

**Boulder City Council  
STUDY SESSION**

Televised

**Tuesday  
September 13, 2016**

**Council Briefing  
5:30-6:30 p.m.**

**Boulder Valley Comprehensive Plan Update**

**Review of the 2017 City Manager's  
Recommended Budget**

**6:30-9 p.m.**

**Council Chambers  
Municipal Building  
1777 Broadway**

Submit Written Comments to City Council, ATTN: Lynnette Beck, City Clerk, 1777 Broadway, P.O. Box 791, Boulder, CO 80306 or Fax to 303-441-4478 or E-mail: [council@bouldercolorado.gov](mailto:council@bouldercolorado.gov)

Anyone requiring special packet preparation such as Braille, large print, or tape recorded versions may contact the City Clerk's Office at 303-441-4222, 8 a.m. – 5 p.m. Monday through Friday; two business days notification prior to the meeting is required for special packets. The Council Chambers is equipped with a T-Coil assisted listening loop and portable assisted listening devices. Individuals with hearing or speech loss may contact us using Relay Colorado 711 (711 or 800-659-3656).

If you need Spanish interpretation or other language-related assistance for this meeting,

please call (303) 441-1905 at least three business days prior to the meeting. Si usted necesita interpretación o cualquier otra ayuda con relación al idioma para esta junta, por favor comuníquese al (303) 441-1905 por lo menos 3 negocios días antes de la junta.



**CITY OF BOULDER  
STUDY SESSION**

**MEMORANDUM**

**TO:** Members of City Council

**FROM:** Jane S. Brautigam, City Manager  
Mary Ann Weideman, Deputy City Manager  
Tanya Ange, Deputy City Manager  
Bob Eichen, Chief Financial Advisor  
Cheryl Pattelli, Director of Finance and Risk Management  
Peggy Bunzli, Executive Budget Officer

**DATE:** Aug. 31, 2016

**SUBJECT:** **Sept. 13, 2016 Study Session**  
**Review of the 2017 City Manager's Recommended Budget**

**I. PURPOSE**

The purpose of the Sept. 13 study session is to present the [City Manager's 2017 Recommended Budget](#) and to give City Council an opportunity to review the document, ask questions of staff and provide additional comments. The study session will cover economic conditions, projected future city revenues, budget principles and major themes in the recommended budget, along with details of specific items proposed for funding in 2017.

**II. BACKGROUND ON THE 2017 RECOMMENDED BUDGET**

*Capital and Operating Budget*

Each year, the annual city manager's recommended budget includes two primary components: (a) the overall budget, incorporating all programs, services and capital projects for the year and (b) a capital improvement program budget. The City Manager's 2017 Recommended Budget shows the combined operating and capital plan of the city, including (i) actual expenditures and revenues for 2015; (ii) approved and revised expenditures and revenues for 2016; (iii) proposed expenditures and revenues for 2017; and (iv) projected revenues and expenditures through 2022.

The [Draft 2017-2022 Capital Improvement Program](#) (CIP) was reviewed at the Aug. 9 council study session. Material from that meeting can be found here: [Draft 2017-2022 CIP Study Session Packet](#) and

the presentation from that evening can be found here: [Aug. 9 CIP Study Session Presentation](#). A summary of that study session will be included in the consent agenda of the Sept. 6, 2016, City Council meeting.

### *Financial Summary*

The economic outlook for the city continues to be mixed, with slow economic growth nationally and locally, and slow revenue growth projected to continue in the coming years. Boulder's fiscal health is reflected in the community's unemployment level and its tax revenue collections. The unemployment level, as of June 2016, was 3.4 percent. This is down 0.4 percent from the previous year. Total sales and use tax collections were up 4.39 percent through June 2016, compared to collections through June 2015. This is on target with projections for 2016. Retail sales tax collections, however, are only up 2.28 percent. Staff has projected an increase of 3.5 percent over last year. This disparity is significant because retail sales tax collections make up nearly 80 percent of the revenues and are considered the base **ongoing** revenues. Business and construction use tax revenues, which are more one-time in nature, are currently above projections. This is currently making up the difference in overall collections; however, staff will continue to monitor revenues closely.

The total annual budget of \$321 million (excluding transfers) across all funds and areas represents a 2.1 percent decrease in spending over 2016. The primary factor in this budget reduction is a proposed \$12 million decrease in capital spending. As noted in the Aug. 9 study session on the Capital Improvement Program (CIP), capital spending ebbs and flows, based on cyclical facility maintenance and upgrade needs, as well as timing of new projects. So, for example, while the 2017 CIP (\$61 million) is lower than the 2016 CIP (\$73 million), the 2018 CIP (\$138 million) is expected to be significantly greater than the 2017 CIP. Capital investment is an important part of the long-term strategic financial plan in support of the community. Capital spending is planned for, and funds are saved up over time to directly cover the project costs and debt service.

While these spending variances can greatly impact the overall city budget in any given year, for year-over-year budget comparison, it can be more useful to look at changes in operating expenses.

The 2017 recommended budget represents a 2.05 percent increase in operating expenses as compared to the 2016 budget. This includes slightly reduced one-time expenses and debt service, and an increase of 2.6 percent in ongoing expenses. The net ongoing increase includes strategic investment in the community, outlined in the City Manager's Budget Message (**Attachment A**), but also takes into account cyclical decreases in some operating areas, such as computer replacement; operating budget savings; and an overall conservative approach to the budget this year.

Projected 2017 General Fund expenditures of \$138.8 million will increase by 5 percent over the 2016 Approved Budget. Proposed one-time spending remains relatively flat from 2016 to 2017, with the overall increase in the General Fund primarily related to ongoing operating expenses. Strategic ongoing operating investments are highlighted in the City Manager's Budget Message, with additional information provided below on select items.

### *Strategic Planning and Prioritization*

During 2013 and 2014, a cross-departmental team completed an update of the city's Comprehensive Financial Strategy (CFS). This built on important work done by a Blue Ribbon Commission between 2008 and 2010. That commission concluded that if the city continued on the path it was on at the time,

there would be an annual gap between revenues and expenditures of \$135 million per year by 2030. The commission used an econometric model that took into account the impact of an aging population, the continuation of the erosion in the type of goods that are subject to sales and use tax, and other demographic impacts expected in the next 20 years. Since that work was done, council has implemented and adhered to some very powerful financial policies that have brought stability to the financial situation of the city. One policy, in particular, has resulted in a truly balanced budget. Specifically, ongoing expenditures are balanced to ongoing revenues, and one-time revenues are used for one-time expenditures only. By adhering to this financial discipline on an ongoing basis, the gap for currently provided services can be eliminated as a concern. Like recent budgets before it, this recommended budget follows this important principle.

The 2017 recommended budget has been developed in support of council and community priorities, incorporating council-adopted master and strategic plans, under the umbrella of the Sustainability Framework and using Priority Based Budgeting. There are a number of opportunities for public input and feedback throughout the process, including outreach through master planning efforts, Board and Commission meetings and public hearings of the budget. The sustainability framework and how it is implemented throughout city decision- and policy-making processes is illustrated in the graphic below.



### III. 2017 RECOMMENDED BUDGET HIGHLIGHTS

2017 recommended budget highlights are noted in the City Manager’s Budget Message, which is on p. xix of the [2017 Recommended Budget](#) and included as **Attachment A** to this memo. These highlights demonstrate increased and strategic investment in all outcome areas of the Sustainability Framework.

A complete list of new funding initiatives for 2017 is included in Attachment A (listed by department) and Attachment B (listed by fund) of the 2017 Recommended Budget City Manager’s Budget Message.

### IV. ADDITIONAL ANALYSIS OF KEY INITIATIVES

There are, however, several high-priority initiatives that may be of particular interest to council, both because of the financial commitment they represent and because of the community interest in their outcome. These are:

- The Boulder Valley Comprehensive Plan update;

- Central Boulder long-term planning;
- Transportation safety;
- Social equity;
- Arts;
- A potential municipal electric utility; and
- Impacts of the 2013 Flood

### **Boulder Valley Comprehensive Plan Major Update**

The 2017 City Manager’s Recommended Budget reflects continued funding in support of the current Major Update to the Boulder Valley Comprehensive Plan (BVCP). The BVCP is the overarching policy document that guides decisions related to growth and preservation of the Boulder Valley. It also informs decisions about the manner in which city services are provided. While most of the core BVCP policies have been in place since 1970, the city and county update the plan every five years to address current needs and conditions in the community. There has been extensive public engagement as part of the BVCP major update process to date. This is providing the opportunity to understand and address the community’s vision and help shape Boulder’s built environment and quality of life. Work on the update is expected to continue into next year, and funding is necessary to complete this important effort.

### **Central Boulder Long-Term Planning**

The city is continuing with three long-term planning projects in the Central Boulder area: A Boulder Community Project – Alpine-Balsam (Alpine-Balsam); the Boulder Civic Area (Civic Area); and University Hill Reinvestment. City Facilities Assessment work, also underway, will inform outcomes of both the Civic Area and the Alpine-Balsam projects.

The planning efforts to transform the Civic Area, redevelop the Alpine-Balsam site, promote reinvestment in University Hill and support CU’s development of a hotel/conference facility are all anticipated to continue in 2017. Phases and timing to implement these planning projects will be defined by analyses currently underway, informed by community input, guided by council decision-making, and dependent on the availability of funding sources. The 2017 recommended budget includes funding for planning efforts related to Alpine-Balsam; the “East Bookend” of the Civic Area; University Hill reinvestment and Facilities Assessment work; continued funding for Civic Area activation; and capital investment from the voter-approved Community, Culture and Safety tax, which supports initial projects in the Civic Area and in the University Hill area.

The planning for these opportunity areas will help ensure that future redevelopment fits the community’s vision and goals, responds to multiple needs, and enhances the character of the neighborhoods and the heart of Boulder. Additional information can be found in the Special Central Boulder Long-Term Planning highlight section of the [Draft 2017-2022 CIP](#).

### **Transportation Safety**

The city is in the process of implementing a “Toward Vision Zero” transportation safety strategy. An important step in meeting the Toward Vision Zero objective is the [2016 Safe Streets Report](#), which provides an overview of the city’s efforts to continuously improve safety for all modes of travel. The report analyzes traffic safety data from 2009 to 2014. Key findings from the report include:

- Bicyclists and pedestrians are overrepresented in collisions that result in serious injuries and fatalities
- 12 percent of serious injuries and 38 percent of fatalities involve an impaired person
- Nearly half of all collisions within city limits occur at intersections

The 2017 recommended budget reflects funding for a plan of action designed to reduce the number and severity of collisions. The plan combines engineering, education, enforcement and evaluation strategies. Examples of proposed investments include:

- Redesigning and adding improvements to intersections with high collision rates, such as 29<sup>th</sup> Street and Valmont Road, where a traffic signal is being installed to address bicycle, pedestrian and vehicle collisions such as rear-end, left-turn and sideswipe collisions.
- Converting left-turn traffic signals at intersections where data indicates a number of collisions that could be reduced by changing traditional permissive signals to “flashing arrow displays.” These flashing arrow displays clearly indicate when drivers can turn, must yield or must stop for oncoming traffic. Staff has identified signals to be converted, including the intersections of Baseline Road/ 30<sup>th</sup> Street and Arapahoe Road/30<sup>th</sup> Street, and some signals have been converted this year. More are planned to be converted next year.
- Using traffic signals that can adjust their timing during the day to account for peak traffic flow, such as at 30<sup>th</sup> and Baseline.
- Installing signs and pavement markings around the city to reduce conflicts between turning vehicles and bicycles and pedestrians. This includes recently installing dashed lines and yield marking for drivers, and markings reminding cyclists of the 8 mph speed limit at intersections will be installed soon.

Collaboration is critical to the success of the city’s transportation safety strategy. Examples of cross-departmental and regional initiatives that are underway and are proposed to continue through 2017 include:

- The Heads Up Boulder campaign, a collaborative effort involving the Transportation Division and Boulder Police to reduce pedestrian, bicyclist and vehicle collisions at crosswalks
- The development and implementation of enforcement strategies aimed at impaired driving
- Collaboration with the University of Colorado Boulder and Boulder County staff to deliver safety messaging to students and across the county
- The Way of the Path outreach program, which seeks to improve bicycle and pedestrian safety along the city’s multi-use path network
- Partnerships with local partners and schools to teach children safety tips when walking or biking to school

Additionally, the 2017 recommended budget reflects the city’s commitment to integrating safety components into corridor planning, including the plan for East Arapahoe Avenue, Canyon Boulevard, 30th Street and Colorado Boulevard, as these contribute to the Toward Vision Zero goal.

## **Social Equity**

### *Living Wage*

On [Feb. 16, 2016](#), City Council approved an amendment to the city’s Living Wage resolution 926,

expanding the coverage under the resolution to include part-time and temporary City of Boulder employees as well as full-time employees. At that time, council also directed staff to continue analysis on further expansion of the Living Wage resolution. On [June 14, 2016](#), City Council held a study session to consider the results of that analysis and further options related to the expansion of the city's Living Wage resolution. City Council discussed the analysis and options and provided direction to staff to pursue expansion of the Living Wage resolution, in the context of the 2017 budget process, as follows:

- Increase the minimum rate of pay to all standard, full-time and part-time City of Boulder employees, and temporary City of Boulder employees (not including seasonal employees) to at least \$15.67 per hour;
- Re-negotiate contracts with vendors who provide janitorial and landscape services to the City of Boulder, requiring a minimum rate of pay for employees providing those services to the city of at least \$15.67 per hour;
- Work with the provider of Ambulance Emergency Medical Services (EMS) to increase the rate of pay of workers providing EMS services in Boulder to at least \$15.67 per hour;
- Implement an appropriate means of verification that these minimum pay rates are being met.

The 2017 recommended budget includes funding for each of these provisions. Attachment C to the City Manager's Budget Message breaks out the budgeted costs for direct labor (city employees) and contracted labor, including EMS and compliance verifications costs, by fund. Total cost increases to implement this living wage expansion (across all funds) are projected to be approximately \$134,000 for city employee costs, approximately \$393,000 for janitorial and landscaping contract costs, approximately \$80,000 for compliance verification costs and approximately \$632,000 for EMS contract costs.

The estimated costs related to city employees, janitorial and landscape contracts, and compliance verification, have been included in the recommended budget as ongoing costs. The costs related to EMS services are estimates based on working with our existing EMS ambulance provider, American Medical Response (AMR). The city will be issuing an RFP related to EMS services this fall. Depending on the results of that process, the subsidy costs to ensure a minimum pay rate of \$15.67 per hour for EMS employees serving Boulder may differ significantly from the quote provided by AMR. For that reason, potential costs beyond 2017 have not been included in the ongoing budget but are set aside in General Fund reserves. This ensures the city's ability to implement the living wage as outlined above, but also anticipates adjustments as a result of the RFP process.

#### *Investment in Homeless Services, Programs and Mitigation*

At a council study session on Aug. 30, staff provided council with an update on homelessness issues, strategy and action plan. Summary information related to 2016 budgeted investment in homeless services and programs, as well as mitigation work related to homelessness, was included in the [study session packet](#), as Attachment F. The 2016 approved budget includes \$1.4 million in funding directly dedicated (overhead costs are not included) to homeless programs and services. Additional funding is granted to community agencies for safety net services and programs, through the Human Services Fund. This funding also provides support to the homeless, though the funding is not directly and solely dedicated for that purpose and also serves community members who are not homeless. An additional \$2.2 million was budgeted in 2016 for services mitigating the impact of homelessness, such as Municipal Court case management and EMS services (the full listing is included in Attachment F of

the packet). The 2017 recommended budget continues the funding for these services and programs.

### **Arts**

2017 funding for the arts represents an increase in capacity and scale for the implementation of the Community Cultural Plan, which was approved by City Council earlier this year. These community investments in cultural grants, public art and programmatic capacity are expected to result in several key benefits across the city:

- To meet the community's priorities for culture

In adopting the Cultural Plan, City Council has agreed with a set of six priorities defined by participants in a public engagement process that occurred in 2015. This funding will help the city to meet the expectations of the residents in addressing those priorities, which include:

- Support the resiliency and sustainability of cultural organizations to enhance their ability to benefit the community.
- Create a supportive environment for artists and creative professionals, while fostering innovative thinking and leadership among them.
- Prioritize the civic dialogue about the ability of culture to positively contribute to the economy, social offerings, the environment, and the authentic expression of diversity.

- To contribute to the cultural vitality of the city

The additional capacity for the grants, public art and programming will directly address the need in the community to achieve a highly diverse and innovative mix of cultural, economic and social activities that improves the life of residents, workers, students and visitors.

- To enhance the vitality of the economy through support for the cultural and creative sector

Boulder's more than 140 cultural organizations represent a significant economic driver through their workforce, innovative capital and cultural tourism. In addition, workers in creative professions represent nearly 10 percent of total employment in Boulder. Those workers have not only a direct impact on the economy, but also have high expectations about the vibrancy of the city in which they live.

- To enhance the built environment through public art

Investments in meaningful, innovative, and quality works of art using a transparent model will not only acquire assets of enduring value, but will also contribute to the significance of our urban spaces and be a point-of-pride for residents.

### **Potential Municipal Electric Utility**

In 2013, after unprecedented analysis and community input, City Council directed staff to move forward with legal actions and other start-up activities necessary to launch and operate an electric utility. The goal of this initiative is to provide Boulder residents, businesses and institutions with reliable energy that is increasingly clean and competitively priced. In February 2015, City Council gave direction to the city's legal team to file an application with the Colorado Public Utilities Commission (PUC) for the transfer of assets necessary for a municipal electric distribution system. The

city's application seeks to acquire only the facilities necessary to serve Boulder customers, achieve the community's energy goals and meet the requirements approved by Boulder voters as part of the City Charter. As a result of the filing, the city updated the project's transition work plan schedule to prioritize the application for a transfer of assets to the PUC and began a sequential process of regulatory filings and the condemnation process. While the legal process moves forward, the city continues to take steps to identify its needs related to power supply, operations and maintenance, and information technology.

2017 is expected to focus on Colorado Public Utilities Commission (PUC) litigation work, other legal proceedings, and continued implementation of the transition work plan. This work represents a significant amount of resources carried over in the budget and set aside for the Energy Future Project; however, no significant dollars will be spent until after a decision is made at the PUC. The PUC decision will inform next steps in the process and ultimately determine which path the city will take in pursuing its energy future goals. The city is aware that there are further uncertainties about the outcome of regulatory and legal processes, and the proposed 2017 budget is structured to minimize risk. While confident that it has a strong case, the city is also continuing to engage in negotiations with Xcel Energy to see if an agreement can be reached that would meet the community's energy goals without the creation of a city electric utility. If this occurs, it is possible that less funding would be necessary.

#### ***What creating a city electric utility would achieve***

This project is a significant undertaking in support of Boulder's commitment to meaningful climate action and to economic vitality. A city-owned electric utility would have the authority to make decisions about the community's energy supply and introduce new infrastructure to support distributed generation and resilience. This would ultimately change the future of electric services for all Boulder's residents and businesses. A local electric utility would also provide access to the grid and economic vitality opportunities for innovative products and services.

#### ***What steps need to be taken in 2017***

The [original transition work plan](#) (plan) was developed in 2014 in anticipation of moving forward with acquiring portions of the electric system owned by Xcel through an eminent domain proceeding in Boulder District Court. The plan serves as a working tool for the city and is designed to manage the risks of acquisition while prioritizing safety and reliability, both of which are the fundamentals of any electric utility.

Based on the city's decision to file an application with the PUC to resolve issues related to the transfer of assets from Xcel to the city, consistent with Boulder District Court rulings, the city has updated the transition work plan. In the original transition schedule, the regulatory filings and eminent domain proceedings were assumed to occur concurrently; since the courts have determined these filings will be sequential, the timeline had to be modified.

As a result, the timing of two critical dates, upon which many tasks are predicated, has changed as follows:

- Day One – the date on which the city takes ownership of the electric system and begins customer billing (approximately fourth quarter 2017); and,
- Day Two – completion of interconnection construction (approximately fourth quarter 2019).

In 2017, expenditures support the following key initiatives: critical transition work plan activities; legal proceedings for PUC regulatory filings and condemnation; hiring staff positions that are key to this phase of work; and procuring external resources essential to the implementation of the transition work plan. Detailed work items for this transition plan may be found in the city’s [2017 Energy Future work plan](#).

The 2017 Energy Future work plan was designed with the following objectives in mind:

- Position the city to safely, reliably and effectively operate the electrical system
- Manage costs, while being mindful of the uncertainties inherent to this effort
- Minimize customer impacts and maximize customer value
- Proactively identify and mitigate risks
- Meet the community’s Energy Future goals, including ensuring competitive rates, expanding the renewable power supply, significantly reducing greenhouse gas emissions, providing customers with a greater say about their energy supply, and providing local economic opportunity for new and emerging carbon reducing or energy based innovation.

***Proposed sources of funding***

From the beginning of this exploration, the process has included measured steps and potential off-ramps to ensure responsible use of taxpayer dollars. In 2011, the voters approved a Utility Occupation Tax (UOT) in support of this effort. This tax, set to expire in 2017, is the primary source of funding for this effort. Additional one-time funding has been allocated to the project from the General Fund. The annual budget process provides council with the opportunity to review the proposed expenditure plan associated with the Utility Occupation Tax revenues and other one-time revenues in support of key work efforts. Although multi-year in nature, specific work products and investment needs are evaluated on a year-to-year basis.

2016 Budget

In 2014, City Council approved a multi-year (2015 to 2017) budget to ensure that resources were available to meet legal challenges and fluctuations in the transition work plan schedule. The approved multi-year budget includes 2015 UOT base allocation, pre-funded General Fund Reserves (these will be paid back to the GF Reserves as UOT revenue collections occur in 2016 and 2017), a one-time GF request, 2014 encumbrance carryover and 2014 ATB carryover (see table below).

<b>2015 to 2017 APPROVED ENERGY FUTURE BUDGET</b>	
2015 Utility Occupation Tax (UOT) - Base Allocation	\$2,015,710
General Fund Reserves* (to be replenished by 2016 and 2017 UOT revenue)	\$4,214,648
Request from General Fund	\$712,877
<b>2015to2017 Approved Budget</b>	<b>\$6,943,235</b>
2014 Encumbrance Carryover	\$495,731
2014 ATB Carryover	\$441,361
<b>TOTAL</b>	<b>\$7,880,327</b>

\*GF reserves were approved in 2015 to bridge the timing difference in cash flow of an anticipated accelerated work plan and unpredictable legal costs. As actual UOT revenue collections occur in 2016/2017, they will return to the GF reserves.

The Energy Future Project funds are allocated to support salaries and benefits, consulting and contract services, purchased services and supplies and start-up costs related to acquiring necessary assets to launch and operate an electric utility. See table below for projected uses by the end of 2016.

<b>2016 PROJECTED USES (ENERGY FUTURE BUDGET)</b>	
<b>Staffing</b>	<b>\$827,948</b>
Consulting and Contract Services - Transition Plan	\$266,000
Consulting and Contract Services - Legal and Regulatory	\$1,350,000
<b>Consulting and Contract Services</b>	<b>\$1,616,000</b>
<b>Purchased Services and Supplies</b>	<b>\$216,252</b>
<b>Subtotal</b>	<b>\$2,660,200</b>
<b>Future Planned Expenditures</b>	<b>\$3,198,636</b>
<b>TOTAL</b>	<b>\$5,858,836</b>

The 2016 fund balance (projected at \$3 million) will carry over to 2017, and is the primary source of funding for the project in 2017 and beyond.

In addition to the approved budget, council approved a \$1 million contingency, out of the City Manager fund, to help supplement the Energy Future budget for additional unplanned expenses. Part of the contingency fund will help supplement projected staff salaries (\$447,639) in 2016 (see table below). As part of the 2017 budget process, staff will recommend approval of \$447,639 to replenish funds used out of the \$1 million contingency in 2016.

<b>2016 PROJECTED USES (\$1M CM CONTINGENCY)</b>	
<b>Staffing</b>	
Energy Strategy Coordinator (1.0 FTE)	
Energy Sustainability Coordinator (0.5 FTE)	
Electrical Engineer (1.0 FTE)	
Energy Sustainability/Strategy Specialist/Financial and Regulatory Analyst (1.0 FTE)*	
Energy Resource Specialist (1.0 FTE)*	
<b>TOTAL</b>	<b>\$447,639</b>

\*These positions were scheduled hires in 2016, but the projected hire date has been moved to 2017

### 2017 Budget

The 2017 budget will continue to support personnel and operating expenses for the implementation of the transition work plan. Funds were appropriated in 2015 for a multi-year project budget, and the unspent amounts of the 2016 budget are the primary sources of funding for the project in 2017 and beyond. Additional funding has been identified for key staffing positions in 2017, to be funded out of the \$1 million General Fund contingency.

In 2017, the Energy Strategy and Electric Utility Development project has requested funding for:

1. Approval of existing 6.5 FTE positions in 2017. The funding for these positions is covered in the project budget (UOT), and no additional funding is being requested at this time. These positions were originally approved in 2016 and the request is to fund these positions again in 2017:
  - a. Executive Director (1.0 FTE – funded by the UOT through 2017)
  - b. Project Manager (1.0 FTE – one-time funding for fixed-term position)
  - c. Administrative Supervisor (1.0 FTE – one-time funding for fixed-term position)
  - d. Communications Specialist/Coordinator (1.0 FTE – one-time funding for fixed-term position)

- e. Chief Engineer (1.0 FTE – one-time funding for fixed-term position)
- f. Project Coordinator (0.5 FTE – one-time funding for fixed-term position)\*
- g. Customer Services Manager (1.0 FTE – one-time funding for fixed-term position)  
Beginning 3<sup>rd</sup> Quarter 2017\*

*\*These positions were approved in the 2016 budget, but due to changes in the project schedule the request is to hire these positions in 2017.*

2. Approval of 4.5 FTE in 2017, to be funded out of \$1 million Contingency (GF). These positions were approved in 2016 and the request is to fund these positions again in 2017:

- Energy Strategy Coordinator (1.0 FTE – one-time funding for fixed-term position)
- Electrical Engineer (1.0 FTE – one-time funding for fixed-term position)
- Energy Sustainability Coordinator (0.5 FTE – one-time funding for fixed-term position)
- Energy Sustainability/Strategy Specialist/Financial and Regulatory Analyst (1.0 FTE – One-time funding for fixed-term position)\*
- Energy Resource Specialist (1.0 FTE – one-time funding for fixed-term position)  
Beginning 3<sup>rd</sup> Quarter 2017\*

*\*These positions were approved in the 2016 budget, but due to changes in the project schedule, the request is to hire these positions in 2017.*

3. Approval to replenish the Contingency (GF) in the amount of \$447,639 for 2016 personnel costs, to bring the Contingency (GF) beginning balance to \$1 million in 2017.

Projected uses for the 2017 Energy Future budget and \$1 million CM Contingency budgets are summarized in the tables below.

<b>2017 PROJECTED SOURCES AND USES - ENERGY FUTURE BUDGET</b>	
<b>Projected Beginning Balance (from 2016 Carryover)</b>	<b>\$3,198,636</b>
<b>Staffing</b>	<b>\$1,035,992</b>
Consulting and Contract Services - Transition Plan	\$100,000
Consulting and Contract Services - Legal and Regulatory	\$1,846,392
<b>Consulting and Contract Services</b>	<b>\$1,946,392</b>
<b>Purchased Services and Supplies</b>	<b>\$216,252</b>
<b>TOTAL</b>	<b>\$3,198,636</b>

<b>2017 PROJECTED USES (\$1M CM CONTINGENCY)</b>	
<b>Staffing</b>	
Energy Strategy Coordinator (1.0 FTE)	
Energy Sustainability Coordinator (0.5 FTE)	
Electrical Engineer (1.0 FTE)	
Energy Financial and Regulatory Analyst (1.0 FTE)	
Energy Resource Specialist (1.0 FTE)	
<b>TOTAL</b>	<b>\$407,439</b>

***Efforts being taken to minimize risk***

Expenditures will continue to be monitored, with much of the spending anticipated in support of litigation throughout 2017. If work efforts do not progress as planned or a decision is made to discontinue the creation of a city electric utility, some savings may be realized.

In addition to adopting an approach that allows for flexibility in hiring and expenditure of resources, any long-term investments in equipment and facilities that can be delayed without harming the eventual project outcome have been pushed out.

Lastly, as has been true in previous years, the city will continue its longstanding practice of cross-departmental cooperation for high-profile and high-impact projects. This results in overall cost savings.

The city staff's goal is to integrate the electric utility in a manner that draws on existing organizational functions (such as finance and accounting, IT, facilities, human resources, billing, and legal) and leverages resources as efficiently as possible for a coordinated approach to delivering energy services. There is an additional benefit to this: even if the city is unable to move forward with creating a local electric utility, work done and funds expended toward the transition plan will improve the delivery of services across already existing city departments and programs, benefiting the Boulder community.

### ***Conclusion***

The funding requested in 2017 is in accordance with the steps that are necessary to meet the community's energy future goals while also managing unknown outcomes related to the acquisition and transition processes. As has occurred over the past several years, the city is committed to providing frequent updates to the community and City Council and working to engage the wide range of customers who would be served by the creation of a local electric utility. Additional information about this effort is available at [BoulderEnergyFuture.com](http://BoulderEnergyFuture.com).

### **2013 Flood**

It is worth noting, from a public policy perspective, that the 2017 recommended budget continues to be informed by the effects of the September 2013 flood, which caused extensive damage to many Colorado communities. In Boulder, total damage to city infrastructure and public lands is estimated at \$28 million, and private-property damage is estimated at \$200 million.

While much of the recovery and mitigation work was completed through the 2014, 2015 and 2016 budgets, the 2017 budget continues to reflect ongoing investment in recovery, mitigation, and resilience. Flood recovery on Open Space will continue through 2017, as will ongoing investments in mitigation and resilience in the wastewater and stormwater/flood management systems. Additional information has been included in the [Draft 2017-2022 CIP](#) and can also be found at: [Boulder Flood Info](#).

## **V. OTHER FACTORS AND ANALYSIS**

Additional information on the following items relating to the 2017 recommended budget is provided below:

- Unfunded initiatives and capital
- Neighborhood Traffic Mitigation Program
- Cost allocation update
- Reserves
- Staffing
- Opportunity for public feedback

### **Unfunded Initiatives and Capital**

On April 19, staff provided council with a [Financial Update Information Packet](#), which outlined economic and revenue trends, and highlighted capital projects and operating programs and services that currently have no identified funding. Examples included, on the capital side: finding a location and moving Fire Station 3; expanding the public safety building; funding the second phase of the Civic Area; developing the south part of Valmont Park and addressing new aquatic needs including upgrades to maintain the viability of Scott Carpenter pool. On the operating side, examples included: a desire to expand the funding for the arts and to do so on a more rapid timeline; additional funding for homeless services; addressing major radio infrastructure needs; and covering new operating costs of any new capital projects that occur. Additional information on unfunded capital needs was provided in Appendix A of the [Draft 2017-2022 Capital Improvement Program](#). Of the more than \$750 million in unfunded needs that were identified, about a third are short- to mid-term needs (within a five- to seven-year time frame).

As a part of the CIP development and review process this year, staff identified the need to develop a coherent process to prioritize unfunded capital needs. From this, financial options would be evaluated and brought forward. At the Aug. 9, City Council study session on the CIP, the City Manager informed council that a cross-departmental team is being formed to begin this work. The expectation is that initial results of this would be available by early 2017, in order to inform consideration of potential ballot items and the development of the 2018-2023 CIP and the 2018 budget.

The 2017 recommended budget has been developed using a conservative approach, in part recognizing these unfunded future needs and the importance to build flexibility and capacity into the budget, even in the face of future economic uncertainty. Proposed budgets in all funds have been evaluated for their sustainability within the fund. Asset assessment work being done across the city has begun to inform budgets and funding is included, both in operating and capital budgets, to begin to address identified needs. In the General Fund, new revenues will be coming in from the renewal of taxes, starting in 2019. This future revenue, though expected, has not been programmed for current budget requests. Combining this with strong fiscal policies, the 2017 proposed budget provides capacity to absorb some future one-time needs, limited operating expansion and potential debt service within the six-year planning period of the budget.

### **Neighborhood Traffic Mitigation Program (NTMP)**

Some members of council have expressed interest in the Neighborhood Traffic Mitigation Program (NTMP). This program is not included in the 2017 recommended budget; however, if council were to determine that it should be, staff will reallocate funds from other transportation programs to do so.

The NTMP is an integrated program combining education, enforcement and engineering treatments (humps, traffic circles, etc.) to mitigate the negative effects of speeding traffic on neighborhood streets. In 2003, engineering treatments were eliminated from the program due to the gap between transportation funding needs and available financial resources. Educational and enforcement elements of the program remain in place.

Funding to restore engineering treatments to the Neighborhood Traffic Mitigation Program, program funding would be approximately \$250,000 annually. That amount would include personnel expenses for an administrator of the program as well as non-personnel funding for process, evaluation and implementation/construction of mitigation measures. First-year efforts would focus on development of

program guidelines. Required financial resources would be reallocated from the lowest funded priority in the 2017 budget, the impact of which would be to slow the pace of pedestrian, bike, transit and vehicle enhancements to the system. Traffic mitigation can have significant emergency response impacts, and consequently, both the Fire Department and the Police Department would be significant partners.

The city has a long history of neighborhood traffic mitigation. Prior to 1994, related efforts were done on an ad hoc neighborhood-by-neighborhood basis. Examples include West Arapahoe, West Pearl, Goss/Grove and South Whittier. In 1994, a system-based programmatic approach was developed and work began with several neighborhoods including Whittier and Balsam/Edgewood. In 1996, the program was put on hold due to emergency response delay concerns. During this period, significant experimentation/piloting various treatments including temporary traffic circles were put in place. In 1999, a citizen-based ballot initiative called “Seconds Count” that would have banned engineering treatments and required the removal of existing treatments was voted down. In 2000, the NTMP was re-crafted involving a vigorous process including formal voting on impacted streets. The program remained controversial, with the community divided over perceived benefits and effects of engineering treatments. In 2003, a downturn in city sales tax revenue required significant reductions in the city’s transportation services. Based on articulated funding priorities, NTMP engineering treatments and associated staff support were eliminated from program.

There remains an ongoing approximately \$60,000 in the budget for the educational element of the program, which involves traffic data collection and the deployment of four speed display trailers. Additionally the city’s ongoing budget includes approximately \$135,000 for traffic enforcement efforts in neighborhoods. This involves both traditional officer-based enforcement and photo speed enforcement.

The city transportation investment policies adopted as part of the Transportation Master Plan (TMP) prioritize transportation investments and create the foundation used to build the annual budget and capital improvements program.

#### *Transportation Budget Priorities/Investment Policies*

- Highest – safety, operation/maintenance of existing system
- Next Priority – operational efficiency improvements, enhancement of the pedestrian, bicycle and transit system
- Next Lower Priority – quality of life (sound walls, NTMP)
- Lowest Priority – auto capacity additions (new lanes and interchanges)

Neighborhood traffic mitigation is a quality of life investment that addresses the livability of neighborhood streets by slowing traffic. While it provides the benefit of reduced crash severity through reducing traffic speed, it is not deployed in response to identified accident history. These safety issues are addressed by the city’s Toward Vision Zero safety program, which provides a systematic crash history reduction approach to address the safety of the city street system.

While the recent economic recovery and the addition of the 0.15 percent increase in sales tax dedicated to transportation purposes has returned revenue to pre-2003 levels, the ongoing erosion in purchasing power continues to impact resources available to maintain and enhance the transportation system. Growth in revenue is not keeping up with cost escalation. It is estimated that there was a 39 percent

decline in purchasing power between 2002 and 2012.

Based on these financial realities, the city is only able to partially fund the top two investment priorities: safety, maintenance of the existing system, and enhancement to the multimodal system. Funding of NTMP would require reallocation from these higher priorities. The impact would be to slow the deployment of multimodal (pedestrian, bike, transit and vehicle) enhancements. The top priority projects impacted would include 30th Street and Colorado Avenue corridors.

The Transportation Advisory Board (TAB) discussed this issue at its June 13, meeting, and recommended against funding NTMP engineering treatments as part of consideration of this year's capital improvements program (CIP).

### **Reserves**

Each year, the budget process includes evaluation of reserve levels to ensure that sufficient fund balances are available to provide necessary funding for unanticipated needs and to ensure continued long-term stability. Appropriate reserve levels also help maintain a strong bond rating, reducing the cost of debt. Based on best practices, the city frequently evaluates risk and maintains up to a 90-day operating reserve (approximately 25 percent), depending on those risk factors. Acknowledging increased global economic volatility and increased challenges as a result of climate change, the 2017 recommended budget proposes an ongoing increase of General Fund reserves to 17 percent, one percent higher than the reserve goal of 16 percent prior to the September 2013 flood. Furthermore, the five-year plan in the General Fund increases the reserve level one percent per year until a 20 percent reserve level is reached in the fund.

This proposed budget also includes a temporary reserve in the seven funds receiving substantial FEMA and state reimbursement for 2013 flood recovery costs, equal to 7 percent of reimbursement received. The FEMA process includes substantial auditing, well after reimbursements are received, and it is not uncommon for this process to result in FEMA requesting some amount of funds be returned, or "de-obligated." FEMA and state guidance regarding eligibility of expenses is continually evolving, and many Colorado communities have already received findings from FEMA recommending return of funds. This reserve, in place until after all audits are completed, provides an offset for potential de-obligation of FEMA and state funding. Once audits are completed, funds not needed would be available for use.

### **Cost Allocation**

In line with best practices, Generally Accepted Accounting Principles (GAAP) and city policies, the city maintains a cost allocation plan. The plan identifies the full cost of city services and programs and provides a federally accepted basis for charging indirect costs to federal and state grants and awards. The plan also provides the calculation to distribute General Fund costs for administrative and support services provided to operating departments, to the benefiting funds. The plan identifies the basis for the cost allocation and charges, based on standard and agreed upon factors, which are fully reviewed by all departments. The city updates its cost allocation plan every other year and makes adjustments, if needed, between those updates.

The 2017 recommended budget was constructed using an updated citywide cost allocation plan developed in the spring of 2016. The last cost allocation plan was updated in 2014 and carried through the 2015 and 2016 budget cycles with minor adjustments along the way. The cost allocation plan for

the 2017 recommended budget was developed using the 2016 Approved Budget as a basis for expenditures whereas the 2014 plan was based on actual expenditures from two years prior in 2012 (due to accounting timing lag). The rationale for switching to a budget-basis methodology rather than using the actuals-based methodology was to avoid the timing lag and allow the cost allocation plan to more accurately reflect the significant budget changes that occurred over the last few budget cycles.

Cost allocation applied in the 2017 proposed budget has increased by approximately 28 percent compared to that applied in the 2015 budget. There are three primary reasons for this noticeable increase.

First, as noted above, the previous cost allocation plan was based on 2012 actual expenditures, while the current update is based on 2016 budgeted expenditures. Though the two updates are only two years apart, the cost basis is actually four years apart. Furthermore, 2012 expenditures were historically low, due to the impact of the 2008 Great Recession, in particular in the internal service departments, as budget cuts made during the recession years were proportionally higher in these areas in order to preserve, as much as possible, services and programs to the public.

Second, coming out of the recession, in response to the 2013 flood, and in support of significant initiatives of high priority to the community, the city has experienced substantial growth over the last four years. Much of this growth has been in departments directly serving the community, which ultimately impacted resource needs in the internal service departments, such as Human Resources, Finance and Information Technology, to support this growth. Additionally, with more complex technologies, which are a part of all aspects of business and communication, and result in more efficient and effective delivery of services, there are greater security risks, which require centralized IT investment to protect the whole organization.

Lastly, the cost of property and casualty insurance, which applies to the whole organization (as evidenced in insurance payouts after the 2013 Flood), was previously not included in the cost allocation plan. It now is.

The city expects to continue to update the cost allocation plan every two years and will continue to use the budget basis for the plan. Given the current budget and budget projections, similar large increases in cost allocation are not anticipated in the coming years.

The Open Space Board of Trustees (OSBT), in reviewing the 2017 proposed budget for Open Space and Mountain Parks, expressed concern about the increase in cost allocation. City budget staff and a representative of the company that the city contracts with to prepare the cost allocation plan provided information to the OSBT regarding the cost allocation plan. That information is included as **Attachment C** to this memo.

### **Organizational Capacity**

The 2017 recommended budget includes additional, but fiscally responsible, investments in the city organization, across all departments and funds, with the goal of ongoing service excellence and meeting community priorities.

In the last several years of recovery since the 2008 recession, and as informed by the 2013 Flood, there has been considerable community interest in restoring and expanding levels of service, and programs,

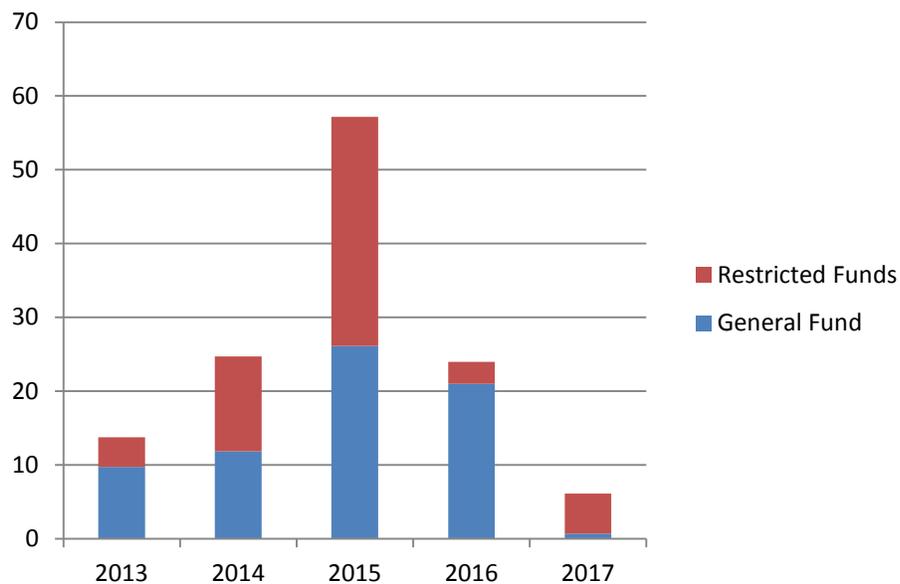
as well as advancing some high visibility initiatives, such as Civic Area, and accelerating investment in our utility infrastructure. In order to meet the needs of these work plan items and initiatives, there has been an unusually higher increase in staffing levels in the last few years than in typical budget years. With that staff now in place, the city is in a better position to provide the service levels desired by the community.

Because of this, and the mixed financial backdrop, the 2017 budget includes only a modest proposed staffing increase. The net staffing increase proposed in 2017 is 6.12 FTE across all funds, of which 4.5 are fixed-term positions for specific one-time work outcomes. In the General Fund, the net staffing increase proposed is 0.70 FTE, of which 0.37 FTE is fixed-term.

It is important to note that these numbers do not include conversion of seasonal employees to standard employees. As a part of ongoing work to ensure the city’s labor practices are within the letter and spirit of the law, staff have identified a number of positions, previously categorized as seasonal employees, that have an ongoing pattern of partial year employment. These may meet the threshold for healthcare benefits under the Affordable Care Act. In the interest of full compliance, these positions are being reclassified to standard positions, which increases the standard FTE count by an additional 12 positions. These are not included in the net increase number provided above because the city has had these employees, albeit classified as seasonals, in place, doing the work, for years. The budget impact is only a net difference between seasonal pay and standard pay with benefits, and there is actually some overhead savings in managing standard versus seasonal contracts.

The table below shows net staffing increases since 2013 and the proposed increase for 2017, broken out by General Fund and restricted funds.

**Net Staffing (FTE) Changes Per Year for 2013 through 2017**



### **Opportunity for Public Feedback**

The budget is one of the best ways for a community to evaluate – and weigh in on – its priorities and how its money is being spent. A new budget tool is being introduced this year, called [Balancing Act](#), which provides budget information in a simple, transparent and interactive way. This tool graphically displays the budget online, showing both the revenue and expenditures of the city. It also allows the public an opportunity to adjust funding or revenues, in simple scenarios, showing the impact on the bottom line or the balance of the budget, and provides opportunity for direct feedback to the city on the budget and budget priorities. In its first appearance, this tool mirrors the 2017 recommended budget document information. Future iterations may allow the city to display spending by Sustainability Framework areas. We look forward to evaluating how this enhances public engagement and feedback on the 2017 recommended budget.

### **VI. NEXT STEPS**

- Tuesday, Oct. 4 – Public hearing and first reading of the 2017 City of Boulder budget ordinance
- Tuesday, Oct. 18 – Public hearing and second reading of the 2017 City of Boulder budget ordinance; General Improvement District budget resolutions.

### **ATTACHMENTS**

- A. 2017 Recommended Budget City Manager’s Budget Message
- B. Additional Information – Draft 2017-2022 CIP
- C. Cost Allocation information provide to the OSBT
- D. Draft minutes from July 28 Planning Board meeting

City of Boulder  
**Office of the City Manager**

Dear Members of City Council and Residents of Boulder,

I am pleased to present the City Manager's 2017 Recommended Budget for review and consideration. This budget reflects City Council-adopted goals and was developed in accordance with the City Charter, city [Financial Management Policies](#), [Operating Budget guiding principles](#), and [Capital Improvement Program \(CIP\) guiding principles](#).

The City of Boulder, like many local governments across the nation, is adjusting its financial perspective, seeking to achieve important community priorities while taking into account slowing economic growth. Our community is still enjoying financial stability as the recovery from the 2008 recession continues, but there are some indications that recent growth may be slowing. This proposed 2017 budget reflects this by calling for a modest increase in operating spending and only a minimal increase in staffing, and by continuing Boulder's ongoing plan to strengthen its reserves.

At the same time, the city organization remains committed to service excellence and to supporting Boulder's forward-thinking community by confronting challenging issues and pioneering exciting solutions. This budget, as conservative as it is, accomplishes important goals that are consistent with the Sustainability Framework:



- Strengthens core services, such as utilities infrastructure, and public safety
- Supports climate, energy transformation and resilience initiatives
- Resources visioning efforts and implementation of improvements to the Central Boulder corridor, including the Civic Area, the Alpine-Balsam site and the CU hotel and conference center
- Increases funding for the arts and culture
- Emphasizes strategic planning to enhance the future of our community
- Bolsters our shared commitment to social equity
- Recognizes the importance of meaningful community and neighborhood engagement



## City Manager's Message

In addition to meeting these more visible community goals, this budget addresses several key federal compliance issues related to healthcare and city employee classification and compensation.

### Budget Summary

The proposed annual budget of \$321 million (excluding transfers) across all funds and areas represents a 2.1 percent decrease in spending over 2016. The primary factor in this budget decrease is a proposed \$12 million decrease in capital spending over 2016. Capital investment, which is an important part of the city's long-term strategic financial plan, is mapped out, and funds are saved up, over time to directly cover the costs of planned capital projects and any related debt service. Capital spending ebbs and flows, based on cyclical facility maintenance and upgrade needs, as well as timing of new projects. These spending variances also impact the total city budget variance in any given year.



For these reasons, the operating budget is often a better way to evaluate year-to-year trends. The proposed operating budget of \$260 million represents just over a 2 percent increase compared to 2016 and includes a net staffing increase of 6.12 Full Time Equivalent positions (FTE). This modest operating increase includes important, strategic investment in the community, outlined in more detail below. It is less than it might otherwise have been, due to slightly reduced one-time and debt spending; cyclical

decreases in some operating areas, such as computer replacement, operating budget savings; and an overall conservative approach to the budget. In an environment of mixed economic and revenue projections, the 2017 budget process was designed to ensure investment in the highest priority areas now, while also shoring up resources for investment in future priority areas, to continue the work of maintaining current assets and services, and to support the livability and vibrancy of our community.

Projected 2017 General Fund expenditures of \$138.8 million will increase by 5 percent as compared to 2016 and include a net increase of 0.70 FTE.

### Economy and Revenues

As mentioned previously, this proposed budget balances community needs and priorities with the current economic outlook. There are some positive indicators. Boulder's unemployment level of 3.4 percent as of June 2016 is down 0.4 percent from the previous year. Total sales and use tax collections were up 4.39 percent through June 2016 when compared to collections through June 2015. However, there are also reasons to proceed cautiously. Retail sales tax revenues are



**City Manager's Message**

growing more slowly than projected. The city had anticipated these would increase by 3.5 percent in 2016. The actual growth through June has been 2.28 percent.

The table below shows General Fund revenue collections compared to budget projections since 2010.

**Table 1-01: General Fund Revenues 2010 to 2017**  
(in \$1,000s)

	2010	2011	2012	2013 <sup>A</sup>	2014 <sup>A</sup>	2015 <sup>A</sup>	Projected 2016 <sup>B</sup>	Proposed 2017 <sup>B</sup>
Revised Budget	\$107,908	\$100,312	\$110,424	\$112,516	\$118,861	\$128,108	\$133,504	\$135,250
Actuals	\$107,928	\$103,112	\$112,520	\$117,082	\$123,484	\$126,945		

<sup>A</sup> excluding insurance, FEMA and State reimbursements related to the 2013 Flood

<sup>B</sup> excludes increased property tax designated for debt coverage on purchase of Boulder Community Health site

Revenues in 2013 and 2014 came in above projections, but much of the excess revenues came from one-time, non-recurring collections, primarily from construction use tax collections, as a result of the recovering economy. It is not expected that these higher levels of one-time revenues from construction use tax will continue in the years ahead. Additionally, 2014 revenues reflect new revenues from retail marijuana, which had not been included in projections.

Starting at mid-year 2015, retail tax revenue growth started to slow and 2015 sales and use tax revenues came in below projections for the year. Slowing economic and revenue growth trends have resulted in city staff revising sales and use tax revenues downward from previous projections. City staff now projects a 2.4 percent increase in total sales and use tax revenues for 2016.

While sales and use taxes are the largest component of General Fund revenues, other revenues and trends also impact overall General Fund revenue collections. Property tax revenues are based on prior year assessments, and the expected collection in 2016 reflects a major increased assessment value in 2015, post-2008 recession. This almost 21 percent increase to the property tax base is expected to be followed by more typical increases of around 3 percent every other year. During the 2016 budget process, additional property tax expected in the General Fund was identified to cover the debt service on the purchase of the Boulder Community Health (Alpine-Balsam) site. The remainder of the additional property tax in the General Fund has also been identified to cover potential debt service on the University Hill Garage project, should that project



move forward, starting in 2018. Finally, the city continues to implement the financial policy of using one-time revenue only for one-time expenditures, which has served the city well during and since the last recession.

### Aligning Spending with Community Priorities

I am proud to say that the city's leadership team has again worked tirelessly this year to align resources with community priorities. As has been the case in recent years, the context for consideration was the city's strategic plan, which is guided by the Community Sustainability Framework, in conjunction with the update to the Boulder Valley Comprehensive Plan.

Figure 1-01: Community Sustainability Framework



As this figure shows, the city has identified several areas that help define a successful and well-balanced community. These focus areas are supported by Master, Strategic and in some cases, subcommunity and area, plans. They are also touchstones as we evaluate requests for funding and new city projects.



A complete list of new funding initiatives for 2017 is included in Attachment A (listed by department) and Attachment B (listed by fund). In order to underscore the value of the Sustainability Framework, however, I'd like to share some highlights under each of the core areas of interest.



## City Manager's Message

### 2017 Recommended Budget Highlights



#### SAFE COMMUNITY

The budget continues to emphasize rehabilitation and replacement of aging utility infrastructure and investment in mitigation of flood hazards. Proposed investments include significant projects at the city's water and wastewater treatment facilities, an increased focus on major pipelines, and continued rehabilitation of the wastewater collection system. Proposed flood mitigation funding is focused on advancing major projects on Wonderland Creek, Fourmile Creek and South Boulder Creek. The police department has equipped all uniformed officers with body-worn cameras and all patrol and traffic enforcement vehicles with in-car video systems. The 2017 budget includes additional resources to help process and manage the resulting, significant volume of video to provide timely and efficient service to the judicial system.

In order to improve hazardous material (HAZMAT) response time, the 2017 budget includes funding for Boulder Fire and Rescue to become a part of the Boulder County Hazardous Substance Response Authority. This partnership will provide more effective HAZMAT response with more qualified technicians and additional equipment and resources from the joint response model.



As part of the 2016 budget, a city radio infrastructure study is underway. The 2017 budget will fund near-term upgrades to the city's radio infrastructure in response to the study and results of the study are also expected to inform the development of the 2018 Capital Improvement Plan.



Funding from the voter-approved Community, Culture and Safety tax will continue to be applied to several projects that enhance safety. In 2016, lighting improvements on University Hill were completed. Additional safety project underway or in planning stages include: lighting improvements along the Boulder Creek Path and Chautauqua; Boulder Creek Path improvements, separating pedestrian and bicycle traffic; improved pedestrian safety near Chautauqua via new sidewalks, realigned parking, enhanced pedestrian crossing treatments, and related

safety enhancements like lighting and wayfinding signs; and design and construction to renovate the pedestrian and bicycle underpass at the Boulder Creek Path, between Boulder Creek and 13th Street. The majority of this work is planned for 2017, with a few large projects being completed in 2018.



### **ENVIRONMENTALLY SUSTAINABLE**

Investments aimed at supporting an Environmentally Sustainable Community include the collaboration between the Planning, Housing and Sustainability (PH+S) and Public Works (PW) departments for funding a half-time, fixed-term Energy Code Specialist for three years, dedicated to the implementation of proposed near-term energy code updates. The proposed 2017 budget also includes the reallocation of resources to fund a full-time, fixed term Zero Waste Compliance Assistant for two years to assist businesses and property owners in complying with the new universal zero waste requirements.



During the next year, staff will also continue the delivery and enhancement of existing energy efficiency programs, develop an energy system transition roadmap, develop a local carbon offset fund, begin to develop the next iteration of SmartRegs, and work with grassroots partners to launch a community-based action campaign related to Boulder's Climate Commitment.

The City of Boulder, under council direction, is moving forward with the potential creation of a municipal electric utility. Funding for the current phase of this project was provided in the 2015 budget, carried over into 2016, and is expected to carry over into 2017. No new funding is included in the proposed 2017 budget.

In addition to protecting the environment for the future, we recognize the importance of managing existing resources today. This has been a critical focus post-flood. This budget includes the extension of a Trails Contracts Manager position for one year. This fixed-term position manages trails contracts related to flood recovery. As Open Space and Mountain Parks (OSMP) approaches the 2017 flood recovery deadline, this position will be integral to FEMA reimbursement requests and project closeouts, ensuring federal and state requirements are met for flood recovery contracts.



### **LIVABLE COMMUNITY**

Several key initiatives included within the City Manager's Recommended Budget for 2017 support a Livable Community. Planning, Housing + Sustainability staff will continue work on the Design Excellence initiative, which includes implementation of the new form-based code in the Boulder Junction area. The department will update its Site Review criteria, as well the definition and use of "community benefit" in relation to new development. This budget also funds a comprehensive review of the development code, to identify and prioritize updates that will make it a more effective tool for implementing our community's vision.





## City Manager's Message

The major update to the Boulder Valley Comprehensive Plan will be completed and will address topics such as housing, climate and resilience, community benefit and subcommunity planning and identify future priorities for subcommunity and area planning. In the coming year, staff will also continue work on a set of distinct, but related areas within Central Boulder, extending from University Hill through the Civic Area and up to the Alpine-Balsam site. These projects, reflected in the 2017 Capital Improvement Plan involve an integrated staff team and a high level of community engagement.

Efforts to promote a Livable Community will also include an update to the livability standards for affordable housing, a review of the Inclusionary housing policy and next steps on site-specific housing opportunities, such as those associated with development of city-owned property at 30th and Pearl. Implementation of the Middle Income Housing Strategy will also be a priority along with other aspects of the Housing Boulder work plan, including accessory units, the 1:1 replacement ordinance, the Affordable Housing Benefit Ordinance, and a five-year strategy to hit the 10 percent affordable housing goal by 2021.



Funding for the neighborhood services program provides for the continuation of community-building and support programs such as the block party trailer and Living Room Conversations, while allowing for the exploration of a sustainable neighborhood model and improved marketing related to these programs.



### **HEALTHY AND SOCIALLY THRIVING**

As part of an ongoing effort to encourage fair wages in the City of Boulder, the city has analyzed options to expand the city's Living Wage Resolution. In June, council expressed a desire to expand the living wage, based on that analysis. The 2017 budget includes increased funding for an expanded living wage for city employees, janitorial and landscape contractors and emergency medical services (EMS) providers. The expansion will increase the minimum rate of pay to \$15.67 per hour for all standard and temporary city employees. It will also cover increased contract costs for current janitorial and landscaping service providers, and the EMS ambulance service provider, to implement a minimum rate of pay of \$15.67 per hour for workers providing services under the contracts with the city. Details of the budgeted costs for this expansion are included in Attachment C to this message.

Funding is included in the 2017 budget to continue the Early Diversion Get Engaged (EDGE) program in 2017, with the city's partners. EDGE is a partnership between Mental Health Partners (MHP), Boulder Police Department (BPD), Longmont Police Department (LPD) and the Boulder County Sheriff's Office (BCSO) with the goal of diverting individuals with mental illness and

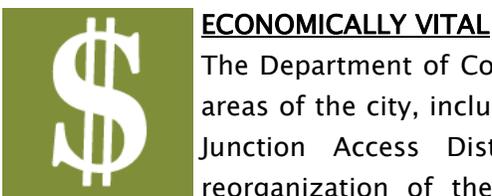
addictions from involvement with the criminal justice system.

The 2017 budget includes funds set aside for implementation of recommendations coming out of the community perception assessment that is being completed in 2016.

The cornerstone of the Community Cultural Plan is a reinvented grants program targeted primarily on operational funding of cultural organizations. The first cycle of this new grants program was implemented successfully in 2016. The 2017 Recommended Budget includes increased arts grant funding, in support of the council-approved Cultural Plan.



Additionally, the 2017 Recommended Budget includes funding for temporary public art in the Civic Area and for increased arts programming related to arts districting activities, and enhanced community sponsorships.



#### **ECONOMICALLY VITAL**

The Department of Community Vitality includes oversight of several key economic areas of the city, including the downtown area, the university hill area, the Boulder Junction Access Districts and economic vitality. Following the late 2015 reorganization of the department and a departmental assessment, funding is included in the 2017 budget to undertake a department master plan. This will include a capital planning component based on the asset inventory process being undertaken during 2016, as well as significant public outreach.

The recommended budget includes expenses related to negotiation and pre-development costs for the construction of a city-owned parking garage located on University Hill. This garage is being considered as part of a public-private partnership to develop a 150-room boutique hotel, 30,000 square feet of retail and dining space, and 250 city-owned parking spaces on University Hill. This project will help address several of City Council's strategic goals for the University Hill area, including:

- Addressing the need for additional public parking on University Hill and thereby reducing a barrier to achieving year-round economic vitality in the Hill Commercial Area;
- Introducing diverse commercial uses to the district; and
- Potentially catalyzing additional investments in the area, including but not limited to the potential University of Colorado Boulder (CU) conference center/hotel that is under consideration for a site across the street from the proposed project.

Events such as IronMan, BolderBoulder and Ride the Rockies, among others, are an integral part of the city's economic vitality; the 2017 Recommended Budget includes funding in continued support of the citywide approach that maximizes the benefits of these types of events for our community.



## City Manager's Message



### **ACCESSIBLE AND CONNECTED**

The proposed 2017 budget reflects funding for a plan to reduce the number and severity of collisions, implement the city's "Toward Vision Zero" transportation safety strategy, and combine engineering, education, enforcement and evaluation strategies. Examples of proposed investments include redesigning and adding improvements to intersections with high collision rates, such as at 29<sup>th</sup> Street and Valmont Road where a traffic signal is being installed, to address bicycle, pedestrian and vehicle collisions, including rear-end, left-turn and sideswipe collisions. Examples of cross-departmental and regional initiatives that are underway and are proposed to continue through 2017 include the Heads Up Boulder campaign to reduce pedestrian, bicyclist and vehicle collisions at crosswalks, the development and implementation of enforcement strategies aimed at impaired driving, the Way of the Path outreach program, which seeks to improve bicycle and pedestrian safety along the city's multi-use path network, and partnerships with local entities and schools to teach children safety tips when walking, or biking to school.



Additionally, it reflects the city's commitment to integrating safety components into corridor planning, such as for East Arapahoe Avenue, Canyon Boulevard, 30th Street and Colorado Boulevard, as these contribute to the Toward Vision Zero goal.

Following the November 2014 passage of a ballot initiative exempting the city from a state law that prevented municipalities from competing with telecommunications broadband service providers, the city has undertaken a significant community broadband initiative. With active involvement from a community broadband working group, the city is developing a comprehensive broadband feasibility study. The 2017 budget includes one-time funding to support additional analysis of engineering requirements, contract negotiation assistance and general consulting for operational business planning for various options under consideration.

During 2016, based on direction from City Council, a staff team is conducting extensive data collection and analysis regarding conditions in and around Chautauqua during the summer season, as a part of developing the Chautauqua Access Management Plan. The plan is an interdepartmental effort involving Transportation, Open Space and Mountain Parks, and Parks and Recreation as well as the nonprofit Colorado Chautauqua Association (CCA). Based on the data and feedback to be elicited from stakeholders, the interdepartmental team and its consultants will develop recommendations for council consideration. Funding has been set aside in the 2017 budget for implementation of recommendations approved by council.



### **GOOD GOVERNANCE**

The proposed budget continues to reflect a conservative fiscal approach that earned Boulder a AAA rating for general obligation bonds issued by the city and maintains needed resources to sustain operations during emergencies. This careful and conservative planning ensured the city had adequate reserves across most funds when the 2013 Flood occurred. For 2017, we continue to acknowledge the importance of evaluating appropriate reserve levels, especially in the context of increased global economic volatility and increased climate challenges. The 2017 budget proposes an ongoing increase of General Fund reserves to 17 percent. It also includes a temporary reserve in the seven funds receiving substantial FEMA and state reimbursement for 2013 Flood recovery costs, equal to 7 percent of reimbursement received. As the FEMA reimbursement process continues, this reserve proves to be a sound practice. FEMA and state guidance regarding eligibility of expenses is continually evolving, and many Colorado communities have already received findings from FEMA recommending return of funds.

In the past several years, the federal government has passed or adapted laws relating to healthcare coverage and labor classification and pay, for which changes may now be required. The City of Boulder has the responsibility to remain compliant with these laws and the 2017 budget reflects changes that ensure this. Federal implementation of the Affordable Care Act has been phased in and the city is working diligently to analyze its workforce and ensure that it is compliant both with the letter and spirit of the law. As such, the city will be offering medical benefits to a greater base of employees, as well as analyzing employee contracts and reclassifying employees from seasonal and temporary classifications to standard classifications (eligible for medical benefits), when appropriate. Reclassification will also be done in relation to new rules from the Fair Labor Standards Act (FLSA). FLSA rules have recently changed to increase the minimum salary of employees not eligible for overtime pay. In evaluating city positions for FLSA compliance, the city is also taking the opportunity to review all classifications, ensuring appropriate positions are eligible for overtime as well.

### **Conclusion**

In closing, I'd like to say how proud I am of the collaborative way in which this budget was approached. Recognizing the importance of fiscal stewardship, departments were strategic and reserved in their requests. As a result, the proposed spending plan both navigates challenges and supports the top-notch service delivery and innovative programs that are the hallmark of Boulder.

Respectfully submitted,

*Jane S. Brantigan*

City of Boulder

**ATTACHMENT A**

**SIGNIFICANT CHANGES BETWEEN 2016 AND 2017 BUDGET**

XXX

<b>ATTACHMENT A</b>	<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>	<b>FTE</b>
<b>Department / Fund / Action</b>	<b>Approved Budget</b>	<b>Recommended Budget</b>	<b>Total Change</b>	<b>FTE</b>	<b>FTE</b>	<b>Change</b>
<b>CITY ATTORNEY'S OFFICE</b>						
<b>GENERAL FUND</b>						
Offsite Records Management	\$ 29,055	\$ 107,499	\$ 78,444	-	-	-
<b>Total Changes, City Attorney's Office</b>			<b>\$ 78,444</b>			<b>-</b>
<b>CITY CLERK</b>						
<b>GENERAL FUND</b>						
Boards and Commissions Annual Reception	\$ -	\$ 5,000	\$ 5,000	-	-	-
City Clerk Training	5,300	10,300	5,000	-	-	-
<b>Total Changes, City Clerk</b>			<b>\$ 10,000</b>			<b>-</b>
<b>CITY MANAGER'S OFFICE</b>						
<b>GENERAL FUND</b>						
Colorado Communities Climate Change Coalition Membership	\$ 30,000	\$ 30,000	\$ -	-	-	-
Community Perception Assessment	-	100,000	100,000	-	-	-
Neighborhood Services Programming	-	36,734	36,734	-	-	-
Volunteer Program Implementation	-	22,000	22,000	-	-	-
Resilience	131,434	248,785	117,351	1.00	1.00	-
Increased Funding for State Lobbying Contract	81,000	92,000	11,000	-	-	-
<b>Total Changes, City Manager's Office</b>			<b>\$ 287,085</b>			<b>-</b>
<b>COMMUNICATIONS</b>						
<b>GENERAL FUND</b>						
Video Coverage of Public Meetings - Convert Temp to Standard Ongoing	\$ 60,000	\$ 60,000	\$ -	-	0.75	0.75
<b>Total Changes, Communications</b>			<b>\$ -</b>			<b>0.75</b>

<b>ATTACHMENT A Department / Fund / Action</b>	<b>2016 Approved Budget</b>	<b>2017 Recommended Budget</b>	<b>Total Change</b>	<b>2016 FTE</b>	<b>2017 FTE</b>	<b>FTE Change</b>
<b>COMMUNITY VITALITY</b>						
<b>GENERAL FUND</b>						
Administrative Specialist II	\$ -	\$ 29,882	\$ 29,882	-	0.44	0.44
Boulder Junction On-Street Parking Pay Stations	-	36,750	36,750	-	-	-
Chautauqua Access Management Plan Implementation	-	100,000	100,000	-	-	-
Department Master Plan	-	70,000	70,000	-	-	-
Hill Community Development Programming	27,000	50,000	23,000	-	-	-
Hill Reinvestment Strategy - Eco pass and Residential Services District	97,000	116,000	19,000	-	-	-
Civic Area Parking Pay Stations	-	16,750	16,750	-	-	-
<b>BOULDER JUNCTION ACCESS GENERAL IMPROVEMENT DISTRICT - PARKING FUND</b>						
Administrative Specialist II	\$ -	\$ 2,771	\$ 2,771	-	0.03	0.03
Department Master/Strategic Plan	-	10,000	10,000	-	-	-
<b>BOULDER JUNCTION ACCESS GENERAL IMPROVEMENT DISTRICT - TRAVEL DEMAND MANAGEMENT FUND</b>						
Administrative Specialist II	\$ -	\$ 2,771	\$ 2,771	-	0.03	0.03
Department Master/Strategic Plan	-	10,000	10,000	-	-	-
<b>DOWNTOWN COMMERCIAL DISTRICT (CAGID) FUND</b>						
Administrative Specialist II - Reallocation to General Fund and Boulder Junction GID Parking and TDM Funds (above)	\$ -	\$ (11,359)	\$ (11,359)	-	-	-
Department Master/Strategic Plan	-	90,000	90,000	-	-	-
Downtown Boulder Eco pass Program	991,896	1,066,782	74,886	-	-	-
<b>UNIVERSITY HILL COMMERCIAL DISTRICT (UGHD) FUND</b>						
Administrative Specialist II - Reallocation to General Fund and Boulder Junction GID Parking and TDM Funds (above)	\$ -	\$ (1,262)	\$ (1,262)	-	-	-
Department Master/Strategic Plan	-	20,000	20,000	-	-	-
<b>Total Changes, Community Vitality</b>			<b>\$ 493,189</b>			<b>0.50</b>
<b>ENERGY STRATEGY AND ELECTRIC UTILITY DEVELOPMENT PROJECT</b>						
<b>GENERAL FUND</b>						
Replenish Contingency Funding	\$ -	\$ 447,639	\$ 447,639	7.75	6.50	(1.25)
<b>Total Changes, ES/EUD Project</b>			<b>\$ 447,639</b>			<b>(1.25)</b>

<b>ATTACHMENT A</b>	<b>2016</b>	<b>2017</b>				
<b>Department / Fund / Action</b>	<b>Approved Budget</b>	<b>Recommended Budget</b>	<b>Total Change</b>	<b>2016 FTE</b>	<b>2017 FTE</b>	<b>FTE Change</b>
<b>FINANCE</b>						
<b>GENERAL FUND</b>						
Extend Flood Recovery/FEMA Reimbursement Staffing	\$ 83,016	\$ 100,335	\$ 17,319	1.50	1.50	-
<b>Total Changes, Finance</b>			\$ 17,319			-
<b>FIRE-RESCUE</b>						
<b>GENERAL FUND</b>						
HAZMAT Authority	\$ -	\$ 101,945	\$ 101,945	-	-	-
Office of Emergency Management (OEM) Cost Increases	170,471	182,230	11,759	-	-	-
<b>Total Changes, Fire</b>			\$ 113,704			-
<b>GENERAL GOVERNANCE</b>						
<b>GENERAL FUND</b>						
Citywide Event Management	\$ 115,000	\$ 140,000	\$ 25,000	-	-	-
<b>Total Changes, General Governance</b>			\$ 25,000			-
<b>HUMAN RESOURCES</b>						
<b>GENERAL FUND</b>						
Learning and Organizational Development (L&OD) Specialist - Extend Fixed-Term for two years	\$ 103,065	\$ 106,156	\$ 3,091	1.00	1.00	-
Intercultural Development Inventory	-	165,200	165,200	-	-	-
ACA Compliance Monitoring	-	70,000	70,000	-	-	-
<b>Total Changes, Human Resources</b>			\$ 238,291			-
<b>HUMAN SERVICES</b>						
<b>GENERAL FUND</b>						
Early Diversion Get Engaged (EDGE) Program	\$ -	\$ 142,000	\$ 142,000	-	-	-
<b>Total Changes, Human Services</b>			\$ 142,000			-

ATTACHMENT A Department / Fund / Action	2016 Approved Budget	2017 Recommended Budget	Total Change	2016 FTE	2017 FTE	FTE Change
<b>INFORMATION TECHNOLOGY</b>						
<b>GENERAL FUND</b>						
Actionable Open Analytics	\$ -	\$ 10,000	\$ 10,000	-	-	-
Council Technology Support Position - Convert from Fixed-term to Standard	81,067	83,500	2,433	1.00	1.00	-
Applications Division Internship Program	-	18,275	18,275	-	-	-
Applications Support Position	-	67,440	67,440	-	1.00	1.00
Consulting/Engineering Support for Community Broadband Initiative	-	150,000	150,000	-	-	-
Security Enhancement Projects	-	72,000	72,000	-	-	-
<b>Total Changes, Information Technology</b>			<b>\$ 320,148</b>			<b>1.00</b>
<b>LIBRARY AND ARTS</b>						
<b>GENERAL FUND</b>						
Arts Grants	\$ 225,000	\$ 675,000	\$ 450,000	-	-	-
Civic Area Public Art	-	175,000	175,000	-	-	-
Arts Programming and Administration	-	71,000	71,000	-	0.25	0.25
Creative Technologist for Makerspace	-	92,592	92,592	-	1.00	1.00
Early Literacy App	-	10,000	10,000	-	-	-
Reallocation of Library Maintenance Positions to Public-Works-DSS	79,487	-	(79,487)	2.00	-	(2.00)
<b>Total Changes, Library and Arts</b>			<b>\$ 719,105</b>			<b>(0.75)</b>
<b>OPEN SPACE AND MOUNTAIN PARKS</b>						
<b>OPEN SPACE FUND</b>						
Visitor Use Technician - Convert Fixed-Term to Standard	\$ 58,572	\$ 65,000	\$ 6,428	1.00	1.00	-
Ditch Assessments	149,000	230,000	81,000	-	-	-
Trails Contracts Manager - Extend Fixed-Term for One Year	88,350	91,000	2,650	1.00	1.00	-
Seasonal Employee Classification - Conversion to Standard; Partial Year Schedule	-	45,520	45,520	-	12.00	12.00
<b>Total Changes, Open Space and Mountain Parks</b>			<b>\$ 135,598</b>			<b>12.00</b>

<b>ATTACHMENT A</b>	<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>	<b>FTE</b>
<b>Department / Fund / Action</b>	<b>Approved Budget</b>	<b>Recommended Budget</b>	<b>Total Change</b>	<b>FTE</b>	<b>FTE</b>	<b>Change</b>
<b>PARKS AND RECREATION</b>						
<b>GENERAL FUND</b>						
Lead Maintenance Position - Horticulture	\$ -	\$ 64,487	\$ 64,487	-	1.00	1.00
Parks Operations Maintenance and Improvements	-	45,000	45,000	-	-	-
	-	-	-	-	-	-
<b>0.25 CENT SALES TAX FUND</b>						
Continue Civic Area Activation	103,367	150,625	47,258	1.00	1.00	-
Marketing	34,409	73,282	38,873	0.50	0.75	0.25
Park Operations and Maintenance Improvements	-	60,500	60,500	-	-	-
Seasonal Employees Compensation Increase	-	10,000	10,000	-	-	-
<b>RECREATION ACTIVITY FUND</b>						
Maintenance Position - Boulder Reservoir	-	15,548	15,548	-	0.75	0.75
Silver Sneakers Classes	-	68,339	68,339	-	-	-
Water Safety Position - Boulder Reservoir	-	17,197	17,197	-	0.75	0.75
Increase Duration of Goats and Gardens Camp	-	22,560	22,560	-	-	-
Seasonal Employees Compensation Increase	-	10,000	10,000	-	-	-
Gymnastics Flyers (Competitive Program)	57,000	-	(57,000)	-	-	-
<b>Total Changes, Parks and Recreation</b>			<b>\$ 342,762</b>			<b>2.75</b>
<b>PLANNING, HOUSING, AND SUSTAINABILITY</b>						
<b>AFFORDABLE HOUSING FUND</b>						
Housing Strategy	\$ -	\$ 141,500	\$ 141,500	-	1.00	1.00
<b>GENERAL FUND</b>						
Communications Specialist II Position - Extend Fixed-Term for Two Years	\$ 41,091	\$ 43,000	\$ 1,909	0.50	0.50	-
Employee Conservation Coordinator	60,857	60,857	-	0.25	0.75	0.50
Planner I Position - Extend Fixed-Term for Two Years	69,733	76,000	6,267	1.00	1.00	-
Zero Waste Compliance Assistant	76,000	76,000	-	-	1.00	1.00
Climate Commitment Implementation	-	50,000	50,000	-	-	-
Central Boulder Long-Term Planning - Civic Area East Bookend Planning	-	210,900	210,900	-	-	-
Central Boulder Long-Term Planning - Alpine Balsam Site Planning	-	213,900	213,900	-	-	-

ATTACHMENT A Department / Fund / Action	2016 Approved Budget	2017 Recommended Budget	Total Change	2016 FTE	2017 FTE	FTE Change
<b>PLANNING, HOUSING, AND SUSTAINABILITY CONTINUED</b>						
<b>CLIMATE ACTION PLAN (CAP) TAX FUND</b>						
Communications Specialist II Position - Extend Fixed-Term for Tw o Years	\$ 41,091	\$ 43,000	\$ 1,909	0.50	0.50	-
<b>PLANNING AND DEVELOPMENT SERVICES (P&amp;DS) FUND</b>						
Code Assessment	-	150,000	150,000	-	-	-
Central Boulder Long-Term Planning - Sr. Project Manager Extend Fixed-Term for Tw o Years	119,806	124,000	4,194	1.00	1.00	-
Central Boulder Long-Term Planning - Administrative Specialist II Extend Fixed-Term for Tw o Years	52,783	55,000	2,217	1.00	1.00	-
Central Boulder Long-Term Planning - Civic Area East Bookend Planning	-	50,000	50,000	-	-	-
Landlink Development and Information Tracking System Replacement Project - Extend Fixed Term for Tw o-Years	-	26,000	26,000	-	0.34	0.34
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	10,207	10,888	681	0.08	0.08	-
<b>Total Changes, Planning, Housing, and Sustainability</b>			<b>\$ 859,477</b>			<b>2.84</b>
<b>POLICE</b>						
<b>GENERAL FUND</b>						
Administrative Specialist II - Body-Worn Camera Program	\$ -	\$ 59,821	\$ 59,821	-	1.00	1.00
<b>Total Changes, Police</b>			<b>\$ 59,821</b>			<b>1.00</b>
<b>PUBLIC WORKS - DEVELOPMENT AND SUPPORT SERVICES</b>						
<b>GENERAL FUND</b>						
Brenton Building Utilities Costs	83,000	117,500	34,500	-	-	-
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	1,379	1,418	39	0.01	0.01	-
Reallocation of Library Maintenance Positions	-	79,487	79,487	-	2.00	2.00
<b>CAPITAL DEVELOPMENT FUND</b>						
Central Boulder Long-Term Planning - Alpine Balsam Site Planning	-	5,100	5,100	-	-	-
Central Boulder Long-Term Planning - Civic Area East Bookend Planning	-	5,100	5,100	-	-	-
<b>PLANNING AND DEVELOPMENT SERVICES (P&amp;DS) FUND</b>						
Landlink Development and Information Tracking System Replacement Project - Extend Fixed Term for Tw o-Years	\$ 114,201	\$ 102,000	\$ (12,201)	1.00	0.66	(0.34)
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	20,415	21,776	1,361	0.16	0.16	-
Energy Code Specialist	-	80,815	80,815	-	0.50	0.50
<b>Total Changes, Public Works - Development and Support Services</b>			<b>\$ 194,201</b>			<b>2.16</b>

XXXX

<b>ATTACHMENT A</b>	<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>	<b>FTE</b>
<b>Department / Fund / Action</b>	<b>Approved Budget</b>	<b>Recommended Budget</b>	<b>Total Change</b>	<b>FTE</b>	<b>FTE</b>	<b>Change</b>
<b>PUBLIC WORKS - TRANSPORTATION</b>						
<b>GENERAL FUND</b>						
Access/TDM/Parking Mgmt. Strategies for City Employees in Civic Area	\$ 50,000	\$ 50,000	\$ -	-	-	-
Administrative Specialists - Extend Fixed-Terms for Tw o Years	11,914	12,271	357	0.20	0.20	-
<b>TRANSPORTATION FUND</b>						
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	\$ 20,685	\$ 21,266	\$ 581	0.15	0.15	-
Ongoing Lighting Expense	-	61,000	61,000	-	-	-
Administrative Specialists - Extend Fixed-Terms for Tw o Years	40,506	41,721	1,215	0.68	0.68	-
Data/Metrics Collection, Management, and Analysis	-	90,000	90,000	-	1.00	1.00
<b>Total Changes, Public Works - Transportation</b>			<b>\$ 153,153</b>			<b>1.00</b>
<b>PUBLIC WORKS - UTILITIES</b>						
<b>STORMWATER UTILITY FUND</b>						
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	\$ 20,685	\$ 21,266	\$ 581	0.15	0.15	-
Ditch Companies Assessment Costs	49,442	96,775	47,333	-	-	-
Administrative Specialists - Extend Fixed-Terms for Tw o Years	9,531	9,817	286	0.16	0.16	-
<b>WASTEWATER UTILITY FUND</b>						
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	\$ 20,685	\$ 21,266	\$ 581	0.15	0.15	-
Administrative Specialists - Extend Fixed-Terms for Tw o Years	26,210	26,996	786	0.44	0.44	-
<b>WATER UTILITY FUND</b>						
Public Works Project Coordinator - Extend Fixed-Term for Tw o Years	\$ 41,371	\$ 42,531	\$ 1,160	0.30	0.30	-
Administrative Specialists - Extend Fixed-Terms for Tw o Years	30,976	31,905	929	0.52	0.52	-
Customer Information Services Tech Support Specialist	90,502	104,530	14,028	0.75	1.00	0.25
Plant Operator A-D - Convert Fixed-Term to Standard	64,018	64,018	-	1.00	1.00	-
<b>Total Changes, Public Works - Utilities</b>			<b>\$ 65,684</b>			<b>0.25</b>

City of Boulder

**ATTACHMENT B**

**2017 SIGNIFICANT BUDGET CHANGES BY FUND,  
ONE-TIME AND ONGOING**

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	<b>Additional Information</b>
<b>GENERAL FUND</b>						
Citywide	Transform Boulder Business Initiative ERP Implementation	-	-	650,000	-	This funding will cover the cost of implementing the final ERP modules for Human Resources and Finance.
City Attorney	Offsite Records Management	-	-	78,444	-	
City Clerk	Boards and Commissions Annual Reception	5,000	-	-	-	
City Clerk	City Clerk Training	-	-	5,000	-	
City Manager's Office	Colorado Communities Climate Coalition Membership	30,000	-	-	-	
City Manager's Office	Community Perception Assessment	-	-	100,000	-	Assessment will address crime and delinquency within Boulder.
City Manager's Office	Neighborhood Services Programming	36,734	-	-	-	Funding will support the Neighborhood Leadership Summit, the Block Party Trailer, Living Room Conversations.
City Manager's Office	Volunteer Program Implementation	22,000	-	-	-	
City Manager's Office	Resilience	-	-	248,785	1.00	Extends the Chief Resilience Officer position for 2-years and provides \$110,000 NPE funding for resilience strategy implementation.
City Manager's Office	Increased Funding for State Lobbying Contract	11,000	-	-	-	
Communications	Staffing for Expanded Video Coverage of Public Meetings	-	0.75	-	-	This is a conversion of \$60,000 in NPE for temporary staffing to cover a 3/4 time standard position and associated NPE for a program previously approved ongoing by council.
Community Vitality	Administrative Specialist II	29,882	0.44	-	-	
Community Vitality	Boulder Junction On-Street Parking Pay Stations	10,500	-	26,250	-	One-time funding for purchase as well as funding for ongoing operations and maintenance.
Community Vitality	Chautauqua Access Management Plan Implementation	-	-	100,000	-	

ATTACHMENT B		Ongoing	Ongoing	One Time	Fixed	
Fund / Department	Action	Funds	FTE	Funds	Term	Additional Information
<b>GENERAL FUND CONTINUED</b>						
Community Vitality	Department Master Plan	-	-	70,000	-	
Community Vitality	Hill Community Development Programming	-	-	37,500	-	
Community Vitality	Hill Reinvestment Strategy - Eco pass and Residential Services District	-	-	116,000	-	
Community Vitality	Civic Area Parking Pay Stations	16,750	-	-	-	Funding for ongoing operations and maintenance.
Energy Strategy and Electric Utility Development	Replenish Contingency Funding	-	-	447,639	6.50	
Finance	Extend Flood Recovery/FEMA Reimbursement Staffing	-	-	92,948	1.50	
Fire-Rescue	HAZMAT Authority	101,945	-	-	-	This funding will allow Boulder Fire & Rescue to join the Boulder County Hazardous Substance Response Team which will improve HAZMAT response time.
Fire-Rescue	Office of Emergency Management (OEM) Cost Increases	7,500	-	4,259	-	
General Governance	Citywide Event Management	-	-	140,000	-	
Human Resources	Learning and Organizational Development (L&OD) Specialist - Extend Fixed-Term for two years	-	-	53,078	1.00	L&OD Position expires in June of 2017 and this represents 6-months' worth of funding extension.
Human Resources	Intercultural Development Inventory	-	-	165,200	-	
Human Resources	ACA Compliance	70,000	-	-	-	This funding will cover outsourced tracking of ACA compliance for Seasonal, Temporary and Part-Time Standard Employees.
Human Services	Early Diversion Get Engaged (EDGE) Program	-	-	142,000	-	The EDGE program supports efforts to divert individuals with mental illness and addictions away from the criminal justice system. Grant funding is being sought for the future.
Information Technology	Actionable Open Analytics	10,000	-	-	-	

IX

ATTACHMENT B		Ongoing	Ongoing	One Time	Fixed	
Fund / Department	Action	Funds	FTE	Funds	Term	Additional Information
<b>GENERAL FUND CONTINUED</b>						
Information Technology	Council Technology Support Position - Convert from Fixed-term to Standard	83,500	1.00	-	-	
Information Technology	Applications Division Internship Program	18,275	-	-	-	
Information Technology	Applications Support Position	-	-	67,440	1.00	2yr fixed-term
Information Technology	Consulting/Engineering Support for Community Broadband Initiative	-	-	150,000	-	
Information Technology	Security Enhancement Projects	72,000	-	4,500	-	
Library and Arts	Arts Grants	-	-	450,000	-	
Library and Arts	Civic Area Public Art	-	-	175,000	-	This is supplemental funding to leverage the \$280,000 in existing Community, Culture and Safety Tax funding for Civic Area Public Art.
Library and Arts	Arts Programming and Administration	71,000	0.25	-	-	This increases an existing position to full-time from 3/4 time and provides NPE for programming activities.
Library and Arts	Early Literacy App	10,000	-	-	-	
Library and Arts	Creative Technologist for Makerspace	-	-	92,592	1.00	2yr fixed-term
Library and Arts	Reallocation of Library Maintenance Positions to PW-DSS	(79,487)	(2.00)			
Parks and Recreation	Lead Maintenance Position - Horticulture	64,487	1.00	-	-	
Parks and Recreation	Park Operations Maintenance and Improvements	45,000	-	-	-	This funding covers contracted costs for removal of hazardous materials in park spaces.
Planning, Housing and Sustainability	Communication Specialist II Position - Extend Fixed-Term for Two Years	-	-	43,000	0.50	Funding extension until 2019
Planning, Housing and Sustainability	Employee Conservation Coordinator	-	0.50	-	-	Funding for these additional staff hours is being sourced through budget reallocation.
Planning, Housing and Sustainability	Planner I Position - Extend-Fixed Term for Two Years	-	-	76,000	1.00	
Planning, Housing and Sustainability	Zero Waste Compliance Assistant Position	-	-	-	1.00	2yr fixed-term. Funding for this position is being sourced through budget reallocation from NPE.

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	<b>Additional Information</b>
<b>GENERAL FUND CONTINUED</b>						
Planning, Housing and Sustainability	Climate Commitment Implementation	50,000	-	-	-	
Planning, Housing and Sustainability	Central Boulder Long-Term Planning - Alpine Balsam Site Planning	-	-	210,900	-	This represents the General Fund's portion of the costs including site area planning, redevelopment scenario analysis, and communications and outreach.
Planning, Housing and Sustainability	Central Boulder Long-Term Planning - Civic Area East Bookend Planning	-	-	213,900	-	
Police	Administrative Specialist II	59,821	1.00	-	-	This position will support the processing of body-worn camera footage.
PW-Development and Support Services	Brenton Building Utilities Costs	34,500	-	-	-	
PW-Development and Support Services	Public Works Project Coordinator - Extend Fixed-Term for Two Years	-	-	1,418	0.01	This represents the General Fund's portion of the position's cost.
PW-Development and Support Services	Reallocation of Library Maintenance Positions	79,487	2.00	-	-	
PW-Transportation	Access/TDM/Parking Mgmt. Strategies for City Employees in Civic Area	-	-	50,000	-	
PW-Transportation, Utilities	Administrative Specialists - Extend Fixed-Terms for Two Years	-	-	12,271	0.20	Funding is split between General Fund, Utilities Funds, and Transportation Fund.
<b>Total Changes</b>		<b>\$ 859,894</b>	<b>4.94</b>	<b>\$4,024,124</b>	<b>14.71</b>	
<b>0.25 CENT SALES TAX FUND</b>						
Parks and Recreation	Continue Civic Area Activation	50,000	-	100,625	1.00	Includes 1yr fixed-term extension and \$80,000 in programming funding.
Parks and Recreation	Marketing	21,000	-	17,873	0.25	
Parks and Recreation	Park Operations and Maintenance Improvements	60,500	-	-	-	
Parks and Recreation	Seasonal Budget Increase	10,000	-	-	-	
<b>Total Changes</b>		<b>\$ 141,500</b>	<b>-</b>	<b>\$ 118,498</b>	<b>1.25</b>	

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	<b>Additional Information</b>
<b>AFFORDABLE HOUSING FUND</b>						
Planning, Housing and Sustainability	Housing Strategy	141,500	1.00	-	-	Includes 1.0 FTE Planner II position along with \$44,000 in programming funding.
<b>Total Changes</b>		<b>\$ 141,500</b>	<b>1.00</b>	<b>\$ -</b>	<b>-</b>	
<b>BOULDER JUNCTION ACCESS GENERAL IMPROVEMENT DISTRICT - PARKING FUND</b>						
Community Vitality	Administrative Specialist II	2,771	0.03	-	-	
Community Vitality	Department Master/Strategic Plan	-	-	10,000	-	
<b>Total Changes</b>		<b>\$ 2,771</b>	<b>0.03</b>	<b>\$ 10,000</b>	<b>-</b>	
<b>BOULDER JUNCTION ACCESS GENERAL IMPROVEMENT DISTRICT - TRAVEL DEMAND MANAGEMENT FUND</b>						
Community Vitality	Administrative Specialist II	2,771	0.03	-	-	
Community Vitality	Department Master/Strategic Plan	-	-	10,000	-	
<b>Total Changes</b>		<b>\$ 2,771</b>	<b>0.03</b>	<b>\$ 10,000</b>	<b>-</b>	
<b>CAPITAL DEVELOPMENT FUND</b>						
PW-Facilities and Asset Management	Brenton Building Renovation Costs	-	-	2,100,000	-	
Planning, Housing and Sustainability	Central Boulder Long-Term Planning - Alpine Balsam Site Planning	-	-	5,100	-	
Planning, Housing and Sustainability	Central Boulder Long-Term Planning - Civic Area East Bookend Planning	-	-	5,100	-	
<b>Total Changes</b>		<b>\$ -</b>	<b>-</b>	<b>\$ 2,110,200</b>	<b>-</b>	
<b>CLIMATE ACTION PLAN (CAP) TAX FUND</b>						
Planning, Housing and Sustainability	Communications Specialist II - Extend Fixed-Term for Two Years	-	-	43,000	0.50	Funding extension for this position through 2019.
<b>Total Changes</b>		<b>\$ -</b>	<b>-</b>	<b>\$ 43,000</b>	<b>0.50</b>	

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	<b>Additional Information</b>
<b>DOWNTOWN COMMERCIAL DISTRICT (CAGID) FUND</b>						
Community Vitality	Administrative Specialist II	-	(11,359)	(11,359)	-	This represents reallocation of budget from CAGID.
Community Vitality	Department Master/Strategic Plan	-	-	90,000	-	
Community Vitality	Downtown Boulder Eco Pass Program	74,886	-	-	-	
<b>Total Changes</b>		<b>\$ 74,886</b>	<b>(11,359)</b>	<b>\$ 78,641</b>	<b>-</b>	
<b>OPEN SPACE FUND</b>						
OSMP	Visitor Use Technician - Convert Fixed-Term to Standard	65,000	1.00	-	-	
OSMP	Ditch Assessments	81,000	-	-	-	
OSMP	Trails Contracts Manager - Extend Fixed-Term for One Year	-	-	91,000	1.00	
OSMP	Seasonal Employee Classification - Conversion to Partial Year Schedule	45,520	12.00	-	-	Conversion of 16 seasonal crew leads (equivalent of 12.0 FTE) to 10-month standard partial year schedule employees. The seasonal staff count was not previously included in total FTE counts, however, this is a classification change, not a change in workforce numbers.
<b>Total Changes</b>		<b>\$ 191,520</b>	<b>13.00</b>	<b>\$ 91,000</b>	<b>1.00</b>	
<b>PLANNING AND DEVELOPMENT SERVICES (P&amp;DS) FUND</b>						
Planning, Housing and Sustainability	Code Assessment	-	-	150,000	-	
PW-Development and Support Services	Energy Code Specialist	-	-	80,815	0.50	3yr fixed-term
PW-Development and Support Services	Landlink Development and Information Tracking System Replacement Project	-	-	128,000	1.00	Includes two-year extension of fixed-term support position.
PW-Development and Support Services	Public Works Project Coordinator - Extend Fixed-Term for Two Years	-	-	34,025	0.24	2yr fixed-term; Remaining 0.76 FTE of position is budgeted in Transportation and Utilities Funds.

viix

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	<b>Additional Information</b>
<b>PLANNING AND DEVELOPMENT SERVICES (P&amp;DS) FUND CONTINUED</b>						
PW-Development and Support Services	Central Boulder Long-Term Planning - Senior Project Manager - Extend Fixed Term for Two Years	-	-	124,000	1.00	
PW-Development and Support Services	Central Boulder Long-Term Planning - Administrative Specialist II - Extend Fixed Term for Two Years	-	-	55,000	1.00	
PW-Development and Support Services	Central Boulder Long-Term Planning - Civic Area East Bookend Planning	-	-	50,000	-	
<b>Total Changes</b>		<b>\$ -</b>	<b>-</b>	<b>\$ 621,840</b>	<b>3.74</b>	
<b>RECREATION ACTIVITY FUND</b>						
Parks and Recreation	Maintenance Position - Boulder Reservoir	-	-	18,548	0.75	Position funding is offset by existing seasonal staff budget on a pilot basis.
Parks and Recreation	Silver Sneakers Classes	68,339	-	-	-	It is expected that revenues will offset costs.
Parks and Recreation	Water Safety Position - Boulder Reservoir	-	-	17,197	0.75	Position funding is offset by existing seasonal staff budget on a pilot basis.
Parks and Recreation	Increase Duration of Goats and Gardens Camp	22,560	-	-	-	
Parks and Recreation	Seasonal Budget Increase	10,000	-	-	-	
Parks and Recreation	Gymnastics Flyers (Competitive Program)	(57,000)	-	-	-	The competitive portion of this program is being transferred to a parent-run non-profit organization.
<b>Total Changes</b>		<b>\$ 43,899</b>	<b>-</b>	<b>\$ 35,745</b>	<b>1.50</b>	
<b>STORMWATER UTILITIES FUND</b>						
PW-Utilities	Public Works Project Coordinator - Extend Fixed-Term for Two Years	-	-	21,266	0.15	2yr fixed-term; Remaining 0.85 FTE of position is budgeted in Transportation and P&DS Funds.
PW-Utilities	Ditch Companies Assessment Costs	47,333	-	-	-	
PW-Utilities	Administrative Specialists - Extend Fixed-Terms for Two Years	-	-	9,817	0.16	Funding is split between General Fund, Utilities Funds, and Transportation Fund.
<b>Total Changes</b>		<b>\$ 47,333</b>	<b>-</b>	<b>\$ 31,083</b>	<b>0.31</b>	

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	<b>Additional Information</b>
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	
<b>TRANSPORTATION FUND</b>						
PW-Transportation	Public Works Project Coordinator - Extend Fixed-Term for Two Years	-	-	21,266	0.15	2yr fixed-term; Remaining 0.85 FTE of position is budgeted in Utilities and P&DS Funds.
PW-Transportation	Ongoing Lighting Expense	61,000	-	-	-	This represents supplemental operating funds for lighting improvements funded with Community, Culture and Safety Tax revenues.
PW-Transportation	Administrative Specialists - Extend Fixed-Terms for Two Years	-	-	41,721	0.68	Funding is split between General Fund, Utilities Funds, and Transportation Fund.
PW-Transportation	Data/Metrics Collection, Management, and Analysis	60,000	1.00	30,000	-	Includes a Transportation Technician position.
<b>Total Changes</b>		<b>\$ 121,000</b>	<b>1.00</b>	<b>\$ 92,987</b>	<b>0.83</b>	
<b>UNIVERSITY HILL COMMERCIAL DISTRICT (UHGID) FUND</b>						
Community Vitality	Administrative Specialist II	(1,262)	-	-	-	This represents reallocation of budget from UGHID for this position.
Community Vitality	Department Master/Strategic	-	-	20,000	-	
<b>Total Changes</b>		<b>\$ (1,262)</b>	<b>-</b>	<b>\$ 20,000</b>	<b>-</b>	
<b>WASTEWATER UTILITY FUND</b>						
PW-Utilities	Public Works Project Coordinator - Extend Fixed-Term for Two Years	-	-	21,266	0.15	2yr fixed-term; Remaining 0.85 FTE of position is budgeted in Stormwater, Water and P&DS Funds.
PW-Utilities	Administrative Specialists - Extend Fixed-Terms for Two Years	-	-	26,996	0.44	Funding is split between General Fund, Utilities Funds, and Transportation Fund.
<b>Total Changes</b>		<b>\$ -</b>	<b>-</b>	<b>\$ 48,262</b>	<b>0.59</b>	

ix

<b>ATTACHMENT B</b>		<b>Ongoing</b>	<b>Ongoing</b>	<b>One Time</b>	<b>Fixed</b>	
<b>Fund / Department</b>	<b>Action</b>	<b>Funds</b>	<b>FTE</b>	<b>Funds</b>	<b>Term</b>	<b>Additional Information</b>
<b>WATER UTILITY FUND</b>						
PW-Utilities	Public Works Project Coordinator - Extend Fixed-Term for Two Years	-	-	42,531	0.30	2yr fixed-term; Remaining 0.70 FTE of position is budgeted in Stormwater, Wastewater and P&DS Funds.
PW-Utilities	Customer Information Services Tech Support Specialist - Extend Fixed-Term for One Year	-	-	26,000	0.25	
PW-Utilities	Plant Operator A-D - Convert Fixed-Term to Standard	-	1.00	-	-	The funding for this position is being reallocated from the overtime budget.
PW-Utilities	Administrative Specialists - Extend Fixed-Terms for Two Years	-	-	31,905	0.52	Funding is split between General Fund, Utilities Funds, and Transportation Fund.
<b>Total Changes</b>		<b>\$ -</b>	<b>1.00</b>	<b>\$ 100,436</b>	<b>1.07</b>	

City of Boulder  
**ATTACHMENT C**  
**2017 SIGNIFICANT CITYWIDE STAFFING/COMPLIANCE**  
**BUDGET CHANGES**

**ATTACHMENT C**

Fund	Ongoing Funds	Additional Information
<b>AFFORDABLE CARE ACT MEDICAL INSURANCE COMPLIANCE COSTS</b>		
General Fund	\$ 36,928	
0.25 Cent Sales Tax Fund	4,575	
Open Space Fund	176,000	
Recreation Activity Fund	179,087	
Transportation Fund	4,575	
Water Utility Fund	4,575	
<b>Total</b>	<b>\$ 405,740</b>	

<b>FAIR LABOR STANDARDS ACT COMPLIANCE COSTS</b>		
General Fund	\$ 35,459	
Planning and Development Services (P&DS) Fund	16,093	
Recreation Activity Fund	2,527	
Open Space Fund	6,222	
<b>Total</b>	<b>\$ 60,301</b>	

LIVING WAGE	DIRECT LABOR COST		CONTRACTED LABOR COST
General Fund <sup>1</sup>	\$ 806,432	\$ 45,019	\$ 761,413
0.25 Cent Sales Tax Fund	40,227	71	40,156
Affordable Housing Fund	78	78	
Boulder Junction Capital Improvement Fund	1,724		1,724
Climate Action Plan (CAP) Tax Fund	1,039	1,309	
Community Development Block Grant (CDBG) Fund	531	531	
Community Housing Assistance Program (CHAP) Fund	78	78	
Downtown Commercial District (CAGID) Fund	32,905	22,636	10,269
Open Space Fund	41,732	105	41,627
Permanent Parks and Recreation Fund	2,733		2,733
Planning and Development Services (P&DS) Fund	6,627	6,627	
Recreation Activity Fund	106,962	19,529	87,433
Stormwater Utilities Fund	13,531	6,724	6,807
Transportation Development Fund	625		625
Transportation Fund	141,235	20,712	120,523
University Hill Commercial District (UGHID) Fund	5,867	124	5,743
Wastewater Utility Fund	19,523	5,175	14,348
Water Utility Fund	16,281	5,007	11,274
<b>Total</b>	<b>\$ 1,238,130</b>	<b>\$ 133,725</b>	<b>\$ 1,104,675</b>

<sup>1</sup>\$631,920 of the \$761,413 in General Fund Direct Labor Cost is attributable to the Fire-Rescue Department's ambulance contract with American Medical Response (AMR).

**Follow up to the City Council Study Session on Aug. 9, 2016 on the Draft 2017-2022 Capital Improvement Program (CIP)**

At the Aug. 9 City Council study session on the Draft 2017-2022 CIP, council asked for additional information relating to the following items. The items are noted in italics with additional information provided below each item.

*Renovation of the Brenton Building (on the Alpine-Balsam site)*

The Brenton Building is located at 1136 Alpine Avenue and was included in the city's purchase of the former Boulder Community Health-Broadway campus (BCH) site. The building has been used for medical offices and a surgery center. The surgery center recently moved to a new location, leaving the building vacant. Restrictions on the city's purchase of the former Boulder Community Hospital (BCH) site prohibit another medical use, and the current interior configuration and poor energy performance limit the use of this building by other potential tenants. Public process for use of the Alpine-Balsam site (including the Brenton Building) has begun and future redevelopment of the former BCH site is not anticipated for at least 5 years.

As a standalone building, separated from the rest of the Alpine-Balsam campus, and given the condition of the building noted above, the city has the opportunity to move forward on renovating this building now, in order to make critical energy efficiency and configuration improvements that will meet code and be of benefit for all future use. This can allow for near-term use, while full redevelopment of the Alpine-Balsam site is underway. The city currently has needs for customer service, public meeting and office space in the Civic Area which will require additional space. Rather than lease space at additional ongoing cost, the city can use the Brenton Building (once renovated) to meet these needs in the interim, while the site planning process unfolds. It is anticipated that 67 staff would be relocated to the Brenton Building.

Total renovation costs are estimated at \$5 million, with \$3 million going towards required energy code improvements such as a new variable refrigerant flow (VRF) HVAC system (\$1.6 million), exterior insulation and weatherization (\$450,000), replacement of the single-pane windows and increased daylighting (\$300,000), new LED lighting (\$350,000), and electrical upgrades (\$300,000).

Funding for initial costs related to updating and upgrading building systems and infrastructure (approximately \$1.6 million) has already been approved in the 2016 budget (through the Adjustment to Base process on June 7, 2016). The funding comes from Certificate of Participation (COP) proceeds from the original purchase of the BCH site, from one-time General Fund savings and from previously approved funds to lease additional space (not yet leased). The remaining funding of \$3.4 million, needed to complete building renovation, is proposed as follows: \$1.3 million from one-time General Fund revenues to be requested in the November 2016 Adjustment to Base, and \$2.1 million from impact fees in the Capital Development Fund that corresponds to growth-related impacts. This project is included in the 2017 CIP.

The cost of renovating and leasing 21,600 square feet of comparable space, to provide the capacity for current city needs, is estimated at \$ 1.7 million in one-time costs and \$1 million annually in lease and operating maintenance costs. The break-even point of renovating Brenton Building versus renovating and leasing alternative space is just over 3 years. If the public process

for the Alpine-Balsam site identifies a different use for the Brenton Building, the investments made in 2017 to upgrade building systems will serve and support its future use.

### Electric Vehicles

The city currently provides nine Level 2 (220 volt) charging stations city-wide with an equal amount of Level 1 (110 volt) stations. In an April 2015 [“Boulder Electric Vehicle Infrastructure and Adoption Assessment”](#) performed by the Southwest Energy Efficiency Project for the City of Boulder, Boulder County and University of Colorado Boulder, specific to the use of and amount of electric vehicle charging stations, the study found that:

*“Of the eight public charging stations in the city where data was available, only one was used more than once per day on average. For the six stations where there is no dedicated charging, the stations are used on average less than once every five days. This is consistent with experience from around the country, which suggests that the vast majority of vehicle charging will take place at homes or at workplaces.”*

The study did suggest that it would be useful to invest in additional charging stations at Boulder Junction and providing more opportunities for workplace charging. At the end of 2015, the city received grant funding from the Regional Air Quality Council for 10 new Level 2 charging stations to promote workplace charging. Those will be placed at five locations – the Atrium Building at 1300 Canyon Blvd, Boulder Junction’s garage at 2280 Junction Place, the Broadway and Alpine parking garage at 2655 Broadway, the Public Safety Building at 1805 East 33<sup>rd</sup> Street and the OSMP Annex at 7315 Red Deer Drive. All charging stations, except those at the Public Safety Building will be open to the public. The Atrium Building, and the Broadway and Alpine parking garage will have four and five Level 1 charging stations, respectively. All the current public charging stations will be upgraded with a ChargePoint charging station and system and single head stations will be replaced with dual head stations. Additionally, the city fleet station, at the Municipal Service Center at 5050 Pearl Street, will become a public station. Funding for the upgrades was approved in the 2016 CIP. With the completion of the new stations’ installations, the city will provide a total of 24 Level 2 charging stations and 9 Level 1 stations.

The city, through its new energy code, is also working on potential requirements for, providing pre-wiring for EV charging stations at new residential developments (both single and multi-family), office buildings, industrial parks and lodging facilities. Requirements are also being considered for some Level 2 charging stations to be installed in new multifamily and commercial buildings.

### Transportation Safety

Additional information on transportation safety has been included in the body of the Budget Study Session memo to which this document is attached.

### Timing of South Boulder Creek Flood Mitigation Project

The first phase of the South Boulder Creek flood mitigation project involves the construction of a regional detention facility on the University of Colorado South Campus and within a portion of the Colorado Department of Transportation Right of Way. The project will require agreements with both of these agencies and numerous permits, including environmental clearances and

approval as a high hazard dam through the State of Colorado Engineer's Office. Approval of the construction of this project is being negotiated with the university as part of the annexation process through the Boulder Valley Comprehensive Plan (BVCP) Update.

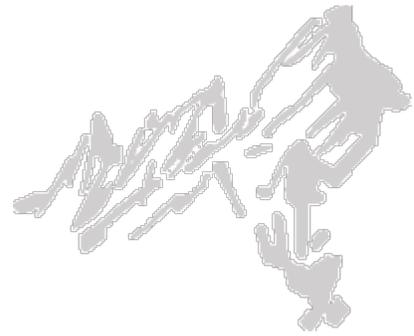
As part of the BVCP update process, staff has been working with consultants (Biohabitats and Fox Tuttle Hernandez) to prepare a Site Suitability study that assesses view corridors, wetlands, environmental features, topography, availability of city services, and other pertinent information. Initial drafts of the analysis will be shared with the Open Space Board of Trustees, Planning Board, and the public in Sept. 2016, and following that feedback, a recommendation regarding the land use designation change will be shared with Planning Board and Council in Nov. 2016. In early 2017, final land use designation changes will be incorporated into the major update to the BVCP, and a City/CU agreement is also expected to be ready for council consideration.

The design of the regional detention facility is moving forward concurrently with the annexation process. An engineering consultant was recently hired to complete a preliminary design and help identify the requirements for permitting. The preliminary design and environmental clearances are expected to be completed in 2017, with the final design anticipated to be completed in 2018, and construction commencing in 2019. Construction of this project is expected to take several years. Delays in the project schedule could result from the complexity of land use negotiations, design considerations and permitting requirements.

#### Utility Rates

Utility rate projections are updated annually based on revenue and expenditure trends, and updates to the capital improvements program. Many components of Boulder's water and wastewater systems that have served the city effectively at minimal cost for many years are reaching the end of their useful lives and will require replacement or substantial rehabilitation in the near future. The utilities CIP attempts to stagger those investments to provide more stable rates, but it is very possible that increases above and beyond those required to maintain regulatory compliance and keep pace with cost increases will be necessary to address emerging needs associated with aging infrastructure. Stormwater/Flood Management rates are largely driven by the pace of investment in major flood mitigation projects. Mitigation of 100-year flood risk along the city's major drainageways is well beyond the scope of the 20-year CIP and is not expected to be completed within the next 100 years with the current pace of investment. Multiple major flood events can be reasonably expected prior to completion of citywide flood mitigation and could generate community support for higher rates to expedite investment.

While utility rates are projected based on Boulder's own unique infrastructure needs, the city does monitor rates regionally and nationally. The national Consumer Price Index (CPI) that looks at water and sewer bills has increased by an average of 6 percent per year since 2001. Boulder's utility rates remain competitive with other cities along the Front Range and in the western region, many of which are considering significant rate increases to address aging infrastructure and more stringent regulatory requirements.



**DATE:** August 10, 2016

**TO:** Open Space Board of Trustees

**FROM:** Peggy Bunzli, Executive Budget Officer  
Devin Billingsley, Senior Budget Analyst  
Eric Parish, Executive Vice President, MGT of America Consulting, LLC

**SUBJECT:** 2017 Budget Cost Allocation Plan

---

**Who is MGT?**

MGT of America Consulting, LLC is a national public-sector consulting firm. The Financial Services division within MGT provides consulting services limited to cost allocation plan, user fee study and indirect cost rate calculation services exclusively for state and local governments. 36 MGT Financial Services consultants provide these services to over 100 state and local governments in Colorado and across the Country annually. Over the past five years MGT Financial Services consultants have completed over 500 engagements similar to the engagement completed for the City of Boulder.

Michelle Garrett, a Senior Consultant with MGT with over eight years of consulting experience, and Eric Parish, an Executive Vice President with MGT with over 25 years of consulting experience completed the past two cost allocation plans for the City of Boulder.

**What is a cost allocation plan?**

A cost allocation plan is an accounting document that identifies agency-wide indirect cost and allocates those costs to benefiting departments and funds.

This definition can be broken into three components. The first component is that the cost allocation plan is an accounting document. The cost plan is based on financial records, either actual expenditures or budgeted expenditures for a given fiscal year.

The second component is that the cost allocation plan identifies agency wide indirect costs. Indirect costs, in general terms, are costs found in departments that provide services to other departments. Those departments are mostly inward facing, with services benefiting other departments. Examples of areas of indirect costs at the department level include Human Resources, Information Technology and Accounting.

The third component is that the cost allocation plan distributes indirect costs to benefiting departments and funds.

The overall objectives of a cost allocation plan are to:

1. Identify the internal administrative and support departments
2. Document the costs of the internal administrative and support departments
3. Document the services provided by the internal administrative and support departments (e.g. payroll within Accounting or Help Desk with IT)
4. Distribute the internal administrative and support cost based on meaningful, measurable and auditable allocation bases or metrics to all departments and funds
5. Sum or total the administrative and support costs allocated to every department and fund.

#### **What is the basis for a cost allocation plan?**

The Federal Government provides principles and requirements to local governments for cost allocation plans. These requirements are found in The Code of Federal Regulations Part 200. (2 CFR Part 200). These requirements used to be found in OMB Circular A-87.

Additionally, cost allocation plans follow GAAP (Generally Accepted Accounting Principles) requirements and GFOA (Government Finance Officers Association) recommendations and best practices.

#### **What cities and counties prepare a cost allocation plan?**

Many cities and counties in Colorado and across the Country prepare cost allocation plans for internal and external purposes.

MGT prepares over 30 cost allocation plans for Colorado cities and counties annually including Boulder County, Denver and Colorado Springs.

Outside of Colorado MGT has recently prepared cost allocation plans for numerous jurisdictions including Houston, Dallas, Rockville, Oakland and Sacramento.

#### **Why do cities and counties prepare a cost allocation plan?**

There are numerous reasons that local governments prepare cost allocation plans. The first is to recover indirect costs on federal and state grants and awards. The cost allocation plan is the set of calculations to identify and document the cost of general fund administrative and support services provided to all operating departments. For certain grants and awards, this support, and the associated cost, can be reimbursed or recovered.

The second primary reason local governments prepare a cost allocation plan is to identify and document the general fund administrative and support services provided to non-general fund funds. In specific instances, this support, and the associated cost, can be reimbursed or

recovered from enterprise and special revenue funds. In over simplified terms, the cost allocation plan is a single invoice for total services.

It is important to differentiate the terms “allocate” and “charge”. Every general fund operating department and non-general fund fund are “allocated” costs in the cost allocation plan. Not every operating general fund department and non-general fund fund is however, “charged”.

General fund operating departments are typically not “charged” their allocated costs. The costs allocated in the cost allocation plan are incurred by general fund departments. If for example, the jurisdiction “charged” the Police or Fire department, the city would have to appropriate additional general fund money to pay the allocated costs. This situation is essentially swirling the same general fund dollars.

However, it is common for Enterprise Funds and some special revenue funds to be “charged” for allocated costs. These funds either operate as a business with a unique customer base and revenue source or have characteristics that make it appropriate for these funds to actually pay for the administrative and support services they receive.

Should a local government choose not to charge an enterprise fund or certain special revenue fund for the administrative and supports services provided, then the jurisdiction is subsidizing those funds. The general fund is covering the administrative and support costs incurred by those enterprise and /or special revenue funds.

While these are the two most common reasons, local governments prepare cost allocation plans for other reasons as well.

**What are details about the City of Boulder’s recent cost allocation plan?**

The most recent cost allocation plan is based on the 2016 Budget (BY16). The most prior cost allocation plan was based on the Fiscal Year 2012 (FY12) actual expenditures. This is noteworthy for two reasons.

The first reason is the transition from actual costs to budget costs is not uncommon. Jurisdictions find that a cost plan based on actual costs represents, at best, at two-year lag between costs incurred and application in the budget process. This situation is not unique to the City of Boulder, it is universal because it is up to six months from the close of the fiscal year for actual audited expenditures to be available. Preparing the cost allocation plan can be another three months. At nine months into a fiscal year the current year budget will not be adjusted. The next window of opportunity to apply the recently completed cost allocation plan is the coming year. Therefore, the lag between results and application can be problematic.

The second reason is the gap between Boulder’s two most recent cost allocation plans is compounded due to the switch from actual to budget expenditures. Had the most recent cost

allocation plan been prepared using actual expenditures instead of budget expenditures, the increase in allocated costs for all departments would be noticeable simply because of the normal increase in costs over this three year (FY12 to FY15) period of time. Since the recently completed cost allocation plan is based on BY16 expenditures, the time frame between cost allocation plans is actually four years not three (FY12 to BY16).

The costs that are allocated through the BY16 cost allocation plan have increased noticeably compared to the costs allocated through the last cost allocation plan based on FY12 actual expenditures. For example, allocable costs in the Finance department have increased approximately 29 percent over this time. Costs in City Manager's Office have increased approximately 63 percent over this time. Costs in the Human Resources have increased approximately 94 percent over this time.

The overall increase in allocated costs from the FY12 cost allocation plan to the BY16 cost allocation plan is approximately 28 percent from \$22,374,000 to \$28,543,000.

A material change occurred in the BY16 cost plan compared to the FY12 cost plan. The BY16 cost plan includes allowable costs for Property and Casualty insurance. These are allowable costs under both 2 CFR Part 200 and GAAP. These costs were not included in FY12 and earlier plans.

**What are details about costs allocated to Open Space in the most recent cost allocation plan?**

The costs allocated to Open Space in the BY16 cost allocation plan have increased approximately 25 percent compared to the FY12 cost allocation plan. This increase is less than the 28 percent increase in total costs allocated between the FY12 and BY16 cost allocation plans.

Comparable departments have increased allocations similar to Open Space. Planning increased approximately 20 percent and Recreation increased approximately 25 percent between the two cost plans.

In the BY16 cost allocation plan, of the total costs allocated to all city departments, approximately 6.67 percent are allocated to Open Space. Total costs allocated means the sum of the appropriate expenditures of the internal administrative and support departments. Flip the calculation around and approximately 93.33 percent of the total allocated costs are allocated to all other city general fund departments and restricted funds.

A common reasonableness check is to compare the total allocated costs to a department's share of total Full-Time Equivalent (FTE) employees. FTE is a basis for this test because many administrative and support services are labor driven. Meaning the more personnel a department has, will often result in the more services, and therefore costs, that the department receives.

Open Space has approximately 8.3 percent of the total city FTE count. Therefore, this ratio is within an expected range, 6.67 percent of allocated costs for 8.3 percent of the city FTE.

Another reasonableness test for allocated costs is the ratio of allocated costs to total expenditures for a department. This ratio for Open Space is approximately 5.5 percent. A common term across all sectors is “overhead rate”. Using this term, based on the BY16 cost allocation plan, the overhead rate for Open Space is 5.5 percent which falls well within a reasonable range.

**CITY OF BOULDER  
PLANNING BOARD ACTION MINUTES  
July 28, 2016  
1777 Broadway, Council Chambers**

A permanent set of these minutes and a tape recording (maintained for a period of seven years) are retained in Central Records (telephone: 303-441-3043). Minutes and streaming audio are also available on the web at: <http://www.bouldercolorado.gov/>

**PLANNING BOARD MEMBERS PRESENT:**

John Gerstle, Chair  
Liz Payton, Vice Chair  
John Putnam  
Leonard May  
Crystal Gray  
Harmon Zuckerman

**PLANNING BOARD MEMBERS ABSENT:**

Bryan Bowen

**STAFF PRESENT:**

Susan Richstone, Deputy Director of Community Planning & Sustainability  
Cindy Spence, Administrative Specialist III  
Lesli Ellis, Comprehensive Planning Manager  
Jean Gatza, Sustainability Planner  
Peggy Bunzli, Executive Budget Officer  
Caitlin Zacharias, Planner I  
Kathy Haddock, Senior Assistant City Attorney  
Doug Newcomb, Property Agent  
Jim Reeder, Trails & Facilities Division Manager  
Annie Noble, Greenways Program Coordinator  
Steven Buckbee, Engineering Project Manager  
Joe Castro, Facilities & Fleet Manager  
Jeff Haley, Parks Planning Manager  
Molly Winter, DUHMD Executive Director  
Milford John-Williams, Budget Analyst  
Chris Ranglos, Comprehensive Planning Intern  
Gerrit Slatter, Principal Transportation Projects Engineer  
Joe Taddeucci, Water Resources Manager  
Bob Harberg, Principal Engineer - Utilities

**1. CALL TO ORDER**

Chair, **J. Gerstle**, declared a quorum at 6:04 p.m. and the following business was conducted.

**2. APPROVAL OF MINUTES**

### 3. PUBLIC PARTICIPATION

1. **Danielle Dougherty** spoke in opposition to the 1440 Pine Street project.
2. **Brad Queen** spoke regarding EAB and Planning Board collaboration.
3. **Christina Gosnell** spoke regarding EAB and Planning Board collaboration.
4. **Lawrence A. Gossman** spoke in opposition to the 1440 Pine Street project.

### 4. DISCUSSION OF DISPOSITIONS, PLANNING BOARD CALL-UPS / CONTINUATIONS

#### 5. PUBLIC HEARING ITEMS

- A. AGENDA TITLE: Public hearing and consideration of a recommendation to City Council on the proposed Capital Improvement Program (CIP).

#### Staff Presentation:

**J. Gatza** and **P. Bunzli** presented the item to the board.

#### Board Questions:

**J. Gatza**, **P. Bunzli**, **A. Noble**, **J. Castro**, **J. Reeder**, **G. Slatter**, **J. Haley** and **J. Taddeucci** answered questions from the board.

#### Public Hearing:

No one spoke.

#### Board Comments:

- **L. Payton** suggested amending the motion recommending the Boulder's flood mitigation plan within the CIP to embrace climate change. The current plans do not incorporate any assumptions of climate change. **L. May** stated he would be in support of that addition.
- **H. Zuckerman** suggested adding to the motion that Boulder begin leading a charge toward greater equity and resilience through hiring practices that take into account the needs of local business within the CIP. As the CIP stands, it displays a good use of funds and great engineering. Very impressed by the CIP and the work the staff has done.
- **J. Putnam** stated the CIP is very comprehensive. In regards to **H. Zuckerman's** suggestion regarding local procurement, he questioned if the CIP would be the right place to address it. His concern was that it may create binding requirements and restrictions in Boulder. Not sure the CIP is the right place. In regards to the flood issue, he agreed to start accounting for long term implications and climate on floodplains, but added caution on how it is carried out. It would be a benefit to collect information on it and look at it as a future matter. Finally, he suggested that the South Boulder Creek should be required to have a CEAP. He suggested including it in the motion that staff and Council address it specifically.
- **C. Gray** supported **J. Putnam's** recommendations.
- **L. May** agreed with **J. Putnam** and **C. Gray**.

#### Motion:

On a motion by **C. Gray** seconded by **H. Zuckerman** the Planning Board voted 6-0 (**B. Bowen** absent) to recommend to City Council the 2017-2022 proposed Capital Improvement Program,

including the list of CIP projects to undergo a Community and Environmental Assessment Process, as outlined in the staff memorandum, dated July 28, 2016.

Motion by **J. Putnam**, seconded by **L. May**, to amend the main motion that staff further address whether the south Boulder Creek mitigation project should have a CEAP or not have a CEAP and that Council address that question based on that input. Passed (6-0) (**B. Bowen** absent).

Motion by **L. Payton**, seconded by **J. Putnam**, moved to have staff evaluate to better incorporate climate change into the floodplain planning and to recommend to Council that they consider directing staff to find a way to incorporate climate change assumptions and scenarios that are used to determine needs for flood mitigation master plans. Passed (6-0) (**B. Bowen** absent).

Motion by **H. Zuckerman**, seconded by **C. Gray**, further recommends that Council consider and direct staff to study the potential of creating guidelines for CIP expenditures that encourage procurement from Disadvantaged Business Enterprises and local enterprises to promote social and economic equity and community resilience. **C. Gray** seconded. Passed (6-0) (**B. Bowen** absent).

- B. AGENDA TITLE: Public hearing and recommendation on Annexation of Certain City Owned Properties.**

*Board members were asked to reveal any ex-parte contacts they may have had on this item.*

**J. Gerstle** disclosed that he is the owner of land within 600 feet of one of the properties to be discussed, however he stated it will not interfere with the ability for him to be fair and objective.

**J. Putnam** disclosed that he resides just outside of the 600-foot buffer, and that he too can be fair and impartial.

**Staff Presentation:**

**S. Richstone, K. Haddock** and **B. Harberg** presented the item to the board.

**Board Questions:**

**S. Richstone, K. Haddock, B. Harberg** and **D. Newcomb** answered questions from the board.

**Public Hearing:**

1. **Carolyn Steffl**, representing and speaking on behalf of the Knollwood Metropolitan District, informed the board that the district was surprised that the city was proposing to form an enclave in that community. She has reached out to the Planning Department to discuss the proceedings and outcome of the annexations and encouraged the city to work with the existing residents.
2. **Brad Queen** spoke in support to the project.
3. **Lynn Segal** spoke in support to the project.

**Board Comments:**

- **J. Putnam** agreed with the analysis in staff's packet. He stated that there are many public reasons to proceed with these annexations. It will benefit the city and it is consistent with

the Comp Plan. In regards to the earlier discussion surrounding the development of open space, he would not support an Agricultural designation because there is no agricultural use in that area, therefore Public Use designation makes sense.

- **C. Gray** stated that she also has a comfort level with the Public Use designation. Agreed with the public speaker, **Brad Queen**, regarding lease-cost planning.

**Motion:**

On a motion by **J. Putnam** seconded by **L. Payton** the Planning Board voted 6-0 (**B. Bowen** absent) to recommend to City Council to approve the proposed annexations of the city-owned parcels and Elmer's Two-Mile Park enclave as shown on the map attached with zoning of Public (P).

On a motion by **J. Putnam** seconded by **L. Payton** the Planning Board voted 6-0 (**B. Bowen** absent) approved of a land use designation change from Low Density Residential to Open Space – Acquired for the property at 5893 Baseline Road.

**6. MATTERS FROM THE PLANNING BOARD, PLANNING DIRECTOR, AND CITY ATTORNEY**

- A. AGENDA TITLE: Boulder Valley Comprehensive Plan Update (BVCP) on Selected Policy Changes, Amendment Procedures, and Community Engagement.**

**Staff Presentation:**

**L. Ellis** and **C. Zacharias** presented the item to the board.

**Board Questions:**

**L. Ellis**, **S. Richstone** and **C. Zacharias** answered questions from the board.

**Board Comments:**

**Key Issue #1: Amendment Procedures Approach and Questions (Major Update = Every 5 years / Minor Update = Intermittent)**

- **C. Gray** supports a process change for considering land use map changes. She suggested opening up the non-land use changes more frequently as it reflects the changing society and values of the community. Regarding land use changes, they should be tied to sub-area neighborhood planning.
- **L. Payton** agreed with #1 and #2. She did not agree with #3.
- **L. May** agreed with **L. Payton**. He supports **C. Gray** regarding the sub-area neighborhood planning emphasis and land use changes tied to any sub-area plans.
- **H. Zuckerman**, in regards to #1, the current five-year plan is an unbelievable pace. He suggested a public request process limited to land use changes only occur every two years.
- **J. Putnam** agreed with **L. Payton** and **H. Zuckerman**.
- **J. Gerstle** stated that frequent changes diminish what is intended and agreed changes should be less. Regarding the public request process, it should be limited to land use changes and happen on a minor update frequency. Suggested making public request land use map changes as part of the minor update on a five-year schedule and a major update on a ten-year schedule to be adequate for a Comprehensive Plan.

- **C. Gray**, in regards to the sub-area and neighborhood planning, stated the requests should be tied to a sub-area plan. Changes should be tied to a community process and not just the Comp Plan.
- **L. May** explained that the sub-area and neighborhood planning could be prioritized and then more structure could be in place and guide land use changes and requests.
- **C. Gray** would like to hear from staff what they envision in regards to sub-area and neighborhood planning and then be implemented.
- **J. Putnam** added that, in the past, a majority of those requests had been denied. Only a few need to have flexibility. Not sure if more process needs to be created at this time. Other public process has been created in other areas such as zoning. He is unsure if more needs to be added or if limiting the flexibility to address those issues.
- **H. Zuckerman** suggested an amendment to the time frame of major updates to twelve years, minor at 6 years and public requests for land use changes at three years.
- **L. May** suggested a major update at ten years and a minor at five years as it would double our current cycle. Then place the public request for land use changes at two and a half years.
- **H. Zuckerman** stated that this is not staff's recommendation. They are asking for the Planning Board's feedback.
- **J. Gerstle** suggested having staff consider the board's suggestions. Eager to see the staff's recommendation.
- **C. Gray** stated, in regards to limiting land use map changes to public requests, it would eliminate input from experts within community.
- **J. Putnam** disagreed. Input can be given at meetings, via email, and can give recommendations. What it takes away is the formal process. He stated he would rather see it as regular comment.
- **C. Gray** questioned if changes were limited to five years would it be sufficient.

After some discussion, the board agreed that by Thursday, August 4, 2016, to send detailed comments from each board member to **C. Spence**. The comments will be ranked by chapter(s) to discuss. The staff can then use that ranking as a guide to prioritize the conversation.

**L. Ellis** listed the upcoming dates regarding BVCP discussions and where the Planning Board's results will make an impact:

- August 29, 2016 – BVCP Joint Board Discussion
- August 11, 2016 – Add a Planning Board meeting to compile the board's comments. **L. Ellis** will have a template for the board to send comments to **C. Spence**.
- August 25, 2016 – BVCP Planning Board Study Session to discuss scenarios

#### **BVCP Policy Chapters Board Feedback Discussion:**

- **H. Zuckerman** stated affordable housing appeared in "*Core Values*", Chapter 1, "*Built Environment*", Chapter 2, and primarily in "*Housing*". He questioned why it does not appear in Section 5, "*Economically Vital Community*" and specifically in the new policy "*Creative Economy*", given affordable housing is important to people in the creative class. *Policy 6.09*, should lead off with a vision statement regarding the integration of land use with transportation. An affirmative positive policy statement should be made. He noted that there are a lot of "*city and county*" in aspirational statements and just "*city*" in

prescriptive statements. It seems the city is taking the responsibility when the city and county want to do it together. This seems inconsistent. *Policy 8.19, Public Art*, does not include any provision for private investment in public art. Large projects should provide some public art. Generally, staff is doing a good job.

- **L. Payton**, under “*Core Values*”, should emphasize independence and not interdependence from the government side. Under “*Natural Environment; Geologic Resources and Natural Hazards*”, many of those policies should be changed to reflect changes anticipated due to climate change. In addition, the “*Ground Water Policy*” should be redone to reflect the potential for new development to impact the flow, elevations, and distribution of ground water that might result in negative impacts to surrounding properties. Development standards should be directed by the city and county. Under “*Economy*”, the economic vitality and regional issues are very pro job growth and we should address the tension between primary and secondary employers. On “*Creative Economy*”, she has concern with a list of professions that are deemed “*creative and excluding others*”. Not correct to have a class that is favored. Under “*Community Well-Being*”, it needs language to identify the risks or challenges faced by unique demographic groups. Regarding “*Safety*”, we need to address firearms.
- **L. May**, under “*Core Values*”, stated there needs to be more specificity regarding inclusive community. The term “*agile adaptation*” gives the perception that Boulder has given up on climate change rather than mitigate. Under “*Creative Economy*”, he expressed offense and it does not acknowledge all the diversity and goals of the Comp Plan. It is very elitist. Regarding Chapters 3-5, he stated he has a lot of comments on which he will submit in writing.
- **J. Putnam**, in regards to “*Transportation*”, stated there is no clear vision for what mobility is and what we want. Safety should be included. In “*Community Well-Being, Section 8*”, homelessness is referenced to be removed and that is a mistake. It is an important issue to the community. But transient residents should be added as a different issue. In addition, an affirmative statement should be added regarding law enforcement and how they treat all residents within the community. In the discussions regarding parks and trails, the mention of Boulder Creek has been omitted as a source of recreation. Other amenities should be captured. In “*Section 6.09, Integrate Transportation and Land Use*”, it is currently limited to three areas of town. Land use and transportation should be integrating everywhere but have special focus on those three areas.
- **C. Gray**, in regards to the *15-Minute Neighborhood*, the neighborhoods themselves have never been asked what would make them a *15-minute Neighborhood*. Under “*Community Well-Being*”, the public realm is missing. In addition, the opportunity of public spaces for all is important. She would like to see arts and culture more. In “*Section 5, Economy*”, small and local businesses are missing from the Plan.
- **J. Gerstle** questioned the language regarding water resources management under the “*Energy*” or “*Natural Environment*” section. The acquisition of water resources seems outdated because it encourages Boulder to acquire more water which is unnecessary at

this time. Under “*Economy*”, it is oriented to a Chamber of Commerce attitude. It should consider the increase of jobs and economic growth of the city and county. The focus on the “*creative class*” is out of place as **L. Payton** and **L. May** mentioned. Boulder also needs to consider the impact of its policies on areas outside of the Plan.

**B. Planning Board Member Attend Council Meeting August 2, 2016**

**Board Comments:**

- **J. Putnam** stated that he was approached that the project of 1440 Pine was subject to Call-Up at the August 2, 2016 City Council meeting. He suggested that a Planning Board member attend the meeting to address issues.
- **J. Gerstle** stated he would attend.

**C. EAB Liaison from Planning Board**

**Board Comments:**

- **L. May** stated that he would be interested in doing being the liaison but cannot attend the EAB’s August 3, 2016 meeting. He could begin attending the meeting in September. His understanding was that EAB was asking a liaison to attend the next meeting, not as an ongoing attendance to discuss opportunities for collaboration on energy and conservation issues.
- **J. Gerstle** suggested **L. May** write an email to EAB stating that he would be able to attend the September EAB meeting.

**D. Meeting Management for Future Projects – General Practice Items**

**Staff Presentation:**

**S. Richstone** presented the item to the board.

**Board Comments:**

- **L. Payton** mentioned that in a number of projects that Planning Board has reviewed the applicant asks for extra time in addition to applicant’s staff speak during Public Participation. She suggested holding the applicants to the standard ten minutes.
- **C. Gray** stated that when the applicant holds a neighborhood meeting it may not get off on the right foot. She suggested the Planning Department take a proactive role and explain the process and criteria to inform the public. This could develop good public testimony.
- Board members agreed to send in no more than three meeting management items of interest prior to the August 25, 2016 Study Session for discussion.
- **J. Putnam** generally agreed with L. Payton regarding the standard ten-minute speaking time for applicants, however to be more sparing with exceptions.
- **H. Zuckerman** added that the board should be stricter in limiting public speaking time. In addition, with the public pool time, he suggested altering the speaking time allotted and limiting to 5 minutes’ maximum.
- **J. Gerstle** did not agree.

- **L. May** offered to follow Council’s policy when anticipating a large number of public speakers to cut the amount of speaking time from three minutes to two minutes. Decision making is not benefited when the board does not get to deliberations until late in the evening.
- **L. Payton** disagreed.
- **J. Putnam** if meetings are continued because the board didn’t have time to get to deliberations due to a large amount of public speakers, that is not helpful to the public. He agreed with **L. May** that limiting the time to two minutes does make sense. We also need to do a better job of educating the public regarding the meeting process and what to expect.
- **L. May** if the board does decide to limit the public speaking time to two minutes, it should not be announced the night of the hearing. It can be anticipated.
- **L. Payton** added that she is not clear if any members of the public would be disappointed if a meeting were actually continued if it ran too long.
- **J. Putnam** and **J. Gerstle** disagreed.
- **C. Gray** suggested a follow-up survey after a meeting.
- **H. Zuckerman** stated that it is respectful to the community and to respect the process and for the board to state that we have the public comment portion at a reasonable amount of time as well as the deliberation at a reasonable amount of time. We need to ask the public to partner with the board to help reduce the time and help the board reach a decision in a reasonable amount of time.
- Regarding the suggestion if there would be a certain number of speakers (to be determined) to limit the public speaking time from three minutes to two minutes, the board was not in agreement.
- Regarding the suggestion if the public comments and deliberations are not completed by a specific time (10:00 p.m.), the board agreed that they would check-in and possibly continue the hearing to a later date if not near a decision.
- Regarding the suggestion to inform the public of the meeting criteria prior to the meeting itself, the board was in agreement.

## 7. DEBRIEF MEETING/CALENDAR CHECK

## 8. ADJOURNMENT

The Planning Board adjourned the meeting at 11:15 p.m.

APPROVED BY

---

Board Chair

---

DATE