2027 Proposed Operating Budget – General Fund

August 3, 2026

Tiffany Stephens, finance director

Policy Consideration

Recommended action: None at this time, for discussion purposes only.

Policy consideration:

- Does council support moving forward with the 2027 General Fund budget recommendations?

2027 Budget Roadmap

Anticipated Date	Topic	Discussion & Decision Points
July 20, 2026	2025 Annual Comprehensive Financial Report	• 2025 financial performance • 2025 fund balances
Aug. 3, 2026	**2027 Proposed general fund budget**	• **2027 proposed general fund operating expenses and revenues** • **2027 new operating proposals**
Aug. 17, 2026	2027 fee reading & 2027 utility rates	• First reading of 2027 city fees • Discuss any changes needed to utility rates for 2027
Sept. 8, 2026	2027 Capital Improvement Plan (CIP) and all other funds; final levy estimate	• Revised CIP 2027 – 2036 • Review AHTF, Park Improvement, HRA, EDA, Utility Funds, Climate Improvement Fund • Complete levy recommendation

2027 Budget Roadmap Continued

Anticipated Discussion Date	Topic	Discussion & Decision Points
Sept. 22, 2026	2027 levy adoption	• Maximum levy adoption
Oct. 12, 2026	TIF management plan update	• TIF district performance • TIF district recommended transfers and decertification, if any
Nov. 16, 2026	2027 Revised Budget	• Revisions to budget and levy adjustments. Levy can only be reduced from maximum set in September 2026
Dec. 7, 2026	2027 Truth in Taxation Hearing	• Residents share feedback on the proposed 2027 budget
Dec. 14, 2026	2027 Budget Adoption	• City council adopts 2027 budget and 2027-2036 CIP

Council Feedback for 2027 Budget

Balance provided services with levy increase

Identify inefficiencies and areas to reduce costs

Ensure flexibility to fund emerging needs

2026 vs 2027 General Fund Summary – without Personnel

Department	2026 Adopted	2027 Proposed	Variance
Administrative Services	$2,761,830	$2,433,486	-12.0%
Communications & Technology	$1,858,582	$1,725,409	-7.0%
Community Development and Building & Energy	$81,915 $458,576	$593,658	9.8%
Engineering	$174,442	$179,281	2.7%
Fire	$851,965	$833,730	-0.2%
Parks & Recreation	$5,304,173	$5,575,003	5.0%
Police	$2,162,203	$2,446,160	13.0%
Public Works	$1,717,952	$1,696,166	-1.0%
Totals:	**$15,371,638**	**$15,482,893**	**0.7%**

2027 General Fund
Personnel

- Salaries: Salary costs are projected to increase by 4.5%, primarily reflecting General Salary Adjustments (GSA) and normal compensation increases.

- Benefits: Benefit costs are projected to decrease slightly due to favorable contract negotiations and anticipated plan pricing. This reflects lower projected costs, not reductions to employee benefits or coverage.

2027 One-time Spending
Utilizing savings from 2026 – no levy impact

One-time spending recommendations	Strategic priority link	Amount
Wellness Committee	Good governance	$10,000
Digital Accessibility Compliance Support	A welcoming, safe community; Good governance	$20,000
Data Streamlining & Governance	Good governance	$50,000
Network & Security Administration	Good governance	$10,000
Comprehensive Plan Update	Diverse, affordable and dignified housing	$150,000
Climate Action Plan Amendment	Climate leadership and natural spaces	$20,000
HVAC Controls Update	Good governance	$35,000
Strategic Plan Project Implementation	Potential for all strategic priorities	$250,000

$545,000

2027 budget: Ongoing Spending Recs

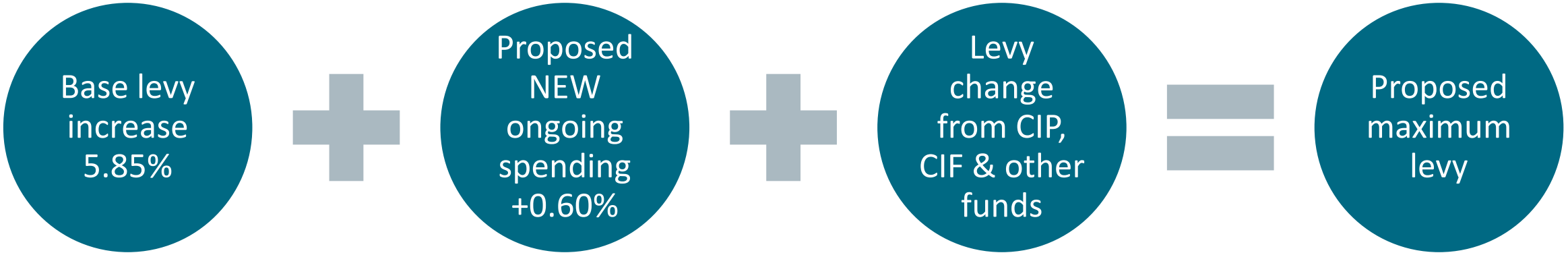
Department	2027 New spending request	Strategic priority link	2027 Cost
Administrative Services	Background Checks	Good governance	$11,000
Administrative Services	Ergonomics	Good governance	$24,000
Administrative Services	Wellness Committee	Good governance	$10,000
Communications & Technology	CoPilot Generative AI Licenses	Good governance	$72,000
Communications & Technology	Network & Security Administrator	Good governance	$87,500
Communications & Technology	Password Management Software	Good governance	$28,800
Communications & Technology	Accessibility Tools	A welcoming, safe community; Good governance	$10,000

2027 budget: Ongoing Spending Recs

Department	2027 New spending request	Strategic priority link	2027 Cost
Community Development	Housing Intern	Diverse, affordable and dignified housing	$13,000
Parks & Recreation	Temporary Staffing Salaries	Good governance; Connected, safe infrastructure	$6,000
Parks & Recreation	Position Reclass	Good governance; Connected, safe infrastructure	$15,000
Police	Sworn Officers	A welcoming, safe community	$328,000
Police	Community Service Officers (CSO)	A welcoming, safe community	$108,576

Total new allocations	**$713,876**
Reallocated 2026 savings	($319,000)
Net total new ongoing General Fund spending	$394,876

Progression of the levy



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