

# FY 2026 Budget Presentation

March 25, 2025



# FY 2026 Constraining Factors

## Revenue

- Limited commercial/industrial tax base.
- Shifting economic conditions.
- Federal, state, and local funding constraints.

## Expenditures

- Full absorption of Senior Center operating costs.
- Full absorption of pay parity implementation.
- Anticipation of collective bargaining costs.



# 3-Year Stabilization Process

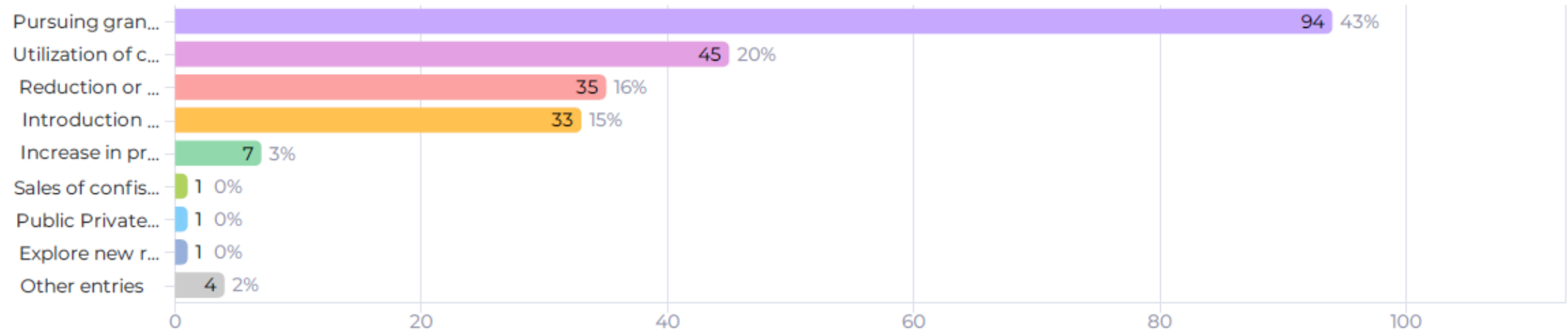
- In FY 25, the Commission approved a \$0.005 increase in the real property tax setting the rate of \$0.0692 per \$100 of assessed value.
- In prior years, the Commission allowed the rate to float with the contestant yield tax rate.
- Processes coincides with three-year reassessment schedule in which residential real property is increase approx. 3.99% YOY.

Rate	Net New Revenue FY 2025	Net New Revenue FY 2026	Net New Revenue FY 2027	Total Net New Revenue
\$0.692 per \$100	\$231,806	\$205,263	\$190,719	\$627,788



**To accommodate new priorities for FY 2026, the city must maintain a balanced budget. Which of the following options would you support? (Select all that apply)**

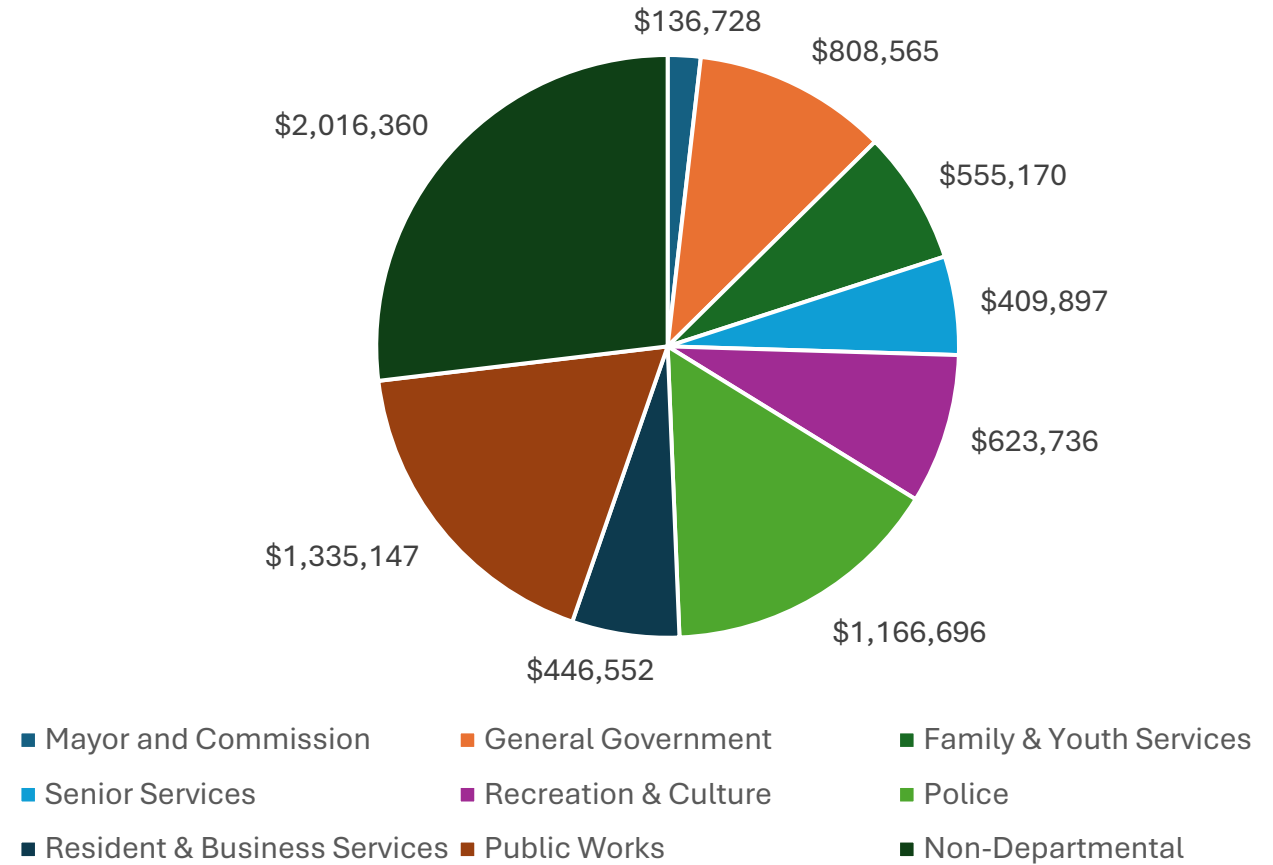
221 Responses



Data	Response	%
Pursuing grants or alternative funding sources.	94	43%
Utilization of city reserves or savings.	45	20%
Reduction or elimination of specific programs or services.	35	16%
Introduction or increase of fees for certain city services.	33	15%
Increase in property tax rates.	7	3%
Sales of confiscated items from criminals. Rental of city owned property...	1	0%
Public Private Partnerships	1	0%
Explore new revenue opportunities ie., like development fees, public- p...	1	0%

# FY 2026 Proposed Budget at a Glance

Revenue Category	Proposed Budget	Percent of Budget
Local Taxes	\$3,994,387	53%
Local Fines, Fees, Permits, and Licenses	\$1,675,000	22%
State and County Shared Revenue	\$399,465	5%
FY 25 Carryforward	\$220,000	3%
Use of Reserves	\$1,000,000	13%
Grants	\$210,000	3%
<b>Total</b>	<b>\$7,498,852</b>	<b>100%</b>



# FY 2026 Proposed Budget at a Glance

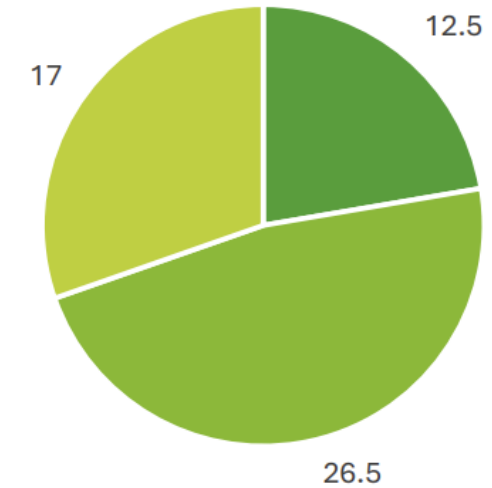
Departmental FTE Chart<sup>1</sup>

	FY 2022 Estimated	FY 2023 Estimated	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed
General Government	6.5	6.5	7.5	7.5	9.5
Police Department	10.0	10.0	12.0	12.0	12.0
Resident & Business Services	2.5	5.5	6.5	7.0	7.0
Youth & Family Services	3.5	4.5	4.5	6.5	6.5
Senior Services	-	1.0	2.0	2.0	4.0
Recreation & Culture	4.0	3.0	5.5	6.5	6.5
Public Works	11.5	11.5	11.5	11.5	10.5
<b>FTE</b>	<b>38.0</b>	<b>42.0</b>	<b>49.5</b>	<b>53.0</b>	<b>56.0</b>

Functional Area FTE Chart

	FY 2022 Estimated	FY 2023 Estimated	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed
General Government	6.5	9.5	10.5	10.5	12.5
Public Safety	24.0	24.0	27.0	27.5	26.5
Health & Wellness	7.5	9.5	12.0	15.0	17.0
<b>FTE</b>	<b>38.0</b>	<b>42.0</b>	<b>49.5</b>	<b>53.0</b>	<b>56.0</b>

FTE by Functional Area



- General Government Administration
- Public Safety
- Health & Wellness



# FY 2026 Budget Proposals

## Base Budget Proposals

- Limited position freezes and reductions in force for positions with duplicative responsibilities.
- Reductions in software licensing costs.
- Adds command-level pay bands in DHPD.
- Herald ad sales revenue enhancement.
- Offers \$132,535 in recurring cost savings and/or revenue enhancement.

## Additional Budget Proposals

- Pilot program for overnight commercial vehicle parking on the lower municipal lot.
- Like for like permitting freeze.
- Targeted buyout program
- Non-uniform 40- to 37.5-hour work week conversion.
- Offers and additional net \$194,675 cost savings and/or revenue enhancement.



# Next Steps

## Revised Budget Calendar

- April 3 City Meeting – Budget Hearing
  - Public Safety
  - Health and Wellness
- April 12 Special Meeting - Budget Hearing
- April 22 Work Session
  - General Government
  - Capital Improvement Program
- May 1 City Meeting – Budget Adoption

