



City Council Communication

AGENDA DATE: October 20, 2025 **LEGISTAR ITEM #:** Res 2025-053

PRESENTER: Chris Johnson

DEPARTMENT: Finance

☐ Administrative Business	☐ Noticed Council Business
☒ Informational Presentation	☐ Consensus-Building Presentation

BACKGROUND/REQUEST

The City's 2026 Proposed Budget was made available to City Council and the public on Monday, October 13, 2025, in advance of the public hearing opening on October 20, 2025. The public hearing will be continued to November 3, 2025, to allow additional time for public comment. At the end of the public hearing on November 3, 2025, it is anticipated that the 2026 Proposed Budget will be adopted by City Council.

The 2026 Proposed Budget includes the additional \$2 million for 1(a) capital maintenance projects, \$600,000 for Fairfax Park drainage design, and the additional budget reductions totaling \$1 million. The 2026 City Budget is balanced as required by law.

Please see the following attachments for additional detail:

- 2026 Budget Presentation
- 2026 Proposed Budget Book
- 2026 Budget Resolution

In accordance with **Section 12.2. – Budget proposal and message** of the City Charter, a variety of information was presented and reviewed with City Council on the following dates:

- 7/21/25 – Draft CIP 2026-2030 Study Session
- 8/4/25 – Preliminary Budget Session #1
- 8/11/25 – Preliminary Budget Session #2
- 8/18/25 – Preliminary Budget Session #3
- 9/8/25 – Council Budget Workshop

Section 12.2. – Budget proposal and message.

CITY COUNCIL COMMUNICATION CONTINUED

(a) No later than forty-five (45) days prior to any date required by state law for certification to the county of the ad valorem tax levy for the ensuing year, the city manager shall prepare and submit to the council a recommended budget for the next fiscal year and shall include therein at least the following information:

(1) Detailed estimates, with his supporting explanations, of all proposed expenditures for each department, office and agency of the city, including the municipal court and council.

- Details regarding fund balance status, preliminary revenue and expenditure estimates (uses of funds) and base budget variance data by department were presented on 8/4/24.

(2) Detailed estimates of all anticipated revenue of the city from all sources including bond issues, if any, for the ensuing fiscal year, including his estimate of revenue needed from ad valorem taxes to meet estimated expenditures of the city.

- Details regarding fund balance status and preliminary revenue estimates (sources of funds) were presented on 8/4/25, 8/11/25, and 8/18/25.

(3) Comparative figures showing the actual expenditures and revenues for corresponding items and sources for the preceding fiscal year in full and for the current fiscal year up to the last day of the month preceding the month in which the recommended budget is submitted, and estimated expenditures and revenues for corresponding items and sources for the balance of the current fiscal year.

- Five-year revenue and expenditure trendline data was presented on 8/4/25. Complete data for the preceding year in full and current fiscal year up to the last day of the month preceding the month in which the recommended budget is submitted (9/30/25 data) is included in the proposed budget book.

(4) Statements of the bonded and other indebtedness of the city, showing the debt redemption and interest requirements, the debt

CITY COUNCIL COMMUNICATION CONTINUED

authorized and unissued, and the condition of any capital expenditure funds and special funds.

- Details regarding the City's required debt service payments were included in the sources and uses data presented periodically throughout the budget process on 8/4/25, 8/11/25, 8/18/25, 9/8/25, and 10/20/25.

(5) A statement of the estimated balance, including any unappropriated surplus, for the end of the current fiscal year.

- Details regarding the City's fund balance status were presented periodically throughout the budget process on 8/4/25, 8/11/25, 8/18/25, 9/8/25, and 10/20/25.

(6) A statement of the estimated deficiency, if any, for the end of the current fiscal year.

- Not applicable, as no deficiencies have occurred.

(7) Such other supporting information as the city manager deems desirable or the council may request.

- Details regarding capital project recommendations, police staffing information, and other items were presented on 8/4/25, 8/11/25, 8/18/25, and 9/8/25.

(b) As part of the proposed budget, the city manager shall also present his budget message.

In accordance with **Section 12.5 – Budget notice and hearing** of the city charter, a printed copy of the 2026 Proposed Budget document was placed in the City Clerk's Office and an electronic copy was posted on the City's website at <https://www.c3gov.com/government/administration-budget/budget-financial-reports>

Once the budget is adopted final budget books will be printed and the final version will be available on the City's website. Final adopted budget books will be distributed as soon as they are available.

CITY COUNCIL COMMUNICATION CONTINUED

JUSTIFICATION

☐ Council Goal	☐ Strategic Plan	☒ Work Plan	☒ Legal
Citation	Completing proposed and summary budget information throughout the budget development process is an important component of the annual budget process. Applicable state budget laws and city charter requirements are followed as work is completed.		

STAFF RECOMMENDATION

Begin the public hearing on the proposed budget, continue the public hearing until November 3, 2025, then adopt the Proposed 2026 Budget after the closing of the Public Hearing on November 3, 2025.