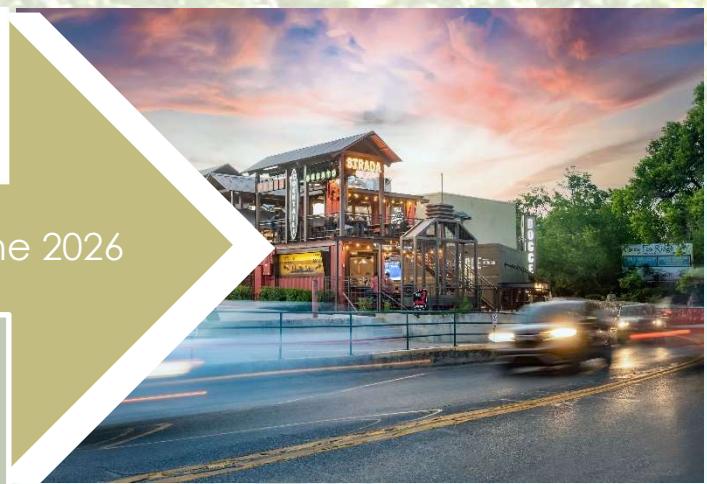




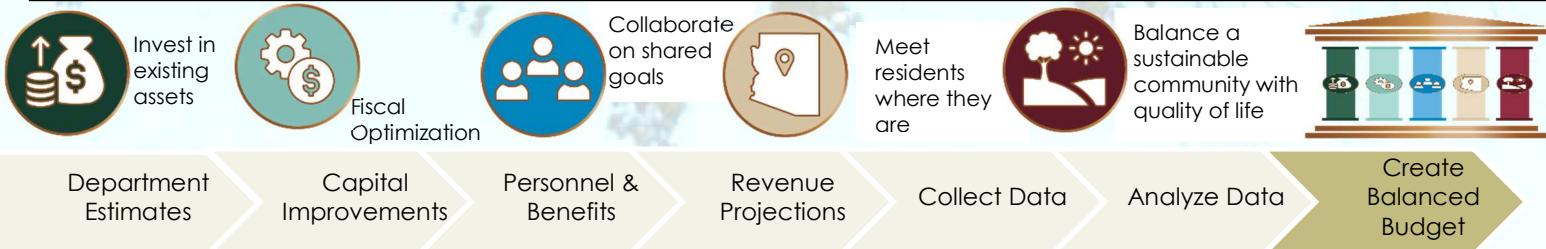
Fiscal Year July 2025 – June 2026



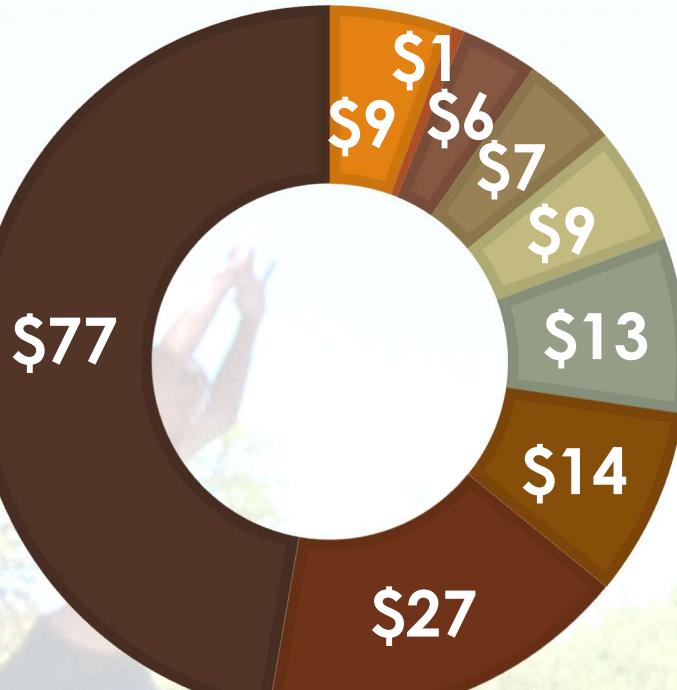
Budget in Brief

“Inspiring a Vibrant Community”

The City Council established the below Strategic Pillars for FY 2026-FY 2030 in the Strategic Plan.



Where the Money Comes From



- Other Financing Sources - 6%
- Other Charges for Services - 3%
- Grants - 5%
- Water/Wastewater fees - 9%
- Fund Balance/Carryover - 47%
- Intergovernmental - 1%
- State Shared Revenues - 4%
- Misc. - 8%
- Taxes - 17%

FY 2026 Budget - \$26.9M - Transaction Privilege Tax – Estimate for FY 2026 is an increase of 1.5% over FY 2025 collections, minus the loss of residential rental tax. Retail & Retail Food for Home Consumption are 70% of total tax collections.

Total City Budget

\$172M



Up 23%
over prior year (PY)

After an effort to increase reserves for several years, the City is planning to use the reserves to complete several large projects which has increased the FY 2026 budget by 23% over the prior year. Personnel costs are 17% of the total budget and increased by 1% over the prior year budget. Streets projects such as the Main Street pavement rehabilitation, grant funding for airport projects and projects in the enterprise funds (water & wastewater) show the largest budgeted increase.



- Retail - 53%
- Retail - Food - 18%
- Restaurant/Bar - 9%
- Construction - 7%
- Other - 9%
- Communications & Utilities - 2%
- Addtl Bed Tax - 2%

Operating Budget Highlights

- The Transaction Privilege Tax Rate is currently 3.5% and is estimated to be up by 1.5% over FY 2025.
- Budgeted for the loss of the Residential Rental tax that was removed by the State in FY 2025. (\$600k+)
- Maintains and enhances existing level of services adding 4 full time employees to help maintain service levels.
- Added a 2.5% Cost of Living Adjustment and range increase, a wage adjustment of \$2,080.
- Includes a Water/Wastewater rate study to implement new rates for FY 2027.
- Maintains a 25% reserve of prior year revenues, a CIP Reserve of \$1M
- Includes the completion of the Main Street Rehabilitation Project at \$12M.
- Includes all anticipated grant funding and expenditures, including continued funding for the Transit program and Airport Capital Improvements.

Where the Money Goes

16%	Contingencies / Reserves - \$ 27,838,389 Contingencies – Funds that are budgeted for an event or expense that may or may not occur. Reserves – Funds that are reserved for a specific purpose. The City allocates at a percentage of prior year revenues in the General Fund as a General Fund reserve.
37%	Capital Projects - \$ 64,365,900 – Capital projects or Equipment to maintain infrastructure – including streets, airport and water/wastewater projects and large equipment purchases.
4%	Debt Service – \$6,677,610 – Debt Service is the amount allocated to pay annual debt service payments.
12%	Interfund Transfers - \$20,268,457 – Funds that are transferred from the General Fund to other funds to assist in the operations of those funds.
30%	<i>Operational Costs –30% of total budget – The operational budget is created based on departmental need for services and supplies. Included in this budget are #4 new FTE's, a 2.5% COLA, \$2,080 wage adjustment program, and employee benefits.</i>
	17 % - Personnel Services - \$29,923,048
	3 % - Contractual Services - \$5,742,890
	9 % - Repairs, Maintenance & Supplies - \$15,595,146
	1% - Utilities – \$2,473,933

Debt Principle Balance - End FY 2025	
General Fund	
2015 Pledged Revenue Bond	4,832,916
2016 Pledged Revenue Bond	2,590,000
2021 Pledged Revenue Bond	17,415,000
Purchase Agreements	1,775,436
Subscriptions	
Total General Fund	\$26,613,352
Enterprise Funds	
2015 WIFA Loan	3,564,722
2016 WIFA Loan	8,605,265
2015 Pledged Revenue Bond	1,932,084
Purchase Agreements	40,207
Total Enterprise Fund	\$14,142,278
Total Outstanding Debt	\$40,755,630
Principle Due End of FY 2026	\$4,711,292
Balance at End of FY 2026	\$36,044,337

Total Budgeted FTE's (Full-Time Equivalent Employees)

248.8



Capital Improvements Program FY 2025 – 26 CIP Highlights

Water & Wastewater	<ul style="list-style-type: none"> Arsenic Systems - \$ 3,750,000 Storage Building - \$1,000,000 HWY 260 Construction - \$2,093,430 WW - Blower/Aeration Improvements Mingus Plant \$14,000,000 WW - Lift Station 3 Rehab \$1,000,000 	<ul style="list-style-type: none"> IT Server Upgrades \$ 65,000 Buildings Condition Assessment - \$130,000 IT Network Switches - \$ 72,000 IT/Police Radio Upgrades - \$ 595,000 	General Fund
Highway User Revenue Fund (HURF)	<ul style="list-style-type: none"> Main Street ADA Improvements grant - \$1,578,435 Sidewalk Improvements - \$534,410 Main street Design/Construction \$10,800,000 Public Safety Parking Lot - \$1,132,000 	<ul style="list-style-type: none"> Riverfront Trail Phase II \$ 210,000 ADA Doors at Library - \$65,000 Fitness & Weight Equipment - \$420,000 Develop Trails - \$70,000 	Parks & Recreation /Library
Transit	<ul style="list-style-type: none"> 5339 Grant \$ 450,000 	<ul style="list-style-type: none"> Enterprise Vehicle - \$65,000 Communications Consoles - \$ 35,000 Radios - \$ 40,000 	Police
Airport	<ul style="list-style-type: none"> Obstruction Mitigation Grant - \$ 142,730 Windsock/Segmented Circle Grant - \$286,400 Taxiway Grant - \$1,000,000 	<ul style="list-style-type: none"> Emergency Operations Center - \$12,000 Fire Truck – Carry-over \$ 700,000 Radios - \$40,000 	Fire & Medical
Capital Improvements Fund	<ul style="list-style-type: none"> Old Town Public Restrooms - \$ 345,000 Drainage Improvements - \$ 400,000 Future Fire Stations Assessment - \$200,000 	<ul style="list-style-type: none"> Historic Preservation Grant - \$ 43,335 Permitting Software- \$35,000 	Community Development