



Pueblo, Colorado
The State of the City

June 2018



city of

PUEBLO

colorado

Overview

Pueblo is a community filled with pride, passion, determination, and perseverance. In 2017, the residents of the city supported three ballot initiatives aimed at improving quality of life in Pueblo. City residents voted in favor of tax increases to support public safety and street maintenance. The passage of these two initiatives will provide for an additional 24 police officers, and tasks the government with moving forward with a street maintenance utility to provide maintenance funds for city streets. A third successful initiative changed the structure of local governance, from Council/Manager to Mayor/Council, setting the stage for the first ever Mayor of Pueblo to be elected in 2018.

A steady economy continues to support property values and consumer activity. Unemployment hovered between 4% and 5 % for 2017, and housing vacancy rates remained low. Since property taxes account for 15% of the City's budget, the City is highly dependant upon sales and use tax revenue. Pueblo, like many other communities struggles to retain sales tax revenue because of the proliferation of online shopping. In 2017 the city realized minimal growth in sales tax collections. City leaders must continue to make careful decisions and focus on community priorities to ensure responsive services and good value to the taxpayer.

As a full service city, Pueblo provides many essential services. These include police and fire protection, street maintenance, traffic management building regulation and planning, affordable housing, and public transit. Other services that are provided by the City through separate enterprises (enterprises are entities operated by the city but supported by dedicated fees paid by users) are the Wastewater and Stormwater departments.

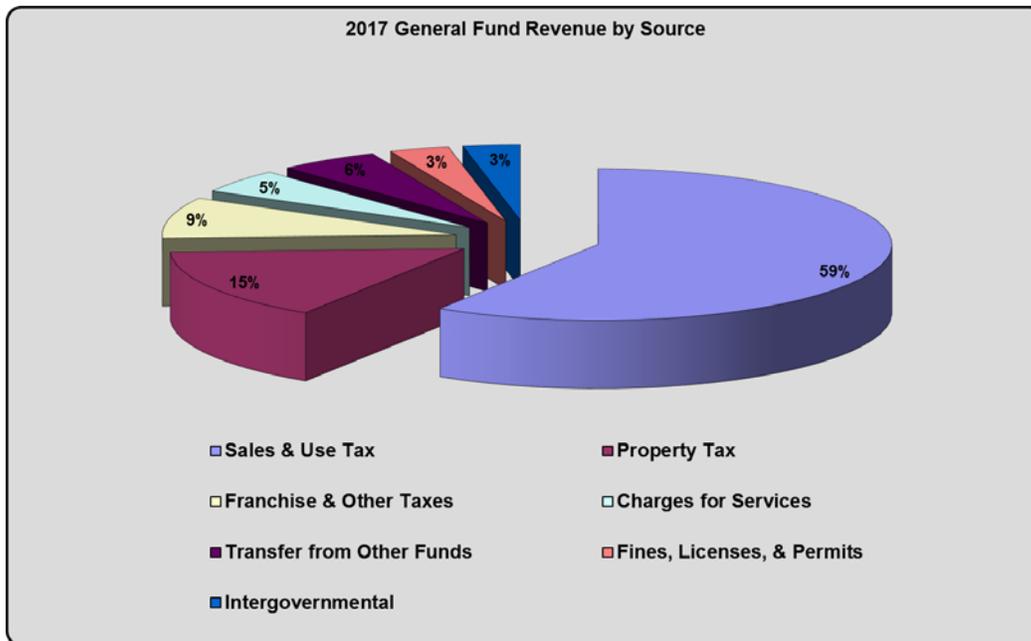
For nearly a decade, Pueblo's demographic trend in the city has produced low population growth. While 2017 experienced similar results, increasing housing costs along the front range, continued interest in the state, and the value that Pueblo offers residents combine to make Pueblo a place of interest for those looking at Colorado as a place to live.

Population(1)	108,670	Percentage of adult residents who:	Percentage of workers employed by:
Percentage of residents who are:		Graduated from college	17.8%
Under the age of 20	25.6%	Did not graduate from high school	14.3%
Age 20-34	21.4%	Median household income	\$35,770
Age 35-54	23.3%	Percentage of households with annual income of:	
Age 55 or older	29.7%	Less than \$35,000	49.0%
Black or African-American	4.2%	\$35,000 to \$74,999	32.1%
Non-Hispanic white	47.9%	\$75,000 to \$99,999	9.1%
Hispanic or Latino	52.1%	\$100,000 or more	9.9%
Asian	1.4%	Percentage of population below poverty level	13.5%
Other	16.3%	Percentage of households with:	
School Age children	27,863	No vehicles available	3.8%
		Two or more vehicles available	40.8%
		Percentage of workers employed by:	
		The private sector	80.4%
		Government agencies	16.0%
		Their own businesses	3.5%
		Total housing units	48,048
		Percentage of units listed as:	
		Vacant	10.3%
		Occupied	89.7%
		Median monthly rent	\$773
		Percentage of units	
		Owner-occupied	60.2%
		Rented	39.8%
		Percentage of residents without health insurance	3.4%

Source: U.S. Department of Commerce, Bureau of the Census 2016 American Community Survey 5-Year Estimate; (1) Local estimate from 2017-2021 City Council redistricting and the City of Pueblo's Board of Elections



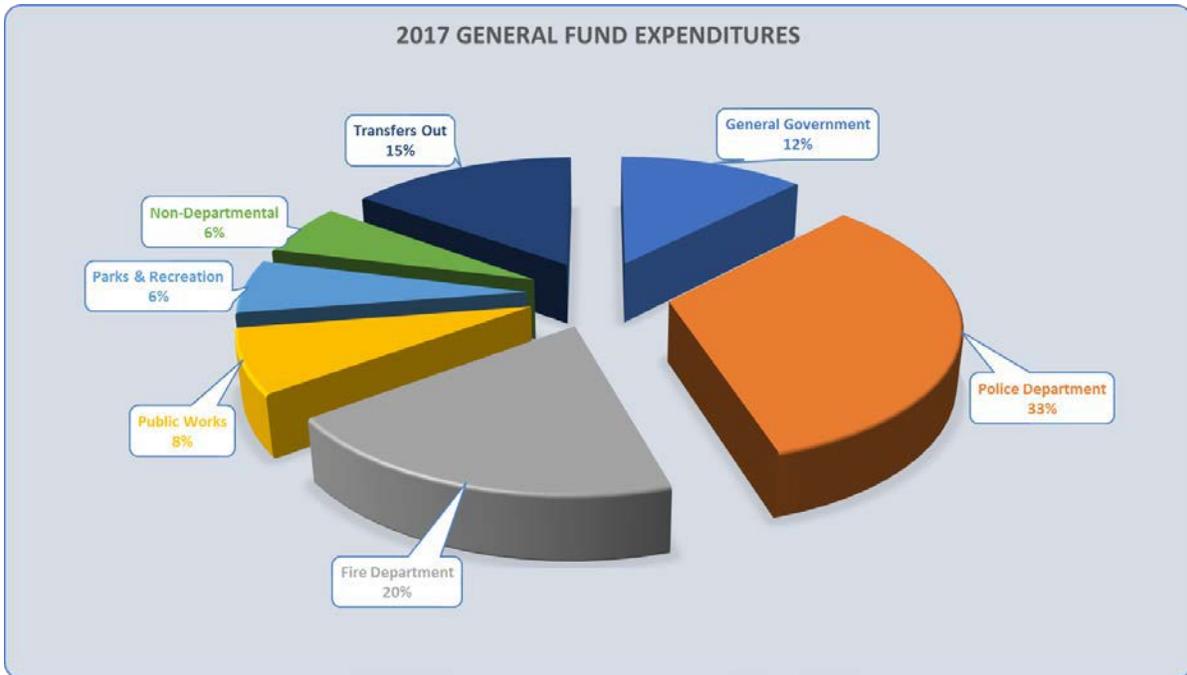
Sales tax collection accounts for 59% of the general fund budget. In contrast, property tax accounts for 15% of total revenue.



General fund sales tax collection leveled off in 2017. Note that \$1.3 Million of the sales tax collected in December of 2016 was a one time payment from a manufacturer. There is no expectation that large payments like this will happen regularly or with any predictability.

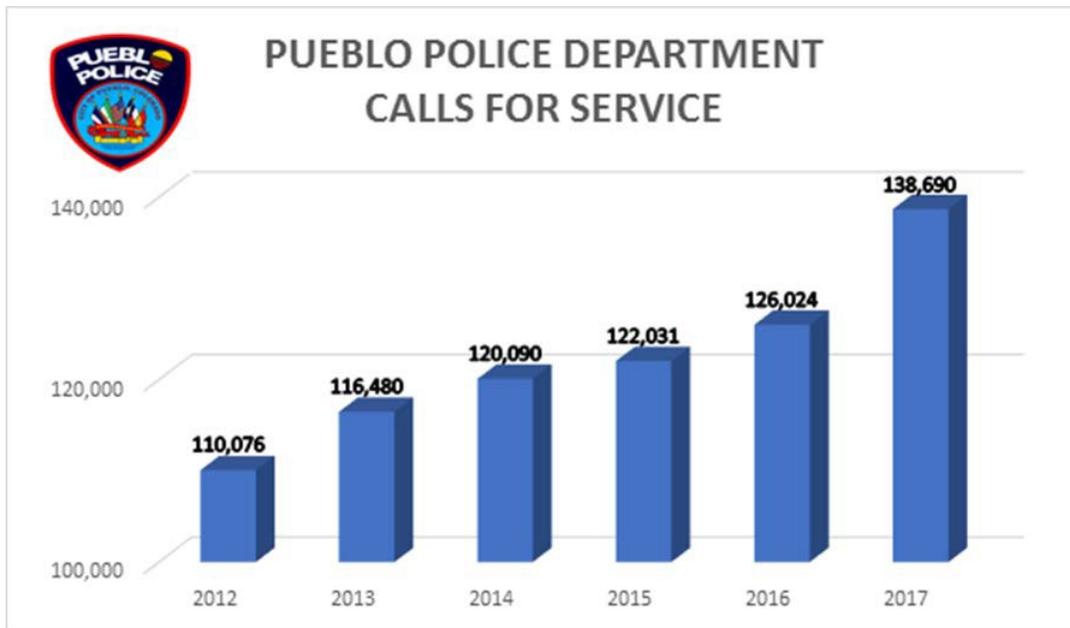
Gross Sales Tax Receipts (Cash Basis) General Fund	2015 Actual	2016 Actual	2017 Unaudited
JAN	\$3,330,387	\$3,465,096	\$3,309,551
FEB	\$3,464,501	\$3,522,601	\$3,480,370
MAR	\$4,099,642	\$3,979,299	\$4,157,644
APR	\$3,438,621	\$3,624,645	\$3,646,862
MAY	\$3,574,361	\$3,740,429	\$3,904,334
JUN	\$4,120,658	\$4,052,387	\$4,155,034
JUL	\$3,904,150	\$3,765,784	\$3,854,051
AUG	\$3,895,930	\$3,947,884	\$3,970,703
SEP	\$4,020,110	\$3,881,173	\$4,043,724
OCT	\$3,597,184	\$3,566,729	\$3,766,240
NOV	\$3,697,029	\$3,685,874	\$3,785,302
DEC	\$4,862,231	\$5,617,935	\$4,726,179
TOTAL	\$46,004,804	\$46,849,836	\$46,799,994

Public Safety is a core service provided by city government, and accounts for 55% of the city budget.

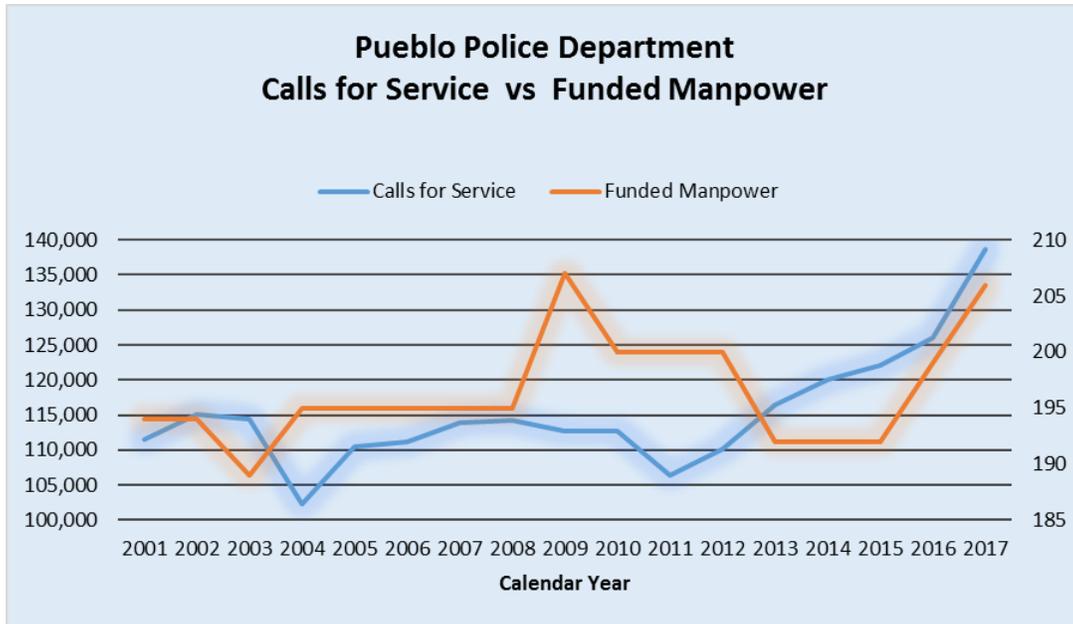


Police

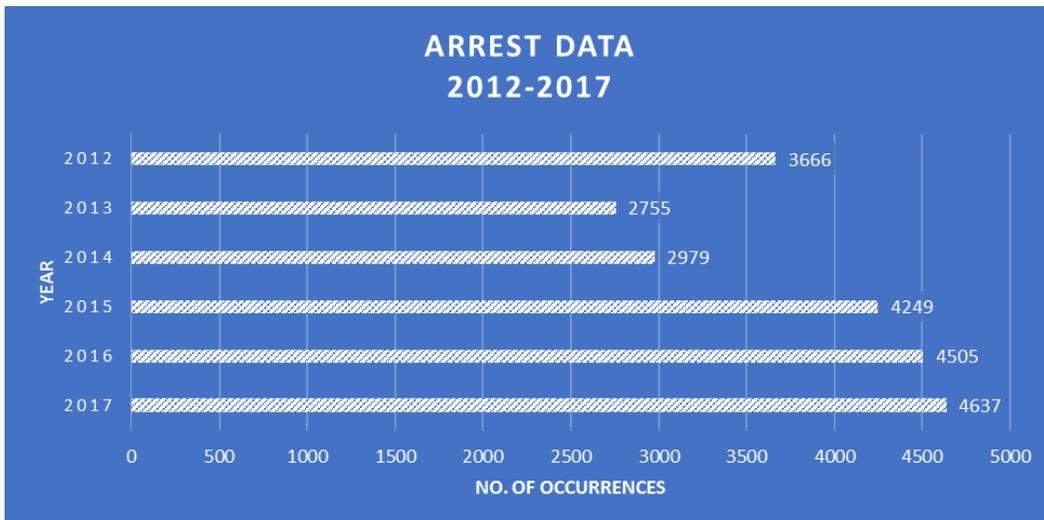
Calls for service continue to increase. Last year calls increased over 9.5% from the prior year



While the number of calls is ever increasing, calls for service vs funded manpower improved from 2016 to 2017.



Arrest is one tool used by police officers to positively affect public safety. Law enforcement continues to be a challenging environment, and arrests continue to climb.



As a result of improving economic conditions, Manpower improved in 2017. The police department is working diligently to hire and train new officers to fill vacant positions. Response times are still not in an acceptable range, but are improving.

	RESPONSE TIME (Call Received to 1st Arrive)			RESPONSE TIME (Call Received to 1st Arrive)		
	2015	2016	Change	2016	2017	Change
Priority 1	000:13:43	000:14:55	+ 1 min 12 Sec	000:14:55	000:12:33	-2 min 22 Sec
Priority 2	000:21:40	000:24:36	+ 2 min 56 sec	000:24:36	000:19:34	- 5 min 2 sec
Priority 3	000:35:30	000:43:57	+ 8 min 27 sec	000:43:57	000:44:58	+ 1 min 1 sec
Priority 4	001:07:58	001:28:47	+ 20 min 49 sec	001:28:47	001:19:04	- 9 min 43 sec
Priority 5	000:53:16	001:09:51	+ 16 min 35 Sec	001:09:51	001:07:24	- 2 min 27 sec
Priority 6	001:17:27	001:40:15	+ 22 min 48 sec	001:40:15	001:48:16	+ 8 min 1 Sec

In November the voters approved a “Public Safety Sales Tax”. That tax is dedicated to hiring twenty-four (24) additional police officers over time. The first eighteen (18) officers entered the police academy in March 2018. The eighteen (18) officers will be in the Pueblo Police Academy until mid-August. They will engage in fifteen (15) weeks of field training and will begin handling calls for service in about mid-November. Response times should continue to fall.



Community Policing Projects

In 2017 the department identified two neighborhoods in the city within which officers wanted to have a specific impact and initiated "Community Oriented Policing Projects". The first project was in the Bessemer area of town. Two additional projects were initiated in late 2017 in two neighborhoods on the East Side. Neighborhood meetings were organized and citizens from those neighborhoods were invited. The purpose of the community meetings was to determine what the priorities were for the citizens. Certainly, some crime problems were identified as were traffic concerns and general neighborhood cleanliness. Clean-ups were scheduled in both areas with PPD Sworn Officers and Code Enforcement Officers engaged in the effort alongside citizens. The Bessemer project was completed in late 2017 and the following are some of the positive observations:

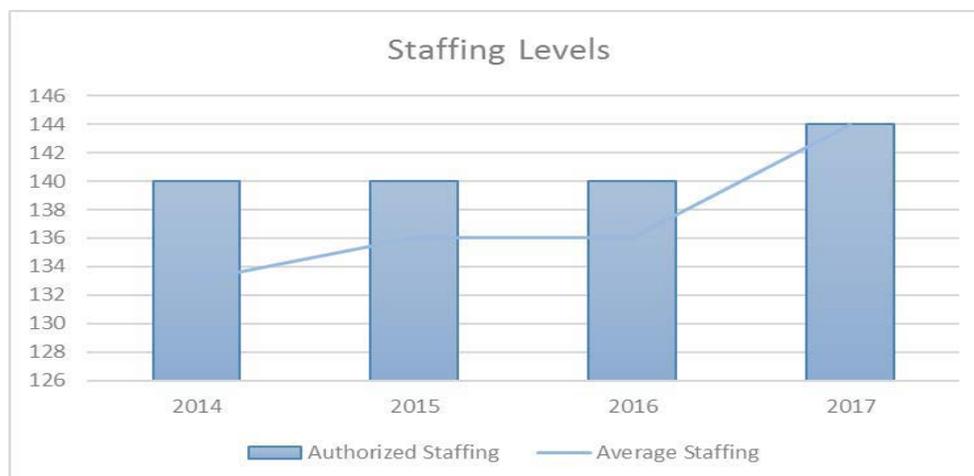
Bessemer Neighborhood

- 46% decrease in reported assaults and injuries
- 50% decrease in reported burglaries
- 30% reduction in "Shot Fired" calls
- 68% increase in traffic stops

It is particularly important to note that in addition to the positive trends in statistical results the relationship between the officers and the citizens is improved and that relationship appears to be holding as evidenced by a community picnic organized not by the officers but the citizens who invited the officers.

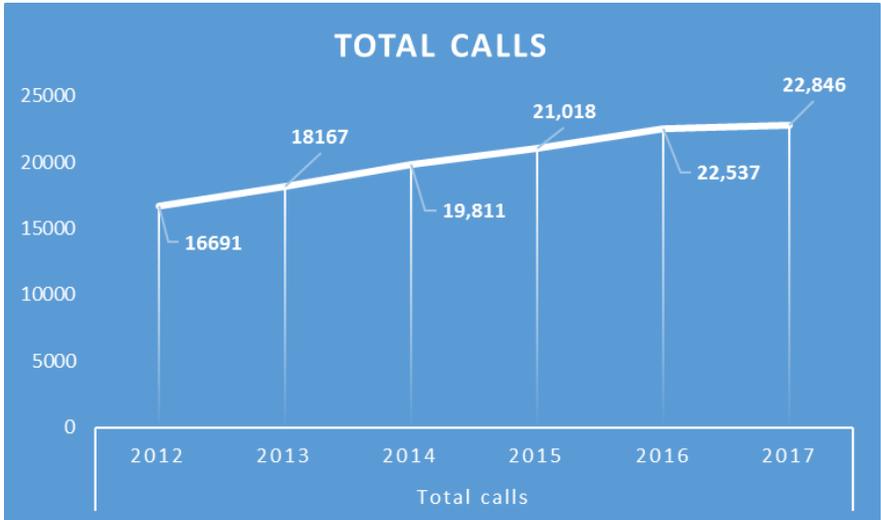
Fire

Authorized staffing levels increased slightly in 2017 after remaining constant for the three prior years.



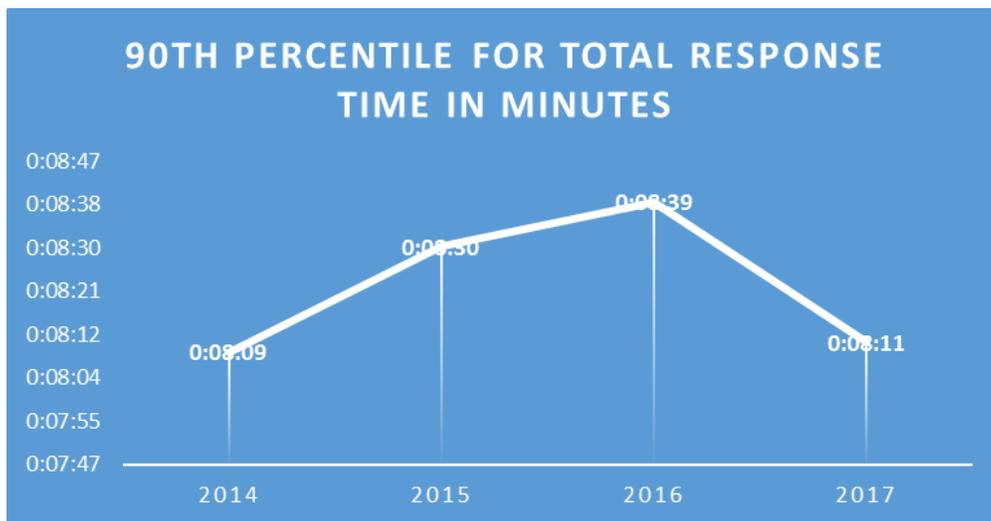
In the five years prior to 2017 Growth rates in calls for service range from 6.1% per year to 9.1% per year. 2017 was an exception. Calls for service increased 1.37% in line with most other departments around the state who have experienced growth rates of 2% to 3% per year.

As calls for service increase, there is a matching increase in the length of time in total response. This is most likely as result of more calls being handled by second-in engine companies. Still, the Pueblo Fire Department remains in the 90th percentile for response time. The department recently received its updated Insurance Services Office (ISO)



Public Protection Classification

(PPC) rating and received a Class 2 grading on a 1-10 scale where 1 is Superior and 10 means no fire service. Colorado did not have an ISO Class 1 department until just recently and Pueblo is very close to being a Class 1 department.



Pueblo Memorial Airport

Operated by the City of Pueblo Department of Aviation, the Pueblo Memorial Airport provides safe, secure, and reliable facilities for the transportation of people and materials into the national airspace system. This is accomplished through professionalism, integrity, and a high level of training. Airport staff promotes aviation in the local and aviation communities by supporting our tenants and seeking out new business opportunities. For 2017, airport owned hangar space reached capacity for the first time in many years. The airport was also the recipient of more than \$3.5 million in Federal Aviation Administration grants which made the rehabilitation of Runway 17/35 and replacement the lighting associated with that runway, possible.

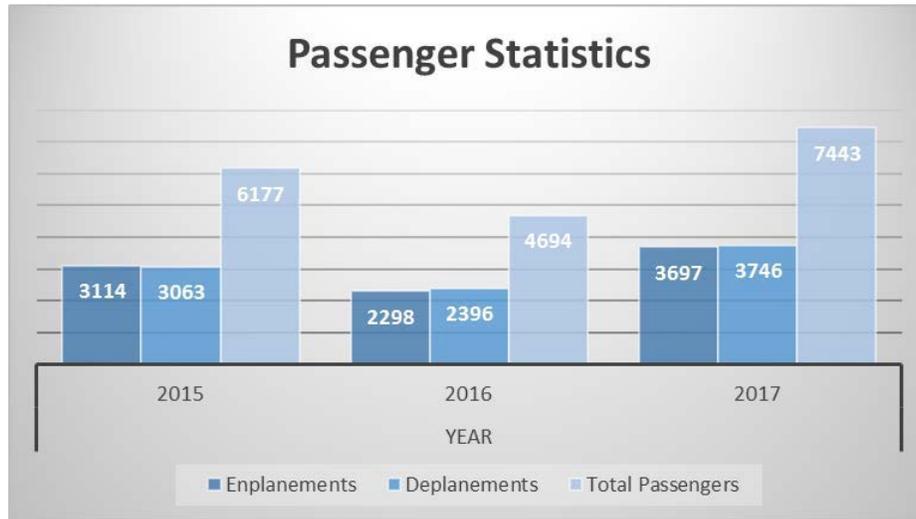
Airport Facts			
	2015	2016	2017
Runways	3	3	3
Taxiways	21	21	21
Total Paved Area (Sq. Ft.)	7,225,737	7,225,737	7,225,737
Acres of Land	3,534	3,534	3,534
Full-time Equivalent Employees	10	11	11
Federal Grant Funding	\$2,310,000	\$0	\$3,851,643.00



The Pueblo Memorial Airport was the 66th busiest airport in the United States in 2017, seeing more than 175,000 aircraft operations. This is an increase over 2016 and is typical of our position nationally. This past year saw the return of regularly scheduled jet aircraft passenger service for the first time since the 1990s. The service is provided by SkyWest Airlines and is branded as United Express.

The service has been a significant improvement allowing the Pueblo Community to travel with one ticket, check-in, baggage check, security screening, and concourse stop in Denver. The service provides seamless travel to the all of United’s destinations out of Denver International Airport. Incremental cost of flying out of Pueblo is offset by free parking , eliminating a drive

north, and the convenience of an uncongested terminal that embodies the experience of flying out of a smaller airport.



Public Works

The Public Works Department maintains 1,461 lane miles in the City of Pueblo. Roadway maintenance is one of the biggest struggles for the City. The demand for oil has created a significant cost increase over the past 18 years. In the year 2000, the cost of asphalt was \$30/ton. Today, the price is approximately \$65/ton. While this is less than the \$90/ton witnessed in 2017, the cost of asphalt is the primary determinant of how much roadway can be resurfaced. In relation to this increase, factor in that the amount of funding from the State available to the City has not increased during this 18-year period. This has significantly impacted the city’s ability to properly maintain our existing roadway system. the Street Maintenance utility, once established and funded will be a key element of road maintenance.

Year	Miles of paved roadway	Miles of Streets Resurfaced	Percentage of paved Roadway
2014	491.65	.66 Miles	0.13%
2015	492.46	.76 Miles	0.15%
2016	495.60	1.25	0.25%
2017	498.42	1.00	0.20%

Maintaining the city’s roadways extends beyond Pavement. Public Works maintains street markings and traffic signs and signals. Traffic signals require regular inspections to ensure that all the components are working properly. Signals are also monitored to ensure the timing will allow the traffic to cycle through the intersection appropriately.

<i>Year</i>	<i>Traffic Signals</i>	<i>Roadway markings applied</i>	<i>Street signs installed replaced or removed</i>
<i>2014</i>	<i>148</i>	<i>125 miles</i>	<i>1200 signs</i>
<i>2015</i>	<i>148</i>	<i>132 miles</i>	<i>1250 signs</i>
<i>2016</i>	<i>148</i>	<i>149 miles</i>	<i>1400 signs</i>
<i>2017</i>	<i>148</i>	<i>172Miles</i>	<i>1850 signs</i>

Public Works completed the West 11th Street Bridge Construction Project and the Outlook Blvd. and Wills Blvd. Construction Project. The West 11th Street Bridge Construction Project was one of the most significant infrastructure projects in the lower West side of Pueblo. The old bridge was the worst rated bridge in Pueblo because it was outdated, extremely narrow, and did not provide for any bike or pedestrian travel. The new bridge was constructed to current standards that included wider travel lanes, sidewalks, and bike lanes. The Outlook Blvd. and Wills Blvd. Construction Project completed roadway connections to Dillon Drive and Elizabeth Street for the new CDOT Region 2 Headquarters. CDOT invested approximately \$35 million in the new headquarters, and the Outlook Blvd. and Wills Blvd. project is the City’s contribution to supporting their investment in Pueblo.



The remaining key projects for 2018 are the resurfacing of Jerry Murphy Road from Highway 47 to Candytuft Blvd. and resurfacing Santa Fe Ave. from W 4th St. to W 15th St. at Mineral Palace Park. Funds out of the General fund were allocated by City Council start the Street Repair Utility and pay for the Santa Fe Ave. resurfacing project. Later, in 2018, City Council will consider implementing the fee structure for the Enterprise.

Parks and Recreation



The Parks and Recreation Department provides diverse recreational and leisure opportunities in safe, clean and attractive recreation facilities. The Parks and Recreation Department continues to operate their expansive footprint despite having limited staff to keep the City’s parks healthy, safe, and green. The national average for number of FTE for a similar sized community is seventy-three (73) while our department currently has only thirty-three (33) FTEs and utilizes numerous seasonal and temporary positions throughout the year and during the summer months to maintain our parks and oversee our recreation programs and facilities. Some of the most notable facilities include:

<i>Facilities</i>	<i>Number</i>
Developed Parks	96 (582 acres)
Open Space	3,828 acres
Playgrounds	47
Multi-Purpose Sports Fields	30 acres
Walking and Biking Trails	27 miles
Tennis Court Complex	17 courts
Kiddie Rides (including Historic Carousel)	11
Ball Fields	8
George L. Williams Indoor Pavilion	1
Golf Courses	2 (27 holes)
Mountain Park	1
Swimming Pools (outdoor)	4
Ice Arena (indoor)	1
Skate Parks	2
Dog Park	1
Picnic Shelters and Outdoor Pavilions	11

Whitewater Kayak Course	1
Community Recreation Center	1
Zoo	1
Cemeteries	2
Lakes	4
Environmental Education Centers	2
Auto Racing	3 tracks
Municipal Shooting Range (indoor)	1
Pro/Am Disc Golf Course	1
Concession Sites (in-house)	6

With so many options for outdoor activity, an arid climate, and mild winters, many of the outdoor opportunities can be enjoyed year-round.

Even with our mild winters, Pueblo found itself grappling with the aftermath of a devastating snow storm April 29, 2017, trees throughout the community were severely damaged. By City Council Resolution, emergency clean-up funds in the amount of \$275,000 was allocated. The Parks and Recreation Department set up two drop-off sites for citizens to bring their tree



branches for chipping. The sites were at Lake Minnequa Veteran's Memorial Park (south Pueblo) and the future Eagleridge Park (north Pueblo). Park employees as well as other City employees and volunteers manned the two drop-off sites twelve hours per day, seven days per week from May 2 through May 16. Park employees continued to chip the tree branches Monday through Friday through early June until a contractor was located to dispose of the enormous tree debris piles that remained. Without the services of this contractor, Park employees would have been chipping debris well into July. An estimated 90,000 cubic yards of tree branches were chipped during this time frame. Many of the mulch piles located at Lake Minnequa will be spread out and tilled into the soon to be expanded sports turf fields at that facility. Final cost for the clean-up was \$215,823.

In February 2017, the Department received notification from the State of Colorado, Department of Natural Resources, and the Colorado Parks and Wildlife of a grant award in the amount of \$99,000 for much needed trail repairs along Fountain Creek. The project was deemed necessary after flooding severely damaged or destroyed the trail. With additional project funding of \$12,547 and another \$30,726 in in-kind, the total project cost will be \$142,273. The project is scheduled to begin in the fall of 2018.

Housing and Citizen Services

The Department of Housing and Human Services strives to preserve and enhance the quality and livability of the City's older neighborhoods and preserve the housing stock; to maintain the value of the real estate tax base; and to promote the economic viability and development of city neighborhoods. The department's mission is aided in part by the administration of two federal grants.

In 2017, HOME Investment Partnerships Grant funds in conjunction with the City's required matching funds were used to finance a critical gap in the development of a \$14M, 72-unit,



affordable housing project. The project utilized low-income housing tax credits and additional funding from Pueblo County and the State Division of Housing. Expected completion of the project is early 2019.

Additionally, funding from the HOME program provided tenant based rental assistance to 43 families in 2017. The funds are tasked with preventing homelessness and are targeted to families with children, youth aging out of foster care, and individuals with disabilities. To participate in the 24-month program, clients must develop a self-sufficiency plan and work toward the goals of economic independence and self-sufficiency. The Department assisted ten first-time homebuyers purchase a home by providing down payment and closing cost assistance. The funding leveraged \$920K in mortgages.

Community Development Block Grant funds were used to rehabilitate 28 owner-occupied homes throughout the City. Projects entailed roof replacements, exterior painting, accessibility modifications, electrical, plumbing, and mechanical code compliant repairs or retrofits.

Enlisting the help of local non-profit agencies, CDBG funds assisted 5,700 individuals in 2017. Services provided included homelessness prevention, youth recreation programs, graffiti removal, and senior transportation.

Activity	Units
Public Services	5,700 individuals
Public Infrastructure – Accessibility	126 ramps
First-time Homebuyers	10 families
Tenant Base Rental Assistance	43 families
Owner-Occupied Rehabilitation	28 households
New Construction of Affordable Housing	72 units
Leverage	\$15M

Enterprise Funds

Enterprise funds are a government owned fund that provides goods or services to the public for a fee that makes the entity self-supporting. The city of Pueblo provides storm water and wastewater management in this way.

StormWater

The Stormwater Utility, Division of Public Works, manages funds and resources needed to improve the quality of stormwater in our streams and creeks, provides maintenance of the City’s drainage facilities, install new infrastructure to reduce the flooding problems, ensure development practices recognize stormwater as an asset in this semi-arid environment, and implement all required provisions of the National Pollutant Discharge Elimination System (NPDES) Phase II Program.

Capital improvement projects during 2017 included: Pueblo Levee Dredging & Maintenance Project, Fountain Creek – Arkansas River to E. 8th Street began in late 2016 and completed in 2017. The Fountain Creek Watershed Flood Control & Greenway District was the project manager and



project funding was provided by the stormwater utility enterprise. Removal of the sediment along with selected vegetation removal resulted in an increase in capacity of the levee system for the lower east side of Pueblo.



FEMA Disaster Recovery Projects along Fountain Creek that includes replacing a washed out concrete trail near E. 11th Street and replacing the embankment with a service road at the detention facility on the north side of the City.

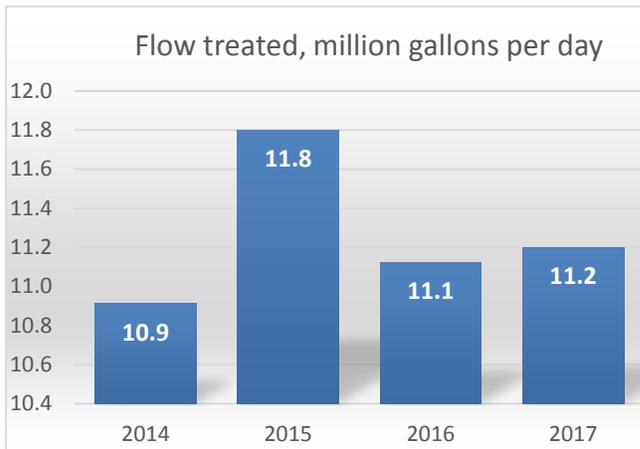
Design of the 29th Street Pump Station - to replace the existing stormwater lift station located near the intersection of Interstate-25 and East 29th Street. The existing facility is more than 40 years old and is need of major repair and upgrading to current standards. The construction cost estimate is approximately \$2.5 million.



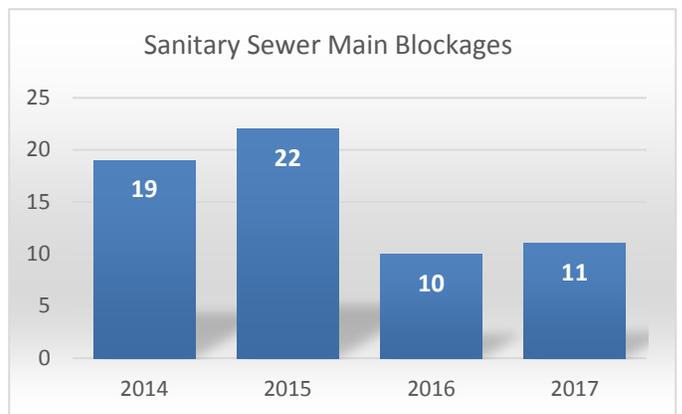
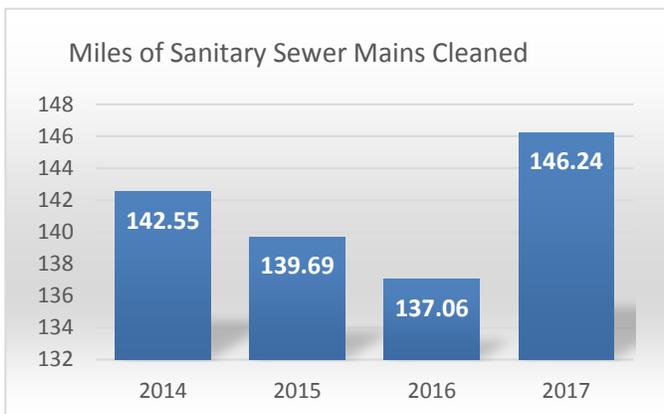
Wastewater

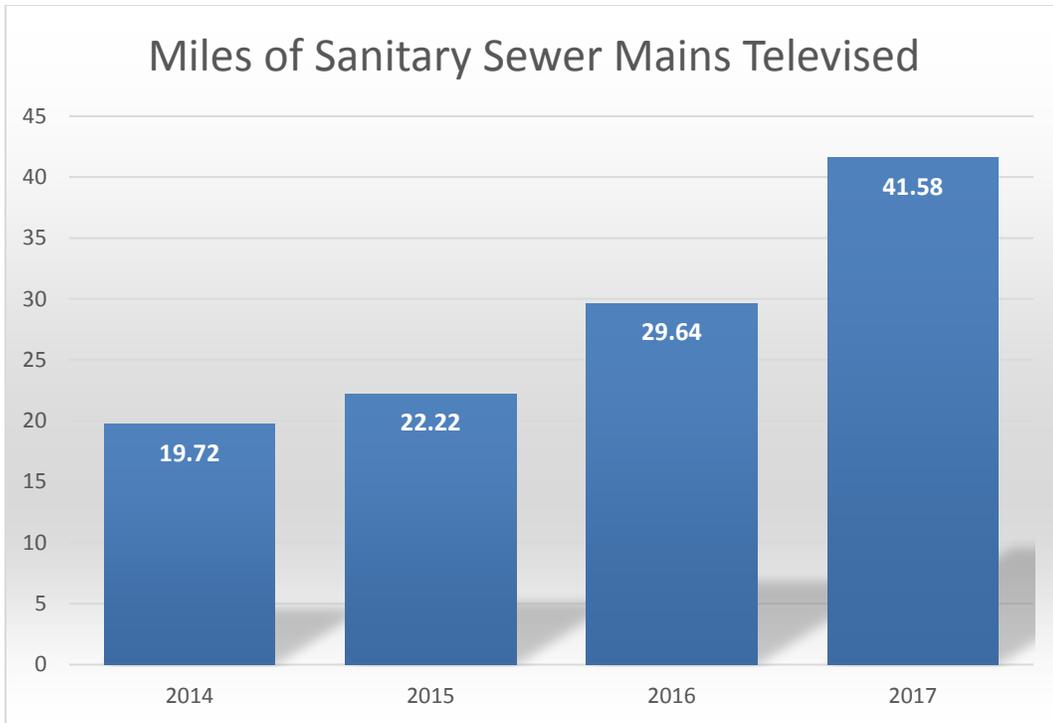
The Wastewater Department is an enterprise with the mission of collecting and reclaiming wastewater in a manner that is protective of public health and the environment. This is done by collecting sanitary sewage from residences, businesses, and industries; conveying sewage to the wastewater treatment facility safely and efficiently; treating sewage to levels specified by federal and state law; and disposing of residual materials in compliance with legal requirements.

The Wastewater Reclamation Facility has the capacity to treat 19 million gallons per day (MGD) of municipal wastewater. The Pretreatment staff inspect and monitor industries to protect the Wastewater Reclamation Facility from harmful discharges.

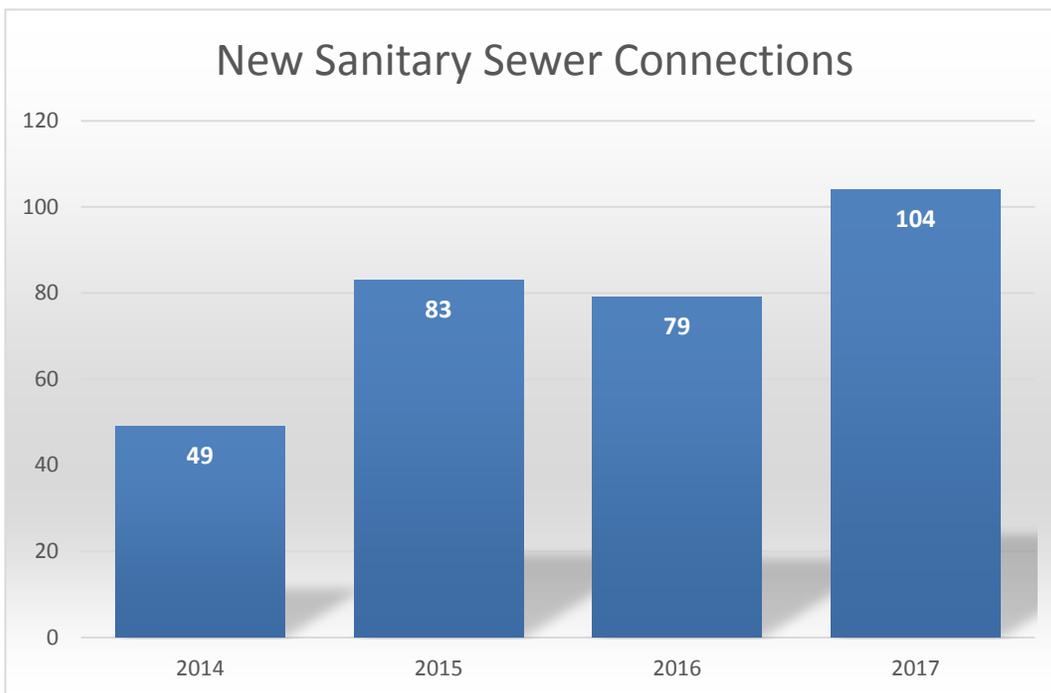


The Wastewater Collection Division maintains the sanitary sewer collection mains, including cleaning, rooting, televising, sealing, repairing, and constructing sewer mains and utility access holes. In addition, the Wastewater Department has standby crews on call 24 hours a day to respond to plant emergencies or collection line blockages.

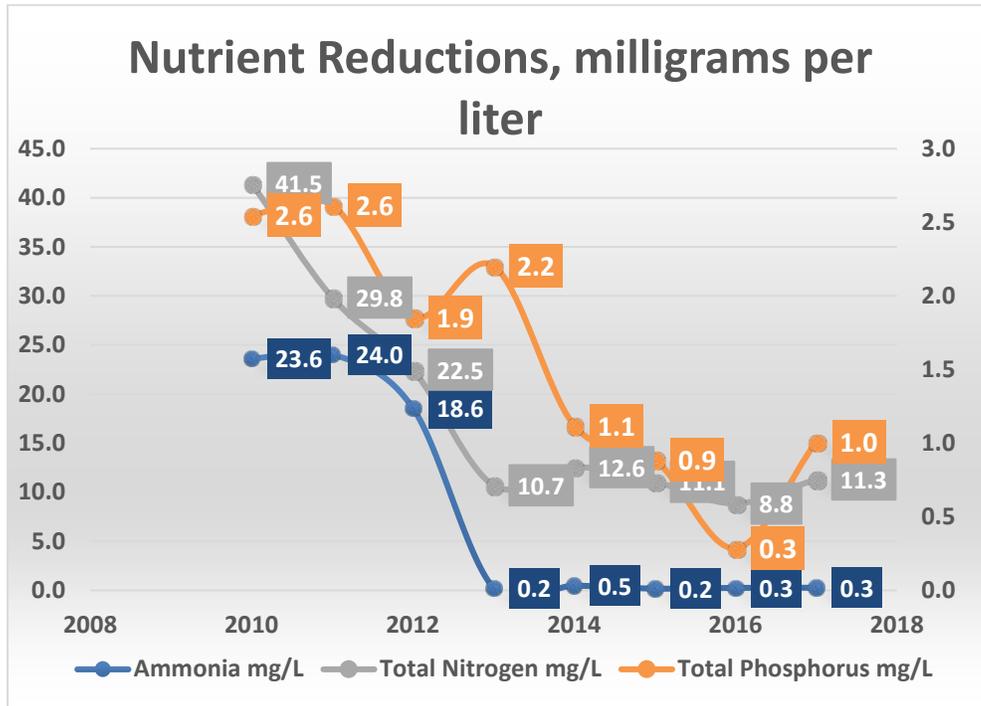




The Engineering Division reviews subdivision plans, evaluates and prioritizes sewer system rehabilitation, maintains computerized records, and inspects all new and rehabilitated sanitary sewer mains for proper installation.



Wastewater Administration is responsible for administrative duties, budget management and maintaining compliance with Federal, State and local regulatory requirements.



Engineering Projects in 2017

PROJECT	DESCRIPTION	COST
Emergency Repairs	Emergency repairs of failed mains and manholes.	\$402,574
2012 Sanitary Sewer Rehab	Remove and replace damaged or defective sanitary sewer mains and related structures.	\$1,044,752
11 th Street Sewer Relocation	Relocate sewer line to allow for 11 th Street bridge upgrades	\$907,997
Beulah Heights Redirection	Replacement of sewer to allow for increased capacity	\$567,498
Electrical Upgrade Design	Design the next phase of electrical upgrades	\$359,382
Joplin Sewer Rehab	Line portion of Joplin line to eliminate infiltration	\$738,984
Selenium Lining Project	Line portions of line to eliminate infiltration that is high in selenium	\$889,173
WRF Process Improvements	Design and construction management of Process Improvements	\$1,393,468
Total		\$6,303,828

Water Reclamation Facility infrastructure and Collection system infrastructure improvements in 2017 included:

- *Completed design of the Phase 3 2017 electrical upgrade to address another area of the Water Reclamation Facility*
- *Completed design of the 2017 process improvements to improve the ability to meet Regulation 85 Nutrient requirements.*
- *Heating loop repairs to replace a portion of the hot water heating loop that was leaking.*
- *Replace portions of the water reclamation facility grit lines that were worn.*
- *Maintained a schedule of cleaning sanitary sewer mains at least once every two years.*
- *Continued working toward televising 100% of all city sewer mains.*
- *Performed emergency repairs as well as annual rehabilitation of some sanitary mains.*

GOALS

- *Continue to work with the Water Quality Control Division to obtain some regulatory relief for selenium and sulfate removal requirements approved through a discharger specific variance at the June 2018 Arkansas Basin hearing.*
- *Complete the Process Improvement Project to improve the biological nutrient removal process and replace some aging equipment. This upgrade will allow consistent compliance with state required nutrient limits that become effective in 2020, as well as reduce energy and chemical costs.*
- *Improve the reliability of the aging water reclamation facility by completing the phase 3 Switchgear upgrades and to start design of the next phase of electrical upgrades.*
- *Maintain the sanitary sewer system in a manner to minimize backups and overflows.*

CHALLENGES

- *The groundwater picks up selenium and sulfate when it flows through the natural Pierre Shale layers that underlies the City of Pueblo. Infiltration of this groundwater into the collection system causes high concentrations in selenium and sulfate that the Water Reclamation is required to remove to meet stream standards. Numerous studies were done to support the adoption of a discharger specific variance at the Water Quality Control Commission Hearing in June of 2018. This variance will include significant requirements for infrastructure improvements, studies to determine effectiveness of the infrastructure improvements and pilots to look as possible partial treatments to make progressive improvements in lieu of treating 100% of the Water Reclamation Facility discharge with treatment that would be extremely expensive for the citizens of Pueblo.*
- *Upgrades have allowed the plant to significantly reduce the concentration of nutrients discharged. 2017 upgrades have been designed to make the final reductions in nutrient concentrations, allowing the Water Reclamation Facility to meet the Colorado Regulation 85 nutrient limits. The next phase of nutrient reductions adopted by the Water Quality Control Commission will be effective in 2027.*