

2024 Budget in Brief



CITY OF ASPEN, COLORADO

Executive Summary

Revenues



Annual revenues (excluding internal transfers between funds) are projected to equal **\$159,723,526**. Roughly 60% of this total is expected from the City's various sources of taxation approved by voters; the remainder is largely from elective licenses and fees for services rendered.

Expenditures



Net expenditure authority approved by City Council across the 21 various funds within the City's budget equates to **\$154,211,611**. This includes \$102.2 million for operations, \$45.6 million for capital infrastructure and acquisitions and \$6.4 million for annual debt payments.

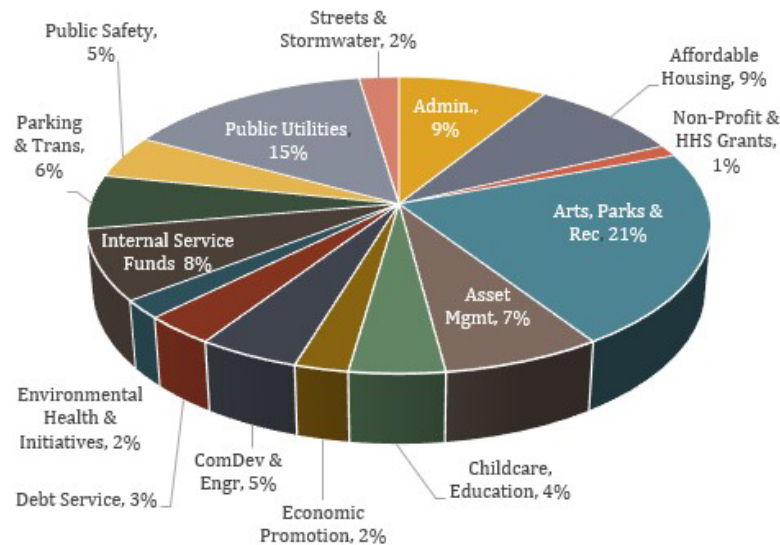
Reserves



If revenue collections and the spending plan were fully executed as noted above, aggregate reserves at the end of 2024 are projected to equal **\$254,164,578**. This is above the targeted reserve threshold outlined in the City's financial policies due in part to the timing of large capital projects that require years to complete.

To view the **complete** 2024 Adopted Budget (available after Jan. 31st), please visit: <https://www.aspen.gov/364/Finance-and-Purchasing>

2024 Appropriations By Category



Though its official population is close to ~7,000, the City of Aspen has a significant budget. The large spending package correlates to the vastness of services provided under the municipal umbrella, including: two City owned and operated utilities, programming at the historic Wheeler Opera House, subsidized childcare and affordable housing development for working families in the upper Roaring Fork Valley and no-fare transit throughout town. These, along with more traditional governmental services, are all managed to support the weight of a tourist economy that can grow to as much as 30,000+ visitors at a given period.

Revenues

Major Taxing Sources

Sales & Lodging Taxes - Aspen voters have approved various taxation measures to fund Community amenities such as parks and open space, no-fare transit services, subsidized childcare and education, affordable housing and tourism promotion. While some of these dedicated taxes have sunset dates associated with them and must be renewed by voters, others remain effective into perpetuity. The chart below depicts some of these taxes in aggregate, along with how they overlap the tax rates levied by other jurisdictions.

<i>Jurisdiction</i>	<i>Tax Rate Levied</i>
<i>City of Aspen Sales Tax</i>	<i>2.40%</i>
<i>Pitkin County Sales Tax</i>	<i>3.60%</i>
<i>RFTA Sales Tax</i>	<i>0.40%</i>
<i>State of Colorado Sales Tax</i>	<i>2.90%</i>
<i>Total Sales Tax</i>	<i>9.30%</i>

Aspen voters affirmed a new short-term rental (STR) tax in November 2022. This new tax authorized a 5% tax on all owner-occupied and lodge-exempt nightly stays, and 10% on all second homeowner property stays. Collections began in May 2023 and are in addition to the existing 2% lodging tax on all nightly stays, regardless of property type.

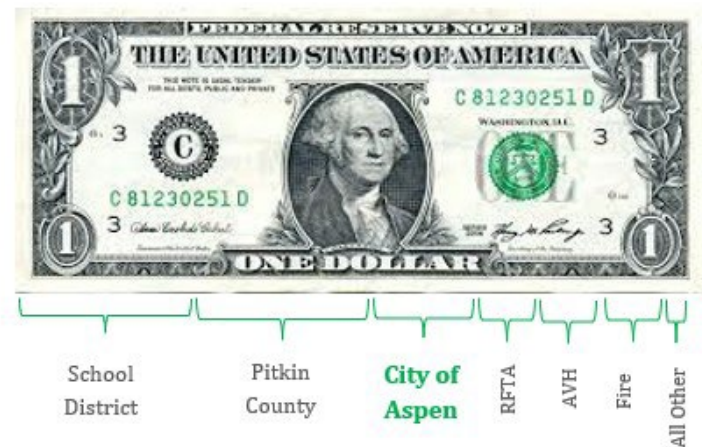
Real Estate Transfer Taxes - Aspen voters also adopted two separate real estate transfer taxes to support arts and culture and affordable housing development. These two taxes are unique in that they can no longer be established under the Colorado Taxpayer Bill of Rights (TABOR) and are grandfathered into existence.

<i>RETT</i>	<i>Tax Rate Levied</i>
<i>Affordable Housing RETT</i>	<i>1.00%</i>
<i>Arts and Culture RETT</i>	<i>0.50%</i>

Property Taxes – Unlike previously denoted tax sources, the City has voter approved discretionary authority in how it applies resources from its general-purpose property tax. This is the larger of two property taxes levied by the City with a maximum levy of 5.410 mills. The second levy of 0.650 mills, approved by voters in 2007, is wholly dedicated to the City's Clean River (Stormwater) program.

While the general-purpose mill levy is capped at 5.410 mills, the City has not applied this full levy against assessed values and has instead applied a "credit" on annual tax bills for property owners as a way to limit the overall revenue collection to the City's coffers. For 2023 property taxes (collected in calendar year 2024), the credit applied was 2.202 mills, reducing the applied general-purpose levy to just 3.208 mills.

The City is just one taxing jurisdiction within Aspen city limits, and as such, its property tax levy accounts for a small portion of a property owner's total property tax bill.

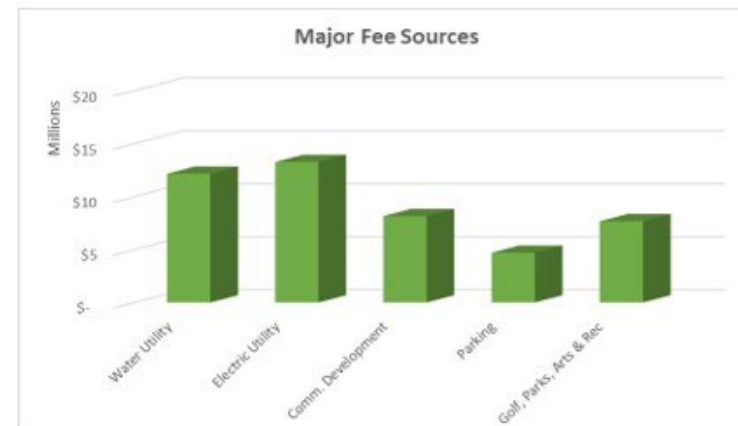


Other Taxes - Lesser taxes adopted by voters includes a dedicated use tax to support transit and a tax on tobacco products to discourage the use of tobacco by youth and to support increased mental health services for the Community.



Licensing, Fines and Fees

Charges for services across all City departments encompass a wide range of transactions, from arts, culture and recreational offerings to water and electric utility service, to regulatory approvals for commercial and residential development. Fees charged by the City are evaluated annually by the Council and changes are adopted under annual ordinance measures at the same time the City budget is reviewed.



Expenditures

Budget Development

The City's annual budgeting process commences in February, roughly ten months prior to an effective date of a new spending plan. This effort requires engagement with internal departments, external advisory boards and ultimately the public. While the adopted budget is only for approval authority in the next calendar year, it is important to note that the City's planning process includes 5- and 10-year outlook horizons for future capital needs to ensure long-term financial health.

Budget Breakdown

	2024 Budget
<i>Wages & Benefits</i>	<i>\$52,406,947</i>
<i>Purchased Services</i>	<i>\$41,466,044</i>
<i>Materials & Supplies</i>	<i>\$3,836,111</i>
<i>Capital Projects & Maintenance</i>	<i>\$45,638,230</i>
<i>Annual Debt Payments</i>	<i>\$6,410,370</i>
<i>Other Outflows</i>	<i>\$4,453,909</i>
Net Appropriations	\$154,211,611
<i>Internal Transfers</i>	<i>\$31,309,050</i>
Total Appropriations	\$185,520,661

DATE January 1, 2024	
PAY TO THE ORDER OF Aspen Community	\$ 154,211,611
One Hundred Fifty-Four Million, Two Hundred Eleven Thousand, Six Hundred Eleven DOLLARS	
FOR Annual 2024 Budget	City Council
<small> ⑆0⑆23456789⑆ ⑆0⑆234567890⑆2⑆ 100⑆ </small>	

The City's budgeting process assumes a continuation-based funding model whereby prior year's appropriations, plus an inflationary increase, is assumed as the starting point for the next year's spending plan. If these base level resources are not sufficient to deliver the expected service levels desired by the Community, or if new regulations are adopted and/or new programs established, then staff submits "supplemental" requests as part of the annual budget for Council to consider supporting. These requests, plus capital investments, are generally the drivers for fluctuation in the City's annual budget.

2024 Focus on Council Goals

Affordable Housing – The 2024 budget includes significant resources to support the planning and future development of affordable housing in the coming year, with \$14.25 million set aside for the implementation of Phase 0 of the new Lumberyard affordable housing project. This will bring our community closer to the development of 277 additional units and step closer to creating improved stability for the local workforce.



Community Building and Health – Council has approved \$920,000 to further develop the long-term plan for a remodeled Armory building that is reflective of community desires.

Prioritize Infrastructure and Maintenance for Aging Facilities – The budget prioritizes and supports maintaining City assets in 2024 through multiple capital projects, including: \$3.8 million for the preservation of the historic Powerhouse building, \$3.6 million for water treatment facility improvements, \$2.6 million for electrical grid circuit replacement, and \$1.5 million for stormwater/sewer improvements.



Protect Our Environment – Investments into environmental stewardship are highlighted through electric and hybrid vehicle replacements within the City's fleet and by the \$450,000 capital energy efficiency project at the Animal Shelter. The City is also upgrading the monitoring of our air quality, adding visuals through a web cam in addition to the current pollution monitoring efforts. This real-time visibility of current conditions will join air quality measurement metrics like ground level ozone and coarse and fine particulate matter, displayed at www.AspenAirQuality.com.

Mobility – The 2024 budget includes significant mobility improvements with an initial \$300,000 for improved parking management in the core business district, \$776,000 for various pedestrian connectivity and ADA improvements, and a \$640,000 investment in replacement of rolling capital for transportation.

Supplemental Increases

Supplemental requests approved in the 2024 budget increased net appropriations by **\$3,013,200**, or 3.0% of the overall annual spending plan. These requests were considered for inclusion in the budget only after careful consideration by the Council and with the intent to address areas of specific concern. Major elements within this package include:

- \$669,800 in new funding towards affordable housing initiatives
- \$432,900 in increased support for arts, recreation, and parks & open space
- \$381,380 for environmental initiatives, including the City's Building IQ program
- \$75,000 in additional grant funding capacity
- \$48,000 for transportation improvements, for Rubey Park property management services
- \$1,406,120 across the organization in support of City Council goals, operational efficiencies, and improved services to the City of Aspen.



Debt Obligations

The City of Aspen is a home rule city under the laws of the State of Colorado. As such, debt issuance is limited by the terms provided under the City of Aspen municipal charter, which caps indebtedness to a maximum of 20% of the assessed value of properties within Aspen city limits. With current property values exceeding \$30 billion, this limiting threshold is well above the intentions of Council.

On December 21, 2021, the City of Aspen received a Aaa rating, the highest credit rating possible, by Moody's Investors Services. This rating was based on a broad recognition of the City's strong financial policies, robust reserves and an economy that has transitioned from a winter-dominate to year-round environment.

Existing Debt

As of January 1, 2024, the City of Aspen has \$50.6 million in outstanding principal debt to repay. By dollar value, these issuances can be categorized to largely support one of three efforts: Parks & Open Space acquisitions and operations, a new police department and new City Hall.



Mission Statement

To engage with positive civil dialogue, provide the highest quality innovative and efficient municipal services, steward the natural environment, and support a healthy and sustainable community for the benefit of future generations with respect for the work of our predecessors.



City Council



John Doyle (Mayor Pro Tem), Sam Rose, Torre (Mayor); Ward Hauenstein, Bill Guth