

Preliminary Budget Session #2

August 11, 2025

Pres 25-188



General Fund Balance Status

2025 Beginning General Fund Balance	\$ 107,972,341
Inventory, Prepaid Items, Long-term Receivables	(275,198)
TABOR 3% Emergency Reserve	(4,250,700)
2K Capital Outlay and Operations	(9,851,230)
Operating Reserves	(11,845,279)
Safeguard Reserves	(18,754,242)
Defined Contribution Plan	(5,264,794)
Parks, Recreation & Golf Equipment Reserve	(1,408,602)
Employee Assisted Housing Program Reserve	(130,088)
Remaining Unassigned General Fund Balance (at 1/1/25)	\$ 56,192,208
Amount Budgeted to Balance 2025 Budget	(2,713,061)
Ordinance 2664 - Contract Management Software	(172,000)
Ordinance 2670 - Community Events	(300,000)
Ordinance 2685 - Audit Revenue Police Substation	(4,991,770)
Ordinance 2686 - Civic Center Remodel	(2,880,280)
Amount Used to Balance 2026 Budget	TBD
Remaining Unassigned Fund Balance	\$ 45,135,097

2025 2K Fund Balance	\$ 9,851,230
2025 Budgeted Transfer to Capital Expenditures Fund	(750,000)
2026 Budgeted Transfer to Capital Expenditures Fund	TBD
Remaining Restricted Fund Balance	\$ 9,101,230

Sources & Uses – Total General Fund

General Fund		2026 Preliminary Budget
Total Revenues	\$	139,460,406
Total Expenditures	\$	(128,814,109)
Income/(Loss)	\$	10,646,297
Transfers Out		
Debt	\$	(13,286,773)
Elected Officials Retirement		(36,480)
CIP-Indirect Allocation		(203,110)
Total Transfer Out (Uses)	\$	(13,526,363)
Total Deficit	\$	(2,880,066)

Sources & Uses – GF (Non- 2K Portion)

Non 2K	
General Fund	\$ 114,127,758
2k Indirect	1,746,119
Total Revenue	\$ 115,873,877
Operating	\$ (117,511,835)
Debt	(3,257,500)
Elected Officials Retirement	(36,480)
CIP-Indirect Allocation	(203,110)
Total Expense	\$ (121,008,925)
Deficit	\$ (5,135,048)

Sources & Uses – GF (2K Portion)

2K Revenue	
Anticipated 1% Tax revenue	\$ 23,296,482
Outdoor Pool Revenue	304,100
New Rec Center Revenue	1,732,066
Total Revenue	\$ 25,332,648
Indirect Cost 15%	\$ (1,543,009)
Indirect Cost 20%	(203,110)
2K Model	(11,302,274)
Debt	(10,029,273)
Total Expense	\$ (23,077,666)
Surplus	\$ 2,254,982

2026 Decision Package Proposals

- For the 2026 Budget process, staff are taking a more thoughtful and data-driven approach to the funding of budget requests. This new approach is needed, because the following items are present in our near-term financial horizon:
- Long-term Financial Plan (LTFP) effort launched in the 2nd Quarter of 2025. The LTFP will result in a detailed set of 10-year revenue and expenditure projections that will provide needed understanding of the City's funding capabilities and limitations for the next decade.
- Funding capacity for principal and interest payments related to a new Certificates of Participation (COP) issuance to fund key capital priorities (Police Substation, Chambers Road, and Buckley Park) that is being considered for 2027.
- Funding capacity to sustain Advancing Commerce City Together (ACT) program areas that are currently funded with ARPA dollars that expire at the end of 2026.
- Economic uncertainty at both the Federal and State of Colorado levels of government.

2026 Decision Package Proposals

- The term “Decision Package Proposal” is being used instead of “Budget Request” for the 2026 Budget Process. This terminology shift is intended to promote well justified funding decisions and improved data driven decision making when it comes to allocating the City’s limited resources to new funding areas.
- Preliminary revenue projections are not keeping pace with projected expenditures as well as they have in past years.
- Knowing the City cannot afford to meet all new funding needs, departments were capped at submitting no more than 5 Decision Package Proposals and encouraged to focus on their top five priorities.
- Departments were also asked to look at existing resources to determine if new needs could be met within already available resources, such as reallocating a position that has been vacant for a long time to meet a higher priority staffing need.

Approved Decision Packages by Department

Request Title	Request Priority	2026 Cost
City Manager's Office		
Marketing Specialist - CR	1	82,660
Xeriscape Demonstration Gardens - E3	2	41,000
CM - City Manager Total		\$ 123,660
Finance		
FTE Accountant I - Payroll/Accounting	2	93,932
FD - Finance Total		\$ 93,932
Human Resources		
Continuation of RTD EcoPass Benefit	3	32,550
Ergonomic Furniture	4	25,000
HR - Human Resources Total		\$ 57,550
Information Technology		
Infrastructure Modernization	1	\$ 900,000
Audio Visual Technician I or II (2.0 FTE)	2	130,716
Artificial Intelligence (AI) Innovation Program	3	100,000
IT - Information Technology Total		\$ 1,130,716

Request Title	Request Priority	2026 Cost
Legal		
Outside Counsel Budget	1	\$ 350,000
Legal Total		\$ 350,000
Parks Recreation & Golf		
Gymnastics and Dance Assistant	1	\$ 33,444
Senior Park Ranger	2	94,751
PRG - Parks, Recreation and Golf Total		\$ 128,195
Public Safety		
Real Time Crime Center Technology	1	\$ 237,200
Emergency Operations Center Technology	2	\$ 281,000
Volunteer Internships and Police Reserves	6	\$ 50,000
PS - Public Safety		\$ 568,200
Public Works		
Parks Staffing Expansion	1	\$ 353,120
Infrastructure Demands	2	302,597
FTE Traffic Signal Technician	3	327,454
PW - Public Works Total		\$ 983,171

2026 Decision Package Approved Total: \$3,435,424

Other Budget Highlights

Incorporated in Base Budgets

- Community Development Programs And Public Safety Events
- Boards and Commission Marketing
- E3 Air Sensors
- HR trainings and Fiduciary Services

Absorbed in 2025 Budget

- Municipal Court Technology upgrades
- ACFR/Budget Book Software

Strategic Changes

- Nimble Hiring Strategy to address Public Safety staffing needs as vacancies are filled

Programs Seeking Grants

- Residential Turf Replacement
- Last Mile Connections Program Micro Transit

Council Priority Areas

Public Safety

- Real Time Crime Center
- EOC Technology
- Hiring Strategy
- Operating Equipment and Supply Base Budget of Over \$1M to keep officers well equipped

Derby

- Still under review
- Will be brought back at Council workshop on 9/8/25

Economic/Retail Development

- Incorporating AI to make better informed decisions on business attraction and retention (will help present prospective businesses with data driven proposals)
- Base Budget of over \$400K in outside services to pursue studies, business retention and quickly respond as opportunities may present themselves
- Adding FTE Marketing Specialist to help market the city to potential businesses

Public Works

- Parks Staffing Expansion: Ensuring City Parks and ROW are well maintained and keep working to improve city beautification
- Infrastructure Demands: Adding staff to the Hot shot crew
- \$2M added to 1A Preventative Maintenance Program

Impacts of CIP & Decision Packages to General Fund Unassigned Fund Balance

Available General Fund Unassigned Balance		\$ 45,135,097
2026 Preliminary Budget Deficit	\$	(5,135,048)
CIP Transfer		(5,000,000)
2026 Decision Package Preliminary Yes		(3,435,242)
Remaining GF Unassigned Balance		\$ 31,564,807

Available 2K Restricted Fund Balance		\$ 9,101,230
2026 Preliminary Budget Surplus	\$	2,254,982
CIP 2K Transfer		(6,440,000)
Remaining 2K Restricted Balance		\$ 4,916,212

Impacts to Fund Balance

2026 Budget Story:

- Current revenue projections are not sufficient to cover current expenditure projections – we are in “deficit spending”
- There is not enough General Fund Unassigned Fund Balance to do it all!



Golf Course/Restaurant Revenues & Expenditures

Golf Course O&M	2022 Actual	2023 Actual	2024 Actual	2025 YTD	2026 Budget
Revenue	\$ 1,814,628	\$ 1,645,628	\$ 2,098,696	\$ 885,952	\$ 1,895,981
Expense	\$ 2,627,094	\$ 2,934,753	\$ 3,066,282	\$ 1,605,075	\$ 3,445,721
General Fund Impact	\$ (812,467)	\$ (1,289,126)	\$ (967,586)	\$ (719,122)	\$ (1,549,740)

Restaurant	2022 Actual	2023 Actual	2024 Actual	2025 YTD	2026 Budget
Revenue	\$ 1,597,514	\$ 1,694,291	\$ 1,756,034	\$ 820,708	\$ 1,682,327
Expense	\$ 1,841,732	\$ 2,104,792	\$ 2,125,195	\$ 1,023,704	\$ 2,306,249
General Fund Impact	\$ (244,218)	\$ (410,502)	\$ (369,161)	\$ (202,996)	\$ (623,922)

Long Term Financial Plan Update



PROJECT KICK-OFF

Major Activities

- Kick-off meeting with project team
- Initial data and document request
- Finalize project schedule

Deliverables

- Preliminary Project Timeline
- Data Request

Jun - Jul



ASSESS FINANCIAL CONDITION

Major Activities

- Finance and City Leadership interviews
- Environmental scan
- Review historical financial trends, cash flow analysis, capital planning, and reserves
- Review financial condition with project team

Deliverables

- Interview schedule
- Summary of financial condition

Jul - Sep



DEVELOP GENERAL FUND MODEL

Major Activities

- Develop baseline financial model
- Develop projection scenarios
- Conduct sensitivity analysis
- Engage City Council and Community

Deliverables

- 10-year financial model
- City Council workshop presentation

Sep - Nov



PREPARE LONG-TERM FINANCIAL PLAN

Major Activities

- Develop project report summarizing financial condition, forecasting model, and public input

Deliverables

- Draft and final financial plan report

Oct - Dec

Budget Calendar Next Steps

Date	Activity
08/11/25	Preliminary Budget Session
08/18/25	Preliminary Budget Session
09/08/25	Council Budget Workshop
10/20/25	Open Public Hearing on Budget
11/03/25	Close Budget Hearing/Adoption