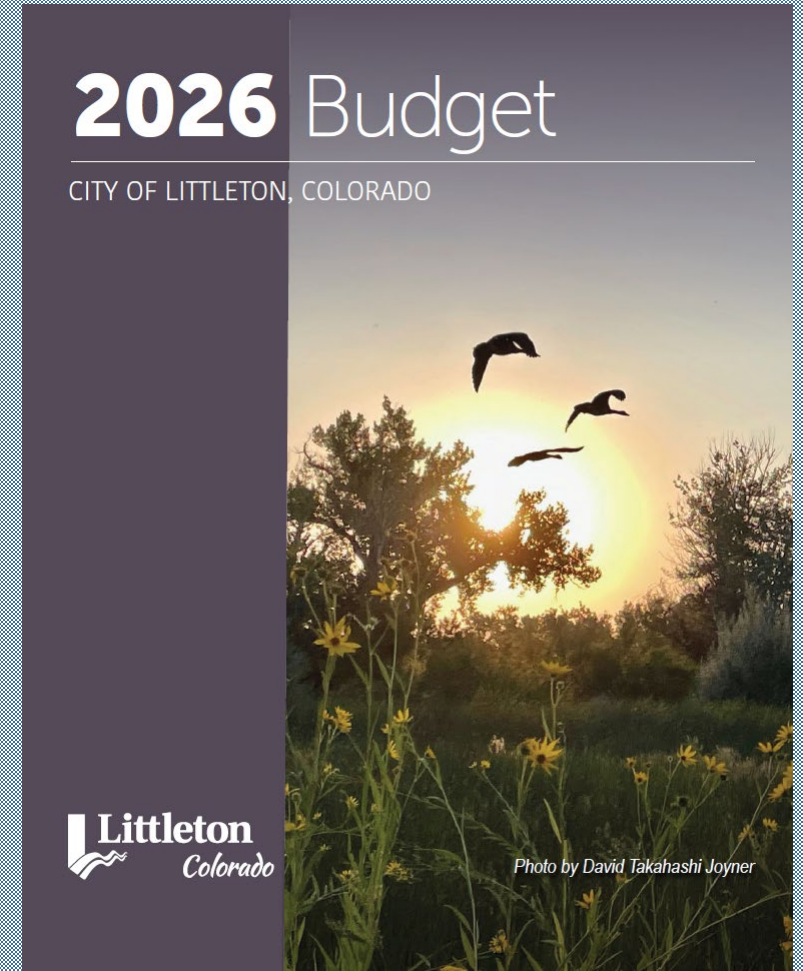


2026 GENERAL FUND UPDATE

Kevin Orton, Budget Manager

JUNE 16, 2026



AGENDA

General Fund Update and Five Year Model

2027 Budget Planning and Schedule

Priority Based Budget Update



GENERAL FUND UPDATE AND 5 YEAR MODEL

GENERAL FUND REVENUES

2025 ESTIMATE VS ACTUALS

Category (\$ in millions)	2025 Estimate	2025 Actuals ¹	Variance	% Change
Sales & Use Tax	\$45.9	\$46.0	\$0.1	0.28%
Property Tax	2.5	2.5	0	0.0%
Licenses & Permits	2.3	2.1	(0.2)	(8.6%)
Charges for Service	3.0	2.8	(0.2)	(6.6%)
All Other Categories	5.4	5.3	(0.1)	(18%)
Total	\$59.1	\$58.7	\$(0.4)	0.1%

¹2025 Actuals are unaudited and are subject to change until completion of the annual audit

GENERAL FUND EXPENDITURES

2025 ESTIMATE VS ACTUALS

Category	2025 Budget	2025 Estimate	2025 Actuals ¹	Variance to Budget	Variance to Estimate
Personnel	\$43.2	\$43.6	\$43.1	\$0.1	\$0.5
NonPersonnel	17.7	16.0	14.1	\$3.5	1.8
Transfer to Capital Projects	1.8	1.8	1.8	0	0
Total	\$62.7	\$61.4	\$59.1	\$3.6	\$2.3
Reserve for 2025 CarryForward	0	0	\$1.2	(\$1.2)	(\$1.2)
Net Totals	\$62.7	\$61.4	\$60.3	\$2.4	\$1.1

¹2025 Actuals are unaudited and are subject to change until completion of the annual audit

GENERAL FUND UPDATE 2025 BUDGET VS ACTUALS

2025 Results
(Estimate included in 2026 Budget Planning)

Revenues

Estimate	Actuals	Variance
\$59.1	\$58.7	\$(0.4)

Expenses

\$61.4	\$59.1	\$2.3
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Gross Additional Funds \$1.7

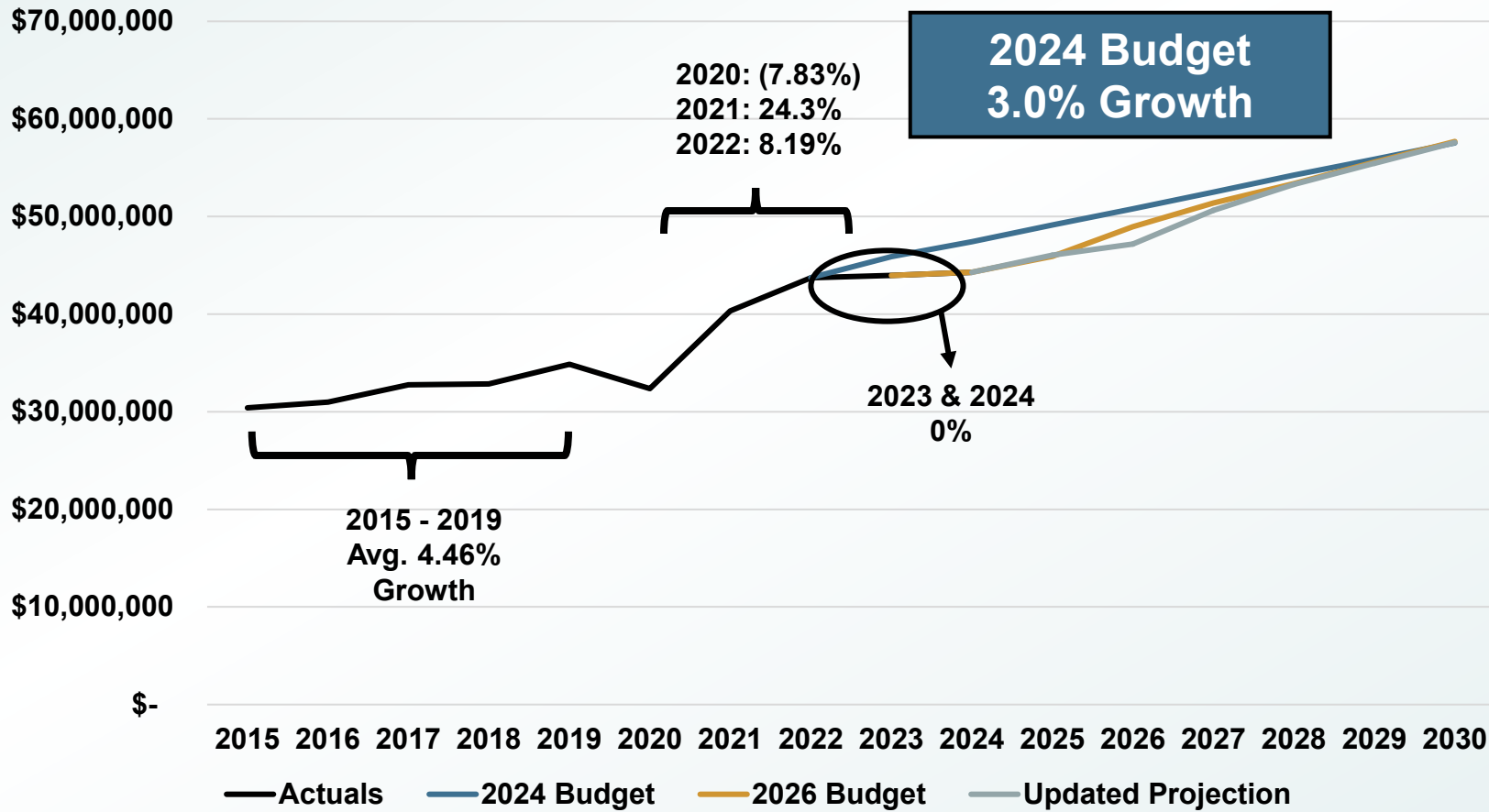
Gross Additional Funds \$1.7

Reserve for 2025 CarryForward \$(1.2)

Additional Funds to 2026 \$0.5

Net \$500,000, or less than 1%, additional fund balance going into 2026

SALES TAX TREND AND IMPACT



Year	Revised Growth (exclude Mineral Place)	Mineral Place Planned	Mineral Place Revised
2025	4.0%		
2026	2.5%	\$1.7	
2027	3.4%	\$2.8	\$2.1
2028	4.0%	\$3.1	\$3.1
2029	4.0%	\$3.3	\$3.3
2030	4.0%	\$3.5	\$3.5

- Planned Costco Opening: August 2026
- Revised Planned Opening: April 2027
- Approx. \$2.4 million loss of planned revenue

REVISED GENERAL FUND 5 YEAR MODEL

(\$ in millions)	2025 Estimate	2025 Actuals ¹	2026 Revised Budget	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Beginning Available Balance	\$21.4	\$21.4	\$20.9	\$14.4	\$12.2	\$10.5	\$7.1
Revenue	59.1	58.7	59.6	64.7	67.5	68.2	70.4
Operating Expenditures	57.7	56.5	64.3	65.0	67.2	69.5	71.8
2025 CarryForward		1.2	(1.2)				
<i>Revenues vs Operating Exp.</i>	<i>\$1.4</i>	<i>\$1.1</i>	<i>\$(3.5)</i>	<i>\$(0.4)</i>	<i>\$(0.3)</i>	<i>\$(1.7)</i>	<i>\$(1.4)</i>
One Time Expenses	1.8	\$0.8	0.3				
Transfers to Capital Projects Fund	\$1.8	\$1.8	\$1.9	1.9	2.0	2.0	2.1
<i>Total Change in Fund Balance</i>	<i>(2.2)</i>	<i>(0.4)</i>	<i>(6.6)</i>	<i>(2.2)</i>	<i>(1.7)</i>	<i>(3.3)</i>	<i>(3.5)</i>
Ending Balance²	\$19.2	\$20.9	\$14.4	\$14.0	\$12.5	\$9.5	\$6.5
% of Fund Balance to Operating Expenses	16%	36%	23%	19%	16%	10%	5%

¹All 2025 Actuals are unaudited and subject to change

²Includes reserve for 2025 CarryForward of \$1.2 Million

2027 BUDGET PLANNING AN



2027 BUDGET PLANNING

2027 Financial Planning Goals

Operating Expenditures do not exceed revenues.

% of Fund Balance to Operating Expenses at 18%-25% in 2027-2031

No personnel layoffs

Reduction in budget lines with historic unspent budget

Identify eligible restricted fund capacity for General Fund expenditures

2027 Impact

\$2.2 million reduction of ongoing budget

Reductions may impact programs no longer in line with current strategic priorities

Positions may be held vacant longer

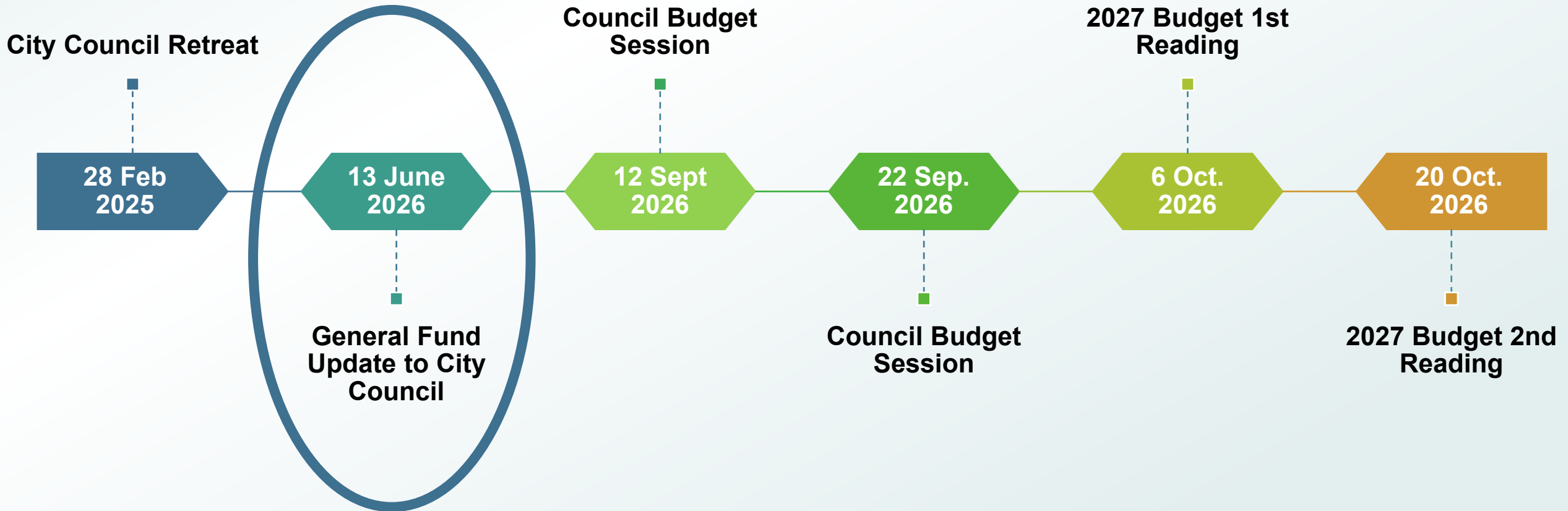
New programs & initiatives = reduction in current programs & initiatives

Capacity for unplanned projects will be reduced

EXAMPLES OF 2027 EXISTING KEY PROJECTS

- Project Downtown - Main Street Improvements Design
- Transportation Master Plan
- Safer Streets Implementation and Expansion
- Blueprint Boulevard Planning Process
- Facilities Master Plan completion and project prioritization
- 2027 ballot question(s) planning and community engagement
- Geneva Village redevelopment planning
- Belleview Service Center Design
- Climate Risk and Vulnerability Assessment / Climate Action Plan
- Ketring Lake planning and community outreach
- Rangeview Gulch Hydraulic Study
- ULUC Amendments, per Planning Commission and City Council
- Waste Diversion: Implementation of Hauler Licensing and Equal Space ordinance

2027 BUDGET MEETINGS





CONNECTING
BUDGET WITH
COMMUNITY
GOALS

PRIORITY BASED BUDGET

What is Priority Based Budgeting?

- Software and process that helps connect the budget to strategic priorities
- Created by Tyler Technologies
- One of many different tools and methods to connect strategic priorities to budget

Why did use Priority Based Budgeting?

- Enhance decision making and high-quality governance within the budget process
- Began in 2017: city-wide effort involving all department directors and select staff
- Paused in 2022

Why did the city pause Priority Based Budgeting?

- Implement new ERP (Workday)
- Develop Horizon 2027
- Both are necessary to implement Priority Based Budgeting
- Recent focus has been connecting City budget initiatives with Horizon 2027 Strategic Plan

TIMELINE OF CITY-WIDE STRATEGIC & BUDGET INITIATIVES¹⁶

2017

2018

2019

2020

2021

2022

2023

2024

2025

2026

2027

2028

Priority Based Budget Process

Workday ERP

Workday Fin
Optimization

LFD to SMFR

PMIS

Horizon 2027

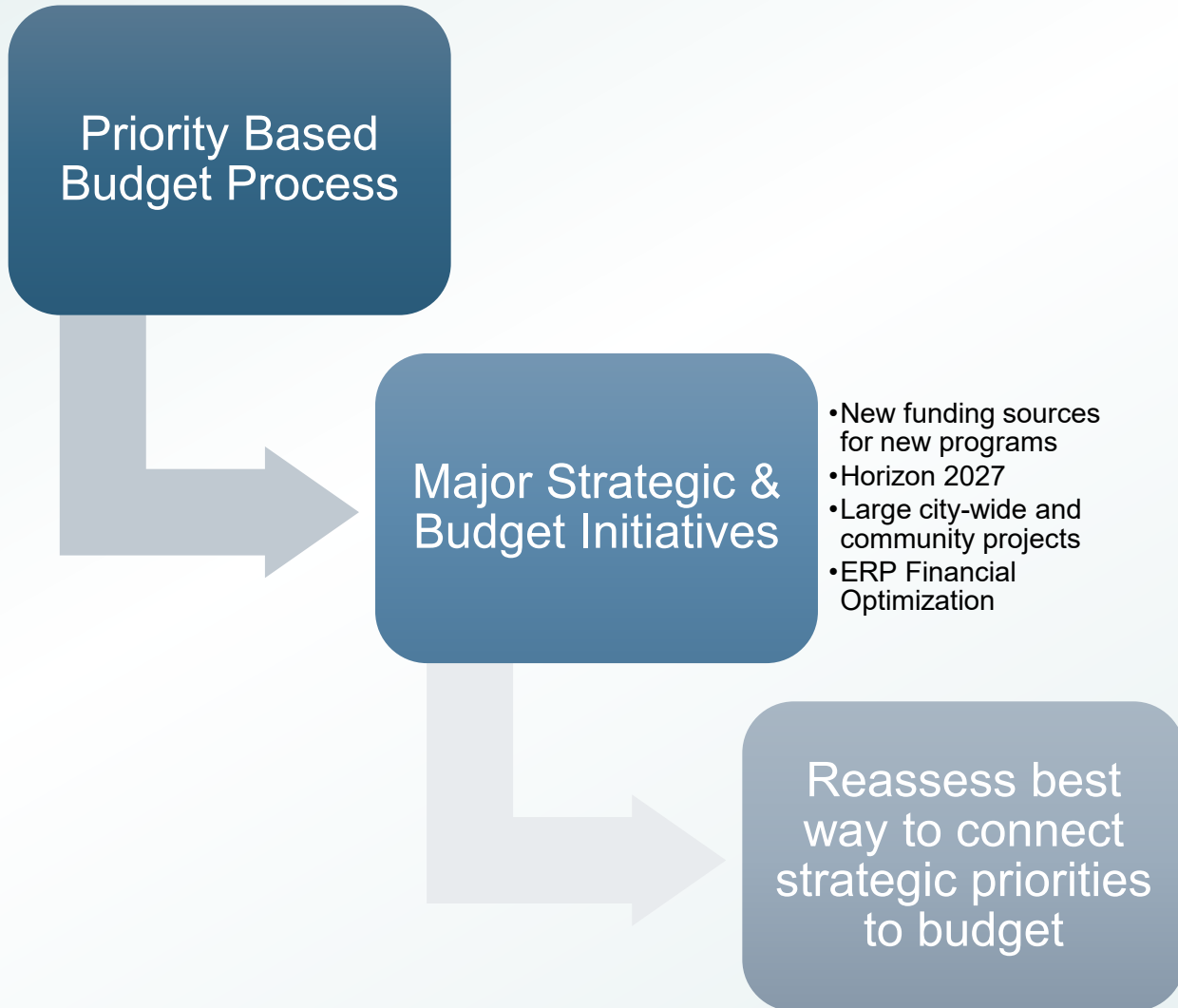
Budget alignment with strategic plan

City Procurement Optimization

PW Eng.
Reimagine

Major Leadership Transitions: City Manager, Finance
Director, Public Works Director, Police Chief

Summary



Future Budget Plan

City-wide effort will begin approximately January 1, 2028

PMIS, Workday Financials, and Public Works Engineer Reimagining will have major impact

City Council will be given the opportunity to provide input on which method aligns best with Littleton

Continue to adjust current budget process as needed

Different Budgeting Methods

- Priority Based
- Outcome Based
- Target Based
- Program Based
- Zero Based
- Combination of multiple methods

SUMMARY

- 2025 ended with an additional \$500,000 or less than 1% different than anticipated
- The General Fund is structurally unbalanced and adjustments to the budget are needed to stay within the city's financial policy
- 2027 budget planning strategy to close gap
 - Targeted adjustments
 - Realigning non-personnel budgets
 - Managing vacancies
 - Shifting General Fund expenses to available restricted funds
- City's priority based budget process informed current high-quality governance initiatives
 - After current initiatives are complete, City will re-evaluate best way to connect strategic priorities to the budget process

CITY COUNCIL DISCUSSION

Support for 2027 Budget policy goals?

- Preserve existing service levels and committed projects
 - No new services or major enhancements
- Retain and continue development of existing staff
- No layoffs
- No new staff in General Fund
 - Ensure adequate capital project management
- Reduce spending:
 - Manage (hold) vacancies longer equitably across departments
 - Reduce non-personnel budget line-items
- Maintain General Fund reserves at levels set by policy

QUESTIONS?