


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	25-113	Meeting:	March 24, 2025
	Agenda Item:	25	Roll Call:	[_____]
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Setting Public Hearings on April 7, 2025, for:

(A) Adoption of the Capital Improvement Program (CIP) for Fiscal Year (FY) 2025-2026 through FY 2028-2029.

(B) Amendment to the annual Operating Budget for the current FY ending June 30, 2025.

(C) Adoption of the recommended annual budget for the FY ending June 30, 2026.

SYNOPSIS:

Recommend approval of the setting of hearings for FY 2025-2026 through FY 2028-2029 CIP, amendment to the current year budget for FY 2024-2025, and recommended annual budget for FY 2025-2026.

Preliminary Operating and Capital budget documents were distributed to the Council and posted on the City website February 7, 2025. Four (4) public meetings were conducted in December and opportunities for input were available on the City’s website, as well as two (2) additional public meetings near the end of February. Budget detail presentations were made to the City Council at work sessions on February 19, 2025. With the enactment of House File (HF) 718 (Property Tax Reform Act), the submittal date of city government budgets was shifted from March 31 to April 30 going forward.

FISCAL IMPACT:

Amount:

- FY 2024-2025 Amended Budget = \$1,179,833,100 (includes capital budget)
- FY 2025-2026 Recommended Budget = \$986,096,400 (includes capital budget)

Funding Source: The total \$986,096,400 budget would be the appropriation authority across all City funds.

ADDITIONAL INFORMATION:

- Due to changes enacted in HF 718 which limited taxable valuation growth and increasing operational costs, a status quo budget with similar service levels and staffing resulted in a projected \$17 million shortfall. Strategies for resolving the budget gap include:
 - Use of General Fund – Fund Balance (\$2.8 million)
 - Attrition/Department Reorganizations and/or Changes in Services (\$4.7 million)
 - Reallocation/Reassign Costs to other Funding (\$6.9 million)
 - Changes to Revenues (\$2.8 million)
- Appendix A provides a list of corrective changes and detailed explanations made by the Budget Office after the publication of the preliminary documents.
- Final Adopted Budget documents will be created this spring and distributed to Council Members as well as posted online.

PREVIOUS COUNCIL ACTION(S):

Date: February 24, 2025

Roll Call Number: [25-0268](#)

Action: [To](#) receive oral or written testimony from any resident or property owner of Des Moines on the proposed property tax amount for FY 2026, (March 24, 2025, 7:30 AM). Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

April 7, 2025: Hold Hearing for Budget Consideration

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