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TYPE OF ITEM: General Business

PRESENTED BY:

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SUBJECT/AGENDA TITLE:

2026 Proposed Budget Presentation

EXECUTIVE SUMMARY:

The Proposed 2026 Budget presentation will focus on the following categories: new positions, incremental development revenue (IDR), one-time expenses, Street Fund (transportation), and the Longmont Downtown Development Authority (LDDA) budget. This communication includes a brief overview of each topic and has been consecutively numbered. This information will be available on the City's website with the 2026 proposed budget documents should we need to refer back to any information from this communication as we continue to move through the weekly 2026 budget presentations.

COUNCIL OPTIONS:

[Click or tap here to enter text.](#)

RECOMMENDED OPTIONS:

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

BACKGROUND AND ISSUE ANALYSIS:

Citizens wishing to view the 2026 budget information can access these documents on the City's website at the following location: [2026 Budget Documents](#)

NEW POSITIONS

There are a total of 12 new FTE being added in this budget: 2.15 in the Water Fund, 0.85 in the Open Space Fund, 1.0 in the Street Fund, 4.0 in the Electric & Broadband Fund, and 4 in the Technology Services Fund. New positions included in this budget are:

- **1.0 FTE Watershed Ranger II** – the addition of an FTE Watershed Ranger would increase winter staffing levels from the current single on-duty Watershed Ranger to an average of two rangers on-duty every shift. Having only one ranger raises safety concerns for staff during inclement weather or law enforcement patrols without nearby assistance: from the Water Fund
- **1.0 FTE Watershed Forest Stewardship Technician** – position is needed to support year-round watershed protection efforts at Button Rock Preserve: from the Water Fund
- **2.0 FTE Journey Lineworker**- positions are needed to establish a maintenance program to maintain the safety and reliability of the electric system: from the Electric & Broadband Fund
- **1.0 FTE Apprentice Lineworker Step 1** – position is needed to establish a maintenance program to maintain the safety and reliability of the electric system: from the Electric & Broadband Fund
- **1.0 FTE Line Crew Supervisor** – position is needed to establish a maintenance program to maintain the safety and reliability of the electric system: from the Electric & Broadband Fund
- **1.0 FTE Traffic Signal Technician II** – the current signal team covers only a portion of the maintenance of the signal system. Most of the standard maintenance is performed by contracted services. This position will reduce the need for contractor services and assist with alleviating some of the pressures of after hours on-call work.: from the Street Fund
- **1.0 FTE Natural Resources Technician III** – this position would increase the level of City services by completing tasks that are currently not able to be accomplished with existing staff and include assisting project managers with wildlife impact mitigation, wildlife laws and regulation compliance, wildlife monitoring, among other things: from the Water and Open Space Fund
- **1.0 FTE Technical Project Manager (fixed term)** – this position is requested to support the numerous new technical implementation projects such as: Salesforce CareNet Phase 2/3, Salesforce CRM/Unified Profile, Housing voucher and property management (system TBD), Asset Management, Internal ticketing, and more: from the Technology Services Fund
- **1.0 FTE Technical Project Coordinator (fixed term)** – this role will support the implementation work currently in progress and coming up, including: Salesforce CRM/United Profile, Carenet extension, Digital identity, and the integration platform work: from the Technology Services Fund
- **1.0 FTE Internal Project Communication Specialist (fixed term)** – this role is critical for the success of the Salesforce Implementation process. We will need staff across departments trained and supported on the new technology along with a strong communications role to ensure platform updates are received, understood, and put into action: from the Technology Services Fund

- **1.0 FTE Product Owner (fixed term)** – this position will be critical to keep our Salesforce build aligned with business processes across all teams: from the Technology Services Fund

The overall impact of all changes to FTEs in this budget is a net increase of 7.80 FTE, which brings the total budgeted positions to 1,168.905

INCREMENTAL DEVELOPMENT REVENUE (IDR)

The 2026 proposed budget includes a projection of 1394 building permits for *new dwelling units*. Staff proposed a change in the incremental development revenue financial policy to increase the base dwelling units from the current 200 permit level to 300 permits. Any new dwelling units above the 300 level will be considered incremental development revenue. With this proposed policy change there is a total of \$958,435 in incremental development revenue in the proposed budget (building permits \$833,838 and plan reviews \$124,597) that is used to cover ongoing expenses that are subject to reduction if this level of revenue is not sustained in the future of \$579,034, and one-time expenses of \$379,401 as shown below.

2026 IDR available	958,435	
Ongoing uses of IDR - positions		
initially added in 2015	42,599	Planning Technician (46% of the FTE)
initially added in 2016	193,173	Associate Planner and Permit Technician
initially added in 2017	121,168	Electrical Inspector
added in 2026	175,817	
Ongoing uses of IDR - other ongoing		
initially added in 2017	36,634	temp wages
initially added in 2018	9,643	overtime for plan review
2026 ongoing total IDR uses	579,034	
One-time used of IDR		
added in 2026	30,000	Furniture for Development Services Center
added in 2026	200,000	Digitize Development Services Center records
added in 2026	100,000	Urban renewal legal consulting services
added in 2026	49,401	Contingency for unexpected development related items
2026 one-time total IDR uses	379,401	
2026 total IDR uses	958,435	

ONE TIME EXPENSES

General Fund

There is a total of \$7,847,241 of one-time expenses included in the proposed 2026 General Fund budget. There is \$1,400,694 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 \$6,446,547.



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	\$1,007,916
IT Equipment or Technology Improvements	625,422
Non-Capital - Small Equipment & Supplies	388,768
One Time Services or Expenses	5,825,135

Public Safety Fund

There is a total of \$762,885 for capital and other one-time expenses included in the proposed 2026 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	\$282,800
IT Equipment or Technology Improvements	4,035
Non-Capital - Small Equipment & Supplies	95,235
One Time Services or Expenses	185,815
PBF109 Municipal Facilities Parking Lot Rehabilitation	195,000

Other Funds

There is a total of \$18,681,015 for capital and other one-time expenses (not including CIP) in the proposed 2026 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	\$753,097
IT Equipment or Technology Improvements	1,497,686
Non-Capital - Small Equipment & Supplies	137,445
One Time Services or Expenses	16,292,787

STREET FUND (TRANSPORTATION)

As the city nears buildout of existing land uses, the restructuring of our transportation systems and options continues to adjust to the changing conditions. The proposed 2026 budget includes \$189,400 for the FLEX bus program providing bus service between Longmont and Fort Collins. VIA is again funded at \$150,000, and RideFree Longmont (plus pay-as-you-go Access-a-Ride payments) is again funded at \$245,000. Additionally, \$1,510,000 is included to support the operation of the Micro Transit System and \$25,000 is included to support the employee ECOPass program. Total transit program funding in the proposed 2026 budget is \$2,119,400.

Capital work planned for 2026 in the transportation area includes the annual Asphalt Pavement Management Program (TRP001), continuing work on the Coffman Street Busway Improvement Project (TRP135) and the Boston Avenue Connection project (TRP092). Other work includes the Quiet Zones project (TRP094), the Pace Street Improvements (TRP140) and the Transportation System Management Program (TRP011), 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.

LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY BUDGET (LDDA)

The LDDA prepares and submits several budgets annually. There are five individual sub-funds:

- The DDA operating fund
- The DDA construction fund
- The DDA debt service fund
- The DDA building permit fund or development incentive program (DIP)
- The DDA Arts & Entertainment fund.

Along with these budgets the LDDA also prepares and submits the budget for the Downtown Parking Fund and the General Improvement District #1.

Below is an overview of the 2026 proposed budget for each of these. The details can be found in the *All Other Funds* section of the proposed budget document.

	Revenue	Expenses	Contribution to/(from) Fund Balance
DDA Operations Fund	459,323	420,632	38,691
DDA Construction Fund	1,240,290	1,240,290	-
DDA Debt Service Fund	1,500,000	1,566,103	(66,103)
DDA Building Permit Fund	55,000	152,500	(97,500)
DDA Arts and Entertainment Fund	534,713	534,713	-
Downtown Parking Fund	85,000	126,231	(41,231)
General Improvement District #1 Fund	210,000	212,964	(2,964)

DDA Operating Fund

The main source of revenue for the Operating Fund is property tax from a 5.000 mill levy assessed within the boundaries of the DDA. Funding covers operational expenses, staff, maintenance and programming.



DA Construction Fund

The LDDA construction fund is utilized when there are projects that involve the use of LDDA tax increment dollars. The main source of revenue for this fund is a loan of tax increment dollars from the Debt Service Fund.

The Construction Fund budget includes funding for two capital projects:

- DTR037 600 Main Rehabilitation, \$800,000
- DTR033 Wayfinding, \$20,000

A number of other projects totaling \$338,066 are proposed to be funded using tax increment dollars in 2026. These are projects and priorities from the Downtown Longmont Master Plan of Development.

• Placer AI data service	\$ 15,000
• Pedestrian metrics	13,000
• Arts District	10,000
• Clean & safe	25,000
• Economic vitality	50,000
• Placemaking	60,000
• Cameras	35,000
• Spoke garage O&M & lease	60,000
• Infrastructure renewal & replacement	70,066
Total	\$ 338,066

There is another \$82,284 in this budget to cover the operations and management of these projects.

DDA Debt Service Fund

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.

TIF revenue in the 2026 budget is projected at \$1,500,000 based on assessed valuation information from 2024 as this information was not yet available from the County at the time the proposed budget was presented. There is \$1,111,290 budgeted for the use of the TIF dollars to fund the projects and operations referenced for the Construction Fund above and \$450,213 repay a loan to provide funding for the DDA Arts & Entertainment Fund for 2026.

DDA Building Permit Fund

The DDA 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 2026 budget includes \$55,000 of revenues for the program. Expenses are budgeted at \$152,500 for the program. This fund is estimated to use up \$97,500 of fund balance in 2026.

DDA Arts and Entertainment Fund

Since 2007 the LDDA has used TIF funds to fund a marketing and advertising program for business recruitment, marketing, branding, special events and promotion for the downtown. The proposed 2026 budget for the Arts and Entertainment Fund of \$534,713 will be used for will be used for ongoing programming, marketing, events, downtown gift card, holiday lighting and programming, as well as small business support.

Downtown Parking Fund

The Downtown Parking Fund is a City fund that is administered by the LDDA through the annual IGA. Parking permits projected at \$80,000 for 2026 are the primary source of revenue. Expenditures during 2026 total \$126,231 for parking lot upkeep and upgrades.

General Improvement District #1 Fund (GID)

The General Improvement District #1 budget is another City fund that is administered by the LDDA through the annual IGA. The main source of funding is a 6.798 property tax mill levy estimated at \$204,000 for 2026. Expenses for 2026 of \$212,964 will be used for beautification, maintenance, pressure washing, landscaping and management of the GID district.

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 park1	42,693
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	50,000
Business retention & recruitment	16,666
BID plan	25,000
Incentive programs	1,100,000
Parking structure at 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 \$11,015,280 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	436,377
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	270,000
DTR-036 Crosswalk Enhancements	30,000
Arts & Entertainment programs	2,491,083
Clean & safe programs	105,000
Placemaking programs	380,000
Connectivity programs	150,000
Creative District programs	60,000
Economic vitality programs	232,500
Redevelopment programs	25,000



Marketing collaboration programs	30,000
Metrics	46,000
Electric assessment & upgrades	70,000
COVID grants	200,000
Mural/Cultural project	65,000
Alley cameras	240,000
Parking study update	90,000
Parklet maintenance	25,500
Placer AI	42,000
Spoke garage maintenance	160,000
Main St speed mitigation	500,000
Event trailer	20,000
Micro transit	150,000
DTR037 600 Main Rehabilitation	1,650,000
TRP141 S&J Retaining Wall and Parking Deck	600,000

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 2025. As a result, the LDDA TIF revenue in this proposed 2026 budget is projected at \$1,500,000.

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 \$70,066 for 2026), would be set aside for renewal or replacement of downtown infrastructure assets.

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