

2025-2026 Budget – Public Hearing

City Council Meeting | November 4, 2024

Agenda

- Reminder about budget philosophy
- Budget amendment 1: Staff Recommended
 - Effect on fund balance (general fund)
- Public Hearing
- Budget Amendments 2 - 6: Council proposed
- Next Steps



Budget Philosophy

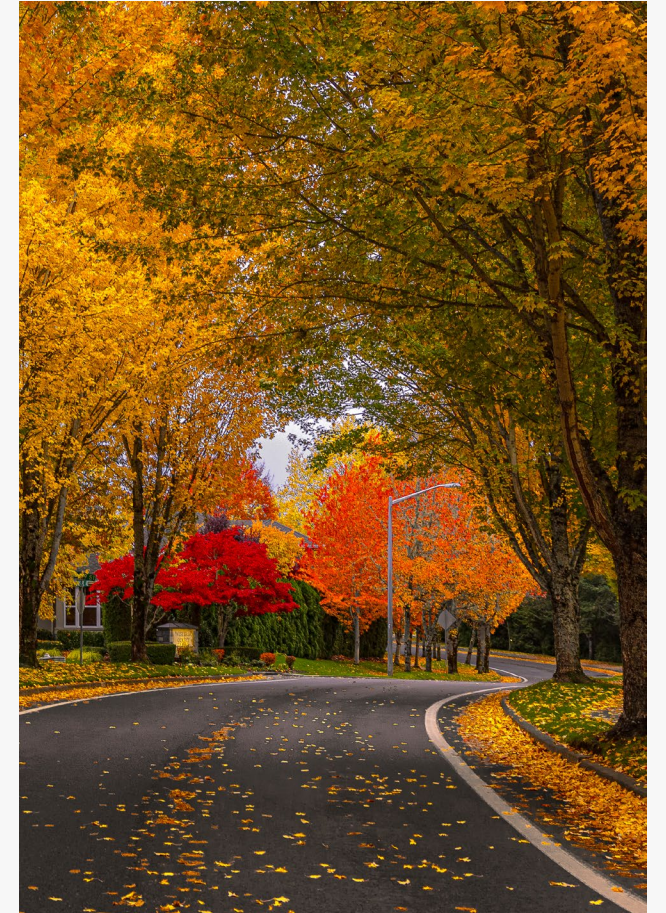
- Generally maintain LOS and hold staff harmless – following Council direction
- Follow Fiscal Sustainability Taskforce recommendations
- Reflect Council’s Fiscal Sustainability goal
- Improve trust and transparency in the budget and capital planning process
- Acknowledge structural imbalance requires new revenues
 - Implement 6% Utility Tax by January 2026
 - Direction to staff to explore creation of Metropolitan Park District



2025-2026 Budget Highlights

Cost-saving measures applied to all departments

- “What ifs” and contingencies gone
- Office supplies reduced
- Out of state travel restricted & training reduced
- Reduced number of seasonal positions
- Greatly reduced meeting meals
- Limited overtime
- Continuing to reduce costs (e.g., cell phones)



Budget Amendment #1: Staff Recommended

Amendment #1 - General Fund Changes:

- Move project costs from 2024 to 2025, zero net effect on fund balance:
 - Repair costs
 - Impact fee study
 - EMPG grant
- Adjusted final fire budget
- Adjusted final police budget
- Reduced budget for change in level of service for snow & ice removal
- Increased vacancy allowance, resulting in budget reduction

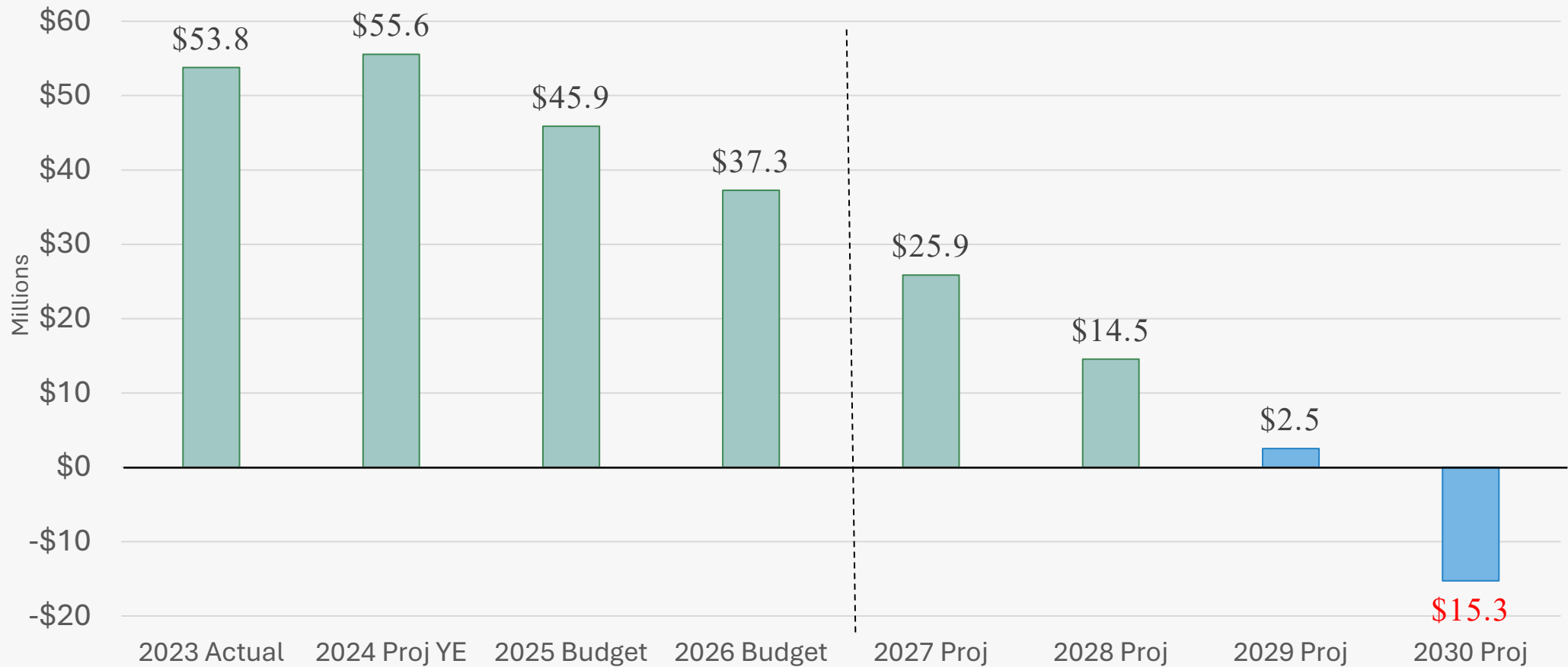
Budget Amendment #1: Staff Recommended

Net effect of amendment #1 on General Fund:

- Lower total use of existing fund balance from \$20.1 million to \$18.3 million.
Total reduction of \$1.8 million
- Even with adjustments, ongoing expenditures still exceed ongoing revenues by \$6.4 million for the biennium
- Departmental expenditure budget increases of just 0.4% compared to the 2023-2024 biennial budget, excluding transfers for capital projects

Budget Amendment #1: Staff Recommended

General Fund Balance Total - spending proposed reserve requirement
as currently budgeted/projected



Budget Amendment #1: Staff Recommended

Amendment #1 - Other Fund Changes:

- **Fund 301:** Add \$200 thousand to fire station 83 for owner representative
- **Fund 302:** Removed contingency budget, removed budget for signage, moved greenhouse project budget to the 2027-2028 biennium
- **Fund 340:** added budget for ELSP analysis and 30% design
- **Funds 408 & 438:** adjusted budget for Hazel Wolf culvert improvement and ELSP analysis & 30% design
- **Fund 501:** reduced budget for snow & ice LOS, moved purchase of one vehicle from 2024 into 2025
- No effect on General Fund at this time

Next Steps

- **November 12 Special Meeting**
 - Continued public hearing
 - Updated ordinance based on amendments tonight
- **November 19 Regular Meeting**
 - Close public hearing
 - Planned budget adoption

Budget Amendments #2 – 7: Council Proposed

- **Amendment #2** – Treen – Page 5
- **Amendment #3** – Treen – Page 6
- **Amendment #4** – Treen – Page 7
- **Amendment #5** – Stuart & O'Farrell – Page 8
- **Amendment #6** – Stuart – Page 9
- **Amendment #7** – Stuart – Page 11

Budget Schedule

~~**Sept 3:** Discuss funds, the budget, and CIP document~~

~~**Sept 10:** Discuss the Capital Improvement Plan (CIP)~~

~~**Sept 17:** Focus on maintenance and operations~~

~~**Oct 1:** Full budget and CIP presented to Council~~

~~**Oct 8:** Department budget presentations~~

~~**Oct 15:** Department budget presentations / Revenue Options~~

~~**Nov 4:** Public hearing & Council deliberations~~

~~**Nov 12:** Public hearing & Council deliberations (continued)~~

~~**Nov 19:** Public hearing & Budget adoption~~

Questions?