Introduction

Municipal budgets serve a number of important functions. In addition to laying out a spending plan for the city, allocating resources to meet the diverse needs of the community, Boulder’s budget:

• Is a principal policy and management tool for the city’s administration, reflecting and defining the annual work program;
• Provides a framework for the city to accomplish its vision: “service excellence for an inspired future”; and
• Reflects core city values of customer service, respect, integrity, collaboration, and innovation.

This Budget in Brief provides information about the city, along with information about the budget process, revenues, expenditures, and city programs and services. It is intended to provide an accessible, transparent way of learning about the city budget, while accurately showing how the city invests its resources.

BUDGET PROCESS

The city’s fiscal year runs in tandem with the calendar year (January 1 to December 31). The budget development timeline is established by the City of Boulder charter and the process is designed to allow for early and active City Council participation with an emphasis on public input. Although the budget is developed throughout the year, the majority of the effort occurs between February and October, with the budget for the coming fiscal year adopted December 1 per the city charter.

Once the budget is adopted, departments are given full spending authority for their budgets within the parameters of the city’s policy guidelines. In years where new initiatives are launched and other unique circumstances become apparent after annual budget approval, additional adjustments to the base may be brought forward for council consideration.

GET INVOLVED!

Good public processes and engagement are essential to fostering an effective and responsive city government, and the budget process is no exception. Throughout the year, there are multiple opportunities and venues for citizens to get involved in the budget process, including City Council meetings, study sessions, as well as advisory board meetings (including, but not limited to, the Parks & Recreation Advisory Board, Water Resources Advisory Board, Transportation Advisory Board, and Planning Board). To learn more about the city’s engagement strategic framework and view a calendar of upcoming opportunities to get involved, visit: https://bouldercolorado.gov/engage.

We also invite you to connect with us:
Facebook: https://www.facebook.com/bouldercolorado.gov/
Twitter: @bouldercolorado
Instagram: @bouldergov

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<tr>
<th>Jan</th>
<th>Feb</th>
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<tr>
<td>Prior Year Budget Update and Revenue Outlook</td>
<td>Council Budget Study Session and Revenue Update</td>
<td>First Budget Supplemental</td>
<td>Council Review of Revenue and Ballot Issues</td>
<td>Council Budget Hearings and Public Input</td>
<td>Statutory Deadline for Adopting the Annual Budget</td>
<td>* Deadline for Adopting the Annual Budget</td>
<td>Second Budget Supplemental</td>
<td>Council Operating and Capital Budget Study Sessions</td>
<td>Operating and Capital Budget Study Sessions</td>
<td>Operating and Capital Budget Study Sessions</td>
<td>Operating and Capital Budget Study Sessions</td>
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Service Excellence for an Inspired Future
City Manager’s Message

Dear Members of City Council and Residents of Boulder,

I am pleased to present the City of Boulder’s 2018 Budget. At $389.2 million, this budget reflects City Council-adopted goals and was developed in accordance with the City Charter, Financial Management Policies, Operating Budget Guiding Principles, and Capital Improvement Program (CIP) Guiding Principles.

As has been the case in recent years, the context for consideration was the city’s strategic plan, department assessments, and resident feedback from the 2016 Community Survey. This budget also was guided by the Community Sustainability Framework, in conjunction with the update to the Boulder Valley Comprehensive Plan. Some of these initiatives include:

- **Environmentally Sustainable Community**: Reducing vehicular impacts to Open Space and Mountain Parks by continuing the Chautauqua Access Management Plan (CAMP) program; and supporting the city’s climate and energy programs to reduce Boulder’s carbon footprint.

- **Safe Community**: Investing in body-worn cameras and in-car video for the Police Department; and funding research on implementing advanced life support (ALS) services as part of the Fire Department’s all-hazard response capability.

- **Accessible & Connected Community**: Funding public engagement and initiatives outlined in the Public Participation Working Group Report, including hiring a community engagement specialist and a community engagement manager, and extending the community newsletter for two more years.

- **Good Governance**: Creating a General Fund Capital Plan; Upgrading the outdated, unsupported sales & use tax system to one specifically designed for a home-rule municipality; beginning to retire outdated Legacy Systems; and increasing General Fund reserves to 18 percent.

- **Healthy & Socially Thriving Community**: Continuing to invest in homeless services; maintaining the Arts Grants Program at 2017 levels in support of Community Cultural planning goals; and allowing for free access to the Main Library Makerspace by providing annual funding for materials.

- **Livable Community**: Supporting affordable housing and access to services for vulnerable and at-risk community members by investing in the Ponderosa Mobile Home Park; dedicating over $1.6 million to address goals in the Human Services Strategy; and continuing council’s commitment to a living wage.

- **Economically Vital Community**: Developing a plan to maintain a strong sales and use tax base; supporting Boulder’s innovation economy, virtual technology business incubator, and “Boulder Breakthrough”; and funding the Hill Community Development Coordinator’s efforts for year-round economic vitality.

The 2018 Budget enhances General Fund reserves, maintains core government services and continues to leverage department assessments, comprehensive planning and strategic capital investment to ensure a strong financial foundation. However, the headwinds of a slowing economy, reflected by lower than projected sales tax revenues and declining construction use tax revenues, suggest a need for fiscal prudence. The City of Boulder is monitoring the economy closely and has adopted a conservative budget that accounts for slowing sales and use tax collections while addressing community priorities to maintain current assets, care for vulnerable and underrepresented populations, enhance community engagement and outreach, and implement policies to address social equity and resilience.

Respectfully submitted,

Jane S. Brautigam
City Manager
Where does the money come from? 2018 Revenues

2018 REVENUE SUMMARY

The 2018 Approved Budget is based on projected citywide revenues of $390.9 million, representing a 23.9 percent increase over total projected 2017 revenues. The three largest revenue sources for the city are sales and use taxes, debt issuance and utility rate charges. These three funding sources represent 62.1 percent of the total sources of city funds. Property taxes are the fourth largest single source of city revenue, accounting for 12 percent of city revenues in 2018. When utility revenues (predominantly composed of service charges) are excluded, total 2018 budgeted revenues are $325.7 million. As debt issuance is rare, and often tied to specific projects, excluding debt revenues can provide a more accurate picture of economic activity. When debt revenues are excluded, the 2018 revenues increase 7.5 percent over 2017.

Local governments often seek to diversify their revenue sources to meet several public policy goals including revenue stability, which allows for the continued provision of on-going core services. Boulder’s diverse tax structure is designed to accommodate shifts in revenue sources. In the 2018 budget, slowing sales and use tax collections -- most notably Construction Use and Business Use tax collections -- were offset by an increase in the city’s portion of the property tax: Thus, although economic forecasts indicate a slowing local economy, overall revenues for the city remain stable.

2018 REVENUES ($1,000s)

- Sales & Use Tax: 32% ($125,998)
- Property Tax: 12% ($46,451)
- Debt Issuance: 13% ($51,858)
- Utility Rates: 17% ($65,155)
- Other Taxes*: 6% ($22,159)
- Other**: 20% ($79,277)

* All taxes other than sales and use and property taxes: Accommodation-Admission Taxes, Franchise Taxes, Specific Ownership, Tobacco Tax.
** Parking fees & permits, interest on pooled investments, impact fees, bond refunds, municipal court fees & fines, miscellaneous leases & rents, & misc. revenues
Where does the money come from? 2018 Revenues

SALES AND USE TAXES
Sales and use taxes comprise 32 percent of the city’s total revenues. This category includes: retail sales taxes, business/consumer taxes, construction use taxes, and motor vehicle use taxes. As of September 2017, total sales and use tax collections decreased 5.0 percent through September 2017 compared to the same period in 2016. Detailed sales tax revenue reports are available online at: https://bouldercolorado.gov/tax-license/revenue-reports.

For every retail tax dollar collected in Boulder, the city retains 44 cents, which is distributed across the city’s General Fund, Open Space Fund, Transportation Fund, .25 Cent Sales Tax Fund (which supports Parks and Recreation), and the Community Culture, and Safety Capital Tax.

PROPERTY TAXES
Property tax revenues are a function of assessed values and the mill levy. For 2018, property values increased significantly in the city. However, because of the Gallagher Amendment, residential property taxes did not go up the full rate of the increase. Total property tax revenues increased by $6.7 million (18 percent) over 2017. For more on property tax calculations, visit: https://www.bouldercounty.org/property-and-land/assessor/tax-calculation/.

For every dollar of property taxes collected in Boulder, the city receives 14 cents. Of these 14 cents, 10 cents go to General City Operations, 2 cents go to Public Safety, 1 cent goes to Parks and Recreation, and less than 1 cent goes to the Library.
Where does the money go? 2018 Expenditures

Spending in the 2018 Approved Budget totals $389.2 million, a 20.9 percent increase over total 2017 expenditures. The total budget is composed of two major categories: Operating and the Capital Improvement Program. The majority of the increase in 2018, roughly $50.5 million, is capital spending, which can vary significantly from year to year. When capital expenditures are excluded, the 2018 city budget increases by 5.2 percent compared to 2017.

Total General Fund expenditures for 2018 are $146.3 million, which represents a 4.7 percent increase over the 2017 budget. This amount also includes $3.7 million in dedicated assets to support the creation of a General Fund Capital Improvement Program for General Fund-supported departments (e.g., Police, Fire and Information Technology).

The City of Boulder uses funds to budget, as well as to report on its financial position and the results of its operations. Fund accounting is used to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. For more details, see the 2018 Annual Budget, Volume 1, available here: https://bouldercolorado.gov/budget

The General Fund accounts for revenues and expenditures used to carry out basic governmental activities of the city such as public safety, human services, legal services, administrative services, and others not required to be accounted for in another fund. All other funds have varying degrees of restrictions for their use and are therefore less flexible in their ability to shift dollars.

The chart below shows 2018 expenditures across both the operating budget and the capital budget, as well as the share of spending accounted for by department. Total operating expenditures are broken out by General Fund and restricted fund spending.
Boulder’s Capital Improvements Program (CIP) is a comprehensive plan for capital investment in maintaining and enhancing public infrastructure, ensuring the city continues to provide a high level of municipal services. The 2018 Approved CIP calls for total spending of $111.6 million, supporting 145 projects or categories of funding for ongoing city needs. The city owns and maintains 385 buildings and structures (including three recreation centers, five library facilities, eight fire stations, and five parking structures), 1,800 acres of parkland, 46,210 acres of Open Space and Mountain Parks, 305 centerline miles of streets, 159 centerline miles of bike facilities, 80 underpasses, two water treatment facilities, one wastewater treatment facility, 11 dams and over 800 miles of water and wastewater piping. The city funds the construction and maintenance of these assets using a wide range of sources, including tax revenues, bond proceeds, and fees and continues to look for ways to leverage its funding, through federal, state, and local grants and reimbursements, to maximize funding for capital projects.

### 2018 CAPITAL IMPROVEMENTS PROGRAM ($1,000s)

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<tr>
<th>Category</th>
<th>Percentage</th>
<th>Amount ($1,000s)</th>
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<tr>
<td>Capital Planning</td>
<td>&lt;1%</td>
<td>$480</td>
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<td>New Capital Projects</td>
<td>3%</td>
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<tr>
<td>Land, Asset Acquisition</td>
<td>7%</td>
<td>$8,020</td>
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<tr>
<td>Capital Maintain. /Enhance</td>
<td>89%</td>
<td>$99,774</td>
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### CAPITAL PROJECT EXAMPLES

**Fourmile Creek:** This project includes flood mitigation in conjunction with multi-use path connections from 19th St. to Violet Crossing, while improving safety and recreation opportunities.

**Scott Carpenter Pool Replacement:** This project will expand the pool, improve the bathhouse, construct aquatics amenities, and upgrade the park.
Top Row (Left to Right):  
Aaron Brockett (Mayor Pro Tem), Sam Weaver,  
Suzanne Jones (Mayor), Jill Adler Grano, Bob Yates  

Bottom Row (Left to Right):  
Lisa Morzel, Cindy Carlisle, Mirabai Kuk Nagle,  
Mary Young

Incorporated: 1871  
Government: Home Rule Municipality  
Area: 25.85 sq. miles  
Elevation: 5,430 ft.  
Credit Rating: Aa1

Major Employers: University of Colorado, St. Vrain Valley School District,  
Boulder Valley School District, Boulder County, IBM Corporation, Medtronic Surgical Technologies, Ball Corporation, National Center for Atmospheric Research, Boulder Community Hospital, and City of Boulder.

<table>
<thead>
<tr>
<th>Population</th>
<th>Median Age</th>
<th>Median Education</th>
<th>Median Family Income</th>
<th>Median Household Income</th>
<th>Per Capita Income</th>
<th>Median Sales Price - Detached Home</th>
<th>Median Rent</th>
<th>% of Population in Poverty</th>
<th>Unemployment Rate</th>
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<tbody>
<tr>
<td>108,707</td>
<td>29</td>
<td>73% with Bachelor's degree or +</td>
<td>$111,345</td>
<td>$88,400</td>
<td>$37,639</td>
<td>$845,000</td>
<td>$1,243</td>
<td>23.1%</td>
<td>1.8%</td>
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(1) City of Boulder Community Profile  
(2) American Community Survey  
(3) Bureau of Labor Statistics (May 2017)