

# 2025 ADOPTED BUDGET

ORD: 23-2024; ORD 24-2024; ORD 25-2024; AND ORD 26-2024

NOVEMBER 19, 2024

Jim Becklenberg, City Manager

Tiffany Hooten, Finance Director

Kevin Orton, Budget Manager



## 2025 Proposed Budget

CITY OF LITTLETON, COLORADO

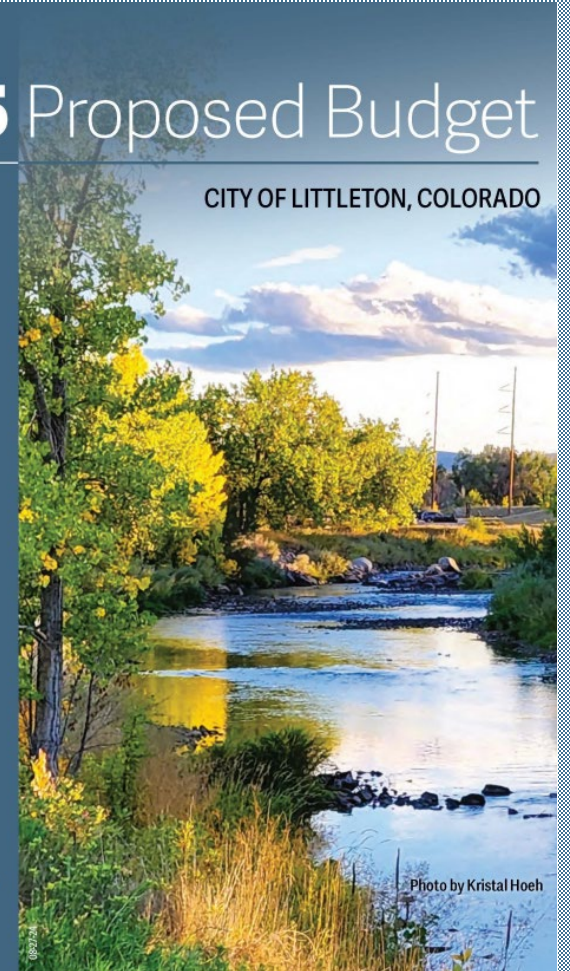
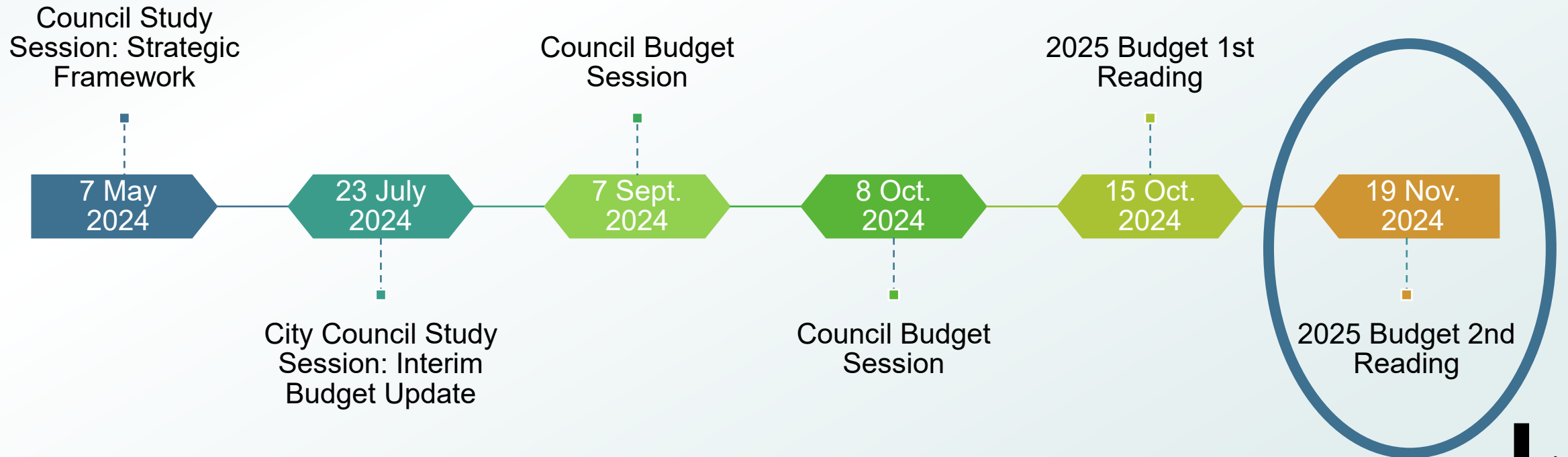


Photo by Kristal Hoeh

# ORDINANCES

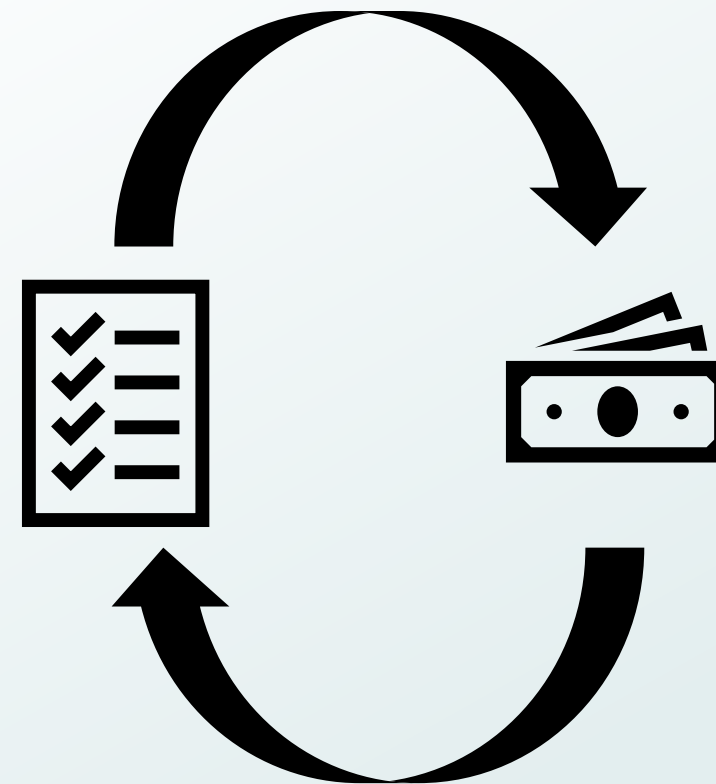
- **Ordinance 23-2024:** An ordinance on second reading appropriating funds for the 2025 annual budget for all municipal purposes of the City of Littleton, Counties of Arapahoe, Douglas, and Jefferson, State of Colorado, for the fiscal year beginning January 1, 2025, and ending December 31, 2025
- **Ordinance 24-2024:** An ordinance on second reading establishing the tax levy of 2.0 mills to defray the costs of municipal government of the City of Littleton, Counties of Arapahoe, Douglas, and Jefferson, State of Colorado, for the City's Fiscal Year beginning January 1, 2025 and ending December 31, 2025
- **Ordinance 25-2024:** An ordinance on second reading of the City of Littleton, Colorado, as the governing body of the City of Littleton, Sewer Utility Enterprise, adopting the 2025 budget for the fiscal year beginning January 1, 2025, and ending December 31, 2025
- **Ordinance 26-2024:** An ordinance on second reading of the City of Littleton, Colorado, as the governing body of the City of Littleton, Stormwater and Flood Management Utility Enterprise, adopting the 2025 budget for the fiscal year beginning January 1, 2025, and ending December 31, 2025

# 2025 BUDGET PROCESS



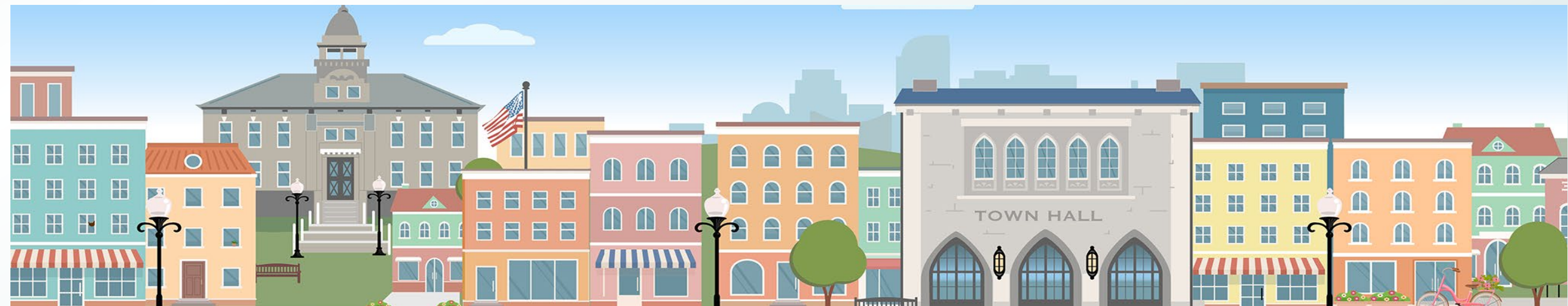
# BUDGET GOALS AND PRIORITIES

- **Continue Implementing Horizon 2027 Strategic Plan**
  - Reflects City Council's top priorities through the Horizon 2027 plan
  - No reduction in service levels
- **Investment in staff retention and development**
  - Maintains current staffing levels, no new FTEs in General Fund
  - Software enhancements for greater efficiency
  - Increase funding in professional development and training
  - Advances DEI strategies
- **Establishes 5-Year Capital Improvement Plan**
  - First multi-year, project-level Capital Improvement Plan document in City's history
  - \$300 million of projects with identified funding source from 2024 – 2029
  - Additional \$158 million of projects without identifiable funding source
- **Maintains responsible reserves in all funds**



# 2025 ASSUMPTIONS

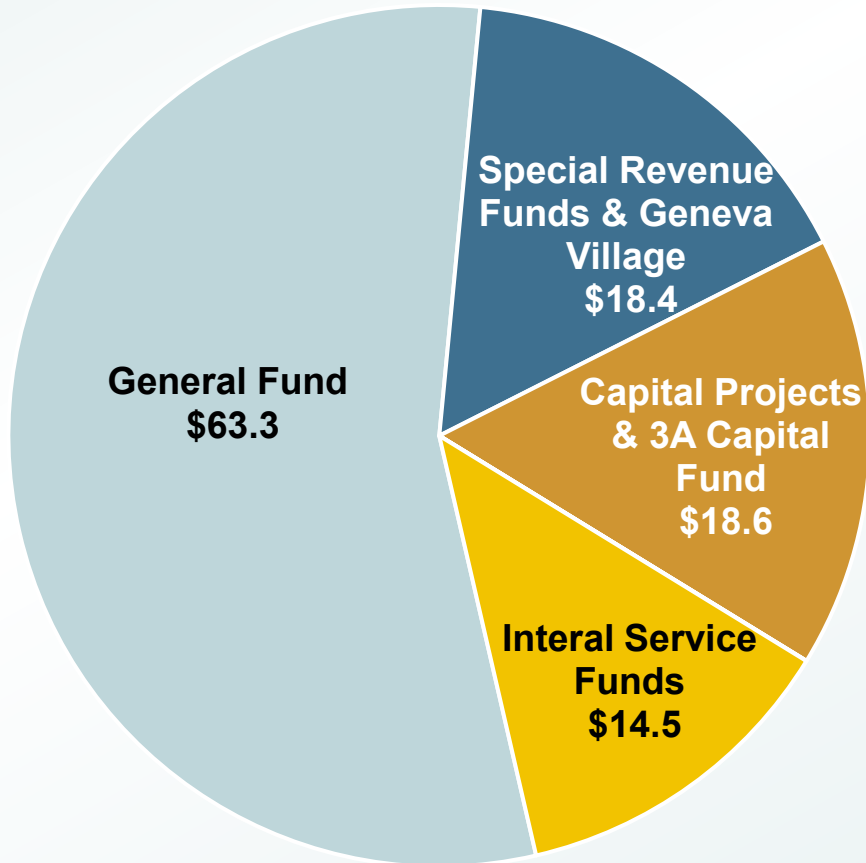
- Modest use of fund balance
  - Due to anticipated 2026 revenue growth, fund balance used to balance 2025, if necessary
- Not included in budget
  - Future development ongoing tax revenue (e.g. Mineral Place (Lumen), Evergreen/Toll Projects)
  - Potential increased sales tax on marijuana
- Horizon 2027
  - Preserves 2024 service levels and advances Council's strategic initiatives
- 2025 FTEs:
  - No new FTE staff in General Fund
  - 1.0 shared FTE in Sewer/Storm Fund
  - 1.0 FTE in 3A Capital Improvement Fund



# TOTAL CITY APPROPRIATIONS \$146.7 MILLION

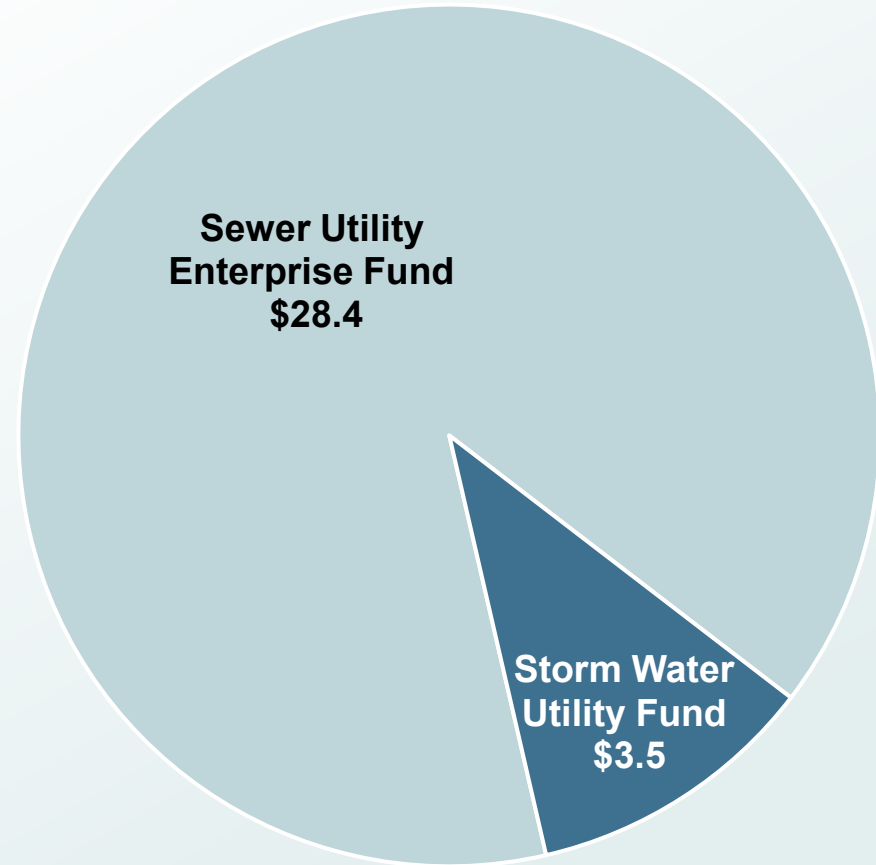
ORD. 23 – MUNICIPAL  
PURPOSES

**\$114.8 MILLION**



ORD. 25 & 26 – TABOR  
ENTERPRISE FUNDS

**\$31.9 MILLION**

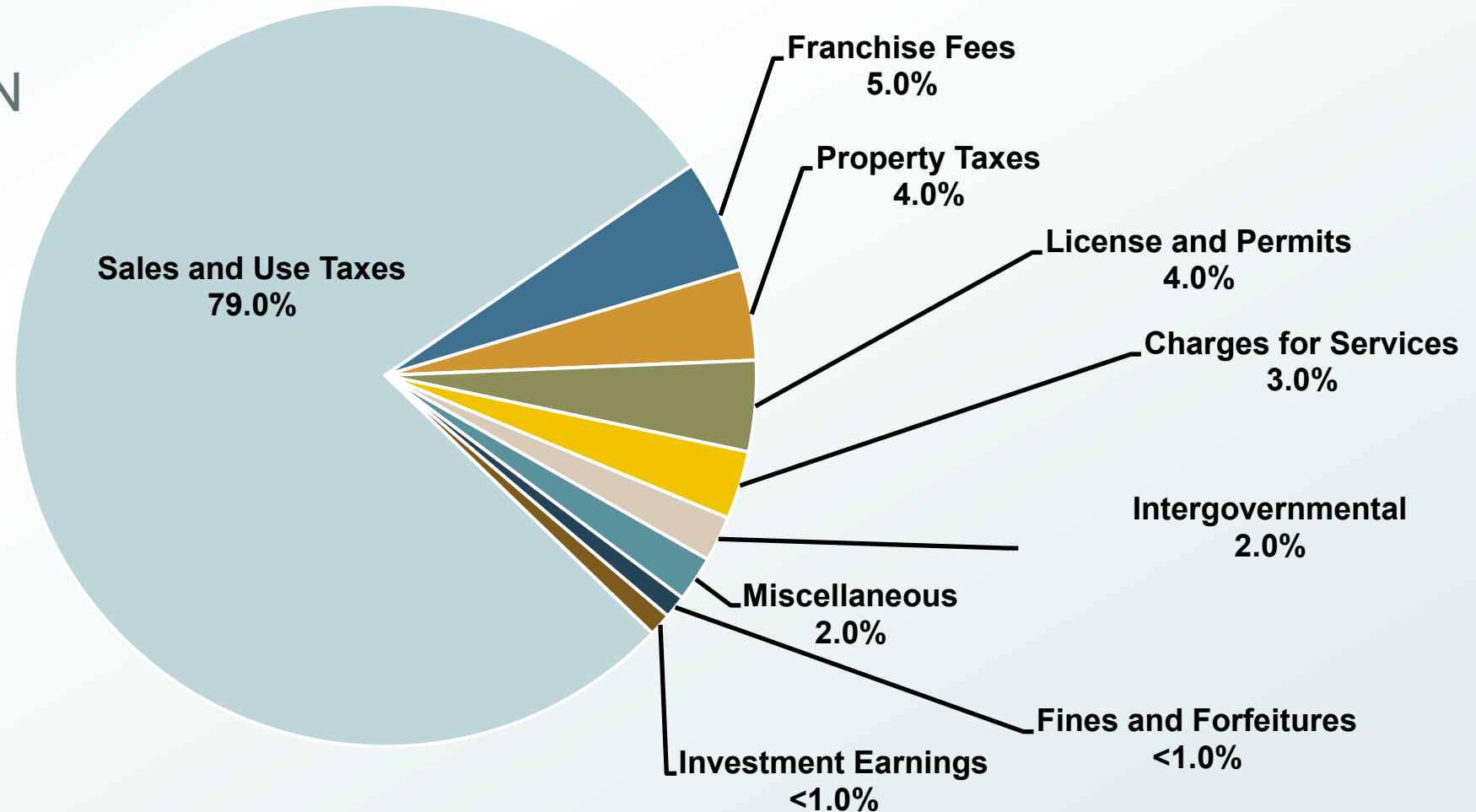


**2025**

**GENERAL  
FUND**

# GENERAL FUND REVENUES

GENERAL FUND REVENUE  
\$59.4 MILLION



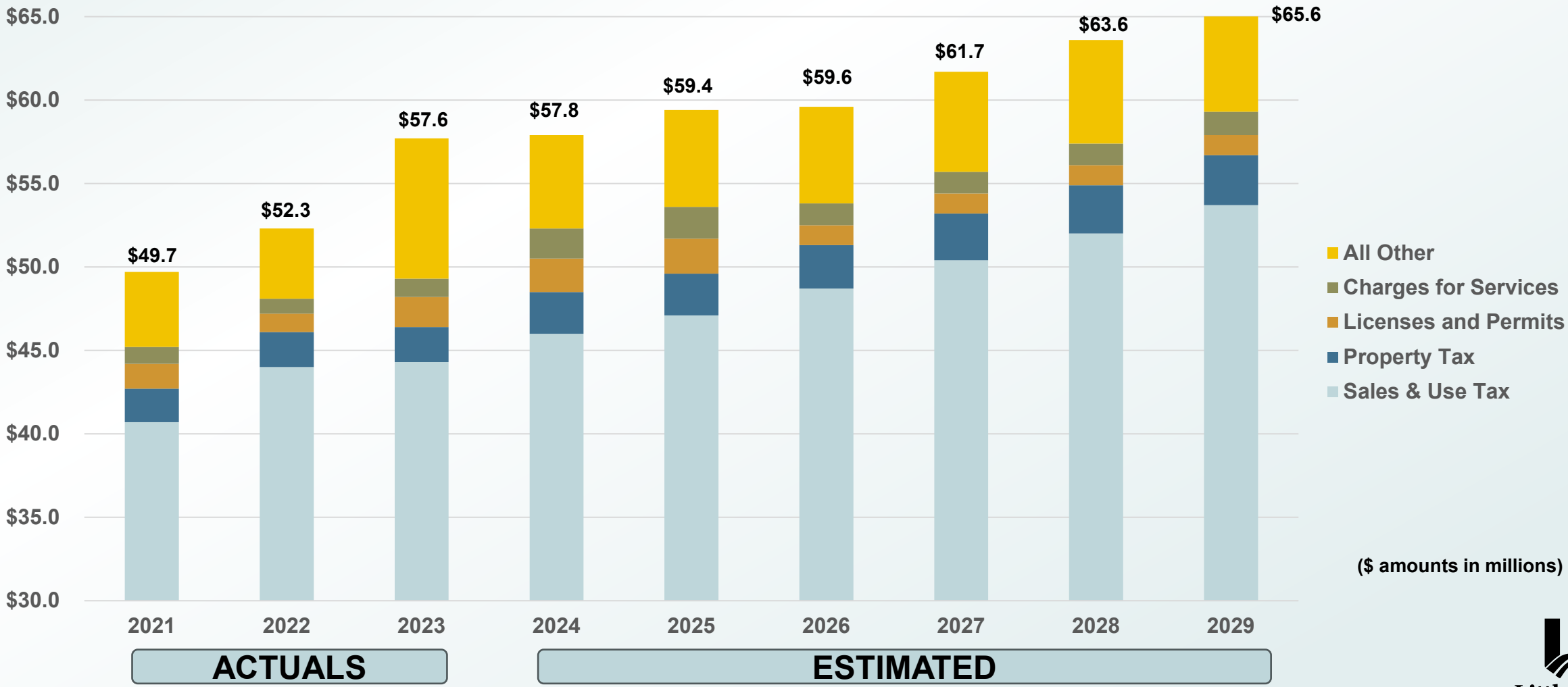


# GENERAL FUND REVENUES HIGHLIGHTS

Category	2024 Estimate	2025 Budget	Change	% Change
Sales & Use Tax	\$45.9 million	\$47.1 million	\$1.2 million	<b>2.6%</b>
Property Tax	2.5 million	2.6 million	50,000	<b>2.0%</b>
Licenses & Permits	2.0 million	2.1 million	85,000	<b>4.2%</b>
Charges for Service	1.8 million	1.9 million	28,000	<b>1.6%</b>
All Other Categories	5.5 million	5.7 million	222,000	<b>4.0%</b>
<b>Total</b>	<b>\$57.8 million</b>	<b>\$59.4 million</b>	<b>\$1.6 million</b>	<b>2.7%</b>



# GENERAL FUND REVENUE TREND



# GENERAL FUND STRATEGIES



Align Current Services to Horizon 2027  
& Top 30 Strategic Initiatives



Increase Training in Learning &  
Education



Fund Needed Software & Technology  
Enhancements

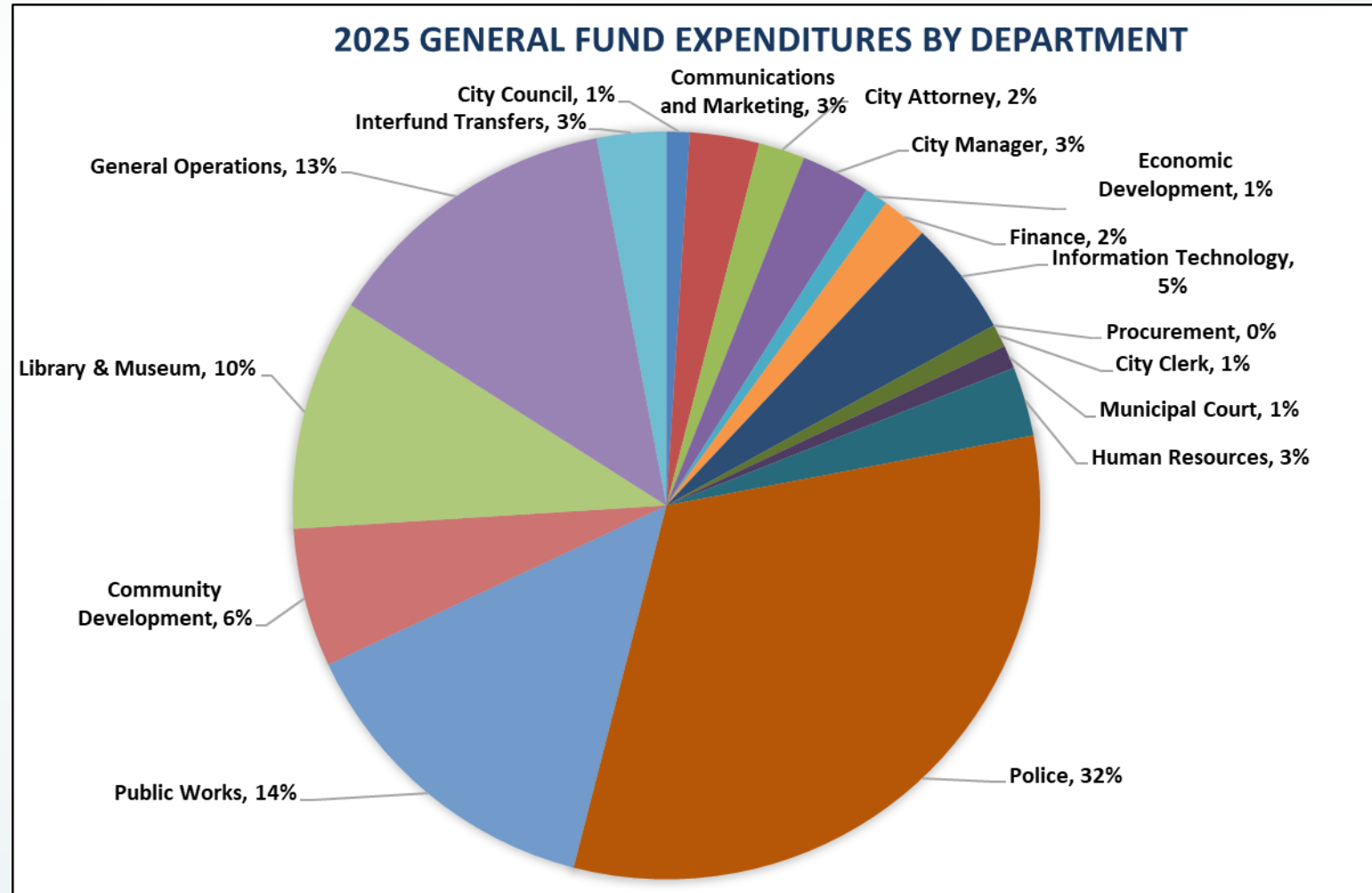


Use Fund Balance for One-Times &  
Maintaining Current Service

# GENERAL FUND EXPENDITURES

## 2025 EXPENDITURES \$63.3 MILLION

- 68% Personnel
- 29% Operating & Maintenance
- 3% Non-Operating
- <1% capital



# GENERAL FUND INCREASES

## INVEST IN EMPLOYEES

\$1.6 MILLION

- Market Increase for General Government Employees
- Police Association – Increases consistent with 2023 agreement
- Maintain Healthcare and Other Benefits
- Increase Training in Learning & Education
- DEI Advancements

## FUND NEEDED SOFTWARE

\$530,000

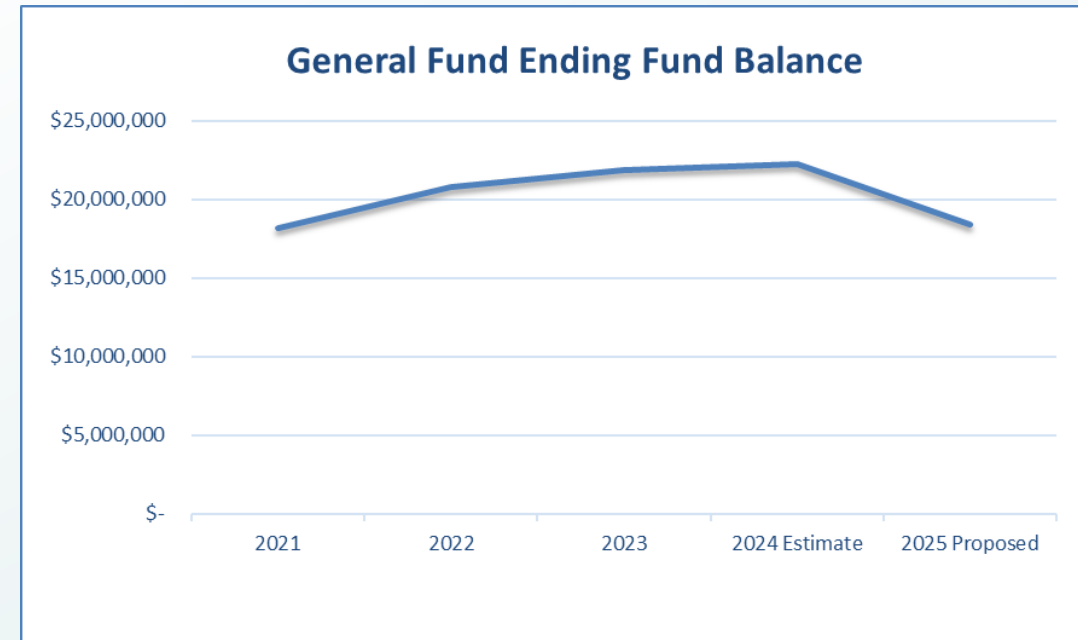
- Funds first full year of Enterprise Resource Planning Software (Workday)
- New Software
  - Code Compliance
  - Hiring & Recruitment
  - Police Employee Management Module
  - Additional Library Software
- Funds to address ongoing software costs

# ONE TIME EXPENSES

	<b>Amount</b>
Littleton Blvd Corridor Study	\$1.2 million
Professional Service Agreements: City-wide plan, Geneva Village Redevelopment Planning, City Center Site Assessment	225,000
Intersection 3D Mapping	200,000
Sustainability Initiatives	100,000
ADA Compliance (funding may be converted to 1.0 FTE in 2026)	100,000
DEI Strategy Implementation Consulting (funding may be converted to 1.0 FTE in 2026)	50,000
Police Uniforms and Training for New Staff	45,000
Arts & Culture Economic Impact Study	40,000
Main Street Holiday Lights	30,000
<b>Total One-Time Expenditures</b>	<b>\$1.9 million</b>

# GENERAL FUND BALANCE

2025 Budget	
<b>Beginning Fund Balance</b>	<b>\$22.9 Million</b>
Revenues	\$59.4 Million
Expenditures (net of Historic Savings)	(\$60.6 Million)
<i>Net Cash Flow</i>	<i>(\$1.2 million)</i>
One-Time Expenditures	(2.0 million)
<i>Net Use of Fund Balance</i>	<i>(\$3.2 Million)</i>
<b>Estimated Ending Balance</b>	<b>\$19.7 Million</b>
Fund Bal. % of Exp.	34%



# GENERAL FUND FIVE YEAR FORECAST

City of Littleton  
General Fund Sources / Uses  
2022-2029 Financial Projections

## Use of positive cash flow to support 2025

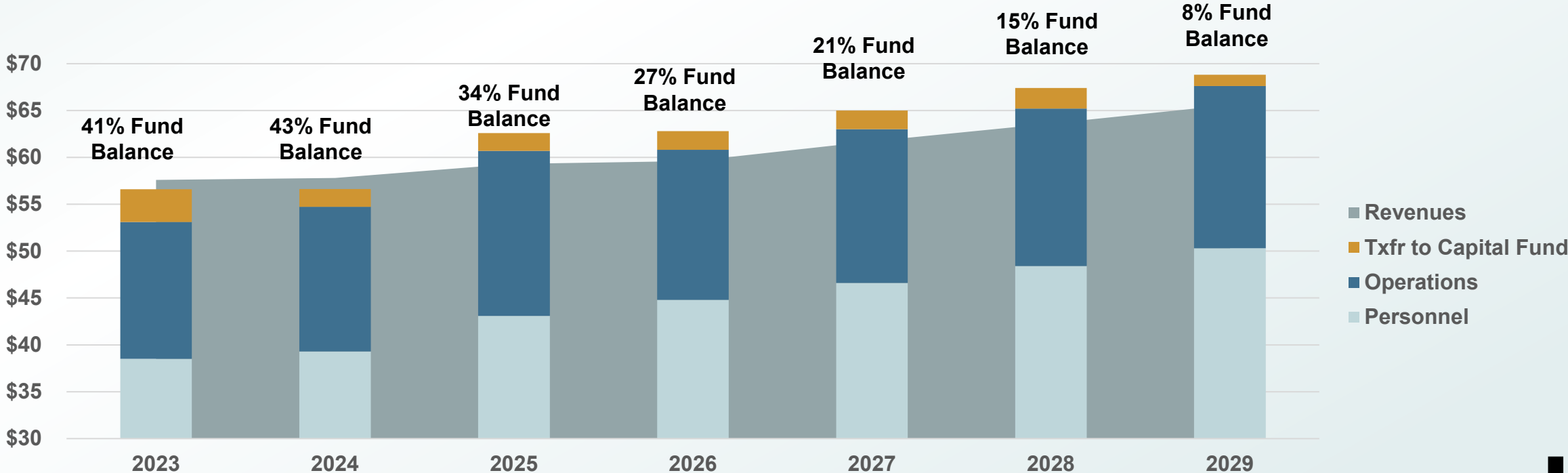
	2022 <u>Actual</u>	2023 <u>Actual</u>	2024 <u>Projected</u>	2025 <u>Proposed</u>	2026 <u>Projected</u>	2027 <u>Projected</u>	2028 <u>Projected</u>	2029 <u>Projected</u>
REVENUES	\$ 52.3	\$ 57.6	\$ 57.8	\$ 59.4	\$ 59.6	\$ 61.7	\$ 63.6	\$ 65.6
EXPENDITURES	\$ (46.4)	\$ (53.1)	\$ (53.8)	\$ (58.8)	\$ (60.8)	\$ (63.0)	\$ (65.2)	\$ (67.6)
OTHER FINANCING SOURCES/(USES)	\$ (3.3)	\$ (3.5)	\$ (1.9)	\$ (1.8)	\$ (1.9)	\$ (2.0)	\$ (2.0)	\$ (2.1)
<b>Net Cash Flow</b>	<b>\$ 2.6</b>	<b>\$ 1.0</b>	<b>\$ 2.1</b>	<b>\$ (1.2)</b>	<b>\$ (3.1)</b>	<b>\$ (3.3)</b>	<b>\$ (3.6)</b>	<b>\$ (4.1)</b>
ONE-TIME EXPENDITURES	\$ -	\$ -	\$ (1.0)	\$ (2.0)	\$ -	\$ -	\$ -	\$ -
<b>Net Cash Flow</b>	<b>\$ 2.6</b>	<b>\$ 1.0</b>	<b>\$ 1.1</b>	<b>\$ (3.2)</b>	<b>\$ (3.1)</b>	<b>\$ (3.3)</b>	<b>\$ (3.6)</b>	<b>\$ (4.1)</b>
FUND BALANCE BEG	\$ 18.1	\$ 20.8	\$ 21.8	\$ 22.9	\$ 19.7	\$ 16.5	\$ 13.2	\$ 9.6
FUND BALANCE END	\$ 20.8	\$ 21.8	\$ 22.9	\$ 19.7	\$ 16.5	\$ 13.2	\$ 9.6	\$ 5.5
<b>FUND BAL. AS % OF OP EXPS</b>	<b>45%</b>	<b>41%</b>	<b>43%</b>	<b>34%</b>	<b>27%</b>	<b>21%</b>	<b>15%</b>	<b>8%</b>

Note : Reflected in millions



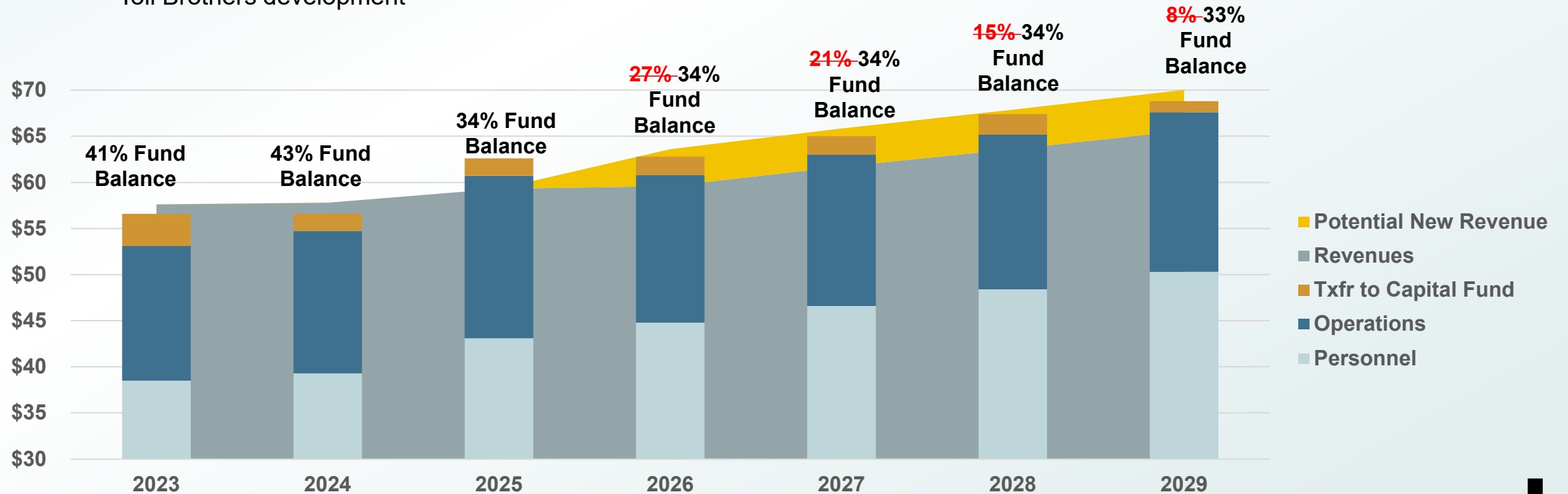
# CURRENT REVENUES VS EXPENDITURES

- Use of fund balance to meet current service levels during economic uncertainty
- Potential new revenue in 2026 not included in projections
- Too soon to make drastic reduction in service
- Prepared to make slow spending and/or cut spending in 2025 & 2026 if revenues do not improve



# POTENTIAL REVENUES VS EXPENDITURES

- Beginning 2026, Approximately \$3-5 million of potential new annual revenue
  - Mineral Place (former Lumen site)
  - River Park (Evergreen development)
  - Toll Brothers development



# GENERAL FUND SUMMARY

- Strengthening alignment of Budget with the Strategic plan
- Revenues continue to slow compared to 2024 Budget
- Recommend combination of vacancy management and use of fund balance to prevent reduction in City services
- Anticipation of new development in 2026 to rebuild fund balance, not included in forecast
- If revenues do not recover as expected, adjustments will be made in 2025 and 2026 to balance budget

**2025 - 2029**

**CAPITAL  
IMPROVEMENT PLAN**

# 2025 – 2029 CAPITAL IMPROVEMENT PLAN

- Provides strategic framework to administer and implement projects and equipment acquisitions
- Capital Improvement Plan from 2025 through 2029
  - Includes 2024 Project Estimates
  - Only 2024 and 2025 use appropriated funds, 2026 – 2029 shows planned projects contingent upon City Council approval and appropriation of future funds
- From 2024 – 2029, \$300 million of projects with identifiable funding source
  - \$158 million of additional projects without identifiable funding source



# DEBT SERVICE RESERVE

## ADJUSTMENTS APPROVED DURING STUDY SESSION

- Reserve \$12 million over four year for debt service payments by
  - Debt funding entire City portion of Santa Fe & Mineral project
  - Shift City portion from 3A and Capital Project funds to reserve for debt service
- First debt service payment planned for 2026
- 2025: Shift \$40,000 from Park Amenity Upgrades from 3A Fund to Open Space Fund
- Debt service will be appropriated once debt is issued and payment scheduled established

	2025	2026	2027	2028	2029	2030-2045
<b>Debt Service Reserved</b>	<b>\$0.0</b>	<b>\$1.0</b>	<b>\$3.3</b>	<b>\$3.7</b>	<b>\$4.0</b>	<b>\$4.4</b>

(\$ in millions)

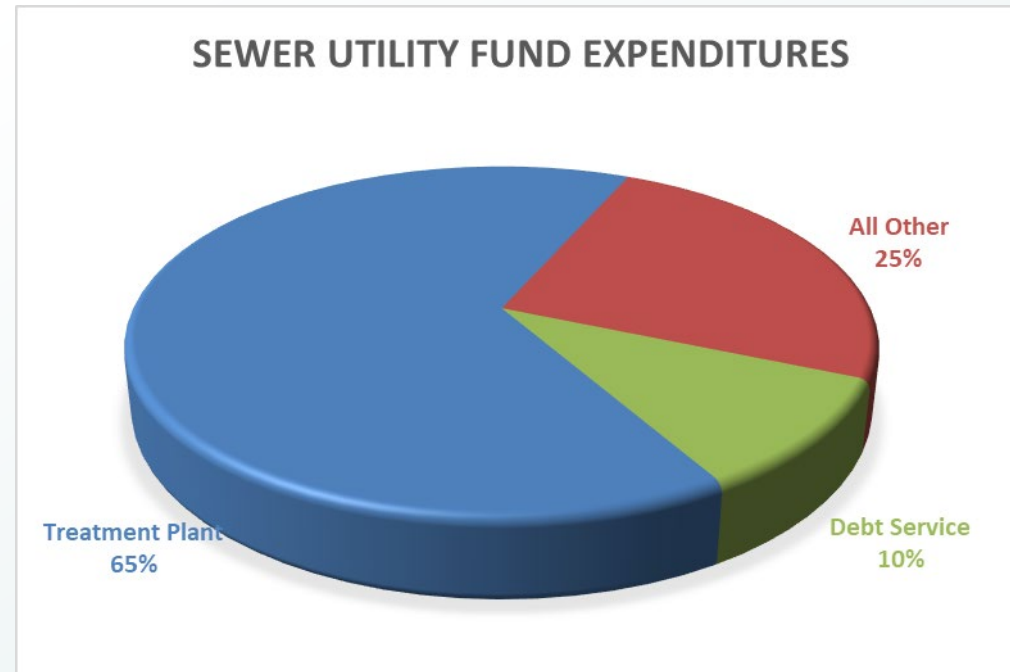
**2025**

**ENTERPRISE  
FUNDS**

# SEWER UTILITY FUND

## 2025 EXPENDITURES \$28.4 MILLION

- 2025 User Fees
  - Based on analysis and 2024 internal rate study, staff recommends a 5% increase
- 2025 Expenditures
  - \$18.4 million for treatment plant operations & improvements
  - \$2.9 million in debt service
  - Adds new FTE for Water Resources; funding split 50/50 with Storm Fund





# SEWER UTILITY FUND

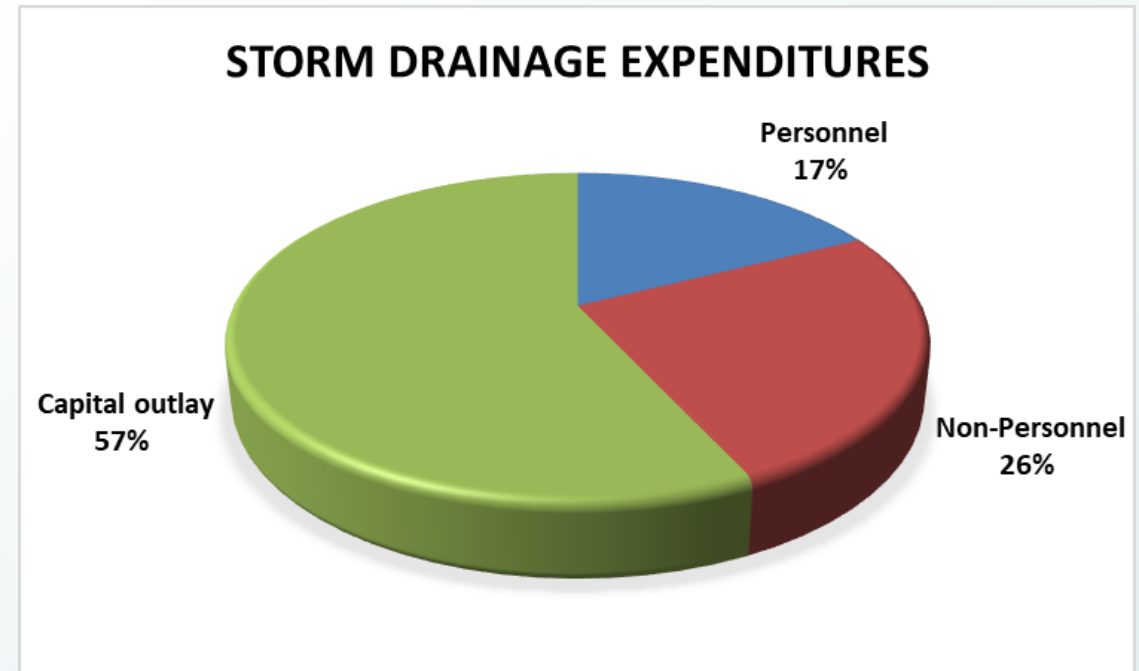
(\$ in millions)

	2024 Est.	2025 Bud.
<b>Beginning Cash Balance</b>	<b>\$14.0</b>	<b>\$11.5</b>
<b>Revenue</b>		
Treatment Revenue	\$1.2	\$1.3
Collection Revenue	24.7	26.0
<b>Total Revenue</b>	<b>\$25.9</b>	<b>\$27.3</b>
<b>Expenditures</b>		
Operating	\$12.7	\$16.3
Debt Service	3.5	2.9
Capital Projects	12.2	9.2
<b>Total Expenditures</b>	<b>\$28.4</b>	<b>28.4</b>
<b>Ending Cash Balance</b>	<b>\$11.5</b>	<b>\$10.4</b>

# STORM DRAINAGE FUND FIVE YEAR PLAN

## 2025 EXPENDITURES \$3.5 MILLION

- 2025 User Fees
  - Based on analysis and 2024 rate study, staff recommends a 5% increase
- 2025 Expenditures
  - \$1.5 million for operations & improvements
  - \$2.0 million in debt service
  - Adds new FTE for Water Resources; funding split 50/50 with Sewer Fund



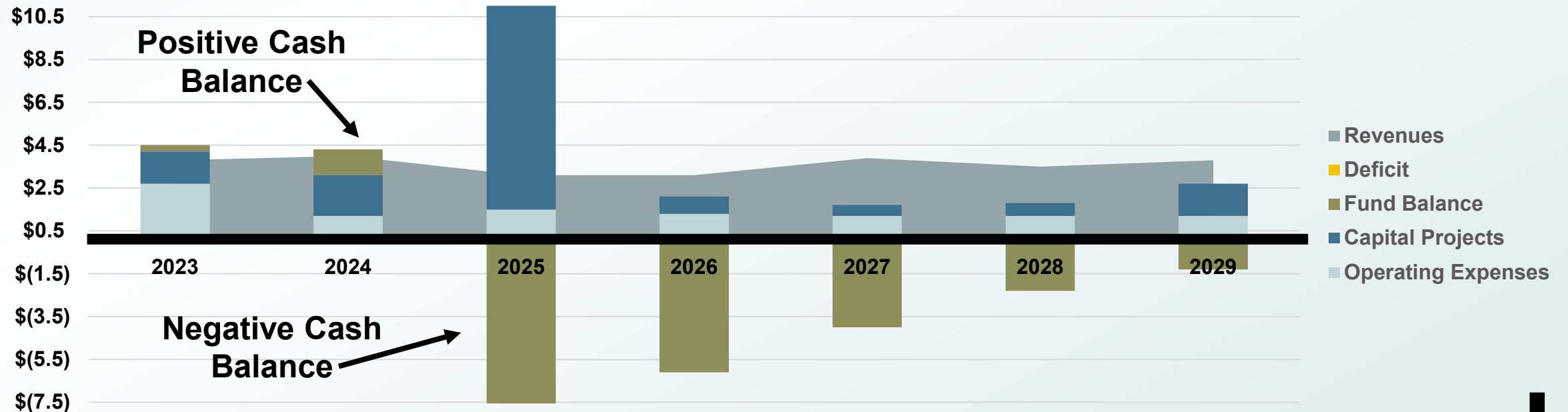
# STORM DRAINAGE FUND

(\$ in millions)

	2024 Est.	2025 Bud.
<b>Beginning Cash Balance</b>	<b>\$0.4</b>	<b>\$1.2</b>
<b>Revenue</b>		
Service Charges	\$2.7	\$3.1
Other Revenues	1.3	0.05
<b>Total Revenue</b>	<b>\$4.0</b>	<b>\$3.1</b>
<b>Expenditures</b>		
Operating	\$1.2	\$1.5
Capital Projects	2.0	2.0
<b>Total Expenditures</b>	<b>\$3.2</b>	<b>\$3.5</b>
<b>Ending Cash Balance</b>	<b>\$1.2</b>	<b>\$0.8</b>

# STORM DRAINAGE PROJECTS

- \$8 million of identified projects
- Existing fund cannot cover projects
- Will provide funding options in Fall 2024



# FUTURE STUDY SESSIONS

- COP Debt Issuance and Management Plan
  - 1st Qtr 2025
- Stormwater Debt Plan
  - 1st Qtr 2025

**2025**

**QUESTIONS?**