



2K Facility Operations & Maintenance Funding Policy Discussion

Presentation 17-129
April 24, 2017

2k Financial Overview

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



Commerce
CITY

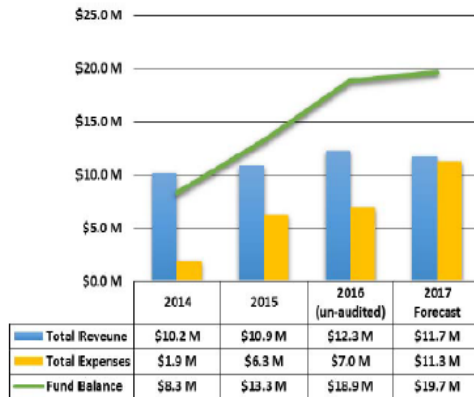


City of Commerce City

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
Program Level Budgets	6,387,470		6,387,469		0.00%		0.00%
New Recreation Center							
•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%
*Existing Recreation Center Expansion	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%
3 New Neighborhood Parks							
*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%
*Tower Road Widening	45,504,089		45,504,089	32,009,688	70.34%	15,629,982	34.35%
Total	144,000,000	2,285,958	146,285,957	107,900,112	73.76%	52,443,048	35.85%

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 96th Ave.
- Segment 3 – completed lane shift to begin widening

Assumptions

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



Commerce
CITY

2k O&M Policy

- 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

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



Commerce
CITY

2K O&M Policy – Recommendations

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



Commerce
CITY

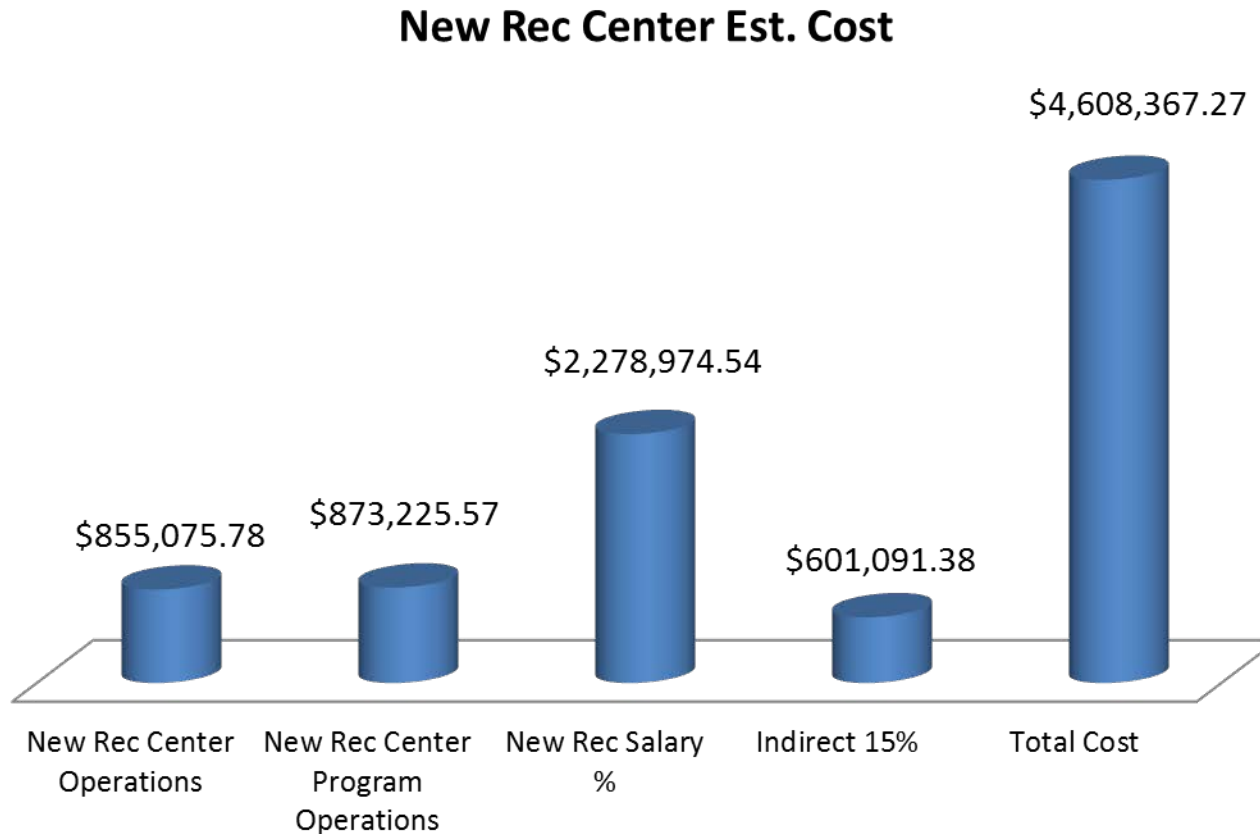
Policy Application

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



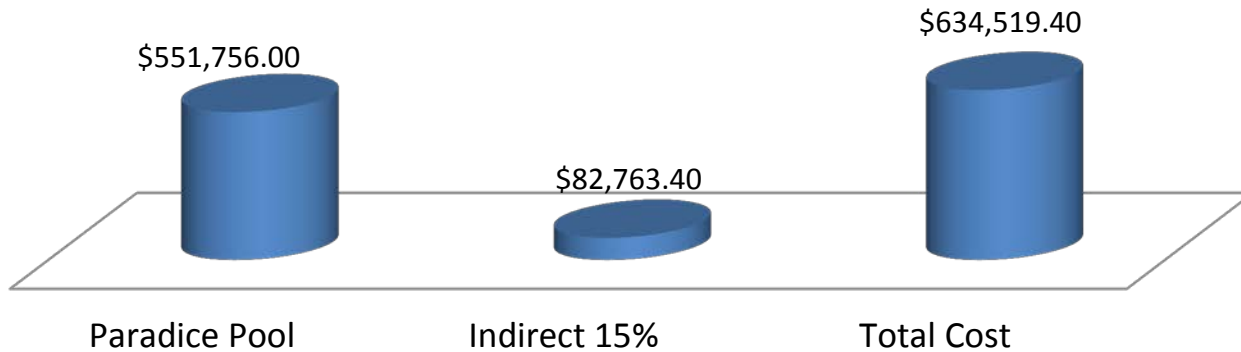
Commerce
CITY

New Rec Center Estimated Operating Cost

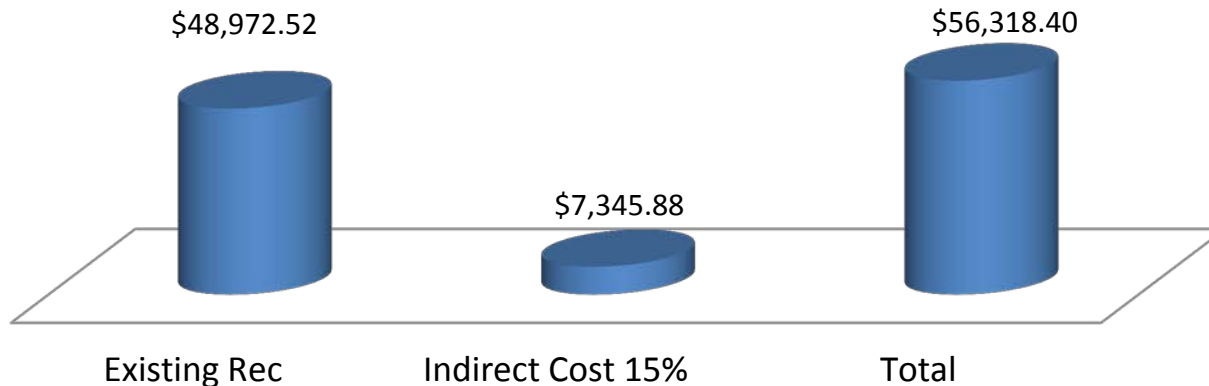


Paradice Pool & Existing Rec Center Estimated Operating Cost

Paradice Pool Estimated Cost



Existing Rec



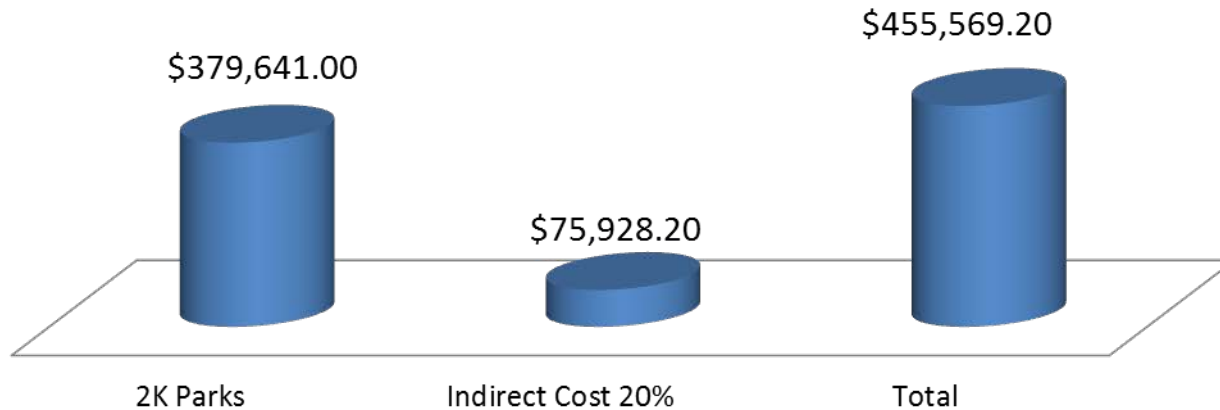
Policy Application

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
Total	\$ 4,559,031
Indirect Cost 15%	\$ 683,855

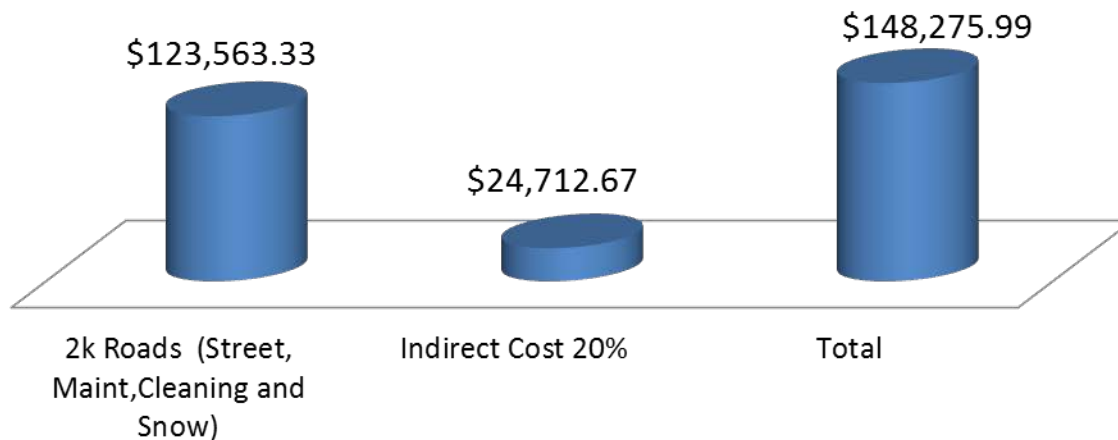


2k Parks and 2K Roads Estimated Operating Cost

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
Paradice Pool	\$ 551,756
Existing Rec	\$ 48,973
Total	\$ 4,559,031
Indirect Cost 15%	\$ 683,855
2K Parks	\$ 379,641
2k Roads (Street, Maint,Cleaning and Snow)	\$ 123,563
Total	\$ 503,204.33
indirect Cost 20%	\$ 100,640.87
Total	\$ 5,846,731
Total Indirect	\$ 784,495.57
Tranche 1 Annual Payments (\$78 M)	\$ 4,534,988
Tranche 2 Annual Payments (\$66 M)	\$ 2,670,900
Program Management	\$ 1,288,194
Total 2K cost	\$ 14,340,813
2k Revenue	
Anticipated 1% Tax revenue	\$ 12,500,000
Outdoor Pool Revenue	\$ 300,000
New Rec Center Revenue	\$ 910,919
Total Revenue	\$ 13,710,919
Annual Fund Balance	\$ (629,894.08)

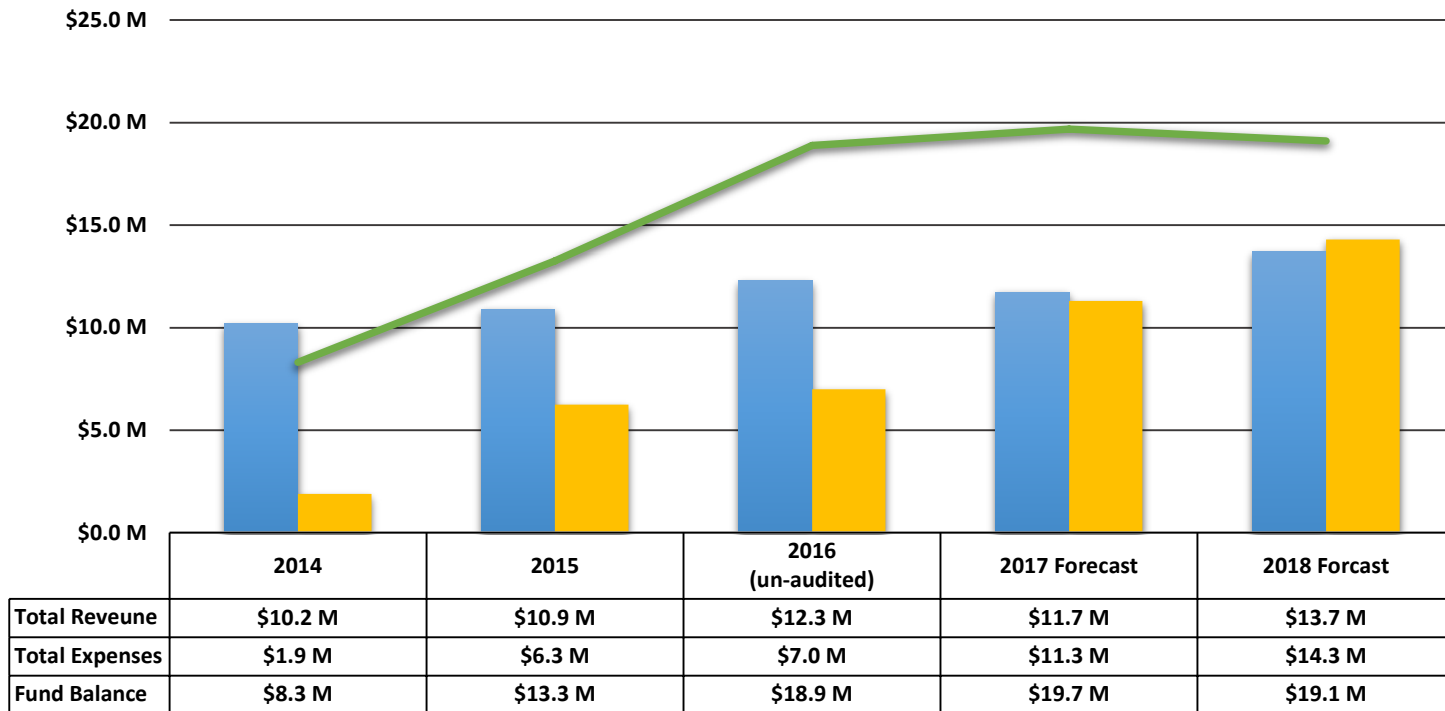
Looking Forward

- 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

- 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

A horizontal dotted line in a dark teal color spans across the page. It features two solid dark teal dots: one positioned near the end of the first line segment and another positioned near the start of the second line segment.