City of Fort Collins

08-26-25

Visioning our Future: Budget & Organizational System Alignment

Council Work Session

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Why are we doing this?

Following the last budget cycle, the City Manager requested a comprehensive review and revision of the budget process based on Council feedback and direction

Pain points were identified that underscore the entire system needs to be evaluated – not just the budget process.

In the short window we have to implement changes, what can we begin this cycle that would be impactful?

- Is Council aligned on the direction staff is taking with the budget process?

- What information would enhance understanding of base and discretionary spending?

- Are there priority areas where you'd like to see scenario planning?

- What feedback and additional consideration does Council have regarding the Council onboarding process?
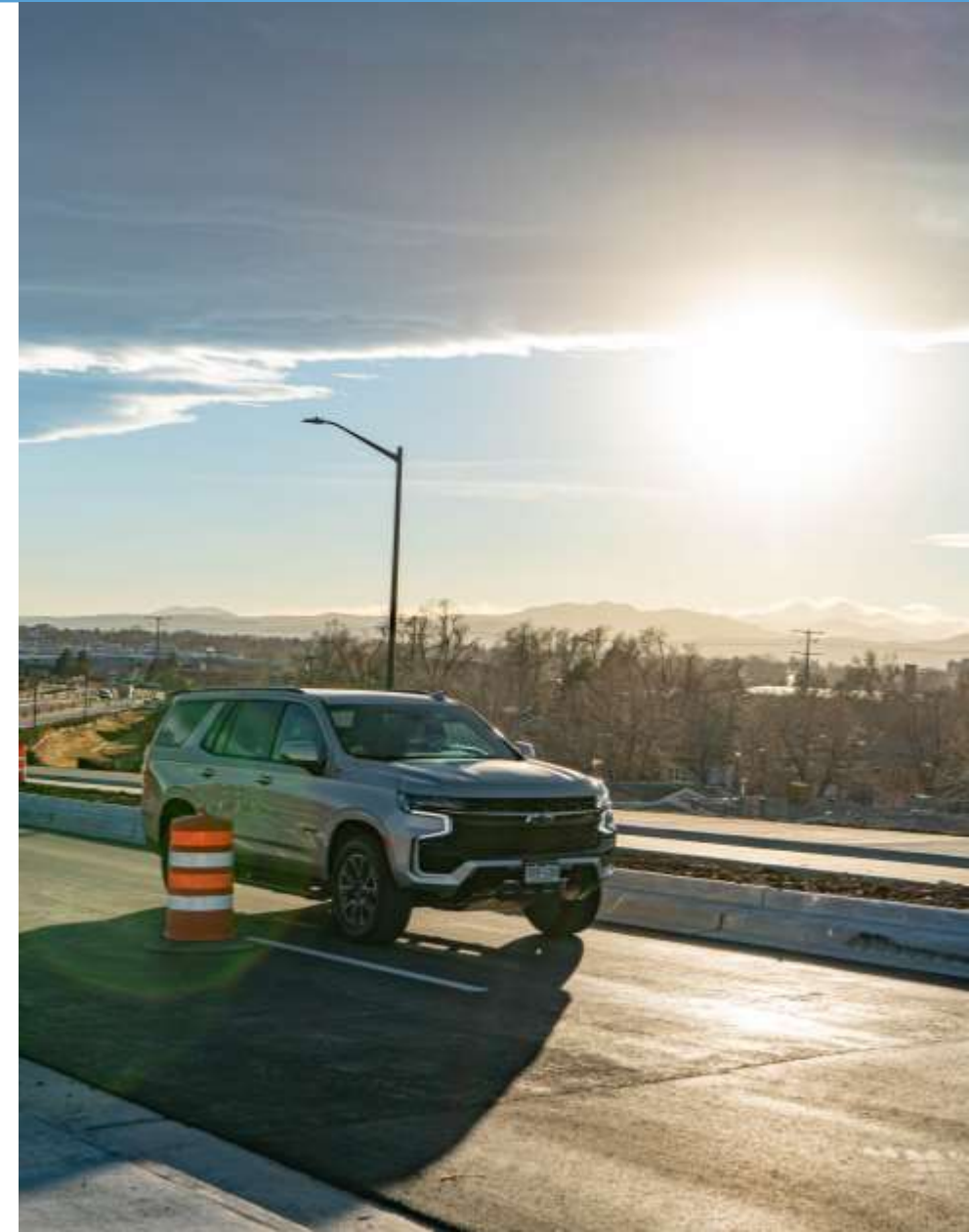
- Budget
  - Council and staff feedback on process
  - Budget Snapshot
  - 2027-2028 budget timeline and proposed changes
  - Improving how we tell the budget story

- Organizational Alignment
  - Strategic Plan
  - Council Onboarding and Priority Setting

- Council Input

What We Heard

Input from Council and Staff

- Desire for more transparency, "digestibility," and context for community.
  - Too much complexity, hard to understand, some of the language used doesn't resonate
  - More scrutiny and insights needed into ongoing budgets and measures of effectiveness of services funded
  - Better understanding of tradeoffs
- Curiosity about a shift into priority based-budgeting
- Administrative burden on staff

Keep/Enhance

- Balanced budget
- Alignment to Strategic Priorities
- "One City" perspective
- Tradeoffs – More insight on how to balance maintaining the value of core assets with new opportunities
- Intentional investments
- Horizontal insight

City Budget Snapshot: Revenues

City of Fort Collins

	2025	2026
Payments by Residents and Businesses for City Services	$396.0M	$418.5M

For example, utility payments for water and electricity, buying a day pass at Northside Aztlan or renting a picnic shelter at a local park.

	2025	2026
Sales Taxes	$208.9M	$191.9M

When we shop in Fort Collins, part of the taxes paid become revenue for the City.
The tax rate can change when voters approve taxes, like for Natural Areas.

	2025	2026
Internal Payments Between City Departments	$96.7M	$72.2M

The Senior Center, for example, would need to pay the Streets Department to repave their parking lot.

	2025	2026
Payments by Other Governments for City Services	$60.0M	$47.8M

Nearby cities may pay for services from the City of Fort Collins, like bus services.

	2025	2026
Miscellaneous Revenue	$49.3M	$51.6M

Lots of little stuff that adds up just like change between the couch cushions.

	2025	2026
Property Taxes for City Operations and PFA	$41.1M	$42.1M

A portion of the taxes home owners pay for their house, and smaller than you might think, becomes revenue for the City.

	2025	2026
Proceeds of Issuing Debt	$13.3M	$14.4M

This is borrowed revenue that is required to be paid back with interest, based on the details of the loan agreements.

	2025	2026
Property Taxes for Downtown Development Authority (DDA)	$9.7M	$9.7M

This portion of the property tax is dedicated to the DDA.

	2025	2026
Licenses and Permits	$3.4M	$3.6M

These are things like the licenses required to run a business in Fort Collins and a building permit, required when getting a roof repaired from hail damage.

	2025	2026
Interest on Investments	$16.6M	$16.5M

The City keeps money in bank accounts where it can earn interest, just like with some checking accounts.

	2025	2026
Other Taxes	$5.5M	$5.6M

Examples include lodging tax paid when visitors come to Fort Collins and stay overnight in a hotel.

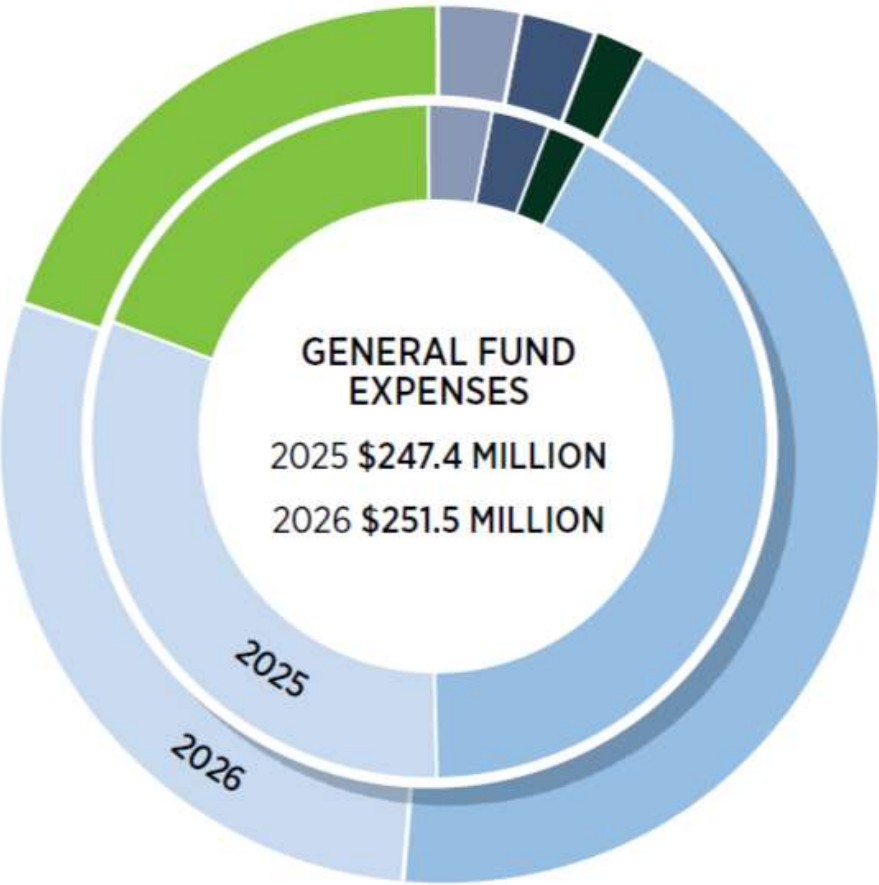|	2025	2026
Total	**$900.5M**	**$873.9M**

- Payment Revenues are associated with linked costs and have various restrictions around their use
- ~75% of the Sales Taxes funding is considered unrestricted and is our most fungible funding source
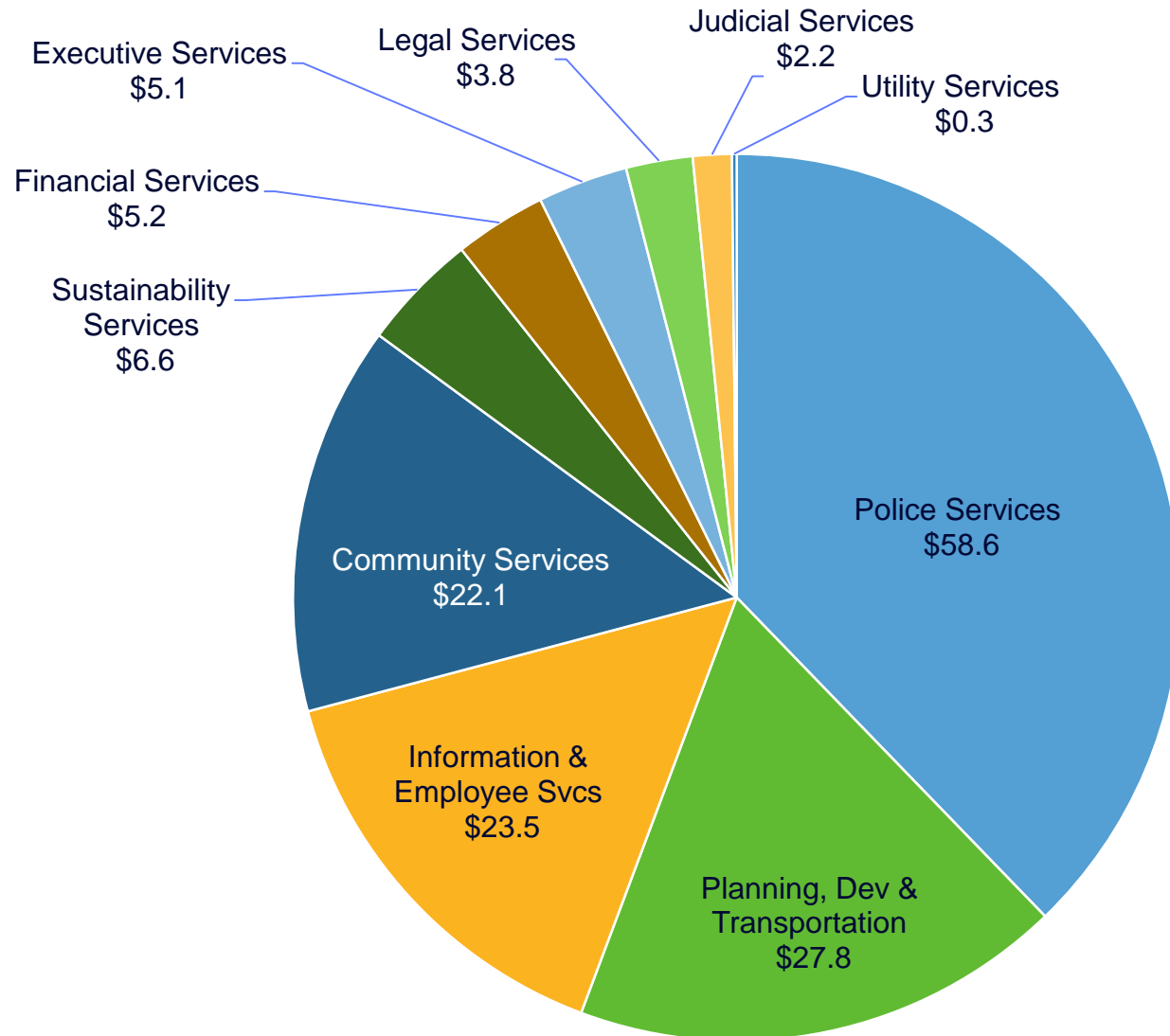
City Budget Snapshot: Expenses

CITYWIDE EXPENSES
(all City funds including utilities)
2025 $931.7 MILLION
2026 $876.2 MILLION
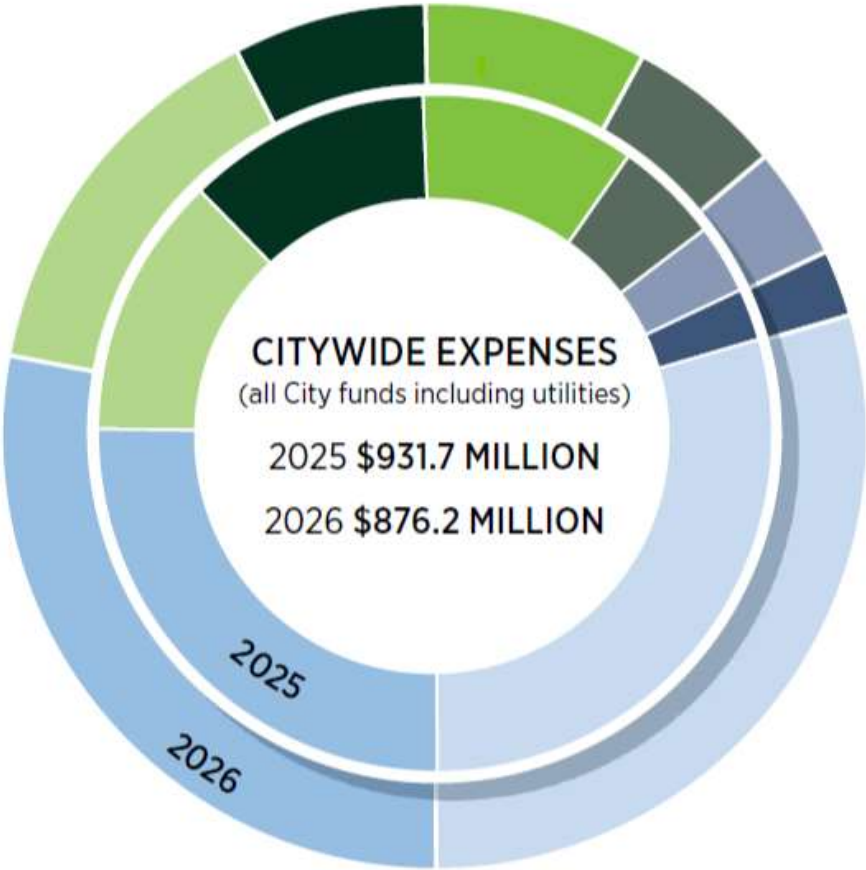
Citywide Expenses	2025	2026
Services Purchased from External Businesses, including Local	$277.7M	$262.5M
Employee Pay and Benefits	$232.0M	$243.2M
Energy Purchased from Platte River Power Authority	$116.3M	$123.7M
Capital, Including Land, Buildings, Vehicles, Large Machinery, etc.	$108.2M	$63.7M
Internal Payments Between City Departments*	$96.7M	$72.2M
Debt Service	$47.0M	$55.6M
Other Supplies	$32.6M	$34.3M
Other Expenses	$21.1M	$21.1M

City Budget Snapshot: Expenses

GENERAL FUND EXPENSES
2025 $247.4 MILLION
2026 $251.5 MILLION

General Fund Expenses	2025	2026
Employee Pay and Benefits	$104.4M	$109.2M
Services Purchased from External Businesses, including Local	$74.3M	$73.0M
Internal Payments Between City Departments*	$47.5M	$49.9M
Other Supplies	$8.0M	$8.2M
Other Expenses	$6.7M	$6.9M
Capital, Including Land, Buildings, Vehicles, Large Machinery, etc.	$6.5M	$4.4M

Where unrestricted General Fund is going

2025 General Fund Revenue Appropriation by Dept $M

Pie chart segments:
- Police Services $58.6
- Planning, Dev & Transportation $27.8
- Information & Employee Svcs $23.5
- Community Services $22.1
- Sustainability Services $6.6
- Financial Services $5.2
- Executive Services $5.1
- Legal Services $3.8
- Judicial Services $2.2
- Utility Services $0.3

- Departments which are core government functions without other significant funding sources
  - Police Services
  - Parks Maintenance

- Areas with ability to leverage funding
  - Grants and Fees, like in PDT
  - Revenue supported departments, like in Recreation

- Internal support services

Budget and Strategic Plan Timing
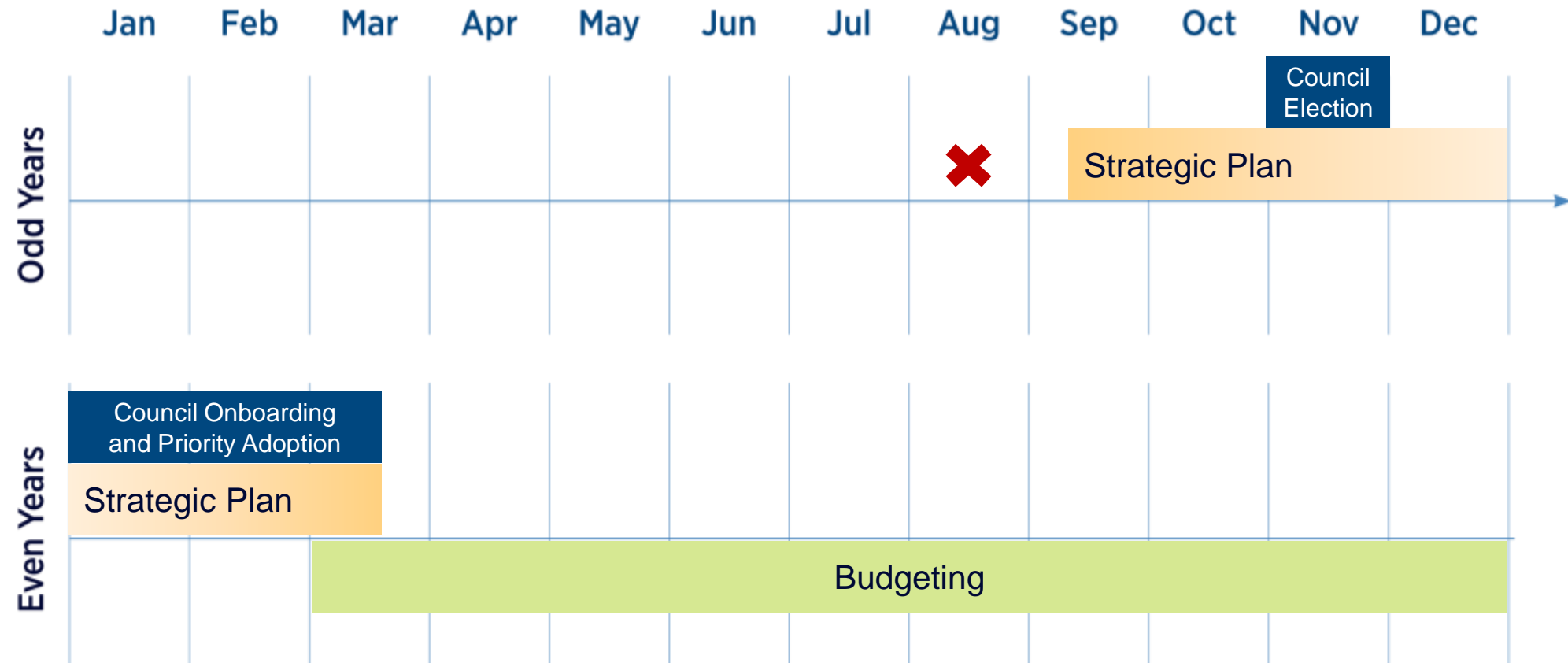
City of Fort Collins

Provide Scrutiny & Insight into Ongoing Programs

Achieve Simplification and Agility in the Budget Process

Create Better Alignment with Strategic Plan and Council Priorities

Assess Siloed Processes and Opportunities for Integration

Increase Standardization and Improve Long-term Planning

The Future of Budget

- Budget process won't eliminate fiscal constraints
  - Goal to better inform decisions and provide meaningful insights on tradeoffs

- 2027-2028 Budget will be transitional and bridge to long-term process
  - Move away from Budgeting for Outcomes
  - Existing systems will be used
  - Timeline and inputs will remain similar

- 2029-2030 Budget would incorporate feedback from transitional process
  - Goal to link future biennial budgets into long-range forecasts

Existing Process	Focus with Priority Based Budgeting
Focused on enhancements, Less scrutiny of base	Evaluate *all* programs, including base services, alongside new demands
Offers built per outcome	Programs grouped by mandate, alignment to strategic priorities, and value
Complex and staff-intensive	Simplified structure
Dense and lengthy budget document	Streamlined, digestible format with visuals and context

City of **Fort Collins**

High Performing Government

Offer 9.1: IT Administration Services
Offer Type: Ongoing

2025: $1,175,883 and 5.50 FTE (excluding hourly staffing)
2026: $1,205,232 and 5.50 FTE (excluding hourly staffing)

Funding This Offer Will:

Funding this offer will fund IT governance, strategic planning, operations management, promoting collaboration across departments and serving stakeholders' needs, enhancing digital services, ensuring financial oversight, fostering training/education, and driving a future digital roadmap aligned with the City's strategic direction.

Offer Summary

This offer will fund the departmental management and executive oversight functions for the City's collective Information Technology (IT) programs. This includes IT governance, project portfolio management, financial management, strategic guidance, communications, change management, project management, HR and administrative support for the IT department.

IT administration staff that support the objectives of this offer include the Chief Information Officer, IT Applications Operations Manager, IT Infrastructure Manager, Financial Analyst, Administrative Analyst and 50% of the IES Finance Manager. The staff provides the general oversight, management and strategic plan development/deployment of the Applications, Infrastructure, programs and customer services teams of the IT Department, while also supporting the work of all City departments and their staff, as well as the staff of City partners (Poudre River Public Library District, Housing Catalyst, Poudre Fire Authority, and others). This includes funding for continued education and training for the entire IT staff to keep abreast of all the technology changes, updates, trends, certifications, cybersecurity best practices, architecture and applications that are constantly evolving and changing.

The IT Department dynamically leads the City's digital transformation, orchestrating a comprehensive governance structure through strategic committees that meticulously align business objectives with progressive IT strategies. Anchored by an IT Executive Steering Committee, this concerted effort ensures executive oversight propels pivotal initiatives, forging a path toward a digitally empowered future for the City.

This Offer supports the following Strategic Objectives *(the primary objective is marked with a ✔)*:

✔ HPG 1 - Provide an exceptional customer experience to the community and increase the City's effectiveness by simplifying processes and delivering modern technologies

Additional Information

- This offer provides executive oversight and governance for the City's technology portfolio to ensure that the organization's resources and technology services are aligned with the business needs and strategic direction of the organization.
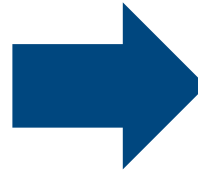
INFORMATION TECHNOLOGY
2025: $ 13,392,676   2026: $13,873,010
Positions: 55.83 Full-Time FTEs / 0.0 Hourly

WHAT WE DO:

The Information Technology (IT) department is a dynamic, collaborative group of problem-solvers who combine technical expertise with innovative thinking to drive organizational success and support the community and employees with technological solutions. IT's operating model focuses on three pillars of support; Operational Excellence, Enterprise Solutions, and Information Security that include the following areas:

ERP, Network, Voice, Systems Engineering, Data Management, Client Services, Cybersecurity, Geographic Info. Services, Doc. Management, Dev. Tracking Systems, Strategic Portfolio, and Infrastructure Management.

FINANCIAL OVERVIEW:

Information Technology By Funding Source

Funding Sources	2024	2025	2026
General Fund	$ 7,471,191	$ 7,060,967	$ 6,794,105
Internal Fund Transfers	$ 2,606,794	$ 3,477,257	$ 3,748,974
Operational Fees	$ 2,111,296	$ 2,147,810	$ 2,584,620
Gen Fund Reserves	$ 984,100	$ 646,642	$ 1,085,106
Data & Comm Reserves	$ 134,588	$ 60,000	$ 60,000
Total	**$ 13,307,969**	**$ 13,392,676**	**$ 13,873,010**

Funding by IT Area
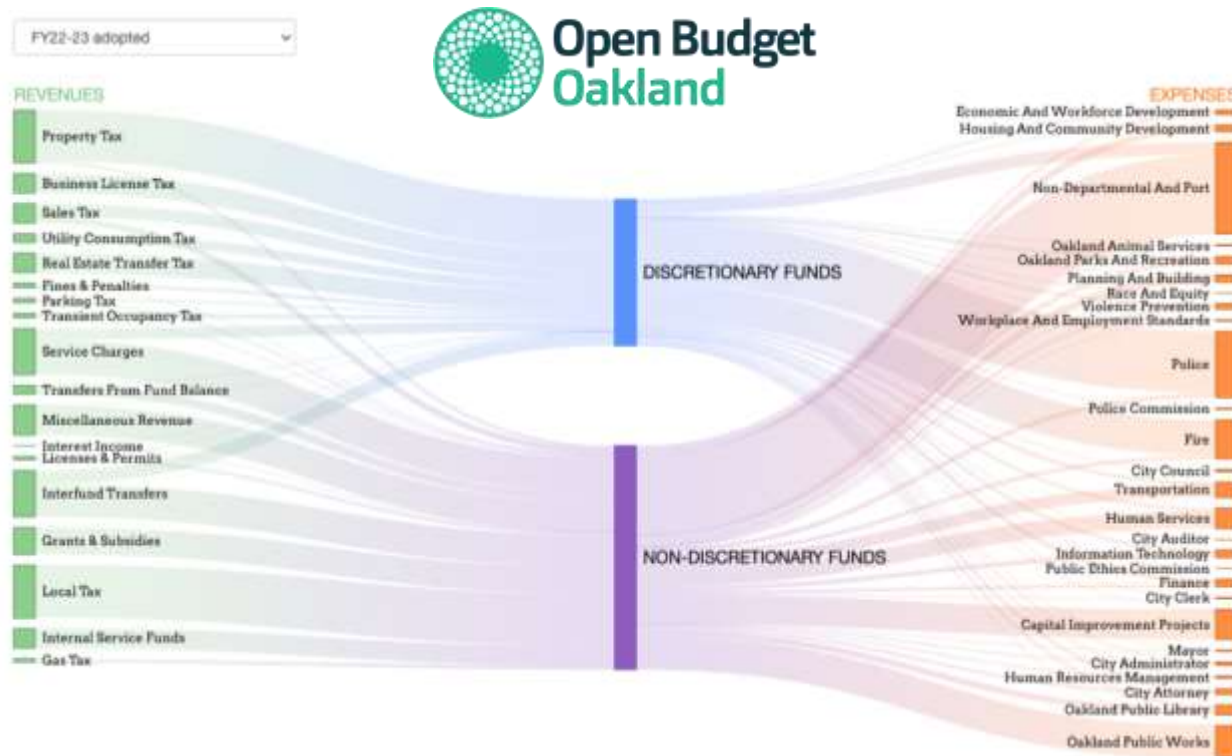

HIGH PRIORITY WORK PLAN PROJECTS (22):

- ERP Replacement Roadmap and RFP
- Muni. Court Case System Replacement
- Generative AI Pilot and Governance
- Implement AlwaysOn VPN Access
- Implementation of Utilities Customer Billing System
- Digital Accessibility Remediation/Compliance
- Unified Endpoint Management Implementation
- Licensing/Permitting System Replacement/Merging

DID YOU KNOW THAT IN 2024:

- IT received 24,648 HelpDesk service requests and incidents for various IT support/triage
- IT supports over 3,000 PCs/tablets/phones, 1,200+ internet access points, and 584 servers
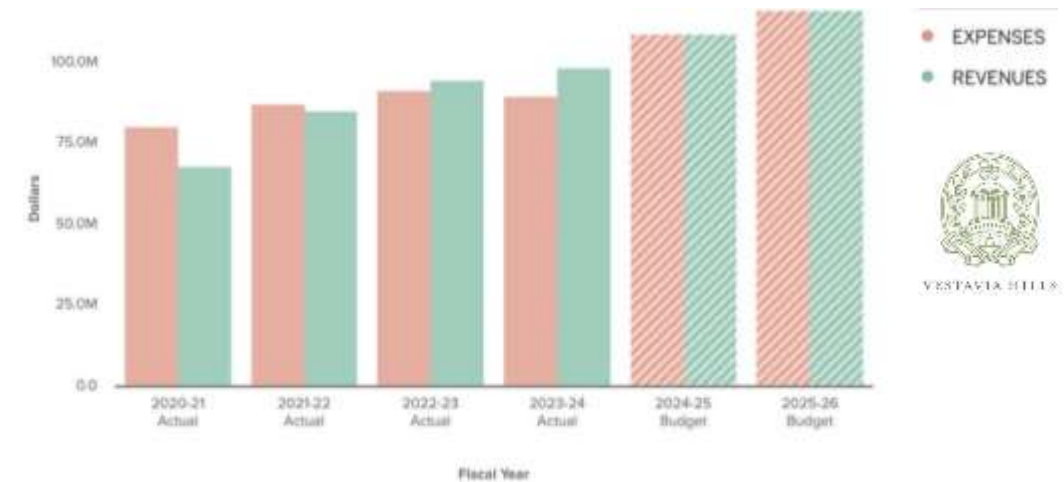- Cybersecurity blocked over *9 million* malicious emails + 16,430 phishing emails reported

City of **Fort Collins**

- Clearer summaries for the public
- Visualization of base and discretionary spending
- Better alignment with strategic plan and council priorities

- Is Council aligned on the direction staff is taking with the budget process?

- What information would enhance understanding of base and discretionary spending?

- Are there priority areas where you'd like to see scenario planning?
  - *E.g. Level of service tradeoffs, cost recovery scenarios, specific investment areas*

Leadership System

ADAPT & INNOVATE

Once identified, adopting new ideas to make meaningful change to improve processes and results.

MEASURE & VALIDATE

Organizational performance measurement and review focuses on results important to our community and our organization.

DELIVER SERVICES

Service Area delivery of high-quality services, programs and projects provide value to our community, and enhance loyalty, satisfaction, and engagement.

SET VISION & STRATEGY

A clear vision sets direction and short- and long-term strategy provides the roadmap for achievement.

ALLOCATE RESOURCES

Budgeting and managing workforce capacity and assets supports the accomplishment of the organization's strategic objectives.

ALIGN TALENT

Our success relies on an engaged workforce that benefits from meaningful work, clear direction, the opportunity to learn, and accountability for performance.

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Goals of Council Onboarding

1 Clarify Roles and Responsibilities

2 Build a Cohesive and Collaborative Team

3 Provide Foundational Knowledge

4 Ensure Legal and Ethical Compliance

5 Build Trust and Set Expectations

6 Provide tools to effectively serve the community

From November – Early January

- Orientation around form of government, benefits, roles and responsibilities, administrative, legal, public relations
- URA orientation
- Meet direct reports, key support staff
- Distribution of Council Resource Guide
- CML Workshop for Newly Elected Officials
- Mock Council meeting
- Council Meeting Rule and Procedures training
- Ethics, Gifts, Conflicts of Interest Training

From Swearing In (Jan 13)– March

- Finance & Budget
- Other select topics
  - Council Selection of Board & Commissions and Other Committees liaisons
  - Council Retreat
    - Weekend 1: Team building and ground setting
    - Weekend 2: Council Priority Setting
  - Council considers adoption of Strategic Plan & Council priorities
  - And Council meetings and Work Sessions in between!

Goals of Council Priority Setting

Focus Limited Resources

Provide Strategic Direction to Staff

Translate a Long-term Vision into Short-Term Action

Build Council Cohesion and Consensus

Enhance Transparency and Public Accountability

- What feedback and additional consideration does Council have regarding the Council onboarding process?