

2026 Budget In Brief



City of Aspen, Colorado

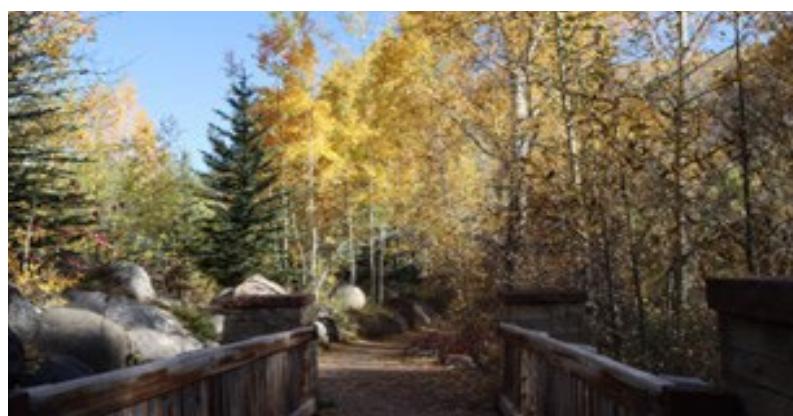
Budget In Brief

The City of Aspen creates a budget in brief document each year, with printed copies of the pamphlet available in City Hall and a digital copy available on our public-facing website, Aspen.gov.

Budget Development

The City's annual budgeting process commences in March, roughly nine 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 for 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.

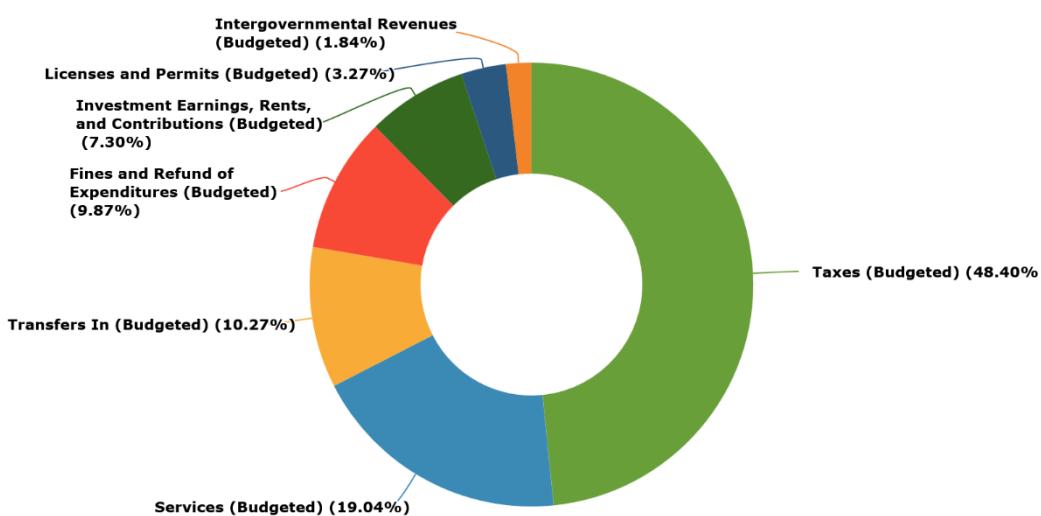
The City's budgeting process assumes a continuation-based funding model whereby prior year's appropriations, plus an inflationary increase, is assumed as the starting point for the next year's spending plan. If these base level resources are not sufficient to deliver the expected service levels desired 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 of fluctuations in the City's annual budget.



Revenues

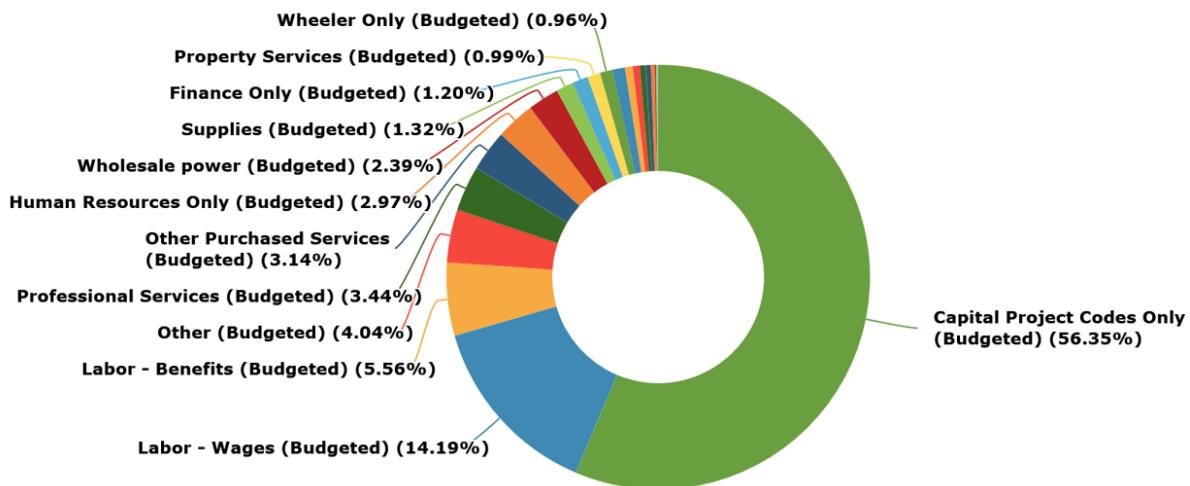
Taxes make up roughly half of the City's overall revenue receipts. The majority of these sources have voter approval that mandate specific application of the collected funds, including transportation, stormwater, affordable housing, childcare, education, and parks and open space. The two taxing sources with a broad allowance are limited to the City's general purpose property tax and the City's share of the Pitkin County 2.0% sales tax – these tax revenues are generally applied to cost centers that do not have revenue generation, such as administrative overhead departments, policing functions, streets management, and asset / engineering functions beyond development review services, and towards maintenance of city buildings and infrastructure.

Annual revenues are projected to equal **\$230,382,150**. Roughly 50% 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

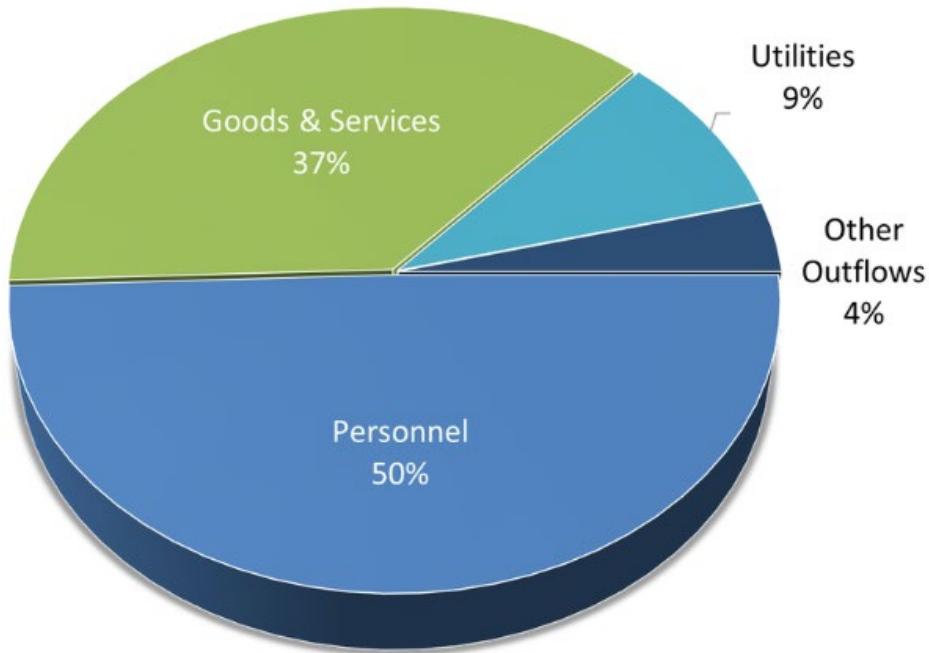
The 2026 Net expenditure authority across the 21 various funds within the City's budget equates to **\$296,438,343**. This includes \$121.6 million for operations, \$171.2 million for capital, and \$3.7 million for annual debt payments.



Operating Expenditures

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.

2026 operating expenses total **\$121,588,623**. Wages & Benefits or Personnel make up 50% of the total operating expenses at \$59,822,735. Goods & Services equate to 37% or \$45,673,610. Utilities make up 9% of the operating budget at \$11,322,221. All other outflows make up 4% of the 2026 operating budget at \$4,770,057.



Capital Expenditures

Capital Expenditures for 2026 total **\$171,198,250**. This is an almost 200% increase over the adopted 2025 budget.

This increase is driven by three generational projects:

- Lumberyard Affordable Housing, beginning vertical construction, with \$110M budgeted in 2026.
- Armory Building renovation, with construction slated to begin in late 2026 at \$13M.
- Water Treatment Plant renovation includes the ordering of long lead equipment in 2026, as well as planned construction start in late 2026 at \$15M.

These three major projects total 80% of the planned 2026 capital budget and will drive capital over the next several years.

Supplemental Requests

2026 Supplemental Requests total **\$7,812,599** or 3% of the overall annual spending plan. The operating budget (highlighted above) includes all new supplemental requests. These requests were considered for inclusion in the budget only after careful vetting by the City Manager and presentation to Council, with the intent to address areas of specific concern. Major elements within this package include:

- \$2,850,683 in increased support for Arts & Culture.
- \$1,378,431 for community building support such as the regional 911 communications center & Health & Human Services grant funding capacity increases.
- \$450,000 across the city for software and a cybersecurity audit in multiple departments.
- \$325,000 in support of Affordable Housing initiatives and mandated fee review.
- \$296,123 for Parks, Golf, & Recreation.
- \$1,088,413 for environmental initiatives, including the City's Building IQ program.
- \$1,423,949 for both internal and external initiatives centered around a customer-focused government and exceptional delivery of services.



Debt Obligations and Existing Debt

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.

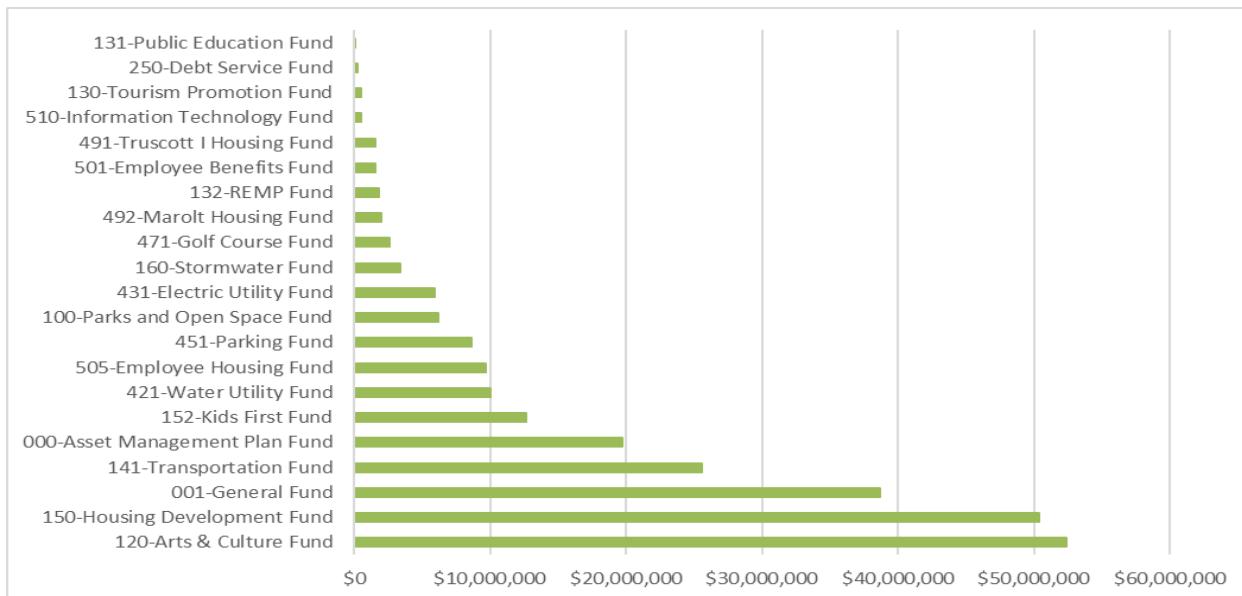
On December 21, 2021, the City of Aspen received a Aaa rating, the highest credit rating possible, by Moody's Investors Services. This rating was based on a broad recognition of the City's strong financial policies, robust reserves and an economy that has transitioned from a winter-dominated to year-round environment. On September 19, 2024, the City's outstanding sales tax bonds were also upgraded to Aaa rated.

As of January 1, 2026, the City of Aspen has **\$42.4** million in outstanding principal debt to repay. 2026 scheduled principal and interest payments total **\$3.65** million. 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.



Reserves

If revenue collections and the spending plan for 2026 were fully executed as noted above, aggregate reserves at the end of the fiscal year are projected to equal **\$254,181,570**. 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.



Focus on Council Goals

In May 2025, the Aspen City Council adopted new 2025-2027 Council Goals & Priority Projects.

The 2026 budget is a reflection of Council's priorities.

- Armory Hall: \$13M for year 1 construction and renovation
- Lumberyard Affordable Housing: \$110M for start of vertical construction
- Entrance to Aspen: Re-evaluation study approved in 2025 will continue through 2026
- Early Childhood Education: \$0.6M in new supplemental funding to increase financial aid and teacher wage subsidy program expansions
- Resource & Infrastructure Resilience: \$171.1M capital budget in 2026, of which \$16M is for city infrastructure improvements; supplemental request for additional operating support of the regional 911 communications center
- Traffic Flow & Congestion Relief: Expected delivery of new electric bus and new cross-town shuttles; Additional investment in bike share program; intersection and multimodal transportation improvement projects including Main St. and Cemetery Lane.

COUNCIL GOALS

 Early childhood education programmatic enhancement and optimization

 Resource and infrastructure resilience, including fire safety

 Traffic flow/congestion relief

COUNCIL PRIORITY PROJECTS

