



Memorandum

To: Mark Relph, City Manager
From: Tiffany Hooten, Finance Director
Date: June 7, 2018
Re: 2018 Budget Amendments

During the Council Workshop on February 3 and the March 6 study session, staff briefed council on additional resources that would be needed to implement Council's 2018 Strategic Imperatives. This memo outlines the additional resources needed to support council's direction at these meetings, as well as other needs for the 2018 budget.

1. Strategic Imperatives Amendments

The following budget amendments are directly related to implementation of the Strategic Imperatives.

A. General Fund

- 1) Two year termed Budget Analyst position - \$25,000 in 2018, with an additional \$109,750 in 2019 and \$69,500 in 2020.

The finance department is requesting funding to add a two year termed Budget Analyst to the finance department. The city has several current projects that are impacting the level of service which the finance department can provide. These current projects are anticipated to continue through at least the next few years. An experienced budget analyst will provide accounting and budget support to supplement the many areas of projects, enhancements, and improvements of the finance department. This person will be responsible for developing, preparing, and monitoring the annual budget for the City of Littleton. Additional duties would include monitoring the capital improvement plan by reviewing projects and working with departments to maintain current capital needs. This person will work closely with all departments throughout the city for budget information and needs. Due to the two year term of this position, amounts related to this position will be budgeted over three fiscal years; thus, the 2019 and 2020 requested amounts will be included in budget discussions for each respective year.

- 2) Two year termed Transportation planner position - \$25,000 in 2018, with an additional \$109,750 in 2019 and \$69,500 in 2020.

The public works department is requesting to add a two year termed Transportation Planner in support of the transportation master plan in addition to supporting enhanced strategic planning, regional cooperation, grants acquisition and management for ADA compliance, community engagement and alternative mode enhancements such as bicycle and pedestrian programming. This position will also play a lead role in regional transportation issues and the development of the city's Transportation Master Plan. The city has not received any significant transportation grant revenue in the last 18 years. This position has the potential to become revenue neutral in the future through the acquisition of transportation related grants. This position was not originally included in previous discussions; however, after evaluating the public works department capacity, we are requesting this position.

B. *Impact Fees Fund*

1) Transportation Master Plan - \$150,000.

A Transportation Master Plan will also be developed in close coordination with the relevant aspects of the Comprehensive Plan process. This expenditure was originally anticipated to be funded from the General Fund; however, after evaluating this plan, it is appropriate to use transportation impact fees.

As noted in the scope of the Vision to Comprehensive Plan Process, components of the Transportation Master Plan will include:

- Road Classification Model and Analysis
- System-wide Vehicle Count Analysis
- Signal Fiber/ITS Strategic Analysis
- Regional Transportation Model - DRCOG
- Deliverable: City of Littleton Transportation Master Plan

2. Other Amendments

The following budget amendments are additional resources needed for the specific purposes listed below.

A. *General Fund*

1) Engineering Development review - \$200,000.

Development review activity is projected to be 25% higher than 2017. The Public Works Department has historically relied heavily on outside consulting firms to supplement staff to complete reviews in a timely manner. Due to the increase in the volume of work, staff is seeking to supplement the 2018 budget for additional funding to support utilizing consultants through the end of 2018. At the current rate of expenditures to supplement review the department would run short of funds by mid-July. The funds being expended throughout the year equate to 1.6 FTE. With the 2018 budget, the City implemented Engineering Development Review Fees for the first time. Through May 31, 2018, these fees have generated \$130,400. It is anticipated there will be enough revenues generated in 2018 to fully offset these costs.

B. *Capital Projects Fund*

1) Santa Fe and Mineral Concept Design and Traffic signal structural review - \$400,000.

As discussed with council in February 2018, \$400,000 was budgeted in the 2017 budget and intended to be utilized for two purposes, the construction of the signal portion of the Prince and Church intersection project and completing advanced designs of traffic signals in the case that funding became available for construction. Due to funding and complexity issues the Prince and Church project is being moved to the 2019 construction schedule, part of the rationale is to not split the project into 2 phases impacting the area around the intersection two summers in a row. Funding is planned to be available in 2019 including the signal portion of the project. After a review of the current situation in 2018 and assessing urgent issues staff believes that reallocating these funds to two other projects would better serve the community. There are currently no concept designs that have been vetted with CDOT for the possible future interchange alignments at Santa Fe and Mineral, the result is an inability to have a foundation to preserve needed right-of-way (ROW) around the project area. The northern section of Santa Fe Park has submitted development plans that are adjacent to the existing intersection, it is critical that the city work with the developer to preserve the necessary ROW for future improvements or at least develop a no-build zone for structures to allow future ROW acquisition. \$200,000 would be applied to develop concept designs to allow preservation. All the work developed in this project would be utilized in the Planning and Environmental Linkages Study (PEL) targeted to begin in late-2019 based on regional and state funding availability.

The second project is safety related. Earlier this year, the traffic signal pole at County Line and South Park Lane failed, causing the pole to collapse and fall. In this case, no persons or property were hurt or damaged but this scenario could occur again. The city has several signal poles that are of similar age, construction specifications, and materials, some of these signals may be susceptible to the same potential failure. The additional \$200,000 would be allocated to a structural review of all the poles in the system. A specialty mechanical engineering firm will be needed to complete the project.

2) Armored police vehicle - \$305,000.

The LPD is requesting replacement of their SWAT armored vehicle due to the current vehicle's age, deteriorating mechanical condition, and inadequate ballistic protection. The current LPD armored vehicle is a 1990 surplus Wells Fargo money truck donated to the department in 2001. When acquired, the vehicle was given a projected life expectancy by Littleton Fleet Management of 10 years (2011). The vehicle has now been in LPD service for 17 years and has 224,642 miles on the odometer. The vehicle's condition is deteriorating rapidly and is no longer considered mechanically reliable. Fleet advises replacement parts are no longer available.

This request is being made at this time, rather than during the regular budget cycle, due to the lead-time necessary to manufacture the vehicle (9-12 months from order). As demonstrated by recent tragic events in Douglas and Adams Counties, this vehicle is

necessary to protect our officers and our community from a very real and ever-increasing lethal threat.

The city has an opportunity to join with multiple police departments in a regional CAD system which would be "hosted" by the ACSO but allows LPD to customize our part of the CAD as needed for our operations. Since the LPD agreed to join the regional CAD, the Arapahoe County E911 Authority is paying for nearly all CAD-related costs to purchase and implement the system. This option saved Littleton \$300,000. For the 2018 budget, this \$300,000 was removed from the 5 year capital plan, leaving \$700,000 budgeted for RMS replacement.

While the regional CAD is being paid for through the E911 Authority, the LPD RMS replacement is entirely at our own expense. The sheriff and chiefs of the regional CAD board began discussions with the CAD vendor about the possibility of a combined RMS system that is "hosted" by the ACSO but customized for each individual department's needs. The CAD board worked with the vendor and as a result of LPD's decision to participate in a combined RMS, the new cost for LPD's RMS is approx. \$500,000. This is a \$200,000 savings from the five year capital plan budget for a stand-alone RMS.

Staff is requesting to use the \$200,000 savings towards the replacement of the SWAT vehicle, which leaves \$105,000 to be funded from the capital projects fund balance.

C. *Open Space Fund*

1) Arapahoe County Open Space Grant - \$337,950.

At the council meeting on April 3, 2018, council approved a resolution supporting an application by the city on behalf of Littleton Public Schools for an Arapahoe County Open Space grant for playground improvements at Field Elementary School. Typically, grants are included in the original budget; however, this grant was not. This request is to formally amend the 2018 budget, in the event the city is awarded the grant.

The city would be the recipient of the grant and is required to appropriate the grant portion, \$287,942, as well as the city's matching portion, \$50,000, for a total of \$337,942 (appropriation rounded). The city's portion of \$50,000 would be funded from fund balance. The estimated ending fund balance for the Open Space Fund at the end of 2018 is \$2,139,800.

2) Elati and Promise Park playground improvements - \$34,000.

South Suburban Parks and Recreation District (SSPRD), in partnership with the City of Littleton, has planned to complete playground replacement upgrades at Promise and Elati Parks in 2018. Due to market conditions and other factors, the project bid results came in above SSPRD's engineer's estimate. These additional funds are specific to providing upgraded poured rubberized surfaces in the playgrounds versus wood chip; these enhancements improve playground safety and accessibility for all users. These projects in

total are estimated to be \$225,737 for Elati Park and \$241,446 for Promise Park. These project costs are split 50/50 with SSPRD.

D. *Impact Fees Fund*

- 1) Three police vehicles - \$170,000.

Council approved an increase to our sworn staffing by nearly 10% over the 2017-2018 budget cycles. The justification for this expansion was the steady increase in calls for service and time per call related to Littleton's increasing residential development.

When we sought the personnel expansion we did not ask for additional fleet vehicles at that time due to budgetary concerns and the lead time necessary to fill the 7 sworn positions. As we are now filling the final positions it is clear we need to expand our fleet to accommodate the additional personnel. This expense is an expansion of our police fleet and not replacement vehicles; thus, it is appropriate to use impact fee funds. These vehicles will be maintained for more than five years, as they will be transferred over to the SRO program and after their useful life is exhausted on patrol, thereby minimizing the impact of growth on that program.

- 2) Facilities Building Condition Assessment - \$37,000.

The city has over 300,000 square feet of facilities space. Currently there is no asset management in place to know the condition, replacement cycles, short term maintenance planning or long term capital planning for these facilities. This project will utilize a specialty firm to review and assess all city facilities including HVAC, MEP systems, and interior and exterior components. This work will be paired with an upgrade to the city's current facilities software (not included in this supplemental) to develop short and long term maintenance and capital plans for all city facilities. This change will put the city in a position to budget maintenance and planning dollars to proactively support the city's facilities today and the future. This change will also allow staff to move forward with building to scenarios for future facility upgrades or replacement. Up to this point the city has managed facilities budgeting on a number built on reactive work and some projected maintenance upgrades. This change will also allow staff to better utilize time and resources to support facilities more effectively and efficiently. An additional \$14,000 is needed for this assessment which will be funded from the existing general fund 2018 budget.

The cost breakdown for the facilities assessment project between general fund and facilities impact fees is based on the components of the project and the value of the time horizon for each. The commonly accepted timeline for asset value must exceed five years for the utilization to be funded by impact fees. The general fund portion is for the upgrading of facilities asset management software and training associated with this change, the generally accepted time horizon for computers and software is 36 months. The facilities impact fee portion is for the assessment of all city facilities and component systems providing the basis for long-term maintenance and capital planning that will exceed 10 years. The resultant 10-year capital plan includes maintenance and capital needs

for all facilities based on industry standard practices, OEM recommendations, and city maintenance and replacement practices. The plan will also provide the foundation for 20-year capital planning for facility upgrades, additional expansions, or needed acquisitions.

FISCAL IMPACTS:

The financial impact of this proposed budget amendment for 2018 is as follows:

Amendments	General Fund	Capital Projects Fund	Open Space Fund	Impact Fees Fund	Total
Strategic Imperatives	\$ 50,000	\$ -	\$ -	\$ 150,000	\$ 200,000
Other	\$ 200,000	\$ 705,000	\$ 371,950	\$ 207,000	\$ 1,483,950
Total	\$ 250,000	\$ 705,000	\$ 371,950	\$ 357,000	\$ 1,683,950

Funding Sources

General Fund - Newly implemented engineering development review fees are anticipated to offset the additional \$200,000 for engineering development review costs in the General Fund in 2018. The remaining \$50,000 will be funded from fund balance. 2019 and 2020 amounts, \$219,500 and \$139,000 related to personnel positions, will be incorporated into the budget process of the respective years.

Capital Projects Fund - A savings of \$200,000 will be realized from the police RMS project which was planned in 2020. This will partially offset these costs in the five year fiscally constrained plan. \$400,000 of this is a carryover of unused funds from 2017. The remaining \$105,000 will be funded from fund balance.

Open Space Fund - The city's matching portion of \$50,000 for the grant will be funded from fund balance.

Impact Fees Fund - Costs associated with the Impact Fees will be funded from fund balance. As of May 2018, there is \$137,858 available in transportation impact fees. It is anticipated that there will be enough revenues through the remainder of the year for the transportation master plan costs. As of May 2018, there is \$209,449 available in police impact fees. As of May 2018, there is \$1,660,981 available in facility impact fees.