

CITY COUNCIL COMMUNICATION



MEETING DATE: September 23, 2025 **ITEM NUMBER:** 12.{{item.number}}

SECOND READING: {{customfields.ResoOrdNumber}} **TYPE OF ITEM:** General Business

PRESENTED BY:

Harold Dominguez, City Manager's Office, Harold.Dominguez@longmontcolorado.gov

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Sandra Sifuentes, Budget, Sandra.Sifuentes@longmontcolorado.gov

Other City Staff

SUBJECT/AGENDA TITLE:

2026 Proposed Budget Presentation and First Public Hearing

EXECUTIVE SUMMARY:

The Proposed 2026 Budget presentation will focus on the following categories: Airport Fund Budget Summary and Financial Policies. 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 will also need to hold the first public hearing on the 2026 Proposed Budget, the 2026-2030 Proposed Capital Improvement Program, and the 2026 Proposed Pay Plan.

COUNCIL OPTIONS:

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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](#)

FOLLOW-UP FROM PRIOR MEETINGS AND QUESTIONS FROM COUNCILMEMBERS

Ridership and Utilization Numbers for Transportation Options

Councilmember Popkin asked the following question: Regarding the street fund, what are the ridership and utilization numbers for the FLEX bus, RIDE Longmont, RideFree Longmont, and ECOpass? (Page 5 on budget council comm). Cammie Edson, Transportation Planning Manager, provided the following information:

Service Name	Year	Total Annual Ridership Longmont Based
Via Mobility Paratransit	2024	74,094
Via Mobility Paratransit	2025	annual ridership not yet available
Ride Free Longmont	2024	2024 ridership data was not provided by RTD per the most recent CORA request in 2025
Ride Free Longmont	2025	annual ridership not yet available
Access-a-Ride	2024	May need CORA request for ridership data
Access-a-Ride	2025	annual ridership not yet available
FLEX Bus	2024	16,125 (approximately 10% of total system trips are Longmont based)
FLEX Bus	2025	annual ridership not yet available
RIDE Longmont Microtransit	2024	2987 (service launched 12/09/24, data from 12/09/24 - 12/31/24)
RIDE Longmont Microtransit	2025	annual ridership not yet available

EcoPass Year	Total Number of Pass Holders	Total Staff Count	
2024	204	861	
	In late 2023 RTD restructured their EcoPass program, contracts, and prices, which significantly reduced Longmont's cost overall. RTDs new pass program isn't as user friendly before they changed things in 2023. The new system requires more steps. The result was a significant loss of staff EcoPass holders.		
2025	266	868	
	In progress - the count shown only represents YTD through mid-Sept 2025		

AIRPORT FUND BUDGET SUMMARY

At the July 22 meeting, Mayor Peck moved to see a line item of the Airport budget, including revenues and expenditures. Staff will present this information at the Council meeting and show how capital projects work into the financial mix of expenditures and revenues.

The 2026 proposed Airport Fund budget totals \$725,377. This is a \$80,931 (12.56%) increase over the 2025 adopted budget. Key drivers of this increase include: a \$32,899 administrative transfer fee increase (after 50% fee reduction), a \$24,000 increase in professional and contracted services, a \$13,432 increase in Fleet Operating & Maintenance costs, and additional personnel and operating cost adjustments totaling \$10,600. Details on this budget can be found in the proposed budget document on the City's website at the following [link](#).



2026 PROPOSED FINANCIAL POLICIES

As part of the 2026 budget process staff has reviewed and updated the City's current financial policies. All changes to the financial policies will be adopted by resolution (scheduled for October 28) and will become effective on January 1, 2026. The complete list of policies can be found in **Attachment M** and reflect the proposed changes by using strikeouts for phrases to be removed and bold blue letters for new words or phrases to be added. Various policies include the comment **[TO BE UPDATED AFTER THE 2026 BUDGET IS COMPLETED]**. After staff receives final direction on the 2026 Operating budget from Council these policies will be revised to include 2026 Budget figures.

Several of the proposed changes recommended by staff are minor updates or clarification of information which do not change the intent of the policy and are not listed in this communication. If Council has questions on any changes, staff will be available to discuss them during the presentation. New policies, changes that go beyond updates or basic clarification, and policies to be removed are highlighted below.

New Policies

One new financial policy is being proposed for 2026. This new policy adds a reserve requirement in the Broadband Fund.

Broadband Utility Reserve

The Broadband Utility will maintain an unappropriated reserve in an amount equal to at least 60 days operating and maintenance costs.

Updated Policies

Staff is proposing the following changes that are more than basic clarifications. These updates will change the intent and/or implementation of the policy:

The Incremental Development Revenue policy is not changing. However, the *implementation statement* following the policy, is proposed to change the benchmark from 200 to 300 dwelling unit permits as previously discussed with Council at the September 9 meeting.

Incremental Development Revenue

As Longmont continues to mature as a city and remaining greenfield site development transitions to infill and redevelopment, the City will review all revenues from building permits and plan check fees to manage expectations around ongoing revenues from these sources. Each year the City will designate a benchmark, above which the revenues budgeted from these sources would be considered incremental development revenue. Incremental development revenue will be limited to development related expenses, either one-time or ongoing but subject to reduction if not sustained in the future.

~~In the 2025 Budget there is a projection of 820 new dwelling units. The benchmark established in the 2008 budget was 120 dwelling units. Starting with the 2020 2026 budget this benchmark was increased to 200 300 dwelling units. The 2025 budget includes incremental development revenue of \$399,478 from 620 dwelling permits. This incremental development revenue is used to cover ongoing expenses in the 2025 Operating Budget associated with development related activities. [TO BE UPDATED AFTER THE 2026 BUDGET IS COMPLETE]~~

The Public, Educational, and Governmental (PEG) Access Television Services policy is being updated to simplify the policy. Rather than paying based on budget this change would allow the City to pay based on what is actually received.

Public, Educational, and Governmental (PEG) Access Television Services

50% of the General Fund's ~~budgeted~~ **actual** cable television franchise revenues will be allocated for the purposes of providing public, educational, and governmental television services. ~~If the actual cable television franchise revenue collected by the City is greater than ten percent (10%) less than the City's General Fund's budgeted cable television franchise revenues, then the contract price shall be fifty percent (50%) of the actual cable television franchise revenue collected by the City.~~

The Obsolete and Surplus Items policy is being updated to allow employees working from home that have a remote work agreement to use surplus items.

Obsolete and Surplus Items

Items in the Warehouse inventory that have not moved in five years, unless designated for use by departments or in use for remote work, will be declared obsolete and either sold, recycled or auctioned.

Supplies and equipment that are no longer needed or being used by a department will be offered for use to other departments. **These items may be offered to employees for their home office if they have a remote work agreement.** If the City no longer has any need or use for these items, they will be declared surplus and either sold at auction, donated, recycled or otherwise appropriately disposed of. At no time will City surplus property be offered to employees exclusive of a public offering.

The City currently follows this policy.

The General Fund Reserves policy is proposed to be updated to remove the need for a super majority of council to pass an ordinance to use the portion of the reserve that is classified as *Committed to Emergencies*. Any use of these fund balances require council to pass an

additional appropriation ordinance. Per our City Charter ordinances do not require a super majority of Council.

General Fund Reserves

General Fund reserve targets will be as follows: The City will maintain a fund balance restricted for emergencies in compliance with TABOR. The restricted fund balance will be calculated at 3% of “fiscal year spending” and can be utilized only for “emergencies” as allowed under Article X Section 20 of the Colorado Constitution.

The City will maintain an unrestricted fund balance in an amount equal to approximately two to three months (16.67% to 25%) of General Fund operating expenditures. Within the unrestricted fund balance the City will strive to meet the following reserve targets:

- Committed to Emergencies: City Council imposed Emergency Reserve - This portion would be maintained at 8% of General Fund operating expenditures. Use of these reserves is limited to emergency situations such as natural disasters, acts of terrorism or war, widespread riots or similar emergencies impacting the community. It can also be used in the event of the inability to meet a scheduled debt service payment. ~~A super majority (2/3 of the Council present) of the City Council is necessary to pass an ordinance with appropriation of these reserves.~~
- Committed to Emergencies: City Council imposed Stabilization Reserve - This reserve would be used during times of reduced revenues due to economic conditions to allow General Fund services to continue to be provided throughout an economic downturn. This reserve is targeted as a range with a minimum of 3% and a maximum of 8% of General Fund operating expenditures. Use of these reserves would be an exception to the policy of budgeting ongoing expenditures equal to ongoing revenues.

The Broadband Utility Franchise Fee Policy is being updated to a 4% franchise fee as previously discussed with Council.

Franchise Fee - Broadband Utility

The City of Longmont Broadband Utility will pay the General Fund a ~~1%~~ 4% franchise fee. The fee will be ~~1%~~ 4% of actual annual revenues, excluding General Fund revenue, contributions from the Broadband Utility fund balance, transfers from other funds, loans and grants from other governmental agencies, reimbursement for damages, and interest earnings.

ATTACHMENTS:

Attachment M – 2026 Proposed Financial Policies