

**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL**

Special Meeting

MONDAY, JUNE 29, 2015

COMMUNITY ROOM

5:30 P.M.

I. Special Meeting

Council will open the Special Meeting in the Community Room. After announcing the topic or topics to be discussed under the specific paragraph(s) of C.R.S. 24-6-402-4, a vote of Council will be taken to go into Executive Session. If 2/3 of the quorum present votes affirmatively, attendance shall be limited to the members of City Council and Council may invite other persons as may be required for advice and information. City Council and invited persons will move to the City Council Conference Room. No formal vote will be taken on any matter under discussion.

II. Executive Session – 5:40 p.m.

In the City Council Conference Room and pursuant to C.R.S 24-6-402-4 (f)(I) City Council will discuss a personnel matter (Personal matters related to the City Attorney).

III. Charter Question – Special Election Timeframe Restrictions – 6:25 p.m.

City Clerk Lou Ellis will be present to discuss a proposed change to the Englewood Charter regarding special election timeframe restrictions.

IV. Mail Ballot drop-off Box and Video Security– 6:35 p.m.

City Clerk Lou Ellis will be present to discuss the proposed Intergovernmental Agreement with Arapahoe County for installation of a mail ballot drop-off box along with video security recording system at Civic Center.

V. Election Question – 6:45 p.m.

Deputy City Manager Michael Flaherty will be present to discuss EMRF property land sale election question.

VI. Financial Report – 7:00 p.m.

Revenue and Budget Manager Jennifer Nolan will discuss the financial report.

VII. Budget Introduction – 7:15 p.m.

Revenue and Budget Manager Jennifer Nolan and City Manager Eric Keck will kick off the 2016 Budget discussion.

VIII. Priority Based Budgeting Update – 8:30 p.m.

City Manager Eric Keck, Jon Johnson and Chris Fabian from the Center for Priority Based Budgeting will be present to provide an update Priority Based Budgeting.

IX. Council Member's Choice

X. City Manager's Choice

- Englewood Forward Neighborhood Meetings regarding our Community's Comprehensive Plan

XI. 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.

SPECIAL MEETING/EXECUTIVE SESSION

I am opening the Special Meeting of the Englewood City Council. This Special Meeting was called under Section 27 of the Englewood Home Rule Charter and Section 1-5-2-2 of the Englewood Municipal Code and under the Rules of Order and Procedure for the Englewood City Council.

The Mayor gave notice of this Special Meeting at the June 15, 2015 Regular Council Meeting.

This Special Meeting is open to the public.

Will the Clerk please call the roll.

A quorum is present (if 5 are present).

The only business to be transacted at this Special Meeting is a call for an Executive Session pursuant to CRS 24-6-402-4(a) discussion of a personnel matter (City Attorney) pursuant to CRS 24-6-402(f).

Do I have a motion to move the Executive Session on that topic?

2/3 of the quorum present has voted in the affirmative. Council will now move into Executive Session.

The following persons are invited for advice and information:

The City Attorney – Dan Brotzman
The City Manager – Eric Keck

No vote will be taken on any matter during the Executive Session.

At the conclusion of the Executive Session and the Special Meeting. Council will then open the Study Session.

MEMORANDUM

TO: Mayor Penn and City Council Members

FROM: Loucrishia A. Ellis, City Clerk

DATE: June 29, 2015

**SUBJECT: Proposed Amendment to the Charter
regarding Special Election timeframe restrictions**

Pursuant to Colorado Revised Statutes § 1-13.5-110. Special elections - "Special elections must be held on such date as may be provided by law by the local government calling the special election."

Recent initiative and recall inquiries have brought to light how problematic it would be hold a Special Election at any time up to 45 days prior to our November election, as the verbiage in our current Charter allows. The election world has changed dramatically since that section of the Charter was approved.

We have conducted Mail Ballot Elections since the advent of the TABOR Amendment in 1993 and the Election Commission has steadfastly agreed that a Mail Ballot Election is the best way to go, in the interest of what is best for our citizens.

I've had several conversations with Arapahoe County Clerk & Recorder Matt Crane about statutory requirements, timeframes and the logistics of assisting the City in conducting a Special Election.

Arapahoe County has the ability to assist the City in conducting a Special Election and they have best practices in place and the ability to conduct signature verification.

Nothing starts on my end until we have determined a petition is sufficient. At that point we would need 60 to 90 days to pull an election together. 60 days is the absolute minimum. The County is knee deep in their November election by the first of September and would be unable to assist us at that point.

We would like to amend the Charter § 14 Special elections to read: "No special election shall be held within **ninety** ~~forty-five~~ days before or **forty-five days** after a general municipal or state election."

The Election Commission agrees that this provides an opportunity to better serve our citizens.

MEMORANDUM

TO: Mayor Penn and City Council Members

FROM: Loucrishia A. Ellis, City Clerk

DATE: June 29, 2015

SUBJECT: **Installation of a mail ballot drop-off box at Civic Center**

At the July 6, 2015 City Council Meeting, I will be asking Council to approve an Intergovernmental Agreement between the City of Englewood and Arapahoe County for installation, at Civic Center, of a mail ballot drop-off box along with a video surveillance recording system. The cost of these improvements will be covered by Arapahoe County.

The Election Commission agrees that this provides an opportunity to better serve our citizens.



**Adams County and
Arapahoe County**
**ELECTION BALLOT
DROP-OFF BOX**

No Postage Required
Closes at 7 p.m. on Election Night

The box monitored by 24-hour video surveillance.
Ballots accepted by delivery to:

Adams County
Clerk & Recorder
720-539-6500
www.adamscountypalms.com

Arapahoe County
Clerk & Recorder
303-756-4511
www.arapahoeclerk.com

↑ DROP BALLOT HERE

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DROP-OFF BOX**

No Postage Required



Englewood McLellan Reservoir Foundation

To: Mayor Penn and City Council Members

Through: Eric Keck, City Manager

From: Michael Flaherty, Deputy City Manager, on behalf of the Englewood McLellan Reservoir Foundation (EMRF)

Date: June 29, 2015

Subject: Lease and future sale of McLellan (EMRF) property

In the executive session on June 15, 2015, members of the Englewood McLellan Reservoir Foundation (EMRF) briefed City Council on a proposal by Shea Properties to lease McLellan property of approximately 38 acres, designated as Highlands Ranch Planning Area 81 (PA81.)

At the June 29, 2015 Study Session, members of EMRF will ask that two items be placed on the agenda of the July 6, 2015 regular meeting of City Council:

1. Support of EMRF to negotiate a lease with Shea Properties for PA 81.
2. Approval of a ballot question to authorize the future sale of EMRF properties at the end of the initial lease term, not less than 20 years.

The first item is the proposal by Shea to lease the entire property of PA 81 for an initial term of 20 years, at a fair market rate and that the land trade authorized by Ballot Question No. 2E of 2014 be completed. (See attached aerial map of EMRF properties with the authorized land trade designated.) EMRF requests City Council support to further negotiate lease terms with Shea.

The second item pertains to Shea's request to purchase PA 81 at the end the initial 20 year lease term. The primary tenant of the proposed Shea development on PA 81 is an institutional user that wishes to build a permanent campus. At the insistence of the institution, Shea has requested a purchase option at the expiration of the lease term, based on a fair market appraisal of the land in an unimproved, vacant condition.

Due to the fact that utility property cannot be sold unless such a sale is approved by an affirmative vote by the citizens of Englewood, EMRF proposes to include the purchase option at the end of the initial lease term. EMRF proposes that the City initiate a ballot question for the November election. In order to do so, first reading of the ordinance authorizing the ballot question must be conducted by no later than July 6, 2015. A draft copy of the ballot initiative is attached. Shea has stated that the option to purchase is necessary for the institutional user to be secured.

EMRF also proposes that City Council consider including options for potential developers, and possibly current lessees, to purchase EMRF properties at the end the initial lease term, not less than 20 years. In addition to PA 81, which is proposed to be leased to Shea properties, EMRF proposes that other McLellan properties, which includes those in PA 84, PA 85 and PA 87 (see attached aerial map), be available for purchase at the end of an initial lease term of 20 years or more.

Leasing EMRF property, even in the aggressive market that exists today, has proven to be extremely difficult and severely limits the marketability of these properties. This is particularly true given that EMRF is not in a position to act as a land developer. We believe that offering a purchase option will allow EMRF with the flexibility needed to complete land transactions that best benefit the City.

cc: EMRF Board Members
Dan Brotzman, City Attorney
H. Michael Miller, EMRF Attorney

Attachments: EMRF properties aerial map
Draft ballot question



Arapahoe County
Douglas County

LOT AREAS (acres)

PA 81	North	12.30
	South	24.60
PA 84	HR 153	
	Lot 1A	6.18
	Lot 1B	7.33
	Lot 2	12.79
	Lot 3	4.90
	Tract A	3.33
	Tract B	3.43
	Tract C	1.34
PA 84	HR 155	
	Lot 1	2.27
	Lot 2	1.84
	Tract A	2.27
	Tract B	7.06
	Tract C	1.94
	Tract D	0.46
	Tract E	0.01
	Tract F	0.26
PA 85	HR 154	
	Lot 1	10.14
	Lot 2	9.89
	Lot 3	10.87
	Lot 4	4.78
	Lot 5	10.25

ENGLEWOOD McLELLAN RESERVOIR FOUNDATION
EMRF Properties

SCALE: 1 inch = 700 feet
REV: May 12, 2014
PHOTO DATE: 2010



DRAFT

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

Section 1. There is hereby submitted to the registered electors of the City of Englewood at the next scheduled municipal election on November 3, 2105 a question, to read as follows:

Question No.

Shall the Englewood City Council be allowed, by Ordinance, to sell Utility Department property described in Ordinance No. _____, Series of 2015, held in Douglas County at the end of the initial lease term; the initial lease term being no less than twenty years?

_____ Yes _____ No

Section 2. Each elector voting at said election and desirous of voting shall indicate his/her choice by depressing the appropriate counter of the voting machine or by the appropriate marking upon paper ballots where used.

Section 3. The proper officials of the City of Englewood shall give notice of said next scheduled municipal election, such notice shall be published in the manner and for the length of time required by law, and the ballots cast at such election shall be canvassed and the result ascertained, determined, and certified as required by law.

Section 4. If any section, paragraph, clause, or other portion of this Ordinance is for any reason held to be invalid or unenforceable, the invalidity or unenforceability shall not affect any of the remaining portions of this Ordinance.

Introduced, read in full, and passed on first reading on the _____ day of _____, 2015.

Published by Title as a Bill for an Ordinance in the City's official newspaper on the _____ day of _____, 2015.

Published as a Bill for an Ordinance on the City's official website beginning on the _____ day of _____, 2015 for thirty (30) days.

Randy P. Penn, Mayor

ATTEST:

Loucrishia A. Ellis, City Clerk

I, Loucrishia A. Ellis, City Clerk of the City of Englewood, Colorado, hereby certify that the above and foregoing is a true copy of a Bill for an Ordinance, introduced, read in full, and passed on first reading on the _____ day of _____, 2015.

Loucrishia A. Ellis



City of Englewood

To: Mayor Randy Penn and City Council
Through: Eric Keck, City Manager
From: Jennifer Nolan, Revenue and Budget Manager
Date: June 1, 2015
Subject: May 2015 Financial Report

REVENUES:

- Through May 2015, the City of Englewood collected **\$19,002,765 or \$1,518,510 (8.7 percent) more** than last year.
- The City collected \$1,749,403 in property taxes and \$101,204 in specific ownership tax through May.
- **Year-to-date sales and use tax revenues were \$11,824,380 or \$1,404,044 (13.5 percent) more than May 2014.** The following chart provides collections by business area and the variances for the current year-to-date as compared to the prior year-to-date amounts.

Business Area	\$ YTD Variance CY vs PY	% YTD Variance CY vs PY	YTD Net New (Closed) Businesses	Comments
Area 1	(63,098)	-4.22%	3	In Jan 2014 we received multiple returns for a tax remitter that did not occur in Jan 2015. If we adjust for the timing of these receipts, Area 1 would report a favorable variance of \$60,892 or 4.1% increase in 2015 over 2014.
Area 2	31,886	4.12%	1	Variance is due to better economic conditions experienced in 2015 versus 2014.
Area 3	147,453	23.70%	4	Variance is due primarily to better economic conditions in 2015 versus 2014.
Area 4	29,818	4.90%	1	Variance is due primarily to better economic conditions in 2015 versus 2014.
Area 5	29,530	8.49%	(1)	Variance is due primarily to better economic conditions in 2015 versus 2014. Please note the Littleton King Soopers reopened 1/28/2015 after being closed for a year during their reconstruction project at Broadway and Littleton Blvd.
Area 6	212,522	17.80%	(3)	Variance is due primarily to better economic conditions in 2015 versus 2014.
Area 7	827,279	25.63%	10	Variance is due primarily to better economic conditions in 2015 versus 2014.
Area 8	(14,259)	-1.90%	-	Variance is due in part to mild temperatures that led to lower energy usage in 2015 versus 2014 and to more customers switching from landlines to cellphones in 2015 as compared to 2014.
Area 13	13,640	10.87%	-	Variance is due primarily to better economic conditions in 2015 versus 2014.
Regular Use	181,567	14.43%	N/A	Use tax revenue fluctuates depending on the timing of when businesses replace large ticket items such as operating machinery and equipment.
Totals	1,396,339	13.42%	15	

- Cigarette tax collections were down \$3,550 compared to last year.
- Franchise fee collections were \$51,101 more than last year.
- Licenses and permit collections were \$106,569 more than May 2014.
- Intergovernmental revenues were \$58,342 more than the prior year.
- Charges for services increased \$35,888 from last year.
- Recreation revenues declined \$58,452 from 2014.
- Fines and forfeitures were \$153,928 less than last year.
- Investment income was \$7,586 less than last year.
- Other revenues were \$8,074 less than last year.
- Net Rent revenues and expenses from McLellan Reservoir were \$381,371.

OUTSIDE CITY:

- Outside City sales and use tax receipts (cash basis) were up \$827,279 or 25.6 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 May 2015 were \$1,433,367 or \$63,098 less than last year during the same period of time.

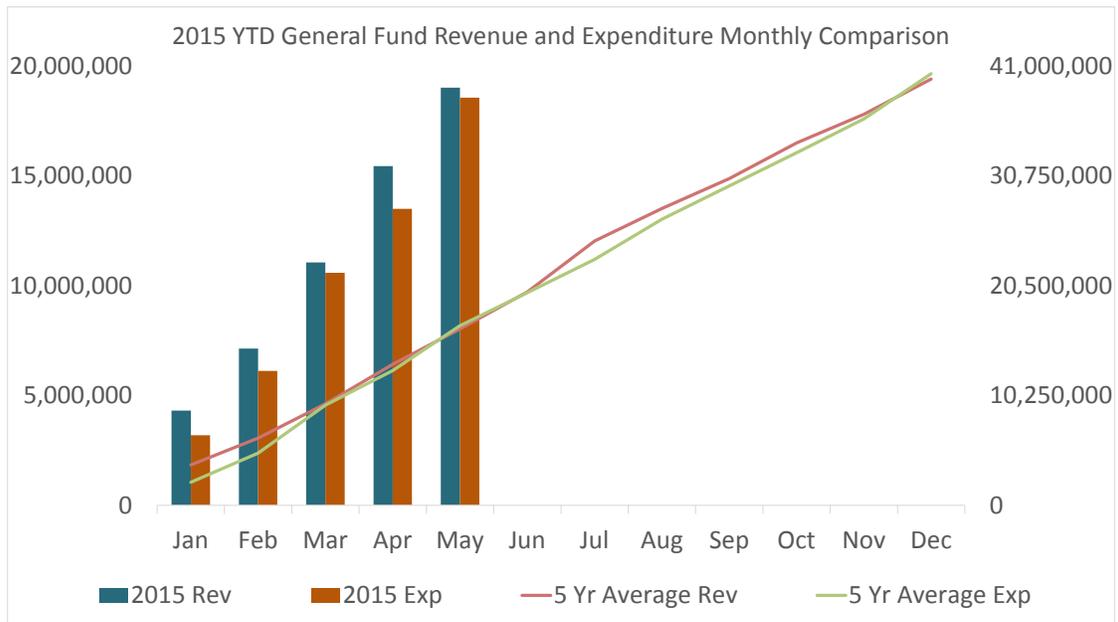
EXPENDITURES:

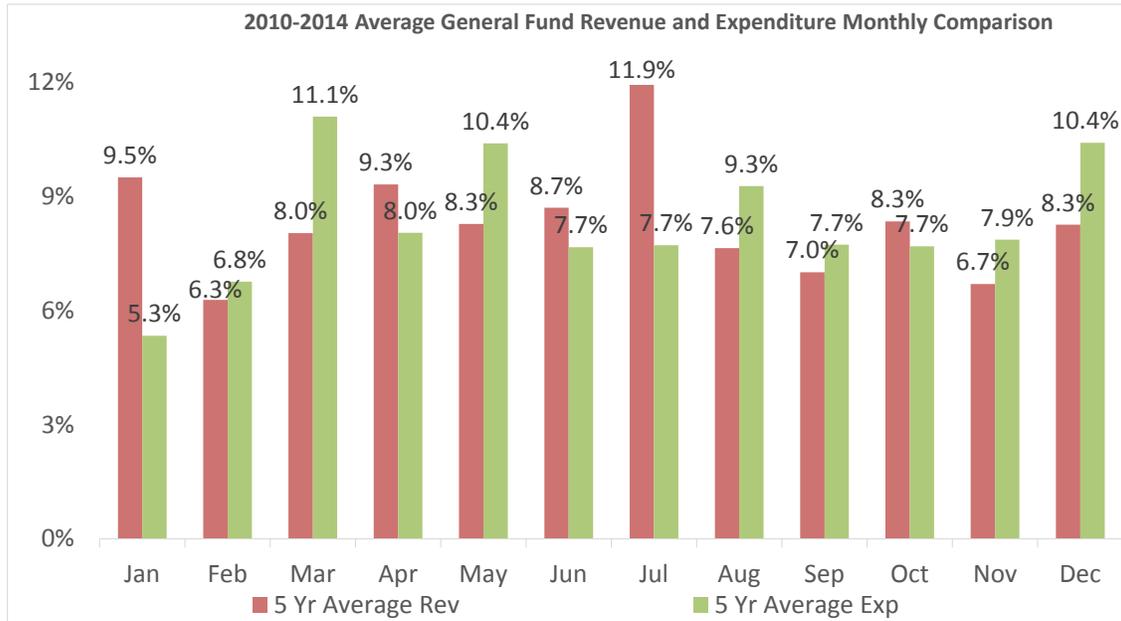
- Expenditures through May 2015 were \$18,547,356 or \$1,511,122 (8.9 percent) more than the \$17,036,234 expended through May 2014.

Department	\$ YTD Variance CY vs PY	% YTD Variance CY vs PY	Comments - The expenditure variance narrative is updated quarterly; however, the variance figures listed are updated monthly.
Legislation	(6,963)	-4.51%	
City Attorney	(2,441)	-0.88%	
Court	15,539	4.42%	
City Manager	33,876	11.78%	
Human Resources	76,885	53.96%	
Financial Services	57,737	9.37%	
Information Technology	52,703	10.36%	
Public Works	44,214	1.99%	
Fire Department	858,195	26.34%	
Police Department	377,990	7.89%	
Community Development	40,459	9.27%	
Library	29,613	6.93%	
Recreation	(106,793)	-5.30%	
Debt Service	16,652	1.10%	
Contingency	23,456	61.62%	
Total Expenditures	1,511,122	8.87%	

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures by \$455,409 this year compared to revenues exceeding expenditures by \$448,021 in 2014.





The graphs above show how closely the revenue and expenditure track on a monthly basis. The five year average is for the period January 2010 through December 2014.

TRANSFERS:

- Net 2014 transfers-out to date of \$1,525,740 were made by the end of May 2015 (please refer to page 16). Please note this includes a transfer of \$1,500,000 to the Public Improvement Fund for the Dartmouth Bridge (Reso 43, 2015), \$361,516 Recreation Center HVAC (Reso 43 and 53, 2015), \$10,000 for the Council Chambers Improvements (Reso 50, 2015) Projects and \$51,450 transferred in from the Donors Fund for the City’s Branding/Marketing Initiative (Reso 54, 2015).

FUND BALANCE:

- The estimated total fund balance is \$7,744,501 or 18.6 percent of estimated revenue. The estimated unassigned fund balance for 2015 is projected at \$3,681,402 or 8.8 percent of estimated revenues.
- The 2015 estimated Long Term Asset Reserve (LTAR) balance is \$2,663,099 (please refer to page 16).

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$4,070,410 in revenues and spent \$3,237,288 year-to-date. Prior to adjustments to budget estimates, the estimated year-end fund balance is \$1,046,554.

City of Englewood, Colorado

May 2015 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.

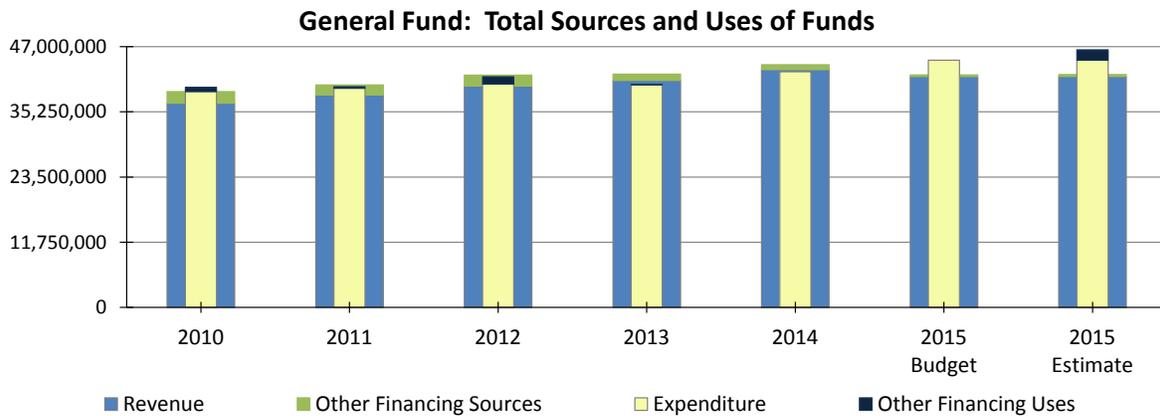
The financial report provides on a periodic basis the review of the actual revenues and expenditures as compared to the budget. This point in time analysis compares the current year to the prior year and determines if the revenues and expenditures are on track with the budget. By monitoring the financial 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 2010 to 2015 Estimate. 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.



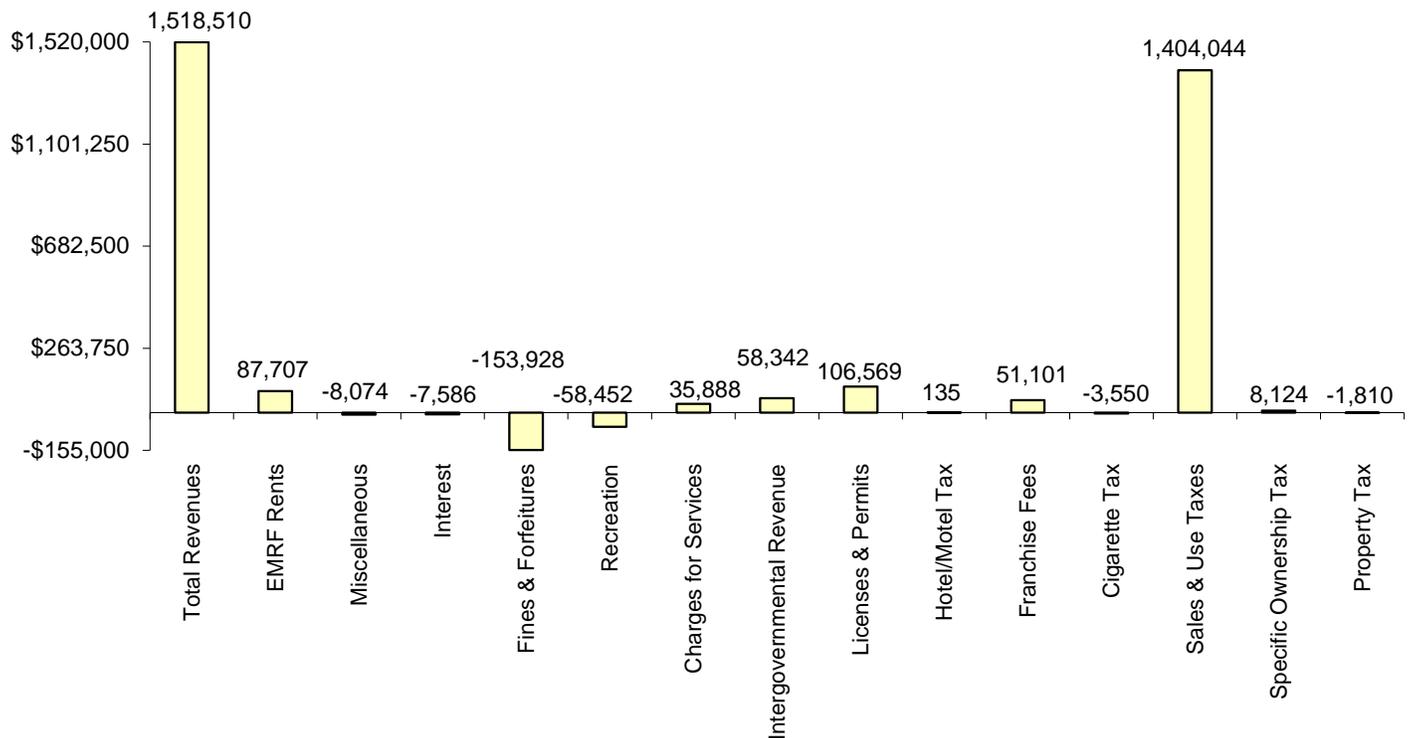
The following table summarizes General Fund Year-To-Date (YTD) Revenue, Expenditure, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended May, 2015. Comparative figures for years 2014 and 2013 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	May-15	2015 vs 2014		May-14	2014 vs 2013		May-13
		Increase (Decrease)			Increase (Decrease)		
General Fund							
Year-To-Date Revenue	\$ 19,002,765	\$ 1,518,510	8.69%	\$ 17,484,255	\$ 655,339	3.89%	\$ 16,828,916
Year-To-Date Expenditure	18,547,356	1,511,122	8.87%	17,036,234	254,765	1.52%	16,781,469
Net Revenue (Expenditure)	\$ 455,409	\$ 7,388		\$ 448,021	\$ 400,574		\$ 47,447
Unassigned Fund Balance	\$ 3,681,402	\$ (4,466,751)	(54.82%)	\$ 8,148,153	\$ 1,272,448	18.51%	\$ 6,875,705
Sales & Use Tax Revenue YTD	\$ 11,824,380	\$ 1,404,044	13.47%	\$ 10,420,336	\$ 675,022	6.93%	\$ 9,745,314
Outside City Sales & Use Tax YTD	\$ 4,054,574	\$ 827,279	25.63%	\$ 3,227,294	\$ 82,151	2.61%	\$ 3,145,143

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$41,625,698. Total revenue collected through May 2015 was \$19,002,765 or \$1,518,510 (8.7 percent) more than was collected in 2014. The chart below illustrates changes in General Fund revenues this year as compared to last year.

2015 Year-To-Date Change in General Fund Revenue as Compared to Prior Year

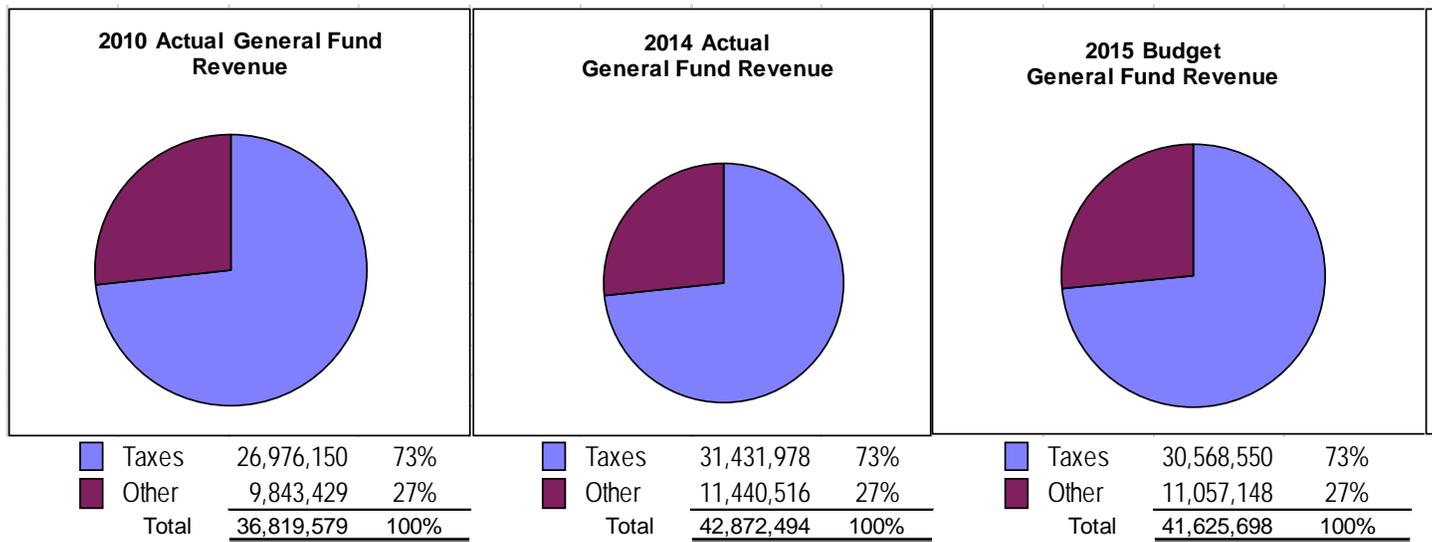


General Fund - Taxes

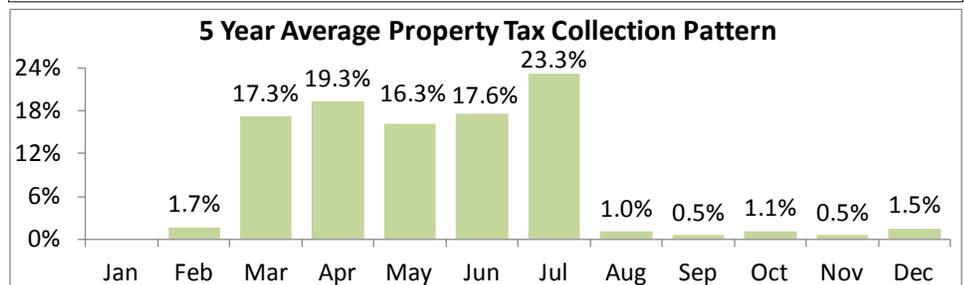
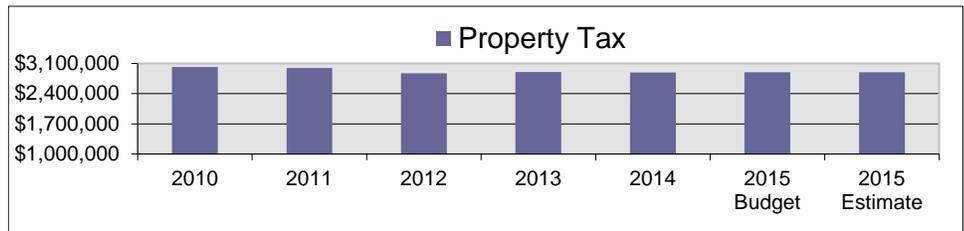
The General Fund obtains most of its revenue from taxes. In 2014 total revenues were \$42,872,494 of which \$31,431,978 (73.3 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The pie charts on the next 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



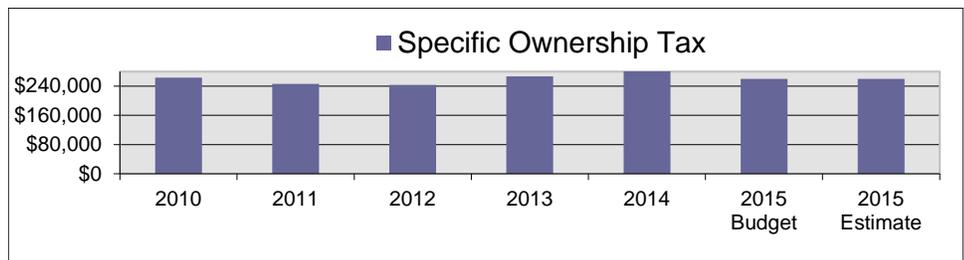
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2014 mill levy collected in 2015 is 8.124 mills. The 2014 mill levy for general operations collected in 2015 is 5.880 mills. Voters 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. This dedicated general obligation debt mill levy is accounted for in the Debt Service Fund. Property tax collections declined from \$3,020,884 in 2010 to \$2,892,433 in 2014. This was a decrease of \$128,451 or 4.2 percent.



Property Tax Mill Levy	2009	2010	2011	2012	2013	2014 Budget	2014 Estimate	2015 Budget
General Fund	5.880	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	2.244
Total Mill Levy	7.827	7.911	8.010	7.621	7.794	8.124	8.124	8.124

In 2014 the City collected \$2,892,433 or 9.2 percent of 2014 total taxes and 6.8 percent of total revenues from property taxes. The City budgeted \$2,900,000 for 2015; and collected \$1,749,403 through May 2015. The estimate for the year is \$2,900,000.

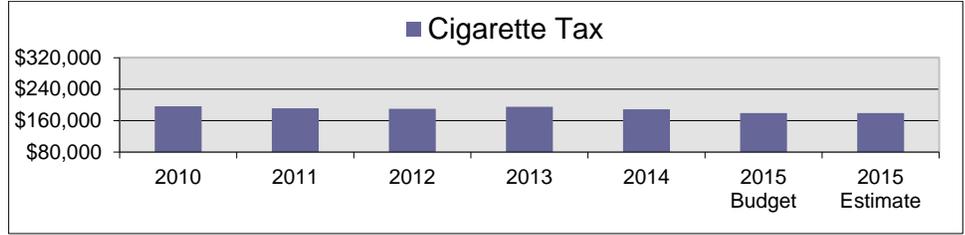
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$263,434 in 2010 and \$291,670 in



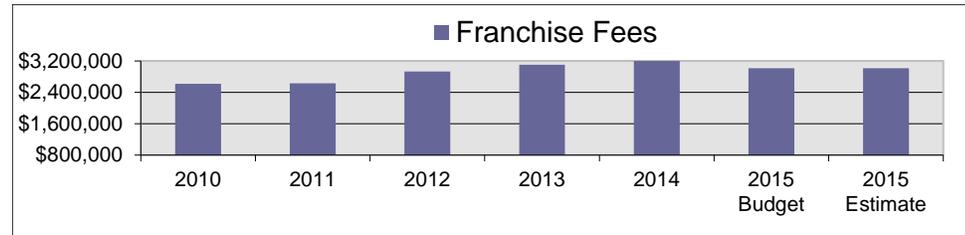
2014 which is an increase of \$28,236 or 10.7 percent. The City collected \$291,670 in 2014 which is less than one percent

of total revenues and total taxes. The City budgeted \$260,000 for 2015 and collected \$104,204 through May 2015. The estimate for the year is \$260,000.

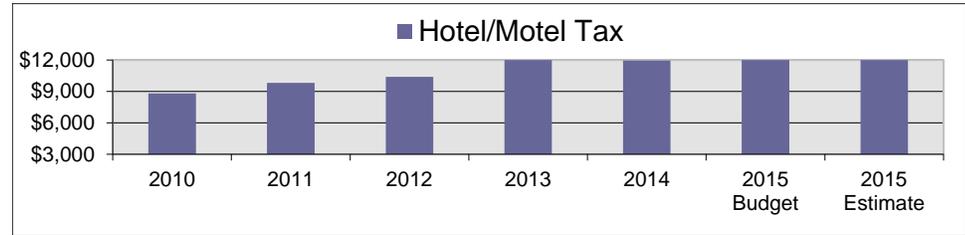
Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen significantly in the past and continue to fall 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 2010 the City collected \$196,320, but in 2014 the City collected \$188,652, which is a decrease of \$7,668 or 3.9 percent. These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2014. The City budgeted \$179,000 for the year and collected \$72,053 through May 2015, which is \$3,550 or 4.7 percent less than the \$75,603 collected in same period last year. 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 \$2,620,191 in 2010 and \$3,207,978 in 2014, an increase of \$587,787 or 22.4 percent. These taxes accounted for 10.2 percent of taxes and 7.5 percent of total revenues in 2014. The City budgeted \$3,017,550 for the year; collections through May totaled \$1,187,003 compared to \$1,135,902 collected during the same period last year. The estimate for the year is \$3,017,550.

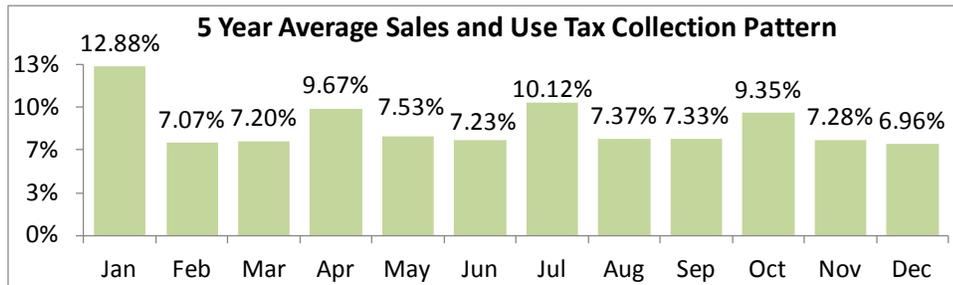
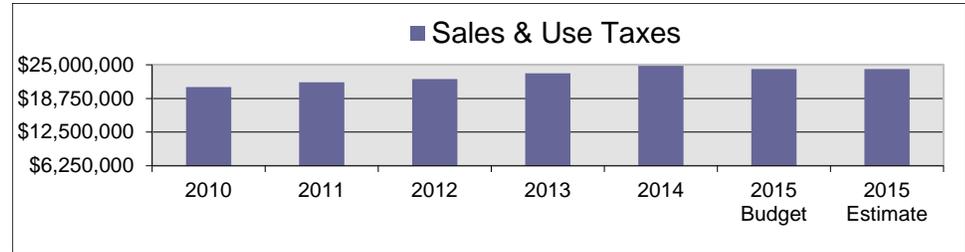


Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for *under* 30 days duration. The City budgeted \$12,000 for the year and has collected \$5,167 through May 2015. The estimate for the year is \$12,000.



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 79 percent of all taxes and 58 percent of total revenues collected in 2014. In 2010, this tax generated \$20,866,515 for the City of Englewood; in 2014 the City collected \$24,839,297, an increase of \$3,972,782 (19 percent). 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



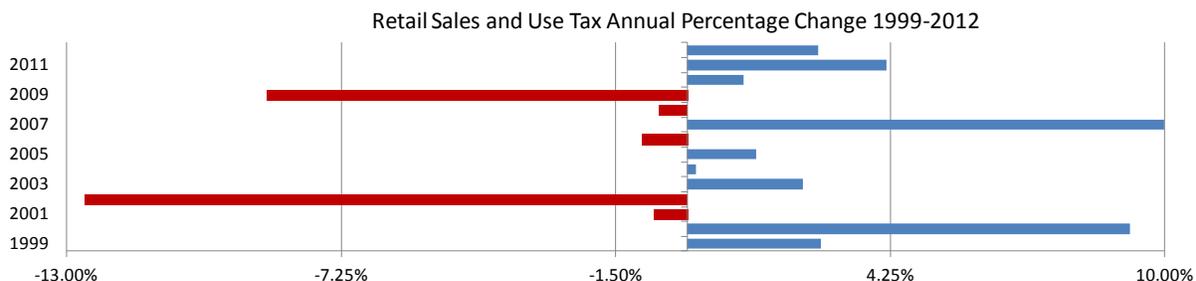
for the current month are due to the City by the twentieth day of the following month. The City budgeted \$24,200,000 for 2015. Sales and Use Tax revenue (cash basis) through May 2015 was \$11,824,380 while sales tax collected year-to-date for May 2014 was \$10,420,336, an increase of \$1,404,044 or 13.5 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 24.

Collections (cash basis) for May 2015 were \$1,959,381 while collections for May 2014 and May 2013 were \$1,720,123 and \$1,686,011 respectively. May 2015 collections were 13.9 percent or \$239,258 more than May 2014 collections and \$273,371 or 16.2 percent more than May 2013 collections.

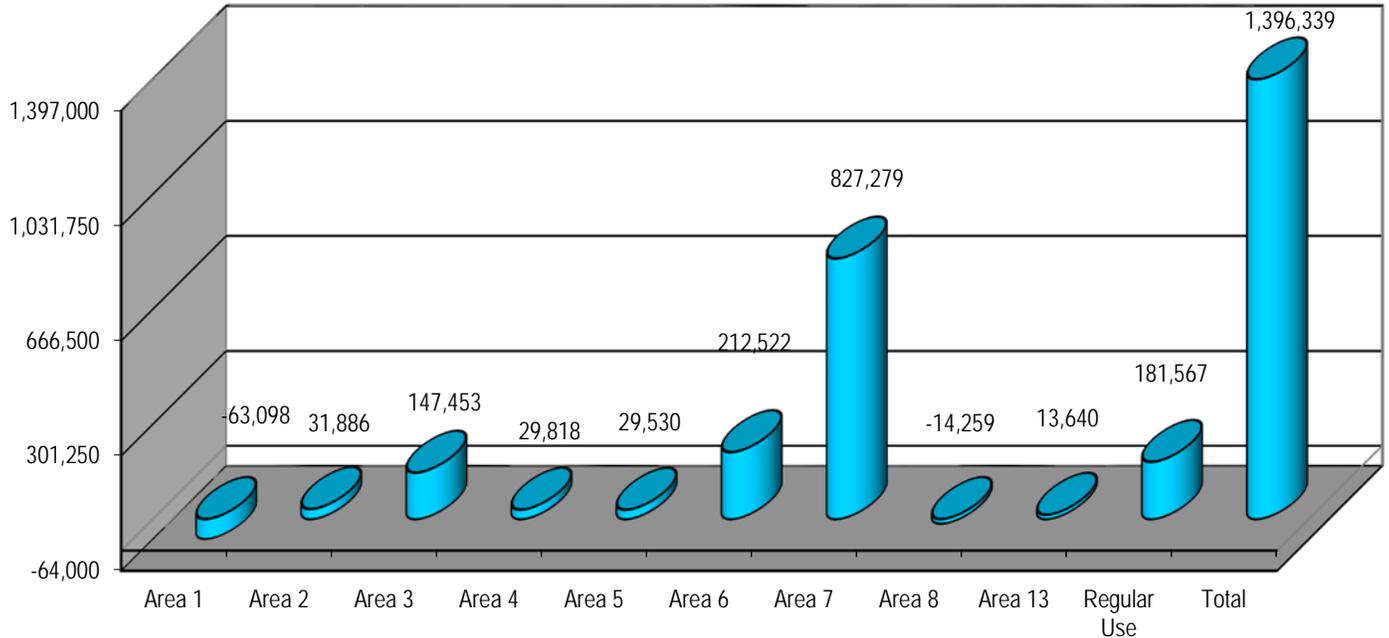
Based on the last five years of sales tax collection data, May contributes 42.7 percent of total year’s sales tax collections; if this pattern holds this year, 57.3 percent is left to collect over the remainder of the year. Based on year-to-date collections, the City will collect an additional \$15,900,748 over the remainder of the year for a total of \$27,701,651. Collections through May were 113.4 percent of last May collections. If this were applied to the entire year, the total collected would be \$28,132,289. The average of the two forecasts is \$27,916,970 (\$3,716,970,082 or 15.4 percent over the amount budgeted for the year). The estimate for the year remains at the amount originally budgeted until more information is collected and analyzed.

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 2015 vs. 2014,” 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 2015 vs 2014

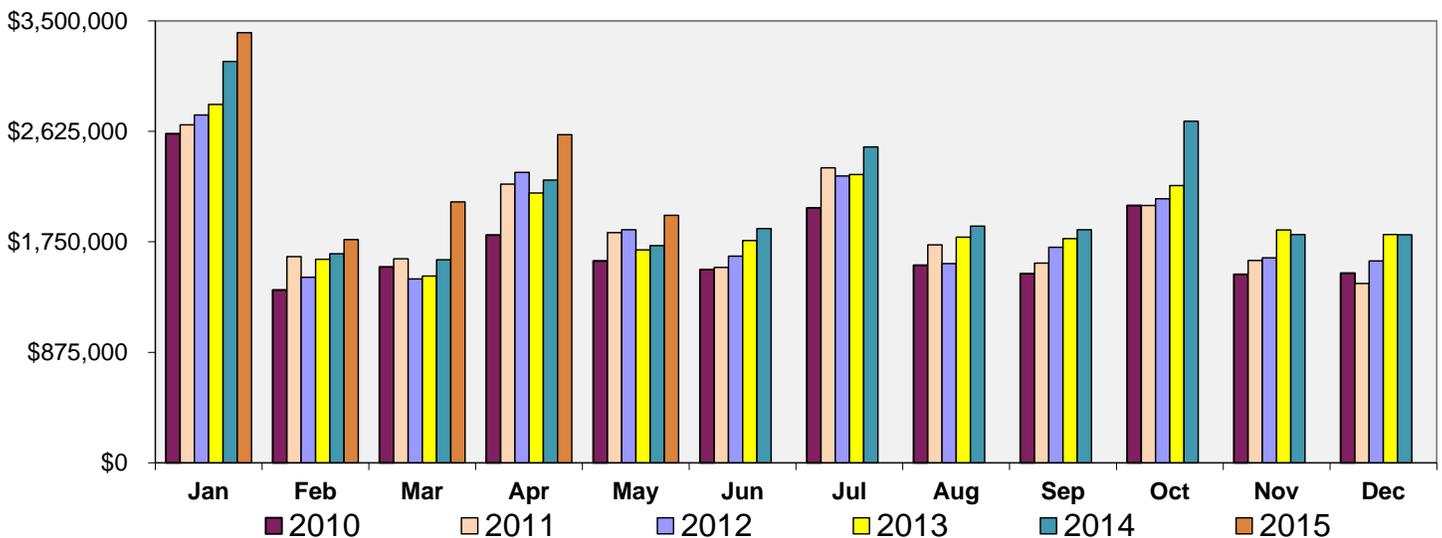


Please note that the geographic map of the sales tax areas was changed within the first quarter of 2012, and hopefully makes more sense. Some of the areas will look skewed until more comparable data is available in 2013. EURA Areas 9 & 10 and EURA Areas 11 & 12 were incorporated into Areas 1, 2 and 6.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

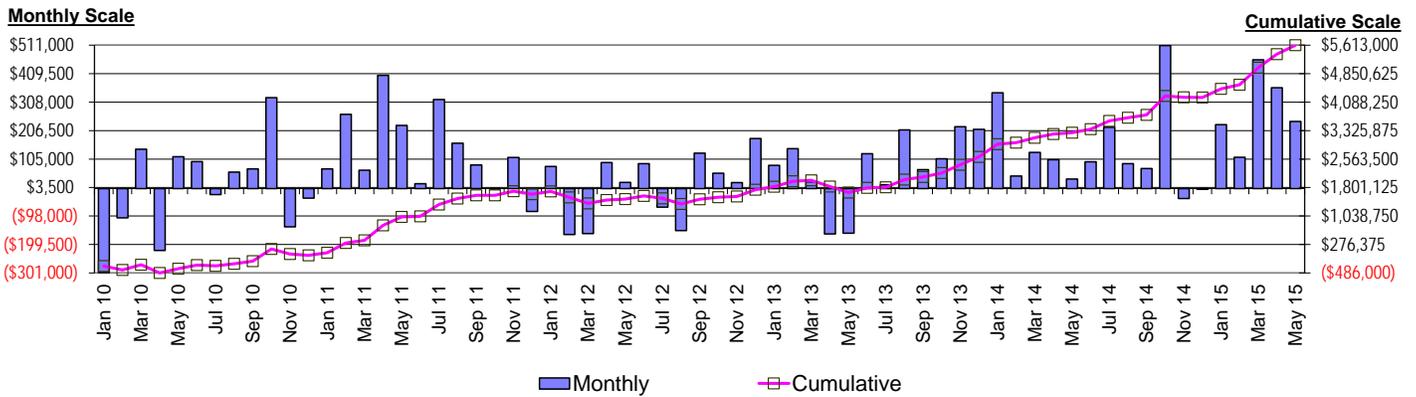
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2010 through 2015.

2010-2015 YTD Sales/Use Tax Collections by Month - Cash Basis



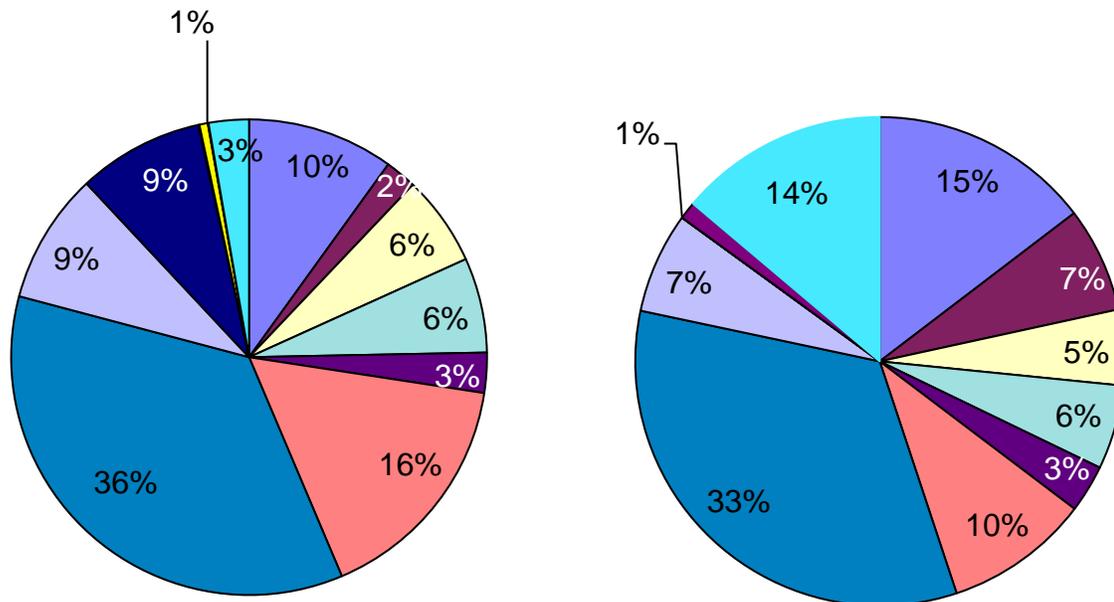
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented. For the period presented, the bar graph depicts the change in collections for a month as compared to the prior year, while the cumulative line graph is based on the beginning period monthly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

2010 - 2015 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 2010 and 2014.

Geographic Sales Tax Collection Areas



2010 Actual Cash Receipts by Area

Area 1	10%	Area 8	9%
Area 2	2%	Area 9 & 10	9%
Area 3	6%	Area 11 & 12	1%
Area 4	6%	Area 13	0%
Area 5	3%	Regular Use	3%
Area 6	16%		
Area 7	36%		

2014 Cash Receipts by Area

Area 1	15%	Area 8	7%
Area 2	7%	Area 9 & 10	0%
Area 3	5%	Area 11 & 12	0%
Area 4	6%	Area 13	1%
Area 5	3%	Regular Use	14%
Area 6	10%		
Area 7	33%		

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 \$1,433,367 year-to-date or 4.2 percent less than was collected during the same period last year.

Area 5: This area includes the remodeled King Soopers. Year to date collections for December were \$29,530 or 8.5 percent higher than last year. Collections this year are ahead of collections in any year in the past five years. The closure of the Littleton King Soopers Store (Broadway and Littleton Blvd) has had a significant impact to the increased collections of this area. The Littleton King Soopers Store reopened in Jan 2015 so collections in the future may not grow quite as much as the past.

Area 6: This geographic area is up 17.8 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 25.5 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 YTD revenues since 2011. 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Sales and Use Tax Revenue	9,357,492	9,823,818	9,745,314	10,420,336	11,824,380
Outside City Collections	3,847,534	3,453,272	3,145,143	3,227,294	4,054,574
Percentage of Total	41.1%	35.2%	32.3%	31.0%	34.3%
Total General Fund Revenues	16,065,792	16,497,083	16,828,916	17,484,255	19,002,765
Outside City Collections	3,847,534	3,453,272	3,145,143	3,227,294	4,054,574
Percentage of Revenues	23.9%	20.9%	18.7%	18.5%	21.3%

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 \$14,897 in sales/use tax claims through May 2015 compared to \$69,543 through May 2014. 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 May were 1.9 percent less 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 May were \$139,098 compared to \$125,458 last year.

Other Sales Tax Related Information

Finance and Administrative Services Department collected \$143,701 in sales and use tax audit revenues and general collections of balances on account through the month of May 2015, this compares to \$113,059 collected in 2014 and \$64,737 collected in 2013.

Of the 79 sales tax accounts reviewed in the various geographic areas, 60 (76 percent) showed improved collections and 19 (24 percent) showed reduced collections this year compared to the same period last year.

The Department issued 184 new sales tax licenses through May 2015; 187 and 167 were issued through May 2014 and 2013 respectively.

City records indicate that year-to-date 169 businesses closed (110 were outside the physical limits of Englewood) and 184 opened (120 of them were outside the physical limits of Englewood).

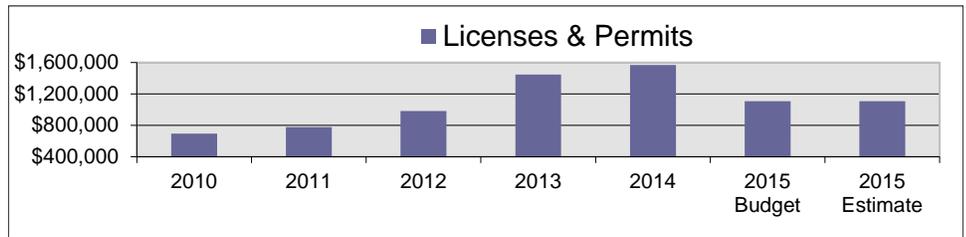
General Fund - Other Revenue

Other revenues (including McLellan rent) accounted for \$11,440,516 or 26.7 percent of the total revenues for 2014. The City budgeted \$11,057,148 for 2015.

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

Licenses and Permits:

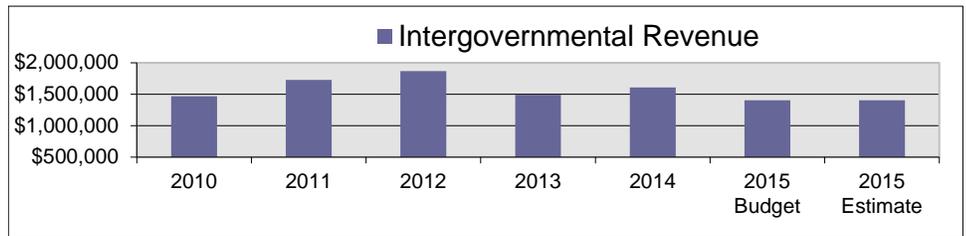
This revenue category includes fees from business and building licenses and permits. This revenue source generated \$1,576,121 during 2014 or 3.7 percent of total revenue and 13.8 percent of total other revenue. This revenue source totaled \$695,563 in 2010 and increased to \$1,576,299 in 2014, a 126.6 percent increase. The City budgeted \$1,107,122 for 2015 and year-to-date collected \$629,324 or \$106,569 (20.4 percent) more than the \$522,755 collected through May 2014. The estimate for the year is \$1,107,122.



Intergovernmental Revenues:

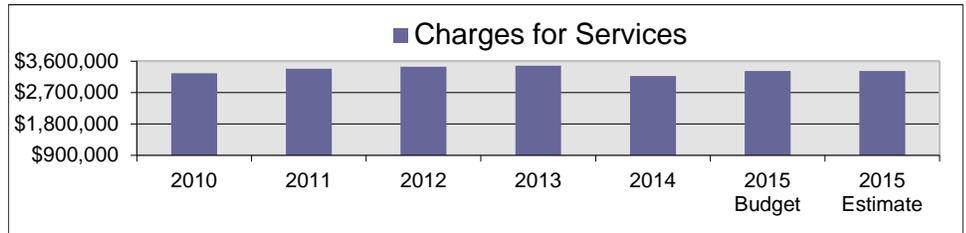
This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,400,924 for 2015. This revenue source totaled \$1,465,970 in 2010 and the City

collected \$1,869,045 in 2014, a 27.5 percent increase. The City collected \$544,033 through May 2015 this is \$58,342 more than the \$485,691 collected in the same period last year. The estimate for the year is \$1,400,924.



Charges for Services:

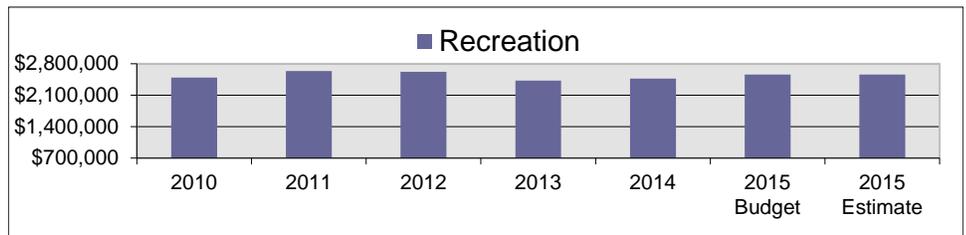
This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,335,262 for 2015. This revenue source totaled \$3,254,830 in 2010 and decreased to \$3,125,032 in 2014, a 1.2 percent decrease. Total collected year-to-date was \$1,337,046 or \$35,888 (2.8 percent) more than the \$1,301,158 collected year-to-date last year. The estimate for the year is \$3,335,262.



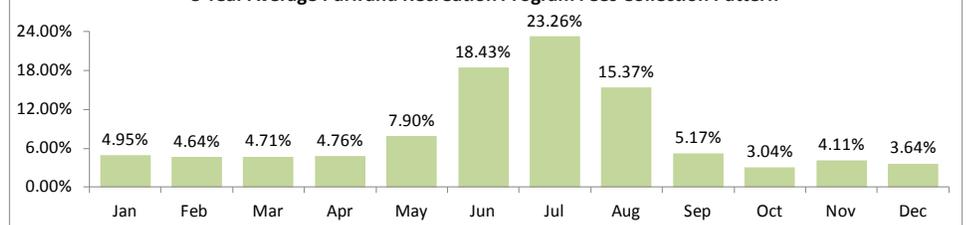
Recreation:

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 \$2,556,900 for 2015.

This revenue source totaled \$2,489,781 in 2010 and decreased to \$2,466,421 in 2014, a .9 percent decrease. Total collections through May 2015 were \$602,254 compared to \$660,706 collected year-to-date last year. The estimate for the year is \$2,556,900.

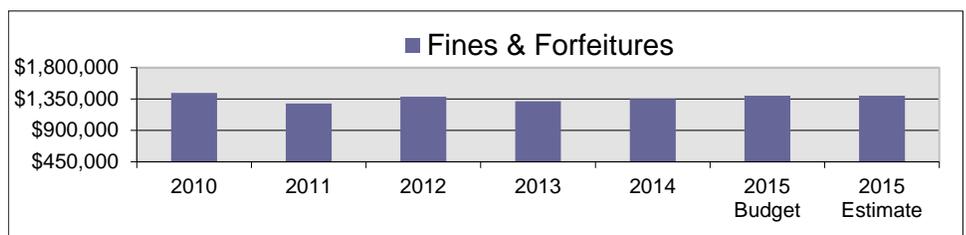


5 Year Average Park and Recreation Program Fees Collection Pattern



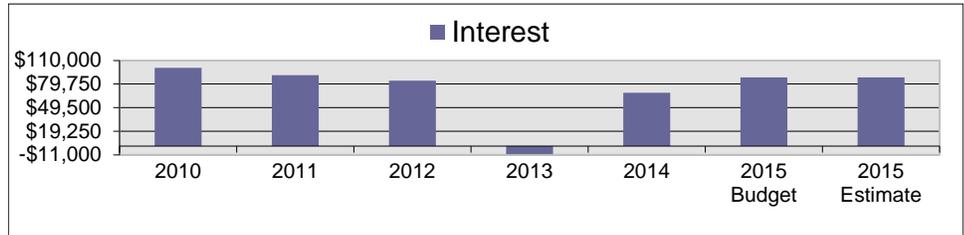
Fines and Forfeitures:

This revenue source includes court, library, and other fines. The 2015 budget for this source is \$1,396,844. This revenue source totaled \$1,437,957 in 2010 and decreased to \$1,350,164 in 2014, a 6.1 percent decrease. Total collected

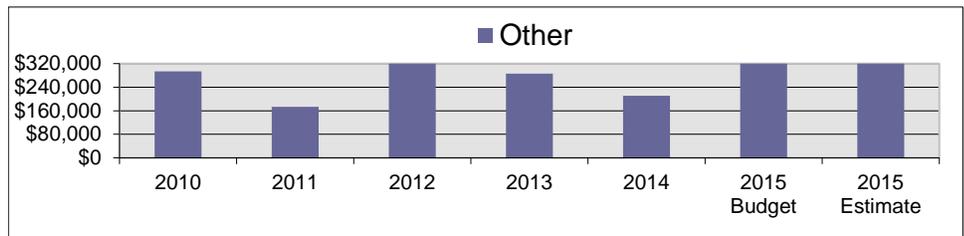


year-to-date was \$436,204 or \$58,452 (8.8 percent) less than the \$590,132 collected in the same time period last year. The estimate for the year may be adjusted in May.

Interest: This is the amount earned on the City’s cash investments. The 2015 budget for this source is \$88,164. This revenue source totaled \$100,545 in 2010 and decreased to \$68,342 in 2014, a 32 percent decrease. The City earned \$47,368 through May 2015; compared to \$54,954 through the same period last year. The estimate for the year is \$88,164.



Other: This source includes all revenues that do not fit in another revenue category. The 2015 budget for this source is \$313,050. This revenue source totaled \$293,658 in 2010 and decreased to \$210,530 in 2014, a 28.3 percent decrease. Total collected year-to-date is \$82,955 (8.9 percent) less than the \$91,029 collected last year during the same period. The estimate for the year is \$313,050.



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.

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. Underground/relocation of current overhead utility lines; Relocation and demolition of existing sewer line; Construction of underground detention/water quality; and Potential relocation of city ditch (depending on the development plan of northern parcel).
KRF II LLC (dba Kentro Group) for the Rite Aid Pharmacy	

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:

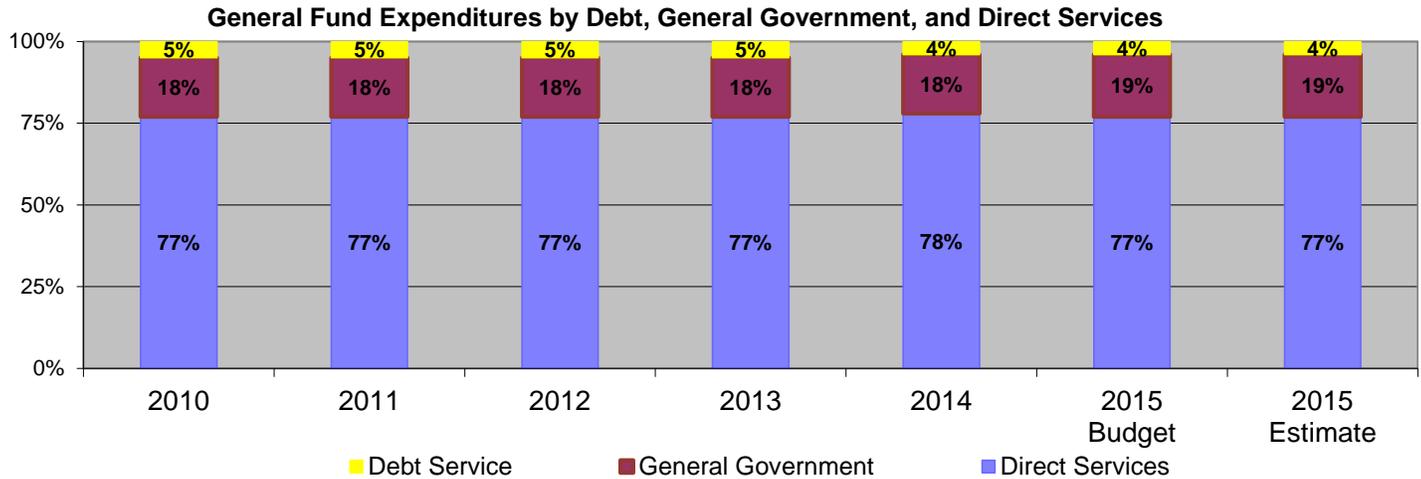
- ▶ A City that provides and maintains quality infrastructure,
- ▶ A safe, clean, healthy, and attractive City,
- ▶ A progressive City that provides responsive and cost efficient services,
- ▶ A City that is business friendly and economically diverse, and
- ▶ A City that provides diverse cultural, recreational,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

*The 2015 Budget will be the last year to incorporate the Outcome Based Budget philosophy. Beginning with the preparation of the 2016 Budget, the City will turn its direction to **Priority Based Budgeting** (PBB). PBB is a process used by cities to understand their larger community priorities/values, and budget accordingly to those priorities/values, while providing flexibility in order to meet the changing needs of*

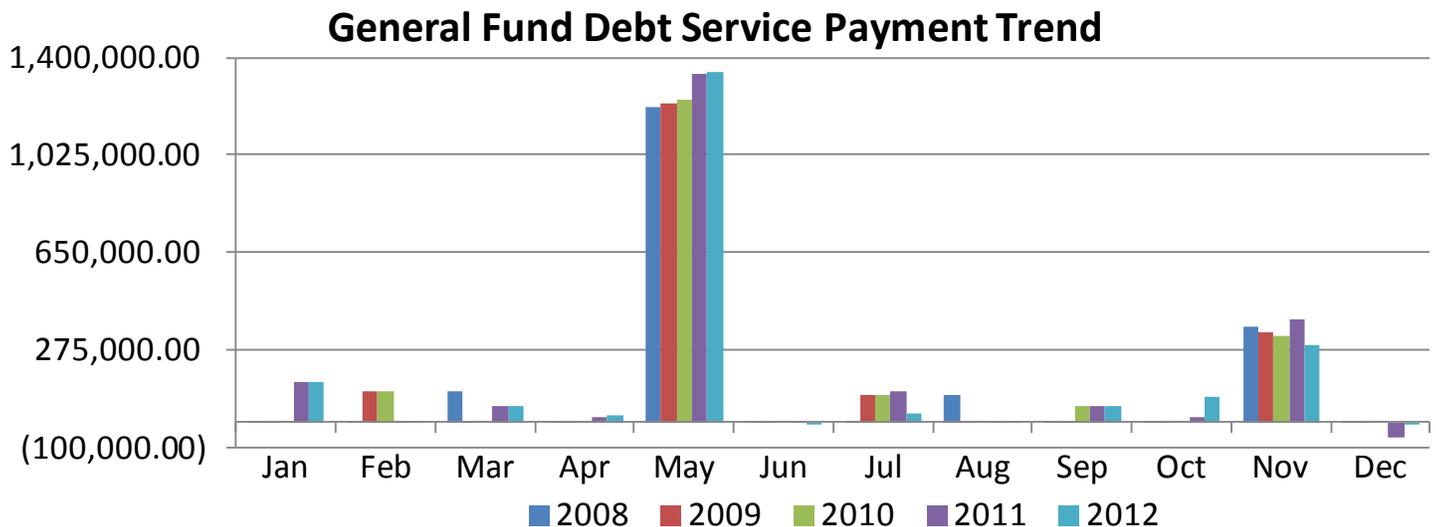
the community. The PBB approach will help us develop a strategic budget that both reflects our community values and ensures that residents will continue to receive a high level of city services.

The City budgeted total expenditures at \$44,566,709 for 2015, this compares to \$42,467,619 and \$40,125,364 expended in 2014 and 2013 respectively. Budgeted expenditures for 2015 general government (City Manager, Human Resources, etc.) totals \$8,245,597 or 18.5 percent of the total. Direct government expenditures (Police, Fire, etc.) are budgeted at \$34,457,798 or 77.3 percent of the total. Debt service (fixed costs) payments are \$1,863,314 or 4.2 percent of the total. Total expenditures through May were \$13,494,240 compared to \$12,745,115 in 2014 and \$12,470,063 in 2013. The expenditure estimate for the year is \$44,566,709.

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



For illustrative purposes and based on the 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 2010 through 2015 Budget.

Expenditure	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget
General Government						
Legislation	309,870	298,731	316,043	280,920	329,738	357,575
City Manager	659,882	639,184	658,047	675,844	673,402	731,307
City Attorney	702,228	706,841	712,036	719,781	726,377	869,106
Municipal Court	901,469	848,775	886,249	922,245	942,264	1,085,494
Human Resources	419,422	430,792	469,343	408,551	441,955	482,893
Finance & Administrative Services	1,445,581	1,446,313	1,464,305	1,533,061	1,566,733	1,805,052
Information Technology	1,280,660	1,332,766	1,373,943	1,336,590	1,348,275	1,425,389
Community Development	1,301,473	1,359,264	1,262,451	1,113,710	1,128,034	1,288,781
Contingencies	48,138	152,423	143,810	88,360	211,623	200,000
Contribution to Component Unit(s)	-	-	-	-	-	-
General Government Subtotal	7,068,723	7,215,089	7,286,227	7,079,062	7,368,401	8,245,597
Direct Services						
Public Works	5,137,364	5,259,875	5,202,903	5,234,382	5,440,975	5,790,091
Police	10,312,633	10,395,239	10,788,935	11,226,157	11,872,226	12,157,100
Fire	7,425,903	7,666,842	8,100,554	8,002,677	9,176,241	9,139,834
Library	1,284,083	1,145,613	1,180,771	1,174,656	1,165,446	1,317,657
Parks and Recreation	5,811,809	5,717,147	5,649,246	5,402,600	5,574,428	6,053,116
Direct Services Subtotal	29,971,792	30,184,716	30,922,409	31,040,472	33,229,316	34,457,798
Debt Service						
Debt Service-Civiccenter	1,570,705	1,658,857	1,570,921	1,565,625	1,434,082	1,568,988
Debt Service-Other	290,122	437,606	486,030	440,205	435,820	294,326
Debt Service Subtotal	1,860,827	2,096,463	2,056,951	2,005,830	1,869,902	1,863,314
Total Expenditure	38,901,342	39,496,268	40,265,587	40,125,364	42,467,619	44,566,709
% Expenditure Change	-2.25%	1.53%	1.95%	-0.35%	5.84%	10.68%
Other Financing Uses						
Transfers Out	750,000	301,246	1,339,330	73,006	-	0
Total Other Financing Uses	750,000	301,246	1,339,330	73,006	0	0
Total Uses of Funds	39,651,342	39,797,514	41,604,917	40,198,370	42,467,619	44,566,709
% Uses of Funds Change	-0.81%	0.37%	4.54%	-3.38%	5.65%	7.12%

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.

	2010	2011	2012	2013	2014	2015 Budget
Population*	30,375	30,799	31,286	31,675	31,675	31,675
General Fund						
General Government Services	\$ 233	\$ 234	\$ 233	\$ 223	\$ 233	\$ 260
Direct Services	\$ 987	\$ 980	\$ 988	\$ 980	\$ 1,049	\$ 1,088
Public Works	\$ 169	\$ 171	\$ 166	\$ 165	\$ 172	\$ 183
Police	\$ 340	\$ 338	\$ 345	\$ 354	\$ 375	\$ 384
Fire	\$ 244	\$ 249	\$ 259	\$ 253	\$ 290	\$ 289
Library	\$ 42	\$ 37	\$ 38	\$ 37	\$ 37	\$ 42
Parks & Recreation	\$ 191	\$ 186	\$ 181	\$ 171	\$ 176	\$ 191
Debt Service	\$ 61	\$ 68	\$ 66	\$ 63	\$ 59	\$ 59
Total Expenditure Per Capita	\$ 1,281	\$ 1,282	\$ 1,287	\$ 1,267	\$ 1,341	\$ 1,407
Debt Service Fund						
General Obligation Debt Per Capita	\$ 36	\$ 31	\$ 31	\$ 30	\$ 35	\$ 35

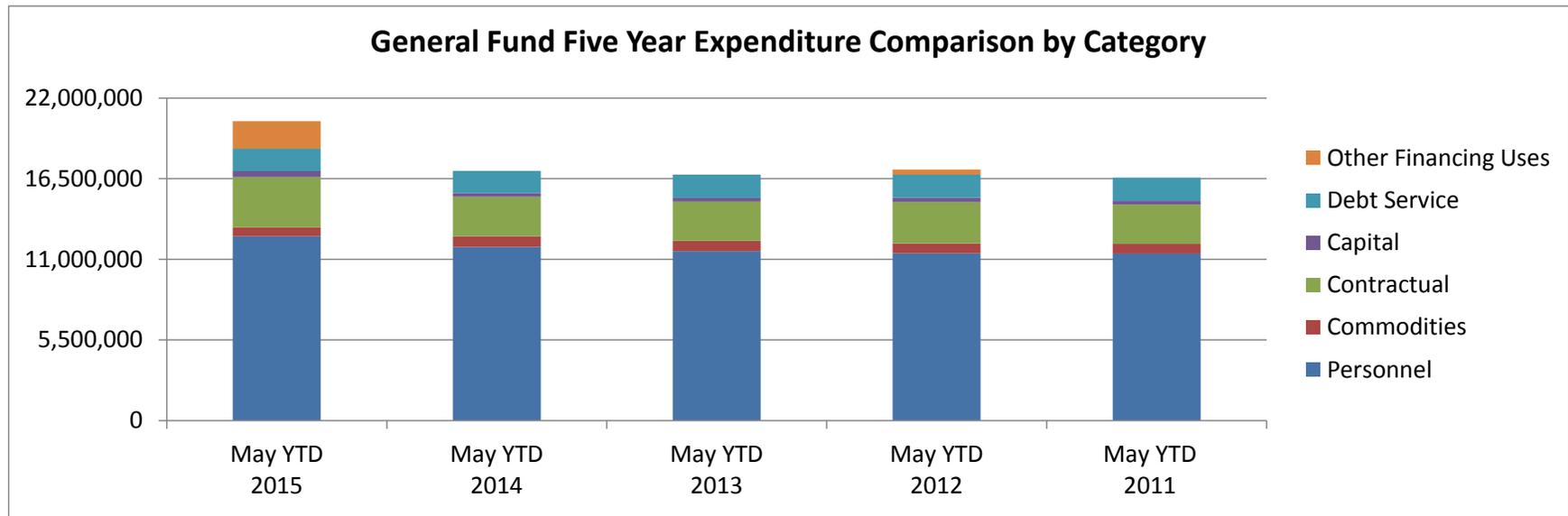
* Source: Colorado Department of Local Affairs Municipal Population Estimates By County

City of Englewood, Colorado

General Fund - Five Year Expenditure Comparison by Category

	May YTD 2015	YTD % Change	% of Total	May YTD 2014	YTD % Change	% of Total	May YTD 2013	YTD % Change	% of Total	May YTD 2012	YTD % Change	% of Total	May YTD 2011	% of Total
Personnel services														
Salaries and wages	8,684,932	6.030%	19.487%	8,190,721	-0.870%	19.287%	8,262,919	0.170%	20.555%	8,248,758	-0.570%	19.826%	8,296,428	20.847%
Overtime	325,427	13.630%	0.730%	286,390	25.870%	0.674%	227,522	-19.810%	0.566%	283,726	48.050%	0.682%	191,641	0.482%
Benefits	3,555,992	5.510%	7.979%	3,370,195	10.090%	7.936%	3,061,226	6.570%	7.615%	2,872,532	-0.960%	6.904%	2,900,321	7.288%
Personnel services total	12,566,351	6.070%	28.197%	11,847,305	2.560%	27.897%	11,551,668	1.290%	28.737%	11,405,017	0.150%	27.413%	11,388,390	28.616%
Commodities total	599,600	-16.910%	1.345%	721,605	2.280%	1.699%	705,496	4.590%	1.755%	674,544	1.740%	1.621%	663,026	1.666%
Contractual services total	3,447,077	27.910%	7.735%	2,695,029	0.520%	6.346%	2,681,119	-5.050%	6.670%	2,823,690	5.990%	6.787%	2,664,185	6.694%
Capital total	400,198	57.050%	0.898%	254,815	5.150%	0.600%	242,324	-18.470%	0.603%	297,214	6.540%	0.714%	278,978	0.701%
Total Expenditures	17,013,226	9.630%	38.175%	15,518,754	2.230%	36.543%	15,180,607	-0.130%	37.764%	15,200,464	1.370%	36.535%	14,994,579	37.677%
Debt service total	1,534,130	1.100%	3.442%	1,517,477	-5.210%	3.573%	1,600,864	1.240%	3.982%	1,581,331	1.220%	3.801%	1,562,254	3.926%
Other financing uses total	1,871,516			0			0			334,000			0	
Total Uses of Funds	20,418,871	0.000%	41.617%	17,036,231	0.000%	40.116%	16,781,471	0.000%	41.747%	17,115,795	0.000%	40.336%	16,556,833	41.603%
Annual Total	44,566,709	4.943%		42,467,619	5.645%		40,198,370	-3.381%		41,604,917	4.541%		39,797,514	
YTD % of Annual Total	45.816%			40.116%			41.747%			41.139%			41.603%	

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General Fund - Transfers

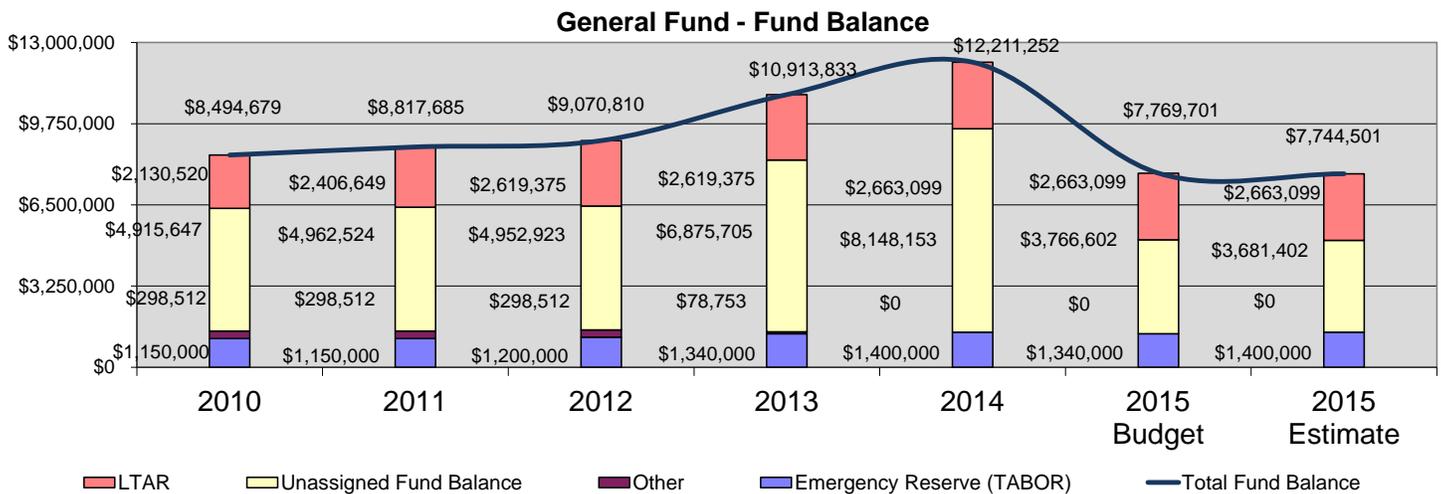
The General Fund has provided funds to and has received funds from Special Revenue Funds, Capital Projects Funds, and Internal Service Funds in order to buffer temporary gaps in revenue and expenditure amounts. The General Fund received the following net transfers:

Source of Funds	2015 Budget Amount	2015 YTD Net Amount	2014 Net Annual Amount
Special Revenue Funds			
Donors Fund	\$ -	\$ 51,450	\$ -
Capital Project Funds			
Public Improvement Fund (PIF)	294,326	(1,577,190)	\$ 479,544
Enterprise Funds			
Golf Course Fund	-	-	63,000
Internal Service Funds			
Central Services Fund	-	-	50,000
Servicenter Fund	-	-	300,000
Net Transfers In (Out) Total	\$ 294,326	\$ (1,525,740)	\$ 892,544

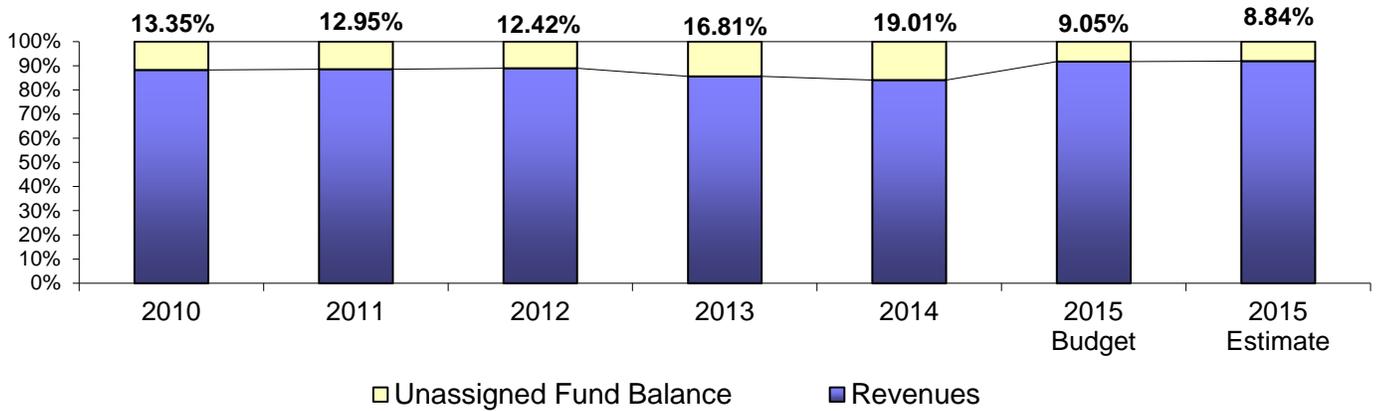
General Fund - Fund Balance

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 2014 was \$2,663,099. The current and estimated year-end LTAR balance is \$2,663,099.



Unassigned Fund Balance As A Percentage of Revenue



The City's General Fund ended 2014 with total reserves of \$12,211,252, and an unassigned fund balance of \$8,148,153 or 19 percent of revenues (19.2 percent of expenditures). The *budgeted* total reserves for 2015 are \$7,769,701 with an unassigned fund balance of \$3,766,602 or nine percent of budgeted revenues or 8.5 percent of budgeted expenditures. Estimated total reserves for 2015 are \$7,744,501 with an unassigned fund balance of \$3,681,402 or 8.8 percent of estimated revenue. The \$3,681,402 would allow the City to operate for approximately 30 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 2013 through 2015. 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)	2015	2015 vs 2014 Increase (Decrease)		2014	2014 vs 2013 Increase (Decrease)		2013
YTD Revenues	\$ 4,070,410	\$ 2,567,099	170.76%	\$ 1,503,311	\$ 515,670	52.21%	\$ 987,641
YTD Expenditures	3,237,288	\$ 243,853	8.15%	2,993,435	\$ 863,339	40.53%	2,130,096
Net Revenues (Expenditures)	\$ 833,122	\$ 2,323,246		\$ (1,490,124)	\$ (347,669)		\$ (1,142,455)
Beginning PIF Fund Balance	\$ 2,345,137			\$ 1,905,453			\$ 1,320,371
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 3,178,259			\$ 415,329			\$ 177,916
Plus: Remaining Annual Revenue	1,062,606			1,606,020			2,417,022
Less: Remaining Annual Appropriation	(3,194,311)			(2,003,133)			(1,590,088)
Estimated Ending Fund Balance	\$ 1,046,554			\$ 18,216			\$ 1,004,850
Unappropriated Fund Balance as of December 31,				\$ 869,835			\$ 785,553

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

	2015 Estimate	2015 Adopted Budget	2015 YTD Actual	2015 Vs 2014 Amount	%	2014 YTD Actual	2014 Vs 2013 Amount	%	2013 YTD Actual
Vehicle Use Tax	\$ 1,350,000	\$ 1,350,000	\$ 595,106	\$ 102,179	21%	\$ 492,926	\$ 21,173	4%	\$ 471,753
Building Use Tax	\$ 1,550,000	\$ 1,550,000	\$ 1,526,771	\$ 594,968	64%	\$ 931,802	\$ 652,811	234%	\$ 278,991
Arapahoe County Road and Bridge Tax	\$ 195,000	\$ 199,000	\$ 67,960	\$ (291)	0%	\$ 68,251	\$ (1,234)	-2%	\$ 69,485

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.

2015 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	12,211,250	18,621,393	18,547,355	(477,688)	4,063,099	7,744,501
Special Revenue Funds						
Conservation Trust	1,491,458	79,133	50,024	(1,498,626)	-	21,941
Open Space	1,562,993	4,317	377,871	(1,063,578)	-	125,861
Donors	346,859	265,882	35,986	(51,450)	-	525,305
Community Development	-	97,434	98,264	830	-	-
Malley Center Trust	233,626	1,740	-	-	-	235,366
Parks & Recreation Trust	457,594	7,917	1,897	-	-	463,615
Debt Service Fund						
General Obligation Bond	61,105	668,112	126,883	-	-	602,334
Capital Projects Funds						
PIF	2,345,137	2,198,894	714,573	(2,782,905)	-	1,046,554
MYCP	972,799	127,903	546,973	(541,410)	-	12,319
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	11,237,162	3,022,950	3,085,316	-	-	11,174,795
Sewer	4,539,031	7,156,394	4,355,120	-	1,000,000	6,340,305
Stormwater Drainage	1,232,976	169,668	37,641	-	102,500	1,262,504
Golf Course	672,683	632,824	646,924	-	215,773	442,810
Concrete Utility	499,552	601,960	90,862	-	-	1,010,650
Housing Rehabilitation	1,455,047	30,875	127,382	-	-	1,358,540
Internal Service Funds						
Central Services	73,390	117,768	122,557	-	-	68,601
ServiCenter	1,450,471	954,216	765,355	-	-	1,639,332
CERF	1,621,229	393,261	234,800	-	-	1,779,689
Employee Benefits	33,719	2,913,434	3,132,910	-	-	(185,757)
Risk Management	8,722	1,529,485	1,140,997	-	-	397,210

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. The City Council will be provided monthly financial 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.

This report will be reviewed with City Council at an upcoming study session. If you have any questions regarding this report, I can be reached at **303.762.2409**.

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).

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.

FUNDS GLOSSARY

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 December 1, 2004 and expires on December 31, 2023.

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 May 31, 2015

Percentage of Year Completed = 42%

Fund Balance January 1	\$ 10,416,386	\$ 12,211,252	\$ 12,211,252	\$ 10,913,833	\$ 10,913,833	\$ 9,070,810	\$ 9,070,810					
	2015				2014			2013			2015 vs 2014	
	Budget	May-15	% Budget	YE Estimate	Dec-14	May-14	% YTD	Dec-13	May-13	% YTD	\$ Diff	% Diff
Revenues												
Property Tax	2,900,000	1,749,403	60.32%	2,900,000	2,892,433	1,751,213	60.54%	2,900,715	1,702,139	58.68%	(1,810)	-0.10%
Specific Ownership Tax	260,000	104,204	40.08%	260,000	291,670	96,080	32.94%	266,881	90,291	33.83%	8,124	8.46%
Sales & Use Taxes	24,200,000	11,824,380	48.86%	24,200,000	24,839,297	10,420,336	41.95%	23,433,775	9,745,314	41.59%	1,404,044	13.47%
Cigarette Tax	179,000	72,053	40.25%	179,000	188,652	75,603	40.08%	195,088	77,472	39.71%	(3,550)	-4.70%
Franchise Fees	3,017,550	1,187,003	39.34%	3,017,550	3,207,978	1,135,902	35.41%	3,101,310	1,082,085	34.89%	51,101	4.50%
Hotel/Motel Tax	12,000	5,167	43.06%	12,000	11,948	5,032	42.12%	12,039	4,783	39.73%	135	2.68%
Licenses & Permits	1,107,122	629,324	56.84%	1,107,122	1,576,299	522,755	33.16%	1,446,578	657,161	45.43%	106,569	20.39%
Intergovernmental Revenue	1,400,924	544,033	38.83%	1,400,924	1,869,045	485,691	25.99%	1,488,204	423,236	28.44%	58,342	12.01%
Charges for Services	3,335,262	1,337,046	40.09%	3,335,262	3,215,032	1,301,158	40.47%	3,469,845	1,400,555	40.36%	35,888	2.76%
Recreation	2,556,900	602,254	23.55%	2,556,900	2,466,421	660,706	26.79%	2,420,443	679,108	28.06%	(58,452)	-8.85%
Fines & Forfeitures	1,396,844	436,204	31.23%	1,396,844	1,350,164	590,132	43.71%	1,317,707	578,583	43.91%	(153,928)	-26.08%
Interest	88,164	47,368	53.73%	88,164	68,342	54,954	80.41%	(10,223)	15,991	-156.42%	(7,586)	-13.80%
EMRF Rents	858,882	381,371	44.40%	858,882	684,683	293,664	42.89%	573,526	252,780	44.07%	87,707	29.87%
Miscellaneous	313,050	82,955	26.50%	313,050	210,530	91,029	43.24%	285,931	119,418	41.76%	(8,074)	-8.87%
Total Revenues	41,625,698	19,002,765	45.65%	41,625,698	42,872,494	17,484,255	40.78%	40,901,819	16,828,916	41.14%	1,518,510	8.69%
Expenditures												
Legislation	357,575	147,297	41.19%	357,575	329,738	154,260	46.78%	280,920	113,236	40.31%	(6,963)	-4.51%
City Attorney	869,106	275,748	31.73%	869,106	726,377	278,189	38.30%	719,781	282,583	39.26%	(2,441)	-0.88%
Court	1,085,494	367,373	33.84%	1,085,494	942,264	351,834	37.34%	922,245	358,052	38.82%	15,539	4.42%
City Manager	731,307	321,428	43.95%	731,307	673,402	287,552	42.70%	675,844	289,688	42.86%	33,876	11.78%
Human Resources	482,893	219,383	45.43%	482,893	441,955	142,498	32.24%	408,551	152,932	37.43%	76,885	53.96%
Financial Services	1,805,052	673,955	37.34%	1,805,052	1,566,733	616,218	39.33%	1,533,060	579,305	37.79%	57,737	9.37%
Information Technology	1,425,389	561,371	39.38%	1,425,389	1,348,275	508,668	37.73%	1,336,591	563,166	42.13%	52,703	10.36%
Public Works	5,790,091	2,260,707	39.04%	5,790,091	5,440,975	2,216,493	40.74%	5,234,383	2,133,241	40.75%	44,214	1.99%
Fire Department	9,139,834	4,116,617	45.04%	9,139,834	9,176,241	3,258,422	35.51%	8,002,677	3,202,513	40.02%	858,195	26.34%
Police Department	12,157,100	5,167,181	42.50%	12,157,100	11,872,226	4,789,191	40.34%	11,226,157	4,675,860	41.65%	377,990	7.89%
Community Development	1,288,781	476,723	36.99%	1,288,781	1,128,034	436,264	38.67%	1,113,710	413,448	37.12%	40,459	9.27%
Library	1,317,657	456,730	34.66%	1,317,657	1,165,446	427,117	36.65%	1,174,656	485,733	41.35%	29,613	6.93%
Recreation	6,053,116	1,907,194	31.51%	6,053,116	5,574,428	2,013,987	36.13%	5,402,599	1,883,666	34.87%	(106,793)	-5.30%
Debt Service	1,863,314	1,534,130	82.33%	1,863,314	1,869,902	1,517,478	81.15%	2,005,830	1,601,113	79.82%	16,652	1.10%
Contingency	200,000	61,519	30.76%	200,000	211,623	38,063	17.99%	88,360	46,933	53.12%	23,456	61.62%
Total Expenditures	44,566,709	18,547,356	41.62%	44,566,709	42,467,619	17,036,234	40.12%	40,125,364	16,781,469	41.82%	1,511,122	8.87%
Excess revenues over (under) expenditures	(2,941,011)	455,409	-15.48%	(2,941,011)	404,875	448,021		776,455	47,447			
Net transfers in (out)	294,326	(1,525,740)	-518.38%	(1,525,740)	892,544	848,820	95.10%	1,066,568	639,574	59.97%		
Total Fund Balance	\$ 7,769,701	\$ 11,140,921	143.39%	\$ 7,744,501	\$ 12,211,252	\$ 12,210,674	100.00%	\$ 10,913,833	\$ 9,757,831	89.41%		

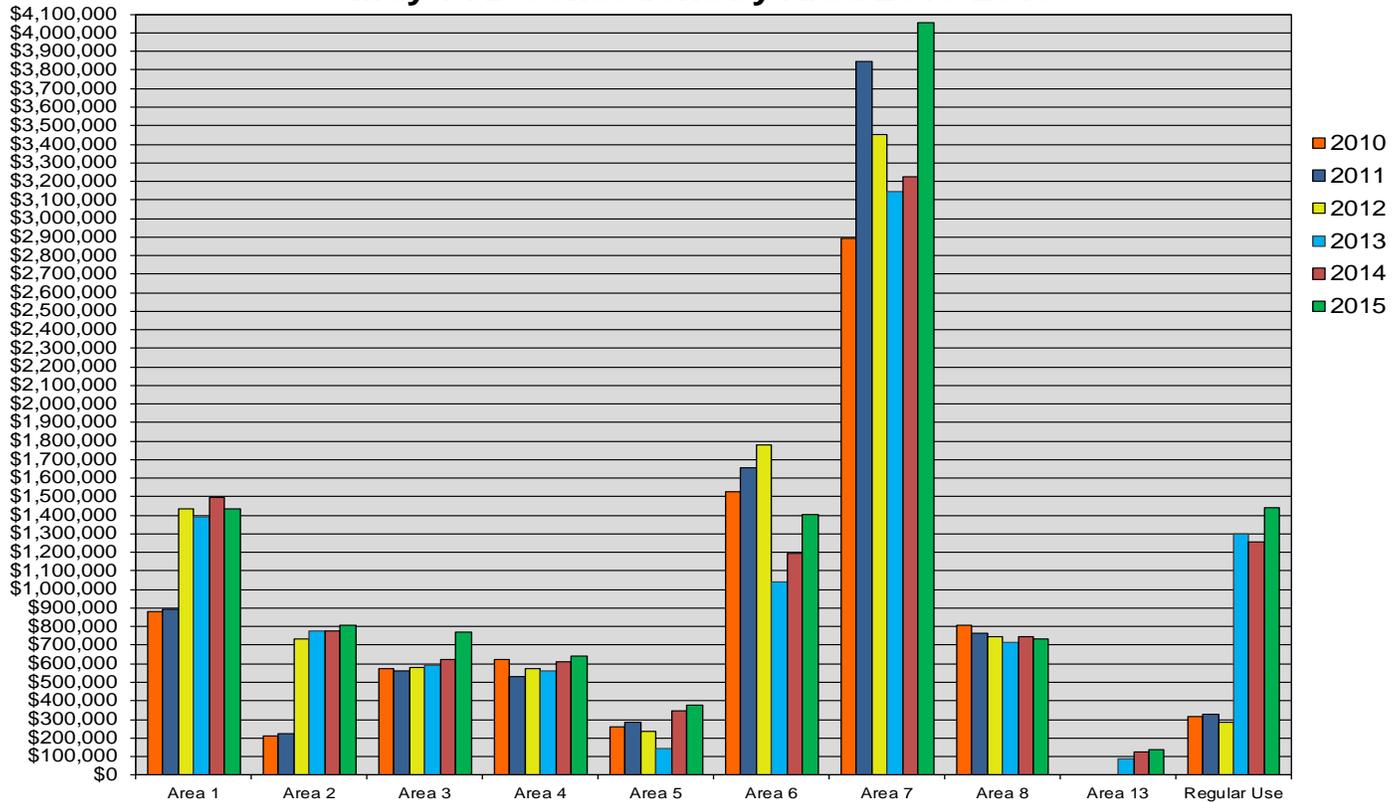
Fund Balance Analysis

Total Fund Balance	\$ 7,769,701	\$ 11,140,921	\$ 7,744,501	\$ 12,211,252	\$ 10,913,833
Restricted Fund Balance					
-Emergencies (TABOR)	1,340,000	1,400,000	1,400,000	1,400,000	1,340,000
Committed Fund Balance					
-LTAR	2,663,099	2,663,099	2,663,099	2,663,099	2,619,375
-COPS Grant	-	-	-	-	78,753
Restricted/Committed	\$ 4,003,099	\$ 4,063,099	\$ 4,063,099	\$ 4,063,099	\$ 4,038,128
Estimated Unassigned Fund Balance	\$ 3,766,602	\$ 7,077,822	\$ 3,681,402	\$ 8,148,153	\$ 6,875,705
As a percentage of projected revenues	9.05%	17.00%	8.84%	19.01%	16.81%
As a percentage of budgeted revenues	9.05%	17.00%	8.84%		
Target	4,162,570	-	6,243,855		

**Sales & Use Tax Collections Year-to-Date Comparison (Cash Basis)
for the month of May 2015**

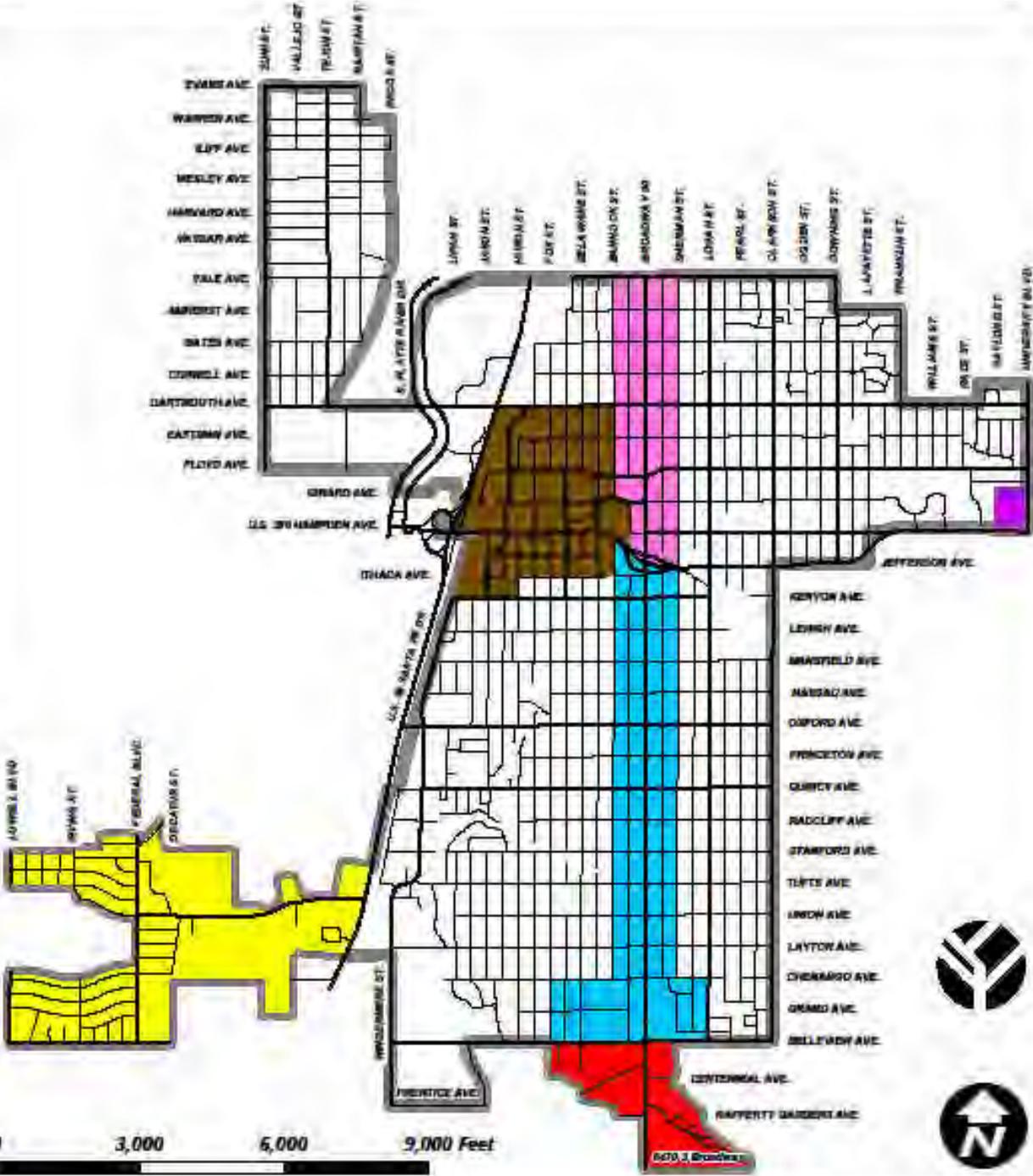
	2010	% Change	2011	% Change	2012	% Change	2013	% Change	2014	% Change	2015	% Change	\$ Change
Area 1	882,218	-12.64%	894,073	1.34%	1,436,834	60.71%	1,391,465	-3.16%	1,496,465	7.55%	1,433,367	-4.22%	-63,098
Area 2	210,395	9.82%	225,871	7.36%	736,789	226.20%	776,476	5.39%	774,674	-0.23%	806,560	4.12%	31,886
Area 3	576,528	13.71%	558,667	-3.10%	579,267	3.69%	593,410	2.44%	622,284	4.87%	769,737	23.70%	147,453
Area 4	622,268	-7.63%	533,707	-14.23%	573,663	7.49%	563,336	-1.80%	608,920	8.09%	638,738	4.90%	29,818
Area 5	261,164	-6.60%	286,377	9.65%	236,698	-17.35%	146,214	-38.23%	347,756	137.84%	377,286	8.49%	29,530
Area 6	1,525,619	-10.35%	1,653,374	8.37%	1,778,402	7.56%	1,040,946	-41.47%	1,194,248	14.73%	1,406,771	17.80%	212,522
Area 7	2,892,953	-24.37%	3,847,534	33.00%	3,453,272	-10.25%	3,145,143	-8.92%	3,227,294	2.61%	4,054,574	25.63%	827,279
Area 8	809,641	-12.15%	765,771	-5.42%	744,147	-2.82%	713,982	-4.05%	748,797	4.88%	734,539	-1.90%	-14,259
Area 13			0	0.00%	0	0.00%	85,934	0.00%	125,458	45.99%	139,098	10.87%	13,640
Regular Use	316,289	141.56%	329,761	4.26%	287,593	-12.79%	1,296,726	350.89%	1,258,667	-2.93%	1,440,234	14.43%	181,567
Subtotal	8,097,077	-12.38%	9,095,136	12.33%	9,826,665	8.04%	9,753,631	-0.74%	10,404,564	6.67%	11,800,903	13.42%	1,396,339
Area 9	768,075	-3.05%	786,862	2.45%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Area 10	7,043	-27.21%	14,612	107.46%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Area 9 and 10	775,119	-0.23%	801,474	3.40%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Area 11	55,816	-7.67%	59,025	5.75%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Area 12	2,353	-3.82%	2,561	8.81%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Area 11 and 12	58,169	-3.10%	61,586	5.87%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Subtotal	833,288	-0.43%	863,059	3.57%	0	-100.00%	0	0.00%	0	0.00%	0	0.00%	0
Total	8,930,365	-4.00%	9,958,195	11.51%	9,826,665	-1.32%	9,753,631	-0.74%	10,404,564	6.67%	11,800,903	13.42%	1,396,339
Refunds	167,657	1472.13%	30,670	-81.71%	94,673	208.68%	11,360	-88.00%	69,543	512.15%	14,897	-78.58%	-54,646
Audit & Collections Rev	222,044	-41.24%	121,099	-45.46%	87,107	-28.07%	64,737	-25.68%	113,059	74.64%	143,701	27.10%	30,642
**included Above													
Unearned Sales Tax	600,000	0.00%	1,100,000	83.33%	1,150,000	4.55%	1,150,000	0.00%	1,150,000	0.00%	1,150,000	0.00%	0
Building Use	185,753	57.45%	327,996	76.58%	270,013	-17.68%	278,991	3.32%	931,802	233.99%	1,521,609	63.30%	589,806
Vehicle Use	372,596	-7.98%	373,226	0.17%	534,667	43.26%	594,663	11.22%	605,794	1.87%	741,600	22.42%	135,806

May YTD Collections by Area 2010-2015



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 2*
- Area 3
- Area 4
- Area 5
- Area 13
- Arterials and Collectors
- Local Streets
- 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

2016 Budget “**Kickoff**” Workshop
June 29, 2015
Topics for Discussion

- Center for Priority Based Budgeting Update
- Discuss City Council’s 2016 Priorities
- Review Draft Financial Policies with Budget Advisory Committee Modifications
- Discuss future consolidation of Departments
 - Review Current Organizational Chart and 2016 Organizational Chart
 - Discuss the consolidation of Parks and Recreation (including Golf Course) and Library Services
 - Discuss City Manager’s Office oversight of the Denver Fire Contract, Utilities Department, and LEWWTP
- Review the General Fund Five Year Pro Forma
- Review the 2016 Budget Guidelines
- Next Steps
 - July, 2015
 - Mid-Year Financial Report Update (Except for Sales and Use Tax Revenue Update in August 2015)
 - Departments discuss their 2016 Proposed Budget with the City Manager
 - August, 2015
 - Mid-Year Sales and Use Tax Revenue Update
 - Departments meet with City Council to discuss their 2016 Proposed Budget
 - Discuss 2016 Proposed Capital Projects Requests

CITY OF ENGLEWOOD, COLORADO

DRAFT FINANCIAL POLICIES

MAY, 2015

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OVERVIEW

The City's Mission Statement, "*to promote and ensure a high quality of life, economic vitality, and uniquely desirable identity*" focuses every employee to use the limited resources available in a manner that supports the Mission Statement.

The Financial Policies are intended as a guide for employees and City Council to make consistent decisions so the City resources are used in an effective and efficient manner. This prudent oversight of City assets will ensure the long-term sustainability of the City's services and infrastructure.

The Financial Policies will help sustain the services the citizens expect and provide employees with more job security knowing long-term planning will identify funding gaps sooner so plans can be made to address them without impacting employees' careers with the City.

These policies should be reviewed and updated on a biennial basis.

We would like to acknowledge that recommendations from the Government Finance Officers' Association Best Practices and the National Advisory Council on State and Local Budgeting Practice were used in the development of the City's financial policies.

LONG-RANGE PLANNING

Long-range planning, from five to ten years will help the City identify future potential strengths, weaknesses, opportunities, and threats. The City's strategic plan is part of the "Comprehensive Plan." At the beginning of the budget process the Finance and Administrative Services (FAS) Department will provide the City Council with a General Fund Five Year Pro Forma (FYPF) that will include actual results from the prior five years, the budget and estimate for the current year and estimated revenues, expenditures, fund balances for the following five years. The FYPF and the "Comprehensive Plan" will be the basis for following year's budget guidelines.

Other funds will also be the subject of long-range planning.

Before the City adds new programs, personnel, improves pension benefits, purchases or constructs capital projects the long-range financial impact will be examined.

CONTINGENCY PLANNING

As part of the Long-Range Planning and the Continuity Of Operation Plan (COOP), the City will review and identify the financial actions to take in the event of emergencies, natural disasters, or other unexpected events. Policies on contingency planning are used as a general guide when an emergency or unexpected event occurs. A set of actions and strategies will be identified for each type of situation. When emergencies or unexpected events occur, having a policy that can be applied, or at least serve as a starting point, for financial decisions and actions improves the ability of the City to take timely action and aids in the overall management of such situations. This policy should identify types of emergencies or unexpected events and the way in which these situations will be handled from a financial management perspective. It should consider operational and management impacts. This policy should be reviewed periodically and updated as needed.

BALANCED AND SUSTAINABLE BUDGET

The City of Englewood strives to adopt a budget that provides for revenues meeting or exceeding expenditures. Balancing the budget using reserves or transfers will only be done on a *temporary* basis not to exceed two years.

The City of Englewood is required to “balance” its budget each year as outlined in the City’s Charter (X-1-81 through 96) and the Colorado Revised Statutes (29-1-103). The Proposed Budget is submitted to City Council prior to September 15 of each year must be balanced in that total sources of funds (beginning fund balance, revenues and transfers in) minus total uses of funds (expenditures and transfers out) and - cannot be less than zero. While the use of one-time revenues, reserves and/or transfers may technically balance the budget in the short-term, it is not sustainable in the long-term. Balancing the budget by using transfers or drawing down fund balance reserves only delays difficult decision making and usually causes deficits to increase and reduces funds needed for other needs (e.g. capital projects). A balanced budget is intended to ensure the City of Englewood’s spending does not exceed its resources.

Careful long-range planning will identify projected surpluses or deficits and will be the main tool to take the necessary actions to bring sources and uses of funds in balance.

INFRASTRUCTURE

The City's infrastructure is a critical asset of the citizens. The City is entrusted with the duty to plan for the construction, purchase, or replacement of public infrastructure. Every capital project should be thoroughly analyzed, researched and planned. Prior to proceeding with any capital project it should be thoroughly analyzed to ensure all maintenance costs and ultimate replacement costs are known.

All capital and infrastructure needs must be included in the Long Term Capital Plan. Each project's base cost, shipping and installation costs, expected life, replacement cost, residual value, and maintenance costs should be included. Any savings from acquiring or construction capital assets should be identified and included in the total cost of ownership calculation.

Funding for infrastructure is generally provided from a number of sources, including Building Use Tax, Vehicle Use Tax, grants (e.g. Arapahoe County Road and Bridge), bonds, leases, and transfers from the General Fund. Funding for capital projects should be analyzed as part of the annual budget process.

REVENUES

Understanding the City's revenues is probably the most critical aspect of budgeting and long-range planning. City services and capital construction are sustainable only if current and future revenues are available so it is important to understand each major revenue source available. Revenues should be forecast in the short and long-term to ensure they will be adequate to sustain service levels. Threats and opportunities to the major revenue sources must be constantly reviewed and assessed.

The adoption of the Tax Payers Bill of Rights (TABOR) in 1994 requires an affirmative vote of the citizens prior to enacting any new tax or change in tax policy that adds additional revenue.

DIVERSIFICATION

The City will maximize and diversify its revenue base to help offset the effects of fluctuations in individual sources of revenues. All revenue sources have particular characteristics in terms of stability, growth, sensitivity to inflation or business cycle effects, and impact on tax and rate payers. A diversity of revenue sources can improve the City's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services.

UNPREDICABLE REVENUE

Unpredictable revenue sources by definition cannot be fully relied upon as a predictable source of funding for public services. Sales and Use Taxes, the City's main revenue source for supporting many public services can vary widely, especially during turbulent economic times. The City will conservatively estimate sales and use tax receipts for budgetary purposes to ensure funds are available to support the government's financial outlook and ability to operate programs in the current and future budget periods. Sales and use taxes are the City's largest and most volatile revenue source. Due to the volatile nature of sales and use taxes, forecasting can be challenging. Conservative, well researched forecasts are necessary for budgeting sales tax. A long-term forecast is critical to insuring sales taxes will be able to support City services into the future.

Generally, sales and use taxes will be conservatively budgeted to minimize over-budgeting services and then having to adjust them if actual collections fall short

FEES AND CHARGES

Fees and charges are most often charged to cover the partial or full cost of providing a good or service that benefits a limited portion of the public. Each fee or charge should be set in a manner that meets the percentage of cost the fee is intended to cover. Fees will be set to, at most, cover the cost of providing or administering a program, but in no case- will the fee exceed the cost of providing a service. Fees charged should cover direct and indirect costs.

Generally, City Council sets fees by resolution. The various departments should review the fees they charge as part of the annual budget process to ensure they are adequate to cover the cost of

administering the underlying program for which the fee is charged. Council may set fees at a level that does not fully cover all costs if deemed necessary to advance the public good.

Internal Fees and Charges - The City's Internal Service Funds (ISF) charge fees that should cover the operating costs (labor, materials, etc.) and capital replacement costs incurred to provide the product or service internally. These fees should be evaluated periodically to ensure they are set properly; an indicator that fees are set too high or too low is indicated by holding too much or too little in the reserves of these funds.

ONE-TIME REVENUES

One-time revenues (e.g. sales of assets, etc.) should only be used for one-time, nonrecurring expenditures not for ongoing expenditures. One-time revenues cannot be relied upon to fund future ongoing expenditures so they should only be used for one-time expenditures or deposited in the City's reserves. If one-time expenditures are used to fund capital assets or other nonrecurring purchases, ongoing expenditures and replacement costs of these one-time purchases must also be determined to ensure the City does not place a burden on future resources.

Grants are an example of "one-time" revenue that must be evaluated fully prior to acceptance. Grants should not be accepted for ongoing expenditures if a funding source will not be available when grant funds cease. Grant funding of ongoing expenditures are an "unfunded mandate" if there are no funds available in the future.

EXPENDITURES

Expenditures define the ongoing, prioritized service commitments and capital investment of the City.

Of the - main components of the budgetary equation (Fund Balance = Revenues – Expenditures +/- Transfers), only expenditures are under the direct control of the City. Even spending control is somewhat limited by contracts and debt service requirements.

To insure the long-term sustainability of City services, expenditures will only exceed revenues if it is determined the imbalance is temporary. Expenditures exceeding revenues for a period exceeding one or two years indicates a structurally imbalanced budget that cannot be sustained.

Expenditures should support the City's Mission and follow these guidelines:

- Is the expenditure necessary for official City of Englewood business?
- Is the expenditure in the best interest of the City of Englewood?
- Is the expenditure in compliance with City policies, ordinances, statutes, laws or rules?
- Is the expenditure approved by the proper authority?
- Is the expenditure related to an "arm's length" transaction or could it create the appearance of providing a personal benefit to an employee or an employee's friends or family?
- Is the expenditure within the approved budget?
- Is the expenditure reasonable? Is the City getting the highest quality product for the funds expended?

The City will compare actual expenditures to budgeted amounts as well as estimated expenditures to estimated revenues on a monthly basis to identify potential shortfalls and actions to prevent them.

Develop programs/services and evaluate delivery mechanisms

The City will continually evaluate the programs and services it provides and will evaluate alternative delivery mechanisms if available. Also, current programs and services will be constantly evaluated to ensure they address current priorities established by City Council and staff. All proposed programs and services will be evaluated to ensure their total cost is known prior to implementing them, and that there are processes in place to measure if the program or service's goals are being met.

Any effort to outsource services to another governmental agency or privately-owned enterprise must not only meet financial goals but also City standards for quality and sustainability.

TRANSFERS

The City of Englewood will use interfund transfers conservatively. Periodic transfers from Internal Service Funds (ISF) or Enterprise Funds will be limited per the provisions of this document and used only to fund one-time expenditures or purchases. Transfers should rarely be used as they can obscure structural imbalances.

Enterprise and Internal Services Funds may be required to transfer funds for services provided by the City (administrative fees) or other legitimate charges.

CAPITAL PROJECTS FUNDS

The Public Improvement Fund (PIF) and Capital Projects Fund (CPF) are used to account for the revenue and expenditures related to the purchase or construction of long-term, capital projects. The Englewood Municipal Code (4-4-3) does not allow the transfer of Building Use Taxes for anything but capital improvements.

INTERNAL SERVICE FUNDS

Internal Services Funds should limit their reserves to no more than ten percent of revenues unless more reserves are held for identified capital projects. Any amounts exceeding 15 percent and the amount for identified capital projects should be returned to the departments making payments to the ISFs. Any return of excess funds from Internal Services Funds must be proportional to that fund's payment to the ISF.

ENTERPRISE FUNDS

Enterprise Funds (EFs) should limit their reserves to no more than twenty percent of revenues unless more reserves are held for identified capital projects. Any transfer from the EFs should be treated as a loan with the principal amount returned along with interest as determined by the effective interest rate in effect at the time of the transfer.

ECONOMIC INCENTIVES

Economic incentives should only be used for projects that yield a financial, cultural, or aesthetic benefit to the citizens of Englewood.

Each project subject to an economic incentive should be analyzed to ensure the project's benefits outweigh the economic incentive.

The City's Economic Development Incentive Policy should be reviewed periodically and modified when warranted. The City of Englewood Economic Development Policy was established through Resolution No. 76, Series 2012.

Evaluating and Managing Economic Development Incentives

The City's economic development policy promotes and grows the local economy through job creation, wage and compensation growth, or tax base expansion. Economic development incentives have very different objectives from the businesses receiving them. The City is responsible for providing services to citizens while businesses, who in many cases have come to rely on incentives and subsidies, are focused on maximizing profits.

To reach the goals identified in the policy and ensure the City's accountability, the City needs to measure the benefits of projects receiving economic development incentives against the cost of the public expenditure, or willingness to forgo future revenue. While there is no single best method for conducting analysis and it is impossible to predict all impacts a project will have on the City, providing a thorough and rigorous analysis of each project is critical for the purposes of the City's accountability and long-term revenue impacts. Responsible use of public funding requires that projects funded provide a suitable return for the City, are consistent with overall community goals and priorities, and require that investments are made in a transparent manner with full understanding of all short- and long-term costs and benefits. Finally, when presenting the results, the analysis should contain a clear description of the net impact for the City, the constructed methodology, and the assumptions employed. It is important to acknowledge the strengths, weaknesses, and limitations of results so that decision makers are fully informed.

It is recommended that City staff and Council examine the specific benefits and costs associated with economic development projects, programs, and policies. Such an examination should also include an analysis of the assumptions, cost/benefit elements and methodologies being used to justify the incentive.

Overall Analysis of Projects:

At minimum, an analysis of each project or group of projects will include:

- **A clear understanding of the financial and non-financial costs and benefits.**
Most economic development projects will result in both financial costs and benefits and non-financial costs and benefits. Financial costs and benefits are those that will impact the City's

financial position. For example, additional sales or property tax revenue collected and expenditures related to the project over time are items that will be reported on the City's financial statements. Non-financial costs and benefits are realized and have value, but do not translate directly into increases in revenues or expenditures. For example, consider public safety, pollution abatement, energy savings, and cultural impacts and quality of life components. Economic costs and benefits would include both financial and non-financial costs and benefits.

- **Timing of Costs and Benefits.**

Economic development projects usually incur costs and provide benefits over multiple years and ideally provide benefits long after they are initially paid for. It is important to understand when estimated costs and benefits will occur to calculate the net cost/benefit for each year as well as a total net cost/benefit. When comparing costs and/or benefits from different years, it is important to discount future year impacts to compensate for the time value of money.

- **Scope of the Analysis.**

The geographic area for which the analysis will be conducted needs to be identified. Depending on the incentives, other jurisdictions, including municipalities, school districts, recreation districts, etc. could be included in the scope of the project. Consideration is given to other jurisdictions because they could have a positive or negative impact from a City initiated project.

- **Identification of all cost and benefits.**

The direct and indirect costs and benefits resulting from initiating a project, program, or policy must be fully identified and analyzed, including:

- **Direct Costs:** Initial capital expenditure, ongoing operating and maintenance expenditures must be identified. Existing infrastructure (utilities, roads, and recreational services) and services (police, fire, street maintenance, etc.) that may be impacted from additional need should be projected as well.
- **Direct Benefits:** Revenues increases from sales and property taxes as well as other revenues must be thoroughly analyzed.
- **Indirect Impacts:** Indirect costs and intangible benefits are difficult to quantify but should be included in the analysis.

- **Assessment of the Chance that Each Cost and Benefit will Occur.**

Projecting future costs and benefits of a project always involve some degree of uncertainty. Future revenues and expenditures may or may not follow past trends. The success of any project is never guaranteed nor are actual costs or benefits known. The degree of probability of incurring costs or receiving benefits should be reviewed and included in the project analysis.

- **Communicating Results.**

All assumptions used to develop the net impact is as important as the impact itself.

Analysis of project benefits

The analysis of project benefits should, at a minimum, include:

- **Growth and Diversification of Revenue Base.** The City of Englewood is interested in realizing direct economic benefits of from development activities. An analysis should include items such as:
 - Estimates of incremental sales and property tax gains
 - Estimate on the impact of increasing employment opportunities in the City that could increase spending (sales taxes).
 - Estimate of increased demand for new or remodeled businesses as a result of economic incentives
 - Estimate the impact new retailers may have on existing businesses.
- **Multi-jurisdictional Benefits.** The full benefit economic development activity may impact more than the City alone. An analysis of impact of projected benefits on other jurisdictions should be completed.
- **Assessing Intangible Benefits.** A project may provide non-economic benefits that cannot be quantified in dollar but they should be estimated for the purpose of decision making by the City Council. Examples of intangible benefits include donated facilities or infrastructure, quality of life amenities, and community pride.
- **Net Present Value Consideration.** Determining the benefit of a project requires assumptions about the timing of benefit streams that will take place in the future and are based on variable such as retail sales activity, increased economic activities, etc. These benefits should extend out for multiple years beyond the period funds were expended. This will require calculation of the net present value of projects. The net present value of revenue inflows and expenditure outflows must be *compared*. Analyses must include methodology employed, assumptions used and also an acknowledgment of the strengths, weaknesses, and limitations of results so that decision makers are fully informed.

Analysis of Project Costs An analysis of the entire cost of a project or group of projects should, at a minimum, include:

- **Opportunity Costs.** Each potential use of incentives (funds, land, other) should be analyzed. This should include upfront and ongoing developer subsidies, rebates, concessions, etc. Evaluations should include other possible current uses or potential uses that could develop in the future (recognizing the future uses are inherently uncertain) The important consideration is the project the highest and best use of limited incentive(s) or are opportunity costs too high.
- **Operational Costs.** The direct and indirect costs should be identified and quantified. A potential new project or expansion may strain other limited resources including police, fire, roads, sidewalks, utilities and recreational facilities.
- **Multi-jurisdictional Impacts.** The direct or indirect cost impacts to other jurisdictions should be should be considered whenever possible to ensure good inter-jurisdictional relations.
- **Market Impact.** Each project should be evaluated to understand its impact directly or indirectly on the overall market in the City. Market impacts include absorption or saturation, capacity for growth, and potential displacement or substitution of existing local businesses and service providers.

- **Assessing Intangible Costs.** Project analysis should consider the intangible impacts including quality-of-life or amenities. Intangibles are difficult to quantify in dollars but the impact can influence public perception far beyond what is expended in dollars. Insuring intangible impacts are assessed and in some cases alleviated can mean the difference between project success and failure. Intangibles may include noise, light pollution, traffic, congestion, parking, perceived decreases in property values, etc.
- **Cost Analysis Methodologies:**
 - **Net Present Value Consideration.** The timing of the costs must be accounted for in the analysis, as additional revenue generated from a project usually is realized in future years. An investment may be required at the onset of a project with additional annual commitments to operational costs. Developing meaningful comparisons between the costs and benefits will usually require the preparation of a net present value analysis.
 - **Other Methods.** Additional methods for cost analysis may be employed if needed.

All analyses should contain a clear description of the net impact on the City of Englewood, the methodology used, and the assumptions employed. The strengths, weaknesses, and limitations of methodologies should be reviewed so that decision makers are fully informed.

DEBT

Issuing debt commits the City and its citizens to using scarce resources to the payment of debt service for many years in the future. If possible, those benefitting from a debt-financed project should bear the burden of repaying the debt if possible.

The City of Englewood will issue general obligation debt for projects that benefit the general public. The City will issue revenue bonds for capital projects that benefit those who will repay debt service.

Long-term debt will be issued only for projects with a useful life that equals or exceeds the term of the bonds or lease.

The City of Englewood will insure its compliance with the Taxpayer's Bill of Rights (TABOR) prior to incurring any debt.

On November 6, 2001, a majority of the City's electors voted to change the Home Rule Charter of the City of Englewood by allowing the debt ceiling to be three percent (3%) of actual valuation versus three percent (3%) of assessed valuation. The entire section (Section 104) of the Charter that establishes the debt margin follows:

Indebtedness and obligations of the City shall be incurred and limited as provided in Article XI of the Constitution of the State of Colorado applicable to towns and cities except as otherwise provided in this Charter. Council shall have power to issue general obligation bonds of the City for any public capital purpose, upon majority vote of the registered electors of the City voting thereon at a special election; provided, however, that water extension and water improvement bonds may be issued without an election upon determination to that effect by Council. The total outstanding general obligation indebtedness of the City, other than for water bonds, shall not at any time exceed three percent (3%) of the actual valuation of the taxable property within the City as shown by the last preceding assessment for tax purposes. Water bonds shall mature and be payable as provided by the ordinance authorizing the issuance of said bonds.

RESERVES

The City holds reserves for a variety of reasons. Reserves are a hedge against risk. The General Fund holds fund balance reserves to weather temporary economic downturns by backfilling revenue shortfalls but should never be used if a structural deficit exists that is, a long-term revenue shortfall or expenditure increase is expected to last for more than one or two budget cycles. The City may also use its fund balance reserves to take advantages of one-time opportunities.

GENERAL FUND

The City's General Fund accounts for the majority of "public" services (Police, Fire, Public Works, etc.) the public depends upon. For this reason it is imperative service levels are maintained, even in an economic downturn. In an economic downturn revenues generally decline temporarily and reserves are used to make up the difference. The use of fund balance reserves preserves service level and guards against the loss of efficiency and effectiveness that would occur by downsizing and rehiring employees every time the City experienced temporary change in revenue collections. If revenues are not expected to rebound, then reserves should not be used and other cost cutting or revenue enhancements should be employed.

Unassigned Fund Balance – A portion of the fund balance for the General Fund that is not limited for a specific purpose and may be appropriated by City Council. The City will maintain no less than **ten** and no more than **seventeen** percent of budgeted revenues or up to two months of budgeted expenditures in unassigned fund balance reserves. Amounts exceeding this level and not restricted, committed or assigned for other purposes should be transferred to the Capital Projects Fund or Public Improvement Fund.

LONG TERM ASSET RESERVE (LTAR) - A portion of the fund balance for the General Fund that is Committed to the Long Term Asset Reserve. The LTAR was established in 2008 at the 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.

TABOR RESERVE - A portion of the fund balance for the General Fund that is Restricted for TABOR Emergencies. The City of Englewood is required by Article X, Section 20 of the Colorado Constitution to "reserve 3% or more of its fiscal year spending excluding bonded debt service" as an "Emergency" reserve. It should be noted that an emergency "excludes economic conditions, revenue shortfalls, or district salary or fringe benefit increases;" in other words the emergency would be an event arising from a natural disaster or other unanticipated event. It is generally understood that any spending of the emergency reserve must be replaced no later than the following year.

CAPITAL PROJECT FUNDS

Capital Project Funds (CPF) should hold a prudent level of reserves to meet unexpected, temporary revenue declines or unplanned expenditures. The CPFs should hold no less than **ten** percent of budgeted revenue in fund balance reserves for unexpected revenue declines or unplanned expenditures.

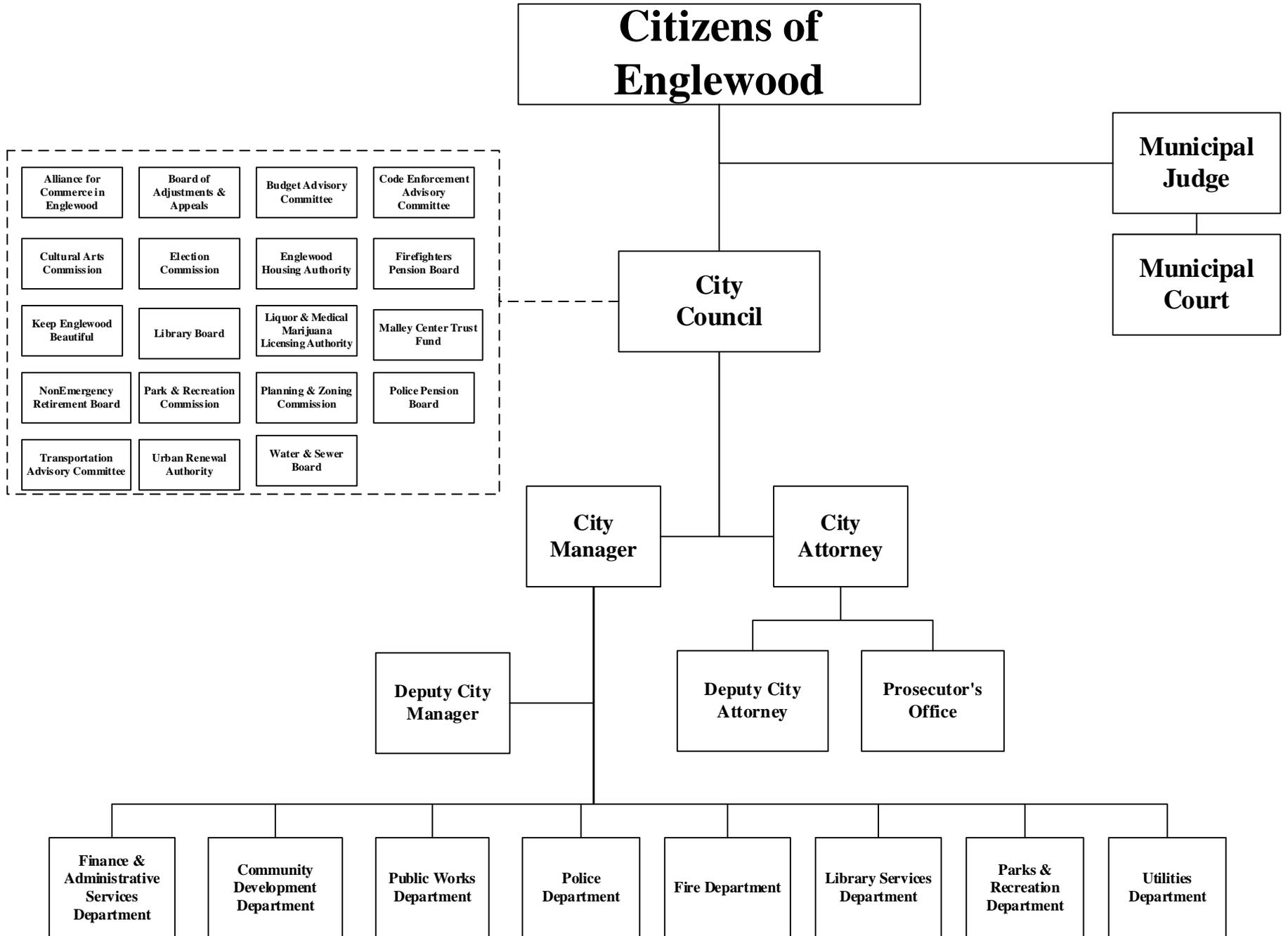
INTERNAL SERVICE FUNDS

Internal Service Funds (ISF) should hold a prudent level of reserves to meet unexpected, temporary revenue declines or unplanned expenditures. Also, funds should be reserved for the orderly replacement of capital assets. The ISFs should not hold more than **fifteen** percent of budgeted revenue in unrestricted net position for unexpected revenue declines or unplanned expenditures. If reserves exceed seventeen percent, an operating transfer to those funds in proportion to the amounts they paid in over the prior three years should be made.

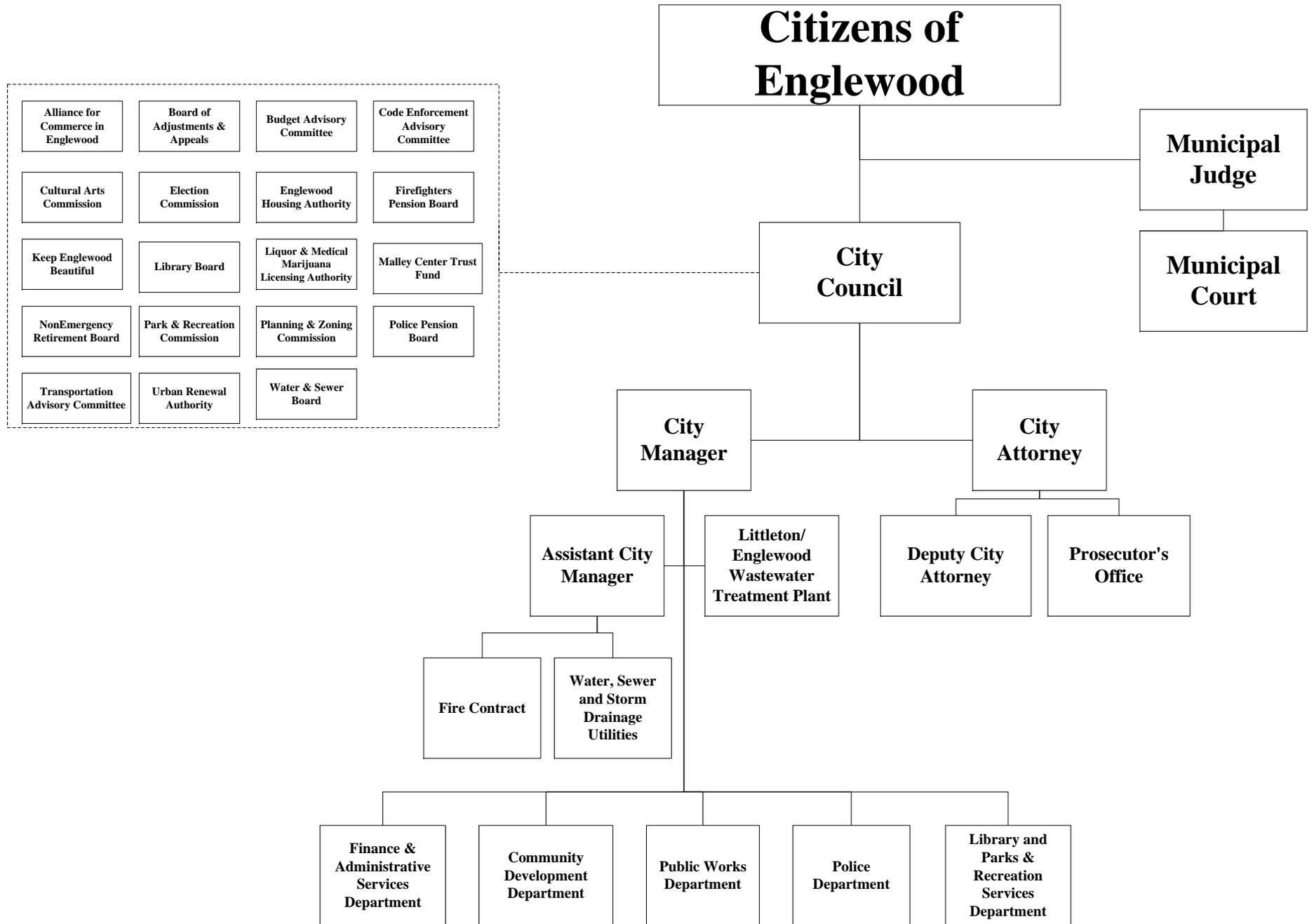
ENTERPRISE FUNDS

Enterprise Funds (EF) should hold a prudent level of reserves to meet unexpected, temporary revenue declines or unplanned expenditures. Also, funds should be reserved for the orderly replacement of capital assets. The EFs should not hold less than **ten** percent of budgeted revenue in unrestricted net position for unexpected revenue declines or unplanned expenditures; the maximum reserve may vary depending on future capital needs.

City of Englewood, Colorado Organizational Chart



City of Englewood, Colorado ~ 2016 Organizational Chart



City of Englewood, General Fund Revenue, Expenditure, & Fund Balance 2010 - 2020
For 06/29/2015 Study Session

		S/T Increase (Decrease)	1.17%	4.17%	2.88%	4.79%	6.00%	-2.57%	6.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	
		Property Tax	1.67%	-0.88%	-3.99%	0.90%	-0.29%	0.26%	1.00%	10.00%	1.00%	10.00%	1.00%	5.00%		
		All Other Taxes	-7.03%	-9.81%	-0.75%	13.56%	3.85%	-8.38%	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%		
		Franchise	6.83%	0.43%	11.38%	5.81%	3.44%	-5.94%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
		Other Revs	-6.49%	6.64%	7.43%	-2.53%	4.08%	-3.53%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
		Investments	-56.28%	-9.46%	-7.68%	-112.16%	-768.51%	29.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
		Expenditures	-0.25%	1.53%	1.95%	-0.35%	5.84%	4.94%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Line		Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Estimate 2015	Target 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Net \$ Change 10 - '14	Avg % Change '10 - '14	Avg \$ Change '10 - '14
	REVENUES															
1	Property	3,020,884	2,994,213	2,874,816	2,900,715	2,892,433	2,900,000	2,921,357	3,213,493	3,245,628	3,570,191	3,605,893	3,786,187	(128,451)	-0.85%	(25,690)
2	Specific Ownership	263,434	246,062	243,293	266,881	291,670	260,000	260,000	263,900	267,859	271,876	275,955	280,094	28,236	2.14%	58,334
3	Sales and Use (Net of Refunds)	20,866,515	21,737,110	22,363,618	23,433,775	24,839,297	24,200,000	26,329,655	27,053,720	27,797,698	28,562,134	29,347,593	30,154,652	3,972,782	3.81%	794,556
4	Franchise Fees	2,620,191	2,631,393	2,930,888	3,101,310	3,207,978	3,017,550	3,017,550	3,108,077	3,201,319	3,297,358	3,396,279	3,498,167	587,787	4.49%	641,596
5	Cigarette	196,320	190,763	189,618	195,088	188,652	179,000	179,000	173,630	168,421	163,368	158,467	153,713	(7,668)	-0.78%	(1,534)
6	Hotel/Motel	8,806	9,820	10,395	12,039	11,948	12,000	12,000	12,180	12,363	12,548	12,736	12,927	3,142	7.14%	2,390
7	Total Taxes	26,976,150	27,809,361	28,612,628	29,909,808	31,431,978	30,568,550	32,719,562	33,825,000	34,693,287	35,877,476	36,796,923	37,885,741	4,455,828	3.30%	891,166
8	Licenses and Permits	695,563	778,536	983,359	1,446,578	1,576,299	1,107,122	1,107,122	1,129,264	1,151,850	1,174,887	1,198,384	1,222,352	880,736	25.32%	176,147
9	Intergovernmental Revenue	1,465,970	1,724,807	1,865,722	1,488,204	1,869,045	1,400,924	1,400,924	1,428,942	1,457,521	1,486,672	1,516,405	1,546,733	403,075	5.50%	80,615
10	Charges for Services	3,254,830	3,384,318	3,441,525	3,469,845	3,215,032	3,318,899	2,956,399	2,645,777	2,698,693	2,752,666	2,807,720	2,863,874	(39,798)	-0.24%	(7,960)
11	Recreation	2,489,781	2,635,221	2,615,642	2,420,443	2,466,421	2,556,900	2,556,900	2,608,038	2,660,199	2,713,403	2,767,671	2,823,024	(23,360)	-0.19%	(4,672)
12	Fines and Forfeitures	1,437,957	1,284,758	1,381,453	1,317,707	1,350,164	1,396,844	1,377,167	1,404,711	1,432,805	1,461,461	1,490,690	1,520,504	(87,793)	-1.22%	(17,559)
13	Net Investment Income	91,034	84,045	(10,223)	68,342	88,164	88,164	69,709	71,800	73,954	76,173	78,458	80,812	(32,203)	-6.41%	(13,668)
14	Net Rental Revenues - McLellan	105,125	425,159	551,295	573,526	684,683	858,882	858,882	1,398,342	1,666,364	1,666,364	1,666,364	3,297,778	579,558	110.26%	115,912
15	Other Revenue	293,658	173,381	354,130	285,932	210,530	329,413	280,000	280,000	280,000	280,000	280,000	280,000	(83,128)	-5.66%	(16,626)
16	Total Revenues	36,819,579	38,306,575	39,889,799	40,901,820	42,872,494	41,625,698	43,326,665	44,791,875	46,114,672	47,489,102	48,602,615	51,520,819	6,052,915	3.29%	1,210,583
	EXPENDITURES															
	General Government															
17	Legislation (includes MOA contractual obligation)	309,870	298,731	316,043	280,920	329,738	357,575	339,630	349,819	360,314	371,123	382,257	393,724	19,868	1.28%	3,974
18	City Attorney	702,228	706,841	712,036	719,781	726,377	869,106	748,168	770,613	793,732	817,544	842,070	867,332	24,149	0.69%	4,830
19	Municipal Court	901,469	848,775	886,249	922,245	942,264	1,085,494	970,532	999,648	1,029,637	1,060,526	1,092,342	1,125,112	40,795	0.91%	8,159
20	City Manager (2016 includes Denver Fire Contract and related programs)	659,882	639,184	658,047	675,844	673,402	731,307	693,604	7,364,412	7,121,845	7,335,500	7,555,565	7,782,232	13,520	0.41%	2,704
21	Community Development (2016 includes Building Division Programs)	1,301,473	1,359,264	1,262,451	1,113,710	1,128,034	1,288,781	1,161,875	2,074,102	2,136,325	2,200,415	2,266,427	2,334,420	(173,439)	-2.67%	(34,688)
22	Human Resources (Effective 2016 reported under FAS)	419,421	430,792	469,343	408,551	441,955	482,893	455,214	-	-	-	-	-	22,534	1.07%	4,507
23	Finance and Administrative Services (FAS) (2016 includes HR and IT Programs)	1,445,581	1,446,313	1,464,305	1,533,060	1,566,733	1,805,052	1,613,735	3,561,402	3,668,244	3,778,291	3,891,640	4,008,389	121,152	1.68%	24,230
24	Information Technology (Effective 2016 reported under FAS)	1,280,660	1,332,766	1,373,943	1,336,591	1,348,275	1,425,389	1,388,723	-	-	-	-	-	67,615	1.06%	13,523
25	Contributions to Component Unit	-	-	-	-	-	-	-	-	-	-	-	-	0	0.00%	0
26	Contingency	48,139	152,423	143,810	88,360	211,623	200,000	217,972	224,511	231,246	238,184	245,329	252,689	163,484	67.92%	32,697
27	Total General Government	7,068,723	7,215,089	7,286,227	7,079,062	7,368,401	8,245,597	7,589,453	15,344,507	15,341,343	15,801,583	16,275,630	16,763,899	299,678	0.85%	59,936
	Direct Government															
28	Safety Services															
29	Fire Services (Effective 2016 the Denver Fire Contract is reported under City Manager's Office, Fire Marshal program is reported under Police and Building Division is reported under Community Development)	7,425,903	7,666,842	8,100,554	8,002,677	9,176,241	9,139,834	8,451,528	-	-	-	-	-	1,750,338	4.71%	350,068
30	Police Services (2016 includes Fire Marshal Programs)	10,312,633	10,395,239	10,788,935	11,226,157	11,872,226	12,157,100	12,228,393	13,125,695	13,519,465	13,925,049	14,342,801	14,773,085	1,559,593	3.02%	311,919
31	Public Works (includes CAM contractual obligation)	5,137,364	5,259,875	5,202,903	5,234,383	5,440,975	5,790,091	5,604,204	5,772,330	5,945,500	6,123,865	6,307,581	6,496,809	303,611	1.18%	60,722
32	Recreation	5,811,809	5,717,147	5,649,246	5,402,600	5,574,428	6,053,116	5,741,661	5,913,911	6,091,328	6,274,068	6,462,290	6,656,159	(237,381)	-0.82%	(47,476)
33	Library	1,284,083	1,145,613	1,180,771	1,174,656	1,317,657	1,317,657	1,200,409	1,236,422	1,273,514	1,311,720	1,351,071	1,391,603	(118,637)	-1.85%	(23,727)
34	Total "Direct" Government	29,971,792	30,184,716	30,922,409	31,040,473	33,229,316	34,457,798	33,226,195	26,048,357	26,829,808	27,634,702	28,463,743	29,317,656	3,257,524	2.17%	651,505
35	Total Expenditures Before Non-Discretionary	37,040,515	37,399,805	38,208,636	38,119,535	40,597,717	42,703,395	40,815,649	41,392,865	42,171,150	43,436,285	44,739,374	46,081,555	3,557,202	1.92%	711,440
36	Estimated Lump Sum Expenditure Increase															
37	Debt Service (Non-Discretionary):	1,860,827	2,096,463	2,056,951	2,005,830	1,869,902	1,863,314	1,863,314	1,798,491	1,801,739	1,687,922	1,690,112	1,685,026	9,075	0.10%	1,815
38	Total Expenditures	38,901,342	39,496,268	40,265,587	40,125,365	42,467,619	44,566,709	42,678,963	43,191,356	43,972,889	45,124,207	46,429,486	47,766,581	3,566,277	1.83%	713,255
39	Revenues Over (Under) Expenditures	(2,081,763)	(1,189,693)	(375,788)	776,455	404,875	(2,941,011)	647,703	1,600,519	2,141,783	2,364,895	2,173,130	3,754,238	2,486,638	-23.89%	497,328
40	Other Financing Sources															
41	Net Transfers In (out)	1,341,485	1,512,699	628,913	1,066,568	892,544	294,326	(1,525,740)	232,272	235,426	120,272	123,599	127,014	(448,941)	-6.69%	(89,788)
42	Actual/Estimated Rent From EMRF (See Line 13)															
43	Net Other Financing Sources (Uses)	1,341,485	1,512,699	628,913	1,066,568	892,544	294,326	(1,525,740)	232,272	235,426	120,272	123,599	127,014	(448,941)	-6.69%	(89,788)
44	Net Change in Fund Balances	(740,278)	323,006	253,125	1,843,023	1,297,419	(2,646,685)	(878,037								

City of Englewood, General Fund Revenue, Expenditure, &
Fund Balance 2010 - 2020
For 06/29/2015 Study Session

		S/T Increase (Decrease)	1.17%	4.17%	2.88%	4.79%	6.00%	-2.57%	6.00%	2.75%	2.75%	2.75%	2.75%	2.75%		
	Property Tax	1.67%	-0.88%	-3.99%	0.90%	-0.29%	0.26%	1.00%	10.00%	1.00%	10.00%	1.00%	5.00%			
	All Other Taxes	-7.03%	-9.81%	-0.75%	13.56%	3.85%	-8.38%	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%			
	Franchise	6.83%	0.43%	11.38%	5.81%	3.44%	-5.94%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%			
	Other Revs	-6.49%	6.64%	7.43%	-2.53%	4.08%	-3.35%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%			
	Investments	-56.28%	-9.46%	-7.68%	-112.16%	-768.51%	29.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%			
	Expenditures	-0.25%	1.53%	1.95%	-0.35%	5.84%	4.94%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%			
Line		Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Estimate 2015	Target 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Net \$ Change 10 - '14	Avg % Change '10 - '14	Avg \$ Change '10 - '14
47	Restricted-TABOR	1,150,000	1,150,000	1,200,000	1,340,000	1,400,000	1,340,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,430,000	250,000	4.35%	50,000
48	Committed-MOA (2006-2009) and COPS Grant (2010-2013)	298,512	298,512	298,512	78,753	-	-	-	-	-	-	-	-	(298,512)	-20.00%	(59,702)
49	Committed-LTAR	2,130,520	2,406,649	2,619,375	2,619,375	2,663,099	2,663,099	2,663,099	2,663,099	2,663,099	2,663,099	2,663,099	2,663,099	532,579	5.00%	106,516
50	Unassigned Fund Balance	4,915,647	4,962,524	4,952,923	6,875,705	8,148,153	3,766,602	7,270,116	9,102,907	11,480,116	13,965,282	16,262,011	20,113,263	3,232,506	13.15%	646,501
51	As percentage of actual revenues	13.35%	12.95%	12.42%	16.81%	19.01%	9.05%	16.78%	20.32%	24.89%	29.41%	33.46%	39.04%			
52	Target Percentage	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%			
53	Target Unassigned Fund Balance Reserves	3,681,958	3,830,658	3,988,980	4,090,182	4,287,249	4,162,570	4,332,667	4,479,187	4,611,467	4,748,910	4,860,262	5,152,082	605,292	3.29%	121,058
54	Over/(Under) Target Percentage	1,233,689	1,131,867	963,943	2,785,523	3,860,904	(395,968)	2,937,450	4,623,720	6,868,648	9,216,372	11,401,750	14,961,181	2,627,215	42.59%	525,443
55	Available for Capital Expenditure	1,233,689	1,131,867	963,943	2,785,523	3,860,904	-	2,937,450	4,623,720	6,868,648	9,216,372	11,401,750	14,961,181	2,627,215	42.59%	525,443

Target - 3% of 2014 Actual and 3% of 2015 Estimate

Line 38 (Over) Under Target Amount

% of Line 38 (Over) Under Target Amount

43,741,648 45,053,897 46,405,514 47,797,679 49,231,610 50,708,558
1,062,685 1,862,541 2,432,624 2,673,472 2,802,124 2,941,977
2.49% 4.31% 5.53% 5.92% 6.04% 6.16%

Please Note:

The 2014 Actual Balance may be understated due to positions being held open for a period of time.

The 2016 Target expenditure amount for the City Manager's Office includes \$450,000 for the proposed improvements to the Jefferson and Acoma Fire Stations.

The target and projected amounts may not be sufficient if the cost of living changes more than 3% or if positions were held vacant in whole or in part during 2014.

Memorandum

To: Department Directors
Thru: Eric A. Keck, City Manager
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: May 11, 2015
Re: 2016 Proposed Budget Guidelines

The 2016 Budget Workbooks will soon be available in the 2016 Budget folders. Although overall revenue growth is forecast to grow moderately, expenditures must be controlled.

- The estimated revenues and expenditures for 2015 are as budgeted. Year-end estimates will most likely change as actual information is received and updated at mid-year.
- The initial increases for all expenditures (wages, benefits, contractual, commodities, and capital are initially forecast to increase three percent. Based on the Denver-Boulder-Greeley Consumer Price Index, a **three percent increase** over the 2014 actual should be a reasonable overall increase for the 2015 estimate and a **three percent increase** over the 2015 estimate is the target for the 2016 budget.
- Required pension contributions are determined by applicable actuarial studies (defined benefit) or pre-determined contribution levels (defined contribution). Contributions for the defined benefit plans are very difficult to forecast because they are reliant on highly variable investment performance
- Workers Compensation premiums will be provided by Human Resources later in the year. The 2015 amounts are used as place holders for the 2016 amounts.
- Property and Liability premiums will be provided by Human Resources later in the year. The 2015 amounts are used as place holders for the 2016 amounts.
- Transfers into the General Fund is limited to the Public Improvement Funding for capital lease payments.
- No new programs or personnel may be added without the City Manager's *prior* approval. A service enhancement request form of new programs or positions must be submitted for consideration by the City Manager.
- All departments should review the services and programs they provide that may be eliminated, reduced, contracted, "regionalized," or privatized with minimal impact on the City's service levels.
- Please identify any new revenue sources available or charges/fees that may be increased without a TABOR (tax increases, etc.) vote.
- Please review current fee structure and make adjustments if applicable.
- All open positions are "frozen" and cannot be filled without the *prior* approval of the City Manager.
- Capital expenditure requests will be submitted separately for consideration into the Multiple Year Capital Plan (MYCP). Please use the Service Enhancement and Capital Request forms for new projects.
- Please consolidate capital requests in the Fiscal Health Workbook and use the tab labeled "**Future Yr Initiatives & CIP**".

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUURA433SA0,CUUSA433SA0

Not Seasonally Adjusted

Area: Denver-Boulder-Greeley, CO

Item: All items

Base Period: 1982-84=100

Years: 2004 to 2014

Year	HALF1	HALF2	Average	Average	
				% Change	Half 1 % Change
2004	186.5	187.4	187.0		
2005	189.2	192.6	190.9	2.11%	1.45%
2006	196.3	199.1	197.7	3.56%	3.75%
2007	201.258	202.799	202.0	2.19%	2.53%
2008	208.741	211.066	209.9	3.90%	3.72%
2009	207.444	209.652	208.5	-0.65%	-0.62%
2010	210.978	213.916	212.4	1.87%	1.70%
2011	219.055	221.521	220.3	3.69%	3.83%
2012	222.960	226.177	224.6	1.94%	1.78%
2013	229.142	232.439	230.8	2.77%	2.77%
2014	235.736	238.664	237.2	2.78%	2.88%
2015 est				3.00%	
2016 est				3.00%	
2010-2014 Average				2.61%	2.59%
2012-2014 Average				2.50%	2.48%



Memorandum:

To: Honorable Mayor and Members of the City Council
From: Eric A. Keck, City Manager
Date: 25 June 2015
Subject: Priority Based Budgeting Workshop

The Center for Priority Based Budgeting continues to make progress with staff with the implementation of the Priority Based Budgeting methodology. The City Council has received an online survey instrument to complete that will help to determine the results or priorities that will guide the focus of our budgeting efforts. The workshop on Monday 29 June 2015 will contain a component led by Chris Fabian and Jon Johnson of the Center for Priority Based Budgeting that will summarize the survey results as well as discuss the five to seven priorities which will set the future of our budgeting focus.

The prioritization survey was not created in a vacuum or without research. Staff provided the Center for Priority Based Budgeting with the results of the 2014 National Citizen Survey, our mission, vision and values as well as some of the early feedback from the Englewood Forward process. The proposed community results that emerged as themes from all of this data were the following:

- Safe, healthy and socially responsible community
- Thriving and vibrant local economy
- Attractive and engaged community with desirable, livable neighborhoods
- Effective mobility and reliable infrastructure
- Sustainable natural environment
- Orderly, well-managed growth and development
- Recreational, cultural, educational and life-long learning opportunities
- Good governance

We look forward to having the opportunity to review these results as well as the aggregation of the Council's own views on the results. The Center for Priority Based Budgeting will also discuss next steps in the process of implementation of Priority Based Budgeting and will provide a calendar referencing this effort.

If you should have any questions or comments, please do not hesitate to contact me.

Step into your neighborhood...

...at the Englewood Forward Neighborhood Area Meetings

July 8th and 11th at a park near you!

Provide input on the **BIG IDEAS** of where you live by commenting on **recommendations and potential projects**. The City of Englewood needs your help in creating our community's Comprehensive Plan

Visit the park near you to have a detailed discussion about your neighborhood area:

July 8th

5 pm - 7pm Romans Park

5 pm - 7 pm Belleview Park*

July 11th

10 am - 12 pm Bates Logan Park

10 am - 12 pm Centennial Park*

1 pm - 3 pm Duncan Park

1 pm - 3 pm Baker Park

Visit the website for more information and to sign-up for updates:

www.EnglewoodForward.org

All events will occur in the pavilion at the park. Look for a tent at Romans Park.

* Belleview and Centennial Park events will be at the pavilion closest to the playground.

ENGLEWOOD
FORWARD

COMPREHENSIVE PLAN

