

**SUBJECT: CITY MANAGER'S 2025-2026 RECOMMENDED BUDGET AND
2025 – 2030 CAPITAL IMPROVEMENT PLAN PRESENTATION**

DATE: OCTOBER 1, 2024

**PRESENTED BY: SAMMA FOX, INTERIM CITY MANAGER
RYDER BAILEY, CPA, FINANCE DIRECTOR**

SUMMARY:

Based on feedback provided by Council during the Budget Retreat, Finance Committee presentations, and Budget Special Session, staff has prepared the City Manager's 2025/26 Recommended Budget and 2025-2030 Capital Improvement Plan.

BACKGROUND:

To date, staff have held five public meetings on the 2025/26 Biennial Budget, on each of the following dates.

All Previous Budget Materials may be found by following the links below:

- Tuesday, July 24th – Budget Retreat
 - [Link to Materials](#)
- Thursday, August 15th (Finance Committee Meeting)
 - [Link to Materials](#)
- Tuesday, September 3rd – Budget Special Meeting
 - [Link to Materials](#)
- Thursday, Sept 19th (Finance Committee Meeting)
 - [Link to Materials](#)
- Thursday, Sept 24th (Finance Committee Meeting)
 - [Link to Materials](#)

Future public meetings scheduled on the 2025/26 Budget and 2025 – 2030 Capital Improvement Plan on the following dates:

- Tuesday, October 15th – (Council Meeting) – Budget Public Hearing
- Monday, November 4th – (Council Meeting) – 2025/26 Budget Adopted

ATTACHMENTS:

1. PowerPoint Presentation – October 1st Budget Presentation
2. Hybrid Studio Fitness Capital Improvement Request Form



**City Manager
Recommended
2025-2026 Budget and
2025-2030 CIP
October 1st, 2024**

Samma Fox, Interim City Manager
Ryder Bailey, CPA, Finance Director



Today's Agenda

- Introduction
- Council Priorities
- Major Revenue drivers
- General Fund
- Other Fund Long Term Financial Forecasts
 - Parks, Open Space, Recreation, Capital, Consolidated Utility and Golf
- CIP 2025-2030 Program
 - Adjustments Since Sept 24th Finance Committee Meeting



Introduction and Next Steps

- ✓ Tuesday, July 24th – Budget Retreat
- ✓ Thursday, August 15th – Finance Committee – Budget Discussion
- ✓ Tuesday, September 3rd – (Council Meeting) – Budget Special Meeting
- ✓ Thursday, September 19th – Finance Committee – Budget Discussion
- ✓ Thursday, September 24th – Finance Committee – CIP Discussion
- **Tuesday, October 1st – (Council Meeting) – City Manager's Recommended Budget Presentation**
- Tuesday, October 15th – (Council Meeting) – Budget Hearing
- Monday, November 4th – (Council Meeting) – Budget Adoption
- December - Final Mill Levies to County Assessor

Key Considerations

- We are not alone! Other cities are going through similar.
- Louisville has a high quality of life, and high levels of service.
- The City has taken on truly impressive and aspirational work.
- We need to balance that with resources.
- The future is uncertain.
- We navigated through this together.
- We have a balanced budget for your adoption.

Council Priorities

Based on early 2025 Council Work Planning and the Resident Survey:

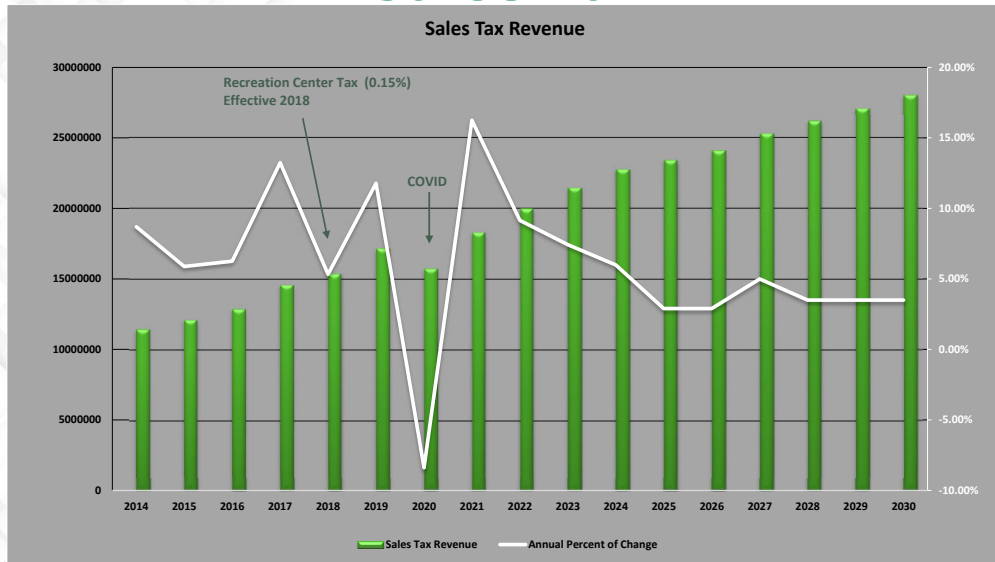
- Economic Prosperity
- Public Safety
- Maintaining Core Services
- Affordable Housing
- All through the lenses of equity, diversity, and inclusion (EDI) and environmental sustainability

Funded Priorities

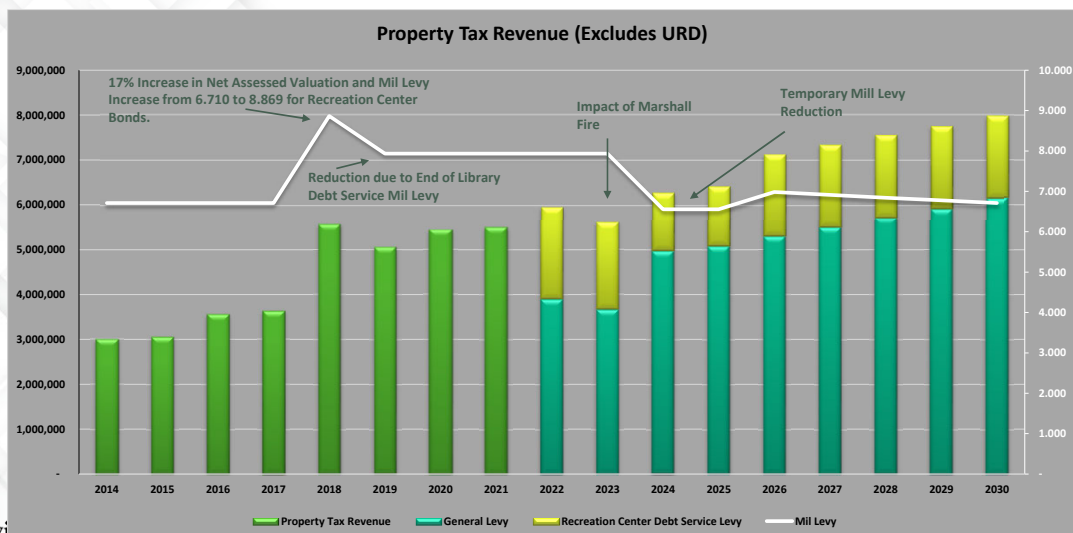
This budget includes:

- Decarbonization, incl Solar (\$11.2M)
- Maintaining Core Services
- Prioritizing Maintenance of City Assets
- Affordable Housing Set Aside (\$2M)
- EDI Efforts (\$600K)
- Established an Acquisition Reserve for Open Space
- City Employees - Markets/ Merits

Sales Tax



Property Tax



General Fund

General Fund –One Time Requests

Description	Cost	Year
Land code re-write (Community Development)	\$450,000	2025
Microsoft retooling (IT)	\$30,000	2025
Cyber security consultants (IT)	\$30,000	2025
Updated website (Community Facilitation)	<u>\$120,000</u>	2025
Total One-Time Included in 2025 Budget (as of Sept 3 rd)	\$630,000	
ADDED – EDI – (added post Sept 3 rd)	\$50,000	2025
Revised Total One-Time Included in 2025 Budget	\$680,000	
Sustainability Action Plan – 5-year update	<u>\$200,000</u>	2026
Total One-Time Included in 2026 Budget	\$200,000	

Equity, Diversity, and Inclusion

Events

- 21+ EDI focused events

Social Media/Story Telling

- Regular research, stories, and posts
- Frequently covered in museum newsletter

Accessibility

- ADA Transition Plan
- Pavement
- Trails
- Digital (website)
- Translation
- Virtual Council Meetings
- Sensory kits for neurodiverse accessibility

Engagement

- Intentional engagement to reach all of Louisville

Policy Considerations

- Housing
- EDI lens for 2025 Priorities

Internal

- Policies and Procedures
- In hiring practices
- Training

Training

- Boards & Commissions
- Council
- Staff

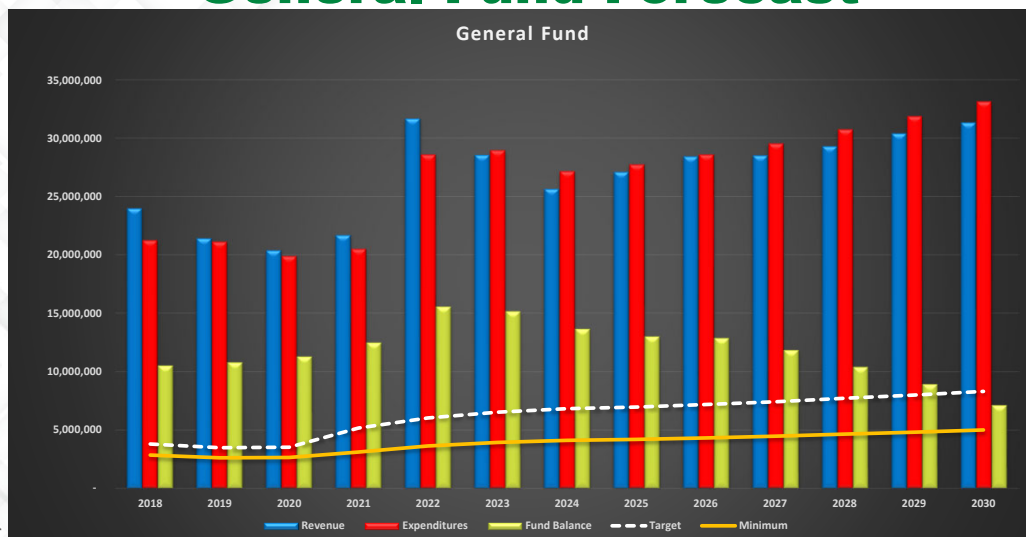
Support

- Non-Profit Grants
- Utility Assistance
- Community Resources

Other

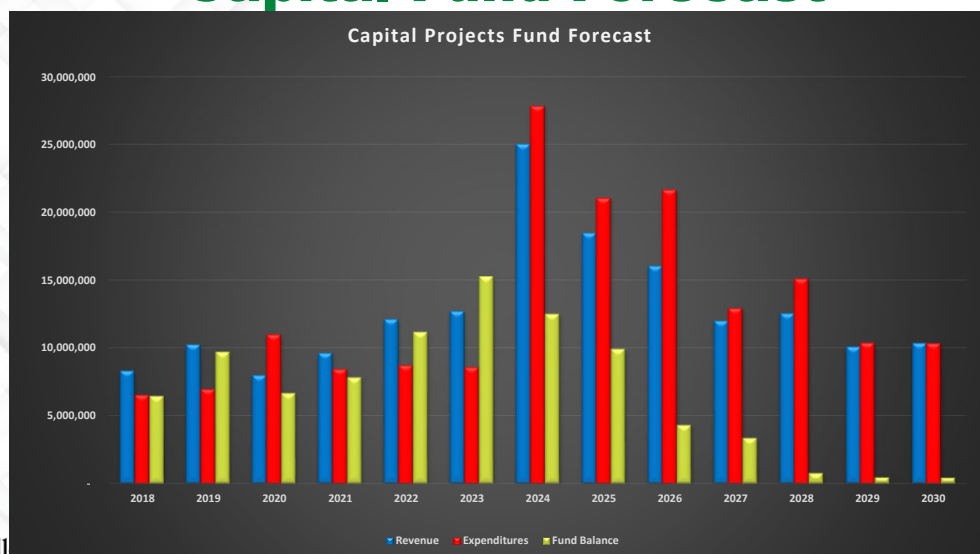
- Costume Exchange
- Senior Center
- Flags
- Proclamations
- Equity in how we plan and implement city services to reach as much of the city as possible

General Fund Forecast

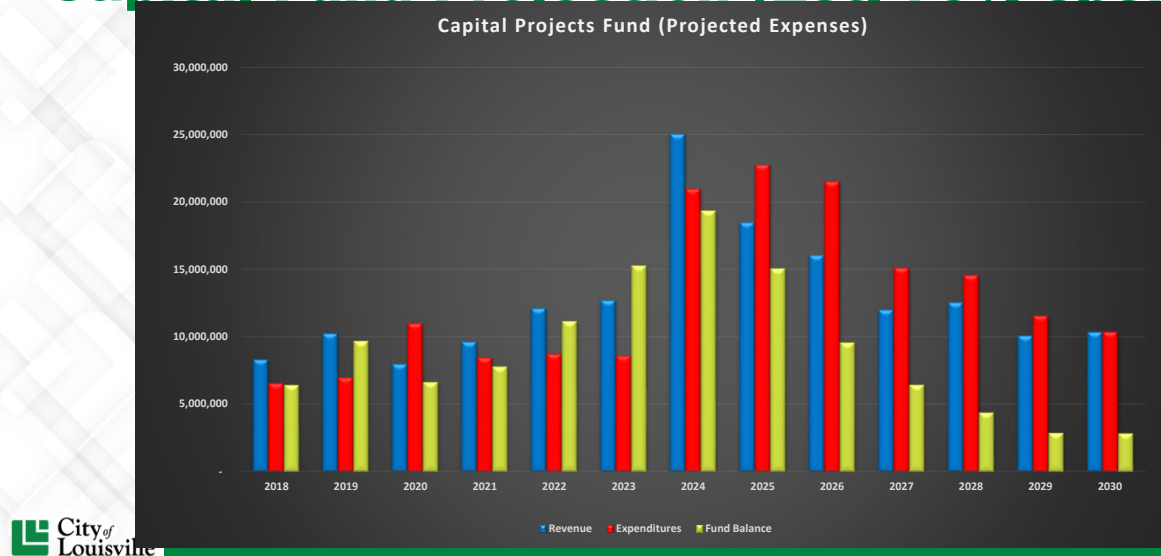


Other Long Term Financial Forecasts

Capital Fund Forecast



Capital Fund Projection (Est. 75% spend)

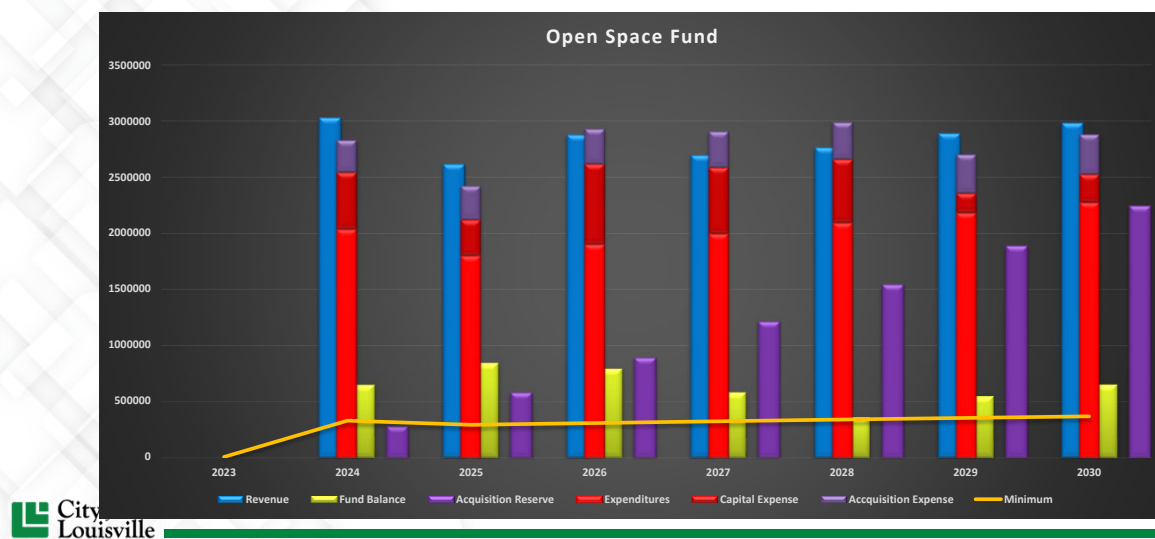


15

October 1, 2024

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Open Space Fund Forecast

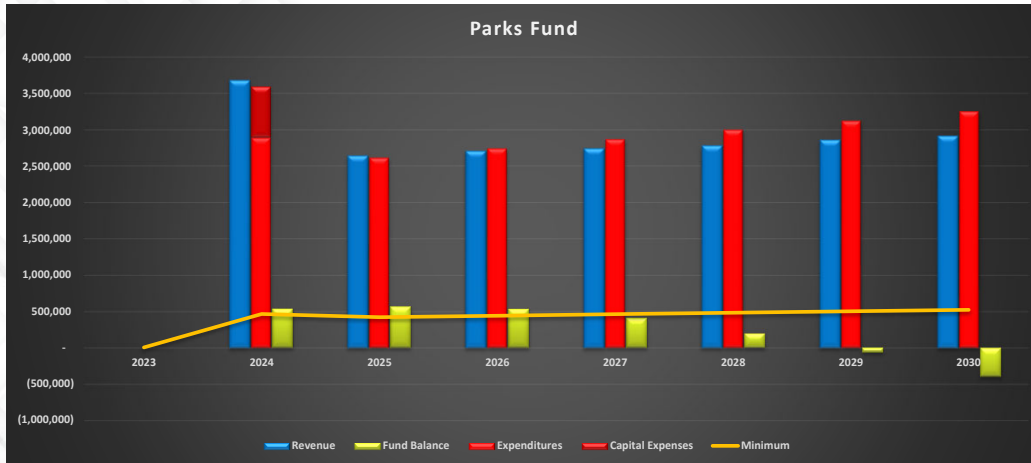


16

October 1, 2024

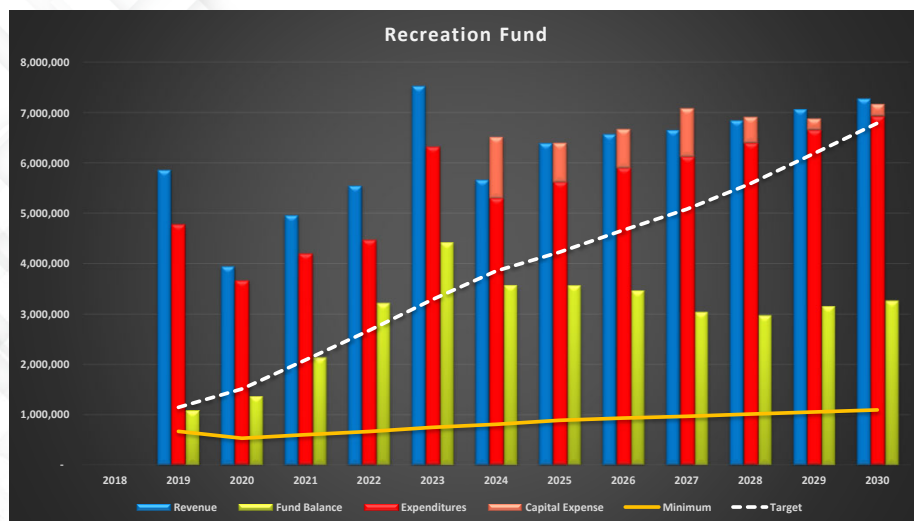
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Park Fund Forecast



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Recreation Fund Forecast

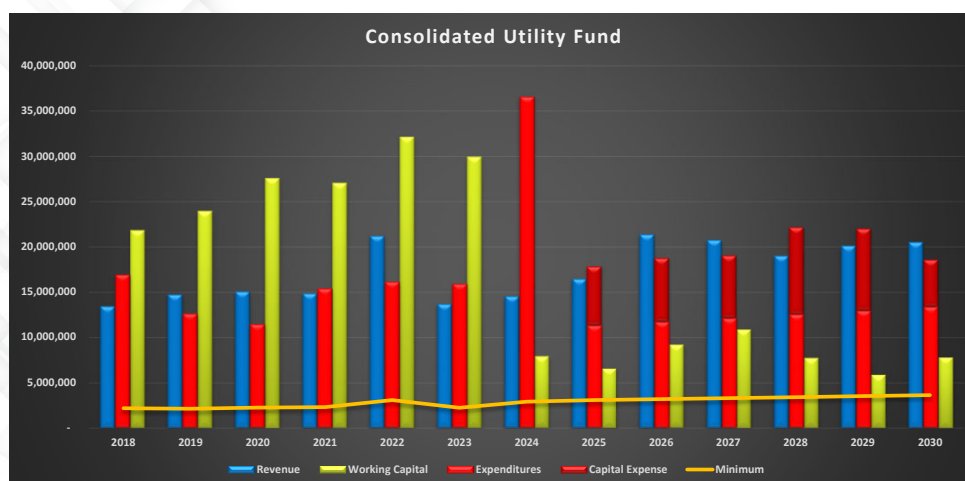


Recreation Fund – Direction Sought

- Recently Staff has received renewed interest in extending Zoom Fitness programming at the Recreation Center
- Cost estimated to upgrade two studios is ~\$80K
- Project Form with details has been attached to today's materials
 - Serves ~138 unique attendees (not all residents, may also attend in-person)
 - Only City in region still offering
 - Offer ~25 hybrid classes per week
 - Equipment must be updated to continue

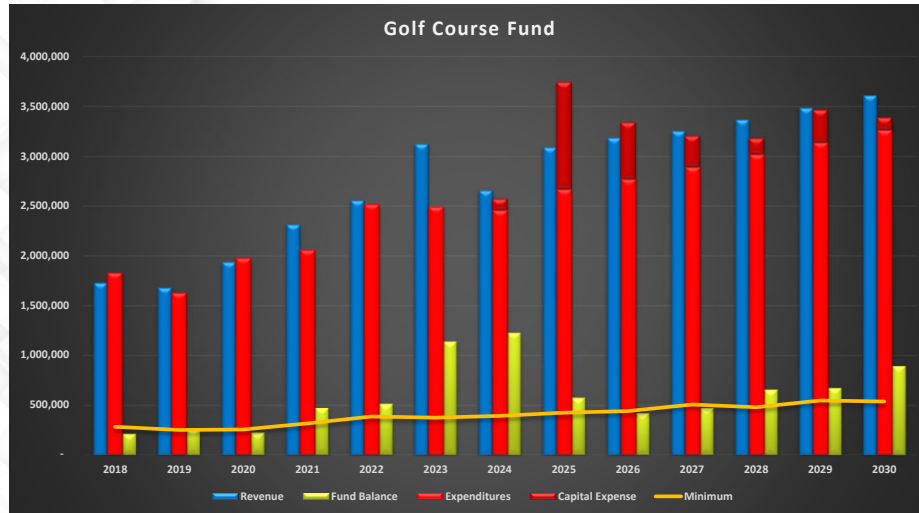
Consolidated Utility Fund Forecast

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Golf Fund Forecast



2025-2030 Recommended Capital Improvements Program

Capital Projects Summary

- CMO, Department and Finance Staff collaborated to create a viable 2025-2030 CIP Plan
- Maintenance of existing City Assets and Decarbonization Projects were prioritized
- Grant funding was maximized to best leverage City funds
- Marshall Fire impacted roads are incorporated into the on-going pavement program
- Refined Parks Capital Requests incorporated into Capital Projects Fund
- Shifted vehicle replacements to Capital Projects Fund

2025 - 2030 CIP – Recommended

All Funds

Fund Description	2025 Planned	2026 Planned	2027 Planned	2028 Planned	2029 Planned	2030 Planned	6-Year Totals
Open Space Fund	320,000	715,000	589,000	565,000	175,000	250,000	2,614,000
Conservation Trust - Lottery Fund	300,000	205,500	218,000	200,000	230,500	362,500	1,516,500
Cemetery Fund	16,000	18,500	122,500	24,500	25,000	25,500	232,000
PEG Fee Fund	20,000	20,000	10,000	10,000	10,000	10,000	80,000
Historic Preservation Fund	15,000	256,450	-	-	-	-	271,450
Recreation Fund	779,900	774,736	959,500	518,100	230,000	247,000	3,509,236
Capital Projects Fund	20,419,426	21,040,444	12,246,892	14,399,108	9,632,198	9,576,402	87,314,469
Water Utility Fund	5,334,849	5,233,950	5,889,650	7,504,550	7,927,500	3,614,500	35,504,999
Wastewater Utility Fund	757,693	662,000	1,065,500	1,454,500	997,500	875,500	5,812,693
Storm Water Utility Fund	414,600	1,150,000	-	672,500	64,751	706,500	3,008,351
Golf Course Fund	1,074,915	567,616	313,355	162,364	327,000	125,000	2,570,250
Technology Management Fund	142,550	142,550	142,550	142,550	142,550	142,550	855,300
Fleet Management Fund	169,200	-	-	-	-	-	169,200
Total for All Funds	29,764,133	30,786,746	21,556,947	25,653,172	19,761,999	15,935,452	143,458,448

2025- 2030 CIP - Highlighted Projects

- Pavement Maintenance (\$32.3M)
- Decarb for City facilities (\$11.2M)
 - Includes Solar at Rec Center, City Services, Library, and Police/Court
- South Street Underpass (\$10.3M)
- Downtown Vision Plan (\$9.0M)
- Windy Gap Reservoir (\$7.4M)
- Water Treatment Plant Decarb (\$3.4M)
- Medians (\$2.1M)
- Affordable Housing (\$2M)
- Via Appia Ped Imprv. (\$650K)
- Centennial Tennis Court Renovations (\$525K)
- Golf Maintenance Storage Building (\$400K)
- Golf Pond Liner (Hole #11, \$310K)
- Golf Carts (\$270K)
- Inline Skating Rink Pickleball conversion (\$200K)

CIP Updates - Post Sept 24th Finance Committee Meeting

- Via Appia Pedestrian Safety was added back to 2025 and 2026 (\$650K)
- Park Projects refined (<\$575K>)
 - Par Course was shifted to the unfunded list
 - Volleyball to Pickleball conversion shifted to the unfunded list
 - Refined MU Fields Cleo Mudrock
 - Refined Cemetery Long Term Plan (Cemetery Fund)
- Recreation Fund
 - Studio Upgrades – Hybrid Fitness Classes (\$80K) –Pending Council decision
- Affordable Housing – \$2M maintained

City Council – 2025/26 - Recommended Budget Presentation

Thank you. Staff is available to answer questions.

Six-Year (2025-2030) Capital Improvement Plan Request Form for Capital Equipment or Capital Project

Identification and Funding Source

Is this a new or existing CIP?	New	Is this grant funded?	No
Project Name: <u>Studio Upgrades for Hybrid Fitness Classes</u>		Submitted By: <u>Parks & Recreation</u>	Version: _____
Program(s):	Sub-Program(s):	Funding Source(s):	Percent
<u>Recreation</u>	<u>Adult Activities</u>	<u>Recreation Center Fund</u>	<u>100%</u>
			100%

Estimated Cash Flow Schedule

Equipment or Project Costs	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Six-Year Total
Land Acquisition	-	-	-	-	-	-	-
Design & Engineering	-	-	-	-	-	-	-
Other Prof Services	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Other Equip/Project Costs	-	-	-	-	-	-	-
Capital Equipment Purch	80,000	-	-	-	-	-	80,000
Contingency	-	-	-	-	-	-	-
Total Costs (Gross)	80,000	-	-	-	-	-	80,000
Grants or Other	-	-	-	-	-	-	-
Off-Setting Revenue	-	-	-	-	-	-	-
Impact to Annual	-	-	-	-	-	-	-
Maint/Operating Costs	-	-	-	-	-	-	-

Description and Justification



Credit: NY Times

Description & Proposed Funding:

Equipment/Project Description:
 This budget will be used for renovations and technology upgrades to two fitness studios to accommodate the delivery of hybrid in-person / online fitness classes.

Project revenue or grants that will support the project and the impacts to the operating budget:
 Hybrid classes require a Recreation & Senior Center membership pass. The adult fitness classes receive \$2/person/class from membership revenue to adult fitness revenue. The operating budget will be impacted by on-going costs for maintaining equipment and software licensing.

Reference to Plan being implemented (i.e., Master Plan):
 N/A

Justification and Alignment with Program/Sub-Program Goals & Key Performance Indicators:

Studio renovation to enable hybrid instruction supports the Recreation program goal of promoting the physical, mental and social well-being of residents and visitors through a broad range of high-quality, reasonably priced recreation and leisure activities for people of all ages, interests and ability levels.

Department Priority Ranking: **Medium**

Request Number: **(Finance Use)**