


COUNCIL COMMUNICATION

	Number:	26-125	Meeting:	April 6, 2026
	Agenda Item:	Various budget	Roll Call:	26-0469
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Hold Public Hearings on April 6, 2026 for:

1. Adoption of the Capital Improvement Program (CIP) for Fiscal Year (FY) 2026-2027 through FY2029-2030
2. Amendment to the annual Operating Budget for the Current FY ending June 30, 2026
3. Adoption of the recommended annual budget for the FY ending June 30, 2027

Approving:

1. Fund transfer for FY ending June 30, 2026
2. Fund transfer for FY ending June 30, 2027
3. Self-Supported Municipal Improvement District (SSMID) Budget/Rates
4. Park & Ride Budget(s)
5. Reimbursement resolution for CIP projects
6. Enterprise rate increase for Stormwater (6%)

SYNOPSIS:

Hold hearings for FY 2026-2027 through FY 2029-2030 CIP, amendment to the current year budget for FY 2025-2026, and recommended annual budget for FY 2026-2027.

Preliminary Operating and Capital budget documents were distributed to the Council and posted on the City website February 11, 2026. Four (4) public meetings were conducted in December and January and opportunities for input were available on the City's website. Budget detail presentations were made to the City Council at work session on February 18, 2026.

FISCAL IMPACT:

Amount:

FY 2025-2026 Amended Budget = \$1,126,773,901 (includes capital budget)

FY 2026-2027 Recommended Budget = \$953,084,831 (includes capital budget)

Funding Source: The total \$953,084,831 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, the City continues to face challenges preparing a balanced budget even with status quo service levels and staffing. To address a budget shortfall, the following attrition/department reorganizations and/or changes in services are included in the presented budget:
 - Position Reductions – 16 total; 13 vacant, 3 change in force
 - Building Security
 - Violence Interruption Program
 - Library Operations

- Consistent with prior year capital budgets, the fiscal year 2026 amendment provides the spending authority for carryover balances. Under the same limitations placed on the operational budget, all capital projects were strategically reviewed and prioritized for presentation to Council. New and removed projects include:
 - New
 - East University Avenue Pedestrian Bridge (FY2026)
 - City Facility and Armory Replacement Phase 2 (FY2028-2029)
 - Fire Station 12 (FY2029-2030)
 - Future Fire Station (Replacement) (FY2030-future plan years)
 - Removed
 - E 6th & E 7th/Penn Avenue Justification Report
 - SW 9th Street – DART Way to McKinley Avenue
 - US 69 Corridor Improvements

- All SSMID rates remain unchanged for the fiscal year 2027 budget.
 - Beaverdale (\$1.75 per \$1,000 of taxable value)
 - Downtown (\$1.30 per \$1,000 of taxable value)
 - Highland Park (\$2.25 per \$1,000 of taxable value)
 - Ingersoll Grand (\$2.25 per \$1,000 of taxable value)
 - Roosevelt Cultural District (\$1.75 per \$1,000 of taxable value)
 - Sherman Hill (\$1.50 per \$1,000 of taxable value)
 - Southwest 9th Corridor (\$2.25 per \$1,000 of taxable value)

- There are no major changes to the Housing Services Budget. Highlights of the Section 8 Choice Housing Voucher Program and Public Housing Program include:
 - Section 8 Choice Housing Voucher Program
 - Provides rental assistance in the form of housing assistance payments (HAP)

- 2,975 individuals or families receiving assistance
- \$597 average monthly housing assistance payment
- Public Housing Program
 - Own and manage rental units for eligible low-income and moderate-income individuals and families
 - 415 units – 25 scattered site single family homes; 390 in manor sites
 - Disposition Fund – established through U.S. Department of Housing and Urban Development (HUD) approved sale of scattered site units

	FY2024	FY2025	FY2026	FY2026	FY2027
	Actuals	Actuals	Adopted	Amended	Recomm
Total Revenues	\$ 26,219,914	\$ 27,034,365	\$ 25,975,213	\$ 27,403,493	\$ 28,399,000
Total Expenses	<u>25,779,465</u>	<u>27,034,365</u>	<u>25,975,213</u>	<u>27,403,493</u>	<u>28,399,000</u>
Surplus (Deficit)	<u>440,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Appendix A provides a list of corrective changes and explanations made by the Budget Office after the publication of the preliminary documents.

Final Adopted Budget documents will be created at a later date and distributed to Council Members as well as posted online.

PREVIOUS COUNCIL ACTION(S):

Date: March 23, 2026

Roll Call Number: [26-0373](#), [26-0374](#), [26-0375](#)

Action: Setting Public Hearings on April 6, 2026, for Adoption of the Capital Improvement Program (CIP) for Fiscal Year (FY) 2026-2027 through FY 2029-2030; Amendment to the annual Operating Budget for the current FY ending June 30, 2026; and Adoption of the recommended annual Operating Budget for the FY ending June 30, 2027. Moved by Mandelbaum to adopt. Second by Simonson. Motion carried 7-0.

Date: March 23, 2026

Roll Call Number: [26-0342](#)

Action: Hold Public Hearing on proposed Fiscal Year (FY) 2026-2027 Property Tax Levy. Moved by Gatto to adopt. Second by Voss. Motion carried 7-0.

Date: February 23, 2026

Roll Call Number: [26-0239](#)

Action: To receive oral or written testimony from any resident or property owner of Des Moines on the proposed property tax amount for fiscal year 2027, (3-23-26 at 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: NONE

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Appendix A: FY2026 Amended and FY2027 Recommended Post-Production Budget Changes

Org Code	Account	Project	FY2026 Amended			FY2027 Recommended			FY2028-2030 Plan			Explanation
			Proposed Budget	Change	Updated Budget	Proposed Budget	Change	Updated Budget	Proposed Budget	Change	Updated Budget	
PW245500	490410		-	1,950,000	1,950,000	-	-	-	-	-	-	Forestry Federal Grant
PW245500	521020		-	1,950,000	1,950,000	-	-	-	-	-	-	
PW248421	527580		-	-	-	11,069,010	1,731,229	12,800,239	-	-	-	Updated to for most current information from WRA which was received after the initial budget book was created
FD105000	482490		-	99,000	99,000	-	195,000	195,000	-	-	-	Revenue for Targeted Opioid Response Team program agreement with Polk County
FD105000	511190		-	53,202	53,202	-	127,684	127,684	-	-	-	Expenses for Targeted Opioid Response Team program agreement with Polk
FD105000	532160		370,000	45,798	415,798	375,000	67,316	442,316	-	-	-	Updated expense budget for final HUD revenue allocation confirmation
HS001000	532400		-	-	-	368,757	(2,590)	366,167	-	-	-	Updated expense budget for final HUD revenue allocation confirmation
HS120130	532400		-	-	-	1,019,106	(2,926)	1,016,180	-	-	-	Update for final payment to the Airport and remaining commitment to affordable housing
HS125000	532400		-	-	-	586,413	(5,763)	580,650	-	-	-	Adjustment for Library Foundation revenue to cover employee expenses previously funded through ARPA
FN900006	528005		4,080,000	2,700,000	6,780,000	-	-	-	-	-	-	Correction for intern funded by the Library Foundation
LB170000	482490		-	-	-	-	150,000	150,000	-	-	-	Update reimbursement amount to Downtown SSMID by TIF for valuation used for TIF
LR426000	484000		8,000	(8,000)	-	-	-	-	-	-	-	Update reimbursement amount to Sherman Hill SSMID by TIF for valuation used for TIF
LR426000	531040		8,000	(8,000)	-	-	-	-	-	-	-	Update reimbursement amount to Ingersoll SSMID by TIF for valuation used for TIF
S371CM99	598220	TF041	-	-	-	1,170,222	(377,150)	793,072	-	-	-	Correct year of transfer
S371CM99	598220	TF058	-	-	-	18,863	(6,093)	12,770	-	-	-	Update to include transfer for project close out
S371CM99	598220	TF075	-	-	-	70,433	8,414	78,847	-	-	-	Update OP plan transfers and expenditures for Fire Facility
CO40PK99	598035	PK196	-	26,611	26,611	26,611	(26,611)	-	-	-	-	Improvements: Fire Administration move to City Administration Building, 1200 Locust Street; Fire Station 3 replacement; Fire Station 12
CO40PK99	598035	PK195	-	158,248	158,248	-	-	-	-	-	-	Transfer seized funds for Police Station building project
CO34PK99	542010	BL140	-	-	-	-	-	-	6,550,000	(550,000)	6,000,000	Transfer from seized funds for Police Station building project
CO34PK99	498035	BL140	-	-	-	-	-	-	10,600,000	(4,600,000)	6,000,000	Transfer to Skywalk System for change order to Skywalk System project for Police Station project expense
CO34PK99	598035	BL063	-	-	-	-	-	-	12,160,000	(4,600,000)	7,560,000	Transfer from Police Facility Improvements projects for change order to Skywalk System project for Police Station project expense
CO34PK99	542010	BL141	-	-	-	-	-	-	20,841,351	(671,351)	20,170,000	Increase in expense for change order for Police Station project expense
CO34PK99	498035	BL141	-	-	-	-	-	-	7,550,000	1,000,000	8,550,000	Correct annual budget amounts to match LOSST allocation
PD226000	598250		-	21,000	21,000	-	-	-	-	-	-	Correction of Other revenue
CO34PD99	498220	BL062	-	21,000	21,000	-	-	-	-	-	-	Correction of expenses to offset Other revenue correction
CO34PD99	598250	BL062	-	21,000	21,000	-	-	-	-	-	-	Update for 2025A GO Bond premiums
CO38EG99	498250	SW094	-	21,000	21,000	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO38EG99	543055	SW094	2,892,133	21,000	2,913,133	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO40PK99	528005	MS026	-	-	-	1,000,000	(500,000)	500,000	-	500,000	500,000	Reallocate 2025A GO Bond allocation
CO38EG99	482500	ST282	3,500,000	(1,750,000)	1,750,000	-	-	-	-	-	-	Update for 2025B GO Bond premiums
CO38EG99	543060	ST282	18,986,895	(1,750,000)	17,236,895	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO34PD99	498280	BL062	75,000	160,000	235,000	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO34PD99	542010	BL062	1,058,162	160,000	1,218,162	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO42BL99	498280	LB046	870,000	25,000	895,000	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO42BL99	531025	LB046	1,531,533	25,000	1,556,533	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO38EG99	498280	ST287	500,000	500,000	1,000,000	500,000	(500,000)	-	-	-	-	Update for 2025B GO Bond premiums
CO34PK99	498285	BL138	865,000	2,660	867,660	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
CO34PK99	542010	BL138	2,230,900	2,660	2,233,560	-	-	-	-	-	-	Update budgeted expenditures for additional bond premiums
NS414000	498280	LT204	-	-	-	5,000,000	(2,000,000)	3,000,000	-	-	-	Correction to LOSST allocation to LT204 Property Improvement
EG062080	598250		450,000	30,000	480,000	450,000	-	450,000	-	-	-	Correction for transfer to capital project ST260
ND410752	450080		-	-	-	-	24,256	24,256	-	-	-	Record expected utility excise tax for Downtown SSMID
ND410752	528005		-	-	-	2,277,886	24,256	2,302,142	-	-	-	Update contributions based in increased revenue for expected utility excise tax
ND405643	529510		-	-	-	1,750,000	(450,000)	1,300,000	-	-	-	Adjusted contingency to offset other general fund corrections
ND405643	598220		-	-	-	3,860,000	(1,360,000)	2,500,000	-	-	-	Correct transfer amount to severance fund
ND400596	598280		-	-	-	56,216,000	(500,000)	55,716,000	-	-	-	Correct transfer of bond proceeds to CIP projects