

**CITY OF BOULDER
PARKS AND RECREATION ADVISORY BOARD AGENDA ITEM**

MEETING DATE: January 26, 2015

AGENDA TITLE: 2016-21 Capital Improvement Program (CIP) and Capital Investment Strategy (CIS)

PRESENTERS:

Jeff Dillon, Interim Director, Parks and Recreation
Yvette Bowden, Deputy Director
Abbie Poniatowski, Senior Business Manager
Jeff Haley, Planning Manger

EXECUTIVE SUMMARY

The purpose of this agenda item is for the Parks and Recreation Department (Department) to communicate its preliminary 2016 Capital Improvement Program (CIP) projects and to initiate discussion of the preliminary capital strategy to implement master plan goals through a 10-year Capital Investment Strategy (CIS). At this time, the Parks and Recreation Advisory Board (PRAB) will have an opportunity to ask questions and provide comments on the draft CIP and preliminary CIS. The PRAB input is essential throughout the capital budget process as PRAB's role is to provide a formal recommendation of the CIP, including the appropriation of the Permanent Parks and Recreation Fund. Funding for the Capital Improvement Bond projects is also included for information to ensure the PRAB has an understanding of the department's comprehensive CIS to implement the additional funds available through the retirement of long-term debt in 2016. The department's CIP will then be submitted to the Planning Board and City Council for review and respective considerations and approvals.

IMPACTS

Fiscal: \$2,955,700. This amount reflects the total uses of funds projected for 2016 in the Permanent Parks and Recreation (Fund 230), .25 Cent Sales Tax (Fund 118) and Lottery (Fund 111) funds for 2016. The table below is from the Master Plan (Chapter 7) with projected capital fund allocation through 2019. The projected available funding line represents the funds available for all additional Master Plan goals – capital investment needs, O&M (Operations and Maintenance) costs and program shifts. It does not reflect funding required to maintain contingency funds or the funds contributed to FAM on an annual basis for facility operations that are approximately \$450,000 per year. (Attachment A –Master Plan Chapter 7 - Financial Framework).

Table 7.3 Master Plan Capital Investment Projections

Item	2016	2017	2018	2019
Capital Improvement Program	\$1.309	\$1.407	\$1.315	\$1.315
Renovation & Refurbishment	\$1.462	\$1.474	\$1.478	\$1.500
Projected Fund Balance	\$4.343	\$4.461	\$4.758	\$4.917

Funding uses in millions

PUBLIC FEEDBACK

This item is intended to provide the PRAB with information related to the CIP definitions/criteria, preliminary projects, prioritization and linkage to the updated master plan as it relates to the 2016 – 2021 CIP. A follow-up formal PRAB public hearing is scheduled for March 23. At that time the public will have the opportunity to comment on the proposed 2016-21 CIP. The public will also have an opportunity to comment during the Planning Board’s CIP review in July and City Council’s discussions and review of the 2016 recommended budget during future public hearings. Additional public engagement will continue to be solicited for the longer term CIS for implementation of master plan goals through specific project planning such as South Valmont, the Aquatics Feasibility Plan, the Recreation Facility Plan, and the Forest Management Plan.

BACKGROUND

Capital Projects

CIP projects are defined as any major project with a cost greater than \$50,000 for purchase or construction, or major replacement of physical assets. CIP projects are potentially subject to a Community and Environmental Assessment Process (CEAP) review that evaluates any potential environmental, traffic or social impacts to Boulder residents, neighborhoods and businesses. These projects are budgeted within the framework of the City of Boulder’s CIP Budget. CIP projects are categorized as:

- *Capital Enhancement*
 - Expansion or significant improvement of an existing asset
 - Repair damage to existing infrastructure
 - Enhancement results in a durable, long lasting asset, with a useful life of at least 15 years

- *Capital Maintenance*
 - Renovate, repair, or replace an existing asset
 - Enhancement results in a durable, long lasting asset, with an extended useful life of at least five years

- *Capital Planning Studies*

- *Land and Asset Acquisition*

- *New Capital Project*
 - Construction or acquisition of a new asset
 - Expanded square footage of an existing asset with associated new use
 - Project results in a durable, long lasting asset, with a useful life of at least 15 years

- *Transfers*

CIP Process

The budget is the means by which the city manages its assets and implements projects and programs that are chosen by its residents through their elected representatives, City Council. The department budget is formulated within the context of the Parks and Recreation Master Plan (MP) that was adopted by the PRAB and accepted by City Council in March of 2014. The CIP is developed in support of achieving the MP goals. The MP included several significant new strategies and action items that will guide future capital investments for the department. These include:

Reinvestment of Debt Fund – In 2015 the department will retire debt funding from the .25 Sales Tax Fund. These funds total approximately \$2.2 million per year that will be available to augment capital repairs and maintenance, enhance O&M services, and/or shift program services and are available on an annual basis through 2035.

Focus on “Taking Care of What We Have” – With over \$220 million in current replacement value (CRV) of built assets and a projected backlog of \$27 million (at the time of the master plan writing) the community expressed a clear intent to spend priority funds on maintaining and enhancing existing park and recreation facilities to a high standard¹. The city’s desired Facility Condition Index (FCI) is .05 to .06 and the current backlog of assets is a projected FCI of .12 (FCI equals total estimated backlog of repairs divided by total CRV). This means that an initial investment of \$14 million is needed to reduce the current FCI to the desired range of .05-.06. The investments of the 2010 bond provided \$10 million of capital to improve existing facilities that reduced the backlog from \$37 million to the current estimated \$27 million. Impacts from the flood are being evaluated to develop an adjusted backlog estimate that will be available by March of this year.

Total Cost of Facility Ownership (TCFO) – The master plan recommended that proposed development of any new park and facility assets shall be evaluated through a feasibility study that includes a needs assessment, user profile, projected participation analysis, development funding method, life cycle cost pro forma and alternative development trade-off analysis. This move toward life cycle management of assets using a concept called the Total Cost of Facility Ownership or TCFO is at the heart of the department’s effort to better manage assets. This approach frames agency asset management decisions in a framework of ‘cradle to grave’ consideration of how an asset

¹ Council presentation packet for the .25 renewal

is conceived of, designed, built, managed and maintained, recapitalized, and eventually disposed of as shown in Figure 1 (below).



Two areas of significant impact for both new and existing facilities is the desire to allocate adequate funding to take care of the O&M annual costs and establishing a sinking fund to provide the anticipated Renovation and Refurbishment (R&R) of facilities to maintain them at the desired standards intended of a new facility. While the O&M and R&R vary depending on the type of facility and the level of use there are national standards that the department are reviewing to develop recommendations for future investments. The estimated values of each of these requirements are listed below:

Operations and Maintenance (O&M) – It is estimated that approximately four percent of the assets replacement value on average is required to keep all system components operational at desired levels. With approximately \$220 million in CRV the annual O&M should be approximately \$8.8 million. Table 7.6 of the master plan indicated a \$1.1 million (approximate) shortfall in 2016 for O&M funding in order to meet this goal. A portion of this shortfall is funded through an annual allocation to Facility and Asset Management (FAM) of \$450,000 for O&M and R&R associated with major park and recreation facilities leaving an actual shortfall of approximately \$650,000 annually. The department is currently evaluating all outdoor operations for O&M functions through the General Maintenance and Management Plan (GMMP), scheduled to be in draft format by the end of February. The department also has funding for a Facility Management Plan in 2015 that will provide information on O&M for major recreation buildings. The findings of these reports will help inform PRAB of the available funds for investment in capital enhancements and capital maintenance for future years.

Renovation and Refurbishment (R&R) – These are funds required to keep the backlog of regular repairs and renovations of existing assets at an FCI of .06. There are no clear national standards for investment in asset sinking funds, but the goal is to replace major components on a regular cycle to extend useful life cycle operations. Most park assets have a useful life of between five and 20 years while buildings associated with larger facilities can have a useful life of up to 50 years if regular maintenance and renovations

are provided. Using a standard of two percent annual investment in a typical asset, the total annual budget for capital enhancements and capital maintenance would be \$4.4 million. The master plan projected approximately \$2.7 million per year for these expenditures leaving a gap of \$1.7 million per year in capital investments for existing facilities.

Assuming these projections remain accurate pending the final GMMP, there is a gap of \$2.35 million per year to bring O&M and R&R to recommended standards. Using the estimated \$4.3 million in additional funding to fund these two TCFO gaps would leave approximately \$1.95 million per year in additional funding needed to lower existing FCI from the current estimated .12 to the desired .05-.06 range. It would take approximately seven years to invest the \$14 million required to bring the FCI to a desired condition for existing facilities while also providing adequate resources to maintain facilities on an annual basis.

New Capital Projects – Based on the analysis above, new facilities would not be available to be funded through the existing department revenue sources until 2022 and then only at an annual rate of \$1.5 million in present value. The need to develop a comprehensive capital investment strategy that includes new facilities is imperative to maintaining the city’s status as an innovative service provider in the field of parks and recreation. To understand the scope of this need the department has conducted a number of planning projects over the past year as outlined in the master plan. These studies are related to the larger goals outlined in the master plan that would significantly replace existing aging facilities while at the same time developing new facilities desired by the community. These studies include:

- Boulder Reservoir Master Plan, Site Management Plan and Site Plan
- South Valmont City Park Site Plan
- Athletic Field Study
- General Maintenance and Management Plan (GMMP)
- Asset Management Plan (AMP)
- Aquatics Feasibility Plan
- Civic Area Vision Plan
- Flatirons Golf Course Site Plan
- Urban Forest Management Plan
- Urban Natural Lands Management Plan
- Recreation Facility Study (in 2015)

When completed, each of these studies will provide the required investment strategy to maintain and operate existing facilities as well as provide cost estimates to build new facilities and/or replace aging infrastructure as needed and provide the additional O&M and R&R required for new facilities using the TCFO approach. It is anticipated that a larger capital investment strategy will be needed to meet those projects that are identified

as critical public improvements needed over the next 10 years that is beyond existing financial resources. This may include additional long-term bonding, pay-as-you-go sales tax, private/public and public/public partnerships as well as opportunity for private investments for commercial rate facilities and services.

PRAB's Role

Once again this year, staff is providing the PRAB with a “three touch” approach to address this topic. These “touches” include: 1) this discussion item presented at the January 27th meeting communicating process, policies and procedures and definitions/criteria that guide the CIP development; 2) a discussion item presented at the February 23rd business meeting to review draft projects and prioritization as it relates to the 2016-21 CIP; and 3) a PRAB public hearing to be held on March 23 to consider motions approving and recommending the 2016-21 Parks and Recreation Capital Improvement Program. It is also understood that the longer term Capital Investment Strategy will require additional public engagement as the above studies are finalized and accepted by PRAB. To meet this need, additional public engagement will be conducted during the fall of 2015 and spring of 2016.

CIP Guiding Principles

The city develops a CIP that addresses the ongoing major business needs and maintenance and repair of city assets as well as enhancements and expansion called for in the Boulder Valley Comprehensive Plan (BVCP). The CIP is a strategic document that assures that the municipal organization maintains a strong bond rating, implements community values, and has fiscal integrity. The city prioritizes investments both across and within funds based on the following guiding principles:

1. Capital improvements should be consistent with and implement Council accepted master plans and strategic plans.
2. Capital improvements should achieve Community Sustainability Goals:
 - a. Environmental – sustainable materials, construction practices, renewable resources, etc.
 - b. Social – enhancements that improve accessibility to city services and resources provided to the community
 - c. Economic – effective and efficient use of public funds across the community.
3. As potential capital investments are identified, the city must demonstrate in the CIP process that there are sufficient funds to operate and maintain the project or program.
4. CIPs should provide enough capacity and flexibility in long-term planning to be able to respond to emerging, unanticipated needs.

5. CIPs should maintain and enhance the supporting city-wide “business systems”, such as information and finance systems, for the city over the long term.
6. CIPs should sustain or improve maintenance of existing assets before investing in new assets.
7. Capital improvements should:
 - a. Meet legal mandates from federal, state, or city levels
 - b. Maintain or improve public safety and security
 - c. Leverage external investments
 - d. Promote community partnerships
 - e. Reduce operating costs and improve efficiency.
8. Capital programming should maximize efficiency of investments demonstrated by measurable cost/benefit analyses and coordination of projects across departments within and across funds.
9. The CIP should provide sufficient reserves to allow for a sound fiscal foundation with benefits that include:
 - a. A strong bond rating
 - b. The ability to address emergencies and natural disasters

In order to plan and prioritize capital investments, department staff applies specific guiding principles based on the city’s CIP Guiding Principles and the department’s master plan goals. The following departmental framework is also utilized to determine and plan CIP projects and make budget decisions that are sustainable over time. These priorities are also focused on maintaining the integrity of the current infrastructure and facilities before expanding and/or enhancing programs and facilities.

1. Safety/Compliance (S) – Projects represent important deficiencies and are essential safety and compliance concerns. Projects may include ongoing infrastructure repairs, replacements and/or refurbishments of park play equipment and amenities, irrigation systems, landscape and turf upgrades and facility improvements. Compliance considerations also include meeting local, state and federal requirements that are required to be completed to comply with specific regulations, such as city ‘dark sky’ lighting ordinance and the Americans With Disabilities Act (ADA).
2. Commitment (C) – Projects that are required by law/ballot (e.g., Elks Park), are in-process of development (e.g., Valmont Community Park), as part of a prior development agreement, are recommended as part of the department master plan (e.g., playground and irrigation system renovations) and/or are required to be completed within a specific period of time.
3. Efficiencies (E) – The department will consistently seek efficiency improvements in both operational and capital investments. Projects will represent important

operational and/or maintenance efficiencies resulting in improved life cycles, cost efficiencies and savings in resources, energy or water usage (e.g., Flatirons Golf Course irrigation system replacement, computerized irrigation system).

4. Revenue (R) – The department will invest in facilities and programs that generate revenues to support valued recreational opportunities in the Boulder community. Projects will enhance the department's ability to earn more revenue after initial investment and operational costs are considered (e.g. Flatirons Golf Course playability enhancements) and/or possible collaboration/partnerships leveraging outside funding sources.

Budget and Funding Status

The department's CIP is funded primarily from the Permanent Parks and Recreation Fund (Fund 230), .25 Cent Sales Tax Fund (Fund 118) and Lottery Fund (Fund 111).

Additional sources of funding that have limitations on the type of capital investment that monies can be spent on and are not managed exclusively by the department include the Capital Development Fund (Fund 110), Boulder Junction Improvement Fund (Fund 250) and Capital Improvement Fund (Fund 260).

In November 2012, voters approved the extension of the .25 Cent Sales Tax Fund through 2035. Beginning in 2016, there will be approximately \$2M that had been allocated for debt service in the fund that will be available for other uses. Conversations related to the potential uses of that funding and how it will be allocated with consideration to the updated Master Plan priorities will be the focus of the CIS Plan.

As part of the annual budget process, the City's Finance Department provides projections for taxes and conservation trust fund allocations at the end of April for 2016 budget development. Staff will provide updates on any impacts of these projections as part of the Budget Update item planned at the May 18th business meeting.

2016 CIP Projects

Based on budget considerations and the CIP guiding principles, the PRAB and the department will discuss the following CIP projects for 2016 (as listed in the 2015-20 CIP). The 2015-20 CIP Project Summary Sheet is provided as additional information (Attachment B).

Preliminary 2016 Capital Improvement Program (CIP) Projects

Category	Projects	Priority	Fund	Description/Comments	2016 Projected
Capital Enhancement	Playground and Irrigation System Replacement	S, C, E	230	Ongoing park system renovations/repairs based on priority needs	\$300,000
	Playground and Irrigation System Renovation (P&R)	S, C, E	111	Ongoing park system renovations/repairs based on priority needs	\$230,300
	Emerald Ash Borer Response Measures	S, C, E	118	Annual EAB response project to remove identified trees throughout the community and replace with new tree species to slow the spread of the pest and ensure safety of the public	\$220,000
	Lighting Ordinance Compliance	S, C, E	230	Coordinate w/McKinstry/FAM to optimize efficiencies in priority improvements	\$250,000
	Recreation Center Enhancements	S,E,R	118	Pending the outcome and implementation of the Rec Facility Strategic Plan, this project would provide implementation of key facility repairs and renovations to ensure acceptable facility conditions	\$180,000
	Recreation Center Enhancements	S,E,R	230	Pending the outcome and implementation of the Rec Facility Strategic Plan, this project would provide implementation of key facility repairs and renovations to ensure acceptable facility conditions	\$100,000
	Artificial Turf Field Installation	E,R	230	Retrofit and/or install new artificial turf multi-purpose fields (locations to be determined)	\$500,000
				Subtotal	\$1,780,300
Capital Maintenance	Flatirons Golf Course Restroom and Path Repairs	S, E	118	Repair and replacement of cart paths throughout the course to ensure player safety and operational efficiencies	\$200,000
	ADA Compliance Improvements	C	118	Implementation of exterior park and recreation ADA improvements (Coordinate w/FAM)	\$100,000
				Subtotal	\$300,000

New Capital Projects	Boulder Junction Pocket Park	C	250	Land acquisition/design/development of pocket park improvements	\$750,000
				Subtotal	\$750,000
Transfers	Tributary Greenways Program - Lottery		111	Annual transfer of funds for program capital needs	\$125,400
				Subtotal	\$125,400
				Total	\$2,955,700

Fund 230 (*) - Permanent Parks and Recreation Fund; Fund 118 - .25 Cent Sales Tax Fund; Fund 111 - Lottery Fund; Fund 260 – Capital Improvement Fund

2013 Flood Project Status

Planning staff continues to analyze flood impacts and develop construction cost estimates for flood recovery projects within department facilities. Staff will provide the PRAB with the most updated project costs as part of the CIP process so that PRAB can be involved in the decision-making process regarding identifying funding and prioritizing projects for flood recovery.

QUESTIONS FOR THE BOARD

- Does the PRAB have questions regarding the department’s preliminary 2016-21 CIP project list?
- Does the PRAB have priorities that are not included in the draft 2016-21 CIP?
- Does the PRAB have questions related to the larger CIS approach?

NEXT STEPS

Important milestones for the CIP process are included below.

Milestone	Date
PRAB CIP Discussion Item (1st Touch)	January 26
PRAB CIP Discussion (2nd Touch)	February 23
PRAB CIP Public Hearing, Discussion and Recommendation (3rd Touch)	March 23
1 st Draft CIP to Planning	Late April
Proposed Operating and CIP Budget Submittals Due to CMO	End of May
Citywide CIP Tour	Late July
Planning Board CIP Hearing	Beginning of August
City Council CIP Study Session	Mid August
City Council Budget Consideration	September

Attachments:

- Master Plan Chapter 7 – Financial Framework
- CIP Project Summary Sheet 2015 – 2020

7: Financial Framework

100 Years of Excellence



Carnegie Branch Library for Local History/Daily Camera Collection

1956 Boulder Reservoir

Boulder Reservoir was built in 1954 as a new water supply for the growing community and in the summer of 1955 hosted the first recreational uses including water ski shows, ski jumping contests and boating exhibitions.

Boulder Parks and Recreation Department Master Plan

Funding

Following the economic downturn in recent years and the slow recovery being experienced in Colorado and across the nation, the City of Boulder continues a conservative budgeting approach. In spite of the difficult financial climate, however, city departments continue to provide high-quality facilities, programs and services to the community. There are signs that the local economy is improving slowly, and modest increases in the city's primary revenues, including sales, use and property taxes, may occur beginning in 2013. Regardless of the uncertainties for the future, the city's budget reflects a continued commitment to high standards of public service and efficient service delivery. It assigns limited available funding to programs supporting the highest community priorities, as defined by the Priority Based Budgeting (PBB) goals and, in accordance with the Capital Improvement Program's Guiding Principles.

The Boulder Parks and Recreation Department (BPRD) is funded by multiple sources that vary in stability and required use. Currently, the department has direct financial management responsibilities of \$25M on average annually for operating and capital purposes and has potential access to other funding sources for one-time growth-related capital expenses. The department provides an array of programs and services that benefit the community (e.g., parks and playgrounds) to specialized users. With community input, the BPRD is revising its financial planning efforts and decision-making framework to ensure that resources take care of existing facilities and parks and are allocated in a matter that is consistent with priorities.

As discussed in the needs assessment, during the past five years, the department's funding sources have remained constant. BPRD funding sources are projected to grow at a modest rate (approximately 2-3%, depending on the source) over the next five years. At the same time, due to the inflationary costs of personnel, energy and materials coupled with the increasing costs of aging assets and operations and maintenance of new facilities, expenses are projected to outpace that growth. Thus, while the department's funding is more stable than in past years, the gap between expenses and funding will only grow if the department does not adjust its service provision and facility maintenance and operations to ensure limited funding is spent to meet the highest community priorities.

Financial Decision-Making

The City of Boulder has established a framework to make effective use of the city's limited resources. Priority Based Budgeting (PBB) was implemented with the 2011 budget process and is a tool to ensure city service priorities are based on community goals and values, and that these priorities should drive budget decisions. The goals and values were developed through an extensive community process. Implementation of PBB is two-fold; follow best practices for allocating resources to ensure fiscal health and identify a prioritization scheme.

Programs and services are ranked and prioritized based on two sets of criteria: (1) their ability to help the community achieve desired results and (2) basic program attributes. These criteria are presented in Figure 7.1.

Community Results Goals	Basic Program Criteria
<ul style="list-style-type: none"> • Accessible and connected community • Economically vital community • Environmentally stable community • Healthy and socially thriving community • Safe community • Good governance 	<ul style="list-style-type: none"> • Mandate to provide service • Change in demand for service • Reliance on City to provide service • Self sufficient / cost recovery • Cost avoidance / increasing inefficiencies

Figure 7.1 PBB Results and Criteria

The PBB process has become an important tool not just for citywide budget decisions but also for direct departmental decision-making efforts. PBB is reviewed annually across the organization to ensure community priorities are reflected in the services provided by the department. PBB can be more effective as the department refines its categories to better align with community values as demonstrated in this planning process. Currently, however, the PBB process does not include goals and criteria to assist in prioritizing capital budget decisions.

In order to plan and prioritize capital investments, the Department applies specific guiding principles based on the city's Capital Improvement Program (CIP) guiding principles and the department's 2006 master plan goals. The departmental CIP framework is also utilized to determine and plan CIP projects and make budget decisions that are sustainable over time. These criteria (e.g., safety compliance, commitment, efficiency, revenue) and priorities are also focused on maintaining the integrity of the current infrastructure and facilities before expanding and/or enhancing programs and facilities.

BPRD Funding Sources

Funding Sources and Uses

General Fund \$4,618,343

The city's General Fund is supported by fees, sales, property and other taxes. General Fund dollars are allocated to city departments and projects by city council through an annual budget process. Parks and Recreation primarily uses its allocation to fund park and forestry operations and department administration.

Permanent Parks and Recreation Fund \$2,412,224

The Permanent Parks and Recreation Fund (PPRF) is the department's capital improvement and acquisition fund. Funded specifically from property and development excise taxes, the fund is for the dedicated purpose of acquiring land and renovating or improving existing parks and recreational facilities. It may not be used to fund daily operations or routine maintenance.

Recreation Activity Fund (RAF) \$9,892,100

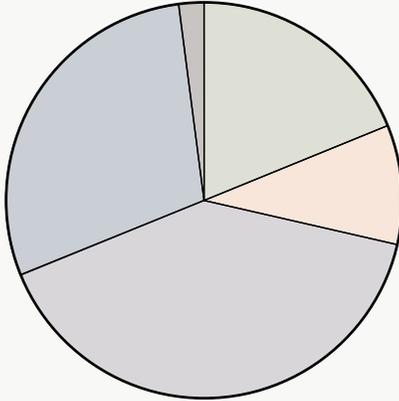
The RAF is used to operate and maintain the department's many recreation, fitness and sports facilities and programs. RAF funds are largely derived from program and facility use fees with some supplemental funding from the General Fund (primarily to fund subsidized programs for individuals with disabilities and youth from families with low incomes).

.25 Cent Sales Tax Fund \$7,124,262

The department receives voter-approved sales tax funds (.25 cent) that are dedicated to acquiring, developing, operating and maintaining parks and recreation facilities. In November 2012, voters renewed the tax with an 85% voter approval, through 2035.

Lottery Fund \$493,000

The city lottery fund is a special revenue fund that accounts for state conservation trust fund monies allocated to local governments based on population. State conservation trust fund monies are dedicated to parks, recreation, and open space site maintenance and capital improvements. The city receives about \$800,000 on an annual basis from the state and allocates \$425,000 to the parks and recreation department.



- General Fund
- Permanent Parks and Recreation Fund
- Recreation Activity Fund
- .25 Cent Sales Tax Fund
- Lottery Fund

Figure 7.2 Funding Sources.

Outlook

Although the department's General Fund allocation is projected to keep pace with key operational expenses, the fund is based on tax collections and shared with other departments who provide core and essential city services.

The city has recently experienced lower PPRF contributions due to a decline in assessed property values. The PPRF is funded through a 0.9-mill property tax, a development excise tax, and donations. All of these revenue sources are sensitive to economic conditions.

Most RAF user fee revenues, including recreation centers, golf, aquatics, recreation programs, and the reservoir, experienced increases between 2010 and 2012. The general fund subsidy transfer to the RAF (about \$1.6 million annually) remained relatively constant over the last three years.

As with any sales tax, earnings are based on collections, so the source of this fund is volatile but anticipated to maintain stability with the potential for minimal growth given improvement in the local economy. The upcoming retirement of the bond debt associated with the .25 sales tax present the city with an opportunity to clarify how to address resource needs when additional funds become available in 2016.

In 2011, the city's contribution was reduced based on the city's population. This allocation is expected to remain constant or increase based on population growth projections.

Other Department Funding

There are three other funds that contribute to the department's resources: the capital development fund, the 2011 capital improvement fund, and the Boulder Junction improvement fund. All of these funds are capital improvement funds with monies dedicated to specific capital improvements for parks and recreation facilities and land acquisitions in city growth areas.

The capital development fund accounts for citywide development impact fee collections allocated to growth-related parks and recreation facility development.

The 2011 capital improvement fund accounts for the department's portion of a citywide bond issuance to fund infrastructure improvements. This bond was a one time infusion to be spent over three years to decrease backlog on existing assets. About \$8.3 million in revenue is budgeted in this fund in 2012. Per the bonding restrictions, this funding must be utilized by the end of 2014.

The Boulder Junction improvement fund was established in 2012 to account for development excise tax and construction-use tax revenue allocated to fund park land and recreation facility acquisition and development in the Boulder Junction area.

	2014	2015	2016	2017	2018	2019
Projected Sources of Funds						
General	\$ 4,604	\$ 4,720	\$ 4,838	\$ 4,960	\$ 5,085	\$ 5,085
Permanent P&R	\$ 2,559	\$ 2,559	\$ 2,599	\$ 2,662	\$ 2,749	\$ 2,790
Recreation Activity	\$ 10,363	\$ 10,552	\$ 10,748	\$ 10,946	\$ 11,110	\$ 11,275
.25 Cent Sales Tax	\$ 7,470	\$ 7,720	\$ 7,979	\$ 8,238	\$ 8,502	\$ 8,774
Lottery	\$ 425	\$ 425	\$ 425	\$ 425	\$ 425	\$ 425
Total	\$ 25,421	\$ 25,976	\$ 26,589	\$ 27,231	\$ 27,871	\$ 28,349
Projected Uses of Funds						
Debt Service	\$ 2,190	\$ 2,193	\$ -	\$ -	\$ -	\$ -
Administration	\$ 2,768	\$ 2,839	\$ 2,911	\$ 2,986	\$ 3,062	\$ 3,115
Operations & Maintenance	\$ 6,687	\$ 6,837	\$ 6,865	\$ 7,022	\$ 7,182	\$ 7,245
Rec Programs & Services	\$ 9,492	\$ 9,570	\$ 9,699	\$ 9,881	\$ 10,067	\$ 10,257
Capital Improvement Program	\$ 2,511	\$ 1,321	\$ 1,309	\$ 1,407	\$ 1,315	\$ 1,315
Renovation & Refurbishment	\$ 1,050	\$ 1,450	\$ 1,462	\$ 1,474	\$ 1,487	\$ 1,500
Total*	\$ 24,698	\$ 24,210	\$ 22,246	\$ 22,770	\$ 23,113	\$ 23,432
<i>*Total usages of funding does not match total sources of funding in any given year due to unscheduled CIP expenses, reserves and opportunity cost expenditures.</i>						
Projected Available Funding	\$ 723	\$ 1,766	\$ 4,343	\$ 4,461	\$ 4,758	\$ 4,917

Table 7.3 Funding Sources and Uses (in millions)

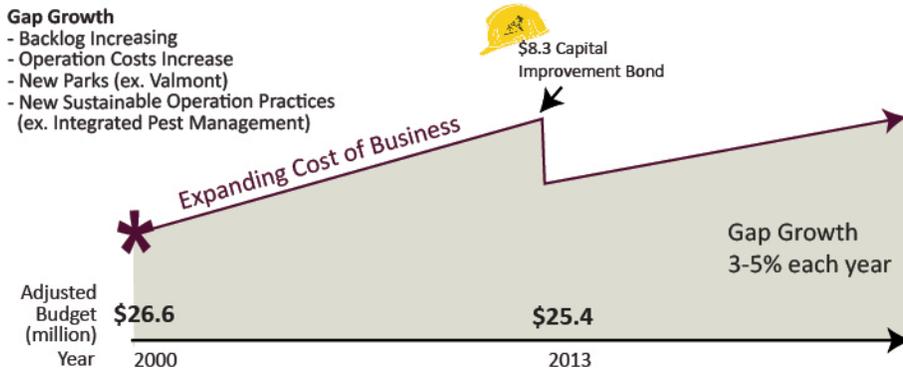
Financial Projection

Table 7.3 shows the projection of the sources of funding and projected expenses and uses based on current department priorities. Beginning in 2016, an opportunity exists to address high priority park and recreation needs as a result of retiring debt service. Considerations for use of this funding include but are not limited to:

- Funding deferred maintenance
- Improving or increasing service standards for maintenance operations
- Focusing programming on health and wellness and youth
- Increasing financial assistance for underserved populations
- Maintaining adequate reserves

Implications for Park and Recreation Master Plan

BPRD must be prepared to make changes related to resource allocation in order to continue meeting the community's expectations



* Adjusted to Consumer Price Index for 2013. Actual 2000 budget was \$19.4 million.

Figure 7.4 Gap Growth. The gap between expenses and funding will continue to grow unless the department adjusts its service provision and facility maintenance and operations.

for its parks and recreation system. The current budget reflects an economic reality that is not predicted to shift anytime soon, and it is within this reality that the department must plan for the future. With a maintenance backlog estimated at \$27 million, the department faces difficult trade-off decisions about how to manage and operate its facilities and provide its programs (Figure 7.4).

The city's CIP guidelines prioritize the maintenance of current assets over the development of new facilities. The community, through the planning process, has indicated strong support for this concept of prioritization (Figure 7.5). Even with the indications of a modest economic turnaround and the renewal of the .25 Cent Sales Tax, funding is not sufficient to take care of all aging assets and build new park and recreation facilities.

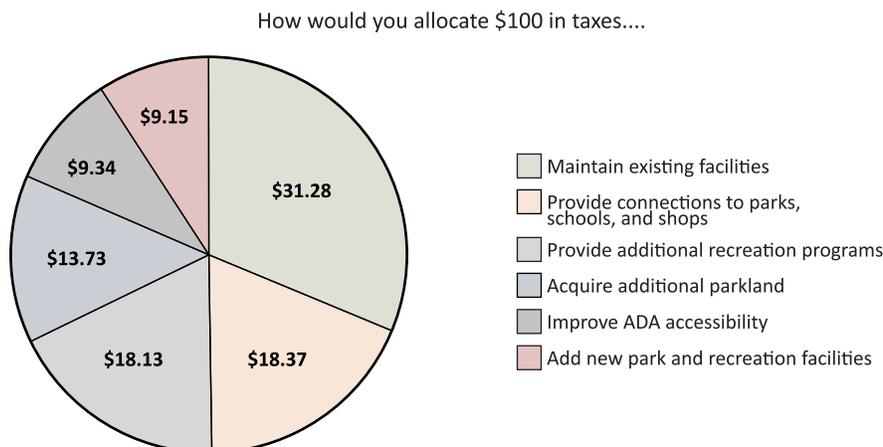


Figure 7.5 Community Budget Allocation. In the 2012 master plan community survey, maintenance of existing facilities received the highest funding allocation.

2016 Uses of Funding

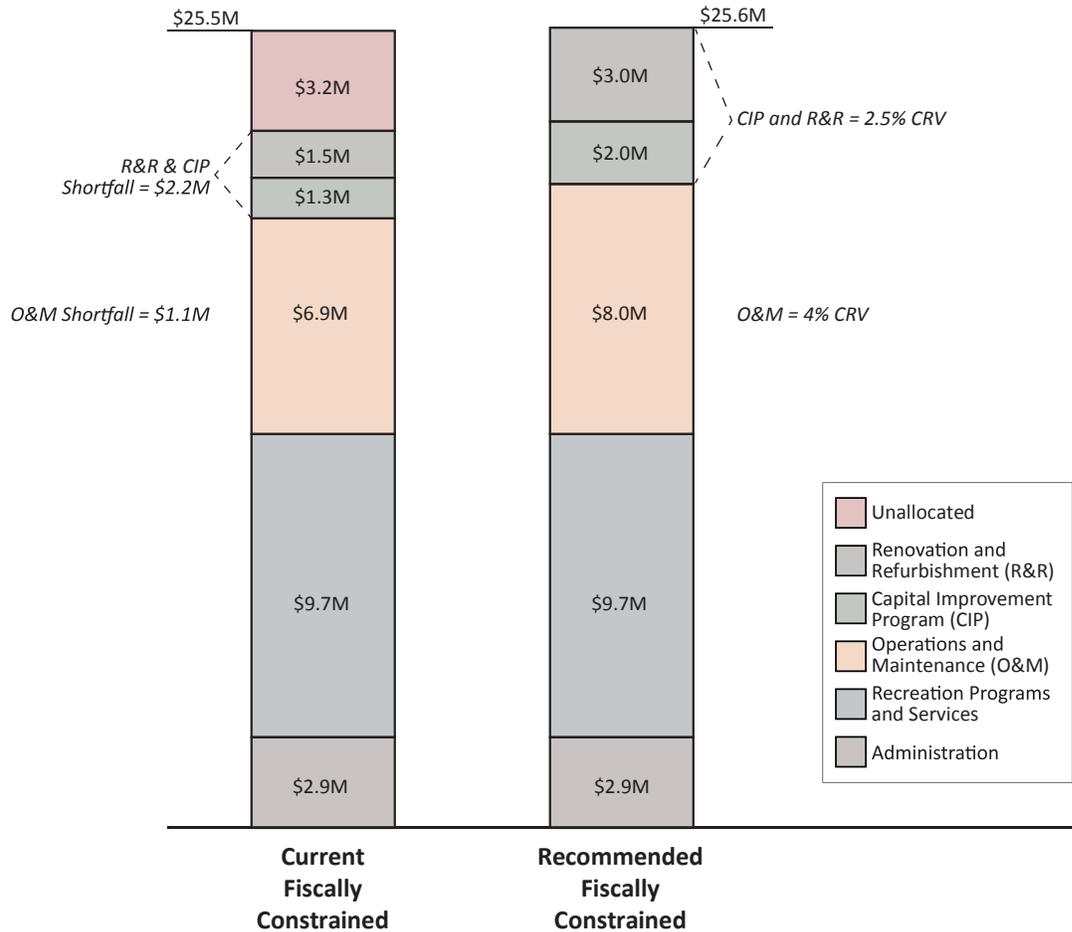


Table 7.6 2016 Uses of Funding (in millions). The left column depicts current projected uses of 2016 funding and the column on the right demonstrates the recommended allocation to take care of existing assets based on best practices in asset management.

Development of any new facilities will require trade-offs and or additional funding. The policy guidance provided by the master plan recommends: (a) completion of a full feasibility study to clarify demand and current facility supply and (b) identification of the Total Cost of Facility Operations (TCFO) before any new facilities can be considered. The master plan, which identifies areas for further investigation, clarifies that development of new facilities should not occur without additional funding or comparable trade-offs (Table 7.6).

Simultaneously, the department must respond to the community's shifting values related to recreation activities, not only by providing adequate facilities and programs to meet those needs but by making them accessible to the entire community. In addition, to focus programming on health and wellness and ensure programs are accessible to all community members, the department will need to shift service delivery and resource allocation as well as implement best practices in program life cycle management and evaluation.

ATTACHMENT B

Category	Projects	Priority	Fund	Description/Comments	2015 Approved	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	6 Year Total (2015-2020)
Capital Enhancement	Playground and Irrigation System Replacement	S, C, E	230	Ongoing park system renovations/repairs based on priority needs	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000		\$ 1,500,000
	Playground and Irrigation System Renovation (P&R)	S, C, E	111	Ongoing park system renovations/repairs based on priority needs	\$ -	\$ 230,300	\$ 230,300	\$ 230,300	\$ 230,300	\$ 230,300		\$ 1,151,500
	Emerald Ash Borer Response Measures	S, C, E	118	Annual EAB response project to remove identified trees throughout the community and replace with new tree species to slow the spread of the pest and ensure safety of the public	\$ 230,000	\$ 220,000	\$ 220,000	\$ 220,000				\$ 890,000
	Lighting Ordinance Compliance	S, C, E	230	Coordinate w/McKinstry/FAM to optimize efficiencies in priority improvements	\$ -	\$ 250,000	\$ 250,000					\$ 500,000
	Coot Lake Restoration	S, E	230	Critical repairs and restoration of shoreline for visitor safety and resource conservation.	\$ 50,000							\$ 50,000
	Coot Lake Restoration	S, E	111	Critical repairs and restoration of shoreline for visitor safety and resource conservation.	\$ 200,000							\$ 200,000
	Civic Area Improvements	S, E	110	Replace and improve play area at Lumber Park as part of the Civic Area Plan implementation	\$ -							\$ -
	Recreation Center Enhancements	S,E,R	118	Pending the outcome and implementation of the Rec Facility Strategic Plan, this project would provide implementation of key facility repairs and renovations to ensure acceptable facility conditions		\$ 180,000	\$ 280,000					\$ 460,000
	Recreation Center Enhancements	S,E,R	230	Pending the outcome and implementation of the Rec Facility Strategic Plan, this project would provide implementation of key facility repairs and renovations to ensure acceptable facility conditions	\$ 280,000	\$ 100,000		\$ 280,000	\$ 280,000	\$ 280,000		\$ 1,220,000
	Flatirons Golf Course Irrigation System Replacement	R,E	230	Replacement and enhancement of irrigation system at the Flatirons Golf Course to achieve more operational efficiencies and water conservation	\$ -							\$ -
	Artificial Turf Field Installation	E,R	230	Retrofit and/or install new artificial turf multi-purpose fields (locations to be determined)	\$ -	\$ 500,000	\$ 500,000	\$ 500,000				\$ 1,500,000
Subtotal					\$ 760,000	\$ 1,780,300	\$ 1,780,300	\$ 1,530,300	\$ 810,300	\$ 810,300		\$ 7,471,500
Capital Maintenance	Pool Replasters	S, E	230	Replaster recreation centers and Spruce pools	\$ 75,000					\$ 200,000		\$ 275,000
	Historic Railroad Coach Restoration	S, C, E	118	Repair and restoration of wood siding on coach to meet grant commitment and prevent increased cost through further deterioration	\$ 100,000							\$ 100,000
	Flatirons Golf Course Restroom and Path Repairs	S, E	118	Repair and replacement of cart paths throughout the course to ensure player safety and operational efficiencies		\$ 200,000						\$ 200,000
	ADA Compliance Improvements	C	118	Implementation of exterior park and recreation ADA improvements (Coordinate w/FAM)	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000				\$ 600,000
	Pearl Street Mall Irrigation/Tree/Electrical Replacement	E	230	Major irrigation repairs/system upgrade and replacement	\$ 550,000							\$ 550,000
	Pearl Street Mall Irrigation/Tree/Electrical Replacement	E	118	Major irrigation repairs/system upgrade and replacement								\$ -
	Parking Lot Repair	S,E,R	230	Ongoing repair and renovation to existing parking lots at parks and recreation facilities.				\$ 220,000	\$ 420,000	\$ 220,000		\$ 860,000

	Court Repairs and Renovation	S,E,R	118	Repair and replacement of tennis courts and basketball courts throughout the community to ensure player safety and operational efficiencies				\$ 280,000				
				Subtotal	\$ 825,000	\$ 300,000	\$ 200,000	\$ 700,000	\$ 420,000	\$ 420,000		\$ 2,585,000
Land and Asset Acquisition	Boulder Junction Rail Plaza	C	250	P&R contribution to the Boulder Junction Fund	\$ -		\$ 350,000	\$ 350,000				\$ 700,000
				Subtotal	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ -	\$ -		\$ 700,000
New Capital Project	Boulder Junction Pocket Park	C	250	Land acquisition/design/development of pocket park improvements	\$ -	\$ 750,000						\$ 750,000
	Violet Neighborhood Park	C	230	Neighborhood park design/construction improvements	\$ -			\$ 500,000				\$ 500,000
				Subtotal	\$ -	\$ 750,000	\$ -	\$ -	\$ 500,000	\$ -		\$ 1,250,000
Capital Planning Studies	Aquatic Feasibility Plan	S, C, E	118	Comprehensive analysis and feasibility of aquatic needs in the community and capacity to accommodate needs	\$ -							\$ -
	Recreation Facility Strategic Plan	S, C, E	118	Comprehensive study and analysis of recreation centers to determine strategies for repair, renovation and enhancements.	\$ 150,000							\$ 150,000
	Urban Forest Management Plan	S, C, E	118	Development of comprehensive plan to set near term and long term goals and strategies for sustainable management of the City's urban forest.	\$ 120,000							\$ 120,000
	Planning, Design and Construction Standards	S, C, E	230	Development of comprehensive departmental processes, guidelines and standards for design and construction of parks and facilities.	\$ 100,000							\$ 100,000
				Subtotal	\$ 370,000	\$ -		\$ 370,000				
Transfers	Tributary Greenways Program - Lottery		111	Annual transfer of funds for program capital needs	\$ 125,400	\$ 125,400	\$ 125,400	\$ 125,400	\$ 125,400	\$ 125,400		\$ 752,400
				Subtotal	\$ 125,400		\$ 752,400					
				Total	\$ 2,080,400	\$ 2,955,700	\$ 2,455,700	\$ 2,705,700	\$ 1,855,700	\$ 1,355,700		\$ 13,128,900