



**AGENDA FOR THE  
ENGLEWOOD CITY COUNCIL  
STUDY SESSION  
MONDAY, MARCH 21, 2011  
COMMUNITY ROOM  
6:00 P.M.**

- I. **Arapahoe County 150<sup>th</sup> Anniversary**  
Communications Coordinator Leigh Ann Hoffhines will provide information concerning the anniversary events.
- II. **Financial Report**  
Financial and Administrative Services Director Frank Gryglewicz will discuss the February, 2011, Financial Report.
- III. **Broadway/Acoma Sign**  
Community Development Director Alan White will discuss the Broadway/Acoma Sign.
- IV. **EMS Billing**  
Fire Chief Mike Pattarozzi and EMS Coordinator Steve Green will discuss the Emergency Medical Services billing.
- V. **City Manager's Choice**
  - A. April 1<sup>st</sup> Tri-Cities meeting topics
  - B. Historical Society (Altenbach) Room
  - C. November 1, 2011 Election – Nancy Doty, Arapahoe County Clerk
- VI. **City Attorney's Choice**



## News Release

### Communication Services

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**For release: March 15, 2011**

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## **Scavenger Hunt takes residents through Arapahoe County history** *You Can Win! Grab a Pioneer Passport and start your Historical Hunt today*

**Littleton, CO** --- Arapahoe County's *Historical Hunt* invites modern-day explorers to grab a Pioneer Passport for a tour through history that may win them some fun prizes.

"This year, Arapahoe County celebrates our sesquicentennial, which is our 150<sup>th</sup> anniversary," said Arapahoe County Commissioner Rod Bockenfeld, who serves as Board Chair. "Throughout the year, citizens will be able to participate in a series of events and activities, including a scavenger hunt that will lead them to visit some of the County's most beautiful, historic and intriguing treasured landmarks."

With the Historical Hunt, participants will grab a Pioneer Passport and travel throughout the County to answer 10 to 15 fun trivia questions. The first 150 people to submit a completed passport will receive a 150<sup>th</sup> Anniversary Commemorative Coin.

In addition, all participants who turn in a completed passport by Oct. 1, 2011 will be entered to win numerous prizes, including a \$150 VISA gift card. Winners will be announced Nov. 1, 2011 – Arapahoe County's 150<sup>th</sup> birthday.

Pioneer Passports are available in lobby displays at Arapahoe County buildings as well as various city offices, libraries and recreation centers. For a full list of locations, more information or to download a copy, visit [www.co.arapahoe.co.us](http://www.co.arapahoe.co.us) and click on the 150<sup>th</sup> anniversary logo.

As Colorado's first county, its history dates back 156 years to 1855 when Arapahoe County was part of the Kansas Territory. In 1861, Congress created the Colorado Territory, and Arapahoe County, which stretched to the Kansas border, was divided up into 17 counties. Denver was the county seat until 1902, when it became a separate city and county. After a local election to determine the new county seat, voters selected Littleton, where it remains the county seat of Arapahoe County today.

Visit the Arapahoe County web site for more sesquicentennial events taking place throughout the year.

\* \* \*

To download photos click on the link: [ftp://www.co.arapahoe.co.us/Pub/CM/150\\_Anniversary/](ftp://www.co.arapahoe.co.us/Pub/CM/150_Anniversary/)

*150<sup>th</sup> Logo* – Throughout 2011, Arapahoe County is celebrating its sesquicentennial (150<sup>th</sup> anniversary) with a series of events and activities, including a Historical Hunt.

*Antique\_Silver* – The first 150 people to submit a completed Pioneer Passport will receive a 150<sup>th</sup> Anniversary Commemorative Coin from Arapahoe County.

*17MileHouse* – Years ago, pioneers traveling along the historic Cherokee Trail stage coach route to Denver would stop at 17 Mile House Farm Park for food and shelter. Arapahoe County has preserved this heritage site which includes an 1860s mile house, silo and barn.

# MEMORANDUM

**To:** Mayor Woodward and City Council  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** March 9, 2011  
**Subject:** Preliminary 2010 Financial Report (Updated)

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## Summary of the Preliminary 2010 General Fund Financial Report

**Please note all numbers in this report are subject to change until the audited financial report is complete.**

### REVENUES:

- Through December 2010, the City of Englewood collected **\$36,519,269 or \$52,380 (less than one percent)** more than last year (See the chart on page 3 and the attached full report for detail on changes in revenue in past year).
- The City collected \$3,020,884 in property and \$263,434 in specific ownership tax through December.
- **Year-to-date sales and use tax revenues were \$20,756,337 or \$131,678 (.64%) more than 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 .91 percent ahead of last year.)
- Cigarette tax collections were down \$22,128 compared to last year.
- Franchise fee collections were \$167,580 more than last year.
- Licenses and permit collections were \$107,360 more than 2009.
- Intergovernmental revenues were \$132,282 more than the prior year.
- Charges for services increased \$6,088 from last year.
- Recreation revenues increased \$174,183 from 2009.
- Fines and forfeitures were \$201,721 less than last year.
- Investment income was \$129,683 less than last year.
- Miscellaneous revenues were \$349,653 less than last year.

### OUTSIDE CITY:

- Outside City sales and use taxes were down \$144,757 or 2.25 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 reduced by \$50,000 to \$550,000.

### CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through December 2010 were \$2,091,285 (2.53 percent) less than the \$2,145,546 collected during the same period in 2009.

### EXPENDITURES:

- Expenditures through December were \$38,925,172 or \$72,805 (.19 percent) less than the \$38,997,977 expended through December 2009. Actual expenditures were 95.8 percent of budget.
- The City refunded \$215,756 in sales and use tax claims through December.

### RESERVES:

- The unreserved/undesignated reserves for 2010 were budgeted at \$3,878,895 or 10.07 percent of budgeted revenues.
- The unaudited unreserved/undesignated fund balance for 2010 is \$4,733,299 or 12.96 percent of revenues.

### TRANSFERS:

- Net transfers-in to date of \$1,456,224 were made in 2010.

### REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues by \$2,455,903 through December 2010.

### PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$3,145,438 in revenues and spent \$2,084,221 year-to-date. Estimated year-end fund balance is \$440,771.

# City of Englewood, Colorado

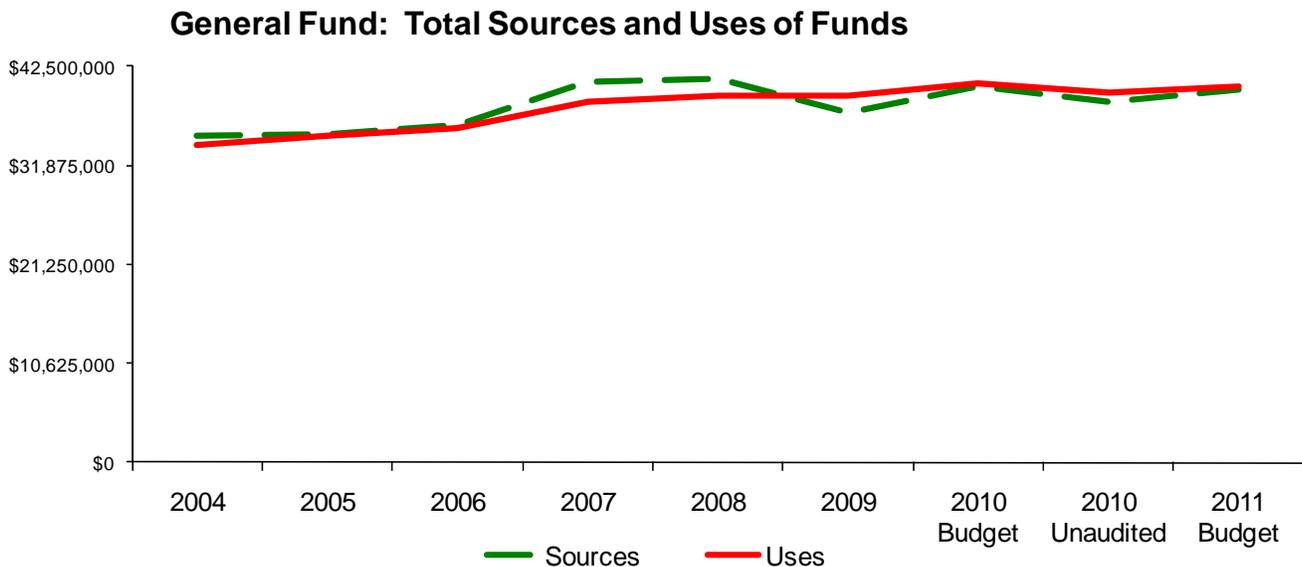
## December 2010 Financial Report

### 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.



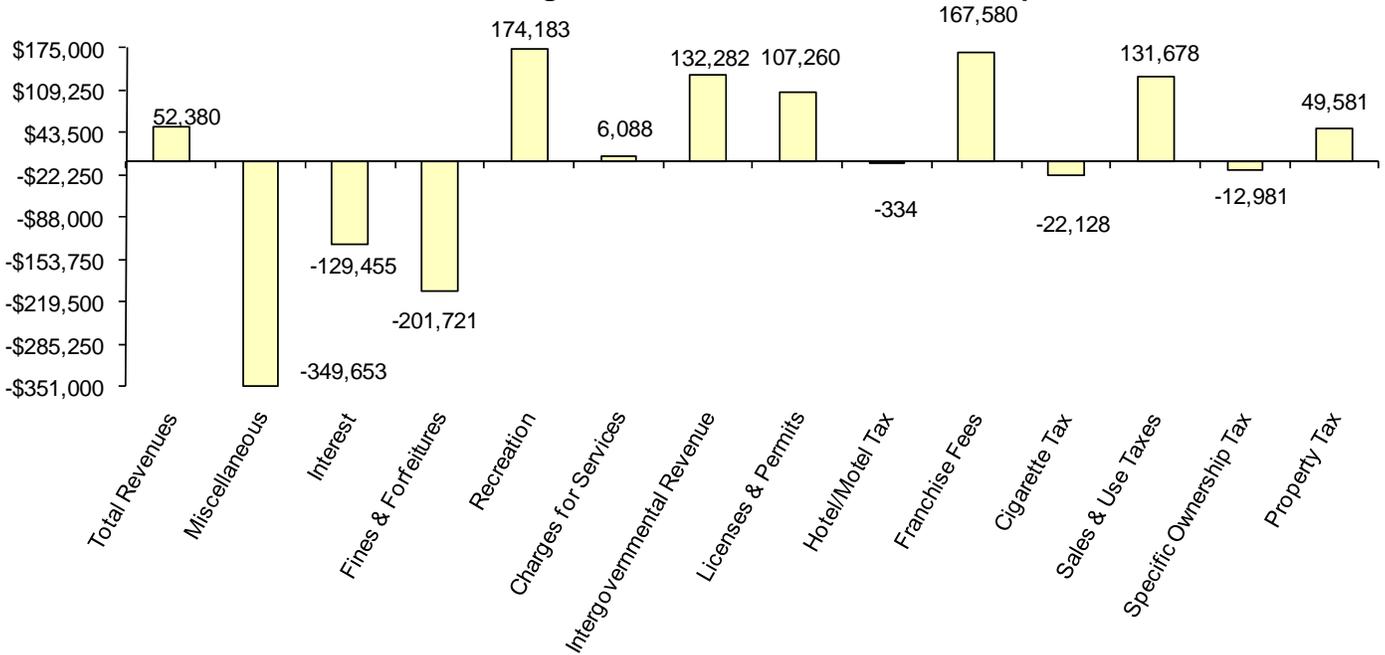
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended December, 2010. Comparative figures for years 2009 and 2008 are presented as well. The table also highlights the dollar and percentage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

	2010	2010 vs 2009		2009	2009 vs 2008		2008
		Increase (Decrease)			Increase (Decrease)		
<b>General Fund</b>							
Year-To-Date Revenues	\$ 36,519,269	\$ 52,380	.14%	\$ 36,466,889	\$ (2,112,629)	( 5.48%)	\$ 38,579,518
Year-To-Date Expenditures	38,925,172	\$ (72,805)	(.19%)	38,997,977	\$ (17,222)	(.04%)	39,015,199
Net Revenues (Expenditures)	\$ (2,405,903)	\$ 125,185		\$ (2,531,088)	\$ (2,095,407)		\$ (435,681)
Estimated Unreserved/ Undesignated Fund Balance	\$ 4,733,299	\$ (160,479)	( 3.28%)	\$ 4,893,778	\$ (1,363,042)	( 21.78%)	\$ 6,256,820
Sales & Use Tax Revenue YTD	\$ 20,756,337	\$ 131,678	.64%	\$ 20,624,659	\$ (1,993,108)	( 8.81%)	\$ 22,617,767
Outside City Sales & Use Tax YTD	\$ 6,291,222	\$ (144,757)	( 2.25%)	\$ 6,435,979	\$ (1,587,497)	( 19.79%)	\$ 8,023,476

## General Fund Revenues

The City of Englewood's total budgeted revenue is \$38,532,965. Total revenues collected through December 2010 were \$36,519,269 or \$52,380 more than was collected in 2009. The chart below illustrates changes in General Fund revenues this year compared to last year.

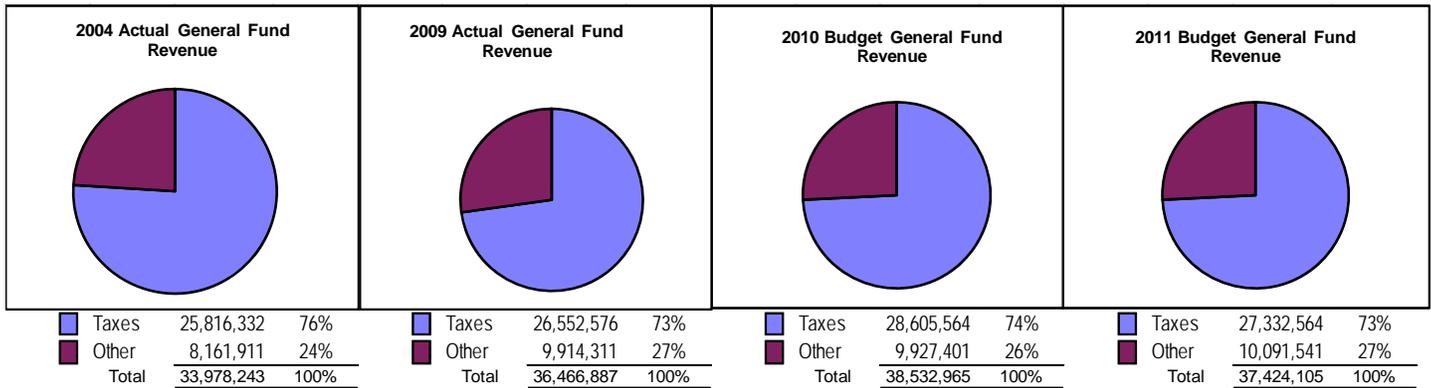
**2010 Year-To-Date Change in General Fund Revenue as Compared to Prior Year**



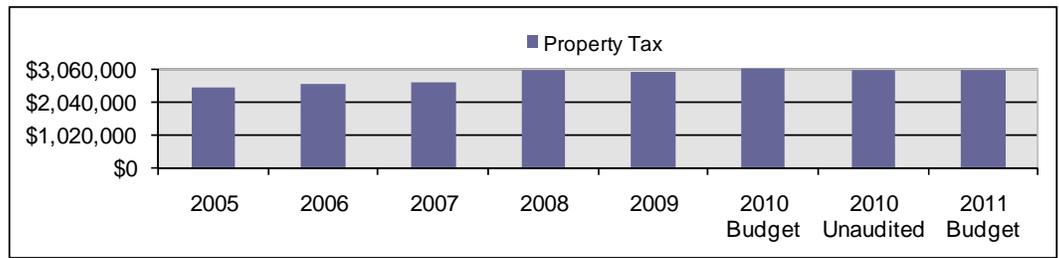
## General Fund Taxes

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, 2009, budgeted 2010 and 2011. 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**

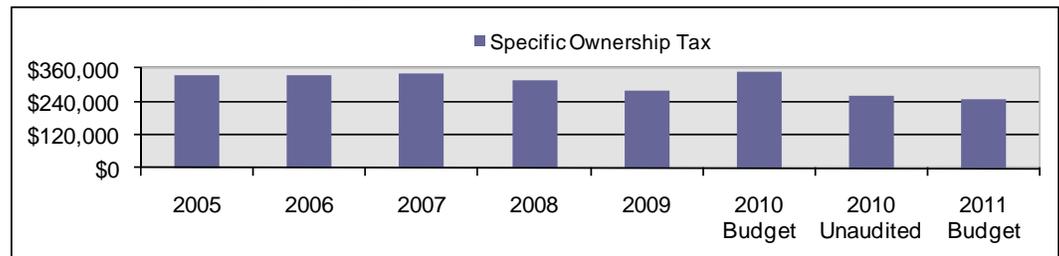


**Property taxes:** These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter approved additional mill of 2.031 mills is levied

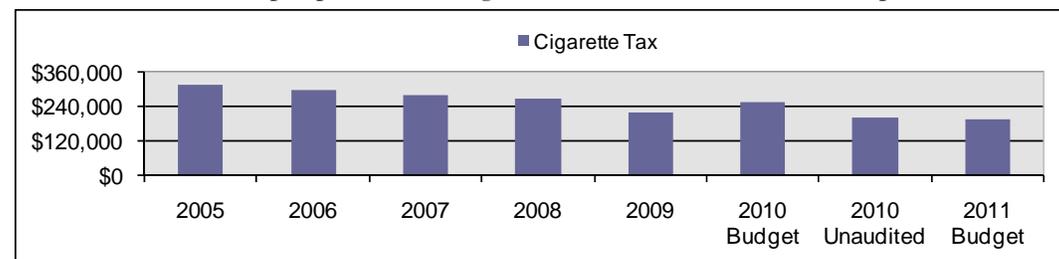


for principal and interest payments on the City's general obligation debt (parks and recreation projects). Property tax collections grew from \$2,493,832 in 2005 to \$2,971,303 in 2009. This was an increase of \$477,471 or 19.1 percent. In 2009 the City collected \$2,971,303 or 11.2 percent of 2009 total taxes and 8.1 percent of total revenues from property taxes. The City budgeted \$3,046,000 for 2010; collected \$3,020,884 through December 2010.

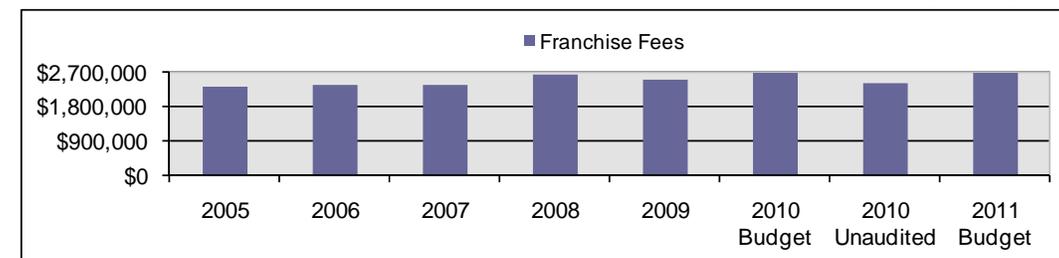
**Specific ownership:** These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$334,768 in 2005 and \$276,414 in 2009 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 \$263,434 through December 2010.



**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 \$196,320 through December 2010, which is \$22,128 or 10.13 percent less than the \$218,448 collected through December 2009.



**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 December totaled \$2,620,191 compared to \$2,452,611 collected during the same period last year.

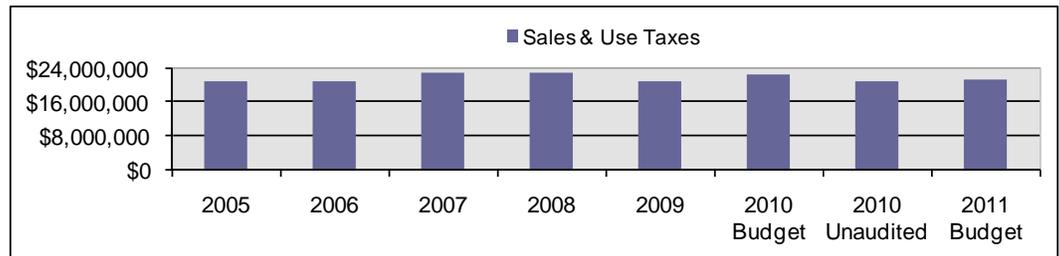


**Hotel/Motel Tax:** This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$8,807 through December 2010.



### 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 December 2010 was \$20,756,337 while revenue year-to-date for December 2009 was \$20,624,659, an increase of \$131,678.

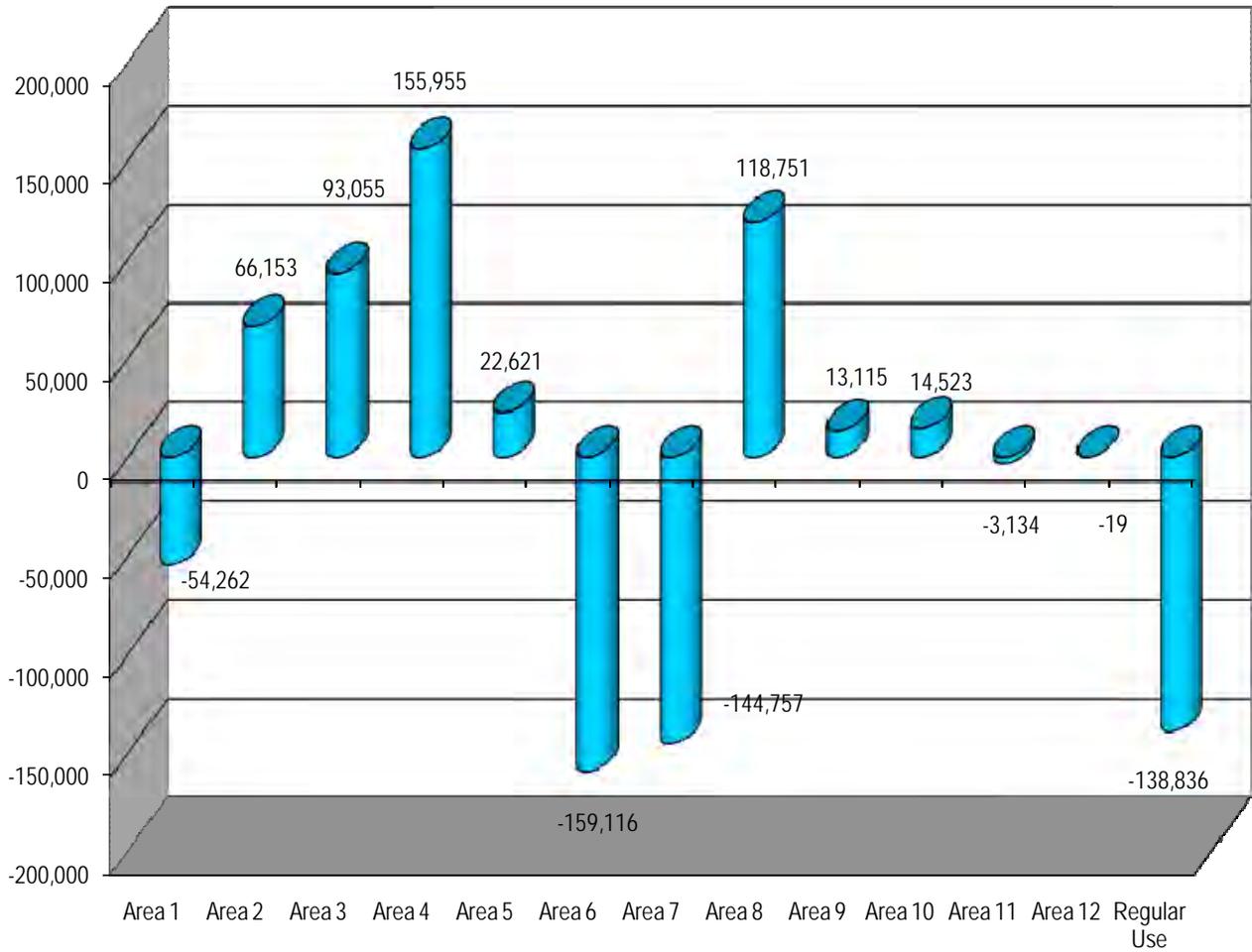
In January 2009, the City of Englewood received \$201,000 from use tax audits completed in 2008. This skews the percentage difference between 2010 and 2009. If the audit proceeds were removed from 2009 year-to-date collections, the City's 2010 collections would be \$332,678 more than 2009 collections.

Collections for December 2010 were \$1,501,430 while collections for December 2009 and December 2008 were \$1,535,818 and \$1,555,583 respectively. December 2010 collections were \$34,388 or 2.24 percent less than December 2009 and \$54,153 or 3.48 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.

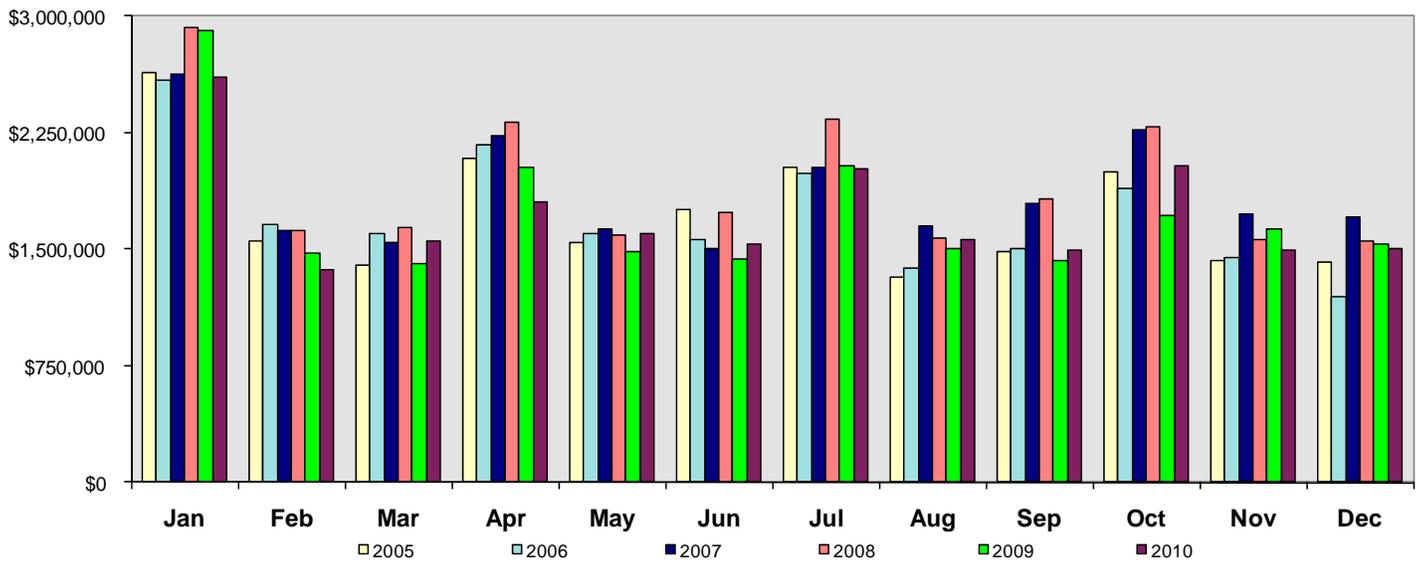
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2010 vs. 2009" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Regular use tax was up last year due to the 2009 receipt of a 2008 audit. Economic conditions, judged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



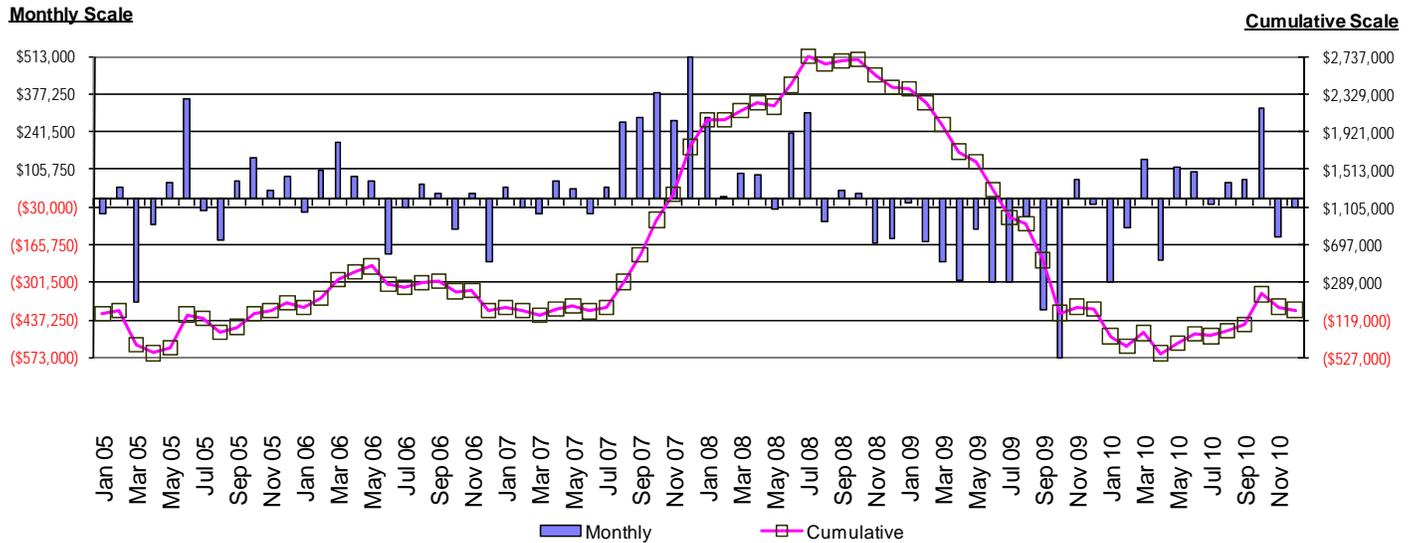
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

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



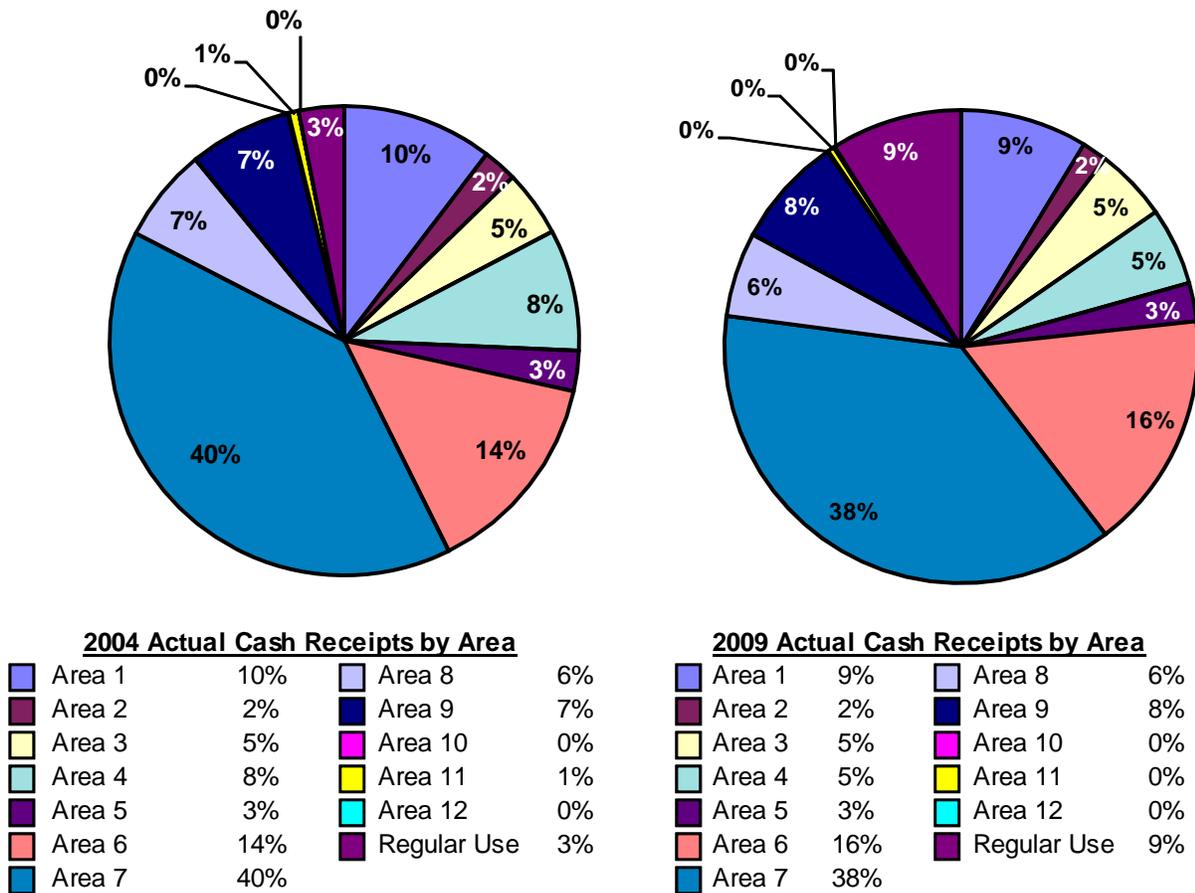
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

### 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 \$2,091,285 year-to-date 2010, in 2009, the City collected \$2,145,546.

**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 3.05 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 December. The importance of Outside City has declined as a percentage of sales and use tax collections but it continues to remain an important impact on the City’s General Fund as illustrated by the following:

	2006	2007	2008	2009	2010
Total Sales and Use Taxes	20,574,694	22,349,822	22,982,559	20,591,187	20,756,337
Outside City Collections	7,252,573	8,117,519	8,023,476	6,435,979	6,291,222
Percentage of Total	35.2%	36.3%	35.3%	39.0%	31.0%
Total General Fund Revenues	35,366,263	37,285,813	38,579,518	36,466,889	36,519,269
Outside City Collections	7,252,573	8,117,519	8,023,476	6,435,979	6,291,222
Percentage of Revenues	20.5%	21.8%	20.8%	17.6%	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 \$550,000 to cover intercity claims. The City paid \$215,756 in refunds including intercity sales/use tax claims through December 2010 compared to \$329,330 through December 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 December were up \$118,751 or 7.37 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 \$376,960 in sales and use tax audit revenues and general collections of balances on account through the month of December; this compares to \$482,693 collected in 2009 and \$726,131 collected in 2008.

Of the 78 sales tax accounts reviewed in the various geographic areas, 50 (64 percent) showed improved collections and 28 (36 percent) showed reduced collections this year compared to the same period last year.

The Department issued 395 new sales tax licenses through December 2010; 377 and 376 were issued through December 2009 and 2008 respectively.

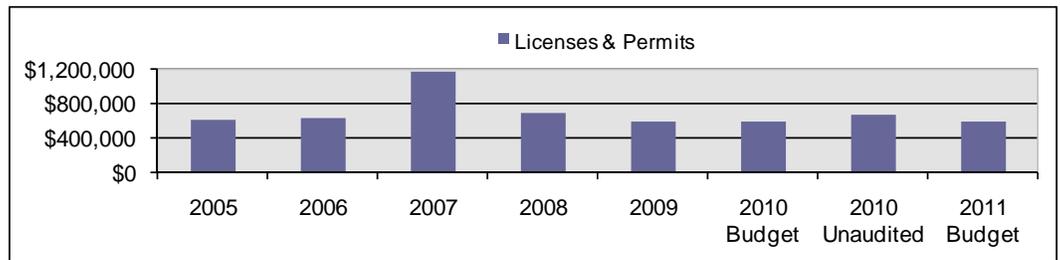
City records indicate that year-to-date 214 businesses closed (122 of them were outside the physical limits of Englewood) and 395 opened (248 of them were outside the physical limits of Englewood).

### **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.

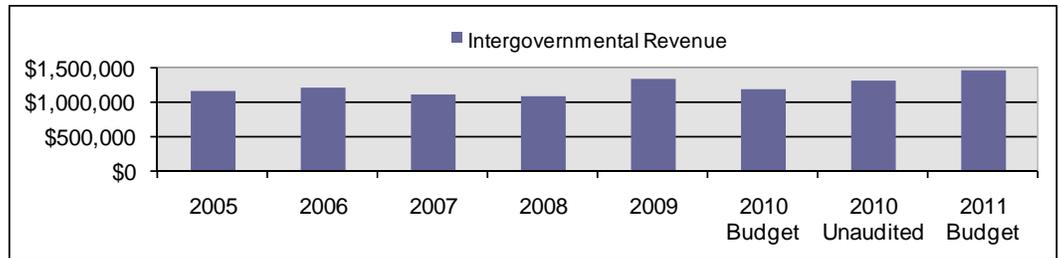
The next page provides additional information on the significant revenue sources of the General Fund:

**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.



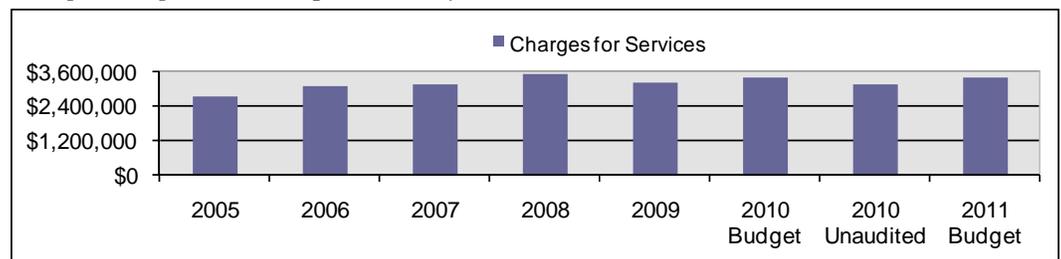
The City budgeted \$573,300 for 2010 or 5.7 percent of budgeted total other revenues (\$9,927,401) and year-to-date the City collected \$695,663 or 107,360 (18.25 percent) more than the \$588,303 collected through December 2009.

**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.



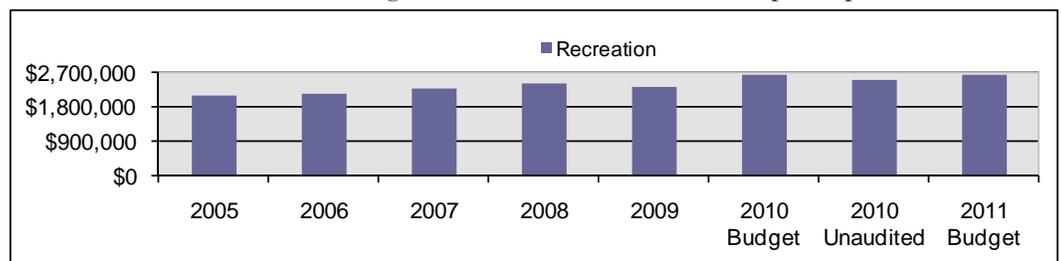
The City collected \$1,465,970 through December 2010 this is \$132,282 (9.9 percent) more than the \$1,333,688 collected in the same period in 2009.

**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.

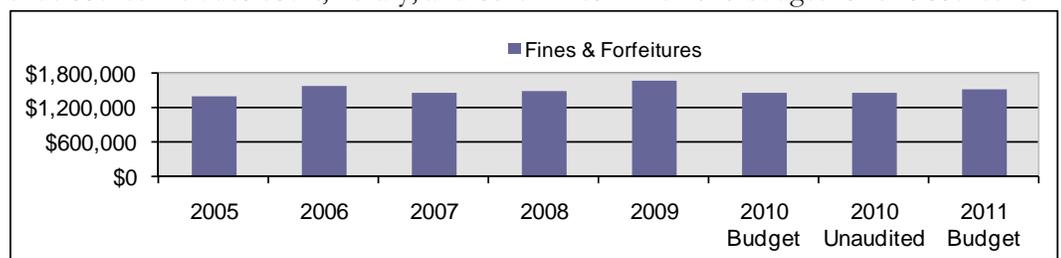


Total collected year-to-date was \$3,169,823 or \$6,088 (.19 percent) more than the \$3,163,735 collected year-to-date in 2009.

**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 December 2010 were \$2,489,781 compared to \$2,315,598 collected in 2009.



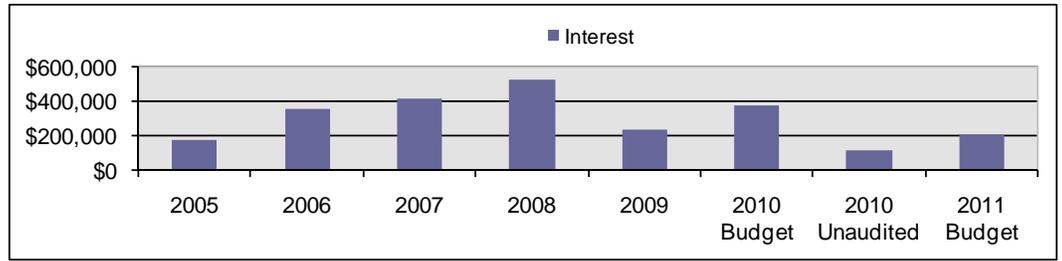
**Fines and Forfeitures:** This revenue source includes court, library, and other fines. The 2010 budget for this source is \$1,426,801 or 14.7 percent of total other revenue. This revenue source totaled \$1,386,842 in 2005 and increased to \$1,639,678 in 2009, an 18.2 percent increase. Total collected year-to-date



was \$1,437,957 or \$201,721 (12.3 percent) less than the \$1,639,678 collected in the same time period last year.

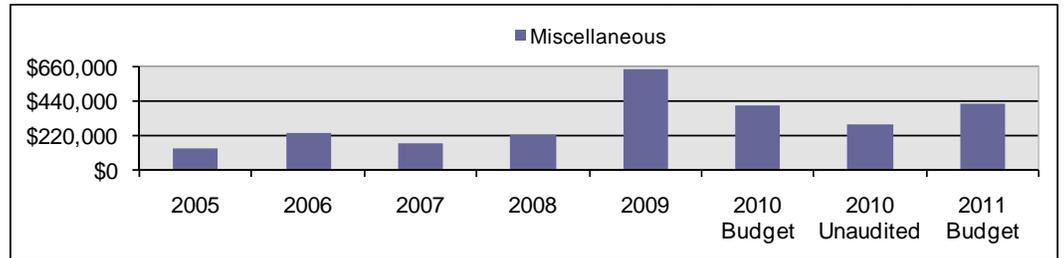
**Interest:** This is the amount earned on the City’s cash investments. The 2010 budget for this source is \$372,611 or 3.8 percent of total other revenue.

This revenue source totaled \$168,370 in 2005 and increased to \$230,000 in 2009, a (36.6 percent) increase. The City earned \$100,544 through December 2010; the City earned \$229,999 through December 2009.



**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 \$293,658 (54.35 percent) less compared to the \$643,311 collected last year during the same period.



## General Fund Expenditures

### **Outcome Based Budgeting**

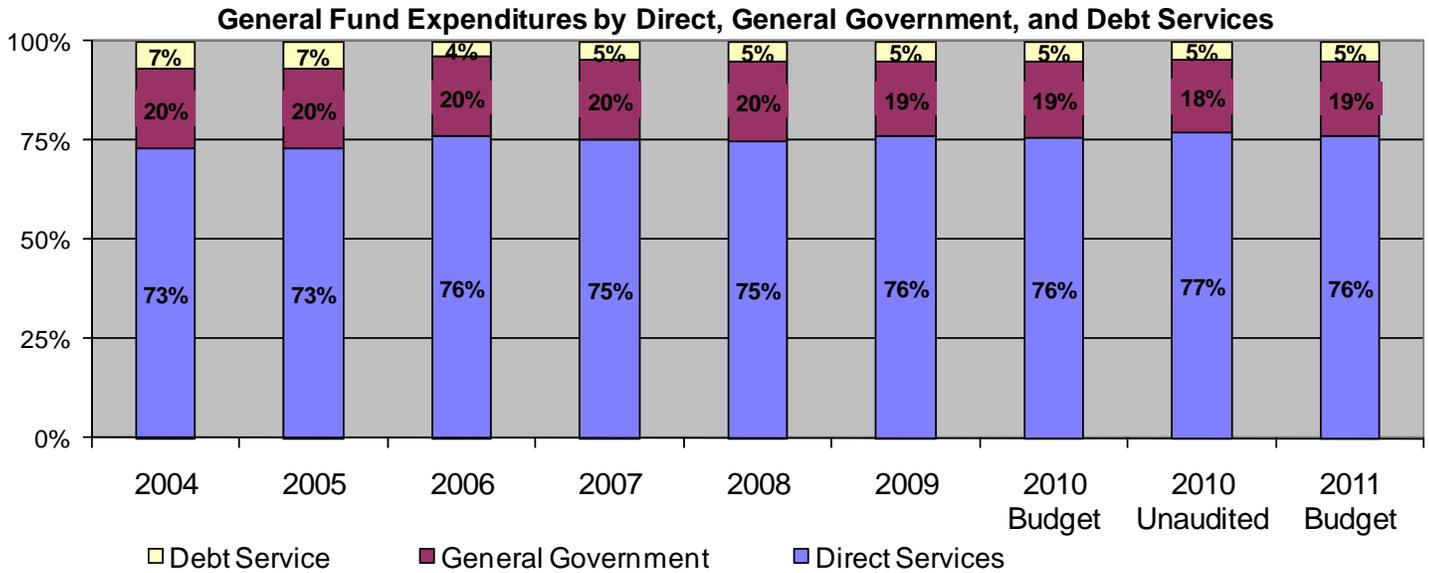
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 and spent \$38,925,172 in 2010, this compares to \$38,997,977 and \$39,015,199 expended in 2009 and 2008 respectively. Budgeted expenditures for 2010 general government (City Manager, Human Resources, etc.) totals \$8,387,284 or 20.2 percent of the total. Direct government expenditures (Police, Fire, etc.) 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.

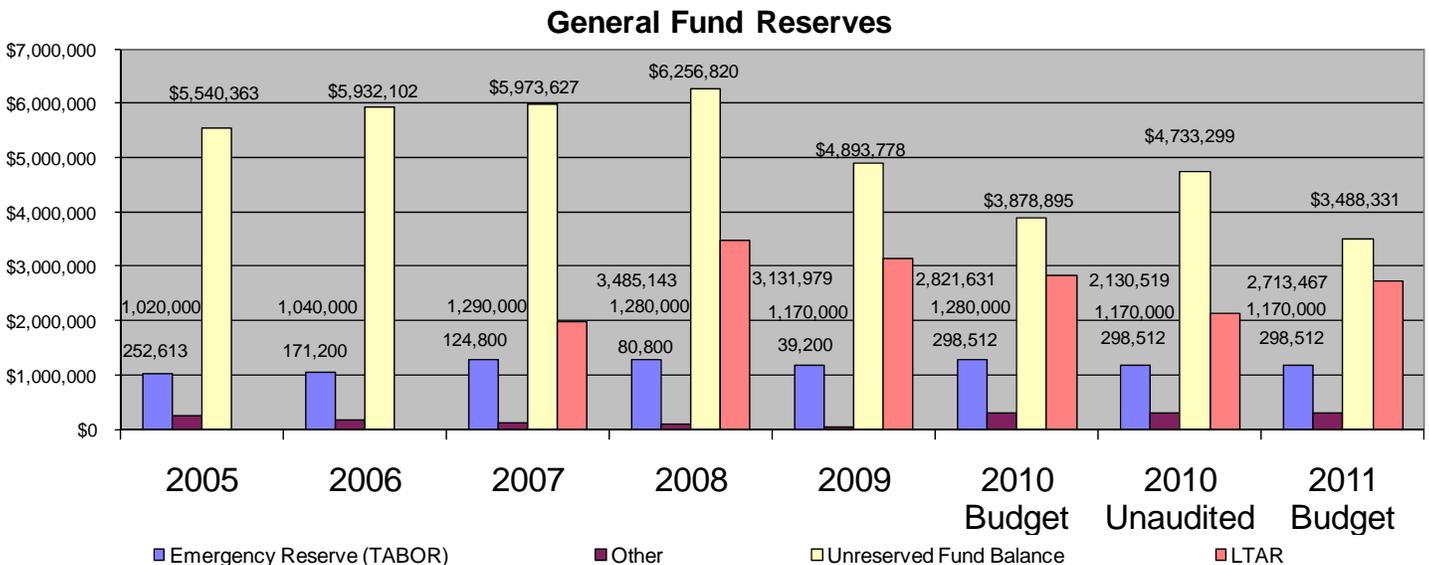
The chart below illustrates the breakdown of expenditures into debt service, general and direct government.



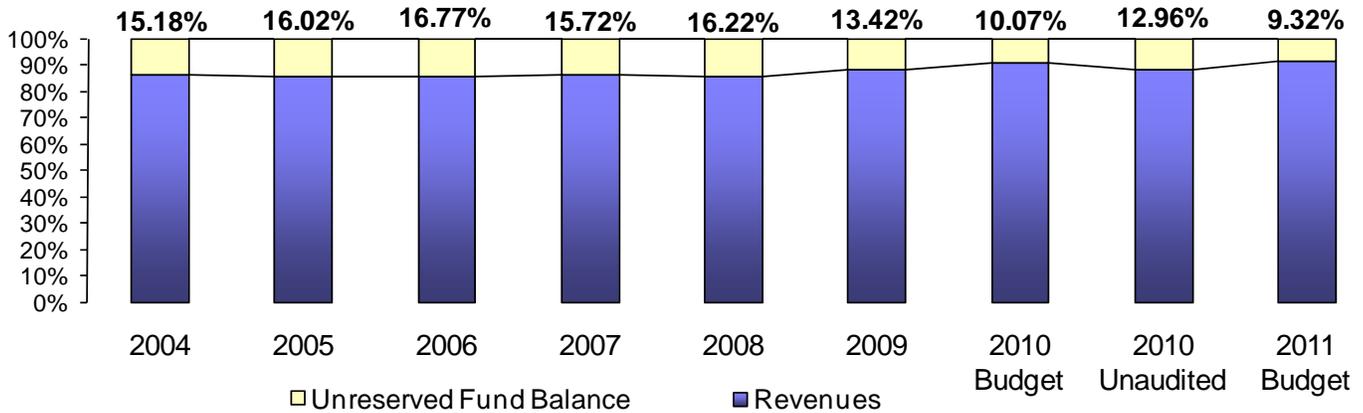
**General Fund Reserves**

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 December 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).



### Unreserved Fund Balance As A Percentage of Revenue



The City ended 2009 with an unreserved/undesignated general fund balance of \$4,893,778 or 13.42 percent of revenues. The 2010 estimate shows an unaudited ending fund balance of \$4,733,299 or 12.96 percent of unaudited revenues or 12 percent of unaudited expenditures. The \$4,733,299 would allow the City to operate for approximately 44.4 days (using average daily unaudited 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
<b>Public Improvement Fund (PIF)</b>							
YTD Revenues	\$ 3,145,437	\$ 285,532	9.98%	\$ 2,859,905	\$ (680,905)	( 19.23%)	\$ 3,540,810
YTD Expenditures	2,084,221	\$ (779,271)	( 27.21%)	2,863,492	\$ (4,312,214)	( 60.09%)	7,175,706
Net Revenues (Expenditures)	\$ 1,061,216	\$ 1,064,803		\$ (3,587)	\$ 3,631,309		\$ (3,634,896)
Beginning PIF Fund Balance	\$ 1,515,399			\$ 1,067,525			\$ 3,359,169
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 2,576,615			\$ 1,063,938			\$ (275,727)
Plus: Remaining Annual Revenue	-			399,152			1,288,368
Less: Remaining Annual Appropriation	(2,135,844)			(1,123,685)			(1,083,793)
Estimated Ending Fund Balance	\$ 440,771			\$ 339,405			\$ (71,152)
<b>Unappropriated Fund Balance as of December 31,</b>				\$ 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	Unaudited	\$	%	YTD Actual	\$	%	YTD Actual
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 926,714	\$ (66,883)	-7%	\$ 993,597	\$ (258,581)	-21%	\$ 1,252,178
Building Use Tax	\$ 400,000	\$ 400,000	\$ 545,987	\$ 143,714	36%	\$ 402,273	\$ (366,806)	-48%	\$ 769,079
Arapahoe County Road and Bridge Tax	\$ 192,109	\$ 200,000	\$ 192,109	\$ (8,881)	-4%	\$ 200,990	\$ 3,247	2%	\$ 197,743

**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%.

### 2011 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
<b>Governmental Fund Types (Fund Balance)</b>						
<b>General Fund</b>	9,234,957	36,519,267	38,925,187	1,503,293	3,599,031	4,733,299
<b>Special Revenue Funds</b>						
Conservation Trust	851,312	294,251	93,308	(796,350)	-	255,905
Open Space	1,236,741	787,391	951,153	(831,408)	-	241,571
Donors	115,917	136,019	84,084	-	-	167,852
Community Development	-	293,499	293,499	-	-	-
Malley Center Trust	287,432	5,465	1,230	-	-	291,667
Parks & Recreation Trust	455,943	4,660	11,300	-	-	449,303
<b>Debt Service Fund</b>						
General Obligation Bond	58,665	1,049,773	1,348,949	250,127	-	9,616
<b>Capital Projects Funds</b>						
PIF	1,515,399	1,728,857	1,336,265	(1,467,219)	-	440,771
MYCP	941,009	288,896	781,641	(343,339)	-	104,925
<b>Proprietary Fund Types (Funds Available Balance)</b>						
<b>Enterprise Funds</b>						
Water	6,488,629	8,744,588	8,182,283	-	-	7,050,934
Sewer	8,454,882	14,080,937	15,674,604	-	1,000,000	5,861,215
Stormwater Drainage	852,252	331,716	280,154	-	137,818	765,996
Golf Course	725,050	2,027,456	2,081,458	50,000	293,500	427,548
Concrete Utility	246,706	699,222	668,023	-	-	277,905
Housing Rehabilitation	272,970	544,123	510,292	-	-	306,801
<b>Internal Service Funds</b>						
Central Services	200,630	339,961	306,282	-	-	234,309
ServiCenter	825,982	2,058,289	1,782,264	(200,000)	-	902,008
CERF	832,458	792,735	454,020	(446,477)	-	724,696
Employee Benefits	376,106	4,903,605	4,868,793	(200,000)	67,483	143,435
Risk Management	1,384,702	1,361,729	1,094,501	(450,000)	-	1,201,929

## 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 December 31, 2010

**Percentage of Year Completed = 100%**

<i>Fund Balance January 1</i>	\$ 8,518,581	\$ 9,234,957	\$ 9,234,957	\$ 11,102,763	\$ 11,102,763	\$ 9,374,427	\$ 9,374,427			
<i>Revenues</i>	2010				2009			2008		
	Budget	Dec-10	% Budget	YE Estimate	Dec-09	Dec-09	% YTD	Dec-08	Dec-08	% YTD
Property Tax	3,046,000	3,020,884	99.18%	3,046,000	2,971,303	2,971,303	100.00%	2,995,990	2,995,990	100.00%
Specific Ownership Tax	350,000	263,434	75.27%	250,000	276,415	276,415	100.00%	316,242	316,242	100.00%
Sales & Use Taxes	22,300,000	20,756,337	93.08%	20,800,000	20,624,659	20,624,659	100.00%	22,617,767	22,617,767	100.00%
Cigarette Tax	250,000	196,320	78.53%	200,000	218,448	218,448	100.00%	261,743	261,743	100.00%
Franchise Fees	2,650,851	2,620,191	98.84%	2,650,851	2,452,611	2,452,611	100.00%	2,588,214	2,588,214	100.00%
Hotel/Motel Tax	8,713	8,807	101.08%	8,713	9,141	9,141	100.00%	10,078	10,078	100.00%
Licenses & Permits	573,300	695,563	121.33%	675,000	588,303	588,303	100.00%	671,384	671,384	100.00%
Intergovernmental Revenue	1,198,327	1,465,970	122.33%	1,398,500	1,333,688	1,333,688	100.00%	1,092,701	1,092,701	100.00%
Charges for Services	3,318,587	3,169,823	95.52%	3,100,000	3,163,735	3,163,735	100.00%	3,452,946	3,452,946	100.00%
Recreation	2,625,194	2,489,781	94.84%	2,568,636	2,315,598	2,315,598	100.00%	2,364,758	2,364,758	100.00%
Fines & Forfeitures	1,426,801	1,437,957	100.78%	1,509,150	1,639,678	1,639,678	100.00%	1,461,100	1,461,100	100.00%
Interest	372,611	100,544	26.98%	150,000	229,999	229,999	100.00%	520,325	520,325	100.00%
Miscellaneous	412,581	293,658	71.18%	300,000	643,311	643,311	100.00%	226,270	226,270	100.00%
<b>Total Revenues</b>	<b>38,532,965</b>	<b>36,519,269</b>	<b>94.77%</b>	<b>36,656,850</b>	<b>36,466,889</b>	<b>36,466,889</b>	<b>100.00%</b>	<b>38,579,518</b>	<b>38,579,518</b>	<b>100.00%</b>
<b>Expenditures</b>										
Legislation	359,314	309,870	86.24%	358,957	346,045	346,045	100.00%	350,254	350,254	100.00%
City Attorney	767,546	702,228	91.49%	804,282	678,038	678,038	100.00%	698,563	698,563	100.00%
Court	1,005,723	901,469	89.63%	1,000,079	914,493	914,493	100.00%	915,303	915,303	100.00%
City Manager	668,633	659,882	98.69%	668,899	674,170	674,170	100.00%	674,323	674,323	100.00%
Human Resources	504,898	419,422	83.07%	481,195	456,275	456,275	100.00%	579,137	579,137	100.00%
Financial Services	1,684,000	1,445,582	85.84%	1,551,641	1,575,924	1,575,924	100.00%	1,626,571	1,626,571	100.00%
Information Technology	1,342,948	1,280,660	95.36%	1,345,363	1,360,237	1,360,237	100.00%	1,280,156	1,280,156	100.00%
Public Works	5,497,881	5,137,363	93.44%	5,370,285	5,152,891	5,152,891	100.00%	5,189,173	5,189,173	100.00%
Fire Department	7,407,551	7,425,903	100.25%	7,470,249	7,320,268	7,320,268	100.00%	7,215,443	7,215,443	100.00%
Police Department	10,469,333	10,312,633	98.50%	10,250,000	10,183,891	10,183,891	100.00%	9,974,925	9,974,925	100.00%
Community Development	1,457,667	1,301,472	89.28%	1,388,503	1,366,437	1,366,437	100.00%	1,464,725	1,464,725	100.00%
Library	1,352,221	1,284,083	94.96%	1,342,938	1,275,554	1,275,554	100.00%	1,261,112	1,261,112	100.00%
Recreation	6,034,770	5,835,640	96.70%	6,002,086	5,727,968	5,727,968	100.00%	5,916,449	5,916,449	100.00%
Debt Service	2,004,456	1,860,827	92.83%	1,864,122	1,805,208	1,805,208	100.00%	1,809,306	1,809,306	100.00%
Contingency	60,000	48,138	80.23%	60,000	160,578	160,578	100.00%	59,759	59,759	100.00%
<b>Total Expenditures</b>	<b>40,616,941</b>	<b>38,925,172</b>	<b>95.83%</b>	<b>39,958,599</b>	<b>38,997,977</b>	<b>38,997,977</b>	<b>100.00%</b>	<b>39,015,199</b>	<b>39,015,199</b>	<b>100.00%</b>
Excess revenues over (under) expenditures	(2,083,976)	(2,405,903)	115.45%	(3,301,749)	(2,531,088)	(2,531,088)		(435,681)	(435,681)	
Net transfers in (out)	1,844,433	1,503,276	81.50%	1,456,099	663,282	663,282	100.00%	2,164,017	2,164,017	100.00%
<b>Total Fund Balance</b>	<b>\$ 8,279,038</b>	<b>\$ 8,332,330</b>	<b>100.64%</b>	<b>\$ 7,389,307</b>	<b>\$ 9,234,957</b>	<b>\$ 9,234,957</b>	<b>100.00%</b>	<b>\$ 11,102,763</b>	<b>\$ 11,102,763</b>	<b>100.00%</b>

### Fund Balance Analysis

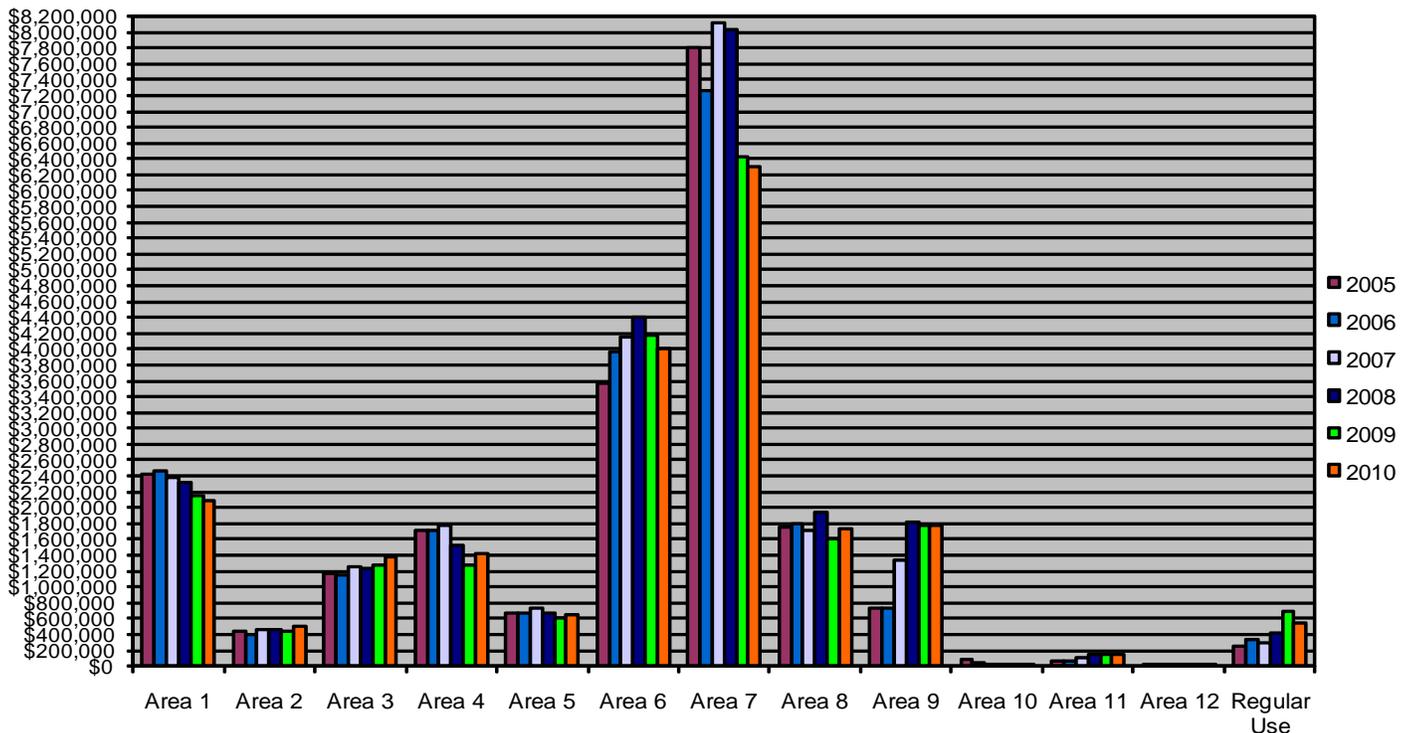
Total Fund Balance	\$ 8,279,038	\$ 8,332,330	\$ 7,389,307	\$ 9,234,957	\$ 11,102,763
Reserves/designations:					
-Emergencies (TABOR)	1,280,000	1,170,000	1,170,000	1,170,000	1,280,000
-LTAR	2,821,631	2,130,519	2,083,467	3,131,979	3,485,143
-MOA	-	-	-	39,200	80,800
-COPS Grant	298,512	298,512	298,512	-	-
Unreserved/undesignated Fund Balance	<b>\$ 3,878,895</b>	<b>\$ 4,733,299</b>	<b>\$ 3,837,328</b>	<b>\$ 4,893,778</b>	<b>\$ 6,256,820</b>
Potential reserves/designations	-	-	-	-	-
Estimated unres/undesignated Fund Balance	<b>\$ 3,878,895</b>	<b>\$ 4,733,299</b>	<b>\$ 3,837,328</b>	<b>\$ 4,893,778</b>	<b>\$ 6,256,820</b>
As a percentage of projected revenues	10.58%	12.96%	10.51%	13.42%	16.22%
As a percentage of budgeted revenues	10.07%	12.28%	9.96%		
Target	3,853,297	-	5,779,945		

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

### Cash Basis

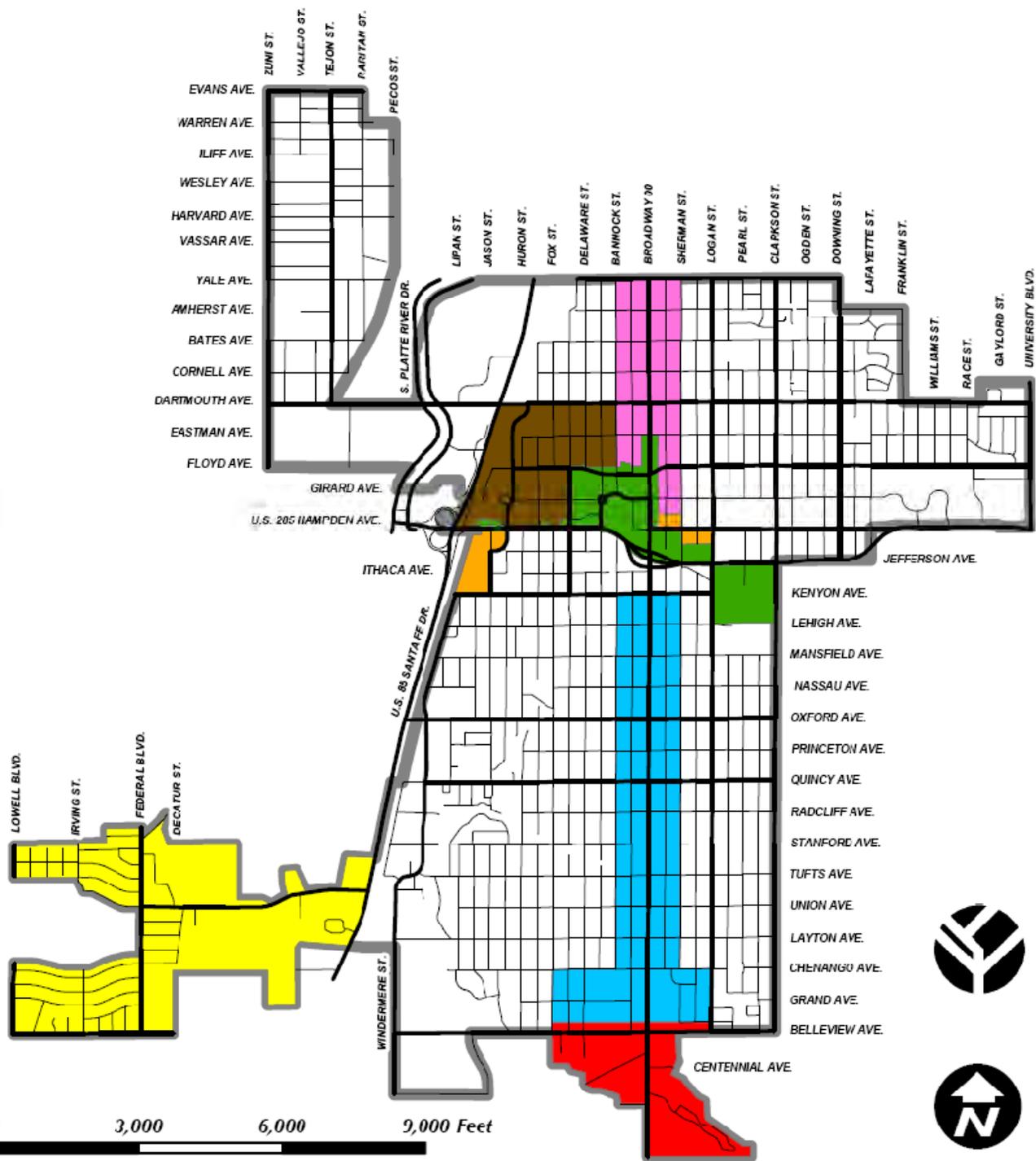
	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change
<b>Area 1</b>	2,420,140	2.37%	2,460,242	1.66%	2,371,783	-3.60%	2,312,523	-2.50%	2,145,546	-9.54%	2,091,285	-2.53%
<b>Area 2</b>	447,080	4.25%	399,721	-10.59%	452,412	13.18%	470,644	4.03%	437,761	-3.24%	503,914	15.11%
<b>Area 3</b>	1,171,975	-9.34%	1,142,213	-2.54%	1,261,017	10.40%	1,233,408	-2.19%	1,281,752	1.64%	1,374,807	7.26%
<b>Area 4</b>	1,715,350	-2.70%	1,706,913	-0.49%	1,777,035	4.11%	1,522,308	-14.33%	1,265,788	-28.77%	1,421,743	12.32%
<b>Area 5</b>	665,035	11.67%	673,739	1.31%	737,247	9.43%	668,902	-9.27%	617,516	-16.24%	640,137	3.66%
<b>Area 6</b>	3,567,158	1.90%	3,973,682	11.40%	4,152,602	4.50%	4,397,299	5.89%	4,166,112	0.33%	4,006,996	-3.82%
<b>Area 7</b>	7,794,388	1.15%	7,252,573	-6.95%	8,117,519	11.93%	8,023,476	-1.16%	6,435,979	-20.71%	6,291,222	-2.25%
<b>Area 8</b>	1,750,924	0.26%	1,798,364	2.71%	1,710,973	-4.86%	1,937,347	13.23%	1,611,473	-5.82%	1,730,224	7.37%
<b>Area 9</b>	725,669	0.00%	725,669	0.00%	1,346,796	85.59%	1,826,129	35.59%	1,771,144	31.51%	1,784,259	0.74%
<b>Area 10</b>	94,537	157.71%	39,163	-58.57%	24,435	-37.61%	24,698	1.08%	19,186	-21.48%	33,708	75.70%
<b>Area 11</b>	58,239	0.00%	58,239	0.00%	108,489	86.28%	149,183	37.51%	142,609	31.45%	139,475	-2.20%
<b>Area 12</b>	1,446	-78.24%	4,012	177.46%	3,588	-10.56%	4,041	12.62%	2,980	-16.95%	2,961	-0.65%
<b>Regular Use</b>	245,860	-31.79%	340,164	38.36%	285,926	-15.94%	412,599	44.30%	693,343	142.49%	554,507	-20.02%
<b>Total</b>	<b>20,657,801</b>	<b>0.35%</b>	<b>20,574,694</b>	<b>-0.40%</b>	<b>22,349,822</b>	<b>8.63%</b>	<b>22,982,559</b>	<b>2.83%</b>	<b>20,591,187</b>	<b>-7.87%</b>	<b>20,575,238</b>	<b>-0.08%</b>
Refunds	219,297	66.73%	307,242	40.10%	247,740	-19.37%	518,888	109.45%	329,330	-36.53%	215,756	-34.49%
Audit & Collections Revenue*	686,007	455.99%	436,763	-36.33%	531,193	21.62%	726,131	36.70%	482,693	-33.53%	376,960	-21.90%
*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	612,256	0.00%	849,507	38.75%	1,967,482	131.60%	764,136	-61.16%	402,273	-47.36%	542,808	34.94%
Vehicle Use	1,410,631	0.00%	1,250,023	-11.39%	1,434,885	14.79%	1,283,056	-10.58%	989,742	-22.86%	943,467	-4.68%

## December YTD Collections by Area 2005-2010



### Area Descriptions

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

<http://www.cienglewood.co.us/englewood/englewoodmap.pdf>



**To:** Mayor Woodward and City Council  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** March 9, 2011  
**Subject:** February 2011 Financial Report

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### Summary of the February 2011 General Fund Financial Report

**Some of the 2010 numbers in this report are not audited and may change until the audit is complete.**

#### REVENUES:

- Through February 2011, the City of Englewood collected **\$6,244,660 or \$632,581 or 11.3 percent more** than last year (See the chart on page 3 and the attached full report for detail on changes in revenue in past year). Part of the increase is due to the change in intergovernmental revenue (\$225,343) from 2010 to 2011. The City received grant funds from CPPW for the following projects: \$150,000 for a Bike/Pedestrian Study (CD), \$88,000 for a Downtown Street Assessment Study (CD) and \$83,000 for the Community Garden (P&R) and from an increase in sales and use tax revenue in 2011 over 2010.
- The City collected \$32,511 in property and \$24,715 in specific ownership tax through February.
- **Year-to-date sales and use tax revenues were \$4,304,059 or \$430,059 more than February 2010.** The majority of this increase (\$332,000) is due to the receipt of one-time sales/use tax revenue from a few taxpayers and a (\$56,000) refund in 2010 that did not occur in 2011.
- Cigarette tax collections were down \$372 compared to last year.
- Franchise fee collections were \$15,191 less than last year.
- Licenses and permit collections were \$7,903 more than 2010.
- Intergovernmental revenues were \$300,714 more than the prior year.
- Charges for services increased \$21,886 from last year.
- Recreation revenues increased \$18,805 from 2010.
- Fines and forfeitures were \$44,516 less than last year.
- Investment income was \$53,707 less than last year.
- Miscellaneous revenues were \$10,739 less than last year.

#### OUTSIDE CITY:

- Outside City sales and use taxes were up \$257,519 or 18.2 percent compared to last year, \$243,000 of this increase is due to the receipt of one-time use tax revenue from a few taxpayers.
- 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 \$550,000.

#### CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through February 2011 were \$384,343 (2.8 percent) less than the \$395,502 collected during the same period in 2010.

#### EXPENDITURES:

- Expenditures through February were \$4,754,021 or \$88,558 (1.9 percent) more than the \$4,665,463 expended through February 2010.
- The City refunded \$7,976 in sales and use tax claims through February.

#### RESERVES:

- The unreserved/undesignated reserves for 2011 are budgeted at \$3,488,331 or 9.3 percent of budgeted revenues.
- The unreserved/undesignated fund balance for 2011 is *estimated* at \$3,663,147 or 9.79 percent of estimated revenues.

#### TRANSFERS:

- Net 2011 transfers-in to date of \$1,466,241 were made by the end of February 2011.

#### REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures \$1,490,639 through February 2011.

#### PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$115,354 in revenues and spent \$2,940,593 year-to-date. Estimated year-end fund balance is 124,868. Based on a 5 Yr Average approximately 26% of building use tax and 17% of vehicle use tax is collected through February.

# City of Englewood, Colorado

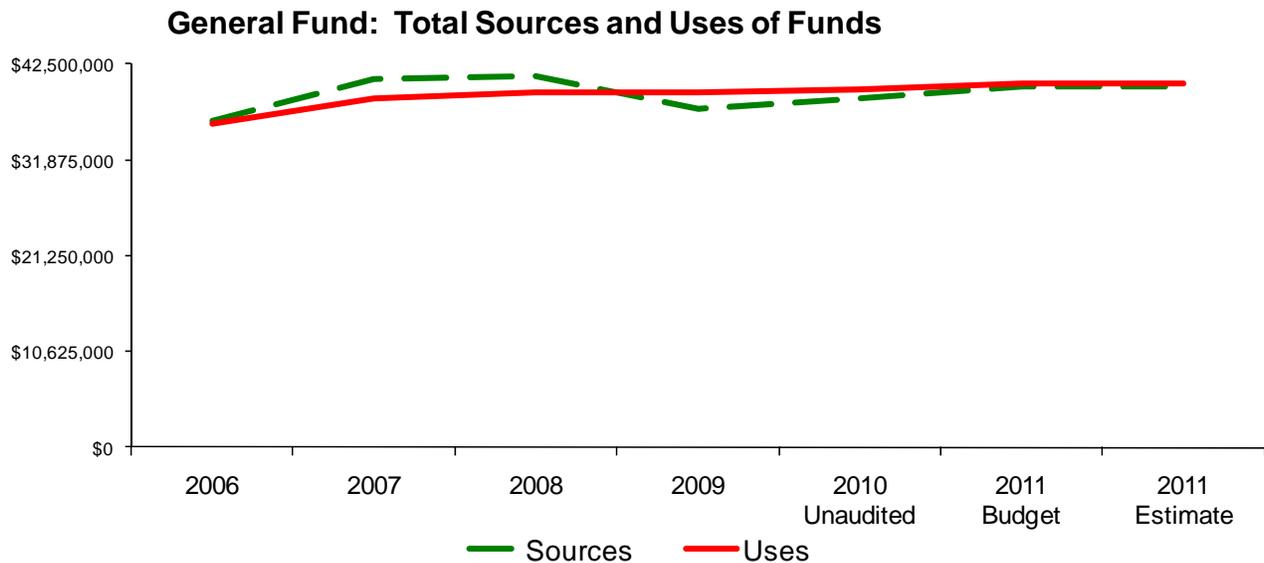
## February 2011 Financial Report

### 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 2006 to 2011 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.



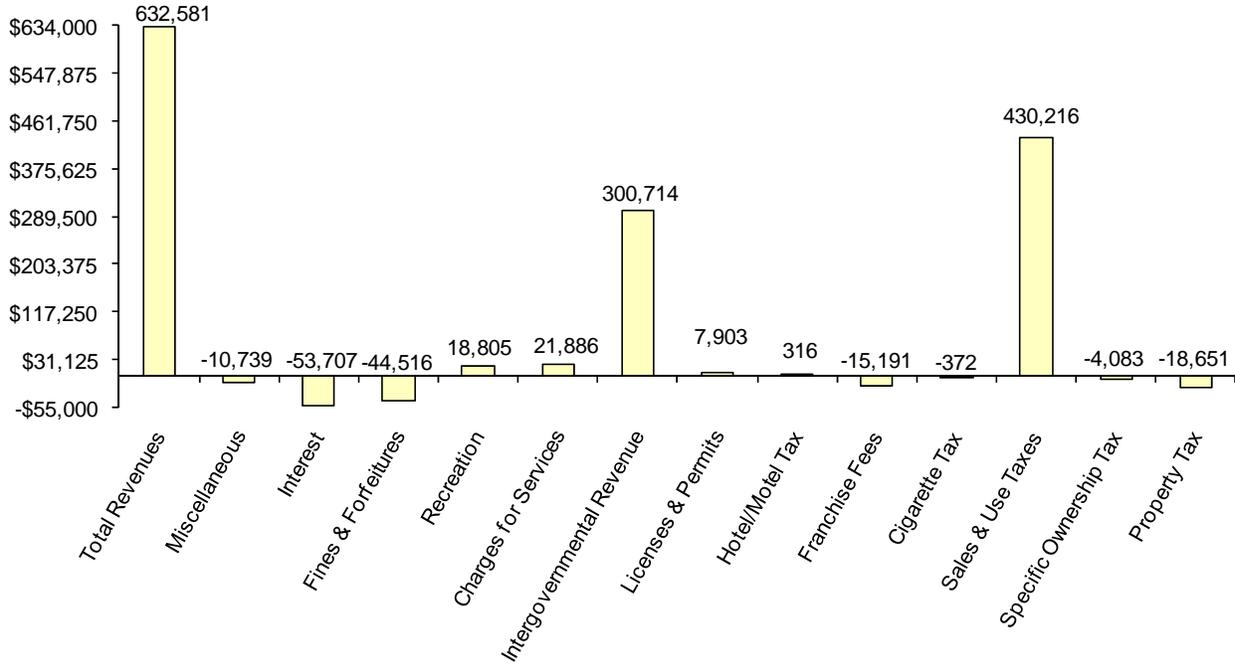
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended February, 2011. Comparative figures for years 2010 and 2009 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2011	2011 vs 2010		2010	2010 vs 2009		2009
		Increase (Decrease)			Increase (Decrease)		
<b>General Fund</b>							
Year-To-Date Revenues	\$ 6,244,660	\$ 632,581	11.27%	\$ 5,612,079	\$ (529,429)	( 8.62%)	\$ 6,141,508
Year-To-Date Expenditures	4,754,021	\$ 88,558	1.90%	4,665,463	\$ (41,131)	( .87%)	4,706,594
Net Revenues (Expenditures)	\$ 1,490,639	\$ 544,023		\$ 946,616	\$ (488,298)		\$ 1,434,914
Estimated Unreserved/ Undesignated Fund Balance	\$ 3,663,147	\$ (1,020,152)	( 21.78%)	\$ 4,683,299	\$ (210,478)	( 4.30%)	\$ 4,893,777
Sales & Use Tax Revenue YTD	\$ 4,304,059	\$ 430,216	11.11%	\$ 3,873,843	\$ (469,004)	( 10.80%)	\$ 4,342,847
Outside City Sales & Use Tax YTD	\$ 1,669,442	\$ 257,519	18.24%	\$ 1,411,923	\$ (101,350)	( 6.70%)	\$ 1,513,273

**General Fund Revenues**

The City of Englewood’s total budgeted revenue is \$37,424,105. Total revenues collected through February 2011 were \$6,244,660 or \$632,581 (11.3 percent) more than was collected in 2010. The chart below illustrates changes in General Fund revenues this year compared to last year.

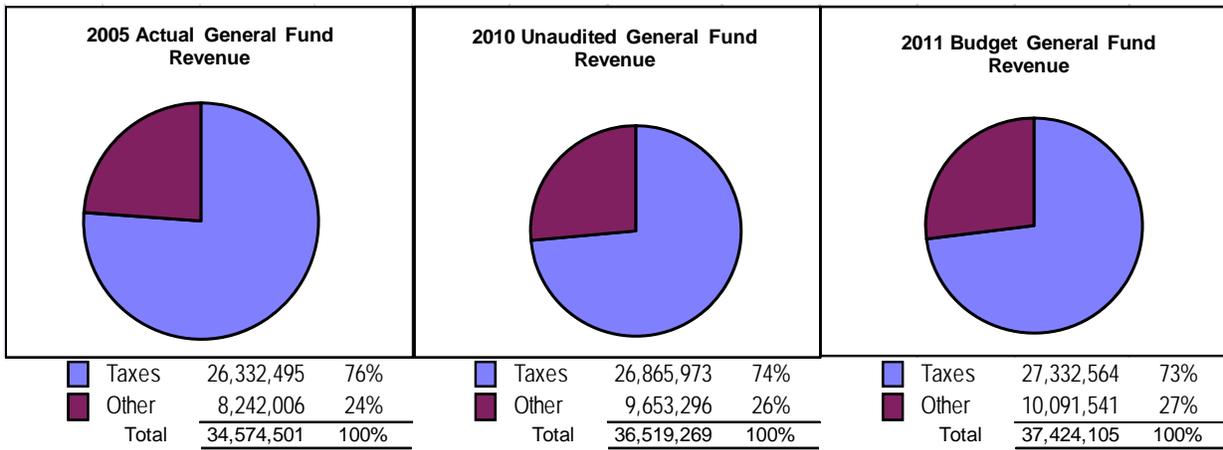
**2011 Year-To-Date Change in General Fund Revenue as Compared to Prior Year**



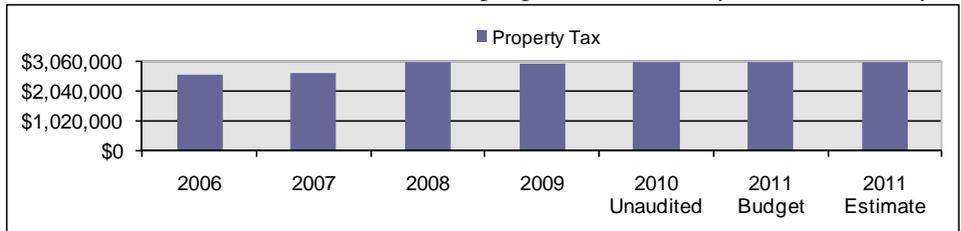
**General Fund Taxes**

The General Fund obtains most of its revenue from taxes. In 2010 total unaudited revenues were \$36,519,269 of which \$26,815,973 (73.5 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 2005, 2010 unaudited and budgeted 2011. 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.

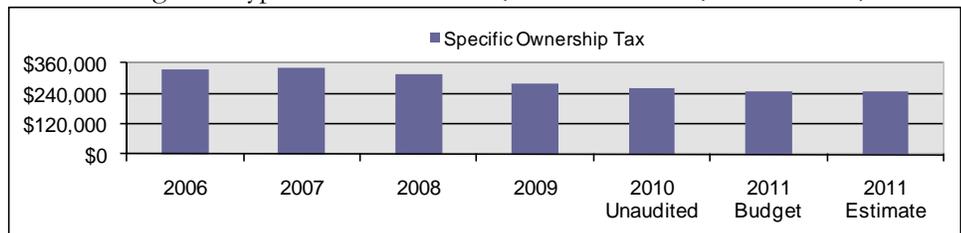
**General Fund Revenues Taxes vs. Other**



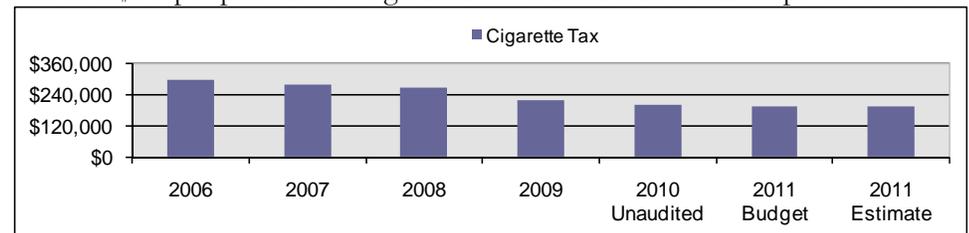
**Property taxes:** These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A 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 \$2,559,369 in 2006 to \$3,020,884 in 2010. This was an increase of \$461,515 or 18 percent. In 2010 the City collected \$3,020,884 or 11.3 percent of 2010 total taxes and 8.3 percent of total revenues from property taxes. The City budgeted \$3,017,000 for 2011; and collected \$32,511 through February 2011.



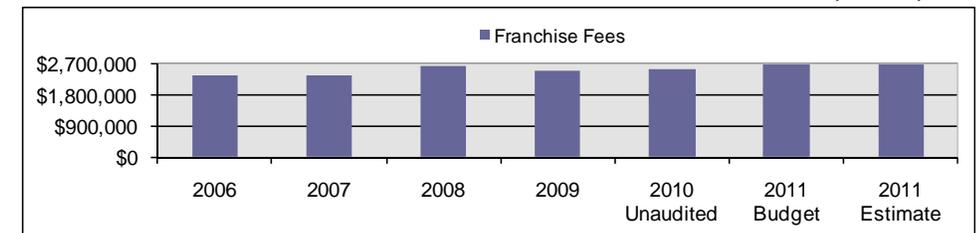
**Specific ownership:** These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$333,018 in 2006 and \$263,434 in 2010 which is a decrease of \$69,584 or 20.9 percent. The City collected \$263,434 in 2010 which is less than one percent of total revenues and one percent of total taxes. The City budgeted \$250,000 for 2011 and collected \$24,715 through February 2011.



**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 2006 the City collected \$293,776, but in 2010 the City collected \$196,320, which is a *decrease* of \$97,456 or 33.2 percent. These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2010. The City budgeted \$190,000 for the year and collected \$32,380 through February 2011, which is \$372 or 1.1 percent less than the \$32,752 collected through February 2010.

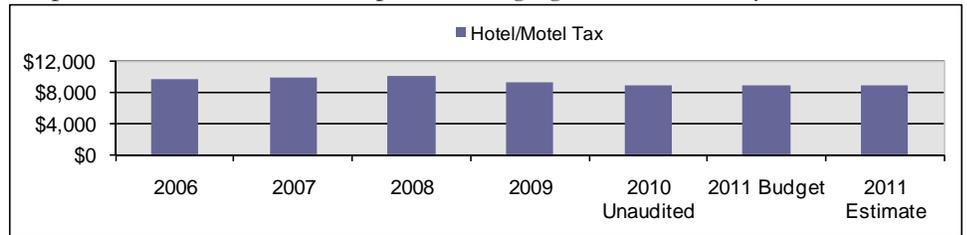


**Franchise Fees:** The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected \$2,362,000 in 2006 and \$2,620,191 in 2010, an increase of \$258,191 or 10.9 percent. These taxes accounted for 9.4 percent of taxes and 6.9 percent of total revenues in 2010. The City budgeted \$2,650,851 for the year; collections through February totaled \$275,192 compared to \$290,383 collected during the same period last year.



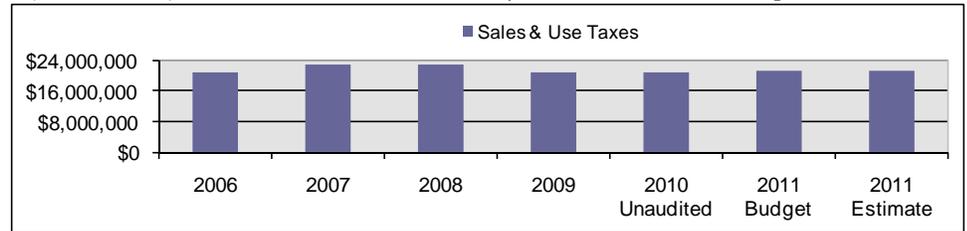
**Hotel/Motel Tax:** This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration.

The City budgeted \$8,713 for the year and has collected \$1,486 through February 2011.



### 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 77.5 percent of all taxes and 56.9 percent of total revenues collected in 2010. In 2006, this tax generated \$20,688,258 for the City of Englewood; in 2010 the City collected \$20,756,337, an increase of less than one 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 \$21,216,000 for 2011. Sales and Use Tax revenue through February 2011 was \$4,307,798 while revenue year-to-date for February 2010 was \$3,873,843, an increase of \$430,216.

Collections for February 2011 were \$1,630,567 while collections for February 2010 and February 2009 were \$1,369,094 and \$1,473,617 respectively. February 2011 collections were \$261,473 or 19.1 percent more than February 2010 and \$156,890 or 10.7 percent more than 2009 collections.

Outside City sales and use tax collections year to date is \$1,676,943 an increase of approximately \$265,000 over 2010 of which \$243,000 is due to the receipt of one-time sales and use tax receipts from taxpayers.

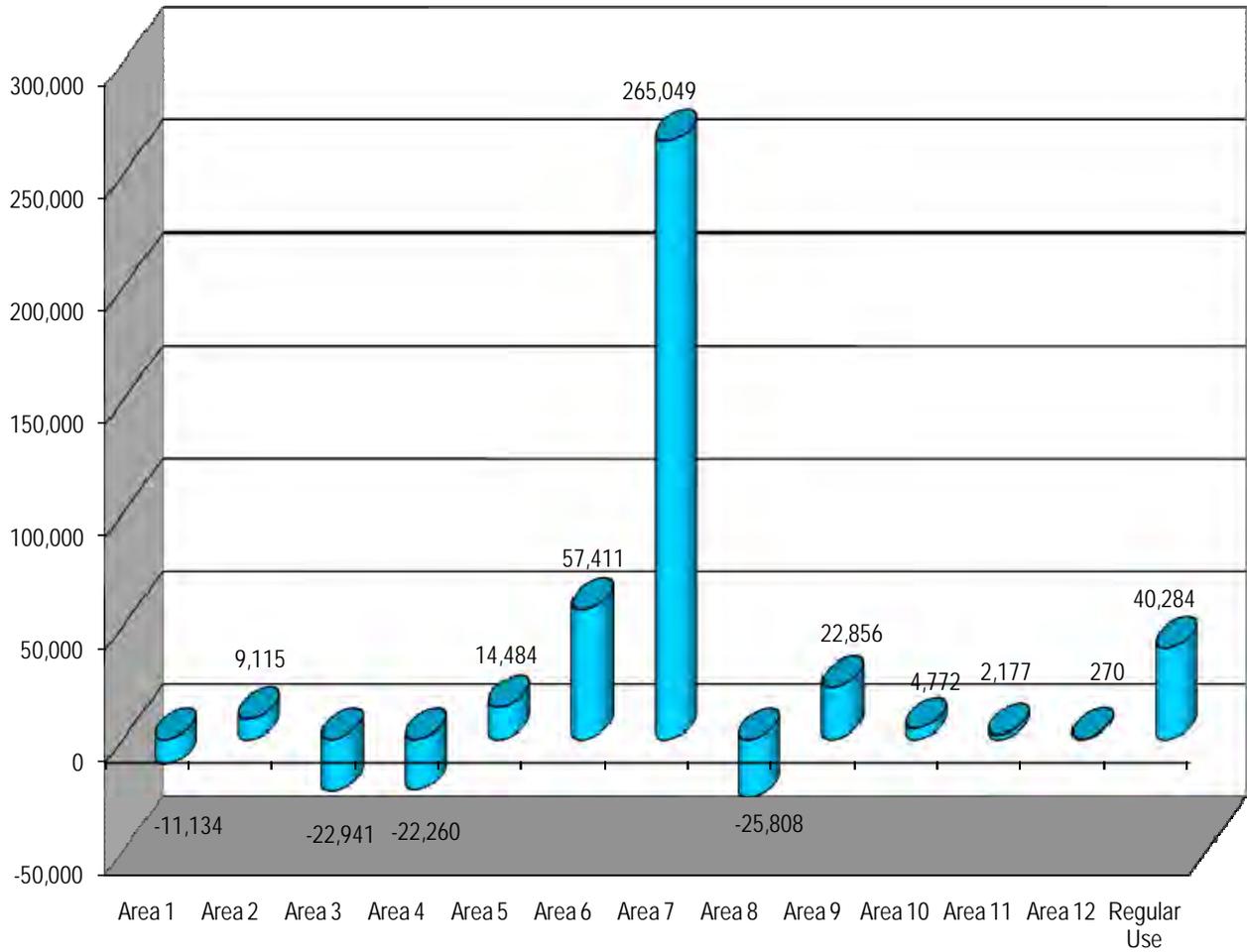
Based on historical sales tax collections, the City of Englewood collects 20 percent of total year's sales tax collections through February; if this pattern holds this year, 80 percent is left to collect over the next ten months. Based on February's collections, the City will collect an additional \$17,231,192 over the next ten months for a total of \$21,538,990.

The City collected 108.2 percent of last year; if this pattern holds for the entire year the City could collect \$22,351,203 for the year.

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.

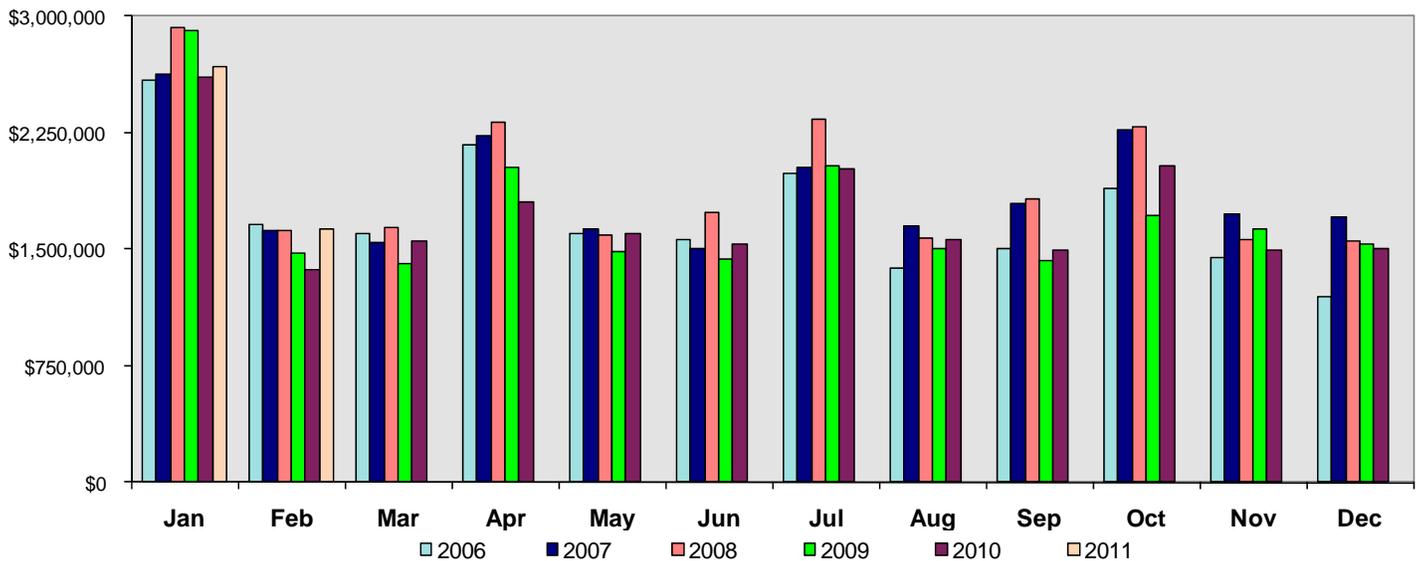
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2011 vs. 2010" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Economic conditions, judged by sales tax collections, appears to be a "mixed bag" with some geographic areas increasing and some decreasing compared to the same period last year.

**Change in Sales/Use Tax Collections by Area 2011 vs 2010**



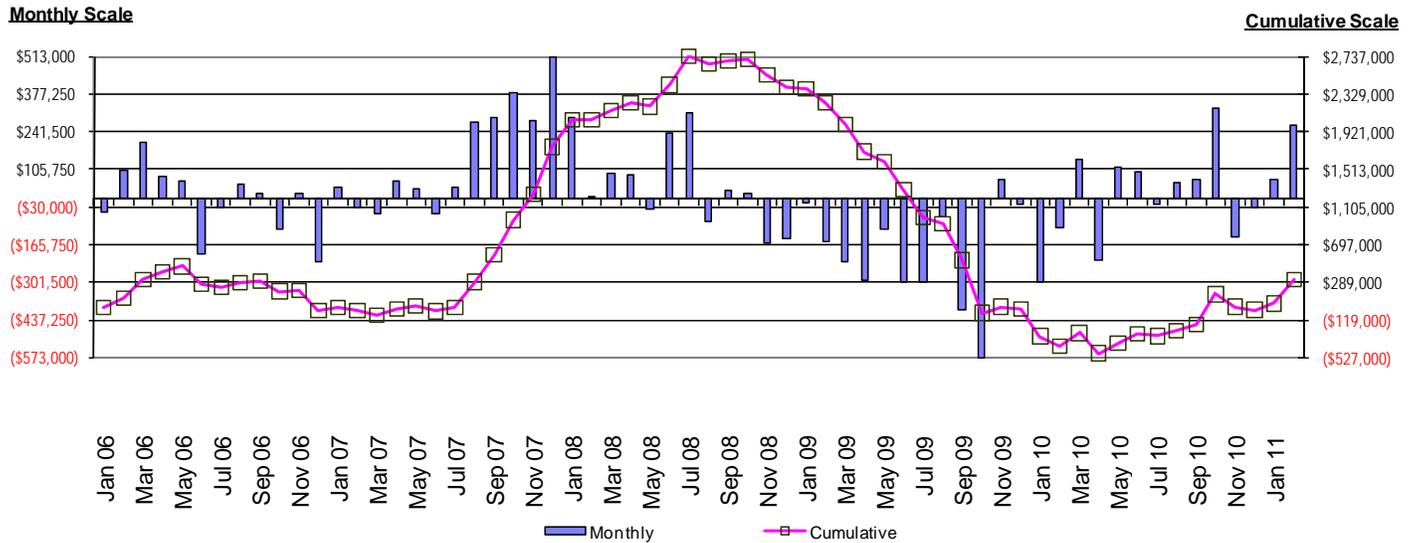
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

**2006-2011 YTD Sales/Use Tax Collections by Month - Cash Basis**



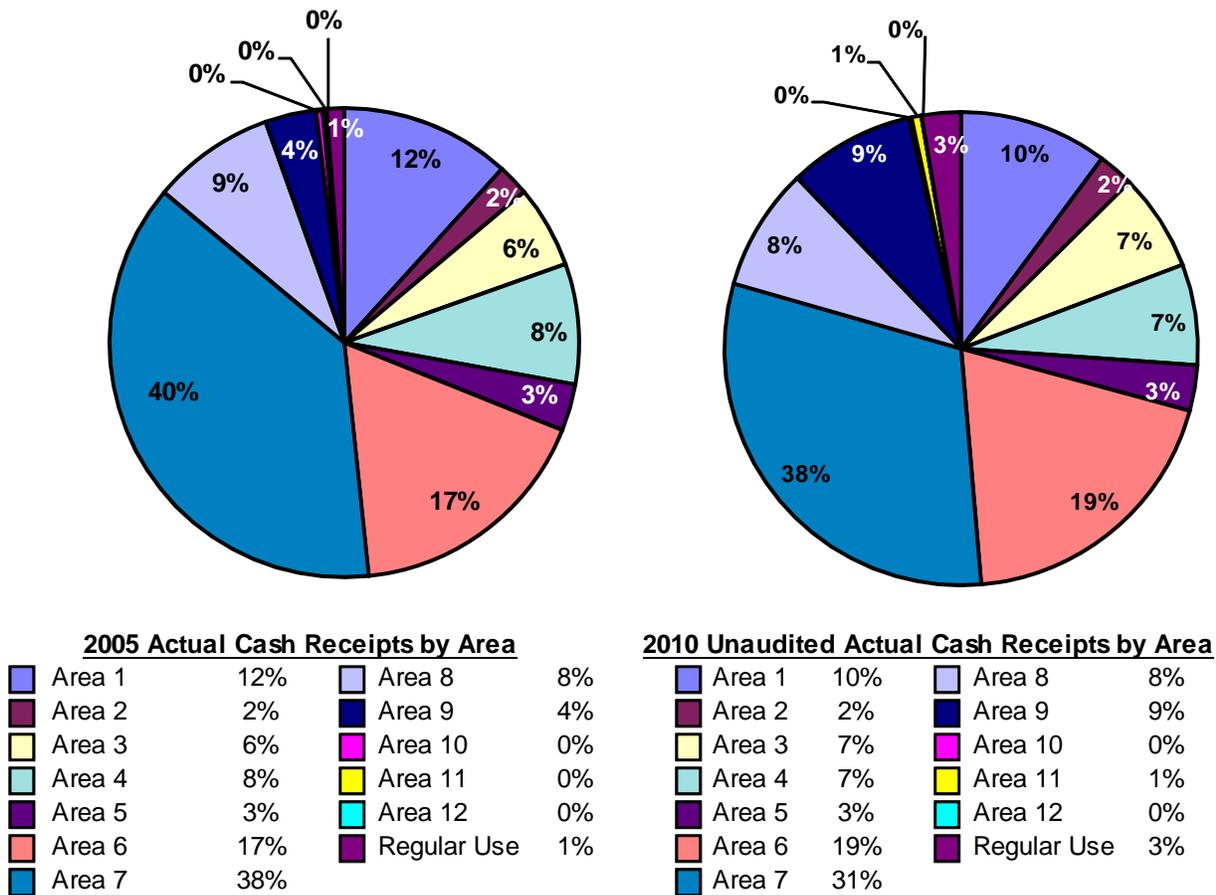
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

### 2006 - 2011 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 \$384,343 year-to-date 2011, in 2010, the City collected \$395,502.

**Area 6:** This geographic area is up 9.7 percent from last year. \$72,000 of the increase is due to an audit receipt in January 2011.

**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 3.05 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 2007 for collections through the month of February. 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:

	2007	2008	2009	2010	2011
Total Sales and Use Taxes	4,251,336	4,548,816	4,381,873	3,976,590	4,307,798
Outside City Collections	1,515,413	1,858,814	1,513,273	1,411,923	1,669,442
Percentage of Total	35.6%	40.9%	42.4%	38.1%	32.8%
Total General Fund Revenues	5,974,452	3,584,914	6,141,508	5,612,079	6,244,660
Outside City Collections	1,515,413	1,858,814	1,513,273	1,411,923	1,669,442
Percentage of Revenues	25.4%	51.9%	24.6%	25.2%	26.7%

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 \$7,976 in refunds including intercity sales/use tax claims through February 2011 compared to \$74,921 through February 2010. 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 February were down \$25,808 or 7.3 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 \$99,734 in sales and use tax audit revenues and general collections of balances on account through the month of February; this compares to \$30,558 collected in 2010 and \$271,936 collected in 2009.

Of the 78 sales tax accounts reviewed in the various geographic areas, 42 (54 percent) showed improved collections and 36 (46 percent) showed reduced collections this year compared to the same period last year.

The Department issued 58 new sales tax licenses through February 2011; 65 and 53 were issued through February 2010 and 2009 respectively.

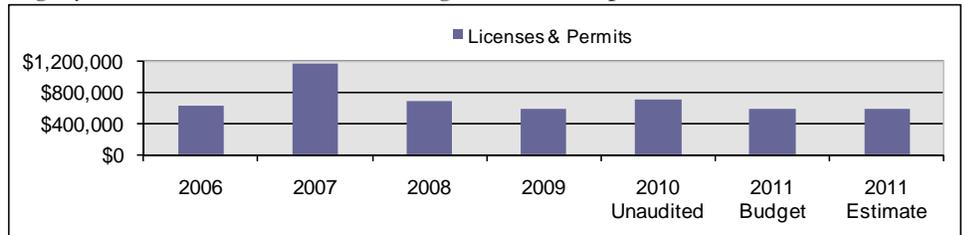
City records indicate that year-to-date 30 businesses closed (21 of them were outside the physical limits of Englewood) and 58 opened (44 of them were outside the physical limits of Englewood).

### **General Fund Other Revenue**

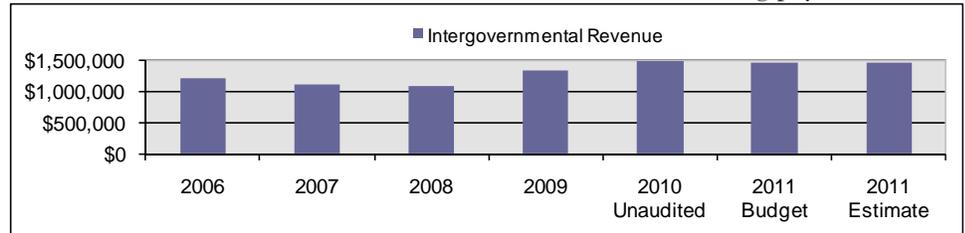
Other revenues accounted for \$9,653,296 or 26.5 percent of the total revenues for 2010; the City budgeted \$10,091,541 for 2011.

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

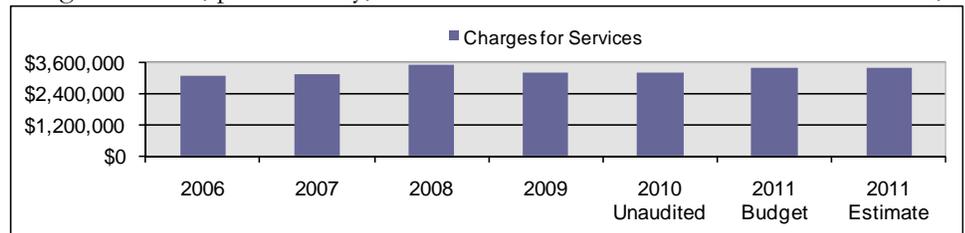
**Licenses and Permits:** This revenue category includes business and building licenses and permits. This revenue source generated \$695,663 during 2010 or 1.9 percent of total revenue and 6.8 percent of total other revenue. This revenue source totaled \$623,945 in 2006 and decreased to \$695,663 in 2010, an 11.5 percent increase. The City budgeted \$575,100 for 2011 and year-to-date the City collected \$96,547 or 7,903 (8.9 percent) more than the \$88,644 collected through February 2010.



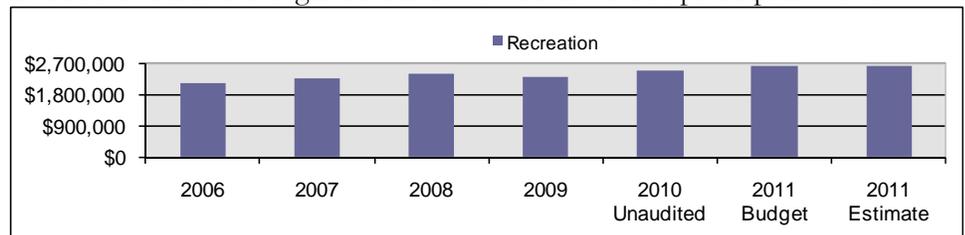
**Intergovernmental Revenues:** This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,459,564 for 2011. This revenue source totaled \$1,193,863 in 2006 and the City collected \$1,465,970 in 2010, a 22.7 percent increase. The City collected \$445,426 through February 2011 this is \$300,714 (207.8 percent) more than the \$144,712 collected in the same period in 2010.



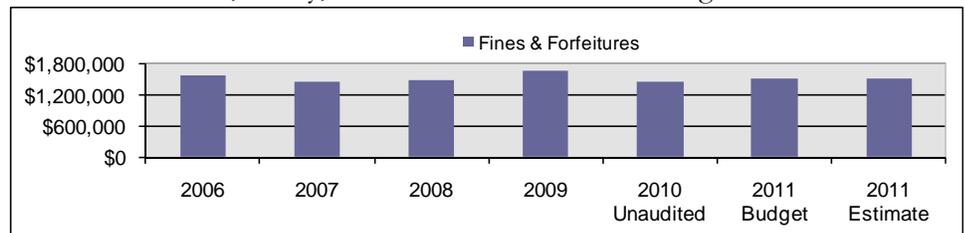
**Charges for Services:** This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,318,587 for 2011. This revenue source totaled \$3,053,106 in 2006 and increased to \$3,169,823 in 2010, a 3.8 percent increase. Total collected year-to-date was \$545,772 or \$21,886 (4.2 percent) more than the \$523,886 collected year-to-date in 2010.



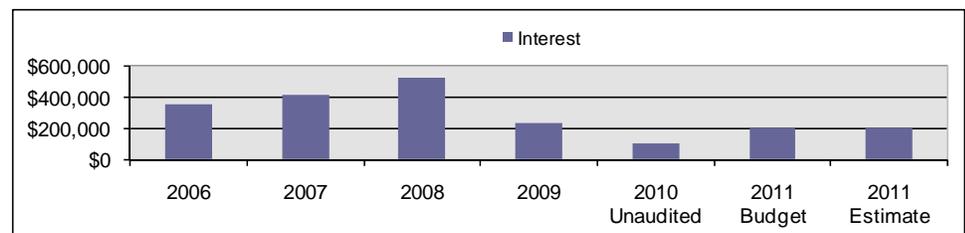
**Recreation:** This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,587,653 for 2011. This revenue source totaled \$2,099,202 in 2006 and increased to \$2,489,781 in 2010, an 18.6 percent increase. Total collections through February 2011 were \$240,410 compared to \$221,605 collected in 2010.



**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 \$1,543,353 in 2006 and decreased to \$1,437,957 in 2010, a 6.8 percent decrease. Total collected year-to-date was \$210,403 or \$44,516 (17.5 percent) less than the \$254,919 collected in the same time period last year.

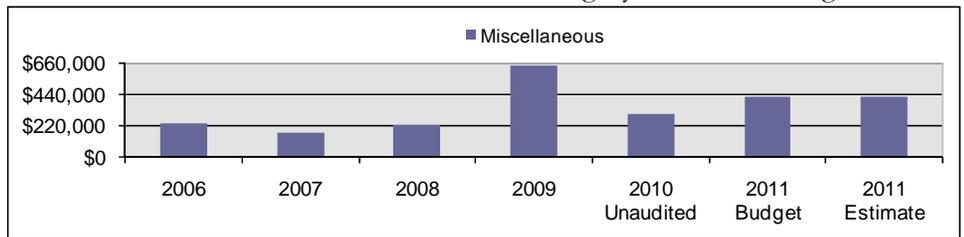


**Interest:** This is the amount earned on the City's cash investments. The 2010 budget for this source is \$372,611. This revenue source totaled \$353,575 in 2006 and decreased to \$100,544 in 2010, a 71.6 percent



decrease. The City lost \$1,805 through February 2011; the City earned \$48,303 through February 2009. The decrease is due to an adjustment for the change in the February 2011 investment market valuation.

**Miscellaneous:** This source includes all revenues that do not fit in another revenue category. The 2011 budget for this source is \$421,507. This revenue source totaled \$229,675 in 2006 and increased to \$293,658 in 2010, a 27.9 percent decrease. Total collected year-to-date is \$37,564 (22.2 percent) less compared to the \$48,303 collected last year during the same period.



**General Fund Expenditures**

**Outcome Based Budgeting**

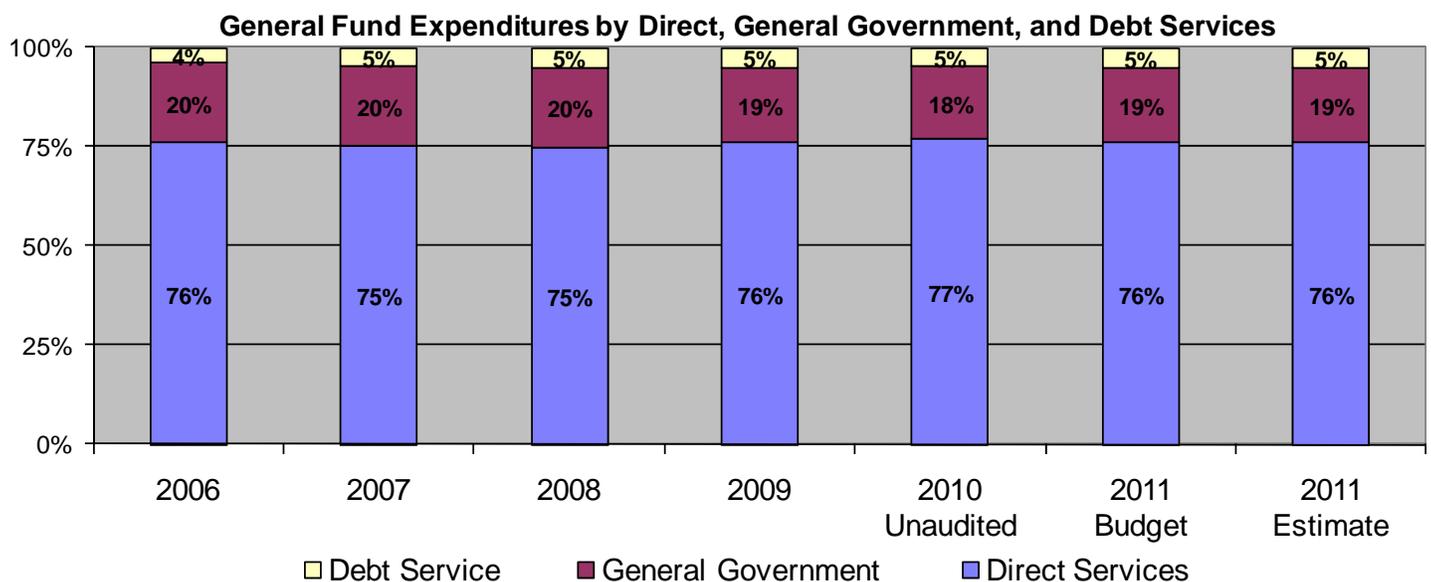
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 \$40,430,513 for 2011, this compares to \$38,925,172 and \$38,997,977 expended in 2010 and 2009 respectively. Budgeted expenditures for 2011 general government (City Manager, Human Resources, etc.) totals \$8,387,284 or 20.2 percent of the total. Direct government expenditures (Police, Fire, etc.) 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 February were \$4,754,021 compared to \$4,665,463 in 2010 and \$4,706,594 in 2009.

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

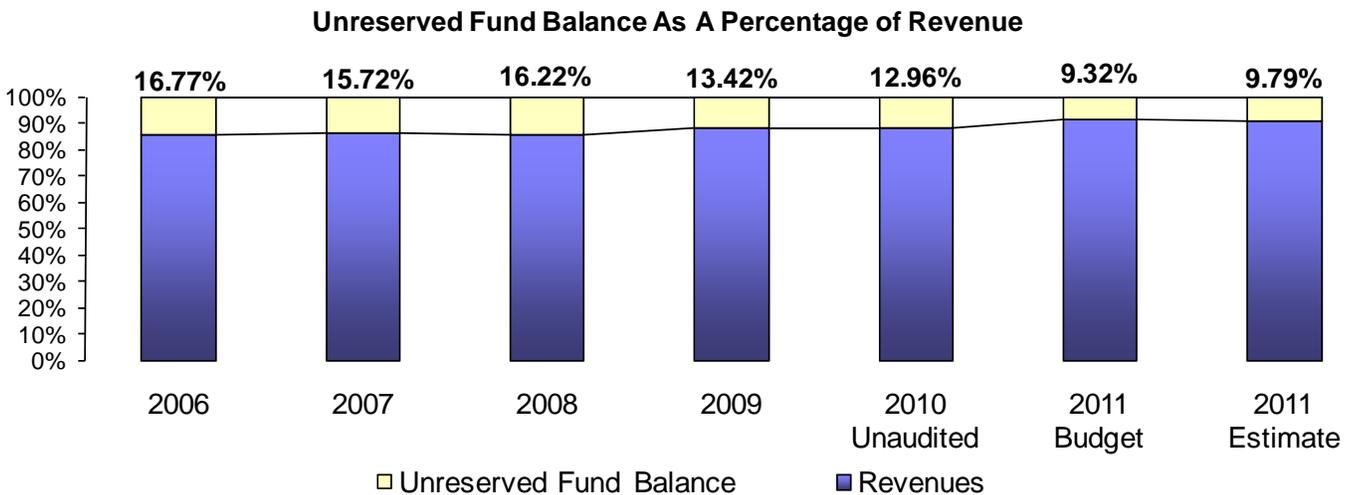
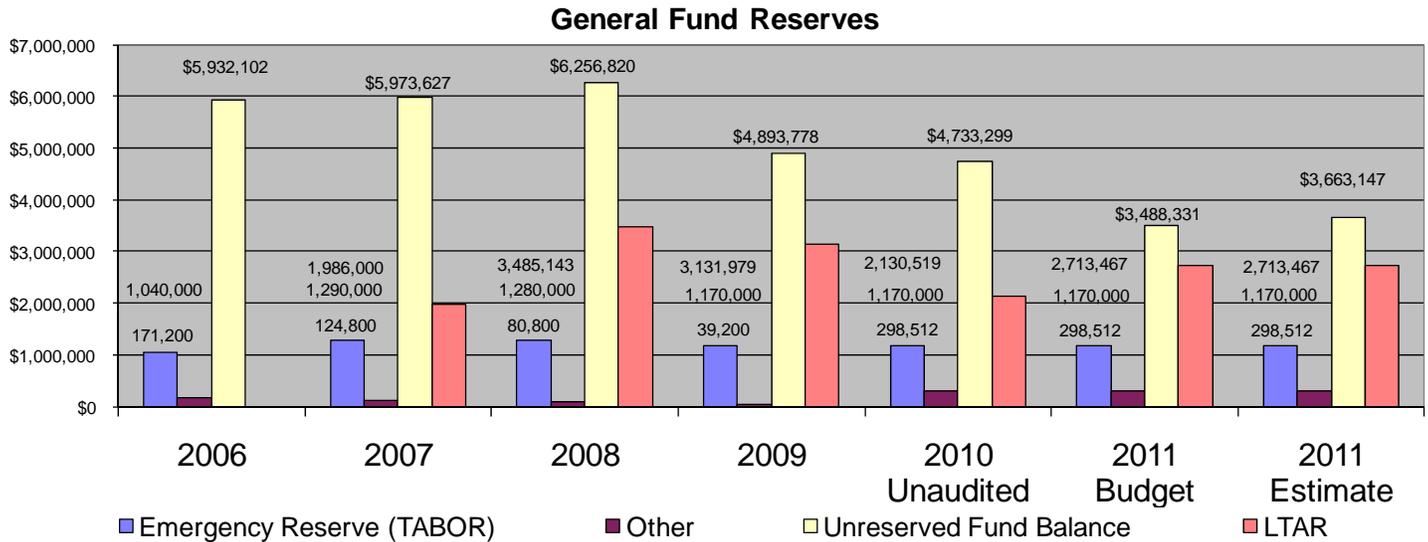


**General Fund Reserves**

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 February 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 2011 estimated year-end balance in the account is \$2,833,467 (This balance reflects a \$750,000 transfer that was appropriated in 2010 for the purchase of two homes and rehabilitation of ten homes and will be returned to the LTAR in 2011).



The City ended 2010 with an unreserved/undesigned general fund balance of \$4,733,299 or 12.84 percent of (unaudited) revenues. The 2011 estimate shows an unaudited ending fund balance of \$3,663,147 or 9.79 percent of revenues or 8.94 percent of budgeted expenditures. The \$3,663,147 would allow the City to operate for approximately 33.1 days (using average daily budgeted 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 2009 through 2011. 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.

	2011	2011 vs 2010 Increase (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
<b>Public Improvement Fund (PIF)</b>							
YTD Revenues	\$ 115,354	\$ (14,187)	(10.95%)	\$ 129,541	\$ (205,727)	(61.36%)	\$ 335,268
YTD Expenditures	2,940,593	\$ 1,404,345	91.41%	1,536,248	\$ (859,156)	(35.87%)	2,395,404
Net Revenues (Expenditures)	\$ (2,825,239)	\$ (1,418,532)		\$ (1,406,707)	\$ 653,429		\$ (2,060,136)
Beginning PIF Fund Balance	\$ 2,686,457			\$ 1,515,399			\$ 1,067,525
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ (138,782)			\$ 108,692			\$ (992,611)
Plus: Remaining Annual Revenue	1,493,217			1,542,914			3,113,379
Less: Remaining Annual Appropriation	(1,229,567)			(1,495,609)			(1,869,382)
Estimated Ending Fund Balance	\$ 124,868			\$ 155,997			\$ 251,386
<b>Unappropriated Fund Balance as of December 31,</b>				<u>\$ 440,771</u>			<u>\$ 339,405</u>

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

	2011 Estimate	2011 Adopted Budget	2011 YTD Actual	2011 Vs 2010		2010 Unaudited	2010 Vs 2009		2009 YTD Actual
				\$	%		\$	%	
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 65,437	\$ 6,250	11%	\$ 59,188	\$ (32,480)	-35%	\$ 91,668
Building Use Tax	\$ 400,000	\$ 400,000	\$ 49,658	\$ (15,338)	-24%	\$ 64,997	\$ 40,482	165%	\$ 24,515
Arapahoe County Road and Bridge Tax	\$ 191,000	\$ 191,000	\$ -	\$ -	---	\$ -	\$ -	---	\$ -

**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%.

## 2011 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
<b>Governmental Fund Types (Fund Balance)</b>						
<b>General Fund</b>	8,275,662	6,244,660	4,754,022	(2,504,121)	3,599,031	3,663,147
<b>Special Revenue Funds</b>						
Conservation Trust	1,052,255	(16)	5,921	(947,402)	-	98,916
Open Space	1,072,979	2	48,192	(687,370)	-	337,419
Donors	167,852	9,326	2,157	-	-	175,021
Community Development	-	18,057	26,771	8,714	-	-
Malley Center Trust	291,667	170	-	-	-	291,837
Parks & Recreation Trust	449,303	(7)	2,279	-	-	447,018
<b>Debt Service Fund</b>						
General Obligation Bond	9,616	11,800	3,193	-	-	18,223
<b>Capital Projects Funds</b>						
PIF	2,686,457	195,646	49,045	(2,708,191)	-	124,868
MYCP	1,061,738	(171)	51,894	(1,051,913)	-	(42,239)
<b>Proprietary Fund Types (Funds Available Balance)</b>						
<b>Enterprise Funds</b>						
Water	7,050,934	523,715	1,198,033	-	-	6,376,615
Sewer	6,792,828	2,296,978	2,019,606	-	1,000,000	6,070,199
Stormwater Drainage	903,814	83,122	11,226	-	137,818	837,892
Golf Course	713,451	50,909	110,789	-	293,500	360,071
Concrete Utility	277,905	111,388	40,576	-	-	348,716
Housing Rehabilitation	404,633	24,441	19,383	-	-	409,690
<b>Internal Service Funds</b>						
Central Services	234,309	49,522	40,006	(100,000)	-	143,825
ServiCenter	902,008	373,391	259,165	(100,000)	-	916,233
CERF	728,781	117,312	-	-	-	846,093
Employee Benefits	210,918	704,786	1,158,365	(200,000)	59,431	(502,092)
Risk Management	1,201,929	8,851	377,713	(546,000)	-	287,067

### 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.

## FUNDS GLOSSARY

**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.

**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.

## FUNDS GLOSSARY

**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 February 28, 2011

**Percentage of Year Completed = 17%**

<i>Fund Balance January 1</i>	\$ 8,157,514	\$ 8,332,330	\$ 8,332,330	\$ 9,234,957	\$ 9,234,957	\$ 11,102,763	\$ 11,102,763			
<i>Revenues</i>	2011				2010			2009		
	Budget	Feb-11	% Budget	YE Estimate	Dec-10	Feb-10	% YTD	Dec-09	Feb-09	% YTD
Property Tax	3,017,000	32,511	1.08%	3,017,000	3,020,884	51,162	1.69%	2,971,303	35,594	1.20%
Specific Ownership Tax	250,000	24,715	9.89%	250,000	263,434	28,798	10.93%	276,415	28,554	10.33%
Sales & Use Taxes	21,216,000	4,304,059	20.29%	21,216,000	20,756,337	3,873,843	18.66%	20,624,659	4,342,847	21.06%
Cigarette Tax	190,000	32,380	17.04%	190,000	196,320	32,752	16.68%	218,448	37,362	17.10%
Franchise Fees	2,650,851	275,192	10.38%	2,650,851	2,620,191	290,383	11.08%	2,452,611	279,201	11.38%
Hotel/Motel Tax	8,713	1,486	17.05%	8,713	8,807	1,170	13.28%	9,141	1,609	17.60%
Licenses & Permits	575,100	96,547	16.79%	575,100	695,563	88,644	12.74%	588,303	81,091	13.78%
Intergovernmental Revenue	1,459,564	445,426	30.52%	1,459,564	1,465,970	144,712	9.87%	1,333,688	84,799	6.36%
Charges for Services	3,338,567	545,772	16.35%	3,338,567	3,169,823	523,886	16.53%	3,163,735	505,366	15.97%
Recreation	2,587,653	240,410	9.29%	2,587,653	2,489,781	221,605	8.90%	2,315,598	236,413	10.21%
Fines & Forfeitures	1,509,150	210,403	13.94%	1,509,150	1,437,957	254,919	17.73%	1,639,678	271,963	16.59%
Interest	200,000	(1,805)	-0.90%	200,000	100,544	51,902	51.62%	229,999	39,238	17.06%
Miscellaneous	421,507	37,564	8.91%	421,507	293,658	48,303	16.45%	643,311	197,471	30.70%
<b>Total Revenues</b>	<b>37,424,105</b>	<b>6,244,660</b>	<b>16.69%</b>	<b>37,424,105</b>	<b>36,519,269</b>	<b>5,612,079</b>	<b>15.37%</b>	<b>36,466,889</b>	<b>6,141,508</b>	<b>16.84%</b>
<b>Expenditures</b>										
Legislation	346,120	40,596	11.73%	346,120	309,870	57,079	18.42%	346,045	72,950	21.08%
City Attorney	762,518	80,666	10.58%	762,518	702,228	100,549	14.32%	678,038	81,056	11.95%
Court	999,105	103,684	10.38%	999,105	901,469	106,604	11.83%	914,493	116,687	12.76%
City Manager	664,732	115,013	17.30%	664,732	659,882	115,815	17.55%	674,170	128,379	19.04%
Human Resources	481,102	43,116	8.96%	481,102	419,422	43,504	10.37%	456,275	51,351	11.25%
Financial Services	1,550,906	167,164	10.78%	1,550,906	1,445,582	175,081	12.11%	1,575,924	183,079	11.62%
Information Technology	1,338,543	188,816	14.11%	1,338,543	1,280,660	151,243	11.81%	1,360,237	146,510	10.77%
Public Works	5,498,891	690,312	12.55%	5,498,891	5,137,363	670,049	13.04%	5,152,891	642,659	12.47%
Fire Department	7,465,775	916,362	12.27%	7,465,775	7,425,903	873,957	11.77%	7,320,268	856,527	11.70%
Police Department	10,587,026	1,368,882	12.93%	10,587,026	10,312,633	1,339,644	12.99%	10,183,891	1,328,552	13.05%
Community Development	1,344,556	129,915	9.66%	1,344,556	1,301,472	138,313	10.63%	1,366,437	168,023	12.30%
Library	1,256,520	184,104	14.65%	1,256,520	1,284,083	225,786	17.58%	1,275,554	226,669	17.77%
Recreation	5,969,515	541,622	9.07%	5,969,515	5,835,640	546,346	9.36%	5,727,968	579,061	10.11%
Debt Service	2,075,204	151,444	7.30%	2,075,204	1,860,827	120,893	6.50%	1,805,208	120,893	6.70%
Contingency	90,000	32,325	35.92%	90,000	48,138	600	1.25%	160,578	4,198	2.61%
<b>Total Expenditures</b>	<b>40,430,513</b>	<b>4,754,021</b>	<b>11.76%</b>	<b>40,430,513</b>	<b>38,925,172</b>	<b>4,665,463</b>	<b>11.99%</b>	<b>38,997,977</b>	<b>4,706,594</b>	<b>12.07%</b>
Excess revenues over (under) expenditures	(3,006,408)	1,490,639	-49.58%	(3,006,408)	(2,405,903)	946,616		(2,531,088)	1,434,914	
Net transfers in (out)	2,519,204	1,453,565	57.70%	2,519,204	1,503,276	1,864,433	124.02%	663,282	968,682	146.04%
<b>Total Fund Balance</b>	<b>\$ 7,670,310</b>	<b>\$ 11,276,534</b>	<b>147.02%</b>	<b>\$ 7,845,126</b>	<b>\$ 8,332,330</b>	<b>\$ 12,046,006</b>	<b>144.57%</b>	<b>\$ 9,234,957</b>	<b>\$ 13,506,359</b>	<b>146.25%</b>

### Fund Balance Analysis

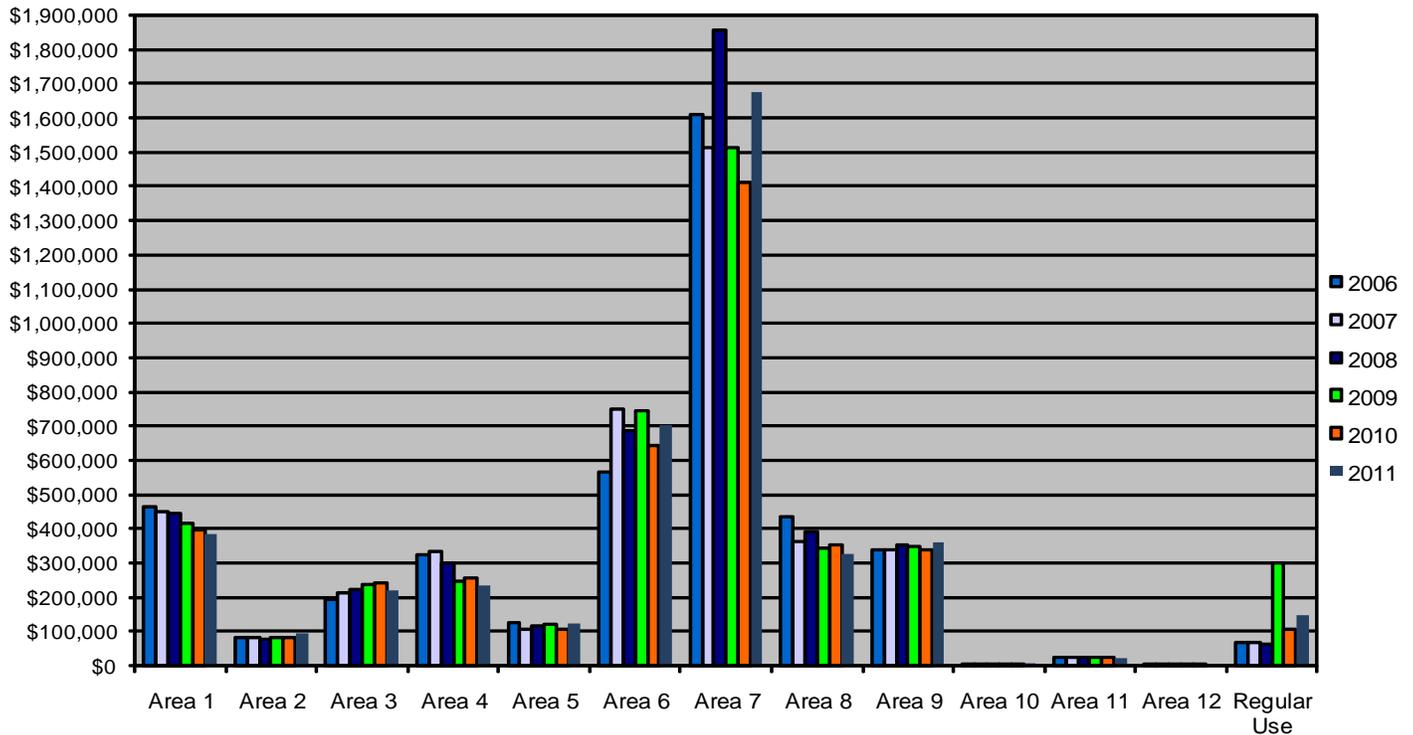
Total Fund Balance	\$ 7,670,310	\$ 11,276,534	\$ 7,845,126	\$ 8,332,330	\$ 9,234,957
Reserves/designations:					
-Emergencies (TABOR)	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000
-LTAR	2,713,467	2,130,519	2,713,467	2,130,519	3,131,980
-MOA	-	-	-	-	39,200
-COPS Grant	298,512	298,512	298,512	298,512	-
Unreserved/undesignated Fund Balance	<b>\$ 3,488,331</b>	<b>\$ 7,677,503</b>	<b>\$ 3,663,147</b>	<b>\$ 4,733,299</b>	<b>\$ 4,893,777</b>
Potential reserves/designations	-	-	-	-	-
Estimated unres/undesignated Fund Balance	<b>\$ 3,488,331</b>	<b>\$ 7,677,503</b>	<b>\$ 3,663,147</b>	<b>\$ 4,733,299</b>	<b>\$ 4,893,777</b>
As a percentage of projected revenues	<b>9.32%</b>	<b>9.79%</b>	<b>9.79%</b>	<b>12.96%</b>	<b>13.42%</b>
As a percentage of budgeted revenues	<b>9.32%</b>	<b>9.79%</b>	<b>9.79%</b>		
Target	3,742,411	-	5,613,616		

**Sales & Use Tax Collections Year-to-Date Comparison  
for the month of February 2011**

**Cash Basis**

	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change
<b>Area 1</b>	466,819	1.15%	452,495	-3.07%	444,451	-1.78%	414,645	-8.36%	395,502	-11.01%	384,368	-2.82%
<b>Area 2</b>	82,156	2.00%	81,240	-1.11%	79,073	-2.67%	81,351	0.14%	84,944	7.43%	94,059	10.73%
<b>Area 3</b>	194,514	-2.11%	213,813	9.92%	222,140	3.89%	239,646	12.08%	244,685	10.15%	221,744	-9.38%
<b>Area 4</b>	325,101	4.44%	333,365	2.54%	302,300	-9.32%	246,995	-25.91%	256,622	-15.11%	234,362	-8.67%
<b>Area 5</b>	126,317	2.58%	107,891	-14.59%	117,650	9.04%	122,545	13.58%	108,316	-7.93%	122,800	13.37%
<b>Area 6</b>	568,266	-4.73%	747,460	31.53%	689,255	-7.79%	744,704	-0.37%	644,635	-6.47%	702,046	8.91%
<b>Area 7</b>	1,609,675	-0.72%	1,515,413	-5.86%	1,858,814	22.66%	1,513,273	-0.14%	1,411,923	-24.04%	1,676,973	18.77%
<b>Area 8</b>	434,142	21.23%	361,463	-16.74%	390,303	7.98%	342,173	-5.34%	353,992	-9.30%	328,184	-7.29%
<b>Area 9</b>	338,272	0.12%	339,894	0.48%	351,339	3.37%	348,363	2.49%	339,839	-3.27%	362,696	6.73%
<b>Area 10</b>	5,022	45.44%	5,017	-0.10%	3,323	-33.77%	3,129	-37.63%	2,878	-13.37%	7,650	165.78%
<b>Area 11</b>	24,108	-29.05%	22,784	-5.49%	25,094	10.14%	24,523	7.63%	22,655	-9.72%	24,832	9.61%
<b>Area 12</b>	1,607	813.07%	1,477	-8.09%	2,284	54.61%	2,154	45.81%	1,941	-15.02%	2,210	13.90%
<b>Regular Use</b>	67,403	9.39%	69,024	2.40%	62,791	-9.03%	298,374	332.28%	108,657	73.05%	148,941	37.08%
<b>Total</b>	<b>4,243,402</b>	<b>1.32%</b>	<b>4,251,336</b>	<b>0.19%</b>	<b>4,548,816</b>	<b>7.00%</b>	<b>4,381,873</b>	<b>3.07%</b>	<b>3,976,590</b>	<b>-12.58%</b>	<b>4,310,866</b>	<b>8.41%</b>
Refunds	3,154	-87.63%	41,280	1208.76%	44,336	7.40%	468	-98.94%	74,921	68.99%	7,976	-89.35%
Audit & Collections Revenue*	61,363	-45.39%	119,034	93.98%	172,401	44.83%	271,936	57.73%	30,558	-82.28%	99,834	226.71%
*included Above												
Unearned Sales Tax	650,000	-7.14%	650,000	0.00%	650,000	0.00%	600,000	-7.69%	600,000	-7.69%	600,000	0.00%
Building Use	456,464	386.01%	500,236	9.59%	282,710	-43.48%	24,514	-91.33%	51,565	-81.76%	49,658	-3.70%
Vehicle Use	212,765	-3.82%	225,930	6.19%	219,298	-2.94%	175,252	-20.08%	146,625	-33.14%	136,125	-7.16%

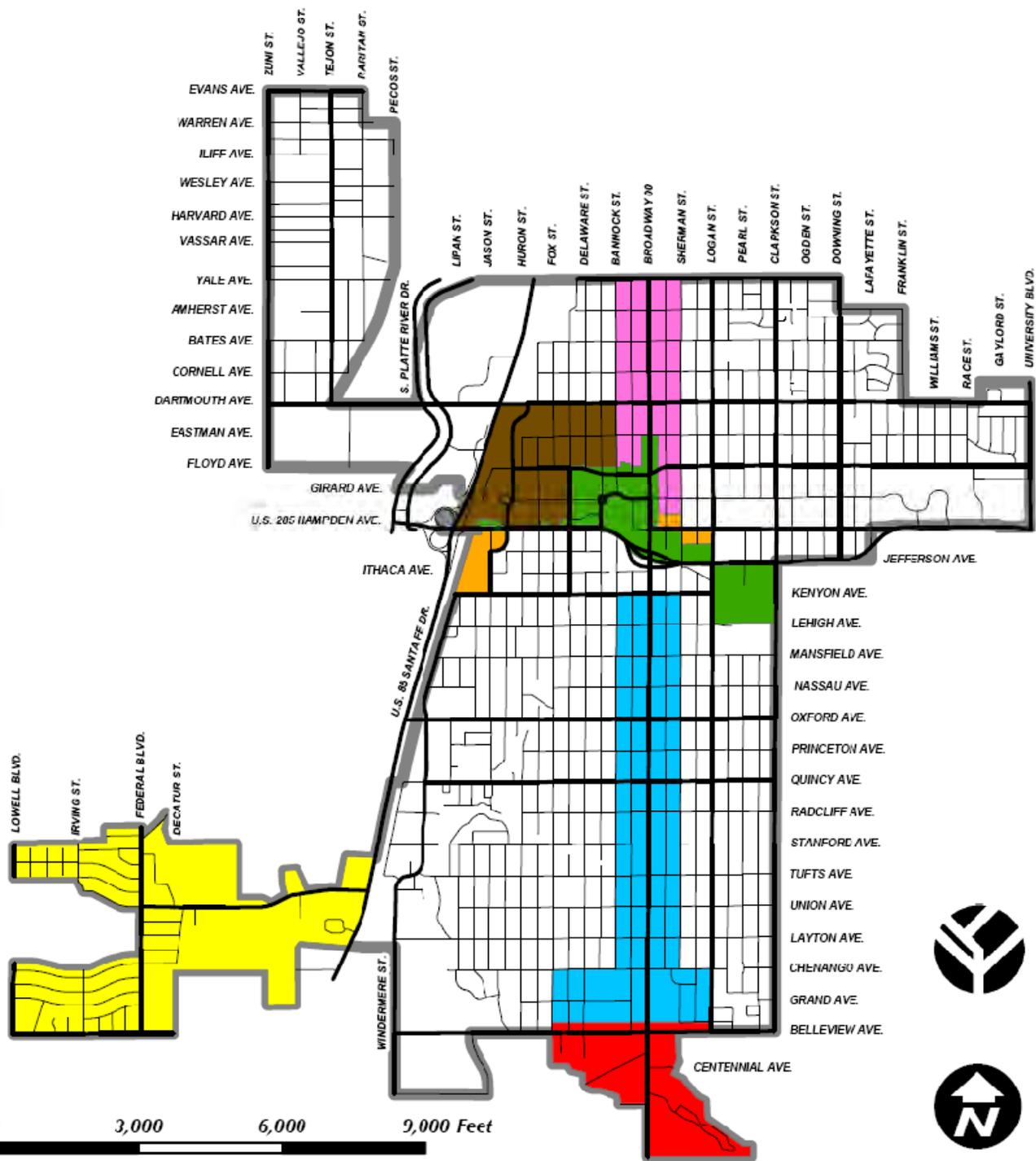
**February YTD Collections by Area 2006-2011**



**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 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

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M E M O R A N D U M  
C O M M U N I T Y D E V E L O P M E N T

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TO: Mayor and City Council  
THRU: Gary Sears, City Manager  
FROM: Alan White, Community Development Director ✓  
DATE: March 21, 2011  
RE: Broadway/Acoma Sign

At the study session on January 10, 2011 concerning the “billboard” alternative to the Broadway median signs, staff presented two options for the regulatory framework under which this sign could be permitted and a comparison of the time frame for approval of a sign under the two options selected. Those two options were:

- Option A – Create Special Legislation for Oversized Signs on City Property
- Option B – Allow Billboards With a Conditional Use Permit

Council selected Option A as the preferred option and directed staff to prepare the Code amendment language for Council to review at a future study session. The proposed Code amendment language follows:

16-6-13(J). *Signs Permitted in Commercial and Industrial Districts.*

5. Signs Additionally Allowed. The following signs are also allowed in commercial and industrial zones subject to the conditions stated.

(Paragraphs a through g remain unchanged and are not replicated here.)

h. *City Council Approved Signs Located on City-owned Property.* City Council may authorize the placement of signs on City-owned property that are not in conformance with the types of signs allowed and dimensional requirements of this Section 16-6-13-J, including but not limited to prohibited signs, types of signs, height, size, setbacks, and number. Authorization for any such sign shall be based on findings by Council that the sign is in the best interest of the City and advances the economic development interests of the City. In its sole discretion, the City Council may refer the proposal for such a sign to the Planning and Zoning Commission for review and recommendation.

In advance of scheduling the required Planning and Zoning Commission hearing on the proposed sign code amendment, staff presented the proposed language to the Commission at a study session. The Commission's comments ranged from support for a smaller, more visually pleasing sign that provided similar information, to opposition due to aesthetic and fairness concerns. Minutes from that study session are attached.

It should be stressed that the design of the sign has not been finalized. Photo simulations that have been presented are only conceptual. Following adoption of the Code amendment, the next steps would be:

- Staff solicits proposals from sign companies through an RFP process.
- Staff reviews proposals and selects a preferred vendor.
- Staff negotiates design and lease terms.
- Staff presents design and lease to Council for approval. Council has the option of requesting review of the sign by Planning and Zoning Commission.

Attachment: Planning and Zoning Commission Minutes

## **BROADWAY/ENGLEWOOD PARKWAY SIGN**



Director White provided an update on the proposed way finding/business sign at Broadway and Englewood Parkway. He provided background information on how this sign request came about. He referenced a proposed sign design and location which was included in the packet.

### Commission Discussion Points:

- The sign is not appropriate for Broadway. Some type of signage is necessary, but not what is proposed.
- Sign should show events as well as be way finding.
- Concern that the way the proposed sign code amendments are written is that City Council can do anything beyond what anybody else can do. This is not the message the City should be sending with the sign code.
- What is proposed is too big and not appropriate.
- Acceptable signage should be smaller, displaying City events and specific businesses.

## **ELECTION OF OFFICERS**



Bleile moved:

Welker seconded:           TO NOMINATE CHAD KNOTH FOR CHAIR AND JOHN BRICK  
FOR VICE CHAIR

AYES:           Bleile, Knoth, Fish, King, Brick, Calonder, Roth, Welker

NAYS:           None

ABSTAIN:       None

ABSENT:       Krieger

Motion carried.

## **IV. PUBLIC FORUM**



There was no public present.

## **V. DIRECTOR'S CHOICE**



Director White had nothing further to report.



C I T Y O F E N G L E W O O D  
F I R E D E P A R T M E N T

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***MEMORANDUM***

**TO:** Mayor Woodward and Members of City Council  
**THROUGH:** City Manager Gary Sears  
**FROM:** Fire Chief Michael Pattarozzi  
**DATE:** March 17, 2011  
**SUBJECT:** EMS Billing

Staff would like to recommend to City Council that Englewood Municipal Code 7-7-7 be rewritten, to comply with federal and state statutes and current insurance regulatory requirements.

Staff is recommending that the last sentence of Section A: "The City shall contribute a twenty percent (20%) subsidy to Englewood residents." be deleted and a new phrase inserted in its place, stating that patients may request a 20% reduction in their ambulance transport fees based on financial hardship.

The issues related to E.M.C. 7-7-7 were presented to Council in a memorandum to Mayor Woodward and Members of Council, dated December 1, 2010 (attached). Staff has researched numerous options, including those suggested by Council members, to resolve the conflicts. Most have regulatory or logistical problems that make them unworkable. The option of residents requesting a reduction based on hardship meets both regulatory and logistical concerns, addresses the intent of the original ordinance. The reduction would be applied to the outstanding balance after insurance payments, including Medicare and Medicaid, are applied to the initial fee.



C I T Y O F E N G L E W O O D  
F I R E D E P A R T M E N T

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**MEMORANDUM**

**TO:** Mayor Woodward, Members of City Council  
**THROUGH:** Gary Sears, City Manager ✓  
**FROM:** Michael Pattarozzi, Fire Chief ✓  
**DATE:** December 1, 2010  
**SUBJECT:** EMS Billing

On May 1, 1989, Council Bill 14 was enacted, approving the billing of non-residents for ambulance transport. Billing began on May 1, 1989 [See attachment 1]. On October 17, 1994, Council Bill number 55 was approved by City Council [See attachment 2]. This ordinance changed the original ordinance for the billing of ambulance transport fees to all patients, including Englewood residents. This amended bill provided for a 20% subsidy for Englewood residents and established an EMS Billing Committee.

On January 17, 1995, the Assistant Commissioner of the Division of Insurance, Colorado Department of Regulatory Agencies (DI-CDRA), in a letter to the City of Englewood indicated that the waiver of charges might be constituted as a co-payment and that the co-payment of the deductible as a standard practice may be in violation of Section 18-13-119 C.R.S. Although DI-CDRA does not regulate local governments, the letter was intended to make the City aware of the statute [See attachment 3].

On March 6, 2000, Ordinance No. 007-7-11 renumbered former section 1-66-10 as new section 7-7-7. The premise of E.M.C. 7-7-7, Emergency Transport Fees was to guarantee that Englewood residents would not have out-of-pocket expenses associated with an ambulance transport. The 20% subsidy was based on the assumption that insurance would cover 80% of the bill, and that the subsidy would cover the deductible. Since the adoption of the ordinance, the insurance industry and health care have changed significantly. Additionally, the application of the regulations in Section 18-13-119 C.R.S. have all contributed to the ambiguity associated with the administration of the 20% subsidy. Some of the issues that must be addressed are listed below:

- What is the definition of an Englewood resident?
- If a resident's deductible has been satisfied for the year, is the resident still eligible for the 20% subsidy for subsequent transports? If so, does the City issue them a check?

- How will the City determine if a resident's deductible has been met?
- Does the subsidy apply for patients on Medicaid or Medicare?
- Does the 20% subsidy apply to the total bill before payment by insurance?
- What if insurance pays 90% of the bill?
- Should residents be required to request the subsidy? Or should it be applied automatically?
- Can the availability of the subsidy be advertised? If so, how are residents to be informed of the subsidy?
- What if a resident has a co-pay less than the 20% subsidy?

The EMS Billing Committee, as established by the ordinance in 1989, is responsible for reviewing requests for reduction in the amounts owed by both residents and nonresidents due to financial hardship. The committee currently consists of the Deputy Fire Chief, The EMS Coordinator, The Victim Assistance Coordinator and a civilian volunteer. Hardship requests must be made in writing to the committee, which reviews the requests monthly. The application of the 20% subsidy is not the responsibility of the EMS Billing Committee. However, it directly impacts their decisions concerning residents that request a hardship review.

There are several options for the application of the 20% subsidy. All of them have obvious, and not so obvious, consequences including potentially significant impacts on revenue. Some of them conflict with the regulations as set forth in Section 18-13-119 C.R.S. and, therefore, should be excluded as a matter of course.

The possible options and their potential consequences are listed below.

**OPTION 1:** Reduce the total bill 20%.

- Reduces costs for insurance companies
- Residents with insurance must still meet deductible or co-pay
- Residents without insurance are positively impacted
- No impact on Medicaid/Medicare patients
- May potentially decrease revenues by an estimated \$53,000

**OPTION 2:** Create a separate, lower fee schedule for residents.

- Reduces costs for insurance companies
- Residents must still meet deductible and/or co-pay
- Residents without insurance are positively impacted
- No impact on Medicaid/Medicare patients
- The decrease in revenues would be dependent on the rate established

**OPTION 3:** Apply the 20% subsidy to resident's deductible/co-pay as a standard practice.

- Compliance issues
- What happens when deductible has been met and there are subsequent transports?
- What if insurance pays more than 80%?
- No impact on Medicaid/Medicare patients

- May be considered taxable income
- Restrictions on the advertising of availability
- This option is not systematically feasible, nor can the potential reductions in revenues be calculated

**OPTION 4:** Apply the 20% subsidy to resident's deductible/co-pay only upon request.

- Requests must be reviewed individually
- Compliance issues
- May be considered taxable income
- Restrictions on the advertising of availability
- What if deductible has been met? Or the co-pay is less than 20%?
- This option is not systematically feasible, nor can the potential reductions in revenue be calculated

**OPTION 5:** Do not bill residents.

- Reduced costs for insurance companies
- Compliance issues
- May be treated as taxable income
- Positively impacts residents without insurance
- May potentially decrease revenues by an estimated \$450,000

**OPTION 6:** Do not bill residents without insurance, or for the amount not covered by insurance.

- Compliance issues
- May be treated as taxable income
- Inequality between residents with insurance, Medicaid/Medicare, and residents without insurance
- May potentially decrease revenues by an estimated \$55,000

**OPTION 7:** Eliminate the 20% subsidy.

- Increased costs to residents
- Creates equality between residents and non-residents
- Revenue neutral
- Only reductions for hardship on a case-by-case basis