AUBURN

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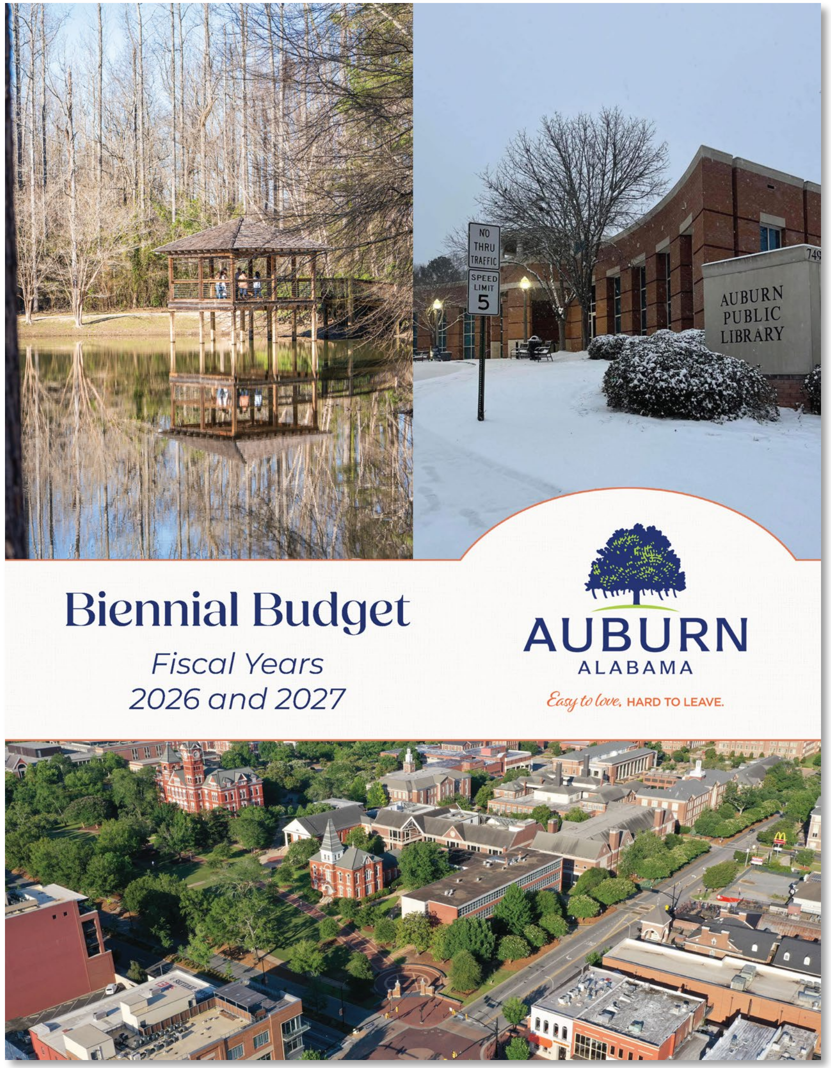
Fiscal Years 2026 and 2027 Mid-Biennium Budget Workshop





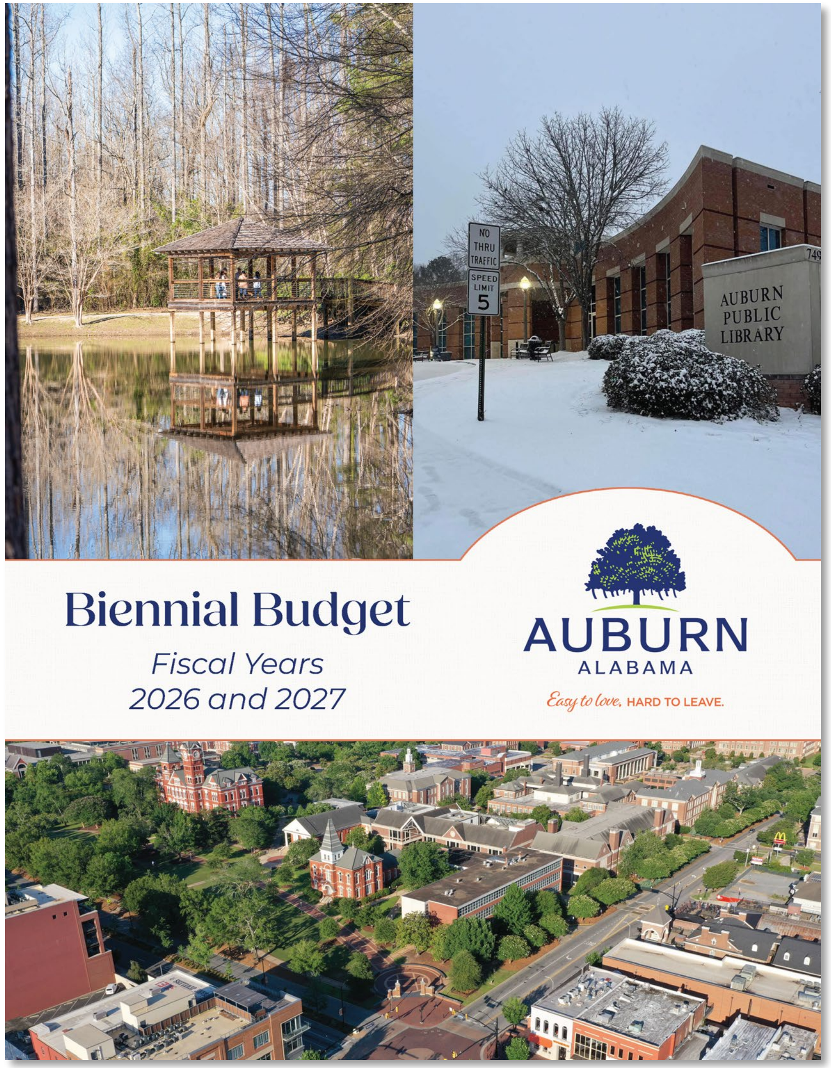
Overview

- Overview of the Mid-Biennium Budget
- Brief Review of Fiscal Year 2025
- Revenue Review
- Debt Overview
- Personal Services
- Significant Changes
- Capital Improvement Plan
- Summary
- Beyond the Current Biennium



Overview

- The Mid-Biennium Budget review provides the opportunity to account for events or changes that have occurred since the adoption of the current FY2026-FY2027 Biennial Budget on September 16, 2025. Mid-Biennium changes typically include:
  - Adjustments to revenue projections based on year-to-date performance
  - Updates to capital project expenditures based on design and construction schedules
  - Carry-forward items from previous years that weren't completed or purchased
  - Budgeted expenditures for new opportunities, emergency repairs, and material fiscal events that have occurred since the adoption of the original budget
- The Mid-Biennium is not intended to be a time to make extensive changes to the adopted budget.



Fiscal Year 2025 Review – General Fund

- Revenues and Growth
  - Revenues and other financing uses outperformed projections by $2.5 million (1.5%)
- Expenses
  - Overall expenditures and other financing uses were $13.2 million (7.7%) less than the approved budget

FY2025 Budget versus Audited Actuals

	Adjusted Budget FY2025	*Audited Actuals* FY2025	*Variance* FY2025
Beginning Fund Balances	**114,326,448**	**114,326,448**	-
Prior Period Adjustment		530,783	
Beginning Fund Balances	114,326,448	114,857,231	530,783
Revenues	154,386,985	157,174,123	2,787,138
Other Financing Sources (OFS)	6,745,250	6,408,688	(336,562)
Total Revenues & OFS	**161,132,235**	**163,582,811**	**2,450,576**
Total Available Resources	275,458,683	278,440,042	2,981,359
Expenditures			
Total Operating	**107,858,942**	**96,761,819**	**(11,097,123)**
Total Capital Outlay & Projects	**27,027,956**	**24,343,599**	**(2,684,357)**
Total Expenditures	**134,886,899**	**121,105,418**	**(13,781,480)**
Total Other Financing Uses	**36,213,370**	**36,798,476**	**585,106**
Total Expenditures & Uses	**171,100,269**	**157,903,894**	**(13,196,374)**
Ending Fund Balances	104,358,414	120,536,147	16,177,733
Less: Permanent Reserve	4,629,580	4,659,700	30,120
Net Ending Fund Balances (NEFB)	**99,728,834**	**115,876,447**	**16,147,613**
Surplus/(Deficit)	(14,597,613)	1,019,217	
NEFB as % of Exp & OFU	58.29%	73.38%	

Fiscal Year 2025 Review – General Fund

- Capital Investments and Projects
  - The General Fund is budgeted in Fiscal Years while capital investments and projects can be multi-year endeavors
  - Updated schedules for permitting, land acquisition, design, and construction for capital projects can impact fiscal year planning
  - Specialized equipment can take longer than expected to be built and received by the City
  - Capital investments, including projects, equipment, and other investments were $24.3 million ($2.7 million less than expected)

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	FY2025	FY2025	FY2025
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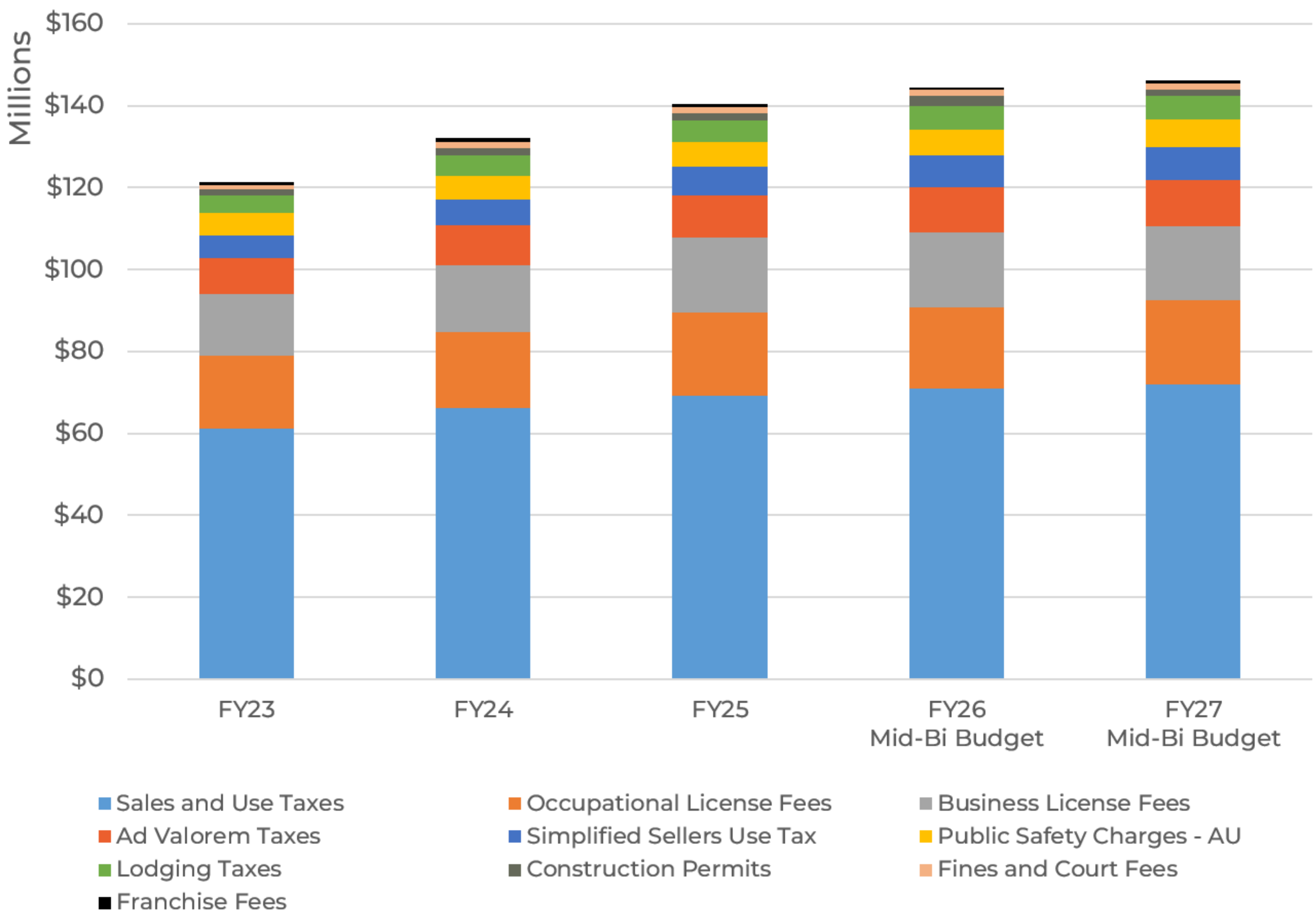
Revenue

Revenue Overview

Top Ten Revenue Sources

- Sales and Use Taxes
- Occupation License Fees
- Business License Fees
- Ad Valorem Taxes
- Simplified Sellers Use Tax
- Public Safety Charges – AU
- Lodging Taxes
- Construction Permits
- Fines and Court Fees
- Franchise Fees



Significant Adjustments
Revenues

Fiscal Year 2026

- Sales and use tax
- General business license
- Ad valorem tax (real property only)
- Construction permits
- Simplified Sellers Use Tax (SSUT)
- Recreation fees
- Investment Interest
- Subscriptions and leases
- Transfers in

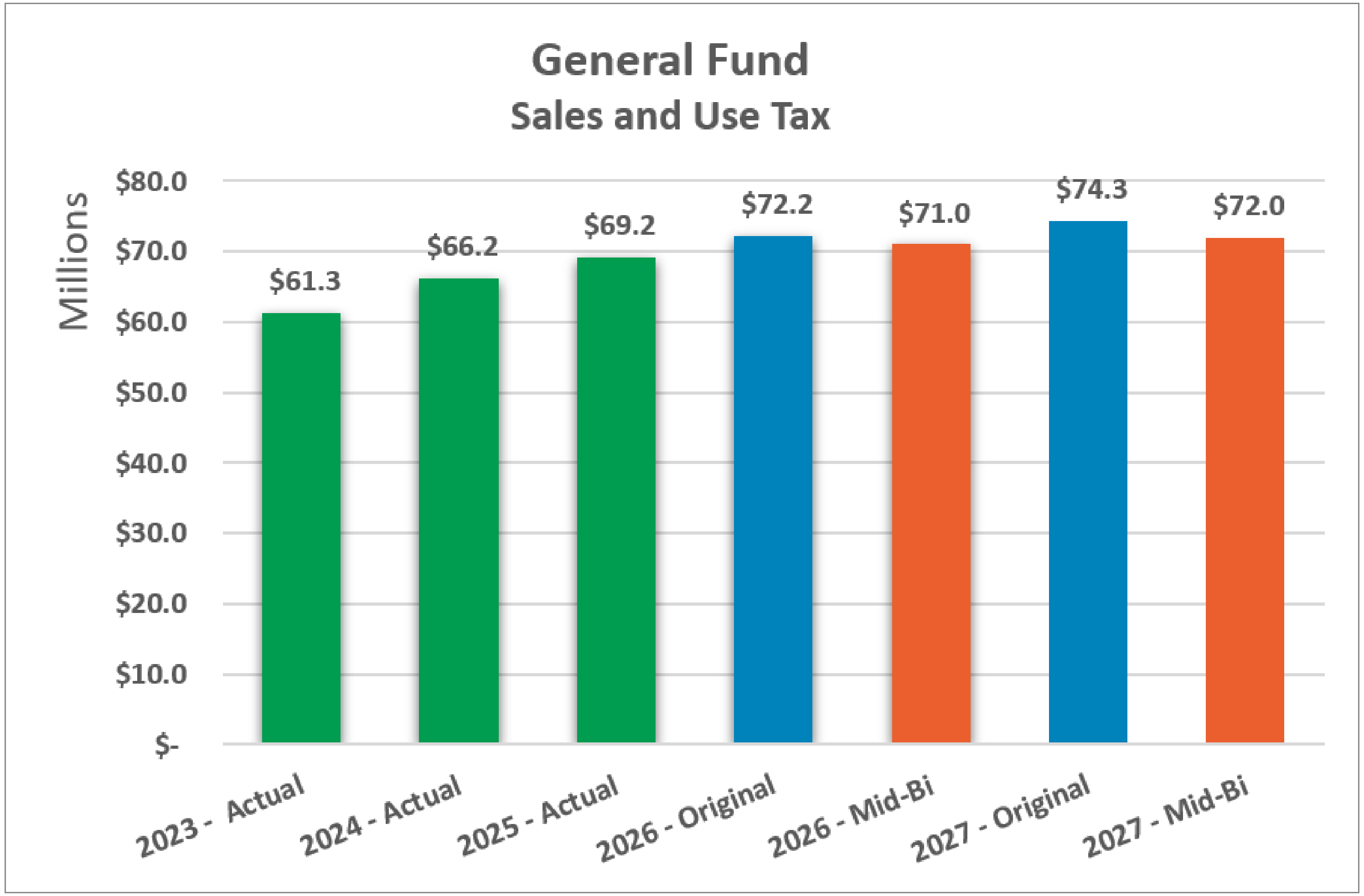
Fiscal Year 2027

- Sales and use tax
- General business license
- Ad valorem tax (real property only)
- Simplified Sellers Use Tax (SSUT)
- Recreation fees
- Investment Interest
- Subscriptions and leases

Sales and Use Tax

- Total sales tax is 9%
  (4% each for City and State and 1% for Lee County)
- Largest General Fund revenue source *(approximately 45%)*
- Increased an average of 6.5% for past 10 years^
- Heavily impacted by the economy, football season (and other AU activities) and commercial development activities
- Fiscal 2026 projected to end 2.6% higher than fiscal 2025
- Fiscal 2027 projected to increase 1.4% over projected fiscal 2026

^ Based on actual for fiscal 2016 through 2025

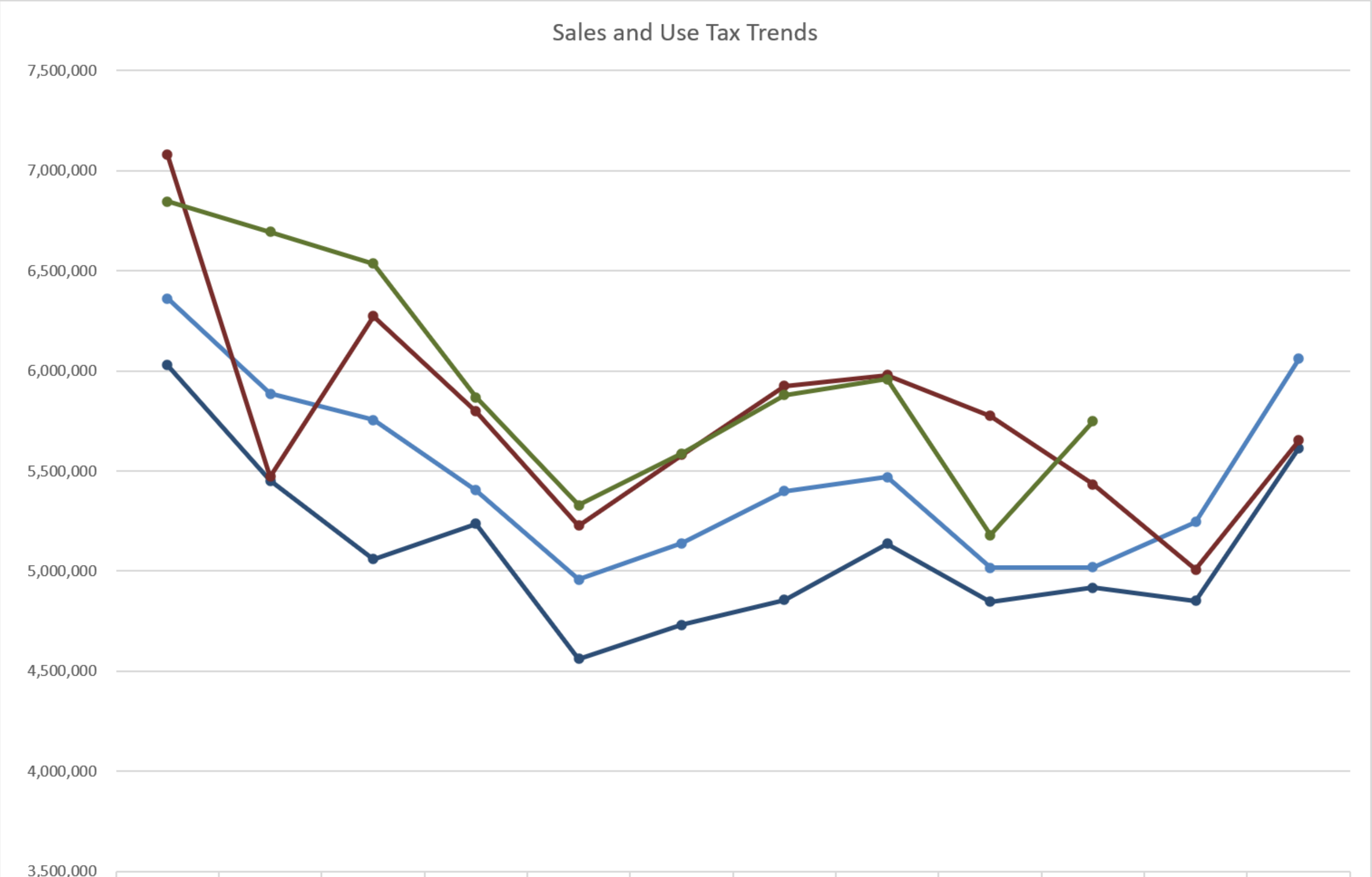


Graph of Sales and Use Trends

Sales and Use Tax

<u>Collections</u> by Month

- October, November and December heavily affected by Auburn University's football schedule
- January reflects the Christmas shopping season
- Winter/Spring impacted by the success of Auburn's basketball season
- June through August have historically been the lowest months for collections



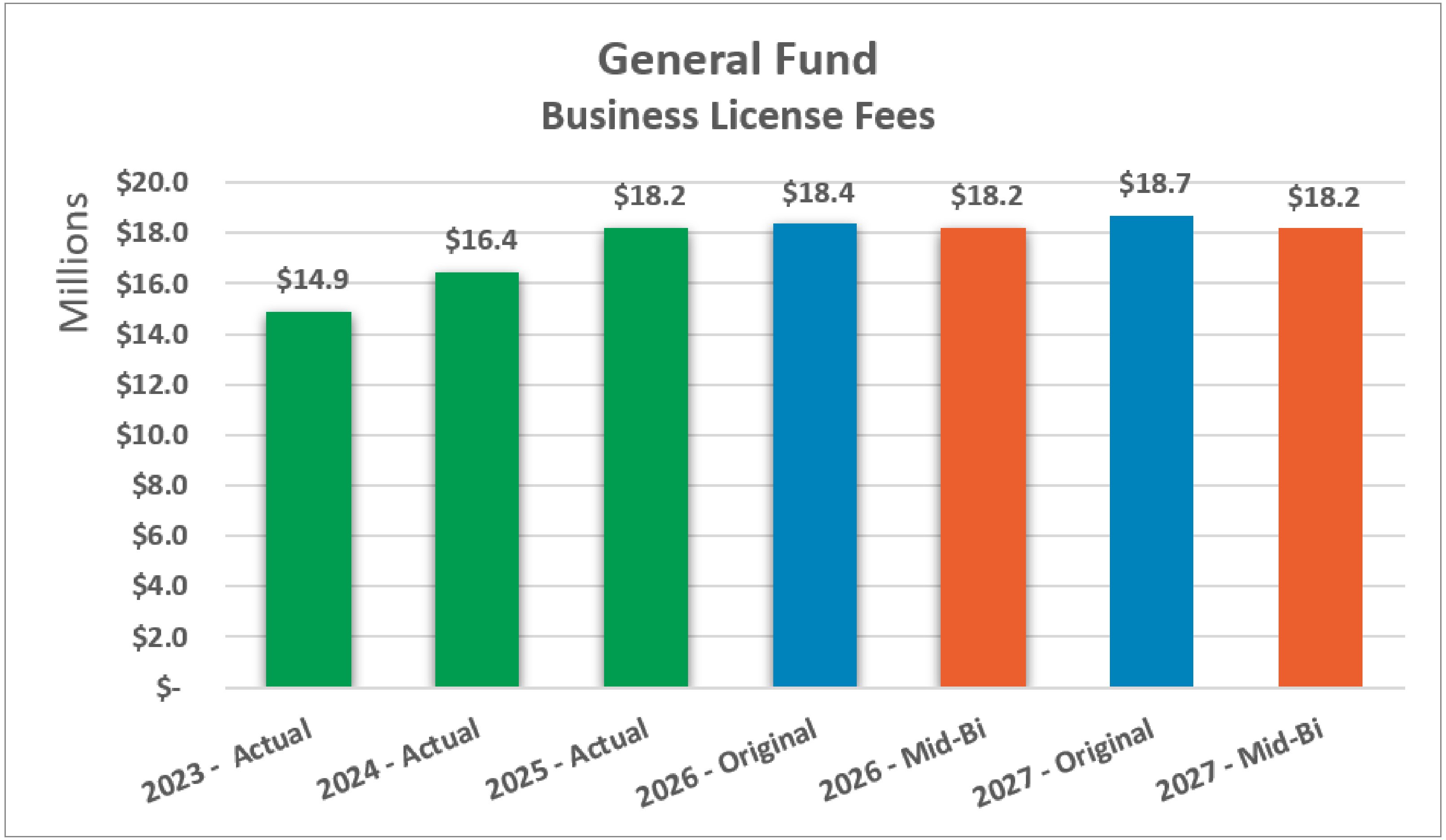
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY23	6,029,249	5,450,663	5,060,673	5,237,162	4,561,397	4,730,959	4,855,193	5,136,006	4,847,729	4,915,983	4,850,176	5,614,957
FY24	6,362,431	5,885,467	5,754,725	5,402,765	4,958,465	5,138,135	5,400,114	5,470,564	5,016,734	5,019,014	5,244,223	6,060,229
FY25	7,078,734	5,472,595	6,273,541	5,798,989	5,226,591	5,581,619	5,924,947	5,978,845	5,774,438	5,432,316	5,007,768	5,653,470
FY26	6,846,701	6,694,653	6,536,488	5,867,856	5,329,234	5,586,435	5,880,281	5,957,617	5,180,218	5,747,600		

Graph of Monthly Sales and Use Tax Trends

Business Licenses

- Includes the following:
  - General business licenses
  - Residential rental licenses
  - Commercial rental licenses
  - Contractor's licenses (construction percent)
- Third largest General Fund revenue source (*approximately 11%)*
- Increased an average of 7.5% for past 10 years^
- Fiscal 2026 projected to end slightly higher than fiscal 2025
- Fiscal 2027 projected to be the same as fiscal 2026.

^ Based on actual for fiscal 2016 through 2025

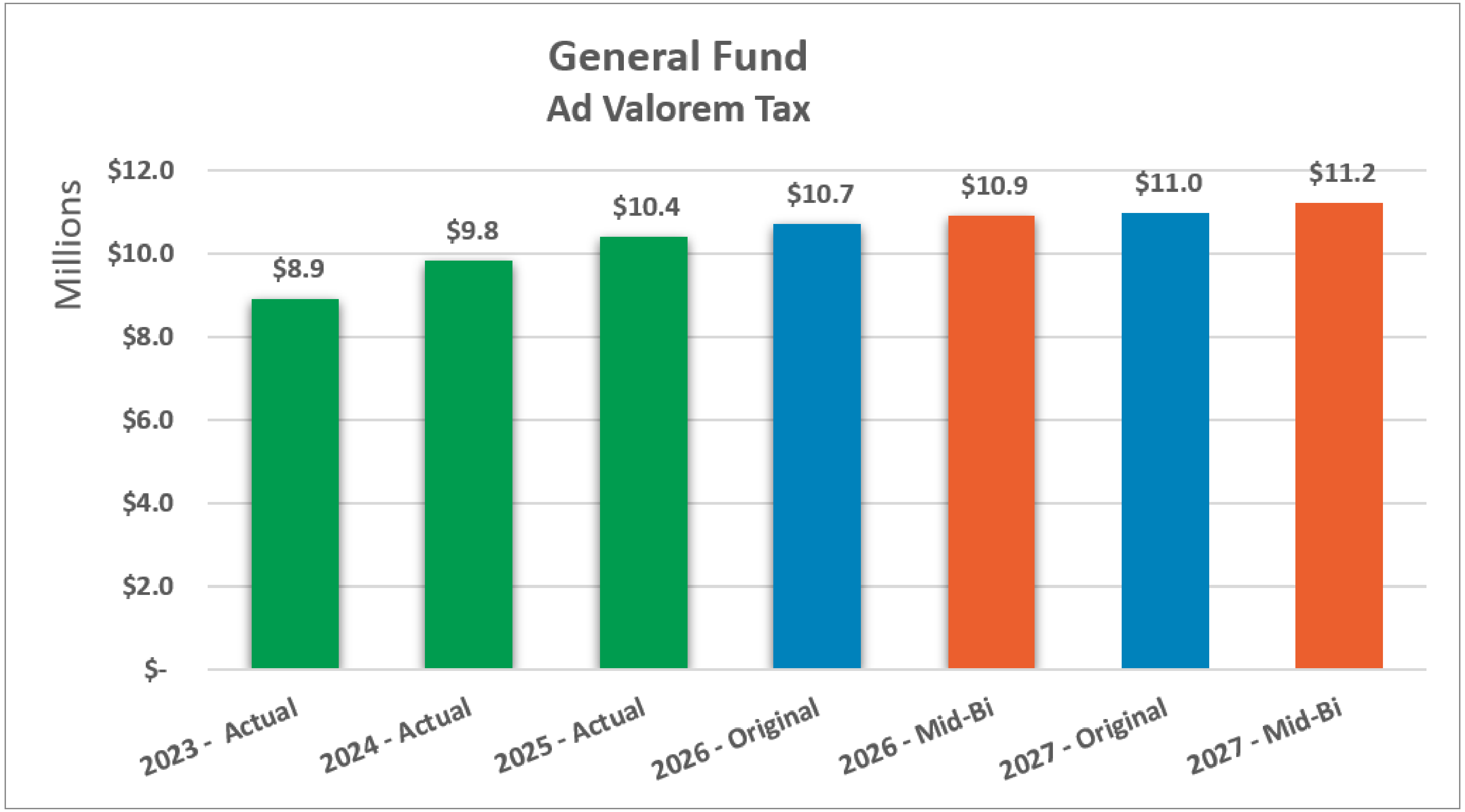


Graph of Business License Fee Trends

Ad Valorem Taxes (Property Taxes)

- Includes real property, motor vehicle personal property and government services fees
- Fourth largest General Fund revenue source *(approximately 6-7%)*
- 5 mills for the General Fund
- Increased an average of 8.2% for past 10 years^
- Fiscal 2026 projected to be 5.0% higher than fiscal 2025
- Fiscal 2027 projected to increase 2.7% over project fiscal 2026

^ Based on actual for fiscal 2016 through 2025

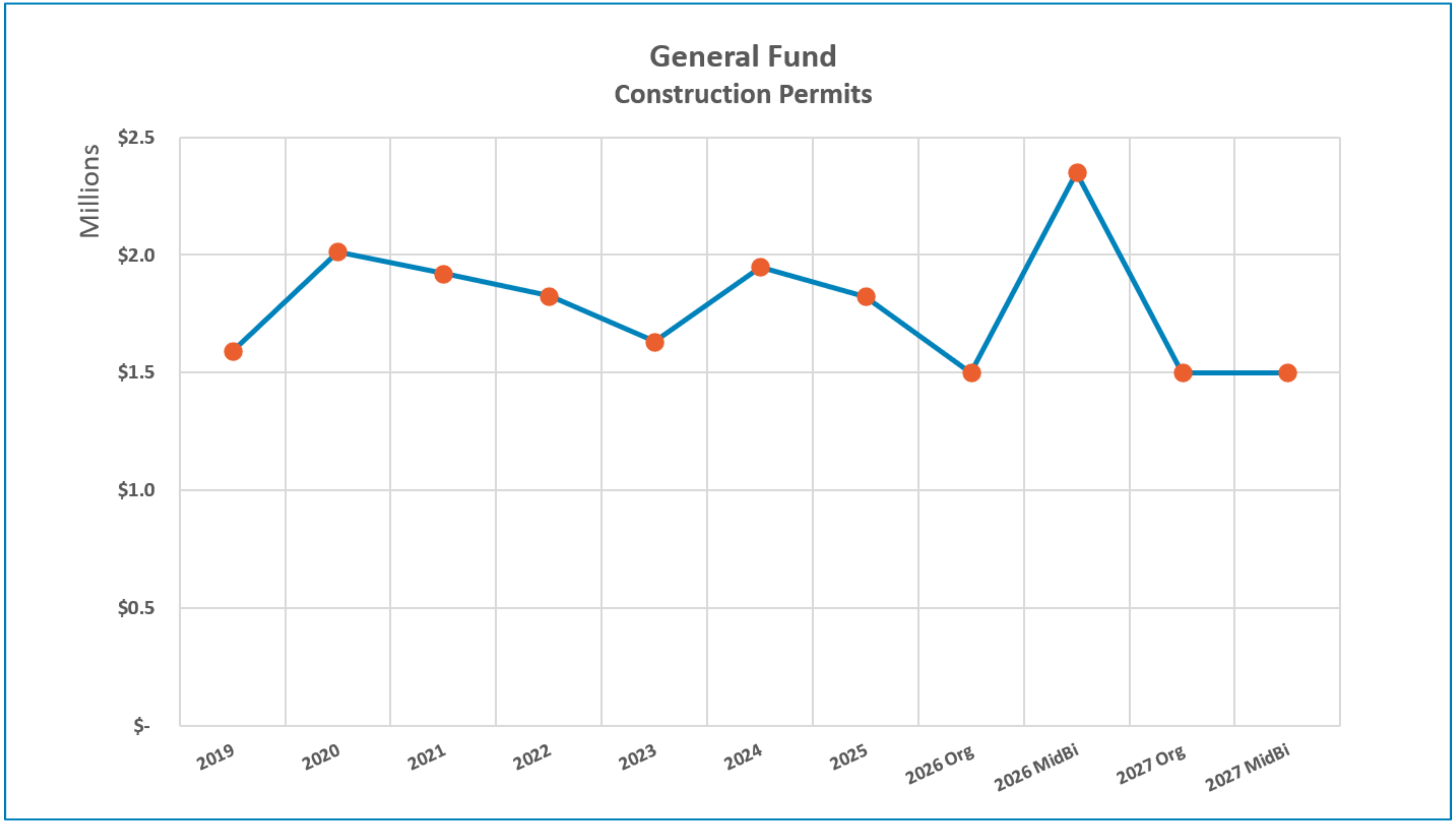


Graph of Ad Valorem Tax Trends

Construction Permits

- Eighth (or ninth) largest source of revenue for the General Fund *(approximately 1%)*
- Volatile revenue source driven by development – both number of permits and valuation of permits
- Average revenue of $1.6 million over past 10 years^
- Fiscal 2026 projected to be 28.8% less than fiscal 2025
- Fiscal 2027 projected at $1.5 million based on average above

^ Based on actual for fiscal 2016 through 2025

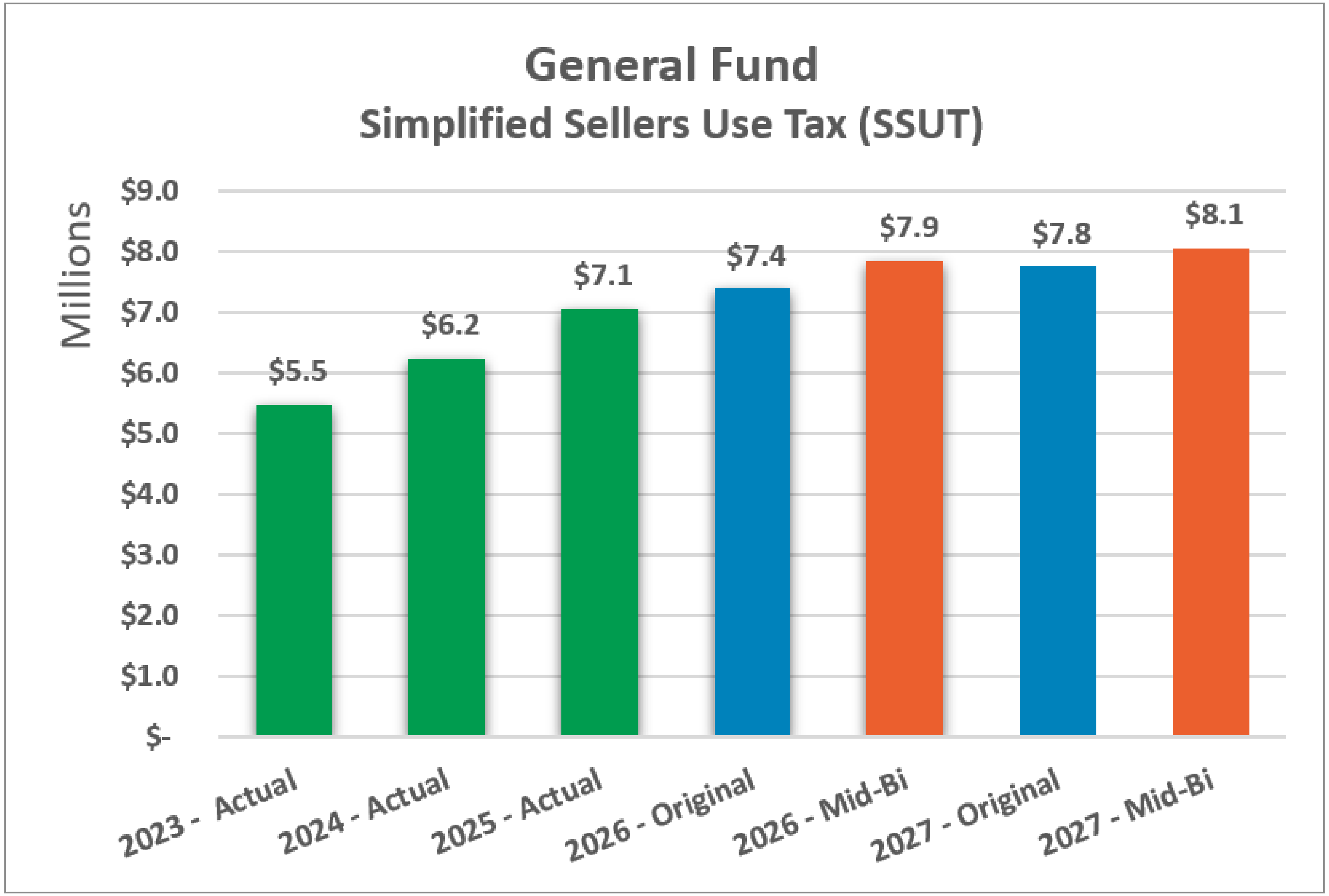


Graph of Construction Permit Trends

Simplified Sellers Use Tax

Act No. 2015-448, as amended

- An 8% tax collected, reported and remitted by remote sellers for sales delivered into the state
- Calculation:
  - 50% - State
  - 50% - Cities (60%) and Counties (40%)
  - Distributed by population
- Fifth largest General Fund revenue source *(approximately 5%)*
- Fiscal 2026 projected to be 11.3% higher than fiscal 2025
- Fiscal 2027 projected to increase 2.5% over projected fiscal 2026



Graph of Simplified Sellers Use Tax Trends

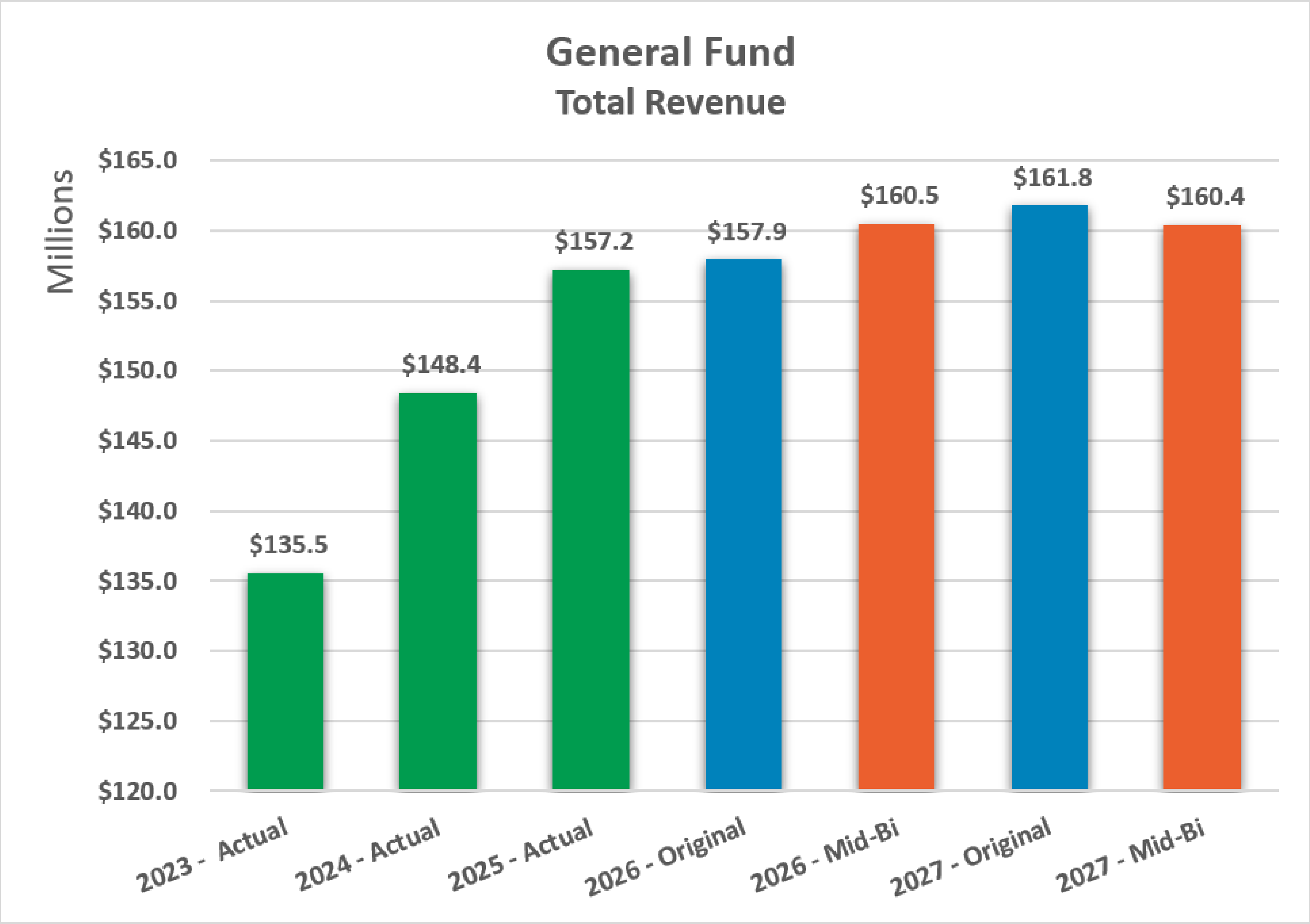
Other Changes

- Recreation Fees
  - Budget increased by $210,000 (24.7%) each year
  - Additional facilities, including Lake Wilmore Park
- Investment Interest
  - Budget increased by 86.7% in fiscal 2026 and 33.3% in fiscal 2027
  - Interest rates and active investment management
- Subscriptions and Leases (an Other Financing Source)
  - Adds $2.1 million to OFS in fiscal 2026
  - Adds $2.4 million to OFS in fiscal 2027
- Transfers In (an Other Financing Source)
  - Adds $1.0 million to OFS in fiscal 2026 - ARPA

Total Revenue

- Average increase of 7.5% over past 10 years^
- Fiscal 2026 projected to increase 2.1% over fiscal 2025
- Fiscal 2027 projected to be relatively flat compared to projected fiscal 2026

^ Based on actual for fiscal 2016 through 2025

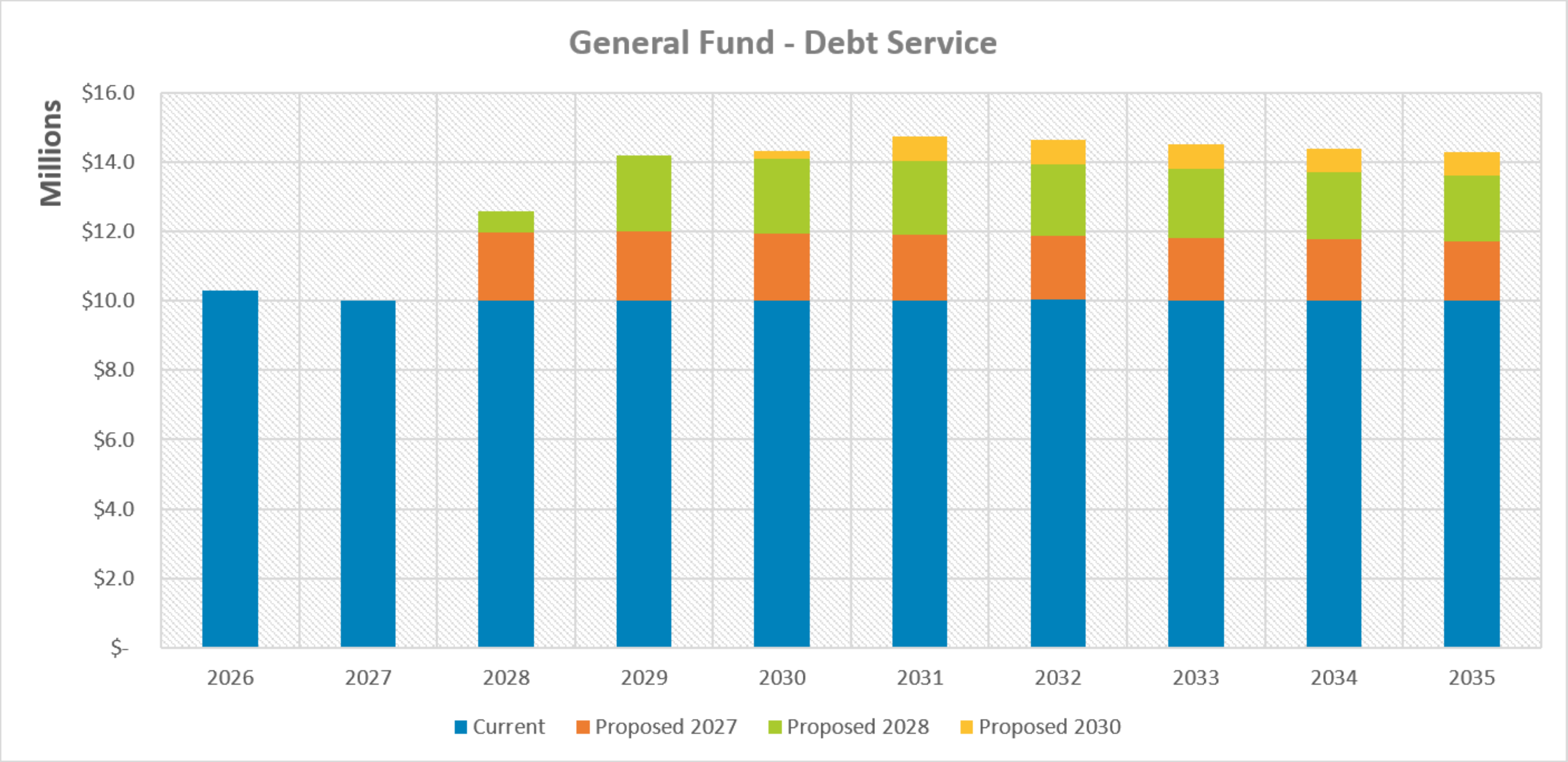


Graph of Total Revenue (excluding other financing sources) - General Fund

Debt Overview

General Fund Debt
Current and Projected

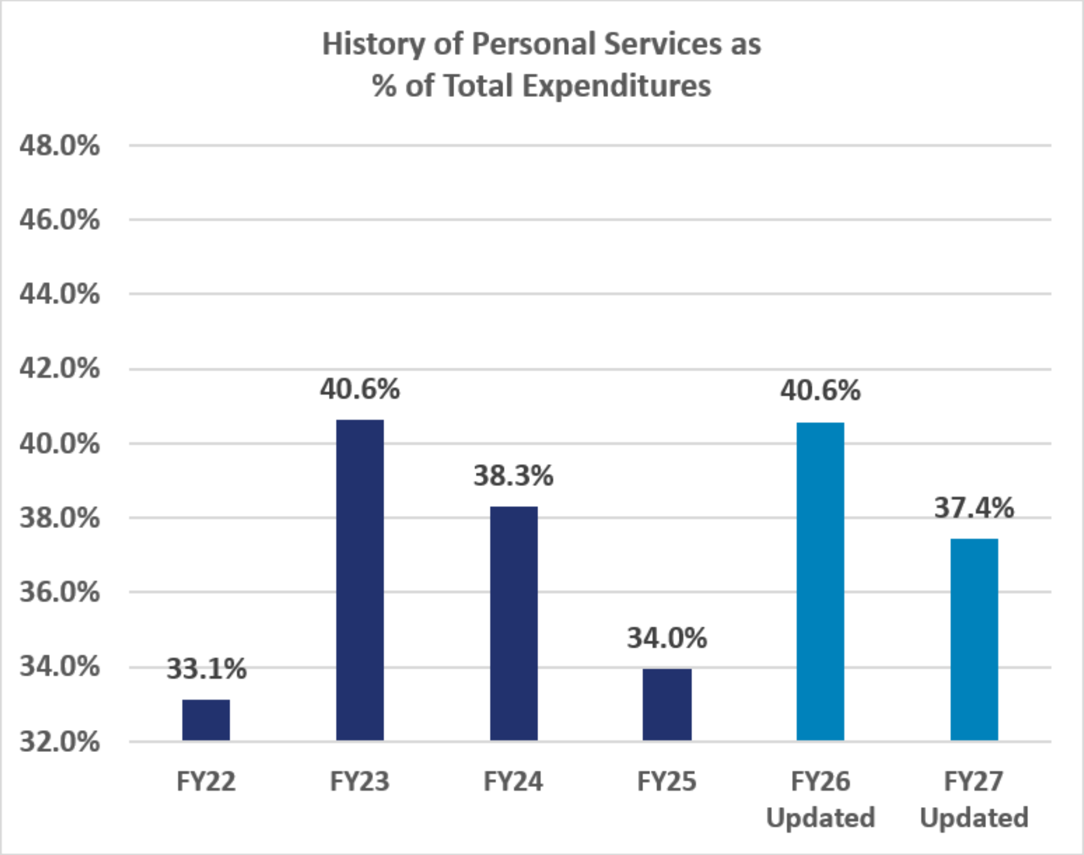
- Projected Debt
  - ➢ 2027 - $22.5 million (N. Donahue Widening and Dean Rd/Opelika Rd Intersection Improvements)
  - ➢ 2028 - $24.7 million (Richland Park)
  - ➢ 2030 - $8.1 million (Moore's Mill Rd Widening)
- Key indicators
  - Debt service as a % of expenditures and revenues

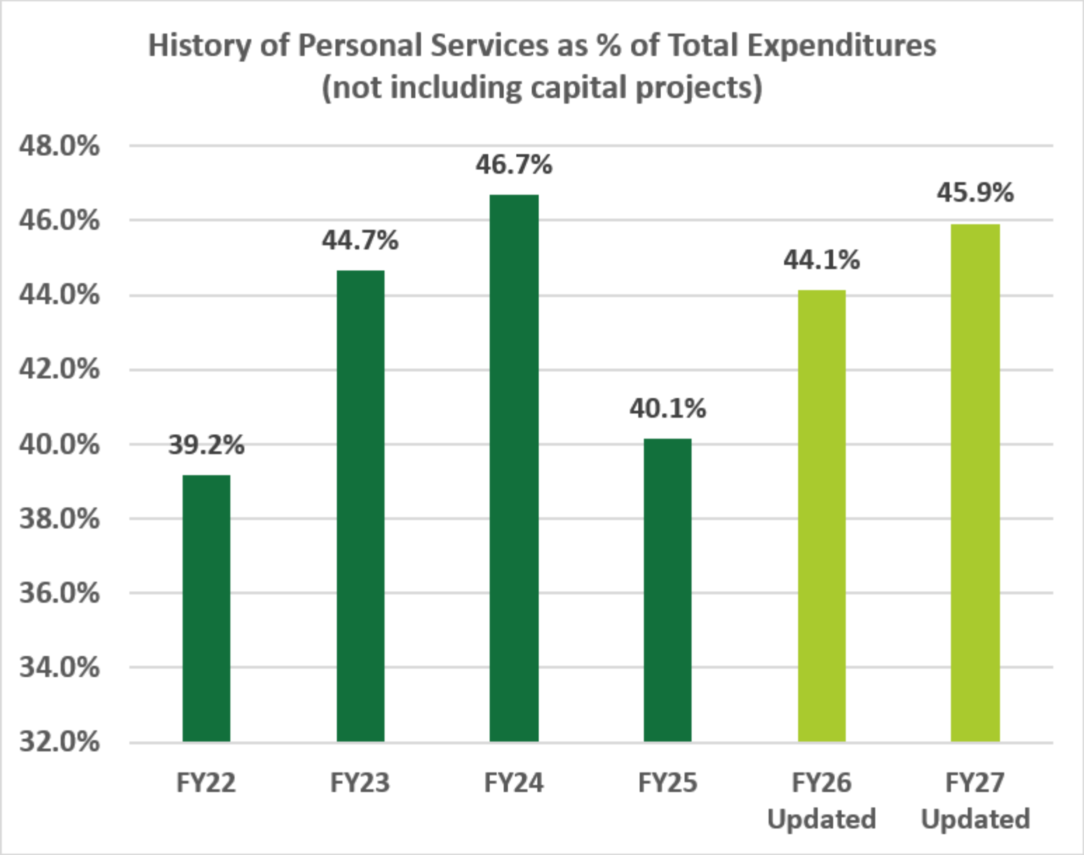


Graph of current and projected General Fund Debt Service

Personal Services

Personal Services





Personal Services

New Positions Approved in FY26-27

- FY26 – 21
- FY27 – 11
- Proposed Additional FY27 Positions
  - Administrative Assistant – Office of the City Manager
  - City Attorney – Office of the City Manager (April 1, 2027)
  - Plan Reviewer – Inspection Services
  - Administrative Assistant – Parks & Recreation
  - Training Officer - Fire

Significant Changes

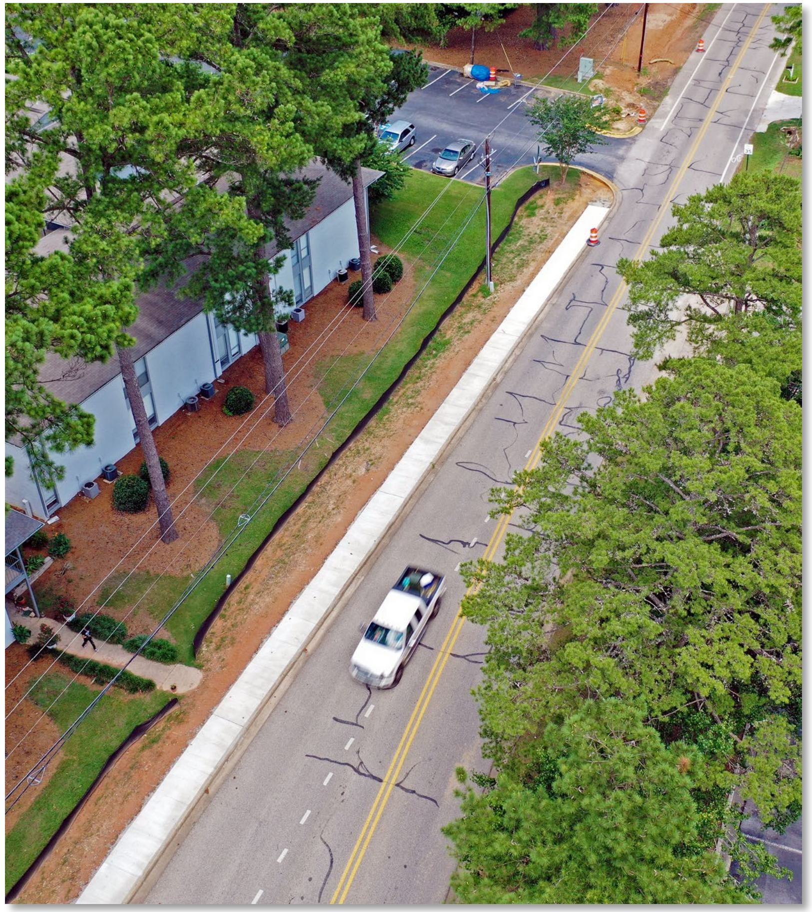
FY2026 Significant Changes

- $4.01 million Property acquisition for Duck Samford Baseball Expansion
- $1.75 million Transfer to Self Insurance Fund
- $169,900 Four expansion Police patrol vehicles (from conditional capital outlay)
- Westview Cemetery
  - $98,217 Fence replacement
  - $88,360 Ground Penetrating Radar (GPR) scan
  - $18,200 Irrigation

FY2027 Significant Changes

- $2.45 million Transfer to Self Insurance Fund

- $817,000 FY2027 Sidewalk Project
  - East University Drive from College Crossing Shopping Center to Parker Place (south side)
  - East University Drive from Clarion Driveway to Ferndale (north side)
  - East University Drive from Ferndale to South Gay Street (north side)
  - East University Drive from South Dean to Moores Mill (north side)
  - North Debardeleben from Glenn to Harper
  - North Ross from Drake to Existing (gaps)
  - Mary Brooks to Boykin (gaps)
  - Ogletree Road from Ogletree Village to Morgan Drive

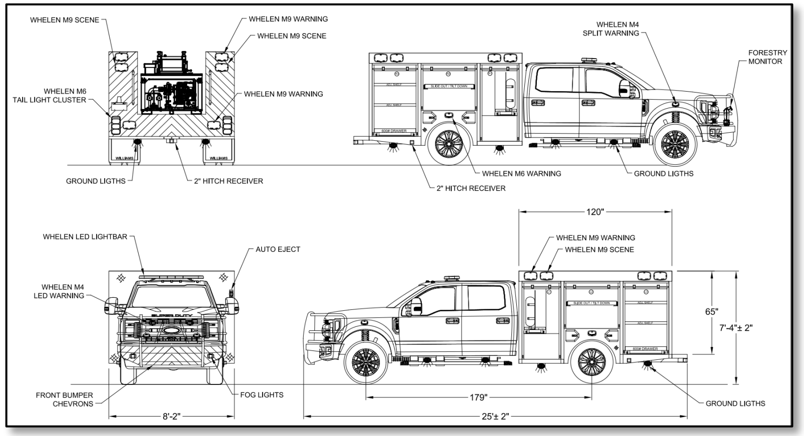


FY2027 Significant Changes

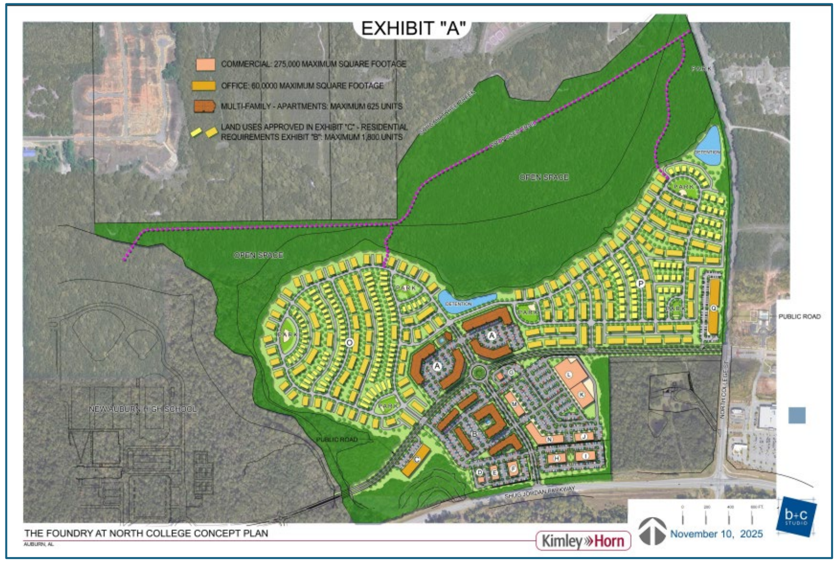
- $650,000 Gay Street Parking Deck maintenance
- $650,000 Engineering Services roof replacement
- $500,000 Truck Wash Station
- $500,000 Traffic Signal Optimization Project
- $380,000 Street-Sweeper
- $221,875 Auburn Housing Authority agreement

FY2027 Significant Changes

- $196,000 Electricity utility increase for Parks and Recreation
- $185,609 for Public Safety 911 call taking system upgrade
- $160,000 Rapid response truck for Fire (with additional $200,000 grant)
- Westview Cemetery
  - $80,000 Maintenance barn
  - $40,000 Plotting
  - $26,810 Parking lot



FY2027 Significant Changes



Projects currently on long-term portion of 6-year CIP

- Yarbrough Farms Boulevard Extension
  - Was slated to begin in FY28
  - $5.5 million proposed in FY27 to begin sooner

- South Police Precinct Design and Programming
  - $1 million proposed in FY27 to begin sooner
  - Was $5.5 million in FY28

FY2027 Significant Changes

Outside Agency Request

- Auburn United Methodist Church – Good News Center
- Assistance to prevent households at risk of losing their primary night-time residence by providing rent and/or utility assistance and short/medium-term hotel stays
- Requested amount: $35,000

Capital Improvement Plan

North Donahue Improvements

North Donahue Drive Improvements – Phase 1

- Shug Jordan Parkway to Saugahatchee Creek
- Last of ROW and Easement Acquisition – 9/15 Council Meeting
- Begin Bid Phase - Award at Oct 6 Council Meeting
- Construction expected to be complete by spring of 2028

North Donahue Drive Improvements – Phase 2

- North Donahue Drive/Farmville Road Intersection
- Design Plans = 60% Milestone Review
- Preparing Exhibits for ROW and Easement Acquisitions
- Bid by Early 2027 and Construction Complete by Early 2028

AUBURN

Mid-bi Budget Summary

Biennium

- The City remains above the targeted 25% Net Ending Fund Balance Ratio in both fiscal years of the Mid-Biennium.

	Original Biennial Budget		*Projected FY2026*		*Projected FY2027*	
	FY2026	FY2027	Updates	FY2026	Updates	FY2027
Beginning Fund Balances	104,358,414	89,483,064	16,177,733	120,536,147		116,747,309
Prior Period Adjustment						
Beginning Fund Balances	104,358,414	89,483,064		120,536,147		116,747,309
Revenues	157,924,502	161,789,785	2,588,032	160,512,534	(1,403,167)	160,386,618
Other Financing Sources (OFS)	1,011,250	1,017,250	3,326,000	4,337,250	2,625,124	3,642,374
Total Revenues & OFS	158,935,752	162,807,035	5,914,032	164,849,784	1,221,957	164,028,992
Total Available Resources	263,294,166	252,290,099	5,914,032	285,385,931	1,221,957	280,776,301
Expenditures						
Operating						
Departmental	92,637,111	97,219,742	287,003	92,924,114	679,905	97,899,647
Non-Department Operations	7,264,350	7,264,350	4,638,626	11,902,976	300,000	7,564,350
Outside Agency Support	2,913,317	2,936,007	-	2,913,317	256,875	3,192,882
Debt Service	10,317,854	10,011,483	441,743	10,759,597	471,363	10,482,846
Total Operating	113,132,632	117,431,582	5,367,372	118,500,004	1,708,143	119,139,725
Capital Outlay & Projects						
Departmental Capital Outlay	4,598,261	5,951,527	2,571,409	7,169,670	4,458,798	10,410,325
Department Projects	50,000	50,000	-	50,000	-	50,000
General Operations	-	-		-		-
Project Operations	28,215,709	17,452,140	(14,671,261)	13,544,448	18,417,266	35,869,406
Total Capital Outlay & Projects	32,863,970	23,453,667	(12,099,852)	20,764,118	22,876,064	46,329,731
Total Expenditures	145,996,602	140,885,249	(6,732,480)	139,264,122	24,584,207	165,469,456
Other Financing Uses (OFU)						
Auburn City Schools	22,547,500	23,224,063	-	22,547,500	(724,063)	22,500,000
Transfers	5,267,000	4,030,250	1,560,000	6,827,000	2,200,000	6,230,250
Total Other Financing Uses	27,814,500	27,254,313	1,560,000	29,374,500	1,475,937	28,730,250
Total Expenditures & Uses	173,811,102	168,139,562	(5,172,480)	168,638,622	26,060,144	194,199,706
Ending Fund Balances	89,483,064	84,150,537	11,086,512	116,747,309	(24,838,187)	86,576,595
Less: Permanent Reserve	4,652,728	4,675,991	-	4,652,728	-	4,675,991
Net Ending Fund Balances (NEFB)	84,830,336	79,474,545	11,086,512	112,094,581	(24,838,187)	81,900,604
Surplus/(Deficit)	(19,528,078)	(10,008,519)	11,086,512	(8,441,566)	(24,838,187)	(34,846,705)
NEFB as % of Exp & OFU	48.81%	47.27%		66.47%		42.17%

Beyond

- Net Ending Fund Balance Ratio within the 25% each fiscal year.
- Revenues are appropriately conservative.
- Expenses are realistic and include the 6-Year CIP.

	Projected FY2026	*Projected FY2027*	*Projections*			
	FY2026	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**
Beginning Fund Balances	**120,536,147**	**116,747,309**	**86,576,595**	**65,985,497**	**57,996,189**	**52,935,143**
Prior Period Adjustment						
Beginning Fund Balances	120,536,147	116,747,309	86,576,595	65,985,497	57,996,189	52,935,143
Revenues	160,512,534	160,386,618	166,802,083	173,474,166	182,147,874	191,255,268
Other Financing Sources (OFS)	4,337,250	3,642,374	1,217,250	1,217,250	1,217,250	1,217,250
Total Revenues & OFS	**164,849,784**	**164,028,992**	**168,019,333**	**174,691,416**	**183,365,124**	**192,472,518**
Total Available Resources	285,385,931	280,776,301	254,595,928	240,676,913	241,361,313	245,407,661
Expenditures						
Operating						
Departmental	92,924,114	97,899,647	102,479,629	107,603,611	113,233,792	118,895,481
Non-Department Operations	11,902,976	7,564,350	7,942,568	8,339,696	8,756,681	9,194,515
Outside Agency Support	2,913,317	3,192,882	3,192,882	3,192,882	3,192,882	3,192,882
Debt Service	10,759,597	10,482,846	12,901,645	14,467,285	14,569,386	14,832,727
Total Operating	**118,500,004**	**119,139,725**	**126,516,724**	**133,603,474**	**139,752,740**	**146,115,605**
Capital Outlay & Projects						
Departmental Capital Outlay	7,169,670	10,410,325	4,000,000	4,000,000	4,000,000	4,000,000
Department Projects	50,000	50,000	50,000	50,000	50,000	50,000
General Operations	-	-	-	-	-	-
Project Operations	13,544,448	35,869,406	31,063,457	17,588,000	16,716,000	12,785,000
Total Capital Outlay & Projects	**20,764,118**	**46,329,731**	**35,113,457**	**21,638,000**	**20,766,000**	**16,835,000**
Total Expenditures	**139,264,122**	**165,469,456**	**161,630,181**	**155,241,474**	**160,518,740**	**162,950,605**
Other Financing Uses (OFU)						
Auburn City Schools	22,547,500	22,500,000	22,950,000	23,409,000	23,877,180	24,354,724
Transfers	6,827,000	6,230,250	4,030,250	4,030,250	4,030,250	4,030,250
Total Other Financing Uses	**29,374,500**	**28,730,250**	**26,980,250**	**27,439,250**	**27,907,430**	**28,384,974**
Total Expenditures & Uses	168,638,622	194,199,706	188,610,431	182,680,724	188,426,170	191,335,578
Ending Fund Balances	116,747,309	86,576,595	65,985,497	57,996,189	52,935,143	54,072,083
Less: Permanent Reserve	4,652,728	4,675,991	4,699,371	4,722,868	4,746,483	4,770,215
Net Ending Fund Balances (NEFB)	**112,094,581**	**81,900,604**	**61,286,125**	**53,273,321**	**48,188,661**	**49,301,868**
Surplus/(Deficit)	(8,441,566)	(34,846,705)	(25,290,470)	(12,712,176)	(9,807,528)	(3,633,275)
NEFB as % of Exp & OFU	66.47%	42.17%	32.49%	29.16%	25.57%	25.77%

Questions?