

MEMORANDUM

TO: Open Space Board of Trustees

FROM: Dan Burke, Director, Open Space and Mountain Parks
Lauren Kilcoyne, Deputy Director of Central Services
Samantha McQueen, Business Services Senior Manager
Cole Moffatt, Senior Accountant

DATE: May 11, 2022

SUBJECT: *Draft 2023-2028 Capital Improvement Program (CIP)*

Executive Summary

The purpose of this discussion item is to share the Open Space and Mountain Parks (OSMP) Department draft 2023-2028 Capital Improvement Program (CIP). The Open Space Board of Trustees (OSBT) will have an opportunity to ask questions to ensure the OSBT is prepared at its June meeting to consider and recommend OSMP's 2023-2028 Capital Improvement Program (CIP), including Lottery Fund funding, for Planning Board and City Council review and approval.

The series of CIP agenda items for the OSBT with opportunity for public review are as follows:

- At the April 13 business meeting, staff provided written information on economic conditions, 2021 revenue collections, and approach to the 2023 work plan and budget.
- This month staff is presenting the draft CIP Budget for discussion.
- In June, the OSBT will hold a public hearing and make a CIP recommendation to the Planning Board and City Council.
- The staff will also present and hold a public hearing on the proposed operating budget for recommendation at the August OSBT meeting.

Addressing OSBT Questions from April Business Meeting

At the April OSBT business meeting, we received questions about CIP accounting practices and specific revenue questions. An overview of the city's CIP accounting practices is included below. Since the April business meeting, the Finance Department's budget and revenue update to City Council was moved from April 26 to May 24. We will provide a more detailed revenue update at the June business meeting with the latest economic forecasting information from the Finance Department.

The CIP provides a forecast of funds available for projects and identifies all planned capital improvement projects and their estimated costs over a six-year period. Consistent with annual practice, the city will update and finalize policies for standard budgeting practices. To address OSBT questions from the April business meeting, policy guidance related to consistent management and development of the CIP are included below. As a note, the policies below refer to an Executive Budget Team (EBT), which consists of city leaders and staff responsible for review and approval of the budget. Department Directors rotate as EBT members, and OSMP's Director is a current member of the EBT.

- **Alignment with Boulder Valley Comprehensive Plan.** The six-year CIP shall be in alignment with the Boulder Valley Comprehensive Plan (BVCP). Department budget managers, capital project managers, and other key departmental staff, with support from Planning and Development Services and Central Budget, are responsible for ensuring capital project proposals are aligned with goals and objectives within the BVCP and complementary department master plans.

- **Definition of Capital Project and Project Type.** Capital projects are generally defined as physical assets with a usable life of at least three years and are greater than \$50,000 in total cost. All capital related expenditures should be tied to a specific capital project within the CIP. It is appropriate for related expenditures, such as planning, design, and project management, to be included within a capital project. There shall be no non-CIP capital expenditures within the budget. To promote consistency, there are only five types of capital projects: capital enhancements, capital maintenance, capital planning studies, land acquisition, and new facilities or infrastructure. The project type shall be identified within project proposals as submitted for the CIP.
- **Capital Project Phasing & Resourcing.** Capital project phasing helps provide a greater level of transparency in project costs. Departments shall submit capital project proposals labeled with one of three phases: planning, design, or construction. Projects can be submitted with no phase if a specific justification is provided that meets capital project standards as determined by the Executive Budget Team. Capital projects, to be considered within the annual CIP, must include the resources necessary to complete the project. The project proposal must include the specific identification of the type of resource requested. This can include outside funding such as grants, so long as the amount of city funding is specifically identified. Project managers and budget staff are responsible for aligning capital requests with overall departmental spending, fund limits and restrictions, and known long-term capital needs within the six-year CIP time horizon.
- **CIP Project Management Allowance.** Project management (staff time) is an allowable expense within the budget for most capital projects. This can include both external and internal project management as needed. Total project management expenses shall not exceed 15% of the total project budget, inclusive of all phases. Generally, only fixed-term internal staff shall be an allowable expense within capital projects.

These policies incorporate Generally Accepted Accounting Principles (GAAP) and run parallel with the city's Comprehensive Annual Financial Reports. They are also considered by auditors each year. In partnership with the Finance Department, OSMP ensures that all expenses tied to a project are capital in nature throughout the life of the project. The department accounts for these policies in all stages of our CIP development and proposal processes. The CIP presented in this memo carefully adheres to the city's guidance. During the April business meeting, the OSBT asked if staff time gets charged to CIP projects. It is rare in OSMP that personnel expenditures would be charged to a CIP project. This occurs primarily when a project is grant-funded, cost-shared, or reimbursable by another agency, wherein the third party requires project-specific time tracking as part of reporting requirements. For example, OSMP staff is actively charging time to Marshall Fire recovery efforts consistent with FEMA guidelines, and OSMP expects some staff time to be reimbursable by FEMA. The hiring plan that OSBT reviewed during the 2022 budget process is supported by the operating budget. OSMP does not anticipate that the 2023 CIP will support significant personnel expenditures. Consistent with city practice, all standard Full Time Equivalent (FTE) positions are requested through the budget process. OSBT reviews these requests annually during the operating budget review in July-August.

Budget Development Process

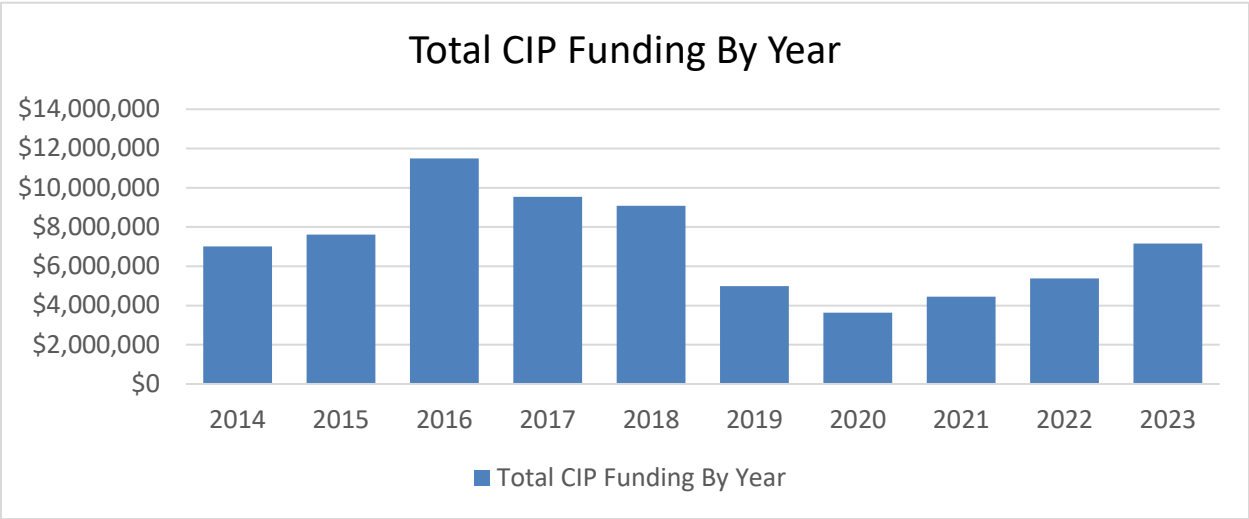
OSMP continues to utilize a robust, collaborative work planning process to ensure that the CIP supports the highest priority projects each year. The draft 2023 CIP is the result of months of extensive work by project managers, supervisors, and the cross-functional Work Plan Steering Team to phase, scale, and prioritize projects to ensure the department is meeting commitments to the community as reflected in approved plans. The steering team considered department priorities guided by the Master Plan, commitments in other existing plans, staff capacity, balance across functions and services, and many other factors in determining which projects to recommend moving forward with. Many projects reviewed during the initial intake were not ready to move forward, whether they required additional project scoping and/or cost estimating, needed to be phased and funded in appropriate years (i.e. design, permit, construct), or should be better coordinated with another related project before being funded. Additional to

the projects recommended in the 2023 CIP, OSMP continues to work on multi-year projects funded in previous budget cycles. This is referred to as capital carryover and is reflected in the first Adjustment to Base process as outlined in the April business meeting. Therefore, staff capacity in 2023 will be directed towards capital carryover projects, new 2023 capital projects, and a host of programs, ongoing services, and projects funded out of the 2023 operating budget.

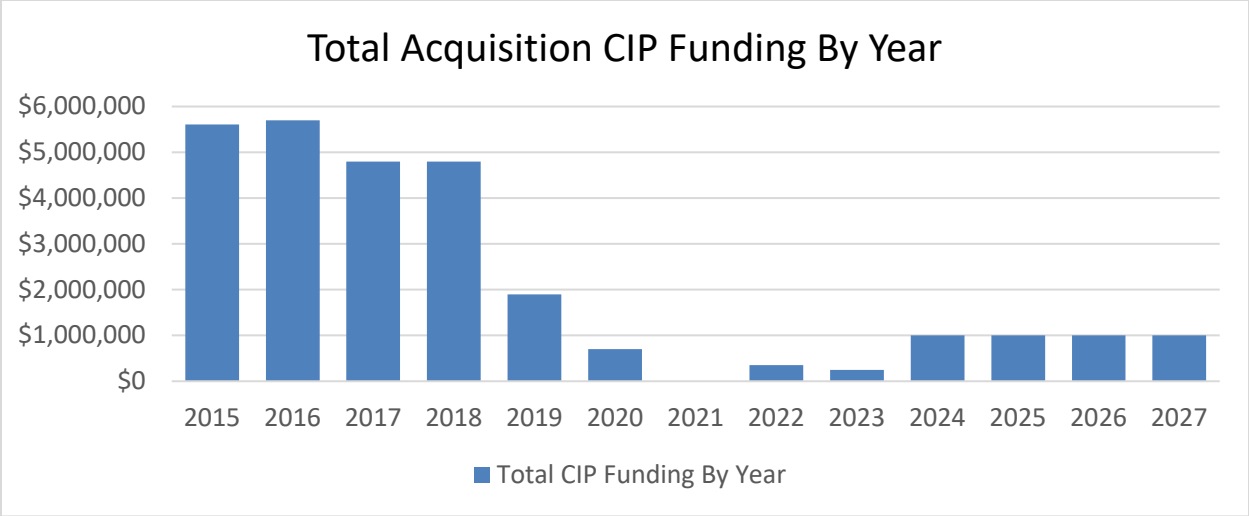
In 2023, the draft \$7,147,972 CIP presented in this memo represents an increase of \$1,776,972 over the \$5,371,000 2022 CIP. This accounts for expected revenue increases in future years while considering changes to economic conditions and continued multiyear revenue impacts of COVID-19. The amount of funding in the annual OSMP CIP has fluctuated over the last five years, first decreasing as the department prepared for the reduction of 0.11 percent sales tax in 2019 and the end of the General Fund transfer in 2019. In 2020, OSMP began to plan for CIP increases after the extension of the 0.15 percent sales tax through 2039 via 2019 ballot measure. However, COVID-19 impacted revenue collections citywide, and OSMP participated in citywide requirements to reduce 10% of budget in 2020 and 2021, which impacted the department CIP. Finally, in 2022, OSMP was able to program CIP increases utilizing revenues from the extension of the 0.15 percent sales tax increment. In 2023, OSMP can support a higher-than-average CIP based on better-than-expected 2021 revenues (outlined in the April business meeting), anticipated revenue recovery from COVID-19, and availability of dollars from the 0.15 percent sales tax increment. In out-year planning beyond the 2023 CIP, OSMP has budgeted \$6M per year for the CIP. This is subject to change annually based on revenue projections and department priorities. However, 2023 is an opportune time to accomplish high priority projects on the open space system and to deliver on plan commitments that needed to be deferred during revenue decline.

While the 2023 CIP conservatively accounts for a multiyear recovery from COVID-19 revenue impacts, the 0.15 percent sales tax extension through 2039 allows the department to continue to increase the CIP budget over previous years. The draft projects described in this memo may be subject to some changes based on updated information staff will receive from the upcoming six-year revenue forecast from the Finance Department. As stated earlier, since the April business meeting, the Finance Department's budget and revenue update to City Council was moved from April 26 to May 24. We will provide a more detailed revenue and economic update at the next business meeting.

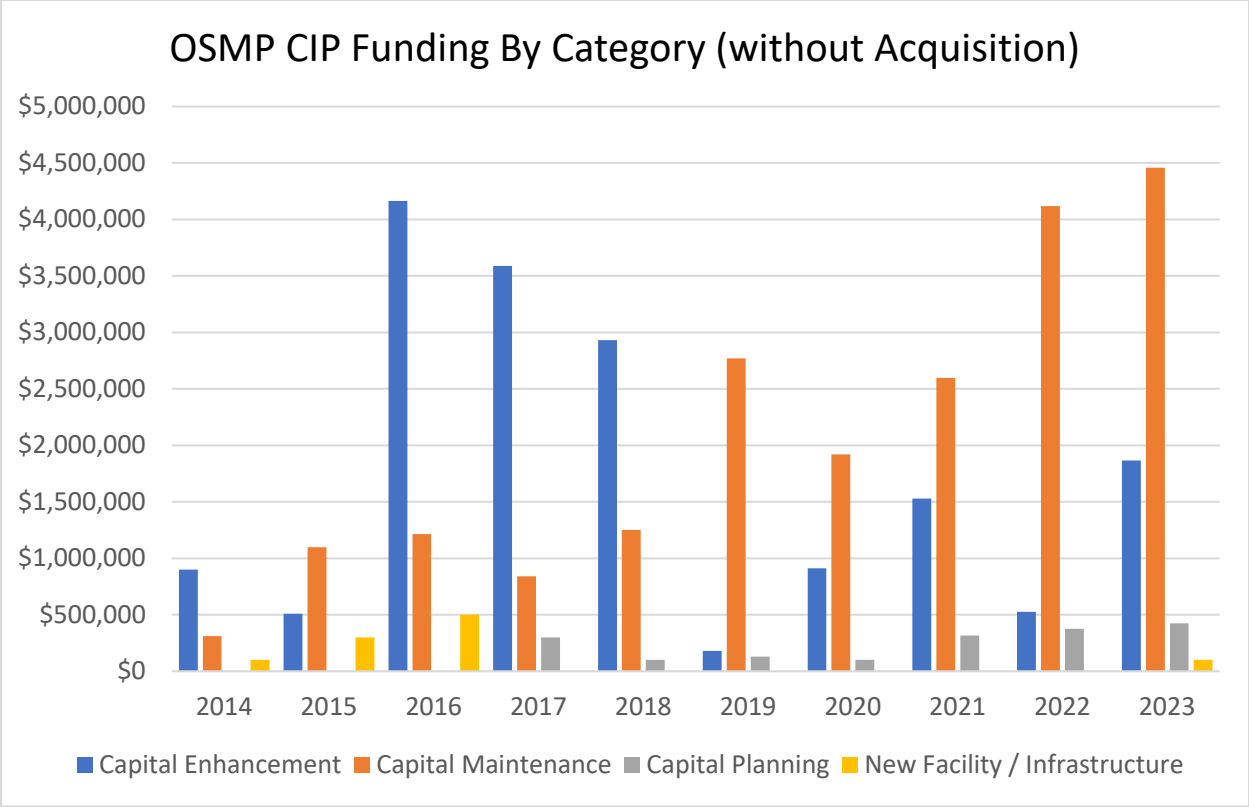
At this time, OSMP is awaiting further information from the Finance Department on the amount of 2023 Lottery Fund dollars that will be allocated to OSMP. Based on allocation in previous years, the \$7,147,972 draft CIP includes an assumption of \$428,000 in Lottery dollars. The remaining \$6,719,972 will be supported by the Open Space Fund. These numbers are subject to change as more financial information becomes available.



Across all departments and funds, the city utilizes consistent categories/types to describe capital investments. CIP project types include capital maintenance, capital enhancement, new facility/infrastructure, capital planning studies, and land acquisition. In the past, a significant portion of the annual OSMP CIP was dedicated to land, water, and mineral acquisition. Since 2019, Master Plan guidance updated the guidance from the 2013-2019 OSMP Acquisition Plan, and much of the funding for acquisition has shifted according to Master Plan priorities. In 2020, the department utilized acquisition carryover funding from previous years to support the purchase of Shanahan Ranch. The carryover funding was augmented by \$700,000 in 2020 CIP funding, and during the 2021 CIP process it was determined that additional acquisition dollars were not needed to support the acquisition program in the 2021 work plan. In 2022, the department funded the acquisition CIP at \$350,000 to ensure adequate dollars were available for the acquisition of the Boulder County parcels at Sombrero Marsh and a trail easement to support plan implementation in the North Foothills area. Both acquisitions were reviewed by OSBT in 2022. The acquisition CIP will be funded at \$250,000 in 2023. Through the work planning process, the department determined that \$250,000 is adequate to carry out 2023 priorities. Additional dollars related to acquisition will again be allocated in the capital maintenance category to ensure that immediate property needs are taken care of after acquisition of any land in 2022 and 2023. In out years, it is assumed that there will continue to be some base level funding to the acquisition CIP. The amount of funding will be determined annually through the work planning process and based on needs to support any priority acquisitions.



Since 2019, the department has prioritized *capital maintenance (taking care of what we have)* which is consistent with the priorities of the Master Plan. Of the \$7,147,972 draft 2023 CIP, \$4,457,000 (62%) supports capital maintenance across Master Plan focus areas and all functions and services. As outlined in the list of draft projects later in this memo, most capital maintenance projects are continuations of project types from previous years. For example, OSMP annually funds maintenance of agricultural fencing, irrigation infrastructure, facilities, and ecological and wetlands restoration. *Capital enhancement* projects, on the other hand, are funded when specific enhancement projects result in improved management or when called for in approved plans. While capital maintenance funding in the draft 2023 CIP is less than the 77% allocated in 2022, projected revenue increases will allow the department to invest more overall dollars in key enhancement projects across the system than in 2022. Examples of capital enhancement projects in the draft 2023 CIP include North Trail Study Area implementation, improvements to local food farm sites, and system-wide sign and communication enhancements.



In previous years, the graphs above were the extent of the budget reporting available to the department based on citywide and department systems. Since Master Plan adoption, the department has adapted the work planning system to allow for additional, more descriptive reporting. This memo represents iterative improvements to the display of 2023 CIP by Master Plan focus area, strategy, and tier.

Master Plan Alignment with 2023 CIP Projects

The 2023 budget again incorporates the Master Plan into the CIP. All proposed CIP projects are categorized into one of the five Master Plan focus areas, or central management themes. They are further broken down into strategies under each focus area:

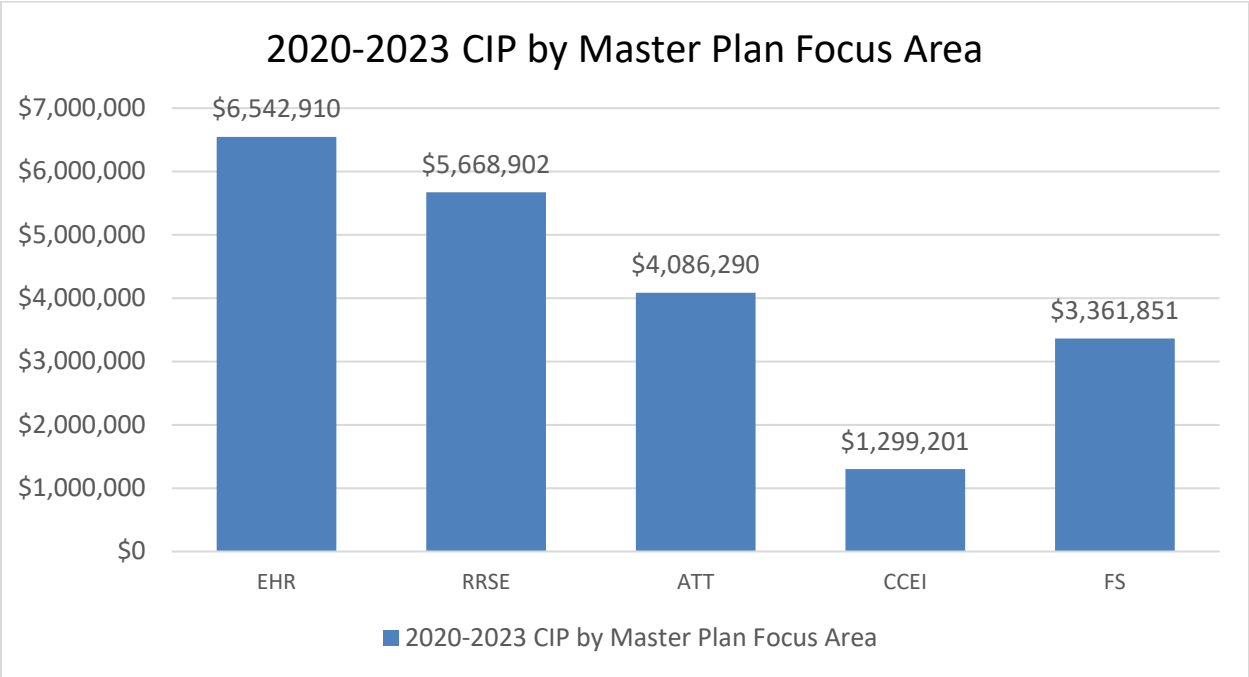
- Agriculture Today and Tomorrow (ATT)
- Community Connection, Education, and Inclusion (CCEI)
- Ecosystem Health and Resilience (EHR)
- Financial Sustainability (FS)
- Responsible Recreation, Stewardship, and Enjoyment (RRSE)

During the development process, each CIP project was assigned a “primary focus area.” This was a useful first step in improving budget and Master Plan alignment but was limited in its ability to show the interconnectedness of strategies and the ways in which one project can advance multiple Master Plan objectives. OSMP’s work planning system allows for each project to link to up to three Master Plan strategies, referred to as primary, secondary, and tertiary strategies. Each project manager then assigned percentages that a project matched up to each strategy. This allows OSMP to better represent how dollars align with Master Plan implementation funding. For example, the project “Tall Oatgrass Management” funded at \$75,000 in the 2023 CIP is captured as follows:

Strategy Alignment	Tier	Strategy	Percent of Project	Funding for Strategy
Primary	1	EHR.1) Preserve and restore important habitat blocks and corridors	60%	\$45,000
Secondary	2	EHR.6) Control invasive species	30%	\$22,500
Tertiary	1	EHR.3) Address the global climate crisis here and now	10%	\$7,500
Total			100%	\$75,000

Master Plan graphs and charts as presented below utilize this methodology to reflect CIP investment by focus area, tier, and strategy. The department presented Master Plan alignment in a similar way during the 2022 budget development process. Moving forward, we will continue to look for the most effective and transparent way to display budget and Master Plan alignment.

Over the four budget years since the Master Plan was approved, Ecosystem Health and Resilience (EHR) has received the most funding of any focus area, followed by Responsible Recreation, Stewardship, and Enjoyment (RRSE) and Agriculture Today and Tomorrow (ATT). The chart below displays the four-year cumulative investment in each focus area since investments were tracked against Master Plan priorities.



This can then be compared with the integrated budget guidance in the Master Plan, which provides target percentages by focus area over the ten-year Master Plan implementation horizon. In any given year, CIP percentages by focus area will vary based on which priority projects are funded, but the department will ensure that percentages normalize to meet implementation commitments over time. Cumulative investment over a four-year period is consistent with the integrated budget guidance.

To highlight key changes from 2022, RRSE will receive increased funding at 31% of the 2023 CIP. The 9% increase in RRSE funding over the previous year supports important investments like North Trail Study Area (NTSA) implementation. Cumulative investments over a four-year period are highest in EHR (32%), followed by RRSE (27%). This is consistent with the 10-year Master Plan target to allocate 25-

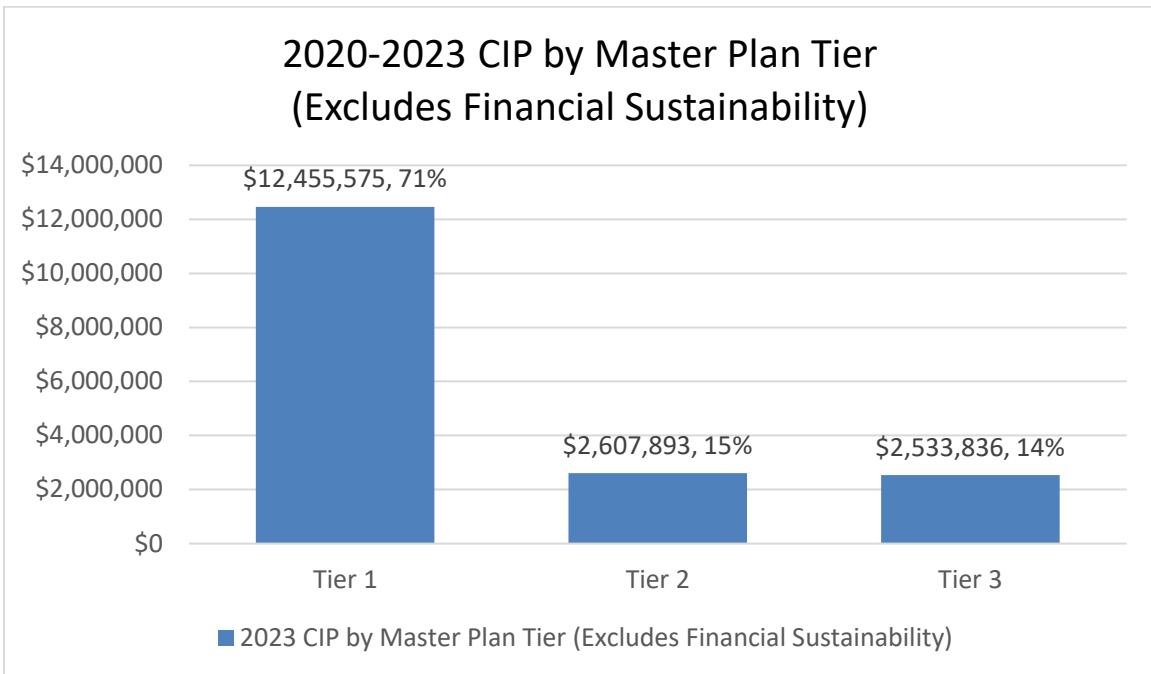
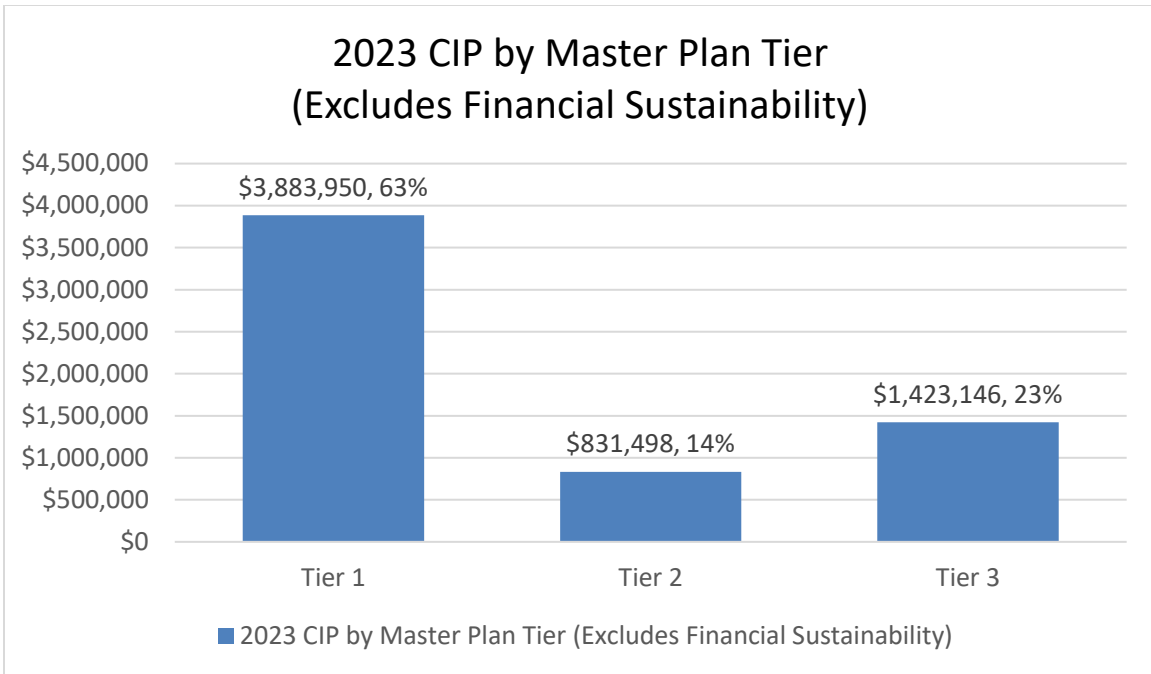
40% of the CIP to EHR projects and 20-35% to RRSE projects. All focus areas are funded within the target range in 2023. Cumulative four-year investments are consistent with integrated Master Plan guidance with the exception of CCEI. While it is quite possible that future CIP budgets will reflect increased CCEI investments consistent with Master Plan guidance, we may find that the CIP is not as an appropriate funding mechanism for CCEI projects than originally envisioned as compared to the operating budget.

Focus Areas	10-Year target percentage to inform MP implementation spending	2020 CIP percentage (\$4,018,275)	2021 CIP percentage (\$4,466,705)	2022 CIP percentage (\$5,371,000)	2023 CIP percentage (\$7,147,972)	Cumulative 2020-2023 CIP
Ecosystem Health and Resilience	25-40%	26%	47%	30%	25%	32%
Responsible Recreation, Stewardship, and Enjoyment	20-35%	35%	19%	22%	31%	27%
Agriculture Today and Tomorrow	15-30%	18%	17%	23%	20%	20%
Community Connection, Education, and Inclusion	10-25%	1%	3%	8%	10%	5%
Financial Sustainability	10-25%	20%	14%	17%	14%	16%

Additionally, the draft 2023 CIP categorizes projects as Tier 1, 2, or 3 strategies in the Master Plan. As a reminder, every Master Plan strategy is deemed important and the definition in the Master Plan of each tier is included below:

- Tier 1 Strategy: Most important, will be accelerated and emphasized with more staff time and funding, especially in the first few years of Master Plan implementation
- Tier 2 Strategy: Next most important, will receive incremental funding and effort as capacity allows
- Tier 3 Strategy: Third most important, will receive incremental funding and effort as capacity allows

Total 2023 CIP budget allocation by tier is adjusted to remove projects aligned with the Financial Sustainability strategies, since those strategies underpin the work of the other four service areas and with the exception of the acquisition-related strategies are not tiered in the published Master Plan. Overall, the investment by tier in the 2023 CIP is consistent with the department goal to prioritize Tier 1 strategies in a fiscally constrained environment, with 63% of funding advancing Tier 1 strategies.



The department began to show investment by both Master Plan tier and Master Plan strategy for the first time in 2022. This is an improvement in the ability to communicate how we are investing CIP dollars over time and demonstrates the breadth and depth of the work that is occurring to implement the Master Plan.

As a final point of reference to the Master Plan, OSMP is able to show CIP investment by strategy. The 2023 CIP invests in all ten of the ten Tier 1 strategies. In any given year, while a particular strategy may not have certain CIP projects associated with it, it is likely there are programs, actions, and services funded through the department’s operating budget that support that strategy. Overall, the projects in the draft 2023 CIP fund some level of implementation of 37 strategies in the Master Plan.

Tier	Master Plan Strategy	Funding in 2023 CIP
1	ATT.1) Reduce maintenance backlog for agricultural and water infrastructure	\$480,900
1	ATT.2) Increase soil health and resilience	\$179,450
1	ATT.3) Address conflicts between agriculture and prairie dogs	\$234,000
1	CCEI.1) Welcome diverse backgrounds and abilities	\$186,340
1	CCEI.2) Enhance communication with visitors	\$220,870
1	EHR.1) Preserve and restore important habitat blocks and corridors	\$995,834
1	EHR.2) Update system plans guiding ecosystem management	\$133,234
1	EHR.3) Address the global climate crisis here and now	\$88,550
1	RRSE.1) Assess and manage increasing visitation	\$674,772
1	RRSE.2) Reduce trail maintenance backlog	\$690,000
2	ATT.4) Protect water resources in a warmer future	\$28,900
2	ATT.5) Encourage diverse and innovative agricultural operations	\$170,000
2	CCEI.3) Connect youth to the outdoors	\$49,300
2	CCEI.4) Support citywide engagement with federally recognized American Indian Tribes and Indigenous Peoples	\$12,500
2	EHR.4) Reduce undesignated trails	\$374,798
2	EHR.6) Control invasive species	\$144,500
2	EHR.7) Develop a learning laboratory approach to conservation	\$31,500
2	RRSE.4) Encourage multimodal access to trailheads	\$20,000
3	ATT.6) Support the success of ranchers and farmers	\$236,100
3	ATT.7) Integrate native ecosystems and agriculture	\$54,200
3	ATT.9) Enhance enjoyment and protection of working landscapes	\$18,900
3	CCEI.5) Foster wellness through immersion in the outdoors	\$18,750
3	CCEI.6) Inspire environmental literacy and new involvement in OSMP	\$10,000
3	CCEI.7) Cultivate leaders in stewardship	\$30,000
3	CCEI.8) Heighten community understanding of land management efforts	\$23,490
3	CCEI.9) Preserve and protect Boulder's cultural heritage	\$138,750
3	EHR.9) Reduce and offset OSMP's greenhouse gas emissions	\$30,000
3	RRSE.6) Support a range of passive recreation experiences	\$130,215
3	RRSE.7) Build new trails as guided by past and future plans	\$518,115
3	RRSE.8) Provide welcoming and inspiring visitor facilities and services	\$208,376
3	RRSE.9) Develop a learning laboratory approach to recreation	\$6,250
N/A	FS.4) Take care of what we have	\$632,280
N/A	FS.5) Prioritize acquisitions in Boulder Valley's rural preservation area	\$125,000
N/A	FS.6) Partner to protect lands beyond target area	\$75,000
N/A	FS.7) Participate in other acquisition opportunities	\$50,000
N/A	FS.8) Evaluate existing real estate assets on OSMP lands	\$12,500
N/A	FS.9) Invest in workforce development and operational needs	\$114,600

Tier	Master Plan Strategy	Funding in 2023 CIP
	Total	\$7,147,972

Proposed/Recommended 2023 CIP Projects

Consistent with presentation of CIP projects in 2022, the 2023 CIP projects are listed alphabetically by project and convey which projects are continuations of multi-year efforts, and which projects are new this year. The list also indicates which approved plans additional to the Master Plan support the proposed project. This was provided to demonstrate the interconnectedness of the work being performed.

Please note that it is common for project estimates, both in terms of total project cost and cost by strategy, to utilize round, whole numbers. In the citywide budget process, \$50,000 is considered a minimum threshold for a capital project, with the thinking that projects less than \$50,000 could possibly be funded in the operating budget. In OSMP, projects are funded over several years, and though occasionally CIP funding in a specific year could be less than \$50,000, total capital project cost will exceed \$50,000. Additionally, depending on the type of project occurring, project managers may utilize different contingency estimates. For example, a cost estimate that is developed in 2022 for a project that will occur in 2023 may factor in increased cost of inputs (e.g., increasing price of concrete), so annual CIP budgets may not be exact. The department continues to work to improve cost estimating.

Recommended 2022 CIP			
Project	Proposed 2023 Funding	Initiate/ Continue/ Complete	Associated Department Assessment/Plan
Address Priority Property Needs After Acquisition	\$80,000	Continue	Visitor Master Plan
Agricultural Fencing Infrastructure Installation and Maintenance	\$109,000	Continue	Agricultural Resources Management Plan
Asset Management Inventories and Baseline Assessments	\$100,000	Initiate	Master Plan
Climate Action: Greenhouse Gas Reductions to Facilities, Equipment, and Vehicles	\$50,000	Continue	OSMP Facilities Assessment
Develop Cultural Resources Management Plan	\$50,000	Initiate	Master Plan
Develop Indicators for Recreation Opportunities and Visitor Experience	\$50,000	Initiate	Visitor Master Plan
Develop Integrated Ecosystem Management Approach	\$100,000	Initiate	Master Plan
Equipment Purchase, Repair, and Replacement	\$100,000	Continue	Master Plan
Facility Asset Management	\$460,000	Continue	OSMP Facilities Assessment
Fencing Infrastructure Installation, Maintenance, and Removal	\$100,000	Initiate	Visitor Master Plan
Gebhard Site Plan Implementation: Construction	\$200,000	Continue	Grassland Management Plan
Hire Youth Corps. and Contracted Crews for Trail Projects	\$275,000	Continue	Visitor Master Plan and Trail Study Area Plans
Historic Agriculture Facilities Rehabilitation	\$300,000	Continue	Agricultural Resources Management Plan
Irrigation Infrastructure Improvements and Maintenance	\$209,000	Continue	Agricultural Resources Management Plan
Land, Water, and Mineral Acquisitions	\$250,000	Continue	Master Plan

Recommended 2022 CIP			
Local Food Farm Sites Improvements	\$140,000	Continue	Agricultural Resources Management Plan
Major Ecological Restoration Projects	\$100,000	Continue	Grassland Management Plan
Native Vegetation Restoration Along Boulder and South Boulder Creeks	\$100,000	Continue	Grassland Management Plan
New Zealand Mudsnail Management Review and Implementation	\$60,000	Initiate	Master Plan
North Trail Study Area Implementation: Eagle Trail Restoration and Repair	\$515,000	Initiate	North Trail Study Area Plan
North Trail Study Area Implementation: North Sky Trail and Associated Restoration	\$996,172	Initiate	North Trail Study Area Plan
North Trail Study Area Implementation: Wonderland Lake	\$151,400	Initiate	North Trail Study Area Plan
Prairie Dog Conservation and Management	\$350,000	Continue	Master Plan, Preferred Alternative Approach for Managing Irrigated Agricultural Fields with Prairie Dog Conflict
Public Safety Improvements: Visitor Safety	\$50,000	Initiate	Visitor Master Plan
Recreation and Visitor Use Planning	\$100,000	Continue	Master Plan
Restoration of Irrigated Agricultural Fields with Prairie Dog Conflict	\$390,000	Continue	Master Plan, Preferred Alternative Approach for Managing Irrigated Agricultural Fields with Prairie Dog Conflict
Restoration of Vegetation, Riparian Habitats, and Wetlands	\$175,000	Continue	Grassland Management Plan
Road and Bridge Maintenance	\$170,000	Continue	Visitor Master Plan
Soil Health Improvement Projects	\$199,000	Continue	Agricultural Resource Management Plan
Tall Oatgrass Management	\$75,000	Continue	Grassland Management Plan
Trailhead Improvement Projects	\$490,000	Continue	Master Plan
Undesignated Trail Program	\$130,400	Initiate	Visitor Master Plan
Visitation and Visitor Experience Survey Implementation	\$200,000	Continue	Visitor Master Plan
Visitor Communication and Education Enhancements	\$223,000	Continue	Visitor Master Plan
Wetlands Restoration on Lower Boulder Creek	\$100,000	Continue	Grassland Management Plan
Total	\$7,147,972		

The department looks forward to feedback from OSBT at the May business meeting and will consider feedback and edits, as well as information received in the coming weeks from the Finance Department, into the information provided for the June business meeting. The June meeting will include a public hearing and recommendation of the CIP to Planning Board and City Council.

OSMP Budget Structure

This section will provide funding and structure reminders as reference as we move through the 2023 budget process. First, OSMP is grateful for the support of the community in passing the 2019 ballot measure to extend a 0.15 percent sales tax to the Open Space Fund for 20 years. The first year of the 0.15

percent sales tax supported the purchase of a conservation easement at Long’s Gardens. Beginning in 2021, the Open Space Fund is made up of the following three sales tax increments:

- 0.40 percent sales tax which has no sunset;
- 0.33 percent sales tax which was reduced to 0.22 percent on Jan. 1, 2019, to be reduced to .10 percent Jan. 1, 2035, then exists in perpetuity; and
- 0.15 percent sales tax which expires Dec. 31, 2039.

The goal of the annual budget process is to develop a budget that reflects financial realities and upholds our commitment to stewarding the land system. As a reminder, the overall OSMP department budget is made up of:

- Operating Expenditures – which will be discussed at the July and August business meetings. The operating budget accounts for core and ongoing service activities including day-to-day maintenance and management, safety and enforcement, monitoring, strategic and resource planning, community engagement and visitor outreach, education and events, media, and web services, permitting and fees management, administrative and financial support, and more. Operating expenditures include dollars for staff salaries, cost allocation, and non-personnel funding for smaller scale, less expensive, or more continuous projects and programs related to ecosystem health, agriculture and water, recreation, and others.
- Debt Service – which will be discussed in the July and August business meetings. This includes annual payments of principal and interest related to long-term debt associated with past acquisitions. For OSMP, these includes general obligation bond issuance and Boulder Municipal Property Authority (BMPA) notes.
- Capital Improvement Program (CIP) – which is the focus of this memo and discussed during the April, May, and June business meetings. The CIP is an annual updated plan of capital expenditures that may involve the purchase, construction, or major maintenance of capital assets. While the city definition primarily focuses on facilities and streets, for OSMP the CIP is used to support larger scale land management and acquisition efforts across functions and services. Planning, design, engineering, or architectural fees are often a part of a capital project.

Given changing economic conditions and ongoing local impacts of COVID-19, it will be important to remain adaptable and transparent as we develop the 2023 budget. As OSMP continues to receive updates from the Finance Department around targets and expense forecasting, staff will have a better sense of what actions should occur. It is possible that the proposed CIP will be adjusted over the course of the budget process. To address what is possible in the CIP specifically, the goal of the May and June business meetings is to understand the appropriate balance across CIP projects given current information.

Operating and Capital Budget Development Processes

Key dates for the budget development processes are included below:

Milestone	Date
<i>OSBT Written Information (1st Touch)</i>	<i>April 13</i>
<i>OSBT Draft 2023 OSMP CIP Discussion Item (2nd Touch)</i>	<i>May 11</i>
1 st Draft City CIP to Planning	May 20
Budget and Revenue Update to City Council	May 24
<i>OSBT 2023 OSMP CIP Public Hearing, Discussion and Recommendation (3rd Touch)</i>	<i>June 8</i>
Executive Budget Meeting with OSMP	TBD, June 22-24
<i>OSBT Draft 2023 Operating Budget Information Item (1st Touch)</i>	<i>July 13</i>
<i>OSBT 2023 Operating Budget Public Hearing, Discussion and Recommendation (2nd touch)</i>	<i>August 10</i>
Planning Board City CIP Hearing	August 18

Milestone	Date
City Council Budget Study Session	September 13
City Council Budget Consideration (1 st & 2 nd Readings)	October 6 & 18