



FY26 Budget Guidance Agenda



1. Budget Prep Timeline
2. Preliminary Departmental Budget Guidance FY2026 Overview
3. Updated Financial Projection
4. Suggested Budget Guidance



Budget Prep Timeline FY26



Budget Comparison
Worksheets Distributed
through 1/30/2025

IDC's and
Position Control 1/7/2025

Budget Development by Departments
& Finance January - February 2025

CMO & Department
Budget Review Meetings
2/4 – 2/27/2025

Department Summary
Documents to Finance by
Monday, 3/3/2025

Budget Hearing Ad to Media by
Monday, 3/24/2025 and Published by
Thursday, 3/27/2025

Proposed Budget
Book
Published by
3/31/2025

Budget Hearings
April 21nd & 22nd
April 28th & 29th
2025



Preliminary Guidance FY2026



1. Year 2 of Biennial Budget FY2025/26
2. The focus is on development for FY2026
3. Guidance to remain within the FY 26 Biennial Projected Amount (3% General Fund and 3-5% other funds driven by other sources)
 1. Non-Union Salary Adjustment +6%
(3% Structure and 2% Merit, 1% Other)
 2. Union Salary Adjustments (in accordance with CBAs)
 3. Group Health Adjustment +5%
 4. Interdepartmental Costs +10% (5% Fleet and 15% General Liability Insurance)
 5. Other Non-Labor +3%



Budget Option Guidelines FY2026



1. Generally – Keep requests to absolute necessary (considering status of unspent funds, carryovers and encumbrances)
2. FTE requests will be more limited than past few years, if any
3. Tie requests to Council goals and strategic priorities



Updated Financial Projection



1. GRT ended higher than projected in FY24 primarily due to non-recurring projected increases in capital spending from primary taxpayer
2. Assumptions associated with GRT decline re-confirmed and may be more acute
3. Expenditure assumptions are within normal inflationary growth.
(3% General Fund and 3-5% other funds driven by other sources)
4. Projected need for GRT Increment remains FY 2027 and CY 2026 action



Suggested Budget Guidance FY2026



1. Guidance to remain within the FY 26 Biennial Projected Amount (3% General Fund and 3-5% other funds driven by other sources)
 - a. Non-Union Salary Adjustment +3%
(3% Structure and 2% Merit and 1% other)
 - b. Union Salary Adjustments (in accordance with CBAs)
 - c. Group Health Adjustment +5%
 - d. Interdepartmental Costs +10% (5% Fleet and 15% Liability Insurance)
 - e. Other Non-Labor +3%
 - f. $\frac{1}{4}$ or $\frac{1}{2}$ cent GRT increment consideration before July 1, 2026, to support Capital Plan and future operational budgets
2. Preliminary Council support of FY 2026 budget guidance is requested