

# ***City Council***

## ***Agenda***

### ***Special Meeting – Budget Retreat***

**August 2, 2018  
City Hall  
749 Main Street  
6:00 PM**

- 1. CALL TO ORDER**
- 2. CONTINUATION OF JULY 12 BUDGET RETREAT:**  
  
**DISCUSSION/DIRECTION/ACTION – 2018-2019 BIENNIAL BUDGET**
  - A. 2019 – 2024 Capital Improvements Plan (CIP)**  
Staff Presentation  
Public Comments (Please limit to 3 minutes each)  
Council Questions & Comments and Direction
  - B. Financial Policies**  
Staff Presentation  
Public Comments (Please limit to 3 minutes each)  
Council Questions & Comments and Direction
  - D. Budget Calendar**  
Staff Presentation  
Public Comments (Please limit to 3 minutes each)  
Council Questions & Comments and Direction
- 3. ADJOURN**

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#### **Citizen Information**

If you wish to speak at the City Council meeting, please fill out a sign-up card and present it to the City Clerk.

Persons with disabilities planning to attend the meeting who need sign language interpretation, assisted listening systems, Braille, taped material, or special transportation, should contact the City Manager's Office at 303 335-4533. A forty-eight-hour notice is requested.

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#### ***City of Louisville***

*City Council*    *749 Main Street*    *Louisville CO 80027*  
*303.335.4536 (phone)*    *303.335.4550 (fax)*    *www.louisvilleco.gov*

**SUBJECT: 2019-2024 CAPITAL IMPROVEMENTS PLAN (C-I-P)**

**DATE: AUGUST 2, 2018**

**PRESENTED BY: HEATHER BALSER, CITY MANAGER  
KEVIN WATSON, FINANCE DIRECTOR**

**NEW INFORMATION:**

Staff has revised the CIP requests reviewed on July 12, 2018 in the following manner. The revised requests will be presented along with the Recommended Biannual Budget on September 4, 2018:

- 1) **CIP#9** – Staff revised Open Space and Parks Trail and Direction Signs to show cost breakdown year-to-year, included more detailed information on directional signs (i.e. number of signs, locations) and added operational impact.
- 2) **CIP #10** – Staff removed Prescribed Fire Program and incorporated it into the Operational Budget for 2019-20.
- 3) **CIP#12** – Staff revised Fishing Pond Dredging and Master Plan to include additional details on evaluating alternatives, coordinating with other departments before proceeding and added operational impact.
- 4) **CIP #13** – Staff removed Coyote Run Slope Mitigation and will bring back to Council in 2018 at a regular meeting.
- 5) **CIP #14** – Staff revised Parks Division Equipment Replacement to include more detail on the replacement requests and added operational impact.
- 6) **CIP #15** – Staff revised Irrigation Clock and added operational impact.
- 7) **CIP#16** – Staff revised Park Signs to include operational impact.
- 8) **CIP# 17** – Staff revised Forestry Chip Truck to address program/sub-program goals and performance measures and added operational impact.
- 9) **CIP#18** – Staff revised Playground Surfacing to include operational impact.
- 10) **CIP#20** – Staff revised Conex box to address program/sub-program goals and performance measures.
- 11) **CIP#21** – Staff revised Sundance Park Master Plan to address prioritization and accelerate timeline.
- 12) **CIP# 22** – Staff revised Recycling Cans for Park Sites to accelerate timeline and include additional sites and added operational impact.
- 13) **CIP#24** – Staff revised Park Development Cottonwood Park to include additional details on scope of project and master planning process..
- 14) **CIP#27** – Staff revised Playground Replacement to address Elephant Park in 2019 and address operational impact (i.e. increase/decrease based on replacement of old equipment).
- 15) **CIP#28** -Staff revised Louisville Center for the Arts to request 50% match from Historic Preservation Fund and not assume State Historical Fund grant.

- 16) **CIP# 29** – Staff revised Community Park Stage Improvements to include cost for alternatives (i.e. relocating, constructing new facility) to address sound issues.
- 17) **CIP #30** – Staff revised Space Needs Study to include additional alternatives (i.e. City Hall addition, White House remodel, new facility).
- 18) **CIP#31** – Staff revised Utility line undergrounding to include match from Louisville Revitalization Commission (LRC) for downtown project.
- 19) **CIP#32** – Staff revised Document Management to include operational impact and additional details on automation.
- 20) **CIP#34** – Staff revised Patio Expansion to include additional details on year-to-date expenditures on patios.
- 21) **CIP#40** – Staff revised Bus Stop Improvements to include trash/recycling bins and added operational impact.
- 22) **CIP#42** – Staff revised Police Department Basement Restrooms and Lockers and combined with sleep room request.
- 23) **CIP#56** – Staff revised Street lighting Upgrades to reduce number of lights to one location (South Boulder Rd and Via Appia), include comprehensive plan for all lighting improvements (i.e. smart streetlights, light pollution, etc.) and include details from Xcel on fixtures/pricing.
- 24) **CIP#57** – Staff revised Downtown Clay/Concrete Paver to include match from LRC.
- 25) **CIP#59** – Staff revised ADA Parking to include match from LRC.
- 26) **CIP#58** – Staff revised Downtown Tree Grate Conduit to include match from LRC and coordination with other departments on irrigation/tree replacement.
- 27) **CIP#60** – Staff revised Painting Street Light Poles to include consideration of any streetlight replacement before proceeding.
- 28) **CIP#65** – Staff revised Downtown Ornamental Light Replacement to include match from LRC, comprehensive plan for all lighting improvements (i.e. smart streetlights, light pollution, etc.) and details from Xcel on fixtures/pricing.

At the August 2 meeting staff plans to present and review the remaining CIP requests that have not been reviewed by Council. (Beginning on page 88; CIP #67 of the [July 12 meeting packet](#).)

**JULY 12 INFORMATION:**

**SUMMARY**

The attached 2019-2024 Capital Improvements Plan (C-I-P) reflects a *preliminary* recommendation from the City Manager. Although the C-I-P is presented as a separate document, it is an integral part of the overall biennial budget process. Based on Council discussion and direction at the Budget Retreat, the City Manager will include a final C-I-P recommendation with the 2017-2018 Recommended Biennial Budget in September.

**Process & Scope**

In January, the Finance Director issued to Department Directors instructions and forms to request projects to include in the C-I-P. On or before March 30, each Director submitted capital project requests for 2019 through 2024 for the following funds:

- Open Space & Parks
- Conservation Trust – Lottery
- Cemetery
- Historic Preservation
- Capital Projects
- Water Utility
- Wastewater Utility
- Storm Water Utility
- Golf Course
- Technology Management
- Fleet Management

The Finance Department tabulated and compiled the requests, which initially totaled over \$90 million. The requests were then incorporated into the City’s Long-Term Financial Model and compared with projected revenue and available reserves. After reviewing all the proposals, meeting with the Department Directors, and identifying the highest priorities, the City Manager is preliminarily recommending a C-I-P totaling \$74.5 million.

Please note that all recommended Recreation Center Projects are not included in the Recreation Center Expansion Project and are not listed in the additional alternatives.

**All Funds**

Fund Description	2019 Planned	2020 Planned	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
Open Space & Parks Fund	387,500	325,300	848,860	390,320	317,800	120,500	2,390,280
Conservation Trust - Lottery Fund	-	216,000	216,000	216,000	216,000	236,000	1,100,000
Cemetery Fund	10,750	7,500	7,500	7,500	7,500	7,500	48,250
Historic Preservation Fund	98,140	-	-	-	-	-	98,140
Capital Projects Fund	8,723,710	8,999,400	5,675,000	6,166,500	5,984,000	6,654,500	42,203,110
Water Utility Fund	2,445,800	4,035,810	2,357,510	4,521,000	3,094,000	2,288,500	18,742,620
Wastewater Utility Fund	1,398,650	760,500	496,000	1,153,000	350,000	473,500	4,631,650
Storm Water Utility Fund	873,870	771,500	274,500	300,000	279,000	135,500	2,634,370
Golf Course Fund	10,860	301,460	117,360	234,360	117,360	117,360	898,760
Technology Management Fund	60,000	60,000	60,000	60,000	60,000	60,000	360,000
Fleet Management Fund	482,640	163,720	171,920	180,530	189,550	199,030	1,387,390
<b>Total for All Funds</b>	<b>14,491,920</b>	<b>15,641,190</b>	<b>10,224,650</b>	<b>13,229,210</b>	<b>10,615,210</b>	<b>10,292,390</b>	<b>74,494,570</b>

**Document Structure**

The CIP information is arranged in two general sections, as follows:

1. A summary of the staff’s recommendations shown by project and subtotaled by fund (pages 1-9).

**SUBJECT: CONTINUATION OF BUDGET RETREAT – C-I-P**

**DATE: AUGUST 2, 2018**

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2. A copy of each C-I-P Project Request Form (final version) as submitted by the requesting departments (pages 10-159)

**ATTACHMENTS:**

1. Six-Year Capital Improvements Plan 2019 – 2024 Summary of Recommended Projects July 12, 2018
2. Six-Year Capital Improvements Plan 2019 – 2024 Summary of Projects Deleted from Revised Requests July 12, 2018

**SUBJECT: UTILITY COMMITTEE CIP REVIEW AND ASSOCIATED CITY COUNCIL CIP REVIEW FOLLOW-UP**

**DATE: JULY 17, 2018**

**PRESENTED BY: KURT KOWAR, PUBLIC WORKS DIRECTOR**

**SUMMARY:**

The Public Works and Utilities staff is providing follow up information for City Council consideration during review of the current 2019/2020 Biennial Budget Process. Staff reviewed proposed Water, Wastewater, and Stormwater Capital Improvement Projects on the following dates with the Utility Committee:

- May 11 - <http://www.louisvilleco.gov/home/showdocument?id=18726>
- June 22 - <http://www.louisvilleco.gov/home/showdocument?id=18951>

Feedback from the Utility Committee incorporated into 3 Scenarios.

- Option A – Baseline Proposal of CIP’s submitted for the 2019/2020 budget process.
- Option B – Modified Baseline Proposal based upon Utility Committee May 11 Feedback.
- Option C – Option B utilizing potential bonding packages to mitigate increases and spread costs related to long term asset improvements.

Graphs and tables related to ending Cash Reserves, Rate Changes, and Average Yearly total bill change are attached for reference. In addition, conceptual bonding packages and unit costs of borrowing have been provided to support review of an Option C bonding approach. All options include updated Tap Fee projections and current budgeting financials in coordination with the Finance Department.

**RECOMMENDATION:**

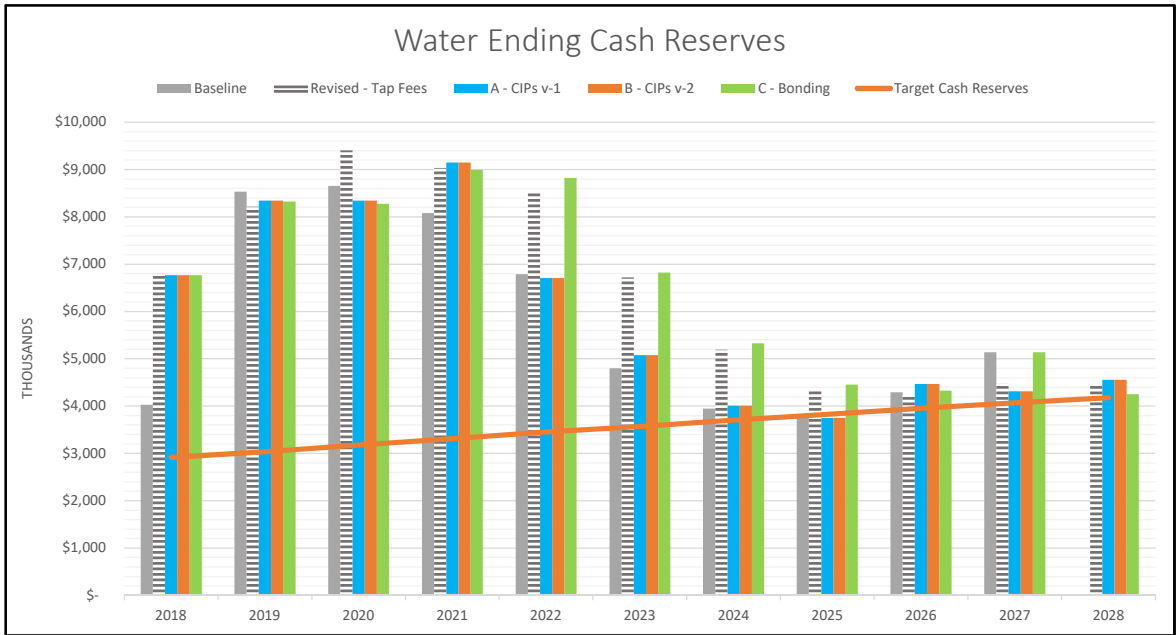
Staff provided the following recommendations to the Utility Committee during this initial review of Capital Improvement Projects:

1. Water - Option B
2. Wastewater – Option A
3. Stormwater – Option B

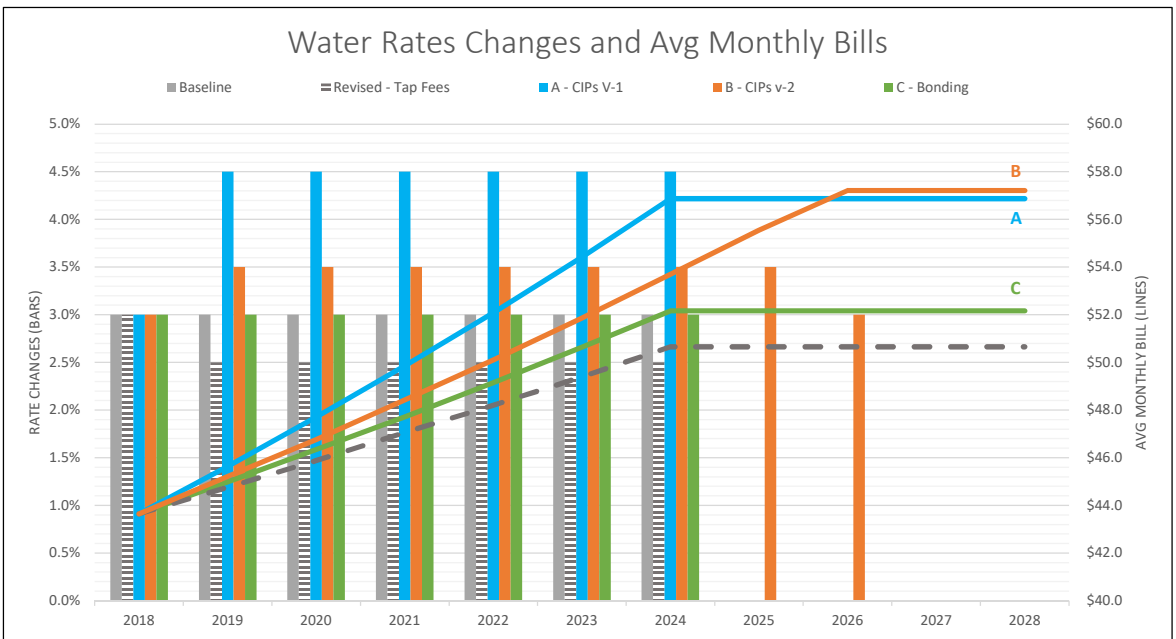
**ATTACHMENT(S):**

1. Graphs and Tables

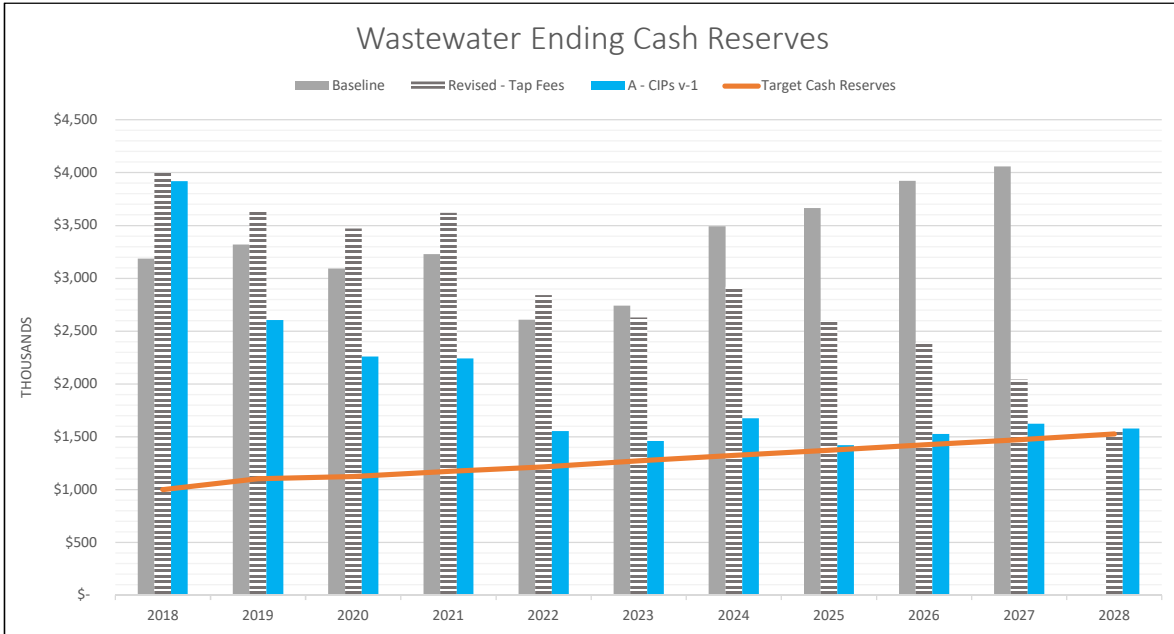
Option A - CIPs v-1 (First submittal of 2019-2024 CIPs ~ Feb. '18)  
 Option B - CIPs v-2 (3 CIPs moved to later years: Lateral '19 to '22, McKay '21 to '27 and Marshall Pipeline '21 to '27 ~ May. '18)  
 Option C - Bonding (20 yr financing of \$4.5M for the CIPs moved in Option B ~ May. '18)



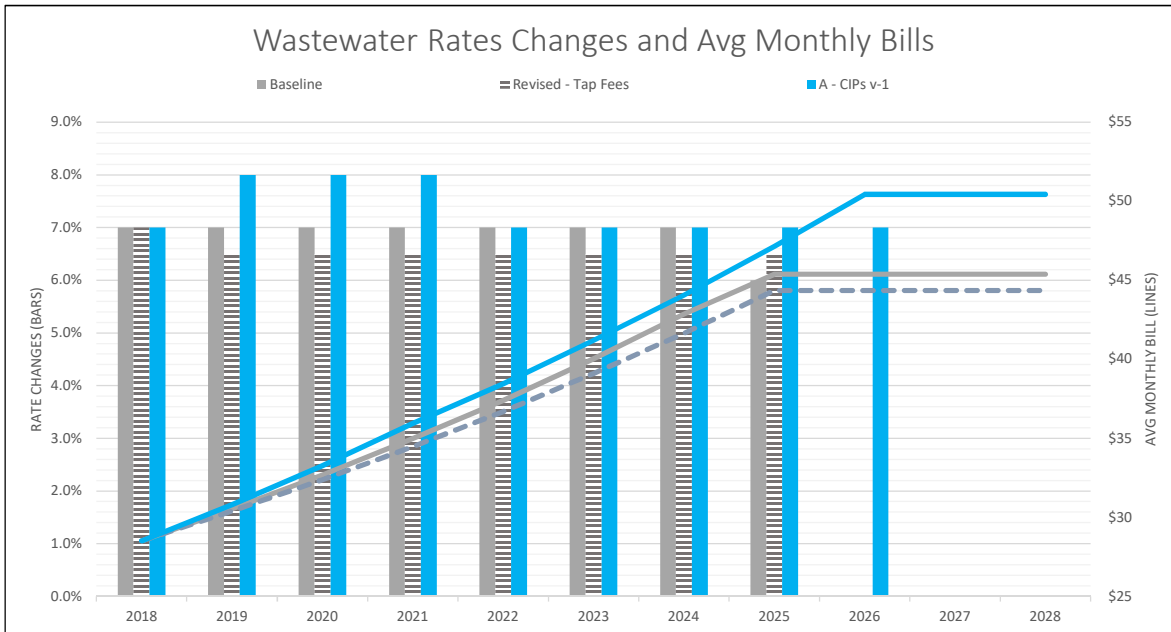
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Cumm. TOTAL
<b>Option A - CIPs v-1</b>											
Rate Change	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	0.0%	0.0%	0.0%	0.0%	30.2%
Avg. Yearly Change	\$ 23.85	\$ 24.75	\$ 25.89	\$ 26.79	\$ 27.93	\$ 29.49	\$ -	\$ -	\$ -	\$ -	\$ 6,408.88
<b>Option B - CIPs v-2</b>											
Rate Change	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	0.0%	0.0%	31.0%
Avg. Yearly Change	\$ 18.86	\$ 18.56	\$ 19.88	\$ 20.24	\$ 21.02	\$ 21.92	\$ 22.28	\$ 20.00	\$ -	\$ -	\$ 6,279.32
<b>Option C - Bonding / Baseline</b>											
Rate Change	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	19.4%
Avg. Yearly Change	\$ 16.04	\$ 16.28	\$ 16.52	\$ 17.18	\$ 17.96	\$ 18.20	\$ -	\$ -	\$ -	\$ -	\$ 5,996.06



Option A - CIPs v-1 (First submittal of 2019-2024 CIPs ~ Feb. '18)



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Cumm. TOTAL
<b>Option A - CIPs v-1</b>											
Rate Change	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	0.0%	0.0%	76.7%
Avg. Yearly Change	\$ 27.53	\$ 29.59	\$ 32.02	\$ 30.24	\$ 32.66	\$ 34.32	\$ 37.15	\$ 39.46	\$ -	\$ -	\$ 5,066.38
<b>Baseline</b>											
Rate Change	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.0%	0.0%	0.0%	0.0%	59.1%
Avg. Yearly Change	\$ 24.34	\$ 25.75	\$ 27.53	\$ 28.94	\$ 31.78	\$ 33.55	\$ 30.48	\$ -	\$ -	\$ -	\$ 4,800.70

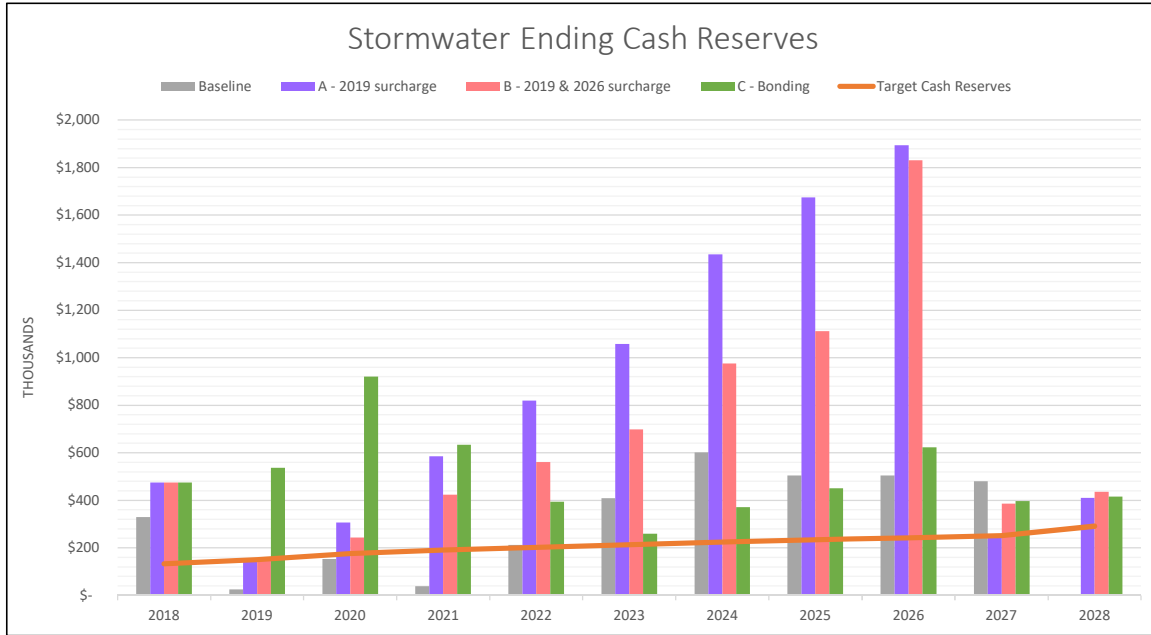




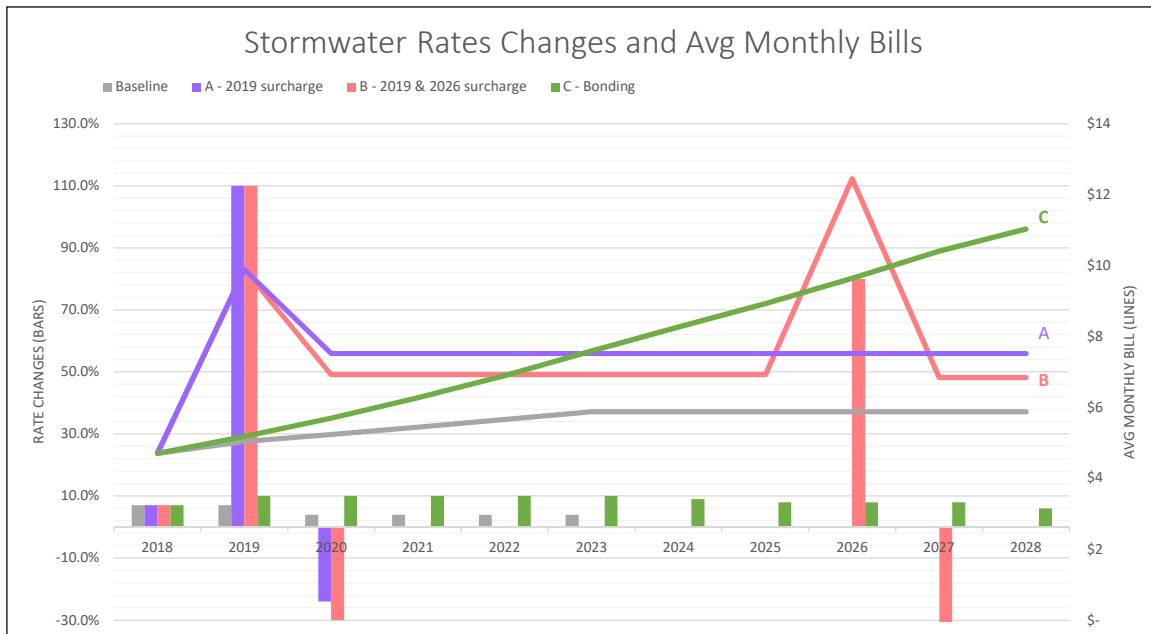
Option A - '19 Surcharge (\$4.71 to \$9.89 then reduces to \$7.52 ~ May. '18)

Option B - '19 & '26 surcharges (\$4.71 to \$9.89 then reduces to \$6.92, to \$12.45 then reduces to \$6.84 ~ May. '18)

Option C - Bonding (20 yr financing of \$3.5M for the majority of CIPs ~ May. '18)



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Cumm. TOTAL
<b>Option A - 2019 Surcharge</b>											
Rate Change	110.0%	-24.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	59.6%
Avg. Yearly Change	\$ 62.16	\$ (28.44)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 930.84
<b>Option B - 2019 &amp; 2026 surcharge</b>											
Rate Change	110.0%	-30.0%	0.0%	0.0%	0.0%	0.0%	0.0%	80.0%	-45.0%	0.0%	45.5%
Avg. Yearly Change	\$ 62.16	\$ (35.64)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66.36	\$ (67.32)	\$ -	\$ 930.48
<b>Option C - Bonding</b>											
Rate Change	10.0%	10.0%	10.0%	10.0%	10.0%	9.0%	8.0%	8.0%	8.0%	6.0%	134.4%
Avg. Yearly Change	\$ 5.64	\$ 6.24	\$ 6.84	\$ 7.56	\$ 8.28	\$ 8.16	\$ 7.92	\$ 8.52	\$ 9.24	\$ 7.44	\$ 959.04
<b>Baseline</b>											
Rate Change	7.0%	4.0%	4.0%	4.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.2%
Avg. Yearly Change	\$ 3.96	\$ 2.40	\$ 2.40	\$ 2.64	\$ 2.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 679.92



**UNIT COSTS OF BORROWING, PER \$1 MILLION**

YEARLY PAYMENTS (\$1M)					
Interest Rate	Term (years)				
	10	15	20	25	30
2.50%	\$114,259	\$80,766	\$64,147	\$54,276	\$47,778
2.75%	\$115,740	\$82,259	\$65,672	\$55,840	\$49,384
3.00%	\$117,231	\$83,767	\$67,216	\$57,428	\$51,019
3.25%	\$118,731	\$85,289	\$68,779	\$59,039	\$52,682
3.50%	\$120,241	\$86,825	\$70,361	\$60,674	\$54,371
3.75%	\$121,761	\$88,376	\$71,962	\$62,332	\$56,088
4.00%	\$123,291	\$89,941	\$73,582	\$64,012	\$57,830
4.25%	\$124,830	\$91,520	\$75,220	\$65,715	\$59,598
4.50%	\$126,379	\$93,114	\$76,876	\$67,439	\$61,392

TOTAL INTEREST PAYMENTS (\$1M)					
Interest Rate	Term (years)				
	10	15	20	25	30
2.50%	\$142,588	\$211,497	\$282,943	\$356,898	\$433,329
2.75%	\$157,397	\$233,888	\$313,435	\$395,999	\$481,533
3.00%	\$172,305	\$256,499	\$344,314	\$435,697	\$530,578
3.25%	\$187,311	\$279,329	\$375,578	\$475,983	\$580,452
3.50%	\$202,414	\$302,376	\$407,222	\$516,851	\$631,140
3.75%	\$217,613	\$325,639	\$439,242	\$558,292	\$682,629
4.00%	\$232,909	\$349,117	\$471,635	\$600,299	\$734,903
4.25%	\$248,301	\$372,806	\$504,397	\$642,863	\$787,947
4.50%	\$263,788	\$396,707	\$537,523	\$685,976	\$841,746

EXAMPLE PACKAGES (20 yr @ 2.75%)	
<b>Water</b>	
2022 - Louisville Lateral	\$2,500,000
2027 - McKay Pipeline and Pipeline to fill Marshall	\$2,000,000
<b>Total Projects</b>	<b>\$4,500,000</b>
<b>Total Water Financing</b>	<b>\$1,410,456</b>
<b>Stormwater</b>	
2019 - CCS Drainage Improvements	\$250,000
2019 - BNSF Drainage Improvements	\$300,000
2019/2020 Stormwater Quality Master Plan	\$700,000
2020 - Cottonwood Drainage Improvements	\$250,000
2019-2026 Pond Maintenance	\$500,000
2027 - 7-1 Drainage Improvements	\$1,500,000
<b>Total Projects</b>	<b>\$3,500,000</b>
<b>Total Stormwater Financing</b>	<b>\$1,097,021</b>