Council Work Session: 2026 Budget

October 15, 2025

Charae McDaniel
Chief Financial Officer

Agenda

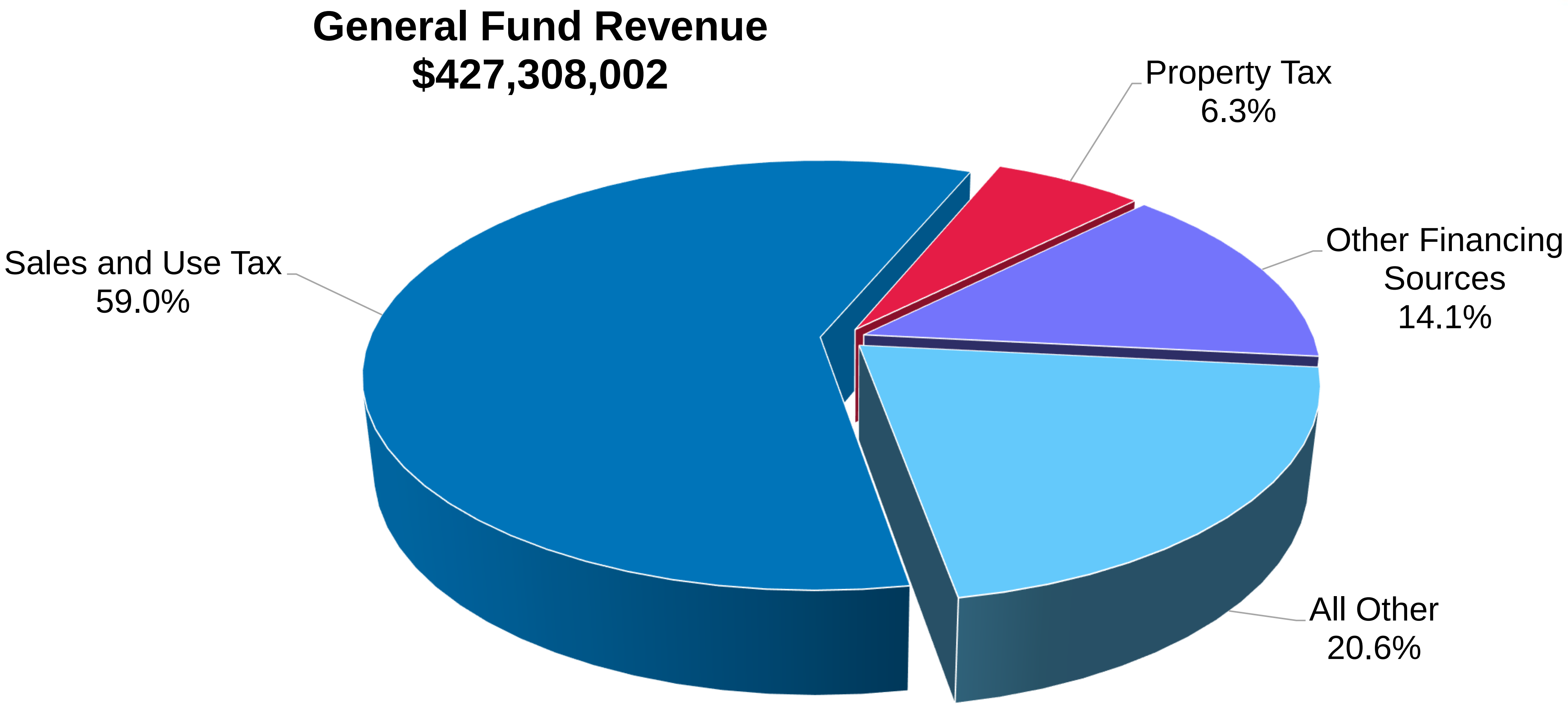
2026 Budget - City Council Work Session October 15, 2025 | City Council Chambers			
9:00am - 11:45am	**Duration**	**Begin**	**End**
Overview	60 min	9:00	10:00
Break	15 min	10:00	10:15
Police	45 min	10:15	11:00
Fire	45 min	11:00	11:45
Lunch	75 min	11:45	1:00
1:00pm - 3:15pm			
Parks, Recreation and Cultural Services	45 min	1:00	1:45
Break	15 min	1:45	2:00
Public Works	45 min	2:00	2:45
Wrap-up	30 min	2:45	3:15

2026 Budget Development

Date	Item
April/May	2026 Budget Kickoff Meetings with all departments
	2026 Capital Improvement Program (CIP) prioritization committee kickoff
June	Departments prepare 2026 budget funding requests
	CIP Prioritization Committee – project presentations by departments
July	Prioritization meeting for Departmental budget funding requests
	Meeting with City Council to discuss 2026 Budget
August	2026 Budget balancing by Administration
	Mayor/Council Retreat
September	Meeting with City Council to preview budget balancing
	2026 Budget preview with all departments
	Budget Office prepares 2026 Budget document

Budget Book Page: 601

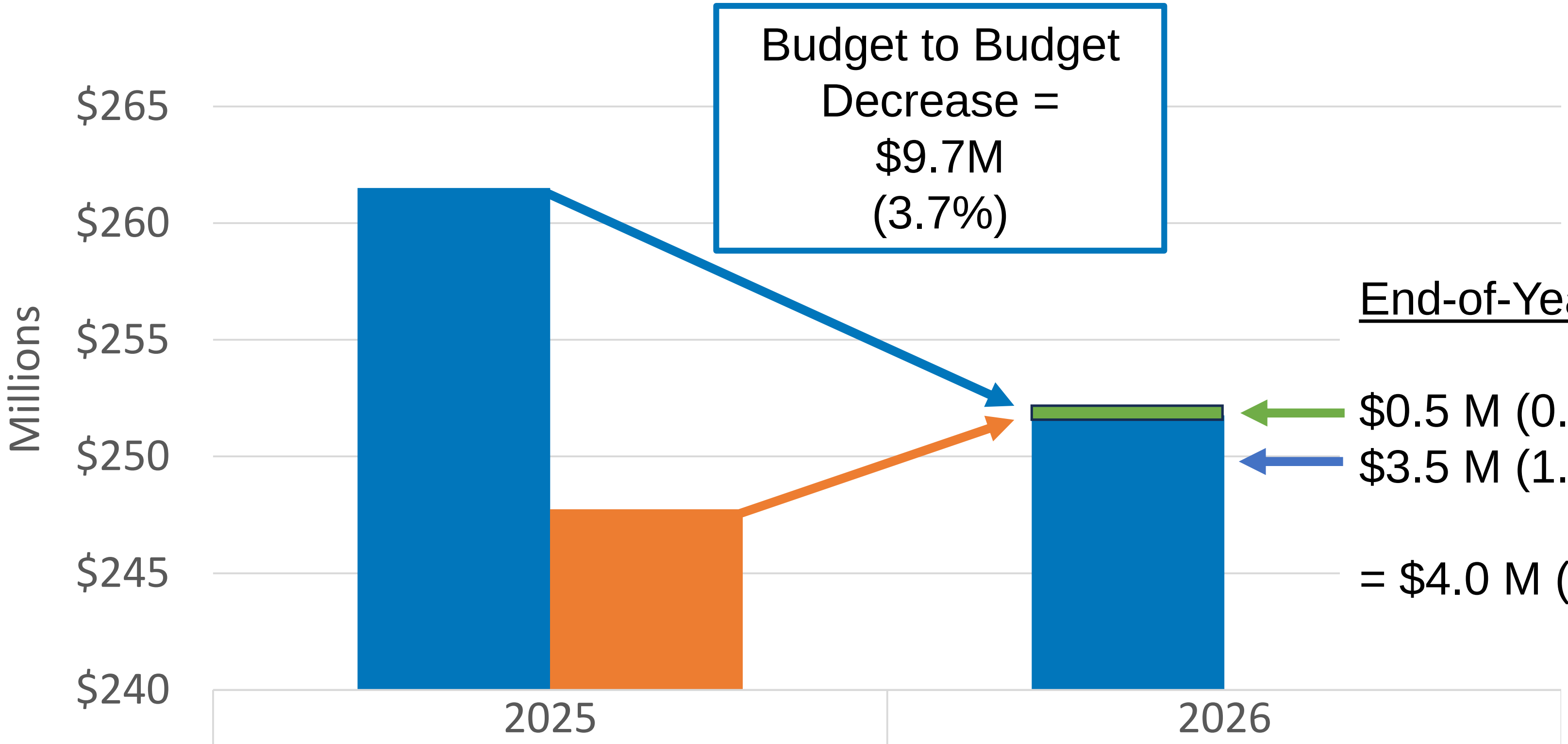
Revenue Overview
General Fund



Revenue Detail
General Fund

Revenue Type	2025 Budget (millions)	2026 Budget (millions)	Change (millions)
Sales and Use Tax	$261.5	$251.70	($9.8)
Property Tax	$28.9	$26.90	($2.0)
Taxes - Other	$4.1	$4.10	$0.0
Other Revenue	$137.9	$144.60	$6.7
Reserves	$3.9	$0	($3.9)
Rebudgeted	$2.0	$0	($2.0)
Total General Fund Revenue	**$438.3**	**$427.30**	**($11.0)**

Sales Tax Overview
General Fund



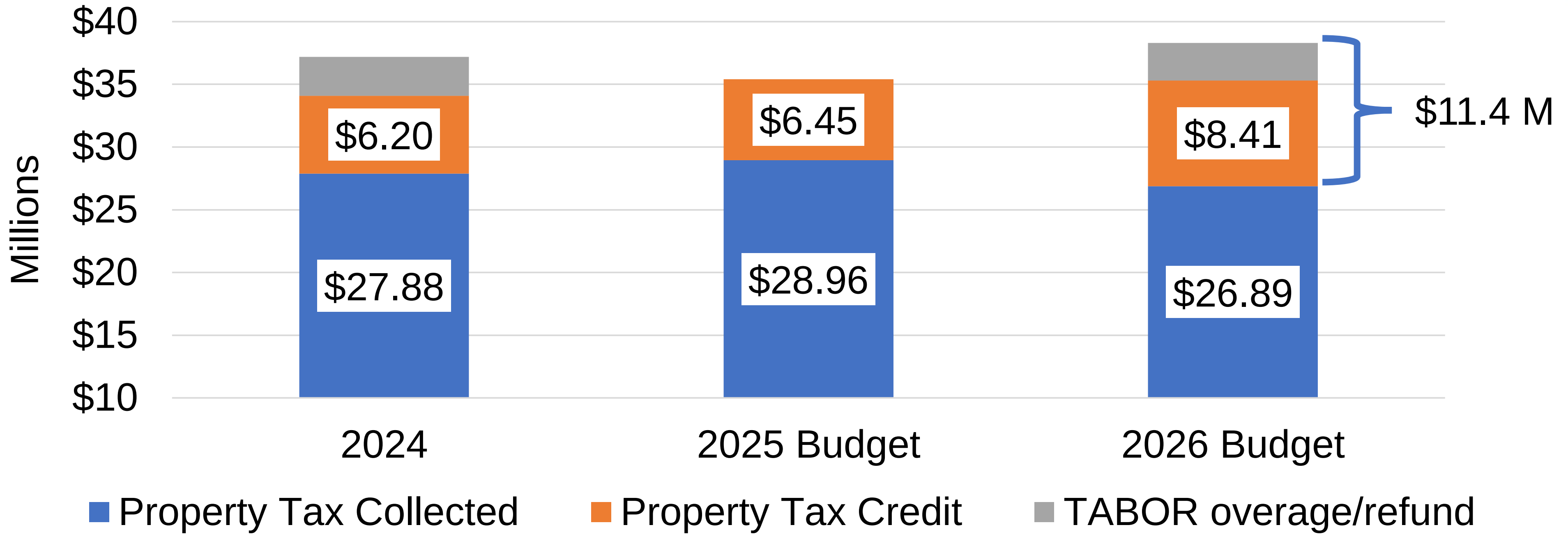
	2025	2026
Sales Tax Budget	$261,503,203	$251,768,203
Sales Tax End-of-Year Est.	$247,720,000	

<u>End-of-Year Est. to Budget</u>

$0.5 M (0.2%) new revenue
$3.5 M (1.4%) ongoing revenue

= $4.0 M (1.6%) total increase

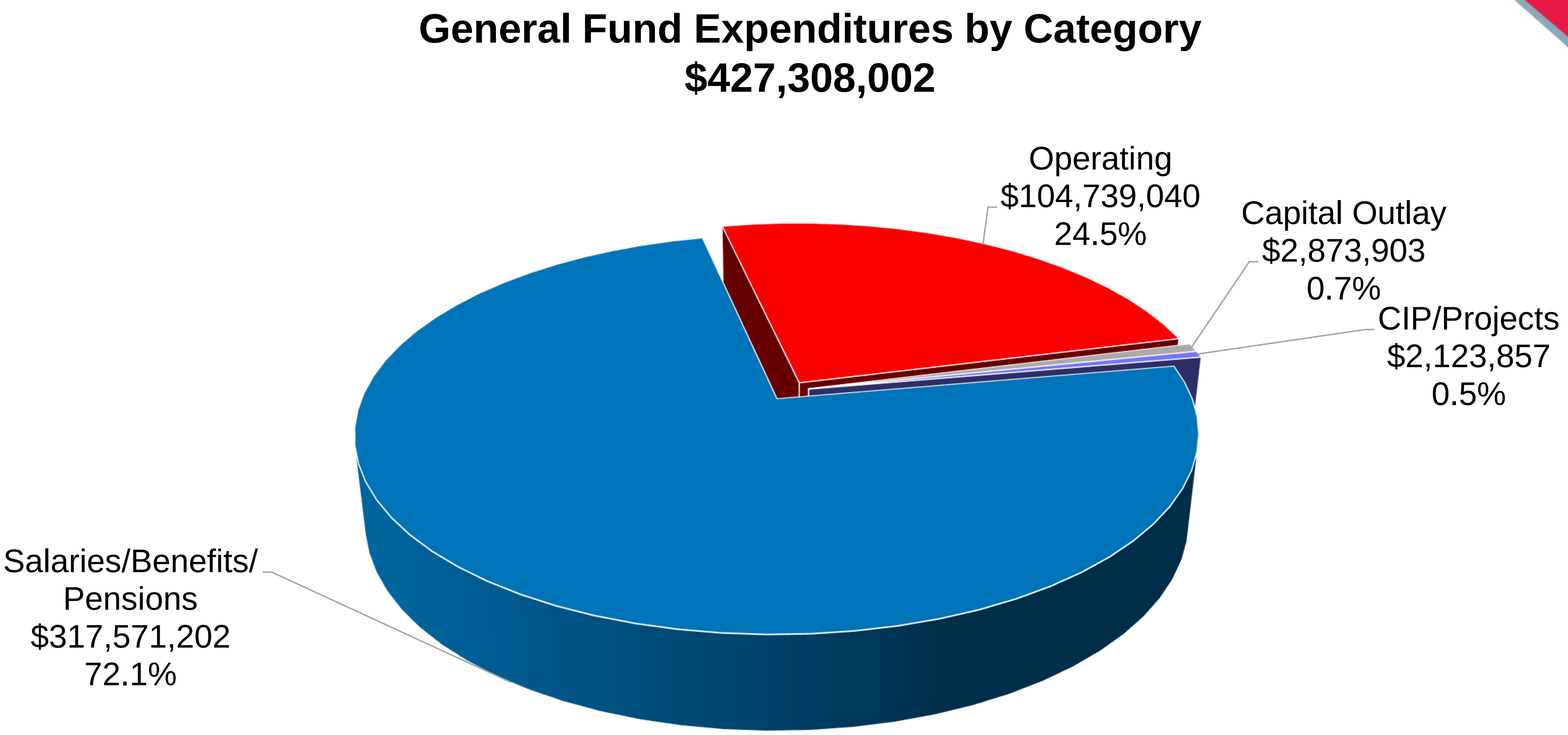
Property Tax Overview General Fund



Mill Levy - Credit	0.70	0.725	1.270
Credit Amount	$6.2 million	$6.45 million	$11.42 million

Budget Book Page: 75

Expenditure Overview
General Fund



Expenditure Detail General Fund

Category	2025 Budget (millions)	2026 Budget (millions)	Change (millions)
Salaries/ Benefits/ Pensions	$316.8	$317.6	$0.8
Operating	$104.1	$101.5	($2.6)
Capital Outlay	$4.6	$2.9	($1.7)
CIP/Projects	$9.8	$2.1	($7.7)
Internal Service Charges	$3.0	$3.2	$0.2
General Fund Expenditures	**$438.3**	**$427.3**	**($11.0)**

Budget Book Page: 54

General Fund Fund Balance

	2022	2023	2024	2025 Estimate
Reserve - Available Balance (Million)	$94.11	$89.89	$90.40	$84.44
as a % of following year's original budget	22.4%	21.0%	20.9%	19.8%

Budget Book Page: 48

2026
Civilian Compensation

Market Movement

- No market movement

Pay for Performance

- No pay for performance

Pay Progressions

- Up to 2%
- Max = Market Average
- Effective on their job anniversary date

2026 Sworn Compensation

Market Movement

- No market movement

Step Progression

- Step Progression: Promotion to next step based on eligibility
- 1.3% average increase
- Fire - total cost $662k
- Police - total cost $1.5M

2026 Benefits

Plan Premium Changes

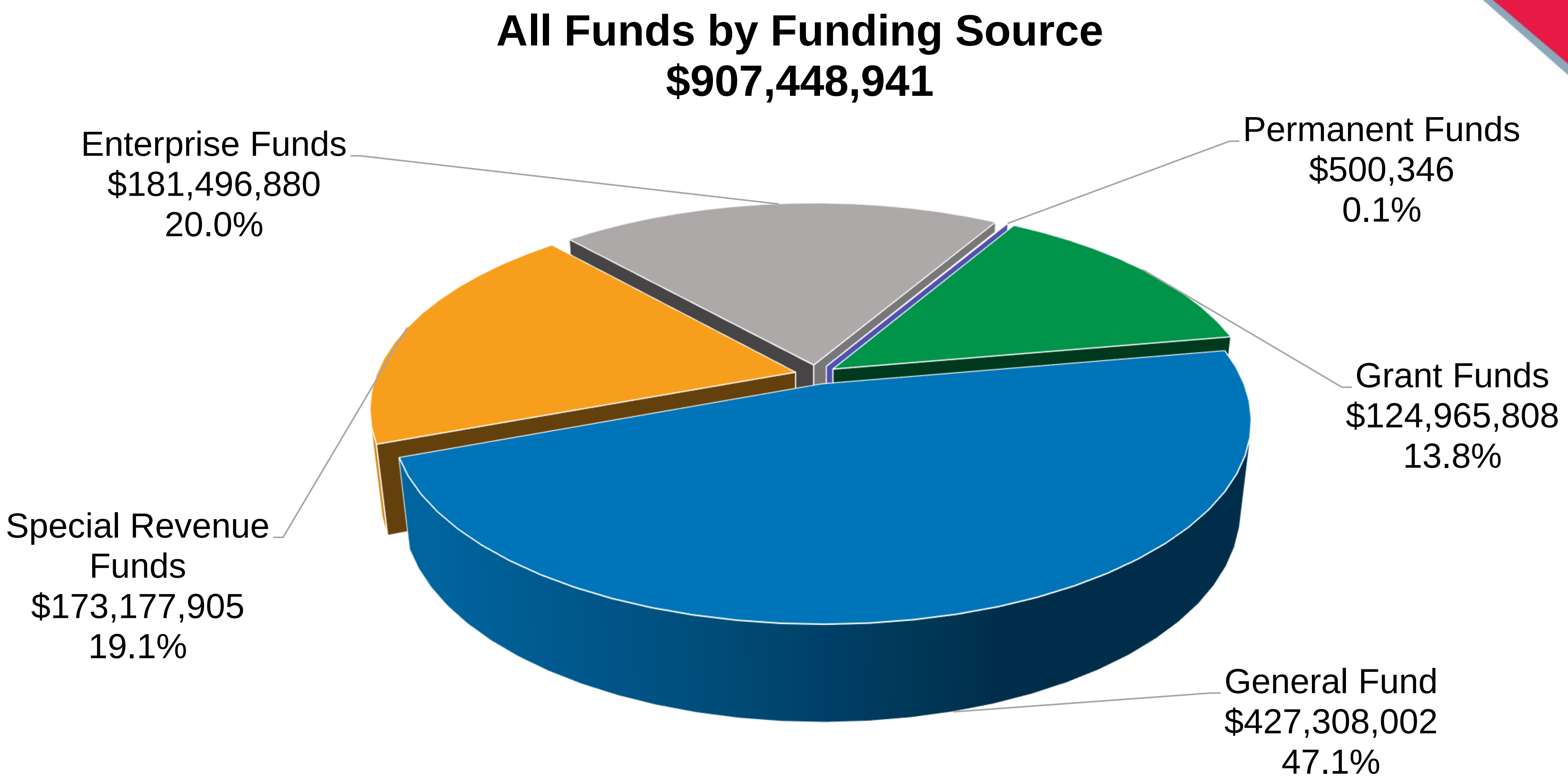
- No premium changes for employees during 2026
- City covering full 6.2% increase, approx. $2.4M for General Fund

Expenditure Overview
General Fund

	Increases/(Decreases) from 2025 Budget
Compensation strategy – civilian and sworn	$0.2 M
Benefits/Pension/Healthcare/Ongoing obligations	$8.5 M
Contract/Insurance/Other unavoidable expenses	($3.5 M)
Departmental changes	($12.9 M)
Net change in one-time expenses	($3.4 M)
Total GF Expenditure change	**($11.1 M)**

Budget Book Page: 56

All Funds Overview

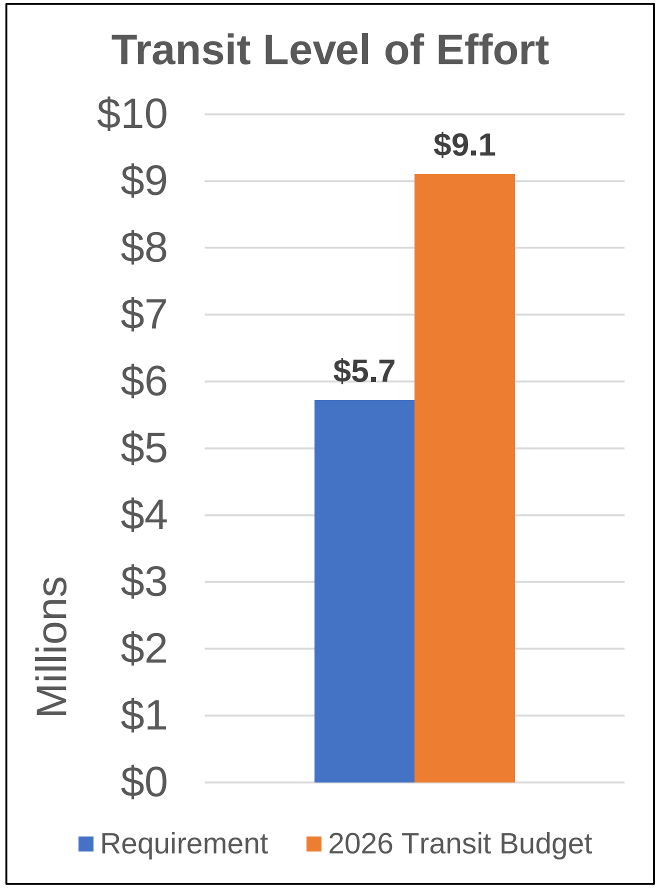


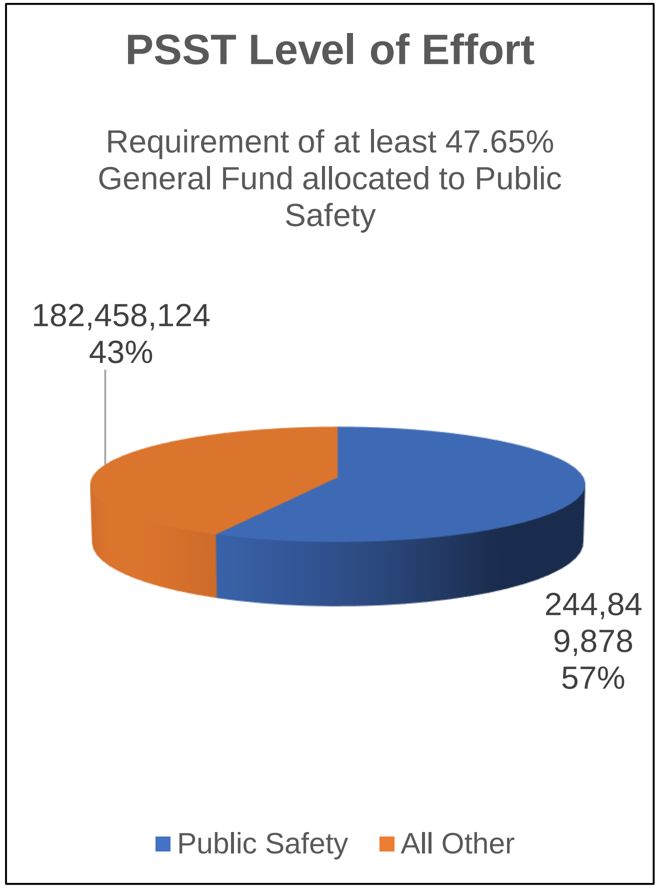
Special Funds Expenditure Budget

Fund	2025 Budget (millions)	2026 Budget (millions)
Conservation Trust Fund (CTF)	$7.0	$6.2
Trails, Open Space and Parks (TOPS)	$5.8	$5.6
Lodging and Auto Rental Tax (LART)	$10.5	$9.9
Roadway Improvement Fund (2C)	$73.0	$73.8
Public Safety Sales Tax (PSST)	$53.5	$52.3
Pikes Peak Rural Transportation Authority (PPRTA) *	$118.3	$115.8

* PPRTA is not appropriated by the City

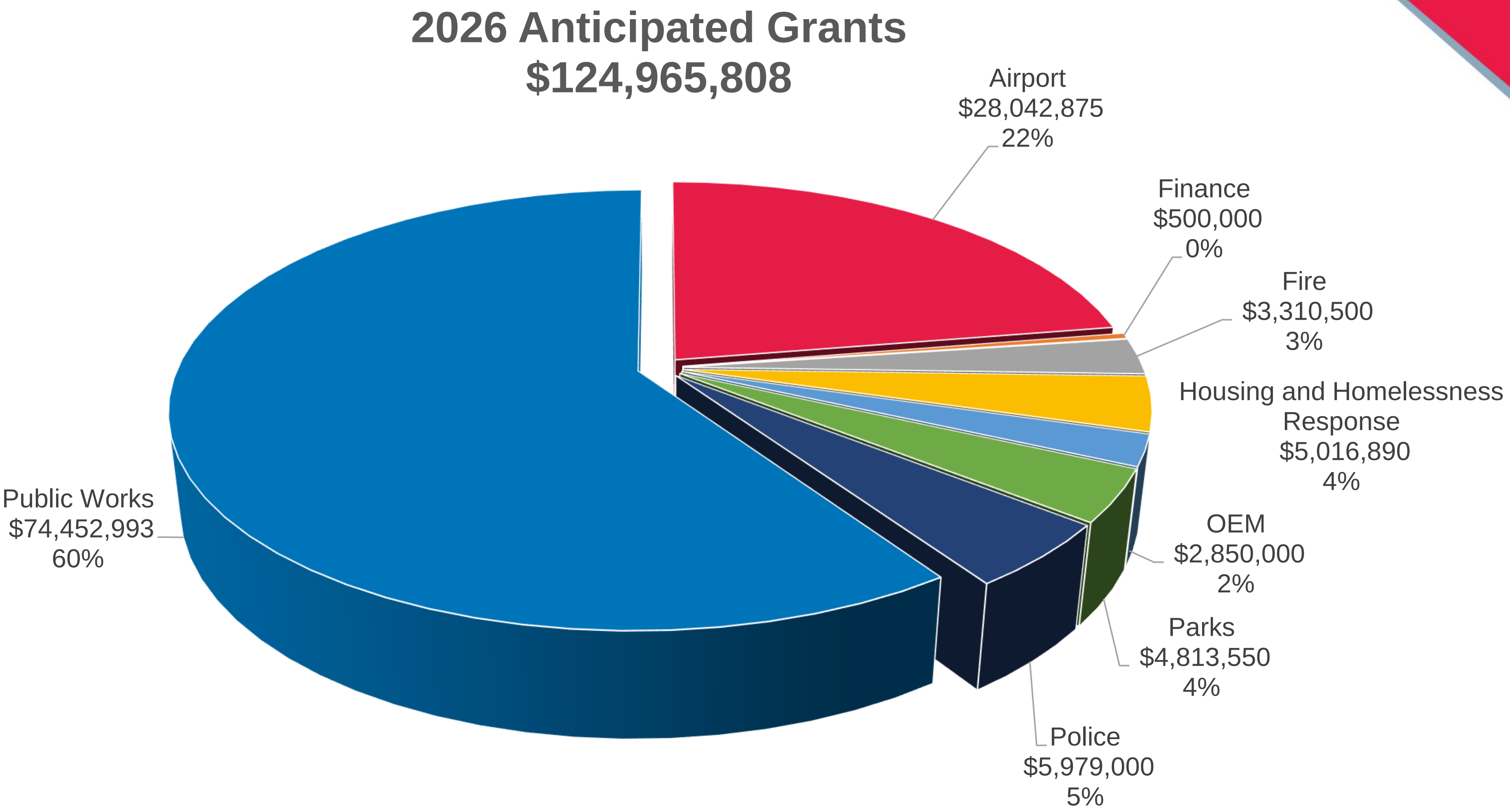
Level of Effort Requirements



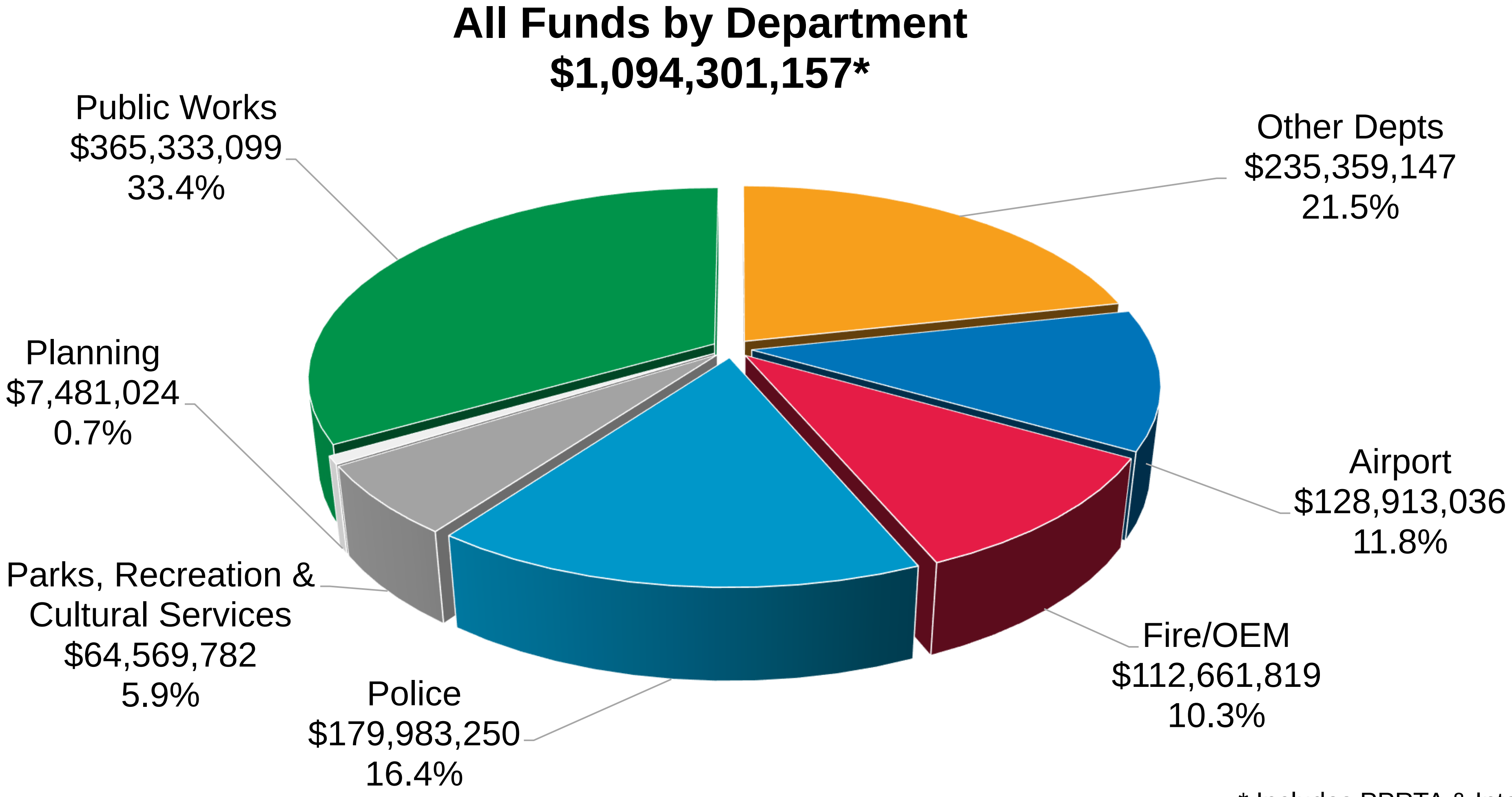


Budget Book Page: 81

Grants Overview



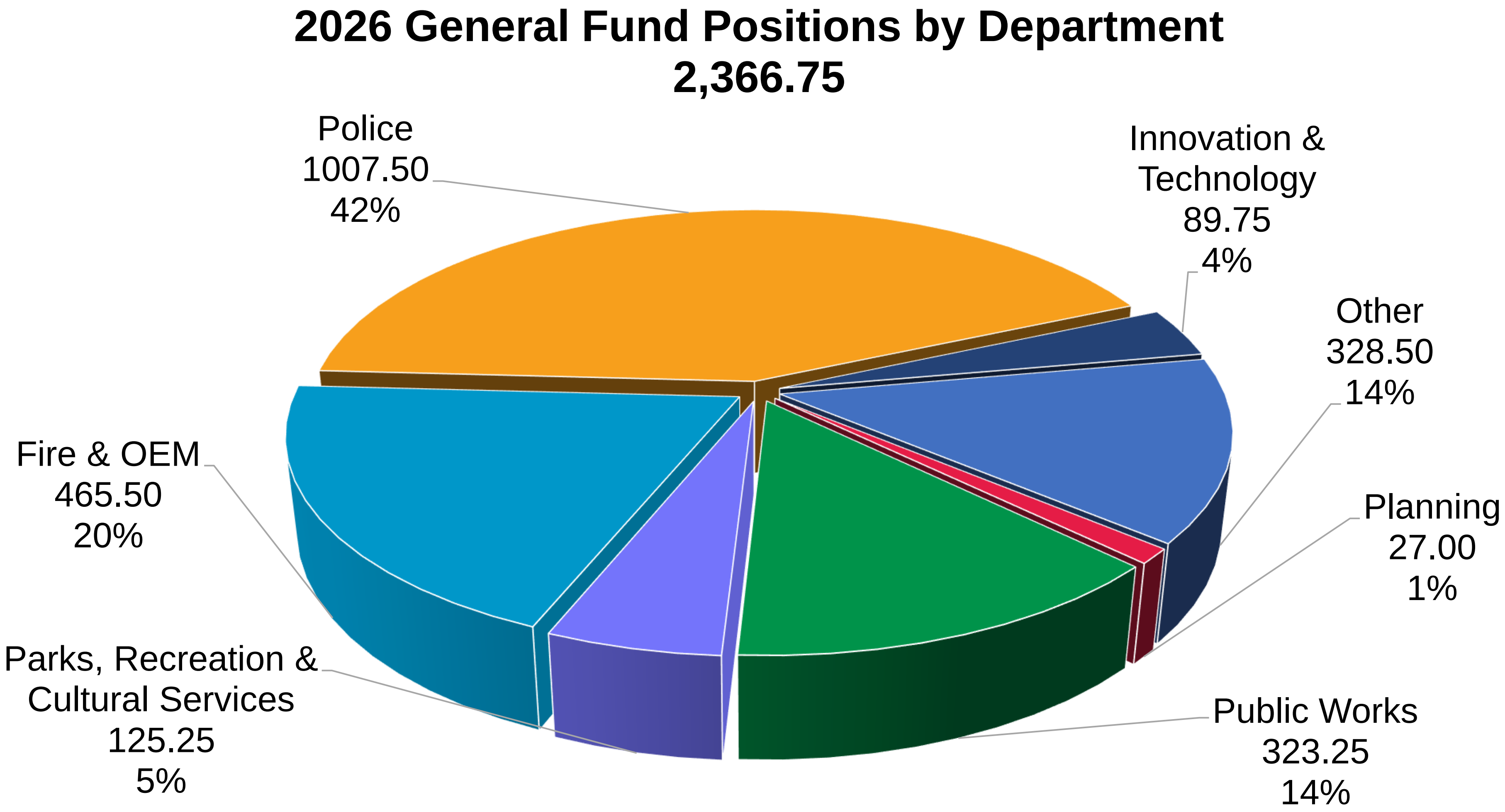
All Funds Overview



* Includes PPRTA & Internal Service Funds

See Department Narratives

Personnel Summary
General Fund



Budget Book Page: 53

2026 General Fund Position Changes

Department	Change	Department	Change
City Attorney	(1.00)	Mayor's Office	(0.50)
City Clerk	(1.00)	Municipal Court	(4.00)
Communications	0.50	Parks, Recreation & Cultural Svc.	(9.00)
Economic Development	(0.75)	Planning	(2.00)
Fire	(10.00)	Police	(7.00)
Housing & Homelessness Response	(3.00)	Public works	(3.00)
Human Resources	(3.00)	Support Services	9.75
Innovation and Technology	(3.00)	**General Fund Position Change**	**(37.00)**

Budget Book Page: 131

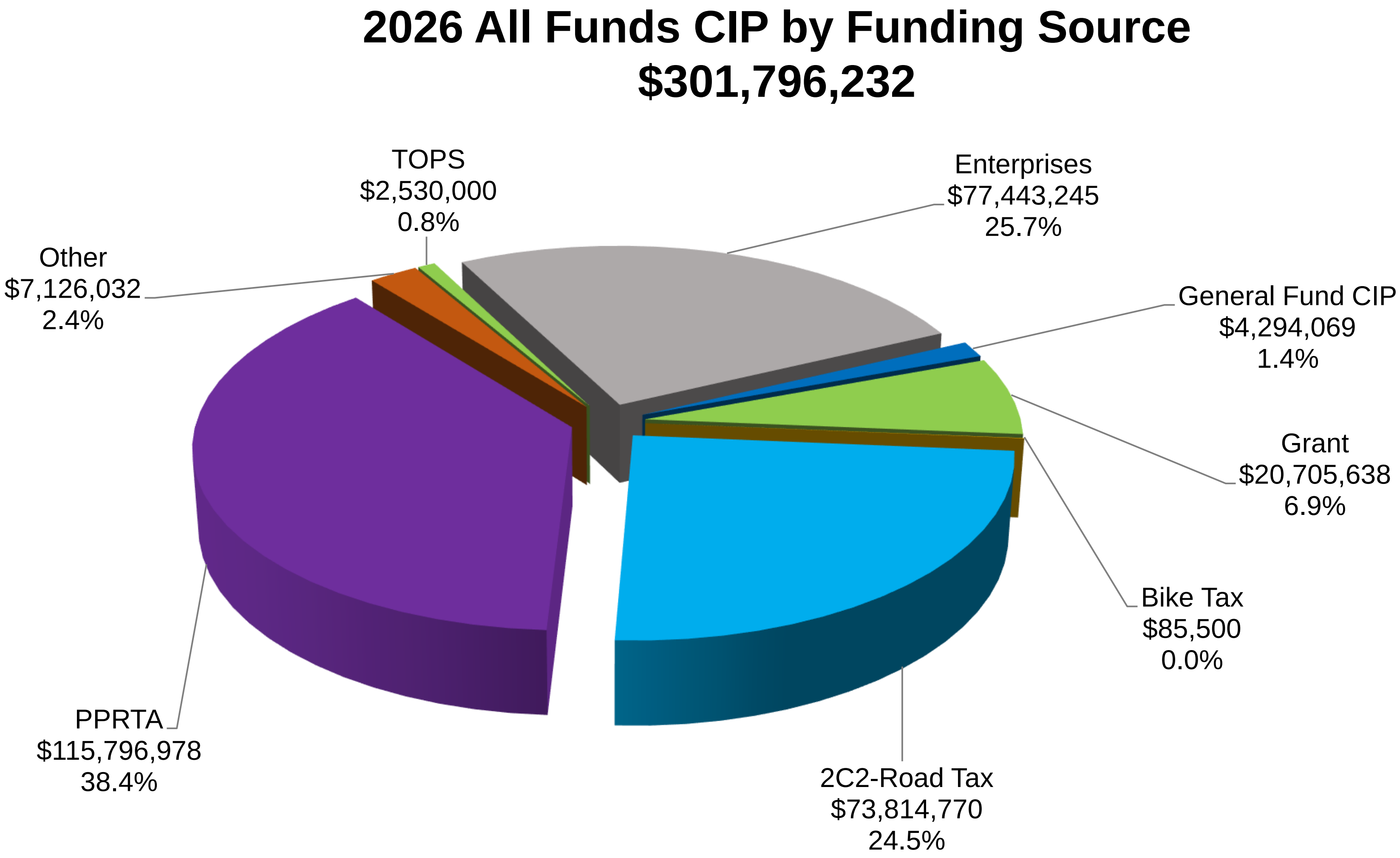
2026 Other Funds Position Changes

Department	Change
Airport	(0.25)
Development Review Enterprise	(5.00)
Housing and Homelessness Response (Grants)	1.00
Human Resources - Workers Compensation Fund	(1.00)
Office of Emergency Mgt. (Grants)	(3.00)
Parks, Recreation, & Cultural Services (TOPS)	(0.50)
Police (PSST)	0.25
Public Works – Transit (Grants)	(2.00)
Support Services - Radio Communications Fund	(1.00)
Stormwater Enterprise	2.00
TOTAL Other Funds Changes	**(9.50)**

Budget Book Page: 132

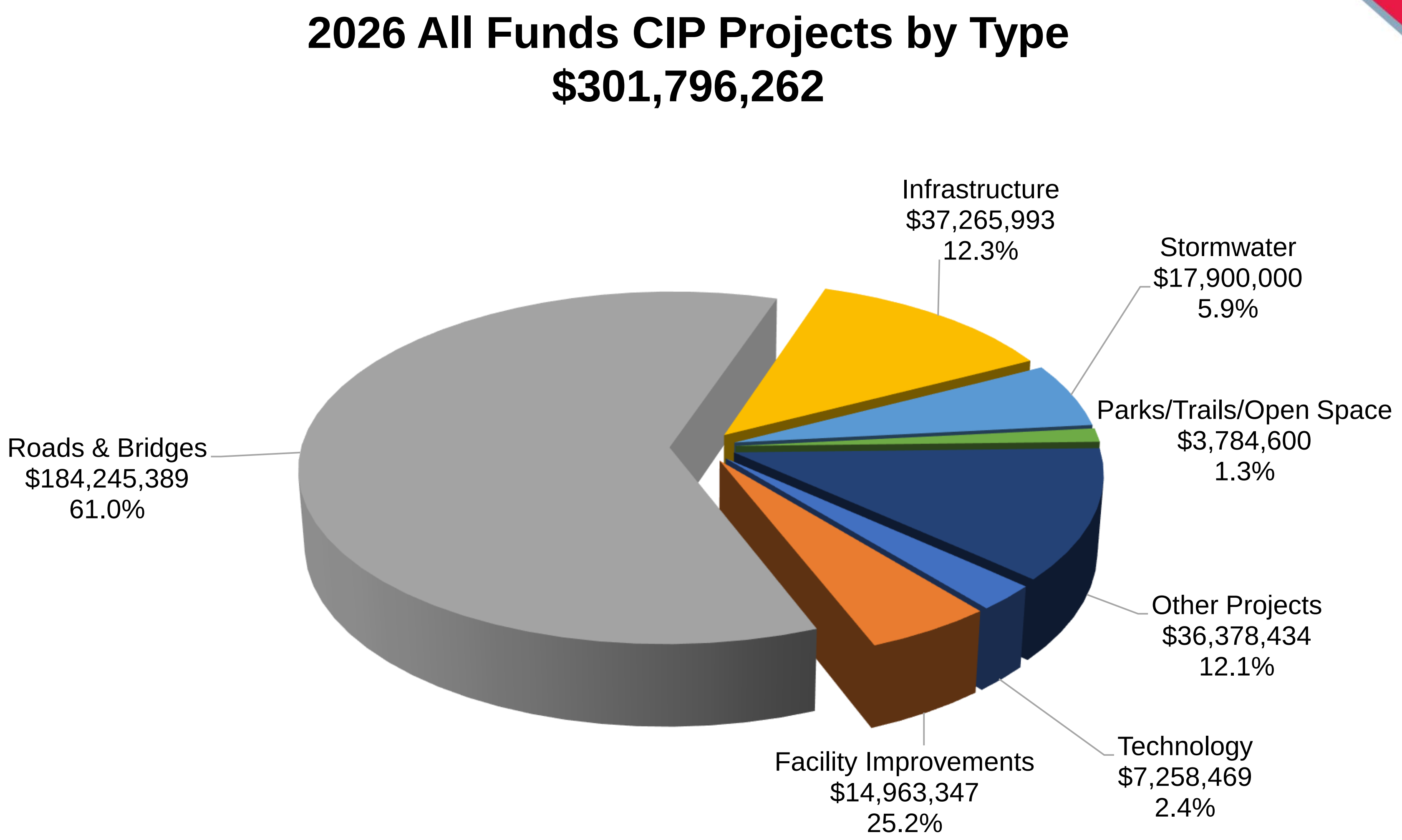
Capital Improvements Program (CIP)

CIP – All Funds

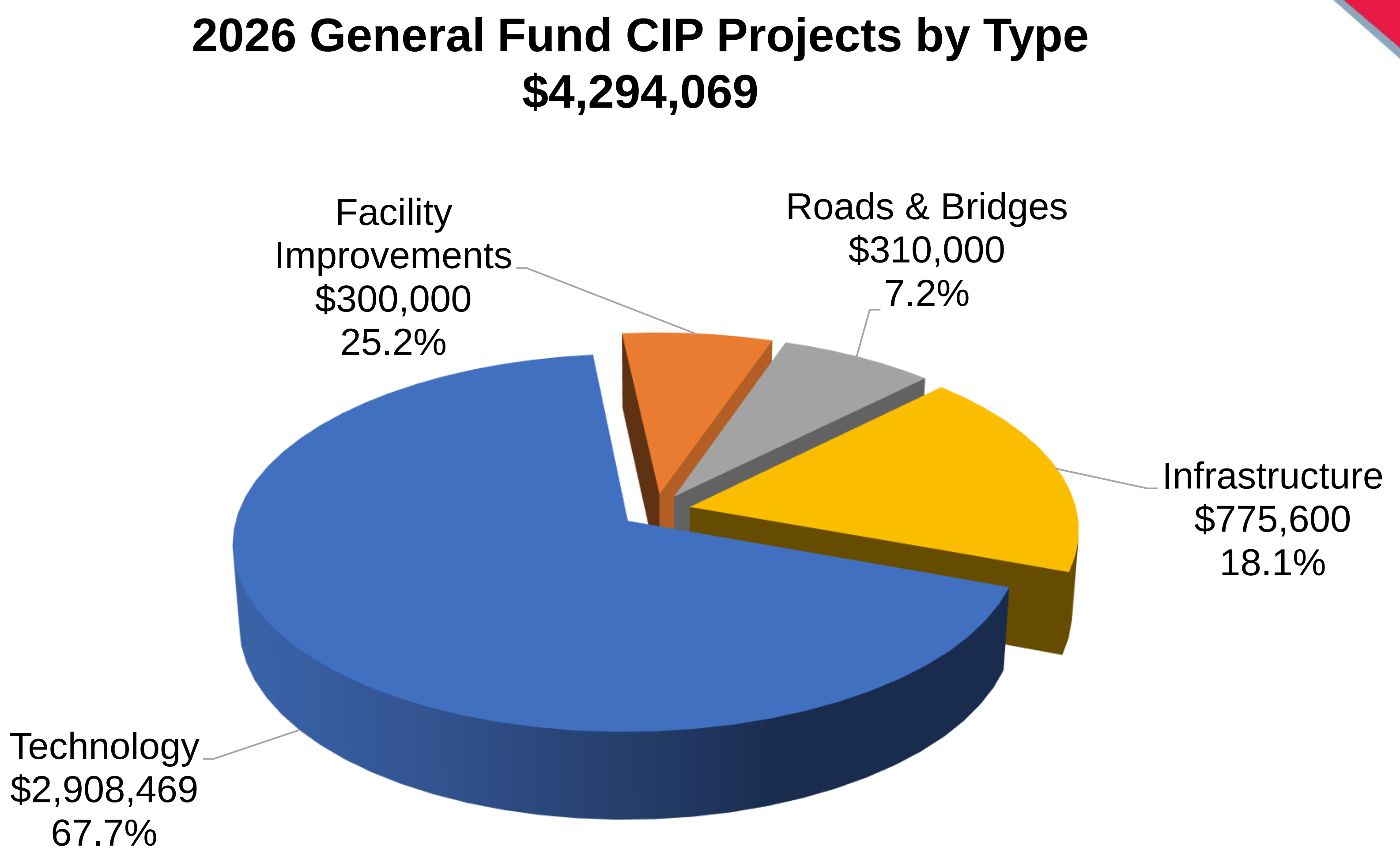


Budget Book Page: 570

CIP – All Funds



CIP – General Fund



Calendar/Next Steps

Date	Item
Oct. 15	City Council 2026 Budget Work Session
Oct. 27	Public Hearing on 2026 Budget
Oct. 29	City Council Markup Session on 2026 Budget
Nov. 10	1st reading - 2026 Budget Appropriation Ordinance
Nov. 25	2nd reading - 2026 Budget Appropriation Ordinance

Budget Book Page: 602

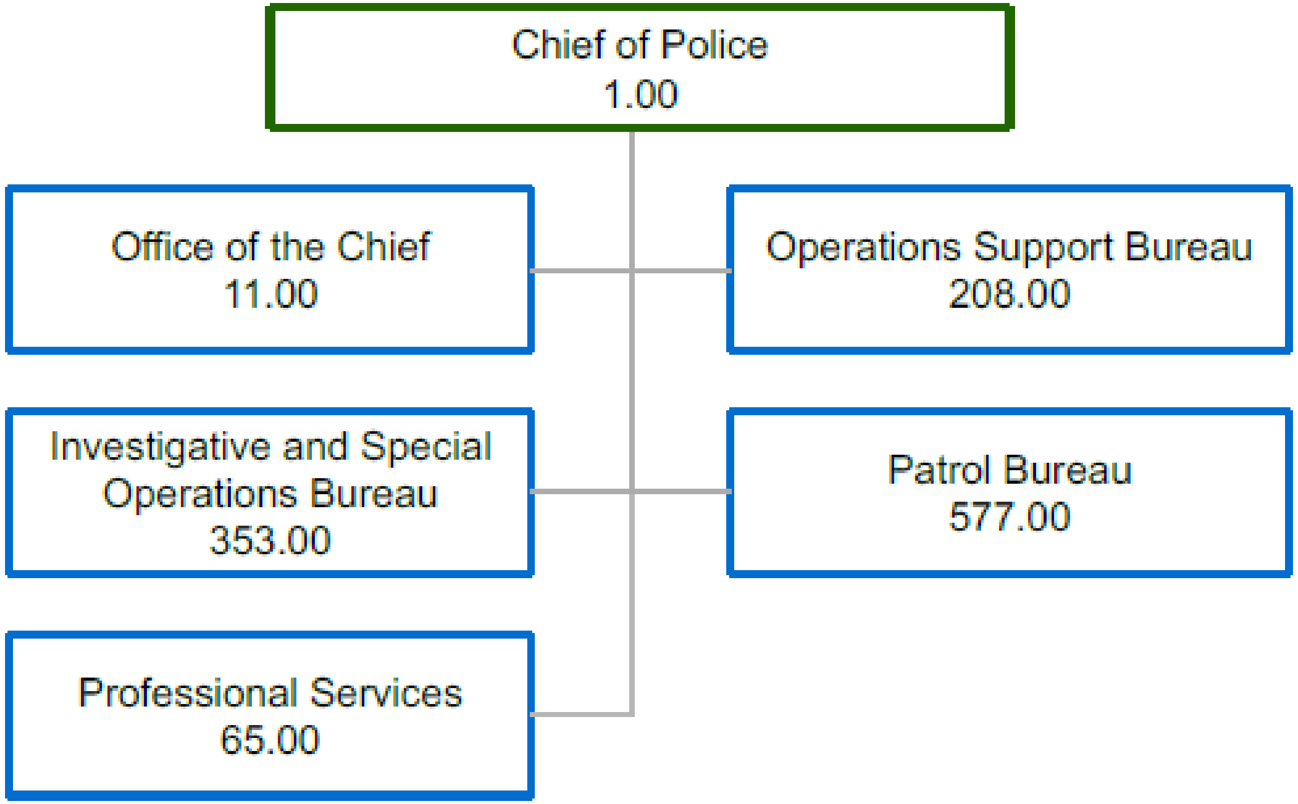
Agenda

2026 Budget - City Council Work Session October 15, 2025 | City Council Chambers			
9:00am - 11:45am	**Duration**	**Begin**	**End**
Overview	60 min	9:00	10:00
Break	15 min	10:00	10:15
Police	45 min	10:15	11:00
Fire	45 min	11:00	11:45
Lunch	75 min	11:45	1:00
1:00pm - 3:15pm			
Parks, Recreation and Cultural Services	45 min	1:00	1:45
Break	15 min	1:45	2:00
Public Works	45 min	2:00	2:45
Wrap-up	30 min	2:45	3:15

POLICE DEPARTMENT

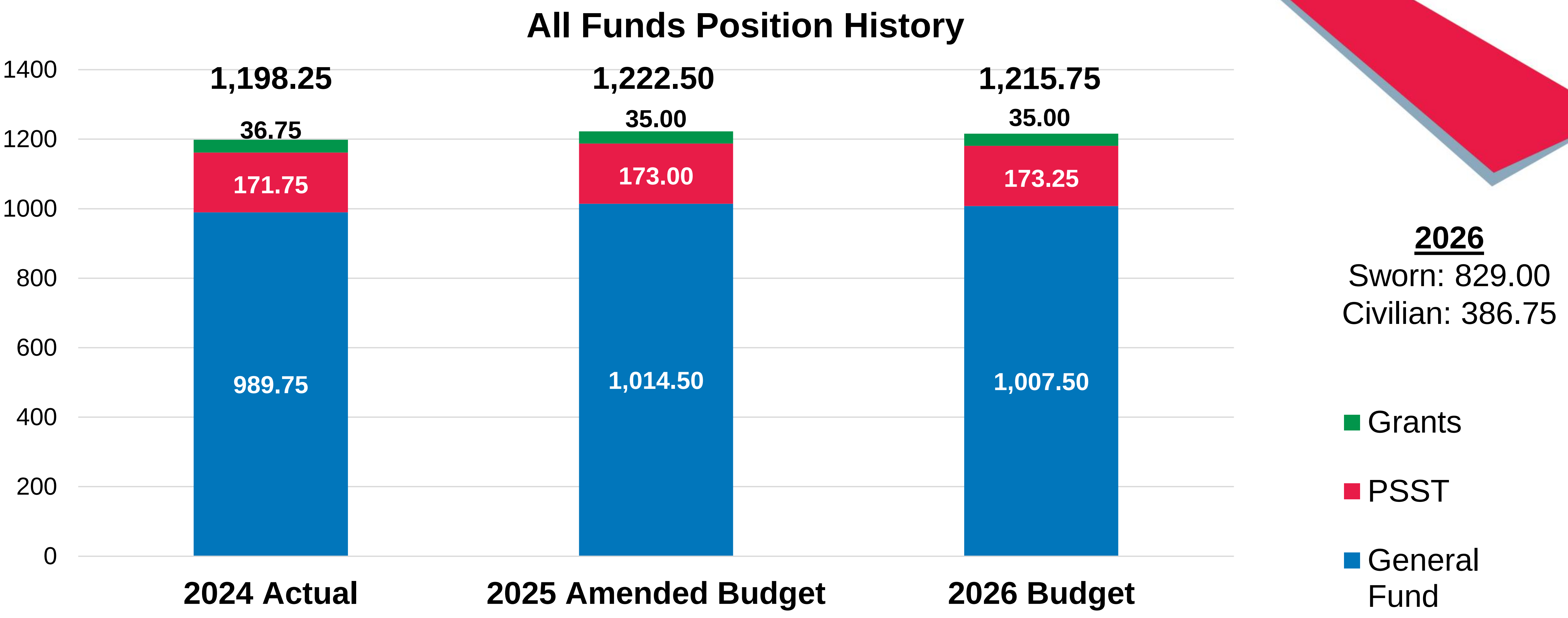
Adrian Vasquez, Police Chief

POLICE DEPARTMENT – ORGANIZATIONAL CHART



The organization chart shows all positions that report to the Police Department including 13 positions that are funded in the Colorado Springs Airport enterprise fund.

POLICE



2026
Sworn: 829.00
Civilian: 386.75

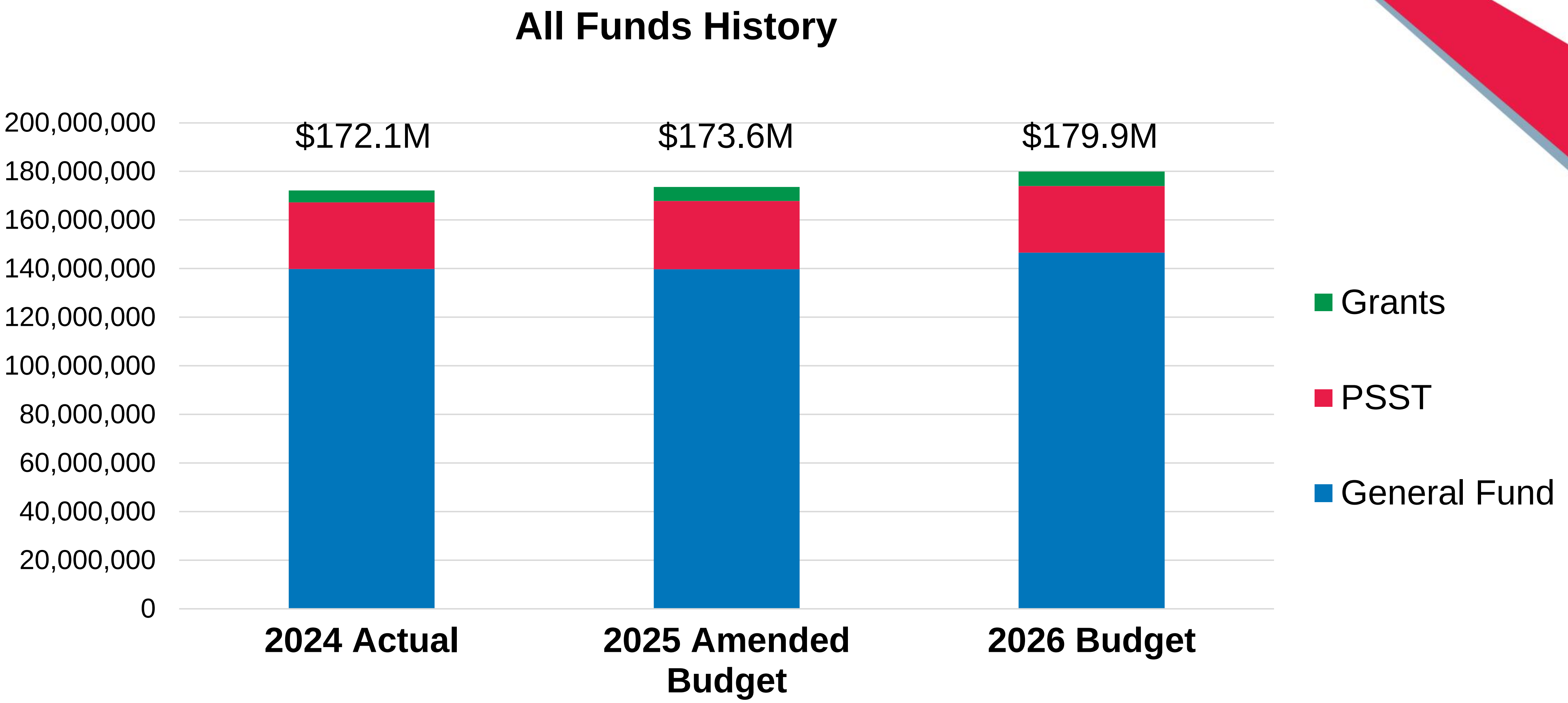
Budget Book Page: 411

POLICE

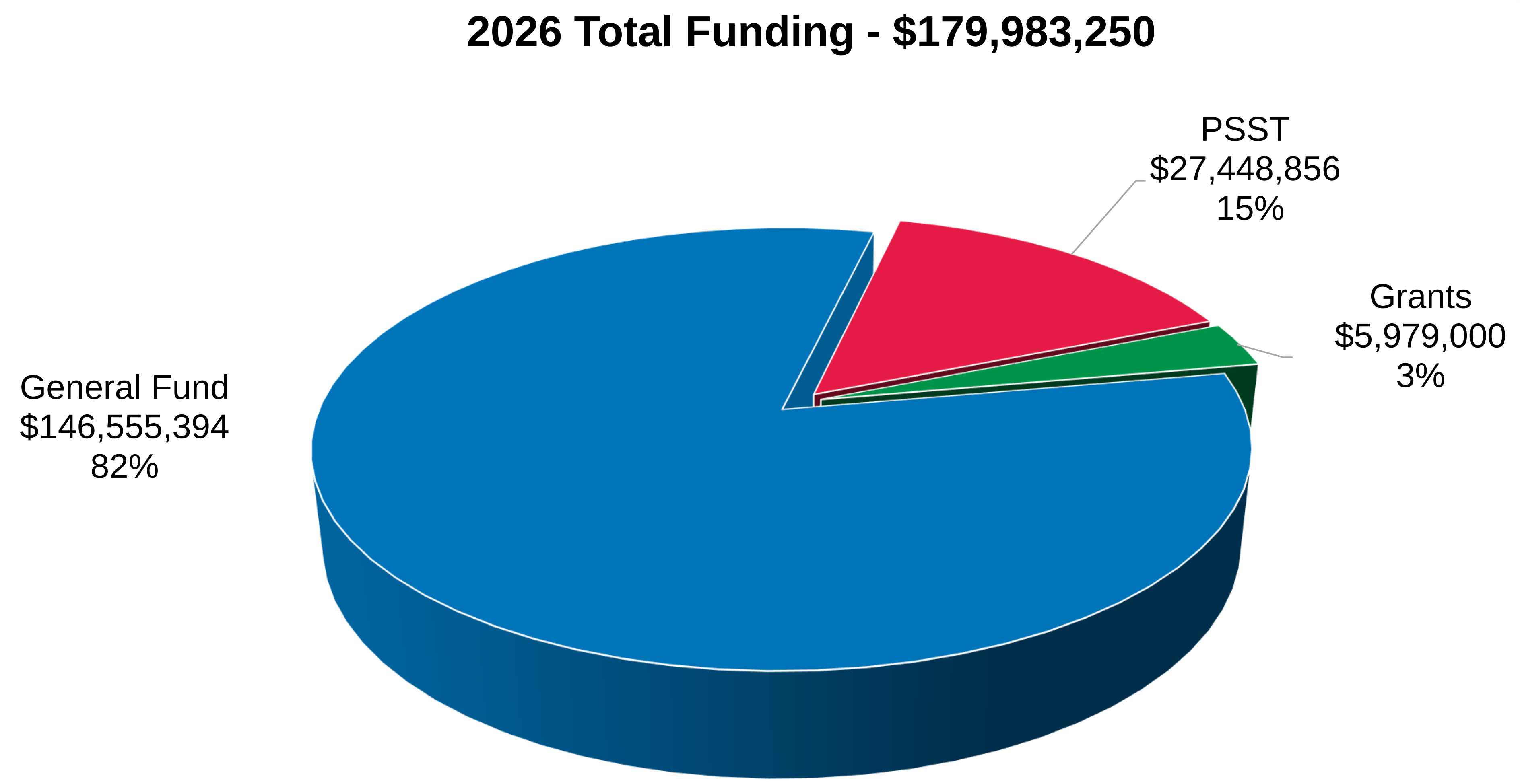
Position Changes

During 2025	General Fund	PSST
Transfer Civilian FTE to PSST	(0.25)	0.25
Transfer Police Officers from Airport	3.00	0.00
Eliminate Photo Enforcement Technician	(1.00)	0.00
Reallocated Senior Business Manager position to Civilian Deputy Chief	0.00	1.00
For 2026	**General Fund**	**PSST**
Transfer Civilian FTE to Support Services – Fleet/Facilities Consolidation	(2.00)	(4.75)
Transfer Civilian FTE to PSST	(5.00)	5.00
Unfunded Positions	**General Fund**	**PSST**
Civilian	8.00	5.75

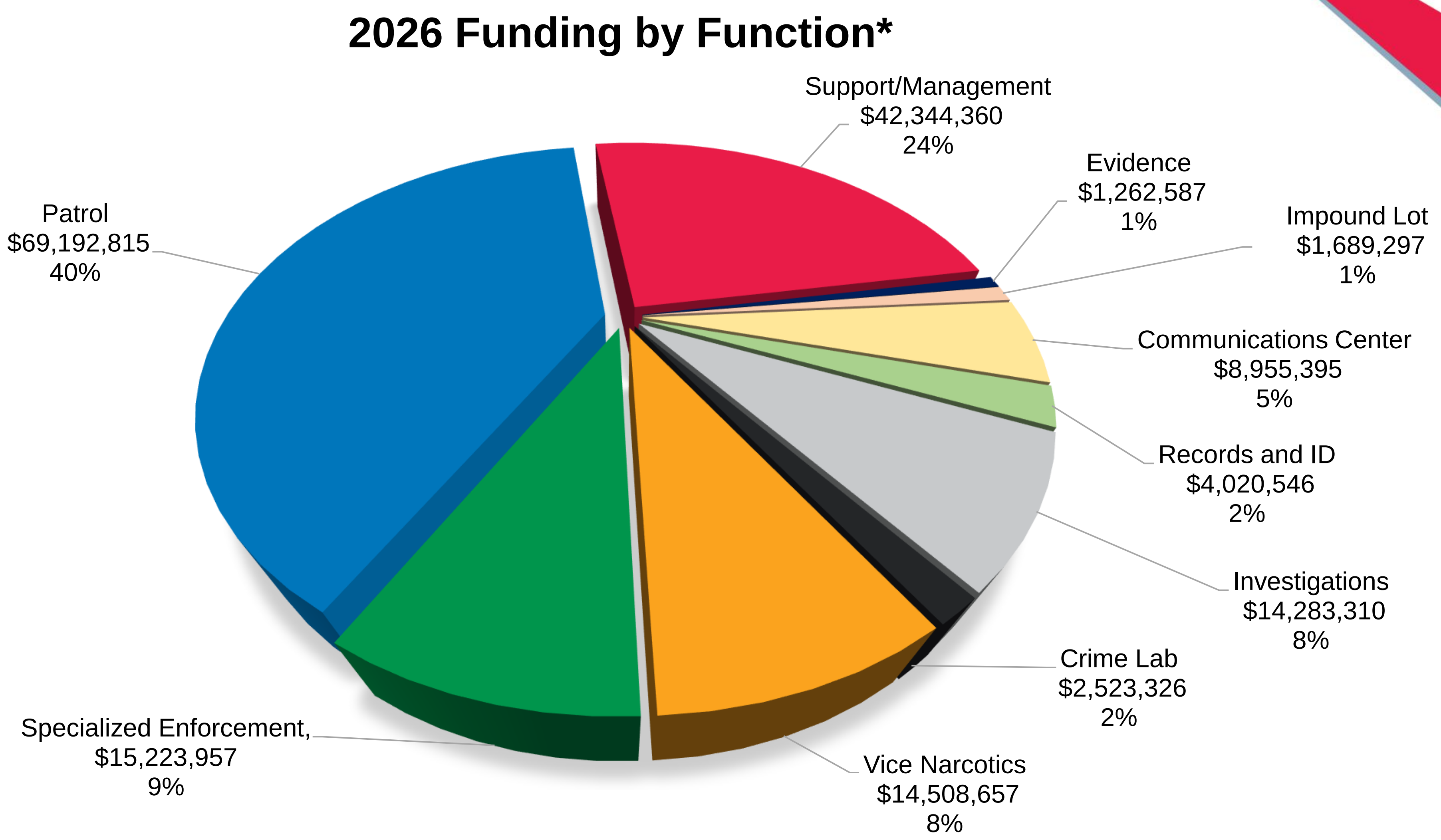
POLICE


All Funds History
$172.1M
$173.6M
$179.9M
200,000,000
180,000,000
160,000,000
140,000,000
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
0
2024 Actual
2025 Amended Budget
2026 Budget
Grants
PSST
General Fund

POLICE


2026 Total Funding - $179,983,250
PSST
$27,448,856
15%
Grants
$5,979,000
3%
General Fund
$146,555,394
82%

POLICE



* Does not include grant funding or CIP

POLICE

Budget Changes

For 2026	General Fund	PSST
Net change to fund existing positions	$4,629,295	$601,410
Increase to fund step progressions, and pay progressions for civilian staff	1,663,109	338,541
Contractual increases (medical cost increases, contractual obligations)	2,525,047	169,623
Removal of temporary budget reductions	3,833,760	0
Planned civilian furloughs (excluding 911 call center)	(322,584)	(121,791)
Unfunded vacant positions	(703,504)	(530,316)
Planned future attrition	(529,245)	0
Delay of police academy	(2,982,611)	0
Other operating reductions and removal of one-time funding	(588,567)	(1,160,006)
Net transfer of positions to other departments or funds	(713,190)	47,951
Total	**$6,811,510**	**($654,588)**

POLICE

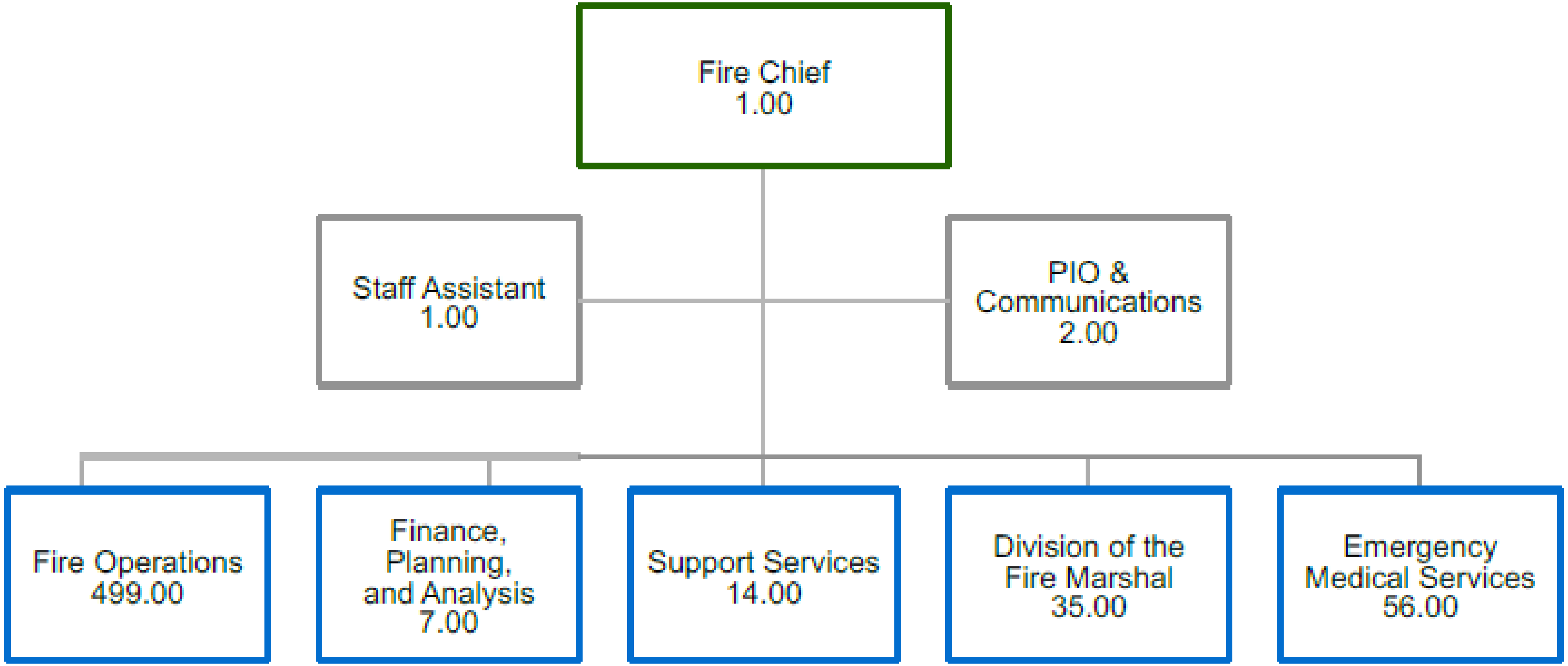
2026 Department Priorities

- Staffing
- Technology
- Alternative fees
- Balancing public safety and community sense of safety

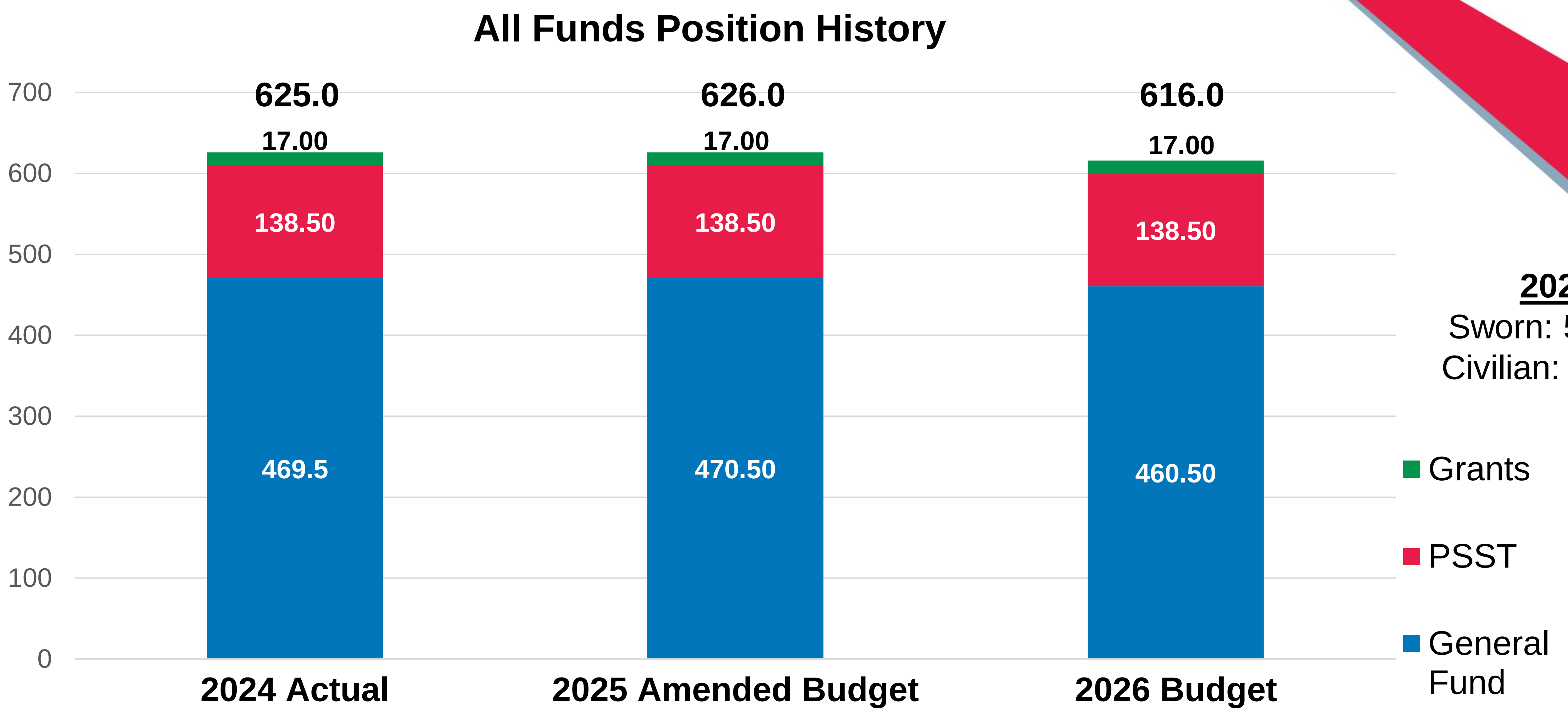
FIRE DEPARTMENT

Randy Royal, Fire Chief

FIRE DEPARTMENT – ORGANIZATIONAL CHART



FIRE



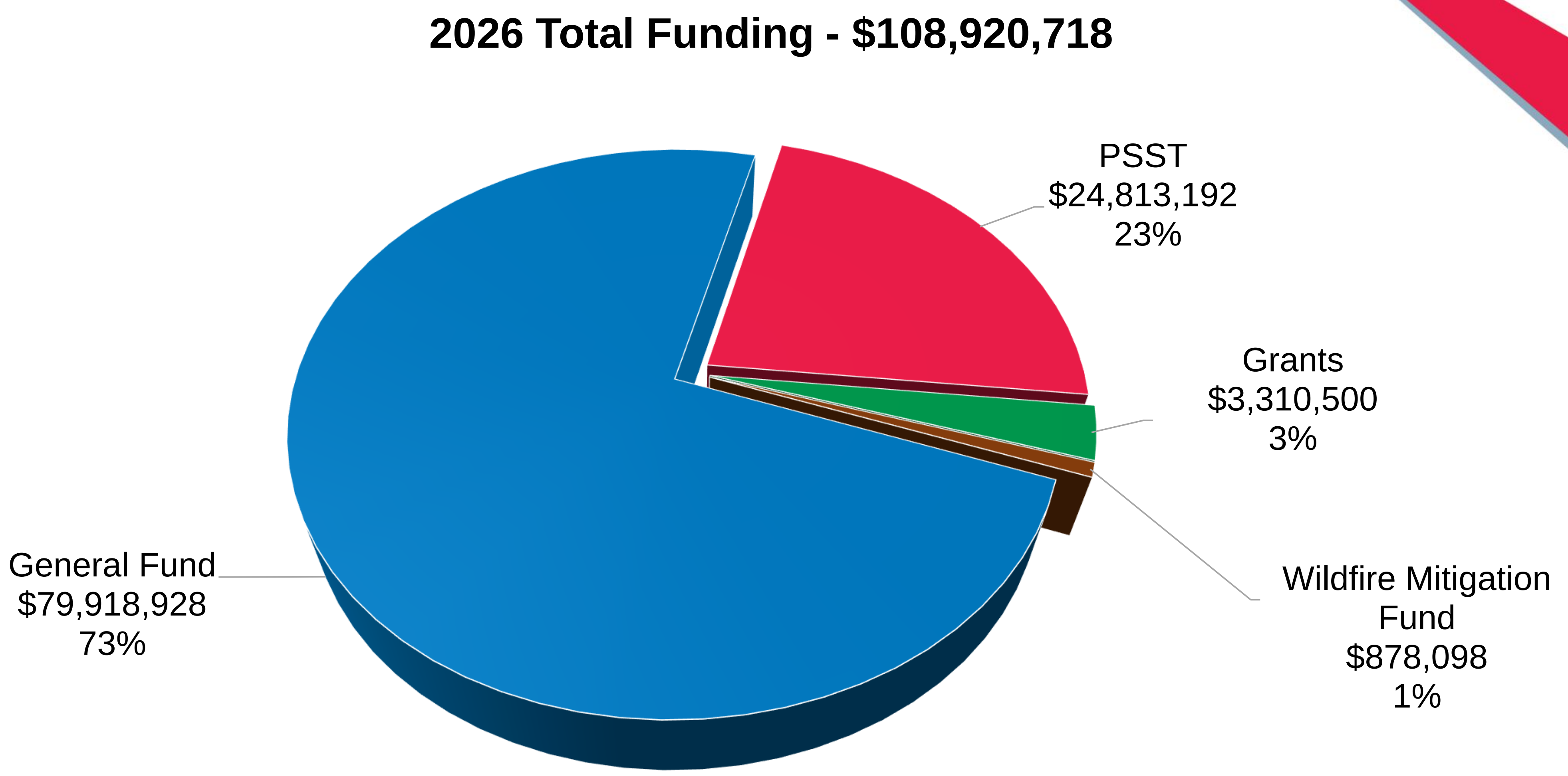
2026
Sworn: 516.00
Civilian: 100.00

FIRE

Position Changes

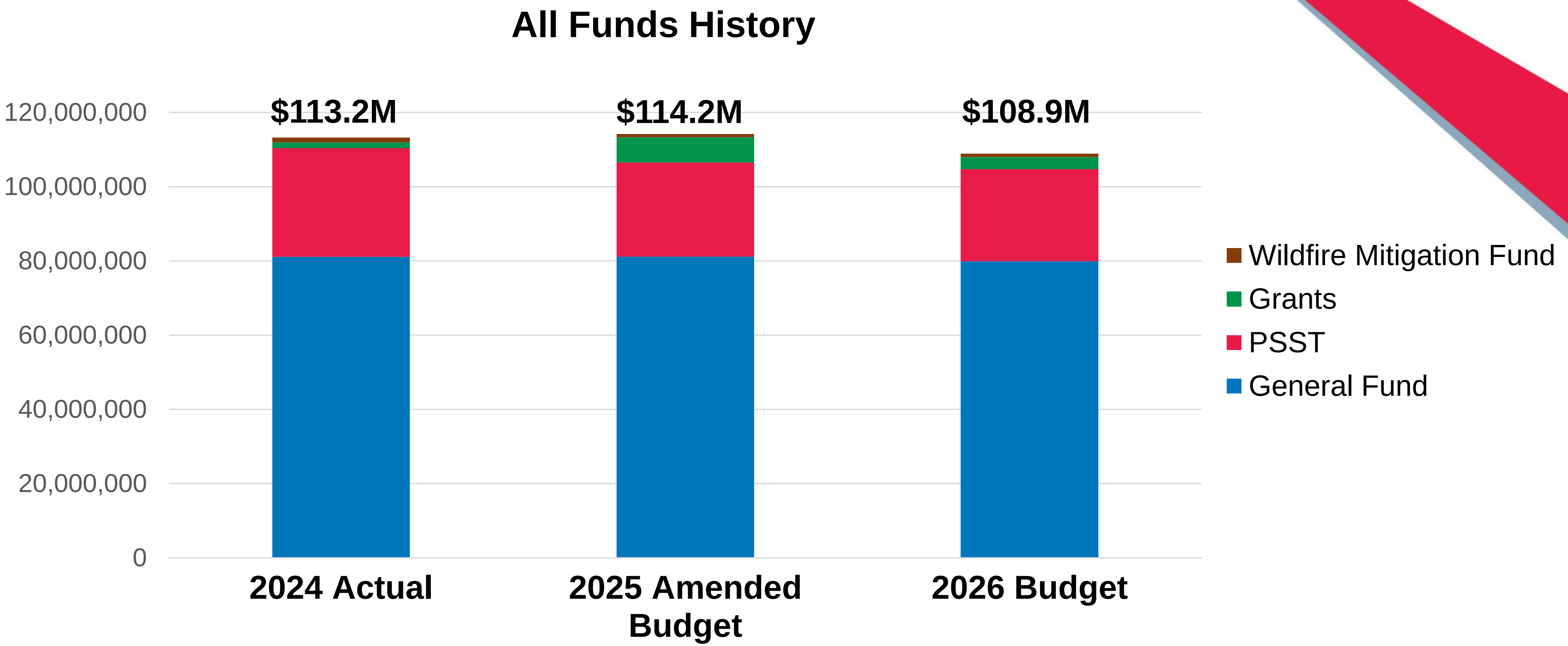
For 2026	General Fund	PSST
Transfer Civilian FTE to Support Services – Fleet/Facilities Consolidation	(3.50)	(5.50)
Transfer Civilian FTE to PSST	(6.50)	6.50
Eliminate Civilian FTE	0.00	(1.00)
Unfunded Positions	**General Fund**	**PSST**
Civilian	1.00	0.00

FIRE

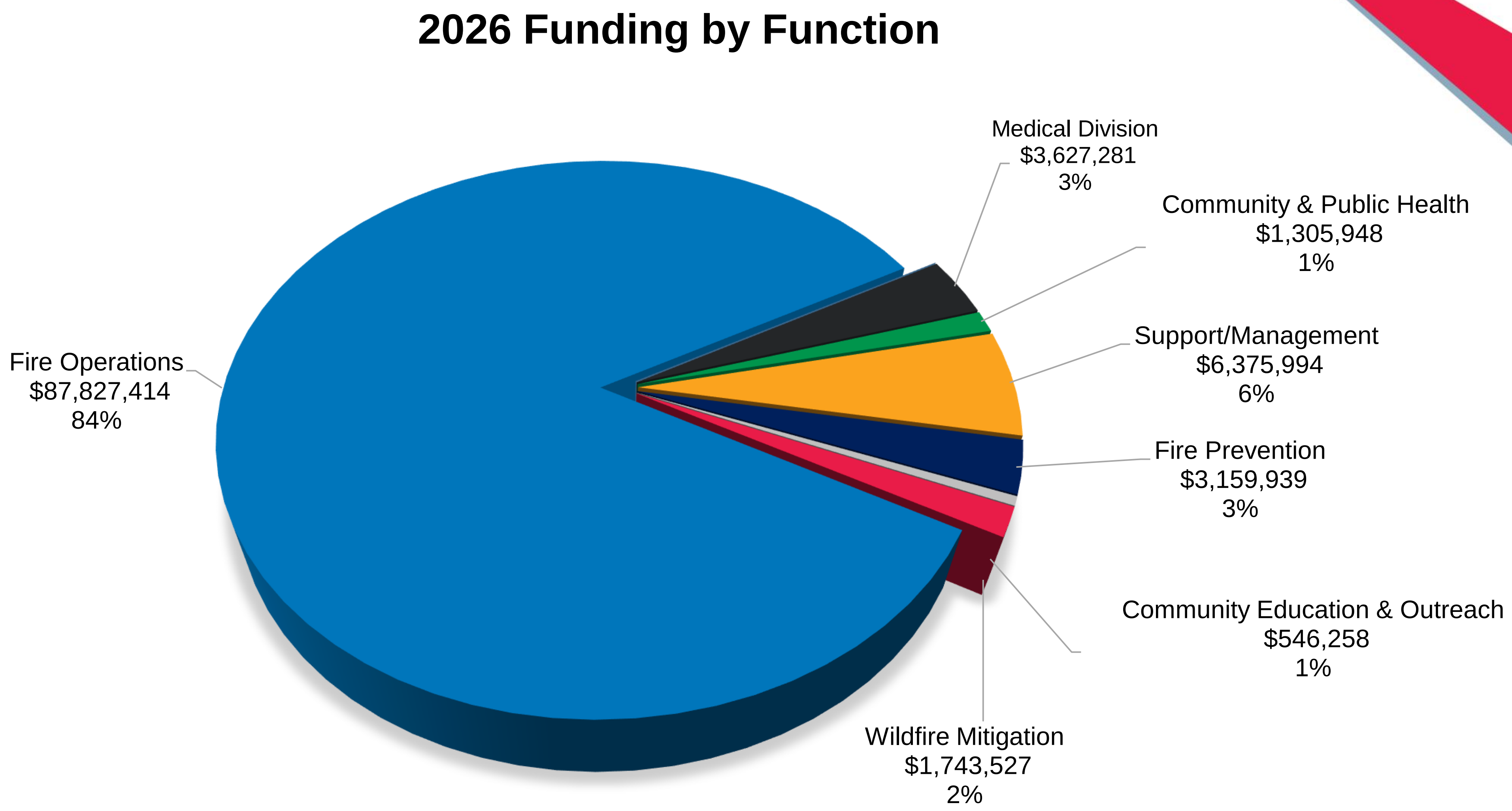


Budget Book Page: 195

FIRE


All Funds History
$113.2M
$114.2M
$108.9M
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
0
2024 Actual
2025 Amended Budget
2026 Budget
Wildfire Mitigation Fund
Grants
PSST
General Fund

FIRE


2026 Funding by Function
Medical Division
$3,627,281
3%
Community & Public Health
$1,305,948
1%
Support/Management
$6,375,994
6%
Fire Prevention
$3,159,939
3%
Community Education & Outreach
$546,258
1%
Wildfire Mitigation
$1,743,527
2%
Fire Operations
$87,827,414
84%

FIRE

Budget Changes

For 2026	General Fund	PSST
Net change to fund existing positions	$677,153	$498,749
Increase to fund step progressions, and pay progressions for civilian staff	677,781	199,816
Contractual increases (medical cost increases, contractual obligations)	543,234	147,494
Removal of temporary budget reductions	1,725,120	0
Planned civilian furloughs	(138,606)	(72,980)
Unfunded vacant positions	(63,445)	0
Civilian position elimination	0	(111,012)
Planned future attrition	(119,270)	0
Removal of 2026 Training Academy	(1,605,779)	0
Decrease in funding for operating and capital outlay	0	(1,368,644)
Decrease in capital improvement project funding	(1,868,607)	0
Net transfer of positions to/from other departments or funds	(1,068,211)	114,336
Total	**($1,240,630)**	**($592,241)**

FIRE PRIORITIES

- Priorities
  - Keeping up with City growth, adding infrastructure and apparatus
  - Staffing (sworn and civilian) - Retaining and attracting top talent
  - Advancing the Tiered Response model and creating sustainability
  - Wildfire Response - operational collaborations and deployments, mitigation efforts, community education
  - Health and Wellness initiatives - investing in our most important assets

- On Going Community Collaborations
  - Whole Blood Program
  - Qwake Technology
  - Drone Program
  - Heads Up CPR

- The Colorado Springs Fire Department provides fire, emergency and prevention services with professionalism, compassion and excellence

Agenda

2026 Budget - City Council Work Session October 15, 2025 | City Council Chambers			
9:00am - 11:45am	**Duration**	**Begin**	**End**
Overview	60 min	9:00	10:00
Break	15 min	10:00	10:15
Police	45 min	10:15	11:00
Fire	45 min	11:00	11:45
Lunch	75 min	11:45	1:00
1:00pm - 3:15pm			
Parks, Recreation and Cultural Services	45 min	1:00	1:45
Break	15 min	1:45	2:00
Public Works	45 min	2:00	2:45
Wrap-up	30 min	2:45	3:15