



# CITY COUNCIL WORK SESSION

448 E. 1st Street, Room 190 Salida, Colorado 81201

June 05, 2023 - 6:00 PM

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## AGENDA

Please register for the City Council Work Session

<https://attendee.gotowebinar.com/register/8054749917914710285>

After registering, you will receive a confirmation email containing information about joining the webinar.

## DISCUSSION ITEMS

- [1.](#) Ehler's Financial Management Plan Presentation
- [2.](#) Fire Station Discussion



# Salida Financial Management Plan Update

City Council Work Session

June 5, 2023

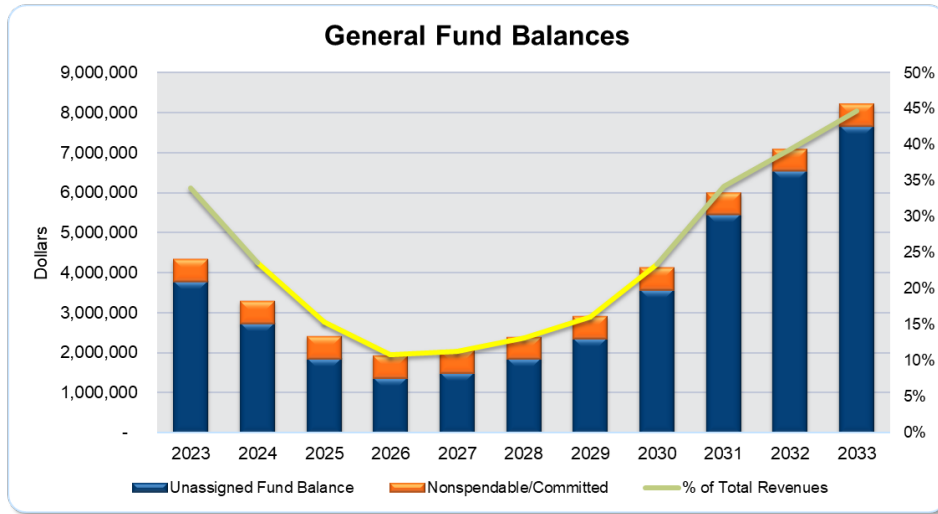
# Financial Management Plan Update

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Item 1.

- Update existing 10-year financial plan for major funds
  - ✓ General Fund
  - ✓ Capital Improvement Fund
- Goals
  - ✓ Review and update financial and other assumptions
  - ✓ Adapt Financial Plan to changing circumstances

# General Fund



**Note:** Current City Fund Balance policy is 28% of revenues. Projections show unassigned fund balance falls below policy from 2024 – 2030.

## Decrease in fund balance through 2026 due to:

- **\$1.5M** transfers to Capital Improvement Fund over 5 years
  - ✓ To be “repaid” 2030 - 2031
- Planned use of fund balance in 2023

## Projections include:

- Sales Tax Revenues Due to New Development
  - ✓ Ave of **138** Res Units/Year
  - ✓ Ave of **38,000** sf of Commercial/Year
- In 2024:
  - ✓ **\$265k** Market Pay Adj.
- ✓ In 2029:
  - ✓ **\$180k** for Additional Staff

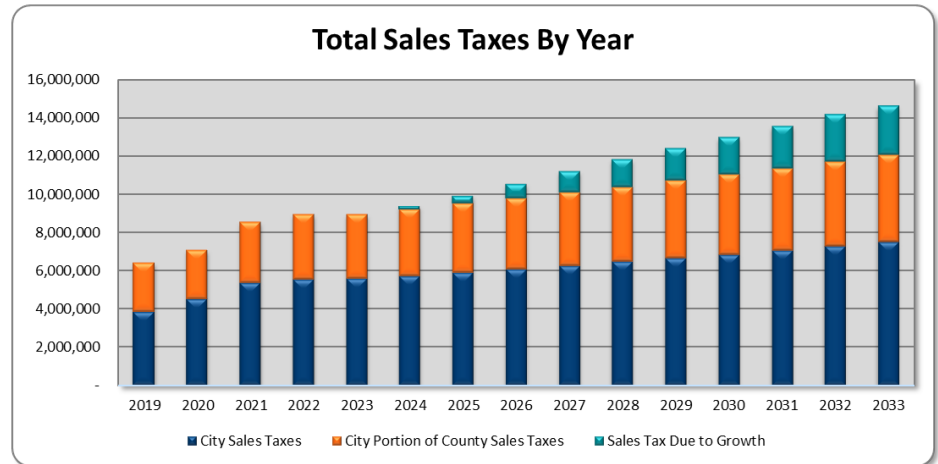
# Sales Tax Revenues

## Historical Increases 2019 - 2021

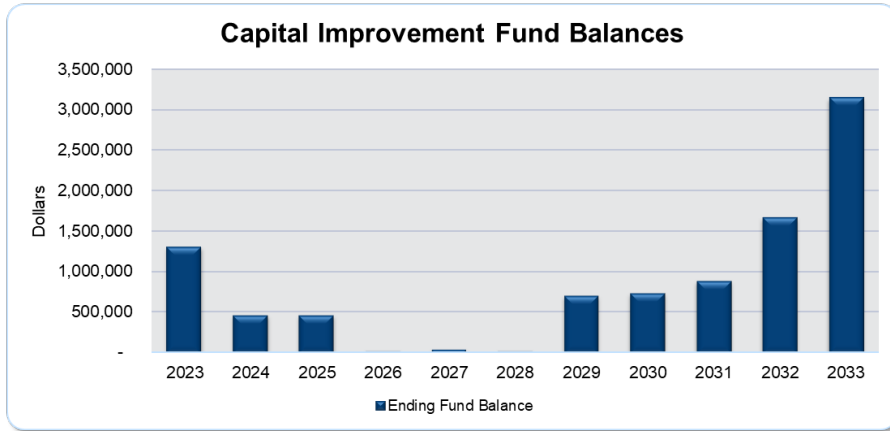
- 15.07% increase in 2020
- 20.37% increase in 2021
- 2.26% increase in 2022

## Projections include:

- 2.26% Increase in Existing Sales Tax Revenues in 2023; 3.00%/year thereafter
- Sales Tax Due to Growth
  - ✓ Avg of \$440k/Year



# Capital Improvement Fund



## Highlights

### 1. Bonding:

- \$16.6M in 2023
- \$6.2M in 2027
- \$3.0M in 2028
- \$10.0M in 2029

### 2. \$1.5M Transfers From General Fund

- \$400k in 2024
- \$400k in 2025
- \$425k in 2026
- \$100k in 2027
- \$175k in 2028

### 3. Additional Half Cent Sales Tax

- Projected to start in 2027 to pay for complex & rec center

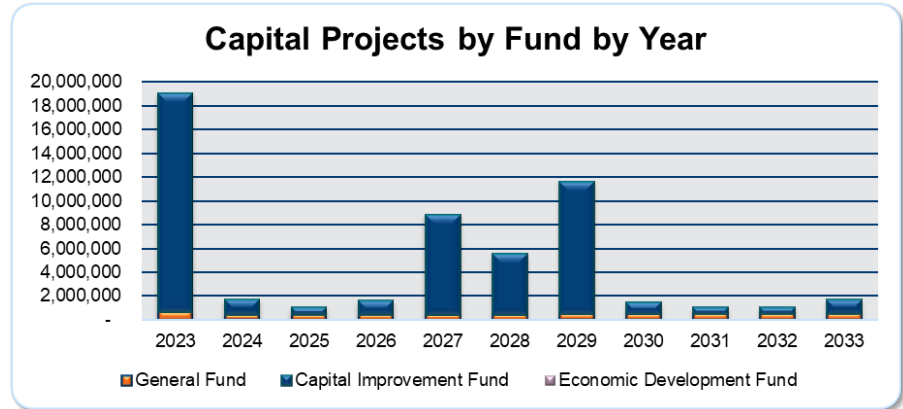
# Capital Improvement Fund

Item 1.

Capital Projects	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>PROJECT COSTS BY FUND</b>											
General Fund	697,900	424,004	436,724	449,825	463,320	477,220	491,537	506,284	521,473	537,117	553,231
Capital Improvement Fund	18,307,000	1,218,000	566,624	1,097,963	8,331,704	5,009,371	11,098,450	943,368	506,922	506,922	1,086,220
Economic Development Fund	-	-	-	-	-	-	-	-	-	-	-
<b>Total Project Costs</b>	<b>19,004,900</b>	<b>1,642,004</b>	<b>1,003,348</b>	<b>1,547,788</b>	<b>8,795,024</b>	<b>5,486,591</b>	<b>11,589,987</b>	<b>1,449,652</b>	<b>1,028,395</b>	<b>1,044,039</b>	<b>1,639,451</b>

## Major Projects

1. 2023
  - \$16.6M for Fire Station Replacement
2. 2027
  - \$4.3M for Sports Complex
  - \$1.5M for Tower 11 Sutphen
3. 2028
  - \$3.2M for Golf Course Upgrades
4. 2029
  - \$9.5M for Recreation Center



# In Conclusion

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Item 1.

- Capital Projects More Expensive
  - ✓ Total projects **\$13.6M** more than last update in 2021
    - **\$8.1M** increase in Fire Station Replacement costs
    - **\$3.0M** for Golf Course Upgrades
  - ✓ Projections are dependent on future development
    - Sales tax due to growth of **\$14.8M** over 10 years to General Fund
    - Approx. **\$203/month/Residential unit**





# Important Disclosures

Item 1.

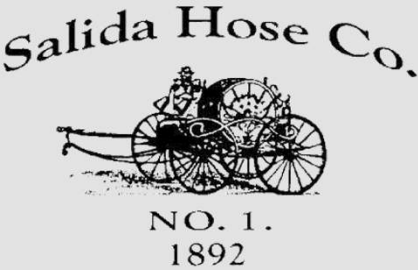
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# Salida Fire Station



# Project Context July 2022

- Current and future needs for fire department
- Enhances the health & well-being of firefighters
- Functions with current & future fire apparatus
- Enhancement of employee retention & recruitment
- Onsite training for situational preparedness
- Efficient with space
- Architecture – Modern with respect to history
- Effective use of taxpayer funds



West Elevation



East Elevation

# Elevations



- 1 Admin & Museum
- 2 Living Quarters
- 3 Lockers & Decon
- 4 Apparatus Bays
- 5 Hose Tower

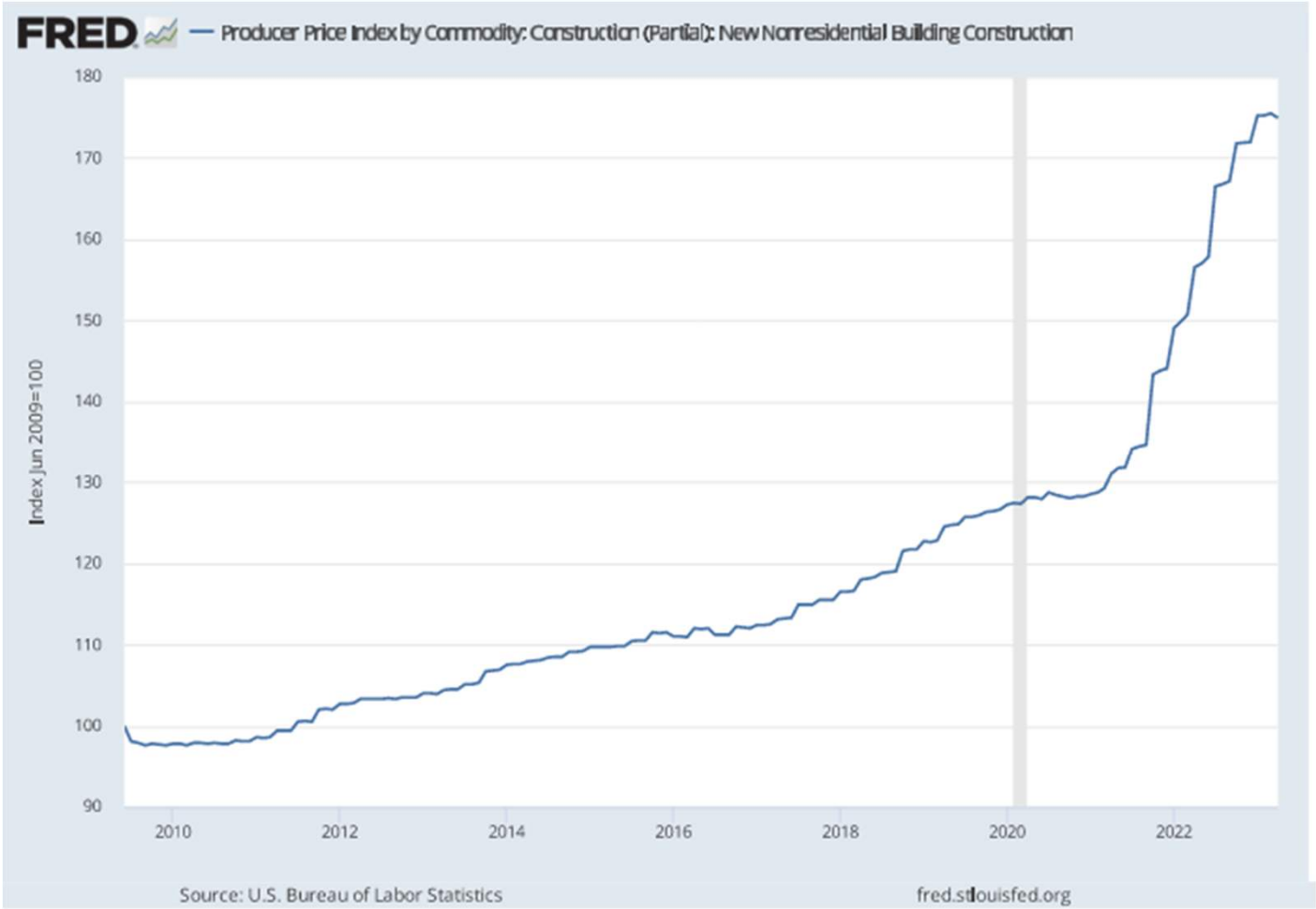


# Floor Plan

North 1" = 30'

Item 2.

# Commodity Trends



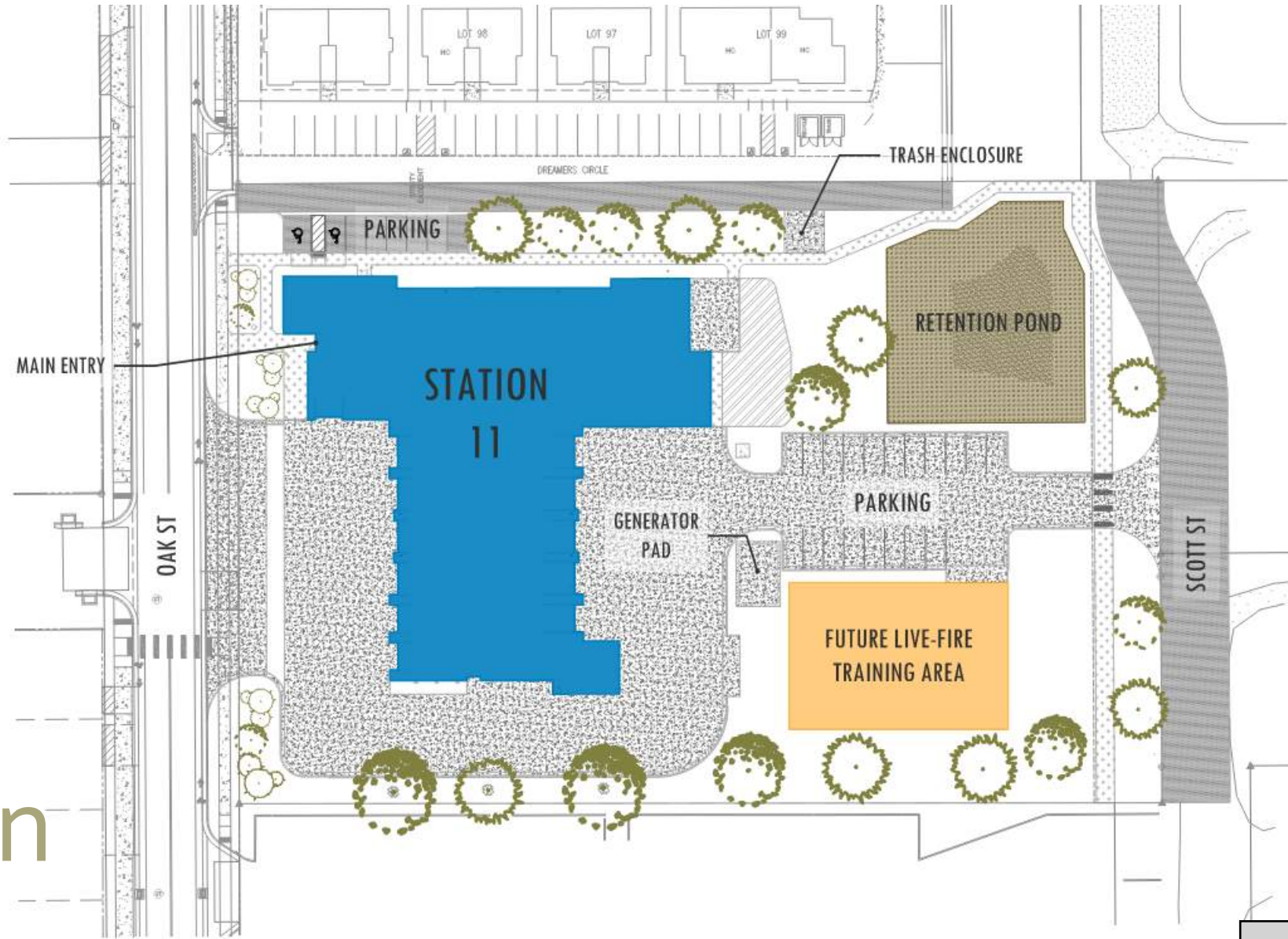
# Climate Action Plan Alignment

- Designed in compliance with 2021 IECC (energy code)
- High-efficiency heating and AC systems
- Natural Daylighting
- Space for composting and recycling
- Designed for future EV charging stations
- Integration of bike racks and bike trail
- Designed for future roof mounted solar panel array



# Solar Energy Options

- Maximize solar energy production on site
  - Roof top system
    - ~60 kW capacity
    - The building is currently designed to be install ready.
  - Ground mounted system over the retention pond
    - ~30-40 kW capacity
  - Parking canopies system
    - ~20 kW capacity
- Solar array options can be added on later.
- Capital costs can be supplemented by grant funding.



# Site Plan

^ North

# Geo-exchange system

- High volume aquifer at 200'
  - Limits depth of wells
  - Shallower wells requires more wells to meet energy load
  - Increased number of wells covers entire site
    - Site design and costs
    - Logistics
- Site subsoil of cobble unstable
  - Wells need to be cased
- Cost prohibitive
  - Additional wells
  - Site costs
  - Casing wells

# Alternative Option #1

- All Electric System
  - Electric boiler serving the hydronic in-floor radiant heat in the apparatus bay.
    - Possibility to use air-cooled heat pump serving the hydronic in-floor radiant heat in the apparatus bay. The air-cooled heat pump could utilize a hot water storage tank so water could be heated on off-peak electrical demand hours.
  - Air cooled Variable Refrigerant Flow (VRF) system serving the living and admin areas.
  - Generator – 500 kW (Already purchased)
    - Does not cover the entire building electrical load and we would need to reevaluate what building services can be supported.
  
- Estimated Costs
  - Higher capital investment cost
  - Higher monthly operating cost

# Alternative Option #2

- Hybrid System
  - Replace the hydronic in-floor radiant heat system with gas fired overhead radiant heat system in the apparatus bays.
  - Air cooled Variable Refrigerant Flow (VRF) system serving the living and admin areas.
  - Generator – 500 kW (Already purchased)
    - Covers most of the building electrical load in a power outage
- Estimated Costs
  - Lower capital investment cost
  - Lower monthly operating cost

# Baseline Sample System

- Natural Gas System
  - Gas fired overhead radiant heat system in the apparatus bays.
  - Gas fired Roof Top Units (RTUs) and Variable Air Volume (VAV) distribution serving the living and admin areas.
  - Generator – 500 kW (Already purchased)
    - Covers all the building electrical load in a power outage
- Estimated Costs
  - Lowest capital investment cost
  - Lowest monthly operating cost

# Budget Comparison

System	Total Project Cost	Avg Monthly Utilities
Electric	~\$16.6 - \$17.1 M	~\$2,000 - \$12,000
Hybrid	~\$16.1 - \$16.6 M	~\$2,000 - \$5,000
Natural Gas	~\$15.6 - \$16.1 M	~\$1,000 - \$3,000