

# 2026 PROPOSED BUDGET

AUGUST 26, 2025



# Council Priorities

## Places & Amenities

Housing  
for All

Early  
Childhood  
Care &  
Education  
(ECCE)

Trans-  
portation

Equity, Safety, Sustainability

Core Services

### Climate Action

Protecting the environment we live in, a need that permeates all our decision making. These priorities include renewable energy, carbon reduction, and community-shared climate solutions.

### Places & Amenities

Realizing the opportunities for quality of life, enrichment and urbanization that Longmont's places hold. This specifically includes the opportunities presented by the River Corridor.

### Transportation

Creating an interconnected, multi-modal plan that provides options and accessibility, encourages walkability, and places safety and Vision Zero at its core.

### Early Childhood Care and Education

Helping ensure that families with children under age 5 receive appropriate, affordable and high-quality care and education.

### Housing for All

Developing programs, plans and incentives that assure the creation of safe, affordable and attainable housing.

### Equity, Safety, Sustainability

Maintaining the core values of the City; the lens through which we view all our actions.

### Core Services

Sustaining the fundamentals that allow the City to function: water, power, sewer, parks, broadband and more. Like all foundations, these are often out of sight but essential.

# SUMMARY

- 2026 balanced budget maintains service levels while addressing strategic priorities through priority-based budgeting aligned with [City Council](#) and [Envision Longmont](#)'s guiding principles.
- National economic headwinds, including persistent inflation, elevated interest rates, and construction industry volatility, continue to impact municipal revenues and operational costs.
- **2026 proposed operating budget: \$520.24 million**
- **9.85% increase from 2025**



# KEY HIGHLIGHTS

- No tax rate increases
- Market-competitive employee compensation
- Enhanced infrastructure investments
- Strategic fund balance utilization of \$43.87M
- Level One expense management addressing inflationary pressures on essential services



# BUDGET CONTINGENCIES

*Several projects currently in development may have a positive impact on the budget pending certainty.*

*Staff will return to Council with proposed budget modifications if these projects advance.*

# REVENUE OVERVIEW

- Sales & Use Tax Volatility
- Property Tax Legislative Impact
- Recreation Revenue Enhancements
- Traffic Safety Camera Revenue
- Water Rate increase (2025-2027)
- NextLight franchise fee (4%)



# BUDGET CHALLENGES

- Economic Environment
- Marijuana Revenue Decline
- Development Revenue Pressures
- Collective Bargaining Increases
- Lean Organization

# BUDGET BY MAJOR FUNDS

Fund	Proposed Revenues	Proposed Expenditures	Contribution to/(from) fund balance
Electric and Broadband Fund	129,252,351	136,500,803	(7,248,452)
General Fund	124,709,177	131,155,724	(6,446,547)
Water Fund	37,990,849	46,354,633	(8,363,784)
Street Fund	29,254,950	37,423,891	(8,168,941)
Sewer Fund	22,347,148	22,299,860	47,288
Fleet Fund	16,324,684	21,740,380	(5,415,696)
Public Safety Fund	20,099,309	20,784,238	(684,929)
Storm Drainage Fund	12,913,300	14,905,178	(1,991,878)
Sanitation Fund	9,939,200	11,511,764	(1,572,564)
Public Improvement Fund	9,931,510	7,948,851	1,982,659
Open Space Fund	6,612,892	6,298,550	314,342
Utility Billing CIS Fund	6,036,346	6,036,346	-
Golf Fund	4,223,000	4,263,813	(40,813)
DDA Fund	3,789,326	3,914,238	(124,912)
<b>Total</b>	<b>433,424,042</b>	<b>471,138,269</b>	<b>(37,714,227)</b>

\*The proposed expenditures from these funds represent 90.6% of the total 2026 budget.



# NEW RESOURCES

- **Level 1 Ongoing**

- Required cost increases beyond our control needed to maintain current service levels
- Existing contracts, dues, inflation-driven bills
- Driven by inflationary pressures, including both the Consumer Price Index and the Producer Price Index

- **Level 2 Ongoing**

- Requested items to enhance existing services or provide new services
- New positions, expanded hours, new equipment maintenance contracts

- **One-time**

- Items requested for one year only (vehicles, equipment, projects)

**In the proposed budget, we are unable to fund any Level 2 General Fund or Public Safety Fund requests.**



# NEW POSITIONS

The 2026 budget includes **12.00** new FTE positions strategically aligned with service delivery needs and growth projections.

- **Electric:** 4.00 (1 fixed term)
- **IT Services:** 4.00 (3 fixed term)
- **Open Space:** 0.85
- **Street:** 1.00
- **Water:** 2.15



# CAPITAL IMPROVEMENTS

Major 2026 capital investments focus on infrastructure renewal & facility improvements:

Transportation	\$38,415,350	Street reconstruction, traffic improvements, and multimodal connectivity
Water	\$16,451,720	Water storage, transmission and treatment, and acquisitions
Electric	\$13,377,588	Capacity increases, rehabilitation and improvements
Parks, Recreation & Open Space	\$11,064,801	Rehabilitation and improvements, acquisitions, and parks and trails expansions
Public Buildings & Facilities	\$4,474,624	Rehabilitation, maintenance and improvements
Sewer	\$3,019,500	Collection and treatment rehabilitation and improvements
Drainage	\$2,850,850	Rehabilitation and improvements
Broadband	\$2,770,191	Reliability, undergrounding and installation
Downtown Redevelopment	\$820,000	Downtown redevelopment for 600 Main rehabilitation and wayfinding

# FINANCIAL POLICIES & FUND BALANCE

The 2026 budget maintains compliance with all adopted financial policies:

- **General Fund Reserve** – 20.6% of operating expenditures (target: 17.0%-22.0%)
- **Balanced Budget** – ongoing revenues fund ongoing expenses
- **Enterprise Fund Cost Recovery** – rates aligned with operational requirements
- **Capital Replacement** – systematic infrastructure renewal funding
- **Compensation** – paying at 101% of market
- **Incremental Development Revenue** – threshold increased from 200 to 300 dwelling units
- **Recreation Cost Recovery** – 80% recovery achieved in this budget



# IMPLEMENTATION TIMELINE

**August 26, 2025** – Budget summary presentation

**September 2025** – Detailed departmental reviews and public input sessions

**October 2025** – Public hearings and Council adoption

**January 1, 2026** – Budget implementation



# BUDGET MEETINGS

## **September 2 – Study Session**

- 2026 Budget Summary
- General Fund budget summary
- Public Safety Fund budget Summary
- Employee Compensation and Benefits
- Unfunded needs

## **September 9 - Regular Meeting**

- New positions
- One-time expenses
- Transportation Funding
- LDDA budget

## **September 16 - Study Session**

- 2026 – 2030 Proposed CIP
- Sanitation Fund budget summary
- NextLight budget summary
- Utilities budget summaries
- New Information Technology Fund

## **September 23 - Regular Meeting**

- Airport Fund budget summary
- Financial Policies
- Public Hearing

## **September 30 – Study Session**

## **October 7 – Study Session**

- Second Public Hearing
- Final Direction from Council

## **October 14 - Regular Meeting**

- Budget Ordinances

## **October 28 - Regular Meeting**

- Budget Ordinances and Resolutions





**THANK YOU**

