
Thursday, May 8, 2025, 6:00 PM
Council Chambers
One DesCombes Drive
Broomfield, CO 80020

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1. Concept Review

2. Study Session

2A. 2026 Budget Planning

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Date Posted: April 30, 2025



City and County of Broomfield

City Council Study Session

A. 2026 Budget Planning

Meeting	Agenda Group
Thursday, May 8, 2025, 6:00 PM	Study Session Item: 2A.
Presented By	
Graham Clark, Director of Finance	
Community Goals	
<input checked="" type="checkbox"/> Financial Sustainability and Resilience <input checked="" type="checkbox"/> Organizational Health	

Overview

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The City and County of Broomfield (CCOB) has begun annual budget development for the 2026 fiscal year, this study session will provide a high level update and overview of the budget process which will include internal and external factors and challenges CCOB is managing, as well as priorities and general themes for the budget.

Attachments

[Memo for 2026 Budget Planning Study Session.pdf](#)

Summary

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The City and County of Broomfield (CCOB) has begun developing its annual budget for the 2026 fiscal year. Staff will provide a high-level update and overview of the budget process, including internal and external factors and challenges CCOB is managing, as well as priorities and general themes for the budget.

CCOB continues to focus on the number one community goal of fiscal sustainability. To achieve this goal, especially during these uncertain economic times, we must continue developing budgets with conservative revenue projections and focusing on financial decisions in three key areas: mandates, obligations and critical operations.

This framework has been critical in achieving some of our most recent successes, including:

- 20% Operational Reserve
- Increased Bond Rating
- ARPA Funds to fund One-Time Projects

As we continue into the 2026 budget development cycle, our main priority is to maintain current service levels and fund existing obligations and mandates consistent with the Council and Community's number one priority of fiscal sustainability. While many uncontrollable variables impact the CCOB budget, this year has proved challenging with the quantity of federal changes, and the State of Colorado's \$1.2B budget shortfall. When federal and state budgets are impacted, there is often a trickle down to local governments via programmatic cuts, loss of grant funding or unfunded mandates. The 2025 Legislative Session concludes on May 7, 2025, and staff continues to monitor both state and federal changes and will continue to provide updates as information is received. This additional economic volatility requires additional prudence to maintain CCOB's financial fidelity.

Revenues are the basis for all CCOB budget planning. Considering the uncertainty in the national economy, we plan to put additional emphasis on our revenue projections and continue to utilize a conservative approach as we move through the annual budget process. Currently, we are expecting sales tax revenues to decrease in 2025 and 2026 compared to the 2024 actual revenues. This outlook is based on the current volatility at the national and state levels, impacting consumer spending patterns and creating other economic uncertainty. The expectation is that consumers will pause some non-essential spending, thus lowering our projections for sales tax. 2025 will be a reassessment year for property taxes to be collected in 2026. Currently, we are anticipating property tax revenues to be flat based on limited numbers of new properties coming onto the books, as well as some property values declining since the 2023 assessment year.

It's never been more important to consistently evaluate our expenditures in relation to our revenues. Personnel costs are a primary driver of our operational costs. As an organization, we will be focusing on options for controlling personnel costs as well as other non-personnel operational expenses such as travel and training, professional services and other costs. Finance is focused on planning over the next five years and not only short-term forecasting for 2026 and 2027. The next 18-24 months will likely be a fiscally constrained time for CCOB with more growth occurring late 2027 and 2028.

The Budget Division within the Finance Department recently kicked off the 2026 Budget process on February 27th. The kickoff is attended by staff from across the organization and is meant to provide high level guidance on planning for 2026 budget submissions as well as any updates or changes that have been made to the budget process. This year, the City Manager's Office and Budget Division have directed Department

leadership to focus on reducing costs and limiting new personnel to only those positions mandated by regulatory requirements, essential service needs, or large organization-wide projects like the Enterprise Resource Planning (ERP) implementation.

Specific cost-saving measures being proposed early in this budget cycle include reducing staff training and training expenses by 50% and recalibrating annual merit increases for staff. To support efforts to minimize requests for additional personnel, Human Resources and Finance are working together to help departments optimize existing staffing levels while meeting evolving community needs, ensuring regulatory compliance, and providing additional evaluation when personnel changes are anticipated to have a budgetary impact.

Staff continues to take a critical eye to planned expenses already budgeted in 2025 and is revisiting projects and expenses as they arise throughout the year. Staff utilizes a scoring matrix for our Capital Improvement Projects that seeks to assess the impact of projects across key metrics, including equity (repeatable process by utilization of a matrix that weighs fixed elements so all projects are viewed through the same lens), safety, public benefit, and grant funding opportunities among others.

This scoring methodology provides a baseline for prioritizing projects in the CIP. Having a prioritization score associated with each project allows the budget and CIP teams to identify lower tier projects within the CIP plan; these are the first projects reduced if reductions are deemed necessary. This scoring, along with the classifications of mandates, obligations, and critical functions informs the process for developing the 5-year CIP.

A prime example of this cost-saving approach to the budget is the decision to delay the I-25 Sub-Area Plan (estimated cost of \$750,000). By postponing the I-25 Sub-Area Plan until after the Comprehensive Plan is completed, we're preventing staff from being stretched across two major planning initiatives simultaneously, which would risk diminishing the quality of both efforts while increasing costs. By focusing on the Comprehensive Plan first, Broomfield can establish the high-level goals and vision for Broomfield that may impact the desired outcomes and land planning for the subsequent Sub-Area Plan update. This strategic sequencing allows us to maintain high standards of work while reducing immediate financial outlays and creating a more balanced, sustainable workload for our planning team.

To continuously improve the budget process, this year the Budget Team has moved up Enterprise fund budget dates. This will allow additional time for planning, discussion, and review internally as we continue to make improvements to the budget process each year.

Since budget kick-off in February, the Budget Team has been hosting a series of "Office Hours" sessions to assist departments in planning and preparing their budget submissions. Once submitted, department draft budget documents are reviewed by the budget team and individual meetings with each department are facilitated to discuss requests, clarify any outstanding questions, and finalize budget recommendations. Budget recommendations are shared internally with the City Manager's office for review and approval. Once that step has occurred, the budget team develops the proposed budget that will be shared with City Council and the community in early September.

In addition to the normal budget process, the Finance Department has been working with the Public Works Department to accelerate the submission of Enterprise Fund budgets so that information can be used to determine the impact on 2026 utility rates and communicate that information to the City Manager's Office, City Council and the community in a timely manner.

The following is a high level calendar of budget related activities:

February 27	Annual Budget Process Kickoff
March 11	2025 Amendment #1 (City Council Mtg)

May	2025 Revised / 2026 Budgets DUE to Finance
June - July	Budget Development
August 19	Economic & Fiscal Update (City Council Study Session)
September	Proposed Budget Available Electronically
	Department Budget Presentations (City Council Study Session)
October 7	Public Hearing for the 2026 Proposed Budget
October 28	2025 Revised/2026 Budget Adoption (City Council Mtg)

This study session is intended to provide the first opportunity for staff and council members to discuss the challenges, uncertainties, and cost-saving remediation that will impact the 2025 Revised and 2026 Budgets, including any potential Council Policy decisions that could have budget impacts that need to be considered.

Financial Considerations

Informational only. No specific financial impact to consider.

Prior Council or Other Entity Actions

October 22, 2024: [Resolution No. 2024-149](#) Approving the 2025 City and County of Broomfield Budget

October 22, 2024: [Resolution No. 2024-150-UR](#) Approving the 2025 Broomfield Urban Renewal Authority Budget

October 22, 2024: [Resolution No. 2024-151-AID](#) Approving the 2025 Arista Local Improvement District Budget

March 11, 2025: [Resolution No. 2025-44](#) Approving the first amendment to the 2025 City and County of Broomfield Budget

March 11, 2025: [Resolution No. 2025-52-UR](#) Approving the first amendment to the 2025 Broomfield Urban Renewal Authority Budget

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

No formal action required.

Alternatives

N/A