Fiscal 2026 3rd Quarter (Q3) Financial Report

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General Fund Revenues

- 98% of property taxes collected, collections will continue through the remainder of year.
- 7 months of sales tax data (July-January):
  - Collections are higher than last year as the city continues to recover from Helene but still trending below budget.
- Fees & charges are expected to end the year above budget due to conservative estimates after Helene and higher than expected solid waste fee collections.

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General Fund Expenses

- Citywide personnel spending affected by:
  - Health care costs continue to rise.
  - Public safety overtime costs are expected to end year over budget but spending has moderated since the Q2 report.
  - Hiring freeze and normal attrition will offset the overtime spending in the General Fund.
- Staff is monitoring fuel spending following increased fuel prices nationwide.

FY26 Projected Fund Balance Use

General Fund	FY26 Adjusted Adopted Budget*	FY26 Q3 Projection
Revenues	$175.0M	$173.4M
Expenses	$177.2M	$174.2M
Fund Balance Used	**$2.2M**	**$0.8M**
Fund Balance %	**14.0%**	**14.6%**

**Reflects change in accounting for cost allocation charges.*

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Enterprise Funds Highlights

- Third quarter revenues and expenses in enterprise funds show no major areas of concern.
- Water Resources Fund will achieve more revenue than budgeted, a sign that the system has bounced back after last year's low revenues after Helene.
- Council approved a budget amendment on 5/12 to add additional funding to Harrah's since it will achieve additional revenue from increased event load.
- Some enterprise funds show decreased personnel spending due to vacancies.

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Discussion