RAFTELIS

Commerce CITY

Town Hall Discussion: Commerce City's Financial Future

Introduction to the City's Long-Term Financial Plan

July 7 & 8, 2026

Agenda

1. Introductions and Project Overview
2. Financial Overview
3. Financial Forecast
4. Discussion

Introductions and Project Overview

Welcome and Introductions

- Name
- Relationship to the City (resident, business owner, etc.)
- Years living/working in the City

Meeting Purpose

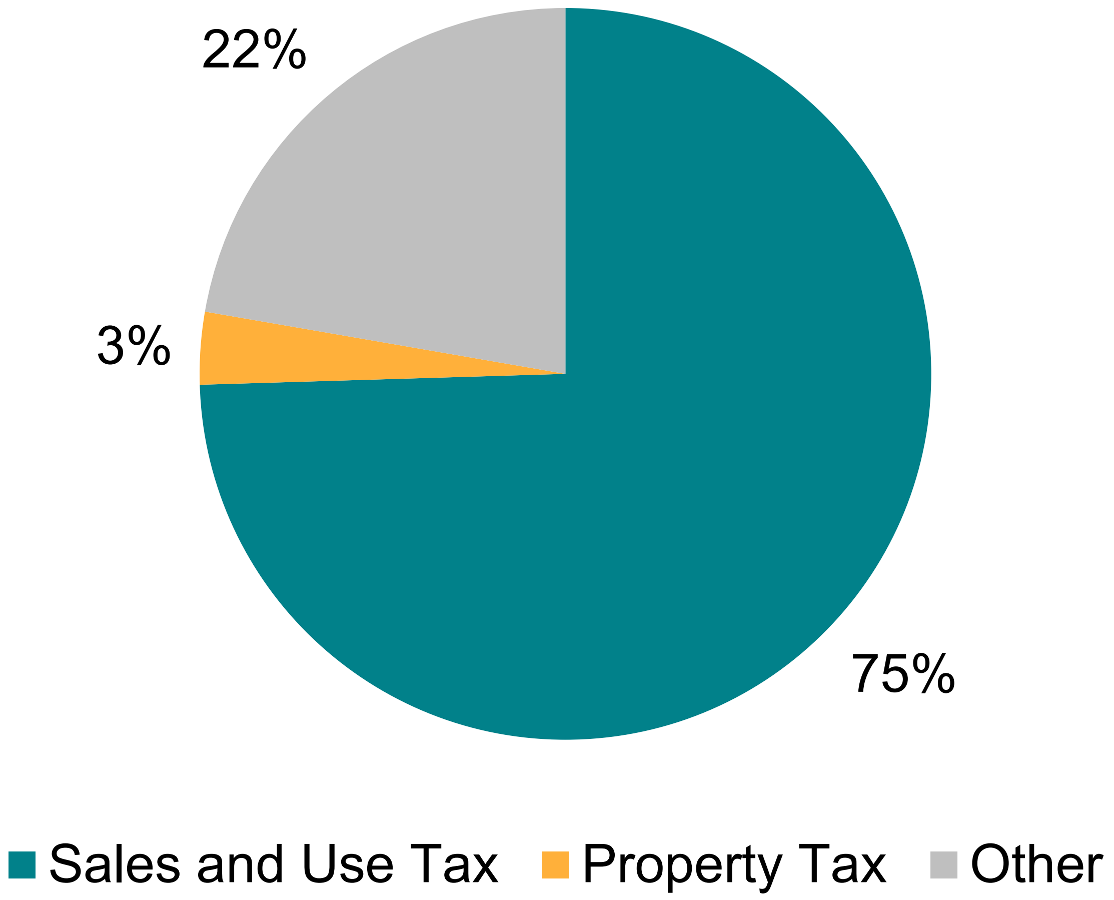
- Introduce the community to the City’s Long-Term Financial Plan (LTFP)
- Describe the historical and projected future financial condition of Commerce City under current trends
- Engage the community on the City’s priorities moving forward

Financial Overview

General Fund Revenue by Category, 2020-2025

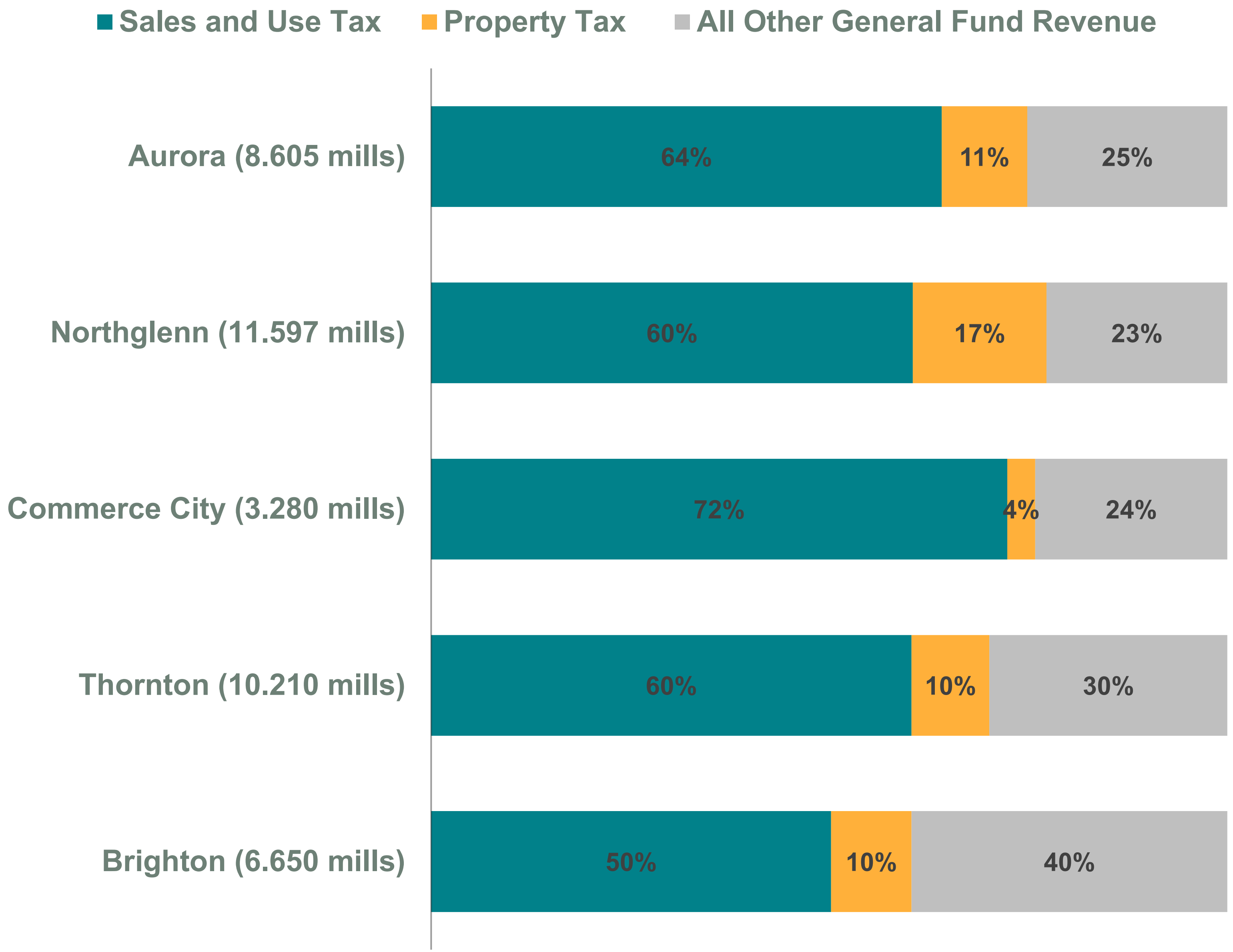
2026 Sales and Use Tax Rate: 4.5%

2026 Mill Levy: 3.280 mills (one of lowest in Denver Metro Area)

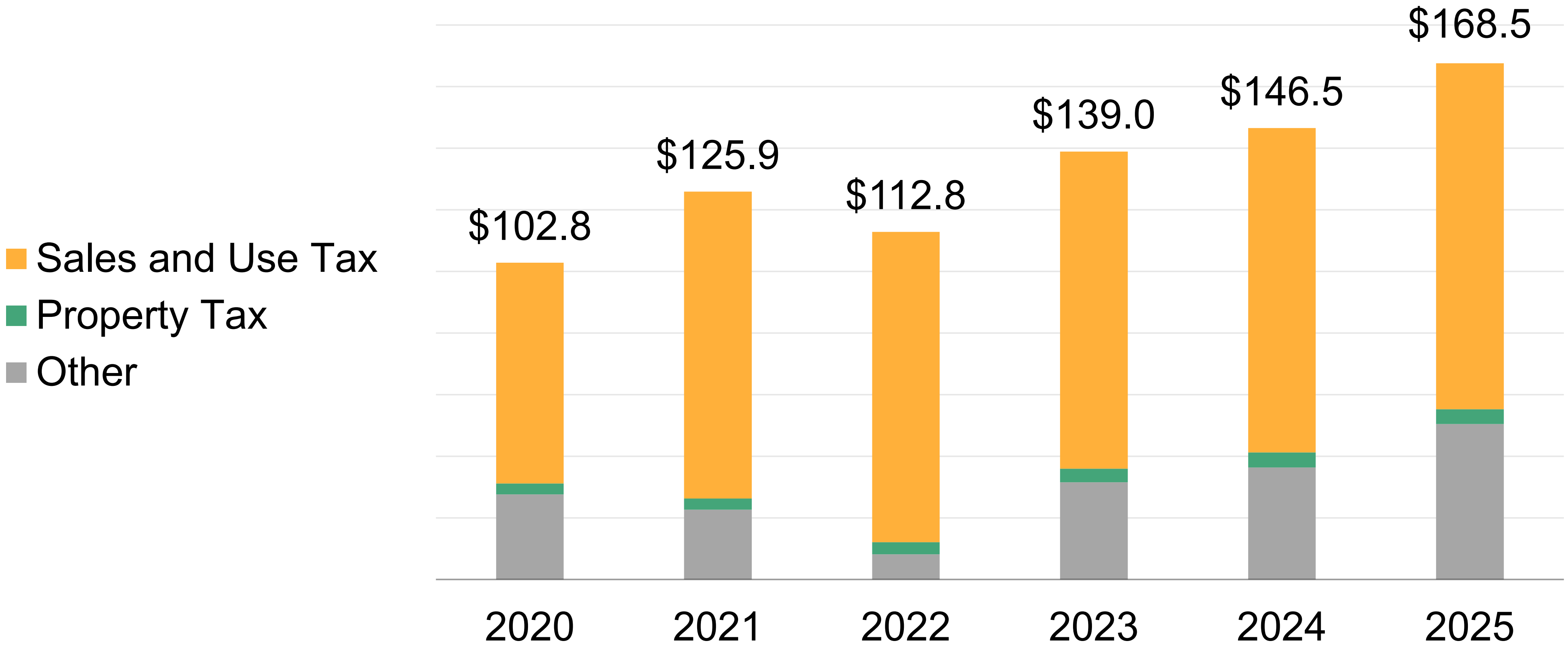


Comparison to Other Municipalities

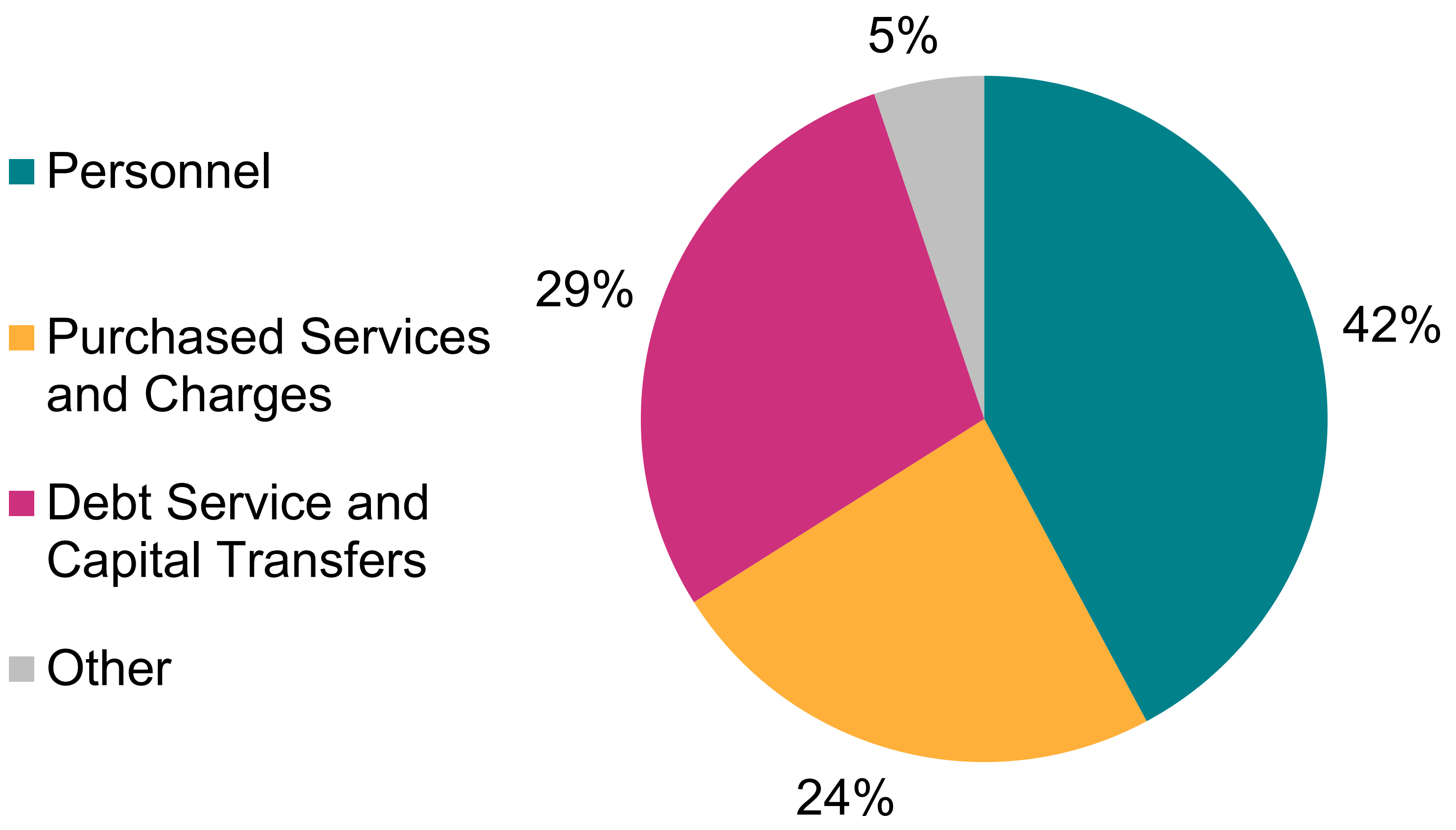
Reflects the 2026 Budget



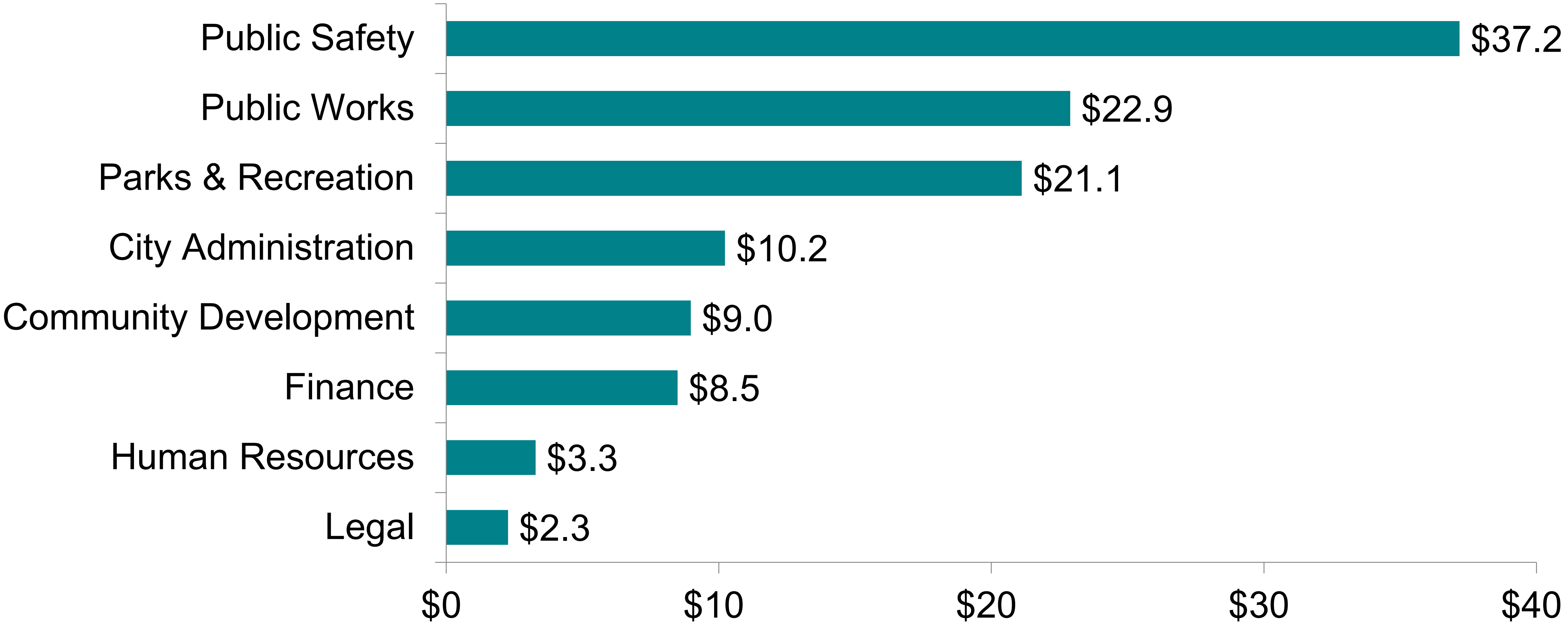
Historical General Fund Revenue ($M)



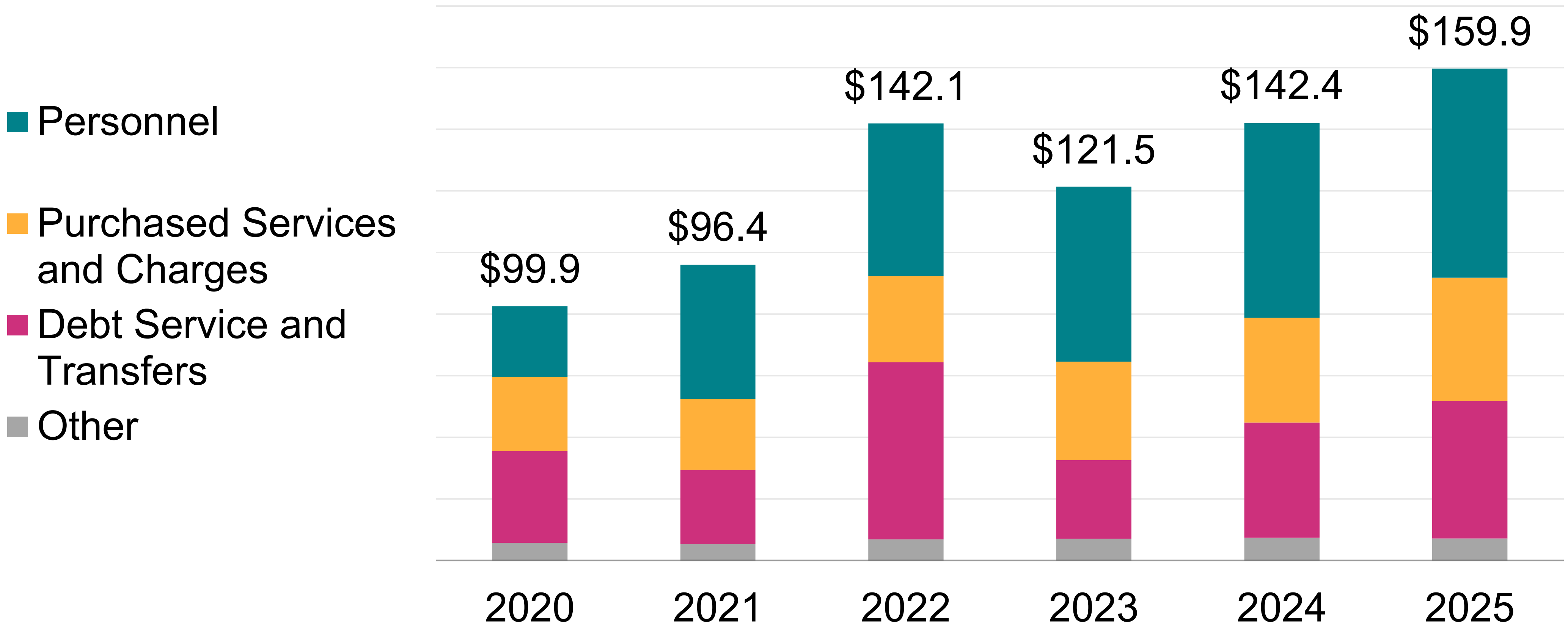
General Fund Expenditures by Category, 2020-2025



General Fund Expenditures by Department, 2025 ($M)



Historical General Fund Expenditures ($M)



Financial Forecast

Long-Term Financial Forecast vs. Annual Budget

	Long-Term Financial Forecast	**Annual Budget Process**
Primary Objective	Identify long-term trends and project reasonably predictable conditions across a multi-year landscape.	Mechanism for making near-term adjustments to maintain fiscal balance.
Decision Scope	Frames the high-level policy and investment conditions for executive leadership and governing bodies.	Involves difficult, specific choices regarding staffing levels, service delivery, and infrastructure investment.
Outcome	Warning system	Incremental solution

Base Revenue Projections ($M)

Draft – Subject to Change

Revenue Category	2026 (Base)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sales Tax	$74.2	$78.4	$83.0	$87.8	$93.0	$98.6	$104.5	$110.8	$117.6	$124.9	$132.7
Use Tax	$39.8	$40.2	$40.7	$41.1	$41.6	$42.0	$42.5	$43.0	$43.4	$43.9	$44.4
Other Tax	$14.1	$14.7	$15.4	$16.1	$17.0	$17.9	$18.9	$20.0	$21.2	$22.5	$23.9
Licenses and Permits	$6.2	$6.5	$6.9	$7.3	$7.8	$8.2	$8.7	$9.3	$9.8	$10.4	$11.0
Charges for Service	$10.4	$11.1	$11.7	$12.5	$13.3	$14.1	$15.0	$15.9	$16.9	$18.0	$19.1
Other Revenue	$5.6	$5.8	$6.0	$6.1	$6.1	$6.0	$5.7	$5.3	$4.6	$3.7	$3.6
Total	**$150.3**	**$156.8**	**$163.7**	**$171.0**	**$178.7**	**$186.8**	**$195.3**	**$204.2**	**$213.5**	**$223.3**	**$234.7**
Percent Change	N/A	**4.3%**	**4.4%**	**4.5%**	**4.5%**	**4.5%**	**4.5%**	**4.6%**	**4.6%**	**4.6%**	**5.1%**

Base Expenditure Projections ($M)

Draft – Subject to Change

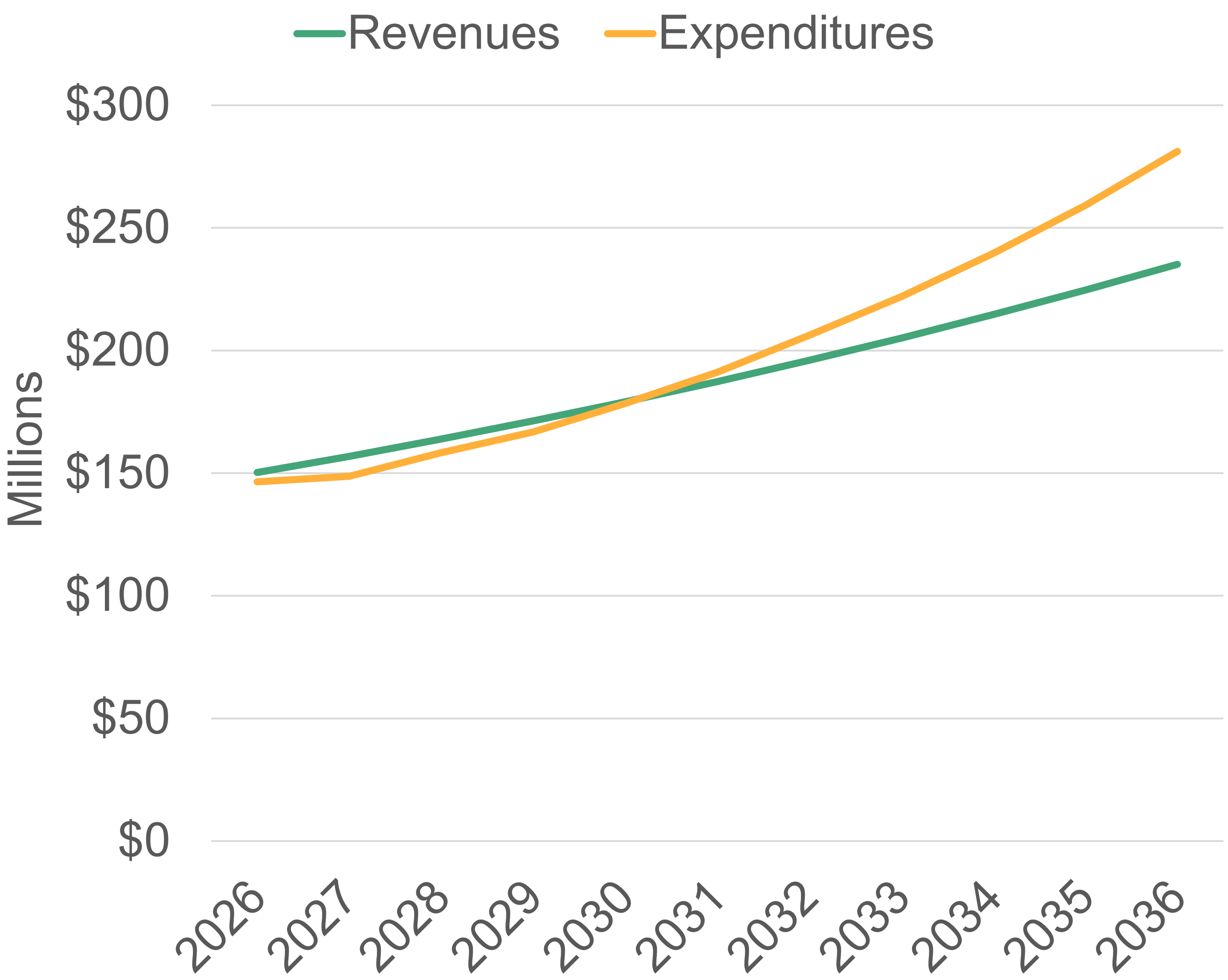
Expenditure Category	2026 (Base)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Salaries	$56.4	$59.9	$63.7	$67.7	$72.0	$76.5	$81.3	$86.5	$91.9	$97.7	$103.8
Benefits	$16.5	$16.5	$17.7	$18.9	$20.2	$21.7	$23.2	$24.9	$26.7	$28.6	$30.7
Contract Services/ Services and Charges	$43.2	$47.2	$51.7	$56.8	$62.6	$69.3	$76.9	$85.7	$95.8	$107.5	$121.0
Other Expenditures	$7.9	$8.2	$8.4	$8.6	$8.8	$9.0	$9.2	$9.4	$9.6	$9.8	$10.0
Debt Service	$14.8	$14.8	$14.8	$14.8	$14.8	$14.8	$15.6	$15.6	$15.6	$15.6	$15.6
General Fund Capital Transfers	$7.7	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total	**$146.5**	**$146.6**	**$156.3**	**$166.8**	**$178.4**	**$191.3**	**$206.2**	**$222.1**	**$239.6**	**$259.2**	**$281.1**
Percent Change	N/A	**0.1%**	**6.7%**	**6.7%**	**7.0%**	**7.2%**	**7.8%**	**7.7%**	**7.9%**	**8.2%**	**8.4%**

Deficit vs. Fund Balance

Deficit	A deficit occurs when expenditures exceed revenues in a given year. An organization can have a deficit while still having available fund balance.
Fund Balance	Fund Balance is the accumulated difference between the City’s assets and liabilities. The City accumulates Fund Balance over time that can be used to fund future operations, emergencies, or unexpected costs.
Reserves	The City maintains Reserves (portions of overall Fund Balance) for designated purposes Operating Reserves, Safeguard Reserves, TABOR 3% Emergency Reserve, etc.
Unassigned Fund Balance	The remaining portion of fund balance above the minimum is the unassigned fund balance. These funds are available for the City to spend. Best practice is to use fund balance only for one-time expenditures rather than ongoing operations.

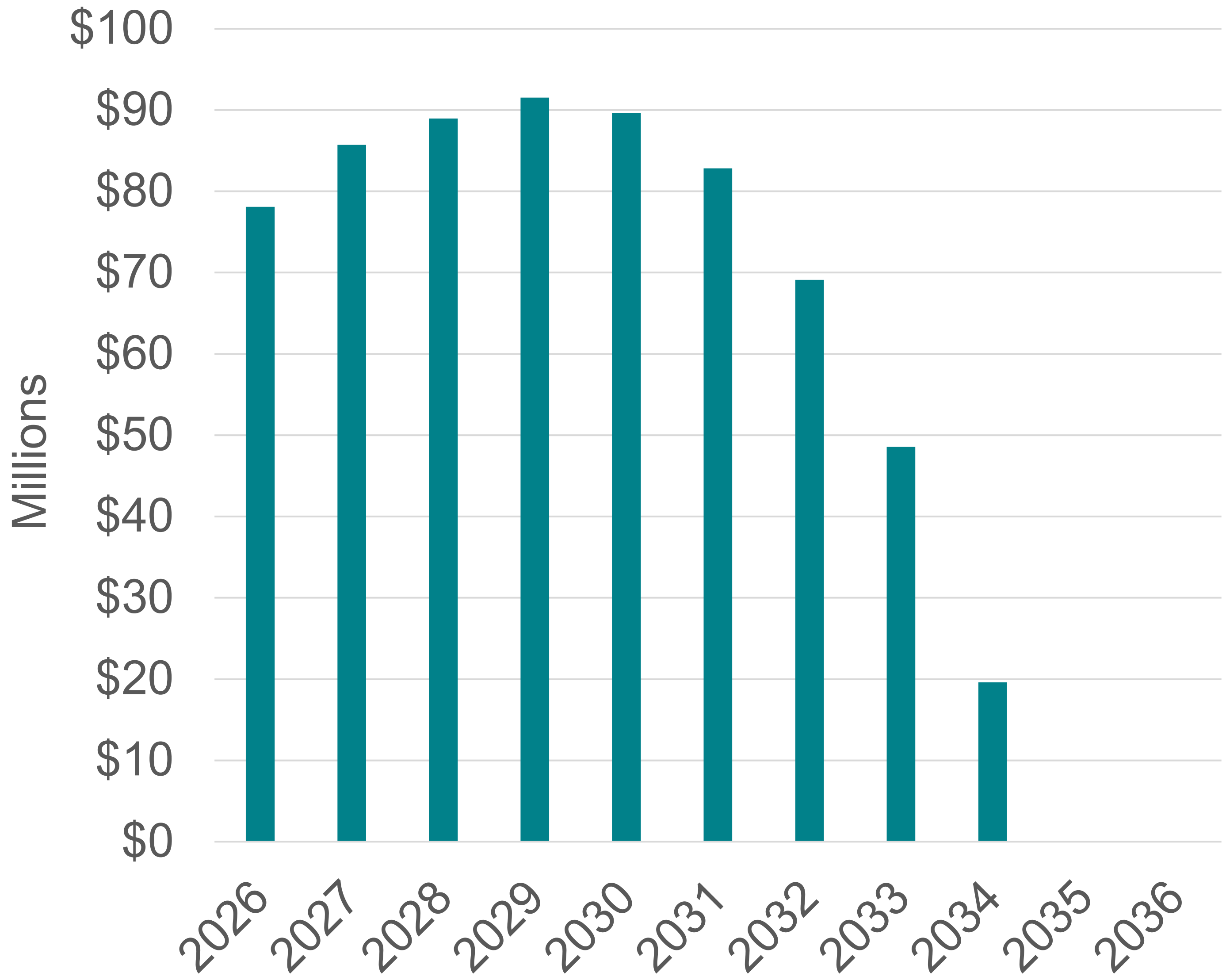
Projected Base Case Revenues and Expenditures

- Revenue increases by an average of 4.6% per year
- Expenditures increase by an average of 6.8% per year
- Deficit starting in 2031 (Year 5)
- Assumes no policy changes



Projected Base Case Unassigned Fund Balance

- No unassigned fund balance starting in 2035 (Year 9)
- Assumes no policy changes



Options for Addressing a Potential Deficit Include…

TABOR Excess Property Tax Revenue Retention	Popular vote that removes State Taxpayer's Bill of Rights (TABOR) restrictions on property tax revenue that can be collected by the City and allow the City to its full 3.28 mill levy
Trash Service Fee	Establishing a trash service fee for trash collection rather than fully subsidizing the service through taxpayer dollars
Service Level Changes	Service level changes to reduce costs

Discussion

Table Round Discussions

1. Essential Services

- City profile
- Key service areas and City amenities
- Sales & Use and Property Tax Revenues

2. Budget Balancing Solutions

- Long-Term Financial Plan Projections
- Traditional Budget Balancing Measures
- Revenue Diversification Opportunities

3. Long-Term View of Success

- Strategic Goal Categories
- Importance of Fund Balance and Reserve Levels
- Capital Investment Plan (CIP)

Ground Rules

- Listen with respect
- Let others finish before speaking
- Be attentive to the speaker
- This is a place for sharing, not debate - every perspective is valid
- Keep your comments focused and concise

Next Steps

Survey

Please provide your feedback!

Fully Integrate the Long-Term Financial Plan in the Annual Budget Process

- Update annually
- Scenario planning
- Ongoing data analysis to inform future projections

2027 Budget Process

- 7/20/26 – Draft 2027-2031 Capital Investment Program Presentation
- 8/10/26 – 2027 Budget Study Session
- 8/17/26 – 2027 Budget Study Session (additional if needed)
- 9/14/26 – 2027 Budget Council Workshop
- 10/19/26 & 11/2/26 – 2027 Budget Public Hearing

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Thank you!

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