AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
MONDAY, OCTOBER 18, 2010
COMMUNITY ROOM
6:15 P.M.

I. **Photovoltaic Solar System**
Deputy City Manager Mike Flaherty and Mr. Ken Thames from Thames Solar and Construction Manager for Ameresco will discuss the City's Photovoltaic Solar System.

II. **Financial Report**
Financial and Administrative Services Director Frank Gryglewicz will discuss the September, 2010, Financial Report.

III. **City Manager's Choice**
Reminder of Annual Bi-City WWTP Meeting with Littleton and Englewood City Councils – Thursday, December 9, 2010 at 7:30 a.m. at the Wastewater Treatment Plant.

IV. **City Attorney's Choice**

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

Memorandum

City Manager's Office

TO: Mayor Woodward and Members of City Council

THROUGH: Gary Sears, City Manager

FROM: Michael Flaherty, Deputy City Manager

DATE: October 14, 2010

SUBJECT: Photovoltaic Solar System – Ken Thames Presentation

Ken Thames will be present at the City Council Study Session on Monday, October 18, 2010, to brief City Council on the City's photovoltaic system currently being installed by Ameresco.

Ken is the President of Thames Solar and been contracted by Ameresco to serve as the on-site manager for the installation and commissioning of the photovoltaic solar systems being installed at four City facilities - Civic Center, Malley Center, Safety Services and the ServiCenter. Ken's company specializes in the design and installation of renewable energy (photovoltaic) and battery backed solar systems for grid-tied and off-grid systems for both commercial and residential applications. Ken has taught PV Installer Certification classes for COSEIA (Colorado Solar Energy Industry Association) since 2005 and has taught the Advanced PV Code Class since January 2008. He taught the PVII and "Hands-On" PV classes for Arapahoe Community College Fall in 2008 and 2009. He has also taught the Heat Springs Learning Institute's three-day PV workshop on the east coast since May 2009.

Ken will provide a summary of the City's PV installation project, discuss the technical aspects of PV solar systems and answer questions that City Council may have on the City's PV project and related technical matters.

MEMORANDUM

To: Mayor Woodward and City Council

From: Frank Gryglewicz, Director of Finance and Administrative Services

Date: October 12, 2010

Subject: September 2010 Financial Report

Summary of September 2010 General Fund Financial Report

REVENUES:

- Through September 2010, the City of Englewood collected **$28,150,243 or $149,698 (.53 percent)** less than last year (See chart attached to the full report for detail on changes in revenue in past year).
- The City collected $2,901,895 in property and $179,313 in specific ownership tax through September.
- **Year-to-date sales and use tax revenues were $15,573,333 or 154,703 (one percent) less than September 2009** (In January 2009, the City of Englewood received $201,000 from use tax audits completed in 2008. If this had not occurred, the City would be ahead of last year.)
- Cigarette tax collections were down $19,043 compared to last year.
- Franchise fee collections were $243,601 more than last year.
- Licenses and permit collections were $130,193 more than 2009.
- Intergovernmental revenues were $98,548 more than the prior year.
- Charges for services decreased $63,828 from last year.
- Recreation revenues increased $213,332 from 2009.
- Fines and forfeitures were $139,304 less than last year.
- Investment income was $91,987 less than last year.
- Miscellaneous revenues were $349,985 less than last year.

OUTSIDE CITY:

- Outside City sales and use taxes were down $322,515 or 6.3 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 September 2010 were $1,583,523 (3.5 percent) less than the $1,640,193 collected in 2009.

EXPENDITURES:

- Expenditures through September were $28,373,986 or $351,823 (1.26 percent) more than the $28,022,163 expended through September 2009.
- The City refunded $198,429 in sales and use tax claims through September.

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 $4,620,090 or 12.49 percent of projected revenues.

TRANSFERS:

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

REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues by $223,743 through September 2010.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected $1,302,960 in revenues and spent $2,101,169 year-to-date. Estimated year-end fund balance is $599,308.

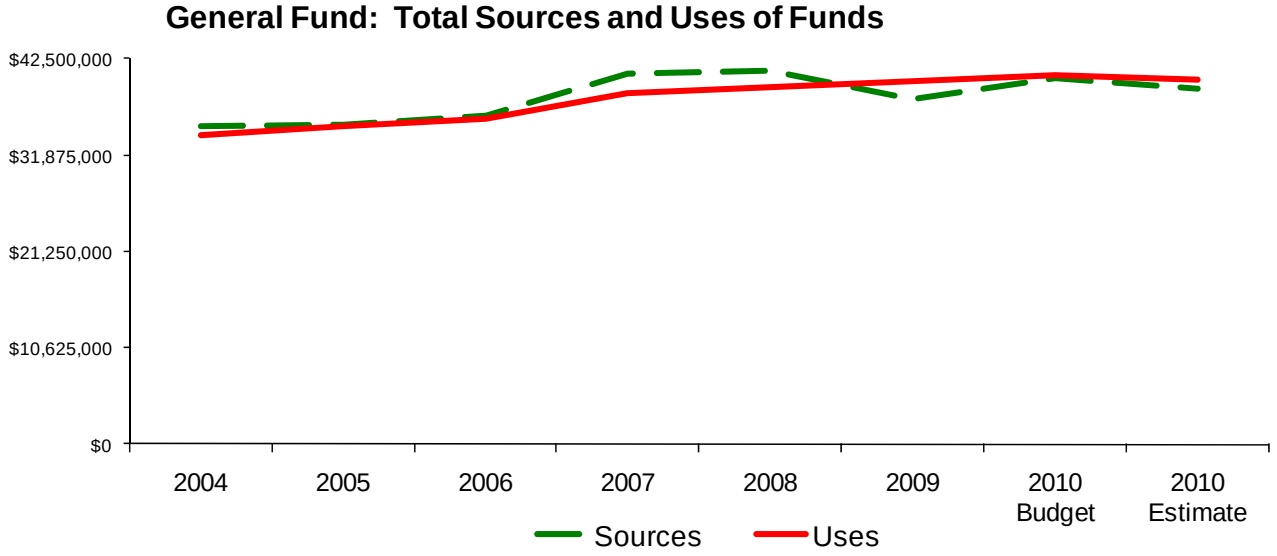
City of Englewood, Colorado
September 2010 Financial Report

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.

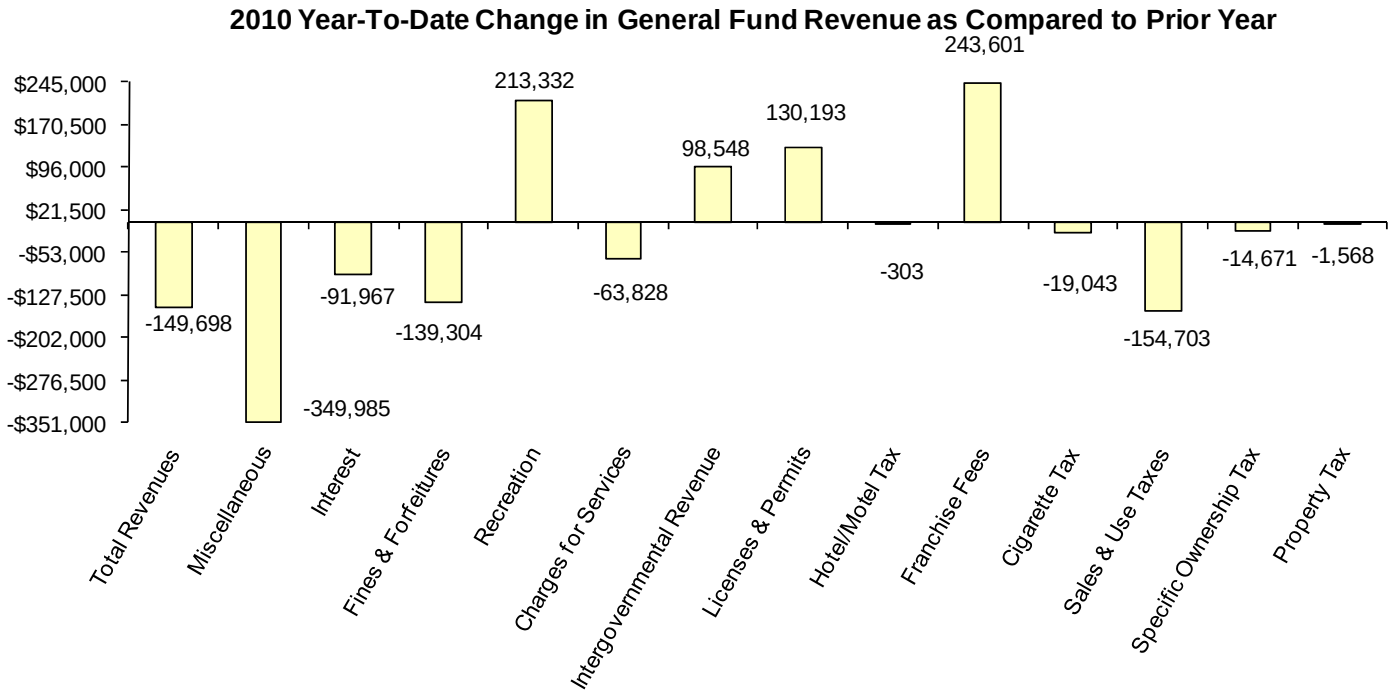


The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended September, 2010. Comparative figures for years 2009 and 2008 are presented as well. The table also highlights the dollar and percentage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

	2010	2010 vs 2009 Increase (Decrease)		2009	2009 vs 2008 Increase (Decrease)		2008
General Fund							
Year-To-Date Revenues	**$ 28,150,243**	$ (149,698)	(.53%)	**$ 28,299,941**	$ (1,860,953)	(6.17%)	**$ 30,160,894**
Year-To-Date Expenditures	**28,373,986**	$ 351,823	1.26%	**28,022,163**	$ (124,674)	(.44%)	**28,146,837**
Net Revenues (Expenditures)	**$ (223,743)**	$ (501,521)		**$ 277,778**	$ (1,736,279)		**$ 2,014,057**
Estimated Unreserved/ Undesignated Fund Balance	**$ 4,620,090**	$ (273,688)	(5.59%)	**$ 4,893,778**	$ (1,363,042)	(21.78%)	**$ 6,256,820**
Sales & Use Tax Revenue YTD	**$ 15,573,333**	$ (154,703)	(.98%)	**$ 15,728,036**	$ (1,855,311)	(10.55%)	**$ 17,583,347**
Outside City Sales & Use Tax YTD	**$ 4,795,562**	$ (322,515)	(6.30%)	**$ 5,118,077**	$ (1,117,109)	(17.92%)	**$ 6,235,186**

General Fund Revenues

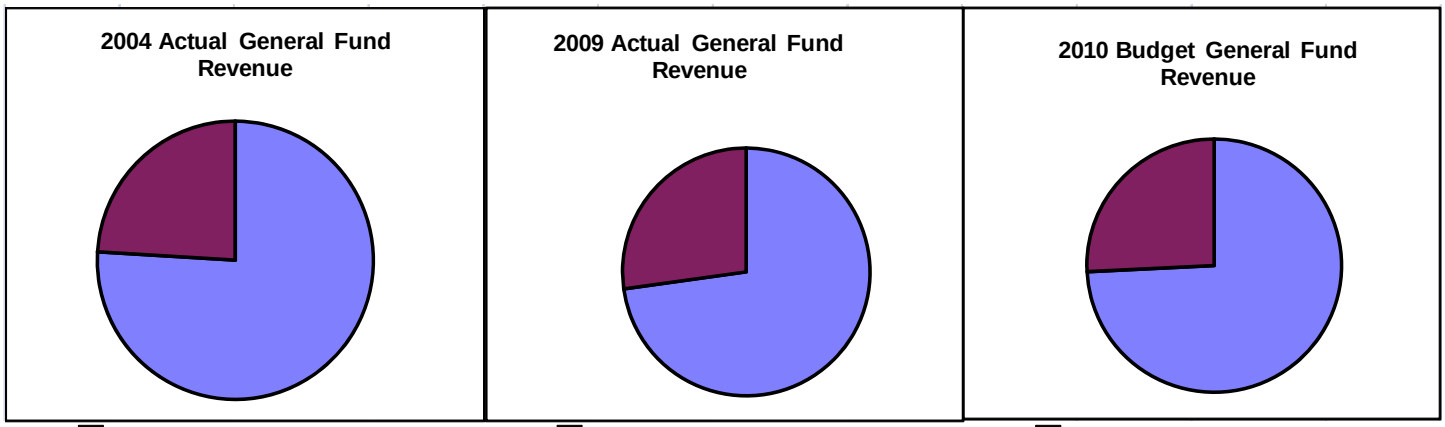
The City of Englewood's total budgeted revenue is $38,532,965. Total revenues collected through September 2010 were $28,150,243 or $149,698 (.53 percent) less than was collected in 2009. The chart below illustrates changes in General Fund revenues this year compared to last year.



General Fund Taxes

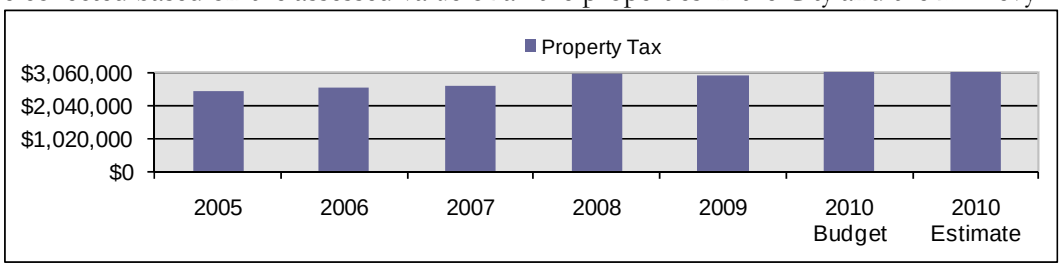
The General Fund obtains most of its revenue from taxes. In 2009 total revenues were $36,466,887 of which $26,552,577 (72.8 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The following pie charts illustrate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

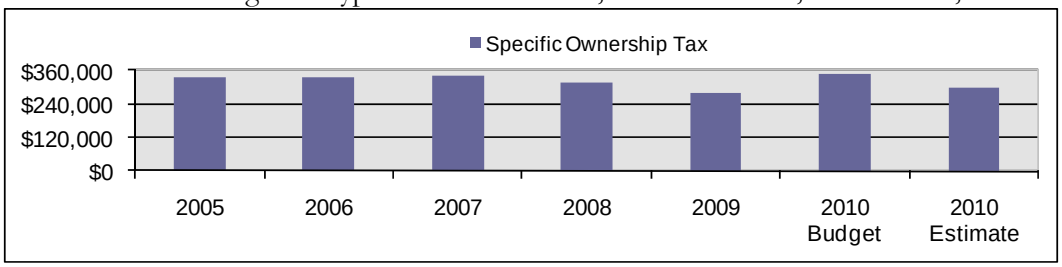


	2004		2009		2010	
Taxes	25,816,332	76%	26,552,577	73%	28,605,564	74%
Other	8,161,911	24%	9,914,312	27%	9,927,401	26%
Total	33,978,243	100%	36,466,889	100%	38,532,965	100%

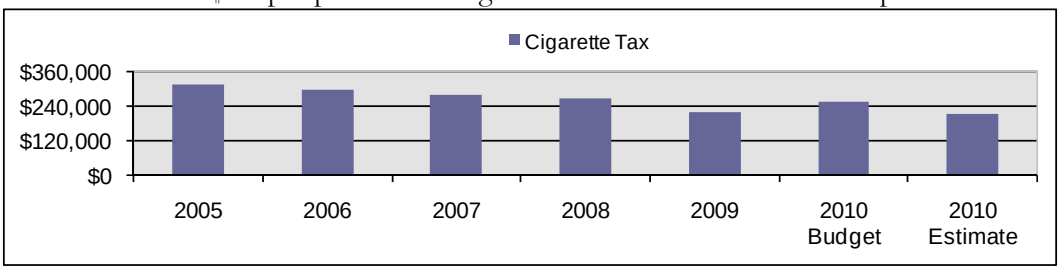
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter 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 $2,901,895 through September 2010.



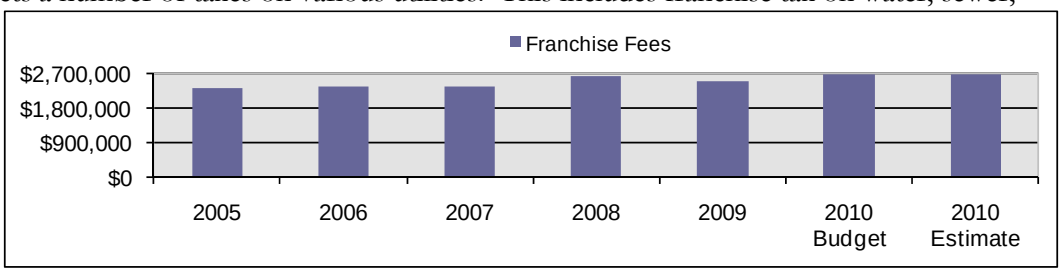
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected $334,768 in 2005 and $276,414 in 2009 which 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 $179,313 through September 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 $145,271 through September 2010, which is $19,043 or 11.6 percent less than the $164,314 collected through September 2009. The year-end estimate has been reduced to $200,000.



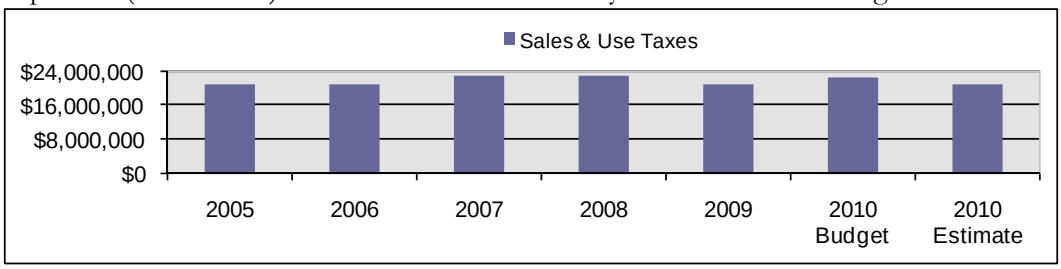
Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected $2,294,972 in 2005 and $2,452,611 in 2009, an increase of $157,639 or 6.9 percent. These 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 September totaled $1,808,872 compared to $1,565,271 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 $6,614 through September 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 September 2010 was $15,573,333 while revenue year-to-date for September 2009 was $15,728,036 a decrease of $154,703 or just under one 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 more than 2009 collections.

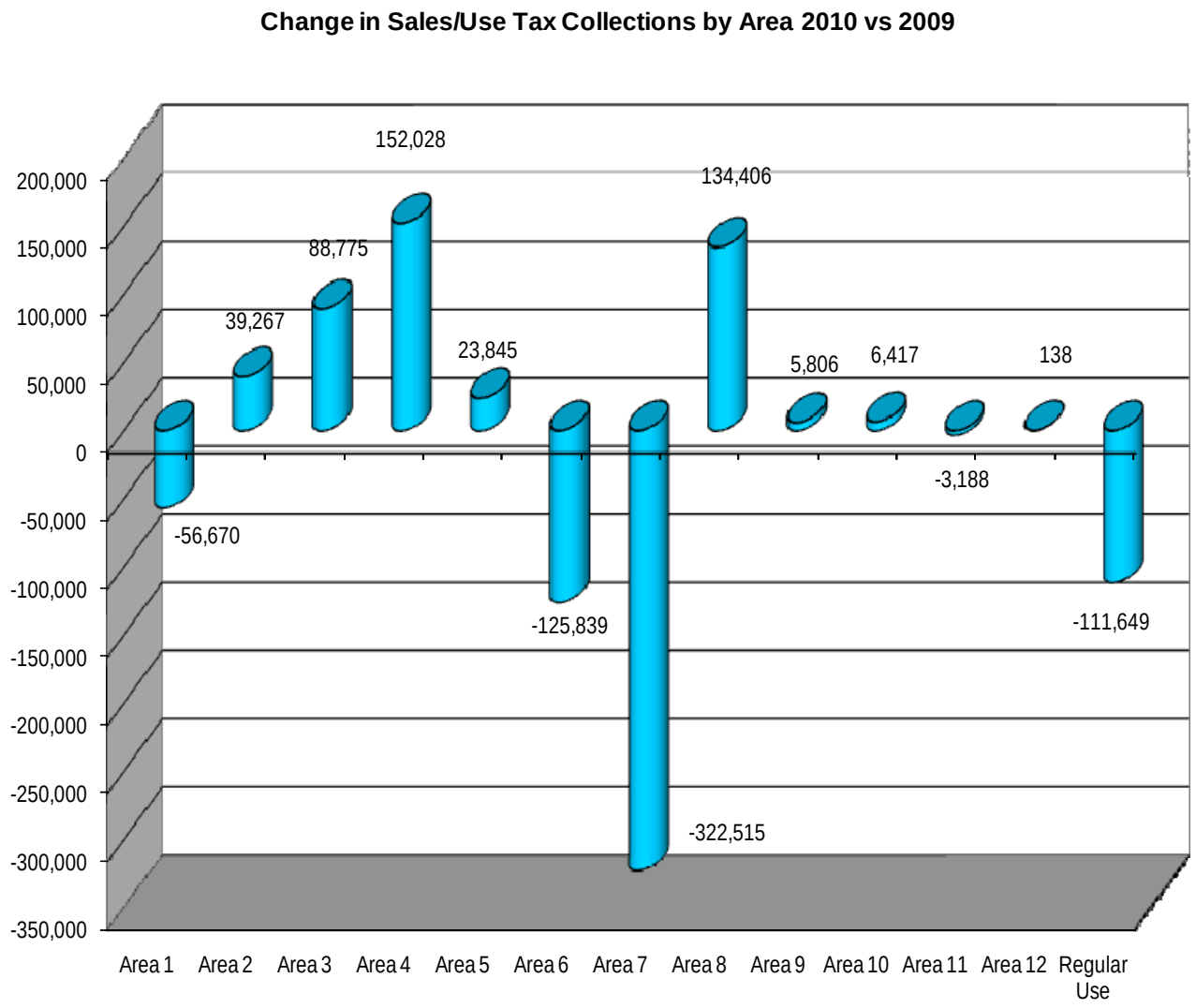
Collections for September 2010 were $1,497,991 while collections for September 2009 and September 2008 were $1,427,773 and $1,876,277 respectively. September 2010 collections were $70,218 or 4.9 percent more than September 2009 and $378,286 or 20.2 percent less than 2008 collections.

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.

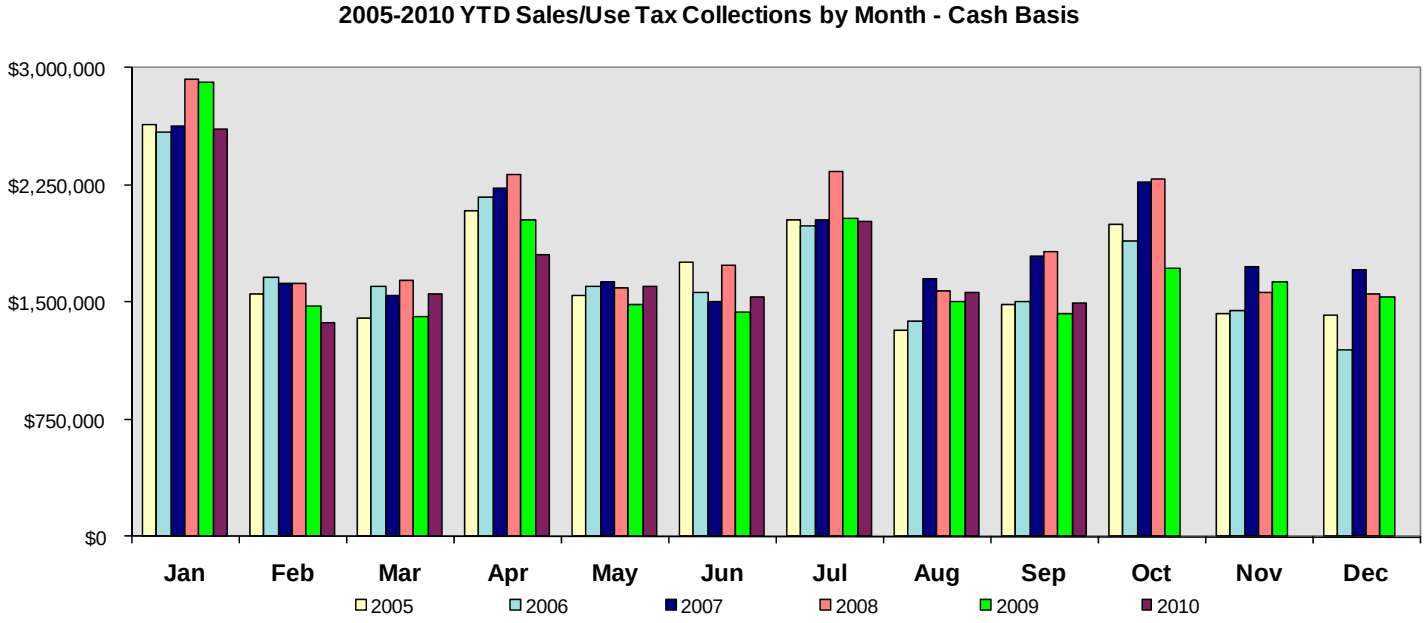
Year-to-date the City has collected 99 percent of last year's sales and use taxes ($20,624,659). If this holds through to the end of the year, the City will collect $20,418,412 for the year. Historically, the City collects 76.7 percent of its total sales and use taxes in the first quarter; this leaves 23.3 percent to be collected over the next three months. If this historic pattern holds true for the year, the City can expect to collect an additional $4,730,882 for a total of $20,304,215 for the year. Last year the City collected $4,878,430 in the last quarter; if the City collects the same this year, the total for the year will be $20,451,763. 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.



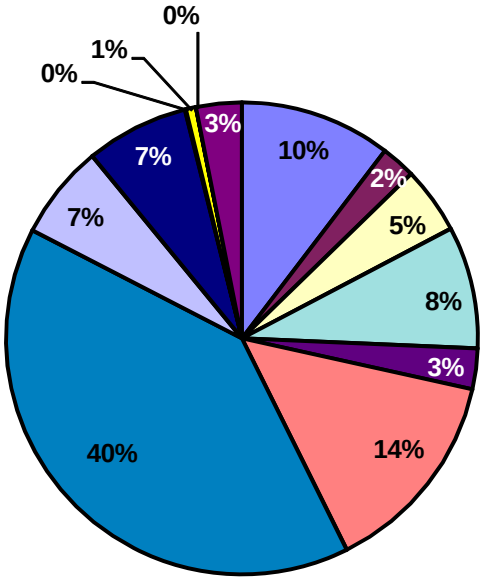
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

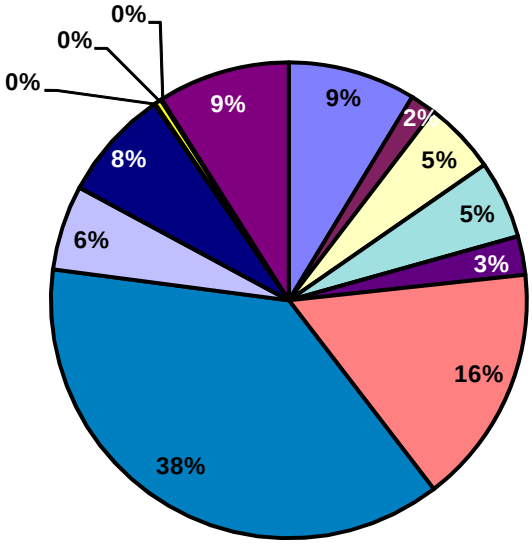


The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

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





2004 Actual Cash Receipts by Area

Area 1	10%	Area 8	6%
Area 2	2%	Area 9	7%
Area 3	5%	Area 10	0%
Area 4	8%	Area 11	1%
Area 5	3%	Area 12	0%
Area 6	14%	Regular Use	3%
Area 7	40%		

2009 Actual Cash Receipts by Area

Area 1	9%	Area 8	6%
Area 2	2%	Area 9	8%
Area 3	5%	Area 10	0%
Area 4	5%	Area 11	0%
Area 5	3%	Area 12	0%
Area 6	16%	Regular Use	9%
Area 7	38%		

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 September. 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	16,650,326	16,650,326	17,578,877	15,712,757	15,543,578
Outside City Collections	5,639,748	6,129,529	6,235,186	5,118,077	4,795,562
Percentage of Total	33.9%	36.8%	34.9%	39.7%	32.9%
Total General Fund Revenues	27,770,939	28,673,812	30,160,894	28,299,941	28,150,243
Outside City Collections	5,639,748	6,129,529	6,235,186	5,118,077	4,795,562
Percentage of Revenues	20.3%	21.4%	20.7%	18.1%	17.0%

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 September 2010 compared to $72,771 through September 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 September were up $134,407 or 11 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 September; this compares to $458,065 collected in 2009 and $528,229 collected in 2008.

Of the 78 sales tax accounts reviewed in the various geographic areas, 37 (49 percent) showed improved collections and 39 (51 percent) showed reduced collections this year compared to the same period last year.

The Department issued 309 new sales tax licenses through September 2010; 280 and 318 were issued through September 2009 and 2008 respectively.

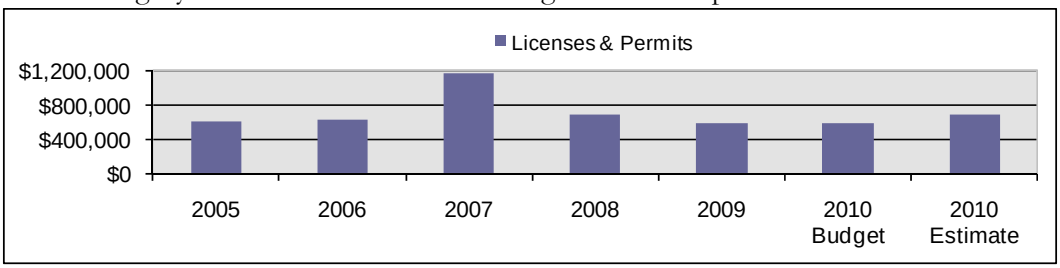
City records indicate that year-to-date 131 businesses closed (75 of them were outside the physical limits of Englewood) and 309 opened (192 of them were outside the physical limits of Englewood).

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.

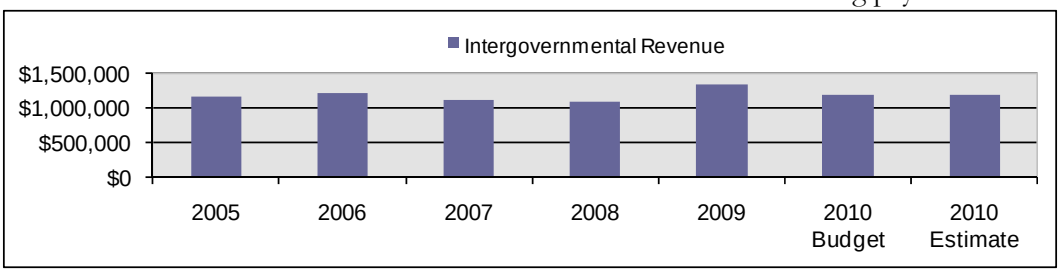
The next page provides additional information on the significant revenue sources of the General Fund:

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.

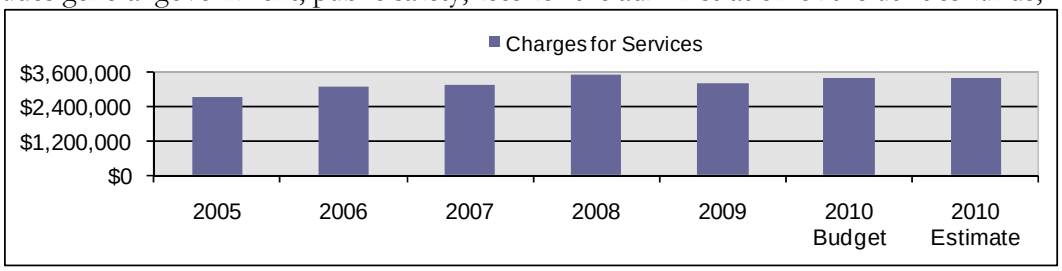


The City budgeted $573,300 for 2010 or 5.7 percent of budgeted total other revenues ($9,927,401) and year-to-date the City collected $523,080 or $130,193 (33.1 percent) more than the $392,193 collected through September 2009. The year-end estimate has been increased to $675,000.

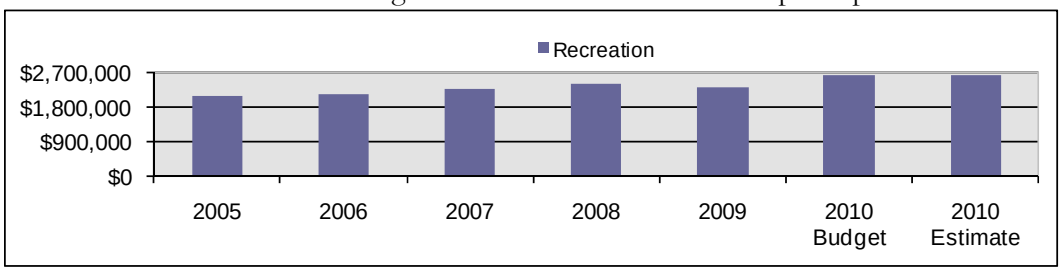
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at $1,198,327 for 2010, this is 12 percent of total other revenue. This revenue source totaled $1,156,221 in 2005 and the City collected $1,319,282 in 2009, a 14.1 percent increase. The City collected $953,016 through September 2010 this is $98,548 (11.5 percent) more than the $854,468 collected in the same period in 2009. The year-end estimated has been increased to $1,398,500.



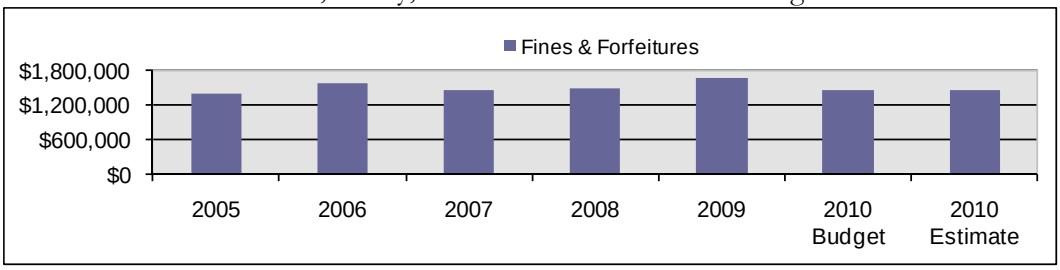
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at $3,318,587 for 2010 or 32 percent of total other revenue. This revenue source totaled $2,750,211 in 2005 and increased to $3,185,443 in 2009, a 15.8 percent increase. Total collected year-to-date was $2,311,824 or $63,828 (2.7 percent) less than the $2,375,652 collected year-to-date in 2009.



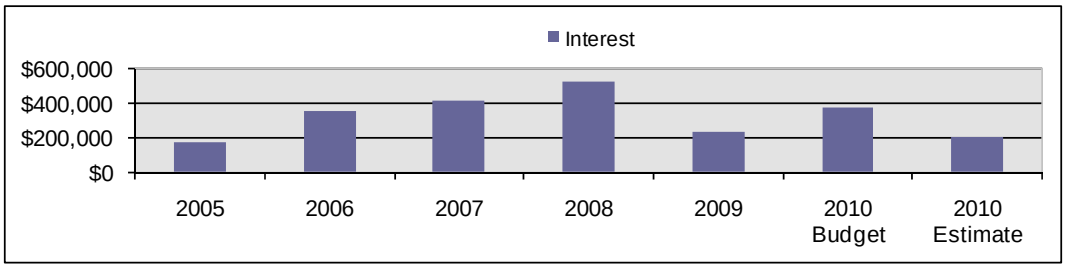
Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at $2,625,194 for 2010 or 26.4 percent of total other revenue. This revenue source totaled $2,060,758 in 2005 and increased to $2,315,598 in 2009, a 12.4 percent increase. Total collections through September 2010 were $2,256,899 compared to $2,043,567 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 $1,135,817 or $139,304 (10.9 percent) less than the $1,275,121 collected in the same time period last year.

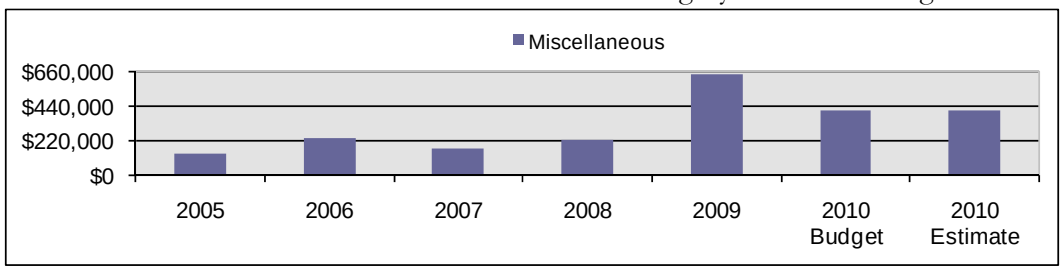


Interest: This is the amount earned on the City's cash investments. The 2010 budget for this source is $372,611 or 3.8 percent of total other revenue. This revenue source totaled $168,370 in 2005 and increased to $230,000 in 2009, a (36.6 percent) increase. The City earned $109,726 through



September 2010; the City earned $201,693 through September 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 $244,583 (58.9 percent) less compared to the $594,568 collected last year during the same period. The estimate for the year has been reduced to $350,000.



General Fund Expenditures

Outcome Based Budgeting

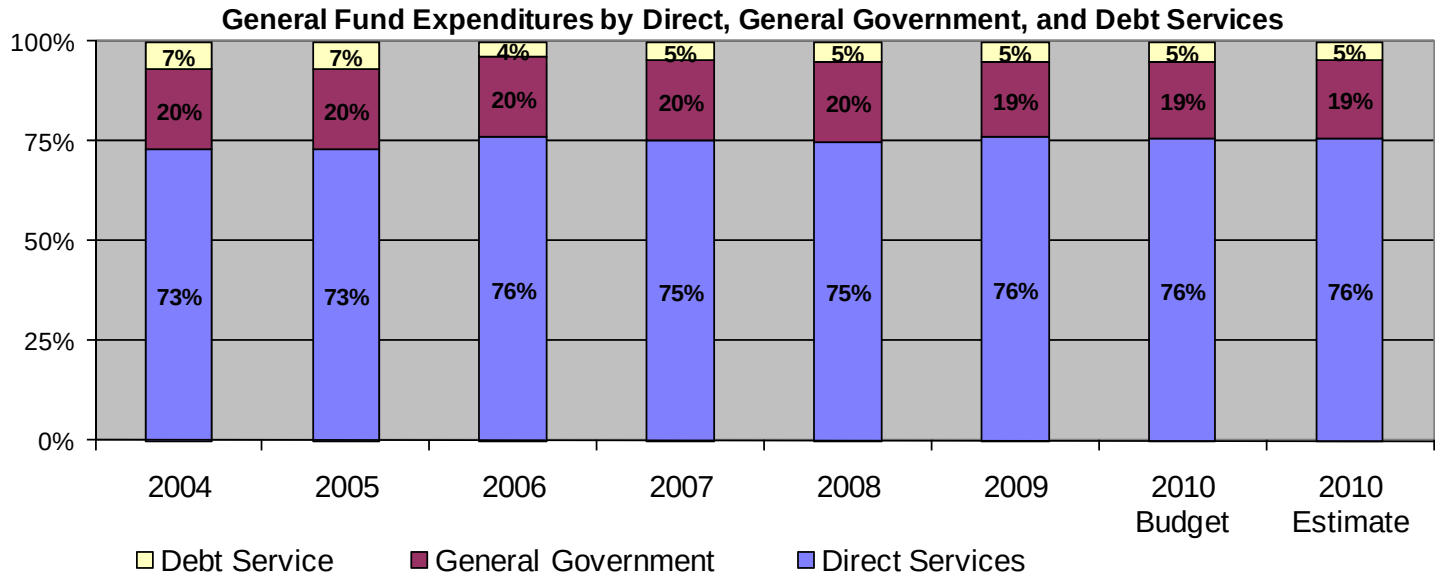
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- 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 September were $25,521,066 compared to $25,329,511 in 2009 and $25,390,395 in 2008. *The City Manager continues to ask all departments to continually review their 2010 spending and if possible reduce, eliminate, or delay expenditures whenever possible.*

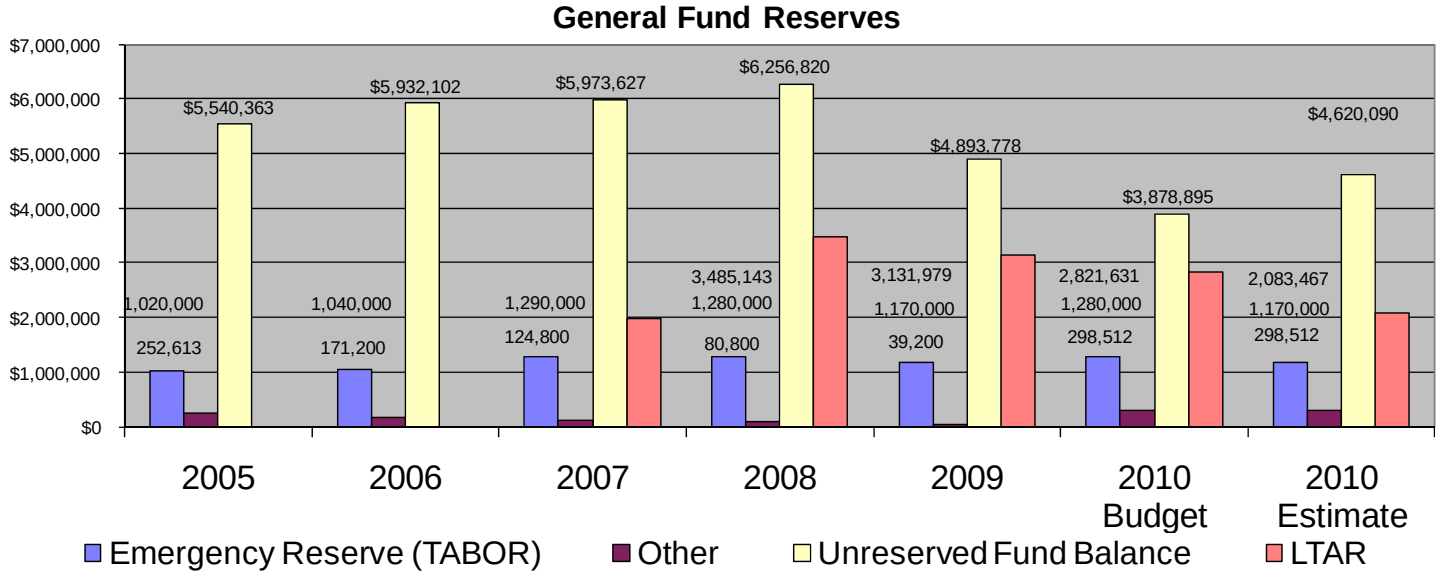
The chart below illustrates the breakdown of expenditures into debt service, general and direct government.

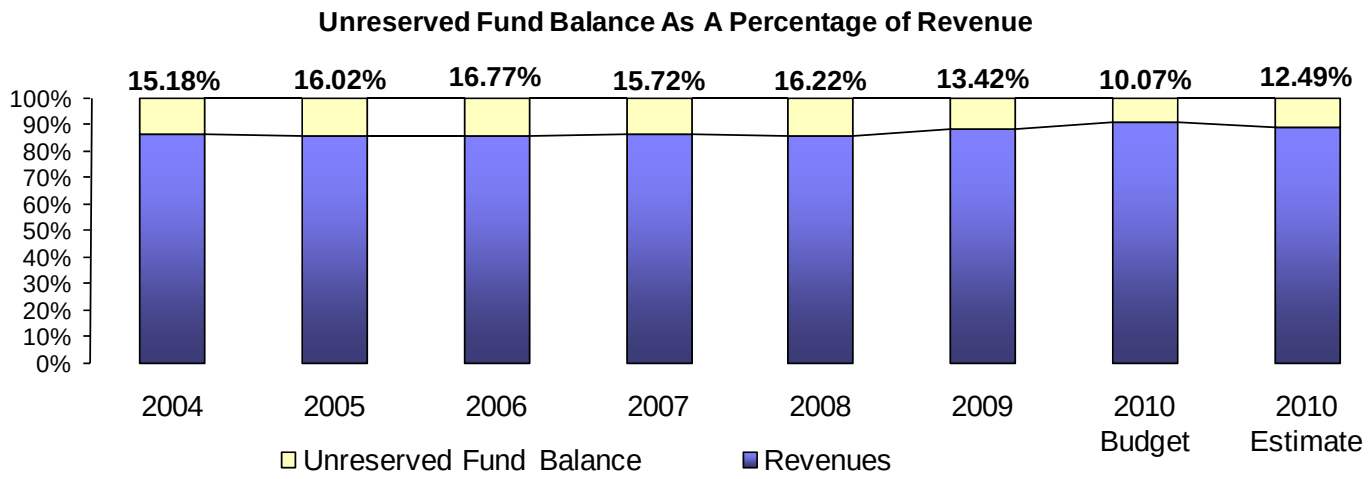


General Fund Reserves

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 September 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).





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 $4,620,090 or 12.5 percent of estimated revenues or 11.4 percent of estimated expenditures. The $4,620,090 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	**$ 1,302,960**	$ (1,061,043)	(44.88%)	**$ 2,364,003**	$ 314,824	15.36%	**$ 2,049,179**
YTD Expenditures	**2,101,169**	$ (751,510)	(26.34%)	**2,852,679**	$ (2,690,542)	(48.54%)	**5,543,221**
Net Revenues (Expenditures)	**$ (798,209)**	$ (309,533)		**$ (488,676)**	$ 3,005,366		**$ (3,494,042)**
Beginning PIF Fund Balance	**$ 1,515,399**			**$ 1,067,525**			**$ 3,359,169**
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	**$ 717,190**			**$ 578,849**			**$ (134,873)**
Plus: Remaining Annual Revenue	**519,361**			**713,822**			**2,203,748**
Less: Remaining Annual Appropriation	**(637,243)**			**(1,118,153)**			**(1,950,091)**
Estimated Ending Fund Balance	**$ 599,308**			**$ 174,518**			**$ 118,784**
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 Estimate	2010 Adopted Budget	2010 YTD Actual	2010 Vs 2009 $	2010 Vs 2009 %	2009 YTD Actual	2009 Vs 2008 $	2009 Vs 2008 %	2008 YTD Actual
Vehicle Use Tax	$ 1,000,000	$ 1,000,000	$ 598,705	$ (28,618)	-5%	$ 627,323	$ (261,299)	-29%	$ 888,622
Building Use Tax	$ 400,000	$ 400,000	$ 469,887	$ 215,986	85%	$ 253,902	$ (394,981)	-61%	$ 648,883
Arapahoe County Road and Bridge Tax	$ 192,109	$ 200,000	$ 172,898	$ (18,042)	-9%	$ 190,940	$ 12,972	7%	$ 177,969

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	28,150,243	28,374,000	20,869	4,411,979	4,620,090
Special Revenue Funds						
Conservation Trust	851,312	424,823	284,113	(715,166)	-	276,856
Open Space	1,236,741	139,643	423,247	(704,792)	-	248,345
Donors	115,917	67,557	71,539	-	-	111,935
Community Development	-	194,602	197,769	3,168	-	-
Malley Center Trust	287,432	4,717	1,230	-	-	290,919
Parks & Recreation Trust	455,943	5,415	9,002	-	-	452,356
Debt Service Fund						
General Obligation Bond	58,665	1,007,792	254,278	-	-	812,179
Capital Projects Funds						
PIF	1,515,399	1,302,960	1,070,629	(1,148,422)	-	599,308
MYCP	941,009	9,238	360,435	(646,158)	-	(56,346)
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	6,488,629	5,543,938	5,695,728	-	-	6,336,839
Sewer	8,454,882	11,675,728	11,980,930	-	1,000,000	7,149,680
Stormwater Drainage	852,252	276,592	110,525	-	137,818	880,501
Golf Course	725,050	1,603,206	1,408,612	-	293,500	626,144
Concrete Utility	246,706	624,670	417,332	-	-	454,044
Housing Rehabiliation	272,970	352,519	287,228	-	-	338,261
Internal Service Funds						
Central Services	200,630	250,449	217,013	-	-	234,066
ServiCenter	825,982	1,590,543	1,314,686	(200,000)	-	901,838
CERF	832,458	628,967	286,866	(446,477)	-	728,082
Employee Benefits	376,106	3,698,684	3,946,994	-	79,720	48,076
Risk Management	1,384,702	1,416,367	919,568	(450,000)	-	1,881,501

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 September 30, 2010

Percentage of Year Completed = 75%

	2010				2009			2008		
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	
	Budget	Sep-10	% Budget	YE Estimate	Dec-09	Sep-09	% YTD	Dec-08	Sep-08	% YTD
Revenues										
Property Tax	3,046,000	2,901,895	95.27%	3,046,000	2,971,303	2,903,463	97.72%	2,995,990	2,928,070	97.73%
Specific Ownership Tax	350,000	179,313	51.23%	250,000	276,415	193,984	70.18%	316,242	222,689	70.42%
Sales & Use Taxes	22,300,000	15,573,333	69.84%	20,800,000	20,624,659	15,728,036	76.26%	22,617,767	17,583,347	77.74%
Cigarette Tax	250,000	145,271	58.11%	200,000	218,448	164,314	75.22%	261,743	193,471	73.92%
Franchise Fees	2,650,851	1,808,872	68.24%	2,650,851	2,452,611	1,565,271	63.82%	2,588,214	1,801,720	69.61%
Hotel/Motel Tax	8,713	6,614	75.91%	8,713	9,141	6,917	75.67%	10,078	7,531	74.73%
Licenses & Permits	573,300	523,080	91.24%	675,000	588,303	392,887	66.78%	671,384	477,336	71.10%
Intergovernmental Revenue	1,198,327	953,016	79.53%	1,398,500	1,333,688	854,468	64.07%	1,092,701	729,392	66.75%
Charges for Services	3,318,587	2,311,824	69.66%	3,335,864	3,163,735	2,375,652	75.09%	3,452,946	2,598,331	75.25%
Recreation	2,625,194	2,256,899	85.97%	2,568,636	2,315,598	2,043,567	88.25%	2,364,758	2,105,677	89.04%
Fines & Forfeitures	1,426,801	1,135,817	79.61%	1,509,150	1,639,678	1,275,121	77.77%	1,461,100	1,115,282	76.33%
Interest	372,611	109,726	29.45%	200,000	229,999	201,693	87.69%	520,325	294,407	56.58%
Miscellaneous	412,581	244,583	59.28%	350,000	643,311	594,568	92.42%	226,270	103,641	45.80%
Total Revenues	38,532,965	28,150,243	73.05%	36,992,714	36,466,889	28,299,941	77.60%	38,579,518	30,160,894	78.18%
Expenditures										
Legislation	359,314	227,172	63.22%	358,957	346,045	218,534	63.15%	350,254	213,620	60.99%
City Attorney	767,546	509,669	66.40%	804,282	678,038	468,251	69.06%	698,563	492,268	70.47%
Court	1,005,723	647,912	64.42%	1,000,079	914,493	660,141	72.19%	915,303	656,284	71.70%
City Manager	668,633	518,422	77.53%	668,899	674,170	492,871	73.11%	674,323	488,965	72.51%
Human Resources	504,898	286,633	56.77%	481,195	456,275	318,143	69.73%	579,137	407,148	70.30%
Financial Services	1,684,000	1,042,204	61.89%	1,551,641	1,575,924	1,108,444	70.34%	1,626,571	1,153,994	70.95%
Information Technology	1,342,948	889,851	66.26%	1,345,363	1,360,237	939,228	69.05%	1,280,156	911,982	71.24%
Public Works	5,497,881	3,715,680	67.58%	5,370,285	5,152,891	3,609,230	70.04%	5,189,173	3,657,488	70.48%
Fire Department	7,407,551	5,228,890	70.59%	7,470,249	7,320,268	5,123,368	69.99%	7,215,443	5,069,943	70.27%
Police Department	10,469,333	7,416,864	70.84%	10,553,102	10,183,891	7,234,021	71.03%	9,974,925	7,169,493	71.88%
Community Development	1,457,667	875,362	60.05%	1,388,503	1,366,437	955,697	69.94%	1,464,725	976,614	66.68%
Library	1,352,221	944,764	69.87%	1,342,938	1,275,554	946,012	74.16%	1,261,112	908,521	72.04%
Recreation	6,034,770	4,505,023	74.65%	6,002,086	5,727,968	4,446,856	77.63%	5,916,449	4,576,008	77.34%
Debt Service	2,004,456	1,526,483	76.15%	1,864,122	1,805,208	1,452,497	80.46%	1,809,306	1,441,065	79.65%
Contingency	60,000	39,057	65.10%	60,000	160,578	48,870	30.43%	59,759	23,444	39.23%
Total Expenditures	40,616,941	28,373,986	69.86%	40,261,701	38,997,977	28,022,163	71.86%	39,015,199	28,146,837	72.14%
Excess revenues over (under) expenditures	(2,083,976)	(223,743)	10.74%	(3,268,987)	(2,531,088)	277,778		(435,681)	2,014,057	
Net transfers in (out)	1,844,433	1,191,099	64.58%	2,206,099	663,282	51,445	7.76%	2,164,017	2,352,932	108.73%
Total Fund Balance	$ 8,279,038	$ 10,202,313	123.23%	$ 8,172,069	$ 9,234,957	$11,431,986	123.79%	$ 11,102,763	$ 13,741,416	123.77%

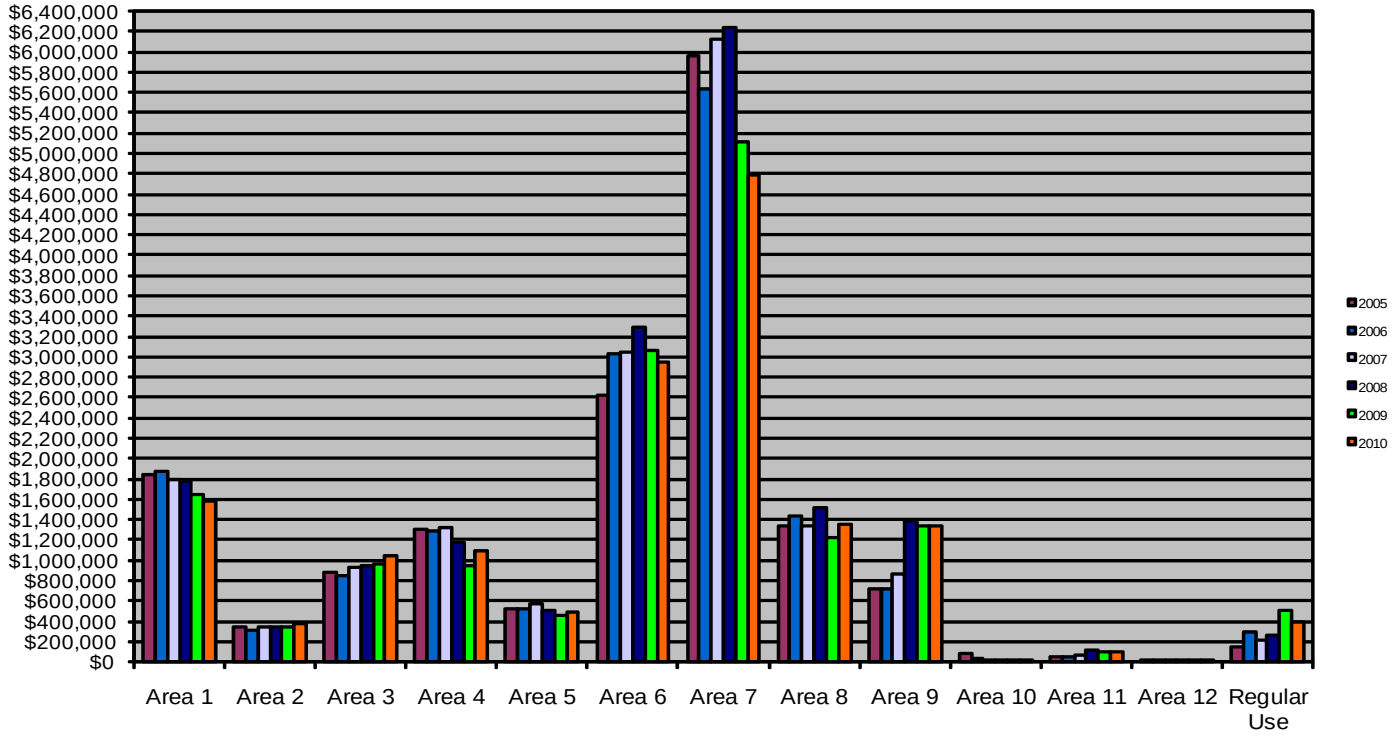
Fund Balance Analysis

Total Fund Balance	$ 8,279,038			$ 8,172,069	$ 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			$ 4,620,090	$ 4,893,778			$ 6,256,820		
Potential reserves/designa	-			-	-			-		
Estimated unres/undesig Fund Balance	$ 3,878,895			$ 4,620,090	$ 4,893,778			$ 6,256,820		
As a percentage of projected revenues	10.49%			12.49%	13.42%			16.22%		
As a percentage of budgeted revenues	10.07%			11.99%						
Target	3,853,297	-	5,779,945							

Sales & Use Tax Collections Year-to-Date Comparison
for the month of September 2010
Cash Basis

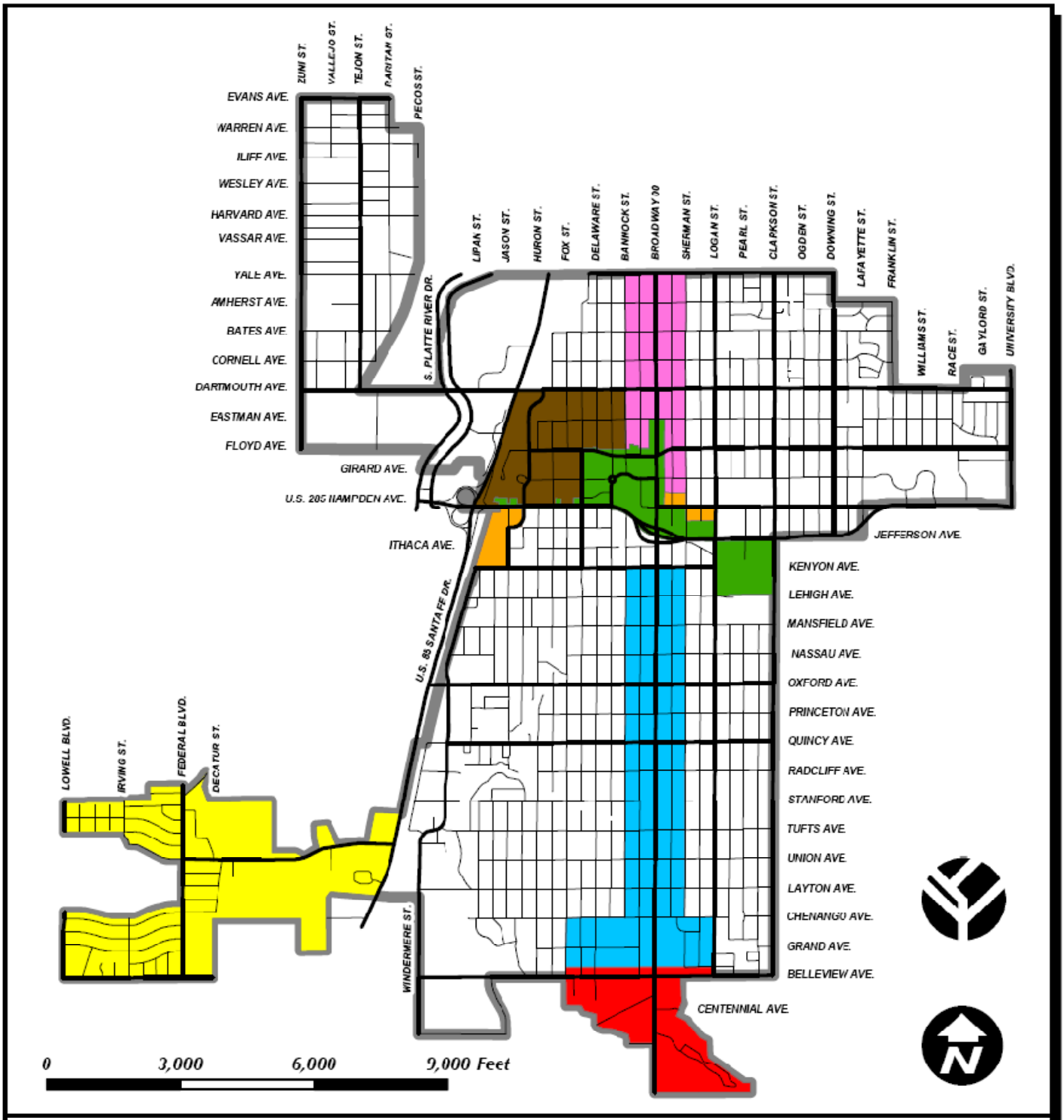
	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change
Area 1	1,838,686	3.18%	1,875,841	2.02%	1,794,449	-4.34%	1,778,946	-0.86%	1,640,193	-8.60%	1,583,523	-3.46%
Area 2	338,162	4.91%	305,997	-9.51%	338,756	10.71%	349,710	3.23%	336,450	-0.68%	375,718	11.67%
Area 3	877,886	-9.52%	850,265	-3.15%	933,196	9.75%	940,964	0.83%	955,719	2.41%	1,044,494	9.29%
Area 4	1,298,174	-3.60%	1,282,766	-1.19%	1,326,788	3.43%	1,171,655	-11.69%	942,847	-28.94%	1,094,875	16.12%
Area 5	516,314	15.16%	519,141	0.55%	579,997	11.72%	506,988	-12.59%	465,939	-19.67%	489,784	5.12%
Area 6	2,624,730	-0.66%	3,027,007	15.33%	3,043,102	0.53%	3,287,368	8.03%	3,068,601	0.84%	2,942,762	-4.10%
Area 7	5,954,761	-0.83%	5,639,748	-5.29%	6,129,529	8.68%	6,235,186	1.72%	5,118,077	-16.50%	4,795,562	-6.30%
Area 8	1,343,124	-0.60%	1,437,361	7.02%	1,331,950	-7.33%	1,521,370	14.22%	1,217,123	-8.62%	1,351,530	11.04%
Area 9	725,669	0.00%	725,669	0.00%	868,527	19.69%	1,388,322	59.85%	1,338,404	54.10%	1,344,209	0.43%
Area 10	78,449	140.31%	33,221	-57.65%	19,883	-40.15%	16,263	-18.21%	12,331	-37.98%	18,748	52.04%
Area 11	58,239	0.00%	58,239	0.00%	71,108	22.10%	112,168	57.74%	107,297	50.89%	104,109	-2.97%
Area 12	1,268	-80.24%	2,459	93.93%	2,990	21.59%	3,479	16.36%	2,625	-12.20%	2,764	5.27%
Regular Use	149,966	-49.65%	287,243	91.54%	210,053	-26.87%	266,456	26.85%	507,151	141.44%	395,501	-22.02%
Total	15,805,428	-1.15%	16,044,957	1.52%	16,650,326	3.77%	17,578,877	5.58%	15,712,757	-5.63%	15,543,578	-1.08%
Refunds	123,607	5.15%	202,476	63.81%	185,678	-8.30%	480,200	158.62%	72,771	-84.85%	199,665	174.37%
Audit & Collections Revenue*	605,563	631.92%	394,949	-34.78%	477,313	20.85%	528,229	10.67%	458,065	-13.28%	335,789	-26.69%
*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	527,417	0.00%	722,588	37.01%	1,730,566	139.50%	648,883	-62.50%	253,902	-60.87%	469,887	85.07%
Vehicle Use	1,073,593	0.00%	896,692	-16.48%	1,074,635	19.84%	1,003,086	-6.66%	710,908	-29.13%	686,142	-3.48%

September YTD Collections by Area 2005-2010



Area Descriptions

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



City of Englewood, Colorado: Sales Tax Areas

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

Areas Not Depicted on Map:

Area 6 - Other City Locations Area 7 - Outside City Limits Area 8 - Public Utilities

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