2027 PROPOSED BUDGET

SEPTEMBER 1, 2026

CITY OF LONGMONT COLORADO

COUNCIL GOALS

- Create a strong sense of character and place in our community through innovative transportation and development
- Encourage housing, neighborhood and human resilience
- Create economic and business ecosystem resilience
- Provide reliable and equitable core services for a resilient community

CITY OF LONGMONT COLORADO

BUDGET SUMMARY

- 2027 balanced budget maintains service levels while addressing strategic priorities through priority-based budgeting aligned with City Council Goals

- 2027 proposed operating budget: **$547.5 million**
- **5.32%** increase from 2026

CITY OF LONGMONT COLORADO

BUDGET CONTINGENCIES

Public Safety Sales and Use Tax and Property Tax on the ballot for November 3.

Staff will return to Council with proposed budget modifications if this is approved by voters.

PROPERTY TAX

- Loss of $1 million due to a decrease in commercial and residential ratios
  - Linked to % of residential vs commercial
- Not a reassessment year
- County provided new number on August 25---Need to reduce $511,000-$750,000
- Lasting impact
  - If total growth across the state is greater than 5% in the residential category the rate will be reduced from 6.8% to 6.7%.

2026 valuations (preliminary estimates as of June 2026)

	parcels	actual value	% of total	
vacant land	815	203,075,492	0.77%	
residential	31,344	20,917,019,581	78.81%	Approx 87% is SF
commercial	3,020	2,453,185,506	9.24%	
industrial	386	763,988,093	2.88%	
agricultural	59	1,162,381	0.00%	
natural resources	43	6,600	0.00%	
oil and gas	3	40,676	0.00%	
state assessed	192	101,906,218	0.38%	
exempt	2,809	2,101,616,919	7.92%	
		26,542,001,466		

PROPERTY TAX HISTORY: 2022-2026

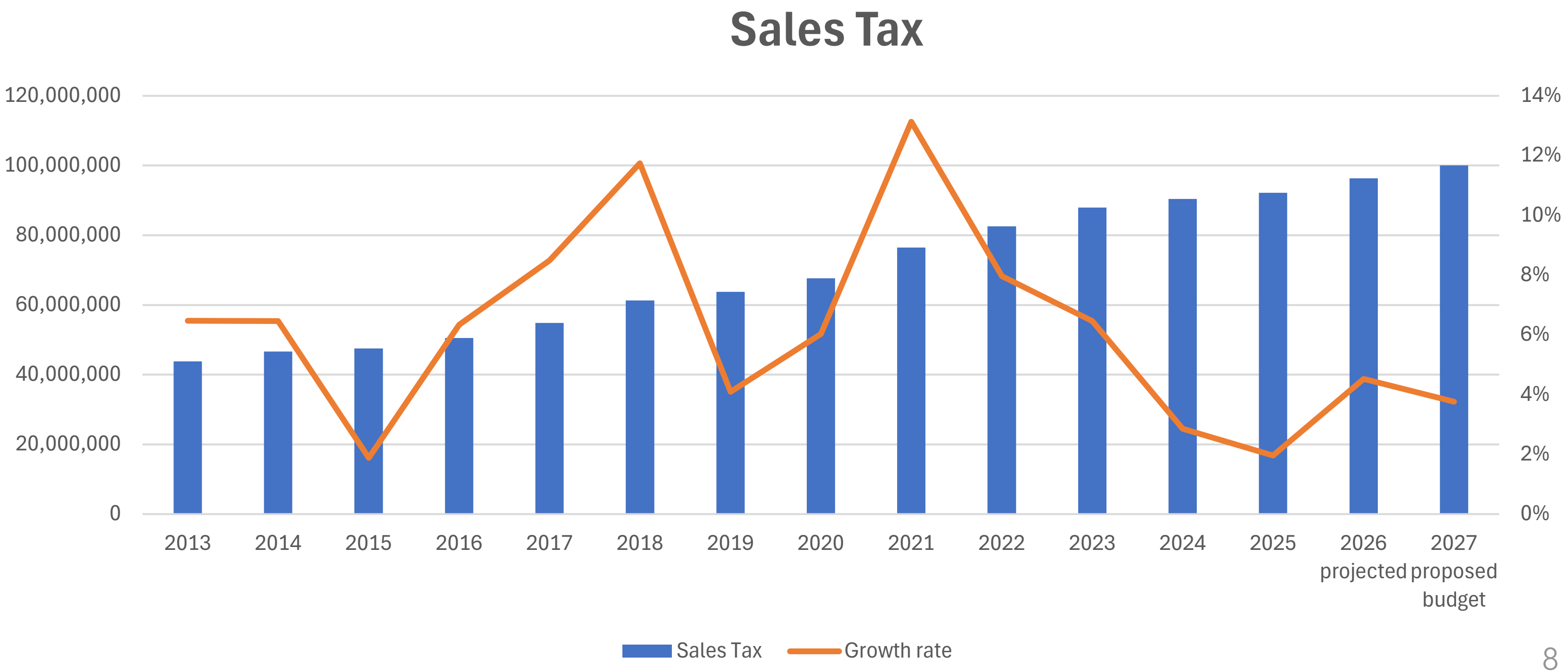
Implemented different assessment ratio for schools

		2022 for 2023 budget			2023 for 2024 budget			2024 for 2025 budget			2025 for 2026 budget			2026 for 2027 budget		
	Actual Value	Assessment Rate	Assessed Value	City Tax @13.42 mills	Assessment Rate	Assessed Value	City Tax @13.42 mills	Assessment Rate	Assessed Value	City Tax @13.42 mills	Assessment Rate	Assessed Value	City Tax @13.42 mills	Assessment Rate	Assessed Value	City Tax @13.42 mills
Commercial	3,276,700	26.40%	865,049	11,609	27.90%	905,829	12,156	27.90%	905,829	12,156	27.00%	884,709	11,873	25.00%	819,175	10,993
Vacant	21,600	26.40%	5,702	77	27.90%	6,026	81	27.90%	6,026	81	27.00%	5,832	78	26.00%	5,616	75
Residential SF	734,200	6.95%	51,027	685	6.70%	45,506	611	6.70%	45,506	611	6.25%	45,888	616	6.80%	45,166	606
Residential MF	18,188,500	6.80%	1,236,818	16,598	6.70%	1,214,945	16,305	6.70%	1,214,945	16,305	6.25%	1,136,781	15,256	6.80%	1,232,058	16,534
				28,968			29,152			29,152			27,822			28,209
														Res growth <= 5% - 6.8%		
					Commercial exempted first $30k			Commercial exempted first $30k			Res growth <= 5% - 6.25%			Res growth > 5% - 6.7%		
					Residential - exempted first $55k			Residential - exempted first $55k			Res growth > 5% - 6.15%			Residential - 10% on first $700k		

SALES AND USE TAX

- International and National economic headwinds
- Persistent inflation
- Interest rates
- Construction industry volatility

SALES AND USE TAX – REVENUE AND GROWTH RATES



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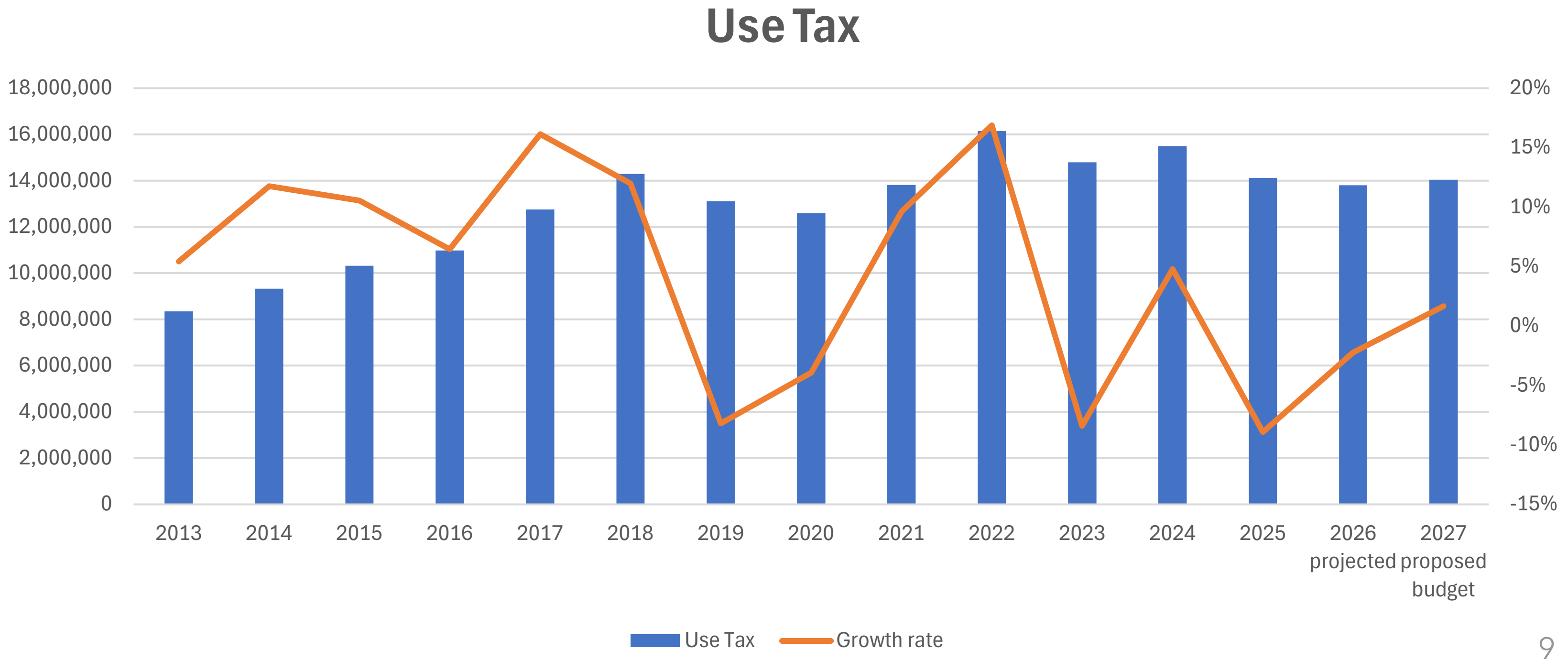

ADDITIONAL BUDGET CHALLENGES

- Marijuana Revenue reduction from the State
- Persistent Inflation impact on providing services
- Collective Bargaining Increases
- Lean Organization

Longmont is a full-service city

- **Electric** – 77.9 FTE
- **Broadband** – 55.4 FTE
- **Sanitation** – 35.4 FTE
- **Housing** – 8.0 FTE (includes CDBG, Affordable and Attainable Housing)
- **Fire** – 112.0 FTE

Municipality	2026 Census Population	2026 FTEs
Longmont	100,109	1,133
Boulder	105,689	1,548
Fort Collins	171,500	1,675
Greeley	115,073	1,262
Loveland	81,387	864
Westminster	116,182	1,173
Thornton	147,766	1,180
Broomfield	79,174	1,005
Arvada	122,901	757
Lakewood	156,927	835
Aurora	410,053	3,099
Castle Rock	83,815	651
Commerce City	72,345	547

BUDGET BY MAJOR FUNDS

Fund	Proposed Revenues	Proposed Expenditures	Contribution to/(from) fund balance
Electric and Broadband Fund	144,660,577	153,060,214	(8,399,637)
General Fund	127,499,855	133,715,921	(6,216,066)
Water Fund	41,945,523	51,011,926	(9,066,403)
Street Fund	33,240,117	33,931,919	(691,802)
Sewer Fund	22,902,784	26,880,023	(3,977,239)
Public Safety Fund	21,322,338	22,194,674	(872,336)
Fleet Fund	18,778,650	21,640,006	(2,861,356)
Storm Drainage Fund	14,137,014	14,171,444	(34,430)
Sanitation Fund	14,056,441	13,263,412	793,029
Public Improvement Fund	11,393,288	13,034,576	(1,641,288)
Open Space Fund	7,126,149	9,591,463	(2,465,314)
Water Construction Fund	3,592,160	8,422,315	(4,830,155)
Technology Services Fund	6,539,990	6,586,599	(46,609)
Utility Billing CIS Fund	5,211,182	5,211,182	-
Golf Fund	4,916,436	4,832,783	83,653
Total	**477,322,504**	**517,548,457**	**(40,225,953)**

*The proposed expenditures from these 15 funds represent 94.5% of the total 2027 budget.

CITY OF LONGMONT COLORADO

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)

Minimal Level 2 funding in General Fund or Public Safety Fund requests.

NEW POSITIONS

The 2027 budget includes **20.00** new FTE positions
Strategically aligned with service delivery needs and growth projections.

- ❑ 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

POSITIONS MOVED FROM ONGOING TO ONE TIME

8.00 positions moved from ongoing funding to one-time funding to better align with the fixed-term status

- 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

CAPITAL IMPROVEMENTS

Major 2027 capital investments focus on infrastructure renewal & facility improvements:

Transportation	$16,064,500	Street reconstruction, traffic improvements, and multimodal connectivity
Water	$30,665,470	Water storage, transmission and treatment, and acquisitions
Electric	$18,487,302	Capacity increases, rehabilitation and improvements
Parks, Recreation & Open Space	$6,876,973	Rehabilitation and improvements, acquisitions, and parks and trails expansions
Public Buildings & Facilities	$7,787,190	Rehabilitation, maintenance and improvements
Sewer	$8,400,000	Collection and treatment rehabilitation and improvements
Drainage	$3,661,350	Rehabilitation and improvements
Broadband	$3,065,502	Reliability, undergrounding and installation
Downtown Redevelopment	$30,000	Parking lot improvements

FINANCIAL POLICIES & FUND BALANCE

The 2027 budget maintains compliance with adopted financial policies:

- **General Fund Reserve** – 19.4% 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
- **Recreation Cost Recovery** – 80% recovery achieved in this budget

AFFORDABLE HOUSING POLICY

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*** cover***ing*** 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.

ATTAINABLE HOUSING POLICY

Attainable Housing

To provide a secure funding source for attainable housing in Longmont, funds 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.

ELECTRIC FRANCHISE FEE POLICY

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 **the budget year's projected gross** ~~*actual annual*~~ 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.

AIRPORT ADMINISTRATIVE TRANSFER FEE POLICY

Administrative Transfer Fee

The administrative transfer fee is a payment from all enterprise funds and other major operating funds to the General Fund for the cost of personnel, equipment, materials, construction, facilities or service usage provided by General Fund departments. Consequently, the amount of each year's transfer fee will be based on the estimated General Fund expenditures that represent direct and indirect services provided to other operating funds, less those that are directly billed to those funds.

The City uses a computer model to determine the amount of the administrative transfer fee charged to each operating fund. The charges set in the model are included in the budget under the line item labeled "Administrative/Management Services." 100% of the fee is waived for the Downtown Development Fund, as directed annually by council in the intergovernmental agreement, and the Public Safety Fund, as specified in the ballot language when the tax was approved by voters. **50% of the fee is waived for the Airport Fund.**

IMPLEMENTATION TIMELINE

September 1, 2026 – Budget summary presentation and CIP presentation

September 2026 – Detailed departmental reviews and public input sessions

October 2026 – Public hearings and mill levy ordinances

November 2026 – Budget adoption ordinances

January 1, 2027 – Budget implementation

CITY OF LONGMONT COLORADO

BUDGET MEETINGS

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

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THANK YOU