City of Fort Smith Finance

MEMORANDUM

TO: Jeff Dingman, City Administrator

CC: Maggie Rice, Deputy City Administrator

FROM: Andrew Richards, Chief Financial Officer

DATE: November 24, 2026

SUBJECT: 2027 Operating Budget

SUMMARY

The Board will hold a public hearing and consider the ordinance to approve the FY2027 operating budget on file with the City Clerk at the December 1, 2026 regular meeting. Across the four operating funds, proposed appropriations for FY2027 total $179,298,548, up $1,621,639 from what was shown at the November 13 hearing and up $955,696 from the October 13 proposal that was distributed.

The Board received the original proposal (hard copy and online) on October 13, 2026, and reviewed departmental requests at the November 13 budget hearing. In the revised fiscal year 2027 schedules, operating revenues exceed personnel and other operating expenditures in each of the four funds before capital outlay. This presents a structurally balanced operating budget in all four of the city's operating funds.

Changes to the FY2027 Budget

- **General Fund.** The General Fund operating budget is balanced for 2027. After the November 13 hearing, the budget added $28,933 for a one-time payment of 2.5% of base pay for 18 eligible police officers at or above the maximum for their grade or step. The payment provides an adjustment for officers with no available step increase. Changes to capital expenses were the main reason the result moved from a $201,321 surplus at the budget hearing to a $541,824 deficit after capital outlay.
- **Street Maintenance.** The November 13 hearing included $147,190 more in projected state gasoline tax turnback. The budget proposed for December 1 approval uses the same 7.31% property tax growth assumption as the General Fund to reflect the phased-in reappraisal, which increased Street Maintenance revenue by $139,590 to $3,071,305. The December 1 proposed budget also includes $1.12 million for vehicles and heavy equipment in the approved capital improvement program, up from $7,300 in capital outlay at the hearing. Whiel recurring budget operations are structurally balanced, the proposed deficit after capital expenses is $952,167.
- **Water & Sewer.** Appropriations were reduced by about $590,000 at the budget hearing, including revisions to the solar budget and lower Contract and Bond Services personnel costs. They have been further reduced by about $213,000 since the hearing, including

$105,406 reduction from net solar payments and credits and the removal of $92,086 in Management Services capital expenses. The FY2026 transfer adjustment provided funds for capital improvements but reduced the working capital carried into FY2027. Projected FY2027 ending working capital is $24.45 million, with a 31.0% contingency reserve.

- **Solid Waste.** Appropriations were reduced by about $146,000 at the budget hearing. The department's transfer for equipment replacement was reduced by $372,233 to match the approved capital improvement program expenses. Solid Waste also assumed $125,000 of General Fund support for cleanup and demolition and transferred an additional $200,000 to the General Fund to continue spay/neuter vouchers. Since the budget hearing, operating and capital appropriations were refined and reduced by another $18,188. The projected surplus after capital expenses and transfers is $20,641.

ATTACHMENTS

1. 12-01-26_Item_ID_3136_Approving_the_2027_Budget__1_.pdf
2. December 1 Budget Comparison Summaries.pdf
3. FY2026_FY2027_Budget_Adoption_Reconciliation_Board_Attachment (1).pdf

ORDINANCE NO._____

AN ORDINANCE TO ADOPT THE FISCAL YEAR 2027 OPERATING BUDGET AND TO PROVIDE OTHER MATTERS RELATING THERETO

BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS THAT:

Section 1: The City of Fort Smith fiscal year 2027 Operating Budget is approved and authorized as on file in the City Clerk's office.

Section 2: The City Administrator is hereby authorized to transfer appropriated monies among and within authorized programs.

Section 3: All ordinances and resolutions in conflict with the budget hereby are amended to conform with the budget hereby approved.

PASSED AND APPROVED THIS_____DAY OF _____2026.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

Approved as to form:

_____
City Attorney
Publication Required – Yes

City of Fort Smith
Budget Comparison Summary - General Fund

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Intergovernmental	$ 5,491,804	$ 4,516,442	$ 4,653,824	$ 4,326,732	$ 4,563,254	$ 236,522	$ 4,174,123
Taxes and Assessments	42,990,666	43,407,890	43,407,890	44,469,890	46,168,850	1,698,960	46,622,032
Court Fines and Forfeitures	2,195,078	2,076,450	2,076,450	2,238,761	2,237,700	(1,061)	2,237,700
Licenses and Permits	1,331,995	1,639,980	1,639,980	1,562,472	1,553,220	(9,252)	1,553,220
Service Charges and Fees	620,741	582,470	582,470	599,995	575,170	(24,825)	548,170
Contributions	99,064	10,000	15,568	52,868	20,000	(32,868)	20,000
Miscellaneous	1,363,043	888,020	950,310	2,203,088	1,113,660	(1,089,428)	1,113,660
Transfers	144,000	1,144,000	1,144,000	1,144,000	1,556,000	412,000	1,356,000
Total Revenues	**54,236,390**	**54,265,252**	**54,470,491**	**56,597,805**	**57,787,854**	**1,190,049**	**57,624,905**
Personnel							
Policy and Administration Service	2,025,132	2,157,948	2,150,748	2,034,616	2,186,959	152,343	2,209,201
Management Services	1,675,740	1,866,822	1,866,876	1,829,789	1,939,706	109,917	1,964,547
Development Services	1,761,110	1,988,222	1,988,022	1,769,551	1,983,007	213,456	2,029,435
Police Services	13,967,360	12,664,759	12,664,759	11,915,236	13,603,256	1,688,020	13,931,886
Fire Services	12,203,077	12,163,678	12,163,678	11,180,495	13,010,633	1,830,138	13,565,247
Operation Services	4,414,791	4,767,841	4,767,841	4,298,577	4,913,126	614,549	4,915,978
Non-Departmental	9,937	19,420	19,420	9,420	19,420	10,000	19,420
Total	**36,057,147**	**35,628,690**	**35,621,344**	**33,037,684**	**37,656,107**	**4,618,423**	**38,635,715**
Other Operating							
Policy and Administration Service	894,275	1,343,610	1,320,210	972,568	944,051	(28,517)	1,200,652
Management Services	2,639,595	2,906,310	2,940,586	2,808,231	2,343,907	(464,324)	2,770,222
Development Services	102,059	226,123	227,646	168,264	207,660	39,396	207,452
Police Services	4,983,252	4,852,370	5,114,339	5,295,238	5,406,730	111,491	5,106,293
Fire Services	2,698,074	2,995,250	3,132,381	3,120,463	2,832,427	(288,036)	2,966,104
Operation Services	2,934,693	2,069,713	2,116,625	2,150,975	2,116,940	(34,035)	2,177,757
Non-Departmental	4,968,890	4,235,193	4,405,193	4,775,982	6,006,633	1,230,651	5,019,423
Total	**19,220,839**	**18,628,570**	**19,256,980**	**19,291,721**	**19,858,347**	**566,626**	**19,447,904**
Total Operating Expenditures	**55,277,986**	**54,257,260**	**54,878,324**	**52,329,405**	**57,514,454**	**5,185,049**	**58,083,618**
Operating Excess (Deficiency) Revenues Over Expenditures	**(1,041,595)**	**7,992**	**(407,833)**	**4,268,400**	**273,400**		**(458,713)**
Capital Related Revenues							
Transit Capital	507,526	1,235,200	4,241,919	4,373,019	793,875	(3,579,144)	97,800
Federal Solar Tax Credit - Farmers Market Canopy	-	-	-	-	435,617	435,617	-
Total	**507,526**	**1,235,200**	**4,241,919**	**4,373,019**	**1,229,492**	**(3,143,527)**	**97,800**
Capital Outlay							
Policy and Administration Service	2,247	-	-	-	-	-	-
Management Services	863,401	38,237	869,583	842,353	-	(842,353)	-
Development Services	-	40,000	40,000	34,048	-	(34,048)	-
Police Services	1,012,225	-	114,362	-	786,345	786,345	1,102,147
Fire Services	70,267	605,000	646,721	640,900	-	(640,900)	147,000
Operation Services	748,978	1,806,000	5,877,977	5,835,299	1,041,500	(4,793,799)	195,000
Non-Departmental	5,915,344	-	2,657,849	3,059,087	216,871	(2,842,216)	-
Total Capital Outlay	**8,612,463**	**2,489,237**	**10,206,492**	**10,411,687**	**2,044,716**	**(8,366,971)**	**1,444,147**
Excess (Deficiency) Revenues Over Expenditures	**(9,146,533)**	**(1,246,045)**	**(6,372,406)**	**(1,770,268)**	**(541,824)**		**(1,805,060)**
Fund Balance, Beginning of Year	35,472,067	20,535,904	26,325,534	26,325,534	24,555,265		24,013,441
Fund Balance, End of Year	**$ 26,325,534**	**$ 19,289,859**	**$ 19,953,128**	**$ 24,555,265**	**$ 24,013,441**		**$ 22,208,381**
Contingency Reserve Percent	41.2%	34.0%	30.7%	39.1%	40.3%		37.3%

City of Fort Smith
Budget Comparison Summary - Streets Maintenance Fund

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Intergovernmental	$ 7,394,322	$ 7,566,500	$ 7,566,500	$ 7,355,533	$ 7,568,636	$ 213,103	$ 7,636,660
Taxes and Assessments	2,622,846	2,813,800	2,813,800	2,862,076	3,071,305	209,229	3,102,018
Licenses and Permits	271,564	322,000	322,000	271,000	271,000	-	271,000
Miscellaneous	402,320	264,200	315,934	368,705	290,963	(77,742)	290,963
Total Revenues	**10,691,052**	**10,966,500**	**11,018,234**	**10,857,314**	**11,201,904**	**344,590**	**11,300,641**
Personnel							
Policy and Administration Service	79,335	102,668	99,468	87,715	85,226	(2,489)	86,521
Management Services	528,801	627,686	627,713	608,488	654,848	46,360	663,326
Development Services	62,862	105,229	104,729	76,432	102,804	26,372	102,576
Operation Services	4,851,332	5,238,514	5,239,214	4,980,535	5,740,914	760,380	5,784,422
Non-Departmental	-	-	-	-	-	-	-
Total	**5,522,330**	**6,074,098**	**6,071,124**	**5,753,170**	**6,583,792**	**830,622**	**6,636,845**
Other Operating							
Policy and Administration Service	181,138	155,239	144,839	131,083	131,060	(23)	153,027
Management Services	656,954	767,972	789,676	730,827	678,437	(52,390)	793,954
Development Services	14,294	3,868	7,675	11,835	12,085	250	10,247
Operation Services	3,539,468	3,711,249	3,785,168	3,774,406	3,628,697	(145,709)	3,862,684
Non-Departmental	-	-	-	-	-	-	-
Total	**4,391,854**	**4,638,328**	**4,727,359**	**4,648,151**	**4,450,279**	**(197,872)**	**4,819,911**
Total Operating Expenditures	**9,914,184**	**10,712,425**	**10,798,483**	**10,401,321**	**11,034,071**	**632,750**	**11,456,756**
Operating Excess (Deficiency) Revenues Over Expenditures	**776,868**	**254,075**	**219,751**	**455,992**	**167,833**		**(156,115)**
Capital Outlay							
Policy and Administration Service	999	-	-	-	-	-	-
Management Services	37,128	14,302	30,012	22,207	-	(22,207)	-
Development Services	-	-	-	-	-	-	-
Operation Services	1,470,174	1,159,900	1,159,900	1,007,468	1,120,000	112,532	1,655,000
Non-Departmental	-	-	-	-	-	-	-
Total	**1,508,300**	**1,174,202**	**1,189,912**	**1,029,675**	**1,120,000**	**90,325**	**1,655,000**
Excess (Deficiency) Revenues Over Expenditures	**(731,432)**	**(920,127)**	**(970,161)**	**(573,683)**	**(952,167)**		**(1,811,115)**
Fund Balance, Beginning of Year	9,082,409	8,044,979	8,350,977	8,350,977	7,777,294		6,825,127
Fund Balance, End of Year	**$ 8,350,977**	**$ 7,124,852**	**$ 7,380,815**	**$ 7,777,294**	**$ 6,825,127**		**$ 5,014,011**
Contingency Reserve Percent	73.1%	59.9%	61.6%	68.0%	56.2%		38.2%

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	FY28 Planned
Beginning Reserve Fund Balance	$ 2,330,219	$ 1,973,093	$ 1,973,093	$ 1,973,093	$ 2,027,893	$ 2,207,893
Contributions	910,000	1,204,800	1,204,800	1,204,800	1,300,000	1,300,000
Replacement	1,267,126	1,150,000	1,150,000	1,150,000	1,120,000	1,655,000
***Ending Reserve Fund Balance**	**$ 1,973,093**	**$ 2,027,893**	**$ 2,027,893**	**$ 2,027,893**	**$ 2,207,893**	**$ 1,852,893**

***The Reserved Equipment Replacement fund balance is included in the Streets Maintenance Fund Balance, End of Year, noted above.**

City of Fort Smith
Budget Comparison Summary - Water and Sewer Operating Fund

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Water Sales	$ 37,886,243	$ 38,949,098	$ 38,949,098	$ 41,037,655	$ 41,448,032	$ 410,377	$ 41,448,032
Sewer Sales	29,027,202	31,775,118	31,775,118	31,685,426	33,056,512	1,371,086	33,056,512
Services Charges and Fees	1,148,870	739,752	739,752	1,015,690	989,752	(25,937)	989,752
Miscellaneous	1,857,158	771,362	812,731	1,921,522	1,780,344	(141,179)	1,762,173
Total Revenues	**69,919,473**	**72,235,331**	**72,276,700**	**75,660,293**	**77,274,640**	**1,614,347**	**77,256,469**
Personnel							
Policy and Administration Service	510,187	846,284	827,484	752,323	667,370	(84,954)	677,506
Management Services	2,873,188	3,974,084	3,974,222	3,944,739	4,299,100	354,362	4,357,839
Development Services	274,781	2,705,896	2,702,516	2,609,240	2,789,173	179,934	2,796,163
Operation Services	18,892,040	17,387,306	17,387,336	16,152,831	18,480,893	2,328,062	18,645,589
Non-Departmental	-	-	-	-	-	-	-
Total	**22,550,196**	**24,913,570**	**24,891,559**	**23,459,132**	**26,236,536**	**2,777,404**	**26,477,097**
Other Operating							
Policy and Administration Service	416,853	277,954	216,854	140,797	201,166	60,370	268,812
Management Services	2,909,809	3,280,192	3,353,691	3,206,237	3,010,913	(195,323)	3,448,503
Development Services	32,610	216,049	388,817	173,631	327,446	153,815	292,850
Operation Services	35,341,861	40,551,421	41,259,484	41,103,169	41,015,203	(87,966)	42,315,319
Non-Departmental	100,000	100,000	100,000	100,000	100,000	-	100,000
Total	**38,801,133**	**44,425,617**	**45,318,845**	**44,723,834**	**44,654,728**	**(69,106)**	**46,425,485**
Total Operating Expenditures	**61,351,329**	**69,339,187**	**70,210,404**	**68,182,966**	**70,891,265**	**2,708,298**	**72,902,581**
Operating Excess (Deficiency) Revenues Over Expenditures	**8,568,144**	**2,896,144**	**2,066,295**	**7,477,327**	**6,383,375**		**4,353,888**
Capital Outlay							
Policy and Administration Service	5,868	-	-	-	-	-	-
Management Services	111,383	95,357	145,908	116,492	-	(116,492)	-
Development Services	-	44,850	48,240	48,240	30,250	(17,990)	-
Operation Services	732,567	1,971,535	1,972,207	1,608,894	7,876,347	6,267,453	1,200,000
Non-Departmental	-	-	-	-	-	-	-
Total	**849,817**	**2,111,742**	**2,166,354**	**1,773,626**	**7,906,597**	**6,132,971**	**1,200,000**
Excess (Deficiency) Revenues Over Expenditures	**7,718,326**	**784,403**	**(100,059)**	**5,703,701**	**(1,523,221)**		**3,153,888**
Working Capital, Beginning of Year	22,549,917	25,981,968	30,268,243	30,268,243	25,971,944		24,448,723
Working Capital, End of Year	30,268,243	26,766,371	30,168,184	35,971,944	24,448,723		27,602,610
Adjustment for CIP Transfers	**-**	**-**	**-**	**10,000,000**	**-**		**-**
Adjusted Working Capital, End of Year	**$ 30,268,243**	**$ 26,766,371**	**$ 30,168,184**	**$ 25,971,944**	**$ 24,448,723**		**$ 27,602,610**
Contingency Reserve Percent	48.7%	37.5%	41.7%	37.1%	31.0%		37.2%

City of Fort Smith
Budget Comparison Summary - Solid Waste Operating Fund

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Intergovernmental	$ 5,185	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges and Fees	21,456,349	25,888,099	25,888,099	26,869,000	28,315,000	1,446,000	28,315,000
Miscellaneous	760,645	289,000	292,709	313,179	493,086	179,907	493,086
Total Revenues	**22,222,179**	**26,177,099**	**26,180,808**	**27,182,179**	**28,808,086**	**1,625,907**	**28,808,086**
Personnel							
Policy and Administration Service	214,525	276,847	268,847	240,186	237,191	(2,995)	240,896
Management Services	974,346	1,138,984	1,139,037	1,103,177	1,196,062	92,885	1,211,961
Operation Services	6,988,539	7,024,306	7,024,306	6,753,454	7,400,671	647,217	7,480,808
Non-Departmental	-	-	-	-	-	-	-
Total	**8,177,409**	**8,440,137**	**8,432,190**	**8,096,817**	**8,833,924**	**737,107**	**8,933,666**
Other Operating							
Policy and Administration Service	290,896	227,620	201,620	167,479	182,724	15,245	222,141
Management Services	1,084,772	1,271,385	1,306,796	1,210,570	1,128,567	(82,002)	1,313,843
Operation Services	6,629,887	8,490,061	8,696,654	8,325,422	8,704,108	378,686	8,915,678
Non-Departmental	825,000	1,825,000	1,825,000	1,825,000	2,612,000	787,000	2,412,000
Total	**8,830,554**	**11,814,066**	**12,030,070**	**11,528,470**	**12,627,399**	**1,098,929**	**12,863,662**
Total Operating Expenditures	**17,007,964**	**20,254,203**	**20,462,260**	**19,625,287**	**21,461,323**	**1,836,036**	**21,797,328**
Operating Excess (Deficiency) Revenues Over Expenditures	**5,214,215**	**5,922,896**	**5,718,547**	**7,556,892**	**7,346,763**		**7,010,758**
Capital Outlay							
Policy and Administration Service	2,497	-	-	-	-	-	-
Management Services	55,691	29,433	52,998	40,340	-	(40,340)	-
Operation Services	257,244	568,800	735,592	725,850	533,800	(192,050)	548,800
Non-Departmental	5,476,090	5,234,433	5,234,433	5,234,433	6,792,322	1,557,889	6,792,322
Total	**5,791,522**	**5,832,666**	**6,023,024**	**6,000,623**	**7,326,122**	**1,325,499**	**7,341,122**
Excess (Deficiency) Revenues Over Expenditures	**(577,307)**	**90,230**	**(304,476)**	**1,556,269**	**20,641**		**(330,364)**
Working Capital, Beginning of Year	11,970,040	9,528,388	11,392,733	11,392,733	12,949,002		12,969,643
Working Capital, End of Year	**$ 11,392,733**	**$ 9,618,618**	**$ 11,088,257**	**$ 12,949,002**	**$ 12,969,643**		**$ 12,639,279**
Contingency Reserve Percent	50.0%	36.9%	41.9%	50.5%	45.1%		43.4%

CITY OF FORT SMITH / FINANCE

Budget Reconciliation

December 1, 2026 Board of Directors | Items 7 and 8

The December submission carries **$179.30 million in FY2027 appropriations** across the four operating funds. That is $955,696 above October and $1,621,639 above November. Police and Street Maintenance capital account for most of the increase since the hearing. The revised exhibit also includes $139,590 more in Street Maintenance property tax revenue and a $10 million Water & Sewer CIP transfer adjustment.

FY2027 revenue, appropriations and annual result

Fund / measure	Oct. 13 proposal	Nov. 13 hearing	Dec. 1 submission	Oct. to Nov. change	Nov. to Dec. change
General Fund					
Total revenue	58,381,729	59,017,346	59,017,346	635,617	0
Total appropriations	58,885,323	58,816,025	59,559,170	(69,298)	743,145
Result after capital	(503,592)	201,321	(541,824)	704,913	(743,145)
Street Maintenance					
Total revenue	10,915,124	11,062,314	11,201,904	147,190	139,590
Total appropriations	10,905,484	11,044,619	12,154,071	139,135	1,109,452
Result after capital	9,640	17,696	(952,167)	8,056	(969,863)
Water & Sewer					
Total revenue	77,274,641	77,274,640	77,274,640	(1)	0
Total appropriations	79,600,498	79,010,632	78,797,862	(589,866)	(212,770)
Result after capital	(2,325,856)	(1,735,992)	(1,523,221)	589,864	212,771
Solid Waste					
Total revenue	28,808,086	28,808,086	28,808,086	0	0
Total appropriations	28,951,547	28,805,633	28,787,445	(145,914)	(18,188)
Result after capital	(143,460)	2,453	20,641	145,913	18,188
Four-fund appropriations	178,342,852	177,676,909	179,298,548	(665,943)	1,621,639

Amounts in dollars. Revenue includes capital-related receipts where shown. Appropriations include operating expenditures and capital outlay as presented. October appropriations use the published distribution schedule. Results use published surpluses or deficits. Small differences between calculated and published totals reflect source rounding.

FY2027 projected year-end balances and reserves

Fund	Oct. 13 balance	Reserve	Nov. 13 balance	Reserve	Dec. 1 balance	Reserve
General Fund	23,746,515	40.4%	24,594,292	41.8%	24,013,441	40.3%
Street Maintenance	7,825,348	71.8%	7,818,577	70.8%	6,825,127	56.2%
Water & Sewer	33,754,916	42.5%	34,369,518	43.5%	24,448,723	31.0%
Solid Waste	12,832,410	44.4%	12,984,876	45.1%	12,969,643	45.1%

Year-end balance means fund balance for General Fund and Street Maintenance and working capital for Water & Sewer and Solid Waste. The figures follow the reserve basis used in the published schedules.

FY2026 Projected Results

Item 7 | Final FY2026 operating budget and FY2027 opening balances

The December ordinance would adopt the FY26 Projected column in the attached exhibit. The FY2026 ending balances, after the Water & Sewer CIP adjustment, carry into FY2027 as opening balances.

Fund / measure	Oct. 13 proposal	Nov. 13 hearing	Dec. 1 submission	Oct. to Nov. change	Nov. to Dec. change
General Fund					
Total revenue	60,723,207	60,723,209	60,970,824	2	247,615
Operating expenditures	52,803,193	52,244,085	52,329,405	(559,108)	85,320
Capital outlay	9,995,449	10,411,687	10,411,687	416,238	0
Result after capital	(2,075,435)	(1,932,563)	(1,770,268)	142,872	162,295
Year-end balance	24,250,107	24,392,970	24,555,265	142,863	162,295
Street Maintenance					
Total revenue	10,827,300	10,827,300	10,857,314	0	30,014
Operating expenditures	10,332,894	10,347,720	10,401,321	14,826	53,601
Capital outlay	1,029,675	1,029,675	1,029,675	0	0
Result after capital	(535,269)	(550,095)	(573,683)	(14,826)	(23,588)
Year-end balance	7,815,708	7,800,882	7,777,294	(14,826)	(23,588)
Water & Sewer					
Total revenue	75,323,719	75,323,718	75,660,293	(1)	336,575
Operating expenditures	67,737,566	67,712,825	68,182,966	(24,741)	470,141
Capital outlay	1,773,626	1,773,626	1,773,626	0	0
Result after capital	5,812,527	5,837,267	5,703,701	24,740	(133,566)
CIP transfer adjustment	0	0	(10,000,000)	0	(10,000,000)
Adjusted year-end balance	36,080,772	36,105,510	25,971,944	24,738	(10,133,566)
Solid Waste					
Total revenue	27,177,099	27,177,099	27,182,179	0	5,080
Operating expenditures	19,593,340	19,586,786	19,625,287	(6,554)	38,501
Capital outlay	6,000,623	6,000,623	6,000,623	0	0
Result after capital	1,583,136	1,589,690	1,556,269	6,554	(33,421)
Year-end balance	12,975,870	12,982,423	12,949,002	6,553	(33,421)

General Fund revenue includes $4,373,019 in capital-related receipts at each stage. Amounts follow the schedules as presented. The CIP transfer adjustment is shown separately from the annual result.

Why the FY2026 projections changed

Additional insurance proceeds were matched by repair expenditures in all four funds. The entries increase revenues and expenditures equally. Other revisions drove the net changes.

General Fund. Higher dedicated property tax collections reduced the amount the General Fund needed to transfer for LOPFI contributions by $550,000. A $416,238 transfer addressed the Parking Fund shortfall. After the hearing, the projection included $247,616 in insurance proceeds and matching repairs. The projected year-end balance improved by $162,295.

Street Maintenance. Operating expenditures increased $14,826 by the hearing. After the hearing, the projection added $30,014 in insurance proceeds and matching repairs. The projected year-end balance was reduced by $23,588.

Water & Sewer. Operating expenditures were reduced by $24,741 by the hearing. After the hearing, $336,575 in insurance and related receipts were added with matching expenditures. The $10 million transfer to fund capital improvements leaves adjusted FY2026 working capital of $25,971,944 and a 37.1% reserve.

Solid Waste. Operating expenditures were reduced by $6,554 by the hearing. After the hearing, $5,080 in insurance proceeds and matching repairs were added. The projected surplus was reduced by $33,421.

Explanation of FY2027 Changes

Item 8 | FY2027 operating budget submitted for adoption

October 13 proposal to November 13 hearing

General Fund. Revenue increased $635,617 from a $200,000 Solid Waste transfer to continue spay/neuter vouchers and a one-time $435,617 federal credit for the Farmers Market solar canopy. Appropriations were reduced by $69,298 overall. Higher dedicated property tax collections reduced the General Fund transfer needed for LOPFI. The budget also reflects the Board-directed firefighter pay revision, lower City Administrator personnel costs, reduced RVCC support, and $100,000 for expected startup operating costs at Parrot Island under the proposed management agreement.

Street Maintenance. Revenue increased $147,190 because the estimate for state gasoline tax turnback was revised from $6,655,174 to $6,802,364. Property tax revenue stayed at $2,931,715. Appropriations increased $139,135 from net revisions to operating programs and allocations.

Water & Sewer. Revenue was essentially unchanged. Appropriations were reduced by $589,866, including lower Utility Administration outside-services costs from the solar budget revision and lower Contract and Bond Services personnel costs.

Solid Waste. Revenue stayed at $28.81 million and appropriations were reduced by $145,914 overall. The hearing budget reduced the transfer for equipment replacement by $372,233 to match the approved capital improvement program. Solid Waste also took over $125,000 of General Fund support for cleanup and demolition and transferred an additional $200,000 to the General Fund to continue spay/neuter vouchers.

November 13 hearing to December 1 submission

General Fund. Revenue was unchanged. The December submission includes $786,345 for the General Fund share of equipment in the approved Police capital improvement program. The budget removed $40,181 in Management Services capital. It included $28,933 for one-time payments of 2.5% of base pay for 18 eligible officers at or above their grade or step maximum, who had no available step increase. Other operating expenditures were reduced by about $32,000. Capital changes were the main reason the result moved from a $201,321 surplus to a $541,824 deficit after capital outlay.

Street Maintenance. The December budget uses the same 7.31% property tax growth assumption as the General Fund to reflect the phased-in reappraisal. That increased Street Maintenance revenue by $139,590 to $3,071,305. The December budget also includes $1.12 million for vehicles and heavy equipment in the approved capital improvement program, up from $7,300 in capital outlay at the hearing. Operating expenditures were reduced by $3,248. Ending fund balance includes $2.21 million reserved for equipment.

Water & Sewer. Revenue was unchanged. Operating expenditures were reduced by about $121,000. The revised budget records both solar payments and offsetting energy credits. The net Water Resources entries reduced operating expenditures by $105,406 after the hearing. The budget also removed $92,086 in Management Services capital. The FY2026 transfer for capital improvements reduced opening FY2027 working capital. Projected ending working capital is $24.45 million, with a 31.0% contingency reserve.

Solid Waste. Revenue was unchanged. Operating expenditures were reduced by $4,109 and Management Services capital by $14,079. The surplus after capital increased to $20,641.