July 14, 2026

WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

Caleb Weitz, Chief Financial Officer
Joe Wimmer, Utilities Finance Director
Victoria Shaw, Budget Director

SUBJECT FOR DISCUSSION

2027 and 2028 Budget Update

EXECUTIVE SUMMARY

The purpose of this item is to update Council on work underway for the 2027-28 Biennial Budget.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What guidance does Council have on the proposed ¼ Capital Tax schedule?

2. What additional information would be most helpful ahead of the Recommended Budget presentation?

BACKGROUND / DISCUSSION

Development of the 2027–2028 budget has occurred during a period of continued economic uncertainty, increasing operating costs, and growing demand for City services. Throughout the budget development process, staff have worked to align available resources with Council priorities while maintaining the City's long-term financial sustainability.

As part of this year's budget process, staff have begun implementation of the City's new Priority Based Budgeting approach, emphasizing greater transparency, stronger connections between resources and programs, and improved long-term financial planning.

Staff will provide an overview of the strategies and key themes anticipated in the Recommended Budget, including:

- Advancing the Council priority for ensuring long-term financial sustainability
- Responding to current economic circumstances and cost pressures
- Scrutiny of ongoing expenditures

Draft 2027/28 Capital Tax Project Schedule

As part of the 2027/28 budget development process, staff is providing a consolidated look at the recommended use of Capital Tax funding. The Capital Tax was passed by voters in November 2025 and collections began in 2026. The tax is estimated to bring in $11M annually.

In determining the timing and sequencing of projects the following guidelines have been developed:

- Predictable and consistent funding for “programs”, primarily transportation, to allow for long-term planning and potential grant matches.
- Identify “quick-wins.” Projects that are “shovel-ready”, have known dependencies and/or partner funding, and can advance in a timely manner.
- Efforts that are known community/Council priorities.
- Consideration for combining capital efforts for greater impact and/or less disruption.
- Staff recommends project timing based on these principles with a degree of certainty in the budget cycle.

Council adopted a supplemental appropriation for 2026 funding that included program dollars for Sidewalks, Intersections & Streetscapes, Bike Infrastructure, and Transfort Buses and Bus stops. This appropriation also included some money for Bike Park planning and funding for Affordable Housing.

Going forward, it is anticipated that Capital tax dollar expenditure decisions will be part of the budget cycle.

NEXT STEPS

The Recommended Budget for 2027/2028 is due to be published on the first Monday in September.

ATTACHMENTS / LINKS

1. 2026-2035 Capital Tax Project Package
2. Presentation