



STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Jane Brautigam, City Manager
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DATE: Sept. 11, 2018

SUBJECT: Study Session for Sept. 11, 2018
2019 Recommended Budget

EXECUTIVE SUMMARY

The purpose of the Sept. 11 study session is to present the [City Manager's 2019 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 2019.

The memo is structured in the following sections:

- Background on the 2019 Recommended Budget
 - Financial Summary
- 2019 Recommended Operating Budget
 - Operating Budget Financial Summary
 - General Fund
 - 2019 Proposed Highlights
 - Other Key Initiatives
- 2019-2024 Capital Improvement Program (CIP) Budget
 - CIP Financial Summary
 - Boards and Commissions Comments
- Public Feedback
- Next Steps

Questions for Council

1. Does council have any questions about the economic projections on which this recommended 2019 budget is based?
2. Does council object to, or have feedback on, any of the seven options proposed for further analysis for use of the Energy Impact Offset Fund?
3. Does council have any feedback on the 2019 Recommended Budget?

BACKGROUND ON THE 2019 RECOMMENDED BUDGET

Each year, the annual City Manager's recommended budget includes two primary components: (a) the operating budget, which incorporates all programs and services for the year and (b) a capital improvement program budget. The combined budget serves as a financial plan and guiding tool to support organizational strategies and values in meeting the needs of the community. Prioritization of both the operating and capital budgets is accomplished through the lens of the Sustainability Framework and seeks to reflect community priorities while meeting all legal and fiscal requirements.

The 2019 Recommended Budget was developed in support of council and community priorities, incorporating council-adopted master and strategic plans, under the umbrella of the Sustainability Framework. There are several 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.



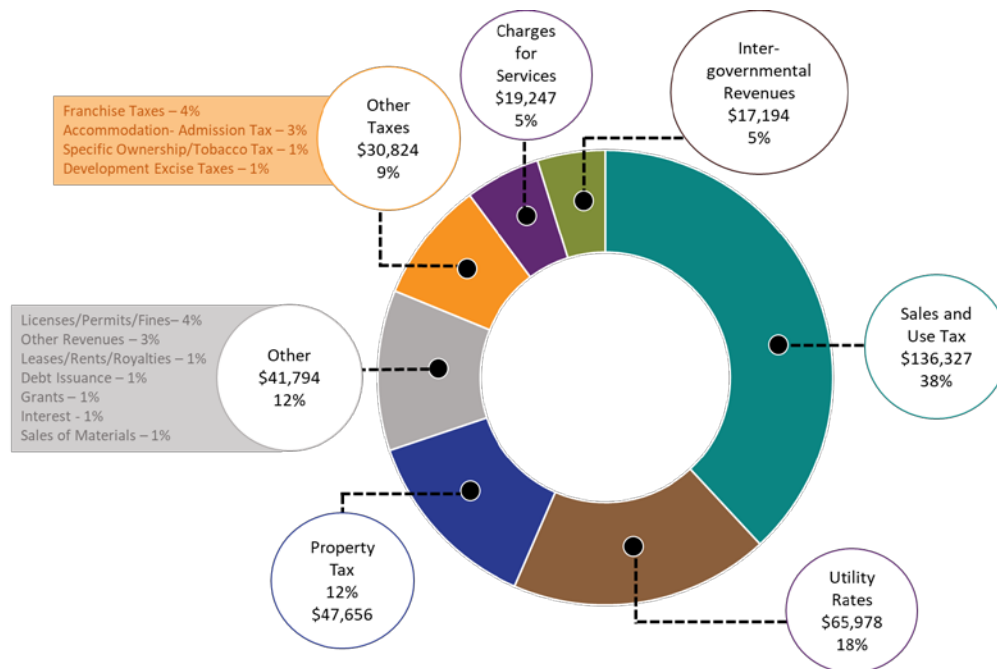
The City Manager's 2019 Recommended Budget shows the combined operating and capital plan of the city, including (a) actual expenditures and revenues for 2017; (b) approved and revised expenditures and revenues for 2018; (c) proposed expenditures and revenues for 2019; and (d) projected expenditures and revenues through 2024.

Financial Summary

Sales & Use Taxes

The economic outlook for the city continues to be mixed, with revenue growth projected to be slow in

the coming years. At the end of 2017, retail sales tax revenues were flat, and business use tax and construction use tax revenues were at levels seen most recently in 2013 and 2014. Sales and Use taxes comprise over one-third of total city revenue and nearly half of total city revenue excluding utilities (which are not supported through taxes). These taxes represent a significant revenue source for the city's General Fund, which supports many core services provided to the community and the organization; and a source for other funds dedicated to Transportation, Parks and Recreation, and Open Space and Mountain Parks (OSMP).



With the 2017 flattening of overall Sales and Use taxes, staff reassessed the 2018 Sales and Use tax revenue forecast and other ongoing revenues and expenditures. This projected a \$4 million General Fund gap between ongoing expenditures and ongoing revenue. To resolve the \$4 million gap, the City Manager and department directors made reductions in General Fund expenditures as outlined in April and May. For 2018, departments identified both personnel cost and non-personnel cost reductions which were primarily one-time in nature (see Attachment A for 2018 Reductions).

The city continues to monitor these revenues and presents the results in a [monthly revenue report](#). Through June 2018, total Sales and Use tax collections were up 7.8 percent compared to collections through June 2017. Retail sales tax, which is nearly 80 percent of total Sales and Use tax revenue, has grown slowly and is up 1.9 percent over 2017. The 2019 Recommended Budget projects retail sales tax will continue to grow slowly and assumes a one percent increase above the 2018 end-of year projection of one percent growth over 2017. Through June 2018, use tax revenues are up markedly over 2017. Most notably, construction use tax is up 46.1 percent and business use tax is up 27.8 percent. While these results are positive and will provide needed revenue to meet the community's priorities, the city considers much of this increase one-time.

One-Time vs. Ongoing

In line with best practices established by the Government Finance Officers Association, the city has a budget policy that requires one-time revenues shall only be used to cover one-time costs and ongoing

revenues shall only be used to cover ongoing costs. Construction use tax and business use tax are very volatile revenue sources. Staff analyzed the history of these use tax revenues and set a conservative baseline amount that can be considered ongoing and relied upon each year to fund ongoing costs such as personnel costs or debt payments. Revenue received above the baseline is considered one-time and will be budgeted or reserved for one-time costs.

Based upon council and community priorities, the city has many one-time funding needs to which the current strong growth in construction use tax and business use tax can be applied, such as repaying the interfund loan for the Hogan-Pancost land purchase, installation of a broadband backbone, phase II of the city's website redesign, filling a funding gap for the new fire station #3, funding the decommissioning of the Alpine-Balsam site, funding redevelopment of the Civic Area bookend, Library branch needs as well as addressing unfunded maintenance backlogs and other unfunded one-time needs.

In addition, with known pressures on both ongoing costs and one-time costs, such as a tight labor market, growing pension liabilities or payments, increasing materials costs, increasing total contracted project costs, and increasing interest rates, the city believes that to be financially sustainable it must make operational adjustments to reduce ongoing costs particularly in this uncertain economic environment.

With this focus on financial sustainability and through the 2019 budget process directors strategically assessed their operations, services and programs to identify ongoing reductions while preserving core services, reserves and priority capital investments. The proposed total annual budget of \$353.1 million (excluding transfers) across all funds and operations represents a 9.3 percent decrease in spending over 2018.

The primary factor in this budget decrease is concerted efforts in sales tax driven funds to decrease ongoing costs and a proposed \$41.1 million decrease in capital spending over 2018. An important part of the city's long-term strategic financial plan is prioritized capital investment. Over time funds are set aside to cover the costs of planned capital projects and associated debt service. Capital spending is based on maintenance schedules as well as timing of needed upgrades and new projects. Given the timing and scope of capital projects, they create volatility in the city's total budget and make year-to-year total budget comparisons difficult. As such, it can be more useful to look at changes in the city's total operating budget.

Utility Rates

The city's three utility enterprise funds (water, wastewater and stormwater/flood management) rely on revenues from rates and fees. The 2019 Recommended Budget includes adjustments to utility rates and fees to continue critical capital investments and fund ongoing operating costs.

The proposed budget reflects the following billed revenue increases: 7 percent Water, 5 percent Wastewater, and 5 percent Stormwater/Flood Management. For a typical single-family residential customer, these rate increases will result in a bill increase of approximately five dollars per month. The city's utility rates remain in the top third of other Front Range utilities, which can be attributed to several factors. The Stormwater/Flood monthly rate is relatively high due the Boulder having the greatest flood risk in the State. There are approximately 4,600 flood insurance policies in the City of Boulder. This is over 2.5 times more policies than any other city in Colorado and over nine times more

when adjusted for population. Also, the city's water and wastewater utilities saw much of its growth before in the 1950s and 1960s – earlier than many other Front Range utilities. Much of this infrastructure is at or past its useful life and increased investment has been needed.

Fees proposed for adjustment in 2019 include charges for meter installation, water and wastewater taps, plant investment fees, billing service fees, and other miscellaneous fees. Most of these fees are calculated based on costs for the service provided, factoring in parts, equipment and personnel time. The proposed meter installation fees are decreasing due to a reduction in the cost of parts required. The plant investment fee for new customers to buy into the existing utility systems is proposed to increase by a local inflation factor of 1.2 percent for 2019. More details on utility rates and fees can be found in the Fees section of the recommended budget document on page 231.

Looking forward to the next two to three years there are numerous items that could have a financial impact both on the General Fund and more broadly on all funds. These include:

- Fire Station #3 Land Purchase and Construction
- North Boulder Library Operating Expenses and Library Master Plan implementation
- Alpine Balsam Hospital decommission
- Effort to retain all property tax received in the University Hill district currently restricted under the Tax Payers Bill of Rights (TABOR)
- PERA Legislative changes
- Expiring Sales and Use tax rate
- Old Hire Police/Fire Pension Funds

2019 RECOMMENDED OPERATING BUDGET

Operating Budget Financial Summary

The proposed total operating budget of \$282.5 million represents a 1.8 percent increase compared to the original 2018 operating budget. This slight increase is the net effect of several changes. In November 2017, voters approved two ballot issues that required supplemental appropriations – a temporary extension and increase to the Utility Occupation tax for the electric utility development project and the extension of the Community, Culture, and Safety tax. Additionally, staff projected a flat budget for the Sugar Sweetened Beverage tax since there was little actual data to rely upon at the time the 2019 budget was developed and approved. In February 2018, council passed an adjustment to base accounting for these additional budget items. Including those adjustments, the 2019 total operating budget would be flat over the revised 2018 operating budget.

In 2018, several positions were held vacant as departments evaluated their long-term needs. The 2019 budget proposes to eliminate 35.99 positions ongoing and repurposes ten positions to higher priority core service needs. Of the roughly 36 positions, 27 percent (9.6 positions) are expiring fixed-term positions and 73 percent are standard positions; 22 positions are funded through the General Fund and the remaining 15 positions are from dedicated funds. Included in that number are the three positions that were eliminated in 2018 from the City Manager's Office, including the Chief Resilience Officer, the Management Fellow, and the Community Coordinator.

The 2019 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. Strategic operating investments and reductions included in the 2019 Recommended Budget and information on select budget decisions are provided below and a complete list of reductions and new funding initiatives for 2019 are included in Attachment B.

General Fund

The General Fund is the city's main operating fund and the one over which the city has the most discretion in making budget decisions. The General Fund recommended budget is \$157.5 million which includes an increase in the General Fund Sales and Use tax rate by 0.11 percent. In 2013 voters approved the extension of a 0.33 percent Sales and Use tax which was dedicated entirely to Open Space and Mountain Parks (OSMP) through 2018 and will be split between the General Fund (0.11 percent) OSMP (0.22 percent) through 2034.

As noted above, the revised 2018 budget is a more accurate comparison when looking at overall changes between 2018 and 2019 because the 2018 revised budget incorporates the appropriation of the Utility Occupation Tax for the electric utility development project. Therefore, the General Fund recommended budget is 3.4 percent or \$5.2 million more the 2018 revised budget. The sole reason for this increase is due to one-time spending doubling in 2019 to fund high-priority needs such as:

- Paying off the Hogan Pancost interfund loan;
- Phase II of the City of Boulder website redesign;
- Broadband implementation and outreach;
- Police Master Plan; and
- Operations and maintenance at Alpine Balsam hospital and garage facility.

Ongoing expenses have, in fact, decreased by 4.0 percent or \$5.6 million, to align and provide additional flexibility to any changes in ongoing expenses with ongoing revenue projections. The needed reductions to simply close the gap in 2019 equaled roughly \$4.0 million. Details of noted reductions, staffing changes, and investments are included below on page 20 of the 2019 Recommended Budget.

Recognizing the importance of holding adequate reserves to respond to emergencies, maintain core services in times of recession, and help maintain a strong bond rating the city has a goal to build its General Fund reserves to 20 percent by 2020. The 2019 Recommended Budget follows the planned path by budgeting to increase reserves to 19 percent. However, in 2019, part of the planned reserves will be temporarily used to bridge a timing related funding gap for the electric utility development project. As was discussed during the 2018 budget process, the revenue stream from the Utility Occupation tax over a five-year period does not align with when expenses will occur. In 2019, there is a shortfall of \$3.7 million, which equates to 2.8 percent of reserves. This will be repaid to the General Fund reserves in 2021 and 2022.

2019 Proposed Highlights

Reductions

In preparing the 2019 budget, departments proposed over \$12 million in ongoing reductions (see Attachment C for reductions that were submitted but not proposed in the 2019 Recommended Budget as well as Attachment D for requests that were submitted but not proposed in 2019). This allowed staff

to look at the broader city organization with a focus on maintaining core services and determining strategic ongoing reductions from all departments, instead of a uniform across the board approach. The recommended budget includes just over \$5.6 million in ongoing General Fund reductions. Reductions of note are listed below.

- Carnegie Library Hours of Service – the proposed budget will reduce the hours of operation to four hours open to the public one day a week and eight hours of "by appointment only" spread out over two days per week. Carnegie has had limited hours for a number of years and fewer than 5,000 persons visited last year. The digitization project has been the main priority at Carnegie for the past two years with the goal of making more of the collection available 24/7 through the web, and that work will continue despite this service level reduction. This proposal reduces a .75 FTE.
- Community Newsletter – started in 2016, the community newsletter is currently delivered to all residents in the City of Boulder six times a year. The proposal would be to reduce the number printed issues to quarterly distribution.
- Arts Contingency – the budget retains existing commitments to artists in the community and only eliminates contingency dollars. As a practice, the arts division plans for five to 10 percent contingency within the budget; the proposal does not eliminate the opportunity for more dollars but would instead have any additional dollars go through the adjustment to base process.
- Subsidy reductions – several funds including Open Space and Mountain Parks, Parks and Recreation and the Planning and Development Services fund receive General Fund subsidies. In this environment of reduction, these departments proposed reductions to these subsidies, which better reflect activities that occur within those funds moving forward.
- Non-personnel expenses – several departments analyzed their non-personnel expenses in 2019 and have proposed reduction in several key areas including consulting, office supplies, food, and extending the life cycles of equipment based on actual experience of lifespan.

Staffing

As noted above, the 2019 proposed budget reduces just under 36 positions. Several positions are highlighted below.

- Communication Specialist – put forward as a pilot in 2018, this eliminates a part-time Communication Specialist position that supported the Library. This work has been absorbed by the Library department with continued support from the Communication department, as needed.
- Communication Manager – this position was vacated in July and has been downgraded to a Communication Specialist position; previous supervisory duties have been absorbed by other managers and the director.
- Administrative Specialist II – this proposal in the Community Vitality department as the executive support function it served will be substantially reduced or eliminated as a new department structure is put in place, and efficiencies can be achieved by absorbing the other support functions into existing positions.
- Tax & Licensing Officer - with the vacancy of the Tax & Licensing Officer in 2017, the Finance Department proposed elimination but anticipates retaining the same level of support for these functions.
- Fire Inspector – the Fire Department's Code Enforcement and Investigations Programs are

responsible for enforcing fire code on commercial buildings and select residential buildings and performing investigations on any fires within city limits. The programs are staffed by five dedicated personnel and the proposal will not eliminate inspections; it will shift some of the work to the fire companies to inspect as their schedule allows.

- Benefits Specialist – the Human Resources Department held this position through 2018 and determined that current workload can be absorbed through existing staff.
- Human Services positions – with the restructuring of the Human Services Department to include Housing functions, several positions were identified as duplicative including the Deputy Director, Project Manager, Strategic Planning Manager, and an Administrative Specialist III.
- System Administrator – the Innovation and Technology Department has evaluated its services and restructured the customer service functions, proposing that a system administrator position will no longer be needed in 2019.
- Application Support Manager – during a department assessment, it was determined that this upper level management position would be better served under a different, more flat staffing structure and the department proposed to eliminate it for 2019.
- Deputy Court Clerk – this position in the Municipal Court has been vacant since 2018 and after further analysis, the work can continue to occur if this position is permanently eliminated.
- Urban Designer – this position has been vacant since mid-2017. This position has contributed to long range planning, led implementation of the Design Excellence Initiative, contributed to special projects as a design expert, and provided design expertise to development review functions. The city has a remaining senior level urban designer, so eliminating this position will reduce, but not eliminate, the availability of urban design expertise to planning core services and projects.
- Deputy Director of Planning – this position is currently vacant, and the work will be shifted to existing staff on an ongoing basis including requiring the director to devote more time to planning related functions.
- Police Department reductions – the department proposed to eliminate five vacant civilian positions, most of which have been vacant for at least a year and the duties of the position have already been absorbed by existing staff members. The reductions include maintenance person, training administrator, a dispatch supervisor, and two photo radar process servers. Core police duties have not been impacted.

2020 Reductions

Recognizing that not all proposed reductions can occur in the current budget cycle, staff wanted to highlight two proposals that will be put forth during the 2020 budget process. Additionally, several improvement/efficiency projects are underway and anticipate realizing savings through those in future budget years.

- University Hill Police Annex Lease - the police department annex located on University Hill is a leased space that is renewed annually. For the 2019 budget development, the opportunity to not renew the lease had passed and therefore, this will be a 2020 proposed reduction. The department does not open the Annex to the public, but the officers use the space to file reports, etc. and there is usually a patrol car or two parked there at any given time. There would be a minimal impact to our officers, in that they will still patrol the Hill, but any report writing would be done at the Public Safety Building or over at the Pearl Street Annex.

- Fire Administrative Battalion Chief - the Administrative Battalion Chief position was added in 2012 based on the 2011 management assessment by Tri-Data. It was intended to serve as the primary safety and equipment maintenance point of contact for all three operational shifts to ensure continuity of operations and consistent coordination with other city departments. The Administrative Battalion Chief manages the Facilities and Fleet operations and maintenance programs in addition to implementing and managing the new “station captains program”. The department is moving to a distributed management model using seven station captains with the long-term goal of improving operating efficiency at each of the stations. Since the Tri-Data assessment, the Health & Safety Captain has been added to assist in the management of the safety and equipment related support for the department. This position has been proposed to be eliminated at the end of 2019 as duties are formally shifted. The responsibility of daily facilities and fleet management would shift to the Deputy Chief of Support and the Administrative Specialists in the department.

Reallocations

- City Attorney’s Office – currently there is a vacant paralegal position proposed to be repurposed to an Assistant City Attorney to better address the increase in the number and complexity of council priorities.
- Health Care – For the second year in a row, the city received a flat rate increase in health care. For 2019 and ongoing, these savings will be repurposed to address retention efforts throughout the city and assist in any total compensation changes.
- Economic Vitality – the flexible rebate program has been traditionally funded at \$350,000 with just under \$100,000 spent in 2017. Because the funds aren’t fully utilized, the department is shifting some of these dollars to support SBDC incubator program, that was funded as one time in 2018 and to the Boulder Chamber Innovation Venture.
- Meals on Wheels – each year the department awards a \$75,000 subsidy to Meals on Wheels (MOW) for provide lunch meals and weekly dinner meals at the senior centers. Beginning in 2019, the department proposed shifting the funding source of this contract from the General Fund to the Health Equity Program within the Sugar Sweetened Beverage Tax Fund. The Health Equity Advisory Committee agrees that the MOW program would be eligible for funding under this program.
- Shifting funding sources – several departments that receive funding from the General Fund are also supported by other funding sources. Due to this constrained environment, these departments proposed shifting General Fund expenses to more sustainable funding sources. This includes shifting Parks and Recreation funds to their other two funds as well as shifting PH&S costs to the CAP tax or the P&DS fund.

Strategic Investments

Core Services

- Police Officer - the addition of an officer will help meet the needs of the community by helping prevent crime and address the community need for increased officer presence to help provide a safer community. The addition of this officer will also enable the department to meet the recommendations of the 2013 Master Plan to hire a total of eight officers.

- Library materials - since the 2007 Library Master Plan, BPL has responded to patron demand by diversifying the book and media collections into electronic formats. BPL partnered with several area libraries to rapidly grow its offerings of e-books and downloadable audiobooks by collectively purchasing these resources. Demand for electronic formats continues to trend upwards, and the way in which libraries purchase, maintain, and loan electronic formats continues to evolve and is still almost exclusively dictated by the vendors. The wide variety of platforms and purchasing agreements makes for challenging decisions for library staff to meet patron demand while getting the best value for the tax dollars received.
- Library feasibility study – the Civic Area Plan and the pending 2018 Master Plan recommend activation of the theater and gallery. The master plan also proposes expanding the space in the north building allocated to partners and BLDG61. There has also been interest from outside groups to expand the north building into a performing arts center. An assessment including review of flood regulations is needed to determine if it is feasible to renovate (or expand) the north building to meet BPL’s programmatic goals. Building code and flood regulations will dictate the level of investment that can be made on the site and in the building.
- Volunteer enhancements – an Enterprise Wide Volunteer Management Software System will facilitate the administrative work of managing volunteer data allowing for organization wide utilization of volunteers, not only in times of disaster or crisis, but also in support of creating organizational capacity and enhancing community engagement.
- Energov maintenance – EnerGov went live on April 9, 2018 and is the city’s new land management, permitting, licensing, and enforcement system which integrates licensing, permitting, and enforcement applications across the city into a single system. This is an ongoing request to fund EnerGov software license and maintenance costs and to set aside funding for the future replacement of the software.
- Electronic ticket writers –for the Traffic division of the Police department. Electronic-ticket (e-ticket) writers reduce the amount of time it takes to write a ticket, reduce the error rate on summonses, eliminate the data entry done by Municipal Court and Police Department Records personnel and increase officer safety by making the summons writing process faster, which allow the officers to be more aware of their surroundings. This project will also allow the department access to Colorado Department of Transportation (CDOT) grants.

Community Engagement

- Support for Be Heard Boulder – the city launched an online engagement platform, Be Heard Boulder, in March 2018. It allows individuals to provide input on policy decisions from their computers or phones, supporting more accessible and inclusive public participation. The 2019 goal is to at least double the number of projects featured and hit specific growth targets in unique views, registration and “engaged” participants.
- Website redesign – the current website was launched five years ago and must be redesigned to be customer service-driven, optimized for business processes and easier to navigate and use. In May 2018, the city engaged a consultant to develop a blueprint for a new city website, a more versatile organization of information, based on user research, testing and input from internal and external customers. 2019 funding is requested to implement Phase II of this blueprint through a website redesign. Funding will support change management, process improvement, design, content migration, and development work involved with a redesign.

Social Equity

- Human Relations Commission Grants – In 2018, City Council approved one-time additional funding of \$30,000 to expand community cultural and inclusion grants and HRC community work. Approval of this request would extend the \$30,000 one-time support to the Human Relations Commission/Community Relations, bringing the total ongoing budget to \$61,000 for grantmaking, community outreach and inclusion events.
- Family Resource Schools (FRS) Program sustainability – FRS is funded by the city General Fund, Boulder Valley School District (BVSD), Community Development Block Grant (CDBG) grant, program fees and charitable donations. Projected budget shortfalls have been an ongoing issue over several years as funding has remained flat from the city and BVSD and has been significantly reduced from the CDBG grant. Because of this, grants and contract awards have been static or slightly decreasing while program personnel costs have been rising. This increased the funding from the General Fund will allow the program to be maintained in all existing schools. Additionally, the department will negotiate with BVSD to increase funding to address the gap long-term.
- Library elimination of fees – in recent years, the industry trends has been to eliminate late fees as these fees disproportionately affect lower income and disadvantaged patrons. The library collects roughly \$80,000 in revenue annually. The department will be working with the Library Commission on the timing and implementation of this proposal.

OTHER KEY INITIATIVES

There are 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:

- Boulder Electric Utility
- Broadband
- Climate Commitment
- North Central Boulder Community Plan & Alpine Balsam Area Plan
- Vision zero

Boulder Electric Utility

The Boulder community has long been committed to climate action resulting in meaningful reductions to harmful greenhouse gas emissions. Since 2010, the city has focused on changing its energy supply, which continues to rely on fossil fuels as the primary source of energy. To draw from renewable sources while keeping rates and reliability comparable to what is offered through the current provider the city has pursued a strategy of creating a locally-owned and controlled electric utility (municipalization). Voter-supported analysis into the possibility of creating a local electric utility has demonstrated the feasibility, as well as the possible benefits, of such an approach. In 2014, after analysis resulted in council's decision to move forward with acquiring assets and forming a municipal electric utility, staff shifted its efforts to developing and implementing a detailed transition plan for electric utility development.

The Utility Occupation tax (UOT), first approved by voters in 2011 to fund the municipalization effort, expired on Dec. 31, 2017. Council approved a ballot measure to extend the UOT, which was presented

to, and approved by, voters in November 2017. The UOT allows the city to continue to work on key initiatives to form a Boulder-owned municipal electric utility and develop future energy strategies.

In 2019, staff will continue to focus on advances for the development of the municipal electric utility including the following key work items:

- Based on the negotiated agreement with PSCo for interconnection with the existing transmission system, complete the design of the necessary separation of existing substation facilities and configuration of new substation facilities.
- Complete the engineering design of new electric distribution lines outside of the substations as required by the PUC approved separation plan.
- Refine integrated power supply and transmission costs based on indicative pricing and determine next steps.
- Refine other cost estimates including start-up and ongoing operation and maintenance costs for input to the financial model.
- Implement the strategic communications and engagement work plan.

Broadband

On June 12, 2018 City Council voted unanimously to support the development of a fiber backbone, funded through existing revenues and certificates of participation (COP). The backbone is estimated to cost \$15 million, with annual COP payments of \$1.138 million. This was the result of a 2+ year effort exploring broadband throughout the community. While the city owns and operates a fiber network in the city to service internet and network connectivity between city facilities, it was not designed for use as a broadband network backbone. Building a true fiber backbone throughout Boulder will serve as a catalyst for many future investments and is a critical step in facilitating achievement of the vision to provide a world-class community telecommunications infrastructure to Boulder for the 21st century and beyond.

Broadband connectivity is a critical infrastructure service for quality of modern life, as is the case with roads, water, sewer and electricity. Based on the project's guiding principles, a backbone would be the first step to facilitate multiple future options for connectivity and access for every home, business, non-profit organization, government entity and place of education to access a fast affordable, and secure connection.

Additionally, a backbone will provide the infrastructure necessary to support future technologies, such as advanced mobility and sensor-based (Smart City) analytic infrastructures. Further, existing municipal operations are increasingly dependent on high speed network connectivity as many assets are becoming network enabled. In the next three to five years, city staff expects a significant number of new assets to come online that require connectivity that may not have been network enabled in the past, and a fiber-based network ensures adequate security and reliability. The 2019 Budget proposes a two-year fixed term project manager for this effort and also includes the COP payment as part of the General Fund capital dollars for the next twenty years.

Climate Commitment – Energy Impact Offset Fund

City of Boulder marijuana license holders are required to obtain 100 percent of their electricity use from renewables. As originally enacted, the ordinance allowed for this requirement to be met with either 1) on-site solar, 2) a subscription to a community solar garden or 3) a subscription to Xcel

Energy's Windsource program. On November 10, 2015, City Council revised the requirement by replacing the Windsource option with payment into a city-managed Energy Impact Offset Fund (EIOF). The intent of this change was to establish a fund that the city could use to catalyze local projects that more directly reduced and/or offset the marijuana industry's greenhouse gas emissions.

The EIOF fee was set at \$0.0216 per kWh, which was equal to the Windsource cost at the time the revisions were adopted.¹ The city began implementing the EIOF for the marijuana license holders' 2017 energy usage. To date, the city has billed the license holders a total of \$ \$492,700 and has collected \$352,365. The city is forecasting similar revenue for 2018 usage.

In June 2018, the city entered into a contract with Resort Energy Ventures (REV), a company with expertise in financing programs for renewable energy development. Under this contract, REV will analyze various options for directly and indirectly offsetting the greenhouse gas emissions from the city's marijuana industry. A preliminary report for REV's analysis of the various options under consideration is included as Attachment E. Seven options are currently seen as viable and will have further analysis. Based on that additional research and analysis, REV will draft a business plan for one or more of the options for use of the EIOF. The city expects to begin implementing one or more projects based on this business plan in 2019.

In addition to these efforts, city staff is also working to expand the use of the EIOF to include the following:

- Compliance with city energy ordinances and codes:
 - Currently, EIOF fees are collected from rental housing license holders where it has been determined that it is technically infeasible for the rental housing to be brought into full compliance with the SmartRegs ordinance. A fee of \$4.50 per year is collected for each remaining point needed to comply. This fee equates to \$36.06 per metric ton of CO₂ and an estimated 0.135 metric tons of CO₂ per point.²
 - The 2017 City of Boulder Energy Conservation Code sets Energy Rating Index (ERI) requirements for new construction, additions and major renovations. Currently residential construction projects greater than 5,000 square feet are required to be net zero energy (NZE). Future code updates will expand this requirement, with a goal that by 2031 all new residential and commercial construction must be NZE compliant. Similar to SmartRegs, it is anticipated that some construction projects will be unable to fully achieve the ERI/NZE requirements, for example due to shading, limited roof space and/or a lack of solar garden subscription options. City staff are evaluating an EIOF fee structure that would be adopted during the next code update to address these situations.
- Voluntary offsets: Once options for use of the EIOF have been fully evaluated and a business plan is developed, the city may consider opening the EIOF to voluntary offsets, where organizations or individuals could pay to offset emissions associated with a specific event or activity, for example emissions associated with travel to a locally-hosted conference.

¹ For context, this equates to \$36.06 per metric ton CO₂, which is slightly below the Environmental Protection Agency's (EPA's) social cost of carbon of \$40 per metric ton. The city will re-evaluate the price of the fee as the uses are expanded beyond the marijuana industry.

² Estimated emissions based on the SmartRegs points system for emissions avoided with the installation of a photovoltaic system.

On [March 7, 2017](#), City Council authorized an Intergovernmental Agreement between the city and Boulder County to administer the city's EIOF. This approach was taken to realize administrative cost savings by leveraging the existing financial system and resources that the county already had in place for its marijuana license EIOF requirements, rather than having to replicate the function within the city.

For the 2019 budget, the city has appropriated \$350,000 of the EIOF revenue from Boulder County to support the development and initial implementation of the chosen options. The balance of the EIOF revenues will be appropriated as needed in future budget requests for the EIOF project(s) identified in the business plan. This is not a request for new funding, but simply the process required to move the funds from Boulder County's financial system, into the city's.

North Central Boulder Community Plan & Alpine Balsam Area Plan

The city purchased the Alpine-Balsam site in late 2015 and agreed to lease buildings back to Boulder Community Hospital (BCH) during the transition to their new campus at Foothills and Arapahoe. BCH currently leases the main hospital, Medical Office Pavilion and parking garage until May 31, 2019 when they are expected to vacate. The 2019 budget proposal is for maintenance and operation expenses once BCH vacates the premises. All maintenance and operating expenses for the main hospital and Medical Pavilion, including the parking garage and surrounding site will become the city's responsibility.

Vacant buildings require operational investment to manage the property, maintain systems (at reduced rates) within the buildings and secure the premises. From June through December of 2019, we estimate an expense of approximately \$107,000 monthly; to cover utility costs and fund the maintenance of sidewalks, surface lot repairs, elevators, security, rodent infestation, mold growth prevention, landscaping, and snow removal at the main hospital building and the Medical Office Pavilion in a decommissioned state. These estimated costs are based off a prior years' energy expenses that BCH reported to the city's energy office and other maintenance costs were based off what is currently being paid in other city facilities. The utility costs account for 77 percent of the estimated monthly cost. As stated, these are estimated expense costs prorated for June through December of 2019 and would need to be increased for a full year of expenditures after 2019.

In addition to monthly expenses to preserve the buildings in a decommissioned state, there is a cost to decommission the buildings, which includes installing remote monitoring of systems, making modifications to systems, testing setbacks, and securing the site. A preliminary estimate of those costs is a one-time expense of \$60,000, which would occur in June 2019. Facilities and Asset Management (FAM) is developing a decommissioning plan in 2018 to fully scope the needs and refine the cost estimate, though \$60,000 is reasonable.

Beyond 2019, FAM anticipates additional expenses associated with deconstructing the hospital building. FAM is performing a deconstruction analysis in 2018 to determine the full scope of deconstructing the hospital including options for sustainably deconstructing the hospital while preserving the Medical Office Pavilion for future use. This will include engineering and testing to understand the environmental, systems and infrastructure implications and complexities associated with deconstruction. The deconstruction analysis is planned to be completed by early 2019.

Vision Zero – Travel Safety

The city's travel safety efforts seek to achieve the Transportation Master Plan Vision Zero objective of no serious injury or fatal collisions. The multifaceted approach of evaluation, engineering, enforcement and education (4-Es) is used to target areas and behaviors. Distracted and impaired driving/cycling/walking and pedestrian and cyclist crashes remain a specific area of focus.

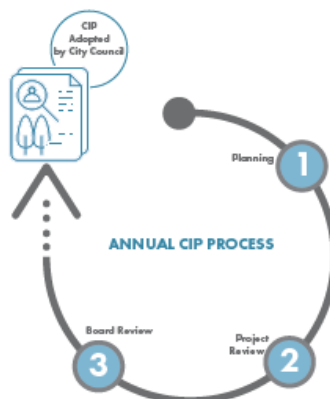
The 2019 Recommended Budget allocates \$18,020,930 across the budgets of the Boulder Police Department and Public Works - Transportation Division to travel safety and Vision Zero. In 2018, a total of \$3,119,282 was attributed to this work. The 2019 budget allocation analysis includes a more comprehensive summary of the city investment made in travel safety and Vision Zero. Over 40% of the year over year budget increase is associated with two capital improvement projects for 2019 the *Broadway Reconstruction (Violet to US36)* and the *30th St and Colorado Ave Bike/Ped Underpass Project*. Additional budget variances involve operations and reflect the level of police enforcement provided to support this initiative and transportation maintenance programs including snow and ice removal and signs, street lighting and traffic signal upgrades. Highlights of the city's Vision Zero efforts are provided in Attachment F.

2019-2024 RECOMMENDED CAPITAL IMPROVEMENT PROGRAM BUDGET

The CIP is a six-year plan for maintaining and enhancing the city's public infrastructure by correcting current facility deficiencies and constructing new service delivery infrastructure (see Attachment G for CIP Definition and Criteria). The CIP provides a forecast of funds available for capital projects and identifies all planned capital improvement projects and their estimated costs over the six-year period. The 2019-2024 Recommended Capital Improvement Program is available at the following link: [2019-2024 Recommended Capital Improvement Program](#).

The CIP document contains planned project funding summaries organized by department, project type, and fund; detail sheets for every project and program included in the plan; an interactive map illustrating the location of projects throughout the city; links to corresponding strategic or master plans, when available; and narratives describing the rationale behind project prioritization. The document is organized into four main parts: an introduction, funding summaries, department overviews and projects, and information on the Community and Environmental Assessment (CEAP) process.

Projects are selected for inclusion in the CIP through a process that involves matching available resources with the identified needs and priorities of the community. The diagram below illustrates the annual CIP process.



To create a citywide understanding of which projects are chosen for inclusion in the CIP, and to ensure individual department priorities for CIP funding are aligned with city goals, the City developed CIP Guiding Principles to shape capital planning decisions made throughout the CIP process. Each year the CIP Guiding Principles are reviewed and may be updated to better reflect the Sustainability Framework as the overarching guide to align capital investment with community priorities, and to be consistent with city financial policies. These principles can be found on page 21 of the Draft 2019-2024 CIP. Every project in the Draft 2019-2024 CIP addresses at least one of these principles, and many projects address all of them.

CIP Financial Summary

In the 2019-2024 CIP, over \$70.6 million is recommended for in 2019, and approximately \$489 million is recommended for project allocations for years 2019-2024. As anticipated, the proposed 2019 allocations are significantly lower than what was approved for 2018 allocations, which included the Carter Lake Pipeline, Sewer Interceptor Rehabilitation, Scott Carpenter Aquatics Enhancements as well as several other high dollar projects. In the Water Utility, the Betasso Water Treatment Plant improvements will be substantially completed in 2018, and the Carter Lake Pipeline project has begun the construction phase, with anticipated completion in early 2020.

It is important to remember that, unlike an operating budget, the capital budget may significantly fluctuate between years due to timing of projects and availability of funding. While the overall allocation is lower, the 2019-2024 CIP includes several large projects including:

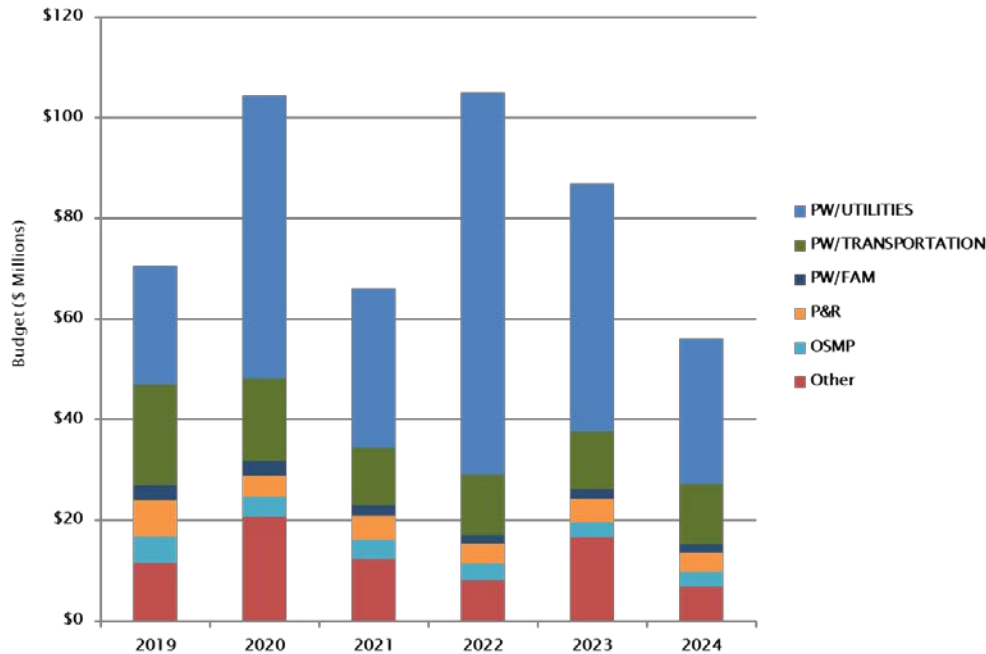
- Deferred Facility Maintenance Projects - \$2.2 million
- Pavement Management Program - \$4.8 million
- 30th St and Colorado Bike/Ped - \$5.0 million
- Wastewater Cogeneration Engine Overhauls - \$4.0 million
- 19th Street Complete Streets (Norwood to Sumac) - \$327,000

Additionally, in the proposed budget, funding will address a combination of source water and treated water needs focusing on the rehabilitation and replacement of existing assets. A primary focus is on the Barker Gravity Pipeline, which supplies approximately one third of the city's total water supply. This critical infrastructure is over 100 years old, and complete replacement is anticipated over a 12-year period. Key areas of focus in the Wastewater Utility continues to be rehabilitation of the wastewater collection system, while continuing rehabilitation and regulatory compliance projects at the Wastewater Treatment Facility. A key project anticipated to begin construction in 2019 is the Interceptor Sewer Realignment project which will concurrently address structural issues with the existing pipe and flood vulnerability of the current alignment. The Stormwater/Flood Fund priorities include major drainageway capital projects, storm sewer improvements, and increased maintenance on flood and storm infrastructure. The proposed focus for flood mitigation projects in the near-term is on Fourmile Canyon Creek upstream of 19th Street, and South Boulder Creek detention upstream of US 36. Funding is also proposed for increased maintenance of flood drainageway infrastructure. An update to the Comprehensive Flood and Stormwater Utility Master Plan is planned to begin this year and will inform future priorities.

The amount of money per department varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Many departments have dedicated revenue sources that keep CIP funding relatively constant or that allow departments to

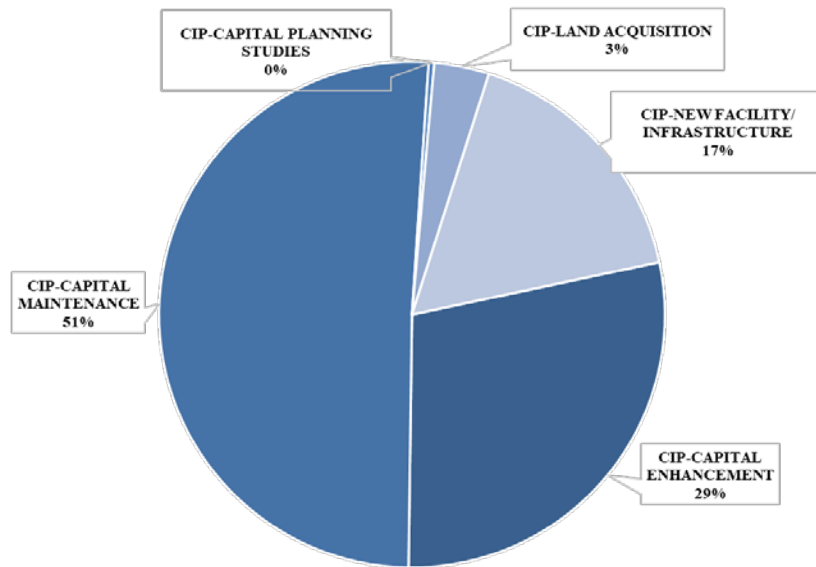
save up for larger projects over time. For example, both Open Space & Mountain Parks and Parks & Recreation have dedicated revenue sources. The figure below displays the share of total 2019-2024 CIP funding by each department.

Funding by Department



Using the CIP definitions and criteria, capital projects are broken down by type. Capital Maintenance comprises 50 percent of the currently proposed 2019-2024 CIP, and Capital Enhancement comprises 31 percent. Capital Enhancement projects are defined as construction resulting in the expansion or significant improvement of an existing facility or asset, projects that have a discrete start and end date, and are location specific. Capital Maintenance projects are defined as projects that result in the repair, replacement, or renovation of an existing asset, projects that may or may not have a discrete start and end date and are location specific or programs that cover a geographic area. Typically, these two project types make up the majority of investment in the annual CIP and is an indication of the continued investment the city has in taking care existing capital assets. To see the full list of CIP definitions and project type criteria please see the Funding Summary Chapter of the proposed 2019-2024 CIP.

Percent Funding by Project Type



Boards and Commissions Comments

Departmental advisory boards have reviewed the draft CIP related to their respective departments, and the recommendations are included in Attachment H. In addition, the Planning Board reviewed the draft CIP on July 19, 2018, pursuant to Charter Section 78. Planning Board's role in reviewing the CIP is to:

1. Evaluate CIP projects in the context of the long-term, "big picture" policies of the Boulder Valley Comprehensive Plan (BVCP);
2. Make recommendations on the scope, priorities, and scheduling of CIP projects;
3. Make recommendations on resolving policy issues raised by the proposed location and design of CIP projects; and
4. Make recommendations on the CIP projects that should undergo a Community and Environmental Assessment Process (CEAP) review.

The Planning Board unanimously (6-0) approved three motions related to the Draft 2019-2024 CIP as follows:

1. Recommending to City Council the 2019-2024 proposed Capital Improvement Program (CIP), including the list of CIP projects to undergo a Community and Environmental Assessment Process (CEAP).
2. Recommending to City Council that in conjunction with a CEAP on Boulder Creek flood mitigation projects, to update the hydrological project and meteorological assumptions behind the flood studies.
3. Recommending to City Council that it create a contingency fund within the CIP or a reserve fund for historic property acquisition.

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. Now in its third year, the [Balancing Act](#) 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. This year, it allows the public an opportunity to adjust funding or revenues in the General Fund, which began the 2019 budget development in a deficit. The public is encouraged to utilize this tool and provide feedback to the city on the budget and budget priorities.

Throughout the year, staff have been present at open houses to present information on the budget and included budget feedback through the Be Heard platform earlier this year.

Finally, the public has an opportunity to attend the public hearings, slated in October to voice their opinions on the budget proposal.

NEXT STEPS

- Tuesday, Oct. 2 – Public hearing and first reading of the 2019 City of Boulder budget ordinance.
- Tuesday, Oct. 16 – Public hearing and second reading of the 2019 City of Boulder budget ordinance; General Improvement District budget resolutions.
- Staff will provide a future update to council on the finalized EIOF business plan following discussions with the Marijuana Advisory Panel on the overall application of the fee to marijuana license holders.

ATTACHMENTS

- A. 2018 Budget Reductions
- B. 2019 Reductions, Reallocations, and Investments
- C. 2019 Reduction Submissions not Proposed
- D. 2019 Request Submissions not Proposed
- E. Preliminary Resort Energy Ventures Report
- F. Vision Zero Data
- G. CIP Definition and Criteria
- H. Boards and Commissions Recommendations on 2019-2024 CIP

2018 Budget Reductions (requested follow up information from April 24, 2018 Study Session - no action)

Attachment A - 2018 Reductions

| DEPARTMENT | STRATEGY | DESCRIPTION | REDUCTION AMOUNT (\$) | POSITION (FREEZE) | POSITION (ELIMINATION)* | ANTICIPATED SERVICE LEVEL IMPACT |
|------------------------|-----------------------|--|--------------------------|----------------------|----------------------------|--|
| City Attorney's Office | Non Personnel Expense | Reduce outside legal counsel. | 21,000 | | | This limits the City Attorney's Office's flexibility to address issues outside areas of expertise or beyond the workload capacity of staff. |
| City Attorney's Office | Personnel Expense | Elimination of vacant positions - fixed term Paralegal and part time Paralegal. | 76,374 | | 1.30 | The positions have been vacant for some time. When paralegal positions are vacant, attorneys may have to pick up additional work so anticipated minimal impact. |
| City Clerk's Office | Non Personnel Expense | Eliminate budget that is no longer applicable to the department such as cell phone service and telecom charges. | 6,517 | | | No anticipated community or internal service impact. |
| City Manager's Office | Personnel Expense | Freeze vacant Management Fellow position; displace fixed term Chief Resilience Officer and part time Community Coordinator. | 127,979 | | 2.88 | Services/work plans to be integrated into other departments. |
| Communication | Non Personnel Expense | Freeze vacant part time Communication Specialist; identified technology efficiencies in Boulder 8 TV/ video services. | 100,005 | 0.50 | | Reallocated support among Communication and Library departments to maintain core service level. Achieved cost savings in closed captioning services. |
| Community Vitality | Non Personnel Expense | Reduce consultant and administrative costs to Economic Vitality and the Hill Reinvestment Strategy; eliminate unused Public Land expense; cancel unused POs and increasing CAMP parking and Pollard satellite parking revenue. | 93,677 | | | Reducing consultant funding for Economic Sustainability Strategy update will delay industry sector research; reducing funding for opportunistic "special initiatives" in the Hill Reinvestment Strategy. |

2018 Budget Reductions (requested follow up information from April 24, 2018 Study Session - no action)

Attachment A - 2018 Reductions

| DEPARTMENT | STRATEGY | DESCRIPTION | REDUCTION AMOUNT (\$) | POSITION (FREEZE) | POSITION (ELIMINATION)* | ANTICIPATED SERVICE LEVEL IMPACT |
|--|-----------------------|---|--------------------------|----------------------|----------------------------|--|
| Energy Strategy & Electric Utility Development | Personnel Expense | Remove the temporary budget for staffing that was approved pending the outcome of the November 2017 election. | 229,326 | | | No service level impact; positions were funded by the extension of the Utility Occupation Tax. |
| Finance | Non Personnel Expense | Reduce legal costs. | 25,000 | | | The department doesn't anticipate needing funding for this purpose, this year. |
| Finance | Personnel Expense | Eliminate vacant fixed term Enterprise Resource Planning (ERP) Manager position and freeze vacant Revenue and Tax Officer position. | 246,000 | 1.00 | 1.00 | Current workload is being absorbed/shifted to other staff. |
| General Governance | Non Personnel Expense | Reduce expense of Boulder Convention and Visitors Bureau (BCVB) contract in line with reduced revenue projections. | 177,300 | | | Reduction to the BCVB contract payment. |
| Human Resources | Non Personnel Expense | Reduce to align with actual projected costs. | 25,000 | | | No anticipated community or internal service impact. |
| Human Resources | Personnel Expense | Hold vacant positions open for a longer amount of time; freeze hiring of vacant Deputy Director and vacant HR Representative. | 271,200 | 2.00 | | Shift workload to existing staff and/or delay workplan items. |

2018 Budget Reductions (requested follow up information from April 24, 2018 Study Session - no action)

Attachment A - 2018 Reductions

| DEPARTMENT | STRATEGY | DESCRIPTION | REDUCTION AMOUNT (\$) | POSITION (FREEZE) | POSITION (ELIMINATION)* | ANTICIPATED SERVICE LEVEL IMPACT |
|---------------------------|-----------------------------------|---|-----------------------|-------------------|-------------------------|--|
| Human Resources | Non Personnel Expense | Consolidate and reduce the number of trainings where efficient. | 22,500 | | | While there will be fewer training opportunities, there is still adequate availability for every staff member to attend. |
| Human Services Department | Non Personnel Expense | Reduce spending on food and general supplies as well as shift to paperless efforts. | 20,200 | | | No anticipated community or internal service impact. |
| Human Services Department | Personnel Expense | Salary savings from natural attrition and length of replacement hiring. | 193,500 | | | Work plan implementation will be delayed for Human Services, Homelessness Strategies and community fund rounds and slower response to community requests. |
| Innovation and Technology | Personnel & Non Personnel Expense | Holding positions vacant for a longer time period, reducing training budget, and cutting or delaying planned projects for network and web management. | 294,000 | | | Reduces capacity and slows projects. |
| Library and Arts | Non Personnel Expense | Reduce replacement funding for equipment no longer needed. | 75,000 | | | No anticipated community or internal service impact. |
| Municipal Court | Non Personnel Expense | Reductions in items such as postage, purchased services, food, credit card processing fees, etc. | 68,953 | | | No immediate service level impacts; however, could have impacts later as some previously purchased services will be eliminated and result in court staff absorbing those duties. |

2018 Budget Reductions (requested follow up information from April 24, 2018 Study Session - no action)

Attachment A - 2018 Reductions

| DEPARTMENT | STRATEGY | DESCRIPTION | REDUCTION AMOUNT (\$) | POSITION (FREEZE) | POSITION (ELIMINATION)* | ANTICIPATED SERVICE LEVEL IMPACT |
|---|-----------------------------------|--|-----------------------|-------------------|-------------------------|---|
| Municipal Court | Personnel Expense | Job sharing pilot with Police by utilizing part time Records Management Specialist | 43,948 | | | Will help Police Records catch up with their backlog of work while slightly decreases level of customer service for court. |
| Open Space & Mountain Parks | Non Personnel Expense | Reduce the General Fund transfer. | 58,291 | | | Shifted work to other functions/areas. This transfer will end after 2019 so OSMP began gradually shifting before 2018. |
| Open Space & Mountain Parks | Personnel & Non Personnel Expense | Expire vacant Project Coordinator, 2 Process Specialists, 1 Maintenance IV, 1 Volunteer Program Assistant in 2018 instead of in 2019 as planned; remove duplicative budget; reduce Director's non personnel expense. | 540,715 | | 5.00 | No anticipated impact. In planning for 2019 and 2020 sales tax increments OSMP has been gradually making changes that can implement now instead of 2019 as planned. |
| Parks and Recreation | Personnel & Non Personnel Expense | Salary savings from natural attrition and hiring delays along with operational efficiencies. | 209,655 | | | No anticipated community or internal service impact. |
| Planning, Housing + Sustainability (PH+S) | Non Personnel Expense | Reduce Housing Division consultant budget. | 28,259 | | | Reducing the consultant budget could impact the Housing Division's flexibility to take on additional initiatives. |
| Planning, Housing + Sustainability (PH+S) | Non Personnel Expense | Reduce the annual Comprehensive Planning budget that covers general consulting needs. | 20,000 | | | Reducing the consultant budget could impair Comprehensive Planning's ability to perform portions of their work plan. |

2018 Budget Reductions (requested follow up information from April 24, 2018 Study Session - no action)

Attachment A - 2018 Reductions

| DEPARTMENT | STRATEGY | DESCRIPTION | REDUCTION AMOUNT (\$) | POSITION (FREEZE) | POSITION (ELIMINATION)* | ANTICIPATED SERVICE LEVEL IMPACT |
|---|-----------------------------------|---|--------------------------|----------------------|----------------------------|--|
| Planning, Housing + Sustainability (PH+S) | Personnel Expense | Reallocate a portion of Planning, Housing and Sustainability Director and Financial Analyst to the Planning & Development Services (P&DS) Fund. | 57,770 | | | Reallocating portions of these positions will not result in service level impacts because there are currently vacancy savings in the P&DS fund that will cover this additional expense. |
| Planning, Housing + Sustainability (PH+S) | Personnel Expense | Hold vacant the Chief Urban Designer. | 104,280 | 1.00 | | The number of projects receiving urban design support will be reduced. |
| Planning, Housing + Sustainability (PH+S) | Personnel Expense | Salary savings from natural attrition and length of replacement hiring. | 79,401 | | | Temporarily shift work to other functions/areas. |
| Police | Personnel & Non Personnel Expense | Salary savings from natural attrition and length of replacement hiring as well as efficiencies in operating costs such as printers and supplies. | 1,354,068 | | | Overtime is used to cover vacant shifts in an effort to maintain appropriate service levels. |
| Public Works - Development Services | Personnel Expense | Hold vacant Code Enforcement Specialist. | 48,000 | 1.00 | | Not filling this position would have impacts on the existing work plan and proactive code enforcement related to zoning violations such as overoccupancy and illegal units. The remaining 5 FTEs, including the supervisor, would focus on priorities. |
| Public Works - Support Services (FAM) | Non Personnel Expense | Reduce leases due to the relocation of staff to Municipal Bldg. due to the vacated office space of staff moving to the Brenton Building at 1136 Alpine. | 40,000 | | | No anticipated community or internal service impact. |

| DEPARTMENT | STRATEGY | DESCRIPTION | REDUCTION AMOUNT (\$) | POSITION (FREEZE) | POSITION (ELIMINATION)* | ANTICIPATED SERVICE LEVEL IMPACT |
|---------------------------------------|-----------------------------------|---|--------------------------|----------------------|----------------------------|--|
| Public Works - Support Services (FAM) | Non Personnel Expense | Reduce General Fund transfer to the Facilities Repair & Replacement Fund for the Capital Improvement Program (CIP). | 295,000 | | | Minimal impact to current CIP. |
| Public Works - Transportation | Personnel & Non Personnel Expense | Reduce maintenance activities that are aesthetic in nature; reductions to transit service frequency; reduce temporary staff and eliminate a Transportation Planner I. | 1,621,000 | | 1.00 | Reductions to transit service frequency. |

* In addition to positions (FTEs) reduced in 2018, ongoing reductions are being evaluated as part of the 2019 Budget development.

Attachment B - 2019 Investments and Reductions

| Dept. | Fund | Budget Investment Total/(Reduction Total) and Description | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|-------------------------------------|--|--|---------------------|---------------|---------------------|----------------|
| City Attorney's Office Total | | | \$ 31,286 | (0.30) | \$ 3,450 | - |
| | General Fund | | | | | |
| | | Reduction Total | \$ (150,094) | (1.30) | \$ - | - |
| | | Eliminate outside legal consulting funds | \$ (28,277) | - | \$ - | - |
| | | Eliminate Paralegal I - standard position | (21,663) | (0.30) | - | - |
| | | Eliminate Paralegal II - standard position | (80,154) | (1.00) | - | - |
| | | Reduce temporary law clerks personnel expense to be more in line with actual spending | (20,000) | - | - | - |
| | | Investment Total | \$ 181,380 | 1.00 | \$ 3,450 | - |
| | | Add additional Assistant City Attorney I | \$ 90,690 | 1.00 | \$ 3,450 | - |
| | | Add additional Assistant City Attorney I for Utilities Division | 90,690 | 1.00 | - | - |
| | | Reallocate Law Clerk salary and reallocate salaries to temporary wages | - | (1.00) | - | - |
| City Clerk Total | | | \$ 61,529 | 1.00 | \$ 140,948 | - |
| | General Fund | | | | | |
| | | Reduction Total | \$ (6,517) | - | \$ - | - |
| | | Eliminate various non personnel expenses for cell phones, computer replacement business travel, and telecom charges (2018 Reduction) | \$ (6,517) | - | - | - |
| | | Investment Total | \$ 68,046 | 1.00 | \$ 140,948 | - |
| | | Convert fixed-term Administrative Specialist II to standard ongoing position | \$ 68,046 | 1.00 | \$ - | - |
| | | Budget for biennial elections and campaign financing reimbursements | - | - | 140,948 | - |
| City Manager's Office Total | | | \$ (14,735) | (1.88) | \$ (289,072) | (1.00) |
| | General Fund | | | | | |
| | | Reduction Total | \$ (142,785) | (1.88) | \$ (289,072) | (1.00) |
| | | Salary savings on underfilled positions | \$ - | - | \$ (145,000) | - |
| | | Eliminate Community Coordinator - standard position (2018 Reduction) | (84,941) | (0.88) | - | - |
| | | Eliminate Chief Resilience Officer - fixed-term position (2018 Reduction) | - | - | (144,072) | (1.00) |
| | | Eliminate Management Fellow - standard position (2018 Reduction) | (57,844) | (1.00) | - | - |
| | | Investment Total | \$ 128,050 | - | \$ - | - |
| | | 2019 Growing Up Boulder partnership for engagement between the city and school-aged children | \$ 61,800 | - | \$ - | - |
| | | Citywide volunteer appreciation event | 10,000 | - | - | - |
| | | Enterprise-wide volunteer management system software subscription | 36,250 | - | - | - |
| | | Renewal of annual license and support for Be Heard Boulder online engagement platform | 20,000 | - | - | - |
| Citywide Total | | | \$ - | - | \$ 721,970 | - |
| | General Fund | | | | | |
| | | Investment Total | \$ - | - | \$ 721,970 | - |
| | | Pay off interfund loan for Hogan Pancost land purchase | \$ - | - | \$ 721,970 | - |
| Communication Total | | | \$ (72,955) | (0.50) | \$ 205,904 | 1.00 |
| | General Fund | | | | | |
| | | Reduction Total | \$ (72,955) | (0.50) | \$ (90,000) | - |
| | | Closed captioning - shift funding source to PEG dollars | \$ - | - | \$ (60,000) | - |
| | | Downgrade Communication Manager to Communication Specialist II | (15,000) | - | - | - |
| | | Eliminate Library Communication Specialist - standard position | (57,955) | (0.50) | - | - |
| | | Reduce frequency of Community Newsletter from bimonthly to quarterly | - | - | (30,000) | - |
| | | Investment Total | \$ - | - | \$ 229,268 | 0.25 |
| | | Communication Specialist – Extend 2-year fixed-term position including associated operating costs | \$ - | - | \$ 29,268 | 0.25 |
| | | Phase II of City of Boulder website redesign project | - | - | 200,000 | - |
| | Community Housing Assistance Program Fund | | | | | |
| | | Investment Total | \$ - | - | \$ 32,874 | 0.37 |
| | | Communication Specialist – Extend 2-year fixed-term position including associated operating costs | \$ - | - | \$ 32,874 | 0.37 |
| | Affordable Housing Fund | | | | | |
| | | Investment Total | \$ - | - | \$ 33,762 | 0.38 |
| | | Communication Specialist – Extend 2-year fixed-term position including associated operating costs | \$ - | - | \$ 33,762 | 0.38 |

Attachment B - 2019 Investments and Reductions

| Dept. | Fund | Budget Investment Total/(Reduction Total) and Description | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|-----------------------------------|--|---|---------------|-------------|----------------|----------------|
| Community Vitality Total | | | \$ (90,558) | (1.00) | \$ 512,237 | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (250,058) | (1.00) | \$ - | - |
| | Eliminate Administrative Specialist II - standard position | | \$ (50,058) | (1.00) | \$ - | - |
| | Reduce and repurpose Flexible Rebate Program | | (200,000) | - | - | - |
| | Investment Total | | \$ 68,750 | - | \$ 89,615 | - |
| | Boulder Chamber's Innovation Venture - repurpose portion of the EV Rebate program to fund 2nd year of this program | | \$ - | - | \$ 10,000 | - |
| | Boulder SBDC Advanced Industry Incubator - repurpose portion of the EV Rebate program to continue funding this program on ongoing basis following its initial funding in 2017 and 2018 | | 50,000 | - | - | - |
| | Continue pilot Hill employee EcoPass program | | - | - | 79,615 | - |
| | Ongoing software applications support for Community Vitality parking systems through MOU with I&T | | 18,750 | - | - | - |
| Downtown Commercial District Fund | | | | | | |
| | Investment Total | | \$ 90,750 | - | \$ 422,622 | - |
| | Downtown Boulder (CAGID and BID) employee EcoPass program participant and cost increases | | \$ - | - | \$ 422,622 | - |
| | Ongoing software applications support for Community Vitality parking systems through MOU with I&T | | 18,750 | - | - | - |
| | Parking & Access Revenue and Control System (PARCS) ongoing equipment service agreement | | 72,000 | - | - | - |
| Finance Total | | | \$ (178,623) | (1.30) | \$ - | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (185,202) | (1.30) | \$ - | - |
| | Eliminate Accountant - standard position | | \$ (88,172) | (1.00) | \$ - | - |
| | Eliminate Revenue and Licensing Officer - standard position | | (38,030) | (0.30) | - | - |
| | Reduce temporary employee funding for closed sworn pension plan administration | | (59,000) | - | - | - |
| | Investment Total | | \$ 6,579 | - | \$ - | - |
| | Software license, maintenance and replacement funding for EnerGov software | | 6,579 | - | - | - |
| Fire-Rescue Total | | | \$ (403,000) | (1.00) | \$ - | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (403,000) | (1.00) | \$ - | - |
| | Eliminate Code Enforcement/Investigations - standard position | | \$ (128,000) | (1.00) | \$ - | - |
| | Extend fleet replacement cycle and apparatus replacement life-cycles | | (205,000) | - | - | - |
| | Reduce non-personnel expenses such as office supplies, consulting and administrative staff training | | (70,000) | - | - | - |
| General Governance Total | | | \$ 126,000 | - | \$ 93,000 | - |
| | General Fund | | | | | |
| | Investment Total | | \$ 126,000 | - | \$ 93,000 | - |
| | Operation and management of citywide events | | \$ 126,000 | - | \$ 93,000 | - |
| Human Resources Total | | | \$ 193,280 | (1.00) | \$ - | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (181,720) | (1.00) | \$ - | - |
| | Eliminate Benefits Specialist - standard position | | \$ (77,320) | (1.00) | \$ - | - |
| | Reduce employee recognition events and miscellaneous purchased services to be in line with actual spending | | (104,400) | - | - | - |
| | Investment Total | | \$ 399,125 | 0.37 | \$ - | - |
| | Repurpose health care savings for citywide retention efforts | | \$ 375,000 | - | \$ - | - |
| | Reallocate staff from Parks and Recreation to Human Resources | | 24,125 | 0.37 | - | - |
| .25 Cent Sales Tax Fund | | | | | | |
| | Reduction Total | | \$ (24,125) | (0.37) | \$ - | - |
| | Reallocate staff from Parks and Recreation to Human Resources | | \$ (24,125) | (0.37) | \$ - | - |

Attachment B - 2019 Investments and Reductions

| Dept. | Fund | Budget Investment Total/(Reduction Total) and Description | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|--|---|---|---------------|-------------|----------------|----------------|
| Human Services Total | | | \$ (494,220) | (4.00) | \$ 103,300 | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (594,220) | (4.00) | \$ (76,700) | - |
| | Sell bus and contract out bus service for senior services and other city events | | \$ - | - | \$ (76,700) | - |
| | Eliminate Administrative Specialist - standard position | | (71,500) | (1.00) | - | - |
| | Eliminate Deputy Director of Human Services - standard position | | (158,100) | (1.00) | - | - |
| | Eliminate Planning Project Manager - standard position | | (94,700) | (1.00) | - | - |
| | Eliminate Senior Services Social Trips Program and reallocate .25 FTE to other higher priority program activities | | (35,420) | - | - | - |
| | Eliminate Strategic Initiatives Manager - standard position | | (125,000) | (1.00) | - | - |
| | Reduce department-wide non-personnel expenses | | (34,500) | - | - | - |
| | Shift subsidy for Senior Services - Meals on Wheels from General Fund to Sugar Sweetened Beverage Tax Fund | | (75,000) | - | - | - |
| | Investment Total | | \$ 100,000 | - | \$ 180,000 | - |
| | Contingency for severe weather sheltering in the event it is not provided by non-profits | | \$ - | - | \$ 180,000 | - |
| | Increase funding for Family Resource Schools (FRS) Program | | 70,000 | - | - | - |
| | Provide ongoing funding for Human Relations Commission (HRC) grants | | 30,000 | - | - | - |
| Innovation and Technology Total | | | \$ (384,480) | (2.00) | \$ 250,000 | 1.00 |
| | General Fund | | | | | |
| | Reduction Total | | \$ (384,480) | (2.00) | \$ - | - |
| | Eliminate Applications Support Manager - standard position | | \$ (151,000) | (1.00) | \$ - | - |
| | Eliminate System Administrator - standard position | | (121,580) | (1.00) | - | - |
| | Eliminate temporary staff | | (8,000) | - | - | - |
| | Reduce various non-personnel expenses such as consulting, subscriptions and cell phones | | (85,900) | - | - | - |
| | Reduce number of interns | | (18,000) | - | - | - |
| | Investment Total | | \$ - | - | \$ 250,000 | 1.00 |
| | Broadband Project Manager - new 2-year fixed-term position and associated operating funding for engagement activities | | \$ - | - | \$ 250,000 | 1.00 |
| Library & Arts: Arts Division Total | | | \$ (55,870) | - | \$ - | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (55,870) | - | \$ - | - |
| | Eliminate creative economy and cultural research projects | | \$ (14,935) | - | \$ - | - |
| | Eliminate all contingency budgets | | (26,435) | - | - | - |
| | Eliminate new pilot programs | | (13,000) | - | - | - |
| | Reduce public events budget | | (1,500) | - | - | - |
| Library and Arts: Library Division Total | | | \$ 173,906 | (0.75) | \$ 105,000 | - |
| | General Fund | | | | | |
| | Reduction Total | | \$ (86,094) | (0.75) | \$ - | - |
| | Eliminate library catalog app subscription | | \$ (6,000) | - | \$ - | - |
| | Eliminate work/study program | | (5,000) | - | - | - |
| | Reduce library office supply budget | | (5,000) | - | - | - |
| | Reduce promotion/communication budget | | (10,000) | - | - | - |
| | Reduce public access hours to Carnegie Library and eliminate .75 FTE standard position | | (60,094) | (0.75) | - | - |
| | Investment Total | | \$ 160,000 | - | \$ 105,000 | - |
| | Creative Technologist – convert fixed-term to vacant standard position | | \$ 85,000 | - | \$ - | - |
| | Deep cleaning, maintenance and replacement of library furniture used by the public | | 75,000 | - | - | - |
| | Main Library North Building Renovation Feasibility Assessment - General Fund Library Reserve | | - | - | 105,000 | - |
| | Library Fund | | | | | |
| | Investment Total | | \$ 100,000 | - | \$ - | - |
| | Increase Library collection and materials available to patrons | | \$ 100,000 | - | \$ - | - |

Attachment B - 2019 Investments and Reductions

| Dept. | Fund | Budget Investment Total/(Reduction Total) and Description | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|--|------|--|---------------------|---------------|---------------------|----------------|
| Municipal Court Total | | | \$ (90,167) | (1.00) | \$ (22,901) | - |
| General Fund | | | | | | |
| Reduction Total | | | \$ (90,167) | (1.00) | \$ (22,901) | - |
| | | Eliminate Deputy Court Clerk - standard position | \$ (64,857) | (1.00) | \$ - | - |
| | | Reduce postage, collections, equipment replacement due to efficiencies | - | - | (22,901) | - |
| | | Eliminate miscellaneous non personnel expenses such as postage, purchased services, food, credit card processing fees, etc. (2018 Reduction) | (25,310) | - | - | - |
| Open Space and Mountain Parks Total | | | \$ 735,229 | - | \$ (113,882) | - |
| General Fund | | | | | | |
| Reduction Total | | | \$ - | - | \$ (113,882) | - |
| | | Reduce the subsidy from the General Fund to the Open Space Fund | \$ - | - | \$ (113,882) | - |
| Open Space Fund | | | | | | |
| Investment Total | | | \$ 735,229 | - | \$ - | - |
| | | Reallocate from CIP to operating for interim campus lease payment | \$ 715,000 | - | \$ - | - |
| | | Software license, maintenance and replacement funding for EnerGov software and extension of a fixed term position | 20,229 | - | - | - |
| Parks and Recreation Total | | | \$ (320,676) | (3.25) | \$ (40,363) | - |
| General Fund | | | | | | |
| Reduction Total | | | \$ (669,829) | - | \$ (40,363) | - |
| | | Reduce the subsidy from the General Fund to Recreation Activity Fund by eliminating vacant positions that are funded through the subsidy | \$ (187,271) | - | \$ (40,363) | - |
| | | Reductions due to operational efficiencies and realigning budget with historical spending patterns | (133,405) | - | - | - |
| | | Shift Fleet costs for Park Operations and Forestry to .25 Sales Tax Fund | (349,153) | - | - | - |
| .25 Cent Sales Tax Fund | | | | | | |
| Investment Total | | | \$ 349,153 | - | \$ - | - |
| | | Shift Fleet costs for Park Operations and Forestry to .25 Sales Tax Fund | \$ 349,153 | - | \$ - | - |
| Recreation Activity Fund | | | | | | |
| Reduction Total | | | \$ - | (3.25) | \$ - | - |
| | | Reduce the subsidy from the General Fund to Recreation Activity Fund by eliminating vacant positions that are funded through the subsidy | \$ - | (3.25) | \$ - | - |
| Planning, Housing & Sustainability/PW-Development Total | | | \$ 20,888 | (2.00) | \$ 645,433 | 4.00 |
| General Fund | | | | | | |
| Reduction Total | | | \$ (371,387) | (2.00) | \$ (83,195) | - |
| | | Eliminate Deputy Director for Planning - standard position | \$ (149,321) | (1.00) | \$ - | - |
| | | Eliminate Urban Designer - standard position | (112,000) | (1.00) | - | - |
| | | Reallocate a larger portion of Planning Director Position to the P&DS Fund | (46,346) | - | - | - |
| | | Reallocate climate commitment budget to CAP Tax Fund and Trash Tax | - | - | (50,000) | - |
| | | Reallocate larger portion of Chief Sustainability Officer to the CAP Tax Fund | - | - | (33,195) | - |
| | | Reallocate larger portion of Senior Environmental Planner to dedicated Trash Tax in General Fund | (35,461) | - | - | - |
| | | Reduce consulting and office supplies | (28,259) | - | - | - |
| Investment Total | | | \$ - | - | \$ 68,083 | 1.00 |
| | | Associate Planner for Comprehensive Planning - extend fixed-term position | \$ - | - | \$ 68,083 | 1.00 |
| Planning & Development Services Fund | | | | | | |
| Investment Total | | | \$ 392,275 | - | \$ 252,350 | 3.00 |
| | | Software license, maintenance and replacement funding for EnerGov software and extension of a fixed term position | \$ 345,929 | - | \$ 107,488 | 1.00 |
| | | Special Planning Projects Staffing (Administrative Specialist) - extend fixed-term position | - | - | 81,189 | 1.00 |
| | | Special Planning Projects Staffing (Planner I) - extend fixed-term position | - | - | 63,673 | 1.00 |
| | | Reallocate a larger portion of Planning Director Position to the P&DS Fund | 46,346 | - | - | - |
| Climate Action Plan Tax Fund | | | | | | |
| Investment Total | | | \$ - | - | \$ 408,195 | - |
| | | Solar Project Support for the Energy Impact Offset Fund for implementation of new solar projects | \$ - | - | \$ 350,000 | - |
| | | Reallocate larger portion of Chief Sustainability Officer to the CAP Tax Fund | - | - | 33,195 | - |
| | | Reallocate climate commitment budget to CAP Tax Fund and Trash Tax | - | - | 25,000 | - |

Attachment B - 2019 Investments and Reductions

| Dept. | Fund | Budget Investment Total/(Reduction Total) and Description | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|---|------|--|---------------------|---------------|---------------------|----------------|
| Police Total | | | \$ (543,105) | (3.50) | \$ 180,013 | - |
| General Fund | | | | | | |
| Reduction Total | | | \$ (660,712) | (4.50) | \$ (84,965) | - |
| | | Eliminate Dispatch Supervisor - standard position | \$ (89,465) | (1.00) | - | - |
| | | Eliminate HR/Training Administrative I -standard position | (53,410) | (1.00) | - | - |
| | | Eliminate Maintenance Person - standard position | (51,137) | (1.00) | - | - |
| | | Eliminate Photo Radar Process Server - standard positions | - | (1.50) | (84,965) | - |
| | | Savings created by vacancies due to turnover, retirement, etc. | (466,700) | - | - | - |
| Investment Total | | | \$ 117,607 | 1.00 | \$ 264,978 | - |
| | | Electronic Ticket Writers | \$ 21,987 | - | \$ 109,178 | - |
| | | Police Officer - new standard position | 89,699 | 1.00 | 5,800 | - |
| | | Update to 2013 Police Master Plan | - | - | 150,000 | - |
| | | Software license, maintenance and replacement funding for EnerGov software | 5,921 | - | - | - |
| Public Works Total | | | \$ 524,419 | - | \$ 1,512,348 | 1.00 |
| General Fund | | | | | | |
| Reduction Total | | | \$ (517,781) | - | \$ - | - |
| | | General reduction in non personnel expenses | \$ (40,000) | - | \$ - | - |
| | | Reallocate funding for a temporary position that assists with FAM CIP project management to the Facilities Renovation and Replacement Fund | (52,000) | - | - | - |
| | | Remove contingency funding for general fund equipment replacement | (34,326) | - | - | - |
| | | Remove funding for leased off space that is no longer required | (391,455) | - | - | - |
| Investment Total | | | \$ 195,200 | - | \$ 1,402,248 | - |
| | | Facility operations & maintenance at Alpine-Balsam Buildings (Hospital and Medical Pavilion) | \$ - | - | \$ 807,000 | - |
| | | Facility operations & maintenance at Alpine-Balsam parking garage | 28,000 | - | 397,000 | - |
| | | Radio operations & maintenance and replacement of infrastructure | 167,200 | - | - | - |
| | | Chautauqua Access Management Plan (CAMP) - Program operations & revenue | - | - | 198,248 | - |
| Facilities Renovation and Replacement Fund | | | | | | |
| Investment Total | | | \$ 52,000 | - | \$ - | - |
| | | Reallocate funding for a temporary position that assists with FAM CIP project management to the Facilities Renovation and Replacement Fund | \$ 52,000 | - | \$ - | - |
| Planning & Development Services Fund | | | | | | |
| Investment Total | | | \$ - | - | \$ 9,909 | 0.09 |
| | | Public Works Project Coordinator - extend fixed-term position | \$ - | - | \$ 9,909 | 0.09 |
| Transportation Fund | | | | | | |
| Investment Total | | | \$ 375,000 | - | \$ 50,646 | 0.46 |
| | | Public Works Project Coordinator - extend fixed-term position | \$ - | - | \$ 50,646 | 0.46 |
| | | Funding for removal and replacement of trees infected by Emerald Ash Borer (EAB) within Public Works - Transportation properties | 375,000 | - | - | - |
| Water Fund | | | | | | |
| Investment Total | | | \$ 260,000 | - | \$ 27,525 | 0.25 |
| | | Public Works Project Coordinator - extend fixed-term position | \$ - | - | \$ 27,525 | 0.25 |
| | | Recycle waste materials from utility excavations for use as road base material | 150,000 | - | - | - |
| | | Valve maintenance in the water distribution system | 110,000 | - | - | - |
| Wastewater Fund | | | | | | |
| Investment Total | | | \$ - | - | \$ 11,010 | 0.10 |
| | | Public Works Project Coordinator - extend fixed-term position | \$ - | - | \$ 11,010 | 0.10 |
| Stormwater/Flood Fund | | | | | | |
| Investment Total | | | \$ 160,000 | - | \$ 11,010 | 0.10 |
| | | Public Works Project Coordinator - extend fixed-term position | \$ - | - | \$ 11,010 | 0.10 |
| | | Transient camp cleanup costs along drainageways | 160,000 | - | - | - |

Attachment C - Reductions Not Proposed

| Dept. | General Fund - Budget Reductions Not Taken | Ongoing Funds | Ongoing FTE | One-Time Funds |
|---|---|-----------------------|----------------|---------------------|
| City Clerk Total | | \$ (41,786) | (0.50) | \$ - |
| | Reduce Administrative Specialist to .50 - standard position | \$ (20,893) | (0.25) | \$ - |
| | Reduce Administrative Specialist to .75 - standard position | (20,893) | (0.25) | - |
| Finance Total | | \$ (288,787) | (4.00) | \$ - |
| | Eliminate Purchasing Coordinator and Buyer - standard position | \$ (80,122) | (1.00) | \$ - |
| | Convert Senior Financial Analyst to Budget Analyst II - standard position | (20,000) | - | - |
| | Eliminate converted Budget Analyst II - standard position | (90,940) | (1.00) | - |
| | Eliminate Administrative Specialist - standard position | (47,500) | (1.00) | - |
| | Eliminate Payroll Technician - standard position | (50,225) | (1.00) | - |
| Fire-Rescue Total | | \$ (1,666,000) | (11.00) | \$ - |
| | Eliminate Deputy Fire Marshall - standard position | \$ (164,000) | (1.00) | \$ - |
| | Eliminate Wildland Administrator - standard position | (147,000) | (1.00) | - |
| | Reduce emergency operations by one engine company | (1,255,000) | (9.00) | - |
| | Reduce funding to Office of Emergency Management | (100,000) | - | - |
| Human Resources Total | | \$ (89,071) | (1.00) | \$ (60,000) |
| | Reduce miscellaneous consulting services to be in line with actual spending | \$ - | - | \$ (60,000) |
| | Recruiter Specialist - standard position | (89,071) | (1.00) | - |
| Human Services Total | | \$ (188,700) | (2.25) | \$ - |
| | Eliminate a total of 1 FTE Community Relations - Mediation Program Coordinators - standard position (2 half-time FTE positions) | \$ (85,200) | (1.00) | \$ - |
| | Eliminate Facility / Safety Manager - standard position | (87,200) | (1.00) | - |
| | Reduce portion of Finance Support - standard position | (16,300) | (0.25) | - |
| Innovation and Technology Total | | \$ (259,000) | (2.00) | \$ - |
| | Reduce additional standard positions | \$ (259,000) | (2.00) | \$ - |
| Library & Arts: Arts Division Total | | \$ (42,000) | - | \$ (11,000) |
| | Eliminate Boulder Arts Week | \$ (25,000) | - | \$ - |
| | Eliminate NoBo Art District program and sponsorship | (17,000) | - | - |
| | Reduce public art maintenance | - | - | (11,000) |
| Library and Arts: Library Division Total | | \$ (484,945) | (4.25) | \$ (87,100) |
| | Close Canyon Theater and eliminate standard staff position | \$ (96,996) | (1.25) | \$ (10,300) |
| | Eliminate A/V equipment from public meeting rooms and teen spaces at Main Library | (10,800) | - | (16,800) |
| | Eliminate budget for materials handling equipment repair and replacement | (14,000) | - | - |
| | Eliminate outreach program and associated standard staff position | (42,592) | (0.75) | - |
| | Eliminate public computers and printers and standard staff position | (48,100) | (0.50) | (60,000) |
| | Eliminate Resource Services - standard position | (73,333) | (1.00) | - |
| | Reduce BLDG 61 Makerspace programs | (20,000) | - | - |
| | Reduce library collection and eliminate standard position | (154,124) | (0.75) | - |
| | Reduce number of desk phones for staff | (12,000) | - | - |
| | Reduce staff furniture repair and replacement | (8,000) | - | - |
| | Reduce staff training budget | (5,000) | - | - |
| Municipal Court Total | | \$ - | (1.00) | \$ (112,980) |
| | Hold vacant Deputy Court Clerk - standard position | \$ - | - | \$ (14,792) |
| | Reduce Administrative Specialist - standard position | - | (0.25) | (14,596) |
| | Reduce credit card processing fees, relief judges, collections services, equipment replacement | - | - | (40,403) |
| | Reduce Deputy Court Clerk - standard position | - | (0.50) | (27,107) |
| | Reduce Financial Administrative Specialist - standard position | - | (0.25) | (16,081) |

Attachment C - Reductions Not Proposed

| Dept. | General Fund - Budget Reductions Not Taken | Ongoing Funds | Ongoing FTE | One-Time Funds |
|--|---|----------------|-------------|----------------|
| Parks and Recreation Total | | \$ (37,500) | - | \$ - |
| | Reduce the contracted service that primarily deals with the impacts of transients and illegal camping | \$ (20,000) | - | \$ - |
| | Remove public restrooms & portable toilet services | (17,500) | - | - |
| Planning, Housing & Sustainability/PW-Development Total | | \$ (74,000) | (1.00) | \$ - |
| | Eliminate Code Enforcement Specialist - standard position | \$ (74,000) | (1.00) | \$ - |
| Police Total | | \$ (1,659,952) | (13.00) | \$ - |
| | Eliminate 13 positions including Officers, Accident Report Specialists, Homeless Outreach Team, Animal Protection, Code Enforcement | \$ (1,334,952) | (13.00) | \$ - |
| | Eliminate overtime at Municipal Civic Center, Hill and creek path | (325,000) | - | - |

Based on a Council request, in addition to regular budget requests submitted by departments, departments were asked to submit requests for an additional five percent increase to their operating budget. Labeled as 'supplemental requests' below, these requests demonstrate what departments would ask for if there was additional funding available.

| Dept. | Fund | Budget Investments (Not Recommended for Approval) | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|---|---------------------|--|---------------------|---------------|-------------------|----------------|
| City Manager's Office Total | | | \$ 8,000 | - | \$ - | - |
| | General Fund | | | | | |
| | | Supplemental Requests Total | \$ 8,000 | - | \$ - | - |
| | | Community Connectors outreach program pilot for hard-to-reach communities | \$ 8,000 | - | \$ - | - |
| Communication Total | | | \$ 105,566 | 1.00 | \$ - | - |
| | General Fund | | | | | |
| | | Supplemental Requests Total | \$ 105,566 | 1.00 | \$ - | - |
| | | Communication Specialist – Graphic Designer, Brand Manager - New standard position | \$ 105,566 | 1.00 | \$ - | - |
| Community Vitality Total | | | \$ 193,158 | - | \$ - | - |
| | General Fund | | | | | |
| | | Regular Requests Total | \$ 310,864 | 2.16 | \$ - | - |
| | | Personnel expense realignment between Community Vitality dedicated funds and bifurcation phase out | \$ 310,864 | 2.16 | \$ - | - |
| | | Supplemental Requests Total | \$ 56,550 | - | \$ - | - |
| | | Enhanced business support to address economic issues/opportunities and implement strategies outlined in the Economic Sustainability Strategy (ESS), Resilience Strategy and Boulder Valley Comprehensive Plan (BVCP) | \$ 56,550 | - | \$ - | - |
| Boulder Junction Access District-Travel Demand Management Fund | | | | | | |
| | | Regular Requests Total | \$ 23,650 | 0.21 | \$ - | - |
| | | Personnel expense realignment between Community Vitality dedicated funds and bifurcation phase out | \$ 23,650 | 0.21 | \$ - | - |
| Downtown Commercial District Fund | | | | | | |
| | | Regular Requests Total | \$ (146,519) | (0.77) | \$ - | - |
| | | Personnel expense realignment between Community Vitality dedicated funds and bifurcation phase out | \$ (146,519) | (0.77) | \$ - | - |
| University Hill General Improvement District Fund | | | | | | |
| | | Regular Requests Total | \$ (75,037) | (1.81) | \$ - | - |
| | | Personnel expense realignment between Community Vitality dedicated funds and bifurcation phase out | \$ (75,037) | (1.81) | \$ - | - |
| Boulder Junction Access District-Parking Fund | | | | | | |
| | | Regular Requests Total | \$ 23,650 | 0.21 | \$ - | - |
| | | Personnel expense realignment between Community Vitality dedicated funds and bifurcation phase out | \$ 23,650 | 0.21 | \$ - | - |
| Electric Utility Development Total | | | \$ - | - | \$ 250,000 | - |
| | General Fund | | | | | |
| | | Supplemental Requests Total | \$ - | - | \$ 250,000 | - |
| | | Expedite the work to develop the Boulder Municipal Utility | \$ - | - | \$ 250,000 | - |
| Finance Total | | | \$ 333,253 | 2.00 | \$ 72,365 | 1.00 |
| | General Fund | | | | | |
| | | Regular Requests Total | \$ - | - | \$ 72,365 | 1.00 |
| | | Budget Analyst to support Library & Arts and Finance - New fixed-term position | \$ - | - | \$ 72,365 | 1.00 |
| | | Supplemental Requests Total | \$ 333,253 | 2.00 | \$ - | - |
| | | Central Grant Management - New standard position | \$ 89,071 | 1.00 | \$ - | - |
| | | Increase funding for employee training and development | 80,000 | - | - | - |
| | | Licensing Specialist - New standard position | 65,682 | 1.00 | - | - |
| | | Purchase and implement software solutions to leverage technology and improve customer service and free up staff time to address high-priority needs | 98,500 | - | - | - |

Based on a Council request, in addition to regular budget requests submitted by departments, departments were asked to submit requests for an additional five percent increase to their operating budget. Labeled as 'supplemental requests' below, these requests demonstrate what departments would ask for if there was additional funding available.

| Dept. | Fund | Budget Investments (Not Recommended for Approval) | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|---|---------------------|---|---------------|-------------|----------------|----------------|
| Finance - Old Hire Police and Fire Pension Total | | | \$ - | - | \$ 44,770 | - |
| | General Fund | | | | | |
| | | Regular Requests Total | \$ - | - | \$ 44,770 | - |
| | | Old Hire Police and Fire Pension supplemental base payment increase | \$ - | - | \$ 44,770 | - |
| Fire-Rescue Total | | | \$ 120,000 | - | \$ 485,000 | - |
| | General Fund | | | | | |
| | | Supplemental Requests Total | \$ 120,000 | - | \$ 485,000 | - |
| | | Capital funding for bunker gear storage improvements | \$ - | - | \$ 350,000 | - |
| | | Expand wellness and fitness initiatives | 100,000 | - | - | - |
| | | Leverage existing city software and network resources along with the addition of group video conferencing hardware to provide training through video teleconferencing | 5,000 | - | 45,000 | - |
| | | Provide backup wildland fire personal protective equipment | 15,000 | - | 90,000 | - |
| Human Resources Total | | | \$ - | - | \$ 70,000 | - |
| | General Fund | | | | | |
| | | Supplemental Requests Total | \$ - | - | \$ 70,000 | - |
| | | Increase focus on racial equity in partnership with the Government Alliance on Race and Equity (GARE) | \$ - | - | \$ 70,000 | - |
| Human Services Total | | | \$ 127,700 | 2.00 | \$ - | - |
| | General Fund | | | | | |
| | | Regular Requests Total | \$ 22,000 | 0.25 | \$ - | - |
| | | Increase an to existing position in the Community Relations and Office of Human Rights by .25 FTE | \$ 22,000 | 0.25 | \$ - | - |
| | | Supplemental Requests Total | \$ 105,700 | 1.75 | \$ - | - |
| | | Increase an existing position for grant compliance monitoring by .25 FTE | \$ 16,300 | 0.25 | \$ - | - |
| | | Increase an existing position for Senior Center customer service by .50 FTE | 11,000 | 0.50 | - | - |
| | | Senior Services Program Coordinator - new standard position | 78,400 | 1.00 | - | - |
| Innovation and Technology Total | | | \$ 189,014 | 2.00 | \$ - | - |
| | General Fund | | | | | |
| | | Regular Requests Total | \$ 189,014 | 2.00 | \$ - | - |
| | | IT Systems Administrator - 2 new standard positions | \$ 189,014 | 2.00 | \$ - | - |
| Library and Arts: Arts Division Total | | | \$ 122,500 | 1.00 | \$ - | - |
| | General Fund | | | | | |
| | | Supplemental Requests Total | \$ 122,500 | 1.00 | \$ - | - |
| | | Creative Sector Program and new standard position | \$ 48,000 | 0.50 | \$ - | - |
| | | Cultural grants inflation increase | 40,500 | - | - | - |
| | | Public Art Assistant - new standard position | 34,000 | 0.50 | - | - |
| Library and Arts: Library Division Total | | | \$ 146,500 | 2.00 | \$ - | - |
| | General Fund | | | | | |
| | | Regular Requests Total | \$ 12,000 | - | \$ - | - |
| | | Cost increase for library materials courier service | \$ 12,000 | - | \$ - | - |
| | | Supplemental Requests Total | \$ 134,500 | 2.00 | \$ - | - |
| | | Branch Library Specialist - new standard position | \$ 24,500 | 0.50 | \$ - | - |
| | | Increase an existing Library Technology Support Specialist by .50 FTE | 49,000 | 0.50 | - | - |
| | | Library Collection and Materials Handling Staff - new standard position | 38,000 | 1.00 | - | - |
| | | Library patron laptop computers | 23,000 | - | - | - |

Based on a Council request, in addition to regular budget requests submitted by departments, departments were asked to submit requests for an additional five percent increase to their operating budget. Labeled as 'supplemental requests' below, these requests demonstrate what departments would ask for if there was additional funding available.

| Dept. | Fund | Budget Investments (Not Recommended for Approval) | Ongoing Funds | Ongoing FTE | One-Time Funds | Fixed-Term FTE |
|--|--|---|---------------------|--------------|-------------------|----------------|
| Municipal Court Total | | | \$ 69,479 | 0.50 | \$ 75,479 | - |
| | General Fund | | | | | |
| | Supplemental Requests Total | | \$ 69,479 | 0.50 | \$ 75,479 | - |
| | New case management system, Housing Navigator - new standard position, equipment replacement funding for new printers | \$ 69,479 | 0.50 | \$ 69,479 | - | - |
| | New case management system, Housing Navigator - new standard position, equipment replacement funding for new printers | - | - | 6,000 | - | - |
| Parks and Recreation Total | | | \$ 551,816 | 7.00 | \$ - | - |
| | General Fund | | | | | |
| | Supplemental Requests Total | | \$ 401,816 | 7.00 | \$ - | - |
| | Enhanced financial aid allocation for low income participants | \$ 100,000 | - | \$ - | - | - |
| | Park Operations and Aquatics - 7 new standard positions to replace the use of non-standard labor | 301,816 | 7.00 | - | - | - |
| | .25 Cent Sales Tax Fund | | | | | |
| | Regular Requests Total | | \$ 150,000 | - | \$ - | - |
| | Partial funding for piloted city services associated with Block-Party Van delivery/pick-up, continuing civic area activation and the on-going provision of supplemental portable restrooms across Boulder's urban parks system | \$ 150,000 | - | \$ - | - | - |
| Planning, Housing & Sustainability/PW-Development Total | | | \$ 74,000 | 1.00 | \$ 257,267 | 2.00 |
| | General Fund | | | | | |
| | Supplemental Requests Total | | \$ 74,000 | 1.00 | \$ 105,000 | - |
| | Code Enforcement Specialist - reinstate eliminated standard position | \$ 74,000 | 1.00 | \$ - | - | - |
| | Consulting support-Mosquito Program Assessment and Major Update: Phase II | - | - | 15,000 | - | - |
| | Consulting support for Central Broadway Planning Projects Phase III – East Bookend and Alpine-Balsam Area Plans | - | - | 40,000 | - | - |
| | Consulting support for subcommunity area planning | - | - | 50,000 | - | - |
| | Planning & Development Services Fund | | | | | |
| | Regular Requests Total | | \$ - | - | \$ 152,267 | 2.00 |
| | Associate Planner for PUD Project Staffing - extend fixed-term position | \$ - | - | \$ 79,634 | 1.00 | - |
| | Records and Research Planning Technician Staffing - extend fixed-term position | - | - | 72,633 | 1.00 | - |
| Police Total | | | \$ 1,649,746 | 11.00 | \$ - | - |
| | General Fund | | | | | |
| | Supplemental Requests Total | | \$ 1,649,746 | 11.00 | \$ - | - |
| | Increase for police equipment and training | \$ 386,101 | - | \$ - | - | - |
| | Police Officers - 11 new standard positions | 1,263,645 | 11.00 | - | - | - |
| Public Works Total | | | \$ 589,500 | - | \$ - | - |
| | General Fund | | | | | |
| | Regular Requests Total | | \$ 80,000 | - | \$ - | - |
| | City employee alternate transportation reimbursement vs. parking in the Civic Area campus | \$ 80,000 | - | \$ - | - | - |
| | Supplemental Requests Total | | \$ 509,500 | - | \$ - | - |
| | Facility Asset & Management (FAM) Renovation and Replacement funding for added facilities | \$ 509,500 | - | \$ - | - | - |



Boulder EIOF Strategy Options: Preliminary Report

August 15, 2018

City of Boulder marijuana license holders are required to offset 100% of their electricity use with renewable energy. Where they cannot meet this requirement with on-site solar or participation in a solar garden, license holders pay a per kWh fee into the city's Energy Impact Offset Fund (EIOF). The city intends to use the EIOF to catalyze projects that reduce and/or offset the marijuana industry's greenhouse gas emissions. To help develop these projects, the city hired Resort Energy Ventures (REV) to analyze various options and draft a business plan for use of the EIOF. This work was funded from the Climate Action Plan (CAP) Tax Fund.

This report summarizes REV's investigations to date, including stakeholder engagement, criteria for evaluating options, and the status of the options being considered.

Stakeholder Engagement

The city held a stakeholder meeting on June 19, 2018 to kick-off the EIOF planning efforts. Following this meeting, the city invited interested parties to participate in bilateral discussions with REV. Bilateral meetings were scheduled with owners or representatives from twelve marijuana companies, representing small, medium, and large grow operations and dispensaries. REV conducted these sessions to understand the priorities and concerns of the industry related to the 100% offset requirement and use of the EIOF for renewable energy or energy efficiency projects. The meetings were conducted between July 26th and August 14th either in person, over the phone, or via email communications.

The primary objective of these bilateral meetings was to learn about the industry's priorities related to how best to meet the renewable energy offset requirements. To achieve this, the project team discussed the following topics with the owners and representatives:

- Real and perceived barriers to meeting the renewable energy requirements
- Energy efficiency opportunities and interests
- Interest in on-site solar generation or participation in a community solar garden
- Potential to partner with building owners for leased spaces
- Appetite for various contract lengths and terms
- Acceptable project payback periods for investments
- Value of renewable energy to product marketing and as an asset associated with the marijuana license
- Preferences about solution choice(s), timing and benefits

Barriers to the 100% Renewable Energy Requirement

The following are the key barriers consistently identified by marijuana license holders that prevent them from being able to meet their 100% renewable energy requirements directly and/or from reducing their overall energy usage:

- Federal standing prohibits access to traditional forms of capital and financing
- Industry relies on leased spaces for grow and retail operations
- Payback periods for solar and many efficiency projects exceed typical building lease terms
- Roof or ground space is insufficient to meet the requirements for energy-intensive grow operations
- Unique requirements (lighting, HVAC) limit opportunities for efficiency upgrades
- Current market volatility limits appetite for longer-term investments

Evaluation Criteria

After input from the initial stakeholder meeting and ideation meetings with city staff, REV identified thirteen potential project options and assessed each against the following criteria to determine which options warranted further investigation.

| | Criteria | Metric |
|----|---|--|
| 1 | Direct benefit to license holders | Reduction in kWh from non-renewable resources; reduction in EIOF fee (\$) |
| 2 | Increases Local Renewable Generation | Yes/No |
| 3 | Administrative Burden to the City | Scale of 1-10, with 1 being no administrative burden to the city and 10 being having significant administrative requirements |
| 4 | Implementation Timeframe | Months |
| 5 | Availability of Funds | Yes/No |
| 6 | Degree of Technical Difficulty | Low/Moderate/High |
| 7 | Degree of Political Difficulty | Low/Moderate/High |
| 8 | Direct benefit to Low/middle income | Yes/No |
| 9 | Increase on grower/community resiliency | Yes/No |
| 10 | Total Financial Impact | Total capital requirements; Return on Investment (\$) |
| 11 | Total GHG Savings | Metric tons reduced |

Options for Further Assessment

Based on stakeholder input and the evaluation criteria, the following options were determined to be sufficiently viable to warrant further assessment. They are categorized according to 1) those that provide a direct benefit to marijuana license holders and 2) those that provide indirect benefit through emissions offset in another sector. The generation and savings potentials shown are highly provisional.

Options with Direct Benefit to Marijuana License Holders:

1. Developing a Project Onsite – 1-2 MW Potential

Private Solar PPA/Virtual Net Metering- The city would facilitate private Power Purchase Agreement (PPA) arrangements, likely with property owners, by identifying third-party developers who would finance, build, own and operate the energy producing systems (PV system). The property owner would need to agree to site the PV system on the property, either through a roof or ground lease. Power generated on site would then be either sold directly to a building tenant (i.e. the marijuana license holder) or, if the project is a ground mount system, then sold through a virtual net metering arrangement to the tenant. REV conducted preliminary discussions with several property owners that may be interested in working with the city and the marijuana license holders to implement projects depending on the economics and business model. At least one solar developer expressed interest in developing rooftop solar projects to benefit the marijuana industry.

2. Developing a Project Offsite: 2-6 MW Potential

Community Solar Option-The city would work with existing providers such as Sunshare, Encore Renewable Energy, Oakleaf, Unico, Clean Energy Collective and others who have been awarded community solar garden capacity by Xcel. A key issue is the inability of federally chartered banks to fund the marijuana industry either directly or indirectly. Most community solar providers use some level of traditional bank debt for their projects. In those cases, the marijuana industry cannot be a direct subscriber to the community solar provider, so an alternate method would need to be devised such as having the city be a subscriber and reselling or crediting the power to the marijuana license holders.

REV has identified some community solar providers that might be comfortable financing projects with marijuana license holders as subscribers. Because of the higher financial risk, these community solar projects may involve more expensive financing. The EIOF fees could be used to buy down the rates to make this a more financially viable option. Contract length and terms, and acceptance into Xcel's program remain substantial barriers that would need to be addressed.

3. Onsite Energy Efficiency – 200 – 600 kW Potential (or 0-25% energy use potential)

Enhanced Energy Efficiency Program – The EIOF can be used to engage specialized consultants to identify savings opportunities for marijuana operations. The EIOF can also be used to enhance current rebates to shorten payback periods and make efficiency upgrades more attractive to marijuana license holders and property owners. Savings potential may increase if LED lighting options emerge that can better meet cultivation requirements.

Options with an Indirect Benefit to Marijuana License Holders

1. Developing Renewable Energy Projects Elsewhere: 2-6 MW Potential

Community Solar Option- The city would work with providers such as Sunshare, Encore Renewable Energy, Oakleaf, Unico, Clean Energy Collective, GRID Alternatives and others to obtain new community solar garden capacity through Xcel. Subscriptions would be used for low-income or city facilities with offsets credits back to the marijuana license holders. EIOF funds could also be used to incentivize relocation of existing approved, but not yet constructed, gardens into the city, with a similar credit provided to marijuana license holders.

Behind Meter Solar on City or Affordable Housing Facilities/Land- Approximately 200 kW of rooftop potential and 500kW-2MW of ground mount potential exist to develop on-site renewables for Boulder Housing Partners facilities. In this model, the EIOF could be used to catalyze more affordable projects. The power end user would pay for the power generated through a PPA. The marijuana license holders would receive credit for energy generated.

Power Wheeling-The city currently gains economic benefit by wheeling power from its hydroelectric facilities. The city could explore mimicking these agreements for other wheeling arrangements to include new renewable (e.g. solar) generation installed on city property and facilities. Financing, revenues of generation, siting, and wheeling and purchasing agreements would all need to be assessed, as would the approach for determining the offset methodology for this kind of arrangement.

Renewable Energy Credits-EIOF funds could be used to invest in other development projects within the city or elsewhere. By taking advantage of another party's economy of scale, a larger global benefit (on the order of 10-100 MW) could be realized. Consideration will have to be given to how this strategy would contribute to achieving the city's greenhouse gas goals.

2. Offsite Energy Efficiency - 200 – 600 kW Potential

Efficiency Improvements for City Buildings or Low-Income Housing – The EIOF could be used to purchase efficiency upgrades for a non-marijuana facility with credit for those savings going to the marijuana license holders. Savings would have to be demonstrated to be higher than what would have occurred in the absence of the investment.

Options Not Selected for Further Assessment

The following 5 options were considered but not selected for further assessment at this time:

1. Develop a Public Utility Regulatory Policies Act (PURPA) Qualifying Facility

Although PURPA is responsible for adding over 12,000 megawatts of non-hydro renewable generation, the biggest beneficiary of PURPA has been natural gas-fired “cogeneration” plants. Since PURPA was implemented the price of oil has declined and supplies of natural gas have increased, driving down the cost of electricity. Currently, PURPA is no longer much help for renewables. Due to current low avoided costs, few renewables are able to compete with new natural gas turbines, particularly since the current price of natural gas is below \$3 per mm Btu. Technically, PURPA only calls for renewable energy if it is cost competitive with conventional polluting resources.

2. City Landfill Methane Capture Resold to Marijuana Facilities

This option investigated using the city's landfill methane gas piped over for use in marijuana grow operations. The city is currently using the biogas in a closed loop to fuel their own vehicles or selling it locally with the focus on reusing it for sustainable purposes within the community. REV reviewed options with New Phase Energy who has a 4-year contract with the city to sell the gas to a transportation client. Selling the gas to marijuana facilities was not seen as viable due to the substantially lower margin the city would receive from this end use compared to its existing agreements.

3. Grower Microgrid – CHP(Natural Gas)/Solar/Battery

A private company, Scale Energy, develops hybrid microgrids, combining solar, battery storage and combined heat and power (CHP), to lower the energy consumption of indoor marijuana cultivation. Scale provides facilities power through an Energy Service Agreement (ESA), similar to a PPA. The ESA offers a fixed price for energy, usually \$.01-.02 per kWh less than the Facility is currently paying for electricity, over a time period of 5-25 years. Scale installs a natural gas engine to recycle heat, rooftop solar, and battery storage on-site, and owns, operates, and maintains the entire project. They can also provide split incentives where they lease the rooftop from the property owner but provide the power to the grower as part of the arrangement. Scale is partnered with several private funders who will back the marijuana industry through Scale's offering. However, due to the GHG emissions of natural gas, this is not a viable option unless the system can provide a solar plus battery only solution. The longer-term ESA contracts associated with this approach are considered prohibitive to the industry based on stakeholder feedback.

4. Partner with XCEL Energy and Create New Programs Specific to the Industry

Xcel Energy has many programs for energy efficiency, equipment rebates, and more. REV wanted to assess if there might be creative ways for Xcel to participate directly with the city and create new programs specific to the needs of marijuana license holders. REV met with Xcel to review available programs. Xcel's initial response indicates that they felt it is unlikely that they would create a program unique to the marijuana industry, but they are willing to review the energy use profiles and the range of their programs in an effort to find solutions.

5. Loan Programs

Loan loss reserves and revolving loans were considered as means of overcoming the financial barriers that currently prevent the marijuana industry from implementing energy efficiency and renewable energy projects. At the current rate of collection (approximately \$0.5 million per year), the EIOF is insufficient in size to benefit the breadth of the industry; one or two projects would consume the available funds. A loan loss reserve could be used to leverage a larger source of funds but does not appear to be sufficient to overcome the absence of credit the industry has due to their federal standing.

Next Step

REV will continue its investigation and stakeholder engagement efforts around the seven options identified for further analysis. Preliminary, high-level business models will be developed for each option that continues to show viability. These preliminary models will be presented to the city, marijuana community and other stakeholders for further input and vetting. A detailed business plan will then be developed for the most promising one-to-three options.

Vision Zero - Travel Safety Highlights

Evaluation

- 2018 Safe Streets Boulder Report - The Safe Streets Boulder Report is being updated to include an evaluation of crash trends for the last three years (2015, 2016, 2017) and implemented safety improvements. Analytical GIS-based software tools have been upgraded to enhance capability to identify trends and locations to mitigate. Preliminary findings will be shared with the Transportation Advisory Board (TAB) in September 2018. The draft report is scheduled for TAB review/feedback and finalization in December 2018. The final report will then be forwarded to City Council in an Information Packet Item in January 2019. In 2019, this data will be used to identify engineering, enforcement and education strategies that build upon the proposed workplan and inform the development of future budgets.

Engineering

- 30th/Colorado Underpass Project - Identified as a high pedestrian/cycling crash location, this intersection has received federal grant funding (\$8.6 M total, \$4.8M federal, \$3.4M city, \$400K CU) for a new underpass and associated at-grade intersection safety improvements. These improvements focus on better connecting CU Main and East campuses. Design and community engagement are underway in 2018, setting the stage for construction to commence in late 2019 with completion targeted in late 2020.
- Broadway (Violet Avenue to US 36) Reconstruction Project - Funding through federal funding and city match (\$8.6 M total, \$4.8M federal, \$3.8M city), the roadway pavement on North Broadway is in poor condition and requires reconstruction. This project will provide a more durable pavement that does not require as frequent maintenance and provide a safer and better experience for drivers, transit riders and on-street bicyclists. In addition to the pavement reconstruction, there will also be an improvement to the on-street bicycle lanes and installation of a traffic signal at Broadway and Yarmouth Avenue. Construction of this project is anticipated to begin in 2019 and take 18 months to complete.
- 19th Street (Sumac Ave. to Norwood Ave.) Complete Street Project - Funded through the Safe Routes to School Program, other state grants, and city funding (\$1.3 M total, \$1.0M federal/state, \$300K city), the project will provide sidewalks on both sides of the street, enhance the cycling facilities, provide pedestrian crossing treatments and traffic mitigation treatments to slow traffic speeds helping folks traveling by walking, cycling, and transit in north Boulder including children getting to Crest View Elementary School and Centennial Middle School. Design and community engagement are underway in 2018 setting the stage for construction to begin in late 2019 and conclude in mid-2020.
- Highway Safety Improvement Program (HSIP) Projects - Pedestrian/cycling safety improvements at the 29th/Baseline, Colorado/Regent, and Broadway/Rayleigh intersections are funded through state highway safety grants (\$811K total, \$730K federal, \$38K state, \$37K city). Design is underway in 2018 with construction to follow in mid-to late 2019 and be completed in mid-2020.
- Engineering Treatments/Improvements - During the last year, the city has made modifications to traffic signal timing to improve safety (45 distinct changes at 20 signalized intersections). The city has also made safety related changes to signing and

pavement markings such as green bike lanes and 8 mph when entering crosswalk signs at 18 specific locations. Findings of the 2018 Safe Street Boulder Report will be used to prioritize the construction of engineering treatments at a similar number of locations in 2019.

- **Traffic Signal Operation Guidelines** - A major work item identified in the 2016 Safe Streets Boulder Report was the need to document, assess and align the city's traffic signal operation practices in support of the Transportation Master Plan Vision Zero principles. Research of industry best practices was used to help inform proposed changes. Proposed guidelines are scheduled for TAB review/feedback and finalization in the fourth quarter of 2018. Results will then be forwarded to City Council in an Information Packet Item in January 2019. Initial findings have been used to accelerate early deployment of leading pedestrian intervals (LPI) at 12 intersections. Finalized changes in practice will be implemented comprehensively city-wide in 2019.

Enforcement

- **Traffic Enforcement** - The Boulder Police Department (BPD) deploys commissioned officer and photo speed enforcement patrols to residential areas and school zones throughout the city. The BPD also patrols speeding at locations that are called in to non-emergency dispatch or are received by the NSMP coordinator. Speed enforcement on neighborhood streets is an integral element to the NSMP. To enhance enforcement and education, the photo speed enforcement program was expanded to allow for both citations above the 10-mph state mandated minimum threshold and warning below this limit. This additional capability will allow for the effective deployment of the speed radar enforcement vans on NSMP streets. New opportunities for photo enforcement will become available for residential areas through the 2019 NSMP application process.
- **Red-light Running Enforcement Expansion** - Two (2) additional red-light running enforcement cameras are planned for the high red-light running crash locations of the Broadway/Pine St. and Canyon Blvd./26th St. intersections. The current schedule is for installation in the first quarter of 2019.

Education

- **Vision Zero Community Partnership** - This partnership brings together community stakeholders to foster relationships and broad-based leadership on mitigation strategies to achieve Boulder's Vision Zero safety goal. The partnership, which includes representation from TAB and local, regional and state-wide partners is working with community members and other agencies (Community Cycles, Cyclists for Community, CDOT, CU Boulder, Boulder County and BVSD) to develop and implement outreach and educational messages concerning key safety messages through multiple media resources (print, social, video).
- **Vision Zero Outreach** - Staff has created a series of safety videos and static images pertaining to the awareness of Vision Zero and the causes of common types of collisions, including impaired and distracted driving, motorcycle safety, wrong way bike riding and right turn bypass vehicle rear ends. In 2019, the city will continue to partner with CU to display video safety messages on the scoreboard during football games, in addition to outreach through several media outlets, including social media.

- **Heads-Up Crosswalk Safety Campaign** - The combined education and enforcement campaign is annually deployed with the return of BVSD and CU students. The annual crosswalk safety campaign is also conducted several times a year at high collision locations and focuses on encouraging safe crosswalk interactions between pedestrians, cyclists and motorists.
- **Lighten Up Boulder** - The City of Boulder and members of the Vision Zero Community Partnership distribute bicycle and pedestrian lights throughout the year. Program outreach is amplified each October just before daylight savings time and runs through the winter months.
- **Way of the Path** - The City of Boulder has refined this program's messaging pertaining to multi-use path safety and etiquette among all path users. In 2019, signs will be installed along the multi-use path network emulating these safety and etiquette outreach.

A summary of the 2019 budgets for Public Works/Transportation and the Boulder Police Department involving travel safety/VZ efforts are included below:

| Transportation Program/Project Description | Total Budget | Evaluation | Engineering | Education | Enforcement | Total: Vision Zero |
|---|-------------------|----------------|-------------------|----------------|----------------|--------------------|
| Innovations/Vision Zero | 178,000 | | 178,000 | | | 178,000 |
| Traffic Engineering | 199,410 | 39,882 | 49,853 | 19,941 | 9,971 | 119,646 |
| Street Lighting & Construction | 1,364,938 | | 682,469 | | | 682,469 |
| Signal Maintenance & Upgrade | 1,208,241 | | 241,648 | 12,082 | 60,412 | 314,143 |
| Signs/Markings | 965,565 | | 193,113 | | | 193,113 |
| Trans. System Management | 96,178 | 24,045 | 33,662 | | | 57,707 |
| Transportation Ops (Workgroup Admin) | 613,353 | 61,335 | 82,803 | 49,068 | 12,267 | 205,473 |
| Measurement/Monitoring | 22,970 | 2,297 | 3,446 | 5,743 | 2,297 | 13,782 |
| Bike Planning | 220,134 | 22,013 | 33,020 | 55,034 | 22,013 | 132,080 |
| Pedestrian Planning | 220,130 | 22,013 | 33,020 | 44,026 | 22,013 | 121,072 |
| Walk & Bike Week | 29,117 | | | 2,912 | | 2,912 |
| 2018-19 Safe Routes to School Grant (CDOT grant & local match) | 42,000 | | | 42,000 | | 42,000 |
| Greenways Maintenance | 42,249 | | 6,337 | | | 6,337 |
| Bikeway Maintenance | 406,892 | | 406,892 | | | 406,892 |
| Median Maintenance | 719,941 | | 64,795 | | | 64,795 |
| Street Sweeping | 318,253 | | 159,127 | | | 159,127 |
| Street Snow & Ice Control | 976,974 | | 976,974 | | | 976,974 |
| Repair & Maintenance | 2,025,703 | | 405,141 | | | 405,141 |
| 19th Street (Norwood to Upland) | 327,200 | | 98,160 | | | 98,160 |
| Broadway Reconstruction (Violet to US36) | 5,575,000 | | 2,787,500 | | | 2,787,500 |
| 30th St and Colorado Ave Bike/Ped Underpass | 5,000,000 | | 3,750,000 | | | 3,750,000 |
| TIP Local Match & TMP Implementation | 800,000 | | 480,000 | | | 480,000 |
| Intersection Safety Projects | 434,440 | | 347,552 | | | 347,552 |
| TMP Update | 150,000 | | 75,000 | | | 75,000 |
| Pedestrian Facilities - Enhancements (missing links, crossing treatments) | 75,000 | | 75,000 | | | 75,000 |
| Pedestrian Facilities - Repair, Replacement, ADA | 546,287 | | 546,287 | | | 546,287 |
| Sidewalk Maintenance | 225,900 | | 112,950 | | | 112,950 |
| Multiuse Path - Enhancements | 135,000 | | 40,500 | | | 40,500 |
| Multiuse Path Capital Maintenance | 365,639 | | 91,410 | | | 91,410 |
| Major Street Reconstruction | 4,811,600 | | 1,924,640 | | | 1,924,640 |
| Tributary Greenways | 595,350 | | 238,140 | | | 238,140 |
| Neighborhood Speed Management Program | 250,000 | 25,000 | 100,000 | 25,000 | - | 150,000 |
| Total | 28,941,464 | 196,585 | 14,217,438 | 255,805 | 128,973 | 14,798,801 |

| Police Department Program/Project Description | Total Budget | Evaluation | Engineering | Education | Enforcement | Total: Vision Zero |
|---|------------------|----------------|-------------|-----------|------------------|--------------------|
| Accident Report Specialists | 453,756 | 453,756 | | | | 453,756 |
| DUI Enforcement | 144,637 | | | | 144,637 | 144,637 |
| Redlight Photo Enforcement | 830,218 | | | | 830,218 | 830,218 |
| Photo-Radar Enforcement | 372,997 | | | | 372,997 | 372,997 |
| Traffic Enforcement | 1,894,025 | | | | 1,420,519 | 1,420,519 |
| Total | 3,695,633 | 453,756 | - | - | 2,768,371 | 3,222,127 |

CIP Definition and Criteria

Capital Improvement Program Projects

“CIP projects are any major projects requiring the expenditure of public funds (over and above operation expenditures) for the purchase, construction, or replacement of the physical assets of the community. This broad definition includes those projects that are bondable, technology infrastructure, new or expanded physical facilities as well as the land necessary for the project.”

Criteria for New Capital Project:

- Projects resulting in the construction or acquisition of a new asset.
- Construction resulting in additional square footage of an existing asset.
- Projects have a discrete start and end date.
- Projects are location specific.
- Projects are typically over \$50,000 in total project cost, but do not have to be.
- Projects result in a durable, long lasting asset, with a useful life of at least 15 years.

Criteria for Capital Enhancement:

- Construction resulting in the expansion or significant improvement of an existing facility or asset.
- Projects have a discrete start and end date.
- Projects are location specific.
- Projects are typically over \$50,000 in total project cost, but do not have to be. Information Technology projects are typically over \$25,000 in total project cost.
- Projects result in a durable, long lasting asset, with a useful life of at least 15 years. Information Technology projects may be as short as 5 years.

Criteria for Capital Maintenance:

- Projects result in the repair, replacement, or renovation of an existing asset.
- Projects may or may not have a discrete start and end date.
- Projects are location specific or programs that cover a geographic area.
- Projects are typically over \$50,000 in total project cost. Information Technology projects are typically over \$25,000 in total project cost.
- Projects result in a durable, lasting physical asset, with a useful life of at least 5 years. Information Technology projects may be as short as 3 years.

Criteria for Land & Asset Acquisition:

- Project or program results in the acquisition of real property, such as land, mineral or water rights, or permanent easements.
- Projects may have discrete start and end dates, or may be programmatic.
- Projects or programs may be location specific or city-wide.
- Projects or programs typically include acquisitions totaling over \$50,000.

Criteria for Capital Planning Studies:

- Project results in the development of a study or plan which is intended to identify, plan, or prepare for the construction or acquisition of capital assets or capital program.
- Projects have discrete start and end date.
- Projects are typically for studies that are over \$50,000 in total cost.

Boards and Commissions Feedback on the 2019-2024 CIP

Downtown Management Commission

The Downtown Management Commission (DMC) unanimously approved the 2019 recommended expenditures including the CIP for the Downtown Commercial District Fund at its June 10, 2018 meeting.

Greenways Advisory Committee

The Greenways Advisory Committee met on June 28, 2018 and recommended approval 6-0 of the 2019-2024 Greenways Program CIP to Planning Board and City Council.

Open Space Board of Trustees

The Open Space Board of Trustees unanimously recommended the 2019-2024 CIP on June 13, 2018 after previous review at the April 11 and May 9 business meetings.

Parks and Recreation Advisory Board

The Parks and Recreation Board unanimously approved the following two resolutions in support of the 2019-2024 CIP at the June 2018 meeting: a motion to approve the 2019 recommended expenditures from the Permanent Park and Recreation Fund and a motion to approve the recommended 2019-2024 Parks and Recreation Department Capital Improvement Program (CIP).

Transportation Advisory Board

The Transportation Advisory Board unanimously approved the recommendation of the 2019-2024 Capital Improvement Program Budget on June 12, 2018.

Water Resources Advisory Board

The preliminary 2018 Utilities budget and 2019-2024 CIP was presented to the WRAB on May 21, 2018 as a discussion item. The WRAB hosted a public hearing and continued their discussion on the 2019-2024 CIP at their June 18, 2018 meeting, and voted 3-0 to recommend approval of the proposed CIP (two members were absent from the meeting).