



## Finance Committee

August 15, 2024  
Packet Addendum #1

**From:** [H.M](#)  
**To:** [City Council](#); [Samma Fox](#)  
**Subject:** Budget Action Issues  
**Date:** Thursday, August 15, 2024 11:00:19 AM

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Dear Finance Committee, City Council Members and Interim City Manager Samma Fox,

Good morning. I am writing to you because the 2nd Budget Retreat that was scheduled for this week was canceled and I hope that the Finance Committee will consider these budget issues in their meeting today.

I recognize that our general fund budget process is very challenging. Developing progressive, reasonable multi-million dollar budgets for an ambitious and vibrant community is incredibly difficult and rewarding. Thank you for your hard work and leadership. To quote President Obama - "A budget is more than just a series of numbers on a page. It is an embodiment of our values."

Thank you for articulating the council's 2025 budget priorities and establishing this budget guidance:

- Economic Prosperity
- Public Safety
- Maintaining Core Services
- Affordable Housing
- All through the lenses of EDI and environmental sustainability

The first round of the budget exercise to request new positions and CIP projects resulted in unrealistic numbers including 17.75 new positions in 2025-26, an 8.3% increase, and a CIP wishlist totaling a staggering ~\$272M in capital projects over six years.

Through the second and third budget exercises we now have a revised proposal to add just 10.5+ new staff positions in 2025 (+5%, and another 6 positions in 2026) and one-time and on-going operation increases resulting in a net -\$5M deficit. On the capital budget side there is a revised total of \$18.2M in general fund capital projects for 2025 but no opportunity for full Council guidance on the capital budget until September.

This budget request process model results in a dramatic inflation of both budgets. The proposal now also includes budget actions that eliminate or drastically cut key budget priority services and core value programs to bring it into balance.

Budget actions of particular concern and direct cuts to the budget priorities include:

1.

**Eliminating EDI manager position after only 18 months**

[Hired in February 2023](#), the EDI manager position was created in response to the [2021 EDI Taskforce report](#). This program reduction will have a significant impact on EDI efforts across the city and community. EDI progress and culture change isn't measured in months or years, it takes a long-range strategic effort, consistent long-term staffing and resources, and an organization & community-wide effort. EDI changes are not easy or short term. It is everyone's job to learn, participate and do better. This effort must have a leader "with appropriate support, resources, and decision -making power". The city also chose not to make the EDI Taskforce a permanent city commission or structure (another report recommendation). We have not made a realistic commitment to EDI. These actions may result in a lack of trust, commitment and do a lot of damage to community relations and reputation. Defunding EDI may also sabotage economic vitality, affordable housing, and sustainability. We have so much work to do and this will cripple future efforts. It definitely doesn't pass the headline test -would we want to see the Daily Camera headline, " Louisville cuts EDI program after 18 months" ?

2.

**Multiple cuts to the Sustainability Program Budget Priority:**

- Cutting the Sustainability Action Plan \$200K one-time. How is this sustainable or practical for planning for and meeting our community sustainability goal? If this is one time, what will be cut in 2026?
- Cutting Sustainability Service Expansion \$183K on-going. How will we support our community, meet our goals, and build a sustainability program if it is subject to cuts every year? We can't depend on outside funds if sustainability is not a priority in our own budget.
- Not to mention significant cuts or delays in sustainability CIP projects...

3.

**Valuing Staff as a Core Value - Eliminating market/merit adjustments in 2025 for 212 full time staff.**

This action has a powerful potential to result in morale problems for current talented

and hard working staff across all departments. Over time this may have significant impacts on core services due to staff turnover, recruiting and team morale issues. At a minimum, will staff receive a cost of living or inflation based adjustment in 2025? How will this action help staff be able to afford to live and work in Louisville?

4.

**Capital Cuts to the Affordable Housing Budget Priority**

Proposed cuts of \$2M in Affordable Housing capital project budgets before the program has been designed, planned or initiated will stop or significantly slow down any implementation.

5.

**Capital Cuts to the Sustainability - Decarbonization Plan Priority**

Proposed cuts of \$2.2 M in city solar capital project budgets while going forward with roof repairs and replacements on many city buildings is an increased cost for later projects, lost opportunity and significant set back toward meeting our green energy goals.

We must prioritize EDI, Sustainability and Affordable Housing with city staff, policies, ordinances and most importantly our budgets. Do not make cuts in priority programs to balance the request model budget.

All department requests for positions or funding beyond the budget target (e.g 3-4% revenue increase minus salary & benefit and overhead increases) should be mapped to the budget priorities, comprehensive plan and long range plans. Budget actions should be mapped to these same criteria to support decision-making and prioritizing. This mapping would increase transparency, accountability and the accuracy of long-term planning.

Our priorities are clear and crucial to the success of Louisville's economy, environment, and culture. Your budget decisions will define and empower progress in our community for years to come. Thank you.

Sincerely yours,  
Helen Moshak  
Louisville Resident

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