

City of Englewood, Colorado

Budget Advisory Committee

2024 Annual Report



Submitted on July 29, 2024

Committee Members:

Peter Eckel, Chair

James Horan, Vice Chair

Suzanne Dircksen

Nevan Von Hortenau Mandel

Bill Lesage

Jay Knight

Laura Cooper

Introduction

The past year has seen significant changes for the Budget Advisory Committee (BAC). One member, Josh Newel, departed the Committee in autumn of 2023 and alternate member, Jay Knight, transitioned from alternate member to regular member status. He was succeeded in the alternate role by Nevan Mandel joining the Committee. Spring of 2024 marked the end of the tenure for longtime member (including former Chair and Vice-Chair), Suzanne Dirksen. She was succeeded by Nevan Mandel. The Committee is extremely grateful for Newel's and Dirksen's service as volunteers and members of the BAC and for the City of Englewood, and likewise welcomes Laura Cooper as the new alternate member to serve on the BAC. The committee elected Peter Eckel as Chair, and James Horan, in the role of Vice Chair for 2024-2025.

For a third year in a row, the BAC engaged in the capital improvement project (CIP) planning process, including Committee recommendations for 2024-2025 Capital Projects. The BAC was pleased to once again engage in this process this year for projects planned for the upcoming fiscal year. Due to the timing of City Council's consideration and approval of capital improvement preceding the issuance of this report, the contents of this report will not reference the Committee's recommendations directly, but may reference them as part of its overall budget priorities. Also of note, for the first time ever, the BAC reviewed the audited expenditures presented by the Public Works Department and Englewood Police Department in association with the sales and use tax measures approved by voters in 2022. In the interest of providing continuity with the Committee's recommendations to City Council, last year's report included a focus on the following:

- Funding: Debt and Alternatives - Including Municipal Bonds, Sales and Use Tax and/or Mill Levies
- Expanded and Improved Partnership with the BAC - Including Project Updates, Housing Affordability, Downtown Redevelopment, Energy Usage Audit, City Diversity, Equity and Inclusivity (DEI) Initiative, Future Bond Issuance and Use of Reserve Funds
- Employer of Choice

This year's report retains focus on some of these areas while also highlighting new areas of focus. The Committee encourages continued and sustained progress in areas identified last year while also focusing on these new areas. As will be outlined in this year's report, the BAC focused on the following priority areas for the upcoming fiscal year:

- Reserve Policies
- Parks and Recreation Bond Proposal
- Sales and Use Tax
- Sales and Use Expenditure Review
- Traffic Planning
- Information Technology Network

In compiling this report, the BAC greatly appreciates the opportunity to have met over the past year with the following city departments: the City Manager; the City Attorney; Human Resources (HR); City Clerk; Municipal Courts; Utilities; Englewood Police; Information Technology (IT); Communications; Public Works; Parks, Recreation Library and Golf; Finance; and Community Development (including partnership with the Englewood Downtown Development Authority).

Reserve Policies

In August 2022, the Englewood City Council adopted an amended Reserve Policy and Investment Policy incorporating an unrestricted reserve range of 12.0 percent to 21.4 percent, which may be based on operating revenue or expenditures, depending on whichever is more predictable. These changes were informed by recommendations from this Committee, the Englewood City Staff, and the Government Finance Officers Association (G.F.O.A.). This new reserve policy gives Council the flexibility to adapt to the City's needs by growing the size of the reserve during an economic upturn or spending funds to maintain continuity of operations and ensure consistent and high-quality public services even during an economic downturn. The unrestricted reserve cannot dip below 12.0 percent or grow beyond 21.4 percent without City Council re-amending the City's Reserve Policy and Investment Policy.

Prior to these changes, the City's Reserve Policy and Investment Policy set the unrestricted reserve at 16.7 percent of either operating revenue or expenditures with no official mechanism to grow or shrink the reserve. Under this policy, any growth or expenditure of the reserve would result in a lack of policy compliance. 16.7 percent of revenue is approximately 2 months of the City's operations and was influenced by a G.F.O.A. recommendation that general purpose governments maintain aggregate unrestricted fund balances in their general fund of no less than 2 months of regular general fund operating revenues or expenditures.

While that the Reserve Policy and Investment Policy adopted in 2022 gives Council the ability to adjust the unrestricted reserve based upon the City's economic state, since adopting the policy, little has been done to adjust the reserve rate and the unrestricted reserve remains at approximately 16.7 percent of operating revenue. Despite its potential as a tool to better adapt the reserve to the economic needs of the City and build reserves during times of relative economic security, the current policy has failed to adequately define when and how the reserve will be adjusted, and therefore has remained static.

The Committee asks the City Council to consider the adoption of a policy that would adjust the unrestricted reserve by a set percentage based upon an established set of criteria. Additionally, the Committee requests the assistance of City staff and the Council to consider and propose what rate and criteria may be best suited to this purpose. If possible, the Committee requests consideration of a formula by which the rate may be automatically adjusted within the previously approved range, unless otherwise specified by council. One possible mechanism favored by the Committee is to annually consider revenue trajectories over the past three years with small updates that would occur unless otherwise pre-empted or adjusted by the Englewood City Council.

A few considerations that the Committee would like to emphasize in these considerations include:

1. Maintaining the current range of unrestricted reserve values (i.e. remaining between 12.0 percent and 21.4 percent)
2. The rates of adjustment used by other localities with ratcheting and sliding reserve mechanisms (i.e. considering the practices of other governments)
3. Relatively small adjustments allow for the maximum consistency of budget (i.e. adjusting by small percentage values)
4. Ensure that any automatic adjustments may be preempted by a vote of the Englewood City Council (i.e. ensuring that the City Council has the ability to deviate the actual adjustment from what would have otherwise occurred automatically)

It is also the recommendation of the Committee and its members that revising the City's Reserve Policy and Investment Policy to replace the provision to use "operating revenues or expenditures whichever is more predictable" with a single measure (either operational revenue or another measure like current month's actual revenue) will provide greater clarity and consistency than the language provided in the current policy.

Parks and Recreation Bond Proposal

The Parks and Recreation GO Bond proposed totals up to \$39.5 million in funding to enhance and improve the City's park and recreation district. This includes 7 park renovations with improvements to Englewood Recreation Center Aquatics and Pirates Cove. The total cost of the complete project is substantial and would need voter-approved funding to be completed.

In considering the bond proposal, the City has a few options to fund the proposal. These include funding the bond primarily through property taxes, issuing municipal bonds, mixed revenue sources including sales and use tax, reserve policy funding or place debt through private bank lending. All options provide benefits while also carrying drawbacks which was discussed in the 2023 Budget Advisory Committee report. For example, the existing recreation bonds were issued after voter approval in 2001 and were used for expansion of and improvements to the Englewood Recreation Center, the Malley Recreation Center and for construction of the Pirates Cove Aquatic Center. These bonds expired at the end of 2023 and leave the City in a solid position with no debt associated with the parks and recreation department. With this benefit, the City could move to not spend beyond the available capital for the department which may include additional funding from the Arapahoe County Grant for parks and recreation which Englewood benefitted from last year providing a new playground and accessible pathways at Bates/Logan Park.

The Parks and Recreation citizen survey performed last year provided feedback on the bond proposal with several responses that show voter opinion around property tax levies to fund projects. The survey found that 70 percent of those surveyed were extremely likely to vote in a

local bond measure for the proposed improvements. However, many are concerned with the overall proposed amount, some commented about reducing and scaling back the total proposal and many indicated the impact on property taxes was already burdensome given the recent Colorado property tax reassessment and tax increases. The recent reassessment increased property values substantially following the rise in residential property values due to Covid impacts as many remained home and interest rates stayed low spurring high prices in the real estate market. The range for the 20-year GO Bond will cost residents between \$116 per \$500K in assessed value up to as much as \$166 per \$500K at \$50 million in total funding. This compares to the prior bond where a home valued at \$500K was taxed at \$84 annually. This represents a minimum comparable tax increase for the same Parks and Recreation funding of at least 39 percent if the City was to only take out \$35 million in GO Bond funding. The proposed \$39 million GO Bond saddles residents with roughly \$1,150 per resident with the potential for a maximum repayment cost of up to \$68 million or over \$2,000 per resident in total cost over the repayment term. Additionally, the funding comes at a time when interest rates are elevated, which discourages borrowing.

The proposal, depending on its final total cost, will present voters with a substantial tax increase following the Colorado reassessments of 2023, which drove property taxes higher by an average of \$444 per year in Arapahoe County. According to The Common Sense Institute, 1 in 3 homeowners in Arapahoe County received a property tax increase greater than 20 percent from the prior year. This property tax increase was mitigated by reductions in the mill levy. However, following these property tax assessment increases in 2023, voters rejected Proposition HH.

Not only did property owners reject Proposition HH, but even further, the legislative provision of the property tax exemptions was poorly constructed and did not provide the necessary property tax relief. The City should consider the timing of the Parks and Recreation bond and related funding at a time when there is substantial taxpayer fatigue. It may be in the best interest of the City to consider alternatives by either delaying the project, reducing the total expense and/or using alternative sources of funding outside property tax increases. The City should seek ways to minimize the total cost of the proposal while still providing necessary upgrades to the parks and recreation district.

Sales and Use Tax

In January of 2023, the City of Englewood increased its sales and use tax from 3.5 percent to 3.8 percent, following a public referendum passing for the increase. This increase was the first time that the City of Englewood has increased non-cannabis related sales taxes in 34 years and the increase was separated into two dedicated funds. One section raised the City Sales and Use Tax by 0.2 percent to repave, repair, maintain, and improve City streets and roads. The other section raised the City Sales and Use Tax by 0.1 percent to fund alternate policing services to address matters including homelessness, mental health, and addiction.

It is important for residents of the City of Englewood to recognize that the Englewood sales tax is only a portion of the total sales taxes that they pay when making purchases within the City of Englewood. In addition to the City of Englewood Sales and Use tax, there are also State sales taxes, Arapahoe County sales taxes, and sales taxes for special districts like the Regional Transportation District and Scientific and Cultural Facilities District. Graphic 1A shows the relative portion of current and previous regional sales taxes assigned to different entities for sales made in Englewood. Some purchases are exempt from some of these taxes or are otherwise taxed differently such as groceries or those falling under lodging taxes, cannabis taxes, the Building Materials Use Tax, and others.

Combined Sales and Use Tax Rate Composition:	Effective Until 12/31/2022	Effective As Of 1/1/2023
Scientific & Cultural Facilities District (SCFD)	0.10%	0.10%
City of Englewood Sales Tax	3.50%	3.80%
Arapahoe County	0.25%	0.25%
State of Colorado	2.90%	2.90%
RTD	1.00%	1.00%
Total	7.75%	8.05%

Graphic 1A “Details of Current and Previous Sales and Use Taxes”

The City of Englewood finds itself in a relatively unique position. In comparison to other nearby localities, a relatively large percent of the City’s funding comes from sales taxes. This situation is beneficial in that much of these sales taxes are paid by non-residents doing business in the City. These non-residents pay sales taxes that benefit residents and allow the City of Englewood to provide high-quality service to its citizens despite the City’s relatively small population. Many of the services provided by the City of Englewood are directly funded by sales tax dollars received from non-residents.

The Committee recognizes that data has shown that in times of economic hardship, sales taxes are less reliable than other types of taxes and fees, such as property taxes, and may result in significant levels of variation in city revenues between years as economic factors influence the public’s purchasing decisions. The Committee asks for the Council and City of Englewood staff to consider these adverse impacts and the way that increases to the sales and use tax may influence the types and variety of people, businesses, and industries that exist within the community when considering between future Sales and Use tax increases and other types of fees and taxation such as property taxes.

Sales and Use Expenditure Review

In 2022, citizens of Englewood voted on and approved two measures impacting the City's Sales and Use Tax. One of these measures increased the City Sales and Use Tax by 0.2 percent to repave, repair, maintain, and improve City streets and roads. The other measure raised the City Sales and Use Tax by 0.1 percent to fund alternate policing services to address matters including homelessness, mental health, and addiction. The measures include language describing that expenses utilizing these funds would be reviewed by a citizen committee, which City Council designated to be this Committee. These taxes were officially implemented in 2023 and this year the Budget Advisory Committee reviewed the audited expenditures presented by the Public Works Department and Englewood Police Department. The funds raised by these tax measures are dedicated and must be used for the specific purposes approved by the voters.

As part of the review process, the City of Englewood staff put together a document which showed all of the staff-proposed expenses that the two new dedicated Sales and Use tax measures were proposed to be used for.

The Committee recognizes the effort that City of Englewood staff and City Council have put into utilizing these dedicated funds for the benefit of the public and explicit purposes approved in the referendum. The Committee asks for the talented staff of the City of Englewood to take steps, wherever possible, to define, specify, and differentiate these dedicated funds from others to specify that they have been used for the explicit purposes approved by the voters and for the City Council to encourage the same. The Committee believes that the additional clarity and communication around these funds and their documentation is critical to demonstrating to the public that the City of Englewood and their Council have been good and appropriate shepherds of public funds and tax payer dollars.

Traffic Planning

Urban city traffic planning involves multiple considerations including infrastructure development, public transportation systems, traffic management, and pedestrian and other road users' safety. When budgeting for traffic planning, cities face several key concerns. These include infrastructure costs, road construction and maintenance such as maintaining roads, bridges, and tunnels which is costly and requires regular funding and additional capital for major repairs.

The ongoing maintenance to existing roads and related infrastructure continues to burden the City while Englewood and surrounding cities continue to grow in population and in turn, increase demand on the City's infrastructure. With the recent voter-approved sales and use tax increase, the City has apportioned funding to road maintenance which should allow the City to improve general roadway maintenance beyond prior years. With that, traffic planning and improvements to existing infrastructure should be beneficial. The City's traffic planning should include the following:

1) Public Transportation, Road User Access, Safety and Accessibility: The City should continue to improve and develop related RTD infrastructure for use by the community for travel to and from downtown Denver through Englewood allowing for low cost options to our residents. This includes access to Oxford Station and City Center including safe pedestrian walkways and clear bike lanes that are not overly burdening street safety for cyclists and auto drivers as well including marked bikeways that do not create too much lane coverage or additional structures such as excess concrete curbing or posts/barriers between roadway and bike lanes. The development of bike lanes should avoid two direction lanes and not be placed between parked cars and the curb which leads to poor pedestrian and cycling/scooter safety for all road and bike lane users. There has been a documented increase in accidents in Denver due to complex road changes that were intended to improve safety for all road users but failed to do so at a substantial road improvement cost. Currently, Dartmouth is an example of effective bike lanes and allowance for through traffic while also providing lane markings for cyclists' safety. This can be replicated on a lower cost basis. Also, potential roundabouts should consider cycling and pedestrian safety first where stoplights currently offer safe crossing for all road users and pedestrians. Finally, emergency equipment, such as large fire trucks, must be able to navigate any intersection with ease guaranteeing our community access to emergency response. Englewood should continue to focus on simple access upgrades for disability access which the City has done a good job of recognizing and providing where necessary.

2) Budgetary Concerns: The City should be careful to plan one-time traffic upgrades/updates that will be able to perform for the next 20-30 years. These plans should rely on solid traffic studies perhaps performed by the City instead of using third parties which provides a historical knowledge base of traffic patterns and reduces cost. The City should consider grants when possible that do not overly extend traffic mandates but assist in reducing total cost ,and improve budget measures.

3) Maintenance and Operations: Does the City's upcoming traffic plans consider the long-term costs to maintain streets and related infrastructure? Do plans keep our roadways open and easy to repave? Is snow removal and road clearance simple and does it allow Public Works to effectively maintain road maintenance equipment at a minimal cost? Does road maintenance effectively consider traffic disruptions and how can the City minimize downtime for road repairs? All of these contribute to effective long-term management of roadway infrastructure and should be effective in reducing costs to maintain roadways for local and through traffic.

4) Prioritization and Phasing, Efficiency: The City should be patient and methodical in traffic planning measures considering population growth, community access and safety in neighborhoods including public access and traffic overflow among others. The City should break down projects into phases to effectively manage costs over time focusing to reduce excess and redundant spending. The City should continue to prioritize high-impact projects such as bridge repairs as on Dartmouth and Union to maintain a minimum standard of safety for major thoroughfares.

By addressing these concerns and implementing strategic, conservative traffic planning solutions that have long-term viability, Englewood can continue to keep up with increasing

roadway and infrastructure demands. The City has a long history of smooth transportation between South Denver cities and Downtown Denver and should focus on the maintenance of major thoroughfares keeping smooth peak hour traffic patterns throughout the City.

Information Technology Network

The Committee recognizes and appreciates the efforts made by all Staff and in particular the Information Technology (IT) Department for keeping the City both operational and safe from an IT network perspective. The technology landscape is ever changing and always at risk of a cyber attack both at home and in the private and public sectors. The Committee is raising this topic up as part of the report not to state that the appropriate actions and decisions are not being made (from recent department reviews there do seem to be processes which addresses) but rather to reinforce the importance.

The Committee asks that both Staff and Council continue to place importance on the following:

- 1) The IT Department is engaged and has the opportunity to assess new programs as they are initiated to ensure compatibility with the network and aligns with the the roadmap of future capabilities. For example, if new audio/video equipment is being prioritized from a funding perspective then IT needs to review.
- 2) Prioritize funding for programs, such as CPF-3 - Network Development IT.
- 3) Money is not unlimited and if Budget decisions must be made to deprioritize IT related infrastructure then work closely with IT to understand the impacts and risks of any items which may not be feasible to fund. When it comes to security it is vital to weigh risks of the impact to the City, Citizens, and Budget if a ransomware or other cyber threat did occur.

Above and beyond the financial impacts, the City has personally identifiable information of it's citizens and businesses. The risk and reward of investing in the network has multiple layers and the Committee asks that the City staff and Councilmembers continue to keep this in mind. (see appendix for beneficial information). The Committee urges the need to advance the City of Englewood's capabilities and keep the City and its residents secure.

Recognition

The Budget Advisory Committee (BAC) acknowledges and appreciates the City Council and City Staff for the amount of effort and time to review their department plans for the year. The discussion provides transparency for only the Committee but all Citizens.

- The BAC would like to recognize and provide a sincere thank you to Suzanne Dirckson for serving 8 years on the Committee. Unfortunately, she has been termed out and attended her last meeting in June. Suzanne has played a key role in molding the BAC into what it is today and establishing processes. Suzanne is an active member of the

community, above and beyond the BAC. Her knowledge, experience and positive attitude will be missed.

- Thank you to Jennifer Nolan and the additional members from the Finance Department who have continued to evolve the Capital Improvement Project (CIP) evaluation process. The creation of the scoring tool could not have been an easy task and the BAC appreciated the time and effort spent. The Committee found it useful and felt it helped simplify the process. Jennifer is always helpful and works tirelessly to assist Committee members and answer questions.
- Thank you to Tyson Thornburg, who has both assisted the Finance team and assists with the technical operations of The Budget Advisory Meetings. Thank you to Kevin Engels who has been very kind and helpful in assisting the Committee's financial questions.
- Thank you to City Manager Lewis and Deputy City Manager Dodd, who work hard to support the City of Englewood, have attended numerous Budget Advisory Committee meetings, and have assisted in answering member questions and to facilitate requests for information and resources made by The Committee.
- Thank you to all of the department heads and staff representatives that have made themselves available to present to the BAC. These presentations make it possible for the Committee to ask questions and to be better informed. The Committee recognizes the amount of work that goes into these presentations.

Conclusion

The Committee commends City leadership and City Council for their ongoing diligence and prudence in managing the City budget with limited resources. Having continued insight into the capital improvement project planning process, along with the first ever voter-mandated review of the expenditures associated with the sales and use tax measures for street maintenance and alternatives to policing approved by voters in 2022, allowed the BAC to remain fully engaged in the budgeting process, and the Committee appreciates both the City Manager's office and City Council for inviting the Committee to further advise in these capacities.

The BAC appreciates the opportunity to offer advice and recommendations to the City Council and the Committee looks forward to presenting this report at the August 5, 2024 Meeting of the Englewood City Council.

Respectfully submitted on behalf of the Budget Advisory Committee on July 23, 2024.

Appendix

Parks [Meeting Tuesday, March 26, 2024 | The City of Englewood](#) - March 26, 2024)

- Reserve Policy and Investment Policy Approval language. ([Resolution for the Reserve and Investment Policy | The City of Englewood](#) - August 15, 2022)
- Guidance for Automatic Adjustments ([Should We Rethink Reserves? | Government Finance Officers Association](#) - May 2023)
- “GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.” ([Fund Balance Guidelines for the General Fund | Government Finance Officers Association](#) - September 30, 2015)
- Variables Considered and Relationship to Unrestricted Net Position. ([Measuring the Strength of Illinois’ Municipal Reserves | Shannon Sohl, Andy Blanke, and Norman Walzer](#) - 2016)
- Comparison of different city’s revenue makeup. ([City Fiscal Conditions 2023 | National League of Cities](#) - October 19, 2023)

Parks and Recreation Bond Proposal - supporting information:

- <https://commonsenseinstitute.org/property-taxes-on-the-rise-despite-state-and-local-relief/>

Sales and Use Tax - supporting information:

- Graphic 1A Source. ([Sales, Use and Other Business Licenses | City of Englewood](#) - Unknown)
- Information of Sales and Use Tax regulation. ([Minutes Budget Advisory Committee Meeting Tuesday, Tuesday, June 25, 2024 | The City of Englewood](#) - June 25, 2024)
- FAQ - Business, Sales & Use Tax Licensing. ([FAQ - Business, Sales & Use Tax Licensing | City of Englewood](#) - Unknown)
- Sales and Use Tax Announcement ([New Sales and Use Tax Rate Effective January 1, 2023 | City of Englewood](#) - 23 November, 2022)
- 2024 City of Englewood Budget. ([2024 Budget | City of Englewood](#) - 2024)
- Year-to-year budget comparisons. ([Multiple Year Comparison | City of Englewood](#) - July 27, 2024)
- “Heavy reliance on sales and excise taxes makes tax systems more regressive.” ([Who Pays? 7th Edition | Institute on Taxation and Economic Policy](#)- January, 2024)
- “Over the last several years, states have increasingly authorized states to enact or increase “local-option” sales taxes; these local-option taxes usually have the same effect on families as a statewide sales tax. Since local sales taxes are rising in popularity, they are further contributing toward the trend toward more regressive state tax systems.” ([The Rising Regressivity of State Taxes | Nicholas Johnson and Daniel Tenny](#) - January 15, 2002)

- “Sales taxes tend to be quite regressive. The reason is that low-income households tend to spend a larger share of their income on taxable items than high-income households.” ([Progressive and Regressive Taxation in the United States: Who’s Really Paying \(and Not Paying\) their Fair Share? | Bian Roach](#) - October, 2003)

Sales and Use Expenditure Review - supporting information:

- Sales and Use Tax expenditure review overview and process information. ([2023 Dedicated Sales & Use Tax Expenditure Review | The City of Englewood](#) - June 25, 2024)
- “Your municipal budget should establish linkages to broad organizational goals.” ([The Municipal Budget Preparation Process: 5 Things To Consider | Clear Point Strategy](#) - July 8, 2024)
- “Property tax remains the primary source of tax revenue for local governments in most states.” “When revenue declines—as it tends to do during an economic downturn—certain limitations on local taxation can keep revenue from fully rebounding, leaving it at an artificially low level even as the economy grows.” ([Local Tax Limitations Can Hamper Fiscal Stability of Cities and Counties | The Pew Charitable Trusts](#) - July 8, 2021)

Traffic Planning - supporting information:

- https://denvergazette.com/news/denver-neighbors-report-more-accidents-after-new-denver-bike-lanes-installed/article_601a6802-5288-11ee-9ca7-a75c69d7a552.html
- <https://www.usu.edu/today/story/roundabouts-not-as-safe-for-cyclists-new-research-says>

IT Network - supporting information:

- “State and local governments face cyberthreats that are expanding at an alarming rate. Since last year, cyberattacks against local governments increased by 70 percent.” ([Visibility Is Vital for Government IT Network Security | StateTech Magazine](#) - Oct 18, 2022)
- “Maintaining an effective level of visibility across the entire IT network and endpoints is critical to promoting security and establishing a proactive stance against threats. Vulnerabilities cannot be dealt with without first identifying where they reside.” ([Visibility Is Vital for Government IT Network Security | StateTech Magazine](#) - Oct 18, 2022)
- “By aligning cybersecurity initiatives with the overall strategic goals of the organization, institutions can maximize the impact of cybersecurity efforts on their mission and vision.” ([Strengthening cybersecurity in local government \(diligent.com\)](#) - Oct 9, 2023)
- Another reason municipalities are seen as prime targets by hackers is, unlike private businesses, they are less prepared for an attack. Local governments typically have limited budgets for upgrading networks and security systems, often use outdated technology and may not have dedicated IT staff to implement organizational safeguards to protect against the ever-increasing risk of a cyberattack. ([Cybersecurity Best Practices for Municipalities | New Hampshire Municipal Association \(nhmunicipal.org\)](#) - July/August - 2019)
- “Because local governments maintain sensitive personally identifiable information, they have a fiduciary duty to safeguard that information. As large-scale data breaches

continue to make headlines, local governments must make cybersecurity a priority.”
([Cybersecurity Best Practices for Municipalities | New Hampshire Municipal Association](#)
(nhmunicipal.org) - July/August - 2019)