



**A CONTINUED MEETING OF
THE CITY COUNCIL
August 13, 2025, 12:00 Noon
Library Community Room**

AGENDA

A. CALL TO ORDER-

1. Overview of the 2025-2026 Preliminary Budget- **ACTION ITEM**

Presented by: Katie Ebner, Finance Director/Treasurer

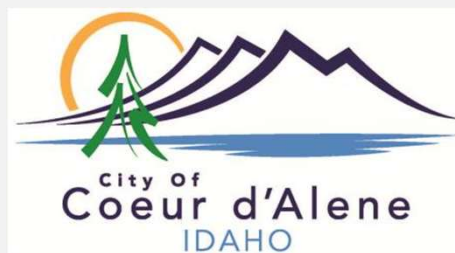
2. Council Discussion

B. ADJOURNMENT

CITY OF COEUR D'ALENE

BUDGET WORKSHOP

AUGUST 13TH, 2025



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Presentation Focus

Revenues

- Recommended updates since prior workshop

Expenditures

- Recommended updates since prior workshop

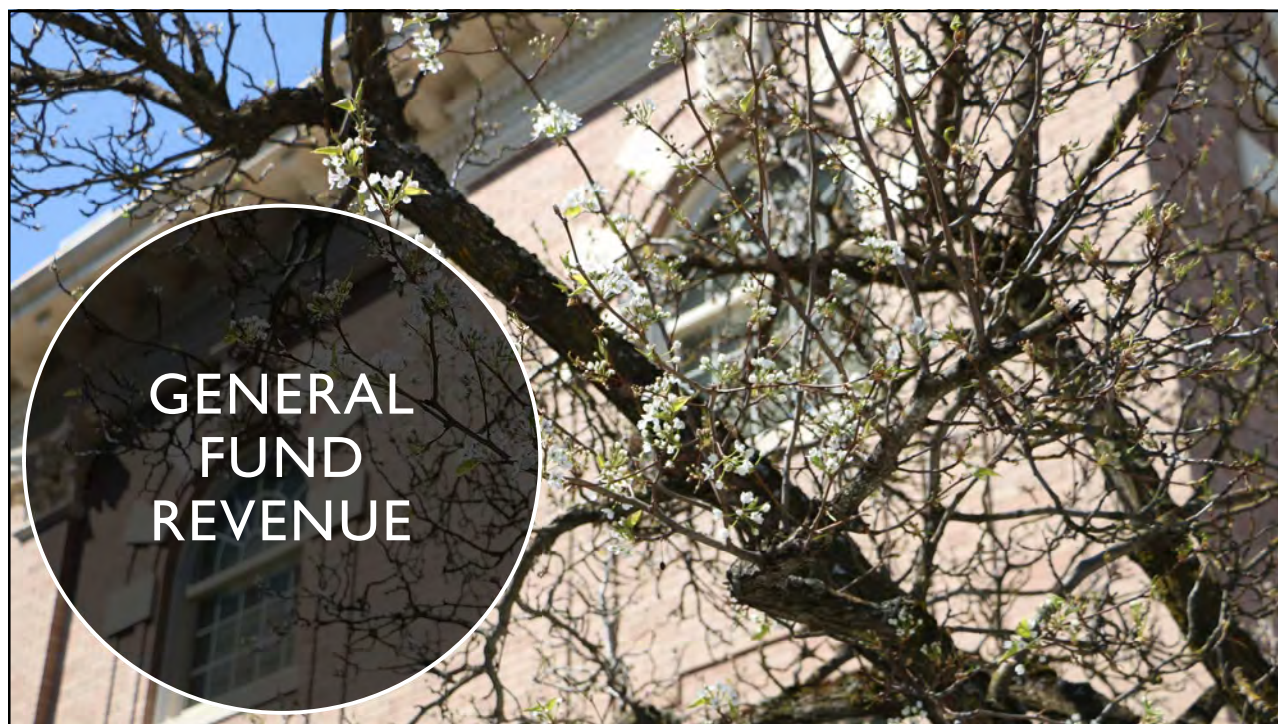
Budget Sustainability

- Projection scenarios

Addressing Budget Misconceptions

Recommendations

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<p>REVENUE CHANGES OVERVIEW</p>	<p>Updated property tax levy total to reflect new construction figures.</p> <p>Verified property tax penalty and interest is budgeted.</p> <p>Increased Kootenai County EMSS revenue to match agreement.</p>
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UPDATED REVENUE OVERVIEW

General Fund Revenue Category	FY25 Budget	FY26 Budget - Requested	FY26 Budget - Requested - 8/15/25	Updates in Revenue
Taxes	25,716,295	27,088,628	27,104,507	15,879
Licenses and Permits	6,744,300	7,114,300	7,114,300	-
Intergovernmental Receipts	18,028,435	16,430,169	16,793,273	363,104
Charges for Services	346,100	346,100	346,100	-
Fines & Forfeitures	452,700	377,700	377,700	-
Interest	750,000	750,000	750,000	-
Miscellaneous	237,800	269,800	269,800	-
Interfund Transfers	4,505,127	4,111,199	4,111,199	-
Beginning balances	4,052,218	2,516,740	1,840,485	(676,255)
Total	60,832,975	59,004,637	58,707,365	(297,272)

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GENERAL FUND EXPENDITURES

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EXPENDITURE CHANGES OVERVIEW

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Updated wages for LCEA/POA/unrepresented employees to reflect a 3.5% wage increase.

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Reduced Police sign-on bonus line item to better align with actuals.

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Reduced Police vehicle budget to reflect vehicle purchases made in current year.

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Reduced Street Overlay budget by \$250,000.

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Updated PERSI employer costs to reflect delayed rate increase.

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Updated liability insurance premium to reflect lower premium increase than expected.

Savings of roughly \$246,000 compared to preliminary FY26 request

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EXPENDITURE CHANGES

General Fund Department	FY26 Preliminary	FY26 Request 8-15-25	Difference
Mayor/Council	289,805	290,693	(888)
Administration	258,281	259,678	(1,397)
Finance Department	1,963,318	1,913,676	49,641
Municipal Services	3,063,668	3,073,760	(10,092)
Human Resources	545,964	548,119	(2,156)
Legal Department	1,440,032	1,447,251	(7,218)
Planning Dept	810,231	814,379	(4,148)
Building Maintenance	925,849	928,991	(3,143)
Police Department	21,485,448	21,465,567	19,882
Police Grants	549,666	567,456	(17,790)
Fire Department	15,060,449	15,043,792	16,657
Streets/Engineering	7,247,477	7,015,993	231,484
Parks Department	3,245,501	3,258,893	(13,393)
Recreation Dept.	835,318	838,840	(3,522)
Building Inspection	1,172,822	1,180,047	(7,225)
General Government	70,810	70,810	0
Total Expenditures	58,964,637	58,717,945	246,692

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Overview of Operational Deficit – High Water Mark	
Revenues	
Total Ongoing Revenues	\$ 56,877,460
Expenditures	
Total Ongoing Expenditures	\$ 58,967,945
Ongoing deficit in general fund	\$(2,090,485)
Assumptions for this calculation: Revenues include a 4% property tax increase. Expenditures include budget requests from directors and a 3.5% wage increase for staffing groups negotiating.	

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Overview After Recommendations

Revenues

Total Ongoing Revenues	\$ 56,877,460
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Expenditures

Total Ongoing Expenditures	\$ 58,717,945
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Ongoing deficit in general fund	\$ (1,840,485)
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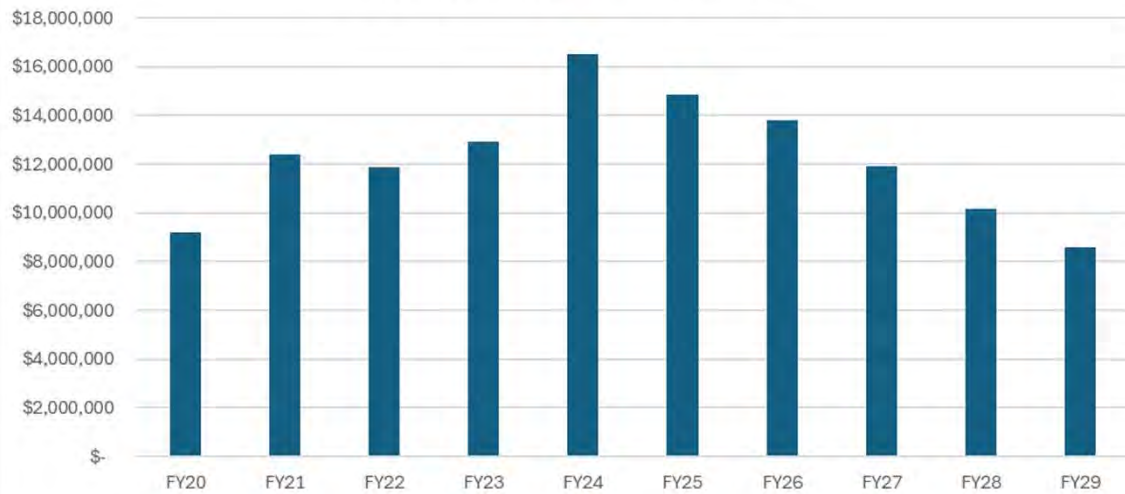
Assumptions for this calculation:

Revenues include a 4% property tax increase.

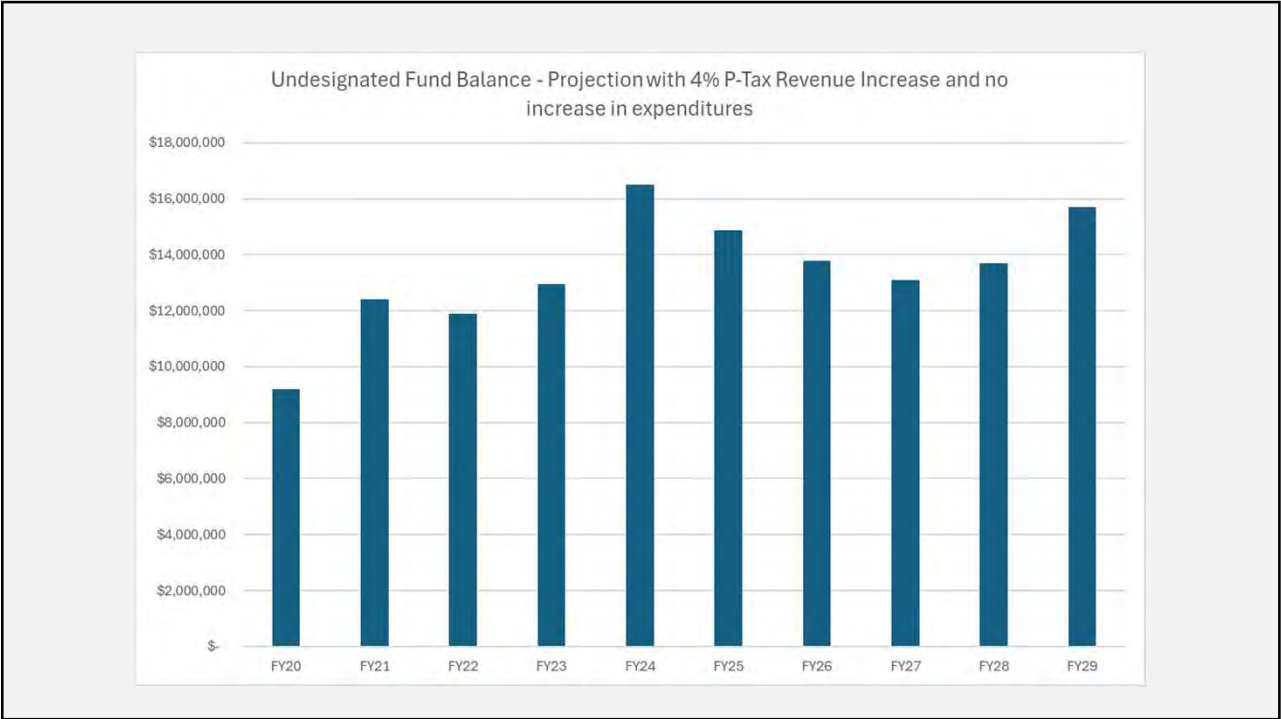
Expenditures include slight reduction of budget requests and a 3.5% wage increase for staffing groups negotiating.

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Undesignated Fund Balance - Projection with 4% P-Tax Revenue Increase
and 2% Annual Expenditure Increase



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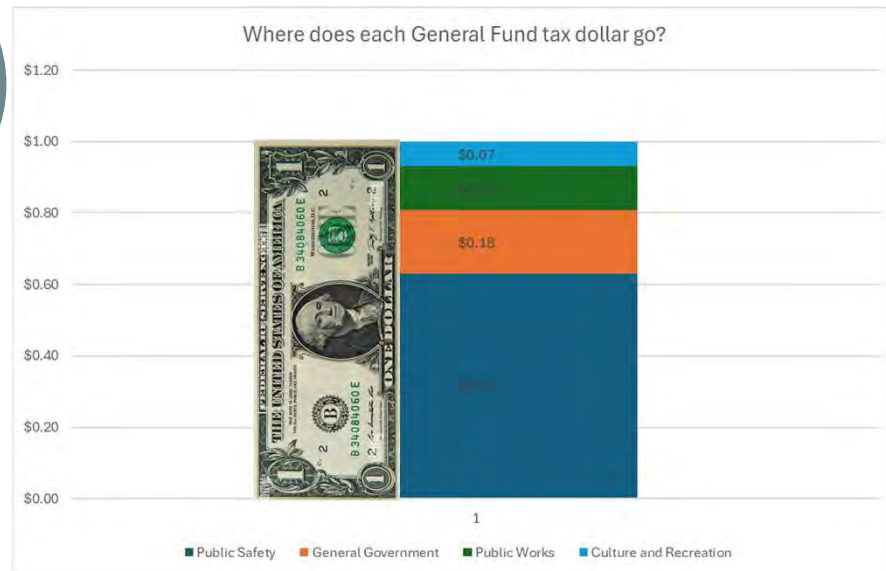


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EXPENDITURES



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MISCONCEPTIONS ABOUT THE CITY'S FINANCES

“Why doesn’t growth pay for growth? (developers, impact fees, tourism, high rises)”

- The City does use impact fees and development charges where allowed by state law.
 - Use of these funds are **extremely** limited by law.
 - Cannot be used for operational costs by law.
 - Are onetime revenues.
- State law currently prevents larger cities like ours from levying a hotel room tax, though many agree that would be a fair solution.
- We continue to advocate for legislative changes that would allow visitors and growth to contribute more to help the city afford the increased services that come with growth.

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MISCONCEPTIONS ABOUT THE CITY'S FINANCES

“Why doesn't growth pay for growth? (developers, impact fees, tourism, high rises)”

- Property taxes from new growth **do not** pay for the services provided to serve that growth. This is a legislative issue.

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MISCONCEPTIONS ABOUT THE CITY'S FINANCES

“Stop the growth.”

- Idaho cities can only prevent growth in specific ways by Idaho law.
 - Halting growth due to the inability to afford serving the growth is not an allowable way to stop growth.
 - The City cannot legally tax newcomers differently
- Property owners have the ability to develop their property as they wish so long as it's consistent with zoning.

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MISCONCEPTIONS ABOUT THE CITY'S FINANCES

"Stop spending more — live within your means."

- The City currently employs fewer employees per 10,000 citizens than 2010.
- With the population growth, the City became more efficient serving the growing community:
 - Most General Government departments have not added any staff since 2010.
- The legislature has passed laws over the last several years that reduced the amount of revenue cities can obtain to support growth.

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MISCONCEPTIONS ABOUT THE CITY'S FINANCES

Year	Population	Total City FTE	FTE per 10,000 Citizens
2019	52,392.00	401.13	76.6
2020	54,942.00	403.87	73.5
2021	56,130.00	407.32	72.6
2022	56,660.00	416.48	73.5
2023	56,894.00	422.53	74.3
2024	56,894.00	416.48	73.2
2025	56,894.00	421.85	74.1

FTE = Full-time Equivalent Employee

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MISCONCEPTIONS ABOUT THE CITY'S FINANCES

2010 Dollars Levied per Citizen	\$ 328.27
Increase to 2025 dollars for inflation	146.60%
2010 Dollars Levied per citizen converted to 2025 Dollars	\$ 481.26
Estimated Population in 2025	56,894.00
Updated 2010 Levy if adjusted for inflation and population	27,380,632.96
Current General Fund Levy	25,716,295.00
Gap between city levy and adjusted 2010 levied dollars per citizen	(1,664,337.96)

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COMPARISONS - PRELIMINARY BUDGET INFORMATION

City	Property Tax increase Proposed	Forgone discussed or proposed
City of Post Falls	3%	
City of Rathdrum	Hitting 8% max with new growth	
City of Hayden	3%	
City of Moscow	3%	1%
City of Nampa	3%	1%
City of Idaho Falls	3%	1%

Figures subject to change, information gathered before budgets set.

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COMPARISONS - PRELIMINARY BUDGET INFORMATION

Property Type	Taxable Value	Increase per Month if 4%
Residential	\$600,000	\$1.25
Residential Rental	\$961,425	\$2.01
Residential	\$1,020,336	\$2.13
Commerical Property	\$1,862,436	\$3.89
Commerical Property	\$21,447,059	\$44.77

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RECOMMENDATIONS

REVENUE

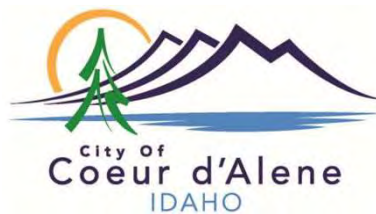
- Increase the property tax budgeted amount by the maximum 3% plus 1% foregone.

EXPENDITURES

- Approve cuts as presented.
- Hold or delay hiring on unfilled positions in FY26 where possible without impacting operations.
- If the city has savings in FY26, avoid reallocating savings for new expenditures, unless the deficit is eliminated.

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COUNCIL Q&A / DISCUSSION



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