

# Attachment #1.

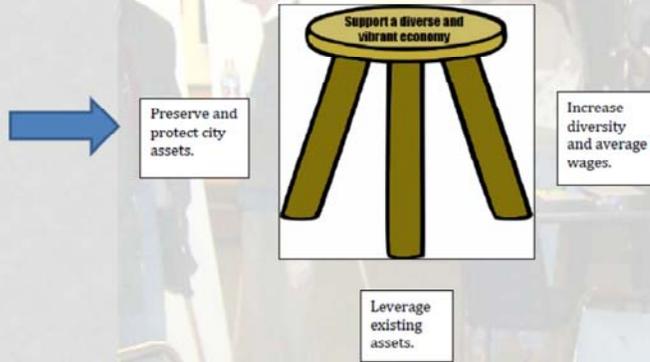


## FISCAL SUSTAINABILITY

- Wikipedia Definition:
  - **Fiscal sustainability**, or **public finance sustainability**, is the ability of a government to sustain its current spending, tax and other policies in the long run without threatening government solvency or defaulting on some of its liabilities or promised expenditures.

# 2011 ECONOMIC DEVELOPMENT POLICY

## The Three Legs of Our Economic Policy



Full policy is an attachment

## KEY QUESTIONS (FROM APRIL 12<sup>TH</sup> WORK SESSION)

- Is our financial structure sustainable over time?
- Is our taxing structure equitable to our tax payers?
- Is the City providing the right amount of service to our citizens and guests? (Too much, too little, just right?)
- Is the City adequately preparing for infrastructure repair and replacement?

## 2016 REPAIR & MAINTENANCE FUNDING

- 2016 Budget
  - \$815K for building repair & maintenance (general fund)
  - \$700K pavement maintenance
  - \$445K stormwater maintenance projects
  - \$175K city parking lot maintenance
  - \$350K Howelsen Hill stabilization
  - \$50K Rodeo grounds infrastructure repair
  - \$31K Howelsen Hill electrical improvements
  - \$200K Ice Arena roof
  - \$236K Tennis court resurfacing
  - \$90K Core trail bridge decking
  - \$120K Ball field improvements
  - \$30K Spring Creek Dam restoration
  - \$1M Wastewater main replacement
  - \$1M Water main replacement

Not meant to be a comprehensive list.

## IS THIS ENOUGH?

- How do we know if this is enough?
- Are we keeping up?
- Are we planning for the future (financially)?
- Are we looking out far enough?
- How are we measuring our progress?

Department professional knowledge.  
Department spreadsheets.  
Institutional knowledge.

## ALTERNATIVE 1

- Purchase asset management system in 2017
  - Pros
    - Measure the success of current maintenance plan
    - Plan for future projects proactively vs. reactively
    - Consistent methodology and format across departments
  - Cons
    - Software cost ~\$200K + \$20K-\$50K for engineer assessments
    - Significant staff time. May require additional staff to complete this implementation

## ALTERNATIVE 2

- Hire engineer to do a full assessment
  - Pros
    - Less staff time needed to evaluate and input information than alternative 1
    - Initial cost is less than alternative 1 ~\$90K-\$180K
  - Cons
    - Full assessment periodically in the future to keep updated
    - Rely on a plan that may become outdated
    - Each department will still have individual methods of monitoring assets

## ALTERNATIVE 3

- Continue to budget annually for maintenance and known higher priority items
  - Pros
    - Less staff time needed to evaluate and input information than alternative 1
    - Addresses immediate needs on an annual basis
    - Departments can predict out 2-5 years
    - City appears to be keeping up with the majority of capital maintenance under the current structure
    - No additional upfront cost at this time
  - Cons
    - No documented tool that can measure the City's progress in maintaining its facilities and infrastructure
    - Loss of undocumented institutional knowledge with turnover

## ALTERNATIVE 4

- Combination of 1, 2, & 3 at Council's direction

## STAFF RECOMMENDATION

- Alternative 1
- Next Steps if Council agrees with recommendation:
  - Create City internal working group from departments to evaluate software needs
  - Budget in 2017 for software & potential engineer needs
  - Implement software in 2017
  - Create a long term plan for building & infrastructure R&M
  - Integrate into the current 6-year CIP