



WORK SESSION OF THE CITY COUNCIL

448 E. 1st Street, Room 190

Salida, Colorado 81201

Monday, December 2, 2019 – 6:00pm

AGENDA

1. Presentation of Land Use Code Re-Write with Planning Commission
2. Community Garden Discussion with GARNA
3. 2020 Budget Summary – Finance Director

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1st Street, Ste. 112, Salida, CO 81201, Ph.719-530-2630 at least 48 hours in advance.



Land Use Code Rewrite

Project Overview

The City of Salida is updating and modernizing its current Land Use Code (LUC), which has been updated piecemeal over decades, and has not undergone a comprehensive update since 2012. The Land Use Code is Chapter 16 of the Salida Municipal Code and includes zoning, subdivision, design, historic preservation, and sign requirements for the City. Today, some LUC regulations are overly complex or inflexible, and in some cases, provisions contradict each other. The LUC will be amended to better align with the City's 2013 Comprehensive Plan and other key policy documents related to land use and development, such as the recently adopted Future 50 Corridor Plan, and the Chaffee County Comprehensive Plan (underway). The LUC Rewrite project is expected to:

- Reinforce Salida's character and vision into the future
- Clarify what is expected of property developers and owners
- Apply flexible approaches while enhancing development quality
- Make development approvals more predictable and transparent
- Streamline the City resources needed to administer the LUC
- Establish user-friendly regulations that incorporate best practices and modern zoning principles

The Process

The City is working with Clarion Associates, a national land use planning firm based in Denver. The project began in early December 2019 and adoption of a revised LUC is expected in late 2021. Following the project orientation, and prior to drafting updates to the LUC, Clarion will prepare an analysis of the current code to establish a clear path forward for priority amendments. The analysis will identify:

- Aspects of the current LUC that work well and can be kept intact
- Existing provisions that do not work well or are overly complicated
- Sections that are inconsistent with adopted plans, policies, or other City goals
- Any necessary updates to comply with changes to local, state, and federal laws
- Opportunities to improve the development approval process
- Methods to make it easier to find and understand the applicable regulations

The analysis will also include an annotated outline showing how a revised LUC could be organized, and what content would be included in the new organizational framework. Following the analysis, the project team will begin drafting updates to the LUC. There will be several opportunities to provide feedback to and engage with the project team throughout the project. A general timeline for the project is shown on the following page.

Stay Engaged!

The City has established a project website for the LUC Rewrite project where you can view and download draft deliverables, find out about upcoming project meetings, and sign up for regular updates. Visit early, and visit often:

<https://cityofsalida.com/departments/community-development/>

For additional questions, contact Glen Van Nimwegen, Community Development Director at 719-530-2631 or glen.vannimwegen@cityofsalida.com



Project Orientation

Code Assessment and Annotated Outline

Prepare Discussion Draft Land Use Code

Consolidated Draft Land Use Code

Final Draft Land Use Code and Adoption



Q4 2019

Q1 2020

Q2 2021

Q3 2021

Questionnaire

We want your input! More specifically, your experience working with the LUC, and observations related to living in, and/or doing business in the City of Salida. The following questions will help the project team understand your perspective and concerns as they relate to the LUC. We understand that some stakeholders may have more experience working with the LUC than others, so the questions were developed for varied levels of experience. Please answer as many or as few as you desire. Please pass this information along to others in the community who are interested in Salida's future! An online version of this survey is available here: <https://cityofsalida.com/departments/community-development/>

Generally

1. Do you use the Land Use Code (LUC)? If so, how?
2. What general sections of the LUC do you believe work well and need few changes?
3. Are there particular weaknesses of the LUC? If so, what are they?
4. Is the code silent on any specific issues or uses that should be addressed in the LUC to improve overall development?
5. Are there specific aspects of the existing code that are unclear or difficult to understand? How can we make the LUC more user-friendly?
6. Are there examples in other municipal codes that work well that the project team should review?
7. If you could solve just one problem with the current LUC, what would it be?
8. Are there any other issues with the LUC you would like to tell us about?

Land Uses

9. What types of housing, businesses, or other land uses would you like to see more of in Salida?
10. Are there particular housing, businesses, or other land uses that have caused problems that should be addressed in the LUC rewrite?
11. Are there specific examples of development projects in Salida that you think were successful? What is it that makes these projects appropriate for Salida?

Development Standards

12. Are there specific development standards (e.g., building design, parking, landscaping, signs, etc.) in the existing LUC that have caused problems and should be addressed in the rewrite?
13. Are any development standards too restrictive, or conversely any development standards where the LUC should be more flexible?
14. Are there elements of the LUC that are difficult to enforce, or that you believe are not adequately enforced?

Administration and Procedures

15. Are the procedures clear and easy to understand? If not, how could they be improved?
16. Do the development approval procedures result in a fair, predictable, and timely process? If not, how could they be improved?

SALIDA COLORADO

Comprehensive Land
Use Code Rewrite

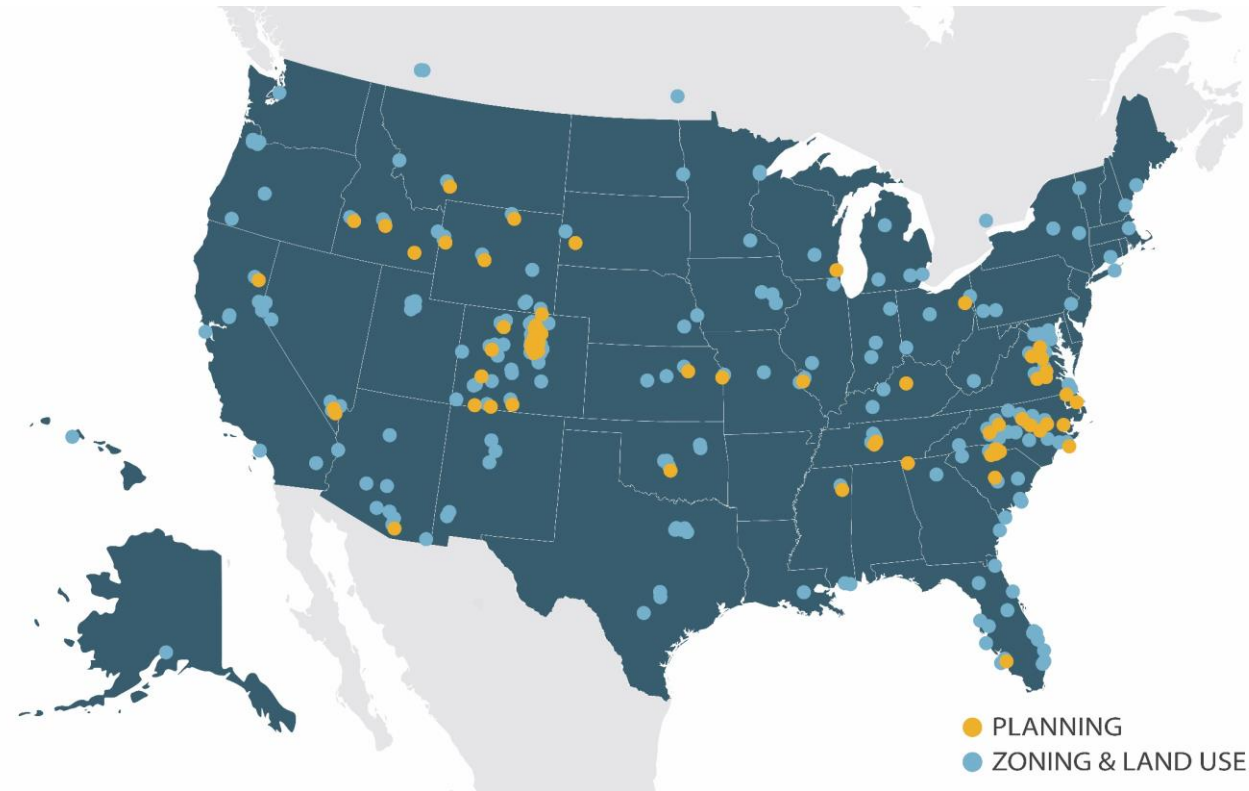
Kickoff Meetings
December 2019

CLARION



CLARION ASSOCIATES

- National practice, 25+ years experience
- Multi-disciplinary: Planners, attorneys, designers, and landscape architects
- Denver and Chapel Hill offices
- Focus on plan implementation and user-friendly codes
- Innovative codes integrating traditional and form-based approaches
- Recent Colorado codes: Buena Vista, Carbondale, Glenwood Springs, Longmont, Northglenn



PROJECT TEAM



City Council
Planning Commission
Advisory Committee
City Staff



Matt Goebel
Project Director



Tareq Wafaie
Project Manager
Lead drafter



Paul Donegan
Associate
Drafting support



Holly White
Graphics and
Document
Support

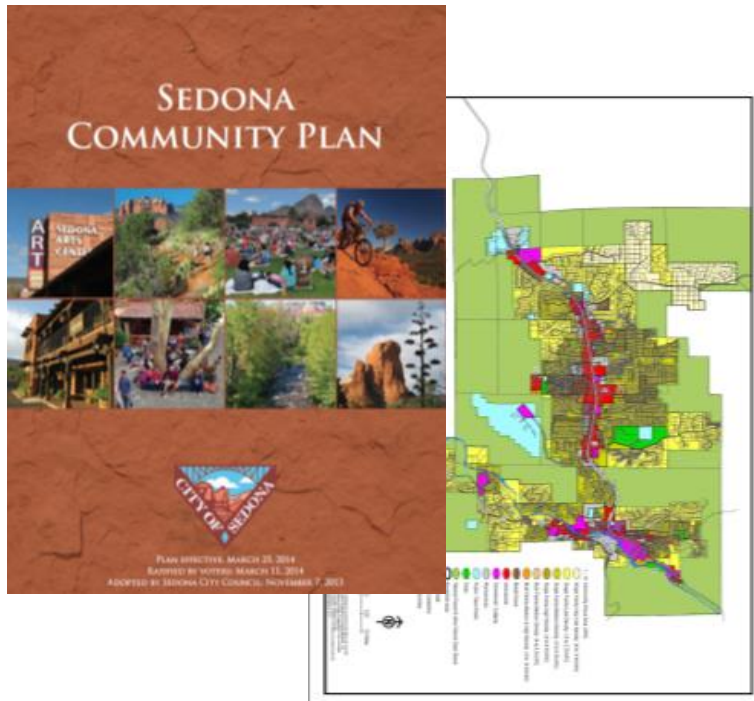
WHAT IS THE LAND USE CODE?

- A regulatory document, not a plan
- Rules for how property can be developed and used
 - Allowed land uses
 - Development quality standards
- Review and approval procedures for development applications

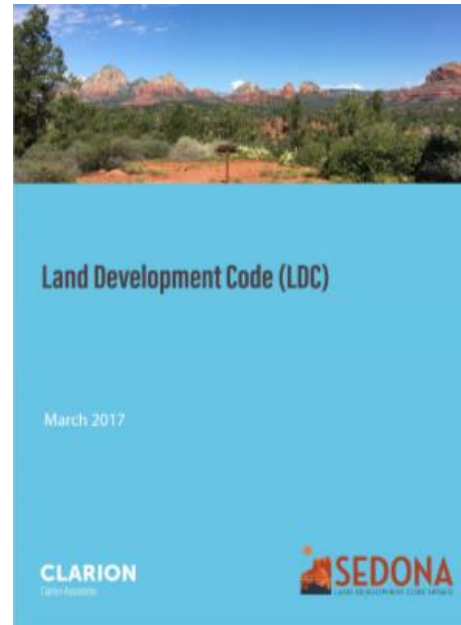


PROJECT GOALS

IMPLEMENT PLANS AND POLICIES



Clarion reviews key policies, actions, and strategies for growth and development



Clarion proposes zoning districts, development standards, and procedures to implement those policies, actions, and strategies

2.10. RM-3: High-Density Multifamily¹⁸

A. Purpose
The RM-3 district is intended to accommodate high-density multifamily residential uses, with limited single-family uses and dog-days. The RM-3 district may include limited community and educational uses and commercial or mixed-use zoning districts. This district can also serve as a transition between other multifamily and commercial or mixed-use zoning districts.

B. RM-3 Lot and Building Standards		C. Other Standards	
Lot standards		Use Standards	Use Standards
Minimum lot size	4,000 sq. ft.	Measurements and Exceptions	Section
Area coverage	80% min.	Use Specific Standards	Section
Density measurement	20 units/acre	Use Specific Parking	Section
Setback standards		Landmarking, Signage	Section
Front	25 feet (20'*)	Site and Building Design	Section
Side	8 feet (5')		
Rear	25 feet (5')	Notes	
Height	See 2.04.02	Notes	(1) Compliance with 2.04.02 and 2.04.03 only. Compliance with setback standards in this section.
Building height	See 2.04.02		
Impervious Coverage (Maximum)	40 percent (20'*)		
Building coverage	40 percent (20'*)		
Lot coverage	75 percent		

Figure 2-2: Contextual Setbacks

Article 2: Zoning Districts
2.24 Measurements and Exceptions | 2.24.D Setbacks

(7) Corner Lots
On corner lots, front setbacks shall be established along the shorter property line abutting a street. (See Figure 2-3.) The Director, at their sole discretion, may allow the front setback to be established along the longer property line in instances such as:
a. The building entrance is provided along the longer property line;
b. The building has multiple entrances; and/or
c. The longer property line is less than 20 percent longer than the shorter property line.
Figure 2-3: Corner Lots

(8) Corner Sight Distance
On any corner lot where a front and side setback are required, all development activity and site improvements shall comply with S.A.F. Visibility Triangles.

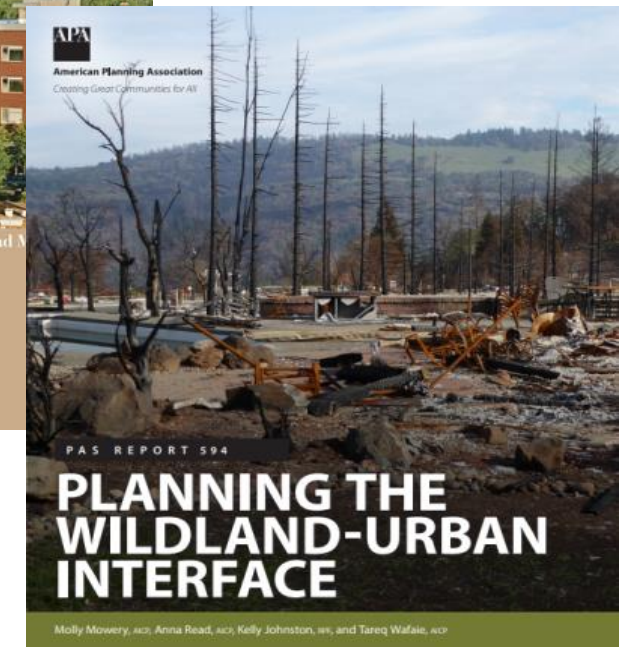
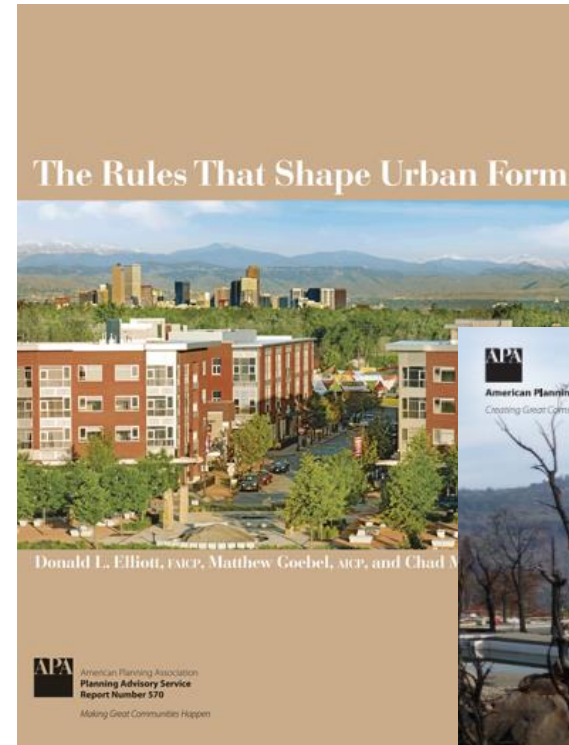
(9) Double-Frontage Lots
In the case of double-frontage lots, front setbacks shall be provided on all frontages. (See Figure 2-4.)

Sedona Land Development Code
December 2016

DRAW ON BEST PRACTICES

Clarion builds on national best practices and experience by:

- Analyzing land use issues and drafting codes (our core practice area)
- Authoring leading books, APA reports, and other publications
- Speaking regularly at national and state planning conferences



IMPROVE USER-FRIENDLINESS

2.10. RM-3: High-Density Multifamily³⁸

A. Purpose

The RM-3 district is intended to accommodate high-density multifamily residential uses, with limited single-family uses and duplexes. The RM-3 district may include limited community and educational uses and incidental or accessory uses. This district can also serve as a transition between other multifamily and commercial or mixed-use zoning districts.

B. RM-3 Lot and Building Standards

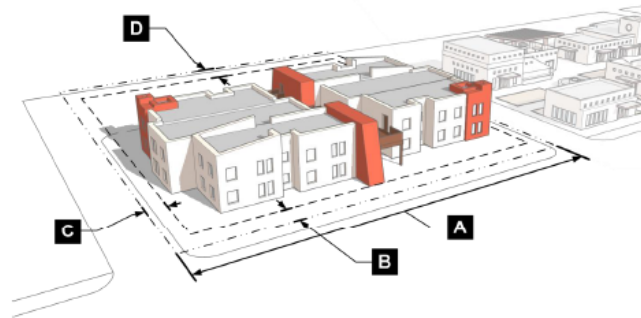
Lot Standards	
A	Width (minimum) 100 feet
	Area (minimum) 8,000 sq. ft.[1] ³⁹
	Density (maximum) 20 du/acre
Setbacks (minimum)	
B	Front 10 feet [2] ⁴⁰
C	Side [3]
D	Rear 20 feet [5]
Height	
	Building height See 2.23.D
Impervious Coverage (maximum)	
	Building coverage 40 percent [6] ⁴¹
	Total coverage 70 percent

C. Other Standards

Other Standards	Location in LDC
Measurements and Exceptions	Section 2.23
Use-Specific Standards	Section 3.3
Off-Street Parking	Section 5.5
Landscaping, Buffering	Section 5.6
Site and Building Design	Section 5.7

Notes:

- [1] Currently 21,780 sq. ft. (1/2 acre)
- [2] Currently 20 feet
- [3] Did not carry forward the side setback abutting a street, which is currently 15 feet.
- [4] Currently 10 feet
- [5] Currently 25 feet
- [6] Currently 25 percent

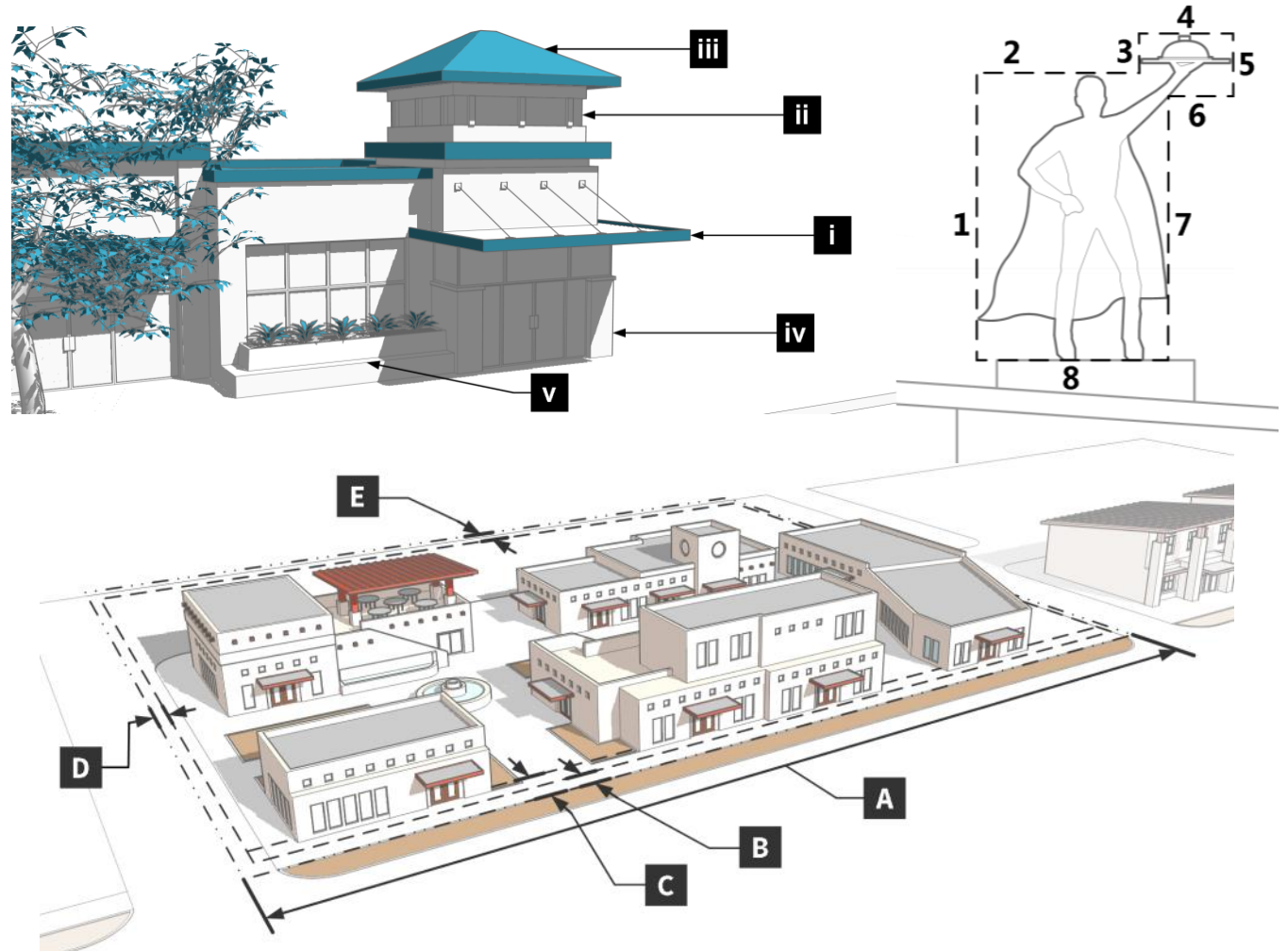


³⁸ This district is carried forward from the current RM-3 district.

³⁹ The current lot size requirement can act as a barrier to achieving higher densities than the lower intensity districts RM-1 and RM-2.

⁴⁰ A shallower setback will encourage more walkable and dense development in key areas throughout the city.

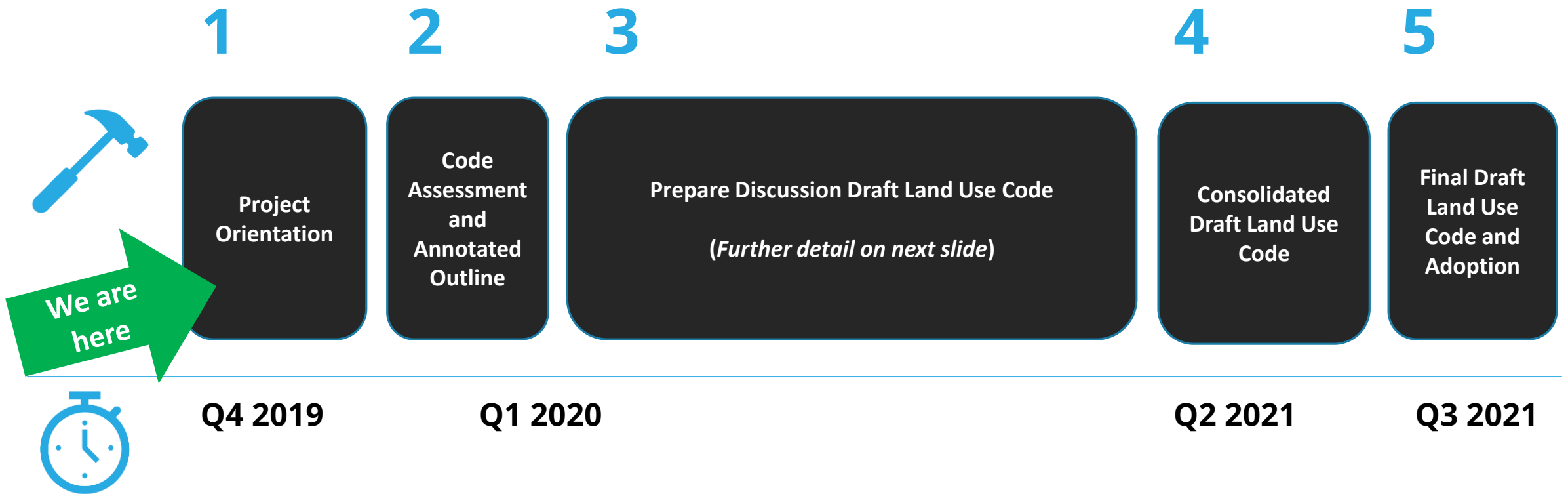
⁴¹ Revised to match the proposed limits in the RM-1 and RM-2 districts.



THE APPROACH FOR SALIDA



PROJECT SCOPE & TIMELINE



DRAFTING THE LAND USE CODE

FIRST - Draft LUC in Installments:



1. Staff draft
2. Public draft

THEN - Revise based on Feedback:

- Consolidated Draft
- Adoption Draft
- Adoption Hearings



1

Districts and Uses

What can I do with my property?
Where within the City?



2

Development Standards

How good does development
have to be?



3

Administration and Procedures

What are the procedures for
evaluating and approving
development?

ENGAGE THE PUBLIC

- **Advisory Committee**
 - Members of P&Z, City Council, and a wide range of stakeholders
 - Sounding board for draft materials
- **Educate all parties on the issue and the pros/cons of possible code approaches**
- **Engage at key project milestones**
 - Project orientation
 - Assessment and annotated outline
 - Public draft for each phase
- **Target key stakeholders and geographies**
 - Neighborhoods/planning areas
 - Development/business community



METHODS OF ENGAGEMENT

- **Project Website**

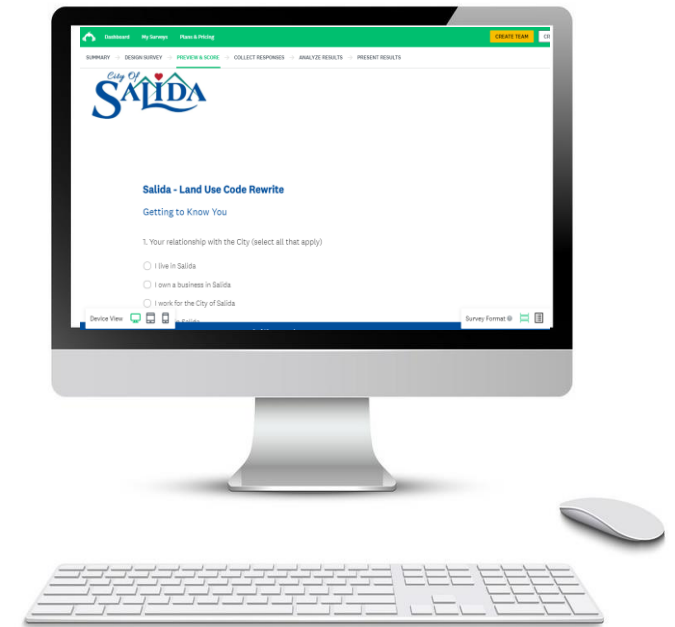
<https://cityofsalida.com/departments/community-development/>

- Access project materials
- Ask questions and provide feedback
- Sign up to receive updates
- View project calendar

- **In-person meetings and presentations**

- **Social media**

- **Surveys**

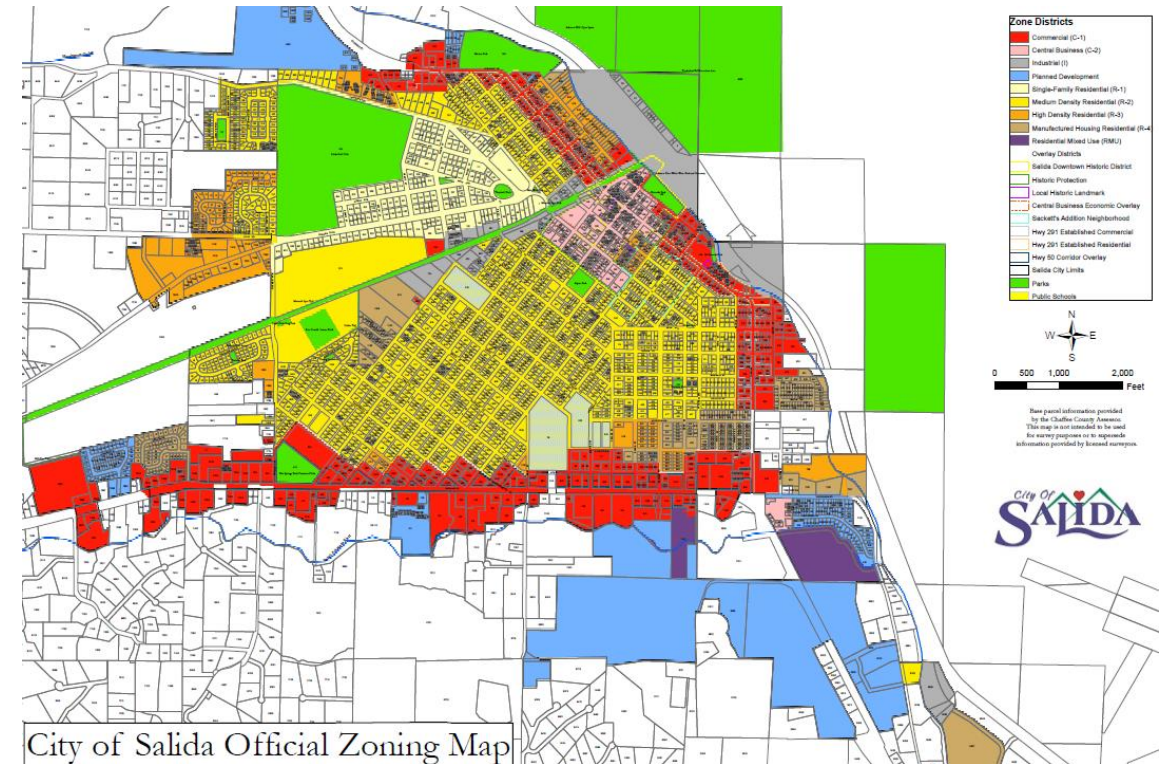


ZONING DISTRICTS & USES



ZONING DISTRICTS

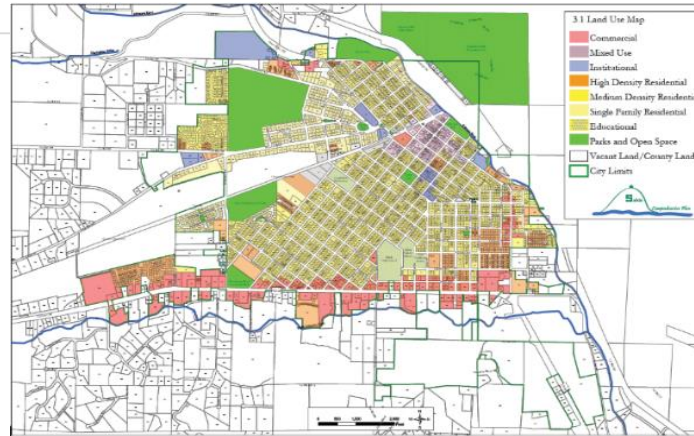
- R-1 Single-family residential
- R-2 Medium density residential
- R-3 High density residential
- R-4 Manufactured housing residential
- RMU Residential mixed use
- C-1 Commercial
- C-2 Central business
- I Industrial
- PD Planned development



- Are additional mixed-use districts needed?
- What about parks and open space?

IMPLEMENT CITY PLANS

The City of Salida 2013 Comprehensive Plan



"Provide options for local food production"

FUTURE 50
Re-Vision
Rainbow Boulevard

PROJECT REPORT:
A community vision and plan of action for the Highway 50 corridor

SALIDA

Adopted April 16, 2013



IMPROVE DISTRICT LAYOUT

(3) High-Density Residential (R-3). The purpose of the High-Density Residential (R-3) zone district is to provide for relatively high density duplex and multi-family residential areas, including primarily triplex, townhouse and apartment uses. Complementary land uses may also include such supporting land uses as parks, schools, churches, home occupations or day care, amongst other uses.

(4) Manufactured Housing Residential (R-4). The purpose of the Manufactured Housing Residential (R-4) zone district is to provide for relatively high density manufactured housing, mobile home residences and mobile home parks. Complementary land uses may also include such supporting land uses as parks, schools, churches, home occupations or day care, amongst other uses. (Ord. 03, 2002 §9-6-2; Ord. 2005-07 §1)

16-4-80. Commercial, business and industrial zone districts.

Specific uses that are permitted, conditional or not allowed are outlined in this Article, Table 16-D, Schedule of Uses. The general purposes of the commercial and industrial zone districts established within this Chapter are as follows:

(1) Residential Mixed Use (RMU). The purpose of the Residential Mixed Use (RMU) zone district is to provide for opportunities for an integration of residential and commercial uses that are developed and operated in harmony. The district should provide a variety of housing choices and promote pedestrian connections.

(2) Commercial (C-1). The purpose of the Commercial (C-1) zone district is to provide for commercial and service businesses in a pattern that allows ease of access by both vehicles and pedestrians. Typically, residential uses are conditional within a C-1 zone district. Areas designated Commercial (C-1) are located primarily along the City's main entrance corridors.

(3) Central Business (C-2). The purpose of the Central Business District (C-2) zone district is to provide for the business and civic functions that make up the City's core. The Central Business District (C-2) has a strong pedestrian character and provides for concentrated commercial activity. It contains a mix of business, commercial and residential uses, and serves the needs of the entire community and of visitors to the community.

(4) Industrial (I). The purpose of the Industrial (I) zone district is to provide for industrial activity, both general and light, and service businesses, in areas where conflicts with commercial, residential and other land uses can be minimized. Typically, residential uses are conditional within an I zone district.

16-4-90. Principal and accessory uses.

(a) The primary use of a lot is referred to as a "principal use" which may be a land use or a structure. Only one (1) principal use per lot is allowed in any zone district except for commercial and light industrial zone districts where residential and nonresidential uses and where different nonresidential uses may be allowed in the same building as specified in the zone district regulations. Only one (1) principal building and its customary accessory buildings may be erected on any single lot in a residential zone district unless approved through a Limited Impact Review.

(b) A structure or land use that is customary, incidental, and accessory to the principal use is referred to as an accessory use. Accessory uses must be located on the same lot as the principal use. A building for a garage or storage, a home occupation, fences, hedges, and walls are permitted accessory uses in any zone district, subject to any limitations listed in this Chapter.

2.5. RS-10: Single-Family Residential¹⁶

A. Purpose

The RS-10 district is intended to accommodate and preserve medium-density single-family residential uses with limited community and educational uses and incidental or accessory uses. This district can also serve as a transition between low- and medium-density single-family residential to higher-density residential zoning districts.

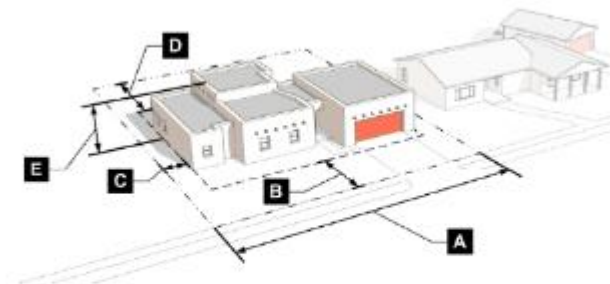
B. RS-10 Lot and Building Standards

Lot Standards (minimum)	
A Width	80 feet (1)
Area	10,000 sq ft. (2)
Setbacks (minimum) ⁽¹⁾	
B Front	20 feet
C Side	7 feet (3)
Side, abutting street	10 feet
D Rear	20 feet (4) ⁽⁵⁾
Height (maximum)	
E Building height	22 ft. (See Sec. 2.23)
Impervious Coverage (maximum)	
Building coverage	40 percent
Total coverage	60 percent

C. Other Standards

Other Standards	Location in LDC
Measurements and Exceptions	Section 2.23
Use Regulations	Article 3
Off-Street Parking	Section --
Landscaping	Section --

Notes:
 (1) Currently 30 feet in R5-12
 (2) Currently 12,000 sq ft. in R5-12
 (3) Currently 10 feet in R5-3B
 (4) Currently 25 feet in R5-12 and R5-18B



USE REGULATIONS

- The types of uses and activities allowed on a property.
- The process for approval of uses and activities.
- Standards that may apply to certain uses and activities.



USE REGULATIONS

When reviewing the use table:

- Is each use defined?
- Are any uses missing?
- Could uses be consolidated?
- Should a specific use be allowed more broadly?
- Should a specific use require public hearings?
- Are additional standards required?

TABLE 16-D Schedule of Uses									
N = Not Permitted P = Permitted AC = Administrative Conditional Use C = Conditional Use AR = Administrative Review LR = Limited Impact Review MR = Major Impact Review	R-1	R-2	R-3	R-4	RMU	C-2	C-1	I	Standards ¹
	Residential Uses								
Accessory buildings and structures.	P	P	P	P	P	P	P	P	
Multiple principal structures	N	LR	LR	LR	LR	LR	LR	LR	Sec. 16-4-190(b)
Accessory dwelling units	AR	AR	AR	AR	AR	AR	AR	AR	Sec. 16-4-190(c)
Duplex dwelling units	N	P	P	P	P	P	LR ³	LR ³	
Residential (3 - 4 units)	N	AR	AR	AR	AR	AR	AR ³	AR ³	
Residential (5 - 19 units)	N	LR	AR	AR	LR	AR	LR ³	LR ³	
Residential (20 or more units)	N	MR	MR	MR	MR	MR	MR ³	MR ³	
Single-family dwelling units	P	P	AR ³	AR ³	AR	AR	AR ³	AR ³	
Single Mobile Home	N ³	N ³	N ³	P	N ³	N ³	N ³	N ³	

DEVELOPMENT STANDARDS



DEVELOPMENT STANDARDS

The Development Standards address the quality of development, such as:

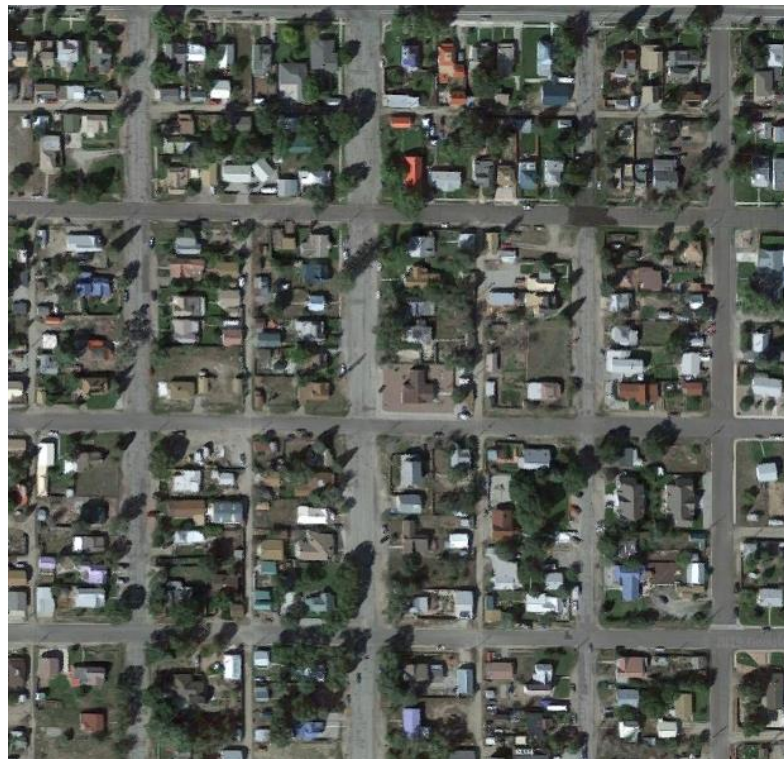
- Roads, driveways, and sidewalks
- Street trees
- Undergrounding utilities
- Stormwater management
- Grading and erosion control
- Off-street parking
- Landscaping
- Illumination (lighting)
- Fences
- Commercial design
- Signs



RECOGNIZE CONTEXT



Downtown



Neighborhood



Corridor

Determine if development and design standards should apply broadly, or if tailoring by use or context is necessary (e.g., along Hwy. 50 or downtown)

REVIEW PROCEDURES



REVIEW PROCEDURES

The Land Use Code describes procedures for review and evaluation of various application types:

- Rezoning
- Planned developments
- Subdivisions/lot line adjustments/vacations
- Administrative review
- Limited and major impact reviews
- Development permits
- Conditional use permits
- Annexations
- Historic preservation procedures
- Variances
- Appeals



An application is meant to highlight the requirements and procedures of the Land Use Code. With any development application, it is the responsibility of the applicant to read, understand, and follow all of the provisions of the Land Use Code.

1. PROCEDURE (Section 16-3-80)

A. Development Process (City Code Section 16-3-50) Any application for approval of a development permit shall include a written list of information which shall constitute the applicant's development plan, which shall be that information necessary to determine whether the proposed development complies with this Code. The development plan shall include the following, as further specified for each level of review on the pre-application checklist:

1. Pre-Application Conference (Limited Impact and Major Impact Review Applications)
2. Submit Application
4. Staff Review. Staff report or decision forwarded to the applicant (Administrative review)
5. Public Notice
6. Public Hearing with Planning Commission (Limited Impact and Major Impact Review Applications)
7. Public Notice
8. Hearing Conducted by City Council (Major Impact Review)

B. Application Contents (City Code Section 16-3-50)

1. A copy of a current survey or the duly approved and recorded subdivision plat covering the subject lots where the proposal is for development on previously subdivided or platted lots;
2. A brief written description of the proposed development signed by the applicant;
3. Special Fee and Cost Reimbursement Agreement completed.
4. Public Notice.
 - a) List. A list shall be submitted by the applicant to the city of adjoining property owners' names and addresses. A property owner is considered adjoining if it is within 175 feet of the subject property regardless of public ways. The list shall be created using the current Chaffee County tax records.
 - b) Postage Paid Envelopes. Each name on the list shall be written on a postage-paid envelope. Postage is required for up to one ounce. Return Address shall be: City of Salida, 448 E. First Street, Suite 112, Salida, CO 81201.
 - c) Applicant is responsible for posting the property and submittal of notarized affidavits for proof of posting the public notice.
5. Developments involving construction shall provide the following information:

REVIEW PROCEDURES

Article 8: Administration and Procedures
8.2 Summary Table of Review Procedures | 7.A.G. Required Improvements for Subdivisions04F

Table 8.1
Summary of Development Review Procedures

KEY: R = Review and Recommendation D = Review and Decision A = Appeal ✓ = Required < > = Public

Procedure	Code Reference	Notice		Pre-Application Conference	Review and Decision-Making				
		Published	Written		Staff	Historic Procs. Comm.	Planning & Zoning Comm.	City Council	
Development Permits									
Development Review	Minor 8.4	✓	✓	✓	D [1]				A
	Major 8.4	✓	✓	✓	R	< R > [2]	< D >		
Conditional Use Permit	8.4.B	✓	✓	✓	R	< R > [2]	< D >		
Single Family Residential Review	8.4.C				D				
Temporary Use Permit	8.4.D			✓ [2]	D				
Subdivision Procedures									
Preliminary Plat	8.5.A	✓	✓	✓	R				< R >
Final Plat	8.5.B				R				
Land Division or Consolidation	8.5.C				D				
Reversion to Acreage	8.5.E	✓	✓	✓	R				< R >
Ordinance Amendments									
Repeal	8.6.A	✓	✓	✓	R	< R > [2]	< D >		
Repeal to Planned Development (PD)	8.6.B	✓	✓	✓	R				< R >
Code Amendment (Text)	8.6.C	✓	✓	✓ [2]	R				< R >
Historic Preservation Procedures									
Historic Landmark Designation	8.7.A	✓	✓	✓	R	< D >			
Historic District Designation	8.7.C	✓	✓	✓	R	< R >	< R >		
Certificate of Appropriateness	8.7.D	✓	✓	✓	R	< D >			
Certificate of No Effect	8.7.D				D [2]				
Flexibility and Relief									
Variances									
Minor Modification	8			✓	R				As required for associated appeal
Appeal	8.8.C	✓	✓	✓					As addressed in table above
Special Exception	8.8.D	✓	✓	✓	R				

Notes:
 [1] The Director may refer minor development review applications to the Planning and Zoning Commission.
 [2] A pre-application conference is required for some types of temporary use permit applications; see 8.4.D.
 [3] Applies only in historic districts or for designated historic properties.
 [4] Pre-application meetings are required only for text amendments proposed by an applicant, not staff.
 [5] LPC Chair (or designee) and Staff make the determination regarding a Certificate of No Effect.

Sedona Land Development Code
Adoption Draft - July 2016

Article 8: Administration and Procedures
8.3 Common Review Procedures | 8.3.A. General

8.3. Common Review Procedures

Commentary
Common review procedures are new to Sedona. Although the current development code has a good organizational framework for procedures, a lot of the information is repeated for each application procedure. For the Analytic report, these common review procedures consolidate general steps that are applicable to multiple development application types. The application-specific procedures then refer back to these common review procedures and note any modifications or additions.

A. General
This section describes the standard procedures and rules, applicable to all development applications, unless otherwise stated in this Code. Common review procedures include seven steps, as shown below in Figure 8-1: Common Review Procedures, not all of which are applicable to every development application. Application-specific procedures in sections 8.4 through 8.8 identify additional procedures and rules beyond those in this section.

Figure 8-1: Common Review Procedures

1	2	3	4	5	6	7
Pre-Application Meeting	Application Submitted and Handling	Citizen Review Process	Staff Review and Action	Scheduling and Notice of Public Meetings	Review and Decision	Post-Decision Actions

B. Pre-Application Meeting⁶¹⁰

[1] Purpose
The pre-application meeting is intended to provide an opportunity for the applicant to meet with City staff to review applicable submittal requirements and review procedures associated with the proposed development concept.

[2] When Required
A pre-application meeting is required according to Table 8.1, Summary Table of Review Procedures.

⁶¹⁰ New. This common procedure for pre-application conferences replaces and consolidates those currently found in multiple individual procedures, including existing conditional use development review, and others. The name is changed from the current "pre-application consultation."

Sedona Land Development Code
Adoption Draft - July 2016

For each:

- Evaluate thresholds for various types of review
- Clarify the procedures
- Establish objective criteria

NEXT STEPS

Take the Survey! Submit by January 6th

<https://cityofsalida.com/departments/community-development/>

Code Assessment:

- Detailed review of current Land Use Code
- Summary of recommendations – roadmap moving forward
- Will address feedback from kickoff meetings and survey
- Will be presented to the public in Q1 2020

THANK YOU

**CLARION**

Matt Goebel, AICP

mgoebel@clarionassociates.com

Tareq Wafaie, AICP

twafaie@clarionassociates.com





CITY COUNCIL WORK SESSION

MEETING DATE: December 2, 2019
AGENDA ITEM: 2020 Budget Summary and Final Changes
FROM: Aimee Tihonovich, Finance Director

Council and staff have been hard at work on the budget. A PowerPoint presentation will be made which summarizes the 2020 budget, you will have an opportunity to suggest changes and will perhaps want to repeat the presentation at the December 3 regular meeting prior to the continued budget hearing. The budget is slated for adoption at the December 3 meeting.

The attached spreadsheet summarizes the changes that have been made to the original draft budget put together by staff. Lines 13-22 of the spreadsheet are “housekeeping” changes made to the budget since we last met. The blue and green shaded “subtotal” columns correspond to the grouping of funds done in our previous discussions, for this final work session I thought it would be best to show more detail of the funds.

Please be prepared to discuss any final questions/concerns at the work session.

Thank you for your time and attention during this process!

City of Salida
Summary of Changes in Budget from October 15 Draft

Bottom line impacts shown (numbers in brackets represent a net USE of resources)

	<u>General</u>	<u>Arts & Culture</u>	<u>Conservation Trust</u>	<u>Streets</u>	<u>Capital Improvement</u>	<u>Economic Development</u>	<u>Lodging</u>	<u>Subtotal</u>	<u>Water</u>	<u>Wastewater</u>	<u>Subtotal</u>	<u>Housing (NEW)</u>
1 October 15 Draft Proposed budget bottom line	\$ (647,410)	\$ (311,600)	\$ -	\$ 19,700	\$ (1,525,300)	\$ -	\$ 540,000	\$ (1,924,610)	\$ (247,700)	\$ (647,020)	\$ (894,720)	\$ -
2 October 14 worksession changes:								-			-	
3 Remove proposed lodging tax increase, transfer consultant cost to general fund	(8,000)						(120,000)	(128,000)			-	
4 Utilize Economic Development reserves for housing projects contingency						(130,100)		(130,100)			-	
5 Various staff budget refinements	33,500				60,000			93,500			-	
6 November 4 worksession changes:								-			-	
7 Lower firehouse feasibility study costs from \$150K to \$75K	75,000							75,000			-	
8 Added the cost to digitize historical documents to the proposed imaging contract	(17,000)							(17,000)			-	
9 Added the requested match for an outdoor ice skating rink					(45,000)			(45,000)			-	
10 Added the use of CTF reserves to help replace aging clay pipelines serving the hot springs water delivery to the pool			(220,000)					(220,000)			-	
11 November 18 worksession change								-			-	
12 Increased water rates by 3% and Wastewater rates by 4.5%								-	49,800	56,000	105,800	
13 December 2 worksession staff requested changes:								-			-	
14 Roll over 2019 budget for tile replacement at the pool, this project is important and needs to be accomplished to prevent mold problems at the pool.					(160,000)			(160,000)			-	
15 Beginning in 2020, we can expect to see "Inclusionary Housing Fee in Lieu" revenues. These fees will be deposited into a new "Housing Fund". There is no spending anticipated for 2020.								-			-	50,000
16 Add cost for Employers Council to review staff pay and compensation policy	(15,000)							(15,000)			-	
17 CDOT has agreed to increase snow plowing support				13,000				13,000			-	

City of Salida
Summary of Changes in Budget from October 15 Draft

Bottom line impacts shown (numbers in brackets represent a net USE of resources)

	<u>General</u>	<u>Arts & Culture</u>	<u>Conservation Trust</u>	<u>Streets</u>	<u>Capital Improvement</u>	<u>Economic Development</u>	<u>Lodging</u>	<u>Subtotal</u>	<u>Water</u>	<u>Wastewater</u>	<u>Subtotal</u>	<u>Housing (NEW)</u>
18						10,000		10,000			-	
19	(10,000)							(10,000)			-	
20						(5,000)		(5,000)			-	
21						(5,000)		(5,000)			-	
22	(90,390)	(19,800)		(2,200)				(112,390)	(8,700)	(2,180)	(10,880)	
23	\$ (679,300)	\$ (331,400)	\$ (220,000)	\$ 30,500	\$ (1,670,300)	\$ (130,100)	\$ 420,000	\$ (2,580,600)	\$ (206,600)	\$ (593,200)	\$ (799,800)	\$ 50,000
24	(1,581,700)	331,400			1,670,300		(420,000)	-			-	
25	\$ (2,261,000)	\$ -	\$ (220,000)	\$ 30,500	\$ -	\$ (130,100)	\$ -	\$ (2,580,600)	\$ (206,600)	\$ (593,200)	\$ (799,800)	\$ 50,000
26	5,845,500	-	220,800	191,900	-	138,400	-	6,396,600	3,693,800	1,596,000	5,289,800	
27	3,584,500	-	800	222,400	-	8,300	-	3,816,000	3,487,200	1,002,800	4,490,000	50,000
28	Revenue and Expense Recap for 2020 Budget											
29	8,269,700	765,900	61,200	2,888,200	3,075,000	136,200	420,000	15,616,200	4,064,600	1,927,000	5,991,600	50,000
30	(10,530,700)	(765,900)	(281,200)	(2,857,700)	(3,075,000)	(266,300)	(420,000)	(18,196,800)	(4,271,200)	(2,520,200)	(6,791,400)	-
31	\$ (2,261,000)	\$ -	\$ (220,000)	\$ 30,500	\$ -	\$ (130,100)	\$ -	\$ (2,580,600)	\$ (206,600)	\$ (593,200)	\$ (799,800)	\$ 50,000



2020 Budget

Summary of 2020 Budget Process

- Early 2019 – Council retreat held to develop priorities
- October 7 – Proposed Draft Budget presented to Council
- October 15 – Budget available for public inspection
- Budget Work Sessions Held – October 14, November 4, 18, December 2
- Public Hearing held – November 19, continued December 3
- Budget adoption slated for December 3

Government Funds Overview

The numbers – Government Funds

Current Estimated Revenues

Fund	2020 Estimate
General Fund	\$8,269,700
Arts & Culture	\$765,900
Conservation Trust	\$61,200
Streets	\$2,888,200
Capital Improvement	\$3,075,000
Economic Dev't	\$136,200
Lodging Tax	\$420,000
Housing	\$50,000
Total	\$15,666,200

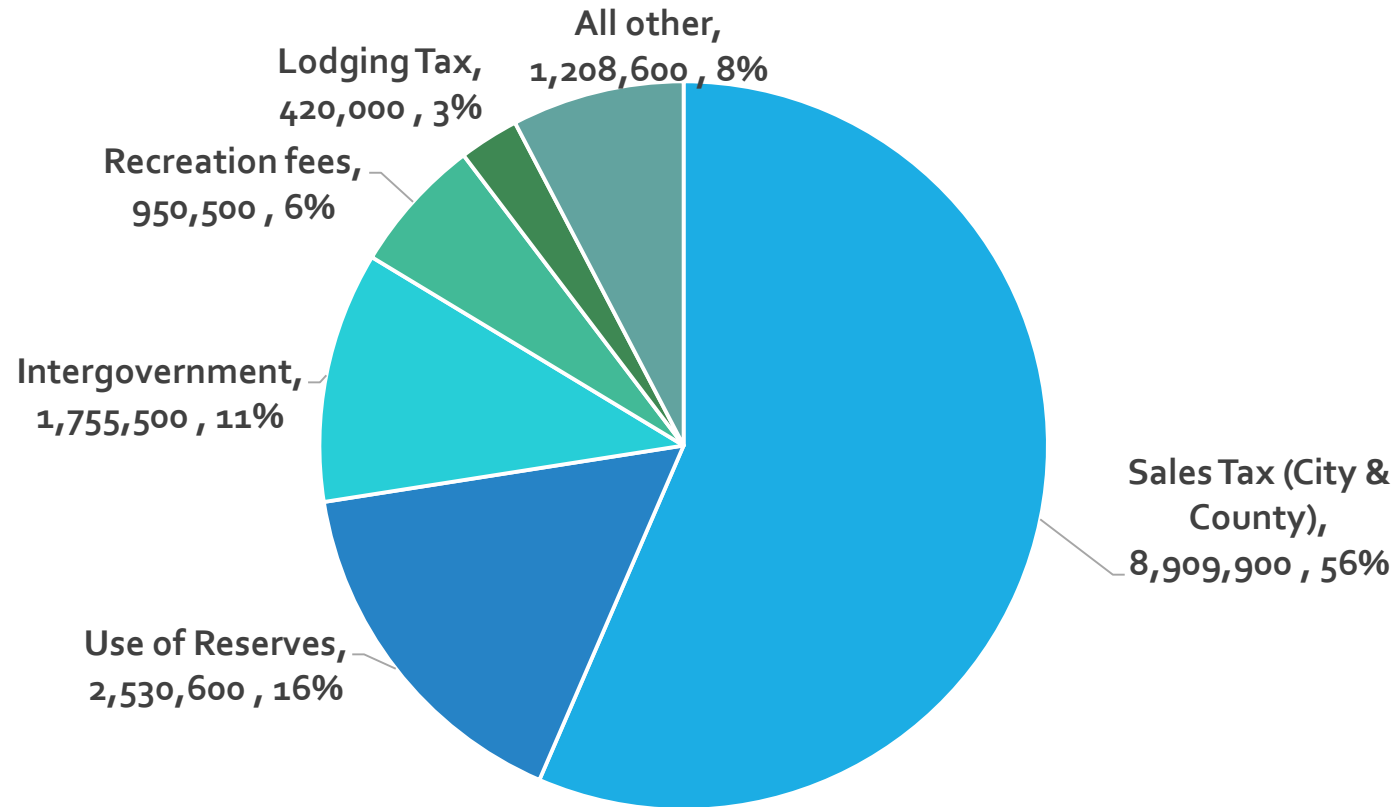
Estimated Expenses

Fund	2020 Estimate
General Fund	\$10,530,700
Arts & Culture	\$765,900
Conservation Trust	\$281,200
Streets	\$2,857,700
Capital Improvement	\$3,075,000
Economic Dev't	\$266,300
Lodging Tax	\$420,000
Housing	\$0
Total	\$18,196,800

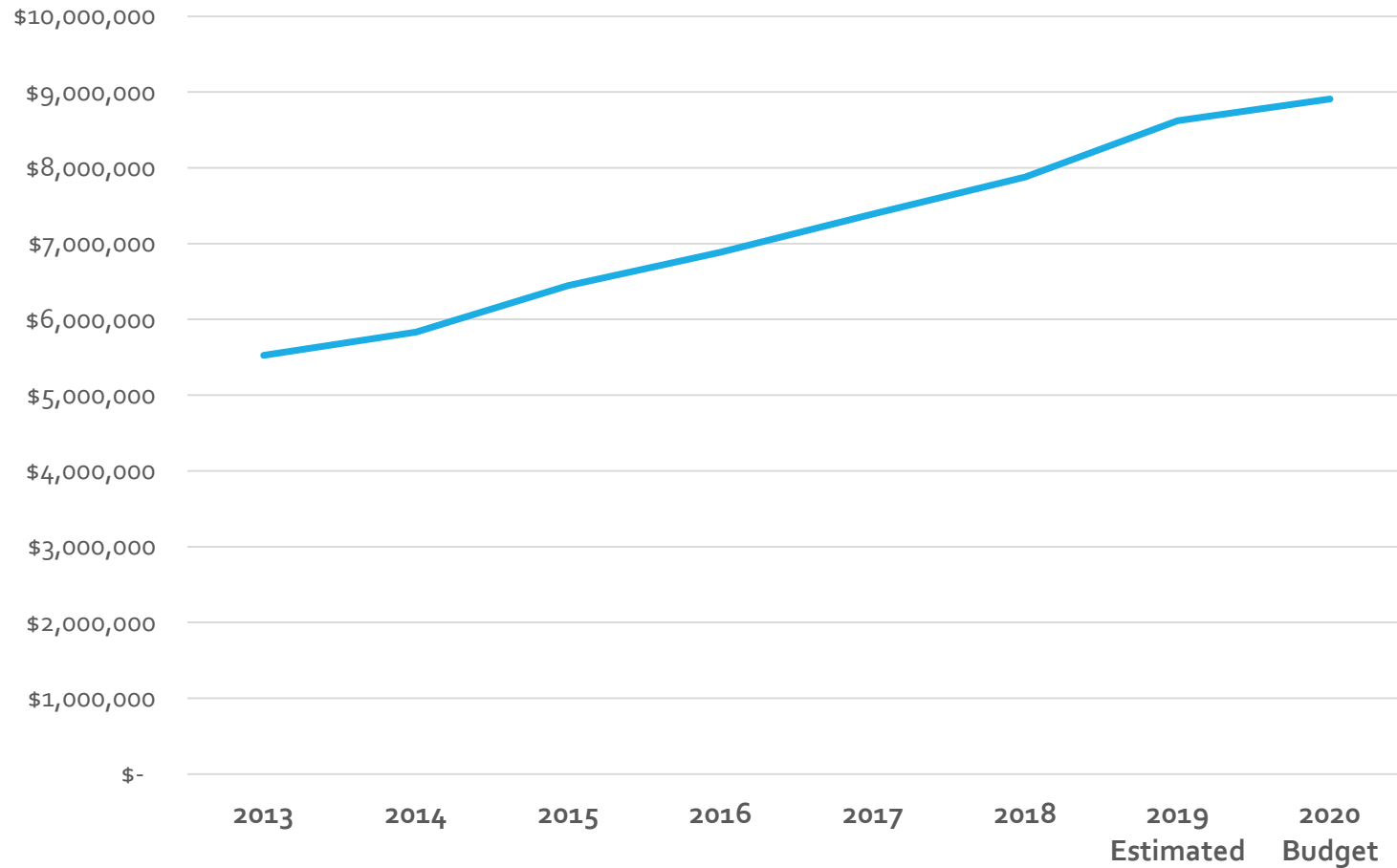
Key Assumptions-Government Funds

- Sales tax remains strong, budget anticipates 3% growth.
- Several key projects are dependent on receiving matching funds (i.e. grants)
- Sustainable use of available reserves applied to 2020 spending
 - Reserves will not go toward operations
 - Significant amount of projects planned
- Significant initiatives planned to be implemented
 - Several “quality of life” improvement projects
 - Planning for future growth
 - Assistance provided for low income housing
 - Tools for improved transparency
 - Support City staff

Government Funds Revenue



Sales (City & County) Tax Revenue Trend



Available Reserves Analysis

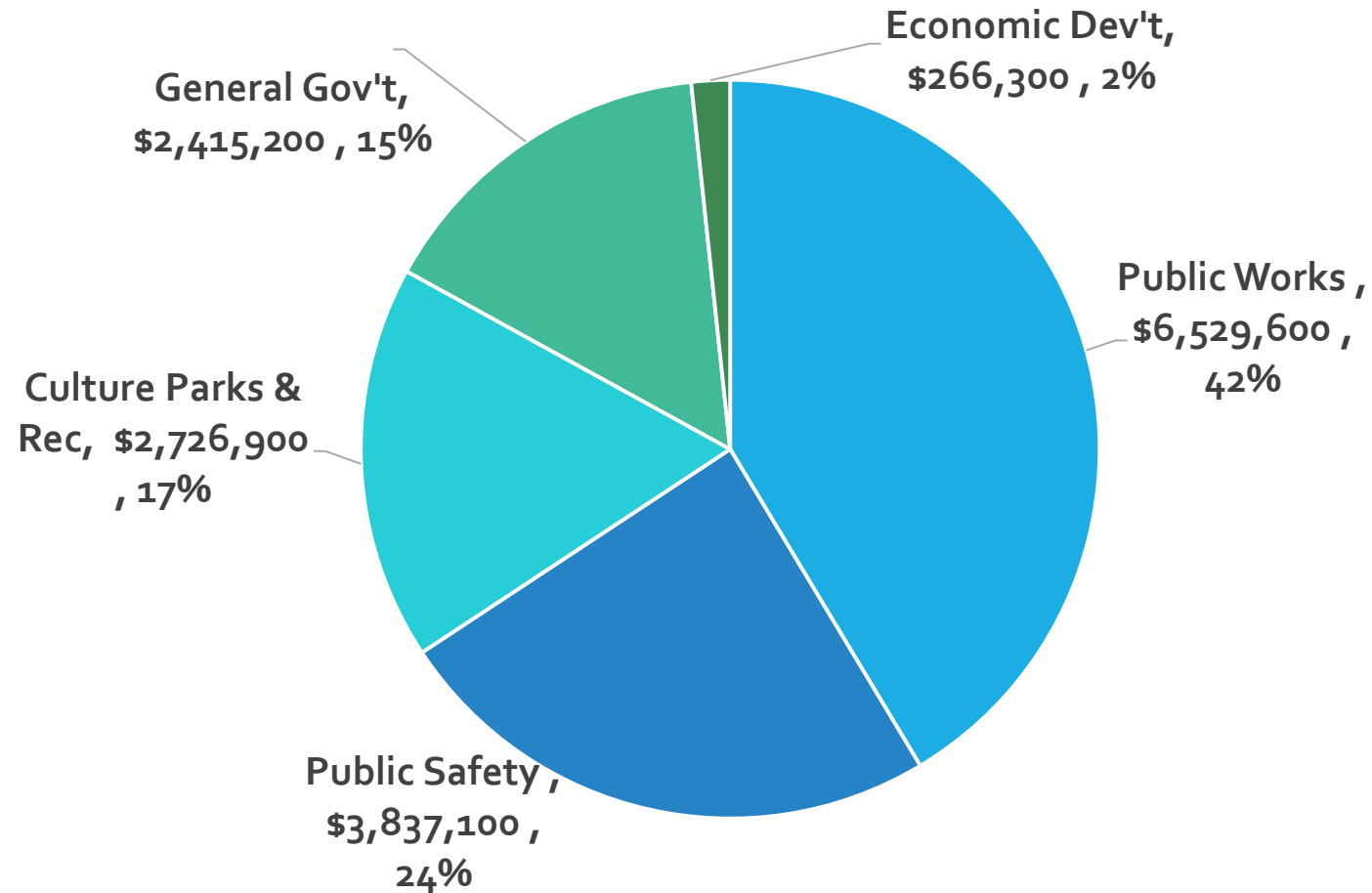
Projected Fund Balance available for 2020 Budget	\$ 6,396,600
2020 Use of Fund Balance	<u>\$ (2,530,600)</u>
Projected available Fund Balance at end of 2020	<u><u>\$ 3,866,000</u></u>
2020 Operating Expenses	\$ 9,914,500
Fund Balance Coverage	39%
<i>(approximately 4.7 months coverage)</i>	

\$2.5 million use of reserves

Spending Description	\$
Soaking Pools	\$960,000
SkatePark (net City Cost)	\$400,000
Splashpad	\$225,000
Entryway at 291/50 (Future 50 project)	\$300,000
Use of accumulated CTF Funds	\$220,000
Use of Econ Dev't accumulated funds-housing	\$135,000
Sidewalk & curb (mostly Future 50)	\$250,000
Various one time work projects (Firehouse feasibility study, Vandaveer site analysis, Digitize vital records, financial mgt plan, Market pay study	\$288,100
Caboose Restoration (net City cost)	\$50,000
Natural Ice Rink (net City Cost)	\$45,000
TOTAL	\$2,873,100

Expense breakdown by Spending Group

(Excludes interfund transfers)



Utility Funds Overview

The numbers – Water & Sewer

Current Estimated Revenues

Fund	2020 Estimate
Water	\$4,064,600
Wastewater (Sewer)	\$1,927,000
Total	\$5,991,600

Estimated Expenses

Fund	2020 Estimate
Water	\$4,271,200
Wastewater (Sewer)	\$2,520,200
Total	\$6,791,400

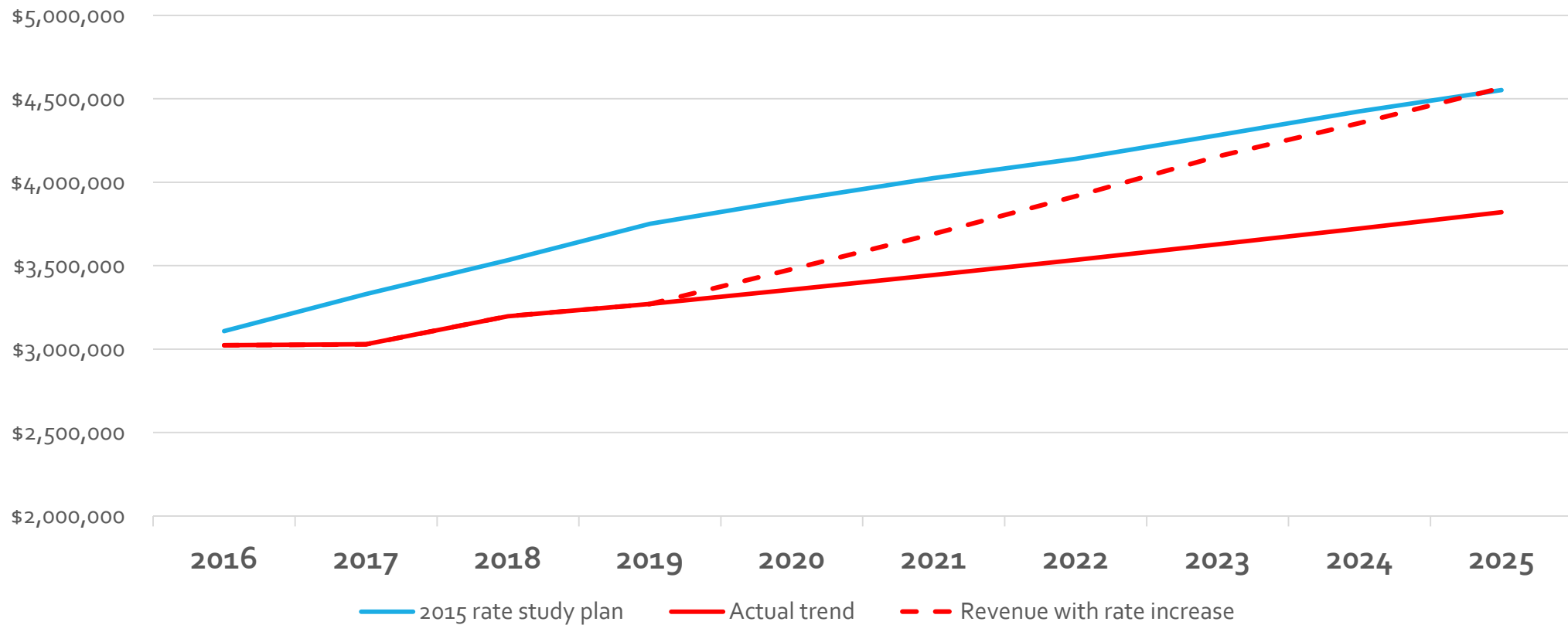
Enterprise Fund Definition

The Water and Wastewater funds are enterprise funds. By definition, they are self-supporting funds that sell services to the public for a fee. These funds use the same accounting framework followed by entities in the private sector. Taxes cannot supplement the operations, the revenues need to sustain the operations for all needs now and in the future.

Water & Sewer Key Budget Issues

- Replacement of gallery transmission line, SRF funding anticipated.
- Jet/vac sewer cleaning truck purchase.
- Rate increases are anticipated for Water & Sewer
 - Recommendations of 2015 water/sewer rate study were not implemented.
 - The 2015 study recommended water rate increases of 5% in 2016, 5% in 2017 and 3% in 2018 while the study recommended sewer rate increases of 9% in 2016, 8% in 2017 and 8% in 2018.
 - The current proposed increase of 3% for water and 4.5% for sewer does not fund the gap that has been created by the delay, but growth and development have provided some of the “lost” funds.
 - A new rate study is planned for 2020 which will likely change our targets.
 - It takes time to amass sufficient funds to deal with major replacements and repairs.

Actual revenue vs rate study recommended



Average Residential Bill Breakdown

(Based on 20,000 gallons/mo usage)

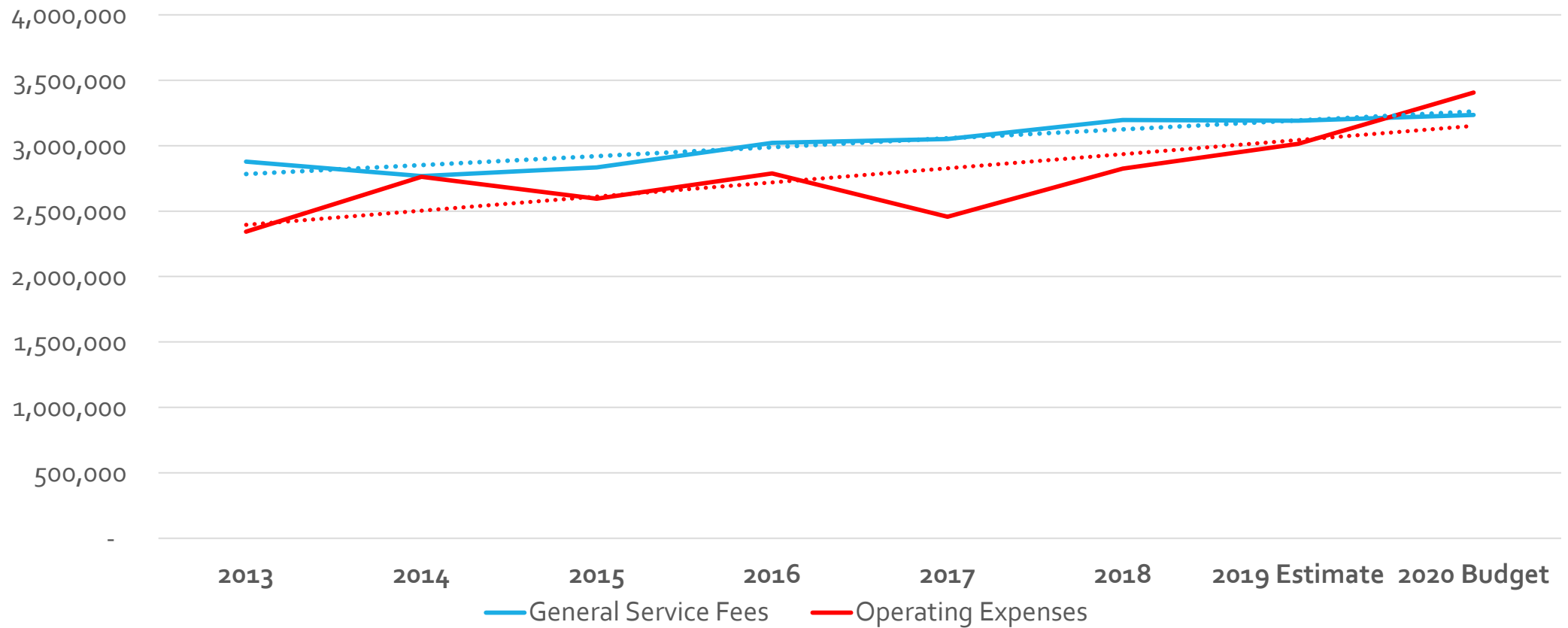
	Current Rate	2020 Increase	% Increase
Sewer Service	\$18.96	\$0.85	4.5%
Sewer Usage	\$6.25	\$0.28	4.5%
Water Maintenance	\$6.28	\$0.19	3.0%
Water Service	\$18.11	\$0.54	3.0%
Water usage	\$33.54	\$1.01	3.0%
TOTAL	\$83.14	\$2.87	3.5%

Inflation measures

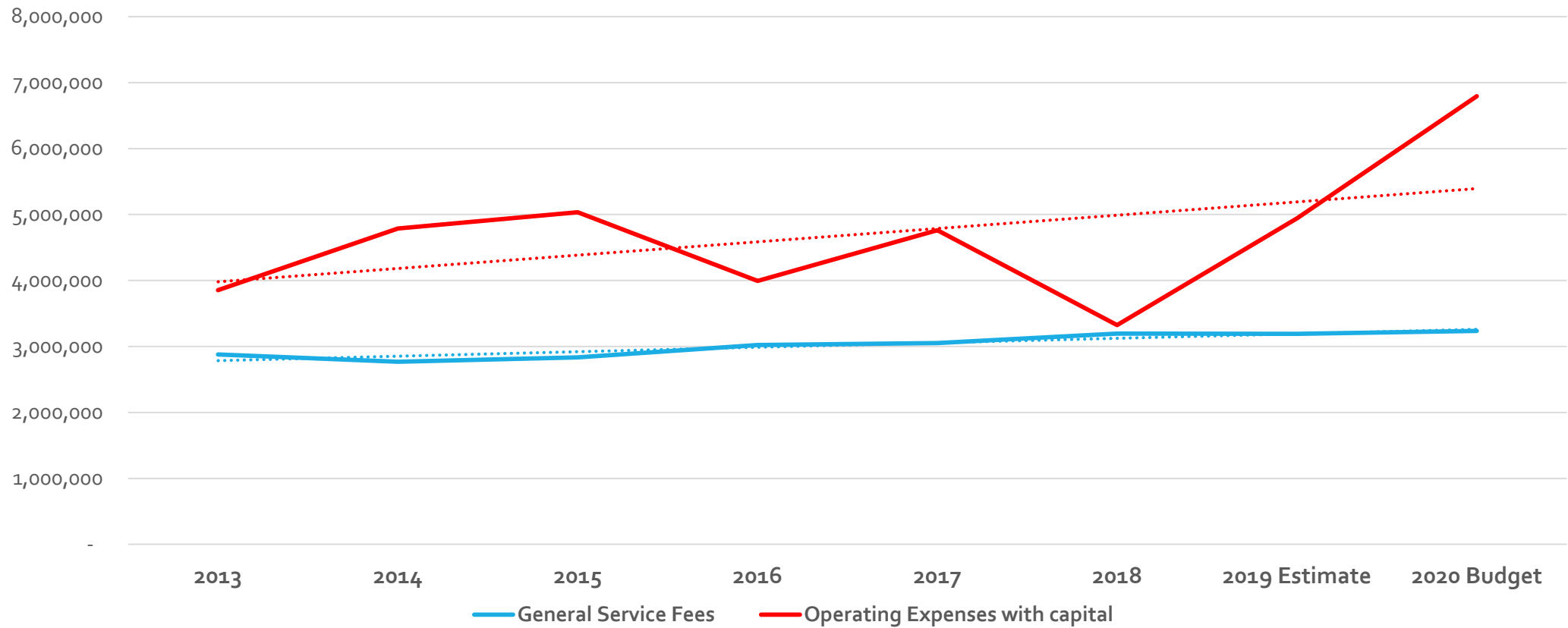
(% change in the US Bureau of Labor Statistics Consumer Price Index (CPI) for Denver-Aurora-Lakewood)

Year	CPI Value	% Change
2015	239.990	1.176%
2016	256.643	2.772%
2017	254.995	3.386%
2018	261.958	2.731%
2019 PROJECTED		1.7%

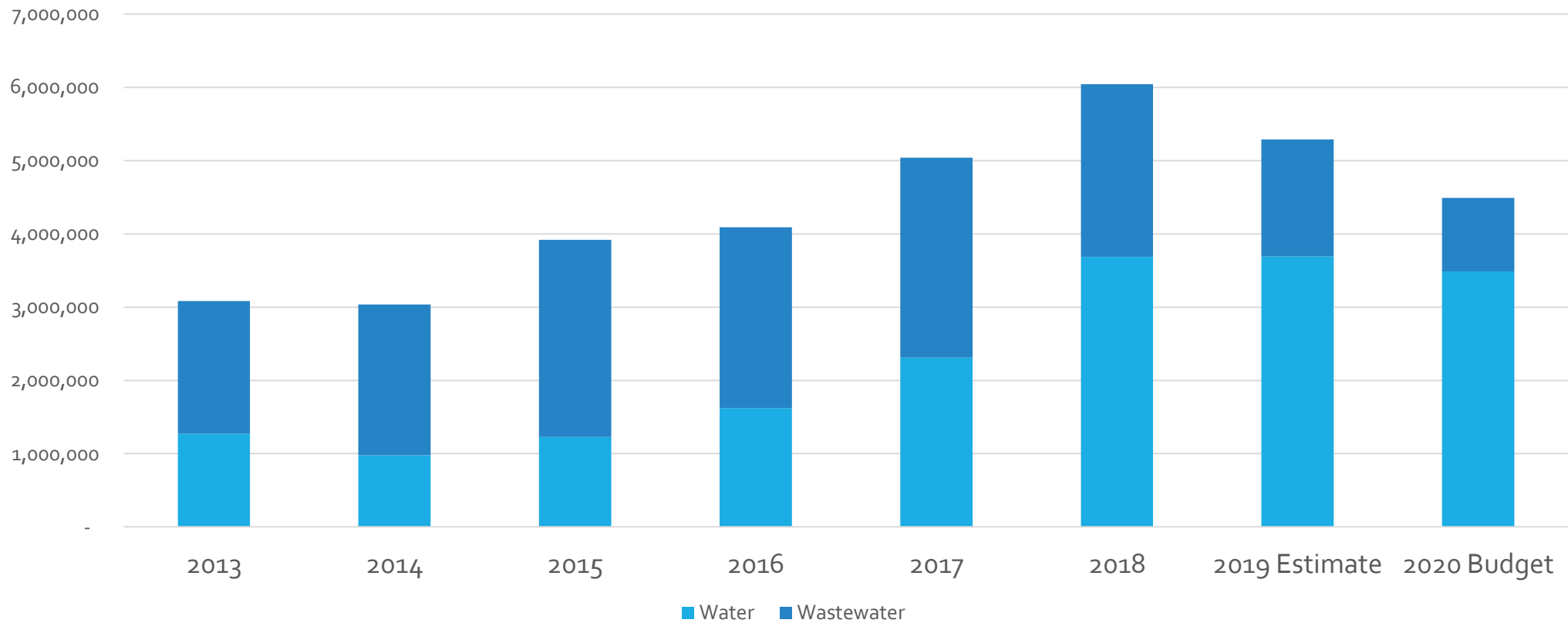
General Service Fees vs Operating Expense Trend – Water & Sewer



General Service Fees vs Operating to Include Capital Maintenance



Available Fund Balance Trend Water/Wastewater



Available Fund Balance-Water & Wastewater Funds

Estimated Fund Balance available for 2020	\$5,289,864
Use of Fund Balance during 2020	<u>\$ (799,800)</u>
Estimated available Fund Balance at end of 2020	<u><u>\$4,490,064</u></u>
Historical cost value of plants	<u><u>\$42,072,923</u></u>