

Budget Work Session Fiscal Year 2026-2027

June 23, 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

	<u>Amount</u>
15% increase in health insurance	\$638,612
3% average merit increase for General Employees (effective January 2026)	\$341,568
Public Safety step increase	<u>\$316,280</u>
Total General Fund	\$1,296,460

15% increase in health insurance	\$95,307
3% average merit increase for General Employees (effective January 2026)	<u>\$82,289</u>
Total 4B Sales Tax	\$177,596

15% increase in health insurance	\$65,143
3% average merit increase for General Employees (effective January 2026)	<u>\$88,221</u>
Total Utility Fund	\$153,364

Factors To Consider

Estimated No New Revenue Rate - .547162

Increase required for New Debt - 1.7 cents

Estimated Voter Approval Rate - .581442 (includes 1.7 cents for debt)

One cent is \$818,000

Public Safety Pay Plan adjustments - \$637,000 includes TMRS and Taxes

Recommending no draw down of General Fund Fund Balance

Possible PFFCO issuance for large long term purchases

Notable Change to Expenditures:

Operating Expenses were held to 1.5% - \$287,156

Total Proposed Budget increase is 2.81% - \$1,900,802

General Fund Summary

Estimated Beginning Fund Balance - 10/01/26	\$ 24,333,238 (a)
Proposed Revenues FY27 (@ .581442)	70,401,729
Proposed Expenditures Base Budget FY27	(69,538,113)
Decrease in Revenue or Increase in Expense to Balance Budget	863,616
Use of Fund Balance	<u>0</u>
 Estimated Ending Fund Balance 09/30/27	 \$ 24,333,238 (b)

a) Assumes 2% of expenditures unspent in FY 2026 - \$1,368,087

b) Estimated Ending Fund Balance is 34.5% when budget is balanced
30% Fund Balance is \$21,120,519 - a draw down of \$3.2 million

New Requests - General Fund

Dept	Description	Amount
Personnel (Recurring)		
Facilities	Facilities Technician	84,497
Police	Crossing Guards x 2	18,195
Police	Administrative Assistant I	47,479
Fire	Relief Firefighters X 3 (offset with decrease in overtime)	39,676
EMS	EMT to Paramedic - 3 positions	33,165
Streets	Equipment Operator I	69,033
Streets	Equipment Operator I	69,033
Total		\$ 361,078
New/Replacement Equipment (One-Time Uses)		
Facilities	Facilities Storage	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

New Requests - General Fund (Continued)

Dept	Description	Amount
New/Replacement Equipment (One-Time Uses) Continued		
Fire	Battalion Chief Truck	155,000
Fire	Paratech Stabilization Struts	21,500
Fire	Outboard Motor	6,000
EMS	Video Laryngoscope	52,500
Animal Services	Animal Services Drainage	73,197
Building Inspection	Replacement Trucks for Bldg Official and Inspector	100,000
Streets	HSIP 78	200,000
Streets	Roadway Paint Striping	200,000
Total		\$ 1,285,104
Total Requests		\$ 1,646,182

PPFCO Requests

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
Emer Comm	Mobile Command Post Refurbishment	500,000
Emer Comm	Radio Replacement	1,500,000
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		3,853,000

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	(36,891,807)	
Recommended Requests (Recurring Expense)	0	
New/Replacement Equipment (One-Time Uses)	<u>(826,500)</u>	
Estimated Ending Fund Balance 09/30/27	\$ 40,598,355	(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.

New 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	Update City's Engineering Design Manual	275,000
Wastewater	SCADA Upgrades	290,500
		Total \$ 826,500

4B Sales Tax Fund Summary

Estimated Beginning Fund Balance - 10/01/26	\$ 3,909,659
Proposed Revenues FY27	6,755,423 (a)
Proposed Expenditures Base Budget FY27	(6,170,864)
Recommended Requests (Recurring Expense)	0
New/Replacement Equipment (One-Time Uses)	(189,000)
Estimated Ending Fund Balance 09/30/27	<u>\$ 4,305,218 (b)</u>

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

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

4B Sales Tax Fund Summary

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?