



# 2025-2026 Biennial Budget Review

## Work Session #1

---

**City Council Work Session**

September 10, 2024



# 2024 Council Meetings on the 2025-2026 Budget

September 10 Work Session

- Economic Health
- Environmental Health
- Neighborhood and Community Vitality
- Safe Community

September 17 Council Meeting

- Budget Public Hearing #1 of 2

September 24 Work Session

- Culture and Recreation
- Transportation and Mobility
- High Performing Government

October 1 Council Meeting

- Budget Public Hearing #2 of 2

October 8 Work Session

- General Discussion – Final Council Direction

November 4 Council Meeting - *Monday*

- First Reading

November 19 Council Meeting

- Second Reading

# The Two-Year (Biennial) Process

Budget Time Line & Process								
Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov

 **We Are Here**

<b>Strategic Plan Finalized</b>	<b>Budget Proposals Developed / BFO Teams Evaluate &amp; Rank</b>	<b>City Manager &amp; Executive Team Evals &amp; Modifies</b>	<b>Council Discussion / Public Hearings / Budget Adoption</b>
---------------------------------	-------------------------------------------------------------------	---------------------------------------------------------------	---------------------------------------------------------------

Strategic Objectives become the basis for ranking Budget Proposals (Offers)

Staff develops Offers to achieve Operational Goals and Strategic Objectives (including Council Priorities)

BFO Teams evaluate and rank Offers

Executive Team input to align with Strategic Plan and Council Priorities

City Manager's Recommended Budget delivered to City Council before Labor Day

Finalize Budget and adopt by the end of November

**Public engagement started in June and continues through the end of September; summary of results to be shared at October 8 Work Session**

# Revenue Assumptions

## Sales Tax

- Retail growth is expected to settle into pre-pandemic trends
- Meeting 2024 budget, propped up by audit revenue; return to historic trends in 2025 and 2026

2024 Budget	2024 Forecast	2025	2026
3.9% Budget to reach 2.5% effective	2.9% Growth (excluding 2050 Tax)	Forecast 3.0% Growth	Forecast 3.0% Growth

## Use Tax

- Use tax on building permits on par with previous years
- Shifts: increase in car tax, but a decline in return tax

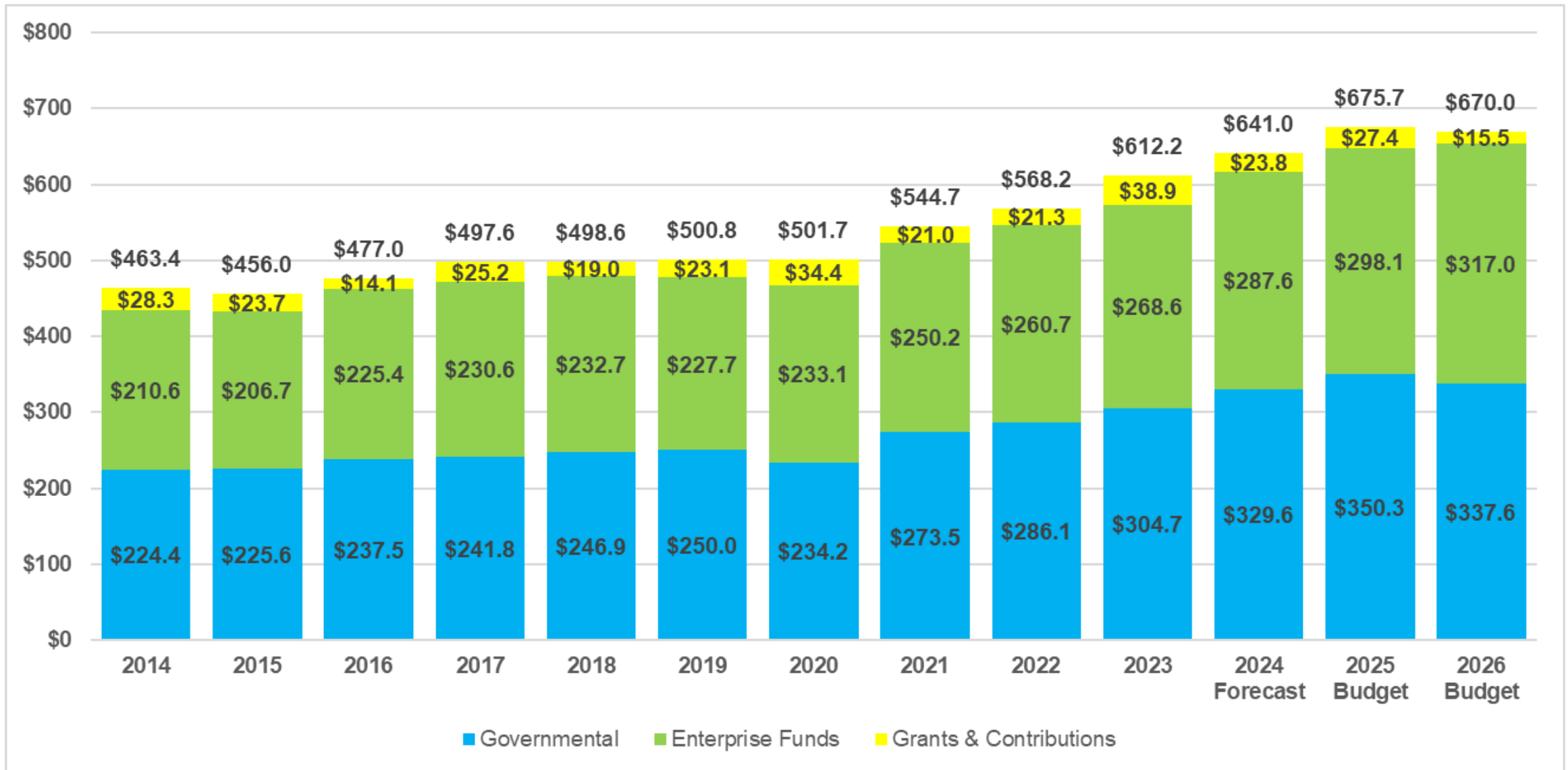
'24 Budget (without 2050 Tax)	'24 Forecast (without 2050 Tax)	2025	2026
\$20M	\$23M	\$25M	\$22M

## Property Tax

- Recommendation based on preliminary 2024 valuations and discussions with the Larimer County Assessor's Office
- Poudre Fire Authority receives 67% of the City's portion of property tax via current Intergovernmental Agreement

2024 Budget	2025	2026
33.6M	1%	2%

# Citywide Revenue (\$M)



\*Revenues exclude the impact of unrealized investment gains or losses.

- Rate increases reviewed at Council Finance Committee in Dec '23, Feb '24 & April '24
- In general, increases are needed for asset renewal & replacement across all 4 funds
- The electric rate increases also include estimated wholesale purchase power increases from Platte River Power Authority (PRPA). The previous estimate conveyed to CFC of 5% has increased to 6.3%; with City distribution costs the 2025 and 2026 rate changes are 6.5% and 6.0%, respectively

Utility Rate	2024	2025	2026
Water	4.0%	7.0%	9.0%
Wastewater	4.0%	6.0%	8.0%
Stormwater	3.0%	6.0%	6.0%
Electric	5.0%	6.5%	6.0%

# Monthly Average Utility Cost Comparison



2024 Residential Average Monthly Utility Bill						
Utility	Electric	Water	Wastewater	Stormwater	Total	
Ft Collins	\$ 88.42	\$ 53.04	\$ 36.97	\$ 23.09	\$ 201.52	
Longmont	\$ 82.41	\$ 66.66	\$ 37.92	\$ 16.70	\$ 203.69	
Loveland	\$ 94.96	\$ 59.38	\$ 41.24	\$ 24.87	\$ 220.44	
Greeley	\$ 100.81	\$ 73.85	\$ 36.73	\$ 21.96	\$ 233.36	
Colorado Springs	\$ 96.98	\$ 96.95	\$ 30.53	N/A	\$ 224.46	
Boulder	\$ 100.81	\$ 66.84	\$ 48.42	\$ 27.11	\$ 243.18	

- The Income-Qualified Assistance Program (IQAP) provides a 25% rate reduction on electric, water, and wastewater utilities. Additional information about IQAP can be found at [fcgov.com/IQAP](http://fcgov.com/IQAP).

	<u>2025</u>	<u>2026</u>
<b>General Inflation for Non-Personnel</b>	2.5%	2.5%
<b>Salary Adjustments</b>	4.0%	3.0%
<b>Medical Costs / Prescriptions (Rx)</b>	8.0%	8.5%
<b>Dental Costs</b>	2.0%	3.5%
<b>Retirement 401/457 Contributions</b>	No Change	
<b>Budget Staffing of Total Personnel Costs</b>	93.5%	93.5%



## Conditions and forces

- Planning for the future with the 2050 tax (work session on August 27)
- Pandemic-era funding, including ARPA, is coming to an end
- Maintain service levels amidst significant inflationary challenges
  - Areas with dedicated funding contrasted against areas without
  - Funding ongoing services at 2.5%/yr inflation vs. 2022 as a de facto cut

## Aims

- Advance Council's priorities
- Continued investment in asset management to reduce the existing backlog
- Invest in existing City talent to be a competitive employer and maintain exceptional service

- **Recommended Budget published on [fcgov.com/budget](https://fcgov.com/budget)**
  - Entire budget document along with Budgets in Brief (in Spanish and English)
  - List of all competing offers, indicating if recommended for funding or not
  - Entire Offer Narratives (over 1,700 pages with much more detail and data than the offer summaries displayed in the 2025-2026 Recommended Budget)
  - Links to performance metrics included in offers
- **The OurCity online public engagement tool is available through end of September**
  - [ourcity.fcgov.com/priorities](https://ourcity.fcgov.com/priorities)
- **Summary of public input to be shared during October 8 work session**
- **Community members can voice opinions with City Council via email**
- **Budget Public Hearings at upcoming Council meetings**
  - Tuesday, September 17
  - Tuesday, October 1

# 2025-2026 Recommended Net City Budget (millions)



<b>TOTAL AND NET CITY BUDGET</b>					
(\$ millions)					
	<b>Adopted</b>				
	<b>2024</b>	<b>2025</b>	<b>% Change</b>	<b>2026</b>	<b>% Change</b>
<b>Operating</b>	\$718.1	\$770.5	7.3%	\$747.6	-3.0%
<b>Debt</b>	52.0	44.8	-13.8%	52.5	17.2%
<b>Capital*</b>	65.2	106.1	62.8%	63.8	-39.9%
<b>Total City Appropriations**</b>	<b>\$835.3</b>	<b>\$921.4</b>	<b>10.3%</b>	<b>\$863.9</b>	<b>-6.2%</b>
<b>Less</b>					
Internal Service Funds	(\$99.4)	(\$103.6)	4.3%	(\$108.2)	4.4%
Transfers to Other Funds	(78.1)	(95.2)	21.9%	(70.5)	-26.0%
GID #1, #15	(0.2)	(0.2)	0.6%	(0.2)	0.4%
URA Funds	(6.1)	(4.8)	-21.8%	(4.4)	-8.4%
Downtown Development Auth.	(26.3)	(24.3)	-7.9%	(24.3)	0.0%
<b>Total</b>	<b>(\$210.2)</b>	<b>(\$228.1)</b>	<b>8.5%</b>	<b>(\$207.6)</b>	<b>-9.0%</b>
<b>Net City Budget</b>	<b>\$625.1</b>	<b>\$693.3</b>	<b>10.9%</b>	<b>\$656.3</b>	<b>-5.3%</b>

\* Capital in this table includes all capital related items, which will be significantly greater than the sum of Capital Project offers

\*\*This includes the GID #1, GID #15, URA and DDA, all of which are appropriated in separate ordinances



## Economic Health

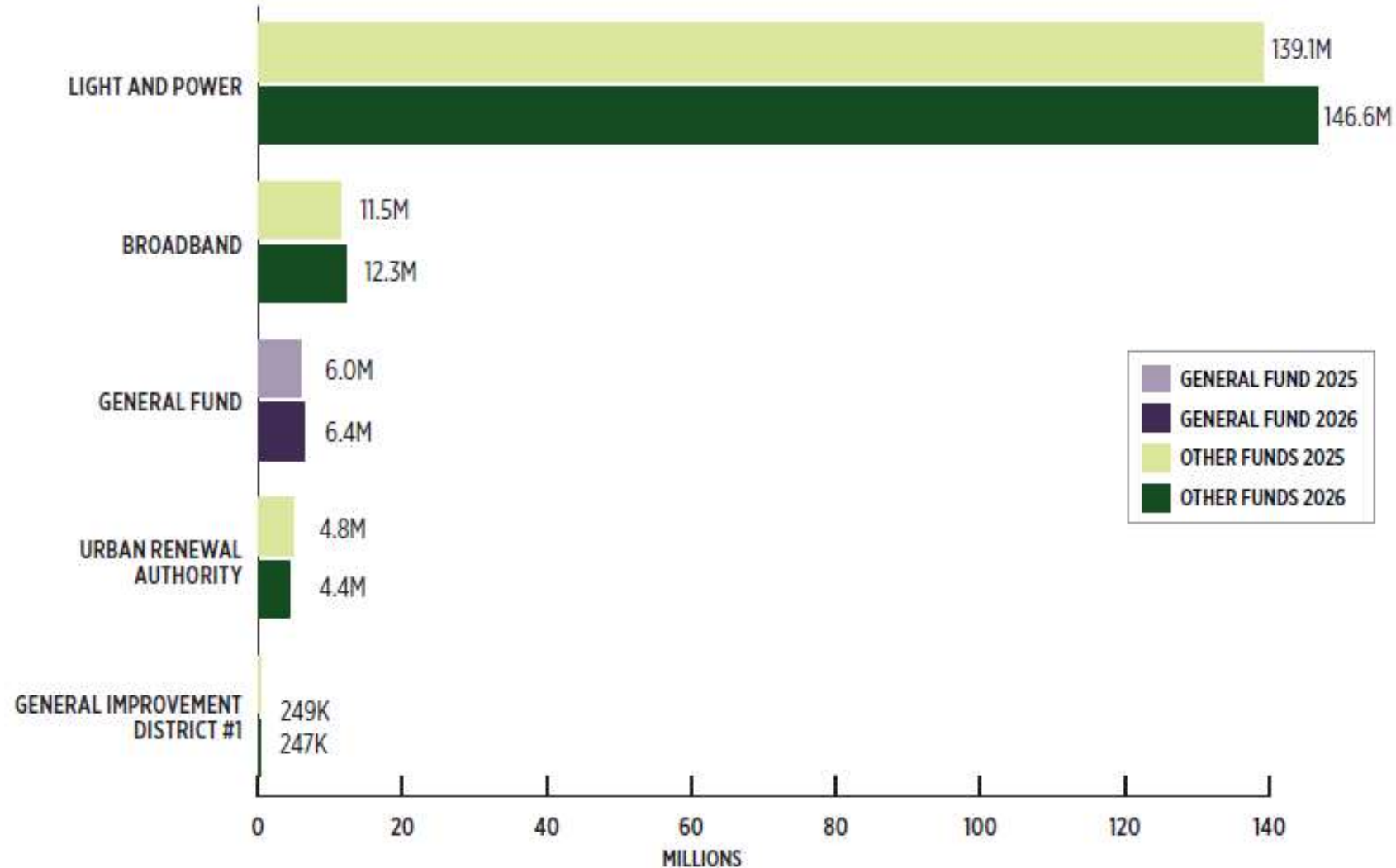
Fort Collins promotes a healthy, sustainable economy reflecting community values

# Economic Health – Funding Sources



**2025 Total Funding: \$161.7M**

**2026 Total Funding: \$170.0M**



**In addition to the Operational Objective of 24/7/365 operational excellence, the 2024 Strategic Plan includes the following Strategic Objectives:**

**ECON 1** - Foster diverse and attractive employment opportunities, remove barriers to local businesses and bolster economic mobility by facilitating workforce development that aligns businesses drivers with worker capability

- **Council Priority:** Pursue an Integrated, Intentional Approach to Economic Health

**ECON 2** - Deliver City utility services in response to climate action objectives and opportunities and targeted reliability and resiliency levels and make significant investments in utility infrastructure while communicating and mitigating cost impacts to the community where possible

**Connexion (Broadband High-speed Internet)**

**Convention and Visitor Services**

**Downtown Holiday Lighting**

**Downtown Parks, Landscaping and Maintenance**

**- including dedicated Downtown Development Authority (DDA) support**

**Economic Business Support**

**Electric Utility Purchased Power and Operations**

**Northern Colorado Regional Airport**

**Urban Renewal Authority**

- 8.7 / 8.8 Connexion - Field Sales Representative Staffing**
- 8.19 Connexion - Customer Service Representative Staffing**
- 15.11 Light & Power - AEDs and Tools**
- 15.12 Light & Power - GIS & Electrical System Study Consultation**
- 15.17 Light & Power - Substation access control and security technology upgrades**
- 43.5 Economic Health: Multicultural Business and Entrepreneurship Center including Staffing (previously ARPA funded)**





## Council Discussion on offers in Economic Health



## Neighborhood & Community Vitality

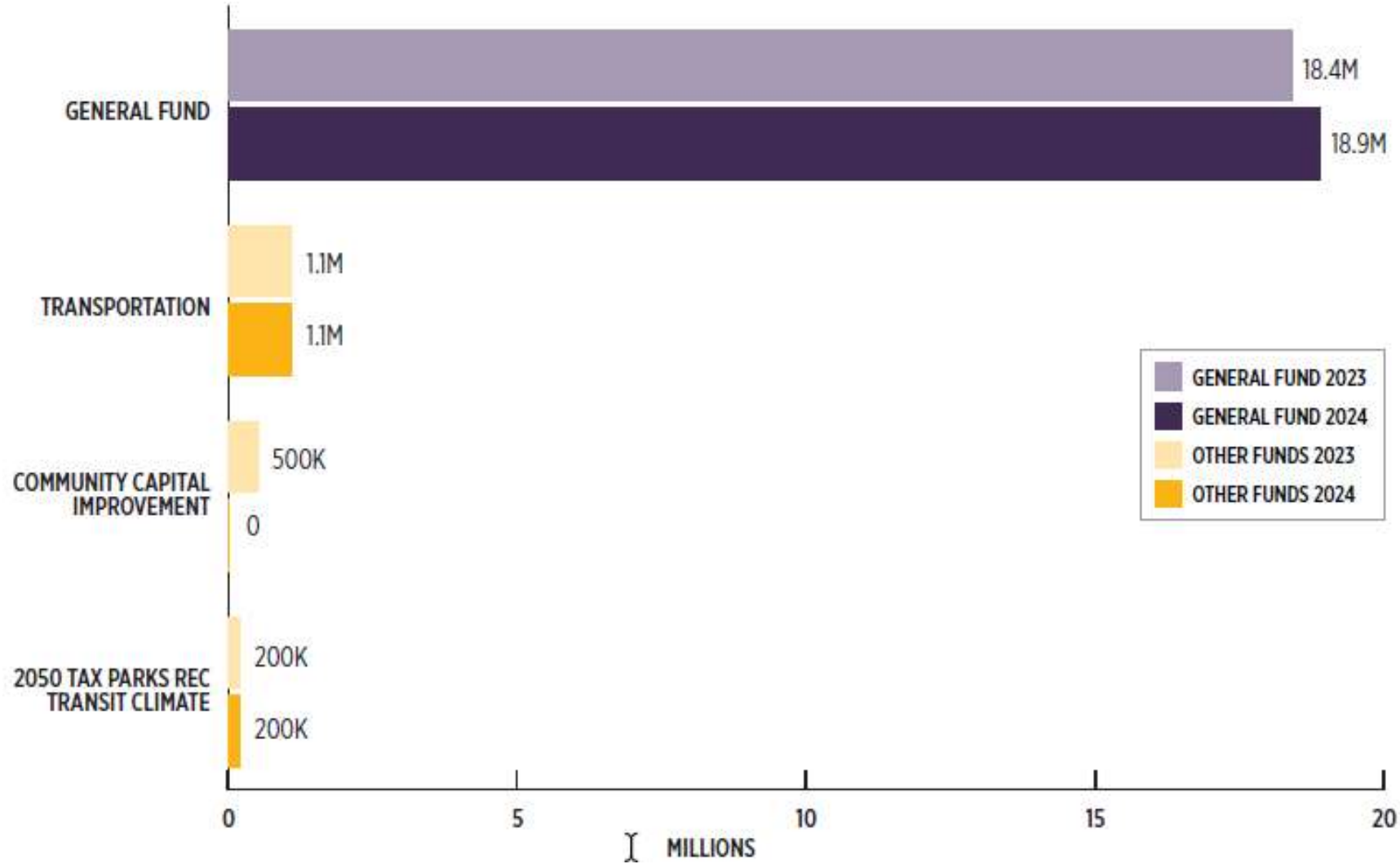
Fort Collins provides a high-quality built environment, supports connected neighborhoods, seeks to advance equity and affordability, and fosters the social health of the community

# Neighborhood & Community Vitality – Funding Sources



**2025 Total Funding: \$20.2M**

**2026 Total Funding: \$20.3M**



**In addition to the Operational Objective of 24/7/365 operational excellence, the 2024 Strategic Plan includes the following Strategic Objectives:**

**NCV 1** - Increase housing supply, type, choice and affordability to address inequities in housing so that everyone has healthy, stable housing they can afford

- **Council Priority:** Operationalize City Resources to Build and Preserve Affordable Housing

**NCV 2** - Support community partner efforts to address priority human service issues like poverty and mental health, and to make homelessness rare, brief and non-recurring

- **Council Priority:** Improve Human and Social Health for Vulnerable Populations

**NCV 3** - Identify and remove systemic barriers and advance equity so that persons of all identities, including race, ethnicity, religion, sexual orientation, gender identity, gender expression, age, mental and physical abilities, and socioeconomic levels can access programs and services with ease and experience equitable outcomes

- **Council Priority:** Improve Human and Social Health for Vulnerable Populations

**NCV 4** - Remove obstacles to build interconnected Neighborhood Centers to accelerate progress toward our goal for everyone to have the daily goods and services they need and want available within a 15-minute walk or bike ride from their home

- **Council Priority:** Advancing a 15-Minute City by Igniting our Neighborhood Centers

**Affordable Housing and Human Services Program**

**Code Enforcement**

**Conflict Transformation Works**

**Construction and Building Permits**

**Equity and Inclusion**

**Forestry management**

**Graffiti Abatement Program**

**Homelessness Support**

**Larimer Humane Society Services**

**Low-income, Senior and Disabled Rebate programs**

**Neighborhood Services**

- 18.5 Rental Housing Program and other code compliance**
- 18.13 Mini-Grant Expansion to Address the Climate/Housing Nexus in Affordable Housing Units**
- 44.2 Affordable Housing Capital Fund (CCIP)**
- 44.6 Grocery Tax Rebate Program Balance-and-Growth**
- 44.14 Homelessness Core & Homelessness Priorities (previous partial funding from ARPA)**

Note: These Offers are a subset of all Enhancements, and they are listed in numerical order



**Council  
Discussion  
on offers in  
Neighborhood  
& Community  
Vitality**





## **Environmental Health**

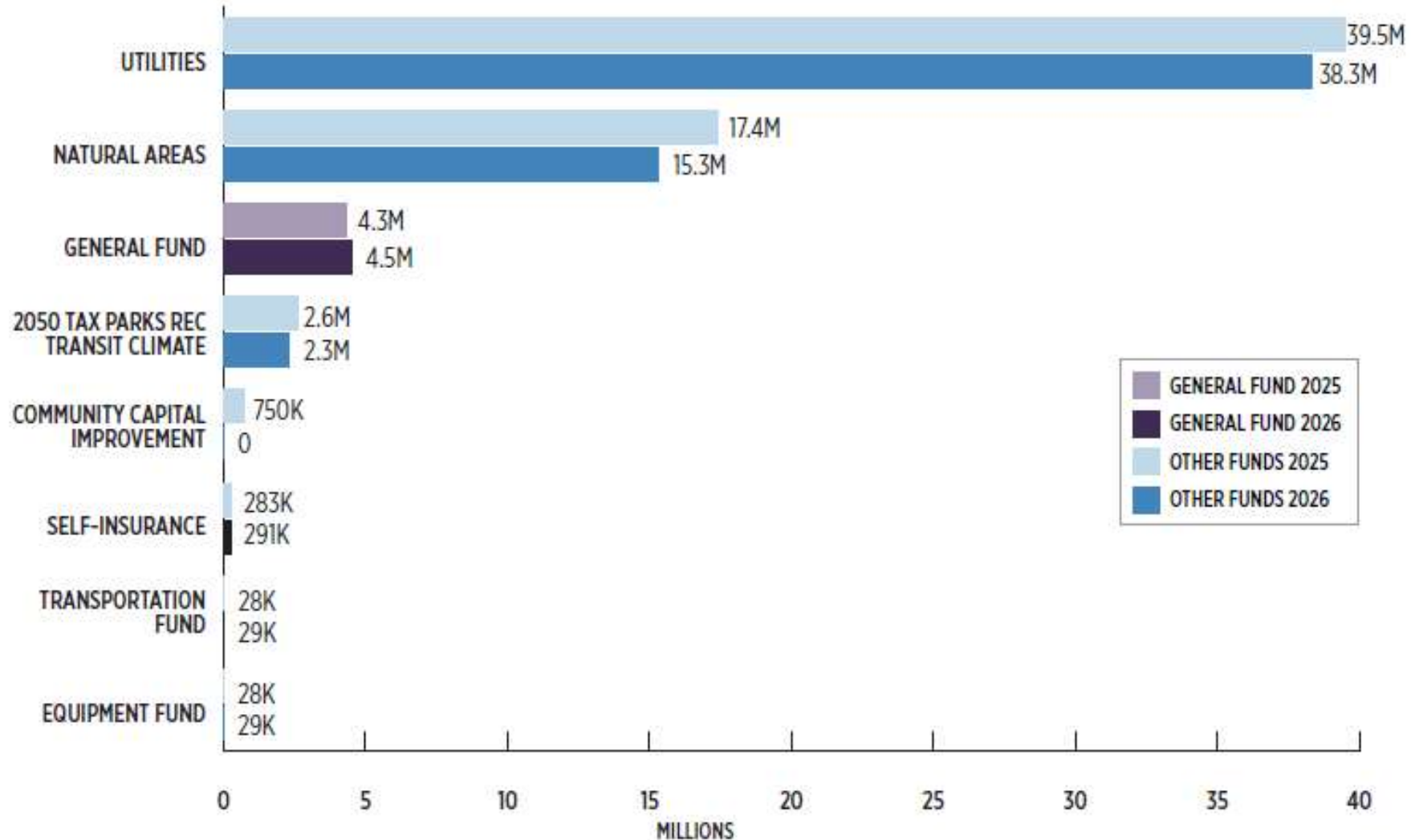
Fort Collins  
promotes, protects  
and enhances a  
healthy and  
sustainable  
environment

# Environmental Health – Funding Sources



**2025 Total Funding: \$64.8M**

**2026 Total Funding: \$60.8M**



**In addition to the Operational Objective of 24/7/365 operational excellence, the 2024 Strategic Plan includes the following Strategic Objectives:**

**ENV 1** - Implement the Our Climate Future Plan to advance the City's greenhouse gas, energy and waste goals; reduce air pollution; and improve community resilience

- **Council Priority:** Accelerate Zero Waste Infrastructure and Policies
- **Council Priority:** Reduce Climate Pollution and Air Pollution Through Best Practices, Emphasizing Electrification

**ENV 2** - Sustain the health of the Cache la Poudre River and regional watersheds while delivering a resilient, economically responsible and high-quality water supply for all Fort Collins residents

- **Council Priority:** Protect Community Water Systems in an Integrated Way to Ensure Resilient Water Resources and Healthy Watersheds

**ENV 3** - Expand, restore and maintain the Natural Areas land portfolio to improve habitat conditions across the community and ensure equitable access to nature

**City Sustainability**

**Climate Commitment**

**Conservation of Water and Electricity**

**Indoor and Outdoor Air Quality**

**Waste Reduction and Recycling (Timberline Recycling Center)**

**Wastewater Utility Services**

**Water Utility Services**

- 7.25 Light & Power - Epic Loan Program Funding**
- 7.31 Water/Wastewater/Stormwater - CLPR Water Quality Network**
- 37.10 Natural Areas - Ecological Stewardship Position Staffing**
- 37.11 Natural Areas - Environmental Planner Staffing, Cultural and Historic Resources Management Planning**
- 38.2 Nature in the City (CCIP)**
- 42.4 Air Quality Monitoring Fund continuation**
- 42.6 Environmental Services - Healthy Homes Navigator Staffing and Funding for Direct Household Support**
- 42.8 Environmental Services – Staffing for Accelerating Our Climate Future Through Community and Municipal Innovation**

Note: These Offers are a subset of all Enhancements, and they are listed in numerical order



## **Council Discussion on offers in Environmental Health**



## Safe Community

Fort Collins  
provides a safe  
place to live, work,  
learn and play

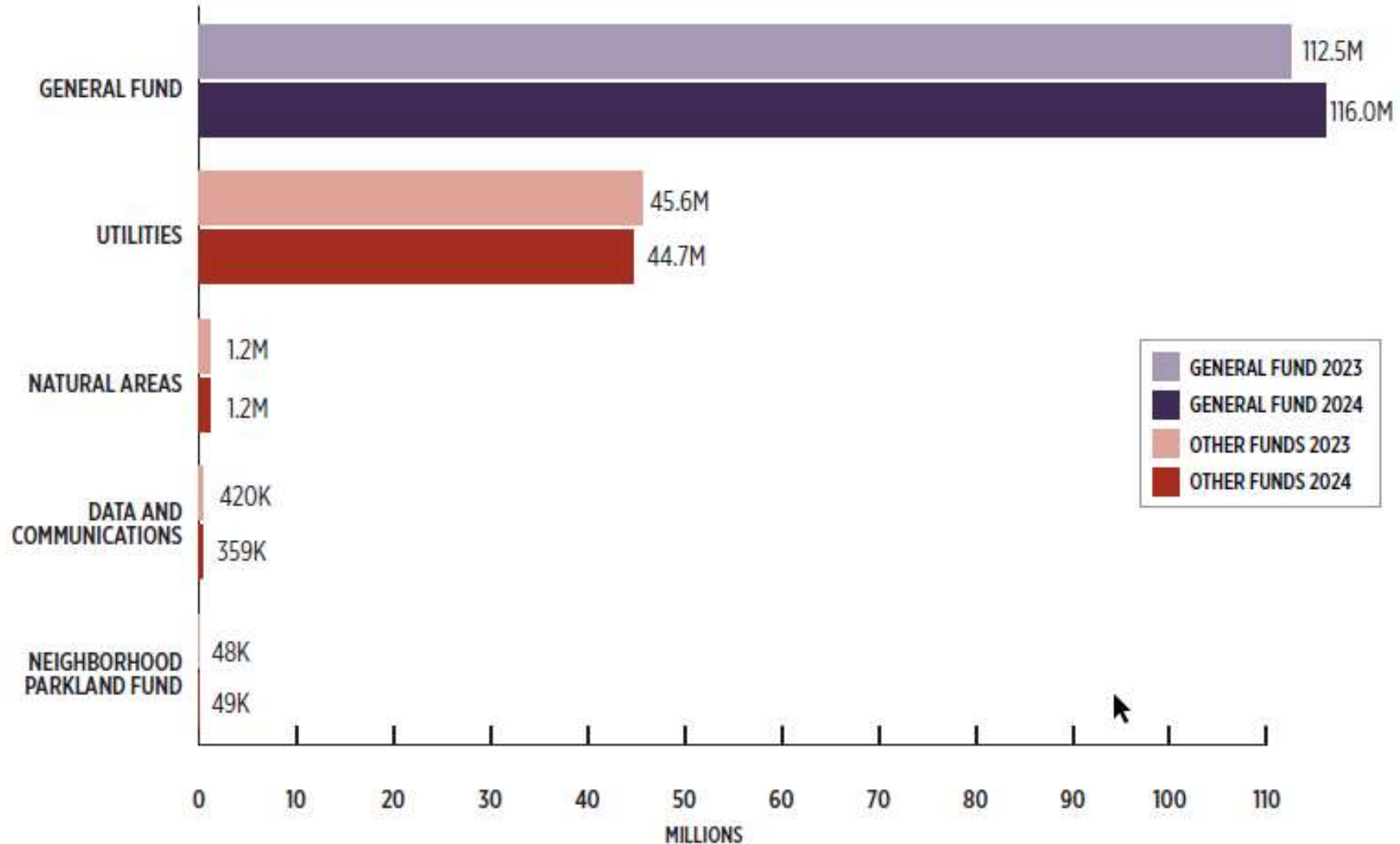


# Safe Community – Funding Sources



2025 Total Funding: \$159.7M

2026 Total Funding: \$162.4M



**In addition to the Operational Objective of 24/7/365 operational excellence, the 2024 Strategic Plan includes the following Strategic Objectives:**

**SAFE 1** - Enhance overall community safety and foster increased trust in public safety services and the municipal justice system through innovative service delivery models

**SAFE 2** - Enhance safety and security on public and private property and protect City infrastructure and sensitive data from emerging security threats

**911 Dispatch and Police Records**

**Community Policing, including patrol and the K9 Unit**

**Cybersecurity and Protecting Customer Information**

**Emergency Prevention and Response**

**Fire Protection and Prevention**

**Municipal Court**

**Natural Areas Rangers**

**Stormwater Utility Services**

**West Nile Virus Program**

- 5.24 Stormwater - Fossil Creek Stream Rehab Trilby to Lemay**
- 5.37 Water - Water Supply Acquisitions**
- 5.38 Combined One Water Laboratory**
- 10.4 Network Firewall Protection Lifecycle Replacement**
- 29.26 Police staffing, including officers for the HOPE Team (Homeless Outreach & Proactive Engagement)**
- 29.28 Police: Emergency Services Dispatcher Staffing**
- 62.5 Municipal Court: RTC Program and Competency Evaluations (previously ARPA funded)**
- 64.4 Natural Areas: Ranger Staffing**

Note: These Offers are a subset of all Enhancements, and they are listed in numerical order



## Council Discussion on offers in Safe Community

# 2024 Council Meetings on the 2025-2026 Budget

September 10 Work Session

- Economic Health
- Environmental Health
- Neighborhood and Community Vitality
- Safe Community

September 17 Council Meeting

- Budget Public Hearing #1 of 2

September 24 Work Session

- Culture and Recreation
- Transportation and Mobility
- High Performing Government

October 1 Council Meeting

- Budget Public Hearing #2 of 2

October 8 Work Session

- General Discussion – Final Council Direction

November 4 Council Meeting - *Monday*

- First Reading

November 19 Council Meeting

- Second Reading