ANDERSON
THE ELECTRIC CITY

Teamwork | Integrity | Professionalism

Proposed Budget Overview
2025-2026

June 1, 2025

Budget Timeline

May 1	June 9	June 23	July 1
Proposed Budget completed	Public Hearing & 1st Reading of Ordinance	2nd Reading of Adopted Budget Ordinance	Budget Year 2026 Begins

Rooted in the City's strategic plan, the budget is guided by our three pillars of performance:

Advance Quality of Life

- Fire Station 4 Staffing and Equipment
- Parks, Trails, & Recreation - Cater's Lake & Linley Park renovations
- Downtown Development and Revitalization

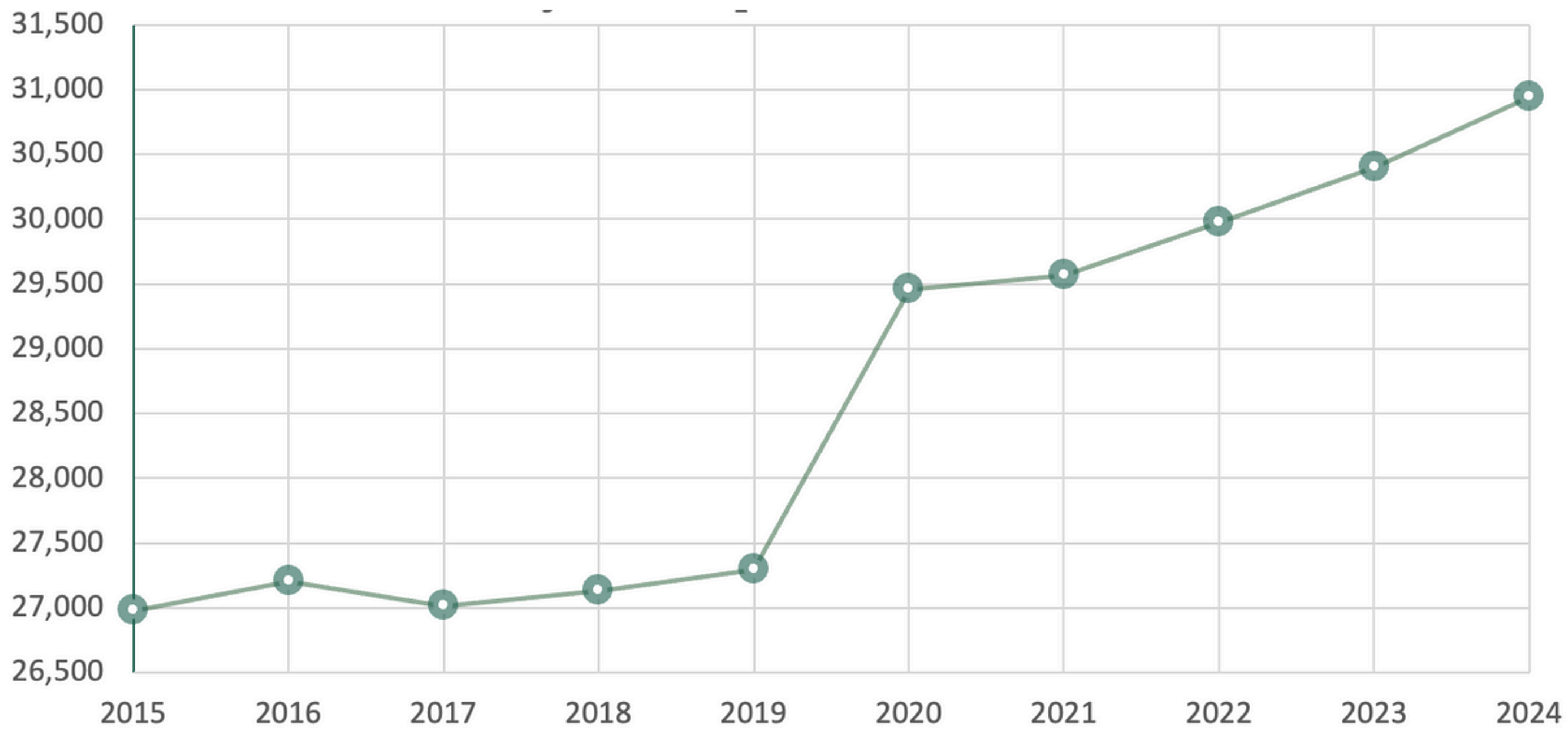
Assure Sustainable Growth

- Unified Development Ordinance
- Streetscapes
- Water and Sewer Capital Improvements

Attract Partners

- Maintain focus on employees
- Provide a rewarding work experience

Population Growth



2024 In Review: Revenue Growth

23% Property Taxes

26% Retail Business License

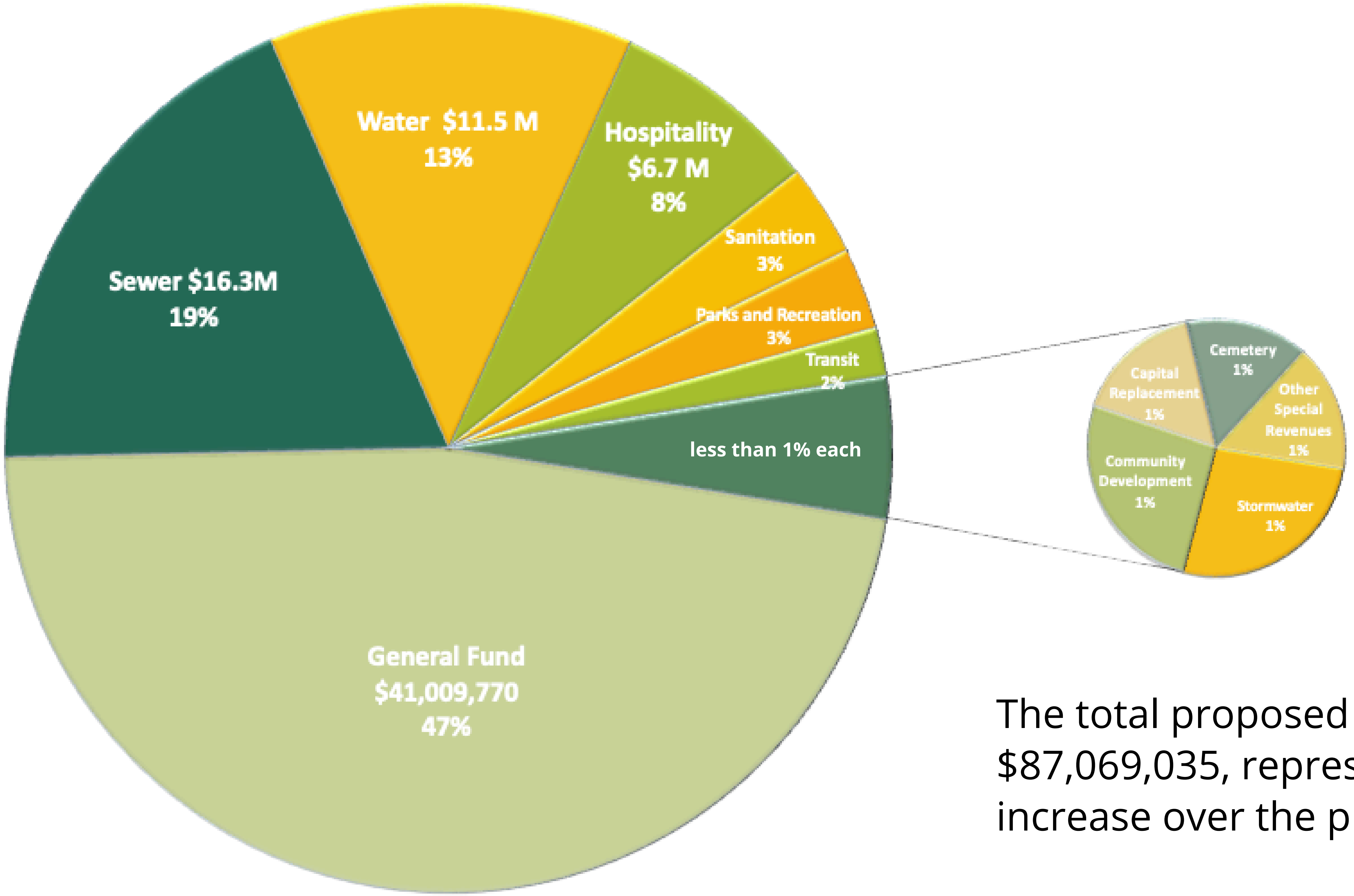
37% Hospitality Fees

93% Accommodations Tax

138% Building Permits

Population Estimate (as of July 1, 2024) - 30,937

FY25/26 Proposed Budget



The total proposed budget across all funds is $87,069,035, representing a modest 2.73% increase over the previous fiscal year.

2025-2026 Budgets by Fund

FY25/26 Proposed Budget Highlights

- No tax increase – millage rate remains at 109.
- Core services will continue at their current levels to meet the needs of residents.
- Projected increases in property tax revenues reflect continued economic growth.
- No increase in employee health insurance premiums, though the City will see a 4.6% increase in its employer contribution starting January 2026.
- Cost of Living Adjustment – A 3.0% COLA will be provided for full-time, permanent employees.
- 50% of the O&M budget is allocated to public safety.
- Contributes to a robust 5-year Capital Improvement Plan.
- 41% of the proposed budget is personnel; 70% of personnel costs are public safety.
- 49% daily operations and essential services.

Revenue Highlights

The City's continued growth drives key increases in General Fund revenues:

Property Taxes:

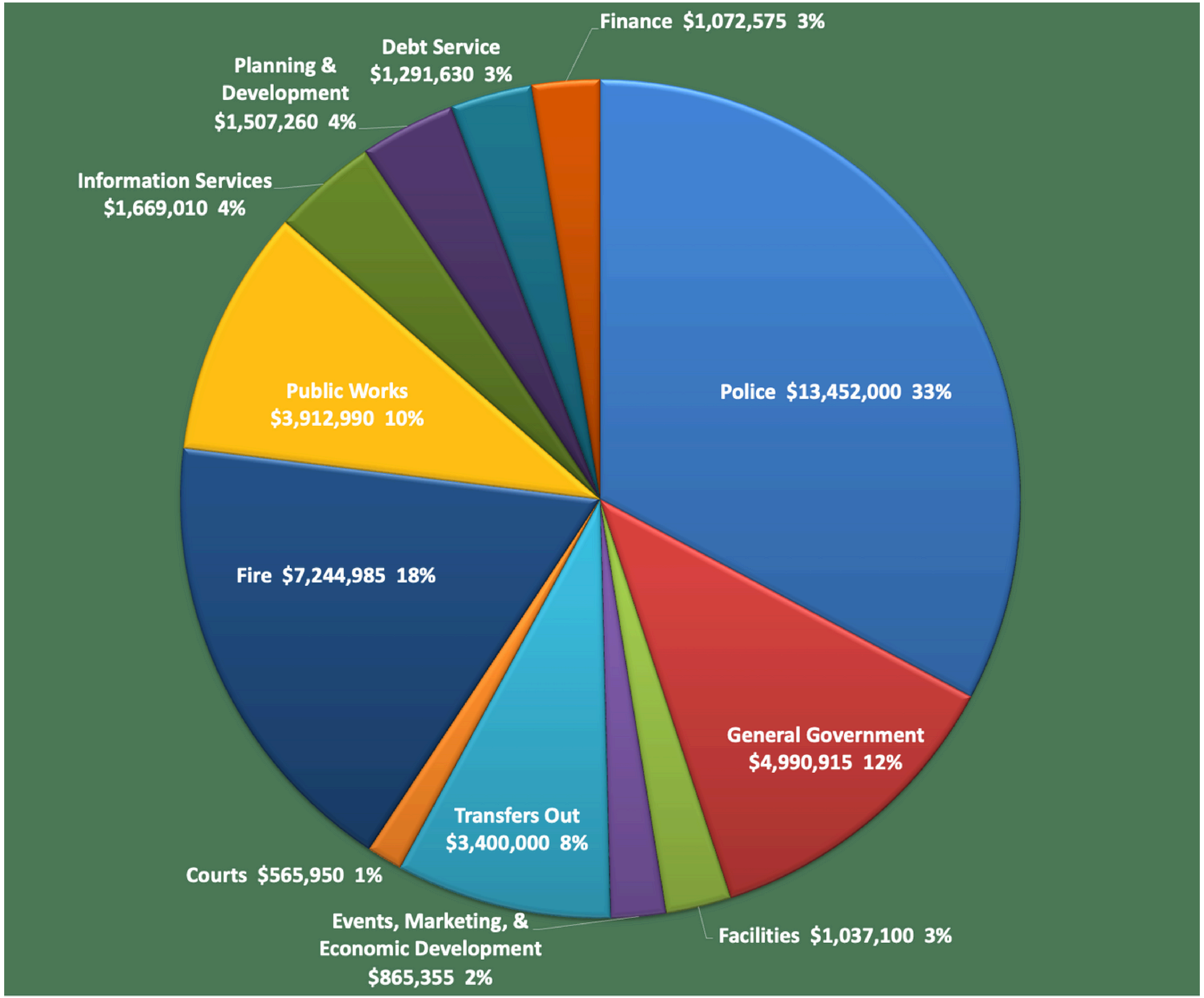
Budgeted property tax revenues are increasing by $571,000, primarily due to annexation of growing residential areas and new commercial developments within City limits.

Business License Revenue:

Projected at $12,380,000, this represents a $530,000 increase over last year, also reflecting the City's ongoing growth.

General Fund Expenditures
by Division

The Proposed General Fund budget for FY 2025–2026 is $41,009,770, reflecting a 6.81% increase over the prior year.



Expenditure Highlights

Employee Investment
Salaries and benefits make up 62% of General Fund expenditures at $25,446,000.

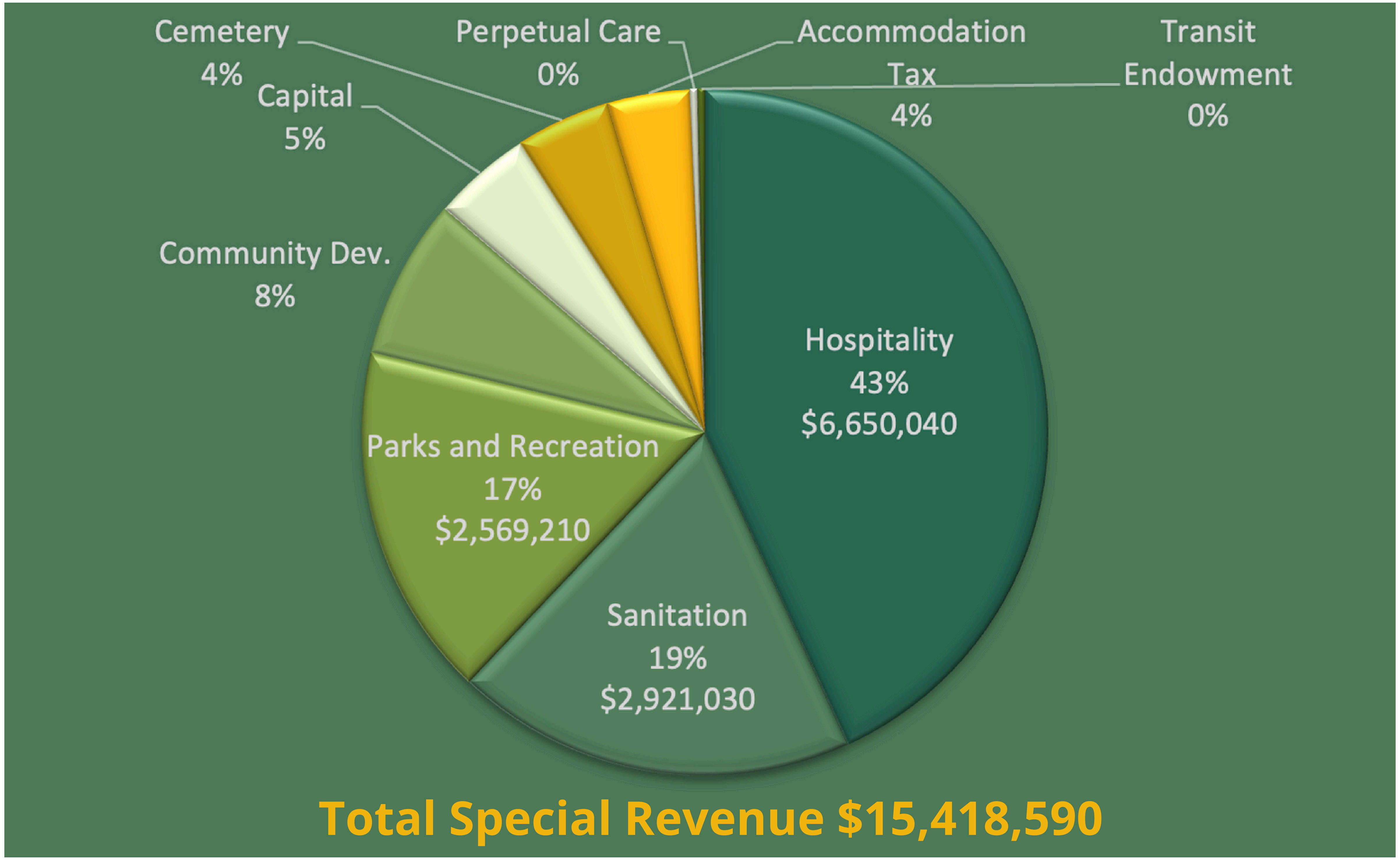
Public Safety

- 6 new Fire Department FTEs
- Community Education Coordinator, focused on opioid crisis response
- Police gunshot detection system
- Annual debt service payments for 2 fire trucks; acquired via 10-year capital lease
- Fire Station flooring upgrades for Stations 1 and 3

Growth Support

- 1 Building Inspector position
- Unified Development Ordinance
- Insurance Premiums increasing
- Cybersecurity Enhancements
- Traffic Calming Initiatives

Special Revenue Funds



Special Revenue Funds are used to account for revenues that are legally restricted to specific purposes.

This practice maintains transparency by tracking income and expenses separately from the general fund.

Hospitality Fee Fund

Funds public facilities and capital projects that enhance quality of life, support tourism, and expand recreational opportunities.

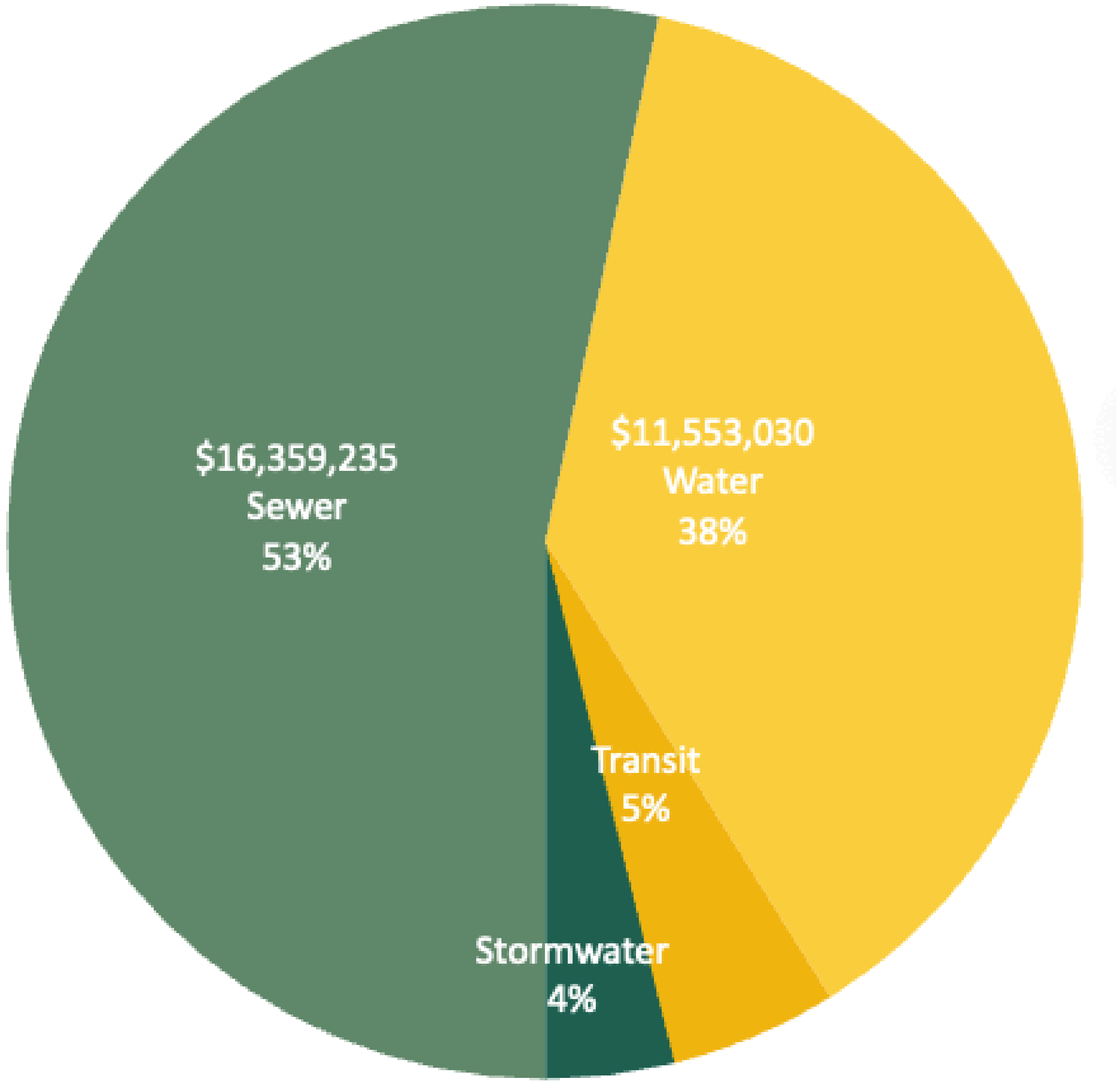
FY 25-26 Projected Hospitality Fee collections: $4,500,000
FY 25-26 Hospitality Fund budget – $6,650,000 includes funding for the following capital projects:

- Main Street Paving Project
- Church Street Pedestrian Plaza
- Design costs for Trail from Recreation Center to Downtown
- Continuation of Cater’s Lake park upgrade (financed with Limited Obligation Bonds)

Enterprise Funds

Enterprise funds account for services provided to the public for a fee, similar to private business operations. Revenues should fully cover the costs of operations, maintenance, and capital improvements. Users pay for their consumption; not the general taxpayer.

Enterprise Funds Total: $30,640,675



Electric City Utilities

No changes to current utility rates.
Capacity fee adjustment to ensure that development pays for infrastructure growth.

Water Fund Budget - $11,553,030

- The Water Fund's largest expense is wholesale water—34% ($3,927,610)—an 8.9% ($197,110) increase from the Anderson Regional Joint Water System.
- Cash funded capital projects are $1,120,000 and include Hydrants and tank maintenance projects.
- Water Lines Replacement Financing via SRF loan - $3,250,000

Sewer Fund Budget - $16,359,235

- The O&M rate charged to the City's sewer partners Anderson County and Homeland Park will rise from $4.56 to $4.97 per 1,000 gallons.
- 21% ($3.3M) of this year's Sewer Fund budget is allocated to I/I abatements, plant repairs ($800K), and a $624K match for a $10M SCIIP Grant for Generostee Creek Plant

Planned Capital Projects

$10.4M
Public Safety

$21.3M
Parks & Trails

$2.3M
Buildings
Streetscape
Infrastructure

$27.6M
Sewer

$17.8M
Water

$3.7M
Stormwater

Project by Fund	Project Cost	Progress 06/01/25
Hospitality Fund		
Cater's Lake	$6,007,473.00	$693,047.62
Linley Park South	$13,416,048.00	$9,917,234.00
Whitner Creek Greenway Phase 3	$350,000.00	
Whitner Creek Greenway Phase 4	$1,500,000.00	$30,000.00
Public Safety		
Fire Station 4	$10,400,000.00	
Stormwater		
Lafayette/White St Stream Bank Stabilization	$374,501.81	$251,898.00
North Street Stormwater Drainage Project	$3,247,874.00	$158,167.00
Stormwater	$100,000.00	
Streetscape / Paving		
Church Street Pedestrian Plaza	$500,000.00	
Main Street Paving (Tribble - Reed St)	$1,500,000.00	$64,250.00
Buildings		
Demolition 406-420 S Main Street	$250,000.00	
Utilities - Sewer		
Generostee Creek Sewer Relief	$12,624,000.00	$1,537,640.76
Collection System Repair	$4,828,500.00	$37,868.00
Rocky River Digester Lid Replacement	$2,190,000.00	$165,232.00
SCADA Upgrades	$102,000.00	$87,409.00
Engineering in Progress	$500,000.00	$17,000.00
C Trane	$270,000.00	
Influent Pump Replacement	$510,000.00	
Influent Pump Bypass	$870,000.00	
Sewer Basin Model Phase 1	$80,000.00	
Non Potable Water System Upgrade	$2,720,000.00	
Concrete Ramp for EQ Basins	$1,000,000.00	
EQ Basin Liner Replacement	$2,000,000.00	
Utilities - Water		
Main Street Waterline Replacement	$2,546,950.00	$375,040.00
Wellington Mills/E. Market St Water Line	$3,250,000.00	$137,125.00
Meter AMI System	$9,000,000.00	
Line Replacement	$2,140,000.00	
Hydrant Replacement	$490,000.00	
HMGP Water Tank Generator	$338,300.00	
	$83,105,646.81	**$13,471,911.38**