

# **2026** Budget Presentation

November 18, 2025



### Agenda

- Final Changes Summary
- Fund Balance Summary
- General Fund Summary
- Revenue Projections
- Townwide Expenditures
- 2026 New Positions
- CIP Overview
- Major CIP Projects by Department and Fund
- General Fund & CIP Forecast



## **2026 Budget Changes from First Reading**

#### Updated Revenues

- \$150 million added to the Water fund for the anticipated revenue bonds
- \$47 million added to the Police Facilities Impact Fund for the anticipated COP's
- \$7 million added to the Storm Drainage Operating Fund for the anticipated revenue bonds
- \$7 million moved from miscellaneous income to debt proceeds in the General fund for the anticipated COP's for the mine mitigation at Town Center



# **Fund Balance Summary**

Changes in Fund Balances/Working Capital - 2026 Budget									
2026 Budget	Beginning Balance	Revenues - Proposed	Expenditures - Proposed	Net Increase/ Decrease	Restricted	Ending Balance			
General Fund - 100	24,918,869	69,306,130	75,545,213	(6,239,083)	(3,328,546)	15,351,240			
Capital Improvement Fund - 110	28,764,084	10,000,000	15,778,858	(5,778,858)	-	22,985,226			
Grants Fund	-	_	-	-	-	-			
Trails & Natural Areas Fund	7,431,020	3,079,000	2,455,513	623,487	-	8,054,507			
Conservation Trust Fund	1,538,007	350,000	1,477,067	(1,127,067)	-	410,940			
Cemetery Fund	523,298	-	-	-	-	523,298			
Total Special Revenue Funds	9,492,326	3,429,000	3,932,580	(503,580)	-	8,988,746			
Transportation Impact Fund	29,753,282	4,065,740	12,175,000	(8,109,260)	_	21,644,022			
Public Facilities Impact Fund	6,544,491	2,615,920	2,279,814	336,106	-	6,880,597			
Parks Improvement Impact Fund	16,110,165	1,650,940	7,000,000	(5,349,060)	-	10,761,105			
Police Facilities Impact Fund	804,781	47,454,100	47,266,850	187,250	-	992,031			
Tree Impact Fund	1,662,386	201,000	226,800	(25,800)	-	1,636,586			
Storm Drainage Impact Fund	10,801,067	1,124,180	7,050,000	(5,925,820)	-	4,875,247			
Total Capital Funds	65,676,173	57,111,880	75,998,464	(18,886,584)	-	27,290,823			
Insurance Fund	-	2,093,062	1,500,062						
Fleet & Equipment Acquisiton Fund	3,732	2,156,853	2,156,853	-	-	3,732			
Total Internal Service Funds	3,732	4,249,915	3,656,915	593,000	-	596,732			
Water Fund	136,081,196	181,285,800	201,130,225	(19,844,425)	-	116,236,771			
Wastewater Fund	41,406,131	12,124,000	10,315,234	1,808,766	-	43,214,897			
Storm Drainage Operating Fund	1,701,803	8,959,809	6,806,628	2,153,181	-	3,854,984			
Airport Fund	122,719	370,848	437,969	(67,121)	-	55,598			
Total Enterprise Funds	179,311,849	202,740,457	218,690,056	(15,949,599)	-	163,362,250			
Totals	308,167,033	346,837,382	393,602,086	(46,764,704)	(3,328,546)	258,073,782			



# **General Fund Summary**

General Fund Beginning Balance	\$24,918,869
General Fund Revenues	\$69,306,130
General Fund Operating & Debt Expenditures	\$63,388,400
Fleet Transfers Out	\$2,156,813
Ending Fund Balance	\$28,679,786
Transfer to Capital Improvement Fund	\$10,000,000
Non-spendable Fund Balance	\$3,328,546
Spendable Fund Balance	\$15,351,240
Forecast Spendable Fund Balance (includes 7.5% Turnback)	\$19,739,793

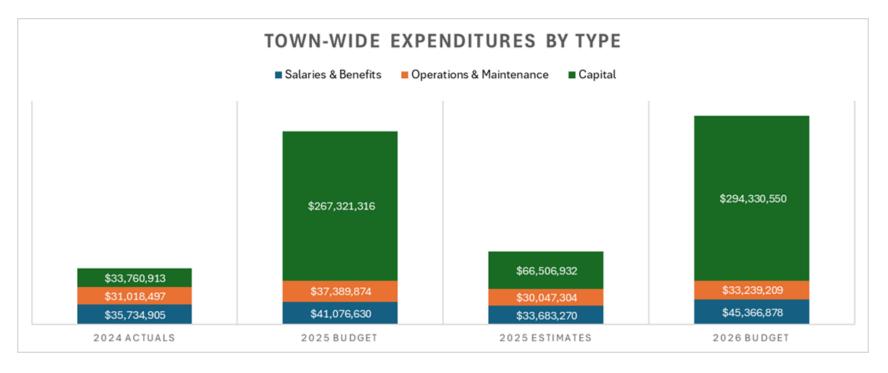


## Revenue Projections – Somewhat Constrained

Sales Taxes	User Charges/Fees	
Retail	5% Bag Fees	15%
Vehicle	3% Landfill Fees	10%
Other Taxes	Recreation Fees	12%
Highway User Taxes	<sup>5%</sup> Oil & Gas	
Motor Vehicle Taxes	8% Oil & Gas Royalties	10%
Road & Bridge Taxes	-2% Other Fees & Permits - Oil and Gas	0%
Cigarette Taxes	5% Other	
Severance Taxes	0% Investment Income - Pooled	10%
Specific Ownership Taxes	0% Investment FVA - Pooled	10%
<b>Building/Development</b>	Franchise Fees	8%
Use Tax	-1% Total Revenue 4.1%	0/0
Building Permits	-1%	



# **Townwide Expenditures**



Expenditure Type	20	24 Actuals	2	025 Budget	20	25 Estimates	2026 Budget		Change (\$)		Change (%)
Salaries & Benefits	\$	35,734,905	\$	41,076,630	\$	33,683,270	\$	45,366,878	\$	4,290,248	10%
Operations & Maintenance	\$	31,018,497	\$	37,389,874	\$	30,047,304	\$	33,239,209	\$	(4, 150, 665)	-11%
Capital	\$	33,760,913	\$	267,321,316	\$	66,506,932	\$	294,330,550	\$	27,009,234	10%
Debt & Transfers	\$	31,167,368	\$	17,415,504	\$	17,415,504	\$	20,610,243	\$	3,194,740	18%
Expenditures Total	\$	131,681,683	\$	363,203,323	\$	147,653,010	\$	393,546,880	\$	30,343,557	8%
Positions		322		345				351.5		6.5	1.9%



#### **Providing high quality amenities**

- Developing Compass and Morgan Hill Parks
- Expanding Erie Community Center
- Designing and securing funding for a 2<sup>nd</sup> Community Center
- Continuing Coal Creek improvements (Reach 2 and 4)
- Constructing new trails
- Renovating Schofield Farm and Maker Space
- Funding public art and cultural programming

### Ensuring a safe, healthy, inclusive environment

- Expanding the Public Safety building
- Strengthening oil and gas monitoring and enforcement
- Implementing multiple new sustainability initiatives
- Funding the ADA transition plan



#### **Ensuring a safe and reliable water supply**

- Designing and building new water storage tanks
- Designing a 2<sup>nd</sup> water treatment facility
- Adding solar to power water and wastewater facilities
- Working with regional partners to resolve issues with NISP and Chimney Hollow



### **2026 New Positions**

- General Fund Total = \$387,629
  - Police Officer (Police) \$124,360
  - Assistant Coordinator Special Events (Parks & Recreation) \$93,427
  - Facilities Maintenance Technician II (Public Works) \$87,952
  - Streets Technician II (Public Works) \$81,890
- Conservation Trust Fund Total = \$146,092
  - Parks Maintenance Superintendent (Parks & Recreation) \$146,092

<sup>•</sup>All totals reflect Total Wages + Max Additional Pay + Max Benefits. They are prorated due to estimated start date.



### **2026 New Positions Continued**

- Water Fund Total = \$259,449
  - Water Resource Manager (Utilities) \$157,019
  - Distribution Maintenance Operator (Utilities) \$102,430
- Wastewater Fund Total = \$92,436
  - Wastewater Maintenance Mechanic (Utilities) \$92,436
- Storm Drainage Operating Fund Total = \$102,429
  - Stormwater Maintenance Operator III (Utilities) \$102,429

<sup>•</sup>All totals reflect Total Wages + Max Additional Pay + Max Benefits. They are prorated due to estimated start date.



## **2026 Reduced Personnel & Operation Items**

#### Personnel

- A recommended one-year reduction in full-time staff merit from 3% to 2% to support long-term staffing resiliency and growth
- Removal of merit increases for part-time employees
- Reduction of long-range staffing plan anticipated positions for 2026 from 41 to consideration of only recommending 9 total new FTEs, all critical or cost neutral

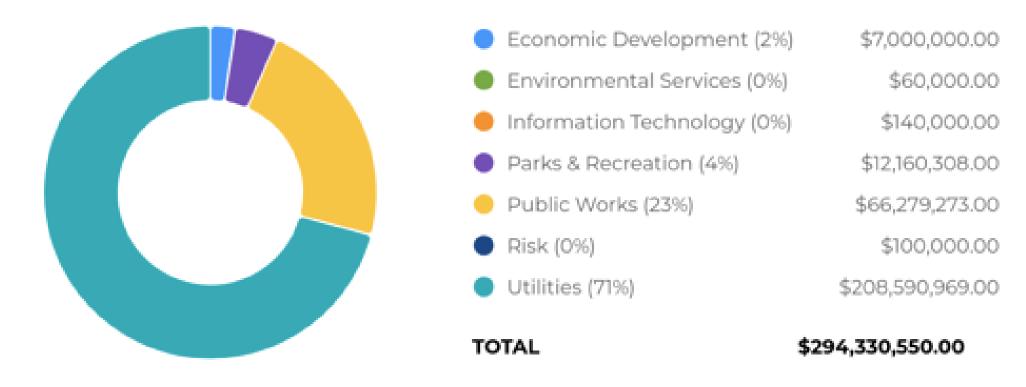
#### **Operations**

- \$4.4 million in operating reductions across all funds, examples include:
- Planning & Development Incentives at Cheeseman reduced by \$2M
- All Departments reductions to consultation services by \$1.6M
- Economic Development Incentives reduced by \$400K
- Environmental Services Consultation Services reduced by \$225K
- Other operating reductions (i.e. clothing & uniforms, office supplies, printing & copy services, etc.) of over \$150K



# **Capital Improvement Plan Summary**

#### **Budgeted Capital Costs By Department (FY2026)**





# **Capital Improvement Plan Summary**

Capital Improvements Fund - 110								
Department	Project Description	202	6 Proposed					
Econ Dev	Mine Mitigation - Town Center and ECC \$		7,000,000					
Public Works	Street Maintenance Projects	\$	4,500,000					
	Trails & Natural Areas Fund - 210							
Department	Project Description	202	2026 Proposed					
Parks & Rec	Coal Creek Trail - Reach 2 & 4	\$	1,700,000					
T	ransportation Impact Fund - 3	00						
Department	Project Description	202	6 Proposed					
Public Works	CLR - Erie Parkway to Telleen	\$	8,000,000					
Public Works	Coal Creek Reach 2 and 4	\$	3,500,000					
Р	Public Facilities Impact Fund - 310							
Department	Project Description	202	6 Proposed					
Public Works	Erie Community Center Addition	\$	1,263,194					
Public Works	Page Property	\$	1,016,620					
Par	Parks Improvement Impact Fund - 320							
Department	Project Description	202	6 Proposed					
Parks & Rec	Morgan Hill	\$	3,650,000					
Parks & Rec	Compass Park	\$	3,350,000					
P	Police Facilities Impact Fund - 325							
Department	Project Description	202	6 Proposed					
Public Works	PD/Courts Expansion	\$	47,266,850					

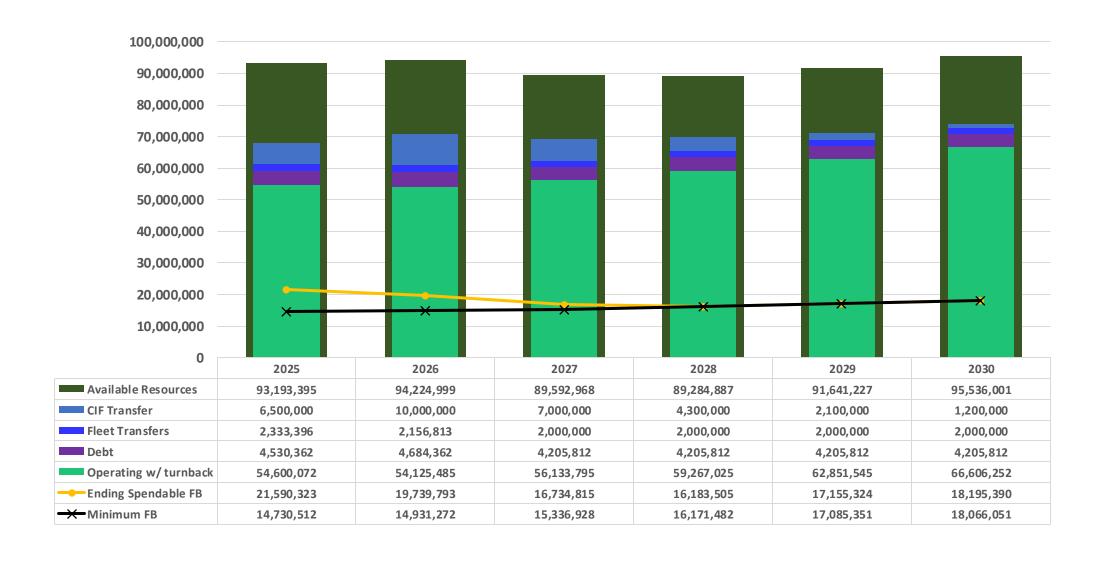


# **Capital Improvement Plan Summary**

Storm Drainage Impact Fund - 340								
Department	Project Description	202	26 Proposed					
Utilities	Coal Creek Reach 2 and 4	\$	6,650,000					
Water Fund - 500								
Department	Project Description	202	26 Proposed					
Utilities	Water Treatment Facility - New	\$	151,683,000					
Utilities	Zone 3 Water Tank	\$	19,091,872					
Utilities	LRMWTF Plant 1 Filter System Upgrade	\$	6,000,000					
Utilities	NISP	\$	4,858,750					
Utilities	Windy Gap Firming Project	\$	2,869,000					
Utilities	Erie Lake Repairs	\$	1,000,000					
Utilities	Upsizing Waterlines - Developer Reimburse	\$	1,000,000					
Wastewater Fund - 510								
Department	Project Description	202	26 Proposed					
Utilities	Solar at NWRF	\$	2,256,458					
Utilities	NWRF to HWY 52 & WCR5 (reimb)	\$	1,050,000					
Storm Drainage Operating Fund - 520								
Department	Project Description	202	26 Proposed					
Utilities	Coal Creek Reach 2 and 4	\$	1,404,901					
Utilities	111th Street Improvements	\$	1,100,000					

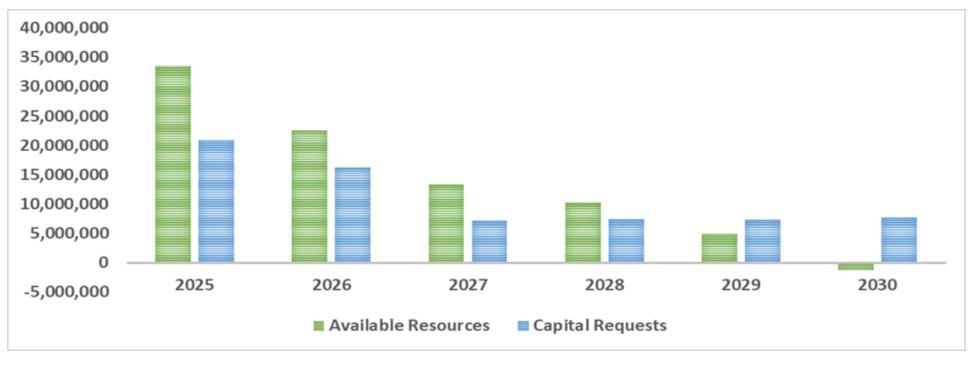


### **General Fund Forecast**





### **General Government CIP Forecast**



	2025 1st Supp.	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
CIF Beginning FB	27,000,000	12,569,372	6,314,814	6,048,208	2,879,172	-2,389,280
<b>General Fund Transfer</b>	6,500,000	10,000,000	7,000,000	4,300,000	2,100,000	1,200,000
Rollovers	9,079,005					
New Requests	411,418					
<b>Interfund Transfers</b>	785,000					
Original Capital Budget	10,655,205	16,254,558	7,266,606	7,469,036	7,368,452	7,763,486
<b>Total Capital Budget</b>	20,930,628	16,254,558	7,266,606	7,469,036	7,368,452	7,763,486
CIF Ending FB	12,569,372	6,314,814	6,048,208	2,879,172	-2,389,280	-8,952,766



## **Upcoming Dates & Next Steps**

Dec. 9

End-of-Year
Supplemental, Mill Levy
Certification



