

1st Quarter 2026 Financial Report

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Presentation 26-091



Commerce
CITY

ERCE CITY



2026 1st Quarter Financial Report

The 1st Quarter Financial Report for Commerce City provides an unaudited overview of the General Fund and Capital Expenditures Fund and compares how revenues and expenditures performed in comparison to budget. Overall, this data is trending as expected. Revenues and expenditures from 1st Quarter 2026 are also compared to 1st Quarter 2025.

The report also provides highlights of the major capital projects under construction within the City.





1st Quarter Highlights

- Sales & Use Taxes are 2.5% higher for Q1 of 2026 compared to that of 2025.
- Overall General Fund Expenditures (not including debt service) increased \$10,308,491 (9.8%) from 2024 to 2025. Year-to-date 2026 expenditures are trending slightly under budget.
- Personnel costs increased \$4,488,303 (7.02%) from 2024 to 2025. This increase is primarily due to the addition of 20 positions in 2025, market adjustments for some positions to remain competitive when recruiting, and merit increases tied to annual evaluations. In 2026, an additional 10 positions were added.
- The largest increase in General Fund Expenditures from 2025 to 2026 through Q1, was in Contractual Services. This category increased \$1,619,311 or 16.9%. This increase was mostly due to increased spending in 2025 related to the citywide computer allocation, outside services general, outside services ARPA and property casualty insurance deductible/claims.





The Economy

Inflation - Annual inflation was 2.6% nationally and 2.3% percent for the Denver area in 2025. This forecast incorporates previously delayed or missing CPI data resulting from the federal government shutdown and reexamines assumptions around tariff-induced inflation, shifting inflation expectations downward in 2026 to 3.0% for the U.S. and 2.9% for the Denver area

Consumer Spending – Consumer spending was strong throughout 2025, despite disruptions caused by tariffs. The Governor’s Office of State Planning & Budgeting (OSPB) expects consumer spending growth to moderate by the middle of 2026 after a strong 2025.

Source – OSPB Colorado Economic & Revenue Outlook – March 2026





Labor and Wages

Labor Market – The labor market has had slow job growth and relatively stable unemployment nationally and locally. In Colorado, 1,200 jobs were added in December 2025 and unemployment was 3.8% (almost a full percentage point down from the beginning of 2025). The labor market is expected to slow in 2026.

Wages and Income – Personal income and wages saw resilient but slowing growth in 2025, primarily due to a slowing labor market. National and local wage and salary growth are projected to remain below average throughout 2026.

Source – OSPB Colorado Economic & Revenue Outlook – March 2026





Discussion & Questions

