

AGENDA



4:00 P.M.

CITY COUNCIL MEETING

TUESDAY, JUNE 24, 2025

NOTES:

- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

THE MEETING CAN BE VIEWED LIVE ON THE CITY'S WEBSITE AT WWW.SEDONAAZ.GOV OR ON CABLE CHANNEL 4.

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- The decision to receive Public Comment during Work Sessions/Special City Council meetings is at the discretion of the Mayor.

PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

2. ROLL CALL

3. SPECIAL BUSINESS

LINK TO DOCUMENT =

- a. AB 3156 **Public hearing/discussion/possible action** regarding approval of a Resolution adopting the City of Sedona's Budget for Fiscal Year 2025-26.
- b. **Discussion/possible action** regarding ideas for future meetings/agenda items.

4. EXECUTIVE SESSION

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice regarding matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action regarding executive session items.

5. ADJOURNMENT

Posted: 06/17/2025

By: MG

JoAnne Cook, CMC

City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Sedona makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Sedona City Council meetings are recorded and may be viewed on the City of Sedona website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.



**CITY COUNCIL
AGENDA BILL**

**AB 3156
June 24, 2025
Special Business**

Agenda Item: 3a
Proposed Action & Subject: Public hearing/discussion/possible action regarding approval of a Resolution adopting the City of Sedona’s Budget for Fiscal Year 2025-26.

Department	Financial Services
Time to Present	15 minutes
Total Time for Item	30 minutes
Other Council Meetings	Council Retreat, December 11-12, 2024 Council Priority Setting, February 12, 2025 Budget Work Sessions, April 30-May 1, 2025 Tentative Budget Adoption, May 27, 2025
Exhibits	A. FY 2025-26 Tentative Budget Summary B. Resolution C. Official Budget Forms, Exhibit to Resolution D. PowerPoint Presentation

Finance Approval	Reviewed 6/9/25 BGW	
City Attorney Approval	Reviewed 6/9/25 KWC	Expenditure Required Based on historic trends, expenditures will be well within budgeted amounts
City Manager’s Recommendation	Recommend adoption ABS 6/11/25	Amount Budgeted \$ 103,291,695 Account No. All budgeted accounts (Description)

SUMMARY STATEMENT

Background: Adoption of the Final Budget for Fiscal Year 2025-26 (FY26) includes a public hearing and Council approval of the Final Budget for FY 2025-26.

Council meetings for the development of the FY26 budget:

FY26 BUDGET PROCESS COUNCIL MEETINGS

	Dates
Council Retreat	December 11-12, 2024
Council Priority Setting	Feb 12, 2025
Budget Work Sessions	Apr 30-May 1, 2025

Tentative City Budget Adoption	May 27, 2025
Final City Budget Adoption	June 24, 2025

Explanation of Council Budget Process

Council Retreat and Priority Setting

The Council Retreat and Priority Setting sessions provided direction to staff for areas to be addressed during budget development.

A financial update was included, providing the opportunity to review the financial status, long-range forecasts, and expected year-end forecast with Council.

Budget Work Sessions

In the Budget Work Sessions, the Council reviewed the proposed budget. Prior to the Work Sessions, departments prepared their budget requests and presented them in review meetings with the City Manager. The proposed budget represented the City Manager’s recommendations as a result of the discussions in the review meetings.

The Work Sessions encompassed 2 days of presentations and Council discussions. The presentation included:

- Economic Outlook
- Citizens Budget Work Group (CBWG) recommendations
- Community budget survey results
- City Manager recommendations
- Summary of individual department budget requests
- Salary Study for Market Adjustments
- Decision packages
- Overall total budget summaries and strategic issues
- Budget summaries by fund
- Capital Improvements Plan
- Impacts to long-range forecasts based on the budget as proposed and Council directed changes

When additional information was needed, department heads were available to answer questions.

The Work Sessions were the opportunity for Council to consider the CBWG and City Manager recommendations for the FY26 Budget, and to provide direction to staff regarding:

- New department requests to be included in the Budget
- Any changes to be incorporated for the budget adoption process
- Any changes to the services/programs provided to citizens or the level of service
- Any changes to forecasts, projections and assumptions

Tentative Budget Adoption

The Tentative Budget adoption occurred at a regular meeting on May 27th, 2025. A presentation included discussion of summary budget information and a recap of the changes

directed by Council in the Budget Work Sessions, as well as additional changes identified by staff.

Adoption of the Tentative Budget established the maximum expenditure for the Final Budget. The FY26 budget may decrease from the Tentative Budget but may not increase. At this point in the budget process, changes to the Tentative Budget are few. Council direction during the Tentative Budget adoption was to identify expenditures that could be completed in FY25, reducing the burden on revenue in FY26.

Final Budget Adoption

The adoption of the Final Budget must occur at a special meeting during which summary budget information will be presented. Following the presentation, a public hearing will be held.

At this point in the budget process, additional changes to the budget are extremely rare. As noted above, after the maximum expenditure has been set in the Tentative Budget adoption, any changes can only reduce budget amounts or move amounts between funds or departments.

Although the budget cap is adopted as a total amount, the budget is organized by funds and departments. This structure allows the City to track and report on functions and maintain Policy minimum fund balances as appropriate. Fund segregation is required by Arizona State Statutes, the Government Accounting Standards Board (GASB), and Generally Accepted Accounting Principles (GAAP). The official state-required budget forms for final budget adoption are included as Exhibit C.

A comprehensive annual budget book will be compiled after the Final Budget is adopted. This document provides a policy guide and plan for operations and capital improvements throughout the year and serves as a communications tool to the public. This book will also be submitted to the Government Finance Officers Association (GFOA) for review and consideration for the Distinguished Budget Presentation Award. The City has received this award for the past 11 annual budgets.

The City of Sedona also publishes a “Budget in Brief” which provides highlights of the annual budget in a more digestible format. This publication acts as an introduction to the City’s budget from which interested citizens may then choose to read the full document, apply for the Citizen’s Academy or volunteer with the City.

Changes from Tentative to Final Adoption:

Item	Increase / (Decrease)
Change to small grants	\$ (32,354)
Parks improvements completed in FY25	(82,137)
PD Vehicle upfit completed in FY25	(36,000)
Red Rock Trail Fund	10,000
Salary Study implementation cost	(400,000)
Enterprise Leases (paid off in FY25)	(139,090)
Benefits cost savings	(26,711)
TOTAL Increase / (Decrease)	\$ (706,292)

FY 2025-26 Budget Summary

Council provided direction at the Retreat in December that the FY26 Budget should not increase year-over-year. As external economic pressures have become uncertain and less easy to project, keeping the budget flat or reducing it from FY25 is prudent. The expenditure limit set during the FY 2025-26 tentative budget adoption on May 27, 2025 is: \$103,457,496. The Final adopted total budget, after adjustments made, is \$103,291,695. This is comprised of an operating budget of \$61,234,538 and a capital improvements budget of \$42,057,157. **Overall, the FY26 Budget is 3% less from the FY25 Budget.**

The FY26 operating budget represents a \$3.3 million, or 6%, increase from the FY25 Adopted Budget. The most significant increases include \$2.4 million for various Police Department decision packages, including five patrol officers, three motor officers, one community outreach officer, and one emergency management coordinator; \$2 million housing contingency; a \$1.3 million increase in General Fund contingencies; a \$900,000 increase in Grants and Donations contingencies, primarily for Broken Arrow trailhead area improvements; and a \$646,000 increase in City maintenance costs, including groundskeeping, vehicle upkeep, road rehabilitation, City hardware/software, and septic services. Additionally, the City is cash-purchasing the FY26 police vehicle replacements, rather than using debt financing. This is due to unfavorable interest rates, resulting in a \$470,000 increase to the budget but realizing a savings over time versus the option of debt financing.

The capital improvement budget represents a \$6.3 million or 13% decrease from the FY25 Adopted Budget. The decrease is driven primarily by completion of the Forest Road project and various shared-use paths. Additional shared-use paths are included in the capital program for FY26 and future years.

The FY26 final budget is balanced with available surpluses exceeding reserve requirements, including an estimated General Fund surplus of \$8.9 million¹.

(In Thousands)

	FY2026 Tentative Budget	FY2025 Adopted Budget	% Change
Operating Budget	\$ 61,235	\$ 57,892	6%
Capital Improvements Budget	42,057	48,164	-13%
Total Expenditure Budget	\$ 103,292	\$ 106,056	-3%

¹ Allocation of the remaining actual FY25 General Fund surplus to advance Council priorities will be determined during the FY27 budget process. Council decided to allocate a portion of the projected FY25 general fund surplus towards paying down high-interest Enterprise vehicle loans.

The allocation of the actual FY26 General Fund surplus to advance Council priorities will be determined during the FY28 budget process.

The FY26 expenditure budget by fund is as follows:

(In Thousands)

Fund	FY2026 Tentative Budget	FY2025 Adopted Budget	% Change
General Fund	\$ 37,024	\$ 35,749	4%
Streets Fund	2,662	2,882	-6%
Housing Fund	2,450	576	325%
Grants, Donations & Restricted Funds	1,921	1,379	39%
Transportation Sales Tax Fund	498	489	2%
Capital Improvements Fund	32,374	31,231	7%
Development Impact Fee Funds	1,119	6,223	-82%
Art in Public Places Fund	20	119	-83%
Public Transit Fund	5,702	5,480	4%
Wastewater Fund	15,477	19,253	-20%
Information Technology Fund	3,044	2,675	14%
Total	\$ 103,292	\$ 106,056	-3%

The adopted FY 2025-26 Tentative Budget was posted to the City’s website (www.SedonaAz.gov) for review by interested members of the public. A summary of the Tentative Budget was posted as a public notice in the Sedona Red Rock News, along with notice of the public hearing.

The final proposed budget includes funding to respond to City Council priorities as well as other issues that were identified at the December 2024 Council Retreat and at subsequent public meetings.

The Community Facilities District (CFD) budgets associated with capital improvements benefiting those Districts are a separate process. A CFD Board meeting is scheduled for June 24, 2025 for final budget adoption.

The new budget requests and significant changes included in the FY 2025-26 Proposed Final Budget include:

- Salary and benefit changes:
 - The Tentative Budget included an estimated cost for the full implementation of the market study of \$1.3 million. On May 27 during the Tentative Budget discussion, Council gave direction to fully implement the study. The total cost of implementation for civilian and police positions is approximately \$900,000, \$400,000 less than the anticipated \$1.3 million. The budget was reduced by \$400,000 to account for this difference.
 - Medical insurance rates increased approximately 4%, less than the 6% originally assumed during budget development. The Final Budget was decreased by this difference.
 - The Arizona State Retirement System (ASRS) rates decreased from 12.27% of wages to 12.00%.
 - The Public Safety Personnel Retirement System (PSPRS) minimum contribution rates changed from 39.34% of wages to 12.03%, and the level-funding approach

of \$1.2 million annually has been discontinued for FY26. The PSPRS liability reached fully funded status with the one-time contribution of \$4.1 million to the plan in FY25.

- Staffing changes:
 - 12.8 FTE were added during the Council work sessions:
 - A Short-Term Rental Code Enforcement Officer in the City Clerk's Department is recommended to address workload, short-term rental compliance and safety standards set by the City.
 - The conversion of part-time Traffic Control Assistant positions into two full-time positions - to improve traffic management, support maintenance tasks, and reduce staffing and overtime costs.
 - Increasing the hours from part-time to full-time for the Court Security Officer - to ensure consistent security coverage throughout the week, addressing serious safety concerns as individuals have begun exploiting gaps in the current part-time coverage.
 - A part-time Records Technician in the Police Department - to support records processing and public records requests, ensuring compliance with state laws, and improve administrative efficiency through enhanced public service and interagency cooperation.
 - Five Patrol Officers in the Police Department - to enhance patrol staffing, ensure consistent 24/7 coverage, improve response times, and support proactive community policing amid ongoing staffing challenges.
 - Three Motor/Traffic Officers in the Police Department - to expand the motor/traffic unit into a dedicated five-person squad focused on proactive traffic enforcement, with the goal of reducing collisions, managing congestion, and improving response times during peak traffic periods.
 - A Community Outreach Officer in the Police Department - to address homelessness through consistent engagement, coordination of support services, enforcement of related laws, and collaboration with regional partners, aiming to enhance public safety and quality of life.
 - An Emergency Management Coordinator in the Police Department - to support emergency management by organizing drills and training, maintaining records, facilitating interagency coordination, and providing year-round community education and engagement. Emergency Management is a new program in the Police Department.
- Other operating budget changes:
 - Streets rehabilitation and maintenance costs are anticipated to go up approximately \$21,000 due to increases in both material and labor costs.
 - Facilities maintenance operating costs are expected to increase by approximately \$133,000. This is driven by increases in the cost of utilities, fixtures and equipment, as well as increases in the cost of materials and labor for asphalt rehabilitation of City parking lots.
 - Public Transit operating costs are increasing approximately \$32,000 or 1%, driven by micro-transit service (FY26 will be the first full year of this service), an increase in Verde Shuttle costs, and an Uptown circular study in connection with the consolidation of parking.
 - The Housing Division was moved from the City Manager's Office to Community Development.

- Capital Improvement Projects
 - The Capital Improvement Fund budget is balanced with a reserve of 50% of budgeted expenditures. Staff used the construction price index, economic indicators and trends to estimate costs; however, it is not feasible to anticipate all the possible impacts to cost over time.
 - The FY2026 CIP expenditure budget by category is as follows:

CIP Category	FY2026 Tentative Budget
Arts & Culture	\$ 20,000
Information Technology	1,500,000
Municipal Court	70,000
Police	1,661,000
Parks & Recreation	1,389,500
Public Transit	2,573,000
Other Public Works	1,872,500
Storm Drainage	380,000
Sedona In Motion	25,588,207
Streets & Transportation	67,000
Sustainability	856,250
Wastewater	6,079,700
Total	\$ 42,057,157

Next Steps

The final budget is scheduled for public hearing and final approval at a required special meeting on June 24, 2025 at 4:00 p.m.

The Community Facilities District (CFD) budgets associated with capital improvements benefiting those Districts are a separate process. The CFD Board meetings are scheduled for June 24, 2025 for final budget adoption.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): The City Council may change the amount of the proposed final budget prior to final adoption, not to exceed the Tentative Budget expenditure cap of \$103,457,496.

MOTION

I move to: approve Resolution No. 2025-__ adopting the Budget for Fiscal Year 2025-26 including the budget attachments.

Exhibit A
City of Sedona
FY 2025-26 Final Budget - Consolidated Financial Schedule

Fund/Department	Beginning Fund Balances	Revenues						Other Financing Sources (Uses)			Ending Fund Balances		
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues	Total Revenues	Transfers In	Transfer Out		Expenditures	
General Fund													
General Revenues		\$37,711,000		\$569,700	\$4,133,000		\$1,360,200	\$43,773,900	\$2,096,640	(\$14,321,710)			
General Government					\$8,500	\$225,100	\$829,430	\$1,063,030			\$10,500,545		
Public Safety					\$1,000	\$459,200	\$134,500	\$594,700			\$11,513,316		
Public Works & Streets						\$15,700	\$11,200	\$26,900			\$3,496,531		
Health & Welfare					\$364,000			\$364,000			\$1,798,144		
Public Transportation								\$0			\$89,094		
Culture & Recreation							\$81,500	\$57,200	\$138,700		\$3,873,304		
Tourism Management & Economic Development								\$0			\$1,877,112		
Debt Service								\$0			\$3,143,805		
Contingencies								\$0			1,600,000		
Total General Fund	\$26,532,329	\$37,711,000	\$0	\$569,700	\$4,506,500	\$781,500	\$2,392,530	\$45,961,230	\$2,096,640	(\$14,321,710)	\$37,891,851	\$22,376,638	
Special Revenue Funds													
Streets Fund	\$711,468				\$1,068,000		\$29,600	\$1,097,600	\$2,500,000	(\$293,510)	\$2,661,499	\$1,354,059	
Affordable Housing Fund	\$20,033,579						\$61,600	\$61,600	\$100,000	(\$71,210)	\$2,449,934	\$17,674,035	
Grants, Donations & Restricted Funds	\$413,326				\$1,897,400		\$89,230	\$1,986,630		\$0	\$1,920,600	\$479,356	
Transportation Sales Tax Fund	-\$2,292,452	\$4,737,000					\$148,500	\$4,885,500		(\$6,583,500)	\$497,852	(\$4,488,304)	
Total Special Revenue Funds	\$18,865,921	\$4,737,000	\$0	\$0	\$2,965,400	\$0	\$328,930	\$8,031,330	\$2,600,000	(\$6,948,220)	\$7,529,886	\$15,019,145	
Capital Projects Funds													
Capital Improvements Fund	\$36,481,087				\$1,774,000		\$382,900	\$2,156,900	\$9,920,500	(\$94,380)	\$32,513,377	\$15,950,730	
Development Impact Fees Funds ⁽¹⁾	-\$2,850,291						\$372,200	\$372,200			\$1,119,650	(\$3,597,741)	
Art in Public Places Fund ⁽²⁾	\$155,914						\$4,090	\$4,090	\$94,380		\$20,000	\$234,384	
Total Capital Projects Funds	\$33,786,710	\$0	\$0	\$0	\$1,774,000	\$0	\$759,190	\$2,533,190	\$10,014,880	(\$94,380)	\$33,653,027	\$12,587,373	
Enterprise Funds													
Public Transit Fund													
Administration					\$500,000			\$500,000	\$2,363,000	(\$294,050)	\$364,129		
Operations & Capital Projects Management					\$720,000	\$25,000		\$745,000			\$2,765,178		
Departmental Allocations						\$800	\$114,000	\$114,800			\$0		
Capital Projects								\$0			\$2,573,000		
Total Public Transit Fund	\$8,559,786	\$0	\$0	\$0	\$1,220,000	\$25,800	\$114,000	\$1,359,800	\$2,363,000	(\$294,050)	\$5,702,308	\$6,286,228	
Wastewater Fund													
Administration						\$6,247,100	\$2,223,100	\$8,470,200	\$2,900,000	(\$1,783,950)	\$1,057,406		
Operations & Capital Projects Management								\$0			\$3,930,555		
Departmental Allocations								\$0			\$0		
Capital Projects								\$0			\$6,079,700		
Debt Service								\$0			\$4,309,240		
Contingencies								\$0			\$100,000		
Total Wastewater Fund	\$17,743,279	\$0	\$0	\$0	\$0	\$6,247,100	\$2,223,100	\$8,470,200	\$2,900,000	(\$1,783,950)	\$15,476,901	\$11,852,628	
Total Enterprise Funds	\$26,303,065	\$0	\$0	\$0	\$1,220,000	\$6,272,900	\$2,337,100	\$9,830,000	\$5,263,000	(\$2,078,000)	\$21,179,209	\$18,138,856	
Internal Service Fund													
Information Technology Fund	\$1,910,252						\$201,795	\$19,600	\$221,395	\$3,608,360	(\$140,570)	\$3,037,722	\$2,561,715
Total Internal Service Fund	\$1,910,252	\$0	\$0	\$0	\$0	\$201,795	\$19,600	\$221,395	\$3,608,360	(\$140,570)	\$3,037,722	\$2,561,715	
Total All Funds	\$107,398,277	\$42,448,000	\$0	\$569,700	\$10,465,900	\$7,256,195	\$5,837,350	\$66,577,145	\$23,582,880	(\$23,582,880)	\$103,291,695	\$70,683,727	

⁽¹⁾ A balance sheet loan has been budgeted in the General Fund to cover the estimated deficit in the Development Impact Fees Funds and is projected to be repaid in FY 2027-28.

RESOLUTION NO. 2025-__

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA,
ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2025-2026.**

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on May 27, 2025, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year and also an estimate of revenues from sources other than property taxes; and

WHEREAS, in accordance with said sections of said statute, and following due public notice, the City Council met on May 27, 2025, at which meetings any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses and other revenue sources; and

WHEREAS, publication has been duly made as required by law of said estimates, together with a notice that the City Council met on May 27, 2025, and June 24, 2025, at the City Council Chambers for the purpose of hearing taxpayers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the said estimates of revenues and expenditures/expense shown on the accompanying Official Budget Forms attached hereto and incorporated herein, as now increased, reduced, or changed by the Council, are hereby adopted as the budget of the City of Sedona, Arizona for the Fiscal Year 2025-2026.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 24th day of June, 2025.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

Official Budget Forms

City of Sedona

Fiscal year 2026

City Council adoption of the Final Budget scheduled for June 24, 2025



Final budget adoption will occur on June 24, 2025 at 4:00 p.m.
in the City Council Chambers, 102 Roadrunner Drive, Sedona, Arizona 86336

The Budget may be reviewed at:
City's website www.sedonaaz.gov
City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona
City of Sedona Public Library, 3250 White Bear Road, Sedona Arizona

City of Sedona

Table of Contents

Fiscal year 2026

Resolution for the adoption of the budget

Schedule A—Summary Schedule of estimated revenues and expenditures/expenses

Schedule C—Revenues other than property taxes

Schedule D—Other financing sources/(uses) and interfund transfers

Schedule E—Expenditures/expenses by fund

Schedule F—Expenditures/expenses by department (as applicable)

Schedule G—Full-time employees and personnel compensation

City of Sedona
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2026

Fiscal year	S c h		Funds							Total all funds
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	
2025	E	1	35,777,899	5,331,250	0	37,511,011	0	24,754,210	2,681,416	106,055,786
2025	E	2	34,152,141	3,862,693	0	29,327,745	0	19,081,952	2,608,880	89,033,410
2026		3	26,532,329	18,865,920	0	33,786,710	0	26,303,065	1,910,252	107,398,276
2026	B	4	0							0
2026	B	5								0
2026	C	6	45,961,230	8,031,330	0	2,533,190	0	9,830,000	221,395	66,577,145
2026	D	7	0	0	0	0	0	0	0	0
2026	D	8	0	0	0	0	0	0	0	0
2026	D	9	2,096,640	2,600,000	0	10,014,880	0	5,263,000	3,608,360	23,582,880
2026	D	10	14,321,710	6,948,220	0	94,380	0	2,078,000	140,570	23,582,880
2026			Line 11: Reduction for fund balance reserved for future budget year expenditures							
			Maintained for future debt retirement							0
			Maintained for future capital projects							24,669,689
			Maintained for future financial stability							14,628,845
		11	Streets Rehab/Preservation Reserve							300,000
			Reserve for loans							15,506,515
			Reserve for future transit system							5,300,000
			Equipment replacement reserve							7,530,859
			Major maintenance reserve							674,975
2026		12	46,378,167	3,945,346	0	28,983,711	0	22,353,655	3,703,659	105,364,538
2026	E	13	37,023,826	7,529,885	0	34,514,352	0	21,179,209	3,044,422	103,291,695

Expenditure limitation comparison

	2025	2026
1 Budgeted expenditures/expenses	\$ 106,055,786	\$ 103,291,695
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	106,055,786	103,291,695
4 Less: estimated exclusions		
5 Amount subject to the expenditure limitation	\$ 106,155,786	\$ 103,457,496
6 EEC expenditure limitation or voter-approved alternative expenditure limitation	\$ 106,155,786	\$ 103,457,496

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the **current year** from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

City of Sedona
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
General Fund			
Local taxes			
City Sales Taxes	\$ 28,450,000	\$ 30,157,000	\$ 28,450,000
Bed Taxes	9,261,000	9,724,050	9,261,000
Franchise Fees	848,000	873,440	848,000
Licenses and permits			
Building Permit Fees	256,000	345,504	256,000
Business Licenses	50,000	48,190	50,000
Short-Term Rental Permit Fees	230,000	259,970	230,000
Misc Community Development/Public Works	38,160	30,899	36,440
City Clerk	5,260	6,110	5,260
Intergovernmental			
State Shared Sales Taxes	1,505,000	1,550,000	1,505,000
State Urban Revenue Sharing	1,946,000	1,914,711	1,880,000
State Grants, Aid, & Reimbursements	500	14,179	364,000
County-Vehicle License Taxes	748,000	750,000	748,000
County-IGA/Other	15,100	284	1,000
Other Govt	8,500	55,265	8,500
Charges for services			
Recreation Programs	34,000	36,000	34,000
Daily Swim Fees/Swimming Lessons/Water Aerobics/Aquatics Special Programs	30,300	25,600	31,300
Plan Review Fees	233,000	201,877	189,000
Misc. Community Development Fees	48,030	37,486	35,800
Misc. Parks and Recreation Fees	16,150	15,350	16,200
Paid Parking Fees	475,000	445,000	450,000
Misc. Police Fees	9,200	11,618	9,200
Other Misc. Charges for Services	15,700	28,600	16,000
Fines and forfeits			
Court Fines	228,000	256,000	228,000
Short-Term Rental Fines/Late Fees	10,000		10,000
STEP Administration Fees	5,800	5,400	5,000
Parking Fines	110,000	324,000	110,000
Misc. Fines	18,680	23,156	10,200
Interest on investments			
Interest Earnings	586,500	756,324	512,200
Tax Audits - Interest/Penalty			
Miscellaneous			
In-lieu Fees	570,000	585,000	569,700
Parks & Recreation Rentals	61,100	53,100	57,200
AMRRP Dividends			
Auction Revenues	18,000	19,011	17,000
Other Misc. Revenues	51,640	23,560	17,230
Total General Fund	\$ 45,882,620	\$ 48,576,684	\$ 45,961,230

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
Special revenue funds			
Streets Fund:			
HURF Revenues	\$ 1,078,000	\$ 1,071,704	\$ 1,068,000
Interest Earnings	29,600	75,094	29,600
	<u>\$ 1,107,600</u>	<u>\$ 1,146,798</u>	<u>\$ 1,097,600</u>
Housing Fund:			
Intergovernmental - Other IGA	\$	\$	\$
Interest Earnings	61,600	283,113	61,600
Rental Revenue	14,600		
	<u>\$ 76,200</u>	<u>\$ 283,113</u>	<u>\$ 61,600</u>
Grants, Donations, & Restricted Funds:			
Federal Grants & Aid	\$ 2,716,980	\$ 16,170	\$ 1,820,000
State Grants & Aid	73,000	73,000	74,900
Fines & Forfeitures	34,900	26,968	40,880
Donations	10,400	18,650	6,600
Interest Earnings	46,320	48,650	26,550
Contingent Grants & Donations	500,000	9,683	17,700
	<u>\$ 3,381,600</u>	<u>\$ 193,121</u>	<u>\$ 1,986,630</u>
Transportation Sales Tax Fund:			
Transportation Sales Tax	\$ 4,737,000	\$ 5,100,000	\$ 4,737,000
Interest Earnings	168,500	176,523	148,500
	<u>\$ 4,905,500</u>	<u>\$ 5,276,523</u>	<u>\$ 4,885,500</u>
Total special revenue funds	<u>\$ 9,470,900</u>	<u>\$ 6,899,555</u>	<u>\$ 8,031,330</u>
Capital projects funds			
Capital Improvements Fund:			
Federal Grants & Aid	\$ 1,075,000	\$ 1,029,578	\$ 1,624,000
County Flood Control	150,000	150,000	150,000
Interest Earnings	470,900	628,167	382,900
	<u>\$ 1,695,900</u>	<u>\$ 1,807,745</u>	<u>\$ 2,156,900</u>
Art in Public Places Fund:			
Interest Earnings	4,090	5,642	4,090
	<u>\$ 4,090</u>	<u>\$ 5,642</u>	<u>\$ 4,090</u>
Development Impact Fees Funds:			
Development Impact Fees	\$ 465,900	\$ 345,364	\$ 306,800
Interest Earnings	71,020	83,560	65,400
	<u>\$ 536,920</u>	<u>\$ 428,924</u>	<u>\$ 372,200</u>
Total capital projects funds	<u>\$ 2,236,910</u>	<u>\$ 2,242,311</u>	<u>\$ 2,533,190</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
Enterprise funds			
Public Transit Fund:			
Federal Grants	\$ 800,200	\$ 277,558	\$ 1,220,000
Charges for Services	36,500	17,575	25,800
Interest Earnings	114,000	147,177	114,000
	<u>\$ 950,700</u>	<u>\$ 442,310</u>	<u>\$ 1,359,800</u>
Wastewater Fund:			
Charges for Services	\$ 6,250,000	\$ 6,258,000	\$ 6,247,100
Capacity Fees	1,717,000	1,049,300	1,717,000
Interest Earnings	403,800	423,567	408,800
Misc. Revenues	104,000	56,000	97,300
	<u>\$ 8,474,800</u>	<u>\$ 7,786,867</u>	<u>\$ 8,470,200</u>
Total enterprise funds	<u>\$ 9,425,500</u>	<u>\$ 8,229,177</u>	<u>\$ 9,830,000</u>
Internal service funds			
Information Technology Fund:			
Internal Cost Charges	\$ 2,859,110	\$ 2,859,110	\$
Other Charges for Services	600	1,668,473	201,795
Interest Earnings	19,600	43,201	19,600
	<u>\$ 2,879,310</u>	<u>\$ 4,570,784</u>	<u>\$ 221,395</u>
Total internal service funds	<u>\$ 2,879,310</u>	<u>\$ 4,570,784</u>	<u>\$ 221,395</u>
Total all funds	<u>\$ 69,895,240</u>	<u>\$ 70,518,511</u>	<u>\$ 66,577,145</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Other financing sources/(uses) and interfund transfers
Fiscal year 2026

Fund	Other financing 2026		Interfund transfers 2026	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer to Streets Fund	\$	\$	\$ 248,290	\$ 2,500,000
Transfer to Housing Fund			48,250	100,000
Transfer to Cap. Impr. Fund				5,300,000
Transfer to Public Transit Fund			273,320	400,000
Transfer to Wastewater Fund			1,386,210	2,900,000
Transfer to Info. Tech. Fund			140,570	3,121,710
Total General Fund	\$	\$	\$ 2,096,640	\$ 14,321,710
Special revenue funds				
Streets - from General Fund	\$	\$	\$ 2,500,000	\$
Streets - to General Fund				248,290
Streets - to Info. Tech. Fund				45,220
Housing - from General Fund			100,000	
Housing - to General Fund				48,250
Housing - to Info. Tech. Fund				22,960
Transp. Sales Tax - to Cap. Impr. Fund				4,620,500
Transp. Sales Tax - to Public Transit				1,963,000
Total special revenue funds	\$	\$	\$ 2,600,000	\$ 6,948,220
Capital projects funds				
Cap. Impr. - from General Fund	\$	\$	\$ 5,300,000	\$
Cap. Impr. - from Transp. Sales Tax			4,620,500	
Cap. Impr. - to Art in Public Places				94,380
Art in Public Places - from Cap. Impr.			94,380	
Total capital projects funds	\$	\$	\$ 10,014,880	\$ 94,380
Enterprise funds				
Public Transit - from General Fund	\$	\$	\$ 400,000	\$
Public Transit - from Transp. Sales Tax			1,963,000	
Public Transit - to Info. Tech. Fund				20,730
Public Transit - to General Fund				273,320
Wastewater - From General Fund			2,900,000	
Wastewater - to Info. Tech. Fund				397,740
Wastewater - to General Fund				1,386,210
Total enterprise funds	\$	\$	\$ 5,263,000	\$ 2,078,000
Internal service funds				
Info. Tech - from General Fund	\$	\$	\$ 3,121,710	\$
Info. Tech - from Streets Fund			45,220	
Info. Tech - from Housing Fund			22,960	
Info. Tech - from Transit Fund			20,730	
Info. Tech - from Wastewater Fund			397,740	
Info. Tech - to General Fund				140,570
Total Internal Service Funds	\$	\$	\$ 3,608,360	\$ 140,570
Total all funds	\$	\$	\$ 23,582,880	\$ 23,582,880

**City of Sedona
Expenditures/expenses by fund
Fiscal year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
General Fund				
City Council	\$ 74,520	\$	\$ 70,794	\$ 77,150
City Manager	1,045,420		972,241	1,208,310
Human Resources	553,700		526,015	564,938
Financial Services	1,810,620		1,720,089	1,827,641
City Attorney	804,640		764,408	868,738
City Clerk	468,750	(2,380)	445,313	599,678
Parks & Recreation	1,079,120	(7,701)	1,025,164	1,379,339
General Services	2,896,360		2,606,724	3,218,256
Community Development	2,062,730		1,959,594	2,776,668
Public Works	5,298,700	39,110	5,192,726	6,266,285
Tourism & Economic Initiatives	2,358,770		2,240,832	2,301,236
Sustainability	746,480		709,156	805,373
Police	11,062,100	49,000	10,730,237	10,280,941
Municipal Court	786,750		747,413	936,793
Other Public Safety	30,000		25,000	30,000
Indirect Cost Allocations	597,270		597,270	
Debt Service	3,772,940		3,769,167	2,282,480
Contingency	300,000	(49,000)	50,000	1,600,000
Total General Fund	\$ 35,748,870	\$ 29,029	\$ 34,152,141	\$ 37,023,826
Special revenue funds				
Streets Fund	\$ 2,881,930	\$ 5,000	\$ 2,834,972	\$ 2,661,499
Housing Fund	576,200		367,443	2,449,934
Grants, Don. & Restr. Funds	1,378,810		219,100	1,920,600
Transportation Sales Tax Fund	489,310		441,178	497,852
Total special revenue funds	\$ 5,326,250	\$ 5,000	\$ 3,862,693	\$ 7,529,885
Capital projects funds				
Capital Improvements Fund	\$ 31,230,930	\$ (404,613)	\$ 24,984,744	\$ 33,374,702
Art in Public Places Fund	119,000		119,000	20,000
Develop. Impact Fees Funds	6,222,680	343,014	4,224,001	1,119,650
Total capital projects funds	\$ 37,572,610	\$ (61,599)	\$ 29,327,745	\$ 34,514,352
Enterprise funds				
Public Transit Fund	\$ 5,479,980	\$ 21,600	\$ 3,881,842	\$ 5,702,308
Wastewater Fund	19,252,630		15,200,110	15,476,901
Total enterprise funds	\$ 24,732,610	\$ 21,600	\$ 19,081,952	\$ 21,179,209
Internal service funds				
Information Technology Fund	\$ 2,675,446	\$ 5,970	\$ 2,608,880	\$ 3,044,422
Total internal service funds	\$ 2,675,446	\$ 5,970	\$ 2,608,880	\$ 3,044,422
Total all funds	\$ 106,055,786	\$	\$ 89,033,410	\$ 103,291,695

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Sedona
Expenditures/expenses by department
Fiscal year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
City Council:				
General Fund	\$ 74,520	\$	\$ 70,794	\$ 77,150
Information Technology Fund	\$	\$	\$ 1,300	\$ 1,000
Department total	\$ 74,520	\$	\$ 70,794	\$ 78,150
City Manager:				
General Fund	\$ 1,045,420	\$	\$ 972,241	\$ 1,208,310
Information Technology Fund	\$ 1,300	\$	\$ 1,300	\$ 1,300
Department total	\$ 1,046,720	\$	\$ 973,541	\$ 1,209,610
Human Resources:				
General Fund	\$ 553,700	\$	\$ 526,015	\$ 564,938
Department total	\$ 553,700	\$	\$ 526,015	\$ 564,938
Financial Services:				
General Fund	\$ 1,810,620	\$	\$ 1,720,089	\$ 1,827,641
Public Transit Fund	\$ 4,000	\$	\$ 3,980	\$ 4,000
Wastewater Fund	\$ 139,350	\$	\$ 135,000	\$ 163,450
* Department total	\$ 1,953,970	\$	\$ 1,859,069	\$ 1,995,091
City Attorney:				
General Fund	\$ 804,640	\$	\$ 764,408	\$ 868,738
Wastewater Fund	\$ 100,000	\$	\$	\$ 100,000
Department total	\$ 904,640	\$	\$ 764,408	\$ 968,738
City Clerk:				
General Fund	\$ 468,750	\$ -2,380	\$ 445,313	\$ 599,678
Information Technology Fund	\$	\$	\$	\$ 1,000
Department total	\$ 468,750	\$ -2,380	\$ 445,313	\$ 600,678
Parks & Recreation:				
General Fund	\$ 1,079,120	\$ -7,701	\$ 1,025,164	\$ 1,379,339
Grants, Don. & Restr. Funds	\$ 13,200	\$	\$ 6,500	\$ 13,200
Department total	\$ 1,092,320	\$ -7,701	\$ 1,031,664	\$ 1,392,539
General Services:				
General Fund	\$ 2,896,390	\$	\$ 2,606,724	\$ 3,218,256
Develop. Impact Fee Funds	\$ 48,000	\$	\$ 16,308	\$
Department total	\$ 2,944,390	\$	\$ 2,623,032	\$ 3,218,256
Community Development:				
General Fund	\$ 2,062,730	\$	\$ 1,959,594	\$ 2,734,872
Information Technology Fund	\$ 2,700	\$	\$ 2,700	\$ 3,500
Department total	\$ 2,065,430	\$	\$ 1,962,294	\$ 2,738,372

**City of Sedona
Expenditures/expenses by department
Fiscal Year 2026**

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
Public Works:				
General Fund	\$ 5,400,750	\$ 3,910	\$ 3,341,314	\$ 6,266,285
Streets Fund	2,474,720	5,000	1,531,050	2,661,499
Grants, Don. & Restr. Funds	1,500		928	1,500
Transportation Sales Tax Fund	147,730		91,397	156,272
Public Transit Fund	72,900		45,101	88,560
Wastewater Fund	273,600		169,270	384,698
Information Technology Fund	22,090		13,667	21,610
Department total	\$ 8,393,290	\$ 8,910	\$ 5,192,726	\$ 9,580,424
Tourism & Economic Initiatives:				
General Fund	\$ 2,358,770	\$	\$ 2,240,832	\$ 2,301,236
Grants, Don. & Restr. Funds				
Public Transit Fund				110,000
Information Technology Fund	650		650	6,300
Department total	\$ 2,359,420	\$	\$ 2,241,482	\$ 2,417,536
Sustainability:				
General Fund	\$ 746,480	\$	\$ 709,156	\$ 805,373
Department total	\$ 746,480	\$	\$ 709,156	\$ 805,373
Police:				
General Fund	\$ 11,062,100	\$ 49,000	\$ 10,601,140	\$ 10,280,941
Grants, Don. & Restr. Funds	81,990		78,573	230,900
Information Technology Fund	52,720		50,523	59,420
Department total	\$ 11,196,810	\$ 49,000	\$ 10,730,237	\$ 10,571,261
Municipal Court:				
General Fund	\$ 786,750	\$	\$ 747,413	\$ 936,793
Information Technology Fund	120		120	120
Department total	\$ 786,870	\$	\$ 747,533	\$ 936,913
Other Public Safety:				
General Fund	\$ 30,000	\$	\$ 25,000	\$ 30,000
Department total	\$ 30,000	\$	\$ 25,000	\$ 30,000
Indirect Cost Allocations:				
General Fund	\$ 597,270	\$	\$ 597,270	*
Streets Fund	247,930		247,930	*
Housing Fund	85,400		85,400	*
Public Transit Fund	255,590		255,590	*
Wastewater Fund	1,546,220		1,546,220	*
Information Technology Fund	126,700		126,700	*
Department total	\$ 2,859,110	\$	\$ 2,859,110	\$ *
Debt Service:				
General Fund	\$ 3,872,940	\$	\$ 3,769,167	\$ 3,143,805
Streets Fund	159,280		159,121	
Transportation Sales Tax Fund	341,580		341,238	341,580
Develop. Impact Fee Funds	248,570		248,321	248,570
Public Transit Fund	300,570		300,269	3,000
Wastewater Fund	4,541,620		4,537,078	4,309,240
Information Technology Fund	50,200		50,150	
Department total	\$ 9,514,760	\$	\$ 9,405,345	\$ 8,046,195

City of Sedona
Expenditures/expenses by department
Fiscal Year 2026

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2025	2025	2025	2026
Contingency:				
General Fund	\$ 300,000	\$ (49,000)	\$ 50,000	\$ 1,600,000
Housing Fund	56,850			2,000,000
Grants, Don. & Restr. Funds	500,000			1,400,000
Wastewater Fund	100,000			100,000
Department total	\$ 956,850	\$ -49,000	\$ 50,000	\$ 5,100,000
Capital Improvement Projects:				
Housing Fund	\$	\$	\$	\$
Capital Improvements Fund	31,230,930	-404,613	24,360,125	32,513,377
Art in Public Places Fund	119,000		92,820	20,000
Develop. Impact Fee Funds	5,926,110	343,014	4,622,366	871,080
Public Transit Fund	2,301,000		1,794,780	2,573,000
Wastewater Fund	8,587,120		6,697,954	6,079,700
Department total	\$ 48,164,160	\$ -61,599	\$ 37,568,045	\$ 42,057,157
Housing:				
General Fund	\$	\$	\$	\$ 41,796
Housing Fund	519,350		367,443	449,934
Grants, Don. & Restr. Funds	772,120		133,098	275,000
Department total	\$ 1,291,470	\$	\$ 500,541	\$ 766,730
Public Transit:				
Public Transit Fund	\$ 2,545,920	\$ 21,600	\$ 2,418,624	\$ 2,923,748
Department total	\$ 2,545,920	\$ 21,600	\$ 2,418,624	\$ 2,923,748
Wastewater:				
Wastewater Fund	\$ 3,835,960		3,644,162	4,212,083
Department total	\$ 3,835,960	\$	\$ 3,644,162	\$ 4,212,083
Information Technology:				
Grants, Don. & Restr. Funds	\$ 10,000	\$	5,000	
Wastewater Fund	128,760		126,185	127,730
Information Technology Fund	2,418,966	5,970	2,370,587	2,950,172
Department total	\$ 2,557,726	\$ 5,970	\$ 2,501,771	\$ 3,077,902

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

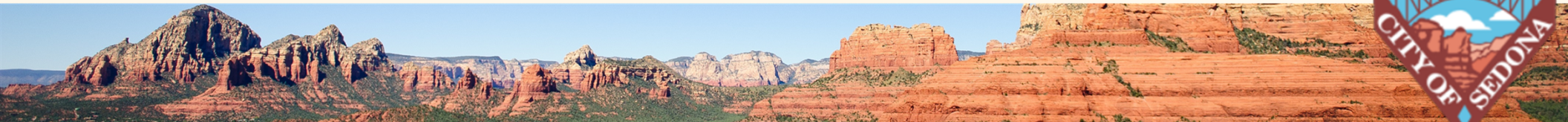
*For indirect cost allocations, starting FY26 they were moved out of the operating budget lines and are now inter-fund transfers

City of Sedona
Full-time employees and personnel compensation
Fiscal year 2026

Fund	Full-time equivalent (FTE) 2026	Employee salaries and hourly costs 2026	Retirement costs 2026	Healthcare costs 2026	Other benefit costs 2026	Total estimated personnel compensation 2026
General Fund	170	\$ 13,974,681	\$ 2,466,761	\$ 2,951,776	\$ 276,239	\$ 19,669,457
Special revenue funds						
Streets Fund	4	\$ 325,649	\$ 62,737	\$ 73,960	\$ 7,594	\$ 469,940
Housing Fund	2	154,854	30,846	25,591	343	211,633
Grants, Don. & Restr. Funds			74,900			74,900
Transportation Sales Tax Fund	1	86,683	17,415	19,264	1,410	124,771
Total special revenue funds	7	\$ 567,185	\$ 185,897	\$ 118,815	\$ 9,347	\$ 881,244
Enterprise funds						
Public Transit Fund	2	\$ 174,954	\$ 34,914	\$ 18,339	\$ 391	\$ 228,598
Wastewater Fund	17	1,476,171	288,335	317,371	39,123	2,120,999
Total enterprise funds	19	\$ 1,651,125	\$ 323,249	\$ 335,709	\$ 39,514	\$ 2,349,598
Internal service funds						
Information Technology Fund	6	\$ 673,944	\$ 135,255	\$ 100,474	\$ 1,503	\$ 911,176
Total internal service fund	6	\$ 673,944	\$ 135,255	\$ 100,474	\$ 1,503	\$ 911,176
Total all funds	202	\$ 16,866,935	\$ 3,111,163	\$ 3,506,775	\$ 326,603	\$ 23,811,476

FY 26 Final Budget Adoption

June 24, 2025



FY 2025-26 Budget Calendar

Item	Date
Internal staff work on Budget	November 2024 – April 2025
City Council retreat	December 11-12, 2024
Citizens Budget Work Group (CBWG)	February/March 2025
City Manager review with departments	March 2025
City Council work sessions	Apr 30-May 1, 2025
City Council adoption of Tentative Budget	May 27, 2025
Board Adoption of Tentative CFD Budget	May 27, 2025
City Council adoption of Final Budget	★ June 24, 2025
Board adoption of Final CFD Budget	★ June 24, 2025



Overview of Assumptions

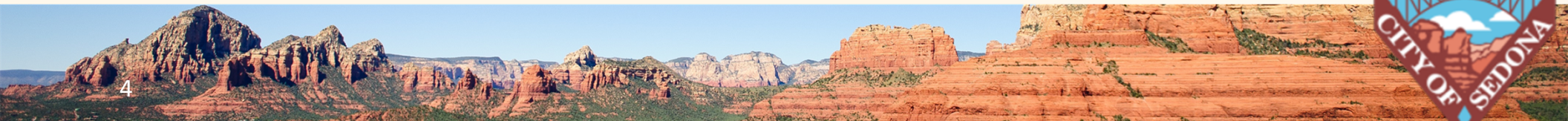
- Uncertain economy
- Revenues held flat or reduced
- All reserves meet Policy requirements
- Overall expenditures reduced from FY25



Final Budget Total

FY25	FY26	Increase/ (Decrease)	Percent
\$106,223,656	\$ 103,291,695	\$ (2,931,1961)	(2.8%)

	FY25	FY26	Increase/ (Decrease)	Percent
Operating	\$ 57,891,596	\$ 61,234,538	\$ 3,342,942	5.8%
Capital	\$ 48,332,060	\$ 42,057,157	\$ (6,274,903)	(13.0%)



Changes, Tentative to Final FY26 Budget

Item	Increase / (Decrease)
Change to small grants	\$ (32,354)
Parks improvements completed in FY25	(82,137)
PD Vehicle upfit completed in FY25	(36,000)
Red Rock Trail Fund	10,000
Salary Study implementation cost	(400,000)
Enterprise Leases (paid off in FY25)	(139,090)
Benefits cost savings	(26,711)
TOTAL Increase / (Decrease)	\$ (706,292)



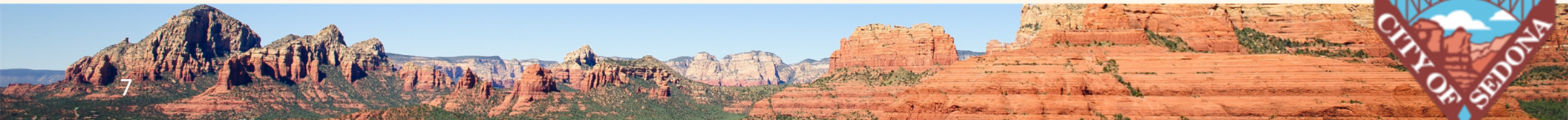
Debt Payoff

- The balance of all Enterprise vehicle leases will be paid off by June 30, 2025
 - Total cost (FY25): \$922,656
 - \$844,536 + \$78,120 in sales tax
 - General Fund: \$771,114; Wastewater: \$151,542
- Interest savings FY26 (budget reduced): \$19,004
- Total interest savings: \$34,644



Major Changes and Additions FY25 v. FY26

- Police
 - 9 sworn officers
 - Emergency Mgmt. Coordinator
 - Part-time Evidence Technician
- Clerk: Short-Term Rental Prgm.
 - STR Code Enforcement Officer
- Municipal Court
 - Convert part-time security officer to full-time
- Public Works
 - Convert part-time hours to 2 full-time positions
- Contingencies
 - \$2M housing initiatives
 - \$1.675M General Fund operating
 - \$1.3M land acquisition
 - \$1.4M grants
- Other
 - \$200k Large Grant Program
 - \$900k Salary Study implementation



Expenditures by Type

	FY 25 Budget	FY 26 Base Budget	Incr/(Decr)	% Incr/ (Decr)	Decision Packages	FY 26 Budget	% Incr/ (Decr)
Ongoing							
Personnel	\$21,121,860	22,336,444	\$1,214,584	5.8%	\$1,376,023	\$23,712,467	12.3%
Operations	19,968,860	18,450,532	-1,518,328	-7.6%	480,885	18,931,417	-5.2%
Subtotal	\$41,090,720	\$40,786,976	-\$303,744	-0.7%	\$1,856,908	\$42,643,884	3.8%
One-Time							
Personnel	4,169,266	72,000	-4,097,266	-98.3%	27,800	99,800	-97.6%
Operations	2,260,000	2,127,650	-132,350	-5.9%	1,171,620	3,299,270	46.0%
Subtotal	\$6,429,266	\$2,199,650	-\$4,229,616	-65.8%	\$1,199,420	\$3,399,070	-47.1%
Debt Service	9,414,760	9,248,584	-166,176	-1.8%	843,000	10,091,584	7.2%
Contingencies	956,850	3,100,000	2,143,150	224.0%	2,000,000	5,100,000	433.0%
Total, operations	\$57,891,596	\$55,335,210	-\$2,556,386	-4.4%	\$5,899,328	\$61,234,538	5.8%
Capital Projects	48,332,060	41,987,157	-6,344,903	-13.1%	70,000	42,057,157	-13.0%
TOTAL	\$106,223,656	\$97,322,367	-\$8,901,289	-8.4%	\$5,969,328	\$103,291,695	-2.8%



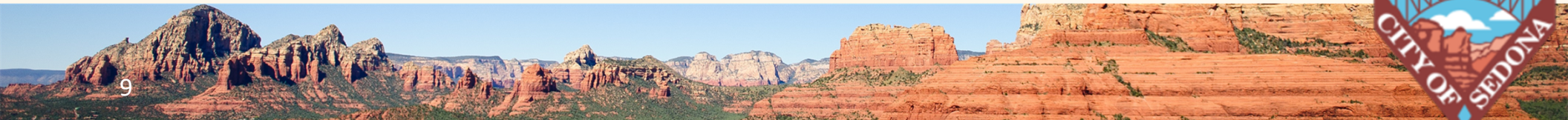
Capital Improvements by Category

(including 1% Arts Transfers and CFD Funding)

Amounts in Thousands

Category	Carryover	New	FY 2026
SIM	\$ 21,331	\$ 4,257	\$ 25,588
Wastewater	4,413	1,667	6,080
Parks & Recreation	1,010	380	1,390
Public Transit	2,288	285	2,573
Information Technology	1,150	350	1,500
Police	275	1,386	1,661
Public Works	300	1,572	1,872

Continued next slide



Capital Improvements by Category

(includes 1% Arts Transfers and CFD Funding)

Amounts in Thousands

Category	Carryover	New	FY 2026
Storm Drainage	\$ 40	\$ 340	\$ 380
Arts & Culture	0	20	20
Sustainability	200	656	856
Streets & Transp.	0	67	67
Municipal Court	0	70	70
Total	\$ 31,007	\$ 13,049	\$ 42,057

Continued from previous



Decision Packages Included – Positions

Department	Description	FTEs	One-Time Costs	Ongoing Costs	Total
City Clerk	Short-Term Rental Code Enf. Officer	1.0	\$ 7,155	\$ 94,714	\$ 101,869
Public Works	Convert TCA part-time to two full-time	0.8	5,710	89,440	95,150
Police	Part-time Records Technician	0.5	6,979	31,381	38,360
Police	Emergency Mgmt. Coordinator/Manager	1.0	66,017	121,396	187,413
Municipal Court	Full-time Court Security Officer	0.5	-	52,861	58,749
Police (sworn)	Community Outreach Officer	1.0	161,474	102,064	263,538
Police (sworn)	Three Motor/Traffic Officers	3.0	373,337	444,279	817,616
Police (sworn)	Five Patrol Officers	5.0	692,535	535,467	1,228,002
Total		12.8	\$ 1,313,207	\$ 1,471,602	\$ 2,790,697

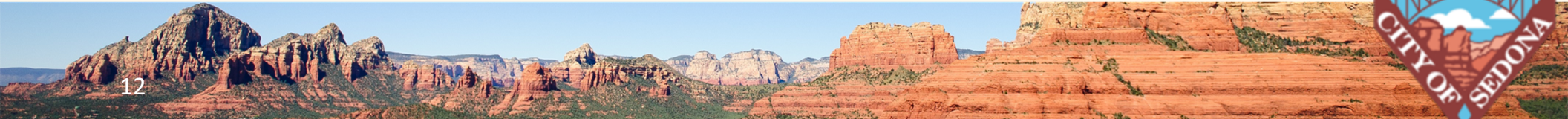
NOTE: The **ongoing cost** of new positions is 53% of the total first year cost. The first year includes the purchase of necessary technology, equipment, and/or vehicles for the positions.

The Patrol and Motor/Traffic officers' salary and benefits are funded at 75% of a full year for FY26.

Decision Packages Included – Operations

Department	Description	One-Time Costs	Ongoing Costs	Total
Parks & Recreation	Posse Grounds Park Shade Structures	\$ 70,500	-	\$ 70,500
Parks & Rec/PW	Hub Upgrades	35,463	-	35,463
Public Works	Dead Tree Removal Project for Firewise Effort	-	35,000	35,000
Comm. Dev.	LDC Update	300,000	-	300,000
Comm. Dev.	Implementation Plan for the Western Gateway	175,000	-	175,000
Public Works	Public Works FY26 Vehicle Request	78,972	-	78,972
Municipal Court	Courtroom Remodel	30,000	-	30,000
Municipal Court	Hall Security Remodel	40,000	-	40,000

Continued next slide



Decision Packages Included – Operations

Continued from previous

Department/Fund	Description	One-Time Costs	Ongoing Costs	Total
IT	IT Vehicle to Service Remote Locations	-	-	-
Parks & Recreation	Fitness Equip. for Sunset and Greyback Park	21,300	-	21,300
City Mgr. Office	Large Grants Program	-	200,000	200,000
City Mgr. Office	eCivis Grant Mgmt. Software Add-On	11,500	22,800	34,300
Parks & Recreation	Softball Field Upgrades - Posse Grounds Park	28,600	-	28,600
City Mgr. Office	CSP Contracts One-Time Increase	86,850	-	86,850
Housing	Housing and Other Initiatives Contingency	2,000,000	-	2,000,000
Total		\$ 2,878,185	\$ 257,800	\$ 3,135,985



FY 2026 Budget by Funds Summary (see exhibit A)

Amounts in Thousands

	General Fund	Special Revenue Funds	Capital Project Funds	Public Transit Fund	Waste-water Fund	IT Internal Fund	Totals
Fund Balances and Reserves							
Beginning Fund Balance	\$26,532	\$18,866	\$33,787	\$8,560	\$17,743	\$1,910	\$107,398
Revenues							
One-Time Revenues	28	420	1,777	720	1,133	-	4,078
Ongoing Revenues	45,934	7,611	756	640	7,337	221	62,499
Total Revenues	45,961	8,031	2,533	1,360	8,470	221	66,577
Expenditures							
One-Time Expenditures (Capital)	-	-	(33,404)	(2,573)	(6,080)	-	(42,057)
One-Time Expenditures (Operating)	(1,847)	(532)	-	(20)	(577)	(154)	(3,129)
Ongoing Expenditures	(29,886)	(3,158)	-	(2,812)	(4,218)	(2,840)	(42,914)
Debt Service	(3,691)	(440)	(1,110)	(298)	(4,502)	(50)	(10,092)
Contingency	(1,600)	(3,400)	-	-	(100)	-	(5,100)
Total Expenditures	(37,024)	(7,530)	(34,514)	(5,702)	(15,477)	(3,044)	(103,292)
Interfund Transfers	(12,225)	(4,348)	9,921	2,069	1,116	3,468	-
Ending Fund Balances							
Total Ending Fund Balances	\$22,377	\$15,019	\$12,587	\$6,286	\$11,853	\$2,562	\$70,684



Reserves – Detail, all funds

Estimated Reserves, FY26

Operating Reserves, FY26 Base Budget	\$ 14,928,845
Capital Reserves	23,669,689
Equipment Replacement Reserves	7,530,859
WW Major Maintenance Reserve	674,975
Transit System Reserve	5,300,000
Housing Fund Reserves for loans, incentives	14,450,000
TOTAL Reserves, FY26	\$ 66,554,367

NOTE: Reserves are a portion of total fund balance, “reserved” by policy or for a specific purpose. Thus, the total fund balance (previous slide) is greater than the total reserves.



Final Budget Total

FY25	FY26	Increase/ (Decrease)	Percent
\$106,223,656	\$ 103,291,695	\$ (2,931,1961)	(2.8%)

	FY25	FY26	Increase/ (Decrease)	Percent
Operating	\$ 57,891,596	\$ 61,234,538	\$ 3,342,942	5.8%
Capital	\$ 48,332,060	\$ 42,057,157	\$ (6,274,903)	(13.0%)



Next Steps – Budget FY26

- Monitor Economic Conditions
 - Sales and Bed Tax Receipts
 - Consumer Confidence indices
 - Market performance
 - Fed direction
- Monitor Budgetary performance
 - Execution rate (percent of budget used)
- Plan for FY27!

Consistent monitoring of economic conditions and budgetary performance will allow the City to recognize negative trends and pivot to focus on savings if necessary.