

2025 PROPOSED BUDGET

SEPTEMBER 24, 2024



PRESENTATION TOPICS

- Grants and External Funding Sources
- Sanitation Fund
- Investment in Efficiency & New Technology
- 2025 Proposed Financial Policies
- Priority Based Budgeting
- First Public Hearing

GRANTS AND EXTERNAL FUNDING SOURCES

BIPARTISAN INFRASTRUCTURE LAW



No More
Lead Pipes



High-Speed
Internet Access



Better Roads
and Bridges



Investments in
Public Transit



Upgrade Airports
and Ports



Investment in
Passenger Rail



Network of Electric
Vehicle Chargers



Upgrade Power
Infrastructure



Resilient
Infrastructure



Investment in
Environmental
Remediation

LONGMONT PROJECTS FROM BIPARTISAN INFRASTRUCTURE LAW



**RAISE (Rebuilding American
Infrastructure with
Sustainability and Equity)**

Regional Award
Improvements to 119



**EECBG (Energy Efficiency
Community Block Grant) -
\$140K**

Whole Home Health



**SS4A (Safe Streets for All) -
\$1.2M**

Traffic Cameras
Vision Zero Action Plan

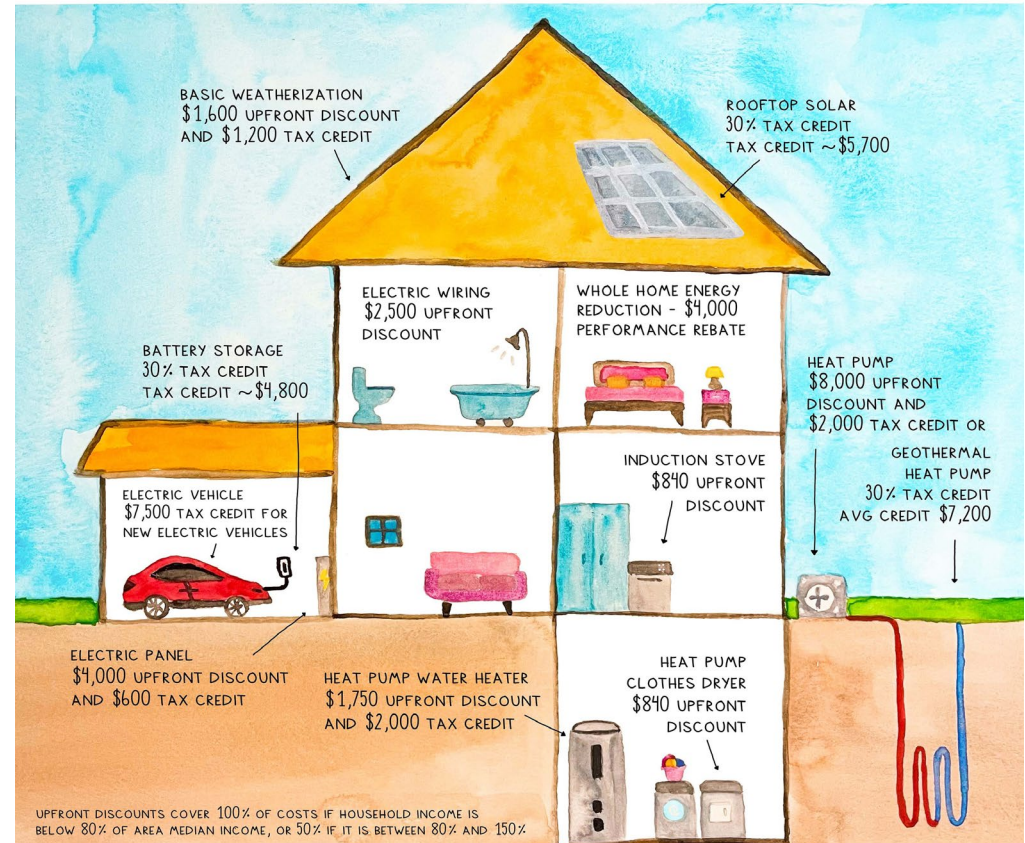
INFLATION REDUCTION ACT

This bill will provide a range of incentives to consumers to relieve the high costs of energy and decrease utility bills.

- ✓ Consumer home energy rebate programs, focused on low-income consumers, to electrify home appliances and for energy efficient retrofits.
- ✓ Consumer tax credits to make homes energy efficient and run-on clean energy, making heat pumps, rooftop solar, electric HVAC and water heaters more affordable.
- ✓ \$4,000 consumer tax credit for lower/middle income individuals to buy used clean vehicles, and up to \$7,500 tax credit to buy new clean vehicles.
- ✓ 1-billion-dollar grant program to make affordable housing more energy efficient.

POTENTIAL SAVINGS FROM THE IRA

BASED OFF A 2 PERSON HOME WITH A COMBINED INCOME OF \$150,000 IN NEW YORK CITY

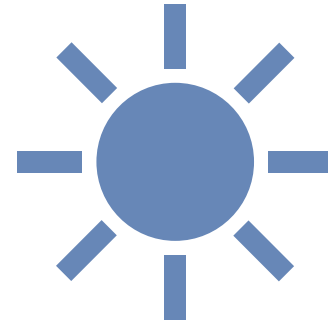


LONGMONT BENEFITS FROM INFLATION REDUCTION ACT



Alternative Fuel Credits

\$174K so far



Direct Pay for Solar Installs

30 – 50% for City projects

SANITATION FUND

SANITATION

- Operating Costs Exceed Operating Revenues
 - 2025 Revenue Budget: \$9.4 million
 - 2025 Operating Budget: \$12.2 million
- Rate Study will be performed in 2025 for 2026 adjustment
- Proposed amendment to financial policy to acknowledge occasional use of fund balance

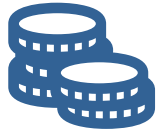
INVESTMENTS IN EFFICIENCY & NEW TECHNOLOGY



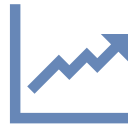
A Web of Service

- Public Safety
- Utilities & Engineering
- External Services
- Shared Services
- Nextlight

How do we close budget gaps & run more efficiently over time?



Cost Reduction



Productivity
Enhancement



Cost Avoidance

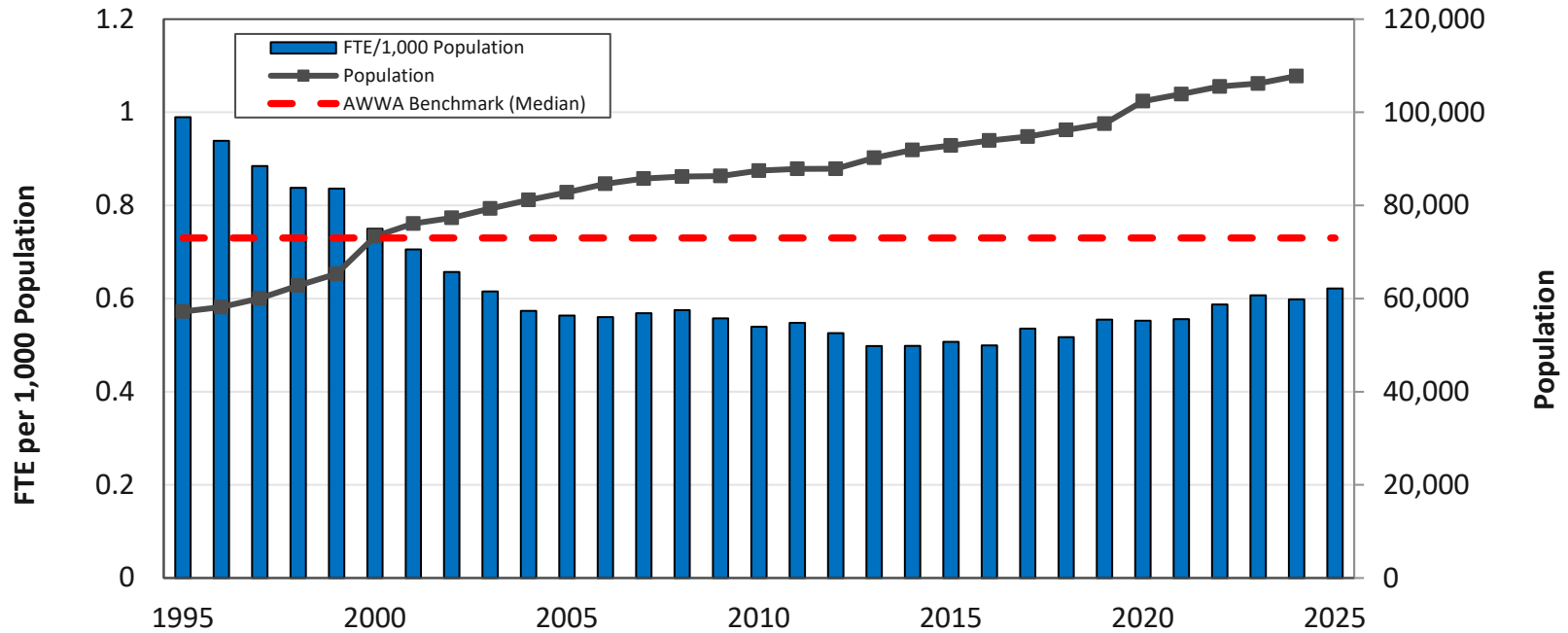


Revenue
Enhancement

Doing More with Less



SERVING MORE HOUSEHOLDS WITH FEWER STAFF



USING LESS WATER & ENERGY FOR CITY OPERATIONS





EXTERIOR PERSPECTIVE
N.T.S.

LONGMONT JUSTICE C

EFFICIENT USE OF SPACE

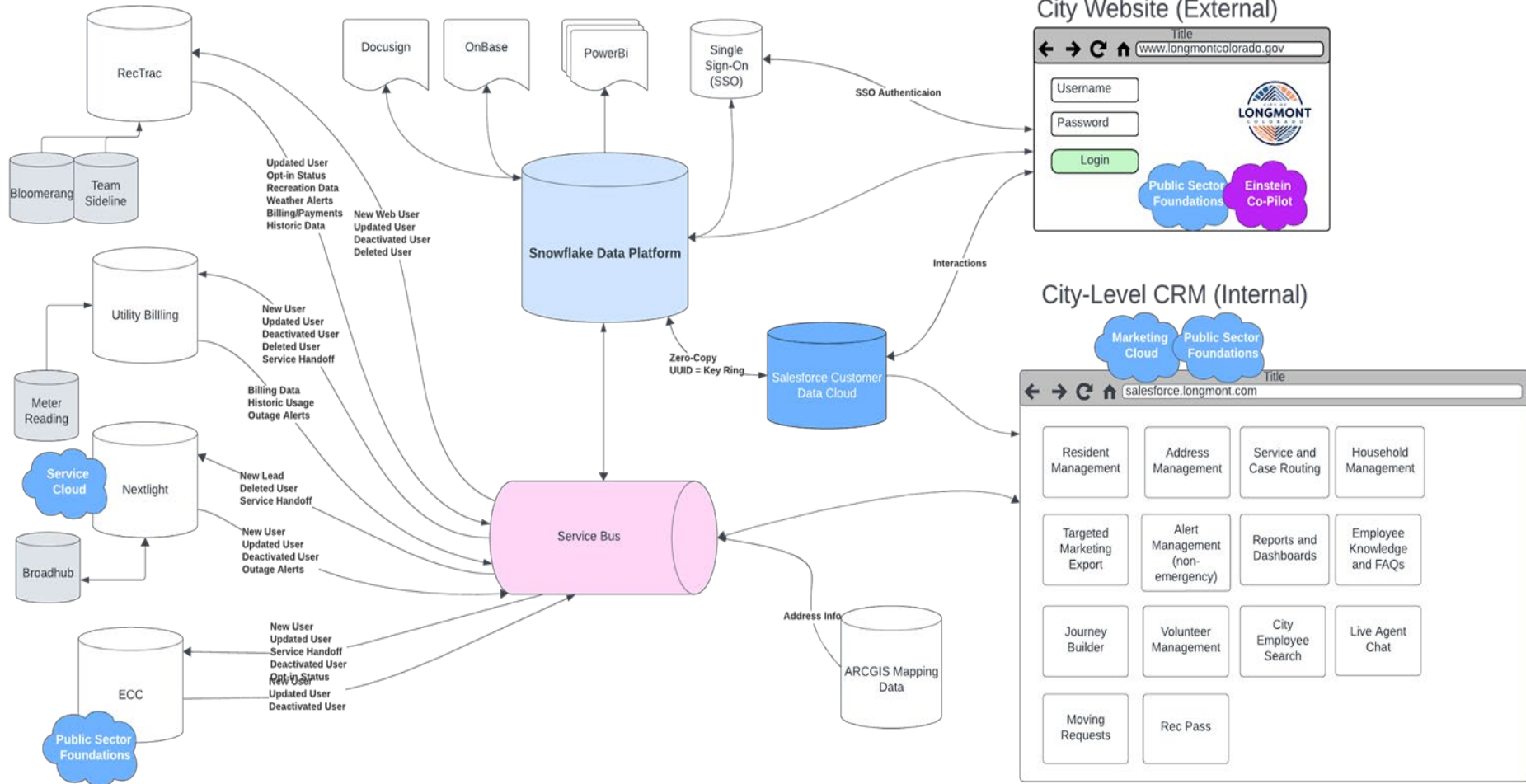
Salesforce



CUSTOMER 360



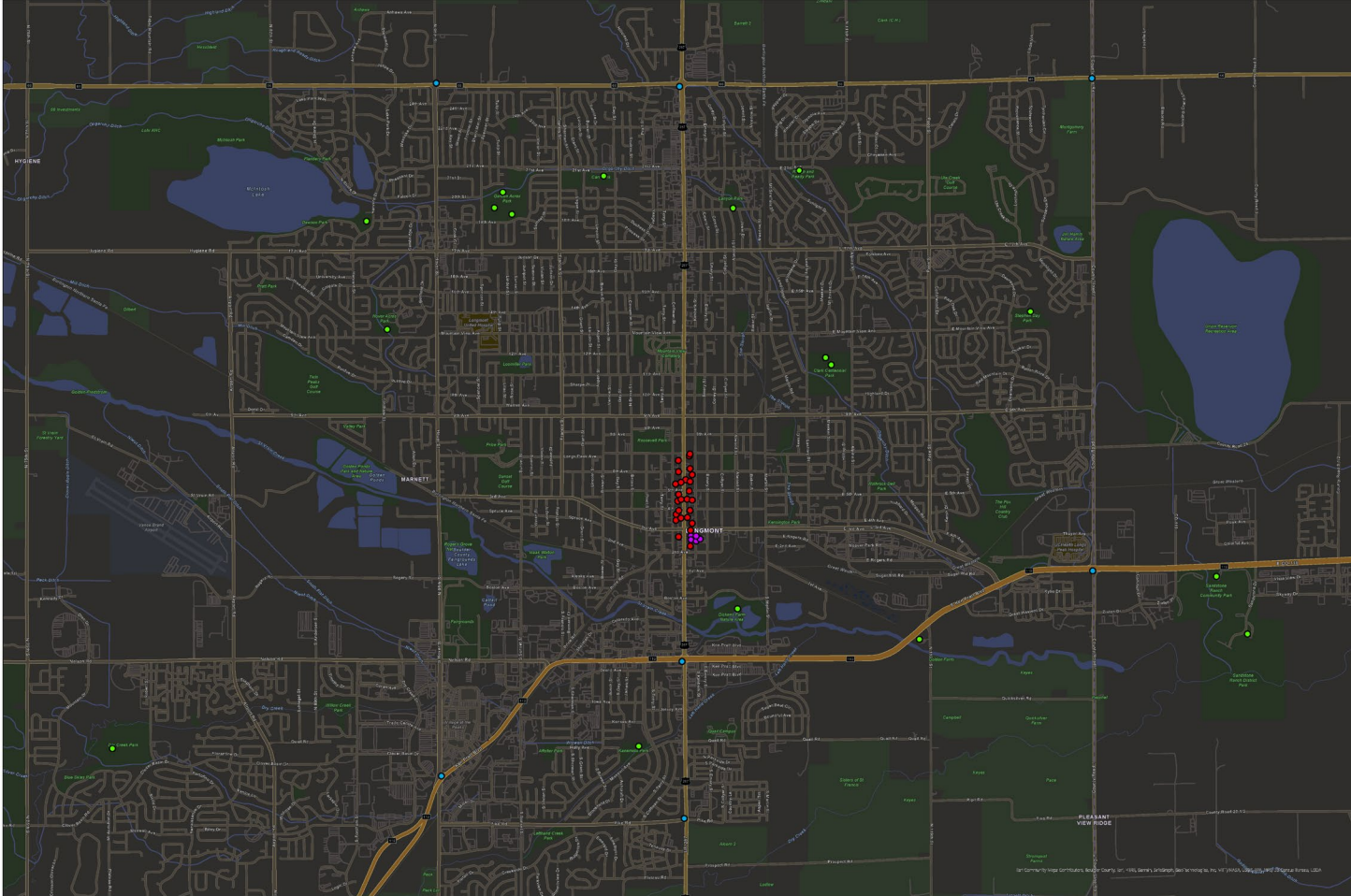
BRINGING SYSTEMS TOGETHER



Cameras



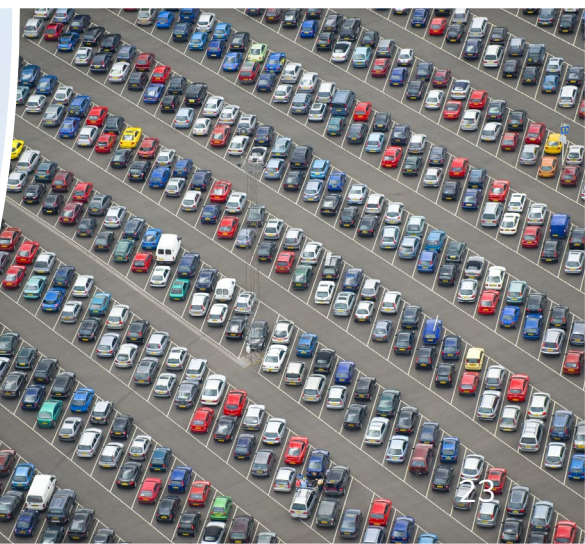
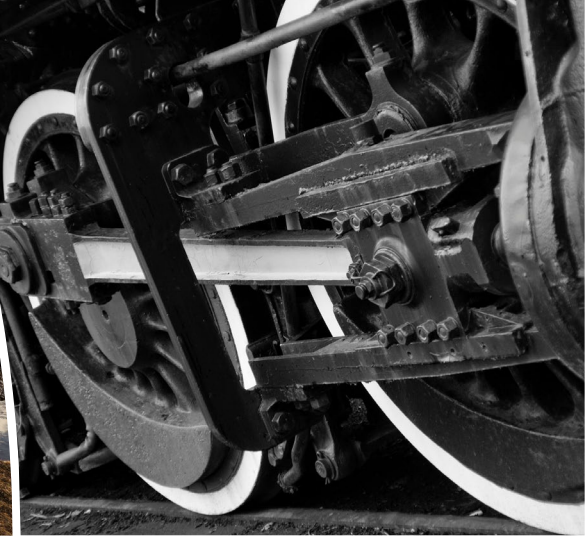
CAMERA LOCATIONS



BUDGETARY EFFECTS OF CAMERAS

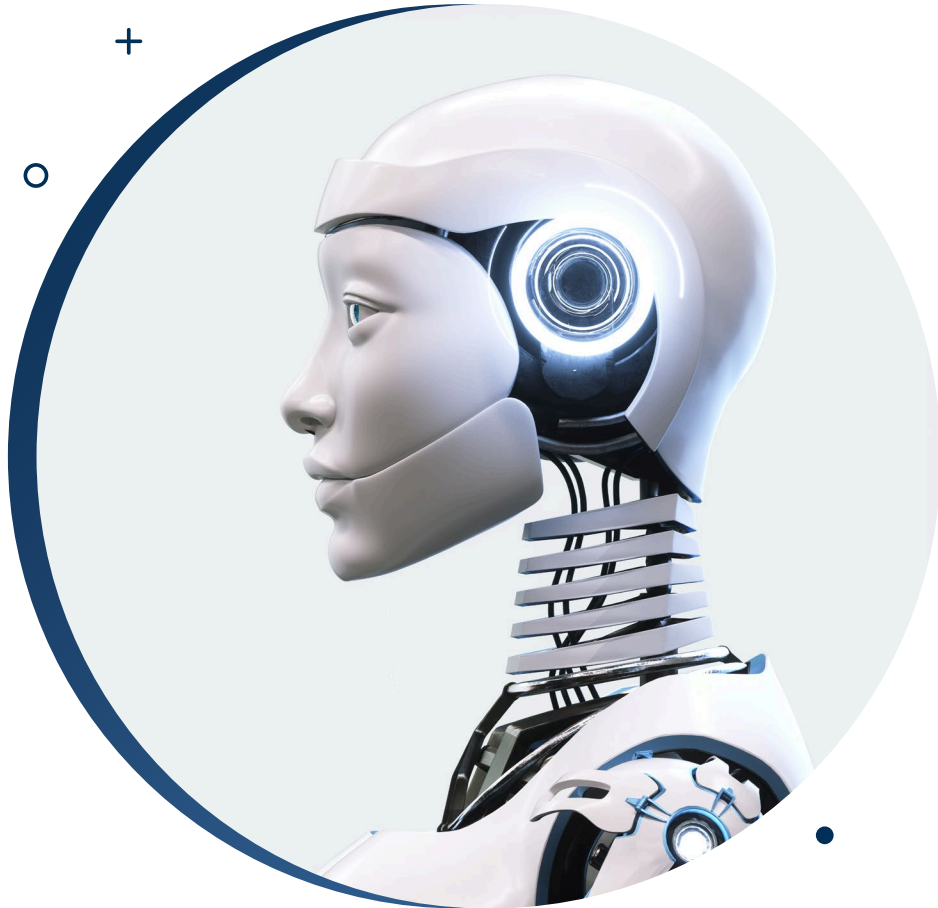
Effect	Type	Overall Effect
Reduction in time to solve	Cost Reduction	~\$20K per incident
Reduction in calls for service	Cost Avoidance	~50% fewer calls
Speed Cameras	Cost Avoidance	~\$1,500 per complaint
Red Light and Speed Cameras	Revenue Enhancement	~\$300K in fine revenue

ADDITIONAL CAMERA USES



Artificial Intelligence (AI)





ARTIFICIAL INTELLIGENCE

the theory and development of computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.

Oxford Dictionary

TYPES OF ARTIFICIAL INTELLIGENCE



Reactive



Limited
Memory



Theory of Mind

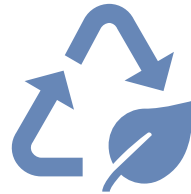


Self Aware

OTHER CONSIDERATIONS



Data
Privacy/Protection



Sustainability



Algorithmic Bias

A CHANGING LANDSCAPE

- Colorado AI Act (SB-24-205)
- Expect revisions
- Addresses concerns re: privacy and algorithmic bias



WHAT ARE WE DOING NOW?



AI GUIDANCE FOR
STAFF



AI TOOLS IN EXISTING
TECHNOLOGY



TRAIN APP

2025 PROPOSED FINANCIAL POLICIES

FINANCIAL POLICIES

- Reviewed by staff annually as part of the budget process
- Adopted by resolution, October 22
- Effective January 1, 2025

NEW POLICY

Responsibility for Components of Raw Water Irrigation Systems in City Parks

Irrigating parks, greenways and golf courses with untreated water is a practice consistent with the City's Sustainability Plan that saves water utility treatment capacity for consumptive uses. Existing pump, wetwell, and irrigation facilities for untreated water are maintained by the fund or department that owns the facility except for the ditch, diversion, structure, conveyance pipe, and pond are all maintained by the water utility. All new turf facilities will use raw water irrigation if the location makes this possible based on proximity to irrigation ditches. The fund or department constructing the facility shall design all attributes of the proposed system. The water utility will be responsible for the construction and maintenance of the improvements that divert water from the ditch to a pond. The fund or department constructing the turf facility will be responsible for the construction of the pond, pump station, and irrigation system. Once constructed, the water utility will maintain the diversion from the ditch and the pond. All other appurtenances will be maintained by the fund or department responsible for the project.

The City currently follows this policy.

UPDATED POLICIES

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. 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.

UPDATED POLICIES (continued)

Franchise Fee - Broadband Utility

The City of Longmont Broadband Utility will pay the General Fund a **51%** franchise fee. ~~of the revenues received from non-general fund dark fiber and co-location leases and 5% of revenues received from those services that the City of Longmont charges a franchise fee to all telecommunications providers in Longmont, including video services.~~ **The fee will be 1% 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.**

~~The City currently follows this policy. The estimated Broadband Utility Fee for 2024 is \$6,307. [TO BE UPDATED AFTER THE 2025 BUDGET IS COMPLETE]~~

UPDATED POLICIES (continued)

Utility Rate Studies

Each of the six City utilities will periodically conduct a comprehensive rate study. In each of the intervening years, the staff will review historical and projected revenues and expenses to determine if a comprehensive rate study is needed.

*The City currently follows this policy. A comprehensive rate study for the Water Fund was completed in 2019~~24~~. The most recent rate study for the Sewer fund was completed in 2022. A comprehensive rate study was completed for the Electric Utility in 2021~~13~~. ~~The Electric Community Investment Fee Fund rate study was completed in 2021. The most recent rate study for the Broadband Utility was in 2014.~~ **The Broadband Utility reviews competitive pricing each quarter.** The most recent rate study for the Storm Drainage Fund was completed in 2021. A comprehensive rate study was completed in 2016 for the Sanitation Fund.*

UPDATED POLICIES (continued)

Sanitation Fees

Rates and fees for sanitation services shall be set to generate sufficient revenue to cover at least 100% of the expenditures of the Sanitation Enterprise Fund.

Temporary annual operating losses may be permitted by Council direction based on the levels of fund reserves. Voluntary services shall be priced to cover the full cost of each respective service.

The City currently follows this policy.

PRIORITY BASED BUDGETING

PRIORITY BASED BUDGETING

Brief Overview of the Process

Step 1 - Identify the Right Result

- Community Programs
 - Livable centers, corridors and neighborhoods
 - A complete, balanced and connected transportation system
 - Housing, services, amenities, and opportunities for all
 - A safe, healthy, and adaptable community
 - Responsible stewardship of our resources
 - Job growth and economic vitality through innovation and collaboration

PRIORITY BASED BUDGETING

Step 2 - Define and Value the Results

Livable centers, corridors and neighborhoods	17.1%
A complete, balanced and connected transportation system	12.2%
Housing, services, amenities, and opportunities for all	20.3%
A safe, healthy, and adaptable community	17.7%
Responsible stewardship of our resources	16.0%
Job growth and economic vitality through innovation and collaboration	16.7%

PRIORITY BASED BUDGETING

Step 3 - Score the City's Programs

- Governance Programs
 - Responsibly Manage Public Funds
 - Support City Services
 - Transparent Leadership & Strong Partnership
 - Compliance
 - Value Human & Physical Capital

PRIORITY BASED BUDGETING

Step 3 - Score the City's Programs

- Community Programs
 - Livable centers, corridors and neighborhoods
 - A complete, balanced and connected transportation system
 - Housing, services, amenities, and opportunities for all
 - A safe, healthy, and adaptable community
 - Responsible stewardship of our resources
 - Job growth and economic vitality through innovation and collaboration
- Basic Program Attributes
 - Mandate to provide program
 - Reliance on City to Provide Program
 - Portion of Community Served by Program
 - Cost Recovery of Program
 - Social Equity

PRIORITY BASED BUDGETING

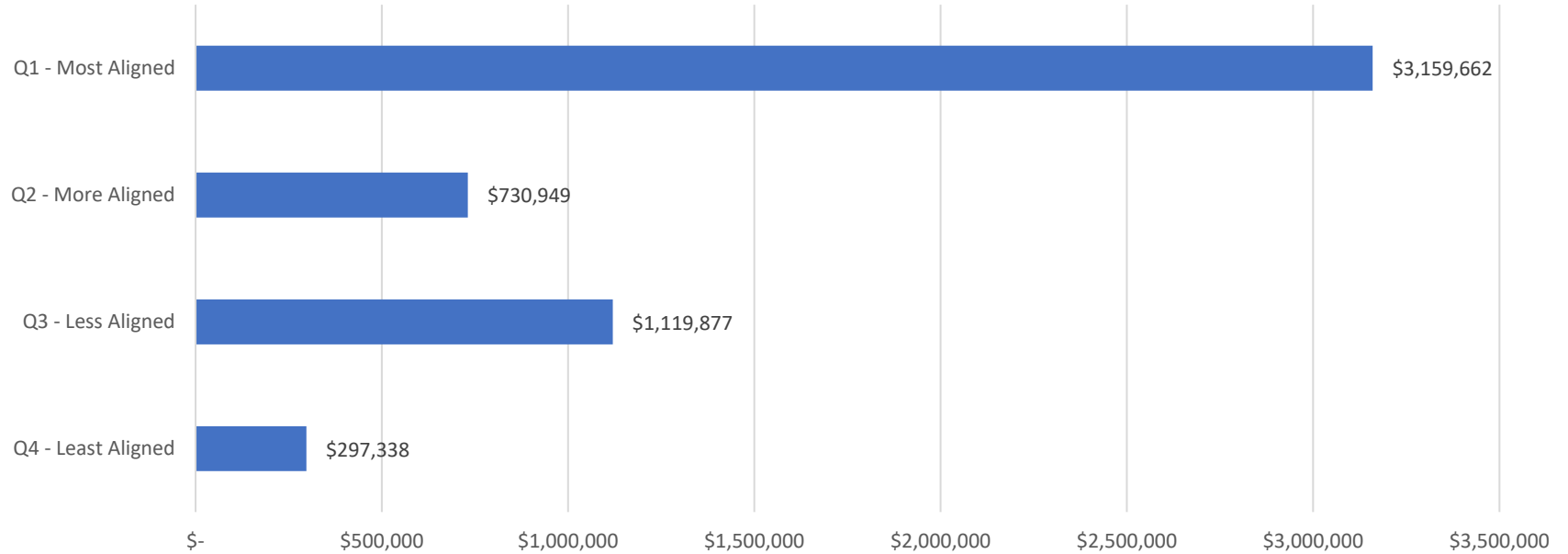
Step 3 - Score the City's Programs

- Quartile 1 – most aligned
- Quartile 2 – more aligned
- Quartile 3 – less aligned
- Quartile 4 – least aligned

Step 4 - End with a prioritized list of City Services

PROPOSED ONGOING INCREASES – ALL FUNDS

Proposed 2025 Level 1 and Level 2 Ongoing Funded Requests





QUESTIONS



FIRST PUBLIC HEARING

PUBLIC HEARING

2025 Proposed Budget

2025-2029 Capital Improvement Program

2025 Proposed Pay Plan

2025 Proposed Financial Policies

PRESENTATION TOPICS FOR NEXT WEEK

- Second Public Hearing
- Final Direction
 - 2025 Proposed Budget
 - 2025-2029 Capital Improvement Program
 - 2025 Proposed Pay Plan
 - 2025 Proposed Financial Policies

Other questions,
comments or additional
information needed?