



**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
MONDAY, OCTOBER 20, 2014
HAMPDEN HALL
6:00 P.M.**

- I. Financial Report**
Finance and Administrative Services Director Frank Gryglewicz will discuss the financial report.
- II. Investment Policy Review – 6:15 p.m.**
Finance and Administrative Services Director Frank Gryglewicz will review the investment policy.
- III. Boy Scouts of America First Supplement – 6:30 p.m.**
Finance and Administrative Services Director Frank Gryglewicz will discuss the Boys Scouts of America First Supplement.
- IV. Update on Englewood Forward – 6:45 p.m.**
Community Development Director Alan White, Long Range Planner John Voboril and representatives from the consultant team of Logan-Simpson Design, FHU, OV Consulting and the Kaiser Technical Advisory Committee will be present to update Council on the related Community Development planning projects (Comprehensive Plan Update, Englewood Light Rail Corridor Next Steps Study, and Walk and Wheel Master Bicycle and Pedestrian Plan)
 - a. Healthy Eating Active Living (HEAL) resolution.
- V. City Manager’s Choice.**
- VI. City Attorney’s Choice.**

Please Note: If you have a disability and need auxiliary aids or services, please notify the City of Englewood, 303-762-2407, at least 48 hours in advance of when services are needed. Thank you.



City of Englewood

To: Mayor Randy Penn and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: October 8, 2014
Subject: September 2014 Financial Report

REVENUES:

- Through September 2014, the City of Englewood collected **\$32,386,277 or \$1,196,361 (3.8 percent) more** than last year (See the chart on page 3 and the attached full report for details on changes in revenue in past year. Year-end estimate is \$41,077,697 or \$1,407,585 (3.5 percent) more than the \$39,670,112 originally budgeted.
- The City collected \$2,866,799 in property taxes and \$190,950 in specific ownership tax through September.
- **Year-to-date sales and use tax revenues were \$18,481,668 or \$1,120,392 (6.5 percent) more than September 2013**
- Cigarette tax collections were down \$3,901 compared to last year.
- Franchise fee collections were \$81,015 more than last year.
- Licenses and permit collections were \$127,897 less than September 2013.
- Intergovernmental revenues were \$54,885 more than the prior year.
- Charges for services decreased \$86,044 from last year.
- Recreation revenues increased \$60,377 from 2013.
- Fines and forfeitures were \$40,456 more than last year.
- Investment income was \$44,286 more than last year.
- Miscellaneous revenues were \$79,092 less than last year.
- Net Rent revenues from McLellan Reservoir were \$503,694.

OUTSIDE CITY:

- Outside City sales and use tax receipts (cash basis) were up \$420,620 or 8.2 percent compared to last year.
- At this time potential refunds total approximately \$1,500,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$1,150,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through September 2014 were \$2,599,747 or \$105,999 more than last year during the same period.

EXPENDITURES:

- Expenditures through September were \$30,690,412 or \$613,860 (two percent) more than the \$30,076,552 expended through September 2013. Year-end estimates were updated from the information provided by departments. Historically, expenditures are one to three percent under budget; if this holds true this year, the fund balance will increase an additional \$400,000 to \$1,200,000.

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures by **\$1,695,865** this year compared to revenues exceeding expenditures by \$1,113,364 in 2013.

TRANSFERS:

- Net 2014 transfers-in to date of \$892,544 were made by the end of September 2014 (please refer to page 15).

FUND BALANCE:

- The estimated total fund balance is \$10,550,986 or 25.7 percent of estimated revenue. The estimated unassigned fund balance for 2014 is estimated at \$6,547,887 or 15.9 percent of estimated revenues.
- The 2014 estimated Long Term Asset Reserve (LTAR) balance is \$2,663,099 (please refer to page 15).

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$2,924,843 in revenues and spent \$3,412,568 year-to-date. Prior to adjustments to budget estimates, the estimated year-end fund balance is \$63,941.

City of Englewood, Colorado

September 2014 Financial Report

The annual budget serves as the foundation for the City’s financial planning and control, and provides a comprehensive plan to provide high quality services to the Englewood community. Based upon conservative revenue estimates, the budget quantifies in dollars the many services and amenities the citizens of Englewood receive. The City has prepared a balanced budget and it is one where revenues plus beginning fund balance are equal to or exceed expenditures.

The financial report provides on a periodic basis the review of the actual revenues and expenditures as compared to the budget. This point in time analysis compares the current year to the prior year and determines if the revenues and expenditures are on track with the budget. By monitoring the financial condition of the City, City staff and Council can work together to take action, if necessary, to maintain service levels, employees, and fiscal health of the City.

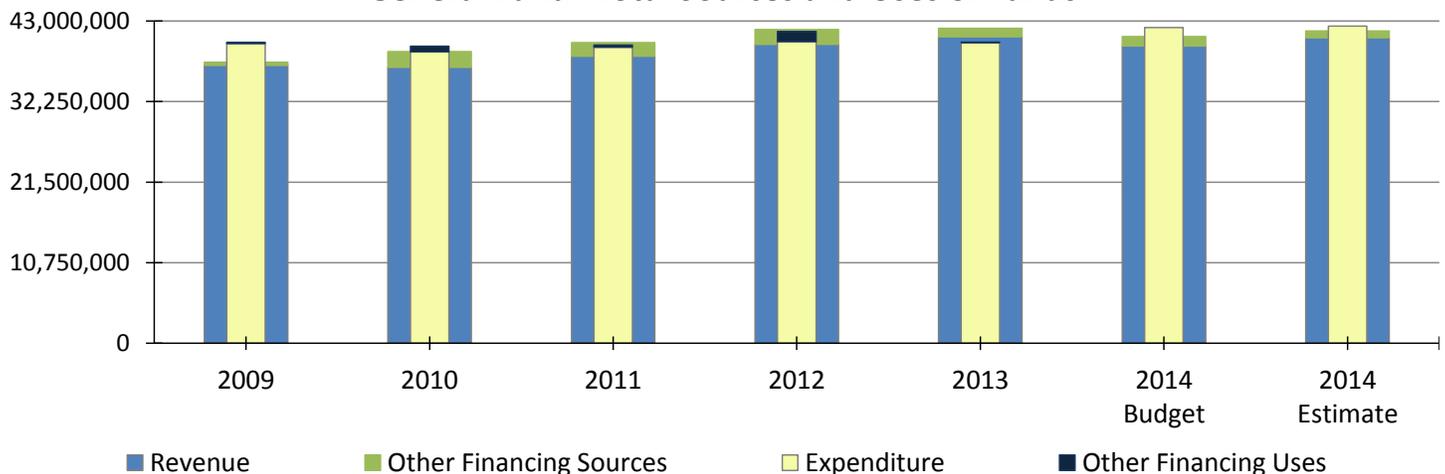
GENERAL FUND OVERVIEW AND ANALYSIS

The General Fund accounts for the major “governmental” activities of the City. These activities include “direct” services to the public such as police, fire, public works, parks and recreation, and library services. General government also provides administrative and oversight services through the offices of city manager and city attorney; the departments of information technology, finance and administrative services, community development, human resources, municipal court and legislation. Debt service, lease payments, and other contractual payments are also commitments of the General Fund.

General Fund - Surplus and Deficit

The graph below depicts the history of sources and uses of funds from 2009 to 2014 Budget. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.

General Fund: Total Sources and Uses of Funds



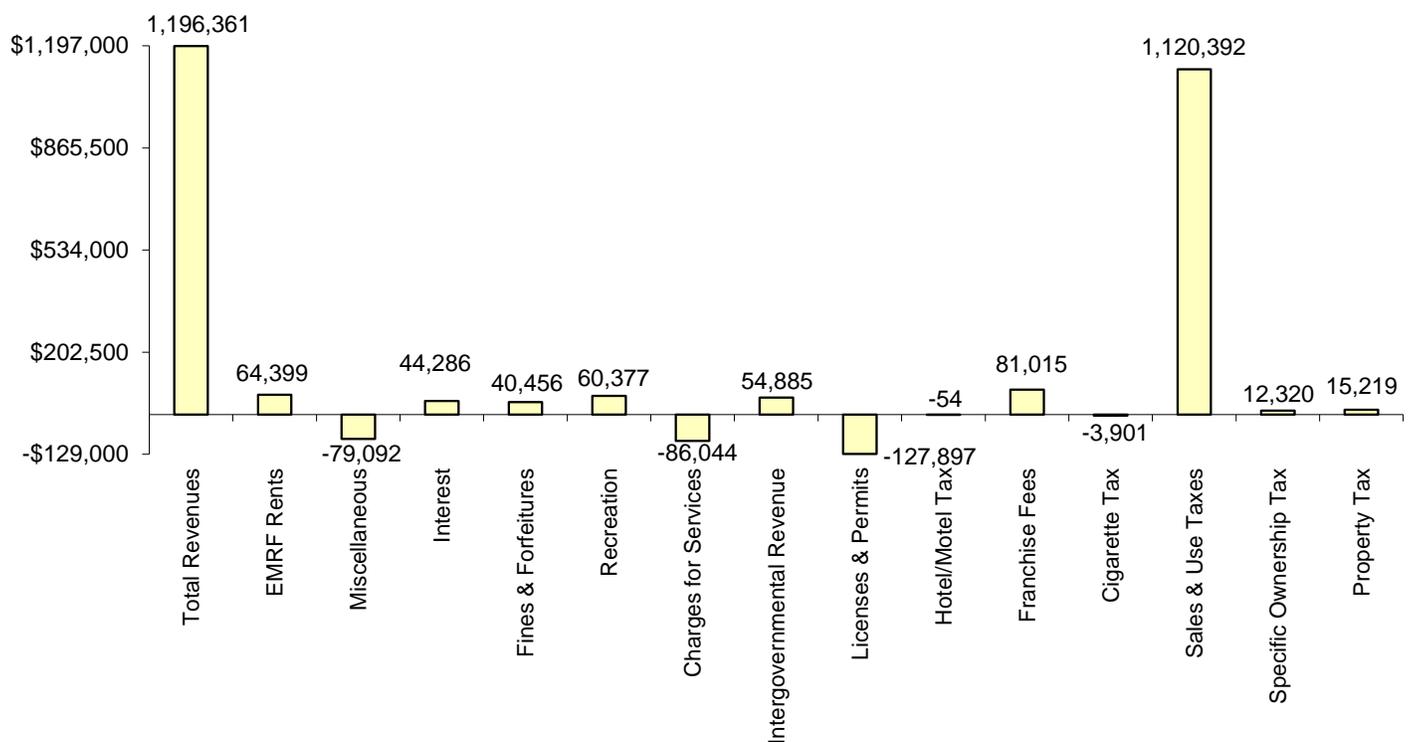
The table on the next page summarizes General Fund Year-To-Date (YTD) Revenue, Expenditure, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended September, 2014. Comparative figures for years 2013 and 2012 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	Aug-14	2014 vs 2013 Increase (Decrease)		Aug-13	2013 vs 2012 Increase (Decrease)		Aug-12
General Fund							
Year-To-Date Revenue	\$ 32,386,277	\$ 1,196,361	3.84%	\$ 31,189,916	\$ 469,582	1.53%	\$ 30,720,334
Year-To-Date Expenditure	30,690,412	\$ 613,860	2.04%	30,076,552	\$ (197,355)	(.65%)	30,273,907
Net Revenue (Expenditure)	\$ 1,695,865	\$ 582,501		\$ 1,113,364	\$ 666,937		\$ 446,427
Unassigned Fund Balance	\$ 6,547,887	\$ (327,818)	(4.77%)	\$ 6,875,705	\$ 1,922,782	38.82%	\$ 4,952,923
Sales & Use Tax Revenue YTD	\$ 18,481,668	\$ 1,120,392	6.45%	\$ 17,361,276	\$ 339,912	2.00%	\$ 17,021,364
Outside City Sales & Use Tax YTD	\$ 5,548,215	\$ 420,620	8.20%	\$ 5,127,595	\$ (525,449)	(9.29%)	\$ 5,653,044

General Fund Revenues

The City of Englewood's total budgeted revenue is \$39,670,112. Total revenue collected through September 2014 was \$32,386,277 or \$1,196,361 (3.8 percent) more than was collected in 2013. The chart below illustrates changes in General Fund revenues this year as compared to last year.

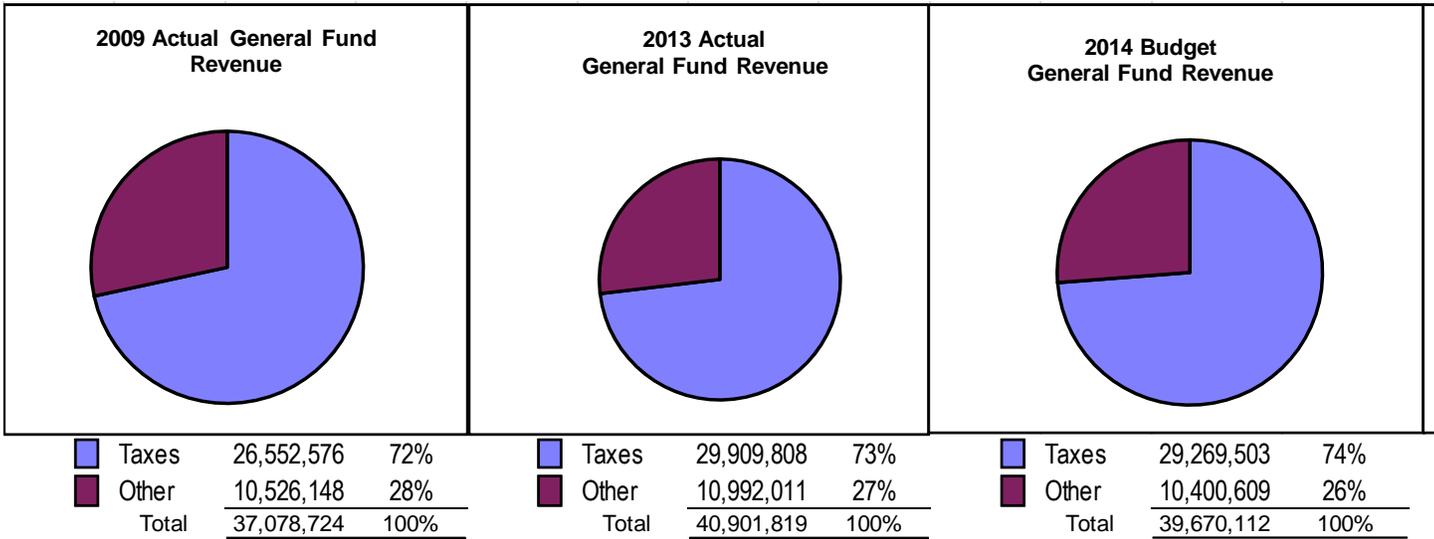
2014 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



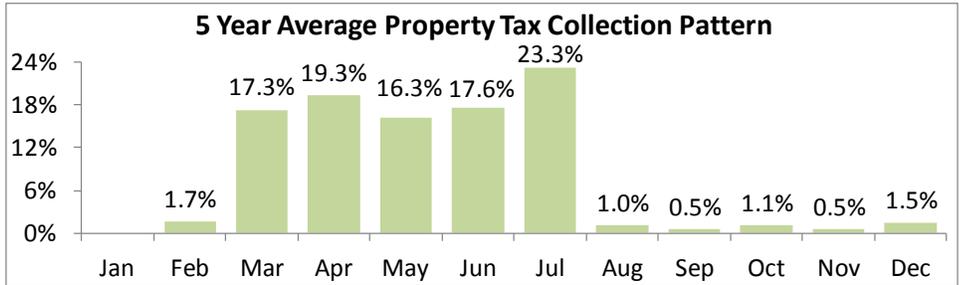
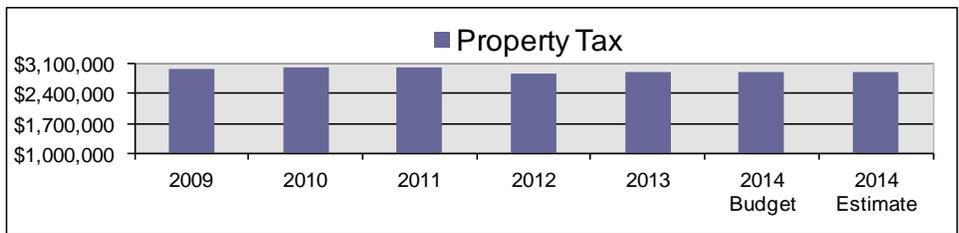
General Fund - Taxes

The General Fund obtains most of its revenue from taxes. In 2013 total revenues were \$40,901,819 of which \$29,909,808 (73.1 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The pie charts on the next page illustrate the contribution of taxes to total revenue for 2009, 2013 and 2014 Budget. Taxes as a percentage of total revenue have declined slightly as other fees and charges have been increased to help offset rising costs and relatively flat tax revenues.

General Fund Revenues - Taxes vs. Other



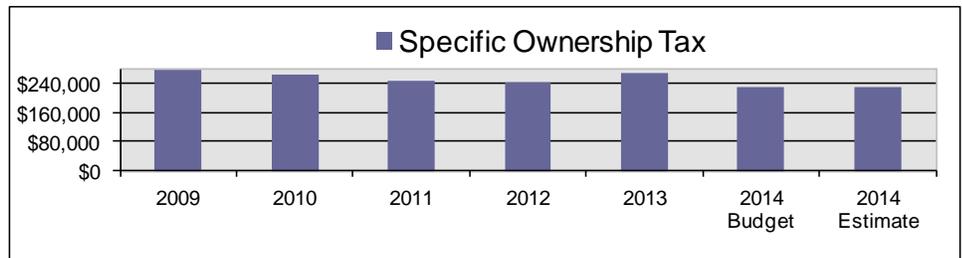
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2012 mill levy collected in 2013 is 8.124 mills. The 2013 mill levy for general operations collected in 2014 is 5.880 mills. Voters approved a separate, dedicated mill levy for principal and interest payments on the City's general obligation debt for the construction of parks and recreation projects. The dedicated general obligation debt mill levy is accounted



Property Tax Mill Levy	2009	2010	2011	2012	2013	2014 Budget	2014 Estimate
General Fund	5.880	5.880	5.880	5.880	5.880	5.880	5.880
Debt Service Fund	1.947	2.031	2.130	1.741	1.914	2.244	2.244
Total Mill Levy	7.827	7.911	8.010	7.621	7.794	8.124	8.124

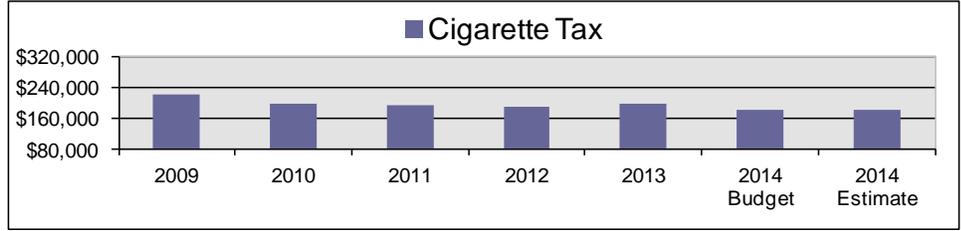
for in the Debt Service Fund. The dedicated general obligation debt mill levy dedicated for the City's general obligation debt collected in 2012 is 2.244 mills. Property tax collections declined from \$2,971,303 in 2009 to \$2,900,715 in 2013. This was a decrease of \$70,588 or 2.4 percent. In 2013 the City collected \$2,900,715 or 9.7 percent of 2013 total taxes and 7.1 percent of total revenues from property taxes. The City budgeted \$2,898,000 for 2014; and collected \$2,866,799 September 2014. The estimate for the year is \$2,900,000.

Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$276,414 in 2009 and \$266,881 in 2013 which is a decrease of \$9,533 or 3.5 percent. The City collected \$266,881 in 2013 which is less than one percent of total revenues and total taxes. The City budgeted \$230,000 for 2014 and collected \$190,950 through September 2014. The estimate for the year is \$260,000.



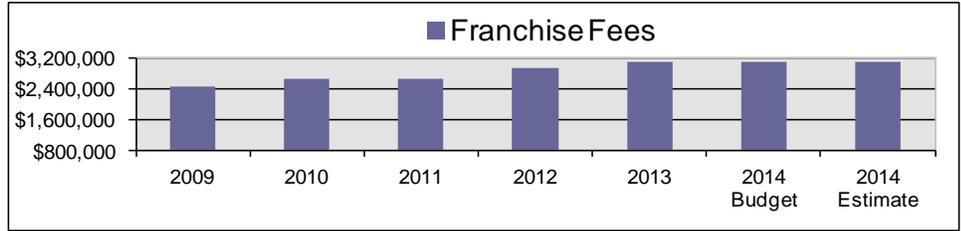
Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen

significantly in the past and continue to fall after the 2009 federal tax increase of approximately \$.62 per pack went into effect. This federal tax increase will fund the State Children’s Health Insurance Program (SCHIP). In 2009 the City collected \$218,449, but in 2013 the City collected \$195,088, which is a decrease of \$23,361 or 10.7 percent. These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2013. The City budgeted \$179,000 for the year and collected \$137,472 through September 2014, which is \$3,901 or 2.8 percent less than the \$141,373 collected through September 2014. The estimate for the year is \$179,000.

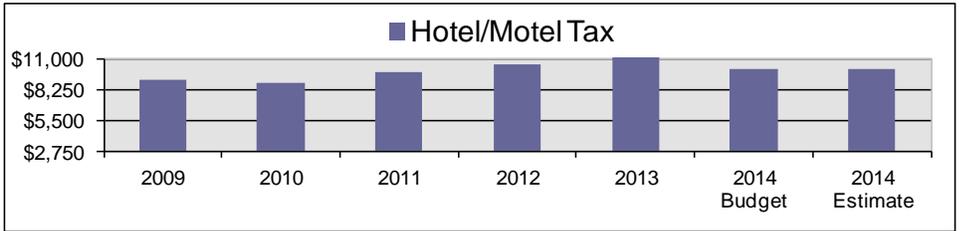


Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational tax on telephone services. The City collected \$2,452,611 in 2009 and \$3,101,310 in 2013, an increase of

\$648,699 or 26.5 percent. These taxes accounted for 10.5 percent of taxes and 7.6 percent of total revenues in 2013. The City budgeted \$3,069,500 for the year; collections through September totaled \$2,216,394 compared to \$2,135,379 collected during the same period last year. The estimate for the year is \$3,014,500.

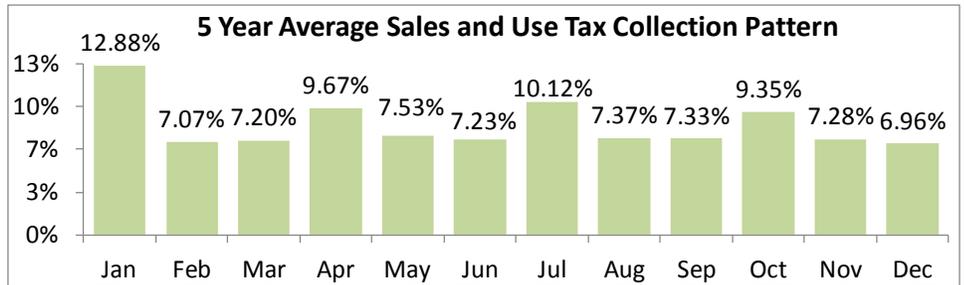
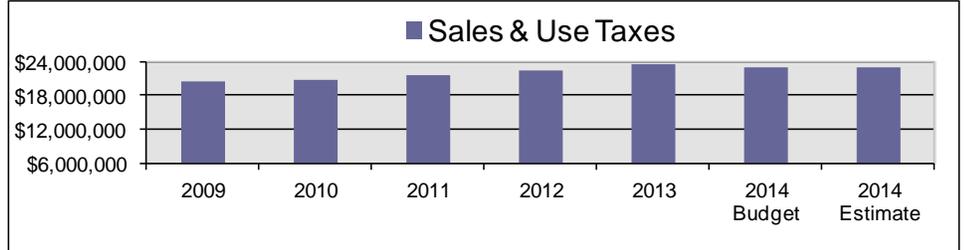


Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$10,000 for the year and has collected \$8,832 through September 2014. The estimate for the year is \$11,000.



Sales and Use Taxes Analysis

Sales and use taxes are the most important (and volatile) revenue sources for the City. Sales and use taxes generated 78.4 percent of all taxes and 57.4 percent of total revenues collected in 2013. In 2009, this tax generated \$20,624,659 for the City of Englewood; in 2013 the City collected \$23,433,775, an increase of \$2,809,116 (13.6 percent or an average of 2.7 percent per year). This tax is levied on the sale price of taxable goods. Sales tax is calculated by multiplying the sales price of taxable goods times the sales tax rate of 3.5 percent. Vendors no longer receive a fee for collecting and remitting their sales/use taxes. Taxes for the current month are due to the City by the twentieth



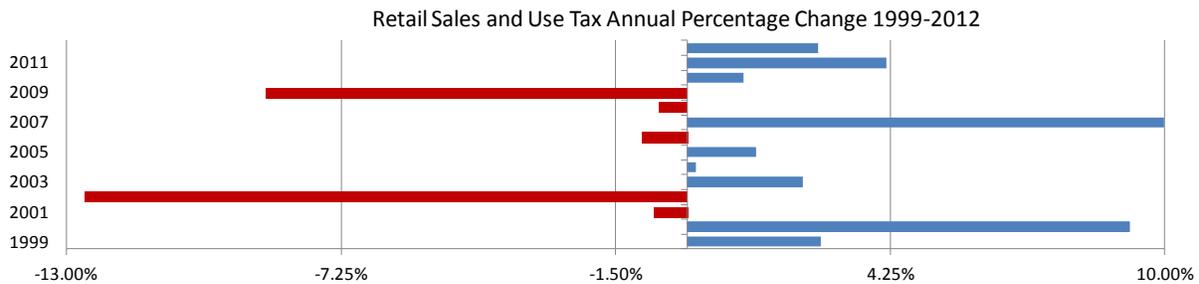
day of the following month. The City budgeted \$22,883,003 for 2014. Sales and Use Tax revenue (cash basis) through September 2014 was \$18,481,668 while sales tax collected year-to-date for September 2013 was \$17,361,276, an increase of \$1,120,392 or 6.5 percent.

In 2013, the City partnered with MUNIRens to provide the City's business licensing and tax collection system. The system more accurately reports the sales versus use tax collections. In the former system, if an account was coded as a sales tax account, both sales and use tax remitted by the account was reported as sales tax. This was also the case with an account coded as use tax, both use and sales tax remitted by the account was reported as use tax. In total the amount of sales and use tax collections is the same, the allocation between sales and use has changed. This month we have restated 2013 to match the restated 2014 reporting. The revised Sales and Use Tax Collections Year-To-Date Comparison (Cash Basis) report is located on page 22.

Collections (cash basis) for September 2014 were \$1,846,367 while collections for September 2013 and September 2012 were 1,775,394 and \$1,707,859 respectively. September 2014 collections were four percent or \$70,973 more than September 2013 collections and \$138,508 or 8.1 percent more than September 2012 collections.

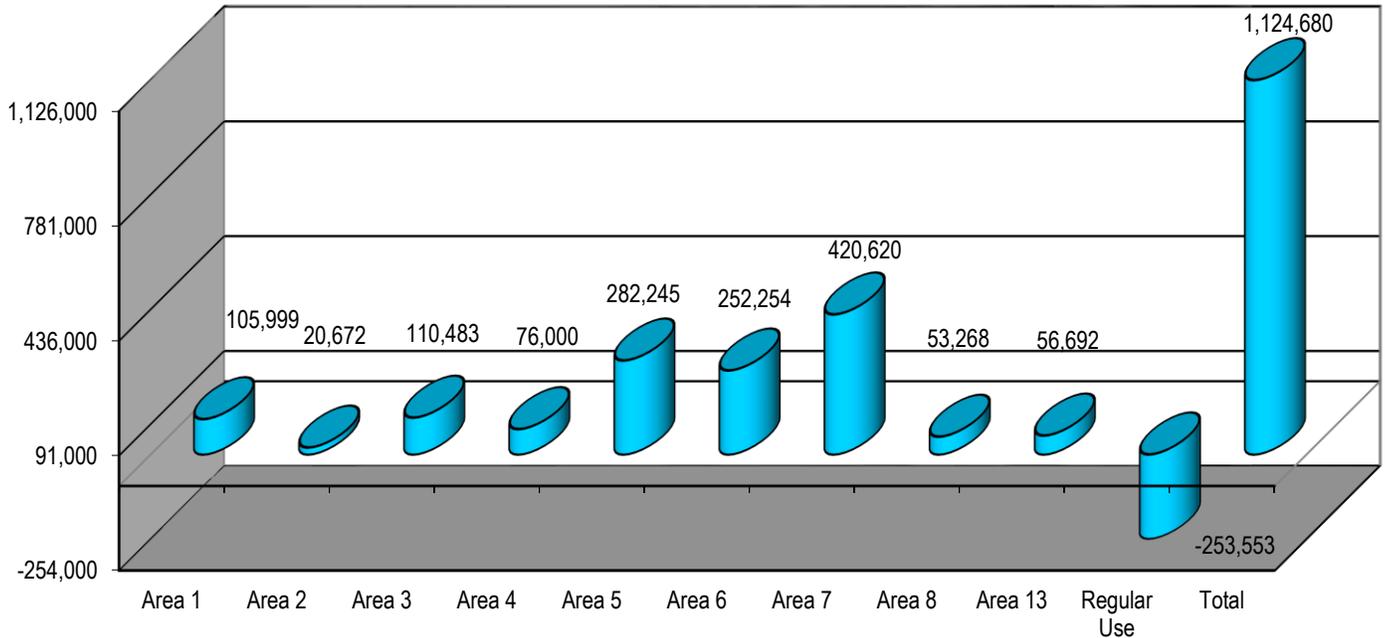
Based on the last five years of sales tax collection data, collections through September contribute 76 percent of total year's sales tax collections; if this pattern holds this year, 24 percent is left to collect over the remainder of the year. Based on year-to-date collections, the City will collect an additional \$5,819,238 over the remainder of the year for a total of \$24,302,991. Collections through September 2014 were 106.5 percent of last September's collections. If this were applied to the entire year, the total collected would be \$24,952,033. The average of the two forecasts is \$24,627,512; the estimate for the year is (conservatively) \$24,200,000 and could be adjusted up or down again depending on future collections.

This revenue source tends to ebb and flow (often dramatically) with the economy, growing during economic expansions and contracting during downturns. The past several years (1999-2012) of sales tax collections have been exceptionally erratic making it extremely difficult to make accurate short or long term forecasts. It is important to continually review and analyze sales and use tax data including trends in the various geographic areas of the City.



The chart on the next page, “Change in Sales/Use Tax Collections by Area 2014 vs. 2013,” provides for the month the annual sales and use tax increases and decreases in the various geographic areas. Economic conditions, judged by sales and use tax collections, appears to be a “mixed bag” with some geographic areas increasing and some decreasing compared to the same period last year.

Change in Sales/Use Tax Collections by Area 2014 vs 2013

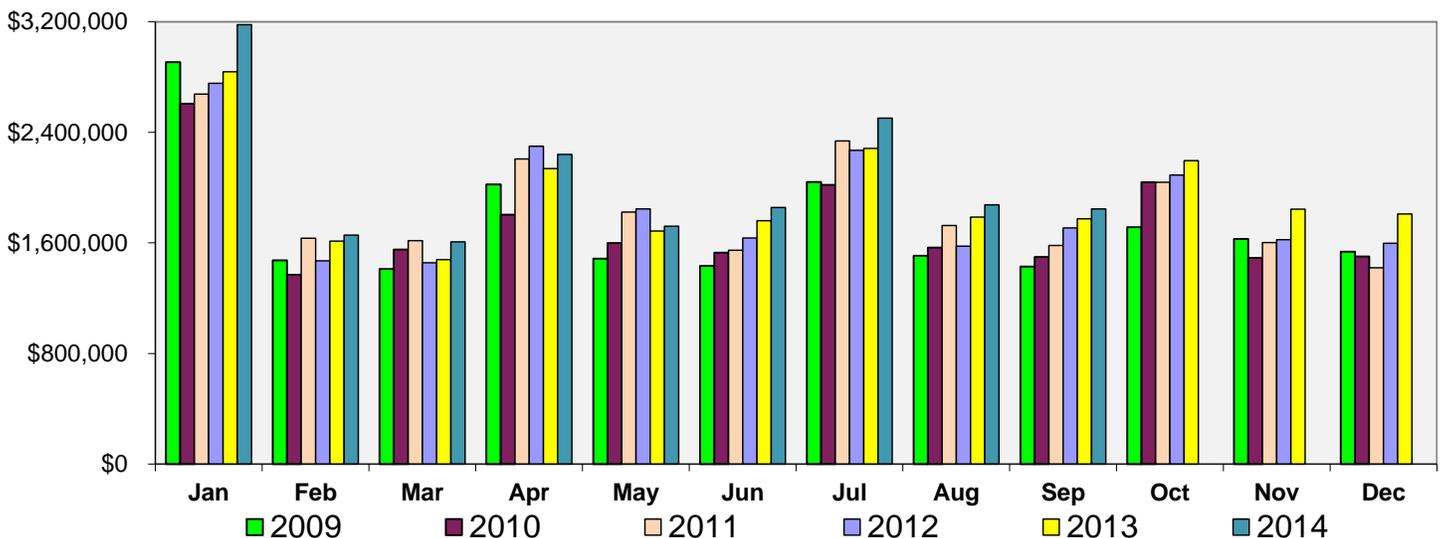


Please note that the geographic map of the sales tax areas was changed within the first quarter of 2012, and hopefully makes more sense. Some of the areas will look skewed until more comparable data is available in 2013. EURAs Areas 9 & 10 and EURAs Areas 11 & 12 were incorporated into Areas 1, 2 and 6. Specific changes include:

- Area 1 east boundary will change at Bannock St/Englewood Pkwy east to Acoma St south to Jefferson Ave/Hampden Ave/US 285
- Split the address down the middle of the streets for Area 2 and Area 3: Bannock St and Sherman St
- Split the address down the middle of the streets for Area 3 and Area 4: Belleview Ave, Fox St and Logan St
- The north and south side of the street included in Area 1: Jefferson Avenue
- The north and south side of the street included in Area 2: Jefferson Ave/Hampden Ave/US 285

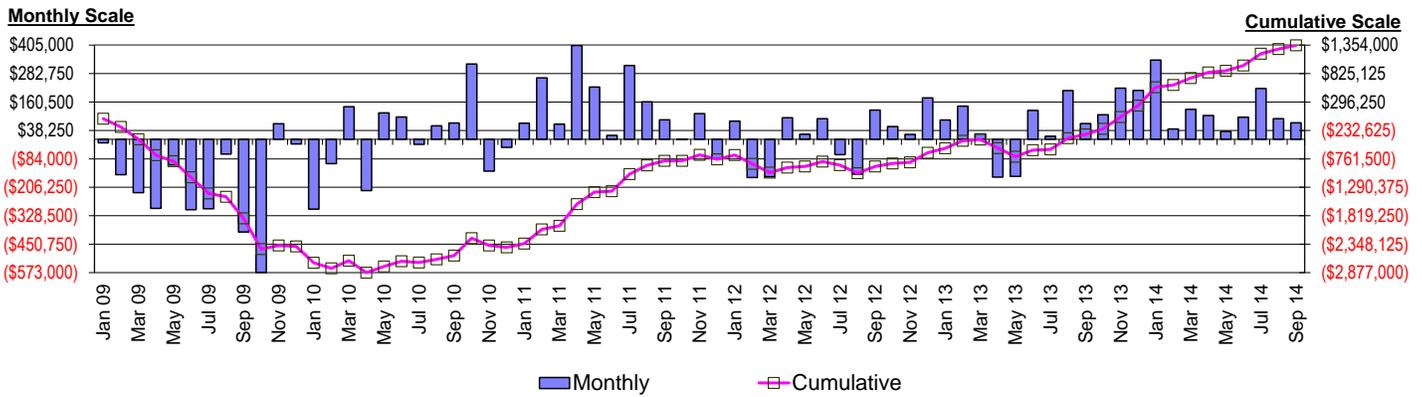
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2009 through 2014.

2009-2014 YTD Sales/Use Tax Collections by Month - Cash Basis



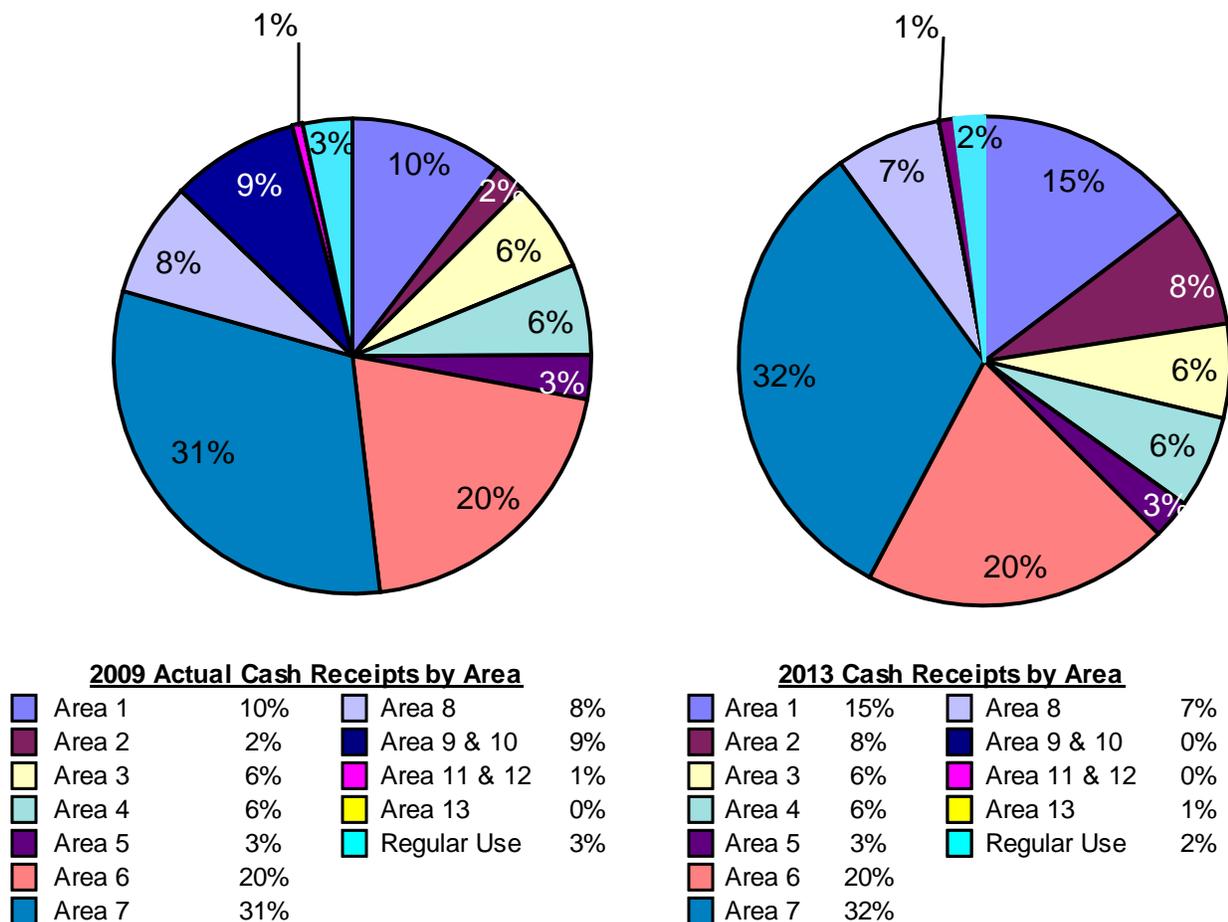
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented. For the period presented, the bar graph depicts the change in collections for a month as compared to the prior year, while the cumulative line graph is based on the beginning period monthly change in sales and use tax collections as adjusted by each consecutive month change.

2009 - 2014 Monthly Change Sales and Use Tax Receipts



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2009 and 2013.

Geographic Sales Tax Collection Areas



A brief description and analysis of the significant geographic areas follows:

Area 1: This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$2,305,354 year-to-date or 4.2 percent more than was collected during the same period last year.

Area 5: This area includes the remodeled King Soopers. Year to date collections for September were \$551,579 are 97.7 percent higher than last year. Collections this year are well ahead of collections in any year in the past five years.

Area 6: This geographic area is up 11.6 percent from last year.

Area 7: This geographic area records the outside city sales tax collections (Outside City). Outside City has been the geographic area responsible for much of the sales tax growth (and decline) in past years. Outside City collections have increased 9.4 percent from the same period last year. The chart below illustrates this area’s contribution to total sales and use taxes (cash basis) as well as total revenues since 2009 for collections through the month of December. The importance of Outside City has declined as a percentage of sales and use tax collections but it continues to remain an important impact on the City’s General Fund as illustrated by the following:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Sales and Use Taxes	15,543,578	17,151,334	17,018,388	17,359,073	18,483,753
Outside City Collections	4,795,562	6,202,314	5,653,044	5,127,595	5,548,215
Percentage of Total	30.9%	36.2%	33.2%	29.5%	30.0%
Total General Fund Revenues	28,150,245	29,615,761	30,720,334	31,189,916	32,386,277
Outside City Collections	4,795,562	6,202,314	5,653,044	5,127,595	5,548,215
Percentage of Revenues	17.0%	20.9%	18.4%	16.4%	17.1%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$1,150,000 to cover intercity claims. The City paid \$76,620 in refunds including intercity sales/use tax claims through September 2014 compared to \$13,248 through September 2013. At this time *potential* refunds total approximately \$1,500,000 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through September were 4.8 percent higher than last year. Weather conditions, energy usage conservation, and rising energy prices play an important role in revenue collections. Collections could increase or decrease if the remainder of the year is significantly hotter/colder than normal.

Area 13: This geographic area encompasses the Kent Place Development. Collections through September were \$202,449 compared to \$147,511 last year. It is difficult to make comparison between 2014 and 2013 as not all the vendors were in operation in 2013.

Other Sales Tax Related Information

Finance and Administrative Services Department collected \$160,004 in sales and use tax audit revenues and general collections of balances on account through the month of September 2014, this compares to \$107,704 collected in 2013 and \$104,911 collected in 2012.

Of the 64 sales tax accounts reviewed in the various geographic areas, 43 (67 percent) showed improved collections and 21 (33 percent) showed reduced collections this year compared to the same period last year.

The Department issued 325 new sales tax licenses through September 2014; 297 and 339 were issued through September 2013 and 2012 respectively.

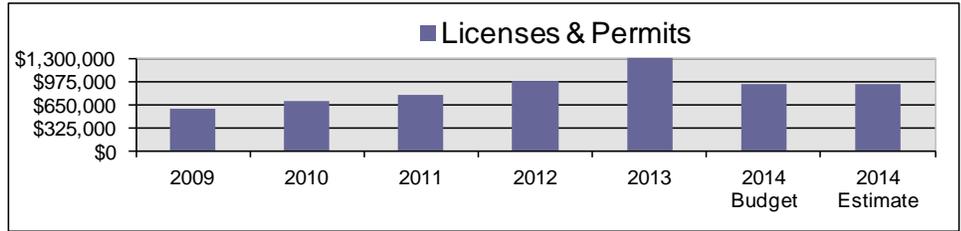
City records indicate that year-to-date 148 businesses closed (101 were outside the physical limits of Englewood) and 325 opened (224 of them were outside the physical limits of Englewood).

General Fund - Other Revenue

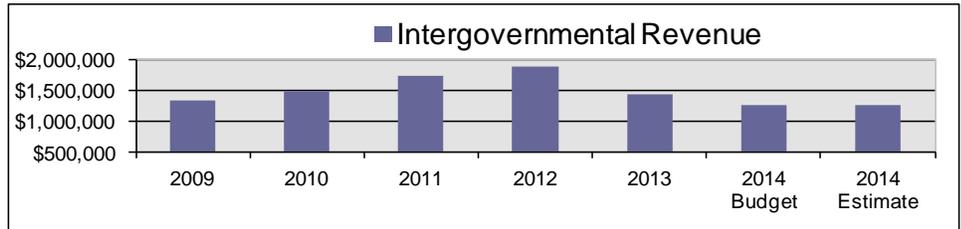
Other revenues (including McLellan rent) accounted for \$10,992,012 or 26.9 percent of the total revenues for 2013. The City budgeted \$10,400,609 for 2014.

The next page provides additional information on the significant revenue sources of the General Fund:

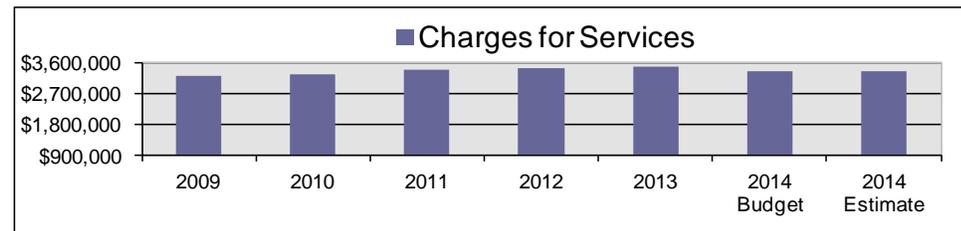
Licenses and Permits: This revenue category includes fees from business and building licenses and permits. This revenue source generated \$1,446,578 during 2013 or 3.5 percent of total revenue and 13.2 percent of total other revenue. This revenue source totaled \$588,328 in 2009 and increased to \$1,446,578 in 2013, a 145.9 percent increase. The City budgeted \$882,550 for 2014 and year-to-date collected \$1,117,417 or \$127,897 (10.3 percent) less than the \$1,245,314 collected through September 2014. The estimate for the year is \$1,053,186.



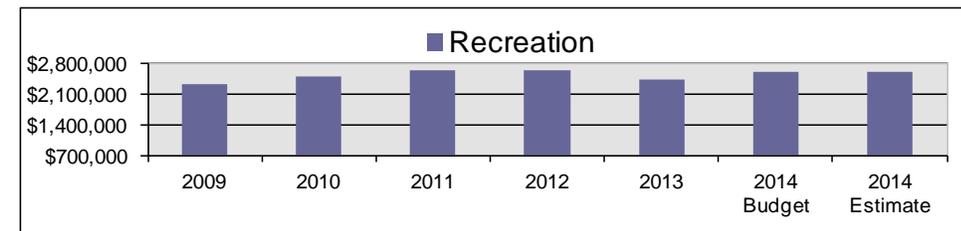
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,243,281 for 2014. This revenue source totaled \$1,319,282 in 2009 and the City collected \$1,488,204 in 2013, an 12.8 percent increase. The City collected \$1,011,539 through September 2014 this is \$54,885 more than the \$956,654 collected in the same period in 2013. The estimate for the year is \$1,336,296.



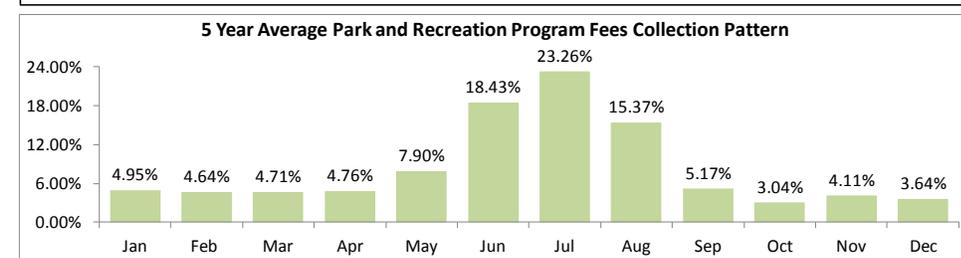
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,340,803 for 2014. This revenue source totaled \$3,185,443 in 2009 and increased to \$3,469,845 in 2013, an 8.5 percent increase. Total collected year-to-date was \$2,355,142 or \$86,044 (3.5 percent) less than the \$2,441,186 collected year-to-date in 2013. The estimate for the year is \$3,291,022.



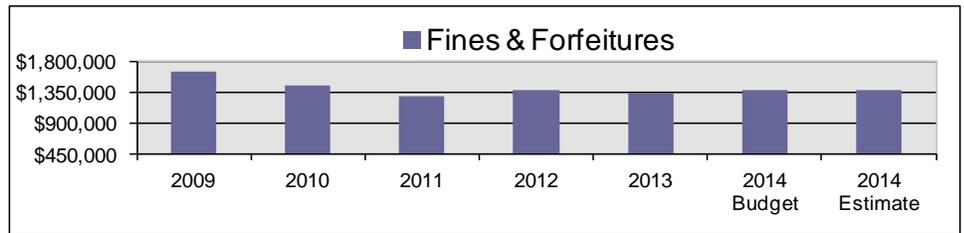
Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at



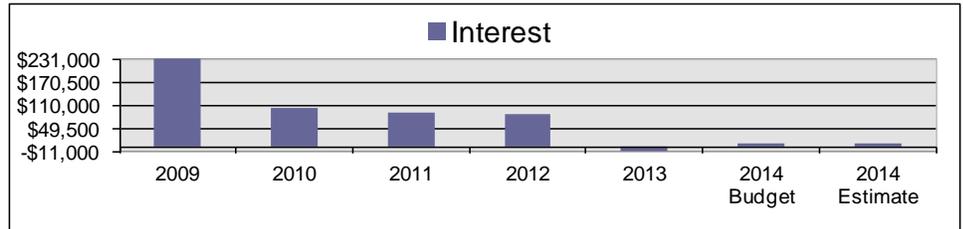
\$2,594,232 for 2014. This revenue source totaled \$2,315,598 in 2009 and increased to \$2,420,443 in 2013, a 4.5 percent increase. Total collections through September 2014 were \$2,232,404 compared to \$2,172,027 collected in 2013. The estimate for the year is \$2,514,856.



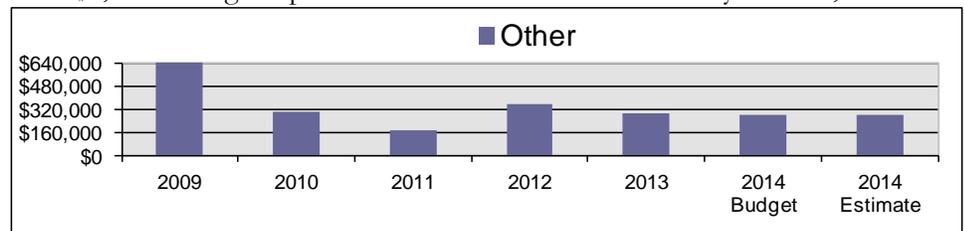
Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2014 budget for this source is \$1,368,450. This revenue source totaled \$1,639,678 in 2009 and decreased to \$1,317,707 in 2013, a 19.6 percent decrease. Total collected year-to-date was \$1,045,838 or \$40,456 (four percent) more than the \$1,005,382 collected in the same time period last year. The estimate for the year is \$1,396,844.



Interest: This is the amount earned on the City's cash investments. The 2014 budget for this source is \$8,164. This revenue source totaled \$230,000 in 2009 and decreased to a loss of \$10,233 in 2013, a 104.4 percent decrease. The City earned \$51,356 through September 2014; while the City earned \$7,070 through September 2013. The estimate for the year is 88,164.



Other: This source includes all revenues that do not fit in another revenue category. The 2014 budget for this source is \$320,050. This revenue source totaled \$635,982 in 2009 and decreased to \$285,931 in 2013, a 55 percent decrease. Total collected year-to-date is \$166,772 (32.2 percent) less than the \$245,864 collected last year during the same period. The estimate for the year is \$194,000.



Economic Incentives

The City of Englewood uses economic incentives to attract and maintain businesses. Businesses are the City's lifeblood, not only do they generate sales and property taxes but they provide employment and shopping opportunities for citizens.

Englewood Economic Development Incentives Granted

Business	Public Use of Incentive Funds
King Soopers (Federal and Belleview)	Storm sewer replacement, water line improvements, access modifications and electrical line undergrounding.
Oxford LCP	Construct sidewalk enhancements in the public right of way.
Flood Middle School	Relocate City Ditch and sanitary sewer line, upgrade water line and underground electrical lines.
Restaurant at Englewood Market Place	Landscaping, maintenance and ADA ramp.
Cadence dba Broadbell LLC for Sprouts	
Farmers Market	Intersection and signalized intersection.

General Fund - Expenditures

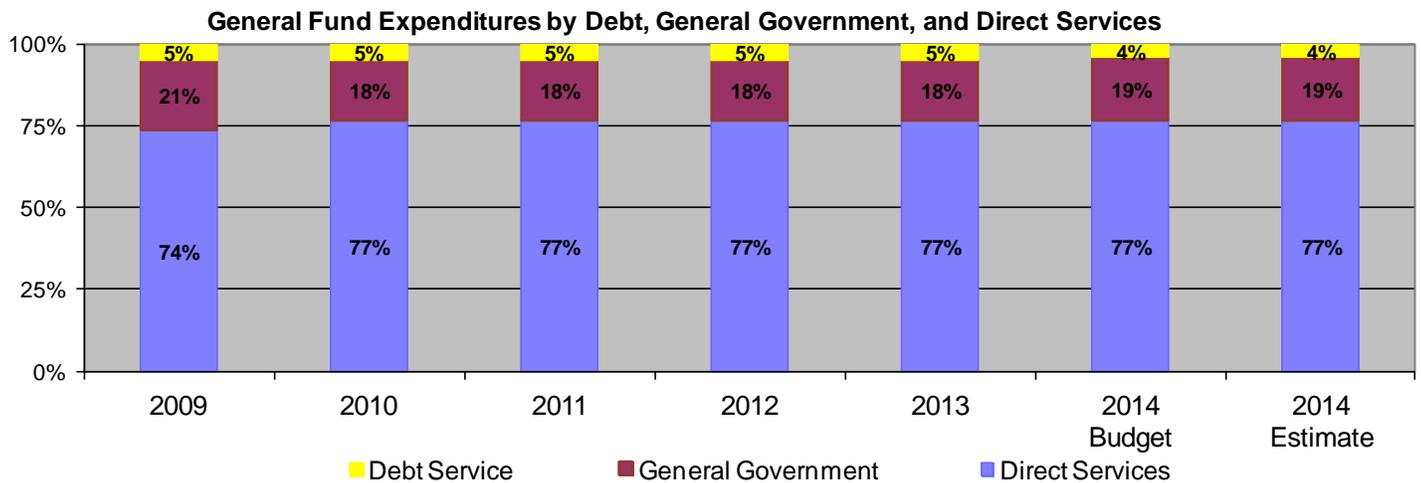
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ A City that provides and maintains quality infrastructure,
- ▶ A safe, clean, healthy, and attractive City,
- ▶ A progressive City that provides responsive and cost efficient services,
- ▶ A City that is business friendly and economically diverse, and
- ▶ A City that provides diverse cultural, recreational, and entertainment opportunities.

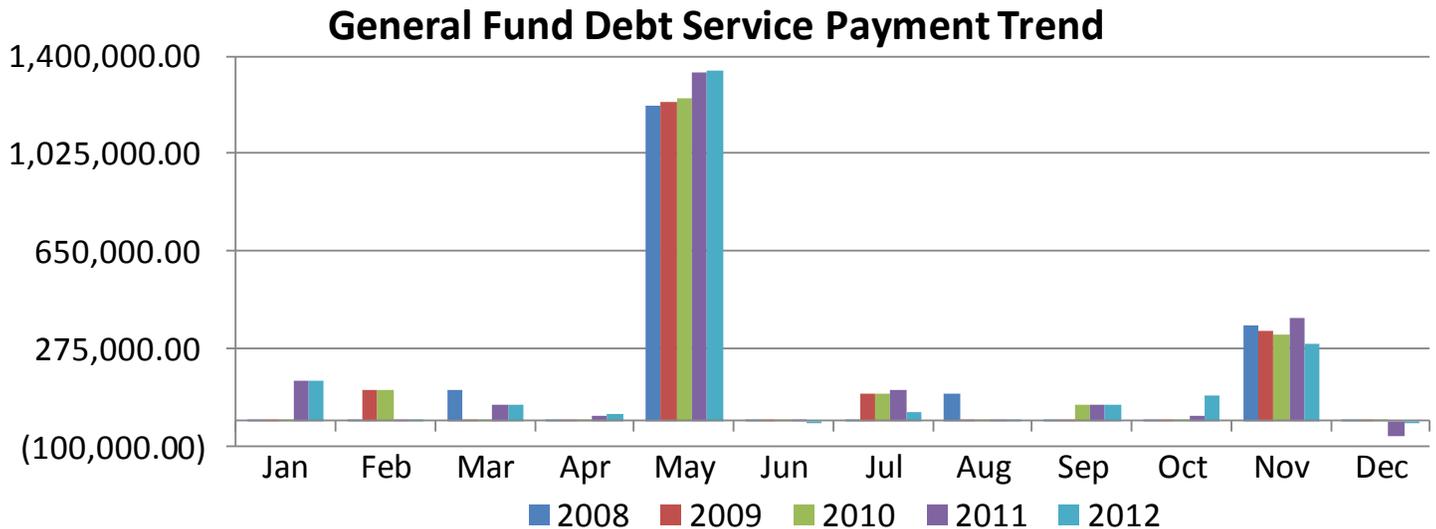
Outcome based budgeting is an additional tool the City Council and staff use to better develop ways to serve our citizens. This type of budgeting is refined and reviewed on an on-going basis to help us better focus our resources in meeting the objectives of our citizens.

The City budgeted total expenditures at \$42,126,719 for 2014, this compares to \$40,125,364 and \$40,265,587 expended in 2013 and 2012 respectively. Budgeted expenditures for 2014 general government (City Manager, Human Resources, etc.) totals \$7,812,457 or 18.5 percent of the total. Direct government expenditures (Police, Fire, etc.) are budgeted at \$32,305,442 or 76.7 percent of the total. Debt service (fixed costs) payments are \$2,008,820 or 4.8 percent of the total. Total expenditures through September were \$30,690,412 compared to \$30,076,552 in 2013 and \$30,273,907 in 2012. The expenditure estimate for the year is \$42,333,088.

The chart below illustrates the breakdown of expenditures into debt service, general and direct government services.



For illustrative purposes and based on a five year period (2008-2012), the following graph depicts the debt service payments cash outflow. The majority of debt service payments are typically made twice a year.



The schedule on the next page provides the expenditure for each of the General Fund departments for the years 2009 through 2014 Budget.

	2009	2010	2011	2012	2013	2014	2014
Expenditure	Actual	Actual	Actual	Actual	Actual	Budget	Estimate
General Government							
Legislation	346,044	309,870	298,731	316,043	280,920	354,570	359,524
City Manager	674,170	659,882	639,184	658,047	675,844	703,758	702,946
City Attorney	678,038	702,228	706,841	712,036	719,781	818,514	847,637
Municipal Court	914,494	901,469	848,775	886,249	922,245	1,026,895	1,025,131
Human Resources	456,275	419,422	430,792	469,343	408,551	468,826	482,626
Finance & Administrative Services	1,575,923	1,445,581	1,446,313	1,464,305	1,533,061	1,625,150	1,666,154
Information Technology	1,360,237	1,280,660	1,332,766	1,373,943	1,336,590	1,378,942	1,364,874
Community Development	1,366,437	1,301,473	1,359,264	1,262,451	1,113,710	1,235,802	1,199,714
Contingencies	160,578	48,138	152,423	143,810	88,360	200,000	200,000
Contribution to Component Unit(s)	800,000	-	-	-	-	-	-
General Government Subtotal	8,332,196	7,068,723	7,215,089	7,286,227	7,079,062	7,812,457	7,848,606
Direct Services							
Public Works	5,152,891	5,137,364	5,259,875	5,202,903	5,234,382	5,504,669	5,483,234
Police	10,183,890	10,312,633	10,395,239	10,788,935	11,226,157	11,543,760	11,510,018
Fire	7,320,268	7,425,903	7,666,842	8,100,554	8,002,677	8,202,319	8,470,089
Library	1,275,554	1,284,083	1,145,613	1,180,771	1,174,656	1,250,536	1,235,281
Parks and Recreation	5,727,968	5,811,809	5,717,147	5,649,246	5,402,600	5,804,158	5,781,477
Direct Services Subtotal	29,660,571	29,971,792	30,184,716	30,922,409	31,040,472	32,305,442	32,480,099
Debt Service							
Debt Service-Civiccenter	1,571,752	1,570,705	1,658,857	1,570,921	2,005,830	1,573,000	1,568,563
Debt Service-Other	233,456	290,122	437,606	486,030		435,820	435,820
Debt Service Subtotal	1,805,208	1,860,827	2,096,463	2,056,951	2,005,830	2,008,820	2,004,383
Total Expenditure	39,797,975	38,901,342	39,496,268	40,265,587	40,125,364	42,126,719	42,333,088
% Expenditure Change	2.01%	-2.25%	1.53%	1.95%	-0.35%	4.62%	0.49%
Other Financing Uses							
Transfers Out	177,011	750,000	301,246	1,339,330	73,006	0	0
Total Other Financing Uses	177,011	750,000	301,246	1,339,330	73,006	0	0
Total Uses of Funds	39,974,986	39,651,342	39,797,514	41,604,917	40,198,370	42,126,719	42,333,088
% Uses of Funds Change	1.40%	-0.81%	0.37%	4.54%	-3.38%	1.25%	0.49%

The chart below provides per capita the General Fund expenditure information categorized into direct and general government services and debt service. Also provided is the per capita General Obligation Debt accounted for in the Debt Service Fund.

	2009	2010	2011	2012	2013	2014	2014
Population*	30,761	30,354	30,720	31,138	31,138	Budget	Estimate
General Fund							
General Government Services	\$ 271	\$ 233	\$ 235	\$ 232	\$ 234	\$ 234	\$ 252
Direct Services	\$ 964	\$ 987	\$ 983	\$ 969	\$ 993	\$ 993	\$ 1,043
Public Works	\$ 168	\$ 169	\$ 171	\$ 169	\$ 167	\$ 167	\$ 176
Police	\$ 331	\$ 340	\$ 338	\$ 334	\$ 346	\$ 346	\$ 370
Fire	\$ 238	\$ 245	\$ 250	\$ 246	\$ 260	\$ 260	\$ 272
Library	\$ 41	\$ 42	\$ 37	\$ 37	\$ 38	\$ 38	\$ 40
Parks & Recreation	\$ 186	\$ 191	\$ 186	\$ 184	\$ 181	\$ 181	\$ 186
Debt Service	\$ 59	\$ 61	\$ 68	\$ 67	\$ 66	\$ 66	\$ 64
Total Expenditure Per Capita	\$ 1,294	\$ 1,282	\$ 1,286	\$ 1,268	\$ 1,293	\$ 1,293	\$ 1,360
Debt Service Fund							
General Obligation Debt Per Capita	\$ 36	\$ 36	\$ 31	\$ 31	\$ 31	\$ 36	\$ 36

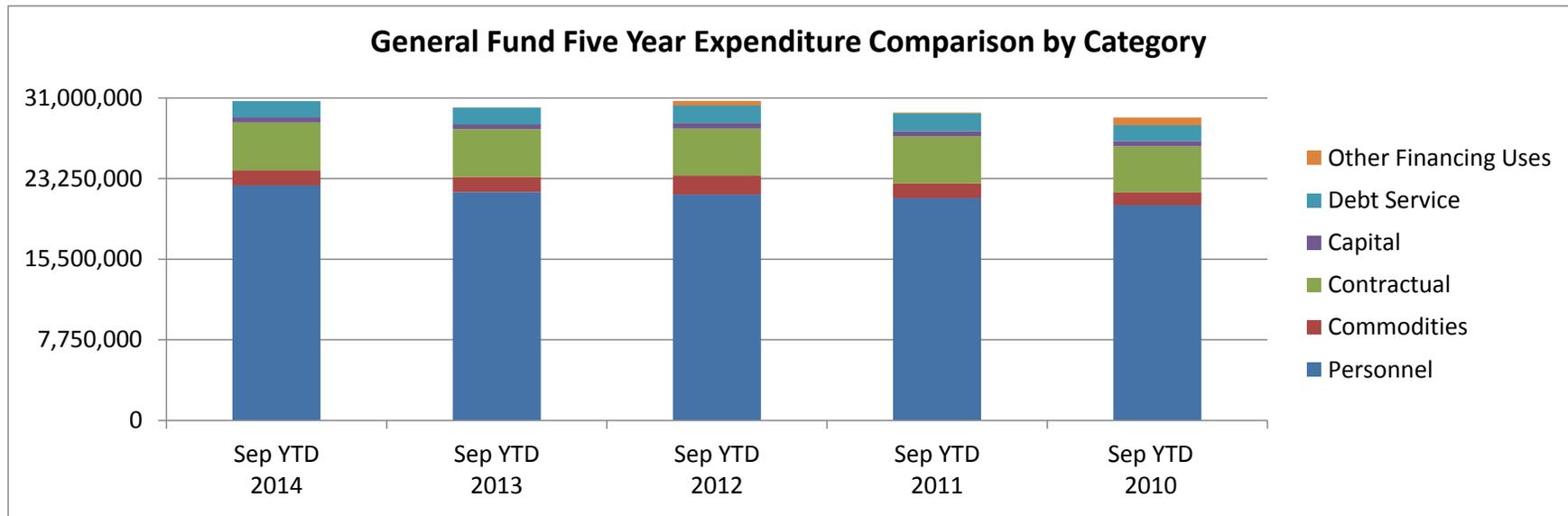
* Source: Colorado Department of Local Affairs Municipal Population Estimates By County

City of Englewood, Colorado

General Fund - Five Year Expenditure Comparison by Category

	Sep YTD 2014	YTD % Change	% of Total	Sep YTD 2013	YTD % Change	% of Total	Sep YTD 2012	YTD % Change	% of Total	Sep YTD 2011	YTD % Change	% of Total	Sep YTD 2010	% of Total
Personnel services														
Salaries and wages	16,250,111	0.440%	38.574%	16,179,367	-0.470%	39.356%	16,256,343	1.170%	40.848%	16,067,607	2.580%	40.522%	15,663,340	39.183%
Overtime	668,500	28.000%	1.587%	522,250	1.850%	1.270%	512,766	23.430%	1.288%	415,421	12.880%	1.048%	368,019	0.921%
Benefits	5,677,057	8.330%	13.476%	5,240,487	5.930%	12.747%	4,946,992	0.920%	12.430%	4,902,028	5.040%	12.363%	4,666,975	11.675%
Personnel services total	22,595,668	2.980%	53.637%	21,942,104	1.040%	53.374%	21,716,101	1.550%	54.566%	21,385,056	3.320%	53.933%	20,698,335	51.778%
Commodities total	1,448,884	-1.320%	3.439%	1,468,338	-19.490%	3.572%	1,823,735	28.460%	4.583%	1,419,741	12.750%	3.581%	1,259,148	3.150%
Contractual services total	4,606,821	0.100%	10.936%	4,602,253	2.030%	11.195%	4,510,676	-0.030%	11.334%	4,511,902	2.710%	11.379%	4,393,031	10.989%
Capital total	492,841	13.350%	1.170%	434,809	-22.190%	1.058%	558,806	13.980%	1.404%	490,274	-2.130%	1.236%	500,949	1.253%
Total Expenditures	29,144,214	2.450%	69.182%	28,447,503	-0.570%	69.198%	28,609,318	2.890%	71.887%	27,806,972	3.560%	70.129%	26,851,463	67.171%
Debt service total	1,546,196	-5.090%	3.670%	1,629,050	-2.130%	3.963%	1,664,587	-4.460%	4.183%	1,742,313	14.430%	4.394%	1,522,537	3.809%
Other financing uses total	0			0			434,000			52,815			750,000	
Total Uses of Funds	30,690,410	0.000%	72.853%	30,076,553	0.000%	73.161%	30,707,905	0.000%	76.070%	29,602,100	0.000%	74.523%	29,124,000	72.856%
Annual Total	42,126,719	2.473%		41,110,026	3.298%		39,797,514	0.369%		39,651,356	-0.810%		39,974,987	
YTD % of Annual Total	72.853%			73.161%			77.160%			74.656%			72.856%	

14



General Fund - Transfers

The General Fund has provided funds to and has received funds from Special Revenue Funds, Capital Projects Funds, and Internal Service Funds in order to buffer temporary gaps in revenue and expenditure amounts. The General Fund received the following net transfers; Council determined not to make the additional transfer from the PIF in 2014.

Source of Funds	2014 Budget Amount	2014 YTD Net Amount	2013 Net Annual Amount
Special Revenue Funds			
Neighborhood Stabilization Program Fund	\$ -	\$ -	\$ (73,006)
Capital Project Funds			
Public Improvement Fund (PIF)	835,820	479,544	989,574
Enterprise Funds			
Golf Course Fund	63,000	63,000	-
Internal Service Funds			
Central Services Fund	50,000	50,000	50,000
Servicenter Fund	300,000	300,000	100,000
Net Transfers In (Out) Total	<u>\$ 1,248,820</u>	<u>\$ 892,544</u>	<u>1,066,568</u>

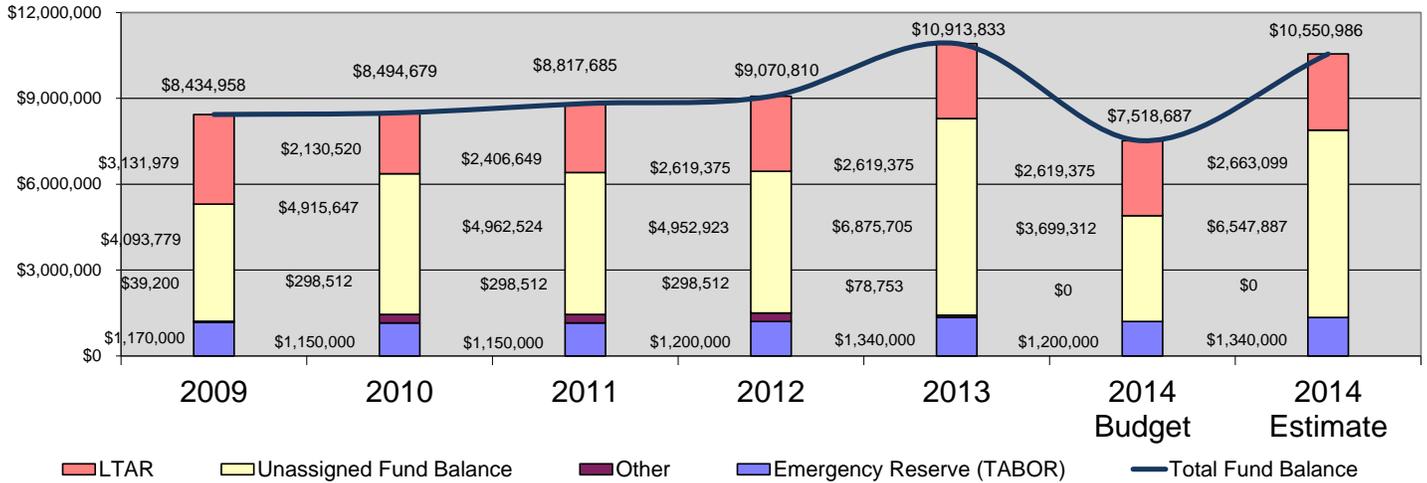
General Fund - Fund Balance

The City designates the fund balance into two categories, restricted and unrestricted. The portion of the fund balance which is restricted is referred to as the “Reserves” while the unrestricted portion is referred to as the unassigned fund balance. The unassigned fund balance represents funds the City sets aside for a “rainy day”. Another way to view these unrestricted funds is as a stabilization fund, the intent of which is to smooth over unexpected fluctuations in revenues and expenditures. The fund balance is normally built up when revenues exceed expenditures. In the past, excess funds have been transferred out, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The estimated unassigned fund balance is not adequate to provide for a transfer from the General Fund to the capital projects funds.

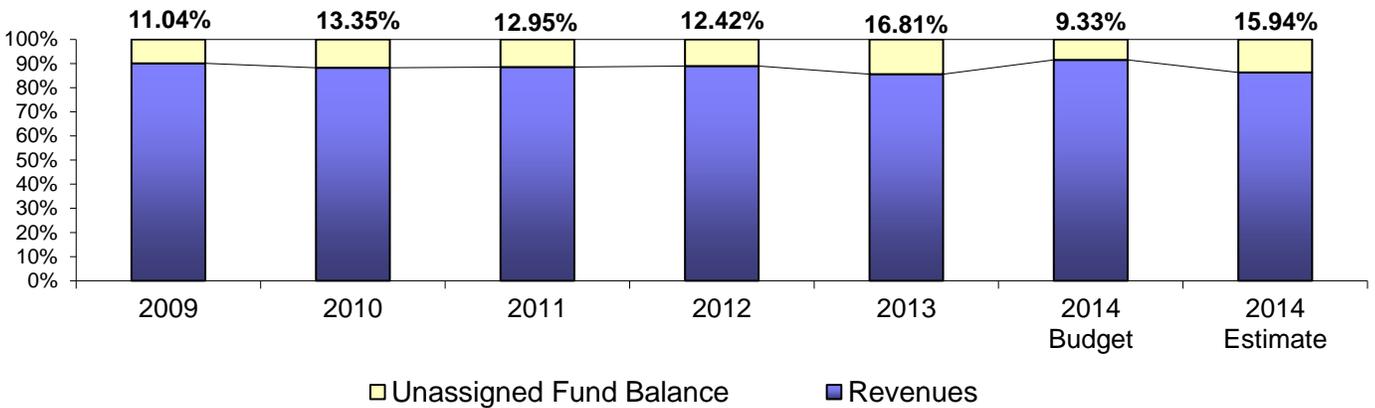
Long Term Asset Reserve (LTAR) At the 2008 Budget workshop, City Council discussed and directed staff to establish a General Fund reserve account to accumulate funds from the sale, lease, or earnings from long-term assets. It was also determined that these funds should be used in a careful, judicious and strategic manner. The funds restricted in this account are to be expended if the funds are appropriated in the annual budget or by supplemental appropriation. The balance at the end of December 2013 was \$2,619,375. Unused funds from the LTAR financed Little Dry Creek Fountain Project in the amount of \$43,274 were deposited into the LTAR account. The current LTAR balance is \$2,663,099.

COPS Grant Reserve There was \$298,512 originally reserved to pay the City’s required portion of the COPS Grant. The funds originated in the LTAR. In 2013, \$219,760 was drawn down and the remaining \$78,753 was drawn down earlier in 2014 so there is no estimated ending COPS Grant Reserve for 2014. The COPS Grant funded the Impact Team which is included in the 2014 Budget.

General Fund - Fund Balance



Unassigned Fund Balance As A Percentage of Revenue



The City’s General Fund ended 2013 with total reserves of \$10,913,833, and an unassigned fund balance of \$6,875,705 or 16.8 percent of revenues (17.1 percent of expenditures). The *budgeted* total reserves for 2014 are \$7,518,687 with an unassigned fund balance of \$3,699,312 or 9.3 percent of budgeted revenues or 8.8 percent of budgeted expenditures. Estimated total reserves for 2014 are \$10,550,986 with an unassigned fund balance of \$6,547,887 or 15.9 percent of estimated revenues and 15.5 percent of projected expenditures. The \$6,547,887 would allow the City to operate for approximately 56.5 days (using average daily projected expenditures) if all other revenues and financing sources ceased. In these times of economic uncertainty, it is more important than ever to maintain reserves to help the City make up for revenue shortfalls and unexpected expenditure increases given that the one-time transfers made to the General Fund to help maintain reserves are no longer available.

PUBLIC IMPROVEMENT FUND OVERVIEW

The Public Improvement Fund (PIF) accounts for the City’s “public-use” capital projects (e.g. roads, bridges, pavement, etc.). The PIF funding is from the collection of vehicle and building use taxes, intergovernmental revenues, interest income, and other miscellaneous sources.

The table on the next page illustrates the PIF Year-To-Date (YTD) revenues and expenditures for the years 2011 through 2013. The dollar and percentage change between each year is also provided. The Estimated Ending Fund Balance is included in order to account for the remaining PIF appropriation in addition to the remaining annual revenue anticipated for the fund.

Public Improvement Fund (PIF)	2014	2014 vs 2013 Increase (Decrease)		2013	2013 vs 2012 Increase (Decrease)		2012
YTD Revenues	\$ 2,924,843	\$ 73,190	2.57%	\$ 2,851,653	\$ 713,511	33.37%	\$ 2,138,142
YTD Expenditures	3,412,568	\$ 347,420	11.33%	3,065,148	\$ 802,113	35.44%	2,263,035
Net Revenues (Expenditures)	\$ (487,725)	\$ (274,230)		\$ (213,495)	\$ (88,602)		\$ (124,893)
Beginning PIF Fund Balance	\$ 1,905,453			\$ 1,320,371			\$ 934,251
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 1,417,728			\$ 1,106,876			\$ 809,358
Plus: Remaining Annual Revenue	297,551			553,010			785,563
Less: Remaining Annual Appropriation	(1,651,338)			(915,043)			(1,007,953)
Estimated Ending Fund Balance	\$ 63,941			\$ 744,843			\$ 586,968
Unappropriated Fund Balance as of December 31,				<u>\$ 785,553</u>			<u>\$ 540,125</u>

The three main funding sources for the PIF are Vehicle Use Tax, Building Use Tax and Arapahoe County Road and Bridge Tax.

	2014 Estimate	2014 Adopted Budget	2014 YTD Actual	2014 Vs 2013		2013 YTD Actual	2013 Vs 2012		2012 YTD Actual
				Amount	%		Amount	%	
Vehicle Use Tax	\$ 1,400,000	\$ 1,300,000	\$ 1,049,823	\$ 115,883	12%	\$ 933,940	\$ 76,777	9%	\$ 857,163
Building Use Tax	\$ 1,600,000	\$ 1,500,000	\$ 1,578,756	\$ 9,997	1%	\$ 1,568,759	\$ 921,779	142%	\$ 646,980
Arapahoe County Road and Bridge Tax	\$ 199,000	\$ 199,000	\$ 175,502	\$ (3,173)	-2%	\$ 178,675	\$ (791)	0%	\$ 179,466

Vehicle Use Tax is based on the valuation of new vehicles purchased by City of Englewood residents. This tax is collected and remitted by Arapahoe County at the time the vehicle is registered. **Building Use Tax** is based on the valuation of building permits issued by the City of Englewood. These revenue sources are monitored periodically to determine the revision of the annual estimate. **Arapahoe County Road and Bridge Tax** is restricted to the construction and maintenance of streets and bridges. This tax is based on a mill levy established by Arapahoe County multiplied by 50% of the City's assessed property valuation.

2014 Year-To-Date City Funds At-A-Glance

(Please refer to "Funds Glossary" for a Brief Description of Funds and Fund Types)

	Beginning Balance	Revenue	Expenditure	Other Sources (Uses)	Restricted/ Committed Balance	Estimated Ending Balance
Governmental Fund Types (Fund Balance)						
General Fund	10,913,832	31,882,581	30,690,410	(1,555,017)	4,003,099	6,547,887
Special Revenue Funds						
Conservation Trust	1,526,069	236,005	311,965	(1,362,015)	-	88,094
Open Space	1,878,961	171,375	910,698	(1,079,844)	-	59,794
Donors	538,116	75,394	247,335	-	-	366,176
Community Development	-	209,794	210,159	365	-	-
Malley Center Trust	256,088	1,835	26,197	-	-	231,726
Parks & Recreation Trust	456,411	9,957	8,260	-	-	458,107
Debt Service Fund						
General Obligation Bond	46,839	1,107,542	139,841	-	-	1,014,540
Capital Projects Funds						
PIF	1,905,453	2,924,843	1,097,414	(3,668,941)	-	63,941
MYCP	792,754	2,240	868,350	88,329	-	14,973
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	11,487,009	6,271,819	6,537,129	-	-	11,221,699
Sewer	4,206,955	13,409,697	11,704,637	-	1,000,000	4,912,015
Stormwater Drainage	1,128,456	269,698	65,005	-	102,500	1,230,649
Golf Course	891,719	1,668,804	1,612,436	(63,000)	215,773	669,314
Concrete Utility	315,615	496,987	625,462	-	-	187,140
Housing Rehabilitation	1,218,829	199,257	237,283	-	-	1,180,803
Internal Service Funds						
Central Services	133,693	223,327	226,247	(50,000)	-	80,773
ServiCenter	1,415,804	1,812,925	1,481,810	(300,000)	-	1,446,920
CERF	1,615,138	775,139	1,045,609	-	-	1,344,668
Employee Benefits	53,304	4,639,618	4,831,462	-	-	(138,539)
Risk Management	85,748	1,443,990	1,269,614	-	-	260,124

CLOSING

The Finance and Administrative Services Department staff works closely with the City Manager's Office and the various departments to help identify revenue and expenditure threats, trends and opportunities as well as strategies to balance revenues and expenditures. I will continue to provide Council with monthly reports. It is important to frequently monitor the financial condition of the City so City staff and Council can work together to take action, if necessary, to maintain service levels, employees, and fiscal health of the City.

I plan to discuss this report with Council at an upcoming study session. If you have any questions regarding this report, I can be reached at **303.762.2401**.

FUNDS GLOSSARY

Capital Equipment Replacement Fund (CERF) – Accounts for the accumulation of funds for the scheduled replacement of City-owned equipment and vehicles.

Capital Projects Funds account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds).

FUNDS GLOSSARY

Central Services Fund – Accounts for the financing of printing services and for maintaining an inventory of frequently used or essential office supplies provided by Central Services to other departments of the City on a cost reimbursement basis.

Community Development Fund – Accounts for the **art** Shuttle Program which is funded in part by the Regional Transportation District (RTD). **art** provides riders free transportation to 19 stops connecting CityCenter Englewood, businesses in downtown Englewood, and the medical facilities in and near Craig Hospital and Swedish Medical Center.

Concrete Utility Fund – Accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

Conservation Trust Fund – Accounts for the acquisition of parks and open space land not previously owned by the City and for improvements to existing park and recreation facilities. Financing is provided primarily from State Lottery funds.

Debt Service Funds account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond and loan principal and interest from special assessment levies when the government is obligated in some manner for payment.

Donors' Fund – Accounts for funds donated to the City for various specified activities.

Employee Benefits Fund – Accounts for the administration of providing City employee benefit programs: medical, dental, life, and disability insurance.

Enterprise Funds account for operations that: (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the City Council has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Obligation Bond Fund – Accounts for the accumulation of monies for payment of General Obligation Bond principal and interest.

Golf Course Fund – Accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

Governmental Funds distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). These funds focus on the near-term *inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year.

Housing Rehabilitation Fund – Accounts for revenues and expenses associated with the City's housing rehabilitation program.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

MOA – Museum of Outdoor Arts

Malley Center Trust Fund – Accounts for a trust established by Elsie Malley to be used for the benefit of the Malley Senior Recreation Center.

Multi-Year Capital Projects Fund (MYCP) - Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily with transfers from other City Funds.

Open Space Fund – Accounts for the acquisition of parks and open space land not previously owned by the City and for improvements to existing park and recreation facilities. Financing is provided from the Arapahoe County Open Space Sales Tax of .25%. The Open Space Tax was created on September 1, 2004 and expires on December 31, 2023.

FUNDS GLOSSARY

Parks and Recreation Trust Fund – Accounts for a trust established by the City, financed primarily by donations, to be used exclusively for specific park and recreation projects.

Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

Public Improvement Fund (PIF) – Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily from building and vehicle use taxes.

Risk Management Fund – Accounts for the administration of maintaining property and liability and workers' compensation insurance.

ServiCenter Fund – Accounts for the financing of automotive repairs and services provided by the ServiCenter to other departments of the City, or to other governmental units, on a cost reimbursement basis.

Sewer Fund – Accounts for revenues and expenses associated with providing wastewater services to the City of Englewood residents and some county residents.

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Storm Drainage Fund – Accounts for revenues and expenses associated with maintaining the City's storm drainage system.

Water Fund – Accounts for revenues and expenses associated with providing water services to City of Englewood residents.

General Fund Comparative Revenue, Expenditure & Fund Balance Report

as of September 30, 2014

Percentage of Year Completed = 75%

Fund Balance January 1	\$ 8,726,474	\$ 10,913,833	\$ 10,913,833	\$ 9,070,810	\$ 9,070,810	\$ 8,817,685	\$ 8,817,685			
Revenues	2014				2013			2012		
	Budget	Sep-14	% Budget	YE Estimate	Dec-13	Sep-13	% YTD	Dec-12	Sep-12	% YTD
Property Tax	2,898,000	2,866,799	98.92%	2,900,000	2,900,715	2,851,580	98.31%	2,874,816	2,813,122	97.85%
Specific Ownership Tax	230,000	190,950	83.02%	260,000	266,881	178,630	66.93%	243,293	165,009	67.82%
Sales & Use Taxes	22,883,003	18,481,668	80.77%	24,200,000	23,433,775	17,361,276	74.09%	22,363,618	17,021,364	76.11%
Cigarette Tax	179,000	137,472	76.80%	179,000	195,088	141,373	72.47%	189,618	137,790	72.67%
Franchise Fees	3,069,500	2,216,394	72.21%	3,014,500	3,101,310	2,135,379	68.85%	2,930,888	2,018,696	68.88%
Hotel/Motel Tax	10,000	8,832	88.32%	11,000	12,039	8,886	73.81%	10,395	7,379	70.99%
Licenses & Permits	882,250	1,117,417	126.66%	1,053,186	1,446,578	1,245,314	86.09%	983,359	657,514	66.86%
Intergovernmental Revenue	1,243,281	1,011,539	81.36%	1,336,296	1,488,204	956,654	64.28%	1,865,722	1,307,367	70.07%
Charges for Services	3,345,353	2,355,142	70.40%	3,291,022	3,469,845	2,441,186	70.35%	3,441,525	2,353,791	68.39%
Recreation	2,594,232	2,232,404	86.05%	2,514,856	2,420,443	2,172,027	89.74%	2,615,642	2,369,619	90.59%
Fines & Forfeitures	1,368,450	1,045,838	76.43%	1,396,844	1,317,707	1,005,382	76.30%	1,381,453	1,055,519	76.41%
Interest	8,164	51,356	629.05%	88,164	(10,223)	7,070	-69.16%	84,045	68,740	81.79%
EMRF Rents	638,829	503,694	78.85%	638,829	573,526	439,295	76.60%	551,295	436,327	79.15%
Miscellaneous	320,050	166,772	52.11%	194,000	285,931	245,864	85.99%	354,130	308,097	87.00%
Total Revenues	39,670,112	32,386,277	81.64%	41,077,697	40,901,819	31,189,916	76.26%	39,889,799	30,720,334	77.01%
Expenditures										
Legislation	354,570	204,690	57.73%	359,524	280,920	161,005	57.31%	316,043	186,353	58.96%
City Attorney	818,514	516,947	63.16%	847,637	719,781	516,900	71.81%	712,036	529,803	74.41%
Court	1,026,895	686,814	66.88%	1,025,131	922,245	682,828	74.04%	886,249	656,417	74.07%
City Manager	703,758	507,771	72.15%	702,946	675,844	508,269	75.21%	658,047	491,041	74.62%
Human Resources	468,826	311,059	66.35%	482,626	408,551	292,110	71.50%	469,343	333,022	70.95%
Financial Services	1,625,150	1,126,634	69.32%	1,666,154	1,533,060	1,113,920	72.66%	1,464,305	1,096,181	74.86%
Information Technology	1,378,942	958,664	69.52%	1,364,874	1,336,591	998,791	74.73%	1,373,943	982,997	71.55%
Public Works	5,504,669	3,967,248	72.07%	5,483,234	5,234,383	3,867,102	73.88%	5,202,903	4,096,168	78.73%
Fire Department	8,202,319	6,030,005	73.52%	8,470,089	8,002,677	5,924,754	74.03%	8,100,554	6,002,542	74.10%
Police Department	11,543,760	8,610,547	74.59%	11,510,018	11,226,157	8,399,220	74.82%	10,788,935	8,006,661	74.21%
Community Development	1,235,802	775,713	62.77%	1,199,714	1,113,710	798,826	71.73%	1,262,451	914,520	72.44%
Library	1,250,536	865,243	69.19%	1,235,281	1,174,656	863,054	73.47%	1,180,771	844,370	71.51%
Recreation	5,804,158	4,423,353	76.21%	5,781,477	5,402,599	4,234,881	78.39%	5,649,246	4,365,951	77.28%
Debt Service	2,008,820	1,549,521	77.14%	2,004,383	2,005,830	1,630,875	81.31%	2,056,951	1,666,193	81.00%
Contingency	200,000	156,203	78.10%	200,000	88,360	84,017	95.08%	143,810	101,688	70.71%
Total Expenditures	42,126,719	30,690,412	72.85%	42,333,088	40,125,364	30,076,552	74.96%	40,265,587	30,273,907	75.19%
Excess revenues over (under) expenditures	(2,456,607)	1,695,865	-69.03%	(1,255,391)	776,455	1,113,364		(375,788)	446,427	
Net transfers in (out)	1,248,820	892,544	71.47%	892,544	1,066,568	1,139,574	106.84%	628,913	1,385,465	220.30%
Total Fund Balance	\$ 7,518,687	\$ 13,502,242	179.58%	\$ 10,550,986	\$ 10,913,833	\$ 11,323,748	103.76%	\$ 9,070,810	\$ 10,649,577	117.40%

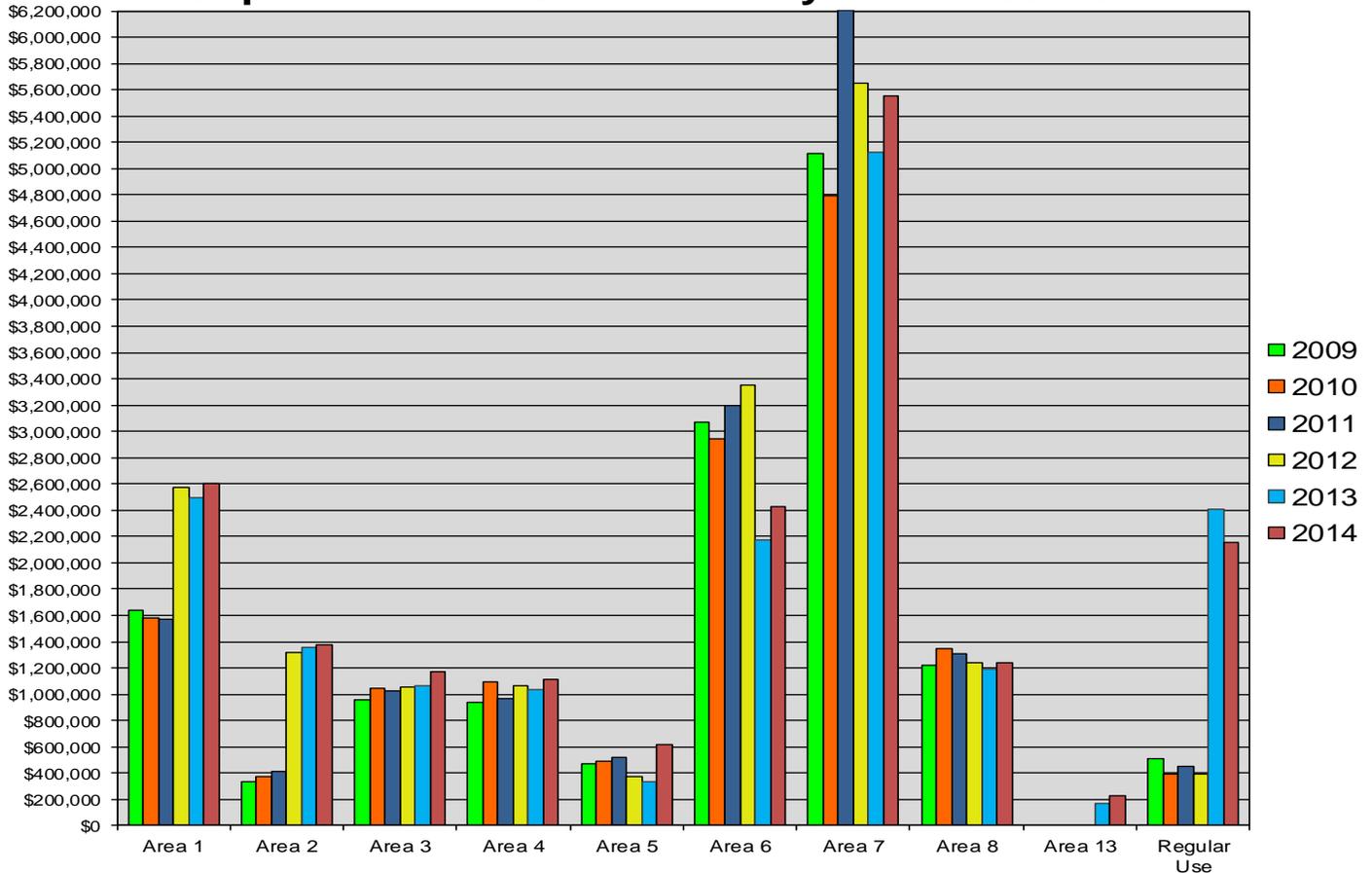
Fund Balance Analysis										
Total Fund Balance	\$ 7,518,687	\$ 13,502,242	\$ 10,550,986	\$ 10,913,833	\$ 9,070,810					
Restricted Fund Balance										
-Emergencies (TABOR)	1,200,000	1,340,000	1,340,000	1,340,000	1,200,000					
Committed Fund Balance										
-LTAR	2,619,375	2,663,099	2,663,099	2,619,375	2,619,375					
-COPS Grant	-	-	-	78,753	298,512					
Restricted/Committed	\$ 3,819,375	\$ 4,003,099	\$ 4,003,099	\$ 4,038,128	\$ 4,117,887					
Estimated Unassigned Fund Balance	\$ 3,699,312	\$ 9,499,143	\$ 6,547,887	\$ 6,875,705	\$ 4,952,923					
As a percentage of projected revenues	9.01%	23.12%	15.94%	16.81%	12.42%					
As a percentage of budgeted revenues	9.33%	23.95%	16.51%							
Target	3,967,011	-	5,950,517							

**Sales & Use Tax Collections Year-to-Date Comparison (Cash Basis)
for the month of September 2014**

	2009	% Change	2010	% Change	2011	% Change	2012	% Change	Restated 2013	% Change	Restated 2014	% Change	\$ Change
Area 1	1,640,193	-8.60%	1,583,523	-10.99%	1,572,222	-0.71%	2,577,971	63.97%	2,493,748	-3.27%	2,599,747	4.25%	105,999
Area 2	336,450	-0.68%	375,718	7.44%	415,582	10.61%	1,318,991	217.38%	1,358,626	3.00%	1,379,299	1.52%	20,672
Area 3	955,719	2.41%	1,044,494	11.00%	1,029,138	-1.47%	1,050,005	2.03%	1,061,708	1.11%	1,172,191	10.41%	110,483
Area 4	942,847	-28.94%	1,094,875	-6.55%	962,708	-12.07%	1,063,716	10.49%	1,038,767	-2.35%	1,114,767	7.32%	76,000
Area 5	465,939	-19.67%	489,784	-3.39%	515,203	5.19%	370,731	-28.04%	335,735	-9.44%	617,980	84.07%	282,245
Area 6	3,068,601	0.84%	2,942,762	-10.48%	3,192,774	8.50%	3,349,839	4.92%	2,172,790	-35.14%	2,425,044	11.61%	252,254
Area 7	5,118,077	-16.50%	4,795,562	-23.09%	6,202,314	29.33%	5,653,044	-8.86%	5,127,595	-9.29%	5,548,215	8.20%	420,620
Area 8	1,217,123	-8.62%	1,351,530	-11.16%	1,304,621	-3.47%	1,244,356	-4.62%	1,188,977	-4.45%	1,242,245	4.48%	53,268
Area 13					0	0.00%	0	0.00%	169,692	0.00%	226,384	33.41%	56,692
Regular Use	507,151	141.44%	395,501	48.43%	454,123	14.82%	389,735	-14.18%	2,411,435	518.74%	2,157,881	-10.51%	-253,553
Subtotal	14,252,101	-3.21%	14,073,749	-12.36%	15,648,684	11.19%	17,018,388	8.75%	17,359,073	2.00%	18,483,753	6.48%	1,124,680
Area 9 and 10	1,350,734	-3.83%	1,362,957	0.90%	1,389,373	1.94%	0	-100.00%	0	0.00%	0	0.00%	0
Area 11 and 12	109,922	-4.95%	106,872	-2.77%	113,277	5.99%	0	-100.00%	0	0.00%	0	0.00%	0
Subtotal	1,460,656	-3.92%	1,469,829	0.63%	1,502,650	2.23%	0	-100.00%	0	0.00%	0	0.00%	0
Total	15,712,757	-10.62%	15,543,578	-1.08%	17,151,334	10.34%	17,018,388	-0.78%	17,359,073	2.00%	18,483,753	6.48%	1,124,680

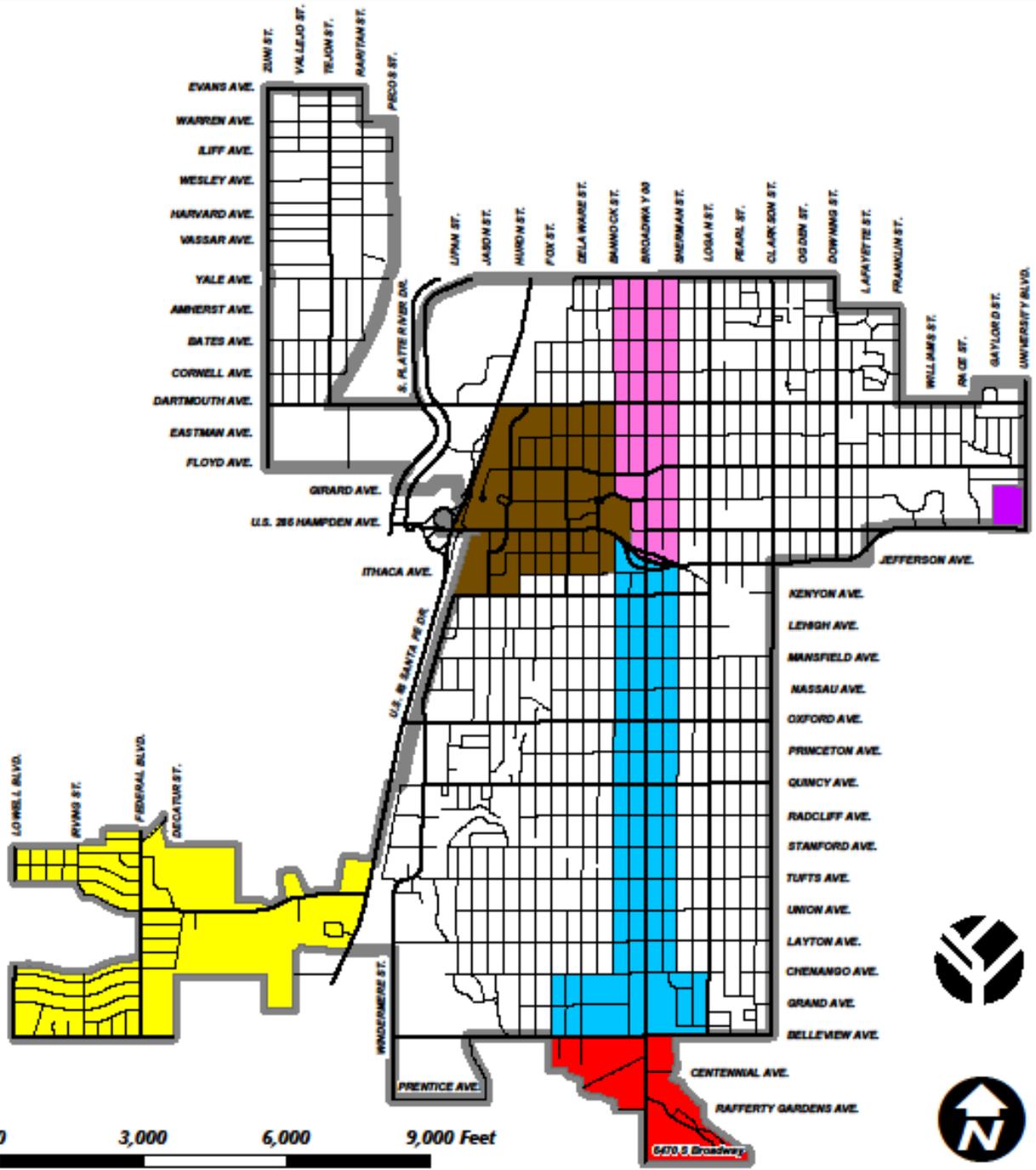
Refunds	72,771	-84.85%	199,665	174.37%	33,486	-83.23%	154,453	361.24%	31,272	-79.75%	76,893	145.89%
Audit & Collections Revenue**	458,065	-13.28%	335,789	-26.69%	176,618	-47.40%	104,911	-40.60%	107,704	2.66%	169,467	57.35%
**included Above												
Unearned Sales Tax	600,000	-7.69%	600,000	0.00%	1,100,000	83.33%	1,150,000	4.55%	1,150,000	0.00%	1,150,000	0.00%
Building Use	253,902	-60.87%	469,887	85.07%	470,266	0.08%	646,980	37.58%	1,568,759	142.47%	1,578,756	0.64%
Vehicle Use	710,908	-29.13%	686,142	-3.48%	726,861	5.93%	965,338	32.81%	1,056,850	9.48%	1,162,691	10.01%

September YTD Collections by Area 2009-2014



Area Descriptions

- | | |
|--|---|
| Area 1 - CityCenter (Formerly Cinderella City) | Area 5 - Federal and Belleview W of Santa Fe Drive |
| Area 2 - S of Yale, north & south side of Jefferson Ave/US 285 between Bannock and Sherman | Area 6 - All other City locations |
| Area 3 - S of Jefferson Ave/US 285 between Bannock & Sherman and north side of Belleview between Logan & Delaware | Area 7 - Outside City limits |
| Area 4 - Broadway and Belleview (Between Fox and Sherman and south side of Belleview and to the Southern City Limits) | Area 8 - Public Utilities |
| | Area 13 - Hampden Avenue (US 285) and University Boulevard |



City of Englewood, Colorado: Sales Tax Areas

- | | | |
|---------|---------|--------------------------|
| Area 1* | Area 4 | Arterials and Collectors |
| Area 2* | Area 5 | Local Streets |
| Area 3 | Area 13 | Englewood City Limits |

Areas Not Depicted on Map:
 Area 6 - Other City Locations* Area 7 - Outside City Limits Area 8 - Public Utilities
 * Includes EURA designated Areas 9, 10, 11, & 12

Memorandum

To: Mayor Penn and City Council
Thru: Eric A. Keck, City Manager
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: October 14, 2014
Re: October 20, 2014 Study Session Information

The Finance and Administrative Services Department periodically reviews the City's Investment Policy to ensure it is up to date and in compliance with applicable statutes and ordinances. Attached you will find proposed changes to the Investment Policy.

The Investment Policy insures the City of Englewood is prudent in the manner it invests public funds needed for meeting current expenditures. The Policy is not applicable to the assets held in pension funds which have a long-term investment perspective.

The Investment Policy's main objectives are preservation of capital, maintaining liquidity to meet disbursement needs, diversification to reduce risk, and obtaining a market rate of return.

The proposed changes will allow the City of Englewood to invest in dollar denominated securities issued by a corporation or bank organized and operating within Canada or Australia not to exceed 10% per country.

Another proposed change would allow the City to invest in General or Revenue obligations of any state in the United States or a political subdivision, institution, or authority of such a government entity as long as the obligations are rated high enough.

The proposed changes provide more investment flexibility while still protecting the portfolio against loss.

The proposed changes also limit to five percent the investment in any one issuer of Commercial Paper, Bankers Acceptances, or Municipal Bonds.

Other changes include requirements for Broker/Dealers providing financial information.

If Council approves of the proposed changes, a resolution will be prepared and presented at an upcoming regular Council Meeting.

Attachment

City of Englewood, Colorado

INVESTMENT POLICY

The Director of Finance and Administrative Services of the City of Englewood, Colorado is charged with the responsibility to prudently and properly manage any and all funds of the City. Because these funds may be called upon, it is essential that absolute maturity horizons are identifiable for the purpose of liquidity. Moreover, these funds must be fully collateralized and appropriately authorized. The following Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and sound fiscal management.

SCOPE

This Investment Policy shall apply to the investment of all financial assets and all funds of the City of Englewood (hereafter referred to as the "City") over which it exercises financial control, except the City of Englewood Firefighters Pension Fund, Volunteer Firefighters Pension Fund, Police Officers Pension Fund, the Non-Emergency Employees Retirement Plan Fund and other City employee retirement plans.

In order to effectively make use of the City's cash resources, all monies shall be pooled into one investment account and accounted for separately. The investment income derived from this account shall be distributed to the various City funds in accordance with Englewood Municipal Code, 4-1-2-A.

OBJECTIVES

The City's funds shall be invested in accordance with all applicable City policies, Colorado statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

- Preservation of capital and the protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated disbursements and cash flows.
- Diversification to avoid incurring unreasonable risks regarding securities owned.
- Attainment of market rate of return equal to or higher than the performance measure established by the Director of Finance and Administrative Services.

DELEGATION OF AUTHORITY

The ultimate responsibility and authority for investment transactions involving the City resides with the Director of Finance and Administrative Services (hereinafter referred to as the "Director") who has been designated by the City Manager as the Investment Officer in accordance with Englewood Municipal Code. The Director may appoint other members of the City staff to assist him in the cash management and investment function. Persons who are authorized to transact business and wire funds on behalf of the City will be designated by the Director by the wire transfer agreement executed with the City's approved depository for bank services (see Appendix I).

The Director shall be responsible for all investment decisions and activities, and shall establish written administrative procedures for the operation of the City's investment program consistent with this Investment Policy. The Investment Officer acting within these procedures shall not be held personally liable for specific investment transactions.

The Director may in his discretion appoint one or more Investment Advisors, registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, to manage a

portion of the City's assets. An appointed Investment Advisor may be granted limited investment discretion within the guidelines of this Investment Policy with regard to the City's assets placed under its management. An Investment Advisor can only be appointed after consultation with and approval by the City Manager.

PRUDENCE

The standard of prudence to be used for managing the City's assets is the "prudent investor" rule, which states that a prudent investor "shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital." (CRS 15-1-304, Standard for Investments.)

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the portfolio's overall return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Director and other authorized persons acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

All City employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees shall subordinate their personal investment transactions to those of the City particularly with regard to the timing of purchases and sales.

ELIGIBLE INVESTMENTS AND TRANSACTIONS

All investments will be made in accordance with the Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq. Public Deposit Protection Act; CRS 11-47-101, et seq. Savings and Loan Association Public Deposit Protection Act; CRS 24-75-601, et seq. Funds-Legal Investments; CRS 24-75-603, et seq. Depositories; and CRS 24-75-701, et seq. Local governments – authority to pool surplus funds. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon being enacted.

As a home rule City, Englewood may adopt a list of acceptable investment instruments differing from those outlined in CRS 24-75-601, et seq. Funds-Legal Investments. Funds of the City of Englewood covered by this Investment Policy may be invested in the following types of securities and transactions:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes and Treasury Bonds with maturities not exceeding five years from the date of trade settlement.

2. Treasury Strips (book-entry U.S. Treasury securities whose coupons have been removed) with maturities not exceeding five years from the date of trade settlement.
3. Federal Instrumentalities - Debentures, Discount Notes, Medium-Term Notes, Callable Securities and Step-up Securities issued by the following only: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Farm Credit Banks (FFCB), with maturities not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.
4. Repurchase Agreements with a termination date of 90 days or less utilizing U.S. Treasury and Federal Instrumentality securities listed above, collateralized at a minimum market value of 102 percent of the dollar value of the transaction with the accrued interest accumulated on the collateral included in the calculation.

Repurchase agreements shall be entered into only with dealers who:

- a) are recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure; and
- b) have executed a City approved Master Repurchase Agreement (see Appendix II). The Director shall maintain a file of all executed Master Repurchase Agreements.

Collateral (purchased securities) shall be held by the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

For the purposes of this section, the term "collateral" shall mean "purchased securities" under the terms of the City approved Master Repurchase Agreement. In no case will the maturity of the collateral exceed 10 years.

5. Reverse Repurchase Agreements with a maturity of 90 days or less executed only against securities owned by the City and collateralized by the same type of security reversed.
6. Flexible Repurchase Agreements with a final maturity of 10 years or less entered into by the City with approved counterparties. These flexible repurchase agreements may be closed out in varying amounts and at varying times at the option of the City. These agreements are deemed by both parties to be purchases and sales of securities and are not loans.

All such flexible repurchase agreements shall meet the following criteria:

- Be determined as legal and valid for both parties;
- Collateral shall be limited to:
 - a) Securities issued by, guaranteed by, or for which the credit of any of the following is pledged for payment: the United States, Federal Farm Credit Bank, Federal Land Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Export Import Bank or the Government National Mortgage Association; or
 - b) Securities issued by, guaranteed by, or for which the credit of the following is pledged for payment: An entity or organization which is not listed in paragraph a) above, but which is (1) created by, or the creation of which is authorized by, legislation enacted by the United States Congress and which is subject to control by the federal government which is at least as extensive as that which governs an entity or organization listed in paragraph a) above, and (2) rated in its highest rating category by one or more nationally recognized organizations which regularly rate such obligations.
- Have a fixed rate during the entire life of the agreement;
- The dollar amounts and periods of time when the City may draw funds out of the repurchase agreement shall be agreed upon in writing by both parties and shall be part of the written repurchase agreement exercised by the City and the approved counterparty;

- The City has the option of varying the dollar amount and the timing of the draw down by an agreed upon percentage of the anticipated draw down and a specified number of days. The City and the counterparty to the agreement will specify the details of the allowable variance when the agreement is structured. In addition, the City may draw down in excess of the variance up to the remaining balance in the agreement for a bona fide, unanticipated cash need;
- Collateral shall have a minimum market value (including accrued interest accumulated) of at least 102 percent of the dollar value of the transaction;
- Repurchase agreements shall be entered into only with dealers who are authorized by the Director and have executed a City approved Master Repurchase Agreement;
- The Director shall maintain a file of all executed Master Repurchase Agreements;
- The title to or a perfected security interest in securities, along with any necessary transfer documents, must be transferred and actually delivered to, and shall be held by, the City's third-party custodian bank acting as safekeeping agent. The market value of the collateral securities shall be marked-to-the-market at least weekly based on the closing bid price at the time the custodian for the collateral issues its monthly statement to the City.

For the purpose of the section, the term "collateral" shall mean "purchased securities" under the terms of the City approved Master Repurchase Agreement. In no case will the maturity of the collateral exceed 10 years.

7. Time Certificates of Deposit with a maximum maturity of five years or savings accounts in state or national banks or state or federally chartered savings banks operating in Colorado that are state approved depositories (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit that exceed the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act. The collateral shall have a market value equal to or exceeding 102 percent of the difference between the insured amount and the City's total deposits for all funds within the institution.
8. Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are "no-load" (i.e.: no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch.
9. Local Government Investment Pools as authorized under CRS 24-75-702.
10. Prime Bankers Acceptances, rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F1 by Fitch at the time of purchase by at least two services that rate them, with a maturity of six months or less issued on domestic banks or branches of foreign banks domiciled in the U.S. and operating under U.S. banking laws. Accepting banks must have a senior debt rating of A2 by Moody's and A by Standard & Poor's.
11. Prime Commercial Paper with a maturity of 270 days or less which, at the time of purchase, is rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
 - a) At the time of purchase, the commercial paper must be rated by at least two of the above stated rating agencies at the stated minimum rating.
 - b) If the commercial paper issuer has senior debt outstanding, the senior debt must be rated at least A2 by Moody's, A by Standard and Poor's, or A by Fitch.
12. Corporate Bonds issued by a corporation or bank with a final maturity not exceeding three years from the date of trade settlement, rated at least AA- by Standard & Poor's, Aa3 by

Moody's, or AA- by Fitch at the time of purchase by at least two services. Authorized corporate bonds shall be U.S. dollar denominated and issued by corporations organized and operating within the United States. The City hereby further authorizes investments in dollar denominated securities issued by a corporation or bank that is organized and operating within Canada or Australia, not to exceed 10% per country at the time of purchase. and limited to corporations organized and operated within the United States with a net worth in excess of \$250 million.

13. General or Revenue obligations of any state in the United States or any political subdivision, institution, or authority of such a government entity. Municipal bonds must be rated A- by Standard & Poor's, A3 by Moody's, or A- by Fitch at the time of purchase by at least two services if the issuer is located in Colorado. Municipal bonds must be rated AA- by Standard & Poor's, Aa3 by Moody's or AA- by Fitch at the time of purchase by at least two services if the issuer is located outside the state of Colorado. The maximum maturity for municipal bonds is five years.

Securities that have been downgraded below minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

OTHER INVESTMENTS

It is the intent of the City that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be pre-approved by the Director in writing after approval by the City Manager.

INVESTMENT DIVERSIFICATION

It is the intent of the City to diversify the investment instruments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy, the securities market, and the City's cash flow needs.

The City may invest to the following maximum limits within each category:

- 50% in Certificates of Deposit
- 40% in Commercial Paper, 5% in any one issuer or its affiliates or subsidiaries
- 20% in Bankers Acceptances, 5% in any one issuer or its affiliates or subsidiaries
- 30% in Corporate Bonds; 5% in any one issuer or its affiliates or subsidiaries
- 30% in Municipal Bonds, 5% in any one issuer

The aggregate investment in Corporate Bonds, Commercial Paper, and Bankers Acceptances shall not exceed 50% of the portfolio.

Tests for limitations on percentages of holdings apply to the composite of the entire portfolio of the City, not to individual portfolios maintained by the City. Percentage limitations used for measurements are based on the percentage of cost value of the portfolio at the time of purchase.

INVESTMENT MATURITY AND LIQUIDITY

Investments shall be limited to maturities not exceeding five years from the date of trade settlement. In addition, the weighted average final maturity of the total portfolio shall at no time exceed three years.

SELECTION OF BROKER/DEALERS.

The Director shall maintain a list of broker/dealers approved for investment purposes (see Appendix III), and it shall be the policy of the City to purchase securities only from those authorized firms.

To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure,
2. report voluntarily to the Federal Reserve Bank of New York,
3. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Director on the basis of their expertise in public cash management and their ability to provide service to the City's account. ~~Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements.~~ In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, any authorized broker/dealer from whom a competitive bid is obtained for the transaction will attest in writing that he/she has received a copy of this policy and shall submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements.

The City may purchase Commercial Paper from direct issuers even though they are not on the approved list of broker/dealers as long as they meet the criteria outlined in Item 11 of the Eligible Investments and Transactions section of this Investment Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the Director will document quotations for comparable or alternative securities.

SELECTION OF BANKS AS DEPOSITORIES AND PROVIDERS OF GENERAL BANKING SERVICES

The City shall maintain a list of banks approved to provide banking services or from whom the City may purchase certificates of deposit. Banks in the judgment of the Director no longer offering adequate safety to the City will be removed from the list. To be eligible for authorization, a bank shall qualify as a depository of public funds in Colorado as defined in CRS 24-75-603.

SAFEKEEPING AND CUSTODY

The safekeeping and custody of securities owned by the City shall be managed in accordance with applicable Federal and Colorado laws and regulations.

The Director shall approve one or more banks to provide safekeeping and custodial services for the City. A City approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible, a bank shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 and be a Federal Reserve member financial institution.

Custodian banks will be selected on the basis of their ability to provide service to the City's account and the competitive pricing of their safekeeping related services. The City's designated custodian bank is set forth in Appendix IV of this Investment Policy.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the City, and sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investments purchased by the City shall be delivered by ~~either~~ book entry ~~or physical delivery~~ and will be held in third-party safekeeping by the City's designated custodian bank, ~~its correspondent bank~~ or the Depository Trust Company (DTC).

All Fed wireable book entry securities owned by the City shall be evidenced by a safekeeping receipt or a customer confirmation issued to the City by the custodian bank stating that the securities are held in the Federal Reserve system in a Customer Account for the custodian bank which will name the City as "customer."

All DTC eligible securities shall be held in the custodian bank's Depository Trust Company (DTC) participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for the City as "customer."

The City's custodian will be required to furnish the City with a monthly report of securities held as well as an account analysis report of monthly securities activity.

PROVISIONS FOR ARBITRAGE

The City periodically issues debt obligations which are subject to the provisions of the Tax Reform Act of 1986 (section 148F), Arbitrage Rebate Regulations. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels, the procedures undertaken in the reinvestment of all or a portion of the proceeds of such debt issuance may extend beyond those outlined in this Investment Policy. The Director, upon advice from Bond Counsel and financial advisors, may alter provisions of this Investment Policy for arbitrage related investments as may be necessary to conform with federal arbitrage regulations. In all cases, however, investments will be in compliance with Colorado Revised Statutes. This section is only applicable to City funds subject to arbitrage restrictions.

REPORTING

An investment report shall be prepared, at least on a monthly basis, listing the investments held by the City, the current market valuation of the investments and performance results. The monthly investment report shall be submitted in a timely manner to the City Manager and the City Council. A record shall be maintained by the Department of Finance and Administrative Services of all bids and offerings for securities transactions in order to ensure that the City receives competitive pricing.

The City has established reporting and accounting standards for callable U.S. Instrumentality securities. Callable securities may be retired at the issuer's option prior to the stated maximum maturity. All securities holding reports for the City shall disclose the stated maturity as well as the first call date of each callable security held. In the case of callable securities which are purchased priced to the first call date and, in the opinion of the Director, have an overwhelming probability of being called on the first call date, weighted average maturity, amortization as well as yield shall be calculated using the first call date. The Director may, however, choose to use a further call date maturity date for reporting purposes when conditions mandate.

PERFORMANCE REVIEW

The Director and the City Manager shall meet at least quarterly to review the portfolio's adherence to appropriate risk levels and to compare the portfolio's total return to the established investment objectives and goals.

The Director shall periodically establish a benchmark yield for the City's investments which shall be equal to the average yield on the U.S. Treasury security which most closely corresponds to the portfolio's actual effective weighted average maturity. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio should be included in the computation of the portfolio's rate of return.

POLICY REVISIONS

This Investment Policy will be reviewed periodically by the Director and may be amended as conditions warrant by the City Manager and the City Council.

Prepared by:

_____/s/_____
Frank Gryglewicz
Director of Finance and Administrative
Services

Prepared by:

_____/s/_____
Kevin Engels
Accounting Manager

Approved by City Council
September 17, 1990

Amended by City Council
September 5, 1995

Amended by City Council
December 16, 1991

Amended by City Council
December 15, 1997

Amended by City Council
April 5, 1993

Amended by City Council
February 7, 2000

Amended by City Council
June 20, 2005

Amended by City Council
October 16, 2006

Amended by City Council
November 3, 2008

Amended by City Council
October 3, 2011

Amended by City Council
February 18, 2012

Amended by City Council
February 19, 2013

State of Colorado, County of Arapahoe:

I, Loucrishia A. Ellis, City Clerk in and for the City of Englewood, in the State aforesaid, do hereby certify that the foregoing is a full, true and correct copy of the Investment Policy as the same appears upon the records of my office which are in my custody.

Given under by hand and official seal, this _____.

_____/s/_____
Loucrishia A. Ellis
City Clerk

APPENDIX I

Authorized Personnel

The following persons are authorized to conduct investment transactions and wire transfer funds on behalf of the City of Englewood:

Kevin Engels, Accounting Manager

Kathy Cassai, Accountant

Christine Hart, Accountant

Frank Gryglewicz, Director of Finance and Administrative Services

APPENDIX II

Repurchase Agreements

The following firms have executed a City approved Master Repurchase Agreement with the City of Englewood.

Banc of America Securities, LLC
Morgan Stanley DW Inc.

Agreements maintained in separate file.

APPENDIX III

Authorized Broker/Dealers and Financial Institutions

The following firms are approved for investment purposes by the City of Englewood.

Barclays Capital

Citigroup Global Markets, Inc.

~~Goldman, Sachs & Co~~

Jefferies & Company, Inc.

J.P. Morgan Securities Inc.

Merrill Lynch, Pierce, Fenner & Smith Inc

Mizuho Securities USA Inc.

~~Morgan Keegan & Company, Inc.~~

Morgan Stanley Smith Barney

~~Raymond James & Associates~~

RBC Capital Markets Corporation

UBS Financial Services Inc.

~~Wunderlich Securities, Inc.~~

APPENDIX IV

Designated Custodial Banks

The following bank is authorized as the designated custodial bank for the City of Englewood:

Wells Fargo Institutional Retirement and Trust
1740 Broadway
MAC# C7300-105
Denver, CO 80274

Memorandum

To: Mayor Penn and City Council
Thru: Eric A. Keck, City Manager
From: Frank Grylewicz, Director of Finance and Administrative Services
Date: October 14, 2014
Re: October 20, 2014 Study Session Information

In October 2008, the City of Englewood issued debt on behalf of the Denver Area Council, Boy Scouts of America (BSA). The BSA has and will continue debt service on the Bond. The City of Englewood is in no way responsible for the repayment of this debt; the City provided the financing so the BSA could reduce their cost of debt. This debt does not impact the City's bond rating.

The BSA will cause a partial redemption the Bond issued in 2008 which will also initiate the Bond payment schedule to be re-amortized and the mandatory redemption date to the Bond be extended. The BSA is requesting the City execute a First Supplement by ordinance to re-amortize and extend the redemption date.

If Council approves of the First Amendment, a bill for an ordinance will be prepared and presented at an upcoming regular Council Meeting.



M E M O R A N D U M

TO: Mayor Penn and Council Members

THRU: Eric Keck, City Manager
Alan White, Community Development Director ✓

FROM: John Voboril, Planner II

DATE: October 20, 2014

SUBJECT: "Englewood Forward" Kick Off and HEAL Resolution

The consultant teams for the Comprehensive Plan Update, the Light Rail Corridor Next Steps Study, and the Walk and Wheel Master Plan, were given direction from Community Development staff to come together to create a unified public planning brand and process for all three projects. The title for the unified planning project is "Englewood Forward".

Representatives for each element of the unified planning effort have been invited to the October 20th study session to be introduced to City Council. The unified project team members include the following individuals:

Comprehensive Plan Update

Update to Roadmap Englewood, to include new Community Indicators Report and implementation strategies.

- Bruce Meighen, Logan Simpson Design
- Kristina Kachur, Logan Simpson Design (former Englewood resident)
- Brad Segal, Progressive Urban Management Associates

Walk and Wheel Master Plan and Program

Update of the City's Master Bicycle Plan plus an additional focus on pedestrian safety improvements.

- Chris Vogelsang, OV Consulting
- Beth Vogelsang, OV Consulting
- Carlos Hernandez, Fox Tuttle Hernandez, Kaiser Permanente Technical Assistance Team
- Ted Hyde, Bicycle Colorado, Kaiser Permanente Technical Assistance Team
- Jenna Berman, Bicycle Colorado, Kaiser Permanente Technical Assistance Team (Englewood resident)

Light Rail Corridor Next Steps Study

Alternatives and feasibility analyses for development along the light rail corridor, the Floyd Avenue Extension, the Rail Trail, and the Dartmouth/Clarkson/Oxford Protected Bikeway Loop, and the Sheridan Oxford Protected Bikeway and Santa Fe Pedestrian Bridge.

- Kevin Maddoux, Felsburg Holt and Ullevig
- Lisa Bachman, Bachman PR
- Jennifer Henninger, City of Sheridan Project Manager

Public Involvement

The consultant team has worked on developing the Englewood Forward website, project branding, and public involvement plan. The project website will include information and the ability to comment on any or all of the three projects. A link to the project website will be available on the City's website. While the website will be a major tool in disseminating information and obtaining feedback, other methods to encourage public participation will include:

- Council Stakeholder Interviews (October 21) and Community Stakeholder Group Interviews (October 27, 28)
- City-wide Postcard Saturation Mailing, and Selective Letter Mailing to Property Owners and Residents adjacent to Proposed Light Rail Transportation Alternatives (October 24)
- First Public Meeting (November 12). Additional public meetings will be scheduled for February and May of 2015.
- News releases prior to public meetings.
- Outreach at City or other public events such as Sounds of Summer concerts, events at Malley, etc.
- Neighborhood Outreach/Business Walk-about

LiveWell Colorado Healthy Eating Active Living (HEAL) Resolution Study Session

In order to receive the Kaiser Permanente Walk and Wheel grant for a new Master Bicycle and Pedestrian Plan, a commitment by the City to become a LiveWell Colorado HEAL community was requested by the grantor. A model resolution was provided to Community Development to be customized by staff to fit the circumstances of the City. Staff has crafted the resolution to be consistent with past actions and current programs undertaken by the City in terms of promoting healthy eating and active living principles.

The resolution commits the City to the following policies:

- Emphasizing active living capital infrastructure improvements and actively working to secure grant funding
- Incorporating HEAL principles in the development of policy and physical sub-area plans, and zoning and development regulations
- Supporting the siting and development of healthy food retailers, community gardens or farms and farmer's markets
- Advancing City work place wellness programs

By becoming a LiveWell HEAL community, the City will have access to technical assistance, educational resources, and public media promotion and recognition, in order to continue making strides in advancing healthy eating and active living principles in the fight against obesity. HEAL community status will also be helpful in securing grant funding from various health organizations.

Att: LiveWell Colorado Healthy Eating Active Living (HEAL) Cities and Towns Campaign
Resolution

C: Eric Keck
Alan White
Dan Brotzman

DRAFT

A RESOLUTION BY THE ENGLEWOOD CITY COUNCIL SETTING FORTH THE CITY'S COMMITMENT TO OBESITY PREVENTION AND LIVEWELL COLORADO'S HEALTHY EATING, ACTIVE LIVING (HEAL) CITIES AND TOWNS CAMPAIGN

WHEREAS, although Colorado is the "leanest" state in the country, fifty-eight percent (58%) of Colorado adults and a quarter of Colorado children are overweight or obese; and

WHEREAS, the adult obesity rate has doubled in Colorado since 1995 and, if trends continue, only thirty-three percent (33%) of Colorado adults will be a healthy weight by 2020; and

WHEREAS, more children are being diagnosed with diseases linked to overweight and obesity previously seen only in adults, such as Type 2 diabetes and heart disease; and

WHEREAS, Colorado has the second fastest rate of increase in childhood obesity in the nation; and

WHEREAS, the current generation of children are expected to have shorter lives than their parents due to the consequences of obesity; and

WHEREAS, the annual cost to Colorado in medical bills, workers compensation and lost productivity due to citizens being overweight or obese and lacking in physical inactivity exceeds \$1.6 billion; and

WHEREAS, obesity has been identified by the Colorado Department of Public Health and Environment as one of ten winnable battles in Colorado; and

WHEREAS, cities and towns have the ability to impact opportunities for healthy eating and active living; and

WHEREAS, in November of 2012 the Colorado Municipal League Board of Directors entered into a memorandum of understanding with LiveWell Colorado to work collaboratively on the HEAL Cities and Towns Campaign; and

WHEREAS, LiveWell Colorado is a nonprofit organization committed to preventing and reducing obesity in the state by promoting healthy eating and active living in the places we live, work, learn, and play; and

WHEREAS, the City of Englewood has shown a commitment to HEAL principles and activities including bicycle and pedestrian infrastructure planning and promotion, community gardens, and employee wellness initiatives.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ENGLEWOOD, COLORADO, THAT:

Section 1. The City Council hereby recognizes that obesity and being overweight is a serious threat to the health and well-being of residents and employees of the City. While individual lifestyle changes are necessary, individual efforts alone are insufficient to combat obesity's rising challenges. Significant societal and environmental changes are needed to support individual efforts to make healthier choices. It is to that end that the City adopts this HEAL Cities and Towns Campaign resolution.

Section 2. The City will make efforts to promote healthy eating and active living through the following policy and action recommendations that will be discussed and detailed in the final Englewood Walk and Wheel Master Plan and Program:

- a. Emphasizing capital improvement projects that increase the opportunities for physical activity, as funding allows;
- b. Planning and securing grant funding for a built environment that encourages walking, biking, and other forms of physical activity;
- c. Improving connectivity of walking and bicycle networks between residential neighborhoods and schools, parks, recreational resources, and retail businesses;
- d. Revising the comprehensive plan, sub-area plans, relevant master plans, and zoning ordinances to increase opportunities for physical activity wherever and whenever possible, through the adoption of healthy eating and active living goals, policies, and regulations including support for complete streets and compact mixed-use and transit-oriented development, and healthy local food production and retailing;
- e. Encouraging the siting of healthy food retailers, community gardens or farms and farmer's markets to increase access to healthy food, including fresh fruits and vegetables;

Section 3. In order to promote wellness in the City, and to set an example for residents and businesses, the City hereby pledges to continue to advance workplace wellness initiatives that:

- a. Continue to promote employee wellness activities including employee hiking, cycling and yoga clubs, Bike to Work Day, and free access to the Englewood Recreation Center; and
- b. Explore new initiatives for employees, including active commuter clubs, healthy vending options, nutrition classes, fresh fruit in common areas, and healthy cooking classes.

Section 4. An annual report will be made to the City Council regarding actions taken to implement this resolution, additional actions planned, and any desired actions that may require City Council approval.