

City of Englewood, Colorado
Budget Advisory Committee
2022 Annual Report

Submitted July 27, 2021

Committee Members:

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Introduction

The past year has been an exciting year of change for the Budget Advisory Committee (BAC). We elected a new Chair and Vice Chair as Chelsea Nunnenkamp was elected to City Council and we welcomed members Lesage, Horan, and Eckel to the group. With the help of Assistant City Manager Tim Dodd, we restructured our approach to better align with the timing of the budget cycle and the City's strategic plan. Though our presentation does not follow a format which directly maps to the strategic plan, it is grounded in supporting the City's vision. Our most impactful change this year, and one you will hear more about shortly, was our engagement in the capital improvement project budget process and we provided the first ever BAC recommendation for the 2023 Capital Projects. We appreciate the opportunity to have met with Administration; the Attorney's Office; IT; HR; Finance; Parks and Recreation, Library, Golf; Community Development; Communications; Police; Municipal Court; Public Works and Utilities.

Recruitment and Retention

Throughout the year, the common theme at each BAC meeting was the challenge to recruit and retain qualified and desirable employees in nearly all departments in the City. The BAC asked the following in a standard list of questions to each department: *What challenges does your department face with respect to budget?* This is a complete list of responses with respect to recruitment and retention:

South Platte Renew - "Hiring difficulties"

Utilities - "Staffing - recruitment and retention"

Public Works - "Personnel - retaining good employees; attracting new ones"

City Attorney's Office - "Office understaffed most of 2021"

Finance - "Hire and retain employees"

PRLG - "Hiring and retention: Competition of wages; on-going resignations; seasonal staff not working full season (Pirates Cove); not enough full-time staff positions"

Staffing shortages and turnover at South Platte Renew, Utilities, and Public Works potentially pose risk to the health and safety of customers and Englewood residents and increase expenses as current staff members accrue overtime pay to complete work required by regulatory agencies. Staffing shortages at Pirates Cove has resulted in routine closures this summer, negatively impacting the revenue stream to PRLG.

The BAC advises Council to request a comprehensive market analysis of all positions in the departments listed above and protect funding for market adjustment increases city-wide as appropriate. Considering the feedback from employee exit interviews and wider market needs, new approaches should consider total compensation, including pay and benefits, as well as ways to better impact the Employee experience through organizational culture.

Capital Projects Process and ROI

The capital projects budget review process this year focused on the Englewood strategic plan outcomes of governance, infrastructure, the local economy, neighborhoods, safety, sustainability, and transportation. Within the capital projects budget review process, the BAC and other boards and commissions had the opportunity to hear presentations from Public Works, the Police Department, Municipal Court, Finance and others. The presentations were engaging and interactive meetings where City departments provided in-depth information and insight into operations along with concerns, suggestions, and requests while providing feedback to questions from the BAC.

Following these presentations, the BAC considered a few priorities while providing the budget recommendations for the Public Improvement (PIF) and Capital Projects (CPF) Funds. These priorities were infrastructure, public safety, ADA and accessibility projects, along with projects where investments could be optimized using grant or funding matched programs. The capital project budget discussions and recommendations held in the BAC meetings worked to produce meaningful budget inputs for the City.

The capital improvements projects budget process resulted in a well-considered budget which stresses infrastructure and public safety projects such as bridge maintenance and rehabilitation, street light repairs and upgrades, network development, IT and computer investments, security and facilities upgrades, concrete, and ADA and accessibility projects. Our recommendations also stress a multi-city Broadway corridor study in which Englewood will work with surrounding cities to improve transportation through Englewood among other important capital investments. It is the BAC's intention to continue to support all City capital projects to the extent the budget can be allocated. We hope that in the future we can expand funding allocations into other capital projects as we work to reduce our infrastructure and public safety targets first.

This was the first year the BAC participated in the capital improvement project budget process, and we would be amiss if we did not acknowledge the challenges and financial constraints the City faces each year, specifically, evaluating Tier 1 requests that exceed budget availability. During our discussions, we had trouble prioritizing many projects, as most were deserving of funding. This was in a year with a higher-than-normal capital funds budget. We can only imagine the challenges the council has faced in the past and look forward to continuing to offer our recommendations moving forward.

One of the challenges we faced was trying to better understand which Tier 1 requests were new projects, continuation of previously approved projects, ongoing maintenance, other ongoing programs, or studies. Similarly, at the beginning of our discussions we were not fully aware of what specific projects had matching funding opportunities and for how much. It put us at risk of not including projects related to grants, important ongoing programs and not properly maintaining previous investments. In their presentation to the BAC, Public Works categorized their funding in three areas - Studies, Projects, and Programs. We recommend the Capital

Projects Process adopt the same approach for all requests moving forward, allowing for better recommendations from the BAC moving forward.

Another challenge we faced was understanding the cost to completion of certain projects, and specifically how it would be funded in future years. Two examples that were funded this year are the Old Hamden Complete Streets and the Union Avenue Bridge. Both have large funding needs to complete the project next year, regardless of what the budget next year will be. Specific to the Union Avenue Bridge, our understanding is this has been a long-delayed project, partly due to these reasons. One consideration is to put a limit on the size of project that can be requested via the capital project budget process and requiring any project exceeding the limit to have a more in-depth cost analysis and plan on how to fund the entire project to completion.

Combining both a better understanding of which requests are categorized as Studies, Projects, or Programs with an understanding of cost to completion, we feel we would be able to better advise Council on the best way to efficiently use the budget, short term and long term. Additionally, it would allow us to make recommendations on vital projects we believe the City should put resources into discovering alternative, independent, and/or dedicated financing for. A recent example of this, the BAC supports the ballot measures for dedicated funding for Pavement Maintenance, which would allow for the needed funds to keep our streets up to standard, while allowing other projects to be considered via the Capital Projects Process in future years.

In furthering the capital project budget process, the BAC will, where the information is available, evaluate the return on investments made through the capital project budgeting process. This will include long-term goals and initiatives covering the Englewood strategic plan in order to understand the outcomes and results reached from the specific, funded capital projects. Our recommendation is to incorporate more performance records for investments made on these projects to facilitate a complete and measured return for each capital investment. The metrics used to interpret the return on investment by project could include the value of the investment over the useful life term, the benefit provided, the risk or future cost of not investing, any capital savings received along with a measured risk-to-benefit cost, if measurable. With this results-oriented approach, we hope to encourage a more direct return on investment analysis year-over-year understanding that there may be projects which are difficult to directly measure the degree to which they perform financially. The BAC hopes to continue to provide a worthwhile review and recommendation on all capital project budgets based on the City's strategic plan promoting a quantitative return on investment assessment.

Community Outreach and Engagement

The BAC feels promoting Englewood and its story is important to Englewood's growth and management of growth. If you follow the City on social media or read the materials sent to residences it is easy to highlight the work of our Neighborhood Resourcing and Communications teams. The BAC appreciates various outreach methods (e.g., social media

posts, flyers, surveys) to inform Englewood citizens of upcoming events, advisory notices, etc. and feels strongly that the City should continue investing in these resources.

It became apparent during our conversations how interwoven the outreach is among the City's departments. For example, Utilities widely distributed materials to educate citizens on their short- and long-term projects and the Englewood Citizen and Recreation Guide is the only form of communication that reaches all residents. On more than one occasion the BAC would discuss recent surveys and materials we received and the subsequent benefits (e.g., advanced street sweeping notices). It is our belief that consistently informed citizens (or customers) who have access to communications materials and are able to "self-help" are less likely to reach out to the City for support via a phone call or email.

We support continued funding to the Communications department and individual departmental communications needs to not only maintain current levels of outreach but to expand further communications to citizens. Communications needs additional headcount to support the increased needs within the City. The BAC acknowledges not only the budgetary constraints but also the hiring and retention challenges. That said, we do encourage the Council and Staff to ensure that proper staffing exists within Communications so that good internal experience is provided to Departments which will ultimately be paid forward in a positive Citizen experience. In addition, the rising costs of paper and professional services is creating an impact that will need to be reviewed if the City intends to maintain even current levels of outreach.

The BAC advises the City to explore opportunities with the Englewood Schools to see if there are any video, social media, business, and/or marketing clubs which could be leveraged to assist with creation of content that may both mutually benefit students and provide cost savings to the City. The BAC has proactively reached out to Dr. Wendy Rubin for input into this idea and will pass along any feedback to the City Manager's Office. The need to ensure the City remains focused and dedicated to community outreach and engagement will not only help with perception of the functions within the City but also fuel the spark of future leaders and volunteers.

Parks and Rec Bond Issuance

The BAC commends Parks Recreation Library and Golf for the department's fiscal adaptability during economic downturn, and for maintaining low-cost fees for both residents and non-residents.

The BAC acknowledges the City's parks, recreation centers, and Pirates Cove all have aging infrastructure which diminish the safety, accessibility, and aesthetic quality to visitors. As Pirates Cove generates substantial revenue to PRLG each year, the BAC feels funding improvements to Pirates Cove is not only essential to the water park but to all PRLG facilities. Additionally, maintaining and improving park infrastructure is a means to provide quality recreation to members of the community who depend on low- or no-cost access to recreation. For these

reasons, the BAC supports a 2023 bond initiative to fund improvements to aging infrastructure in our parks, at the Englewood and Malley Recreation Centers, and at Pirates Cove.

Support for Grant Writing

The BAC appreciates the City's intentionality in seeking new funding sources and thanks Council, City Manager Lewis, and staff for considering grant opportunities to benefit financially the City of Englewood. Like the 2021 Annual Report the BAC presented to the Council, the BAC heard from several departments the need for assistance with pursuing grant funding, as well as grant-writing assistance.

The BAC encourages the City to employ or contract with a grant manager, to be assigned to the City Manager's Office, at a minimum of 1.0 FTE.

The grant manager may be a generalist position to 1) seek funding announcements, 2) coordinate all phases of the grant application from Letter of Intent to submission, and 3) pursue funding for and distribution of grant funds to Englewood's citizens and business community. The grant manager will collaborate with department-specific subject matter experts in budget development, drafting statements of work, and writing and editing proposals.

Public Safety and Police Funding

Many factors need to be considered in improving and maintaining safety in Englewood. The BAC is supportive of the City's approach to diversifying its public safety operations with initiatives such as alternative policing methods and restorative justice programs. However, these are not a replacement for a "traditional" police approach. As such, we thank Council for approving the ballot measure for a tax increase to fund alternative policing approaches, freeing up previously diverted funds to support the City's patrol officers and impact team. In addition to mitigating EPD's training and retention challenges, the funds will provide officers additional time needed to meet increasing documentation requirements and allow patrol officers to spend more time for proactive policing in the community and to focus on situations they are uniquely qualified to handle.

We see great benefit in implementing public safety through multiple approaches, including traditional policing, alternative policing, and diversion programs. No singular approach will work for every situation. As such, when communicating with citizens about the importance of directly funding alternative policing approaches, we believe educating the public about the benefits alternative policing has upon traditional policing approaches will not only lead to more people to be supportive of the ballot measure, but also help build more trust between the community and the City's public safety officers.

Recognition

The BAC acknowledges Council and Directors for protecting funds for projects and initiatives that foster civic engagement and community wellbeing.

- To the Communications Department for coordinating Neighborhood Nights, offering the Block Party Trailer and Backyard Movie kits, and issuing Neighborhood Improvement grants.
- To Council and the Public Works Department for issuing two RFPs for single hauler waste service and diligently evaluating the proposals. Although the single hauler system did not come to fruition, the BAC appreciates the level of engagement and integrity put forth in the decision-making process.
- To the City Manager's Office and Finance Department, for inviting Boards and Commissions to advise budget development for capital improvement projects.
- To Assistant City Manager Tim Dodd for orienting the BAC to the City's strategic plan and encouraging the BAC to realign our meetings and reporting structure to align with the seven strategic plan outcomes.
- To the City Manager's Office and the DEI Committee, for continued investment and focus on diversity, equity, inclusion and accessibility.

Closing

We commend the City and Council for their ongoing diligence in managing the City's budget. Having insight into the capital projects budget process allowed the BAC to become more engaged in the budgeting process, and we thank the City Manager for inviting us to advise in this capacity. Recapping important takeaways from our meetings over the last year, the BAC advises Council to consider the following:

- Approve a budget that will foster recruitment and retention efforts in departments that are experiencing staffing strains.
- Prioritize capital improvement projections that improve infrastructure, public safety, and accessibility.
- Categorize capital improvement projects as either Studies, Projects, or Programs and provide a cost-to-completion for each line item.
- Approve projects that are funded by grants and/or matching programs.
- Consider ballot measures which support major funding needs, including Pavement Maintenance, Parks and Rec, and Public Safety.

The BAC appreciates the opportunity to offer our advice and recommendations to Council and we look forward to presenting our annual report at the August 1 City Council meeting.