

September 14th Budget Study Session Questions Submitted by City Council

General Questions

Council Chamber modification due to pandemic: What are we modifying?

Council Chambers were to be modified to ensure the safety of council, staff, and citizens using CARES act funding however the modification required could not be completed by the end of 2020 as mandated by the CARES Act, remote meetings were determined to be a more appropriate solution.

Budget Book Page 87 - Total Financial Obligations but the year goes down in 2021. Why?

The 2006B COP ends in 2020 \$2.3M. Also 2022 has an increase because the final payment for 2006A COP has a larger payment of \$5.3M

What franchise fees does the city have and are they credited to the general fund and which companies do we charge the fees to?

The City of Lakewood has two franchise charges – Cable Television and Gas/Electric. Both fees are in place to allow entities to use City-owned right-of-way to deliver their products. Franchise agreements are currently in place for \$2.5M Comcast and \$4.5M Xcel.

Budget Book page 24 - The budget document contemplates drawing down the reserve fund in 2022 also, but the level of the reserve after 2022 is not included. Do we have that number?

The \$20.3M projected fund balance at the end of 2022, General Fund balance will be maintained at 10% or greater.

Budget Book page 181 - City Attorney Office. I assume these figures do not include legal fees for outside counsel, such as defense counsel for self-insurance, Property and casualty and Workers comp., etc. Is there identified elsewhere in the budget the amount projected for outside and special legal counsel? Is it an item in each department's budget or is it included in the overall city attorney budget?

Modest budgets for legal costs are included in the internal service funds of Workers Comp and Property and Casualty (Total of \$60K per year). Public Works also has a budget for water rights, otherwise all legal costs are consolidated within the City Attorney's office.

What is the expense amount projected for all outside legal counsel for 2021 and revised budget for 2020?

\$372K in 2020R and \$412K in 2021

In the Budget Message, it mentions the possibility of \$6.2 million more from County. Do we have any additional info on this? (And following up from the conversation at the County meeting, do we know if they will be able to fund the hotel/motel program this winter?)

Yes, the additional \$6.2M of CARES Act funding was approved by the county.

Why is CDBG program so much less that last year? (Is this reduced federal funding?) Why is the cut all coming out of homeless activities (instead of Cleanup for example?) p68

There is not a cut in federal funding for CDBG, the 2020 revised budget shows the actual amounts allocated and approved and 2021 shows estimates based on ongoing programs. 2021 budget amounts will increase when CDBG application is released in October and November.

The \$130K included for homeless activities in the 2020 revised includes the both 2019 CDBG funds not spent due to hiring delays of the homeless navigator and the 2021 amount of \$50K in in alignment of HUB regulations which is the limit for direct services.

Budget Book page 68 - What do we do with the homeless outreach grant? P68

The grant is through the Police Department CAT team, a one time grant from the Colorado Health Foundation to fund the two homeless navigators.

Is Sustainability Department also part of the conversation regarding new organics waste recycling center? Page 81 of the budget book (listed as Public Works, this has huge overlap of sustainability goals so I'm sure it is collaborating I just wanted to double check that the sustainability lens is on this conversation.)

Yes, this effort has been underway for several years among several departments.

Budget Book Page 208 Concerns about cutting program dollars here. Looks like it is going back up though in 2021, just would like more information about this. Such an important program! (P 210, no preschool dollars? Is this due to reduced fed funding?)

We had to suspend the preschool program to have adequate classroom space and staff to offer Head Start. We have reduced our Head Start class sizes to 10 students per class to minimize exposure risks, so we repurposed the two preschool classrooms to Head Start classrooms. We also had four vacancies in Head Start, so we moved the four preschool teachers into those vacancies. Those four vacancies, along with the retirement of one FT staff member, is where most of the expense reduction comes from.

Courts - Does funding for Teen Court, Lakewood Early Action, Girls Circle, Youth Enrichment Support, Youth Education Team all come from general fund or are these funded elsewhere? It looks like funding for these programs is going down? (P292-294) Are the classes and counseling that juvenile / adults get referred to funded by city or are these state/county programs?

All these programs are funded by the general fund however the costs are minimal. Also, volunteers participate in the programs. Reductions in court budgets were made with reductions in supplies for the court and probation divisions.

Referrals for juveniles and youth are generally to non-profits in the community and not funded by the city. Defendants that are convicted for domestic violence are referred to state approved programs and is paid for by the defendants.

If I was a resident who wanted to see "What the Tabor money was spent on," where would I look? (I know there is strict separate accounting and that all of that has been followed, but when I've looked through this I don't see like a "one-pager"- am I missing it?

We are consolidating the projects all in one list. Right now, it is separated by area. It is listed by what projects the \$s are earmarked for instead of actual spending since there are a lot of projects in progress. Yes, from an accounting perspective it is clearly identified spending towards TABOR projects.

Also past TABOR expenditure summaries are available in the budget section of Lakewood.org <https://www.lakewood.org/Government/Departments/Finance>

Budget book Page 479, Is the line for Jeffco Center for Mental Health our member of the CAT Team from JCMH, or is this a different contribution?

We utilize this as a detox center for individuals who, due to alcohol use, are considered a danger to themselves or a danger to others. Generally, there is no criminal charge associated with these cases. We do not pay for the salaries of the Jefferson Center case managers assigned to the CAT Team. That is paid for by Jefferson Center.

When will we have enough budget to pay for the newly required body cams (I see p479, and I know that we have several years to get into compliance. I get questions about this from time to time.)

The body cam program is planned to be funded through the use of TABOR funds however the ongoing costs will eventually need to be covered by the Police general fund budget.

Trying to put a list together of community investments (in other words, services for at risk and/ or low income residents). On the list I have CDBG, Head Start Program, Non Profit Partnership Program, Court Programs (Teen Court, YET, etc), Homeless Navigators, Lakewood Possibility Fund, Porch light Family Justice Center. Are there other investment examples I'm missing?

Lakewood Rides serves older adults and people with disabilities.

Mountair Farm food stand takes SNAP and double up food bucks. They also received a DRCOG grant to get a food cart that takes produce to food insecure neighborhoods and also takes SNAP and double up food bucks.

We also work with GoFarm to provide produce bags via SNAP benefits at our other Head Start sites. We are working with the Edgewater Collective to provide space at Walker-Branch Park for their Pathway Pods program.

I have received a few questions about how Lakewood spent dollars from the Census grant.

All grant funds have been expended and were used for advertising and promotional expenses totaling \$68,752.

Public Works Questions

Neighborhood Participation Fund on page 418: Our overall funding is declining by \$100K, why?

Annual NPP budget is normally budgeted at \$180K however the \$280K in the 2020 revised budget includes \$100K of carryforward from 2019 project budgets.

What would it save us to skip a year of street re-surfacing? Would this cost more in the long run?

Annual street resurfacing costs are approximately \$10 million per year in the Capital fund. Reductions in a specific year would benefit the Capital fund and has been looked at and was reduced in 2020 by reduced by \$2.5M, approximately 25%. It is not recommended that the reductions continue into the future.

Economic Development Question

Budget Book page 415: What revenue sharing agreements do we have (in general)?

CIP includes revenue sharing agreements for Denver West and Mills Mall areas.

In CR, the following are all revenue-sharing agreements:

Rocky Mountain Paddle Boards and Ski School

Thunder Valley Motocross

Bear Creek Stables

*The Den Restaurant serving both Fox Hollow and Homestead
(but I don't think these are included on pg. 415)*

Community Resources Questions

Budget Book page 476 Cottage Park: No funding earmarked for development of park features. Why?

This shows up on pg. 442 and is funded with OS. The expected cost will be \$350K.

Budget book page 459 Lakewood Park Tennis Courts: \$800,000 for replacement of courts. These courts are operated by a Vendor who charges hefty rates. How does this fit in with our core community values?

We plan to fund these improvements with Open Space funds. These courts are over 40 years old and are owned by the City of Lakewood. It is the City's responsibility to care for its infrastructure (Core value: Physical Infrastructure) and to provide a quality living environment (Core Value). The Open Space fund is specifically intended to help local governments take care of park and recreational amenities for the community's use.

There was an infusion of monies for playground equipment from CDBG—are all of these within the CDBG area? Also who are the citizen reps for the CDBG committee?

The infusion of CDBG dollars being referenced is likely the \$350k for the Morse Park playground to be replaced and Morse Park is in a CDBG funding area. There is not a citizen committee for CDBG but there is a committee of staff reps from all departments. Also, all CDBG projects are available for public comment for 30 days prior to final approval due to HUD regulations.

Also, why is the Two Creeks Park which has open space funds not coming sooner? This is a concern to the neighborhood.

Two Creeks Park funding is for planning the design, or updating the design in 2021 and for build out in 2022. We've been working to get some collaboration from CDOT in regard to moving this plan forward and due to the persistence of our PW director, we've recently had some forward momentum on this project which is why we've allocated some OS funding over the next few years.

Police Department Questions

Non Departmental Spending, on budget book page 393 Expenditures by fund: For what purpose is the \$57,800 of Tabor funds it be spent?

TABOR funds used for physical assessments for all sworn employees by a team of physicians and nutritionists.

Budget Book page 314 lists full time Police agents at 231 for 2019 thru 2021. However, at p. 331 it shows only 170 agents in the Patrol division, a difference of 62 agents. at P. 336 and 341 it lists 62 agents under Support Services, is that the difference, 62 certified agents as support services instead of in the patrol division? This seems like not the best use of certified agents. Answered at meeting.

There are actually only 3 sworn police agents in support services.

Also concerned about the number of recruits dropping to 12 from 44 (p. 315) Will that result in a decrease in the number of patrol agents in the future?

This is because we are over strength and we will monitor sworn attrition and adjust the final number of recruits accordingly. Final recruit class size will be evaluated in April 2021.

General comment: I can find no provisions for addressing SB20-217, the police reform act passed by the Colorado Legislature. Specifically, the personally liability of a police officer, what they refer to as the "skin in the game" provision.

Have we made any provision in our budget to address this by providing insurance to the agent to cover this as an added benefit of employment? Can we? Should we?

As you can imagine we have had several discussions regarding this legislation and the impacts on how we perform our duties. The question regarding indemnification has been part of these discussions. Our Legal Advisor's interpretation of this legislation is that governmental entities are prohibited from a blanket indemnification policy for sworn police employees. The language "shall not be indemnified by the peace officer's employer for five percent" is what our attorneys have referred too. I am aware that Greenwood Village passed a resolution that would cover its officers, and on a CML call a few weeks ago the Attorney General has described that action as "irresponsible." There is now concern that our state legislatures might look at even more strict legislation in the next session.

The other issue we have discussed is whether a blanket indemnification is the appropriate action when there are instances where police officers do participate in unlawful conduct or act in bad faith. An example I am thinking of is when a police officer sexually assaults an arrestee, which has happened unfortunately. Would the city want to indemnify the former officer even though he deliberately committed a criminal act?

There are many things to consider, but just based on the language of the law I think it would be best to avoid the city covering the 5% for officers acting unlawfully or in bad faith. In my experience these are very rare cases, as I can only think of a couple in my career. I would be happy to discuss further with you and the City Manager if you would like. I very much appreciate the question, and also wanted to thank you for your continued support for the men and women of LPD! I can tell you it has been very much appreciated.

Are we losing a homeless Navigator for 2021? Budget Book page 314

One of the homeless navigator positions was vacant during the budget process and filled at the beginning of September. The FTE will be updated in the 2020 revised budget as it was included in the 2020 budget and will into the future.

I know I've received this info before, but when will we have enough budget to pay for the newly required body cams (I see p479, and I know that we have several years to get into compliance. I get questions about this from time to time.)

The body cam program is planned to be funded through the use of TABOR funds however the ongoing costs will eventually need to be covered by the Police general fund budget.

TABOR Questions

It is my understanding that the following monies were collected and put into the "TABOR account"

2017 - \$12.5 million

2018 - \$8.2 million

2019 - \$9.2 million

Total - \$29.9 million in additional funding now available for spending

Yes, this is correct.

This money was not refunded to the citizens but rather made available to the General Fund with spending restrictions of 1/3, 1/3, 1/3 for public safety, public works and community resources. Together these three areas make up over three quarters of the general fund (public safety - 46%, public works - 13.5% and community resources - 17.3%). It is only the remaining one-quarter of the General Fund the "TABOR" money can not be spent on.

This is not quite correct, TABOR retained funds are moved from the general fund to the TABOR fund which is more restricted than the general fund. Although the funds are spent for public safety, public works and parks, the funds do not fund operating costs and can only be utilized for specific purposes. The 1/3 for parks is for park acquisition, park improvements and park maintenance - Parks is primarily funded by the Open Space fund not General Fund. This means General Fund excess TABOR dollars are being moved to use for parks that is primarily funded by Open Space. The 1/3 for Police can be used for assets and personnel which is the least restricted. The 1/3 for public works can only be used on transportation, sidewalks and outdoor lighting which is much more restrictive than all the services provided in Public Works. When revenues exceed the TABOR limit and are retained for TABOR funding, these funds are not available for the general fund operating budgets.

How much money do you estimate will be “lost” from the General Fund if the ratchet effect is not “fixed”? I assume it would be less than \$10 million.

This is an approximation we provided in the presentation for illustration purposes to show there is an expected impact from a ratcheting down effect. The illustration reflects an impact of \$11.5M through 2023. In that illustration it was assumed that there would be a 3% allowable growth in the out years. It is very uncertain if that will be the case. If the growth is less than 3% then we expect it will be a greater dollar impact and more years than the illustration. It is unlikely that it will be less. The other unknown factor is we don't know how much the base will drop due to decline in revenue in 2020, which will also impact the amount that needs to be made up from the ratcheting down effect.

If this “TABOR” money were “freed” from its obligation to be spent in the three areas of the budget that make up over 3/4 of the general fund, where would you propose it be spent instead?

This is a decision that would be made by Lakewood City Council. If the City Council asked for a recommendation, we would provide analysis and a thoughtful recommendation.

Additional Council Questions

Would it be possible to use some of the LRA funds to create the small business loan program proposed by Economic Development?

Background: When we discussed the Small Business Grant Program using CARES dollars, Economic Development came up with an idea in partnership with the Business Task Force to use grant dollars to create a revolving loan program. Council ultimately created a grant program. I am wondering if we can use the LRA funds to support economic development in the LRA areas to create the loan program, putting these dollars to work in our community.

In the current proposed budget, a revolving loan fund program is not included. On the six-month horizon, EconDev/LRA Staff is working with our businesses in the LRA areas to access a variety of programs providing operating funds to those businesses hit hard by the pandemic. Those programs include three rounds of local CARES Act grant funds, Colorado Gap Fund, the SBA's PPP Program as well as Economic Injury Disaster Loans (EIDL). There are several others as well – all in all, there are 176 relief funds active in Colorado and many Lakewood businesses are eligible for roughly a quarter of them.

However, the short answer to the question of is it possible to use LRA funds for a revolving loan plan is: probably. We're awaiting a verification from LRA Counsel. URA revolving loan programs for capital expenses are possible, we just need to verify if they can be set up for operational expenses. If we can set up this type of fund with LRA dollars, it can be discussed further by the LRA Commissioners in the first quarter of 2021, just as funds from the many other current programs will be wrapping up.

SLASH Facility

I am looking for the Slash facility funding in the budget. I see it mentioned on p.81 but I can't find the allocated dollars. Is it in the Capital Improvement Fund?

A slash facility remains a goal as noted on page 81. Similar to some other goals, it is not currently funded. The funding formerly intended for a slash facility is no longer available due to reductions necessary to balance the budget. Several CIF programs were reduced or eliminated as part of the proposed 2020 Revised and 2021 budgets. The CIF, as proposed, only funds maintenance and replacement of existing infrastructure and the specific, discrete improvement projects for which concepts were finalized and were ready to move to completion. Such still-funded projects are specifically defined improvements in a pre-determined location (e.g., sidewalk on the south side of "X" street, east of "Y" street).

Reductions in the CIF are attributable to several factors. During multiple past budget processes it was noted that the CIF was transforming to predominantly providing maintenance and replacement with less opportunity to fund new facilities and improvements. To some degree, such a transition is normal for a community with maturing infrastructure. COVID-19's economic effects accelerated the transition.

Although unfunded, efforts continue to find a site for a slash facility with the intention of then developing an operational plan for it. Funding for acquisition and development of a site and its operation is not identified.

Lakewood residents have access to the Jeffco slash program. The next collection days are Oct. 31 and Nov. 1st at Thunder Valley from 9am – 4pm both days.

<https://www.jeffco.us/Calendar.aspx?EID=5764>

Maintenance Campus

A few years ago council went on a tour of the needed improvements at the Maintenance Campus. I see some information about the campus on p. 424, but no plans to move / expand. I know we are facing \$17 million of budget cuts, is the plan to just wait on this project? Concerned about the bathrooms, etc.

Due to limited resources within the Capital Improvement Fund, no budget is currently allocated to improving the maintenance facility. Additionally Lakewood is still looking for an appropriate location for the future facility.

Lakewood Rides

Where can I find this in the budget?

The Lakewood Rides financial information is integrated into the recreation division budget. You can see the full time staffing on pg. 232 and the participation numbers on pg. 235. Please let us know if there is other specific detail that you would like to see.

Non Cigarette Tobacco Retail License

Would love an update on this, looking at the budget and I see p. 189 that it lists the types of license including non-cigarette tobacco retailers. In the following section Result-Benefit, there are no Non Cigarette Tobacco Retail Licenses listed. Has this program begun? How many have been licensed, etc. or was this impacted by COVID , etc. etc.

Yes, the license program began on March 2, 2019.

Last year we received and approved 120 non-cigarette tobacco retailer licenses.

This year 110 have submitted their renewal applications and have received their renewed license.

There are approximately 10 retailers who have either closed their businesses or have sold. I believe COVID-19 has played into this. Most of the businesses that have closed were vape shops only.

The city is not increasing the mills to 4.711-correct?

The mills have been at 4.711 since 2011. They will not be changing for 2021.