



**A WORKSHOP OF THE CITY COUNCIL
APRIL 27 2026, 12:00 NOON
LIBRARY COMMUNITY ROOM
702 E. FRONT AVENUE**

MEETING AGENDA

1. Call to Order
2. Presentation: Budget Update

Presented by: Katie Ebner, Finance Director

3. Council Priority Discussion
4. Amendments to Municipal Code Section 2.72.010 – [Action](#)
5. Recess

NOTE: The City will make reasonable accommodations for anyone attending this meeting who require special assistance for hearing, physical or other impairments. Please contact the City Clerk at (208) 769-2231 at least 72 hours in advance of the meeting date and time.

City of Coeur d'Alene Mid-Year Financial Update – FY2026

4/27/26

Katie Ebner
Finance Director

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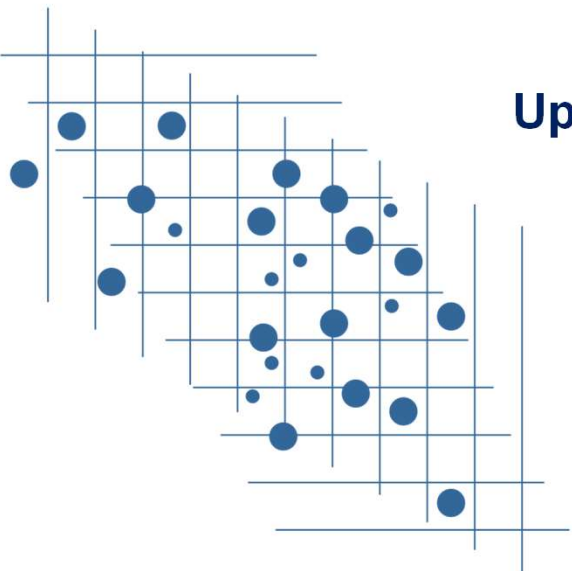
Presentation Focus

- Update on FY2024-2025 general fund actuals
- Current year general fund budget-to-actual analysis
- Multi-year general fund financial projections



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Update on FY 2024-2025

- The City's annual financial audit is still under way & expected to be finalized in late May or early June
- Preliminary results:
 - Projected decrease in fund balance of \$1.65M
 - Significantly lower than the originally budgeted deficit of \$4M

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Is the City's FY 2025-2026 Budget on Track?

- First six months reflect timing (seasonality), not full-year trends
- Mid-year focus: financial stability + potential risks
- This update highlights: overall status, watch list, and other items of interest

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Overall Financial Status



STATUS
ON TRACK

No material variances identified at this time.

What we can say right now

- Spending and cash flow align with normal seasonal patterns
- No Council actions are recommended based on results to date
- Current savings in wages and benefits may reduce operational deficit from \$1.8 M to \$1,121,684

If conditions change materially, staff will bring options to Council promptly.

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Items being monitored

- Constant Staffing for Fire Department
- Intergovernmental revenues and grant reimbursement
- Overtime trends in key departments
- Staffing levels and vacancy projections



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General Fund Projection

2026 Budget - Wages and Benefits

47,823,921

FY26 Actual Cost October - March

24,462,861

Projected with current staffing April - May

21,887,980

Estimated cost to fill vacant positions (July - Sept)

747,581

Total Wages and Benefits Projection at 4-20-26

47,098,423

Potential savings from general fund wages and benefits

725,498

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General Fund Projection

FY 2025-2026 Budget Deficit

(1,847,182)

Potential savings from general fund wages and benefits

725,498

Adjusted Budget Deficit

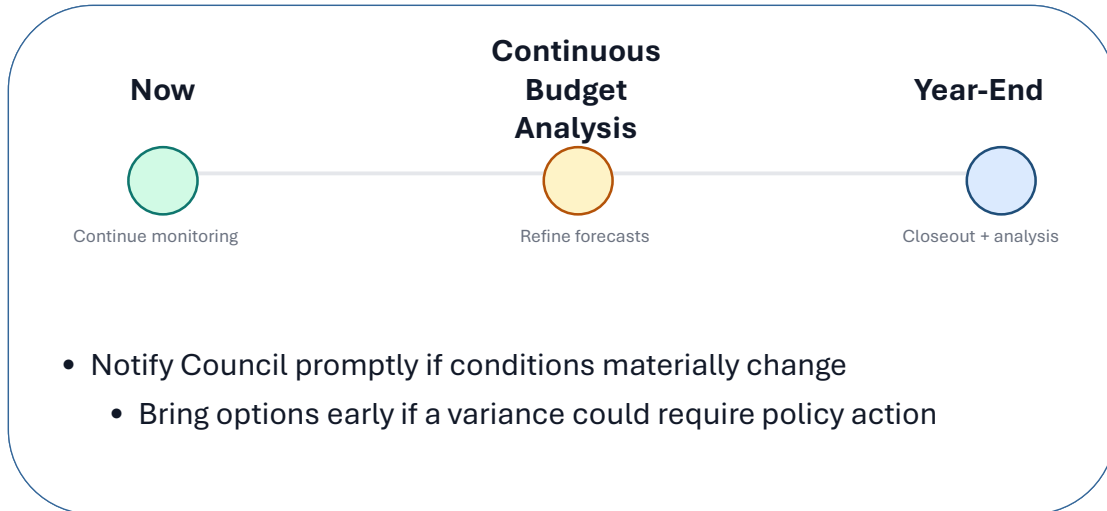
(1,121,684)

- **The City's budget relies on savings from personnel each year to lower the budgeted deficit**

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What Comes Next



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Multi-year Financial Projection

- Projecting further than a year ahead presents challenges

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General Fund: Multi-Year Outlook

	FY26	FY27	FY28	FY29
Starting Balance	\$17,605,207	\$15,758,025	\$13,810,843	\$11,863,661
Projected Revenue	65,866,880	58,066,880	59,366,880	60,766,880
Projected Spending	58,714,062	60,014,062	61,314,062	62,614,062
Savings from unfilled positions	725,498			
Annual Shortfall	-1,121,684	-1,947,182	-1,947,182	-1,847,182
Ending Balance	\$15,758,025	\$13,810,843	\$11,863,661	\$10,016,479
Reserve Level	25.27%	23.01%	19.35%	16.00%

Assumptions

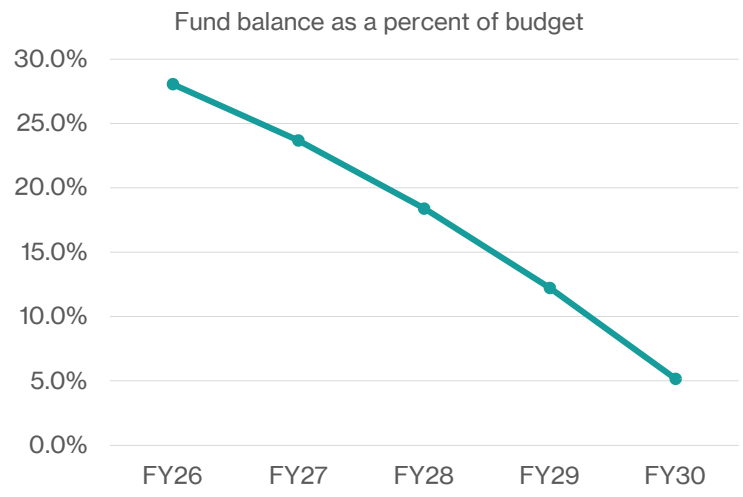
- Revenue:** 3% Levy budget increase + 1% foregone taxes
- Expenditures:** Average annual increase in personnel costs of \$1.3M

General Fund Multi-Year Outlook: No property tax revenue increase

Assumptions

- Revenue:** No increase
- Expenditures:** No increase

Without a property tax increase, closing the deficit would likely require eliminating about 18 positions and assuming **no** additional increases in wages, benefits, or operating costs.



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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Staffing levels compared to City population

Year	Population	Total City FTE	FTE per 10,000 Citizens
2010	44,288	355.0	80.1
2015	48,819	362.6	74.3
2020	54,651	403.9	73.9
2026	57,973	427.9	73.8

FTE = Full-time Equivalent Employee

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Flexibility from the City's Foregone Balances

- In addition to the 3% allowable annual increase and the 1% increase from foregone balances, the City may temporarily increase the property tax levy by an additional 3% for capital projects.
 - The increase is onetime
 - The city must use this funding for capital expenditures

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Capital Projects

- Defined in I.C. §63-802:
 - "The construction, expansion, renovation, or replacement of public facilities, including the acquisition of land and other site improvements;
 - The construction, expansion, or reconstruction of public works improvements, including roads, bridges, water systems, sewer systems, and broadband systems; and
 - The purchase of equipment with a useful life of ten (10) years or more."

-Guidance from the State Tax Commission



- 1% of the City's current levy is \$290,000
- Potential onetime capital funding = \$870,000

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Council Q&A

MEMORANDUM

DATE: APRIL 27, 2026

FROM: RENATA MCLEOD, MUNICIPAL SERVICES DIRECTOR

RE: AMENDMENT TO MUNICIPAL CODE SECTION 2.72.010 SETTING FORTH COUNCIL SALARIES.

DECISION POINT: To direct staff to prepare an Ordinance amending Municipal Code 2.72.010, setting Mayor and City Council salaries and Medicare clarity language.

HISTORY: Council last discussed changes to the Municipal Code regarding Mayor and Council salaries in 2023. Since that time, it has been clarified that the code should be amended to reflect actual policy regarding Medicare coverage. Staff recommends the following language be added to the Municipal code:

When the Mayor or a City Council member, or spouse, becomes eligible for Medicare, he/she will no longer be eligible to participate in the City's medical plan. If a spouse is not Medicare eligible, and/or the Mayor or City Council member have an eligible dependent, the spouse and/or dependent(s) may remain on the City's medical plan until the spouse reaches Medicare, and/or the dependent(s) are no longer eligible, or until the end of the Mayor or City Council members elected service.

The Mayor has requested Council discuss how they would like future increases to Mayor and Council salaries, as the section of the code that references annual increase does not seem like the clearest method of informing the public what the wage currently is, nor does it give Council a clear method to forego annual increases, such as the request for fiscal year 2025-2026. Verbiage currently in the code states: *The salaries of the Mayor and Council members shall be adjusted annually, beginning on January 1, 2025, in an amount equal to the cost of living adjustment provided to exempt employees of the City.*

Council may wish to have this discussion during annual budget workshop and direct staff to make the appropriate Ordinance amendments annually or revisit the issue during the election year in which it would go into effect, noting the timeline required by Idaho Code 50-203.

Please note that Idaho Code 50-203 states that Mayor and Council compensation shall be fixed by ordinance and published at least seventy-five (75) days before any general city election, which ordinance shall be effective for all said officials commencing on January 1 following said election. Any change to this section of the Municipal code would not go into effect until January 1, 2029.

DECISION POINT: To direct staff to prepare an Ordinance amending Municipal Code 2.72.010, setting Mayor and City Council salaries and Medicare clarity language.