

# Deferred Maintenance and Infrastructure Backlog

**CITY COUNCIL STUDY SESSION**

APRIL 13, 2026

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Jim Shannon – Budget Director

# AGENDA

- OPENING REMARKS
- WHAT IS A DEFERRED MAINTENANCE AND INFRASTRUCTURE BACKLOG (DMIB) AND WHY DOES IT MATTER?
- OVERVIEW OF THE CURRENT DMIB
- OVERVIEW OF CRITICAL NEAR-TERM CAPITAL PROJECTS
- POTENTIAL STRATEGIES TO ADDRESS THE BACKLOG
- QUESTIONS AND DISCUSSION

# WHAT IS A DMIB?

- LIST OF ALL REPAIRS, UPGRADES & REPLACEMENTS TO KEEP CITY ASSETS IN GOOD CONDITION
  - GENERALLY POSTPONED DUE TO A LACK OF BUDGET OR RESOURCES
- REFLECTS INFRASTRUCTURE CONDITION GAPS

# WHY DOES THE DMIB MATTER?

- INFRASTRUCTURE IS THE PLATFORM FOR CITY SERVICES; DEFERRED MAINTENANCE INCREASES THE PROBABILITY OF:
  - SERVICE IMPACTS OR OUTAGES
  - PUBLIC SAFETY INCIDENTS
  - ENVIRONMENTAL VIOLATIONS
  - EMERGENCY SPENDING
- INCREASE LONG TERM COSTS
- REGULATORY COMPLIANCE RISKS
- ASSET DETERIORATION AND FAILURE RISKS

# DMIB TRADEOFFS – HOW DID WE GET HERE?

IN THE LONG RUN,  
UNDERFUNDING PREVENTATIVE  
MAINTENANCE IS MORE  
EXPENSIVE

....BUT....

IN THE SHORT RUN WITH  
EXTREMELY LIMITED RESOURCES,  
UNDERFUNDING PREVENTATIVE  
MAINTENANCE IS OFTEN  
PREFERABLE TO REDUCING  
SERVICES

Comparison of Total Lifecycle Costs



# HOW DO FUNDING SOURCES IMPACT THE BACKLOG?

NUMEROUS SPECIAL AND CAPITAL FUNDS PROVIDE DEDICATED RESOURCES FOR INFRASTRUCTURE MAINTENANCE

	<b>Little to No Backlog</b>	<b>Significant Backlog</b>
<b>Dedicated Funding; Relatively Easy to Increase Revenues as Needed</b>	Airport, Regional Wastewater Facility, Sanitary Sewer System, Water Utility System	--
<b>Dedicated Funding; Relatively Difficult to Increase Revenues as Needed (General Fund supplement)</b>	--	Communications, Convention Center and some Cultural Facilities, Fire Stations, Fleet, Libraries, Parks and Recreational Facilities, Service Yards, Sports Facilities, Storm Sewer System
<b>No Dedicated Funding (General Fund only)</b>	Emergency Fire Apparatus, Police Patrol Vehicles	Animal Care and Services, City Hall, Police Headquarters, Other Cultural Facilities

# OVERVIEW OF THE CURRENT DMIB

- THE CITY FACES APPROXIMATELY \$2.6 BILLION IN ONE-TIME UNFUNDED INFRASTRUCTURE NEEDS
- ALONG WITH \$259 MILLION IN ANNUAL ONGOING FUNDING REQUIRED TO MAINTAIN THE ASSET AND PREVENT CONDITIONS FROM WORSENING OR TO ESTABLISH A SINKING FUND FOR FUTURE MAINTENANCE OR REHABILITATION
- THIS GAP DOES NOT REMAIN STATIC
  - EVERY YEAR OF DEFERRAL INCREASES FUTURE COSTS, SERVICE RISKS, AND DISRUPTION TO THE COMMUNITY
- SIGNIFICANT ADDITIONAL FUNDING OVER A MULTI-YEAR PERIOD IS NECESSARY

# CURRENT DMIB

Program	Current Backlog of Deferred Needs (M)	Annual Ongoing Unfunded Needs (M)
Airport	\$0.0	\$0.0
City Operated Buildings	\$418.5 ▲	\$90.9 ▲
Cultural Facilities Operated by Others (OCA)	\$73.4 ▲	\$10.0 ▲
Sports Facilities Operated by Others	\$10.3 ▲	TBD
Convention Center & Cultural Facilities (TSJ)	\$79.0 ▲	\$12.6
Fleet	\$13.7 ▼	\$7.7 ▲
Parks, Pools and Open Space	\$399.6 ▲	\$41.1 ▲
Service Yards	\$30.6 ▲	\$5.4 ▼
Sanitary Sewer	\$73.0 ▲	\$27.0 ▲
Storm Sewer	\$963.0 ▲	\$42.5 ▲
Information Technology	\$44.0 ▼	\$3.1 ▼
Radio Communications	\$2.5 ▼	\$0.0 ▼
Transportation Infrastructure	\$516.9 ▼	\$18.7 ▲
Regional Wastewater Facility	\$0.0	\$0.0
Water Utility	\$0.0	\$0.0
<b>Total (All Funds)</b>	<b>\$2,624.5</b>	<b>\$259.0</b>

**General Fund**

**\$221.7**

**\$58.3**

Measure T investment included

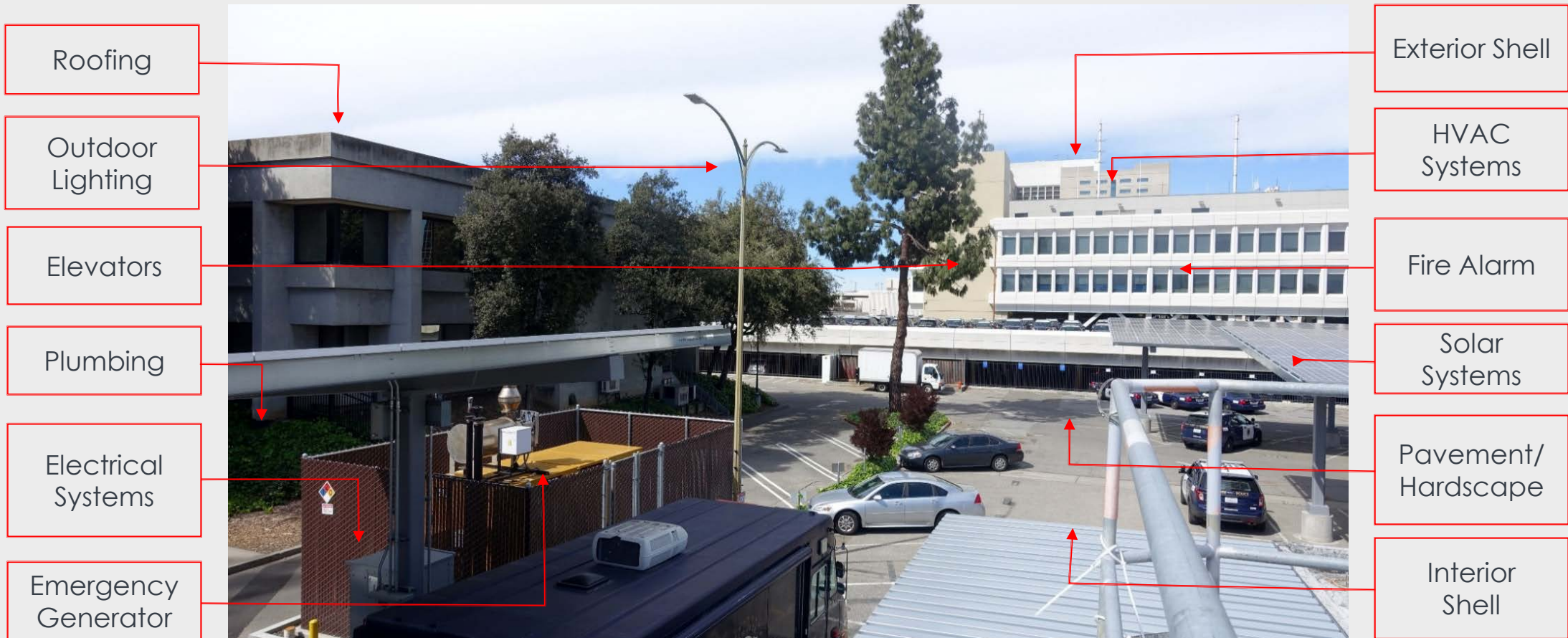
# CITY FACILITIES - \$570.9M



- PARKS BUILDINGS - \$252.7M
- CITY HALL - \$101.9M
- TEAM SJ - \$79.0M
- CULTURAL FACILITIES - \$73.4M
- POLICE - \$24.2M
- LIBRARY - \$24.0M
- FIRE - \$9.0M
- ACS - \$6.7M

# CITY OWNED & OPERATED FACILITIES - \$418.5M

OVER 400 BUILDINGS, SERVICE YARDS, AND OTHER FACILITIES – TOTALING 5 MILLION SQUARE FEET OF SPACE



# THE TECH INTERACTIVE

- \$10.68M CITY-FUNDED CAPITAL IMPROVEMENT PROJECTS
- \$22.95M IN ESTIMATED 5-YEAR REHABILITATION NEED
- \$1.81M IN CITY O&M SUBSIDY RECEIVED IN 2025

4 ESCALATORS  
REPLACEMENT  
NEED ~\$3M

3 ELEVATORS  
REPLACEMENT  
NEED ~\$4.5M

ROOF REPLACEMENT NEED ~\$3.3M



## Recent Capital Improvements:

FY16-17

HVAC controls modules \$250,000

Flooring repairs \$150,000

Minor renovations \$55,000

Cooling tower replacement design  
\$25,000

FY17-18

Tile walls eval/repair \$100,000

FY19-20

Tile walls repair \$1,400,000

FY20-21

Fire alarm system \$2,400,000

HVAC controls \$4,000,000

FY22-23

Skylight replacement \$100,000

FY23-24

HVAC chiller and tower \$1,200,000

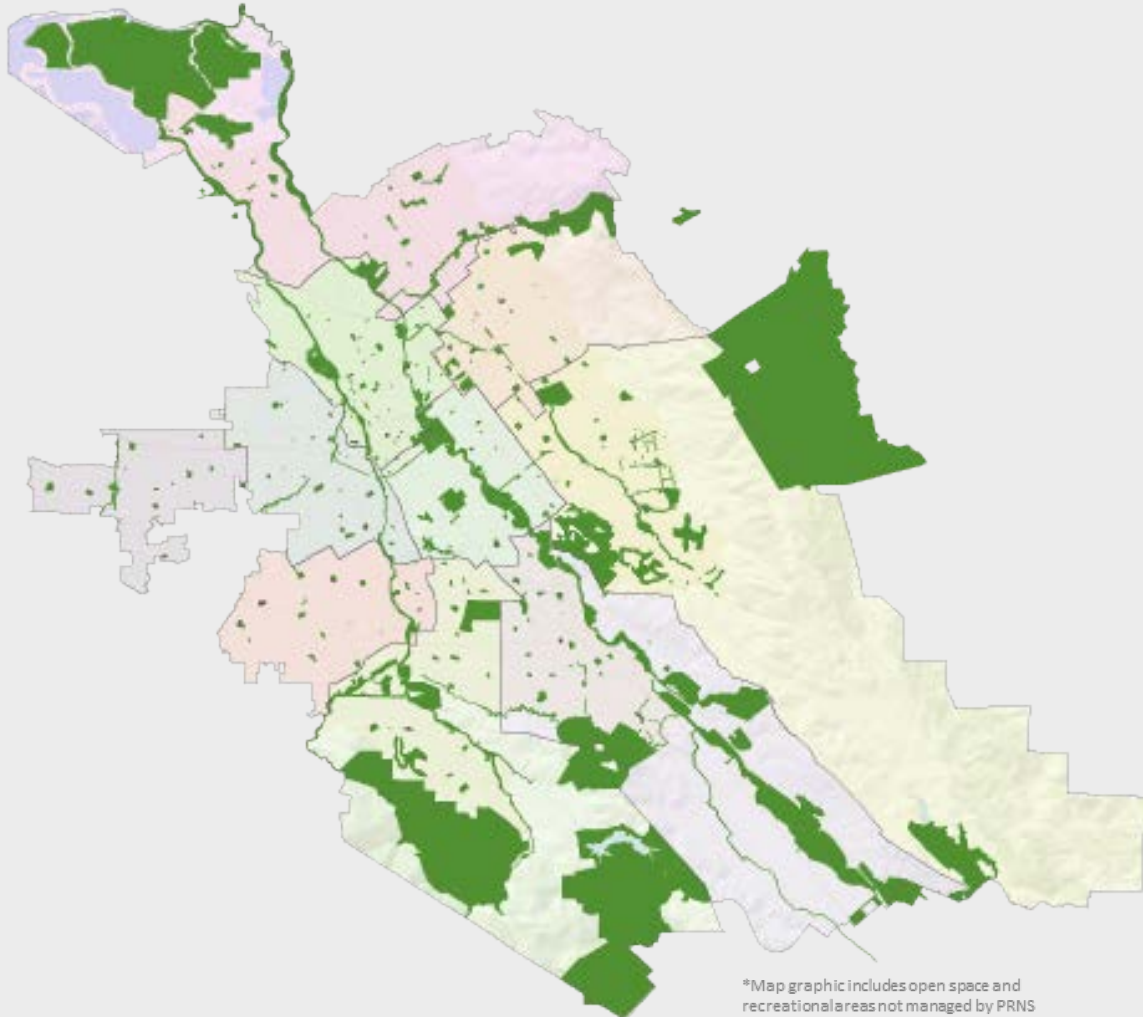
FY25-26

HVAC piping \$1,000,000

# CITYWIDE ELEVATORS

- REPAIRS VS. MODERNIZATION
  - REPAIRS – FIXED BY ON-CALL CONTRACTOR
    - BROKEN LIGHTS, SOFTWARE UPGRADES, BUTTON REPAIR OR REPLACEMENT
  - MODERNIZATION – FOCUSED ON UPGRADES OF MAJOR COMPONENTS
    - CONTROL SYSTEM, HOISTING EQUIPMENT, DOOR OPERATORS
- OVER 70 ELEVATORS CITYWIDE
  - INVESTMENT NEEDS: ~\$32M
    - 31 IN NEED OF MODERNIZATION

# PARKS, TRAILS & COMMUNITY FACILITIES



Facility Type	Quantity
Neighborhood & Regional Parks	209
Playgrounds	291
Athletic Fields	110
Sports Courts	184
Miles of Paved Trails	61
Dog Parks	14
Community Gardens	19
Outdoor Fitness Areas	40
Aquatic Facilities	6
BMX Bike/Skate Parks	9
Park Service Yards	7
Happy Hollow Park & Zoo, Family Camp	
3 Golf Courses, 3,500 Acres Open Space	

# PRNS FACILITIES ESTIMATES

Park Component	Estimated Backlog 2026
Park Grounds	\$173,338,000
Park Yards	\$10,997,000
Trails	\$24,255,000
Regional Facilities	\$191,025,000
<i>Park Component Subtotal</i>	<b>\$ 399,615,000</b>
Community Buildings	\$111,201,000
Other Buildings	\$136,595,000
Restrooms	\$4,952,000
<i>Building Component Subtotal</i>	<b>\$ 252,748,000</b>
<b>TOTAL BACKLOG</b>	<b>\$ 652,363,000</b>

# STORM SEWER INFRASTRUCTURE

- HIGH PRIORITY PROJECTS: \$963M
- SYSTEM IMPROVEMENTS
  - FLOOD PROTECTION PROJECTS AND REGULATORY COMPLIANCE
- MASTER PLANNING
  - CAPACITY ASSESSMENT – CITY-WIDE
  - CONDITION ASSESSMENTS
- SYSTEM REHABILITATIONS
  - OUTFALLS
  - PUMP STATIONS



# TRANSPORTATION INFRASTRUCTURE

155 Miles  
Traffic Signal  
Communication Cable

242 Acres  
Street Landscape

972  
Signalized Intersections

218  
Bridges

250,087  
Street Trees

2,519 Miles  
Paved Streets



65,600  
Streetlights

31,145  
Street Name Signs

95,912  
Traffic Signs

3,400 Miles  
Sidewalks, Curbs  
& Gutters

6,900,000 SF  
Roadway Markings

# TRANSPORTATION INFRASTRUCTURE NEEDS

Item	Backlog (\$ M)
Pavement	370.0
ADA Curb Ramps	71.8
Signals/Signs/Markings/Streetlights	24.1
Bridge Rehabilitation	36.0
Trees/Landscaping	15.0
Total	516.9

*Note: Doesn't include property owner responsibilities for street trees, curb, gutter, and sidewalk*

Measure T investment included

# OVERVIEW OF CRITICAL NEAR-TERM CAPITAL PROJECTS

- CITY HALL WATER INTRUSION REPAIRS - \$45M
- CITYWIDE ELEVATOR MODERNIZATION/REHABILITATION PROJECTS - \$28M-\$35M
- HVAC UPGRADES – CITYWIDE FACILITIES - \$40M
- CITYWIDE GENERATOR REPLACEMENT - \$50M
- EV CHARGERS FOR SERVICE VEHICLES - \$8.5M
- STORM AND SEWER PROJECTS
  - OUTFALL REPAIR PROJECTS – 407 OUTFALLS/\$170M
- CULTURAL FACILITIES – \$20M

# STRATEGIES TO ADDRESS THE BACKLOG <sub>1</sub>

## OVER THE NEXT TWO YEARS

- PRIORITIZE FUNDING TO ADDRESS THE MOST URGENT PROJECTS
- LEVERAGE LIMITED FUNDING TO START PROJECT(S) AND SUPPLEMENT AS-NEEDED FINANCING
  - SEPARATE CITY COUNCIL ACTION; FINANCING REQUIRES LONG-TERM DEBT SERVICE OBLIGATIONS
- PURSUE NEW REVENUE SOURCE FOR STORM SEWER SYSTEM
- ASSESS VIABILITY OF GENERAL OBLIGATION BOND FOR 2028 ELECTION CYCLE

# STRATEGIES TO ADDRESS THE BACKLOG <sub>2</sub>

## GENERAL OBLIGATION BOND FUNDING

- GO BONDS ARE NECESSARY TO MEANINGFULLY ADDRESS THE BACKLOG
  - SUBSTANTIAL, DEDICATED FUNDING SOURCE
  - MEASURE T (2018) FUNDING IS NEARLY EXPENDED
  - PROVIDES INTERGENERATIONAL EQUITY TO PAY FOR LONG-LIVED ASSETS
  - INDIVIDUAL BOND ISSUANCES SPREAD OVER A MULTI-YEAR PERIOD
- REQUIRES VOTER APPROVAL – 2/3 THRESHOLD

# STRATEGIES TO ADDRESS THE BACKLOG <sup>3</sup>

## OVER THE NEXT FIVE YEARS

- AS BUDGETARY CONDITIONS IMPROVE, PRIORITIZE DEDICATED PREVENTATIVE MAINTENANCE AND CAPITAL REHABILITATION FUNDING IN THE GENERAL FUND
  - DIFFICULT TRADEOFF, BUT ULTIMATELY THE CONTINUED COST OF UNDERFUNDED MAINTENANCE IS REDUCED SERVICES AND HIGHER COSTS
  - FOR EXAMPLE, 2% OF GENERAL FUND EXPENDITURES (~\$32 MILLION) WOULD MAKE A SIGNIFICANT IMPACT
- CONSIDER ALTERNATIVE FUNDING SOURCES
  - ENHANCED INFRASTRUCTURE FINANCING DISTRICT
  - PUBLIC/PRIVATE PARTNERSHIPS
- CONSIDER SELLING OR DECOMMISSIONING CERTAIN CITY ASSETS

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Questions

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