Just the facts

La Plata Forum
February 13, 2019
Fact: this is not an easy ask

- Where have we been?
  - Study Session May 12, 2015- Discussion on General Fund Balance

- Where are we now?

- Where are we going?
Fact: limited choices

- Addressing General Fund Fiscal Sustainability
  - Sales tax
  - Property tax
  - Fees
- TABOR
- Gallagher Amendment
Fact: funding infrastructure is challenging

- Water Fund
- Sewer Fund
- Solid Waste Fund
- Airport Fund
- Transportation Services Fund
- Florida Road (debt service 2005 ¼ cent)
- Escalante Drive (developer paid)
- Wilson Gulch Road (City, County, CDOT)
General Fund Capital Investments

2007-2018 Actuals, 2019 Budgeted
Unassigned Fund Balance 2006-2019

GREAT RECESSION

$8,000,000
$6,000,000
$4,000,000
$2,000,000

$ -

Sales Tax Trends 2007-2018

$30,000,000

$15,000,000

GREAT RECESSION

Projected
Actual
Tough Decisions

**City Facilities**
- Facilities Master Plan (2015)
- $81.9 M over next 10 years
- $19 M new Police Station
- No dedicated funding source

**Infrastructure & CIP**
- Requested $5.465 M in projects
- No money for CIP in General Fund
- Unfunded 5-year CIP, $47.1 M

**Service Delivery**
- Evaluate service delivery
- Look for efficiencies and economies
- Structural deficits in operational expenditures
Where are we now?

- No contingency
- Limited unassigned fund balance
- Deferred maintenance on streets and facilities
- Listened to public
- 1A does not solve the entire problem of GF fiscal sustainability
City Street Network Summary

- 83 Center Lane miles of road
- 1,634,000 Square Yards (SY) of asphalt surface
- $84,000,000 asset value
- $6,751,218 in streets related CIP projects from 2014 – 2017
  - Average annual investment = $1,687,804
  - Average annual investment = 2% of the total asset value
Durango Pavement Condition Survey
Asphalt condition SURVEY CONTRACT AWARDED TO INFRASTRUCTURE MANAGEMENT SERVICES (IMS)

- Automated Distress Data Collection
- Roughness and Rutting Measurements
- Right of Way Asset Data Collection (condition rating, inventories, & geolocation)
- Visual Extent & Severity Data Collection and Survey
# PAVEMENT CONDITION INDEX (PCI)

<table>
<thead>
<tr>
<th>Condition</th>
<th>PCI Range</th>
<th>General Maintenance and Rehabilitation Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>86 - 100</td>
<td>Minor maintenance to prolong condition</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>71 - 85</td>
<td>Routine maintenance to prolong condition</td>
</tr>
<tr>
<td>Fair</td>
<td>56 - 70</td>
<td>Maintenance and resurfacing required</td>
</tr>
<tr>
<td>Poor</td>
<td>41 - 55</td>
<td>Rehabilitation and resurfacing required</td>
</tr>
<tr>
<td>Very Poor</td>
<td>26 - 40</td>
<td>Major rehabilitation, resurfacing, and/or reconstruction required</td>
</tr>
<tr>
<td>Serious</td>
<td>11 - 25</td>
<td>Reconstruction required</td>
</tr>
<tr>
<td>Failed</td>
<td>0 - 10</td>
<td>Roadway has failed and requires reconstruction</td>
</tr>
</tbody>
</table>
City of Durango Pavement Condition Assessment summary

- Network Average PCI in 2018 is a 67 and considered “good”
  - National Average range is 60-65
  - City is slightly above that average
  - Target is an Average PCI of 70
- Network Average PCI in 2013 was a 64
  - The City of Durango PCI average has improved 3 points
- Excellent ranking: Streets with a PCI of 85 or better
  - City of Durango
    - 2018 - 13.5%
    - 2013 - 10.8%
  - Recommended Goal – 15%
- Backlog Ranking: Streets with a PCI of 40 or lower
  - City of Durango
    - 2018 - 8%
    - 2013 - 11% - Below recommended goal
  - Recommended Goal –10% (Healthy city investment in street infrastructure)
Typical Pavement Deterioration Curve

- Excellent
- Good
- Fair
- Poor
- Very Poor
- Failed

Years

0 5 10 15 20

40% Drop in Quality
75% of Pavement Life
40% Drop in Quality
12% of Pavement Life

40% Drop in Quality
City of Durango
2013 Pavement Condition

- 63% of streets Good to Excellent
- 37% of streets Fair to Very Poor
- 11% of streets Poor to Very Poor

Percentage of Network by Area

- Very Poor (0 to 25)
- Poor (25 to 40)
- Marginal (40 to 50)
- Fair (50 to 60)
- Good (60 to 70)
- Very Good (70 to 85)
- Excellent (85 to 100)
Where Streets CIP dollars were spent from 2014 - 2017

- Reconstruction
  - 83,335 SY reconstructed
  - $2,743,810

- Overlays
  - 113,945 SY
  - $2,181,040

- Surface Treatments
  - 300,269 SY
  - $1,101,368

- ADA Ramp Improvements
  - 229 ADA Ramps brought into compliance
  - $725,000
City of Durango
2018 Pavement Condition

- 65% of streets: Good to Excellent
- 35% of streets: Fair to Very Poor
- 8% of streets: Poor to Very Poor

Percentage of Network by Area

- VERY POOR (0 TO 25) 6.6%
- POOR (25 TO 40) 7.3%
- MARGINAL (40 TO 50) 10.7%
- FAIR (50 TO 60) 16.5%
- GOOD (60 TO 70) 19.7%
- VERY GOOD (70 TO 85) 31.8%
- EXCELLENT (85 TO 100) 13.5%
Future Forecast

- Lose 1-3 PCI points each year depending on environmental conditions.
- Each PCI point costs $1.5 - $3 million to recover.
- No street maintenance for 2 years will cost $3-$4 million to recover.
QUESTION 1-A: AUTHORIZATION TO INCREASE CITY TAXES FOR 10 YEARS FOR THE PURPOSE OF FUNDING STREET IMPROVEMENTS.

- SHALL CITY OF DURANGO TAXES BE INCREASED NOT MORE THAN $4,686,000 IN THE FIRST FULL FISCAL YEAR OF COLLECTIONS AND BY WHATEVER AMOUNTS ARE GENERATED ANNUALLY FROM AN ADDITIONAL SALES AND USE TAX OF NOT MORE THAN 0.50% TO BE IMPOSED BEGINNING JULY 1, 2019, FOR THE PURPOSES OF FUNDING THE CONSTRUCTION, OPERATION AND MAINTENANCE OF STREETS, ALLEYS, CURBS, GUTTERS, SIDEWALKS AND RELATED STREET IMPROVEMENTS WITH PROPOSED EXPENDITURES BEING FIRST SUBMITTED TO A CITIZEN ADVISORY BOARD FOR A RECOMMENDATION TO CITY COUNCIL; PROVIDED THAT THESE INCREASED TAXES SHALL NOT BE COLLECTED AFTER JUNE 30, 2029?

- Over 10 Years (estimate with TABOR escalator) $44,500,000
Thank you