

2026 BUDGET ORDINANCE



## BUDGET PRESENTATION ZAC JACKSON, CFO/CONTROLLER

#### **AGENDA**

- General Fund revenue forecast
- Budget estimates
- Savings and other adjustments
- Closing Remarks

#### GENERAL FUND REVENUE FORECAST

Povonuo Summani	Actual	Actual Actual		Estimated	
Revenue Summary	2023		2025	2026	
Property Taxes	45,607,205	47,580,052	48,318,794	50,454,807	
Local Income Tax	57,845,970	70,266,192	77,169,796	75,856,006	
Other Revenues	20,045,800	21,177,375	21,755,296	17,954,838	
Total General Fund Revenues	123,498,975	139,023,619	147,243,886	144,265,651	

- Overall property tax revenues did not grow as much as anticipated due to SEA 1.
- LIT will be less than forecasted in 2025 and flat for 2026.
- Other General Fund revenues also decreased by several million dollars.

#### **BUDGET PRIORITIES**

- No tax increase
- Spending that does not exceed available revenues
- Fund essential services (public safety, arts, parks) and improve our infrastructure
- Provide our team with a 3% salary increase (no COLA for Mayor and senior leadership)
- Maintain unappropriated reserves of at least 15% of our annual budget, including 10% reserve in Rainy Day fund

#### HOW WE REDUCE THE BUDGET GAP

- Reduce 2026 debt payments via 2025 underspend
- Fewer personnel
- Service delivery innovation

#### **DEPARTMENT CHANGES**

- Mayor's Office reduce one position
- Street Department reduce one position
- Fire Department outsource EMS billing (reduce 3 positions)
- Police Department reduce one administrative position
- Economic Development not fill open Executive Director position
- Public Safety Quartermaster reduce one position (Facilities Management) and one cleaning contract (CFD)
- Engineering not fill open CIO position
- DOCS not fill 2 open positions
- Street/IT/Utilities reduce one contract (centralizing utilities location services within Utilities)

#### **EXPERIENCE CARMEL**

- Delaying proposed shift to Experience Carmel
- Grant to Experience Carmel has been removed from the Arts Support & Operations budget
- Funding has been shifted back to MAC (at a higher cost than the EC grant)

#### BUDGET ESTIMATES 2026 GENERAL FUND

	Department	Personal Services	Supplies	Other Services and Charges	Capital Outlay	Transfers	Total
1110	Police	\$35,262,412	\$790,300	\$1,741,076	\$1,758,118	\$0	\$39,551,906
1115	Technology	\$3,653,493	\$103,350	\$3,244,104	\$275,046	\$0	\$7,275,993
1120	Fire	\$42,649,867	\$553,970	\$3,304,542	\$158,000	\$0	\$46,666,379
1125	Parks	\$4,145,292	\$234,420	\$2,302,780	\$57,541	\$338,190	\$7,078,223
1150	Public Works and Safety	\$0	\$0	\$9,000	\$0	\$0	\$9,000
1160	Mayor	\$945,636	\$10,255	\$199,258	\$3,000	\$0	\$1,158,149
1180	Corporation Counsel	\$2,323,226	\$768,648	\$21,170	\$0	\$0	\$3,113,044
1192	Community Services	\$2,814,906	\$21,620	\$588,430	\$17,025	\$0	\$3,441,981
1201	Human Resources	\$1,915,167	\$3,500	\$1,075,700	\$5,000	\$0	\$2,999,367
1203	Marketing & Community Relations	\$1,818,067	\$1,800	\$1,026,386	\$3,500	\$0	\$2,849,753
1205	Facilities Management	\$266,759	\$39,000	\$332,318	\$110,649	\$0	\$748,726
1206	City Property Maintenance	\$0	\$152,500	\$1,406,500	\$84,500	\$0	\$1,643,500
1207	Brookshire Golf Course	\$1,053,859	\$76,700	\$591,350	\$54,522	\$0	\$1,776,431
1208	Arts Support and Operations	\$0	\$0	\$7,208,726	\$46,695	\$0	\$7,255,421
1301	City Court	\$895,168	\$0	\$67,000	\$0	\$0	\$962,168
1401	City Council	\$461,563	\$950	\$251,403	\$0	\$0	\$713,916
1501	Economic Development	\$0	\$0	\$80,000	\$0	\$0	\$80,000
1701	Finance	\$1,439,246	\$7,000	\$13,542,682	\$6,303	\$0	\$14,995,231
1702	City Clerk	\$784,168	\$7,750	\$116,960	\$7,700	\$0	\$916,578
1801	Redevelopment	\$919,748	\$3,310	\$99,345	\$5,790	\$0	\$1,028,193
	Total	\$101,348,577	\$2,775,073	\$37,208,730	\$2,593,389	\$338,190	\$144,263,959

#### GENERAL FUND 2025 TO 2026



Department	2025 Adopted Budget	2026 Budget Estimates	to 2025
Fire	\$42,346,952	\$46,666,379	10.2%
Technology	\$6,666,941	\$7,275,993	9.1%
Police	\$36,646,473	\$39,551,906	7.9%
City Council	\$665,503	\$713,916	7.3%
Parks	\$6,679,719	\$7,078,223	6.0%
Human Resources	\$2,935,368	\$2,999,367	2.2%
City Court	\$955,350	\$962,168	0.7%
Corporation Counsel	\$3,096,840	\$3,113,044	0.5%
City Clerk	\$921,062	\$916,578	-0.5%
Redevelopment	\$1,044,743	\$1,028,193	-1.6%
Brookshire Golf Course	\$1,955,888	\$1,776,431	-9.2%
Board of Public Works	\$10,100	\$9,000	-10.9%
Mayor	\$1,305,752	\$1,158,149	-11.3%
Community Services	\$3,898,159	\$3,441,981	-11.7%
Finance	\$17,546,938	\$14,995,231	-14.5%
Arts Support and Operations	\$9,031,284	\$7,255,421 *	-19.7%
City Property Maintenance	\$2,182,500	\$1,643,500	-24.7%
Marketing & Community Relations	\$4,243,720	\$2,849,753	-32.8%
Facilities Management	\$1,132,802	\$748,726	-33.9%
Economic Development	\$654,284	\$80,000	-87.8%
Total	\$143,920,378	\$144,263,959	0.2%

<sup>\*</sup> More details are available on the following slide. \$1.23M of this decrease reflects a change in funding sources not a reduction in Arts funding. Actual reduction in Arts funding is 6.0%

#### **ARTS SUPPORT & OPERATIONS**

	2025 Passed	2025 YTD	2026 Budget	'25 to '26
	Budget	Actuals	Estimates	Change Comments
Arts Support				
Support for the Arts Grants	\$1,470,000	\$1,360,000	\$1,250,000	-15.0% Decreased by \$220,000
James Building/Theaters/REI	\$1,254,902	\$836,601	\$1,254,902	0.0%
Center for the Performing Arts Management Fee	\$2,250,000	\$2,250,000	\$2,150,000	-4.4% Decreased by \$100,000
Center for the Performing Arts Reimbursables	\$1,620,000	\$1,017,661	\$1,735,000	7.1% Increased by \$115,000
Arts Support Subtotal	\$6,594,902	\$5,464,262	\$6,389,902	-3.1%
Operations				
Energy Center Payment	\$356,052	\$356,052	\$0	-100.0% Moved expense to Food & Beverage Tax Fund for 2026
Energy Center Maintenance and Repairs	\$206,880	\$120,454	\$0	-100.0% Moved expense to Food & Beverage Tax Fund for 2026
Other Contracted Services	\$245,754	\$98,230		-75.6% Moved expense to Food & Beverage Tax Fund for 2026
Ditch Assessment Fees	\$72,000	\$34,349	\$72,000	0.0%
Palladium & James Building Utilities	\$687,772	\$501,889	\$686,824	-0.1%
Capital Expenses/Projects	\$867,924	\$867,924	\$46,695	-94.6% The City paid cash for the 2025 projects. In 2026, \$46,695 is to fund a 5-year
				capital lease payment for phase 3 Tarkington lighting system (\$131k), audio
				console replacement (\$180k), and wireless microphone system updates (\$75k).
Operations Subtotal	\$2,436,382	\$1,978,897	\$865,519	-64.5%
Total for "Arts Support & Operations"	\$9,031,284	\$7,443,160	\$7,255,421	-19.7%

### SURPLUS STATEMENT

	Actual 2023	Actual 2024	Estimated 2025	Estimated 2026
General Fund Beginning Balance	8,971,648	8,671,692	14,343,676	10,750,799
0				
Current Year Revenues	45 007 005	47.500.050	10 010 701	50 454 007
Property Taxes	45,607,205	47,580,052	48,318,794	50,454,807
Certified and Supplemental LIT	57,845,970	70,266,192	77,169,796	75,856,006
Other Revenues	20,045,800	21,177,375	21,755,296	17,954,838
Food & Beverage Tax Fund Revenue Shift (HEA 1427-20	-	-	(3,787,694)	-
Total Current Year Revenues	123,498,975	139,023,619	143,456,192	144,265,651
Growth Rate	4.4%	12.6%	3.2%	0.6%
Current Year Expenses				
Approved/Proposed Budget	128,630,596	137,858,169	143,920,378	144,263,959
Supplemental Appropriations (passed by City Council	187,182	1,322,997	925,600	-
Other Approps (Insurance Reimbursements & Refund:	510,788	181,167	108,970	-
Reversions	(6,172,891)	(7,180,129)	(1,500,000)	-
Total Current Year Expenses	123,155,676	132,182,204	143,454,948	144,263,959
Growth Rate	7.4%	7.3%	8.5%	0.6%
Annual Surplus / (Deficit)	343,299	6,841,414	1,245	1,692
Other Sources and Uses of Cash Reserves				
Reconciliations (PY encumbrances, transfers, etc.)	391,036	571,160	_	_
Transfers (to) from the Rainy Day Fund	(1,034,292)	(1,740,590)	_	_
One-Time Supplemental Paving Funding	-	-	(3,594,122)	-
General Fund Balance	8,671,692	14,343,676	10,750,799	10,752,490
Rainy Day Fund Balance	12,863,060	14,603,650	14,603,650	14,603,650
Combined Reserve Balances	21,534,751	28,947,326	25,354,448	25,356,140
Rainy Day Fund Balance as a % of CY Expenses	10.4%	11.0%	10.2%	10.1%
Combined Reserve Balance as a % of CY Expenses	17.5%	21.9%	17.7%	17.6%

#### **BUDGET ESTIMATES - MVH**

	Department	Personal Services	Supplies	Other Services and Charges	Capital Outlay	Transfers	Total
2200	Engineering	\$2,615,610	\$15,807	\$244,736	\$11,144	\$0	\$2,887,297
2201	Street	\$9,389,835	\$2,149,100	\$12,007,417	\$226,877	\$0	\$23,773,229
	Total	\$12,325,312	\$2,029,000	\$12,268,025	\$1,451,787	\$0	\$26,660,526

Donartment	2025 Rudgot		2026 Budget	Compared to
Department	2025 Budget		Estimates	2025
Street \$	24,692,893.00	\$	23,773,229.00	-3.7%
Engineering \$	3,381,231.00	\$	2,887,297.00	-14.6%
Total \$	24,692,893.00	\$	23,773,229.00	-3.7%

#### **PAVING FUNDING IN 2026**

- Motor Vehicle Highway (MVH) Fund \$4.5 million
- Local Road & Street (LRS) Fund \$0.5 million
- Wheel Tax and Surtax Funds \$3.5 million

• Total - \$8.5 million

#### 2025 BONDING CAPACITY

- Recertified NAV is \$12.404 billion instead of \$12.689 billion
- No new debt is needed to maintain existing property tax rates for 2026
- \$1.25 million of one-time bonding capacity exists without increasing rates, however:
  - SEA 1 discourages short-term GO bonds
  - Taking on additional debt will negatively impact our operating levy in 2027
  - By taking no action (no additional debt), this \$1.25 million will be allocated to the reserves of the property tax backed bond funds

#### OTHER BUDGETED FUNDS

Fire Department Funds	
Fire (Ambulance) Capital Fund (102)	\$1,958,570
Hazardous Materials (107)	\$40,700
Fire Pension Fund (802)	\$883,283
Subtotal	\$2,882,553
Police Department Funds	
City Law Enforcement Aid (910)	\$295,000
Law Enforcement Aid Fund (911)	\$329,250
Police Pension Fund (801)	\$843,629
Subtotal	\$1,467,879
Parks Department Funds	
Parks Capital Fund (103)	\$3,094,915
Parks Impact Fee Fund (106)	\$2,000,000
Parks Program Fund (108)	\$6,405,724
Parks Monon Fund (109)	\$7,856,491
Parks Facilities Fund (110)	\$221,428
Subtotal	\$19,578,558

2021 L/R Property Tax Fund (407) \$4,296,000 2022 L/R Property Tax Fund (408) \$4,695,000 2024 L/R Property Tax Fund (409) \$5,746,000 2024 GO Bond (410) \$2,691,725  Subtotal \$18,914,255  Roads and Infrastructure Funds Local Road and Street Fund (202) \$3,292,015 Cum Cap Improvement Fund (203) \$349,316 Cum Cap Development Fund (211) \$6,448,318 Storm Water Management Fund (250) \$4,947,145 Municipal Surtax Fund (258) \$2,883,000 Municipal Wheel Tax Fund (259) \$641,000 Subtotal \$18,560,794  Court/Law Funds Deferral Fee Fund (209) \$98,337 User Fee Fund (210) \$80,000 Record Perpetuation Fund (502) \$133,500 Public Defenders Fund (505) \$8,000 City Court Operations Fund (506) \$49,500	Bond Funds	
2022 L/R Property Tax Fund (408) \$4,695,000 2024 L/R Property Tax Fund (409) \$5,746,000 2024 GO Bond (410) \$2,691,725  Subtotal \$18,914,255  Roads and Infrastructure Funds Local Road and Street Fund (202) \$3,292,015 Cum Cap Improvement Fund (203) \$349,316 Cum Cap Development Fund (211) \$6,448,318 Storm Water Management Fund (250) \$4,947,145 Municipal Surtax Fund (258) \$2,883,000 Municipal Wheel Tax Fund (259) \$641,000  Subtotal \$18,560,794  Court/Law Funds Deferral Fee Fund (209) \$98,337 User Fee Fund (210) \$80,000 Record Perpetuation Fund (502) \$133,500 Public Defenders Fund (505) \$8,000 City Court Operations Fund (506) \$49,500	2016 G.O. Bond Fund (406)	\$1,485,530
2024 L/R Property Tax Fund (409) \$5,746,000 2024 GO Bond (410) \$2,691,725  Subtotal \$18,914,255  Roads and Infrastructure Funds Local Road and Street Fund (202) \$3,292,015 Cum Cap Improvement Fund (203) \$349,316 Cum Cap Development Fund (211) \$6,448,318 Storm Water Management Fund (250) \$4,947,145 Municipal Surtax Fund (258) \$2,883,000 Municipal Wheel Tax Fund (259) \$641,000 Subtotal \$18,560,794  Court/Law Funds Deferral Fee Fund (209) \$98,337 User Fee Fund (210) \$80,000 Record Perpetuation Fund (502) \$133,500 Public Defenders Fund (505) \$8,000 City Court Operations Fund (506) \$49,500	2021 L/R Property Tax Fund (407)	\$4,296,000
2024 GO Bond (410)       \$2,691,725         Subtotal       \$18,914,255         Roads and Infrastructure Funds       \$3,292,015         Local Road and Street Fund (202)       \$3,292,015         Cum Cap Improvement Fund (203)       \$349,316         Cum Cap Development Fund (211)       \$6,448,318         Storm Water Management Fund (250)       \$4,947,145         Municipal Surtax Fund (258)       \$2,883,000         Municipal Wheel Tax Fund (259)       \$641,000         Subtotal       \$18,560,794         Court/Law Funds       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	2022 L/R Property Tax Fund (408)	\$4,695,000
Subtotal         \$18,914,255           Roads and Infrastructure Funds         Local Road and Street Fund (202)         \$3,292,015           Cum Cap Improvement Fund (203)         \$349,316           Cum Cap Development Fund (211)         \$6,448,318           Storm Water Management Fund (250)         \$4,947,145           Municipal Surtax Fund (258)         \$2,883,000           Municipal Wheel Tax Fund (259)         \$641,000           Subtotal         \$18,560,794           Court/Law Funds         \$98,337           User Fee Fund (210)         \$80,000           Record Perpetuation Fund (502)         \$133,500           Public Defenders Fund (505)         \$8,000           City Court Operations Fund (506)         \$49,500	2024 L/R Property Tax Fund (409)	\$5,746,000
Roads and Infrastructure Funds         Local Road and Street Fund (202)       \$3,292,015         Cum Cap Improvement Fund (203)       \$349,316         Cum Cap Development Fund (211)       \$6,448,318         Storm Water Management Fund (250)       \$4,947,145         Municipal Surtax Fund (258)       \$2,883,000         Municipal Wheel Tax Fund (259)       \$641,000         Subtotal         \$18,560,794         Court/Law Funds         Deferral Fee Fund (209)       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	2024 GO Bond (410)	\$2,691,725
Local Road and Street Fund (202) \$3,292,015  Cum Cap Improvement Fund (203) \$349,316  Cum Cap Development Fund (211) \$6,448,318  Storm Water Management Fund (250) \$4,947,145  Municipal Surtax Fund (258) \$2,883,000  Municipal Wheel Tax Fund (259) \$641,000  Subtotal \$18,560,794  Court/Law Funds  Deferral Fee Fund (209) \$98,337  User Fee Fund (210) \$80,000  Record Perpetuation Fund (502) \$133,500  Public Defenders Fund (505) \$8,000  City Court Operations Fund (506) \$49,500	Subtotal	\$18,914,255
Cum Cap Improvement Fund (203)       \$349,316         Cum Cap Development Fund (211)       \$6,448,318         Storm Water Management Fund (250)       \$4,947,145         Municipal Surtax Fund (258)       \$2,883,000         Municipal Wheel Tax Fund (259)       \$641,000         Subtotal       \$18,560,794         Court/Law Funds       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Roads and Infrastructure Funds	
Cum Cap Development Fund (211)       \$6,448,318         Storm Water Management Fund (250)       \$4,947,145         Municipal Surtax Fund (258)       \$2,883,000         Municipal Wheel Tax Fund (259)       \$641,000         Subtotal       \$18,560,794         Court/Law Funds       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Local Road and Street Fund (202)	\$3,292,015
Storm Water Management Fund (250)       \$4,947,145         Municipal Surtax Fund (258)       \$2,883,000         Municipal Wheel Tax Fund (259)       \$641,000         Subtotal       \$18,560,794         Court/Law Funds       \$98,337         User Fee Fund (209)       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Cum Cap Improvement Fund (203)	\$349,316
Municipal Surtax Fund (258)       \$2,883,000         Municipal Wheel Tax Fund (259)       \$641,000         Subtotal       \$18,560,794         Court/Law Funds       \$98,337         Deferral Fee Fund (209)       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Cum Cap Development Fund (211)	\$6,448,318
Municipal Wheel Tax Fund (259)       \$641,000         Subtotal       \$18,560,794         Court/Law Funds       \$18,560,794         Deferral Fee Fund (209)       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Storm Water Management Fund (250)	\$4,947,145
Subtotal         \$18,560,794           Court/Law Funds         \$98,337           Deferral Fee Fund (209)         \$98,337           User Fee Fund (210)         \$80,000           Record Perpetuation Fund (502)         \$133,500           Public Defenders Fund (505)         \$8,000           City Court Operations Fund (506)         \$49,500	Municipal Surtax Fund (258)	\$2,883,000
Court/Law Funds           Deferral Fee Fund (209)         \$98,337           User Fee Fund (210)         \$80,000           Record Perpetuation Fund (502)         \$133,500           Public Defenders Fund (505)         \$8,000           City Court Operations Fund (506)         \$49,500	Municipal Wheel Tax Fund (259)	\$641,000
Deferral Fee Fund (209)       \$98,337         User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Subtotal	\$18,560,794
User Fee Fund (210)       \$80,000         Record Perpetuation Fund (502)       \$133,500         Public Defenders Fund (505)       \$8,000         City Court Operations Fund (506)       \$49,500	Court/Law Funds	
Record Perpetuation Fund (502)\$133,500Public Defenders Fund (505)\$8,000City Court Operations Fund (506)\$49,500	Deferral Fee Fund (209)	\$98,337
Public Defenders Fund (505) \$8,000 City Court Operations Fund (506) \$49,500	User Fee Fund (210)	\$80,000
City Court Operations Fund (506) \$49,500	Record Perpetuation Fund (502)	\$133,500
	Public Defenders Fund (505)	\$8,000
Subtotal \$369 337	City Court Operations Fund (506)	\$49,500
545totai	Subtotal	\$369,337

Grand Total	\$241,656,335
Subtotal	\$1,081,755
Sidewalk Program Fund (925)	\$50,000
Code Enforcement Fund (924)	\$50,000
Events and Festivals Fund (923)	\$92,050
Carter Green Ice Rink Fund (922)	\$507,605
Bicycle Facilities Fund (921)	\$68,600
Housing Authority Fund (904)	\$58,000
Historic Preservation Fund (507)	\$240,500
Urban Forestry Fund (501)	\$15,000
Non-Reverting Funds	
Subtotal	\$7,876,719
Opioid Settlement Restricted (257)	\$293,464
Opioid Settlement Unrestricted (256)	\$35,000
Food and Bev Tax (105)	\$7,548,255
Other Funds	Ć7 F40 2FF

# CLOSING REMARKS MAYOR SUE FINKAM