

2027 Budget Preliminary Session # 1

May 11, 2026

Pres 26-144



Commerce
CITY

ERCE CITY

Agenda

Economic Outlook

General Fund Balance

Revenues

Expenditures

Draft Source & Use Data

Budget Calendar & Next Steps

Economic Outlook

National

- U.S. economic activity expanded in 2025, but at the slowest pace since 2020
 - GDP rose 2.1% in 2025 compared to 2.8% in 2024
- Consumer spending is the largest component of GDP, accounting for nearly 70% of total economic output
- The U.S. unemployment rate, which averaged 4.3% in 2025, is expected to rise to 4.5% in 2026

State

- Colorado's economy grew slightly faster than the U.S. in 2025
 - In Q3 2025, Colorado's GDP grew at an annual rate of 4.6%, slightly above the U.S. rate
- Denver area inflation is expected to be 2.6% in 2026
- Denver-Aurora-Lakewood CPI – 4.2% in March 2025

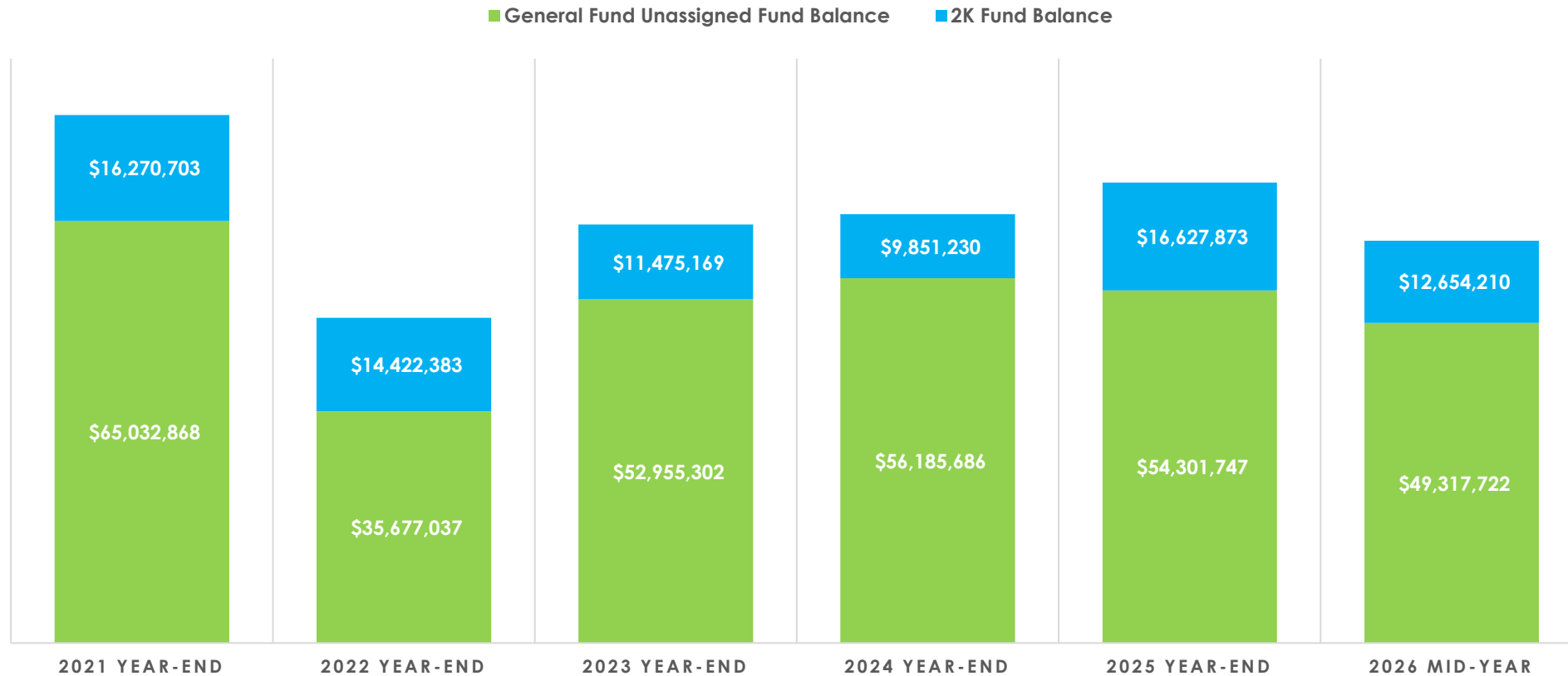
Source – OSPB Colorado Economic & Revenue Outlook – March 2026

General Fund Balance Status

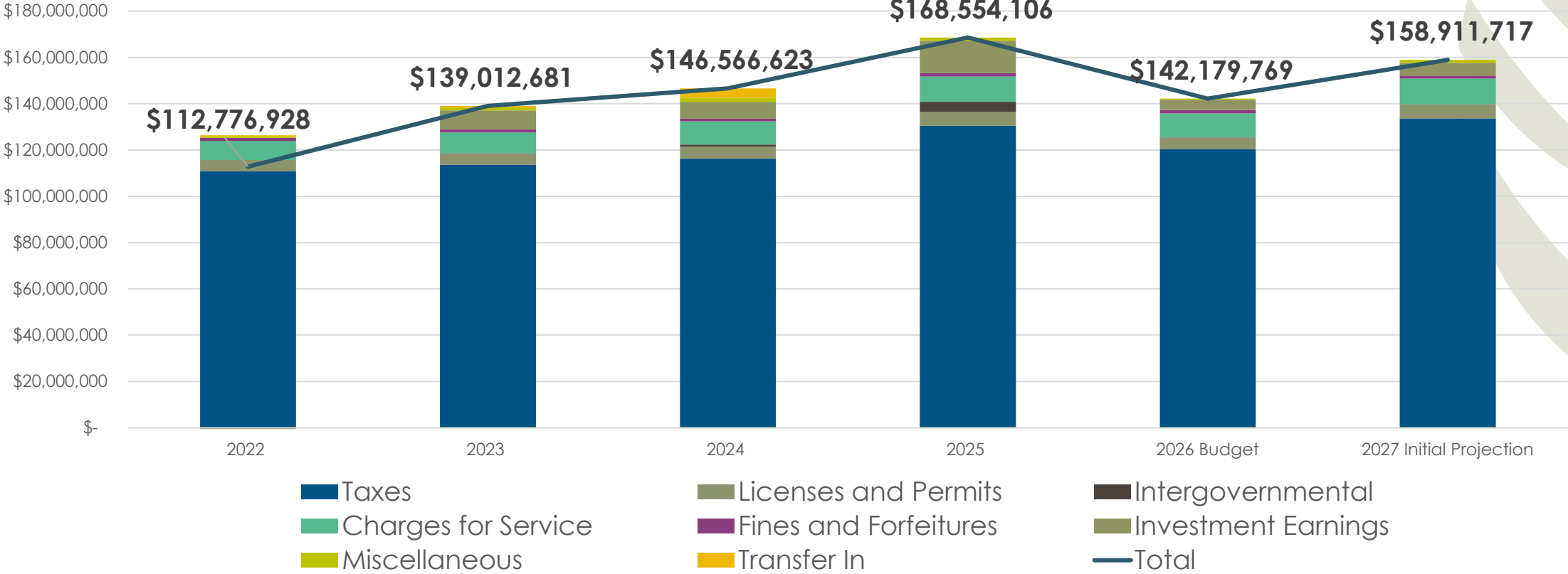
	General Fund	2K Restricted
2025 Ending Fund Balance (UNAUDITED)	\$ 116,659,109	\$ 16,627,873
Nonspendable	(269,325)	
TABOR 3% Emergency Reserve	(4,926,091)	
2K Capital and Operations	(16,627,873)	
Operating Reserves	(12,944,011)	
Safeguard Reserves	(19,904,479)	
Defined Contribution Plan	(5,795,016)	
Parks, Recreation & Golf Equipment Reserve	(1,765,222)	
Employee Assisted Housing Program Reserve	(125,345)	
Remaining Unassigned General Fund Balance (at 12/31/25)	\$ 54,301,747	\$ 16,627,873
Amount Budgeted to Balance 2026 Budget - Non-2K	(4,244,077)	
Amount Budgeted to Balance 2026 Budget - 2K		(3,973,663)
Ordinance 2756 - Flock Expansion Project	(239,948)	
Ordinance TBD - Ice Rink	(500,000)	
Remaining Unassigned Fund Balance	\$ 49,317,722	\$ 12,654,210

General Fund Balance 5-Year Comparison

2021-2026

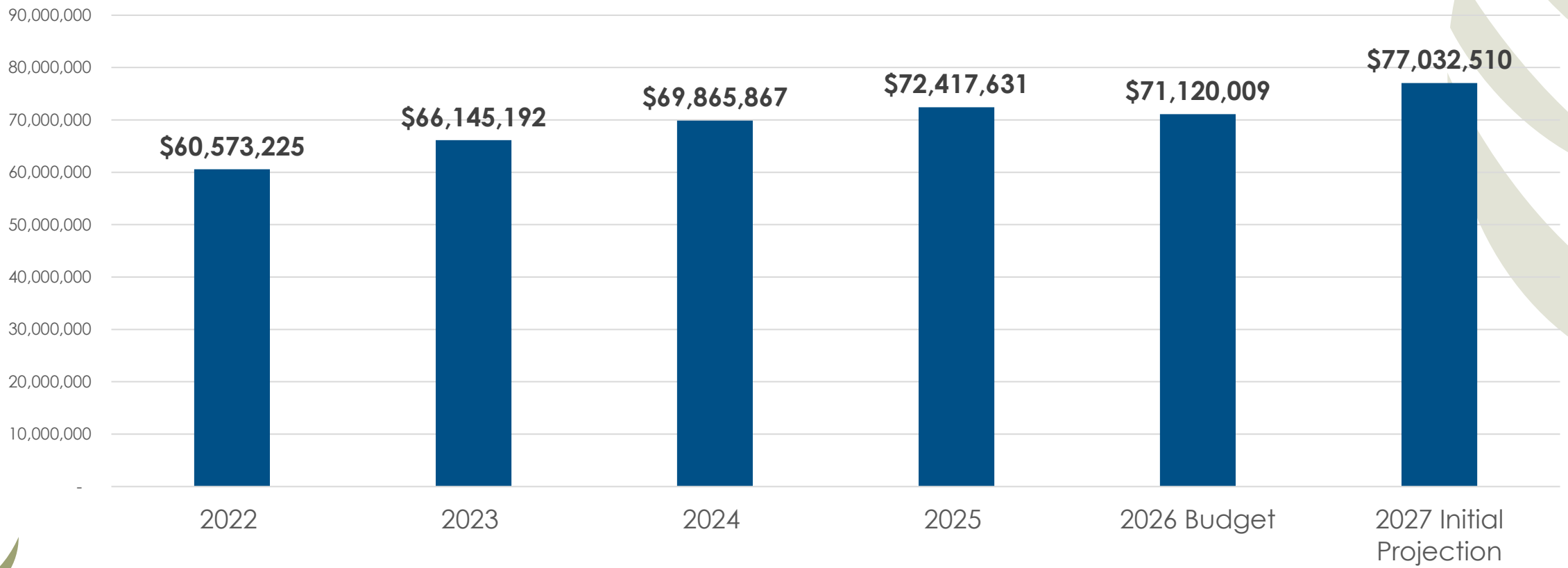


Operating Revenues-General Fund



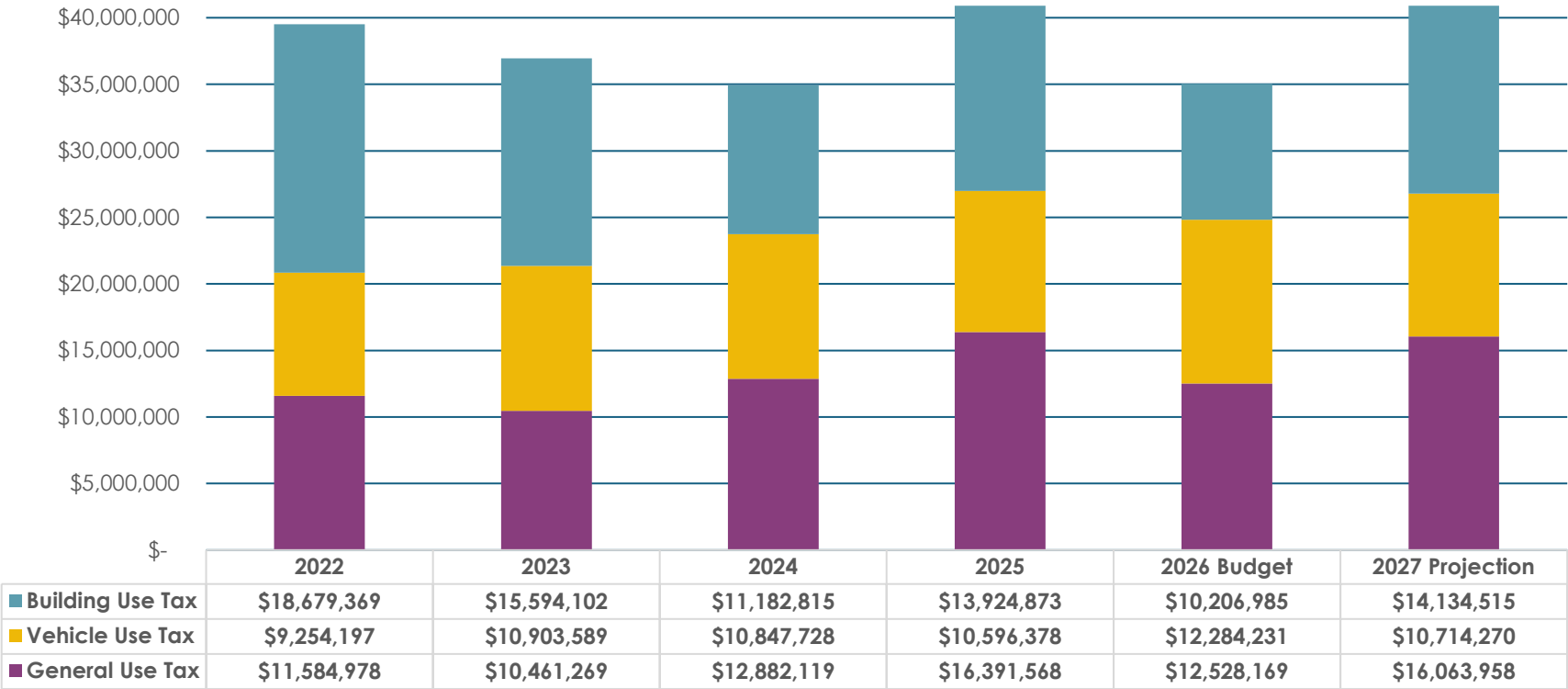
Sales Tax

2022-2027



Use Tax

BUILDING, VEHICLE, AND GENERAL USE TAX
HISTORICAL COMPARISON



Base Budget Process



Conduct a detailed base budget analysis every 2-3 years, with the detailed analysis occurring for the 2027 budget process



For the interim years, Line by line discussion with departments to determine if the application of an inflation factor is appropriate or if reductions can be made



Process is designed to create the meaningful outcome of “right-sizing” budgets at the line-item level, which may result in a recommended increase or decrease based upon historical trend analysis

Expenditure Categories

Salaries

wages for all FTE and part time staff

Benefits

FICA, Medicare, Retirement, Health insurance, etc.

Contract Services

amounts paid to contract staff such as temporary employees

Services and Charges

amounts paid for services rendered by outside vendors

Materials & Supplies

tangible goods needed for service delivery

Capital Outlay

amounts spent on goods that have long term value to the City

Base Budgets

General Fund	2026 Adopted Budget	2027 Proposed Budget	Variance	% Incr/Decr
Administration				
City Clerk	\$ 1,168,521	\$ 1,315,741	\$ 147,220	12.6%
City Manager	3,606,327	3,554,515	(51,812)	-1.4%
Community Well-Being	1,009,108	1,256,101	246,993	24.5%
Energy, Equity & the Environment	522,061	546,148	24,087	4.6%
Municipal Court	1,149,790	1,215,189	65,399	5.7%
Legislative	849,331	901,606	52,275	6.2%
Economic & Community Vitality	3,778,622	4,267,236	488,614	12.9%
Legal	2,497,363	2,579,202	81,839	3.3%
Human Resources	5,980,111	6,375,480	395,369	6.6%
Finance	8,118,612	8,613,960	495,348	6.1%
Community Development	9,000,886	9,292,120	291,234	3.2%
Parks, Recreation & Golf	22,256,711	23,541,771	1,285,060	5.8%
Public Safety	42,438,294	46,598,705	4,160,411	9.8%
Public Works	25,220,688	27,075,284	1,854,596	7.4%
General Fund Total	\$ 127,596,425	\$ 137,133,058	\$ 9,536,633	7.5%

Internal Services Fund	2026 Adopted Budget	2027 Proposed Budget	Variance	% Incr/Decr
Facilities	\$ 6,499,139	\$ 7,000,396	\$ 501,257	7.7%
Fleet	16,582,940	12,719,771	(3,863,169)	-23.3%
Information Technology	13,367,329	15,113,645	1,746,316	13.1%
Internal Services Fund Total	\$ 36,449,408	\$ 34,833,812	\$ (1,615,596)	-4.4%

Administration 2027 Base Budget

- Total – 37 FTEs
- City Clerk – 6.0 FTES
- City Manager – 12.0 FTEs
- Community Well-Being – 9.0 FTEs
- Energy, Equity & the Environment – 3.0 FTEs
- Municipal Court – 7.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ 1,723,679	\$ 1,701,914	-1.3%
Expenditures			
Salaries	\$ 4,012,913	\$ 4,241,141	5.7%
Benefits	1,089,706	1,149,107	5.5%
Contract Services	180,200	184,610	2.4%
Services & Charges	2,058,888	2,240,186	8.8%
Materials & Supplies	114,100	72,650	-36.3%
Total Expenditures	\$ 7,455,807	\$ 7,887,694	5.8%

Economic and Community Vitality 2027 Base Budget

- Total –18.0 FTEs
- Community Relations – 10.0 FTEs
- Economic Development – 8.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/ Decr
Total Revenues	\$ -	\$ -	0.0%
Expenditures			
Salaries	\$ 1,725,219	\$ 1,966,694	14.0%
Benefits	476,301	545,426	14.5%
Contract Services	35,300	51,000	44.5%
Services & Charges	1,536,202	1,699,416	10.6%
Materials & Supplies	5,600	4,700	-16.1%
Total Expenditures	\$ 3,778,622	\$ 4,267,236	12.9%

Legal 2027 Base Budget

- Total – 9.0 FTEs
- City Attorney – 9.0 FTEs
- Legal Services – 0.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ -	\$ -	0.0%
Expenditures			
Salaries	\$ 1,406,605	\$ 1,461,518	3.9%
Benefits	343,752	355,311	3.4%
Contract Services	99,200	99,200	0.0%
Services & Charges	615,306	628,603	2.2%
Materials & Supplies	32,500	34,570	6.4%
Total Expenditures	\$ 2,497,363	\$ 2,579,202	3.3%

Human Resources 2027 Base Budget

- Total – 15 FTEs
- Organizational Development – 0.0 FTEs
- Human Resources Operations – 13.0 FTEs
- Risk Management – 2.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ -	\$ -	0.0%
Expenditures			
Salaries	\$ 1,681,132	\$ 1,670,682	-0.6%
Benefits	1,650,238	2,056,275	24.6%
Contract Services	35,000	-	-100.0%
Services & Charges	2,596,041	2,635,823	1.5%
Materials & Supplies	17,700	12,700	-28.2%
Total Expenditures	\$ 5,980,111	\$ 6,375,480	6.6%

Finance 2027 Base Budget

- Total – 31 FTEs
- Financial Services – 11.0 FTEs
- Financial Planning & Budgeting – 4.0 FTEs
- Tax – 13.0 FTEs
- Procurement – 3.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ -	\$ -	0.0%
Expenditures			
Salaries	\$ 4,413,006	\$ 4,543,869	3.0%
Benefits	2,004,005	2,102,295	4.9%
Contract Services	5,000	3,000	-40.0%
Services & Charges	1,682,801	1,951,186	15.9%
Materials & Supplies	13,800	13,610	-1.4%
Total Expenditures	\$ 8,118,612	\$ 8,613,960	6.1%

Community Development 2027 Base Budget

- Total – 55 FTEs
- CD Administration – 7.0 FTEs
- Planning – 11.0 FTEs
- Building Safety – 21.0 FTEs
- CDBG – 1.0 FTE
- Development Engineering – 5.0 FTEs
- Neighborhood Services – 10.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/ Decr
Total Revenues	\$ 5,204,964	\$ 5,647,258	8.5%
Expenditures			
Salaries	\$ 4,784,882	\$ 4,895,262	2.3%
Benefits	1,359,149	1,503,636	10.6%
Contract Services	187,832	74,200	-60.5%
Services & Charges	2,595,723	2,745,722	5.8%
Materials & Supplies	73,300	73,300	0.0%
Total Expenditures	\$ 9,000,886	\$ 9,292,120	3.2%

Public Safety 2027 Base Budget

- Total – 190 FTEs
- Administration – 9.0 FTEs
- Support Operations – 53.0 FTEs
- Patrol Operations – 120.0 FTEs
- Training & Recruitment – 6.0 FTEs
- Emergency Management – 2.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ 1,547,530	\$ 1,725,951	11.5%
Expenditures			
Salaries	\$ 19,762,717	\$ 20,640,242	4.4%
Benefits	5,205,189	6,197,458	19.1%
Contract Services	2,587,400	2,921,000	12.9%
Services & Charges	13,685,023	15,550,335	13.6%
Materials & Supplies	1,197,965	1,289,670	7.7%
Total Expenditures	\$ 42,438,294	\$ 46,598,705	9.8%

Public Works 2027 Base Budget

- Total – 95 FTEs
- Administration – 8.0 FTEs
- Street Maintenance – 30.0 FTEs
- Engineering – 21.0 FTEs
- Parks Maintenance – 36.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ 1,609,611	\$ 2,208,240	37.2%
Expenditures			
Salaries	\$ 6,952,489	\$ 7,472,627	7.5%
Benefits	2,147,812	2,388,104	11.2%
Contract Services	912,400	1,047,200	14.8%
Services & Charges	13,973,987	14,956,593	7.0%
Materials & Supplies	1,234,000	1,210,760	-1.9%
Total Expenditures	\$ 25,220,688	\$ 27,075,284	7.4%

Parks, Recreation & Golf 2027 Base Budget

- Total – 70 FTEs
- Community Events – 0.0 FTE
- Parks, Rec & Golf Administration – 7.0 FTEs
- Eagle Point Aquatics – 3.0 FTEs
- Recreation Administration – 9.0 FTEs
- Eagle Pointe Recreation Center – 5.0 FTEs
- Bison Ridge Recreation Center – 6.0 FTEs
- Bison Ridge Aquatics – 3.0 FTEs
- Satellite Operations – 0.0 FTE
- Pioneer Park Athletics-Outdoors – 2.0 FTEs
- Outdoor Leisure Pool – 1.0 FTE
- Bison Ridge Programs – 6.0 FTEs
- Eagle Pointe Programs – 3.0 FTEs
- Parks, Planning & Programming – 10.0 FTEs
- Golf Course Maintenance – 6.0 FTEs
- Golf Course Operations - 4.0 FTEs
- Golf Course Restaurant – 5.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ 6,871,324	\$ 6,846,886	-0.4%
Expenditures			
Salaries	\$ 5,383,064	\$ 5,719,966	6.3%
Benefits	2,127,024	2,276,061	7.0%
Contract Services	5,455,650	5,662,040	3.8%
Services & Charges	6,612,957	7,119,665	7.7%
Materials & Supplies	2,148,016	2,234,039	4.0%
Capital Outlay	530,000	530,000	0.0%
Total Expenditures	\$ 22,256,711	\$ 23,541,771	5.8%

Facility Services 2027 Base Budget

- Total –26 FTEs
- Facilities Services – 10.0 FTEs
- Custodial Services – 16.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/ Decr
Total Revenues	\$ 6,499,139	\$ 7,000,396	7.7%
Expenditures			
Salaries	\$ 1,677,205	\$ 1,690,498	0.8%
Benefits	558,002	605,148	8.4%
Contract Services	70,000	95,000	35.7%
Services & Charges	3,475,035	4,006,773	15.3%
Materials & Supplies	458,897	392,977	-14.4%
Capital Outlay	110,000	110,000	0.0%
Depreciation	150,000	100,000	-33.3%
Total Expenditures	\$ 6,499,139	\$ 7,000,396	7.7%

Fleet Management 2027 Base Budget

- Fleet Management – 6.0 FTEs

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/ Decr
Total Revenues	\$ 16,582,940	\$ 12,719,771	-23.3%
Expenditures			
Salaries	\$ 497,717	\$ 527,532	6.0%
Benefits	146,666	156,252	6.5%
Contract Services	30,000	46,310	54.4%
Services & Charges	5,694,611	754,223	-86.8%
Materials & Supplies	2,062,334	2,181,110	5.8%
Capital Outlay	5,533,600	5,414,641	-2.1%
Depreciation	2,618,012	3,639,703	39.0%
Total Expenditures	\$ 16,582,940	\$ 12,719,771	-23.3%

Information Technology 2027 Base Budget

- Total – 37 FTEs
- IT Administration – 6.0 FTEs
- IT Operations – 16.0 FTEs
- IT Public Safety Systems – 6.0 FTEs
- Enterprise Applications – 9.0 FTEs

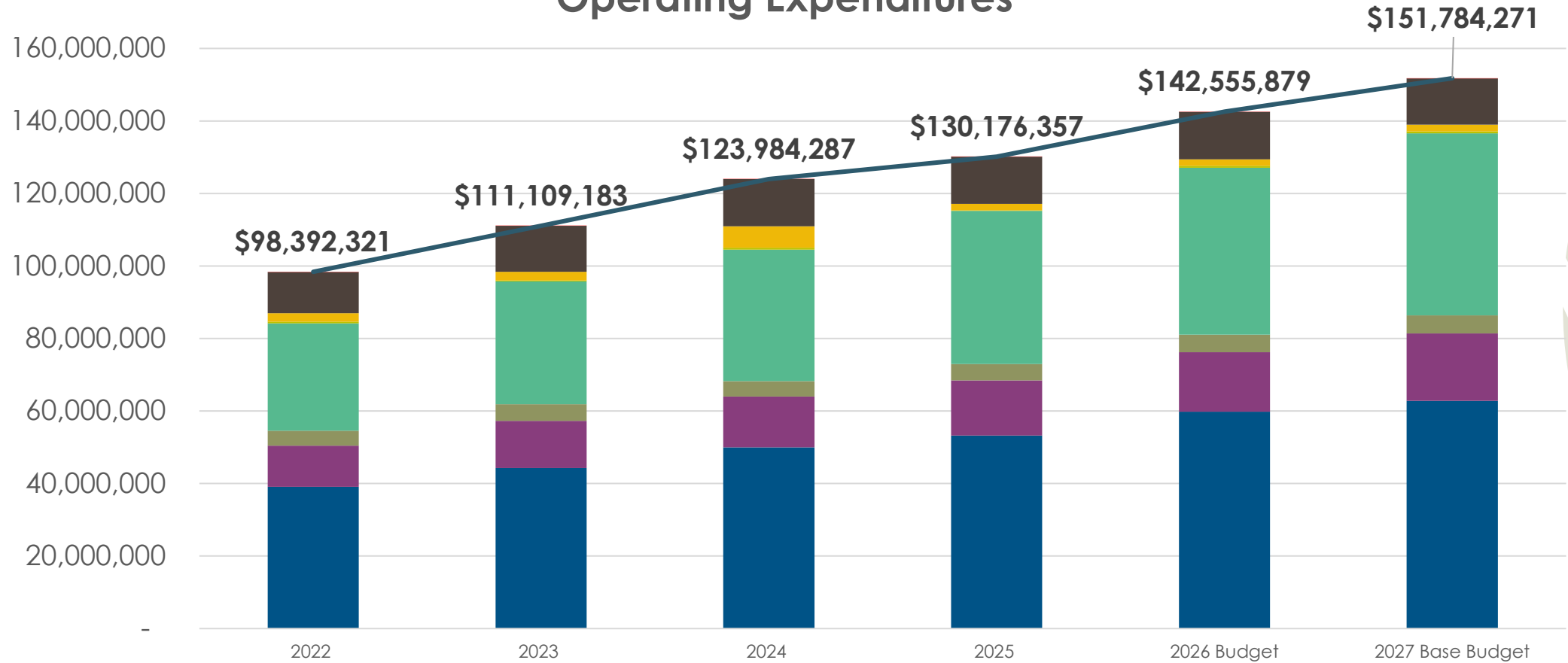
Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/ Decr
Total Revenues	\$ 13,367,339	\$ 15,113,645	13.1%
Expenditures			
Salaries	\$ 4,120,838	\$ 4,238,296	2.9%
Benefits	1,031,392	1,131,255	9.7%
Contract Services	59,000	47,000	-20.3%
Services & Charges	955,401	974,816	2.0%
Materials & Supplies	255,950	182,100	-28.9%
Capital Outlay	6,944,758	8,540,178	23.0%
Total Expenditures	\$ 13,367,339	\$ 15,113,645	13.1%

Legislative 2027 Base Budget

- Legislative – 9.0 Councilmembers

Revenues and Expenditures	2026 Adopted Budget	2027 Base Budget	% Incr/Decr
Total Revenues	\$ -	\$ -	0.0%
Expenditures			
Salaries	\$ 145,517	\$ 145,517	0.0%
Benefits	13,289	13,289	0.0%
Contract Services	28,200	28,200	0.0%
Services & Charges	652,825	700,100	7.2%
Materials & Supplies	9,500	14,500	52.6%
Total Expenditures	\$ 849,331	\$ 901,606	6.2%

Operating Expenditures



- Salaries
- Employee Benefits
- Materials & Supplies
- Purchased Services & Charges
- Capital Outlay
- Debt-GF
- Debt Fund
- Elected Officials



Sources & Uses – Total General Fund

General Fund Financial Summary	2025 Actual	2026 Adopted	2026 Revised	2027 Proposed
Beginning Fund Balance	108,061,093	116,659,109	116,659,109	108,441,369
Revenues				
Sales & Use Taxes - 3.5%	92,449,474	86,622,448	86,622,448	93,447,546
2K Sales & Use Taxes - 1.0%	25,845,015	21,563,695	21,563,695	27,757,444
2K Sales & Use Taxes - 1.0% (Operating Allocation)	1,601,679	1,732,787	1,732,787	1,836,348
Other Taxes	10,560,670	10,350,570	10,350,570	10,564,741
Licenses and Permits	5,936,595	5,056,833	5,056,833	6,013,280
Intergovernmental	4,370,078	98,079	98,079	101,188
Charges for Service	10,935,599	10,408,687	10,408,687	11,057,790
Fines and Forfeitures	1,454,302	1,408,712	1,408,712	1,349,841
Miscellaneous	15,400,694	4,746,413	4,746,413	6,783,539
Total Revenues and Other Financing Uses	168,554,106	141,988,224	141,988,224	158,911,717

Sources & Uses – Total General Fund

	2025 Actual	2026 Adopted	2026 Revised	2027 Proposed
Expenditures				
Administration	11,027,074	8,305,138	8,305,138	8,789,300
Economic and Community Vitality	-	3,778,622	3,778,622	4,267,236
Human Resources	3,278,166	5,980,111	5,980,111	6,375,480
Finance	8,490,157	8,118,612	8,118,612	8,613,960
Community Development	8,972,593	9,000,886	9,000,886	9,292,120
Public Safety	37,176,525	42,438,294	42,438,294	46,598,705
Public Works	22,891,521	25,220,688	25,220,688	27,075,284
Parks, Recreation & Golf	21,103,447	22,256,711	22,256,711	23,541,771
Legal	2,271,095	2,497,363	2,497,363	2,579,202
Debt Service	1,951,588	1,843,681	1,843,681	1,839,931
Total Expenditures	117,162,166	129,440,106	129,440,106	138,972,989

Sources & Uses – Total General Fund

	2025 Actual	2026 Adopted	2026 Revised	2027 Proposed
Other Financing Uses (Transfers Out)				
Capital Expenditures Fund - General Fund Balance	27,663,050	-	500,000	-
Capital Expenditures Fund - 2K Capital & Operations	750,000	6,440,000	6,440,000	-
Capital Expenditures Fund - IT CIP Projects	707,500	1,006,000	1,006,000	-
Capital Expenditures Fund - 2K Capital Allocation	189,933	204,085	204,085	217,811
Debt Service Fund	12,972,432	13,079,293	13,079,293	12,776,242
Elected Officials Retirement Fund	41,760	36,480	36,480	35,040
Benefits Fund	469,249	-	-	-
Total Other Financing Uses	42,793,924	20,765,858	21,505,806	13,029,093
Total Expenditures and Other Financing Uses	159,956,090	150,205,964	150,945,912	152,002,082
Net Change in Fund Balance	8,598,016	(8,217,740)	(8,957,688)	6,909,635
Ending Fund Balance	116,659,109	108,441,369	107,701,421	115,351,004

Budget Priority Survey

	2026 Adopted	2027 Proposed
1. Safety (Northern Range Substation)		
Police Substation (CIP)	\$ 38,087,282	\$ 38,087,282
Police Substation IT (CIP)	\$ 395,000	\$ 395,000
2. Retail		
Retail Consultancy Support (GF)	\$ 45,000	\$ 45,000
Recruitment Events (GF)	\$ 25,000	\$ 25,000
3. Derby		
Derby Lighting/Flatwork(CIP)	\$ 380,000	\$ 380,000
72nd/Monaco Intersection(CIP)	\$ 325,000	\$ 325,000
Derby Outside Services (URA)	\$ 390,000	\$ 390,000
4. Redevelopment		
URA Admin Outside Services (URA)	\$ 100,000	\$ 100,000
5. Workforce Development		
Work Force Advisory Committee (GF)	\$ 10,000	\$ 10,000
Work Force Development Program (GF)	\$ 100,000	\$ 100,000
Lightcast Platform	\$ 15,000	\$ 15,000
6. Life Safety Equipment		
PS Operating Equipment/Supplies (GF)	\$ 1,180,265	\$ 1,271,970
7. Roads		
Pavement Management (CIP 1A)	\$ 5,100,000	\$ 4,800,000
Street Reconstruction (CIP 1A)	\$ 700,000	\$ 700,000
Core City Infrastructure(CIP 1A)	\$ 350,000	\$ 375,000
8. Primary Employment		
Commerce City Delivers Marketing Campaign (GF)	\$ 65,000	\$ 65,000

Budget Calendar Next Steps

Date	Activity
05/11/26	Preliminary Budget Session
07/20/26	Preliminary CIP Budget Session
08/10/26	Preliminary Budget Session
08/17/26	Preliminary Budget Session
09/14/26	Council Budget Workshop
10/19/26	Open Public Hearing on Budget
11/02/26	Close Budget Hearing/Adoption