



**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
MONDAY, SEPTEMBER 20, 2010
COMMUNITY ROOM
6:00 P.M.**

- I. **Proposed Amendments 60 and 61, and Proposition 101**
An invitation was sent to Colorado Tax Reforms to discuss the upcoming ballot issues; their response and flyer are attached. This invitation was also sent to Attorney Peter J. Whitmore of Sherman & Howard. Mr. Whitmore recently presented information on the upcoming ballot issues at a CML Conference, and he will be present this evening to discuss these issues. Prior to Mr. Whitmore's presentation, a short video by Bell Policy Center will be presented.
- II. **Impact of Ballot Issues**
Financial and Administrative Services Director Frank Gryglewicz will discuss the impact of ballot issues.
- III. **Impact of Ballot Issues on Water & Sewer Bills**
Utilities/WWTP Director Stu Fonda will discuss the impact of ballot issues on the water and sewer bills.
- IV. **Financial Report**
Financial and Administrative Services Director Frank Gryglewicz will discuss the August Financial Report.
- V. **EMS Grant**
Fire Chief Mike Pattarozzi will discuss the replacement of the medic unit.
- VI. **City Manager's Choice**
- VII. **City Attorney's Choice**

Gary Sears

From: InfoCTRS
Sent: Thursday, September 09, 2010 4:53 PM
To: Gary Sears
Subject: Re: Englewood City Council meeting of September 20, 2010

We don't have time to waste on a hostile audience. We are trying to win a statewide election.

You may distribute copies of the flier found at COTaxReforms.com.

If you do, thank you for that.

Gary Sears wrote:

> Hello,

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> This morning I called the number listed on your website ,cotaxreforms.com, and invited a representative from your organization to attend a City Council meeting at the Englewood CityCenter on September 20, 2010, located at the intersection at Hampden and Santa Fe (next to the Englewood Light Rail Station) for either the City Council Study Session starting at 6:00 p.m. or the regular City Council meeting starting at 7:30 p.m.

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> This email is a follow up to my telephone call. The City Council at their last regular meeting of September 7, 2010 directed me, as city manager, to request your presence at the meeting, along with representatives who are in opposition to amendments 60, 61, and 100. We are also asking that you bring information that may be distributed at the meeting regarding your position on these amendments.

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> If possible, would you email me or call me, Gary Sears, City Manager, at 303-762-2310 informing me if you will be able to attend the meeting?

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> Thank you very much for your consideration.

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> Gary Sears

> City Manager

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Trim car, income, phone taxes. YES on Prop. 101

- 1. VEHICLE TAXES.** Over four years, lower ownership taxes and sales taxes. End rental and lease taxes. **Make yearly car registration fee \$10; ban other "fees."**
- 2. INCOME TAXES.** Set the rate at 4.5%, then inch to 3.5% (at 0.1% yearly) in **15-20 years, but only** when future year income tax revenue growth **exceeds 6% (= NO CUT).**
- 3. PHONE TAXES.** End state and local taxes and charges on phone, pager, cable, Internet, satellite, and other telecommunication customer accounts. Keep the 911 fee.

Think VIP taxes: Vehicle, Income, Phone. **Voters never approved these taxes.**

The official, state-approved ballot title: on November 2, 2010, vote YES on 101.

Shall there be an amendment to the Colorado Revised Statutes concerning limits on government charges, and, in connection therewith, reducing vehicle ownership taxes over four years to nominal amounts; ending taxes on vehicle rentals and leases; phasing in over four years a \$10,000 vehicle sale price tax exemption; setting total yearly registration, license, and title charges at \$10 per vehicle; repealing other specific vehicle charges; lowering the state income tax rate to 4.5% and phasing in a further reduction in the rate to 3.5%; ending state and local taxes and charges, except 911 charges, on telecommunication service customer accounts; and stating that, with certain specified exceptions, any added charges on vehicles and telecommunication service customer accounts shall be tax increases?

Our main website is COTaxReforms.com. See "Fibs by Foes" and "Opposition Funding." We're all volunteers; please help. These three issues won't cost schools one dollar (full state aid guaranteed by existing law), but they **WILL CREATE JOBS.**

Reform property taxes. YES on Amendment 60

1. Let citizens petition local governments for ballot issues to lower property taxes.
2. Tax government businesses. Use the money to lower rates, limit unfair competition.
3. Stop unelected boards from taxing us. Set tax expiration dates to allow voter review.
4. Replace part of school property taxes **over 10 years** with an **equal amount** of state aid.

Property taxes have **soared 183% (UP \$4.4 BILLION)** since 1992. Taxes on seniors **doubled** this year. In 2007, the **state raised** school taxes many millions **without voter approval to cut state aid** and spend that money **elsewhere!** Let's **rebuild our economy, add state aid to schools, help homeowners, and regain our right to vote on property taxes.**

The official, state-approved ballot title: on November 2, 2010, vote YES on 60.

Shall there be an amendment to the Colorado constitution concerning government charges on property, and, in connection therewith, allowing petitions in all districts for elections to lower property taxes; specifying requirements for property tax elections; requiring enterprises and authorities to pay property taxes but offsetting the revenues with lower tax rates; prohibiting enterprises and unelected boards from levying fees or taxes on property; setting expiration dates for certain tax rate and revenue increases; requiring school districts to reduce property tax rates and replacing the revenue with state aid; and eliminating property taxes that exceed the dollar amount included in an approved ballot question, that exceed state property tax laws, policies, and limits existing in 1992 that have been violated, changed, or weakened without state voter approval, or that were not approved by voters without certain ballot language?

Susan Werntz

From: Gary Sears
Sent: Thursday, September 09, 2010 11:36 AM
To: Whitmore, Peter
Cc: Jim Woodward Home Account; Jill Wilson; Dan Brotzman; Mike Flaherty
Subject: Discussion with Englewood City Council Regarding Proposed Amendments 60,61, and 100

Hello Peter,

Per our telephone conversation and per the direction of the Englewood City Council, I am inviting you to a City Council Study Session or Regular Session on September 20, 2010 at the Englewood CityCenter at Hampden and Santa Fe. The City Council has instructed me to invite both representatives in favor and opposed to the amendments.

The Study Session will begin at 6:00 p.m. and the regular session will begin at 7:30 p.m. It is my assumption that you or a representative opposing the amendments will be able to attend the Study Session that evening. Any information similar to the information that you distributed at the Arapahoe Mayor and Manager meeting or distributed at the CML conference in June would be helpful to our City Council. Also, members of the City Council may have additional questions regarding the amendments.

Thank you for taking time from your busy schedule to attend our session. Would you please let me know by email or by calling 303-762-2310 who would be in attendance representing opposition to the amendments that evening?

The City Council will be considering a resolution opposing the amendments during the regular session on September 20, 2010.

Thank you,

Gary Sears
City Manager

SHERMAN & HOWARD

Peter J. Whitmore



633 Seventeenth Street
Suite 3000
Denver, CO 80202

Phone: 303.299.8438
Fax: 303.298.0940

Home > Attorneys > Peter J. Whitmore

Member

Areas of Emphasis

Public Finance

Representative Matters

- Represents governmental entities, underwriters, letter of credit providers and other participants in public finance transactions.
- Particular emphasis on financings for special taxing districts, including Title 32 special districts, business improvement districts, general improvement districts, special improvement districts, public improvement districts, local improvement districts and urban renewal authorities.
- Additional experience includes representation of school districts, cities, towns and counties.
- Financings include general obligation bonds (limited tax and unlimited tax), water and wastewater revenue bonds, special assessment bonds, tax increment bonds, lease purchase transactions and sales tax revenue bonds.

Professional Activities

- Admitted Iowa, 1990 (inactive); Colorado, 1992
- Member, National Association of Bond Lawyers
- Law Clerk, Justice Linda K. Neuman, Iowa Supreme Court, 1990-91
- Law Clerk, Chief United States Magistrate Judge John A. Jarvey, 1991-92
- Manager, Sherman & Howard L.L.C. Public Finance Department, 2004-

Education

- LL.M. in Taxation, University of Denver, 1999
- Juris Doctor, *with distinction*, University of Iowa College of Law, 1990
 - Editorial Board, *Journal of Corporation Law*
- Bachelor of Arts, *with honors*, University of Iowa, 1987

News and Events

6/24/2010: "Statewide Ballot 2010: Municipal Finance Implications" will be presented by Peter Whitmore and Matt Hogan at the Colorado Municipal League's annual meeting

PROPOSITION 101

Be it Enacted by the People of the State of Colorado:

Title 39, article 25 of the Colorado Revised Statutes

Reducing government charges

(1) Enforcement. This voter-approved revenue change shall be strictly enforced to reduce government revenue. It is self-executing, severable, and a matter of statewide concern that overrides conflicting statutes and local laws. Prevailing plaintiffs only shall have their legal fees and court costs repaid. The state shall audit yearly compliance with this reform to reduce unfair, complex charges on common basic needs.

(2) Vehicle. Starting January 1, 2011: (a) All annual specific ownership taxes shall decrease in four equal yearly steps to: New vehicles, \$2; and other vehicles, \$1. All state and local taxes shall cease on vehicle rentals and leases, and on \$10,000, reached in four equal yearly steps, of sale prices per vehicle. Sale rebates are not taxable.

(b) All registration, license, and title charges combined shall total \$10 yearly per vehicle. Except those charges, and tax, fine, toll, parking, seizure, inspection, and new plate charges, all state and local government charges on vehicles and vehicle uses shall cease. Except the last six specific charges, added charges shall be tax increases.

(3) Income. The 2011 income tax rate shall be 4.5%. Later rates shall decrease 0.1% yearly, until reaching 3.5%, in each of the first ten years that yearly income tax revenue net growth exceeds 6%.

(4) Telecommunication. Starting January 1, 2011, except 911 fees at 2009 rates, no charge by, or aiding programs of, the state or local governments shall apply to telephone, pager, cable, television, radio, Internet, computer, satellite, or other telecommunication service customer accounts. Added charges shall be tax increases.

AMENDMENT 60

Be it Enacted by the People of the State of Colorado:

Article X, section 20, The Taxpayer's Bill of Rights, is amended to add:

(10) Property taxes.

Starting in 2011:

(a) The state yearly shall audit and enforce, and any person may file suit to enforce, strictest compliance with all property tax requirements of this section. Successful plaintiffs shall always be awarded costs and attorney fees; districts shall receive neither. This voter-approved revenue change supersedes conflicting laws, opinions, and constitutional provisions, and shall always be strictly interpreted to favor taxpayers.

(b) Electors may vote on property taxes where they own real property. Adapting state law, all districts shall allow petitions to lower property taxes as voter-approved revenue changes. Property tax issues shall have November election notices and be separate from debt issues. Property tax bills shall list only property taxes and late charges. Enterprises and authorities shall pay property taxes; lower rates shall offset that revenue. Enterprises and unelected boards shall levy no mandatory fee or tax on property. Future property tax rate increases shall expire within ten years. Extending expiring property taxes is a tax increase. Prior actions to keep excess property tax revenue are expired; future actions are tax increases expiring within four years. Non-college school districts shall phase out equally by 2020 half

their 2011 rate not paying debt; state aid shall replace that revenue yearly. Nothing here shall limit payment of bonded debt issued before 2011.

- (c) These property tax increase, extension, and abatement rates after 1992 shall expire:
- (i) Taxes exceeding state laws, tax policies, or limits violated, changed, or weakened without state voter approval. Those laws, policies, and limits, including debt limits, are restored.
- (ii) Taxes exceeding the one annual fixed, final, numerical dollar amount first listed in their tax increase ballot title as stated in (3)(c).
- (iii) Those rates without voter approval after 1992 of a ballot title as stated in (3)(c).

AMENDMENT 61

Be it Enacted by the People of the State of Colorado:

Section 1.

Article XI, section 3 is repealed and re-enacted to read, as stated in the original constitution: "The state shall not contract any debt by loan in any form."

Sections 4, 5, 6(2), and 6(3) are repealed as obsolete and superseded.

Section 6(1) is repealed and re-enacted as section 6 to read: "Without voter approval, no political subdivision of the state shall contract any debt by loan in any form. The loan shall not be repealed until such indebtedness is fully paid or discharged. The ballot title shall specify the use of the funds, which shall not be changed."

Section 2.

Article X, section 20 is amended to add:

(4)(c) After 2010, the following limits on borrowing shall exist:

(i) The state and all its enterprises, authorities, and other state political entities shall not borrow, directly or indirectly, money or other items of value for any reason or period of time. This ban covers any loan, whether or not it lasts more than one year; may default; is subject to annual appropriation or discretion; is called a certificate of participation, lease-purchase, lease-back, emergency, contingency, property lien, special fund, dedicated revenue bond, or any other name; or offers any other excuse, exception, or form.

(ii) Local districts, enterprises, authorities, and other political entities may borrow money or other items of value only after November voter approval. Loan coverage in (i) applies to loans in (ii). Future borrowing may be prepaid without penalty and shall be bonded debt repaid within ten years. A non-enterprise shall not borrow if the total principal of its direct and indirect current and proposed borrowing would exceed ten percent of assessed taxable value of real property in its jurisdiction.

(iii) No borrowing may continue past its original term. All current borrowing shall be paid. Except enterprise borrowing, after each borrowing is fully repaid, current tax rates shall decline as voter-approved revenue changes equal to its planned average annual repayment, even if not repaid by taxes. Such declines do not replace others required. Future borrowing is void if it violates this paragraph (c), which shall be strictly enforced. Conflicting laws, rulings, and practices are repealed, overturned, and superseded.

PROPOSED BALLOT INITIATIVES WOULD MEAN MAJOR CHANGES FOR MUNICIPALITIES

IN DECEMBER 2009, THE COLORADO SECRETARY OF STATE certified three ballot initiatives for the Nov. 2, 2010, ballot. If approved by the voters, each will have significant impacts on the finances of the State of Colorado and every political subdivision within it. Collectively, the three initiatives could deal a major blow to the state's economy in general, and to municipal finances in particular. The three initiatives are summarized below, with particular emphasis on their potential impact to cities and towns. The majority of the new provisions would become effective on Jan. 1, 2011.

Amendment 60: Property taxes

Amendment 60 would add a new Section 10 to the Taxpayers Bill of Rights (TABOR), which was adopted by voters in 1992. Amendment 60 would greatly change how future property taxes are voted, but perhaps more importantly, it would also retroactively nullify taxes and elections to retain excess TABOR revenues that have

been held all over Colorado in the 17 years since TABOR was adopted.

Impact on future property taxes and tax increase elections

All future property tax increases would have a 10-year term, and would then require another vote. All elections for future property taxes would be required to be held in November. Any existing property taxes that expire would need to be revoted as if they were a new tax. School districts would be required to phase out 50 percent of their nondebt property taxes over the next 10 years, and the state would be required to backfill the lost revenue.

Impact on existing property taxes

Amendment 60 states that all property taxes approved by voters since 1992 in excess of the dollar amount set forth in the tax increase ballot questions expire on Jan. 1, 2011. This provision alone could have a dramatic impact on property tax-dependent governments such as fire protection districts and certain water and sanitation districts, and could also have a large negative impact on cities and towns. This provision would overturn TABOR practices that have been in place for many years and that have been approved by the Colorado courts. For example, if a city voted a property tax increase in 1998 of \$100,000, or whatever amount is derived from 5 mills, current law allows the revenue collected each year from 5 mills to exceed \$100,000 as the assessed valuation of the city increases. Amendment 60, however, would require that beginning in 2011, the tax revenue authorized in this ballot question can never exceed \$100,000 per year.

Impact on existing debrucing elections

Amendment 60 states that "prior actions to keep excess property tax revenue are expired." In other words, all property tax debrucing elections that have been held since 1992 would become void on Jan. 1, 2011. According to the Colorado Municipal League, since 1992, more than 500 municipal elections have taken place that have dealt with TABOR revenue and spending changes of one type or another, and of these, about 87 percent have passed.

Note that Amendment 60 pertains only to property taxes. If a municipality has passed a broad debrucing question that covers all revenues, or one that covers any revenues in addition to property taxes, that municipality will need to consider how to apply this provision, and how to calculate TABOR spending limitation as it pertains to property taxes. The proponents of Amendment 60 have suggested that cities and towns must calculate their TABOR property tax spending limitations all the way back to 1992.

Impact on future debrucing elections

Amendment 60 permits cities and towns to conduct future debrucing elections for property tax revenues, but the amendment states that all such actions will expire within four years. This provision overrules Colorado court cases that currently permit debrucings to continue in existence for any period of time chosen by the voters. Therefore, even if a city's voters approve a debrucing question after Amendment 60 is adopted, the debrucing election will need to be held again every four years.

Other impacts

Amendment 60 states that electors may vote on property taxes where they own



Collectively, the three initiatives could deal a major blow to the state's economy in general, and to municipal finances in particular.

real property. For communities such as mountain resort towns, this will mean that the voter pool for property tax measures will be greatly expanded to all property owners, not just those who reside within the town. The details of this provision, such as who exactly is an "elector," are unclear. Amendment 60 also states that property tax extension elections held after 1992 will expire on Jan. 1, 2011. It also provides that enterprises and authorities (including city enterprises such as water enterprises and city authorities such as urban renewal authorities) must pay property taxes beginning in 2011, and that "enterprises and unelected boards" are not permitted to impose mandatory fees or taxes on property. This could prohibit, for example, a city's drainage enterprise from imposing a drainage fee, or could prohibit a city's business improvement district from imposing a mill levy.

Amendment 61: Debt

Amendment 61 would add a new Section 4(c) to TABOR, and would also modify other parts of the constitution pertaining to state debt.

State debt

Amendment 61 would ban the state and all of its enterprises and authorities (including statewide bonding authorities such as the Colorado Housing and Finance Authority) from entering into borrowings of any kind, including annual appropriation lease obligations. The state and its enterprises and authorities would be prohibited from issuing debt even with voter approval.

Local government debt

Amendment 61 would greatly restrict the ability of local governments to issue bonds, including annual appropriation

lease obligations. The new restrictions include: debt elections may only be held in November; all future bonds must be subject to redemption at any time without penalty; all obligations must be bonded debt; all obligations must be repaid within 10 years; and nonenterprises may borrow only if the total amount of all of their obligations, plus the proposed borrowing, would not exceed 10 percent of the assessed value of the real property in their jurisdiction.

In addition, Amendment 61 provides that for nonenterprise borrowings, after each borrowing is repaid, current tax rates must decline in an amount equal to the borrowing's average annual repayment, even if the borrowing was not repaid by taxes. Thus, if a city has issued parking garage revenue bonds and those bonds mature in 2011, the city must reduce its taxes, even though the bonds were not payable from taxes.

Proposition 101: State income tax and other fees and taxes

Proposition 101 would become a Colorado statute rather than a constitutional provision.

Vehicle taxes

Currently, state law requires that a specific ownership tax be imposed upon vehicle ownership, the proceeds of which are shared with all local governments that impose a property tax. Proposition 101 would nearly eliminate this tax, reducing it to \$2 per year on new vehicles and \$1 per year on all other vehicles. Proposition 101 would also eliminate all state and local taxes on vehicle rentals and leases; eliminate all state and local taxes on the first \$10,000 of the sale price of a vehicle;

and create a limit of \$10 per year for all registration, license, and title charges.

State income tax

Proposition 101 would reduce the current 4.63 percent state income tax rate to 4.5 percent in 2011. The proposition then requires further reductions for 10 years of 0.1 percent per year, until the tax rate equals 3.5 percent. These later reductions are required only in years where income tax revenue net growth exceeds 6 percent.

Telecommunication charges

Proposition 101 eliminates charges applied by the state or local governments to telephone, pager, cable, television, radio, Internet, computer, satellite, or other telecommunication service customer accounts. The one exception to this ban is 9-1-1 fees; however, these fees are locked at 2009 rates. The proposition states that any "added charges" will be considered tax increases, which presumably must receive voter approval.

Enforcement and interpretation

Proposition 101 and Amendment 60 both require the state to conduct annual audits of compliance with each initiative. No funding source or other details regarding this requirement are provided.

Proposition 101 and Amendment 60 also state that successful plaintiffs are always awarded costs and attorney fees, and local governments receive neither.

Proposition 101 proclaims itself to be a matter of statewide concern that overrides conflicting statutes and local laws.



THE VOICE OF COLORADO'S CITIES AND TOWNS

1144 Sherman Street, Denver, CO 80203 • (p) 303-831-6411 / 866-578-0936 • (f) 303-860-8175 • www.cml.org

To: Interested Municipal Officials
From: Mark Radtke, Legislative and Policy Advocate
Date: UPDATED September 7, 2010
Subject: Revenue loss from Propositions 101, Amendments 60 and 61

Three ballot questions that face Colorado voters this November place their cities and towns at a financial crossroads. Proposition 101, Amendment 60 and Amendment 61 combine to slash municipal tax and fee revenue and impose restraints that will make the financing of public facilities difficult and expensive.

During the past two years of recession, nearly every city and town has cut services and cancelled maintenance work as revenues have seen single and double digit reductions. Now there's the possibility of even more severe cutbacks to municipal revenue and services.

Proposition 101:

- Reduces specific ownership tax paid on vehicle registration to \$2 for new vehicles, \$1 a year thereafter. The loss of this property tax is estimated at \$500 million statewide for municipalities and other taxing districts.
- Reduces vehicle registration fee to a flat \$10. This ends one of the principal funding sources for the Highway Users Tax Fund – and will reduce the municipal share of HUTF by some \$45 million. Street maintenance dollars to cities and towns will decrease 38%.
- Eliminates sales tax on the first \$10,000 of a vehicle's value. Municipal sales tax averages about 3.5%. This will significantly reduce sales tax revenue for cities and towns.
- Eliminates sales tax on telecommunications services. This is another significant reduction in sales tax revenue – the primary source of revenue for municipalities.
- Cuts the state income tax by 25% - a loss of some \$1 billion for the state budget.

Amendment 60

- Cancels voter authorized property tax TABOR over-rides. TABOR authorizes voters to allow revenue generated above the TABOR limits to be retained and expended by municipalities. Many cities and towns have voter approved permanent or temporary over-rides.
- Future TABOR over-rides limited to four year period. If a future TABOR over-ride is approved – it can never be in effect for longer than four years.
- Authorities and enterprise funds must pay property tax – a corresponding mill levy reduction is required. Municipal services such as water, sewer, electrical

utilities, recreation programs, will all have to pay property tax, forcing an increase in utility bills and program fees.

- Imposes a 10 year limit on any property tax increase approved by voters. This would eliminate the ability of municipalities to ask the voters to approve the type of long term bonds used to finance such projects as water treatment plants and library buildings.
- Cuts school district mill levies in half – state required to backfill. This is the same state budget that was forced to cut school district funding by more than \$300 million this year.

Amendment 61

- Lowers capacity for municipal borrowing. Future debt limit would be set at 10% of real property assessed value.
- Requires voter approval for any public debt, including lease-purchase and lease-back financing.
- Requires tax decrease to match debt payments upon completion of debt repayment. This would require a tax reduction even if the debt was repaid by project revenues and not tax dollars.
- No state government debt – period. What you have now for large state facilities is what you get.

Several cities and towns have already put pencil to paper to estimate the Proposition 101 revenue reductions. Aurora estimates it would lose some \$23 million in general fund revenue, Greeley \$16 million, and Rifle \$1 million. Vail loses \$3 million, 10-percent of its general fund, Woodland Park will lose 20-percent of its revenue. Loveland is looking at a 19.7-percent loss to all city funds. Denver's general fund revenue will decrease more than \$62 million which is more than its street maintenance and solid waste budgets combined.

Already greatly decreased by the recession, funds for street repair and maintenance would be cut back significantly. The elimination of 38% of Highway Users Tax Fund dollars to municipalities is a cut of \$4 million to Aurora, \$3.6 million to Colorado Springs, and \$1.6 million to Pueblo. Smaller towns are highly dependent on HUTF funds for street maintenance. Alamosa will lose nearly \$90,000, Steamboat Springs \$254,000 and Trinidad \$119,000. Frederick's Street and Alley Fund will drop 42-percent.

Utility bills will increase. Amendment 60 ends the ability of municipal enterprises to fund large-scale projects while maintaining reasonable customer rates. For large multi-million dollar projects such as a sewage treatment plant, bonds are issued over a 20 to 30 year time period. Amendment 60 caps that time period at ten years. The results are not unlike what you face with your mortgage. If you chose to pay off your home with a ten year mortgage rather than a 30 year mortgage, your monthly payments would be unaffordable.

The size of projects will also be affected as Amendment 61 lowers the total amount of debt a municipality may issue. The debt limit of 10% of assessed valuation is much lower than many cities have in place through their citizen approved charter. Evans will have to

drop its current 15% limit by one third. Longmont's debt limit will be lowered by 38%. When non-enterprise debt is repaid, Amendment 61 requires a reduction in tax rates equal to the average debt repayment – even if debt is not repaid with tax dollars.

Even without a bond-issue to repay, utility bills will increase. Amendment 60 for the first time requires a municipal enterprises, such as a water system, to pay property tax. Boulder residents will pay an estimated \$7.9 million more each year in water and sewer rates to cover the required property taxes. Aurora estimates their residents will see a 15% hike in their water bills. Westminster business and residential customers will pay anywhere from \$18 to \$76 more per month in their water and sewer bills. Brighton residents face utility rate increases to cover an additional \$3.8 million in the new property tax. Colorado Springs, which provides water, sewer, electricity and gas utilities, estimates it will have to increase rates by 50% over a five year period to meet bond repayment and property tax requirements. The municipal hospital in Colorado Springs will have to pay \$6 million a year in property tax.

Amendment 60 goes further – it changes TABOR. The TABOR provisions in the Colorado Constitution allow voters to over-ride TABOR revenue limits and allow municipalities to use all revenue collected to provide services. There have been 42 municipal TABOR over-ride elections since 1992 and 86-percent have been approved by voters – but Amendment 60 cancels them all. Many communities will see their voter action voided including Keenesburg, Windsor, Platteville, Ouray and Evans. Cancelling voter approved TABOR over-rides will cost Golden some \$1.5 million in property tax revenue each year – the City of Lafayette will lose \$638,000 – Fort Collins \$2.5 million. Durango revenue will decrease \$1.3 million and Avon \$303,000.

Another blow to our communities is the provision slashing school district property tax in half. Somehow the state budget is expected back-fill that loss – a state budget that Proposition 101 is cutting by reducing the state income tax by well over \$1 billion.

Proposition 101, Amendment 60 and Amendment 61 come at a time when municipal revenues and spending are decreasing. Like the adjustments being made by families during this recession, our cities and towns have had to cut spending, spend smarter, and work with their citizens to determine service priorities. An example is Westminster, which has lost \$3.4 million in revenue due to the recession and has cut 70 staff positions. The CML State of our Cities and Towns survey shows that nearly a third of our cities and towns have cut staff positions. 41 percent have imposed hiring freezes. Capital projects have been put on the shelf. Routine maintenance has been cancelled. Funding for parks is down an average 21 percent and street maintenance is down 31 percent. Funding cuts have even reached essential services such as public safety as police budgets have been cut an average 13 percent and fire departments 2 percent.

Approval of Proposition 101, Amendment 60 and Amendment 61 could more than double these statistics. Passage of these measures would seriously erode the reliability of basic services, the attraction of new business to the state, and our ability to enjoy the quality of life we have created for our families.

Estimated loss in annual municipal revenue - Proposition 101

Specific Ownership Tax (SOT) is the property tax levied on motor vehicles

Sales tax losses are from the tax exemption on the first \$10,000 of a purchased motor vehicle and sales tax on rented or leased vehicles,

Telecommunication losses are for sales tax and fees

HUTF is the loss of vehicle registration fees deposited in the Highway Users Tax Fund

	SOT	Salestx	Telecom	HUTF
Aurora 2014	2,279,000	8,903,000	7,805,000	4,083,000
Avon 2011	32,024	63,181	157,608	70,115
Avon 2014	128,097	63,181	157,608	70,115
Boulder 2011	316,000	377,000	4,657,000	485,000
Boulder 2014	1,266,000	1,098,000	4,657,000	485,000
Breckenridge 2011	144,800	292,000	150,000	225,000
Breckenridge 2014	140,500	397,500	150,000	225,000
Brighton 2014	145,224	529,276	996,497	357,727
Centennial 2011	473,000	750,500	1,500,000	1,100,000
Centennial 2014	498,000	2,602,000	1,500,000	1,100,000
Colo Spgs 2011	618,700	3,065,700	1,109,000	3,650,000
Colo Spgs 2014	2,453,000	12,344,000	1,109,000	3,650,000
Commerce City 2011	38,776	1,051,935	1,243,613	255,000
Commerce City 2014	155,106	2,943,611	1,243,613	255,000
Denver 2014	19,023,078	31,169,130	8,712,670	3,103,965
Durango 2011	23,186	134,000	775,000	150,000
Durango 2014	92,744	284,000	775,000	150,000
Estes Park 2011	7,690	49,415	270,990	89,910
Estes Park 2014	30,759	188,147	270,990	89,910
Federal Heights 2011	300	153,882	296,443	42,000
Federal Heights 2014	1,198	294,037	296,443	42,000
Fort Collins 2011	310,643	1,725,000	4,700,000	850,000
Fort Collins 2014	1,242,570	5,100,000	4,700,000	850,000

Glenwood Spgs 2011	15,809	119,451	768,825	100,103
Glenwood Spgs 2014	63,234	281,961	768,825	100,103
Golden 2011	80,000	654,000	55,000	182,000
Golden 2014	300,000	900,300	55,000	182,000
Grand Lake 2011	2,128	1,407	35,857	6,469
Grand Lake 2014	8,512	5,629	35,857	6,469
Greeley 2014	700,000	2,100,000	2,700,000	300,000
Lafayette 2011	75,977	150,207	1,066,579	262,859
Lafayette 2014	303,909	487,895	1,066,579	262,859
Lakewood 2014	167,500	972,000	6,317,000	2,164,000
Littleton 2011	83,788	335,000	2,542,000	968,540
Littleton 2014	288,283	920,000	2,542,000	968,540
Longmont 2011	185,000	715,000	2,882,000	228,000
Longmont 2014	739,000	1,937,000	2,882,000	28,000
Loveland 2011	158,000	572,000	2,131,000	402,000
Loveland 2014	630,000	1,594,000	2,131,000	402,000
Montrose 2011		134,526	322,539	
Montrose 2014		205,678	322,538	
Ouray 2011	7,125	5,451	13,311	6,747
Ouray 2014	28,501	5,797	13,311	6,747
Pueblo 2011	278,064	897,724	3,573,449	1,981,890
Pueblo 2014	1,112,255	2,721,576	3,573,449	1,981,890
Silverthorne 2011	6,547	48,734	150,477	42,300
Silverthorne 2014	26,188	81,734	150,477	42,300
Steamboat Spgs 2014		100,000	600,000	254,000
Vail 2011	46,000	50,000	605,000	215,500
Vail 2014	184,000	50,000	605,000	215,000
Winter Park 2011	5,083	1,050	115,045	39,000
Winter Park 2014	20,370	4,200	115,045	39,000

SHERMAN & HOWARD

Statewide Ballot 2010: Municipal Finance Implications

Matt Hogan Peter Whitmore

Sam Mamet

CML Annual Conference

June 24, 2010



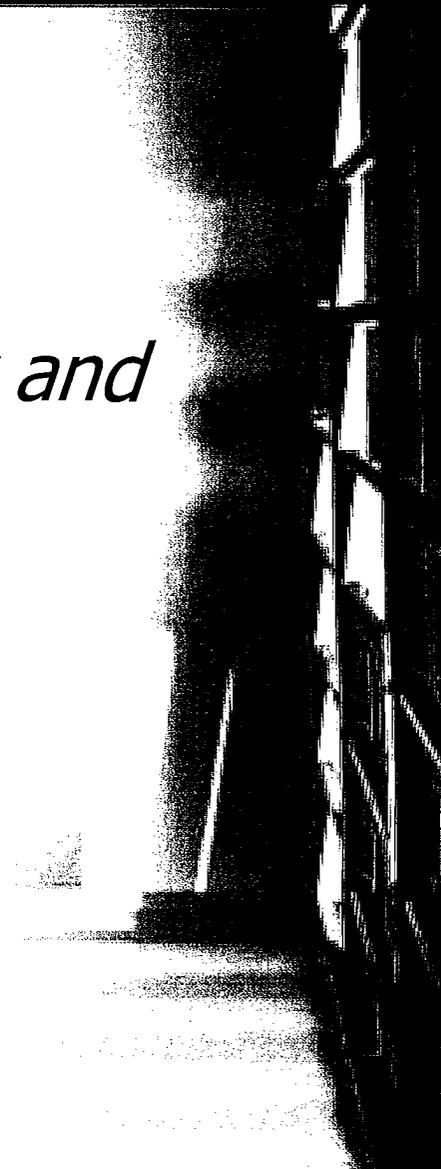
Brief Summary of Initiatives

* The views expressed in this presentation are subject to future judicial interpretation.

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Proposition 101

*Would Reduce Vehicle, Income Tax and
Telecommunication Revenues*



General Provisions of Proposition 101

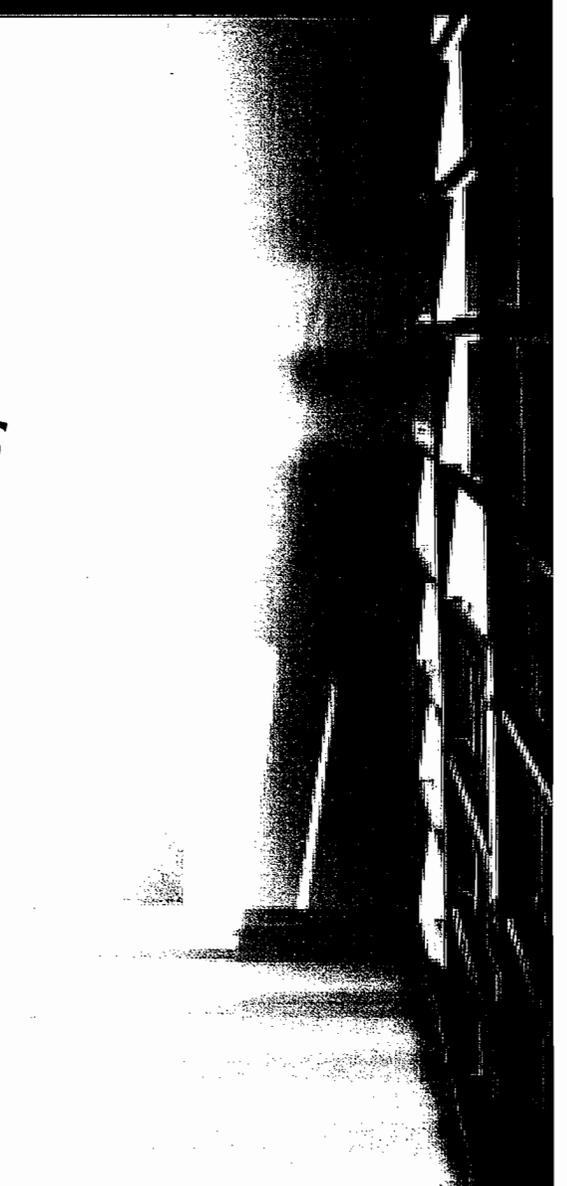
- Distinction between proposition and amendment.
- Effective January 1, 2011.
- Reduces various motor vehicle fees and taxes.
- Reduces the State income tax.
- Reduces fees on telecommunication services.
- Emergency 911 fees permitted to continue at 2009 rates.
- Strictly enforced to reduce government revenue.
- Declares itself a matter of Statewide concern.
- Subject to annual State compliance audit.



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Amendment 60

Would Limit Property Taxes



General Provisions of Amendment 60

- Would add new section to TABOR.
- Generally effective January 1, 2011.
- Enterprises and authorities must pay property taxes; lower rates shall offset that revenue.
- Enterprises and unelected boards may not levy mandatory fees or taxes on property.
- Future property tax rate increases shall expire within 10 years.
- Extending expiring property taxes is a tax increase.
- Prior revenue change (i.e., de-Brucing) elections allowing property tax revenues to be retained are expired.

General Provisions of Amendment 60 *(cont'd)*

- Future de-Brucings are tax increases and expire in four years.
- Electors may vote on property taxes where they own real property.
- All districts must allow petitions from citizens to propose property tax reductions.

General Provisions of Amendment 60 *(cont'd)*

- All property tax elections must be held in November.
- Property tax increases must be voted separately from related debt questions.
- Property tax bills may list only property taxes and late charges.
- School districts must gradually phase out one-half of 2011 tax rates with obligation of State to backfill lost revenues.

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Amendment 61

*Would Limit State
and Local Government Debt*

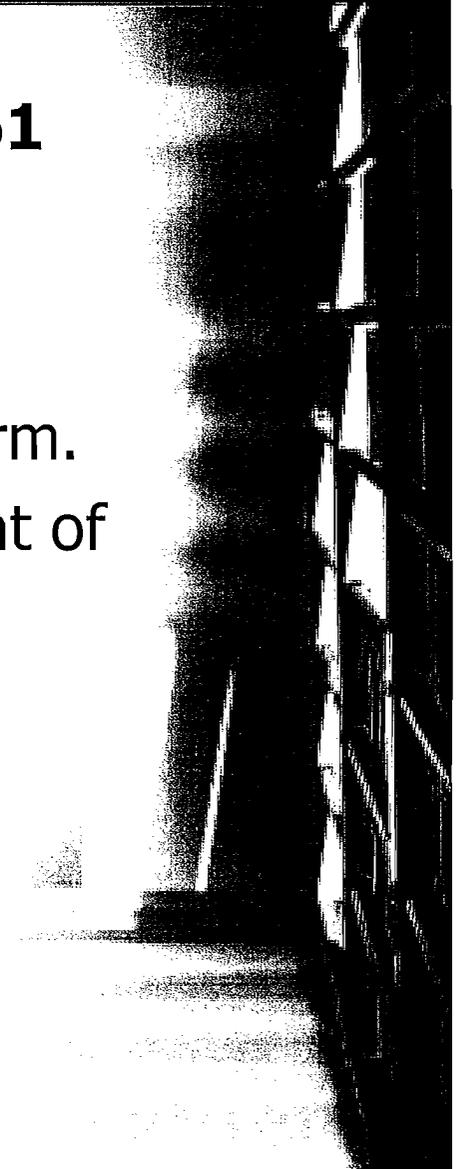


General Provisions of Amendment 61

- Would be new section to TABOR.
- Effective January 1, 2011.
- Prohibits borrowing by State and related entities.
- Broadens the obligations that will be considered “debts” of local government requiring voter approval.

General Provisions of Amendment 61 *(cont'd)*

- Creates new debt limits for local governments.
- No borrowing may continue past its original term.
- Requires reduction of tax rates upon repayment of non-enterprise borrowing.



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**Top Ten
Financial Impacts**



1. Reduction of Fees and Taxes Tied to Vehicles and Telecommunication (Prop. 101)

- Specific ownership taxes must decrease in four equal yearly steps to reach \$2 for new vehicles and \$1 for old vehicles.
- All registration, license and title charges combined shall total \$10 yearly per vehicle.
- There will be no State or local taxes on vehicle rentals or leases.
- There will be no State or local taxes on the first \$10,000 of value of vehicle sales prices (this would be phased in over four yearly equal steps).

1. Reduction of Fees and Taxes Tied to Vehicles and Telecommunication (Prop. 101) (*cont'd*)

- All other State and local charges on vehicles must cease.
- No charge by, or aiding programs of, the State or local government shall apply to telephone, pager, cable, television, radio, internet, computer, satellite, or other telecommunication customer accounts.
- Any new charges would be deemed to be taxes, apparently invoking the voting requirements of the Constitution.
- Financial implications.

2. Enterprises and Authorities Required to Pay Property Tax (Am. 60)

- Intends to require government-owned businesses such as water and sewer utilities, public recreation facilities and public hospitals, and authorities such as housing authorities, urban renewal authorities and water authorities to pay property taxes.
- Local governments would need to lower rates to offset additional revenues from enterprises and authorities.
- Entities would likely need to raise their rates and fees to do so, meaning that users would pay higher fees for services like water and sewer utilities (which are not deductible for federal income tax purposes) and lower property taxes (which are deductible).
- Financial implications.

3. Reduction of Taxes Upon Repayment of Debt (Am. 61)

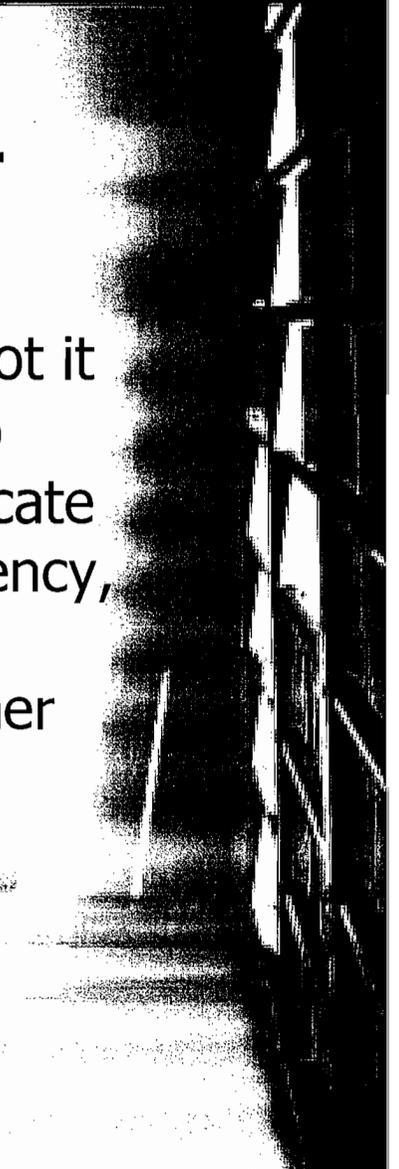
- Except for enterprise borrowings, when a borrowing is repaid, tax rates must decline in an amount equal to its planned average repayment, even if the borrowing was not repaid from taxes.
- The proponents intend this to apply when a current lease purchase or other non-debt transaction is repaid.
- The proponents state that if no specific tax is pledged to the debt, the government may choose which tax to decrease.
- If government has financial capacity to prepay obligations with a final maturity after 2010 (including short-term obligations such as tax or revenue anticipation notes), it should consider prepaying those obligations no later than December 2010 to avoid triggering a decrease in revenue if Amendment 61 is approved.
- Financial implications.

4. Expiration of De-Brucing Elections (Am. 60)

- Any de-Brucing of property taxes which occurred in the last 17 years is "expired."
- Future de-Brucings are tax increases and expire in four years.
- With the expiration of prior property tax de-Brucings, governments may have to recalculate permitted revenue increases pursuant to TABOR's formula from the date TABOR became effective.
- Financial implications.

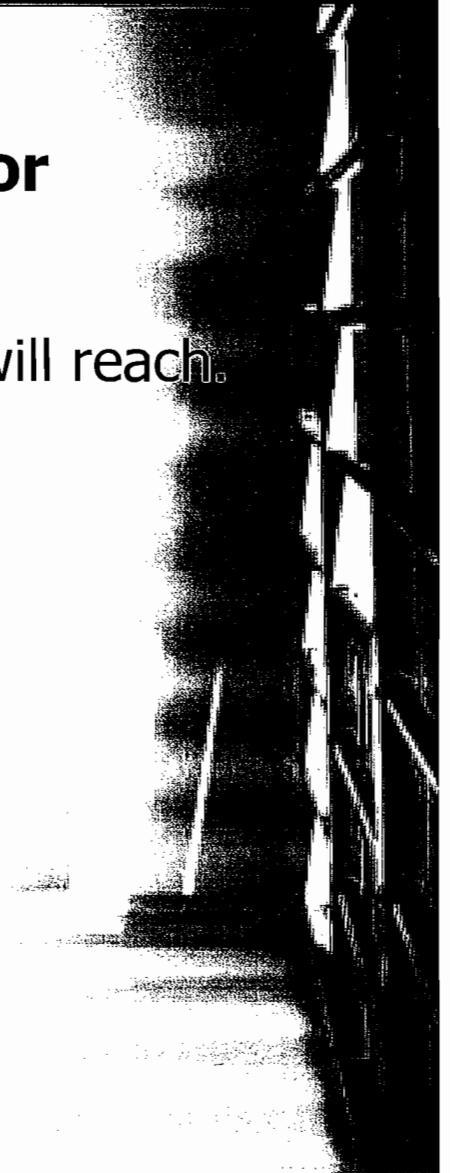
5. Voter Approval Increasingly Required for Local Obligations (Am. 61)

- Voter approval required for “any loan, whether or not it lasts more than one year; may default; is subject to annual appropriation or discretion; is called a certificate of participation, lease-purchase, lease-back, emergency, contingency, property lien, special fund, dedicated revenue bond, or any other name; or offers any other excuse, exception or form.”
- Traditional lease-purchase and lease-leaseback financings would now be considered debt.



5. Voter Approval Increasingly Required for Local Obligations (Am. 61) *(cont'd)*

- It is unclear how far the new definition of "debt" will reach.
 - Traditional property or equipment leases?
 - URA borrowings?
 - Refinancings at a lower rate?
 - Cash flow borrowings of less than one year?
 - Economic development agreements?
 - Employment contracts?
 - Conduit bonds?
- Financial implications.



6. Lower Debt Limits (Am. 61)

- For local governments other than enterprises, there will be a debt limit of 10% of the assessed taxable value of the real property in the jurisdiction.
- This excludes personal property.
- Arguably this limit applies to all financings combined, including general obligation, revenue, lease-purchase, and other obligations.
- This could be a significant decline from existing law, even for entities that primarily use general obligation debt.
- Financial implications.



7. Mandated Short-Term Obligations Prepayable Without Penalty (Am. 61 and Am. 60)

- Borrowings must mature within 10 years.
- Current borrowings often last 20 or 30 years. This will increase the annual repayment costs of borrowing, which may force local governments to downsize projects.
- Must be subject to prepayment without penalty.
- Future property tax increases shall expire within 10 years (limits borrowings supported by property taxes).
- Unclear whether the 10-year period begins on the date of voter approval or on the date the tax increase is imposed.
- Financial implications.

8. Reduced State Funds Available for Grants (Prop. 101, Am. 60, Am. 61)

- The State income tax rate would be 4.5% (down from the current rate of 4.63%).
- Later rates would decrease 0.1% yearly, in each of the first ten years that yearly income tax revenue net growth exceeds 6%, until the rate reaches 3.5%.
- By 2020, school districts must phase out one-half of their 2011 tax rates (excluding debt service levies). The State must backfill the lost revenues.
- The State would reportedly be the only state in the nation that could not issue debt.

8. Reduced State Funds Available for Grants (Prop. 101, Am. 60, Am. 61) (*cont'd*)

- The State and its enterprises, authorities and other political entities are prohibited from borrowing, directly or indirectly, moneys or other items of value for any reason or for any period of time.
- Might prohibit authorities such as Colorado Water Resources and Power Development Authority, Colorado Housing and Finance Authority and Colorado Educational and Cultural Facilities Authority from issuing bonds.
- Rollback of vehicle charges under Prop. 101 predicted to create 26% reduction in CDOT's budget and near 37% reduction in HUTF proceeds.

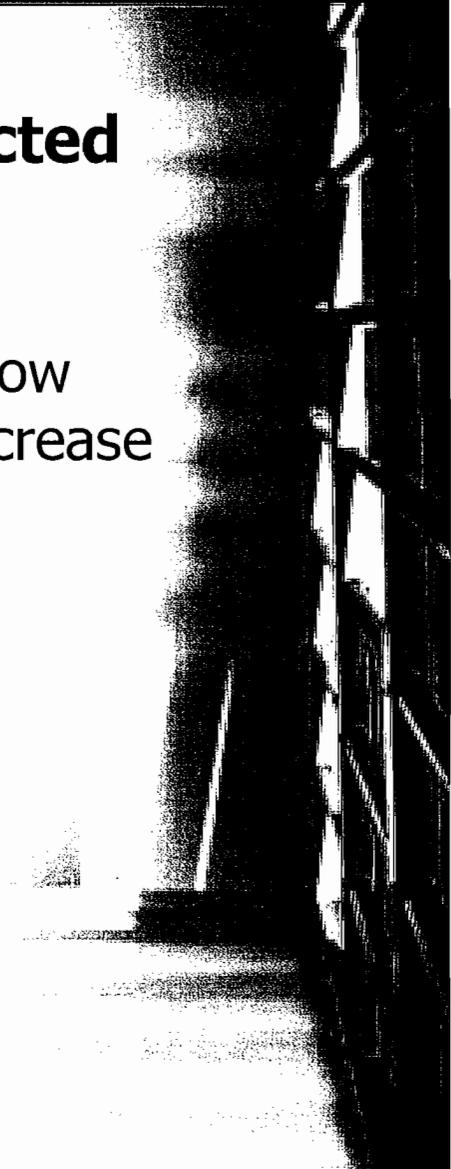
8. Reduced State Funds Available for Grants (Prop. 101, Am. 60, Am. 61) *(cont'd)*

- FASTER fees are eliminated.
- Financial implications.



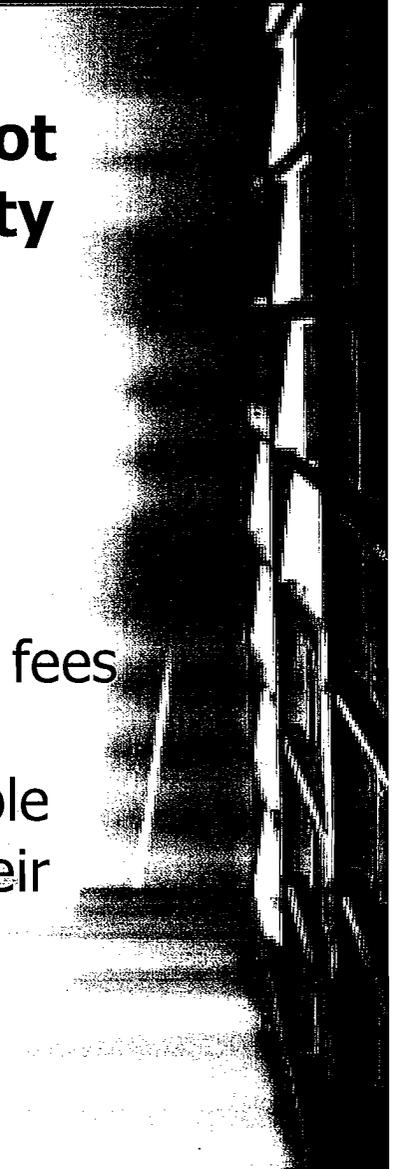
9. Property Tax Increases That Were Enacted In 1993 or Later Will Be Under Attack

- Depending on how the question was voted and how Amendment 60 is interpreted, some of the tax increase (i.e. the portion above the dollar amount in the question) could be invalid.
- Financial implications.



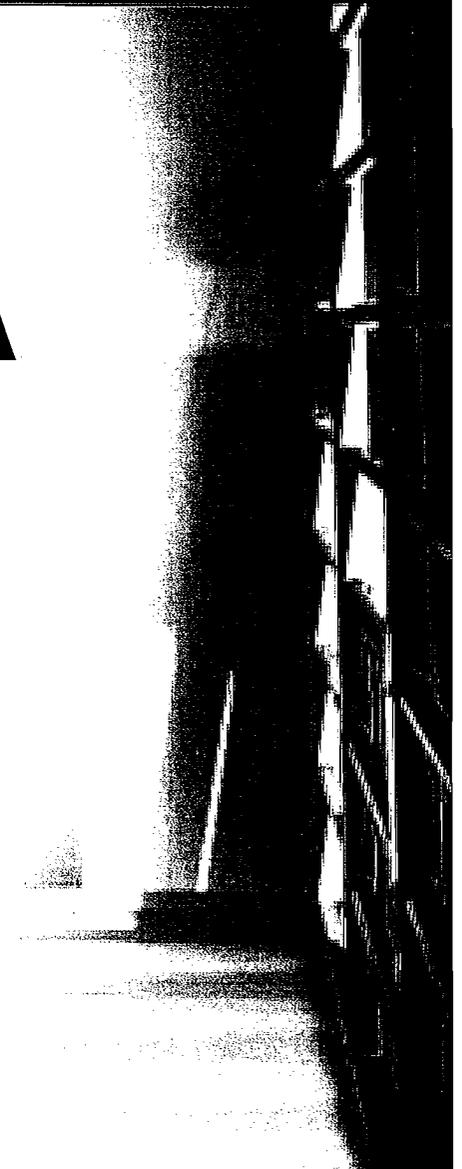
10. Enterprises and Unelected Boards May Not Levy Mandatory Fees or Taxes on Property

- Potential examples include stormwater or drainage enterprises and appointed boards such as business improvement districts and downtown development authorities.
- Local governments that rely upon property taxes or fees charged against property and which have unelected boards should consider whether it would be advisable (and whether it is possible under law) to change their boards to an elected board in 2010.
- Financial implications.



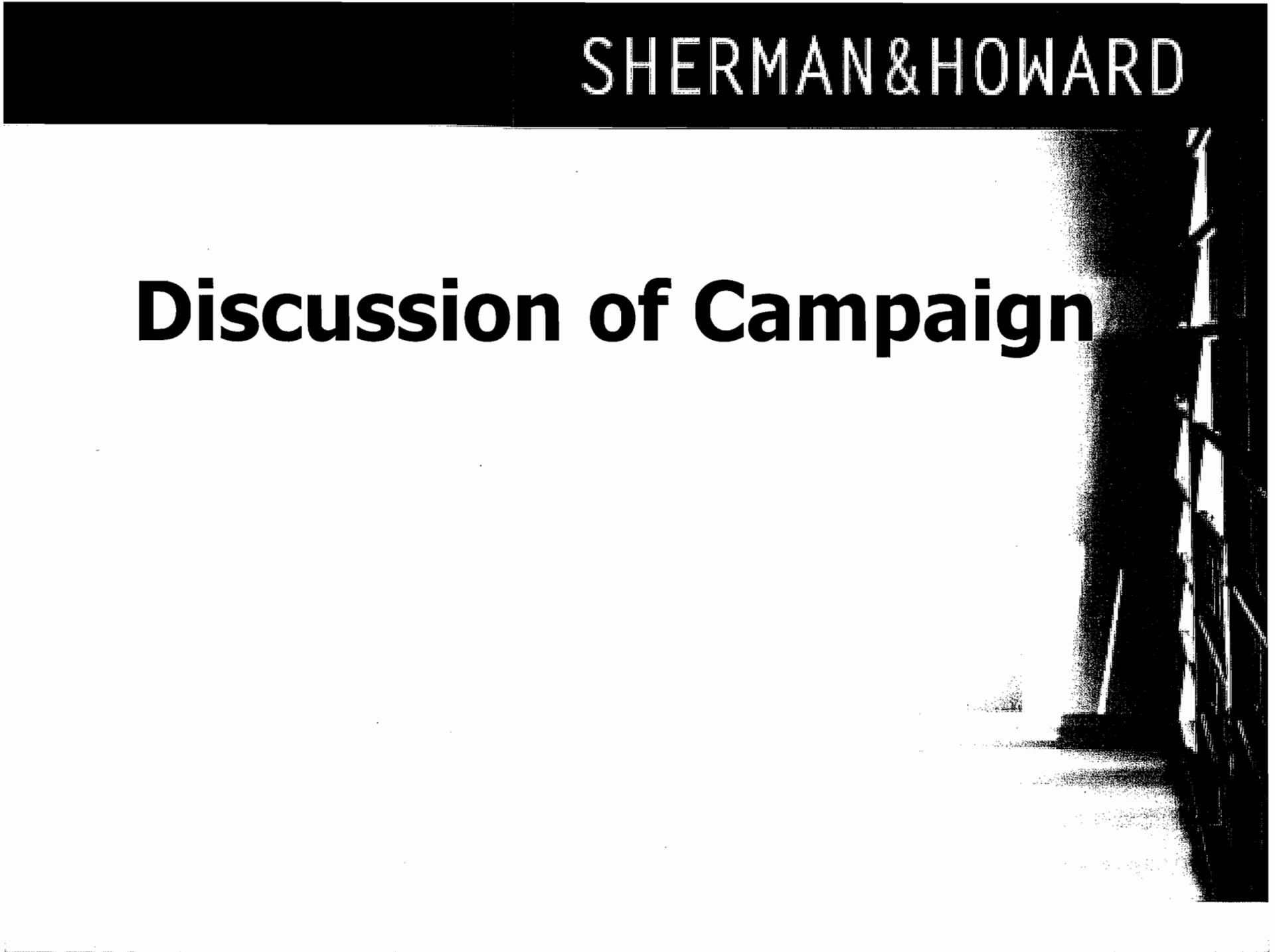
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Discussion of FCPA



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Discussion of Campaign



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Statewide Ballot 2010: Municipal Finance Implications

Questions & Answers



Memorandum

To: Mayor Jim Woodward and City Council
Thru: Gary Sears, City Manager
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: September 16, 2010
Re: Overview of 2010 State Initiatives

An analysis of the impact the State ballot initiatives could have on the City of Englewood is attached. This issue will be discussed at the September 20, 2010 Study Session.

Amendment 60 (previously Initiative 12) Property Tax Limits.

This amendment essentially requires enterprises and authorities to pay property tax. The collection of these taxes will lower the overall property mill levy and raise water, sewer, and golf rates and fees charged to customers to cover the property tax paid.

Also, the City must reduce its property tax collections to the amount collected at the time the De-Brucing question was passed. The issue was passed in 1997 and at that time the City collected property taxes of \$1,508,394. As the attached spreadsheet indicates, in 2011, the City could lose \$1,537,606 and the mill levy reduced from 5.880 to 2.234 mills.

Broken Tee Golf Course is not in the physical boundaries of Englewood but would be subject to property taxes estimated at \$204,394 for 2011. Green fees, cart rentals, etc. will all need to be analyzed and most likely increased to pay the property tax owed.

Proposition 101 – Reduces Government Charges

This proposition would severely reduce a variety of taxes; the dollar impact would be a reduction of approximately \$1.318,700 in 2011. The Public Improvement Fund would lose \$105,000 in 2011.

Amendment 61 – Limits State and Local Government Debt

This amendment would require voter approval on all debt (possibly even debt previously incurred), every year. Also, the maximum term of any debt or lease would be ten years. As debts (including all leases) expire, the City must reduce its revenues by the amount of debt service/lease payments even if the debt service/lease payments are not paid with property taxes. For example, when the City makes the last payment on the certificates of participation for the Civic Center, General Fund revenues must be reduced by approximately \$1.6 million in 2024.

Attachment

Analysis of State Initiatives

Effective January 1, 2011 - Net Effect of Ballot Issues on Revenue

		Current	Effective 2011	Net Reduction
Amendment 60	General Fund			
	Property Tax	\$ 3,046,000	\$ 1,508,394	\$ (1,537,606)
Proposition 101	General Fund			
	Specific Ownership Tax	\$ 275,000	\$ 206,250	\$ (68,750)
	Highway User Tax	\$ 867,000	\$ 130,050	\$ (736,950)
	Franchise Tax - Telephone	\$ 215,000	\$ -	\$ (215,000)
	Franchise Tax - Cable TV	\$ 298,000	\$ -	\$ (298,000)
	Sub Total Proposition 101	\$ 1,655,000	\$ 336,300	\$ (1,318,700)
	Public Improvement Fund			
	Vehicle Use Tax	\$ 990,000	\$ 885,000	\$ (105,000)
Amendment 61	General Fund - Additional Reduction due to debt reduction			
	- Effective January 1, 2024			\$ (1,600,000)

Amendment 60 (f/k/a Initiative 12) - LIMITS PROPERTY TAX

	Current	1997	Amend 60
Mill Levy	5.88	5.88	2.234
General Fund	\$ 3,046,000	\$ 1,508,394	\$ 1,146,379
Enterprise Funds	\$ -	\$ -	\$ 362,015
Total Property Tax	\$ 3,046,000	\$ 1,508,394	\$ 1,508,394

- ▶ Enterprises and authorities shall pay property taxes; lower rates shall offset that revenue. Currently the property tax mill levy is 5.88 with the inclusion of property taxes received from enterprise funds the mill levy is estimated to reduce to 3.956. These entities may need to raise rates and fees and the user would pay higher fees for services like water and sewer which are not deductible for federal income tax purposes.
- ▶ Property tax bills shall list only property taxes and late charges. Enterprises and unelected boards shall levy no mandatory fee or tax on property.
- ▶ Future property tax rate increases expire in ten years.
- ▶ Prior revenue change (i.e. debrucing) elections allowing property tax revenues to be retained are expired.
- ▶ Future debrucing elections are considered tax increases and expire in four years.
- ▶ The City would need a 2010 ballot question to retain excess revenue beginning in 2011 that would expire in four years. (Every four years the City would need to ask the citizens whether the excess revenue may be held for City use.)

Proposition 101 (f/k/a Initiative 10) - REDUCES GOVERNMENT CHARGES

- ▶ The following revenue sources would be affected when PROP 101 is fully implemented:

General Fund:	Current	Prop 101- 1 Reduction in Revenue		Prop 101- Year 4 Revised Revenue	
		Prop 101- Year 1	Prop 101- Year 2		
Specific Ownership Tax	\$ 275,000	\$ 68,750	\$ 720		Reduced in 4 equal annual instalments to new level
Highway User Tax	\$ 867,000	\$ 736,950	\$ 130,050		An estimated reduction of 85%-Arapahoe County Analysis
Franchise Tax - Telephone	\$ 215,000	\$ 215,000	\$ -		Immediate Impact, 911 fees will be at 2009 rates
Franchise Tax - Cable TV	\$ 298,000	\$ 298,000	\$ -		Immediate Impact
Totals	\$ 1,655,000	\$ 1,318,700	\$ 130,770		
Public Improvement Fund:					
Vehicle Use Tax	\$ 990,000	\$ 105,000	\$ 570,000		Reduced in 4 equal annual installments to new level
Totals	\$ 990,000	\$ 105,000	\$ 570,000		

- ▶ The first \$10,000 of a vehicle's purchase price is exempt from sales tax. If we estimate 20% of vehicles purchased are new then the City may plan on receiving \$420,000 less in vehicle use tax revenue. (\$10,000 x 3.5% = \$350 // 1,200 x \$350 = \$420,000)
- ▶ Sale rebates are not taxable. Also no state or local taxes may be collected on vehicle rentals or leases.

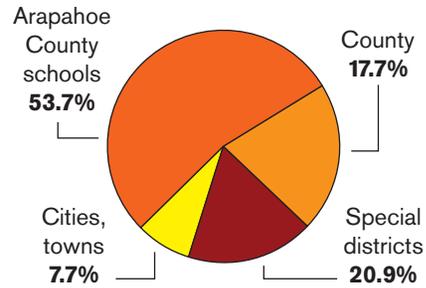
Amendment 61 (f/k/a Initiative 21) - LIMITS STATE AND LOCAL GOVERNMENT DEBT

- ▶ Local governments, including enterprises, authorities and other political entities may borrow or other items of value only if approved by the voters in a November election. All local borrowing will be considered bonded debt that must be repaid in ten years. Local governments will need voter approval for all forms of debt borrowing including certificates of participation, lease-purchase, lease-back, emergency, contingency, property lien, special fund, dedicated revenue bond, or any other name.
- ▶ Except for enterprise borrowing, local governments would be required to cut their tax rates equal to the average annual amount they pay on their debt after the debt is paid off, even if the debt is not being paid with tax revenue. These are characterized as "voter-approved revenue changes," thus lowering the local TABOR limit. Effective January 1, 2024 we would reduce revenue by approximately \$1,600,000.

Here's how Proposition 101 would affect Arapahoe County

Ownership taxes

Where the money goes



	2009	Prop 101
School districts*	\$25.2 million	\$306,467
Special districts	\$9.8 million	\$119,277
Arapahoe County	\$8.3 million	\$101,014
Cities, towns	\$3.6 million	\$43,944

For the average vehicle owner*

	2009	Prop 101
Arapahoe County schools	\$53.08	54¢
Special districts	\$20.66	20¢
Arapahoe County	\$17.49	18¢
Cities, towns	\$7.61	8¢

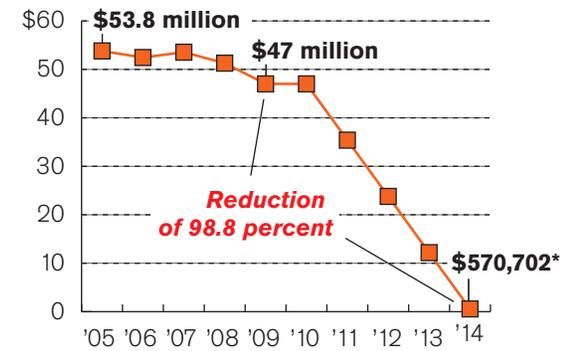
* Based on average of \$98.84 per vehicle in Arapahoe County in 2009; assumes used vehicle.

* Per-pupil share

District	2009	Prop 101
Englewood	\$340	\$4.13
Sheridan	\$285	\$3.46
Cherry Crk.	\$331	\$4.02
Littleton	\$283	\$3.44
Deer Trail	\$233	\$2.83
Adams-Arap.	\$208	\$2.53
Byers	\$183	\$2.21

Ownership taxes collected

(in millions)



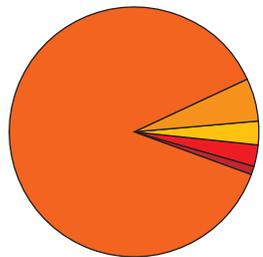
* Prop 101 fully implemented. No projection available for 2010. Assumes same number of vehicle registrations in 2009 and '10-'14; assumes 20% of vehicles registered are new.

License fees

Where the money goes

State Highway Users Tax Fund

\$55.30



Clerk fee	\$4
Emissions fee	\$2.20
Emergency medical fund	\$2
Peace Officer Standards and Training	\$0.60
Insurance database	\$0.50

Note: Average license fee for a vehicle in Arapahoe County in 2009 was \$64.60

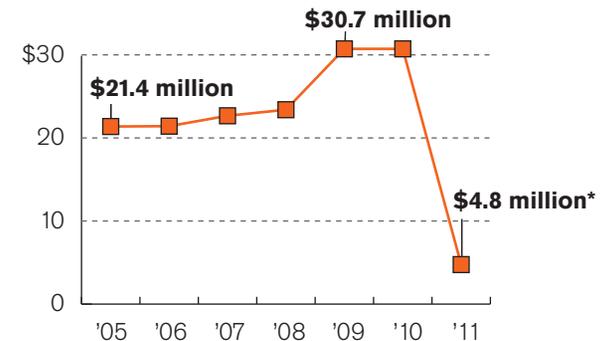
For the average vehicle owner*

	2009	Prop 101
Clerk fee	\$4	\$4
Emergency medical	\$2	\$2
Emissions fund	\$2.20	\$2.20
Peace officer training	60¢	60¢
Insurance database	50¢	50¢
Highway user fund	\$55.30	70¢

* Average license fee was \$64.60 in 2009. Under Prop 101, the fee would drop to \$10 per vehicle – a cut of 85 percent. Some of the component fees are set by state statute; the portion for the Highway Users Tax Fund is not.

License fees collected

(in millions)



* Prop 101 fully implemented. No projection available for 2010. 2009 figure does not include late fees.

Road and bridge fees (FASTER)

Arapahoe County, like all counties in the state, has started collecting road and bridge fees to pay for a backlog of state construction and repair projects. Here's Arapahoe County's projected breakdown for 2010, the first full year of fees. Prop 101 would repeal FASTER (Senate Bill 09-108).

	2010	Prop 101
Roads	\$10.4 million	0
Bridges	\$4.1 million	0



Be it Enacted by the People of the State of Colorado:

Title 39, article 25 of the Colorado Revised Statutes

Reducing government charges

(1) Enforcement. This voter-approved revenue change shall be strictly enforced to reduce government revenue. It is self-executing, severable, and a matter of statewide concern that overrides conflicting statutes and local laws. Prevailing plaintiffs only shall have their legal fees and court costs repaid. The state shall audit yearly compliance with this reform to reduce unfair, complex charges on common basic needs.

(2) Vehicle. Starting January 1, 2011: (a) All annual specific ownership taxes shall decrease in four equal yearly steps to: New vehicles, \$2; and other vehicles, \$1. All state and local taxes shall cease on vehicle rentals and leases, and on \$10,000, reached in four equal yearly steps, of sale prices per vehicle. Sale rebates are not taxable.

(b) All registration, license, and title charges combined shall total \$10 yearly per vehicle. Except those charges, and tax, fine, toll, parking, seizure, inspection, and new plate charges, all state and local government charges on vehicles and vehicle uses shall cease. Except the last six specific charges, added charges shall be tax increases.

(3) Income. The 2011 income tax rate shall be 4.5%. Later rates shall decrease 0.1% yearly, until reaching 3.5%, in each of the first ten years that yearly income tax revenue net growth exceeds 6%.

(4) Telecommunication. Starting January 1, 2011, except 911 fees at 2009 rates, no charge by, or aiding programs of, the state or local governments shall apply to telephone, pager, cable, television, radio, Internet, computer, satellite, or other telecommunication service customer accounts. Added charges shall be tax increases.

Proponents:

Jeff Gross

Freda Poundstone

Be it Enacted by the People of the State of Colorado:
Article X, section 20, The Taxpayer's Bill of Rights, is amended to add:

(10) Property taxes.

Starting in 2011:

(a) The state yearly shall audit and enforce, and any person may file suit to enforce, strictest compliance with all property tax requirements of this section. Successful plaintiffs shall always be awarded costs and attorney fees; districts shall receive neither. This voter-approved revenue change supersedes conflicting laws, opinions, and constitutional provisions, and shall always be strictly interpreted to favor taxpayers.

(b) Electors may vote on property taxes where they own real property. Adapting state law, all districts shall allow petitions to lower property taxes as voter-approved revenue changes. Property tax issues shall have November election notices and be separate from debt issues. Property tax bills shall list only property taxes and late charges. Enterprises and authorities shall pay property taxes; lower rates shall offset that revenue. Enterprises and unelected boards shall levy no mandatory fee or tax on property. Future property tax rate increases shall expire within ten years. Extending expiring property taxes is a tax increase. Prior actions to keep excess property tax revenue are expired; future actions are tax increases expiring within four years. Non-college school districts shall phase out equally by 2020 half their 2011 rate not paying debt; state aid shall replace that revenue yearly. Nothing here shall limit payment of bonded debt issued before 2011.

(c) These property tax increase, extension, and abatement rates after 1992 shall expire:

(i) Taxes exceeding state laws, tax policies, or limits violated, changed, or weakened without state voter approval. Those laws, policies, and limits, including debt limits, are restored.

(ii) Taxes exceeding the one annual fixed, final, numerical dollar amount first listed in their tax increase ballot title as stated in (3)(c).

(iii) Those rates without voter approval after 1992 of a ballot title as stated in (3)(c).

Petition proponents are:

Bonnie Solan

Louis Schroeder

Be it Enacted by the People of the State of Colorado:

Section 1.

Article XI, section 3 is repealed and re-enacted to read, as stated in the original constitution: "The state shall not contract any debt by loan in any form."

Sections 4, 5, 6(2), and 6(3) are repealed as obsolete and superseded.

Section 6 (1) is repealed and re-enacted as section 6 to read: "Without voter approval, no political subdivision of the state shall contract any debt by loan in any form. The loan shall not be repealed until such indebtedness is fully paid or discharged. The ballot title shall specify the use of the funds, which shall not be changed."

Section 2.

Article X, section 20 is amended to add:

(4)(c) After 2010, the following limits on borrowing shall exist:

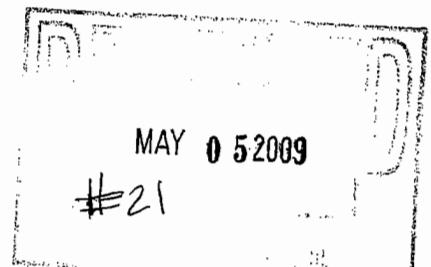
(i) The state and all its enterprises, authorities, and other state political entities shall not borrow, directly or indirectly, money or other items of value for any reason or period of time. This ban covers any loan, whether or not it lasts more than one year; may default; is subject to annual appropriation or discretion; is called a certificate of participation, lease-purchase, lease-back, emergency, contingency, property lien, special fund, dedicated revenue bond, or any other name; or offers any other excuse, exception, or form.

(ii) Local districts, enterprises, authorities, and other political entities may borrow money or other items of value only after November voter approval. Loan coverage in (i) applies to loans in (ii). Future borrowing may be prepaid without penalty and shall be bonded debt repaid within ten years. A non-enterprise shall not borrow if the total principal of its direct and indirect current and proposed borrowing would exceed ten percent of assessed taxable value of real property in its jurisdiction.

(iii) No borrowing may continue past its original term. All current borrowing shall be paid. Except enterprise borrowing, after each borrowing is fully repaid, current tax rates shall decline as voter-approved revenue changes equal to its planned average annual repayment, even if not repaid by taxes. Such declines do not replace others required. Future borrowing is void if it violates this paragraph (c), which shall be strictly enforced. Conflicting laws, rulings, and practices are repealed, overturned, and superseded.

Russell Haas

Michelle Northrup





C I T Y O F E N G L E W O O D

MEMORANDUM

TO: Englewood City Council

FROM: Stewart Fong, Director of Utilities

DATE: September 15, 2010

RE: 2010 Ballot Measures: Amendments 60 and 61

Since 1876, Colorado's constitution has provided that public property is exempt from taxation. Amendment 60 would require municipal utilities to pay property taxes. Amendment 61 would limit the term of bonds to ten years, limiting the ability to issue long-term bonds and more evenly distributing future infrastructure costs.

The City of Englewood is a city of approximately 32,000. Englewood's water and sewer facilities are funded from billing 10,815 inside City water and sewer accounts and 33,000 outside sewer accounts. The sewer service area serves about 125,000 population from the Valley Highway to Broadway and from Englewood to Highlands Ranch.

The attached chart, "Estimated Property Taxes for City of Englewood Utilities Department Properties," shows the estimated value of each parcel and the respective facilities, along with the estimated property tax that would be assessed by the county.

The Utilities Department's facilities that could be taxed under the proposed Amendments 60 and 61 would include the Allen Water Treatment Plant, water tanks and storage reservoirs, the Englewood/Littleton Wastewater Treatment Plant and the farmland in Byers used for biosolids application, along with the McLellan and Meadow Creek Reservoirs. The Meadow Creek property is 148 acres in Grand County, in a prime real estate area. McLellan Reservoir is 251 acres in a progressively developing area. These facilities are used to produce our source water, water treatment and sewerage treatment.

If amendment 60 passes this could mean \$7,275,963 in property taxes that must be paid by the City of Englewood Water Fund and \$2,380,263 by the Sewer Fund. Cash flow projections show revenues from water service charges at \$6,735,380 and from sewer service charges at \$14,016,782 for 2012. If these amendments pass, it therefore, would require substantial rate increases, without improvement in service or infrastructure upgrades. In the Water Fund this would result in a calculated increase of about 108%, meaning that rates would be about double current rates. In the Sewer Fund this would result in an increase of about 17%.

These results are at best crude estimates that indicate the range of property taxes that might be paid. It means rate increases could be between 50% and 150% in the Water Fund as opposed to an increase in the rates by four or five times.

In the Sewer Fund it means that rate increases will be between 10% and 30% as opposed to doubling.

PROCESSES AND BLDGS PRIOR TO PHASE 1A CONSTRUCTION (1990)

<u>Number</u>	<u>Item</u>	<u>Unit Cost</u>	<u>Estimated Replacement Cost</u>
1	Headworks Bldg - Structure	na	5,280,000
2	Grit Tanks	390,000	780,000
4	Primary Clarifier Tanks	775,000	3,100,000
5	Aeration Basins	535,000	2,675,000
5	Secondary Clarifiers	1,425,000	7,125,000
3	Chlorine Contact Tanks	600,000	1,800,000
4	Digester Tanks	1,200,000	4,800,000
1	Administration Bldg	na	6,000,000

Sub-Total: 31,560,000

EXPANSION PROJECTS

<u>Year</u>	<u>Expansion</u>	<u>Original Cost</u>	<u>ENR Construction Cost Index</u>	<u>Estimated 2010 Replacement Cost</u>
1990	Phase 1A	30,000,000	1.73	51,875,661
1997	Phase 1B	24,000,000	1.46	34,923,107
2004	Phase 2	114,000,000	1.19	136,166,760

Sub-Total: 222,965,528

L/E WWTP LAND PROPERTY

<u>Area (ac)</u>	<u>Area (sf)</u>	<u>Estimated Cost per Square Feet</u>	<u>Estimated Cost</u>
52.86	2,302,680	\$4	9,210,720

Sub-Total: 9,210,720

L/E WWTP BIOSOLIDS LAND PROPERTY

<u>Site</u>	<u>Area (ac)</u>	<u>Estimate Per Acre</u>	<u>Estimated Cost</u>
Arap Cty	6,611	433	2,862,563
Adams Cty	2,240	433	969,920

Sub-Total: 3,832,483

TOTAL ESTIMATED L/E ASSETS VALUE: 267,568,731

Englewood's share equals \$133,784,365.50

Estimated Property Taxes for City of Englewood Utilities Department Properties

Facility	Parcel Area	Facility Replacement Value	Land Value	Total Dollars	Assessed Valuation (29%)	Taxing Entity	Mill Levy	Tax
Zuni Tank	10,886 sq ft (0.25 acre)	\$1,000,000 (2010 dollars)	\$43,544.00 (\$4.00/sq ft)	\$ 1,043,544.00	\$ 302,627.76	Englewood	61.351	\$ 18,566.52
Sherman Tank (200,000 Gall)	48,142 sq ft (1.1 acre)	\$700,000 (2010 dollars)	\$192,568.00 (\$4.00/sq ft)	\$ 892,568.00	\$ 258,844.72	Englewood	61.351	\$ 15,880.38
Overhead Storage (1-6 MG & 2-MG)	220,879 sq ft (5.1 acre)	\$3,300,000 (1-3mg tank, 2003 dollars)	\$883,516.00 (\$4.00/sq ft)	\$ 9,153,516.00	\$ 2,654,519.64	Greenwood Village	66.429	\$ 176,337.09
Bear Creek	88,014 sq ft (2 acre)	\$4,970,000 (1-6mg tank, 2008 dollars)	\$352,056.00 (\$4.00/sq ft)	\$ 352,056.00	\$ 102,096.24	Sheridan	60.28	\$ 6,154.36
McLellan Reservoir	10,950,984 sq ft (251 acres)	None	\$10,950,984.00 (\$1.00/sq ft)	\$ 204,950,984.00	\$ 59,435,785.36	Littleton	67.415	\$ 4,006,863.47
Meadow Creek Reservoir	6,446,880 sq ft (148 acres)	\$91,000,000	\$1,213,600.00 (\$8,200/acre provided by Grand County Assessor Office)	\$ 92,213,600.00	\$ 26,741,944.00	Grand County	67.27	\$ 1,798,930.57
Allen Filter Plant	2,609,680 sq ft (60 acres)	\$60,000,000	\$10,438,720.00 (\$4.00/sq ft)	\$ 70,438,720.00	\$ 20,427,228.80	Englewood	61.351	\$ 1,253,230.91
Total Water Fund								\$ 7,275,963.30
LE WWTP Englewood Sewer Fund				\$ 133,784,365.50	\$ 38,797,466.00	Englewood	61.351	\$ 2,380,263.34

MEMORANDUM

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: September 14, 2010
Subject: August 2010 Financial Report

Summary of August 2010 General Fund Financial Report

REVENUES:

- Through August 2010, the City of Englewood collected **\$25,692,389 or \$285,193 (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 \$2,885,016 in property and \$155,700 in specific ownership tax through August.
- **Year-to-date sales and use tax revenue were \$14,072,748 or 200,790 (1.4 percent) less than August 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 \$19,311 compared to last year.
- Franchise fee collections were \$139,168 more than last year.
- Licenses and permit collections were \$96,472 more than 2009.
- Intergovernmental revenues were \$93,711 more than the prior year.
- Charges for services decreased \$69,188 from last year.
- Recreation revenues increased \$192,470 from 2009.
- Fines and forfeitures were \$103,328 less than last year.
- Investment income was \$75,838 less than last year.
- Miscellaneous revenues were \$312,374 less than last year.

OUTSIDE CITY:

- Outside City sales and use taxes were down \$323,155 or 6.8 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 August 2010 were \$1,409,034 (3.6 percent) less than the \$1,461,278 collected in 2009.

EXPENDITURES:

- Expenditures through August were \$25,521,066 or \$191,555 (.76 percent) more than the \$25,329,511 expended through August 2009.
- The City refunded \$198,429 in sales and use tax claims through August.

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 \$4,605,535 or 12.45 percent of projected revenues.

TRANSFERS:

- Net transfers-in to date of \$2,101,099 were made in 2010.

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures by \$171,323 through August 2010.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$1,080,831 in revenues and spent \$2,064,215 year-to-date. Estimated year-end fund balance is \$493,658.

City of Englewood, Colorado

August 2010 Financial Report

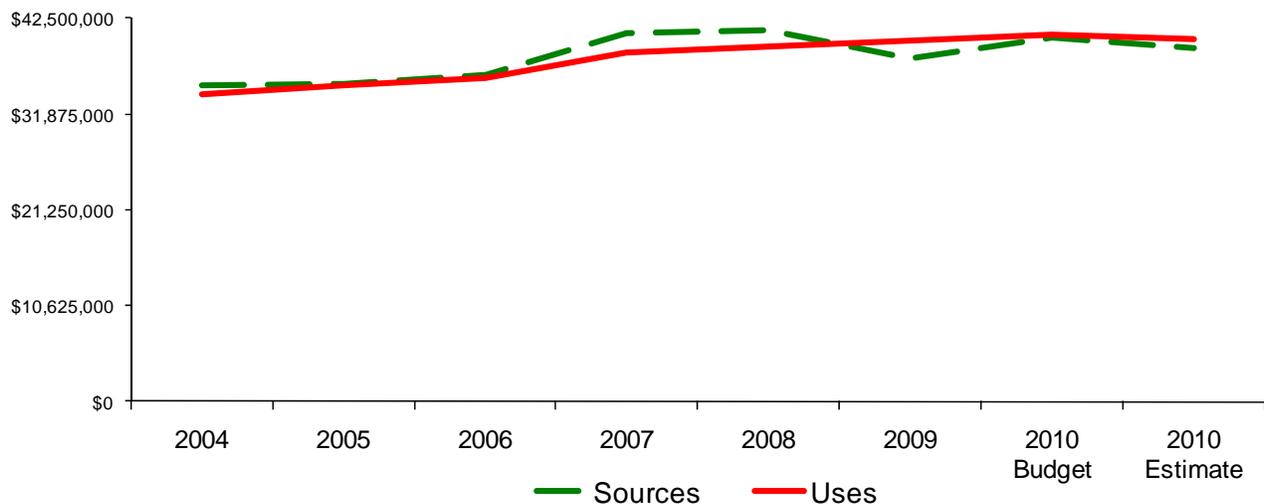
GENERAL FUND OVERVIEW AND ANALYSIS

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



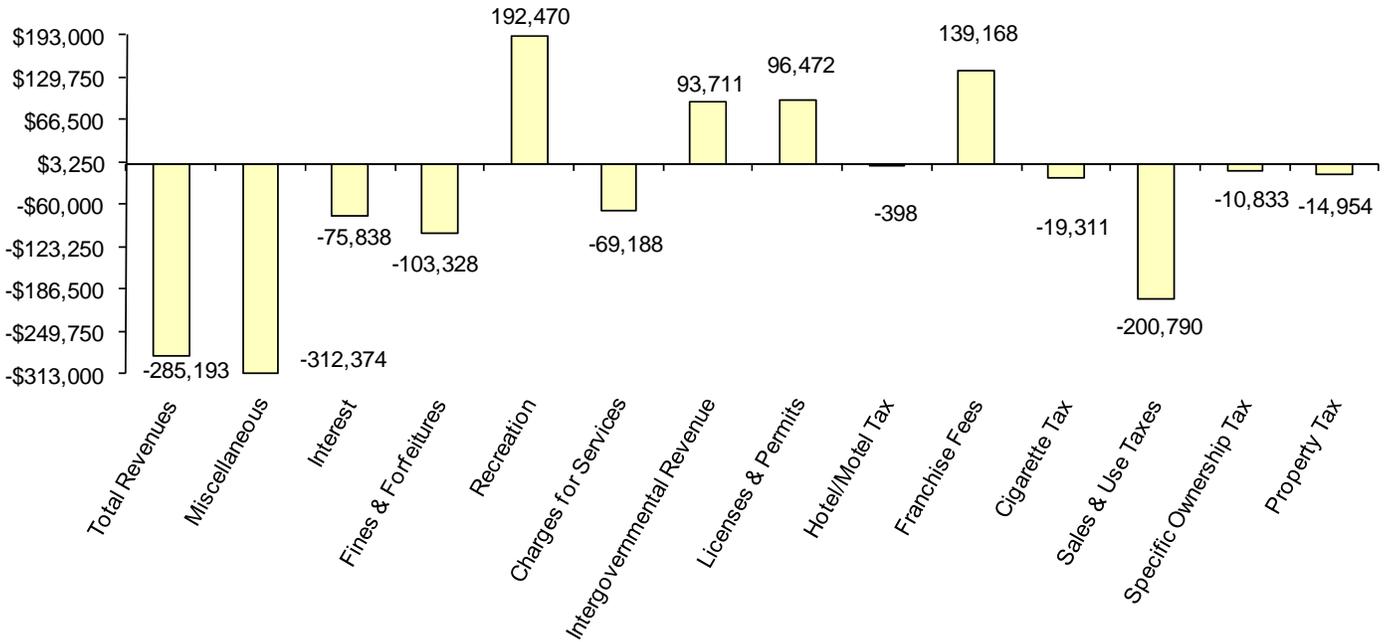
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended August, 2010. Comparative figures for years 2009 and 2008 are presented as well. The table also highlights the dollar and percentage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

	2010	2010 vs 2009 Increase (Decrease)		2009	2009 vs 2008 Increase (Decrease)		2008
General Fund							
Year-To-Date Revenues	\$ 25,692,389	\$ (285,193)	(1.10%)	\$ 25,977,582	\$ (1,401,615)	(5.12%)	\$ 27,379,197
Year-To-Date Expenditures	25,521,066	\$ 191,555	.76%	25,329,511	\$ (60,884)	(.24%)	25,390,395
Net Revenues (Expenditures)	\$ 171,323	\$ (476,748)		\$ 648,071	\$ (1,340,731)		\$ 1,988,802
Estimated Unreserved/ Undesignated Fund Balance	\$ 4,605,535	\$ (288,243)	(5.89%)	\$ 4,893,778	\$ (1,363,042)	(21.78%)	\$ 6,256,820
Sales & Use Tax Revenue YTD	\$ 14,072,748	\$ (200,790)	(1.41%)	\$ 14,273,538	\$ (1,480,358)	(9.40%)	\$ 15,753,896
Outside City Sales & Use Tax YTD	\$ 4,415,652	\$ (323,155)	(6.82%)	\$ 4,738,807	\$ (897,925)	(15.93%)	\$ 5,636,732

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$38,532,965. Total revenues collected through August 2010 were \$25,692,389 or \$285,193 (1.1 percent) less than was collected in 2009. The chart below illustrates changes in General Fund revenues this year compared to last year.

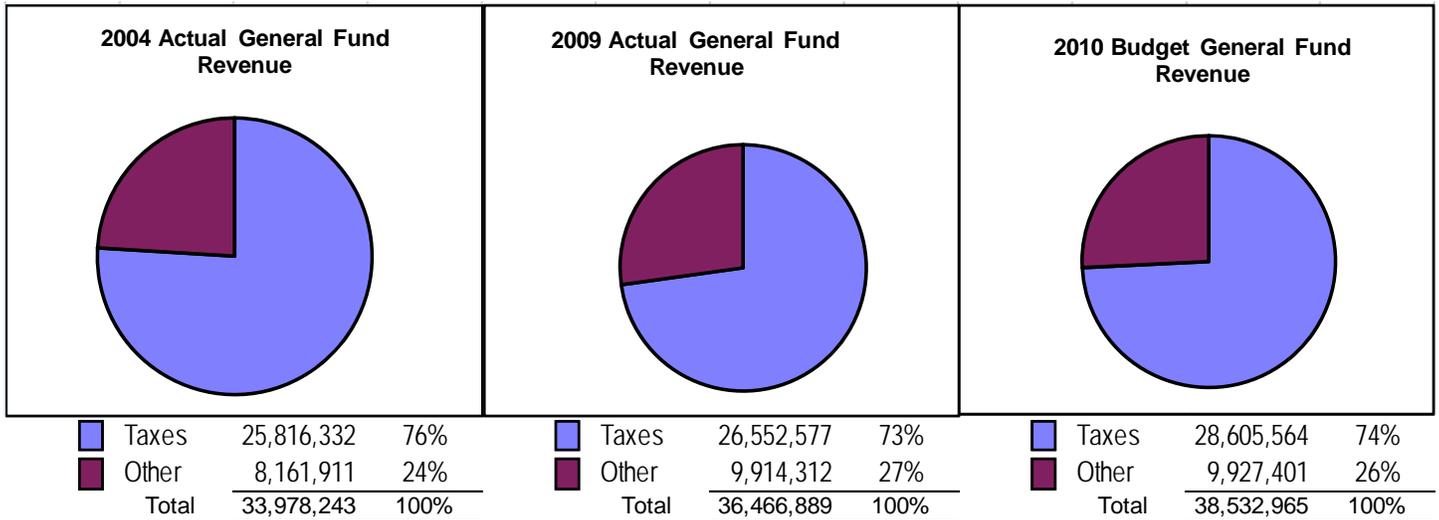
2010 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



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.

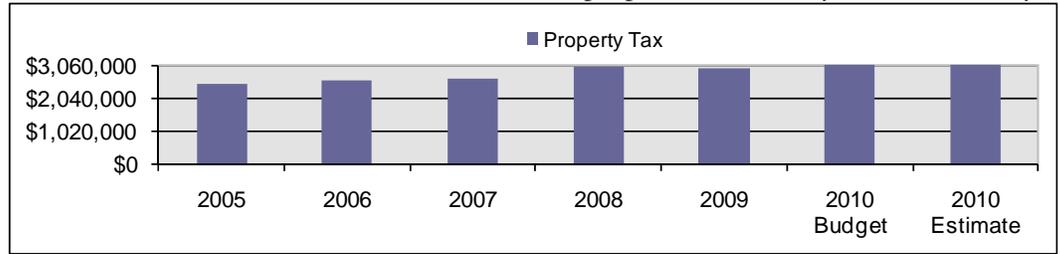
**General Fund Revenues
Taxes vs. Other**



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.

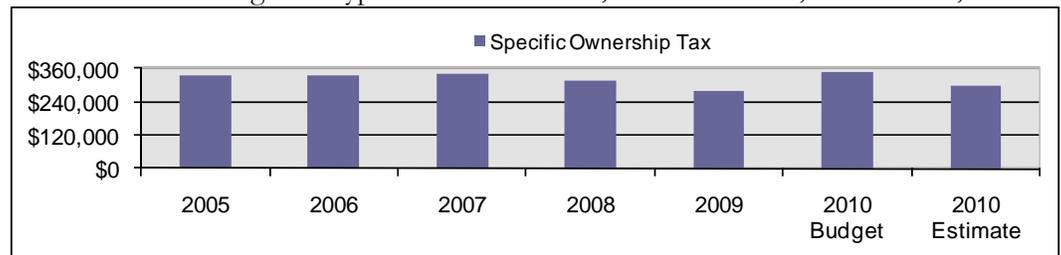
The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter approved additional mill of 2.031 mills

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 \$2,885,016 through August 2010.



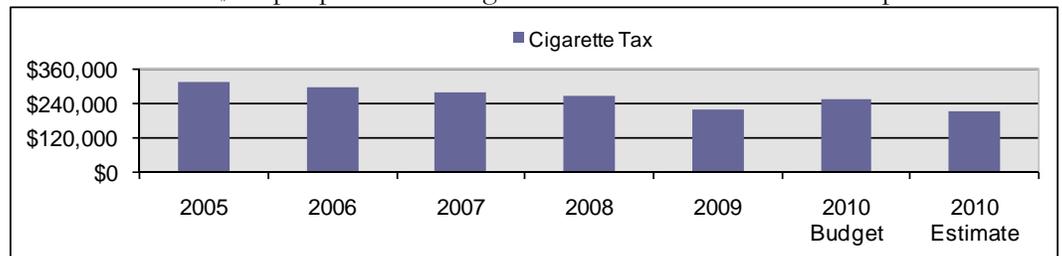
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc.

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 \$155,700 through August 2010. The year-end estimate has been reduced to \$250,000.



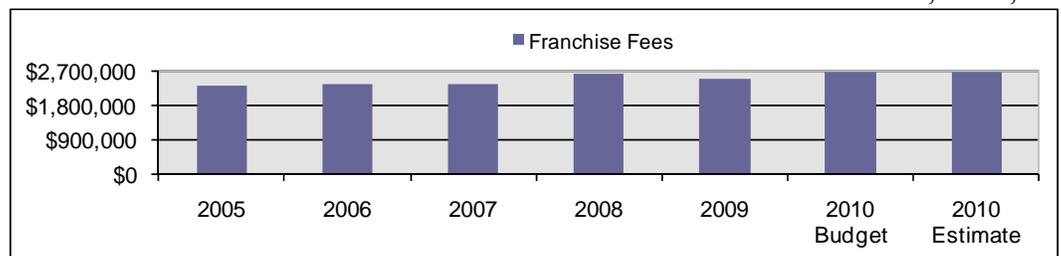
Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen significantly in the past and continue to fall 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 \$127,224 through August 2010, which is \$19,311 or 13.2 percent less than the \$146,535 collected through August 2009. The year-end estimate has been reduced to \$200,000.



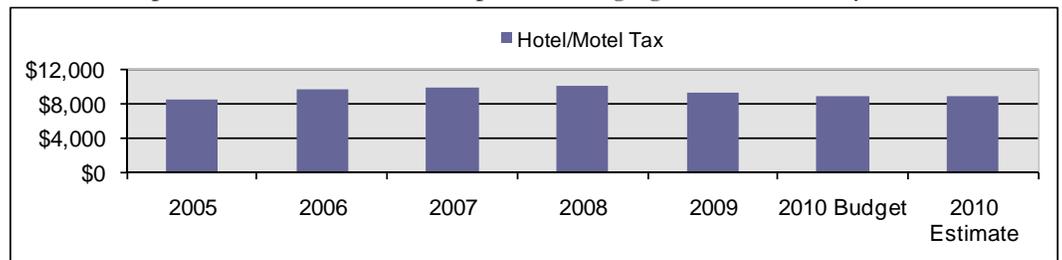
Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected \$2,294,972 in 2005 and \$2,452,611 in 2009, an increase of \$157,639 or 6.9 percent. These 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 August totaled \$1,613,589 compared to \$1,474,421 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.

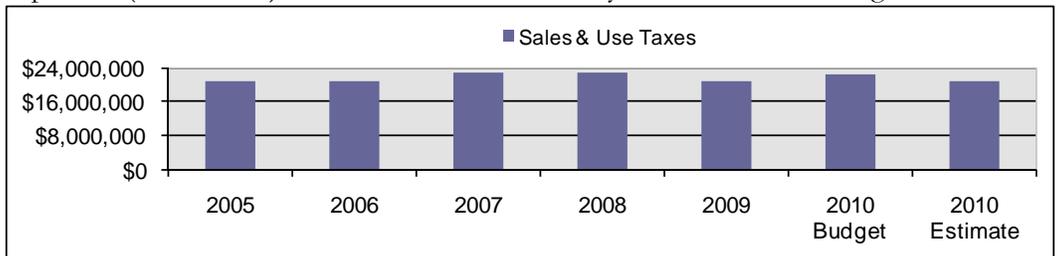
The City budgeted \$8,713 for the year and has collected \$5,904 through August 2010.



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 August 2010 was \$14,072,748 while revenue year-to-date for August 2009 was \$14,273,538 a decrease of \$200,790 or 1.4 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 were removed from 2009 year-to-date collections, the City's 2010 collections would be approximately even with 2009.

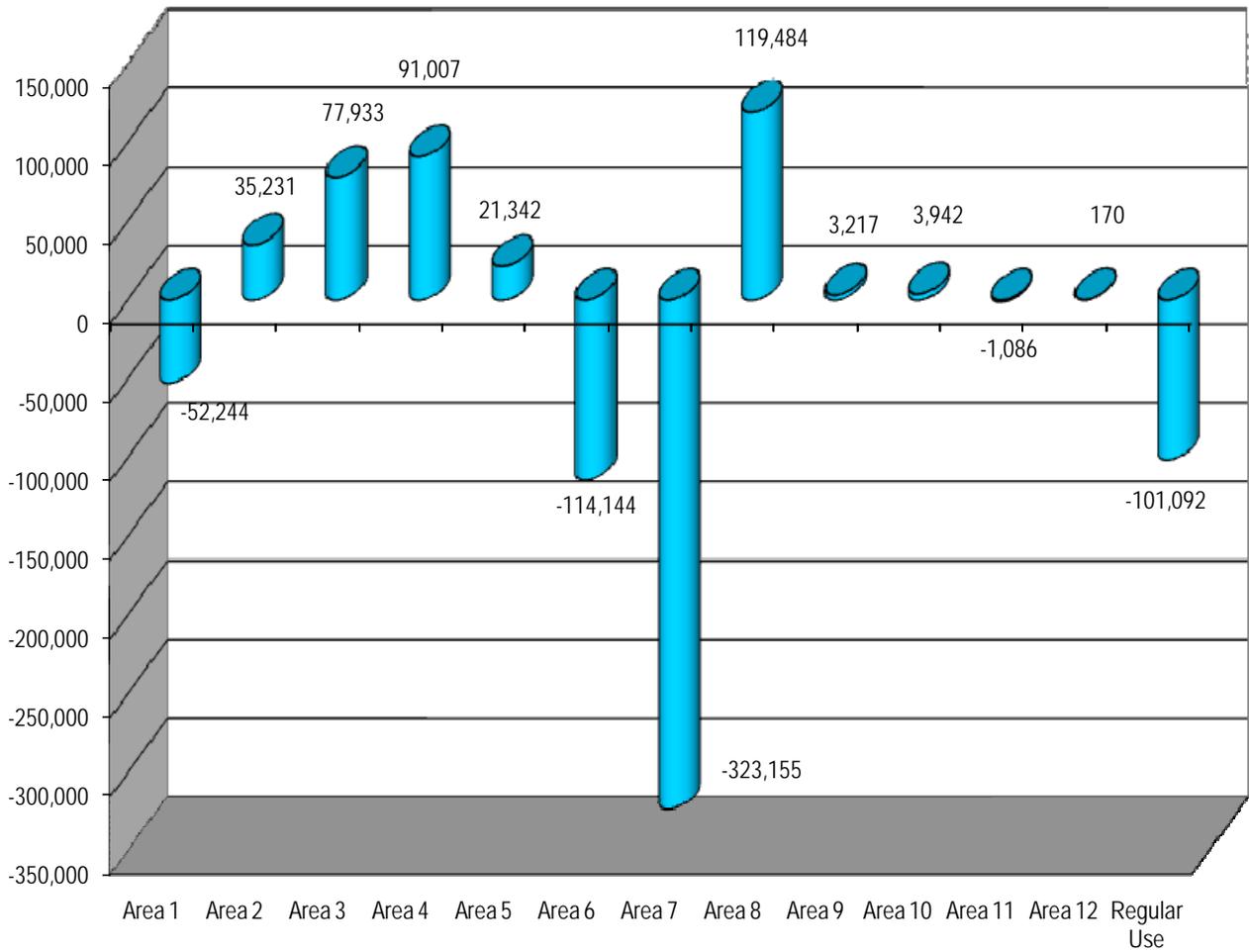
Collections for August 2010 were \$1,565,218 while collections for August 2009 and August 2008 were \$1,506,850 and \$1,570,197 respectively. August 2010 collections were \$58,367 or 3.9 percent more than August 2009 and \$4,979 or .3 percent less than 2008 collections.

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 98.6 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 \$20,334,526 for the year. Historically, the City collects 68.8 percent of its total sales and use taxes in the first quarter; this leaves 31.2 percent to be collected over the next five months. If this historic pattern holds true for the year, the City can expect to collect an additional \$6,381,828 for a total of \$20,454,576 for the year. Earlier in the year, the estimate was reduced to \$21,200,000. Based on the above calculations, the estimated collections were reduced to \$20,800,000 in July to reflect the continued decline in collections for the year. City staff will continue to monitor and analyze this important revenue source and if necessary raise or lower the year-end estimate.

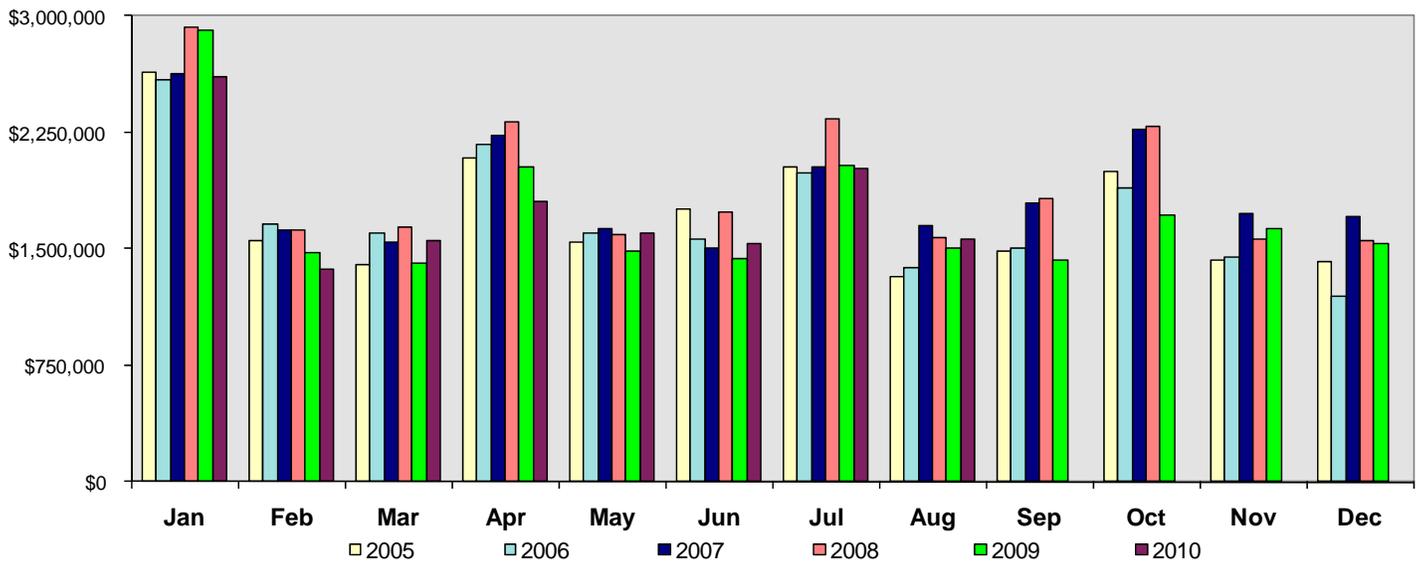
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2010 vs. 2009" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and All Other City Locations (Area 6) sales. Regular use tax was up last year due to the 2009 receipt of a 2008 audit. Economic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



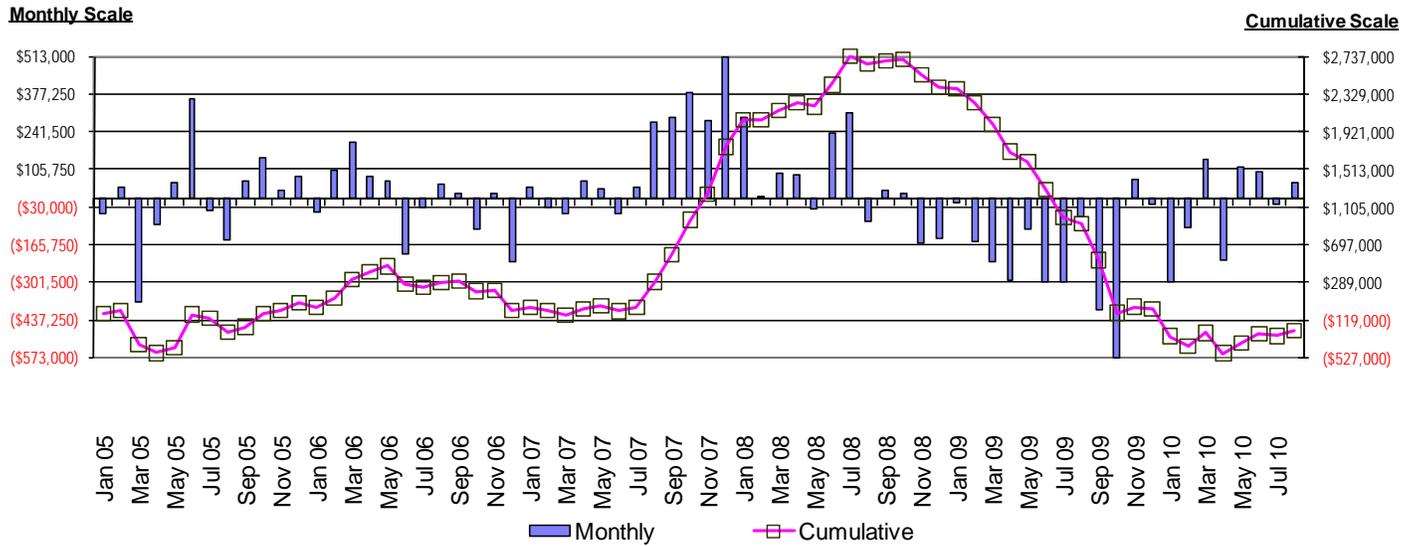
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

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



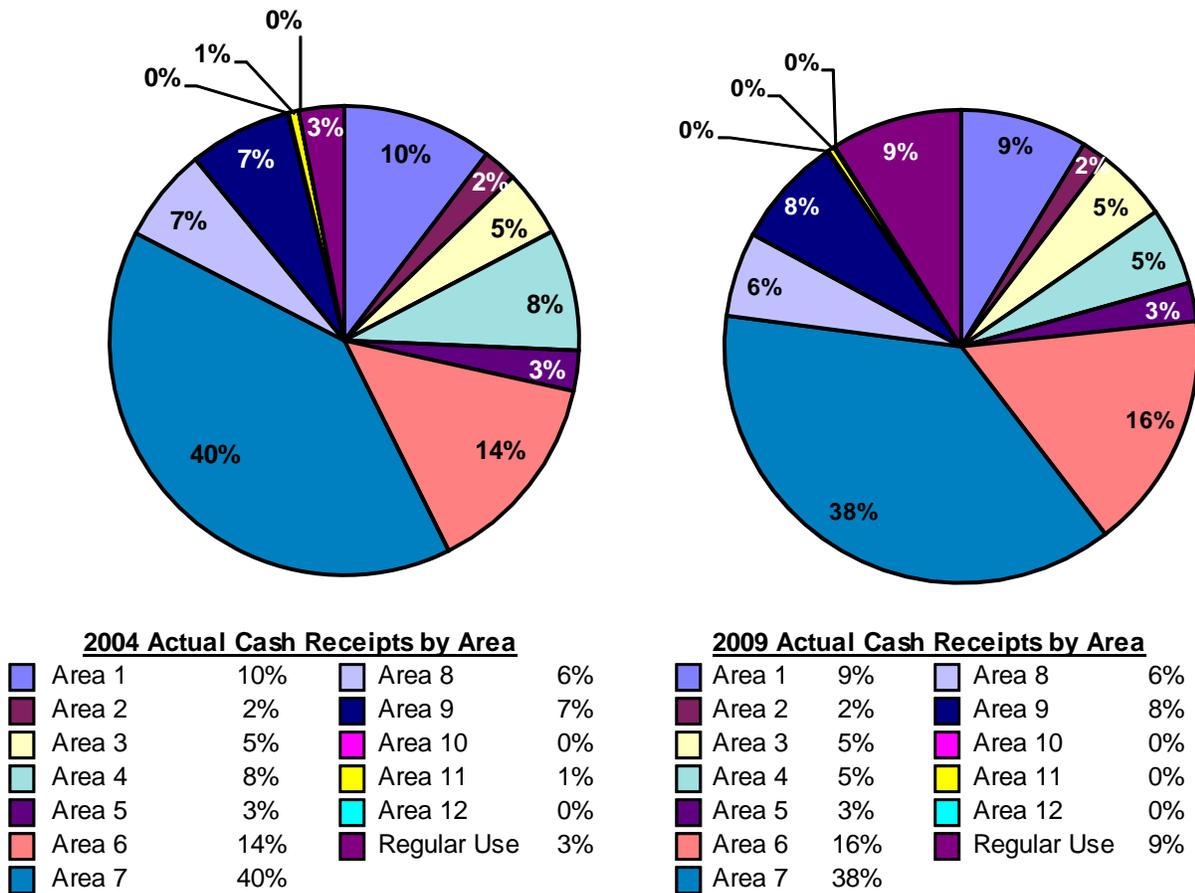
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

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 \$1,409,034 year-to-date 2010, in 2009, the City collected \$1,461,278.

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 August. 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	14,542,893	14,855,304	15,752,611	14,284,984	14,045,587
Outside City Collections	5,207,858	5,439,869	5,636,732	4,738,807	4,415,652
Percentage of Total	35.8%	36.6%	34.5%	39.5%	33.7%
Total General Fund Revenues	25,308,940	25,863,502	27,379,197	25,977,582	25,692,389
Outside City Collections	5,207,858	5,439,869	5,636,732	4,738,807	4,415,652
Percentage of Revenues	20.6%	21.0%	20.6%	18.2%	17.2%

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 \$198,249 in refunds including intercity sales/use tax claims through August 2010 compared to \$72,130 through August 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 August were up \$119,484 or 10.9 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 \$292,845 in sales and use tax audit revenues and general collections of balances on account through the month of August; this compares to \$426,220 collected in 2009 and \$417,209 collected in 2008.

Of the 78 sales tax accounts reviewed in the various geographic areas, 44 (56 percent) showed improved collections and 34 (44 percent) showed reduced collections this year compared to the same period last year.

The Department issued 279 new sales tax licenses through August 2010; 251 and 277 were issued through August 2009 and 2008 respectively.

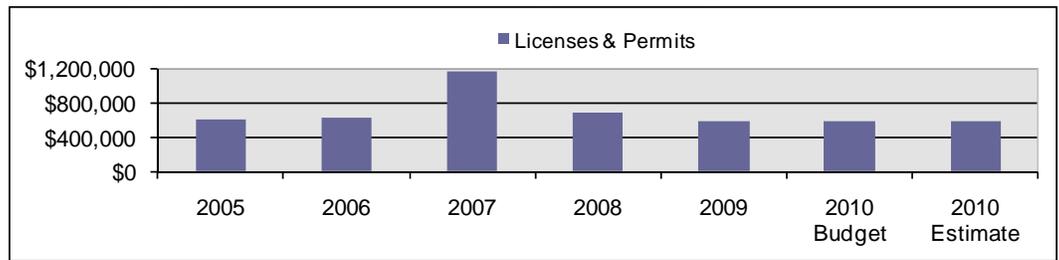
City records indicate that year-to-date 112 businesses closed (65 of them were outside the physical limits of Englewood) and 279 opened (175 of them were outside the physical limits of Englewood).

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.

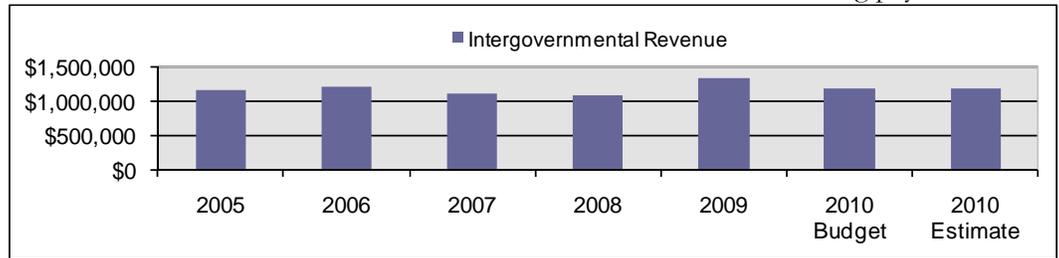
The next page provides additional information on the significant revenue sources of the General Fund:

Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$588,328 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.



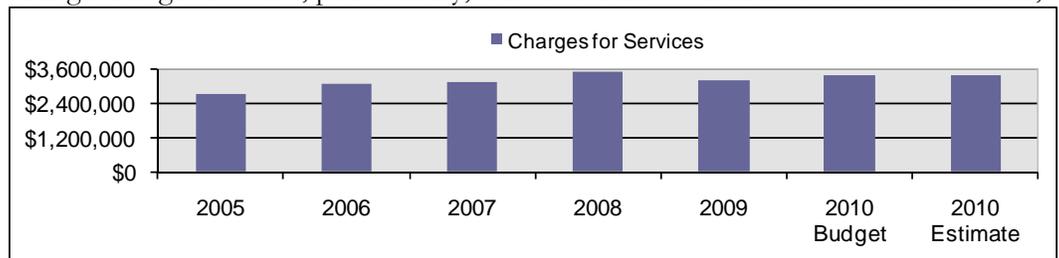
The City budgeted \$573,300 for 2010 or 5.7 percent of budgeted total other revenues (\$9,927,401) and year-to-date the City collected \$439,812 or \$96,472 (28.1 percent) more than the \$343,340 collected through August 2009. The year-end estimate has been increased to \$600,000.

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.



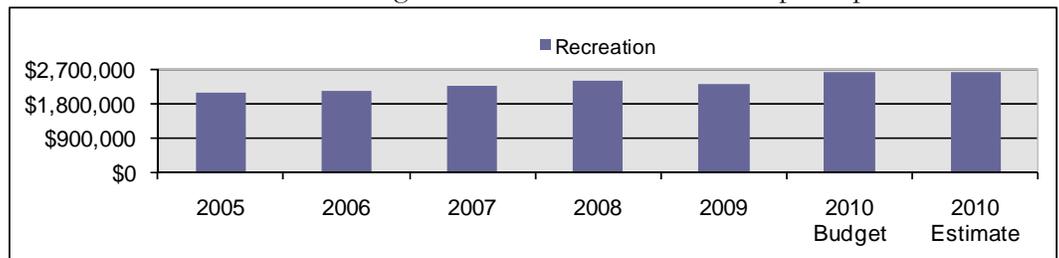
The City collected \$854,197 through August 2010 this is \$93,711 (12.3 percent) more than the \$760,486 collected in the same period in 2009. The year-end estimated has been increased to \$1,398,500.

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.



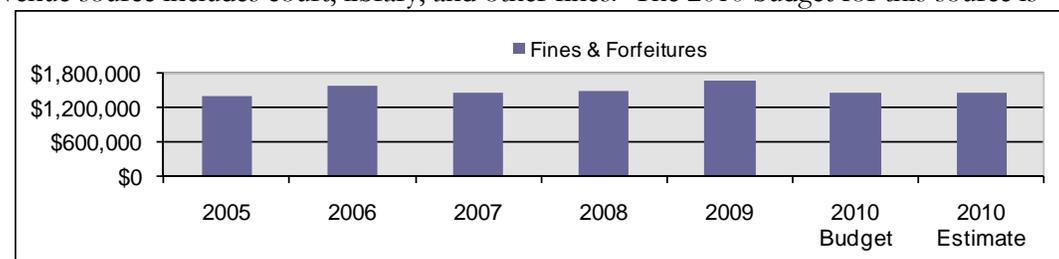
Total collected year-to-date was \$2,071,897 or \$69,188 (3.2 percent) less than the \$2,141,085 collected year-to-date in 2009.

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.



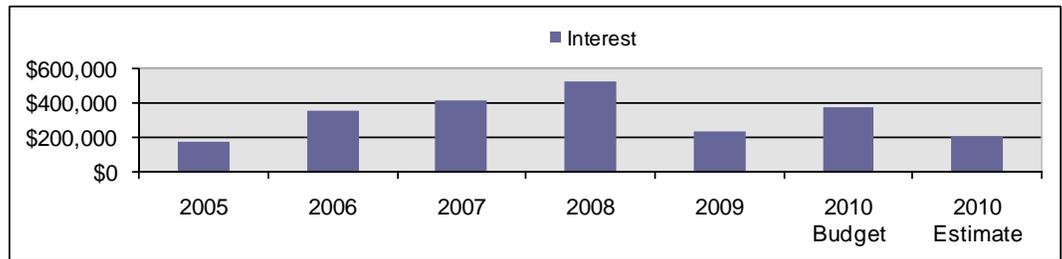
Total collections through August 2010 were \$2,109,439 compared to \$1,916,969 collected in 2009.

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.

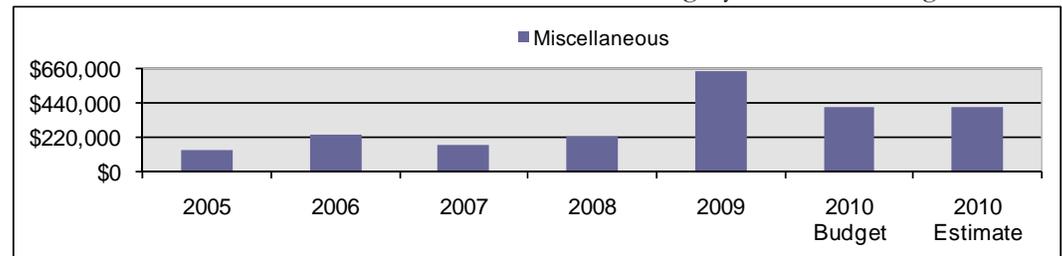


Total collected year-to-date was \$1,026,596 or \$103,328 (9.1 percent) less than the \$1,129,924 collected in the same time period last year.

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 \$105,125 through August 2010; the City earned \$180,963 through August 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 \$225,142 (58.1 percent) less compared to the \$537,516 collected last year during the same period.



General Fund Expenditures

Outcome Based Budgeting

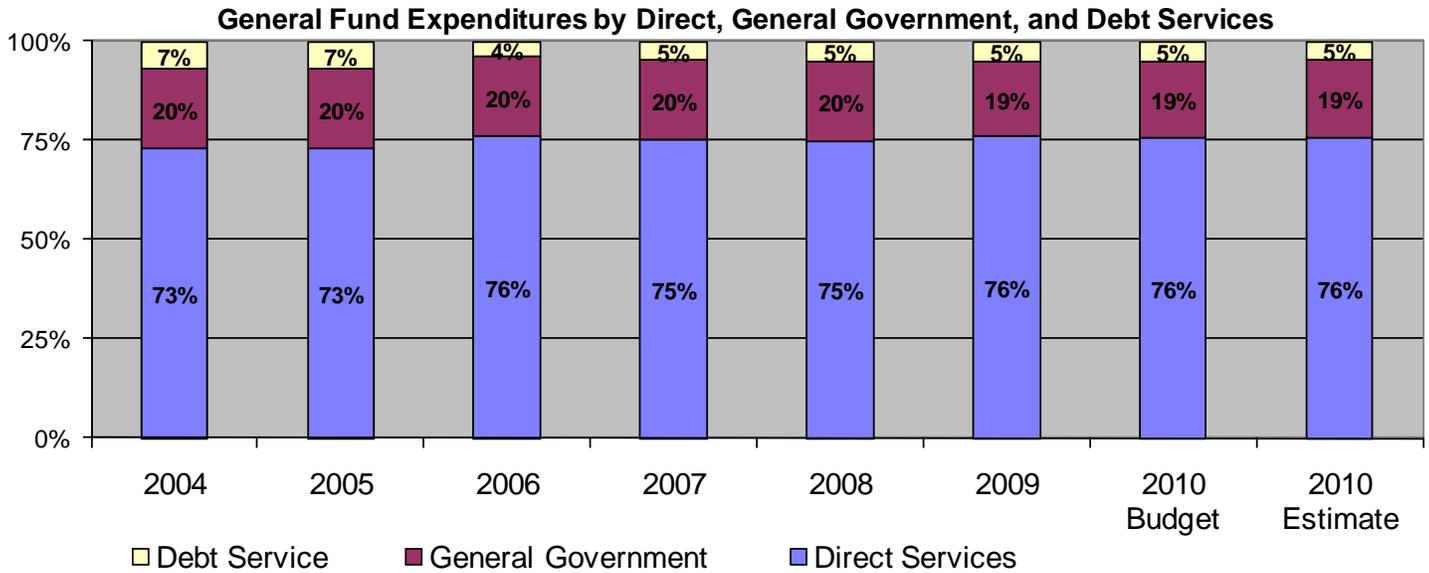
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 (fixed costs) payments are \$1,993,682 or 4.8 percent of the total. Total expenditures through August were \$25,521,066 compared to \$25,329,511 in 2009 and \$25,390,395 in 2008. *The City Manager asked that all departments continually review their 2010 spending and if possible reduce, eliminate, or delay expenditures whenever possible.*

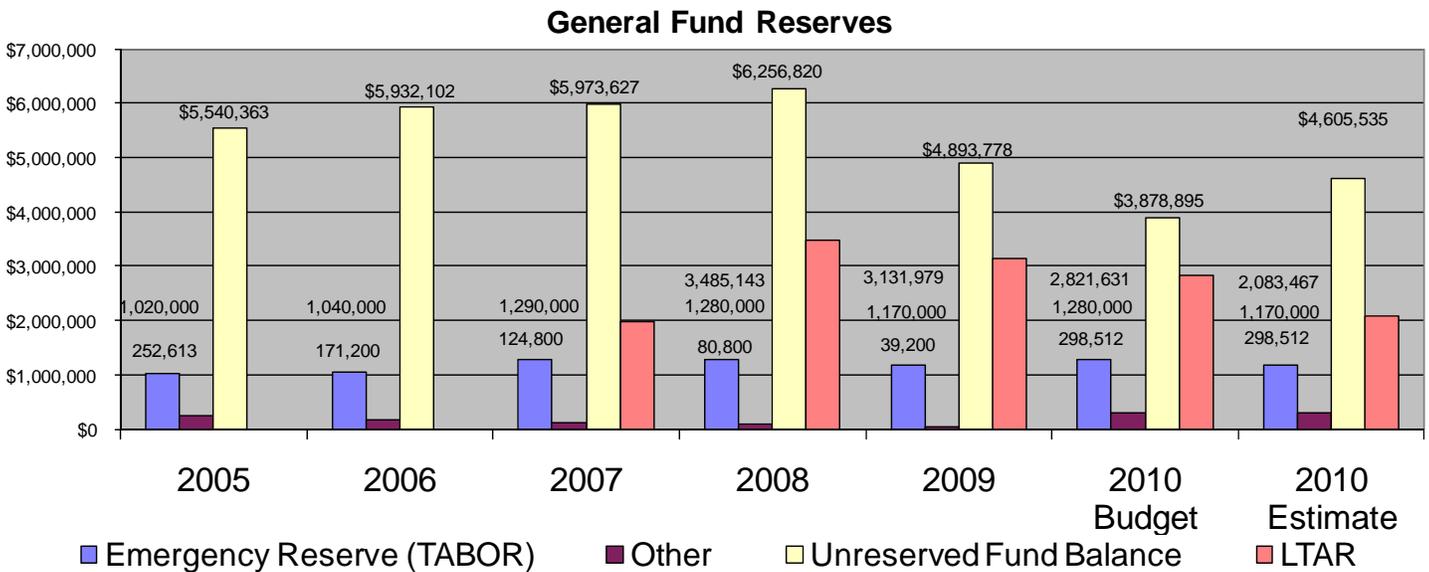
The chart below illustrates the breakdown of expenditures into debt service, general and direct government.



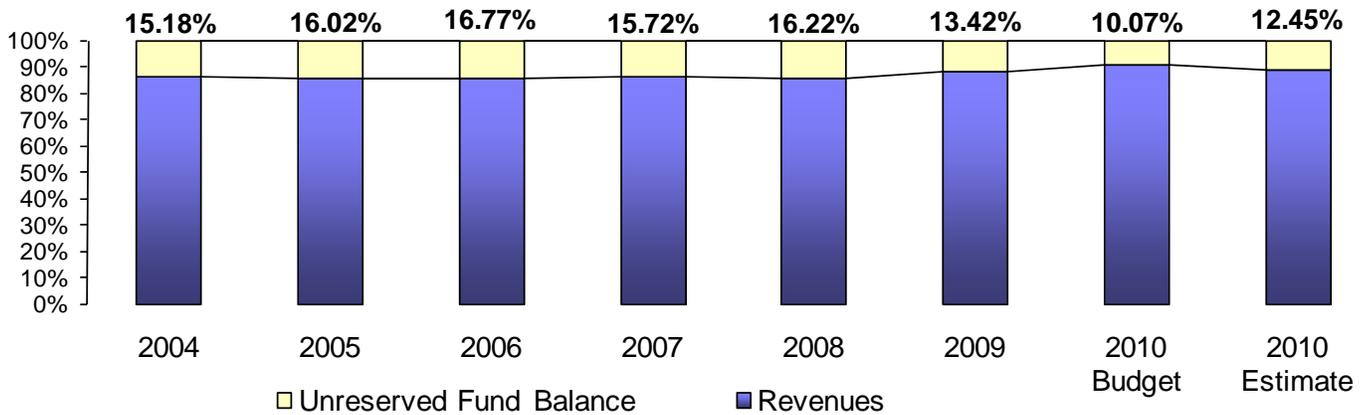
General Fund Reserves

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 August 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 \$2,083,467 (This balance reflects 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 \$4,605,535 or 12.45 percent of estimated revenues or 11.4 percent of estimated expenditures. The \$4,605,535 would allow the City to operate for approximately 41.75 days (using average daily estimated 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.

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	\$ 1,080,831	\$ (1,139,443) (51.32%)	\$ 2,220,274	\$ 381,964 20.78%	\$ 1,838,310
YTD Expenditures	2,064,215	\$ (616,418) (23.00%)	2,680,633	\$ (2,748,132) (50.62%)	5,428,765
Net Revenues (Expenditures)	\$ (983,384)	\$ (523,025)	\$ (460,359)	\$ 3,130,096	\$ (3,590,455)
Beginning PIF Fund Balance	\$ 1,515,399		\$ 1,067,525		\$ 3,359,169
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 532,015		\$ 607,166		\$ (231,286)
Plus: Remaining Annual Revenue	635,490		854,551		2,546,610
Less: Remaining Annual Appropriation	(673,847)		(1,484,716)		(2,001,407)
Estimated Ending Fund Balance	\$ 493,658		\$ (22,999)		\$ 313,917
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	\$ 438,447	\$ (26,668)	-6%	\$ 465,115	\$ (192,971)	-29%	\$ 658,086
Building Use Tax	\$ 400,000	\$ 400,000	\$ 293,289	\$ 107,500	58%	\$ 185,789	\$ (399,556)	-68%	\$ 585,345
Arapahoe County Road and Bridge Tax	\$ 192,109	\$ 200,000	\$ 172,898	\$ (7,992)	-4%	\$ 180,890	\$ 111,680	161%	\$ 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	25,692,390	25,521,081	(388,751)	4,411,979	4,605,535
Special Revenue Funds						
Conservation Trust	851,312	345,010	278,727	(640,738)	-	276,856
Open Space	1,236,741	138,648	421,327	(705,717)	-	248,345
Donors	115,917	63,368	66,870	-	-	112,415
Community Development	-	169,175	172,301	3,126	-	-
Malley Center Trust	287,432	4,527	1,230	-	-	290,729
Parks & Recreation Trust	455,943	5,130	8,392	-	-	452,682
Debt Service Fund						
General Obligation Bond	58,665	1,000,323	254,217	-	-	804,771
Capital Projects Funds						
PIF	1,515,399	1,080,831	879,565	(1,223,007)	-	493,658
MYCP	941,009	8,984	350,165	(598,776)	-	1,053
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	6,488,629	4,871,913	5,203,741	-	-	6,156,801
Sewer	8,454,882	10,495,532	10,879,477	-	1,000,000	7,070,938
Stormwater Drainage	852,252	253,281	102,850	-	137,818	864,866
Golf Course	725,050	1,383,740	1,195,947	-	293,500	619,343
Concrete Utility	246,706	554,836	324,250	-	-	477,292
Housing Rehabilitation	272,970	131,062	261,597	-	-	142,434
Internal Service Funds						
Central Services	200,630	222,356	193,306	-	-	229,680
ServiCenter	825,982	1,404,435	1,182,723	(200,000)	-	847,693
CERF	832,458	571,796	286,866	(446,477)	-	670,910
Employee Benefits	376,106	3,357,939	3,546,949	-	83,745	103,351
Risk Management	1,384,702	1,398,116	887,526	(450,000)	-	1,895,291

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 Brownfield's 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 August 31, 2010

Percentage of Year Completed = 67%

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	Aug-10	% Budget	YE Estimate	Dec-09	Aug-09	% YTD	Dec-08	Aug-08	% YTD	
Property Tax	3,046,000	2,885,016	94.71%	3,046,000	2,971,303	2,899,970	97.60%	2,995,990	2,912,452	97.21%	
Specific Ownership Tax	350,000	155,700	44.49%	250,000	276,415	166,533	60.25%	316,242	192,625	60.91%	
Sales & Use Taxes	22,300,000	14,072,748	63.11%	20,800,000	20,624,659	14,273,538	69.21%	22,617,767	15,753,896	69.65%	
Cigarette Tax	250,000	127,224	50.89%	200,000	218,448	146,535	67.08%	261,743	171,030	65.34%	
Franchise Fees	2,650,851	1,613,589	60.87%	2,650,851	2,452,611	1,474,421	60.12%	2,588,214	1,596,446	61.68%	
Hotel/Motel Tax	8,713	5,904	67.76%	8,713	9,141	6,302	68.94%	10,078	6,750	66.98%	
Licenses & Permits	573,300	439,812	76.72%	600,000	588,303	343,340	58.36%	671,384	424,862	63.28%	
Intergovernmental Revenue	1,198,327	854,197	71.28%	1,398,500	1,333,688	760,486	57.02%	1,092,701	644,865	59.02%	
Charges for Services	3,318,587	2,071,897	62.43%	3,335,864	3,163,735	2,141,085	67.68%	3,452,946	2,298,158	66.56%	
Recreation	2,625,194	2,109,439	80.35%	2,568,636	2,315,598	1,916,969	82.79%	2,364,758	1,995,446	84.38%	
Fines & Forfeitures	1,426,801	1,026,596	71.95%	1,509,150	1,639,678	1,129,924	68.91%	1,461,100	1,009,019	69.06%	
Interest	372,611	105,125	28.21%	200,000	229,999	180,963	78.68%	520,325	286,267	55.02%	
Miscellaneous	412,581	225,142	54.57%	410,445	643,311	537,516	83.55%	226,270	87,381	38.62%	
Total Revenues	38,532,965	25,692,389	66.68%	36,978,159	36,466,889	25,977,582	71.24%	38,579,518	27,379,197	70.97%	
Expenditures											
Legislation	359,314	215,185	59.89%	358,957	346,045	207,065	59.84%	350,254	198,787	56.76%	
City Attorney	767,546	463,712	60.41%	804,282	678,038	421,751	62.20%	698,563	436,940	62.55%	
Court	1,005,723	581,640	57.83%	1,000,079	914,493	594,011	64.96%	915,303	591,633	64.64%	
City Manager	668,633	438,461	65.58%	668,899	674,170	447,496	66.38%	674,323	445,434	66.06%	
Human Resources	504,898	249,058	49.33%	481,195	456,275	286,144	62.71%	579,137	361,931	62.49%	
Financial Services	1,684,000	937,388	55.66%	1,551,641	1,575,924	981,946	62.31%	1,626,571	1,026,834	63.13%	
Information Technology	1,342,948	780,444	58.11%	1,345,363	1,360,237	852,361	62.66%	1,280,156	820,087	64.06%	
Public Works	5,497,881	3,321,322	60.41%	5,370,285	5,152,891	3,221,885	62.53%	5,189,173	3,278,410	63.18%	
Fire Department	7,407,551	4,727,345	63.82%	7,470,249	7,320,268	4,607,250	62.94%	7,215,443	4,540,973	62.93%	
Police Department	10,469,333	6,671,908	63.73%	10,553,102	10,183,891	6,448,397	63.32%	9,974,925	6,432,926	64.49%	
Community Development	1,457,667	782,203	53.66%	1,388,503	1,366,437	863,009	63.16%	1,464,725	851,086	58.11%	
Library	1,352,221	854,803	63.21%	1,342,938	1,275,554	858,605	67.31%	1,261,112	815,268	64.65%	
Recreation	6,034,770	3,990,541	66.13%	6,002,086	5,727,968	4,041,088	70.55%	5,916,449	4,127,898	69.77%	
Debt Service	2,004,456	1,468,567	73.27%	1,864,122	1,805,208	1,451,247	80.39%	1,809,306	1,439,815	79.58%	
Contingency	60,000	38,489	64.15%	60,000	160,578	47,256	29.43%	59,759	22,373	37.44%	
Total Expenditures	40,616,941	25,521,066	62.83%	40,261,701	38,997,977	25,329,511	64.95%	39,015,199	25,390,395	65.08%	
Excess revenues over (under) expenditures	(2,083,976)	171,323	-8.22%	(3,283,542)	(2,531,088)	648,071		(435,681)	1,988,802		
Net transfers in (out)	1,844,433	1,134,433	61.51%	2,206,099	663,282	3,682	0.56%	2,164,017	2,352,932	108.73%	
Total Fund Balance	\$ 8,279,038	\$ 10,540,713	127.32%	\$ 8,157,514	\$ 9,234,957	\$ 11,754,516	127.28%	\$ 11,102,763	\$ 13,716,161	123.54%	

Fund Balance Analysis

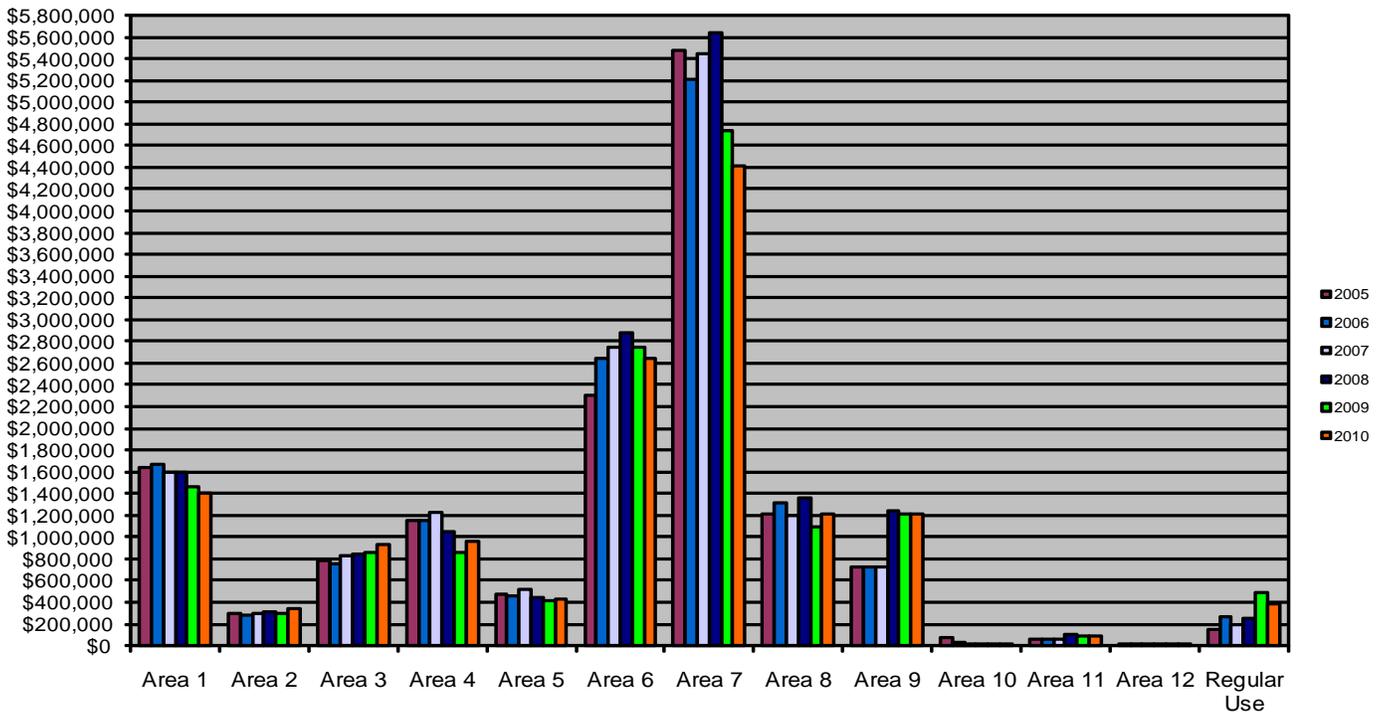
Total Fund Balance	\$ 8,279,038	\$ 8,157,514	\$ 9,234,957	\$ 11,102,763
Reserves/designations:				
-Emergencies (TABOR)	1,280,000	1,170,000	1,170,000	1,280,000
-LTAR	2,821,631	2,083,467	3,131,979	3,485,143
-MOA	-	-	39,200	80,800
-COPS Grant	298,512	298,512	-	-
Unreserved/undesignated Fund Balance	\$ 3,878,895	\$ 4,605,535	\$ 4,893,778	\$ 6,256,820
Potential reserves/designations	-	-	-	-
Estimated unres/undesignated Fund Balance	\$ 3,878,895	\$ 4,605,535	\$ 4,893,778	\$ 6,256,820
As a percentage of projected revenues	10.49%	12.45%	13.42%	16.22%
As a percentage of budgeted revenues	10.07%	11.95%		
Target	3,853,297	5,779,945		

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

Cash Basis

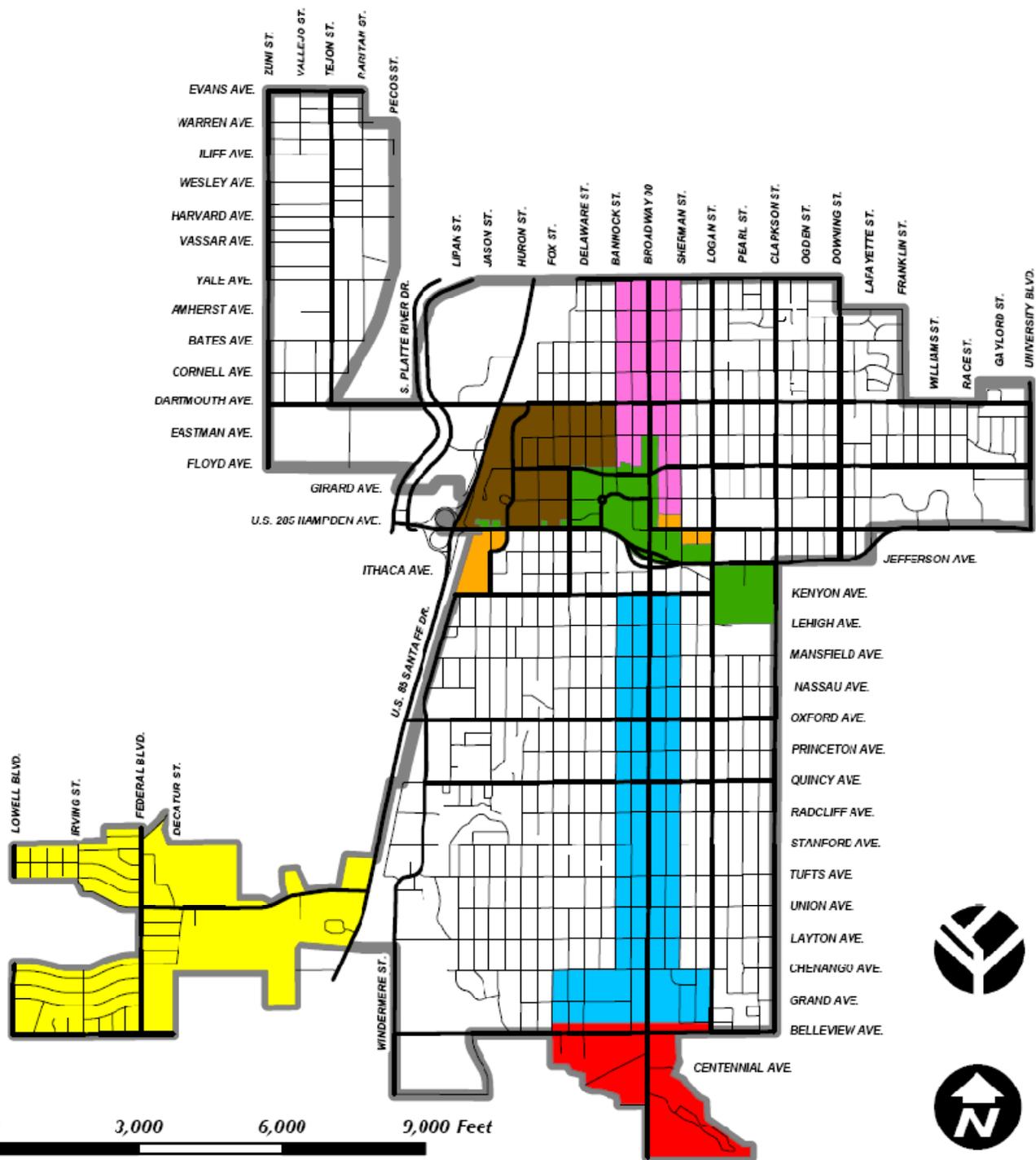
	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change
Area 1	1,639,783	3.53%	1,662,868	1.41%	1,593,146	-4.19%	1,599,517	0.40%	1,461,278	-8.28%	1,409,034	-3.58%
Area 2	303,994	4.23%	275,927	-9.23%	304,312	10.29%	307,410	1.02%	301,979	-0.77%	337,210	11.67%
Area 3	776,752	-10.35%	749,258	-3.54%	833,088	11.19%	843,286	1.22%	856,576	2.82%	934,509	9.10%
Area 4	1,147,789	-4.46%	1,148,567	0.07%	1,219,209	6.15%	1,055,174	-13.45%	864,730	-29.07%	955,737	10.52%
Area 5	470,962	17.06%	456,633	-3.04%	515,834	12.96%	448,508	-13.05%	411,782	-20.17%	433,124	5.18%
Area 6	2,296,071	-2.48%	2,648,617	15.35%	2,740,962	3.49%	2,881,524	5.13%	2,752,662	0.43%	2,638,517	-4.15%
Area 7	5,472,834	-1.94%	5,207,858	-4.84%	5,439,869	4.46%	5,636,732	3.62%	4,738,807	-12.89%	4,415,652	-6.82%
Area 8	1,206,859	0.67%	1,311,413	8.66%	1,203,174	-8.25%	1,365,078	13.46%	1,094,239	-9.05%	1,213,723	10.92%
Area 9	725,669	0.00%	725,669	0.00%	726,118	0.06%	1,247,252	71.77%	1,206,097	66.10%	1,209,315	0.27%
Area 10	75,595	159.62%	24,511	-67.58%	18,750	-23.50%	13,877	-25.99%	11,734	-37.42%	15,675	33.59%
Area 11	58,239	0.00%	58,239	0.00%	58,542	0.52%	99,306	69.63%	95,195	62.61%	94,109	-1.14%
Area 12	1,260	-80.02%	2,333	85.16%	2,951	26.50%	3,444	16.71%	2,559	-13.29%	2,729	6.63%
Regular Use	143,787	-45.45%	271,000	88.47%	199,349	-26.44%	251,502	26.16%	487,346	144.47%	386,254	-20.74%
Total	14,319,594	-1.67%	14,542,893	1.56%	14,855,304	2.15%	15,752,611	6.04%	14,284,984	-3.84%	14,045,587	-1.68%
Refunds	123,368	13.13%	185,832	50.63%	178,701	-3.84%	480,168	168.70%	72,130	-84.98%	198,429	175.10%
Audit & Collections Revenue*	531,526	634.30%	287,052	-45.99%	379,636	32.25%	417,209	9.90%	426,220	2.16%	292,845	-31.29%
*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	315,353	0.00%	693,874	120.03%	777,749	12.09%	621,315	-20.11%	214,002	-65.56%	333,881	56.02%
Vehicle Use	933,653	0.00%	773,715	-17.13%	941,683	21.71%	882,492	-6.29%	629,467	-28.67%	606,086	-3.71%

August YTD Collections by Area 2005-2010



Area Descriptions

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



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

MEMORANDUM

TO: Mayor Woodward, and City Council Members
THROUGH: Gary Sears, City Manager
FROM: Michael Pattarozzi, Fire Chief
RE: Replacement of Medic unit
DATE: September 14, 2010

Apparatus 6482 is a 1999 Ford E-450 that is serving as a Medic unit. This Medic unit currently has 11,489 engine hours. Using the Service Center's conversion rate of 17 miles per hour this equates to 195,313 miles. The Capital Equipment Replacement Fund – Vehicle Replacement Schedule and Policy defines the average life for a Medic apparatus as nine years, with a maximum extension of three years. The funds have been allocated in the Capital Equipment Replacement Fund (CERF) for the replacement of this apparatus in 2011.

In 2010, the Fire Department received a FY2011 Emergency Medical Services Provider Grant from the Colorado Department of Health and Environment for \$77,674 for assistance in replacing this Medic unit.

The total cost of the Medic unit is \$168,554. The CERF will contribute the remaining \$90,880 necessary for the replacement.

In March of 2009, City Council approved the purchase of the replacement vehicle. However, the purchase was not completed at that time because the selected vendor was unable to procure the proper vehicle chassis.

STATE OF COLORADO

Bill Ritter, Jr., Governor
Martha E. Rudolph, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S. Laboratory Services Division
Denver, Colorado 80246-1530 8100 Lowry Blvd.
Phone (303) 692-2000 Denver, Colorado 80230-6928
TDD Line (303) 691-7700 (303) 692-3090
Located in Glendale, Colorado
<http://www.cdphe.state.co.us>



Colorado Department
of Public Health
and Environment

July 22, 2010

Stephen Green
City of Englewood (1521)
1000 Englewood Parkway
Englewood, CO 80110-2373

Dear Stephen Green:

Thank you for applying to the FY11 Provider Grants Program. Your application was reviewed and scored by a process that involved the RETACs, SEMTAC and the department. Results for your application are:

Category	Total Amount Requested	Agency Amount	State Amount	Accepted Status	Amount Funded
Veh	163,047.00	81,523.50	81,523.50	Accepted	
Totals	163,047.00	81,523.50	81,523.50		77,674

Following this review process, the final decision is to fund your request, making your total award \$77,674 with a 50% required local cash match. The award amount reflects the funding maximum of state dollars for a Type I 2wd, which is \$69,900. The safety equipment match amount is \$7,774 for a total award of \$77,674.

Enclosed please find a copy of the purchase order and note the expiration date of 6/30/11. **Your items must be purchased and delivered prior to this date – no exceptions.** This is an extremely important deadline, so please keep us updated throughout the year on your progress.

Progress reports: There are four required progress reports due on or before 9/30, 12/31, 3/31 and the last one is due with your final payment request but no later than 6/30/11. You can find the progress report document at www.coems.info/grants. Once your project is complete and marked final, you no longer have to submit the progress report document.

Payment Request Statement: The payment request statement is located at www.coems.info/grants. Use this document to request funds. It requires a signature and supporting documents such as invoices and pictures.

Reversions: Tracking reversions is extremely important because it gives us the chance to re-award funds to entities that were not awarded originally. If you experience any changes throughout the year and believe you will revert funds, please let me know immediately. Do not wait until the last minute or we won't be able to re-award the funds.

Vehicle category: All vehicles must be purchased and delivered by 6/30/11. If you believe you cannot make this deadline, please let me know immediately.

If you are planning on selling or donating a vehicle that was purchased in the past using grant funds, you must obtain prior written approval from the department, as the state retains partial ownership of the vehicle for its durable life. E-mail me at jeanne.bakehouse@state.co.us with your request to sell or donate your grant-funded vehicle, and please include the vehicle type, make, model, year and VIN along with your proposed plans.

Comments: The scoring process allows evaluators to provide feedback to applicants. Below are comments that were received from evaluators regarding your grant application. These comments are provided as additional information only. Some of the comments may actually reflect questions reviewers had prior to the grant hearings. If you attended the hearings, most likely these questions were answered.

Veh:

- *Impressive grant application!*
- *Good justification, not trying to always get latest and greatest.*
- *Use equipment for a long time.*
- *Made convincing argument for need of service.*
- *Took many steps to acquire service. Capabilities will be impacted if not funded.*
- *Billing rates seem low.*

Appeals: According to 6-CCR-1015-1, Section 3, 3.7 Appeal Process, you are entitled to appeal an adverse action with respect to your grant application. Applicants who wish to appeal need to:

1. Make your request in writing to the Colorado Department of Public Health and Environment within 60 days of this notification of a denial of an award.
2. Include the statute, rule or written application guideline that was not followed in the review of your grant application.

Upon receipt of a written appeal, the department will review the request for appeal to substantiate a violation of statute, rule or application guideline and will notify you and the SEMTAC of the findings. If a violation of statute, rule or application guideline is substantiated, the SEMTAC will then review the appeal and make recommendations to the department for corrective action.

Contact Information: Contact me at Jeanne.bakehouse@state.co.us with questions. If your e-mail address is no longer sgreen@englewoodgov.org, please let me know.

Sincerely,

Jeanne-Marie Bakehouse
EMTS Provider Grants Program Manager
Health Facilities and Emergency Medical Services Division