



2025 Budget Overview

October 28, 2024

Agenda

- 2025 Budget Priority Areas
- October Revisions
- Economic and General Fund Highlights
- Next Steps



2025 Budget Priorities

Our 2025 budget is centered on building a more vibrant, more affordable, and safer Denver for all.

- **VIBRANT DENVER:** Revitalizing downtown and opening 16th Street Mall
- **AFFORDABLE DENVER:** Increasing workforce housing and reducing street homelessness
- **SAFE DENVER:** Increasing officers and decreasing crime
- Reducing spending on newcomers and homelessness
- New focus on **CLIMATE** and **YOUTH**
- Reducing the size and slowing the growth of government:
 - The city budget will grow just 0.6% — the slowest rate of growth in 14 years
 - A net decrease of FTE in the General Fund for the first time in over a decade

City Council Priorities Reflected in the Initial 2025 Budget (September)

- ✓ TRUA
- ✓ Workforce Development
- ✓ Place Network Investigations/Lighting
- ✓ Office of Community Empowerment
- ✓ STAR
- ✓ Office of Neighborhood Safety
- ✓ AID Center
- ✓ Participatory Budgeting
- ✓ BIO Fund
- ✓ Disparity Study (DEDO)
- ✓ Green Jobs
- ✓ Green corridors and tree planting (CASR)
- ✓ Environmental Justice Support Fund (CASR)
- ✓ Climate/electrification grants and rebates for residents and small businesses
- ✓ Youth Violence Prevention
- ✓ Childcare availability
- ✓ Growth plan for afterschool programming
- ✓ Child Friendly Cities Initiative
- ✓ Safer streets for pedestrians
- ✓ Safe routes to school

October Revisions

Additional funding for

- Rental assistance
- Small business support
- Youth programs
- Residential public health inspections
- Safer street initiatives

Able to use existing resources for

- Food justice planning effort
- Photoradar hiring
- Newcomer program changes
- WorkReady capacity
- Language access planning

Present Situation and Short-Term Outlook

Optimistic Signals

- **Revenue:** recent deceleration, but remains resilient
- **Inflation:** expected to remain ~2.6% in 2024, decreasing to ~2% next year
- **Wages:** signs of modest real growth

Risks

- **Affordable Housing:** need outpacing stock
- **Labor Market:** rising unemployment rate, contraction in labor force
- **Energy Prices:** volatility/sharp increase

Other cities experiencing similar challenges:

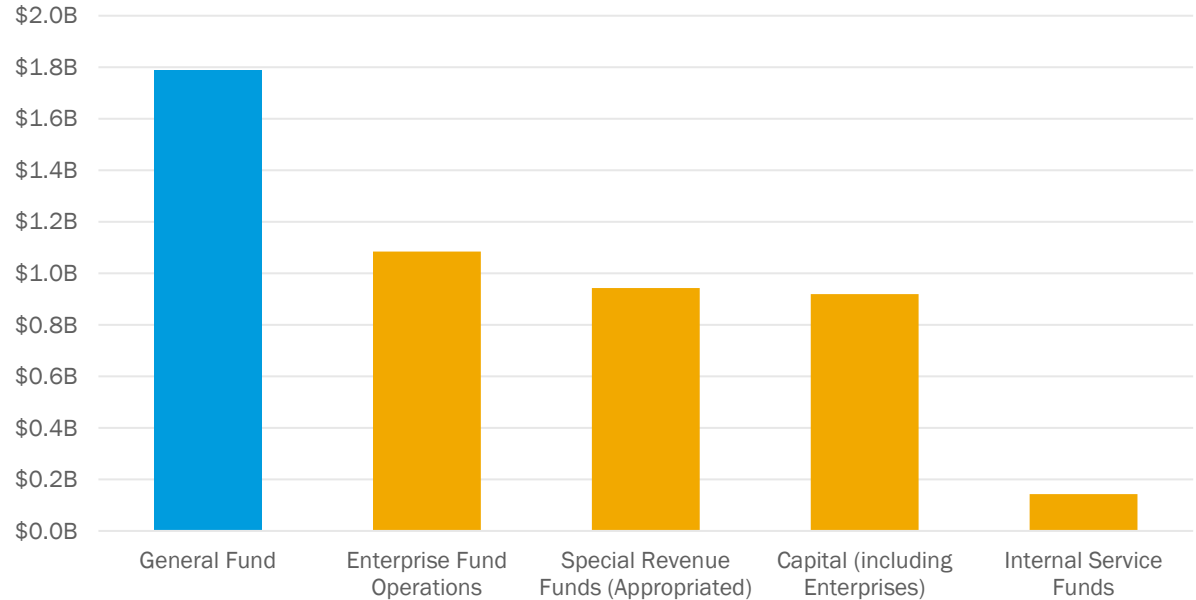
Seattle: [\\$260M budget gap](#) | **San Francisco:** [Reduced hiring](#) | **Los Angeles:** [2% budget cut](#) | **Chicago:** [Citywide hiring freeze](#)

Overview of All Appropriated Funds

Total City
Budget

Net of Duplications and Transfers

\$4.4B



Note: Does not include debt funds, bonds, cash basis special revenue funds, or grants nor any adjustments for estimated unspent appropriation.

General Fund Revenue Projections

2024 Revised Revenue

\$1.67B

- Reflects y/y increase of 2.3%
- Had projected 4.7% growth
- Revised downward compared to original forecast by \$34M
- Revision largely driven by flattening sales tax revenues

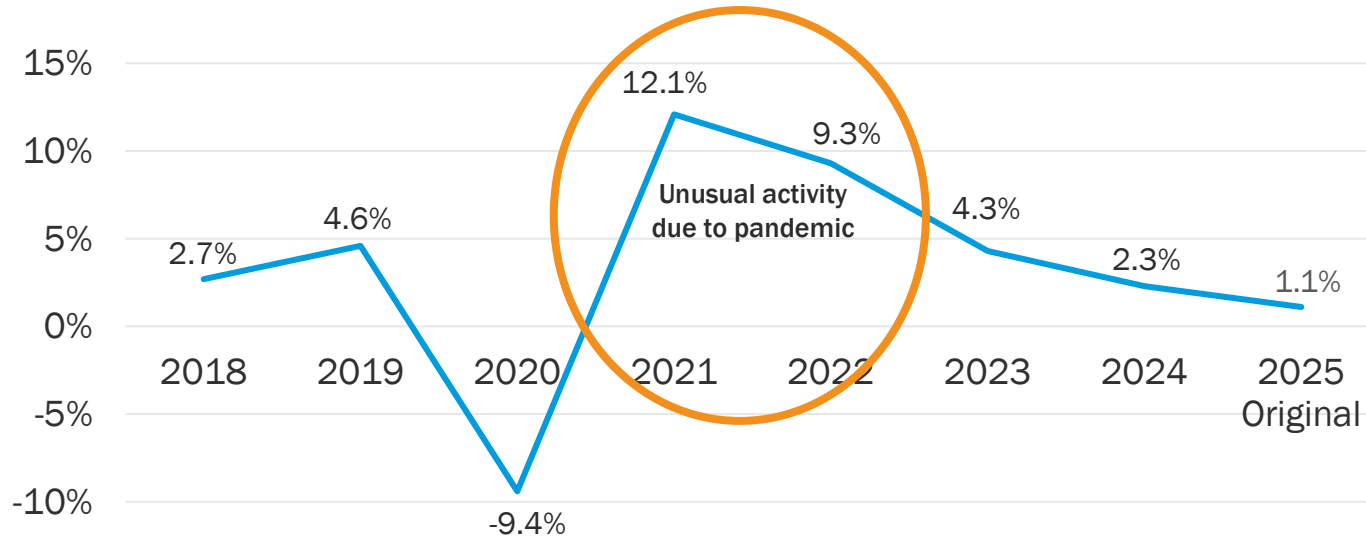
2025 Revenue Forecast

\$1.69B

- Reflects total y/y increase for natural revenue growth of 1.1%
- Adding one-time revenue would increase this to \$1.725B or 3.3%
- Average growth has been ~4%, which equates to nearly \$50M more in revenue

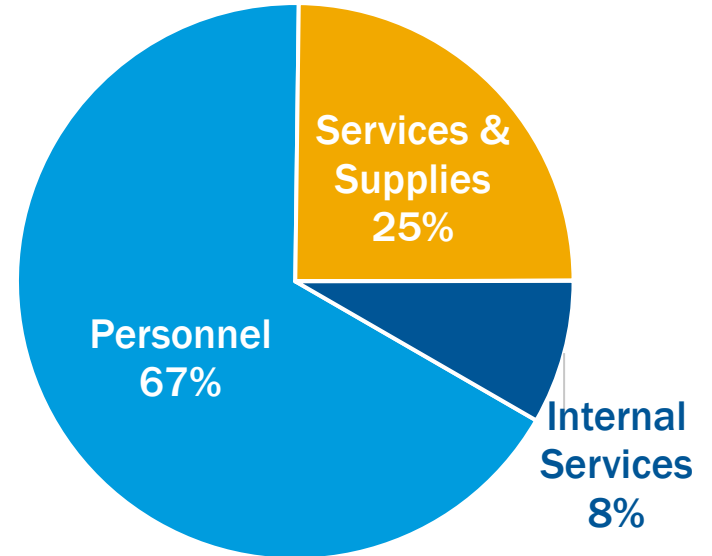
General Fund Revenue Growth

General Fund Revenue Growth Rates – Year Over Year



General Fund Expenditures

- 0.6% projected expenditure growth in 2025
- Note: personnel is two-thirds of the General Fund budget
- Increased vacancy savings for 2025
- Decreases in some services and supplies

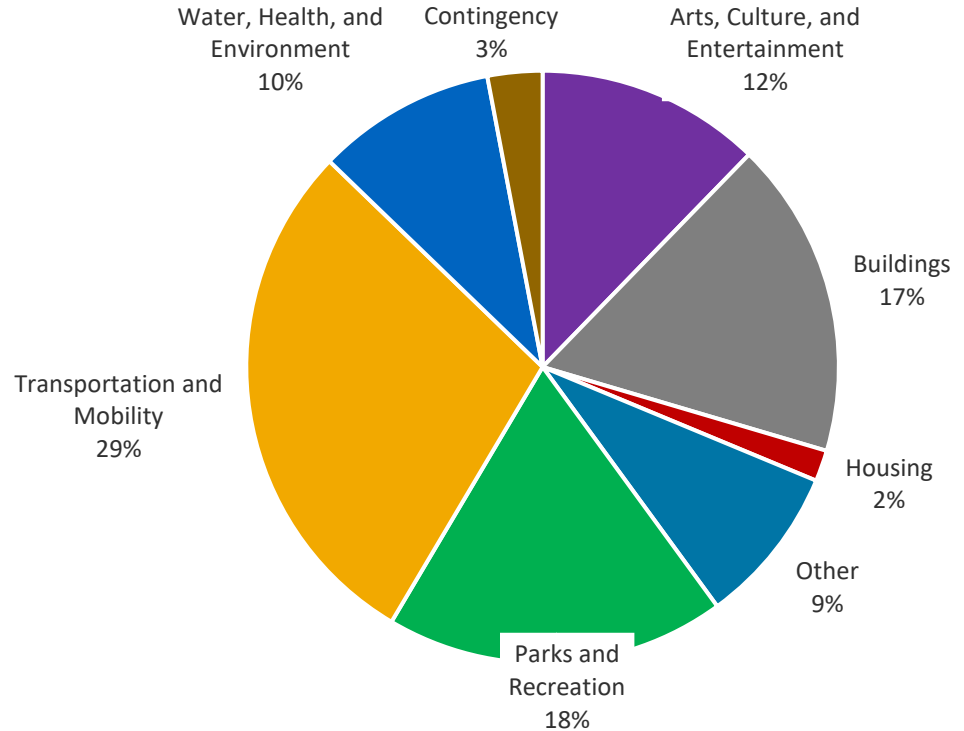


2025 Reserve Projections

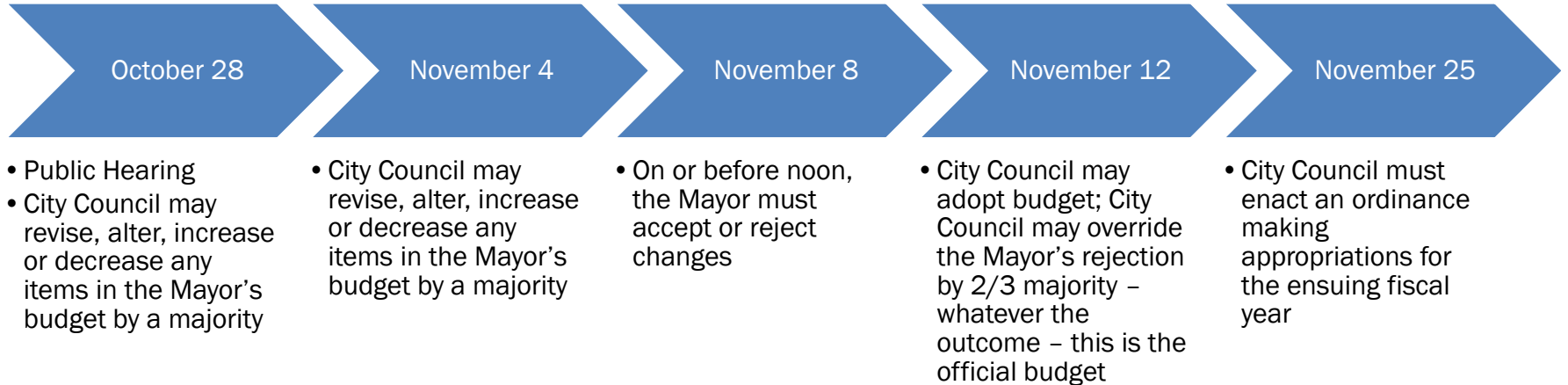
Undesignated Fund Balance	\$220 million 12.5% of projected expenditures
General Fund Contingency	\$34.2 million
Capital Improvement Program Contingency	\$8.9 million

2025 CIP Financial Summary

Resources	
Projected CIF Revenue	\$ 141,602,534
Projected Winter Park Revenue	\$ 6,071,267
Projected SCFD Revenue	\$ 12,433,012
Projected Seat Tax Revenue	\$ 20,562,328
Transfer - Parks Legacy	\$ 35,128,998
Transfer - Climate Protection Fund	\$ 35,600,000
Transfer - Denver Public Library	\$ 7,600,000
Transfer - Transportation & Mobility SRF	\$ 1,600,000
Transfer - Denver Human Services	\$ 15,000,000
Transfer - General Fund Technology Improvements	\$ 12,732,685
Total	\$ 288,330,824
Net Use of Fund Balance	\$ 11,036,851
Total	\$ 299,367,675
Expenditures	
Arts, Culture, and Entertainment	\$ 36,739,331
Buildings	\$ 51,783,361
Housing	\$ 5,084,943
Other	\$ 26,032,685
Parks and Recreation	\$ 55,550,000
Transportation and Mobility	\$ 85,916,355
Water, Health, and Environment	\$ 29,300,000
Contingency	\$ 8,961,000
Total	\$ 299,367,675



Next Steps



Questions?

Thank you!

Appendix

Ensuring an Equity Lens on Budget Decisions

Office of Social Equity and Innovation (OSEI) involvement throughout budget process

Questions used to evaluate decisions:

- Whether the program serves internal customers or external customers (e.g., Denver residents/businesses)
- Whether the program is derived from feedback by community/stakeholders who will be impacted by the program
- Whether the program increases or decreases access to city services or opportunities for historically marginalized racial and ethnic communities, other structurally marginalized groups (e.g., older adults, people with disabilities, individuals with limited English proficiency, unhoused community members, LGBTQ community, and/or individuals living at/or below the federal poverty level), and/or city employees who are members of the historically and structurally marginalized communities
- Whether there is data to support that the program seeks to continue, increase, or decrease access, resources, and opportunities for historically marginalized communities and/or neighborhoods and/or to address rising workloads for city services
- Whether the program focuses resources toward specific Denver neighborhoods/communities or are citywide