FY 2027 Budget: Work Session #3

JULY 9, 2026

FY 2027 General Fund

- In the process of reviewing and updating General Fund projections
- Fairly stable without any large expenditures
- Outstanding decisions:
  - Employee Pay – COLA, Merit Raises
    - Many of the cities of JoCo estimating a 3-4% pay increase with a combination of COLA and Merit raises
  - Benefits increasing by 3%
  - Reserve Fund – GFOA recommends approximately 20% (no less than 2 months of regular operating revenues or expenditures)
- Does Westwood remain Revenue Neutral? Not recommended.
- City Council needs to determine the maximum mill levy for FY 27 today, July 9th

2024 Governing Body Strategic Plan

BEGIN CHIPPING AWAY AT DEFERRED MAINTENANCE NEEDS AT PUBLIC WORKS (AND CITY HALL, DEPENDING ON THE COUNCIL'S DECISION ON ULTIMATE DISPOSITION)

ACCELERATE IMPLEMENTATION OF THE STREETS, SIDEWALK, STORMWATER, AND STREETLIGHTS PROGRAM

INCREASE THE CITY'S COMPETITIVENESS IN THE LABOR MARKET WITH EMPLOYEE WAGES AND BENEFITS

Contextual Notes

The following plans have been created to present a full picture of the infrastructure needs and goals of the City of Westwood. They are based on professional studies or intentional processes to ensure integrity in the results.

The City does not currently have enough funds to implement these plans on a ten-year timeline; however, the City Council has the authority to increase revenue streams to the extent politically acceptable, extend the timeline to one that's politically acceptable, or both.

The deferred maintenance priorities for City facilities presented here represent only the most pressing, immediate needs. The items and costs listed are, in effect, the cost of kicking the can on the buildings another five years. Should deferred maintenance not be addressed, the cost and consequence of failure could possibly be higher or represent an unbudgeted expenditure requiring immediate reprioritization within an existing budget year, with future budget implications.

2023 Capital Improvement Plan

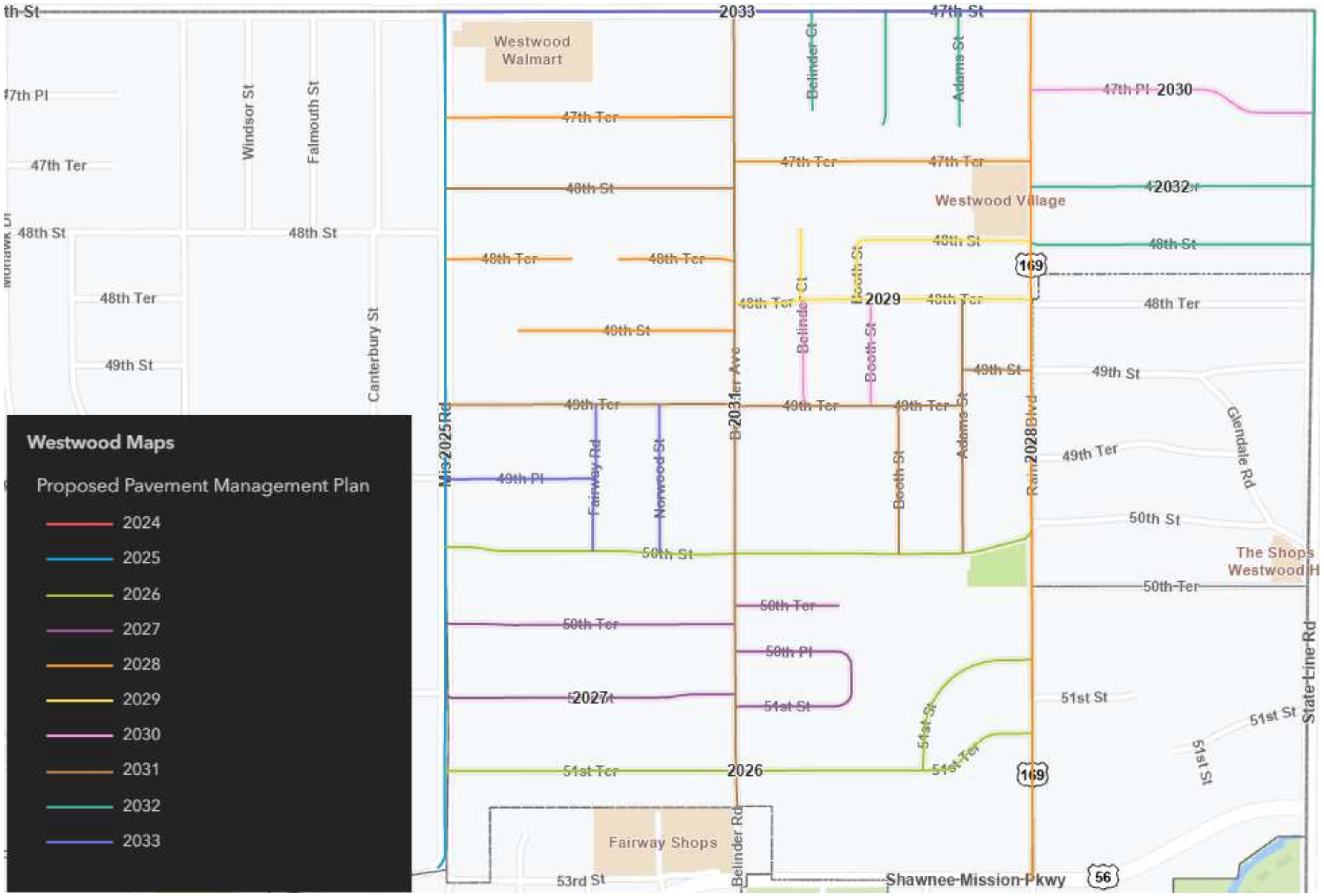
Unbudgeted on State Forms, multi-year capital fund

- Reflects expenses outpacing revenues in FY 2026 if no additional revenue streams
- Reflects planning for new facilities with park planning consultant in 2024 and 2025
- Reflects no budgeted capital investment in existing facilities with possibility of future new facilities

		Project Cost	2024	2025	2026	2027	2028	2029
	Cash Carryforwad		$ 253,638	$ 546,403	$ 202,334	$ (1,527,682)	$ (2,220,533)	$ (3,161,058)
Revenues								
	Special Sales Tax		$ 353,625	$ 337,883	$ 310,000	$ 310,000	$ 310,000	$ 310,000
	Reimbursement - JoCo CARS			$ 453,000				
Transfers								
	General Fund		$ 200,000	$ 350,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
	Expensed to Special Highway Fund		$ 50,000	$ 50,000	$ 50,000	$ 150,000	$ 50,000	$ 50,000
	Stormwater Utility Fund		$ 25,000	$ 100,000	$ 100,000	$ 100,000	$ 300,000	$ 100,000
	Debt Service		$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)	$ (175,000)
	CIP Annual Budgeted Resources		**$ 707,264**	**$ 1,662,286**	**$ 687,334**	**$ (942,682)**	**$ (1,535,533)**	**$ (2,676,058)**
CIP Projects								
W. 47th & Rainbow intersection replacement	Total Westwood Cost	$ 169,709			$ -			
Mission Road, 53rd Street to 47th Street	Total Westwood Cost	$ 430,487	$ 70,861	$ 953,663				
W. 50th Street, Rainbow Boulevard to Mission Road	Total Westwood Cost	$ 776,347		$ 116,808	$ 887,059			
W 47th Ter - Belinder Ave to Mission Rd. - Rainbow Blvd.	Total Westwood Cost	$ 645,497				$ 127,430	$ 980,113	
W. 48th Terrace, Mission Road to Belinder	Total Westwood Cost	$ 645,497				$ 19,368	$ 137,975	
W. 49th Street, Belinder Avenue west to Deadend						$ 20,633	$ 99,270	
W. 48th Street, Booth Street to Rainbow Boulevard							XXX	XXX
W. 48th Terrace, Belinder Avenue to Rainbow Blvd.							XXX	XXX
Belinder Court, W. 48th Terrace north to Deadend							XXX	XXX
W. 50th Place - W.51st St. (Horseshoe) + W. 50th Ter. (Cul De Sac); W. 50thTerrace and 51st St. Mission to Belinder	Total Westwood Cost				$ 98,518	$ 979,226		
Rainbow Blvd.						$ 335,049	$ 446,732	
W. 51st Terrace Mission to Rainbow Blvd. + 51st St Connecting to Rainbow Blvd.	Total Westwood Cost			$ 99,480	$ 640,365			
	Streets - Sub Total		**$ 70,861**	**$ 1,169,951**	**$ 1,625,942**	**$ 1,146,657**	**$ 1,217,358**	**$ -**
Street Lights								
W. 48th Terrace, Mission Road to Belinder							$ 57,258	$ 57,258
49th St. west of Belinder							$ 108,715	$ 108,715
Belinder Ct. and Booth off 47th St.		$ 73,000.00						
Mission Road, 53rd Street to 47th Street		$ 186,880.00		included in construction cost				
W. 50th Street, Rainbow Boulevard to Mission Road		$ 115,500.00			$ 248,401			
W 47th Ter - Mission Rd. to Rainbow Blvd.		$ 55,000.00					$ 232,194	$ 232,194
W. 51st Terrace Mission to Rainbow Blvd.					$ 308,673			
W. 51st St. Mission to Belinder						$ 116,194		
Street Lights, Pole Repair and Replacement		$5,000/year	$ 5,000	$ 5,000	$ 5,000	$ 5,000		
	Streetlights - Sub Total		**$ 5,000**	**$ 5,000**	**$ 562,074**	**$ 121,194**	**$ 398,167**	**$ 398,167**
Stone Wall Repair								
4800 Rainbow Blvd Colonial Building Replacement								
Miscellaneaus Repair and Replacement		$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
	Stone Wall Repair - Subtotal		**$ 10,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**
Studies								
Pavement Management Study		$ 13,581			$ 17,000			
Park Planning Consultant			$ 75,000	$ 275,000				
Facilities Feasibility Study		$ 75,000						
	Studies - Subtotal		**$ 75,000**	**$ 275,000**	**$ 17,000**	**$ -**	**$ -**	**$ -**
Facilities								
Public Works - Roof Coating, Snow Guards, Replace South Side Building Panels		$ 50,188						
Public Works - Back Lot Replacement/Enlargement		$ 75,000						
City Hall - Parking Lot Repair		$ 25,000						
Public Works & City Hall - Reinvestment		$ 2,275,000						
	Facilities Subtotal		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	CIP Annual Budgeted Expenditures		**$ 160,861**	**$ 1,459,951**	**$ 2,215,016**	**$ 1,277,851**	**$ 1,625,525**	**$ 408,167**

Capital Improvement Projects

- The map reflects a ten-year program recommended for maintenance of streets, sidewalks, stormwater, and streetlight replacement
- The CIP currently is underfunded to implement this plan within a 10-year time horizon
- Alternate sources of revenue and creative funding solutions are currently being explored



WESTWOOD

	Estimated Timeline								
Priority	Engineering	Construction	Project Location	Est Const Cost	Est StLight Cost	Est Design Eng	Est Const Eng	Project Totals	8% Inflation
1	2027	2028	W. 50th Pl., Belinder to W. 51st St.	$ 164,269	$ -	$ 13,141	$ 11,498	$ 188,908	$ 204,021
2	2027	2028	W. 51st St., Belinder to W. 50th Pl.	$ 322,743	$ -	$ 25,819	$ 22,592	$ 371,154	$ 400,846
3	2027	2028	W. 50th St., Rainbow to Belinder	$ 352,517	$ 531,120	$ 70,690	$ 61,854	$ 1,016,181	$ 1,097,475
4	2028	2029	Booth, W. 48th St. to W. 48th Ter.	$ 156,000	$ 92,000	$ 19,840	$ 17,360	$ 285,200	$ 308,016
5	2028	2029	W. 48th Ter., Belinder to Rainbow	$ 634,000	$ 338,000	$ 77,760	$ 68,040	$ 1,117,800	$ 1,207,224
6	2028	2029	W. 48th St., Booth to Rainbow	$ 314,000	$ 178,000	$ 39,360	$ 34,440	$ 565,800	$ 611,064
7	2028	2029	Booth, W. 48th Ter. To W. 49th Ter.	$ 210,000	$ -	$ 16,800	$ 14,700	$ 241,500	$ 260,820
8	2029	2030	W. 47th Ter., Belinder to Rainbow	$ 189,444	$ 321,060	$ 40,840	$ 35,735	$ 587,079	$ 634,045
9	2029	2030	W. 47th Ter., Belinder to Mission	$ 602,199	$ 335,640	$ 75,027	$ 65,648	$ 1,078,514	$ 1,164,795
10	2030	2031	W. 51st Ter., Belinder to Rainbow	$ 283,614	$ 465,060	$ 59,893	$ 52,407	$ 860,974	$ 929,852
11	2030	2031	W. 51st St., Rainbow to W. 51st Ter.	$ 82,149	$ 178,740	$ 20,871	$ 18,262	$ 300,022	$ 324,024
12			W. 51st Ter., Belinder to Mission	$ 65,892	$ 295,680	$ 28,926	$ 25,310	$ 415,808	$ 449,073
13			W. 50th Ter., Belinder to Cul-de-Sac	$ 59,073	$ -	$ 4,725	$ 4,135	$ 67,933	$ 73,368
14			W. 48th Ter., Belinder to Cul-de-Sac	$ 44,715	$ 132,828	$ 14,203	$ 12,428	$ 204,174	$ 220,508
15			W. 48th Ter., Mission to Cul-de-Sac	$ 58,038	$ 210,054	$ 21,447	$ 18,766	$ 308,305	$ 332,969
16			W. 49th St., Belinder to Cul-de-Sac	$ 54,092	$ 314,640	$ 29,498	$ 25,811	$ 424,041	$ 457,964
17			W. 49th Pl., Fairway to Mission	$ 62,959	$ -	$ 5,036	$ 4,407	$ 72,402	$ 78,194
18			Belinder Ct., W. 49th Ter. To Cul-de-Sac	$ 64,375	$ -	$ 5,150	$ 4,506	$ 74,031	$ 79,953
				$ 3,720,079	$ 3,392,822	$ 569,026	$ 497,899	$ 8,179,826	$ 8,834,212

Reprioritization of the CIP and Updates Estimates

City Facilities: Deferred Maintenance Needs

CITY HALL

Priority	Description	Estimated Cost (2024)	Remaining Useful Life	Estimated Years to Failure
1.	Replace & Upgrade HVAC	$190,500	0 years	< 2 years
2.	Replace Metal Roof	$165,000	0 years	Failed
3.	Resurface Parking Lot	$25,500	0 years	Failed
4.	Replace Windows/Glazing	$288,750	0 years	Failed
5.	Rebuild Bay Window (Chief's Office)	$7,500	0 years	Failed
6.	Replace EIFS Facade	$83,600	0 years	Failed
7.	Replace Flat Roof	$90,000	0 years	< 2 years

TOTAL 2024 Need: $850,850 [*2026 Est. $978,478*]

PUBLIC WORKS

Priority	Description	Estimated Cost (2024)	Remaining Useful Life	Estimated Years to Failure
1.	Add Exhaust to All Areas of Building	$362,180	0 years	Existing Health Risk
2.	Add Drainage in Truck Bay		0 years	Existing Safety Risk
3.	Replace Exterior Metal Facade		0 years	Failed
4.	Coat Roof & Add Snow Guards		0 years	Failed
5.	Repair Concrete Foundation		0 years	Unknown
6.	Expand Yard	$500,913	0 years	Inadequate
7.	Rebuild Salt Shed		0 years	Inadequate

TOTAL 2024 Need: $863,093 [*2026 Est. $992,557*]

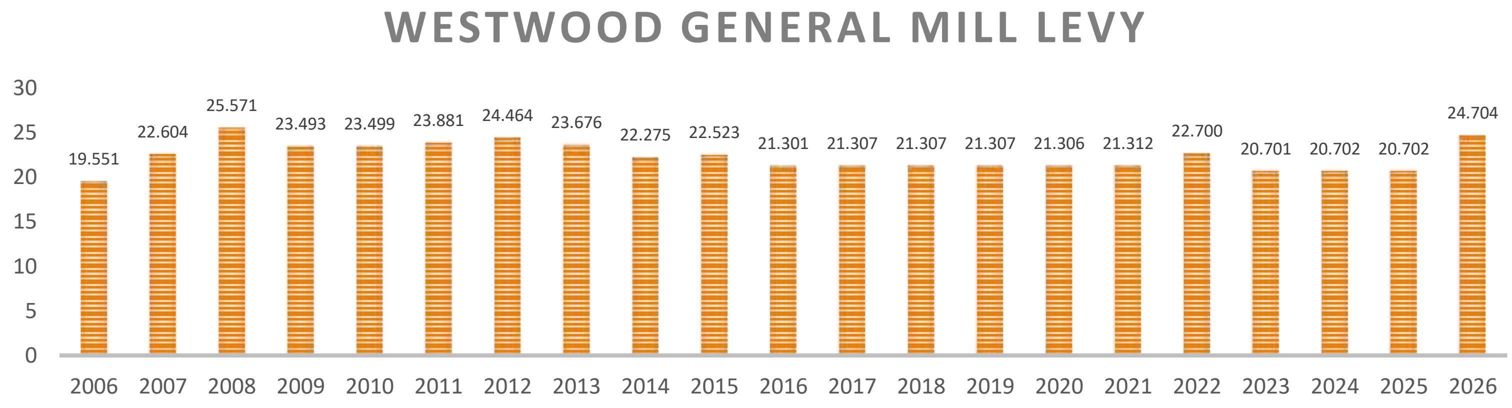
Revenue Context

Currently, **one (1) mill in Westwood generates approximately $50,000**. Any increase in the mill levy would provide additional revenue for personnel and capital projects. **The City raised the mill levy by 4 mills for FY 2026**.

Currently, the City's **½ cent sales tax funding the CIP generates approximately $390,000 annually**. This local sales tax is set is set to expire in 2028, and should be renewed for at least the remaining half of the 2020 GO Bond. This provides an opportunity to consider a sales tax increase.

Each street/streetlight project segment ranges in cost from **2 mill to 15 mill**.

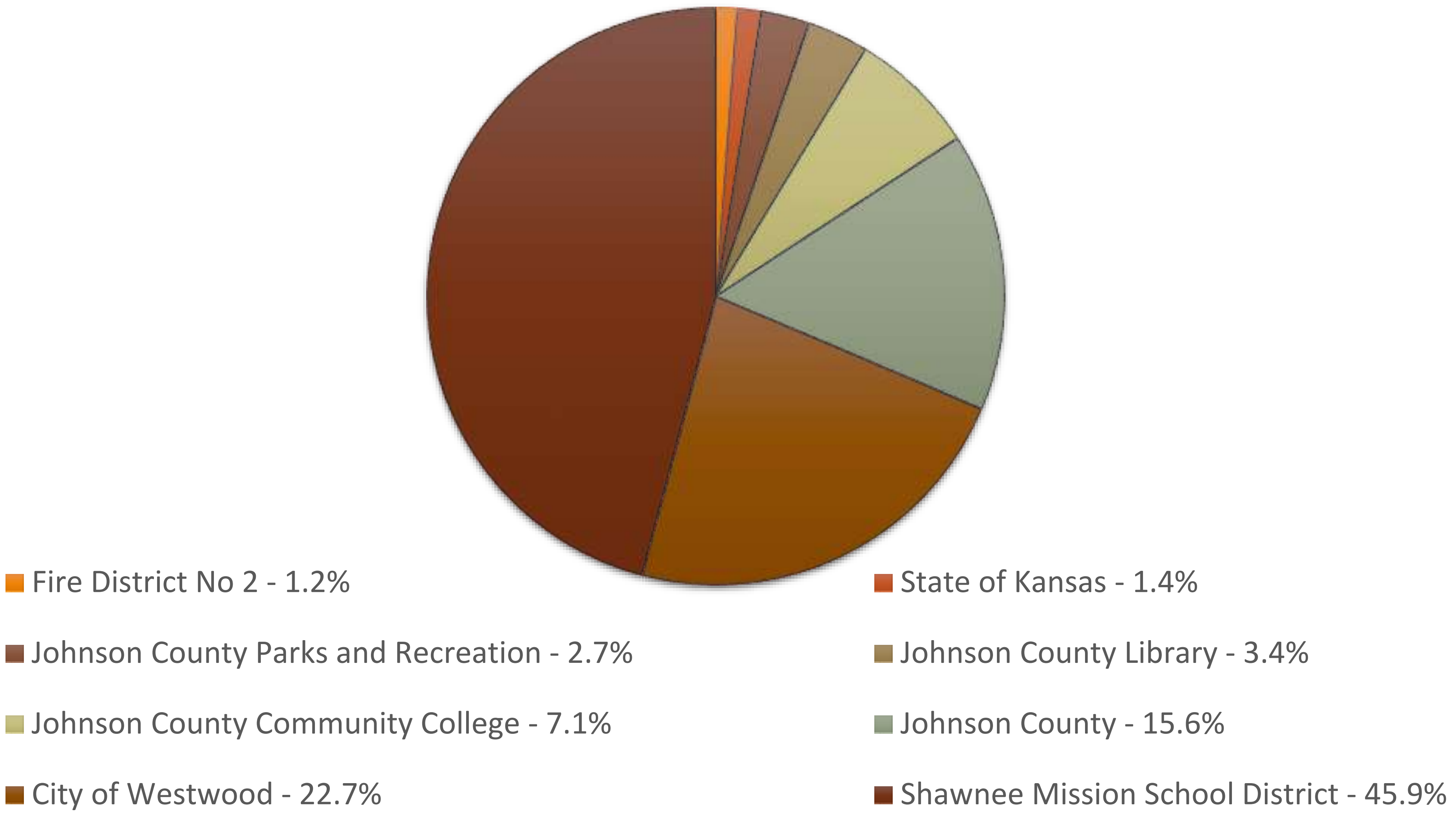
Currently, the equivalent of **4+ mill ($200K) is transferred annually from the General Fund to the CIP Fund**. This rate of $575K annual revenue to the CIP maintains a **current pace of two – three + years behind** the aspirational plan created from the independent condition studies conducted over the past several years.



Plus 0.497 for bond and interest

TOTAL MILL LEVY in 2026 = 25.201

Where do your property taxes go?

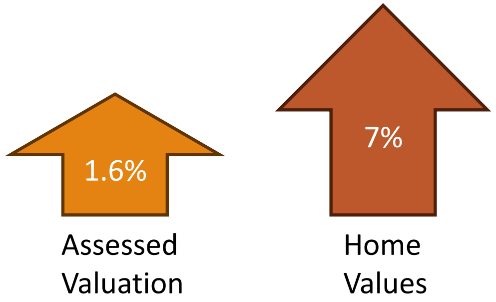


Westwood Valuation & Revenue Neutral Rate

Valuation Information

2025 = $52,511,041

2026 = $53,363,015



Current Mill Levy = 25.201

Revenue Neutral Rate = 24.797

*General fund expenses increase by min 3%

**Midwest Transplant Network became fully exempt

Consider Resolution No. 156-2026 to exceed the Revenue Neutral Rate, establish Sept 10th City Council meeting as the date and time of a public hearing, and provide for the giving of notice of such public hearing.

Mill Rate Increase Impact to the City of Westwood

FY2027 Mill Levy Change	No Change	+1 Mill	+2 Mill	+3 Mill	+4 Mill
Mill Levy	25.199	26.199	27.199	28.199	29.199
City Revenue Increase	0	$ 53,363	$ 106,726	$ 160,089	$ 213,452

Mill Rate Increase Impact to Westwood Homeowners

FY2027 Mill Levy Change	No Change	+1 Mill	+2 Mill	+3 Mill	+4 Mill
Home Value	$ 300,000				
Residential City Property Tax Bill	$ 869	$ 904	$ 938	$ 973	$ 1,007
Change from FY26 to FY27 (Annual)	$ -	$ 35	$ 69	$ 104	$ 138
Change from FY26 to FY27 (Monthly)	$ -	$ 3	$ 6	$ 9	$ 12
Home Value	$ 500,000				
Residential City Property Tax Bill	$ 1,449	$ 1,506	$ 1,564	$ 1,621	$ 1,679
Change from FY26 to FY27 (Annual)	$ -	$ 58	$ 115	$ 173	$ 230
Change from FY26 to FY27 (Monthly)	$ -	$ 5	$ 10	$ 14	$ 19
Home Value	$ 750,000				
Residential City Property Tax Bill	$ 2,173	$ 2,260	$ 2,346	$ 2,432	$ 2,518
Change from FY26 to FY27 (Annual)	$ -	$ 86	$ 173	$ 259	$ 345
Change from FY26 to FY27 (Monthly)	$ -	$ 7	$ 14	$ 22	$ 29
Home Value	$ 1,000,000				
Residential City Property Tax Bill	$ 2,898	$ 3,013	$ 3,128	$ 3,243	$ 3,358
Change from FY26 to FY27 (Annual)	$ -	$ 115	$ 230	$ 345	$ 460
Change from FY26 to FY27 (Monthly)	$ -	$ 10	$ 19	$ 29	$ 38

CIP Funding Option – General Obligation Bond Issuance

Mill Levy Dedicated to Debt Service	Project Fund Deposit (total take home after fees)	Average Annual Debt Service Payment	Total Payment over 20 Years
2 Mill Levy	$ 1,177,358	$ 98,000	$ 1,953,750
4 Mill Levy	$ 2,531,907	$ 196,000	$ 3,940,250
6 Mill Levy	$ 3,903,310	$ 298,000	$ 5,952,750

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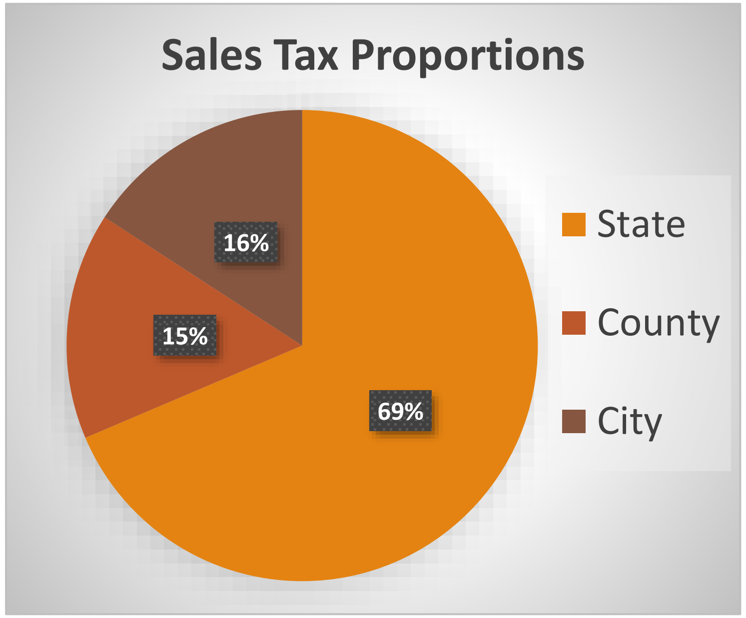
Bond Issuance – PROS & CONS

Sales Tax Summary and Options

Total Sales Tax Rate 9.475%

Breakdown

State 6.5%
County 1.475
City 1.5%



Westwood Portion

General Purpose 1%

- Generated $780,184 in 2025 *(equivalent to approximately 14 mills)*
- Maximum rate allowed 2%

Special Purpose 0.5%

- Generated $390,092 in 2025 *(equivalent to approximately 7 mills)*
- 10-year tax for CIP expires 9/30/2028
- Maximum rate allowed 1%

Options for City Council Consideration

Reduce	Do Nothing	Increase by 2 mill	Bond Issuance	Sales Tax Renewal/Increase
Reduce the mill levy or pass a revenue neutral budget City operational expenses, capital improvement costs, and maintaining satisfactory reserves outpace the previous year's ad valorem revenue every year; reducing the amount of ad valorem tax received would result in greater delays in funding streets and streetlight projects	Do nothing (leave the mill levy flat) Although property valuations are increasing slightly and the City has taken steps to diversify revenues and control costs, the amount of ad valorem tax created by incremental increase in property valuations does not generate enough to tackle streets projects, which range in estimated cost from the equivalent of 2 to 15+ mill each.	Increase the mill levy by 2 mills Increasing the mill levy by 2 mills would generate approximately $100,000 more in annual revenue for the CIP. This minor amount could aid in funding the CIP or a facility reserve. It could also be bonded to generate more upfront funds to move catch up on our CIP next year.	Issue bonds using a dedicated mill levy for debt service. Issuing bonds using an increase in the mill or last year's 4 mill increase would provide more upfront funds with which to pay for desired CIP projects in the next couple years. This could be a good fiscal move as construction costs are increasing annually. While we would get caught up, we would also need to pay a debt service for 20 years.	Renew the 0.5% sales tax before the 2028 expiration and/or add an additional sales tax increase. Renewing the 0.5% sales tax is vital as it is dedicated to the CIP and generates $390k annually. Increasing or adding another dedicated sales tax could reduce the tax burden on Westwood residents and can raise far more than a responsible mill raise could.