

Legislation Text

File #: ID# 22-212, **Version:** 1

Agenda Date: 09/27/2022

Subject:
2023 Budget Review Follow-up and Discussion

From:	James L. Becklenberg, City Manager
Prepared By:	Tiffany Hooten, Finance Director

PURPOSE:

2023 Proposed Budget follow-up discussion.

PRESENTATIONS:

Staff Presenter(s): Tiffany Hooten, Finance Director and City Staff
Additional Presenter(s): N/A

SUMMARY:

The 2023 Proposed budget was presented to council at a study session on September 9, 2022. This study session is a follow-up to that meeting.

There are four topics to be reviewed this evening:

- Capital Improvement Plan to include Capital Projects Fund, 3A Sales Tax Improvement Fund, Information Technology/Equipment Fund and other funds such as the Impact Fees Fund and Open Space Fund
- 2023 Fee schedule
- Local partnership Funding, and
- American Rescue Plan Act (ARPA)

PRIOR ACTIONS OR DISCUSSIONS:

The 2023 Proposed Budget was discussed at the September 9, 2022 budget workshop.

ANALYSIS:

Staff Analysis

Capital Projects Fund and 3A Sales Tax Improvement Fund

Staff is requesting support from council to move forward with a number of projects utilizing the Capital Projects fund and the 3A Sales Tax Improvement fund. With the additional revenue source, it is important for the city to evaluate needs, identify alignment with allowable use of funds, and to do so transparently. Staff has been developing a lengthy list of needs within the organization and continues to identify eligible and recommended uses of these funds.

Capital Projects Fund: Core projects for 2023

- \$4.5 million - Public Works. Dedicated street maintenance funded by the transfer from the General Fund as a result of the fire inclusion as well as HUTF funding.
- \$371,340 - Lease Payments
- \$475,897 - Information Technology. Includes replacement of computers, servers, storage area network and network infrastructure.

3A Capital Improvement Fund: Core projects for 2023

- \$9 million - Streets Capital Maintenance
- \$2,550,000 - Internal Services Capital -
 - \$1.75 million ERP/Technology
 - \$0.80 million Fleet Funding
- \$1.3 million - Facilities Capital Maintenance
- \$2.2 million - Building Construction/Upgrades
 - Public Works Building 2 & 3 Replacement
 - Public works campus changes
- \$1,025,000 - Conservation & Grounds, Public Safety/Security
- \$1,055,000 - Overhead/Personnel

Information Technology/Equipment Fund

The Information Technology/Equipment Fund is a new fund in 2023. This fund will be used to manage the revenues and expenditures related to the maintenance and replacement of city-wide information technology systems and equipment. Staff is proposing expenditures in 2023 related to the infrastructure upgrades, cyber security, physical security, and equipment replacement.

Impact Fees Fund

The city is legally required to use these fees for capital projects resulting from new growth within the city. Approximately \$1.2 million in expenditures is anticipated in 2023, including \$1 million to improve the connectivity between the Bemis Public Library and the Littleton Museum.

Fee Schedule

Staff is recommending modest changes in the fee schedule to better align with the market and other municipalities. This recommendation includes updating building and permit fees and adding after-hours inspection fees.

Local Partnership Funding

Each year the Littleton City Council considers requests for funding from organizations that serve Littleton residents. Requests may include operational, one-time special purpose grants, or event sponsorships (in-kind or cash). Applications for the 2023 cycle opened on July 11th and closed on August 8th. A total of 35 applications were received with 34 grant funding requests, totaling \$263,550 and seven in-kind service requests. Council received the applications, a summary, and a scoring sheet and was asked to provide their recommendations. Staff then compiled these recommendations and applied the following set of criteria to determine the award recommendations presented tonight:

- Grant: \$85,850
 - 4 or more council members recommended an award
 - Utilizing the average of non-zero award recommendations
 - Rounding to the nearest \$50

- Reduce all awards by 15% to stay within the allotted budget
- In-Kind Service: Seven Requests
 - 4 or more council members supported each request

During the September 9th budget discussion staff presented a proposal to budget \$87,750 for this program in 2023 from the General Fund.

American Rescue Plan Act (ARPA)

There is \$516,500 of ARPA funds available to be allocated. At its September 9th Council budget retreat, the City Council heard recommendations for use of these funds in the amount of \$440,000 in 2023, as follows:

- \$100,000 - Housing Policy Analyst
- \$150,000 - Economic Development Strategic Plan
- \$50,000 - Revitalization Grant
- \$25,000 - Economic Development Analysis
- \$15,000 - Homelessness Encampment Mitigation

These recommendations align with the criteria for the use of ARPA funds. This will leave \$76,500 of APRA funds remaining to be allocated.

Open Space Fund

The Open Space Fund contains local share-back funding for open space programs created in Arapahoe and Jefferson Counties. There are several projects proposed for 2023, including parks development and trail connections.

Council Goal, Objective, and/or Guiding Principle

Council Goal 2: Financial Sustainability

Fiscal Impacts

Staff will explain fiscal impacts throughout the presentation.

Alternatives

The current proposal is aligned with expressed council priorities through the Envision work, master planning efforts, and council work plan. There are alternatives for each discussion item, that would require council to reconsider alignment of their priorities. Staff will address these alternatives as they come up during the presentation.

STAFF RECOMMENDATION:

Staff recommends discussion of the budget components outlined above and direction to staff to return to the City Council with the appropriate related ordinances to adopt the budget at an upcoming City Council meeting.