

# Financial Update, Long Range Fiscal Planning, and Potential Ballot Items

City of Boulder  
City Council Study Session  
Council Chambers  
May 10, 2016

# Presentation Outline

- Financial Update
- Long Range Fiscal Planning
- Potential Ballot Considerations for Discussion
- Potential Charter Items for Discussion
  - Blue Line definition
  - Council Compensation – Insurance
- Citizen Initiatives

# Financial Update

## 2015 Year-End Results (unaudited)

- Expenditures within budget
- Overall revenues within projections
- Sales and Use Taxes under projection
- Structural Balance of funds maintained
- The trend in revenue collections will be important to watch in 2016 and as we prepare for 2017.

# Sales/Use Tax Revenue Information

	2015 Projected	2015 Actual	2016 Projected
<b>City of Boulder Sales/Use Tax w/o additional RMJ tax</b>	<b>5.93%</b>	<b>4.12%</b>	<b>2.65%</b>
<b>COB Retail Sales Tax w/o additional RMJ tax</b>	<b>4.25%</b>	<b>4.05%</b>	<b>4.50%</b>
<b>City of Boulder Sales/Use Tax (including Recreational Marijuana (RMJ))</b>		<b>4.57%</b>	
<b>COB Retail Sales Tax (including RMJ)</b>		<b>4.59%</b>	

# Sales/Use Tax Revenue Information

	2015 Projected	May 2015 YTD	Dec 2015 Final
<b>City of Boulder Sales/Use Tax w/o RMJ</b>	<b>5.93%</b>	<b>8.14%</b>	<b>4.12%</b>
<b>COB Retail Sales Tax W/o RMJ</b>	<b>4.25%</b>	<b>5.21%</b>	<b>4.05%</b>
<b>City of Boulder Sales/Use Tax (including Recreational Marijuana (RMJ))</b>		<b>9.10%</b>	<b>4.57%</b>
<b>COB Retail Sales Tax (including RMJ)</b>		<b>6.43%</b>	<b>4.59%</b>

# Sales/Use Tax Results Summary

Revised sales and use tax projection 2015	5.93%
Actual increase 2015 (unaudited)	4.12%
Under projections	1.81%
2016 original projection	2.65%
Increase needed to meet 2016 projection (dollars)	4.46%
February 2016 YTD retail sales increase over 2015	1.18%

# Economic Cycles and Buffers

- Currently over 90 months of expansion
- Average length of expansions 106 months
- Length of cycle not only consideration
  
- Buffers against economic downturns:
  - Viable long range fiscal strategic plan
  - Strong financial policies
  - Good revenue and expenditure projections
  - Adequate reserves

# Conclusion

- Need to monitor ongoing revenues
- Need to monitor economic information
- May need to revise projections and budget

# Long Range Fiscal Planning Looking Ahead

# Comprehensive Financial Strategy

- Comprehensive Financial Strategy updated in 2015
- No budget gap currently exists
- In order to maintain structural balance:
  - Adequate reserves are needed
  - Ongoing expenditures will match ongoing revenues
  - One time money used for one-time expenditures
  - New revenue needed for new expenditures (or cut expenditures in other areas)
- Regular analysis should be performed
  - Review of revenue including expiring taxes

## Near Term: 2016-2021

- Sunsetting taxes on the horizon
  - 2017 Community, Culture and Safety Capital Investments 0.30% Sales and Use Tax
  - 2017 Energy Strategy portion of Utility Occupation Tax

# Intermediate and Longer Term: 2022-2039

- 2022 General Fund portion of Utility Occupation Tax
- 2023 (March) CAP Tax
- 2024 General Fund 0.15% Sales and Use Tax
- 2035 Parks and Recreation 0.25% Sales and Use Tax
- 2039 Reallocated 0.15% Sales and Use Tax

# Tax Expiration Schedule

	2016 Projected Revenue	Tax Expiration Date
<b>0.30% Sales and Use Tax- Community, Culture, and Safety Capital Investments</b>	\$9.60M	12/31/2017
<b>Utility Occupation Tax- Energy Strategy</b>	\$2.00M	12/31/2017
<b>Utility Occupation Tax- General Fund</b>	\$4.35M	12/31/2022
<b>CAP Tax</b>	\$1.80 M	3/31/2023
<b>0.15% Sales and Use Tax- General Fund</b>	\$5.25 M	12/31/2024
<b>0.25% Sales and Use Tax- Parks and Recreation</b>	\$8.75 M	12/31/2035
<b>0.15% Sales and Use Tax</b>	\$5.25 M	12/13/2039

## What Various Revenue Streams Generate

- Property tax yields \$3.1M per mill
- Sales tax yields \$3.5M per 0.1%

# Questions

Does City Council have any questions regarding the financial and/or long term fiscal planning update?

# 2016 Ballot Considerations

## Potential Ballot Items for 2016

- At this time staff is not recommending any tax or debt items on the November ballot

# Charter Items

# Potential Ballot Items for 2016 from the Charter Committee

- Blue Line Definition
- Council Compensation – Insurance

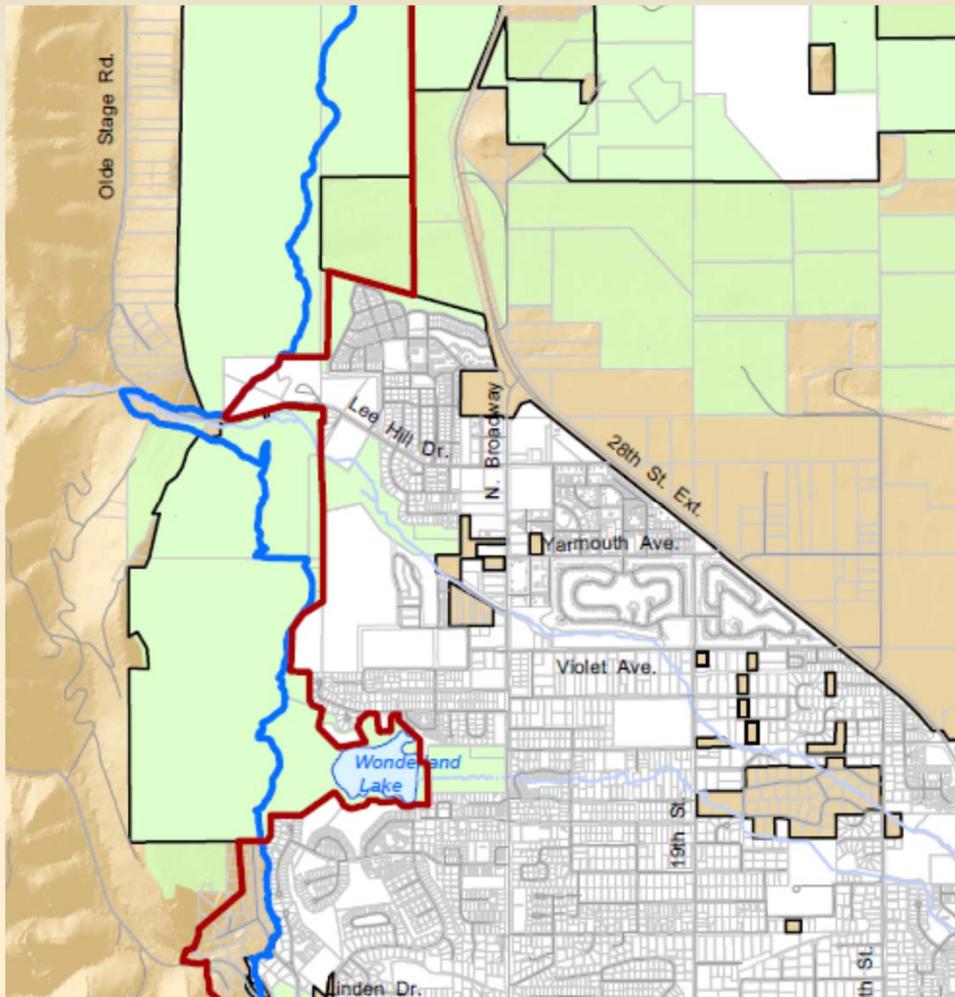
# Potential Ballot Items for 2016 from the Charter Committee

## Blue Line

- Shows Blue Line with metes and bounds, ditch boundaries, elevation contours and right-of-way
- Specifies location of the blue line basically coincident with the eastern boundary of city's foothills open space
  - Less area included where open space purchased or development has not/cannot occur
  - More space included where development existed, city already provides utilities
- Blue line location does not affect annexation
  - Still need to annex if not in city boundaries

# Blue Line-Current vs. Proposed

## North Boulder

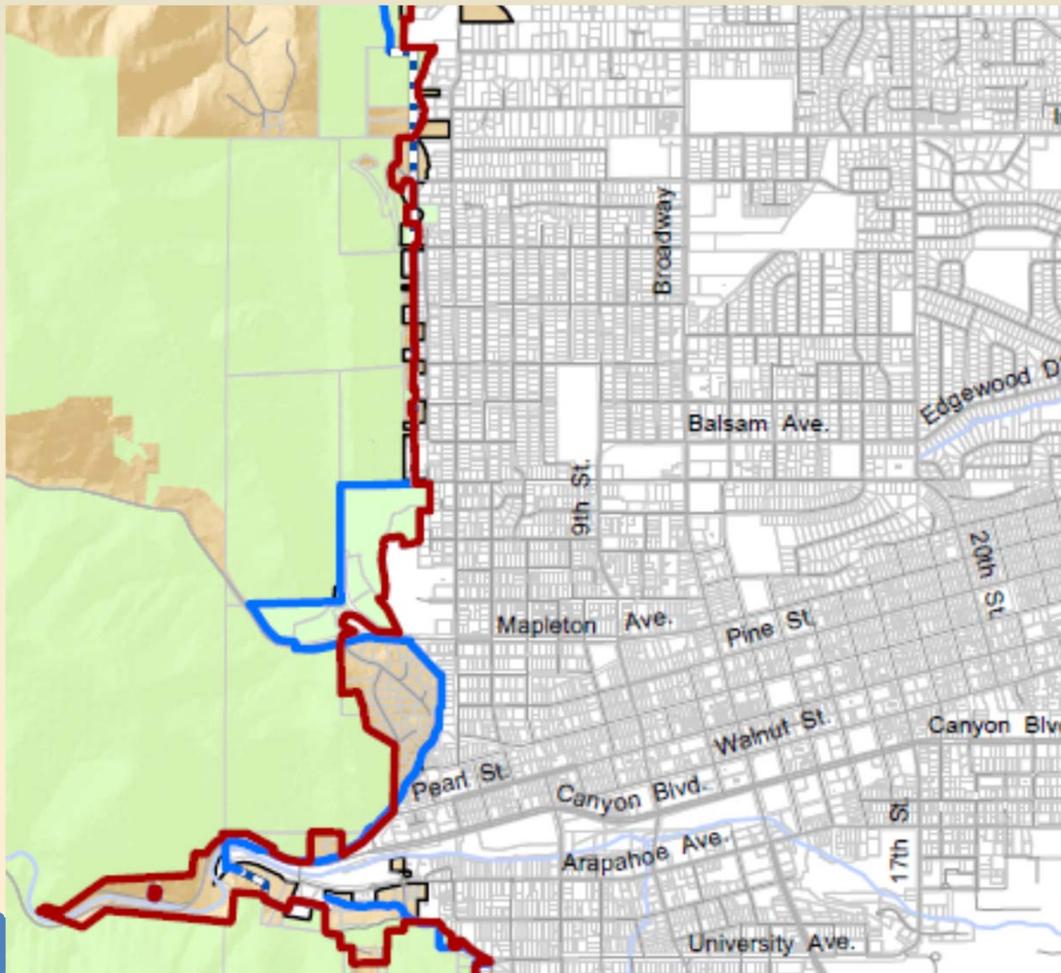


### Legend

-  City Open Space Properties
-  City Limits
-  Estimate blue line location from 1959 description
-  Proposed location of clarified blue line

# Blue Line-Current vs. Proposed

## North/Central Boulder

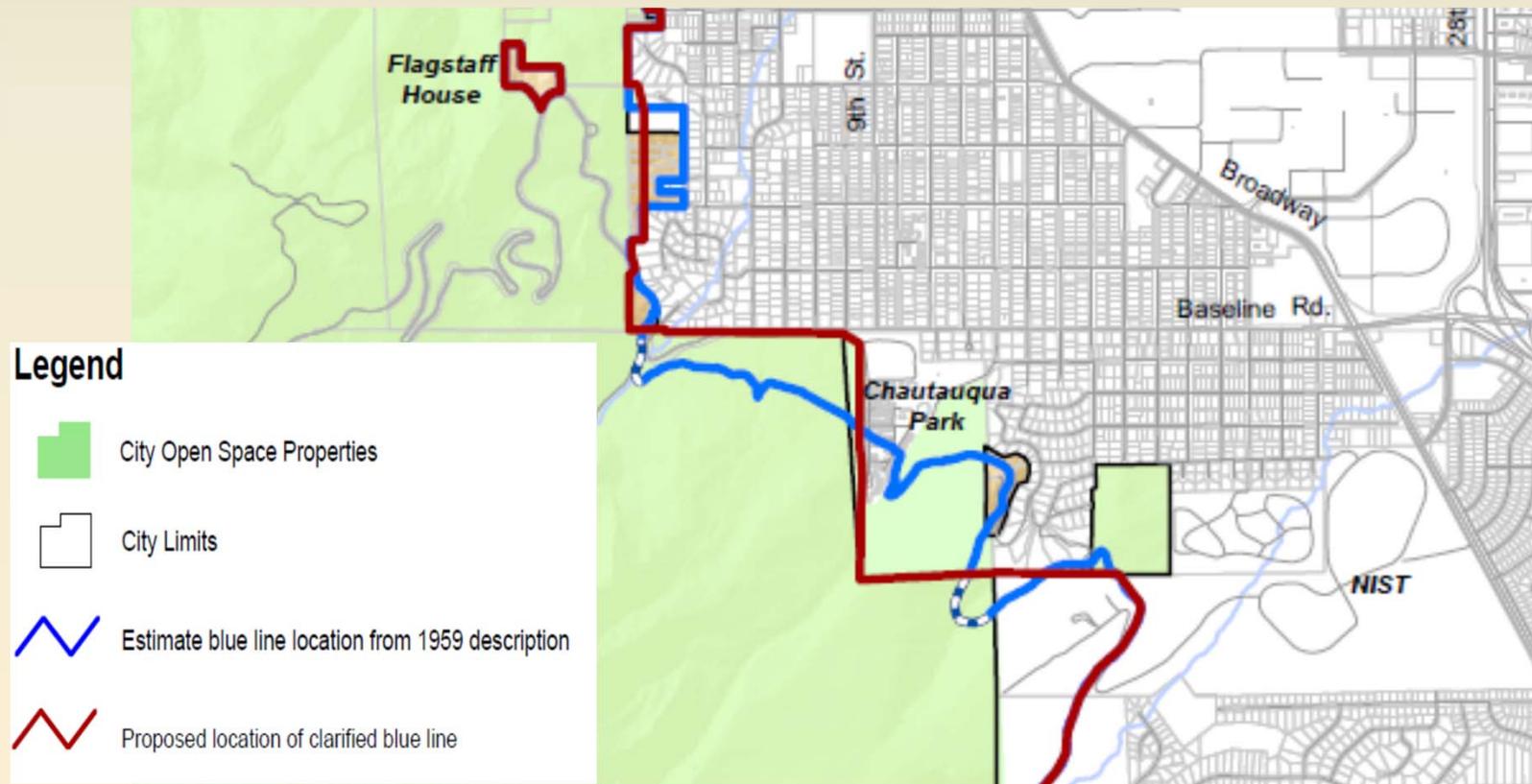


### Legend

-  City Open Space Properties
-  City Limits
-  Estimate blue line location from 1959 description
-  Proposed location of clarified blue line

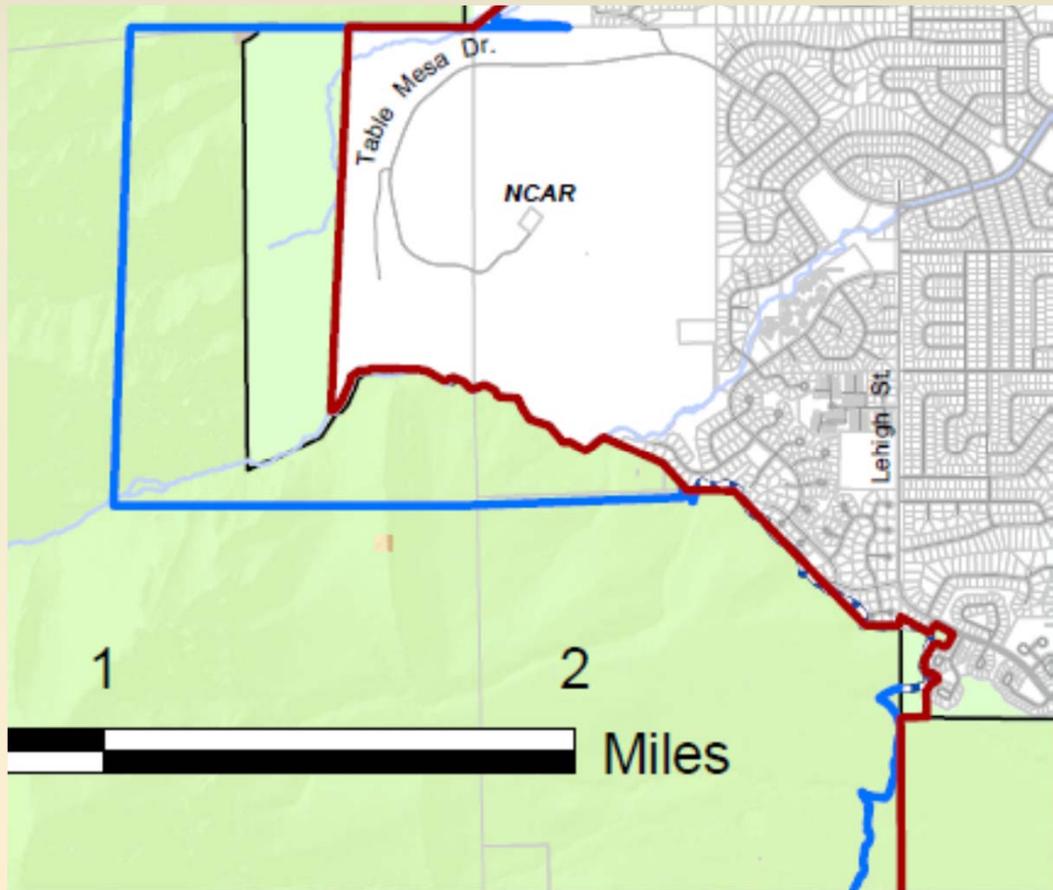
# Blue Line-Current vs. Proposed

## South/Central Boulder



# Blue Line-Current vs. Proposed

## South Boulder



### Legend

-  City Open Space Properties
-  City Limits
-  Estimate blue line location from 1959 description
-  Proposed location of clarified blue line

# Potential Ballot Items for 2016 from the Charter Committee

- Council Compensation – Insurance
  - Allows Council members and their eligible dependents to participate in the life and health insurance programs
  - Council members would pay the same portion of premium paid for full-time, non-exempt employees

# Citizen Initiatives

## Citizen Initiatives

- Charter Amendment: Occupancy of a Dwelling May be No Less than the Number of Bedrooms in the Dwelling (section 190, 191)
  - Petition form has been approved for signatures
- Code Amendment: Sugar-Sweetened Beverage Product Distribution Tax
  - Petition form has been submitted, but not approved
- Charter Amendment: Term Limits
  - Petition form has been conditionally approved

# Questions for Council

Does council want staff to move forward with next steps to:

## *Revenue Items:*

1. Place any tax or debt items on the ballot?

## *Charter Items:*

1. Place a revision to the Blue Line definition on the ballot?
  - If yes, any changes to what staff proposes?
2. Place a change in council compensation – life and health insurance benefits on the ballot?
  - If yes, same change as proposed?

## *Other Items:*

1. Are there any other additional ballot items or information on other items for the 2016 November ballot?



## Height Limits Exception Options

Desires to be accommodated:

- Rooftop patios/open space?
- Rooftop only for Civic Area?
- Screening for mechanical equipment?
- Architectural elements
- No additional long-term leasable property above 55'

# Zone District Exceptions Options

- Downtown?
- University Hill?
- Commercial Areas?
- Industrial and Commercial Areas?
- Mixed uses?

Only as conditional use or by right?

## Use Options

1. Only if open for public use full-time and no improvements?
2. Only if for public use at regular times?
3. Only if for group use - special event permit?
4. Limit structures for shade/seating/service?
5. Amenities like gardens, pools, etc?
6. Only to screen mechanical equipment?
7. Architectural elements?