



City of Arvada

City Council Agenda

SEPTEMBER 25, 2023
WORKSHOPS

Councilmembers:

Marc Williams, Mayor
David Jones, Mayor Pro-Tem
Lisa Feret, At large
Bob Fifer, At large
John Marriott, District 3
Randy Moorman, District 1
Lauren Simpson, District 2

Staff Members Usually Present:

Lorie Gillis, City Manager
Linda Haley, Deputy City Manager
Don Wick, Deputy City Manager
Rachel Morris, City Attorney
Jacqueline Rhoades, Director of Public Works
Sharon Israel, Director of Utilities
Jessica Garner, Director of Community & Econ. Dev.
Bryan Archer, Director of Finance
Gabriella Bommer, Director of Human Resources
Rachael Kuroiwa, Director of Communications & Engagement
Kristen Rush, City Clerk

Info: 720-898-7550

CITY COUNCIL CHAMBERS

6:00 PM

1. Call to Order/Roll Call of Councilmembers
2. Workshops
 - A. Bond Project Updates
 - B. 2023-2024 Proposed Revised City Manager's Budget Presentation
 - C. Staff Updates
3. Adjournment



REPORT TO CITY COUNCIL WORKSHOP

AGENDA ITEM
2.A.

TO: THE HONORABLE CITY COUNCIL

DATE: September 25, 2023

SUBJECT: Bond Project Updates

Report in Brief

The Public Works engineering team will provide the City Council with an update on the bond projects for streets and utilities. There are two street projects. The first project is Ralston Road Phase 2 (Yukon Street to Garrison Street). The second project is W. 72nd Avenue (Swadley Court to Kipling Street). The W. 72nd Avenue project also includes the construction of an underpass for the Union Pacific Railroad. The utility bonds were issued in December 2022 and an update for each fund will be presented.

Background

November 2018, voters passed ballot issue 3F, which approved funding for the rebuilding and widening of Ralston Road from Yukon Street to Garrison Street. The bond initiative also approved the widening of W. 72nd Avenue from Swadley Court to Kipling Street, and for the construction of an underpass for the Union Pacific Railroad.

The 2018 bond initiative also requires a citizen's bond oversight committee. Beginning in the third quarter of 2019, City team members meet quarterly with the citizens' bond oversight committee. The City engineering team provides information to the committee regarding funding related to the project, project schedules, and communication with the residents and businesses along the project corridors. The citizens' bond oversight committee also participates in public meetings, open houses, and project tours.

Through Council workshops, the City team will continue to report to the City Council on a quarterly basis regarding the status of the bond projects. Reports summarizing progress on the bond projects have been presented to the City Council during the following previous workshops:

November 25, 2019
September 28, 2020
April 26, 2021
August 23, 2021
December 13, 2021
April 25, 2022
August 8, 2022
March 13, 2023
June 12, 2023

Construction has progressed with completion of the utility removals, relocations, and installations and significant city utility and roadway construction for both projects. Roadway work has advanced on the Ralston Road project and the W. 72nd Avenue project is well into work on construction package (CP) 2 that was recently amended by the Council with R23-077 on August 21, 2023.

In December 2022, two utilities bonds were issued, one each for water and wastewater enterprise funds. We will provide an update for these bonds. Reports summarizing progress on the bond projects have been presented to the City Council during the following previous workshops:

March 13, 2023

June 12, 2023

Strategic Alignment

Presentation of an update on the bond projects aligns with the Infrastructure Priority Area of the City Council Strategic Plan. Completion of the projects aligns with:

Strategic Result 3: By 12/23 update water, sewer, stormwater master plans and develop an implementation plan to address all findings. The bond issuance provides funding for implementation of some of the master plan findings.

Strategic Result 5: By 12/25 effectively utilize voter approved bond funds for the completion of Ralston Road phase 2 and the expansion of W. 72nd Avenue.

Next Steps

Receive feedback from the City Council and schedule the next quarterly workshop in order to provide bond project updates.

Prepared by:

Richard Thomas, Civil Engineer III

Reviewed by:

Approved by:

Jenny Wolfschlag, City Engineer	8/25/2023
Jacqueline Rhoades, Public Works Director	8/30/2023
Bryan Archer, Director of Finance	9/5/2023
Tammy Hedlund, Legal Specialist	9/6/2023
Kelsy Sargent, Assistant City Attorney	9/6/2023
Don Wick, Deputy City Manager	9/7/2023
Rachel Morris, City Attorney	9/7/2023
Don Wick, Deputy City Manager	9/7/2023
Lorie Gillis, City Manager	9/7/2023

Enclosure, exhibits & attachments required to support the report



Bond Projects Update

September 25, 2023

Tonight's Agenda

- **Transportation Projects**
 - **Ralston Rd**
 - **72nd Ave**
- **Utilities Projects**
 - **Water**
 - **Wastewater**



Transportation Projects Agenda

- **ROW**
- **Budget**
- **Construction Phasing**
- **Schedule**
- **Challenges and Risks**
- **Community Outreach**



Ralston Road Ph 2 - ROW Acquisition

- **Right OF Way (ROW):** All the ROW requirements Needed for this project are complete
- **Temporary Construction Easement (TCE)** All the TCE extension agreements are also completed

Completed

Closed all 49 parcels,
Amount spent on ROW and
its services is
\$5.22M (120%)

Ralston Road Ph 2 - Budget & Expenditure

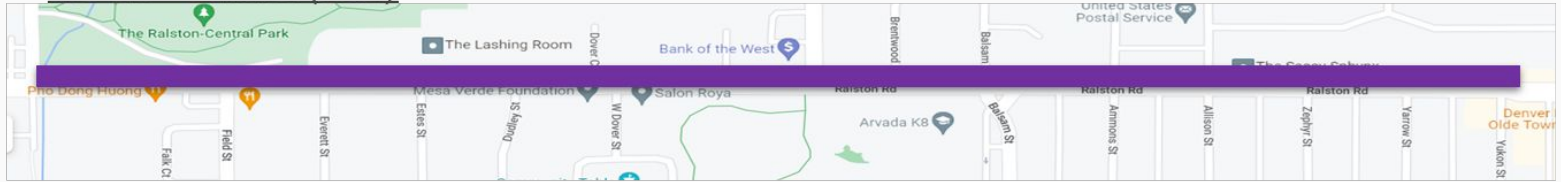
SOURCES	Initial Budget & Costs	Current Expected Budget & Costs
1. Bond Funding	\$ 15,300,000	\$15,300,000
2. Additional City Funding	\$0	\$3,493,574
3. AURA Funding (Streetscape)	\$3,500,000	\$3,500,000
TOTAL	\$18,800,000	\$ 22,293,574
USES		
A. Design	\$852,407	\$2,133,532
B. Right-of-Way	\$4,190,034	\$5,212,790
C. Construction - Hamon Infrastructure, Inc.	\$12,274,000	*\$12,800,000
D. Construction - Street Lights & Testing	\$0	\$193,769
E. Miscellaneous (includes Contingency)	\$1,483,559	\$2,115,270
TOTAL	\$18,800,000	\$ *22,455,361
Additional Bond Funding (to Cover the Gap)	\$5,000,000	
*Two Change Orders are in negotiation for additional scope of work and additional time		



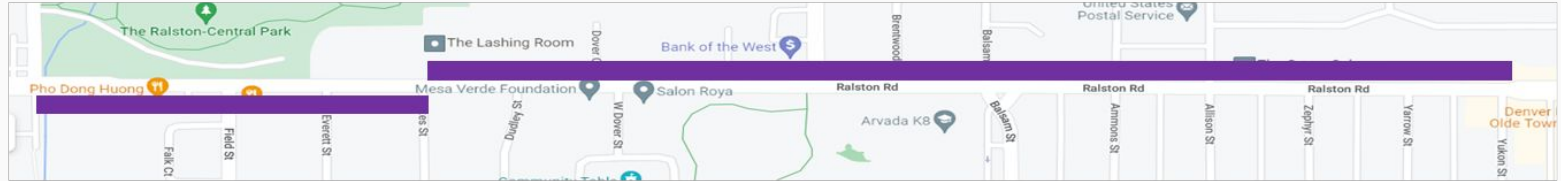
Ralston Road Ph 2 - Construction Phasing



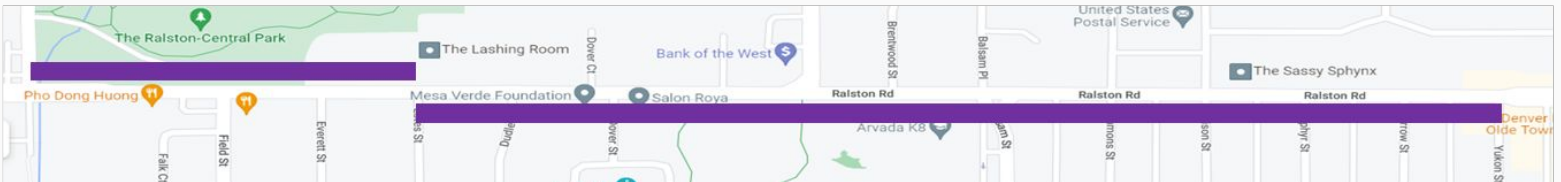
NTP #1 - Utilities (99%)



NTP #2 - Estes to Yukon north widening & Garrison to Estes south widening (95% complete)



NTP #3 - Garrison to Estes north widening & Estes to Yukon south widening (75% Complete)



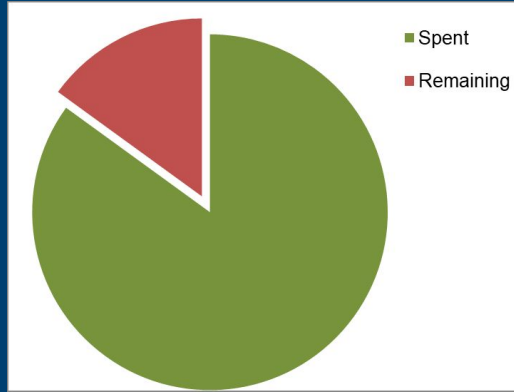
Ralston Road Ph 2 - Status & Schedule

PROJECT BUDGET

BUDGET : \$22,455,361

SPENT: \$18,900,866

PERCENT SPENT:
84%

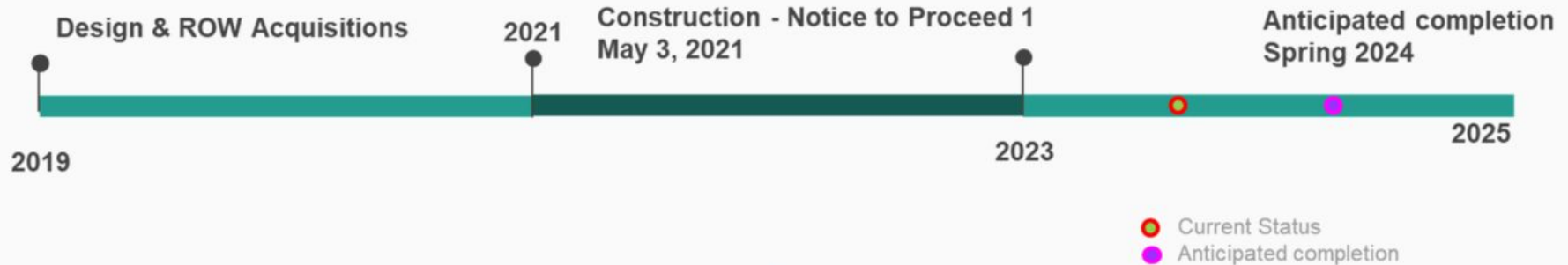
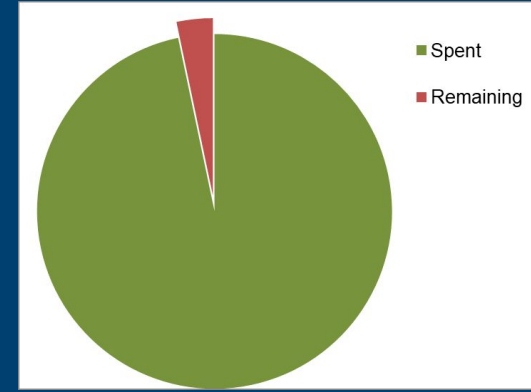


CONSTRUCTION BUDGET

BUDGET : \$12,800,950

SPENT: \$12,379,645

PERCENT SPENT:
96.7%



Ralston Road Ph 2 - Completed Activities

Completed:

- Installed storm sewer - north side (99%), south side (90%)
- Bottom two lifts paving on North Side (from Garrison to Carr St) and south side (from Carr to east of Balsam St) before school opens for fall session
- Improvements in TCE are completed on Northside from Garrison to Estes
- Storm sewer and water meter work on south side from west of Balsam St to Zephyr st- completed
- Curb and Gutter and sidewalk work on south side between Carr st to Balsam is complete
- Lumin8 work- Pedestrian light bases and its installation on south side from Estes to Balsam is complete.



**Balsam and Ralston Rd intersection
with new pavement**

Additional Scope of Work (Soft Soil at Central Park)



Paving on north side (in front of central park)



Ralston Road Ph 2 - Current & Upcoming Activities

Current and Upcoming:

- Road base preparation on southside
- Bad concrete work removal and replacement
- Sidewalk, and curb and gutter construction on south side
- Traffic Shift to outside lanes and Median Work
- Asphalt Concrete bottom two lifts paving from Balsam to Yukon - 3rd week of september
- Storm sewer work on south side at Yukon st (Final section)
- Landscaping work



Ralston Road Ph 2

Additional Scope of Work

1. Contaminated soil excavation and hauling (north side)
2. Additional stormwater work on southside
3. Unsuitable material on North side near central park



Ralston Road Ph 2 - Challenges and Risks



PRIVATE UTILITIES

Delays on underground gas line conflict relocations



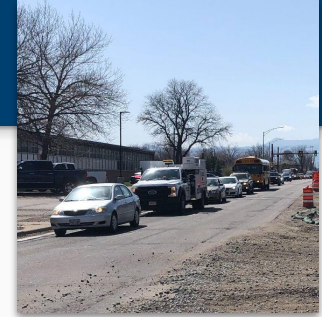
CONTAMINATED SOIL, STORMWATER WORK

Contaminated soil hauling,
Additional scope on
Stormwater and soft soil
stabilization on north side



DEVELOPMENT WORK

- Development 1 *Ralston Gardens* (5721) - Ongoing
- Development 2 *Ralston Court* (8707) 49 Units
- Development 3 *Emerson at Olde Town* (8591) 24 Units



PUBLIC IMPACTS AND ROAD CLOSURES

- Construction duration extension (Spring 2024)
- Business impacts
- Business signage
- Traffic re-routing
- Weather conditions

Ralston Road Ph 2 - Community Outreach

Businesses Owners, Residents and School Communication



- Public Outreach Officer
- Construction Project Manager



- Communications Manager
- Project Manager
- Legal Department

Ralston Road Ph 2 Project Completion

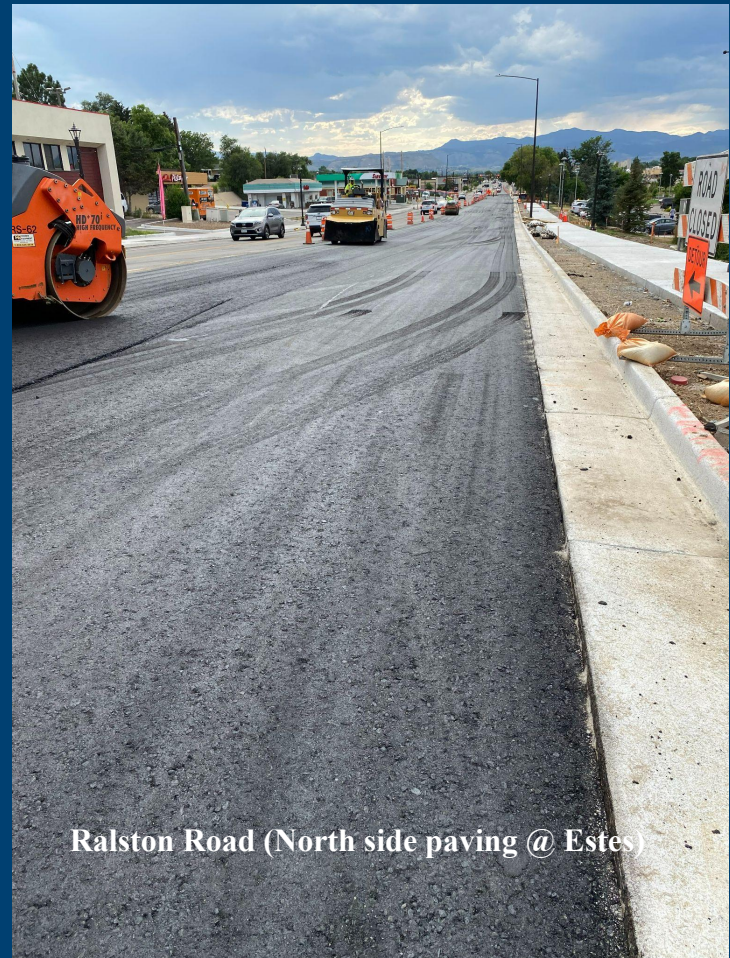
**Original Completion
May 2023**

**Anticipated Completion
Spring 2024**

Ralston Road Phase 2 Questions?



Ralston Road (Newly paved bottom 2 lifts on
south side @Field St)



Ralston Road (North side paving @ Estes)

W. 72nd Ave - ROW Acquisition

- Final parcel closed Aug 2023!!!!
- Temp easement extensions (19) - Six months
 - Easements expire Oct 2023
- Two temp easements to renegotiate before CP3

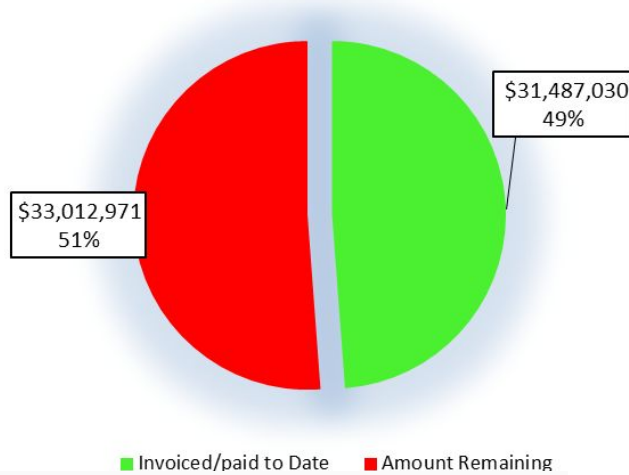
Closed

Closed 72 parcels
Amount spent on ROW \$5.8M (105%)

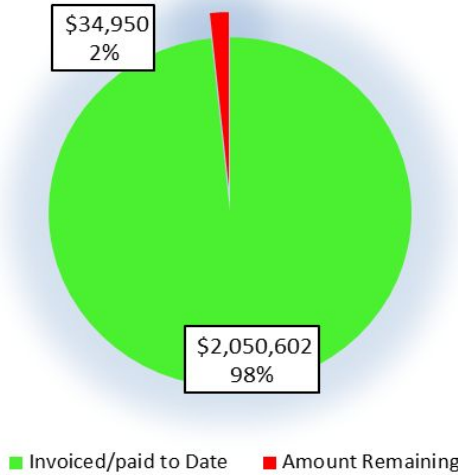


W. 72nd Ave - Budget

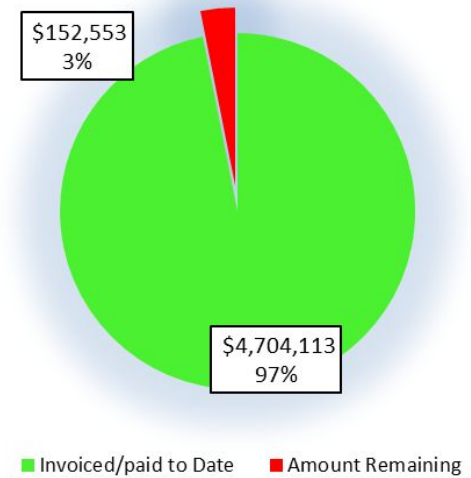
Total Budget



Owner's Rep



Design



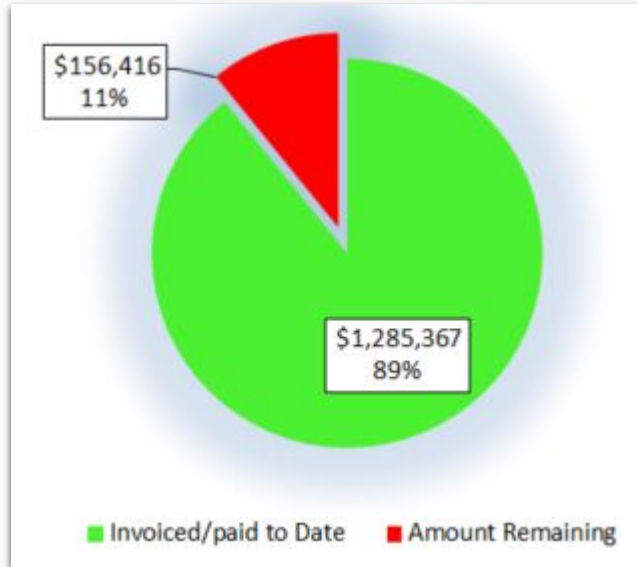
Expected to exceed budget
Additional bond debt issued in June
2023 (\$7.23M)

Processing Change Order Now
\$528,967

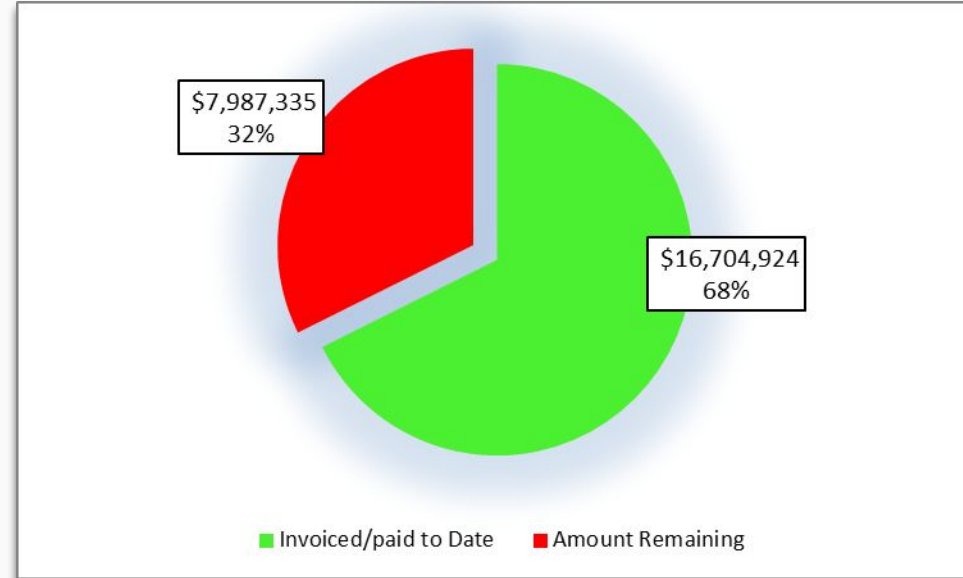
No Change Order is Expected
Need to extend contract dates

W. 72nd Ave - Construction Budget

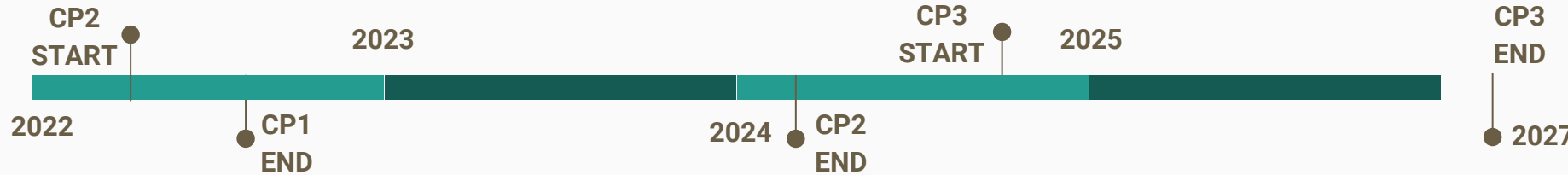
Construction Package #1



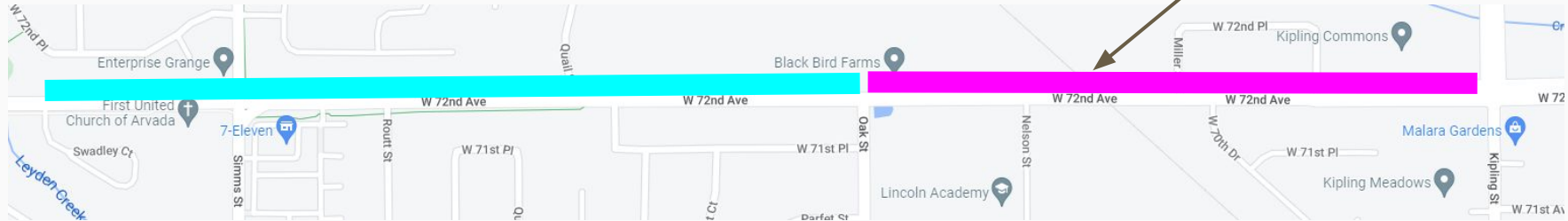
**Construction Package #2
(Includes CP3 to CP2 Change Order)**



W. 72nd Ave - Construction Phasing



- Construction Package #2 - Swadley Ct to Oak St
- Construction Package #3 - Oak St to Kipling St



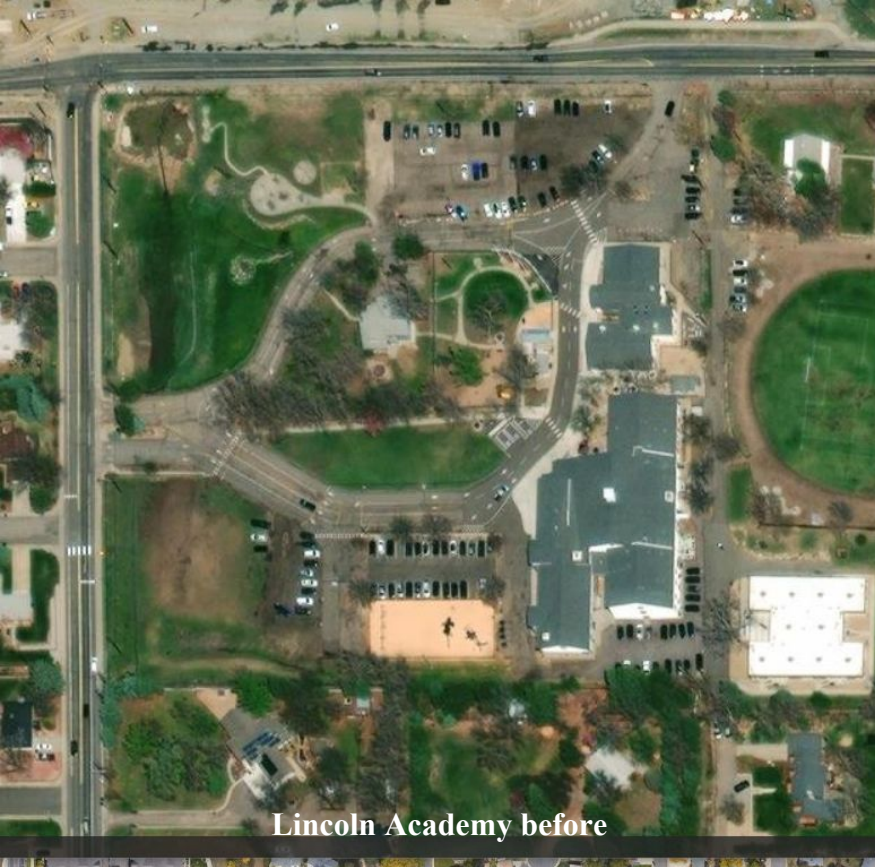
W. 72nd Ave - CP2 Progress



W. 72nd Ave - CP2 Progress



W. 72nd Ave - CP2 Progress



Lincoln Academy before



Lincoln Academy August 2023

W. 72nd Ave - CP2 Progress



W. 72nd Ave - CP2 Progress



W. 72nd Ave - CP2 Progress



W. 72nd Ave - CP2 Progress

16 Sep 2023 17:33:10
Simms

Simms St

12 Sep 2023 17:13:22
11027 W 72d

W 72d Ave

W. 72nd Ave - CP2 Upcoming Construction

Upcoming Work

- **First United Church of Arvada (SW Simms)**
- **Sidewalk on the North Side.**
- **Permanent Fencing on the North side.**
- **Medians**
- **North extension of Oak**
- **Final Paving Entire site**

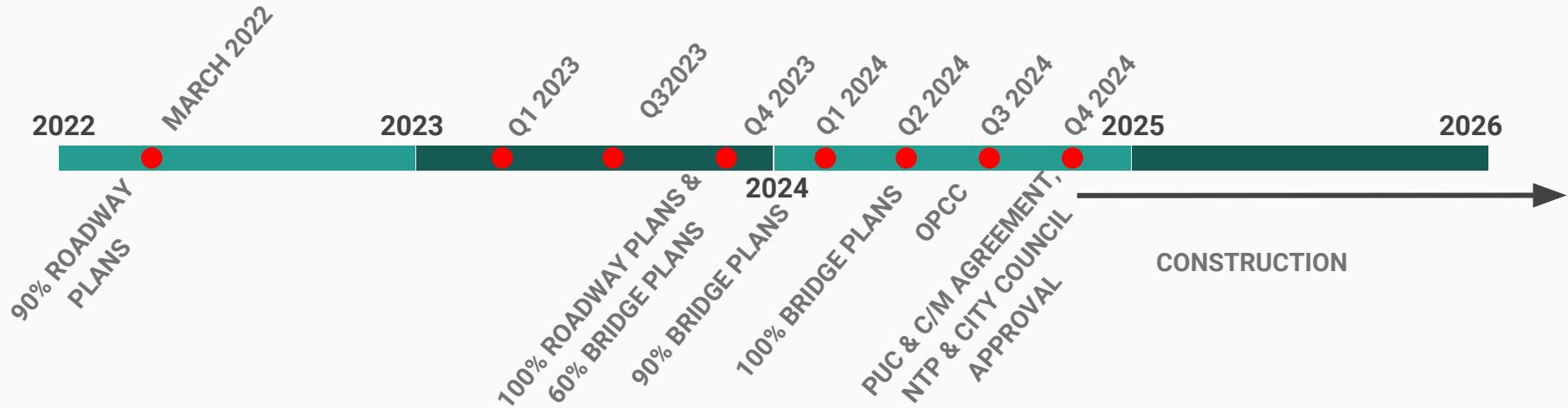
MAJOR UPCOMING CLOSURES

- **Simms St (south side) - October 9-21?**
 - **Storm sewer work**
 - **Complete south half of intersection**
 - **Water line tracer wire**

W. 72nd Ave - Status of Coordination with UPRR

- *Feb 2021 - 25% Shoofly Plans Submittal*
 - *Mar 2021 - 25% Temp Bypass Plans Submittal*
 - *Jun 2021 - Resubmittal of 25% Temp Bypass and Shoofly Plans*
 - *Jul 2021 - 60% Bridge Plan Submittal*
 - *Aug 2021 - Waterline Crossing Agreement Executed*
 - *Dec 2021 - Resubmittal 60% Bridge Plans (Revised Abutment)*
 - *May 2022 - Resubmittal 60% Bridge Plans*
 - *Aug 2022 - Resubmittal 60% Bridge Plans*
 - *Nov 2022 - 25% Shoofly Plans Submitted (Courtesy Review)*
 - *Feb 2023 - Resubmittal 60% Bridge Plans*
 - *Aug 2023 - Resubmittal 60% Bridge Plans (Approved Sept 14)*
-
- **Q4 2023 - 25% Shoofly Plans Resubmittal**
 - **Q4 2023 - Shoofly Site Visit**
 - **Q4 2024 - 90% Bridge Plan Submittal to UPRR**
 - **Q1 2024 - 60% Temp Bypass and Shoofly Plan Submittal**
 - **Q2 2024 - 90% Temp Bypass and Shoofly Plan Submittal**
 - **Q2 2024 - Final Bridge Plans to UPRR**
 - **Q3 2024 - C&M Agreement and PUC Application Execution**

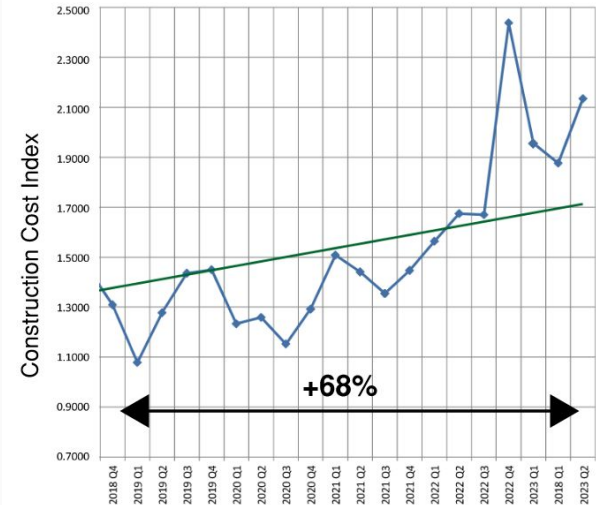
W. 72nd Ave - Estimated Schedule CP-3 (Oak to Kipling)



W. 72nd Ave - Challenges and Risks

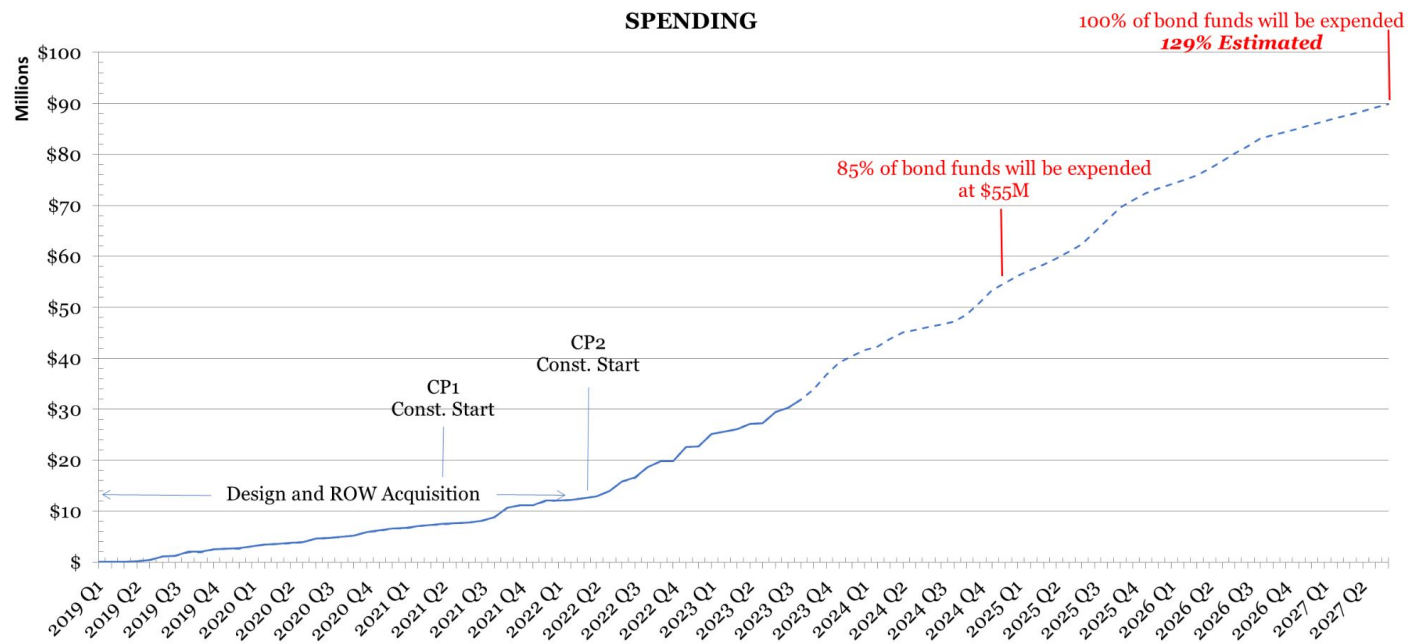


- Union Pacific Railroad
- Supply Chain
 - Longer lead times for materials.
- Steel Costs - Material Procurement Package
 - Material fabrication has a 1 year lead time.
- The Project will exceed budget
 - Primarily price escalations for materials.
- Moving forward
 - CP3 ROM Pricing (April 2022)
 - Finance Department
 - Design Team always looking for cost savings options



2018 Q4 to 2023 Q2
Colorado CCI

W. 72nd Ave - Spending Forecast



W. 72nd Ave - Community Feedback / Questions

Total Citizen Inquiries

Approx. 36
(June - August)

Stated concerns

- General Construction
 - “No work at Simms!”
- Traffic & Lane/Road Closures
- Temp/Permanent Fencing
- Internet Interruptions
- Driveway Access

Close coordination with schools

Oberon Middle School

→ Students walking

→ New drop-off/pick up times

Lincoln Academy

→ Drop-off and pick-up New Pattern



16 Sep 2023 10:49:45
Simms

W. 72nd Ave. Questions?



Additional \$7.23M Bond Issuance

May 1 - Presented to City Council for approval

May 10 - Bond Rating Call

May 22 - Notice of Sale

May 31 - Competitive Sale

- 11 bids
- 3.87% with Huntington Securities

June 7 - Post Official Statement

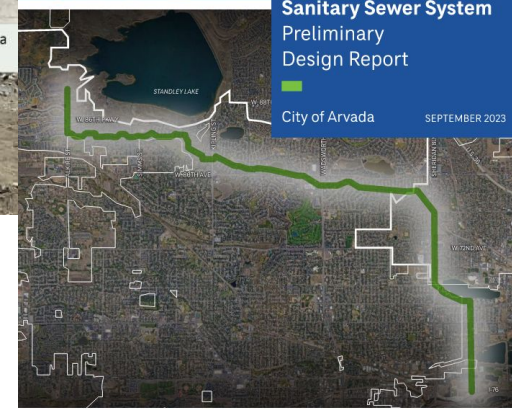
June 15 - Closing

Takeaways

- Ralston Rd Phase II road base preparation and concrete work on southeast side are ongoing.
 - Northside paving between Garrison and Estes st was completed in July 2023 and Southside paving from Carr st to Balsam was completed in August.
 - Project completion date has moved from May 2023 to Spring 2024.
- W 72nd Avenue: CP-2 well underway and on schedule.
 - CP-3 60% Bridge Plans approved Sept 14th.
 - Impact to the project timeline with an expected at least a 8-month gap between CP-2 finish and CP-3 start.
- Additional \$7.23M bond debt issued in June 2023. To be used by both projects.
- Drone flight [videos](#) are being uploaded to [City of Arvada Project Websites](#).

Utilities Agenda

- Water Projects
- Sanitary Sewer Projects
- SS Priority Projects Updates



CDM
Smith

Water/Sewer Bond Proceeds Projects

City Council authorized \$100 million of revenue bond issuance in fall 2022, proceeds were issued in late 2022. Projects listed in the bonds documents:

Water - \$50M (\$20M growth, \$30M R&R)

- Lead/Copper Rule Revisions (LCRR) and Service Line Replacement
- RWTP Filter Rehab
- RWTP Residuals/Solids
- Smart Meter Upgrades
- Waterline Replacement
- Gross Reservoir Payments

Sanitary Sewer - \$50M (\$34M growth, \$16M R&R)

- North Trunk Line Program
- Central Ralston Trunk Program

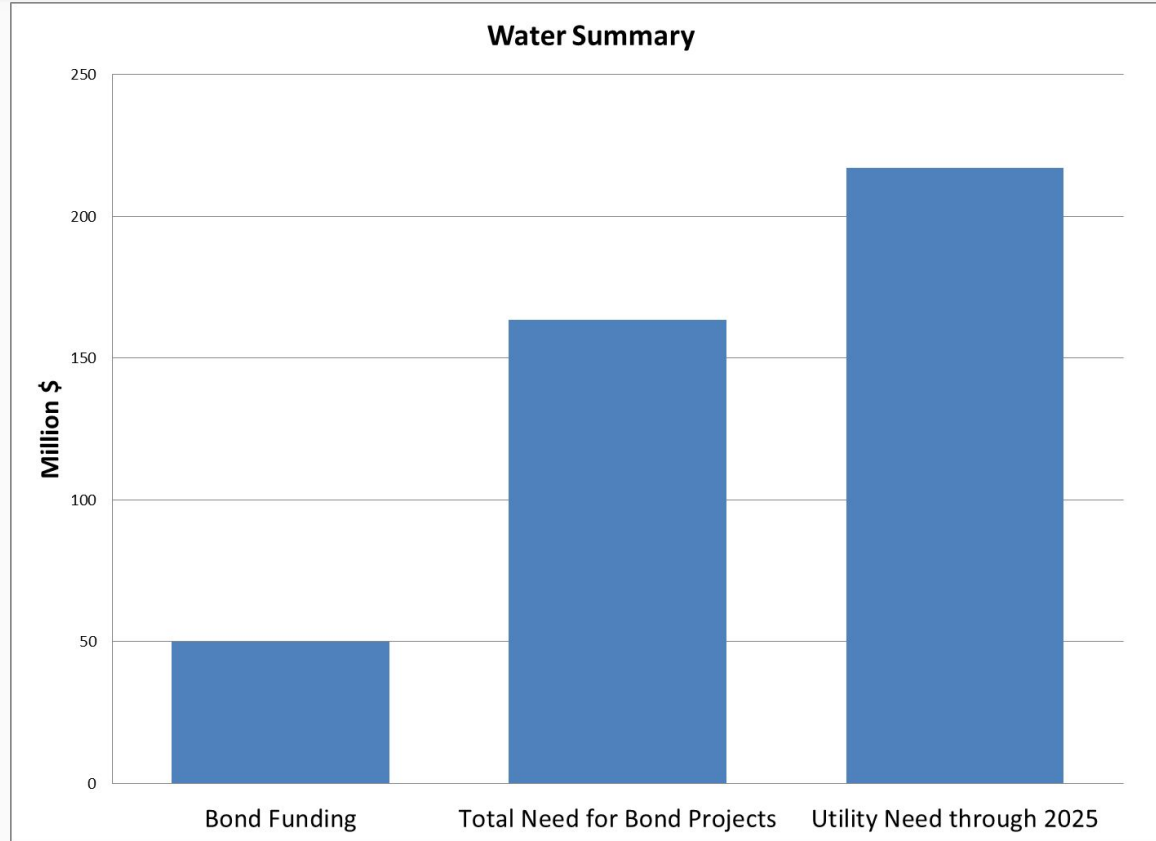
Water Projects

All estimates with * are in 2022 dollars and are Class 5

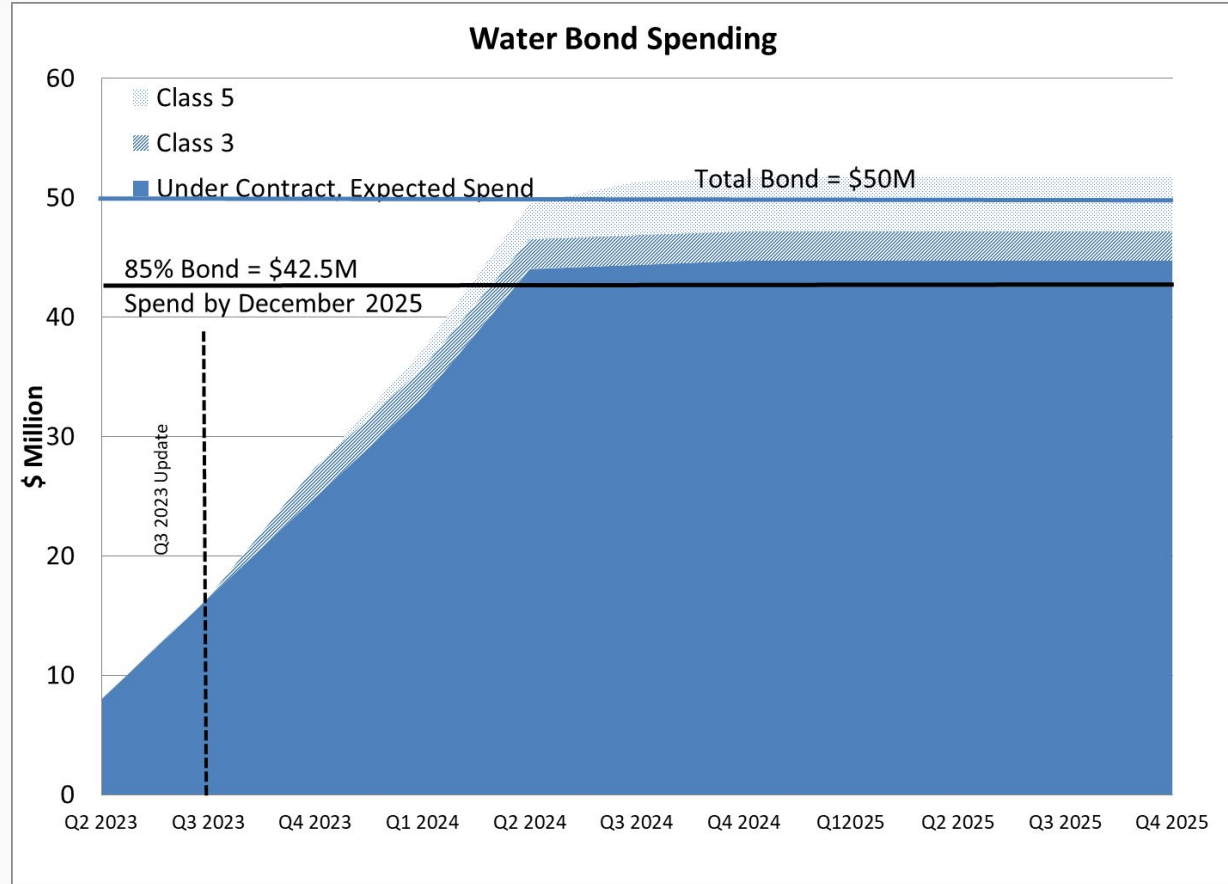
Project	Project Estimates	Bond Funding	Start Date	Est. Completion
Gross Reservoir*	\$120M	\$20M	Ongoing	Dec 2023 (for bond funds)
RWTP Filter Rehab*	\$13M	\$12.2M	Ongoing	May 2024 September 2024
RWTP Solids	\$8.5M	\$8.5M	Ongoing	May 2024 September 2024
Waterline Replacement (2021 Project)*	\$4.5M	\$2.5M	Ongoing	May 2024 December 2024
Waterline Replacement (2023 Project)*	\$5M	\$4.5M	Ongoing	Dec 2024
LCRR and Service Line Replacements - Regulatory Requirement*	\$2.3M	\$0.2M	Ongoing	Dec 2024
Smart Meters*	\$11.1	\$2.1M	Ongoing	Dec 2025
Total	\$163.6	\$50M	Ongoing	December 2024

* Cash funding will also be used.

Water Projects - Spending Estimates



Water Projects - Spending Timing Estimate



Sanitary Sewer Programs - Ongoing

All estimates with * are in 2022 dollars and are Class 5

Estimates with † are 2023 dollars and Class 3 estimate

Project	Est. Paid by Bonds	Start Date	Est. Completion
NTL Preliminary Design	\$1M	Ongoing	December 2023
CRT 6 (69th and Ward)-Phase 1	\$8.5M † \$6.3M	Ongoing	June 2024
NTL 4 Phase 1 Construction	\$2M	Substantially Complete	August 2024
NTL 10 - 60% from CMGC	\$14.7M † \$14M†	Ongoing	December 2024
CRT 7 (Davis Lane Park/Simms)	\$5.2M † \$4.5M†	Ongoing	Oct 2024
NTL 7 (Sheridan) - Now under design	\$14M*	July 2023	March 2025

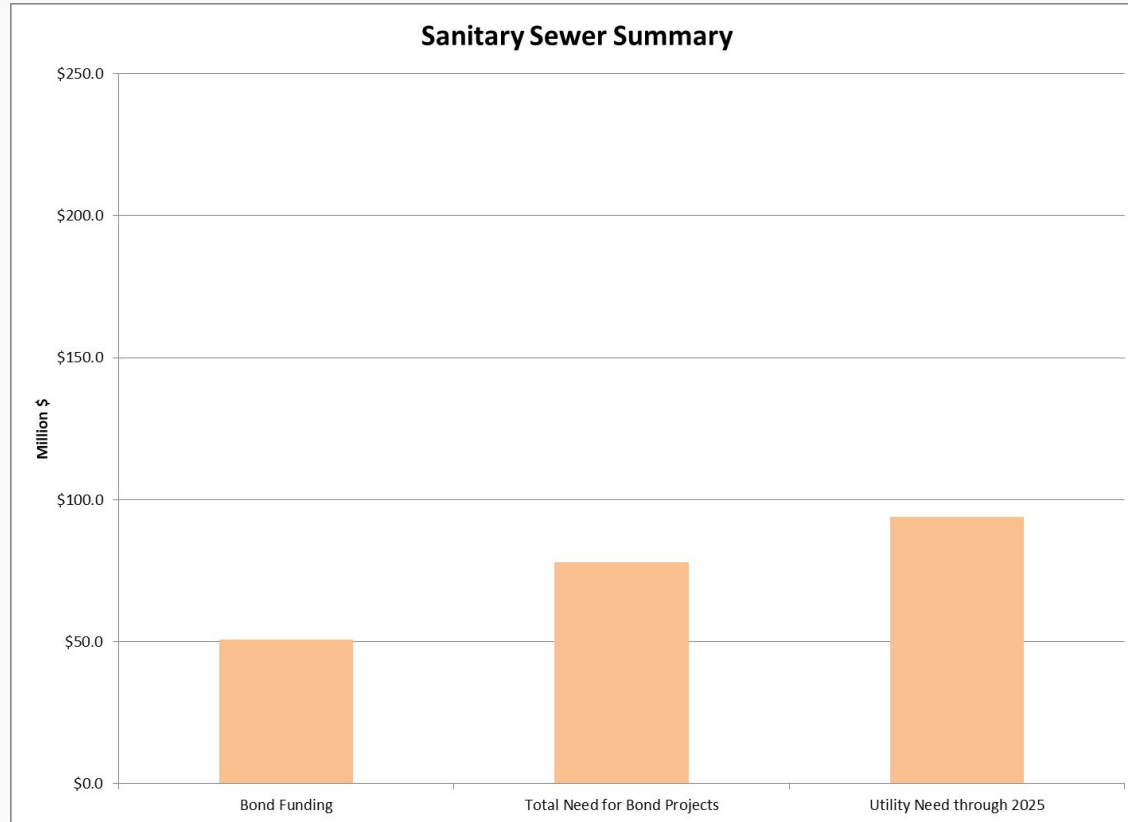
Sanitary Sewer Programs - Planned

All estimates with * are in 2022 dollars and are Class 5

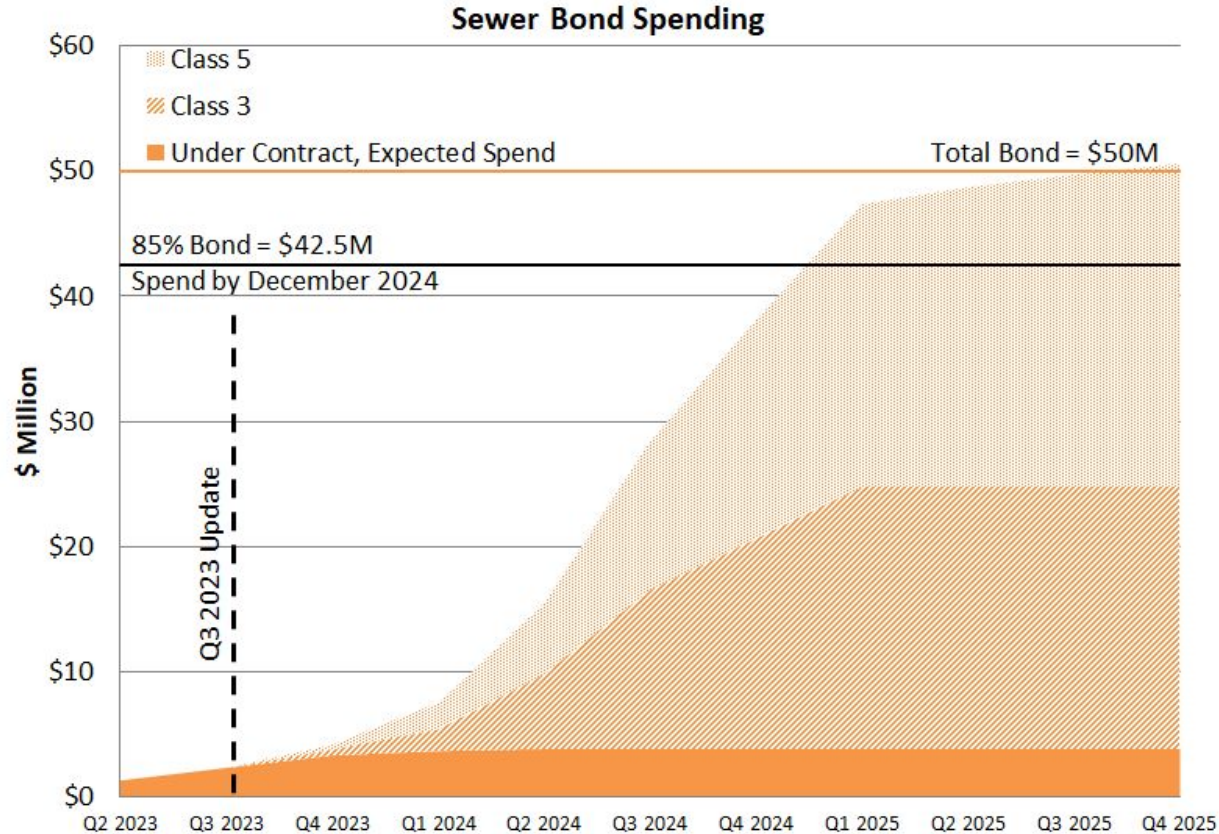
Project	Est. Paid by Bonds	Start Date	Est. Completion
<i>SubTotal Ongoing (from previous page)</i>	\$26.2M \$41.5M	<i>Ongoing</i>	<i>March 2025</i>
CRT 9	\$3.9M*	Sept 2023 Dec 2023	March 2025
NTL 2 (84th/Alkire+Force Main)	\$2.7M \$4.6M (5.5M* project cost)*	October 2023	April 2025
<i>SubTotal Planned</i>	\$20.6M \$8.5M	<i>Sept/Oct 2023</i>	<i>June 2025</i>
<i>Total Bond Program</i>	\$50M	<i>Ongoing</i>	<i>June 2025</i>

** Cash funding will also be used.

Sanitary Sewer Projects - Estimated Spending



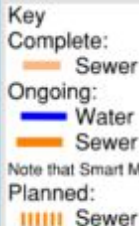
Sanitary Sewer Projects - Spending Timing Estimate



Sanitary Sewer Projects - Priority Projects Status

March 2022 - Roadmap Identified 4 Priority Projects

- Alkire Lift Station (not bond funded)
 - Construction starts Sept 2023
 - Backup connection installed
- 81st and Kipling - Substantially Complete
- NTL 7 (Sheridan and 76th)
 - Locking MH lids installed.
 - Under design
- NTL 10 (Tennyson and RR Tracks)
 - 60% Design Complete
 - CMGC Contractor hired



Note that Smart Meter and 2023 water line are not shown
Planned:

June 12, 2023
Council Presentation
Water and Sewer Planned Bond Spending

Utilities Takeaways

- Water bond projects are mostly in construction stage
- Most sanitary sewer projects are underway with a robust plan to continue bringing more segments into design and construction.
- Projects not under contract are in 2022 dollars* and are Class 5 estimates (+100/-50% cost range)
- Water projects listed are not the entirety of need (March 2022 presentation >\$430M)
- Sanitary sewer projects listed are not the entirety of projects identified by the Master Plan (March presentation ~ \$99M)
- Reminder - Full Master Plan Implementation will require additional revenue to support projects beyond those presented tonight



REPORT TO CITY COUNCIL WORKSHOP

AGENDA ITEM
2.B.

TO: THE HONORABLE CITY COUNCIL

DATE: September 25, 2023

SUBJECT: 2023-2024 Proposed Revised City Manager's Budget Presentation

Report in Brief

The City adopts a two-year budget with historically small revisions in the second year. This will be the first presentation on the proposed revised 2023-2024 Operating and Capital Budget. The City team will present an overview of the City Manager's recommended budget by Work System and Department.

Background

This workshop will continue the budget conversation for the 2023-2024 proposed revised budget process. On June 12, 2023, the Finance and CMO teams presented the revised 10-year models along with a detailed review of current and previous revenue and expenditure estimates. An update to the 10-year CIP model was also presented.

On September 18, 2023, members from the Infrastructure worksystem along with the Finance and CMO teams presented final recommendations for funding the City's water, wastewater and stormwater infrastructure. This was the last presentation in the series of presentations that have gone back over the past year.

On September 1, 2023, the budget document was provided to the Council and posted to the City's website on September 5. The budget document includes the City Manager's transmittal letter which is also included as an attachment to this agenda packet. The transmittal letter provides an overview of the budget document as well as the major changes and issues associated with the proposed expenditure of over \$387 million of public funds.

The September 25 presentation will focus on what is being proposed for funding, what was not funded and what areas need to be addressed in the upcoming years. The City Manager's Office and Finance teams will facilitate the presentation in collaboration with Work Systems Leaders, who will provide additional details and information associated with the proposed changes. Additional time has been reserved to discuss the proposed budget on October 9 in order to respond to any questions or requests for additional information generated by the September 25 presentation, if necessary.

Strategic Alignment

The workshop supports the Organizational and Service Effectiveness Priority Area within the City Council Strategic Plan. Specifically, consideration of the 2023-2024 proposed revised Operating and Capital Budget aligns with the following Priority Area Principle:

Provides a well-managed, fiscally responsible government that operates effectively and efficiently while identifying revenue requirements to sustain current service levels and achieve future requested levels of service.

Next Steps

The final series of budget presentations will occur on October 9. In addition to responding to questions and/or providing additional information generated by the September 25 presentations, the Utility Rate Models and proposed pay plan will be reviewed.

The first reading of the 2023-2024 Proposed Revised Budget will occur on October 2 with the second reading scheduled for October 16.

Prepared by:
Bryan Archer, Director of Finance

Reviewed by:

Approved by:

Jenna Belec, Executive Assistant	9/5/2023
Bryan Archer, Director of Finance	9/5/2023
Debra Nielson, Deputy Director of Finance	9/6/2023
Gail Walker, Legal Specialist-Contracts	9/6/2023
Kylie Justus, Assistant City Attorney	9/6/2023
Laura Hemler, Assistant City Attorney	9/6/2023
Linda Haley, Deputy City Manager	9/6/2023
Rachel Morris, City Attorney	9/7/2023
Lorie Gillis, City Manager	9/7/2023

Enclosure, exhibits & attachments required to support the report

OFFICE OF THE CITY MANAGER
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August 31, 2023

Members of City Council
City of Arvada
8101 Ralston Road
Arvada, Colorado 80002

Arvada City Council and the Arvada Community,

Transmitted with this letter is the City of Arvada's Proposed Revised 2023-2024 Biennial Operating and Capital Budget. As required by City Council Policy No. 300.4, Arvada Budget and Fiscal Policy, our team must develop a Biennial Operating and Capital Budget which is to be presented in alignment with the City Council Strategic Plan (CCSP) for consideration by the City Council. Each Biennial Operating and Capital Budget is presented in late August/early September and Council approval must be completed per state law by October 31 prior to the calendar year for which the budget will be implemented.

Council approval authorizes expenditure authority for only one year. Our team must develop and present a revised budget for the second year, which the Council will consider and approve in the same manner, in order to authorize expenditures for the second year of the Biennial Operating and Capital Budget.

The Proposed Revised 2023-2024 Budget remains connected to the Strategic Planning Process framework which provides the foundation for accomplishing the Council Strategic Results and other key results identified by each of the City's five work systems. This framework utilizes the following elements:

- **Work Systems** that align to the Priority Areas as defined in the City Council Strategic Plan;
- **Principles** defined as high level strategies that form our business model and serve as pillars of excellence;
- **Strategic Results** defined as specific and measurable objectives directed by the City Council that provide guidance in supporting priorities and organizational transformation;
- **Milestones** defined as significant events or important achievements that indicate change or progress toward a strategic result; and
- **Performance Measures** that utilize the Specific, Measurable, Achievable, Relevant and Time-Based (SMART) goal framework to help focus our efforts and achieve the identified targets.

The Strategic Planning framework defines the performance management process that creates alignment between the CCSP and the day-to-day work accomplished by Arvada team members. Specifically, performance management implemented through this framework seeks to:

- Connect City Council Strategic Results to individual performance goals;
- Drive decisions and change used to inform budgets, set priorities and allocate resources;
- Hold all City team members accountable for achieving results; and
- Define value and provide transparency.

The work implemented by the City team is organized into five work systems that align to the City Council Priority Areas, which are defined in the CCSP. The City's five work systems are:

Community and Economic Development (CED) – The CED Work System includes Building, Economic Development, Development Review, Long Range Planning and Housing Preservation and Resources.

Infrastructure - The Infrastructure Work System includes Facilities Management, Fleet Services, Flood Control, Street Infrastructure, Utility Customer Information Services, Wastewater Collection and Disposal, Drinking Water and Solid Waste.

Organizational and Service Effectiveness (OSE) – The OSE Work System includes Business Systems, City Attorney, Communication and Engagement, Compensation, Benefits and Wellness, Employment, Fair and Open Government, Revenue, Accounting and Financial Analysis, Service Excellence, Economic Vitality and Infrastructure, Strategic Partnership, Technology Infrastructure and Operations, Technology and Project Management Services, and Workforce and Strategic Partnerships.

Safe Community – The Safe Community Work System includes Judicial Branch (Municipal Court) and Field Services and Operations within the Police Department.

Vibrant Communities and Neighborhood (VCN) - The VCN Work System includes Parks, Golf, and Sustainable and Vibrant Community.

With full alignment of our work with the CCSP, **(Work Systems = City Council Strategic Priority Areas)**, implementation of a business model that defines high-level strategies for the provision of core services, completion of our work and performance measures that informs our progress and achievements, we are committed to performance excellence in building a **customer-focused** and **results-driven** organization.

With this commitment in mind, this letter summarizes the Proposed Revised 2023-2024 Budget and presents a summary of the updated 2023-2032 Ten-Year Financial Plan.

Background

2023-2024 Adopted and Amended Budget

Council approved the 2023-2024 Adopted Budget on October 17, 2023. The total funds appropriated via Ordinance No. 4822, Council Bill No. 22-074 were \$359,784,184.

On April 17, 2023, Council approved Council Bill 23-008 authorizing the appropriation for the expenditure of funds from the 2022 budget lapsed on December 31, 2022. At the end of 2022, there were several projects/programs that had been approved, although not yet completed. In order to complete these projects, funds that were designated for these projects carried over from the 2022 budget to the 2023 budget. The approved carryover totaled \$39M. The majority of the carryover was from the Enterprise funds for ongoing capital improvement projects. There were also items added to the 2023 budget. Of the \$25M additional appropriation, \$16M was related to Water Fund projects due to the 2022 Water Bond issue, with the majority of the remaining \$9M the result of large capital project inflationary increases. Finally, during the 2023 budget process, City team members identified \$1.5M in one-time expenditure priorities that were presented for approval.

Adopted Budget	\$359,784,184
Carryforward	\$39,071,325
One-Time Funds	1,502,700

New Requests	\$25,144,786
Total 2023 Revised Budget	\$425,502,995

Management and Reporting

The City continues to demonstrate and be recognized for strong financial management with a clean audit opinion for the year ended December 31, 2022 and the affirmation of the City's "AAA" S&P Global Rating on the City's Sales & Use Tax Bonds. A foundation for strong financial management includes consistent monitoring of and reporting on the City's financial position. Per the City's Fiscal Policy, the Council receives quarterly financial reports. The quarterly financial reports are posted on the City's Financial Transparency website.

Budget Development Considerations

As this document and requested budget approval represents the second year of this Biennial budget, our goal was to **minimize changes from what was projected and included in the 2023-2024 Approved Biennial Budget**. The City's Executive Leadership Team evaluated service levels and programs included in the original 2023-2024 projections. In alignment with the City Council Strategic Plan, the budgetary process considerations included

- **Financial Resilience** - Plan for sustainable services into the future.
- **People First** - Support retention, development and a quality culture.
- **Projects** - Complete planned projects and follow strategic master plans.
- **Initiatives** - Advance Sustainability, Housing and Diversity, Equity and Inclusion (DEI) initiatives.

The slowing economy and resulting impacts of inflation, retention and revenues were considered as each work system assessed existing service levels. We considered customer service, funding gaps, threats, opportunities and long range plans. The City team is developing five- year resilience plans for each work system to ensure resilient and sustainable services and infrastructure.

The Economic Environment and Revenues

The Introduction section of this Proposed Revised 2023-2024 Biennial Budget provides an economic summary at the national and local levels. As reported in the City's 2023 Second Quarter Financial Report, the City's General Fund revenues are keeping pace with inflation with an overall increase of 2.5% at the end of the quarter. Sales tax revenues are up 6.3% year over year, with a projected slow down as we continue through 2023. Overall, 2023 budgeted revenues and expenditures are in line with what was presented to Council at the time the 2023-2024 Biennial Budget was adopted.

Understanding revenues and resources is the first step in budget development. As part of the budget development process, the City's Revenue Manual was updated as of December 2022. The Revenue Manual provides a comprehensive look at major City governmental revenues. The Revenue Manual presents historical revenue information and includes projected revenues for the next five years.

The Proposed Revised 2023-2024 Biennial Budget anticipates a slowing economy with limited growth in revenue and inflationary impacts on capital projects and services.

Biennial Budget Updates:

Revisions to the 2023-2024 Adopted Biennial Budget are broken down by category and summarized below.

Positions Approved and Funded in the 2023 Budget

The 2023-2024 Adopted Budget added 25 positions. The positions were included in the fully-balanced ten-year models. The new positions funded in the first year of the 2023-2024 Budget addressed an expanded capital program focusing on transportation and utilities infrastructure, timely maintenance of City facilities, cybersecurity and police services. A list of positions added in the 2023-2024 Adopted Budget can be found on page 75;

Recommended New Positions in the Proposed Revised 2023- 2024 Budget

Fourteen new positions are recommended in the Proposed Revised 2023-2024 Biennial Budget. Two of the new positions are planned for only the first few years in the ten-year model. Four positions are extended for an additional two years on the ten-year model. Four positions are proposed to be funded throughout the model. Three additional grant- funded positions that were added mid-cycle 2023 are listed below for awareness. A Parks Maintenance Worker II was also added mid-cycle.

- A Deputy Court Administrator to provide capacity for the municipal court team to move to a paper-less environment. The caseload in municipal court has not been conducive to project completion. This two- year position provides capacity to advance and complete the project.
- An Assistant City Attorney to bring litigation in-house reducing expense of outside counsel. The position is funded as a three-year position to allow for assessment of the need in the future.
- A Legal Specialist who was previously funded for three years. The 2023-2024 Proposed Revised Budget funds the position through the ten-year model.
- Two Utility System Technicians, one in the Wastewater fund and one in the Stormwater fund.
- Stormwater Inspector
- Two Police Service Technicians extended for two years.
- Two Police Records Specialists extended for two years.
- Parks Maintenance Worker II.
- A grant- funded Behavioral Health Case Manager.
- Two grant- funded Police Officers.

Recommended Compensation Increases

Like other organizations across the country, the City has continued to be challenged to compete in the job market. Following the tragic deaths of Officer Gordon Beesley and Officer Dillon Vakoff, and the continuing negative national narrative regarding law enforcement, there are over 40 of 191 sworn positions in the Police Department vacant at this time. Although pay is not the primary driver for ongoing vacancies in the Police Department, it is critical that the City remain highly competitive in the compensation of officers.

All other City Departments continue to face challenges associated with recruitment and retention. The Human Resources team shared information from the Bureau of Labor Statistic Employment Cost Index which indicated that wages and salaries for civilian workers increased 4.6% for the 12-month period

ending in June 2023. For state and local government workers the increase was an overall 4.7%. Specific to state and local government workers increases by occupational group are shown as:

- Management 4.5%
- Professional and related 4.6%
- Office and Administration 5.0%
- Service Occupations (this includes police officers) 5.5%

We use this information, along with other market data, to recommend adjustments to the City's pay ranges in order to stay competitive and maintain the City's Employer of Choice Compensation Philosophy.

After checking with other local government employers within the market area, Human Resources, Finance and the Leadership Team believe the proposed pay plan adjustments will maintain our status as an Employer of Choice, while also supporting and acknowledging the efforts of our employees who have been working under prolonged stressful conditions with higher than usual vacancy rates and increasing demands. The proposed market rate adjustments effective January 1, 2024 are:

- Non-sworn market rate adjustment of 3.0%
- Sworn market rate adjustment of 4.0%
- Employee Cost of Health Care 0%

Additionally, employee step adjustments based on longevity and performance will be fully funded with an average increase of approximately 1.7%. The cost of the proposed compensation increases is \$4,716,617 for 2024. This commitment also adds \$25 million to the Ten-Year Financial Models for all funds based on current assumptions. A full analysis of the City's total compensation program is underway. To remain competitive in the job market, we anticipate proposed enhancements in the next budget cycle.

Recommended Non-Salary Ongoing Budget Increases

A full list of funded budget requests include in this Proposed Budget begins on page 75. Following is a summary of significant funded items.

Infrastructure – At the top of the list is an additional \$500,000 in Streets funding for asphalt and concrete. This represents another small step in closing the significant gap in the City's annual funding of street infrastructure. As a reminder, \$20,000,000 is the needed annual investment in street infrastructure. With the additional \$500,000, the City will be investing \$12,500,000. In the 4th quarter of 2023, **the City team will also be recommending a change in fiscal policy requiring that 50% of all excess revenues (year-end General Fund revenues over budgeted revenues) be directed to the street infrastructure.**

Other ongoing increases for the Infrastructure Work System include \$150,000 for additional snow and ice control, \$125,000 in traffic locate funding, \$60,000 for Commercial Driver's License (CDL) and other training, and an additional \$42,000 in mowing and overtime.

An annual funding increase of \$1.0M for the City's fleet is included to ensure funding availability for timely repair and replacement of City vehicles. Additionally, the team is recommending \$100,000 in ongoing funding for the Telematics system in support of efficient fleet utilization and data-driven maintenance.

Safe Community – The proposed increases in the Police department are related to increased costs/charges from service providers and partners including \$175,000 for Victims Outreach, and \$34,000 to Jefferson County Regional Crime Lab (JCRCL). An increase of \$30,000 for relief judges is funded as part of the Safe Community work system.

Organizational and Service Effectiveness – Multiple technology- funding increases to support cybersecurity and accessibility, and to replace tools beyond their useful life totaling \$480,000 are included in the Proposed Revised 2023-2024 Biennial Budget.

Additionally, increased funding for employee events of \$66,000 has been added to the OSE budget.

Vibrant Neighborhoods and Communities (Parks Fund) – Ongoing support for Little Raven Park of \$42,000 and \$10,000 in support of zero-waste events are recommended increases to the VCN budget.

One-Time Strategic Budget Investments

Known one-time budget adjustments for immediate needs are recommended and included in the Proposed Revised 2023-2024 Budget and ten-year models are summarized below.

The implementation of the new Enterprise Resource Planning (ERP) software system will require funding for backfill and support of the implementation team. As this is an 18- month citywide impact, we are projecting about **\$850,000** in additional staffing/consultant needs. Ahead of the ERP implementation, HR needs to evaluate and update the City's job architecture. This much needed **\$100,000** project can be designed ahead of and implemented as part of the ERP system deployment.

The City continues to plan for the future of Police and emergency management radios. There is currently \$2.0M set aside which is about **\$500,000** below what will be needed for replacement. The \$500,000 addition is included.

The Arvada Economic Development Association is in need of additional funding to support the business community and economic development opportunities. An infusion of **\$250,000** will support their important investment in Arvada's economic development.

In alignment with the CCSP and as recommended by the Sustainability Advisory Committee, the team is recommending **\$150,000** in one-time funding for the development of a Sustainability Plan.

A full list of one-time needs incorporated into the Proposed 2024 budget can be found on page 79.

Presentation of the Budget Document

The Proposed Revised 2023-2024 Biennial Operating and Capital Budget begins with the **City Council Strategic Plan** as the foundational document that guides the allocation of resources. Inclusion of the Strategic Plan is intended to emphasize the strategic focus associated with the allocation of resources in a manner that is consistent with Council and community priorities.

The **Community Profile** provides a description of Arvada and summarizes the key demographics and characteristics of the community.

The next section summarizes the **Legal Requirements** and a high-level summary of the **Budget Process**. This section includes an explanation of the fund structure, financial management standards/policies and relevant state laws, including TABOR.

The **Introduction** section includes an overview of the national and local economies, and the impacts of both on City revenue sources. Analysis of these impacts generates revenue and expenditure assumptions that are used to develop the 2024 Budget and the Ten-Year Financial Models for each of the City's major funds. The Ten-Year Financial Models are the foundation of our Ten-Year Financial Plan, which is a key requirement of the City Council Budget and Fiscal Policy. Minimum fund balance goals which must be maintained for each year of the Ten-Year Plan are summarized for each of the major funds. By meeting or exceeding the fund balance goal for each fund over the course of the Ten-Year planning horizon, the City is able to meet present and future financial challenges.

The **Revenue and Expenditure Summary** begins on page 71 and defines each of the City's major funds, including the General Fund, Internal Service Funds and Enterprise Funds. This section provides an overview of each fund by summarizing revenues, expenditures and changes to the fund balance for 2023-2024. The Fund Highlights summary presents a brief description of the activity within each fund and related changes to the fund balance. Major differences between the 2023-2024 Adopted Biennial Budget and the Proposed Revised Biennial 2023- 2024 Budget are also reflected. A few key changes include:

- The total 2024 budget for all funds is \$387,466,097 with \$350,542,707 in revenues;
- The market rate adjustment for January of 2024 will be 3% for non-sworn and 4% for sworn employees;
- There will be no increase in health insurance premiums;
- Funding for an additional three positions is included in this proposed budget to support Courts and the City Attorney's Office;
- An increase of \$500,000 annually to the Streets Maintenance Fund to continue close the funding gap;
- One-time investments have been incorporated in the Proposed Revised 2023-2024 Biennial Budget to reflect immediate one-time needs;
- Continued commitment to safe, reliable, and high-quality water supply, drainage system and wastewater-disposal service. A water rate increase of 12.% and a \$2 increase in monthly service, a wastewater increase of 12% and a \$2 increase in monthly service, and a storm water increase of 5% are necessary to maintain these services. Even with these increases, the City's rates are very low compared to the surrounding cities; and
- Significant changes to System Development Charges (formally Tap Fees) have been implemented in 2023 to better align the charges with the true costs and to allow the issuance of bonds to pay for much needed system improvements.

Presentation of the **Ten-Year Financial Models** begins on page 105, which summarizes financial assumptions for all funds, including for personnel expenses such as market-based compensation increases, benefits costs and transfers into Internal Service funds. More specific assumptions for each of the City's major funds are presented prior to the actual tables showing the projected revenues and expenditures for each fund. Please note that two pages are required to show the projections for each year of the Ten-Year Models, 2023-2032.

All of the City's major funds are balanced for each year of the 10-Year Financial Planning period and are therefore in compliance with the City Council Budget and Fiscal Policy with the exception of the Solid Waste Fund.

The Water, Wastewater and Stormwater funds include assumptions for on-going rate increases into the future. Increased inflationary costs have resulted in higher future-year rate increase assumptions than included in the 2023-2024 Adopted Biennial Budget. The City's aging infrastructure requires significant investment as presented in recent infrastructure master plans.

The **Work Systems** section begins on page 135 with the Community and Economic Development Work System. This section provides additional revenue and expenditure details as well as the Strategic Results that are included within the City Council Strategic Plan for each work system. The Work Systems section is intended to illustrate the relationship of each work system to the Strategic Plan, show value and show transparency. Milestones and performance measures are included to help tell the story. Council and community members will be able to view this information and the status of performance measures.

Capital Improvement Projects (CIPs) are presented beginning on page 175. The CIPs are presented within the major functional areas of General Administration, Transportation, Street Maintenance, Parks, Water and Wastewater and Stormwater. Consistent with the Council Budget and Fiscal Policy and focus on long-term planning, the CIPs are projected over a long-term planning horizon through 2032. All capital projects that require ongoing expenditures following completion include an estimate of Operations and Maintenance (O&M) costs that are allocated from the Ten-Year Financial Models of the appropriate fund.

The CIPs section summarizes the City's focus on **Taking Lasting Care (TLC)** and implementing the priorities and projects identified by the **Citizens Capital Improvement Project Committee (CCIPC)**, which was formed in 2015 at the direction of the City Council. This section also summarizes Strategic Results included in the 2020-2025 CCSP that determine funding priorities within the 2023-2032 Capital Improvement Plan.

The CIPs section also presents a summary of continuing capital projects, all projects currently funded in the Ten-Year Financial Model and a detailed description of the funding and expenditures for the 2023 projects. All funded projects demonstrate alignment with the Strategic Plan, including the related strategic priority area and associated strategic principle. Over \$807 million is committed to CIPs through 2032 as noted on page 187.

Following is a sample of high-priority projects underway throughout the City. Each is explained in more detail within the CIPs Section. All projects will likely face cost increases and scope-of-work challenges resulting from inflation:

- Ralston Road Reconstruction, Phase II
- W. 72nd Avenue and UPRR Grade Separation
- Traffic Signal Replacement
- Annual Street Maintenance Asphalt and Concrete Replacement
- ADA Compliance – Facilities and Streets
- Sidewalks, Trails and Mobility
- Denver Water Moffat Project
- Water Distribution System Upgrades
- Ralston Plant Storage Tank Expansion
- North Trunk Sewer Line
- Median Renovations
- #.04 Trolley Park

- Meyers Pool Replacement
- Public Safety Evidence Storage Building

At the end of the CIPs section (page 285), there is a list of over \$461 million in un-prioritized projects.

A summary of **Debt Service Obligations** is presented beginning on page 287. This section summarizes the City's long-term debt obligations, reviews state laws that regulate debt obligations and presents the City's bond ratings

The **Pay Plan Schedules** section presents a summary of changes to the City positions within each Work System. The summary starts on page 297 with the titles for the added positions and continues with changes due to new titles or reclassifications for existing positions.

The **City Council Budget and Fiscal Policy** is presented on pages 322-325 and is included to emphasize the connection of the budget to the CCSP and provide other foundational elements associated with the budget, including mandated minimum reserve levels for each fund, updated Ten-year Financial Models, timely reporting of CCSP Strategic Results and Internal Service Funds. As previously mentioned the City team will bring forward recommended changes to the Fiscal policy in the fourth quarter of 2023.

The final section of the budget is the **Glossary of Terms**, which is provided to assist those unfamiliar with budgeting terms and includes a few terms specific to the Arvada financial planning process.

On the Radar

While Arvada remains in a very financially strong and resilient position, we must recognize that we will face challenges in the near future and over the long term. Inflation and economic uncertainty will remain challenging into the near future. Like many surrounding agencies, vacancies in Police Department staffing remain of concern. Conservative financial management will be important. Although we have met our goal in minimizing changes, and additions, to the Adopted 2023-2024 Biennial Budget, we recognize additional resources will be needed to fund current projects, initiatives and service levels.

Initiatives

Affordable housing, homelessness, sustainability and DEI are important initiatives included in the CCSP. Planning and action are underway in all of these areas. We continue to work with external partners and agencies to elevate and accelerate our impact in these areas.

- Affordable Housing – The City has established a Housing Advisory Committee to support and inform the City in the area of Affordable Housing. The City has been successful in receiving grant dollars and allocating resources.
- Homelessness – We have developed an action plan including city-wide participation in addressing needs and connecting the unhoused with needed and desired resources. Council is fully supportive of this work and receives periodic updates. In collaboration with regional partners and external non-profits, we continue to move forward in developing navigation service opportunities for the unhoused.
- Sustainability – At the request of the Council appointed Sustainability Advisory Committee, a 2024 Budget request to fund a Sustainability Action Plan is included herein.

- DEI – The City’s internal efforts to evaluate and advance City policies and process continue to move forward.

Although these initiatives are not explicitly broken out in this document, planning, resourcing and problem-solving efforts continue.

Grant Funds

Significant funding has been made available at the state and federal level. The City has, and will continue to pursue available and feasible funding opportunities.

With Council direction, the City opted into Colorado Proposition 123, the Dedicate State Income Tax Revenue to Fund Housing Projects Initiative, which was approved on November 8, 2022. The initiative created the State Affordable Housing Fund (SAHF) and dedicated one-tenth of one percent (0.1%) of state income tax revenue to fund affordable housing programs and projects. The initiative created the Affordable Housing Support Fund to receive 40% of funds in the SAHF and the Affordable Housing Financing Fund to receive 60% of funds in the SAHF. This action provides additional significant funding opportunities for the City, as well as other agencies and developers in Arvada.

City Infrastructure

The City has more than \$1.4 B in assets. Our assets and infrastructure require significant investment in maintenance, repair, and replacement. As noted earlier, the City needs to increase our annual investment in transportation infrastructure by \$8 M. This \$500K increase proposed herein is only a fraction of what is needed. Recommended increases in Utility rates are driven by the need for additional investment in Utilities Infrastructure. And although Streets and Utilities currently have the highest need for reinvestment, in order to remain resilient, the City must reinvest in all assets.

Financial Resiliency

The CCSP includes the new Strategic Result: “Based on long-term financial projections and updated masterplans, develop financial resiliency recommendations to ensure adequate and ongoing investment in city infrastructure and core services.” As part of this budget development process, we have taken the first steps in analysis of service levels and revenue forecasts. We will present recommendations to the City Council by December 2024. The purpose of this work is to recognize our funding challenges and address them through a planned, measured and strategic process ahead of the need to make immediate decisions and choices. It is anticipated that the options will include a combination of service level reductions, strategies to increase revenue, and initiatives to create efficiencies that will reduce operating costs.

Concluding Comments

As discussed, our goal was to minimize changes to the 2023-2024 Adopted Biennial Budget. Considering the challenging economy, job market, and external threats, I believe that we have met that goal. We have assessed our financial resilience considering programs, service levels and the likelihood of decline in certain revenue sources. With an uncertain economy, and flat revenue projections, the City needs to remain focused on ensuring sustainable services, finishing the projects that are underway and implementing the strategic plan initiatives.

The information and recommendations included herein reflect the collaboration and good thinking of the City team. I am grateful for the work and support of the Finance Department in guiding City Department Leaders in the development of this 2023-2024 Proposed Revised 2023-2024 Biennial Budget.



Respectfully submitted,

Lorie B. Gillis

City Manager

2023-2024 Proposed Revised Budget Presentation

City Council Workshop
September 25, 2023

Budget Information

Website - www.arvadaco.gov/235/Budget

Total 2024 Budget Appropriation - \$387,466,097

General Fund - \$124,576,764



Budget Themes

Second year of 2-year budget (limit requests)

People First

- Pay - all in (total 5.23% increase)

- New Positions - (1.04% increase)

Take care of what we have - TLC, **inflation**

Prioritize most critical CIP projects (72nd ave, Ralston, Meyers, Gross Reservoir, North Trunk Line, Central Trunk Line, Water Treatment Plant Reinvestment, Water and Sewer Capacity for Planned Development, Evidence Storage)



Proposed Pay Plan

Non-sworn

Steps - all eligible (1.70%)

MRA - all employees (3.0%)

Sworn

Steps - all eligible (1.75%)

MRA - all employees (4.0%)

Condense PD1 from 6 steps to 5

Combine PD recruit into 1 step

Health Care

No change to medical (5 years)

Deeper dive on October 9th



Funded requests - Positions

- GF** - Deputy Court Administrator (2 years)
- GF** - Assistant City Attorney (3 years)
- GF** - Legal Specialist (fully funded)
- GF/TI** - Behavioral Health Case Manager (mid-cycle)
- GF/TI** - Police Records Specialist - (fully funded)
- GF/TI** - Evidence Technician - (fully funded)
- TI** -2 Police Officers - grant funded (mid-cycle)
- TI** -2 Police Service Technicians - (fully funded)
- PF** - Parks Worker II (mid-cycle)
- WWF** - Utility System Technician (fully funded)
- SWF** - Utility System Technician (fully funded)
- SWF** - Stormwater Inspector (fully funded)



Funded requests - Line Items

General Fund

Streets Operating - \$122,000

Streets snow & ice - \$150,000

Traffic locates - \$125,000

VOI increase - \$175,000

Police Operating - \$40,250

Software/cybersecurity - \$534,000

Employee Events - \$66,000

Relief Judges - \$30,000



Funded requests - Line Items Cont.

Streets Fund

Additional Transfer - \$500,000

Parks Fund

Little Raven - \$42,000

Zero Waste - \$10,000

Vehicles Fund

Telematics - \$100,000

Vehicle operations - \$97,000

Adjustment for inflation - \$1,000,000 (average per year)



Funded requests - Line Items Cont.

Water Fund

Chemicals - \$138,000

Water operations - \$915,000

Wastewater Fund

Metro Water Recovery - \$719,000

Wastewater operations - \$216,000

Stormwater Fund

Stormwater operations - \$53,000



Funded requests - One-time

General Fund

Facilities long-range plan - \$302,000

ERP Staffing - \$850,000

Radio replacement - \$500,000

HR job architecture - \$100,000

FAMLI implementation - \$45,000

Redundant internet - \$95,000

HR/Housing moves - \$100,000 (plus \$50,000 already budgeted)

Sustainability Plan - \$150,000

AEDA Grant Funding - \$250,000

OD Training facilities - \$15,000



Unfunded Budget Priorities

OPERATIONS

Street Maintenance
Traffic infrastructure
PD Hiring plan
TLC
Inflation

CAPITAL

72nd Ave
Meyer's Pool
Water/Wastewater/Stormwater
Parks
LA Pool
Inflation



CIP Update

ADA adds - Streets, Parks

Total in process CIP - \$395,481,581

Total unprioritized CIP - \$461,269,256

[Link to June presentation](#)



Community & Economic Development

Programs:

Economic Development: business retention & recruitment

Housing: addressing affordable housing opportunities

Planning: infill & redevelopment, Comprehensive Plan update

Building: adopting new building codes



Infrastructure

(Public Works and Utilities)

Inflation

Aging Infrastructure

Resilient Workforce

Major CIP - 72nd, Ralston, Meyers, NTL, CTL, Water Plants

System Plans Implementation

- Transportation System Plan

- Street Maintenance Master Plan

- ADA Transition Plan

- Water, Sewer, Stormwater Master Plan Implementation

- Water and Sewer Capacity for Planned Development



Organizational & Service Effectiveness

CMO, CAO, Finance, Human Resources, Information Technology

- ERP
- Evolving Technology (AI, Cybersecurity, etc.)
- New Workforce
- New City Council
- Litigious society
- DEI Assessment
- Homelessness strategy
- Support for Large City Projects



Safe Community

Police Department

- Police Staffing: Recruitment / Retention
- Evidence Storage
- Civilianizing Positions (NST Supervisor, Civilian Accident Investigators, Community Resource Technician)

Courts

- Paperless court, weekend court
- Mental health, staffing, build out staffing plan, newer workforce



Vibrant Community and Neighborhoods

Inflation

Aging Infrastructure

Climate change

Parks Master Plan Update

Golf course master planning

Right-sizing services to changing customer needs/preferences



Financial Resiliency - 5x5

City Council Strategic Result

[SR4] By 12/25 continue to sustain and enhance an organizational performance excellence framework.

[M4D] By 6/24 develop and begin the implementation of a municipal resilience strategy to prepare and adapt for the urgent threat of changing environment and resources.



Financial Resiliency - 5x5

Executive Leadership Team - Call to Action - *Rally Cry* -

Goal

Platform for Financial Resiliency

Changing Environment & Resources - 5-year plan

Support Council Policy Decision/Direction



Next Steps

September 18	Utility Rates
September 25	Budget Workshop
October 2	1st Reading of Proposed Budget
October 9	Budget Workshop - Pay Plan
October 16	2nd Reading of Proposed Budget

QUESTIONS





REPORT TO CITY COUNCIL

AGENDA ITEM
2.C.

TO: THE HONORABLE CITY COUNCIL

DATE: September 25, 2023

SUBJECT: Staff Updates

Report in Brief

The purpose of this workshop is for staff to provide City Council with brief updates on projects and issues that do not require a full workshop.

Prepared by:
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Reviewed by:

Approved by:

Enclosure, exhibits & attachments required to support the report