

Proposed Adjustments to the Fiscal Year 2025-26 Budget

Administrative Services Department
Special City Council Workshop
May 19, 2025

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Background



- June 10, 2024 - City Council adopted the Biennial Budget for Fiscal Years 2024 - 2026
- November 11, 2024 - Quarter 1 Budget Update was approved
 - Revenue projections increased by \$385,600
 - Expenditures increased by \$292,522
 - Net position resulted in an increase of \$93,078 to the General Fund
- March 10, 2025 - Mid-Year Budget Update was approved
 - Revenue projections increased by \$984,878
 - Expenditures increased by \$490,011
 - Net position resulted in an increase of \$729,637 to the General Fund
 - This amount was reserved towards one-time expenditures

Background



- April 28, 2025, departments presented FY 2025-26 reductions / revenue increases totaling \$676,306
 - Council requested that staff maintain PD jail transportation contract
 - Other reductions were found
- Revised FY 2025-26 reductions / revenue increases total \$520,726

Updated FY 2025-26 Revenue Projections



Sales Tax	(\$1,597,496)
Property Tax	\$311,709
Interest Income	<u>\$700,000</u>
TOTAL REVENUE DECREASE	(\$585,787)

All other revenues remain as budgeted

General Fund Proposed Reductions / Revenue Increases



Regional Homeless Shelter	\$225,000
Grant Consultant	\$50,000
IT Master Plan	\$120,000
Reduction in Banking Fee Charges	(\$70,000)
Use of Reservation for PD	(\$200,000)
Elimination of Building Reserve	(\$157,440)
Usage of Designated Reserves	(\$420,000)

FY 2025-26 Personnel Changes



- Add 1 Management Analyst position
 - Use salary from existing part-time position to partially fund a Management Analyst
 - No impact to General Fund
- Reclassify the Senior Accounting Technician position to a Principal Accounting Technician

FY 2025-26 General Fund Position



Revenues	\$63,331,790
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Expenditures	<u>\$62,794,970</u>
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General Fund Net Position	\$180,490
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Non-General Fund Proposed Reductions / Revenue Increases



PD Resources and Software	\$175,000
Project Management	\$503,851
Misc Increases	\$88,500
Use of Reservation for UAL	(\$200,000)
Reduction in IT Allocations	(\$29,350)
Reduction in IS Allocations	(\$113,034)
Correction of Gas Tax Entry*	(\$2,061,200)

*This is an entry correction and has no impact on Capital Improvement Program (CIP) planning

Next Steps



- June 2 – Budget Workshop scheduled for the updated CIP
- Changes to the Public Works Department will be presented at that time
- June 9 – final Fiscal Year 2025-26 Mid-Cycle budget

Recommendation



- That the City Council receive and file the proposed budget adjustments to the FY 2025-26 budget.
- That the City Council provide direction.