

2027 PROPOSED BUDGET

SEPTEMBER 15, 2026

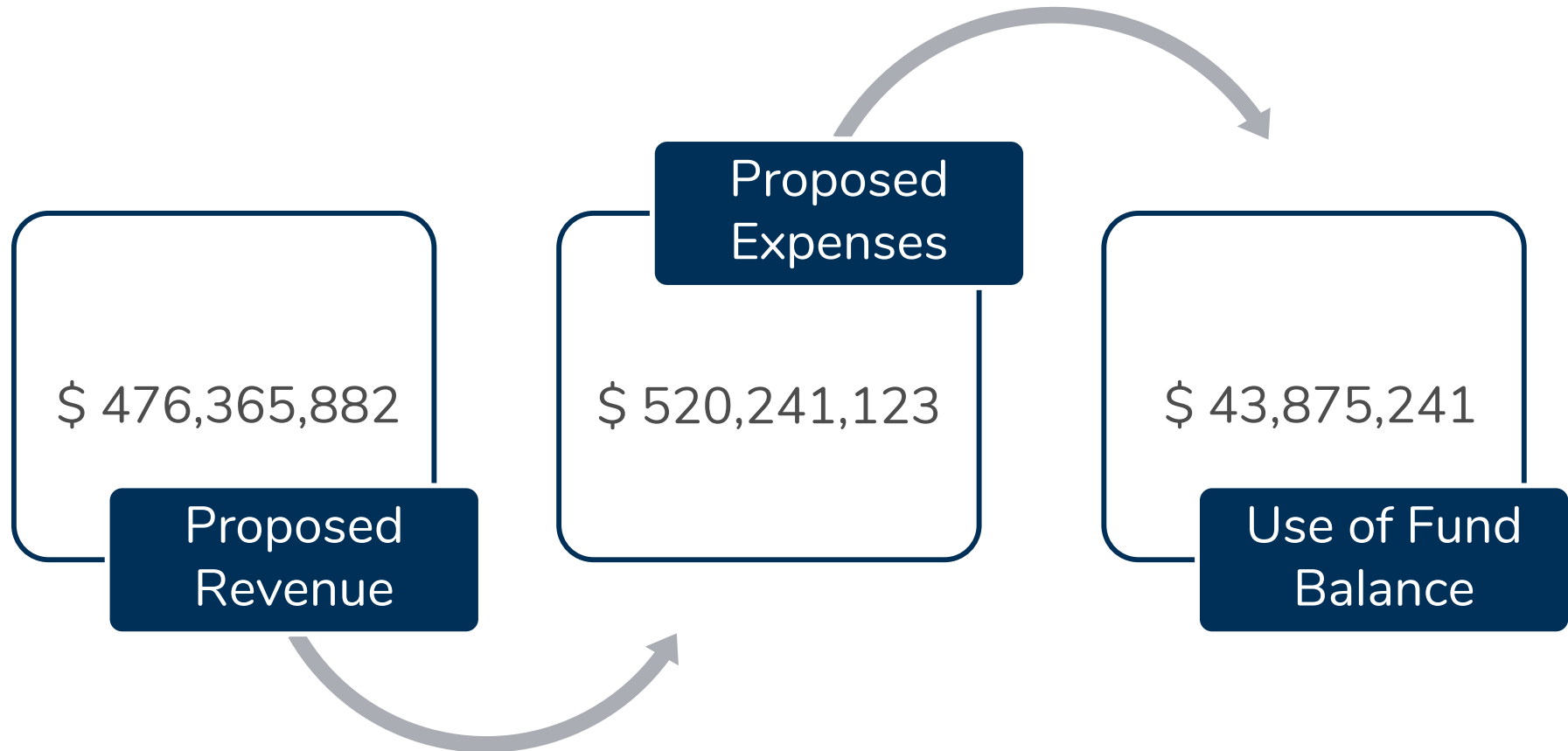




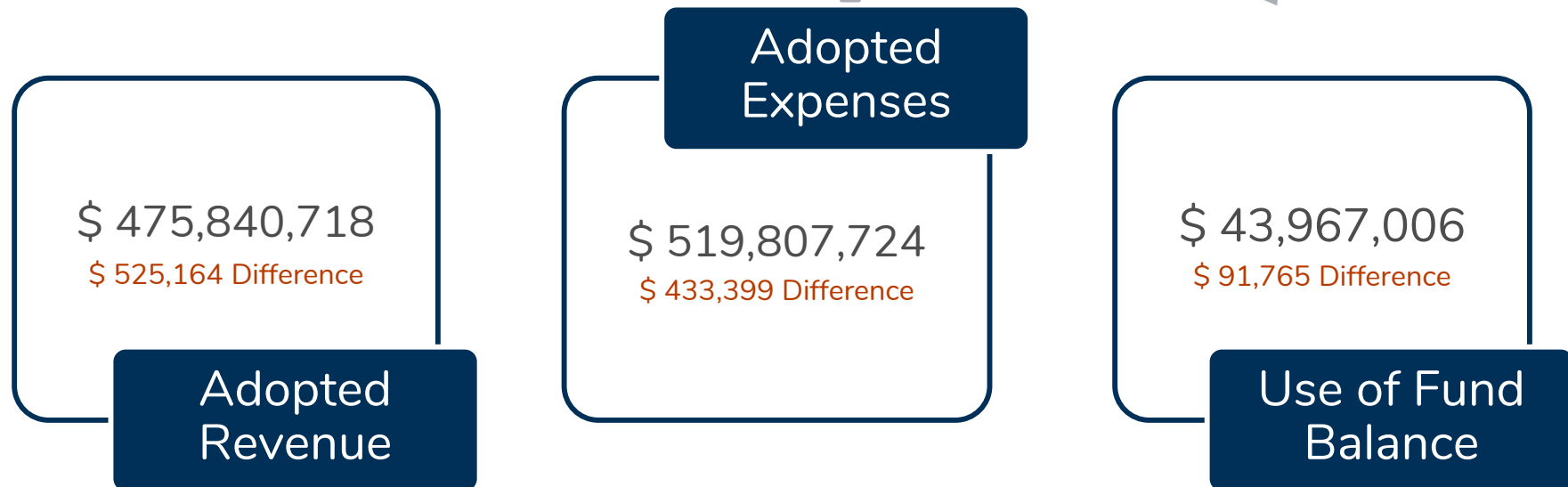
PRESENTATION TOPICS

- 2027 Budget Summary
- General Fund Budget Summary
- Public Safety Fund Budget Summary
- One-Time Expenses
- Financial Policies

2026 PROPOSED BUDGET



2026 REVISED AND ADOPTED BUDGET



Revenue differences are a result of:

- General Fund: \$536,329 **reduction** in one time property tax revenue (used preliminary estimate in the proposed budget) and an **increase** of \$11,165 in intergovernmental revenue to offset pay plan corrections

Expense differences are a result of:

- General Fund: \$536,329 **reduction** in unallocated one time expenses and \$11,165 **increase** to pay due to pay plan corrections
- Electric and Broadband Fund: \$89,277 increase to pay due to pay plan corrections
- Water Fund: \$1,172 **reduction** to pay due to pay plan corrections
- Sewer Fund: \$585 **reduction** to pay due to pay plan corrections
- DDA Fund: \$1,098 **increase** to pay due to pay plan corrections
- Affordable Housing Fund: \$3,147 **increase** to pay due to pay plan corrections

ADDITIONAL APPROPRIATIONS

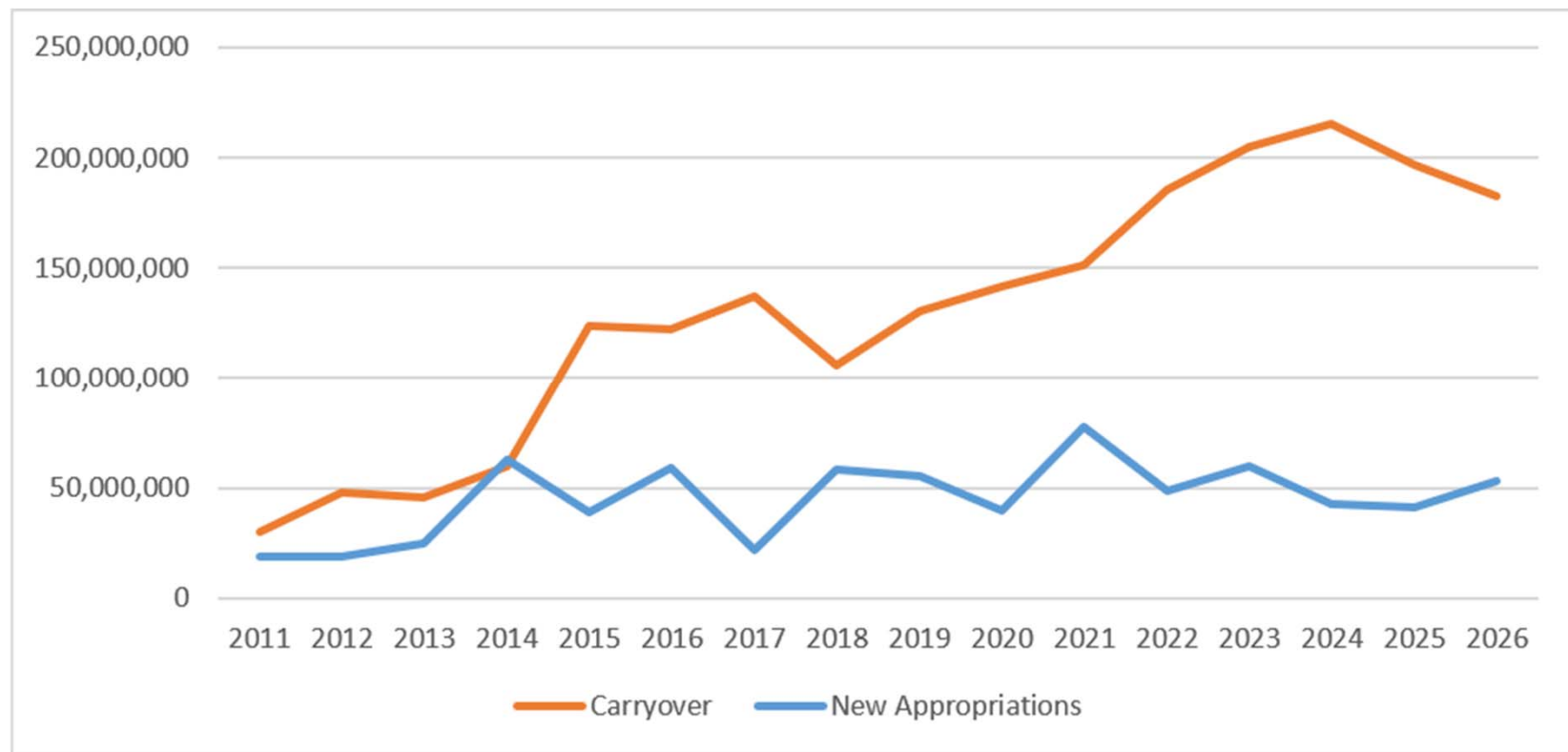
- o Additional appropriations are presented to Council on a monthly basis following year-end closure. These are adopted by ordinance.
- o Two types of additional appropriations:
 - Carryover
 - New
- o Appropriations can include:
 - Fund balance contributions
 - Grants that have been awarded and approved by Council
 - Unanticipated/unbudgeted revenues such as donation or reimbursements
 - CIP Amendments

2026 REVISED BUDGET

- o Through August, there have been 11 additional appropriations in 2026, including the carryover that was completed in May
- o 2026 Revised Budget is \$ 755,430,163 which is \$235,622,439 (45.3%) more than the adopted budget

2026 Adopted Budget	\$	519,807,724
2026 Revised Budget		<u>755,430,163</u>
Difference	\$	235,622,439
Carryover	\$	182,272,986
New Appropriations	\$	53,349,453

ALL FUNDS (2011-2026) CARRYOVER AND NEW APPROPRIATIONS

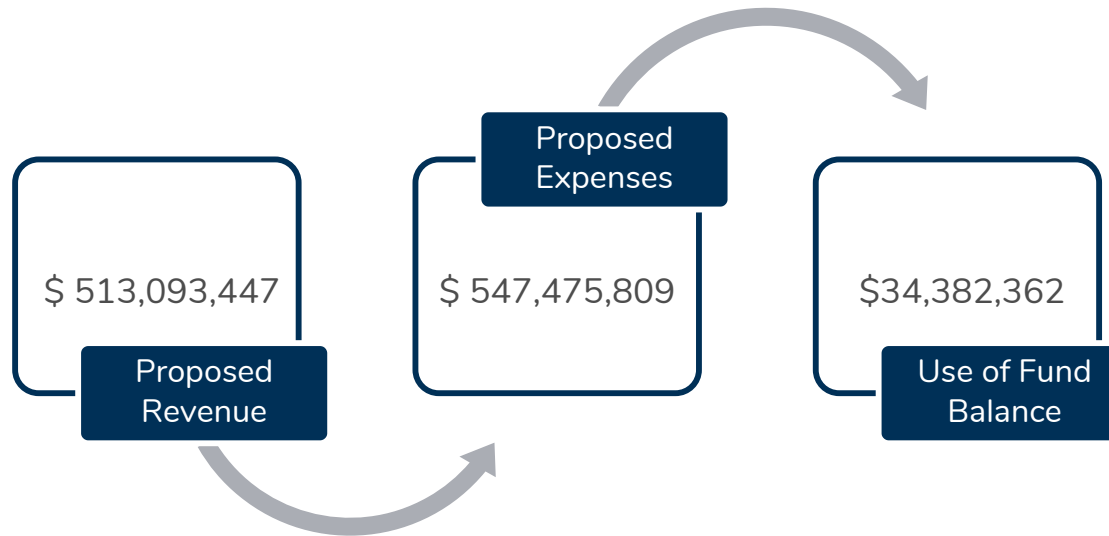


CARRYOVER EXPENSES

- o Carryover expenses make up a large portion of the difference between the adopted budget and the final budget.
- o Major carryover items included in 2026 were:
 - Bond Funds
 - Capital Improvement Projects
 - Recovery Programs
 - Grants

TOTAL BUDGET SUMMARY BY FUND

2027 PROPOSED BUDGET



- 5.32% or \$27.67 million greater than the 2026 adopted budget
- Includes \$95.0 million for Capital Improvement Program

REVENUE PROJECTIONS | SALES AND USE TAX

	Sales Tax	Use Tax	Combined
2026 Budget	3.3%	(18.0%)	0.4%
Performance thru June 2026	4.5%	34.1%	6.0%
Performance thru July	5.2%	9.7%	4.2%
Projections to end 2026	3.3%	13.4%	0.4%
Proposed Budget for 2027	3.7%	1.7%	3.5%

5 Funds

- General Fund
- Public Improvement Fund
- Street Fund
- Open Space Fund
- Public Safety Fund

REVENUE PROJECTIONS | PROPERTY TAX

- State adjustment to property assessment rates
 - Commercial: 27.0% -> 25.0%
 - Residential: 6.25% -> 6.8% with 10% on first \$700,000 exempted
- 2027 proposed budget \$30,509,908, including \$300,000 as one-time
- August preliminary certifications indicate \$511,597 less
- Get final certifications in December

REVENUE PROJECTIONS | PERMIT REVENUES

Dwelling Units	Single Family	Townhome/Condo	ADU	Multi Family	Combined
2026 Adopted Budget	136	132		1126	1394
Projections for 2026	64	30		842	936
Budget for 2027	80	26	10	1340	1456

Incremental Development Revenue Policy

- Policy base level 300 new dwelling units
- Anything above this level is Incremental Development Revenue

INCREMENTAL DEVELOPMENT REVENUE

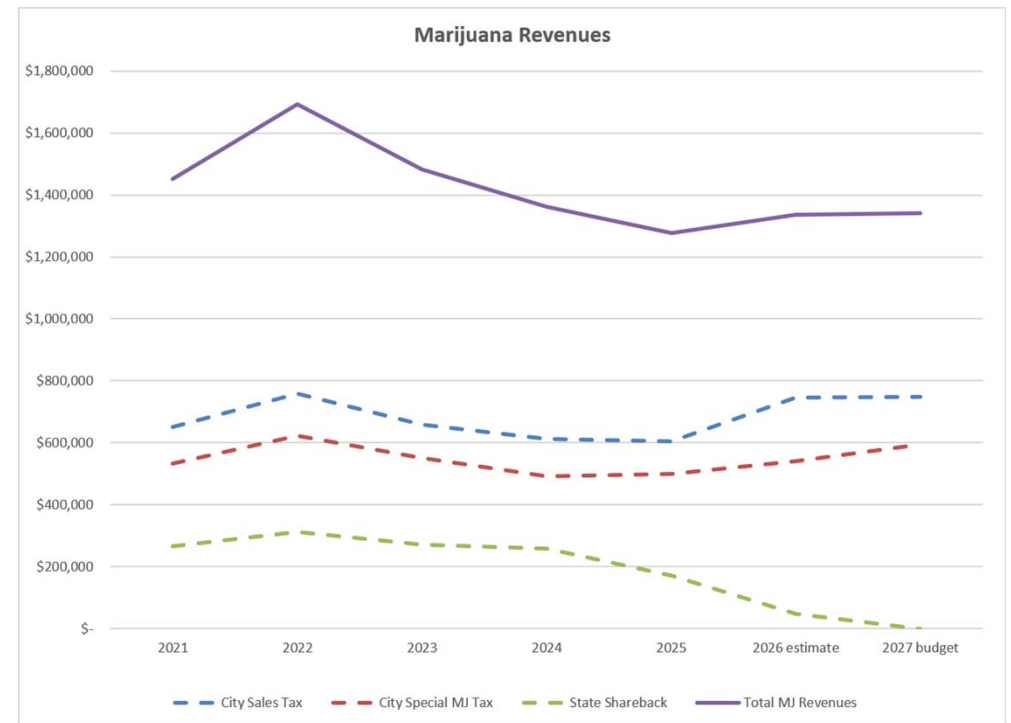
2027 IDR available	452,153	
Ongoing uses of IDR - positions		
initially added in 2015	35,460	portion of planning technician
initially added in 2016	198,999	associate planner and permit technician
initially added in 2017	18,076	small portions of electrical inspector
initially added in 2026	175,817	fixed term redevelopment revitalization manager
2027 adjustment	(175,817)	fixed term redevelopment revitalization manager moved to general fund one time
added in 2027	176,430	building permit tech I and building permit tech II
Ongoing uses of IDR - other ongoing		
initially added in 2017	13,545	temp wages
initially added in 2018	9,643	overtime for plan review
2027 total IDR uses	452,153	

REVENUE PROJECTIONS | MARIJUANA REVENUES

- 3 sources:
 - City sales tax
 - 3.53%
 - State Shareback
 - 10% down to 3% starting July 2025
 - Eliminated July 2026
 - Special Retail Tax
 - 3%
 - 1/2 to Affordable Housing Fund
 - 1/2 to General Fund for Mental Health and Addiction programs

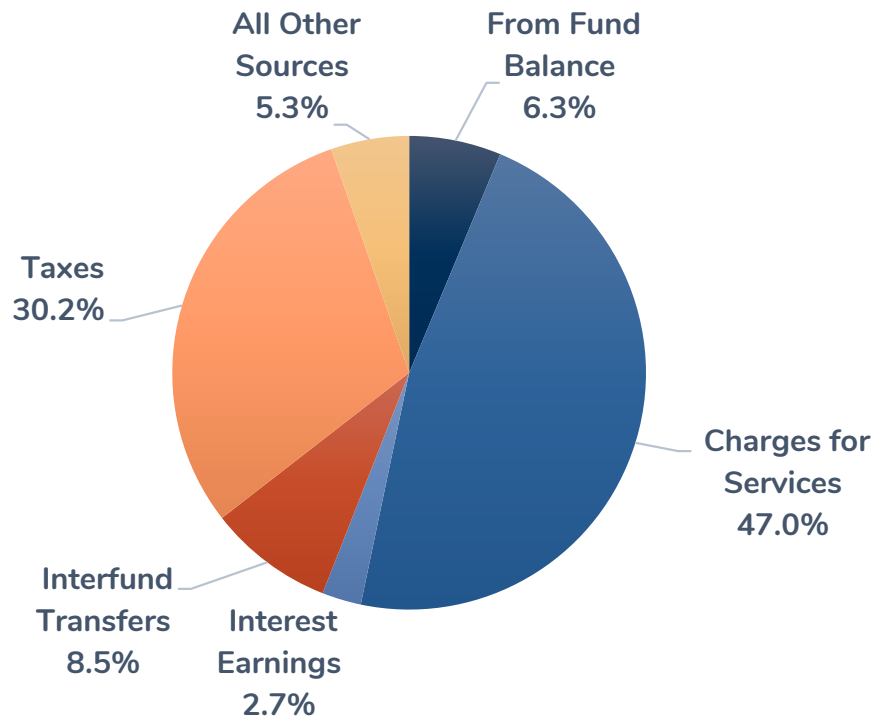
MARIJUANA REVENUES (cont.)

	City Sales Tax	City Special MJ Tax	State Shareback	Total MJ Revenues
	all 5 sales tax supported funds	1/2 to Affordable Housing Fund and 1/2 to General Fund	General Fund	
2021	651,285	533,085	266,558	1,450,928
2022	758,591	622,917	312,040	1,693,548
2023	657,706	552,117	271,694	1,481,517
2024	612,003	492,607	257,619	1,362,229
2025	606,069	498,866	171,912	1,276,847
2026 estimate	745,239	541,582	48,809	1,335,630
2027 budget	748,839	593,416	-	1,342,255



2027 PROPOSED SOURCES OF FUNDS

2027 Proposed Budget Sources of Funds - \$ 547,475,809



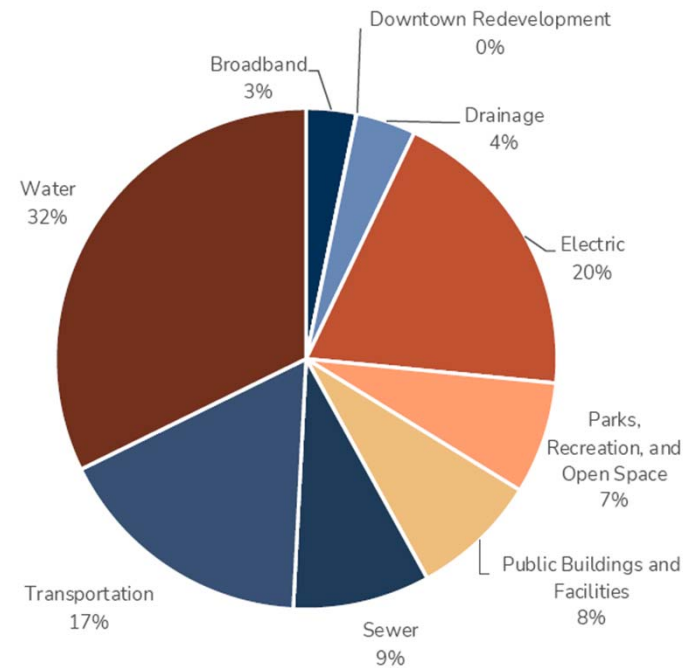
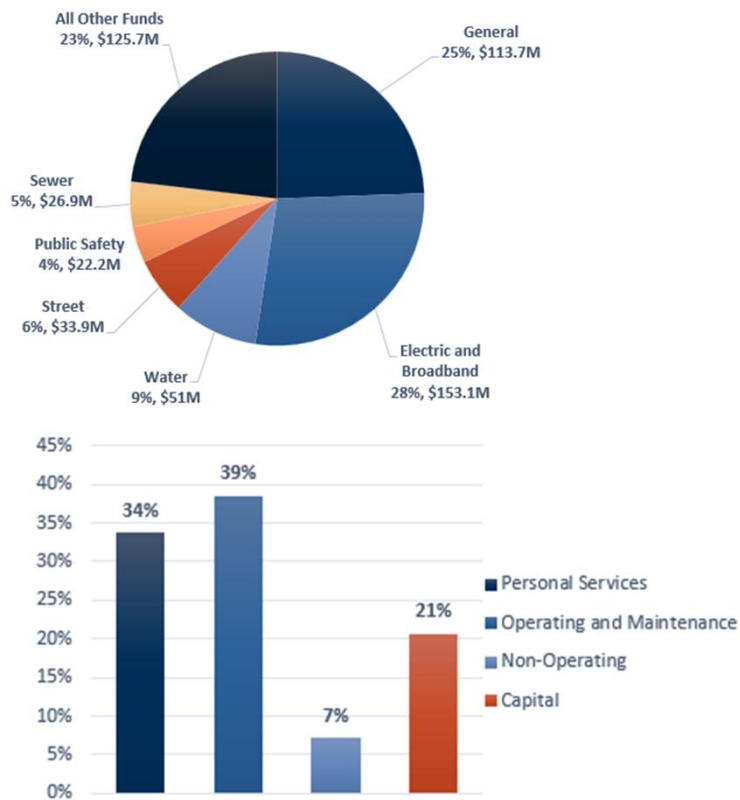
2027 Sales/Use Tax

General Fund	\$	54,988,792
Street Fund		24,325,168
Open Space Fund		6,486,712
Public Improvement Fund		9,703,904
Public Safety Fund		18,811,463
LURA for COP Payment		200,000
Total Sales/Use Tax	\$	114,516,039

2027 PROPOSED BUDGET BY FUND

2027 Proposed Budget Uses of Funds - \$547,475,809

Includes \$95 million in Capital Improvement Program (CIP)



2026 ADOPTED AND 2027 PROPOSED BUDGET SUMMARY BY FUND COMPARISON

	2026 Adopted Budget by Fund		2027 Proposed Budget by Fund		COMPARISON	
	Contribution to/(from) Fund Balance		Contribution to/(from) Fund Balance		Contribution to/(from) Fund Balance	
Fund	Expenditures		Proposed Expenditures		Expense inc/(dec)	
Electric and Broadband Fund	136,590,080	(7,337,729)	153,060,214	(8,399,637)	16,470,134	(1,061,908)
General Fund	130,630,560	(6,446,547)	133,715,921	(6,216,066)	3,085,361	230,481
Water Fund	46,353,461	(8,362,612)	51,011,926	(9,066,403)	4,658,465	(703,791)
Street Fund	37,423,891	(8,168,941)	33,931,919	(691,802)	(3,491,972)	7,477,139
Sewer Fund	22,299,275	47,873	26,880,023	(3,977,239)	4,580,748	(4,025,112)
Public Safety Fund	20,784,238	(684,929)	22,194,674	(872,336)	1,410,436	(187,407)
Fleet Fund	21,740,380	(5,415,696)	21,640,006	(2,861,356)	(100,374)	2,554,340
Storm Drainage Fund	14,905,178	(1,991,878)	14,171,444	(34,430)	(733,734)	1,957,448
Sanitation Fund	11,511,764	(1,572,564)	13,263,412	793,029	1,751,648	2,365,593
Public Improvement Fund	7,948,851	1,982,659	13,034,576	(1,641,288)	5,085,725	(3,623,947)
Open Space Fund	6,298,550	314,342	9,591,463	(2,465,314)	3,292,913	(2,779,656)
Water Construction Fund	2,111,209	(644,209)	8,422,315	(4,830,155)	6,311,106	(4,185,946)
Technology Services Fund	2,186,135	-	6,586,599	(46,609)	4,400,464	(46,609)
Utility Billing CIS Fund	6,036,346	-	5,211,182	-	(825,164)	-
Golf Fund	4,263,813	(40,813)	4,832,783	83,653	568,970	124,466
Total	471,083,731	(38,321,044)	517,548,457	(40,225,953)	46,464,726	(1,904,909)

20.00 FTE NEW POSITIONS

FTE by Fund

General Fund: 10.41

Electric Fund: 5.00

Broadband Fund: 1.00

Storm Drainage Fund: 0.18

Sanitation Fund: 1.27

Street Fund: 0.89

Sustainability Fund: 0.50

Utility Billing/CIS Fund: 0.75

- 6.0 FTE Firefighter (100% General Fund)
- 3.0 FTE Firefighter Paramedic (100% General Fund)
- 2.0 FTE Sr Grounds Maintenance Technicians (90.91% General Fund, 27.27% Sanitation Fund, 18.18% Storm Drainage Fund, 63.64% Street Fund)
- 1.0 FTE Sustainability Coordinator (50% General Fund, 50% Sustainability Fund)
- 1.0 FTE Customer Experience/CRM Specialist (100% Broadband Fund)
- 1.0 FTE Administrative Analyst (75% Utility Billing Fund, 25% Street Fund)
- 1.0 FTE Waste Services Technician (100% Sanitation Fund)
- 1.0 FTE Tree Trimmer Foreman (100% Electric Fund)
- 2.0 FTE Tree Trimmer (100% Electric Fund)
- 1.0 FTE Sr Grid Management System Engineer (100% Electric Fund)
- 1.0 FTE Supervising Electrical Engineer (100% Electric Fund)

8.00 FTE POSITIONS MOVED FROM ONGOING TO ONE-TIME

FTE by Fund

General Fund: 2.29

Electric Fund: 0.30

Broadband Fund: 0.10

Water Fund: 0.28

Sewer Fund: 0.12

Storm Drainage Fund: 0.08

Sanitation Fund: 0.04

Affordable Housing Fund: 0.21

Street Fund: 0.44

Open Space Fund: 0.10

Fleet Fund : 0.04

Technology Services Fund: 4.00

- 1.0 FTE Housing and Redevelopment Manager (79.0% General Fund, 21.0% Affordable Housing Fund)
- 1.0 FTE Redevelopment Revitalization Manager (100% General Fund)
- 1.0 FTE Project Management Office (PMO) Manager (25.0% General Fund, 15.0% Broadband Fund, 5.0% Water Fund, 14.0% Water Fund, 6.0% Sewer, 4.0% Storm Drainage Fund, 2.0% Sanitation Fund, 22.0% Street Fund, 2.0% Fleet Fund, 5.0% Open Space Fund)
- 1.0 FTE Administrative Analyst (25.0% General Fund, 15.0% Broadband Fund, 5.0% Water Fund, 14.0% Water Fund, 6.0% Sewer, 4.0% Storm Drainage Fund, 2.0% Sanitation Fund, 22.0% Street Fund, 2.0% Fleet Fund, 5.0% Open Space Fund)
- 1.0 FTE Product Owner (100% Information Technology Fund)
- 1.0 FTE PMO Project Coordinator (100% Information Technology Fund)
- 1.0 FTE Technology Change and Adoption Specialist (100% Information Technology Fund)
- 1.0 FTE Technical Project Manager (100% Information Technology Fund)

GENERAL FUND FTE MOVED TO OTHER FUNDS OR ELIMINATED

FTE moved from General Fund to Other Funds:

General Fund: (3.0)

Conservation Trust Fund: 1.0

Water Fund: 0.17

Open Space Fund: 0.30

Golf Fund: 0.20 FTE

Technology Services Fund: 1.0

Sewer Fund: 0.09

Storm Drainage Fund: 0.12

Street Fund: 0.12

FTE eliminated by Fund:

General Fund: (0.45)

Water Fund: (0.20)

Open Space Fund: (0.35)

FTE moved from General Fund to Other Funds

- 1.0 FTE Sr Ground Maintenance Technician (1.0 FTE to the Conservation Trust Fund)
- 0.55 FTE Sr Director of Community Enrichment (0.05 FTE to Water Fund, 0.30 FTE to Open Space, and 0.20 FTE to Golf Fund)
- 0.15 FTE Technical Services Manager (0.15 FTE to Technology Services Fund)
- 0.15 FTE Engineering Technician (0.04 FTE to Water Fund, 0.03 FTE to Sewer Fund, 0.04 FTE to Storm Drainage Fund, and 0.04 FTE to Street Fund)
- 0.15 FTE Engineering Technician (0.04 FTE to Water Fund, 0.03 FTE to Sewer Fund, 0.04 FTE to Storm Drainage Fund, and 0.04 FTE to Street Fund)
- 0.15 FTE Engineering and Survey Technician Supervisor (0.04 FTE to Water Fund, 0.03 FTE to Sewer Fund, 0.04 FTE to Storm Drainage Fund, and 0.04 FTE to Street Fund)
- 0.85 FTE GIS Analyst I (0.85 FTE to Technology Services Fund)

FTE eliminated

- 1.0 FTE Director of Parks, Recreation and Open Space (0.45 FTE General Fund, 0.20 FTE Water Fund, 0.35 FTE Open Space Fund)

GENERAL FUND BUDGET SUMMARY

GENERAL FUND BUDGET SUMMARY

- Total General Fund Proposed Budget
 - \$133.72 million, \$3.08 million increase (2.36%) from 2026
 - Uses \$6.22 million of fund balance for one-time needs
- Total Ongoing General Fund Budget
 - \$127.01 million, \$3.69 million increase (2.99%) from 2026

GENERAL FUND | ONGOING REVENUES

2026 ongoing revenue	\$ 123,319,648
Reduction in ongoing revenue	(1,351,962)
Increases in ongoing revenue	5,040,709
2027 ongoing revenue	\$ 127,008,395

GENERAL FUND | ONGOING REVENUES

Decreases in ongoing revenue:

Property tax	\$ (769,020)
IDR building permits	(153,969)
Natural gas franchise	(100,000)
State marijuana tax	(85,000)
Cable television franchise	(60,000)
State severance tax	(30,000)
Other revenue decreases	(153,173)

GENERAL FUND | ONGOING REVENUES

Increases in ongoing revenue:

Sales and Use tax	\$ 1,860,900
Electric franchise	1,124,701
Building permits	328,119
Administrative transfer fee	506,430
Museum fees	140,000
Plan check fees	284,917
Other revenue increases	795,642

GENERAL FUND | ONGOING EXPENSE

2026 ongoing expense	\$ 123,319,648
Reduction in ongoing expense	(2,640,264)
Increases in ongoing expense	6,329,011
2027 ongoing expense	\$ 127,008,395

GENERAL FUND | ONGOING EXPENSES

Decreases in ongoing expenses:

Fire suppression overtime	\$ (698,486)
Moved positions to other funds	(561,415)
Moved position to one-time	(393,340)
Discretionary budget reductions	(345,887)
Work comp	(382,308)
Affordable Housing Fund transfer	(206,543)
Other expense reductions	(52,285)

GENERAL FUND | ONGOING EXPENSES

Increases in ongoing expenses:

Ongoing level 1	\$ 1,147,282
Ongoing level 2	200,436
Transfer to Technology Services Fund	430,418
Human Service Agency funding	48,644
Fleet lease	282,906
CBA pay related items (including new FTE)	2,992,247
Non-CBA pay related items (including new FTE)	1,178,125
Other increases in expenses	48,953

2026 GENERAL FUND RESERVE

Reserve Policy Targets		
TABOR Reserve	6.17%	\$ 7,604,185
Emergency Reserve	8.00%	\$ 9,5865,572
Stabilization Reserve	3.00% to 8.00%	\$ 3.69m to \$ 9.86m
Total Reserve Target	17.17% to 22.17%	\$ 20.26m to \$26.21m
Current Funded Reserves		
TABOR Reserve	6.17%	\$ 7,604,185
Emergency Reserve	8.0%	\$ 9,865,572
Stabilization Reserve	6.62%	\$ 7,006,330
Total Reserve Target	20.64%	\$ 24,476,087

Human Services Agency Funding



2027 Proposed Budget: \$2,962,875

- Housing Stability
- Self Sufficiency and Resilience
- Food and Nutrition
- Health and Well Being
- Education and Skill Building
- Safety and Justice
- Funding to directly support our unhoused community

Marijuana Revenue – Mental Health



Human Services Department: Housing and Community Wellness

- Started in 2024 with 2 clinicians; currently we have 3 licensed clinicians one is bilingual (Spanish)
 - Services: Therapy, Case Management, Crisis Intervention (Pre-CORE involvement)
 - Focus is on Longmont Housing Authority sites, voucher holders, those with barriers to mental health access
- Leverage the Mental Health Center of Excellence to scale the program

LONGMONT MUSEUM FEE CHANGE

- Exhibit admission price has not increased since November 2014.
- The expansion increases gallery space 70%.
- We project the expansion, including the DreamLab children's exhibit, will lead to attendance growth.

We remain committed to accessibility:

- **2nd Saturday Free Days**
More than 2,000 people attended on free days in 2024.
- **Museums for All**
SNAP/EBT card holders will pay only \$1 admission. Nearly 2,000 people used this benefit in 2024.
- **Library Discovery Pass**
In 2024, 445 people visited for free with a Library pass.

	2024 Actual	2025 Actual	2027 Projected
Adult ticket	\$8	\$8	\$12
Child ticket	\$5	\$5	\$8
Museums For All price	\$0.25	\$0.25	\$1
Days open	353	136	353
Total # of visitors	28,372	13,388	36,000
Revenue	\$85,837	\$57,710	\$182,972
Budgeted revenue	\$ 70,000	\$ 45,000	\$ 170,000

PUBLIC SAFETY FUND BUDGET SUMMARY

PUBLIC SAFETY FUND

- Public safety sales tax was approved in 2006 at 0.325% then increased in 2017 to 0.58%
- 2027 total budget \$22.19 million
 - 6.78% (\$1.41 m) more than the 2026 adopted budget
- 2027 ongoing budget \$21.32 million
 - \$1.3 m more than the 2026 adopted budget
- \$872,336 one-time for 2027

PUBLIC SAFETY FUND

- Major Ongoing Revenues
 - \$18.81 million sales and use tax
 - \$1.87 million intergovernmental
 - \$160,423 firing range revenues
- Major Ongoing Expenses
 - \$189,826 level 1 ongoing additions
 - \$296,858 fleet lease increase
 - \$884,927 pay increase

PUBLIC SAFETY FUND FUTURE BUDGETS

- Sales and use tax the primary revenue source
 - Tied to the health of the local economy
- 80.83% of total expenses are salary and benefits
- 81.69% of ongoing expenses are salary and benefits
- Conservative Proforma estimates
 - Projecting to end 2027 with \$4.9 million in fund balance
 - With 3% sales tax growth this level of ongoing expenses is not sustainable

ONE-TIME EXPENSES

GENERAL FUND ONE-TIME

Capital - Equipment	1,278,449
IT Equipment or Technology Improvements	383,625
Non-Capital - Small Equipment & Supplies	299,150
One Time Services or Expenses	4,746,303
TOTAL GENERAL FUND ONE-TIME	\$ 6,707,527

\$ 491,460 one-time revenues

\$ 6,216,067 from undesignated fund
balance

Attachment J

PUBLIC SAFETY FUND ONE-TIME

Capital - Equipment	486,920
IT Equipment or Technology Improvements	76,600
Non-Capital - Small Equipment & Supplies	72,000
One Time Services or Expenses	76,816
PBF109 Municipal Facilities Parking Lot Rehab	160,000
TOTAL PUBLIC SAFETY FUND ONE-TIME	\$ 872,336

Attachment K

ALL OTHER FUNDS ONE-TIME

Capital - Equipment	8,245,192
IT Equipment or Technology Improvements	926,365
Non-Capital - Small Equipment & Supplies	57,623
One Time Services or Expenses	3,193,542
TOTAL ALL OTHER FUNDS ONE-TIME	\$ 12,422,722

Excludes CIP

Attachment L

FINANCIAL POLICIES

FINANCIAL POLICIES

- Reviewed by staff annually as part of the budget process
- Adopted by resolution, December 1
- Effective January 1, 2027

NEW POLICY

Airport Fund Reserve

The Airport Fund will maintain an unappropriated reserve in an amount equal to at least 90 days operating and maintenance costs.

ELIMINATED POLICY

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

50% of the General Fund's actual cable television franchise revenues will be allocated for the purposes of providing public, educational, and governmental television services.

UPDATED POLICIES

Collection Agency Relationship

~~As staff deems appropriate, the City will prepare a solicitation to solicit for its collection business agency services in adherence to procurement policies and procedures. Collection agency~~
services will require a contract. The City Attorney's office will review contracts with such agencies to ensure that appropriate legal requirements are included. ~~This solicitation will be open to all established collection agencies in an effort to maximize competition in the best interest of the City.~~

UPDATED POLICIES

Affordable Housing

In order to provide a secure funding source for affordable housing in Longmont, all revenues from payments made by developers in the form of “fees-in-lieu” of providing affordable housing under the Inclusionary Housing program as well as loan payments are deposited into the Affordable Housing Fund. The \$1 million from the General Fund and ½ of the marijuana tax collected will be transferred to the Affordable Housing Fund. In addition, the City will strive to transfer from the General Fund enough funding annually to **support affordable housing programs and development while** covering the administrative costs associated with managing the affordable housing programs.

~~Starting in 2024, up to 20% of all revenues deposited into the Affordable Housing Fund may be accessed to cover administrative costs for managing the Affordable Housing Fund as well as any CDBG or HOME administrative costs not covered by those grants (in excess of their administrative caps).~~ The City will accept cash, land and property donations on behalf of affordable housing with all donations transferred to the Affordable Housing Fund or in the case of property/land held in perpetuity for affordable housing purposes unless determined by Council for a higher and better use.

UPDATED POLICIES

Attainable Housing

In order to provide a secure funding source for attainable housing in Longmont, funding from the General Fund will be transferred to the Attainable Housing Fund. ~~Starting in 2024, up to 20% of all revenues deposited into the Attainable Housing Fund may be accessed to cover administrative costs for managing the Attainable Housing Fund and other leveraged funding sources for the purpose of attainable housing.~~ The City will accept cash, land and property donations on behalf of attainable housing with all donations transferred to the Attainable Housing Fund or in the case of property/land held in perpetuity for attainable housing purposes unless determined by Council for a higher and better use.

UPDATED POLICIES

Investment Philosophy

~~The City of Longmont will make use of pooled cash to invest under the prudent investor rule.~~ **The City will invest public funds in a manner that preserves capital and ensures the protection of principal, allows for adequate liquidity, and achieves a market rate of investment return consistent with the primary policy objectives while conforming to all state and local statutes governing the investment of public funds.**

~~The criteria~~ **objectives** for selecting investments and their order of priority are: 1) safety, 2) liquidity, and 3) ~~yield~~. **return**

UPDATED POLICIES

Franchise Fee - Electric Utility

The City of Longmont Electric Utility will pay the General Fund an 8.64% franchise fee. The fee will be 8.64% of ~~actual annual~~ **the budget year's projected gross** revenues, excluding franchise fee revenue, General Fund revenue, Electric Community Investment Fee revenues, Aid to Construction revenue, contributions from the Electric Utility fund balance, transfers from other funds, loans and grants from other governmental agencies, reimbursement for damages, and interest earnings.

BUDGET MEETINGS



September 1 – Regular Meeting

- Presentation of the 2027 Proposed Budget and the 2027-2031 Capital Improvement Program
- CIP overview and projects

September 8 – Regular Meeting

- Employee compensation and benefits
- LDDA budgets

September 15 – Study Session

- 2027 budget summary
- General Fund budget summary
- Public Safety Fund budget summary
- One-time expenses
- Financial policies

September 22 – Regular Meeting

- [Transportation funding](#)
- [Utilities budget summaries](#)

September 29 – Study Session

- NextLight budget summary
- Airport budget summary
- First public hearing

October 6 – Regular Meeting

- Final direction from Council
- Second public hearing
- First reading of mill levy ordinances and Ordinance updating UBCIS Fund

October 20 – Regular Meeting

- Second reading of mill levy ordinances and Ordinance updating UBCIS Fund

November 17 - Regular Meeting

- First reading budget adoption and appropriation ordinances

December 1 - Regular Meeting

- Second reading budget adoption and appropriation ordinances and associated resolutions

Other questions,
comments or additional
information needed?



THANK YOU

