

**Town of Lyons, Colorado
Board of Trustees
Agenda Cover Sheet
Agenda Item No: VI.2
Meeting Date: March 16, 2020**

TO: **Board of Trustees**
FROM: **Jill Johnson, Finance Director**
DATE: **March 12, 2020**
ITEM: **Estimated 2019 Fund Reserves, Incomplete 2019 Projects, Additional 2020 Capital/Repair Requests**

ORDINANCE
 MOTION / RESOLUTION
 INFORMATION

- I. **REQUEST OR ISSUE:** At the close of 2019, there were a number of projects which were incomplete. Additionally, Town Staff has identified additional projects which are critical or necessary to complete in 2020.
- II. **RECOMMENDED ACTION / NEXT STEPS:** Staff has provided a list of items which are believed to be priorities.
- III. **FISCAL IMPACTS:** Yes
- IV. **BACKGROUND INFORMATION:** Staff believes we are close to closing the books for 2019 and have a reasonable estimate of potential reserves. The reserves, along with additional funding sources, have created some additional revenue which could be available for project allocation. Staff has identified several projects which are believed to be critical and should be reviewed for potential funding.

There are 3 attachments:

Analysis of Fund Activity and Balances. The 2019 figures have been updated to actuals. We have also included depreciation for the enterprise funds. We have one other expense item which was a flood construction in progress in 2018. The project was abandoned so the design costs become a town expense.

Impacts of Summit Housing. The impact of Summit one-time fees is reviewed. These figures were provided by Summit in their 20191231 Lyons Bond Deal 40 Units App Budget document received by the Town's Planning Department. The schedule shows the total updated revenues generated by Summit, the projected reserves at the end of 2019, the LVP Electric Distribution system which was budgeted but no longer needed (added back in), revenue from the Tamburello sale, and removing the revenues already in the 2020

budget. The bottom line shows funds available for allocation.

2020 Carryover and Additional Capital Requests. All items in yellow are changes to the 2020 Capital Outlay Requests presented with the original 2020 Budget.

General Fund:

Safe Routes to School/Ped Bridge for \$850,000. \$500,000 is grant funded with the Town providing the additional \$350,000 in funding. Per the proposal already presented to the Board, grants will be applied for which will reduce the potential cost to the town. If no grants are received, the \$350,000 would be the town's responsibility.

*Pavement Assessment for \$15,000. In 2019, there were cost savings in Auditing Fees of \$26,000. This money was earmarked for the Pavement Assessment. At the end of 2019 only engineering expenses were incurred; the estimated remaining balance of \$15,000 would need to re-appropriated in 2020. **Staff recommends approval of this line item so the project can be completed using new funds/reserves.***

*Depot ADA Ramp for \$10,279.48. In 2020, the Lyons Library District granted the balance of their building escrow, \$10,279.48 for the installation of an ADA ramp at the Depot. This project is funded with the Library's funds so should be approved for construction/installation in 2020. **Staff recommends approval of this item as the funds for the project have been secured with unanticipated revenues from the Lyons Library District.***

Electric Utility:

*Electric Undergrounding Through 2nd Avenue Bridge for \$53,000. The project should be done in conjunction with the installation of the 2nd Avenue Bridge. Running the electric wires through the bridge and removing them from overhead protects the lines from wind and weather in addition to being aesthetically pleasing. **Staff recommends approval of this line item utilizing the capital project funds from the LVP Distribution System which is no longer needed.***

Water/Wastewater Utility:

*Centrifuge replacement for \$14,225. This replacement is critical to the operation of the WWTP. The Centrifuge became inoperational in 2019 causing the Town to have increased hauling costs. When the 2020 budget was developed, it was expected that this issue would have been resolved and the increased hauling costs were not built into the current budget. **CRITICAL NEED - Staff recommends approval of this line item using new funds/reserves.***

*Apple Valley Water Tank for \$13,500. During an inspection/tank cleaning last summer, a "frost proof vent" and a ladder are required to address a sanitary defect (vent) and fall protection (ladder). **CRITICAL NEED - Staff recommends approval of this line item using new funds/reserves.***

*Sewer Line Repairs Steamboat & 5th & Miley and 5th for \$138,120. During an inspection of the Town's sewer lines, 4 breaks were identified in 2019. 2 breaks were repaired and the remaining 2 need to be addressed in 2020. **CRITICAL NEED - Staff recommends approval of this line item using new funds/reserves.***

Water Shares – MacIntosh for \$70,000. The Town received \$70,000 from LVP for a water share. The Board has already authorized the Town Administrator to purchase \$70,000's

worth of Lake MacIntosh shares. ***The Administrator has already been directed by the Board to purchase the shares, the budget would need to be increased for the expense which is offset by new funds received in 2020 from LVP.***

Waterline Replacement at Park & Railroad for \$80,000. This section of roadway is scheduled to be replaced with Flood funds. While the road is being repaired, it would be an opportune time to replace the waterline underneath the road. This project would only move forward if the paving project for Park & Railroad moves forward.

Longs Peak Water Line Design for \$91,000. The design of the Longs Peak Water Line was budgeted in 2019 as \$37,500 in the Water fund and \$37,500 in the Sanitation fund. Actual spent in 2019 for design was \$2,804. Estimates from Murraysmith to complete the design is \$91,000.

Longs Peak Water Line Construction for \$850,000. This project has been on the Capital Improvement Project list for several years.

WWTP Re-Rating Aeration System Design for \$42,887. This project was started in 2018 and has been on-going through 2019. Total costs as of 12/31/2019 are \$57,113. The contract for this project is \$100,000.

WWTP Re-Rating Aeration System Construction for \$200,000. This project was budgeted in 2019 however the design has not been completed.

CDOT Lift Station Mechanical Parts for \$9,250. Staff have identified this as a priority project for 2020.

5 Pressure Reducing Valves for \$52,500. Average cost of each valve is \$10,500. Staff recommends replacing 2 in 2020, 2 in 2021 and the last one in 2022.

Waterline Town-wide Valve Mapping for \$40,000. Staff recommends this project for 2021.

Staff would like direction on what, if any projects, the Board would like to fund in 2020. Please review the projects come prepared to discuss what projects you would like to fund for 2020 to the workshop on April 6th. Once the projects are determined, the resolution will be brought forth at the April 20 meeting.

V. LEGAL ISSUES: None.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: N/A

VII. SUMMARY AND ALTERNATIVES: The Town could retain their reserves and additional revenues for future determination. This could cause project delays.

VIII. PROPOSED MOTION: There is no proposed motion at this time.