



2024 Council Budget Retreat

Presentation 23-197
September 11, 2023

Previous 2024 Budget Meetings/Topics

1. 7/24/23 – Capital Investment Program Updates & Draft 2024-2028 CIP
2. 8/7/23 – Preliminary Session #1
 - Budget Components & Philosophy
3. 8/14/23 – Preliminary Session #2
 - Financial Trends, Source & Use, Budget Requests Preview
4. 8/21/23 – Preliminary Session #3
 - Legislative Budget, Session #1 and #2 Follow-up

Agenda for Tonight

- CIP Recap
 - Sources & Uses – Capital Expenditures Fund
- Financial Data Recap
 - General Fund Balance
 - Revenue & Expenditure Trends
- Sources & Uses – General Fund
- 2024 Budget Requests
- Next Steps
- Questions?





CIP Recap



Capital Expenditures Fund Sources

FINANCIAL SOURCES	2024 BUDGET
Transportation Tax	\$ 2,829,000
Fund Balance- Transportation Tax	\$ 843,500
Adams County Open Space Tax	\$ 1,046,512
Fund Balance- Open Space Tax	\$ 243,488
HUTF	\$ 2,135,957
Fund Balance- HUTF	\$ 264,043
Road and Bridge	\$ 891,024
Cable Subscriber Fee (PEG)	\$ 37,476
Transfers From	
Fund Balance -2K	\$ 5,150,000
Solid Waste Fund	\$ 1,150,000
Conservation Trust Fund	\$ 786,000
IT Retained Earnings	\$ 150,000
General Fund Indirect Allocation 15%	\$ 184,353
Total	\$ 16,711,353



Capital Expenditures Fund

Uses

FINANCIAL USES	2024 BUDGET	
Approved Projects-PW		
68th Avenue Improvements	\$	450,000
Bridge Maintenance	\$	300,000
Concrete Flatwork	\$	600,000
Colorado Blvd 68th-70th	\$	350,000
Core City Improvements	\$	260,000
Crack Repair Program	\$	750,000
Irondale Regional Drainage	\$	300,000
Long Lane Striping	\$	300,000
Multi-Intersection Improvements (72nd/Locust & 112th/Havana)	\$	115,000
Pavement Management	\$	3,500,000
Quiet Zones - UPRR Crossings - 69th and 72nd	\$	200,000
Railroad Crossing Replacement	\$	500,000
Rosemary Street Widening	\$	2,100,000
Sidewalk Connectivity	\$	150,000
Street Reconstruction	\$	525,000
Traffic Calming	\$	62,500
Traffic Signal Maintenance	\$	810,000
Approved Projects-PRG		
Eagle Point Security Improvements	\$	150,000
Paradise Island Repairs/Spray Ground	\$	2,900,000
PRG Preservation	\$	2,076,000
Total	\$	16,398,500
Transfers To		
Fund Balance - Road and Bridge	\$	91,024
Fund Balance - CIP Cable Subscriber Fee (PEG)	\$	37,476
Fund Balance - CIP Fund Balance	\$	184,353
Total	\$	16,711,353

CIP Staff Recommendations

Staff proposed the following recommendations related to the 2024-2028 Capital Investment Program, year one of which will be included in the Proposed 2024 Budget:

1. Prioritizing 1(a) – Preventative Maintenance Projects as Tier 1 projects and funding above all others
2. Funding recommendations for remaining Tier 2 projects, which include 1(b) – Periodic Maintenance and 2 – Capital Improvement Projects as detailed in Draft Five-Year CIP
3. Funding Buffalo Run Golf Course Concrete Repairs, Elm Street – 69th to 72nd Ave., and Holly St. Improvements projects by reallocating project balances from closed projects
4. Transferring \$10 million from the Chambers Road Improvements – 105th Ave. to 117th Ave. Project to 96th Ave. Improvement – Chambers to Tower Project

Incorporating these recommendations will adjust impacted projects, however, will not affect the bottom line for the CIP.

Draft Five-Year CIP

Ref #	Project Name	Previous	Grant	2024	2025	2026	2027	2028	Total	Cat
1	68th Avenue Improvements		1,420,800	450,000	-	-	-	-	\$1,870,800	2
2	96th Avenue Improvement - I-76 to Highway 2						625,000	625,000	\$1,250,000	2
3	104th Avenue - S Platte River to US 85				3,000,000	2,000,000	1,000,000	-	\$6,000,000	2
4	112th Avenue and US 85	500,000				1,200,000	4,800,000	4,800,000	\$11,300,000	2
5	Bridge Maintenance			300,000	200,000	200,000	200,000	200,000	\$1,100,000	1(a)
6	City Parking Lots Reconstruction	629,500			1,100,000	650,000	-	-	\$2,379,500	1(b)
7	Concrete Flatwork			600,000	280,000	295,000	310,000	325,000	\$1,810,000	1(a)
8	Colorado Blvd 68-70th	680,000	2,720,000	350,000					\$3,750,000	2
9	Core City Improvements			280,000	270,000	280,000	290,000	300,000	\$1,400,000	1(a)
10	Crack Repair Program			750,000	250,000	250,000	250,000	250,000	\$1,750,000	1(a)
11	Fairfax Park Drainage Reconstruction	200,000			2,375,000	2,375,000			\$4,950,000	2
12	I-76 On-Ramp	100,000					1,000,000	1,000,000	\$2,100,000	2
13	Irontdale Regional Drainage	300,000		300,000	700,000	700,000	700,000	-	\$2,700,000	2
14	Long Lane Striping			300,000	172,500	180,000	187,500	195,000	\$1,035,000	1(a)
15	Multi-Intersection Improvements (72nd/Locust & 112th/locust)			115,000					\$115,000	2
16	ORM Facility Capital			-	678,000	2,953,500	1,617,000	1,914,000	\$7,162,500	1(a)
17	Pavement Management			3,500,000	2,700,000	2,800,000	2,900,000	3,000,000	\$14,900,000	1(a)
18	Quiet Zones - IPRR Crossings - 69th and 72nd			200,000					\$200,000	2
19	Railroad Crossing Replacement			500,000	270,000	280,000	290,000	300,000	\$1,640,000	1(a)
20	Rosemary Street Widening	8,577,292		2,100,000					\$10,677,292	2
21	Sidewalk Connectivity			150,000	96,000	96,000	96,000	96,000	\$534,000	1(a)
22	Stonewater Master Plan	90,000			110,000				\$200,000	2
23	Street Reconstruction			525,000	550,000	575,000	600,000	625,000	\$2,875,000	1(a)
24	Traffic Calming			62,500	37,500	40,000	42,500	45,000	\$227,500	1(a)
25	Traffic Signal Maintenance			810,000	690,000	690,000	690,000	690,000	\$3,570,000	1(a)
26	Traffic Signal Program				1,000,000	1,900,000	1,900,000	1,900,000	\$6,700,000	2
	Total - Public Works	11,076,792	4,140,800	11,272,500	14,479,000	17,464,500	17,498,000	16,265,000	\$92,196,592	
27	Eagle Point Security Improvements			150,000					\$150,000	2
28	Paradise Island Reopens/Spray Ground			2,900,000					\$2,900,000	1(b)
29	Buffalo Run Golf Course Drainage Improvements				500,000				\$500,000	2
30	Parks Repair and Replacement			2,076,000	2,410,000	601,000	526,000	245,000	\$5,858,000	1(a)
	Total - Parks Rec and Golf	-	-	5,126,000	2,910,000	601,000	526,000	245,000	\$9,408,000	
	Grand Total	11,076,792	4,140,800	16,398,500	17,389,000	18,065,500	18,024,000	16,510,000	\$101,604,592	
Totals by Project Category:										
	Total - 1(a) - Preventative Maintenance	-	-	9,833,500	8,604,000	9,240,500	7,999,000	8,185,000	43,862,000	
	Total - 1(b) - Periodic Maintenance	629,500	-	2,900,000	1,100,000	650,000	-	-	5,279,500	
	Total - 2 - Capital Improvement	10,447,292	4,140,800	3,895,000	7,685,000	8,175,000	10,025,000	8,325,000	\$2,693,092	
	Grand Total	\$11,076,792	\$4,140,800	\$16,628,500	\$17,389,000	\$18,065,500	\$18,024,000	\$16,510,000	\$101,834,592	

Note: Please refer to the Draft Five-Year CIP document for larger and enlargeable electronic version for better viewing.



Financial Data Recap

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Fund Balance Review

Revised General Fund Balance Status

2022 Ending General Fund Balance (Audited)	\$ 86,237,977
Inventory, Prepaid Items, Long-term Receivables	\$ (249,068)
TABOR 3% Emergency Reserve	\$ (3,364,750)
2K Capital Outlay and Operations	\$ (14,422,383)
Operating Reserves	\$ (9,959,630)
Safeguard Reserves	\$ (16,717,682)
Defined Contribution Plan	\$ (4,447,162)
Parks, Recreation & Golf Equipment Reserve	\$ (1,256,292)
Employee Assisted Housing Program Reserve	\$ (143,973)
Remaining Unassigned General Fund Balance (at 12/31/22)	\$ 35,677,037
Amount Budgeted to Balance 2023 Budget	\$ (872,748)
Ord 2459 - 2023 MyC3 Program Appropriation	\$ (1,353,241)
Ord 2524 - School Traffic Calming Project	\$ (400,000)
2024 Transfer to CIP (subject to change)	\$ (1,000,000)
2024 "YES" Budget Requests (Impact to General Fund)	\$ (582,033)
Remaining Unassigned Fund Balance	\$ 31,469,015

2022 2K Fund Balance (Audited)	\$ 14,422,383
2023 Budgeted Transfer to CIP	\$ (4,235,500)
2024 Transfer to CIP (subject to change)	\$ (5,150,000)
Remaining Restricted Fund Balance	\$ 5,036,883

Note: Ord 2511 - 2023 MFSD Funding Appropriation not included above as this is off-set by an external revenue source.



Fund Balance Review

Fund Balance Best Practices

- Expend unassigned fund balance on one-time uses only, such as capital projects, equipment replacement, or one-time programming needs.
- Since it is not known how much unassigned fund balance will exist from year to year, it should not be considered a funding source for ongoing operations and maintenance.
- Any expenditure of unassigned fund balance requires City Council approval through the budget adoption process or mid-year budget amendment ordinances.



2024 Budget Process Recap

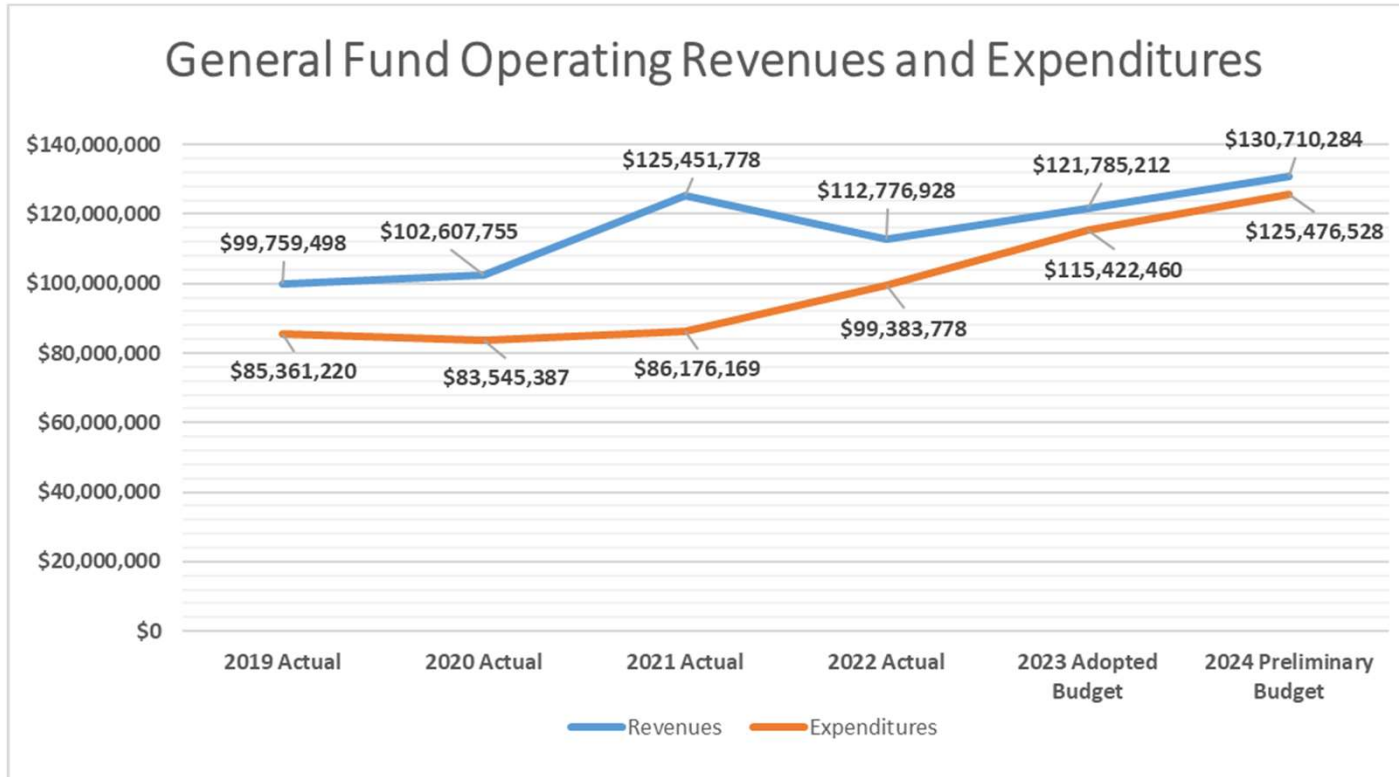
Base Budget Development

- Base Budget
 - ✓ Analysis Framework used to review each line item
 - ✓ Use of actual data from prior three years
 - ✓ Management decisions/anomalies identified
 - ✓ Met with all departments to review each line item
 - ✓ Line items adjusted for inflation when appropriate
 - ✓ One time costs removed



Revenue & Expenditure Trends

Operating Revenues & Expenditures



2024 Budget Insights

Revenue Insights:

- Sales & Use Tax combined is down 1.5% year over year through July 2023 vs. 2022 (this compares to -1.7% through May and -1% for through June)
- Development Revenues decreased from 2021 to 2022 and showing further decrease in 2023

Expenditure Insights:

- Increase in FTEs and associated benefit and insurance costs
- Inflationary costs
- Increased internal service fund allocations

Use of General Fund Balance

- See table below for budgeted vs. actual use

Year	Budget Use of Fund Balance to Balance Adopted Budget	Actual Impact to Fund Balance per Audited Financials
2018	\$820,000	\$8,268,974
2019	\$0	\$7,480,591
2020	\$1,378,637	\$2,726,367
2021	\$1,979,020	\$29,023,671
2022	\$986,650	(\$29,331,817)
2023	\$872,748	TBD

Notes:

- **2021 increase** due to increased S&U tax and audit revenue
- **2022 decrease** due to funding Golf Clubhouse and Police Substation projects



Revised General Fund Sources & Uses Document



Revised General Fund Combined Source & Use

Financial Sources		2024 Budget
General Fund	\$	125,022,035
Transfers From		
Water Acquisition Fund	\$	4,243,024
2k Allocation	\$	1,445,225
Total	\$	130,710,284
Financial Uses		2024 Budget
Primary Government		
Administration	\$	10,507,464
Human Resources	\$	2,461,144
Finance	\$	9,796,303
Community Development	\$	8,222,141
Public Safety	\$	32,122,829
Public Works	\$	23,163,548
Parks and Recreation	\$	18,343,175
Debt Service (2017A & 2017B)	\$	6,078,870
2K Allocations Administrative (15%)	\$	1,263,466
2K Allocations Long Term (20%)	\$	181,759
Transfers To		
Commerce City Housing Authority	\$	60,000
Elected Officials Retirement Fund	\$	41,760
Debt Service Fund- 2015	\$	2,939,521
Debt Service Fund- 2014 2K	\$	1,825,563
Debt Service Fund- 2016 2K	\$	1,459,080
Debt Service Fund- 2022 A/B/C	\$	6,745,146
Urban Renewal Authority (Derby)	\$	83,000
CIP - Indirect Allocation Long-Term Capital	\$	181,759
Total	\$	125,476,528
Impact to Fund Balance	\$	5,233,756

Revised General Fund

General Fund (non-2K) Source & Use

Financial Sources		2024 Budget
General Fund	\$	101,052,513
Transfers From		
Water Aquisition Fund	\$	4,243,024
2k Indirect	\$	1,445,225
Total	\$	106,740,762
Financial Uses		2024 Budget
Primary Government		
Operating Expenses	\$	101,363,576
Transfers To		
Commerce City Housing Authority	\$	60,000
Elected Officials Retirement Fund	\$	41,760
Debt Service Fund-2015	\$	2,939,521
Urban Renewal Authority (Derby)	\$	83,000
CIP - Indirect Allocation Long-Term Capital	\$	181,759
Total	\$	104,669,616
Impact to Fund Balance	\$	2,071,146

See bullet points below for what this surplus covers.

- Items to be funded out of the \$2,071,146 surplus above:**
- “YES” Budget Requests - \$2,653,179 (net use of \$582,033 to fully fund “YES” items)
 - Transfer to CIP for Capital Projects - \$1,000,000
 - Council Adds – TBD (more detail on slides)

Revised General Fund

2K Source & Use

Financial Sources		2024 Budget
2k Taxes	\$	22,338,314
Bison Ridge	\$	1,428,895
Paradice Island	\$	202,313
Total	\$	23,969,522
Financial Uses		2024 Budget
2K Direct		
New Rec Center Operations	\$	1,542,015
New Rec Center Program Operations	\$	413,867
Recreation Administraion Operations	\$	758,733
Rec Salary %	\$	4,628,860
Paradice Pool	\$	879,788
Existing Rec	\$	199,842
2K Indirect (15%)	\$	1,263,466
2K Parks	\$	701,561
2K Roads (Street, Maint,Cleaning and Snow)	\$	207,232
2K Indirect (20%)	\$	181,759
Transfers To		
Debt		
Debt Service Fund- 2014 2K	\$	1,825,563
Debt Service Fund- 2016 2K	\$	1,459,080
Debt Service Fund- 2022 A/B/C	\$	6,745,146
Total	\$	20,806,912
Impact to Fund Balance	\$	3,162,610



2024 Budget Requests

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2024 Budget Requests

Finalize Plans for Public Hearing

- Implement staff recommendations to fund the “YES” items
- Incorporate potential additional Council adds:
 1. Senior Coordinator to be located at Senior Center
 2. Landscape/Planning Architect
 3. Additional funding for CIP Lane Striping project for bike lanes

2024 Budget Requests

Finalize Plans for Public Hearing

The table below summarizes impacts of funding the “YES” items along with additional potential Council adds discussed at previous budget sessions:

Item	Item Impact to General Fund Unassigned Fund Balance	Cumulative Impact
“YES” Items	\$582,033	\$582,033
Senior Coordinator	\$84,500	\$666,533
Landscape/Planning Architect	\$145,088	\$811,621
Lane Striping/Bike Lanes	\$200,000	\$1,011,621

Notes:

- Total General Fund “YES” requests = \$4,503,179, to be covered by the following three funding sources:
 - A) \$2,653,179 (GF – Non-2K), B) \$200,000 (GF – 2K), and C) \$1,650,000 (IT Retained Earnings)
- Surplus available to cover A = \$2,071,146, leaving an impact to General Fund Unassigned Fund Balance of \$582,033



Next Steps



Next Steps

Key Budget Calendar Dates

Date	Activity
10/16/23	Open Public Hearing on Budget
11/06/23	Final Budget Hearing/Adoption



Next Steps

Items Subject to Change

- Incorporate additions/changes per council direction
- Include revised revenue estimates if applicable
- Refresh position budgeting data (final personnel budget calculations)
- Revise Internal Service Fund allocations (final refresh based on incorporation of approved budget requests)
- Revise 2K O&M model (impacted by position budgeting refresh)





Questions?

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Opportunity for questions and further discussion.