

MEETING DATE: September 29, 2026
ITEM NUMBER: 12.{{item.number}}

SECOND READING:
{{customfields.ResoOrdNumber}}

TYPE OF ITEM: General Business

PRESENTED BY:
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Other City Staff

SUBJECT/AGENDA TITLE:
2027 Proposed Budget Presentation and First Public Hearing

EXECUTIVE SUMMARY:
The Proposed 2027 Budget presentation will focus on the following categories: NextLight Budget Summary and Airport Budget Summary. 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 2027 proposed budget documents should we need to refer back to any information from this communication as we continue to move through the weekly 2027 budget presentations.

Council will also need to hold the first public hearing on the 2027 Proposed Budget, the 2027-2031 Proposed Capital Improvement Program, and the 2027 Proposed Pay Plan.

COUNCIL OPTIONS:

RECOMMENDED OPTIONS:

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

BACKGROUND AND ISSUE ANALYSIS:
Citizens wishing to view the 2027 budget information can access these documents on the City's website at the following location: 2027 Budget Documents

INFORMATION REQUESTED DURING PRIOR COUNCIL MEETINGS
During prior budget presentations Council requested additional information. That information can be found below. Staff does not plan to present on this during the upcoming budget meeting.

FTE Comparisons with other Front Range Municipalities
During the original budget presentation on September 1, the City Manager presented an FTE comparison of front range municipalities. As noted, most of these municipalities are not a full-service city in that most do not provide Sanitation, Broadband or Electric services and only half of them provide Fire services. The City of Longmont has 35.4 FTE for Sanitation services, 55.4 FTE for Broadband services,

77.9 FTE for Electric services and 112.0 FTE for Fire services. At the September 1 council meeting a request was made to include the FTEs per population. To try to show as close to an apples-to-apples comparison as possible, the FTE for these services were removed from the overall FTE for Longmont in the table below. It is important to note that this may still not reflect a fully accurate comparison as some of the municipalities may also have Water, Sanitation or Library Districts that provide these services.

Municipality	2026 Census Population	2026 FTEs	City Sanitation	City Broadband	City Electric	City Fire	FTEs per 1,000 Residents	Residents per FTE
Municipalities that provide Sanitation, Broadband, Electric but not Fire Applicable FTE have been removed from the 2026 FTE for Longmont								
Longmont	100,109	1,021					10.20	98.0
Loveland	81,387	864	yes	yes	yes	no	10.62	94.2
Municipalities that provide Broadband and Electric but not Sanitation or Fire Applicable FTE have been removed from the 2026 FTE for Longmont								
Longmont	100,109	986					9.85	101.6
Fort Collins	171,500	1,675	no	yes	yes	no	9.77	102.4
Municipalities that provide Fire but not Sanitation, Broadband or Electric Applicable FTE have been removed from the 2026 FTE for Longmont								
Longmont	100,109	964					9.63	103.8
Boulder	105,689	1,548	no	no	no	yes	14.65	68.3
Greeley	115,073	1,262	no	no	no	yes	10.97	91.2
Westminster	116,182	1,173	no	no	no	yes	10.10	99.0
Thornton	147,766	1,180	no	no	no	yes	7.99	125.2
Arvada	122,901	757	no	no	no	yes	6.16	162.4
Castle Rock	83,815	651	no	no	no	yes	7.77	128.7
Municipalities that do not provide Sanitation, Broadband, Electric or Fire Applicable FTE have been removed from the 2026 FTE for Longmont								
Longmont	100,109	852					8.51	117.5
Broomfield*	79,174	1,005	no	no	no	no	12.69	78.8
Lakewood	156,927	835	no	no	no	no	5.32	187.9
Commerce City	72,345	547	no	no	no	no	7.56	132.3

*City and County

NEXTLIGHT BUDGET SUMMARY

The NextLight 2027 budget reflects \$24,907,816 in expenses and \$24,197,712 in revenue for a negative balance of (\$710,104). The deficit will be covered by an appropriation from the fund balance which well exceeds the minimum requirement. The deficit is the result of the need to make a one-time purchase to upgrade network equipment, specifically an optical line terminal. The expenses are 8.7% above 2026 and the revenue is projected to be 3% above 2026. NextLight expects to grow its customer base 2% totaling over 30,180 customers.

AIRPORT BUDGET SUMMARY

The 2027 proposed Airport Fund budget totals \$733,170. This is a \$7,796 (1.07%) increase from the 2026 adopted budget of \$725,377. The Airport Fund pays for expenses associated with maintaining and improving Vance Brand Municipal Airport. The 2027 proposed budget in the Airport Fund includes 1.78 FTE, which includes the Airport Manager, who oversees operations and administers construction projects at the airport. A portion of a position within the Public Works provides maintenance support to the Airport. Details on this budget can be found on page 557 of the proposed budget document on the City's website at the following link.

This budget does not include revenues or expenses that are part of a future implementation of the Rates and Charges Schedule, implementation of the VNAP improvement recommendations, or the Airport Visioning. These changes could be incorporated into a future appropriation or budget amendment.

SUMMARY OF CHANGES TO THE PROPOSED 2027 BUDGET

Several changes have been made to the Proposed 2027 Budget since it was first presented to Council on September 1st. In total, these changes affected two funds, resulting in a net decrease of \$1,183,625 in projected revenues and a \$2,829,858 reduction in expenses. Following these changes, the revised total budget for 2027 is \$544,645,951.

GENERAL FUND

Ongoing Budget Adjustments

As mentioned previously, preliminary property tax certifications from the county came in \$511,000 lower than originally anticipated. As a result, the General Fund needs to be adjusted to reflect a \$511,000 decrease in ongoing property tax revenue. This brings the new ongoing property tax amount to \$29,698,908. Since the Human Services Agencies funding is based on 3% of budgeted tax revenue, the decrease in property tax results in a \$15,330 decrease, bringing the 2027 proposed budget for Human Service Agency funding to \$2,947,545. To balance the ongoing property tax reduction, staff is proposing to budget a "savings" of \$495,670 in the non-departmental budget service. After the first of the year the City Manager and finance staff will begin meeting with departments to start the zero-based budgeting process. As part of those meetings staff will be identifying department line items where the savings for 2027 will come from. Budget adjustments will be made to reduce the department budgets to offset this negative budget adjustment in the non-departmental budget service.

One- Time Budget Adjustments

The proposed General Fund budget includes a one-time transfer of \$672,625 to the Public Improvement Fund for costs associated with the 1st and Main Transit Hub. These funds are instead needed in 2026 and are therefore being removed from the proposed 2027 budget. An ordinance will come to council in October to appropriate this amount in 2026.

These changes bring the General Fund 2027 proposed budget to \$132,532,296.

PUBLIC IMPROVEMENT FUND

The above one-time transfer of \$672,625 from the General Fund also needs to be removed as revenue from the Public Improvement Fund. In addition, the 2027 proposed budget included \$1,646,233 set aside for CIP project TRP131, 1st and Main Transit Station Area Improvements. These funds are needed in 2026 to begin construction prior to year end and are therefore being removed from the proposed 2027 budget. These funds will be included in the appropriation ordinance that will come to council in October.

These changes bring the Public Improvement Fund 2027 proposed budget to \$11,388,343.

ATTACHMENTS:

None