CITY COUNCIL EXECUTIVE COMMITTEE MEETING
CITY COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL,
#1 CITY HALL PLACE, PUEBLO, COLORADO 81003.

TUESDAY, OCTOBER 15, 2024
5:30 PM

Individuals Requiring Special Accommodations Should Notify the City's ADA Coordinator at (719) 553-2295 by Noon on the Friday Preceding the Meeting.

Executive Committee meetings are special meetings of the City Council and are informal Council meetings for the purpose of receiving information and discussion among Council Members; no official action is taken at such meetings. The public is invited to attend, but public comment is generally not received unless otherwise noted.

Agenda

CALL TO ORDER

PRESENTATIONS

A. CITY UPDATE 5:30 p.m.
Brian McCain, Chief of Staff
5 minute presentation

B. 2025 BUDGET WORK SESSION 5:35 p.m.
Heather Graham, Mayor
85 minute presentation

ADJOURNMENT

City of Pueblo
Proposed Budget 2025

Presented by

Heather Graham, Mayor

City Council Work Session

October 15, 2024

Budget 2025 – Key Dates

- **Budget 2025 – Key Dates**
    - Tuesday, October 15, 2024 – Mayor presents Proposed 2025 Budget to City Council
    - Tuesday, October 15, 2024 – Budget Submission to City Council
    - Monday, October 28, 2024 – Formal Public Hearing
    - Monday, November 11, 2024–Proposed 2025 Budget–First Reading
    - Monday, November 25, 2024–Proposed 2025 Budget–Second Reading

- **Proposed 2025 Budget – Work Sessions**
    - Monday, October 21, 2024
    - Monday, October 28, 2024
    - Monday, October 29, 2024
    - Monday, November 4, 2024

city of PUEBLO colorado

2025 *Proposed* Budget & Outlook

2025 Proposed Budget created with:

- Quality of Services
- Conservative and prudent approach to line-item budgeting
- Retention and Recruitment of City Personnel
- Timely Response to the needs of Citizens

Sales Tax Revenue projected at 0% increase over 2024 Estimated

Property Taxes based on Pueblo County Assessor Valuation

All other revenue projected based on trend analysis of actual collections

Health Insurance Costs – 3.5% premium increase for 2025.

Capital Improvements –

$13.7 million in Grant Funding in 2024

Primary external sources are Highway User Tax Fund (HUTF), the E-911 fund and the Conservation Trust Fund

Annual Budget – What is it?

Legal document		
Proposed expenditures & revenues over the course of the coming year. • It is a plan that outlines how the City will utilize its resources	Follows both State law and the City Charter	Reflects priorities and policies of the City of Pueblo

Annual Budget – Overall Process

Preparation 4 - 6 months	Review 1 – 2 months	Approval 1 – 2 months	Implementation 12 months	Evaluation 12 months
• Prepare Calendar and Due Dates • Expenditure & Revenue estimates for departments • Input is needed from each department • i.e. Budget requests	• Submit Budget Requests to Finance for review • Finance prepares Current Year projections • Mayor reviews all requested submitted • Meetings with Departments • Approved requests go back to Finance to input & calculate • Proposed budget is drafted	• City Council is presented the Proposed Budget • Citizen input from public hearings. • Council approves the budget, and it becomes adopted. • ***The newly adopted budget becomes a legally binding document.*** • Submitted to State of Colorado	• The budget is then implemented by departments throughout the year.	• The adherence to the budget monitored and measured throughout the fiscal year. • Budget is evaluated at the year's end help with next year planning. • After the fiscal year has been completed, the City goes through an independent financial audit which is made public.

City of Pueblo
General Fund Revenues/Expenditures and Fund Balance PROPOSED
Summary by Category – Budgetary Basis with a 12% Council Designated Reserve

	2022 Actual	2023 Actual	2024 Projected	2025 Proposed
BEGINNING FUND BALANCE	$ 45,262,349	$ 58,178,809	$ 48,843,531	$ 48,328,319
PLUS: REVENUES & OTHER SOURCES OF FUNDS				
General Taxes	100,789,817	99,982,343	101,554,123	99,963,096
Licenses & Permits	1,002,210	1,137,616	1,216,286	1,100,800
Intergovernmental Receipts	3,331,985	3,098,942	2,888,427	2,925,000
Charges for Services	6,394,386	4,704,404	5,398,998	5,142,998
Fines & Forfeitures	1,460,514	1,270,845	1,321,397	1,444,050
Other Revenues	(183,994)	3,511,254	4,370,637	2,767,900
Transfers in from Other Funds	3,886,047	4,065,123	3,859,370	3,847,911
TOTAL REVENUES & TRANSFERS IN	116,680,965	117,770,528	120,609,238	117,191,755
LESS: EXPENDITURES & OTHER USES OF FUNDS				
Personnel Costs	66,047,706	71,873,245	78,236,224	94,114,713
Operating Costs	12,553,542	13,923,595	14,361,197	15,827,756
Non-Departmental Costs	358,782	382,599	424,200	442,371
Contractual Agreements	4,275,153	4,962,026	5,341,380	4,779,850
Health & Welfare	819,483	819,483	819,483	869,847
Other Contributions & Donations	1,493,467	1,402,724	1,568,245	755,274
Transfers out to Other Funds	18,216,372	33,742,134	20,373,720	8,948,177
TOTAL EXPENDITURES & TRANSFERS OUT	103,764,505	127,105,806	121,124,450	125,737,988
Increase (Decrease) in Fund Balance	12,916,460	(9,335,278)	(515,212)	(8,546,233)
ENDING FUND BALANCE	58,178,809	48,843,531	48,328,319	39,782,086
Less: Fund Balance Reserves & Designations				
TABOR Emergency Reserve	3,500,429	3,533,116	3,618,277	3,515,753
Council Designated Reserve	12,451,741	15,252,697	12,112,445	15,088,559 *
FUND BALANCE AVAILABLE FOR FUTURE APPROPRIATION	$ 42,226,639	$ 30,057,718	$ 32,597,597	$ 21,177,775
*	12% of expenditures	12% of expenditures	10% of expenditures	12% of expenditures

Change in Fund Balance – Budget to Actual 2018- 2025

Year	Adopted Change	Actual Change
2018	(3,746,426)	(329,107)
2019	(5,847,098)	2,249,581
2020	(5,911,893)	(2,973,683)
2021	(7,131,358)	15,485,033
2022	(4,228)	12,916,460
2023	(16,862,259)	(9,335,278)
2024 Estimated	(10,742,023)	(515,212)
2025 Proposed	(8,546,233)	-

2025 *Budgeted Revenues*

- Recommended Budget Total = $117.2 million
  - $99.9 million General Taxes
  - $1.1 million Licenses & Permits
  - $2.9 million Intergovernmental Receipts
  - $5.1 million Charges for Service
  - $1.4 million Fines & Forfeitures
  - $2.8 million Other Revenues
  - $3.8 million Transfers from Other Funds

Sales Tax

- **City Sales Tax Rate – 3.7%**
  - 3% to General Fund
  - 0.2% to Police Safety
  - 0.5% to Economic Development
- **Sales Tax – 2024 Estimated and 2025 Budget**
  - 2024 estimated based on actuals through July and a 0% increase for the rest of the year
  - 2025 Budget 0% increase over 2024 Estimated
  - **August Sales Tax was up 15.4% due to a payment**

Without the $1.3MM this month from Evraz we would

be down 1.5% for the month of August compared to 2023 and down for the year -0.7%

Month	2023	2024	% Change
Jan	6,354,907	5,791,559	-8.9%
Feb	6,250,032	6,743,807	7.9%
Mar	7,716,126	7,342,652	-4.8%
Apr	7,059,458	7,484,216	6.0%
May	6,745,120	6,781,994	0.5%
June	7,357,053	7,249,719	-1.5%
July	6,899,981	6,686,718	-3.1%
August	7,193,543	8,303,300	15.4%
YTD Total	**55,576,220**	**56,383,965**	**1.5%**

Year	Budgeted Sales Tax Revenue	Actual Collections	Difference
2020	53,108,827	54,821,678	1,712,851
2021	50,957,920	69,987,901	19,029,981
2022	69,109,450	72,794,144	3,684,694
2023	75,018,565	71,953,691	(3,064,874)
2024*	75,525,971	71,862,865	(3,663,106)

2024 Actual Amounts are
**estimated*

Operating Expenditures

- Recommended Budget Total = $15.8 million
  - 12.6% of 2025 Budget
  - $14.8 million budgeted in 2024
    - Increased Police Operating Budget by $1 million in 2025

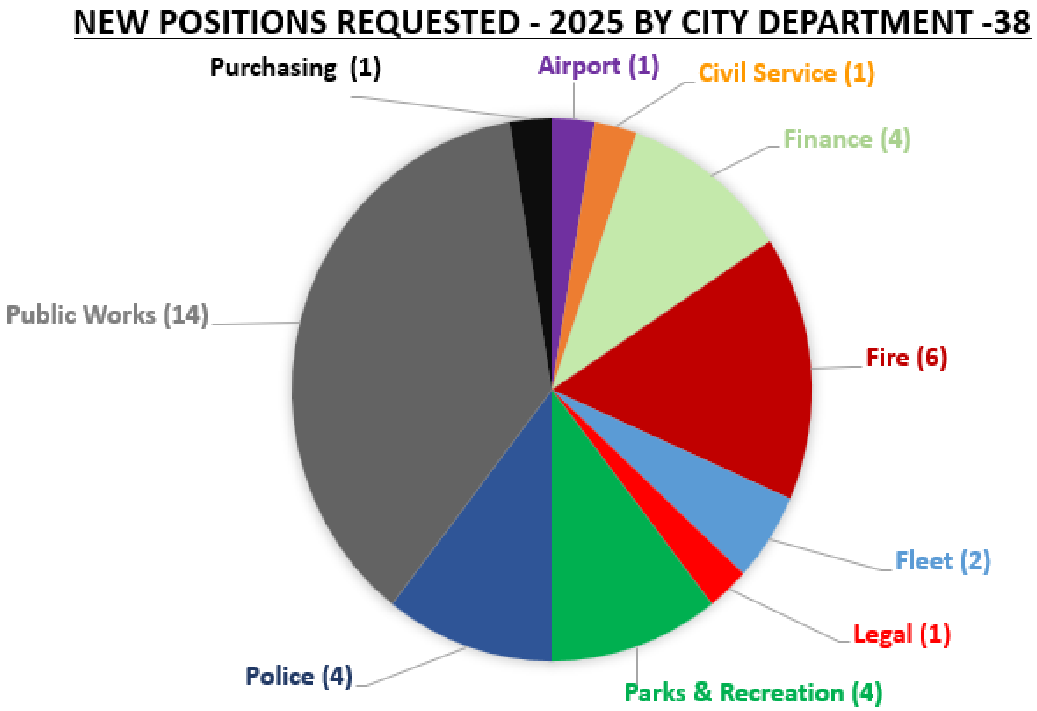
General Fund Operating Expenditures	
2020	9,542,789.00
2021	10,343,902.00
2022	12,553,542.00
2023	13,923,595.00
2024 Estimated	14,361,197.00
2025 Proposed	15,827,756.00

Non-Departmental Expenditures

	2024 Adopted Budget	2025 Proposed Budget	Difference	% Change
Non-Departmental Costs	436,966	442,371	5,405	1.2%
Contractual Agreements	5,241,380	4,779,850	(461,530)	-8.8%
Health & Welfare	819,483	869,847	50,364	6.1%
Other Contributions & Donations	1,496,745	755,274	(741,471)	-49.5%
Total	**7,994,574**	**6,847,342**	**(1,147,232)**	**-14.4%**

Personnel Changes – 2025 Budget

- Total of 38 new full-time positions were requested by various City departments
- Ultimately 6 were approved for inclusion in the Mayor's 2025 Budget Submittal and were exclusively to staff the new FD Station 11.



Personnel Changes – 2025 Budget

Total estimated annual cost of new FTE's- **$1,088,897**

3 Fire Captains (new Station 11)
3 Emergency Medical Officers (new Station11)
1 Accountant II (economic development/413 Fund)

- 1 vacant position converted to different classification
- 8 reclassifications of filled positions to better reflect the assigned duties
- 3 title changes

Wage Changes – 2025 Budget

	2025 Increase	Cost of Increase
Appointed/Management	2.8% increase*	$389,100
General Service (PAGE)	2.8% increase	$998,379
Fire (IAFF)	7% increase	$1,330,410
Police (IBPO)		$1,691,980
Police Sergeant	10% increase	
Police Officer/Corporal	7% increase	

** Command staff positions outside the bargaining unit in Police and Fire receiving same increases as line staff due to salary compression*

Abolished Vacancies in 2025 Budget

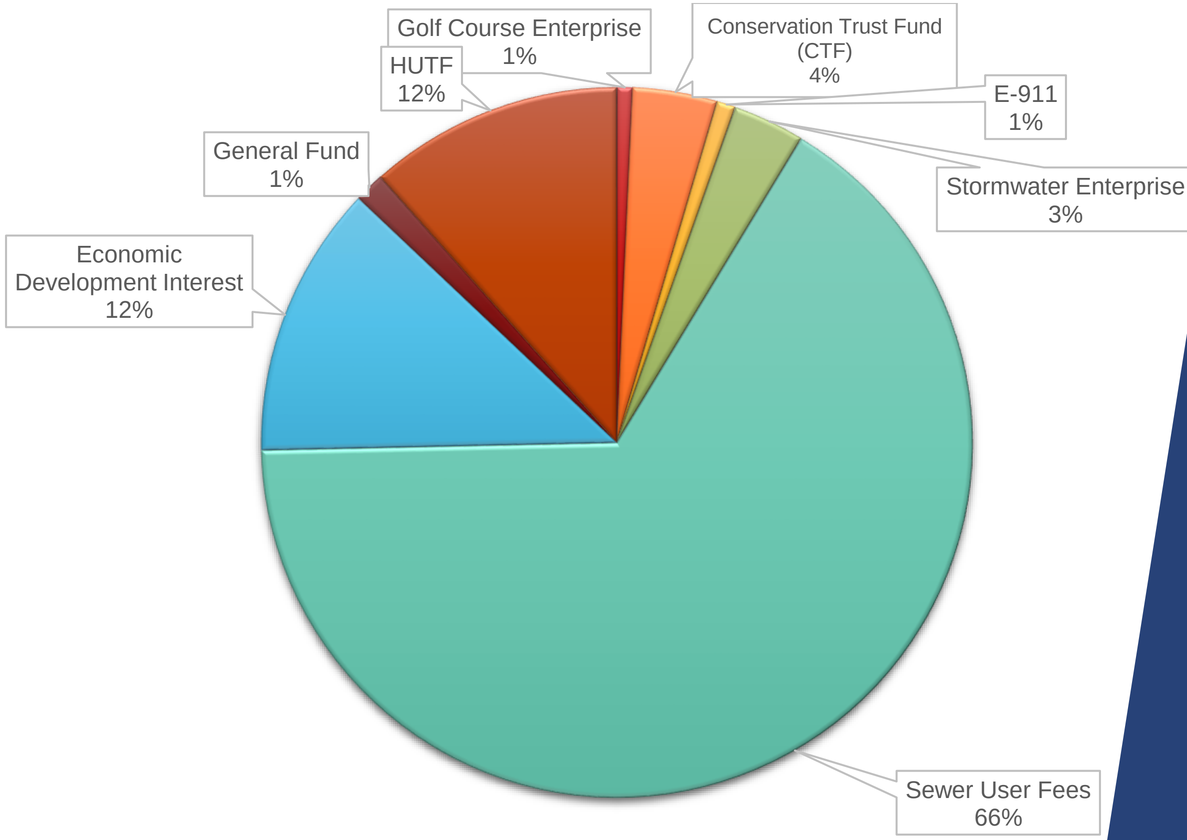
Vacant	Funded/Unfunded	Since	Est. Savings
1. Licensing Coordinator	Funded	2024	$84,259
2. Parks Manager	Unfunded	2011	
3. Utility Worker/Park Caretaker I	Unfunded	2013	
4. Ice Arena Manager	Unfunded	2021	
5. Senior Planner	Funded	2023	$102,445
6. Senior Planner	Funded	2022	$102,445
7. Office Assistant/Records Tech	Unfunded	2010	
8. Equipment Operator II	Unfunded	2010	
9. Equipment Operator II	Unfunded	2010	
10. Equipment Operator I	Unfunded	2019	
11. Equipment Operator I	Unfunded	2019	
12. Equipment Operator I	Unfunded	2019	
13. Equipment Operator I	Unfunded	2019	
14. Parking Enforcer	Unfunded	2013	
15. Sr. Traffic Signal Technician	Unfunded	2010	
16. Sr. Traffic Signal Technician	Unfunded	2017	
17. Surveyor	Funded	2023	$78,799
18. Traffic Control Utility Worker II	Funded	2022	$75,670

TOTAL Estimated Savings - $443,618

Capital Improvement Plan

- Requests for Capital Improvement Projects for 2025 totaled $63.9 million
- After careful consideration $25.9 million was approved in the 2025 Capital Improvement Plan
- Break Down of funding is as follows:

Funding Source		Amount
Golf Course Enterprise		182,000.00
Conservation Trust Fund (CTF)		1,000,000.00
E-911		221,052.00
Stormwater Enterprise		845,000.00
Sewer User Fees		17,109,239.00
Economic Development Interest		3,215,000.00
General Fund		355,000.00
HUTF(Roads/ Bridges)		3,000,000.00
2025 Total	**$**	**25,927,291.00**



Capital Improvement Plan

- An assessment of ongoing projects was conducted to determine whether the allocated funds could be more effectively used elsewhere. Below is a list of projects that will be closed and create a savings of $1.6 million within the General Fund from 2024.

Project #	Project Description	Amount
CI2406	Jan '24 Mayoral Runoff Election	318,220.20
CI2411	Parking Lot Renovation - 8th	50,000.00
CI2412	Parking Lot & Streetscape	100,000.00
CI2413	Parking Lot Landscape & Walkway Ren	31,000.00
CI2416	Structural Repairs - Main St Parking	124,000.00
CI2421	Your Idea, Your Neighborhood	1,000,000.00
Total		**1,623,220.20**

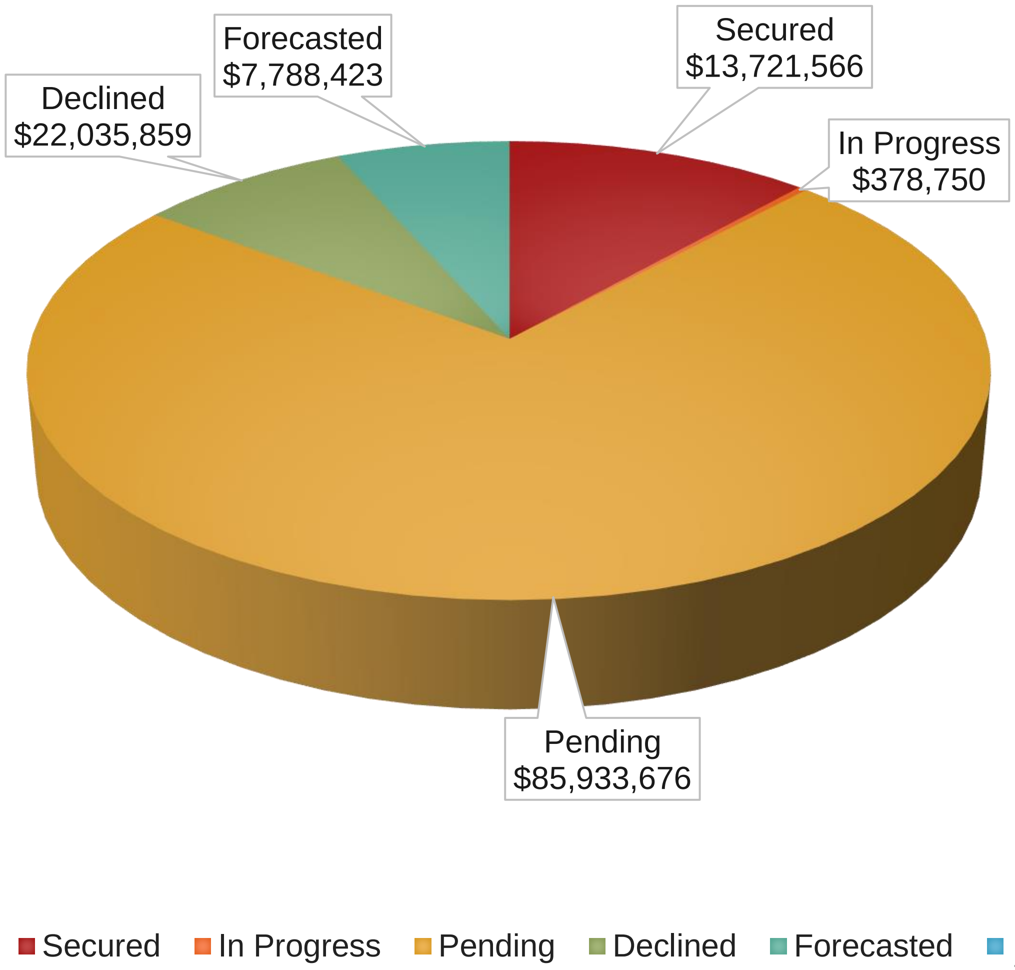
2024 Grant Funding Disposition

Secured Funding FY24 as of 9/30/24

Department	Secured Funding
Airport	$1,047,962
Fire	$292,500
Housing	$2,333,756
Parks & Rec	$2,853,945
Police	$1,618,566
Public Works	$2,352,609
Transit	$3,222,288
Total	**$13,721,566**

Federal	60%
State	40%
Foundation	1%

FY24 Grant Status as of 9/30/24



Roads/Street Rehabilitation

- 2025 Proposed Budget includes $3MM of new funding from Highway User Trust Fund
- $2.5MM will be used from **existing** funding for Street Rehabilitation in 2025
- Rate Study to be completed for Street Utility Enterprise

Questions ?

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