

LARIMER COUNTY | COUNTY MANAGER

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To: Board of County Commissioners
Larimer County Residents
From: Lorenda Volker, County Manager
Date: October 2, 2026
SUBJECT: 2026 Revised and 2027 Proposed Budgets



Dear Commissioners and Residents,

The County Manager is responsible for presenting an annual budget to the Board of County Commissioners based on the Board's priorities and direction. The 2027 Proposed Budget follows the County's longstanding practice of conservative revenue forecasting and operating within our means. It complies with state laws, budgeting principles, funding requirements, and Board guidance.

Larimer County's departments and elected offices provide services to residents, property owners, and visitors throughout the community. Most County services are delivered irrespective of municipal boundaries, serving people in both cities and unincorporated areas. The County's operating budget is organized into the following service categories: Public Safety; Community Planning, Infrastructure, and Resources; Human and Economic Health; Public Records and Information; and Support Services.

The annual budget also provides for capital improvements that benefit the community over many years. These investments include county facilities, roads, property acquisitions, vehicles, equipment, and replacement or rehabilitation of major assets. The Proposed Budget outlines a five-year capital improvement plan, the first year of which is included as part of the budget.

Natural disasters are a fact of life in Larimer County. In addition to maintaining services and infrastructure, the County sets aside contingency reserves for disaster response. Response and recovery expenses are presented separately from normal operations to make comparisons between annual budgets more useful. The 2027 Proposed Budget includes final recovery costs and flood mitigation efforts from past wildfires.

Last year's budget process included a comprehensive review of County programs in response to lower property tax assessment rates enacted by the Colorado General Assembly. Difficult decisions about reductions and service limitations had to be made as part of the 2026 Budget process and that work continues in 2027. We are achieving a balanced budget in 2027, but there is little room for capacity expansion, new state requirements without corresponding funding, or additional community priorities.

Many County programs rely on funding from the State of Colorado and the federal government, including Human Services, Health and Environment, Workforce Development, and Community Corrections. County staff continue to monitor changes in funding levels, eligibility rules, and administrative requirements to understand their effects on our local programs. As changes are implemented, departments and elected offices are evaluating how to meet program requirements and maintain services within available resources. State- and statutorily required services are being prioritized over community services that, while not required, provide important benefits to residents.

Budget Process

Larimer County budgeting is a year-round effort that includes process improvement, data analytics, and constant tracking of current year expenses. The County Commissioners also regularly review departmental performance measures to understand the effectiveness of public services. These reviews help inform budget priorities and decisions about the use of resources during budget development.

Planning for the upcoming Proposed Budget begins in the spring with a review of internal strengths and challenges, external conditions, and anticipated service needs. The Office of Performance, Budget, and Strategy presents revenue and expense forecasts, and the Commissioners provide direction for preliminary base budgets for departments and elected offices.

Over the summer, Commissioners and staff gather resident input and review compensation trends, economic conditions, legislation, and revenue projections. This information helps refine budget targets as departments and elected offices prepare budget requests for the coming year.

In the fall, County Manager and budget staff meet with each department director and elected office to review requests, funding sources, and program needs. This review considers whether proposed expenses are supported by available revenues, respond to resident needs, and are sustainable in future years. Larimer County prioritizes maintaining existing services and infrastructure before carefully evaluating requests for new programs or expanded services.

Requests for resources beyond base budgets are evaluated through the service proposal process. This process allows the Commissioners to consider additional resources needed to address mandated responsibilities, emerging service needs, or investment opportunities to improve efficiency and effectiveness. Recommendations consider both the immediate cost and any ongoing financial commitments associated with each request. Given the limited capacity available in the 2027 budget, relatively few service proposals can be funded and those recommended in the proposed budget are listed at the end of this letter.

Revenue Highlights

Property Tax: Property tax is the County's primary source of discretionary General Fund revenue. Although the County collects property tax on behalf of all the taxing authorities within the geographical boundary of Larimer County, the County's share of property tax is 20-25% of what is paid by a homeowner, depending on the district where they live. Most property taxes collected by the County are distributed to other taxing authorities, including school districts, municipalities, and special districts.

State law lowers most non-residential assessment rates from 27% in FY2026 to 25% in FY2027, resulting in a decline of about \$5 million in property tax revenue for Larimer County. These lower revenues are partially offset by additions of new construction and other improvements to existing properties.

The 2027 Proposed Budget includes approximately \$205 million in property tax revenues, including all General Fund, Human Services, Road and Bridge, Improvement District, and Health Department assigned revenues. The County's operating mill levy has remained 21.571 mills since 1992. Additionally, 0.75 mills are collected and transmitted to Foothills Gateway, which provides services for individuals with developmental disabilities in accordance with a 2001 voter-approved initiative.

Sales Tax: The second largest revenue for Larimer County is sales tax. Sales tax revenue is projected to remain flat in 2027 due to uncertainties about future growth and a shift in preferences from retail goods to services. The County collects five dedicated sales taxes to fund specific, voter-approved services:

- A 0.15% (15¢ on \$100) sales tax supports Larimer County jail operations, generating enough revenue to cover about one-quarter of the jail's operating expenses.
- A quarter cent (0.25%, 25¢ on \$100) sales tax funds open space, with revenue shared between the County (50%) and its eight municipalities (50%).
- A quarter cent (0.25%, 25¢ on \$100) sales tax funds behavioral health services, with portions of the revenue distributed to mental and behavioral health community service providers and mental health workforce development. The County completed construction of the Longview Behavioral Health Facility in 2023 using this tax.
- Another 0.15% (15¢ on \$100) sales tax funds the construction and operation of The Ranch fairgrounds. The County is implementing The Ranch Master Plan, which includes new facilities, improvements to existing structures, and infrastructure upgrades.
- Another quarter cent (0.25%, 25¢ on \$100) sales tax funds Early Childhood Services to address needs of children and lower the cost of childcare in Larimer County. This new sales tax was approved by voters in 2025.
- The Larimer County Board of County Commissioners has also referred a sales tax measure to the November ballot. The proposed 0.30% sales tax would provide funding for wildfire mitigation and protection, natural disaster resilience, watershed and drinking-water source protection, infrastructure, and other County priorities. It would also provide additional resources to address significant new state requirements that will require counties to absorb the costs of mandated programs and services without corresponding funding. These resources are not included in the 2027 Proposed Budget but would be incorporated into the Adopted Budget if the measure is approved by voters in November.

External Fees and Charges: Fees, licenses, permits, and other charges help support services provided by Solid Waste, Natural Resources, The Ranch, Community Development, Health and Environment, the Clerk & Recorder, and other County programs. Revenue estimates depend on anticipated use of these services and the rates charged. Some fees are established by the County, while others are set by state law or through intergovernmental agreements. Where fee revenue does not cover the cost of providing a service, other available funding may be needed.

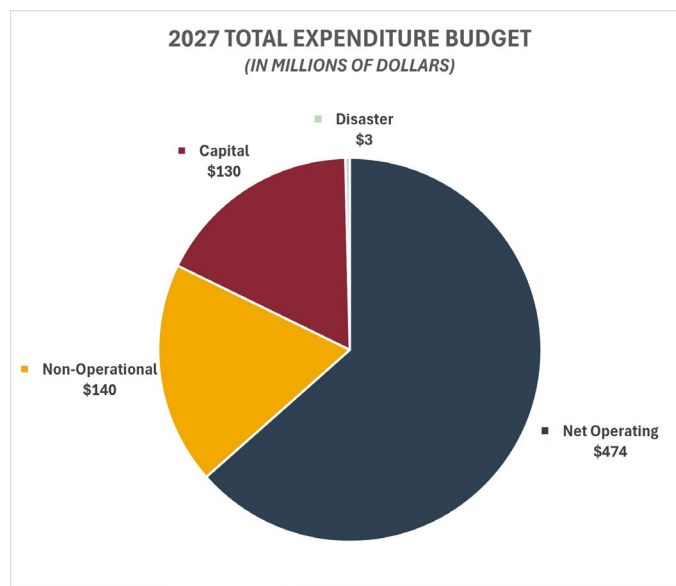
Interest Earnings: The Office of the Treasurer and Public Trustee invests Larimer County's reserves in safe, interest-bearing public funds investments. Larimer County earnings are budgeted to remain stable at least through 2027 as investments continue to provide high returns and interest rates remain elevated. We will continue to closely monitor trends around interest as this has become a significant County revenue.

Grants from State and Federal Programs: State and federal funding supports programs provided by Human Services, Road and Bridge, Economic and Workforce Development, Health and Environment, and Community Justice Alternatives. These funds often carry specific service requirements and may require a local match. In 2027, grant revenues are expected to decline even as costs continue to rise. Fiscal pressures at the federal and state levels that result in cuts to grant-funded programs are budgeted as reductions in this revenue category.

Expense Highlights

Budgeted expenses are organized into **operating costs**, **capital projects**, **disaster recovery**, and **non-operational** expenses. Operating costs support the daily delivery of public services. Capital projects provide budgets for infrastructure, facilities, and major assets. Disaster recovery expenses account for work related to response, restoration, and mitigation of wildfires, floods, and other natural disasters. Non-operational expenses include transfers, internal charges, sales tax administration, and other financial activities.

The following chart shows how these four categories are distributed in the 2027 Proposed Budget:



Expenses are also grouped by department, elected office, and program within five service categories:

- Public Safety
- Community Planning, Infrastructure, and Resources
- Human and Economic Health
- Public Records and Information
- Support Services

Public Safety: The Commissioners' Office works closely with the elected Sheriff, District Attorney, and Coroner throughout the budget preparation process to identify the resources necessary to support public safety. Other County programs in the public safety service category include Alternative Sentencing, Community Corrections, and Emergency Management. Each of these services benefits residents throughout Larimer County, whether they live in municipalities or unincorporated areas. They include operating the County jail, conducting death investigations, providing alternatives to incarceration, delivering pretrial services, supporting competency courts, and coordinating emergency management and recovery. Larimer County is also statutorily responsible for maintaining facilities used by the Eighth Judicial District, including courtrooms and probation services space.

The Colorado Constitution and state statutes assign substantial public safety responsibilities to the County. The Sheriff's Office provides patrol services in unincorporated areas and, under Colorado Revised Statute 30-10-513, is responsible for coordinating fire suppression efforts during prairie, forest, or wildland fires in unincorporated areas, or when such fires exceed the capacity of local fire protection districts. The 2027

Proposed Budget also continues to fund limited wildfire mitigation and assistance to homeowners in forested areas to reduce the risk of damage to their homes and properties. If the proposed sales tax is approved by voters, the County will be able to increase efforts toward mitigating future fire damage and assisting homeowners in forested areas in reducing their vulnerability to wildfires and natural disasters.

Community Planning, Infrastructure and Resources: This service category includes the following departments: Community Development, Engineering, Road and Bridge, Solid Waste, Natural Resources, and The Ranch.

In addition to its ongoing work in planning for and permitting new buildings, Community Development is managing a first-of-its-kind \$5.2 million state-funded project to plug and cap 50 abandoned and orphaned oil and gas wells in Larimer County. These funds are included in the 2026 Revised Budget and any unspent dollars will be carried forward to 2027 to continue this important work. This major project is expected to be complete by 2028.

Solid Waste opened a new transfer station and north landfill in 2026, a significant milestone in the Solid Waste Master Plan. Our focus in 2027 will be to align new operating expenses with new revenue streams while working to finalize the closure and continue monitoring of the old landfill and ramp up waste diversion efforts.

Capital improvements at The Ranch Events Complex represent the largest area of capital spending in the 2027 Proposed Budget. Certificates of Participation were issued in late 2025 that will leverage the dedicated sales tax and allow for the accelerated completion of projects in The Ranch Master Plan. The event lawn, which opened in time for the 2026 Fair and Rodeo, is the first project completed. Projects expected to advance in the coming year include wayfinding and campus infrastructure improvements, an outdoor amphitheater and event plaza, and an exposition center. Staff continue to seek Commissioner direction regarding the Master Plan projects based on feasibility and community priority.

Natural Resources continues to focus on conserving key open spaces throughout the County both in fee-title and conservation easements. The department actively pursues strategic partnerships to leverage capital infrastructure, land management and land conservation costs. Several restoration projects are also underway to increase ecological health and achieve climate resilience goals. The ability to open and maintain newly acquired open spaces continues to be limited by ballot language that places greater emphasis on acquiring open space than on the ongoing costs of maintaining and making those properties available for safe public use.

A significant gap remains between the need for increased capacity on County roads and available funding. Until a new funding source is identified the county will largely focus on maintaining our existing transportation infrastructure.

Human and Economic Health: This service category includes Human Services, Health and Environment, Economic and Workforce Development, Extension, and Behavioral Health. Many programs depend on state and federal funding supplemented by local funds. Changes in outside funding or program requirements can affect both service availability and the County's cost of administration.

Human Services administers programs such as food assistance, adult and child protection, childcare assistance, child support enforcement, and Medicaid. The 2027 Proposed Budget includes a supplementary \$1 million General Fund transfer to help address the additional costs of benefits verification anticipated to accompany implementation of H.R. 1, passed by the U.S. Congress in 2025. We will also carefully be following decisions by the state Joint Budget Committee in Spring of 2027, which are expected to impose significant additional related costs on counties. Conversations with the state Department of Human Services continue regarding regionalization efforts and county funding expectations. Human Services also oversees the Early Childhood Services contract with Northern Colorado Kids Thrive, which was selected to administer a majority of the

programs funded by the new sales tax. 2027 will be the second year of the sales tax and the contract with Northern Colorado Kids Thrive.

The Department of Health and Environment continues its commitment to engage with community partners as they implement the Community Health Improvement Plan and develop strategies to address overall community health issues while working through shifting priorities and funding streams at the federal and state levels. Their ongoing work includes addressing issues related to the built environment including inspecting and permitting septic systems, measuring air quality, and conducting restaurant inspections.

The 2027 Proposed Budget also includes funding for the Behavioral Health Services Department. These expenses include operating costs for the County's Longview Behavioral Health Campus and awarding mental health impact grants to community providers and partners. Operations at the acute care facility are provided through a contract with SummitStone Health Partners. This year we will also begin funding efforts to strengthen the behavioral health workforce pipeline. These programs and services are all supported by a voter-approved behavioral health sales tax.

Larimer County continues to advance regional efforts to expand affordable housing by working closely with other local governments and nonprofit organizations. The 2027 Proposed Budget includes funding for eviction prevention, landlord partnership programs, and affordable housing preservation efforts.

Public Records and Information: This service category consists of elected offices, including the Assessor, Clerk and Recorder, and Treasurer and Public Trustee, as well as the County's Public Affairs Office. The 2027 Proposed Budget includes funding for property value assessments, property tax administration, motor vehicle licensing, elections, and recording.

The Office of the Treasurer and Public Trustee continues to streamline statutory responsibilities and invest the County's funds judiciously. The Assessor's Office is continuing to address a backlog of building permits so they can be appropriately incorporated into property value models. The Clerk and Recorder's Office remains focused on conducting secure elections and exceeding customer expectations for motor vehicle registrations and recording documents. The Office of Public Affairs conducts community outreach as well as assessing legislative impacts on Larimer County services.

Support Services: This service category includes departments that support public-facing County programs and elected offices, including Human Resources, Information Technology, County Attorney, Facilities, Fleet Services, and Finance. The 2027 Proposed Budget allocates funding to ensure these programs operate efficiently and effectively meet or exceed the needs of their internal customers and meet compliance requirements.

Looking to the Future

The following are key issues facing Larimer County in the coming years. Many of these trends are being addressed in various ways in the 2024-2028 Five-Year Strategic Plan and incorporated by departments and elected offices in their operating budgets.

Population Growth: Population growth is one of the primary drivers of increased demand for County services, including personnel, transportation, and facilities. These pressures are compounded by shifting and aging demographics in Northern Colorado and across the country. Future budgets will need to continue to address facility and equipment obsolescence, data storage and security pressures, and the growing demand for County services including public safety, alternative sentencing and criminal justice programming, behavioral health,

and community mitigation and long-term resilience related to natural disasters as residents occupy more remote housing alternatives.

Inflation: Although inflation is down from historic highs of the past few years, the rising costs of housing, childcare, fuel and other goods and services remain a burden on the County and our residents. Affordability challenges increase the need for public services and, since the County administers many government programs for vulnerable populations and criminal justice offenders, demand for these services is expected to grow. Rising costs of fuel, digital storage, radio equipment, business and property insurance, medical insurance, and capital construction are also directly impacting the 2027 budget.

Future Ready: Larimer County is committed to operating responsibly and planning for the future through our programs, purchasing decisions, equipment and facilities maintenance, and other critical infrastructure and services. To prepare for future disasters, the County has established and maintained a Disaster Contingency Fund, which reserves funds for disaster preparedness, response, recovery, and, where possible, mitigation. Maintaining sufficient reserves for disaster response and recovery is critical for the community. In the event of a major disaster, the County relies on these reserves for temporary and permanent repairs to public infrastructure before receiving federal reimbursement, which can take many years. We are also monitoring decisions being made by the Federal Emergency Management Agency (FEMA) across Colorado, as changes in FEMA policies and practices could affect the County's response to and recovery from future emergency events.

Continued Financial Health: Larimer County currently holds a AAA credit rating, which is based on a relatively low debt burden, healthy reserve fund balances, and restrained approach to spending on new or increased programming. The 2027 Proposed Budget aims to maintain these favorable conditions through conservative budgeting, addressing facility needs, and carefully monitoring ongoing impacts of capital commitments.

Service Proposals: Larimer County reviews how supplemental funding above base budgets can meet increasing demand, address program requirements, enhance program effectiveness, or improve efficiency. The following service proposals are recommended and have been included in the 2027 Proposed Budget.

Service Proposals		Estimated Expense
Assessor	Appraisal Consultant	145,000
Assessor	Mail Postage Cost Increase	40,000
Performance, Budget & Strategy	Data Governance Program & Training Funding	47,000
Public Affairs	Contract Lobbyist	54,000
Community Development	Online Permitting Software Licensing	145,990
Coroner	Investigator/Morgue Assistant	85,000
District Attorney	Digital Evidence Tech	89,488
District Attorney	Cover a gap in grant funding for a Victim Advocate position due to grant date change (one time)	17,163
Engineering	GoNoCo34 Dues	13,782
Economic & Workforce Development	NoCo REDI / Regional Place Craft Initiative	25,000
Facilities	Utility Rate Increases for County facilities	175,000
Facilities	Parking Structure Rate Increase	30,000

Service Proposals		Estimated Expense
Housing Stability	Eviction Prevention - Emergency Assistance	300,000
Housing Stability	Eviction Prevention - Legal Assistance	150,000
Housing Stability	Landlord Incentives & Renter Deposits	40,000
Housing Stability	Preservation Specialist (Grant Match)	35,000
Human Resources	Career Coaching Program Certifications (one-time)	60,000
Human Resources	Workforce Analytics Software	33,000
Human Services	Support for new federal requirements for administering benefits	1,000,000
Information Technology	Cybersecurity Enhancements	70,000
Natural Resources	Three Ranger Recruit Vacancy Coverage (one time)	286,603
Emergency Management	Cover operating costs for loss of federal grant	45,000
Sheriff	New Paramedic/POST Certified Deputy	298,040*
Sheriff	New Scheduling Administrator	127,080

*includes one-time equipment costs – ongoing cost estimated at \$156,290

I would like to extend my sincere appreciation to the departments and elected offices for their contributions and partnership throughout the annual budgeting process. While the future remains somewhat uncertain, I commend our Larimer County leadership team for upholding our reputation of operating within our means. Their thoughtful approach to both the services they provide and how they provide them reflects the County's commitment to responsible stewardship of taxpayer dollars. This careful management ensures that public services continue to benefit the community into the future and plays a critical role in maintaining the trust of Larimer County residents.

Sincerely,



Lorenda Volker
County Manager