

Budget Highlights

Total Budget: \$111,279,400 up \$16,870,900 from the prior years amended budget.

Operating Budget: \$46,948,500. The General Fund has a **\$80,900 Contingency** for unforeseen items.

Street Revenues (including Carry-over): \$14.1 million. Increase (1%) in **highway user funds (fuel taxes)** over the prior year.

Major reconstruction street projects include the following:

LID 54 & 55 Reconstruction **\$3.5 million**

- 1st West - Main to 1st South
- 1st South - 2nd West to Center
- 5th West - Yellowstone to 7th South
- Birch Avenue
- Park Street - Pioneer to Seagull Drive
- 4th West-2nd S to 6th S
- 7th South-US 20 west to Summerfield
- Misc. Seal Coat/Chip Sealing \$250,000

Major new street construction projects include the following:

- 9th E River Crossing at 7th N-DIF, Federal Grant, URA \$5,500,000
- Traffic Signal-7th S/Center-LHTAC Grant \$893,600
- Safe Streets for all-Federal Grant \$240,000
- 2nd East-Safety Improvements Consulting-Federal Grant \$200,000
- Contributed Assets \$500,000

Water/Wastewater Projects:

- New Water Well Building, Booster #10 \$1.1 M & water line ext. \$850,000
- Drill new well #11 on hill \$1 Million
- Sewer Headworks and Plant Upgrade \$3.3 Million (Federal dollars & reserves)
- Replace Gravity Fed Sewer Line & Lift Station NW side of city \$5.9 million

URA (35%) and City (65%) funded projects near 2nd East and Moody Road:

- Extended Water/Sewer Services 2nd E-Sewer Lines to WWTP and Sewer Lift Station \$4.7 million

Property tax revenues \$7,290,000.

An increase of 6 Full-Time positions in Building Maintenance (1), Police (1), Building Inspections (1), Fire (1), and Golf (2).

Utility Rates to increase in sanitation in October 2025. Safety Lighting Fee to be discontinued as well. Average home to decrease .5% overall or approximately \$.62 less per month.

Sanitation to purchase a **new garbage truck** (\$335,000).

Substantial **work on phase I of the New Park on the Teton River** (\$1.6 million).

Airport land acquisition (\$4.3 million)
Tabernacle- **New HVAC** (\$875,000)



2026 Budget in Brief

October 2025 through September 2026

BUDGET PROCESS

Mayor's Recommended Budget

April through May

The Mayor recommends funding levels for employee wage and benefit cost increases to the City Council to base the new budget on, with help from the Chief Financial Officer (CFO) and staff. The Mayor holds budget review meetings for each department. In the department meetings, the Mayor, members of the City Council, the department head, and applicable supervisors discuss and recommend the preliminary budget for each respective department. If necessary, after all departments are reviewed, the Mayor and CFO will meet with department heads individually or collectively in a final review of the General Fund in order to prepare a recommended list of cuts in expenditures so that the total expenditures equal the estimated revenue to be available in that fund.

City Council Budget Review and Development

June through August

The City Council reviews and discusses the Mayor's recommended budget and recommends changes. The City Council then approves the tentative budget and estimated revenues, including recommended utility fee increases, and sets a date and time for the public hearing on the budget and fee increases (if necessary), which are then advertised in the local newspaper. The budget and fee increases are then presented at the hearings and further decreases (not increases) in the budget amounts can be made at that time or until the budget is approved. The fee increases are usually approved at the hearing, but usually are not effective until the beginning of the new fiscal year, which starts October 1.

City Council Budget Adoption

September

The final budget is approved by the City Council upon the third reading and adoption of the Appropriation Ordinance, which must be completed by the first week in September.

THE CITY'S FUNDS

The accounts of the City are organized into funds. A fund is a group of related accounts used to control money that has been designated by the City Council or by State law for specific activities or objectives. About **83 percent of the City's revenue is dedicated for a specific use**. A dedicated fund means, for example, that the City may not raise water bills to pay for Recreation Programs. This also means that, of the City's \$111.28 million budget, most of the flexibility in spending occurs only with the City's \$19.3 million General Fund budget.

EXPENDITURES & REVENUES - CITYWIDE

EXPENSES

Public Works

The Public Works Departments account for **46% (\$51.3 million, most of which is for capital projects) of the total budget**. This budget funds **53 full-time positions**. The main tasks of Public Works include: offering safe transportation by maintaining streets and pathways; offering high-quality drinking water by managing the water and sewer systems in the city; collecting and disposing of garbage and recycling, and overseeing various city construction projects. Public Works includes the Sanitation, Water, Wastewater Treatment and Collections, Building Maintenance, Streets, Shop, Airport, and Engineering Departments.

Administrative Departments

The Administrative Departments account for **7% (\$7.2 million) of the total budget**. This budget funds **28 full-time positions**. The administrative departments include: Mayor & Council (the Council is part-time), Customer Service, Financial Management, Human Resources, Information Technology, Economic Development, Legal, Geographic Information Systems, and Planning and Zoning. Fiber is also included under this category (\$244,600). General fund contingency and other miscellaneous budgeted amounts are also included in this total budget.

Building Safety Department

The Building Safety Department accounts for about **1% (\$1.4 million) of the total budget**. This budget funds **7 full-time positions**. This department services building permits and inspections.

Parks, Recreation, Golf, and Cultural Arts

These Departments account for **9% (\$10.1 million) of the total budget**. This budget funds **14 full-time positions** and includes some budget for construction and remodel of facilities in addition to the budgets that provide for the maintenance and operations of the facilities and programs within these de-

Police, Fire, and Ambulance

The Police, Fire, and Ambulance Departments account for **16% (\$17.5 million) of the total budget**. This budget funds **48 full-time Police officers and staff**, and **31 Fire and Ambulance personnel**. Madison County Ambulance District and Madison County Fire Protection District share in the funding of the Fire and Ambulance services with the City of Rexburg and provide services county wide through a joint venture agreement.

REVENUES

The City relies on many different revenue sources as shown below in the Revenue Graph. We often times will have to save up for capital projects and include that in the budget as a fund balance carryover. **This budget includes over \$14 million in fund balance carryover in all funds, which included \$1.3 million to balance the City General Fund.**

Property tax revenues are certified at **\$7.29 million for the City General Fund**. The current City property tax levy rate is still one of the lowest for most cities in SE Idaho and other similar size cities. A portion of the increase is coming from new construction (\$87,601).

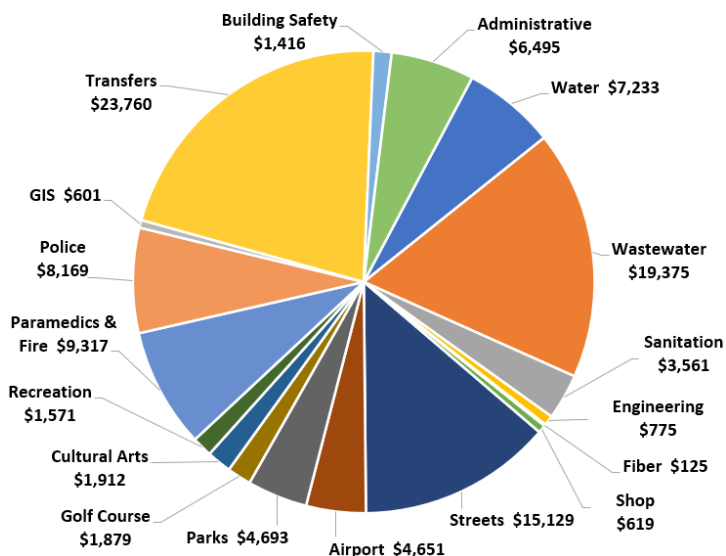
Sales tax increased over the prior year's forecast (\$40,100), which reflects a state forecasted minimal growth in spending and the economy in Fiscal Year 2026 over the prior year.

FUND TRANSFERS & SUBSIDIES

Transfers occur in the budget with an expense or revenue that moves resources from one fund to another. For example, the Wastewater Capital Reserve Fund will transfer money to a construction fund to do a sewer project. Budget Fund Transfers are not a cash increase or decrease overall. **Fund Transfers totaled about 21% (\$23.8 million) of the overall budget. Most general fund transfers are also subsidies for services provided.**

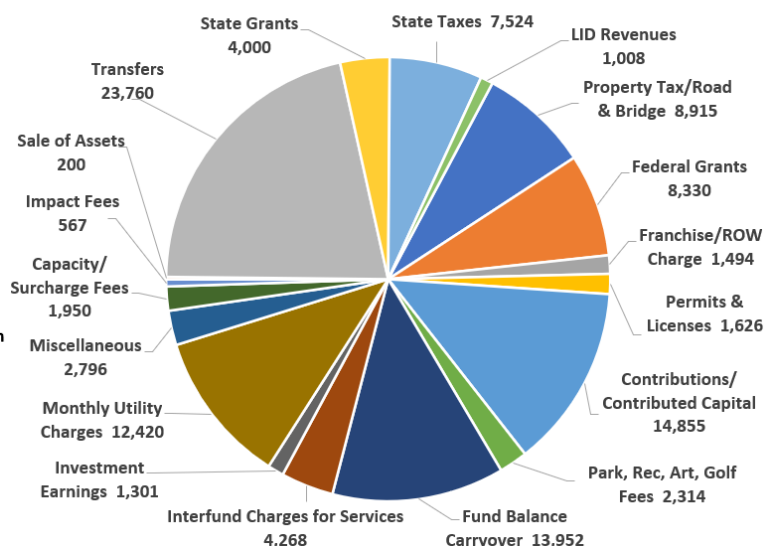
Total Expense Budget

FY 2026 \$111,279,400 (below in thousands)



Total Revenue Budget

FY 2026 \$111,279,400 (below in thousands)

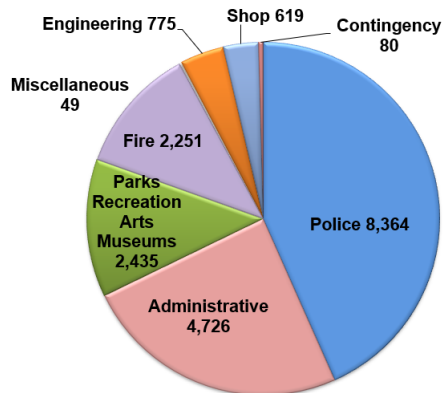


GENERAL FUND

The fund where the City has the most discretion in spending is the General Fund. The major sources of funding include property tax, state shared sales tax, and administrative overhead charges to other funds. The **General Fund Budget is \$19.3 million**, which is about **17%** of the citywide budget. Below is a more detailed look at the General Fund. All revenues are generally very limited, therefore increasing funding on one project or department will usually require reducing funding for others.

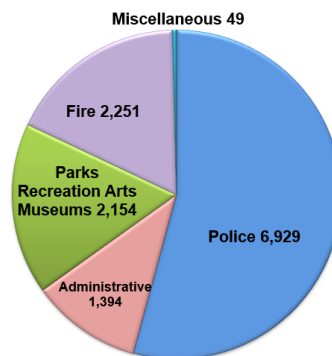
General Fund Expense Budget

FY 2026 \$19,298,700 (below in thousands)



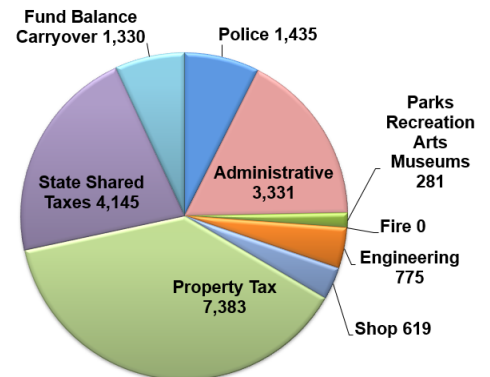
General Fund Tax Subsidy Budget

FY 2026 \$12,776,200 (below in thousands)



General Fund Revenue Budget

FY 2026 \$19,298,700 (below in thousands)



CAPITAL IMPROVEMENT PLAN

Every year, the City reviews a **Capital Improvement Plan** for the next five years. Capital Improvements include any one-time expenditure over \$5,000 in the form of equipment or construction.

Major utility construction projects include **\$3.3 million for the Wastewater Treatment Plant Construction Fund**. Also included is **\$5.9 million for replacement of a gravity fed sewer line and lift station and the addition of a pressure line to provide improved collections and expand capacity for the Northwest side of the city**. The revenues for the sewer line project include a federal grant (over \$3 million), claw back fees to be paid by future development, and contributions (over \$2.8 Million) from other cities that use that infrastructure as well. The City will also partner with the Rexburg Urban Renewal Agency (RURA) to **extend water and sewer services from 2nd East to the West of the road and back to the Treatment Plant with over \$4.7 million of infrastructure** funded at 35% by RURA and 65% by City Reserves. Several other lift station projects are also in the budget.

The **Airport Environmental Assessment** is set to be completed and **land acquisition for \$4.3 million is in the budget**. These projects are funded approximately 90% by the FAA, up to 5% by the State of Idaho, and the rest by the City and the County. The City is setting aside reserve funds to meet their portion of any match needed to **relocate the airport**. The City projects to have **\$1.17 million of reserve set aside** by the end of Fiscal Year 2026.

The budget for **capital improvements at the Tabernacle** includes **a new HVAC system (\$875,000)**, and the city received a **federal grant of \$245,000** for this project. The city will continue to apply for grants and seek to raise contributions to move onto the first phase of a remodel inside the building.

Water plans to complete a **new building extension (\$1.16 million)**, **construct well #10 building and booster (\$1.19 million)**, **construct a new well (\$1 million) along with deepening of another well (\$1.1 million)**. Sanitation plans to purchase an additional **garbage truck (\$335,000)**.

The City plans to **set aside an additional \$300,000 this year in savings for a future municipal building or police station**. An **election** will be held on **November 4th, 2025** for a new **police station facility bond**. Included in the budget is the **purchase of some property in the downtown area** with other community partners for community gatherings and events and a future municipal building.

Phase I of the new park on the Teton River should begin construction this budget year (**\$1.6 Million**). Included in the budget is to **acquire additional property to extend the Steiner Park** and **begin construction** with contributions from the Rexburg Urban Renewal Agency.

Several Major street projects will occur as noted in the budget highlights on page one of this document, with the largest of those projects being the **bridge to add an additional crossing at 7th north (\$5.5 Million)**, with this project being funded by impact fees, federal grants, and Rexburg Urban Renewal Agency contributions.

DEBT SERVICE AND BONDS

The city paid off their **Sewer Revenue Bond** in 2025.

The City has no more outside warrants for **Local Improvement Districts (LID)**, but has financed LID's internally over the last few years. LID's are a lien on individual properties for needed improvements that have been made on or next to those properties. The City usually creates an LID each year to support needed private improvements, such as sidewalks and curb and gutter, along a street that needs other public improvements.

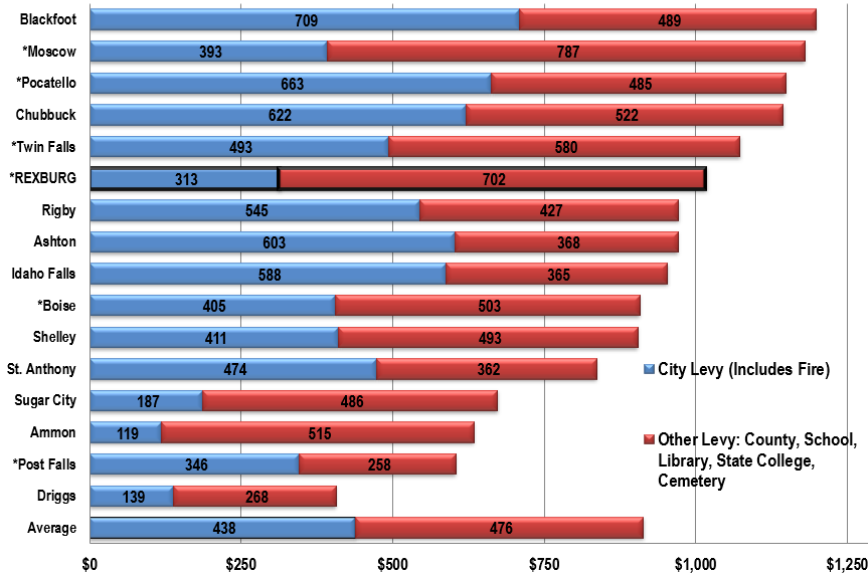
The City finalized a 30 year **DEQ loan** at 1.75% interest in 2022 for water improvements. **The current balance owed is \$6.75 million**.

The City anticipates the potential need for both a water and sewer revenue bond in the next 5 years if the current five-year capital improvement plan is adopted.

PROPERTY TAX BREAKDOWN & COMPARISONS

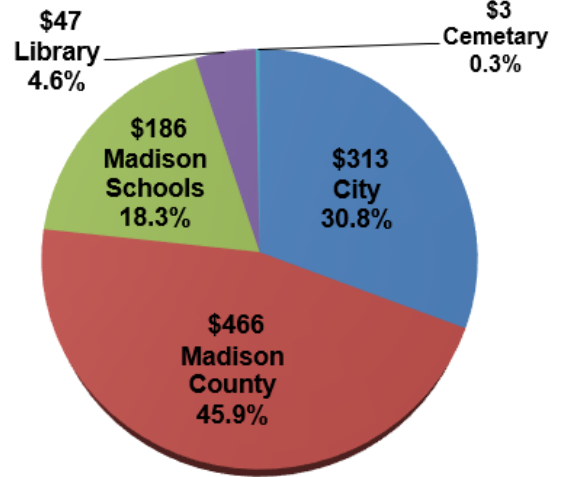
Your property tax dollars paid to the City of Rexburg are generally dedicated to Police and Fire services. **The total estimated property tax for the city general fund is \$7.29 million.** The City portion of a resident's total tax bill is approximately **30.8%**. According to the Association of Taxpayers in 2024, the average of the total in Idaho was as follows: **Cities (30.2%), Counties**-including ambulance district, roads, and mosquito districts (**39.7%**), **Schools (20%), Library (1.7%), and Others (8.4%)**. It is important to note that the City of Rexburg has a very high percent of tax exempt properties as well. Here are some comparisons of the 2024 levies (received in FY 2025) with other entities below.

2024 Property Tax Levies per \$100,000 Taxable Value
(*University City)

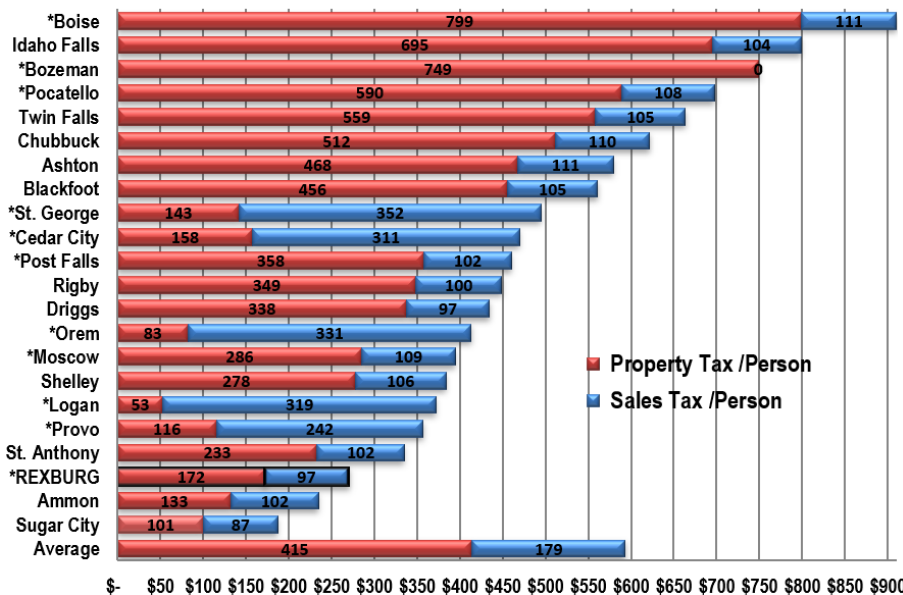


Where do my 2024 Property Taxes go if I live in the City of Rexburg?

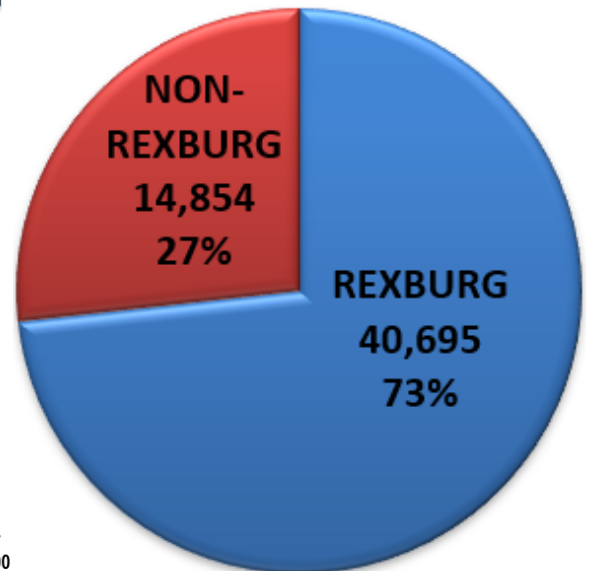
Total \$1015 per \$100,000 Taxable Value



2025 City Property & Sales Tax Revenue
Per Person using 2024 Census estimate (*University City)



2024 Madison County Census Population 55,549



The City charges fees for water, sewer, and garbage/recycling. Effective 10/1/2025, utility rates for an average resident home will decrease about .5% or \$.62 per month. The City is in the middle of a rate study and anticipates rate increases for water and sewer effective 1/1 /2026.

REXBURG RESIDENT -SAMPLE BILL

3/4 Inch Meter	Monthly Average	OLD	NEW	INCREASE	INCREASE
SEWER (Gallons x 1000)	7	54.20	54.20	0.00	0.0%
WATER (Gallons x 1000)	23	42.42	42.42	0.00	0.0%
GARBAGE	90 G Weekly	27.00	28.03	1.03	3.8%
LIGHTING	1	1.65	0.00	-1.65	-100.0%
TOTAL		125.27	124.65	-0.62	-0.5%

If you have any questions about any of the material presented in this brochure, please call the Mayor or Chief Financial Officer at 208-359-3020 or email us at finance@rexburg.org or visit us at 35 North 1st East, Rexburg, Idaho 83440.

For more information you can also visit us online at www.rexburg.org