



2024 Budget – Preliminary Session #1

Presentation 23-458

August 14, 2023

Agenda

- Fund Balance Review
- Revenue & Expenditure Trends
- Draft Source & Use Document
- 2024 Budget Requests
- Preliminary Session #1 Follow-up
- Next Steps
- Questions?





Fund Balance Review

Fund Balance Review

Fund Balance Classifications

Governmental Accounting Standards Board
Statement No. 54 Fund Balance Classifications

	Classification	Definition	Degree of Spendability
Restricted Fund Balance	Nonspendable	Resources that are not in a spendable form (inventories, prepaid items, or items required to be maintained intact).	Nonspendable
	Restricted	Resources constrained to specific purposes by external providers (creditors, grantors, contributors, and other levels of government) through laws and regulations.	
Unrestricted Fund Balance	Committed	Resources constrained by limitations the City imposes upon itself at its highest level of decision-making authority (City Council); limitations remain binding unless removed in the same manner.	
	Assigned	Resources a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.	
	Unassigned	Resources available for any purpose; these resources are reported only in the General Fund.	Spendable



Fund Balance Review

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)
2023 Re-appropriation Needs (subject to change)	\$ -
2024 Transfer to CIP (subject to change)	\$ (1,000,000)
2024 "YES" Budget Requests (Impact to General Fund)	\$ (216,113)
TBD - 2024 Budget Shortfall	
Remaining Unassigned Fund Balance	\$ 31,834,935

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.

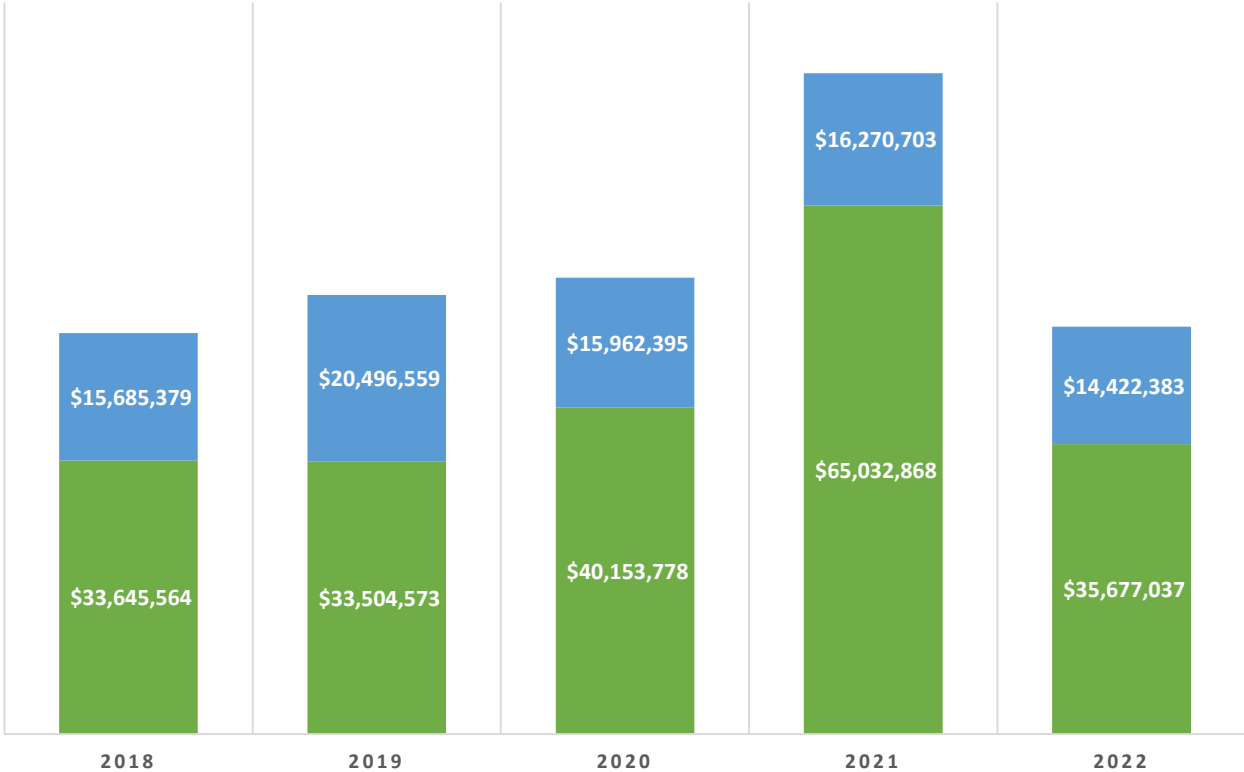


Fund Balance Review

General Fund Balance Trends

2018-2022

■ General Fund Unassigned Fund Balance ■ 2K Fund Balance



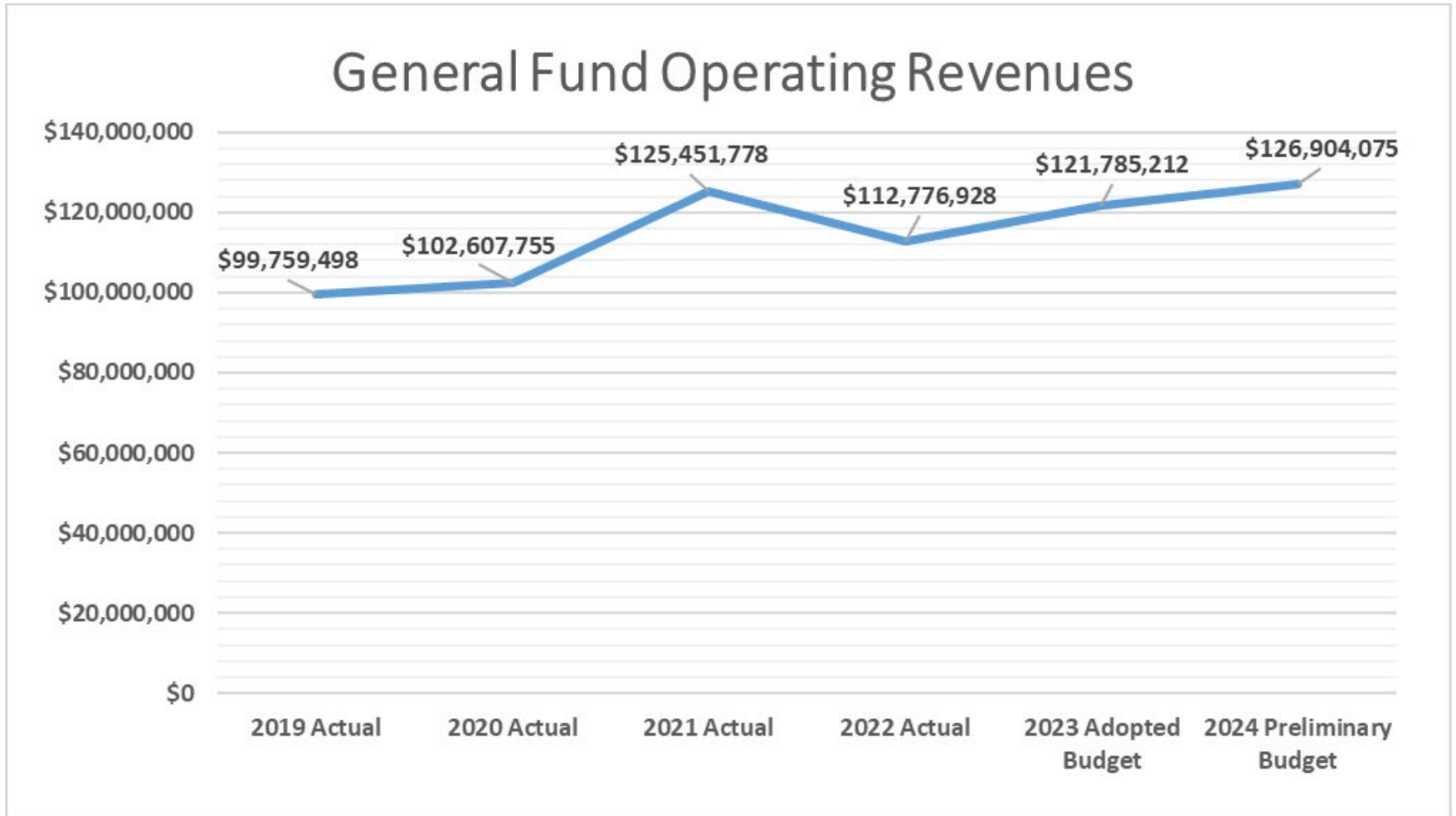


Revenue & Expenditure Trends

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Revenue & Expenditure Trends

Operating Revenues



Revenue & Expenditure Trends

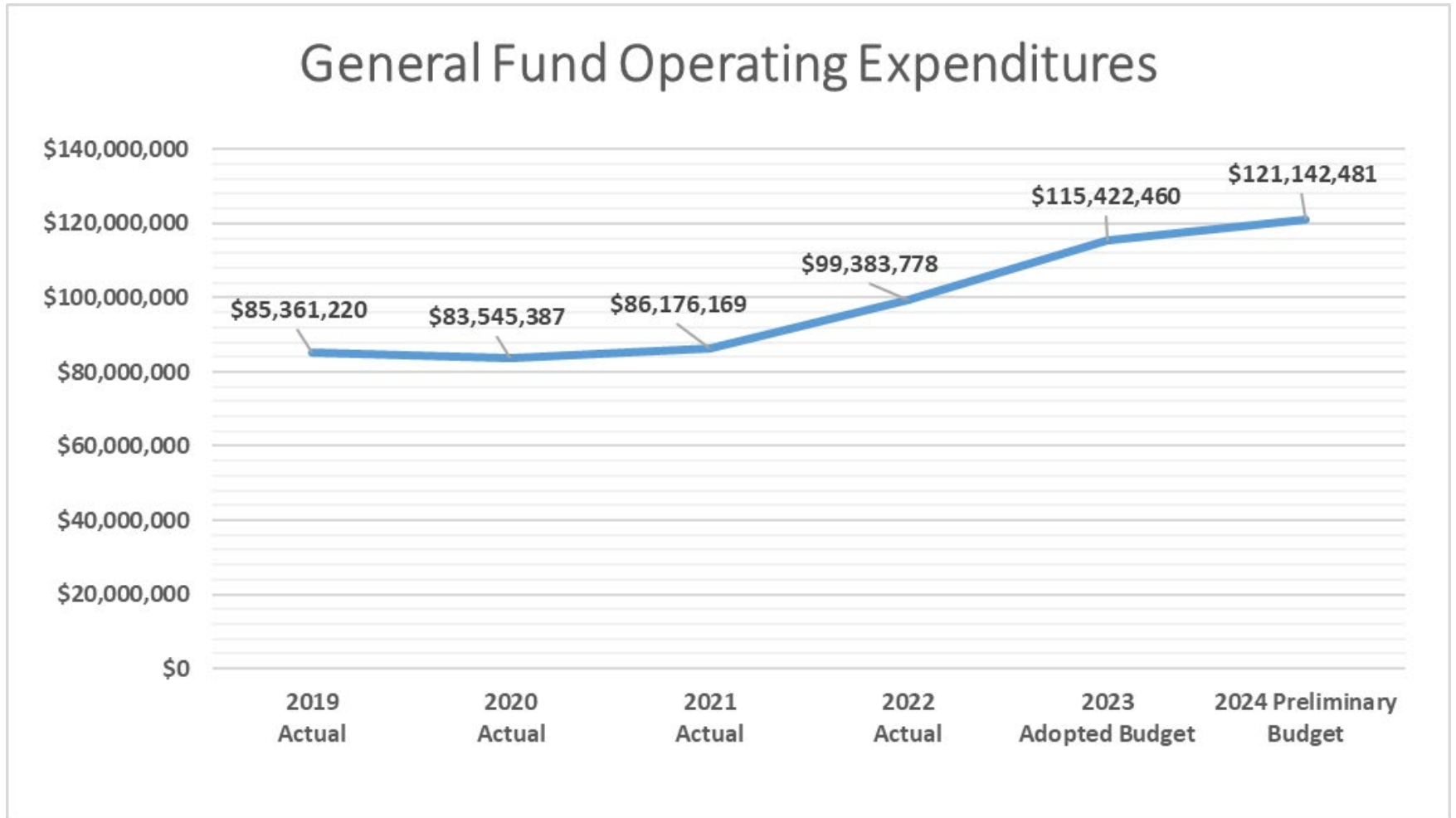
Operating Revenues

- Sales and Use Tax combined is down -1.05% year over year through June 2023 vs. 2022
- Development Revenues (use tax, permit/plan check fees) decreased from 2021 to 2022
 - Current trends showing further decrease in 2023
- Investment Proceeds have been negative the last two years
- Bison Grill planned closure for construction



Revenue & Expenditure Trends

Operating Expenditures



Revenue & Expenditure Trends

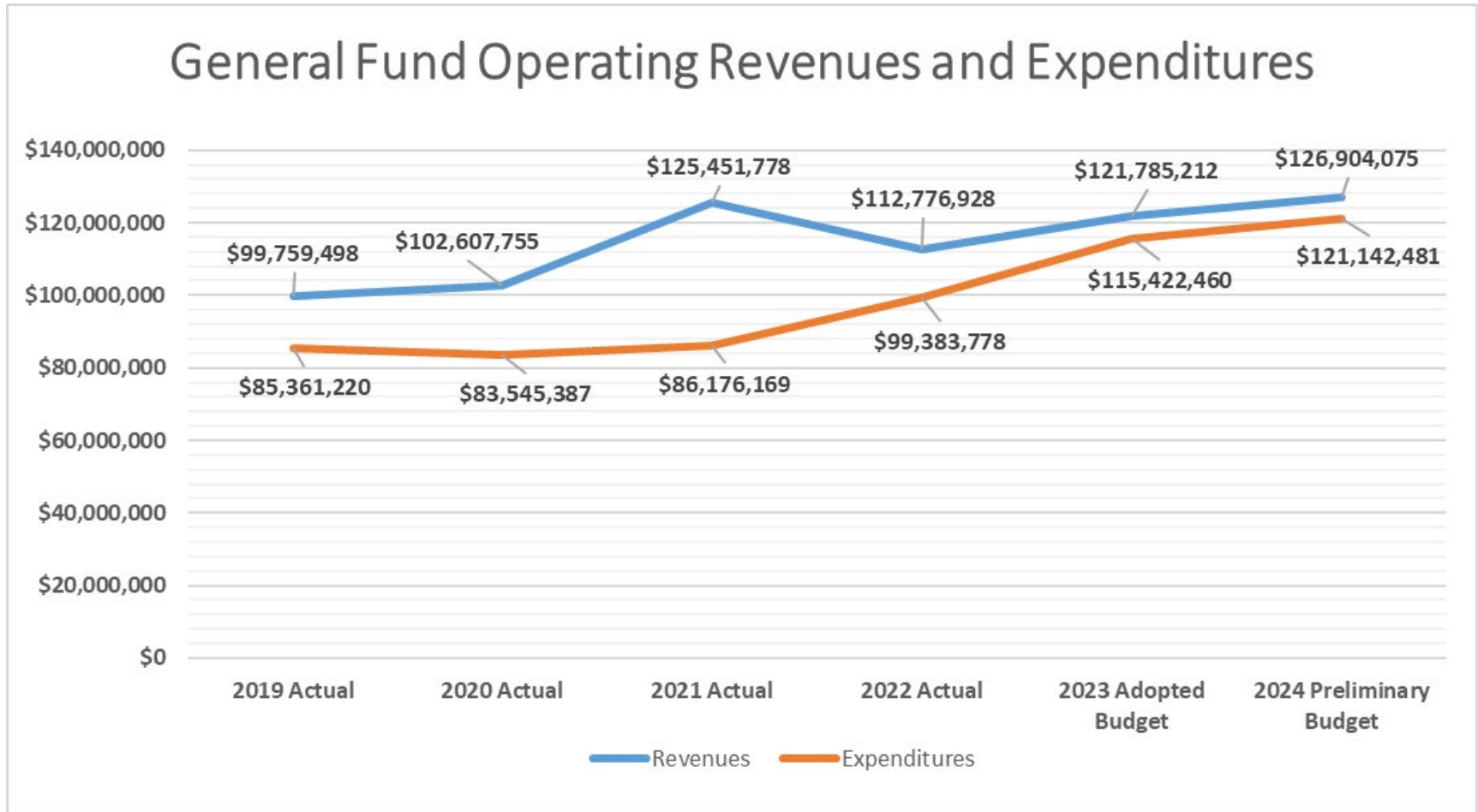
Operating Expenditures

- Increase in FTEs
 - 75 added FTE from 2022 Adopted Budget to 2023 Adopted Budget
 - 47 added FTE from 2021 Adopted Budget to 2022 Adopted Budget
 - Associated Benefit and Insurance costs
- Inflationary Costs
 - Contract Amounts
 - Supplies and Materials
 - Allocations (Cost of Replacing Assets increasing)



Revenue & Expenditure Trends

Operating Revenues & Expenditures





Draft Source & Use Document

Draft Source & Use Document

Combined Source & Use

Financial Sources		2024 Budget
General Fund	\$	124,948,575
Transfers From		
Water Aquisition Fund	\$	530,831
2k Allocation	\$	1,424,669
Total	\$	126,904,075
Financial Uses		2024 Budget
Primary Government		
Administration	\$	10,172,820
Human Resources	\$	2,439,226
Finance	\$	10,311,130
Community Development	\$	8,269,303
Public Safety	\$	31,565,850
Public Works	\$	23,146,353
Parks and Recreation	\$	18,108,030
Debt Service (2017A & 2017B)	\$	2,366,677
2K Allocations Administrative (15%)	\$	1,240,316
2K Allocations Long Term (20%)	\$	184,353
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	\$	184,353
Total	\$	121,142,481
Impact to Fund Balance	\$	5,761,594

Draft Source & Use Document

General Fund (non-2K) Source & Use

Financial Sources		2024 Budget
General Fund	\$	100,979,053
Transfers From		
Water Aquisition Fund	\$	530,831
2k Indirect	\$	1,424,669
Total	\$	102,934,553
Financial Uses		2024 Budget
Primary Government		
Operating Expenses	\$	97,188,853
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	\$	184,353
Total	\$	100,497,487
Impact to Fund Balance	\$	2,437,066



Draft Source & Use Document

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	\$	1,528,501
New Rec Center Program Operations	\$	409,791
Recreation Administraion Operations	\$	769,858
Rec Salary %	\$	4,567,642
Paradice Pool	\$	797,684
Existing Rec	\$	195,298
2K Indirect (15%)	\$	1,240,316
2K Parks	\$	716,929
2K Roads (Street, Maint,Cleaning and Snow)	\$	204,833
2K Indirect (20%)	\$	184,353
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	\$	20,644,994
Impact to Fund Balance	\$	3,324,528





Preliminary Session #1 Follow-up

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Preliminary Session #1 Follow-up

Police Officer Positions

Position Title	2021 FTE	2022 FTE	2023 FTE
Sworn Positions	108	126	132
Non-Sworn Positions	38	42	44
Total Public Safety – all positions	146	168	176

- The Public Safety Department added 30 positions over the past three years, including 16 Police Officer positions
- There are currently 19 Police Officer positions vacant; the count of 32 cited on 8/7/23 included the following:
 - 9 recruits that were sworn in during July 2023 (these positions are no longer vacant)
 - 4 vacant Detective positions
- There are currently 11 Cadet and 11 Recruit positions filled (not included in the 176 FTE above)
- The Public Safety Department is authorized to hire up to 15 Overhires (in addition to the total number of budgeted FTE)

Preliminary Session #1 Follow-up

Police Officer Positions

- Staffing Study performed by International Association of Chiefs of Police (IACP) completed in 2022
- The study looked at three key areas:
 1. Administrative Time
 2. Obligated Time (community initiated calls for service)
 3. Community Engagement and Problem Solving Time
- Industry norm and IACP recommendation for time split amongst these three key areas is:
 1. 30% of shift
 2. 30-40% of shift
 3. Remaining 30-40% of shift
- To meet recommended percentage for Obligated Time to be at least 30% of shift, 16-54 additional officers were recommended

Preliminary Session #1 Follow-up

Police Officer Positions

- The model assumes full staffing, which is also a luxury we do not have and in practical application, will need to find ways to work around moving forward
- Original 2024 Budget request for 18 officers did not account for authorization to hire 15 overhires
- Given current staffing levels and vacancy rate, adding additional Police Officer positions in the 2024 Budget is not recommended
- Once the Public Safety Department is more fully staffed, the addition of more Police Officer positions will be revisited

Preliminary Session #1 Follow-up

Navigator Positions

Position Title	2021 FTE	2022 FTE	2023 FTE
Community Well-Being Manager	0	0	1
Senior Community Navigator – Homeless Outreach	0	1	1
Community Navigator – Family & Senior	0	1	1

Note: There is also an existing vacant Community Navigator – Homeless Outreach Variable Hour Employee (VHE) position assigned to the Community Well-Being Division.

- The Community Navigator program was transformed from an unnamed function in the Parks, Recreation & Golf Department to the existing Community Well-Being Division in the Community Development Department
- This was done to consolidate resources and provide emphasis on expansive needs (housing stability, food justice, and family/senior service)
- The Community Well-Being Division collaborates with the City's Parks, Recreation & Golf and Public Safety departments and various non-profit organizations to provide services

Preliminary Session #1 Follow-up

Navigator Positions

- The ***Community Well-Being Manager*** position focuses on community engagement, partnership development, creation and implementation of citywide plans, initiatives and solutions that address poverty, homelessness, neighborhood, housing, and race equity of vulnerable populations. This position manages and oversees all activities in Community Well-being Division.
- The ***Senior Community Navigator – Homeless Outreach*** position focuses on providing services, outreach, and programming to individuals and families experiencing homelessness within Commerce City. This position provides individualized services and meetings with vulnerable unhoused residents.
- The ***Community Navigator – Family/Senior*** position focuses on providing services, outreach, and programming to individuals and families in need of services and support within Commerce City. This position provides individualized services and meetings with vulnerable residents, such as those who are at risk of homelessness, seniors, and low income.

Preliminary Session #1 Follow-up

Construction Inspector Positions

Position Title	2021 FTE	2022 FTE	2023 FTE
Construction Inspector	2	3	3

- Primary duties and focus include inspecting public infrastructure improvements (CIP & development projects) to ensure the improvements conform to the City's standards, specifications, and construction details (street paving, storm drainage system, sidewalks, curbs, and gutters)
- Majority of work is completed in the field, with some off time needed for plan reviews and report writing
- Current workload is 6-10 projects per inspector (optimum would be 3-5 per inspector)

Preliminary Session #1 Follow-up

Building Inspector Positions

Position Title	2021 FTE	2022 FTE	2023 FTE
Building Inspector Apprentice	0	0	1
Building Inspector I	1	2	2
Building Inspector II	1	1	2
Building Inspector III	3	3	2
Building Inspector Electrical	0	0	2
Building Inspector Supervisor	0	0	1
Total	5	6	10

- Primary duties and focus include inspecting buildings as they are being constructed for compliance with building codes
- Inspectors spend entire day in the field performing a variety of inspections
- Average of 12 inspections completed per day (some stops have multiple inspections)
- Average turnaround time of 24 hours; 98% of requests completed next day

Preliminary Session #1 Follow-up

City Manager's Office Composition

The City Manager's Office is comprised of the following divisions and includes the following FTEs:

Division	2021 FTE	2022 FTE	2023 FTE
City Manager	8	10	11
City Clerk	4	4	5
Economic Development	4	5	5
Community Relations	7	7	7
Municipal Court	6	6	6
Center for Innovation	0	0	2
Total	28	32	35

Note: The Office of Energy, Equity & Environment will be established in the 2024 Budget. This Office will be comprised of the Sustainability Manager, a Planner III (being transferred from the Community Development Department), and an Intern.

Preliminary Session #1 Follow-up

City Manager's Office Base Budget

The City Manager's Office is comprised of the following divisions and includes the following budgeted amounts:

Division	2023 Adopted Budget	2024 Base Budget	Variance
Center For Innovation	\$ 404,371	\$ 512,726	\$ 108,355
City Clerk	\$ 717,863	\$ 756,949	\$ 39,086
City Manager	\$ 2,274,811	\$ 3,113,954	\$ 839,143
Community Relations	\$ 1,242,475	\$ 1,346,286	\$ 103,811
Economic Development	\$ 1,040,532	\$ 1,026,227	\$ (14,305)
Municipal Court	\$ 737,814	\$ 830,963	\$ 93,149
Grand Total	\$ 6,417,866	\$ 7,587,105	\$ 1,169,239

Please see next slide for variance explanations.

Preliminary Session #1 Follow-up

City Manager's Office Variance Explanations

Center for Innovation (Increase)

- * Salary and Benefit increase of \$108,470 for Salaries Regular.

City Clerk (Increase)

- * Salary and Benefits increase of \$52,537 for Salaries Regular and Part Time and Retirement Benefits.

- * Purchased Services & Charges increase of \$70,084 for Facility Services and Computer Allocations. A decrease of \$34,000 in Election General expense.

City Manager (Increase)

- * Salary and Benefits increase of \$777,867 for Salaries Regular (increase primarily due to Executive Leadership Team restructure along with normal market/merit increases), Personal Vehicle Reimbursement, and Retirement Benefits.

- * Purchased Services & Charges increase of \$64,248 for Facility Services and Computer Allocations, Recruiting and Advertising, and Career Development Training.

Community Relations (Increase)

- * Salary and Benefits increase of \$43,874 for Salaries Regular and Part Time and Retirement Benefits.

- * Purchased Services increase of \$29,937 for Facility Service and Computer Allocations. A \$7,000 increase for Internal Publications Connected Printing and \$16,000 for Internal Publications P & R Brochure Printing, Postage, and Translation.

Economic Development (Decrease)

- * Salary and Benefits increase of \$32,953 for Regular and Part Time Salaries Vehicle Reimbursement, and Retirement Benefits.

- * Decrease of \$56,982 in Computer Allocation. Increase of \$11,100 in Outside Services Business Recruitment, Promotional Activities/Materials, and ED Technology Services.

Municipal Court (Increase)

- * Salary and Benefit increase of \$69,912 for Salaries Regular and Retirement Benefits.

- * Purchased Services increase of \$22,737 for Facilities Services and Computer Allocations.

Preliminary Session #1 Follow-up

Miscellaneous Operating Budget Items

- Landscape Architect service area priority:
 - Question: Was Landscape Architect position included for 2024
 - Answer: Request under name of Planning Architect submitted by the Community Development Department and currently treated as a “Maybe” in initial funding recommendations
- Code Enforcement iPads and Public Safety Pole Cameras for Investigations service area priority:
 - Motion for the City Manager to consider including computer upgrades for Code Enforcement and pole cameras for police investigations in the 2024 budget if the departments request them; Passed 6-0



Preliminary Session #1 Follow-up

112th – Potomac to Chambers CIP Project

- History: In 2019 \$1,037,410 was budgeted in the 112th Potomac to Chambers project to pave the gravel portion of the road between the Recreation Center and Chambers as an interim project before the larger remaining \$30 million total project could be constructed.
 - After further assessment of the construction cost and investigating the existing conditions, the decision was made not to repave the street due to the susceptibility of the road flooding and the funding shortfall
- In 2023, the remaining balance was proposed to be transferred to help fund the Rosemary Street Project
- Completed Section of 112th (Highway 2 to the Recreation Center) was part of a separate project called 2nd Creek Infrastructure
 - This Project was completed in 2019

Preliminary Session #1 Follow-up

Bike Lanes, Crosswalks, Lane Striping, Etc.

- Budget for bike lanes and crosswalks is included in the Long Lane Striping CIP project, which is a 1(a) – Capital Maintenance project budgeted annually
- Other 1(a) roadway projects are listed below:

Project	2023 Balance @ 7/31/23	2024 Budget
Pavement Management	\$2,108,394	\$3,500,000
Local Traffic Calming	\$529,386 (includes \$400,000 for School Traffic Calming Project)	\$62,500
Concrete Flatwork/Sidewalk	\$548,814	\$750,000
Long Lane Striping	\$192,791	\$300,000
Crack Repair Program	\$160,335	\$750,000

Preliminary Session #1 Follow-up

Capital Project Status List

- The Capital Project Status List attachment included in the 8/7/23 meeting packet is in the process of being updated to include Project Description and Ward Number columns
- This follow-up item requires more time than was available to finalize materials for the 8/14/23 meeting packet
- This updated attachment will be included in the 8/21/23 meeting packet



2024 Budget Requests

2024 Budget Requests

Community Development

Request Title	Request Priority	2024 Cost	Yes/No
Community Development			
CDBG Consolidated Plan	1	50,000	Yes
Executive Administrative Supervisor	2	107,238	Maybe
Housing Services Supervisor	3	106,551	No
Rental and Mortgage Assistance	4	500,000	Maybe
Sr. Comm Navigator Homeless Outreach	5	151,830	Maybe
iPads for Code Enforcement	6	14,400	No
CWB Support Specialist	7	81,996	No
Senior and Family Community Navigator	8	151,235	Maybe
iPads - Managers and Director	9	9,000	No
Office Renovation	10	200,000	Maybe
Software System	11	20,000	Yes
Home Consortium	12	20,000	Yes
Planning Architect	13	145,088	Maybe
CD - Community Development Total		1,557,338	

2024 Budget Requests

City Manager's Office

Request Title	Request Priority	2024 Cost	Yes/No
City Manager's Office			
Office of Energy and Environment- CMO	1	127,000	Yes
Strategic Communications Support-CMO	2	90,000	Maybe
Innovation Specialist - Position Add-COI	1	103,495	No
Special Events Coordinator-CR	1	114,469	No
Community/Cultural Events-CR	2	100,000	Yes
Community Relations Liaison-CR	3	105,533	No
Economic Development Incentive Fund-ED	1	500,000	No
Administrative Specialist III - ED	2	81,996	Maybe
Workforce and Industry Cluster Study-ED	3	60,000	Yes
Municipal Court Probation Officer-MC	1	90,170	Yes
CM - City Manager Total		1,372,663	



2024 Budget Requests

HR, IT, & Legal

Request Title	Request Priority	2024 Cost	Yes/No
Human Resources			
Additional NeoGov Modules	1	82,038	Yes
Human Resources Business Systems Manager	2	157,946	Yes
External Training for Diversity, Equity, and Inclusion	3	30,000	No
ADA and Leave Analyst	4	103,707	Maybe
HR - Human Resources Total		373,691	
Information Technology			
Network Infrastructure Hardware Refresh	1	1,200,000	Yes
Network Administrator	2	131,202	Yes
AV Refresh at Eagle Pointe	3	450,000	Yes
Service Desk Analyst	4	75,549	No
System Analyst	5	127,030	Yes
IT - Information Technology Total		1,983,781	
Legal			
Software For Legal Document and Matter Management	1	48,229	Yes
Office Renovation/Expansion	2	115,000	Maybe
LE - Legal Total		163,229	

2024 Budget Requests

Public Safety

Request Title	Request Priority	2024 Cost	Yes/No
18 Police Officers	1	2,501,834	No
2 Sergeants	2	445,740	Yes
CALEA Accreditation Manager	3	105,908	Yes
Power Engage Platform	4	70,000	Yes
Automated License Plate Reader (ALPR) Expansion	5	121,300	No
New Records Management System - AXON	6	300,000	Yes
Pole Cameras for Investigations	7	75,000	No
Records Management System Supervisor	8	124,918	Yes
Accurint Trax Virtual Crime Center	9	25,000	Yes
Track & GO	10	140,000	No
2 Unmarked Vehicles	11	90,000	No
Multi-Purpose Armored Rescue Response Vehicle	12	400,000	No
PD - Public Safety Total		4,399,700	

2024 Budget Requests

Parks, Recreation & Golf

Request Title	Request Priority	2024 Cost	Yes/No
Parks Recreation & Golf			
Recreation Coordinator – Fitness/Wellness	1	87,049	No
Recreation Coordinator – Indoor/Outdoor Rental Coordinator	2	87,549	No
Bison Ridge Office Remodel	3	500,000	No
Facility Ranger	4	144,427	No
Eagle Pointe Aquatics Pool Re-plaster	5	200,000	Yes
Food and Beverage Assistant	6	66,899	No
Building Attendant Buffalo Run	7	55,301	Maybe
PRG - Parks, Recreation and Golf Total		1,141,225	



2024 Budget Requests

Public Works

Request Title	Request Priority	2024 Cost	Yes/No
Public Works			
Deputy Director - CIP	1	179,031	Yes
Deputy Director – Transportation & Mobility	2	179,031	Maybe
Traffic Operations Engineer	3	187,043	Yes
Project Inspector	4	201,924	Yes
Construction Inspector 1	5	141,104	No
Construction Inspector 2	6	141,104	No
Right-of-Way Litter Abatement	7	500,000	No
Fleet Management Software Upgrade	8	120,000	No
Asset Manager	9	145,252	No
CIPP Project Manager	10	157,139	No
4 Parks Operations Technicians	11	487,065	No
Replacement of Event Support Trailer	12	24,000	No
PW - Public Works Total		2,462,693	

2024 Budget Requests

Funding Recommendations Summary

Totals (All Requests)			
Yes	No	Maybe	Grand Total
\$4,503,179	\$7,070,715	\$1,880,426	\$13,454,320

	General Fund		2K	Retained Earnings
Initial Surplus	\$	2,437,066	\$	3,324,528
Personnel		\$1,489,367		-
Expense		\$1,163,812	\$200,000	-
IT Retained Earnings		-	-	\$1,650,000
Total	\$	2,653,179	\$	200,000
Impact to General Fund	\$	(216,113)	\$	3,124,528





Next Steps



Next Steps

Key Budget Calendar Dates

Date	Activity
08/21/23	Preliminary Budget Session #3
09/11/23	Council Budget Retreat
10/16/23	Open Public Hearing on Budget
11/06/23	Final Budget Hearing/Adoption



Next Steps

Preliminary Budget Session #3

- Legislative Budget
- Follow up from 8/14/23 Session
- Plans for 9/11/23 Council Budget Retreat





Questions?

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Opportunity for questions and further discussion.