



Council Workshop FY25-26 Budget Discussion

April 22, 2025





Budget Calendar

Item	Date
Workshop #1 – Budget Overview / Revenues / Five-Year Financial Forecasts	January 28, 2025
Workshop #2 – FY26-35 Capital Improvement Plan	March 4, 2025
Workshop #3 – (All Day) FY26 Operating Budget Department Presentations	April 1, 2025
<i>Workshop #4 – FY26 Operating, CIP, Debt, Contingency</i>	<i>April 22, 2025</i>
Voting Meeting – Tentative Budget Adoption	May 13, 2025
Voting Meeting – Final Budget Adoption / Property Tax Levy	June 10, 2025
Voting Meeting – Property Tax Adoption	June 24, 2025



Agenda

- FY25-26 Budget Highlights
- Changes to Operating Budget
- Changes to Capital Improvement Plan
- FY25-26 General Fund Transfers Budget
- FY25-26 Budget Overview
- General Fund Five-Year Forecast



FY25-26 Budget Highlights

- Conservative Forecasting Methodology
- No Property Tax Increases
 - Property Tax Rate decreases annually due to flat levy policy
 - Property Tax has decreased from \$2.20 per \$100 of property value in FY16 to \$1.45 per \$100 of property value in FY26
- Budget Aligned with Council Priorities
 - Park Maintenance
 - Public Safety
 - City Infrastructure (Streets, Water/Wastewater, Etc.)



FY25-26 Budget Highlights

- Public Safety Increases in accordance with current Memorandums of Understanding (MOUs) for represented employees (Year 2 of MOU)
- Recommended Increases in Employee Pay
 - 3.5% Cost of Living Adjustment (COLA) for non-represented employees
 - Up to 2.0% merit increases



Operating Budget Changes



FY25-26 Operating Budget Changes

- Circle of Cities Membership
 - Added \$2,500 ongoing beginning in FY26
 - Budgeted in Non-Departmental – Memberships
- Nation's 250th Birthday Celebration
 - Added \$250k one-time for FY26
 - Budgeted in Economic Development – Special Events



FY25-26 Operating Budget Changes

- Fleet Vehicle Parts Supplemental
 - Removed \$50k ongoing beginning in FY26
 - Department did not need supplemental if Equipment Mechanic FTEs were approved
- Vendor Validation Software Supplemental
 - Added \$112k ongoing beginning in FY26
 - Chase Bank no longer using program where earnings credits can pay for the software.
 - Software is critical to avoiding fraudulent banking transactions



FY25-26 Operating Budget Additional Discussion

- Manistee Ranch
 - Added \$20k one-time for FY26
 - Budgeted in Non-Departmental – Building Maintenance
 - Memo to City Council – Field Operations maintains Manistee Ranch House
 - Sufficient budget to maintain house at current level of service
- Council Consensus – Add/Remove Supplemental Budget Request



FY25-26 City Manager Recommended Supplemental

- Police Traffic Safety Equipment
 - Added \$600k in one-time funding for police traffic safety equipment



Capital Improvement Plan Changes



FY26-35 Capital Improvement Plan Changes

- CIPPK19077 – Thunderbird Conservation Park Improvements
 - Added funding for project based on Council-Approved Master Plan in FY27
- CIPPS23031 – Police Crime (Forensic) Laboratory
 - Moved project up from FY2028 to FY2027
 - FY2026 \$4M in Carryover



FY26-35 Capital Improvement Plan Changes

- Carryover Updated
 - Carryover estimate refined with department
 - \$193M – March 4, 2025
 - \$270M – April 22, 2025



FY26-35 CIP Discussion

- CIPPS26026 – Indoor Shooting Range
 - Preliminary discussions with Luke AFB regarding shared indoor shooting facility
 - Enclosed Facility
 - Office and classroom space
 - Bathroom and locker room amenities
 - 20 50-yard shooting lanes
 - Added \$100k placeholder in FY26 for programming study
- Council Consensus – Add \$100k project in FY26



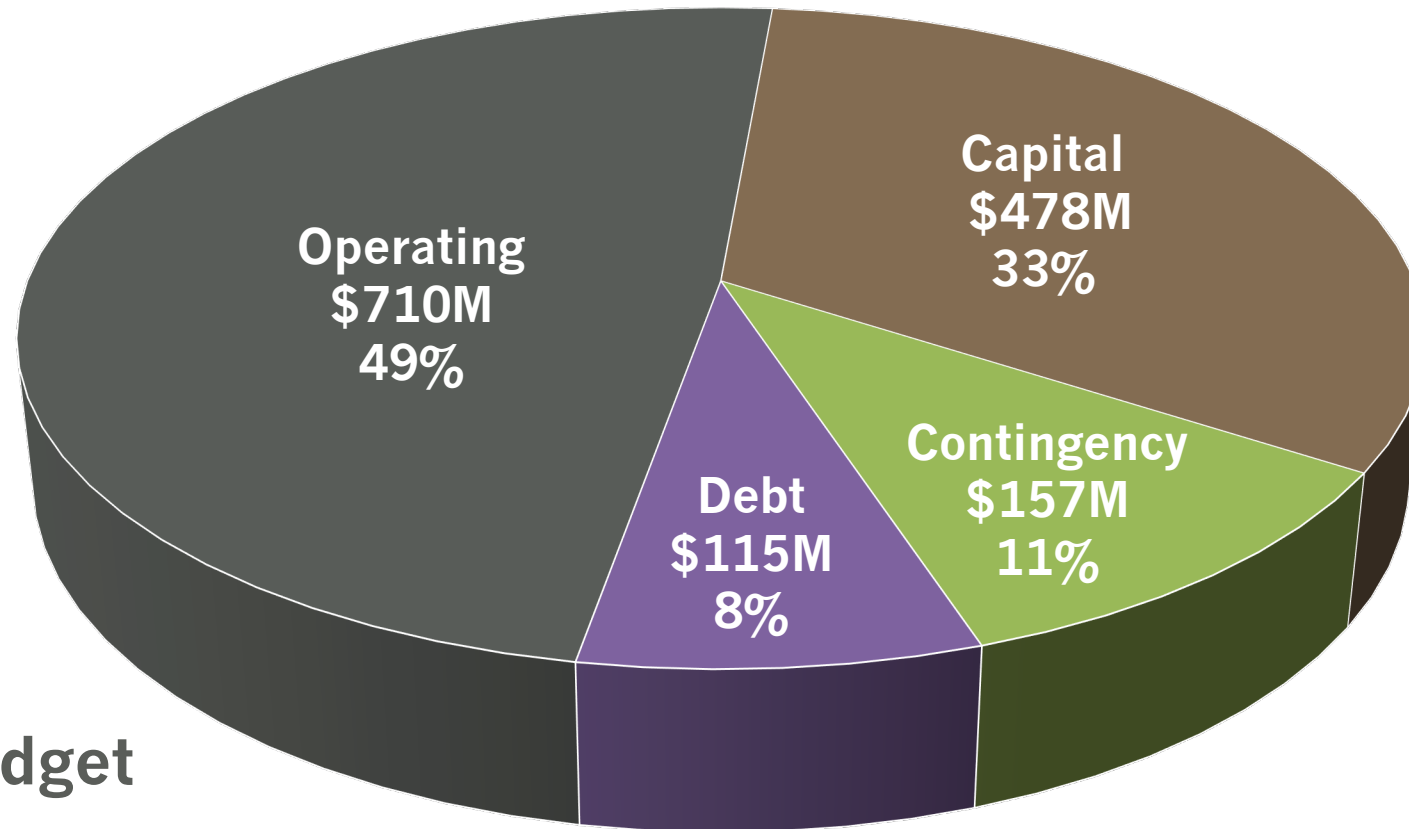
FY25-26 General Fund Transfers

General Fund Transfers In	
Public Safety Sales Tax – Police	\$32,225,844
Public Safety Sales Tax – Fire	\$17,054,216
Total Transfers In	\$ 49,280,060

General Fund Transfers Out	
Vehicle Replacement Fund	(\$3,541,510)
Airport Special Revenue Fund	(\$175,399)
CAP Grant	(\$67,514)
Public Housing	(\$1,240,293)
GRPSTC	(\$4,256,364)
Maintenance of Effort Transfers	(\$2,262,044)
General Fund Capital Projects	(\$23,549,066)
Debt Service – COPs	(\$19,988,356)
Debt Service – MPC/Excise Tax	(\$32,183,126)
Total – Transfers Out	(\$87,263,672)



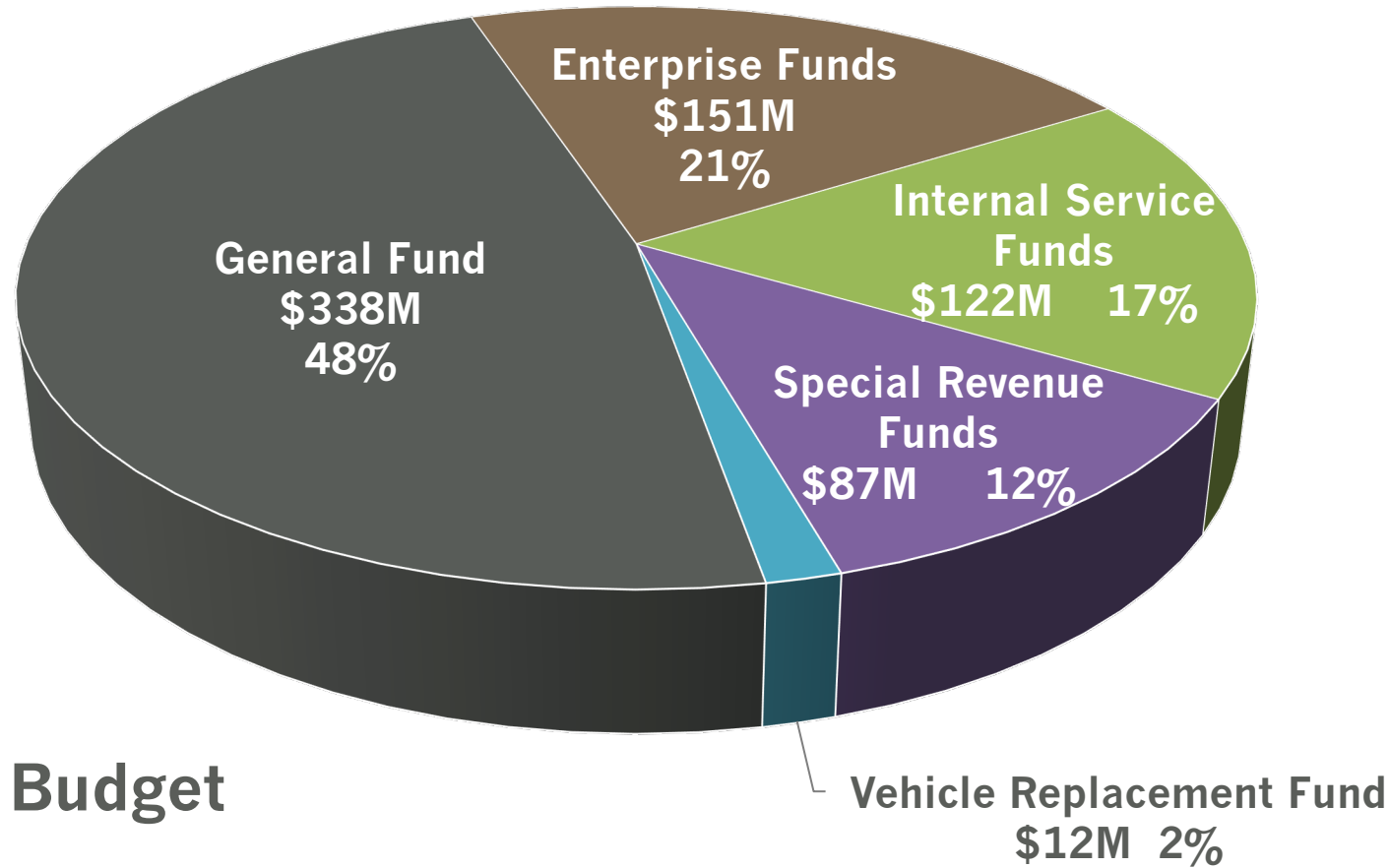
FY25-26 Total Budget Appropriation



**FY25-26 Total Budget
\$1.46B**



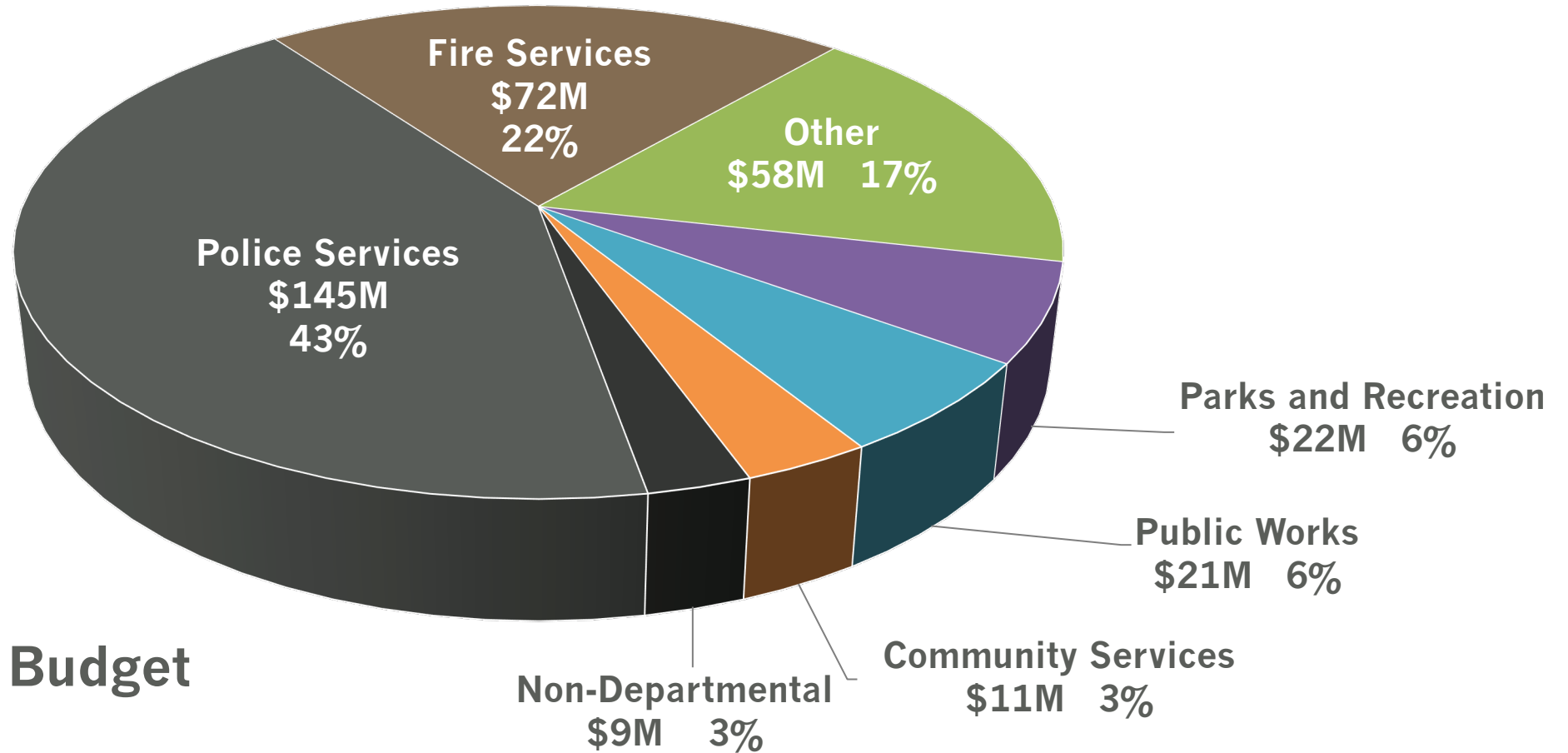
FY25-26 Operating Budget by Fund



**Total FY25-26 Budget
\$710M**



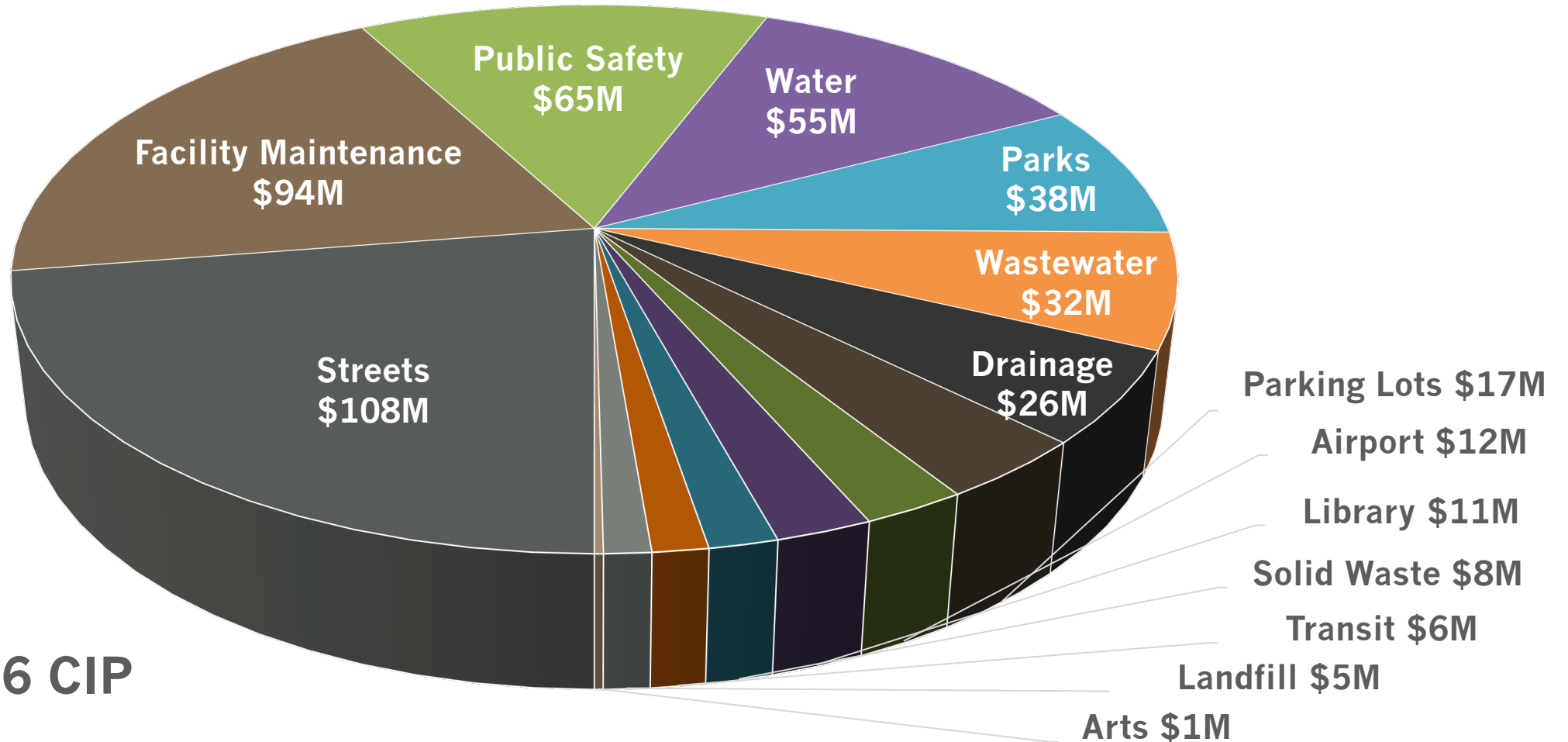
FY25-26 General Fund Operating Budget by Function



**Total FY25-26 Budget
\$338M**



FY25-26 Capital Improvement Plan



**Total FY25-26 CIP
\$478M**



General Fund Five-Year Financial Forecast

	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget
Beginning Fund Balance	294,781,246	280,171,846	253,597,868	224,231,965	185,306,206
Operating Revenue	361,370,921	352,975,525	364,120,851	371,633,645	378,783,930
Ongoing Operating Expenditures	(333,428,650)	(347,627,055)	(360,755,581)	(374,578,009)	(388,859,080)
One-Time Operating Expenditures	(4,568,059)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Net Transfers	(37,983,612)	(29,422,448)	(30,231,173)	(33,481,395)	(41,030,175)
Contingency	(5,000,000)	-	-	-	-
Total Surplus/(Deficit)	(19,609,400)	(26,573,978)	(29,365,903)	(38,925,759)	(53,605,324)
Ending Fund Balance w/o Contingency	280,171,846	253,597,868	224,231,965	185,306,206	131,700,882
Assigned FB - General Govt CIP	8,304,944	6,877,968	8,932,525	16,116,990	13,709,776
Pension Reserves (Committed)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Unassigned Fund Balance w/o Contingency	251,866,902	226,719,900	195,299,440	149,189,216	97,991,106
Fund Balance Policy					
25% Ongoing Operating Expenses	83,357,163	86,906,764	90,188,895	93,644,502	97,214,770
<i>*Unassigned Fund Balance w/Arts Transfer</i>	<i>249,866,902</i>	<i>224,719,900</i>	<i>193,299,440</i>	<i>147,189,216</i>	<i>95,991,106</i>



Budget Calendar

Item	Date
Workshop #1 – Budget Overview / Revenues / Five-Year Financial Forecasts	January 28, 2025
Workshop #2 – FY26-35 Capital Improvement Plan	March 4, 2025
Workshop #3 – (All Day) FY26 Operating Budget Department Presentations	April 1, 2025
Workshop #4 – FY26 Operating, CIP, Debt, Contingency	April 22, 2025
<i>Voting Meeting – Tentative Budget Adoption</i>	<i>May 13, 2025</i>
Voting Meeting – Final Budget Adoption / Property Tax Levy	June 10, 2025
Voting Meeting – Property Tax Adoption	June 24, 2025



Questions?