



2018 Workplan, Budget & CIPP Update

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City Council Study Session – March 27, 2017

Purpose

- 2018 work plan and budget process update
- Review City Council prioritized outcomes from 2017 retreat
- Obtain feedback on initial 2018 objectives for the 6 City Council identified priority outcome areas
- Obtain feedback on CIPP process changes City Council requested



Background

January 2017 City Council retreat overview

- 6 priority outcomes identified
- Directed staff to develop objectives that would advance the priority outcomes
- Discussed creating new CIPP funding mechanism



Background

Work plan development since the City Council retreat

- Created stronger linkage between the 2018 work plan and the 2018 budget process – moving closer to ***performance based budgeting***
- Assigned all outcomes, objectives, strategies & tactics, to specific leadership team members



Background

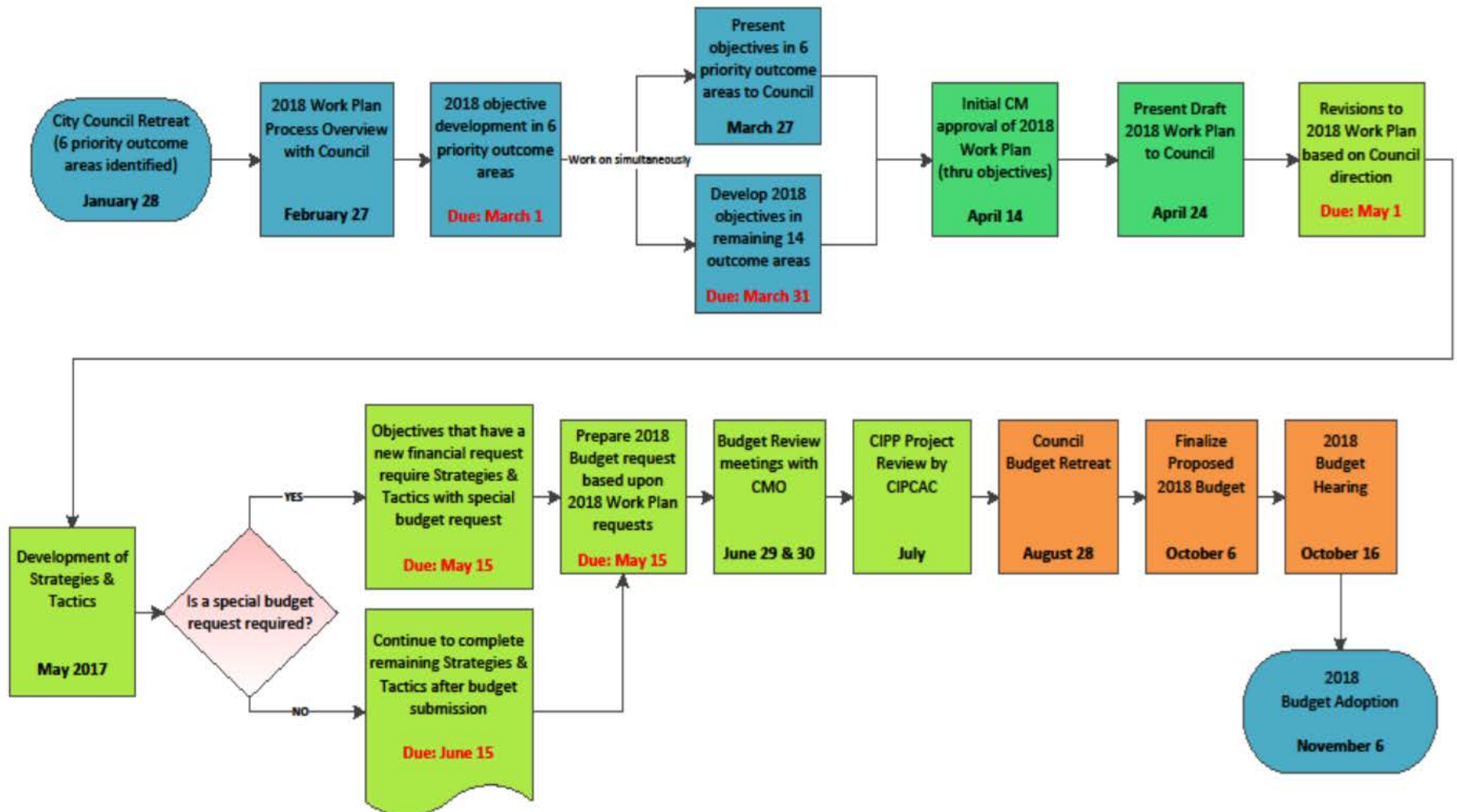
Work plan development since the City Council retreat – cont'd

- Began to collect and assess service level commitments and incorporate operational commitments into the work plan
- Leverage technology to better plan and manage the work prioritized by City Council and increase transparency with citizens



2018 Work Plan and Budget Development Process

2017 Key Dates



Six 2018 Priority Outcomes

- Location of choice for primary employers
- Financial compliance and stability (revenue stability)
- Safe multi-modal travel network
- Sense of historic and cultural significance
- Fair and impartial administration of justice
- Active living and healthy lifestyles for all residents



City Council Feedback

Please assess the following proposed objectives, targeting the advancement of your priority outcomes, and answer:

- Did we hear you correctly?
- Does the proposed objective adequately advance the outcome?
- What suggestions do you have to revise or create new objectives to best meet your expectations?



Location of choice for primary employers

Proposed objectives:

- Increase in the total of number of businesses by 5% by December 31, 2018.
- Increase in the total number of primary jobs by 5% by December 31, 2018.



Financial Compliance and Stability (revenue stability)

Proposed objectives:

- Review and update City fees in 2018.
- Increase the number of companies within industry clusters by 2% by December 31, 2018.
- Present recommendations for new revenue generators by December 31, 2018 (Ex: Seat Tax, Storm Water Utility Fee).
- Maintain or improve credit ratings on all debt issuances annually.
- Sustain audit collections of \$3M annually.



Financial Compliance and Stability (revenue stability)

Proposed Objectives cont'd:

- Provide detailed analytic information with budget to actual data on a monthly basis in 2018.
- Obtain clean 2017 audit opinion by July 31, 2018.
(Financial statements present fairly in all material respects of the government).
- Decrease delinquent tax filings by 10% by December 31, 2018.
- Perform procurement audit by October 31, 2018.
- Implement a policy on funding long term capital maintenance by March 31, 2018.



Safe multi-modal travel network

Proposed objectives:

- Increase the available pedestrian and bicycle network by 2.9 miles by December 31, 2018.
- Maintain existing sidewalk infrastructure to reduce tripping hazards in 10% of the City.
- Complete Commerce City station at Colorado Blvd. and 72nd Avenue by October 31, 2018.
- Open the On Ramp to Pena Blvd. at Tower Road by June 30, 2018.
- Construct a grade separated interchange at 120th Ave. and Hwy 85 by December 31, 2022.



Safe multi-modal travel network

Proposed Objectives cont'd:

- Construct an on ramp from 74th Avenue (SH 224) to eastbound I-76 by October 31, 2023.
- Manage local traffic impacts, as a result of the I-70 Widening project, to no greater than 2016 volumes plus 10%.
- Secure outside funding of at least \$8M by December 31, 2019.
- Conduct 6 Data Driven Approaches to Crime and Traffic Safety (DDACT) initiatives; 1 in each geographic command area, by December 31, 2018.
- Reduce injury traffic crashes by 1% by December 31, 2018.



Sense of historic and cultural significance

Proposed objectives:

- Preserve and protect the city's historic resource through the creation of historic policies by December 31, 2018.
- Increase the city's public art collection by 10% by December 31, 2018.
- Establish a new cultural event within the city by December 31, 2018.



Fair and impartial administration of justice

Proposed objectives:

- Implement and foster a culture of procedural justice for department employees by June 30, 2018.
- Continue implementation of Department of Justice recommendations by December 31, 2019.



Active living and healthy lifestyles for all residents

Proposed objectives:

- Build 6.25 miles of recreational trail by December 31, 2018.
- Increase overall participation in PRG programs and services by 15% by December 31, 2018.
- Complete construction of competitive youth sports fields in the northern range by December 31, 2023.
- Identify collaborative competitive sports opportunities for youth in Commerce City by June 30, 2018.





Capital Improvements & Preservation Plan (CIPP)

Retreat Takeaways

- Priority outcomes guide criteria for evaluating capital projects
- Need to fund “regulatory bucket” of capital projects (signals, etc.)
- Support for “maintain what have” – long-term capital replacement



Retreat Takeaways

- Budget certainty and predictability for projects
- Implement systemic, programmatic approach to plan and manage City's project portfolio
- Engage CIPCAC and staff to provide recommendations for city council consideration



Framework for Five Year Plan

- **Traditional Capital Projects**
 - New parks, recreation amenities, roads, and facilities
 - Variety of funding sources
 - CIPCAC recommends priority, council approves
- **Operational Capital Projects**
 - Signals, bridge replacement, warning towers, sidewalk connections and repairs, drainage/water quality
 - General fund transfer + potential variety of fees
 - Staff recommends priority, council approves
- **Preservation Capital Projects**
 - Long-term asset maintenance/replacement of roads, parks and recreation.
 - Annual set funding (percentage or dollar) amounts to improve budget/project certainty.
 - Similar facilities, fleet, and information technology projects are funded through internal service funds and not part of CIPP, although adopt similar approach.
 - Looking at 2K long-term capital replacement “set-aside”



Operational Capital Projects

- Signals
 - Annual inspection/list
 - Criteria based on safety and volumes
- Bridges
 - Annual inspection
 - Criteria based on safety
- Emergency Towers
 - Determined by estimated population growth
 - Identify # needed every five years
- Studies
 - Strategic plan updates
 - Cyclical process
- Sidewalk Connectivity
 - Project list from Walk.Bike.Fit plan
 - Criteria based on ADA compliance and gaps in service/last mile
- Concrete Flatwork Repairs
 - Identified curb, sidewalk and flatwork needs
- Drainage/Water Quality
 - Criteria based on safety, preservation, and development
- Minor Operational Enhancements
 - Turn lanes, additional shade structures



Operational Capital Projects

- Proposed funding
 - Annual percentage-based general fund transfer
 - Could apply associated impact fees, drainage funds, and CDBG funds
- Create a rolling project list of operational needs and desired timeframes
- List is prioritized by staff based on regulatory framework (safety, volume, population growth, best practices)
- City Council approves projects based on staff recommendation





CIPP Background Information

Definitions, Funding Sources, and History

CIPP Definitions

- A capital improvement project will add value or extend the life of a capital asset. Capital improvement projects, which may include capital construction and capital maintenance projects, for the purposes of this program, are defined as “non-recurring major projects.”
- Generally, projects include building improvements and any public infrastructure improvements costing \$50,000 or more.



CIPP Definitions

- Does not include vehicles and equipment acquired and funded through the Fleet Management Internal Service Fund or the routine acquisition of computers, related equipment, or software applications, funded through the Information Technology Internal Service Fund.
- Facility capital projects in excess of \$50,000 funded through the Facility Services Internal Services Fund and the Information Technology Internal Service Fund shall be treated as Capital Expenditures in a “Special Fund” under Section 12.10 “Lapse of Appropriation” provisions of the City Charter, without having to be budgeted within the Capital Improvement and Preservation Plan Fund.
- Capital projects and fixed assets costing between \$5,000 and \$50,000 continue to be budgeted under the department’s capital outlay.



CIPP Funding Sources

- General Fund
- Highway Users Tax
- Motor Vehicle Registration
- Solid Waste
- AdCo Open Space
- Lottery
- Park Impact Fee
- AdCo Road & Bridge
- Road Impact Fee
- Drainage Basin
- Fleet Retained Earnings
- IT Retained Earnings
- All GIDs (future)
- Airport revenue (future)
- CDBG (future)
- Certificates of Participation (future)
- Bonding (future)



History of Five Year CIPP

- Idea generated during 2015 Council Retreat
- Sustainable way to implement needed investments
- Established project evaluation criteria in 2015
- Approved 2016 CIPP plan, additional project funding discussed during 2016 winter retreat



2016 Adopted Five Year CIPP Philosophy

- Existing, significant commitments 2016, 2017 and 2018
- Focus on project management and completion of existing projects
- Focus on maintaining service levels and existing commitments
 - ♦ represents existing commitments
 - ★ represents 2017 identified council priorities
- Desire to use CIPCAC to formulate 2018-2022 plan; question of how process could that work

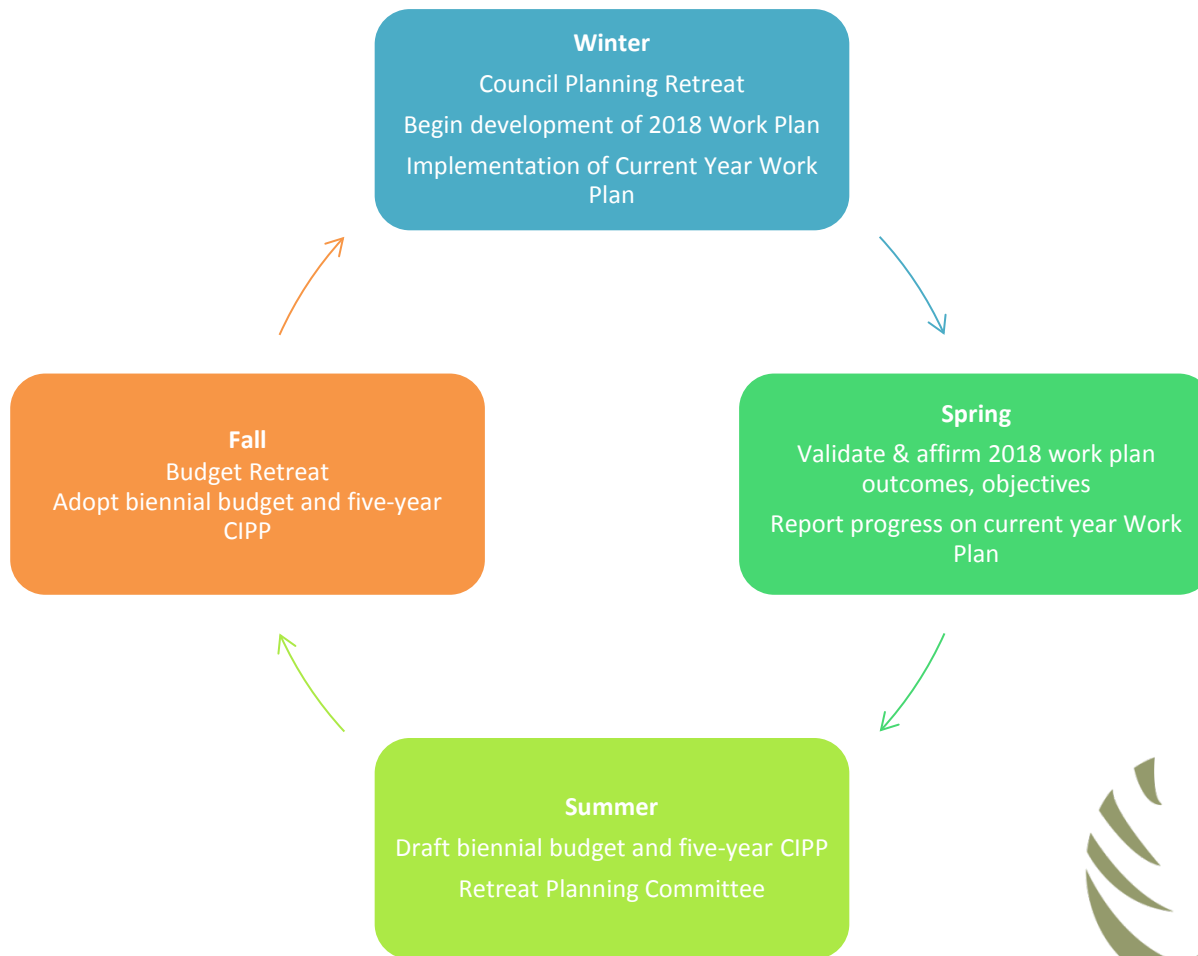


2016 Adopted Five Year CIPP Philosophy

- Adopt a more conservative approach to funding CIPP projects
- Establish a policy on how best to fund long-term capital maintenance needs
- Implementing financial controls consistent with project management phases/gates approach

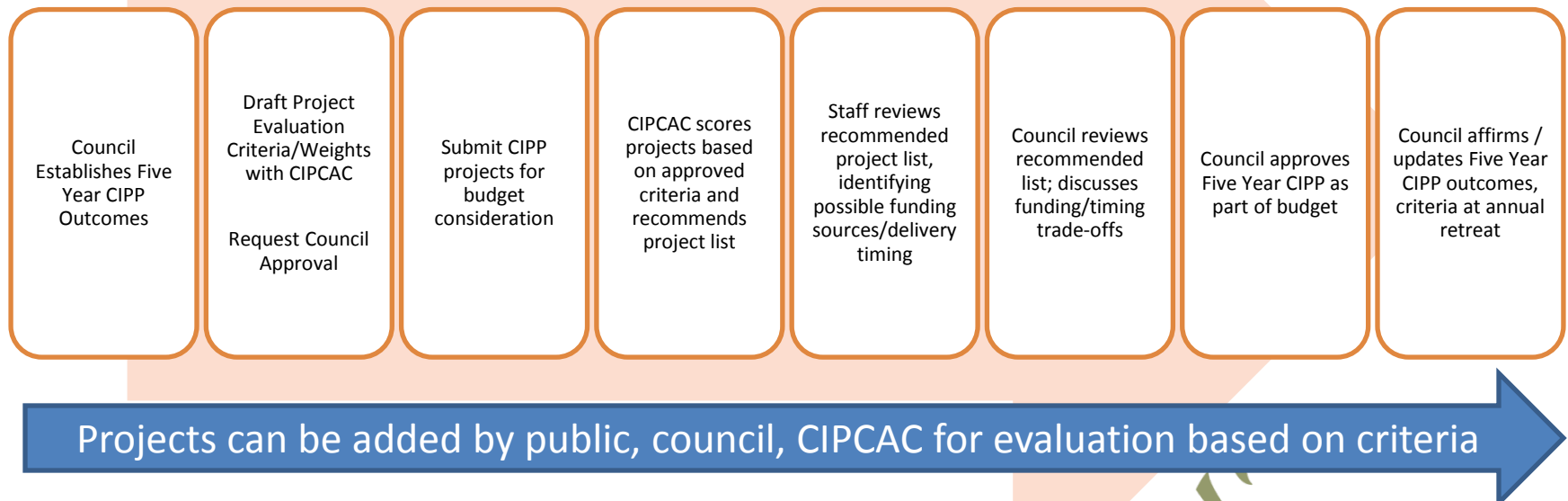


Strategic Planning Cycle

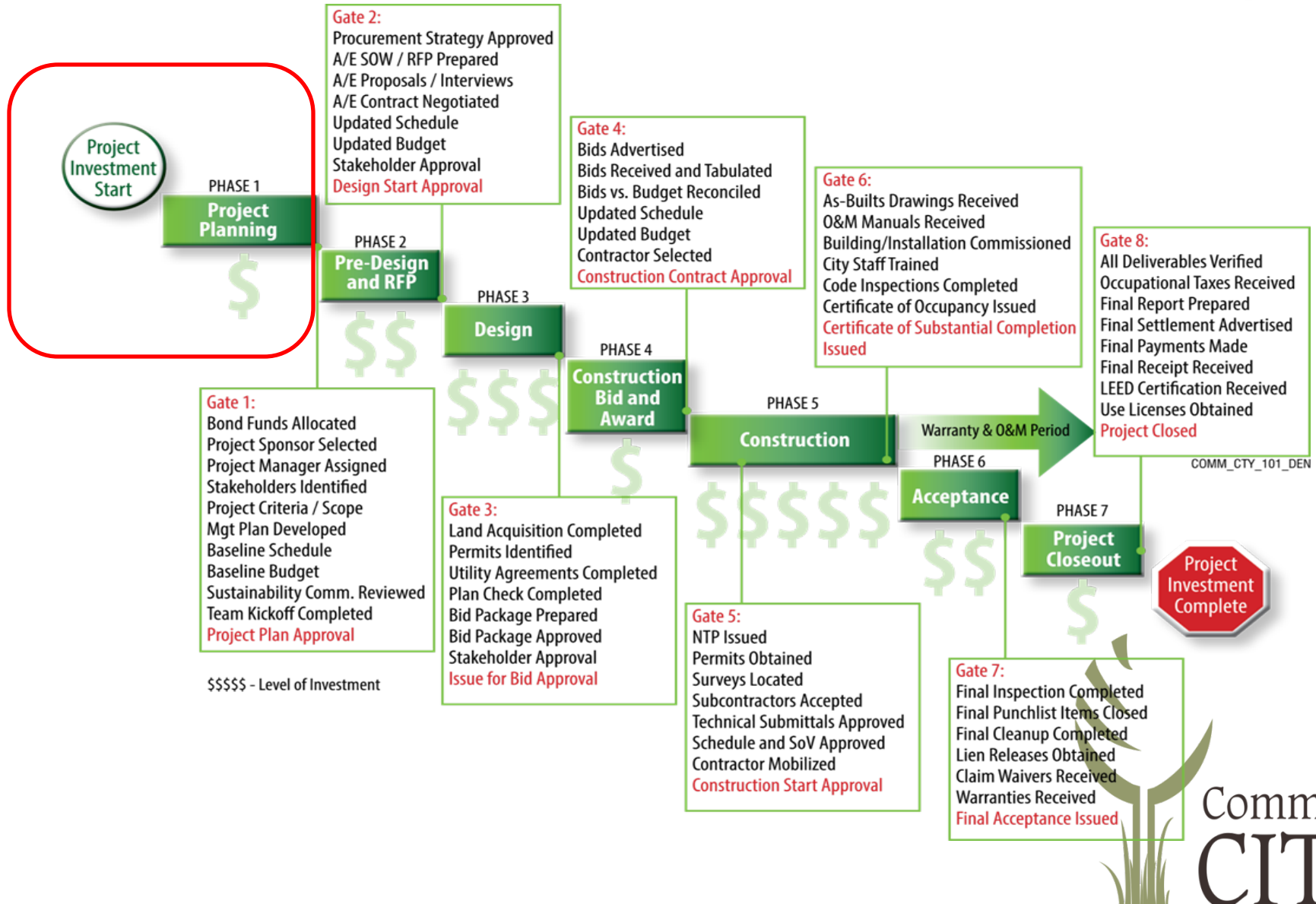


Proposed Five-Year Planning Process

Shared at city council 2017 retreat



Project Management Approach



Questions?

