

Council Budget Request Discussion

July 28, 2025

Pres 25-297



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.

Back to Basics – Operational Approach

- Basic Services
 - Who are our Customers?
 - What are the Basic Services we provide to the Community?
- Core Competencies
 - Setting Ambitious, Realistic Goals
 - Setting and Meeting Service Levels
 - Communicating Performance
- Projects vs. Operations
 - Differentiating between Projects and Operations
 - Focusing Efforts to avoid Duplication

Why should we get Back to the Basics

- Mission –The City of Commerce City provides excellent services to its diverse community to build a Quality Community for a Lifetime.



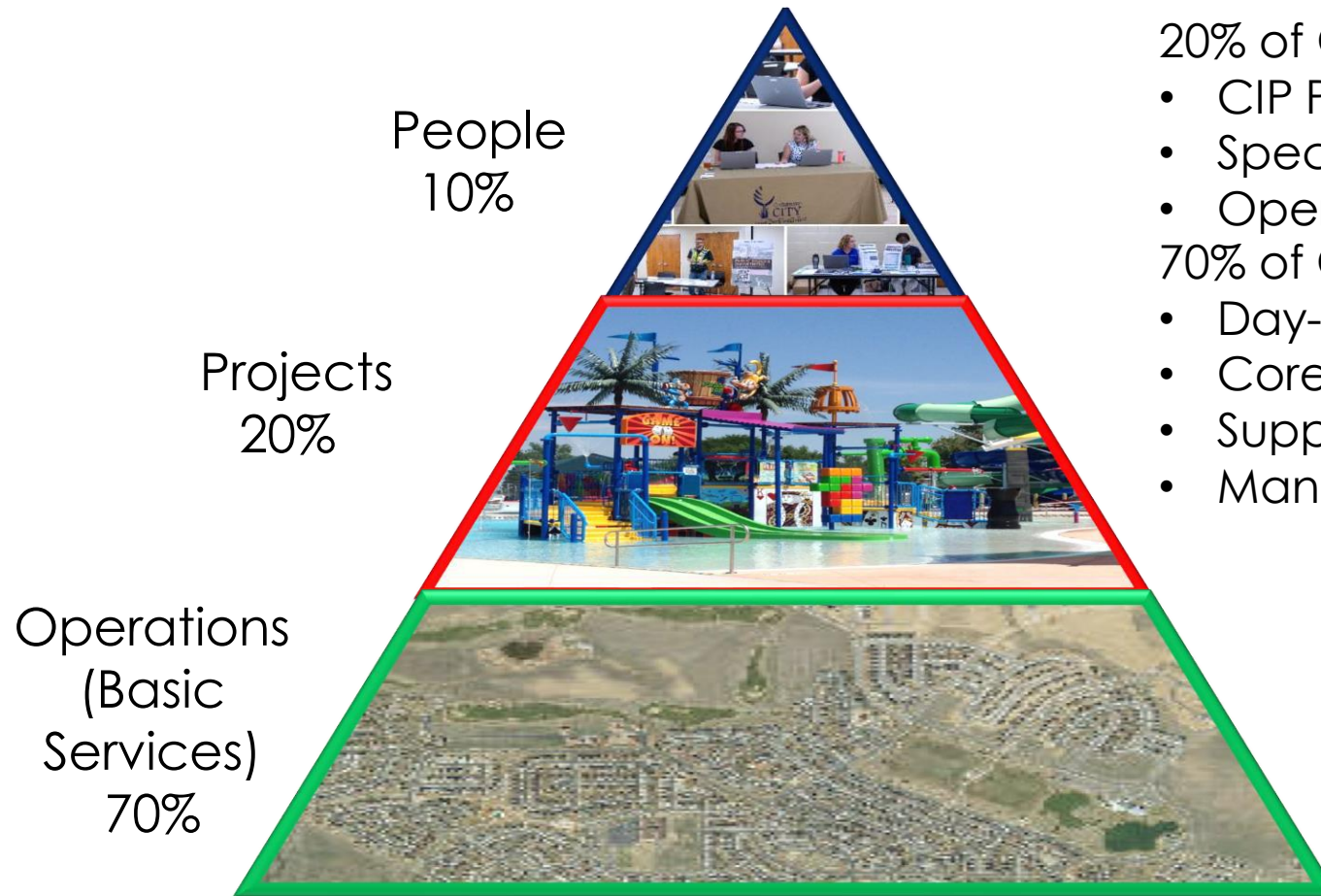
Starting point-
(Mission)



Final destination-
(Vision)

- Vision –The City of Commerce City is a thriving community: economically strong, environmentally sustainable, diverse, inclusive, socially equitable, and responsive.

The 70-20-10 Rule - Ideal



10% of City Work – People

- Training, Continuing Education
- Flexibility for Employees

20% of City Work – Projects

- CIP Projects
- Special City Projects
- Operational projects

70% of City Work – Operations

- Day-to-Day Work
- Core Processes
- Support Processes
- Management Processes



2026 City Council Requests

City Council is not expected to follow the exact same Decision Package Proposal process that Departments are, however, City Management requests that City Council focus on its top 5 priorities, similar to Departments.

The next slide contains City Council feedback from the Thought Exercise held during the March 21/22 Retreat to help guide discussion.

Preliminary Council Priorities

From Thought Exercise at
March 21/22 Retreat

Categories	Round 1 Results	Round 2 Results
Public Safety	\$205	\$40
Derby	\$170	\$225
Public Works	\$170	\$95
Retail Development	\$100	\$190
Economic Development	\$90	\$135
Parks, Recreation, & Golf	\$80	\$75
Primary Employment	\$65	\$120
Events	\$20	\$10

Discussion

What are City Council's top 5 operating (not CIP) funding priorities for 2026?