



**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
MONDAY, JULY 19, 2010
COMMUNITY ROOM
6:00 P.M.**

- I. **Phone System Update**
Information Technology Director Jeff Konishi will provide a phone system update.
- II. **Private Activity Bonds**
Community Development Director Alan White will discuss Private Activity Bonds.
- III. **Financial Report**
Financial and Administrative Services Director Frank Gryglewicz will discuss the June, 2010, Financial Report.
- IV. **City Manager's Choice**
- V. **City Attorney's Choice**



CITY OF ENGLEWOOD
INFORMATION TECHNOLOGY

To: Englewood City Council
Through: Gary Sears, City Manager
From: Jeff Konishi, Director – Information Technology
Date: July 14, 2010
Subject: Phone replacement project

City staff places and receives hundreds of calls per day and relies heavily on the telephone to conduct business. If the phone service were to fail for the City, that failure could have a huge impact on normal business since no one would be able to call in or out of the City and no calls could be made between staff. In order to maintain the current level of phone service and avoid such a failure, we recommend that the existing phone system be replaced. This project has been on-going for the past few years; however, it did not move forward due to budget cuts. At this point, we are beginning to see the signs of a phone system that is at end-of-life and we cannot insure that the current level of phone service will always be available.

- The existing phone system is 15 years old – according to the Gartner Group, the average life of a phone system is 7 to 11 years.
- Replacement parts are no longer manufactured and are only available as used or refurbished parts.

In 2009 as a short-term solution, we upgraded our existing phone system at the sites that had the greatest risk of failure – Malley Center, Pirates Cove, and the Fox building. Unfortunately, even with this upgrade we are still experiencing poor phone call quality, having sporadic problems, and the risk of the entire phone system failing still exists. Based on these concerns, the City is at risk of losing part or all of the phone service on any given day. The one exception that will not be affected by a phone failure is the 9-1-1/Dispatch phone service which is separate. We will take all appropriate measures to insure that the 9-1-1 system is not affected at any time by the implementation of the City phone system.

Since all City departments will be affected by phone service, or the lack of phone service in the case of a failure, our recommendation to eliminate these risks is to purchase a replacement for the phone system. By doing this, the City will be able to take advantage of minimizing the risk of a phone system failure as well as benefitting from the following:



CITY OF ENGLEWOOD

INFORMATION TECHNOLOGY

- Eliminate unnecessary T1 lines due to VoIP which would save the City \$10,000 annually.
- Current maintenance contract costs are \$19,800 per year for minimal coverage plus the added cost of replacement equipment as needed – estimated maintenance contract costs with the new phone system will be \$19,000.
- Other municipalities have already migrated to this same technology – Commerce City, Greenwood Village, Thornton.
- Will be able to use the existing network infrastructure with minor changes.

In our research to find the right replacement solution, we examined several different phone systems and narrowed the field to 3 products. We then did an in-depth research analysis on these 3 products which included, talking with the vendor representatives, bringing the product in-house as a working demo, and talking with other municipalities that have implemented these products. That analysis concluded that Cisco VoIP was the best choice for the City based on cost, call quality and reliability, and best fit for the City – Technologically and functionally.

After the product choice was made, we posted an RFP for a vendor that would help in most aspects of implementing the Cisco VoIP phone system. This vendor partner will help in creating an accurate budget for both hardware and professional services, as well as create and execute a project plan to help identify the necessary steps for a successful implementation, help in the discovery of current system components, assist in all aspects of installation, configuration, and deployment, then provide knowledge transfer of system management to key City staff.

We received 2 responses from the RFP and both responses were vendors that have an existing contract with the State of Colorado to provide a negotiated price for any Cisco product purchase. So prices from either vendor would have been similar; however, we chose to pursue the response from MSN Communications, Inc. based on their solution presented in the RFP and expertise in this field.

MSN Communications, Inc. is a locally owned communications technology consulting company in Englewood, CO (Denver Tech Center). MSN Communications is a Cisco Gold Partner which means that they have been designated by Cisco with the highest level of branding and incentives for their expertise with Cisco products. In addition, MSN Communications is an exclusive provider for Cisco products and does not concentrate on other competing lines of products; so their core business is to only focus on Cisco communications.

The quote from MSN for this project will encompass all related hardware, software, and professional services necessary to successfully implement a new Cisco phone system. The breakdown for this quote is as follows:

- Total Cost - \$350,000
- WWTP - \$58,497



CITY OF ENGLEWOOD

INFORMATION TECHNOLOGY

- Water/Sewer - \$30,821
- Golf - \$17,612
- Remaining cost to General Fund - \$243,070

The remaining cost of \$243,070 will be leased over 3 years – the latest lease that the City has engaged was at a rate of 4.6%.

Upon Council approval, the next steps for this project will be the following:

- Secure a contract with MSN Communications, Inc.
- Present this contract to Council for approval.
- Secure final financing for remaining cost.
- Create a plan for testing and implementation of new phone system based on estimated timeline below.

| | <u>May</u> | <u>June</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> | <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> |
|------------------------------|------------|-------------|-------------|---------------|--------------------|----------------|-----------------|-----------------|--------------------|-----------------|--------------|--------------|
| RFP | Complete | | | | | | | | | | | |
| RFP Review, Vendor Selection | | Complete | | | | | | | | | | |
| Contract/approval | | | In progress | | | | | | | | | |
| Plan, Test, Dept Rollout | | | | | Estimated Schedule | | | | | | | |
| Maintenance Mode | | | | | | | | | Estimated Schedule | | | |



M E M O R A N D U M

To: Mayor Woodward and Council

Through: Gary Sears, City Manager
Alan White, Community Development Director ✓

From: Darren Hollingsworth ✖
Economic Development Coordinator

Date: July 12, 2010

Subject: 2010 Private Activity Bond Allocation

The State of Colorado allocates Private Activity Bond (PAB) Cap to jurisdictions eligible to receive more than one million dollars of PAB. This year, Englewood has been allocated \$1,466,595. Englewood became an entitlement community for an allocation for the first time in 2002. Prior to that, Englewood was eligible to apply to the State of Colorado for PAB.

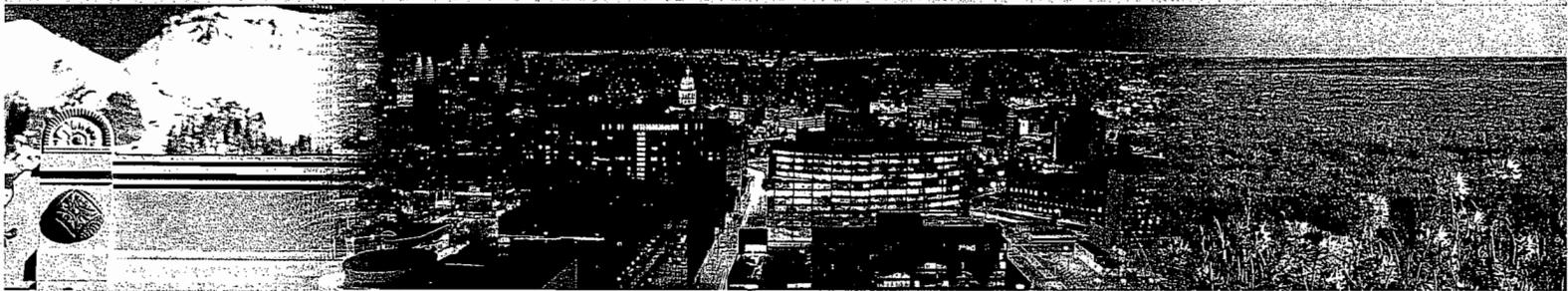
In 2002 through 2009, Englewood assigned its PAB to the Colorado Housing Finance Authority for home ownership programs. For many years prior to that, Englewood applied to the State to assign its share of PAB to the Metro Mayors Caucus mortgage bond program administered by the City of Denver. That program also provided home loans. The Metro Mayors Caucus program has not been able to issue home mortgage bonds due to current market conditions.

The City typically does not assign the PAB until mid-year, close to the State's September 15 deadline so that the PAB may be available for an eligible local project. No PAB eligible projects have been proposed in Englewood yet this year.

At the July 19 Study Session, Council will be asked to provide direction on what should be done with Englewood's 2010 PAB allocation. Last year City Council assigned Englewood's entire 2009 PAB allocation of \$1,456,875 to CHFA for home ownership programs. If the Council takes no action, the PAB would revert to the Colorado Department of Local Affairs for assignment to eligible state agencies.

Attachment: CHAFA Brochure on Private Activity Bonds

private activity bonds



2010



using private activity bonds in your community

Historically, CHFA has been one of the largest issuers of tax exempt Private Activity Bonds (PAB) in Colorado, providing bond financing to housing and economic development projects in all 64 counties in the state. While the current economy has changed some of the ways in which this resource is used, it is still an extremely important tool for community development. To help you and your neighbors better understand the value of utilizing tax exempt financing, we have put together this information outlining the general uses of PAB as well as CHFA's use of PAB in your community. We hope you find this valuable. We are available to discuss options your community has to make the most of your PAB allocation in 2010 and beyond.

what is pab?

PAB are tax exempt bonds designed to offer low-cost financing to private sector borrowers for projects that create jobs and expand the tax bases of local communities. PAB may be used to finance a broad array of community development projects including housing, manufacturing, higher education, infrastructure, and environmental projects. The bonding authority which allows the issuance of PAB is Volume Cap, created under the federal Tax Reform Act of 1986. The federal government allocates a maximum amount of Volume Cap use to each state annually, based on population.

Per Colorado statute, the Department of Local Affairs (DOLA) administers the state's allocation of Volume Cap. Under the statute, 50 percent of Colorado's allocation is given to five statewide authorities, with DOLA deciding the proportional allocation to each.

As a political subdivision of the state and an authority, CHFA is eligible to receive an allocation of volume cap, which it uses to issue tax exempt bonds throughout Colorado. CHFA uses its annual allocation to issue tax exempt bonds for single family mortgages, multifamily rental developments, manufacturers, and mortgage credit certificates.

The remaining 50 percent of annual Volume Cap is allocated to local issuing authorities. A local issuing authority consists of "any city, town, county, or city and county which has a population in any year which would result in the local issuing authority having any allocation of the state ceiling in excess of one million dollars" (CRS 24-32-1703-8). In 2010, communities with a population of at least 22,883 received an allocation of Volume Cap. After allocating Volume Cap to local issuing authorities, any remaining balance becomes available by application to the statewide balance.

current market

In September 2008, when the financial markets declined, investor interest in PAB changed. Throughout most of 2009, the interest in PAB as an investment was still minimal. As a result, CHFA and many other issuers in Colorado are carrying balances of PAB. This is a mixed blessing. PAB can only be carried forward for three years after which they expire. CHFA is fortunate in that as large statewide issuer, we can carry forward PAB and use it within that time frame.

CHFA has an extensive history of partnering with cities and counties to support local projects by leveraging Volume Cap. Partnering with CHFA is a beneficial option for local communities to ensure they use their Volume Cap in a timely manner, since any unused Volume Cap is relinquished back to the statewide balance and administered by DOLA, meaning it is not likely to be used in your local community, as the original allocation would be. When a local municipality transfers its annual allocation of Volume Cap to CHFA, it can take advantage of CHFA's bond issuance expertise and A1/A+ Issuer Credit Rating, and ensure that this valuable resource gets utilized within that community.

Transfers of Volume Cap must take place before September 15 of the allocation year. We strongly encourage communities to think about how they intend to use their PAB allocations early, and we are available to discuss partnership opportunities at any time. Please contact us at 303.297.2432 for more information.

how chfa uses pab

- CHFA offers financing for first time homeowners, developers of multifamily rental housing, and manufacturing businesses in Colorado. CHFA's staff has the technical expertise to leverage your PAB transfer (basically turning it into more money for your community) through pooled financing structures and streamlined bond documents.
- CHFA provides local, in-person loan servicing to borrowers, thereby providing better customer service and keeping more jobs in Colorado.

mortgage revenue bonds

All of our programs come with the option of a second mortgage for down payment and/or closing cost assistance. CHFA has had a stable default rate since 2000. We attribute this to our local servicing and homebuyer education, which ensures homebuyers are financially educated and prepared. We reprice our interest rates daily so we can take advantage of market rate changes and offer affordable interest rates.

mortgage credit certificates

MCCs allow first time homebuyers to claim up to 20 percent of the paid mortgage interest each year that they live in their home as a dollar-for-dollar federal income tax credit. An MCC provides borrowers with additional income which is then available when determining the amount of the mortgage loan.

rental housing

PAB financing may be used for the construction and/or preservation of multifamily affordable rental developments which serve families, seniors, and special need tenants in your community. Volume Cap can be used to provide tax exempt bond financing and can be leveraged with housing tax credits to provide an efficient, low-cost financing structure for affordable rental housing development.

industrial development bonds

IDBs are used to provide financing for manufacturing companies in your community. The tax exempt financing can be used for the construction of a new facility, acquisition of land, machinery and equipment, and other eligible uses. IDBs serve as an economic development tool that helps to create new jobs and increases the tax base of the local community. In 2010, CHFA launched the Mini-bond program, which makes this valuable resource available to smaller projects too.

homebuyer education

An additional advantage of CHFA programs is our homebuyer education. CHFA requires and pays for homebuyer education for borrowers using our home mortgage products or MCCs. We offer this valuable service both in-person throughout the state, or online 24 hours per day, seven days a week. Education has a significant impact on reducing defaults and keeping communication open between borrowers, lenders, and housing counselors.

Economic impact assessments made by CHFA Marketing and Strategic Development using RIMSII regional multipliers. Methodology and definitions available at: www.chfainfo.com/documents/methodology_econ_impact.pdf.

CHFA is not a state agency. Its bonds and notes are not obligations of the state of Colorado, and are not repaid with tax dollars. CHFA is self-supporting and pays all operating expenses from its program revenue.

This document was designed and printed in-house without the use of state general fund dollars.

The Colorado Housing and Finance Authority does not discriminate on the basis of disability in admission or access to the operation of its programs, services, activities or its own employment practices. Requests for reasonable accommodation, the provision of auxiliary aids or any complaints alleging violation of this nondiscrimination policy should be directed to Pamela McClune, Nondiscrimination Coordinator, CHFA, 1981 Blake Street, Denver, CO 80202-1272; 303.297.7366 (TDD 303.297.7305); available weekdays 8:00am to 5:00pm.

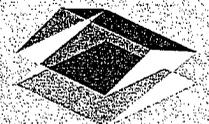
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*financing the places where
people live and work*

MEMORANDUM

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: July 15, 2010
Subject: June (Mid-Year) 2010 Financial Report

Summary of June 2010 General Fund Financial Report

REVENUES:

- Through June 2010, the City of Englewood collected **\$18,657,799 or \$210,159 (1.1 percent)** less than last year (See chart attached to the full report for detail on changes in revenue in past year).
- The City collected \$2,147,185 in property and \$109,749 in specific ownership tax through June.
- **Year-to-date sales and use tax revenue were \$10,484,356 or 243,192 (2.3 percent) less than June 2009** (In January 2009, the City of Englewood received \$201,000 from use tax audits completed in 2008. This skews the percentage difference between 2010 and 2009.)
- Cigarette tax collections were down \$15,796 compared to last year.
- Franchise fee collections were \$71,593 more than last year.
- Licenses and permit collections were \$81,266 more than 2009.
- Intergovernmental revenues were \$170,607 more than the prior year.
- Charges for services decreased \$20,354 from last year.
- Recreation revenues increased \$78,134 from 2009.
- Fines and forfeitures were \$71,187 less than last year.
- Investment income was \$52,414 less than last year.
- Miscellaneous revenues were \$280,154 less than last year.

OUTSIDE CITY:

- Outside City sales and use taxes were down \$230,827 or 6.6 percent compared to last year.
- At this time potential refunds total approximately \$900,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$600,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenues collected in June 2010 were \$1,054,220 (5.1 percent) less than the \$1,110,619 collected in 2009.

EXPENDITURES:

- Expenditures through June were \$19,534,236 or \$183,043 (.95 percent) more than the \$19,351,193 expended through June 2009.
- The City refunded \$167,657 in sales and use tax claims through June.

RESERVES:

- The reserves for 2010 are budgeted at \$3,878,895 or 10.7 percent of budgeted revenues.
- The unreserved/undesignated fund balance for 2010 is *estimated* at \$4,788,016 or 12.9 percent of projected revenues.

TRANSFERS:

- Net transfers-in to date of \$1,894,433 were made in 2010.

REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues through June by \$876,437 through June 2010 (see Expenditures above).

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$792,008 in revenues and spent \$1,924,392 year-to-date. Estimated year-end fund balance is \$155,316.

City of Englewood, Colorado

June 2010 Financial Report

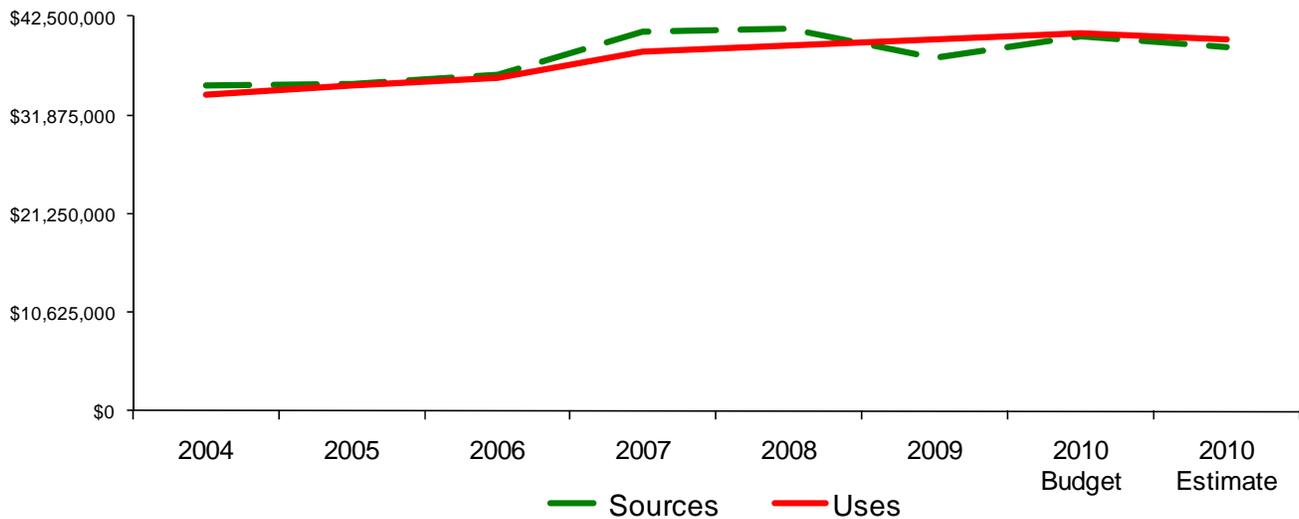
GENERAL FUND OVERVIEW AND ANALYSIS

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 services by 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 Deficits

The line graph below depicts the history of sources and uses of funds from 2004 to 2010 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.

General Fund: Total Sources and Uses of Funds



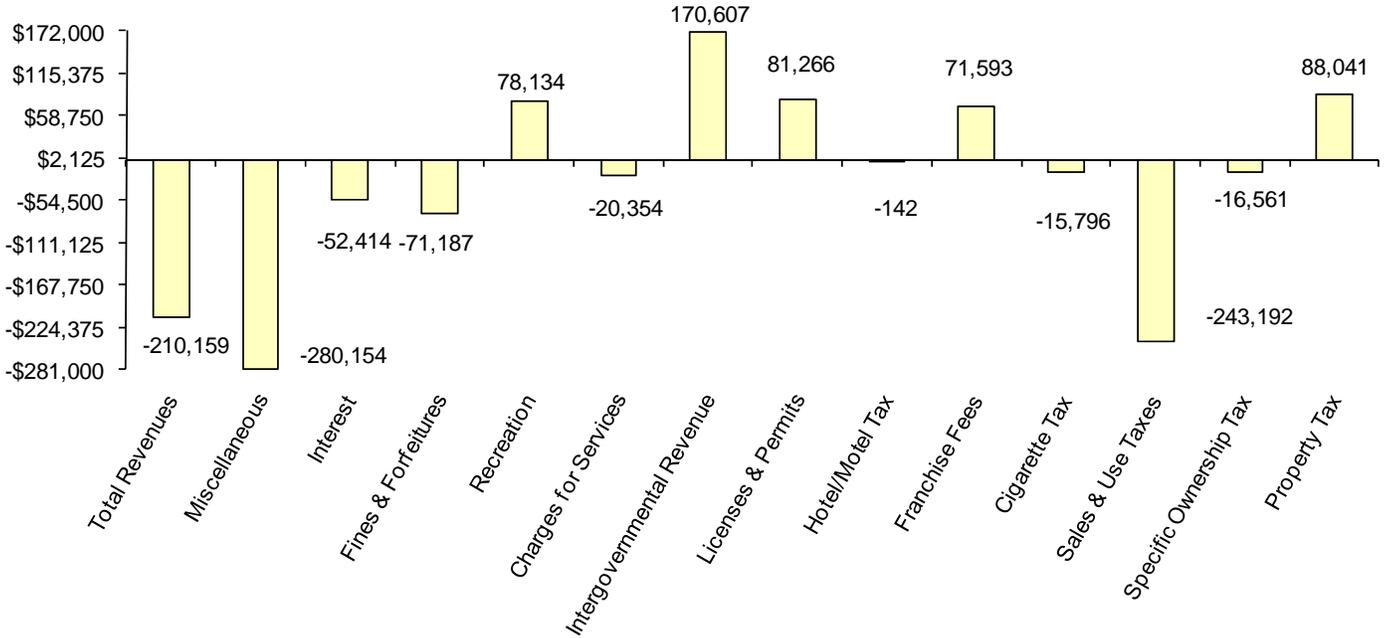
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended June, 2010. Comparative figures for years 2009 and 2008 are presented as well. The table also highlights the dollar and percentage changes between those periods.

| | 2010 | 2010 vs 2009 Increase (Decrease) | | 2009 | 2009 vs 2008 Increase (Decrease) | | 2008 |
|--|---------------|-------------------------------------|---------|---------------|-------------------------------------|----------|---------------|
| General Fund | | | | | | | |
| Year-To-Date Revenues | \$ 18,657,799 | \$ (210,159) | (1.11%) | \$ 18,867,958 | \$ (1,013,893) | (5.10%) | \$ 19,881,851 |
| Year-To-Date Expenditures | 19,534,236 | \$ 183,043 | .95% | 19,351,193 | \$ 120,872 | .63% | 19,230,321 |
| Net Revenues (Expenditures) | \$ (876,437) | \$ (393,202) | | \$ (483,235) | \$ (1,134,765) | | \$ 651,530 |
| Estimated Unreserved/ Undesignated Fund Balance | \$ 5,016,841 | \$ 123,063 | 2.51% | \$ 4,893,778 | \$ (1,363,042) | (21.78%) | \$ 6,256,820 |
| Sales & Use Tax Revenue YTD | \$ 10,484,356 | \$ (243,192) | (2.27%) | \$ 10,727,548 | \$ (1,114,716) | (9.41%) | \$ 11,842,264 |
| Outside City Sales & Use Tax YTD | \$ 3,263,890 | \$ (230,827) | (6.61%) | \$ 3,494,717 | \$ (823,292) | (19.07%) | \$ 4,318,009 |

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$38,532,965. Total revenues collected through June 2010 were \$18,657,799 or \$210,159 (1.11 percent) less than was collected in 2009. The chart below illustrates changes in General Fund revenues this year compared to last year.

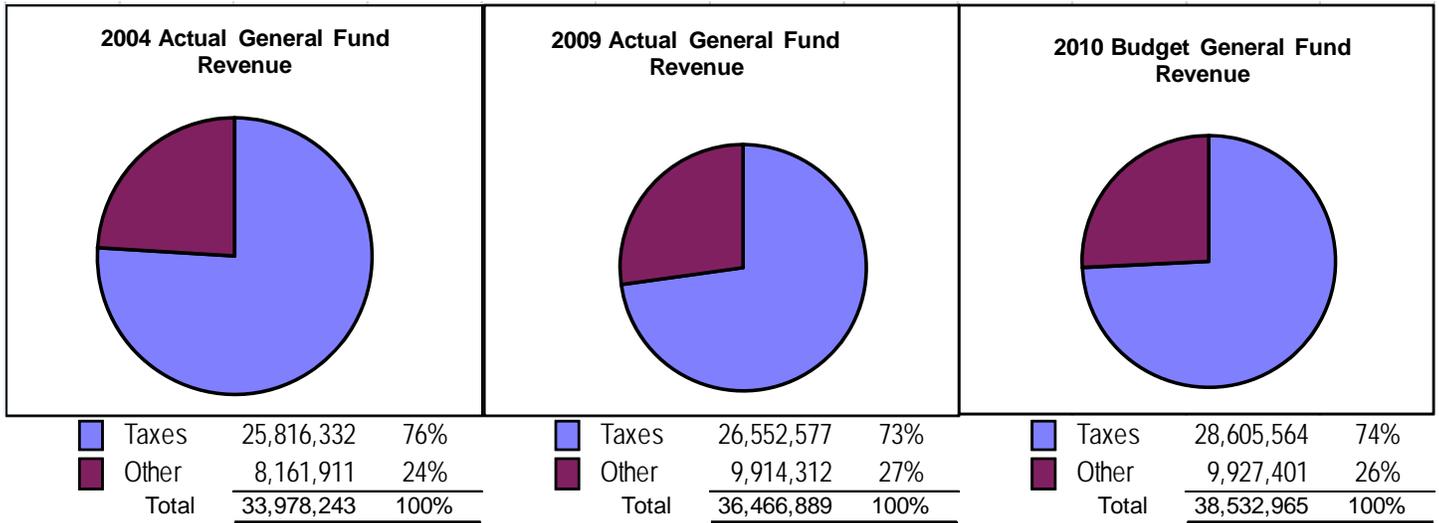
2010 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2009 total revenues were \$36,466,887 of which \$26,552,577 (72.8 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The following pie charts illustrate the contribution of taxes to total revenue for 2004 and unaudited 2009 and budgeted 2010. 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.

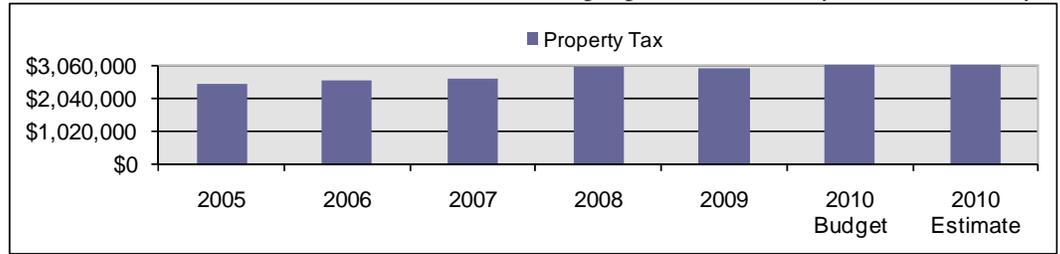
**General Fund Revenues
Taxes vs. Other**



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.

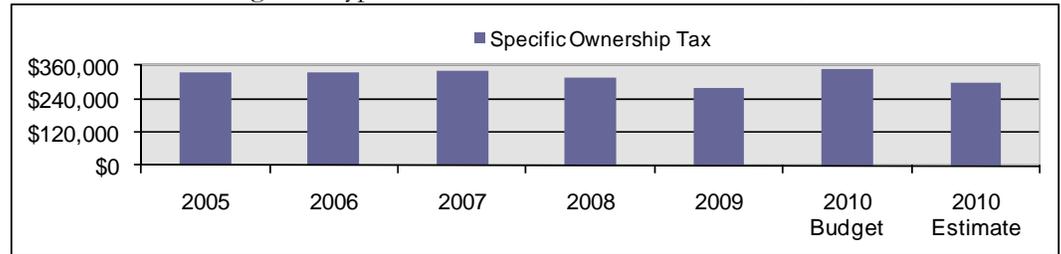
The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter approved additional mill of 2.031 mills

is levied for principal and interest payments on the City's general obligation debt (parks and recreation projects). Property tax collections grew from \$2,493,832 in 2005 to \$2,971,303 in 2009. This was an increase of \$477,471 or 19.1 percent. In 2009 the City collected \$2,971,303 or 11.2 percent of 2009 total taxes and 8.1 percent of total revenues from property taxes. The City budgeted \$3,046,000 for 2010; collected \$2,147,185 through June 2010.



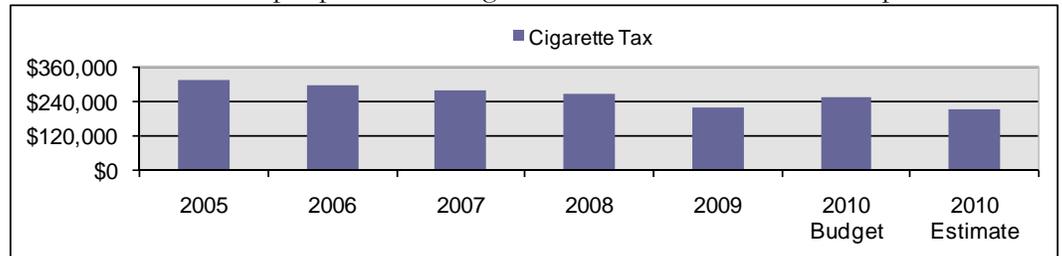
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc.

These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$334,768 in 2005 and \$276,414 in 2009 which is a decrease of \$58,354 or 17.4 percent. The City collected \$276,414 in 2009 which is less than one percent of total revenues and one percent of total taxes. The City budgeted \$350,000 for 2010 and collected \$109,749 through June 2010. The year-end estimate has been reduced to \$250,000.



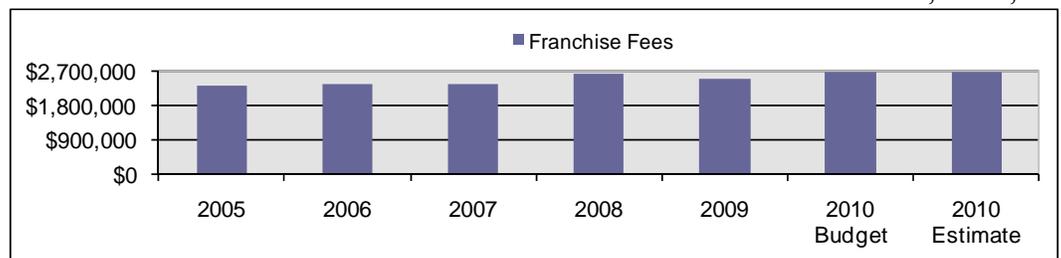
Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen significantly in the past and continue to fall after the 2009 federal tax increase of approximately

\$.62 per pack went into effect. This increase will fund the State Children's Health Insurance Program (SCHIP). In 2005 the City collected \$313,731, but in 2009 the City collected \$218,449, which is a decrease of \$95,282 or 30.4 percent. These taxes accounted for one percent of total taxes and less than one percent of total revenues in 2009. The City budgeted \$250,000 for the year and collected \$94,736 through June 2010, which is \$15,796 or 14.3 percent less than the \$110,532 collected through June 2009. The year-end estimate has been reduced to \$200,000.

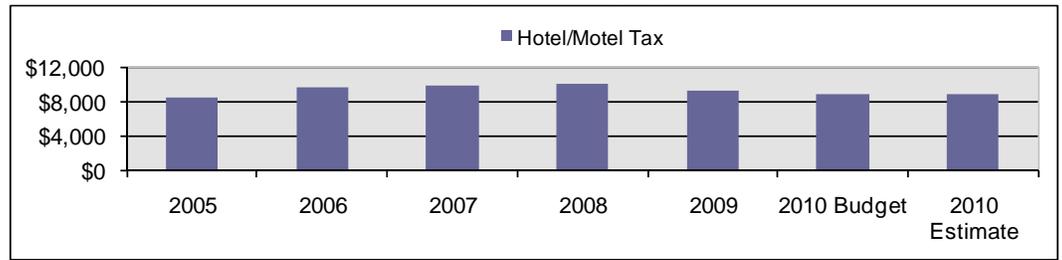


Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected \$2,294,972 in 2005 and \$2,452,611 in 2009, an increase of \$157,639 or 6.9 percent. These taxes accounted for 9.2 percent of

taxes and 6.7 percent of total revenues in 2009. The City budgeted \$2,650,851 for the year; collections through June totaled \$1,109,754 compared to \$1,038,161 collected during the same period last year.

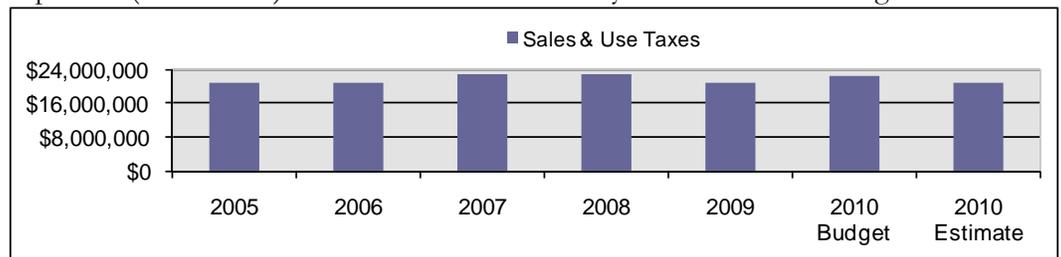


Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$4,148 through June 2010.



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 77.4 percent of all taxes and 56.4 percent of total revenues collected in 2009. In 2005, this tax generated \$20,886,855 for the City of Englewood; in 2009 the City collected \$20,624,659, a decrease of 1.3 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 receive a .25 percent fee for collecting and remitting the taxes to the City by the due date. Taxes for the current month are due to the City by the twentieth day of the following month. The City budgeted \$22,300,000 for 2010. Sales and Use Tax revenue through June 2010 was \$10,484,356 while revenue year-to-date for June 2009 was \$10,727,548 a decrease of \$243,192 or 2.27 percent.



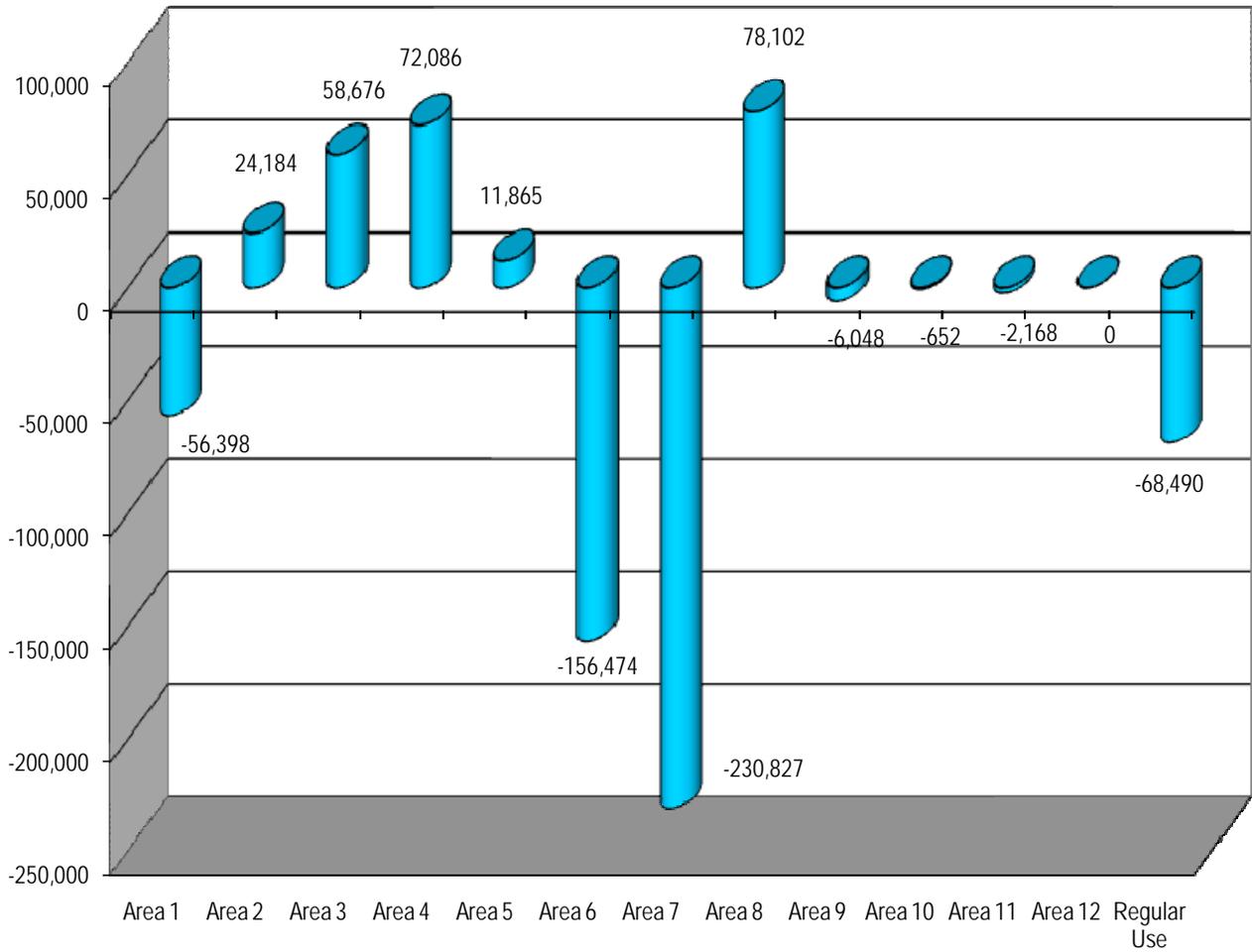
In January 2009, the City of Englewood received \$201,000 from use tax audits completed in 2008. This skews the percentage difference between 2010 and 2009. If the audit proceeds are removed from 2009, the City is down \$42,192 or .4 percent for the year.

Collections for June 2010 were \$1,530,247 while collections for June 2009 and June 2008 were \$1,434,275 and \$1,736,668 respectively. June 2010 collections were \$95,972 or 6.7 percent more than June 2009 collections. This revenue source tends to ebb and flow (often dramatically) with the economy, growing during economic expansions and contracting during downturns. The past two years of sales tax collections have been exceptionally erratic with no discernable trend 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.

Year to date the City has collected 97.6 percent of last year's sales and use taxes (\$20,624,659). If this holds through to the end of the year, the City will collect \$20,129,667 for the year. Historically, the City collects 52.6 percent of its total sales and use taxes in the first quarter; this leaves 47.4 percent to be collected over the next seven months. If this historic pattern holds true for the year, the City can expect to collect an additional \$9,447,879 for a total of \$19,932,235 for the year. Based on the above calculations, the estimated collections have been reduced to \$21,200,000 to reflect the continuing decline in collections for the year and will be reviewed further with upcoming reports.

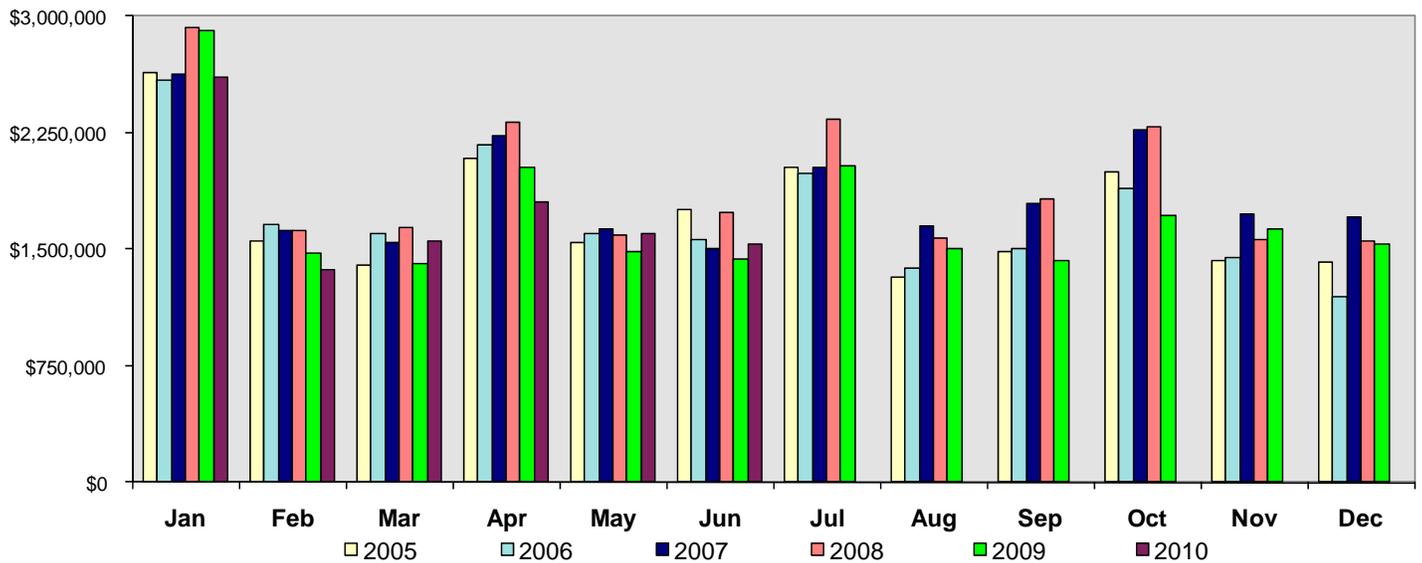
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2010 vs. 2009" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and All Other City Locations (Area 6) sales. Regular use tax was up last year due to the 2009 receipt of a 2008 audit. Economic improvement, judged strictly by sales tax collections, appears to be in decline in most of the geographic areas compared to the same period last year.

Change in Sales/Use Tax Collections by Area 2010 vs 2009



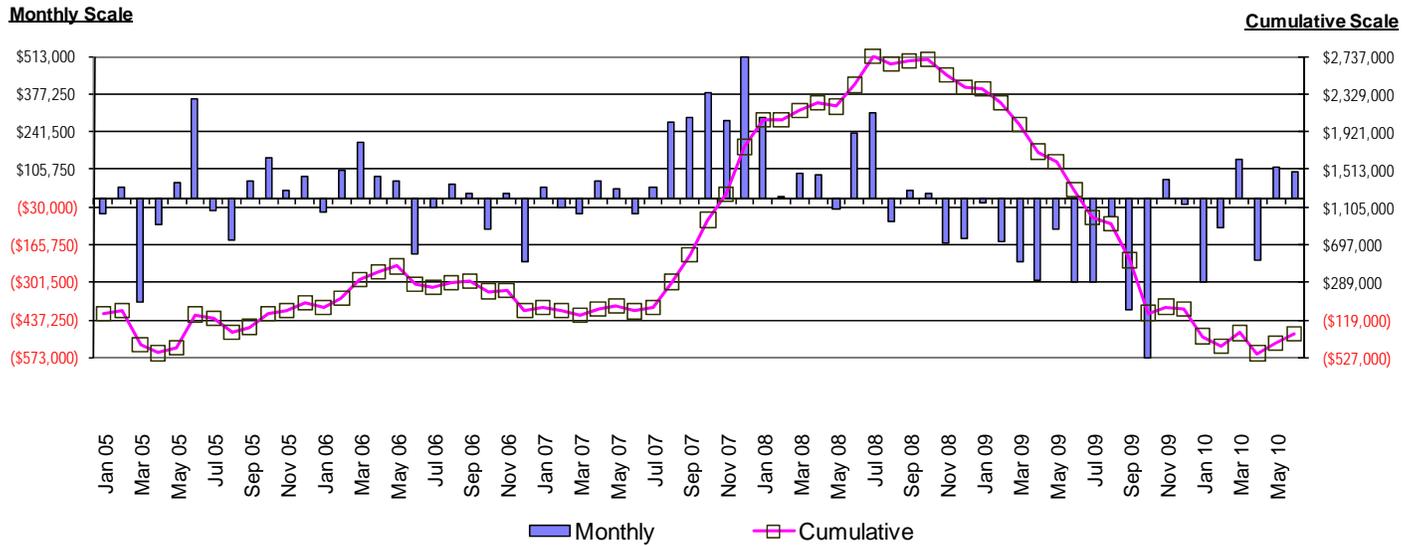
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

2005-2010 YTD Sales/Use Tax Collections by Month - Cash Basis



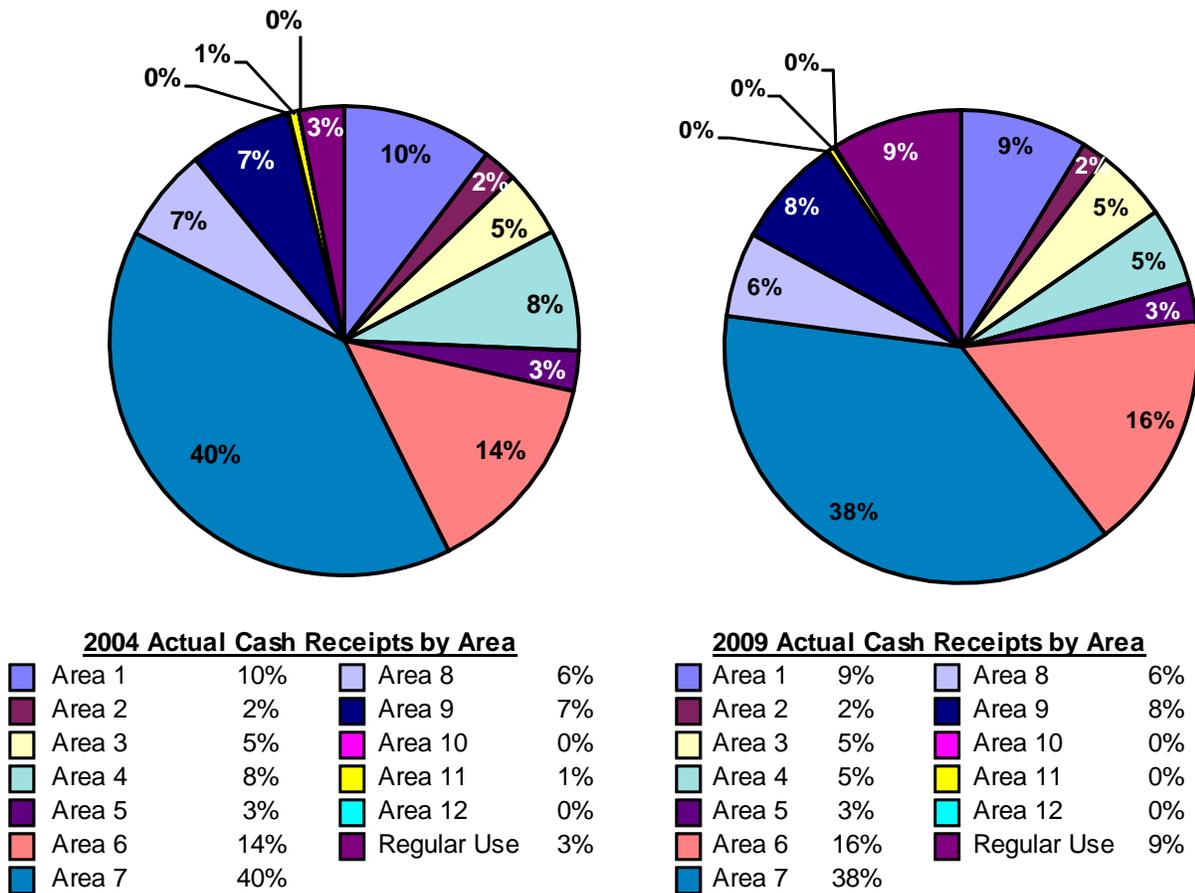
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

2005 - 2010 Monthly Change Sales and Use Tax



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2004 and 2009.

Geographic Sales Tax Collection Areas



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

Area 1: This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$1,054,220 year-to-date 2010, in 2009, the City collected \$1,110,619.

Area 6: This geographic area is down from last year due to an audit that was completed and paid last year for \$201,000.

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 decreased 7.6 percent from the same period last year. The chart below illustrates this area’s contribution to total sales and use taxes (cash basis) as well as total revenues since 2006 for collections through the month of June. 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:

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------------|------------|------------|------------|------------|------------|
| Total Sales and Use Taxes | 11,172,352 | 11,169,147 | 11,842,777 | 10,736,758 | 10,460,612 |
| Outside City Collections | 3,979,087 | 3,935,431 | 4,318,009 | 3,494,717 | 3,263,890 |
| Percentage of Total | 35.6% | 35.2% | 33.2% | 40.2% | 33.4% |
| Total General Fund Revenues | 18,725,547 | 18,975,627 | 19,881,851 | 18,867,958 | 18,657,799 |
| Outside City Collections | 3,979,087 | 3,935,431 | 4,318,009 | 3,494,717 | 3,263,890 |
| Percentage of Revenues | 21.2% | 20.7% | 21.7% | 18.5% | 17.5% |

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 \$600,000 to cover intercity claims. The City paid \$166,046 in refunds including intercity sales/use tax claims through June 2010 compared to \$10,664 in June 2009. At this time potential refunds total approximately \$900,000 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through June were up \$78,101 or 9.1 percent over 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.

Other Sales Tax Related Information

Finance and Administrative Services Department collected \$220,092 in sales and use tax audit revenues and general collections of balances on account through the month of June; this compares to \$391,555 collected in 2009 and \$327,877 collected in 2008.

Of the 68 sales tax accounts reviewed in the various geographic areas, 37 (54 percent) showed improved collections and 31 (46 percent) showed reduced collections this year compared to the same period last year.

The Department issued 221 new sales tax licenses through June 2010; 198 and 220 were issued through June 2009 and 2008 respectively.

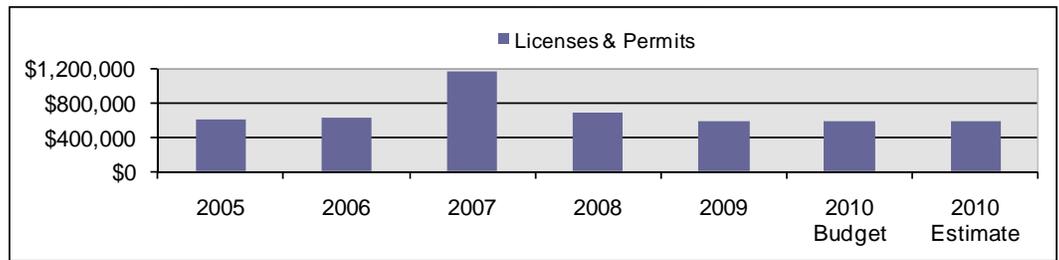
City records indicate that year-to-date 83 businesses closed (45 of them were outside the physical limits of Englewood) and 214 opened (136 of them were outside the physical limits of Englewood).

General Fund Other Revenue

Other revenues accounted for \$9,914,311 or 27.2 percent of the total revenues for 2009; the City budgeted \$9,927,401 for 2010.

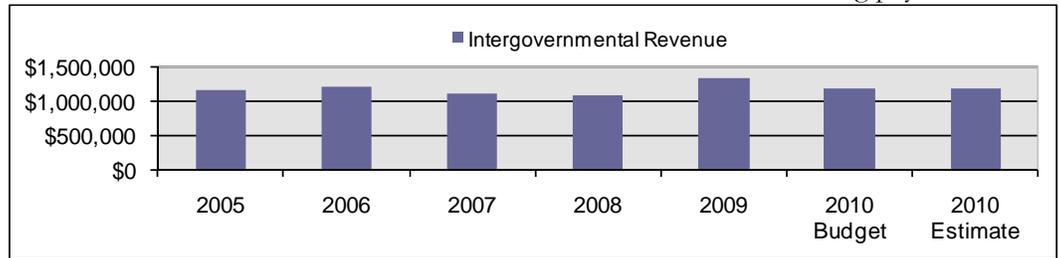
Following are additional significant revenue sources:

Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$588,403 during 2009 or 1.6 percent of total revenue and 5.9 percent of total other revenue. This revenue source totaled \$609,971 in 2005 and decreased to \$588,328 in 2009, a 3.5 percent decrease.



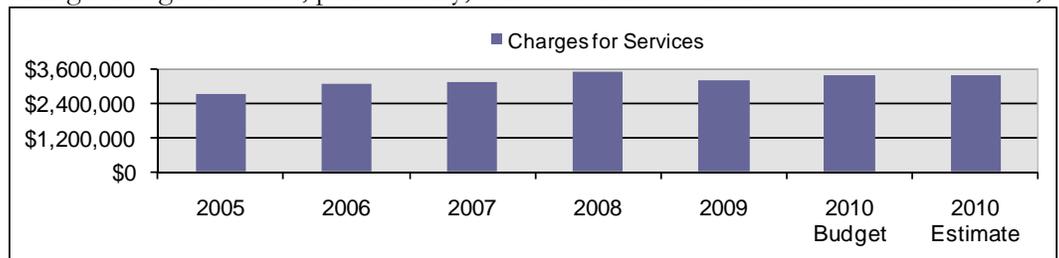
The City budgeted \$573,300 for 2010 or 5.7 percent of budgeted total other revenues (\$9,927,401) and year-to-date the City collected \$324,540 or \$81,266 (33.4 percent) more than the \$243,274 collected through June 2009. The year-end estimate has been increased to \$600,000.

Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,198,327 for 2010, this is 12 percent of total other revenue. This revenue source totaled \$1,156,221 in 2005 and the City collected \$1,319,282 in 2009, a 14.1 percent increase.



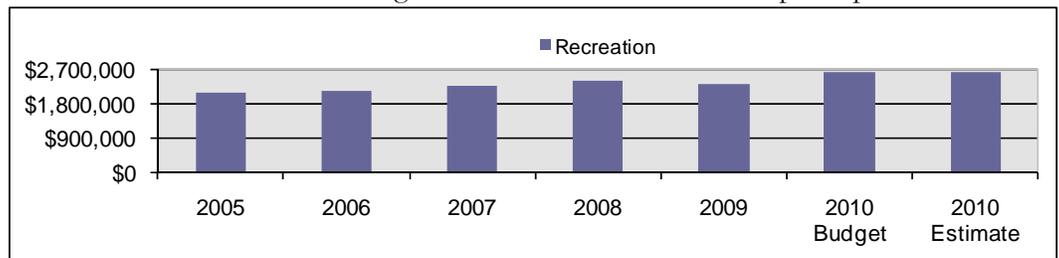
The City collected \$608,868 through June 2010 this is \$170,607 (39 percent) more than the \$438,261 collected in the same period in 2009. The year-end estimated has been increased to \$1,334,000.

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 \$3,318,587 for 2010 or 32 percent of total other revenue. This revenue source totaled \$2,750,211 in 2005 and increased to \$3,185,443 in 2009, a 15.8 percent increase.



Total collected year-to-date was \$1,574,990 or \$20,354 (1.28 percent) less than the \$1,595,344 collected year-to-date in 2009.

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 \$2,625,194 for 2010 or 26.4 percent of total other revenue.



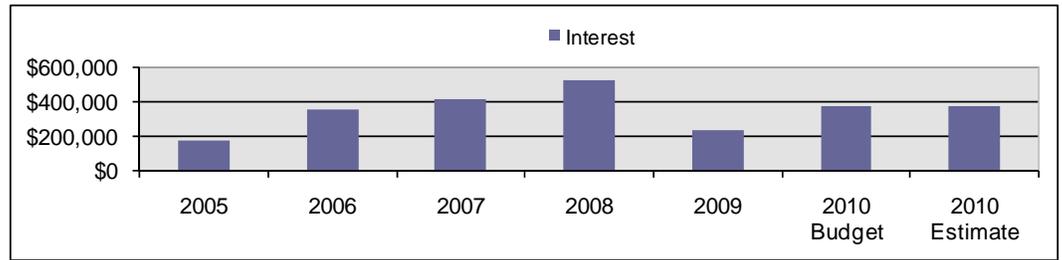
This revenue source totaled \$2,060,758 in 2005 and increased to \$2,315,598 in 2009, a 12.4 percent increase. Total collections through June 2010 were \$1,118,356 compared to \$1,040,222 collected in 2009.

Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2010 budget for this source is \$1,426,801 or 14.7 percent of total other revenue. This revenue source totaled \$1,386,842 in 2005 and increased to \$1,639,678 in



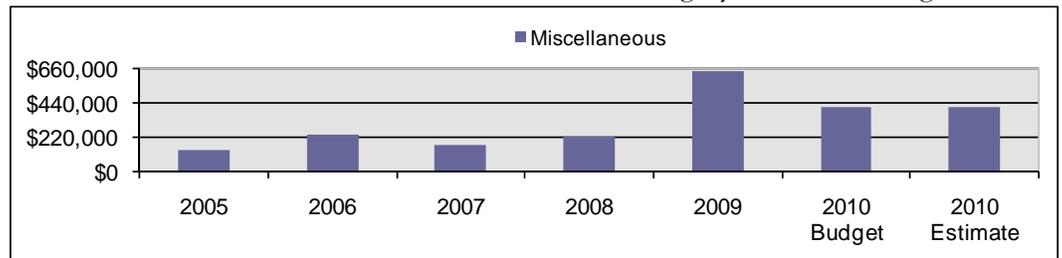
2009, an 18.2 percent increase. Total collected year-to-date was \$788,583 or \$71,187 (8.28 percent) less than the \$859,770 collected in the same time period last year.

Interest: This is the amount earned on the City's cash investments. The 2010 budget for this source is \$372,611 or 3.8 percent of total other revenue. This revenue source totaled \$168,370 in 2005 and increased to \$230,000 in



2009, a (36.6 percent) increase. The City earned \$87,489 through June 2010; the City earned \$139,903 through June 2009. The year-end estimate has been reduced to \$200,000 to reflect the current low interest rate environment.

Miscellaneous: This source includes all revenues that do not fit in another revenue category. The 2010 budget for this source is \$412,581 or 4.2 percent of total other revenue. This revenue source totaled \$131,849 in



2005 and increased to \$635,982 in 2009, a 382 percent increase. Total collected year-to-date is

\$205,045 (57.7 percent) less compared to the \$485,199 collected last year during the same period.

General Fund Expenditures

Outcome Based Budgeting

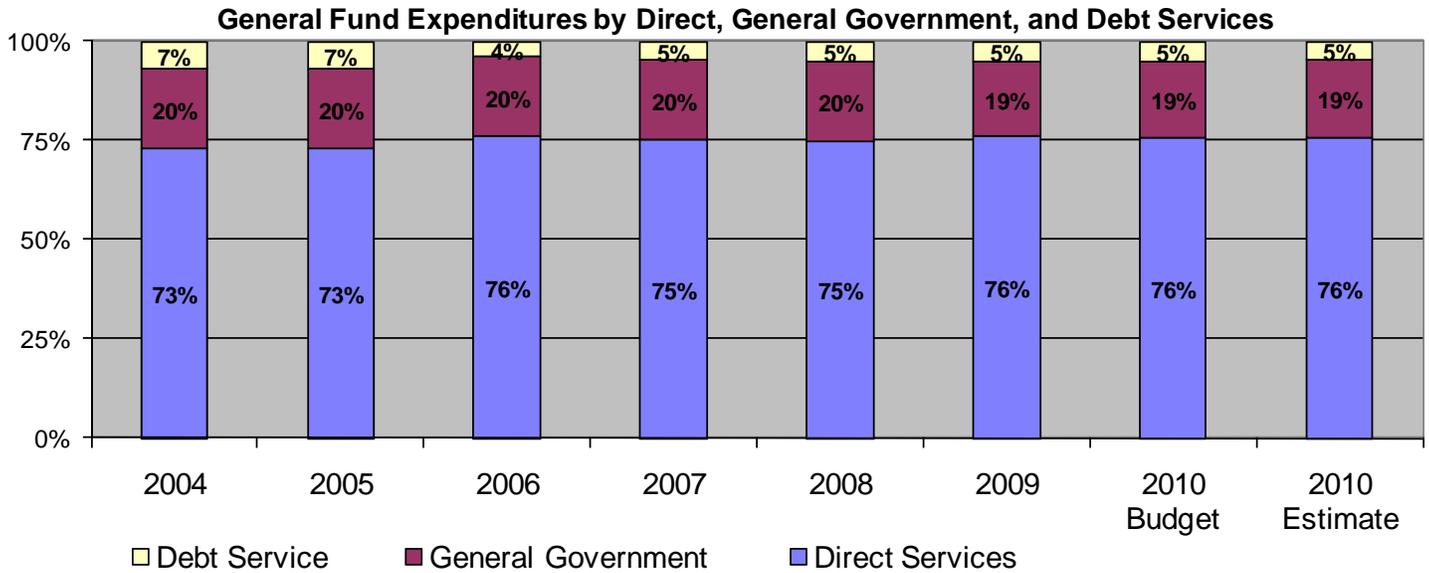
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

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

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

The City budgeted total expenditures at \$40,616,941 for 2010, this compares to \$38,997,977 and \$39,015,199 expended in 2009 and 2008 respectively. Budgeted expenditures for 2010 general government totals \$8,387,284 or 20.2 percent of the total. Direct government expenditures are budgeted at \$31,064,182 or 75.0 percent of the total. Debt service payments are \$1,993,682 or 4.8 percent of the total. Total expenditures through June were \$16,606,694 compared to \$16,411,936 in 2009 and \$16,250,230 in 2008. *The City Manager has requested all departments hold their 2010 spending at or below 2009 expenditure amounts. The Revenue, Expenditure, and Fund Balance Report has been updated to reflect this request.*

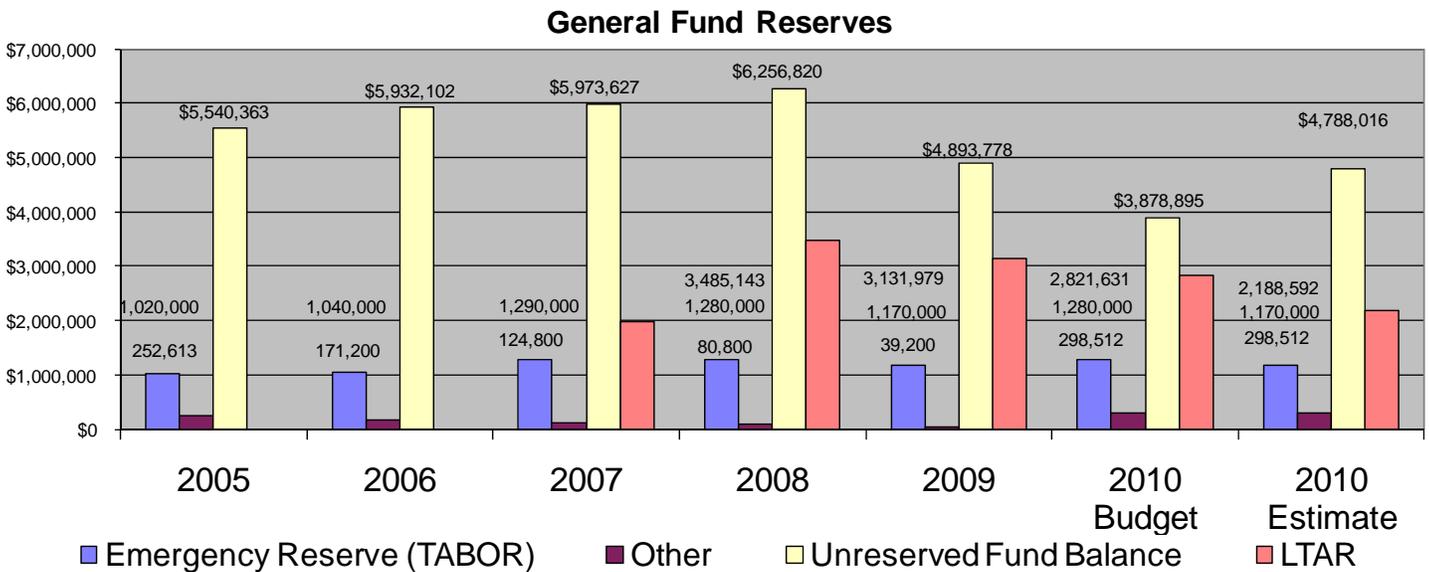
The chart below illustrates the breakdown of expenditures into debt service, general and direct government.



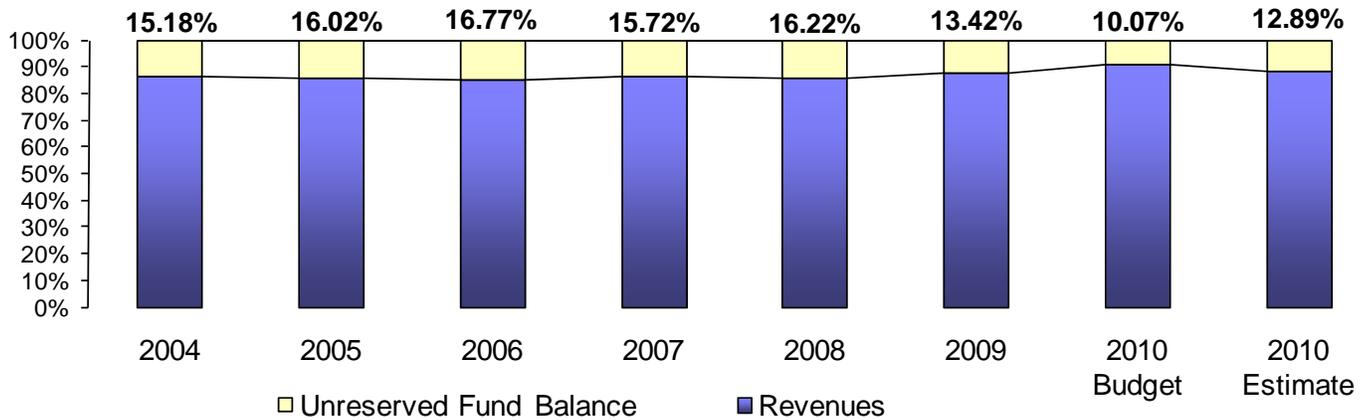
General Fund Reserves

Reserves are those funds the City sets aside for a “rainy day”. The intent is to smooth over unexpected revenue declines and expenditure increases. The fund is normally built up when revenues exceed expenditures. In the past, excess reserves have been transferred out to other funds, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The reserve 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 held on June 22, 2007, 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 can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation. The 2010 estimated year-end balance in the account is \$2,188,592 (This balance includes a \$750,000 transfer that was appropriated for the purchase of two homes and rehabilitation of ten homes, and an estimate of \$65,125 rental income from EMRF).



Unreserved Fund Balance As A Percentage of Revenue



The City ended 2009 with an unreserved/undesignated general fund balance of \$4,893,778 or 13.4 percent of revenues. The 2010 estimate shows an unaudited ending fund balance of \$4,788,016 or 12.9 percent of estimated revenues or 10.8 percent of estimated expenditures. The \$4,788,016 would allow the City to operate for approximately 43.7 days (using average daily estimated expenditures) if all other revenues and financing sources ceased. It is more important now 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.

Provided for your information is the table below that illustrates the PIF Year-To-Date (YTD) revenues and expenditures for the years 2008 through 2010. 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.

| | 2010 | 2010 vs 2009 Increase (Decrease) | 2009 | 2009 vs 2008 Increase (Decrease) | 2008 |
|---|----------------|-------------------------------------|----------------|-------------------------------------|----------------|
| Public Improvement Fund (PIF) | | | | | |
| YTD Revenues | \$ 792,008 | \$ (633,558) (44.44%) | \$ 1,425,566 | \$ 119,584 9.16% | \$ 1,305,982 |
| YTD Expenditures | 1,924,392 | \$ (576,887) (23.06%) | 2,501,279 | \$ (2,867,929) (53.41%) | 5,369,208 |
| Net Revenues (Expenditures) | \$ (1,132,384) | \$ (56,671) | \$ (1,075,713) | \$ 2,987,513 | \$ (4,063,226) |
| Beginning PIF Fund Balance | \$ 1,515,399 | | \$ 1,067,525 | | \$ 3,359,169 |
| Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation | \$ 383,015 | | \$ (8,188) | | \$ (704,057) |
| Plus: Remaining Annual Revenue | 907,751 | | 2,013,217 | | 3,087,666 |
| Less: Remaining Annual Appropriation | (1,135,450) | | (1,936,339) | | (2,100,395) |
| Estimated Ending Fund Balance | \$ 155,316 | | \$ 68,690 | | \$ 283,214 |
| Unappropriated Fund Balance as of December 31, | | | \$ 337,197 | | \$ 21,117 |

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

| | 2010 | 2010 | 2010 Vs 2009 | | | 2009 | 2009 Vs 2008 | | 2008 |
|-------------------------------------|--------------|----------------|--------------|-------------|------|------------|--------------|------|------------|
| | Estimate | Adopted Budget | YTD Actual | \$ | % | YTD Actual | \$ | % | YTD Actual |
| Vehicle Use Tax | \$ 1,000,000 | \$ 1,000,000 | \$ 360,677 | \$ (26,627) | -7% | \$ 387,303 | \$ (145,526) | -27% | \$ 532,829 |
| Building Use Tax | \$ 400,000 | \$ 400,000 | \$ 221,749 | \$ 66,387 | 43% | \$ 155,362 | \$ (294,758) | -65% | \$ 450,120 |
| Arapahoe County Road and Bridge Tax | \$ 192,109 | \$ 200,000 | \$ 172,898 | \$ 102,552 | 146% | \$ 70,346 | \$ 1,136 | 2% | \$ 69,210 |

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. We will monitor these revenue sources to determine if the 2010 estimate needs to be revised. **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 the City's assessed valuation multiplied by 50%.

2010 Year-To-Date City Funds At-A-Glance

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

| | Beginning Balance | Revenues | Expenditures | Other Sources (Uses) | Reserved Balance | Ending Balance |
|---|-------------------|------------|--------------|----------------------|------------------|----------------|
| Governmental Fund Types (Fund Balance) | | | | | | |
| General Fund | 9,234,957 | 18,657,799 | 19,534,252 | 841,492 | 4,411,979 | 4,788,016 |
| Special Revenue Funds | | | | | | |
| Conservation Trust | 851,312 | 343,257 | 267,624 | (706,779) | - | 220,166 |
| Open Space | 1,236,741 | 136,488 | 406,678 | (791,089) | - | 175,462 |
| Donors | 115,917 | 53,986 | 51,241 | - | - | 118,662 |
| Community Development | - | 103,543 | 126,145 | 22,601 | - | - |
| Malley Center Trust | 287,432 | 3,974 | 1,230 | - | - | 290,176 |
| Parks & Recreation Trust | 455,943 | 4,269 | 7,457 | - | - | 452,755 |
| Debt Service Fund | | | | | | |
| General Obligation Bond | 58,665 | 743,842 | 251,666 | - | - | 550,841 |
| Capital Projects Funds | | | | | | |
| PIF | 1,515,399 | 792,008 | 422,555 | (1,729,536) | - | 155,316 |
| MYCP | 941,009 | 7,405 | 292,896 | (519,940) | - | 135,578 |
| Proprietary Fund Types (Funds Available Balance) | | | | | | |
| Enterprise Funds | | | | | | |
| Water | 6,488,629 | 3,480,951 | 3,948,379 | - | - | 6,021,201 |
| Sewer | 8,454,882 | 6,916,976 | 5,796,272 | - | 1,000,000 | 8,575,586 |
| Stormwater Drainage | 852,252 | 193,579 | 86,998 | - | 137,818 | 821,014 |
| Golf Course | 725,050 | 825,285 | 833,964 | - | 293,500 | 422,871 |
| Concrete Utility | 246,706 | 477,648 | 156,015 | - | - | 568,338 |
| Housing Rehabilitation | 272,970 | 116,971 | 187,704 | - | - | 202,237 |
| Internal Service Funds | | | | | | |
| Central Services | 200,630 | 169,967 | 137,276 | - | - | 233,321 |
| ServiCenter | 825,982 | 1,049,344 | 900,061 | (200,000) | - | 775,265 |
| CERF | 832,458 | 351,028 | 187,540 | (446,477) | - | 549,468 |
| Employee Benefits | 376,106 | 2,667,210 | 2,746,260 | - | 91,632 | 205,424 |
| Risk Management | 1,384,702 | 1,384,526 | 785,103 | (450,000) | - | 1,984,125 |

CLOSING

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

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

FUNDS GLOSSARY

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

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

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 grant funds of the Brownfields Pilot Grants Program administered by the United States Environmental Protection Agency and the Art Shuttle Program administered by the Regional Transportation District (RTD).

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.

FUNDS GLOSSARY

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

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

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

MOA – Museum of Outdoor Arts

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

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

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 Assessment Funds account for and pay special assessment bond principal and interest and/or inter-fund loan principal and interest: Following are funds to account for special assessments: **Paving District No. 35, Paving District No. 38, and Concrete Replacement District 1995.**

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 June 30, 2010

Percentage of Year Completed = 50%

| Fund Balance January 1 | \$ 8,518,581 | \$ 9,234,957 | \$ 9,234,957 | \$ 11,102,763 | \$ 11,102,763 | \$ 9,374,427 | \$ 9,374,427 | | | |
|---|---------------------|--|----------------|--|---------------------|---|----------------|----------------------|----------------------|----------------|
| Revenues | 2010 | | | | 2009 | | | 2008 | | |
| | Budget | Jun-10 | % Budget | YE Estimate | Dec-09 | Jun-09 | % YTD | Dec-08 | Jun-08 | % YTD |
| | Property Tax | 3,046,000 | 2,147,185 | 70.49% | 3,046,000 | 2,971,303 | 2,059,144 | 69.30% | 2,995,990 | 2,222,856 |
| Specific Ownership Tax | 350,000 | 109,749 | 31.36% | 250,000 | 276,415 | 126,310 | 45.70% | 316,242 | 137,895 | 43.60% |
| Sales & Use Taxes | 22,300,000 | 10,484,356 | 47.02% | 21,200,000 | 20,624,659 | 10,727,548 | 52.01% | 22,617,767 | 11,842,264 | 52.36% |
| Cigarette Tax | 250,000 | 94,736 | 37.89% | 200,000 | 218,448 | 110,532 | 50.60% | 261,743 | 125,211 | 47.84% |
| Franchise Fees | 2,650,851 | 1,109,754 | 41.86% | 2,650,851 | 2,452,611 | 1,038,161 | 42.33% | 2,588,214 | 1,132,485 | 43.76% |
| Hotel/Motel Tax | 8,713 | 4,148 | 47.61% | 8,713 | 9,141 | 4,290 | 46.93% | 10,078 | 4,825 | 47.88% |
| Licenses & Permits | 573,300 | 324,540 | 56.61% | 600,000 | 588,303 | 243,274 | 41.35% | 671,384 | 296,675 | 44.19% |
| Intergovernmental Revenue | 1,198,327 | 608,868 | 50.81% | 1,334,000 | 1,333,688 | 438,261 | 32.86% | 1,092,701 | 442,670 | 40.51% |
| Charges for Services | 3,318,587 | 1,574,990 | 47.46% | 3,200,000 | 3,163,735 | 1,595,344 | 50.43% | 3,452,946 | 1,552,697 | 44.97% |
| Recreation | 2,625,194 | 1,118,356 | 42.60% | 2,625,194 | 2,315,598 | 1,040,222 | 44.92% | 2,364,758 | 1,098,851 | 46.47% |
| Fines & Forfeitures | 1,426,801 | 788,583 | 55.27% | 1,426,801 | 1,639,678 | 859,770 | 52.44% | 1,461,100 | 765,250 | 52.37% |
| Interest | 372,611 | 87,489 | 23.48% | 200,000 | 229,999 | 139,903 | 60.83% | 520,325 | 212,702 | 40.88% |
| Miscellaneous | 412,581 | 205,045 | 49.70% | 412,581 | 643,311 | 485,199 | 75.42% | 226,270 | 47,470 | 20.98% |
| Total Revenues | 38,532,965 | 18,657,799 | 48.42% | 37,154,140 | 36,466,889 | 18,867,958 | 51.74% | 38,579,518 | 19,881,851 | 51.53% |
| Expenditures | | | | | | | | | | |
| Legislation | 359,314 | 160,720 | 44.73% | 346,045 | 346,045 | 181,980 | 52.59% | 350,254 | 169,855 | 48.49% |
| City Attorney | 767,546 | 345,998 | 45.08% | 767,546 | 678,038 | 307,703 | 45.38% | 698,563 | 314,905 | 45.08% |
| Court | 1,005,723 | 416,668 | 41.43% | 1,005,723 | 914,493 | 437,646 | 47.86% | 915,303 | 456,283 | 49.85% |
| City Manager | 668,633 | 340,656 | 50.95% | 670,000 | 674,170 | 354,720 | 52.62% | 674,323 | 359,855 | 53.37% |
| Human Resources | 504,898 | 183,907 | 36.42% | 504,898 | 456,275 | 211,241 | 46.30% | 579,137 | 264,781 | 45.72% |
| Financial Services | 1,684,000 | 720,369 | 42.78% | 1,600,000 | 1,575,924 | 754,298 | 47.86% | 1,626,571 | 781,388 | 48.04% |
| Information Technology | 1,342,948 | 604,638 | 45.02% | 1,360,237 | 1,360,237 | 624,781 | 45.93% | 1,280,156 | 606,618 | 47.39% |
| Public Works | 5,497,881 | 2,563,295 | 46.62% | 5,274,173 | 5,152,891 | 2,446,610 | 47.48% | 5,189,173 | 2,510,254 | 48.37% |
| Fire Department | 7,407,551 | 3,655,226 | 49.34% | 7,390,268 | 7,320,268 | 3,543,566 | 48.41% | 7,215,443 | 3,464,174 | 48.01% |
| Police Department | 10,469,333 | 5,162,420 | 49.31% | 10,469,333 | 10,183,891 | 4,981,244 | 48.91% | 9,974,925 | 4,875,245 | 48.88% |
| Community Development | 1,457,667 | 593,325 | 40.70% | 1,457,667 | 1,366,437 | 674,712 | 49.38% | 1,464,725 | 656,916 | 44.85% |
| Library | 1,352,221 | 663,497 | 49.07% | 1,352,221 | 1,275,554 | 670,474 | 52.56% | 1,261,112 | 636,046 | 50.44% |
| Recreation | 6,034,770 | 2,752,526 | 45.61% | 5,827,968 | 5,727,968 | 2,773,934 | 48.43% | 5,916,449 | 2,785,203 | 47.08% |
| Debt Service | 2,004,456 | 1,364,429 | 68.07% | 1,864,122 | 1,805,208 | 1,348,683 | 74.71% | 1,809,306 | 1,337,252 | 73.91% |
| Contingency | 60,000 | 6,562 | 10.94% | 60,000 | 160,578 | 39,601 | 24.66% | 59,759 | 11,546 | 19.32% |
| Total Expenditures | 40,616,941 | 19,534,236 | 48.09% | 39,950,201 | 38,997,977 | 19,351,193 | 49.62% | 39,015,199 | 19,230,321 | 49.29% |
| Excess revenues over (under) expenditures | (2,083,976) | (876,437) ▲ | 42.06% | (2,796,061) | (2,531,088) | (483,235) | | (435,681) | 651,530 | |
| Net transfers in (out) | 1,844,433 | 1,134,433 | 61.51% | 2,006,224 ▼ | 663,282 | 3,682 | 0.56% | 2,164,017 | 2,352,932 | 108.73% |
| Total Fund Balance | \$ 8,279,038 | \$ 9,492,953 ▲ | 114.66% | \$ 8,445,120 | \$ 9,234,957 | \$ 10,623,210 ▲ | 115.03% | \$ 11,102,763 | \$ 12,378,889 | 111.49% |

Fund Balance Analysis

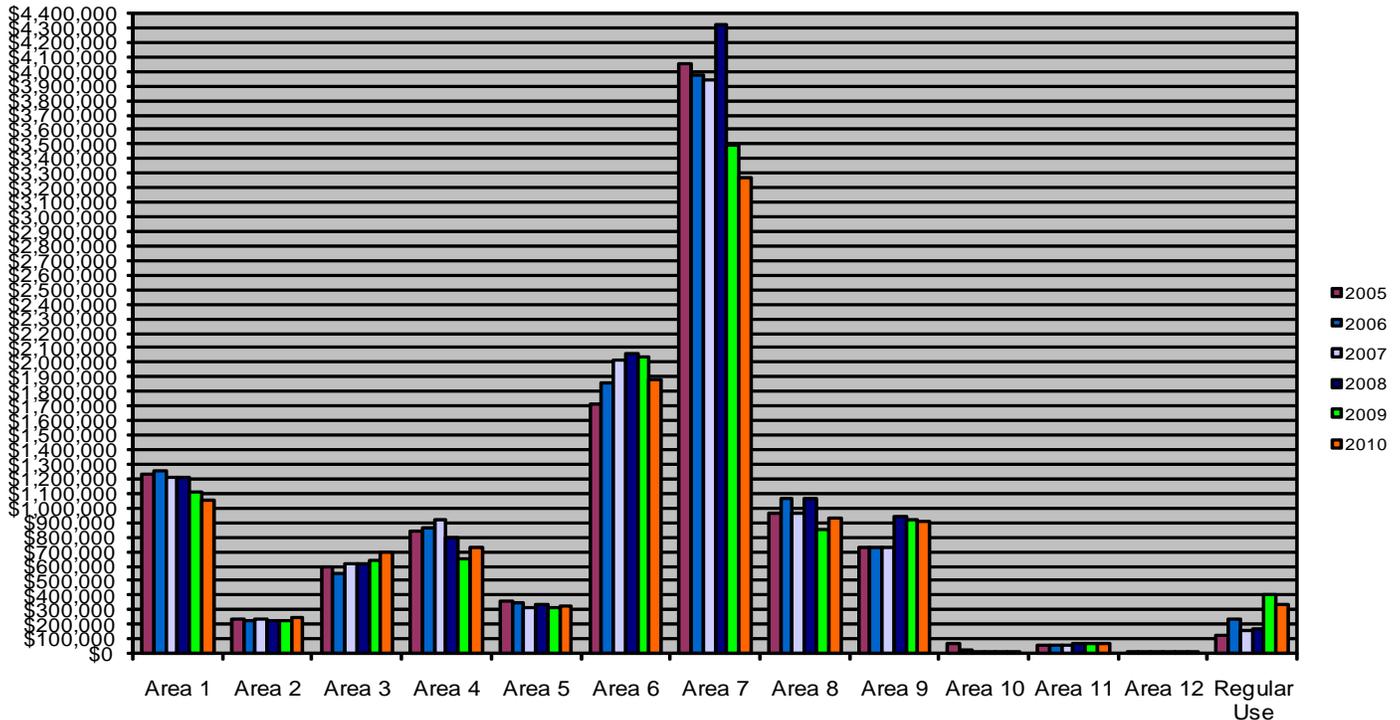
| | | | | |
|---------------------------------------|---------------------|--|---------------------|---------------------|
| Total Fund Balance | \$ 8,279,038 | \$ 8,445,120 | \$ 9,234,957 | \$ 11,102,763 |
| Reserves/designations: | | | | |
| -Emergencies (TABOR) | 1,280,000 | 1,170,000 | 1,170,000 | 1,280,000 |
| -LTAR | 2,821,631 | 2,188,592 ▼ | 3,131,979 | 3,485,143 |
| -MOA | - | - | 39,200 | 80,800 |
| -COPS Grant | 298,512 | 298,512 | - | - |
| Unreserved/undesignated | | | | |
| Fund Balance | \$ 3,878,895 | \$ 4,788,016 | \$ 4,893,778 | \$ 6,256,820 |
| Potential reserves/designations | - | - | - | - |
| Estimated unres/undesig | | | | |
| Fund Balance | \$ 3,878,895 | \$ 4,788,016 | \$ 4,893,778 | \$ 6,256,820 |
| As a percentage of projected revenues | 10.44% | 12.89% | 13.42% | 16.22% |
| As a percentage of budgeted revenues | 10.07% | 12.43% | | |
| Target | 3,853,297 | - | 5,779,945 | |

Sales & Use Tax Collections Year-to-Date Comparison for the month of June 2010

Cash Basis

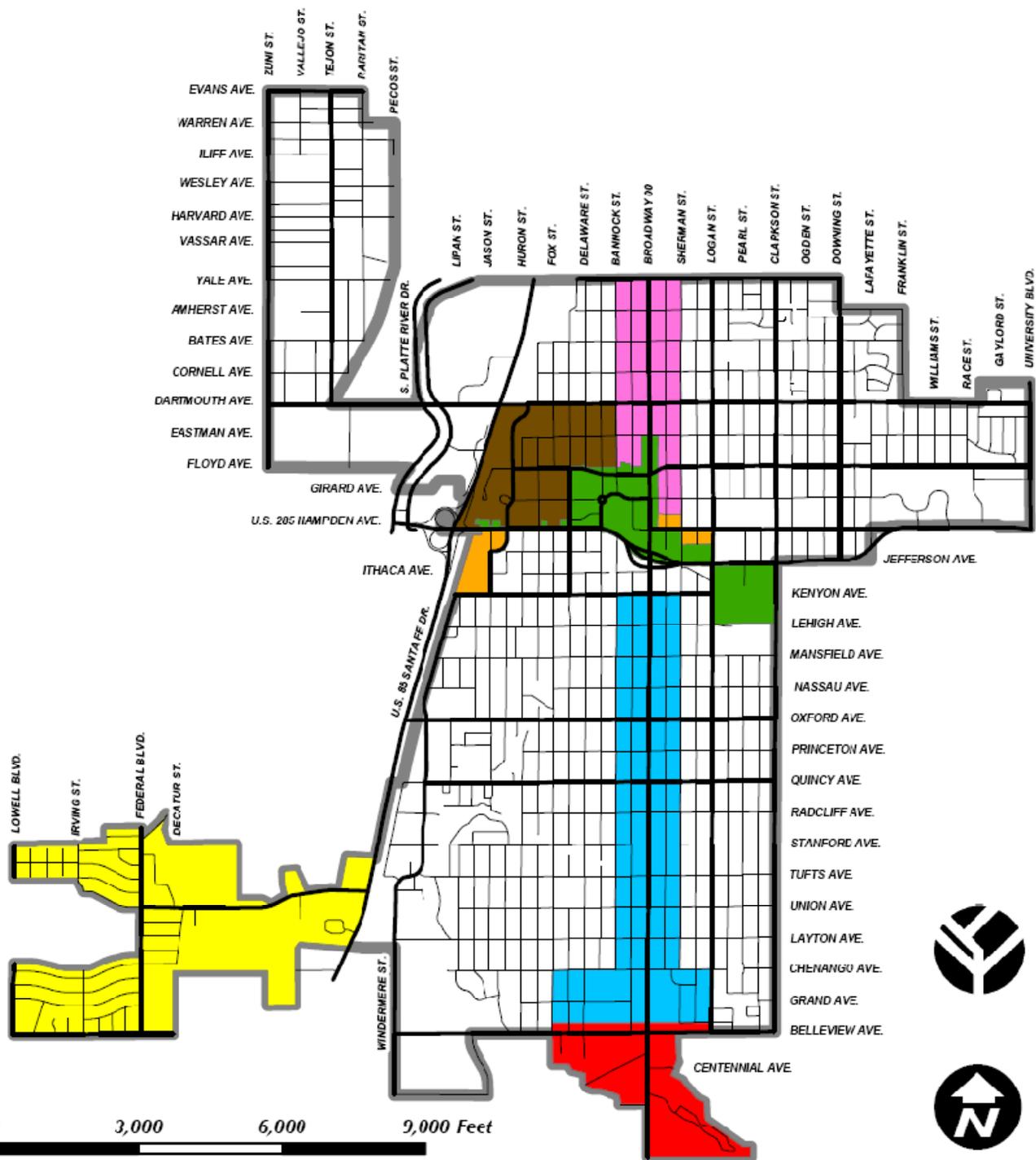
| | 2005 | % Change | 2006 | % Change | 2007 | % Change | 2008 | % Change | 2009 | % Change | 2010 | % Change |
|------------------------------|-------------------|---------------|-------------------|--------------|-------------------|---------------|-------------------|--------------|-------------------|---------------|-------------------|---------------|
| Area 1 | 1,236,711 | 3.15% | 1,251,217 | 1.17% | 1,206,657 | -3.56% | 1,208,474 | 0.15% | 1,110,619 | -7.96% | 1,054,220 | -5.08% |
| Area 2 | 234,583 | 2.96% | 222,904 | -4.98% | 231,034 | 3.65% | 228,876 | -0.93% | 225,204 | -2.52% | 249,387 | 10.74% |
| Area 3 | 594,637 | -7.24% | 551,676 | -7.22% | 621,650 | 12.68% | 620,344 | -0.21% | 634,781 | 2.11% | 693,456 | 9.24% |
| Area 4 | 836,258 | -6.94% | 867,156 | 3.69% | 919,364 | 6.02% | 801,521 | -12.82% | 655,073 | -28.75% | 727,158 | 11.00% |
| Area 5 | 364,342 | 20.84% | 345,884 | -5.07% | 319,125 | -7.74% | 339,295 | 6.32% | 310,063 | -2.84% | 321,928 | 3.83% |
| Area 6 | 1,717,243 | 0.48% | 1,854,490 | 7.99% | 2,013,915 | 8.60% | 2,059,234 | 2.25% | 2,042,041 | 1.40% | 1,885,567 | -7.66% |
| Area 7 | 4,053,643 | -0.30% | 3,979,087 | -1.84% | 3,935,431 | -1.10% | 4,318,009 | 9.72% | 3,494,717 | -11.20% | 3,263,890 | -6.61% |
| Area 8 | 959,711 | 0.26% | 1,061,016 | 10.56% | 963,214 | -9.22% | 1,064,030 | 10.47% | 856,237 | -11.11% | 934,338 | 9.12% |
| Area 9 | 725,669 | 0.00% | 725,669 | 0.00% | 725,669 | 0.00% | 946,626 | 30.45% | 918,747 | 26.61% | 912,699 | -0.66% |
| Area 10 | 67,750 | 274.00% | 18,832 | -72.20% | 12,437 | -33.96% | 10,862 | -12.66% | 9,056 | -27.18% | 8,404 | -7.20% |
| Area 11 | 58,239 | 0.00% | 58,239 | 0.00% | 58,239 | 0.00% | 73,410 | 26.05% | 69,456 | 19.26% | 67,287 | -3.12% |
| Area 12 | 1,073 | -78.53% | 2,116 | 97.20% | 1,791 | -15.36% | 2,482 | 38.58% | 2,459 | 37.28% | 2,458 | -0.01% |
| Regular Use | 121,097 | -43.47% | 234,066 | 93.29% | 160,619 | -31.38% | 169,614 | 5.60% | 408,307 | 154.21% | 339,817 | -16.77% |
| Total | 10,970,956 | -0.46% | 11,172,352 | 1.84% | 11,169,147 | -0.03% | 11,842,777 | 6.03% | 10,736,758 | -3.87% | 10,460,612 | -2.57% |
| Refunds | 59,806 | -42.63% | 66,850 | 11.78% | 71,114 | 6.38% | 309,764 | 335.59% | 67,195 | -78.31% | 167,706 | 149.58% |
| Audit & Collections Revenue* | 521,644 | 973.66% | 228,808 | -56.14% | 259,732 | 13.52% | 327,877 | 26.24% | 391,555 | 19.42% | 231,472 | -40.88% |
| *included Above | | | | | | | | | | | | |
| Unearned Sales Tax | 700,000 | -29.18% | 650,000 | -7.14% | 650,000 | 0.00% | 650,000 | 0.00% | 600,000 | -7.69% | 600,000 | 0.00% |
| Building Use | 238,691 | 0.00% | 626,049 | 162.28% | 672,841 | 7.47% | 450,120 | -33.10% | 155,362 | -65.48% | 221,749 | 42.73% |
| Vehicle Use | 692,821 | 0.00% | 566,286 | -18.26% | 710,844 | 25.53% | 647,292 | -8.94% | 470,888 | -27.25% | 448,113 | -4.84% |

June YTD Collections by Area 2005-2010



Area Descriptions

- | | |
|--|--|
| <p>Area 1 - CityCenter (Formerly Cinderella City)</p> <p>Area 2 - S of Yale, N of Kenyon between Bannock & Sherman (excludes EURA 1)</p> <p>Area 3 - S of Kenyon, N of Chenango between Bannock & Sherman and S of Chenango, N of Bellewood between Logan & Delaware</p> <p>Area 4 - Brookridge Shopping Center (Between Fox and Sherman and North side of Belleview and to the Southern City Limits)</p> <p>Area 5 - Centennial Area W of Santa Fe</p> | <p>Area 6 - All other City locations</p> <p>Area 7 - Outside City limits</p> <p>Area 8 - Public Utilities (Xcel Energy, Qwest)</p> <p>Area 9 - Downtown & Englewood Pkwy</p> <p>Area 10 - Downtown & Englewood Pkwy <u>Use Tax Only</u></p> <p>Area 11 - S of 285, N of Kenyon between Jason and Santa Fe</p> <p>Area 12 - S of 285, N of Kenyon between Jason and Santa Fe <u>Use Tax Only</u></p> |
|--|--|



City of Englewood, Colorado: Sales Tax Areas

- | | | |
|--------|----------------|--------------------------|
| Area 1 | Area 5 | Arterials and Collectors |
| Area 2 | Area 9 and 10 | Local Streets |
| Area 3 | Area 11 and 12 | Englewood City Limits |
| Area 4 | | |

Areas Not Depicted on Map:

Area 6 - Other City Locations

Area 7 - Outside City Limits

Area 8 - Public Utilities