

**City Council  
Finance Committee  
Meeting Agenda  
Budget Special Meeting**

**July 1, 2025  
4:00 PM**

**Virtual Meeting**

*Members of the public are welcome to attend and give comments remotely; however, the in-person meeting may continue even if technology issues prevent remote participation.*

- You can call in to **+1 408 638 0968 or 833 548 0282 (Toll Free)**, Webinar ID **#878 7340 6932**.
- You can log in via your computer. Please visit the City's website here to link to the meeting: [www.louisvilleco.gov/council](http://www.louisvilleco.gov/council)

*The Council will accommodate public comments during the meeting. Anyone may also email comments to the Council prior to the meeting at [Council@LouisvilleCO.gov](mailto:Council@LouisvilleCO.gov).*

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Public Comments on Items Not on the Agenda**
- V. ITEM 1 – 2026 Budget Retreat Preview and Discussion, (pg 3/96)**  
– Ryder Bailey, CPA, Finance Director

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Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or special transportation, should contact the City Clerk's Office at 303.335-4536 or [MeredythM@LouisvilleCO.gov](mailto:MeredythM@LouisvilleCO.gov). A forty-eight-hour notice is requested.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión, por favor llame a la Ciudad al 303.335.4536 o 303.335.4574.

**VI. Discussion/Future Items for Next Committee Regular Meeting, July 17th, 4:00PM**

- Annual External Auditor's Report
- Citywide External Auditor's RFQ/RFP Responses Review and Recommendation
- Monthly Revenue & Sales Tax Report
- Initial PWD 2026 Rate Presentation and Discussion

**VII. Adjourn**



**SUBJECT: 2026 SUPPLEMENTAL BUDGET RETREAT PREVIEW**

**DATE: JULY 1, 2025**

**PRESENTED BY: RYDER BAILEY, CPA, FINANCE DIRECTOR**

**SUMMARY:**

Next month, July 23rd, from Noon to 5pm City Council will convene for the 2026 Supplemental Budget Retreat in Council Chambers.

The Budget Retreat is an early component of the budget process and an opportunity to engage with Council to shape the budget and set priorities.

This item is a high-level preview of the format and items anticipated to be discussed.

**BACKGROUND:**

The formulation of the City's Budget is one of the most important financial activities that the City of Louisville undertakes each year. The budget process provides a comprehensive plan to deliver efficient services to residents and stakeholders of the City in a manner that aligns resources with the policies, goals, mission, and vision of the City.

The following items are anticipated to be discussed:

- Budget Calendar Summary and Progress
- Review of Relevant City Financial Policies
- Budget Guidelines and Guiding Principles
- Preliminary Revenue Estimates and Assumptions
- Preliminary Expenditure Estimates and Assumptions
- Summary of Position/Personnel Requests
- Summary of Capital Requests and Operational Expansions
- Summary of Service Level Reductions
- Preliminary Long-Term Fund Financial Forecasts for Major City Funds
- Fiscal and Policy Issues with Significant Impacts
- Revisiting the 2025 Budget Process and Outcomes
- Background and Overview of City Funds

**ANTICIPATED POLICY ITEMS:**

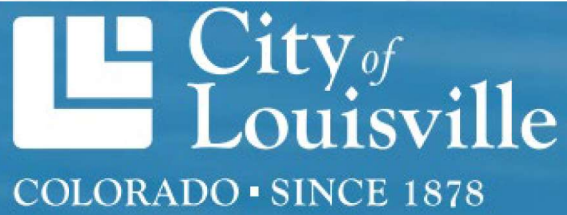
- General Fund Structural Imbalance
- Parks Fund Structural Imbalance
- Budget Expansions
- Service Level Alignment
- Board and Commission Requests
- Historical Preservation Fund Tax (Expires December 31, 2028)

**RECOMMENDATION**

Discussion / Direction

**ATTACHMENTS:**

1. PowerPoint Presentation
2. Board and Commission Requests - Combined



# **City Council 2026 Budget Retreat Preview**

Diana Langley, City Manager  
Samma Fox, Deputy City Manager  
Ryder Bailey, CPA, Finance Director  
Mahyar Mansurabadi, Financial Analyst  
July 23, 2025

# City Council Budget Retreat Agenda

- Setting the Stage:
  - Budget Process & Budget Calendar, Budget Guidelines, Financial Policies, Council Policies, CMO Priorities, Key Considerations, Other Communities and Fiscal & Policy Issues with Potential Significant Impacts
- Initial Areas of Budget Development (General Fund, Parks Fund)
- Initial Major Revenue Assumptions & Significant Expenditure Targets
- City Manager's Recommended Adjustments



# City Council Budget Retreat Agenda Cont.

- Other Fund Long-Term Financial Forecasts
- Fiscal and Policy Issues with Significant Impacts to the Budget
- Appendices
  - Appendix I: Revisiting 2025 Budget Development
  - Appendix II: 2025-2030 CIP Program Revisited
  - Appendix III: Background on City Financials and Funds



# Setting the Stage

PREVIEW

## Budget Calendar – To Date

- March – May – New Capital, Operational, and Personnel Expansion Requests Developed
- May – June – Department 2026 Operational Budget developed and refined by Department Heads
- May – June – Preliminary Revenue Estimates prepared
- June – July – Finance and CMO Staff consolidate inputs and develop materials for Budget Retreat
- Tuesday, July 1 – Finance Committee Special Meeting – 2026 Budget

# Budget Calendar – Looking Forward

- Wednesday, July 23<sup>rd</sup> – (Council Chambers) – Budget Retreat
- Tuesday, Sept 2<sup>nd</sup> – (Council Meeting) – City Manager Recommended Budget Presentation
- September/October – Budget Working Study Session(s), as necessary
- Tuesday, Oct 21<sup>st</sup> – Council Meeting – City Manager Final Budget Presentation
- Monday, November 3<sup>rd</sup> – 2026 Budget Adoption

# Budget Guidelines

- The City is developing it's second year of its 2025-2026 Biennial Budget, and Six Year Capital Improvement Plan, ***only minor adjustments are anticipated.***
- Budget prioritization will be given to functions and programs we are currently performing, before adding new programs.
- One-time funding, if available, should fund one-time expenditures, not ongoing expenditures.
- Line-item adjustments are to be based on detailed analysis and projections.
- New staffing requests will include detailed and specific information defining the need for the position(s).
- Given existing and potential fiscal challenges, our Community's high level of expectations, we expect the budget development process to generate some challenging conversations and difficult decisions.



# City Financial Policies

The City's Financial Policies are posted on the Finance Department's webpage. The Finance Committee annually reviews them and was last amended by the City Council on May 7th, 2024.

The current set of financial policies includes an Introduction Section and the following eight Policy Sections:

1. General Policies
2. Reserve Policies\*
3. Debt Policies
4. Revenue Policies\*
5. Operating Budget Policies\*
6. Investment Policies
7. Capital Asset Management Policies
8. Accounting, Auditing, and Financial Reporting Policies

# Council Priorities

## 2025 Council Priorities

Economic  
Vitality

Core  
Services

Safety

Housing



These priorities should be viewed through the lenses of **Equity, Diversity, & Inclusion (EDI)** and **Environmental Sustainability**, which are core values of the City of Louisville.

# CMO Priorities

- To prioritize our existing critical and core functions
  - Public Safety and Critical Infrastructure
  - Addressing the Long-Term Stability of Parks Fund
- Investing in City Staff, emphasis on retention, training, and development
- Continuously evaluate cost-saving opportunities and efficiencies
- Evaluate fees and cost allocations, where appropriate
- Should funding be available to **enhance** services, emphasis will be placed on Life and Safety, such as;
  - Police Department Market Adjustments
  - Joining Office of Disaster Management (ODM) – Boulder County



# Fiscal and Policy Issues with Significant Impacts

- General Trend of Expense Growth outpacing Revenue Growth
  - Projected Slowing of Sales, Use, and Property Tax Growth
  - Personnel Retention & Costs (*Wages, Benefits, and Training Investments*)
- General and Parks Fund Long Term Structural Imbalance
- Service Level Alignments
- Expiration of Historic Preservation Tax (Expires Dec 31, 2028)

We will revisit these issues at the end of the presentation



## Key Considerations

- We are not alone! Other cities are going through similar.
- Louisville has a high quality of life, and receives high levels of service
- The City has taken on truly impressive and aspirational work
- We need to balance that with resources
- There is a way through this
- We are seeking Council guidance on proposed paths forward
- We will have a balanced budget for adoption this fall

## Other Communities

- City of Boulder
  - Boulder freezes hiring amid projected \$10M budget shortfall
- City of Denver
  - Denver looking at substantial lay offs amid budget deficit
- State (~\$700M Shortfall)
  - Colorado just faced a tough budget year. It's forecast to get much worse
- Staff will continue to monitor trends and impacts to our neighboring jurisdictions

# Initial Areas of Budget Development

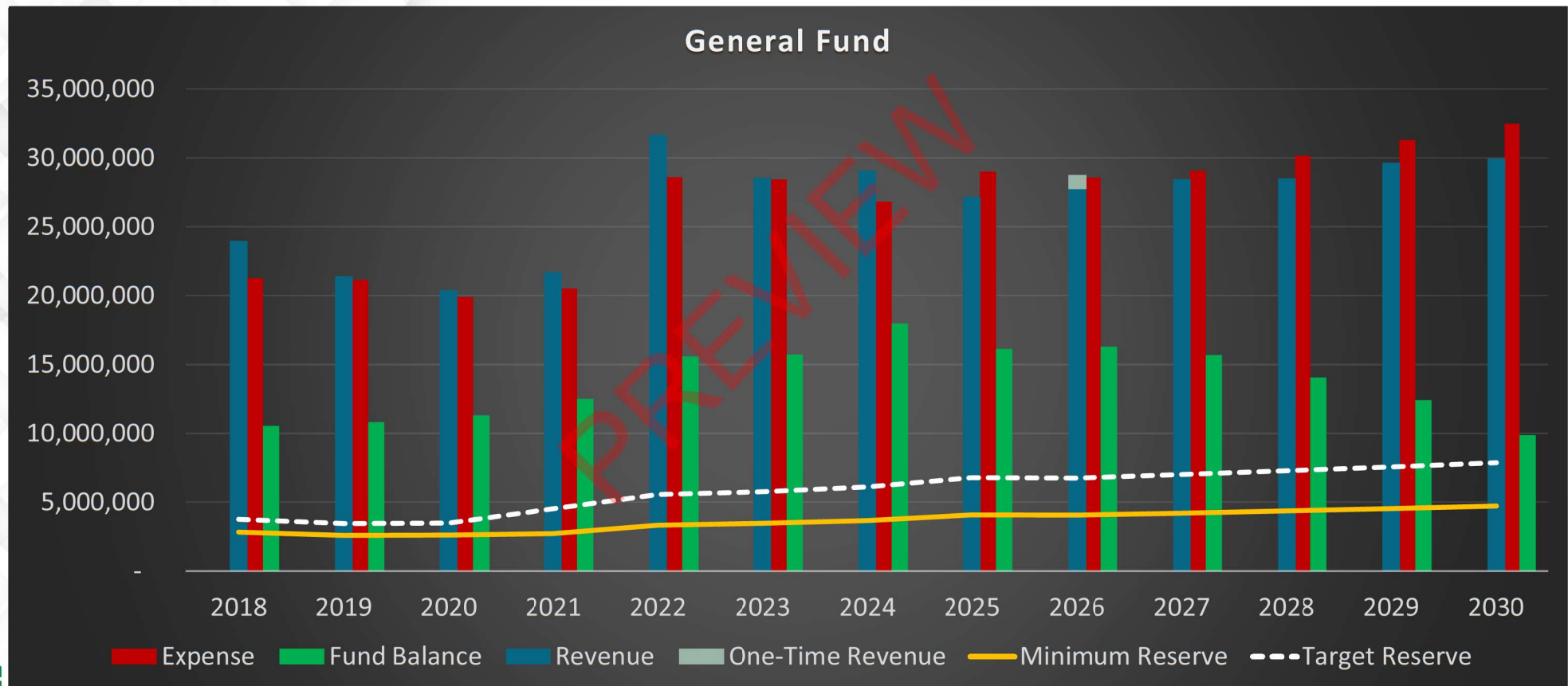
PREVIEW

# General Fund “Big Picture”

- General Fund structural imbalance
- General Fund forecasted 2026 revenue - \$28.7M (revised\*) \$28.4M (*base*)
  - \*Includes \$1M in one-time FEMA Revenue
- General Fund forecasted 2026 expenses - \$30.1M (revised\*) \$30.0M (*base*)
  - \*Includes \$600K in one-time expenses
- Preliminary 2026 Gap - \$0.9M (\$0.6M *one-time*)
  - Incorporates Projected Operational “Turn Back” of \$1,500,000
  - This reflects the Staff’s preliminary efforts and ***is not*** the City Manager's recommended budget
- This is early in the budget process, and an opportunity to engage with Council early to shape the budget and set priorities



# Fund Financial Forecasts – General Fund



Louisville

20/96  
16

July 23, 2025

## General Fund – Summary

- Total General Fund forecasted 2026 revenue - \$28.7M (\$27.7M on going)
  - Includes One Time Revenues from FEMA (\$1M)
  - ~\$0.3M, or ~1% increase from 2026 Base Budget
- Total General Fund forecasted 2026 costs - \$30.1M (\$29.5M on going)
  - Includes One Time Expenses of (\$0.6M)
  - \$0.1M or ~0%, increase from 2026 Base Budget
- Anticipated Fund Balance at Jan 1, 2026 - \$16.1M
- Current Gap - \$0.9M (\$0.3M on going)
  - Includes One-Time requests (\$0.6M)
  - Operational Turnback (~\$1.5M)

# General Fund – Closing the Gap

## Staff Actions

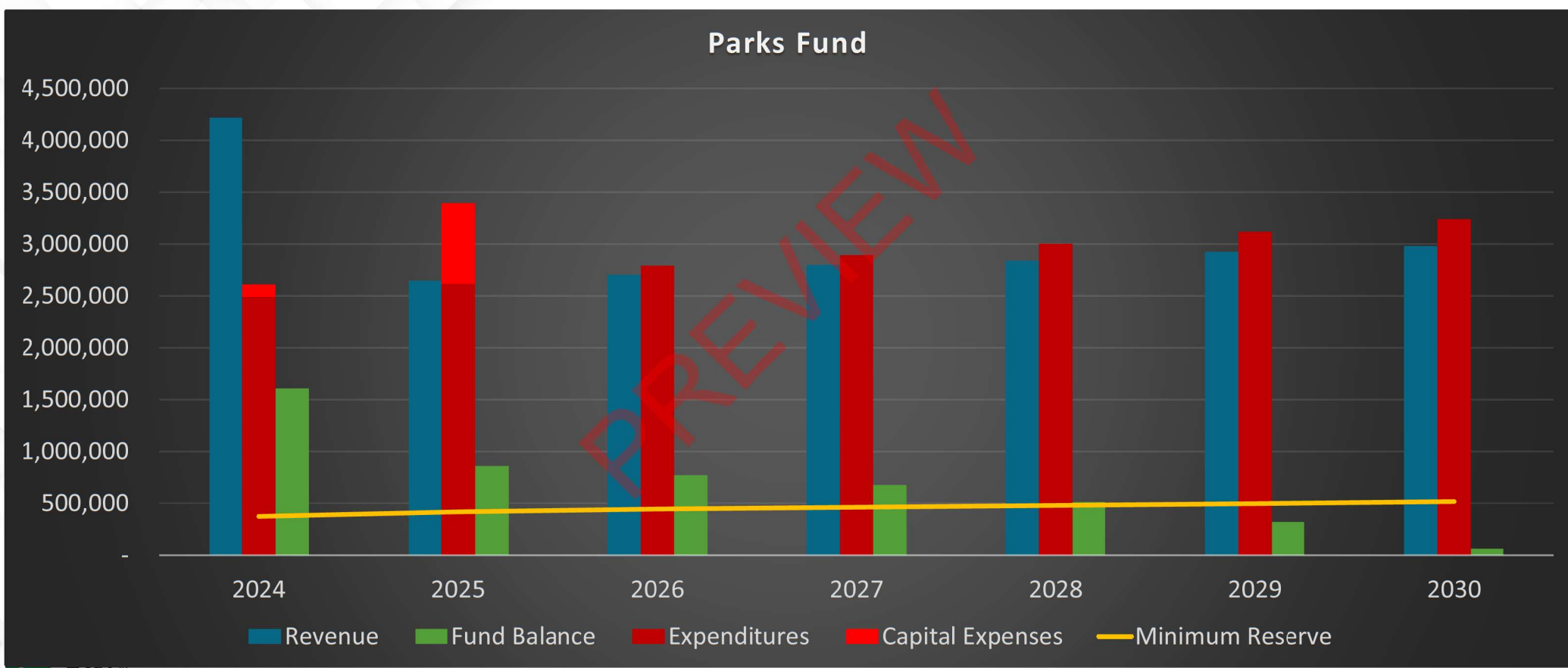
- Continue to refine forecasts, including revenue, and costs
- Potential to re-allocate resources to higher priorities, which will likely include programmatic and service level reductions
- May reassess vacant positions
- May reassess City policies
- Will continuously evaluate cost-saving opportunities and efficiencies
- Evaluate fees and cost allocations, as appropriate
- This may be impacted by future development and policies

## Parks Fund “Big Picture”

- Parks Fund structural imbalance
- General Fund forecasted 2026 revenue - \$2.7M (revised\*) \$2.7M (*base*)
- General Fund forecasted 2026 expenses - \$3.0M (revised\*) \$2.9M (*base*)
- Preliminary 2026 gap - ~\$90,000
  - Incorporates Projected Operational “Turn Back” of \$160,000
  - This reflects the Staff’s preliminary efforts and **is not** the City Manager's recommended budget
- This is early in the budget process and an opportunity to engage with Council early to shape the budget and set priorities



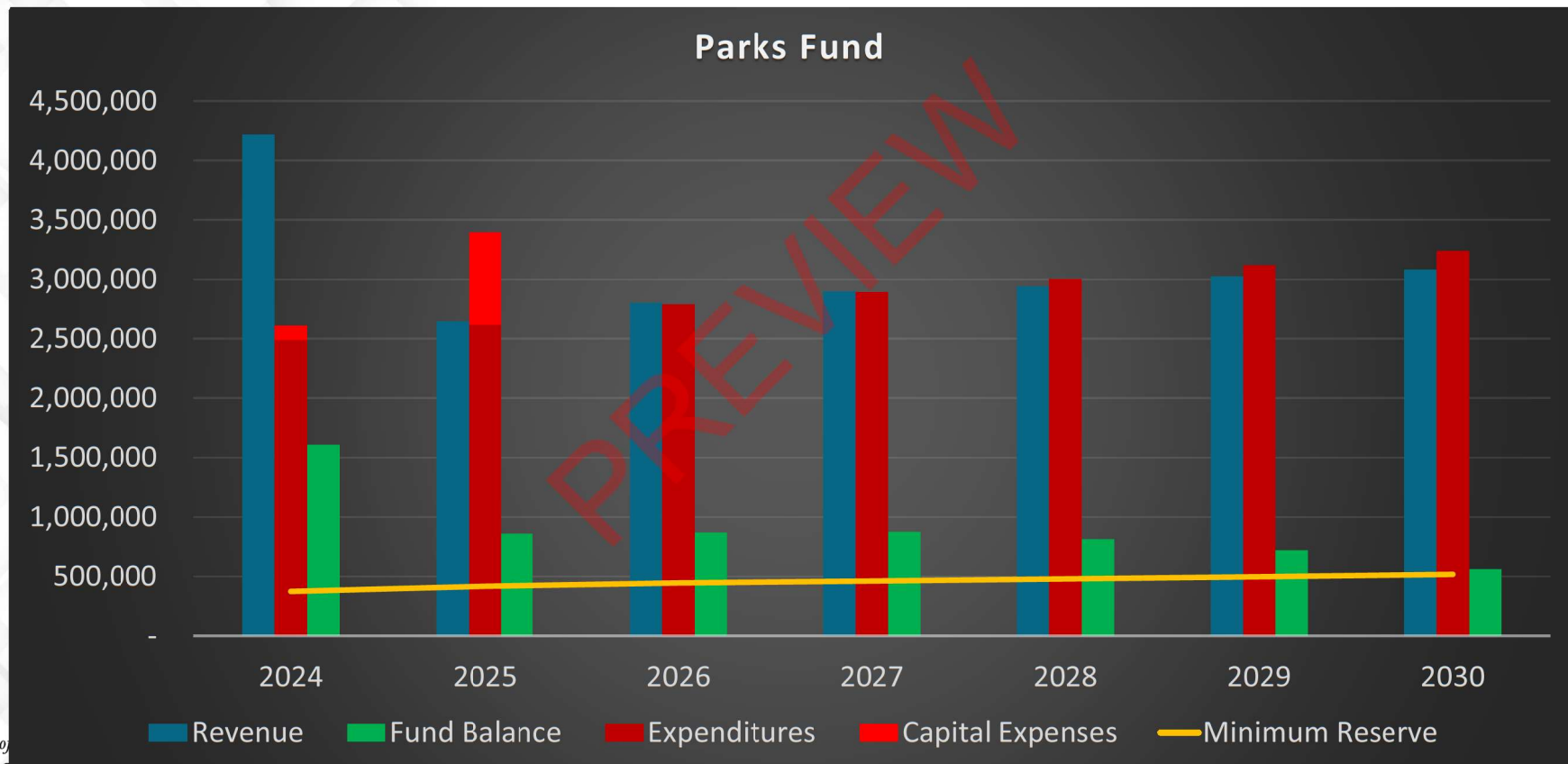
# Fund Financial Forecasts – Park Fund



## Park Fund – Summary

- 2026 Changes:
  - Due to the need to address long-term stability, no new FTEs, or additional ongoing or one-time requests are being recommended
  - Dept Staff have proposed \$18,000 in professional services reductions
  - Owl Park Fencing Replacement Project, \$18,700, Recommended (Capital Fund)
- Operational Gap :~\$90,000, net of \$160,000 in turnback
- Conservation Trust Fund – **Policy Direction**
  - Note impacts on the Capital Fund

# Fund Financial Forecasts – Park Fund- Post Conservation Trust Fund XFer

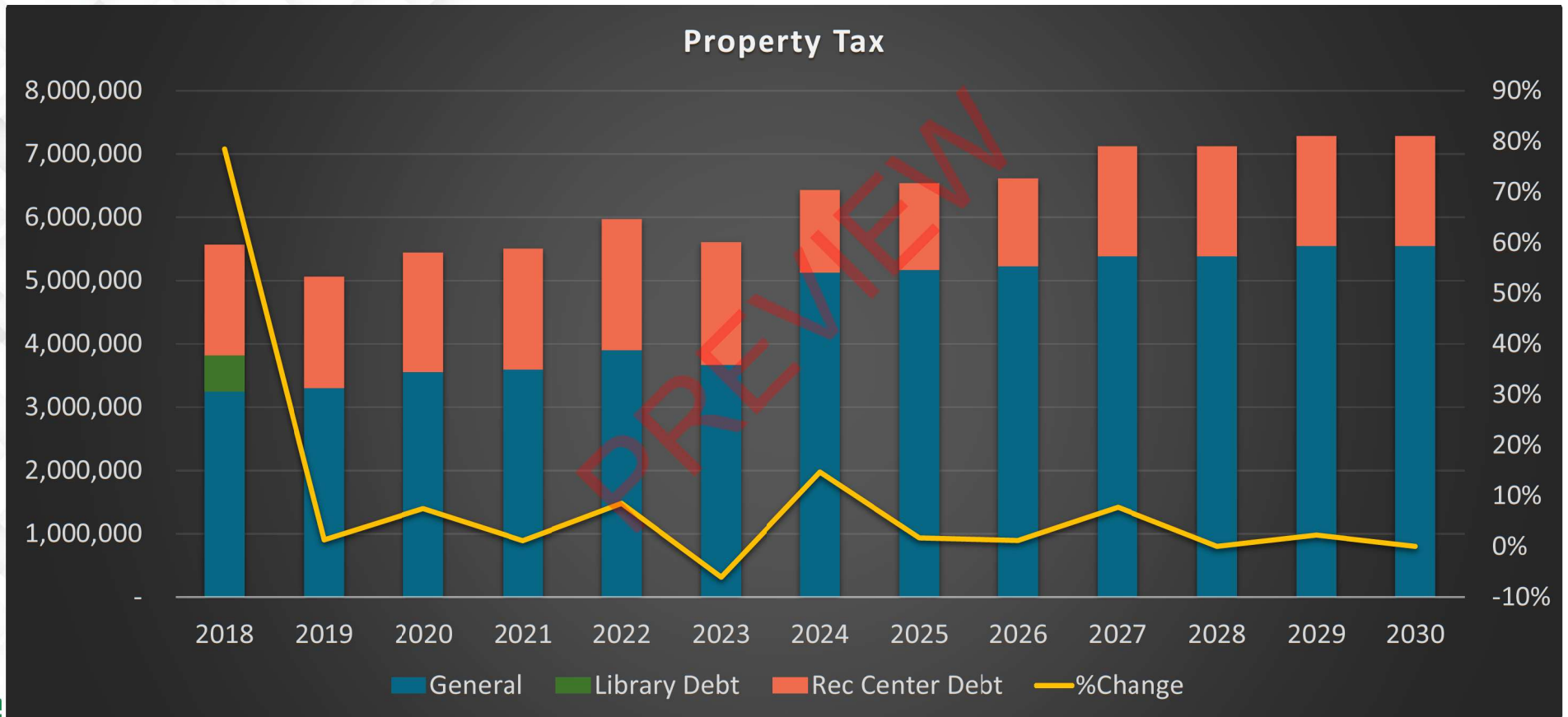


# Major Revenue Assumptions

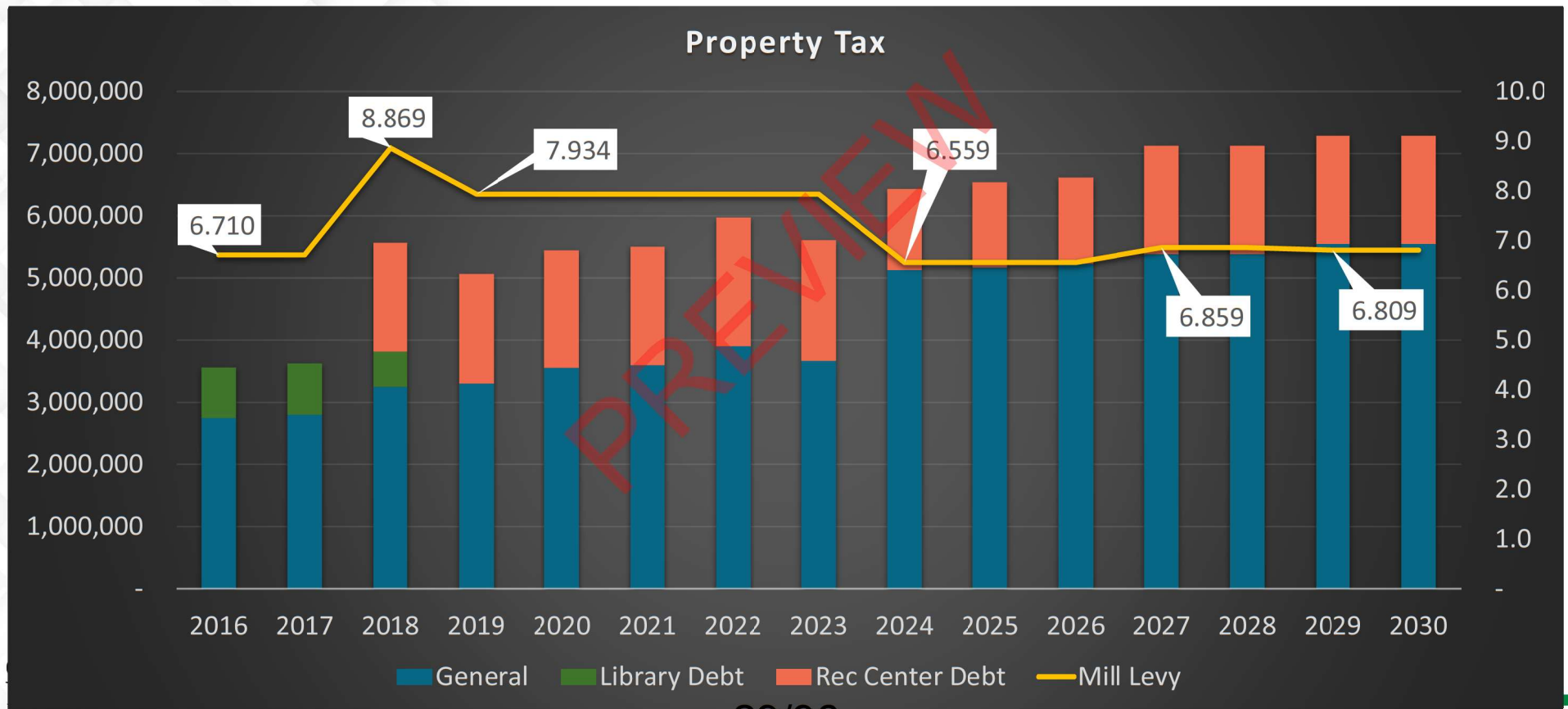
PREVIEW



# Revenue Trends – Property Tax

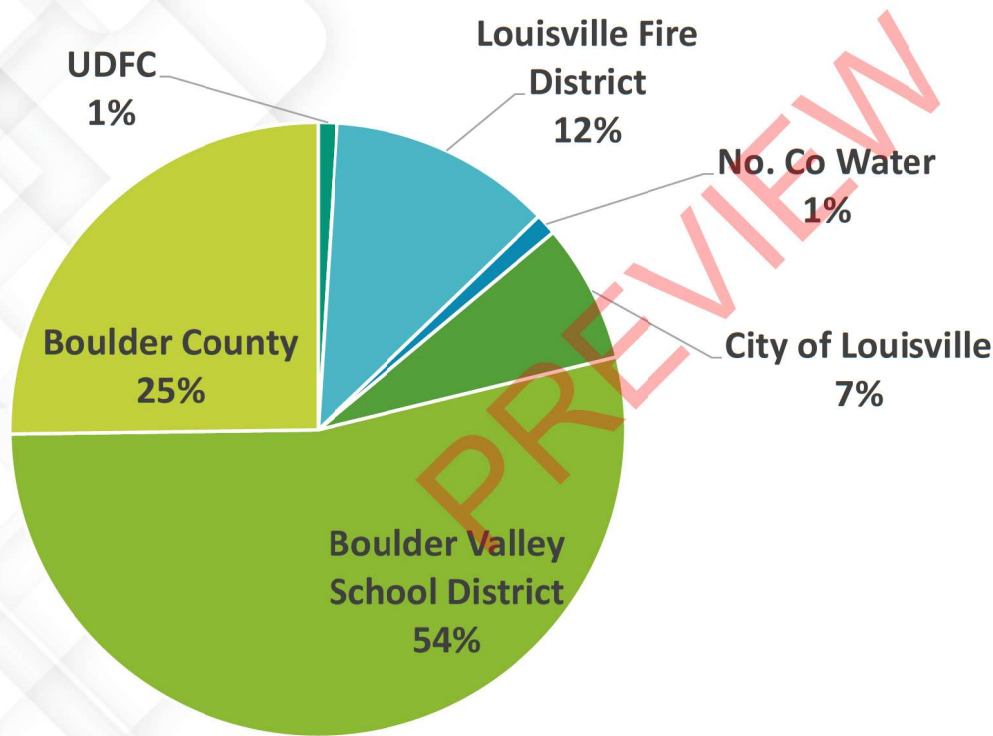


# Revenue Trends – Property Tax



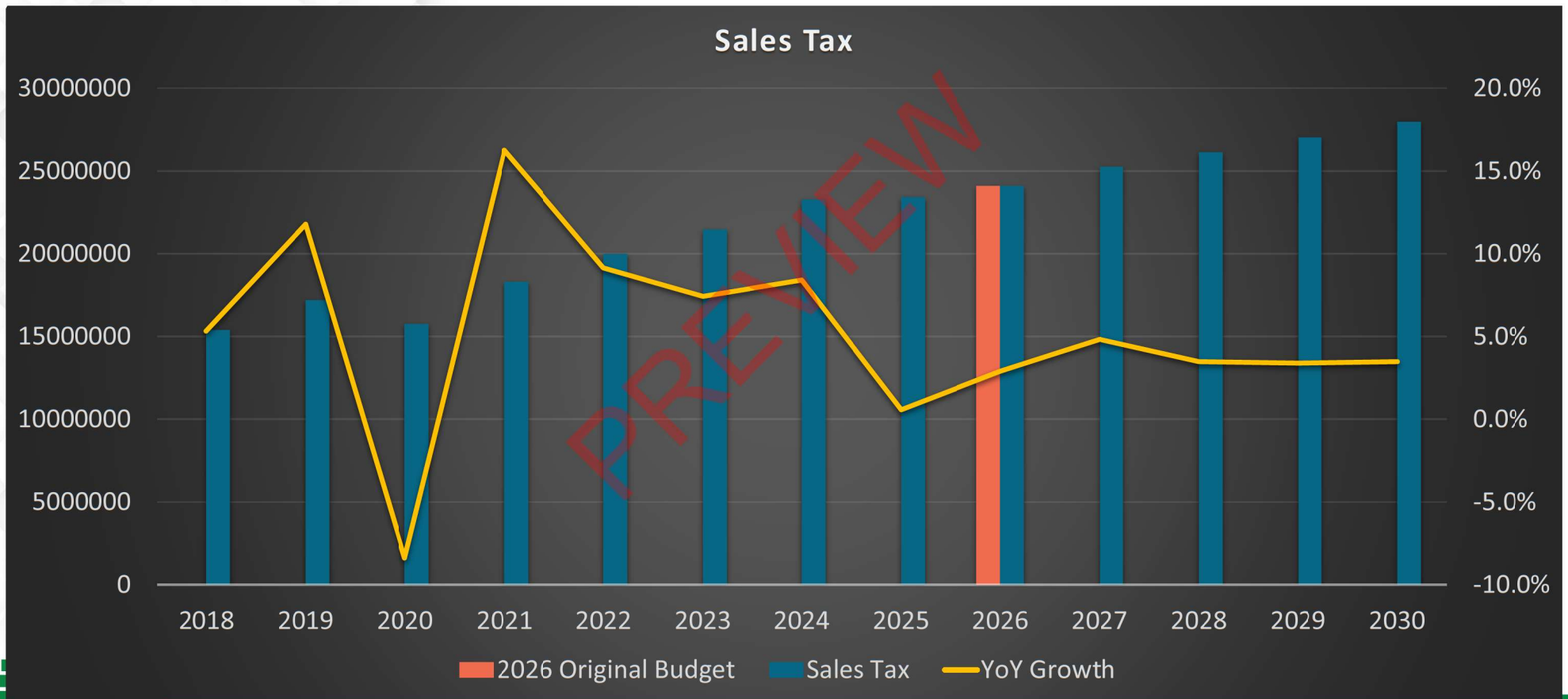
# Revenue Trends – 2025 Property Tax / Mills

Louisville, CO Mill Levies (2025)



|                                |              |
|--------------------------------|--------------|
| Boulder Valley School District | 48.175 Mills |
| Boulder County                 | 22.661 Mills |
| Louisville Fire District       | 10.586 Mills |
| City of Louisville             | 6.559 Mills  |
| No. Co Water                   | 1.000 Mills  |
| UDFC                           | 0.900 Mills  |

# Revenue Trends – Sales Tax – Projection

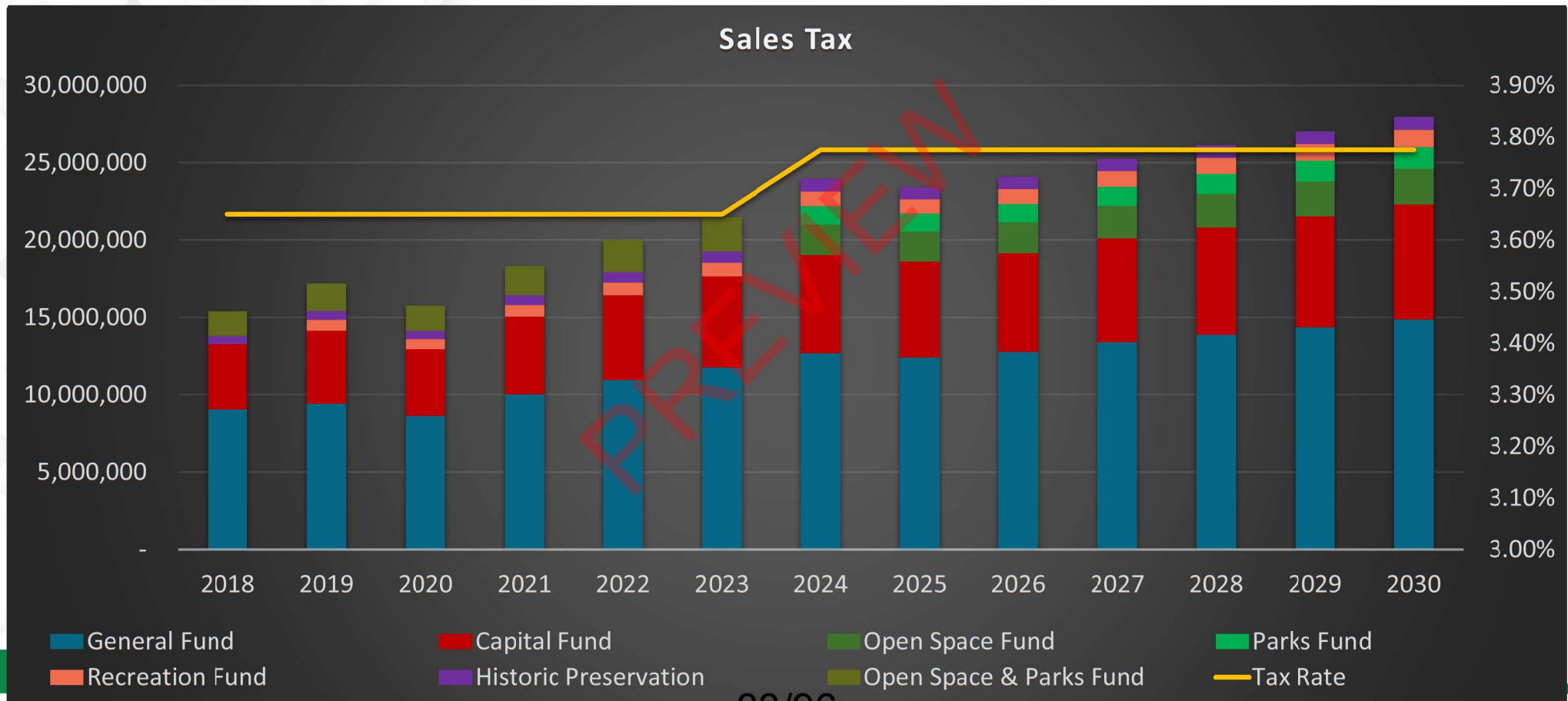




# Sales Tax Revenue Overview



# Revenue Trends – Sales Tax – Projection



# Summary of Revenue Adjustments

| Category                            | Delta (+ / - )<br>2026 Base to 2026 Proj. | One Time / On-Going | Fund(s) Impacted |
|-------------------------------------|-------------------------------------------|---------------------|------------------|
| Sales Tax                           | -                                         | On-Going            | Multiple         |
| Property Tax                        | +\$45,000                                 | On-Going            | General Fund     |
| Interest Income                     | +\$200K in GF, (+\$0.9M)                  | On-Going            | All              |
| Consumer Use Tax                    | -\$500K in GF, (-\$0.9M)                  | On-Going            | Multiple         |
| Construction Permit                 | +\$0.5M                                   | One Time            | General Fund     |
| Marijuana Tax                       | -\$188K                                   | On-Going            | General Fund     |
| Superior IGA (Library)              | +\$100K                                   | On-Going            | General Fund     |
| Highway Users Tax                   | +\$80K                                    | On-Going            | General Fund     |
| Franchise Fee - Comcast             | -\$54K                                    | On-Going            | General Fund     |
| <b>Total Impact to General Fund</b> | <b>\$183,000</b>                          |                     |                  |

# Significant Expenditure Targets

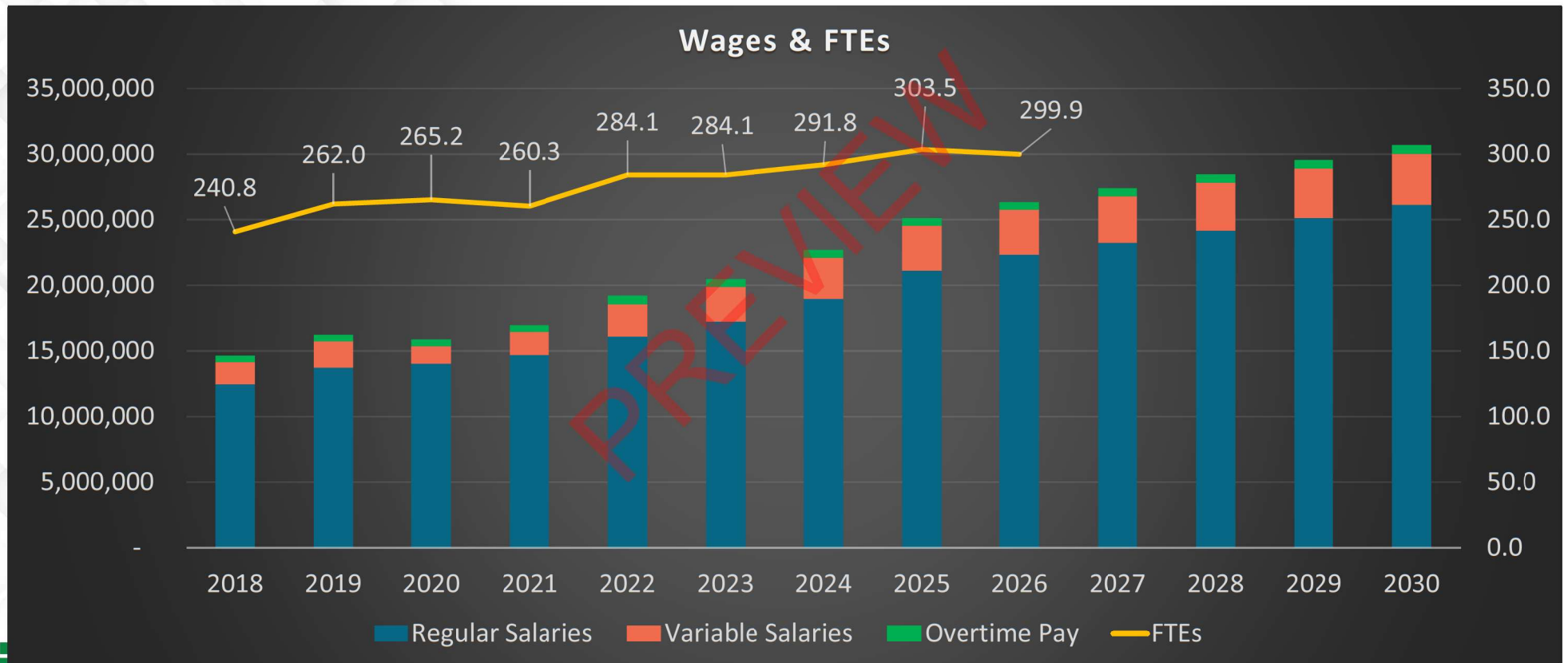
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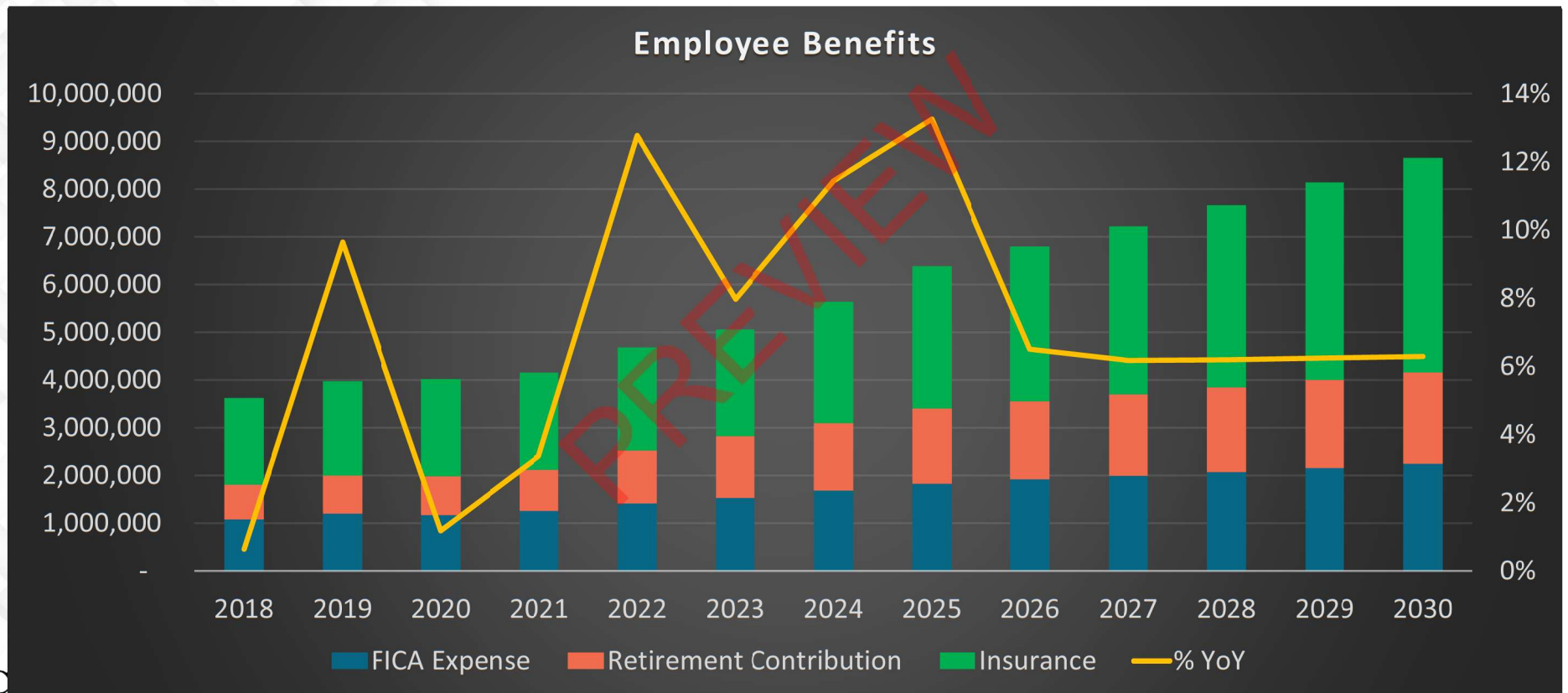
# Personnel and Benefit Assumptions

| Category                       | 2025 Ado (% incr.) | 2026 Recommended (% incr.) |
|--------------------------------|--------------------|----------------------------|
| Market Adjustments – Full Time | 2%                 | 2%                         |
| Merit Adjustments - General    | 2-4%               | 2-4%                       |
| Market Adjustments - Police    | 2%                 | 3-7%                       |
| Merit Adjustments - Police     | 5%                 | 5%                         |
| Variable                       | 4%                 | 2%                         |
| Health Insurance               | 0%                 | 10%                        |
| Dental Insurance               | 0%                 | 2%                         |
| Vision Insurance               | 0%                 | 2%                         |

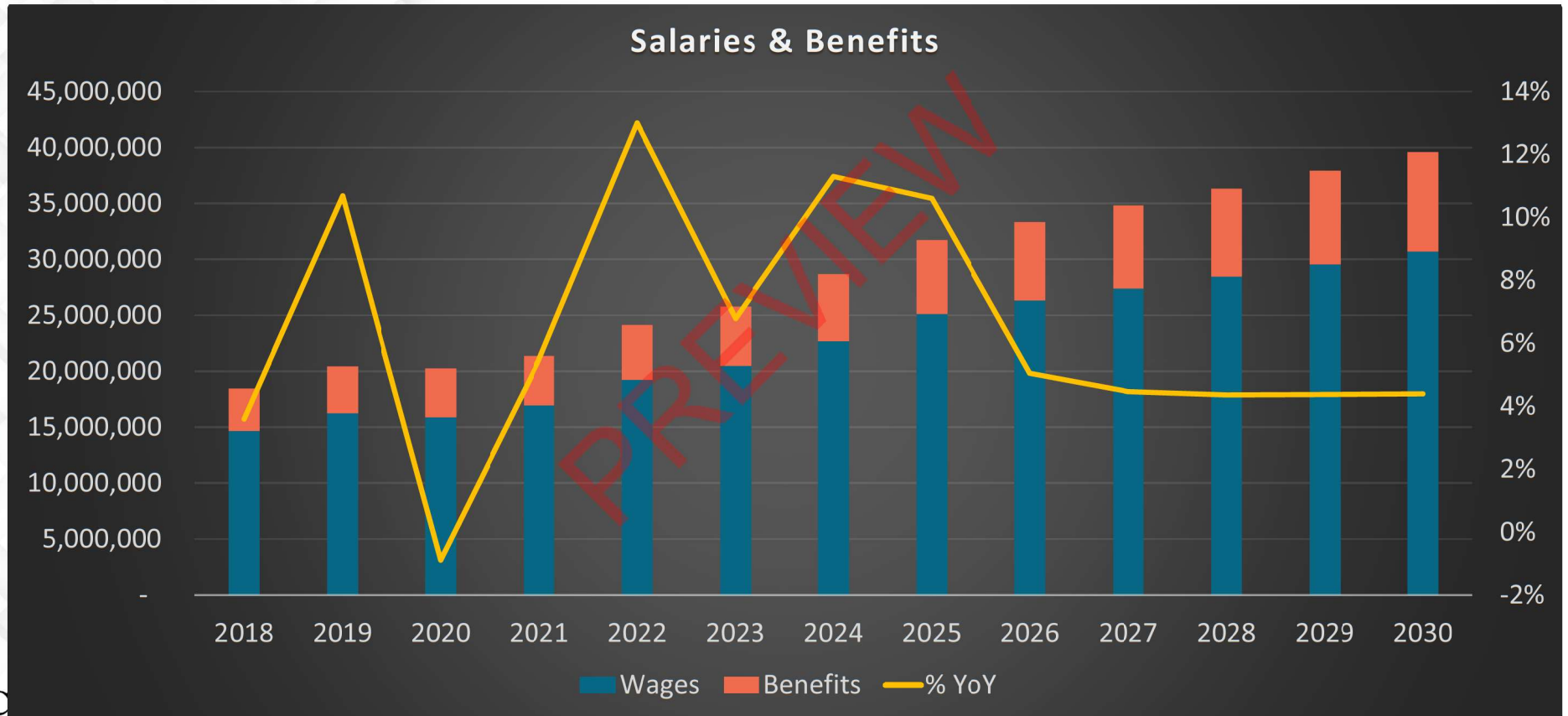
# Expenditure Target – Wages & FTEs



# Expenditure Target – Benefit Cost



# Expenditure Target – Total Cost





# Summary of CMO Recommended Adjustments

PREVIEW

# CMO Recommended Adjustments

| Request Description                                 | Department            | 2026 Cost | 2027-2030 Cost | One Time / Operational | Fund                | CMO Recommendation     |
|-----------------------------------------------------|-----------------------|-----------|----------------|------------------------|---------------------|------------------------|
| Market Adjustments - Police                         | Police                | \$110,000 | \$450,000      | Operational            | General             | Yes                    |
| Boulder County ODM Buy-in (Emergency Mgmt Services) | CMO                   | ~200,000  | ~830,500       | Operational            | General             | Yes*<br>(Not in model) |
| IT Software Maintenance                             | IT                    | 40,000    | 160,000        | Operational            | General             | Yes                    |
| Annual External Audit - Antic. Incremental Increase | Finance               | 21,700    | 98,000         | Operational            | General & Utilities | Yes                    |
| Travel Training and Meetings Budget for Library     | Cultural Services     | 10,000    | 40,000         | Operational            | General             | Yes                    |
| Emergency Operation Procedures RFP                  | CMO                   | 200,000   |                | One Time               | General             | Yes                    |
| Efficiency/Systems Improvement Contingency          | CMO                   | 100,000   | -              | One Time               | General             | Yes                    |
| Development Impact Fee Update                       | Community Development | 80,000    | -              | One Time               | General             | Yes                    |
| Potential Citizen Initiative Special Election       | Clerk                 | 80,000    | -              | One Time               | General             | Yes                    |

# CMO Recommended Adjustments- Cont.

| Request Description              | Department            | 2026 Cost | 2027-2030 Cost | One Time / Operational | Fund    | CMO Recommendation |
|----------------------------------|-----------------------|-----------|----------------|------------------------|---------|--------------------|
| Police Vehicles – 3 Additional   | Police                | 232,000   | -              | Capital                | Capital | Yes                |
| Shared Vehicle for Comm Dev      | Community Development | 55,000    | -              | Capital                | Capital | Yes                |
| Marshall Fire 5 Year Anniversary | CMO                   | 35,000    | -              | One Time               | General | Yes                |
| Public Copier Replacement        | Cultural Services     | 20,000    | -              | Capital                | Capital | Yes                |
| Owl Park Fence Replacement       | PROSG                 | 18,700    | -              | Capital                | Capital | Yes                |

# Summary of CMO Recommended Personnel Adjustments

PREVIEW



# Summary of 2026 Personnel Requests – CMO Recommendations

| Description                                                               | Department   | FTE | Cost      | Fund       | CMO Recommended |
|---------------------------------------------------------------------------|--------------|-----|-----------|------------|-----------------|
| Wastewater Plant Operator Trainee - A<br>(WWTP Expansion/Redtail)         | Public Works | 1   | \$134,170 | Wastewater | Yes             |
| Mitigation Coordinator (Vacant) – Grant<br>Funded / Termed Position Ended | CMO (R&R)    | -1  | -122,500  | General    | Yes             |
| Total                                                                     |              | -   | \$16,670  |            |                 |

# Summary of 2026 Personnel Requests – Not Recommended

| Request Description                                        | Requesting Department | FTE | Cost      | Fund    | CMO Recommended                                  |
|------------------------------------------------------------|-----------------------|-----|-----------|---------|--------------------------------------------------|
| Wildfire Resilience Coordinator ( <i>WUI</i> )             | Community Development | 1   | \$129,550 | General | No                                               |
| Sustainability Planner ( <i>Potentially Grant Funded</i> ) | CMO                   | 1   | 120,010   | General | Yes*, but dependent upon the timing of the Grant |
| Total                                                      |                       | 2   | \$249,560 |         |                                                  |

# Summary of Service Level Reductions

PREVIEW

# Summary of Service Level Reductions

| Description                                                          | Department | Savings   | One Time / On Going | Fund    | CMO Recommendation to Restore |
|----------------------------------------------------------------------|------------|-----------|---------------------|---------|-------------------------------|
| Reduce Climate Action Plan by \$100,000 ( <i>Originally \$200K</i> ) | CMO        | \$100,000 | One Time            | General | No                            |
| Eliminate Junior Finance Associate Intern Program                    | Finance    | 19,574    | On Going            | General | No                            |
| Professional Services Reduction                                      | Parks      | 18,000    | On Going            | Parks   | No                            |
| <b>Total \$137,574</b>                                               |            |           |                     |         |                               |



# Summary of Capital and Operational Expansions – Decisions Pending

PREVIEW

# Summary of Capital & Operational Expansions – Yet To Be Determined

| Request Description                                        | Requesting Department | 2026 Cost               | 2027-2030 Cost | One Time / Operational | Fund (Primary) | CMO Recommendation |
|------------------------------------------------------------|-----------------------|-------------------------|----------------|------------------------|----------------|--------------------|
| Marshall Fire Use Tax Potential Rebate                     | Council               | \$0.9M-\$1.7M           |                | One Time               | General        | TBD                |
| Tax Collection and Administration Software Upgrade         | Finance               | \$500,000               | \$800,000      | Capital                | Capital        | TBD                |
| Strategic Planning, Core Services, Service Level Alignment | CMO                   | 150,000                 | -              | One Time               | General        | TBD                |
| Potential Polling and Engagement                           | CMO                   | 25,000                  | -              | One Time               | General        | TBD                |
| Holiday Lighting Expansion                                 | PROS                  | 20,000                  | 80,000         | On Going               | General        | TBD                |
| 4th of July and 250/150 Commemoration                      | Cultural Services     | 10,000                  | -              | One Time               | General        | TBD                |
| Council Sponsored Events Fund                              | CMO                   | 10,000                  | -              | One Time               | General        | TBD                |
| <b>TOTAL</b>                                               |                       | \$1,615,000 – 2,415,000 | \$880,000      |                        |                |                    |

# Other Fund Financial Forecasts

PREVIEW

## Fund Financial Forecasts

Long Term Fund Financial Forecasts are developed using:

- 2024 Actuals, to arrive at the 2025 beginning fund balances;
- 2025 Current Year Adjusted Budget or Projections;
- 2026 Requested Budget / Expenditures
  - Note: 2026 Certain City Manager Recommended New/Additional Personnel, Capital, or Operational Requests in the models
- Turnback is utilized in the Model Years 2025- 2030
- Reminder that all projections and assumptions will be continuously updated throughout the budget development process



# Fund Financial Forecasts - Turnback

City of Louisville, Colorado  
Summary of Actual and Targeted **Operational** Turnback  
Selected Operating Funds

| Fund         | 2018<br>Actual | 2019<br>Actual | 2020<br>Actual | 2021<br>Actual | 2022<br>Actual | 2023<br>Actual | 2024<br>Actual | 2025<br>Target | 2026<br>Target | 2027<br>Target | 2028<br>Target | 2029<br>Target | 2030<br>Target |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Fund | 9.7%           | 10.4%          | 4.3%           | 11.3%          | 20.8%          | 9.6%           | 7.9%           | 5.5%           | 5.5%           | 5.5%           | 5.5%           | 5.5%           | 5.5%           |
| Recreation   | N/A            | -2.1%          | 3.6%           | 8.1%           | -0.8%          | -3.0%          | 3.8%           | 5.0%           | 5.0%           | 5.0%           | 5.0%           | 5.0%           | 5.0%           |
| Open Space   | N/A            | N/A            | N/A            | N/A            | N/A            | N/A            | 22.9%          | 6.0%           | 6.0%           | 6.0%           | 6.0%           | 6.0%           | 6.0%           |
| Parks        | N/A            | N/A            | N/A            | N/A            | N/A            | N/A            | 19.1%          | 6.0%           | 6.0%           | 6.0%           | 6.0%           | 6.0%           | 6.0%           |
| Utilities    | 13.9%          | 14.2%          | 3.4%           | 1.2%           | -8.9%          | 5.4%           | 2.5%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           | 0.0%           |
| Golf         | -16.3%         | 11.9%          | 0.0%           | -7.8%          | -0.3%          | 3.1%           | 1.1%           | 2.0%           | 2.0%           | 2.0%           | 2.0%           | 2.0%           | 2.0%           |

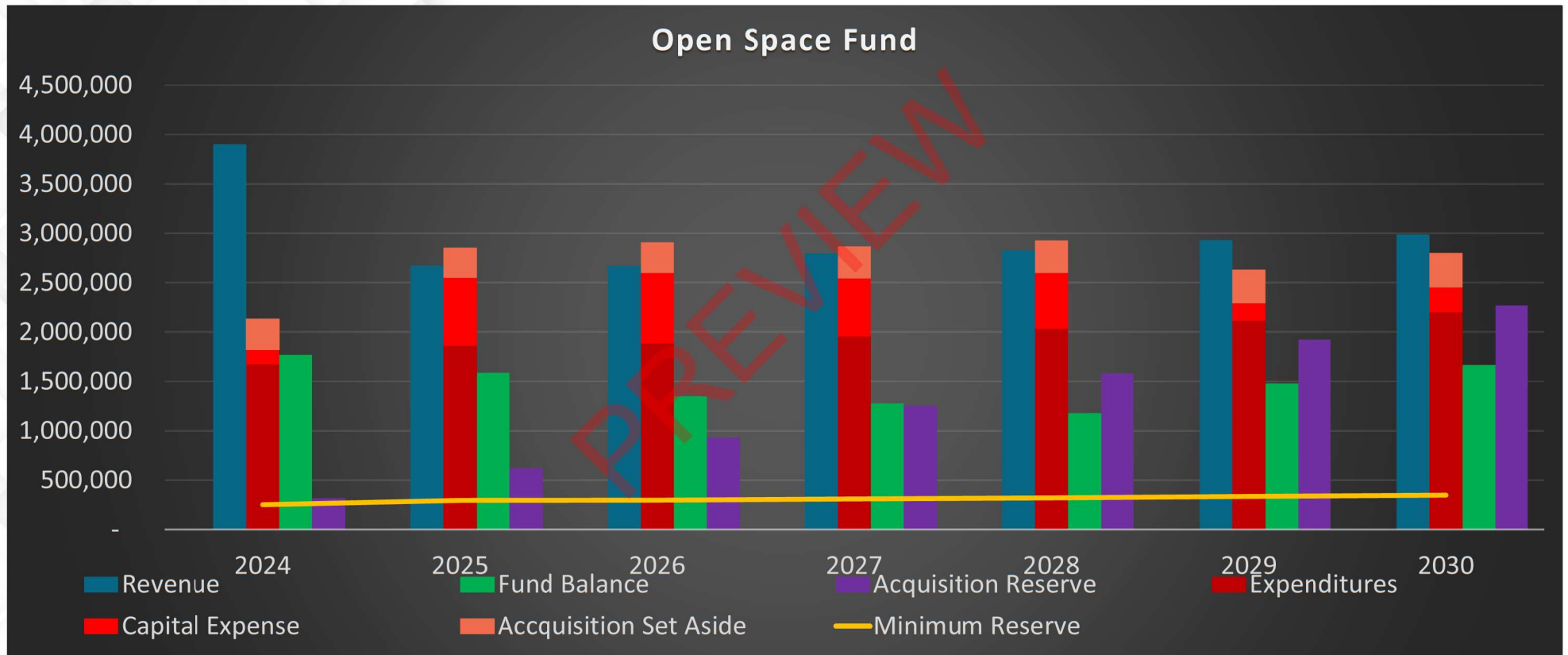
# Fund Financial Forecasts – Interfund Transfers - 2026

BASE LEVEL

| City of Louisville, Colorado<br>Inter-Fund Transfers Matrix<br>2026 Recommended Budget |                      |                     |                           |                         |                           |                       |                     |
|----------------------------------------------------------------------------------------|----------------------|---------------------|---------------------------|-------------------------|---------------------------|-----------------------|---------------------|
| Transfers Out                                                                          | Transfers In         |                     |                           |                         |                           |                       | Total               |
|                                                                                        | General Fund         | Open Space Fund     | Parks Fund                | Cemetery Fund           | Recreation Fund           | Capital Projects Fund |                     |
| General Fund                                                                           | \$ -                 | \$ -                | \$ 1,079,900 <sup>a</sup> | \$ 129,700 <sup>a</sup> | \$ 1,345,900 <sup>a</sup> | \$ - <sup>c</sup>     | \$ 2,555,500        |
| Cemetery Perpetual Care Fund                                                           | -                    | -                   | -                         | 17,800 <sup>b</sup>     | -                         | -                     | 17,800              |
| Historic Preservation                                                                  | 215,200 <sup>d</sup> | -                   | -                         | -                       | -                         | -                     | 215,200             |
| Capital Projects Fund                                                                  | -                    | -                   | -                         | -                       | 162,900 <sup>e</sup>      | -                     | 162,900             |
| Impact Fee Fund                                                                        | -                    | 36,300 <sup>f</sup> | -                         | -                       | -                         | 181,600 <sup>f</sup>  | 217,900             |
| <b>Total</b>                                                                           | <b>\$ 215,200</b>    | <b>\$ 36,300</b>    | <b>\$ 1,079,900</b>       | <b>\$ 147,500</b>       | <b>\$ 1,508,800</b>       | <b>\$ 181,600</b>     | <b>\$ 3,169,300</b> |

<sup>a</sup> Annual subsidy transfer.  
<sup>b</sup> Annual transfer of interest earned in the Cemetery Perpetual Care Fund for cemetery operations and maintenance.  
<sup>c</sup> One-Time Transfer for Capital Improvement Program  
<sup>d</sup> Annual transfer to fund Museum Services.  
<sup>e</sup> Annual subsidy transfer for capital projects.  
<sup>f</sup> Transfer of impact fee revenue to fund costs eligible for impact fee revenue funding.

# Fund Financial Forecasts – O/S Fund

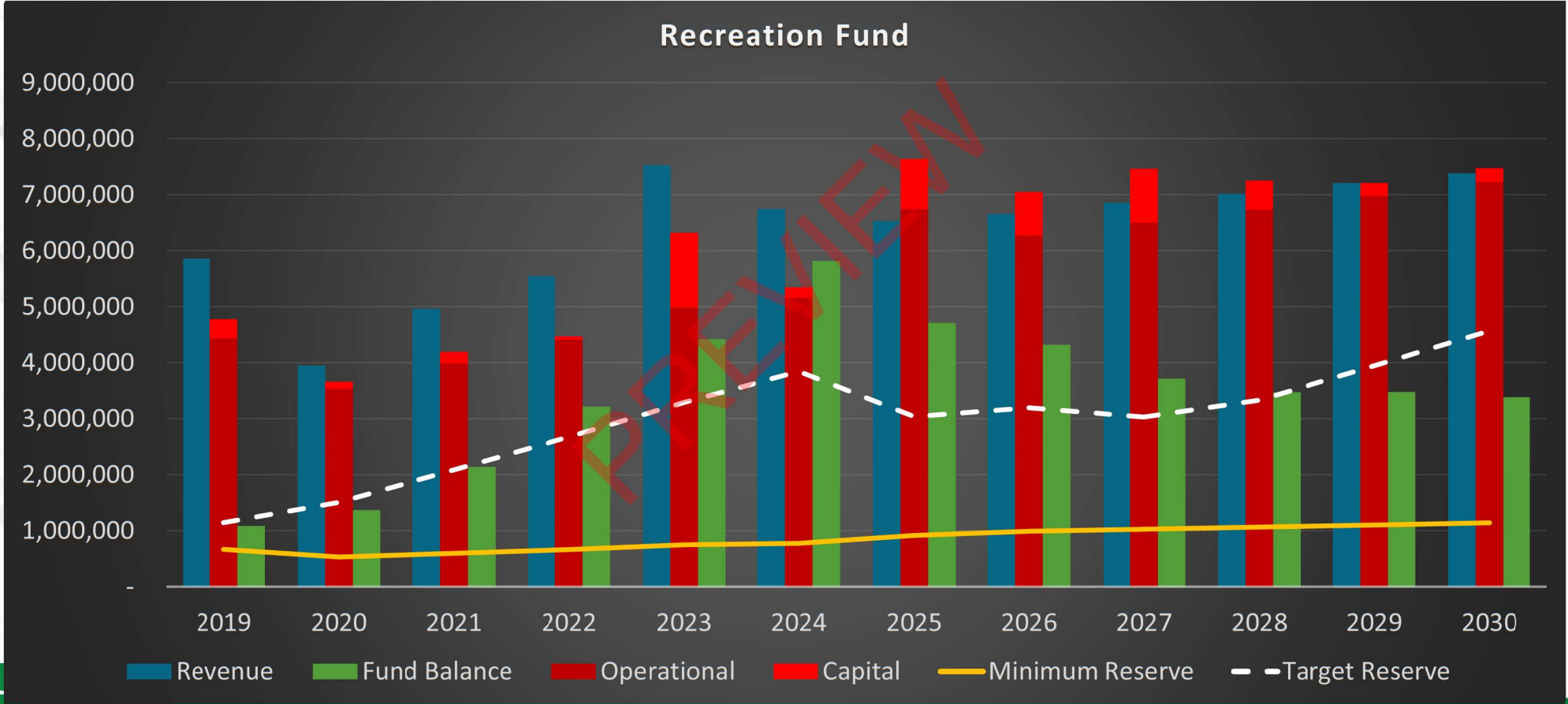


## O/S Fund – Summary

- Structurally balanced throughout the model
- Acquisition Reserve established and projected to accumulate \$2.3M by the end of 2030.
- 2026 Changes: None



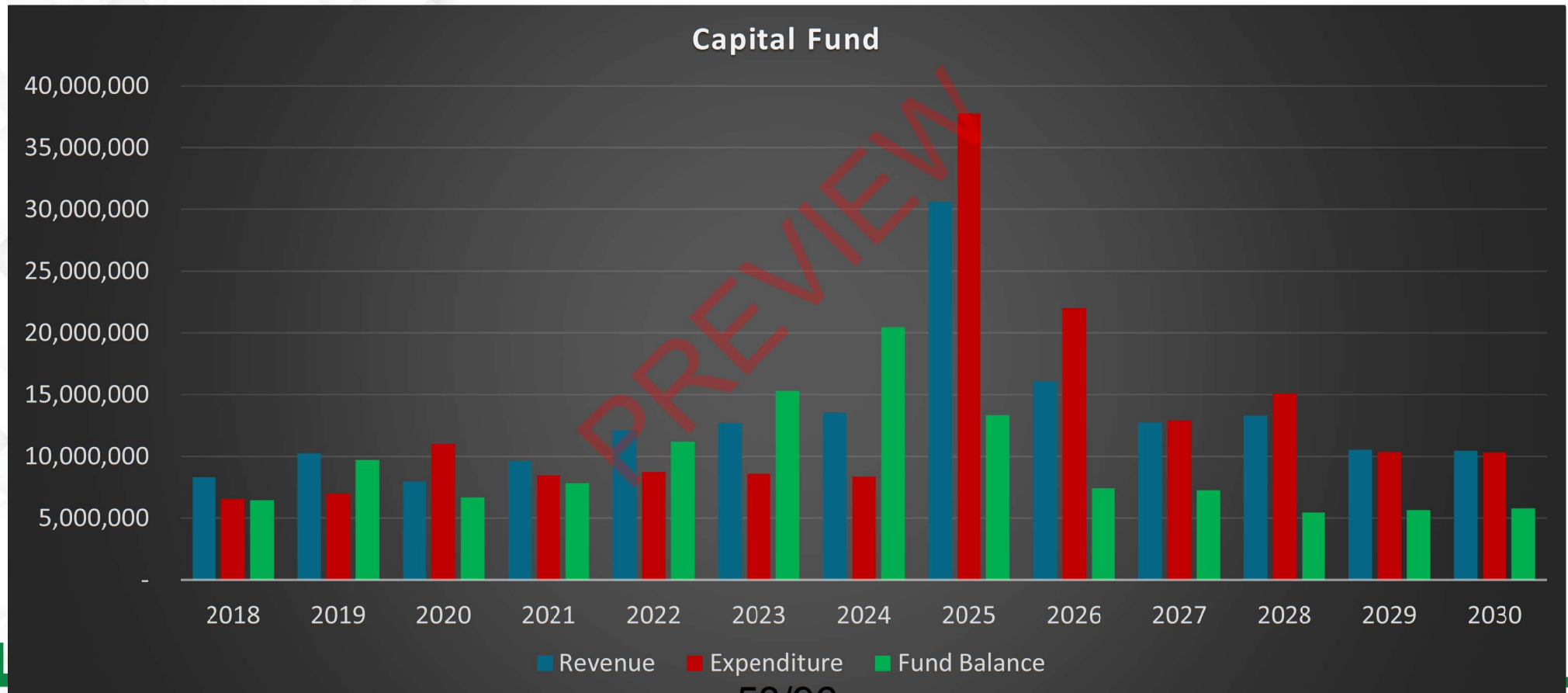
# Fund Financial Forecasts – Rec Fund



## Recreation Fund – Summary

- Structurally balanced throughout model, however, falls short of the Renewal and Replacement Target in Years 2029 & 2030
- Impact of central allocation costs
- 2026 Changes: None (*\*minor adjustments to variable hours*)

# Fund Financial Forecasts – Capital Fund - Projection



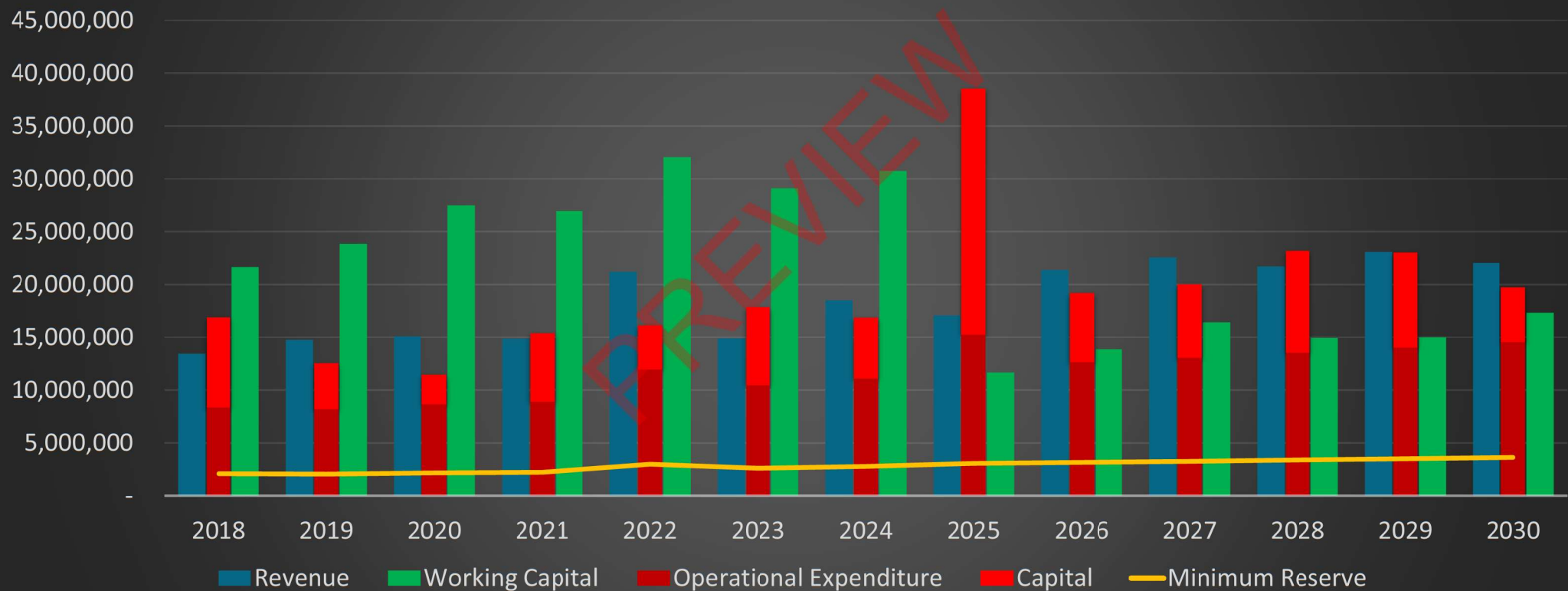
## Capital Fund – Summary

- 2026 Changes: City Manager Recommended Requests
  - Owl Park Fence Replacement (\$18.7K)
  - Library Public Copier Replacement (\$20K)
  - Police (3) and Community Development (1) Vehicles (\$287K)
- **Policy Direction:** Impact of CTF Funds shifted from Capital to Parks Operations (Approx. ~\$100K annually)



# Fund Financial Forecasts – Consolidated Utility Funds

Consolidated Utility Fund



Louisville

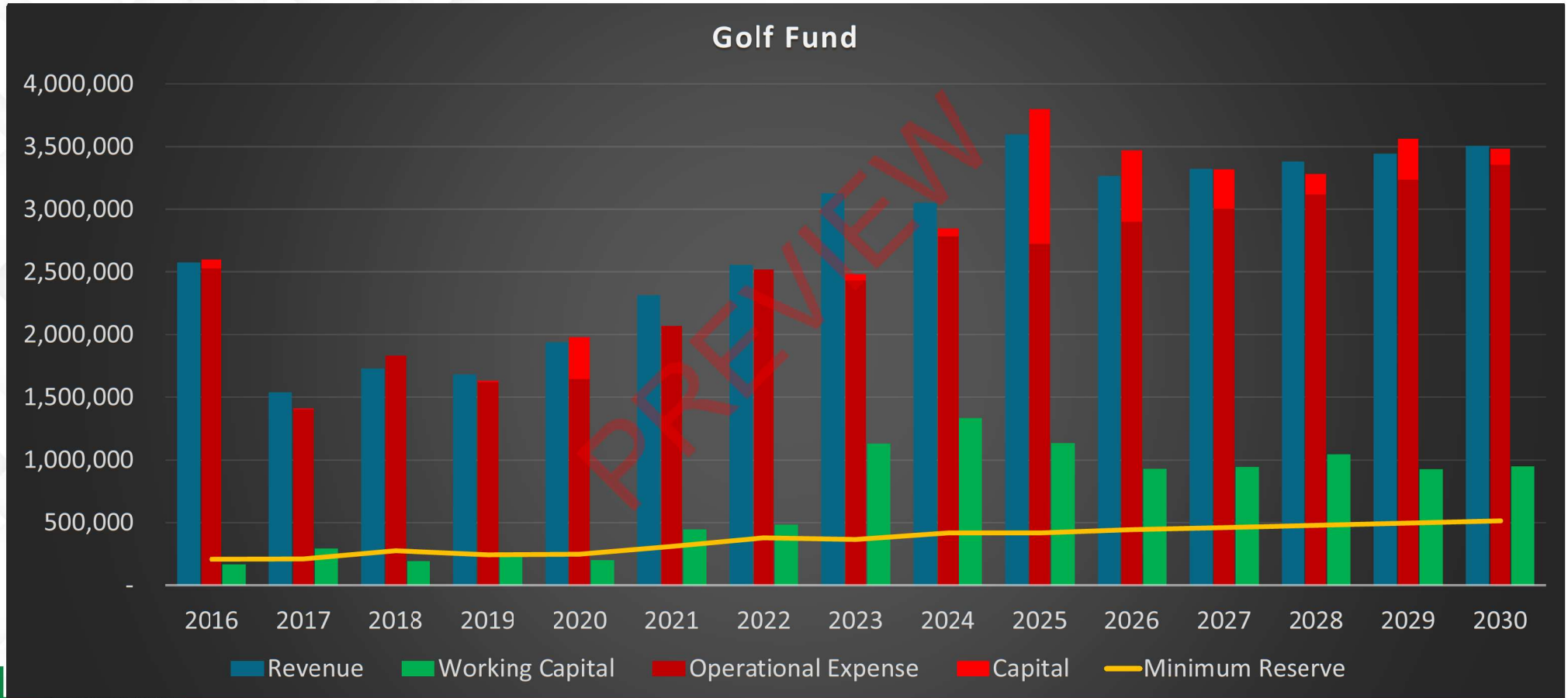
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56

July 23, 2025

## Consolidated Utility Funds

- In aggregate, funds are structurally balanced throughout model
- Staff have removed Operational Turnback to align with recent rate-setting methodology
- Impact of central allocation costs
- 2026 Changes:
  - 1 New FTE– Wastewater Plant Operator Trainee, driven by treatment plant expansion project. (Redtail Ridge)
  - Chlorine Dioxide Unit at Sid Copeland Capital Project (*shifted into 2025*)
  - One-time operational adjustments for Biosolids Hauling, Chemicals and SCADA maintenance.

# Fund Financial Forecasts – Golf Fund



## Golf Fund

- Structurally balanced throughout the model
- Staff adjusted Operational Turnback to align with recent trend (*Reduced to 2%, previously 4%*)
- Adjustments to Cost Allocation / Central Dept Changes
- 2026 Changes: None

# **Fiscal and Policy Issues with Significant Impacts to the Budget**

PREVIEW



# Fiscal/Policy Issues w Significant Impacts

- General Trend of Expense Growth outpacing Revenue Growth
  - Projected Slowing of Sales, Use, and Property Tax Growth
  - Personnel Retention & Costs (*Wages, Benefits and Training Investments*)
- General and Parks Fund Long Term Structural Imbalance
- Service Level Alignments
- Expiration of Historic Preservation Tax (Expires Dec 31, 2028)

# Fiscal/Policy Issue – Expenses outpacing Revenues

At this early time in the Budget Development process, there are many unknowns in revenues and expenditures.

- Slowing Projected Sales and Property Tax Growth
  - Staff will continue to closely monitor Sales Tax
  - Preliminary Property Tax info from the Assessor in late August
- Personnel Costs (Wages, Benefits, and Market Adjustments)
- Prioritizing Required and Contractual Increases
  - Projected Citywide Insurance and Legal Increases
  - Utilities, Software, and Building Maintenance

## Fiscal/Policy Issue – Parks Fund

As presented, the Park Fund's On-Going Operational Expenses exceeds on-going revenues.

- Additional Revenues, Sources, or General Fund subsidies, if available, will be required to maintain existing service levels.
- Potential reductions to existing Service Levels.
- Capital Projects have been shifted to the Capital Fund.
- **Policy Direction Sought** – Utilize Conservation Lottery Trust Fund for Operations. Note the impact to Capital Fund.

# **Fiscal/Policy Issue – Service Level Alignment**

Last week's Council discussion around City Core Services will help direct future service level alignments.

PREVIEW



## Fiscal/Policy Issue – HPF Tax Expiring

The Historical Preservation Fund Tax is set to expire on December 31, 2028.

The 1/8<sup>th</sup> of a cent (0.125) was initially approved for a ten-year period beginning on January 1, 2009. Later extended an additional ten years, January 1, 2019, through December 31, 2028.



# Boards and Commission Requests

Included within Today's packet, as Attachment 2, are the Boards and Commission Budget requests compiled.

Department Heads of respective Boards are available to address any questions the Council may have on their requests.

# Boards and Commission Requests

| Request Description                                     | Requesting Commission / Committee | 2026 Cost   | 2027-2030 Cost | One Time / Operational | Fund (Primary) |
|---------------------------------------------------------|-----------------------------------|-------------|----------------|------------------------|----------------|
| Centennial Park Tennis Courts<br>(2 New Courts)         | RAB                               | \$1,500,000 | -              | Capital                | Capital        |
| Clubhouse Pre-Design                                    | RAB                               | 320,000     | -              | Capital                | Capital        |
| Puck & Stick Court                                      | RAB                               | 200,000     | -              | Capital                | Capital        |
| Soccer / Multi Use Fields                               | RAB                               | 7,000,000   | -              | Capital                | Capital        |
| Sustainability Specialist                               | LSAB                              | ~100,000    | ~500,000       | Operational            | General        |
| Hard to Recycle Voucher<br>Increased Programming (LSAB) | LSAB                              | 37,000      | 160,000        | Operational            | General        |
| LSAB Operational Event Budget                           | LSAB                              | 10,000      | 40,000         | Operational            | General        |
| Sustainable Neighborhood<br>Network (LSAB)              | LSAB                              | 10,000      | 40,000         | Operational            | General        |

# Boards and Commission Requests – Cont.

| Request Description                   | Requesting Commission / Committee | 2026 Cost   | 2027-2030 Cost | One Time / Operational | Fund (Primary) |
|---------------------------------------|-----------------------------------|-------------|----------------|------------------------|----------------|
| Natural Resource Tech                 | OSAB                              | -           | -              | Operational            | Operational    |
| PROS Department Project Manager       | OSAB                              | -           | -              | Operational            | Operational    |
| Volunteer & Education Coordinator     | OSAB                              | -           | -              | Operational            | Operational    |
| Mobile Education Trailer              | OSAB                              | -           | -              | Capital                | Capital        |
| Water Rights (Coal Creek, Hecla Lake) | OSAB                              | -           | -              | Capital                | Capital        |
| Total                                 |                                   | \$9,177,000 | \$740,000      |                        |                |

# City Council Budget Retreat

City Staff will continue to work collaboratively towards developing the 2026 City Manager's Recommended Budget for City Council's consideration in September.

Thank you! Staff is available to answer questions.

# **Appendix I - Revisiting 2025 Budget Process and Outcomes**

PREVIEW



# Revisiting 2025 Budget Process and Outcomes

- During the prior year Budget Retreat, City Council was initially presented with significant operational requests and capital needs (\$28.8M shortfall\*, primarily capital driven)
- 23.75 New Positions Requested (2025 & 2026)
  - Funded one new position – Civil Engineer III (DeCarb)
    - Note: None in the General Fund
  - Unfunded certain vacant positions Plans Examiner (MF), EDI Manager, and Finance Intern
- \$273M in Preliminary CIP Program *Adopted CIP Program \$144.3M*
  - Significant CIP refinement performed at Special Budget Meeting of the Finance Committee on September 24<sup>th</sup>, 2024)
  - Unfunded Capital List Maintained and Included as part of Budget Book

# Revisiting 2025 Budget Process and Outcomes – Operating Funds

- Summary of Notable Items
  - Established Open Space Acquisition Reserve
  - City Employees (Markets / Merits) were maintained (Decrease Turnover)
  - HR – Virtual Training Approach (*Reduced Citywide Training cost by \$80.2K*)
- Future Direction Received:
  - Review overhead cost allocations, adjust as necessary by fund
  - Revisit fees: Ensure we are keeping up with inflation and the cost of providing service

# Revisiting 2025 Budget Process and Outcomes – Capital Fund

- Prioritized the maintenance of our existing City assets
  - Decarbonization projects, including Solar (*repair and replace end-of-life systems while maximizing use of grant funds*)
- Created a \$2M set aside for future Affordable Housing project(s)
- Included Via Appia Pedestrian Safety Improvements
- Incorporated Parks Capital to Capital Projects Fund
- Incorporated Vehicle Replacement Program to Capital Projects Fund
- Maintained paving program at or near current level
  - \$5M included in 2025 budget, \$32.3M over the CIP Plan
  - Goal is to be at a Pavement Condition Index (PCI) of 70 or better



# **Appendix II – 2025-2030 Recommended Capital Improvements Program Revisited**

# 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 Program - 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 (\$2.0M)
- Via Appia Ped Imprv. (\$650K)
- Centennial Tennis Court Renovations (\$525K)
- Golf Maintenance Storage Building (\$400K)
- Golf Pond Liner (Hole #11, \$310K)
- New Golf Carts (\$270K)

# **Appendix III – City Funds Financial Background / Governmental Accounting 101**

# City Financial Background - Funds

In total, the City has 21 Funds (*Major and Minor*)

- The City's Primary Governmental Funds are the General Fund and the Capital Fund.
- Primary Special Revenue Funds are Open Space, Parks, and Recreation Funds.
- Enterprise "Business Type" Funds, Utilities (Water, Wastewater, and Storm), and Golf.

Finance staff will present Long Term Financial Forecasts on Major funds, per Financial Policy (FP 5.6).

# City Financial Background – General Fund

The City's **General Fund** provides core government and essential services, such as the following:

- Public Safety and Municipal Court;
- Community Design and Economic Vitality;
- Cultural Services, Library and Museum;
- Transportation and Facilities Maintenance; and
- Administrative Support:
  - City Council, City Manager's Office, City Clerk, Communications, EDI, Attorney/Legal, Recovery & Resiliency, Human Resources, Information Technology, Finance, Sales Tax Administration, and Sustainability

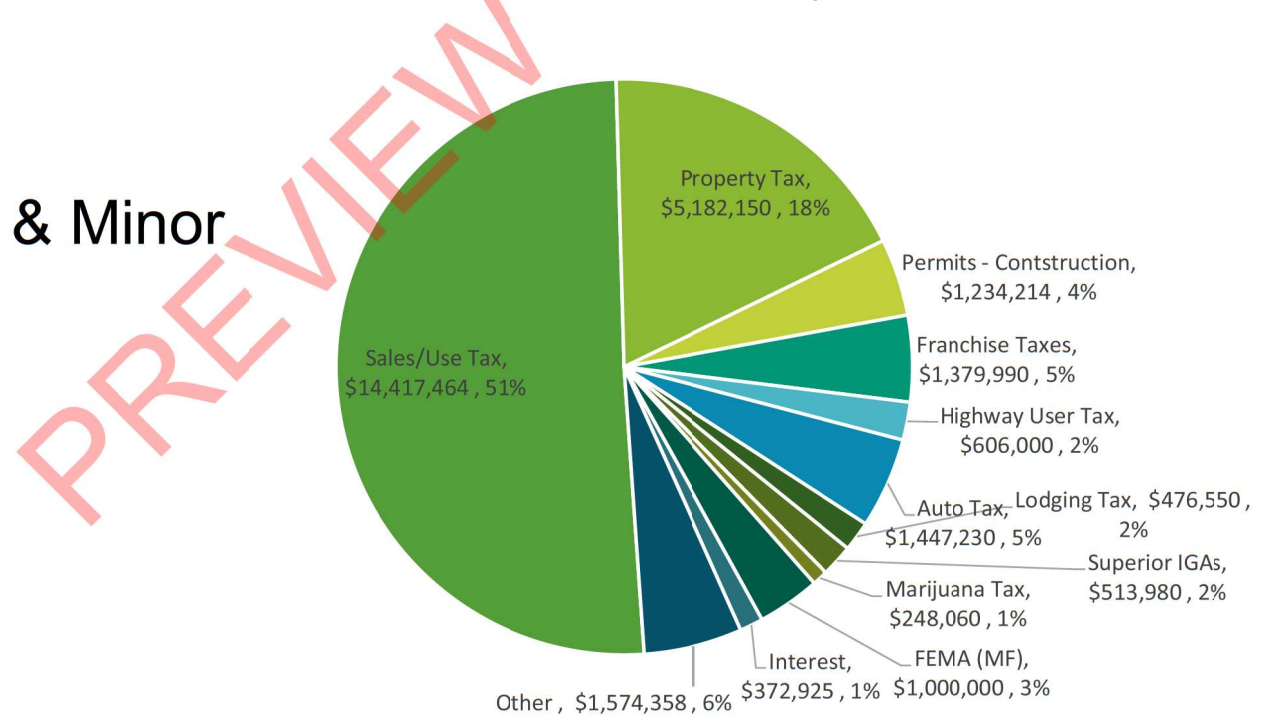


# City Financial Background – General Fund

The City's General Fund is largely funded by the following;

2026 Base Ado - Revenues - \$28.5M

- Sales and Use Tax
- Property Tax
- Auto Use Tax
- Permits – Construction & Minor
- Franchise Taxes
- Highway User Tax
- Lodging Tax
- Superior IGAs
- Marijuana Tax
- Interest
- FEMA



# City Financial Background – Capital Fund

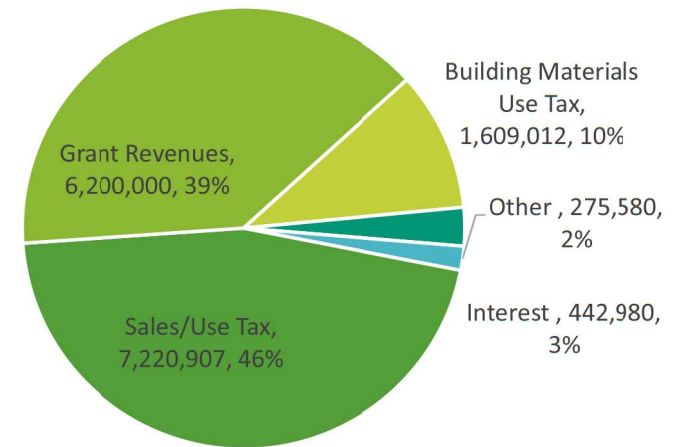
The City's Capital Fund does the following:

- Funds large and significant Capital Projects, a major component of the CIP Program

And is primarily funded by:

- Sales and Use Tax (1 of our 3 cents)
- Building Use Materials Tax (***all*** 3 cents)
- Various Grants

2026 Base Ado - Revenues - \$15.8M



# City Financial Background – O/S Fund

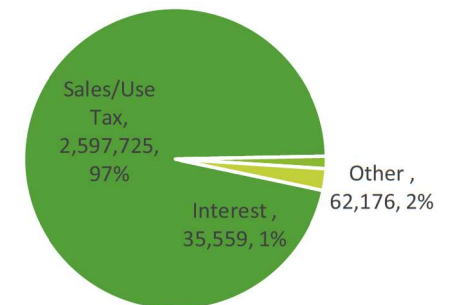
The City's Open Space Fund does the following:

- Natural Resource Management- Prairie Restoration, Noxious Weed Control, Regenerative Agriculture, Wildfire Mitigation and Wildlife Management
- Public Outreach & Education- Regulatory Enforcement, Land Stewardship & Volunteer Efforts and Environmental Education
- Maintenance- Trail Repair, Trail Planning & Installation, Trail Edge & Perimeter Mowing, Trash & Doggie Bag Station Upkeep, Graffiti Removal, and Amenity Maintenance
- Acquisition- for future Open Space and Trail Opportunities

2026 Base Ado - Revenues - \$2.7M

And is primarily funded by:

- A dedicated Sales and Use Tax, 5/16<sup>th</sup>, of a cent





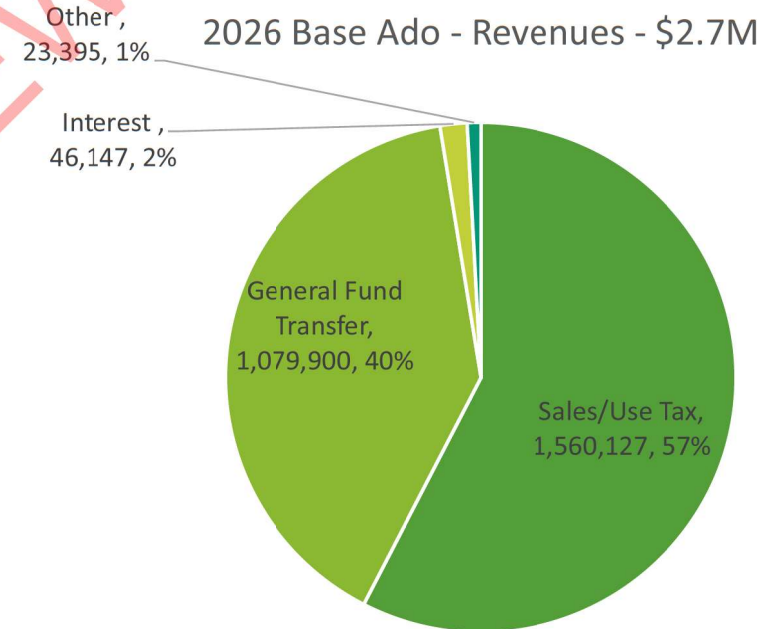
# City Financial Background – Parks Fund

The City's Parks Fund does the following:

- Maintenance and operations of Parks, Medians, snow removal, etc.

And is primarily funded by:

- A dedicated Sales and Use Tax, 3/16<sup>th</sup> of a cent
- General Fund Transfer





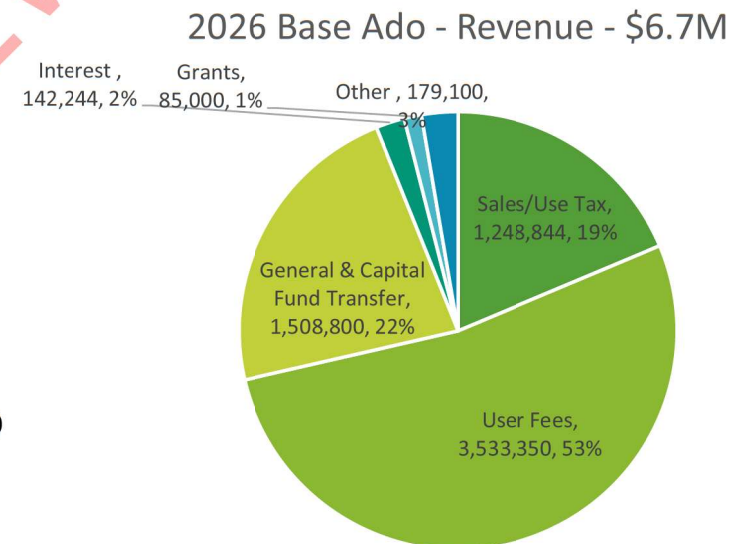
# City Financial Background – Recreation Fund

The City's Recreation Fund does the following:

- Recreation Center Operations and Maintenance
- Memory Square Pool Operations and Maintenance
- Senior Services
- Youth and Adult Activities
- Athletic Field Operations

And is primarily funded by:

- User Fees
- A Dedicated Sales and Use Tax, 0.15%
- General and Capital Fund Transfers



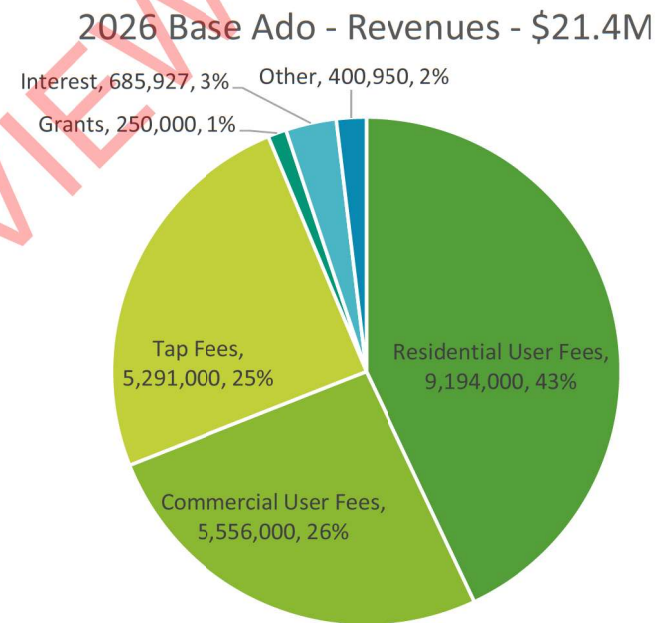
# City Financial Background – Utility Funds

The City's Utility Funds (Water, Wastewater, and Storm) perform the following:

- Delivery of Safe Water
- Wastewater Treatment
- Storm Management

And are primarily funded by:

- Residential User Fees
- Commercial User Fees
- Tap Fees
- Various Grants



# City Financial Background – Golf Fund

The City's Golf Course Fund does the following:

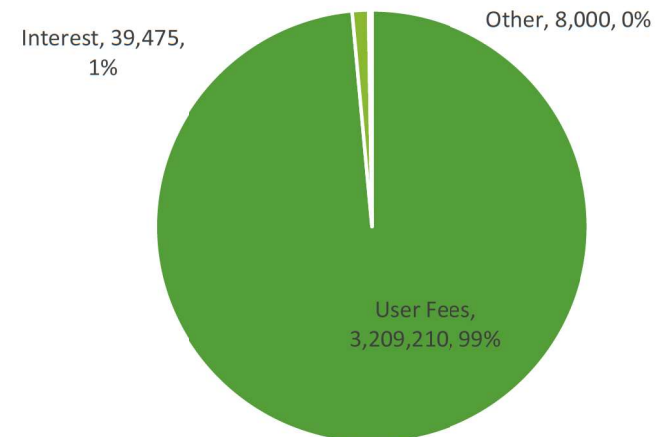
- Golf Course Operations and Maintenance
- Clubhouse and Pro Shop

And is funded by:

- User Fees (~\$3.0M)

*\*Note: Due to General and Capital Subsidies in prior year(s), this Fund is not currently considered a TABOR Enterprise Fund.*

2026 Base Ado - Revenues - \$3.3M





# City Financial Background - Funds

## Remaining City funds;

- Conservation Trust / Lottery
- Cemetery Operations
- Cemetery Perpetual (*Endowment*)
- Public, Educational, and Government Television (PEG) Fee Fund
- Parking Improvement
- Historical Preservation
- Urban Revitalization
- Impact Fee
- Recreation Center Debt Service
- Solid Waste and Recycling (*Enterprise Fund*)
- Tech Management (*Internal Service Cost Allocation Fund*)
- Fleet Management (*Internal Service Cost Allocation Fund*)



## Memorandum

**To:** Louisville City Council Members

**From:** Louisville Sustainability Advisory Board

**Date:** May 8, 2025

**Re:** Louisville Sustainability Advisory Board Budget  
Recommendations Memo

---

Dear Council Members,

First, we want to thank the City Council for taking the time to meet with members of the Louisville Sustainability Advisory Board (LSAB) earlier this year. We found the discussion to be very helpful and appreciated the opportunity to engage directly with you. The joint meeting was an extremely insightful opportunity to better understand the city's evolving priorities and vision for the future. We especially valued the thoughtful dialogue and hearing from multiple Council Members about the increasing need for enhanced climate communications as a key component of our collective sustainability efforts.

### **Budget Recommendations to Support Climate Communications and Engagement**

In response to this identified need, we would like to recommend four targeted budget items for the upcoming fiscal year. These recommendations aim to close the climate communications gap and engage the community more effectively, while also supporting the city's ongoing sustainability initiatives:

**1. Sustainability Specialist – \$100,000**

- Allocate funding for a full-time Sustainability Specialist. This role would be dedicated to improving public outreach around climate issues, strengthening community engagement, and supporting city staff with storytelling efforts that highlight Louisville's already established leadership in sustainability.

**2. Sustainability Events Budget – \$10,000**

- Provide additional event funding to support the continuation of Ecotoberfest or a similar city-wide community sustainability event. This funding would supplement the current events budget and fill a key gap, ensuring that these valuable community events can continue. Furthermore, it would enable the city to expand participation, foster deeper community involvement, and highlight Louisville's ongoing commitment to environmental stewardship and sustainability.

**3. Community Outreach and Communications – \$10,000**

- Provide additional funding to the existing communications budget to further elevate the sustainability work already being done in Louisville. This funding would supplement the current communications budget and support campaigns, materials, and outreach activities that broaden community awareness and participation.

#### **4. Sustainable Neighborhoods Network – \$10,000**

- Invest in the Sustainable Neighborhoods Program to leverage an already established and trusted network. This funding would be used to jump start Louisville's participation in the program and utilize the program's already existing infrastructure around climate communications and resident engagement at the neighborhood level.

Together, these budget items represent a strategic and cost-effective approach to deepen public engagement, promote sustainable practices, and ensure Louisville's climate goals are shared and supported throughout the community.

#### **Support for Transitioning from a Climate Action Plan to a Sustainability Work Plan**

In addition to these items, the Louisville Sustainability Advisory Board would also like to express its support for the city's transition from the Climate Action Plan to a more dynamic and responsive Sustainability Work Plan model. We believe this shift will allow Louisville to remain nimble in addressing urgent and emerging climate change priorities, while also empowering the city to gather and act upon more localized and relevant emissions and vulnerability data. This approach will better position Louisville to craft personalized, data-driven strategies that reflect the community's unique climate challenges and opportunities.

#### **Support for Rebranding the Commercial Sustainability Grant Program**

We also support the rebranding and restructuring of the Commercial Sustainability Grant Program. We recommend adopting the new grant structure that includes five \$1,000 mini-grants, three \$5,000 standard grants, and one or two \$10,000 special grants, depending on available funding. We believe this structure will expand access and impact by allowing businesses of varying sizes and scopes to pursue sustainability improvements tailored to their needs. Additionally, this revised structure will make the program less administratively intensive for city staff, while enabling businesses to secure grant amounts that are more closely aligned with the scale of their projects and the level of funding needed to address their specific needs effectively.

We want to express our sincere thanks for your time and attention in reviewing our recommendations. We deeply appreciate the City Council's continued leadership and commitment to sustainability. Your support plays a vital role in advancing meaningful climate action in Louisville, and we look forward to continuing our collaboration in the months ahead to build a more resilient and sustainable future for our community.

Sincerely,



Louisville Sustainability Advisory Board



## Memorandum

To: Louisville City Council  
 From: Recreation Advisory Board  
 Date: May 1, 2025  
 Re: 2026 Budget Requests

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The Recreation Advisory Board respectfully request that funding be considered in the 2026 Budget cycle. As part of our ongoing efforts to maintain and enhance all of our outdoor amenities, we are requesting targeted budget allocations to support critical improvements and expand recreational opportunities for our growing community. There has been much collaboration and work done to establish this input to give to city council and the board appreciates this opportunity to provide input. The RAB board met to discuss these budget recommendations with individual board members providing input. Continued investment is needed to maintain existing facilities, expand recreational opportunities, and ensure our amenities remain safe, accessible, and welcoming for all residents.

### Outdoor Recreation Budget Request Summary

| Project/Program                       | Description                                                                                            | Estimated Cost | Priority             |
|---------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|----------------------|
| Centennial Park Tennis Courts         | Add two additional tennis courts                                                                       | \$1,500,000    | High                 |
| Clubhouse Pre Design/Schematic Design | Begin the process of assessing the site, budget and determine the feasibility of this project          | \$320,000      | High                 |
| Puck & Stick Court                    | Identify a location for a new hockey court with dasher boards and a net                                | \$200,000      | High                 |
| Soccer/Multi-Purpose Fields           | Support Master Planning to identify land and allocation for the purpose of soccer and multi-use fields | \$7,000,000    | Medium – Longer Term |
|                                       |                                                                                                        |                |                      |

**Total Budget Requests \$10,020,000**



## **MEMORANDUM**

**To:** City Council  
Diana Langley, City Manager  
Adam Blackmore, Parks Recreation, and Open Space Director

**From:** Open Space Advisory Board

**Date:** May, 19 2025

**Re:** Open Space 2026 Budget Amendment

---

The Open Space Advisory Board is writing in support of the Open Space Division's staff request for essential additional staff to manage an ever-increasing workload for maintaining and restoring our open space properties.

### **Operational Budget Amendments**

The Open Space Division is requesting two new full-time staffing positions:

- Natural Resource Specialist 1 and a
- PROS Department Project Manager

OSAB strongly recommends filling both positions as soon as possible. Essential management and restoration projects have been long delayed on our open space properties given a staff shortage. Project management for the entire department has been undertaken by Bryon Weber, but the demands on his time are far greater than one person can handle, especially with the requirements of large developments like Redtail Ridge and the installation of new playground equipment in our parks. A second project manager working under him would free Bryon's time for the more complex CIPs and ensure that project management is handled by professionals with the necessary knowledge, rather than ad hoc by less experienced staff.

### **Longer-term Needs Not in the Six-Year Plan**

- A volunteer and education coordinator, especially able to work on weekends, when most citizens are available for programs and projects. This would enhance our public outreach and communication and free up existing staff to concentrate on their primary responsibilities.
- A mobile education trailer for placement on a rotating series of open-space properties, comparable to the Shack, Lafayette's Waneka Lake education and interpretation center.
- The purchase of water rights to improve the environmental health of Coal Creek and Hecla Lake.