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| **MEETING DATE: September 17, 2024 ITEM NUMBER: 6.{{item.number}}**  **SECOND READING: {{customfields.ResoOrdNumber}} TYPE OF ITEM:   PRESENTED BY: Harold Dominguez, City Manager's Office, Harold.Dominguez@longmontcolorado.gov Jim Golden, Finance Administration, Jim.Golden@longmontcolorado.gov Teresa Molloy, Budget, Teresa.Molloy@longmontcolorado.gov Sandra Sifuentes, Budget, Sandra.Sifuentes@longmontcolorado.gov Other City Staff** |

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| **SUBJECT/AGENDA TITLE:**  2025 Proposed Budget Presentation |

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| **EXECUTIVE SUMMARY:**  The Proposed 2025 Budget presentation will focus on the categories of property tax legislation history, new positions, one-time expenses, Longmont Downtown Development Authority budget, Human Service Agency funding, mental health, early childhood care and education, grants and external funding sources, parks maintenance funding, the Street Fund (transportation), and the Sanitation Fund. This information is consecutively numbered and will be available on the City’s website should we need to refer back to any information from this communication as we continue to move through the weekly 2025 budget presentations.  Link to all the budget documents: [2025 Budget Documents](https://longmontcolorado.gov/finance/budget-office/2025-budget-documents/) |

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| **COUNCIL OPTIONS:** |

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| **RECOMMENDED OPTIONS:** |

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| **FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:** |

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| **BACKGROUND AND ISSUE ANALYSIS:**  Citizens wishing to view the 2025 budget information can access these documents on the City’s website at the following location: [2025 Budget Documents](https://longmontcolorado.gov/finance/budget-office/2025-budget-documents/)  **PROPERTY TAX LEGISLATION HISOTRY**  Since 1982, the Gallagher Amendment maintained a percentage split between the amount of property tax that came from residential as opposed to business. Over the years, that effectively froze the assessment ratio for business at 29% while gradually lowering the residential ratio from 21% in 1982 down to 7.15% in 2020 when the Gallagher Amendment was repealed by voters. The passage of Amendment B which repealed Gallagher in 2020 also started a chain of events that have led to new efforts to control growth in property taxes.  During the 2022 legislative session the legislature passed Senate Bill 22-238. For tax year 2022, the assessment rate for all residential other than multi-family was reduced to 6.95%; for tax year 2023, the assessment rate for all residential other than multi-family was reduced to 6.765%; and the bill reduced the assessment rates for all multi-family residential property for 2024. There was a backfill requirement tied to this bill which minimized the impacts to Longmont.  Senate Bill 23-303 put Proposition HH on the 2023 ballot. It would have significantly reduced property taxes and voter-approved revenue change. Proposition HH was not approved by the voters.  In late November of 2023, the legislature passed Senate Bill 23B-001. For tax year 2023, the assessment rate for all residential was reduced to 6.7% with a $55,000 reduction to actual value. It also reduced the assessment ratio for all non-residential property to 27.9%. This bill also had a backfill requirement that reduced the impact to Longmont.  In May of 2024, the legislature passed Senate Bill 24-233. It imposed a limit on growth in property tax revenue of 5.5% for a governmental entity but exempted home rule entities from the limit. It also reduced the assessment rate for commercial property to 27% for tax year 2025 and to 25% for tax year 2026. It reduced the assessment rates for all multi-family residential property to 6.7% for tax year 2024. It reduced the assessment rate for all residential other than multi-family to 6.4% for a local government entity in tax year 2025. It sets the assessment rate for all residential other than multi-family at 6.95% for a local government entity in tax year 2026 with a $70,000 reduction to actual value. This bill also had a backfill requirement but Longmont would not qualify for any backfill.  Two citizen initiatives, 50 & 108, qualified to be on the November 2024 ballot. The first set an annual growth limit on property tax revenue of 4% and the second reduced assessment rates to 5.7% for residential and 24% for non-residential in the 2025 tax year.  House Bill 24B-1001 was passed in early September and it has the following components: reduction of the residential assessment rate to 6.15% for tax year 2025; 6.7% for tax year 2026; 6.3% or 6.4% depending on certain economic conditions; 2024 tax year commercial assessment rate of 29%; reduction in the commercial assessment rate to 26% for tax year 2026 and 25% for tax year 2027. Establishment of a 5.25% annual local government property tax revenue growth cap. Again, Longmont appears to be exempted from the limit as it has received voter approval in the past to exceed the revenue limit for property tax.  The passage of House Bill 24B-1001 soon led to the withdrawal of Initiatives 50 & 108.  Staff will be attending a webinar hosted by the Division of Local Government on Wednesday, September 18th. We hope to be able to get a better understanding of the impacts of House Bill 24B-1001 at that time.  **NEW POSITIONS**  There are a total of 18.0 new FTE being added in this budget: 3.35 in the Water Fund, 3.30 in the Open Space Fund, 3.0 in the Parks & Greenway Fund, 2.50 in the Streets Fund, 2.30 in the Sewer Fund, 1.3 in the Storm Drainage Fund, 1.0 in the Electric & Broadband Fund, 1.0 in the Affordable Housing Fund, and 0.25 in the Sustainability Fund. New positions included in this budget are:   * 1.0 FTE Volunteer Projects Coordinator-fixed term-offset by temp wages: from the Open Space Fund/Water Fund/Sustainability Fund * 1.0 FTE Volunteer Projects Coordinator-fixed term-offset by temp wages: from the Open Space Fund * 1.0 FTE Natural Resources Technician III- offset by temp wages: from the Open Space, Storm Drainage and Water Funds * 1.0 FTE Agricultural Resource Specialist/Project Manager II-fixed term: from the Open Space Fund * 1.0 FTE Housing Compliance Specialist: from the Affordable Housing Fund * 3.0 FTE Grounds Maintenance Technician II: from the Park & Greenway Fund * 1.0 FTE Energy Technologies Specialist: from the Electric & Broadband Fund * 1.0 FTE Transportation Engineering Assistant: from the Streets Fund * 1.0 FTE Construction Inspector: from the Storm Drainage, Streets, Water & Sewer Funds * 2.0 FTE Public Works Tech I: from the Streets Fund * 1.0 FTE Field Engineer: from the Water and Sewer Funds * 1.0 FTE Logistics Supervisor: from the Water and Sewer Funds * 2.0 FTE Water Utility Tech II: from the Water and Sewer Funds * 1.0 FTE Water Utility Tech I: from the Water and Sewer Funds   The overall impact of all changes to FTEs in this budget is a net increase of 10.5 FTE, which brings the total budgeted positions to 1,161.105.  **INCREMENTAL DEVELOPMENT REVENUE (IDR)**  The 2025 proposed budget includes a projection of 820 building permits for new dwelling units. The current incremental development revenue financial policy calls for any revenue above a base of 200 new dwelling units to be considered incremental development revenue. There is a total of $399,478 in incremental development revenue from in the proposed budget (building permits $352,324 and plan reviews $47,155). The full amount is being used to cover ongoing expenses that are subject to reduction in the event that this level of revenue is not sustained in the future per the Incremental Development Revenue financial policy.   |  |  |  | | --- | --- | --- | | **2025 IDR available** | **$ 399,478** |  | | **Ongoing uses of IDR – positions** |  |  | | initially added in 2015 | 42,599 | Planning Technician (46% of the FTE) | | initially added in 2016 | 192,175 | Associate Planner and Permit Technician | | Initially added in 2017 | 118,427 | Electrical Inspector | | **Ongoing uses of IDR – other ongoing** |  |  | | initially added in 2017 | 46,634 | temp wages | | initially added in 2018 | 9,643 | overtime for plan review | | **2024 total IDR uses** | **$ 399,478** |  |   **ONE TIME EXPENSES**  ***General Fund***  There is a total of $8,066,546 of one-time expenses included in the proposed 2025 General Fund budget. There is $385,278 of one-time revenues that will be used to help offset these one-time expenses making the net one-time expense in the General Fund $7,681,268. ***Attachment J*** is a listing of all one-time expenses in the General Fund. As in previous years we have categorized these expenses in the following areas:  Capital - Equipment $ 2,089,741  IT Equipment or Technology Improvements 624,982  Non-Capital - Small Equipment & Supplies 142,920  One Time Services or Expenses 5,208,903  ***Public Safety Fund***  There is a total of $1,540,563 for capital and other one-time expenses included in the proposed 2025 Public Safety Fund budget. ***Attachment K*** is a listing of all the one-time expenses in the Public Safety Fund. We have categorized these expenses in the following areas:  Capital - Equipment $ 94,177  IT Equipment or Technology Improvements 254,253  Non-Capital - Small Equipment & Supplies 62,920  One Time Services or Expenses 537,750  PBF109 Municipal Facilities Parking Lot Rehabilitation 184,000  PBF163 Municipal Buildings Keyless Entry 407,463  ***Other Funds***  There is a total of $7,582,968 for capital and other one-time expenses (not including CIP) in the proposed 2025 budget for all other funds. ***Attachment L*** is a listing of these one-time expenses. We have categorized these expenses in the following areas:  Capital - Equipment $ 4,888,235  IT Equipment or Technology Improvements 178,733  Non-Capital - Small Equipment & Supplies 6,000  One Time Services or Expenses 2,510,000  **LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY BUDGET**  The LDDA prepares and submits a number of budgets annually. First, for the LDDA itself, there are five individual sub-funds. They are the DDA operating fund; the DDA construction fund; the DDA debt service fund; the DDA building permit fund or development incentive program (DIP); and the DDA Arts & Entertainment fund. Along with those budgets the LDDA also prepares and submits the budget for the Downtown Parking Fund and the General Improvement District #1.  The LDDA operating fund proposed budget for 2025 includes an increase in overall expenses of $8,118 over 2024. For 2025 the personal services lines items are increasing 5.5% reflecting increased salary costs and benefits linked to those amounts. There is a $4,075 decrease in O&M expenses with the removal of some one-time expense. The proposed budget as presented includes total expenses of $393,055 with revenue identified to cover all of the proposed expenses for 2025. The largest part of that revenue is $301,713 of property tax based on a conservative staff estimate of the assessed valuation. The preliminary assessed valuation received in late August would generate closer to $319,476 of property tax in 2025. The fund balance of the fund in the proposed budget is projected to be approximately $485,789 by the end of 2025.  The LDDA construction fund is utilized when there are projects that involve the use of LDDA tax increment dollars. In 2025 the LDDA is proposing four capital projects: DTR037 600 Main Rehabilitation at a cost of $800,000; DTR008 Downtown Alley & Breezeway Improvements at a cost of $60,000; DTR033 Wayfinding at a cost of $50,000; and DTR023 Downtown Parking Lots at a cost of $10,000. The LDDA is also proposing to fund a number of other projects with $687,000 of tax increment dollars in 2025. These are projects and priorities from the Downtown Longmont Master Plan of Development.   * Placer Al data service $ 15,000 * Pedestrian metrics 10,000 * Website redesign 25,000 * Mural on parking structure 150,000 * Creative District 80,000 * Clean & safe 25,000 * Economic vitality 50,000 * Holiday tree 35,000 * Incentives 200,000 * Cameras 22,000 * Spoke garage O&M & lease 75,000   $687,000  The construction fund also has $98,280 of operation expense to cover project management of the CIP projects. The LDDA implements project management fees to allocate some staff time against the TIF projects that they support. Over the course of each TIF project a 4% management fee is applied to the total project cost. Finally, there is $69,442 for the annual cost for infrastructure renewal & replacement. That last amount was omitted from the proposed budget but will be added back into the final budget for adoption. A loan of tax increment dollars from the Debt Service Fund to the Construction Fund will be needed in 2025 to provide the funding for these projects. There is also $58,400 of parking fee revenue from the Roosevelt Apartments parking garage.  The final payment on the tax increment financing (TIF) bonds issued in 1998 was made in December of 2008. In order to have the tax increment stream of revenue continue as allowed by statute a new debt was established in 2007 by creating an interfund debt to finance the use of TIF dollars (which can only be used to pay debt) for 2008. That debt is maintained so that the TIF revenue can continue. For 2025, the budget for the DDA debt service fund calls for the use of $1,596,880 of TIF dollars ($1,666,322 with the $69,442 that was omitted) to fund the projects and the project management fees as referenced for the Construction Fund above. There is also another $425,316 budgeted to repay a loan to provide funding for the DDA Arts & Entertainment Fund for 2025. TIF revenue in the 2025 budget is projected at $1,300,000 based on 2023 assessed valuation information. In late August after the proposed budget was completed the assessor’s office provided 2024 preliminary assessed valuation information that projects the 2025 TIF revenue at $1.5 million.  The LDDA Building Permit Fund administers the Development Improvement Program (DIP). Revenues come from fees on building permits from construction projects in the DDA area. Under an IGA, the City transfers an amount equal to these fees to the DDA DIP Fund for downtown improvement projects. The proposed 2025 budget includes $63,500 of revenues for the program which will combine with a strong fund balance to cover a projected $150,000 of program grants.  Since 2007 the LDDA has used TIF funds to fund a marketing and advertising program to fund business recruitment, marketing, branding, special events and promotion for the downtown. The DDA Arts & Entertainment Fund was created during 2011 and funded through TIF revenues as well for a variety of program expenses. In 2014 the two programs were combined into the Arts & Entertainment Fund. The proposed 2025 budget for the Arts & Entertainment Fund of $518,186 includes $187,416 for salary & benefits for 1.45 FTE and temporary staff wages. The budget also includes $331,400 for program expenses including $235,500 for contract services which funds event related expenses and the holiday lights downtown. This budget proposes to fund the proposed 2025 expenses with new TIF funds of $425,316. This amount will combine with program revenues and $11,500 from the City for holiday lights to fund the total proposed budget for the Arts & Entertainment for 2025.  The Downtown Parking Fund is a City fund that is administered by the LDDA. Parking permits are the primary source of revenue for this fund amounting to $70,000 for 2025. Expenditures during 2025 total $140,630 for parking lot upkeep and upgrades.  The General Improvement District #1 budget is also proposed by the LDDA. As shown in proposed budget document the GID includes revenue of $186,565 and expenses of $196,271. Based on projected assessed valuation data the revenue estimates were set as $173,565 from property tax from the GID mill levy.  The Arts & Entertainment District, now known as the Downtown Longmont Creative District, is an integral part of redeveloping the Downtown area for the community. The LDDA has used resources from the state designation to create Downtown Longmont Community Ventures (Ventures), a non-profit organization with a mission to promote Downtown vibrancy through arts, culture and economic development. This organization is charged with finding diversified funding streams, sponsorships and stakeholder engagement, as well as supporting implementation of the Arts & Entertainment District plan. Currently, Ventures is being managed by a part time contract staff person and a volunteer board of directors. The goal is to transition all Creative District programming and implementation to this organization.  ***LDDA Tax Increment Financing***  In the state of Colorado, the state statutes allow for the creation of downtown development authorities and the statutes also govern the powers of such authorities. The section of the statutes that pertain to downtown development authorities is Section 31 Article 25 Part 8. Those sections also address the use of tax increment financing by DDA’s. One of the powers or responsibilities assigned to a DDA in state statute is to:  Plan and propose, within the downtown development area, plans of development for public facilities and other improvements to public or private property of all kinds, including removal, site preparation, renovation, repair, remodeling, reconstruction, or other changes in existing buildings which may be necessary or appropriate to the execution of any such plan which in the opinion of the board will aid and improve the downtown development area.  The Longmont DDA first created a plan of development upon being formed in 1982. The Authority’s Plan of Development, adopted by the City Council in June of 1983, describes a series of objectives designed: to promote the health, safety, prosperity, security and general welfare of the District; to strengthen the economic vitality of the downtown area by preventing the deterioration of property values and structures and by eliminating blighted conditions; and to prepare and implement plans for the economic and physical revitalization of the DDA. The LDDA updated the Master Plan of Development in 1987; in 1995; and most recently in 2017.  In adopting the LDDA Plan of Development in 1983 the City Council adopted the use of tax increment financing as authorized in the Colorado State Statutes:  *That portion of said property taxes…in excess of such amount shall be allocated to and, when collected, paid into a special fund of the municipality for the* ***payment of the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness*** *incurred by, whether funded, refunded, assumed, or otherwise, the municipality for financing or refinancing, in whole or in part,* ***a development project*** *within the boundaries of the plan of development area.*  The Plan established a base property valuation for the overall District as of December 1982 and beginning in 1983, the incremental property tax generated by the various mill levies on those properties above the 1982 base level is earmarked as LDDA TIF revenue and deposited in the LDDA TIF Fund.  While the state statutes allow for tax increment financing by a DDA, they limit the use of those funds to the payment of debt used to finance a development project. Such debt is subject to voter authorization. In March of 1985 the qualified electors of the District authorized the City to issue bonds in an aggregate amount not to exceed $4,500,000 to finance DDA development projects. That authorization was used up with bond issues in 1986 and 1998 and smaller financing projects in between. In 2005 the LDDA received voter approval of a ballot question that would allow debt to be increased up to $10,000,000 for DDA development projects pursuant to the LDDA plan of development which projects may include but not be limited to, at the discretion of the Authority, a mixed use parking structure. Between 2005 and 2015 the LDDA and the City approved the use of $10 million of tax increment financing for the following projects:  Legal expenses for 2005 election $ 7,000  St. Stephen’s pocket park 142,693  Marketing & promotion of downtown 20,000  Marketing program (2007-2013) 1,000,820  Façade loan program 1,300,000  Alleyscape study 18,750  Master plan of development 75,000  Longs Peak & Main market study 8,666  DR-8 Downtown alley improvements 1,414,360  DR-24 Longmont Theatre 250,000  Arts & Entertainment District 75,000  DR-23 Parking lot improvements 340,167  DR-25 Downtown breezeway improvements 746,400  A&E District programs 1,062,504  Storefronts campaign 150,000  Business retention & recruitment 16,666  BID plan 25,000  Incentive programs 1,100,000  Parking structure @ Roosevelt apartments 2,024,000  DR-19 Streetscape improvements 175,000  Infrastructure replacement funding 47,974  Total uses $10,000,000  In November of 2012 LDDA voters approved an additional $25 million of debt authorization which is likely to cover the use of LDDA TIF revenue through 2033 for which the TIF is currently authorized to continue under state statute. Since receiving the $25 million authorization the LDDA and the City have approved the use of $8,565,090 of tax increment financing for projects and efforts such as the following:  PBF-215 Coffman Project $ 2,000,000  Incentive programs 450,000  Infrastructure replacement funding 366,311  Project management expenses 221,820  DTR-008 Downtown Alley/Breezeway Improvements 120,000  DTR-023 Downtown Parking Lot improvements 30,000  DTR-029 Downtown Alley Planning 25,000  DTR-032 Plaza Rehabilitation 100,000  DTR-033 Wayfinding Gateways 250,000  DTR-036 Crosswalk Enhancements 30,000  Arts & Entertainment programs 2,030,870  Clean & safe programs 80,000  Placemaking programs 320,000  Connectivity programs 150,000  Creative District programs 60,000  Economic vitality programs 182,500  Redevelopment programs 25,000  Marketing collaboration programs 30,000  Metrics 33,000  Electric assessment & upgrades 70,000  COVID grants 200,000  Mural/Cultural project 65,000  Alley cameras 205,000  Parking study update 90,000  Parklet maintenance 25,500  Placer AI 27,000  Spoke garage maintenance 100,000  Main St speed mitigation 500,000  Event trailer 20,000  Micro transit 150,000  600 Main 850,000  Beginning in 2014, the thirty-first year of the LDDA TIF, the base year for the calculation of the increment was 1992 and the LDDA was only entitled to receive 50% of the TIF. The City and the LDDA negotiated with some of the other taxing entities to receive more than 50% of the TIF generated by their respective mill levies. The annual deadline for such negotiations in reference to the next fiscal year is August 1st. The DDA has an agreement with the St. Vrain Valley School District for a portion of their mill levy. That agreement, along with the City’s own mill levy, is the only TIF dollars beyond the allowed 50% that the LDDA will receive in 2024. As a result the LDDA TIF revenue in this proposed 2025 budget is projected at $1,300,000.  In the 2023 legislative session, the Colorado General Assembly passed SB23-175 regarding the financing of Downtown Development Authority Projects. The bill created the option for additional 20-year extensions after the expiration of the first 20-year extension. The LDDA first 20-year extension ends in 2033. The extension does not increase or change any mill rate or property tax commitments of the property owner. It authorizes an allocation of the normally assessed property tax within properties downtown to be used to invest in projects and programs within the Downtown District. The City Council passed ordinance O-2023-53 in October of 2023 authorizing the additional 20-year extension.  ***Downtown Infrastructure Renewal***  Maintenance of the downtown is contracted for by the LDDA Executive Director as per the duties identified in the annual IGA’s between the LDDA and the LGID; and between the City and the LDDA. While some services are provided by external contractors a portion of it is being provided by Public Works and by Natural Resources. Depending on the type of maintenance or support provided the funding source comes from either the Longmont General Improvement District; the Downtown Parking Fund; the Arts & Entertainment Fund; and occasionally the DDA Operating Fund. Primarily the Longmont GID is the historical funding source for expenses related to the repair, replacement and maintenance of District assets including sidewalks, parking lot surfaces and improvements, breezeway walks, structures and other improvements.  In 2013 the Parks Division completed an asset inventory for the downtown to identify the need for continued maintenance and renewal of assets in the downtown. City staff met with the LDDA Executive Director to discuss approaches to meeting those needs. Staff checked with other cities with downtown development authorities that had funded infrastructure in their downtowns and how those entities handled the ongoing maintenance and replacement of those assets. Some were maintained by the City and some by the DDA. With the reduction in TIF revenue the LDDA began to experience in 2014 (year 31) it was unable to solely fund the maintenance and replacement costs. City staff concluded that the infrastructure should be treated as it would be elsewhere in the City where developer improvements are accepted and maintained by the City. Staff also concluded that services to the downtown involving trash removal and street cleaning were services being provided elsewhere in the City by the Sanitation Fund and Streets Fund respectively. Accordingly, it was decided that those services should also be provided by those funds to the downtown as well.  As indicated above, the City Council agreed to allow the LDDA to keep 100% of the TIF generated by the 13.42 mill levy of the General Fund rather than retain the 50% that is allowed for in year 31 under the state statutes. The LDDA Board designated that 50% of that amount, or 25% of the overall TIF generated by the levy (estimated at $69,442 for 2025), would be set aside for renewal or replacement of downtown infrastructure assets.  **HUMAN SERVICE AGENCY FUNDING**  In 2024, the City continued its 3% allocation of General Fund revenues for human service funding. $2,648,046 was designated for this purpose. The allocation breakdown was 56% to support safety net services through the online application process and 44% to tackle the issues of housing insecurity and adult homelessness. In 2025, there will be a decrease of $12,330 in the Human Services Budget; 45.6% will be allocated to Homelessness Services and 54.4% will be allocated to Human Services Agency Funding.  Needs in these areas are outpacing the resources available. Applications for the 2025 funding year closed on August 26, 2024. The Housing and Human Services Advisory board will be reviewing applications along with staff from the Human Services Department who will act as subject matter experts. Final recommendations for funding will come to Council in December 2024.  **MENTAL HEALTH**  In 2024, $275,000 of Marijuana Tax revenue was allocated to take a collaborative approach to our internal work. We want to better support and leverage our collective resources dedicated to mental health work within the City of Longmont organization as we have several teams in different departments that specialize in providing this resource to the community. Furthermore, since the City and the Longmont Housing Authority began partnering together in 2020, it became clear that there is a need to support formerly unhoused residents living in the City’s permanent supportive housing communities with a more robust level of service to support their successful move into housing and self-sufficiency. This is critical, particularly for those experiencing mental health challenges. Funds allocated were used to hire additional Clinicians to support the formally unhoused and provide high-quality community focused supportive mental health services and therapeutic case management. The program is now known as Housing and Community wellness and the clinicians in this program report to the Human Services Director.  The clinicians in this program along with Children, Youth and Families, Senior Services and Public Safety will work together to create a Mental Health Center of Excellence to develop a roadmap that will best help us leverage our collective resources. There is $275,000 included the 2025 budget for mental health to continue these efforts.  **EALRY CHILDHOOD CARE AND EDUCATION**  In 2024, the Children, Youth and Families Division worked in Council’s Early Childhood and Education Priority Area and specifically moved forward efforts and projects that would help to ensure that families with children under age 5 receive appropriate, affordable, and high-quality care and education. More specifically the division, along with collaborators, held an Early Education Summit that focused on the support that Friend, Family and Neighbor Care providers need to prepare the children in their care to be kindergarten ready.  Focusing on these care providers is essential because it is estimated that 60% of Longmont children are in friend, family, and neighbor care. An outcome of this summit was a dashboard that was created that better paints a picture of essential data in this area. In tonight’s presentation, there is an example of how the dashboard appears and how the data is categorized. If council wishes, a more extensive presentation on this dashboard can be given at a meeting in the future. The other areas of focus in early childhood that aimed to move the marker on Council’s priorities was the 529 Jump College Savings Plan, Front Range Community College scholarship funds to increase the number of early childhood providers in Longmont, and Longmont’s Early Childhood Hub which will be a resource for all Early Childhood providers. Ongoing funding for early childhood care and education for 2025 will continue at the 2024 level.  **GRANTS AND EXTERNAL FUNDING SOURCES**  Staff continues to actively monitor and pursue grants and external funding sources to support the achievement of City goals. The Bipartisan Infrastructure Law was passed in November 2021, providing federal funding opportunities in several key infrastructure programs.  A successful RAISE project the City is part of has been discussed with Council.  The City has also been awarded formula funding under the Energy Efficiency Community Block Grant (EECBG), which has been used to support the Whole Home Health program.  Staff is considering additional opportunities as Notices of Funding Opportunity are issued, which will continue over the next few federal fiscal years.    In August 2022, the Inflation Reduction Act (IRA) was passed, including further investments in clean energy and climate action totaling nearly $375 billion over the next ten years.  While the grant opportunities the City is eligible for are fewer under the IRA, staff have been able to secure excise tax refunds for the use of alternative fuel totaling more than $174K since 2023.  The City will also be eligible for direct pay tax credits associated with the forthcoming community solar project that should cover 50% of construction costs, significantly improving the return on investment for the project.  Forthcoming solar projects will be eligible for these credits at either 30% or 50% of cost, depending on some project characteristics.    In addition to these one-time federal investments, staff applies for federal, state, and local funding opportunities as appropriate.  **PARKS MAINTENANCE FUNDING**  In late 2022, Parks and Natural Resources staff was directed to accelerate the design and construction of eight new parks over five years. To support this, additional project managers were brought in, and we utilized the Best Value Approach for procurement. City Council and the City Manager have been committed not only to building new parks but also ensuring that we maintain existing parks at our current level of service.  We are now nearing the completion of the first wave of these new parks, along with several park renewals.  Clover Meadows Neighborhood Park (Q4 2024)  Dry Creek Community Park multi-use turf fields (Q4 2024)  Fox Meadows Neighborhood Park (Q1 2025)  Thompson Park renewal (2024- Q1 2025)  Roosevelt Park improvements (2024-Q2 2025)  Nino Gallo Neighborhood Park (Q2 2025)  St. Vrain Greenway Phase 13 (Late 2025)  Interim Union Trail (in early concept phase now)  These new parks, greenways, and trails will require additional parks operation staffing to honor our commitment to both Council and the community. Our Parks Superintendent, in collaboration with the Parks and Trails Development Manager, has developed a Total Park Health system that quantifies staffing needs based on park acreage and amenities. This data-driven system has justified the request for new positions and increased contracted services to ensure that we can provide at least the current level of service for these new city assets.  This request aligns with Council’s directive that no park should be built without the resources to maintain it.  The 2025 proposed budget includes $68,292 of ongoing level one increases in the General Fund, mainly for contract services. There is an increase of $153,553 of additional level 2 contract services funding that was added in the Conservation Trust Fund. There are 3 new Grounds Maintenance Technicians being added for 2025. Due to the ongoing funding challenges in the General Fund the salary and benefits was added in the Parks and Greenway Fund however the associated one time for vehicles and other non-capital equipment and supplies ($328,600) was added in the General Fund. To assist with balancing the ongoing General Fund, $300,000 of ongoing funding for contract services was moved to the Conservation Trust Fund.  **STREET FUND (TRANSPORTATION)**  As a city nearing buildout of existing land uses, the restructuring of our transportation systems and options is critical. This proposed 2025 budget includes $183,700 for the FLEX bus program providing bus service between Longmont and Fort Collins. Additionally, VIA is again funded at $150,000, and RideFree Longmont (plus pay-as-you-go Access-a-Ride payments) is funded at $245,000, and $ 1,500,000 is included to support the operation of the Micro Transit System. Total transit program funding in the proposed 2025 budget is $2,078,700.  Capital work planned for 2025 in the transportation area includes the annual Street Rehabilitation Program, continuing work on the Coffman Street Busway Improvement Project and the Boston Avenue Railroad Crossing.  Other work includes the Main Street Corridor Plan (TRP137) and the Transportation System Management (TSM) program, which helps improve the safety, accessibility, and alternative mode options of the street system. Capital work in the TSM program is anticipated to include ADA and curb ramp improvements, traffic mitigation work and improvements at several high crash locations throughout the city.  **SANITATION FUND**  According to adopted financial policy, rates for sanitation services should be maintained to generate revenue commensurate with the expenses for operating the service.  For 2025, rates for service are expected to generate $9.4 million, while ongoing costs for labor and other operating expenses will be $12.2 million.  Accumulated fund balances will keep the fund at an appropriate reserve level for the end of 2025.  Expenditures from the Sanitation fund have experienced similar inflationary pressures to those in other funds, though the rates for services have not been increased since 2017.  A proposed amendment to the financial policy will acknowledge that this service, like others that operate on a cost-of-service basis, may from time to time accumulate and use fund balances as part of a multi-year financial plan.  Even so, a rate adjustment will be required for the 2026 budget year.  In addition to increases in ongoing costs, the continued pursuit of the City's Zero Waste goals has been met with challenges.  The change in policy at the A-1 Organics composting facility regarding the materials accepted has left residents and policy makers considering alternative solutions.  The funding for Waste Service will be addressed in 2025, when the future direction for regional composting can be included in a financial plan, including a rate and fee study, that will be presented for Council’s consideration. |

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| **ATTACHMENTS:**  Attachment J – General Fund One Time by Category  Attachment K – Public Safety Fund One Time by Category  Attachment L – All Other Funds One Time by Category |