

FY 2027 BUDGET DEVELOPMENT

CITY OF HAILEY



Budget Development timeline



At-a-glance

**MAYOR'S
STATE OF
THE CITY
REPORT**

**DRAFT
BUDGETS
SUBMITTED**

**PRESENTATION
OF MAYOR'S
BUDGET**

**ADOPTION
OF
TENTATIVE
BUDGET**

**APPROPRIATION
ORDINANCE**

**COUNCIL'S
GOAL
SETTING
RETREAT**



**MAYOR
FINALIZES
BUDGET
PROPOSAL**



**EXTRA
MEETING, IF
NECESSARY**



Public Hearing, 1st
Reading, Adoption
of Appropriation
Ordinance (2nd
Reading) &
Property Tax Form



2nd & 3rd Readings
of Appropriation
Ordinance



APRIL

13 & 27

MAY

21, 25-29

JUNE

8 & 22

JULY & AUGUST

27 10 & 24

SEPTEMBER

14

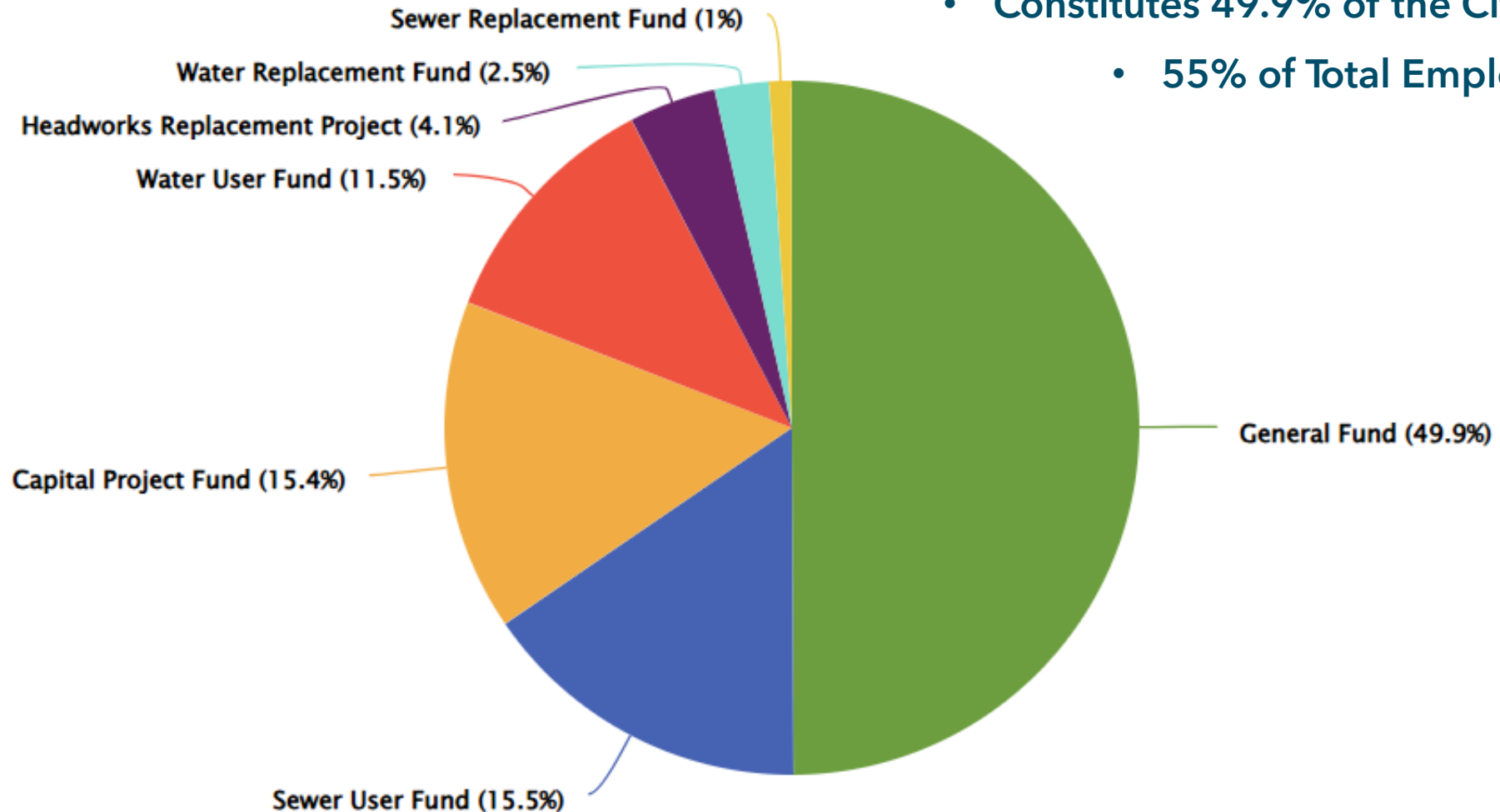
BUDGET GOALS & FOCUS AREAS



- **Align Dependable Base Revenue with Base Expenses**
 - Revenues that can offset personnel expenses, standard operating items
- **Use One-time Revenue for One-time Expenses**
- **Limit budget growth where and when possible**
 - Negotiate contracts carefully, balance between full-time staff and contract labor, in-house project management/project execution
- **Continued Focus on Deficit Funding Needs**
 - Capital improvement and housing

GENERAL FUND

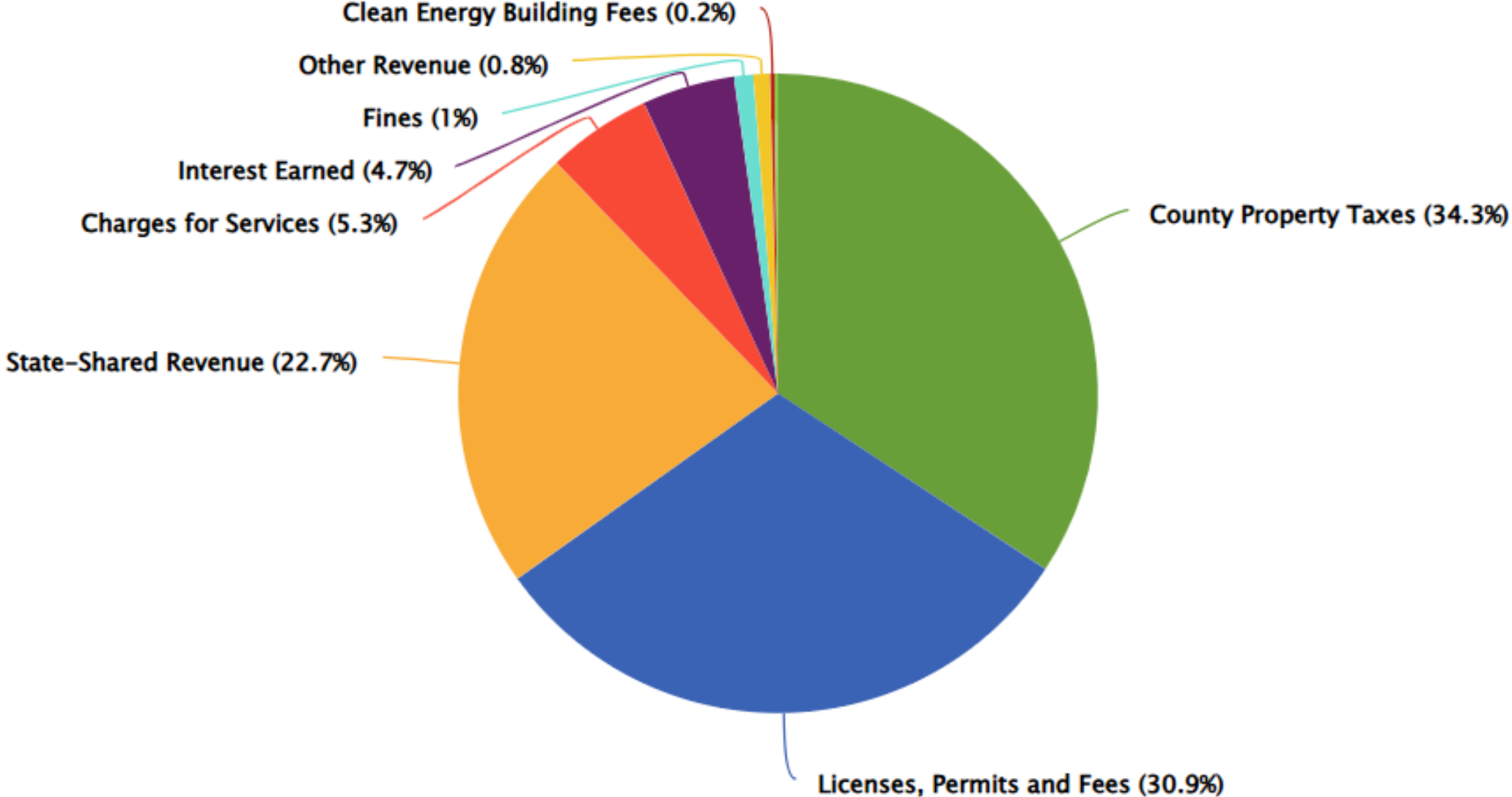
- Only fund that receives Property Tax
- Local Option Taxes are included in General Fund
- Constitutes 49.9% of the City's budget
 - 55% of Total Employee Count



GENERAL FUND REVENUE



GENERAL FUND REVENUES BY CATEGORY



GENERAL FUND REVENUE PROJECTIONS

| CITY OF HAILEY | FY 2025 Actual | FY 2026 Adopted Budget | Proposed FY 2027 |
|--|-------------------|---------------------------|---------------------|
| Property taxes | 3,336,031 | 3,372,383 | 3,473,554 |
| Local Option sales taxes | 1,071,700 | 1,409,715 | * |
| Franchises, licenses, permits | 1,550,769 | 1,607,519 | * |
| State of Idaho shared revenue | 1,068,166 | 1,063,440 | 1,113,410 |
| State of Idaho liquor receipts | 290,304 | 315,005 | 276,385 |
| State highway user collections | 796,181 | 800,000 | 616,397 |
| Penalty and interest on property taxes | 11,012 | 14,645 | * |
| County court fines | 96,187 | 96,180 | 96,180 |
| Fees, fines and charges for services | 383,527 | 538,016 | * |
| Grants | 83,317 | 51,600 | * |
| Contributions/Donations | 39,608 | 18,000 | 18,000 |
| Property Sales | 59,102 | 5,000 | * |
| Earnings on investments | 398,479 | 460,000 | 460,000 |
| Refunds and Reimbursements | 79,329 | 83,510 | 88,384 |
| Miscellaneous | 6,477 | 9,777 | 10,348 |
| Total Revenue | 9,270,189 | 9,844,790 | 6,152,658 |

* Under development

MYTHS ABOUT PROPERTY TAXES

Higher Property Values Mean Higher Taxes

- **Reality:** Property taxes do not necessarily increase just because your home's assessed value goes up. Idaho uses a "levy-based" system, not a value-based system
- The tax burden depends on the home's value RELATIVE to the average of all other properties in the district. If the home value increases by 10% but the average home value in the area rises by 30%, the share of the total tax burden (tax bill) may actually decrease

The City Sets the Levy Rate

- **Reality:** Cities, schools, and fire districts set their total dollar budget, not the levy rate. The county clerk then calculates the levy rate based on the total assessed value of ALL property within the district to ensure they only collect that budgeted amount.

(City of Idaho Falls (2020-2021), *Property Tax Overview*, <https://www.idahofallsidaho.gov/DocumentCenter/View/11244/Property-Tax-Overview-72020-PDF>)

High Taxes are Solely the Result of City Council Actions

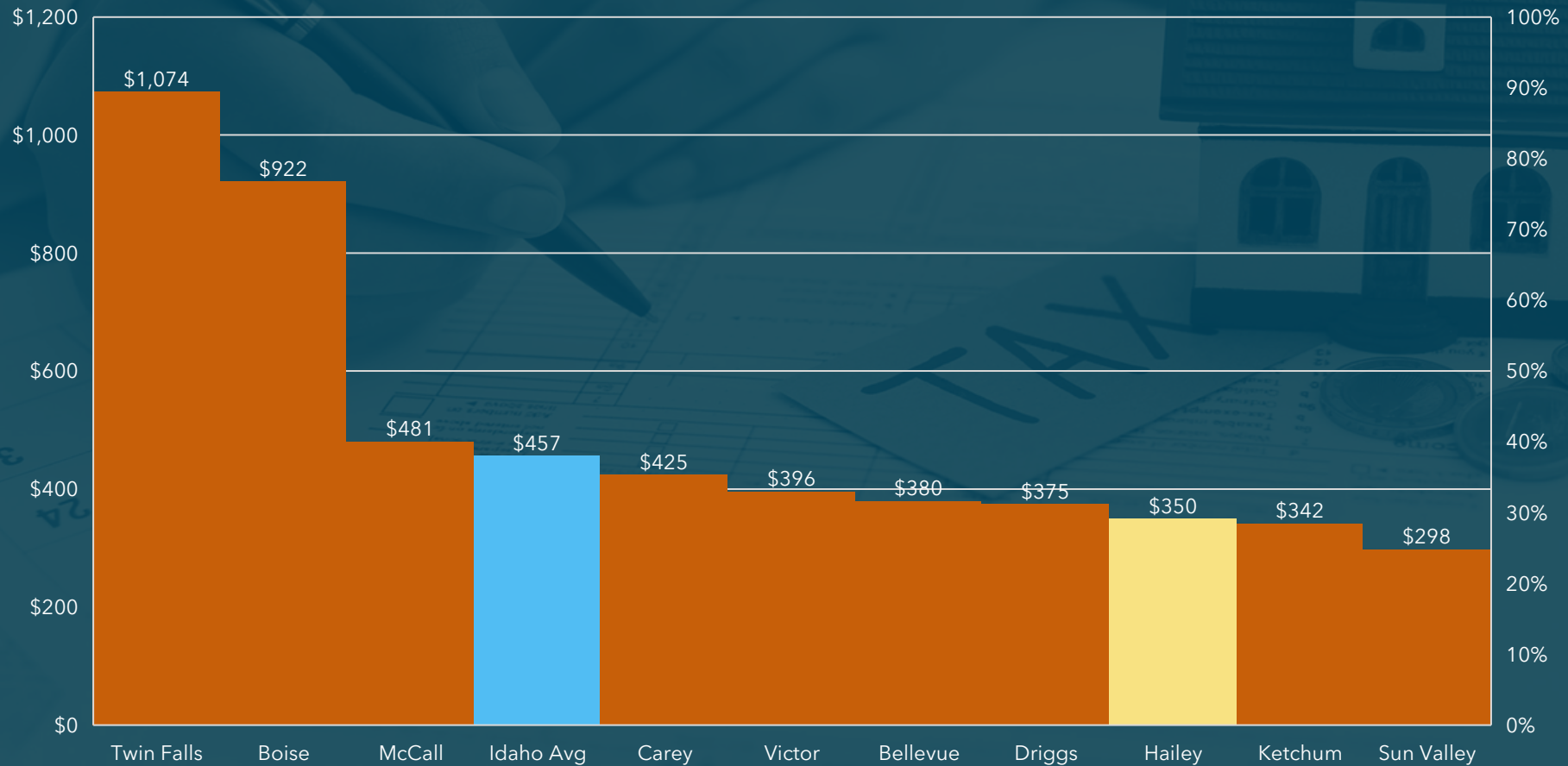
- **Reality:** The Property Tax bill is a composite of levies from multiple districts including county, school district, city, fire district, mosquito abatement and library districts. Cities are rarely the only factor.

(Moseley-Morris, Kelcie (2020, December 28). *Explain this to me: Inside Idaho's complicated property tax system*. Boise dev. <https://boisedev.com/news/2020/12/28/idaho-property-taxes/>)

PROPERTY TAX COMPARISONS

FY 2026

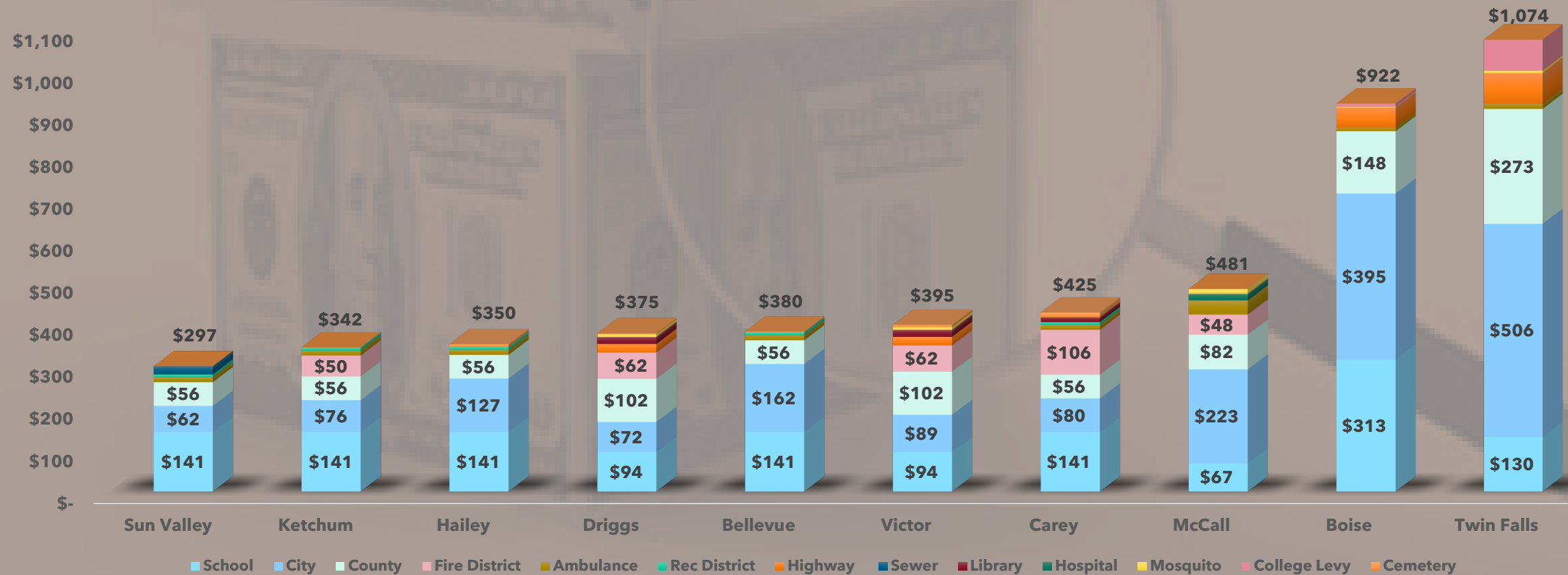
Property Tax per \$100K



(Davis, Brent. (2026, March 12) FY2027 Budget Development/Strategic Sessions Presentation, City of Ketchum Council Meeting, <https://mccmeetings.blob.core.usgovcloudapi.net/ketchid-pubu/MEET-Agenda-a10c368d1ab14ce1b97d5f11db37f862.pdf>)

PROPERTY TAX COMPARISONS

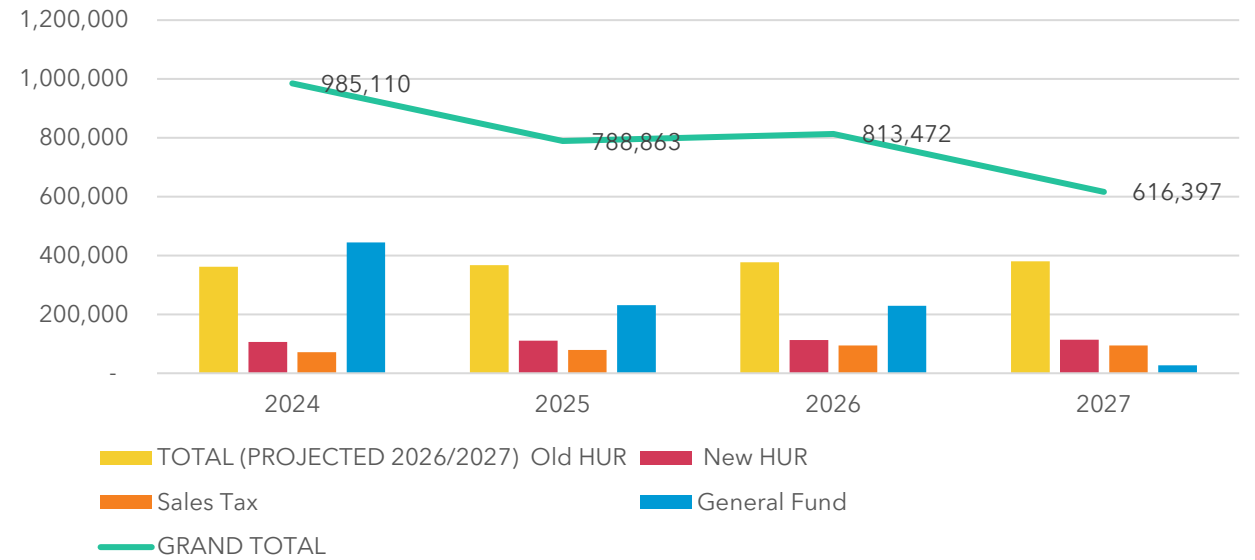
Taxes Per 100k FY 2026



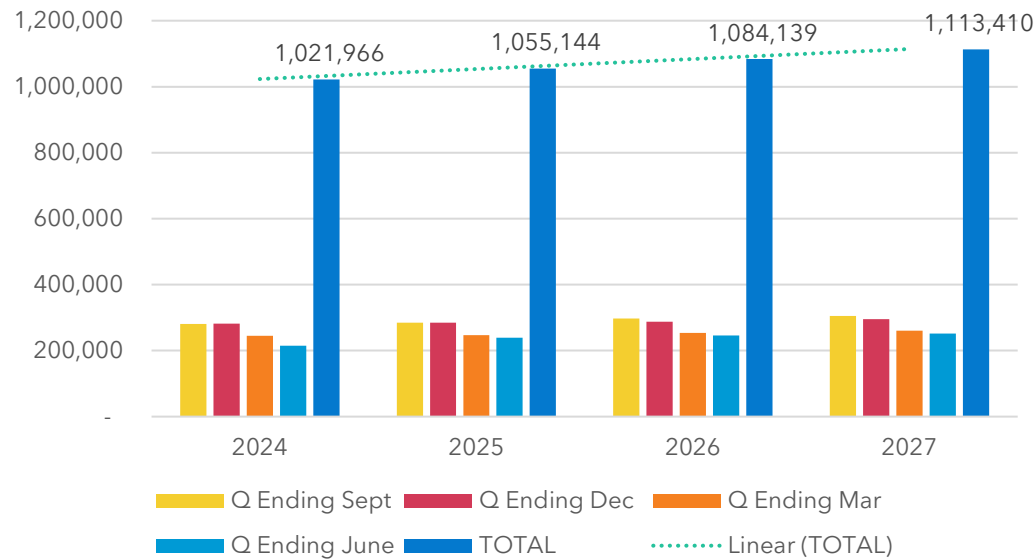
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STATE REVENUE SOURCE PROJECTIONS & TRENDS

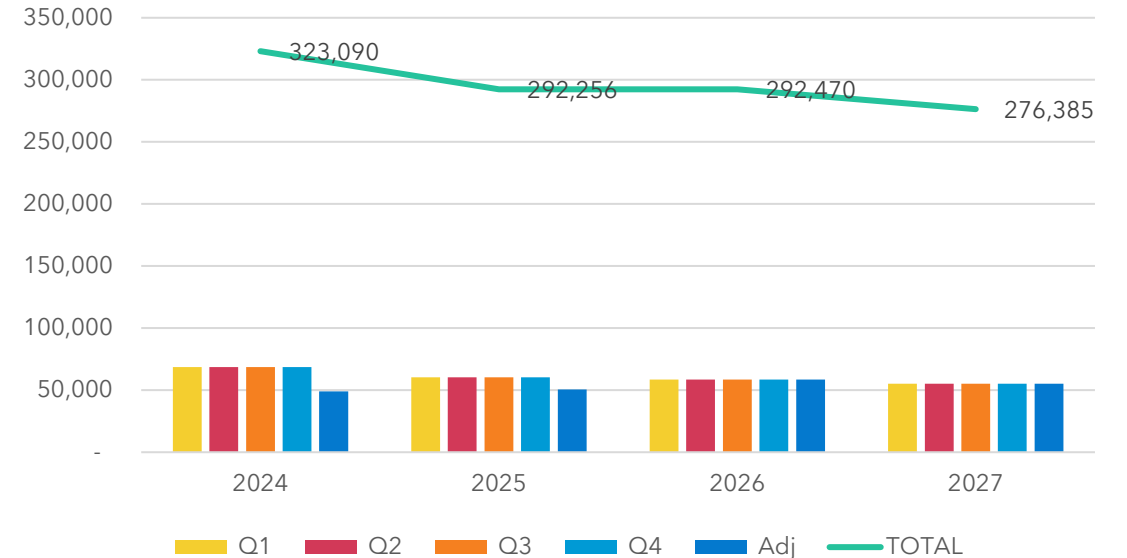
Transportation Funding



Sales Tax Revenue Sharing

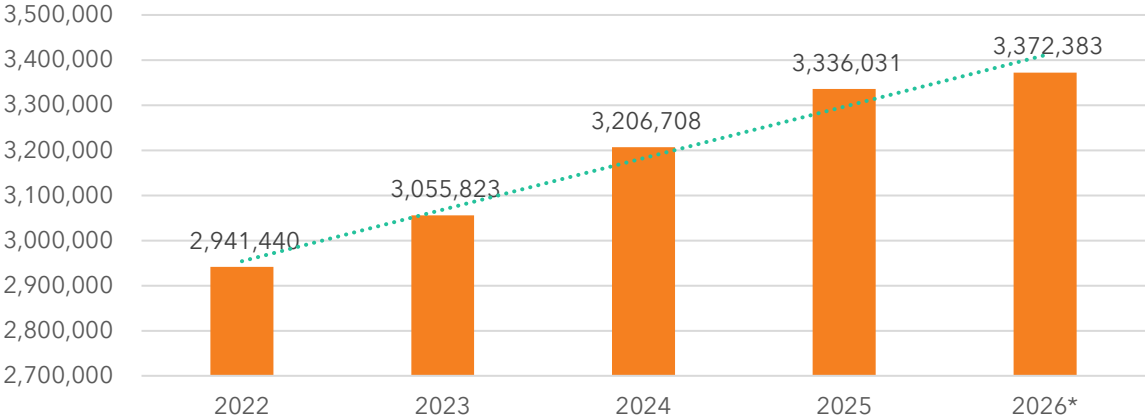


State Liquor Account



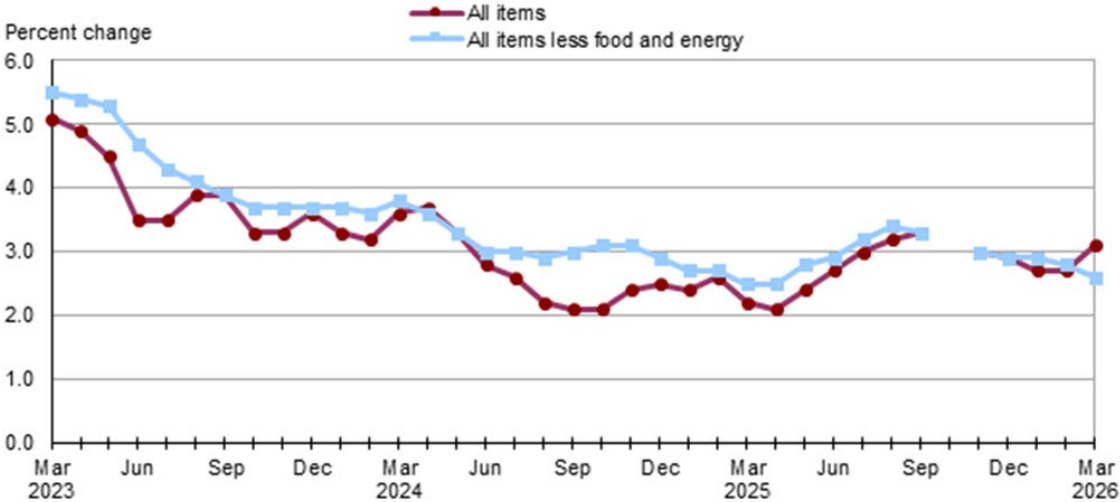
PROPERTY TAX REVENUE HISTORY

CITY OF HAILEY Property Tax Revenue



* FY2026 Budgeted Amount

Chart 1. Over-the-year percent change in CPI-U, West region, March 2023–March 2026

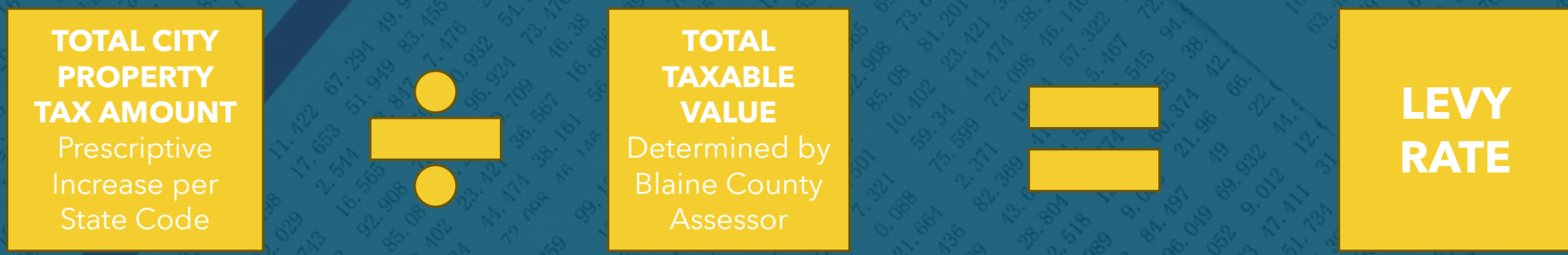


Note: The October 2025 data values are not available due to the 2025 lapse in appropriations.
Source: U.S. Bureau of Labor Statistics.

- The Consumer Price Index for all Urban Consumers (CPI-U) in the West region advanced 0.9% in March. Food prices advanced 2.6% and energy prices rose 11.7%.
- As of April 10, 2026, the over-the year percent change in CPI-U for all items was 3.1% and for all items less food and energy was 2.6%.

LEVY RATE

- Idaho State Code allows property taxes to increase 3% per year, plus the growth formula
- The allowable increase is less than the current rate of inflation (3.1%)
- The levy constitutes approximately 34.26% of total General Fund revenue
- If base tax increase is taken, the approximate increase will be \$101K (or approximately \$3.81/\$100K taxable value)
- The City also has \$49,274 available in Forgone Tax



(Davis, Brent. (2026, March 12) FY2027 Budget Development/Strategic Sessions Presentation, City of Ketchum Council Meeting, <https://mccmeetings.blob.core.usgovcloudapi.net/ketchid-pubu/MEET-Agenda-a10c368d1ab14ce1b97d5f11db37f862.pdf>)

Next Steps: June 8 Budget Presentation



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