



**CITY COUNCIL EXECUTIVE COMMITTEE MEETING
CITY COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL,
#1 CITY HALL PLACE, PUEBLO, COLORADO 81003.**

**MONDAY, OCTOBER 2, 2023
5:30 PM**

Individuals Requiring Special Accommodations Should Notify the City's ADA Coordinator at (719) 553-2295 by Noon on the Friday Preceding the Meeting.

Executive Committee meetings are special meetings of the City Council and are informal Council meetings for the purpose of receiving information and discussion among Council Members; no official action is taken at such meetings. The public is invited to attend, but public comment is generally not received unless otherwise noted.

Agenda

CALL TO ORDER

EXECUTIVE SESSION

- A. FOR THE PURPOSE OF DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND/OR INSTRUCTING NEGOTIATORS, UNDER C.R.S. SECTION 24-6-402(4)(E); AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES:INSTRUCTING SPECIAL COUNSEL WITH RESPECT TO SETTLEMENT NEGOTIATIONS OF POTENTIAL LITIGATION.** 5:35 p.m.
- Lisa Macchietto, Assistant City Attorney
30 minute discussion

PRESENTATIONS

- A. CITY UPDATE** 5:30 p.m.
Laura Solano, Chief of Staff
5 minute presentation
- B. NEW FIRE STATIONS - FINANCING** 6:05 p.m.
Alexandria Romero, Director of Finance
Mario Trimble - Attorney - Kutak Rock
Aswhley Dennis - Attorney - Kutak Rock
Mattie Prodanovic - Sr. Vice President - Hilltop Securities Inc.
15 minute presentation
- C. PUEBLO ZOO - 2024 BUDGET REQUEST** 6:35 p.m.
Abigail Krause - Executive Director

15 minute presentation

D. HSPPR - 2024 BUDGET REQUEST & NEEDS ASSESSMENT

7:00 p.m.

Duane Adams - President/CEO

Ralf Rivera - Vice President & CFO

Erina Van Dusen

Director of Operations

20 minute presentation

E. PUEBLO RESCUE MISSION UPDATE & WARMING SHELTER

7:30 p.m.

Melanie Rapier - Executive Director

15 minute presentation

ADJOURNMENT

Financing Overview

Certificates of Participation, Series 2023

.....

City of Pueblo

October 2, 2023



Kutak Participants

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Hilltop Participants

Mattie Prodanovic
Senior Vice President
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Denver, CO 80237
(303) 248-2518

Mattie.Prodanovic@hilltopsecurities.com

Agenda Topics

- Summary of City Financing Needs
- Overview of Documents
- Financing Estimates and Timeline



Summary of City Financing Needs



- The City has identified the need to fund three new fire stations.
 - The combined costs are estimated to be approximately \$34 million, although the City expects to have updated cost estimates later this fall.
- Given the sizeable costs for the projects, the City has decided to proceed with the issuance of certificates of participation (COPs) to fund the three facilities.
 - The City has utilized this financing mechanism before for other capital projects.
- The Finance Team has evaluated a final term for the 2023 COPs ranging between 20 and 30 years for repayment. The final term will be dependent upon the annual payment that the City is comfortable paying.
- The City currently expects to use the Municipal Justice Center as the Leased Property for the financing, which has an estimated insured replacement value of approximately \$27.3 million, and an additional building that the City is still evaluating.



Legal Structure

- Certificates of Participation (COPs) are a form of lease-purchase financing and are one of the most common financing methods used by Colorado local governments to construct capital improvements.
- In a COP transaction, the issuer leases the identified property to a trustee pursuant to a site lease and then leases the property back from the trustee pursuant to a lease purchase agreement (lease). Lease payments are subject to annual appropriation by the governing board of the issuer from any legally available funds and such payments are used to pay debt service on the COPs.
- The issuer renews the lease annually by appropriating sufficient funds to make the next year's lease payments as part of its annual budget process. If payment is not appropriated for the coming year, the issuer loses its right to occupy and utilize the leased facility until the end of the site lease; however, the issuer would continue to own the leased property.
- When the lease is paid off, the issuer has purchased the trustee's leasehold interest in the leased property, which is no longer encumbered by the lease.
- COPs and other annually-appropriated lease financings are not considered to be multi-year financial obligations under Colorado law.



Credit Details

Leased Property

- The leased property can be the project being financed or it can be a property already owned by the issuer but not related to the project.
 - If it is not the project being constructed, we typically try to identify an asset that has an insured value approximately equal to the amount being financed.
 - This used to be common for new construction as investors used to be more concerned with construction risk. This has become less of an issue over the last several years.

Credit Rating

- COPs typically have a rating one or two notches below the assumed general obligation bond rating or issuer credit rating.
 - This notching is a result of the annual appropriation nature of the credit.
 - A two notch difference is due to an asset that is deemed less essential by the rating agency (Moody's only).



Overview of Documents

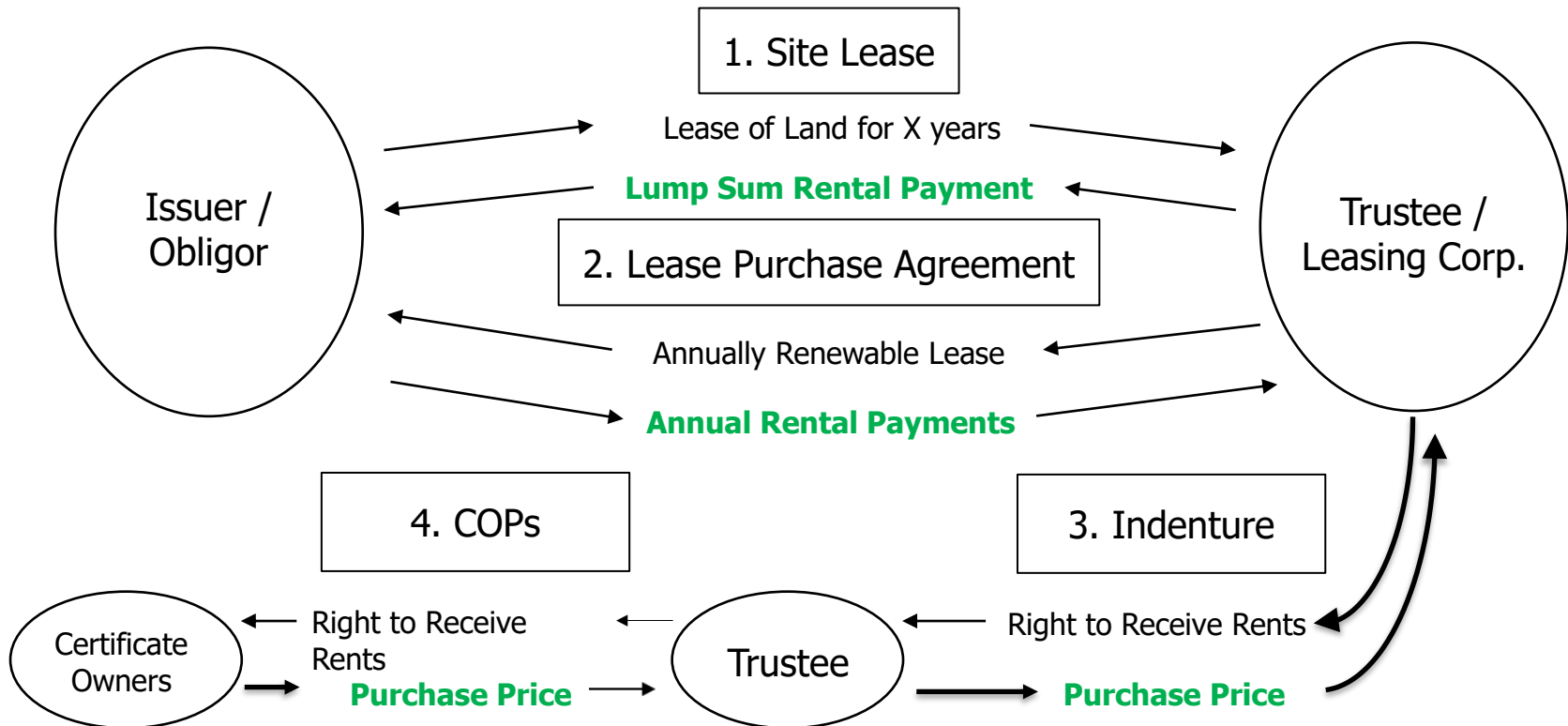


- The Authorizing Ordinance will be considered for approval at the City Council Meeting on October 9th, with copies of the substantially finalized drafts of the following documents:
 - Site Lease;
 - Lease Purchase Agreement;
 - Indenture; and
 - Preliminary Official Statement.

- The Authorizing Ordinance authorizes the lease-purchase financing, approves the issuance of the certificates of participation within certain parameters, and approves the form of the related documents
 - The Indenture, Lease Purchase Agreement, and Site Lease will be updated throughout the financing process and cannot be finalized until numbers are final (i.e. the COPs have sold). However, the substantive terms of these documents are not expected to materially change.
 - The Preliminary Official Statement serves as the primary disclosure document to the investing public and will be updated until it is finalized and published, which will occur approximately 10 days prior to pricing.



- The primary functions of the Authorizing Ordinance are to:
 - Approve the Site Lease, Lease and Indenture in the forms submitted to City Council (Section 3);
 - Designate the Mayor and the City Finance Director as “City Representatives” for the transaction (Section 3) and to provide the authority for the Mayor, Deputy Mayor and City Representatives to execute and deliver documents related to the Series 2023 COPs on behalf of the City (Section 5);
 - Establish the parameters within which the Series 2023 COPs may be issued (Section 4); and
 - Declare that the base rentals under the lease are reasonable relative to the leasing of the leased property.
- The parameters for issuance of the Series 2023 COPs included in Section 4 include:
 - A maximum principal amount of \$37 million;
 - A final maturity of December 1, 2053;
 - A maximum interest rate of 6.00%; and
 - A redemption premium not to exceed 4%.





Financing Estimates and Timeline



- Based on tax-exempt market rates as of September 25, 2023, we currently estimate the following borrowing rates and annual base rental payments for a 20, 25 and 30-year term.

	20-Year Term	25-Year Term	30-Year Term
Net Interest Cost	4.547%	4.740%	4.853%
Average Annual Base Rental Payment	\$2,570,000	\$2,300,000	\$2,135,000
Total Repayment	\$51,374,503	\$57,536,847	\$64,016,389

- The City does not currently have any rated obligations outstanding but does have an Issuer Credit Rating of Aa2 from Moody's (typically equivalent to general obligation bond rating).
 - Based on this we would expect a rating of Aa3 (Moody's) or AA- (S&P) on the 2023 COPs.
 - The Finance Team is still evaluating which rating agency to use for this transaction.



Date	Event
October 2	City Council Work Session to Introduce Financing
October 10	Regular Meeting of City Council • First Reading of Authorizing Ordinance
Week of October 9	Drafting Session to Review POS
October 23	Regular Meeting of City Council • Second Reading of Authorizing Ordinance
November 6/7/8	Conference Call with Rating Agency
November 15	Near-Final POS Distributed for Comments
November 17	Rating Results Received
November 22	Final Comments / Sign off on POS
November 27	Post POS and Notice of Sale
December 5	Sale of Certificates via Competitive Sale
December 19	Closing and Delivery of Proceeds



Questions?



State of the Zoo

October 2, 2023





YOU KNOW US - ANIMALS

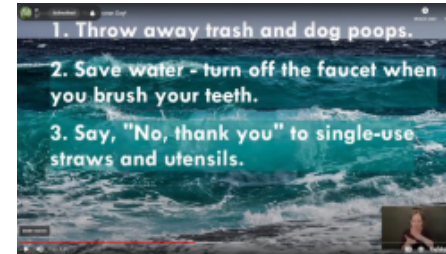




YOU KNOW US - EDUCATION



**Zoosday
Tuesday**



CAMPS

ZOOALIVE TEENS

PROGRAMS





YOU KNOW US – SERVICE & FUN



**BREW AT
THE ZOO**



CAMPOUT



ZOOFARI



**SENIOR
SAFARI**



SUCCESSSES

- 10 year success in growth ...
- ...Continued in 2023
 - Brew at the Zoo: **\$69,215**
Sold out at 1400 tix (up 72% from record)
 - Zoofari - **\$118,000**
(goal \$90k) up 15% despite rain!
 - WineFest – new!



Revenue Category	2012	2022	10 year % increase
Admissions	\$ 325,325	\$612,594	188%
Fundraising	\$50,000	\$272,700	544%
Events	\$100,299	\$247,000	246%
Retail	\$31,393	\$117,480	374%
Rentals	\$31,000	\$78,000	252%



SUCCESSSES



- New Revenue Sources
 - Trackless Train
 - Liquor sales
- Increased Sponsorship Interests
- Capital Improvements





SUCCESSSES - Security



10:15:59

Modular



10:15:59

Rainforest 1



Pueblo Zoo

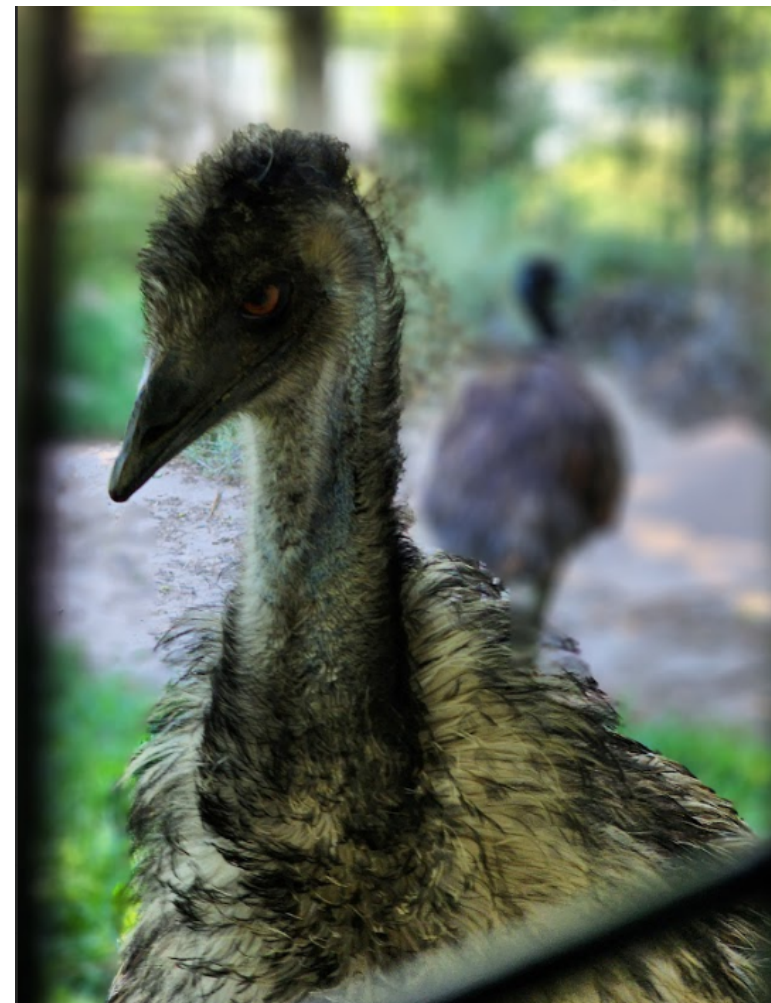
- Locations
- User Access
- Notifications
- Activity
- Manage Groups
- Support
- Settings



Locations		
Name	Business Status	Panels
Admin	Opened On Time 7:13 am, Today	Disarmed
Malfunction (Admin)		
Animal Care	Opened Late 7:10 am, Today	Disarmed
Dog House	Opened Late 9:23 am, Today	Disarmed
EcoCenter	Opened Late 8:28 am, Today	Disarmed
Islands of Life	Opened Late 8:56 am, Today	Disarmed
Lion House	Opened Late 9:04 am, Today	Disarmed



SUCCESSSES – NEW ANIMALS





AZA ACCREDITATION - Why is it Important?



- Assurance of quality and high standards
- Access to animals
- Resources – professional partnerships, support, education, conferences



AZA ACCREDITATION



APPROVED
PROVISIONALLY





AZA ACCREDITATION



- “Staff made tremendous progress in increasing earned revenue since the previous inspection. Senior staff deserve congratulations for that...”
- “....Finances continue to be an area of concern for the Zoo. Insufficient staffing and deferred maintenance may be symptoms of this.”



STAFFING LEVELS: Why do we need more staff?



- **Growth**

- **Higher standards**

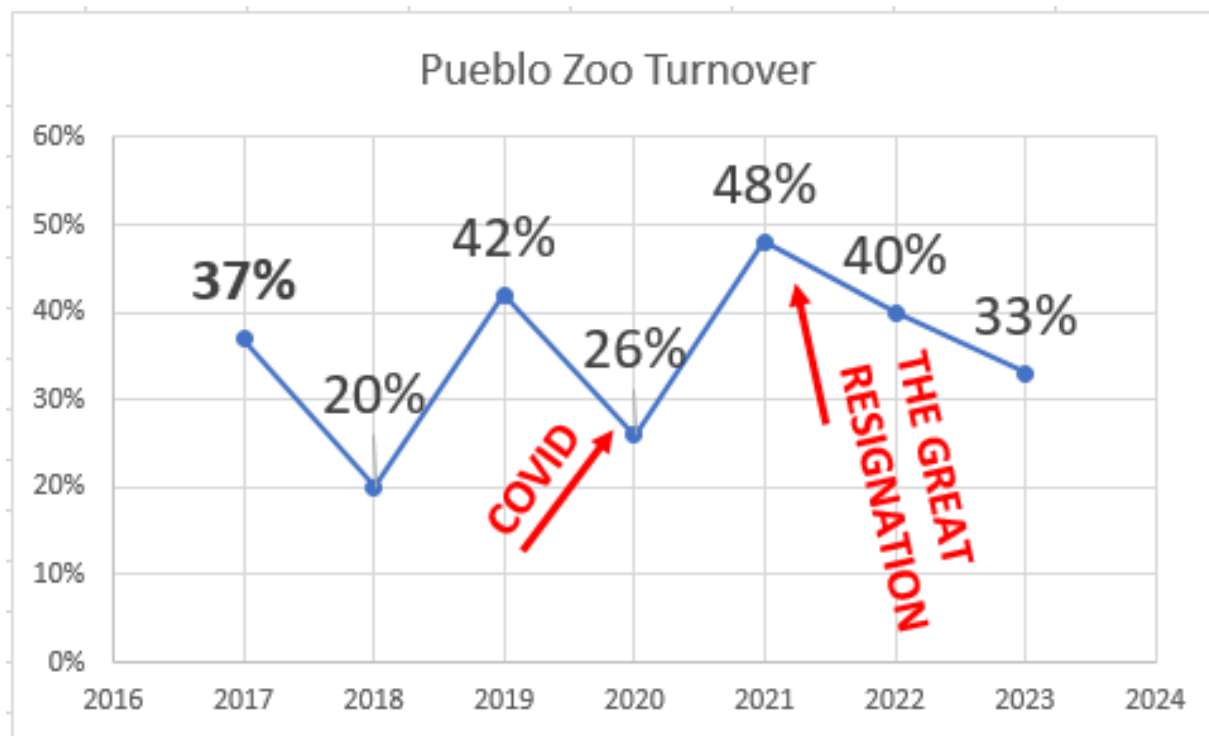
Standard 1.5: Animal Welfare, Care, and Well-Being

- Enrichment
- Training
- Documentation
- Modern management practices
- Paid professional development





STAFFING LEVELS: Why do we need more staff?



- Competitive labor market
- Wages and living amenities
- Starter zoo
- Short staffed due to illness/injury



STAFFING LEVELS: Why do we need more staff?



Young “green” staff

- Takes time to train
- Takes longer to do things as they learn

Only 4 of 15
keepers @ PZ
> 1 year!



SALARY LEVELS

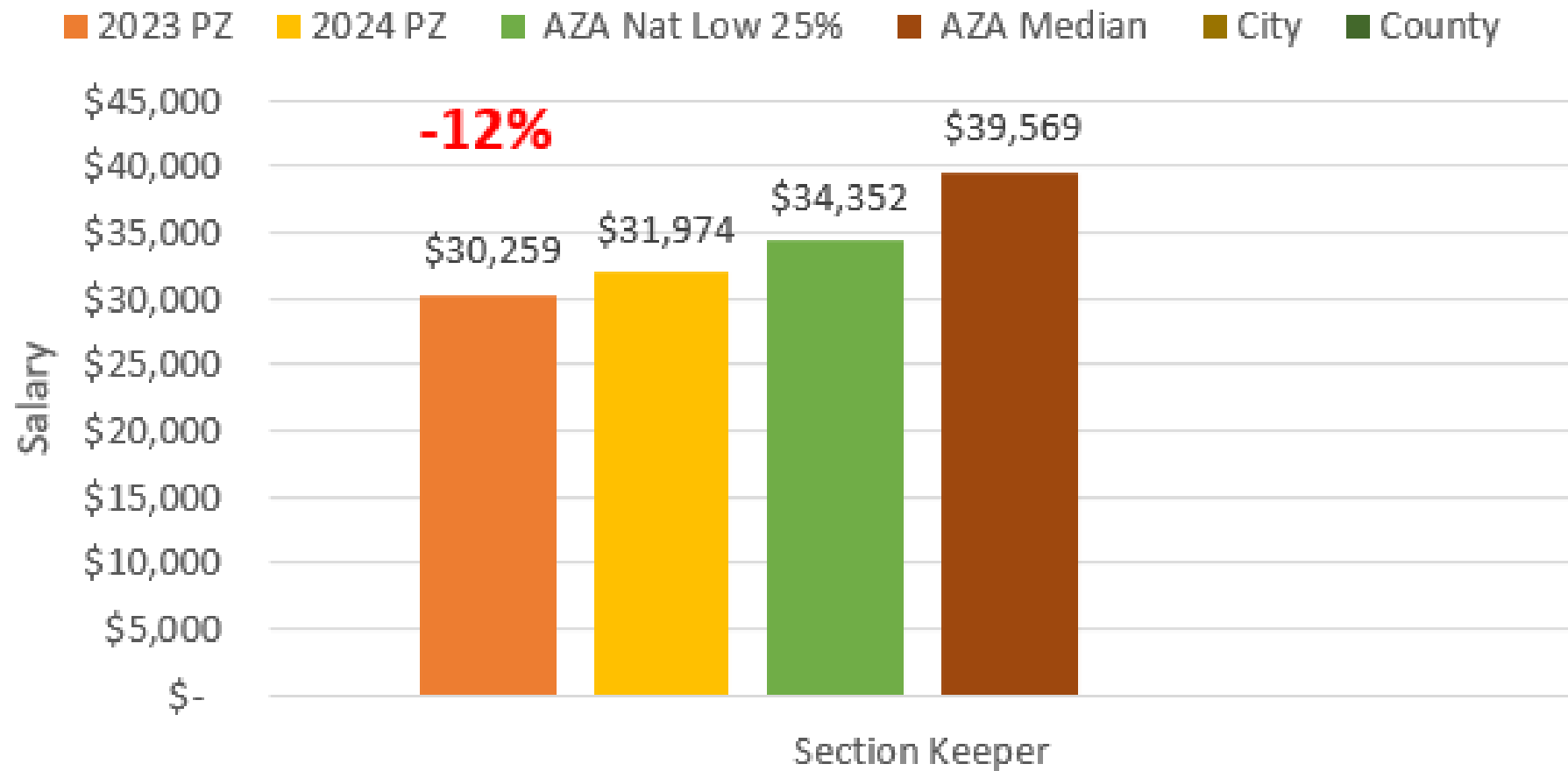
Why do we need more pay?



PAY COMPARISONS



SECTION KEEPER

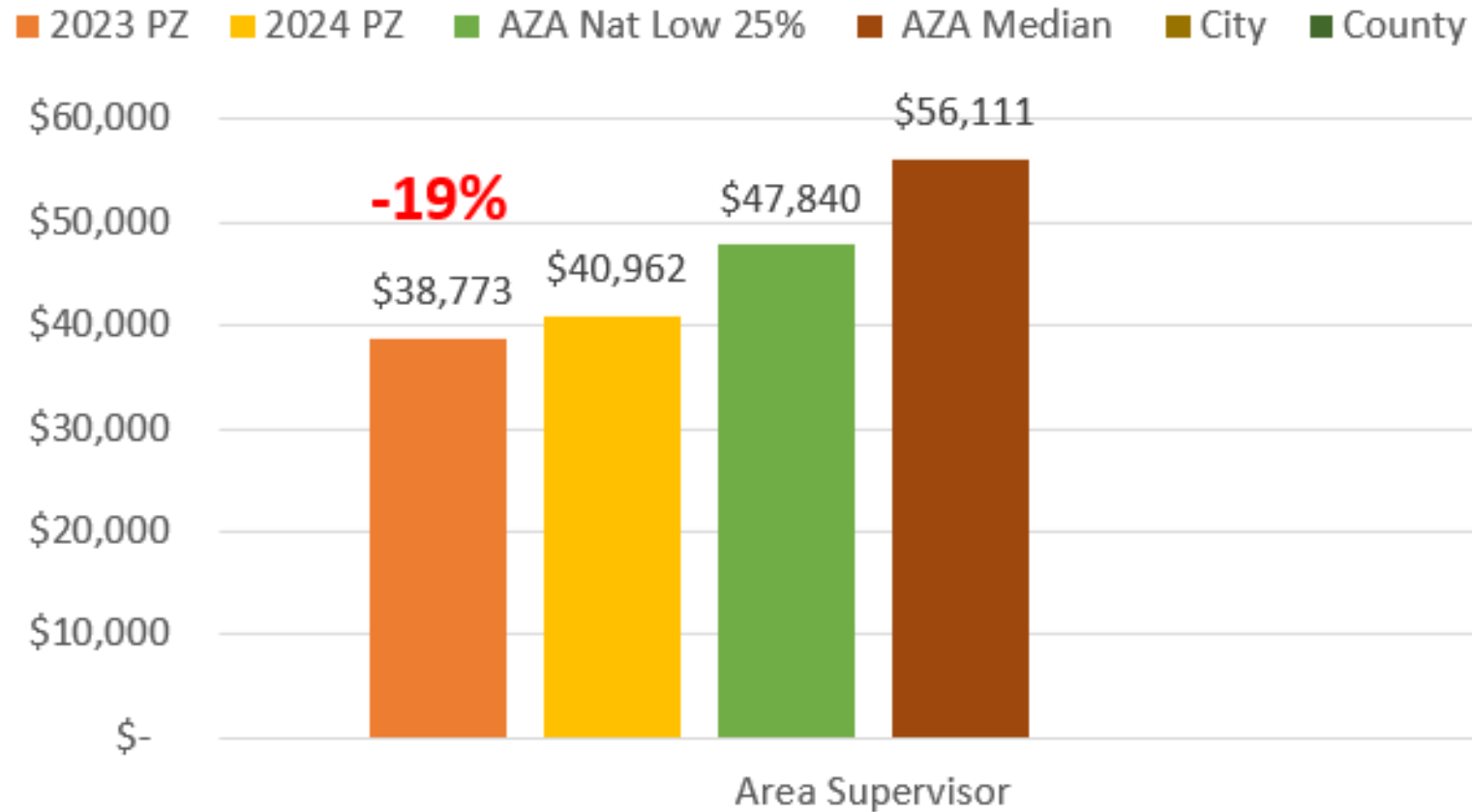




PAY COMPARISONS



AREA SUPERVISOR

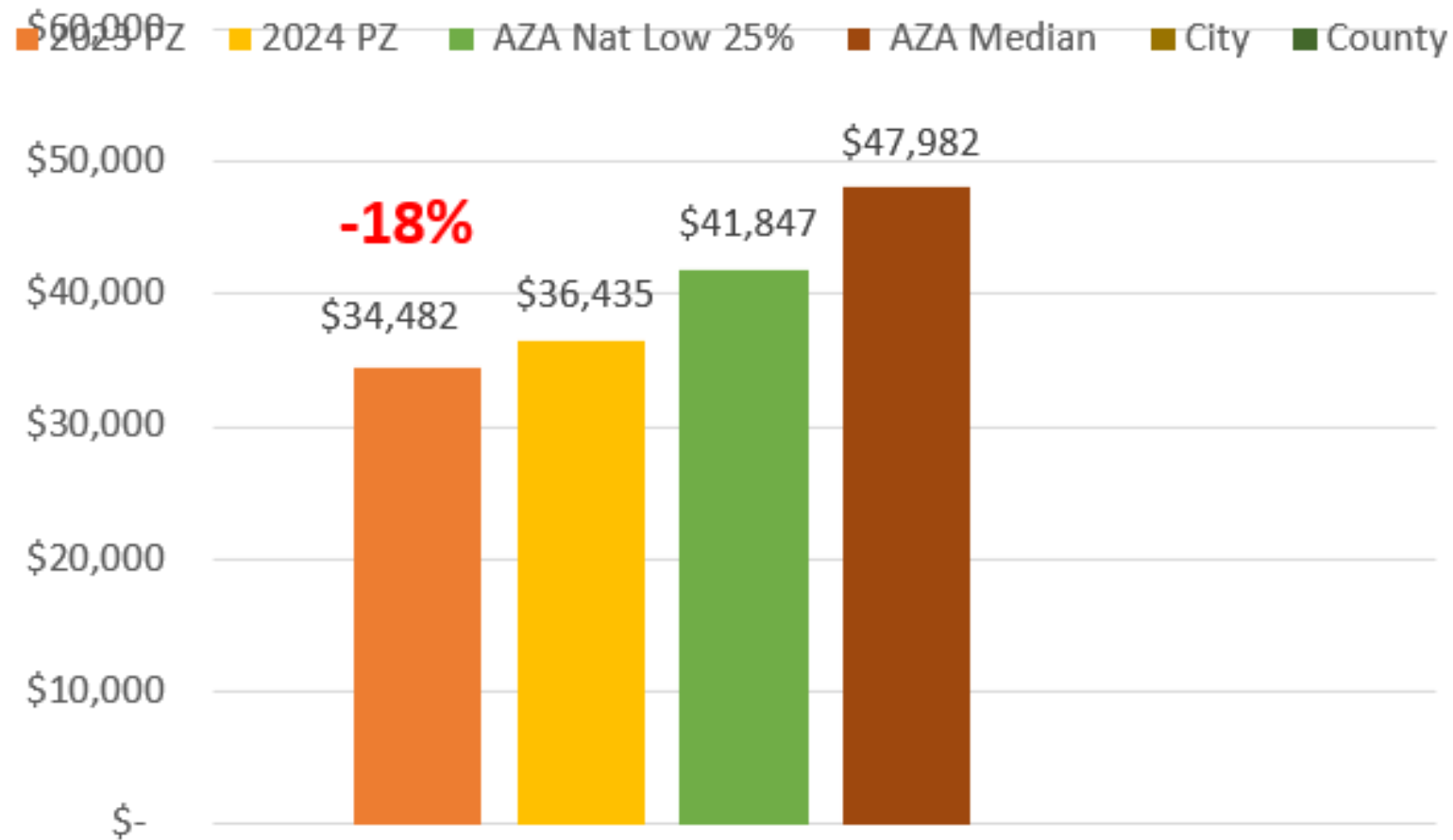




PAY COMPARISONS



LEAD KEEPER

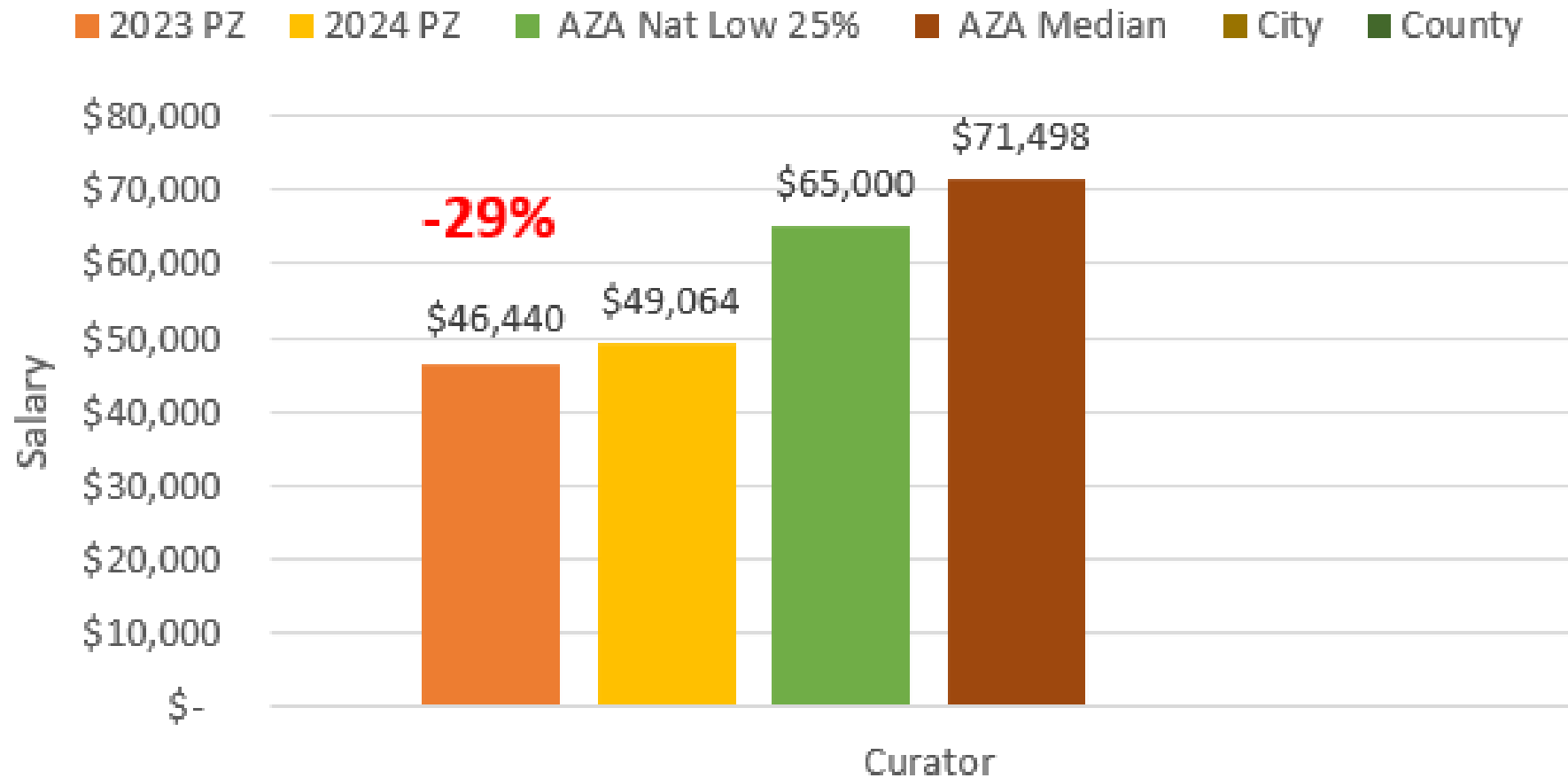




PAY COMPARISONS



CURATOR

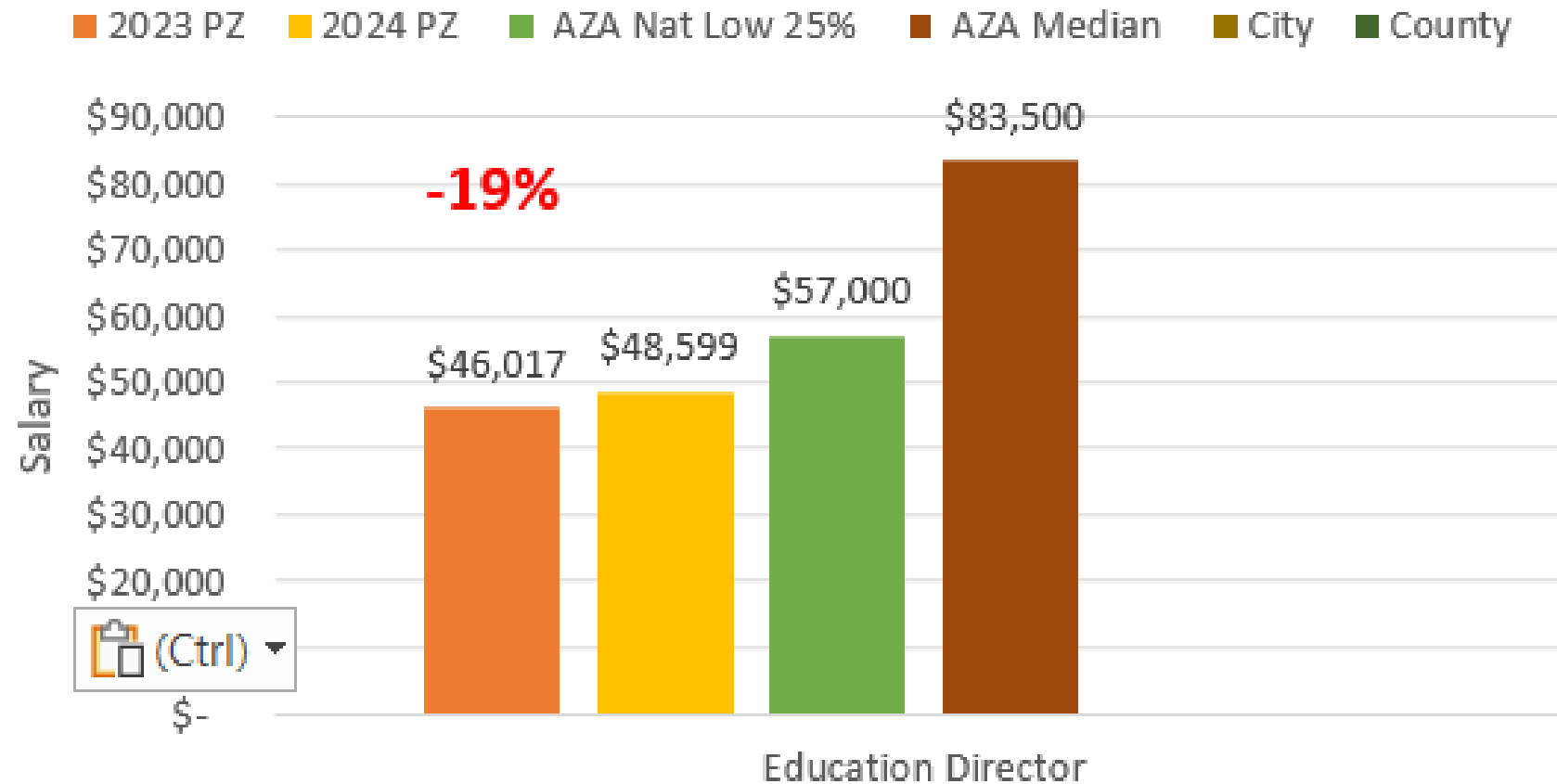




PAY COMPARISONS



EDUCATION DIRECTOR

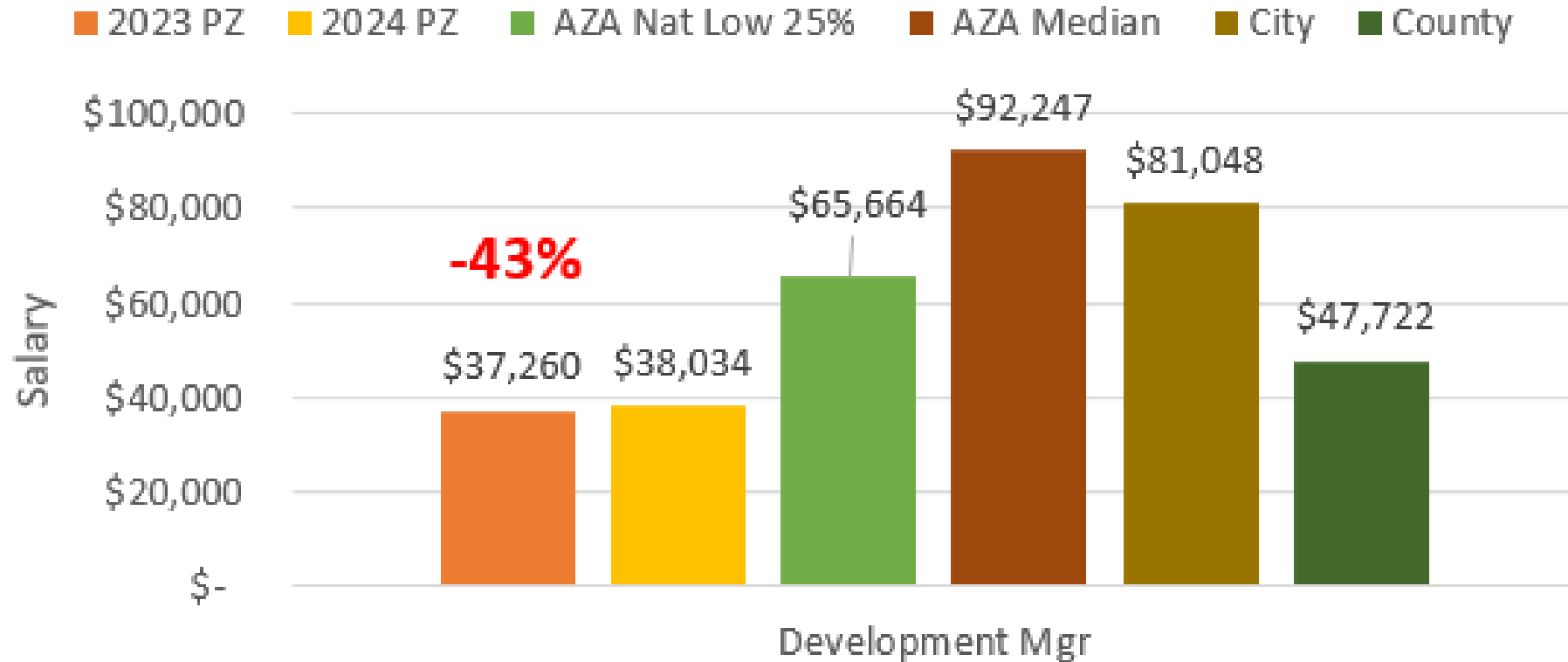




PAY COMPARISONS



DEVELOPMENT MANAGER

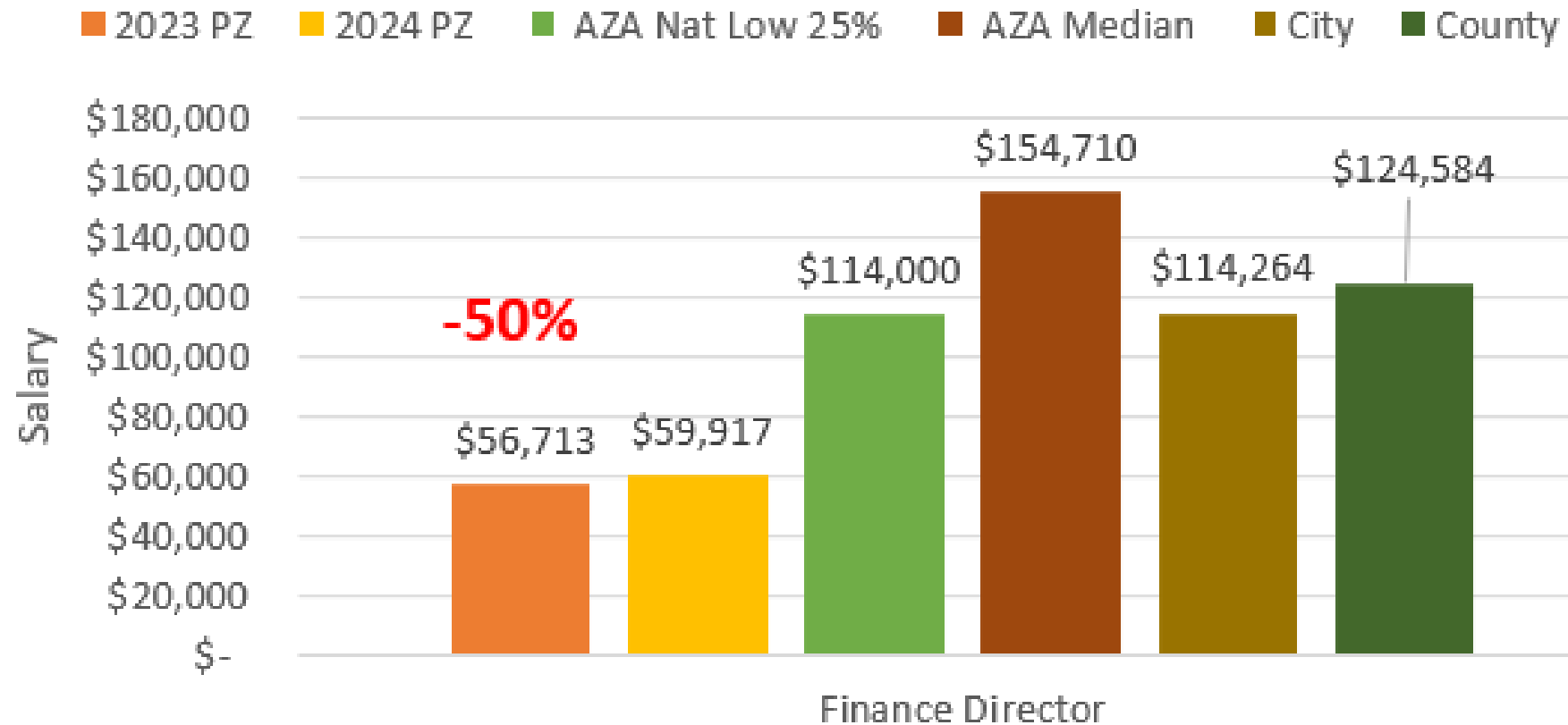




PAY COMPARISONS



FINANCE DIRECTOR

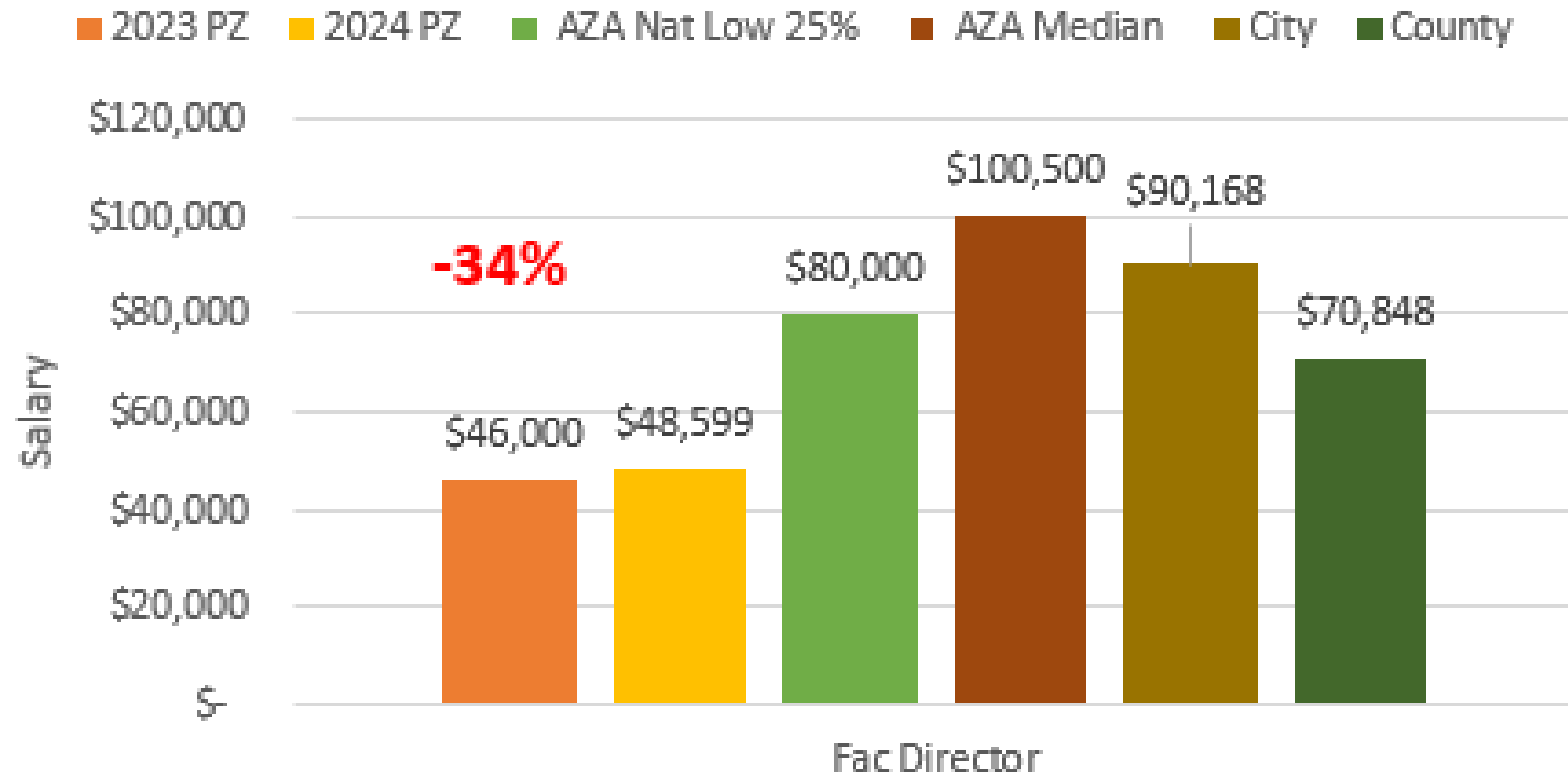




PAY COMPARISONS



FACILITIES DIRECTOR

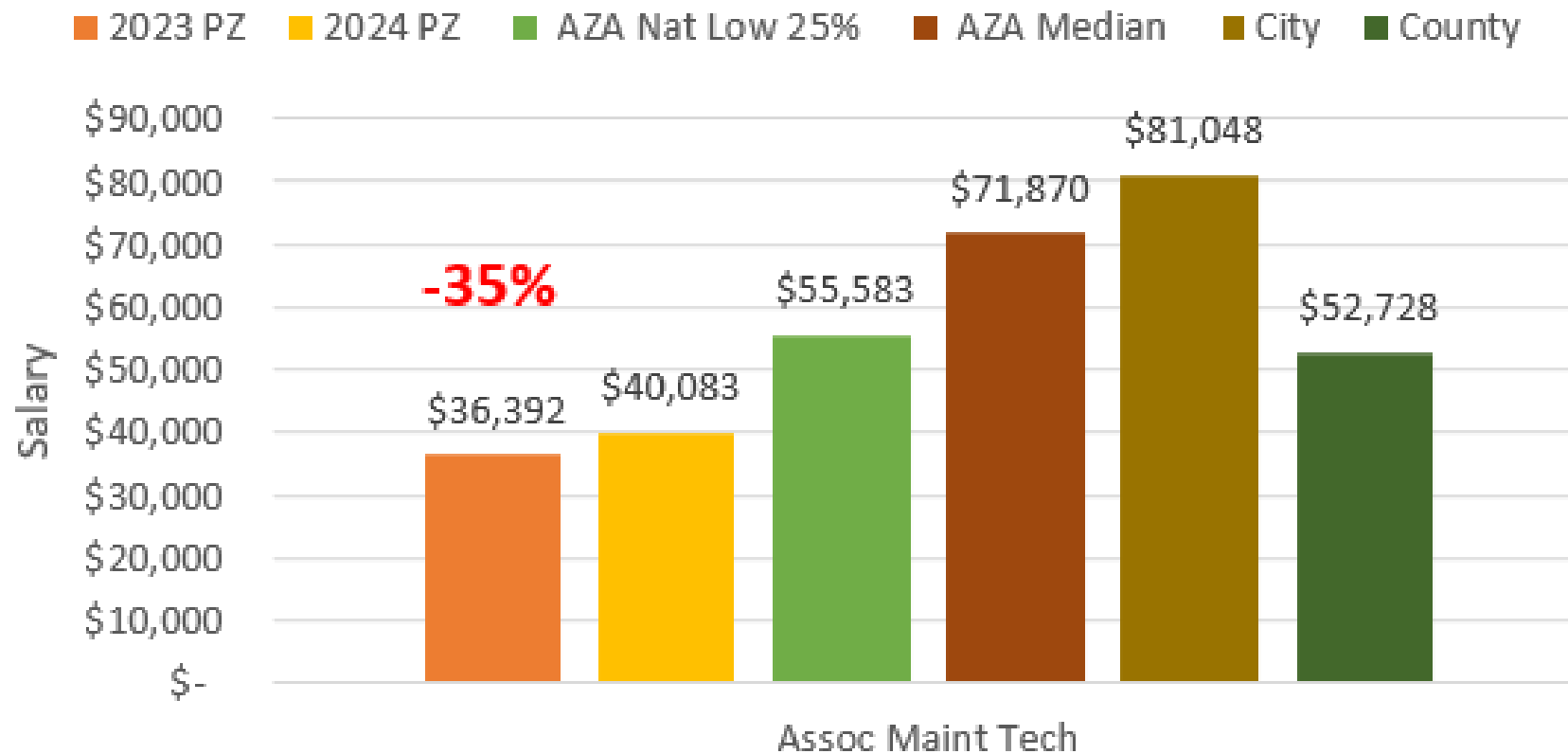




PAY COMPARISONS



ASSOC. MAINTENANCE TECH

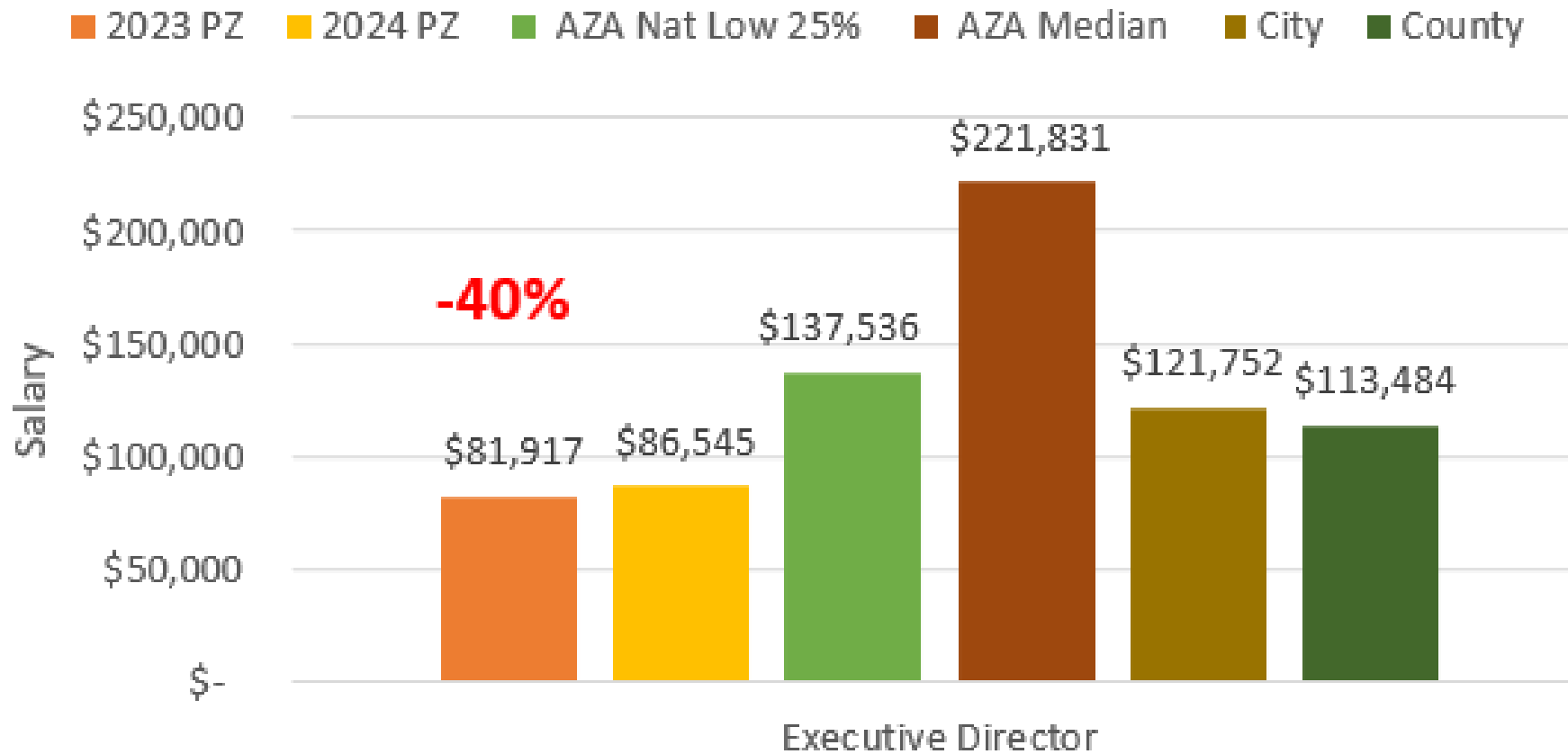




PAY COMPARISONS



EXECUTIVE DIRECTOR







SALARY LEVELS



- Proposed: 3% COLA increase
- State-mandated minimum wage raise: 5.6%
- Deficit: \$40,000 from our original proposal



CREATIVE SOLUTIONS



- Mowing service (\$11k)
- Garbage Collection (\$7K)
- Seasonal workers – maintenance
- Other ideas



Why is Support Important?

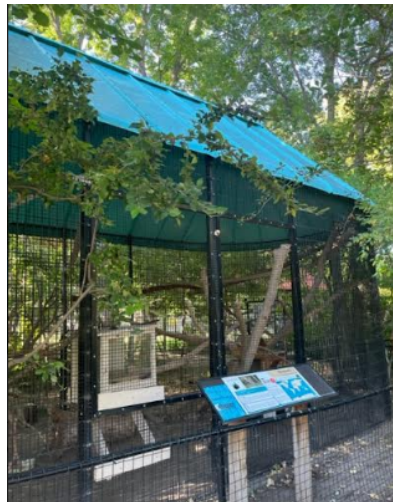




The Future – Your Colorado Backyard



- Growth and improvement
- Revenue
- Part of getting accreditation back “Several Behlen cages are still in use which no longer meets professional best practice”





THANK YOU



HSPPR Quarterly Update

October 2023





2024 HSPPR Budget

	City of Pueblo 60%	Pueblo County 40%	Total	Increase (Decrease)
Revenue				
Contract Revenue	\$ 2,047,150	\$1,364,765	\$ 3,411,915	17.5%
Other Contract Revenue	123,840	82,560	206,400	(2.4%)
Shelter/Donation Revenue	<u>290,760</u>	<u>193,840</u>	<u>484,600</u>	(10%)
Total	<u>2,461,750</u>	<u>1,641,165</u>	<u>4,102,915</u>	12%
Animal Law Enforcement	868,845	579,229	1,448,074	13.6%
Shelter	<u>1,592,905</u>	<u>1,061,936</u>	<u>2,654,841</u>	11.6%
Total	<u>\$ 2,461,750</u>	<u>\$ 1,641,165</u>	<u>\$ 4,102,915</u>	12.3%



Contract Increase

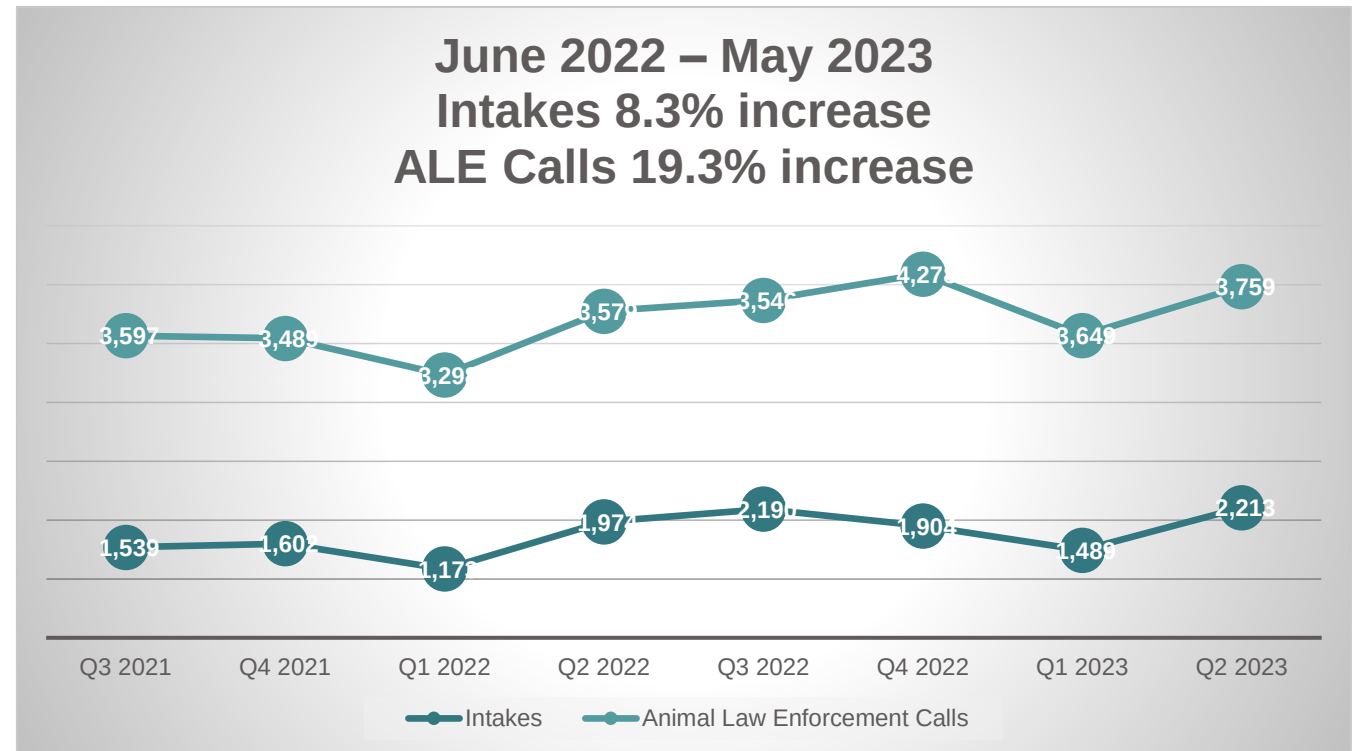
2024 Contract - \$ 3,411,915

2023 Contract - \$ 2,904,339

Increase - \$ 507,576

June 2022 – May 2023

- Intakes 7,796, prior 6,288
- ALE Calls 15,232, prior 13,963





Contract Increase

- Additional support needed for 2024 due to increase in volume
 - Certified Vet Tech
 - Animal Care Staff
 - Admin Support
 - Based on Animal Law Enforcement call volume we need 14 officers, but we are doing the work with 12 officers
- Expense Increases
 - 3 new Animal Law Enforcement Vehicles
 - Salaries and Wages
 - Operating Expenses
- Decrease in Revenue
 - Restitution, Board and Fundraising are down 7.8%
- Potential Increase in Revenue for 2024
 - Outsourcing licensing to a 3rd party (DocuPet)



Community Impact

(not paid for by Contract)

- Pueblo Wellness Clinic (Wellness visits and vaccinations)
 - Jan - Aug 2023 – 3,147
 - Jan – Aug 2022 – 1,656
 - Completed remodel Sept 2023 to perform spay/neuter for cats
 - \$240,000 budget
- Mobile Clinic
- Transfers to Colorado Springs and other Rescues/Shelters



Steps to Minimize or Reduce Impact



1. Volunteer Program to Support Daily Operations
2. Fundraising
3. Population Specialists & Animal Transfers
4. Overnight Transport & Janitorial Services



Community Engagement Manager

- Community Perception
- Yearly Summary:
 - 2021: 2,578 total hours, 39 onboarded, 77 total
 - 2022: 5,816 total hours, 75 onboarded, 128 total
 - 2023: 3,792 total hours, 40 onboarded, 89 total (YTD)
- 2023 Engagement Survey:

Question	Strongly Agree	Agree
Are you satisfied with your Volunteering Experience?	89%	11%
Do you feel valued as a volunteer member of our organization?	89%	11%
Do you feel that you received enough training, and information to feel prepared to carry out your volunteer work as effectively as possible?	89%	11%
How likely are you to recommend our volunteer opportunities to friends, co-workers, or family?	89%	11%





- Community Relations Specialist
 - Pueblo Community Communications
 - Applying for Grants
 - Building Donor Base
 - Whisker Ball
 - Annual Donations:
 - 2022: \$239,781
 - 2023: \$151,603 (YTD)





Population Specialists

Reducing Animal Care Days

- 2019: 39,684 for 3,932 animals
- 2020: 32,128 for 4,376 animals
- 2021: 45,533 for 5,867 animals
- 2022: 49,836 for 7,257 animals
- 2023: 35,205 for 5,594 animals (YTD)

2019-2023 Transferring Out

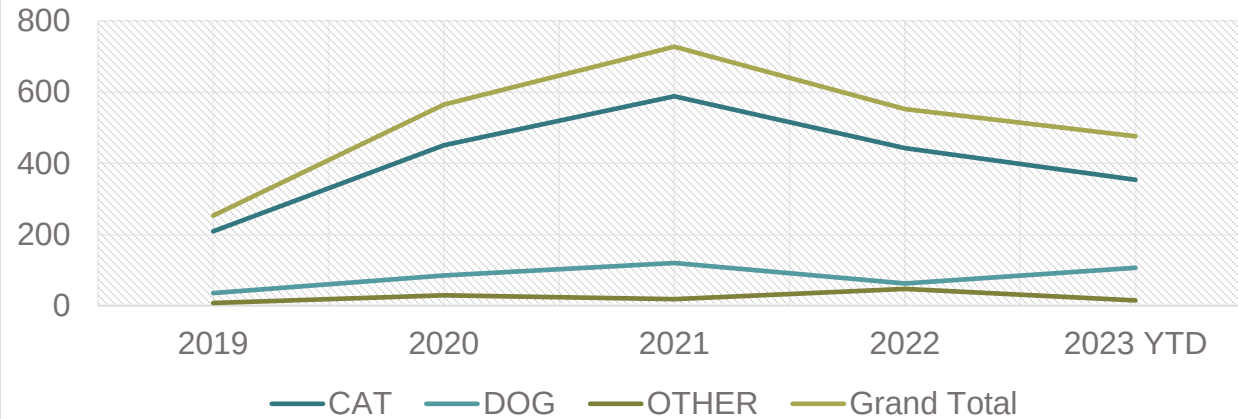
- Colorado Springs: 4,636
- Foothills Shelter: 396
- Boulder Humane: 246
- Paws for Life: 221
- Dumb Friends League: 125
- SOCO Spay/Neuter: 98
- Animal Friends Alliance: 75

Reducing Length of Stay

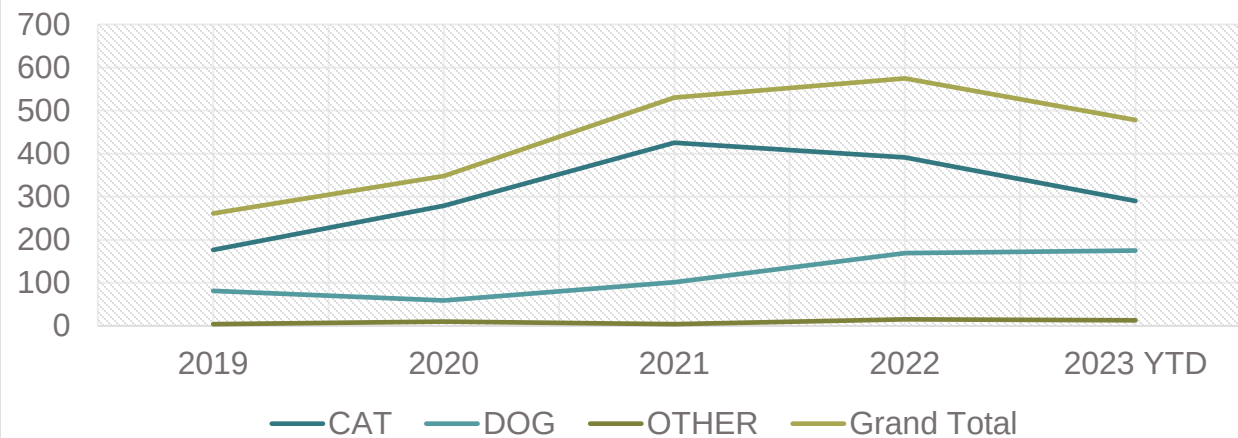
- 2019: 10.72 days
- 2020: 7.6 days
- 2021: 8.7 days
- 2022: 7.67 days
- 2023: 6.97 days (YTD)



Foster Resources



Medical Resources



**Pueblo
Animals
Transferred
to HSPPR's
Colorado
Springs
Location**



Cost Escalators: Emergency Veterinary Services

2021

- Pueblo Pet ER: 5 animals totaling \$845
- Mesa: 179 animals totaling \$59,536.75
- COS Emergency Clinics: 2 animals totaling \$200
- **2** animals received treatment from 2 clinics

2022

- Pueblo Pet ER: 28 animals totaling \$4,400
- Mesa: 163 animals totaling \$42,680.58
- COS Emergency Clinics: 61 animals totaling \$11,014.81
- **20** animals received treatment from 2 clinics

2023 (YTD)

- Mesa: 78 animals totaling \$18,661.13
- Pueblo Pet ER: 74 animals totaling \$10,800
- COS Emergency Clinics: 59 animals totaling \$10,233.07
- **18** animals received treatment from 2 clinics
- **1** animal received treatment from 3 clinics

2021 Totals

\$60,581.75 | 184 animals

2022 Totals

\$58,095.39 | 232 animals

2023 (YTD) Totals

\$39,694.20 | 192 animals



Pueblo Community Animal Shelter



denver animal shelter



ANIMAL PROTECTION
DENVER PUBLIC HEALTH
& ENVIRONMENT



LARIMER HUMANE SOCIETY



ANIMAL ARTS
architecture • animals • people



Thank you!



Duane Adams
President & CEO



Ralf Rivera
Vice President and Chief
Financial Officer



Erina Van Dusen
Director of Shelter Operations
Pueblo