

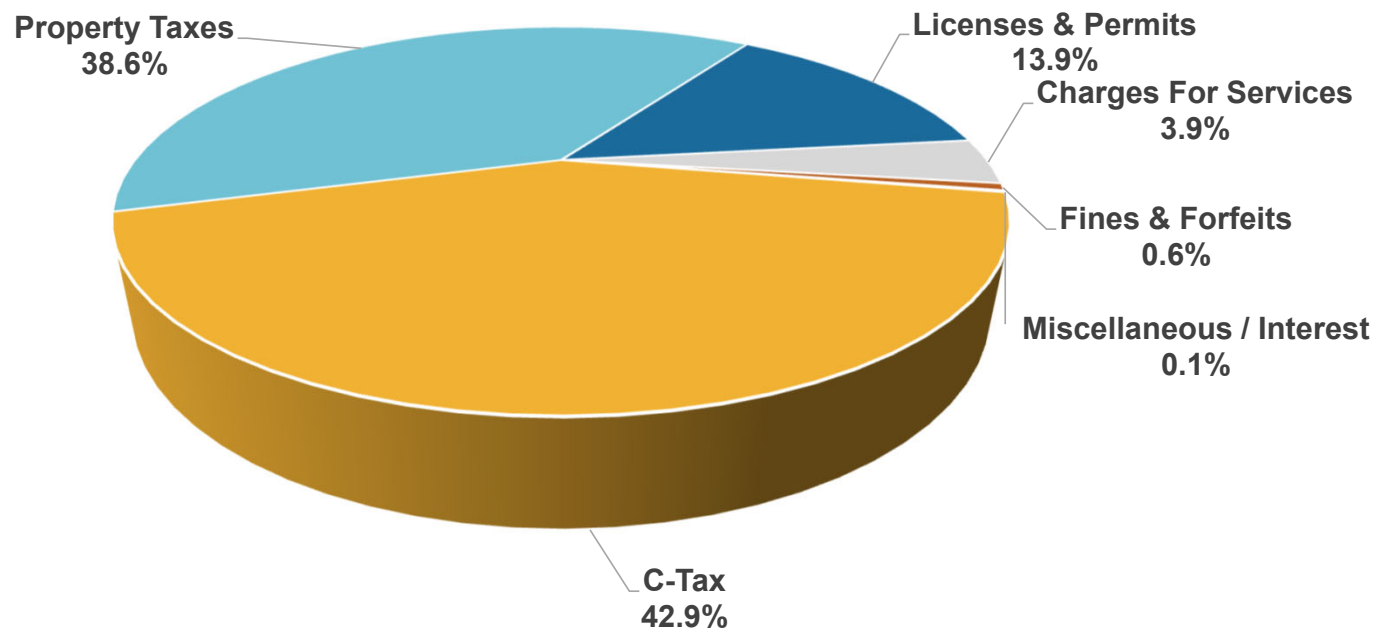


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FY 2026 Tentative Budget

Presented May 19, 2025

FY 2026 Tentative Budgeted General Fund Operating Revenues



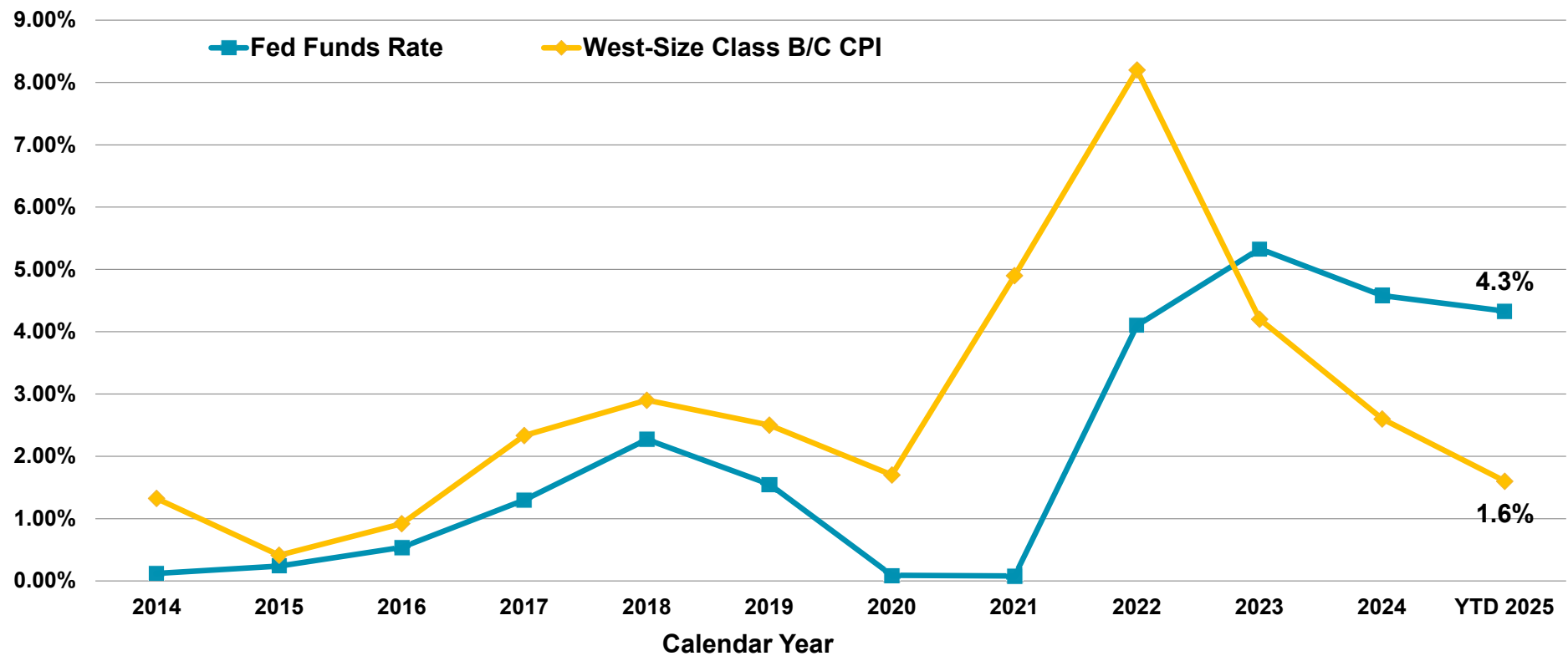
Excludes non-recurring transfers-in

Total: \$2.1 Billion



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Average Annual Growth in CPI vs. Fed Funds Rate

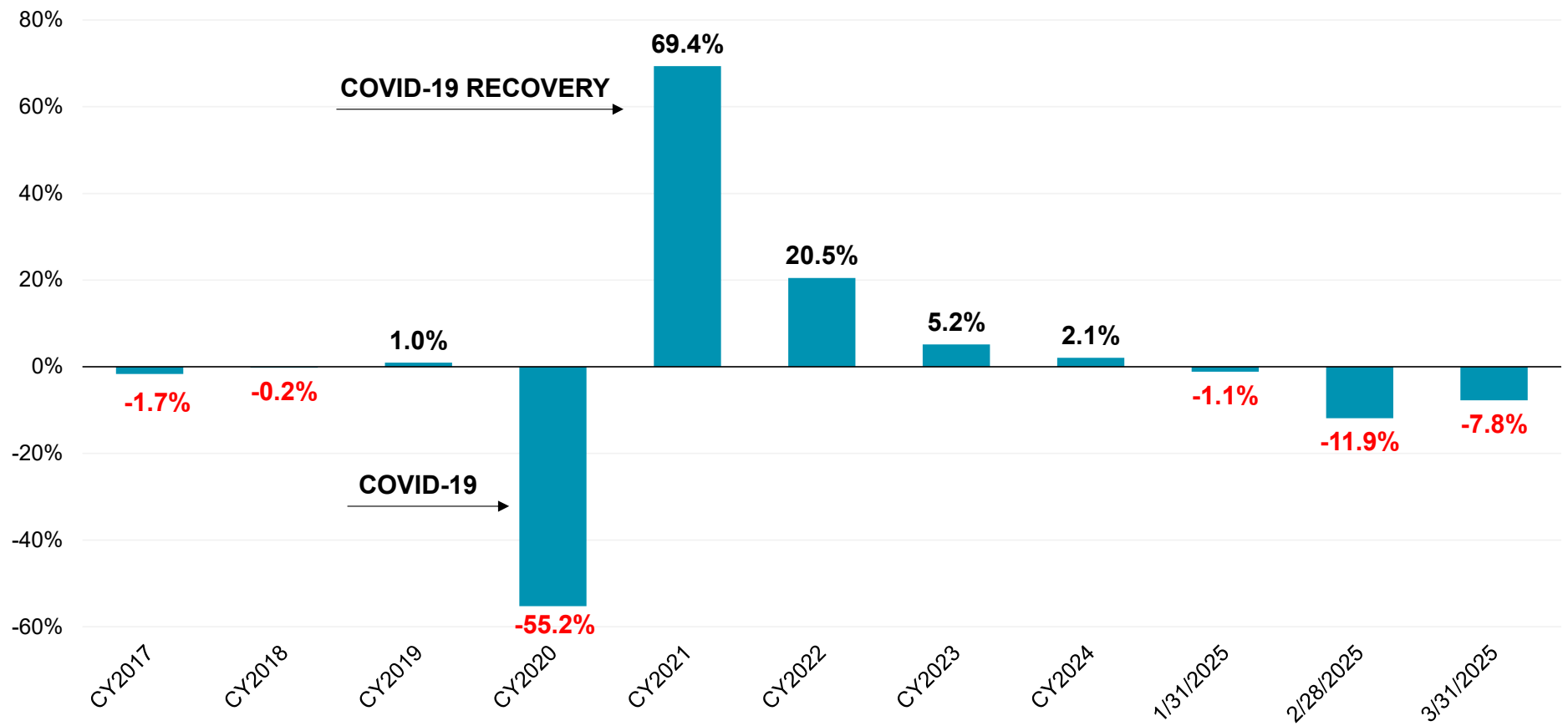


West-Size Class B/C = City population of 2.5 million or less.

Source: United States Bureau of Labor Statistics – CPI All Urban Consumers, All Items; Federal Reserve Bank of St. Louis

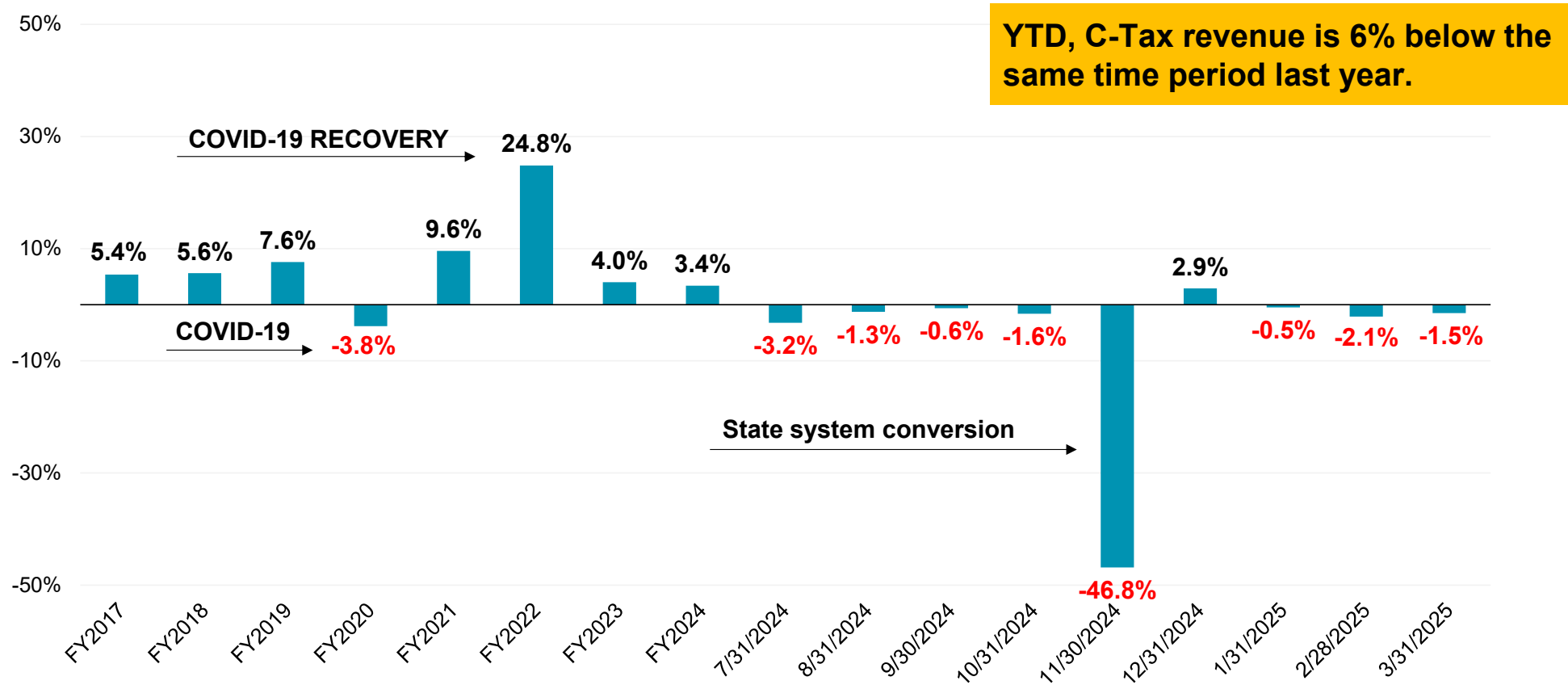
Visitor Volume

Year-Over-Year Change



General Fund C-Tax Collections

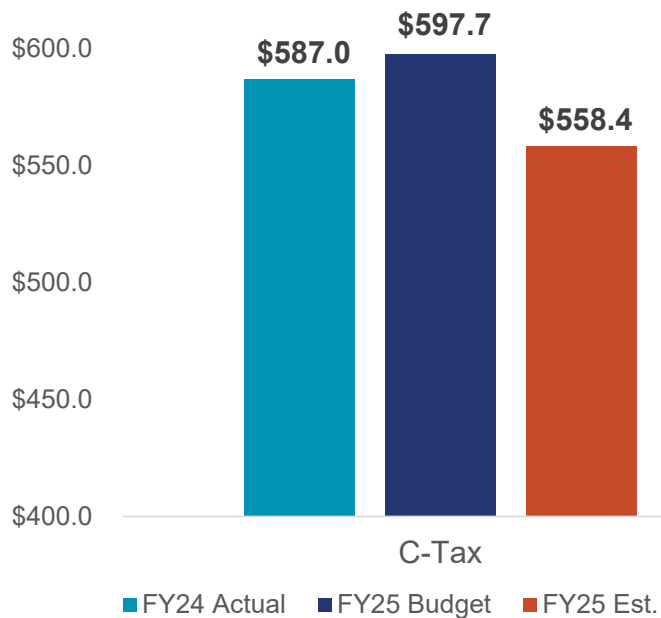
Year-Over-Year Change in Collections



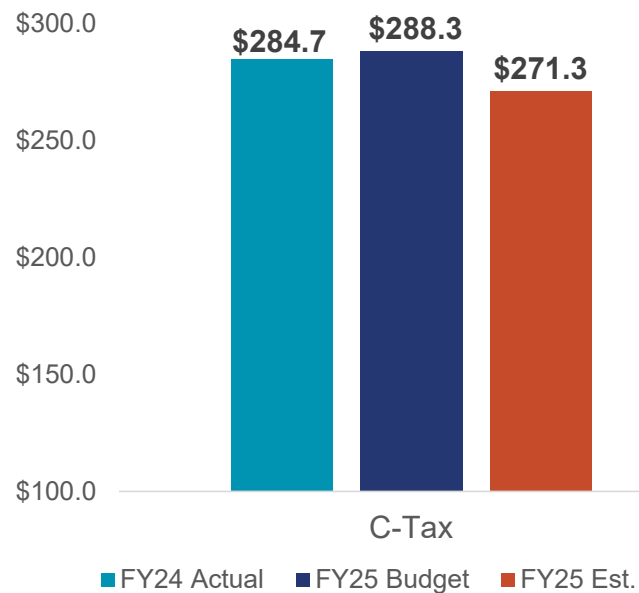
FY25 C-Tax Budgetary Impact

In Millions

General Fund



Towns and Fire Districts



FY25 C-Tax revenues are trending \$56 million below budget.

The shortfall has been absorbed through a reduction in one-time capital expenditures that would have been allocated at the end of FY25.

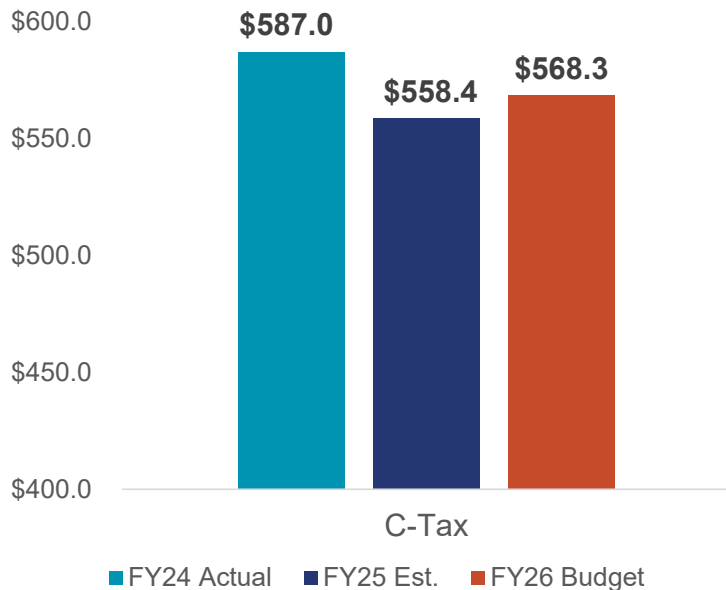


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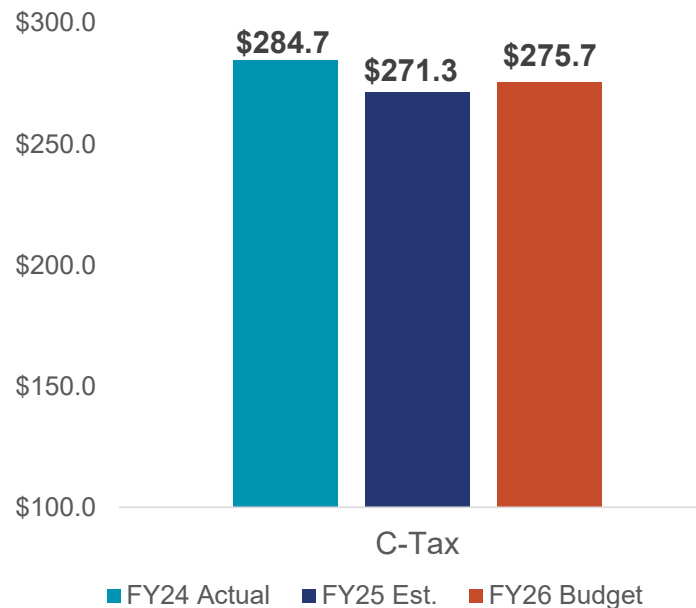
FY26 C-Tax Budgetary Impact

In Millions

General Fund



Towns and Fire Districts



FY26 C-Tax revenues are budgeted to increase 1.7% over FY25 estimates.

The growth in C-Tax is not keeping pace with the annual growth in operating expenses.



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FY 2026 General Fund Revenues

Operating Revenues (In Millions)

	FY 2026 Tentative Budget	FY 2026 Final Budget	Increase/ (Decrease)	% Change
Property Taxes	\$ 578.7	\$ 578.7	\$ 0.0	0.0%
Licenses & Permits	350.1	350.1	0.0	0.0%
Intergovernmental	595.1	574.9	(20.2)	-3.4%
Charges for Services	103.7	103.7	0.0	0.0%
Fines & Forfeits	16.0	16.0	0.0	0.0%
Interest/Other	4.0	4.0	0.0	0.0%
Transfers In ⁽¹⁾	489.3	482.8	(6.5)	-1.3%
TOTAL	\$ 2,136.9	\$ 2,110.2	(\$ 26.7)	-1.2%

(1) Excludes nonrecurring transfers in.

FY 2026 General Fund Expenditures

Operating Obligations (In Millions)

	FY 2026 Tentative Budget	FY 2026 Final Budget	Increase/ (Decrease)	% Change
General Government	\$ 237.8	\$ 237.8	\$ 0.0	0.0%
Judicial	164.4	164.4	0.0	0.0%
Public Safety	383.5	383.5	0.0	0.0%
Public Works	21.6	21.6	0.0	0.0%
Health & Welfare	152.1	152.1	0.0	0.0%
Culture & Recreation	17.2	17.2	0.0	0.0%
Other General Expense	323.2	323.2	0.0	0.0%
Transfers Out ⁽¹⁾	837.4	838.2	0.8	0.1%
TOTAL	\$ 2,136.9	\$ 2,138.0	\$ 0.8	0.0%

Excludes non-recurring transfers out.

FY 2026 General Fund Revenues

Operating Revenues (In Millions)

	FY 2025 Budget	FY 2026 Budget	Increase/ (Decrease)	% Change
Property Taxes	\$ 525.9	\$ 578.7	\$ 52.8	10.0%
Licenses & Permits	346.1	350.1	4.0	1.2%
Intergovernmental	604.3	574.9	(29.4)	-4.9%
Charges for Services	86.7	103.7	17.0	19.6%
Fines & Forfeits	13.2	16.0	2.8	21.2%
Interest/Other	4.0	4.0	0.0	0.0%
Transfers In ⁽¹⁾	484.6	482.8	(1.8)	-0.4%
TOTAL	\$ 2,064.8	\$ 2,110.2	\$ 45.4	2.2%

⁽¹⁾ Excludes non-recurring transfers in.

FY 2026 General Fund Expenditures

Operating Obligations (In Millions)

	FY 2025 Budget	FY 2026 Budget	Increase/ (Decrease)	% Change
General Government	\$ 220.5	\$ 237.8	\$ 17.3	7.8%
Judicial	157.0	164.4	7.4	4.7%
Public Safety	367.2	383.5	16.3	4.4%
Public Works	15.9	21.6	5.7	35.8%
Health & Welfare	149.5	152.1	2.6	1.7%
Culture & Recreation	16.3	17.2	0.9	5.5%
Other General Expense ⁽¹⁾	340.9	323.2	(17.7)	5.2%
Transfers Out ⁽²⁾	797.6	838.2	40.6	5.1%
TOTAL	\$ 2,064.9	\$ 2,138.0	\$ 73.1	3.5%

(1) FY25 budget includes supplemental positions and increased operating capital.

(2) Excludes non-recurring transfers out.

FY 2026 Structural Deficit

In Millions

Structural Deficit:

FY26 Operating revenues ⁽¹⁾	\$ 2,110.2
FY26 Operating expenditures ⁽¹⁾	<u>- 2,138.0</u>
FY26 Structural Deficit	(\$ 27.8)

The FY26 structural deficit has been funded through a one-time transfer of capital funds, that would have otherwise been allocated at the end of FY26.

⁽¹⁾ Excludes non-recurring items.

Cost Containment Tools

Measured Approach

Defer Future Capital Projects

Defer Current Capital Projects

Long-Term Liability Reserves

Reduce Fund Balance

Reduce Discretionary Services

Reduce Mandated Services

One-Time Money

FY 2026

Recommendations

- ✓ Evaluate supplemental requests for critical, unfunded grant positions, or otherwise funded from non-general fund revenues or cost savings.
- ✓ Encourage departments to restructure, reclassify positions, and recruit for vacant positions to meet service demands.
- ✓ Defer further expenditure growth and monitor economic conditions and revenue collections.

Next Steps

June 2025

- File final budget
- Evaluate legislative impacts

Summer – Fall 2025

- Monitor revenue and expenditure trends
- Recommend further cost containment if trends are not meeting budget expectations



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