



**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
MONDAY, OCTOBER 24, 2011
COMMUNITY ROOM
6:00 P.M.**

- I. **Regional Transportation District**
RTD District H Board Members Kent Bagley and Jeff Walker will discuss with City Council the Art Shuttle and Access-A-Ride changes.
- II. **Master Bicycle Plan Update & Implementation of Plan**
Community Development Director Alan White, Public Works Director Rick Kahm, Parks and Recreation Director Jerrell Black and representatives from OV Consultants will discuss the Master Bicycle Plan and implementation of the plan.
- III. **Financial Report**
Financial and Administrative Services Director Frank Gryglewicz will discuss the financial report from September, 2011.
- IV. **Humane Society of South Platte Valley**
Deputy City Manager Mike Flaherty will be present to discuss a financial update for Humane Society of the South Platte Valley.
- V. **City Manager's Choice**
- VI. **City Attorney's Choice**
- VII. **Council Member's Choice**

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



M E M O R A N D U M

DATE: October 24, 2011

TO: Englewood City Council

THRU: Alan White, Community Development Director

FROM: John Voboril, Community Development Planner II

SUBJECT: Update: Master Bicycle Plan Route Assessment and Implementation Program

The Master Bicycle Plan Route Assessment and Implementation Program is funded by a \$150,000 grant awarded by Tri-County Health Department's Communities Putting Prevention to Work (CPPW) program. The goal of the CPPW grant program is to fund projects that will have a long lasting effect on reducing the rate of obesity within the local community, through programs promoting healthy eating and active living habits. Community Development staff developed a grant proposal focused on implementing a robust on-street bicycle route system as outlined in the 2004 Master Bicycle Plan, along with an educational and promotional effort involving local schools. The grant money for the project was split between consultant technical and educational services, and bicycle infrastructure improvements, primarily bicycle route signage.

Public Outreach Activities

OV Consultants held two public open house events in order to obtain feedback on the routes proposed in the 2004 Englewood Master Bicycle Plan. The first open house was held as a stand-alone event on May 10, at the Englewood Civic Center Community Room. The second open house event was held on June 30, in conjunction with a Sounds of Summer concert, held at the Englewood Station plaza. Approximately 60 people participated in these two open house events.

School Outreach Activities

OV Consultants and Bicycle Colorado staff met with school principals and key staff just before the beginning of the new school year, in order to share observations of student arrivals and departures recorded in May, and to plan and coordinate educational activities for the upcoming school year, listed below:

- Back to School Nights (Parent/Student Bicycling to School Education and Promotion)
- Safe Routes to Schools Program

- Walking and Wheeling Week

City Boards and Commissions Outreach Activities

Community Development staff has met with the Englewood Transportation Advisory Committee and the Englewood Planning and Zoning Commission to introduce the project, solicit project recommendations, and present updates on project progress.

Route Funding Options

The 2004 Master Bicycle Plan was conceived to address regional commuting connections between Denver and outlying suburban areas, as well as local bicycling connections to key community destinations such as schools and parks. OV Consultants developed two implementation options based on the level of funding available from the grant. The first option included a combination of on-street bicycle route signage and sharrows street pavement markings. Due to the high cost of the sharrows street pavement markings, routes selected from the 2004 Master Bicycle Plan were limited to the key regional commuting connections to Denver and the surrounding suburbs. The second option was limited to on-street bicycle route signage without sharrows street pavement markings. This option allowed for adding local, school and park oriented routes to the regional commuting routes for a more complete on-street route system. City staff opted for implementing the on-street signage only option for this grant project, while retaining the sharrows street pavement marking plans for a future project funding phase.

Project Implementation Activities

OV Consultants are currently finalizing a bid package designed to implement all of the regional and local on-street bicycle routes selected for this current implementation phase. OV and Martin and Martin Consultants will oversee the installation work of the winning contractor. Signage installation is scheduled to be completed by March of 2012.

Att: CPPW Master Bicycle Implementation Plan: Regional Vs. Local Routes



City of Englewood

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: October 17, 2011
Subject: September 2011 Financial Report

Summary of the September 2011 General Fund Financial Report

REVENUES:

- Through September 2011, the City of Englewood collected **\$29,615,761 or \$1,465,516 or 5.2 percent more** than last year (See the chart on page 3 and the attached full report for details on changes in revenue in past year)
- The City collected \$2,919,183 in property and \$168,975 in specific ownership tax through September.
- **Year-to-date sales and use tax revenues were \$16,560,313 or \$986,980 or 6.3 percent more than September 2010**
- Cigarette tax collections were down \$6,159 compared to last year.
- Franchise fee collections were \$12,383 less than last year.
- Licenses and permit collections were \$18,196 more than 2010.
- Intergovernmental revenues were \$502,540 more than the prior year.
- Charges for services increased \$141,023 from last year.
- Recreation revenues increased \$114,534 from 2010.
- Fines and forfeitures were \$158,895 less than last year.
- Investment income was \$42,244 less than last year.
- Miscellaneous revenues were \$85,615 less than last year.

OUTSIDE CITY:

- Outside City sales and use tax receipts (cash basis) were up \$1,406,752 or 29.3 percent compared to last year, \$1,188,000 of the total amount collected is due to the receipt of *one-time sales and use tax revenue* from several taxpayers and \$56,000 is due to a refund in 2010. The City has classified \$600,000 as “unearned” at this time.
- At this time potential refunds total approximately \$1,500,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$1,150,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through September 2011 were \$1,572,222 or \$11,301 less than last year during the same period.

EXPENDITURES:

- Expenditures through September were \$29,548,796 or \$1,174,810 (4.1 percent) more than the \$28,373,986 expended through September 2010. The City refunded \$32,038 in sales and use tax claims through September.

RESERVES:

- Total fund balance is estimated at \$8,604,001. The unreserved/undesignated reserves for 2011 are estimated at \$4,442,022 or 11.7 percent of projected revenues. The 2011 estimated Long Term Asset Reserve (LTAR) balance is \$2,713,467 (please refer to page 11).

TRANSFERS:

- Net 2011 transfers-in to date of \$1,755,569 were made by the end of September 2011 (please refer to page 11 for the make-up).

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures by \$66,965 this year compared to expenditures exceeding revenues by \$223,321 in 2010.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$1,351,805 in revenues and spent \$3,577,382 year-to-date. Estimated year-end fund balance is \$290,211. Based on a five year average approximately 81% of building use tax and 74% of vehicle use tax is collected through September.

City of Englewood, Colorado

September 2011 Financial Report

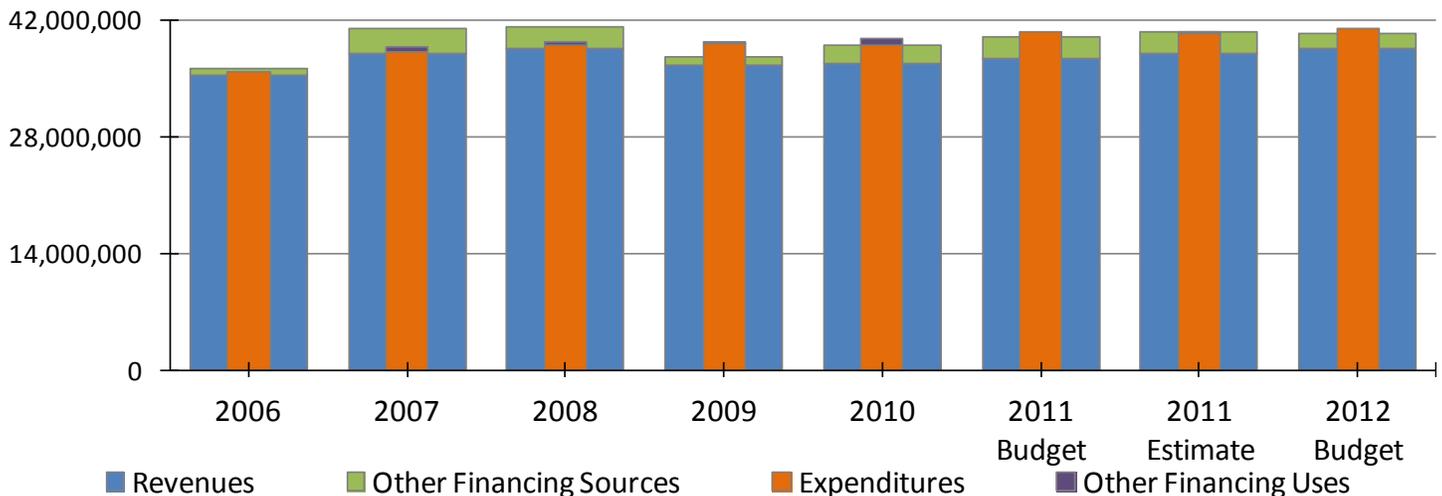
GENERAL FUND OVERVIEW AND ANALYSIS

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 graph below depicts the history of sources and uses of funds from 2006 to 2012 Budget. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.

General Fund: Total Sources and Uses of Funds



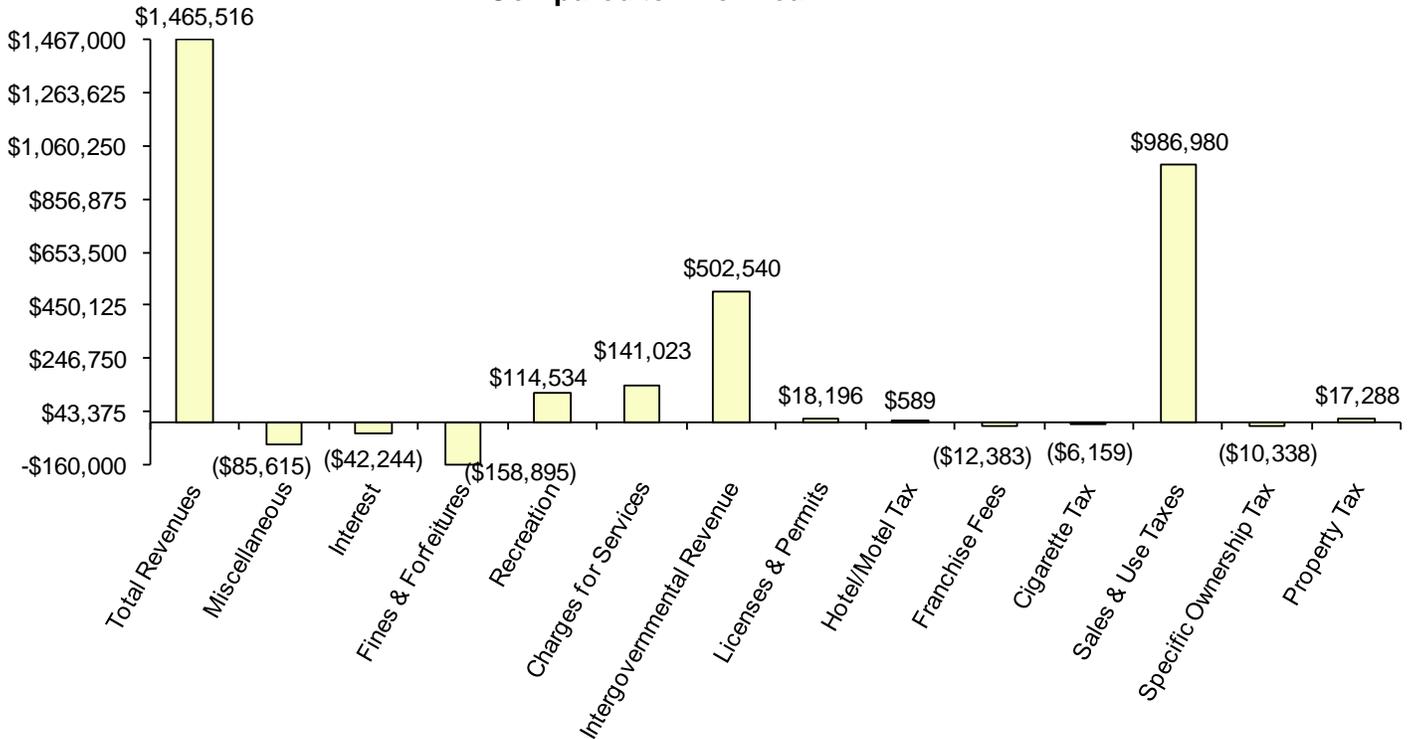
The table below summarizes General Fund Year-To-Date (YTD) Revenue, Expenditure, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended September, 2011. Comparative figures for years 2010 and 2009 are presented as well. The table also highlights the dollar and percentage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

	2011	2011 vs 2010 Increase (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
General Fund							
Year-To-Date Revenue	\$ 29,615,761	\$ 1,465,516	5.21%	\$ 28,150,245	\$ (149,694)	(.53%)	\$ 28,299,939
Year-To-Date Expenditure	29,548,796	\$ 1,174,810	4.14%	28,373,986	\$ 351,820	1.26%	28,022,166
Net Revenue (Expenditure)	\$ 66,965	\$ 290,706		\$ (223,741)	\$ (501,514)		\$ 277,773
Estimated Unreserved/ Undesignated Fund Balance	\$ 4,442,022	\$ (473,625)	(9.64%)	\$ 4,915,647	\$ 21,870	.45%	\$ 4,893,777
Sales & Use Tax Revenue YTD	\$ 16,560,313	\$ 986,980	6.34%	\$ 15,573,333	\$ (154,703)	(.98%)	\$ 15,728,036
Outside City Sales & Use Tax YTD	\$ 6,202,314	\$ 1,406,752	29.33%	\$ 4,795,562	\$ (322,515)	(6.30%)	\$ 5,118,077

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$37,424,105. Total revenue collected through September 2011 was \$29,615,761 or \$1,465,516 (5.2 percent) more than was collected in 2010. The chart below illustrates changes in General Fund revenues this year as compared to last year.

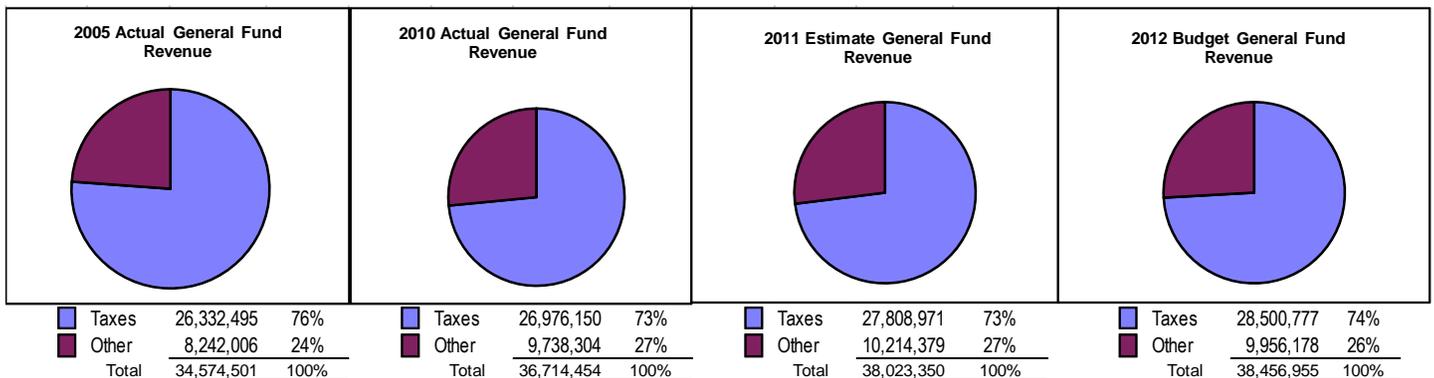
2011 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



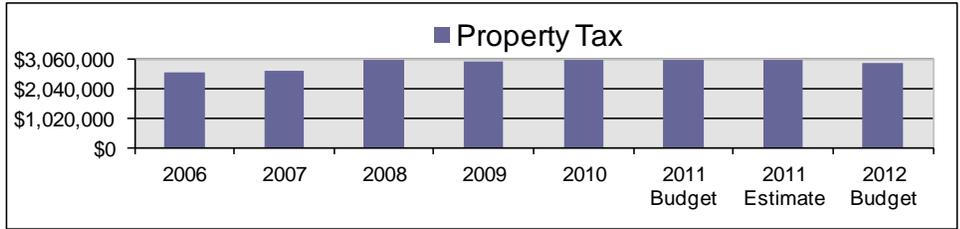
General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2010 total audited revenues were \$36,714,454 of which \$26,976,150 (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**



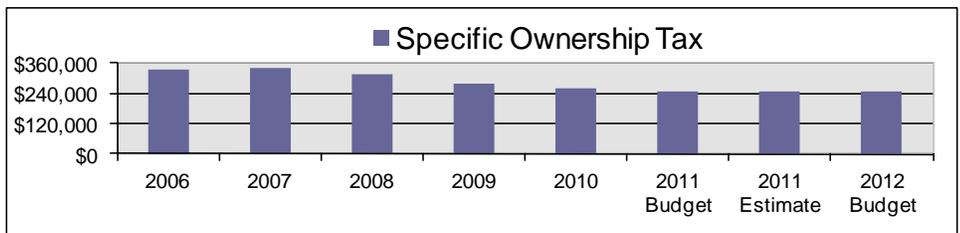
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. Voters approved a separate, dedicated mill levy for principal and interest



payments on the City's general obligation debt (parks and recreation projects), accounted for in the Debt Service Fund. The dedicated general obligation debt mill levy is accounted for in the Debt Service Fund. The dedicated general obligation debt 2010 mill levy dedicated for the City's general obligation debt collected in 2011 is 2.130 mills. 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 11.2 percent of 2010 total taxes and 8.2 percent of total revenues from property taxes. The City budgeted \$3,017,000 for 2011; and collected \$2,919,183 through September 2011. The estimate for the year remains at \$3,017,000.

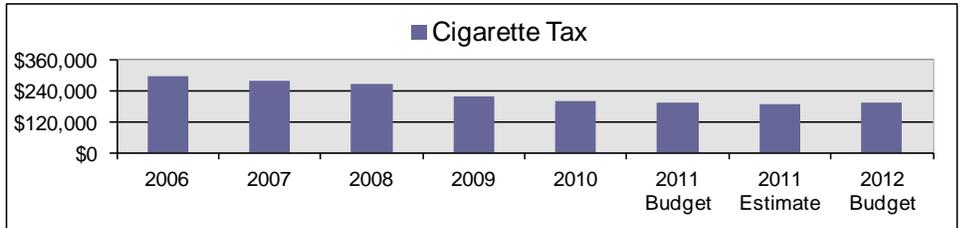
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc.

These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$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 \$168,975 through September 2011. The estimate for the year remains \$250,000.

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

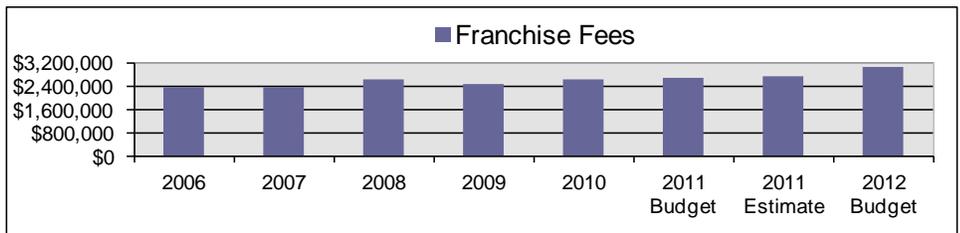


approximately \$.62 per pack went into effect. This increase will fund the State Children's Health Insurance Program (SCHIP). In 2006 the City collected

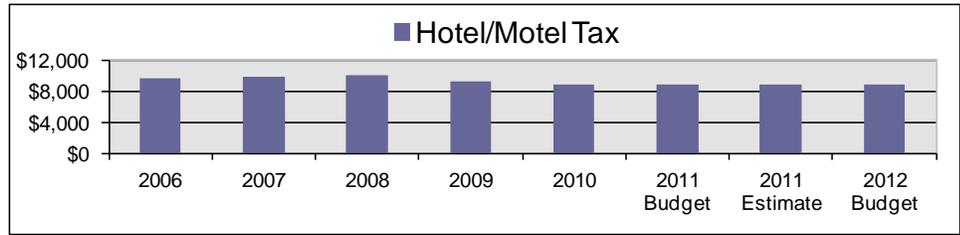
\$293,776, but in 2010 the City collected \$196,320, which is a *decrease* of \$97,456 or 33.2 percent. These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2010. The City budgeted \$190,000 for the year and collected \$139,112 through September 2011, which is \$6,159 or 4.2 percent less than the \$145,271 collected through September 2010. The estimate for the year is \$185,000.

Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as

occupational taxes on telephone services. The City collected \$2,362,000 in 2006 and \$2,620,191 in 2010, an increase of \$258,191 or 10.9 percent. These taxes accounted for 9.7 percent of taxes and 7.1 percent of total revenues in 2010. The City budgeted \$2,650,851 for the year; collections through September totaled \$1,796,489 compared to \$1,808,872 collected during the same period last year. The estimate for the year is \$2,702,938.

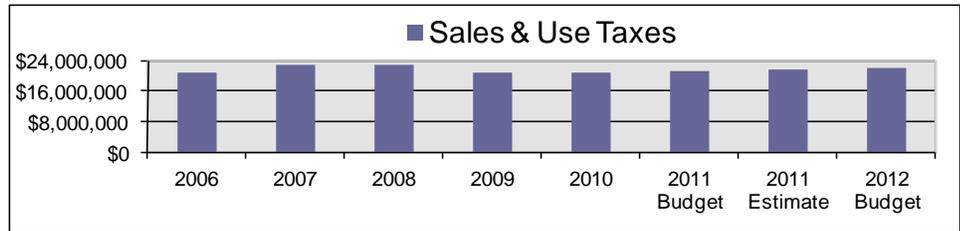


Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$7,204 through September 2011. The estimate for the year is \$8,713.



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 \$20,866,515, 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 (vendors will no longer be allowed to collect the fee after December 31, 2011). 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 September 2011 was \$16,560,313 while revenue year-to-date for September 2010 was \$15,573,333, an increase of \$986,980.

Collections (cash basis) for September 2011 were \$1,581,890 while collections for September 2010 and September 2009 were \$1,497,991 and \$1,427,773 respectively. September 2011 collections were \$83,899 or 5.6 percent more than September 2010 and \$154,117 or 10.8 percent more than 2009 collections.

Outside City sales and use tax collections through September were \$6,202,314 an increase of approximately \$1,406,752 over 2010 of which \$988,000 of this increase is due to the receipt of one-time sales and use tax revenue from several taxpayers and \$56,000 is due to a refund in 2010.

A portion (\$600,000) of the collections from outside city has been put into the “unearned revenue” account because staff believes it could be subject to an intergovernmental claim. If no claim is made after three years, the funds will be recognized as revenue at that time.

Based on historical sales tax collections, the City of Englewood collects 76.1 percent of total year’s sales tax collections through September; if this pattern holds this year, 23.9 percent is left to collect over the next three months. Based on September collections, the City will collect an additional \$5,200,939 over the next few months for a total of **\$21,761,252**.

The City collected 106.3 percent of last year; if this pattern holds for the entire year the City could collect **\$22,189,064** for the year. The average of the two forecasts is **\$21,975,158**.

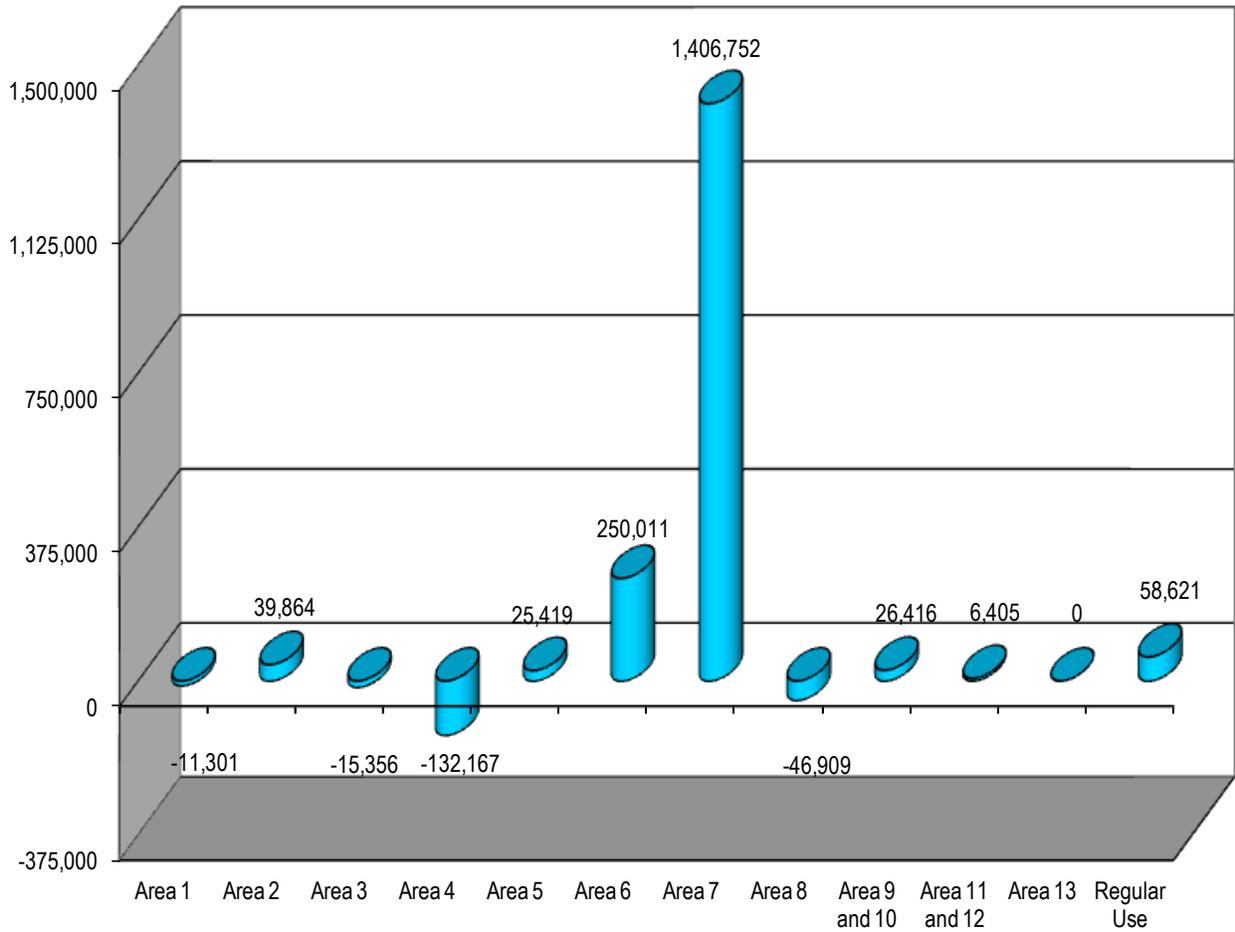
The estimate for the year is \$21,640,320 at this time, but may be adjusted depending on sales tax growth/decline trends in the next couple of months.

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 increase in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Economic conditions, judged by

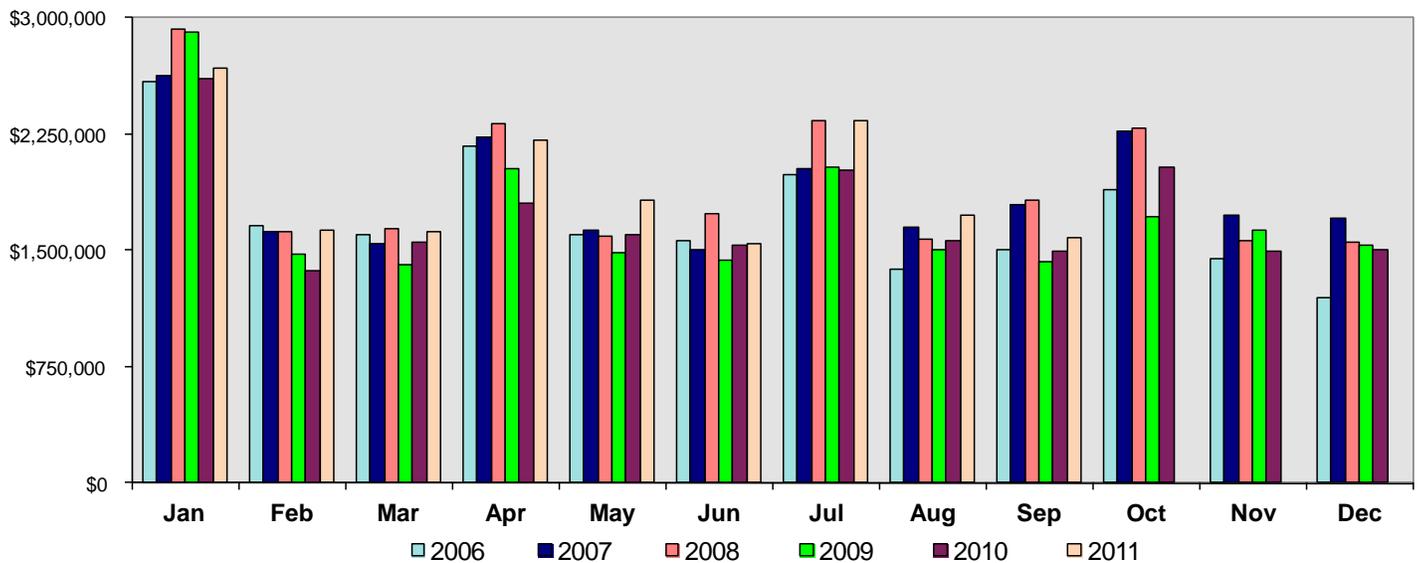
sales tax collections, appears to be a “mixed bag” with some geographic areas increasing and some decreasing compared to the same period last year.

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



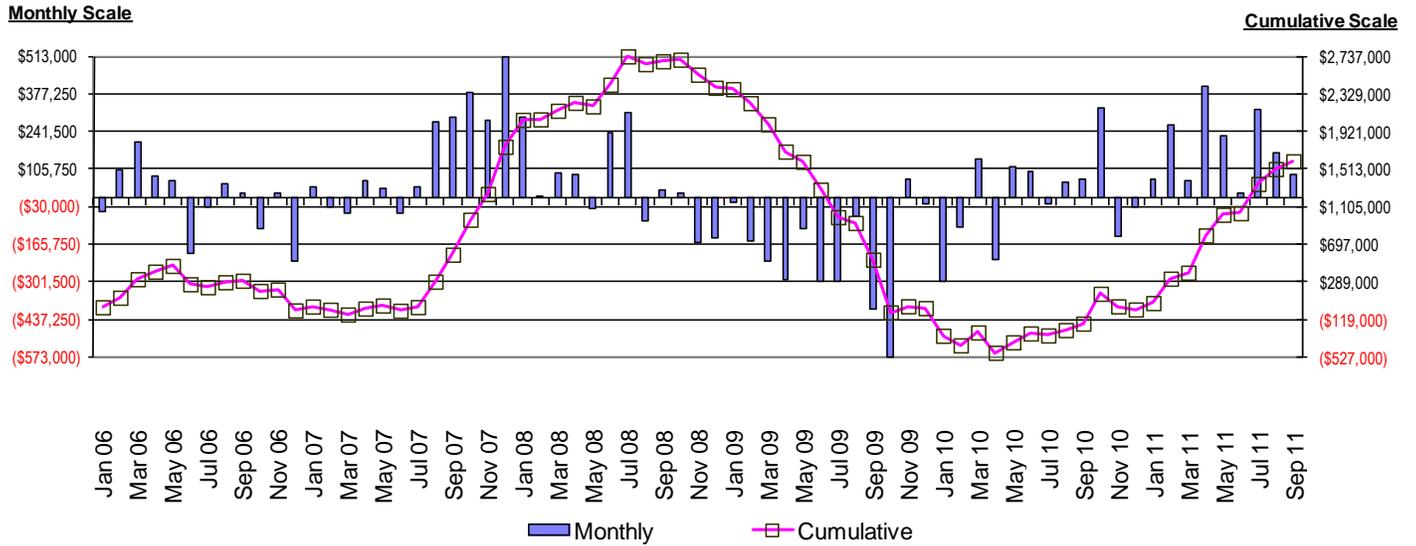
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2006 through 2011.

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



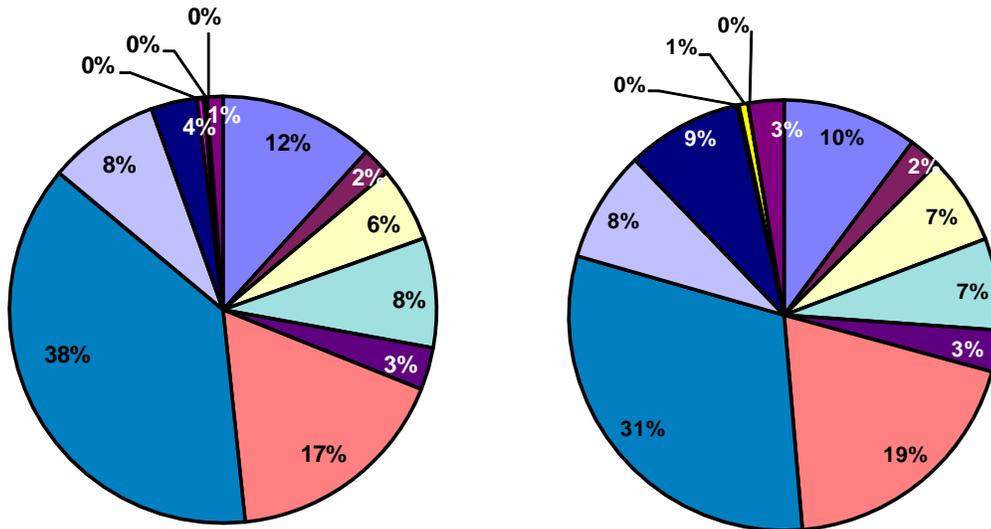
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

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 2005 and 2010.

Geographic Sales Tax Collection Areas



2005 Actual Cash Receipts by Area

Area 1	12%	Area 8	8%
Area 2	2%	Area 9	4%
Area 3	6%	Area 10	0%
Area 4	8%	Area 11	0%
Area 5	3%	Area 12	0%
Area 6	17%	Regular Use	1%
Area 7	38%		

2010 Actual Cash Receipts by Area

Area 1	10%	Area 8	8%
Area 2	2%	Area 9	9%
Area 3	7%	Area 10	0%
Area 4	7%	Area 11	1%
Area 5	3%	Area 12	0%
Area 6	19%	Regular Use	3%
Area 7	31%		

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

Area 1: This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$1,572,222 year-to-date 2010, \$11,301 or .7 percent less was collected last year.

Area 6: This geographic area is up 8.5 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 increased 31.4 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 September. The importance of Outside City has declined as a percentage of sales and use tax collections but it continues to remain an important impact on the City’s General Fund as illustrated by the following:

	2007	2008	2009	2010	2011
Total Sales and Use Taxes	16,650,326	17,578,877	15,712,757	15,543,578	17,151,334
Outside City Collections	6,129,529	6,235,186	5,118,077	4,795,562	6,202,314
Percentage of Total	36.8%	35.5%	32.6%	30.9%	36.2%
Total General Fund Revenues	28,673,812	30,160,894	28,299,939	28,150,245	29,615,761
Outside City Collections	6,129,529	6,235,186	5,118,077	4,795,562	6,202,314
Percentage of Revenues	21.4%	20.7%	18.1%	17.0%	20.9%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$1,150,000 to cover intercity claims. The City paid \$32,038 in refunds including intercity sales/use tax claims through September 2011 compared to \$199,665 through September 2010. At this time *potential* refunds total approximately \$1,500,000 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through September were down \$46,909 or 3.5 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 \$170,029 in sales and use tax audit revenues and general collections of balances on account through the month of September; this compares to \$335,789 collected in 2010 and \$458,065 collected in 2009.

Of the 69 sales tax accounts reviewed in the various geographic areas, 46 (66.7 percent) showed improved collections and 23 (33.3 percent) showed reduced collections this year compared to the same period last year.

The Department issued 368 new sales tax licenses through September 2011; 309 and 280 were issued through September 2010 and 2009 respectively.

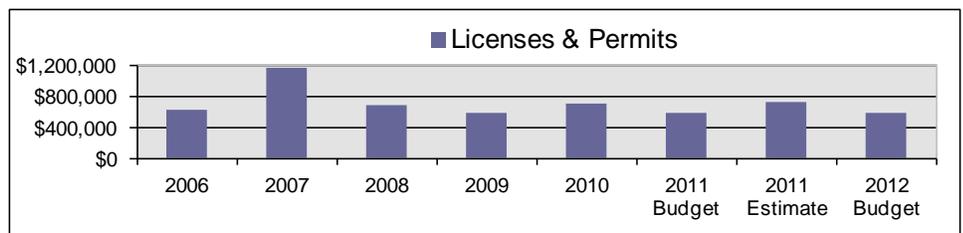
City records indicate that year-to-date 160 businesses closed (95 of them were outside the physical limits of Englewood) and 368 opened (258 of them were outside the physical limits of Englewood).

General Fund Other Revenue

Other revenues accounted for \$9,738,304 or 26.5 percent of the total revenues for 2010; the City budgeted \$10,091,541 for 2011.

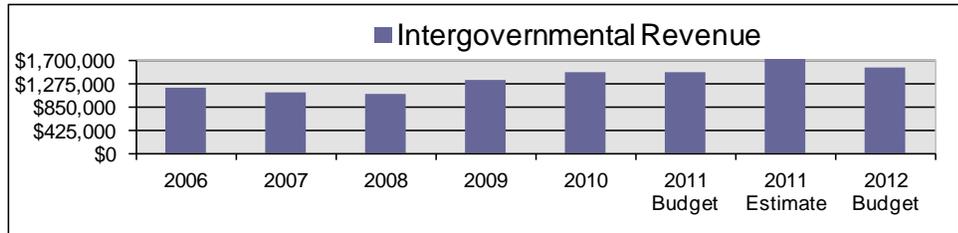
The following provides additional information on the significant revenue sources of the General Fund:

Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated



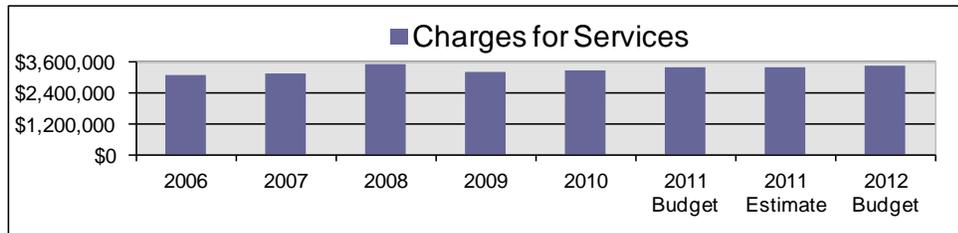
\$695,663 during 2010 or 1.9 percent of total revenue and 6.8 percent of total other revenue. This revenue source totaled \$623,945 in 2006 and increased to \$695,663 in 2010, an 11.5 percent increase. The City budgeted \$575,100 for 2011 and year-to-date the City collected \$541,276 or \$18,196 (3.5 percent) more than the \$523,080 collected through September 2010. The estimate for the year is \$719,000.

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 \$1,455,556 through September 2011 this is \$502,540 (52.7

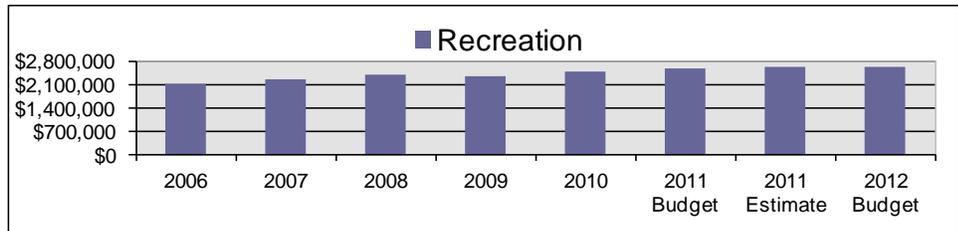


percent) more than the \$953,016 collected in the same period in 2010. The estimate for the year is \$1,753,114. Part of the reason for the large increase in intergovernmental revenue from 2010 to 2011 is the City received grant funds from CPPW for the following projects: \$150,000 for a Bike/Pedestrian Study (CD), \$88,000 for a Downtown Street Assessment Study (CD) and \$83,000 for the Community Garden (P&R)

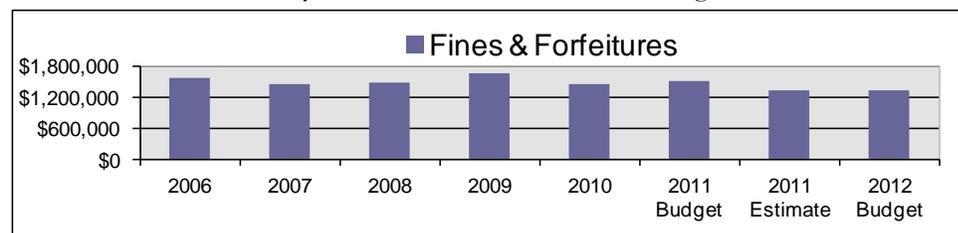
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,318,587 for 2011. This revenue source totaled \$3,053,106 in 2006 and increased to \$3,254,830 in 2010, a 6.6 percent increase. Total collected year-to-date was \$2,452,848 or \$141,023 (6.1 percent) more than the \$2,311,825 collected year-to-date in 2010. The estimate for the year is \$3,359,004.



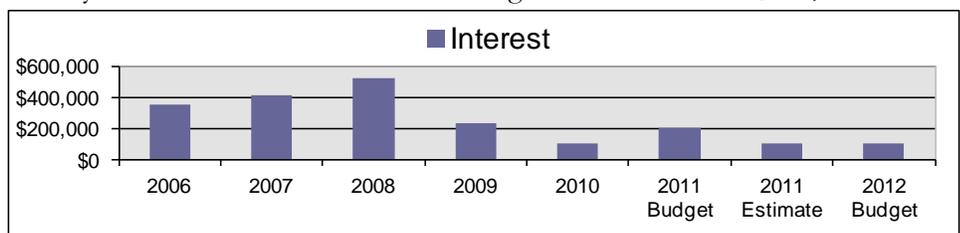
Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,587,653 for 2011. This revenue source totaled \$2,099,202 in 2006 and increased to \$2,489,781 in 2010, an 18.6 percent increase. Total collections through September 2011 were \$2,371,433 compared to \$2,256,899 collected in 2010. The estimate for the year is \$2,620,158.



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 \$976,922 or \$158,196 (14 percent) less than the \$1,135,817 collected in the same time period last year. The estimated for the year is \$1,318,450.

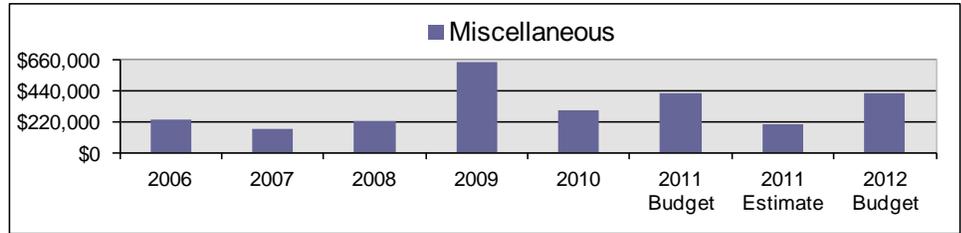


Interest: This is the amount earned on the City's cash investments. The 2011 budget for this source is \$200,000. This revenue source totaled \$353,575 in 2006 and decreased to \$100,544 in 2010, a 71.6 percent decrease. The City earned \$67,481 through September 2011; while the City



earned \$109,725 through September 2010. The estimate for the year is \$100,000.

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 increase. Total collected year-to-date is \$158,969 (35 percent) less compared to the \$244,584 collected last year during the same period. The estimate for the year is \$200,000.



General Fund Expenditures

Outcome Based Budgeting

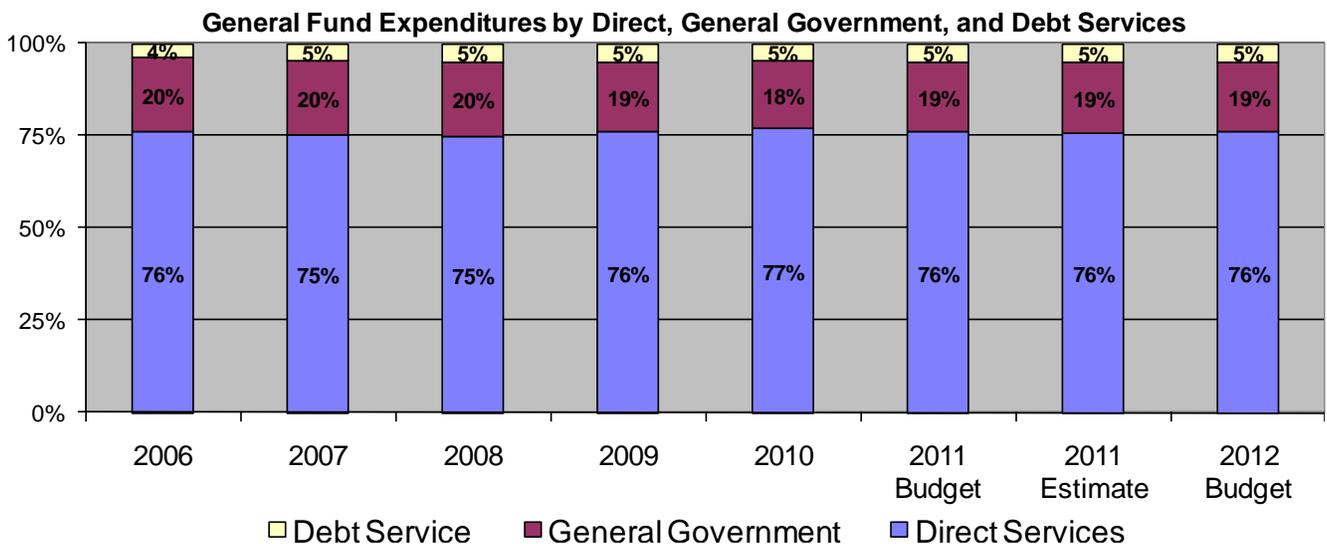
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

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

Outcome based budgeting is an additional tool the City Council and staff use to better develop ways to serve our citizens. This type of budgeting is 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 \$38,901,342 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 September were \$29,548,796 compared to \$28,373,986 in 2010 and \$28,022,166 in 2009. The year-end expenditure estimates were provided by the departments as part of the 2012 budget process.

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



Transfers

The General Fund has provided funds to and has received funds from Special Revenue Funds, Capital Projects Funds, Internal Service Funds and Component Units in order to buffer temporary gaps in revenue and expenditure amounts. In 2011 the General Fund was not in the position to provide funding to the Capital Projects Funds but has received the following net transfers:

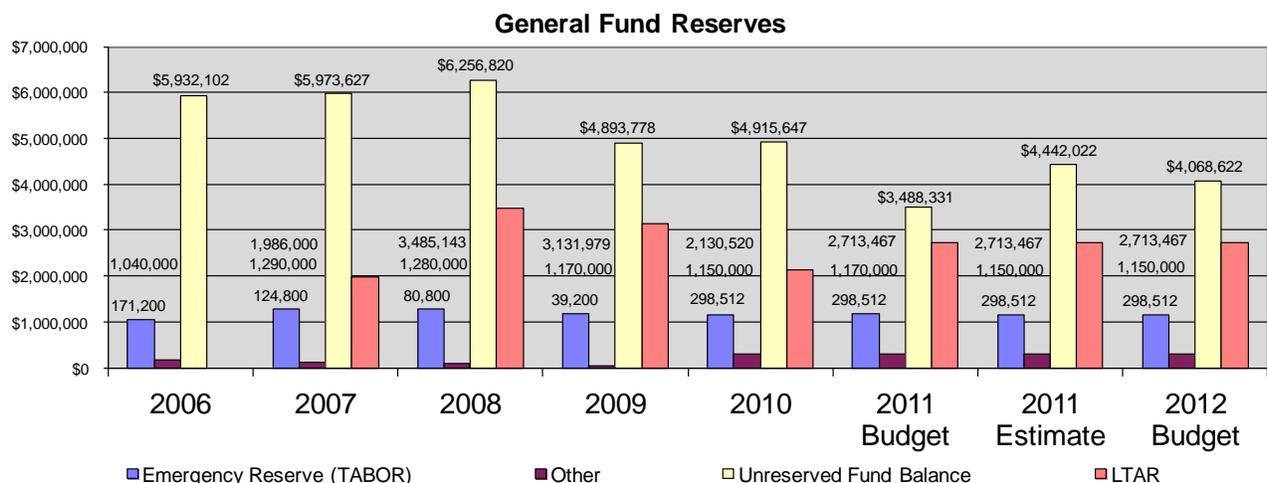
<u>Source of Funds</u>	<u>Budget Amount</u>	<u>YTD Amount</u>
Special Revenue Funds		
Neighborhood Stabilization Program Fund*	\$ 750,000	\$ 32,760
Capital Project Funds		
Public Improvement Fund (PIF)	471,815	471,815
Internal Service Funds		
Central Services Fund	100,000	100,000
Servicenter Fund	105,278	100,000
Risk Management Fund	546,000	546,000
Employee Benefits Fund	200,000	200,000
Component Units		
Englewood/McLellan Reservoir Foundation, Inc (EMRF)	325,000	304,994
Enterprise Funds		
Transfers Total	<u>21,111</u>	<u>-</u>
	<u>\$ 2,519,204</u>	<u>\$ 1,755,569</u>

*In addition to the 2011 amount received, the Neighborhood Stabilization Program Fund returned \$47,052 received in 2010 of the \$750,000 borrowed in 2010.

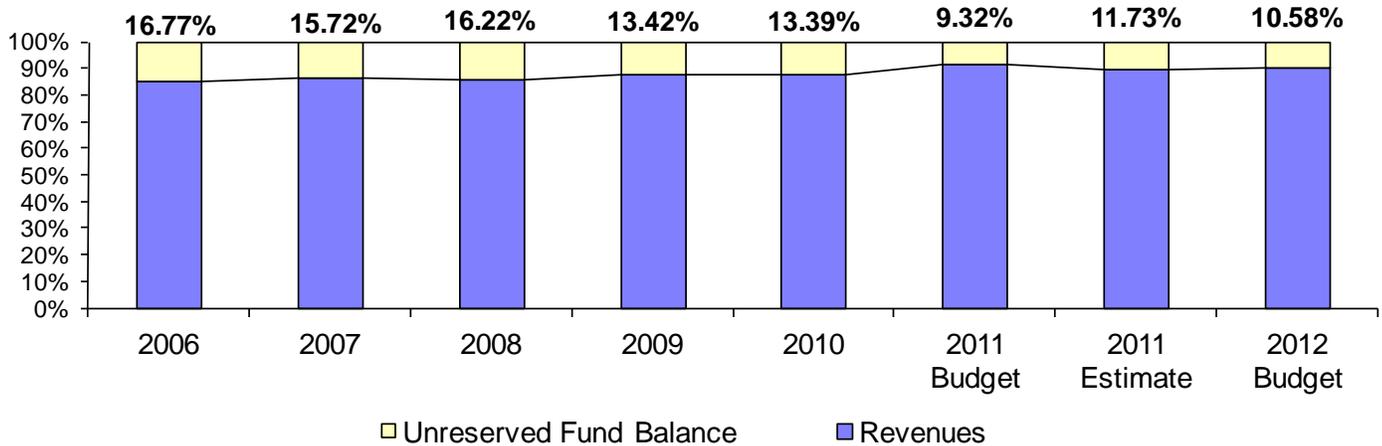
General Fund Reserves

Reserves are those funds the City sets aside for a “rainy day”. The intent is to smooth over unexpected fluctuations in revenues and expenditures. The fund is normally built up when revenues exceed expenditures. In the past, excess reserves have been transferred out to other funds, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The reserve balance is not adequate to provide for a transfer from the General Fund to the capital projects funds.

Long Term Asset Reserve (LTAR) At the 2008 Budget workshop held on September 22, 2007, City Council discussed and directed staff to establish a General Fund reserve account to accumulate funds from the sale, lease, or earnings from long-term assets. It was also determined that these funds should be used in a careful, judicious and strategic manner. The funds restricted in this account are to 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 \$2,713,467. The 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 balance also includes a \$120,000 transfer from LTAR to fund the Community Development Department’s 2011 Catalyst Program.*



Unreserved Fund Balance As A Percentage of Revenue



The City's General Fund ended 2010 with a fund balance of \$8,494,679, and an unreserved/undesignated fund balance of \$4,915,647 or 13.4 percent of revenues. The General Fund's 2011 estimates a year end fund balance at \$8,604,001 and an ending balance of \$4,442,022 or 11.7 percent of projected revenues or 11 percent of estimated expenditures. The \$4,442,022 would allow the City to operate for approximately 40.1 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
Public Improvement Fund (PIF)							
YTD Revenues	\$ 1,351,805	\$ 48,845	3.75%	\$ 1,302,960	\$ (1,061,043)	(44.88%)	\$ 2,364,003
YTD Expenditures	3,577,382	\$ 1,476,213	70.26%	2,101,169	\$ (751,510)	(26.34%)	2,852,679
Net Revenues (Expenditures)	\$ (2,225,577)	\$ (1,427,368)		\$ (798,209)	\$ (309,533)		\$ (488,676)
Beginning PIF Fund Balance	\$ 2,686,457			\$ 1,515,399			\$ 1,067,525
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 460,880			\$ 717,190			\$ 578,849
Plus: Remaining Annual Revenue	460,929			519,361			713,822
Less: Remaining Annual Appropriation	(631,598)			(637,243)			(1,118,153)
Estimated Ending Fund Balance	\$ 290,211			\$ 599,308			\$ 174,518
Unappropriated Fund Balance as of December 31,				<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 YTD Actual	2010 Vs 2009		2009 YTD Actual
				\$	%		\$	%	
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 656,174	\$ 57,469	10%	\$ 598,705	\$ (28,618)	-5%	\$ 627,323
Building Use Tax	\$ 550,000	\$ 400,000	\$ 470,266	\$ 379	0%	\$ 469,887	\$ 215,986	85%	\$ 253,902
Arapahoe County Road and Bridge Tax	\$ 191,000	\$ 191,000	\$ 172,413	\$ (485)	0%	\$ 172,898	\$ (18,042)	-9%	\$ 190,940

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 2011 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	Revenue	Expenditure	Other Sources (Uses)	Reserved Balance	Ending Balance
Governmental Fund Types (Fund Balance)						
General Fund	8,494,679	29,615,761	29,548,798	42,360	4,161,979	4,442,022
Special Revenue Funds						
Conservation Trust	1,052,255	238,770	150,220	(1,044,889)	-	95,916
Open Space	1,072,979	142,512	191,989	(679,135)	-	344,367
Neighborhood Stabilization Program	718,290	785,079	1,110,951	(392,418)	-	-
Donors	167,852	71,603	74,224	-	-	165,231
Community Development	-	205,559	204,182	(1,377)	-	-
Malley Center Trust	291,667	3,420	16,385	-	-	278,702
Parks & Recreation Trust	449,303	4,753	7,919	-	-	446,138
Debt Service Fund						
General Obligation Bond	9,616	1,067,281	173,142	-	-	903,756
Capital Projects Funds						
PIF	2,686,457	1,351,805	2,005,573	(1,742,479)	-	290,211
MYCP	1,061,738	7,500	510,457	(603,019)	-	(44,238)
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	7,027,103	6,145,134	6,034,188	-	-	7,138,049
Sewer	6,792,828	11,422,795	11,516,435	-	1,000,000	5,699,188
Stormwater Drainage	903,814	277,464	96,196	-	137,818	947,264
Golf Course	713,451	1,631,689	1,339,844	-	293,500	711,796
Concrete Utility	277,905	616,326	386,890	-	-	507,341
Housing Rehabilitation	404,633	146,688	60,608	-	-	490,714
Internal Service Funds						
Central Services	234,309	235,146	218,862	(100,000)	-	150,593
ServiCenter	902,008	1,662,804	1,310,078	(100,000)	-	1,154,734
CERF	728,781	570,663	249,097	-	-	1,050,347
Employee Benefits	210,918	3,937,739	4,128,332	(200,000)	51,847	(231,522)
Risk Management	1,201,929	1,389,799	751,992	(546,000)	-	1,293,736

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 the **art** Shuttle Program which is funded in part by the Regional Transportation District (RTD). **art** provides riders free transportation to 19 stops connecting CityCenter Englewood, businesses in downtown Englewood, and the medical facilities in and near Craig Hospital and Swedish Medical Center.

Concrete Utility Fund – Accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

Conservation Trust Fund – Accounts for the acquisition of parks and open space land not previously owned by the City and for improvements to existing park and recreation facilities. Financing is provided primarily from State Lottery funds.

Debt Service Funds account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond and loan principal and interest from special assessment levies when the government is obligated in some manner for payment.

Donors' Fund – Accounts for funds donated to the City for various specified activities.

Employee Benefits Fund – Accounts for the administration of providing City employee benefit programs: medical, dental, life, and disability insurance.

Enterprise Funds account for operations that: (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the City Council has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Obligation Bond Fund – Accounts for the accumulation of monies for payment of General Obligation Bond principal and interest.

Golf Course Fund – Accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

Governmental Funds distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs

FUNDS GLOSSARY

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.

Neighborhood Stabilization Program Fund – Accounts for the federal grant awarded to acquire, rehabilitate and resale approximately eleven foreclosed residential properties located in the City.

Open Space Fund – Accounts for the acquisition of parks and open space land not previously owned by the City and for improvements to existing park and recreation facilities. Financing is provided from the Arapahoe County Open Space Sales Tax of .25%. The Open Space Tax was created on January 1, 2004 and expires on December 31, 2013.

Parks and Recreation Trust Fund – Accounts for a trust established by the City, financed primarily by donations, to be used exclusively for specific park and recreation projects.

Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

Public Improvement Fund (PIF) – Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily from building and vehicle use taxes.

Risk Management Fund – Accounts for the administration of maintaining property and liability and workers’ compensation insurance.

ServiCenter Fund – Accounts for the financing of automotive repairs and services provided by the ServiCenter to other departments of the City, or to other governmental units, on a cost reimbursement basis.

Sewer Fund – Accounts for revenues and expenses associated with providing wastewater services to the City of Englewood residents and some county residents.

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

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Storm Drainage Fund – Accounts for revenues and expenses associated with maintaining the City’s storm drainage system.

Water Fund – Accounts for revenues and expenses associated with providing water services to City of Englewood residents.

General Fund Comparative Revenue, Expenditure & Fund Balance Report as of September 30, 2011

Percentage of Year Completed = 75%

Fund Balance January 1	\$ 8,157,514	\$ 8,494,679	\$ 8,494,679	\$ 9,234,957	\$ 9,234,957	\$ 11,102,763	\$ 11,102,763			
Revenues	2011				2010			2009		
	Budget	Sep-11	% Budget	YE Estimate	Dec-10	Sep-10	% YTD	Dec-09	Sep-09	% YTD
Property Tax	3,017,000	2,919,183	96.76%	3,017,000	3,020,884	2,901,895	96.06%	2,971,303	2,903,463	97.72%
Specific Ownership Tax	250,000	168,975	67.59%	250,000	263,434	179,313	68.07%	276,415	193,983	70.18%
Sales & Use Taxes	21,216,000	16,560,313	78.06%	21,640,320	20,866,515	15,573,333	74.63%	20,624,659	15,728,036	76.26%
Cigarette Tax	190,000	139,112	73.22%	185,000	196,320	145,271	74.00%	218,448	164,314	75.22%
Franchise Fees	2,650,851	1,796,489	67.77%	2,702,938	2,620,191	1,808,872	69.04%	2,452,611	1,565,270	63.82%
Hotel/Motel Tax	8,713	7,204	82.68%	8,713	8,806	6,615	75.12%	9,141	6,917	75.67%
Licenses & Permits	575,100	541,276	94.12%	719,000	695,563	523,080	75.20%	588,303	392,887	66.78%
Intergovernmental Revenue	1,459,564	1,455,556	99.73%	1,753,114	1,465,970	953,016	65.01%	1,333,688	854,468	64.07%
Charges for Services	3,338,567	2,452,848	73.47%	3,359,004	3,254,830	2,311,825	71.03%	3,163,735	2,375,652	75.09%
Recreation	2,587,653	2,371,433	91.64%	2,620,158	2,489,781	2,256,899	90.65%	2,315,598	2,043,567	88.25%
Fines & Forfeitures	1,509,150	976,922	64.73%	1,318,450	1,437,957	1,135,817	78.99%	1,639,678	1,275,121	77.77%
Interest	200,000	67,481	33.74%	100,000	100,545	109,725	109.13%	229,999	201,693	87.69%
Miscellaneous	421,507	158,969	37.71%	200,000	293,658	244,584	83.29%	643,311	594,568	92.42%
Total Revenues	37,424,105	29,615,761	79.14%	37,873,697	36,714,454	28,150,245	76.67%	36,466,889	28,299,939	77.60%
Expenditures										
Legislation	346,120	182,584	52.75%	341,236	309,870	227,172	73.31%	346,045	218,535	63.15%
City Attorney	762,518	517,050	67.81%	747,268	702,228	509,669	72.58%	678,038	468,252	69.06%
Court	999,105	633,141	63.37%	978,735	901,469	647,913	71.87%	914,493	660,141	72.19%
City Manager	664,732	483,240	72.70%	638,800	659,882	518,422	78.56%	674,170	492,871	73.11%
Human Resources	481,102	312,097	64.87%	435,833	419,421	286,632	68.34%	456,275	318,143	69.73%
Financial Services	1,550,906	1,073,963	69.25%	1,519,463	1,445,581	1,042,204	72.10%	1,575,924	1,108,444	70.34%
Information Technology	1,338,543	981,951	73.36%	1,343,419	1,280,660	889,851	69.48%	1,360,237	939,229	69.05%
Public Works	5,498,891	3,774,095	68.63%	5,395,714	5,137,364	3,715,680	72.33%	5,152,891	3,609,230	70.04%
Fire Department	7,465,775	5,670,154	75.95%	7,492,341	7,425,903	5,228,890	70.41%	7,320,268	5,123,368	69.99%
Police Department	10,587,026	7,675,108	72.50%	10,599,704	10,312,633	7,416,864	71.92%	10,183,891	7,234,021	71.03%
Community Development	1,344,556	995,169	74.01%	1,466,766	1,301,473	875,362	67.26%	1,366,437	955,696	69.94%
Library	1,256,520	842,044	67.01%	1,228,286	1,284,083	944,764	73.57%	1,275,554	946,012	74.16%
Recreation	5,969,515	4,558,569	76.36%	5,823,758	5,811,809	4,505,023	77.51%	5,727,968	4,446,856	77.63%
Debt Service	2,075,204	1,742,807	83.98%	2,111,112	1,860,827	1,526,483	82.03%	1,805,208	1,452,497	80.46%
Contingency	90,000	106,824	118.69%	150,000	48,139	39,057	81.13%	160,578	48,871	30.43%
Total Expenditures	40,430,513	29,548,796	73.09%	40,272,435	38,901,342	28,373,986	72.94%	38,997,977	28,022,166	71.86%
Excess revenues over (under) expenditures	(3,006,408)	66,965	-2.23%	(2,398,738)	(2,186,888)	(223,741)		(2,531,088)	277,773	
Net transfers in (out)	2,519,204	1,755,569	69.69%	2,508,060	1,446,610	1,191,099	82.34%	663,282	51,445	7.76%
Total Fund Balance	\$ 7,670,310	\$ 10,317,213	134.51%	\$ 8,604,001	\$ 8,494,679	\$ 10,202,315	120.10%	\$ 9,234,957	\$ 11,431,981	123.79%

Fund Balance Analysis

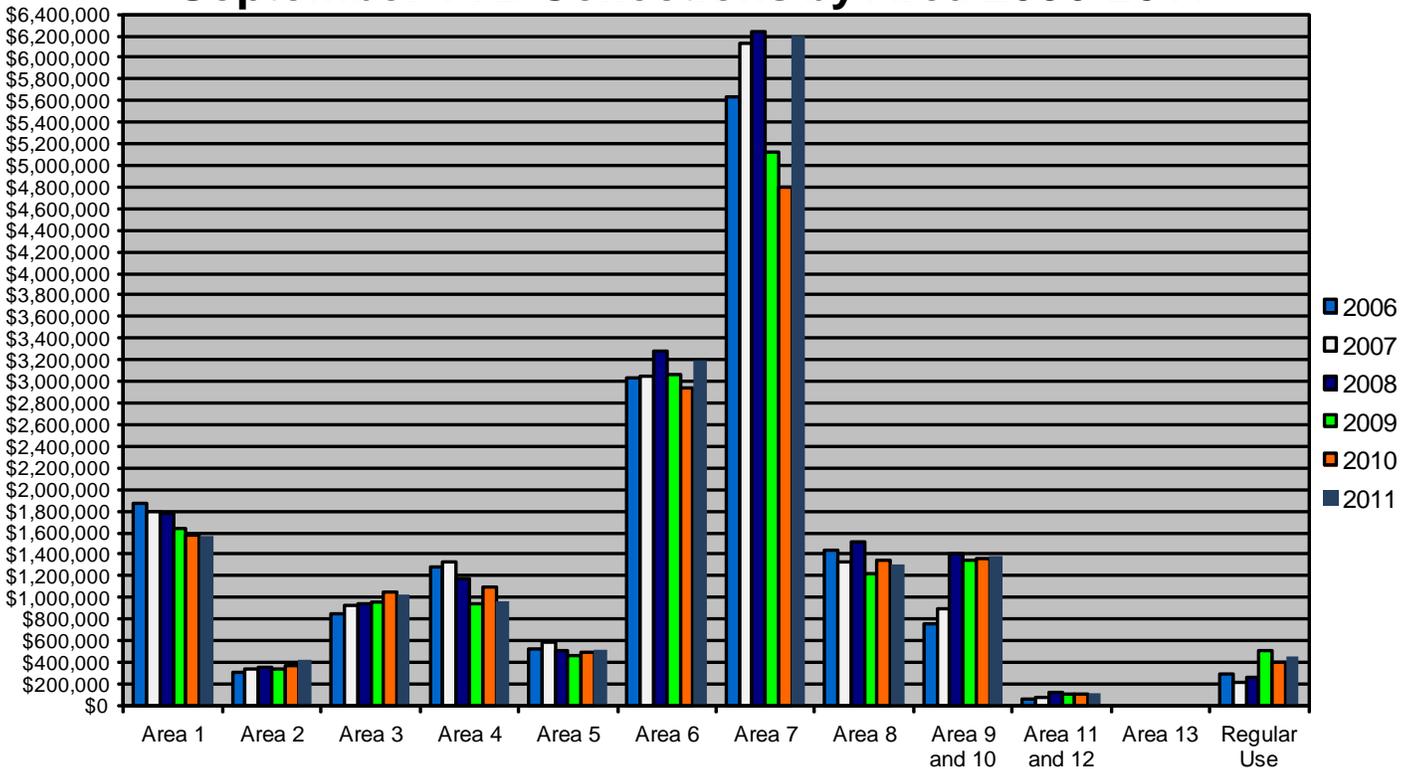
Total Fund Balance	\$ 7,670,310	\$ 10,317,213	\$ 8,604,001	\$ 8,494,679	\$ 9,234,957
Reserves/designations:					
-Emergencies (TABOR)	1,170,000	1,150,000	1,150,000	1,150,000	1,170,000
-LTAR	2,713,467	2,096,094	2,713,467	2,130,520	3,131,980
-MOA	-	-	-	-	39,200
-COPS Grant	298,512	298,512	298,512	298,512	-
Unreserved/undesignated					
Fund Balance	\$ 3,488,331	\$ 6,772,607	\$ 4,442,022	\$ 4,915,647	\$ 4,893,777
Potential reserves/designations	-	-	-	-	-
Estimated unres/undesignated					
Fund Balance	\$ 3,488,331	\$ 6,772,607	\$ 4,442,022	\$ 4,915,647	\$ 4,893,777
As a percentage of projected revenues	9.21%	11.73%	13.39%	13.42%	
As a percentage of budgeted revenues	9.32%	11.87%			
Target	3,742,411	-	5,613,616		

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

Cash Basis

	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change
Area 1	1,875,841	2.02%	1,794,449	-4.34%	1,778,946	-0.86%	1,640,193	-8.60%	1,583,523	-10.99%	1,572,222	-0.71%
Area 2	305,997	-9.51%	338,756	10.71%	349,710	3.23%	336,450	-0.68%	375,718	7.44%	415,582	10.61%
Area 3	850,265	-3.15%	933,196	9.75%	940,964	0.83%	955,719	2.41%	1,044,494	11.00%	1,029,138	-1.47%
Area 4	1,282,766	-1.19%	1,326,788	3.43%	1,171,655	-11.69%	942,847	-28.94%	1,094,875	-6.55%	962,708	-12.07%
Area 5	519,141	0.55%	579,997	11.72%	506,988	-12.59%	465,939	-19.67%	489,784	-3.39%	515,203	5.19%
Area 6	3,027,007	15.33%	3,043,102	0.53%	3,287,368	8.03%	3,068,601	-0.84%	2,942,762	-10.48%	3,192,774	8.50%
Area 7	5,639,748	-5.29%	6,129,529	8.68%	6,235,186	1.72%	5,118,077	-16.50%	4,795,562	-23.09%	6,202,314	29.33%
Area 8	1,437,361	7.02%	1,331,950	-7.33%	1,521,370	14.22%	1,217,123	-8.62%	1,351,530	-11.16%	1,304,621	-3.47%
Area 9 and 10	758,890	-5.62%	888,409	17.07%	1,404,584	58.10%	1,350,734	-3.83%	1,362,957	0.90%	1,389,373	1.94%
Area 11 and 12	60,698	2.00%	74,098	22.08%	115,648	56.07%	109,922	-4.95%	106,872	-2.77%	113,277	5.99%
Area 13											0	0.00%
Regular Use	287,243	91.54%	210,053	-26.87%	266,456	26.85%	507,151	141.44%	395,501	48.43%	454,123	14.82%
Total	16,044,957	-3.74%	16,650,326	3.77%	17,578,877	5.58%	15,712,757	-5.63%	15,543,578	-11.58%	17,151,334	10.34%
Refunds	202,476	63.81%	185,678	-8.30%	480,200	158.62%	72,771	-84.85%	199,665	174.37%	32,392	-83.78%
Audit & Collections Revenue*	394,949	-34.78%	477,313	20.85%	528,229	10.67%	458,065	-13.28%	335,789	-26.69%	176,618	-47.40%
*included Above												
Unearned Sales Tax	650,000	-7.14%	650,000	0.00%	650,000	0.00%	600,000	-7.69%	600,000	0.00%	1,150,000	91.67%
Building Use	722,588	37.01%	1,730,566	139.50%	648,883	-62.50%	253,902	-60.87%	469,887	85.07%	470,266	0.08%
Vehicle Use	896,692	-16.48%	1,074,635	19.84%	1,003,086	-6.66%	710,908	-29.13%	686,142	-3.48%	726,861	5.93%

September 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

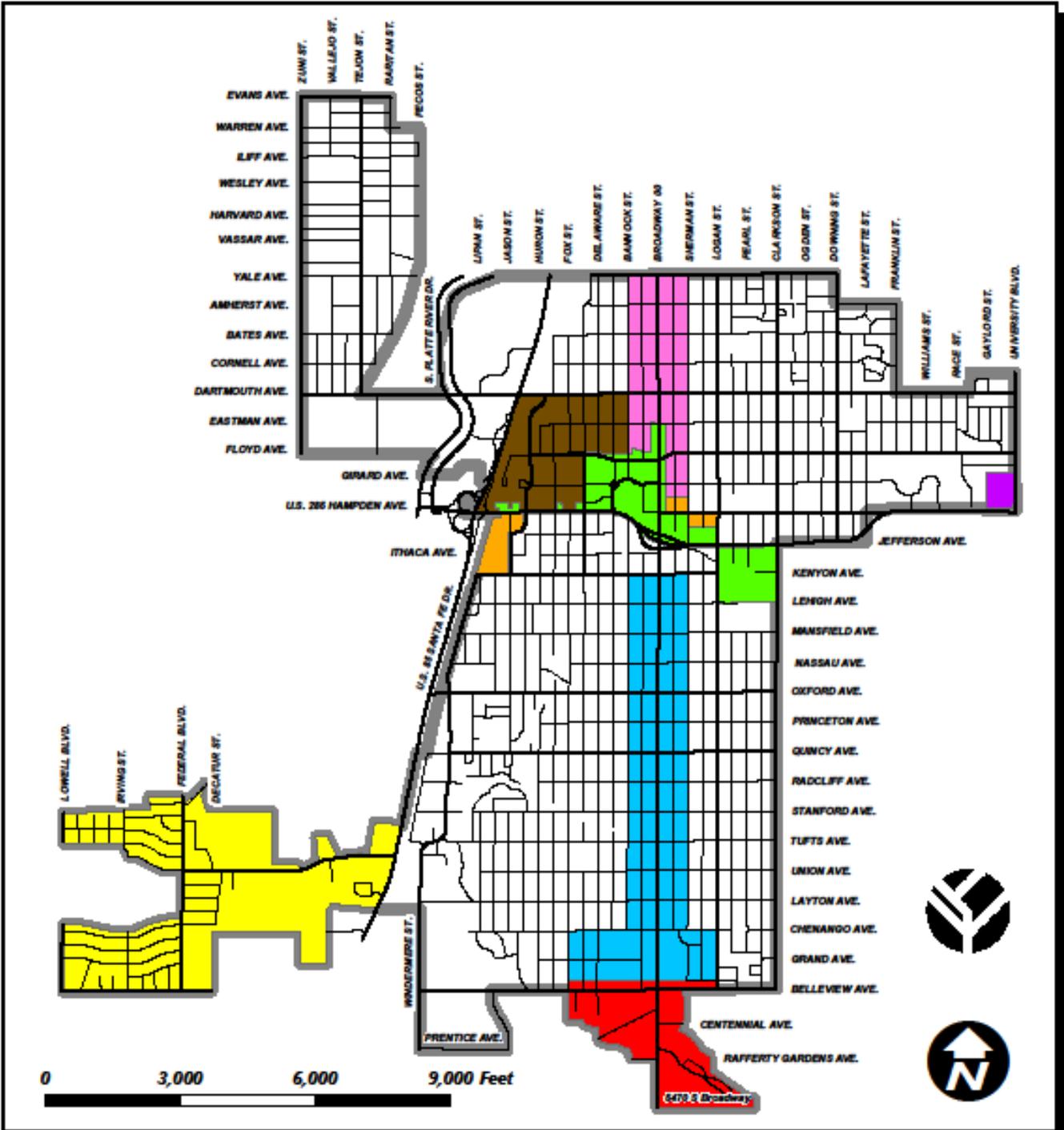
Area 7 - Outside City limits

Area 8 - Public Utilities (Xcel Energy, Century Link)

Area 9 & 10 - Downtown & Englewood Pkwy

Area 11 & 12 - S of 285, N of Kenyon between Jason and Santa Fe

Area 13 - Hampden Avenue (US 285) and University Boulevard



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 | Area 13 | |

Areas Not Depicted on Map:
 Area 6 - Other City Locations Area 7 - Outside City Limits Area 8 - Public Utilities

H:\data\gis\cityofenglewood\salesmap2011.pdf



Memorandum

City Manager's Office

TO: Mayor Woodward and Members of City Council

THROUGH: Gary Sears, City Manager

FROM: Michael Flaherty, Deputy City Manager

DATE: October 20, 2011

SUBJECT: Human Society of South Platte Valley – Financial Update

The Humane Society of South Platte Valley (HSSPV) has requested a pre-payment of \$10,000 against their 2012 sheltering services fee. The request for an advance is based on the HSSPV cash flow projections, a copy of which is attached.

HSSPV Executive Director, Nick Fisher, met earlier this month with Phil Cortese, Littleton Deputy Manager, and me to discuss this request. Mr. Fisher explained that the primary factor in their inability to meet their current year cash flow requirements is that adoption revenue is down substantially due to the economy. Mr. Fisher pointed out that while the HSSPV been able to keep operating expenses well under budget; their adoption revenues have not met expectations. Mr. Fisher requested advance payments of \$10,000 each from the cities of Englewood and Littleton to allow the HSSPV to meet their financial obligations for the remainder of 2012. He has also provided a narrative, also attached, describing their current finance condition and steps that the HSSPV is taking to address the immediate situation. With their government contract payments for 2012 due in January, the cash flow problem will be remedied and the HSSPV board of directors is embarking on a fund raising campaign to better address their current and future financial needs.

The annual \$50,000 sheltering services contract is in the Police Department budget and since the advance payment will be recorded as a 2012 expenses, there is no negative impact on either the Police or General Fund budgets and no requirement for formal City Council action. However, we felt it was important to provide City Council with an update on the HSSPV financial situation.

Humane Society of the South Platte Valley
Cash Flow Projections Oct-Dec 2011
 January - December 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Total	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Actual	
													Budget	
Income														
Total Contributions and Grants	\$ 42,822.69	\$ 10,536.65	\$ 13,363.60	\$ 6,006.04	\$ 17,851.69	\$ 14,179.22	\$ 17,950.64	\$ 14,537.45	\$ 9,167.01	\$ 11,300.00	\$ 16,500.00	\$ 43,000.00	\$ 217,214.99	\$ 200,500.00
Total Government Contracts	\$ 130,250.00	\$ 0.00	\$ 5,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 20,000.00	\$ 155,250.00	\$ 135,250.00
Total Program Service Revenue	\$ 20,543.00	\$ 22,921.00	\$ 27,173.16	\$ 20,374.00	\$ 21,510.00	\$ 21,138.00	\$ 13,838.00	\$ 16,145.00	\$ 16,997.00	\$ 15,800.00	\$ 15,800.00	\$ 15,800.00	\$ 228,039.16	\$ 311,600.00
Total Income	\$ 193,615.69	\$ 33,457.65	\$ 45,536.76	\$ 26,380.04	\$ 39,361.69	\$ 35,317.22	\$ 31,788.64	\$ 30,682.45	\$ 26,164.01	\$ 27,100.00	\$ 32,300.00	\$ 78,800.00	\$ 600,504.15	\$ 647,350.00
Total Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 75.00	\$ 261.11	\$ 1,073.78	\$ 3,608.94	\$ 194.06	\$ 1,800.00	\$ 0.00	\$ 0.00	\$ 7,012.89	\$ 21,200.00
Gross Profit	\$ 193,615.69	\$ 33,457.65	\$ 45,536.76	\$ 26,380.04	\$ 39,286.69	\$ 35,056.11	\$ 30,714.86	\$ 27,073.51	\$ 25,969.95	\$ 25,300.00	\$ 32,300.00	\$ 78,800.00	\$ 593,491.26	\$ 626,150.00
Expenses														
Total Occupancy	\$ 8,857.74	\$ 8,145.99	\$ 7,690.61	\$ 7,671.63	\$ 7,205.85	\$ 7,411.14	\$ 7,541.93	\$ 7,148.60	\$ 6,697.21	\$ 6,991.77	\$ 6,991.77	\$ 6,991.77	\$ 89,346.01	\$ 95,160.00
Total Office Expense	\$ 2,408.39	\$ 1,665.14	\$ 5,339.09	\$ 1,446.60	\$ 1,585.51	\$ 1,709.83	\$ 2,227.68	\$ 1,667.42	\$ 1,450.04	\$ 900.00	\$ 900.00	\$ 900.00	\$ 22,199.70	\$ 24,800.00
Total Payroll Expenses	\$ 23,909.54	\$ 24,458.64	\$ 36,666.84	\$ 25,179.41	\$ 24,630.96	\$ 24,628.88	\$ 22,358.07	\$ 23,391.48	\$ 35,532.85	\$ 23,500.00	\$ 23,500.00	\$ 23,500.00	\$ 311,266.67	\$ 321,750.00
Total Professional Fees	\$ 115.30	\$ 294.55	\$ 177.80	\$ 125.90	\$ 120.90	\$ 124.40	\$ 0.00	\$ 125.65	\$ 191.90	\$ 125.00	\$ 125.00	\$ 125.00	\$ 1,651.40	\$ 1,800.00
Total Shelter Expense	\$ 8,437.58	\$ 8,350.36	\$ 12,795.40	\$ 9,705.27	\$ 9,659.32	\$ 7,158.93	\$ 5,469.20	\$ 3,756.36	\$ 3,200.16	\$ 2,250.00	\$ 4,750.00	\$ 7,250.00	\$ 82,782.58	\$ 114,300.00
Total Expenses	\$ 50,853.44	\$ 47,905.57	\$ 68,097.30	\$ 49,770.20	\$ 48,756.92	\$ 46,674.56	\$ 43,238.25	\$ 43,774.67	\$ 47,420.71	\$ 37,621.89	\$ 41,908.14	\$ 44,408.14	\$ 570,429.79	\$ 625,421.00
Net Operating Income	\$ 142,762.25	\$ 14,447.92	\$ 22,560.54	\$ 23,390.16	\$ 9,470.23	\$ 11,618.45	\$ 12,523.39	\$ 16,701.16	\$ 21,450.76	\$ 12,321.89	\$ 9,608.14	\$ 34,391.86	\$ 23,061.47	\$ 729.00
Net Income	\$ 142,762.25	\$ 14,447.92	\$ 22,560.54	\$ 23,390.16	\$ 9,470.23	\$ 11,618.45	\$ 12,523.39	\$ 16,701.16	\$ 21,450.76	\$ 12,321.89	\$ 9,608.14	\$ 34,391.86	\$ 23,061.47	\$ 729.00
OPERATING ACTIVITIES														
Net income	142762.25	-14447.92	-22560.54	-23390.16	-9470.23	-11618.45	-12523.39	-19284.86	-21,450.76	-12,321.89	-9608.14	34391.86		
Adjustments to reconcile Net Income to Net Cash provided by operations:														
Accounts Receivable	-5250.00	4805.00	-4255.00	-200.00	4477.00	-349.00	-5651.00	5000.00	2000.00					
Accounts Payable	2070.15	-2539.13	-309.81	5003.49	-4789.30	5026.65	-1446.09	7867.65	-3801.40	-5000.00	2500.00			
Customer Deposits	-1700.00	-1250.00	950.00	600.00	-1325.00	3475.00	1350.00	-450.00	-325.00	-500.00	-500.00	-500.00		
Deferred Income	-87404.74	-2163.74	31554.07	-2013.38	-2554.30	-2618.98	-2424.94	-2583.70	-2955.26	-2500.00	-2500.00	-2500.00		
Net cash provided by operating activities	\$ 50,477.66	\$ 15,595.79	\$ 5,378.72	\$ 20,000.05	\$ 13,661.83	\$ 6,084.78	\$ 20,695.42	\$ 6,867.21	\$ 23,577.16	\$ 17,821.89	\$ 7,608.14	\$ 33,891.86		
INVESTING ACTIVITIES														
Property and Equipment	-1498.05													
Deposits							-750.00							
Net cash provided by investing activities	-1498.05						-750.00							
Net cash increase for period	\$ 48,979.61	\$ 15,595.79	\$ 5,378.72	\$ 20,000.05	\$ 13,661.83	\$ 6,084.78	\$ 21,445.42	\$ 6,867.21	\$ 23,577.16	\$ 17,821.89	\$ 7,608.14	\$ 33,891.86		
Cash at beginning of period	66,923.31	115,902.92	100,307.13	105,685.85	85,685.80	72,023.97	65,939.19	44,493.77	37,626.56	14,049.40	-3772.49	-11380.63		
Cash at end of period	\$ 115,902.92	\$ 100,307.13	\$ 105,685.85	\$ 85,685.80	\$ 72,023.97	\$ 65,939.19	\$ 44,493.77	\$ 37,626.56	\$ 14,049.40	\$ 3,772.49	\$ 11,380.63	\$ 22,511.23		

Humane Society of the South Platte Valley
Cash Flow Projections
Narrative
October 2011

Cash Flow

Cash is projected to be (\$3,772.49) in October and (\$11,380.63) in November. Projections are we will need \$11,500 in cash by the end of November.

Income

Contributions and Grants – this includes contributions, appeals, events and grants.

The following projections have been given to these line items:

Appeals-The Jack and Chance Appeal is set to go to the mail house by the end of the week. Revenue from the appeal has been conservatively estimated to be \$1000 in October, \$5000 in November and \$1500 in December.

Contributions-Contributions have been conservatively estimated to be at around \$4000 per month based on prior month's actual revenues.

Grants-We received a \$1000 grant from the Denver Animal Foundation in October. This grant is restricted for medical services for animals transferred from Denver.

Dara and Ted with Best Pets Foundation and the Prince Foundation will be awarding us two \$2500 grants. We were going to contact Dara to see if they could disperse the funds in November.

We applied to both the Bates Foundation and the Animal Assistance Foundation. These grants are usually awarded in December. Bates for \$10,000 and AAF for \$25,000.

Events-We are doing two adoption events and two fundraising events in October. Barktoberfest and Whole Foods are anticipated to bring in \$2000 and the \$800 is for the payment from Chipotle for the September fundraiser.

Government Contracts -I have met jointly with Littleton and Englewood. Either both are looking into the possibility of paying part of their contract fees, \$10,000 or \$25,000 each for 2012 at the end of 2011 based upon our cash flow needs. Englewood is willing to try to disperse the funds in November and Littleton is looking at mid December. Both will get back to me later this week on what they can do.

Program Service Revenue – adoptions are conservatively estimated to make \$9500 in revenue for the next three months. In 2010, we were over budget in adoptions for the last three months of the year. Estimates are conservative based on this year's downturn in adoptions. Redemptions, daily care, etc. are tracking closely with what was budgeted each month, those income numbers are projected to come in close to budget. The S/N clinic is estimated to bring in about \$1500 per month for the last three months based on the number of public surgeries that we have done the last two months. We are trying to do some marketing efforts for the clinic.

Cost of Sales

Event and Merchandise – We still owe about \$350 for expenses related to the Woof and Wag. Expenses related to the appeal letter will be about \$1500. Margie and her mother have donated/loaned \$1200 to help with the appeal expense.

Expenses

Shelter Expenses – All shelter expenses were put into the projections based on our actual numbers. We currently have a payable for vaccines of over \$4000. I am checking with our vendor to see what the actual bill is and we will try to work with them to pay part of the bill in November and the rest of the bill in December.

Payroll Expenses – Payroll is estimated to be \$21000 per month and payroll taxes are \$2000.

Occupancy – This is our monthly lease payment for the building, the storage trailer, trash and utilities.

Office Expense – Projections are based on not spending any money for office supplies other than paper and ink for the printer.

Insurance – This is general liability, auto and our umbrella policies, which cost over \$800 month. Our health and dental insurance is \$4000 per month. Due to adjustments, we will only have to pay \$2500 in October and we anticipate the cost going back up to around \$4000 for November and December.

Professional Fees – The only professional fee we pay is for the payroll service, no other professional services have been used.

Payables – We currently have payables of about \$12,000. These were spread out in the cash flows across the last three months of the year and will be paid upon available cash after paying our Payroll and Occupancy Expenses.