



City Council Work Session Agenda

September 22, 2026 at 6:00 PM

Emily Francis, Mayor
Julie Pignataro, District 2, Mayor Pro Tem
Chris Conway, District 1
Josh Fudge, District 3
Melanie Potyondy, District 4
Amy Hoeven, District 5
Anne Nelsen, District 6

Council Information Center (CIC)
300 Laporte Avenue, Fort Collins

Cablecast on FCTV
Channel 14 on Connexion
Channel 14 and 881 on Comcast

Carrie Daggett
City Attorney

Kelly DiMartino
City Manager

Delynn Coldiron
City Clerk

City Council members may participate in this meeting via electronic means pursuant to their adopted policies and protocol: [Rules of Procedure](#)

ATTENDANCE OPTIONS

- Meetings are open to the public and can be attended by anyone in person by anyone.
- Meetings are televised live on Channels 14 & 881 on cable television.
- Meetings are livestreamed on the City's website, <https://fortcollins.gov/fctv>.

CITY COUNCIL WORK SESSION 6:00 PM

Durante esta reunión se dispone de interpretación en español.

A) CALL MEETING TO ORDER

B) ITEMS FOR DISCUSSION

1. 2027-2028 Biennial Budget – Work Session #2

The purpose of this work session is to review the 2027-2028 Recommended Budget, which was delivered to City Council and the City Clerk on September 3, 2026 pursuant to provisions of Article V, Section 2 of the City Charter. In September and October, City Council will have a series of work sessions to discuss the City Manager's Recommended Budget and conduct two Public Hearings to gather input from the community as outlined in the table below.

At the September 22, 2026 Work Session, staff will present a summary overview of these Service areas:

- Police Services
- Information & Employee Services
- Finance, Executive, Legal, and Judicial Service Areas
- Utility Services

C) ANNOUNCEMENTS

D) ADJOURNMENT

Upon request, the City of Fort Collins will provide language access services for individuals who have limited English proficiency, or auxiliary aids and services for individuals with disabilities, to access City services, programs and activities. Contact 970.221.6515 (V/TDD: Dial 711 for Relay Colorado) for assistance. Please provide advance notice. Requests for interpretation at a meeting should be made by noon the day before.

A solicitud, la Ciudad de Fort Collins proporcionará servicios de acceso a idiomas para personas que no dominan el idioma inglés, o ayudas y servicios auxiliares para personas con discapacidad, para que puedan acceder a los servicios, programas y actividades de la Ciudad. Para asistencia, llame al 970.221.6515 (V/TDD: Marque 711 para Relay Colorado). Por favor proporcione aviso previo. Las solicitudes de interpretación en una reunión deben realizarse antes del mediodía del día anterior.

File Attachments for Item:

1. 2027-2028 Biennial Budget – Work Session #2

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- Information & Employee Services
- Finance, Executive, Legal, and Judicial Service Areas
- Utility Services

September 22, 2026



WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

Kelly DiMartino, City Manager
Caleb Weitz, Chief Financial Officer
Victoria Shaw, Budget Director

SUBJECT FOR DISCUSSION

2027-2028 Biennial Budget – Work Session #2

EXECUTIVE SUMMARY

The purpose of this work session is to review the 2027-2028 Recommended Budget, which was delivered to City Council and the City Clerk on September 3, 2026 pursuant to provisions of Article V, Section 2 of the City Charter. In September and October, City Council will have a series of work sessions to discuss the City Manager's Recommended Budget and conduct two Public Hearings to gather input from the community as outlined in the table below.

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- Police Services
- Information & Employee Services
- Finance, Executive, Legal, and Judicial Service Areas
- Utility Services

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What clarifying questions does Council have regarding the areas presented?
2. What follow-up items are there on budget issues related to these areas?

BACKGROUND / DISCUSSION

Budget Process

The 2027-2028 budget process represented an important transition in how the City develops its budget. After many years of using Budgeting for Outcomes (BFO), the City began transitioning to a Priority-Based Budgeting approach designed to more clearly communicate the connection of resources to services, strategic priorities and community outcomes. The transition provided an opportunity to build on the strengths of the City's prior budget process while introducing new tools and practices to support longer-term financial sustainability and decision-making.

The process began by developing the City's financial outlook and identifying the resources available to support ongoing services. As the financial outlook was refined, the City identified a gap between projections of ongoing revenues and ongoing expenditures to maintain current levels of service. Service areas were then asked to scrutinize all ongoing expenditures, including an exercise to identify opportunities to reduce projected ongoing costs by 8%.

In parallel, the City developed comprehensive program inventories to establish a clearer understanding of the services it provides, the resources required to deliver those services, and how they contribute to community priorities. These inventories, along with financial information and service-level considerations, provide a foundation for evaluating budget recommendations.

Budget development continued through multiple rounds of review, refinement and deliberation by the Budget Leadership Team and executive leadership. The process incorporated updated revenue and expenditure forecasts, compensation and benefit assumptions, capital and asset management needs, strategic priorities, and input from the community and City Council. As part of the transition away from BFO, the process placed greater emphasis on understanding the full cost and value of current services and needs, and on making deliberate choices about how limited resources should be allocated.

The result is a Recommended Budget that reflects both the City's financial realities and its priorities for the future. The budget includes ongoing realignment of resources to better match expenditures with ongoing revenues, while also advancing strategic investments and identifying opportunities to change how services are delivered. The transition to Priority-Based Budgeting will continue beyond the 2027-2028 budget cycle as the City further develops its program inventories, financial planning tools, and practices for connecting resources to priorities and outcomes.

Budget Preview

The 2027-2028 Recommended Budget was developed in a period of continued growth and change for Fort Collins and continues the realignment work that began in the 2026 Budget Revision process. As we grow, our physical footprint continues to expand, and the expectations and demands for City services continue to evolve. At the same time, the cost to maintain existing services and infrastructure, and to invest in a talented workforce continues to increase. These pressures require staff to carefully consider not only what the City wants to accomplish, but how to sustain those commitments over time.

The Recommended Budget adjusts close to \$10 million annually across governmental funds to better align ongoing expenditures with ongoing revenues. The budget recommendations reflect three key strategies:

- **Align Ongoing Costs with Ongoing Revenues:** Improve the sustainability of the budget by matching sources and uses of funds more strategically, without changing the level of investment or services provided.
- **Deliver Services Differently and More Efficiently:** Reduce costs through process improvements, innovation, or operational changes without significant impacts to level of service.
- **Make Strategic Choices About Service Levels:** Intentional tradeoffs that reduce or delay services when necessary to keep ongoing expenditures aligned with ongoing revenues.

In the presentation, staff will explore examples of budget modifications that were recommended from these strategies and discuss the impacts on related service levels, organization-wide talent impacts, and projected impacts to reserves.

City Council Budget Meetings

City Council has a series of work sessions scheduled in September and October to discuss the proposed 2027-2028 Budget. These work sessions will include staff presentations regarding specific service areas, as outlined below, followed by an opportunity for questions and discussion.

Key dates for Council discussions and Public Hearings are as follows:

Meeting Date	Topic
September 15, 2026 Work Session	Presentations, Questions and Discussion: 1. Community Services 2. Community Development, Housing & Sustainability 3. Transportation Services
September 22, 2026 Work Session	Presentations, Questions and Discussion: 1. Police Services 2. Information & Employee Services 3. Finance, Executive, Legal, and Judicial Services areas 4. Utilities Services
October 6, 2026 Regular Meeting	Budget Public Hearing #1 of 2
October 13, 2026 Work Session	General Discussion and Follow-up based on prior Work Sessions for items requiring further discussion.
October 20, 2026 Regular Meeting	Budget Public Hearing #2 of 2
October 27, 2026 Work Session	General Discussion – Final Council Direction
November 3, 2026 Regular Meeting	First Reading of the 2027-2028 Budget and the 2027 Appropriation Ordinance
November 17, 2026 Regular Meeting	Second Reading of the 2027-2028 Budget and the 2027 Appropriation Ordinance

NEXT STEPS

This is the second Work Session scheduled; this will be followed by a third work session to discuss follow-up items on October 13, 2026.

ATTACHMENTS

1. Utilities Capital Improvement Plan
2. Presentation



City of Fort Collins Utilities

Capital Improvement Plan (CIP) 2027-2031



Item 1.	Capital Improvement Budget		Capital Improvement Plan				Project Type
	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031	15 Year Total 2032+	
Water							
Asset Management							
Water Asset Management Program Funding	\$125,000	\$131,250	\$138,000	\$138,000	\$0	\$0	Planning
Subtotal Asset Management	\$125,000	\$131,250	\$138,000	\$138,000	\$0	\$0	
Distribution & Transmission							
Cathodic Protection	\$525,000	\$0	\$552,000	\$0	\$0	\$0	Asset Renewal
Large Cap Water Distribution Replacement	\$873,180	\$0	\$917,000	\$2,022,000	\$917,000	\$20,305,000	Asset Renewal
Large Valve Replacement Program	\$0	\$385,000	\$386,000	\$386,000	\$386,000	\$6,562,000	Asset Renewal
Meter Capital Program	\$1,050,000	\$1,102,500	\$1,105,000	\$1,105,000	\$1,105,000	\$16,575,000	Asset Renewal
Meter Crawlspace Conversion	\$525,000	\$551,250	\$552,000	\$552,000	\$552,000	\$1,656,000	Asset Renewal
N. Lemay Valve Replacement	\$0	\$660,000	\$0	\$0	\$0	\$0	Asset Renewal
Small Cap Water Distribution Replacement	\$2,625,000	\$2,756,250	\$2,760,000	\$2,760,000	\$2,760,000	\$41,400,000	Asset Renewal
Water Distribution Master Plan Updates	\$500,000	\$0	\$0	\$0	\$552,000	\$1,500,000	Planning
Water Distribution Pressure Monitoring	\$0	\$110,000	\$111,000	\$0	\$0	\$0	New Infrastructure
Water Distribution Replacement Program years 6 - 20	\$0	\$0	\$0	\$0	\$0	\$53,405,000	Asset Renewal
Subtotal Distribution & Transmission	\$6,098,180	\$5,565,000	\$6,383,000	\$6,825,000	\$6,272,000	\$141,403,000	
Facilities & Land							
700-USC Campus Asset Renewals & Replacements	\$98,438	\$103,359	\$104,000	\$104,000	\$104,000	\$1,560,000	Asset Renewal
700-USC Campus Re-location/ New or 2nd Site	\$0	\$0	\$0	\$0	\$276,000	\$2,760,000	New Infrastructure
Subtotal Facilities & Land	\$98,438	\$103,359	\$104,000	\$104,000	\$380,000	\$4,320,000	
Production							
2nd Horsetooth Reservoir Tower Inlet	\$0	\$0	\$0	\$0	\$0	\$6,095,000	New Infrastructure
Additional microhydro (variable speed)	\$0	\$0	\$0	\$0	\$0	\$331,000	New Infrastructure
Fiber communication to Gateway and Goathill	\$525,000	\$1,650,000	\$0	\$0	\$0	\$0	New Infrastructure
Implementation of WTR Beneficial Use	\$0	\$0	\$111,000	\$111,000	\$0	\$0	New Infrastructure
New solar field on top of finished water reservoirs (500 kW)	\$0	\$0	\$0	\$0	\$0	\$2,078,000	New Infrastructure
Replace and expand WTF solar field	\$0	\$0	\$0	\$0	\$0	\$166,000	Asset Renewal
Rooftop solar at WTF	\$0	\$0	\$0	\$0	\$0	\$1,655,000	New Infrastructure
SCADA Platform Replacement	\$210,000	\$440,000	\$441,000	\$0	\$0	\$0	Asset Renewal
SOS 24" Poudre Pipeline - Replace line from Canyon Mouth to Bellvue	\$0	\$0	\$0	\$0	\$0	\$16,545,000	Asset Renewal
SOS 24" Poudre Pipeline Lining - Inside Canyon	\$0	\$0	\$0	\$0	\$1,105,000	\$9,930,000	Asset Renewal
Water Treatment Facility Finished Water Metering	\$0	\$0	\$0	\$0	\$0	\$1,230,000	New Infrastructure
Water Treatment Facility Solids Belt Press Building - Construction	\$0	\$0	\$0	\$0	\$0	\$1,025,000	New Infrastructure
WTF Replacement Program	\$0	\$550,000	\$1,105,000	\$1,105,000	\$1,105,000	\$16,575,000	Asset Renewal
Subtotal Production	\$735,000	\$2,640,000	\$1,657,000	\$1,216,000	\$2,210,000	\$55,630,000	
Utilities Technology							
Customer Information System (CIS)	\$562,500	\$0	\$0	\$0	\$0	\$0	Asset Renewal
Customer Digital Experience; Post-Phoenix Enhancements Placeholder	\$0	\$0	\$0	\$414,000	\$0	\$0	New Infrastructure
Datawarehouse and Data Lake Build	\$32,813	\$34,453	\$56,000	\$56,000	\$56,000	\$56,000	New Infrastructure
Enterprise Resource Planning (ERP) Replacement	\$1,529,387	\$0	\$0	\$0	\$0	\$0	Asset Renewal
Expand IVR Capability/Improve Customer Contact Center & Employee DX	\$0	\$0	\$0	\$0	\$414,000	\$414,000	New Infrastructure
GIS Migration and Implementation (Utility Network)	\$262,500	\$275,625	\$0	\$0	\$0	\$0	New Infrastructure
Maximo DataSplice function to Maximo Mobile WFO	\$173,250	\$0	\$0	\$0	\$0	\$0	New Infrastructure
Subtotal Utilities Technology	\$2,560,450	\$310,078	\$56,000	\$470,000	\$470,000	\$470,000	
Water Quality							
Water Quality Lab	\$18,913,841	\$0	\$0	\$0	\$0	\$0	Asset Renewal
Water Quality Lab Instrument Replacement	\$105,000	\$110,250	\$67,000	\$67,000	\$67,000	\$268,000	Asset Renewal
Watershed Protection	\$200,000	\$200,000	\$221,000	\$221,000	\$276,000	\$4,525,000	New Infrastructure
Subtotal Water Quality	\$19,218,841	\$310,250	\$288,000	\$288,000	\$343,000	\$4,793,000	
Water Resources							
Integrated Water Resource Plan (IRP)	\$700,000	\$0	\$0	\$0	\$0	\$0	Planning
Water Supply Development	\$2,784,863	\$2,924,106	\$2,925,000	\$2,925,000	\$2,925,000	\$32,175,000	New Infrastructure

W		Subtotal Water Resources	\$3,484,863	\$2,924,106	\$2,925,000	\$2,925,000	\$2,925,000	\$32,175,000
	Item 1.	ject						
		pir Water Supply Project	\$150,000,000	\$77,705,743	\$0	\$0	\$0	\$0 New Infrastructure
		Subtotal Water Resources	\$150,000,000	\$77,705,743	\$0	\$0	\$0	\$0
Total			\$182,320,772	\$89,689,786	\$11,551,000	\$11,966,000	\$12,600,000	\$238,791,000

Item 1.	Capital Improvement Budget		Capital Improvement Plan				Project Type	
	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031	15 Year Total 2032+		
Wastewater								
Asset Management								
Water Asset Management Program Funding	\$62,500	\$65,625	\$66,000	\$66,000	\$0	\$0	Planning	
Subtotal Asset Management	\$62,500	\$65,625	\$66,000	\$66,000	\$0	\$0		
Collection System								
Small Cap Wastewater Collection System Replacement	\$2,100,000	\$2,205,000	\$2,205,000	\$2,205,000	\$2,205,000	\$39,735,000	Asset Renewal	
Spring Creek Drop Structure at College Ave (affects wastewater)	\$0	\$0	\$0	\$0	\$0	\$552,000	Asset Renewal	
Large Cap Wastewater Collection Replacement	\$0	\$1,100,000	\$1,105,000	\$1,105,000	\$1,105,000	\$7,735,000	Asset Renewal	
Wastewater Collection System Master Plan	\$500,000	\$0	\$0	\$0	\$0	\$2,208,000	Planning	
WW CIPP program	\$0	\$550,000	\$552,000	\$552,000	\$1,105,000	\$16,575,000	Asset Renewal	
Subtotal Collection System	\$2,600,000	\$3,855,000	\$3,862,000	\$3,862,000	\$4,415,000	\$66,805,000		
Facilities & Land								
700-USC Campus Asset Renewals & Replacements	\$59,063	\$62,016	\$63,000	\$63,000	\$63,000	\$945,000	Asset Renewal	
700-USC Campus Re-location/ New or 2nd Site	\$0	\$0	\$0	\$0	\$166,000	\$1,655,000	New Infrastructure	
Subtotal Facilities & Land	\$59,063	\$62,016	\$63,000	\$63,000	\$229,000	\$2,600,000		
Utilities Technology								
Customer Information System (CIS)	\$281,250	\$0	\$0	\$0	\$0	\$0	Asset Renewal	
Customer Digital Experience; Post-Phoenix Enhancements Placeholder	\$0	\$0	\$0	\$207,000	\$0	\$0	New Infrastructure	
Datawarehouse and Data Lake Build	\$16,406	\$17,227	\$28,000	\$28,000	\$28,000	\$28,000	New Infrastructure	
Enterprise Resource Planning (ERP) Replacement	\$764,694	\$0	\$0	\$0	\$0	\$0	Asset Renewal	
Expand IVR Capability/Improve Customer Contact Center & Employee DX	\$0	\$0	\$0	\$0	\$207,000	\$207,000	New Infrastructure	
GIS Migration and Implementation (Utility Network)	\$262,500	\$275,625	\$0	\$0	\$0	\$0	New Infrastructure	
Maximo DataSplice function to Maximo Mobile WFO	\$173,250	\$0	\$0	\$0	\$0	\$0	New Infrastructure	
Subtotal Utilities Technology	\$1,498,100	\$292,852	\$28,000	\$235,000	\$235,000	\$235,000		
Water Quality								
Water Quality Lab	\$18,913,841	\$0	\$0	\$0	\$0	\$0	Asset Renewal	
Pollution Control Lab Instrument Replacement	\$105,000	\$66,000	\$67,000	\$67,000	\$67,000	\$1,005,000	Asset Renewal	
Subtotal Water Quality	\$19,018,841	\$66,000	\$67,000	\$67,000	\$67,000	\$1,005,000		
Water Reclamation & Biosolids								
DWRF Preliminary Treatment	\$10,000,000	\$22,050,000	\$71,650,000	\$0	\$0	\$0	Asset Renewal	
DWRF Sidestream Phosphorus Removal Phase II	\$3,000,000	\$1,650,000	\$1,650,000	\$0	\$0	\$0	Asset Renewal	
DWRF Septage Receiving Station Construction	\$3,000,000	\$0	\$0	\$0	\$0	\$0	Asset Renewal	
MWRF Decomissioning / DWRF Improvements	\$11,760,000	\$0	\$2,205,000	\$0	\$0	\$0	Asset Renewal	
WRB Replacement Program	\$840,000	\$882,000	\$1,105,000	\$1,105,000	\$2,205,000	\$40,820,000	Asset Renewal	
NFRWQPA Utility Plan Update (wastewater, collection, and stormwater)	\$500,000	\$500,000	\$0	\$0	\$0	\$2,208,000	Planning	
Switchgear, Transformers, and SSB (w/ L&P)	\$262,500	\$275,625	\$276,000	\$552,000	\$552,000	\$1,104,000	Asset Renewal	
SCADA Platform Replacement	\$210,000	\$440,000	\$441,000	\$0	\$0	\$0	Asset Renewal	
IT/OT Network Replacements	\$131,250	\$137,813	\$0	\$0	\$0	\$0	Asset Renewal	
Facility Wide Glycol Loop Replacement	\$525,000	\$0	\$552,000	\$552,000	\$0	\$0	Asset Renewal	
DWRF NPT Process Lab Replacement	\$0	\$0	\$0	\$552,000	\$0	\$0	Asset Renewal	
MSR Land Acquisition Program	\$0	\$0	\$0	\$0	\$111,000	\$1,665,000	New Infrastructure	
DWRF Digester 613 Lid & Mixer Replacement	\$0	\$0	\$0	\$0	\$1,050,000	\$9,430,000	Asset Renewal	
Primary Clarifier Sludge Collectors	\$0	\$0	\$0	\$0	\$331,000	\$0	Asset Renewal	
Primary Clarifier Scum Collectors	\$0	\$0	\$0	\$0	\$331,000	\$0	Asset Renewal	
WRB Master Plan Projects (2032-2046)	\$0	\$0	\$0	\$0	\$0	\$107,301,000	Asset Renewal	
Subtotal Water Reclamation & Biosolids	\$30,228,750	\$25,935,438	\$77,879,000	\$2,761,000	\$4,580,000	\$162,528,000		
Total	\$53,467,254	\$30,276,931	\$81,965,000	\$7,054,000	\$9,526,000	\$233,173,000		

Item 1.	Capital Improvement Budget		Capital Improvement Plan				15 Year Total 2032+	Project Type
	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031			
Stormwater								
Asset Management								
Water Asset Management Program Funding	\$62,500	\$65,625	\$66,000	\$66,000	\$0	\$0	Planning	
Subtotal Asset Management	\$62,500	\$65,625	\$66,000	\$66,000	\$0	\$0		
Facilities & Land								
700-USC Campus Asset Renewals & Replacements	\$59,063	\$62,016	\$63,000	\$63,000	\$63,000	\$945,000	Asset Renewal	
700-USC Campus Re-location/ New or 2nd Site	\$0	\$0	\$0	\$0	\$166,000	\$1,655,000	New Infrastructure	
Subtotal Facilities & Land	\$59,063	\$62,016	\$63,000	\$63,000	\$229,000	\$2,600,000		
SW Collection and Detention								
SW CIPP (Cured-In-Place-Pipe) Program	\$210,000	\$220,500	\$552,000	\$552,000	\$827,000	\$12,405,000	Asset Renewal	
SW Small Capital Replacement Program	\$2,835,000	\$2,976,750	\$2,980,000	\$2,980,000	\$2,980,000	\$49,650,000	Asset Renewal	
Subtotal SW Collection and Detention	\$3,045,000	\$3,197,250	\$3,532,000	\$3,532,000	\$3,807,000	\$62,055,000		
SW Flood Protection								
North Mason Stormwater Project (River to North of Hickory)	\$6,786,332	\$4,194,378	\$0	\$0	\$0	\$0	New Infrastructure	
Stormwater Master Plan Updates	\$300,000	\$300,000	\$662,000	\$662,000	\$772,000	\$11,470,000	New Infrastructure	
Bristlecone Storm Sewer (Affordable Housing)	\$0	\$2,510,000	\$0	\$0	\$0	\$0	New Infrastructure	
Location M: Vine Drive Crossing (West Vine Basin Master Plan)	\$1,050,000	\$2,329,462	\$0	\$0	\$0	\$0	New Infrastructure	
BNRR Embankment	\$0	\$0	\$0	\$846,000	\$0	\$0	New Infrastructure	
Mulberry to Boxelder Creek - Culverts and Channel (Group 1)	\$0	\$0	\$2,491,630	\$12,424,671	\$10,000,000	\$0	New Infrastructure	
SW Flood Protection Master Plan Projects (2032-2046)	\$0	\$0	\$0	\$0	\$0	\$165,200,789	New Infrastructure	
Subtotal SW Flood Protection	\$8,136,332	\$9,333,840	\$3,153,630	\$13,932,671	\$10,772,000	\$176,670,789		
Stream Rehab and Water Quality								
Spring Creek at Edora Park dam to Lemay Ave	\$787,500	\$0	\$4,045,000	\$0	\$0	\$0	New Infrastructure	
Fossil Creek from Apple Wood Sub. to College Ave	\$0	\$550,000	\$1,105,000	\$0	\$0	\$0	New Infrastructure	
Spring Creek from Poudre River confluence to Edora Park	\$0	\$0	\$0	\$1,105,000	\$3,975,000	\$0	New Infrastructure	
Stream Rehab & WQ Projects (2032-2046)	\$0	\$0	\$0	\$0	\$0	\$9,507,000	New Infrastructure	
Subtotal Stream Rehab and Water Quality	\$787,500	\$550,000	\$5,150,000	\$1,105,000	\$3,975,000	\$9,507,000		
Utilities Technology								
Customer Information System (CIS)	\$281,250	\$0	\$0	\$0	\$0	\$0	Asset Renewal	
Customer Digital Experience; Post-Phoenix Enhancements Placeholder	\$0	\$0	\$0	\$207,000	\$0	\$0	New Infrastructure	
Datawarehouse and Data Lake Build	\$16,406	\$17,227	\$28,000	\$28,000	\$28,000	\$28,000	New Infrastructure	
Enterprise Resource Planning (ERP) Replacement	\$764,694	\$0	\$0	\$0	\$0	\$0	Asset Renewal	
Expand IVR Capability/Improve Customer Contact Center & Employee DX	\$0	\$0	\$0	\$0	\$207,000	\$207,000	New Infrastructure	
GIS Migration and Implementation (Utility Network)	\$262,500	\$275,625	\$0	\$0	\$0	\$0	New Infrastructure	
Maximo DataSplice function to Maximo Mobile WFO	\$173,250	\$0	\$0	\$0	\$0	\$0	New Infrastructure	
Subtotal Utilities Technology	\$1,498,100	\$292,852	\$28,000	\$235,000	\$235,000	\$235,000		
Total	\$12,800,995	\$12,951,583	\$6,842,630	\$17,828,671	\$15,043,000	\$241,560,789		

Item 1.

Item 1.	Capital Improvement Budget		Capital Improvement Plan				Project Type
	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031	5 Year Total 2032+	
Light & Power							
Advanced Meter Infrastructure							
AMI On-Going Exchange	\$2,141,475	\$2,243,450	\$2,250,000	\$2,250,000	\$2,250,000	\$11,250,000	Asset Renewal
Subtotal Advanced Meter Infrastructure	\$2,141,475	\$2,243,450	\$2,250,000	\$2,250,000	\$2,250,000	\$11,250,000	
Back Lot to Front Lot							
Back Lot to Front Lot	\$1,785,000	\$1,870,000	\$1,875,000	\$2,650,000	\$2,650,000	\$12,475,000	Asset Renewal
Subtotal Back Lot to Front Lot	\$1,785,000	\$1,870,000	\$1,875,000	\$2,650,000	\$2,650,000	\$12,475,000	
Dist. System Impr. & Replace							
Cable Replacement	\$4,200,000	\$4,400,000	\$4,410,000	\$4,410,000	\$4,410,000	\$22,050,000	Asset Renewal
Subtotal Dist. System Impr. & Replace	\$4,200,000	\$4,400,000	\$4,410,000	\$4,410,000	\$4,410,000	\$22,050,000	
Distribution Automation							
Distribution Automation	\$370,500	\$391,000	\$386,000	\$386,000	\$386,000	\$1,930,000	Asset Renewal
Double Circuit Feeder Monitoring	\$60,000	\$60,000	\$0	\$0	\$0	\$0	Asset Renewal
Subtotal Distribution Automation	\$430,500	\$451,000	\$386,000	\$386,000	\$386,000	\$1,930,000	
Drake Midtown Substation							
Midtown Substation Equipment & Construction	\$9,618,779	\$0	\$0	\$0	\$0	\$0	New Infrastructure
Subtotal Drake Midtown Substation	\$9,618,779	\$0	\$0	\$0	\$0	\$0	
New Capacity - Circuits							
New Capacity - Circuits	\$2,436,083	\$1,569,539	\$3,610,000	\$2,840,000	\$3,600,000	\$6,230,000	New Infrastructure
Subtotal New Capacity - Circuits	\$2,436,083	\$1,569,539	\$3,610,000	\$2,840,000	\$3,600,000	\$6,230,000	
New Capacity - Duct Banks							
New Capacity - Duct Banks	\$945,000	\$1,100,000	\$1,475,000	\$2,745,000	\$414,000	\$276,000	New Infrastructure
Subtotal New Capacity - Duct Banks	\$945,000	\$1,100,000	\$1,475,000	\$2,745,000	\$414,000	\$276,000	
Operational Technology							
Customer Information System (CIS)	\$1,125,000	\$0	\$0	\$0	\$0	\$0	Asset Renewal
Advanced Distribution Management System (ADMS/OMS)	\$0	\$1,650,000	\$1,655,000	\$276,000	\$276,000	\$1,380,000	New Infrastructure
Maximo Asset Management / Work Order Management	\$0	\$445,500	\$28,000	\$28,000	\$28,000	\$140,000	New Infrastructure
eSCADA Hardware/Software	\$78,750	\$82,500	\$0	\$0	\$0	\$0	New Infrastructure
Radio System Upgrades	\$0	\$0	\$48,000	\$48,000	\$48,000	\$240,000	Asset Renewal
Utility Network (GIS)	\$525,000	\$550,000	\$0	\$0	\$0	\$0	New Infrastructure
GPS & Underground Facilities Visualization	\$134,322	\$0	\$0	\$0	\$0	\$0	New Infrastructure
Energy Services System Integrations - DERMs, CIS, ADMS	\$111,935	\$117,266	\$0	\$0	\$0	\$0	New Infrastructure
VPP - DER Device Implementation	\$472,500	\$385,000	\$0	\$0	\$0	\$0	New Infrastructure
Datawarehouse & Data Lake	\$65,625	\$68,750	\$0	\$0	\$0	\$0	New Infrastructure
Expand IVR Capability/Improve Customer Contact Center & Employee DX	\$0	\$0	\$0	\$0	\$207,000	\$207,000	New Infrastructure
Customer Digital Experience; Post-Phoenix Enhancements Placeholder	\$0	\$0	\$0	\$207,000	\$0	\$0	New Infrastructure
Enterprise Resource Planning (ERP) Replacement	\$3,058,774	\$0	\$0	\$0	\$0	\$0	New Infrastructure
Subtotal Operational Technology	\$5,571,907	\$3,299,016	\$1,731,000	\$559,000	\$559,000	\$1,967,000	
Service Center L&P							
Minor Renovations	\$53,000	\$55,000	\$55,000	\$55,000	\$55,000	\$270,000	Asset Renewal
Rear Lot Regrade	\$105,000	\$110,000	\$0	\$0	\$0	\$0	Asset Renewal
Warehouse Covered Structure	\$0	\$220,000	\$0	\$0	\$0	\$0	Asset Renewal
Campus Asset Renewals & Replacement	\$130,000	\$138,000	\$138,000	\$138,000	\$138,000	\$690,000	Asset Renewal
Utility Training Site	\$37,000	\$39,000	\$0	\$0	\$0	\$0	Asset Renewal
Utility Campus Relocations	\$0	\$0	\$0	\$0	\$0	\$3,860,000	New Infrastructure
Subtotal Service Center L&P	\$325,000	\$562,000	\$193,000	\$193,000	\$193,000	\$4,820,000	
Streetlights							
Street Pole Replacement Program	\$464,567	\$486,690	\$488,000	\$488,000	\$488,000	\$2,440,000	Asset Renewal
Subtotal Streetlights	\$464,567	\$486,690	\$488,000	\$488,000	\$488,000	\$2,440,000	
Subdivision Construction							
Subdivision Construction	\$3,895,500	\$4,015,000	\$4,095,000	\$4,095,000	\$4,095,000	\$20,475,000	New Infrastructure

Subtotal Subdivision Construction		\$3,895,500	\$4,015,000	\$4,095,000	\$4,095,000	\$4,095,000	\$20,475,000	
System	Capital Program							
	Item 1. Repair/Replace	\$63,000	\$66,000	\$0	\$37,000	\$75,000	\$0	Asset Renewal
	Transformer Radiator Repair/Replace	\$126,000	\$131,300	\$0	\$0	\$155,000	\$322,000	Asset Renewal
	Load Tap Changer (LTC) Repair/Replace	\$168,000	\$176,000	\$194,000	\$100,000	\$0	\$1,110,000	Asset Renewal
	HVAC Units Repair/Replace	\$37,000	\$38,000	\$0	\$28,000	\$0	\$85,000	Asset Renewal
	Substation Misc. Capital	\$157,000	\$165,000	\$165,000	\$165,000	\$165,000	\$830,000	Asset Renewal
	Substation Basalite Walls	\$651,000	\$700,000	\$717,000	\$1,654,000	\$0	\$0	Asset Renewal
	Equipment for Conservation Voltage Reduction (CVR)	\$79,000	\$82,000	\$83,000	\$83,000	\$84,000	\$248,000	Asset Renewal
	Transformer Oil Filtration	\$210,000	\$229,000	\$122,000	\$127,000	\$0	\$662,000	Asset Renewal
	Substation Access & Security	\$0	\$0	\$387,000	\$387,000	\$387,000	\$0	New Infrastructure
	Wildlife Mitigation	\$0	\$0	\$55,000	\$55,000	\$55,000	\$276,000	New Infrastructure
	Preventative Maintenance	\$105,000	\$110,000	\$110,000	\$110,000	\$110,000	\$551,000	Asset Renewal
	Substation Modernization	\$0	\$0	\$0	\$276,000	\$276,000	\$1,379,000	New Infrastructure
	Relay Upgrades/Replacement	\$0	\$0	\$0	\$0	\$110,000	\$110,000	Asset Renewal
	Substation Maintenance Equipment	\$0	\$0	\$331,000	\$331,000	\$331,000	\$331,000	Asset Renewal
	Capacitor Banks New Replacement	\$37,000	\$0	\$44,000	\$0	\$0	\$0	Asset Renewal
	Oil Containment Walls	\$73,250	\$77,000	\$77,000	\$77,000	\$77,000	\$386,000	Asset Renewal
	Subtotal Substation Cap Prj	\$1,706,250	\$1,774,300	\$2,285,000	\$3,430,000	\$1,825,000	\$6,290,000	
	System Purchases							
	System Purchases	\$0	\$0	\$0	\$0	\$0	\$8,317,000	New Infrastructure
	Subtotal System Purchases	\$0	\$0	\$0	\$0	\$0	\$8,317,000	
	System Relocations							
	System Relocations	\$420,000	\$441,000	\$441,000	\$441,000	\$441,000	\$2,205,000	Asset Renewal
	Subtotal System Relocations	\$420,000	\$441,000	\$441,000	\$441,000	\$441,000	\$2,205,000	
	Transformers							
	Transformer Purchases	\$3,150,000	\$3,300,000	\$3,310,000	\$3,860,000	\$3,860,000	\$19,300,000	New Infrastructure
	Subtotal Transformers	\$3,150,000	\$3,300,000	\$3,310,000	\$3,860,000	\$3,860,000	\$19,300,000	
Total		\$37,090,061	\$25,511,995	\$26,549,000	\$28,347,000	\$25,171,000	\$120,025,000	

2027- 2028 Recommended Budget

Presented by:

Caleb Weitz, Chief Financial Officer
Victoria Shaw, Budget Director
Joe Wimmer, Deputy Director Utilities Finance

Work Session Schedule

September 15 Service Delivery and Community Investments	September 22 Internal Operations, Governance, and Utilities	October 13
Overall Themes and Citywide assumptions	Police Services	Additional follow-up based on Council questions, direction, or items requiring further discussion Consideration of alternatives
Community Services	Information & Employee Services	
Community Development, Housing & Sustainability	Finance, Executive, Legal, and Judicial Services	
Transportation Services	Utilities	



Police Services

Administration

Patrol

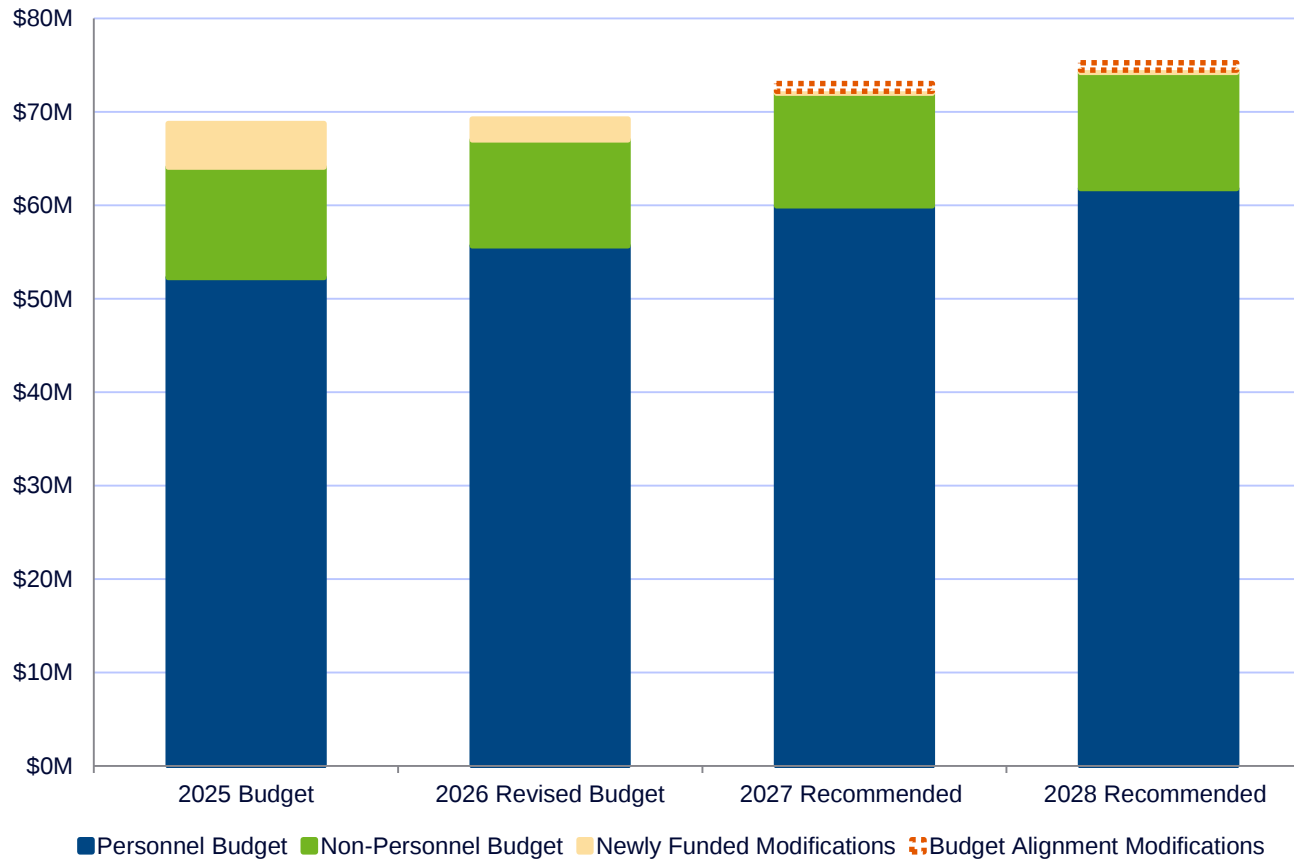
Special Operations

Criminal Investigations

Information Services

Budget over time by department

Police Operating Budget



Budget Modification Highlights:

- Police Services faces sustained budget pressure from rising personnel and operating costs and the ongoing need to invest in workforce, technology, and equipment for responsive public safety.
- Two vacant administrative/records positions reduced, one vacant sworn detective converted to a Criminalist, and one Sergeant position held vacant under evaluation.
- Renegotiates a key equipment and services contract to reduce upfront costs while maintaining required services and equipment.

Police – New Investments

Investment	Funding Source	2027	2028
Police vehicle (mobile) radios	General Fund Reserves	\$400,000	\$400,000
Police Resource Navigator (1.0 FTE)	Restricted General Fund - Opioid Settlement	\$168,889	\$173,322
UCH licensed addiction clinician	Restricted General Fund - Opioid Settlement	\$50,000	\$50,000
		\$618,889	\$623,322



Questions? Police Services

Administration

Patrol

Special Operations

Criminal Investigations

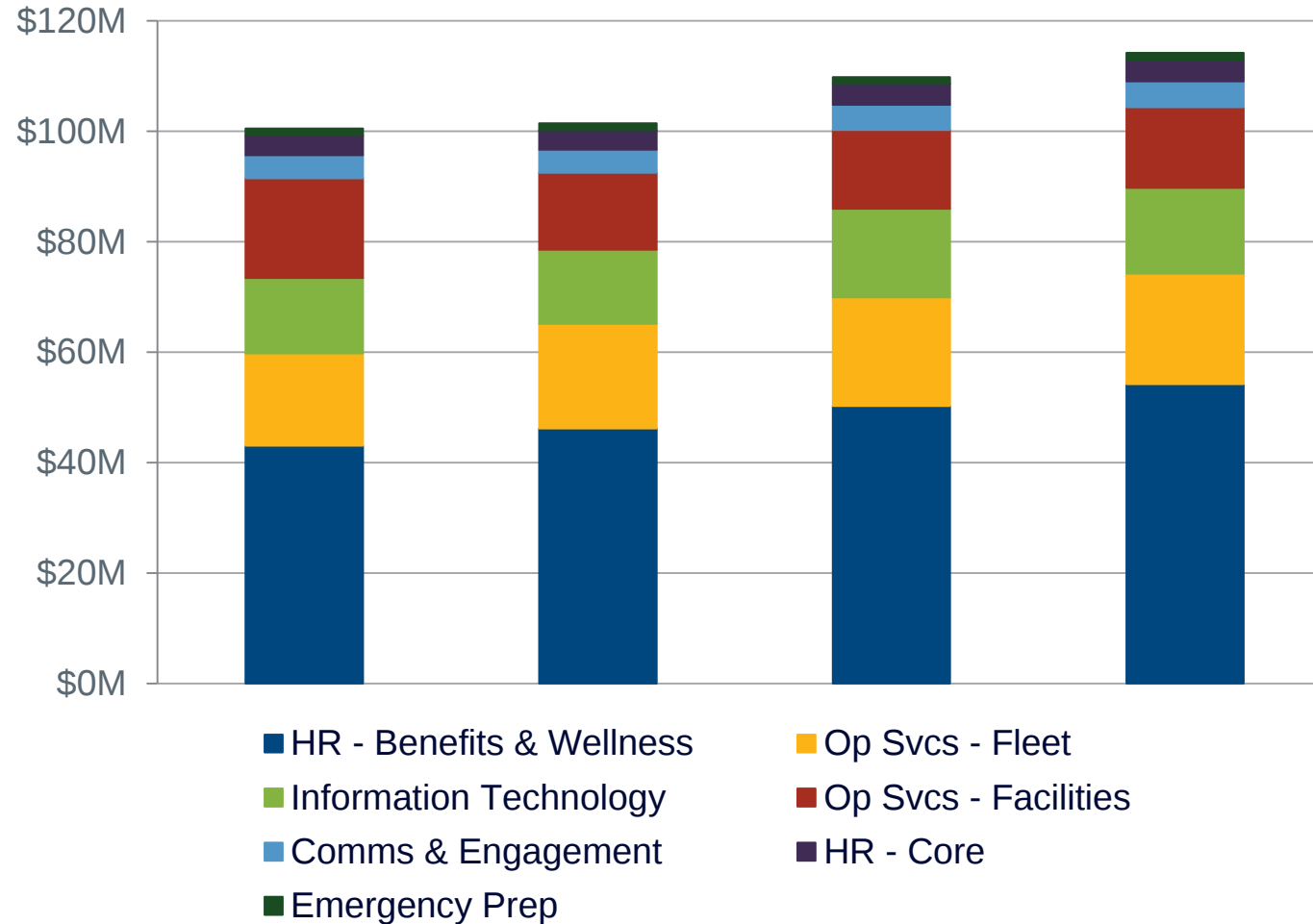
Information Services



Information and Employee Services

Communications & Engagement
Emergency Preparedness & Security
Human Resources
Information Technology
Operation Services

Budget over time by department



Budget Highlights:

- Two Utilities engagement positions were redeployed to form a strategic engagement team to implement recommendations from the public engagement assessment.
- Benefits costs continue to experience significant expense pressure.
- Recommended new investment in Cybersecurity.
- Facilities Asset Management maintains the service level established through the 2026 budget revisions.

\$ – All Modifications to align budget

Information & Employee Services Alignment Actions	Vacant FTE Reduced	2027	2028
Communications & Engagment		(\$0.1)	(\$0.1)
Emergency Prepardness Services		(\$0.1)	(\$0.1)
Human Resources	1.00	(\$0.2)	(\$0.2)
Information Technology		(\$0.3)	(\$0.3)
Operation Services		(\$1.1)	(\$1.1)
Information & Employee Services Total (\$M)	1.00	(\$1.8)	(\$1.8)

\$ – New Investments

Investment	Funding Source	2027	2028
Investment in Data, Cyber & AI	Data & Communications Fund	\$300,000	\$300,000
Required Spinnaker support	General Fund	\$145,000	\$145,000
Information & Employee Services Subtotal		\$445,000	\$445,000



Questions? Information and Employee Services

Communications & Engagement
Emergency Preparedness & Security
Human Resources
Information Technology
Operation Services



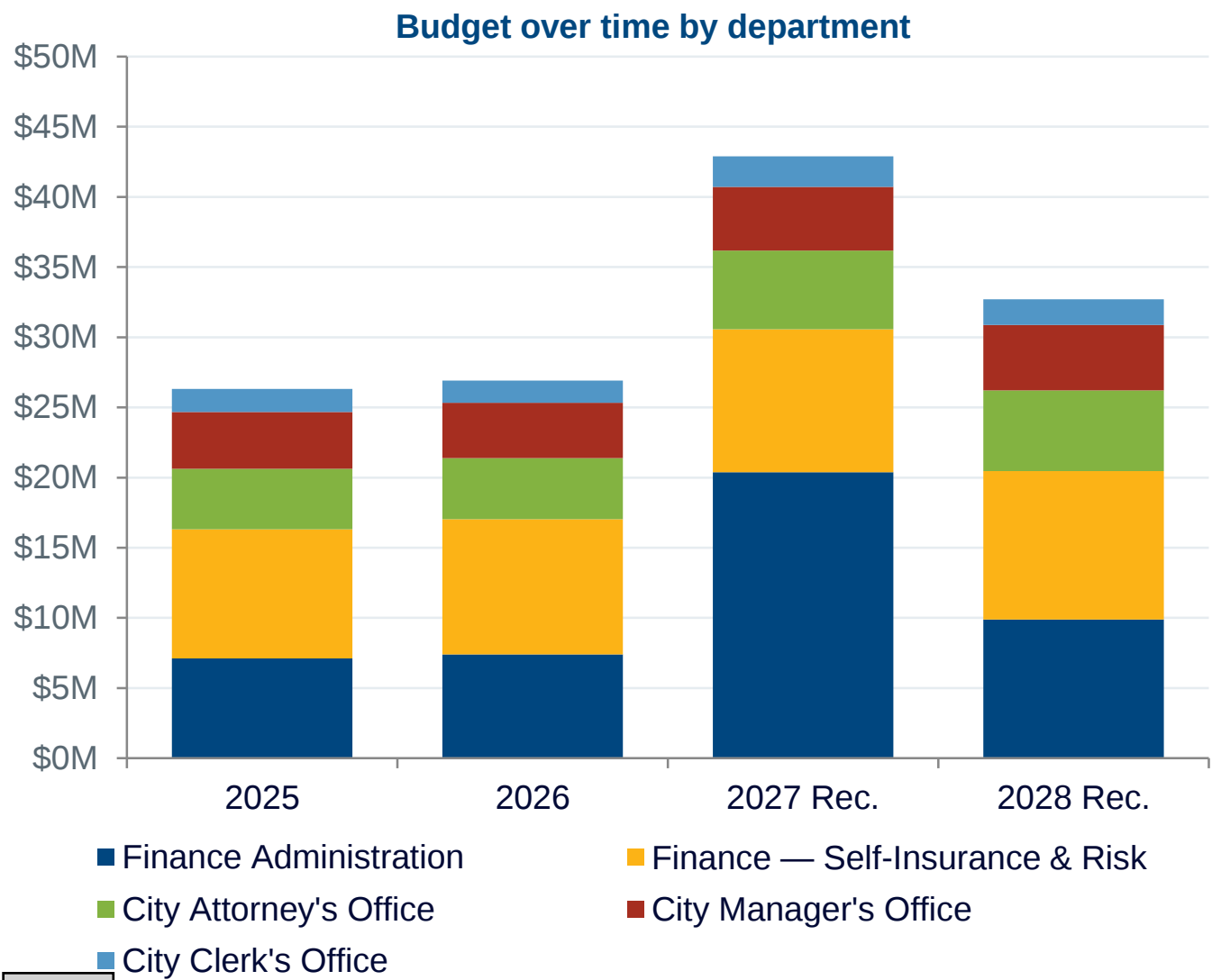
Executive, Finance, Legal Services

Executive Services (City Manager's Office & City Clerk's Office)

Finance and Strategic Services (Finance and Safety and Risk Management)

Judicial Services (Municipal Court)

Legal Services (City Attorney's Office)



Budget Highlights:

- Finance Administration houses project costs for the new Enterprise Resource Planning (ERP) system, the core Citywide finance and HR platform
- Self-Insurance & Risk experiencing expense pressures
- Legal Services adds a Deputy City Attorney while eliminating three contractual Red-Light Camera positions and trimming travel, intern, and consulting budgets.
- City Clerk's 2027 bump driven by \$400K of reserve-funded odd-year election costs.

Executive, Finance & Legal Services – Alignment Modifications

Exec, Finance, & Legal Services Alignment Actions	Vacant FTE Reduced	2027	2028
City Clerk's Office	1.0	(\$0.1)	(\$0.1)
City Manager's Office	1.5	(\$0.2)	(\$0.2)
Municipal Court		(\$0.0)	(\$0.0)
City Attorney's Office	3.0	(\$0.4)	(\$0.4)
Finance & Strategic Services (and previous Transformation Management)	2.0	(\$0.4)	(\$0.4)
Exec, Finance, & Legal Services Services Total (\$M)	7.5	(\$1.1)	(\$1.1)

Executive, Finance & Strategic, & Legal Services – New Investment

Investment	Funding Source	2027	2028
Hybrid position — opioid use disorder support	Restricted General Fund - Opioid Settlement	\$29,000	\$29,000
Municipal Court Subtotal		\$29,000	\$29,000
Core HR & Finance Software (ERP)	Multiple Funding Sources	\$12,319,572	\$1,606,922
Debt Service for 2026 COP Southeast Community Center	Parks & Recreation 2050 tax	\$3,826,500	\$3,829,500
Finance & Strategic Services Subtotal		\$16,146,072	\$5,436,422
Deputy City Attorney (1.0 FTE)	General Fund	\$146,492	\$151,377
Legal Services Subtotal		\$146,492	\$151,377
		\$16,321,564	\$5,616,799



Questions? Executive, Finance, Legal Services

Executive Services (City Manager's Office & City Clerk's Office)

Finance and Strategic Services (Finance and Safety and Risk Management)

Judicial Services (Municipal Court)

Legal Services (City Attorney's Office)



Utility Services

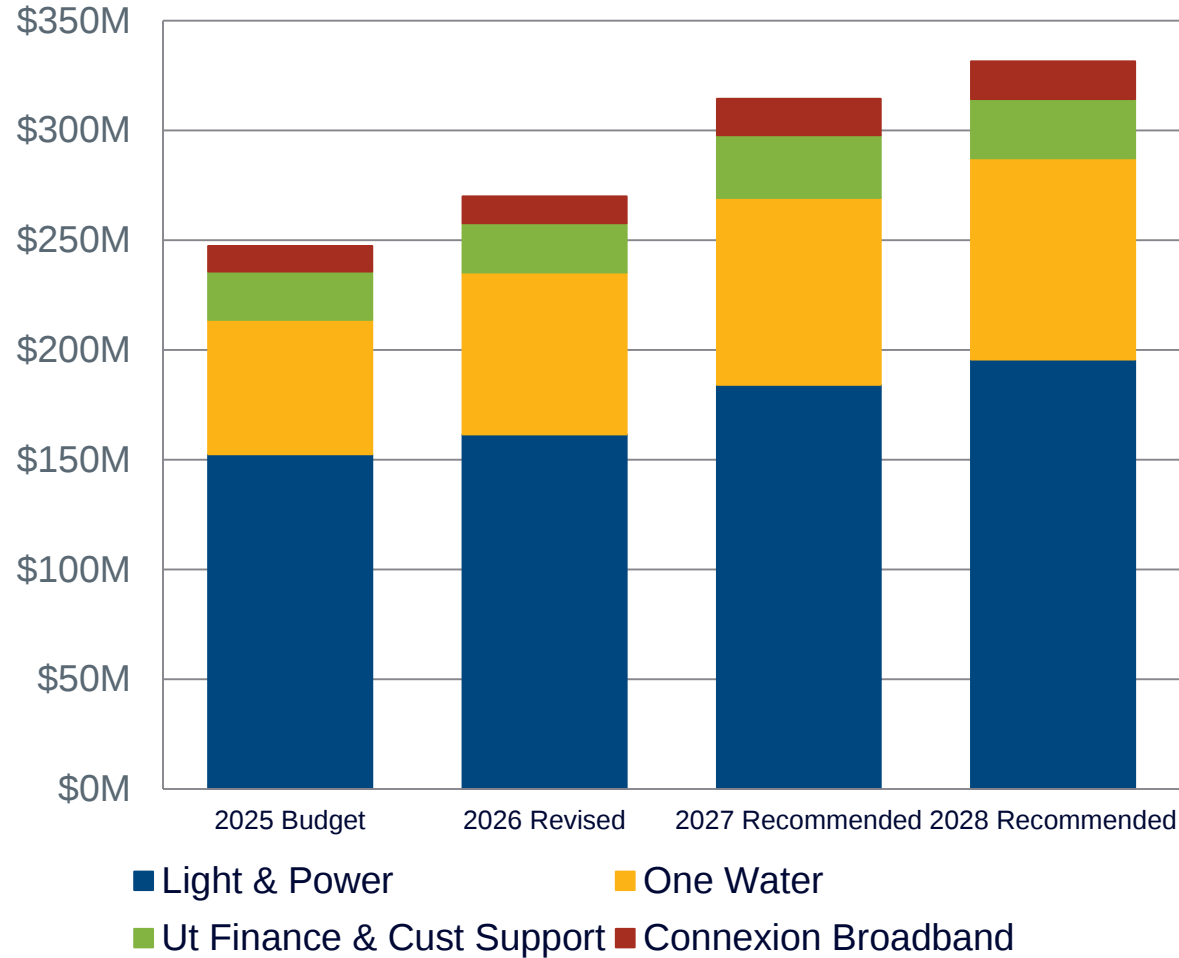
Light & Power

One Water (Water, Wastewater, Stormwater)

Utilities Customer Service & Administration (CS&A)

Connexion Broadband

Budget over time by department



Budget Highlights:

- Operational expense inflation from water main break emergency repairs (materials, personnel, frequency of breaks) from aging infrastructure
- Water treatment facilities significant chemical cost increases
- Light & Power wholesale purchased power rate increase (7.5% for 2027 & 2028)
- Capital improvement plan projects including increase in debt service expense

Utility Services – All Modifications to align budget

Utility Services Alignment Actions	Vacant FTE Reduced	2027	2028
Asset Management Analyst (1.0 FTE) reduced to hourly support	1	(\$0.1)	(\$0.1)
Sr Director One Water Integrated Operations (1.0 FTE)	1	(\$0.2)	(\$0.2)
Utilities Executive Director (1.0 FTE) repurpose Deputy City Manager (0.7 FTE)	1	(\$0.1)	(\$0.1)
Utilities Communications (3.0 FTE) repurpose to Utilities Business Technology		\$0.2	\$0.2
Energy Services Incentive Programs Reduction		(\$0.6)	(\$0.6)
Environmental Regulatory Affairs (ERA) Regulatory Program Offerings		(\$0.0)	(\$0.0)
ERA Stormwater Spill Response		(\$0.0)	(\$0.0)
Water Production Technical Services Hourly Position		(\$0.0)	(\$0.0)
Household Hazardous Waste Event		(\$0.2)	(\$0.2)
Operational Technology - SCADA Consulting Services		(\$0.0)	(\$0.0)
Water Source of Supply Seasonal Crew		(\$0.0)	(\$0.0)
Utilities Information Technology		(\$0.1)	(\$0.1)
Water Conservation Communication - Printing and Mailing Water Use Reports		(\$0.2)	(\$0.2)
Water Conservation Xeriscape Incentive Program (XIP) Grant Backfill Reduction		(\$0.1)	(\$0.1)
Water Production ISO 14001 Environmental Certification		(\$0.0)	(\$0.0)
Water Field Office (WFO) Floodplain Inspections (Seasonal Hourly)		(\$0.0)	(\$0.0)
Water Field Office (WFO) Mowing (Contractual)		(\$0.1)	(\$0.1)
Utility Services Total (\$M)	3	(\$1.7)	(\$1.8)

Utility Services – New Investments & Capital

Service Area	Capital Projects	2027	2028
Utility Services	One Water Capital Improvement Plan	\$29.8	\$32.1
	Light & Power Capital Improvement Plan	\$33.0	\$25.6
	Connexion 2027 and 2028 Capital Projects	\$8.0	\$0.0
Grand Total		\$70.8	\$57.6

- Utilities Capital Improvement Plan adjustments since May 2026 Work Session:
 - Mulberry Water Reclamation Facility Decommissioning / DWRF Improvements
 - Utilities Customer Information System (CIS)
 - Light & Power Midtown Substation
 - Connexion Capital Improvements (\$8.0M Intrafund Loan Electric & Telecommunications Fund)

Utilities Rate Increases		
	2027	2028
Light & Power	7.0%	7.0%
Water	15.0%	15.0%
Wastewater	10.0%	10.0%
Stormwater	5.0%	5.0%

- Rate scenarios discussed at Council Work Session, Finance Committee, Boards & Commissions.
- Recommended rates support Utilities Capital Improvement Plans including major projects:
 - Water Storage Project
 - Drake Water Reclamation Facility Preliminary Treatment
 - One Water Quality Lab
 - Light & Power Cable and Transformer Replacement
 - Light & Power PRPA Wholesale Power



RESIDENTIAL MONTHLY BILL COMPARISON

2026 to 2027

	2026 RATES	2027 RATES	% CHANGE	\$ CHANGE
 ELECTRIC 620 kilowatt-hours/month	\$90.22	\$96.54	7.0%	\$6.32
 WATER 7,000 gallons/month	\$49.46	\$56.88	15.0%	\$7.42
 WASTEWATER 3,300 gallons/month WQA	\$38.24	\$42.06	10.0%	\$3.82
 STORMWATER 8,000 sq.ft. lot, light runoff	\$25.97	\$27.27	5.0%	\$1.30
AVG. Utility Bill Total	\$203.89	\$222.75	9.3%	\$18.86



Questions? Utility Services

Light & Power

One Water (Water, Wastewater, Stormwater)

Utilities Customer Service & Administration (CS&A)

Connexion Broadband

September 15 Service Delivery and Community Investments	September 22 Internal Operations, Governance, and Utilities	October 13
Overall Themes and Citywide assumptions	Police Services	Additional follow-up based on Council questions, direction, or items requiring further discussion Consideration of alternatives
Community Services	Information & Employee Services	
Community Development, Housing & Sustainability	Finance, Executive, Legal, and Judicial Services	
Transportation Services	Utilities	



Questions?

2027 – 2028 Recommended Budget

The gap reflects both external pressures and deliberate choices to sustain community priorities and organizational resilience:



Costs of many goods and services rising faster than revenue



Making formerly ARPA-funded social services ongoing



Budgeting realistically for recurring costs such as snow removal



Investing in competitive employee compensation

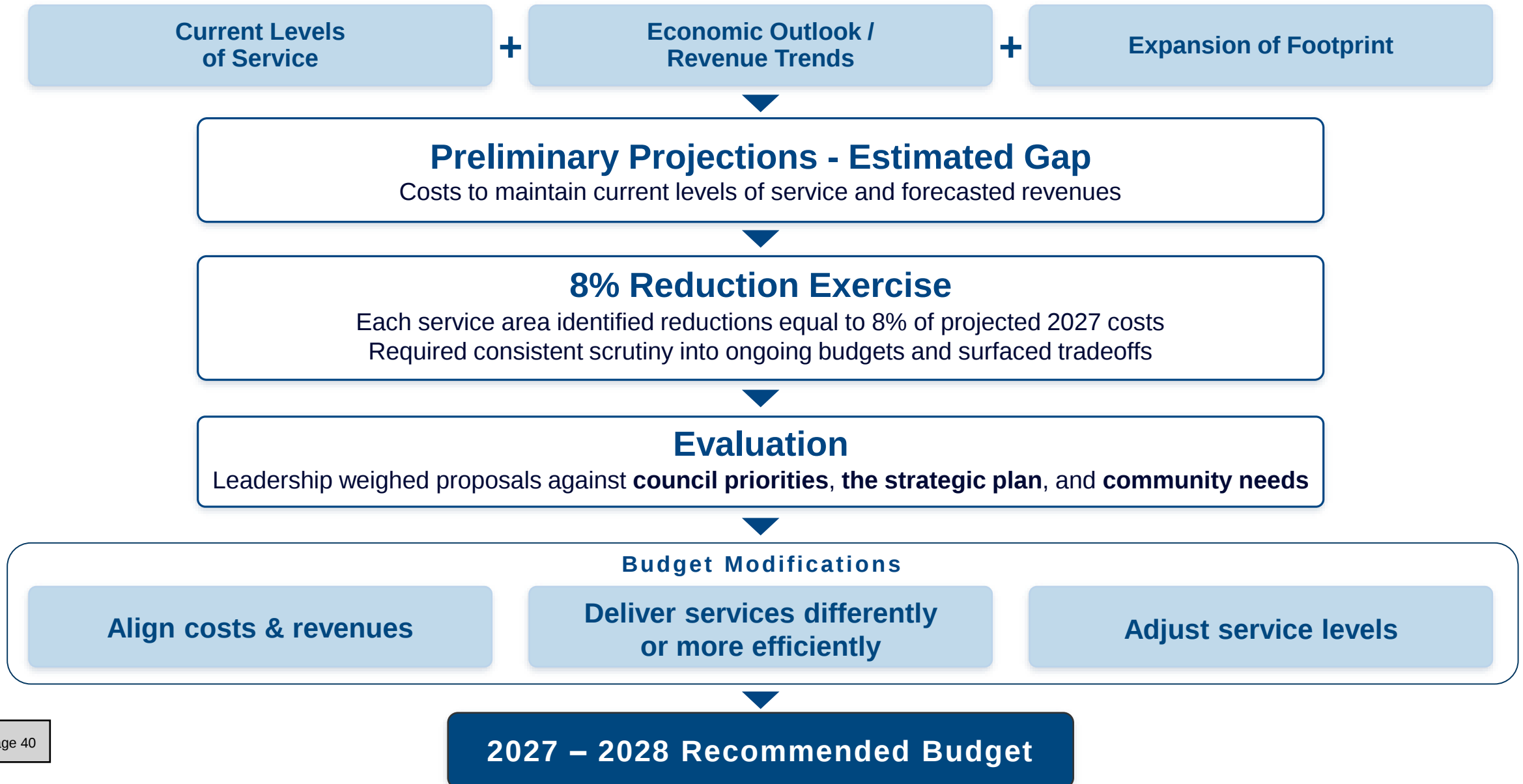


Supporting a growing community



Maintaining critical staffing in areas such as Police





Total and Net City Budget

	Adopted 2026	2027	% Change	2028	% Change
Operating	\$835.6	\$879.0	5.2%	\$862.1	(1.9%)
Debt	59.8	55.9	(6.5%)	59.6	6.7%
Capital*	680.4	104.4	29.8%	95.9	(8.2%)
Total City Appropriations**	975.8	1,039.2	6.5%	1,017.5	(2.1%)
Less					
Internal Service Funds	(109.5)	(119.9)	9.4%	(122.4)	2.1%
Transfer to Other Funds	(59.0)	(97.9)	66.0%	(84.3)	(13.9%)
GIDs	(0.3)	(0.4)	38.0%	(0.4)	0.3%
URAs *	(7.2)	(12.3)	72.2%	(12.8)	3.9%
DDA	(38.3)	(38.3)	0.0%	(38.3)	0.0%
Total	(214.3)	(268.8)	25.5%	(258.2)	(3.9%)
Net City Budget	\$761.5	\$770.4	1.2%	\$759.3	(1.4%)

\$172.0M

Total Capital in 2027 – 2028
Recommended Budget

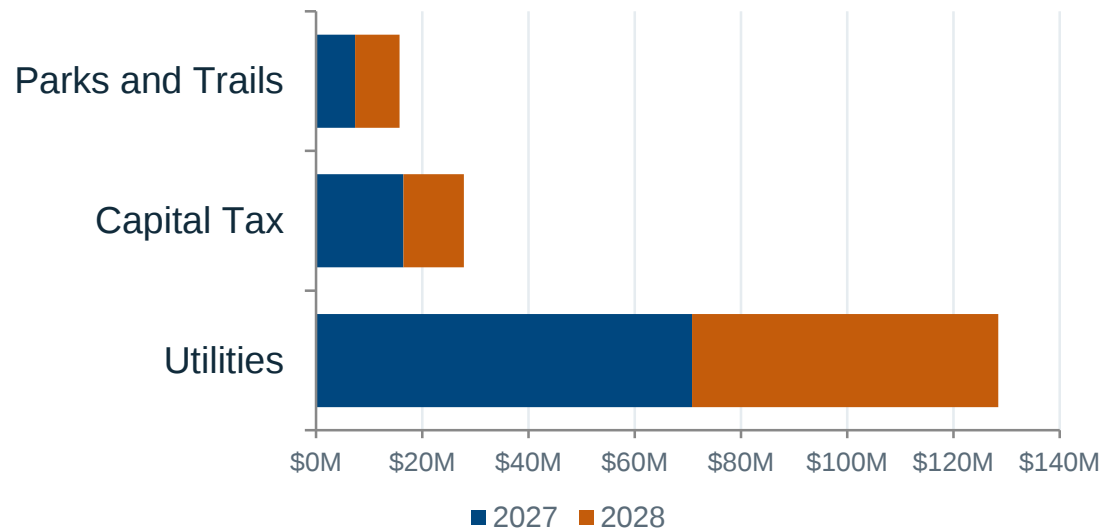
\$94.6M

2027 funding

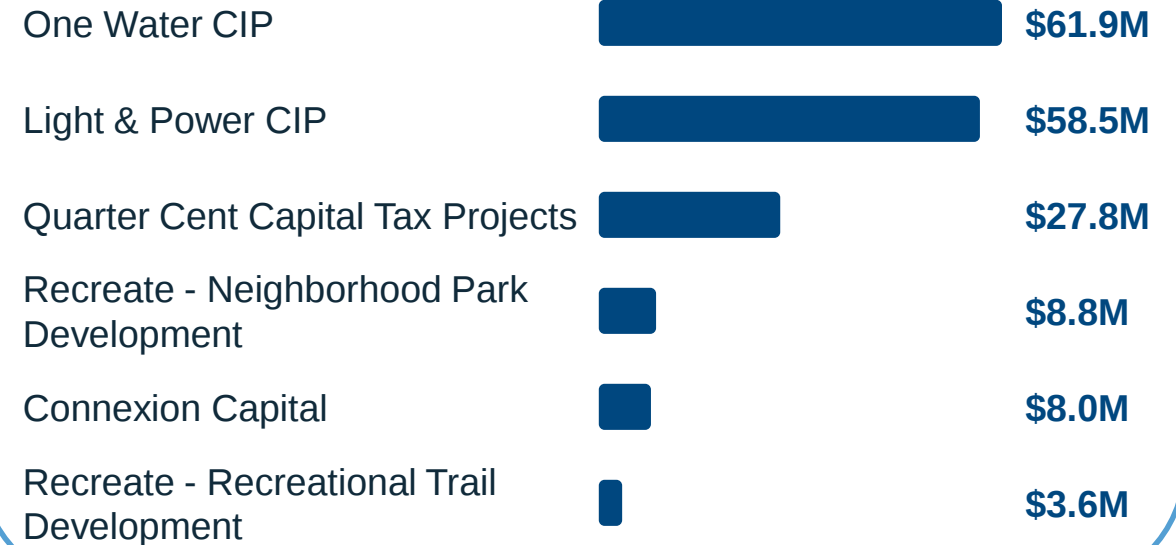
\$77.4M

2028 funding

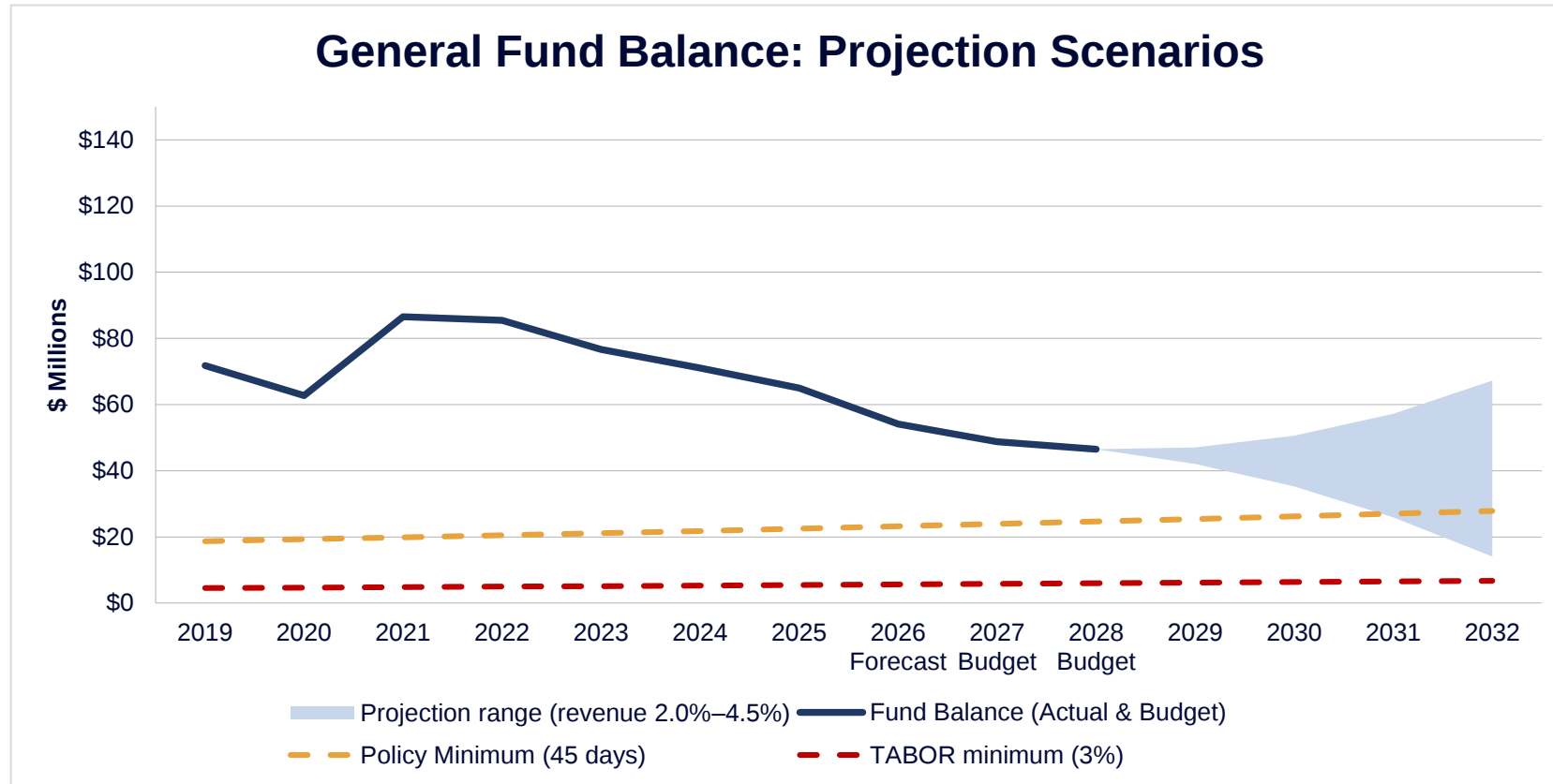
Capital by Area



Guiding Capital or Master Plans



General Fund Reserve Balance Outlook



- Assumes 10-yr average CPI growth of 3.1% for expenses
- Revenue scenarios between 2% (short-term budget assumption) and 4.5% (10-year average taxable sales growth)

nd balance project does not reflect assignments

\$1M

Align costs & revenues

Match sources and uses of funds more strategically with no change to level of investment or services provided.

- Dedicated funding paying for proportional labor costs
- Increased revenues, such as recreation, offsetting General Fund contributions

\$3M

Deliver services differently or more efficiently

Reduce costs through process improvements, innovation, and operational changes without significant service impacts.

- Consolidating vendors for similar services
- Insourcing training or studies
- Conversion of sworn position to civilian

\$6M

Adjust service levels

Intentional tradeoffs that reduce or delay services where necessary to keep the budget aligned.

- Reducing service frequency
- Holding budgets while footprint grows
- Prioritizing maintenance needs

Align \$1M

Deliver Services Differently \$3M

Adjust Service Levels \$6M

Deals with New Investment

Service Area	2027	2028
Community Services	\$1.0	\$2.9
Information & Employee Services	\$0.4	\$0.4
Transportation Services	\$0.9	\$0.5
Community Development, Housing & Sustainability	\$3.3	\$3.8
Police Services	\$0.6	\$0.6
Finance & Strategic Services	\$16.1	\$5.4
Legal Services	\$0.1	\$0.2
Connexion (Broadband)	\$0.3	\$0.8
Subtotal - Unrestricted Ongoing General Fund	\$1.0	\$1.1
Subtotal - Other	\$21.8	\$13.6
Grand Total (\$M)	\$22.8	\$14.7

Other Funding Requests Considered

	2027	2028
Facilities capital asset management (HVAC & roofs)	\$6.45M	\$3.13M
Sales tax & licensing software	\$1.4M	\$0.65M
Accelerating facility improvements	\$0.6M	\$0.6M
Emerging Council priority work*	—	—
Total additional considerations	~\$8.5M	~\$4.4M

- Opportunity to advance funding from anticipated 2026 year-end reserve availability
- Recommended Budget includes \$2M placeholder for Form-based code work or other sustainable growth funding in 2027

30.75**vacant FTE eliminated***currently authorized but unfilled***~ 15.75****net FTE reduction by 2028***after new & redeployed positions***2027: 4%****2028: 3%****wage adjustment funding**

Rely on existing vacancies and anticipated normal turnover during 2027 rather than layoffs

- A hiring freeze created additional vacancies, further supported by ongoing organizational reprioritization
- Hourly position impacts vary by department

Continue to invest in talent through wage adjustment funding equivalent to 4% of the eligible wage base in 2027 and 3% in 2028.

- 2.5% across-the-board wage adjustment for eligible employees; 1.5% reserved for performance-based and other targeted adjustments in 2027
- Benefits expense also increasing faster than inflation/revenue