

City Council

Special Meeting Minutes

**September 12, 2023
Library Meeting Room
951 Spruce Street
6:00 PM**

Call to Order – Mayor Maloney called the meeting to order at 6:00 p.m. **Roll Call** was taken and the following members were present:

City Council: ***Mayor Dennis Maloney***
Mayor Pro Tem Deborah Fahey
Councilmember Caleb Dickinson
Councilmember Barbara Hamlington
Councilmember Dietrich Hoefner
Councilmember Chris Leh
Councilmember Maxine Most

Staff Present: ***Jeff Durbin, City Manager***
Samma Fox, Deputy City Manager
Kurt Kowar, Public Works Director
Rob Zuccaro, Community Development Director
Adam Blackmore, Parks, Recreation, & Open Space Director
Ryder Bailey, Finance Director
Sharon Nemechek, Cultural Services Director
Rhonda Henger, Human Resources Director
Paulina Bennett, Information Technology Director
Rafael Gutierrez, Police Chief
Emily Hogan, Assistant City Manager
Meredyth Muth, City Clerk

DISCUSSION/DIRECTION – RECOMMENDED BUDGET FOR 2024, INCLUDING UPDATED CAPITAL IMPROVEMENTS PLAN FOR 2023-2028 & UPDATED LONG- TERM FINANCIAL PLAN FOR 2023-2028

Mayor Maloney introduced the item. City Manager Durbin noted this is a continuation of this conversation from September 5. This is the second year of a two-year process so this should only be minor changes to what was included last year. He noted there is a structural imbalance as the budget is currently presented so there is work to do to bring it into balance. He added that in the coming months there is work to do to evaluate process to create organizational efficiencies.

City of Louisville

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Mayor Maloney noted that this discussion will continue to the September 26 meeting if needed.

Director Bailey noted there is some updated information from last week in the presentation. It includes new sales tax assumptions and updated General Fund forecasts as well as information that Council asked for last week.

He reviewed new assumptions using a 5% annual growth for the sales tax assumption and reviewed tax growth for both inside the City and outside noting inside the City is relatively flat while outside the City sales tax has nearly doubled in recent years.

Councilmember Dickinson noted the large increase in outside sales is great but the stagnant business in town is a problem as our brick and mortar stores are not increasing and that is troubling.

Director Bailey reviewed the impacts of possible mill levy reductions on revenue collection. He recommended reducing the Rec Center mill levy to stay within TABOR compliance. For the general mill levy staff is recommending a temporary decrease to keep the increase to 7.5%.

Mayor Maloney would like to see the out years also be limited to a 7.5% increase. Councilmember Dickinson agreed it should be a smooth increase for out years. Mayor Maloney noted the difficult part will be determining how to figure out how to reach that number.

City Manager Durbin noted the County is limiting their mill levy to a 5% increase, the fire district board is still undecided. It is unclear what BVSD is planning to do.

Director Bailey shared a new General Fund forecast with new sales tax assumptions. He reviewed the Parks and Open Space Funds comparing if the ballot issue passes and if it does not. He also reviewed the Recreation Center Renewal and Replacement policy.

City Manager Durbin reviewed the office space needs that impact the budget. He noted money has been included in the 2024 budget to lease additional office space for staff to move to from City Hall but at this point this discussion will be budget dependent.

Councilmember Leh suggested office sharing for those staff that work from home part of the time. There are downsides to it but it might be considered. Councilmember Hamlington noted there may be options for having teams on site for certain days if there was appropriate flex space. It would also help reduce commuting and greenhouse gases. Councilmember Dickinson agreed that this can work really well if done right.

Director Bailey reviewed the 2024 CIP requests.

Public Comments

Mike Kranzdorf, Louisville, asked that public facing staff not reduce office hours as that makes it harder for residents. He also encouraged Council to consider reducing the mill levy on principal and encourage the County and BVSD to do the same. He reminded Council that businesses owners pay 4x in property tax over residential properties.

Sherry Sommer, Louisville, encouraged Council to continue with the division of the OpenSpace and Parks Funds as the task force recommended.

Councilmember Dickinson stated a reduction in the mill levy this year would be important to prove to residents we want to help even though it might not make a huge difference to the average home owner.

Mayor Maloney noted the council has to balance the budget before this can be approved in November. Mayor Maloney would like to see more information on how the utility rates and are being projected and what the turnback might be.

Councilmember Hoefner would like more information on the mill levy impacts, what the State is doing, and how that impacts us locally. Mayor Maloney would like to know when the City has the ability to make decisions on the mill levy based on if Proposition HH passes or not.

The consensus was to have another budget meeting on September 26 to further discuss how to bring the budget into balance.

2024 CITY COUNCIL WORK PLAN

Mayor Maloney noted this is on the agenda for approval tonight so it can be finalized as many of these items have budget impacts for 2024. City Manager Durbin stated this is culmination of the previous meetings work and is for consideration for adoption this evening.

Councilmember Most would like to add more details under EDI item showing programs such as Golf and the Rec Center being listed out.

Councilmember Hoefner asked to add an item for traffic safety under the transportation item.

Councilmember Dickinson would like more clarity on what the Economic Vitality goals are including business retention and filling vacant spaces.

Councilmember Hoefner suggested office space be added as a discussion item to the work plan.

Public Comments – None.

This item will come back on September 26 and staff will add some of this information for that discussion.

DISCUSSION/DIRECTION – TOWN OF SUPERIOR BIGSBY'S INCENTIVE REQUEST

City Manager Durbin stated the City and the Town of Superior have a small area in Superior where we share sales tax revenue. Superior is requesting the City Council consider supporting a new development in the area by providing a sales tax rebate similar to the City's Business Assistance Program (BAP). This would likely be implemented via an IGA with the Town of Superior as they would be collecting the taxes not the City of Louisville.

Neal Shah, Superior Trustee, noted Superior does not have a Business Assistance Program and this would be a great way to move this business forward and bring this business to Boulder County to help the entire area. As a special district there is a high tax rate on this parcel so this is an incentive. They feel it will be a boon to both communities to bring Bigsby's to the area where both towns would benefit.

Public Comment – None.

Councilmember Hoefner stated he would support if it was done at the same level as we do for businesses in town.

Councilmember Dickinson stated if Superior believes this is a way to get this business in that location he supports it as a way to help fill that spot using the tools we normally use for local businesses.

Councilmember Most noted there might be concerns of ripple effects for our community, and she doesn't want the perception that we are prioritizing a business in Superior at the expense of local businesses.

Councilmember Leh stated he is concerned there could be a perception that we are treating some businesses differently than others. He wants to know if it can be done in the same way we do a BAP in Louisville and will that meet the needs of Superior.

City Manager Durbin stated if Council is interested staff can bring an IGA to Council for consideration.

Mayor Maloney noted everyone is on board with this in concept it is a matter of how this is done that needs to be worked out. We should do something that is in line with what we would do for a business in Louisville. 50% rebate on our portion of the sales tax

would be comparable to what we do for local businesses. Mayor Pro Tem Fahey agreed.

Staff will bring back an IGA for Council to consider.

ADJOURN

Members adjourned at 8:20 pm.



Meredyth Muth, City Clerk



Dennis Maloney, Mayor