



2C Advisory Committee

2023 Q3 Report

December 1, 2023 Public Works Department

Agenda



Budget Overview

Challenges and Solutions

Revenues



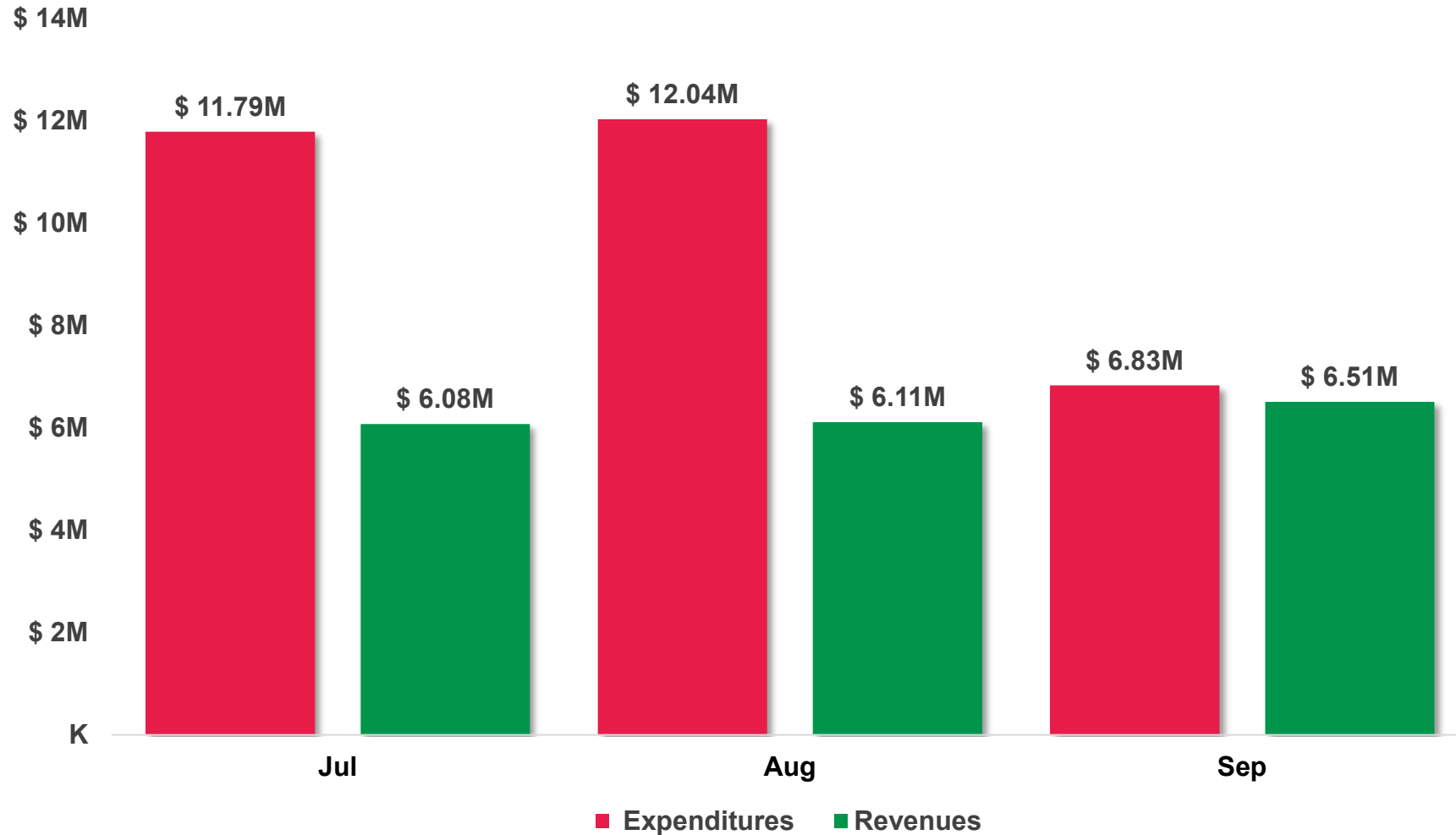
2C/2C2 Road Tax For Filing Period Ended October 31*

<u>Month Paid to City</u>	<u>2C - 0.62%</u>		<u>2C2 - 0.57%</u>			<u>% Over(Under) Previous Year</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
February	4,227,205	4,198,197	4,234,101	4,722,855	4,861,616	2.94%
March	3,821,694	3,882,045	4,242,383	4,702,443	4,723,856	0.46%
April	5,047,117	4,343,766	5,689,085	6,135,124	6,246,013	1.81%
May	4,508,287	3,527,905	5,124,653	5,799,085	5,418,556	(6.56%)
June	4,543,767	4,393,829	5,239,285	5,607,814	5,829,903	3.96%
July	5,428,554	5,444,453	6,426,629	6,726,707	6,616,829	(1.63%)
August	4,978,963	5,109,657	5,749,024	6,200,014	6,078,343	(1.96%)
September	4,888,217	4,982,720	5,582,809	6,078,675	6,114,592	0.59%
October	5,218,998	5,718,237	6,139,253	6,579,764	6,507,896	(1.09%)
Total (Year-to-Date)	42,662,803	41,600,809	48,427,221	52,552,481	52,397,604	(0.29%)
Refunds (Year-to-Date)	87,884	228,194	116,020	254,319	274,636	
Net Revenue (Year-to-Date)	<u>42,574,919</u>	<u>41,372,615</u>	<u>48,311,201</u>	<u>52,298,162</u>	<u>52,122,968</u>	

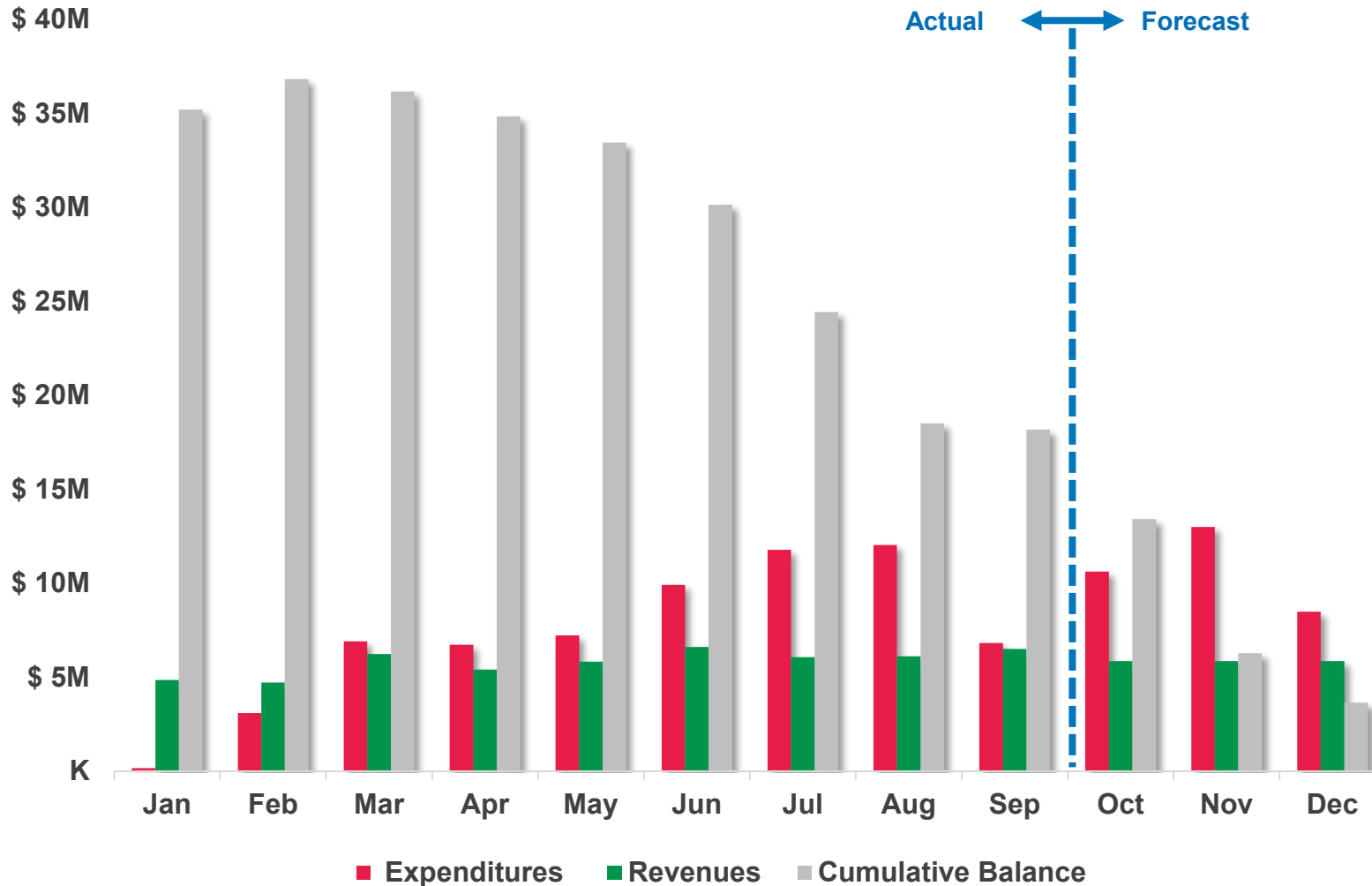
In November of 2019, voters in Colorado Springs passed Issue 2C2, agreeing to continue investment in our roads for years 2021-2025, at a sales tax rate of 0.57%, reduced from 0.62% for Issue 2C that was passed by voters in November 2015, for years 2016-2020.

* Filing period is the month the tax monies are collected by the retailer from their customers

Revenues and Expenditures



Revenues and Expenditures Forecast

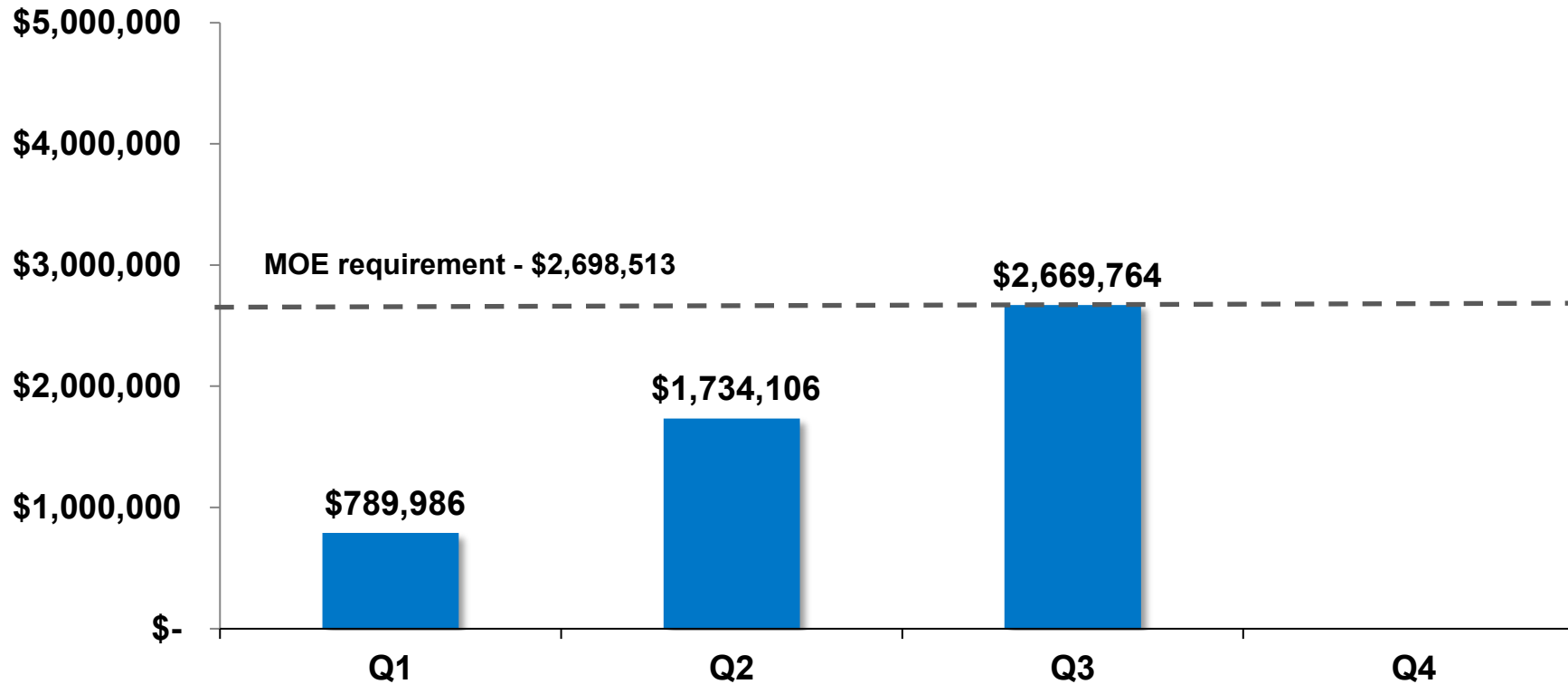


Forecasted carryover balance:
\$3,659,933

Maintenance of Effort Requirement



Maintenance of Effort Goal by Quarter								
Quarter	2016	2017	2018	2019	2020	2021	2022	2023
Q3	\$ 1,056,594	\$ 1,658,494	\$ 1,573,234	\$ 1,538,963	\$ 2,071,781	\$ 2,093,359	\$ 2,277,357	\$ 2,669,764



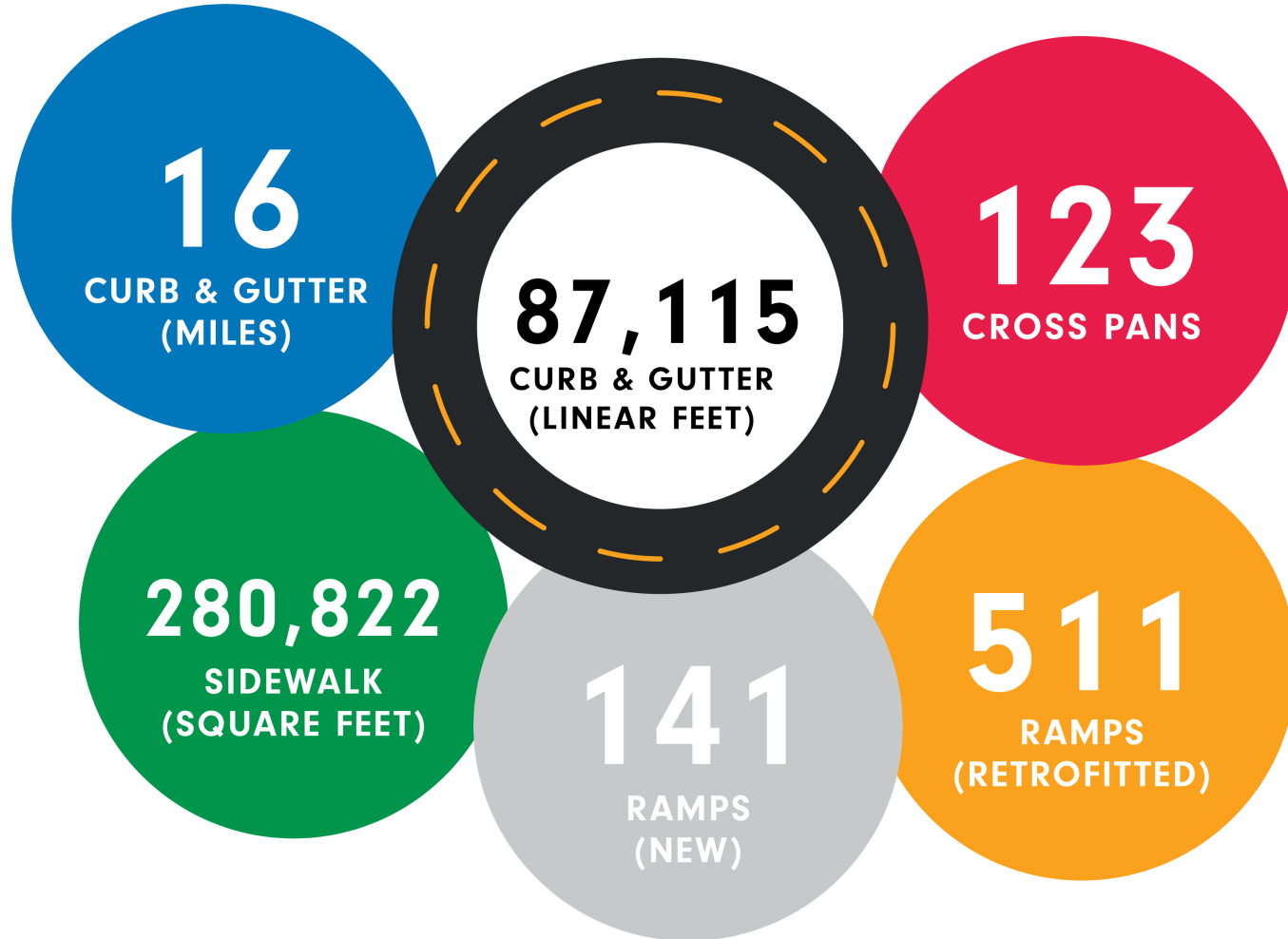
Total Program Update – Through Q3



Program	2016	2017	2018	2019	2020	2021	2022	2023
Concrete	\$ 14,212,907	\$ 19,846,218	\$ 23,106,370	\$ 23,723,472	\$ 28,932,809	\$ 27,639,604	\$ 46,380,580	\$ 47,696,935
Overlay	23,226,118	25,463,360	30,388,855	20,006,625	28,600,321	19,943,500	15,432,694	18,968,861
Program Support	2,490,337	4,984,992	5,933,370	5,025,029	6,573,922	6,034,028	6,856,688	5,608,676
Total Annual Spend	\$ 39,929,362	\$ 50,294,570	\$ 59,428,595	\$ 48,755,126	\$ 64,107,052	\$ 53,617,132	\$ 68,669,962	\$ 72,274,472
Original Budget	\$ 50,000,000	\$ 49,999,340	\$ 49,983,060	\$ 49,964,910	\$ 57,965,460	\$ 54,599,960	\$ 65,435,820	\$ 74,228,660
Mid-Year Appropriation	\$ -	\$ -	\$ -	\$ 9,000,000	\$ -	\$ 10,000,000	\$ -	\$ 16,000,000
Appropriated Budget	\$ 50,000,000	\$ 49,999,340	\$ 49,983,060	\$ 58,964,910	\$ 57,965,460	\$ 64,599,960	\$ 65,435,820	\$ 90,228,660
Available to Spend Budget ⁽¹⁾	\$ 50,000,000	\$ 60,078,590	\$ 60,400,877	\$ 60,587,027	\$ 70,315,777	\$ 72,927,580	\$ 81,603,146	\$ 103,482,600
Concrete % of Program	36%	39%	39%	49%	45%	52%	68%	66%
Overlay % of Program	58%	51%	51%	41%	45%	37%	22%	26%
Program Support % of Program	6%	10%	10%	10%	10%	11%	10%	8%
% Spend of Available Budget	80%	84%	98%	80%	91%	74%	84%	70%

(1) - Available to Spend Budget includes carryover and purchase order rollover funds

Pre-Overlay Concrete Highlights



58%
Total Program Completed

Sidewalk placed is approximately three
City Blocks (Manhattan)

Curb & Gutter placed is about six times
as tall as Pikes Peak

Asphalt Overlay Highlights



95 LANE
MILES
PAVED

52%
Total Program Complete

Tons placed is twice as heavy as The
Statue of Liberty

Paved the equivalent of one lane from
Colorado Springs to Boulder this quarter

Issues To Be Resolved



Concrete costs outpacing the program

2021 – 2023 has seen a cumulative 58% cost increase

Increases seen in 2C2 above the original 2C program

Sidewalk costs	+49%
Curb and Gutter costs	+57%

Budget adjustment needed – approximately \$56M to complete planned program

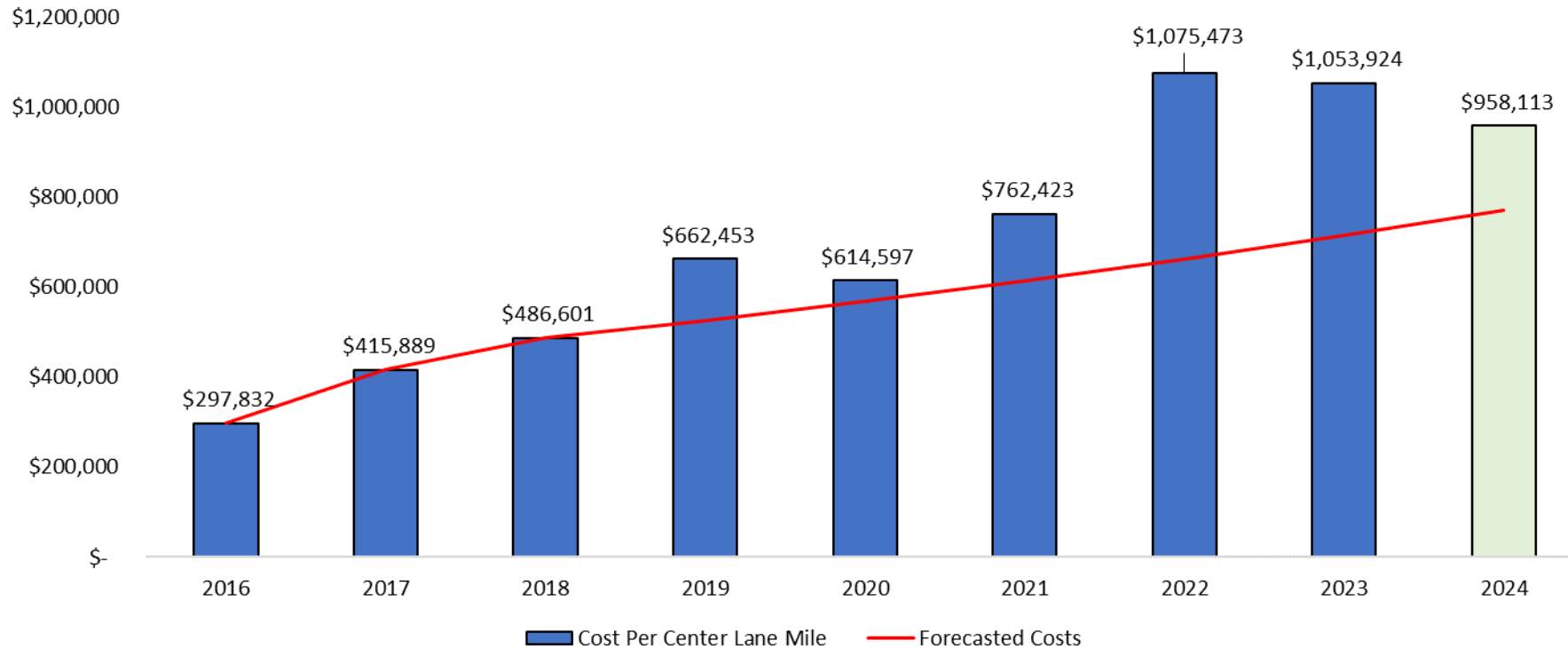
Issues Being Resolved



Issues Being Resolved



Concrete Cost Per Center Lane Mile



What We Have Already Done

(1) How to handle budget constraints and infrastructure needs:

- Implemented a new patch back standard – 2' to 1' to decrease concrete spend by 20-25%
- Reduced number of active crews to accommodate lower production goals for budget constraints
- Revisited concrete criteria and adjusted across all categories
- Went back out to competitive bid – received 12 bids – provided competitive best and final offer pricing
- **Estimated savings – approximately \$6M annually**

CURB AND GUTTER

Spalled Curb Head



Minor surface cracking



Mild surface cracking with some spalling



Surface spalling of curb face



Curb head completely spalled

→ REPLACE

Additional Potential Actions

(2) Decrease Criteria Standards

- Approximate savings \$8M annually but leaves infrastructure distress



Additional Potential Actions (Cont.)

(3) Decrease Criteria Standards and do Ramps only

- Approximate savings are \$20M annually and leaves significant infrastructure distress



Actions Summarized



(1) Implemented Changes

- Saves \$6M annually
- \$12M by program end

(2) Decreased Criteria Standard

- Saves \$8M annually
- \$16M by program end

(3) Fix Pedestrian Ramps only

- Saves \$20M annually
- \$40M by program end

Recommendation:

- Continue program forward with **(1) Implemented Changes** and address distressed infrastructure now and amend planned work.

Downside to Reduced Criteria

- Increased call volume from Citizens
- Stormwater issues
- Pedestrian Access Route (PAR) addressed only at ramps
- Missed opportunity to address reported sidewalk issues
- Icing issues on the roadways – public safety concern
- Increased callout volume on In-House resources
- In-House pothole patching increase



2C2 Production Outlook



	2021	2022	2023	2024	2025	Projected Completion	Original Planned Total	Anticipated Shortfall
Concrete ⁽¹⁾	37	40	49	39	40	205	250	45
Overlay ⁽²⁾	155	100	146	144	131	676	943	267

Completed Work

(1) Represented in Center Lane Miles
 (2) Represented in Lane Miles



Squirreltail
Before



Squirreltail
After



Old Ranch
Before



Old Ranch
After

What's Next

- 2023 Q4/End of Year Reporting
- 2C2 Plan for 2024
- Discussing 2C3 Ballot Process
 - 90% towards residential streets
 - Other preventative maintenance applications
 - Program length
 - Schedule



Question/Discussion



Next Meeting

Thursday, February 22, 2024

10:30am - 11:30am

at

City Hall

Pikes Peak Conference Room

Virtual Option Available