2027 PROPOSED BUDGET

SEPTEMBER 8, 2026

PRESENTATION TOPICS

- Employee Compensation and Benefits
  - 2027 Proposed Pay Plan
  - Employee Benefits
  - Pension Plans
  - Employee Benefit Fund and Self Insurance Funds
- Longmont Downtown Development Authority (LDDA) budgets

COMPENSATION AND BENEFITS

COMPENSATION PHILOSOPHY

- The City's compensation philosophy states that ***the City will strive to pay competitive prevailing market rates.***

- As previously discussed with Council, the City began to move toward a philosophy of paying at 102% of market.

PHILOSOPHY APPLIED TO 2027

- For the 2027 pay plan, the City will not conduct a market-based adjustment to the existing 2026 pay plan benchmarks. The 2026 benchmarks will be held constant for 2027 and will continue to serve as the basis for the City's compensation structure. Instead, a 3.0% adjustment will be applied across the board to all non-collectively bargained positions.

- This approach represents a one-year departure from the City's typical annual market adjustment process and is intended to provide a consistent salary increase while maintaining the City's established 2026 market benchmarks.

2027 NON-BARGAINING SALARY INCREASES

- For 2027, the City will hold the 2026 pay plan benchmarks and will not apply a separate 2027 market adjustment or market movement.
- The City will apply a 3.0% range movement across the board to all non-collectively bargained positions.
- Exceptional pay budget to continue
- Pay at 101% of the market.

SPECIAL POSITION RECOMMENDATIONS

- Salaries for Collectively Bargained positions will be updated in accordance with the current CBA contracts.

- LPC Step positions will continue on the step rate structure to remain competitive with benchmark positions.

BENEFITS 2027

- **Kaiser Health Care**
  - 10.1% total increase to DHMO
  - Changing to a 4-tier contribution schedule in 2027
  - Replace the current PPO plan with a UHC slice plan

- **United Health Care**
  - 4.1% increase from the previous Choice PPO plan
  - Expanded network to provide more choice
  - Changing to a 4-tier contribution schedule in 2027

BENEFITS 2027

- **VSP**
  - VSP to continue to provide Vision care
  - Flat renewal on the Exam Only plan
  - Flat renewal on the Exam and Materials plan
  - 3 year rate guarantee

- **Delta Dental care**
  - Continue to provide Dental coverage for 2027
  - 6.35% Rate Increase for 2027

BENEFITS 2027

- **Mines & Associates EAP**
  - Continue to provide EAP services for 2027
  - Flat renewal for 2027

BENEFITS 2027

- **UNUM Supplemental Insurance**
  - Voluntary Life and AD&D
    - One time guarantee issue up to $150,000
    - Coverage available up to $500,000
  - Voluntary STD
  - Voluntary Accident
  - Critical Illness
  - Hospital Indemnity

FUTURE DIRECTION

- **Employee Benefits**:
  - Continue to review additional employee benefits currently not offered to the city of Longmont employees
  - Continue to review current benefits to ensure they provide best value for cost and are meeting the needs of the City and our employees

- **Continue the analysis of compensation sources and data** received to determine how salaries should be adjusted to maintain market competitiveness

- **102%** remains the target for salaries as budget and conditions allow

DEFINED BENEFIT PENSION PLANS

- **Old Hire Fire Pension Plan**
  - 156.1% funded, negative unfunded liability (surplus) of $961k
- **Old Hire Police Pension Plan**
  - 109.7% funded, negative unfunded liability (surplus) of $81k

- No additional contribution required for 2027
- Recommended benefit increase per year for 2026 and 2027
  - Fire at 5%
  - Police at 2%

DEFINED BENEFIT PENSION PLANS

- **General Employees' Retirement Plan (GERP)**
  - Fully funded through 2008
  - 86.1% funded, unfunded liability of approximately $39.3m
  - Benefit increases are not built into the plan and cannot occur unless the plan is fully funded.
  - Employer contribution requirement - 8.6%
  - Employer contribution included in the 2027 proposed budget - 9.4%

POLICE & FIRE RETIREMENT PLANS

- 2022 offered FPPA retirement system; Current police & fire utilization is as follows:

	Police	Fire
City DC Plan	62	27
FPPA defined benefit	13	14
FPPA Hybrid DB	6	1
FPPA Hybrid money purchase	4	28

- New Hires in FPPA DB 63 33

POLICE & FIRE RETIREMENT PLANS

2027 Contribution Requirements for the City will be:

• City DC plan employees	12.10%
• FPPA DB plan – re-entry employees	11.10%
• FPPA Hybrid plan – re-entry employees	12.10%
• FPPA DB plan – Post Nov 21 employees	11.00%

HEALTH BENEFIT FUND

- City contributions to health benefit fund as a percentage of salary remain at 14.5%
- Additional Health Benefit Fund costs
  - Wellness incentive costs, $40,000
  - Police and fire physicals, $70,000
  - Employee rec passes, $75,000
  - Mindful Wellness, $200,000
- Fund balance projected to end 2026 at $10.1 million
- Balance projected to decrease in 2027 to $9.3 million

SELF INSURANCE FUNDS

- Liability Self Insurance Fund 2025 ending fund balance of $4.0 million
  - Budgeted transfers at $1.8 million for 2027
- Workers Compensation Self Insurance Fund 2025 ending fund of $6.8 million
  - Budgeted transfers at $700,000 for 2027

LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY (LDDA) BUDGET

LDDA BUDGET

- Downtown Parking Fund
- Longmont General Improvement District
- 5 individual DDA sub-funds

DOWNTOWN PARKING FUND

- 2027 revenues - $95,000
  - Parking permits
- 2027 expense - $118,669
  - $7,562 decrease from 2026
  - No 2026 Funding for DTR023 Downtown Parking Lot Improvements
  - Minor operating decreases
- Parking lot upkeep and upgrades

LONGMONT GENERAL IMPROVEMENT DISTRICT (GID)

- 2027 revenues - $128,641
  - 6.798 mill property tax
- 2027 expense - $219,811
  - $6,847 increase from 2026
    - Personal Services
- Beautification, maintenance, pressure washing, landscaping and management of the GID district

DDA OPERATING FUND

- 2027 revenues - $431,085
  - 5.00 mill property tax
  - Transfers from DDA Construction for administration
- 2027 expense - $428,556
  - $7,815 increase from 2026
    - Personal services and minor operating expenses
- Operational expenses, staff, maintenance and programming

DDA BUILDING PERMIT FUND

- 2027 revenues - $64,386
  - Permit revenue within the DDA boundaries
- 2027 expense - $62,500
  - $90,000 decrease from 2026
- Downtown improvement projects

DDA DEBT SERVICE FUND

- 2027 revenues - $1,540,507
  - Tax Increment Funds (TIF)
- 2027 expense - $1,117,774
  - $448,329 decrease from 2026
- Debt to pay expenses in A&E and Construction Funds

DDA ARTS AND ENTERTAINMENT FUND

- 2027 revenues - $580,275
  - Intergovernmental, proceeds from DDA debt service fund
- 2027 expense - $580,275
  - $44,573 increase from 2026
    - LoCol Square programming
- Programming, marketing, events, small business support

DDA CONSTRUCTION FUND

- 2027 revenues - $756,031
  - Charges for services, proceeds from DDA debt service fund
- 2027 expense - $756,031
  - $484,259 decrease from 2026
  - Reduction in projects and priorities funded from the Downtown Longmont Master Plan of Development

DDA CONSTRUCTION FUND - PROJECTS

CIP Projects

- No CIP projects proposed for 2027

Other Projects

- Pedestrian metrics $8,000
- Arts District $42,767
- Clean & safe $25,000
- Economic vitality $32,500
- Placemaking $30,000
- Cameras $22,000
- Spoke garage O&M & lease $50,000
- Infrastructure renewal & replacement $73,998
- 600 Main operations $43,000

2027 HIGHLIGHTS

- 600 Main – LoCol Square
  - Two new LoCol Square accounts
    - general operating ($43,000)
    - programming budget ($101,150)
  - Programming funds include $30,000 to be granted space to be programmed BY the community these events replace larger concert events funds for pop up markets
- Fund raising for additional investment in LoCol Square
- Reduced overall Arts & Entertainment budget
- Economic Vitality – Downtown Colorado Inc. Conference

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

Other questions, comments or additional information needed?