CITY OF WILLISTON ADMINISTRATION

To: Honorable Mayor and City Commission

From: Shawn Wenko, City Administrator

Date: July 28, 2026

Subject: Report of Departments - Administration

/ . A1 City of Williston Fiscal Year 2027 Preliminary Budget

Administration respectfully submits the Fiscal Year 2027 Preliminary Budget for consideration by the City Commission and requests authorization to publish the budget and establish the public hearing schedule as required under the North Dakota Century Code.

The preliminary budget represents the starting point of the City's annual financial planning process. It provides the Commission with an initial look at projected revenues, expenditures, staffing requests, capital improvements, and operational priorities before the formal budget hearings begin.

Unlike prior years, however, the FY2027 budget presents a unique circumstance.

Following the June municipal election, the City welcomed three newly elected Commissioners. Under a normal budget cycle, Administration and the Commission would have already spent several months discussing priorities, reviewing departmental requests, identifying reductions, and refining expenditures before presentation of the preliminary budget. Because of the timing of the election and transition of the governing body, that process was not possible this year.

Rather than making policy decisions on behalf of a newly elected Commission, Administration believes it is more appropriate to present a preliminary budget that substantially reflects departmental requests and allows the Commission to establish priorities through the public budget hearing process.

Accordingly, this document should be viewed as a starting point for discussion, not the final financial plan.

PRELIMINARY BUDGET OVERVIEW

Based upon current estimates, the preliminary FY2027 budget reflects the following:

Budget Summary	Amount
Projected Revenues	$199,738,276.00
Projected Expenditures	$222,413,060.00
Projected Preliminary Deficit	$22,674,784

These figures remain preliminary and will continue to evolve throughout the budget hearing process.

The expenditure generally reflects all departmental requests submitted during Administration's individual budget meetings over the past several months. Likewise, the revenue estimates represent Administration's best-case, yet reasonably supportable, assumptions based upon current economic trends, projected revenues, and year-to-date financial performance.

Administration intentionally chose this approach because reductions can always be made during budget hearings. Conversely, opportunities cannot easily be added after the preliminary budget has been adopted.

WHY THIS YEAR'S PRELIMINARY BUDGET IS DIFFERENT

Administration believes it is important for both the Commission and the public to understand that the preliminary budget intentionally includes optimistic revenue projections while also incorporating virtually all departmental requests. This approach allows the newly elected Commission to fully participate in establishing priorities rather than inheriting a budget that has already been significantly reduced by Administration.

The projected deficit should therefore **not** be interpreted as the City's anticipated year-end financial position or final adopted budget. Instead, it represents the beginning of the public budgeting process.

Throughout August, the Commission will determine:

- Department priorities
- Staffing requests
- Capital improvements
- Infrastructure investments

- Revenue assumptions
- Fee adjustments
- Reserve utilization
- Long-term financial strategies

Those decisions will ultimately shape the final FY2027 budget presented for adoption in September.

REVENUE PROJECTIONS

Administration and Finance have continued to refine revenue assumptions using current-year performance and updated economic information. Revenue projections remain subject to change as additional 2026 financial information becomes available.

Revenue Source	Preliminary Projection
City Sales Tax	$12,000,000.00
Gross Production Tax	$28,000,000.00
State Shared Revenue	$2,825,000.00
Public Safety Sales Tax	$13,500,000.00
Property Tax	$5,450,000.00
Hospitality Tax	$1,500,000.00
Occupancy Tax	$600,000.00
Water Revenue	$6,195,000.00
Sewer Revenue	$3,150,000.00
Refuse Fees	$3,500,000.00
Landfill Fees	$2,805,000.00
Cemetery Levy	$400,000.00
Oil Royalties	$650,000.00

Administration anticipates utilizing 2026 Budget-to-Actual information extensively throughout the August hearings to validate these assumptions and adjust where appropriate.

PERSONNEL AND BENEFITS

The preliminary budget includes staffing requests identified by departments during Administration's budget meetings earlier this year. Those requests currently include an Assistant City Administrator, a part-time Communications Specialist, an Assistant Planner, a Police Records Specialist, a School Resource Officer, a Light Equipment Operator, a Diesel Mechanic, an Assistant City Engineer, three Fire Lieutenant positions (including two previously authorized but unfunded positions), five Firefighter/EMT positions, and funding for a future Fleet Management position pending additional organizational review.

Department	Requested Positions
Administration	Assistant City Administrator
Communications	Part-Time Communications Specialist
Planning & Zoning	Assistant Planner
Police	Police Records Specialist; School Resource Officer
Public Works	Light Equipment Operator; Diesel Mechanic
Engineering	Assistant City Engineer
Fire	Three Lieutenants; Five Firefighter/EMTs
Citywide	Fleet Management Position (under review)

The preliminary budget also reflects anticipated personnel cost increases, including a projected 15% health insurance increase, retirement obligations, pension contributions, and implementation of the proposed Longevity Bonus Program at an estimated annual cost of approximately $249,307. Human Resources has also prepared several optional benefit scenarios—including employer-paid dental, vision, and retirement contribution enhancements, which are not included in the preliminary budget but may be discussed during the budget hearings.

PUBLIC SAFETY

Public Safety continues to represent one of the City's largest operational investments.

Earlier this year Administration conducted multiple meetings with Police and Fire leadership, focused on staffing, fleet, facilities, apparatus, training, equipment, and long-term operational planning. The requests included in the preliminary budget generally reflect what Administration previously identified as the mid-level funding scenario sent to finance and the portfolio commissioner, balancing operational improvements with fiscal responsibility while recognizing the City's financial limitations.

Major policy discussions anticipated during the budget hearings include police staffing, Records Division workload, the School Resource Officer program, Fire staffing, ambulance replacement, ladder truck funding, fleet replacement, public safety facility planning, and long-term training investments.

INFRASTRUCTURE

Infrastructure remains one of the City's highest priorities.

Administration, Engineering, and Public Works have continued refining the 2027 Capital Improvement Program while evaluating available revenues, reserves, grant opportunities, and debt capacity. Current discussions include major street reconstruction projects, lead service line replacement, pavement preservation, utility infrastructure, engineering studies, and continued implementation of the City's long-term Capital Improvement Program. These priorities will continue to be refined throughout the budget hearings as funding capacity is evaluated.

PUBLIC BUDGET HEARING SCHEDULE

Administration has been working with departments to set the following public hearing schedule for review of the Fiscal Year 2027 budget. These will be open to the public.

- August 24, 2026
- August 27, 2026
- August 28, 2026

These meetings, open to the public, will provide the Commission, Administration, and staff the opportunity to review departmental budgets, discuss priorities, evaluate expenditures, and provide public input before final adoption.

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22 East Broadway
Mailing Address: PO Box 1306 Williston, ND 58802

The hearing schedule will be advertised, posted on the City's website, displayed on the public calendar in City Hall, discussed during the Commission meeting, and reflected within the official meeting minutes.

FINAL BUDGET ADOPTION

Pursuant to North Dakota law, the City must submit its final budget by October 10, 2026. Because the Commission's first regularly scheduled October meeting occurs on October 13, final budget adoption will need to occur at either the September 8 or September 22, 2026 Commission meeting unless a special meeting is scheduled. Administration currently recommends Commission budget hearings be set for these two dates.

CONCLUSION

The FY2027 Preliminary Budget represents the beginning—not the conclusion—of the City's annual budget process.

Administration recognizes the preliminary budget currently reflects a projected deficit. However, it is important to emphasize that this is **not** the final financial plan that will ultimately be adopted by the Commission. Rather, this document intentionally presents a comprehensive picture of departmental needs, staffing requests, capital improvements, and projected revenues so the newly elected Commission can fully participate in establishing priorities through an open and transparent public process.

Over the coming weeks, Administration, Finance, Human Resources, Department Directors, and the City Commission will work collaboratively to refine revenue assumptions, evaluate expenditures, prioritize investments, and ultimately adopt a balanced and fiscally responsible budget that reflects both the Commission's priorities and the needs of the Williston community.

Administration respectfully recommends approval of the Fiscal Year 2027 Preliminary Budget and that the proposed public budget hearing schedule be set for Sept 8 and 22, 2026 for final adoption.

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CITY OF WILLISTON

2027 PRELIMINARY BUDGET DASHBOARD

Fund	FY27 Revenues	FY27 Expenses	FY27 Projected Surplus/Deficit
GENERAL FUND - 100	$ 48,379,959.00	$ 48,377,594.00	$ 2,365.00
MUNICIPAL HIGHWAY FUND - 201	$ 2,190,117.00	$ 23,451,432.00	$ (21,261,315.00)
CEMETERY - 208	$ 400,000.00	$ 375,799.00	$ 24,201.00
AMBULANCE - 209	$ 3,538,614.00	$ 4,356,187.00	$ (817,573.00)
JOBS CREATION FUND - 212	$ 3,075,000.00	$ 3,000,000.00	$ 75,000.00
PARKING AUTHORITY - 213	$ 1,300.00	$ 2,500.00	$ (1,200.00)
VISITOR'S PROMOTION FUND - 214	$ 925,000.00	$ 1,037,165.00	$ (112,165.00)
WILLISTON COMMUNITY LIBRARY - 215	$ 1,353,844.00	$ 1,353,844.00	$ -
MOSQUITO - 218	$ 746,000.00	$ 743,350.00	$ 2,650.00
OLD ARMORY - 219	$ -	$ 27,563.00	$ (27,563.00)
SALES TAX FUND - 220	$ 21,250,000.00	$ 12,000,000.00	$ 9,250,000.00
AIRPORT - 221	$ 15,425,872.00	$ 18,828,789.00	$ (3,402,917.00)
R.C. PERPETUAL CARE FUND - 228	$ 16,200.00	$ -	$ 16,200.00
CEAD - 230	$ 10,500.00	$ -	$ 10,500.00
PASSENGER FACILITY CHARGES - 240	$ 337,000.00	$ 300,000.00	$ 37,000.00
CUSTOMER FACILITY CHARGES - 241	$ 252,500.00	$ 290,000.00	$ (37,500.00)
PUBLIC SAFETY SALES TAX FUND - 242	$ 13,550,000.00	$ 13,500,000.00	$ 50,000.00
GROSS PRODUCTION TAX - OIL & GAS - 243	$ 28,200,000.00	$ 33,182,476.00	$ (4,982,476.00)
AIRPORT OIL ROYALTY - 245	$ 575,000.00	$ -	$ 575,000.00
WILLIAMS COUNTY VISITOR PROMOTION - 247	$ 146,200.00	$ 145,200.00	$ 1,000.00
REST/LODGING TAX - VISITOR PROMO CAP CONST - 249	$ 2,375,000.00	$ 4,100,000.00	$ (1,725,000.00)
GF OIL ROYALTY - 250	$ 370,000.00	$ -	$ 370,000.00
AIR AMBULANCE - 254	$ 2,888,989.00	$ 1,591,989.00	$ 1,297,000.00
Quality of Life - 255	$ 1,510,000.00	$ 1,500,000.00	$ 10,000.00
HUB CITY DEBT RELIEF - 256	$ 7,310,000.00	$ 7,300,000.00	$ 10,000.00
SIDEWALK FUND - 301	$ 40,000.00	$ -	$ 40,000.00
2011 B TAX ANTICIPATION BOND - 318	$ 130,000.00	$ -	$ 130,000.00
2014-A REFUNDING 4,490,000 - 324	$ 288,000.00	$ 278,750.00	$ 9,250.00
2014-B REFUNDING 15,075,000 - 327	$ 1,300,000.00	$ 942,005.00	$ 357,995.00
2015 REFUNDING $9,645,000 - 330	$ 475,000.00	$ 632,631.00	$ (157,631.00)
2016 REFUNDING IMPROVEMENT BONDS $20,185,000 - 331	$ 1,000,000.00	$ 1,366,600.00	$ (366,600.00)
2017 REFUNDING IMPROVEMENT BOND $2,280,000 - 334	$ 200,000.00	$ 142,513.00	$ 57,487.00
2019 REFUNDING IMPROVEMENT BOND - 337	$ 65,000.00	$ 83,203.00	$ (18,203.00)
2021A REFUNDING BOND - 341	$ 665,000.00	$ 489,775.00	$ 175,225.00
2020A USDA LOAN ($95M NAT'L) - 343	$ 4,624,300.00	$ 3,876,500.00	$ 747,800.00
2020B USDA LOAN ($19M) - 345	$ 1,251,518.00	$ 1,136,380.00	$ 115,138.00
202X REFUNDING BOND - 346	$ 2,000.00	$ 100,860.00	$ (98,860.00)
2022 CST AIRPORT REFUNDING BOND - 348	$ 2,739,563.00	$ 2,699,563.00	$ 40,000.00
2022 CERTIFICATE OF PARTICIPATION PW COMPLEX - 349	$ 2,681,595.00	$ 2,631,595.00	$ 50,000.00
2025 REFUNDING IMPROVEMENT BOND - 350	$ 30,700.00	$ -	$ 30,700.00
WATER - 501	$ 12,092,805.00	$ 12,285,393.00	$ (192,588.00)
SEWER - 502	$ 10,486,000.00	$ 10,152,375.00	$ 333,625.00
REFUSE - 503	$ 3,502,500.00	$ 2,998,804.00	$ 503,696.00
LANDFILL/RECYCLE - 506	$ 2,897,000.00	$ 6,692,225.00	$ (3,795,225.00)
PARK FUND - 703	$ 440,000.00	$ 440,000.00	$ -
LITE-UP HARMON PARK/COYOTE - 750	$ 200.00	$ -	$ 200.00
Totals	**$ 199,738,276.00**	**$ 222,413,060.00**	**$ (22,674,784.00)**