



City Council

July 18, 2023  
Packet Addendum #1

**SUBJECT: FUND FINANCIAL FORECASTS**

**DATE: JULY 18, 2023**

**PRESENTED BY: JEFF DURBIN, CITY MANAGER  
RYDER BAILEY, CPA, FINANCE DIRECTOR**

**SUMMARY**

The final step in developing the 2023-2024 Budget is to develop six-year financial forecasts for each of the City’s major operating funds. When consolidated, these fund forecasts represent the City’s 2023-2028 Financial Plan.

The following fund financial forecasts were developed using the information from the previous discussions:

- Actual 2023 beginning fund balances;
- Revenue assumptions and expenditure targets;
- Capital Improvements Plan; and
- Financial structures as prescribed in the City’s Financial Policies.

**TURNBACK (positive actual-to-budget variances)**

The following table summarizes the operational turnback percentages by fund for the years 2018 through 2028.

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

Fund Description	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Target	2024 Target	2025 Target	2026 Target	2027 Target	2028 Target
General	9.7%	10.4%	4.3%	11.3%	3.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Open Space & Parks	11.7%	6.9%	6.6%	9.9%	3.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Recreation	N/A	-2.1%	3.6%	8.1%	0.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Utility	21.4%	20.4%	4.2%	-1.1%	-27.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Wastewater Utility	12.6%	15.4%	3.5%	5.3%	-10.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Stormwater Utility	21.4%	7.8%	11.0%	2.0%	-9.7%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Golf Course	-16.3%	11.9%	0.0%	-7.4%	0.4%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

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The following two tables incorporate the 2023 and 2024 turnback targets and summarize the estimated revenue, expenditures, and changes in fund balance for all funds.

City of Louisville, Colorado Summary of Revenue, Expenditures, and Changes to Fund Balances All Funds 2023 Revised Budget							
Fund Number	Fund Description	Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses	Ending Fund Balance	Amount of Change	Percent of Change
101	General	\$ 15,567,998	\$ 24,662,055	\$ 28,839,981 [1]	\$ 11,390,072	\$ (4,177,926)	-27%
<b>Special Revenue Funds:</b>							
201	Open Space & Parks	1,678,855	4,595,834	4,425,804 [2]	1,848,885	170,030	10%
202	Conservation Trust - Lottery	527,652	270,290	415,100	382,842	(144,810)	-27%
203	Cemetery Perpetual Care	723,683	43,620	11,880	755,443	31,760	4%
204	Cemetery	100,084	256,380	254,880	101,584	1,500	1%
205	PEG Fees	33,932	22,810	25,050	31,692	(2,240)	-7%
206	Parking Improvement	93,402	-	50	93,352	(50)	0%
207	Historic Preservation	3,340,021	1,002,800	719,790	3,623,031	283,010	8%
208	Recreation	3,214,781	5,857,590	5,183,554 [3]	3,708,817	494,036	15%
	<b>Total Special Revenue Funds</b>	<b>9,712,410</b>	<b>11,849,324</b>	<b>11,016,088</b>	<b>10,545,646</b>	<b>833,236</b>	<b>9%</b>
<b>Capital Project Funds:</b>							
301	Capital Projects	11,178,327	17,631,530	18,452,737	10,357,120	(821,207)	-7%
302	Impact Fee	194,710	357,110	339,300	212,520	17,810	9%
303	Recreation Center Construction	180,036	-	180,915	(879)	(180,915)	-100%
	<b>Total Capital Project Funds</b>	<b>11,553,073</b>	<b>17,988,640</b>	<b>18,972,952</b>	<b>10,568,761</b>	<b>(984,312)</b>	<b>-9%</b>
<b>Debt Service Funds:</b>							
402	Recreation Center Debt Service	723,683	2,138,072	1,742,200	1,119,555	395,872	55%
	<b>Total Debt Service Funds</b>	<b>723,683</b>	<b>2,138,072</b>	<b>1,742,200</b>	<b>1,119,555</b>	<b>395,872</b>	<b>55%</b>
<b>Enterprise Funds (WC Basis):</b>							
501	Water Utility	21,821,985	9,087,570	12,502,042 [4]	18,407,513	(3,414,472)	-16%
502	Wastewater Utility	6,198,059	4,382,230	9,390,657 [5]	1,189,632	(5,008,427)	-81%
503	Stormwater Utility	2,571,812	1,029,390	2,566,629 [6]	1,034,573	(1,537,239)	-60%
510	Solid Waste & Recycling Utility	322,020	1,717,460	1,679,210	360,270	38,250	12%
520	Golf Course	588,706	2,567,780	2,352,088 [7]	804,398	215,692	37%
	<b>Total Enterprise Funds</b>	<b>31,502,582</b>	<b>18,784,430</b>	<b>28,490,627</b>	<b>21,796,385</b>	<b>(9,706,197)</b>	<b>-31%</b>
<b>Internal Service Funds (WC Basis):</b>							
602	Technology Management	117,109	54,450	105,750	65,809	(51,300)	-44%
603	Fleet Management	716,270	529,770	570,500	675,540	(40,730)	-6%
	<b>Total Internal Service Funds</b>	<b>833,379</b>	<b>584,220</b>	<b>676,250</b>	<b>741,349</b>	<b>(92,030)</b>	<b>-11%</b>
	<b>Total All Funds</b>	<b>\$ 69,893,125</b>	<b>\$ 76,006,741</b>	<b>\$ 89,738,097</b>	<b>\$ 56,161,769</b>	<b>\$ (13,731,356)</b>	<b>-20%</b>

[1] Projected Expenditures Include a Projected Operational "Turnback" of	5.5% , which =	1,678,517
[2] Projected Expenditures Include a Projected Operational "Turnback" of	6.0% , which =	282,498
[3] Projected Expenditures Include a Projected Operational "Turnback" of	5.0% , which =	271,766
[4] Projected Expenditures Include a Projected Operational "Turnback" of	7.0% , which =	941,014
[5] Projected Expenditures Include a Projected Operational "Turnback" of	7.0% , which =	706,824
[6] Projected Expenditures Include a Projected Operational "Turnback" of	7.0% , which =	193,187
[7] Projected Expenditures Include a Projected Operational "Turnback" of	4.0% , which =	98,004

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City of Louisville, Colorado  
 Summary of Revenue, Expenditures, and Changes to Fund Balances  
 All Funds  
 2024 Proposed

Fund Number	Fund Description	Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses	Ending Fund Balance	Amount of Change	Percent of Change
101	General	\$ 11,390,072	\$ 25,760,350	\$ 25,601,500 [1]	\$ 11,548,922	\$ 158,850	1%
<b>Special Revenue Funds:</b>							
201	Open Space & Parks	1,845,885	4,193,200	4,541,900 [2]	1,497,185	(348,700)	-19%
202	Conservation Trust - Lottery	383,222	279,730	300,100	362,852	(20,370)	-5%
203	Cemetery Perpetual Care	755,443	50,440	17,080	788,803	33,360	4%
204	Cemetery	101,584	226,530	224,930	103,184	1,600	2%
205	PEG Fees	31,752	23,560	25,050	30,262	(1,490)	-5%
206	Parking Improvement	93,352	-	50	93,302	(50)	0%
207	Historic Preservation	3,628,231	1,088,020	658,030	4,058,221	429,990	12%
208	Recreation	3,708,817	5,357,480	5,832,970 [3]	3,233,327	(475,490)	-13%
	<b>Total Special Revenue Funds</b>	<b>10,548,286</b>	<b>11,218,960</b>	<b>11,600,110</b>	<b>10,167,136</b>	<b>(381,150)</b>	<b>-4%</b>
<b>Capital Project Funds:</b>							
301	Capital Projects	10,357,120	12,451,440	14,969,320	7,839,240	(2,517,880)	-24%
302	Impact Fee	203,980	309,070	313,040	200,010	(3,970)	-2%
303	Recreation Center Construction	(879)	-	-	(879)	-	-
	<b>Total Capital Project Funds</b>	<b>10,560,221</b>	<b>12,760,510</b>	<b>15,282,360</b>	<b>8,038,371</b>	<b>(2,521,850)</b>	<b>-24%</b>
<b>Debt Service Funds:</b>							
402	Recreation Center Debt Service	1,124,055	2,195,522	1,740,400	1,579,177	455,122	40%
	<b>Total Debt Service Funds</b>	<b>1,124,055</b>	<b>2,195,522</b>	<b>1,740,400</b>	<b>1,579,177</b>	<b>455,122</b>	<b>40%</b>
<b>Enterprise Funds (WC Basis):</b>							
501	Water Utility	18,407,513	8,717,410	19,643,260 [4]	7,481,663	(10,925,850)	-59%
502	Wastewater Utility	1,189,632	4,931,530	4,603,940 [5]	1,517,222	327,590	28%
503	Stormwater Utility	1,034,573	1,230,480	1,030,630 [6]	1,234,423	199,850	19%
510	Solid Waste & Recycling Utility	360,710	1,824,560	1,782,040	403,230	42,520	12%
520	Golf Course	804,398	2,525,400	2,456,520 [7]	873,278	68,880	9%
	<b>Total Enterprise Funds</b>	<b>21,796,825</b>	<b>19,229,380</b>	<b>29,516,390</b>	<b>11,509,815</b>	<b>(10,287,010)</b>	<b>-47%</b>
<b>Internal Service Funds (WC Basis):</b>							
602	Technology Management	65,969	72,080	75,750	62,299	(3,670)	-6%
603	Fleet Management	675,950	356,480	265,250	767,180	91,230	13%
	<b>Total Internal Service Funds</b>	<b>741,919</b>	<b>428,560</b>	<b>341,000</b>	<b>829,479</b>	<b>87,560</b>	<b>12%</b>
	<b>Total All Funds</b>	<b>\$ 56,161,379</b>	<b>\$ 71,593,282</b>	<b>\$ 84,081,760</b>	<b>\$ 43,672,901</b>	<b>\$ (12,488,478)</b>	<b>-22%</b>

[1] Projected Expenditures Include a Projected Operational "Turnback" of	5.5% , which =	1,349,280
[2] Projected Expenditures Include a Projected Operational "Turnback" of	6.0% , which =	234,890
[3] Projected Expenditures Include a Projected Operational "Turnback" of	5.0% , which =	251,130
[4] Projected Expenditures Include a Projected Operational "Turnback" of	7.0% , which =	339,280
[5] Projected Expenditures Include a Projected Operational "Turnback" of	7.0% , which =	194,660
[6] Projected Expenditures Include a Projected Operational "Turnback" of	7.0% , which =	34,100
[7] Projected Expenditures Include a Projected Operational "Turnback" of	4.0% , which =	100,640

**INTERFUND TRANSFERS**

The following two tables summarize the proposed transfers between funds for 2023 and 2024.

<b>Inter-Fund Transfers Matrix 2023 Recommended Budget</b>						
<b>Transfers Out</b>	<b>Transfers In</b>					<b>Total</b>
	<b>General Fund</b>	<b>OS&amp;P Fund</b>	<b>Cemetery Fund</b>	<b>Recreation Fund</b>	<b>Capital Projects Fund</b>	
General Fund	-	983,480 <i>a</i>	169,850 <i>a</i>	1,225,750 <i>a</i>	-	2,379,080
Cemetery Perpetual Care Fund	-	-	12,480 <i>b</i>	-	-	12,480
Historic Preservation Fund	197,730 <i>c</i>	-	-	-	-	197,730
Capital Project Fund	-	-	-	148,360 <i>d</i>	-	148,360
Impact Fee Fund	-	181,890 <i>e</i>	-	-	166,300 <i>e</i>	348,190
Recreation Center Construction	-	-	-	-	-	-
<b>Total</b>	<b>197,730</b>	<b>1,165,370</b>	<b>182,330</b>	<b>1,374,110</b>	<b>166,300</b>	<b>3,085,840</b>

*a* Annual recurring support for operations and capital.  
*b* Annual recurring transfer of interest earned used to fund operations and capital.  
*c* Annual recurring transfer for reimbursement of costs associated with Museum Services.  
*d* Annual recurring support for capital.  
*e* Annual transfer of impact fee revenue for eligible projects.

<b>Inter-Fund Transfers Matrix 2024 Recommended Budget</b>						
<b>Transfers Out</b>	<b>Transfers In</b>					<b>Total</b>
	<b>General Fund</b>	<b>OS&amp;P Fund</b>	<b>Cemetery Fund</b>	<b>Recreation Fund</b>	<b>Capital Projects Fund</b>	
General Fund	-	1,017,900 <i>a</i>	131,840 <i>a</i>	1,268,650 <i>a</i>	-	2,418,390
Cemetery Perpetual Care Fund	-	-	16,780 <i>b</i>	-	-	16,780
Historic Preservation Fund	203,620 <i>c</i>	-	-	-	-	203,620
Capital Project Fund	-	-	-	153,550 <i>d</i>	-	153,550
Impact Fee Fund	-	97,330 <i>e</i>	-	-	215,410 <i>e</i>	312,740
<b>Total</b>	<b>203,620</b>	<b>1,115,230</b>	<b>148,620</b>	<b>1,422,200</b>	<b>215,410</b>	<b>3,105,080</b>

*a* Annual recurring support for operations and capital.  
*b* Annual recurring transfer of interest earned used to fund operations and capital.  
*c* Annual recurring transfer for reimbursement of costs associated with Museum Services.  
*d* Annual recurring support for capital.  
*e* Annual transfer of impact fee revenue for eligible projects.

**FUND FINANCIAL FORECASTS**

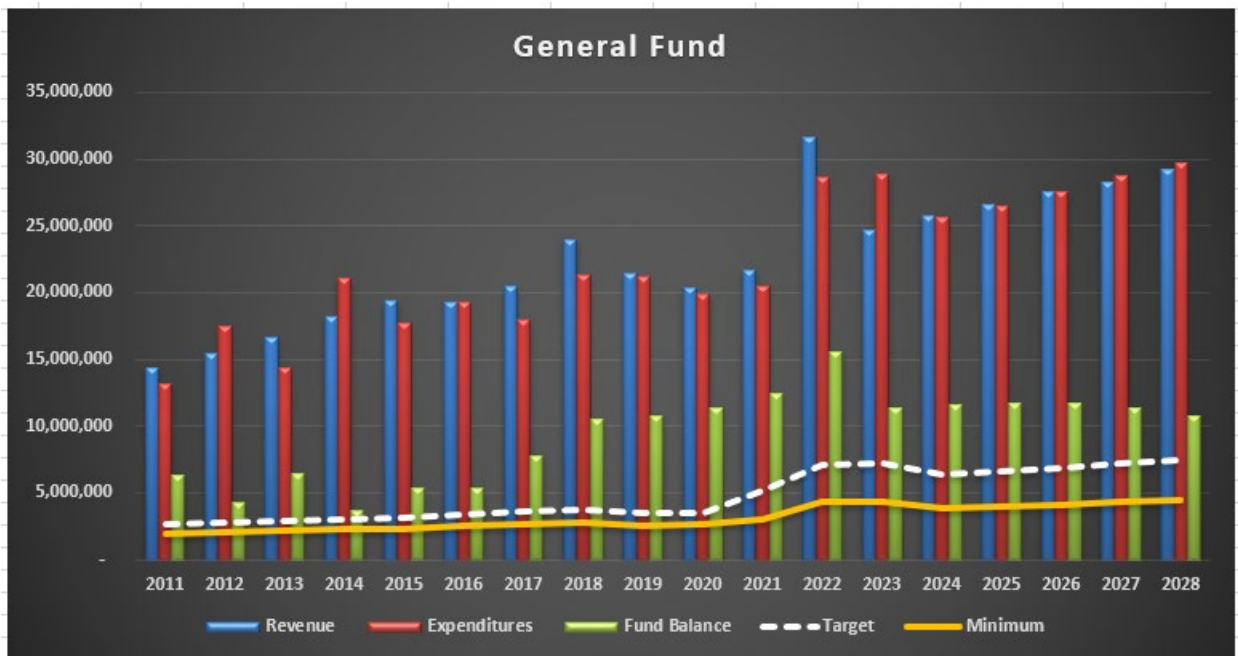
By incorporating the actual 2023 beginning fund balances, the new long-term revenue assumptions and expenditure targets, the Capital Improvements Plan, and the financial structures required by the Financial Policies, staff has developed a six-year financial forecast for each of the City’s main operating funds.

Please note that these are very preliminary fund forecasts and are not based on the City Manager’s Recommended Budget, which will be presented to Council in September.

Projections will be continuously updated throughout the 2023-2024 budget development process.

**General Fund**

Incorporating the latest information, the following graph summarizes a history and projection of revenue, expenditures, and fund balances for the General Fund.



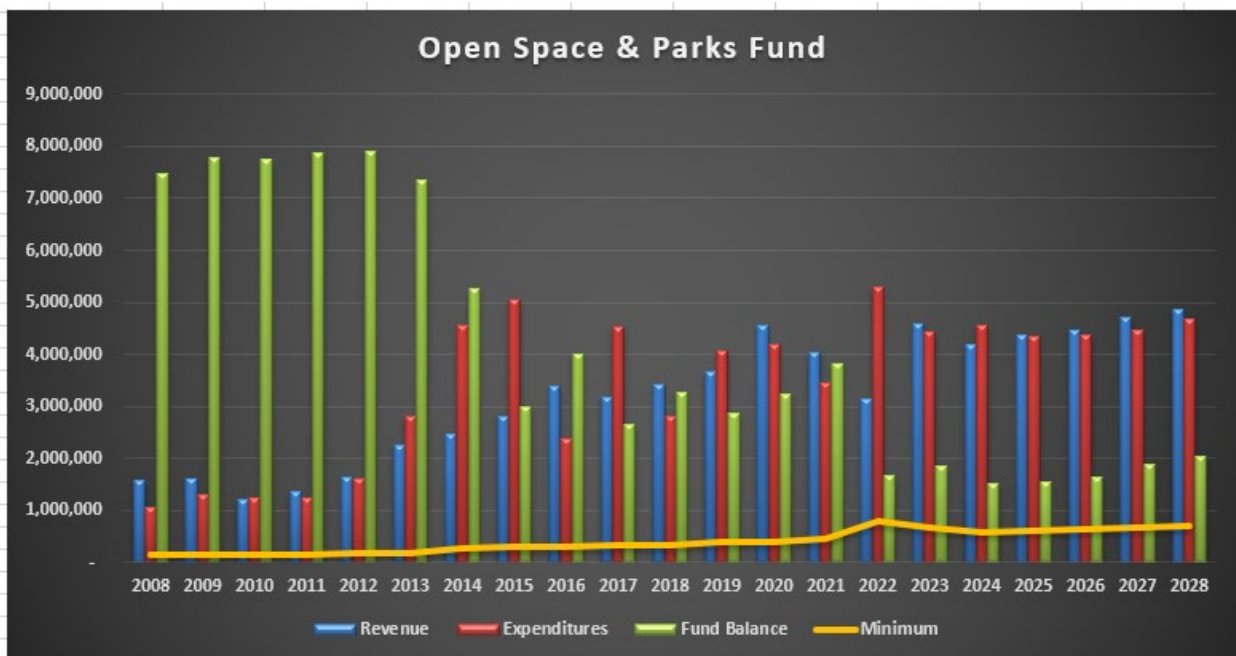
The City’s Reserve Policy for the General Fund states,

*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 interfund transfers to other funds, regardless of whether the transfers are considered recurring or non-recurring.*

*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.*

**Open Space & Parks Fund**

Incorporating the latest information, the following graph summarizes a history and projection of revenue, expenditures, and fund balances for the Open Space & Parks Fund.



The City’s Reserve Policy for the Open Space & Parks Fund states,

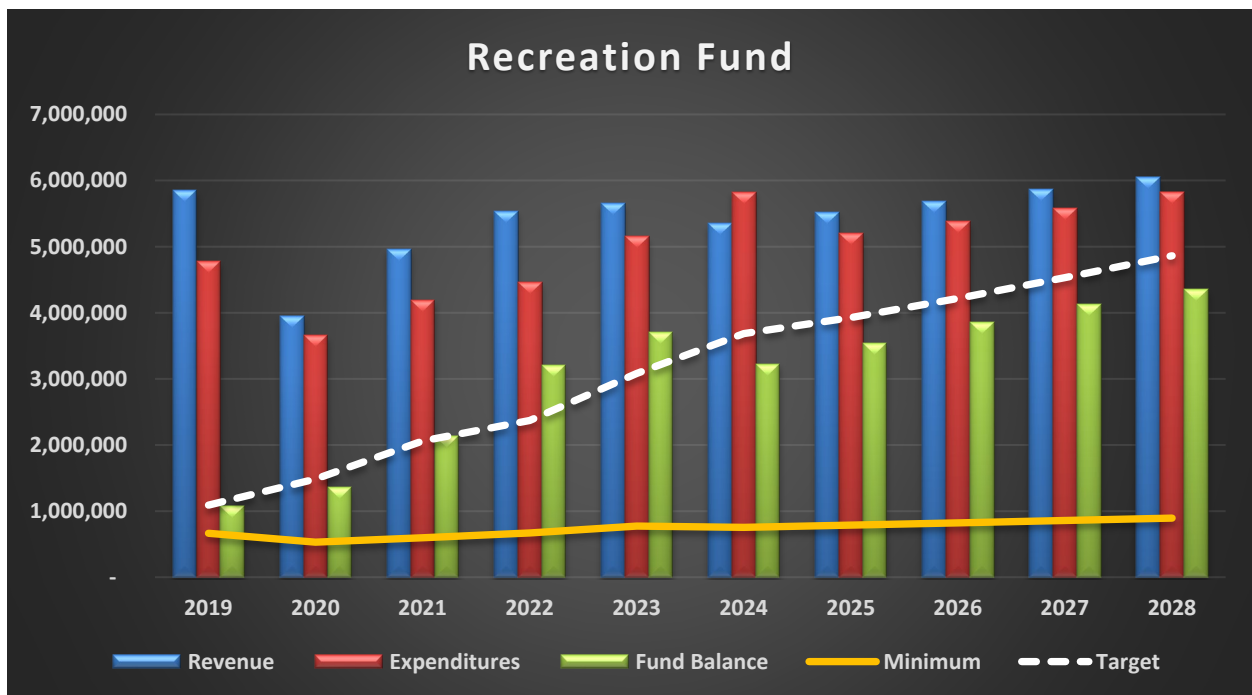
*The minimum fund balance of the Open Space and Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space and parks operations and exclude all interfund transfers and capital outlay.*

*The Open Space & 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, since that was the last year that Parks was funded within the General Fund.*

The projected Open Space & Parks Fund balance at the end of 2028 is \$2.0 million, approximately 44% of that year’s estimated operating expenditures and is well above the targeted fund balance as defined in the Reserve Policy.

**Recreation Fund**

Incorporating the latest information, the following graph summarizes a history and projection of revenue, expenditures, and fund balances for the Recreation Fund.



The City’s Reserve Policy for the Recreation Fund states,

*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.*



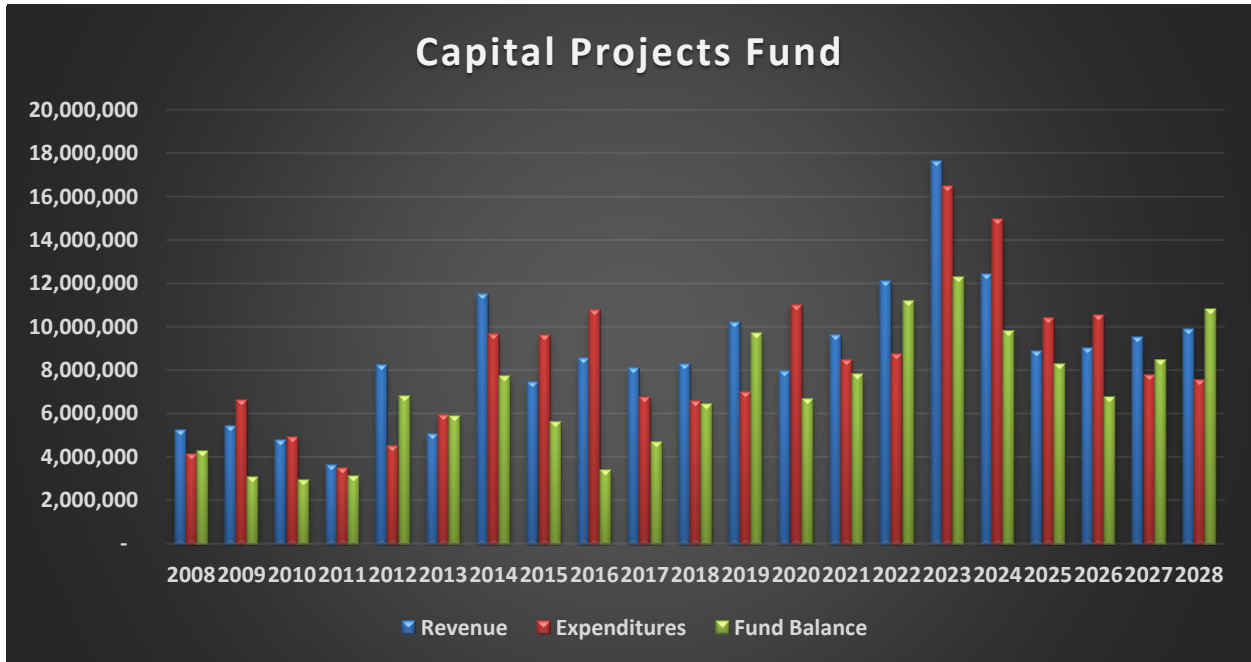
*It is the intent of the City Council that the dedicated sales tax and user fee revenues generated by the Recreation Center and Memory Square Pool facilities cover the operating costs for those facilities, fund the 15% minimum fund balance, and fund the capital asset renewal and replacement reserve. However, the City Council also 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 maximum 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.*

The projected Recreation Fund balance at the end of 2028 is \$4.3 million, well above the 15% of operating expenditures, but not covering all the renewal and replacement reserve.

**Capital Projects Fund**

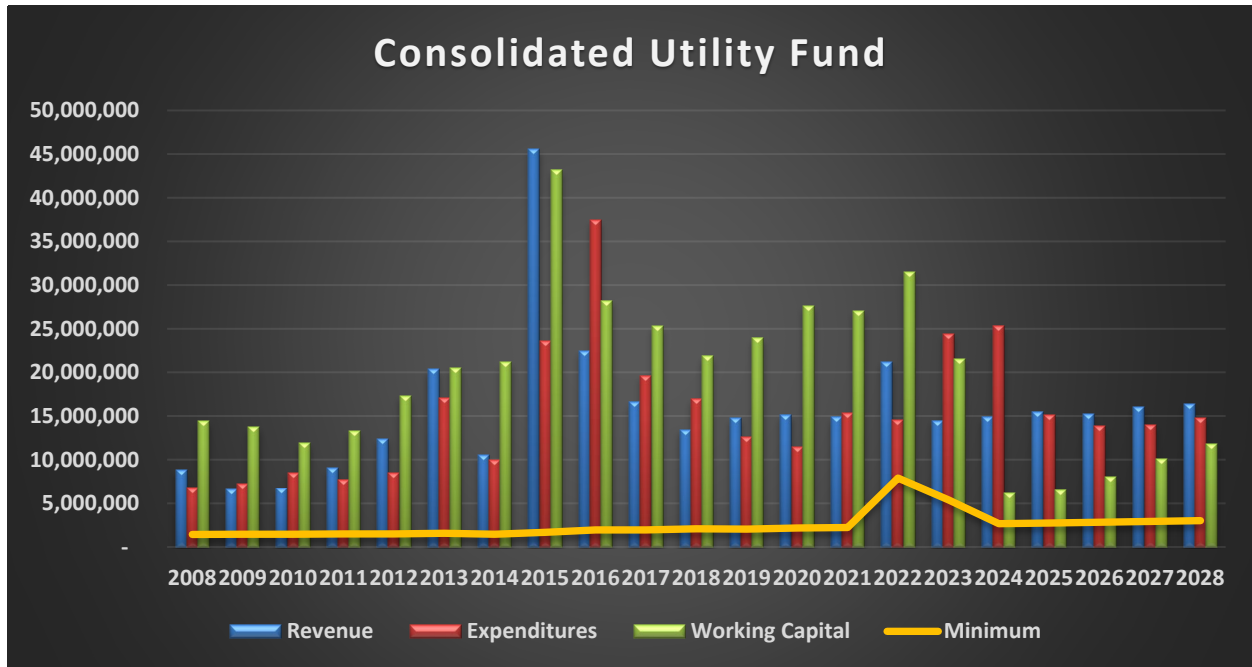
Incorporating the latest information, the following graph summarizes a history and projection of revenue, expenditures, and fund balances for the Capital Projects Fund.



Large fluctuations in revenue, expenditures and fund balances within capital project funds are typical. The City does not have a formal reserve policy for its Capital Projects Fund. However, the City has historically attempted to maintain enough reserves to mitigate current and future risks (revenue shortfalls, unanticipated expenditures, etc.). The projected fund balance at the end of 2028 is approximately \$10.8 million. Staff believes this level is adequate to mitigate potential risks.

**Consolidated Utility Fund**

Incorporating the latest information, the following graph summarizes a history and projection of revenue, expenditures, and reserves (defined as working capital) for the Consolidated Utility Fund. The Consolidated Utility Fund encompasses the Water Utility Fund, the Wastewater Utility Fund, and the Storm Water Utility Fund.



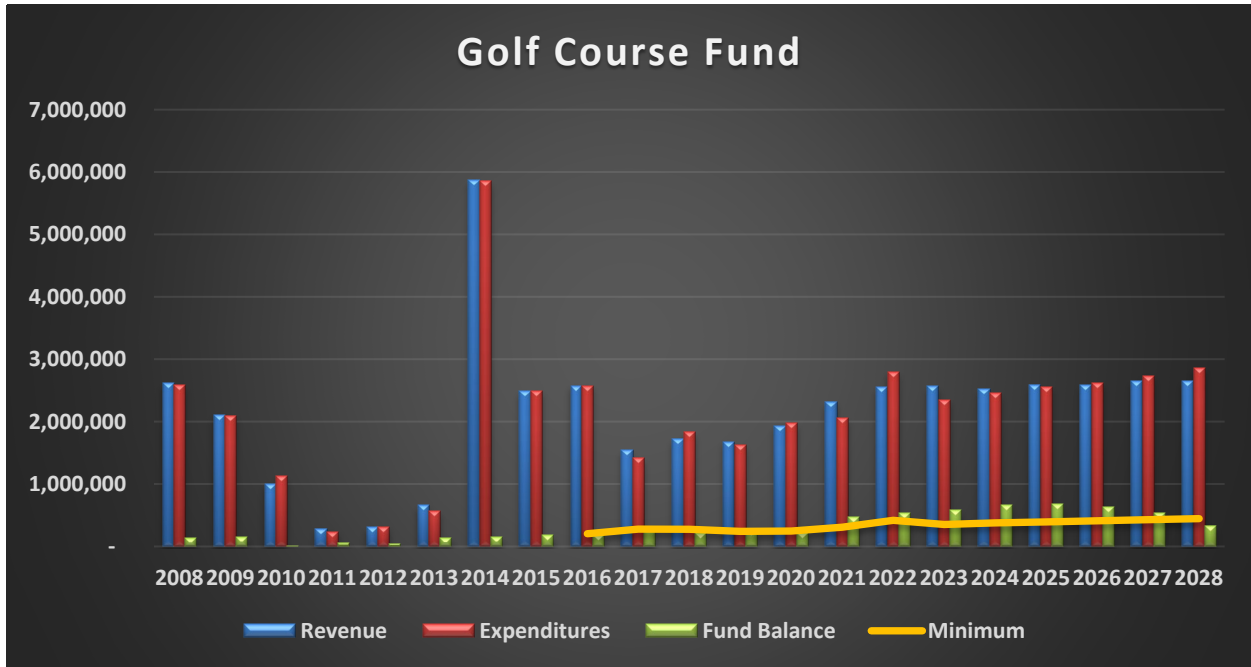
The City's Reserve Policy for the Utility Funds states,

*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.*

The Consolidated Utility Fund reserves are expected to maintain minimum targets through 2028.

**Golf Course Fund**

Incorporating the latest information, the following graph summarizes a history and projection of revenue, expenditures, and reserves (defined as working capital) for the Golf Course Fund.



The City’s Reserve Policy for the Golf Course Fund states,

*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.*

Beginning in 2021, the Golf Course capital budget was moved to the Capital Projects Fund. This subsidy of capital assets allows for revenues generated by the Golf Course to meet the operating expenses. Projected Golf Course Fund reserves in 2028 are \$338,000, approximately 12% of that year’s estimated operating expenditures, which is below the required reserve (15%).

# City Council Budget Retreat Agenda

## July 18, 2023

- A. 2023-2024 Budget Process, Financial Policies, Guidelines and Fiscal Issues with Significant Impacts
- B. 2022 Year-In-Review
- C. Revenue Assumptions & Expenditure Targets
- D. 2023-2028 Capital Improvements Plan
- E. Financial Forecasts
- F. Fiscal Issues with Significant Impacts

# Budget Calendar

- Tuesday, July 18<sup>th</sup> (Library) – Budget Retreat
- Tuesday, Sept 5<sup>th</sup> (Council Meeting) – Recommended Budget Presentation
- September – Budget Working Study Session(s), if necessary
- Tuesday, Oct 17<sup>th</sup> (Council Meeting) – Final Budget Presentation
- Monday, November 6<sup>th</sup> – 2024 Budget Adopted

# Financial Policies

The City's Financial Policies are posted on the Finance Department's webpage, linked [here](#), they are routinely reviewed by the Finance Committee, they were last amended by City Council on December 21, 2021.

The current set of financial policies include 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

# Summary of Budget Guidelines

- The City is developing the Supplemental Year of the 2023-2024 Biennial Budget, minimal modifications are anticipated.
- Budget prioritization is given towards functions and programs we are currently performing over adding new programs.
- One-time funding, if available, should fund one-time expenditures, not on-going expenditures.
- Line-item adjustments should be based on analysis and projections.
- New staffing requests should include detailed and specific information defining the need for the position(s).
- Given existing and potential fiscal challenges, our community's high level of expectations, and the significant amount of capital project expenditures within the CIP Program, we expect the budget development process to generate challenging conversations and difficult decisions.



# Fiscal Issues with Significant Impacts

- The Marshall Fire continues to have a significant impact to our current and future fiscal position, with emphasis on mitigation and increased resiliency.
- Property Tax Revenue and Assessed Value Discussion – City General Operations Mill Levy.
- O/S and Park Sales Tax / Ballot Measure and New Accounting Treatment.
- General Trend of Expenses outpacing Revenues.

We will discuss these issues further at the end of the presentation.

# 2022 Year-In-Review

- During the 2023 budget process, staff made various revenue and expenditure projections for 2022 in order to estimate the beginning fund balance for the 2023 budget process.
- The first step in developing the Supplemental (Year 2) 2023-2024 Budget is to update the 2022 projections with the 2022 actual audited amounts.
- Over the next few slides we'll briefly look at the results of the City's major funds for CY 2022

# 2022 Year-In-Review

## 2022 Year in Review - Beginning and Ending Fund Balances (Working Capital) for Major Funds

Fund	Fund Title	2022 Beg Fund Balance	2022 Ending Fund Balance	Variance
		(Working Capital) - Audited	(Working Capital) - Audited	
101	General Fund	\$ 12,485,969	\$ 15,567,998	\$ 3,082,029
201	Open Space & Parks Fund	3,828,521	1,678,855	(2,149,666)
207	Historic Preservation Fund	2,978,748	3,340,021	361,273
208	Recreation Center Fund	2,136,703	3,214,781	1,078,078
301	Capital Projects Fund	7,815,210	11,178,327	3,363,117
501-503	Consolidated Utility Fund	27,184,833	31,559,066	4,374,233
520	Golf Course Fund	535,966	588,706	52,740

# 2022 Year-In-Review

City of Louisville, Colorado  
**General Fund**  
 2022 Projections & 2022 Audited Actuals

	2022		
	Final Budget	Actual	Variance
<b>Beginning Fund Balance</b>		<b>12,485,969</b>	
Plus: Revenue	25,991,300	25,870,882	(120,418)
Plus: Transfers-In [1]	5,409,580	5,416,659	7,079
Less: Expenditures	(30,068,930)	(22,573,004)	7,495,926 [2]
Less: Transfers-Out [3]	(6,020,880)	(6,016,186)	4,694
<b>Ending Fund Balance</b>		<b>15,567,998</b>	
<b>Percent of Annual Op Exp</b>		<b>54%</b>	

[1] Transfers from ARPA (One Time) , PEG Fee Fund and Historic Preservation Fund

[2] Variance Driven by 2022 Budget Amendment for Debris Removal

[3] Transfers to Open Space & Parks Fund, Cemetery Fund, and Recreation Fund

# 2022 Year-In-Review

City of Louisville, Colorado  
**Open Space & Parks Fund**  
 2022 Projections & 2022 Audited Actuals

	2022		
	Final Budget	Actual	Variance
<b>Beginning Fund Balance</b>		<b>3,828,521</b>	
Plus: Revenue	3,877,090	2,928,617	(948,473)
Plus: Transfers-In [1]	920,300	1,076,666	156,366
Less: Expenditures	(7,517,170)	(6,154,949)	1,362,221
<b>Ending Fund Balance</b>		<b>1,678,855</b>	
<b>Percent of Annual Op Exp</b>		<b>46%</b>	

[1] Transfers from General Fund and Impact Fee Fund

# 2022 Year-In-Review

City of Louisville, Colorado  
**Historic Preservation Fund**  
2022 Projections & 2022 Audited Actuals

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	2022		
	Final Budget	Actual	Variance
<b>Beginning Fund Balance</b>		<u>2,978,748</u>	
Plus: Revenue	926,970	917,816	(9,154)
Less: Expenditures	(639,240)	(371,981)	267,259
Less: Transfers-Out [1]	(164,980)	(184,562)	(19,582)
<b>Ending Fund Balance</b>		<u>3,340,021</u>	

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[1] Transfers to the General Fund

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# 2022 Year-In-Review

City of Louisville, Colorado  
**Recreation Fund**  
 2022 Projections & 2022 Audited Actuals

	2022		
	Final Budget	Actual	Variance
<b>Beginning Fund Balance</b>		<b>2,136,703</b>	
Plus: Revenue	3,594,490	4,288,358	693,868
Plus: Transfers-In [1]	1,258,280	1,258,280	-
Less: Expenditures	(4,495,300)	(4,468,560)	26,740
<b>Ending Fund Balance</b>		<b>3,214,781</b>	
<b>Percent of Annual Op Exp</b>		<b>72%</b>	

[1] Transfers from General Fund and Capital Projects Fund

# 2022 Year-In-Review

City of Louisville, Colorado  
**Capital Projects Fund**  
 2022 Projections & 2022 Audited Actuals

	2022		
	Final Budget	Actual	Variance
<b>Beginning Fund Balance</b>	<u>7,815,210</u>	<u>7,815,210</u>	
Plus: Revenue	9,835,530	8,788,092	(1,047,438)
Plus: Transfers-In [1]	3,194,410	3,316,881	122,471
Less: Expenditures	(15,676,160)	(8,605,999)	7,070,161 [2]
Less: Transfers-Out	(135,860)	(135,860)	-
<b>Ending Fund Balance</b>		<u><u>11,178,327</u></u>	

[1] Transfers from General (One-Time) and Impact Fee Fund

[2] Timing of Capital Projects, majority of variance Carry-Forward to next FY



# 2022 Year-In-Review

City of Louisville, Colorado  
**Consolidated Utility Fund**  
2022 Projections & 2022 Audited Actuals

---

	2022		
	Final Budget	Actual	Variance
Beginning Working Capital		<u>27,184,833</u>	
Plus: Revenue	13,209,410	20,476,438	7,267,028
Less: Expenditures	(24,184,830)	(15,972,822)	8,212,008
Ending Working Capital		<u>31,559,066</u>	

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# 2022 Year-In-Review

City of Louisville, Colorado  
**Golf Course Fund**  
2022 Projections & 2022 Audited Actuals

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	2022		
	Final Budget	Actual	Variance
Beginning Working Capital		535,966	
Plus: Revenue	2,303,420	2,555,316	251,896
Less: Expenditures	(2,511,600)	(2,518,698)	(7,098)
Ending Working Capital		588,706	
Percent of Annual Op Exp		23%	

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# Revenue Assumptions & Expenditure Targets

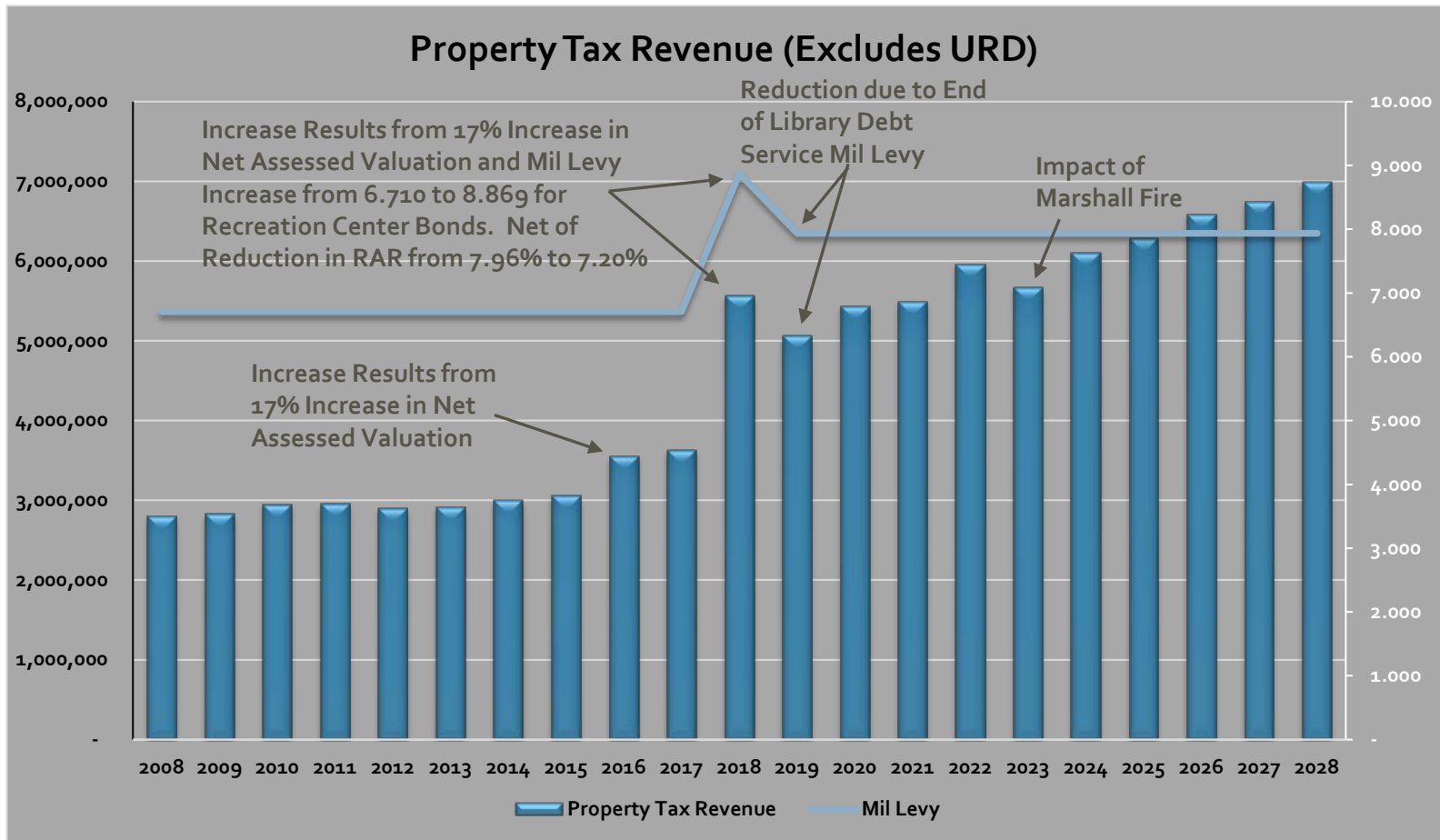
Over the next several weeks Staff will refine Revenue assumptions and Expenditure targets.

The next few slides we'll touch on the City's major Revenue sources and our Salary and Benefits, which is one of the largest expense categories.

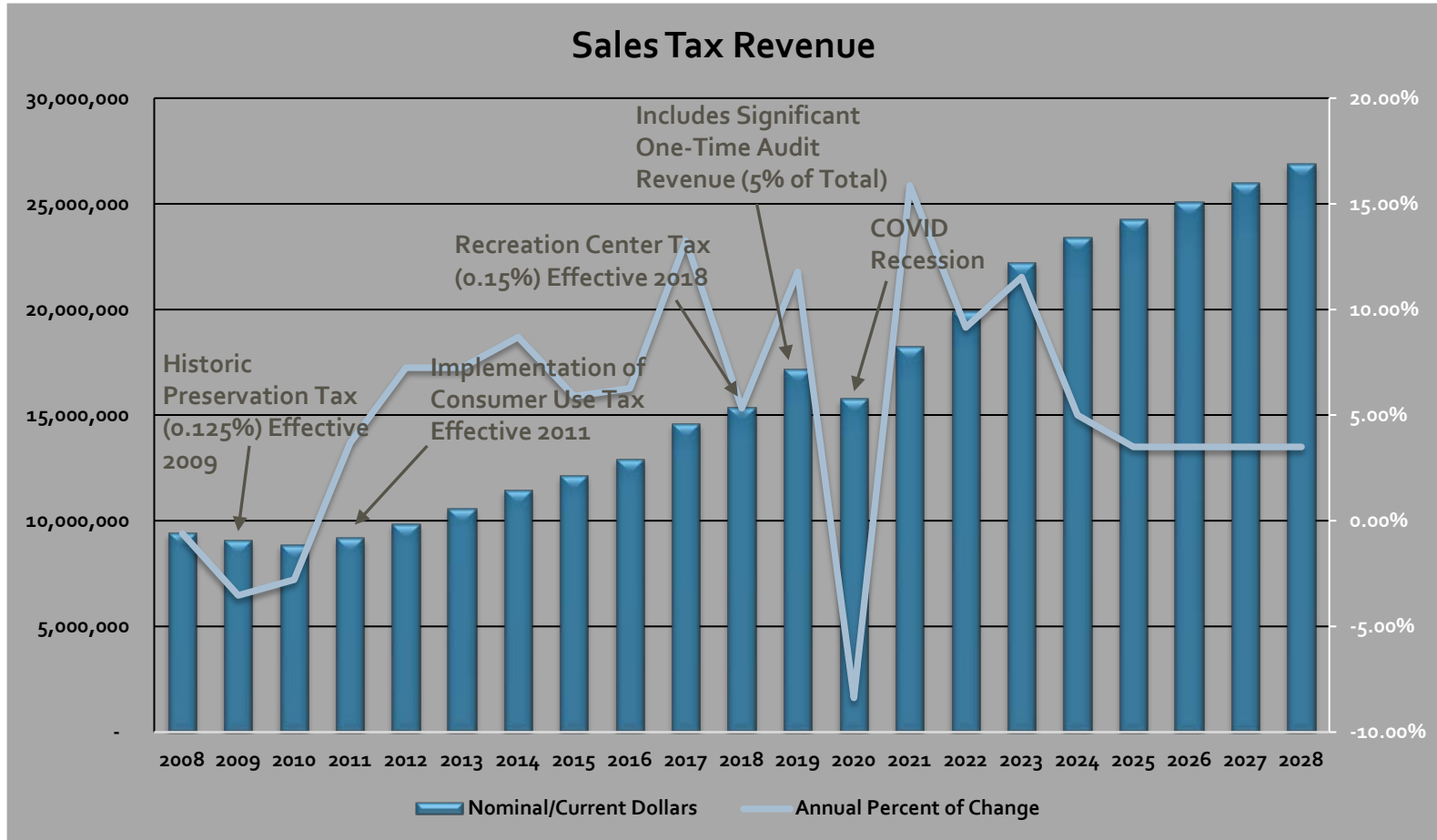
# Tax Revenue Estimates

CITY OF LOUISVILLE									
Revenue Estimates									
YEAR	MONTH	SALES TAX	USE TAX	BLDG USE TAX	AUTO USE TAX	LODGING TAX	AUDIT	Bag Tax	TOTAL
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	2,054,000	295,000	137,000	130,000	53,000	-	77,000	2,669,000
	JULY	1,778,000	164,000	140,000	112,000	58,000	-	-	2,252,000
	AUGUST	1,741,000	163,000	100,000	126,000	38,000	-	-	2,168,000
	SEPTEMBER	2,104,000	309,000	145,000	152,000	38,000	-	76,000	2,748,000
	OCTOBER	1,828,000	138,000	148,000	137,000	25,000	7,000	-	2,283,000
	NOVEMBER	1,791,000	150,000	151,000	129,000	17,000	7,000	-	2,245,000
	DECEMBER	2,470,000	317,000	154,000	131,000	19,000	-	80,000	3,091,000
	YTD TOTALS	8,455,656	1,517,805	759,142	766,681	108,329	2,715	71,169	11,681,497
	Projected Totals	22,221,656	3,053,805	1,734,142	1,683,681	356,329	16,715	304,169	29,137,497
	YTD Variance % to Prior Year	10.3%	74.0%	36.2%	-6.6%	29.4%	-92.2%	51.9%	15.8%
	Est. Projected Variance to 2022	11.5%	15.2%	-54.1%	-11.3%	13.2%	-73.4%	61.0%	1.3%

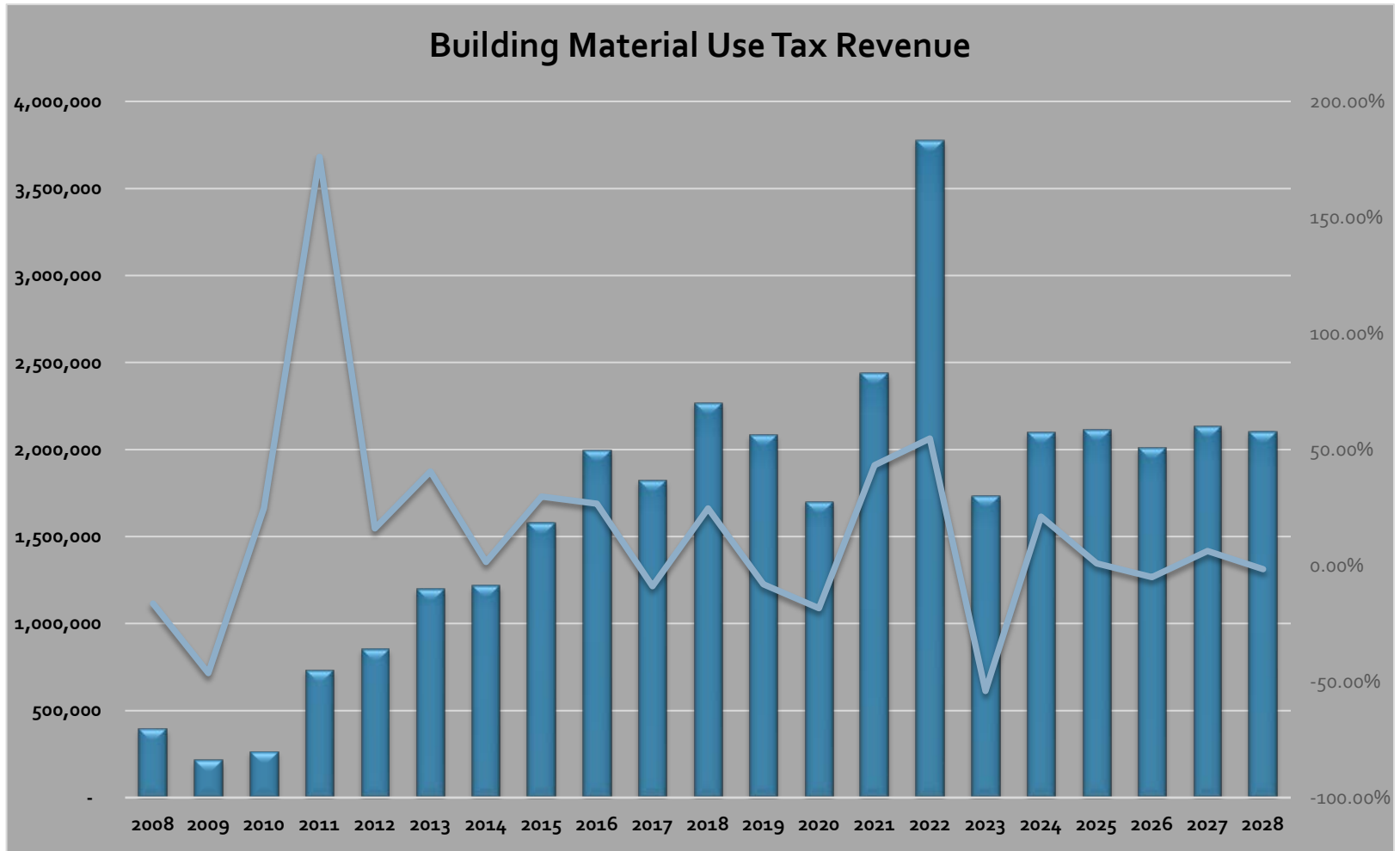
# Revenue Trends



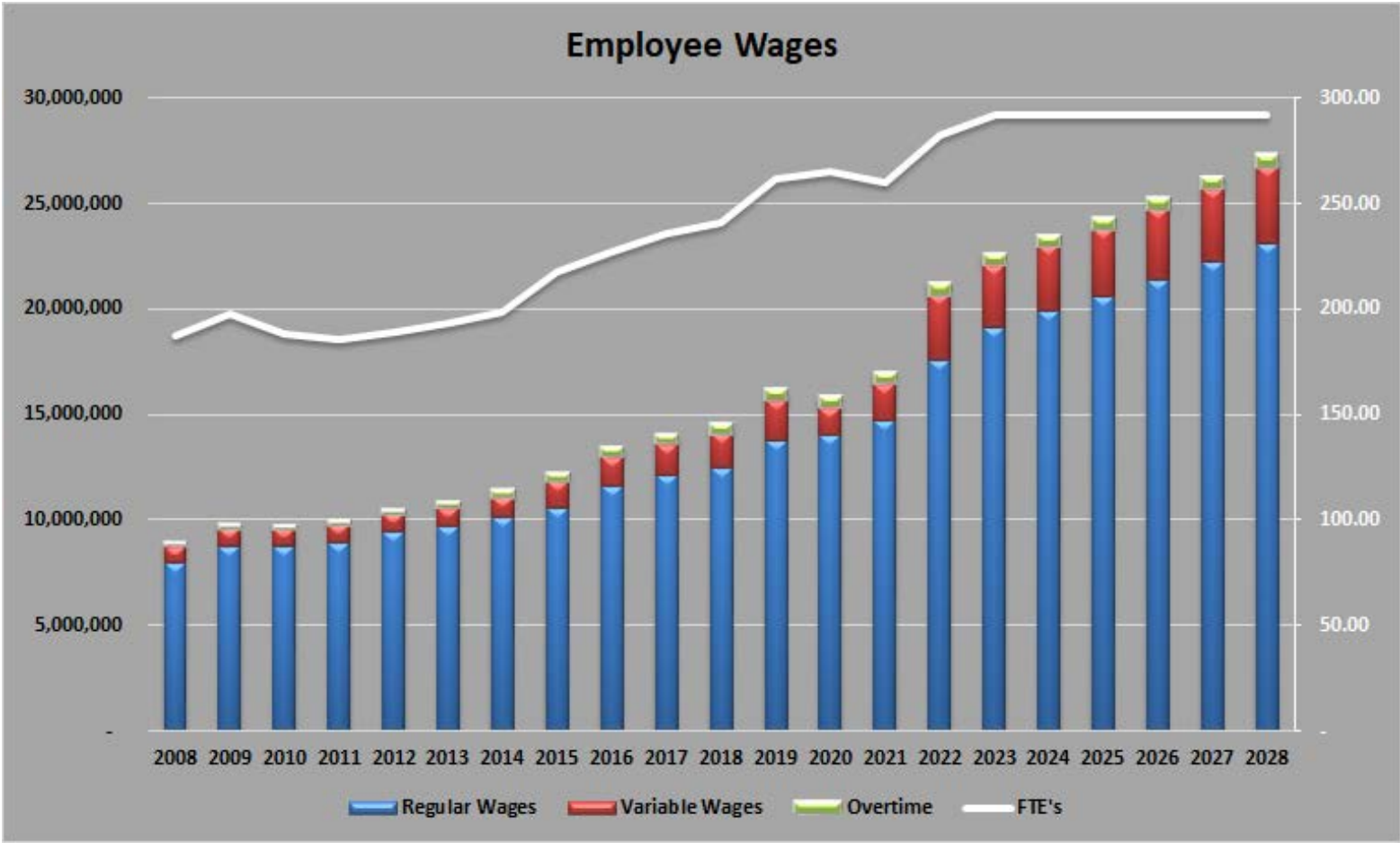
# Revenue Trends



# Revenue Trends

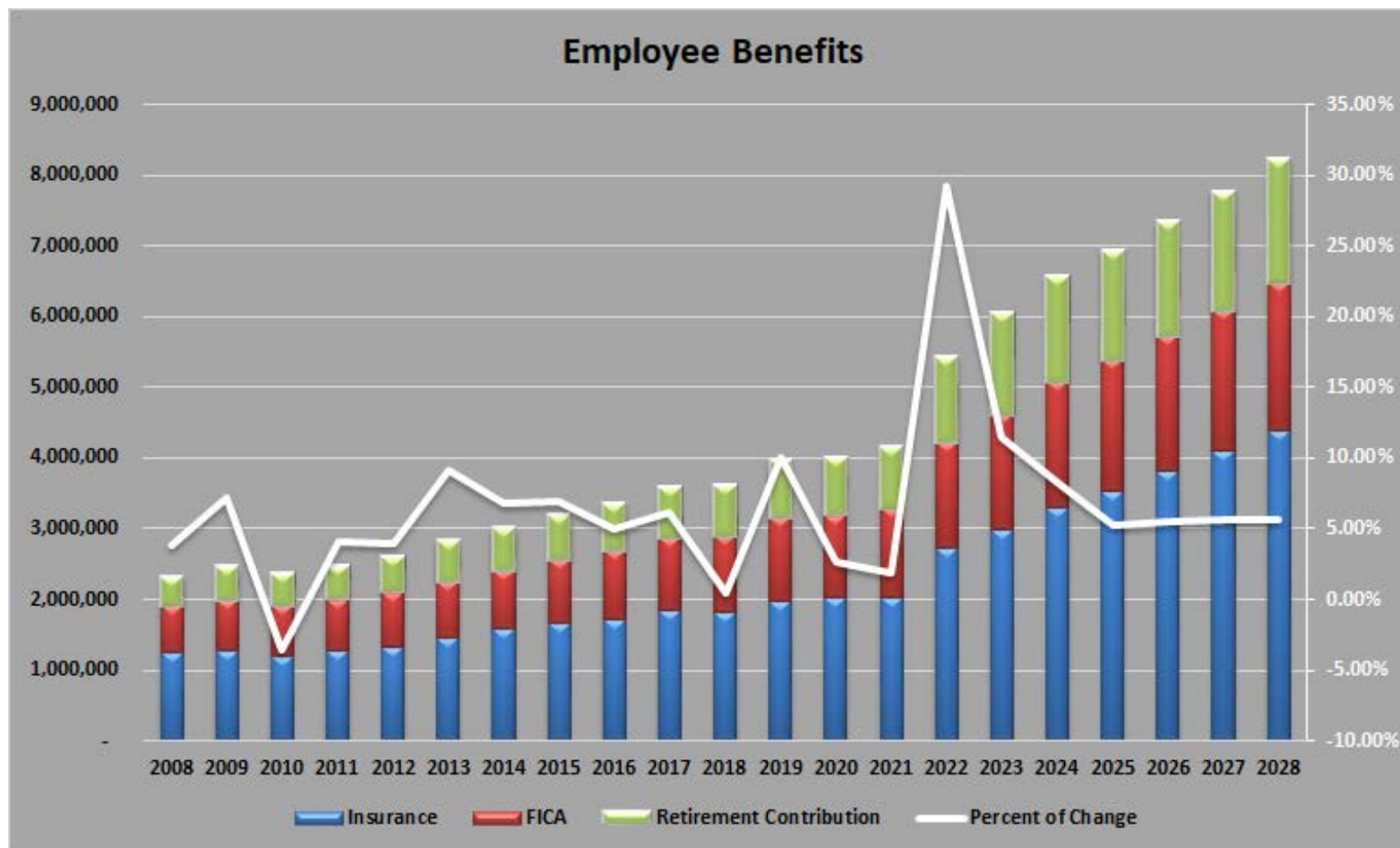


# Expenditure Targets - Wages





# Expenditure Targets - Benefits



# 2023-2028 Capital Improvements Plan

Department Heads, Fiscal Staff and CMO will review the Adopted Capital Improvements Plan (C-I-P).

The 2023- 2028 CIP Plan totals over \$116million of the six year period update.

We expect “off-cycle” CIP Projects to be presented to the City Manager.

City Manager’s final recommendations will be presented with the Recommended Budget.

# 2023-2028 Capital Improvements Plan

Included in the packet:

- Summary of the Adopted C-I-P Projects. (2D - Attachment 1)
- CIP Project Sheets for Off Cycle Projects (2D – Attachment's 2a and 2b)

# Fund Financial Forecasts

Fund Financial Forecasts developed using :

- 2022 Actual's to arrive at the 2023 beginning fund balances;
- 2023 Revised Budget;
- 2024 – 2028 Assumptions unchanged from 2023-2024 Adopted Budget, however all projections and assumptions will be continuously updated throughout the budget development process.

City of Louisville, Colorado  
 Summary of Revenue, Expenditures, and Changes to Fund Balances  
 All Funds  
 2023 Revised Budget

Fund Number	Fund Description	Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses		Ending Fund Balance	Amount of Change	Percent of Change
101	General	\$ 15,567,998	\$ 24,662,055	\$ 28,839,981	[1]	\$ 11,390,072	\$ (4,177,926)	-27%
<b>Special Revenue Funds:</b>								
201	Open Space & Parks	1,678,855	4,595,834	4,425,804	[2]	1,848,885	170,030	10%
202	Conservation Trust - Lottery	527,652	270,290	415,100		382,842	(144,810)	-27%
203	Cemetery Perpetual Care	723,683	43,620	11,860		755,443	31,760	4%
204	Cemetery	100,084	256,380	254,880		101,584	1,500	1%
205	PEG Fees	33,932	22,810	25,050		31,692	(2,240)	-7%
206	Parking Improvement	93,402	-	50		93,352	(50)	0%
207	Historic Preservation	3,340,021	1,002,800	710,790		3,623,031	283,010	8%
208	Recreation	3,214,781	5,657,500	5,163,554	[3]	3,708,817	494,036	15%
	<b>Total Special Revenue Funds</b>	<b>9,712,410</b>	<b>11,849,324</b>	<b>11,016,088</b>		<b>10,545,646</b>	<b>833,236</b>	<b>9%</b>
<b>Capital Project Funds:</b>								
301	Capital Projects	11,178,327	17,631,530	18,452,737		10,357,120	(821,207)	-7%
302	Impact Fee	194,710	357,110	339,300		212,520	17,810	9%
303	Recreation Center Construction	180,036	-	180,915		(879)	(180,915)	-100%
	<b>Total Capital Project Funds</b>	<b>11,553,073</b>	<b>17,988,640</b>	<b>18,972,952</b>		<b>10,568,761</b>	<b>(984,312)</b>	<b>-9%</b>
<b>Debt Service Funds:</b>								
402	Recreation Center Debt Service	723,683	2,138,072	1,742,200		1,119,555	395,872	55%
	<b>Total Debt Service Funds</b>	<b>723,683</b>	<b>2,138,072</b>	<b>1,742,200</b>		<b>1,119,555</b>	<b>395,872</b>	<b>55%</b>
<b>Enterprise Funds (WC Basis):</b>								
501	Water Utility	21,821,985	9,087,570	12,502,042	[4]	18,407,513	(3,414,472)	-16%
502	Wastewater Utility	6,198,059	4,382,230	9,390,857	[5]	1,189,632	(5,008,427)	-81%
503	Stormwater Utility	2,571,812	1,029,390	2,586,829	[6]	1,034,573	(1,537,239)	-60%
510	Solid Waste & Recycling Utility	322,020	1,717,460	1,679,210		360,270	38,250	12%
520	Golf Course	588,706	2,567,780	2,352,088	[7]	804,398	215,692	37%
	<b>Total Enterprise Funds</b>	<b>31,502,582</b>	<b>18,784,430</b>	<b>28,490,627</b>		<b>21,796,385</b>	<b>(9,706,197)</b>	<b>-31%</b>
<b>Internal Service Funds (WC Basis):</b>								
602	Technology Management	117,109	54,450	105,750		65,809	(51,300)	-44%
603	Fleet Management	716,270	529,770	570,500		675,540	(40,730)	-6%
	<b>Total Internal Service Funds</b>	<b>833,379</b>	<b>584,220</b>	<b>676,250</b>		<b>741,349</b>	<b>(92,030)</b>	<b>-11%</b>
		<b>\$ 69,893,125</b>	<b>\$ 76,006,741</b>	<b>\$ 89,738,097</b>		<b>\$ 56,161,769</b>	<b>\$ (13,731,356)</b>	<b>-20%</b>

City of Louisville, Colorado  
 Summary of Revenue, Expenditures, and Changes to Fund Balances  
 All Funds  
 2024 Proposed

Fund Number	Fund Description	Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses		Ending Fund Balance	Amount of Change	Percent of Change
101	General	\$ 11,390,072	\$ 25,760,350	\$ 25,601,500	[1]	\$ 11,548,922	\$ 158,850	1%
	Special Revenue Funds:							
201	Open Space & Parks	1,845,885	4,193,200	4,541,900	[2]	1,497,185	(348,700)	-19%
202	Conservation Trust - Lottery	383,222	279,730	300,100		362,852	(20,370)	-5%
203	Cemetery Perpetual Care	755,443	50,440	17,080		788,803	33,360	4%
204	Cemetery	101,584	228,530	224,930		103,184	1,600	2%
205	PEG Fees	31,752	23,560	25,050		30,262	(1,490)	-5%
206	Parking Improvement	93,352	-	50		93,302	(50)	0%
207	Historic Preservation	3,628,231	1,088,020	658,030		4,058,221	429,990	12%
208	Recreation	3,708,817	5,357,480	5,832,970	[3]	3,233,327	(475,490)	-13%
	<b>Total Special Revenue Funds</b>	<b>10,548,286</b>	<b>11,218,960</b>	<b>11,600,110</b>		<b>10,167,136</b>	<b>(381,150)</b>	<b>-4%</b>
	Capital Project Funds:							
301	Capital Projects	10,357,120	12,451,440	14,969,320		7,839,240	(2,517,880)	-24%
302	Impact Fee	203,980	309,070	313,040		200,010	(3,970)	-2%
303	Recreation Center Construction	(879)	-	-		(879)	-	
	<b>Total Capital Project Funds</b>	<b>10,560,221</b>	<b>12,760,510</b>	<b>15,282,360</b>		<b>8,038,371</b>	<b>(2,521,850)</b>	<b>-24%</b>
	Debt Service Funds:							
402	Recreation Center Debt Service	1,124,055	2,195,522	1,740,400		1,579,177	455,122	40%
	<b>Total Debt Service Funds</b>	<b>1,124,055</b>	<b>2,195,522</b>	<b>1,740,400</b>		<b>1,579,177</b>	<b>455,122</b>	<b>40%</b>
	Enterprise Funds (WC Basis):							
501	Water Utility	18,407,513	8,717,410	19,643,260	[4]	7,481,663	(10,925,850)	-59%
502	Wastewater Utility	1,189,632	4,931,530	4,603,940	[5]	1,517,222	327,590	28%
503	Stormwater Utility	1,034,573	1,230,480	1,030,630	[6]	1,234,423	199,850	19%
510	Solid Waste & Recycling Utility	360,710	1,824,560	1,782,040		403,230	42,520	12%
520	Golf Course	804,398	2,525,400	2,456,520	[7]	873,278	68,880	9%
	<b>Total Enterprise Funds</b>	<b>21,796,825</b>	<b>19,229,380</b>	<b>29,516,390</b>		<b>11,509,815</b>	<b>(10,287,010)</b>	<b>-47%</b>
	Internal Service Funds (WC Basis):							
602	Technology Management	65,969	72,080	75,750		62,299	(3,670)	-6%
603	Fleet Management	675,950	358,480	265,250		767,180	91,230	13%
	<b>Total Internal Service Funds</b>	<b>741,919</b>	<b>428,560</b>	<b>341,000</b>		<b>829,479</b>	<b>87,560</b>	<b>12%</b>
	<b>Total All Funds</b>	<b>\$ 56,161,379</b>	<b>\$ 71,593,282</b>	<b>\$ 84,081,760</b>		<b>\$ 43,672,901</b>	<b>\$ (12,488,478)</b>	<b>-22%</b>

# Fund Financial Forecasts

Operational “turnback” amounts were updated for 2022 actuals, staff is proposing to maintain the turnback methodology targets for 2023-2028.

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

Fund Description	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Target	2024 Target	2025 Target	2026 Target	2027 Target	2028 Target
General	9.7%	10.4%	4.3%	11.3%	3.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Open Space & Parks	11.7%	6.9%	6.6%	9.9%	3.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Recreation	N/A	-2.1%	3.6%	8.1%	0.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Utility	21.4%	20.4%	4.2%	-1.1%	-27.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Wastewater Utility	12.6%	15.4%	3.5%	5.3%	-10.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Stormwater Utility	21.4%	7.8%	11.0%	2.0%	-9.7%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Golf Course	-16.3%	11.9%	0.0%	-7.4%	0.4%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

# Fund Financial Forecasts

Inter-Fund Transfers Matrix 2023 Recommended Budget						
Transfers Out	Transfers In					Total
	General Fund	OS&P Fund	Cemetery Fund	Recreation Fund	Capital Projects Fund	
General Fund	-	983,480 <sup>a</sup>	169,850 <sup>a</sup>	1,225,750 <sup>a</sup>	-	2,379,080
Cemetery Perpetual Care Fund	-	-	12,480 <sup>b</sup>	-	-	12,480
Historic Preservation Fund	197,730 <sup>c</sup>	-	-	-	-	197,730
Capital Project Fund	-	-	-	148,360 <sup>d</sup>	-	148,360
Impact Fee Fund	-	181,890 <sup>e</sup>	-	-	166,300 <sup>e</sup>	348,190
Recreation Center Construction	-	-	-	-	-	-
<b>Total</b>	<b>197,730</b>	<b>1,165,370</b>	<b>182,330</b>	<b>1,374,110</b>	<b>166,300</b>	<b>3,085,840</b>

<sup>a</sup> Annual recurring support for operations and capital.  
<sup>b</sup> Annual recurring transfer of interest earned used to fund operations and capital.  
<sup>c</sup> Annual recurring transfer for reimbursement of costs associated with Museum Services.  
<sup>d</sup> Annual recurring support for capital.  
<sup>e</sup> Annual transfer of impact fee revenue for eligible projects.



# Fund Financial Forecasts

## Inter-Fund Transfers Matrix 2024 Recommended Budget

<b>Transfers Out</b>	<b>Transfers In</b>					<b>Total</b>
	<b>General Fund</b>	<b>OS&amp;P Fund</b>	<b>Cemetery Fund</b>	<b>Recreation Fund</b>	<b>Capital Projects Fund</b>	
General Fund	-	1,017,900 <sup>a</sup>	131,840 <sup>a</sup>	1,268,650 <sup>a</sup>	-	2,418,390
Cemetery Perpetual Care Fund	-	-	16,780 <sup>b</sup>	-	-	16,780
Historic Preservation Fund	203,620 <sup>c</sup>	-	-	-	-	203,620
Capital Project Fund	-	-	-	153,550 <sup>d</sup>	-	153,550
Impact Fee Fund	-	97,330 <sup>e</sup>	-	-	215,410 <sup>e</sup>	312,740
<b>Total</b>	<b>203,620</b>	<b>1,115,230</b>	<b>148,620</b>	<b>1,422,200</b>	<b>215,410</b>	<b>3,105,080</b>

<sup>a</sup> Annual recurring support for operations and capital.

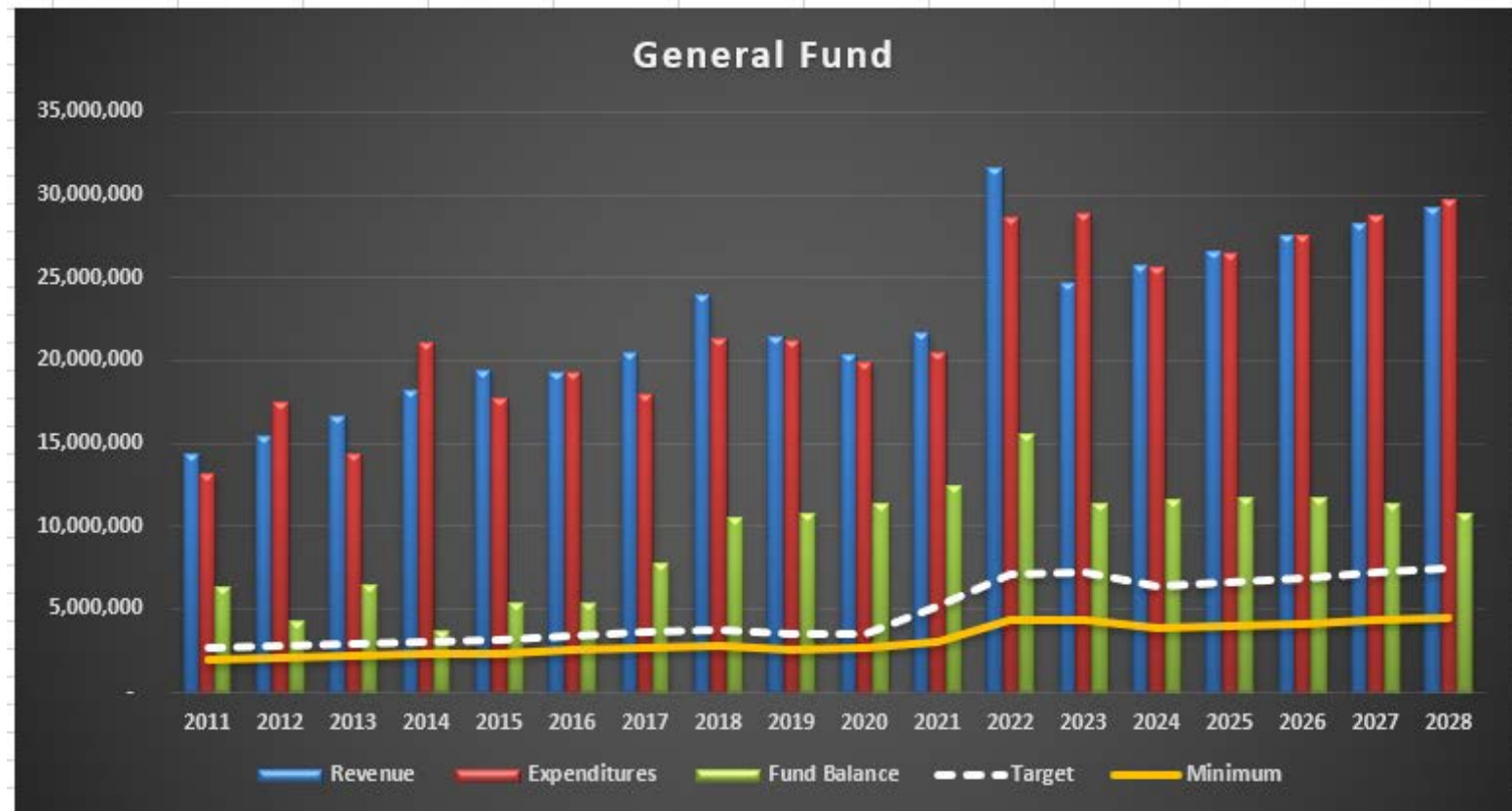
<sup>b</sup> Annual recurring transfer of interest earned used to fund operations and capital.

<sup>c</sup> Annual recurring transfer for reimbursement of costs associated with Museum Services.

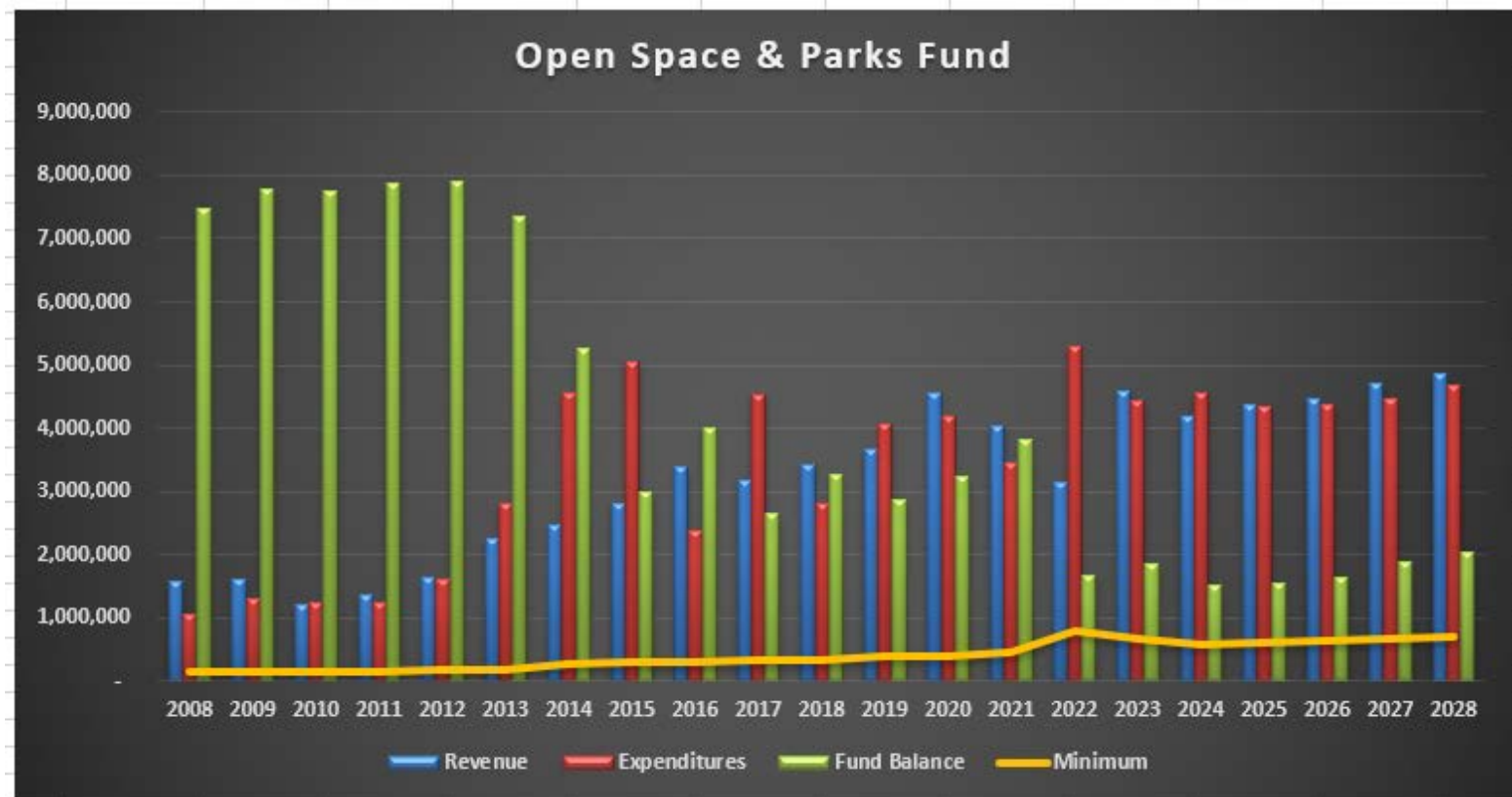
<sup>d</sup> Annual recurring support for capital.

<sup>e</sup> Annual transfer of impact fee revenue for eligible projects.

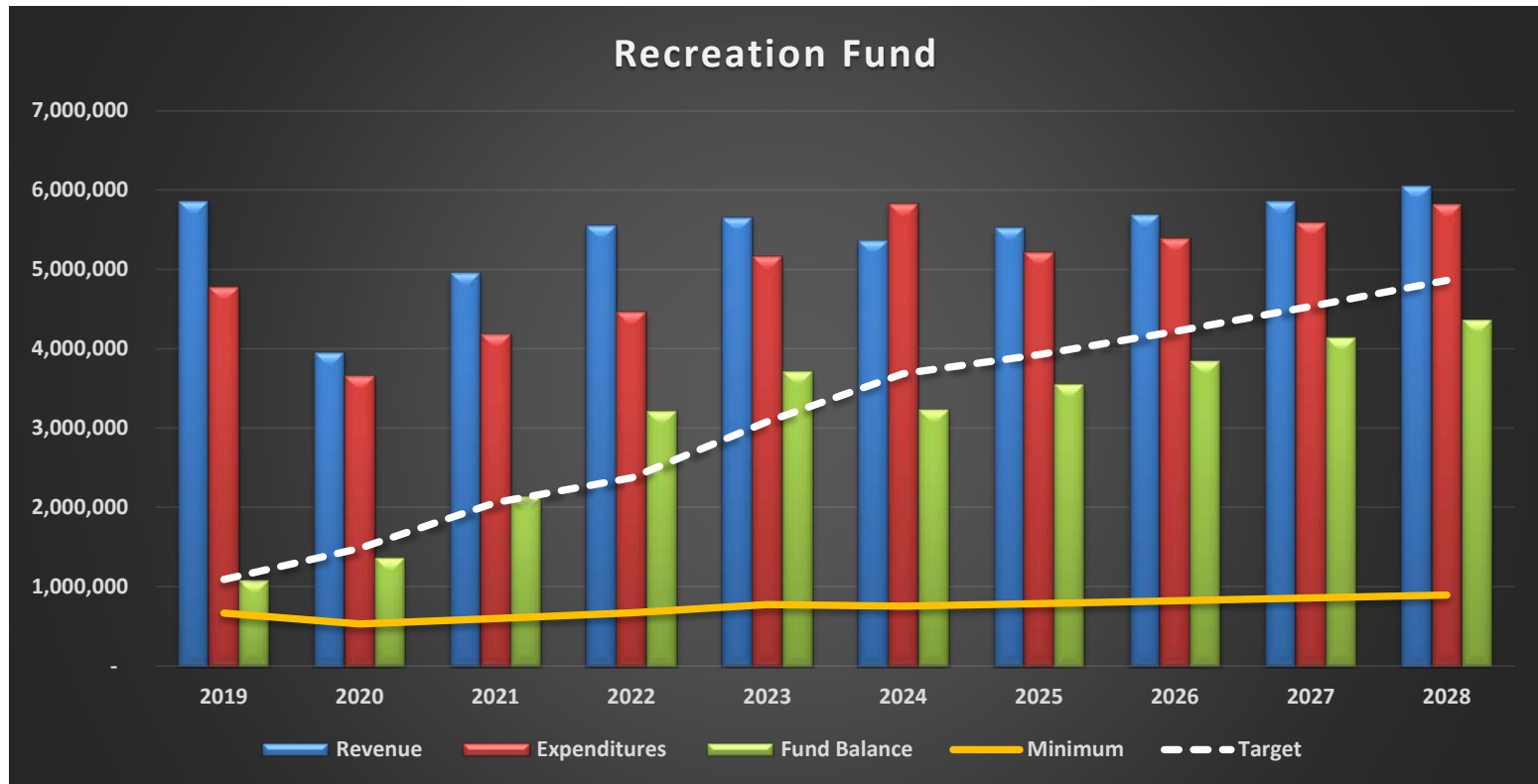
# Fund Financial Forecasts



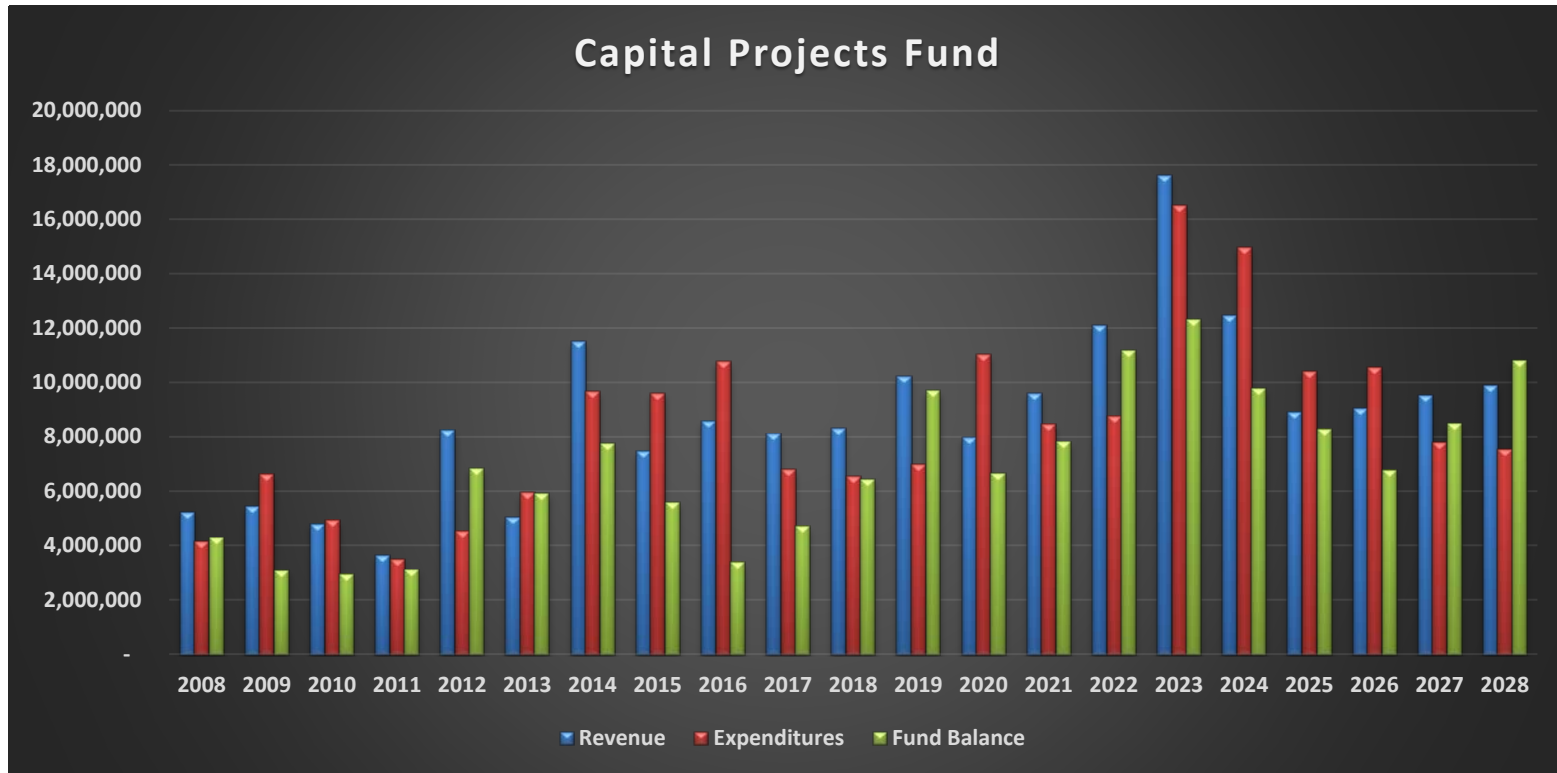
# Fund Financial Forecasts



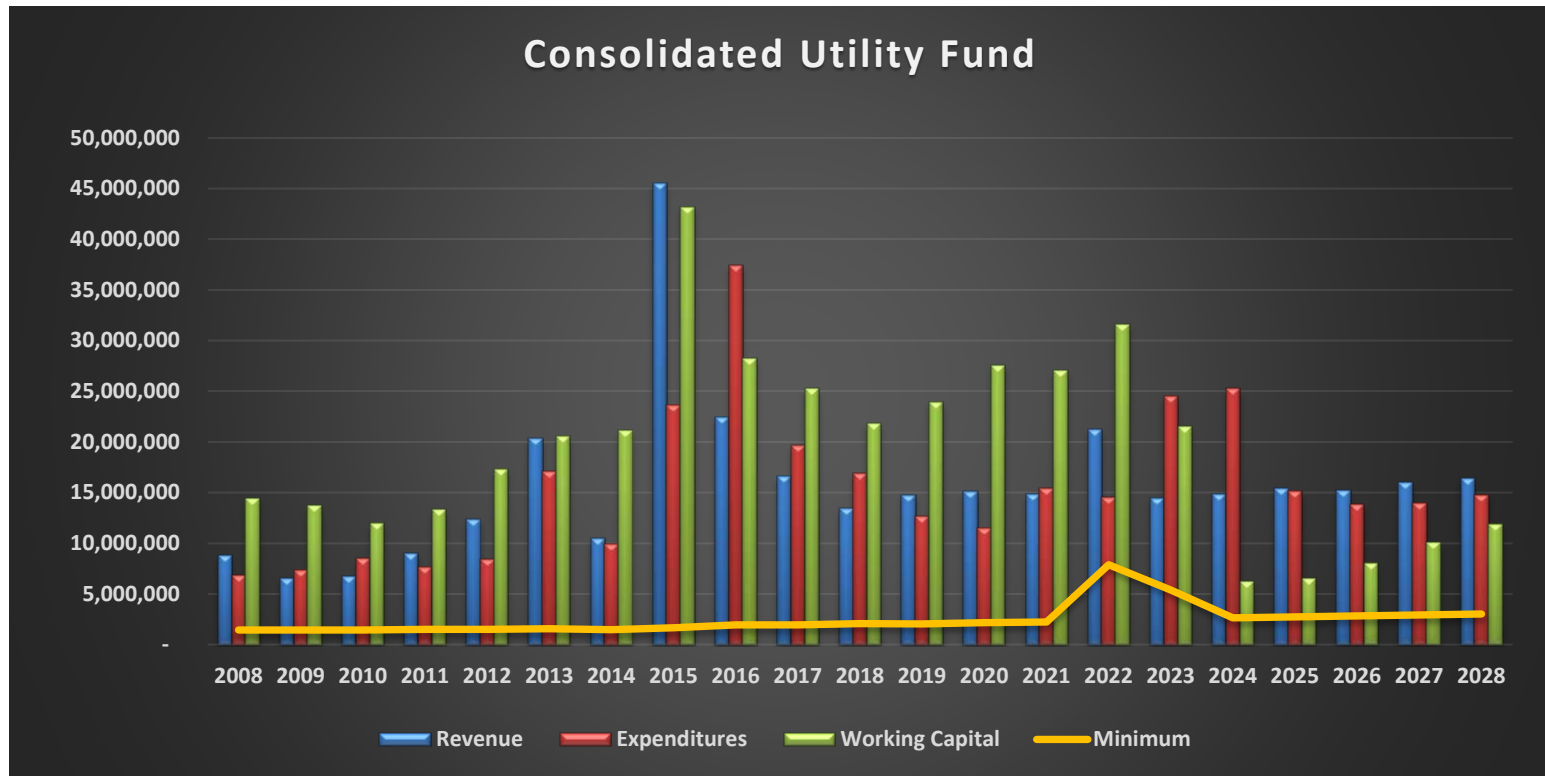
# Fund Financial Forecasts



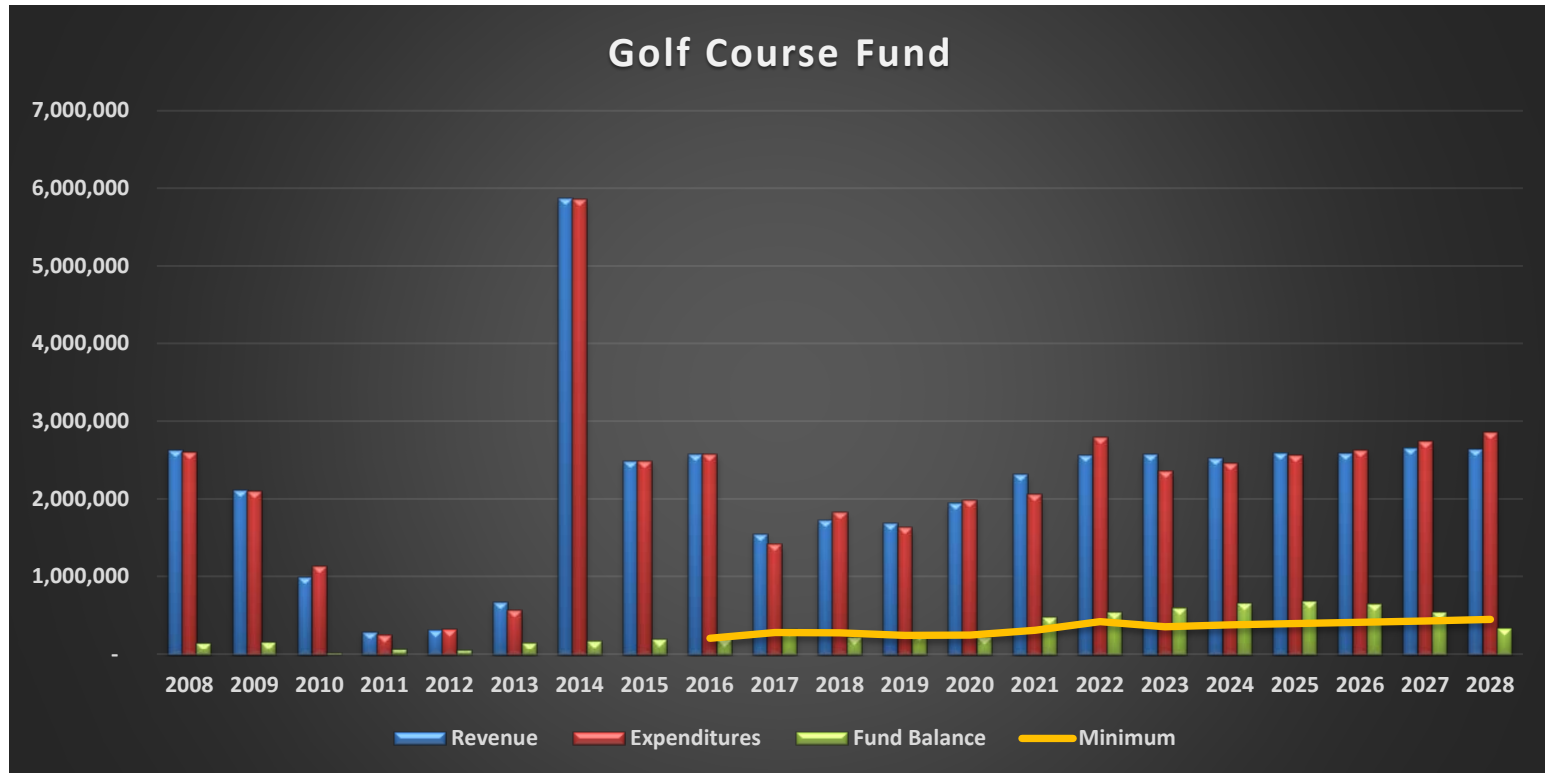
# Fund Financial Forecasts



# Fund Financial Forecasts



# Fund Financial Forecasts



# Fiscal Issues with Significant Impacts

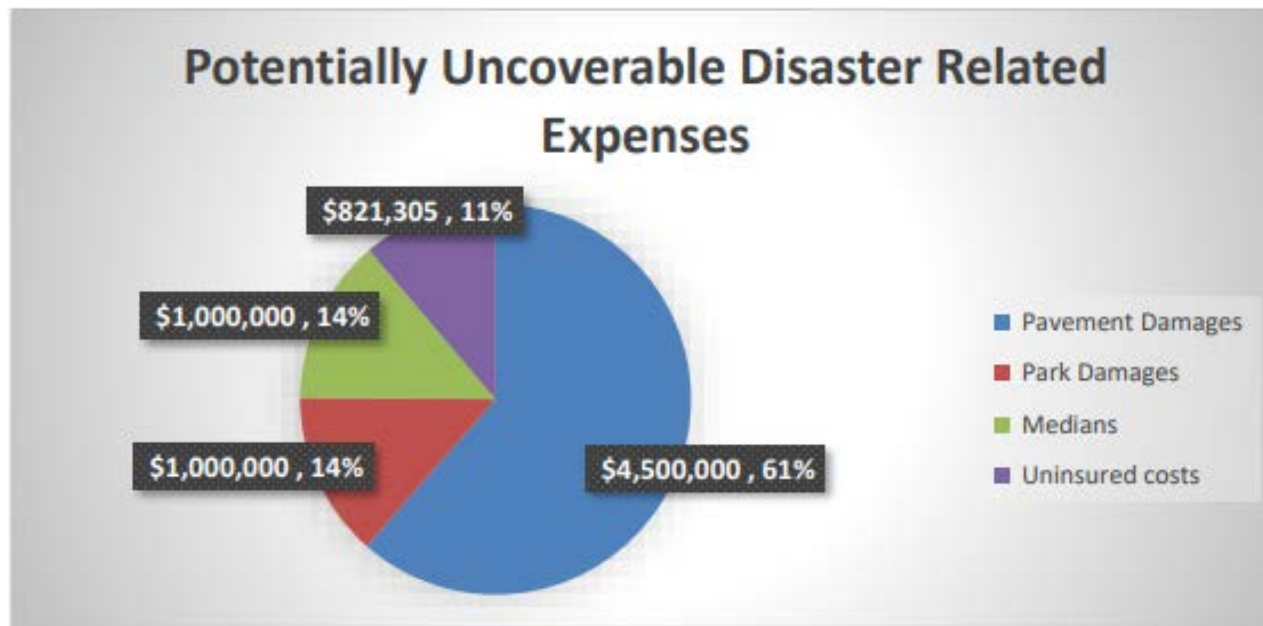
Over the next few slides, we'll highlight the following issues with the potential to have significant impacts to 2024's Budget.

- Marshall Fire Recovery and Mitigation.
- Property Tax Revenue and Assessed Value Discussion – City General Obligation Mill Levy.
- Parks and Open Space Sales Tax November Ballot Measure and Accounting Treatment.
- General Trend of Expenses outpacing Revenues.



# Fiscal Issue – Marshall Fire Recovery and Mitigation

- Significant disaster related expenses totaling \$7.3M remain outstanding and are considered Potentially Uncoverable. These are largely comprised of current and anticipated disaster related expenses deemed ineligible by FEMA, such as median, park, and road infrastructure repairs.



# Fiscal Issue – Marshall Fire Recovery and Mitigation

- The City continues to put significant efforts towards Mitigation and Resiliency. Our budget includes the following:
  - \$300,000 for a Mitigation Coordinator (50% funded by a Colorado State Forest Service grant over 3 years )
  - \$150,000 for Mitigation Activities (50% funded by Colorado State Forest Service grant over 3 years)
    - \$85,000 for additional mitigation treatment (i.e. grazing, mowing, weed treatment, ditch clearing, etc.); and
    - \$45,000 annually for goat grazing in open space; and
    - \$20,000 annually for cattle grazing in open space
  - \$290,000 for a Recovery & Resilience Program Manager over 3 years (\$90,000 funded by Colorado Department of Local Affairs grant)
  - \$4.9 million to install/upgrade generators at critical facilities (75% funded by FEMA Hazard Mitigation Grant Program)

# Fiscal Issue – Property Tax – General Operating Mill Levy - 5.184

Assessed Values of Properties in Boulder County are increasing. The exact impact to our residents and to the City’s Finances are currently unknown.

**Scenario #1** – Keep General Operating Mill Levy unchanged at 5.184 mills

AV % Increase	Potential Net Assessed Values	General Operating Mill Levy	City Property Tax Amount (net of TIF)
Current	\$ 726,080,315	0.005184	\$ 3,764,000
5%	762,384,331	0.005184	3,952,200
7.6%	781,262,419	0.005184	4,050,064
10%	798,688,347	0.005184	4,140,400
15%	834,992,362	0.005184	4,328,600
20%	871,296,378	0.005184	4,516,800
25%	907,600,394	0.005184	4,705,000
30%	943,904,410	0.005184	4,893,200
35%	980,208,425	0.005184	5,081,400
40%	1,016,512,441	0.005184	5,269,600

Boulder County Assessor releases:

- 2024’s Preliminary Assessment on or before August 25<sup>th</sup>
- 2024’s Final Assessment on or before December 10<sup>th</sup>

# Fiscal Issue – Property Tax – General Operating Mill Levy - 5.184

## Scenario #2 – Temporarily Adjust General Operating Mill Levy to hit Property Tax Target (7.6% YoY increase)

	Net Assessed Value	Gen Operating Mill Levy	City Property Tax Amount (net of TIF)
Current	726,080,315	0.005184	3,764,000
Budget Target (7.6%)	781,262,419	0.005184	4,050,064
AV % Increase	Potential Net Assessed Values	Mill Levy, net of Temporary Credit*	Target City Property Tax Amount
5%	\$ 762,384,331	0.005184	\$ 3,952,200
7.6%	781,262,419	0.005184	4,050,064
10%	798,688,347	0.005071 *	4,050,064
15%	834,992,362	0.004850 *	4,050,064
20%	871,296,378	0.004648 *	4,050,064
25%	907,600,394	0.004462 *	4,050,064
30%	943,904,410	0.004291 *	4,050,064
35%	980,208,425	0.004132 *	4,050,064
40%	1,016,512,441	0.003984 *	4,050,064

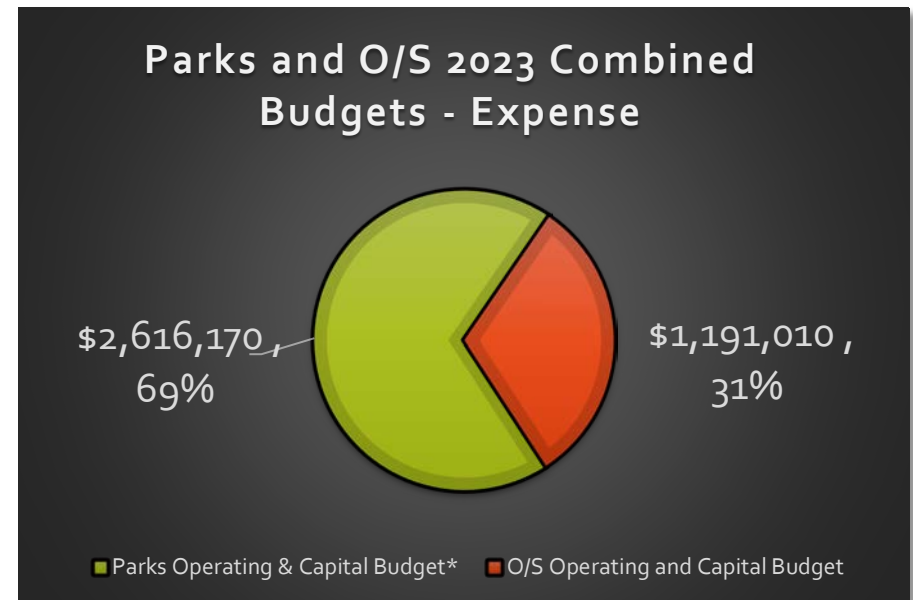
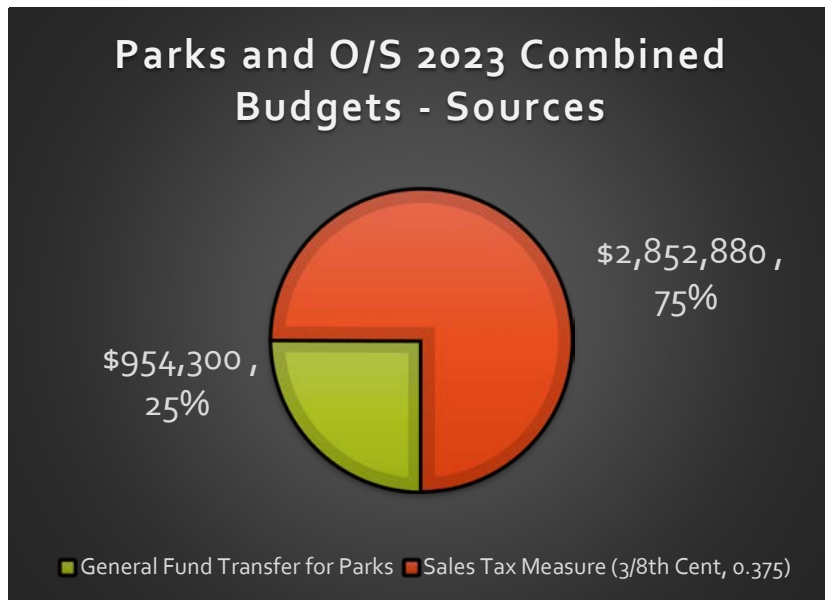
Boulder County Assessor releases:

- 2024’s Preliminary Assessment on or before August 25<sup>th</sup>
- 2024’s Final Assessment on or before December 10<sup>th</sup>

# Fiscal Issue – Parks and Open Space Sales Tax Ballot Measure

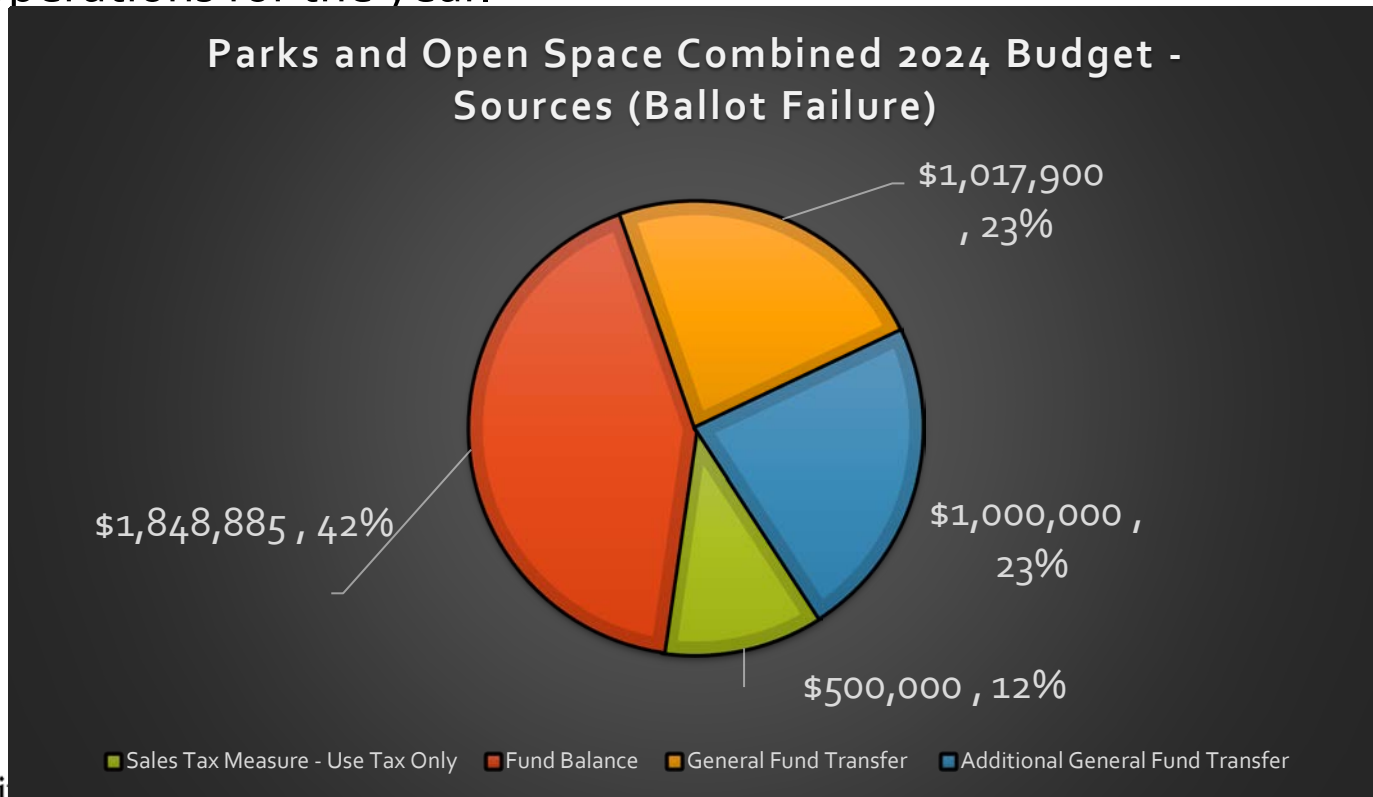
This November, City of Louisville Residents will be asked to Extend and Increase the existing Parks and Open Space Sales Tax by 1/8<sup>th</sup> of a cent to 1/2<sup>th</sup> of a cent, and extend it for 10 years, through December 31, 2034.

Parks and Open Space currently share a single fund.



# Fiscal Issue – Parks and Open Space Sales Tax Ballot Measure

Should the measure **not pass**, Parks and Open Space would continue to share a single Fund in 2024, it would need an additional General Fund transfer to sustain operations for the year.



# Fiscal Issue – General Trend of Expenses outpacing Revenues

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

City Staff will collaboratively work towards developing a 2024 Recommended Budget for Council consideration in September.

# City Council Budget Retreat

Thank you! Staff if available to answer questions.