

City Council Finance Committee

Agenda

Monday, May 18, 2026
ELECTRONIC MEETING ONLY
4:00 PM

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 +1 108 638 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](#) to link to the meeting:

The Council will accommodate public comments during the meeting. Anyone may also [email comments to the Council](#) prior to the meeting.

- 1. Call to Order & Roll Call**
- 2. Approval of Agenda**
- 3. Public Comments on Items Not on the Agenda and Items on the Consent Agenda**

Public comments are limited to 3 minutes per speaker. When several people wish to speak on the same position on a given item, Council requests they select a spokesperson to state that position.

- 4. Consent Agenda**

The following items on the City Council Agenda are considered routine by the City Manager and shall be approved, adopted, accepted, etc., by motion of the City Council and voice vote unless the Mayor or a City Council person specifically requests an item be considered under "Regular Business." In such an event the item shall be removed from the "Consent Agenda" and Council action taken separately on said item in the order appearing on the Agenda. Those items so approved under the heading "Consent Agenda" will appear in the Council Minutes in their proper order.

- A. Approval of Minutes
- B. Q1 Financial Report
- C. Q1 Cash and Investments Report

5. Regular Business

- A. Review of Golf and Parks Funds Long-Term Financial Forecasts
- B. Annual Review of Financial Policies
- C. Monthly Revenue & Sales Tax Report - March 2026

6. Finance Director Report

7. 2026 Work Plan

- A. 2026 Work Plan

8. Adjourn

Upcoming Agenda Items June 18th Meeting

This list is not inclusive; items are subject to change; additional items may be added.

- Budget Retreat Preview
 - Review of 2027/2028 Non-Profit Grants Application Criteria and Process
 - Monthly Revenue & Sales Tax Report
 - Recreation Center Renewal & Replacement Calculation Review, if necessary
-

Resident Information

If you wish to speak at the City Council meeting in person, please fill out a sign-up card and present it to the City Clerk at the meeting. If you are attending remotely, please use the "raise hand" icon to show you wish to speak in appropriate public comments section.

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or other accommodation should [email the City Clerk's Office](#) or call at 303.335.4574

A forty-eight-hour notice is requested.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión del Consejo, por favor llame a la Ciudad al 303.335.4574 o [email](#)

City Council Finance Committee

Minutes

April 16, 2026
Electronic Meeting
4:00 PM

Call to Order – Chair Hoefner called the meeting to order at 4:00 p.m. and the following members were present:

Committee Members: *Council member Dietrich Hoefner - Chair*
Mayor Pro Tem Barbara Hamlington
Council member Josh Cooperman

Staff Present: *Diana Langley, City Manager*
Mindy Olkjer, Executive Assistant
Genny Kline, City Clerk
Ryder Bailey, CPA, Finance Director
James Franks, CPA, Deputy Finance Director
Julie Glaser, Accounting Supervisor
Travis Anderson, Revenue/Sales Tax Mgr
Jessica Zeas, Tax Auditor II
Melissa Lundgren, Tax Auditor II
Mahyar Mansurabadi, Finance Analyst
Hope Wheelock, Sales Tax Technician

Others Present: *None*

APPROVAL OF AGENDA

Mayor Pro Tem Hamlington moved to approve the agenda; seconded by Cooperman.

Aye: Hoefner, Hamlington, Cooperman

Nay: None

Absent: None

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA AND ITEMS ON THE CONSENT AGENDA

None

CONSENT AGENDA

Mayor Pro Tem Hamlington moved to approve the consent agenda; seconded by Cooperman.

Aye: Hoefner, Hamlington, Cooperman
Nay: None
Absent: None

REGULAR BUSINESS

2025 Year-end Revenues, Expenditures & Changes in Fund Balances (Cash-Basis)

Director Bailey provided the update.

Council members asked about the Parks fund revenue, the Conservation Trust fund, and the Cemetery fund.

Chair Hoefner congratulated the group on the positive 2025 results across the board.

1st Citywide Budget Amendment Review Rollovers/Carry-Overs

Director Bailey provided the update.

Council members asked about the approved sound mitigation for the pickleball courts.

Monthly Revenue & Sales Tax Report – February 2026

Auditor Zeas presented the Sales and Use Tax Collection Report for February 2026.

The Committee asked about those taxes coming from outside the City.

The group briefly discussed specific topics for future discussion around the Golf and Parks funds, specifically the adjustment of golf membership fees and the long-term focus for both funds in terms of making them work.

FINANCE DIRECTOR REPORT

No comments or discussion.

2026 WORK PLAN

No comments or discussion.

ADJOURN

Mayor Pro Tem moved to adjourn; seconded by Council member Cooperman.

Aye: Hoefner, Hamlington, Cooperman
Nay: None
Absent: None

Members adjourned at 4:35 p.m.

Subject: Q1 Financial Report
Date: May 18, 2026
Prepared By: Mahyar Mansurabadi, Finance Analyst
Presented By: Mahyar Mansurabadi, Finance Analyst

Summary:

Attached are Statements of Revenues and Expenditures for the Quarter ending March 31, 2026. These statements have been prepared for various City operating and capital funds, including the following:

- General Fund;
- Conservation Trust – Lottery Fund;
- Cemetery Fund;
- Historic Preservation Fund;
- Recreation Fund;
- Open Space Fund;
- Parks Fund;
- Capital Projects Fund;
- Water Utility Fund;
- Wastewater Utility Fund;
- Stormwater Utility Fund;
- Solid Waste & Recycling Fund; and
- Golf Course Fund.

The statements contain two years of history (2024 and 2025). For the calendar year (2026), the statements contain:

- The original adopted budget; and
- The current/revised budget, as (if) amended; and
- The actual amounts through March 31, on a Cash Basis; and
- Variance percentage of actual to adjusted budget.

Background / Prior Discussions:

Finance presents Quarterly Financial Reports to the Finance Committee for City

operating funds.

Development Proposal:

NA

Analysis:

NA

Council Work Plan:

Core Services

Fiscal Impact:

Not applicable. There is no fiscal / budget impact for this item.

Alternatives:

NA

Recommendation:

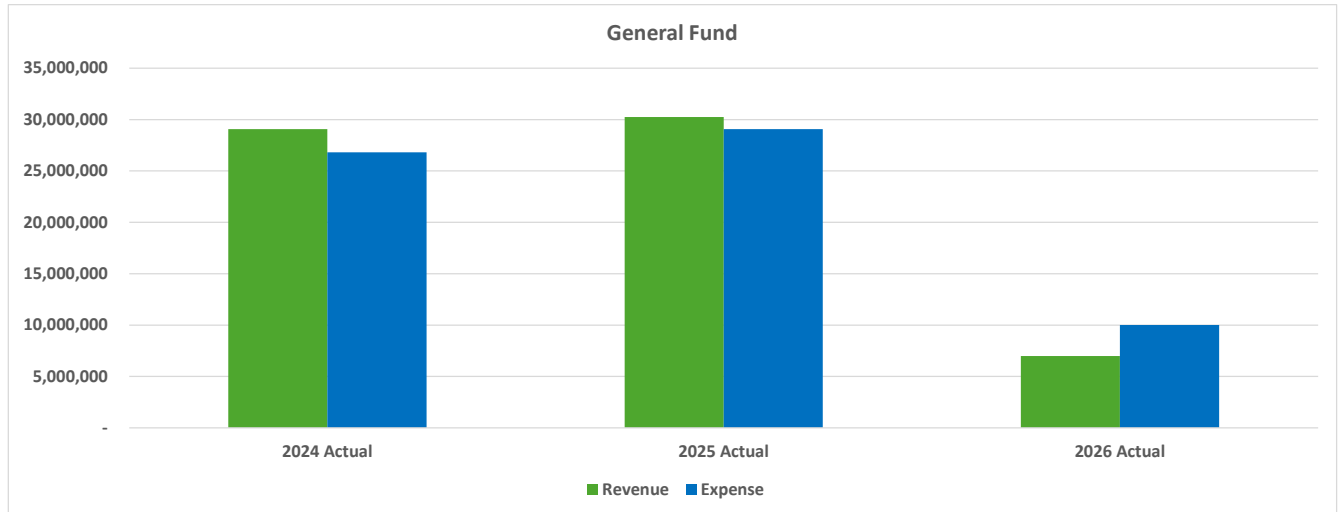
Receive and File.

Attachments:

1. Q1-2026 Financial Report

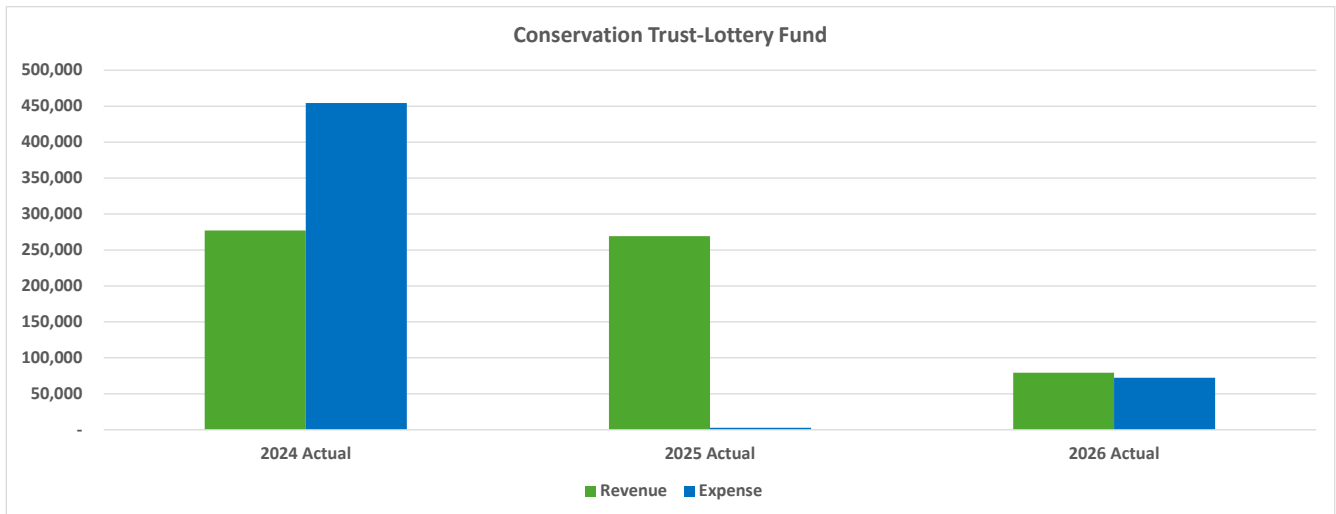
Q1 2026 Financial Update

Object Category	Object Category	2024	2025	2026		
	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 101 – General Fund						
Account Type: Revenue						
410000	Tax Revenue	22,496,976	24,532,825	22,868,854	4,491,978	20%
420000	License and Permits	3,065,365	1,649,018	1,975,250	383,457	19%
430000	Grant Revenue	1,808,773	2,050,460	2,645,460	654,958	25%
440000	Fees	282,828	180,022	259,350	25,111	10%
450000	Fines	142,924	184,136	104,000	33,693	32%
460000	Miscellaneous Revenue	958,973	1,038,871	714,360	1,189,787	167%
490000	Other Revenue	677	288,278	-	2,540	
980000	Transfer In	319,923	314,155	215,200	215,200	100%
Total Revenue		29,076,439	30,237,765	28,782,474	6,996,724	24%
Account Type: Expenditure						
510000	Personnel	15,864,589	16,189,383	17,748,990	4,244,354	24%
520000	Supplies	1,163,651	1,162,299	3,333,897	420,601	13%
530000	Services	6,757,077	6,109,448	7,605,133	2,468,817	32%
570000	Loans	274,253	236,998	8,600	2,126	25%
580000	Depreciation Expense	349,405	112,443	120,000	298	0%
620000	Building Improvements-General	-	2,230,201	-	324,829	
640000	Motor Vehicle/Road Equipment	-	63,900	-	-	
650000	Office Furniture and Fixtures	-	482,141	-	-	
990000	Transfer Out	2,408,770	2,481,000	2,555,500	2,551,500	100%
Total Expenditure		26,817,745	29,067,812	31,372,120	10,012,526	32%
Total 101 – General Fund		2,258,694	1,169,954	(2,589,646)	(3,015,802)	



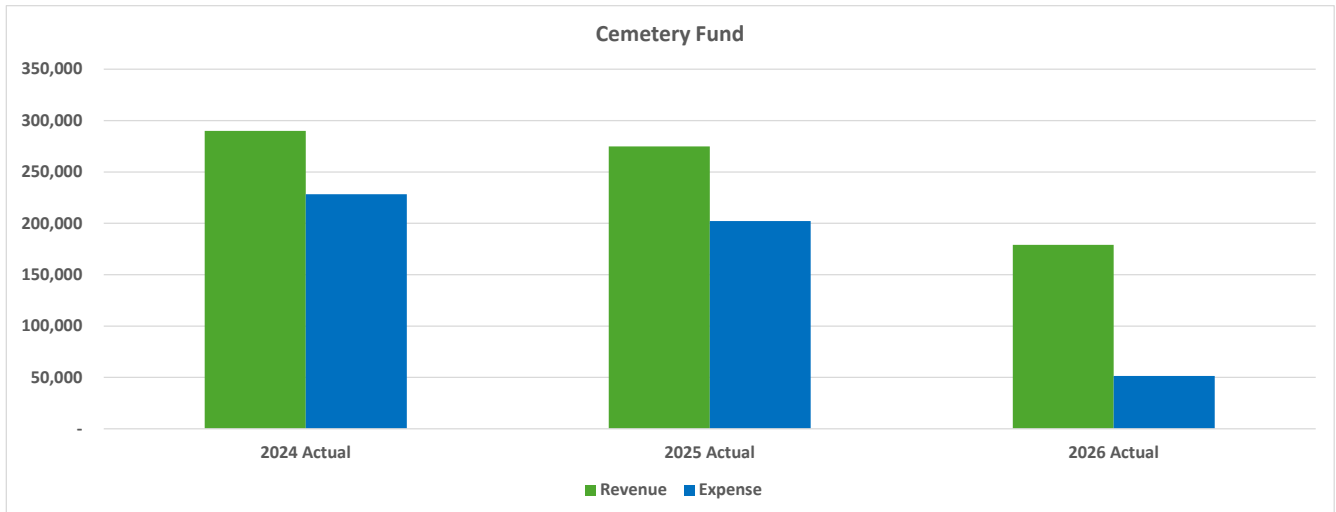
Q1 2026 Financial Update

Object Category		2024	2025	2026	
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual
Fund: 202 – Conservation Trust-LotteryFund					
Account Type: Revenue					
430000	Grant Revenue	238,274	235,386	263,800	73,642
460000	Miscellaneous Revenue	38,915	33,886	25,000	5,719
Total Revenue		277,189	269,272	288,800	79,361
Account Type: Expenditure					
530000	Services	374	410	100	66
630000	Improv Other than Buildings	402,721	2,234	187,500	-
660000	Infrastructure	51,244	225	18,000	72,368
Total Expenditure		454,339	2,869	205,600	72,434
Total 202 – Conservation Trust-LotteryFund		(177,150)	266,403	83,200	6,927



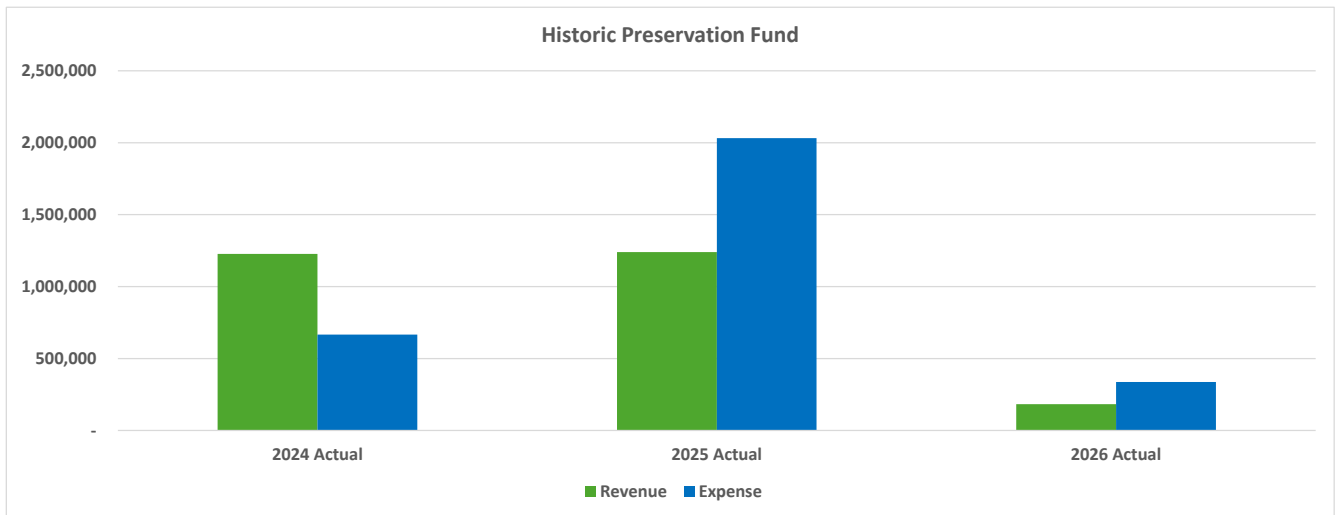
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 204 – Cemetery Fund						
Account Type: Revenue						
420000	License and Permits	53,643	68,796	50,000	13,951	28%
440000	Fees	85,394	49,914	41,500	6,950	17%
460000	Miscellaneous Revenue	11,907	13,085	9,000	2,482	28%
980000	Transfer In	139,000	143,000	159,700	155,700	97%
Total Revenue		289,943	274,795	260,200	179,082	69%
Account Type: Expenditure						
510000	Personnel	92,837	66,794	76,319	16,011	21%
520000	Supplies	5,522	3,421	11,150	1,543	14%
530000	Services	119,978	130,273	143,910	33,959	24%
640000	Motor Vehicle/Road Equipment	10,000	1,638	18,500	-	0%
Total Expenditure		228,337	202,125	249,879	51,513	21%
Total 204 – Cemetery Fund		61,606	72,670	10,321	127,569	



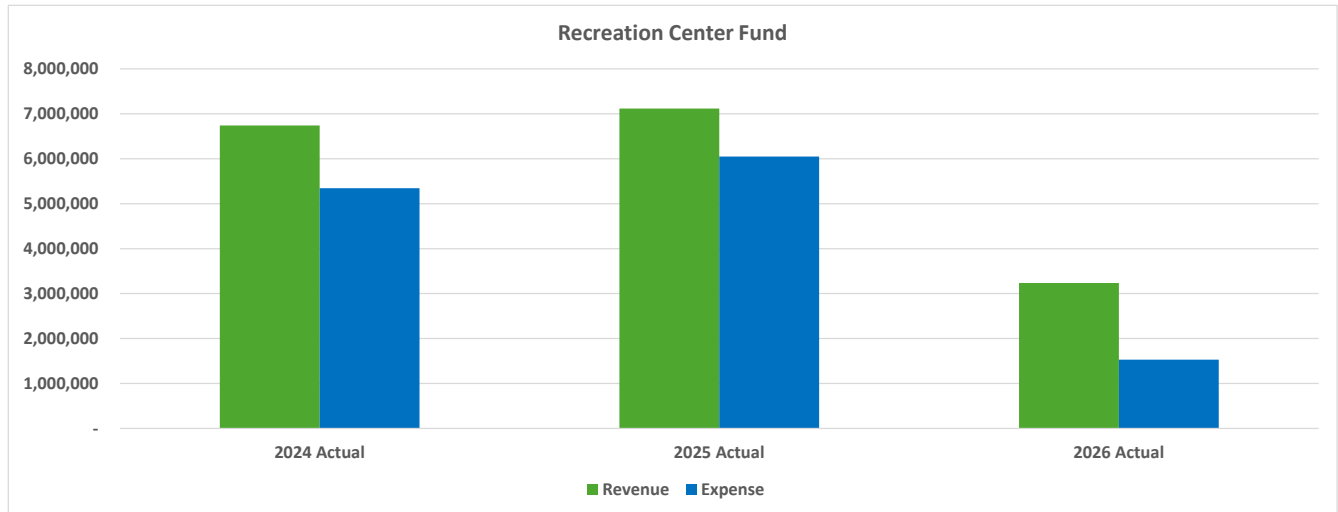
Q1 2026 Financial Update

Object Category		2024	2025	2026	
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual
Fund: 207 – Historic Preservation Fund					
Account Type: Revenue					
410000	Tax Revenue	1,053,169	1,070,256	1,030,626	161,642
460000	Miscellaneous Revenue	173,372	169,672	133,000	21,399
Total Revenue		1,226,541	1,239,929	1,163,626	183,041
Account Type: Expenditure					
510000	Personnel	156,920	170,994	176,365	44,131
520000	Supplies	1,337	-	2,150	-
530000	Services	305,846	1,644,959	1,113,150	77,915
620000	Building Improvements-General	-	6,500	256,450	-
990000	Transfer Out	202,790	208,900	215,200	215,200
Total Expenditure		666,892	2,031,353	1,763,315	337,246
Total 207 – Historic Preservation Fund		559,648	(791,425)	(599,689)	(154,205)



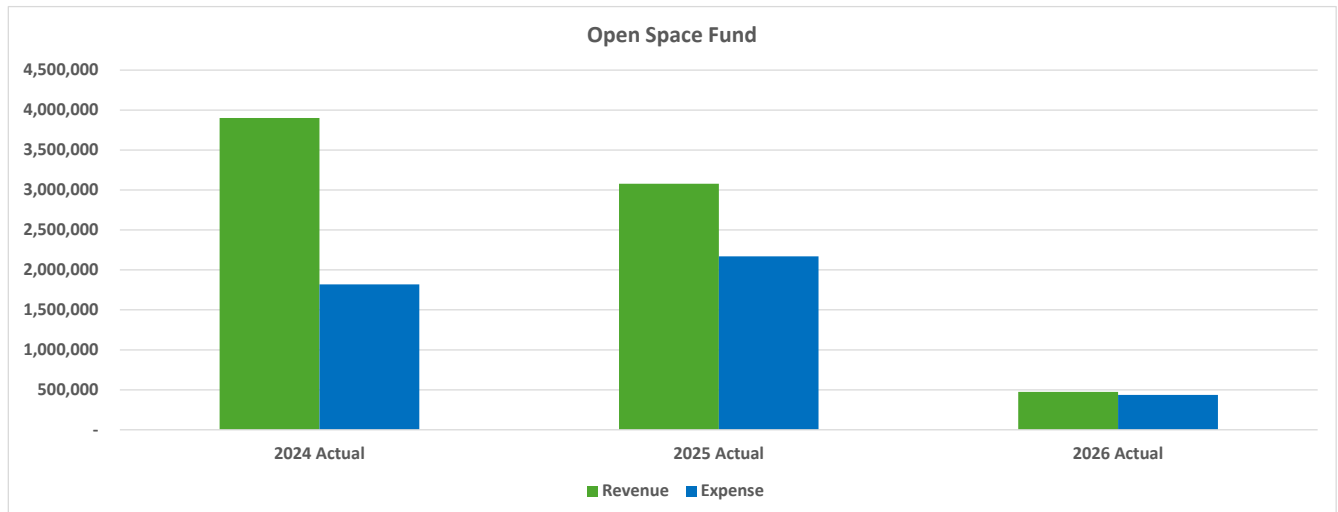
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 208 – Recreation Center Fund						
Account Type: Revenue						
410000	Tax Revenue	1,268,354	1,284,308	1,236,743	193,970	16%
430000	Grant Revenue	108,111	79,758	85,000	21,776	26%
440000	Fees	3,621,800	3,910,928	3,586,350	1,438,126	40%
460000	Miscellaneous Revenue	320,422	374,984	240,000	71,140	30%
980000	Transfer In	1,422,200	1,464,900	1,508,800	1,508,800	100%
Total Revenue		6,740,886	7,114,878	6,656,893	3,233,812	49%
Account Type: Expenditure						
510000	Personnel	3,199,517	3,344,313	3,940,774	958,123	24%
520000	Supplies	245,925	279,124	314,640	43,800	14%
530000	Services	1,700,710	1,825,691	2,297,873	493,298	21%
580000	Depreciation Expense	12,408	7,810	7,810	7,810	100%
600000	Fixed Asset-Capital	-	-	-	-	-
620000	Building Improvements-General	17,203	208,537	315,000	-	0%
630000	Improv Other than Buildings	67,949	-	61,736	-	0%
640000	Motor Vehicle/Road Equipment	100,471	144,712	329,500	26,171	8%
650000	Office Furniture and Fixtures	-	40,272	68,500	3,286	5%
660000	Infrastructure	-	-	-	-	-
990000	Transfer Out	-	200,000	-	-	-
Total Expenditure		5,344,183	6,050,459	7,335,833	1,532,488	21%
Total 208 – Recreation Center Fund		1,396,703	1,064,419	(678,940)	1,701,324	



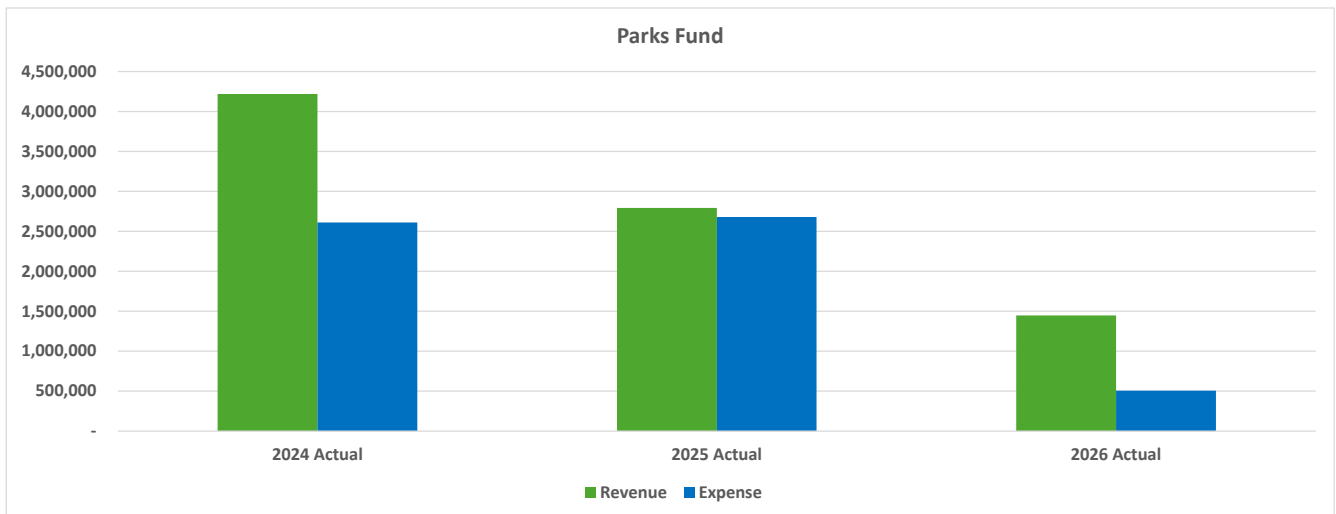
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 210 – Open Space Fund						
Account Type: Revenue						
410000	Tax Revenue	2,628,199	2,676,664	2,576,950	403,966	16%
430000	Grant Revenue	59,926	256,652	3,290	40,081	1218%
460000	Miscellaneous Revenue	101,060	144,748	89,106	28,965	33%
980000	Transfer In	1,112,316	-	-	-	
Total Revenue		3,901,500	3,078,064	2,669,346	473,012	18%
Account Type: Expenditure						
510000	Personnel	1,226,256	1,394,754	1,478,964	320,794	22%
520000	Supplies	54,434	43,434	30,151	5,048	17%
530000	Services	382,340	389,722	457,082	60,398	13%
580000	Depreciation Expense	8,107	1,560	-	-	
630000	Improv Other than Buildings	-	177,620	65,000	27,822	43%
640000	Motor Vehicle/Road Equipment	14,000	51,943	120,000	-	0%
660000	Infrastructure	134,239	110,938	380,000	21,872	6%
Total Expenditure		1,819,377	2,169,972	2,531,197	435,934	17%
Total 210 – Open Space Fund		2,082,123	908,092	138,149	37,078	



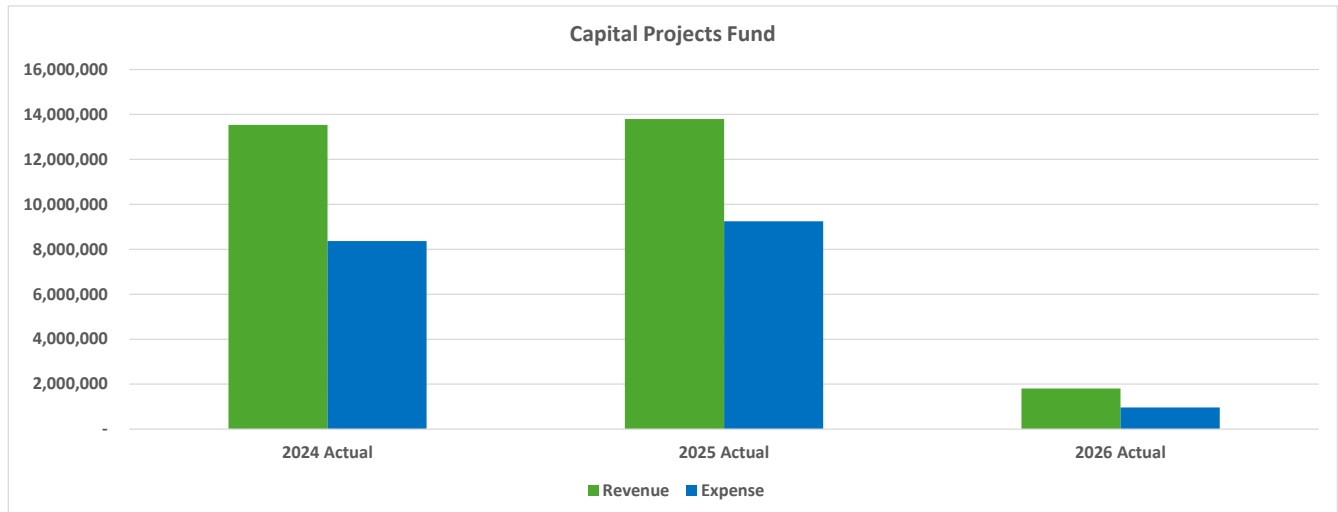
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 211 – Parks Fund						
Account Type: Revenue						
410000	Tax Revenue	1,590,492	1,605,761	1,545,974	242,507	16%
430000	Grant Revenue	-	4,750	3,290	-	0%
460000	Miscellaneous Revenue	102,325	122,728	73,105	24,631	34%
490000	Other Revenue	7,149	11,489	-	-	
980000	Transfer In	2,518,039	1,048,400	1,179,900	1,179,900	100%
Total Revenue		4,218,005	2,793,128	2,802,269	1,447,038	52%
Account Type: Expenditure						
510000	Personnel	1,491,131	1,500,275	1,891,346	347,600	18%
520000	Supplies	110,313	95,547	160,805	12,049	7%
530000	Services	828,971	791,859	894,241	96,627	11%
580000	Depreciation Expense	59,774	3,130	-	27	
630000	Improv Other than Buildings	16,397	237,102	-	27,822	
640000	Motor Vehicle/Road Equipment	94,772	-	-	-	
660000	Infrastructure	9,502	50,613	-	21,872	
Total Expenditure		2,610,859	2,678,527	2,946,392	505,997	17%
Total 211 – Parks Fund		1,607,146	114,601	(144,123)	941,040	



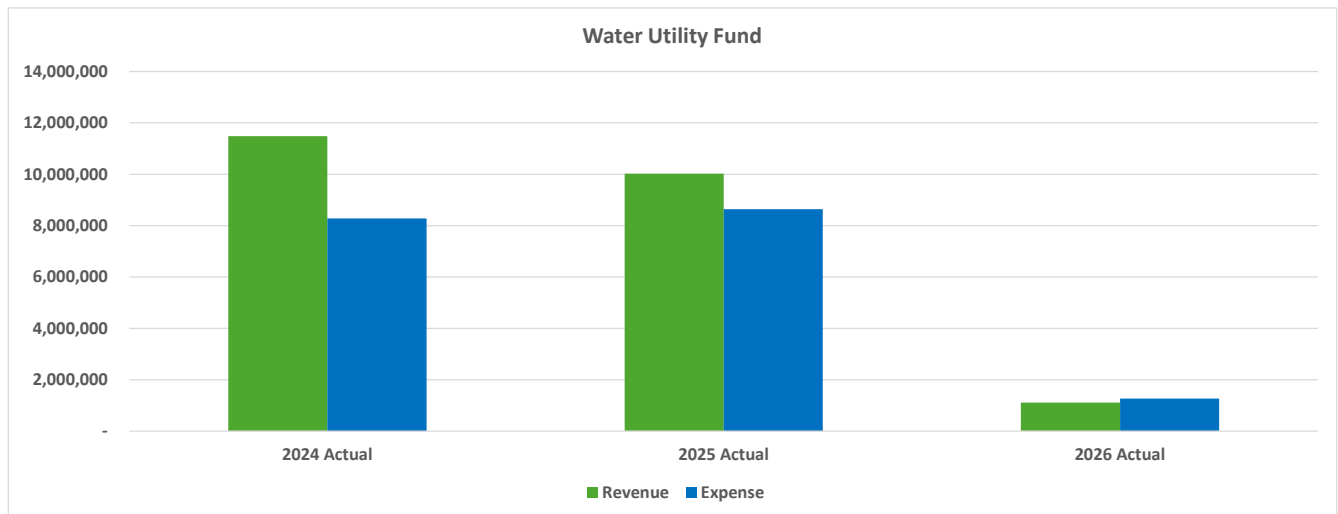
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 301 – Capital Projects Fund						
Account Type: Revenue						
410000	Tax Revenue	9,898,319	8,934,767	9,125,857	1,476,180	16%
430000	Grant Revenue	1,577,418	2,860,049	3,800,000	150,751	4%
440000	Fees	-	17,000	25,000	-	0%
460000	Miscellaneous Revenue	2,002,070	1,429,693	3,117,210	177,413	6%
490000	Other Revenue	6,101	-	-	-	-
980000	Transfer In	50,000	558,666	-	-	-
Total Revenue		13,533,908	13,800,176	16,068,067	1,804,343	11%
Account Type: Expenditure						
510000	Personnel	384,910	427,275	454,938	114,111	25%
520000	Supplies	-	69,122	-	-	-
530000	Services	9,714	14,880	12,610	2,505	20%
600000	Fixed Asset-Capital	2,400	198,490	474,000	99,637	21%
610000	Land Acquisitions	-	13,948	-	1,425	-
620000	Building Improvements-General	212,537	629,280	401,525	-	0%
630000	Improv Other than Buildings	792,278	2,078,147	1,809,200	2,579	0%
640000	Motor Vehicle/Road Equipment	393,382	621,849	989,666	399,591	40%
650000	Office Furniture and Fixtures	279,211	40,776	587,500	18,869	3%
660000	Infrastructure	6,018,179	4,993,484	17,448,828	158,656	1%
670000	Water Rights	120,000	-	-	-	-
990000	Transfer Out	153,550	158,200	162,900	162,900	100%
Total Expenditure		8,366,161	9,245,450	22,341,167	960,273	4%
Total 301 – Capital Projects Fund		5,167,747	4,554,725	(6,273,100)	844,071	-



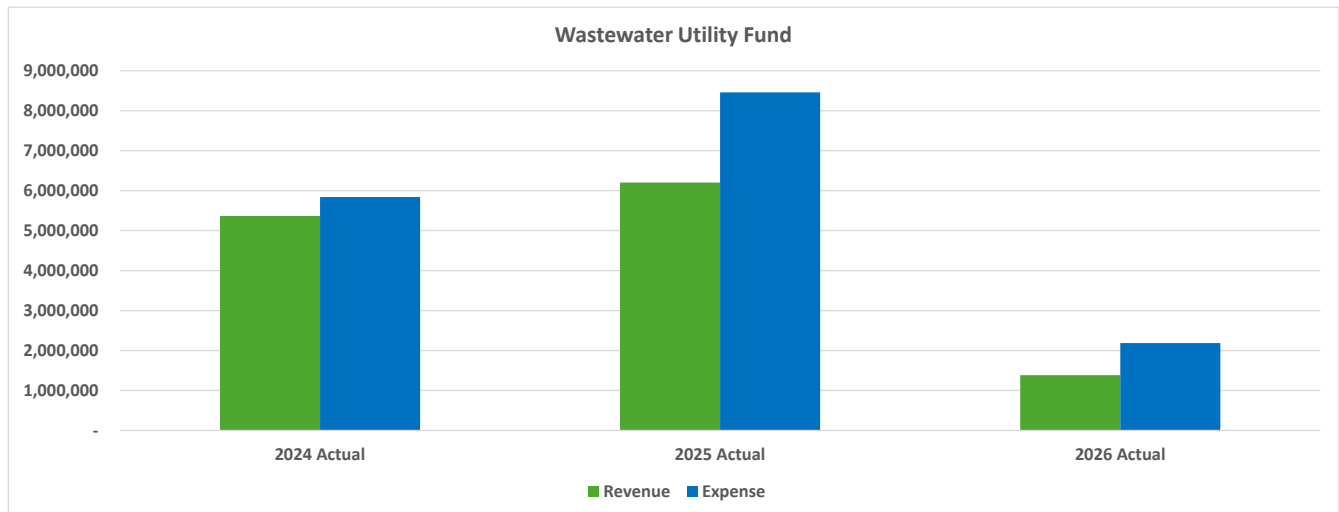
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 501 – Water Utility Fund						
Account Type: Revenue						
430000	Grant Revenue	137,539	9,684	-	-	
440000	Fees	10,097,273	8,325,814	12,625,830	919,140	7%
460000	Miscellaneous Revenue	1,121,366	1,681,491	881,210	188,213	21%
490000	Other Revenue	128,099	8,803	-	-	
Total Revenue		11,484,277	10,025,793	13,507,040	1,107,354	8%
Account Type: Expenditure						
510000	Personnel	2,246,808	2,339,861	2,552,179	640,147	25%
520000	Supplies	554,979	691,090	665,131	65,818	10%
530000	Services	2,157,865	2,321,901	2,494,332	468,085	19%
570000	Loans	982,797	98,545	101,500	25,350	25%
580000	Depreciation Expense	4,347	5,760	5,760	5,760	100%
600000	Fixed Asset-Capital	-	-	-	-	
620000	Building Improvements-General	67,170	23,372	14,950	-	0%
630000	Improv Other than Buildings	-	-	-	-	
640000	Motor Vehicle/Road Equipment	660,760	701,048	2,365,000	59,296	3%
650000	Office Furniture and Fixtures	60,269	6,808	250,000	-	0%
660000	Infrastructure	1,545,429	2,453,352	2,354,000	3,676	0%
670000	Water Rights	-	-	-	-	
680000	CIP Asset-Capital	-	-	-	-	
990000	Transfer Out	-	-	-	-	
Total Expenditure		8,280,423	8,641,737	10,802,852	1,268,132	12%
Total 501 – Water Utility Fund		3,203,854	1,384,056	2,704,188	(160,778)	



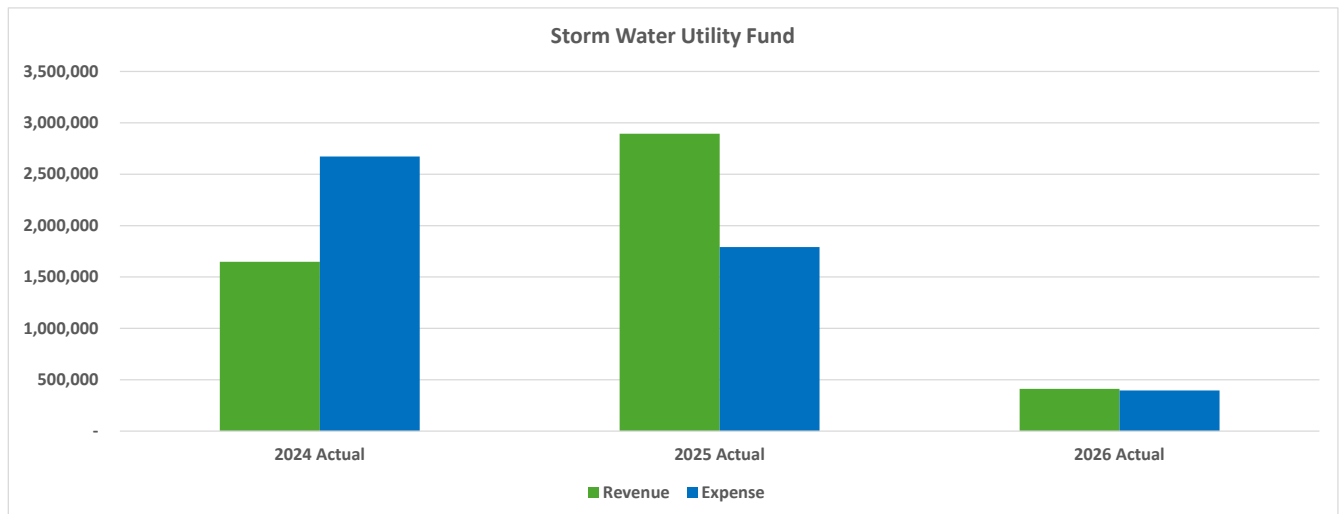
Q1 2026 Financial Update

Object Category		2024	2025	2026		
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 502 – Wastewater Utility Fund						
Account Type: Revenue						
440000	Fees	4,954,559	5,482,172	6,959,400	1,329,323	19%
460000	Miscellaneous Revenue	411,312	722,615	184,210	54,762	30%
980000	Transfer In	-	-	-	-	
Total Revenue		5,365,871	6,204,787	7,143,610	1,384,085	19%
Account Type: Expenditure						
510000	Personnel	1,548,544	1,684,570	1,986,499	487,259	25%
520000	Supplies	203,102	235,607	246,955	40,201	16%
530000	Services	1,168,151	1,460,144	1,476,024	455,228	31%
570000	Loans	1,276,702	1,999,638	2,011,700	1,005,805	50%
580000	Depreciation Expense	2,860	6,750	6,750	6,750	100%
620000	Building Improvements-General	-	53,849	-	-	
640000	Motor Vehicle/Road Equipment	112,610	528,463	45,000	-	0%
650000	Office Furniture and Fixtures	2,321	-	150,000	-	0%
660000	Infrastructure	1,524,337	2,492,082	617,000	192,974	31%
680000	CIP Asset-Capital	-	-	-	-	
Total Expenditure		5,838,628	8,461,103	6,539,928	2,188,217	33%
Total 502 – Wastewater Utility Fund		(472,757)	(2,256,316)	603,682	(804,132)	



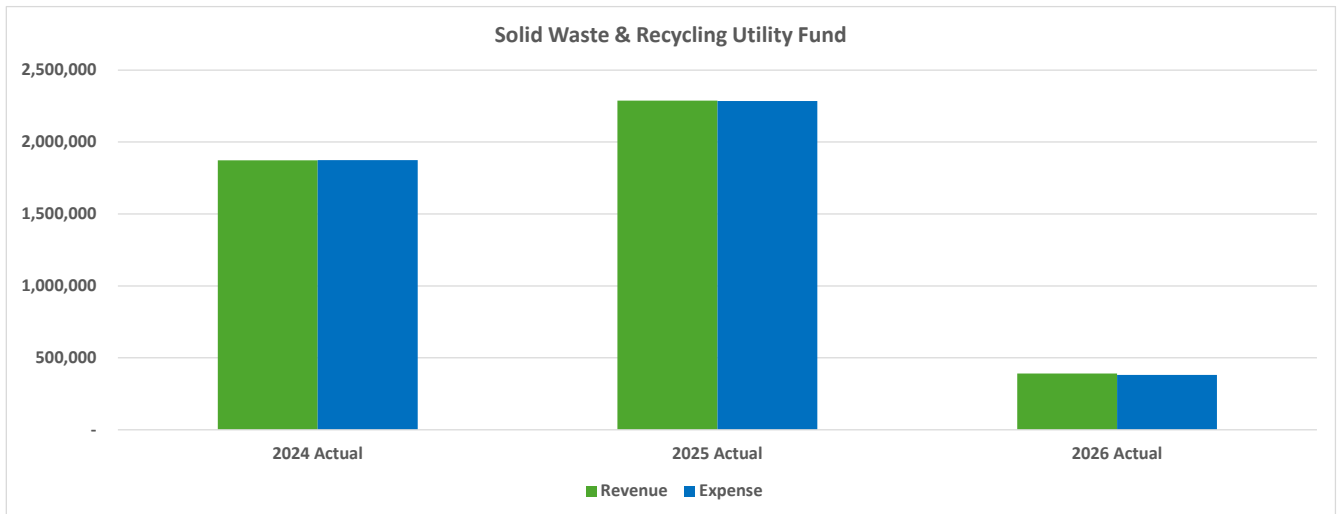
Q1 2026 Financial Update

Object Category		2024	2025	2026	
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual
Fund: 503 – Storm Water Utility Fund					
Account Type: Revenue					
420000	License and Permits	375	2,400	2,000	950
430000	Grant Revenue	225,659	54,341	-	-
440000	Fees	1,308,896	1,506,738	1,669,900	397,911
460000	Miscellaneous Revenue	113,222	1,330,848	60,000	12,612
Total Revenue		1,648,151	2,894,327	1,731,900	411,472
Account Type: Expenditure					
510000	Personnel	370,793	409,813	480,157	121,427
520000	Supplies	10,399	13,651	30,905	3,377
530000	Services	247,442	78,197	122,610	29,713
570000	Loans	261,493	409,564	412,100	206,008
630000	Improv Other than Buildings	1,621,206	1,857	-	-
640000	Motor Vehicle/Road Equipment	-	194,608	650,000	33,493
660000	Infrastructure	161,012	683,030	500,000	786
680000	CIP Asset-Capital	-	-	-	-
Total Expenditure		2,672,345	1,790,720	2,195,772	394,803
Total 503 – Storm Water Utility Fund		(1,024,194)	1,103,607	(463,872)	16,669



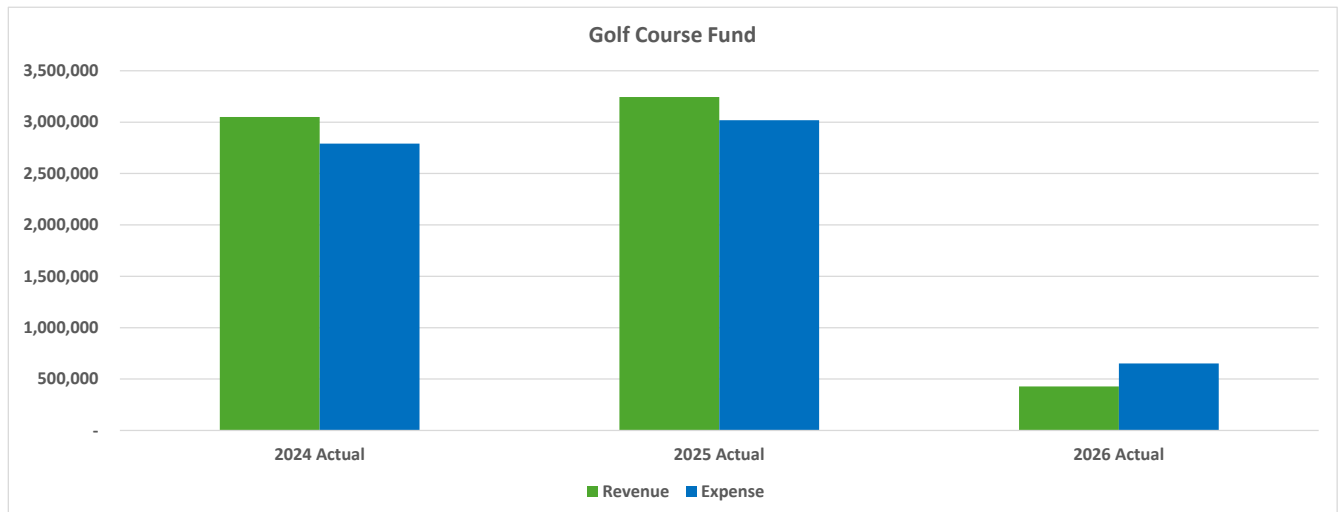
Q1 2026 Financial Update

Object Category		2024	2025	2026	
Object Category	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual
Fund: 510 – Solid Waste&Recyc Utility Fund					
Account Type: Revenue					
440000	Fees	1,859,429	2,277,954	2,564,550	390,051
460000	Miscellaneous Revenue	14,368	10,792	8,000	1,365
Total Revenue		1,873,797	2,288,746	2,572,550	391,416
Account Type: Expenditure					
510000	Personnel	91,639	93,716	78,716	19,955
520000	Supplies	9	9	6,000	9
530000	Services	1,782,699	2,192,156	2,494,000	361,492
Total Expenditure		1,874,347	2,285,881	2,578,716	381,456
Total 510 – Solid Waste&Recyc Utility Fund		(550)	2,866	(6,166)	9,960



Q1 2026 Financial Update

Object Category	Object Category	2024	2025	2026		
	Obj Category Title	Actual	Actual	Adopted Budget	Year-To-Date Actual	Year-To-Date Spent Pct
Fund: 520 – Golf Course Fund						
Account Type: Revenue						
430000	Grant Revenue	-	507,001	-	-	
440000	Fees	2,961,074	2,646,211	3,207,700	416,179	13%
460000	Miscellaneous Revenue	87,513	91,540	57,310	11,819	21%
490000	Other Revenue	2,500	-	-	-	
Total Revenue		3,051,087	3,244,752	3,265,010	427,998	13%
Account Type: Expenditure						
510000	Personnel	1,875,866	1,851,990	1,999,644	436,255	22%
520000	Supplies	315,781	337,751	299,397	107,146	36%
530000	Services	535,130	544,530	633,263	91,518	14%
580000	Depreciation Expense	3,080	7,807	6,390	6,390	100%
600000	Fixed Asset-Capital	-	-	-	-	
620000	Building Improvements-General	-	6,450	29,000	11,459	40%
630000	Improv Other than Buildings	46,500	-	523,616	-	0%
640000	Motor Vehicle/Road Equipment	7,500	265,265	-	-	
650000	Office Furniture and Fixtures	8,340	4,255	-	-	
Total Expenditure		2,792,197	3,018,047	3,491,310	652,767	19%
Total 520 – Golf Course Fund		258,890	226,705	(226,300)	(224,769)	



Subject: Q1 Cash and Investments Report
Date: May 18, 2026
Prepared By: Ryder Bailey, CPA, Finance Director
Presented By: Ryder Bailey, CPA, Finance Director

Summary:

Per Financial Policy 6.7 — Performance Standards and Reporting, the Finance Director shall provide the Finance Committee with quarterly investment reports.

Background / Prior Discussions:

As of March 31, 2026, total reported cash and investments equaled \$70.0 million, an increase of \$0.3 million since the beginning of the year. The average rate of return on total reported cash and investments for the three-month period ending March 31, 2026, is 0.51%.

Development Proposal:

NA

Analysis:

NA

Council Work Plan:

Core Services - Effectively managing the City's Cash and Investments are a Core Service.

Fiscal Impact:

Budgeted - funding / resources for this item have been fully budgeted and no amendment is required.

Alternatives:

NA

Recommendation:

Recieve and File.

Attachments:

1. 2026.03.31_Quarterly Report

INVESTMENT REPORT

City of Louisville | As of March 31, 2026

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

[ECONOMIC UPDATE](#)

[ACCOUNT PROFILE](#)

[PORTFOLIO HOLDINGS](#)

[TRANSACTIONS](#)

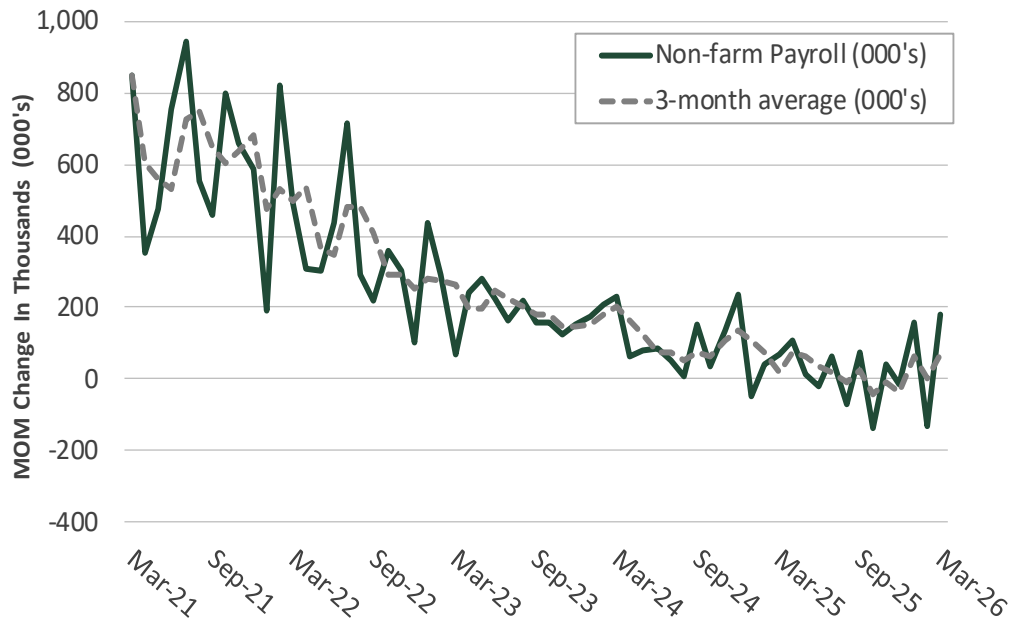
ECONOMIC UPDATE

- March payrolls rebounded by 178,000 after February's revised 133,000 decline, but the war in Iran and its disruption of the Strait of Hormuz have pushed crude oil above \$112, injecting a potential inflationary shock into an economy contending with sticky core prices above 3%. The Federal Reserve has held the funds rate at 3.50–3.75% and is signaling a cautionary stance, keeping open the option of delaying cuts if oil-related inflation proves persistent rather than transitory. As the data flow normalizes, the Chandler team anticipates additional yield curve steepening as the Federal Reserve gradually guides the policy rate toward a more neutral range. The Federal Reserve's March dot plot still projects one cut this year, yet the Iran-driven energy shock has narrowed the path toward easing.

- The Federal Reserve's March 2026 FOMC meeting ended with policymakers again holding the target range at 3.50%–3.75%, as the Committee maintained its pause following three late-2025 rate cuts. Governor Stephen Miran dissented in favor of an additional quarter-point reduction, while Christopher Waller joined the majority, tipping the vote 11–1 to leave the benchmark rate unchanged. Meanwhile, President Trump's nomination of Kevin Warsh to succeed Jerome Powell as chair has hit a roadblock after a Republican senator vowed to block Warsh's confirmation amid the Justice Department's ongoing probe of the central bank.

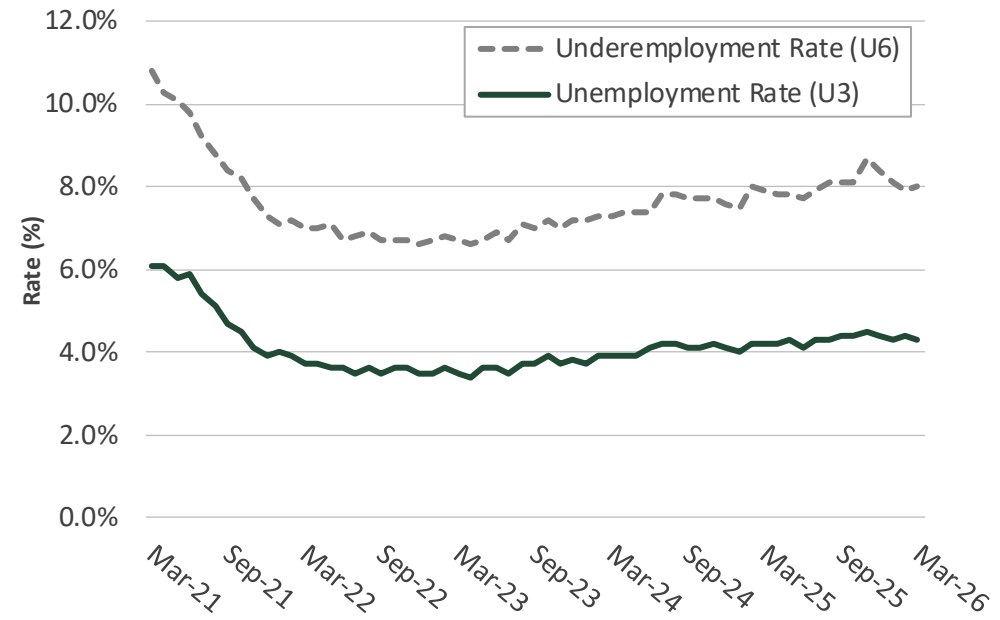
- Treasury yields exhibited considerable first-quarter volatility as the Iran conflict injected energy-driven inflation fears into a market grappling with sticky core prices. At March month-end, the 2-year yield stood at 3.79%, up 32 basis points year-to-date, the 10-year at 4.32%, and the 30-year at 4.86%. The 2-year to 10-year spread narrowed to 52 basis points, reflecting pronounced flattening as short rates rose faster than longer maturities. One year ago, that spread stood near 32 basis points, providing context on normalization since the 2022 through 2024 yield curve inversion. The 3-month to 10-year spread was approximately 64 basis points at March month-end.

Nonfarm Payroll (000's)



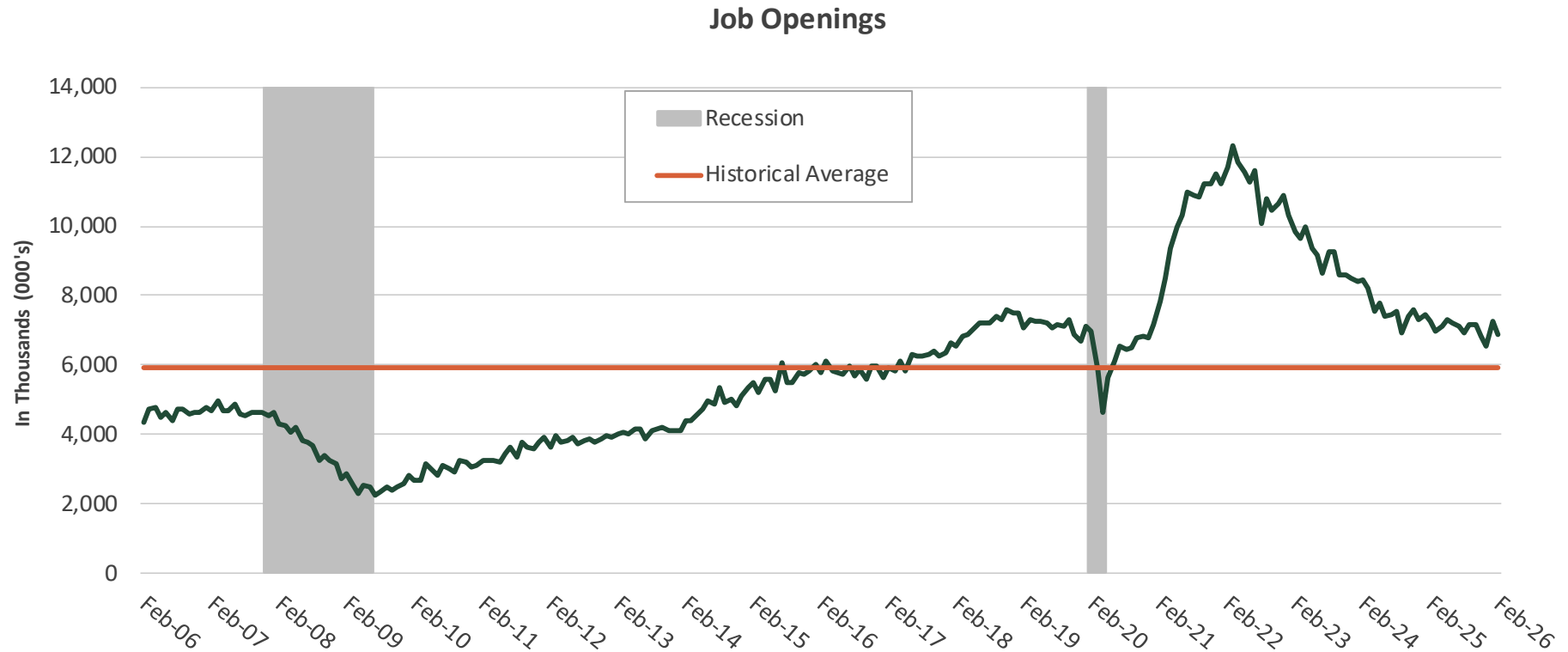
Source: US Department of Labor

Unemployment Rate



Source: US Department of Labor

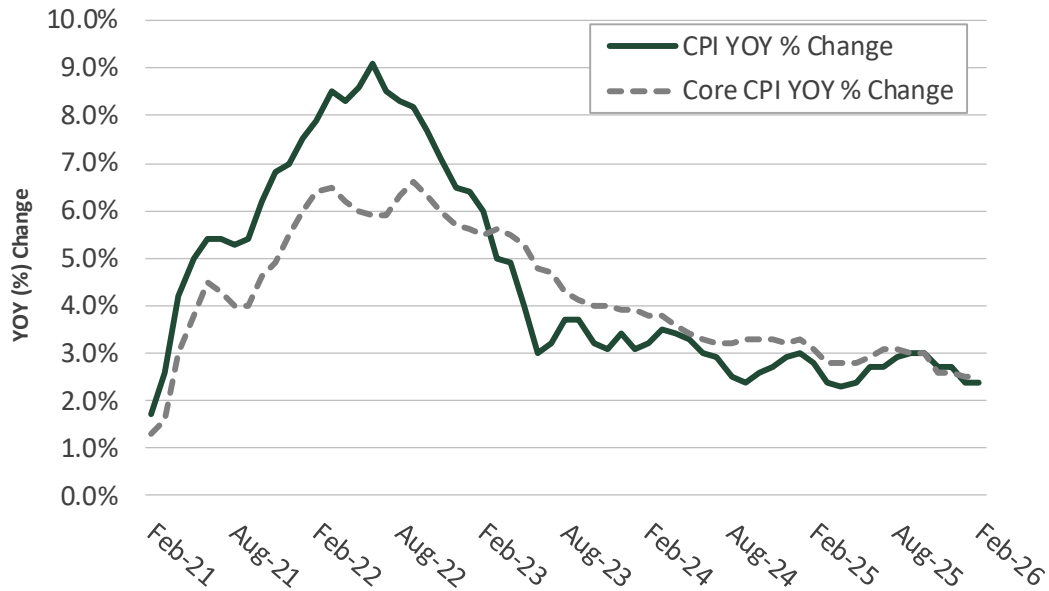
March nonfarm payrolls rose by 178,000, a decisive reversal from February's revised 133,000 decline that had been distorted by a Kaiser Permanente strike affecting over 30,000 healthcare workers and severe winter weather. Healthcare contributed 76,000 positions as striking nurses returned, while construction and leisure rebounded from weather-induced troughs. The unemployment rate edged lower to 4.3%, though partly from a labor force reduction rather than a hiring acceleration. Meanwhile, the underemployment rate edged up to 8.0% from 7.9% in February. Average hourly earnings rose 0.2% over the month and 3.5% year over year—the slowest annual pace since May 2021.



Source: US Department of Labor

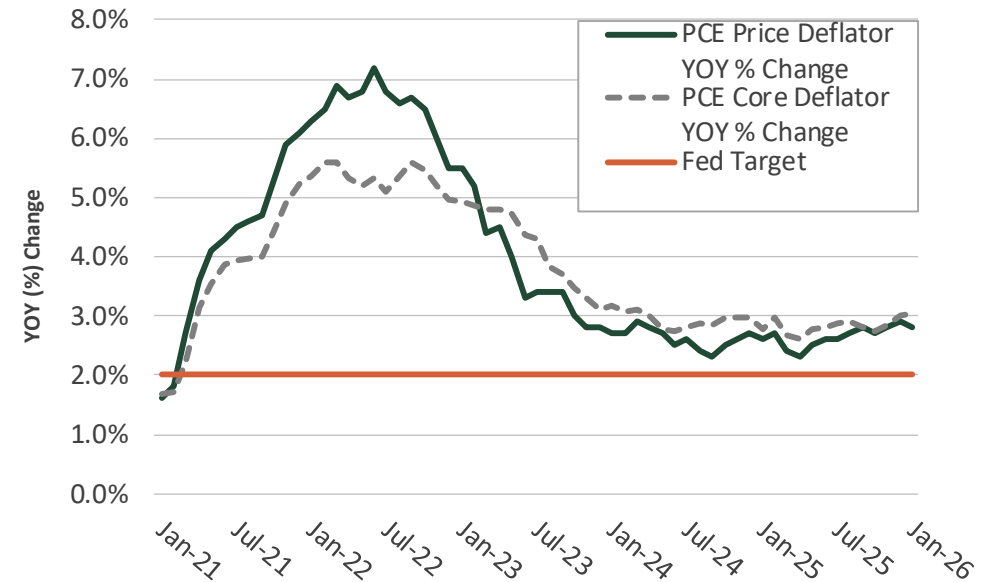
Job openings fell to 6.9 million in February from a revised 7.2 million in January, according to the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey. The ratio of openings to unemployed workers slipped to 0.9, reinforcing the gradual rebalancing of demand and supply. Hires decreased to 4.8 million, the lowest since April 2020, suggesting employers have grown selective about adding headcount. Quits were little changed at 3 million. The data reflects a labor market consistent with the Federal Reserve's characterization of a no-hire, no-fire environment.

Consumer Price Index (CPI)



Source: US Department of Labor

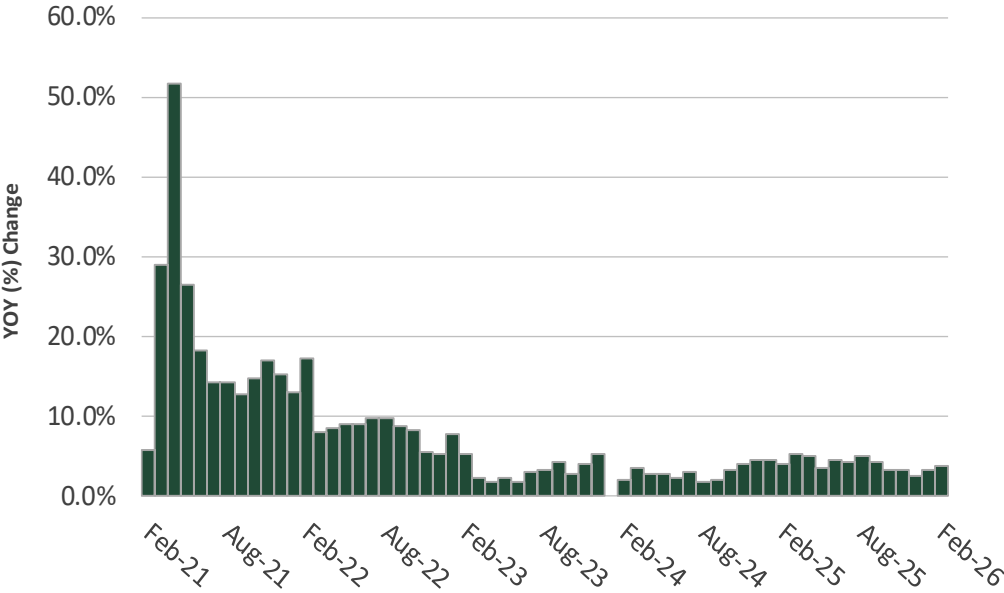
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

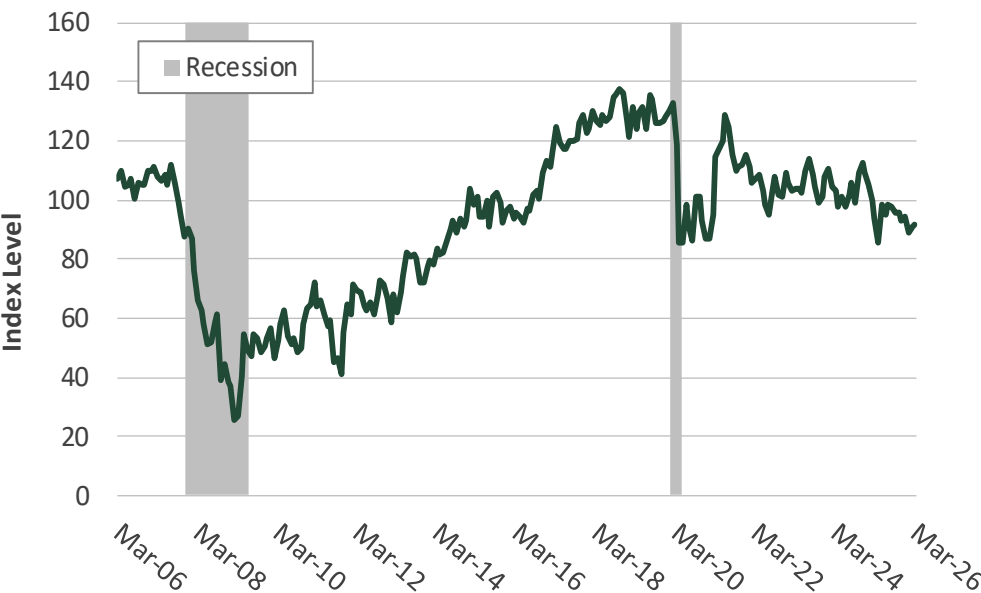
Inflation firmed slightly in February on a headline basis, with the Consumer Price Index (CPI) rising 0.3% for the month, following a 0.2% increase in January. On an annual basis, headline CPI rose 2.4%, unchanged from January. Core CPI, which excludes volatile food and energy prices, increased 0.2% in February, down from January's 0.3% pace, while the annual rate held steady at 2.5%. The Personal Consumption Expenditures (PCE) Index rose 0.3% in January, easing from a 0.4% gain in December. On a year-over-year basis, headline PCE also edged down to 2.8% from 2.9% the prior month. Core PCE held steady at 0.4% on the month but ticked up to 3.1% annually from 3.0% in December, driven largely by higher healthcare services costs.

Retail Sales YOY % Change



Source: US Department of Commerce

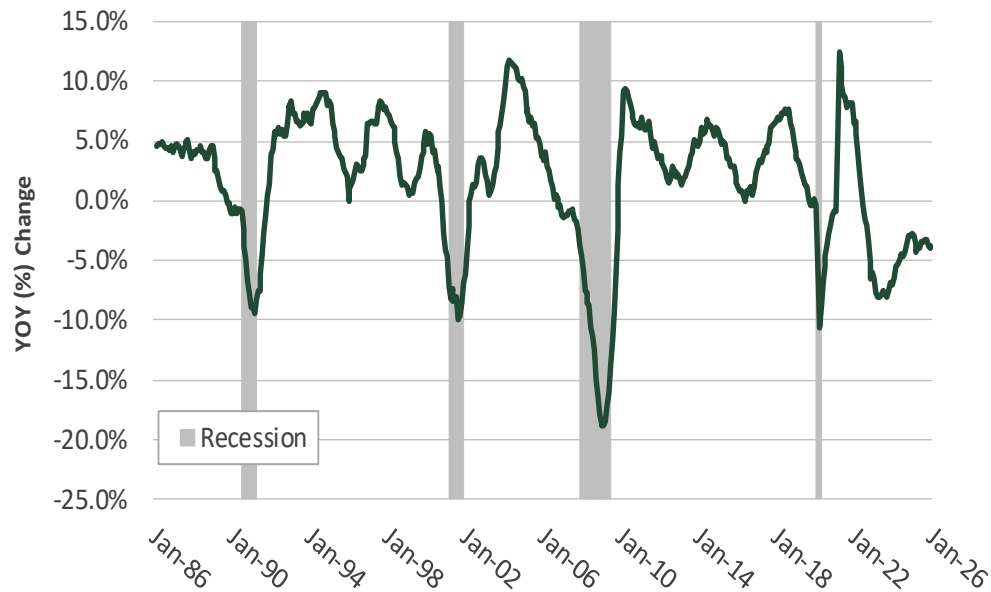
Consumer Confidence



Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

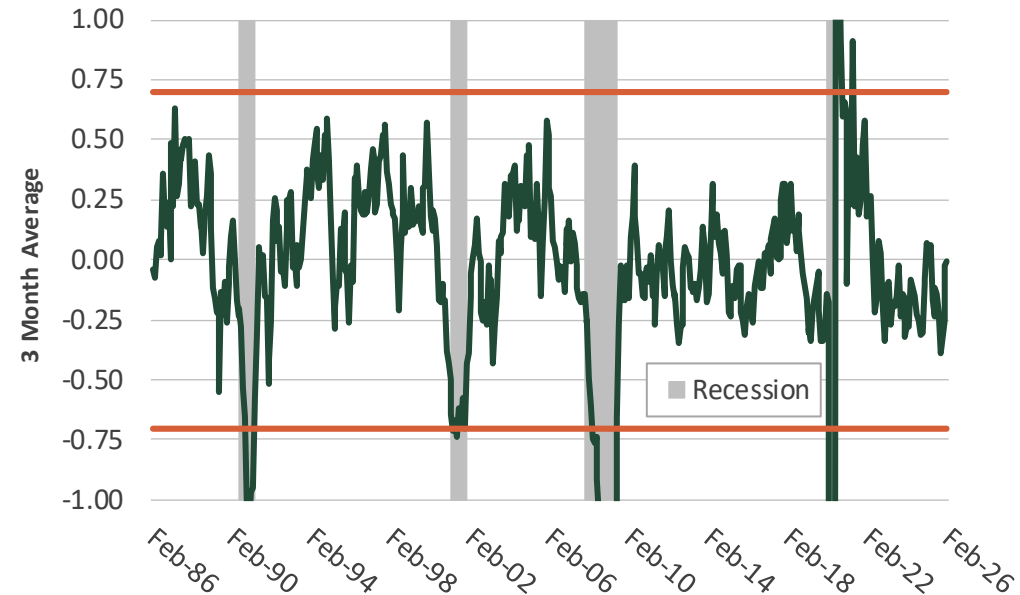
The Conference Board’s Consumer Confidence Index edged up to 91.8 in March from 91.0 in February, a second consecutive gain that nonetheless sits well below the all-time peak of 144.7 from early 2000. The Present Situation component rose 4.6 points to 123.3 on favorable assessments of business and labor conditions, while the Expectations Index slipped 1.7 points to 70.9. Inflation expectations climbed to their highest since August 2025, reflecting tariff passthrough and elevated gasoline prices. February retail sales rebounded 0.6% from January, with stronger auto and broad-based discretionary spending offsetting January’s weather- and vehicle-related weakness; the control group also advanced 0.5%, signaling firmer underlying consumer demand.

Leading Economic Indicators (LEI)



Source: The Conference Board

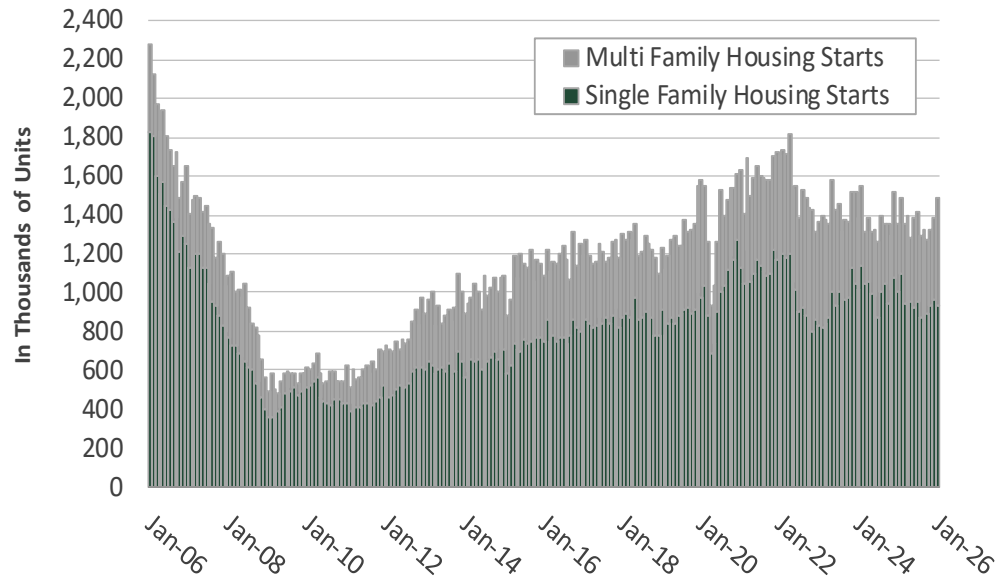
Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

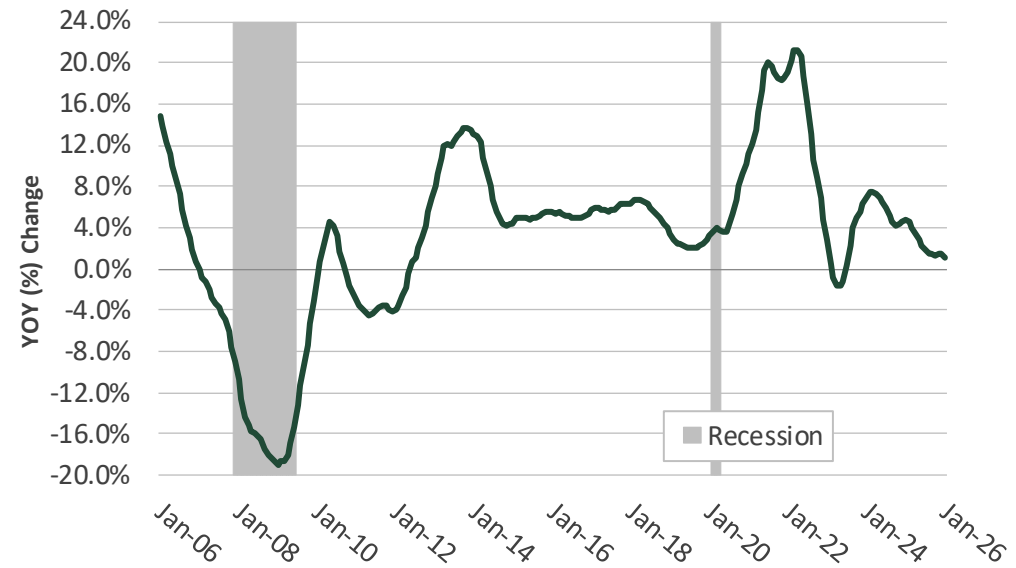
The Chicago Fed National Activity Index (CFNAI) fell to -0.11 in February, following a positive revision to 0.20 in January. The index's three-month moving average edged up to -0.01 from -0.02 the prior month. Production and employment related indicators turned negative in February, while sales, orders, and inventories also remained in negative territory. The personal consumption and housing categories slipped modestly but stayed in positive territory. The Conference Board's Leading Economic Index (LEI) declined 0.1% in January, an improvement from -0.2% in December, with consumer expectations and building permits the largest drags on the index. On a year-over-year basis, the LEI fell 3.8%, continuing to signal slower economic growth heading into 2026. Notably, the latest LEI data do not yet reflect the impact of the war in Iran.

Annualized Housing Starts



Source: US Department of Commerce

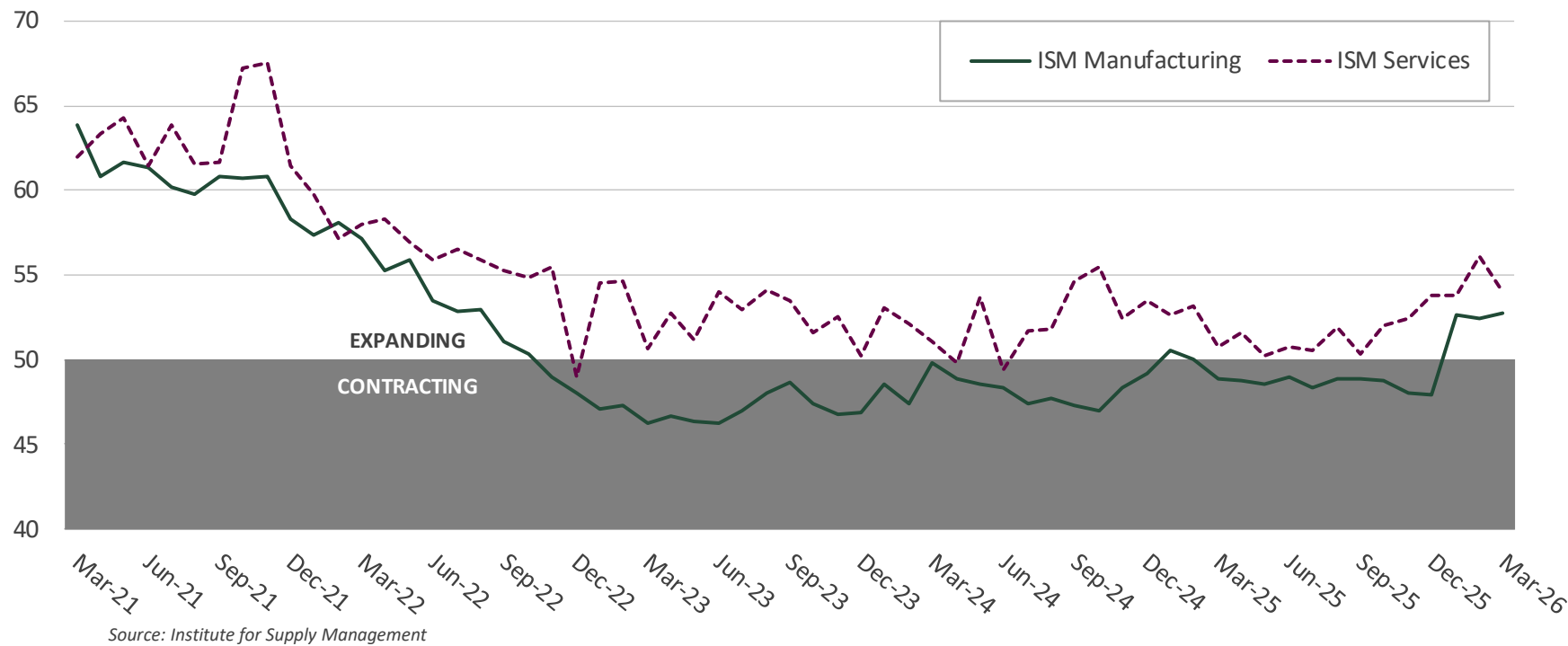
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

Housing starts rose 7.2% in January to an annualized pace of 1.487 million units, including 935,000 single-family and 552,000 multifamily starts. The January S&P Cotality Case-Shiller 20-City Composite posted a 1.18% year-over-year gain, continuing deceleration from December's revised 1.43% annual increase. Inflation again outpaced home price appreciation, extending the erosion of real housing returns that began in the second half of 2025. The Freddie Mac 30-year fixed mortgage rate climbed to 6.46% as of April 2, its fifth consecutive weekly rise, reversing progress made when rates dipped below 6% in February. Higher borrowing costs and elevated prices continue to constrain affordability.

Institute of Supply Management (ISM) Surveys



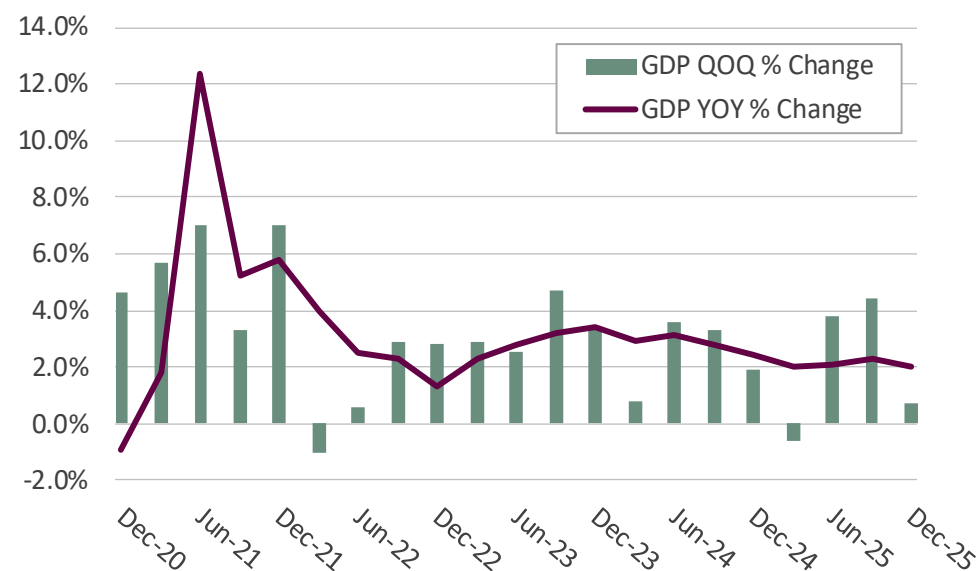
The Institute for Supply Management’s Manufacturing Index rose to 52.7 in March from 52.4, the fastest factory expansion since August 2022 and a third consecutive month above 50. Production accelerated to 55.1 from 53.5, though new orders decelerated to 53.5 from 55.8. The prices subindex leaped to 78.3 from 70.5, reflecting elevated energy costs, metals tariffs, and Iran-related supply disruptions. Employment remained in contraction at 48.7. The Services Index eased to 54.0 in March from 56.1 in February but still posted its 21st consecutive month of expansion. With both measures above the 50 threshold, ISM data point toward a resilient if cost-pressured economy.

GROSS DOMESTIC PRODUCT (GDP)

Components of GDP	3/25	6/25	9/25	12/25
Personal Consumption Expenditures	0.4%	1.7%	2.3%	1.3%
Gross Private Domestic Investment	3.8%	-2.7%	0.0%	0.6%
Net Exports and Imports	-4.7%	4.8%	1.6%	-0.2%
Federal Government Expenditures	-0.4%	-0.4%	0.2%	-1.2%
State and Local (Consumption and Gross Investment)	0.2%	0.3%	0.2%	0.1%
Total	-0.6%	3.8%	4.4%	0.7%

Source: US Department of Commerce

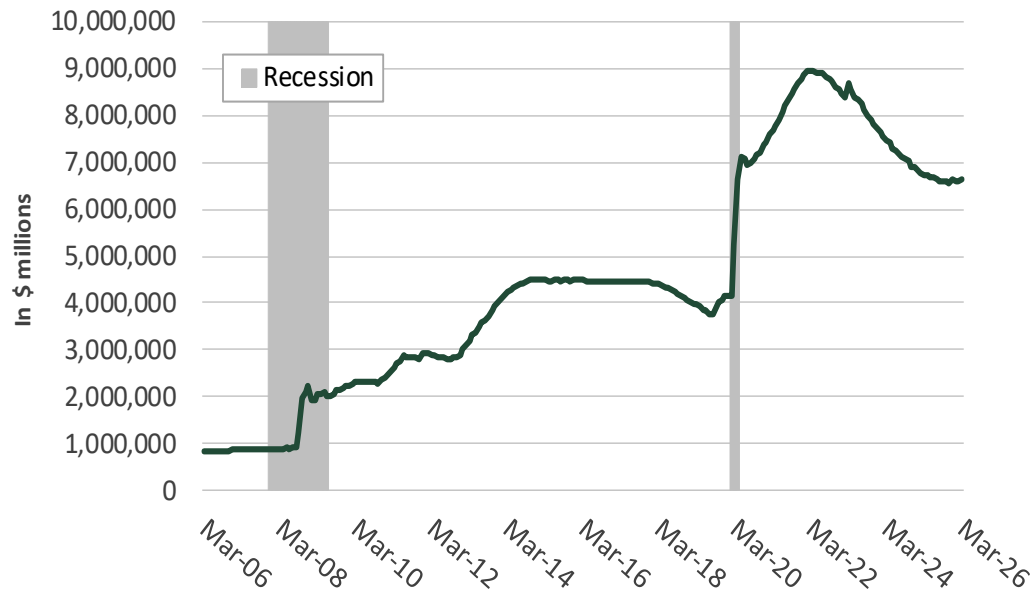
Gross Domestic Product (GDP)



Source: US Department of Commerce

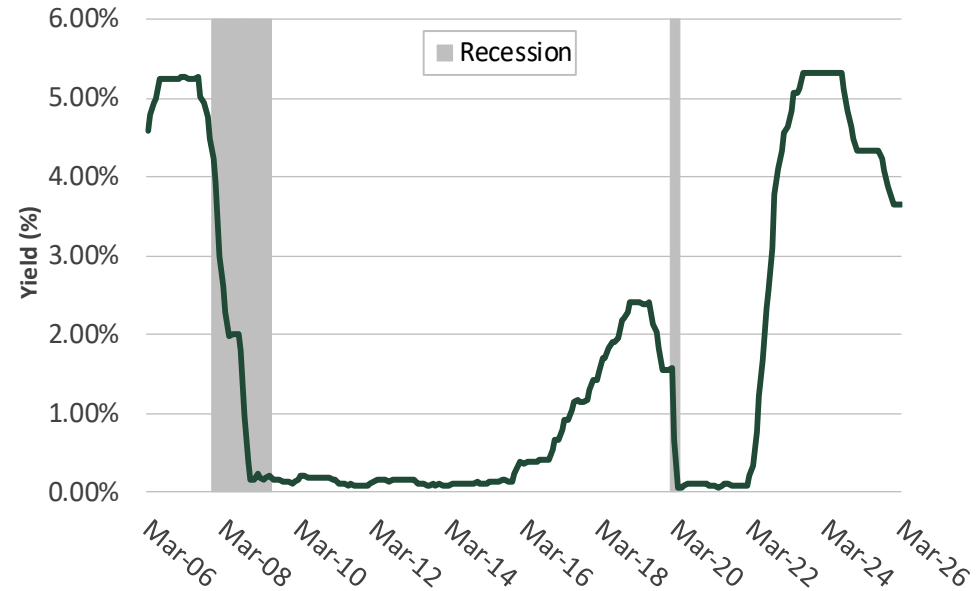
The second estimate of real gross domestic product (GDP) showed fourth-quarter growth revised down to 0.7% from the initial 1.4% estimate. The slowdown from 4.4% in the third quarter primarily reflected a sharp pullback in government spending, as the federal government shutdown weighed on activity. Personal Consumption Expenditures also declined across both goods and services.

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

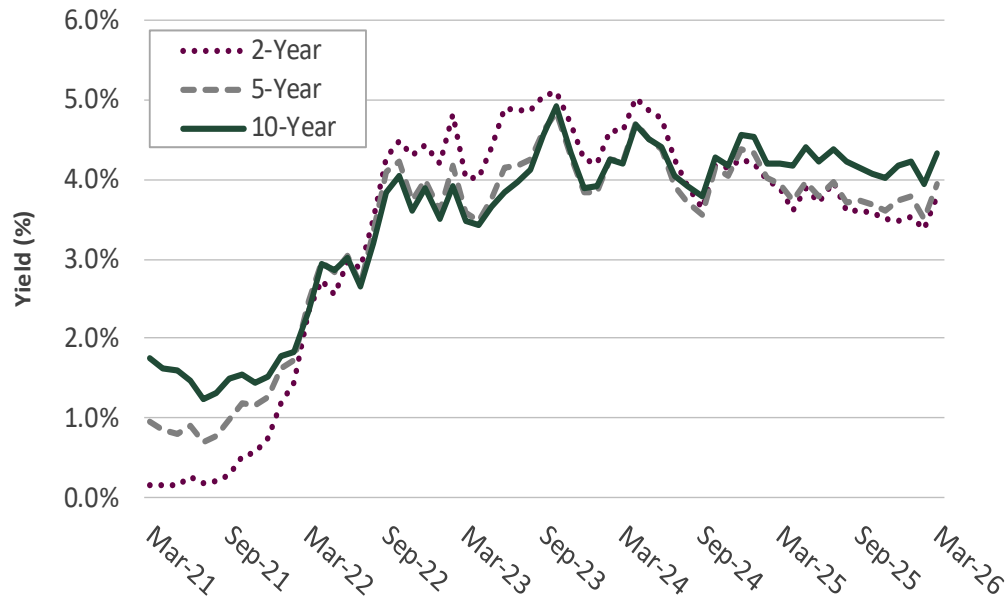
Effective Federal Funds Rate



Source: Bloomberg

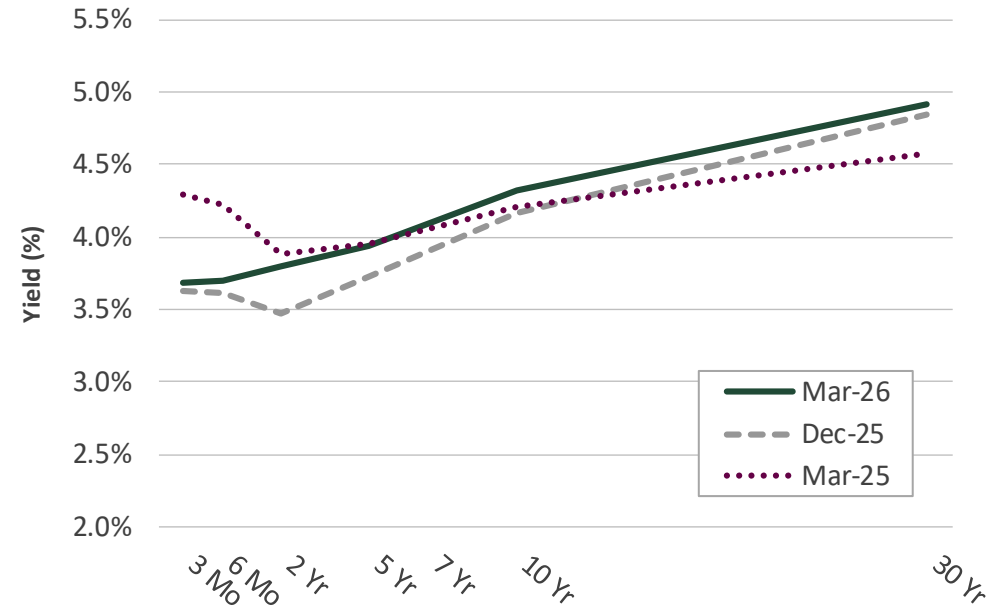
The Federal Reserve left its benchmark interest rate unchanged in March, keeping the target range at 3.50% to 3.75% following three late-2025 rate cuts that were justified by signs of softening in the labor market. However, policymakers have grown wary of potential inflationary pressures stemming from tariffs, the war in Iran, and the ensuing spike in commodity prices. The Federal Reserve now projects just one rate cut in 2026, even as inflation expectations rise. The Committee also reaffirmed its December decision to halt balance sheet runoff and to reinvest principal and interest payments from its securities holdings, signaling a continued emphasis on maintaining ample reserves and supporting orderly market functioning.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At March month-end, the 2-year Treasury yield stood at 3.79%, down approximately 9 basis points from one year ago, while the 10-year finished at 4.32%, roughly 11 basis points higher year-over-year. The spread between the two narrowed to 52 basis points, wider by 20 basis points year-over-year. The prior 2-year to 10-year inversion from July 2022 through August 2024 was historically long. The average spread since 2005 is approximately 95 basis points, suggesting the current slope sits well below its long-run norm. The 3-month to 10-year spread stood near 64 basis points at March month-end.

ACCOUNT PROFILE

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve its objective, we will invest the City's funds in a well diversified passive portfolio comprised primarily of U.S. Treasury and Agency securities. All securities will be in compliance with the City's Investment Policies and CRS 24-75-601.

STATEMENT OF COMPLIANCE



City of Louisville | Account #10236 | As of March 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
BANKERS' ACCEPTANCES				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 2)	0.0	0.0	Compliant	
CD'S				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 2)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	25.0	1.1	Compliant	
Max % Issuer (MV)	5.0	1.1	Compliant	
Max Maturity (Years)	3	0.0	Compliant	
Min Rating (AA- by 2)	0.0	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	95.0	9.7	Compliant	
Max % Issuer (MV)	35.0	8.3	Compliant	
Max Maturity (Years)	3	1	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	100.0	0.5	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



City of Louisville | Account #10236 | As of March 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CO, LOCAL AGENCY)				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	3.0	0.0	Compliant	
Min Rating (A- by 2)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (OTHER STATES)				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	3.0	0.0	Compliant	
Min Rating (AA- by 2)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	88.6	Compliant	
Max Maturity (Years)	5	4	Compliant	

PORTFOLIO CHARACTERISTICS



City of Louisville | Account #10236 | As of March 31, 2026

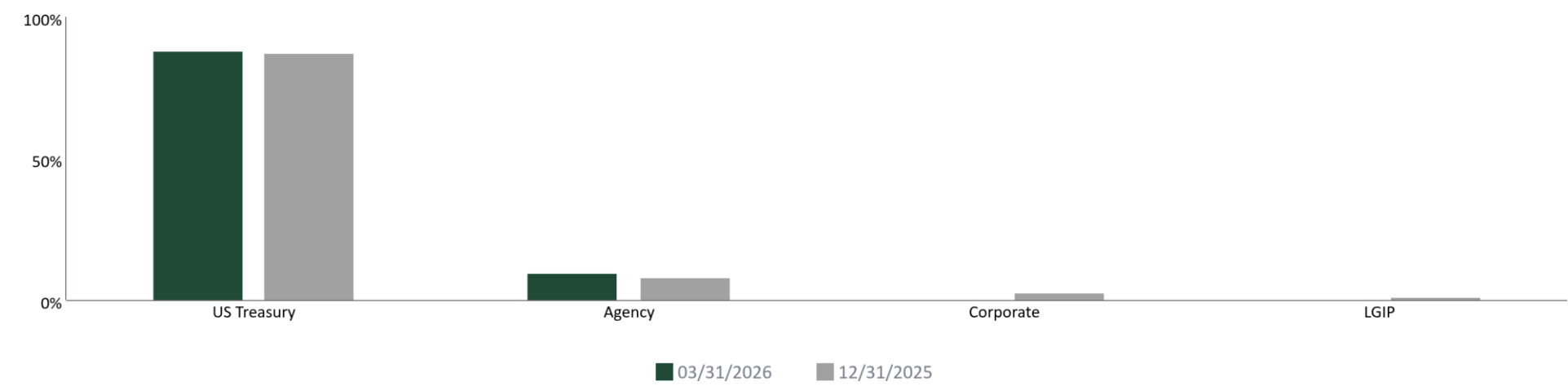
	Benchmark*	3/31/2026 Portfolio	12/31/2025 Portfolio
Average Maturity (yrs)	1.40	1.52	1.55
Average Modified Duration	1.34	1.42	1.44
Average Purchase Yield		3.92%	4.03%
Average Market Yield	3.72%	3.80%	3.57%
Average Quality**	AA+	AA+	AA+
Total Market Value		70,048,829	69,709,816

*Benchmark: ICE BofA 0-3 Year US Treasury Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION



City of Louisville | Account #10236 | As of March 31, 2026

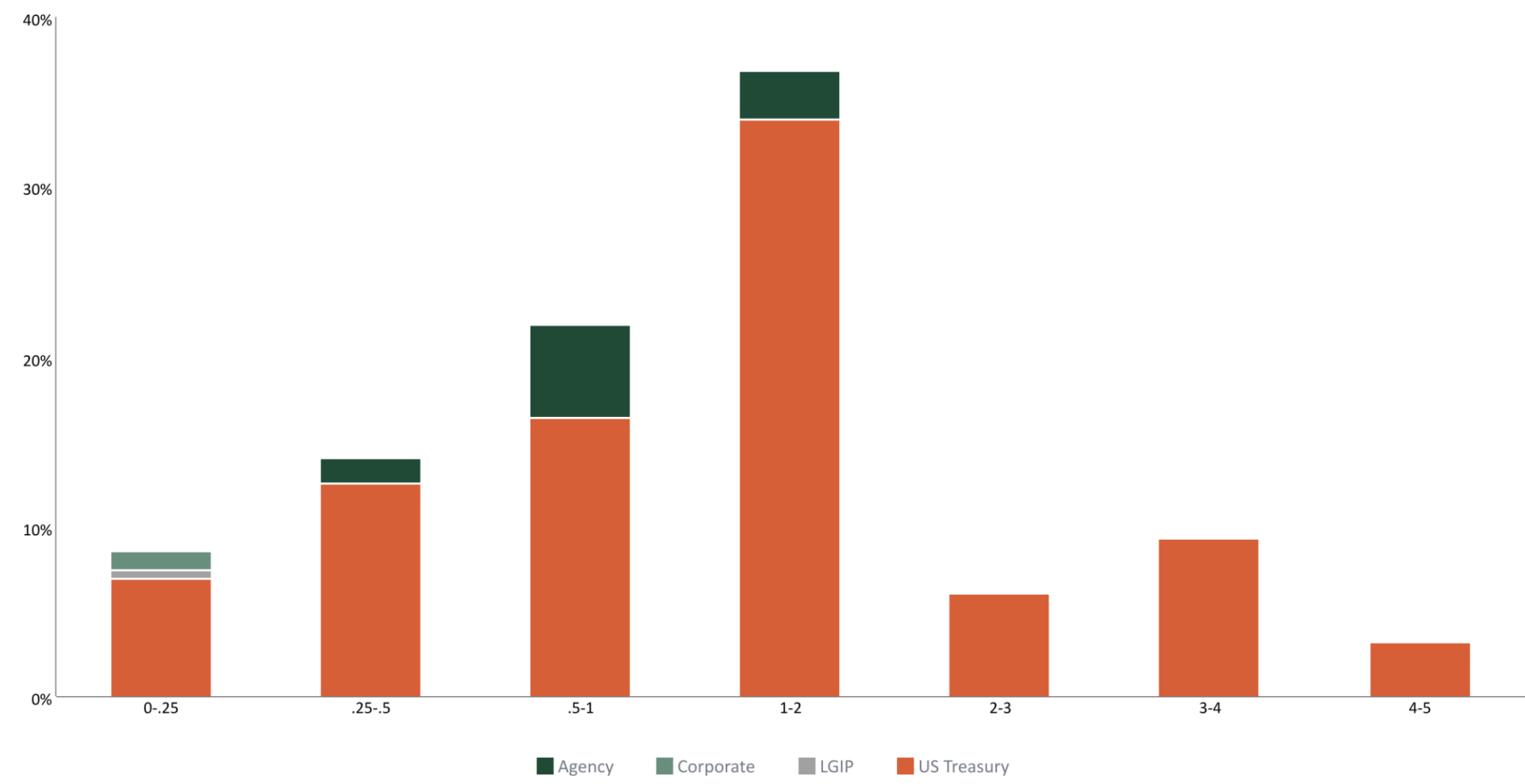


Sector as a Percentage of Market Value

Sector	03/31/2026	12/31/2025
US Treasury	88.63%	87.57%
Agency	9.74%	8.37%
Corporate	1.08%	2.90%
LGIP	0.55%	1.16%

DURATION ALLOCATION

City of Louisville | Account #10236 | As of March 31, 2026



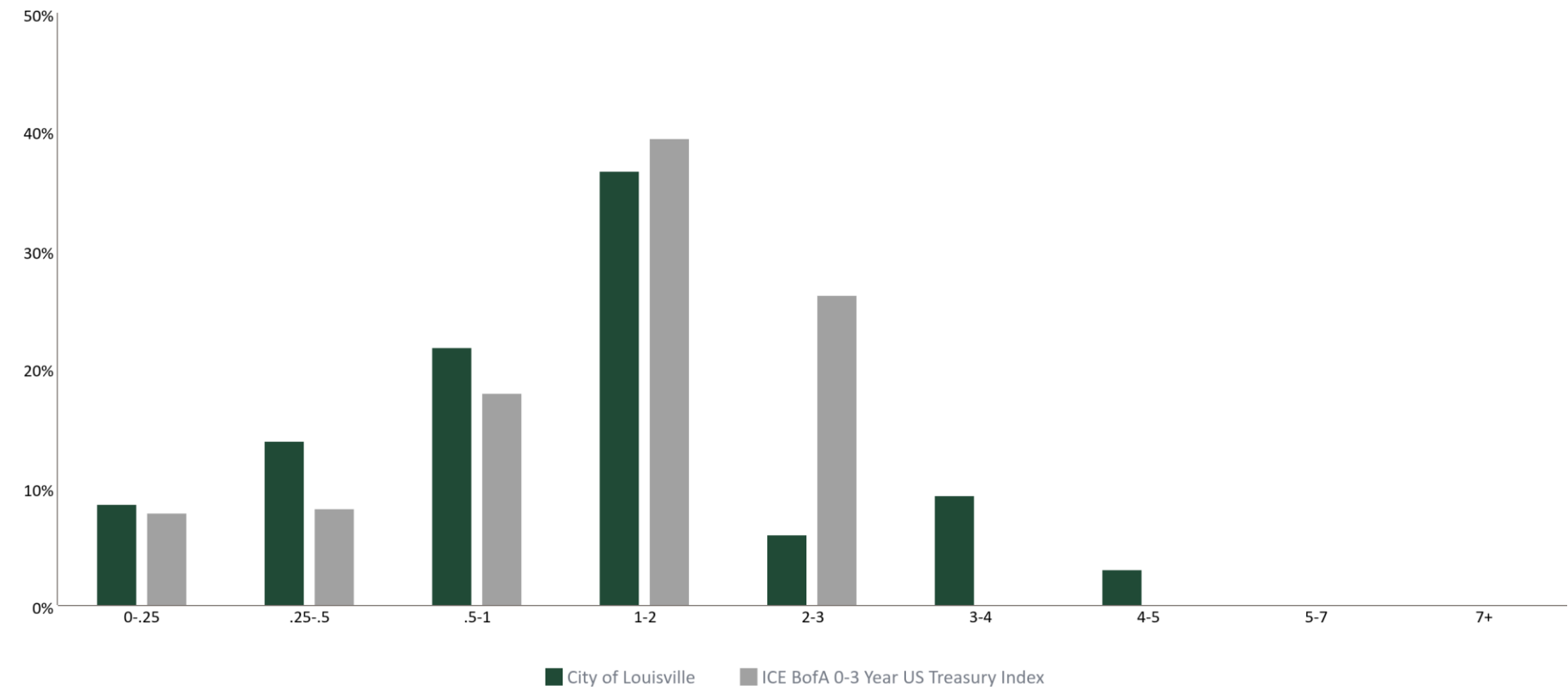
	0-25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
03/31/2026	8.6%	14.0%	21.9%	36.8%	6.1%	9.3%	3.2%	0.0%	0.0%

DURATION DISTRIBUTION



City of Louisville | Account #10236 | As of March 31, 2026

Portfolio Compared to the Benchmark



	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	8.6%	14.0%	21.9%	36.8%	6.1%	9.3%	3.2%	0.0%	0.0%
ICE BofA 0-3 Year US Treasury Index	7.9%	8.4%	17.9%	39.6%	26.2%	0.0%	0.0%	0.0%	0.0%

ISSUERS



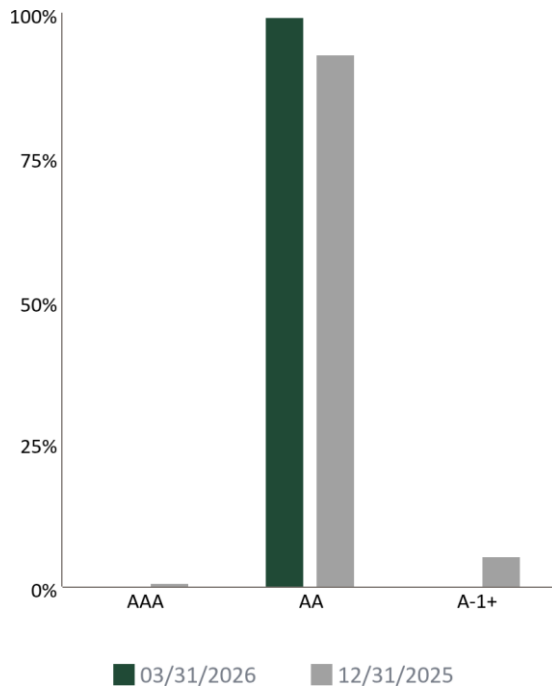
City of Louisville | Account #10236 | As of March 31, 2026

Issuer	Investment Type	% Portfolio
United States	US Treasury	88.63%
Federal Home Loan Banks	Agency	8.29%
Farm Credit System	Agency	1.45%
Walmart Inc.	Corporate	1.08%
Colorado Surplus Asset Fund Trust	LGIP	0.55%
Cash	Cash	0.00%
TOTAL		100.00%

QUALITY DISTRIBUTION

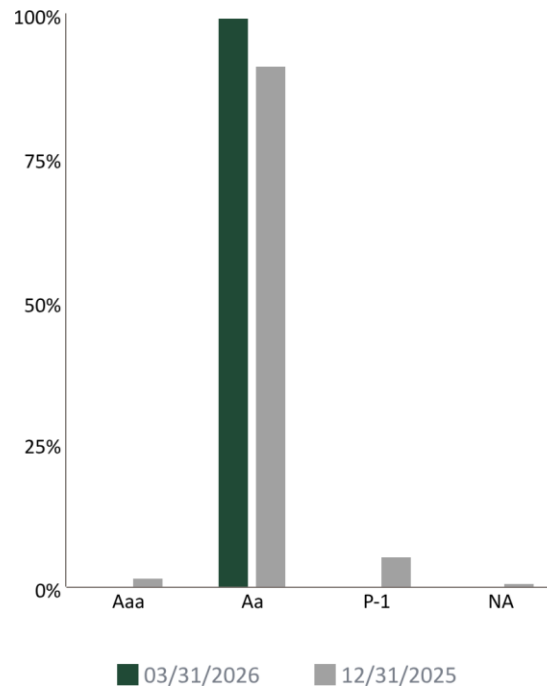
City of Louisville | Account #10236 | As of March 31, 2026

S&P Rating



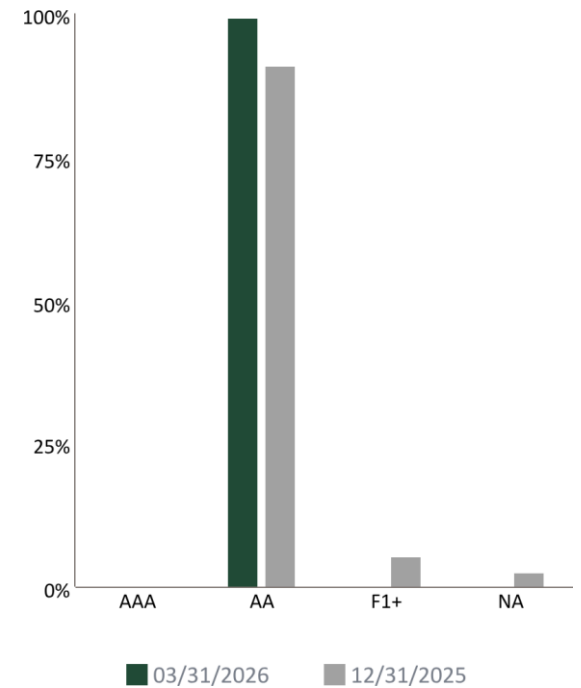
Rating	03/31/2026	12/31/2025
AAA	0.54%	1.15%
AA	99.46%	93.14%
A-1+	--	5.71%

Moody's Rating



Rating	03/31/2026	12/31/2025
Aaa	0.00%	1.82%
Aa	99.46%	91.33%
P-1	--	5.71%
NA	0.54%	1.15%

Fitch Rating



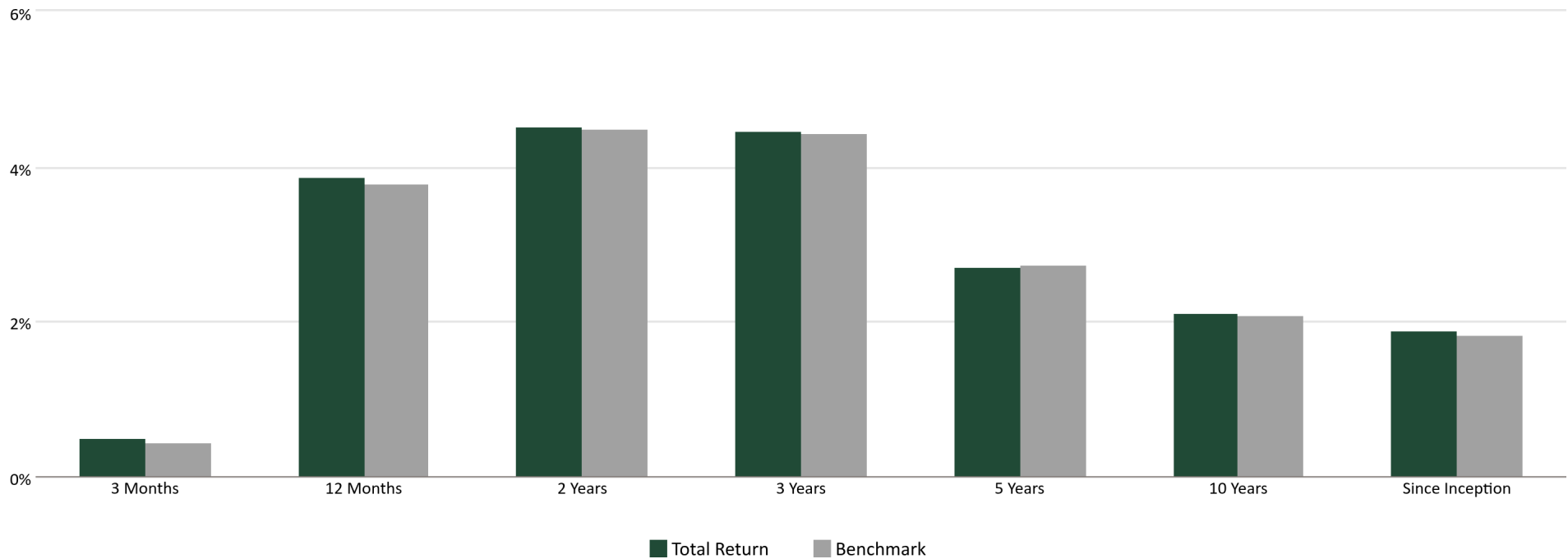
Rating	03/31/2026	12/31/2025
AAA	0.54%	0.00%
AA	99.46%	91.33%
F1+	--	5.71%
NA	--	2.96%

INVESTMENT PERFORMANCE



City of Louisville | Account #10236 | As of March 31, 2026

Total Rate of Return : Inception | 07/01/2014



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
City of Louisville	0.51%	3.87%	4.54%	4.47%	2.71%	2.12%	1.89%
Benchmark	0.45%	3.80%	4.50%	4.44%	2.73%	2.09%	1.85%

*Periods over 1 year are annualized.

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio. Realized rate of return: A measure of a portfolio's return over time. It is the internal rate which equates the beginning book value of the portfolio with the ending book value; it includes interest earnings, realized gains and losses in the portfolio.

Benchmark: ICE BofA 0-3 Year US Treasury Index

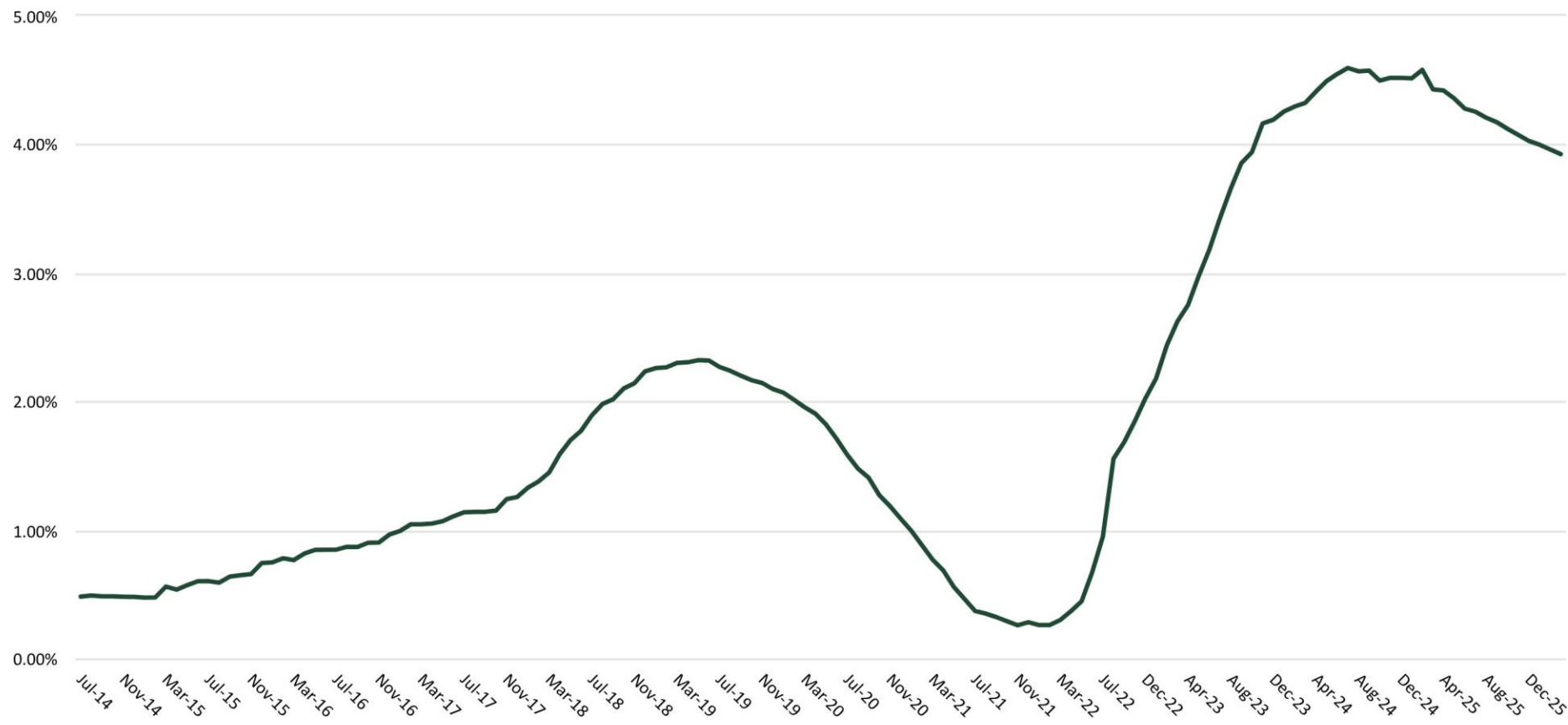
Historically the portfolio has been managed to the ICE BofA Blended 0-3 year Treasury Index until 8/31/2025. Starting 9/1/2025, we transitioned to the ICE BofA 0-3 Year US Treasury Index.

HISTORICAL AVERAGE PURCHASE YIELD



City of Louisville | Account #10236 | As of March 31, 2026

Purchase Yield as of 03/31/26 = 3.92%



PORTFOLIO HOLDINGS

HOLDINGS REPORT



City of Louisville | Account #10236 | As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY									
3133EPZY4	FEDERAL FARM CREDIT BANKS FUNDING CORP 5.0 07/30/2026	1,000,000.00	11/10/2023 4.93%	1,001,710.00 1,000,207.27	100.42 3.70%	1,004,155.00 8,472.22	1.45% 3,947.73	Aa1/AA+ AA+	0.33 0.33
3130B3A29	FEDERAL HOME LOAN BANKS 4.0 10/09/2026	1,250,000.00	10/17/2024 4.01%	1,249,762.50 1,249,937.08	100.13 3.75%	1,251,562.50 23,888.89	1.80% 1,625.42	Aa1/AA+ AA+	0.53 0.50
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	1,000,000.00	12/20/2023 4.16%	1,012,676.00 1,002,745.27	100.54 3.74%	1,005,419.00 17,215.28	1.45% 2,673.73	Aa1/AA+ AA+	0.63 0.61
3130B5K64	FEDERAL HOME LOAN BANKS 4.0 03/10/2027	1,500,000.00	03/14/2025 4.01%	1,499,775.00 1,499,893.26	100.18 3.80%	1,502,703.00 3,500.00	2.17% 2,809.74	Aa1/AA+ AA+	0.94 0.91
3130B9RC6	FEDERAL HOME LOAN BANKS 3.5 03/03/2028	2,000,000.00	03/18/2026 3.77%	1,989,740.00 1,989,926.55	99.50 3.77%	1,989,920.00 5,055.56	2.87% (6.55)	Aa1/AA+ AA+	1.93 1.84
Total Agency		6,750,000.00	4.10%	6,753,663.50 6,742,709.43	100.06 3.76%	6,753,759.50 58,131.94	9.74% 11,050.07		1.02 0.98
CASH									
CCYUSD	Receivable	944.99	--	944.99 944.99	1.00	944.99 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		944.99		944.99 944.99	1.00	944.99 0.00	0.00% 0.00		0.00 0.00
CORPORATE									
931142FA6	WALMART INC 4.0 04/15/2026	750,000.00	05/24/2023 4.19%	746,197.50 749,949.54	100.00 3.95%	749,994.00 13,833.33	1.08% 44.46	Aa2/AA AA	0.04 0.04
Total Corporate		750,000.00	4.19%	746,197.50 749,949.54	100.00 3.95%	749,994.00 13,833.33	1.08% 44.46		0.04 0.04
LOCAL GOV INVESTMENT POOL									
990009MK5	COLORADO SURPLUS ASSET FUND TRUST	379,738.59	-- 3.73%	379,738.59 379,738.59	1.00 3.73%	379,738.59 0.00	0.55% 0.00	NA/AAAm AAA	0.00 0.00
Total Local Gov Investment Pool		379,738.59	3.73%	379,738.59 379,738.59	1.00 3.73%	379,738.59 0.00	0.55% 0.00		0.00 0.00

HOLDINGS REPORT



City of Louisville | Account #10236 | As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
US TREASURY									
91282CKK6	UNITED STATES TREASURY 4.875 04/30/2026	1,200,000.00	07/17/2025 4.18%	1,206,281.25 1,200,636.91	100.09 3.70%	1,201,056.00 24,563.54	1.73% 419.09	Aa1/AA+ AA+	0.08 0.08
91282CKS9	UNITED STATES TREASURY 4.875 05/31/2026	1,600,000.00	06/20/2024 4.74%	1,604,062.50 1,600,343.79	100.16 3.81%	1,602,636.80 26,142.86	2.31% 2,293.01	Aa1/AA+ AA+	0.17 0.16
91282CHH7	UNITED STATES TREASURY 4.125 06/15/2026	2,000,000.00	06/04/2025 4.10%	2,000,546.88 2,000,109.38	100.08 3.69%	2,001,606.00 24,251.37	2.89% 1,496.62	Aa1/AA+ AA+	0.21 0.20
91282CHM6	UNITED STATES TREASURY 4.5 07/15/2026	2,500,000.00	06/17/2025 4.09%	2,510,546.88 2,502,825.06	100.21 3.73%	2,505,245.00 23,618.78	3.61% 2,419.94	Aa1/AA+ AA+	0.29 0.29
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	3,450,000.00	-- 3.92%	3,462,300.78 3,455,587.49	100.21 3.78%	3,457,358.85 18,762.95	4.98% 1,771.37	Aa1/AA+ AA+	0.38 0.37
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	2,800,000.00	-- 3.78%	2,818,195.31 2,810,402.19	100.39 3.75%	2,810,875.20 5,982.34	4.05% 473.01	Aa1/AA+ AA+	0.46 0.45
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	3,100,000.00	-- 4.08%	3,112,894.54 3,106,129.15	100.43 3.75%	3,113,289.70 39,867.79	4.49% 7,160.55	Aa1/AA+ AA+	0.71 0.68
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	2,250,000.00	-- 3.98%	2,245,976.57 2,250,353.09	100.20 3.74%	2,254,439.25 18,895.03	3.25% 4,086.16	Aa1/AA+ AA+	0.79 0.77
91282CKA8	UNITED STATES TREASURY 4.125 02/15/2027	1,500,000.00	04/02/2024 4.53%	1,483,769.53 1,495,044.13	100.31 3.76%	1,504,663.50 7,691.64	2.17% 9,619.37	Aa1/AA+ AA+	0.88 0.85
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	1,500,000.00	03/22/2024 4.36%	1,495,429.69 1,498,534.13	100.48 3.73%	1,507,242.00 2,944.97	2.17% 8,707.87	Aa1/AA+ AA+	0.96 0.93
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	3,000,000.00	-- 3.91%	3,020,351.57 3,017,735.73	100.76 3.74%	3,022,839.00 62,307.69	4.36% 5,103.27	Aa1/AA+ AA+	1.04 0.99
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	2,000,000.00	-- 4.03%	2,011,523.44 2,010,293.49	100.73 3.82%	2,014,688.00 34,060.77	2.90% 4,394.51	Aa1/AA+ AA+	1.12 1.07
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	1,000,000.00	06/20/2024 4.47%	1,004,257.81 1,001,720.33	100.94 3.82%	1,009,375.00 13,595.47	1.46% 7,654.67	Aa1/AA+ AA+	1.21 1.15
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	1,000,000.00	04/08/2025 3.79%	988,476.56 993,542.90	99.30 3.82%	993,047.00 8,169.89	1.43% (495.90)	Aa1/AA+ AA+	1.25 1.20
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	2,500,000.00	-- 3.89%	2,528,925.79 2,514,635.61	100.68 3.83%	2,516,992.50 22,962.71	3.63% 2,356.89	Aa1/AA+ AA+	1.29 1.23
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	1,000,000.00	09/17/2024 3.47%	1,007,578.13 1,003,578.36	99.88 3.84%	998,750.00 4,661.60	1.44% (4,828.36)	Aa1/AA+ AA+	1.38 1.32

HOLDINGS REPORT

City of Louisville | Account #10236 | As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	1,000,000.00	05/05/2025 3.84%	984,296.88 990,414.98	99.02 3.84%	990,195.00 2,717.39	1.43% (219.98)	Aa1/AA+ AA+	1.42 1.36
91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	1,000,000.00	09/17/2024 3.45%	997,812.50 998,934.29	99.35 3.84%	993,477.00 1,559.10	1.43% (5,457.29)	Aa1/AA+ AA+	1.46 1.40
91282CLQ2	UNITED STATES TREASURY 3.875 10/15/2027	3,250,000.00	-- 3.62%	3,265,302.73 3,262,027.62	100.06 3.83%	3,252,031.25 58,125.00	4.69% (9,996.37)	Aa1/AA+ AA+	1.54 1.45
91282CLX7	UNITED STATES TREASURY 4.125 11/15/2027	1,500,000.00	12/16/2024 4.22%	1,495,898.44 1,497,711.92	100.43 3.85%	1,506,445.50 23,416.78	2.17% 8,733.58	Aa1/AA+ AA+	1.63 1.53
91282CPL9	UNITED STATES TREASURY 3.375 11/30/2027	1,000,000.00	03/02/2026 3.50%	997,890.63 997,986.66	99.26 3.83%	992,617.00 11,311.81	1.43% (5,369.66)	Aa1/AA+ AA+	1.67 1.59
91282CMB4	UNITED STATES TREASURY 4.0 12/15/2027	2,000,000.00	-- 3.92%	1,999,570.31 2,002,761.48	100.27 3.83%	2,005,390.00 23,516.48	2.89% 2,628.52	Aa1/AA+ AA+	1.71 1.62
91282CMF5	UNITED STATES TREASURY 4.25 01/15/2028	1,250,000.00	01/17/2025 4.31%	1,247,851.56 1,248,709.75	100.71 3.83%	1,258,837.50 11,153.31	1.81% 10,127.75	Aa1/AA+ AA+	1.79 1.70
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	1,500,000.00	03/14/2025 3.98%	1,500,761.72 1,500,493.46	100.33 3.82%	1,504,921.50 5,217.39	2.17% 4,428.04	Aa1/AA+ AA+	1.92 1.82
91282CMS7	UNITED STATES TREASURY 3.875 03/15/2028	1,000,000.00	10/17/2025 3.44%	1,009,960.94 1,008,109.59	100.11 3.81%	1,001,133.00 1,790.08	1.44% (6,976.59)	Aa1/AA+ AA+	1.96 1.86
91282CMW8	UNITED STATES TREASURY 3.75 04/15/2028	2,500,000.00	02/23/2026 3.47%	2,514,355.47 2,513,693.76	99.86 3.82%	2,496,582.50 43,269.23	3.60% (17,111.26)	Aa1/AA+ AA+	2.04 1.91
91282CNH0	UNITED STATES TREASURY 3.875 06/15/2028	1,800,000.00	12/05/2025 3.54%	1,814,484.38 1,812,689.58	100.13 3.81%	1,802,390.40 20,503.43	2.60% (10,299.18)	Aa1/AA+ AA+	2.21 2.07
91282CPC9	UNITED STATES TREASURY 3.5 10/15/2028	1,500,000.00	11/06/2025 3.58%	1,496,777.34 1,497,212.83	99.22 3.82%	1,488,340.50 24,230.77	2.15% (8,872.33)	Aa1/AA+ AA+	2.54 2.37
9128286B1	UNITED STATES TREASURY 2.625 02/15/2029	1,000,000.00	09/29/2025 3.66%	967,460.94 972,286.42	96.75 3.83%	967,500.00 3,263.12	1.39% (4,786.42)	Aa1/AA+ AA+	2.88 2.73
91282CGS4	UNITED STATES TREASURY 3.625 03/31/2030	2,000,000.00	-- 3.77%	1,987,890.63 1,989,470.72	98.96 3.91%	1,979,296.00 198.09	2.85% (10,174.72)	Aa1/AA+ AA+	4.00 3.68
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	2,000,000.00	08/11/2025 3.82%	2,004,609.38 2,004,009.62	99.85 3.91%	1,996,954.00 19,482.04	2.88% (7,055.62)	Aa1/AA+ AA+	4.25 3.85
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	2,500,000.00	08/11/2025 3.83%	2,518,945.31 2,516,522.32	100.32 3.92%	2,507,910.00 16,574.59	3.62% (8,612.32)	Aa1/AA+ AA+	4.33 3.92
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	2,250,000.00	09/16/2025 3.58%	2,254,130.86 2,253,683.29	98.77 3.93%	2,222,401.50 7,092.39	3.20% (31,281.79)	Aa1/AA+ AA+	4.42 4.02

HOLDINGS REPORT



City of Louisville | Account #10236 | As of March 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total US Treasury		61,450,000.00	3.90%	61,559,117.25 61,528,190.03	100.05 3.81%	61,480,526.45 611,900.43	88.63% (47,663.58)		1.60 1.50
Total Portfolio		69,330,683.58	3.92%	69,439,661.83 69,401,532.59	99.51 3.80%	69,364,963.53 683,865.70	100.00% (36,569.06)		1.52 1.42
Total Market Value + Accrued						70,048,829.23			

TRANSACTIONS

TRANSACTION LEDGER



City of Louisville | Account #10236 | 01/01/2026 Through 03/31/2026 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	01/02/2026	990009MK5	2,960.21	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(2,960.21)	0.00	(2,960.21)	0.00
Purchase	01/15/2026	990009MK5	1,201,875.00	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(1,201,875.00)	0.00	(1,201,875.00)	0.00
Purchase	01/22/2026	990009MK5	2,000,000.00	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(2,000,000.00)	0.00	(2,000,000.00)	0.00
Purchase	01/23/2026	91282CHY0	1,800,000.00	UNITED STATES TREASURY 4.625 09/15/2026	100.629	3.62%	(1,811,320.31)	(29,896.41)	(1,841,216.72)	0.00
Purchase	01/23/2026	91282CKJ9	2,000,000.00	UNITED STATES TREASURY 4.5 04/15/2027	101.066	3.60%	(2,021,328.13)	(24,725.27)	(2,046,053.40)	0.00
Purchase	01/30/2026	990009MK5	25,000.00	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(25,000.00)	0.00	(25,000.00)	0.00
Purchase	02/02/2026	990009MK5	53,149.21	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(53,149.21)	0.00	(53,149.21)	0.00
Purchase	02/17/2026	990009MK5	1,158,281.25	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(1,158,281.25)	0.00	(1,158,281.25)	0.00
Purchase	02/23/2026	990009MK5	1,270,312.50	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	(1,270,312.50)	0.00	(1,270,312.50)	0.00
Purchase	02/24/2026	91282CMW8	2,500,000.00	UNITED STATES TREASURY 3.75 04/15/2028	100.574	3.47%	(2,514,355.47)	(33,997.25)	(2,548,352.72)	0.00
Purchase	03/02/2026	990009MK5	1,110,975.08	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	(1,110,975.08)	0.00	(1,110,975.08)	0.00
Purchase	03/03/2026	91282CPL9	1,000,000.00	UNITED STATES TREASURY 3.375 11/30/2027	99.789	3.50%	(997,890.63)	(8,622.94)	(1,006,513.57)	0.00
Purchase	03/05/2026	990009MK5	6,365.04	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	(6,365.04)	0.00	(6,365.04)	0.00
Purchase	03/05/2026	91282CMB4	1,000,000.00	UNITED STATES TREASURY 4.0 12/15/2027	100.797	3.53%	(1,007,968.75)	(8,791.21)	(1,016,759.96)	0.00
Purchase	03/10/2026	990009MK5	30,000.00	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	(30,000.00)	0.00	(30,000.00)	0.00

TRANSACTION LEDGER

City of Louisville | Account #10236 | 01/01/2026 Through 03/31/2026 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/16/2026	990009MK5	132,875.00	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	(132,875.00)	0.00	(132,875.00)	0.00
Purchase	03/19/2026	3130B9RC6	2,000,000.00	FEDERAL HOME LOAN BANKS 3.5 03/03/2028	99.487	3.77%	(1,989,740.00)	(2,722.22)	(1,992,462.22)	0.00
Purchase	03/19/2026	990009MK5	7,537.78	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	(7,537.78)	0.00	(7,537.78)	0.00
Purchase	03/31/2026	990009MK5	36,250.00	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	(36,250.00)	0.00	(36,250.00)	0.00
Total Purchase			17,335,581.07				(17,378,184.36)	(108,755.30)	(17,486,939.66)	0.00
TOTAL ACQUISITIONS			17,335,581.07				(17,378,184.36)	(108,755.30)	(17,486,939.66)	0.00
DISPOSITIONS										
Maturity	01/15/2026	91282CGE5	(1,000,000.00)	UNITED STATES TREASURY 3.875 01/15/2026	100.000	4.33%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	01/22/2026	912797PD3	(2,000,000.00)	UNITED STATES TREASURY 01/22/2026	100.000	4.13%	2,000,000.00	0.00	2,000,000.00	0.00
Maturity	02/15/2026	91282CGL9	(1,000,000.00)	UNITED STATES TREASURY 4.0 02/15/2026	100.000	4.54%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	02/23/2026	037833BY5	(1,250,000.00)	APPLE INC 3.25 02/23/2026	100.000	4.00%	1,250,000.00	0.00	1,250,000.00	0.00
Maturity	02/28/2026	91282CKB6	(1,000,000.00)	UNITED STATES TREASURY 4.625 02/28/2026	100.000	4.66%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	03/05/2026	3133EP4K8	(1,000,000.00)	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 03/05/2026	100.000	4.93%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	03/19/2026	912797PV3	(2,000,000.00)	UNITED STATES TREASURY 03/19/2026	100.000	4.11%	2,000,000.00	0.00	2,000,000.00	0.00
Total Maturity			(9,250,000.00)				9,250,000.00	0.00	9,250,000.00	0.00
Sale	01/08/2026	990009MK5	(3,480.48)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	3,480.48	0.00	3,480.48	0.00

TRANSACTION LEDGER



City of Louisville | Account #10236 | 01/01/2026 Through 03/31/2026 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	01/23/2026	990009MK5	(3,887,270.12)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	3,887,270.12	0.00	3,887,270.12	0.00
Sale	02/06/2026	990009MK5	(3,489.30)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	3,489.30	0.00	3,489.30	0.00
Sale	02/24/2026	990009MK5	(2,548,352.72)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.75%	2,548,352.72	0.00	2,548,352.72	0.00
Sale	03/03/2026	990009MK5	(1,006,513.57)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	1,006,513.57	0.00	1,006,513.57	0.00
Sale	03/09/2026	990009MK5	(3,501.74)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	3,501.74	0.00	3,501.74	0.00
Sale	03/20/2026	990009MK5	(2,261.15)	COLORADO SURPLUS ASSET FUND TRUST	1.000	3.73%	2,261.15	0.00	2,261.15	0.00
Total Sale			(7,454,869.08)				7,454,869.08	0.00	7,454,869.08	0.00
TOTAL DISPOSITIONS			(16,704,869.08)				16,704,869.08	0.00	16,704,869.08	0.00

IMPORTANT DISCLOSURES



2026 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc (“IDS”), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client’s Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody’s, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities (“MBS”) reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

LGIP Yields: Reported yields for local government investment pools may be presented as either the 30-day yield or the monthly distribution yield, as applicable. For certain funds, the 30-day yield is calculated using reported daily yield data. Yield calculations are subject to change and may not be directly comparable across funds.

LAIF Yields: Additional Disclosure for CA Clients - As a result of a reporting lag from the Local Agency Investment Fund (LAIF), reported LAIF yields represent the most recently available Daily Effective Yield and may reflect data from approximately 7–10 days prior to month-end.

Benchmark	Disclosure
ICE BofA 0-3 Yr US Treasury Index	The ICE BofA 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion.

Subject: Review of Golf and Parks Funds Long-Term Financial Forecasts

Date: May 18, 2026

Prepared By: Ryder Bailey, CPA, Finance Director
Adam Blackmore, Parks, Recreation and Open Space Director
Mark Jensen, Golf Superintendent
Bo Lewis
Chris Davis

Presented By: Ryder Bailey, CPA, Finance Director

Summary:

In performing preliminary work in preparation of the 2027–2028 Biennial Budget Development process, Staff have identified ongoing structural funding issues in the Parks Fund and Golf Funds. This is a Discussion/Direction item for the Committee, with feedback to be incorporated into upcoming Budgetary discussions and process.

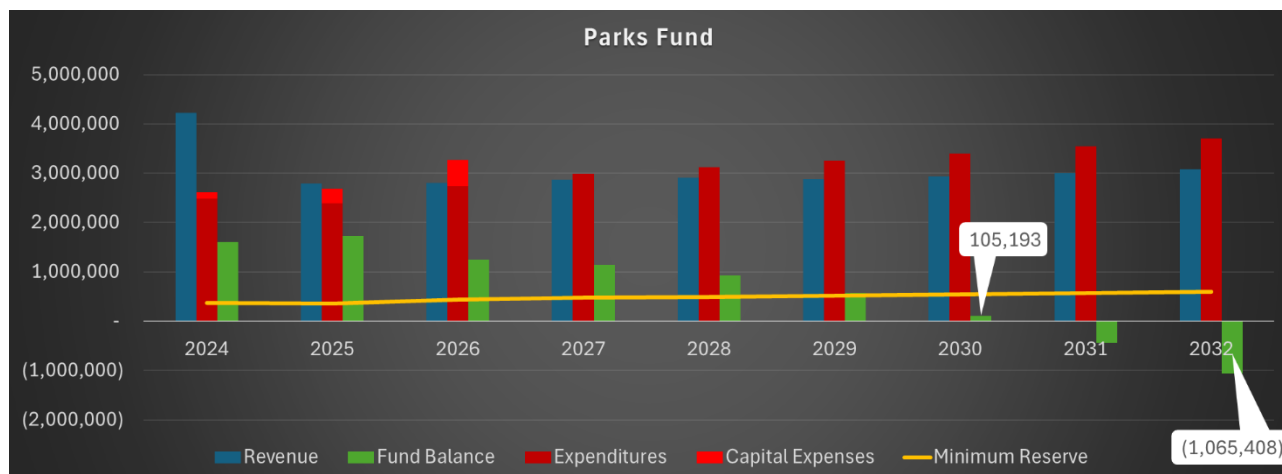
Background / Prior Discussions:

Park Fund Background:

The Parks Fund's ongoing structural imbalance has been previously discussed by the City Council at previous Finance Committee meetings (May 15th, 2025) and throughout the 2025- 2026 budget development process. City Council has taken the following actions to address the imbalance: shifting all future Park capital projects (beginning in 2025) into the City's Capital Fund and budgeting a \$100,000 transfer from the Conservation Lottery Fund (beginning in 2026 through 2028) to fund ongoing park operations and maintenance. However, these actions have not permanently addressed and solved the imbalance.

For additional background on the Parks Fund, beginning in 2024, Measure C defined the tax split and restructured the existing Open Space and Parks Shared Fund (Fund 201) into two distinct funds: one dedicated to Open Space (Fund 210) and another exclusively for Parks (Fund 211). The measure defined the amount of tax funding to be allocated towards Park specific uses, and Open Space uses. (A 50/50 split of the existing 3/8th of a cent tax, with the full incremental 1/8th of a cent directed towards the Open Space Fund).

Chart 1: Parks Fund – Preliminary Long-Term Financial Forecast - Status Quo



Golf Fund Background:

The Golf Fund has recently demonstrated a structural imbalance. Once the Calendar Year 2025 was closed, the forecast was updated with the latest actual data, it was noted green fee revenues came in significantly under budget. Once the 2025 data was incorporated into the latest modeling, the fund's long-term financial forecast demonstrated a structural imbalance.

Other recent and related factors include a lower-than-budgeted membership renewal rate, with an anticipated \$100,000 budgetary shortfall in Calendar Year 2026, which compounds when run through the long-term model. Additionally, beginning in 2025, all Golf Capital expenditures were directed towards the Golf fund. Between 2021 and 2024, approximately \$1.2M in capital expenditures were funded by the Capital Fund. Another related factor is the recent methodology of central charge allocations. As a TABOR enterprise fund, the Golf Fund is intended to run "business-like" and cover all of its costs. Prior to 2025, the Golf fund did not receive any central department charges or allocations. Beginning in 2026, the Human Resource Department and Finance Department charges were allocated to the Golf Fund. The total cost for these central charges is \$120,000. In 2027, it is anticipated that IT costs will be allocated to the Golf fund, resulting in an additional estimated cost of \$30,000 to the fund, for a total central charge of \$150,000.

Discounts:

Regal and Imperial Season Passes: Annual Memberships — Unlimited Golf. The annual membership program was initially created when the City took over Golf Operations in 2013. Prior to restoring the Coal Creek Golf Course out of the catastrophic impacts of the Flood, the Coal Creek Golf Course was operated through a concessionaire agreement. A concessionaire provided all staff and covered operations, while retaining all revenues. The annual membership program was a great marketing tool to encourage golfers to enjoy Coal Creek Golf Course. However, since Golf's popularity exploded post-COVID-19 Pandemic, the annual membership rounds have begun to compete with full-rate payers. In 2025 we saw ~6,500 rounds of golf played by membership holders, at an average rate of \$40, or 27-60% below the market rate. As an enterprise fund expected to cover its costs, this program has adversely impacted the course's revenues and ability to sustain operations and capital investments.

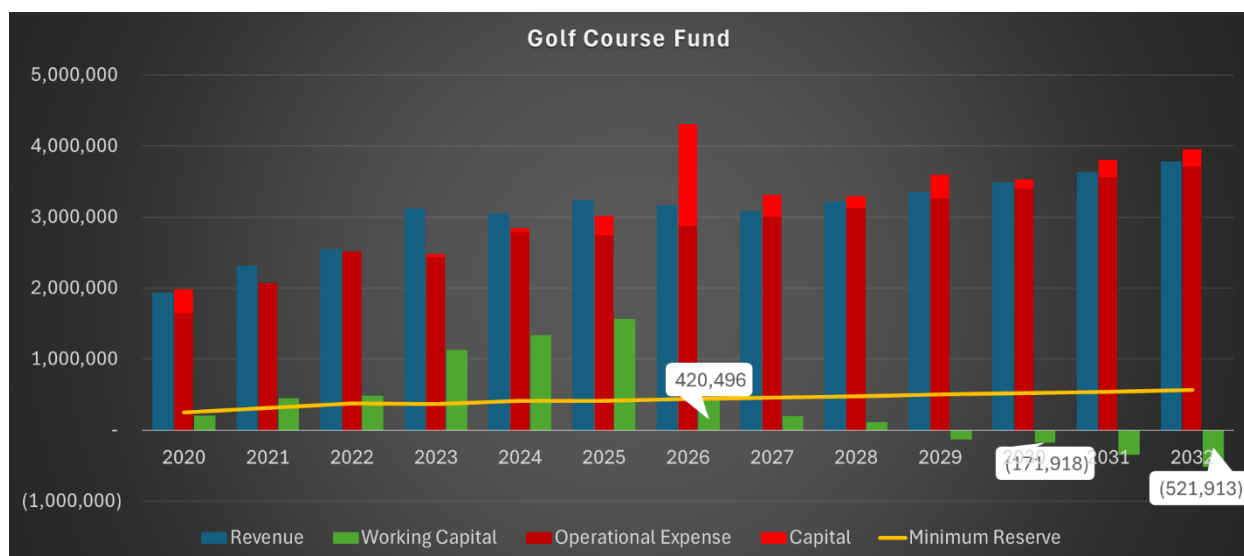
Weather Dependency:

The enjoyment of golf and rounds of play is highly correlated to weather, as defined by Playable days. In 2025, we noted an approximately 10% decrease in playable days. This was driven by weather and course management methodology.

Revamped Dashboard:

Finance and Golf Staff have collaborated in developing the attached Dashboard which aims to provide relevant and pertinent financial and operational information. Staff will continue to monitor golf revenues on a monthly basis.

Chart 2: Golf Fund – Preliminary Long-Term Financial Forecast - Status Quo



Development Proposal:

NA

Analysis:

DEPARTMENT DISCUSSION AND ANALYSIS:

Adam Blackmore, Director of Parks, Recreation, Open Space and Golf.

Lack of Dedicated Source for Capital Investment

This forecast shows no new capital investment from Fund 211 (Parks Fund) after 2025. These expenses for 2026 are primarily incurred by the Capital Projects Fund & Conservation Trust Fund. The Capital Projects Fund is used for a litany of departments and projects. Requests for Parks maintenance, projects or expansion from this fund (and the demands on it from the entire City) will be a challenge moving forward. They will be dependent upon Council & City Manager priorities instead of being able to utilize a dedicated funding source as was the case before the formalized 50/50 funding split

created by the passing of the 2C ballot measure in 2023.

Additionally, the Conservation Trust Fund is an annual State-allocated revenue source used primarily for capital projects. However, it is split among all the PROS Divisions and typically does not provide enough funding to support multiple substantive projects.

Previous Budget Reductions - 2025-2026

It should be noted that approximately \$80,000 in operating funds were removed from the 2025-2026 budget to achieve a stable 5-year fund balance. These funds were primarily removed from the Water & Professional Services line items based on historical trend analysis and some recent turf conversions, but any future reductions will be subject to annual operational reviews and priorities and these two operating lines are not expected to have additional flexibility that would allow for more cuts.

As the intermediate forecast chart illustrates, currently any and all increases in costs to the 211 Fund will have a direct correlation on the reduction of a different service area's funding. Some of these increased costs currently paid from the 211 Fund are out of the department's control: for example, employee benefits, wage increases, goods and services cost increases, contracted labor, etc. If the projected revenues continue as forecasted there will be a need to utilize fund balance just to maintain the basic expense escalators within the next budget cycle. Again, this is only for **operating** expenses and after 2025 does not include any allocated funding for capital-level infrastructure improvements, new construction or basic depreciating asset management/deferred maintenance projects.

General Maintenance Management Plan (GMMP)

Per the 2022 City Council reviewed Parks Division General Maintenance Management Plan (GMMP) it was noted that with industry standard balancing of assets and park acreage vs. current staffing levels the community should expect a maximum service level 2 or 3 (3 being average system quality, 2 being basic maintenance functions with areas that would have lesser than average quality of service), however Louisville Parks staff were actively delivering level 4 (above average) or 5 (excellent) service throughout the entire Parks/Horticulture/Forestry/Streetscapes/Snow Removal system.

This level of "overachievement" based on industry standards was noted as unsustainable and could lead to high staff turnover rates, decreased staff morale/performance and an unrealistic expectation to align financial resources with the community's expectations.

This report estimated that the Parks Division would need an additional ~7 FTEs to provide long-term level 3 (average) service levels consistently. This report was completed using the previous, more flexible & "pre-2C", funding models.

Since that report was submitted, the Parks Division staffing levels have remained at the same numbers and operating funds, as noted above, have been reduced. However, the service level expectations of the community remain the same (if not higher) and there

have been no formalized notifications or requests for service level reductions from the City Manager or City Council. To the contrary, Parks has worked to utilize a new Asset Management software to improve inventory controls, work productivity, effectiveness & quality from staff and to extend the life expectancy of Park assets. Per the GMMP as well as PROS Leadership's opinion, this level of service and the expectation of long-term existing asset viability/quality is not sustainable with the current funding model, community/council quality expectations and basic operational structure.

Council Work Plan:

Core Services - Financial stability is a core service. Financial Policy 5.6 Long-Term Financial Plan (LTFP) States: Six-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.

Fiscal Impact:

Not applicable. There is no fiscal / budget impact for this item.

Alternatives:

NA

Recommendation:

Discussion / Direction, with Feedback received to be incorporated into upcoming Budgetary discussions and process.

Attachments:

1. Final Parks and Golf PPT
2. 2026_CCGC_Dashboard April 2026
3. GMMP - Summary of Findings 2023-01-16
4. CityofLouisville2023ballotissuefactsheet
5. Ordinance 2023-1856



Parks Fund and Golf Fund Long-Term Structural Imbalances

Finance Committee – May 18, 2026

Presented by:

Ryder Bailey, CPA – Finance Director

Mark Jensen, PGA – Coal Creek Golf Course -General Manager

Bo Lewis, PGA – Coal Creek Golf Course – Head Golf Professional

Adam Blackmore, CPRE – PROS(G) Director

Chris Davis, CPRP – Parks Superintendent

Background – Parks Fund

- Prior to 2024, Open Space & Parks **shared** a single Fund.
 - Funded by a General Fund Transfer; and
 - Dedicated tax, 3/8th of a cent, originally passed by voters in November 1993, effective January 1, 1994
- Measure 2C (Approved by voters in 2023, effective Jan 1, 2024) **restructured** funding allocations:
 - Existing 3/8th of a cent split evenly between Parks & Open Space
 - New 1/8th cent for **Open Space** uses only
- In 2024, individual Parks Fund (211) and Open Space Fund (210) were created, and the former Fund (201) was closed in December 2024

Parks Structural Deficit Overview and Immediate Actions Taken

A Structural Deficit is Forecasted in the Parks Fund (2027–2032):

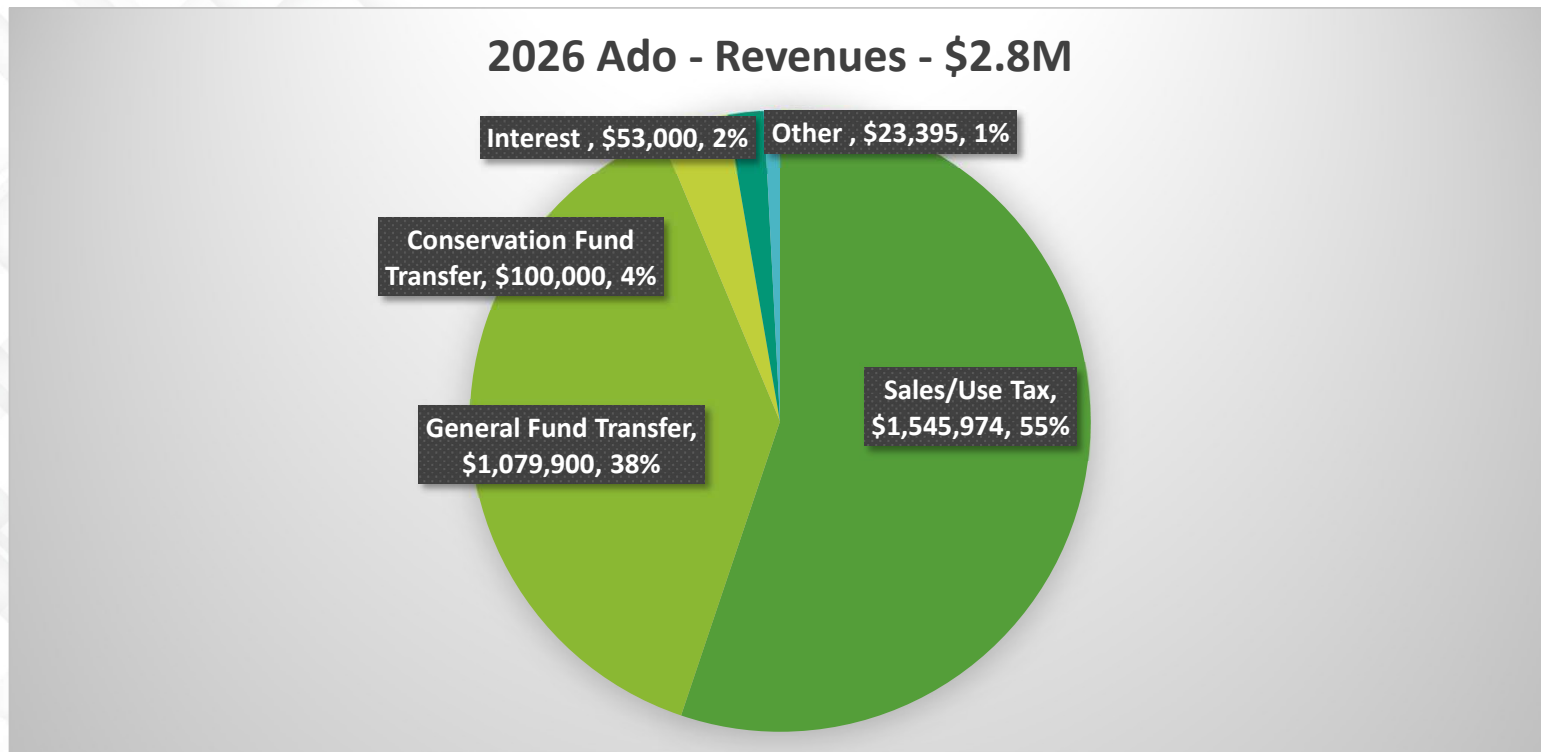
- Recurring expenses are anticipated to ***exceed*** recurring revenues.
- Reliance on fund balance to maintain operations
- City Financial policy 5.3 requires ***structurally*** balanced budgets

What we've already done to address, in the near term:

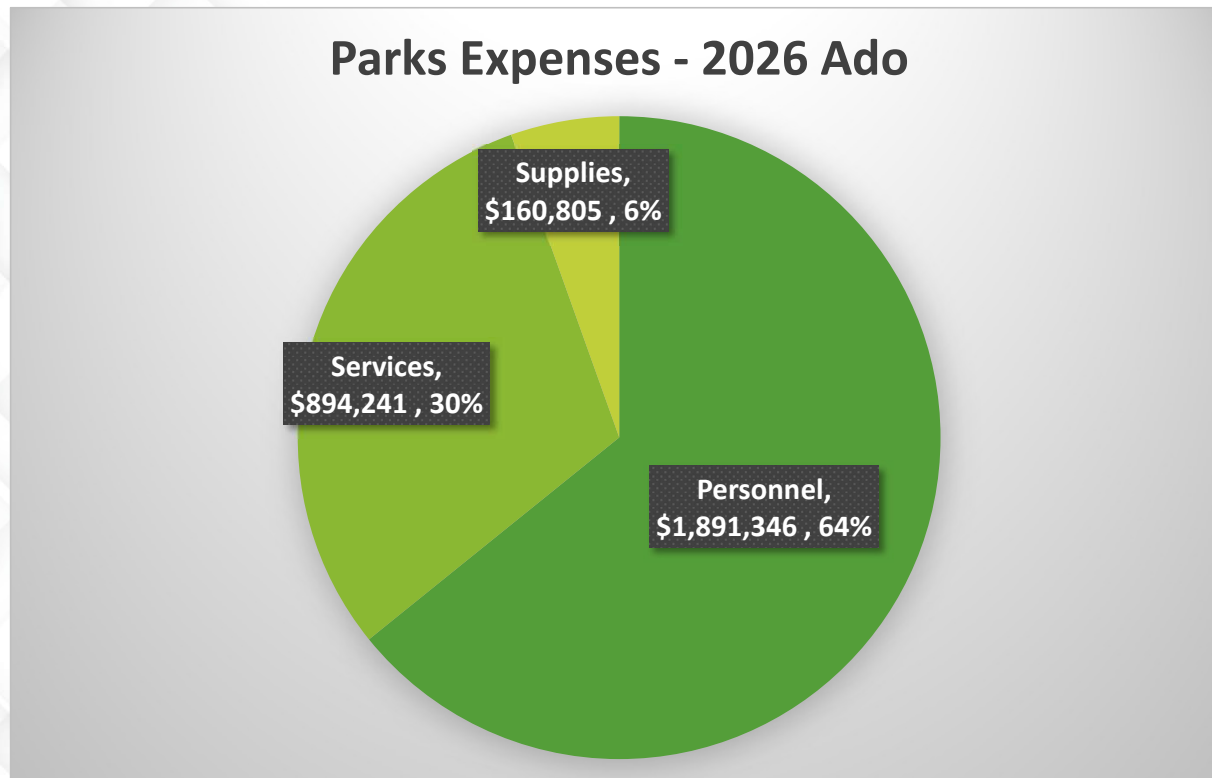
- Capital projects shifted out of the Park Fund, to the Capital Fund
- Initiated a transfer from the Conservation Trust (Lottery) Fund (CTF) in the amount of \$100,000, 2026 – 2028.
 - The CTF generates ~\$200,000 annually, and has historically funded Parks, Trails, and Open Space Capital investments.

Parks Fund & Current Projection

2026 Adopted Revenues/Sources



2026 Adopted Expenses/Uses



Parks Recent Budget Reductions and Sustainability Concerns

Recent Budget Reductions

- In 2025-26, \$80,000 cut from Water & Professional Services.
(In reviewing usage trends, this reduction needs to be restored)
- Staff will continue to explore cost reductions, however important to note GMMP findings, meaning reductions will reduce existing Service Levels.

Sustainability Concerns

- Continuing existing high service levels **are not** sustainable with funding
- Risks: high staff turnover, lower morale, lower quality
- Disconnection between community expectations and funding

General Maintenance and Management Plan Summary - (2022)

General Maintenance Plan Findings

Summary of the 2022 General Maintenance and Management Plan (GMMP):

- Found that Louisville Parks current staffing levels are capable of delivering Level 4 (low) – 5 (minimal) services.
- Level 3 (average/moderate) would require an additional +7 FTEs
 - Parks currently has ~22 FTE Count
- Community service expectations more closely align with Levels 1 (State of the Art) – 2 (High Level)
- The Plan is included as an Attachment to the Staff Report

General Maintenance Plan Findings

Table 4 represents a comparison of Parks staffing levels (not including contractors) against APPA's service level model for grounds staffing.

	State-of-the-Art Level 1	High-Level Level 2	Moderate Level Level 3	Moderately Low-Level Level 4	Minimum-Level Level 5
Total Recommended Grounds FTEs:	62	40	29	14	7
Square Feet per Grounds FTE:	250,914	387,899	538,656	1,078,899	2,095,486
Acres per Grounds FTE:	5.76	8.90	12.37	24.77	48.11



Expectations are here

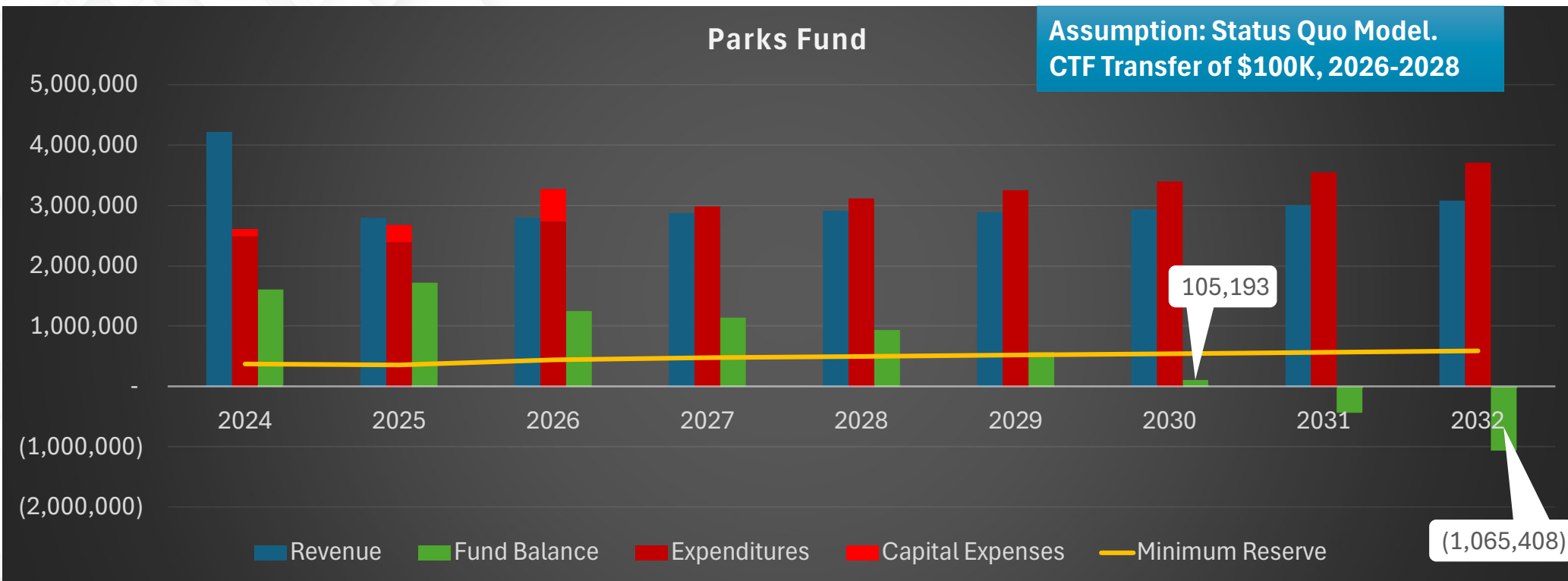


Staffing levels are here

General Maintenance Plan Findings



Parks Long Term Financial Forecast – Status Quo



Forecasted Deficits by Year

2027: \$110,000

2028: \$207,000

2029: \$367,000

2030: \$463,000

2031: \$543,000

2032: \$627,000

Total (2027–2032): \$2,317,000

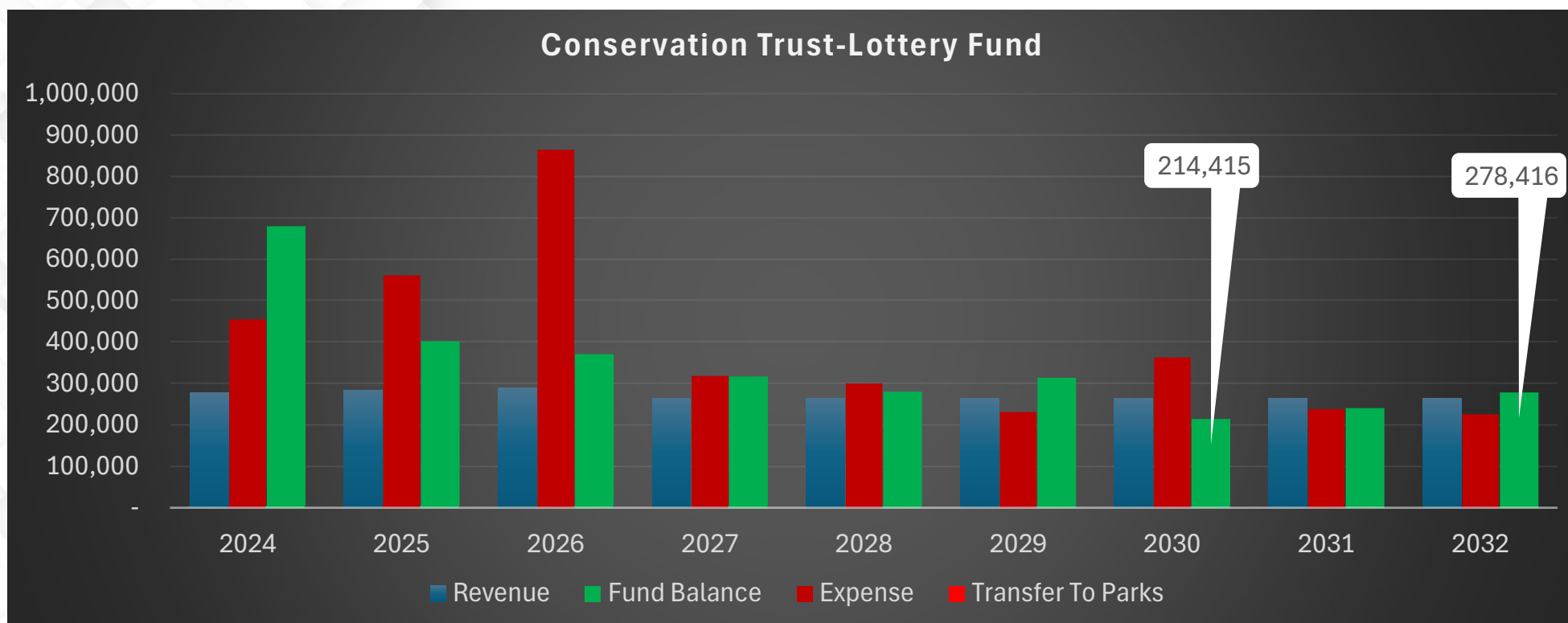
Conservation Trust Fund (Lottery)

Conservation Trust Fund – Existing CIP

Project	2024	2025	2026	2027	2028	2029	2030	2031	2032
Playgrounds	\$402,721		\$187,500	\$200,000	\$200,000	\$212,500	\$212,500	\$237,900 (est.)	\$225,450 (est.)
Wayfinding & Signs	\$51,244	\$300,000	\$18,000	\$18,000		\$18,000	\$150,000		
Transfer to Parks for Operations	-	-	\$100,000	\$100,000	\$100,000				
Total	\$453,965	\$300,000	\$305,500	\$318,000	\$300,000	\$230,500	\$362,500	\$237,900	\$225,450

Note: Annual Conservation Trust Lottery Revenues range \$200,000 - \$250,000

Conservation Trust Fund Forecast



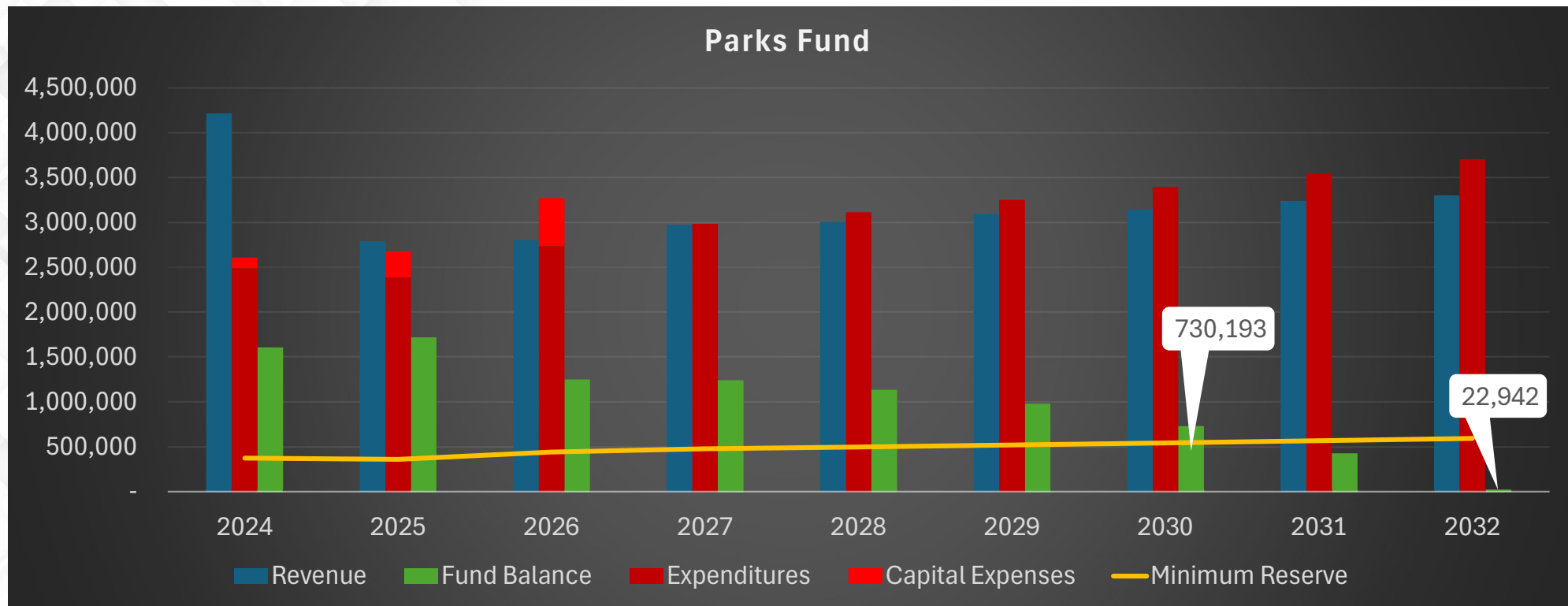
Parks Fund – Pathway Forward

Conservation Trust Lottery Fund – Increase & Extend Transfer for Parks Ops

This pathway shifts earmarked playground funding beginning in 2027: \$100K for 2027 & 2028, then continues ~\$200K annually beyond. Wayfinding & Signs unchanged. ***Likely impacts on the City Capital Fund for the playground replacement program.***

Project	2024	2025	2026	2027	2028	2029	2030	2031	2032
Playgrounds	\$402,721		\$187,500	\$100,000	\$100,000	\$-	\$-	\$-	\$-
Wayfinding & Signs	\$51,244	\$300,000	\$18,000	\$18,000		\$18,000	\$150,000		
Transfer to Parks for Operations	-	-	\$100,000	\$200,000	\$200,000	\$212,500	\$212,500	\$237,900 (est.)	\$225,450 (est.)
Total	\$453,965	\$300,000	\$305,500	\$318,000	\$300,000	\$230,500	\$362,500	\$237,900	\$225,450

Parks Long Term Financial Forecast Alternative Scenario - CTF Xfer Incr.



Parks Long Term Financial Forecast – Incr. CTF & General Fund Xfers

- Adjusting the CTF transfer is an initial step; additional funding is still required.
- Assuming continuation of the General Fund annual transfer, with an annual 3% increase.
- Beginning in 2027, increase \$50K of General Fund transfer. If additional revenues aren't available from the Cemetery Fund.
- Post this shift, the Cemetery Operating Fund is projected to remain in compliance with Financial Policy – 2.4 Fund Reserves.

Transfers

INTERFUND TRANSFERS

The following table summarizes the transfers between funds that are included in the 2026 Operating & Capital Budget.

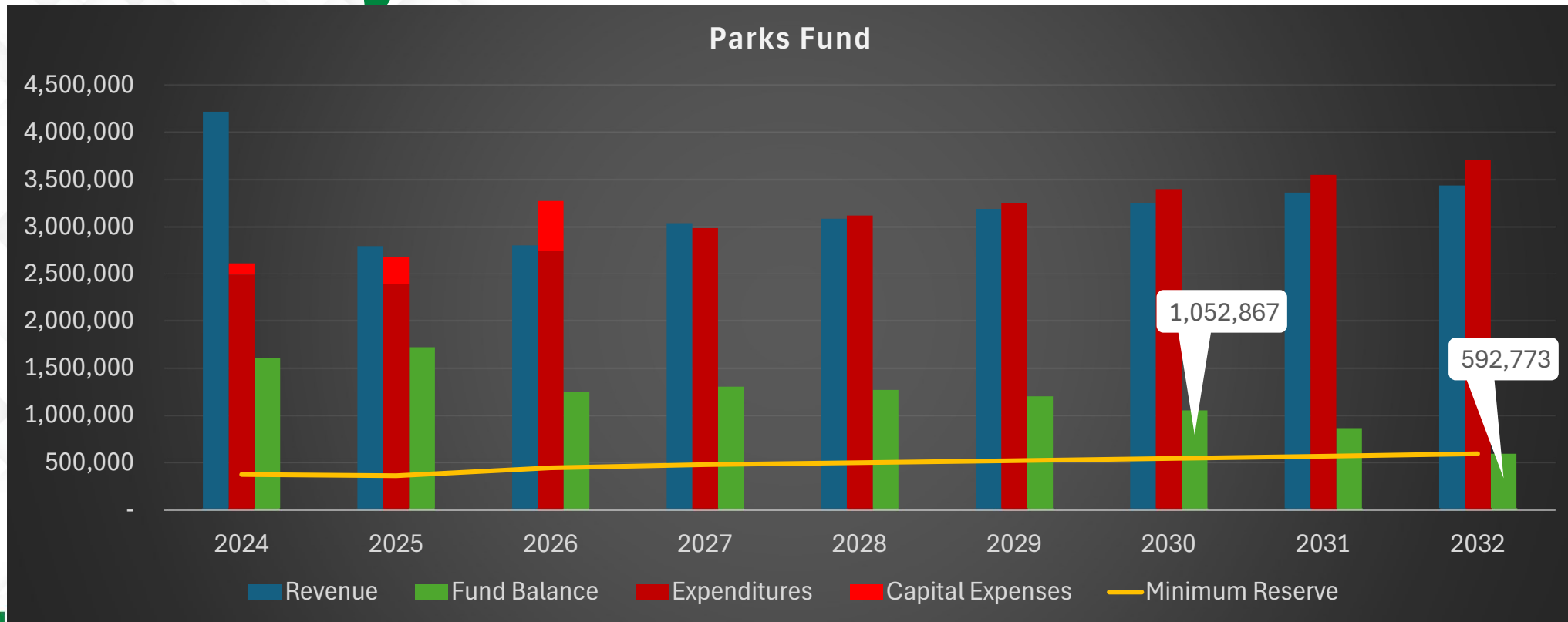
2026 Recommended Inter-Fund Transfers

City of Louisville, Colorado Inter-Fund Transfers Matrix 2026 Recommended Budget					
Transfers Out	Transfers In				Total
	General Fund	Parks Fund	Cemetery Fund	Recreation Fund	
General Fund	\$ -	\$ 1,079,900 ^a	\$ 129,700 ^a	\$ 1,345,900 ^a	\$ 2,555,500
Cemetery Perpetual Care Fund	-	-	30,000 ^b	-	30,000
Historic Preservation	215,200 ^c	-	-	-	215,200
Capital Projects Fund	-	-	-	162,900 ^d	162,900
Conservation Trust-Lottery Fund	-	100,000 ^e	-	-	100,000
Total	<u>\$ 215,200</u>	<u>\$ 1,179,900</u>	<u>\$ 159,700</u>	<u>\$ 1,508,800</u>	<u>\$ 3,063,600</u>
^a Annual subsidy transfer per City Financial Policies ^b Annual transfer of interest earned in the Cemetery Perpetual Care Fund for cemetery operations and maintenance. ^c Annual transfer to fund Museum Services. ^d Annual subsidy transfer for capital projects. ^e Transfer to Parks for eligible maintenance expenditures					

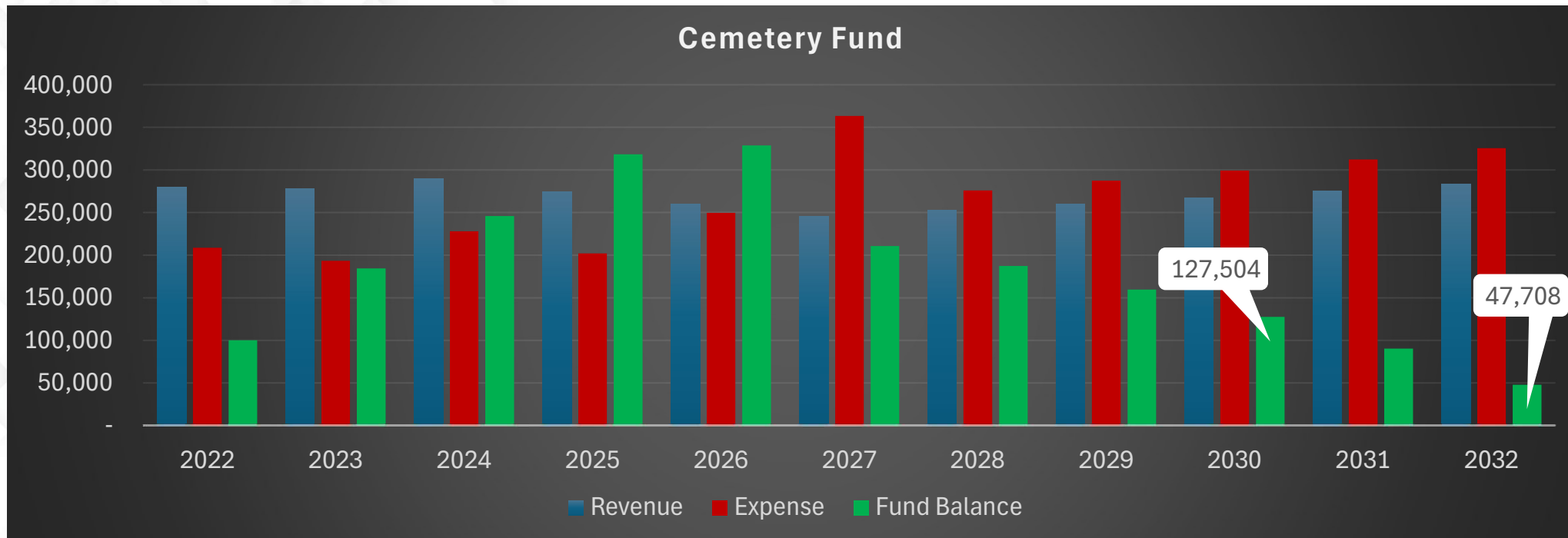
Note: General Fund Transfer to Recreation Fund largely supports Senior Programming and Memory Square Pool operations

Note: Beginning in 2026, and anticipated to occur through 2028, the City Council directed that the Conservation Trust Fund will fund certain eligible Park maintenance expenditures.

Parks Long Term Financial Forecast Pathway - CTF + Gen Fund Xfer Incr.



Cemetery Operating Fund Long Term Financial Forecast — Post Xfer Adj



Parks Fund – Pathway Forward

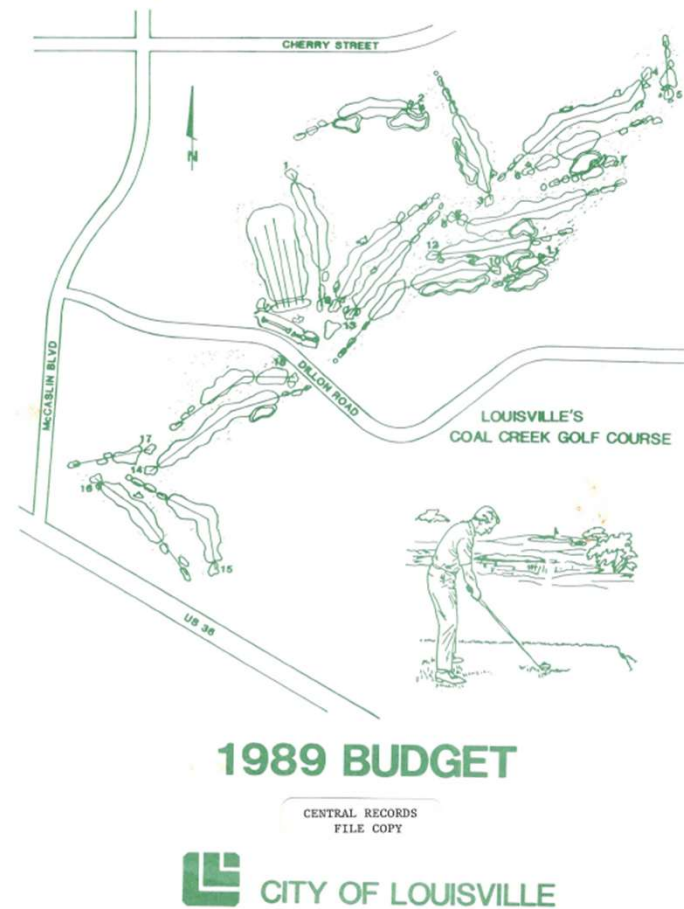
This is a Discussion/Direction item for the Finance Committee with your feedback to inform the 2027-28 Biennial Budget Development at July's Budget Retreat.

Does the Finance Committee Support?

- **Extending** the Conservation Trust Fund Annual Transfer **beyond 2028?**
- **Increasing** the Conservation Trust Fund Annual Transfer **amount?**
- **Increasing** the General Fund Transfer, to the extent feasible?
 - If additional revenues are not available, this means evaluating existing General Fund transfers, likely from the Cemetery Fund.

Intermission

Golf Fund - Image taken from the cover of the City's Budget Book, 1989



Background – Golf Fund

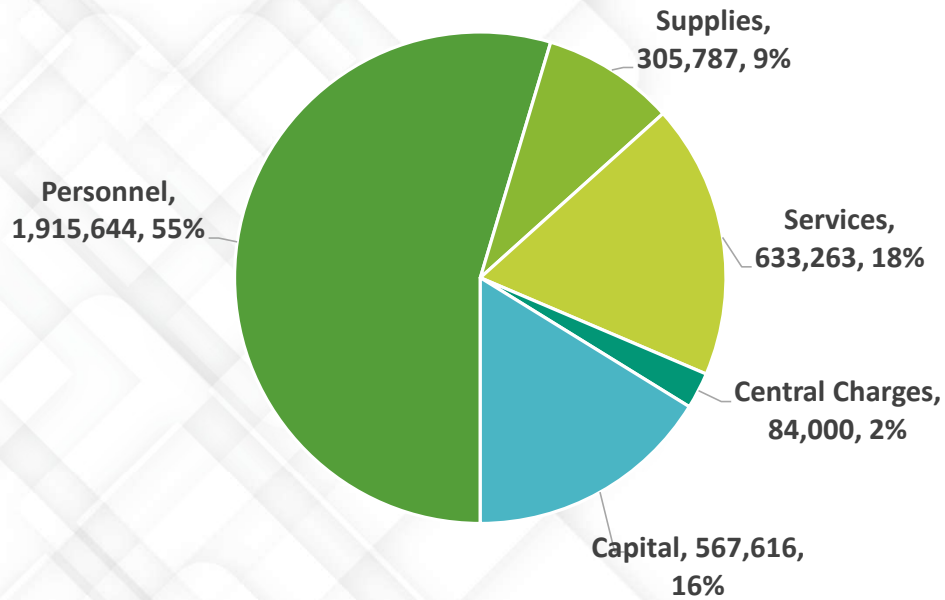
- The Golf Fund was established in 1988 as an Enterprise Fund, also known as a "Business-like Fund". This means this fund is run like a business.
- Debt was issued to fund the purchase of the land and was repaid out of that fund, derived from User Fees.
- In 1998, the City Council, by Ordinance 1280, Series 1998, declared the Golf Fund an Enterprise Fund under the TABOR Definition.

History of the Golf Fund – Cont.

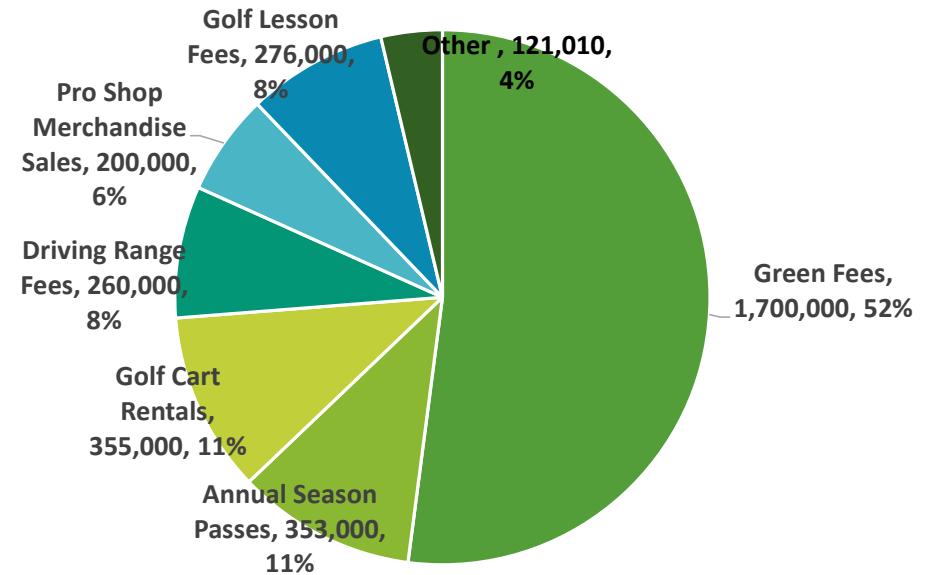
- In the early years (1988-2000), “Concessionaire Years,” The Golf Course expenses were largely composed of Debt Payments and payments to the Concessionaire to operate the Course.
- 2010 – 2013 – City **fully** licensed the Course to Western Golf Properties, where the licensee fully operated the course, paying all costs and retaining all revenues.
- September 2013, the Course was destroyed by flood and was reconstructed.
- Upon re-opening in 2015, the **City took over and managed golf operations.**

Golf Fund – 2026 Adopted Budget

2026 Budget – Expenses \$3.5M



2026 Base Ado - Revenues - \$3.2M

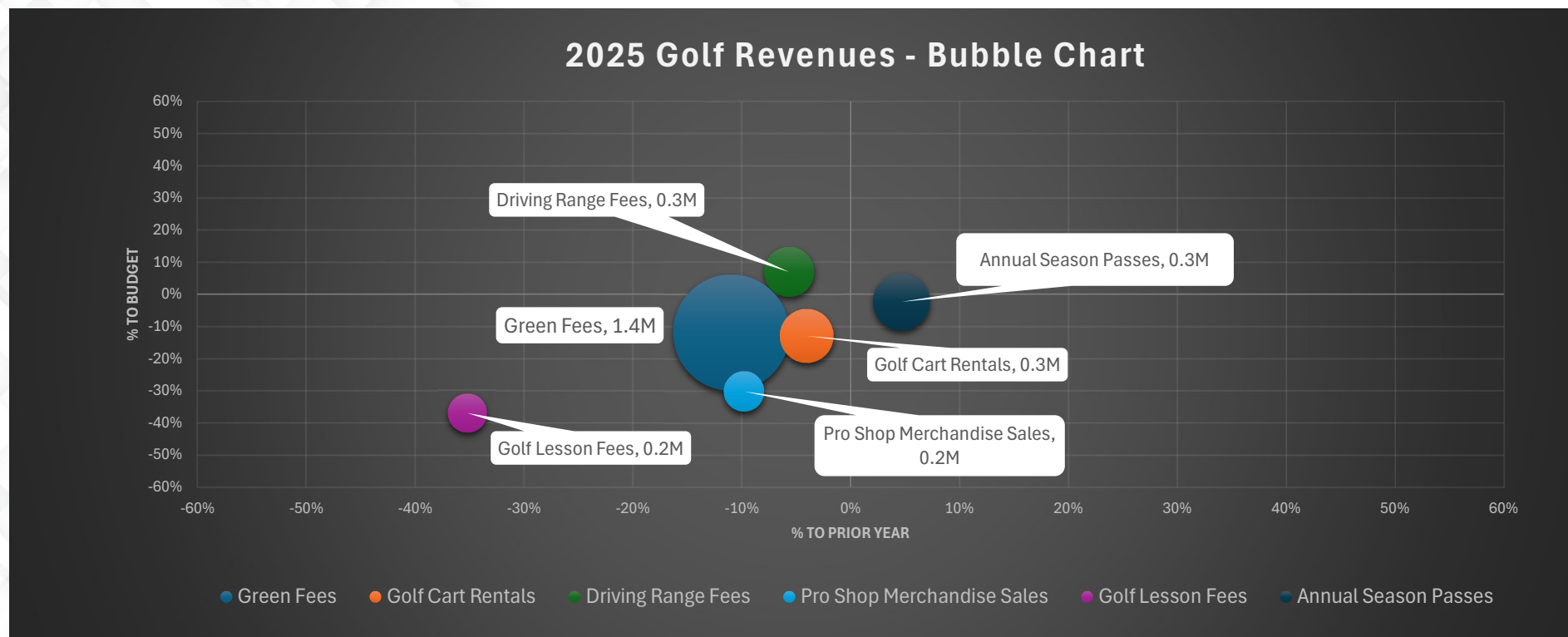


Golf Fund - Revenue Trends

2024, 2025 *(Budget to Actual)*, and 2026

	FY 2024	FY 2025			FY 2026
Account Title	Actual	Adjusted Budget	Year-To-Date Actual	Year-To-Date Variance	Budget for 2026 Adopted
Green Fees	-1,560,757	-1,579,080	-1,389,813	-189,267	-1,700,000
FEMA Grant - 2013 Flood	0	-435,000	-434,572	-428	0
Golf Cart Rentals	-312,802	-345,050	-300,175	-44,875	-355,000
Annual Season Passes	-319,946	-343,070	-334,890	-8,180	-353,000
Golf Lesson Fees	-244,283	-251,300	-158,264	-93,036	-276,000
Pro Shop Merchandise Sales	-187,632	-242,730	-169,252	-73,478	-200,000
Driving Range Fees	-274,967	-242,660	-259,449	16,789	-260,000
State Grant - Misc.	0	-73,000	-72,429	-571	0
Interest Earnings	-75,688	-46,441	-82,273	35,832	-49,000
Food & Beverage Sales	0	-30,000	-7,578	-22,422	0
Golf Course - Rentals	-30,000	-16,000	-7,780	-8,220	-30,000
Daily Rentals	-16,914	-14,280	-11,495	-2,785	-14,700
Club Repair Fees	-9,545	-13,000	-5,782	-7,218	-13,000
Fouth of July Reimbursement	-8,000	-8,000	-8,000	0	-8,000
Handicap Fees	-4,230	-7,400	-1,735	-5,665	-6,000
Miscellaneous Revenues	-992	-310	-1,265	955	-310
Cash Over/Short	-59	0	-2	2	0
Insurance Recovery	-2,774	0	0	0	0
Proceeds from Sale of Assets	-2,500	0	0	0	0
	-3,051,087	-3,647,321	-3,244,752	-402,569	-3,265,010

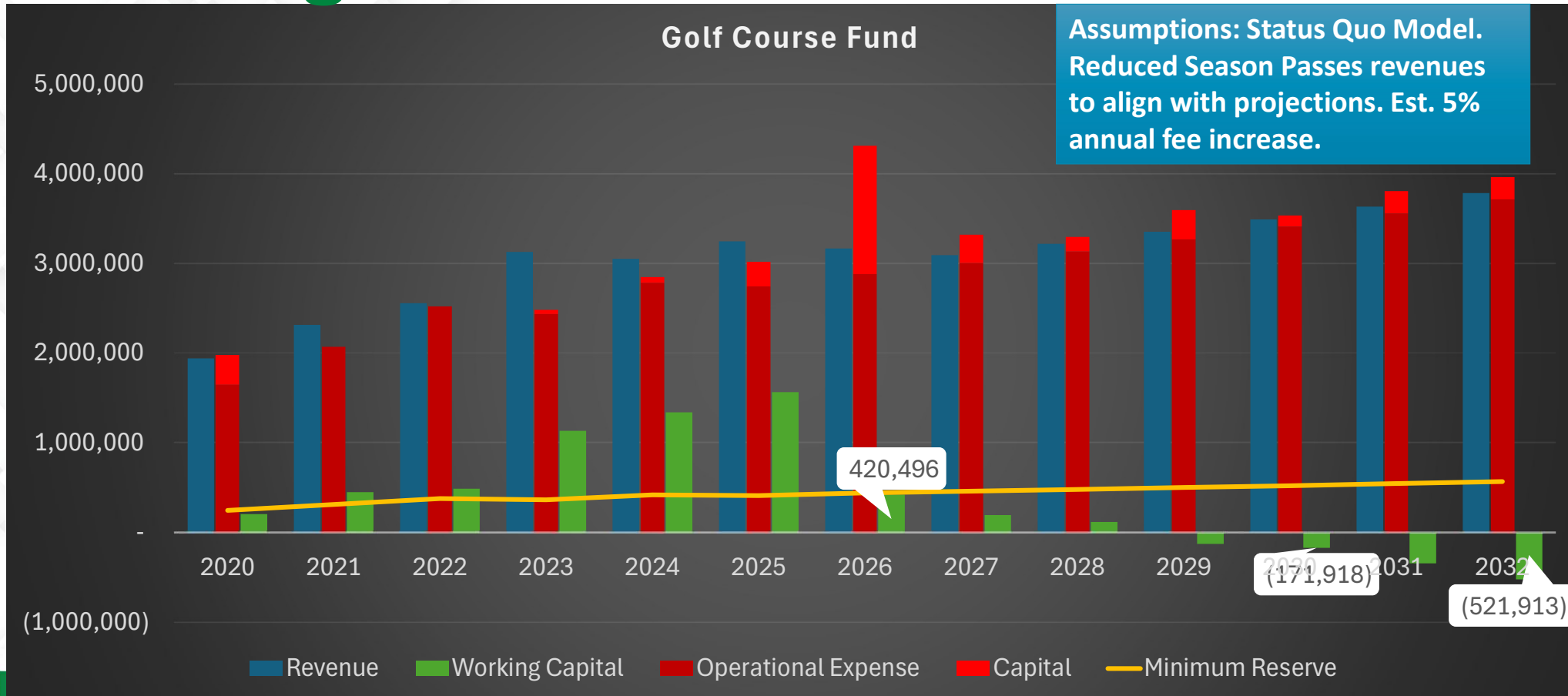
Golf Fund Revenues - 2025 Budget to Actual & Prior Year



Golf Fund – Rounds 2025

- **Total Rounds (*Starts*) Played in 2025 ~50,800**
 - ~32,000 (18-hole equivalents)
 - ~10% YoY Decrease from 2024 (weather & course management methodology)
- **Estimated # of Discounted Rounds in 2025, ~19,500 (~38%); broken out as follows:**
 - Annual Pass Rounds ~6,250
 - Senior Rounds ~4,500
 - Comp Rounds (EEs, OP36, etc) ~3,500
 - League Rates ~3,000
 - Monarch Rounds ~2,000

Long Term Financial Forecast



Louisville

Forecasted Deficits by Year

2027: \$227,000*

2028: \$77,000

2029: \$244,000*

2030: \$45,000

2031: \$173,000* (2027-32 CIP Under development, \$250K est. incl.)

2032: \$177,000* (2027-32 CIP Under development, \$250K est. incl.)

Total (2027–2032): \$943,000

* - Primarily Capital expenditure driven

Golf Fund – Pathway Forward

Golf Fund – Pathway Forward

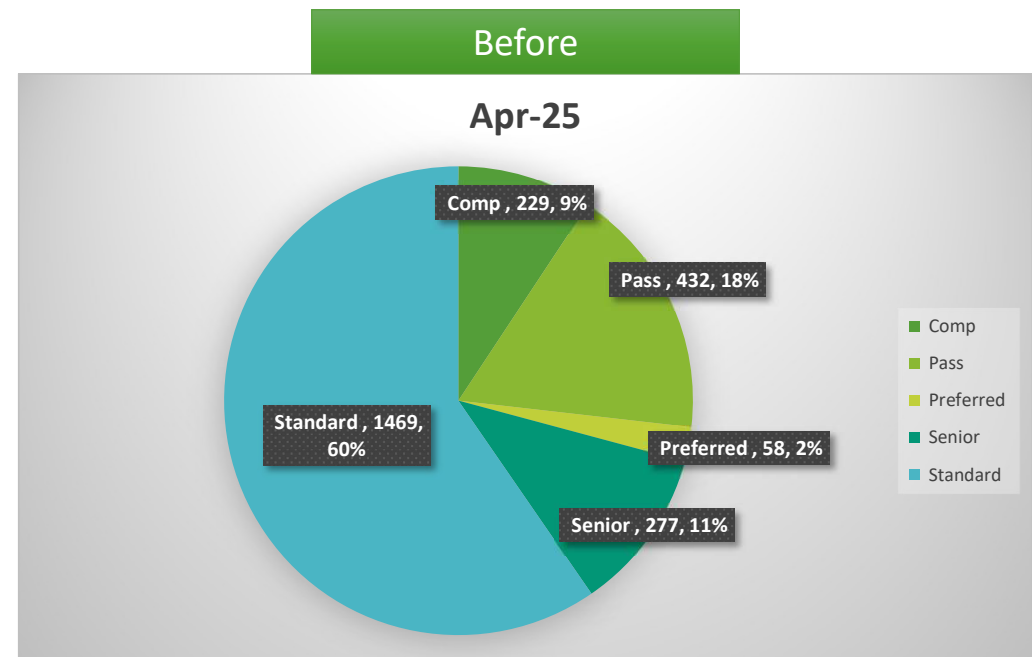
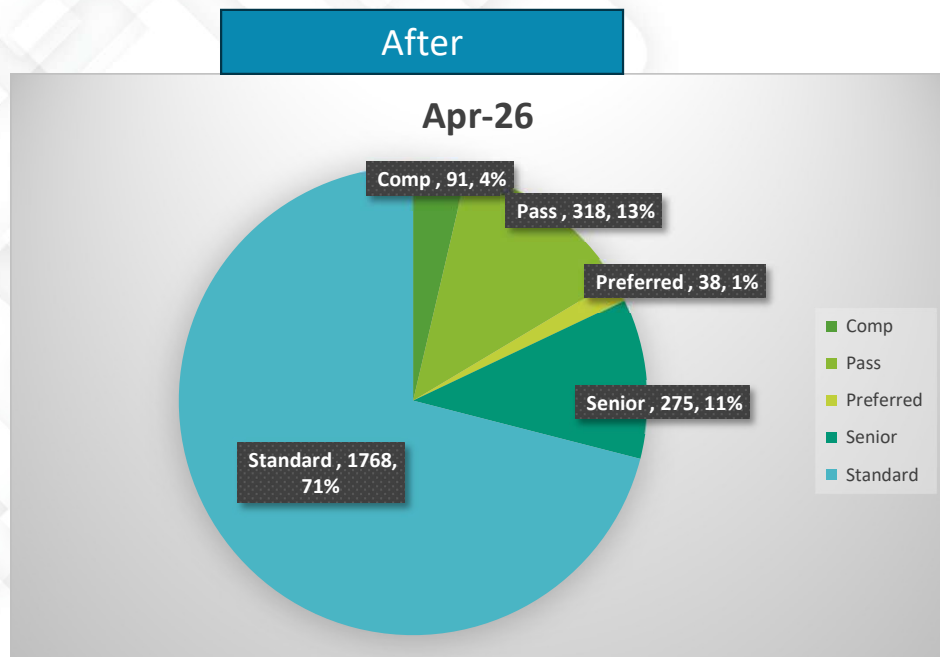
- Three primary “levers” to increase revenue:
 - **Changing** round type composition, increasing the number of **market rate** rounds played, while reducing the number of discounted rounds
 - **Increasing** the number of total rounds played (customer demand, weather factors, impacts on the course)
 - **Increasing** green fees, to the extent feasible within the market
- Primary “lever” to control costs: **delaying planned capital projects/purchases** (possibility of long-term cost increases, course quality deterioration, and deferred project compression) **or** subsize capital projects with another City funding source

Golf Fund – Pathway Forward – Cont.

Changing round type composition

- Focusing on the rates charged and the types of rounds.
 - Staff is focusing their efforts to increase **market rate** rounds in 2026 and we're starting to see the impacts of those efforts on the April CCGC Dashboard.
 - **71% market rate rounds in April 2026**, compared to 60% in April 2025, a ~18% increase. This is increasing the average revenue per round from \$42 to \$48.
 - While initially positive, the full impact of this shift is yet to be determined.

April 2026 / April 2025 – Round Types



Regal and Imperial Season Passes Unlimited Golf – Round Types

- Unlimited golf play is a **loss leader** and is becoming increasingly **uncommon in the industry**
- In 2025, Regal & Imperial annual passes generated approximately **~\$40 per round**. (*Discount range of 27% - 60%*)
- Our most avid annual pass users saw an average cost of **\$16 per round** in 2025. (*Playing 100+ rounds, resulting in nearly a 70% discount, with minimal notable ancillary spending*)

Golf Fund – Pathway Forward – Cont.

Increasing total rounds played – largely, but not entirely, **external factors** (*customer demand, weather factors, effectively managing the tee sheet, course mgmt. & playability*)

- **Demand** continues to be **very high**, making it challenging to secure tee times during **peak times**.
- To ensure a high level of playability, the maximum number of rounds needs to be **weighed against maintenance impacts to the course**.
- **Weather-driven / playable days are often outside the control** of the CCGC management.

Golf Fund – Pathway Forward – Cont.

Increasing Green Fees

- “Back of the Napkin” analysis – with an anticipated deficit of around \$200,000-\$300,000 annually over the next few years, and with ~30,000 18 Hole Round equivalents, this would compute to a **\$5-\$10 increase per 18 Hole Round equivalent.**
- It’s important to consider other courses’ rates, as CCGC needs to remain competitive within the regional market. There is a limit to what can be charged, and the customer can/will bear. Over the next few slides, those increases **may** look like this.
 - Indian Peaks **2026** fees are included for comparison.
 - **Note:** this is **not** a comprehensive fee benchmarking study.

Green Fees – Weekdays (Mon – Fri)

If 2027 Green Fees were to increased by **\$5-\$10 per 18 Hole Round Equivalent**

Fee Type	2025	2026	2027?	% Change	Indian Peaks (2026)
18 - Morning - Weekday - (Mon-Fri)	\$56	\$59	\$64- \$69 <i>(\$5-\$10 incr.)</i>	9%-17%	\$68
18 - Afternoon - Weekday - (Mon-Fri)	\$51	\$54	\$59- \$64 <i>(\$5-\$10 incr.)</i>	9%-19%	\$58
9 - Morning - Weekday - (Mon-Fri)	\$30	\$32	\$35- \$37 <i>(\$3-\$5 incr.)</i>	9%16%	\$36
9 - Afternoon - Weekday - (Mon-Fri)	\$27	\$28	\$31- \$33 <i>(\$3-\$5 incr.)</i>	11%-18%	\$36

Green Fees – Weekends (Sat & Sun)

If 2027 Green Fees were to increased by **\$5-\$10 per 18 Hole Round Equivalent**

Fee Type	2025	2026	2027?	% Change	Indian Peaks (2026)
18 - Morning - Weekend (Sat & Sun)	\$67	\$70	\$75- \$80 <i>(\$5-\$10 incr.)</i>	7%-14%	\$81-\$89
18 - Afternoon - Weekend (Sat & Sun)	\$63	\$66	\$71- \$76 <i>(\$5-\$10 incr.)</i>	8%-15%	\$71-\$81
9 - Afternoon - Weekend (Sat & Sun)	\$33	\$35	\$38- \$40 <i>(\$3-\$5 incr.)</i>	9%-14%	\$41

Green Fees – Seniors

If 2027 Green Fees were to increased by **\$5-\$10 per 18 Hole Round Equivalent**

Fee Type	2025	2026	2027?	% Change	Indian Peaks (2026)
18 – All Day - Weekday - Senior - (Mon-Tue)	\$45	\$45	\$50- \$55 <i>(\$5-\$10 incr.)</i>	11%-22%	\$53
9 – All Day - Weekday - Senior - (Mon-Tue)	\$25	\$25	\$28- \$30 <i>(\$3-\$5 incr.)</i>	12%-20%	\$31
18 – Afternoon - Weekday - Senior - (Weds-Fri)	\$45	\$45	\$50- \$55 <i>(\$5-\$10 incr.)</i>	11%-22%	\$53
9 – Afternoon- Weekday - Senior - (Weds-Fri)	\$25	\$25	\$28- \$30 <i>(\$3-\$5 incr.)</i>	12%-20%	\$31-\$41

There was **no** increase in Senior rates between 2025 and 2027.

Golf Fund – Pathway Forward – Cont.

Delaying Planned Capital Projects

- Maintenance Building (IP) - \$400,000 - 2025, 2026 carry-forward
- Pond Liner - \$309,000, based on received bids, this is likely an inadequate budget that will require a council-approved budget amendment/appropriation increase to move forward in the contract award process.
- Bunker Replacements & Renovations - \$334,750, split between 2026 & 2027 budgets

Or: Subsidize the Golf Fund Capital Projects with the Capital Fund?

- Between 2021 and 2024 – The Capital fund funded ~ \$1.2M in capital expenses primarily for maintenance equipment fleet purchases.

Capital Budget / Planned Projects

City of Louisville, Colorado
Six-Year Capital Improvement Plan
2025 - 2030

Golf Course Fund

Project Account	Project Description	2025 Planned	2026 Planned	2027 Planned	2028 Planned	2029 Planned	2030 Planned	6-Year Totals
520799-600027	CPTED Assesment Recommendations (%)	13,800						13,800
520799-620173	Clubhouse Exterior - Decking & Pergola		29,000					29,000
520799-620174	Maintenance Facility Storage Building	400,000						400,000
520799-620175	Golf Clubhouse - Basement Improvements	47,150						47,150
520799-620176	Golf Clubhouse - Interior Improvements	173,650						173,650
520799-620177	Golf Clubhouse Exterior Improvements	59,800						59,800
520799-630115	Cart Path Repairs	25,000	25,000					50,000
520799-630184	Pond Liner Replacement - Hole 11		309,241					309,241
520799-630184	Golf Clubhouse Parking Lot Lighting	37,375						37,375
520799-630185	Sunshade for Starter Station		22,000					22,000
520799-630186	Bunker Renovation		167,375	167,375				334,750
520799-640001	Electric for Robotic Mower	32,000						32,000
520799-640141	Golf Cart Fleet Replacement	270,140						270,140
520799-650127	Golf Operations Office Furniture	16,000						16,000
520799-660100	Tree Planting		15,000		15,000		15,000	45,000
Future Year Req	Golf Operations Office Furniture						50,000	50,000
Future Year Req	Maintenance Facility Paving Improvements					227,000	25,000	252,000
Future Year Req	Foley 673 Bedknife Grinder			46,465				46,465
Future Year Req	Foley 653 Accu-Master Reel Grinder				83,664			83,664
Future Year Req	175 Gallon Sprayer Replacement			49,515				49,515
Future Year Req	Echo Robotic Ball Picker				28,700			28,700
Future Year Req	Driving Range Porous Pave					65,000		65,000
Future Year Req	Cart Path Repairs			50,000	35,000	35,000	35,000	155,000
Total Golf Course Fund		1,074,915	567,616	313,355	162,364	327,000	125,000	2,570,250

Unfunded Project List

Golf Course Fund - Unfunded Projects

Project Description	2025 Planned	2026 Planned	2027 Planned	2028 Planned	2029 Planned	2030 Planned	6-Year Totals
Clubhouse Renovation & Expansion				7,000,000			7,000,000
Restroom Construction (Holes 1-4)		300,000					300,000
Putting Green Renovation - Punchbowl		350,000					350,000
Clubhouse Architecture & Engineering		780,000					780,000
Clubhouse Replacement				20,000,000			20,000,000
Golf Learning Center & Club Fitting		342,000					342,000
Autonomous Add-On For Triplex Mower		130,000	130,000				260,000
Water Rights for Golf Course			100,000	100,000			200,000
Total Golf Course Fund	-	1,902,000	230,000	27,100,000	-	-	29,232,000

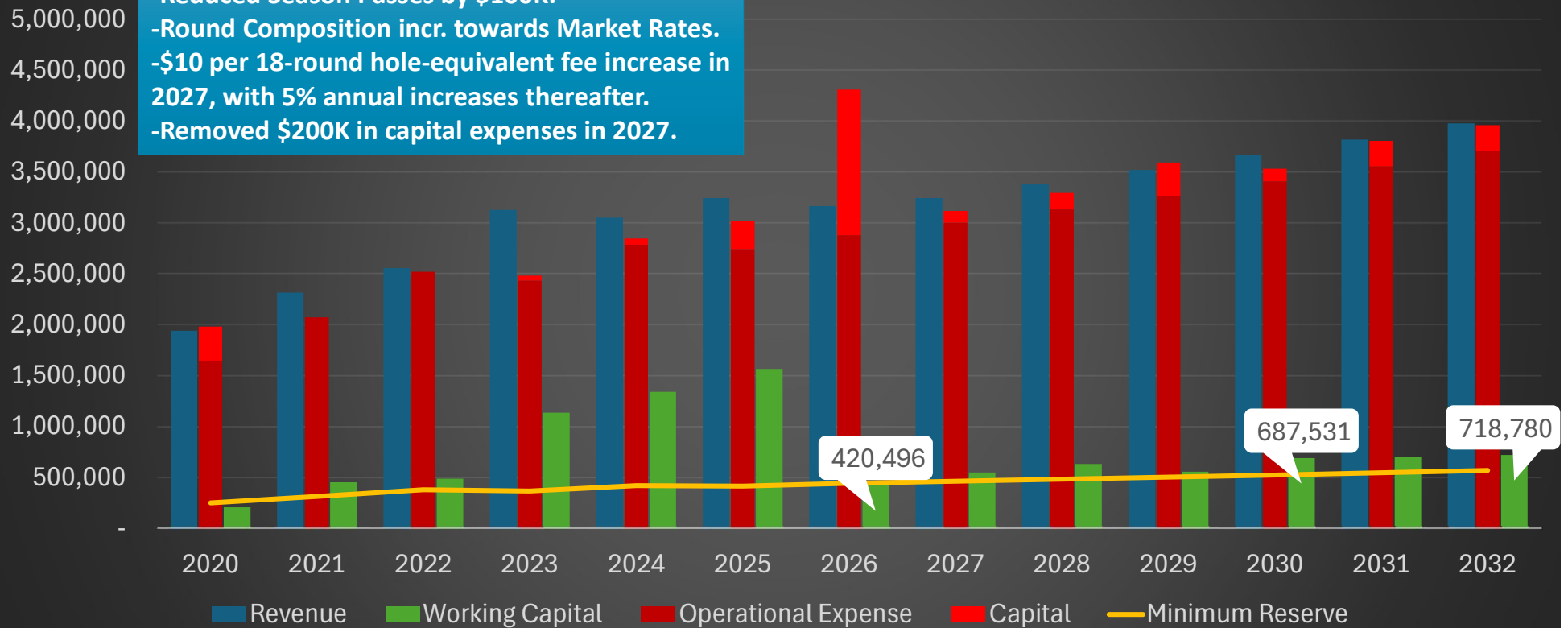
Note: These projects are **not** included in the Long-Term Forecast presented

Golf Fund – Forecast Alt Scenario.

Assumptions:

- Reduced Season Passes by \$100K.
- Round Composition incr. towards Market Rates.
- \$10 per 18-round hole-equivalent fee increase in 2027, with 5% annual increases thereafter.
- Removed \$200K in capital expenses in 2027.

Golf Course Fund



Louisville

Golf Fund – Pathway Forward

Does the Finance Committee Support?

- Revisiting Dynamic Pricing? (*round type composition/fees*)
- Eliminating Regal and Imperial **unlimited** golf/season passes? (*round type composition*)
- Evaluating the feasibility of offering discounted rounds? (*round type composition*)
- 2027 Green Fee increases of \$5 - \$10 per 18 Hole Equivalent per segment, including Senior Discounted rates?
- Deferring certain future capital investments? Or funding from another source, such as the City's Capital Fund?
- Evaluating Residents vs Non-Resident preferential booking preferences?



The End - Renovated Clubhouse and The Turn Grill

Coal Creek Golf Course Fund - APR 26

REVENUE	Monthly					Cumulative (YTD)				
	2026 APR	2025 APR	YOY	\$ Budget	% Budget	YTD 2026	YTD 2025	YOY	\$ Budget - YTD	% Budget
Green Fees	\$ 119,527	\$ 103,896	15%	136,000	-12%	\$ 289,975	\$ 195,179	49%	255,000	14%
Member Payments	\$ 24,987	\$ 47,322	-47%	45,890	-46%	\$ 182,115	\$ 128,175	42%	303,580	-40%
Golf Cart Rentals	\$ 19,990	\$ 20,747	-4%	28,400	-30%	\$ 51,544	\$ 39,041	32%	53,250	-3%
Driving Range Fees	\$ 25,113	\$ 28,617	-12%	20,800	21%	\$ 65,152	\$ 59,007	10%	39,000	67%
Merchandise Sales	\$ 17,552	\$ 15,437	14%	16,000	10%	\$ 36,258	\$ 31,907	14%	30,000	21%
Daily Rentals	\$ 1,533	\$ 1,192	29%	1,176	30%	\$ 3,887	\$ 2,596	50%	2,205	76%
Golf Lesson Fees	\$ 10,675	\$ 15,024	-29%	22,080	-52%	\$ 14,830	\$ 17,524	-15%	41,400	-64%
Misc.	\$ 445	\$ 1,181	-62%	-		\$ 8,027	\$ 4,175	92%	-	
TOTAL SALES	\$ 219,821	\$ 233,415	-6%	\$ 270,346	-19%	\$ 651,789	\$ 477,603	36%	\$ 724,435	-10%

ROUNDS	YTD		% inc	YTD	
	Apr-26	YTD-26		Apr-25	YTD-25
Playable Days	23.5	74.5	14%	25.5	65.5
18H Equiv.	2490	6932	30%	2465	5348
RPPD	\$ 9,354	\$ 8,749	20%	\$ 9,154	\$ 7,292
EPPD	\$ 12,357	\$ 11,330	3%	\$ 8,804	\$ 11,028
RPR	\$ 88	\$ 94	5%	\$ 95	\$ 89
\$ per Green Fee	\$ 48.00	\$ 41.83	15%	\$ 42.15	\$ 36.50

Round Type	YTD		% inc	YTD	
	Apr-26	YTD-26		Apr-25	YTD-25
Comp	91	250	-50%	229	496
Pass	318	1367	18%	432	1155
Preferred	38	389	22%	58	318
Senior	275	684	55%	277	441
Standard	1768	4243	44%	1469	2938
Total	2490	6932	30%	2465	5348

	YTD		% diff	YTD	
	YTD-26	%		YTD-25	%
Discount	2,689	38.8%	-6%	2410	45.1%
Non-Discount	4,243	61.2%	6%	2938	54.9%

EXPENSES

	2026	2025	YOY
MTD	\$ 290,381	\$ 224,503	29%
YTD	\$ 844,081	\$ 722,329	17%
YPC	30%	26%	4%

REV to EXP

	2026	2025
MTD	\$ (70,560)	\$ 8,912
YTD	\$ (192,292)	\$ (244,726)
\$\$ to Budget	\$ (640,963)	\$ (553,929)
Goal	\$ 448,671	\$ 309,203
Goal Ratio	16%	11%
Actual Ratio	-143%	-179%

KEY:	GFPR - Green Fees Per Round
RPPD - Revenue Per Playable Day	MTD - Month to Date
EPPD - Expenses Per Playabale Day	YTD - Year to Date
RPR - Revenue Per Round	YPC - Year Percent Complete

General Maintenance and Management Plan

Summary of Findings



January 16, 2023

Acknowledgements

City of Louisville City Council

Dennis Maloney, Mayor

J. Caleb Dickinson, Ward I

Chris Leh, Ward I

Deborah Fahey, Ward II – Mayor Pro-Tem

Maxine Most, Ward II

Kyle M. Brown, Ward III

City of Louisville Staff

Jeff Durbin, City Manager

Megan Davis, Deputy City Manager

Adam Blackmore, Director of Parks, Recreation and Open Space

Abby McNeal, Parks Superintendent

Chris Lichty, Supervisor of Forestry and Horticulture

Erik Swiatek, Supervisor of Parks and Cemetery

Ronda Henger, Human Resources Director

Ember Brignull, Open Space Superintendent

Dean Johnson, Parks Superintendent (Former)

Consultant Team

StudioCPG

Facility Engineering Associates, P.C. (FEA)

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Appendix A: Survey SummaryA-1

Note: The General Maintenance and Management Plan includes two documents: the Summary of Findings and Annual Work Plan Template. The Summary of Findings includes an executive summary and recommendations, as well as a series of appendices. The Annual Work Plan Template is currently being used by Parks Superintendent Abby McNeal to develop an approach to tracking tasks and functions of Parks. The Annual Work Plan Template also includes as appendices a series of tools to assist in the inventory of all assets and in monitoring targeted levels of service for each asset.

Executive Summary and Key Recommendations

The City of Louisville parks system is continually cited by local residents as one of the most cherished assets of the city. The system includes a complex range of amenities available to Louisville residents, including over 300 acres of dedicated park land, playgrounds, athletic fields, recreation amenities including an outdoor swimming pool and splash pad, the cemetery, the 18-hole municipal golf course, and civic facilities. Each of these amenities contributes to the quality of life of Louisville residents. The City of Louisville initiated the 2022 General Maintenance and Management Plan to ensure that Parks assets are thoughtfully maintained and managed, and that funding allocations and annual budgets meet the needs of the department.

Guiding each decision is the City of Louisville Vision Statement:

Established in 1878, the City of Louisville is an inclusive, family-friendly community that manages its continued growth by blending a forward-thinking outlook with a small-town atmosphere which engages its citizenry and provides a walkable community form that enables social interaction. The City strives to preserve and enhance the high quality of life it offers to those who live, work, and spend time in the community. Louisville retains connections to the City's modest mining and agricultural beginnings while continuing to transform into one of the most livable, innovative, and economically diverse communities in the United States. The structure and operation of the City will ensure an open and responsive government which integrates regional cooperation and citizen volunteerism with a broad range of high-quality and cost-effective services.

The City has adopted the following **Core Community Values** that serve as the foundation for all decisions and actions, including the maintenance and management of the City's park system:

A Sense of Community . . . where residents, property owners, business owners, and visitors feel a connection to Louisville and to each other, and where the City's character, physical form and accessible government contribute to a citizenry that is actively involved in the decision-making process to meet their individual and collective needs.

Our Livable Small Town Feel . . . where the City's size, scale, and land-use mixture, and the government's high-quality customer service encourage personal and commercial interactions.

A Healthy, Vibrant, and Sustainable Economy . . . where the City understands and appreciates the trust our residents, property owners, and business owners place in it when they invest in Louisville, and where the City is committed to a strong and

supportive business climate, which fosters a healthy and vibrant local and regional economy for today and for the future.

A Connection to the City's Heritage . . . where the City recognizes, values, and encourages the promotion and preservation of our history and cultural heritage, particularly our mining and agricultural past.

Sustainable Practices for the Economy, Community, and the Environment . . . where we challenge our government, residents, property owners, and our business owners to be innovative with sustainable practices so the needs of today are met without compromising the needs of future generations.

Unique Commercial Areas and Distinctive Neighborhoods . . . where the City is committed to recognizing the diversity of Louisville's commercial areas and neighborhoods by establishing customized policies and tools to ensure that each maintains its individual character, economic vitality, and livable structure.

A Balanced Transportation System . . . where the City desires to make motorists, transit customers, bicyclists, and pedestrians of all ages and abilities partners in mobility, and where the City intends to create and maintain a multimodal transportation system to ensure that each user can move in ways that contribute to the economic prosperity, public health, and exceptional quality of life in the City.

Families and Individuals . . . where the City accommodates the needs of all individuals in all stages of life through our parks, trails, and roadway design, our City services, and City regulations to ensure they provide an environment which accommodates individual mobility needs, quality of life goals, and housing options.

Integrated Open Space and Trail Networks . . . where the City appreciates, manages, and preserves the natural environment for community benefit, including its ecological diversity, its outstanding views, clear-cut boundaries, and the interconnected, integrated trail network which makes all parts of the City accessible.

Safe Neighborhoods . . . where the City ensures our policies and actions maintain safe, thriving, and livable neighborhoods so residents of all ages experience a strong sense of community and personal security.

Ecological Diversity . . . where the City, through its management of parks and open space and its development and landscape regulations, promotes biodiversity by ensuring a healthy and resilient natural environment, robust plant life, and diverse habitats.

Excellence in Education and Lifelong Learning . . . where the City allocates the appropriate resources to our library services and cultural assets and where the City actively participates with our regional partners to foster the region's educational excellence and create a culture of lifelong learning within the City and Boulder County.

Civic Participation and Volunteerism . . . where the City engages, empowers, and encourages its citizens to think creatively, to volunteer, and to participate in community discussions and decisions through open dialogue, respectful discussions, and responsive action.

Open, Efficient, and Fiscally Responsible Government . . . where the City government is approachable, transparent, and ethical, and our management of fiscal resources is accountable, trustworthy, and prudent.

The City of Louisville parks system includes several components that are unique to Louisville and not features or assets that are traditionally maintained by parks departments. The following items summarize several unique attributes that have a direct impact on departmental budgets and staffing needs:

- Parks is responsible for the day-to-day maintenance of grounds adjacent to civic facilities, including irrigation systems, turf lawns, and ornamental planting beds.
- Parks assumes responsibility for the day-to-day maintenance of sections of public right-of-way, including medians, which are labor intensive and require significant traffic control measures to ensure the safety and well-being of maintenance staff.
- Parks assumes responsibility for the day-to-day maintenance of entry features, open lands, and passive-use areas that are typically maintained by individual Homeowners Associations (HOAs).
- Parks assumes responsibility for the day-to-day operations of the City of Louisville cemetery. Parks maintenance staff is responsible for burials, for the clean-up of debris/food left after family gatherings, and for maintenance of items that the bereaved have installed at individual grave sites such as benches, paving, trees, etc. Currently, there are regulations regarding permissible and non-permissible items and improvements; however, there are several items in the cemetery that were installed prior to the adoption of current regulations, which require additional time and maintenance. Over 50% of the rows in the cemetery contain obstacles that prevent use of standard mowers and require more involved, detail-oriented care. The cemetery also contains an abundance of mature trees that require ongoing maintenance by the arborist and, if not regularly maintained, also impede mowing regimens.
- Parks maintenance staff is responsible for the day-to-day maintenance of the irrigation system, planting beds, and all trees at the Coal Creek Golf Course.
- The City has made the Forester available to residents and property owners for consultations of trees located on private property. This is not typically a service that local municipalities provide and is deemed the responsibility of the homeowner/property owner to hire an arborist for private consultations.
- There is significant pressure from residents to initiate and incorporate sustainability into parks operations and maintenance. Parks supports the sustainability initiatives. A few of the programs such as composting, dog waste composting, pollinator gardens, and integrated pest/weed management are labor intensive to fully implement. While these items are often integrated into urban/suburban parks and infrastructure systems, each new program requires a unique maintenance and management regime that impacts maintenance and operations budgets. The City has been open to expanding services based on requests from residents, but it should be noted that these programs are often offshoots of services typically provided by municipalities with significantly larger populations and resources.

Recognizing that the integrity of the City’s parks system relies on the ability of the City to manage and maintain each component of this cherished system, the City embarked on the development of the General Maintenance and Management Plan to identify strategies and tools to identify assets and maintenance needs of each asset. The General Maintenance and Management Plan is organized into three deliverables:

1. **Summary of Findings:** Includes an overview of initial research, including staff interviews that were used to inform the targeted Levels of Service in response to expectations of City residents and elected/appointed officials.
2. **Annual Work Plan:** Includes specific steps and tasks necessary to inventory and manage existing assets and maintenance tasks.
3. **Appendices:** Supporting documentation, including interim tools, to document and expand the City’s inventory in preparation for the transition to utilizing management software.

The General Maintenance and Management Plan will assist Parks in tracking specific assets and the maintenance required to care for those assets in preparation for annual budget requests and capital improvement plans.

Overall Assessment of Park Maintenance Operations

The goal of this project is to improve maintenance planning and operations and guide Parks toward higher performance. To achieve that, the consultant team performed a review of maintenance planning processes and Parks operations. The result of data and document reviews, interviews, and analyses indicate that there is a consistent approach to park operation and maintenance within Parks, but the process is not formal or documented. Overall, Parks maintenance organization is functioning at a maturity level between “Initial/Ad Hoc” (Level 1) where processes are minimally controlled and mostly reactive and “Repeatable (Level 2),” where processes are generally understood but not always documented. Some areas are functioning at a higher level, such as snow removal, where there is a strong emphasis on providing access to the park assets during inclement weather. In addition, the sense of teamwork and pride in making the City a better place to work and live was evident. Amongst department leadership, there is a strong recognition of the need and a desire to think strategically about park maintenance.

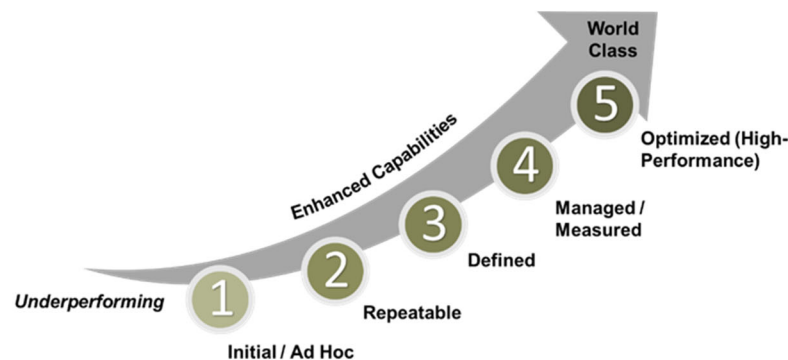


Figure 1. Capability Maturity Model Levels

Parks maintenance organization currently has 23.5 FTEs that have primary responsibility for grounds maintenance. Parks is supplemented by contractors, but the FTE equivalent of the contractors is not able to be determined using current contract data. As shown in Table 1, a comparison of the APPA (Association of Physical Plant Administrators, now more commonly referred to as Leadership in Educational Facilities) maintenance staffing benchmarks indicates that with current in-house staffing, it would be feasible for Parks to consistently deliver grounds maintenance services between APPA.

level 4 (Moderately Low-level) and level 3 (Moderate level) across its roughly 356-acre portfolio. With additional data to evaluate the outsourcing influence on the staffing levels, the level of service could be closer to APPA level 2 (High-level). Using this benchmark as guideposts, a strategic staffing plan and measurement and monitoring of outcomes can make future staffing adjustments to staffing levels more consistent, defensible, and directly linked to service level and stakeholder needs. For more discussion of APPA and the levels of service, refer to the benchmarking section later in this report.

	State-of-the-Art Maintenance Level 1	High-Level Maintenance Level 2	Moderate Level Maintenance Level 3	Moderately Low-Level Level 4	Minimum-Level Maintenance Level 5
Total Recommended Grounds FTEs	62	40	29	14	7
Square Feet per Grounds FTE	250,914	387,899	538,656	1,078,899	2,095,486
Acres per Grounds FTE	5.76	8.90	12.37	24.77	48.11

Table 1. APPA's service level model for maintenance staffing

In addition, the consultant team reviewed Parks data against National Recreation and Parks Association (NRPA) 2022 benchmarks, as shown in Figure 2. Using the NRPA benchmarking data, Parks is in line with their peers on staffing levels based on population. However, Parks maintains significantly more acreage of parkland than its peers that reported data to NRPA, which must be taken into account when considering staffing levels. Another notable item from the NRPA benchmarks is that the City provides more park acreage per resident than its peers and has a smaller residents per park and playground ratio.



Figure 2. City of Louisville Comparison to NRPA Benchmarks

Based on our assessment of Parks maintenance functions as they are currently configured, a priority recommendation of this report is the development of a maintenance program that includes strategic planning, process improvement, and continual measurement and monitoring. Alignment to a standard, such as the NRPA's Commission for Accreditation of Park and Recreation Agencies (CAPRA) standard, will enable Parks to build a program that is rooted in strategic alignment, repeatable and defensible processes, and a focus on continual improvement. The CAPRA standard provides an authoritative assessment tool for park and recreation agencies to demonstrate they have the operational capacity to deliver programs, facilities, and services at a high level of quality. Using the CAPRA standard as a guiding framework enables the City to build and sustain the long-term change Parks is seeking.

Further, a structured maintenance program that includes maintenance and capital planning functions facilitates several positive outcomes:

- Reduction in life cycle cost
- Reduced risk of failure of critical systems
- Increased customer satisfaction, both internal and external
- Improved asset reliability and performance
- More effective preventative and corrective maintenance programs
- Decrease in emergency repairs, outages, and response requirements

The advantages of a well-documented maintenance function will be alignment of Parks Department maintenance function with the City's strategic objectives, more streamlined operations, consistent application of maintenance practices to optimize asset life cycle, effective use of in-house and outsourced resources, a work and career development environment for Parks employees, and long-term reduction in the cost of the maintenance and capital renewal.

Key Findings and Recommendations: The primary objective of the General Maintenance and Management Plan is to provide guidance and feedback to both management and staff involved in the daily maintenance of parks and Parks assets. The plan includes detailed inventory data and analysis to better understand the costs associated with specific tasks and identifies targeted Levels of Service that identifies specific maintenance regiments for each asset. The following recommendations identify specific areas of concern that would improve efficiency and allow for more accurate cost assessments related to maintenance and management.

1. Implement and document consistent maintenance processes, levels of service, and customer expectations.
2. Develop a preventative maintenance plan and a documented inspection process.
3. Adopt Lucity software to manage maintenance workflow.
4. Implement a staffing plan consistent with the benchmarking data. This plan should include a more detailed labor needs analysis to determine specific staff types and ratios based on the desired levels of service.
5. Develop a system to document and track actual staff task time. Use this data to inform an Annual Work Plan for routine maintenance and contingency plans for corrective maintenance.
6. Complete inventory of assets, refine accuracy of data, and add the data to Lucity.
7. Conduct Parks-specific resilience planning that includes security, emergency preparedness, and continuity of operations.
8. Implement a performance management system with consistent asset facilities-related key performance indicators (KPIs) that accurately measure the effectiveness of asset maintenance.

Scope of Work

The process for the development of the General Maintenance and Management Plan for Parks consisted of the following tasks:

- A. **Review of Organization Data:** Extensive data was provided to the consultant team by the City, which included the following information:
 - 1. City of Louisville Values, PROST Goals, Key Performance Indicators
 - 2. City Council Input: Survey
 - 3. Management and Parks staff interviews
 - 4. Inventory of Parks assets
 - 5. Financial Information: Parks budgets
 - 6. Operational Information: Organization chart, outsourcing

- B. **Analysis of Data:** Parks and their levels of service and operations were evaluated and assessed using available data. The analysis focused on existing levels of service, staffing, city council and community expectations, current management practices and organizational structure as well as internal communication and task distribution methodology. Additionally, there are other factors both quantifiable and qualitative that informed the analysis:
 - 1. City Values and Expectations
 - 2. Levels of Staff: Full Time and Seasonal
 - 3. Operations: Task Distribution, Communication, and Prioritization
 - 4. Outsourced Contracts: Frequency of Services and Term of Contract
 - 5. Maintenance Standards
 - 6. Costs: Staffing, Equipment (Fleet and Facilities were excluded from the analysis)

The development of Parks General Maintenance and Management Plan included several tasks as identified in the contracted Scope of Services, including:

Internal Surveys and Staff Interviews

In conjunction with City staff, the consultant team prepared and distributed a survey to City Council and the Parks & Public Landscaping Advisory Board (PPLAB) to gauge understanding of parks maintenance roles, responsibilities, and satisfaction with current maintenance levels of service and activities. The consultant team also facilitated a series of staff interviews to ascertain current understanding of roles, responsibilities, communication procedures, efficiencies/inefficiencies, and day-to-day decision making.

Staffing Assessment

Using NRPA benchmarks, the team reviewed staffing levels to understand staffing as a percentage of the overall operational budget and to identify potential gaps based on desired Level of Service.

Asset Inventory

Data assembly is a critical component to understanding the extent of existing asset inventory information, including the number of parks, playgrounds, recreation amenities, rights-of-way, medians, etc. A detailed asset inventory is included in the Annual Work Plan template and Appendix D. After assembling and reviewing existing data, including inventory and budget line items, the consultant team

identified existing data gaps and made recommendations for expanding categories that could be linked to future task order assembly and distribution.

Performance Standards and Measures

To evaluate the current state of parks from a broad perspective, the consultant team used a framework for high-performance that is based on the Malcolm Baldrige quality management framework and the NRPA national accreditation standards. The use of the NRPA standards allows us to analyze Parks overall park management practices and provide qualitative performance measures.

Service Contracts and Partnership Agreements

The consultant team reviewed budget information related to existing year-round and seasonal service contracts and identified impacts on current staffing levels and performance standards. Data from partnership agreements between Parks and HOAs was not currently available, but the consultant team discussed the need to better understand and track partnership agreements that impact maintenance operations.

Recommendations and Implementation: Annual Work Plan

Using the assessments and findings generated to date, the consultant team developed an Annual Work Plan (AWP) template and identified opportunities for outsourcing. The Annual Work Plan is set up as a plan from Parks perspective that summarizes strategy, key maintenance processes, and metrics. The plan will serve as a tool for Parks to determine staffing needs and projections related to specific tasks. The template will need to be completed by City staff as more information is collected and gaps are eliminated.

The Annual Work Plan is supplemented by an inventory of data that was assembled previously as part of the PROST Atlas and supplemented by an expanded inventory which is detailed in AWP Appendix B. These appendices include information regarding methodology and how to apply the data to inform the Annual Work Plan.

Maintenance, Management, and Labor Needs for New Amenities

The Annual Work Plan is a tool for anticipating how Parks will accommodate and service landscape and infrastructure capital improvement projects. As data from Parks daily operations is expanded to collect detailed task data, Parks will have an increasingly accurate understanding of costs of routine maintenance for a given asset and level of service. Parks can use this information to accurately predict how capital improvements will impact routine maintenance programs, and proactively adjust their departmental FTEs to accommodate new and/or improved assets.

Summary of Existing Data

Existing Data

At the kickoff of the project, the consultant team presented the City with an extensive list of a wide range of data and information about Parks operations. Through March and April of 2022, Parks provided information ranging from GIS data and park inventories to master plans, biennial budgets, and codes, to whiteboard snapshots and screen captures of irrigation maintenance software. Additionally, members of Parks staff were made available for interviews. The team was provided with an in-depth perspective of the processes and procedures that allow Parks to supply the services that the community so greatly values. In the initial review of existing data, it was determined that to quantify the staffing needs of the Maintenance Department more fully, additional data in the form of an expanded inventory would be necessary. Existing data and additional data collected during this effort is identified and detailed in Appendix D Asset Classification. It should be noted that there will continue to be a need for Parks staff to both maintain and add to the inventory database to ensure that all assets and tasks are accounted for. The list of data provided by the City is listed under Appendix C Data Sources.

Known Data Gaps

When generating an Annual Work Plan, it is important to note that many tasks are dependent on the availability of existing data. This report recommends more comprehensive data collection regarding specific tasks that are unique to maintenance operations, and the time it takes to complete each task. Parks staff is aware that they currently do not collect all pertinent data necessary to establish a systems-based approach to operations management. The following list of missing data was generated in-house by Parks staff to supplement the data provided to the consultant team in the initial data assembly tasks.

1. **Plant Material Data.** Parks estimates that there are 10,000 trees that are publicly maintained, and it does not currently track data on the quantity of shrub bed area. It should be noted that Parks maintains a significant number of medians in the right-of-way, but total square footage maintained by Parks staff has not been tabulated and should be a priority moving forward in the expansion of the existing data inventory.
 - a. **Forestry** is a city-wide operation where much of the work occurs at sites not considered to be parks, such as private property, open space, in ditches, rights-of-ways, etc.
 - b. **Planted Beds** (annual, perennial, pollinator, shrubs) are the most expensive square-footage to maintain; additionally, the City's policy to control weeds without the use of herbicides using manual methods has a significant impact on horticulture services.
2. **Athletic Permitted Use Support.** Parks staff supports the permitted uses at the athletic fields, including ballfield lining and dragging, and soccer field line painting. The actual task time and resources are not tracked, including tasks and events that require Parks staff to work overtime and/or outside of normal work schedules.
3. **Permits.** Special Use Permits, shelter rentals, City special events, Access Permits, Rights-of-Way Permits, etc. all require staff time to review and process. Cemetery staff often perform reviews and processing, as there is no dedicated staff for these administrative tasks. Additionally, Parks staff have responsibilities surrounding these events, including preparing the site and marking utilities, staffing and access during the event, and site cleanup and waste removal services afterwards. The labor and resources required for this work is not tracked.

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4. **Parks Board.** The time required to prepare packets of information to assist the PPLAB review and decision-making process is not currently tracked and requires the input of the Parks maintenance staff, as well as supervisors. Time allocation for administrative tasks should be tracked and should be construed as a critical task necessary to keep PPLAB apprised of ongoing maintenance activities.
 5. **Code Enforcement / Private Issues.** There is ambiguity in Parks regarding the maintenance of rights-of-way, HOA entries and pocket parks, Special Districts, etc. While there is significant time spent discussing, researching, and potentially performing work that is typically the responsibility of the HOA based on the original development agreement, there is little available documentation to confirm HOA roles and responsibilities of common areas. Additionally, Parks irrigation staff is often the first call made by concerned residents and other departments and often responds to leaks in irrigation systems on private property. Parks often assumes responsibility for shutting the water off and notifying the property owner. However, during the busiest maintenance season, this work goes undocumented and impacts the on-going maintenance workflow.
 6. **Maintenance Responsibility / GIS Definition.** Parks currently does not leverage the City's existing GIS database, which could assist in both establishing and documenting limits of responsibility. This can benefit staff by reducing the time spent discussing various interpretations or recollections of outdated agreements, as well as establishing parameters for on-going maintenance.
 7. **Cemetery Administration.** The time spent between the key staff members involved in the administration and unique maintenance needs of the cemetery is not well-documented or tracked, and results in a gap that impacts staffing needs for this unique asset.
 8. **"Other Duties as Assigned" / In-House Projects.** Due to the size of the work group, Parks is asked to assist with city-wide projects and duties that are not typically associated with parks. This ranges from overseeing construction projects, to staffing City events, and to waste removal at City facilities. The Department is responsive to these requests, but the time spent is not specifically tracked, nor built into on-going maintenance plans.

Asset Inventory/Categorization

The most current GIS data was collected during the 2012 master plan process. The data includes boundary data for all areas that Parks currently maintains, as well as point data for a variety of components. However, the data has not been updated, as Parks has added assets in the past decade. Refer to Appendix B in the Annual Work Plan for asset inventory data including additional assets added since 2011. Refer to Appendix D for a detailed list of parks.

The components tracked in GIS provide the greatest window into the on-going maintenance tasks for which Parks is responsible. However, the GIS data provides no sense of quantity of the tracked component: Bluegrass turf is a component, but overall acreage is not captured; trailheads are tracked as a component, but trail length is not captured; waste receptacles are not captured. Each of these components require on-going maintenance, and the extent of the maintenance (i.e., assigned task-hours) is determined by the quantity of the component.

Currently the PROS department categorizes the parks and open spaces within the master plan into one of nine Ownership Categories:

1. Louisville: 118 sites, 1,157.33 acres
2. Joint Ownership: 11 sites, 1,060.2 acres
3. Other: 13 sites, 1,298.5 acres
 - a. Boulder County Parks & Open Space: 1 site
 - b. Boulder County: 2 sites
 - c. Boulder Valley School District: 1 site
 - d. City of Boulder: 3 sites
 - e. City of Lafayette: 3 sites
 - f. PSCOC: 1 site
 - g. CDOT: 2 sites

While these categories serve to illustrate the areas owned by different entities, they are not helpful in determining on-going maintenance needs or anticipated levels of care for individual sites, especially as it relates to Parks services, which occur across all facility ownerships and types.

The second level of categorization provided in the Master Plan is by Class, of which there are five categories.

1. Golf Course: 1 site, 154 acres
2. Open Space: 47 sites, 2,871.75 acres
3. Open Space, Other: 2 sites, 3.0 acres
4. Parks: 66 sites, 406.28 acres
5. Parks, Other: 26 sites, 81.0 acres.

Again, these categories are sufficient to provide a secondary summary of the ownership of the assets, however they fall short of grouping sites or summarizing areas of varying maintenance needs. For example, the “Parks” and “Parks, Other” assets vary from a regional athletic complex to an undeveloped neighborhood pocket park, or a highway right-of-way to a destination playground.

The current asset inventory does not reflect day-to-day operations of Parks. Parks with playgrounds do not have the same maintenance requirements as undeveloped pocket parks; back-of-lot trail corridors do not have the same maintenance requirements as CDOT rights-of-way. Parks should track how those assets and components drive the Annual Work Plan. To this end, the Annual Work Plan template submitted along with the Summary of Findings builds upon the inventory of 2011 and expands the number of inventoried components in the overall asset database. Data sheets have been developed that compile and organize this new data for improved labor and task tracking in preparation of the Annual Work Plan.

Service Contracts

Currently, Parks contracts out several on-going maintenance tasks. These tasks include turf maintenance, downtown flower planting, downtown tree lighting, and horticultural bed care. Parks has spent an average of \$342,000 annually on contracted maintenance services in the past three years.

no	DEPT / FUND	CONTRACT	2019 CONTRACT VALUE	2020 CONTRACT VALUE	2021 CONTRACT VALUE
1	STREETSCAPE	Prof Serv - Other	\$720.26	\$1,980.00	\$2,194.83
2	STREETSCAPE	Prof Serv - Mowing	\$43,708.39	\$44,440.73	\$42,246.54
3	STREETSCAPE	Prof Serv - Pest Control	\$1,290.24	\$1,410.57	\$1,441.26
4	STREETSCAPE	Prof Serv - Weed Control	\$0.00	\$0.00	\$0.00
5	STREETSCAPE	Prof Serv - Landscape Maintenance	\$7,214.46	\$3,284.00	\$1,160.75
6	STREETSCAPE	Prof Serv - Tree / Hort Maintenance	\$20,527.50	\$16,167.00	\$22,760.00
7	STREETSCAPE	Prof Serv - Conc / Sidewalk / Trail	\$1,777.04	\$1,777.04	\$1,777.04
1	PARKS	Prof Serv - Custodial	\$15,031.60	\$22,823.31	\$42,900.00
2	PARKS	Prof Serv - Branch Site Grinding	\$21,161.25	\$12,500.00	\$12,500.00
3	PARKS	Prof Serv - Other	\$3,881.00	\$1,686.00	\$4,950.01
4	PARKS	Prof Serv - Mowing	\$97,710.76	\$93,252.22	\$88,478.19
5	PARKS	Prof Serv - Pest Control	\$3,010.56	\$3,291.33	\$3,362.95
6	PARKS	Prof Serv - Weed Control	\$0.00	\$0.00	\$0.00
7	PARKS	Prof Serv - Landscape Maintenance	\$9,433.18	\$8,520.70	\$72,589.08
8	PARKS	Prof Serv - Tree / Hort Maintenance	\$15,900.00	\$13,387.50	\$16,689.52
9	PARKS	Prof Serv - Conc / Sidewalk / Trail	\$12,235.88	\$17,999.99	\$15,000.00
10	PARKS	Prof Serv - Tennis Court Repairs	\$52,802.00	\$0.00	\$0.00
1	CEMETERY	Prof Serv - Investment Fee	\$21.46	\$9.39	\$22.40
2	CEMETERY	Prof Serv - Bank Charges	\$2,478.81	\$3,008.50	\$4,431.28
3	CEMETERY	Prof Serv - Other	\$2,420.00	\$2,420.00	\$2,650.00
4	CEMETERY	Prof Serv - Mowing	\$24,241.37	\$32,327.45	\$30,731.32
5	CEMETERY	Prof Serv - Landscape Maintenance	\$928.34	\$0.00	\$0.00
6	CEMETERY	Prof Serv - Tree / Hort Maintenance	\$900.00	\$0.00	\$0.00
1	ATHLETICS	Prof Serv - Custodial	\$400.00	\$0.00	\$0.00
2	ATHLETICS	Prof Serv - Other	\$6,587.70	\$12,620.00	\$17,641.88
3	ATHLETICS	Prof Serv - Landscape Maintenance	\$1,992.98	\$1,644.40	\$1,553.97
1	TOTAL	Sum: Mowing	\$165,660.52	\$170,020.40	\$161,456.05
2	TOTAL	Sum: Pest Control	\$4,300.80	\$4,701.90	\$4,804.21
3	TOTAL	Sum: Land. Maint.	\$19,568.96	\$13,449.10	\$75,303.80
4	TOTAL	Sum: Tree / Hort Maint.	\$37,327.50	\$29,554.50	\$39,449.52
5	TOTAL	Sum: Conc / Sidewalk / Trail	\$14,012.92	\$19,777.03	\$16,777.04

Table 2. Existing Outsourced Contract Data

Parks does not maintain records of contract performance for the tasks that are outsourced, which creates a gap in understanding what efficiencies are gained with the City's current service contracts.

Service contracts are valuable to an organization like Parks in two ways. Specialized skills and resources that are not available within the organization can be found in the private sector. A current example in Louisville is the downtown flower planting program. Urban annual flowers add color and celebration in a downtown setting but require watering and care multiple times per week. Rather than delegate a single, specialized staff person to this task, Parks could provide oversight requiring a fraction of the time and outsource this task to a private individual or business.

Conversely, the turf maintenance program requires significant labor, but the tasks require little specialized skills. In these instances, Parks can lean on the labor pool of the private sector, which is able to handle the ebb and flow of seasonal labor more efficiently than the public sector. Turf maintenance is an example of Parks focusing the staff's time on oversight and review, while allowing private companies to collect the person-power necessary to maintain bluegrass on a weekly basis.

Based on 2022 data from the City of Louisville Human Resources Department, the median total compensation value (salary plus retirement and benefits) for Parks employees was approximately

\$84,000. If \$84,000 is used as an estimate for the cost of a new Parks employee (FTE), based on the average annual contract amount of \$342,000, Parks could hire four additional employees for approximately the same cost. Parks would need to determine if those four new employees could accomplish everything done under the existing contracts.

The Inter-Government Agreements (IGAs) that govern the maintenance of the Open Space assets under varying ownerships were not provided and, by nature of being under the authority of Open Space, were excluded from the scope of this report. However, the tasks that Parks performs at these locations (flower bed maintenance, snow removal, pest management, etc.) impact the overall staff and resource needs of Parks. Tracking the tasks specifically required through these IGAs will allow Parks to capture some of the labor and data that currently is unrecorded.

Software

The City's Public Works department has adopted the Lucity city management software platform as a means of gaining departmental operational efficiencies. The department uses it to prepare on-going maintenance schedules, track asset lifecycles, record work performed, track performance measures, and create reports.

The Parks irrigation team currently utilizes GIS-based software to maintain an inventory of irrigation system data throughout the City. Independent of the rest of Parks, the irrigation team members have catalogued the irrigation system at every site they maintain, including capturing lifecycle information, preventative maintenance schedules, and labor requirements.

Benchmarking Analysis

Benchmarking can be an effective tool to identify costly or inefficient practices within the organization. The consultant team utilized the following industry benchmark reports to provide Parks with industry standards on maintenance costs and staffing levels:

- Association of Higher Education Facilities Officers (APPA) Operational Guidelines for Educational Facilities, Maintenance (2nd edition), and Custodial (third edition)
- National Recreation and Park Association (NRPA) Agency Performance Review, Park Facilities, Programming, Responsibilities and Staff, 2022

For the benchmark analysis, the following data was provided by the City:

Data Description	Quantity
Number of Parks	37
Overall acreage/square footage	355.83 AC / 15,549,955 SF
Number of Residents living in Louisville (US Census 2020)	21,226
Maintenance budgeted amount of expenses (2022)	\$2,837,320
Revenue	\$1,311,680
Maintenance Staff (Filled and Vacant Positions)	23.5
Number of playgrounds	16
Deferred Maintenance	Not provided
Number of Basketball Courts	7
Number of athletic fields	14

Table 3. Summary of Benchmarking Data

Grounds Staffing and Level of Service

A detailed labor-needs analysis was not within the scope of this project and would require a consolidated staff assignment matrix and work order analysis that is currently not available. However, we made a high-level comparison of current staffing to industry benchmarks to gain a general sense of Parks staffing levels. Benchmarking is useful for making relative comparisons but should not be considered definitive for developing staffing levels.

Data provided by Parks showed that there were 23.5 FTE (22.31 Parks and 1.19 cemetery) staff members that are currently identified as having primary responsibility for grounds maintenance. Although the function of the dedicated grounds maintenance personnel varied, and included some unique responsibilities, these individuals were responsible for carrying out the grounds functions. In addition, Parks staff are supported by contractors. Contracts currently do not mandate the number of employees or the amount of time a contractor is required to perform the tasks associated with grounds maintenance.

Table 4 represents a comparison of Parks staffing levels (not including contractors) against APPA's service level model for grounds staffing.

	State-of-the-Art Level 1	High-Level Level 2	Moderate Level Level 3	Moderately Low-Level Level 4	Minimum-Level Level 5
Total Recommended Grounds FTEs:	62	40	29	14	7
Square Feet per Grounds FTE:	250,914	387,899	538,656	1,078,899	2,095,486
Acres per Grounds FTE:	5.76	8.90	12.37	24.77	48.11

Table 4. APPA's service level model for grounds staffing

The advantage of looking at staffing through the lens of the APPA staffing model is that service level is considered, and staffing levels are linked to service level desired and/or provided.

A comparison of the APPA grounds staffing benchmarks indicates that with current in-house staffing, it would be feasible for Parks to consistently deliver grounds maintenance services between APPA level 4 (Moderately Low-level) and level 3 (Moderate level) across its roughly 356-acre portfolio. With additional data to evaluate the outsourcing influence on the staffing levels, the level of service could be

closer to APPA level 2 (High-level). Using this benchmark as guideposts, a strategic staffing plan and measurement and monitoring of outcomes can make future staffing adjustments to staffing levels more consistent, defensible, and directly linked to service level and stakeholder needs. Based on our discussions with staff, there are additional maintenance duties performed by Parks employees for the open space areas of the City, but the areas and amount of time associated with this effort is not included in the analysis.

NRPA Agency Performance Review Benchmarks

This high-level analysis provides an indication of where Parks metrics as compared to other agencies who report data to the NRPA agency performance review database. This analysis does not account for any overlapping community population or shared resources within Parks. Data associated with Open Space has not been included with any of the analysis.

Cost of Parks grounds maintenance was calculated using the 2021 budget in select categories of maintenance and operations using the NRPA agency review performance indicators. Table 5 summarizes our analysis of NRPA Park Metrics Review based on the budgeted expenditure data provided by Parks and shows for one of the metrics that, on a per capita basis, the average annual spending on Parks maintenance function fell above NRPA all agency average and the reporting agencies with less than 20,000 residents.

NRPA Benchmark	City of Louisville	NRPA 2022			
		Population Less than 20,000	Population 20,000 to 49,999	All Agencies (median)	Colorado reported (median)
Residents Per Playground	1415	1986	3111	3750	2809
FTE's per 10,000 residents	11	11.3	11.1	8.9	69
Operating Capital Per Capita	\$134.00	\$117.00	\$110.00	\$93.00	\$249.00
Acres of parkland per 1,000 residents	17	12.9	10.6	10.4	24.8
Residents per park	574	1233	1941	2323	1798
Revenue to Operating Expenditures	46.23%	25.00%	25.00%	24.00%	26.90%
Annual Operating Expenditures	\$ 2,837,320	\$ 1,200,000	\$ 3,500,000	\$ 5,079,256	Not Available

Table 5. NRPA Benchmarks Review

Using the NRPA benchmarking data, Parks is in line with their peers on staffing levels and has a higher operating budget per capita. However, the City maintains significantly more acreage of parkland than its peers that submitted to the NRPA database. Utilizing peer data for benchmarking is informative at a high level, but reporting peers could be understaffed, skewing the data. Using the APPA analysis, which includes a level of service, is a standard to compare versus looking at peer reporting. However, there is a large difference with the APPA analysis, showing the Department is significantly understaffed for the levels of service Parks is providing. If data can be provided to the consultant team on the FTE equivalent for contractors and ensure that we have accounted for all seasonal employees, we can provide a better comparison to APPA standards.

Other notable items from the NRPA benchmarks, Parks provides more parkland per resident than its peers and has a smaller residents-per-park-and-playground ratio. The included Colorado benchmarks include two entities that reported information to NRPA. However, the size of those entities is not known.

Performance Standards Analysis

To evaluate the current state of parks from a broad perspective, the consultant team used a framework for high-performance that is based on the Malcolm Baldrige quality management framework and the National Recreation and Parks Association (NRPA) national accreditation standards. The use of the NRPA standards allows us to analyze Parks overall park management practices and provide qualitative performance measures. The evaluation includes a review through the lens of a high-performance organization which assesses maturity from several perspectives and emphasizes long term planning and alignment with industry best practices. High performance organizations are those that are skilled at developing a strategy, implementing a plan to follow that strategy, operating with an effective performance management system, and continuously reassessing and adjusting their plan to meet a changing environment and maintain continual improvement.

Using this approach provides a multi-faceted understanding of Parks current maintenance and management planning and establishes a roadmap to move forward. The framework considers these dimensions, as shown in Figure 3. However, this scope of work was limited to maintenance and management planning which is primarily from the process management perspective. As we aligned the framework with NRPA standards, we also included some areas of the performance categories of workforce development, and measurement and analysis.



Figure 3. High-Performance Categories

The consultant team utilizes this framework to develop a roadmap for continuous improvement. Using this high-performance framework allows for continuous monitoring of performance to achieve the operational results that Parks is looking to achieve. We assess the performance of the organization and make recommendations for improvement by:

- Evaluating key characteristics of how the organization functions
- Evaluating the quantitative and qualitative measures currently in place
- Comparing existing processes and practices to industry best practices
- Identifying strengths and weaknesses
- Outlining a process for continuous improvement

Through this framework, we evaluated the current Parks maintenance and management planning. We are providing recommendations that detail specific and realistic ways Parks maintenance planning can incorporate strategic planning, align the strategy with the City's strategic initiatives, improve business processes, optimize its maintenance structure, become more effective and efficient with its resources, and deliver on its organizational objectives. We also developed an Annual Work Plan that is provided as

a separate deliverable that serves as the template for which Parks leadership can integrate the goals and strategies within NRPA into their own maintenance management plan.

Strategic Planning & Alignment to Standards

The development of a maintenance program that includes strategic planning, process improvement, and continual measurement and monitoring is crucial to effective Parks operations. Alignment to a standard such as the CAPRA standard will enable Parks to build a program and not just a plan. A program is a system rooted in strategic alignment, repeatable and defensible processes, and a focus on continual improvement. Using the CAPRA standard as a guiding framework enables Parks to build and sustain the long-term change the City is seeking.

In addition to the specific items in our scope of work, high-level planning items from the CAPRA standard are important to consider as Parks continues to mature the maintenance program. This includes utilizing a performance management system that enables Parks to collect the right data, formulate that data into business information, and consider that business information in determining the efficiency and effectiveness of Parks operations and maintenance.

An effective maintenance program will:

1. Include an organizational structure that is tailored to the needs and requirements of the organization
2. Contain goals and objectives that align with City goals
3. Use time, personnel, equipment, and materials effectively
4. Include work schedules based on established policies and priorities
5. Emphasize preventive maintenance
6. Ensure adequate resources
7. Incorporate environmental stewardship
8. Assume responsibility for visitor and employee safety
9. Ensure compliance with federal, state, and local laws and regulations
10. Make maintenance a primary consideration during design and construction

Organizational Structure

The current organization chart is organized by asset type, similar to the PROST Atlas: cemetery, athletic fields, natural areas. This is beneficial for cataloging areas and prioritizing departmental specialties, but this method is limiting given that many of Parks' tasks are performed at sites all across the City, not specific or limited to parks, or even open space sites. The services provided throughout the City by Forestry, Horticulture, Irrigation, Turf Maintenance, and Snow & Ice Removal inform public perception of Parks and have safety and welfare implications.

We recommend the organization of Parks establish service departments (forestry, irrigation, etc.) at the same leadership level as the site departments (cemetery, parks, etc.). Organizing Parks with service departments represented at the leadership level will provide those departments with the opportunity to contribute to overall Parks resource and maintenance planning, as well as establish their own strategic plans, and their own measuring and monitoring standards, specific to their service departments. Each of these service departments works across the City to maintain the overall civic campus of the City of

Louisville, in order to prioritize needs and requests from throughout the City, and to balance Parks overall FTE's against the growing needs of the site departments.

Another opportunity to improve the function of Parks through organization is to collect the administrative functions of Marketing, Volunteer Coordination, Information Technology, and Administrative Tasks directly under the Director. Marketing and volunteer coordination responsibilities occur in most other City departments, and in each of the sub-departments within Parks. These efforts can then be better coordinated with city-wide resources and prevent the duplication of efforts by multiple departments within Parks.

Finally, the organization structure should reflect the full staff build-out of each sub-department under Parks, based on the Annual Work Plan. As sites are assigned levels of service, and areas totaled, labor hours required for routine maintenance will determine the requisite number of staff. The organization chart should show the number of staff necessary to maintain the desired level of service at all sites throughout the City.

Organizing Parks with an emphasis on service departments will help Parks prepare accurate and executable strategic plans, with the ability to develop productive measures and standards, while monitoring their process improvement.

Maintenance Process Management

Operations and maintenance of parks ensures Parks assets are maintained appropriately and Parks operations provide a satisfactory environment to meet the community's needs. In this assessment we focused on maintenance processes, asset management processes, grounds, sustainability, and business resilience. Effective maintenance operations lead to enhanced recreational experiences, increased efficiency, reduced liability, and improved public image.

The following sections of the NRPA CAPRA standard (Sixth Edition 2019) were reviewed as part of this scope of work:

- 7.5 Maintenance and Operations Management Standards
 - 7.5.1 – Facility Legal Requirements
 - 7.5.2 – Preventative Maintenance Plan
- 7.10 – Maintenance Personnel Assignment Procedures
- 4.2 Staff Qualifications
- 4.3 Job Analyses for Job Descriptions

Current State

Operations and maintenance duties and responsibilities are known well within Parks due to the longevity of the employees, and the overall operation is consistent. Documented processes are typically a whiteboard with monthly/daily tasks with no computerized tracking system. Maintenance tasks are assigned and completed regularly, but the processes for assignment, completion, and when to utilize contractors are not consistent or documented. Contracts do exist for contractors, but the documentation of maintenance performance is not standardized.

Based on our discussions, Parks staff indicated that they currently operate at the following APPA levels of service:

Area	Score	Existing Level of Service
Turf care –	2.5	Grass cut between 5 and 10 days
Fertilizer –	2/4	2 for Turf: Healthy and growing vigorously; 4 for Shrubs: Not fertilized
Irrigation -	1	Automatically controlled
Litter -	3	Two to three times a week on average, depends on park use.
Pruning -	4	At least once per season
Disease -	4	When noticeable damage observed, and sustainability requirements dictate control
Snow	2	Removed by noon the next day
Surfaces -	3	Repaired when appearance have noticeably deteriorated
Repairs -	2	Done whenever safety is a concern
Inspections -	4	About once per month
Flowering -	3	Only perennials
Scoring: (1) – Showpiece facility; (2) - Comprehensive stewardship; (3) – Managed Card; (4) – Reactive Management; (5) Crisis Response.		

Table 6. Estimate of Levels of Service Based on Data Collected and APPA Scores

Asset Data

Currently, the City holds some asset information in GIS-based point data about parks, open spaces, civic facilities, and rights-of-way. The primary data collected was the location of each area within the City where Parks has ownership and/or work requirements, and the overall acreage. Within this data, available components are listed, such as athletic fields, picnic shelters, or trailheads. Based on field review and staff accounts, the data is accurate but lacks assets that the City added in the past ten years. The asset data also lacks information about components that drive maintenance tasks. However, this existing asset data provides a framework to incorporate additional component data, and this report provides recommendations on how Parks completes the physical asset inventory.

To determine the appropriate inventory level or groups of assets, the following elements should be considered:

1. Maintenance requirements
2. Portable vs. fixed systems
3. Financial cost of the asset
4. Criticality (impact to mission if it fails)
5. Preventative maintenance labor required
6. Life safety/regulatory requirements with record-keeping and inspection
7. Commonality of preventative maintenance tasks
8. Similar schedules of preventative maintenance

The consultant team recommends a new asset classification system based on landscape management type (listed in Appendix D) that includes additional classification layers beyond the “ownership” and “class” categories originally assigned in the Atlas. The asset data should be organized to align with Lucity’s data management and organizational structure capabilities. These new landscape management type classifications are necessary because maintaining one acre of right-of-way is not the same as maintaining one acre of park. The acres of “parks” does not reflect the breadth of scope that Parks is

required to maintain; and sites that are not really “parks” require Parks maintenance and time (flower beds at the police department site; or tree pruning at the library). Each landscape management type classification has a set of tasks associated; based on the frequency and detail of those tasks, a level of service will be achieved (or: assigning a Level of Service will dictate the frequency / detail of the tasks). Cumulating all the sites that Parks has task-responsibilities and understanding the level of service desired at each site, will provide Parks with a framework for the necessary funding to achieve the community’s goals.

To better understand the maintenance needs (tasks) for each site, the sites were divided into seven landscape management type classes, which consider similarities of components, on-going maintenance tasks, preventative maintenance tasks, and use. The division of sites by landscape management type classification will help Parks assign levels of service to each site. For example, Parks may determine that they would like the Louisville Sports Complex to be a Level of Service 1 and the athletic fields at Miner’s Park may be a Level of Service 3. This will translate not only into greater frequency of fertilization, mowing, or turf care at the Sports Complex, but also greater frequency of waste removal, urgency of irrigation repairs, and more frequent maintenance of the shrub and perennial beds at these parks.

The categorization of assets into the landscape management type classification categories reveals Parks tasks across other non-park areas of the City such as the police facility, rights-of-way, and developed neighborhood entries. Especially revelatory is the Forestry, Irrigation, Horticulture, Turf Maintenance, and Snow & Ice tasks across all landscape management type classification categories. By assigning the Level of Service to sites in the Annual Work Plan, a more complete picture of required maintenance will be captured. Additional task time can be summarized in reports to City Council requesting resources. See Table 7 below for an example of task lists provided in the AWP, Appendix C.

Facilities

Sheet Last Updated _____

The Facilities Landscape Type applies to sites that Parks performs tasks and services, but are otherwise owned and managed by another City department. From the public perspective, these sites represent the City and reflect civic pride.

Grounds Categories



		QTY	LOS 1 (Best)	LOS 2	LOS 3
1	TURF	SF	Bluegrass mowed every 3 to 5 working days; Aeration 4 times per year; Reseed/sod as necessary; Less than 1% of turf area has weeds present.	Bluegrass mowed once every five working days. Aeration carried out not less than two times per year. Reseeding or sodding done when bare spots are present. Weed control when there is a visible problem or when weeds represent 5 percent of the turf surface.	Bluegrass mowed every ten working days; no aeration, or only when fertilizing; Reseed/sod when bare spots appear; Weed control measures when 50% of small areas, or 15% of turf area has weeds present.
	Bluegrass Turf				
2	FERTILIZATION	SF	Adequate fertilization according to optimum species requirements. NPK ratios to follow local guidance; application rates and frequency should ensure an even supply of nutrient for the entire year.	Adequate fertilizer level to ensure all plant materials are healthy and growing vigorously. Rates should correspond lowest recommended rates. Nitrogen, phosphorus, and potassium percentages follow local recommendations. Trees, shrubs, and flowers receive fertilizer to ensure optimum growth.	Applied only when turf vigor is low; application once per year at one-half recommended amount.
	Bluegrass Turf				
	Flower & Perennial Beds				

Table 7. Sample Portion of a Task List by Landscape Management Type

The core of this revelation is that Parks serves as the grounds maintenance team for the entire City of Louisville. A part of this is a reflection on the magnificent performance of Parks: their reliability and professional execution have made them the go-to department for many “outside” challenges the City

encounters. Irrigation and forestry both have obligations to private residents; Parks has played a strong role in snow removal throughout the City and has taken a lead with the Fire Recovery response.

However, a combination of asset areas and community expectations has left Parks staff under-resourced to cover the day-to-day maintenance of assets. Once Parks is able to track the actual time spent within these different landscape type categories, on specific components, there will be a realization of the real costs to Parks for assets beyond the listed acreage of “parks.” As Parks develops a system of tracking this data, Parks will be able to produce accurate, timely, and straightforward reports.

Maintenance and Operations Recommendations:

Maintenance

1. Develop a preventative maintenance plan to provide periodic, scheduled inspections, assessment and repair, and replacement of infrastructure, systems, and assets. This includes certifying, checking, or testing for optimum operation based on applicable industry standards, local guidelines, City requirements and/or manufacturer’s recommendation for maintenance and replacement of parks, with the intent to ensure that park assets are maintained for optimum use and safety and have the ability to reach or extend its full life cycle and expected return on investment.
 - a. Establish specific maintenance goals and objectives to focus maintenance planning. Recommended goals are included in the Annual Work Plan.
 - b. Develop work schedules based on established policies and priorities.
 - c. Workflow and prioritization of the work needs be established for each classified task. Tasks within the workflow for each work order can include automatic scheduling (backflow preventer certification), who gets the work assignment, equipment and material needed to complete the work, lock out/tag out procedures, and the buildings’ point of contact.
2. Establish and implement a workflow process that recognizes needs, responsibilities, and response time requirements for daily maintenance tasks, capital renewal, preventative maintenance (PM), and corrective maintenance. Provide operational responsibilities that aligns with the staffing structure.
3. Develop service level agreements (SLA) for maintenance functions between departments and outside agencies (such as HOAs, CDOT, etc.) that clearly delineate what maintenance functions are completed by each organization, timeframes, and other expectations. Formalizing service level agreements between departments and outside agencies would clarify expectations and start eliminating confusion. These can be updated once core maintenance functions are clearly defined for Parks.
4. Develop and implement a documented inspection process to inspect work performed by in-house and contracted staff. A quality assurance plan should be developed to define the required quality of work, the process used to evaluate the quality of work performed, and the process that should be followed when the quality of work does not meet the requirements. When developing the plan, first determine reasons why quality assurance problems may occur or have occurred in the past. Some reasons may include worker productivity, lack of necessary resources, lack of supervision, project is not appropriately

-
- staffed, or the project duration was not accurately estimated. After the reasons have been identified, document a process to resolve each within the quality assurance plan. While writing the plan, determine which reasons will likely have the largest impacts on the organization and determine a strategy to prioritize them.
5. Consolidate maintenance and capital renewal planning under the Lucy platform for major assets across Parks. For specific operational needs, continue to support and integrate workforce skills/training between major maintenance functions and operational functions.
 6. Update the asset inventory within Lucy to include the integration of the water systems, park assets, park infrastructure, and recurring maintenance plan. As the inventory information develops, refinement of the data will occur. For example, area calculations of the overall park area include the baseball/softball fields as they are generated through GIS. A double counting exists of the square footage /acreage of the fields. These should be subtracted from the overall park area. Additional park assets will require the cleaning of the data to ensure accurate data.
 7. Create a plan to improve the effectiveness of updating asset and equipment records and implement it. Be sure to track the process during implementation to help reach the goal of developing a more effective process.

Grounds

8. Identify desired service levels for grounds functions across Parks. Determine the level of service expected for each park space type. This will ensure that visitors experience a similar level of service across all City parks and will allow you to further refine your staffing needs.

Sustainability

9. Establish a sustainability policy on environmental sustainability that is aligned with the Louisville Sustainability Action Plan. The policy should address sustainable product purchasing, reduction and handling of waste, wise use and protection of land, air, water, and wildlife, and sustainable design/construction of buildings. Include Parks natural resource management plans and other areas of sustainability already implemented. Note: CAPRA strives for a zero-waste plan.
10. Develop an implementation plan based on the sustainability policy.
11. Review Parks Integrated Pest Management (IPM) strategy and on-going IPM operations, balancing the labor-intensive work against community expectations. Continue to support and revise Parks IPM program based on industry best practices.
12. Develop water conservation strategies based on CAPRA best management practices, regional successful low impact development strategies, and appropriate planting palettes.

Resilience

13. Conduct Parks specific resilience planning that includes security, emergency preparedness and continuity of operations. Once this planning process is in place and plans are developed, there will be tactical operational items to consider such as routinely reviewing these plans, conducting after action reports, and continual improvement in these areas. Specific short-term recommendations that could be implemented prior to the planning process include:

-
- a. Conduct physical security assessments of all parks. This assessment will provide a means of understanding risks and vulnerabilities, prioritizing needs and solutions, and creating a long-term, sustainable safety and security plan.
 - b. Develop Parks specific emergency preparedness plans and ensure staff receives the required training.
 - c. Communicate and educate personnel on existing procedures through drills, tabletop exercises, and other engagement activities.

Regulatory Compliance

- 14. Conduct a regular review of legal requirements related to facilities, such as licenses, sanitary regulations, fire laws, and safety measures, and inspections of adherence thereto.
- 15. Continue to work towards ADA compliance. It is our understanding recommendations are in place and the City is working towards compliance.
- 16. See security, emergency preparedness, and continuity of operations recommendations above.

Measurement and Analysis

- 17. Develop a consistent performance management process. A high-performance organization will transform data into metrics to help make proactive decisions. Performance metrics are a measure of an organization's activities and performance. It is essential for organizations to identify their strategic plans, translate their strategy into operational targets, and develop a metrics program to measure and manage their performance. Metrics are among the most valuable tools available for prioritizing work and demonstrating value to the overall organization.
 - a. Review current metrics and ensure the key performance indicators (KPIs) are effective for decision-making. The KPIs should be a small number of the most valuable metrics that will help Parks leadership measure the overall effectiveness and efficiency of the delivery of services. Focus Parks KPIs on outcomes, not activities. Strive for Parks KPIs to not include any check-the-box type of metrics. A 2020 KPI refinement report for the City identified the average number of metrics reported by peer communities to be sixty-six and at the time, the City had 547 metrics; too many metrics will result in overburdening Parks, rather than creating understanding. The December 2020 KPI list provided to our team included 13 KPIs that seemed directly related to Parks and three KPIs related to maintenance and management of parks. Note, the Annual Work Plan includes a suggested list of KPIs for Parks maintenance.

Information Management and the Use of Work Management Technology

- 18. Integrate the use of work management technology, such as the Lucity software currently utilized by the City. Use of technology is an important tool in managing maintenance workflow. A major factor in maintenance workforce efficiency is clearly defining the workflow and the use of technology to guide the organization and staffing of the ground's maintenance function. Although different technologies were in use to guide the maintenance function across the department, it is our understanding that Lucity is an available software application. Lucity, when used to its

fullest potential, as identified in our recommendations below, should meet the needs of Parks. Work order development can include preventative maintenance, corrective maintenance, capital improvements, and Parks own customized work types. As Parks implements the recommendations and moves toward consistency, service level agreements, and documented maintenance processes, the full value of the Lucity software will be recognized. With Lucity's existing use by the City, the implementation process will have resources available, and Parks staff will have a network of people to learn from.

- a. Incorporate the role of Lucity Administrator. At least one employee should be responsible for administration of the Lucity program that involves primary job duties of management of data, workflow processes, work order processes, KPI reports, and continuous improvement of the system. This position should also be given the full administration of the software application with the goal of the position to include improving Parks management communication between all customers and the department. However, the cybersecurity requirements should be kept in the IT department. Note, the City has a contract with a third party that is currently performing Lucity administrator functions.
- b. Develop and utilize a consistent work order process. This includes developing and utilizing consistent configuration codes, such as work type, priority, and status codes and definitions and how data is entered into and reported from Lucity. Attention should be paid to the priority and status codes from the customer standpoint. As an example, work is created (new), assigned, in progress, on hold (various potential reasons including waiting for parts, access, approval, customer, etc.), completed, and closed. Well defined codes can provide a means of communicating expectations and tracking the timely performance of work.
 - i. **Work Type Categories** - The work type and category codes are important to organize the data in Lucity to enable consistent reporting of metrics. The recommended work type and category codes provide an organized accounting of work performed if it is recorded and entered in Lucity.
 - ii. **Priority Codes** - Well defined priority codes can provide a means of communicating expectations and tracking the timely performance of work. Each priority code should have a description of the work, target response times, and relevant examples.
 - iii. **Work Order Status Codes** - A variety of work order status codes should be implemented to allow for better tracking and communication with customers.

Workforce

Effective workforce development planning includes understanding the knowledge, skills, and competencies required to accomplish the work and developing a training plan that will fill or enhance those competencies. This will help ensure that staff are qualified to perform their job duties and operate programs and services in the furtherance of goals and objectives.

Current State

Parks has a start to creating comprehensive job descriptions for all positions available in the Department. It can be challenging to align the proper requirements, skill sets, and compensation into each job description, but this is a critical step to maintaining qualified employees to produce the level of quality that customers have come to expect.

- Parks should maintain a current job description for each unique position and for each “tier” of employment below the management level.
- Job descriptions should be specific to the unique position or tier level on the organization chart. Vague language can be beneficial for the City to allow unforeseen tasks to be assigned to the most available employee; but consideration should be taken regarding job expectations, labor time, and employee skill sets when assigning tasks extraneous to the positions scope.

Deploying an effective workforce starts with a clear understanding of the knowledge, skills and competencies required to accomplish the work and meet stakeholder needs. Workforce development tools such as labor needs analysis and competency development plans can lead to a highly skilled workforce and workforce strategies that balance in-house capabilities with outsourced services that are aligned and optimized to deliver the service levels needed. An effective process to optimize workforce development includes these key steps: alignment, assessment, and development of a roadmap.

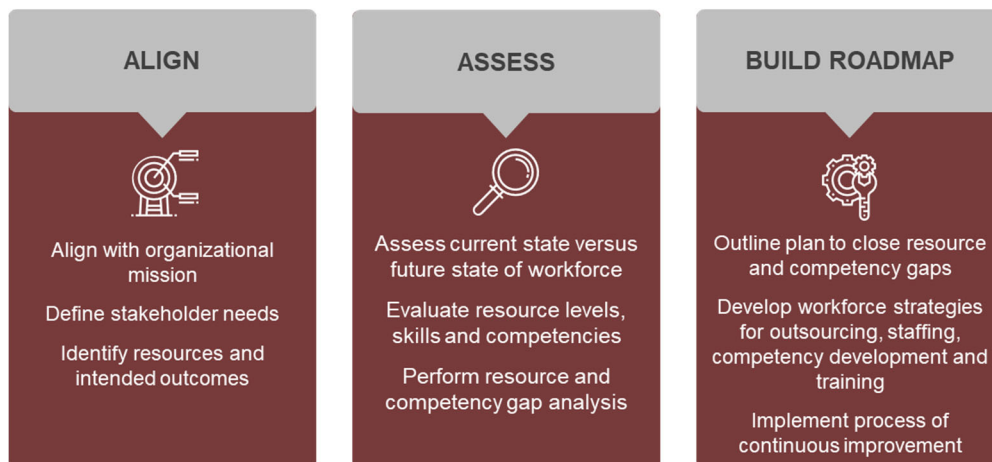


Figure 4. Steps in the development of a workforce development plan

Workforce Recommendations:

1. Develop and implement a workforce development program using the process described above. This process focuses on identifying what knowledge and skills are needed for each position (job analysis), assessing the skill level of personnel, and identifying training that will best fill any competency gaps.
 - a. Based on the Asset Management Classification Task List, Parks can create a list of skills required to keep up with routine maintenance, as well as specialized skill sets that are necessary to plan and manage the technical aspects of Parks operations.
2. Implement a staffing plan consistent with the benchmarking recommendations. This plan should include a more detailed labor needs analysis to determine specific staff types and ratios based on the desired levels of service.
3. Ensure job descriptions are based on job needs and include:
 - a. Duties of each position
 - b. Responsibilities of each position
 - c. Tasks of each position; and
 - d. Minimum level of proficiency necessary in the job-related skills, knowledge, abilities, and behaviors (See recommendation below)

While understanding the complete maintenance needs of Parks is critical to on-going success, to begin completing the job descriptions, Parks could start with the least-skilled job descriptions for each sub-area (Forestry, Irrigation, Horticulture, etc.), then develop job descriptions for the positions requiring the most technical skill sets (the Forester, Playground Inspectors, Department Heads, etc.). As the department matures, there will be a need to create job descriptions for additional layers of labor and management.

4. Implement a succession planning process that builds off Parks workforce development plan. This process can help develop and sustain a workforce that embodies the knowledge, skills, and organizational capabilities required to effectively manage Parks in the future. The succession plan should utilize the workforce development plan to build your workforce for the future. Succession plans should start with the end in mind when considering training plans.

Appendix A: Survey Summary

To kick-start the planning process, City staff and the consultant team developed a survey that was electronically distributed to City Council and the Parks and Public Landscapes Advisory Board (PPLAB). Although not all members completed the survey, the answers to the survey provided the consultant team with a snapshot of existing perceptions and expectations. The following information contains a consolidated summary of survey findings:

1. The number of parks and amount of space is the most compelling attribute of the City's park system.
2. Lack of systematic maintenance is a concern, as well as some concern about ensuring that trained people are engaged in specific maintenance tasks.
3. Mowing is a concern: some residents would like to see more, and some residents would like to see less.
4. There is a desire/need to address and implement water conservation measures by reducing need for irrigation (xeriscaping).
5. The need for a management and maintenance plan is apparent and desired.
6. PPLAB would like more information regarding budgets allocated to parks maintenance.
7. There are differing views regarding current maintenance of parks, which range from "great" and "fantastic" to "not meeting expectations."
8. There is a desire/need for reporting of standardized Key Performance Indicators (KPIs).

2023 Ballot Issue: Parks & Open Space Funding

To view the full text of the Ballot Question, visit LouisvilleCo.gov/Elections

WHAT THE BALLOT ISSUE IS

The ballot issue proposes to:

1. Extend the current sales tax of 0.375 percent, which voters initially approved in 1993 and then voted to extend in 2002 and 2012, for open space and parks purposes.
2. Increase the tax by an additional .125 percent. This increased funding would be dedicated only to open space to acquire, improve, restore, preserve, protect, and maintain open space land and mitigate wildfire risks within open space areas.
3. Continue the total .5 percent tax (5 cents on every \$10) for ten years until 12/31/2033.
4. Utilize the tax solely for parks and open space purposes.

WHAT THE BALLOT ISSUE IS NOT

The ballot issue does not propose to:

1. Increase taxes without a specified purpose.
2. Allocate the funds to other City projects or initiatives beyond open spaces and parks maintenance, operations, and open space land acquisition.
3. Extend the tax beyond the specified 10 year period ending 12/31/2033.

HISTORY OF CURRENT TAX

In 1993, Louisville voters approved a 0.375% sales and use tax increase to create a dedicated funding source for the maintenance of parks, trails, open space, and land acquisition. In 2002 and 2012, voters approved an extension of this tax for another ten years. The tax in its current form will expire at the end of 2023.

The tax, equal to 3.75 cents on every \$10 spent, generates approximately about \$2.85 million per year and is the primary funding source for Open Space and Parks operations. The entire fund balance for the Open Space and Parks Fund is restricted by voters for the acquisition, development, maintenance, and operation of open space, trails, wildlife habitats, wetlands, and parks. The funds are distributed across all aspects of Open Space and Parks including staffing, maintenance, purchasing, service agreements, land acquisition reserves, capital projects, volunteer programs, educational events, and more.

Current Tax

0.375%
(3.75 cents on every \$10)
Current sales tax
will expire 12/31/2023
Estimated Revenue 2.85 M / year

Proposed Tax

0.5%
(5 cents on every \$10)
Proposed sales tax that
would expire 12/31/2033
Estimated Revenue 3.6 M / year



ARGUMENTS FOR THE BALLOT ISSUE:

Primary Funding Source: The Open Space and Parks Sales and Use Tax is the main source of revenue for parks and open space and the discontinuation of this tax could impact service levels and City budget.

Maintaining Current Properties: The tax revenue facilitates the maintenance and enhancement of existing properties and trails, guaranteeing their accessibility and upkeep for both present and future generations.

Fire Mitigation Priority: Allocating more resources to fire mitigation and prevention is crucial to safeguard the City and its public lands from potential wildfire risks.

Enhancing Quality of Life: Parks and open spaces significantly contribute to residents' quality of life by offering areas for outdoor activities, relaxation, and community gatherings.

Land Acquisition Capability: Having available funds allows the City of Louisville to purchase new properties for dedication as open space and parks when opportunities arise.



ARGUMENTS AGAINST THE BALLOT ISSUE:

Financial Strain: Increasing taxes could impose an extra financial burden on individuals and families, potentially affecting household budgets and disposable income.

Adequate Open Space & Parks: The City of Louisville already designates or manages sufficient open space and parks and the acquisition of additional land is unnecessary.

Lack of Detailed Spending Plan: With shifting City priorities and variability of funding, there is not a detailed plan on how the tax revenue will be utilized.

Expiration of Original Tax: The initial tax was designed to last for ten years and it should come to an end as originally planned.

Maintenance Levels Unnecessary: Current maintenance and service levels of parks and open space are not needed and the tax used to fund these services should be eliminated.

HOW IS THE TAX MONEY USED?

The current Open Space and Parks Sales and Use Tax generates approximately about **\$2.85 million per year** and is the main source of funding for the programs and services below.



TRAILS CONSTRUCTION & MAINTENANCE

The City of Louisville manages and maintains approximately 32 miles of both soft and hard surface trails, 25 of which are exclusive to Open Space. These trails connect residents and visitors to open space, parks, and surrounding communities while supporting methods of alternative transportation.

32 MILES OF TRAIL

OPEN SPACE OPERATIONS & MAINTENANCE

The City currently has 31 Open Space properties. There are 19 individual properties (649 acres) owned and maintained by the City of Louisville and 12 properties (1,225 acres) jointly owned and maintained with Boulder County Open Space or Lafayette.

2000 ACRES OF OPEN SPACE



PARK OPERATIONS & MAINTENANCE

The Parks Division manages the amenities, programs and services for over 100 individual sites located on 350 acres of designated park land throughout the City. This includes 37 parks, 16 playgrounds, 7 basketball courts, 14 athletic fields, 11 tennis courts, 5 pickleball courts, 1 multipurpose in-line skating rink, and the City skate park.

37 PARKS & 16 PLAYGROUNDS



OPEN SPACE ACQUISITIONS AND CONSERVATION

The Open Space Mission is to conserve and restore Open Space through land acquisition and management for the protection of natural and cultural resources and provide opportunities for education, volunteering and appropriate passive recreation.

The most recent acquisition was the Mayhoffer Farm Property, which was jointly purchased by Boulder County, Lafayette, and Louisville in 2017. The 165-acre property forms a key part of the rural buffer zone between Lafayette and Louisville and is also locally significant for its history of coal mining and agriculture.

2023 Open Space & Parks Projects

- Wildfire Hazard & Risk Assessment Plan
- Cattle Grazing on Davidson Mesa
- Goat Grazing on North Open Space
- Coyote Run Trail Resurfacing Project
- Tennis Court Resurfacing
- 104th Street Trail Connection w/ City of Lafayette, CDOT, and Boulder County
- Median Renovation Project
- Joe Carnival Park Enhancement & Playground Replacement
- Meadows Park Enhancement & Playground Replacement
- Community Park Irrigation & Pond Renovation
- Fence Repair & Replacement

Programs & Services

- Bee City Program
- Habitat & Land Management
- Holiday Lights
- Picnic Shelter Reservations
- Mowing
- Ranger Naturalist Program
- Raptor Monitoring
- Open Space Education Events
- Snow Removal
- Trash Removal
- Tree Branch Recycle Site
- Weed Control
- Wildfire Mitigation
- Wildlife Opportunities (fishing, wildlife habitats, birding sanctuaries, etc.)



QUESTIONS?

Visit the City's website at LouisvilleCo.gov/Elections or call us at 303.666.6565

*This factual summary from the City of Louisville is for informational purposes only and provides arguments both for and against this ballot issue. It is not intended to urge a vote for or against the ballot issue.



**ORDINANCE NO. 1856
SERIES 2023**

AN EMERGENCY ORDINANCE FOR EXTENDING THE CITY'S THREE-EIGHTHS OF ONE PERCENT (0.375%) SALES TAX FOR PARKS AND OPEN SPACE PURPOSES FOR AN ADDITIONAL 10 YEAR PERIOD, IMPOSING AN ADDITIONAL ONE-EIGHTH OF ONE PERCENT (0.125%) SALES AND USE TAX FOR OPEN SPACE PURPOSES AS PROVIDED HEREIN; AND PROVIDING FOR THE SUBMISSION OF THE BALLOT QUESTION TO A VOTE OF THE REGISTERED ELECTORS AT A REGULAR ELECTION TO BE HELD NOVEMBER 7, 2023

Section 1. The following ordinance of the City of Louisville, Colorado, is hereby adopted to read:

WHEREAS, the City of Louisville (the "City"), is a Colorado home rule municipal corporation duly organized and existing under laws of the State of Colorado and the City Charter (the "City Charter"); and

WHEREAS, the members of the City Council of the City (the "City Council") have been duly elected and qualified; and

WHEREAS, Article X, Section 20 of the Colorado Constitution, also referred to as the Taxpayer's Bill of Rights ("TABOR"), requires voter approval for any new tax, any increase in any tax rate, the creation of any debt, extension of an expiring tax, and the spending of certain funds above limits established by TABOR; and

WHEREAS, pursuant to Article 12 and Section 4-8 of the City Charter, the City may authorize the issuance of bonds, the imposition of new taxes and the increase of a tax rate by ordinance and upon approval of the registered electors of the City; and

WHEREAS, the City will hold a regular election on November 7, 2023, as a coordinated election pursuant to the Uniform Election Code of 1992, as amended; and

WHEREAS, TABOR requires that the City submit ballot issues, as defined in TABOR, to the City's registered electors on specified election days before action can be taken on such ballot issues; and

WHEREAS, November 7, 2023, is one of the election dates at which TABOR ballot issues may be submitted to the registered electors of the City pursuant to TABOR; and

WHEREAS, pursuant to Ordinance No. 1119, Series 1993, the City Council referred to the voters a TABOR ballot issue concerning imposition for a ten-year period of a temporary $\frac{3}{8}\%$ sales and use tax increase for the acquisition of land in and around the City of Louisville for open space buffer zones, trails, wildlife habitats, wetlands preservation and future parks, and such ballot issue was approved by a majority of the

City's voters; and

WHEREAS, pursuant to Ordinance No. 1395, Series 2002, the City Council referred to the voters a TABOR ballot issue for the continuation of such sales and use tax for an additional ten-year period for the acquisition of land in and around the City of Louisville for open space buffer zones, trails, wildlife habitats, wetlands preservation and future parks; and for the development, construction, operation and maintenance of such open space zones, trails, wildlife habitats, wetlands and parks, and such ballot issue was approved by a majority of the City's voters; and

WHEREAS, pursuant to Ordinance No. 1575, Series 2010, the City Council referred to the voters a TABOR ballot issue for the imposition of a permanent City use tax at a rate of 3.50% to supersede the City's then-current use tax, with revenues from a $\frac{3}{8}$ % percent rate of use tax to be used exclusively for the purposes consistent with ballot issue 2D as stated in the recital above, and such ballot issue was approved by a majority of the City's voters; and

WHEREAS, pursuant to Ordinance No. 1617, Series 2012, the City Council referred to the voters a TABOR ballot issue for the continuation of such sales tax for an additional ten-year period for the acquisition of land in and around the City of Louisville for open space buffer zones, trails, wildlife habitats, wetlands preservation and future parks; and for the development, construction, operation and maintenance of such open space zones, trails, wildlife habitats, wetlands and parks, and such ballot issue was approved by a majority of the City's voters; and

WHEREAS, the temporary 0.375% sales tax will expire on December 31, 2023, unless it is continued by approval of the City's voters; and

WHEREAS, the City Council determined in Ordinance No. 1854, Series 2023, that it should refer to the voters at the November 7, 2023 election a TABOR ballot issue concerning continuation of the City's temporary sales tax with revenues to be evenly split between open space and parks and imposition of a new 0.125% sales tax for open space and parks; and

WHEREAS, upon further consideration, the City Council has determined the TABOR ballot issue for the new tax should include both sales and use taxes; and

WHEREAS, as was set forth in Ordinance No. 1854, the City Council confirms in this ordinance it has identified additional needs for open space acquisition, improvement, maintenance, and wildfire mitigation within open space areas, and is of the opinion that it should refer to the voters at the November 7, 2023 a TABOR ballot issue concerning an additional 0.125% sales and use tax solely dedicated to these purposes, with revenues derived from this sales and use tax to target the following areas identified as being priority needs of the City:

- The ability to obtain available land for Open Space designation and

preservation including priority parcels as determined by the Open Space Advisory Board and City Council;

- Trail development, reducing deferred maintenance for aging infrastructure, enhancing Community Outreach and Education programming;
- Increased or enhanced trail maintenance, natural resource management, habitat restoration, and general day to day maintenance practices;
- Land management best practices to assist with wildfire mitigation such as regenerative agriculture, mechanical controls, and invasive species control; and

WHEREAS, if the ballot issue set forth herein is approved by the City's voters, the City will establish separate open space and parks funds, into which the revenues will be deposited until spent for the voter-approved uses; and

WHEREAS, the City Council finds that an emergency exists because, due to the coordinated election deadlines set forth in the Intergovernmental Agreement between the City and Boulder County, the City must certify the ballot content for the November 7, 2023 election by no later than September 8, 2023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

A. Subsection A of Section 3.20.200 of the Louisville Municipal Code, regarding the sales tax levy, is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 3.20.200. Levy of tax; rate.

A. There is hereby levied, and there shall be collected and paid, a sales tax equal to 3.15 percent (3.15%) of the purchase price of tangible personal property at retail or the furnishing of services, except that:

1. For the ten-year period beginning on January 1, 2024 ~~2014~~, there is hereby levied, and there shall be collected and paid, an additional sales tax of three-eighths of one percent (0.375%) of the purchase price of tangible personal property at retail or the furnishing of services, as authorized at the November 7, 2023 ~~November 6, 2012~~ election, and
2. For the ten-year period beginning on January 1, 2019, there

is hereby levied, and there shall be collected and paid, an additional sales tax of one-eighth of one percent (0.125%) of the purchase price of tangible personal property at retail or the furnishing of services, as authorized at the November 7, 2017 election- and

3. For the ten-year period beginning on January 1, 2024, there is hereby levied, and there shall be collected and paid, an additional sales tax of one-eighths of one percent (0.125%) of the purchase price of tangible personal property at retail or the furnishing of services, as authorized at the November 7, 2023 election.

B. Section 3.20.300 of the Louisville Municipal Code, regarding the use tax levy, is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 3.20.300. Levy of tax; rate.

There is hereby levied, and there shall be collected and paid, a tax upon the privilege of using, storing, distributing, or otherwise consuming in the City any article of tangible personal property or services purchased, leased or rented from sources outside the City, on which a sales tax has not been paid and as specified in Section 3.20.305, and upon rental of storage space within the City ("use tax"). The amount of the use tax shall be 3.65 percent of the purchase price thereof, except that for the ten-year period beginning January 1, 2024, there is hereby levied, and there shall be collected and paid, an additional use tax of one-eighths of one percent (0.125%) collected and paid as set forth in this Section, as authorized at the November 7, 2023 election.

C. Subsection D of Section 3.20.600 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 3.20.600. Sales tax—Capital improvement fund.

D. Revenues from the temporary ~~¾~~ 0.375 percent sales tax imposed for the ten-year period beginning on January 1, 2024 ~~2014~~ shall be used exclusively for the following purposes:

1. one-half of such revenues shall be used for acquisition of land in and around the city for open space buffer zones, trails, wildlife habitats, wetlands preservation and ~~future~~ parks; and for the development,

construction, operation and maintenance of such open space zones, trails, wildlife habitats, and wetlands ~~and parks.~~

2. one-half of such revenues shall be used for acquisition of land in and around the city for parks; and for the development, construction, operation and maintenance of parks.

D. Section 3.20.600 of the Louisville Municipal Code is hereby amended by the addition of a new subsection F to read as follows:

Sec. 3.20.600. Sales tax—Capital improvement fund.

F. Revenues from the 0.125 percent sales tax imposed for the ten-year period beginning January 1, 2024, approved at the November 7, 2023 election, shall be used exclusively for open space acquisition, restoration, preservation, protection, and maintenance, and mitigation of wildfires in open space areas.

E. Section 3.20.610 of the Louisville Municipal Code is hereby amended by the addition of a new subsection C.5 to read as follows:

Sec. 3.20.610 Use tax – Uses of specified revenues.

C.5. Revenues from the 0.125 percent use tax imposed for the ten-year period beginning on January 1, 2024, approved at the November 7, 2023 election, shall be used exclusively for open space acquisition, restoration, preservation, protection, and maintenance, and mitigation of wildfires in open space areas.

F. Section 3.20.610.E of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 3.20.610. Use tax – Uses of specified revenues.

E. Except for those revenues subject to subsection A, B, and C and C.5 of this section, the City Council shall have the authority by resolution to waive or reduce the amount of the use tax otherwise due and payable to the City pursuant to Section 3.20.300 and to enter into agreements for the sharing or crediting of revenues from the tax imposed by said 3.20.300, if City Council determines that such waiver, reduction, sharing or credit is in furtherance of a public purpose and the best interests of the City.

Section 2. Total City sales and use tax revenues are estimated to increase by up to \$1,500,000 in the first full year in which the additional sales and use tax provided for in this ordinance is in effect. However, the revenues from said sales and use tax may be collected and spent, regardless of whether said revenues, in any year after the first full year in which said sales and use tax is in effect, exceed the estimated dollar amount stated above, and without any other limitation or condition, and without limiting the collection or spending of any other revenues or funds by the City of Louisville, under Article X, Section 20 of the Colorado Constitution or any other law.

Section 3. This ordinance shall not take effect unless and until a majority of the registered voters voting at the special municipal election on November 7, 2023 vote to approve the ballot question set forth below in the following form:

SHALL THE CITY OF LOUISVILLE TAXES BE INCREASED \$1,500,000 IN THE FIRST FULL FISCAL YEAR AND BY SUCH AMOUNTS AS MAY BE GENERATED ANNUALLY THEREAFTER, BEGINNING JANUARY 1, 2024 AND AUTOMATICALLY EXPIRING AFTER TEN YEARS, BY THE IMPOSITION OF AN ADDITIONAL .125 PERCENT SALES AND USE TAX TO BE USED SOLELY TO ACQUIRE, RESTORE, PRESERVE, PROTECT, AND MAINTAIN OPEN SPACE AND MITIGATE WILDFIRE RISKS WITHIN OPEN SPACE AREAS; AND SHALL THE CURRENT .375 PERCENT SALES TAX APPROVED BY THE VOTERS IN 2012 FOR OPEN SPACE AND PARKS PURPOSES BE EXTENDED FROM ITS CURRENT EXPIRATION DATE OF DECEMBER 31, 2023 FOR AN ADDITIONAL TEN YEARS, TO BE EQUALLY DIVIDED BETWEEN SEPARATE PARKS AND OPEN SPACE FUNDS, WITH THE OPEN SPACE FUNDS USED FOR THE PURPOSES DESCRIBED ABOVE AND PARKS FUNDS USED SOLELY TO ACQUIRE, IMPROVE, AND MAINTAIN PARKS; AND SHALL SUCH ALL SALES AND USE TAX REVENUES BE COLLECTED, RETAINED, AND SPENT AS A VOTER-APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES _____
NO _____

Section 4. The election shall be conducted as a part of a coordinated mail ballot election. Pursuant to C.R.S. Section 31-10-102.7, the City will utilize the requirements and procedures of the Uniform Election Code of 1992, articles 1 to 13 of title 1, C.R.S., as amended, in lieu of the Colorado Municipal Code of 1965, article 10 of title 31, C.R.S., as amended. The City Clerk is hereby appointed as the designated election official of the City for purposes of performing acts required or permitted by law in connection with the election.

Section 5. Because the election will be held as part of the coordinated mail ballot election, the City Council hereby determines that the County Clerk shall conduct the election on behalf of the City, to the extent and as provided in the Uniform Election

Code, as amended, and the City Clerk is hereby appointed as the designated election official for the City. The officers of the City are hereby authorized to enter into one or more intergovernmental agreements with the County Clerk pursuant to Section 1-7-116 and/or Article 7.5, Title 1, C.R.S. Any such intergovernmental agreement heretofore entered into in connection with the election is hereby ratified, approved and confirmed.

Section 6. The provisions of this ordinance relating to the amendment of the Municipal Code of the City of Louisville shall take effect following passage and approval thereof as provided in Section 3, on January 1, 2024.

Section 7. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council and the registered voters of the City hereby declare that they would have passed and approved this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

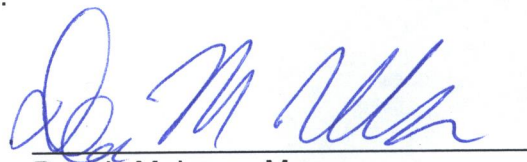
Section 8. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 9. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

Section 10. Ordinance No. 1854, Series 2023, is hereby repealed.

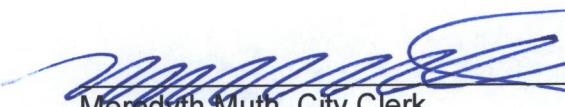
Section 11. The City Council herewith finds, determines and declares that this ordinance is genuinely and urgently necessary for the immediate preservation of the public health, safety, and welfare because the City's Intergovernmental Agreement with Boulder County for conduct of the November 7, 2023 coordinated election requires the City to certify ballot content by no later than September 8, 2023.

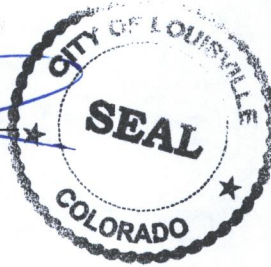
INTRODUCED, READ, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE BY TWO-THIRDS OF THE ENTIRE CITY COUNCIL, AND ORDERED PUBLISHED this 5th day of September, 2023.



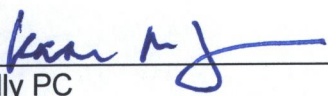
Dennis Maloney, Mayor

ATTEST:


Meredyth Muth, City Clerk



APPROVED AS TO FORM:


Kelly PC
City Attorney

Subject: Annual Review of Financial Policies
Date: May 18, 2026
Prepared By: Ryder Bailey, CPA, Finance Director
James Franks, CPA, Deputy Director
Presented By: Ryder Bailey, CPA, Finance Director

Summary:

The City of Louisville's Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives.

Management reviews financial policies at least annually. They were last reviewed by the Finance Committee on May 15, 2025, and most recently updated by the City Council by Resolution on May 7, 2024.

Financial Policies can be found on our Finance Department's Website. [Link](#).

Upon the Finance Director and Finance Committee Chair's review, the following recommended modifications are being proposed to the Committee. Should the Committee support the recommended updates and revisions to the Policy, Staff will bring it before the Council for approval at a future Council date.

Background / Prior Discussions:

The City of Louisville's initial Fiscal Policies were first adopted in 1984 and were updated intermittently through 1997. In December 15, 2015, the City Council formally approved the Financial Policies by Resolution 92, Series 2015. They were amended on December 21, 2021. They were last amended by City Council on May 7, 2024

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

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**

** - Sections with recommended adjustments

Development Proposal:

NA

Analysis:

While all sections are reviewed, only the following sections are recommended to be revised.

1. General Policies**
2. Reserve Policies**
8. Accounting, Auditing, and Financial Reporting Policies**

Summary of Recommended Adjustments

Section 1. General Policies

Staff recommends removing the reference to biannual financial indicator calculations. These calculations are not readily used by management for decision-making. Many of these metrics, such as expenditures per capita, fund balances over time, are either presented in the budget document and/or the ACFR Statistical Section, and are duplicate in nature. Staff recommends removing the requirement of biannual calculation of financial indicators from the Policy.

Section 2. Reserve Policies

Purpose and Scope

The City adheres to GFOA best practices regarding which resources are to be spent first for expenditures when more than one resource classification is available. Staff is recommending adding to Section Reserve Policies, Purpose and Scope Section, to define the order in which resources are to be spent, with restricted amounts first,

followed by committed amounts, then assigned amounts, and then unassigned amounts.

Section 2.8 - Historical Preservation Fund Reserve Policy

On November 18, 2025, City Council approved Resolution 93, Series, 2025, which established an annual Contingency/Emergency Reserve for the Historical Preservation Fund to 25% of the annual sales and use tax revenue (2024 actuals). Staff is recommending adding this action to the Financial Policies, Section 2.8 - Historical Preservation Fund Reserve Policy.

Section 8. Accounting, Auditing, and Financial Reporting Policies

Staff is recommending adjustments to Section 8.6 of Financial Policies, as it relates to Capitalization Thresholds, and Section 8.7 Accounts Receivable (A/R) Write-Offs Section.

Section 8.6 - Capitalization of Assets

Capitalization thresholds have not been adjusted since November 4, 2019. The current amounts are outdated and result in significant work in capitalization and depreciation of assets during annual Financial Statement preparation. These adjustments do not modify the Director's responsibility for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.

Staff has conferred with our external auditors on these proposed modifications to the capitalization thresholds, for which they were supportive.

Section 8.7 - A/R Write-Off

Increasing the authority of the Finance Director up to \$50,000, from \$100, to align with the thresholds consistent with the Purchasing Policy. Increasing the authority of the City Manager up to \$100,000, again, aligning with the thresholds consistent with the Purchasing Policy. Anything greater than \$100,000 would require Finance Committee approval. All amounts and reasons for all write-offs will be documented and made available for audit.

Council Work Plan:

Core Services - Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives.

Fiscal Impact:

Not applicable. There is no fiscal / budget impact for this item.

Alternatives:

The Committee may decline recommended adjustments and/or propose other suggested edits.

Recommendation:

Staffs recommendation is for the Finance Committee to support the recommended modifications to City Financial Policies and Direct Staff to bring to City Council for adoption.

Attachments:

1. Financial Policy Update - PPT
2. Financial Policies Proposed Updates 6.16.26 - Redline
3. Financial Policies Proposed Updates 6.16.26 - Clean



Photo Credit: Amelia Clasby - Brilliance Above



COLORADO • SINCE 1878

Annual Financial Policies Review and Update

Finance Committee – May 18, 2026

Presented by:

Ryder Bailey, CPA – Finance Director
James Franks, CPA – Deputy Finance
Director

Background – Financial Policies

- Financial Policies are central to a strategic, long-term approach to sound financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives.
- They are reviewed annually by Management.
- Any adjustments or revisions are first presented to the Finance Committee.
- City Council approves revisions by Resolution.
 - Last Revised by Council on May 7th, 2024

Background – Financial Policies

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**

** - Sections with recommended adjustments

Summary of Recommended Adjustments – by Section

Section 1 – General Policies

Staff recommends removing the reference to biannual financial indicator calculations. These calculations **are not** readily used by management for decision-making. Many of these metrics, such as expenditures per capita and fund balances over time, are either presented in the budget document and/or the ACFR Statistical Section and are **duplicative**.

Section 2 – Reserve Policies

Purpose and Scope

The City adheres to GFOA best practices regarding which resources are to be spent first for expenditures when more than one resource classification is available. Staff recommends adding to the Section Reserve Policies, Purpose and Scope Section, to define the order in which resources are to be spent, with restricted amounts first, followed by committed amounts, then assigned amounts, and then unassigned amounts.

Section 2.8 - Historical Preservation Fund Reserve Policy

On November 18, 2025, City Council approved Resolution 93, Series, 2025, which established an annual Contingency/Emergency Reserve for the Historical Preservation Fund to 25% of the annual sales and use tax revenue (2024 actuals). Staff is recommending adding this action to the Financial Policies, Section 2.8.

Section 8 – Accounting, Auditing, and Financial Reporting

Section 8.6 - Capitalization of Assets

Capitalization thresholds have not been adjusted since November 4, 2019. The current amounts are outdated and result in significant work in capitalization and depreciation of assets during annual Financial Statement preparation.

These adjustments **do not** modify the Director's responsibility for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.

Staff has conferred with our external auditors, Eide Bailly, regarding these proposed modifications to the capitalization thresholds, and they were supportive.

Section 8 – Accounting, Auditing, and Financial Reporting – Cont.

Asset Category	Years (Unchanged)	Amount (Current)	Amount (Proposed)	Comment
Land / Water Rights	N/A		\$1	New Category
Buildings (including the right to use building)	50	\$10,000	\$100,000	
Building Improvements	30	\$10,000	\$100,000	
Streets & Sidewalks	25 – 30	\$10,000	\$100,000	
Water, Wastewater, & Storm Water Systems	25 – 50	\$10,000	\$100,000	
Vehicles	3 – 7	\$10,000	\$50,000	
Machinery & Other Equipment (Incl Computers)	3 – 10	\$10,000	\$50,000	Consolidated Computer Equip.
Leases / SBITAs	3 – 10	\$10,000	\$50,000	

Section 8 – Accounting, Auditing, and Financial Reporting – Cont.

Section 8.7 - A/R Write-Off

Increasing the authority of the Finance Director up to \$50,000, from \$100, to align with the thresholds consistent with the Purchasing Policy. Increasing the authority of the City Manager up to \$100,000, again, aligning with the thresholds consistent with the Purchasing Policy. Anything greater than \$100,000 would require Finance Committee approval. All amounts and reasons for all write-offs will be documented and made available for audit.

Recommendation

Staff's recommendation is for the Finance Committee to support the recommended modifications to City Financial Policies and Direct Staff to bring them to City Council for adoption.

Introduction

The City of Louisville is an organization charged with providing a wide range of services that are supported by a wide range of revenue sources. The City's Financial Policies have been established to guide the City in providing these services in the most efficient way possible within the bounds of available revenue.

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City's Financial Policies shall be adopted by resolution of the City Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the City Council.

Definitions

- *Advanced Refunding* – a refunding in which the outstanding bonds are callable and remain outstanding for a period of more than 90 days after the issuance of the refunding bonds. Proceeds from the sale of the refunding bonds are used to purchase permissible legal securities, which are deposited into an escrow account.
- *Agencies* – federal agency securities and/or Government-sponsored enterprises.
- *Arbitrage* – the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher-yielding taxable securities. The Internal Revenue Service regulates arbitrage on the proceeds from the issuance of municipal securities.
- *Bankers' Acceptance* – a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
- *Broker* – brings buyers and sellers together for a commission.

- *Capital Budget* – the first two years of the Six-Year Capital Improvement Plan. These amounts are automatically included in the annual biennial budget process.
- *Capital Improvement Plan (C-I-P)* – a plan that describes the capital projects and associated funding sources the City intends to undertake during the next six years.
- *Collateral* – securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies (Public Deposit Protection Act; CRS 11-10.5-101 et seq.)
- *Current Refunding* – a refunding in which the outstanding bonds are retired within 90 days after the new bonds are sold.
- *Competitive Bond Sale* – bonds are marketed to a wide audience of investment banking (underwriter) firms. Sealed bids are submitted at a specific date and time and the underwriter is selected based on its bid for the City's securities.
- *Dealer* – as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
- *Delivery-versus-Payment* – delivery of securities with an exchange of money for the securities. Delivery-versus-receipt is delivery of securities with an exchange of a signed receipt for the securities.
- *Full Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when earned and expenses are recognized when the liability is incurred.
- *Fund* – an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
- *Fund Balance* – the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund. Used as a measure of reserves in governmental funds.
 - *Non-spendable Fund Balance* – fund balance that is inherently non-spendable, such as the long-term portion of loans receivable, the principal of an endowment, and inventories.
 - *Restricted Fund Balance* – fund balance that has externally enforceable limitations on its use, imposed by parties such as creditors, grantors, or laws and regulations of other governments.
 - *Committed Fund Balance* – fund balance with limitations imposed by the government itself at its highest level of decision making. For example, for the City of Louisville, this would be limitations imposed on fund balance by the Council through an ordinance or resolution.

- *Assigned Fund Balance* – fund balance that is earmarked for an intended use at either the highest level of decision making or by a body or an official designated for that purpose.
- *Unassigned Fund Balance* – all fund balances that are left after considering the other four categories. Use is the least restricted in this category of fund balance.
- *Unrestricted Fund Balance* – a category of fund balance that comprises committed fund balance, assigned fund balance, and unassigned fund balance. Unrestricted fund balance is, therefore, unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes.
- *General Fund Operating Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Operating Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less other financing sources (such as sales of assets) and interfund transfers-in.
- *General Fund Recurring Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Recurring Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less non-recurring building-related revenue, non-recurring and non-operational grants, other financing sources, and interfund transfers-in.
- *General Fund Sales Tax Revenue* – as used in the financial indicators, this term refers to total sales tax revenue less any sales tax rebates due to Business Assistance Packages.
- *General Obligation Bonds* – bonds backed by the “full faith and credit” of the City. Bondholders have the authority to compel the City to use its taxing power, or to use other revenue sources, to generate the revenue necessary to repay the bonds. General obligation bonds are subject to the City’s debt limitation and voter approval is required.
- *Liquidity* – refers to the ease in which an asset can be converted into cash without a substantial loss of value.
- *Modified Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when it become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when they are expected to draw on current spendable resources.
- *Negotiated Bond Sale* – the City selects the underwriter in advance of the bond sale. The Financial Advisor and City staff work with the underwriter to bring the issue to the market and negotiate all rates and terms of the sale.

- *Private Bond Placement* – the City sells its bonds to a limited number of sophisticated investors, and not the general public.
- *Program* – a set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- *Refunding* – refinancing an outstanding bond issue by issuing new bonds.
- *Reserves* – refers to unrestricted fund balance in governmental funds and working capital in proprietary funds.
- *Revenue Bonds* – bonds secured by revenue generated by user fees or by other non-ad valorem revenue sources typically generated by the project being financed. Only the specific revenue source is pledged for the bond repayment. No taxing power or General fund pledge is provided as security. Revenue bonds are not subject to the City's debt limitation and voter approval is not required.
- *TABOR* – the Taxpayer Bill of Rights amendment to the Colorado Constitution and other Colorado law and court decisions.
- *Treasuries* – securities issued by the U.S. Treasury to finance the national debt. Treasury Bills are non-interest bearing discount securities that mature in one year or less. Treasury Notes are coupon bearing securities having initial maturities of two to ten years. Treasury Bonds are coupon-bearing securities having initial maturities of more than ten years.
- *Underwriter* – a dealer that purchases new issues of municipal securities from the issuer and resells them to investors. The difference between the price at which the bonds are bought and the price at which they are offered to investors is the underwriter's discount.
- *Utility Fund Budgetary Basis Expenses* – as used in the financial indicators, this term refers all expenses under the City's budgetary basis of accounting, less capital outlay and interfund transfers-out.
- *Working Capital* – current assets less current liabilities. Used as a measure of *reserves* in proprietary funds. Proprietary funds, unlike governmental funds, report both capital assets and long-term debt, even though neither is directly relevant to near-term financing. Therefore, the difference between proprietary fund assets and liabilities (net position) is not equivalent to the fund balance reported in governmental funds, and is not a useful indicator of *reserves*.
- *Yield* – the rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

General Policies

Policy Section: 1
Adopted by: Council Action
Effective Date: ~~November 4, 2019~~ June 16, 2026

Purpose and Scope

General Policies are financial policies that are not easily categorized under any of the other policy sections. ~~Among other things, these policies will direct management to calculate specific information about the City of Louisville's current fiscal condition, past and future trends, as well as providing guidelines for making fiscal decisions and assuring that the City continues to pursue a financially prudent course.~~

Policies

~~1.1 **Financial Indicators.** The City of Louisville shall annually calculate and publish financial indicators consistent with those listed in Appendix "A". All indicators shall be calculated as of year-end and published in the biennial budget document, along with the previous year's indicators for up to ten years. Any indicator that shows a warning trend when compared to prior years shall be more closely analyzed for reasons why a change has occurred.~~

City of Louisville, Colorado
Financial Policies
General Policy 1.1
Appendix A – Financial Indicators

Category	Description	Formula	Warning Trend
Revenue:			
	General Fund Revenue Per Capita	$\frac{\text{General Fund Operating Revenue}}{\text{Population}}$	Decrease
	General Fund Intergovernmental Revenue	$\frac{\text{General Fund Intergovernmental Revenue}}{\text{General Fund Operating Revenue}}$	Increase
	General Fund Sales Tax	$\frac{\text{General Fund Sales Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Property Tax	$\frac{\text{General Fund Property Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Actual Revenue vs. Budget	$\frac{\text{General Fund Actual Revenue}}{\text{General Fund Budgeted Revenue}}$	Decrease
Expenditures:			
	General Fund Expenditures Per Capita	$\frac{\text{General Fund Operating Expenditures}}{\text{Population}}$	Increase
	General Fund Expenditures vs. Budget	$\frac{\text{General Fund Actual Expenditures}}{\text{General Fund Budgeted Expenditures}}$	Increase
	City Wide Employees Per Capita	$\frac{\text{City Wide Employees (FTE's)}}{\text{Population}}$	Increase
	City Wide Employee Benefit Cost	$\frac{\text{City Wide Employee Benefits Cost}}{\text{City Wide Employee Wages Cost}}$	Increase
Operating Position:			
	General Fund Operational Surplus/(Deficit)	$\frac{\text{General Fund Operating Revenue}}{\text{General Fund Operating Expenditures}}$	Decrease
	General Fund Operating Margin	$\frac{\text{General Fund Operational Surplus/(Deficit)}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Reserves	$\frac{\text{General Fund Unrestricted Fund Balance}}{\text{General Fund Operating Expenditures}}$	Decrease
	Open Space & Parks Fund Reserves	$\frac{\text{Open Space \& Parks Fund Total Fund Balance}}{\text{Open Space \& Parks Fund Targeted Fund Balance}}$	Decrease
	Water Utility Fund Working Capital	$\frac{\text{Water Utility Fund Working Capital}}{\text{Water Utility Fund Budgetary Basis Expenses}}$	Decrease

(continued)

City of Louisville, Colorado
Financial Policies
General Policy 1.1
Appendix A—Financial Indicators
(continued)

Category	Description	Formula	Warning-Trend
Operating- Position:- (continued)			
	Wastewater Utility Fund Working Capital	$\frac{\text{Wastewater Utility Fund Working Capital}}{\text{Wastewater Utility Fund Budgetary Basis Expenses}}$	Decrease
	Storm Water Utility Fund Working Capital	$\frac{\text{Storm Water Utility Fund Working Capital}}{\text{Storm Water Utility Fund Budgetary Basis Expenses}}$	Decrease
	Combined Utility Fund Debt Burden	$\frac{\text{Total Combined Utility Fund Revenue}}{\text{Total Combined Utility Fund Debt Service}}$	Decrease
	Combined Utility Fund Net Position	$\frac{\text{Combined Utility Fund Current Year Net Position}}{\text{Combined Utility Fund Prior Year Net Position}}$	Decrease
	City Wide Cash & Investments	$\frac{\text{City Wide Unrestricted Cash \& Investments}}{\text{City Wide Current Liabilities}}$	Decrease
	City Wide Net Position	$\frac{\text{City Wide Current Year Net Position}}{\text{City Wide Prior Year Net Position}}$	Decrease
	City Wide Accumulated Depreciation	$\frac{\text{City Wide Accumulated Depreciation}}{\text{City Wide Depreciable Assets}}$	Increase
	City Wide Debt Per Capita	$\frac{\text{City Wide Total Debt}}{\text{Population}}$	Increase

Reserve Policies

Policy Section: 2

Adopted by: Council Action

Effective Date: May 7, 2024
June 16, 2026

Purpose and Scope

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City's credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used, in which order they should be utilized, and how the reserves will be replenished if they fall below established reserve amounts.

The City's policy regarding which resources (restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available has determined restricted amounts to be reduced first, followed by committed amounts, then assigned amounts, and then unassigned amounts.

The City will measure its compliance with this policy as of December 31st of each year, as soon as practical after final year-end information is audited and becomes available.

Policies

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any one-time, non-recurring transfers to other funds. Annual, recurring support transfers to other funds will be included in the definition of current operating expenditures.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 25% of current operating expenditures. This higher target is in recognition of:

- the General Fund's reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund's exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Parks Fund, the Cemetery Fund, and the Recreation Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures. However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan.

The City Council will annually consider one-time transfers of excess reserves to other funds for one-time uses. Examples include transfers to the Capital Projects Fund to help fund specific capital projects or transfers to the Open Space Fund or Parks Fund for property acquisition reserves.

Use of reserves below the 25% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 **Open Space Fund Reserves.** The entire fund balance for the Open Space Fund is restricted by ordinance as set forth in section 3.20.600 of the Louisville Municipal Code, including for acquisition of land in and around the city for open space buffer zones, trails, wildlife habitats, wetlands preservation, and for the development, construction, operation and maintenance of such open space zones, trails, wildlife habitats, wetlands and mitigation of wildfires in open space areas.

The minimum fund balance of the Open Space Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space operations and exclude all interfund transfers and capital outlay. Use of reserves below the 15% minimum requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

Within the Open Space Fund, separate and apart from the minimum fund balance, an acquisition reserve is established to fund future open space acquisitions. A minimum of 30% of the annual budgeted sales and use tax revenue proceeds from the tax established in Section 3.20.200(A)(3) of the Louisville Municipal Code shall be encumbered for acquisition of open space land in and around the city, until a target reserve is achieved. Any remaining unencumbered funds available in the Open Space Fund above the minimum fund balance once the calendar year is closed, shall also be directed into the acquisition reserve until a target reserve is achieved. The target acquisition reserve amount shall be set by City Council from time to time through the budget process. Use of acquisition reserves for purposes other than open space acquisition requires authorization from City Council.

In the event acquisition reserves are used for purposes other than open space acquisition, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

Transfers from the General Fund or Capital Projects Fund into the Open Space Fund for property acquisition shall be deemed committed for that purpose.

- 2.3 **Park Fund Reserves.** The entire fund balance for the Parks Fund is restricted by ordinance for acquisition of land in and around the city for parks; and for the development, construction, operation and maintenance of parks.

The minimum fund balance of the Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only parks operations and exclude all interfund transfers and capital outlay. Use of reserves below the 15% minimum requires authorization from City Council.

The Parks Fund requires a recurring annual transfer from the General Fund to fund its operating deficit. This annual transfer will be calculated by taking the amount of funding provided by the General Fund for Parks in 2007 (\$626,900) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2007 funding level for Parks is the starting point for the calculation. In 2024, the budgeted annual transfer from the General Fund amount was \$1,017,900.

Transfers from the General Fund or Capital Projects Fund for property acquisition shall be deemed committed for that purpose.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

- 2.4 **Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.5 **Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

In the event reserves are used resulting in a working capital balance below the 25% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing working capital may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.6 **Recreation Fund Reserves.** The minimum fund balance of the Recreation Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Recreation Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the timely renewal and replacement of Recreation Center and Memory Square Pool assets. The methodology for calculating this reserve will be approved by the Finance Committee.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum and capital asset renewal and replacement reserves, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

The City Council recognizes that the dedicated sales tax and user fee revenues may not be sufficient and the Recreation Fund may also need to rely on annual General Fund transfers. The annual General Fund transfer will be calculated by taking the General Fund subsidy for the Recreation Center/Memory Square Pool in 2017 (\$986,300) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2017 General Fund subsidy level is the starting point for the calculation, since that is the last year that the Recreation Center and Memory Square Pool were funded within the General Fund.

In addition to the annual General Fund transfer towards the annual operating costs, minimum fund balance requirements, and capital asset renewal and replacement reserves, this policy also authorizes an annual transfer from the Capital Projects Fund to the Recreation Fund in the amount of \$125,000 for 2019 and each year thereafter inflated on an annual basis by the regional Consumer Price Index for All Urban Consumers. This transfer is restricted for capital outlay.

- 2.7 **Golf Course Fund Reserves.** The minimum working capital balance of the Golf Course Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In the event reserves are used resulting in working capital balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

- 2.8 **Historic Preservation Fund Reserves.**

Resolution No 17, Series 2019 regulates the administrative procedures for the Historic Preservation Fund (HPF). Section 3 requires the establishment of an annual Contingency/Emergency Reserve Fund for the HPF:

In the first year of the existence of the HPF, 20% of the funds of the HPF shall be placed in a Contingency/Emergency Reserve. On an annual basis, the Commission and City Council shall reevaluate how much should be allocated to this Reserve. These funds shall be accessed only for incentives or acquisitions that become necessary due to exigent circumstances, upon the recommendation of the Commission and approval of City Council. "Exigent circumstances" for purposes of this section shall mean that the Commission has determined, with concurrence of City Council, that without urgent action, significant damage

will be done to the historic fabric or character of Louisville.

On November 18th, 2025, the City Council approved Resolution No. 93, Series 2025, which approved the 2025 annual Contingency/Emergency Reserve Fund for the Historic Preservation Fund (HPF) to be set at twenty-five percent (25%) of the 2024 1/8% sales and use tax revenue (or \$263,292.14).

Reserve funds can only be accessed if the HPC and City Council determine urgent action is needed to prevent “significant damage...to the historic fabric or character of Louisville.” The proposed reserve would provide emergency funds available for this purpose.

Debt Policies**Policy Section: 3****Adopted by Resolution No. 92, Series 2015****Effective Date: December 15, 2015**

Purpose and Scope

To enhance creditworthiness and engage in prudent financial management, the City of Louisville is committed to systematic capital planning and long-term financial planning. Maintaining the City's bond rating is an important objective and, to this end, the City is continually working to improve its financial policies, budgets, forecasts, and financial health.

These policies establish criteria for the issuance of debt obligations by the City so that acceptable levels of indebtedness are maintained. The objectives of these policies are to ensure that the City obtains debt financing only when necessary, that the process for identifying the timing and amount of debt financing be as efficient as possible, that the most favorable interest rates and related issuance costs are obtained, and that future financial flexibility remains relatively unconstrained.

Debt financing includes general obligation bonds, revenue bonds, notes payable to the Colorado Water Resources & Power Development Authority, leases, and any other City obligations permitted to be issued or incurred under Colorado law, the City's Municipal Code, and the City's Charter.

This policy does not apply to the Urban Revitalization District, a legally separate entity, but a component unit of the City for financial reporting purposes.

Policies

- 3.1 Use of Debt Financing.** Although the City will normally finance projects on a cash basis (pay-as-you-go), the City may decide that the most equitable way of financing a project is through debt financing (pay-as-you-use).

Factors which may favor *pay-as-you-go* financing include circumstances where:

- the project can be adequately funded from available current revenue and reserves;
- the project can be completed in an acceptable timeframe given the available resources;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or are not conducive to marketing debt.

Factors which may favor *pay-as-you-use* financing include circumstances where:

- current revenue or reserves are insufficient to pay project costs;
- a project is immediately required;
- revenue available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
- market conditions present favorable interest rates and demand for municipal debt financing; or
- the useful life of the project or asset is five years or greater.

The City will not use long-term debt to finance any recurring purpose such as current operations. Debt financing will be used only for capital improvement projects and large equipment purchases. Debt payments shall not extend beyond the estimated useful life of the project or the equipment being financed.

- 3.2 **Limitations and Constraints on Debt Financing.** Per Article 12, Section 12-1, of the City of Louisville Charter, the total amount of the City's indebtedness shall not at any time exceed three (3) percent of the actual value, as determined by the County Assessor, of taxable property within the City, except such debt as may be incurred by supplying water.

Per Article 12, Section 12-3, of the City of Louisville Charter, any lease-purchase agreement, except for the acquisition of water rights, entered into by the City shall be approved by the City Council by non-emergency ordinance.

Per the Taxpayer Bill of Rights (TABOR) amendment to the Colorado Constitution, all multiple-year debt shall first be approved by the City's taxpaying electorate unless it is issued for a TABOR-defined government enterprise, refinances bonded debt at a lower interest rate, or sufficient cash reserves are pledged irrevocably for future payments. The City's TABOR-defined enterprises include the Water Utility Fund, the Wastewater Utility Fund, the Storm Water Utility Fund, and the Golf Course Fund. Operating leases, lease-purchases, and certificates of participation (COP's) that are subject to annual appropriation are not considered multiple-year debt and are not subject to TABOR election requirements.

- 3.3 **Structure of Debt Financing.** City debt will be structured to achieve the lowest possible net interest cost given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will minimize impacts on future financing flexibility. To the extent possible, repayment of debt shall be structured to rapidly recapture credit capacity for future use.

City debt will be amortized for the shortest period consistent with a fair allocation of cost to current and future beneficiaries of the project being financed, and in keeping with other related provisions of this policy. The City shall normally issue general obligation bonds or revenue bonds with a maximum life of twenty years or less.

The City will normally seek to amortize general obligation bonds and revenue bonds with level payments (principal plus interest) over the life of the issue. Pushing higher debt service costs to future years will only be considered under special circumstances. The City will also avoid repayment schedules that consist of low annual payments and a large payment of the balance due at the end of the term. There shall always be at least one interest payment in the first fiscal year after a bond sale. Principal repayment shall start no later than the second year after the bond issue.

Call provisions for bond issues shall be made as short as possible, consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds shall be callable only at par.

Credit enhancements may be used if the costs of such enhancements are lower than the reduction in net debt service payments or if they provide other significant financial benefits to the City.

- 3.4 **Bond Counsel.** The City will retain an external bond counsel through a competitive process administered by the Finance Department and the City Attorney's Office. All debt issues of the City will include a written opinion by bond counsel on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.
- 3.5 **Financial Advisor.** The City will retain an external financial advisor through a competitive process administered by the Finance Department. For each debt issuance, the financial advisor will provide the City with information and recommendations on all aspects of the issuance, including market opportunities, method of sale, structure, term, pricing, and fees.
- 3.6 **Method of Sale.** As a matter of general policy, the City shall seek to issue its general and revenue bond obligations with a competitive sale process unless it is determined by the City's Financial Advisor and Finance Director that such a method will not produce the best results for the City. Other methods of sale that may be authorized by the Financial Advisor and Finance Director are a negotiated sales process and a private placement process.

Conditions that may favor a negotiated sale process are:

- The bond issue is, or contains, a refinancing that is dependent on market timing;
- At the time of the issuance, the interest rate environment or economic factors that affect the bond issue are volatile;
- The nature of the debt is unique and requires particular skills from the underwriter; or
- The debt issuance is bound by a compressed timeline due to extenuating circumstances that prevent a competitive process from being accomplished.

Whenever a negotiated sale process is determined to be in the best interests of the City, the City will use a competitive process to select its investment banking team.

In such instances where the City, through competitive bidding, deems the bids as unsatisfactory, or does not receive bids, it may, at the election of the Finance Director, immediately enter into a negotiated sale process or private placement process.

- 3.7 **Refunding of Debt.** Periodic reviews of all outstanding debts will be undertaken by the Finance Director and Financial Advisor to determine refunding opportunities. Refundings will be considered (within legal constraints) if and when there is a net economic benefit of the refunding, or if the refunding is essential in order to amend covenants to enhance operations and management. As a general rule, refundings will only be considered if the present value savings (net of all costs) of a particular refunding will exceed five percent (5%) of the refunded principal.

- 3.8 **Arbitrage Liability Management.** It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law. The City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Because of the complexity of the arbitrage rebate regulations and the severity of non-compliance penalties, the City will use the services of Bond Counsel and other arbitrage compliance experts when determining arbitrage liability, reporting, and exemptions.
- 3.9 **Financial Disclosure.** The City is committed to full and complete financial disclosure and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, accurate, and timely financial information. Continuing disclosure requirements under Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) may apply to certain debt transactions of the City. The City will comply with all such Federal or other State reporting requirements on a timely basis. The City is committed to meeting continuing disclosure requirements of the national information repositories.

Revenue Policies

Policy Section: 4
Adopted by: Council Action
Effective Date: November 4, 2019

Purpose and Scope

The City of Louisville collects revenue from various sources, the largest of which are from sales and use taxes, utility fees, property taxes, and intergovernmental revenue. The structure, equity, fluctuation, and collection of revenue are important for financial stability and are reviewed by bond rating agencies to determine the City's credit quality.

Policies

- 4.1 **Diversification and Stabilization.** The City will strive to maintain a diversified and stable revenue system to reduce the overall effects of fluctuations in any one revenue source.
- 4.2 **Equity.** Revenue will be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens. Services having a City-wide benefit shall be financed with revenue sources generated from a broad base, such as sales taxes and property taxes. Services where the customer determines the use shall be fully or partially financed with user fees and charges related to the level of service provided.
- 4.3 **Collections.** The City will monitor all taxes, fees, and charges to make sure they are equitably administered and collections are timely and accurate. The City will pursue collection of delinquent amounts (including related penalties and interest) as authorized by the Louisville Municipal Code.
- 4.4 **Recurring and Non-recurring Revenue.** The City's objective is to fund all recurring expenditures with recurring revenue. Non-recurring, one-time revenue should be used to fund only non-recurring, one-time expenditures. The preferred use of non-recurring revenue is to invest in projects that will result in long-term operational cost savings.
- 4.5 **Intergovernmental Revenue.** The City will pursue intergovernmental aid, including grants, for those programs and activities that address a recognized need and are consistent with the City's goals and objectives, and will attempt to recover all allowable costs associated with those programs. The City will avoid using grants for ongoing service delivery needs. Any decision to pursue intergovernmental aid should only be made after consideration of the present and future funding requirements, costs of administering the funds, costs associated with special conditions or regulations attached to the aid, and ongoing operational costs after the aid period.

- 4.6 **User Fees and Services Charges.** The City will periodically recalculate the full cost of providing services in order to provide a basis for setting the associated user fee or service charge. Full cost shall incorporate direct and indirect costs, including operations (with City labor costs), maintenance, overhead, debt service, equipment, and capital charges. The intent of this policy is to set fees at a level that is related to the actual cost of producing the good or service. The City will also periodically examine and compare rates from other cities providing similar services. It is recognized that competing policy objectives may result in user fee levels that recover only a portion of the costs. The City Council's intent is to review all fees every year during the budget process. For years in which a complete recalculation of full costs is not done, this policy authorizes the use of an annual fee inflator to be applied to certain fees.
- 4.7 **Fees for Children's Recreational Services and Senior Programs.** The City may set fees for children's recreational programs and senior services at levels below the full cost of providing those services.
- 4.8 **Fees for Non-Resident City Services.** Non-residents may be required to pay higher fees than residents for City services.

**Operating Budget
Policies**

Policy Section: 5
Adopted by: Council Action
Effective Date: November 4, 2019

Purpose and Scope

The formulation of the annual operating budget, including the publication of the budget document, 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. This policy is intended to provide guidelines to assist in the formulation of financial discussion and the broader implications of financial decisions. This policy shall apply to all funds with an adopted budget.

Policies

- 5.1 **Budgetary Basis of Accounting.** The “basis of accounting” is a term used to describe the timing of revenue and expenditure recognition. In other words, when the effects of transactions or events should be recognized. In governmental accounting, the basis of accounting used for financial reporting purposes, as required by generally accepted accounting principles (GAAP), is not required for use in preparing a budget document. Under GAAP, governmental funds are required to utilize a modified accrual basis of accounting and proprietary funds (enterprise and internal service) are required to utilize a full accrual basis of accounting for financial reporting purposes. The City of Louisville’s *budgetary* basis of accounting is a modified accrual basis for *all* fund types, including proprietary funds. Some of the differences between the City’s budgetary basis of accounting and the GAAP basis of accounting for proprietary fund types are:
- *Issuance of debt* – budgeted as a revenue item, adjusted at year-end to a liability for financial reporting purposes.
 - *Principal payment on debt* – budgeted as an expense item, adjusted at year-end to a reduction in the liability for financial reporting purposes.
 - *Capital acquisition* – budgeted as an expense item, adjusted at year-end to an asset acquisition for financial reporting purposes.
 - *Depreciation* – not recognized for budgeting purposes, recorded at year-end as an expense for financial reporting purposes.

- 5.2 **Level of Budgetary Control.** The level of budgetary control is the level at which spending cannot exceed the budgeted amount without City Council authorization. The level of control is also the level of detail the City Council approves in the appropriation resolution. The City's current level of budgetary control is at the fund level. However, department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.

Article 11, Section 11-6 of the City of Louisville Charter states, *"During the fiscal year, no officer or employee shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated by the City Council. Any contract, verbal or written, made in violation of this subsection shall be void, and no moneys of the City shall be paid on such contract; except that the City Council may ratify such a contract if it determines that ratification would be in the best interest of the City, and if it adopts a resolution making the necessary appropriation."*

- 5.3 **Balanced Budget.** The City's definition of a balance budget requires each fund's revenue plus appropriated fund balance/working capital to be equal to, or greater than, each fund's total appropriations. However, it is the City's intent to go further and develop *structurally* balanced budgets for the General Fund and the other major operating funds (excluding capital project funds). In a structurally balanced budget, annual recurring revenue will be projected to equal or exceed annual recurring expenditures for each fund. If a structural imbalance (recurring expenditures exceeding recurring revenue) should occur in the General Fund or in any of the major operating funds, a plan will be developed and implemented to bring the budget back into structural balance.
- 5.4 **Budget Form.** Article 11, Section 11-2 of the City of Louisville Charter states, *"The proposed budget shall provide a complete financial plan for the City in a format acceptable to the City Council. Except as otherwise provided by this Charter, the proposed budget shall be prepared in accordance with State statutes establishing the local government budget law and the local government uniform accounting law."*
- 5.5 **Capital Improvement Plan (C-I-P).** A Six-Year Capital Improvement Plan will be presented to the City Council for consideration during the biennial budget development process. The annual capital budget will be based on the first year of the approved C-I-P.
- 5.6 **Long-Term Financial Plan (LTFP).** Six-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.
- 5.7 **Budget Amendment.** The City Council may amend or supplement the budget by resolution at any time after its initial adoption. A public hearing is required.
- 5.8 **Budget Control System.** The City will develop and maintain a budgetary control system to help it adhere to the budget. All departments are part of the budget control system and will have access to individual department reports that compare budget-to-actual financial performance. The Finance Department will report City-wide budget-to-actual performance on a quarterly basis for both revenue and expenditures to the City Finance Committee.

Investment Policies

Policy Section: 6
Adopted by: Council Action
Effective Date: May 7, 2024

Purpose and Scope

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Policies

- 6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:
- **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
 - **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
 - **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

6.2 Delegation of Authority. The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

6.3 Legal Investments. All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA– or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

- 6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

- 6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed "delivery versus payment" (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee quarterly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received

**Capital Asset
Investment &
Management Policies**

Policy Section: 7
Adopted by: Council Action
Effective Date: November 4, 2019

Purpose and Scope

Capital assets have a major impact on the ability of the City of Louisville to deliver services, the economic vitality of the City, and the overall quality of life for the City's citizens. The purpose of this policy is to provide general guidelines for a comprehensive process of allocating limited resources to capital investments. This policy applies to all funds included in the City's Six-Year Capital Improvement Plan.

Policies

- 7.1 General Process for Six-Year Capital Improvement Plan (C-I-P).** The Finance Department is responsible for coordinating the C-I-P process within the annual budget calendar and for compiling the requested, recommended, and adopted C-I-P document.

Each year, City departments will submit a list of prioritized projects for inclusion into the C-I-P. The City Manager will review the requests and make the final recommendations to City Council. City Council will review the recommended C-I-P and direct any changes for the final C-I-P. The first two years of the C-I-P will be included in the Biennial Operating & Capital Budget presented to the City Council for formal adoption in November.

The City shall provide meaningful opportunities for all stakeholders to provide input into the C-I-P development process.

- 7.2 C-I-P Project Selection.** An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:
- **Long-Term Forecasts** – Long-term forecasts will be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance and replacement costs.
 - **Impact of Other Projects** – Projects shall not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.

- Full Costing – Cost analysis of a proposed project should encompass the entire cost of the project, including annual maintenance and other impacts to the operating budget.
- Predictable Project Timing & Scope – Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

7.3 **Balanced C-I-P.** The adopted C-I-P will be balanced. This means that for the six-year period, revenue plus the use of fund reserves will equal or exceed total project expenditures.

7.4 **Asset Maintenance & Replacement.** It is the City's intent to maintain its existing assets and a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendations for asset maintenance in the C-I-P. It is the City's intent to ensure that adequate resources are allocated to preserve the City's existing infrastructure to the best of its ability before allocating resources to other capital projects.

**Accounting, Auditing, &
Financial Reporting
Policies**

Policy Section: 8
Adopted by: Council Action
Effective Date: November June
416, 201926

Purpose and Scope

The City of Louisville desires to maintain a system of financial management that safeguards City assets, promotes financial transparency, and provides timely, accurate, and relevant financial information to citizens, elected officials, and management. This policy pertains to all funds and operations of the City and, to the extent reasonably possible, all component units of the City.

Policies

- 8.1 **Accounting.** The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The City's accounting and reporting policies will conform to the generally accepted accounting principles (GAAP).
- 8.2 **Auditing.** Article 11, Section 11-7 of the City of Louisville Charter states, "*The Council shall provide for a financial audit, which shall be performed at least annually by a certified public accountant selected by the Council. The Audit shall be performed in accordance with the State statutes establishing the local government audit law. Copies of the audit shall be made available for public inspection.*"

In compliance with the Charter, an annual audit will be performed by an independent certified public accounting firm in accordance with Generally Accepted Governmental Auditing Standards and the auditor's opinion will be included in the City's Comprehensive Annual Financial Report (CAFR).

The City's Finance Department shall be responsible for managing the audit procurement process. The City Council will appoint the independent auditor and approve each year's audit engagement letter. The audit engagement term shall typically be for five to ten years, subject to annual review, approval, and appropriation.

- 8.3 **Audit Committee.** The City's Finance Committee will act as the City's Audit Committee. The Audit Committee will provide an independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. The City's independent auditors will meet with the Audit Committee at least annually and have direct access to the Audit Committee if City staff is unresponsive to auditor recommendations or if

the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- 8.4 **Financial Reporting.** The City's Comprehensive Annual Financial Report (CAFR) will be published annually to present the results, financial position, and results of operations of the City for the prior year. As an additional independent confirmation of the quality of the City's financial information, the City will annually submit its CAFR to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

The Finance Department will provide quarterly interim financial reports to the Finance Committee after the close of each quarter. The reports will be designed to keep the Committee continuously informed of the City's overall financial status.

- 8.5 **Internal Controls.** The goals and objectives of the City's internal control policies are to safeguard City assets and to foster reliance on public information for decision-making purposes at all levels both internally and externally. Management shall establish the presence of integrity, ethics, competence, and a positive control environment. Directors are responsible for establishing, executing, and maintaining control policies and procedures at the detail level within their specific departments.

The City's internal control structure will be based on the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) framework and comprised of the following elements:

- **Control Environment** – Factors include integrity and ethical values, commitment to competence, leadership philosophy and operating style, assignment of authority and responsibility, and policy and procedures;
- **Risk Assessment** – Routine assessment of risk and its impact on internal controls;
- **Control Activities** – Such as segregation of duties, authorization of transactions, retention of records, supervision and monitoring of operations, and physical safeguards;
- **Information and Communication** – Policies and procedures are documented and accessible; and
- **Monitoring** – Assessment of the quality of performance over time to determine whether controls are effective and track resolution achievements of identified problems.

- 8.6 **Capitalization of Assets.** The terms capital assets, capital outlay, and fixed assets are used to describe assets that are used in operations that have initial lives extending beyond a single reporting period, such as water rights, infrastructure, land, buildings, improvements other than buildings, and equipment. It is incumbent upon departments to maintain adequate control over all resources, including capital assets, to minimize the risk of loss or misuse.

Not all capital assets are required to be reported on the City's balance sheet. Specifically, capital assets with extremely short useful lives or of small monetary value are properly reported as an "expenditure" or "expense" of the period in which they are acquired. Capital

assets that are reported on the City's balance sheet are said to be "capitalized" and must meet the capitalization criteria outlined in this policy.

The City's capitalization criteria are, as follows:

- Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- The capitalization thresholds shall normally be applied to individual items rather than to groups of similar items (e.g., chairs), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., library books).
- Directors are responsible for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.
- The capitalization threshold for each individual item is ~~\$10,000~~ found in Table 1: Capitalization Thresholds by Asset Category.
- Should an asset be purchased through an external funding source that requires a different capitalization threshold, the City shall adhere to the Grantor's requirements.

TABLE 1: Capitalization Thresholds by Asset Category

Assets	Current		Proposed	
	Years	Amount	Years	Amount
Land / Water Rights			N/A	\$1
Buildings (including the right to use building)	50	\$10,000	50	\$100,000
Building Improvements	30	\$10,000	30	\$100,000
Streets & Sidewalks	25 – 30	\$10,000	25 – 30	\$100,000
Water, Wastewater, & Storm Water Systems	25 – 50	\$10,000	25 – 50	\$100,000
Vehicles	3 – 7	\$10,000	3 – 7	\$50,000
Machinery & Equipment	5 – 10	\$10,000	3 – 10	\$50,000
Computer Equipment	3 – 10	\$10,000		
Leases / Subscription-Based Info. Tech. Arrangements (SBITA)	3 – 10	\$10,000	3 – 10	\$50,000

8.7 Accounts Receivable Write-Off. Accounts receivable is an asset account reflecting amounts owed to the City. Staff will make every effort to collect all receivables. Only receivables deemed uncollectible can be written off. In order to be deemed uncollectible, a receivable must meet the following criteria:

- All standardized collections procedures have been exhausted;
- Further measures to collect the debt have been determined as inappropriate; and

- The characteristics of the debt are such that write-off is appropriate (e.g., the debt is small relative to the cost of further collection efforts).

The ~~City Manager or~~ Finance Director is authorized to approve a write-off of up to \$~~50,000~~100 per ~~individual~~ account. The City Manager is authorized to approve a write-off up to \$100,000. Staff's request to write-off accounts greater than \$100,000 must be approved by the Finance Committee. The amounts and reasons for all write-offs will be documented and made available for audit.

Introduction

The City of Louisville is an organization charged with providing a wide range of services that are supported by a wide range of revenue sources. The City's Financial Policies have been established to guide the City in providing these services in the most efficient way possible within the bounds of available revenue.

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City's Financial Policies shall be adopted by resolution of the City Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the City Council.

Definitions

- *Advanced Refunding* – a refunding in which the outstanding bonds are callable and remain outstanding for a period of more than 90 days after the issuance of the refunding bonds. Proceeds from the sale of the refunding bonds are used to purchase permissible legal securities, which are deposited into an escrow account.
- *Agencies* – federal agency securities and/or Government-sponsored enterprises.
- *Arbitrage* – the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher-yielding taxable securities. The Internal Revenue Service regulates arbitrage on the proceeds from the issuance of municipal securities.
- *Bankers' Acceptance* – a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
- *Broker* – brings buyers and sellers together for a commission.

- *Capital Budget* – the first two years of the Six-Year Capital Improvement Plan. These amounts are automatically included in the annual biennial budget process.
- *Capital Improvement Plan (C-I-P)* – a plan that describes the capital projects and associated funding sources the City intends to undertake during the next six years.
- *Collateral* – securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies (Public Deposit Protection Act; CRS 11-10.5-101 et seq.)
- *Current Refunding* – a refunding in which the outstanding bonds are retired within 90 days after the new bonds are sold.
- *Competitive Bond Sale* – bonds are marketed to a wide audience of investment banking (underwriter) firms. Sealed bids are submitted at a specific date and time and the underwriter is selected based on its bid for the City's securities.
- *Dealer* – as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
- *Delivery-versus-Payment* – delivery of securities with an exchange of money for the securities. Delivery-versus-receipt is delivery of securities with an exchange of a signed receipt for the securities.
- *Full Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when earned and expenses are recognized when the liability is incurred.
- *Fund* – an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
- *Fund Balance* – the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund. Used as a measure of reserves in governmental funds.
 - *Non-spendable Fund Balance* – fund balance that is inherently non-spendable, such as the long-term portion of loans receivable, the principal of an endowment, and inventories.
 - *Restricted Fund Balance* – fund balance that has externally enforceable limitations on its use, imposed by parties such as creditors, grantors, or laws and regulations of other governments.
 - *Committed Fund Balance* – fund balance with limitations imposed by the government itself at its highest level of decision making. For example, for the City of Louisville, this would be limitations imposed on fund balance by the Council through an ordinance or resolution.

- *Assigned Fund Balance* – fund balance that is earmarked for an intended use at either the highest level of decision making or by a body or an official designated for that purpose.
- *Unassigned Fund Balance* – all fund balances that are left after considering the other four categories. Use is the least restricted in this category of fund balance.
- *Unrestricted Fund Balance* – a category of fund balance that comprises committed fund balance, assigned fund balance, and unassigned fund balance. Unrestricted fund balance is, therefore, unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes.
- *General Fund Operating Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Operating Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less other financing sources (such as sales of assets) and interfund transfers-in.
- *General Fund Recurring Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Recurring Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less non-recurring building-related revenue, non-recurring and non-operational grants, other financing sources, and interfund transfers-in.
- *General Fund Sales Tax Revenue* – as used in the financial indicators, this term refers to total sales tax revenue less any sales tax rebates due to Business Assistance Packages.
- *General Obligation Bonds* – bonds backed by the “full faith and credit” of the City. Bondholders have the authority to compel the City to use its taxing power, or to use other revenue sources, to generate the revenue necessary to repay the bonds. General obligation bonds are subject to the City’s debt limitation and voter approval is required.
- *Liquidity* – refers to the ease in which an asset can be converted into cash without a substantial loss of value.
- *Modified Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when it become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when they are expected to draw on current spendable resources.
- *Negotiated Bond Sale* – the City selects the underwriter in advance of the bond sale. The Financial Advisor and City staff work with the underwriter to bring the issue to the market and negotiate all rates and terms of the sale.

- *Private Bond Placement* – the City sells its bonds to a limited number of sophisticated investors, and not the general public.
- *Program* – a set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- *Refunding* – refinancing an outstanding bond issue by issuing new bonds.
- *Reserves* – refers to unrestricted fund balance in governmental funds and working capital in proprietary funds.
- *Revenue Bonds* – bonds secured by revenue generated by user fees or by other non-ad valorem revenue sources typically generated by the project being financed. Only the specific revenue source is pledged for the bond repayment. No taxing power or General fund pledge is provided as security. Revenue bonds are not subject to the City's debt limitation and voter approval is not required.
- *TABOR* – the Taxpayer Bill of Rights amendment to the Colorado Constitution and other Colorado law and court decisions.
- *Treasuries* – securities issued by the U.S. Treasury to finance the national debt. Treasury Bills are non-interest bearing discount securities that mature in one year or less. Treasury Notes are coupon bearing securities having initial maturities of two to ten years. Treasury Bonds are coupon-bearing securities having initial maturities of more than ten years.
- *Underwriter* – a dealer that purchases new issues of municipal securities from the issuer and resells them to investors. The difference between the price at which the bonds are bought and the price at which they are offered to investors is the underwriter's discount.
- *Utility Fund Budgetary Basis Expenses* – as used in the financial indicators, this term refers all expenses under the City's budgetary basis of accounting, less capital outlay and interfund transfers-out.
- *Working Capital* – current assets less current liabilities. Used as a measure of *reserves* in proprietary funds. Proprietary funds, unlike governmental funds, report both capital assets and long-term debt, even though neither is directly relevant to near-term financing. Therefore, the difference between proprietary fund assets and liabilities (net position) is not equivalent to the fund balance reported in governmental funds, and is not a useful indicator of *reserves*.
- *Yield* – the rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

General Policies

Policy Section: 1
Adopted by: Council Action
Effective Date: June 16, 2026

Purpose and Scope

General Policies are financial policies that are not easily categorized under any of the other policy sections.

Reserve Policies

Policy Section: 2
Adopted by: Council Action
Effective Date: June 16, 2026

Purpose and Scope

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City's credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used, in which order they should be utilized, and how the reserves will be replenished if they fall below established reserve amounts.

The City's policy regarding which resources (restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available has determined restricted amounts to be reduced first, followed by committed amounts, then assigned amounts, and then unassigned amounts.

The City will measure its compliance with this policy as of December 31st of each year, as soon as practical after final year-end information is audited and becomes available.

Policies

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any one-time, non-recurring transfers to other funds. Annual, recurring support transfers to other funds will be included in the definition of current operating expenditures.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 25% of current operating expenditures. This higher target is in recognition of:

- the General Fund's reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund's exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Parks Fund, the Cemetery Fund, and the Recreation Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures. However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan.

The City Council will annually consider one-time transfers of excess reserves to other funds for one-time uses. Examples include transfers to the Capital Projects Fund to help fund specific capital projects or transfers to the Open Space Fund or Parks Fund for property acquisition reserves.

Use of reserves below the 25% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 **Open Space Fund Reserves.** The entire fund balance for the Open Space Fund is restricted by ordinance as set forth in section 3.20.600 of the Louisville Municipal Code, including for acquisition of land in and around the city for open space buffer zones, trails, wildlife habitats, wetlands preservation, and for the development, construction, operation and maintenance of such open space zones, trails, wildlife habitats, wetlands and mitigation of wildfires in open space areas.

The minimum fund balance of the Open Space Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space operations and exclude all interfund transfers and capital outlay. Use of reserves below the 15% minimum requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

Within the Open Space Fund, separate and apart from the minimum fund balance, an acquisition reserve is established to fund future open space acquisitions. A minimum of 30% of the annual budgeted sales and use tax revenue proceeds from the tax established in Section 3.20.200(A)(3) of the Louisville Municipal Code shall be encumbered for acquisition of open space land in and around the city, until a target reserve is achieved. Any remaining unencumbered funds available in the Open Space Fund above the minimum fund balance once the calendar year is closed, shall also be directed into the acquisition reserve until a target reserve is achieved. The target acquisition reserve amount shall be set by City Council from time to time through the budget process. Use of acquisition reserves for purposes other than open space acquisition requires authorization from City Council.

In the event acquisition reserves are used for purposes other than open space acquisition, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

Transfers from the General Fund or Capital Projects Fund into the Open Space Fund for property acquisition shall be deemed committed for that purpose.

- 2.3 **Park Fund Reserves.** The entire fund balance for the Parks Fund is restricted by ordinance for acquisition of land in and around the city for parks; and for the development, construction, operation and maintenance of parks.

The minimum fund balance of the Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only parks operations and exclude all interfund transfers and capital outlay. Use of reserves below the 15% minimum requires authorization from City Council.

The Parks Fund requires a recurring annual transfer from the General Fund to fund its operating deficit. This annual transfer will be calculated by taking the amount of funding provided by the General Fund for Parks in 2007 (\$626,900) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2007 funding level for Parks is the starting point for the calculation. In 2024, the budgeted annual transfer from the General Fund amount was \$1,017,900.

Transfers from the General Fund or Capital Projects Fund for property acquisition shall be deemed committed for that purpose.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

- 2.4 **Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.5 **Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

In the event reserves are used resulting in a working capital balance below the 25% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing working capital may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.6 **Recreation Fund Reserves.** The minimum fund balance of the Recreation Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Recreation Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the timely renewal and replacement of Recreation Center and Memory Square Pool assets. The methodology for calculating this reserve will be approved by the Finance Committee.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum and capital asset renewal and replacement reserves, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

The City Council recognizes that the dedicated sales tax and user fee revenues may not be sufficient and the Recreation Fund may also need to rely on annual General Fund transfers. The annual General Fund transfer will be calculated by taking the General Fund subsidy for the Recreation Center/Memory Square Pool in 2017 (\$986,300) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2017 General Fund subsidy level is the starting point for the calculation, since that is the last year that the Recreation Center and Memory Square Pool were funded within the General Fund.

In addition to the annual General Fund transfer towards the annual operating costs, minimum fund balance requirements, and capital asset renewal and replacement reserves, this policy also authorizes an annual transfer from the Capital Projects Fund to the Recreation Fund in the amount of \$125,000 for 2019 and each year thereafter inflated on an annual basis by the regional Consumer Price Index for All Urban Consumers. This transfer is restricted for capital outlay.

- 2.7 **Golf Course Fund Reserves.** The minimum working capital balance of the Golf Course Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In the event reserves are used resulting in working capital balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan.

- 2.8 **Historic Preservation Fund Reserves.**

Resolution No 17, Series 2019 regulates the administrative procedures for the Historic Preservation Fund (HPF). Section 3 requires the establishment of an annual Contingency/Emergency Reserve Fund for the HPF:

In the first year of the existence of the HPF, 20% of the funds of the HPF shall be placed in a Contingency/Emergency Reserve. On an annual basis, the Commission and City Council shall reevaluate how much should be allocated to this Reserve. These funds shall be accessed only for incentives or acquisitions that become necessary due to exigent circumstances, upon the recommendation of the Commission and approval of City Council. "Exigent circumstances" for purposes of this section shall mean that the Commission has determined, with concurrence of City Council, that without urgent action, significant damage

will be done to the historic fabric or character of Louisville.

On November 18th, 2025, the City Council approved Resolution No. 93, Series 2025, which approved the 2025 annual Contingency/Emergency Reserve Fund for the Historic Preservation Fund (HPF) to be set at twenty-five percent (25%) of the 2024 1/8% sales and use tax revenue (or \$263,292.14).

Reserve funds can only be accessed if the HPC and City Council determine urgent action is needed to prevent “significant damage...to the historic fabric or character of Louisville.” The proposed reserve would provide emergency funds available for this purpose.

Debt Policies**Policy Section: 3****Adopted by Resolution No. 92, Series 2015****Effective Date: December 15, 2015**

Purpose and Scope

To enhance creditworthiness and engage in prudent financial management, the City of Louisville is committed to systematic capital planning and long-term financial planning. Maintaining the City's bond rating is an important objective and, to this end, the City is continually working to improve its financial policies, budgets, forecasts, and financial health.

These policies establish criteria for the issuance of debt obligations by the City so that acceptable levels of indebtedness are maintained. The objectives of these policies are to ensure that the City obtains debt financing only when necessary, that the process for identifying the timing and amount of debt financing be as efficient as possible, that the most favorable interest rates and related issuance costs are obtained, and that future financial flexibility remains relatively unconstrained.

Debt financing includes general obligation bonds, revenue bonds, notes payable to the Colorado Water Resources & Power Development Authority, leases, and any other City obligations permitted to be issued or incurred under Colorado law, the City's Municipal Code, and the City's Charter.

This policy does not apply to the Urban Revitalization District, a legally separate entity, but a component unit of the City for financial reporting purposes.

Policies

- 3.1 Use of Debt Financing.** Although the City will normally finance projects on a cash basis (pay-as-you-go), the City may decide that the most equitable way of financing a project is through debt financing (pay-as-you-use).

Factors which may favor *pay-as-you-go* financing include circumstances where:

- the project can be adequately funded from available current revenue and reserves;
- the project can be completed in an acceptable timeframe given the available resources;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or are not conducive to marketing debt.

Factors which may favor *pay-as-you-use* financing include circumstances where:

- current revenue or reserves are insufficient to pay project costs;
- a project is immediately required;
- revenue available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
- market conditions present favorable interest rates and demand for municipal debt financing; or
- the useful life of the project or asset is five years or greater.

The City will not use long-term debt to finance any recurring purpose such as current operations. Debt financing will be used only for capital improvement projects and large equipment purchases. Debt payments shall not extend beyond the estimated useful life of the project or the equipment being financed.

- 3.2 **Limitations and Constraints on Debt Financing.** Per Article 12, Section 12-1, of the City of Louisville Charter, the total amount of the City's indebtedness shall not at any time exceed three (3) percent of the actual value, as determined by the County Assessor, of taxable property within the City, except such debt as may be incurred by supplying water.

Per Article 12, Section 12-3, of the City of Louisville Charter, any lease-purchase agreement, except for the acquisition of water rights, entered into by the City shall be approved by the City Council by non-emergency ordinance.

Per the Taxpayer Bill of Rights (TABOR) amendment to the Colorado Constitution, all multiple-year debt shall first be approved by the City's taxpaying electorate unless it is issued for a TABOR-defined government enterprise, refinances bonded debt at a lower interest rate, or sufficient cash reserves are pledged irrevocably for future payments. The City's TABOR-defined enterprises include the Water Utility Fund, the Wastewater Utility Fund, the Storm Water Utility Fund, and the Golf Course Fund. Operating leases, lease-purchases, and certificates of participation (COP's) that are subject to annual appropriation are not considered multiple-year debt and are not subject to TABOR election requirements.

- 3.3 **Structure of Debt Financing.** City debt will be structured to achieve the lowest possible net interest cost given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will minimize impacts on future financing flexibility. To the extent possible, repayment of debt shall be structured to rapidly recapture credit capacity for future use.

City debt will be amortized for the shortest period consistent with a fair allocation of cost to current and future beneficiaries of the project being financed, and in keeping with other related provisions of this policy. The City shall normally issue general obligation bonds or revenue bonds with a maximum life of twenty years or less.

The City will normally seek to amortize general obligation bonds and revenue bonds with level payments (principal plus interest) over the life of the issue. Pushing higher debt service costs to future years will only be considered under special circumstances. The City will also avoid repayment schedules that consist of low annual payments and a large payment of the balance due at the end of the term. There shall always be at least one interest payment in the first fiscal year after a bond sale. Principal repayment shall start no later than the second year after the bond issue.

Call provisions for bond issues shall be made as short as possible, consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds shall be callable only at par.

Credit enhancements may be used if the costs of such enhancements are lower than the reduction in net debt service payments or if they provide other significant financial benefits to the City.

- 3.4 **Bond Counsel.** The City will retain an external bond counsel through a competitive process administered by the Finance Department and the City Attorney's Office. All debt issues of the City will include a written opinion by bond counsel on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.
- 3.5 **Financial Advisor.** The City will retain an external financial advisor through a competitive process administered by the Finance Department. For each debt issuance, the financial advisor will provide the City with information and recommendations on all aspects of the issuance, including market opportunities, method of sale, structure, term, pricing, and fees.
- 3.6 **Method of Sale.** As a matter of general policy, the City shall seek to issue its general and revenue bond obligations with a competitive sale process unless it is determined by the City's Financial Advisor and Finance Director that such a method will not produce the best results for the City. Other methods of sale that may be authorized by the Financial Advisor and Finance Director are a negotiated sales process and a private placement process.

Conditions that may favor a negotiated sale process are:

- The bond issue is, or contains, a refinancing that is dependent on market timing;
- At the time of the issuance, the interest rate environment or economic factors that affect the bond issue are volatile;
- The nature of the debt is unique and requires particular skills from the underwriter; or
- The debt issuance is bound by a compressed timeline due to extenuating circumstances that prevent a competitive process from being accomplished.

Whenever a negotiated sale process is determined to be in the best interests of the City, the City will use a competitive process to select its investment banking team.

In such instances where the City, through competitive bidding, deems the bids as unsatisfactory, or does not receive bids, it may, at the election of the Finance Director, immediately enter into a negotiated sale process or private placement process.

- 3.7 **Refunding of Debt.** Periodic reviews of all outstanding debts will be undertaken by the Finance Director and Financial Advisor to determine refunding opportunities. Refundings will be considered (within legal constraints) if and when there is a net economic benefit of the refunding, or if the refunding is essential in order to amend covenants to enhance operations and management. As a general rule, refundings will only be considered if the present value savings (net of all costs) of a particular refunding will exceed five percent (5%) of the refunded principal.

- 3.8 **Arbitrage Liability Management.** It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law. The City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Because of the complexity of the arbitrage rebate regulations and the severity of non-compliance penalties, the City will use the services of Bond Counsel and other arbitrage compliance experts when determining arbitrage liability, reporting, and exemptions.
- 3.9 **Financial Disclosure.** The City is committed to full and complete financial disclosure and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, accurate, and timely financial information. Continuing disclosure requirements under Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) may apply to certain debt transactions of the City. The City will comply with all such Federal or other State reporting requirements on a timely basis. The City is committed to meeting continuing disclosure requirements of the national information repositories.

Revenue Policies

Policy Section: 4
Adopted by: Council Action
Effective Date: November 4, 2019

Purpose and Scope

The City of Louisville collects revenue from various sources, the largest of which are from sales and use taxes, utility fees, property taxes, and intergovernmental revenue. The structure, equity, fluctuation, and collection of revenue are important for financial stability and are reviewed by bond rating agencies to determine the City's credit quality.

Policies

- 4.1 **Diversification and Stabilization.** The City will strive to maintain a diversified and stable revenue system to reduce the overall effects of fluctuations in any one revenue source.
- 4.2 **Equity.** Revenue will be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens. Services having a City-wide benefit shall be financed with revenue sources generated from a broad base, such as sales taxes and property taxes. Services where the customer determines the use shall be fully or partially financed with user fees and charges related to the level of service provided.
- 4.3 **Collections.** The City will monitor all taxes, fees, and charges to make sure they are equitably administered and collections are timely and accurate. The City will pursue collection of delinquent amounts (including related penalties and interest) as authorized by the Louisville Municipal Code.
- 4.4 **Recurring and Non-recurring Revenue.** The City's objective is to fund all recurring expenditures with recurring revenue. Non-recurring, one-time revenue should be used to fund only non-recurring, one-time expenditures. The preferred use of non-recurring revenue is to invest in projects that will result in long-term operational cost savings.
- 4.5 **Intergovernmental Revenue.** The City will pursue intergovernmental aid, including grants, for those programs and activities that address a recognized need and are consistent with the City's goals and objectives, and will attempt to recover all allowable costs associated with those programs. The City will avoid using grants for ongoing service delivery needs. Any decision to pursue intergovernmental aid should only be made after consideration of the present and future funding requirements, costs of administering the funds, costs associated with special conditions or regulations attached to the aid, and ongoing operational costs after the aid period.

- 4.6 **User Fees and Services Charges.** The City will periodically recalculate the full cost of providing services in order to provide a basis for setting the associated user fee or service charge. Full cost shall incorporate direct and indirect costs, including operations (with City labor costs), maintenance, overhead, debt service, equipment, and capital charges. The intent of this policy is to set fees at a level that is related to the actual cost of producing the good or service. The City will also periodically examine and compare rates from other cities providing similar services. It is recognized that competing policy objectives may result in user fee levels that recover only a portion of the costs. The City Council's intent is to review all fees every year during the budget process. For years in which a complete recalculation of full costs is not done, this policy authorizes the use of an annual fee inflator to be applied to certain fees.
- 4.7 **Fees for Children's Recreational Services and Senior Programs.** The City may set fees for children's recreational programs and senior services at levels below the full cost of providing those services.
- 4.8 **Fees for Non-Resident City Services.** Non-residents may be required to pay higher fees than residents for City services.

**Operating Budget
Policies**

Policy Section: 5
Adopted by: Council Action
Effective Date: November 4, 2019

Purpose and Scope

The formulation of the annual operating budget, including the publication of the budget document, 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. This policy is intended to provide guidelines to assist in the formulation of financial discussion and the broader implications of financial decisions. This policy shall apply to all funds with an adopted budget.

Policies

- 5.1 **Budgetary Basis of Accounting.** The “basis of accounting” is a term used to describe the timing of revenue and expenditure recognition. In other words, when the effects of transactions or events should be recognized. In governmental accounting, the basis of accounting used for financial reporting purposes, as required by generally accepted accounting principles (GAAP), is not required for use in preparing a budget document. Under GAAP, governmental funds are required to utilize a modified accrual basis of accounting and proprietary funds (enterprise and internal service) are required to utilize a full accrual basis of accounting for financial reporting purposes. The City of Louisville’s *budgetary* basis of accounting is a modified accrual basis for *all* fund types, including proprietary funds. Some of the differences between the City’s budgetary basis of accounting and the GAAP basis of accounting for proprietary fund types are:

- *Issuance of debt* – budgeted as a revenue item, adjusted at year-end to a liability for financial reporting purposes.
- *Principal payment on debt* – budgeted as an expense item, adjusted at year-end to a reduction in the liability for financial reporting purposes.
- *Capital acquisition* – budgeted as an expense item, adjusted at year-end to an asset acquisition for financial reporting purposes.
- *Depreciation* – not recognized for budgeting purposes, recorded at year-end as an expense for financial reporting purposes.

- 5.2 **Level of Budgetary Control.** The level of budgetary control is the level at which spending cannot exceed the budgeted amount without City Council authorization. The level of control is also the level of detail the City Council approves in the appropriation resolution. The City's current level of budgetary control is at the fund level. However, department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.

Article 11, Section 11-6 of the City of Louisville Charter states, *"During the fiscal year, no officer or employee shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated by the City Council. Any contract, verbal or written, made in violation of this subsection shall be void, and no moneys of the City shall be paid on such contract; except that the City Council may ratify such a contract if it determines that ratification would be in the best interest of the City, and if it adopts a resolution making the necessary appropriation."*

- 5.3 **Balanced Budget.** The City's definition of a balance budget requires each fund's revenue plus appropriated fund balance/working capital to be equal to, or greater than, each fund's total appropriations. However, it is the City's intent to go further and develop *structurally* balanced budgets for the General Fund and the other major operating funds (excluding capital project funds). In a structurally balanced budget, annual recurring revenue will be projected to equal or exceed annual recurring expenditures for each fund. If a structural imbalance (recurring expenditures exceeding recurring revenue) should occur in the General Fund or in any of the major operating funds, a plan will be developed and implemented to bring the budget back into structural balance.
- 5.4 **Budget Form.** Article 11, Section 11-2 of the City of Louisville Charter states, *"The proposed budget shall provide a complete financial plan for the City in a format acceptable to the City Council. Except as otherwise provided by this Charter, the proposed budget shall be prepared in accordance with State statutes establishing the local government budget law and the local government uniform accounting law."*
- 5.5 **Capital Improvement Plan (C-I-P).** A Six-Year Capital Improvement Plan will be presented to the City Council for consideration during the biennial budget development process. The annual capital budget will be based on the first year of the approved C-I-P.
- 5.6 **Long-Term Financial Plan (LTFP).** Six-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.
- 5.7 **Budget Amendment.** The City Council may amend or supplement the budget by resolution at any time after its initial adoption. A public hearing is required.
- 5.8 **Budget Control System.** The City will develop and maintain a budgetary control system to help it adhere to the budget. All departments are part of the budget control system and will have access to individual department reports that compare budget-to-actual financial performance. The Finance Department will report City-wide budget-to-actual performance on a quarterly basis for both revenue and expenditures to the City Finance Committee.

Investment Policies

Policy Section: 6
Adopted by: Council Action
Effective Date: May 7, 2024

Purpose and Scope

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Policies

6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:

- **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
- **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
- **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

- 6.2 **Delegation of Authority.** The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

- 6.3 **Legal Investments.** All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA– or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

- 6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

- 6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed "delivery versus payment" (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee quarterly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received

**Capital Asset
Investment &
Management Policies**

Policy Section: 7
Adopted by: Council Action
Effective Date: November 4, 2019

Purpose and Scope

Capital assets have a major impact on the ability of the City of Louisville to deliver services, the economic vitality of the City, and the overall quality of life for the City's citizens. The purpose of this policy is to provide general guidelines for a comprehensive process of allocating limited resources to capital investments. This policy applies to all funds included in the City's Six-Year Capital Improvement Plan.

Policies

- 7.1 General Process for Six-Year Capital Improvement Plan (C-I-P).** The Finance Department is responsible for coordinating the C-I-P process within the annual budget calendar and for compiling the requested, recommended, and adopted C-I-P document.

Each year, City departments will submit a list of prioritized projects for inclusion into the C-I-P. The City Manager will review the requests and make the final recommendations to City Council. City Council will review the recommended C-I-P and direct any changes for the final C-I-P. The first two years of the C-I-P will be included in the Biennial Operating & Capital Budget presented to the City Council for formal adoption in November.

The City shall provide meaningful opportunities for all stakeholders to provide input into the C-I-P development process.

- 7.2 C-I-P Project Selection.** An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:
- **Long-Term Forecasts** – Long-term forecasts will be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance and replacement costs.
 - **Impact of Other Projects** – Projects shall not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.

- Full Costing – Cost analysis of a proposed project should encompass the entire cost of the project, including annual maintenance and other impacts to the operating budget.
- Predictable Project Timing & Scope – Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

7.3 **Balanced C-I-P.** The adopted C-I-P will be balanced. This means that for the six-year period, revenue plus the use of fund reserves will equal or exceed total project expenditures.

7.4 **Asset Maintenance & Replacement.** It is the City's intent to maintain its existing assets and a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendations for asset maintenance in the C-I-P. It is the City's intent to ensure that adequate resources are allocated to preserve the City's existing infrastructure to the best of its ability before allocating resources to other capital projects.

**Accounting, Auditing, &
Financial Reporting
Policies**

Policy Section: 8
Adopted by: Council Action
Effective Date: June 16, 2026

Purpose and Scope

The City of Louisville desires to maintain a system of financial management that safeguards City assets, promotes financial transparency, and provides timely, accurate, and relevant financial information to citizens, elected officials, and management. This policy pertains to all funds and operations of the City and, to the extent reasonably possible, all component units of the City.

Policies

- 8.1 **Accounting.** The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The City's accounting and reporting policies will conform to the generally accepted accounting principles (GAAP).
- 8.2 **Auditing.** Article 11, Section 11-7 of the City of Louisville Charter states, *"The Council shall provide for a financial audit, which shall be performed at least annually by a certified public accountant selected by the Council. The Audit shall be performed in accordance with the State statutes establishing the local government audit law. Copies of the audit shall be made available for public inspection."*

In compliance with the Charter, an annual audit will be performed by an independent certified public accounting firm in accordance with Generally Accepted Governmental Auditing Standards and the auditor's opinion will be included in the City's Comprehensive Annual Financial Report (CAFR).

The City's Finance Department shall be responsible for managing the audit procurement process. The City Council will appoint the independent auditor and approve each year's audit engagement letter. The audit engagement term shall typically be for five to ten years, subject to annual review, approval, and appropriation.

- 8.3 **Audit Committee.** The City's Finance Committee will act as the City's Audit Committee. The Audit Committee will provide an independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. The City's independent auditors will meet with the Audit Committee at least annually and have direct access to the Audit Committee if City staff is unresponsive to auditor recommendations or if

the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- 8.4 **Financial Reporting.** The City's Comprehensive Annual Financial Report (CAFR) will be published annually to present the results, financial position, and results of operations of the City for the prior year. As an additional independent confirmation of the quality of the City's financial information, the City will annually submit its CAFR to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

The Finance Department will provide quarterly interim financial reports to the Finance Committee after the close of each quarter. The reports will be designed to keep the Committee continuously informed of the City's overall financial status.

- 8.5 **Internal Controls.** The goals and objectives of the City's internal control policies are to safeguard City assets and to foster reliance on public information for decision-making purposes at all levels both internally and externally. Management shall establish the presence of integrity, ethics, competence, and a positive control environment. Directors are responsible for establishing, executing, and maintaining control policies and procedures at the detail level within their specific departments.

The City's internal control structure will be based on the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) framework and comprised of the following elements:

- **Control Environment** – Factors include integrity and ethical values, commitment to competence, leadership philosophy and operating style, assignment of authority and responsibility, and policy and procedures;
- **Risk Assessment** – Routine assessment of risk and its impact on internal controls;
- **Control Activities** – Such as segregation of duties, authorization of transactions, retention of records, supervision and monitoring of operations, and physical safeguards;
- **Information and Communication** – Policies and procedures are documented and accessible; and
- **Monitoring** – Assessment of the quality of performance over time to determine whether controls are effective and track resolution achievements of identified problems.

- 8.6 **Capitalization of Assets.** The terms capital assets, capital outlay, and fixed assets are used to describe assets that are used in operations that have initial lives extending beyond a single reporting period, such as water rights, infrastructure, land, buildings, improvements other than buildings, and equipment. It is incumbent upon departments to maintain adequate control over all resources, including capital assets, to minimize the risk of loss or misuse.

Not all capital assets are required to be reported on the City's balance sheet. Specifically, capital assets with extremely short useful lives or of small monetary value are properly reported as an "expenditure" or "expense" of the period in which they are acquired. Capital

assets that are reported on the City's balance sheet are said to be "capitalized" and must meet the capitalization criteria outlined in this policy.

The City's capitalization criteria are, as follows:

- Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- The capitalization thresholds shall normally be applied to individual items rather than to groups of similar items (e.g., chairs), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., library books).
- Directors are responsible for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.
- The capitalization threshold for each individual item is found in Table 1: Capitalization Thresholds by Asset Category.
- Should an asset be purchased through an external funding source that requires a different capitalization threshold, the City shall adhere to the Grantor's requirements.

TABLE 1: Capitalization Thresholds by Asset Category

Assets	Years	Amount
Land / Water Rights	N/A	\$1
Buildings (including the right to use building)	50	\$100,000
Building Improvements	30	\$100,000
Streets & Sidewalks	25 – 30	\$100,000
Water, Wastewater, & Storm Water Systems	25 – 50	\$100,000
Vehicles	3 – 7	\$50,000
Machinery & Equipment	3 – 10	\$50,000
Leases / Subscription-Based Info. Tech. Arrangements (SBITA)	3 – 10	\$50,000

8.7 Accounts Receivable Write-Off. Accounts receivable is an asset account reflecting amounts owed to the City. Staff will make every effort to collect all receivables. Only receivables deemed uncollectible can be written off. In order to be deemed uncollectible, a receivable must meet the following criteria:

- All standardized collections procedures have been exhausted;
- Further measures to collect the debt have been determined as inappropriate; and
- The characteristics of the debt are such that write-off is appropriate (e.g., the debt is

small relative to the cost of further collection efforts).

The Finance Director is authorized to approve a write-off of up to \$50,000 per account. The City Manager is authorized to approve a write-off up to \$100,000. Staff's request to write-off accounts greater than \$100,000 must be approved by the Finance Committee. The amounts and reasons for all write-offs will be documented and made available for audit.

Subject: Monthly Revenue & Sales Tax Report - March 2026

Date: May 18, 2026

Prepared By: Hope Wheelock, Sales Tax Technician
Melissa Lundgren, Sales Tax
Jessica Zeas, Tax Auditor II
Travis Anderson, Revenue & Sales Tax Manager

Presented By: Jessica Zeas, Tax Auditor II

Summary:

Sales and Use Tax Collection Report – March 2026

Audit Revenue: Audit tax collections in March 2026 totaled **\$512,346**. This revenue figure includes \$96,020 in penalties and interest assessed on delinquent sales tax payments. YTD Audit revenue totals to **\$920,928**.

Sales Tax: Increased MoM (March 2026 vs March 2025) by **7.3%** for a total amount collected of \$2,246,128. In-city businesses generated \$917,235, a decrease of \$2,037 or -0.2%. Outside city businesses generated \$1,328,893 an increase of \$154,487 or 13.2%.

Cumulative Performance: YTD 2026 sales tax revenues exceed our budget by \$610,164 or **11.6%**. Compared to last year, sales tax revenue increased by \$681,382 or **13.2%**. All tax revenues combined YTD 2026, including sales tax, use, building, auto, lodging, bag taxes, and audit total \$3,325,248. Removing audit is \$2,812,901.

We are pleased to announce that our licensing technician, Hope Wheelock, has been working diligently to ensure full regulatory compliance regarding business licenses. To that end, we are excited to state that as of May 11, 2026, we have successfully achieved a **99%** compliance rate across all participating businesses in the Louisville Farmers Market.

Consumer Use Tax: Consumer use tax collections for March 2026 amounted to \$192,875 reflecting purchases brought into the city without the corresponding sales tax. Use tax remains an unstable revenue base due to its inherent unpredictability.

Bag Tax: Q1,2026 Bag tax collected was \$25,521 when compared to the previous quarter, Q4,2025 which was \$27,184 resulting in a decrease of \$1,663, resulting in no

notable change and in line with budgetary projections.

Background / Prior Discussions:

Tax Collections are monitored, reviewed, and presented to the Finance Committee on a monthly cadence.

Development Proposal:

NA

Analysis:

Refer to Summary Section.

Council Work Plan:

Core Services

Fiscal Impact:

Budgeted - funding / resources for this item have been fully budgeted and no amendment is required.

Alternatives:

NA

Recommendation:

Receive and File

Attachments:

1. March Q12026 Tax Report

CITY OF LOUISVILLE

Cumulative Revenue History Report

Sales Tax

Through Month	Cumulative Budget	Cumulative Sales Tax - 2026	Cumulative Budget Var. %	Cumulative Sales Tax - 2025	Cumulative Var. % to PY
JANUARY	1,596,402	1,728,129	8.3%	1,541,040	12.1%
FEBRUARY	3,105,262	3,606,211	16.1%	3,077,278	17.2%
MARCH	5,242,174	5,852,338	11.6%	5,170,956	13.2%
APRIL	7,033,761				
MAY	9,013,537				
JUNE	11,357,893				
JULY	13,436,603				
AUGUST	15,269,222				
SEPTEMBER	17,558,747				
OCTOBER	19,616,338				
NOVEMBER	21,433,754				
DECEMBER	24,791,577				

Budgeted increase from last year's Actual Sales Tax **2.8%**

Other Taxes - Combined

Through Month	Cumulative Budget	Cumulative Use, Building, Auto, Lodging, Audit, & Bag Tax - 2025	Cumulative Budget Var. %	Cumulative Use, Building, Auto, Lodging, Audit, & Bag Tax - 2025	Cumulative Var. % to PY
JANUARY	443,033	588,810	32.9%	497,228	18%
FEBRUARY	861,772	1,126,380	30.7%	880,998	28%
MARCH	1,454,808	2,205,500	51.6%	1,409,736	56%
APRIL	1,952,009			1,839,548	
MAY	2,501,436			2,770,205	
JUNE	3,152,041			3,348,657	
JULY	3,728,925			3,780,753	
AUGUST	4,237,513			4,292,440	
SEPTEMBER	4,872,902			7,587,832	
OCTOBER	5,443,924			8,159,505	
NOVEMBER	5,948,293			8,632,618	
DECEMBER	6,880,156			9,263,267	

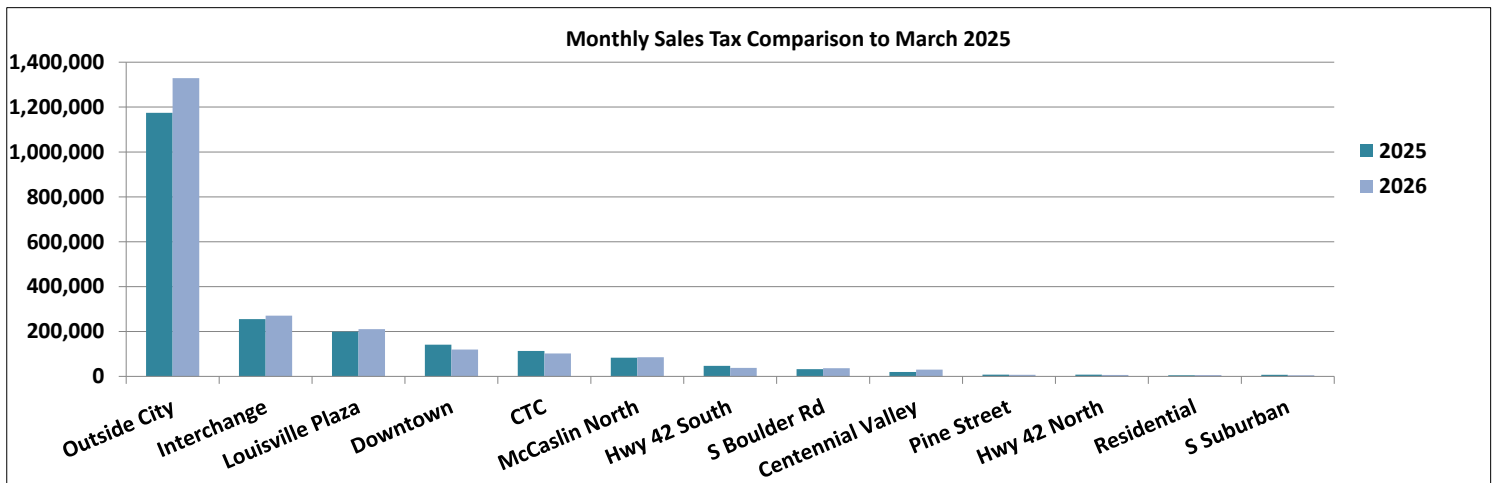
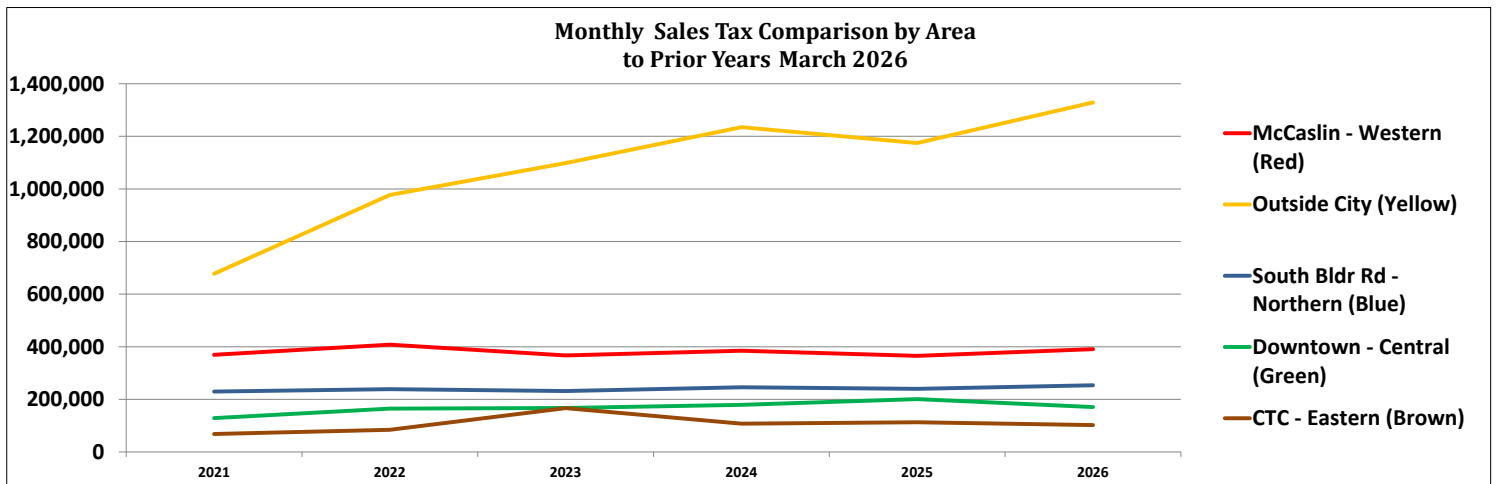
All Taxes - Combined

Through Month	Cumulative Budget	Cumulative All Tax Revenue - 2026	Cumulative Budget Var. %	Cumulative All Tax Revenue - 2025	Cumulative Var. % to PY
JANUARY	2,039,436	2,316,939	13.6%	2,038,268	13.7%
FEBRUARY	3,967,034	4,732,591	19.3%	3,958,276	19.6%
MARCH	6,696,981	8,057,839	20.3%	6,580,693	22.4%
APRIL	8,985,770				
MAY	11,514,973				
JUNE	14,509,935				
JULY	17,165,528				
AUGUST	19,506,734				
SEPTEMBER	22,431,649				
OCTOBER	25,060,262				
NOVEMBER	27,382,047				
DECEMBER	31,671,733				

CITY OF LOUISVILLE											
Revenue History 2021 through 2026											
YEAR	MONTH	SALES TAX MO. BUDGET	SALES TAX	VAR. %	USE TAX	BLDG USE TAX	AUTO USE TAX	LODGING TAX	AUDIT	BAG TAX	TOTAL
2026											
	JANUARY	1,596,402	1,728,129	8.3%	76,337	80,665	164,737	17,137	249,928	7	2,316,939
	FEBRUARY	1,508,859	1,878,082	24.5%	97,131	144,946	119,325	17,515	158,654	-	2,415,652
	MARCH	2,136,912	2,246,128	5.1%	192,875	182,228	143,676	22,474	512,346	25,521	3,325,248
	APRIL	1,791,587									-
	MAY	1,979,776									-
	JUNE	2,344,356									-
	JULY	2,078,710									-
	AUGUST	1,832,618									-
	SEPTEMBER	2,289,526									-
	OCTOBER	2,057,591									-
	NOVEMBER	1,817,416									-
	DECEMBER	3,357,823									-
	YTD TOTALS	5,242,174	5,852,338		366,342	407,838	427,738	57,126	920,928	25,529	8,057,839
	2026 Budget		24,791,577		1,803,166	2,679,000	1,821,440	476,550	-	100,000	31,671,733
	YTD Variance % to Prior Year		13.2%		-0.7%	67.8%	-26.1%	4.7%	556.4%	5.2%	22.4%
2025											
	JANUARY	1,706,466	1,541,040	-9.7%	78,250	159,577	198,372	15,686	45,243	100	2,038,268
	FEBRUARY	1,534,282	1,536,239	0.1%	76,655	42,319	196,139	17,471	50,897	289	1,920,008
	MARCH	2,060,919	2,093,678	1.6%	214,028	41,179	184,073	21,427	44,164	23,868	2,622,417
	APRIL	1,712,749	1,811,245	5.8%	73,674	171,426	154,479	26,266	3,922	44	2,241,057
	MAY	1,780,181	1,762,341	-1.0%	104,160	125,252	158,637	48,982	493,839	(214)	2,692,998
	JUNE	2,265,714	2,429,539	7.2%	138,535	138,196	167,300	53,082	52,964	28,375	3,007,991
	JULY	1,900,159	2,017,682	6.2%	91,852	93,161	173,014	53,880	20,016	174	2,449,778
	AUGUST	1,887,812	1,807,543	-4.3%	57,116	157,314	136,175	52,237	109,726	(881)	2,319,230
	SEPTEMBER	2,108,108	2,088,264	-0.9%	324,809	366,680	155,246	49,037	2,370,831	28,791	5,383,657
	OCTOBER	1,878,303	1,927,687	2.6%	64,517	180,993	180,630	40,788	104,744	-	2,499,359
	NOVEMBER	1,778,164	1,795,647	1.0%	107,679	129,120	166,766	20,635	50,925	(2,012)	2,268,760
	DECEMBER	2,802,734	3,313,639	18.2%	265,713	181,981	123,856	18,296	11,420	29,383	3,944,288
	YTD TOTALS		24,124,544	3.0%	1,596,988	1,787,198	1,994,687	417,786	3,358,692	107,916	33,387,811
	YTD Variance % to Prior Year		3.6%		-21.9%	-55.7%	6.2%	-12.6%	286.3%	-5.9%	2.1%
	2025 Budget		23,415,590		3,336,510	2,074,997	1,759,850	443,300	-	100,000	31,130,247
	Budget vs Actual Variance		3.0%		-52.1%	-13.9%	13.3%	-5.8%	-	7.9%	7.3%
2024											
	JANUARY	1,629,000	1,694,541	4.0%	231,929	113,184	172,085	19,052	-	-	2,230,791
	FEBRUARY	1,504,000	1,509,364	0.4%	119,255	176,535	151,369	16,768	-	41	1,973,331
	MARCH	2,148,000	2,152,505	0.2%	204,957	242,799	120,150	40,658	9,269	31,199	2,801,538
	APRIL	1,799,000	1,686,680	-6.2%	106,868	175,582	160,095	27,918	21,152	1,805	2,180,099
	MAY	1,895,000	1,731,835	-8.6%	144,957	3,236	164,151	80,600	36,418	60	2,161,258
	JUNE	2,392,000	2,234,228	-6.6%	271,578	1,926,072	131,978	51,593	242,860	29,372	4,887,681
	JULY	1,946,000	1,944,779	-0.1%	134,428	790,889	190,082	61,022	11,209	33	3,132,442
	AUGUST	1,962,000	1,896,889	-3.3%	134,336	130,170	149,308	59,572	37,068	5	2,407,348
	SEPTEMBER	2,191,000	2,083,911	-4.9%	195,461	92,291	178,529	41,864	32,066	24,958	2,649,079
	OCTOBER	1,906,000	1,836,883	-3.6%	70,187	148,112	186,755	45,900	2,709	914	2,291,460
	NOVEMBER	1,792,000	1,741,597	-2.8%	69,530	53,514	131,312	22,245	323,074	-	2,341,272
	DECEMBER	2,935,000	2,768,856	-5.7%	360,824	184,611	142,933	10,672	153,661	26,270	3,647,827
	YTD TOTALS	24,099,000	23,282,068	-3.4%	2,044,309	4,036,994	1,878,746	477,865	869,487	114,656	32,704,124
	YTD Variance % to Prior Year		12.6%	8.8%	-40.5%	140.1%	2.3%	15.6%	1037.8%	-44.3%	12.6%
	2024 Adjusted Budget	24,099,000	24,099,000		3,239,333	1,548,333	1,700,333	403,000	-	100,000	31,089,999
	Budget vs Actual Variance		-3.4%		-36.9%	160.7%	10.5%	18.6%	-	14.7%	5.2%
2023											
	JANUARY		1,568,367		155,955	238,897	157,506	8,027	-	-	2,128,752
	FEBRUARY		1,539,730		208,668	99,366	106,393	15,663	2,715	-	1,972,536
	MARCH		2,030,246		223,743	219,554	157,285	12,178	-	71,169	2,714,176
	APRIL		1,476,283		774,627	100,712	215,093	25,843	-	(46)	2,592,512
	MAY		1,841,030		154,813	100,612	130,404	46,617	-	46	2,273,522
	JUNE		2,023,204		223,473	101,731	129,621	55,112	-	52,606	2,585,746
	JULY		1,723,776		580,457	289,594	106,004	60,716	-	2,351	2,762,896
	AUGUST		1,649,459		84,672	105,041	156,199	43,180	-	419	2,038,970
	SEPTEMBER		1,847,642		223,587	43,341	119,898	52,083	-	34,601	2,321,151
	OCTOBER		1,560,040		98,476	174,305	201,959	44,457	-	1,782	2,081,018
	NOVEMBER		1,560,759		336,826	93,138	167,370	29,255	799	677	2,188,824
	DECEMBER		2,583,946		373,162	115,007	188,882	20,146	72,904	42,098	3,396,144
	YTD TOTALS		21,404,481		3,438,458	1,681,299	1,836,613	413,278	76,418	205,702	29,056,248
	YTD Variance % to Prior Year		7.4%		29.7%	-55.5%	-3.3%	31.3%	21.6%	8.9%	1.0%
	2023 Adjusted Budget		22,050,630		2,625,630	1,030,780	2,040,910	373,660	-	200,000	28,321,610
	Budget vs Actual Variance		-2.9%		31.0%	63.1%	-10.0%	10.6%	-	2.9%	2.6%
2022											
	JANUARY		1,290,514		176,432	130,345	128,149	3,109	208		1,728,758
	FEBRUARY		1,190,326		193,090	51,720	119,067	6,032	14,265		1,574,500
	MARCH		1,873,155		194,188	116,141	239,724	15,574	17,376	46,850	2,503,008
	APRIL		1,716,488		166,822	103,279	171,550	21,231	2,336		2,181,706
	MAY		1,596,606		141,953	156,057	162,552	37,751	817		2,095,736
	JUNE		1,977,923		363,695	166,434	145,676	30,068	-	50,020	2,683,797
	JULY		1,582,397		282,381	250,332	133,511	47,010	12,466		2,308,096
	AUGUST		1,732,722		170,194	577,453	169,804	63,940	8,651		2,722,763
	SEPTEMBER		1,769,359		333,062	1,252,503	155,205	22,131	-	46,134	3,578,394
	OCTOBER		1,469,642		176,355	329,917	214,840	42,562	15		2,233,332
	NOVEMBER		1,368,473		102,994	61,392	134,481	10,985	-		1,678,325
	DECEMBER		2,355,727		350,061	582,602	123,871	14,445	6,724	45,940	3,479,370
	YTD TOTALS		19,923,333		2,651,227	3,778,176	1,898,431	314,836	62,857	188,944	28,767,785
	YTD Variance % to Prior Year		9.1%		27.0%	54.8%	5.1%	16.0%	-33.9%		15.3%
	2022 Adjusted Budget		20,145,920		2,386,940	1,532,520	1,914,660	319,480	-	101,250	26,400,770
	Budget vs Actual Variance		-1.1%		11.1%	146.5%	-0.8%	-1.5%		86.6%	9.0%
2021											
	JANUARY		1,093,893		151,922	76,766	165,964	8,893	13,085		1,510,523
	FEBRUARY		1,048,733		123,647	175,248	141,326	9,311	9,343		1,507,607
	MARCH		1,473,421		187,196	497,955	118,578	12,589	1,431		2,291,171
	APRIL		1,447,875		92,613	880,417	156,795	13,198	3,434		2,594,332
	MAY		1,463,795		142,433	69,429	145,625	17,757	14,572		1,853,611
	JUNE		1,836,453		206,969	39,899	182,192	26,986	5,542		2,298,042
	JULY		1,460,976		121,088	(32,980)	144,891	38,956	15,499		1,748,430
	AUGUST		1,372,626		152,120	152,949	160,162	40,187	2,490		1,880,534
	SEPTEMBER		1,641,416		215,222	45,706	163,655	31,783	13,666		2,111,448
	OCTOBER		1,534,805		152,057	164,302	148,773	34,618	12,142		2,046,696
	NOVEMBER		1,503,261		162,041	156,565	144,254	23,667	1,145		1,990,933
	DECEMBER		2,377,087		379,832	214,495	134,883	13,526	2,814		3,122,637
	YTD TOTALS		18,254,341		2,087,139	2,440,753	1,807,098	271,471	95,163		24,955,964
	YTD Variance % to Prior Year		16.9%		39.3%	43.3%	19.3%	48.7%	-79.1%		19.0%
	2021 Adjusted Budget		16,007,490		1,709,960	1,896,860	1,497,390	227,360	-		21,339,060
	Budget vs Actual Variance		14.0%		22.1%	28.7%	20.7%	19.4%			16.9%

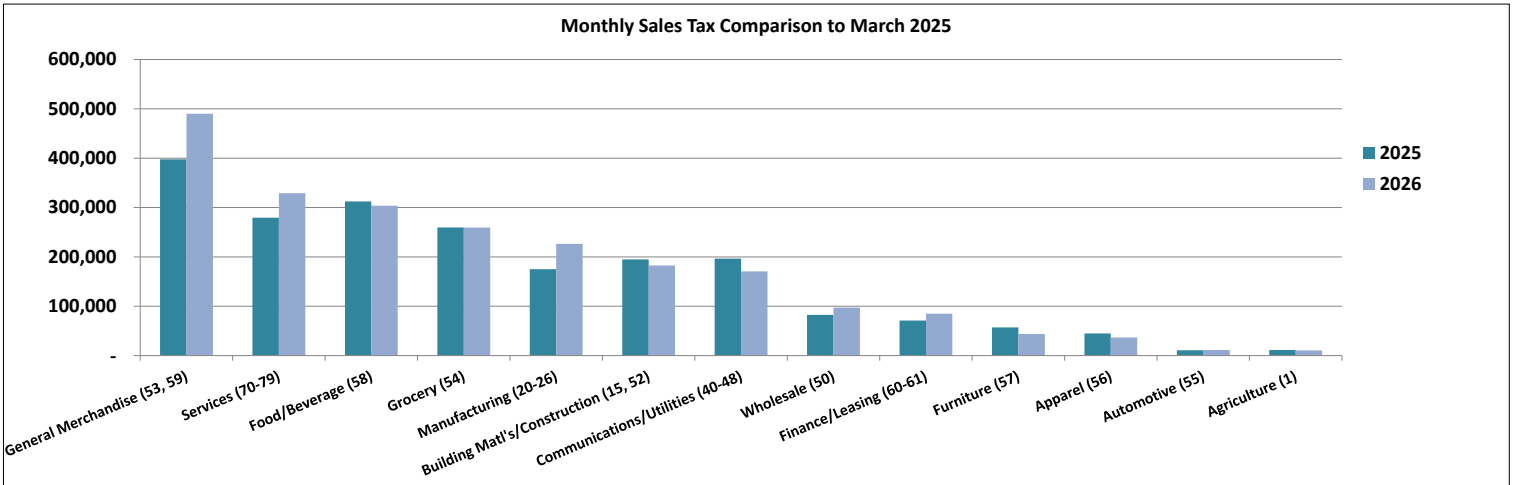
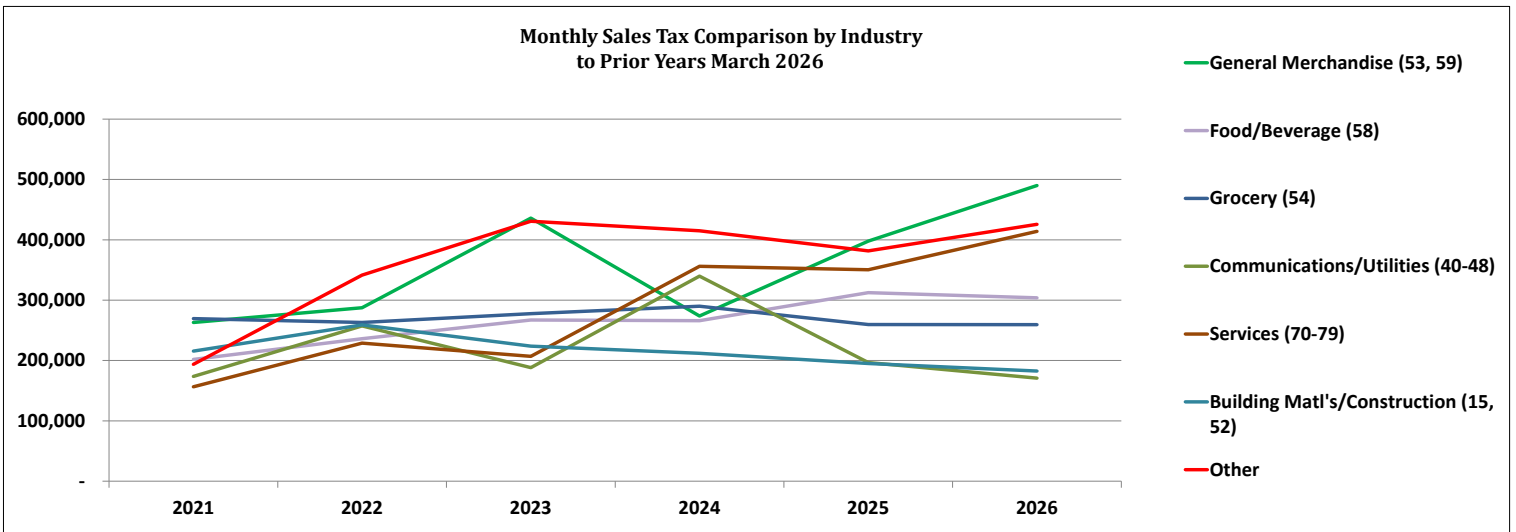
Monthly Sales Tax Revenue Comparisons by Area (March 2026)

AREA NAME	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Actual	% Of Total	% Change
Outside City	677,430	977,125	1,098,282	1,235,075	1,174,406	1,328,893	59.2%	13.2%
Interchange	292,924	323,582	270,105	288,800	255,207	270,845	12.1%	6.1%
Louisville Plaza	183,236	198,266	200,888	212,801	199,457	210,594	9.4%	5.6%
Downtown	79,112	109,597	100,882	117,594	141,294	119,709	5.3%	-15.3%
CTC	68,233	84,504	166,582	107,517	113,141	102,082	4.5%	-9.8%
McCaslin North	62,893	71,067	79,806	71,587	83,372	85,006	3.8%	2.0%
Hwy 42 South	38,932	39,840	51,479	51,990	46,710	37,811	1.7%	-19.1%
S Boulder Rd	38,978	31,207	21,450	26,637	32,309	36,262	1.6%	12.2%
Centennial Valley	9,618	8,943	11,288	18,503	19,696	30,231	1.3%	53.5%
Pine Street	5,141	6,873	5,593	6,822	7,774	7,356	0.3%	-5.4%
Hwy 42 North	7,400	9,271	9,394	6,698	8,103	6,677	0.3%	-17.6%
Residential	5,417	8,603	9,032	2,477	5,153	5,819	0.3%	12.9%
S Suburban	4,106	4,276	5,464	6,005	7,055	4,843	0.2%	-31.4%
Total Revenue	1,473,421	1,873,155	2,030,246	2,152,505	2,093,678	2,246,128		
% Of Change	1.4%	27.1%	8.4%	6.0%	-2.7%	7.3%		



Monthly Sales Tax Revenue Comparisons by Industry (March 2026)

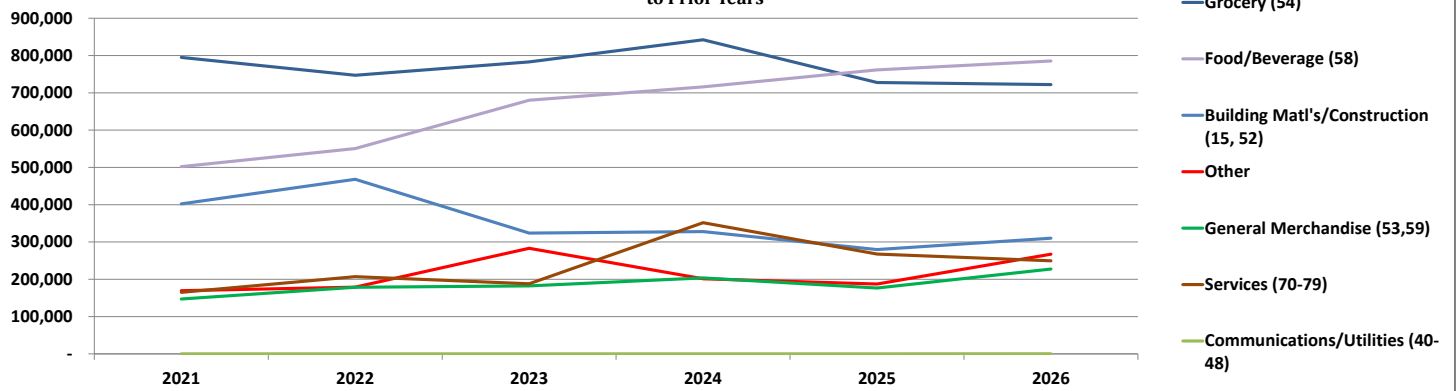
AREA NAME	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Actual	% Of Total	% Change
General Merchandise (53, 59)	263,010	287,394	436,015	273,819	397,790	489,977	21.8%	23.2%
Services (70-79)	106,236	173,810	147,579	288,717	279,324	329,096	14.7%	17.8%
Food/Beverage (58)	201,754	236,012	267,015	265,884	312,422	303,780	13.5%	-2.8%
Grocery (54)	269,311	263,006	277,646	289,953	259,674	259,390	11.5%	-0.1%
Manufacturing (20-26)	84,384	193,365	263,457	200,730	174,972	226,320	10.1%	29.3%
Building Matl's/Construction (15, 52)	215,668	259,010	223,844	212,000	195,046	182,525	8.1%	-6.4%
Communications/Utilities (40-48)	173,632	257,398	188,148	339,798	196,704	170,761	7.6%	-13.2%
Wholesale (50)	55,364	53,887	71,519	89,006	82,595	97,222	4.3%	17.7%
Finance/Leasing (60-61)	50,167	55,045	59,230	67,328	71,032	84,912	3.8%	19.5%
Furniture (57)	25,325	48,748	42,948	64,487	57,184	43,790	1.9%	-23.4%
Apparel (56)	14,715	22,165	24,515	31,763	44,785	36,684	1.6%	-18.1%
Automotive (55)	6,620	11,837	14,871	17,458	10,873	11,295	0.5%	3.9%
Agriculture (1)	7,235	11,477	13,459	11,561	11,276	10,375	0.5%	-8.0%
Totals	1,473,421	1,873,155	2,030,246	2,152,505	2,093,678	2,246,128		
% Of Change	1.4%	27.1%	8.4%	6.0%	-2.7%	7.3%		



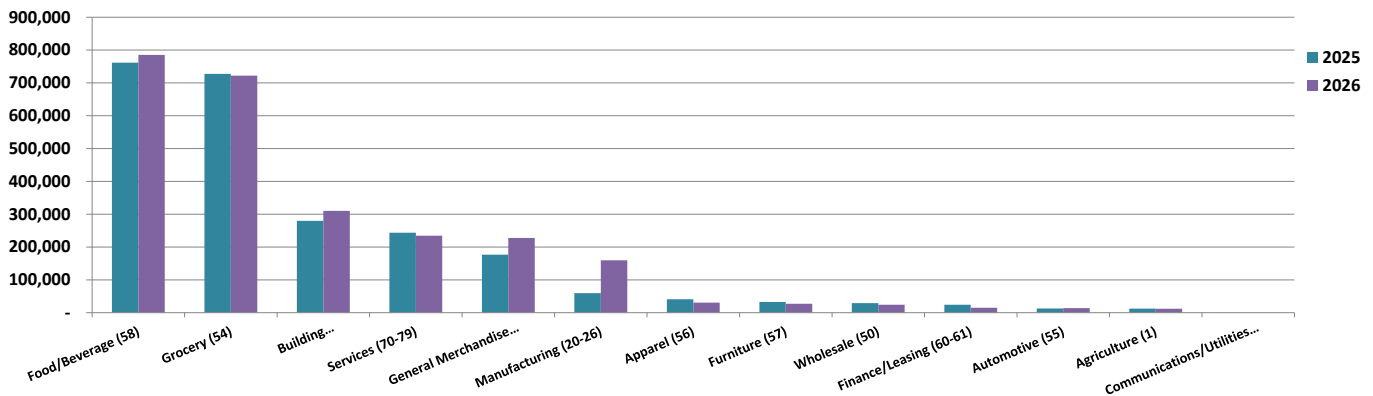
Sales Tax Revenue Comparisons by Industry - Inside City Area (Jan-Mar 2026)

INDUSTRY NAME	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Actual	% Of Total	% Change
Food/Beverage (58)	502,102	550,429	680,060	716,038	761,625	785,408	30.6%	3.1%
Grocery (54)	795,121	747,273	783,091	842,279	727,628	722,105	28.2%	-0.8%
Building Mat'l's/Construction (15, 52)	402,093	468,189	323,919	327,972	279,729	310,124	12.1%	10.9%
Services (70-79)	162,657	203,726	186,447	339,355	243,763	234,617	9.2%	-3.8%
General Merchandise (53,59)	147,139	178,664	182,248	203,705	176,729	227,527	8.9%	28.7%
Manufacturing (20-26)	72,829	53,448	145,909	61,226	59,502	159,585	6.2%	168.2%
Apparel (56)	15,808	24,669	25,978	26,459	40,978	30,616	1.2%	-25.3%
Furniture (57)	25,990	27,472	29,798	38,338	32,463	27,223	1.1%	-16.1%
Wholesale (50)	21,050	34,049	44,367	39,268	29,142	23,988	0.9%	-17.7%
Finance/Leasing (60-61)	2,320	3,399	1,694	12,409	24,065	15,105	0.6%	-37.2%
Automotive (55)	18,797	25,508	23,405	22,581	12,584	13,855	0.5%	10.1%
Agriculture (1)	14,957	13,732	13,694	13,554	12,517	12,051	0.5%	-3.7%
Communications/Utilities (40-48)	113	119	100	109	228	311	0.0%	36.5%
Totals	2,180,976	2,330,677	2,440,709	2,643,293	2,400,954	2,562,516		
% Of Change	0.8%	6.9%	4.7%	8.3%	-9.2%	6.7%		

Jan-Mar 2026 In-City Sales Tax Comparison by Industry
to Prior Years

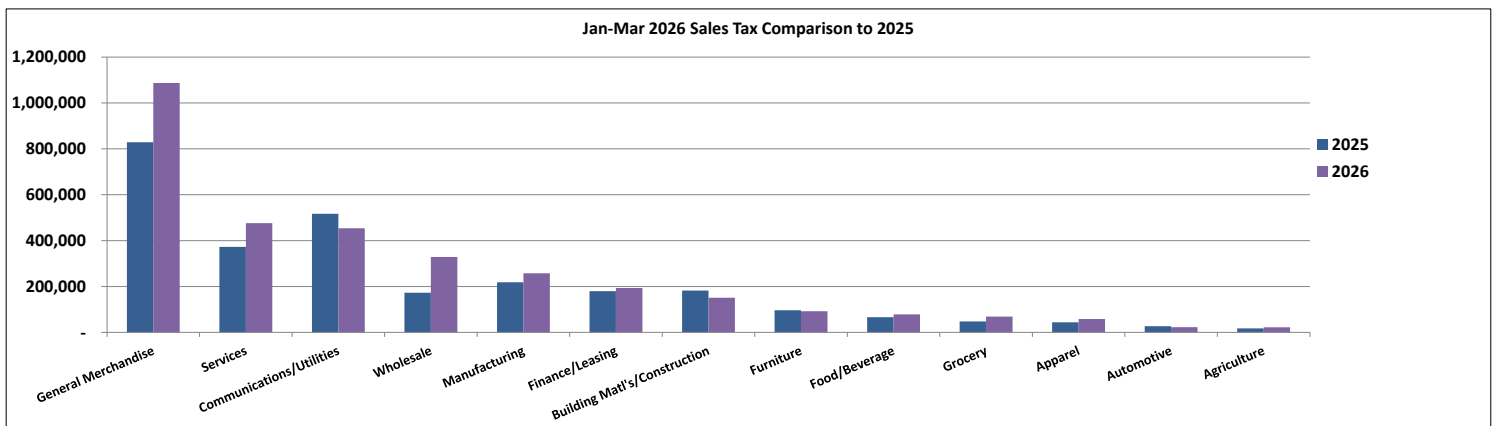
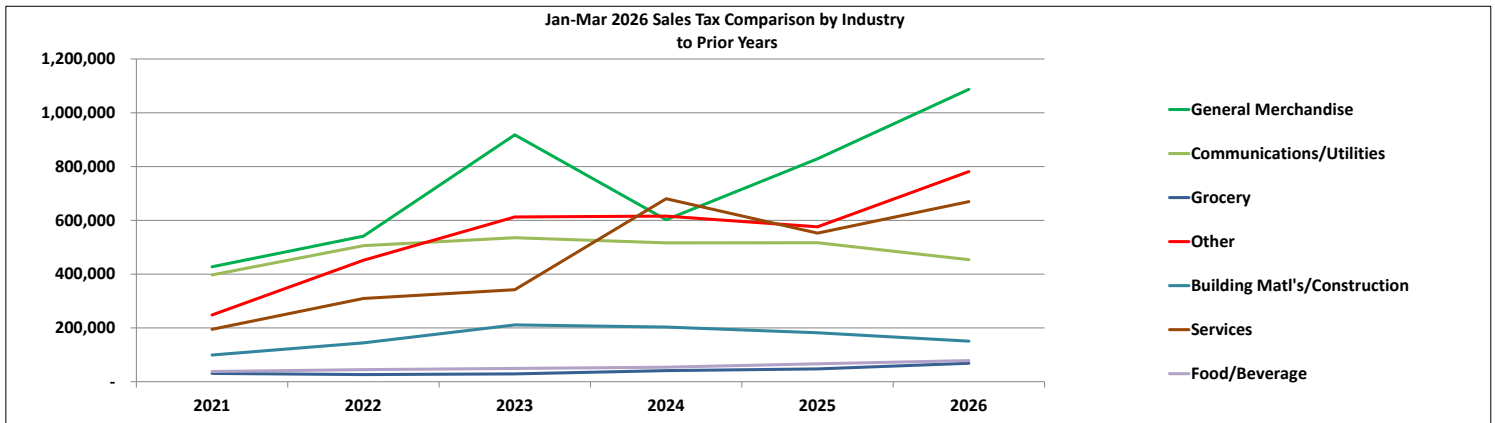


Jan-Mar 2026 Sales Tax Comparison to 2025



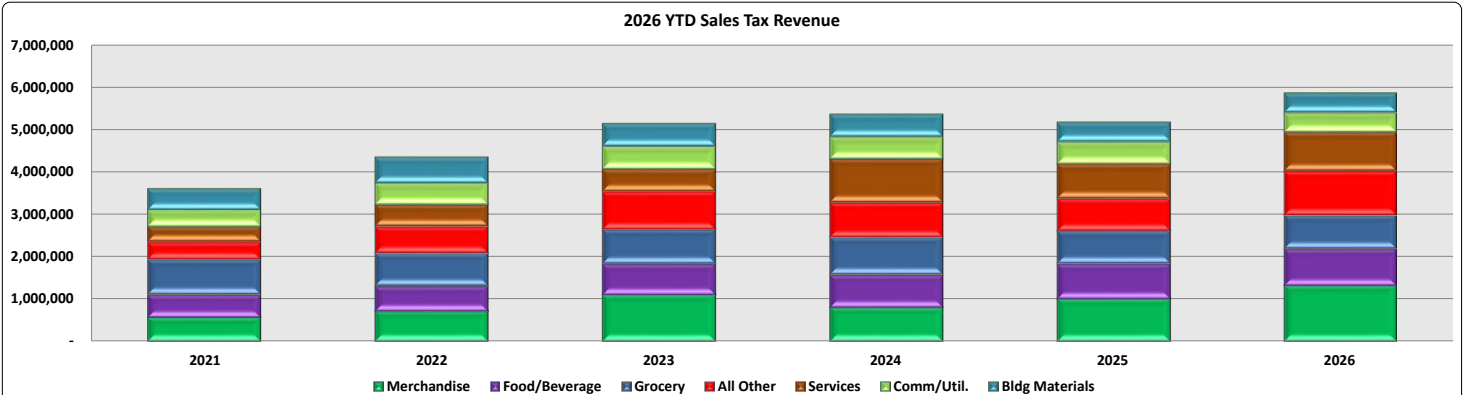
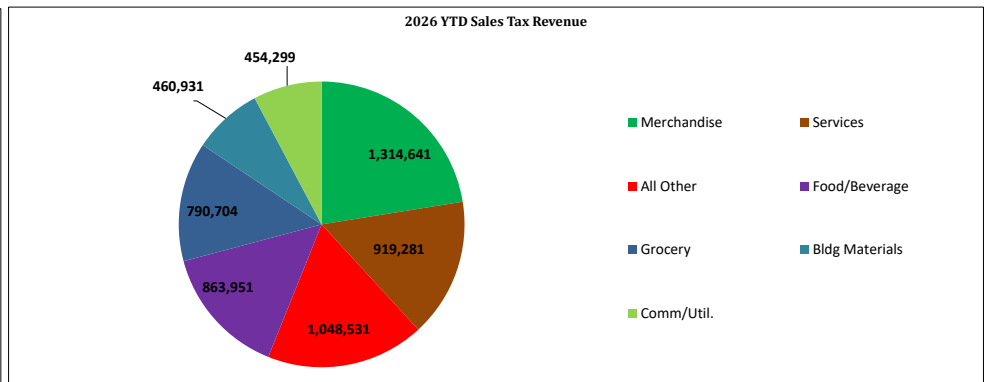
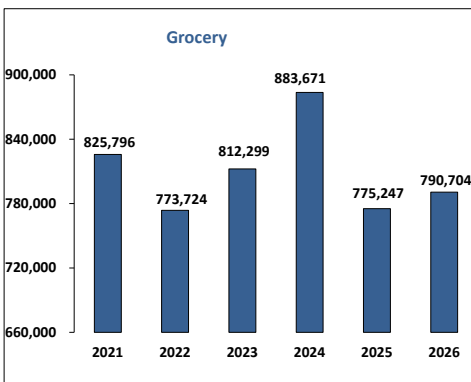
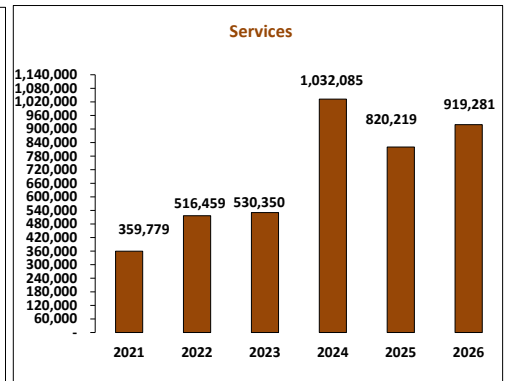
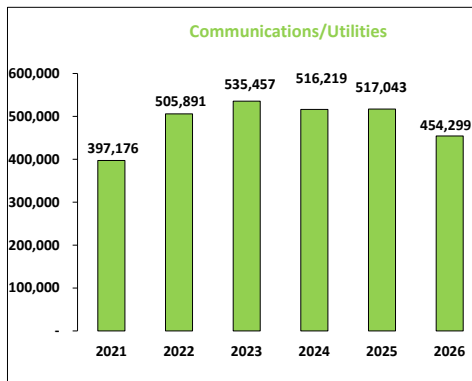
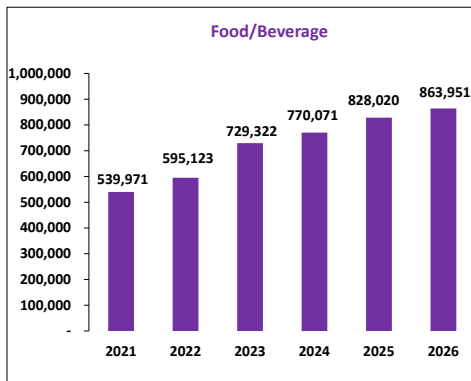
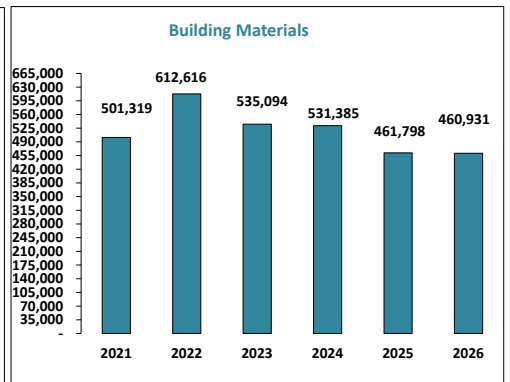
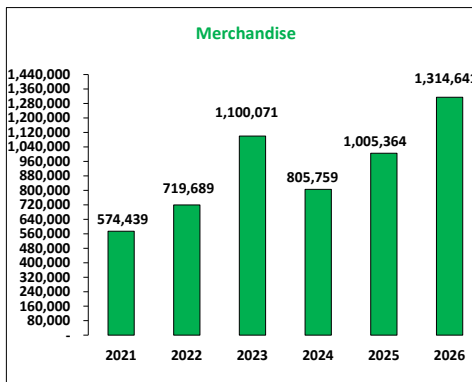
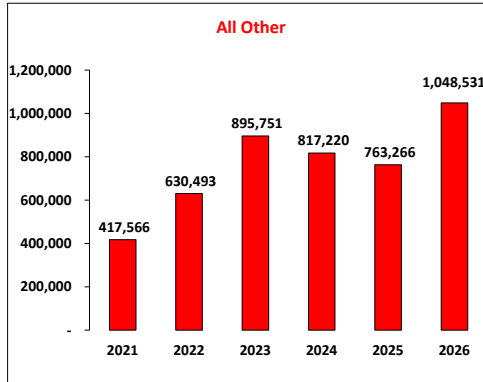
Sales Tax Revenue Comparisons by Industry - Outside City Area (Jan-Mar 2026)

INDUSTRY NAME	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Actual	% Of Total	% Change
General Merchandise	339,687	427,301	541,025	917,822	602,053	828,636	1,087,114	33.0%	31.2%
Services	98,347	92,108	182,530	197,242	415,015	372,798	476,200	14.5%	27.7%
Communications/Utilities	573,065	397,063	505,772	535,357	516,110	516,815	453,988	13.8%	-12.2%
Wholesale	92,857	107,868	105,765	122,613	180,519	172,706	328,505	10.0%	90.2%
Manufacturing	49,308	71,939	211,976	355,144	245,285	218,520	257,537	7.8%	17.9%
Finance/Leasing	118,879	102,694	126,804	144,968	265,306	179,592	193,359	5.9%	7.7%
Building Mat'l's/Construction	95,016	99,226	144,427	211,175	203,413	182,069	150,807	4.6%	-17.2%
Furniture	36,563	52,356	87,138	78,301	104,629	96,637	92,065	2.8%	-4.7%
Food/Beverage	13,461	37,870	44,695	49,261	54,033	66,394	78,543	2.4%	18.3%
Grocery	16,580	30,674	26,451	29,208	41,392	47,619	68,599	2.1%	44.1%
Apparel	12,074	13,702	19,916	26,226	47,114	43,881	58,376	1.8%	33.0%
Automotive	-	3	12,088	10,118	25,173	26,826	22,772	0.7%	-15.1%
Agriculture	1,836	2,268	14,733	20,199	13,073	17,509	21,958	0.7%	25.4%
Totals	1,447,674	1,435,071	2,023,318	2,697,634	2,713,116	2,770,003	3,289,823		
% Of Change	32.3%	-0.9%	41.0%	33.3%	0.6%	2.1%	18.8%		



CITY OF LOUISVILLE
Revenue History by Industry (Jan-Mar 2026)

	2021	% Var	2022	% Var	2023	% Var	2024	% Var	2025	% Var	2026	% Var	% of Total
Merchandise	574,439	17.7%	719,689	25.3%	1,100,071	52.9%	805,759	-26.8%	1,005,364	24.8%	1,314,641	30.8%	22.5%
All Other	417,566	27.8%	630,493	51.0%	895,751	42.1%	817,220	-8.8%	763,266	-6.6%	1,048,531	37.4%	17.9%
Services	359,779	-7.2%	516,459	43.5%	530,350	2.7%	1,032,085	94.6%	820,219	-20.5%	919,281	12.1%	15.7%
Food/Beverage	539,971	0.2%	595,123	10.2%	729,322	22.5%	770,071	5.6%	828,020	7.5%	863,951	4.3%	14.8%
Grocery	825,796	-7.3%	773,724	-6.3%	812,299	5.0%	883,671	8.8%	775,247	-12.3%	790,704	2.0%	13.5%
Bldg Materials	501,319	23.7%	612,616	22.2%	535,094	-12.7%	531,385	-0.7%	461,798	-13.1%	460,931	-0.2%	7.9%
Comm/Util.	397,176	-30.7%	505,891	27.4%	535,457	5.8%	516,219	-3.6%	517,043	0.2%	454,299	-12.1%	7.8%
	3,616,047	0.1%	4,353,995	20.4%	5,138,343	18.0%	5,356,409	4.2%	5,170,956	-3.5%	5,852,338	13.2%	



2026 Preliminary Finance Committee Work Plan

Adopted December 18, 2025

(Last Revised May 18, 2026)

The Finance Committee will review (at a minimum) all budget amendments, CIP requests, operating budgets, and utility rates before they are presented to the Council.

City Council's Work Plan may require future additional agenda items.

First Quarter
Jan 15 - 4:00PM – 6:00PM • Historical Preservation Fund Tax Background and Discussion • Front Range Tax Measure Update – November 2025 Ballot Results • Property, Casualty and Liability (PCL) Insurance Update • 2026 Budget Process Recap & Committee Feedback • Monthly Revenue & Sales Tax Reports
Feb 19 - 4:00PM – 6:00PM • Final 2026 Utility Rate Presentation and Discussion • 2027-28 Biennial Budget and 2027 – 2032 CIP - Preliminary Calendar and Process • Sales Tax: 2025 Year-End Report • Write-off of Uncollectible Accounts Receivable, if necessary
March 19 - 4:00PM – 6:00PM • Chandler Investment Presentation – Economic Outlook & Investments Update • 2025 Year-End Cash and Investments Report (Rec and File) • Monthly Revenue & Sales Tax Reports
Second Quarter
April 16 - 4:00 PM – 6:00PM • 2025 Year-End Revenues, Expenditures & Changes in Fund Balances (Cash-Basis) • 1st Citywide Budget Amendment Review Rollovers/Carry-Overs. • Monthly Revenue & Sales Tax Report • 2025 Year-End CIP Report (Rec and File)

2026 Finance Committee Work Plan

Adopted December 18, 2025

May 18 (Monday) - 4:00PM – 6:00PM • Annual Review of Fiscal/Reserve Policies • Review of Golf and Parks Funds Long-Term Financial Forecasts • Q1 Revenue, Sales, and Bag Tax Reports • Q1 Financial Report (Rec and File) • Q1 Cash and Investments Report (Rec and File)
June 18 - 4:00PM – 6:00PM • Review of 2027/2028 Non-Profit Grants Application Criteria and Process • Monthly Revenue & Sales Tax Report • Recreation Center Renewal & Replacement Calculation Review, if necessary
Third Quarter
**July 1 (Wednesday) - 4:00PM – 6:00PM – Special Meeting – Budget Retreat Preview • Budget Retreat Preview (<i>this item may require a Special Session</i>)
July 16 - 4:00PM – 6:00PM • Annual External Auditor Report & Presentation • Initial 2027 Utility Rate Presentation and Discussion • Monthly Revenue & Sales Tax Report
August 20 - 4:00PM – 6:00PM • Budget Retreat Recap and 2027-2032 CIP Discussion • Q2 Revenue, Sales & Bag Tax Reports • Q2 Financial Report (Rec and File) • Q2 Cash and Investments Report (Rec and File)
September 17 - 4:00PM – 6:00PM • Budget Update, if necessary • Monthly Revenue & Monthly Sales Tax Reports • Recommended Non-Profit Grant Awards for 2027/2028 Award Cycle • Mid-Year CIP Report (Rec and File) • Revised 2027 Utility Rate Presentation and Discussion, if necessary
Fourth Quarter
October 15 - 4:00PM – 6:00PM • Budget Update, if necessary • 2027 City Manager Fee Update Annual Review • Chandler Investment Presentation – Economic Outlook & Investments Update • Monthly Revenue & Sales Tax Reports

2026 Finance Committee Work Plan

Adopted December 18, 2025

November 19 - 4:00PM – 6:00PM

- Preliminary 2027 Finance Committee Work Plan Discussion
- Final Citywide Budget Amendment Review
- Q3 Revenue, Sales and Bag Tax Reports
- Q3 Financial Report (Rec and File)
- Q3 Cash and Investments Report (Rec and File)

December 17 - 4:00PM – 6:00PM

- Final 2027 Committee Work Program Approved
- Monthly Revenue & Sales Tax Report