



2027- 2028 Recommended Budget

Presented by:

Caleb Weitz, Chief Financial Officer
Victoria Shaw, Budget Director

Work Session Schedule

September 15 Service Delivery and Community Investments	September 22 Internal Operations, Governance, and Utilities	October 13
Overall Themes and Citywide assumptions	Police Services	Additional follow-up based on Council questions, direction, or items requiring further discussion Consideration of alternatives
Community Services	Information & Employee Services	
Community Development, Housing & Sustainability	Finance, Executive, Legal, and Judicial Services	
Transportation Services	Utilities Services	

- Additional Work Session time is held for October 27th, if needed

Information Follow-Up

2050 Tax Capital Projects

Projects funded by Capital
Expansion Fees

Funding for Affordable Housing

Resourcing for Planning & Development
Services (\$2M allocated for Sustainable
Growth)

Decision Points

Funding for Municipal Court

Grocery Sales Tax Rebate Program and
Human Services Grants

Other revenue and reduction options

2050 Tax Parks & Recreation – Capital Projects



Rolland Moore Tennis and Playground
Replacement - \$12M

2027 Construction



Landings Park Update - \$5M

2027-2028 Construction



Soft Gold Park Update - \$4M

2027 Design/2028 Construction



Downtown Park Shop Replacement - predevelopment



Asphalt/Concrete – Repair / Replacement / Preventative Maintenance / ADA improvements



Playground Replacements



Water Conservation / Turf Conversion Projects



Neighborhood Parks Expansion Fee

- Mariposa Park
2027 Construction
- New Park near Waterfield Development (Iron Horse)
2027 Design /
2028 Construction
- P&R Mid-Plan Update and Neighborhood Park
Predevelopment

Community Parks Expansion Fee

- East Community Park
Predevelopment
- Northeast Community Park
Predevelopment

Trails

- Design/Construction
 - N. Lemay Trail (Lemay Underpass to Forest Hills)
 - Blevins Park to Ross (Foothills Multiuse Site)
 - S. Overland Trail (Spring Canyon Park to Foothills Multiuse Site)
- Predevelopment (Planning)
 - Power Trail to Shepherdson Elementary
 - Spur Trail (TBD)
 - Spur Trail (TBD)

Affordable Housing Funding Across Budgets

Affordable Housing Capital Fund	Budget	Remaining
2016–2025 Community Capital Improvement Program (CCIP) Affordable Housing	\$4.0M	\$400K dedicated fee relief
2016–2025 CCIP Reserves	\$5.7M	\$5.7M
2016–2025 CCIP Reserves from Southeast Community Center debt issuance savings	\$2.3M	\$2.3M
Quarter Cent Capital Tax – 2026 Appropriation	\$2.5M	\$550K
Quarter Cent Capital Tax – 2027/28 Proposal	\$1.3M	\$1.3M
Total	15.8M	10.25M

- Quarter Cent Capital Tax 2026-2035: \$10M scheduled per ballot language; \$3.8M would be appropriated by end of this budget cycle

Quarter Cent Capital Tax

Project (\$K)	2027	2028
Affordable Housing Capital Fund	\$1,346	-
Arterial Intersection Improvement & Streetscapes Program	6,043	\$1,090
Bicycle Infrastructure & Overpass/Underpass Program	1,996	2,066
Community Bike Park	861	4,842
Downtown Parks Shop	-	1,053
Nature in the City	-	414
Outdoor Pickleball Complex & Courts	4,308	10
Pedestrian Sidewalk Program	1,552	1,607
Recreational Paved Trails	308	319
Transfort Bus Replacement & Stop Enhancements	323	331
Total	\$16,736	\$11,732





- System transformation underway to FC Clear
- To ensure funding, \$2M has been allocated in this budget cycle. Staffing uses include:
 - Cost of redeploying talent
 - Additional contractual support
- Other potential uses:
 - Revenue backfill for Fee Relief
 - Targeted studies, such as Impact Fees, Historic Preservation, etc.

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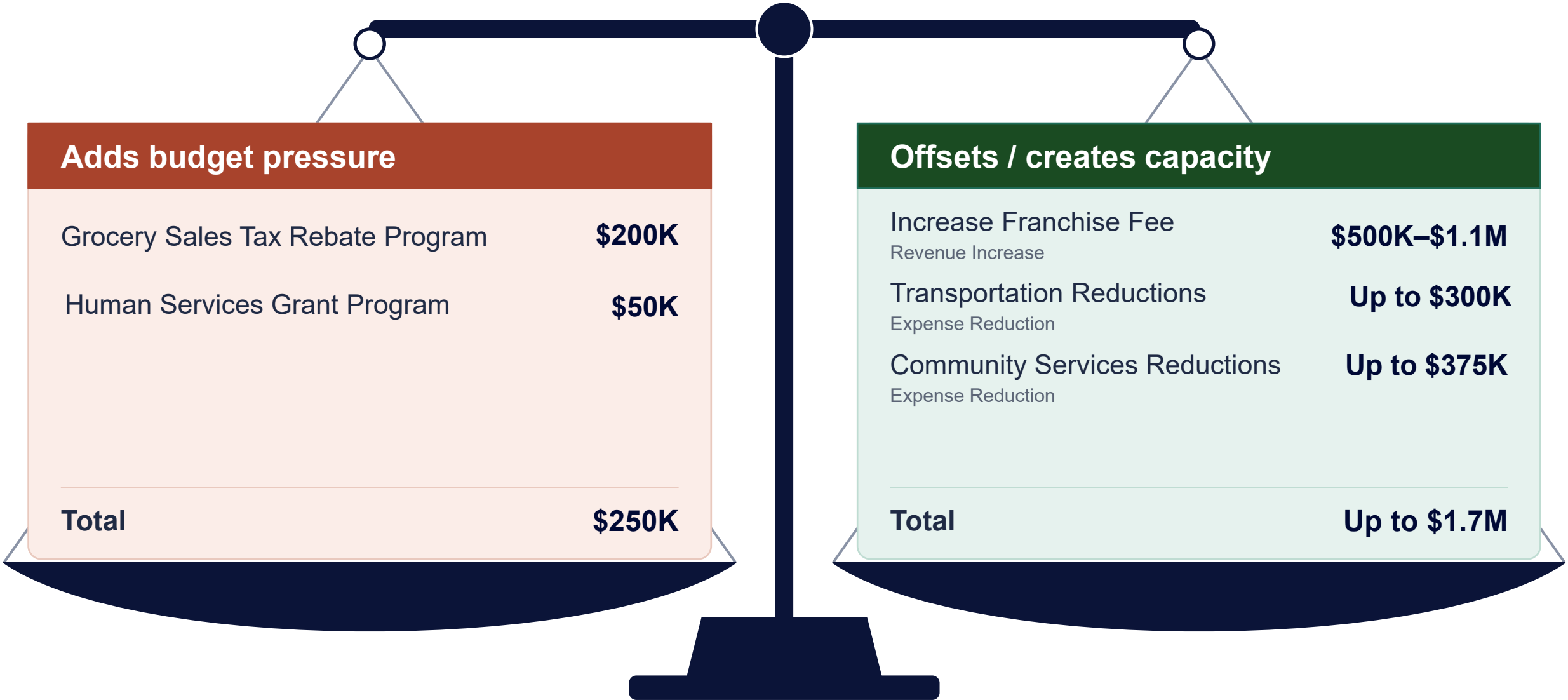
Grocery Sales Tax Rebate Program and
Human Services Grants

Other revenue and reduction options

- **Municipal Court need of \$250K emerged after original recommendations**
- Within existing revenue, recommendations include:
 - Reduced contracted landscaping at the Gardens
 - No additional recreation business support with Southeast Community Center addition
 - +1.0 FTE to attrition target
- If new revenue is available, request considering funding Municipal Court needs from the new source



Budget Adjustments Under Consideration



Natural Gas Franchise Fee Options

City Revenue impact

Fee Rate	3-Year Avg.	2025 Revenue	New Annual Revenue
1.07% (actual)	\$636,012	\$595,488	—
2.00% (est.)	\$1,188,807	\$1,113,062	~\$500K
3.00% (est.)	\$1,783,211	\$1,669,592	~\$1.1M

Customer bill impact, if passed through

Fee Rate	Residential		Commercial / Industrial	
	Monthly Fee	Annual Increase	Monthly Fee	Annual Increase
1.07%	\$0.62	-	\$3.68	-
2.00%	\$1.16	\$6.48	\$6.88	\$38.40
3.00%	\$1.75	\$13.56	\$10.32	\$79.69

Based on average monthly bills of \$58.19 residential and \$344.02 commercial/industrial (2023 projections)

Current agreement

Since 2018, Xcel pays 1.07% of gross revenues, credited against the \$445,000 annual Gas Company Occupation Tax.

History

Before 2018, Xcel had no franchise and the City levied the flat \$445,000 Occupation Tax. The 1.07% rate was set to approximate that amount.

Council option

Council may raise the fee by resolution to as much as 3%. Increase takes effect 60 days after the City gives Xcel written notice.

Additional Reduction Options

Community Services

Up to 375K

Forestry

Up to \$90K

\$20K-\$70K Tree contracts

\$70K would lower back to 2015–16 funding level with 27% more trees; slower storm response

\$20K Ash borer

Already cut \$100K in 2026; higher safety and liability risk

West Nile Virus

\$30K or \$285K

\$30K Scale back

Reduce 2 additional weeks of data collection; 4 fewer than current program

OR

\$285K Eliminate Program

No larvicide, testing, or education

Higher public health risk; relies on county risk data.

Impact to vulnerable populations

Transportation

Up to \$300K

Streets

Up to \$300K

Asset Management

Scalable combination of maintenance & equipment

Each \$100K ≈ 1 lane mile of overlay or 1.9 lane miles of surface treatment, or deferred equipment (pickup ~\$60K, sweeper ~\$400K)

Current funding covers ~100 of the 130 lane miles needed per year to hold a Pavement Condition Index of B

Grocery Sales Tax Rebate – Program Considerations



Current Program

\$81

per person, per year (2026)

- Relief from City sales tax on food for low-income residents
- Established in 1984
- Amount grows with food CPI from a 2019 baseline

Eligibility

- Lives in City limits or Growth Management Area (GMA)
- Household income 0–60% of Area Median Income
- Automatic Enrollment; no receipt verification

Reduce per-person rebate

Current \$81 → Modified \$65 or lower

Resets rebate to the 2019 baseline

Cap household members

Current Up to 8 → Modified to lower max

Average rebate household is 2.5 members

Remove GMA from eligibility

Current City + GMA → Modified to City limits only

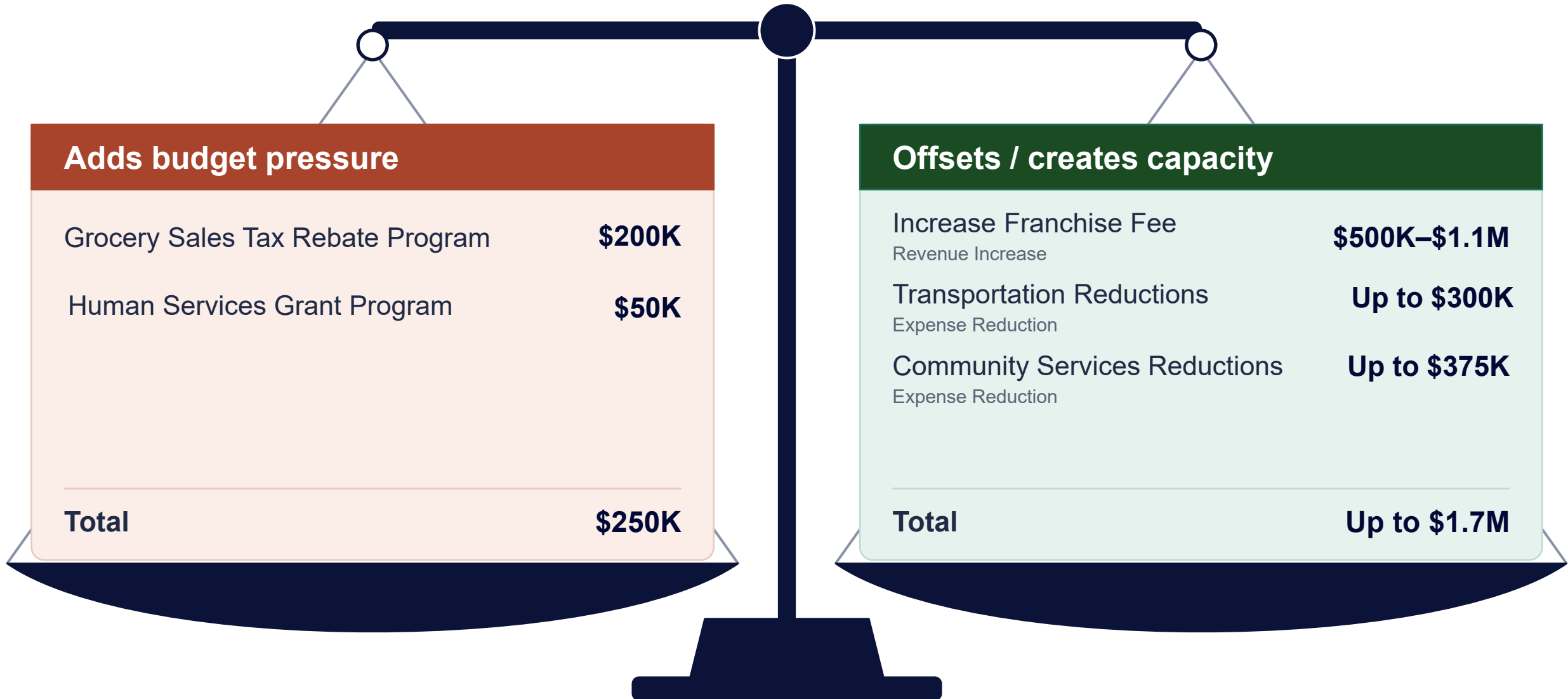
Returns to 2017 residency terms

Taper by household size

Current \$81 each → Modified taper by size

Per-person amount drops for each added member; schedule TBD

Budget Adjustments Under Consideration



Next Steps

- 2nd Public Hearing on October 20th
- Final Budget Work Session, if needed, on October 27th
- 1st Reading on November 3rd

2027 Work Plan

- Integrated Citywide CIP
- Follow up on levels-of-service and program updates in Council Finance Committee





Questions?

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