

AGENDA



4:00 P.M.

CITY COUNCIL MEETING

TUESDAY, JUNE 23, 2026

NOTES:

- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations and translation services are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

THE MEETING CAN BE VIEWED
LIVE ON THE CITY'S WEBSITE AT
WWW.SEDONAAZ.GOV OR ON
CABLE CHANNEL 4.

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- The decision to receive Public Comment during Work Sessions/Special City Council meetings is at the discretion of the Mayor.

PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

2. ROLL CALL

3. SPECIAL BUSINESS

LINK TO DOCUMENT =

- a. AB 3290 **Public hearing/discussion/possible action** regarding approval of a Resolution adopting the City of Sedona's Budget for Fiscal Year 2026-27.
- b. **Discussion/possible action** regarding ideas for future meetings/agenda items.

4. EXECUTIVE SESSION

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice regarding matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action regarding executive session items.

5. ADJOURNMENT

Posted: 06/17/2026

By: DJ

JoAnne Cook, CMC, City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Sedona makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Sedona City Council meetings are recorded and may be viewed on the City of Sedona website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services
that are consistent with our values, history, culture and unique beauty.



CITY COUNCIL AGENDA BILL

AB 3290
June 23, 2026
Special Business

Agenda Item: 3a

Proposed Action & Subject: Public hearing/discussion/possible action regarding approval of a Resolution adopting the City of Sedona's Budget for Fiscal Year 2026-27.

Department	Financial Services
Time to Present	15 minutes
Total Time for Item	30 minutes
Other Council Meetings	Council Retreat, December 16-18, 2025 Capital Improvement Planning Session, January 14, 2026 Budget Work Session Day 1, April 15, 2026 Budget Work Session Days 2 & 3, April 22-23, 2026 Tentative Budget Adoption, May 26, 2026
Exhibits	A. Resolution B. Official Budget Forms C. Final Budget Summary D. PowerPoint Presentation

Finance Approval	Reviewed 6/8/26 BGW Reviewed 6/9/26 JMC	
City Attorney Approval	Reviewed 6/16/26 KWC	Expenditure Required Based on historic trends, expenditures will be well within budgeted amounts
City Manager's Recommendation	Recommend approval ABS 6/16/26	Amount Budgeted \$ 97,963,222 Account No. All accounts in budgeted (Description) funds and departments

SUMMARY STATEMENT

Background: The purpose of this item is to provide the public an opportunity to speak on the City's adopted Fiscal Year (FY) 2026-27 Tentative Budget and to obtain Council approval of the Final Budget for FY 2026-27.

The Council meeting calendar for the FY 2027 budget process are as follows:

FY 2027 BUDGET PROCESS COUNCIL MEETINGS

	Dates
Retreat	December 16-18, 2025
Council Priority Setting	January 14, 2026
Work Session: Operating Budget Overview	April 15, 2026
Work Sessions	Apr 22-23, 2026
Tentative City Budget Adoption	May 26, 2026
Final City Budget Adoption	June 23, 2026

Explanation of Budget Process

Council Retreat

The Council Retreat was the kickoff for the annual budget process with Council. Information discussed during the retreat provided direction to staff for areas to be addressed during budget development.

The retreat included a financial update with year-to-date performance and both short and long-term forecasts. City Council reviewed the City's financial status, long-range forecasts, and expected year-end forecast. Considering the uncertain economy and the City's reliance on sales and bed tax, Council directed staff to continue to hold the budget for sales and bed tax revenues flat year over year.

Capital Improvement Program Priority Planning Session

The Capital Improvement planning session, held in January, guided the development of the capital budget for FY 2027. This session provided Council a "preview" of the proposed capital expenditures for FY 2027 as well as an opportunity to reprioritize, add, and remove projects.

Budget Work Sessions

Prior to the Work Sessions, departments prepared their budget requests and presented them in review meetings with the City Manager. The proposed budget represented the City Manager's recommendations as a result of the discussions in the review meetings. In the Budget Work Sessions, the Council reviewed the proposed budget. An overview of the operating budget, and a discussion of zero-based budgeting was presented to the City Council on April 15. During the meetings on April 22 and 23, Council reviewed the budget as a whole, considered decision packages for expansions of existing services or the provision of new services, and reviewed recommendations for the funding of community service providers, as well as requests for assistance from the Sedona-Oak Creek School District.

The Work Sessions were comprised of presentations and Council discussions. The presentation included:

- Economic Outlook
- Citizens Budget Work Group (CBWG) recommendations
- Community service provider contracts
- City Manager recommendations
- Summary of individual department budget requests

- Overall total budget summaries and strategic issues
- Budget summaries by fund
- Capital Improvements Plan
- Impacts to long-range forecasts based on the budget as proposed and Council directed changes
- Requests related to the school district

When additional information was needed, department heads were available to answer questions. The Work Sessions were the opportunity for Council to consider the CBWG and City Manager recommendations for the FY2027 Budget, and to provide direction to staff regarding:

- New department requests to be included in the Budget
- Any changes to be incorporated for the budget adoption process
- Any changes to the services/programs provided to citizens or the level of service

Tentative Budget Adoption

The Tentative Budget adoption occurred at a regular meeting on May 26, 2026. A presentation included discussion of summary budget information and a recap of the changes directed by Council in the Budget Work Sessions, as well as additional changes identified by staff.

At this point in the budget process, additional changes to the Tentative Budget are generally few, if any. Once the Council adopted the Tentative Budget, the adopted total budget establishes the maximum expenditure for the final budget adoption under the Home Rule Alternative Expenditure Limitation.

Final Budget Adoption

The Final Budget adoption occurs at a special meeting annually, as required by State Statute. The presentation includes summary budget information. At this point in the budget process, additional changes to the Final Budget are extremely rare. After the maximum expenditure has been set with the adoption of the Tentative Budget, any changes may reduce budget amounts or move amounts between funds or departments but may not increase the total budget. Following the presentation, a public hearing will be held.

Although the budget cap is adopted as a total amount, the budget is organized by funds and departments which allows for the City to establish areas of importance and budget to sustain and/or utilize fund balances as appropriate in each area. Fund segregation is also required by Arizona State Statutes. The official budget forms required for final budget adoption are included as Exhibit B.

A comprehensive annual budget book will be compiled after final budget adoption and will provide a policy guide, or plan, for operations and capital improvements throughout the year and will serve as a communications tool to the public. This book will also be submitted to the Government Finance Officers Association (GFOA) for review and consideration for the Distinguished Budget Presentation Award. The City has received this award for the past 13 annual budgets.

FY 2026-27 Budget Summary

Council provided direction at the Retreat in December that the FY 2027 Budget should not increase year-over-year. As external economic pressures have become uncertain and less easy to project, keeping the budget flat or reducing it from FY 2026 seems prudent. The expenditure limit set during the FY 2026-27 tentative budget adoption on May 26, 2026 is: \$97,963,222. The Final adopted total budget, after adjustments made, is \$97,963,222. This is comprised of an operating budget of \$63,913,308 and a capital improvements budget of \$34,049,914. **Overall, this is a 5% decrease from the FY26 Adopted Budget.**

The operating budget represents a \$2.7 million, or 4%, increase from the FY 2026 Adopted Budget. The most significant increases include \$150,000 increase to the pavement preservation and road rehabilitation contract due to global geo-political risks impacting oil prices, a new court specialist for approximately \$50,000 (net, after the reduction of a temporary employee), a new tech support position for approximately \$154,000, the conversion of a part-time employee to full time as a bike/pedestrian coordinator for approximately \$84,000 (net, after the reduction of the part-time position), a one-time increase for planned website upgrades for \$75,000, house plans per ARS 9-461.20 for \$100,000, an uptown CFA professional design services package for \$125,000, a mini street sweeper for the parking garage and the City's underground parking for \$250,000, an increase for advertising/tourism for \$300,000, increases to community service provider contracts (both one-time and ongoing) for approximately \$631,000, and an ASRS funding contribution of approximately \$1.9 million in FY 2027. Various other increases and decreases to the operating budget have been included and discussed during the Council work sessions.

The capital budget represents an \$8 million or 19% decrease from the FY 2026 Adopted Budget. The most significant decreases are the Uptown Parking Garage and other completed projects.

The FY 2027 tentative budget is balanced with available surpluses exceeding reserve requirements.

(In Thousands)

	FY2026 Adopted Budget	FY2027 Final Budget	% Change
Operating Budget	\$ 61,235	\$ 63,913	4%
Capital Improvements Budget	42,057	34,050	-19%
Total Expenditure Budget	\$ 103,292	\$ 97,963	-5%

The FY 2027 expenditure budget by fund versus FY 2026 follows:

(In Thousands)

Fund	FY2026 Adopted Budget	FY2027 Tentative Budget	% Change
General Fund	\$36,982	\$41,699	13%
Streets Fund	2,661	2,972	12%
Housing Fund	2,492	2,407	-3%

Grants, Donations & Restricted Funds	1,921	1,523	-21%
Transportation Sales Tax Fund	498	3,877	679%
Parking Garage Fund	-	1,744	100%
Capital Improvements Fund	33,375	21,988	-34%
Art in Public Places Fund	20	35	75%
Development Impact Fee Funds	1,120	58	-95%
Public Transit Fund	5,702	4,314	-24%
Wastewater Fund	15,477	14,064	-9%
Information Technology Fund	3,045	3,281	8%
Total	\$103,292	\$97,963	-5%

Changes from the FY 2025-26 and FY 2026-27 Proposed Final Budget include the following:

- Salary and benefit changes:
 - The tentative budget includes a 5% merit cap or about a \$1M increase from FY26 for salaries, ASRS and benefit increases related to a maximum 5% merit increase.
 - The Arizona State Retirement System (ASRS) is held level to FY 2026.
 - The Public Safety Personnel Retirement System (PSPRS) minimum contribution rates held level for FY 2027 due to the City's fully funded status, with a net pension asset of \$1.6 million.

- Staffing changes:

A total of 4.97 new full-time equivalent positions is included in the budget.

- 1.97 positions were added during the Council work sessions related to regular Decision Packages proposed for funding:
 - IT Tech Support – 1 FTE, this position adds dedicated full-time technical support to address increasing technology needs across departments. As reliance on systems, software, and digital services continues to grow, this role will improve response times, reduce downtime, and provide consistent support for staff and operations.
 - Court Specialist – .22 FTE, the Court Specialist position supports the Municipal Court by assisting with case processing, customer service, and administrative functions. This role helps ensure timely handling of court activities, improves service to the public, and maintains compliance with legal and procedural requirements. This full-time position replaces a .78 FTE part-time employee.
 - Full Time Bike/Ped Coordinator – .75 FTE, this change converts a part-time (.25 FTE) maintenance role into a full-time Bike/Ped Coordinator to better support the City's growing investment in active transportation and recreation infrastructure. In addition to maintenance responsibilities, this position will provide coordination, planning support, and program oversight for bike and pedestrian initiatives.
- 3.00 positions were added during the Council work sessions and during the Tentative budget adoption related to special Decision Packages to aid the Sedona-Oak Creek School District:
 - Recreation Programming Coordinator – 1 FTE, this position establishes a dedicated coordinators for after-school and extracurricular recreation programming during the school year. The role will plan, organize, and manage youth programs, ensuring consistent, high-quality offerings for the community.

- Custodial Maintenance Worker – 1 FTE, this position supports the increased service demands of the School District park and landscaping program. Responsibilities include trash removal, site cleanup, and general upkeep to ensure facilities are safe, clean, and maintained to City Park standards.
- City Maintenance Worker – 1 FTE, this position provides ongoing support for general maintenance, repairs, and upkeep of school district park and recreation facilities to ensure safe, clean, and well-maintained public spaces consistent with City Park standards.
- Capital Improvement Projects
 - The Capital Improvement Fund budget is balanced with a reserve of 50% of budgeted expenditures. Staff used the construction price index, economic indicators and trends to estimate costs; however, it is not feasible to anticipate all the possible impacts to cost over time.
 - The FY2027 CIP expenditure budget by category is as follows:

CIP Category	FY2027 Final Budget
Arts & Culture	\$35,000
Information Technology	1,500,000
Municipal Court	200,000
Police	2,961,000
Parks & Recreation	2,052,500
Public Transit	2,889,797
Other Public Works	1,926,000
Storm Drainage	1,002,000
Sedona In Motion	11,237,190
Sustainability	1,031,250
Wastewater	9,215,177
Total	\$34,049,914

Several changes were made to the FY 2026-27 Budget between the presentation of the City Manager's Recommended Budget on April 15 and the adoption of the Tentative Budget on May 26, including those related to the school district, discussed above. Those changes are summarized by category below.

	FY 27 Proposed Budget	FY 27 Adopted Budget	Incr/ (Decr)	%
Personnel	\$24,908,135	\$27,401,036	\$2,492,901	10%
Operations	22,317,110	25,149,660	2,832,550	13%
Debt Service	6,162,627	6,162,612	-15	0%
Contingencies	5,000,000	5,200,000	200,000	4%
TOTAL Operations	58,387,872	63,913,308	5,525,436	9%
Capital Projects	33,879,914	34,049,914	170,000	1%

The adopted FY 2026-27 Tentative Budget was posted to the City's website (www.SedonaAz.gov) for review by interested members of the public. A summary of the Tentative Budget was posted as a public notice in the Sedona Red Rock News, along with notice of the public hearing.

The final proposed budget includes funding to respond to City Council priorities as well as other issues that were identified at the December 2025 Council Retreat and at subsequent public meetings.

The Community Facilities District (CFD) budgets associated with capital improvements benefiting those Districts are a separate process. A CFD Board meeting is scheduled for June 23, 2026 for final budget adoption.

Next Steps

The final budget is scheduled for public hearing and final approval at a required special meeting on June 23, 2026 at 3:45 p.m.

The Community Facilities District (CFD) budgets associated with capital improvements benefiting those Districts are a separate process. The CFD Board meetings are scheduled for June 23, 2026 for final budget adoption.

Climate Action Plan/Sustainability Consistent: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): The City Council may change the amount of the proposed final budget prior to final adoption, so long as it does not exceed the Tentative Budget cap of \$97,963,222.

MOTION

[Open Public Hearing]

I move to: approve Resolution No. 2026-__, adopting the Budget for Fiscal Year 2026-27 including the budget attachments.

RESOLUTION NO. 2026-__

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA,
ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2026-2027.**

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on May 26, 2026, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year and also an estimate of revenues from sources other than property taxes; and

WHEREAS, in accordance with said sections of said statute, and following due public notice, the City Council met on May 26, 2026, at which meetings any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses and other revenue sources; and

WHEREAS, publication has been duly made as required by law of said estimates, together with a notice that the City Council met on May 26, 2026, and June 23, 2026, at the City Council Chambers for the purpose of hearing taxpayers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the said estimates of revenues and expenditures/expense shown on the accompanying Official Budget Forms attached hereto and incorporated herein, as now increased, reduced, or changed by the Council, are hereby adopted as the budget of the City of Sedona, Arizona for the Fiscal Year 2026-2027.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 23rd day of June, 2026.

Holli Ploog, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

Official Budget Forms

City of Sedona

Fiscal year 2027

City Council adoption of the Final Budget scheduled for June 23, 2026



Final budget adoption will occur on June 23, 2026 at 4:00 p.m.
in the City Council Chambers, 102 Roadrunner Drive, Sedona, Arizona 86336

The Budget may be reviewed at:
City's website www.sedonaaz.gov

City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona
City of Sedona Public Library, 3250 White Bear Road, Sedona Arizona

City of Sedona
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2027

Fiscal year	S c h		Funds							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds
2026	Adopted/adjusted budgeted expenditures/expenses*	E 1	36,981,730	7,571,681	0	34,514,352	0	21,179,209	3,044,722	103,291,695
2026	Actual expenditures/expenses**	E 2	34,584,044	4,799,959	0	24,333,994	0	18,466,635	2,740,250	84,924,882
2027	Beginning fund balance/(deficit) or net position/(deficit) at July 1***	3	27,942,780	25,569,132	0	24,937,166	0	17,579,789	3,696,401	99,725,267
2027	Primary property tax levy	B 4	0	0	0		0	0	0	0
2027	Secondary property tax levy	B 5	0	0	0	0	0	0	0	0
2027	Estimated revenues other than property taxes	C 6	45,976,830	8,020,037	0	3,678,567	0	10,846,200	21,600	68,543,234
2027	Other financing sources	D 7	0	0	0	0	0	0	0	0
2027	Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2027	Interfund transfers in	D 9	1,918,037	2,000,000	0	7,650,083	0	10,300,000	2,843,552	24,711,672
2027	Interfund Transfers (out)	D 10	19,194,491	1,310,597	0	2,250,083	0	1,827,431	129,070	24,711,672
2027	Line 11: Reduction for fund balance reserved for future budget year expenditures									
	Maintained for future debt retirement									
	Maintained for future capital projects			1,163,232		10,994,138		5,400,000		17,557,370
	Maintained for future financial stability	11	12,599,226	966,637				1,616,408		15,182,271
	Reserve for loans			17,150,000						17,150,000
	Reserve for future transit system							5,300,000		5,300,000
	Equipment replacement reserve		2,015,352	204,215				2,949,761	1,890,873	7,060,201
2027	Total financial resources available	12	42,028,578	14,794,488	0	23,021,595	0	21,632,388	4,541,610	106,018,659
2027	Budgeted expenditures/expenses	E 13	41,698,546	10,779,993	0	22,081,625	0	20,121,873	3,281,185	97,963,222

Expenditure limitation comparison

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation or voter-approved alternative expenditure limitation

2026	2027
\$ 103,291,695	\$ 97,963,222
103,291,695	97,963,222
\$ 103,457,498	\$ 97,963,222
\$ 103,457,498	\$ 97,963,222

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the Instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

City of Sedona
Revenues other than property taxes
Fiscal Year 2027

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
General Fund			
Local taxes			
City Sales Taxes	\$ 28,450,000	\$ 31,864,000	\$ 28,450,000
Bed Taxes	9,261,000	10,094,490	9,261,000
Franchise Fees	848,000	636,000	636,000
Licenses and permits			
Building Permit Fees	\$ 256,000	\$ 230,400	\$ 285,000
Business Licenses	50,000	45,000	50,000
Short-Term Rental Permit Fees	230,000	230,000	275,000
Misc Community Development/Public Works	36,440	36,440	36,440
City Clerk	5,260	5,260	5,260
Intergovernmental			
State Shared Sales Taxes	\$ 1,505,000	\$ 1,505,000	\$ 1,505,000
State Urban Revenue Sharing	1,880,000	1,880,000	1,880,000
State Grants, Aid, & Reimbursements	372,500	372,500	162,500
County-Vehicle License Taxes	748,000	748,000	748,000
County-IGA/Other	1,000	1,000	1,000
Charges for services			
Misc. Community Development Fees	\$ 224,700	\$ 213,465	\$ 230,700
Misc. Parks and Recreation Fees	87,300	82,935	87,300
Paid Parking Fees	450,000	427,500	485,000
Misc. Police Fees	9,600	9,120	9,600
Other Misc. Charges for Services	9,900	9,405	9,900
Fines and forfeits			
Court Fines	\$ 228,000	\$ 205,200	\$ 250,000
Short-Term Rental Fines/Late Fees	10,000	9,000	10,000
STEP Administration Fees	5,000	4,500	5,000
Parking Fines	110,000	99,000	220,000
Misc. Fines	10,200	9,180	10,200
Interest on investments			
Interest Earnings	\$ 512,200	\$ 1,536,600	\$ 697,000
Miscellaneous			
In-lieu Fees	\$ 569,700	\$ 569,700	\$ 575,500
Parks & Recreation Rentals	57,200	57,200	57,200
Auction Revenues	17,000	17,000	17,000
Other Misc. Revenues	17,230	17,230	17,230
Total General Fund	\$ 45,961,230	\$ 50,915,125	\$ 45,976,830

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Revenues other than property taxes
Fiscal Year 2027

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
Streets Fund:			
HURF Revenues	\$ 1,068,000	1,068,000	1,068,000
Interest Earnings	29,600	88,800	33,000
	\$ 1,097,600	\$ 1,156,800	\$ 1,101,000
Housing Fund:			
Interest Earnings	\$ 61,600	\$ 184,800	\$ 65,000
Rental Revenue			5,500
	\$ 61,600	\$ 184,800	\$ 70,500
Grants, Donations, & Restricted Funds:			
Federal Grants & Aid	\$ 420,000	357,000	268,000
State Grants & Aid	1,477,400	1,181,920	1,587,400
Fines & Forfeitures	34,900	34,900	34,900
Donations	24,300	6,075	24,300
Interest Earnings	30,030	90,090	36,937
	\$ 1,986,630	\$ 1,669,985	\$ 1,951,537
Transportation Sales Tax Fund:			
Transportation Sales Tax	\$ 4,737,000	4,737,000	4,737,000
Interest Earnings	148,500	445,500	160,000
	\$ 4,885,500	\$ 5,182,500	\$ 4,897,000
Total special revenue funds	\$ 8,031,330	\$ 8,194,085	\$ 8,020,037

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Capital projects funds

Capital Improvements Fund:			
Federal Grants & Aid	\$ 1,624,000	1,218,000	2,594,000
County Flood Control	150,000	150,000	150,000
Interest Earnings	382,900	1,148,700	478,625
	\$ 2,156,900	\$ 2,516,700	\$ 3,222,625
Art in Public Places Fund:			
Interest Earnings	\$ 4,090	\$ 12,270	\$ 5,500
	\$ 4,090	\$ 12,270	\$ 5,500
Development Impact Fees Funds:			
Development Impact Fees	\$ 306,800	\$ 306,800	\$ 370,000
Interest Earnings	65,400	196,200	80,442
	\$ 372,200	\$ 503,000	\$ 450,442
Total capital projects funds	\$ 2,533,190	\$ 3,031,970	\$ 3,678,567

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Revenues other than property taxes
Fiscal Year 2027

Source of revenues	Estimated revenues 2026	Actual revenues* 2026	Estimated revenues 2027
Enterprise funds			
Public Transit Fund:			
Federal Grants	\$ 1,220,000	976,000	1,250,000
Charges for Services	25,800	25,800	25,800
Interest Earnings	114,000	342,000	114,000
	\$ 1,359,800	\$ 1,343,800	\$ 1,389,800
Wastewater Fund:			
Charges for Services	\$ 6,247,100	6,247,100	6,278,100
Capacity Fees	1,718,400	1,718,400	974,400
Interest Earnings	402,400	1,207,200	800,000
Misc. Revenues	102,300	51,150	103,900
	\$ 8,470,200	\$ 9,223,850	\$ 8,156,400
Parking Garage Fund			
Paid Parking Fees	\$		1,300,000
	\$	\$	\$ 1,300,000
Total enterprise funds	\$ 9,830,000	\$ 10,567,650	\$ 10,846,200
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			
Internal service funds			
Information Technology Fund:			
Other Charges for Services	201,795	100,898	600
Interest Earnings	19,600	58,800	21,000
	\$ 221,395	\$ 159,698	\$ 21,600
Total internal service funds	\$ 221,395	\$ 159,698	\$ 21,600
Total all funds	\$ 66,577,145	\$ 72,868,528	\$ 68,543,234

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Other financing sources/(uses) and interfund transfers
Fiscal year 2027

Fund	Other financing 2027		Interfund transfers 2027	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer to Streets Fund	\$	\$	\$ 231,070	\$ 2,000,000
Transfer to Parking Garage Fund				800,000
Transfer to Cap. Impr. Fund				5,400,000
Transfer to Public Transit Fund			296,079	900,000
Transfer to Wastewater Fund			1,231,551	7,600,000
Transfer to Info. Tech. Fund			129,070	2,494,491
Transfer to Housing Fund			30,267	
Total General Fund	\$	\$	\$ 1,918,037	\$ 19,194,491
Special revenue funds				
Streets - from General Fund	\$	\$	\$ 2,000,000	\$
Streets - to General Fund				231,070
Streets - to Info. Tech. Fund				32,434
Housing - to General Fund				30,267
Housing - to Info. Tech. Fund				16,826
Transp. Sales Tax - to Public Transit				1,000,000
Total special revenue funds	\$	\$	\$ 2,000,000	\$ 1,310,597
Capital projects funds				
Cap. Impr. - from General Fund	\$	\$	\$ 5,400,000	\$
Cap. Impr. - to Dev. Impact Fees Funds				2,200,000
Dev. Impact Fees Funds - from Cap. Impr.			2,200,000	
Cap. Impr. - to Art in Public Places				50,083
Art in Public Places - from Cap. Impr.			50,083	
Total capital projects funds	\$	\$	\$ 7,650,083	\$ 2,250,083
Enterprise funds				
Public Transit - from General Fund	\$	\$	\$ 900,000	\$
Public Transit - from Transp. Sales Tax			1,000,000	
Public Transit - to Info. Tech. Fund				19,165
Public Transit - to General Fund				296,079
Parking Garage - from General Fund			800,000	
Wastewater - From General Fund			7,600,000	
Wastewater - to Info. Tech. Fund				280,636
Wastewater - to General Fund				1,231,551
Total enterprise funds	\$	\$	\$ 10,300,000	\$ 1,827,431
Internal service funds				
Info. Tech - from General Fund	\$	\$	\$ 2,494,491	\$
Info. Tech - from Streets Fund			32,434	
Info. Tech - from Housing Fund			16,826	
Info. Tech - from Transit Fund			19,165	
Info. Tech - from Wastewater Fund			280,636	
Info. Tech - to General Fund				129,070
Total Internal Service Funds	\$	\$	\$ 2,843,552	\$ 129,070
Total all funds	\$	\$	\$ 24,711,672	\$ 24,711,672

City of Sedona
Expenditures/expenses by fund
Fiscal year 2027

Fund/Department	Adopted budgeted expenditures/ expenses 2026	Expenditure/ expense adjustments approved 2026	Actual expenditures/ expenses* 2026	Budgeted expenditures/ expenses 2027
General Fund				
City Council	\$ 77,150		73,292	82,675
City Manager	1,632,434		1,501,840	2,218,623
Human Resources	564,938		508,444	566,240
Financial Services	1,827,641		1,644,876	1,864,588
City Attorney	868,738		833,989	914,180
City Clerk	599,678		575,691	715,111
Parks & Recreation	1,379,339		1,324,166	1,516,176
General Services	3,218,256		3,089,526	6,116,083
Community Development	2,734,872		2,461,385	3,039,137
Public Works	6,266,285		6,015,633	6,777,861
Tourism & Economic Initiatives	1,877,112		1,802,027	1,887,993
Sustainability	805,373		773,158	921,931
Police	10,310,641		9,898,216	10,277,124
Municipal Court	936,793		899,321	1,058,525
Contingency	1,600,000		900,000	1,800,000
Debt Service	2,282,480		2,282,480	1,942,300
Total General Fund	\$ 36,981,730	\$	\$ 34,584,044	\$ 41,698,546
Special revenue funds				
Streets Fund	\$ 2,661,499		2,395,350	2,972,123
Housing Fund	2,491,730		380,235	2,407,330
Grants, Don. & Restr. Funds	1,920,600		1,536,480	1,523,100
Transportation Sales Tax Fund	497,852		487,895	3,877,440
Total special revenue funds	\$ 7,571,681	\$	\$ 4,799,959	\$ 10,779,993
Capital projects funds				
Capital Improvements Fund	\$ 33,374,702		23,362,291	21,988,275
Art in Public Places Fund	20,000		20,000	35,000
Develop. Impact Fees Funds	1,119,650		951,703	58,350
Total capital projects funds	\$ 34,514,352	\$	\$ 24,333,994	\$ 22,081,625
Enterprise funds				
Public Transit Fund	\$ 5,702,308		4,846,962	4,313,760
Wastewater Fund	15,476,901		13,619,673	14,064,403
Parking Garage Fund				1,743,710
Total enterprise funds	\$ 21,179,209	\$	\$ 18,466,635	\$ 20,121,873
Internal service funds				
Information Technology Fund	\$ 3,044,722		2,740,250	3,281,185
Total internal service funds	\$ 3,044,722	\$	\$ 2,740,250	\$ 3,281,185
Total all funds	\$ 103,291,695	\$	\$ 84,924,882	\$ 97,963,222

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Sedona
Expenditures/expenses by department
Fiscal year 2027

Department/Fund	Adopted budgeted expenditures/ expenses 2026	Expenditure/ expense adjustments approved 2026	Actual expenditures/ expenses* 2026	Budgeted expenditures/ expenses 2027
City Council:				
General Fund	\$ 77,150	\$	\$ 73,292	\$ 82,675
Information Technology Fund	1,000		1,000	1,500
Department total	\$ 78,150	\$	\$ 74,292	\$ 84,175
City Manager:				
General Fund	\$ 1,632,434	\$	\$ 1,501,840	\$ 2,218,623
Information Technology Fund	1,950		1,950	3,250
Department total	\$ 1,634,384	\$	\$ 1,503,790	\$ 2,221,873
Human Resources:				
General Fund	\$ 564,938	\$	\$ 508,444	\$ 566,240
Department total	\$ 564,938	\$	\$ 508,444	\$ 566,240
Financial Services:				
General Fund	\$ 1,827,641	\$	\$ 1,644,876	\$ 1,864,588
Public Transit Fund	4,000		4,000	4,000
Wastewater Fund	163,450		143,836	123,100
Information Technology Fund				650
Department total	\$ 1,995,091	\$	\$ 1,792,712	\$ 1,992,338
City Attorney:				
General Fund	\$ 868,738	\$	\$ 833,989	\$ 914,180
Wastewater Fund	100,000			100,000
Department total	\$ 968,738	\$	\$ 833,989	\$ 1,014,180
City Clerk:				
General Fund	\$ 599,678	\$	\$ 575,691	\$ 715,111
Information Technology Fund	1,000		1,000	1,000
Department total	\$ 600,678	\$	\$ 576,691	\$ 716,111
Parks & Recreation:				
General Fund	\$ 1,379,339	\$	\$ 1,324,166	\$ 1,516,176
Grants, Don. & Restr. Funds	13,200		13,200	11,600
Department total	\$ 1,392,539	\$	\$ 1,337,366	\$ 1,527,776
General Services:				
General Fund	\$ 3,218,256	\$	\$ 3,089,526	\$ 6,116,083
Department total	\$ 3,218,256	\$	\$ 3,089,526	\$ 6,116,083
Community Development:				
General Fund	\$ 2,734,872	\$	\$ 2,461,385	\$ 3,039,137
Housing Fund	491,730		380,235	407,330
Grants, Don. & Restr. Funds	275,000		180,000	123,000
Information Technology Fund	3,500		3,500	3,600
Department total	\$ 3,505,102	\$	\$ 3,025,120	\$ 3,573,067

City of Sedona
Expenditures/expenses by department
Fiscal Year 2027

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2026	2026	2026	2027
Public Works:				
General Fund	\$ 6,266,285	\$	\$ 6,015,633	\$ 7,902,861
Streets Fund	2,661,499		2,395,350	2,972,123
Grants, Don. & Restr. Funds	1,500		1,500	1,500
Transportation Sales Tax Fund	156,272		140,645	164,143
Parking Garage Fund				69,360
Public Transit Fund	88,560		79,704	81,660
Wastewater Fund	384,698		326,993	312,975
Information Technology Fund	21,610		21,610	24,080
Department total	\$ 9,580,424	\$	\$ 8,981,435	\$ 11,528,702
Tourism & Economic Initiatives:				
General Fund	\$ 1,877,112	\$	\$ 1,802,027	\$ 1,887,993
Public Transit Fund	110,000		93,500	110,000
Information Technology Fund	5,650		5,650	650
Department total	\$ 1,992,762	\$	\$ 1,901,177	\$ 1,998,643
Sustainability:				
General Fund	\$ 805,373	\$	\$ 773,158	\$ 921,931
Department total	\$ 805,373	\$	\$ 773,158	\$ 921,931
Police:				
General Fund	\$ 10,310,641	\$	\$ 9,898,216	\$ 10,277,124
Grants, Don. & Restr. Funds	230,900		196,265	87,000
Information Technology Fund	59,720		59,720	26,200
Department total	\$ 10,601,261	\$	\$ 10,154,201	\$ 10,390,324
Municipal Court:				
General Fund	\$ 936,793	\$	\$ 899,321	\$ 1,058,525
Information Technology Fund	120		120	120
Department total	\$ 936,913	\$	\$ 899,441	\$ 1,058,645
Debt Service:				
General Fund	\$ 2,282,480	\$	\$ 2,282,480	\$ 1,942,300
Transportation Sales Tax Fund	341,580		341,580	
Parking Garage Fund				1,642,150
Develop. Impact Fee Funds	861,325		861,325	1,646,185
Develop. Impact Fee Funds	248,570		248,570	
Public Transit Fund	3,000		3,000	3,000
Wastewater Fund	4,309,240		4,309,240	
Department total	\$ 8,046,195	\$	\$ 8,046,195	\$ 5,233,635

City of Sedona
Expenditures/expenses by department
Fiscal Year 2027

Department/Fund	Adopted budgeted expenditures/ expenses 2026	Expenditure/ expense adjustments approved 2026	Actual expenditures/ expenses* 2026	Budgeted expenditures/ expenses 2027
Contingency:				
General Fund	\$ 1,600,000	\$	\$ 900,000	\$ 1,800,000
Housing Fund	2,000,000			2,000,000
Grants, Don. & Restr. Funds	1,400,000			1,300,000
Wastewater Fund	100,000			100,000
Department total	\$ 5,100,000	\$	\$ 900,000	\$ 5,200,000
Capital Improvement Projects:				
Transportation Sales Tax Fund	\$	\$	\$	\$ 3,713,297
Capital Improvements Fund	32,513,377		23,362,291	20,342,090
Art in Public Places Fund	20,000		20,000	35,000
Develop. Impact Fee Funds	871,080		740,418	58,350
Public Transit Fund	2,573,000		2,187,050	686,000
Wastewater Fund	6,079,700		5,167,745	9,215,177
Department total	\$ 42,057,157	\$	\$ 31,477,504	\$ 34,049,914
Public Transit:				
Parking Garage Fund	\$	\$	\$	\$ 32,200
Public Transit Fund	2,923,748		2,485,186	3,429,100
Information Technology Fund				540
Department total	\$ 2,923,748	\$	\$ 2,485,186	\$ 3,461,840
Wastewater:				
Wastewater Fund	\$ 4,212,083	\$	\$ 3,790,875	\$ 4,104,731
Department total	\$ 4,212,083	\$	\$ 3,790,875	\$ 4,104,731
Information Technology:				
Wastewater Fund	\$ 127,730	\$	\$ 127,730	\$ 108,420
Information Technology Fund	2,950,172		2,740,250	3,219,595
Department total	\$ 3,077,902	\$	\$ 2,867,980	\$ 3,328,015

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Sedona
Full-time employees and personnel compensation
Fiscal year 2027

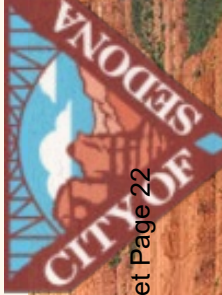
	Full-time equivalent (FTE)	Employee salaries and hourly costs	Retirement costs	Healthcare costs	Other benefit costs	Total estimated personnel compensation
Fund	2027	2027	2027	2027	2027	2027
General Fund	172	\$ 14,565,922	\$ 3,722,130	\$ 3,971,490	\$ 471,659	\$ 22,731,201
Special revenue funds						
Streets Fund	5	\$ 360,590	\$ 42,767	\$ 106,452	\$ 8,554	\$ 518,363
Housing Fund	2	214,939	27,346	52,583	4,112	298,980
Grants, Don. & Restr. Funds			77,000			77,000
Transportation Sales Tax Fund	1	93,434	11,464	26,584	1,410	132,892
Total special revenue funds	8	\$ 668,963	\$ 158,577	\$ 185,619	\$ 14,076	\$ 1,027,235
Enterprise funds						
Public Transit Fund	3	\$ 274,797	\$ 34,086	\$ 65,339	\$ 3,705	\$ 377,927
Wastewater Fund	17	1,543,386	184,110	434,461	40,929	2,202,886
Total enterprise funds	20	\$ 1,818,183	\$ 218,196	\$ 499,801	\$ 44,634	\$ 2,580,814
Internal service funds						
Information Technology Fund	7	\$ 779,990	\$ 93,384	\$ 186,100	\$ 2,311	\$ 1,061,785
Total internal service fund	7	\$ 779,990	\$ 93,384	\$ 186,100	\$ 2,311	\$ 1,061,785
Total all funds	206	\$ 17,833,058	\$ 4,192,287	\$ 4,843,009	\$ 532,680	\$ 27,401,034

Exhibit A
City of Sedona
FY 2026-27 Final Budget - Consolidated Financial Schedule

Fund/Department	Beginning Fund Balances	Revenues						Total Revenues	Other Financing Sources (Uses)		Expenditures	Ending Fund Balances
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues		Transfers In	Transfer Out		
General Fund												
General Revenues		\$37,711,000		\$575,500	\$4,296,500	\$822,500	\$2,571,330	\$45,976,830	\$1,918,037	\$(19,794,491)		
General Government								-			15,946,329	
Public Safety								-			11,395,162	
Public Works & Streets								-			3,199,635	
Health & Welfare								-			1,758,820	
Public Transportation								-			-	
Culture & Recreation								-			3,371,222	
Tourism Management & Economic Development								-			1,887,993	
Debt Service								-			2,339,384	
Contingencies								-			1,800,000	
Total General Fund	27,942,780	37,711,000	-	575,500	4,296,500	822,500	2,571,330	45,976,830	1,918,037	(19,794,491)	41,698,545	14,344,610
Special Revenue Funds												
Streets Fund	1,549,829				1,068,000		33,000	1,101,000	2,000,000	(263,504)	2,972,123	1,415,202
Affordable Housing Fund	21,121,644						70,500	70,500		(47,093)	2,407,330	18,737,721
Grants, Donations & Restricted Funds	603,064				1,855,400		96,137	1,951,537			1,523,100	1,031,501
Transportation Sales Tax Fund	2,294,595	4,737,000					160,000	4,897,000		(1,000,000)	3,877,440	2,314,156
Total Special Revenue Funds	25,569,132	4,737,000	-	-	2,923,400	-	359,637	8,020,037	2,000,000	(1,310,597)	10,779,993	23,498,579
Capital Projects Funds												
Capital Improvements Fund	26,824,950				2,744,000		478,625	3,222,625	6,000,000	(2,250,083)	21,988,275	11,809,218
Development Impact Fees Funds	(2,033,571)						450,442	450,442	2,200,000		58,350	558,521
Art in Public Places Fund	145,787						5,500	5,500	50,083		35,000	166,369
Total Capital Projects Funds	24,937,166	-	-	-	2,744,000	-	934,567	3,678,567	8,250,083	(2,250,083)	22,081,625	12,534,108
Enterprise Funds												
Parking Garage Fund												
Administration						1,300,000		1,300,000	800,000		101,560	
Debt Service								-			1,642,150	
Total Parking Garage Fund	-	-	-	-	-	1,300,000	-	1,300,000	800,000	-	1,743,710	356,290
Public Transit Fund												
Administration								-	1,900,000	(315,244)	374,835	
Operations & Capital Projects Management					1,250,000	25,800		1,275,800			3,208,332	
Departmental Allocations							114,000	114,000			-	
Capital Projects								-			730,592	
Total Public Transit Fund	7,417,508	-	-	-	1,250,000	25,800	114,000	1,389,800	1,900,000	(315,244)	4,313,760	6,078,304
Wastewater Fund												
Administration						6,278,100	1,878,300	8,156,400	7,600,000	(1,512,187)	918,396	
Operations								-			3,546,587	
Departmental Allocations								-			-	
Capital Projects/Management								-			9,499,420	
Debt Service								-			-	
Contingencies								-			100,000	
Total Wastewater Fund	10,162,280	-	-	-	-	6,278,100	1,878,300	8,156,400	7,600,000	(1,512,187)	14,064,403	10,342,090
Total Enterprise Funds	17,579,789	-	-	-	1,250,000	7,603,900	1,992,300	10,846,200	10,300,000	(1,827,431)	20,121,873	16,776,684
Internal Service Fund												
Information Technology Fund	3,696,401					600	21,000	21,600	2,843,552	(129,070)	3,281,185	3,151,298
Total Internal Service Fund	3,696,401	-	-	-	-	600	21,000	21,600	2,843,552	(129,070)	3,281,185	3,151,298
Total All Funds	99,725,267	\$42,448,000	\$0	\$575,500	\$11,213,900	\$8,427,000	\$5,878,834	\$68,543,234	\$25,311,672	(\$25,311,672)	\$97,963,222	\$70,305,279

FY 27 Final Budget Adoption

June 23, 2026



FY 2026-27 Budget Calendar

Item	Date
Internal staff work on Budget	November 2025 – April 2026
City Council retreat	December 16-18, 2025
Citizens Budget Work Group (CBWG)	January/March 2026
City Manager review with departments	March 2026
City Council work sessions	Apr 22-23, 2026
City Council adoption of Tentative Budget	May 26, 2026
Board Adoption of Tentative CFD budget	May 26, 2026
City Council adoption of final budget	★ June 23, 2026
Board Adoption of Final CFD Budget	June 23, 2026



Overview of Assumptions

- Uncertain economy/global conflicts
- Sales & Bed Tax Revenues held flat
- All reserves meet Policy requirements
- Overall expenditures reduced from FY26

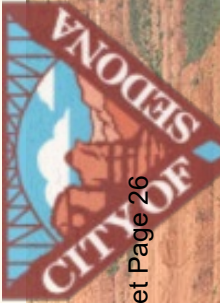
Debt Payoff

- The balance of MidState Energy Equipment, Micro-Transit Vehicles, Vactor Truck, Dump Truck/Snowplow, and FY24 Police vehicles will be paid off by June 30, 2026.
- Total cost (FY26): \$948,053
- Interest savings: \$75,548

Final Budget Total

FY26	FY27	Increase/ (Decrease)	Percent
\$103,291,695	\$97,963,222	\$ (5,328,473)	(5.2%)

	FY26	FY27	Increase/ (Decrease)	Percent
Operating	\$ 61,234,538	\$ 63,913,308	\$ 2,678,770	4.4%
Capital	\$ 42,057,157	\$ 34,049,914	\$ (8,007,243)	(19.0%)



Major Changes and Additions FY26 v. FY27

- I.T.
 - Additional IT Tech Support FTE
- Parks
 - Recreation Programming Coordinator (Support School District programs)
- Municipal Court
 - Convert temp to full-time
- Other
 - \$766k increase to Community Service Providers
 - \$300k advertising contingency
- Public Works
 - Convert part-time hours to 1 full-time Bike/Ped Coordinator
 - Additional Custodial Maintenance Worker (Support School District maintenance)
 - Additional City Maintenance Worker (Support School District field maintenance)
- Contingencies
 - \$2M housing initiatives
 - \$1.8M General Fund operating
 - \$1.3M land acquisition
 - \$1.3M grants

Expenditures (Proposed to Final)

	FY 27 Proposed Budget	FY 27 Adopted Budget	Incr/ (Decr)	% Change
Personnel	\$24,908,135	\$27,401,036	\$2,492,901	10%
Operations	22,317,110	25,149,660	2,832,550	13%
Subtotal	47,225,245	52,550,696	5,325,451	11%
Debt Service	6,162,627	6,162,612	-15	0%
Contingencies	5,000,000	5,200,000	200,000	4%
TOTAL Operations	58,387,872	63,913,308	5,525,436	9%
Capital Projects	33,879,914	34,049,914	170,000	1%
TOTAL Budget	\$92,267,786	\$97,963,222	\$5,695,436	6%



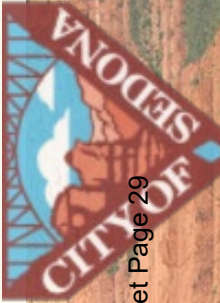
Capital Improvements by Category

(including 1% Arts Transfers and CFD Funding)

Amounts in Thousands

Category	Carryover	New	FY 2027
SIM	\$9,045	\$2,193	\$11,237
Wastewater	8,049	1,166	9,215
Police	1,146	1,815	2,961
Public Transit	1,776	1,114	2,890
Parks & Recreation	1,700	743	2,443
Public Works	596	1,330	1,926
IT - ERP	1,500	-	1,500

Continued next slide



Capital Improvements by Category

(includes 1% Arts Transfers and CFD Funding)

Amounts in Thousands

Category	Carryover	New	FY 2027
Sustainability	\$651	\$380	\$1,031
Storm Drainage	702	300	1,002
Municipal Court	70	130	200
Arts	35	-	35
Grand Total	\$25,270	\$9,170	\$34,440

Continued from previous



Decision Packages Approved – Positions

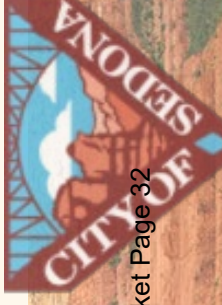
Department	Description	FTEs	One-Time Costs	Ongoing Costs	Total
Public Works	P/T to F/T Bike/Ped Coordinator	0.8	\$ 6,570	\$ 89,543	\$ 96,113
Public Works	School Landscaping Maintenance	1	152,095	117,905	270,000
I.T.	Tech Support FTE	1	0	153,560	153,560
Municipal Crt	Court Specialist (1x)	0.2	21,603	28,369	49,972
Parks & Rec	After School Camp Programs	2	1,500	210,185	211,685
	Total	5	\$ 181,768	\$ 599,562	\$ 781,330



Decision Packages Approved – Operations

Department	Description	One-Time Costs	Ongoing Costs	Total
Public Works	Mini Street Sweeper	\$ 250,000	\$ 0	\$ 250,000
Police	EV Patrol Vehicle addition	99,951	4,000	103,951
City Manager	Website Upgrades	75,000	0	75,000
Sustainability	Hazardous Waste Door to Door	50,000	0	50,000
City Manager	Hope House CSP Addition	0	135,000	135,000
Sustainability	Plans Management Platform	8,000	10,000	18,000
Com Dev	Duplex and Triplex House Plans	100,000	0	100,000
Sustainability	NAU Partnership	25,000	0	25,000
Com Dev	Uptown CFA Design Services	125,000	0	125,000

Continued next slide



Decision Packages Approved – Operations

Continued from previous

Department	Description	One-Time Costs	Ongoing Costs	Total
Tourism	Advertising Contingency For DM	300,000	0	300,000
City Manager	Community Service Provider Contracts	250,000	381,248	631,248
Parks & Rec	250th Celebration Event	100,000	0	100,000
Police	Hire School Security Consultant	76,000	5,000	81,000
Parks & Rec	Charter School - Playground Climber	23,000	0	23,000
	Total	\$ 1,481,951	\$ 535,248	\$ 2,017,199

Total, Positions and Operations: \$2,798,529 One-Time: \$1,663,719, Ongoing: \$1,134,810



FY 2027 Budget by Funds Summary (see exhibit C)

Amounts in Thousands

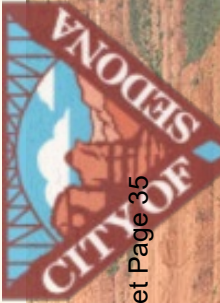
Fund Balances and Reserves							Totals
	General Fund	Special Revenue Funds	Capital Project Funds	Public Transit Fund	Waste-water Fund	IT Internal Fund	
Beginning Fund Balance	\$27,943	\$25,569	\$24,937	\$7,418	\$10,162	\$3,696	\$99,725
Revenues							
One-Time Revenues	122	278	2,779	750	389	-	4,318
Ongoing Revenues	45,855	9,042	1,068	640	7,767	22	64,394
Total Revenues	45,977	9,320	3,847	1,390	8,156	22	68,712
Expenditures							
One-Time Expenditures (Capital)	-	(3,713)	(20,435)	(686)	(9,215)	-	(34,050)
One-Time Expenditures (Operating)	(5,026)	(368)	-	(10)	(440)	(47)	(5,890)
Ongoing Expenditures	(32,534)	(3,477)	-	(3,323)	(4,158)	(3,168)	(46,660)
Debt Service	(2,339)	(1,665)	(1,646)	(296)	(151)	(65)	(6,163)
Contingency	(1,800)	(3,300)	-	-	(100)	-	(5,200)
Total Expenditures	(41,699)	(12,524)	(22,082)	(4,314)	(14,064)	(3,281)	(97,963)
Interfund Transfers	(17,876)	1,489	6,000	1,585	6,088	2,714	-
Ending Fund Balances							
Total Ending Fund Balances	\$14,345	\$23,855	\$12,703	\$6,078	\$10,342	\$3,151	\$70,474



Reserves – Detail, all funds

Estimated Reserves, FY27	
Operating Reserves, FY27 Base Budget	\$ 15,011,271
Capital Reserves	17,557,369
Equipment Replacement Reserves	7,060,201
WW Major Maintenance Reserve	637,255
Transit System Reserve	5,300,000
Housing Fund Reserves for loans, incentives	17,150,000
TOTAL Reserves, FY27	
	\$ 62,716,096

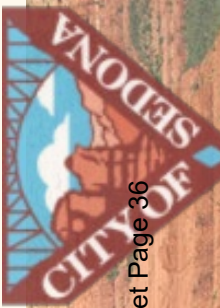
NOTE: Reserves are a portion of total fund balance, “reserved” by policy or for a specific purpose. Thus, the total fund balance (previous slide) is greater than the total reserves.



Final Budget Total

FY26	FY27	Increase/ (Decrease)	Percent
\$103,291,695	\$97,963,222	\$ (5,328,473)	(5.2%)

	FY26	FY27	Increase/ (Decrease)	Percent
Operating	\$ 61,234,538	\$ 63,913,308	\$ 2,678,770	4.4%
Capital	\$ 42,057,157	\$ 34,049,914	\$ (8,007,243)	(19.0%)



Next Steps – Budget FY27

- Monitor Economic Conditions
 - Sales and Bed Tax Receipts
 - Consumer Confidence indices
 - Market performance
 - Fed direction
- Monitor Budgetary performance
 - Execution rate (percent of budget used)
- Prepare for FY28!

Consistent monitoring of economic conditions and budgetary performance will allow the City to recognize negative trends and pivot to focus on savings if necessary.