



2023 BUDGET OVERVIEW

The City's budget is a planning tool that provides overall direction to achieve the goals and objectives set forth annually by City Council.

GOALS AND PRIORITIES

City Council's 2023 goals and priorities fall within the following seven categories, including:



Fiscal Responsibility



Community Infrastructure



Workforce Housing



Communication



Sustainability



Community Safety



South Arkansas River Sub-Area (SARSA) Planning

BUDGET HIGHLIGHTS

A balanced budget of \$47.3 million was adopted on October 18, 2022

The budget includes \$15M for a new fire station which is subject to identifying a sustainable financing program

Sales tax, a major revenue source, is budgeted to increase 2% over 2022 projected actual collections

Modest growth in operating revenues is projected, a net of 3% overall

1.75 new full-time employees planned

Cost of Living Adjustment (COLA) tied to the Department of Labor Employee Cost Index is budgeted at 4.2%

All existing programs are sufficiently funded to continue at excellent service levels

Water and Wastewater service fees will increase according to the schedule recommended in the 2020 rate study

CAPITAL PROJECTS

Construct a new fire station to replace the existing 124-year-old building

Reconstruct Oak Street, US-50 to Wal-Mart, Holman, Stryker and the US-50 pedestrian crossing (dependent upon Colorado Department of Transportation (CDOT) approvals)

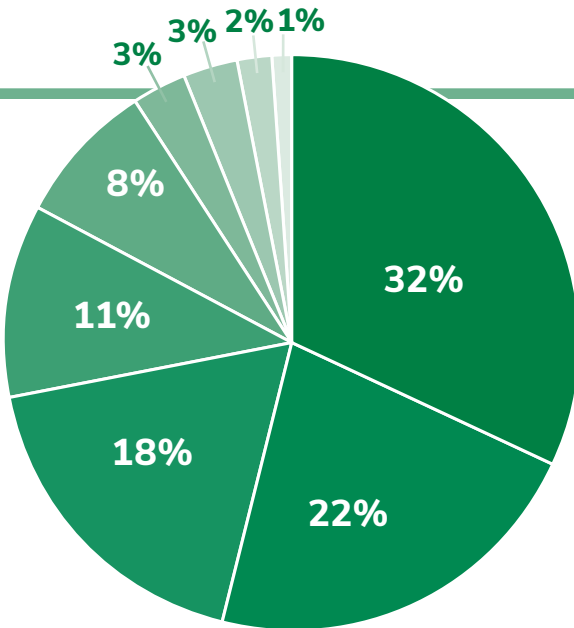
Continue upgrades for Pasquale Springs water plant infrastructure started in 2022

Reconstruct Poncha Boulevard

Demolition of dilapidated "D Street Apartments"

Upgrades to SteamPlant theatre to include projection system and curtains

2023 TOTAL REVENUE



Financing Proceeds	\$15M
Taxes	\$10.36M
Intergovernment	\$8.34M
Use of Reserves	\$5.26M
Fees for Service	\$4M
Interfund Transfers	\$1.56M
Capital Revenue	\$1.25M
Fees for Recreation and Events	\$980K
All Other	\$530K

TOTAL REVENUE \$47.3M

REVENUE SOURCES

TAXES

- 3% City tax on the retail price of goods and materials
- Shared county sales tax
- Lodging tax planned to increase from \$3.66 per night to a voter approved maximum of \$4.82 per bed per night (subject to Council ordinance approval)
- Franchise fees

FINANCIAL PROCEEDS

- Issuance of debt to finance larger projects

FEES FOR GENERAL SERVICES

- Water & Sewer Fees (92%)
- Other fees for service

INTERGOVERNMENTAL

- Grant revenue
- Highway users tax
- Lottery proceeds
- Fees for shared services

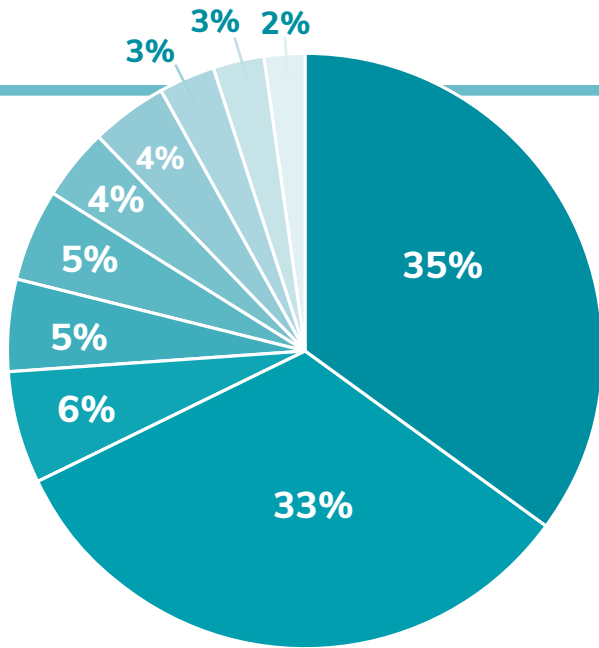
CAPITAL REVENUE

- Utility System Development Fees (SDF) for new development
- Water meter sales
- Insurance proceeds
- Equipment sales and trade-ins

OTHER

- Investment earnings
- Court & traffic fines
- Fees in lieu (inclusionary housing)
- Community program donations
- Licenses and permits

2023 TOTAL EXPENSES



Capital Improvement Fund	\$16.7M
Public Works	\$15.8M
Police	\$2.9M
Parks & Recreation	\$2.6M
Administration	\$2.2M
Fire	\$2.0M
All other	\$1.6M
Arts & Culture	\$1.1M
Interfund transfers	\$1.5M
Community Development	\$800K

TOTAL EXPENSES

\$47.3M

MAJOR EXPENSE CATEGORIES BY FUND

PUBLIC WORKS

Streets Fund:

- Rebuild or extend streets and sidewalks

Water / Wastewater Utilities:

- Maintain water supply lines and water treatment

Maintain / Expand Utilized Buildings

POLICE

Operating and capital equipment expenses of the Police Department within the general fund.

FIRE

Operating and capital equipment expenses of the Fire Department within the general fund.

PARKS & RECREATION

- Operating and capital equipment expenses for the Aquatic Center.
- Maintenance of parks, facilities and grounds.

ARTS & CULTURE

Operating & capital expenses of:

- SteamPlant Event Center
- Riverside Park events
- Creative District
- Scout Hut

CAPITAL IMPROVEMENT

Large (>\$20K) capital improvement projects. Examples include new construction, improvements to an existing building or land purchases.

ADMINISTRATION

Operating costs of:

- City Council
- City Admin.
- Finance
- Legal
- Licensing
- City Clerk
- Courts

OTHER

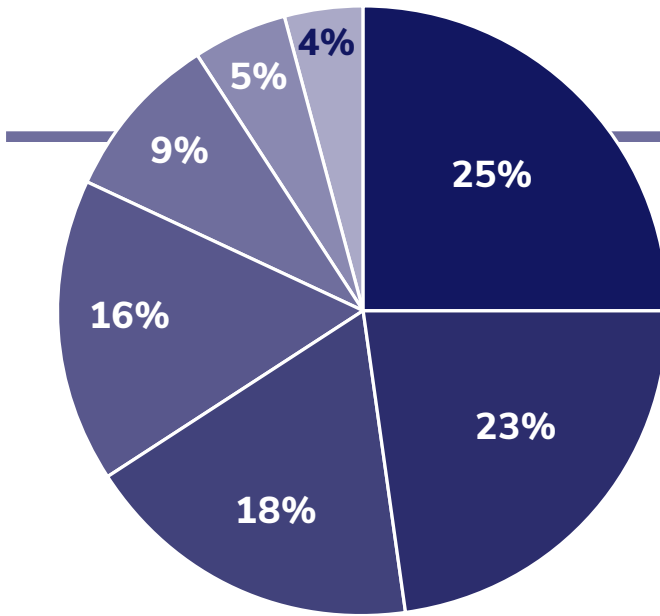
Expenses of:

- Economic Development Fund
- Conservation Trust Fund
- City share of airport
- Community Support Grants
- Unplanned contingency

COMMUNITY DEVELOPMENT

Operating and capital expenses of the Community Development Department. This department helps realize the vision of the community as outlined in the Comprehensive Plan.

2023 PERSONNEL BUDGET



Police	\$2.45M
Public Works	\$2.28M
Fire	\$1.72M
Parks & Recreation	\$1.6M
Administration	\$860K
Arts & Culture	\$520K
Community Development	\$400K

TOTAL \$9.85M

Personnel makes up 30.5% of the 2023 expense budget, excluding the cost of the fire station. The budget for personnel includes salary and benefits for 108 full-time equivalent (FTE) employees, stipends for elected officials, and wages for numerous part-time and seasonal employees in the pool, arts and culture, and public works areas.

For 2023, 1.75 new employees have been added, including an Administrative Coordinator and a Parks & Recreation preschool and Camp Friday instructor. A Cost of Living Adjustment (COLA) is budgeted at 4.2%.

FUND BALANCE

Fund balance (reserves) is defined as the excess of assets over liabilities. It can also be viewed as the accumulation of all annual revenue surpluses or shortages over the life of the City. General Fund Reserves can generally be utilized more freely across the City compared to reserves in other funds that can usually only be spent on that fund's purpose.

The table to the right shows the Fund Balance story for the General Fund. At the end of 2023, the General Fund Reserves are projected to be at 38.1% of previous year operating expenses, well within the 25% minimum fund balance policy requirement.

2023 GENERAL FUND BALANCE SUMMARY

PROJECTED BEGINNING FUND BALANCE	\$6,550,055
PROJECTED REVENUE	\$11,604,251
PROJECTED EXPENDITURES	(\$14,132,074)
ESTIMATED END OF YEAR FUND BALANCE	\$4,022,232
PERCENTAGE OF 2022 OPERATING EXPENSES:	38.1%