

# Cañon City Realignment Analysis

Funding the Pool, Modernizing the City — Without New Taxes or Fees

## THE QUICK TAKE

This is a shortened version of the full Realignment Analysis. It contains the Executive Summary and a one-page picture of the total opportunity identified — both the four pillars of modernization and the additional areas surfaced during the review.

The full analysis runs 35 pages and is available at [canoncitybudgetreview.com](http://canoncitybudgetreview.com). This version is for citizens who want the essential picture before deciding whether to read more.

## Phil Lund

Mayor of Cañon City, Colorado

## EXECUTIVE SUMMARY

# The Assignment, the Plan, the Path

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## The Assignment

On April 28, 2026, the City Council asked the Mayor to return on June 1 with a plan to fund the operational piece of the proposed pool — approximately \$500,000 per year, beginning when the pool opens (anticipated 2028) — out of the existing city budget, without new taxes or new fees on residents or visitors.

This document is the response to that assignment. It does not advocate for any particular pool size, design, or scope. It addresses the operational funding question — and the broader modernization of city operations that makes sustainable funding possible.

## The Strategic Frame

Funding \$500,000 in pool operations is the immediate task. The structural conditions that make \$500,000 hard to find — sales tax that has flattened, costs that have grown faster than revenue, a fund balance approaching the policy floor — will continue to challenge the city for years if not addressed. The plan presented here addresses both the immediate requirement and the underlying conditions through four pillars of modernization.

## The Four Pillars of Modernization

- 1. Modernizing Legal Service Delivery**  
Move from outside-counsel-only to a hybrid in-house model, consistent with current practice in comparable Colorado municipalities.
- 2. Modernizing Development Services**  
Bring permitting, plan review, and inspection capacity to current standards through fee adjustment, process modernization, and potential intergovernmental partnership.
- 3. Modernizing Budget Discipline**  
Move from budget-based to actuals-informed spending, with renewed competitive procurement on long-running contracts and tighter alignment of budgets to actual experience.
- 4. Modernizing Economic Development**  
Move from passive to active partnership with the local commercial base, focused on activating vacant storefronts and properties across Cañon City's commercial districts.

EXECUTIVE SUMMARY (continued)

### The Combined Impact

At full implementation in FY 2029, the four pillars generate between **\$536,000 (conservative)** and **\$1,070,000 (aggressive)** in annual fiscal impact. The conservative scenario clears the \$500,000 pool operational requirement with a small cushion. The aggressive scenario produces meaningful surplus for General Fund stabilization.

<b>POOL REQUIREMENT</b> <b>\$500K</b> per year, beginning 2028	<b>PLAN DELIVERS</b> <b>\$536K –</b> <b>\$1.07M</b> per year, at full implementation	<b>SURPLUS AVAILABLE</b> <b>\$36K – \$570K</b> for General Fund stabilization
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### Multi-Year Trajectory

Under the do-nothing scenario, the General Fund balance reaches the 20.5% policy floor in FY 2027 and remains constrained at that level for the foreseeable future. Under the modernization plan, the balance stabilizes and begins to recover. Under the aggressive scenario, full reserve restoration is achievable within roughly seven to eight years of full implementation.

### Bond Market Considerations

The operational funding identified by this plan is the structural counterpart to the planned \$25 million construction bond issuance. The plan's design intentionally addresses bond market expectations: conservative assumptions, audited-actual basis where possible, multi-year projection consistent with bond amortization horizons, and substantive risk analysis. The plan does not require optimistic assumptions to clear the pool funding bar.

### A Community Partnership for Pool Access

Separately from the realignment, a Cañon City businessperson has approached the Mayor with a proposal to commit **\$100,000 annually** through a 501(c)(3) charitable organization to support pool access for citizens who would otherwise face financial barriers to using the facility. The contribution is additional to the city's operational commitment, dedicated to citizen access rather than budget offset. The city's path to fund operations does not depend on it; the community's ability to ensure broad citizen access does.

THE FULL OPPORTUNITY

## Numbers at a Glance

The realignment plan formally commits the city to the four pillars. The line-by-line review surfaced additional opportunities outside the pillars that are real but require further verification before being folded in. Both are shown below for transparency.

### The Four Pillars — The Formal Plan

	Conservative	Aggressive
<i>Pool Operational Requirement</i>	\$500,000	\$500,000
Pillar 1 — Modernizing legal services	\$130,000	\$240,000
Pillar 2 — Modernizing development services	\$50,000	\$130,000
Pillar 3 — Modernizing budget discipline	\$200,000	\$380,000
Pillar 4 — Modernizing economic development	\$156,000	\$320,000
<b>Total — Four Pillars at full implementation</b>	<b>\$536,000</b>	<b>\$1,070,000</b>
<b>Surplus over pool requirement</b>	<b>\$36,000</b>	<b>\$570,000</b>

### Additional Opportunities Identified — Beyond the Pillars

	Conservative	Aggressive
Software rationalization (citywide audit)	\$50,000	\$100,000
Contracted services review (departmental)	\$80,000	\$200,000
Property acquisition line — reexamination	\$200,000	\$400,000
Self-insurance / health benefits review	\$50,000	\$150,000
Membership, meal, and small-line review	\$13,000	\$23,000
Bonus / PTO buyback / deductible alignment	\$55,000	\$91,000
Use tax — revenue budgeting alignment	\$60,000	\$85,000
Other minor lines	\$30,000	\$50,000
<b>Subtotal — Additional opportunities</b>	<b>\$538,000</b>	<b>\$1,099,000</b>

### Combined Potential — Pillars Plus Additional

	Conservative	Aggressive
Four Pillars total	\$536,000	\$1,070,000
Additional opportunities total	\$538,000	\$1,099,000
<b>Combined potential</b>	<b>\$1,074,000</b>	<b>\$2,169,000</b>
<i>Less: pool operational requirement</i>	<i>(\$500,000)</i>	<i>(\$500,000)</i>
<b>Available for General Fund stabilization</b>	<b>\$574,000</b>	<b>\$1,669,000</b>

**How to read these tables.** The **Conservative column** is the planning basis — cautious assumptions, modest execution. This is what the realignment plan proposes to deliver. The **Aggressive column** is upside, not a promise. Some opportunities overlap (the Pillar 1 legal services figure also appears in the standalone legal review). The plan does not assume the city captures all of this.

### Read the Full Analysis. Submit a Comment.

The full Realignment Analysis runs 35 pages and contains the underlying data, methodology, and pillar-by-pillar detail behind the numbers in this summary. It is available at [canoncitybudgetreview.com](http://canoncitybudgetreview.com), where the public comment form is also live.

Comments may also be sent directly to [phil.lund@canoncity.gov](mailto:phil.lund@canoncity.gov). The comment window closes **Monday, May 25, 2026**. The final document is delivered to City Council on May 27 ahead of the June 1 Council meeting.

#### NOTICE

This document is the work of Phil Lund in his capacity as Mayor of Cañon City. It is not an official communication of the Cañon City government, the City Council, or city staff. The Realignment Analysis presented here is the Mayor's working draft, prepared for public review before being submitted to City Council. The City Council retains complete authority over what is adopted, modified, or rejected. This site is hosted independently and is not affiliated with [canoncity.org](http://canoncity.org), the official website of the City of Cañon City.