balance - 10/01/26	**$ 41,665,809**	
Proposed Revenues FY27	36,650,853	(a)
Proposed Expenditures Base Budget FY27	(36,874,327)	
Recommended Requests (Recurring Expense)	0	
New/Replacement Equipment (One-Time Uses)	(826,500)	
Estimated Ending Fund Balance 09/30/27	$ 40,615,835	(b)

a) Assumes 5.15% water rate increase and 5.15% sewer rate increase per the 2025 rate study.

b) Policy requirement is 90 days of operating expenditures. Estimated Ending Fund Balance is 402 days.

Recommended Requests - Utility Fund

Dept	Description	Amount
	New/Replacement Equipment (One-Time Uses)	
Water	Pump Can Rehab	180,000
Water	Pump Station Flow Meter	81,000
Engineering	Upgrade to City Standards	275,000
Wastewater	SCADA Upgrades	290,500
	Total	**$ 826,500**

4B Sales Tax Fund Summary

Estimated Beginning Fund Balance - 10/01/26	**$ 4,030,659**	
Proposed Revenues FY27	6,755,423	(a)
Proposed Expenditures Base Budget FY27	(6,158,553)	
Recommended Requests (Recurring Expense)	0	
New/Replacement Equipment (One-Time Uses)	(189,000)	
Estimated Ending Fund Balance 09/30/27	$ 4,438,529	(b)

a) Total includes sales tax revenue and service fee revenues from the Recreation Center

b) Policy requirement is 25% of budgeted sales tax revenue ($5,497,223 X 25% = $1,374,306)

Recommended Requests - 4B Sales Tax

Dept	Description	Amount
New/Replacement Equipment (One-Time Uses)		
4B Parks	Shade Valentine Playground	150,000
4B Recreation Center	Gym Curtain	39,000
	Total 4B Equipment and One Time Uses	**189,000**
Parks A&I	Poured in Place Surface Valentine Park	150,000

Questions?