



# 2K Facility Operations & Maintenance Funding Policy Discussion

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Presentation 17-129  
April 24, 2017

# 2k Financial Overview

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- Funding
- Cost
- Accounting
- City Council Policy related to funding





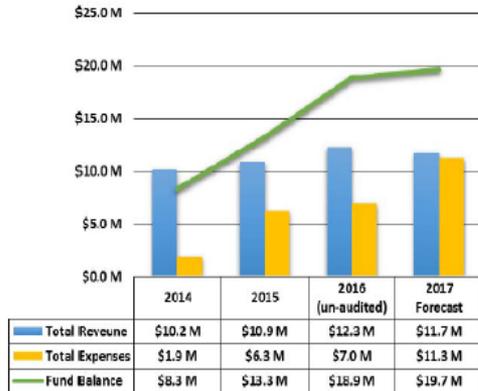
# City of Commerce City

## 2K Bond Program

### Monthly Executive Summary – March 2017



#### 2K Revenue and Expenses



#### Bond Proceeds

Total Bond Limit: \$166,000,000  
 First Bond Issuance - 2014: \$78,000,000  
 Second Bond Issuance - 2016: \$66,000,000  
 Total Bond Funding: \$144,000,000  
 Other Funding: \$2,285,958  
 Expenditures to Date: \$52,443,048

#### 2017 Gross Revenue



#### Project Budgets, Commitments and Expenditures

Projects	2K Budget	Other Funds	Total Budget	Committed	% Commit	Expended	% Exp
<b>*Program Level Budgets</b>	6,387,470		6,387,469		0.00%		0.00%
<b>*New Recreation Center</b>							
*New Recreation Center	45,327,651		45,327,651	38,082,627	84.02%	8,688,822	19.17%
*Site & Roadway Infrastructure	19,947,983	1,267,677	21,215,660	18,905,876	89.11%	10,407,538	49.06%
<b>*Existing Recreation Center Expansion</b>	10,000,000		10,000,000	1,113,785	11.14%	231,435	2.31%
*Outdoor Pool at Pioneer Park	8,804,799	518,281	9,323,080	9,323,080	100.00%	9,143,657	98.08%
<b>*3 New Neighborhood Parks</b>							
*Fronterra Neighborhood Park	3,414,016	200,000	3,614,016	3,614,016	100.00%	3,578,527	99.02%
*Turnberry Neighborhood Park	2,326,949	150,000	2,476,949	2,476,949	100.00%	2,466,273	99.57%
*Villages East Neighborhood Park	2,287,043	150,000	2,437,043	2,374,091	97.42%	2,296,813	94.25%
<b>*Tower Road Widening</b>	45,504,089		45,504,089	32,009,688	70.34%	15,629,982	34.35%
<b>Total</b>	<b>144,000,000</b>	<b>2,285,958</b>	<b>146,285,957</b>	<b>107,900,112</b>	<b>73.76%</b>	<b>52,443,048</b>	<b>35.85%</b>

#### Project Status

Project Name	Planning	Pre-Design & RFP	Design	Const. Bid & Award	Construction	Acceptance	Closeout
New Rec Center Site & Roadway Infrastructure							
New Recreation Center							
Existing Recreation Center Expansion							
Outdoor Pool at Pioneer Park						★	
Fronterra Neighborhood Park						★	
Turnberry Neighborhood Park						★	
Villages at Buffalo Run East Neighborhood Park						★	
Tower Road Widening							

Phase completed   
  Phase in progress   
  Phase started this month   
 ★ Open for community use

#### Project Phase Highlights

##### Outdoor Pool at Pioneer Park

✓ Complete

##### 3 New Neighborhood Parks

Fronterra Park

✓ Complete

Turnberry Park

✓ Complete

Villages at Buffalo Run East Park

✓ Complete

##### Existing Recreation Center Expansion

• Completed Conceptual Design

• Received CM/GC Proposals

##### New Recreation Center & Infrastructure

• Infrastructure Roadway and Utility work continues

• Completed tilt walls and continued masonry walls

• Started erecting steel structure

##### Tower Road Widening

• Segment 1 – Continued underground utility installation and started road base

• Segment 2 – Reopened segment to traffic, continued Intersection work at 96<sup>th</sup> Ave.

• Segment 3 – completed lane shift to begin widening

# Assumptions

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- Accounting-financial policy
- Staffing model
- Fees
- Programs/Services



# 2k O&M Policy

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- Original policy was presented at the budget retreat in 2015
  - Internal service funds (Fleet, Facilities, IT)
  - Utilities
  - Street traffic maintenance
  - Parks maintenance
  - Recreation programs
  - Support costs



# What we learned

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- Challenge in accounting for 2K expenses
- Support costs (indirect expenses) were not defined
- Long term repair/replacement was not addressed



# 2K O&M Policy – Recommendations

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- Indirect costs
- Long term capital repair/replacement
- Less onerous on staff/accounting
- Review and amend policy after one year of additional 2K projects completion



# Policy Application

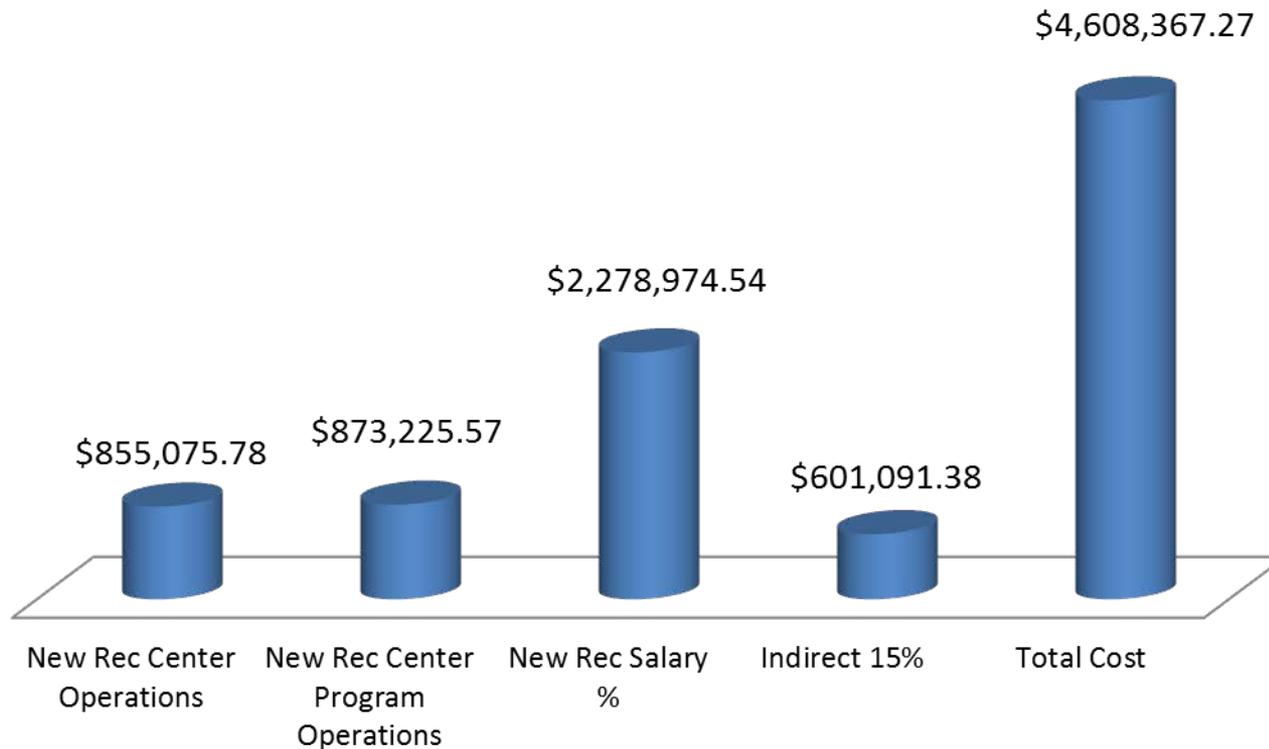
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- New recreation center cost
- Indirect cost
- Total
- Implication



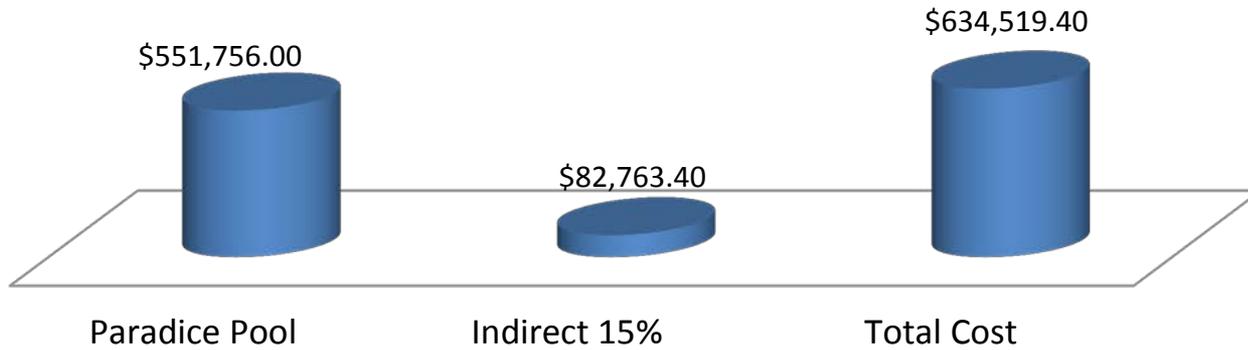
# New Rec Center Estimated Operating Cost

New Rec Center Est. Cost

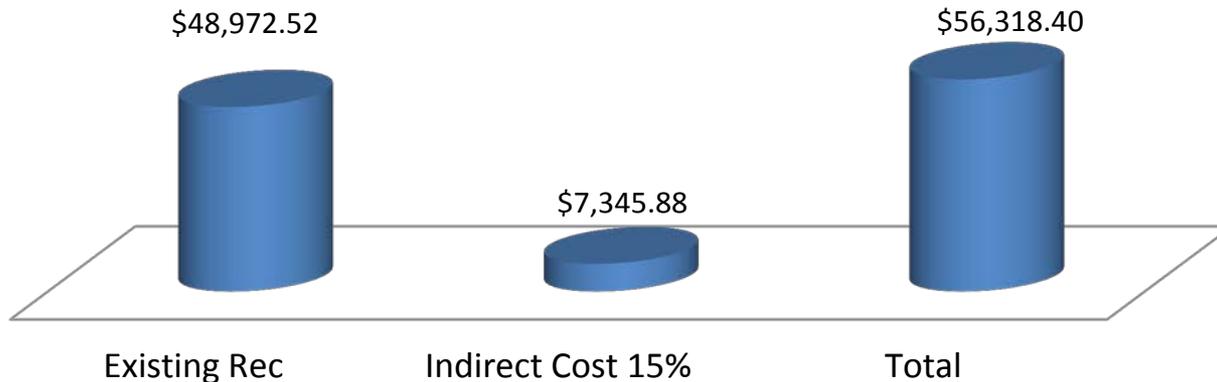


# Paradice Pool & Existing Rec Center Estimated Operating Cost

## Paradice Pool Estimated Cost



## Existing Rec



# Policy Application

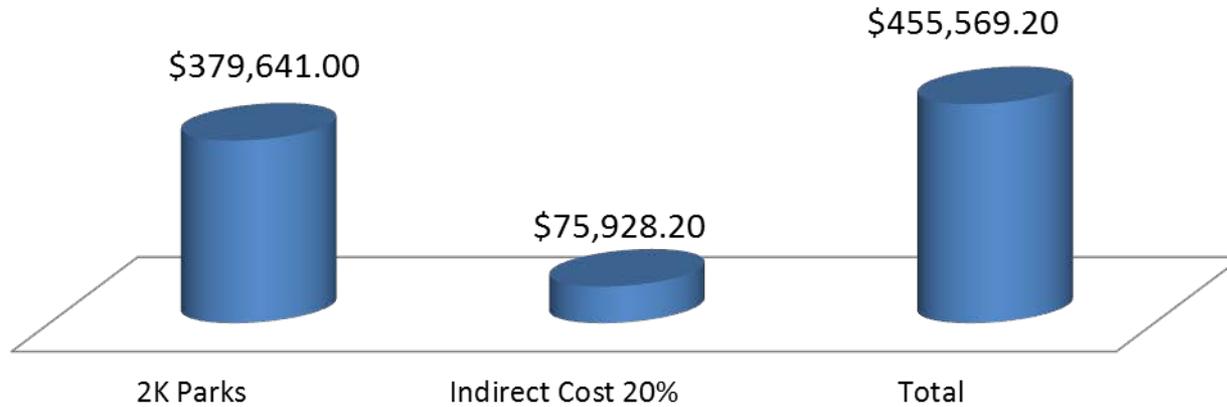
2k Direct		2018
New Rec Center Operations	\$	855,076
New Rec Center Program Operations	\$	873,226
Rec Salary %	\$	2,278,974
Paradise Pool	\$	551,756
Existing Rec	\$	48,973
<b>Total</b>	<b>\$</b>	<b>4,559,031</b>
Indirect Cost 15%	\$	683,855



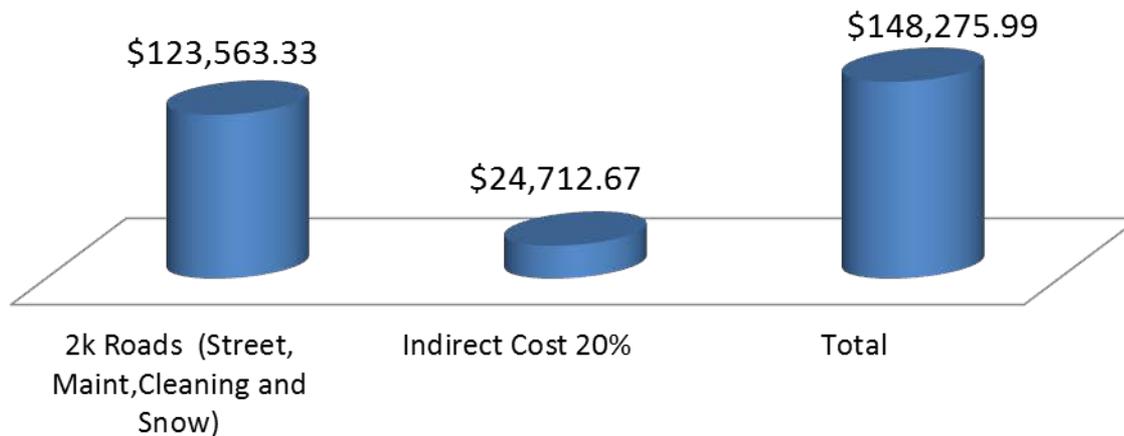
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# 2k Parks and 2K Roads Estimated Operating Cost

## 2K Parks Estimated Cost



## 2k Roads Estimated Cost



# Policy Application

2k Direct		2018
2K Parks	\$	379,641
2k Roads (Street, Maint,Cleaning and Snow)	\$	123,563
Total	\$	503,204.33
indirect Cost 20%	\$	100,640.87



# 2k Policy Application Total Cost

2k Direct		2018
New Rec Center Operations	\$	855,076
New Rec Center Program Operations	\$	873,226
Rec Salary %	\$	2,278,974
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<b>Total</b>	<b>\$</b>	<b>4,559,031</b>
Indirect Cost 15%	\$	683,855
2K Parks	\$	379,641
2k Roads (Street, Maint,Cleaning and Snow)	\$	123,563
<b>Total</b>	<b>\$</b>	<b>503,204.33</b>
indirect Cost 20%	\$	100,640.87
<b>Total</b>	<b>\$</b>	<b>5,846,731</b>
<b>Total Indirect</b>	<b>\$</b>	<b>784,495.57</b>
Tranche 1 Annual Payments (\$78 M)	\$	4,534,988
Tranche 2 Annual Payments (\$66 M)	\$	2,670,900
Program Management	\$	1,288,194
<b>Total 2K cost</b>	<b>\$</b>	<b>14,340,813</b>
2k Revenue		
Anticipated 1% Tax revenue	\$	12,500,000
Outdoor Pool Revenue	\$	300,000
New Rec Center Revenue	\$	910,919
<b>Total Revenue</b>	<b>\$</b>	<b>13,710,919</b>
<b>Annual Fund Balance</b>	<b>\$</b>	<b>(629,894.08)</b>



# Looking Forward

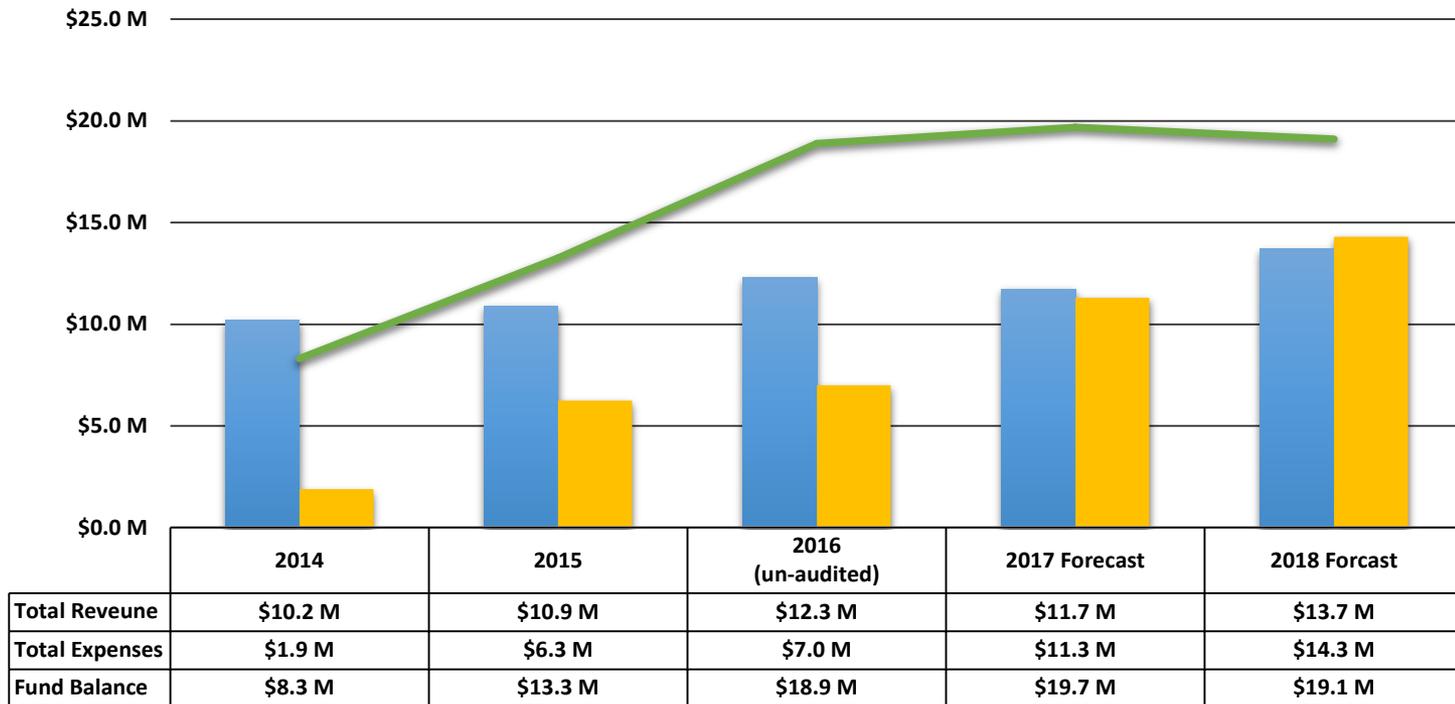
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- Fund balance
- Risk
  - Debt limit/debt service payments
  - Actual costs vs. estimated costs in model
  - Impact of future policy direction
  - Existing 2K program not complete



# 2K Fund Balance

## 2K Revenue and Expenses



# Next Steps

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- Feedback on 2K policy recommendation
- Future presentation to discuss programs, services & fees (new rec center)
  - Future decisions could impact the financial model
- Final policy will be brought to council for adoption at regular Council meeting in 2017





# Questions

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