



FY26 Budget Workshop

Council
Presentation
February 18, 2025

\$135,517

- This is the increase in our general fund property tax revenue over FY25
- Our revenue growth was capped at 2.51% (7.862 levy rate)
- CPI expenses for 2024 increased approx. 3% on average
- At the full 8.10 levy rate, we would have received \$243,357 more dollars

Notes for FY26

- Budget includes levying the full amount for liability, property and self insurance costs (\$281,465) and employee benefits (\$3,081,709).
- This is an increase of \$553,174 over the levied amount in FY25.
- Debt payment increased by \$4,600, but overall debt levy decreased (1.38 to 1.34)

\$693,312

\$9,214,804 FY25 Property Tax Revenue (\$13.46310)

+135,517 General Fund Levy Increase

+ 553,174 Insurance and Benefits Levy Increase

+4,600 Debt Levy Increase

+21 Ag Land Levy Increase

\$9,908,116 FY26 Property Tax Revenue (\$13.99091)

\$0.52781 increase

Notes for FY26

- If we do not levy for the full amount of insurance and benefits, departments will need to cut their budgets further.

Notes for FY26

- Salary cost of living increases have been budgeted at 3% to keep our compensation table aligned with our comparable cities.
- Police union employee salaries have been budgeted at a 6% increase to keep their compensation aligned with their comparables.

Notes for FY26

- No hotel/motel tax revenue has been allocated at this time, except to Bravo and Catch DM, per our agreements.
 - Option to keep the money with P&R and IWC
 - This will affect the budgets of entities we typically support and could affect LOST revenues.
- WCEDC, Chamber and Airport allocations have not changed (\$125,000 total); no allocation for Main St

Budget Changes

- Property tax allocations have been updated for general fund departments.
- Previous years' budget goal: Spend down reserves
- This year's budget goal: Balanced budget and 25% fund balance

Budget Changes

Revenues

FY 25 Adopted Budget
\$48,543,347

FY25 Re-estimated
Budget \$46,339,247

FY 26 Proposed Budget
\$43,520,346

Expenses

FY25 Adopted Budget
\$59,294,934

FY25 Re-estimated
Budget \$55,828,858

FY26 Proposed Budget
\$48,832,405

Community Development

Expenses Cut

Main Street \$35,000

Education/Training \$5,000

Engineering Fees \$160,000

Potential Impact

Less funding for the program could impact the goals and effectiveness of the program

Employees cannot grow; growth leads to increased efficiencies for the department

This is a pass-through fee, but if the engineering revenue and expense is lower, it means that there is less growth in our community

City Manager

Expenses Cut

Potential Impact

City Manager Salary

This has been budgeted on the low end of what was advertised.

Travel and Training \$4,000

The City Manager may not stay up-to-date on current issues or keep certifications current, unless the training is offered online

Clerk/Finance

Expenses Cut

Potential Impact

Budget Analyst Position
\$114,748

The workload must be spread amongst the remaining staff. This will cause delays in completing tasks as we prioritize our work.

Education and Training
\$4,250

Employees cannot grow; growth leads to increased efficiencies for the department. Certifications should be kept current – it will cost more in money and time to re-certify.

IT/Communications

Expenses Cut	Potential Impact
Education and Training \$2,000	Employees cannot grow; growth leads to increased efficiencies for the department. Certifications must also stay current.
Newsletter Printing \$19,000 Postage \$7,000	Magazine mailing will be changed to subscription-based or could be cut altogether or residents charged to subscribe. Many residents prefer to have the hard copy.
Computer Hardware/Software \$4,200	There will be less funding for emergency replacements
Capital Improvements \$110,000	The website will only be updated to comply with federal regulations and not to make it easier to use. Other replacements to keep our network up-to-date have been delayed.

Mayor/City Council

Expenses Cut	Potential Impact
Education/Training \$6,000	Fewer opportunities for elected leaders to meet with leaders from other communities and with our state and federal representatives. This leads to less collaboration with our peers and fewer opportunities to talk about the impacts of current and potential legislation.

Human Resources

Expenses Cut	Potential Impact
Part-time HR Assistant Position \$40,584	Negatively impacts response time to internal stakeholders
Overtime Reduced \$832	Negatively impacts response time to internal stakeholders
Materials and Supplies \$3,800	Employee morale may be negatively impacted

Police Department

Expenses Cut

Uniforms \$2,893

Education/Training
\$9,830

Animal Control \$54,000

Vehicle Operating Supplies
\$5,000

Specialized Equipment
\$10,880

Potential Impact

Lowers employee morale

Lack of training in real-life experiences affects the service calls; lack of leadership training impacts the department long-term

Animals will be left on streets

Less fuel purchases mean less time on the road patrol our community

Requires rationing and extending life of items past the time they would be replaced

Police Department

Expenses Cut

Repair/Maint – Radios
\$5,510

Radio/Dispatch Service \$80,000

Salaries – Removed new position
Approx \$125,000

Potential Impact

The radios that are used for communication may not last

No contract

As the population rises and IPD gets busier, there are not enough officers to respond to calls for service

Fire Department

Expenses Cut	Potential Impact
Chassis Replacement Engine 331 \$250,000	Extended wait for a pumper engine means the current frontline unit for fires in hydrant-protected areas needs to be used past its recommended life. Repair and maintenance costs may increase.
Utility Task Vehicle \$55,000	This vehicle would allow EMS to more easily respond to calls during events with dense crowds and limited access, as well as rural incidents where standard response vehicles cannot operate efficiently. Response times will increase in these situations without this vehicle.

Fire Department

Expenses Cut	Potential Impact
Medium-Pressure Extrication Lift Bags \$8,000	Could delay patient extrication in emergency situations.
Rescue 42 Tri-Pod and Shoring Components \$2,000	Responders won't be in as safe of a situation as they could be.
EMS Training Simulation Pieces \$9,000	Skill competency in critical procedures could be negatively affected.
Replacement of PPE Gear Extractor \$25,000	Cleaning of gear is significantly delayed or impossible, increasing health risks.
Fire Marshall/EMS Captain Response Vehicle \$75,000	Current vehicle has higher maintenance and repair costs and declining dependability, increasing the risk of breakdowns during critical operations.

Fire Department

- Renegotiating some contracts where possible to achieve costs savings
- Actively working on restructuring processes
- Implementing and updating fees

Library Department

Expenses Cut	Potential Impact
RFID Tagging (security tags for books) \$65,000	Book theft will continue, increasing the money needed to spend on books
Self-checkout Stations \$20,000	Staff is needed to checkout books; this would reduce the need to add library clerks. This cannot be purchased unless RFID is.
Planned building improvements \$8,280	This impacts how the public uses the facility. (outdoor seating, drinking fountain, displays)
Database \$1,800	Eliminates a product that teens used.
Assistant Director \$128,114	Director will continue to take on these tasks

Parks and Recreation Department

Expenses Cut	Potential Impact
Minivan Replacement \$39,000	Repair and maintenance costs will continue to increase. The van, used for programs, special events and transportation, may not last.
McVay Trail to Balloon Field Engineering \$188,700	There will not be a route for pedestrian and bicycle transportation to the Balloon Field.
Simpson College Pickleball Court Partnership \$200,000	Eliminates new pickleball courts, the top request from our residents

Pool Department

Expenses Cut	Potential Impact
Refurbish Aquatic Center Features \$31,470	Beautification of the features diminishes and increases damage from use and the environment.

IWC Department

Expenses Cut	Potential Impact
Swim Club	Service loss to the community; potential loss of membership

IWC Department

Expense Changes Under Consideration	Potential Impact
Staffing Structure	Replace 4 part-time member services staff with one full-time Changes in other areas are possible, but could also affect membership
28E Agreement	Reduce expenses and increase revenue
Pool and/or Facility Hours	Negatively impacts membership

IWC Capital Projects

- Revenues have remained the same at \$10,000
 - Could use hotel/motel tax revenue
- Expenses have changed from \$200,000 to \$170,000
 - Could bond for repairs on property taxes

Brush Facility

- Revenues have changed from \$85,000 to \$96,000
- Expenses have changed from \$95,669 to \$95,517

Street Department

Expenses Cut	Potential Impact
New Staff – Utility Locate Tech and EIT	Street and Sewer employees will continue to locate, pulling them away from other needed tasks, delaying operations.
Radio Upgrades \$25,000	Staff will have to rely on existing portable radios, which may affect communication efficiency.
Upgrade Street Name Signs for Signalized Intersections \$25,000	Delays efforts to ensure consistency across intersections and comply with MUTCD requirements.

Street Department

Expenses Cut

S. 1st St. Overlay (2nd Ave. - 4th Ave.)
Design \$45,000

F Street Pavement Reconstruction
\$240,000

Potential Impact

Shifts the focus of staff to ongoing monitoring and patching of the failed pavement, delaying the implementation of a long-term solution

Will require staff to focus on ongoing monitoring and patching of the failed pavement, delaying a long-term, permanent solution.

Street Capital Improvement Projects

- Willowcrest Engineering should be considered for FY26; TIF funds can be used for this cost
- This will allow the project to get done within the timeframe set out in the Development Agreement with IDG 3.

Storm Water Department

- Revenues have remained the same at \$700,000
 - Fee increase is needed if staff request is approved
- Expenses have changed from \$1,322,000 to \$949,119
 - This includes adding four new staff members to perform SWU repairs, allowing the Street staff to focus on streets.
 - Not considered in the budget is the affect to the Health Insurance Fund (for wellness) and IT Fund (for licenses and computer(s)).

Storm Water Department

Expenses Cut	Potential Impact
1000 Block of North Y St	Shifts staff focus to ongoing monitoring, increasing likelihood of flooding, erosion, roadside ditch issues, gravel road surface failures
N 14 th St Storm Improvements	Shifts staff focus to ongoing monitoring, increasing likelihood of flooding, erosion, roadside ditch issues, and road surface failures

Sewer Department (Operating Fund)

- After FY26, \$260,000 will be cut from the budget as the biosolids hauling expense will no longer be needed.
- There may be a reduction in the Chemicals budget; this calendar year will clarify those expenses.
- An increase in fees was recommended by the financial advisor.
- The financial advisor is reviewing the proposed budget to calculate possible rates, including if we don't use LOST revenue for one of the bonds.

Sewer Capital

Expenses Cut	Potential Impact
Truck Replacement \$50,000	Increase maintenance costs
Smoke Testing \$10,000	Staff may be able to absorb this work or it will be delayed a couple of years. Issues may not be known as quickly.
Cleaning/Televising \$30,000	Staff will take on this task if they have time. Issues may not be known as quickly.

Directives Needed

- Hotel/Motel Contributions
- COLA
- Overtime
- Travel and Training
- New Positions
- Fee Increases
- Willowcrest Engineering

Next Steps

- Submit proposed budget to the county by March 5
- County mails out notices to property owners
- Public hearing held on March 24 at 6 PM regarding the Property Tax notice
 - Only item on the agenda

Next Steps

- Second meeting on March 24 at 6:15 PM to set the budget adoption public hearing for April 21
- Final budget adjustments made (can go lower, not higher)
- Public hearing on April 21 at 6 PM regarding the budget adoption
- Resolution adopting the budget passed on April 21
- Budget submitted to the state by April 30