

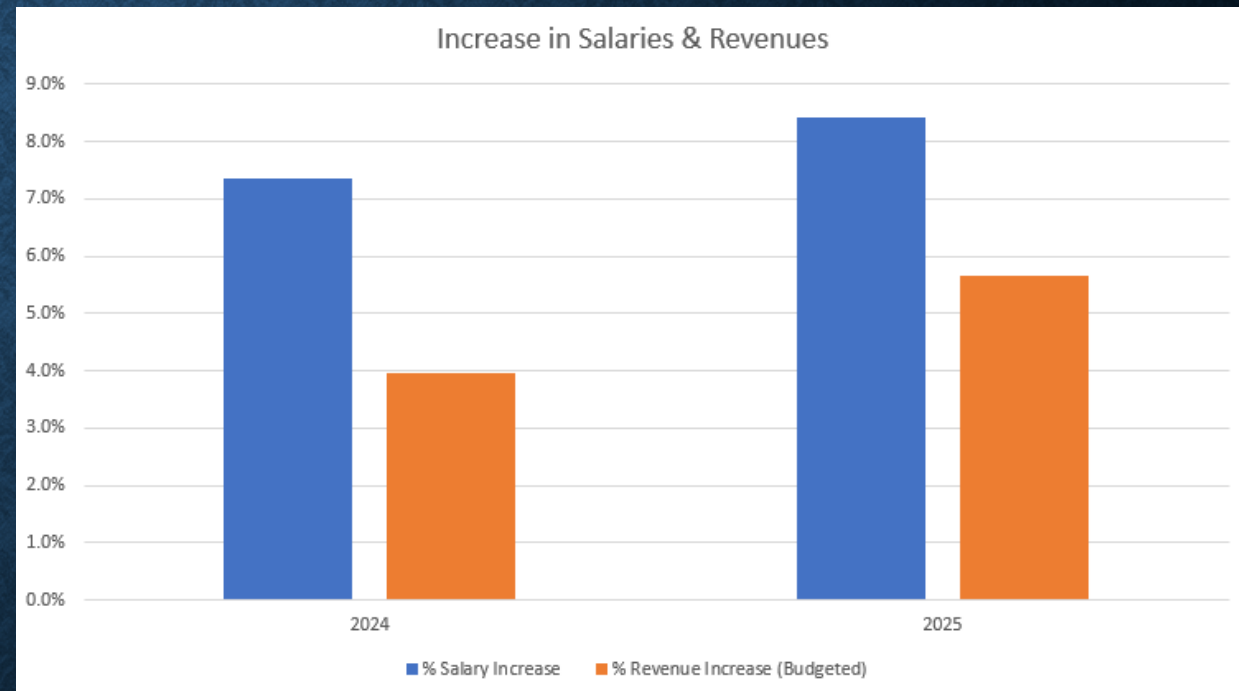
BUDGET SUSTAINABILITY AND FISCAL IMPLICATIONS FOR THE CITY

City Council Presentation

April 13, 2026

BACKGROUND AND CONTEXT

- Surplus
 - \$9.7 million in 2020
 - Increased to \$20.1 million by 2025
 - One-time revenues (Covid Relief, Fire Service Catchups, Interest Income, etc.) totaled \$11.3 million from 2020 - 2025
- Salary & Benefits
 - Not including increases in overtime, salaries and benefits increased between \$4.5 - \$5 million (6% increase in wages each year)



LONG-TERM SUSTAINABILITY CONSIDERATIONS

- Year over year revenue projections, based on historical trends, equal an average increase of 3%
- The City's expenditures have increased on average 6.75% over the last three fiscal years
- FY27 increase in employee Health Insurance, Liability and Property Insurance, Utilities, etc.
- Borrowing concerns from MDE, Credit Rating
- OPEB (Other Post Employment Benefits)
- Current projections show no surplus left as soon as FY30

