



**AGENDA FOR THE  
ENGLEWOOD CITY COUNCIL  
STUDY SESSION  
MONDAY, OCTOBER 8, 2012  
COMMUNITY ROOM  
6:00 P.M.**

- I. **DRCOG Senior Issues**  
DRCOG Area Agency on Aging Director Jayla Sanchez-Warren will discuss senior issues with City Council.
  
- II. **2013 Proposed Budget – 6:45 p.m.**  
City Council and staff will discuss the 2013 Proposed Budget. Those Departments are –
  - Fire Department
  - Financial and Administrative Services
  - Human Resources
  - Library Services
  - Municipal Court
  - Public Works
  - City Council
  - Break – 10 minutes
  - Parks and Recreation Department
  - Community Development
  - Information Technology
  - City Attorney's Office
  - City Manager's Office
  - Utilities/Wastewater Treatment
  - Police Department
  
- III. **City Manager's Choice**
  
- IV. **City Attorney's Choice**
  
- V. **City Council Choice**



# Memorandum

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City Manager's Office

TO: Mayor Penn and Members of City Council  
THROUGH: Gary Sears, City Manager  
FROM: Michael Flaherty, Deputy City Manager  
DATE: October 4, 2012  
SUBJECT: 2013 One Percent Budget Adjustments

During the City Council 2013 budget discussion on October 1, Council requested an additional meeting to explore further reductions in the 2013. Council requested the City Manager instruct Department Directors to prepare one percent budget reductions from each of their proposed 2013 budgets. All Department Directors will be present during the Study Session on October 8 to discuss their 2013 budgets and the one percent reductions with City Council.

The Finance Director has prepared the attached spreadsheet that summaries each general fund department's 2012 adopted budget, 2013 proposed budget, the one percent reduction alternatives, and the associated impacts of these reduction alternatives. In addition, most Department Directors have prepared memoranda that further describe their respective 2013 budget and one percent adjustment.

In reviewing the packet materials, Council should note the following items related to the 2012-13 budgets:

## Expenditures

- The proposed 2013 general fund expenditure budget is only \$160,233 or 0.39% greater than the 2012 adopted expenditure budget.
- Seven out of the twelve 2013 general fund department proposed budgets are reduced from 2012.
- General fund budgeted expenditures for 2012 are \$40,949,793 and currently estimated actual expenditures are \$40,908,227. However, historically expenditures come in 2-3% below budgeted costs. In 2011, actual expenditures totaled 95.9% of budgeted expenditures.
- Expenditures are budgeted to exceed revenues by \$1.8 million in 2012; however, year-to-date revenues exceed expenditures by \$440,786. While certain large expenditures, including debt service payments, will negatively impact the revenue/expenditure balance, the balance between revenues and expenditures at the end of September is actually slightly ahead of 2011.

### Revenues

- Revenues for 2013 are budgeted at only 1% greater than 2012.
- Based on preliminary data, September 2012 revenues exceeded September 2011 revenues by \$126,000, bringing our year-to-date total within .78% of 2011. With a reasonable fourth quarter, we should meet our revenue projections.
- Sales tax increases from new projects, i.e., Kent Place and Centennial Shopping Center, have not been specifically addressed in the 2013 budget. However, based on King Soopers taxable revenues/square foot formula, the Kings Soopers stores alone at these two locations, after deduction for shared sales tax at Centennial, will produce an increase of approximately \$210,000 in sales taxes on an annual basis.
- The National Retail Federation has projected that holiday sales nationally will increase by 4.1% (see attached article). While local sales may vary, this is a positive indicator.

The materials presented by Department Directors and the information on revenues and expenditures text above should allow City Council to make a decision on timing for any further adjustments to the proposed 2013 general fund budget. If City Council is confident in the current economic outlook for the City, you may choose to withhold any immediate action in lieu of a review in February 2013. However, if the majority of City Council believes that action is required before final passage of the 2013 budget, the one percent reduction proposals are presented for your consideration. Keep in mind that seven employee positions would be impacted if all of the proposed reductions are implemented. Does City Council, on the basis of current financial information, want to impact citizen services and employees on January 1, 2013, or is a first quarter 2013 review acceptable?

And finally, in the 2013 Budget Alternative memorandum from the October 1 Study Session (copy attached) several shared services or outsourcing alternatives and tax initiatives were presented. Currently the Englewood/Littleton Fire Services Cooperative Feasibility Study is underway and Council has asked staff to initiate a review of possible outsourcing portions of the City's housing rehabilitation program. If there are other areas from these alternatives in which Council has strong interest in pursuing, please advise staff of that interest.

Department	2012 Adopted Budget	2013 Proposed Budget	Dollar Change	Percent Change	One Percent Reduction	2013 Proposed Budget - Target	2013 Proposed Budget - Submitted	Impacts
Legislation	333,793	330,436	(3,357)	-1.01%	3,304	327,132	327,132	Possible proposed reductions would impact discretionary spending (\$2,100), sponsorships (\$1,200), travel/training (\$3,300), Citizen Newsletter, (\$3,300) and Aid to Other Agencies (\$3,300)
City Manager's Office	672,072	679,653	7,581	1.13%	6,797	672,856	672,856	Two options: Eliminate all travel/training (\$6,000) or Reduce one employee to 32 hours/week (\$8,000)
City Attorney's Office	746,734	783,147	36,413	4.88%	7,831	775,316	775,316	Reduce personnel/outside attorney fees
Municipal Court	974,417	962,993	(11,424)	-1.17%	9,630	953,363	953,363	Further reductions would result in reduction of hours that would drastically reduce service levels and impact effectiveness and efficiency
Human Resources	470,910	481,392	10,482	2.23%	4,814	476,578	476,578	Reduce organizational training.
Finance & Administrative Services	1,541,645	1,583,684	42,039	2.73%	15,837	1,567,847	1,567,847	Reduced staffing will require other employees to take additional duties, possibly longer processing time, fewer audits.
Information Technology	1,360,355	1,340,211	(20,144)	-1.48%	13,402	1,326,809	1,326,809	Eliminate/reclassify one FTE--slower response times
Community Development	1,478,398	1,324,774	(153,624)	-10.39%	13,248	1,311,526	1,311,526	Reduce the Catalyst Program
Public Works	5,436,637	5,308,257	(128,380)	-2.36%	53,083	5,255,174	5,258,575	Reduction of \$49,682 only based on PW budget not CAM budget. Minor/Major reorganization in various divisions; reduce commodities, etc.
Police	10,921,455	11,250,771	329,316	3.02%	112,508	11,138,263	11,025,006	Eliminate: P/T Dept Asst, Evidence Asst, Victim Advocate--duties would have to be absorbed by other employees
Fire	7,711,732	7,889,065	177,333	2.30%	78,891	7,810,174	7,810,174	Eliminate one FTE from line personnel. Minimum staffing may require as much as \$40,000 in additional overtime
Library Services	1,256,481	1,251,293	(5,188)	-0.41%	12,513	1,238,780	1,238,780	Reduce one full time employee to 3/4 time, Eliminate "Meet the Faces Behind the Books" Colorado Author Program, eliminate community volunteer program, eliminate Friends book sales and fundraising
Parks & Recreation Services	5,834,425	5,711,776	(122,649)	-2.10%	57,118	5,654,658	5,670,776	Eliminate one FTE (\$64,000), program expenditures (\$111,000), loss of revenues (\$134,000) net savings is \$41,000
Departments Expenditure Subtotal	38,739,054	38,897,452	158,398	0.41%	388,975	38,508,477	38,414,739	
Contingencies	150,000	150,000	0	0.00%		150,000	150,000	
Debt Service-Civic Center	1,574,000	1,573,000	(1,000)	-0.06%		1,573,000	1,573,000	
Debt Service-Other	486,739	489,574	2,835	0.58%		489,574	489,574	
Other Expenditure Subtotal	2,210,739	2,212,574	1,835	0.08%		2,212,574	2,212,574	These expenditures are contractual in nature and cannot be reduced.
<b>Total Expenditure</b>	<b>40,949,793</b>	<b>41,110,026</b>	<b>160,233</b>	<b>0.39%</b>	<b>388,975</b>	<b>40,721,051</b>	<b>40,627,313</b>	
Unassigned Fund Balance - Dollars							4,120,682	
Unassigned Fund Balance - Percentage							10.55%	

**MEMORANDUM**

**TO:** Gary Sears, City Manager  
**FROM:** Michael Pattarozzi, Fire Chief  
**DATE:** October 2, 2012  
**RE:** Proposed one percent budget reduction

The adopted 2012 budget for the Fire Department (1102, 1107) is \$7,711,732. The proposed 2013 Fire Department budget is \$7,889,065. The difference is an increase of \$177,333. A one per cent reduction of the proposed 2013 budget is \$78,890.

To reach the target one per cent reduction will require the laying off of one FTE from line personnel. This will impact the staffing level of one shift, and will result in additional overtime to meet the minimum staffing level. The amount of additional overtime necessary is difficult to calculate, but could reach \$40,000.

## Interoffice Memo

**To:** Gary Sears, City Manager  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** October 2, 2012  
**Subject:** Finance and Administrative Services (FAS) Budget 2012/2013

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This memo is in response to Council's request to provide the impact of an additional one percent reduction to the Finance and Administrative Services Department's 2013 Budget. Finance and Administrative Services (FAS) submitted a 2013 proposed budget of \$1,583,684; an additional one percent reduction would reduce the proposed budget by \$15,836. The revised FAS 2013 proposed budget is \$1,567,812. To achieve the proposed the following reductions will need to be considered:

The **Records Clerk** position will remain open until the end of 2012. The position became vacant due to a scheduled retirement on August 31, 2012 (full-time position, 1 FTE). This position has been requested to be reclassified and hired as a Deputy City Clerk in January/February 2013. Since 2004 the City Clerk's responsibilities and processes have continued to expand, especially open record requests and liquor and medical marijuana licensing making this a critical position that needs to be filled.

It is vital to maintain a City Clerk, Deputy City Clerk and a Records Clerk (ideally, another Deputy Clerk) to deal with the increasing workload, provide staffing for Council meetings, conduct elections, liquor and marijuana licensing, and prepare and implement succession plans, etc. Not replacing this position will increase the stress due to coping with an increased workload, with virtually no back-up and no knowledge transfer.

To achieve the proposed 2013 budget of \$1,567,812 the choices include:

- Layoff one **Sales Tax Auditor** (full-time position, 1 FTE). The economic slowdown has reduced audit revenues. This is the one function in the Department that is not tied to a requirement in Code, Charter, or bond indentures. Given the history of audit billed revenue, only one auditor is needed at this time. If necessary, an outside party could be engaged to perform audits in the future.
- Layoff the **Office Assistant** (part-time position, .75 FTE) – this position will impact the processing of Utility payments received in the mail. The one-three days delay in processing will be noticeable from August to January (annual bills processing).
- Reduce the hours from 30 hours per week to 25 hours per week for **Central Cashiering and the Office Assistant personnel**. This will require the shifting of duties among the four part-time positions.

Finance and Administrative Services has reduced its budget in the past by reducing staff, cutting training, and commodities such as food and office supplies. The Department's expenditures are comprised of approximately 83 percent wages and benefits so it very difficult to reduce the budget further without personnel reductions listed above. Since 2002, FAS has reduced its staffing from 20.55 FTE to 17.9 FTE, a 12.90 percent decrease.

Prior personnel reductions included one sales tax auditor, one position in purchasing, reduction of the revenue technicians from full to part-time. One accountant position was eliminated in 2010 when the Accounting Manager position was filled internally. The department is minimally staffed in a number of positions; if the employee is sick or on vacation there is little or no back up.



CITY OF ENGLEWOOD  
HUMAN RESOURCES

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TO: GARY SEARS, CITY MANAGER  
FROM: SUE EATON, DIRECTOR OF HUMAN RESOURCES  
DATE: OCTOBER 4, 2012  
SUBJECT: HUMAN RESOURCES BUDGET - 2012/2013

Per your direction, the Human Resources 2012/2013 budget originally submitted included reductions to the 2012 approved budget of 2% or approximately \$9600. This reduction was achieved primarily through savings in personnel costs of about \$17,000 (two employees have worked fewer hours than the number budgeted for in 2012). However, because several line items were trending over budget (tuition reimbursement and legal expenses) they were adjusted upward, eroding the personnel savings, so other line items (training, printing, etc.) were reduced correspondingly to ultimately achieve the "98% of 2012 budget" goal.

In order to reduce Human Resources 2013 submitted budget of \$481,392 by 1%, the department will need to cut \$4,814. Because our annual Summit for Professional Growth has seen increasing revenues over each of the last two years, we can assume that trend will continue, allowing us to reduce our organizational training budget by \$4,814.

Where Human Resources also offered the opportunity for Citywide general fund savings was through the health insurance plan design change Council approved at the September 24th study session. With no change to our current plan design, the City's contribution would have risen 11.4%, costing an additional \$285,163 (general fund). Switching to the deductible HMO plan, the City's increase is 4.19% or approximately \$104,928, an \$180,235 savings over the current plan renewal.

Another option that was proposed and accepted was the elimination of the Risk Fund balance. \$200,000 was transferred to the General Fund this month, enhancing the 2012 year end general fund balance. The risk accepted is the possibility, however small, of requiring a supplemental appropriation from the general fund to honor unanticipated/unbudgeted claims.



## MEMORANDUM

To: City Manager Gary Sears  
From: Library Director Dorothy Hargrove  
Date: October 2, 2012  
Subject: 2013 Library Budget

The proposed 2013 Library budget reflects approximately a .5% reduction from the 2012 adopted budget. A 1% reduction equals \$12,515.

To meet that reduction, I would propose changing a full-time administrative position to  $\frac{3}{4}$  time. This would eliminate the popular "Meet The Faces Behind the Books" Colorado Author Program held each spring. We would also need to eliminate the community volunteer program since this position administers the recruitment and supervision of volunteers, including teen volunteers in our Summer Reading programs. We would also need to eliminate the Friends book sales and fundraising efforts.

# MEMORANDUM

TO: Mayor Penn, and Members of City Council

FROM: Tamara Wolfe, Court Administrator

DATE: October 3, 2012

SUBJECT: Budget Information

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The Court reduced its expenditures over the adopted 2012 budget while maintaining current service and staffing levels for the proposed 2013 budget through the following:

- Commodities were reduced by \$2,000 or 6%
- Contractual costs were reduced by \$11,026 or 8%
- Personnel part time hour reductions were made in order to absorb the 2% pay increases and 4% insurance costs increases resulting in an overall department reduction of 1.17%.
- For a variety of reasons, we have seen revenues on a slow but steady increase throughout the first half of 2012. Based on this trend, we increased our projected 2012 year end revenue totals by \$50,000. That increase carries over to 2013 as well.

Any further expenditure reduction requirements by Council from the Court would result in a further reduction of hours of operation. The Court implemented reduced hours on Mondays and Fridays in 2012. **Further closures would drastically reduce our service levels as we would not have the resources to operate in an efficient or effective format.** This would be due to both the reduction of business hours and loss of part time personnel. Savings amounts would potentially be around \$27000 or approximately 2.8% from the proposed 2013 budget in order to restructure to a 4 day work week. Any savings would likely be offset by revenue declines as multiple pending electronic efficiencies such as on-line payments would have to be implemented on a much slower pace due to limited resources.

# MEMORANDUM



**TO:** Gary Sears, City Manager

**FROM:** Rick Kahm, Director of Public Works

**DATE:** October 2, 2012

**SUBJECT:** PUBLIC WORKS BUDGET (2012 and 2013 budget comparison and analysis of additional 1% budget reduction for 2013)

The Proposed 2013 Public Works Budget focuses on programs and services that support Englewood Community Outcomes previously identified by City Council. At \$5,308,257, it represents a decrease of \$128,380 below the approved 2012 Public Works Budget.

	<b>2012 Approved Budget</b>	<b>2013 Proposed Budget</b>	<b>Change 2012 Approved vs. 2013 Proposed</b>	<b>% Change</b>	<b>1% Adjustment</b>	<b>2013 Proposed Budget w/ 1%</b>
<b>Admin.*</b>	\$ 281,519	\$291,501	\$ 9,982	3.55		
<b>Engineering</b>	350,274	341,555	(8,719)	(2.49)		
<b>Streets</b>	1,982,158	1,915,115	(67,043)	(3.38)		
<b>Traffic</b>	771,877	751,245	(20,632)	(2.67)		
<b>Operations</b>	1,710,760	1,668,792	(41,968)	(2.45)		
<b>TOTALS*</b>	<b>\$5,096,588</b>	<b>\$4,968,208</b>	<b>\$128,380</b>	<b>(2.52)</b>	<b>(49,682)</b>	<b>4,918,526</b>
<b>CAM</b>	\$ 340,049	\$ 340,049	0	0		
<b>TOTAL w/CAM</b>	<b>\$5,436,637</b>	<b>\$5,308,257</b>	<b>\$128,380</b>	<b>(2.36)</b>	<b>(49,682)</b>	<b>5,258,575</b>

The 2013 Proposed Budget (a reduction of \$128,380 from 2012) was achieved as follows:

**Engineering Division (\$14,700)**

- A minor reorganization ...reclassify one shared position to a lower level with no major service impact anticipated (annual savings estimated at \$8,700).
- Reduce Professional Services by \$6,000...less flexibility to respond to unforeseen project requests or engineering emergencies.

**Traffic Engineering Division (\$24,700)**

- A minor reorganization...reclassify shared position to a lower level with minimal impact anticipated (annual savings estimated at \$8,700).
- Commodities (Traffic Infrastructure) reduce by \$16,000...purchase some required commodities from the PIF...equates to less capital monies available in the Infrastructure Improvement Account.

Street Division (\$118,000)

- Commodities reduction...lower asphalt and ice slicer and aggregate accounts by \$118,000...purchase many necessary commodities (asphalt, ice slicer) from PIF Road and Bridge account...equates to less funding in the Road and Bridge account and a reduction in proposed paving in 2013 of 10 to 12 blocks . Reduction in the ice slicer account is expected to have no/minor impact on upcoming snow season.

Miscellaneous Public Works adjustments + \$29,020

- Reductions associated with insurance costs, energy savings, minor reorganization in Building Operations created cost saving efficiencies, reductions in travel and training .
- Increased costs associated with wages, retirement, group insurance, fuel, misc. commodities, and elimination of furlough days.

**An additional 1% reduction** from the Proposed 2013 Budget (\$49,682) is not easily accomplished. With such short notice to evaluate and prepare, my thoughts at this time would focus in two areas of Public Works.

Street Division (\$49,682)

- Early in 2013 City Council moved \$334,000 from undesignated General Fund to the PIF Road and Bridge account to support a more aggressive approach to maintaining the City's paved infrastructure. These funds allowed us to overlay 60 blocks of Englewood streets in 2013, pour cracks with rubber on 75 blocks, and reduce the crown and re-pave the 000-300 blocks of West Floyd Avenue.
- During the 2013 Budget discussions with Council, \$100,000 of the \$334,000 was moved back to the General Fund to support the Projected General Fund Balance. \$334,000 less that \$100,000, less anticipated 2012 expenditures of \$110,000 still leaves us with an extra \$124,000 available for 2013 improvements.
- At this time we could make the \$49,682 available from these funds and could recommend returning this amount back to the General Fund Balance, from which it came. **This would still allow us \$74,318 more for 2013 than we would otherwise have had available. This would have the least impact on 2013 Public Works Services of all the alternatives that I have been able to identify.**

Engineering and Traffic Engineering (\$50,000 estimated)

- Totally eliminate a position already being reclassified, and downgraded, in the 2012 budget.
- Would reduce customer service at the Public Works counter and lessen our ability to oversee some capital construction projects.
- **Other budget reductions, or additional reductions, will have program and/or service implications...**and require considerably more evaluation by Management and additional direction from City Council.



# Memorandum

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## City Manager's Office

**TO:** Gary Sears, City Manager  
**FROM:** Michael Flaherty, Deputy City Manager  
**DATE:** October 3, 2012  
**SUBJECT:** Proposed 2013 City Council Budget Reduction Alternatives

### Legislative (City Council/Boards and Commissions)

The Legislative proposed budget for 2013 is \$330,436 a 1% decrease over the \$333,793. The reduction is largely the result in reduction in printing expenses and transfer of the full cost of the South Metro Chamber membership to the Community Development Department.

2013 Proposed Budget - \$330,436  
1% - \$ 3,304 – Four options proposed

Option 1. Reduce Council discretionary budget to 2011 level (\$900 to \$600/year)	(\$2,100)
Option 1a Reduce sponsorships from \$9,500 to \$8,300	(\$1,200)
Option 2. Reduce travel and training (conference) budget from \$11,500 to \$8,200	(\$3,300)
Option 3. Reduce <i>Citizen Newsletter</i> publication from 6 to 5 editions	(\$3,300)
Option 4. Reduce Aid to Other Agencies budget from \$20,000 to \$16,700.	(\$3,300)

Options 1 and 2 will impact City Council individually and as a group. Options 1a would impact sponsored agencies, primary the Englewood Chamber, and Option 3 and 4 would impact citizens and community organizations.

# MEMORANDUM



TO: Gary Sears, City Manager  
FROM: Jerrell Black, Director of Parks and Recreation ✓  
DATE: September 26, 2012  
RE: 2013 Budget Information / Revised October 2, 2012

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The following are key elements related to the Parks and Recreation Proposed 2013 Budget:

- 2013 Expenditure Budget for Parks and Recreation is \$122,649 (2.1%) below the 2012 Adopted Expenditure Budget
- Elimination of 1 FTE – Program Administrator Position \$64,000
- Facility/Program Fee Increase - Four (4) Percent increase for facilities and programs \$94,000
- Salary Reduction from maximum to base salary – Program/Facility Supervisor \$16,000
- Reduction in Park's Overtime \$ 5,000
- Reduction of Defined Benefits (Parks) \$ 9,000
- Parks – Commodities Reductions \$19,000
- Parks – Contractual Reductions \$35,000

### Comments:

#### Five Year Calculations –

- 2013 Revenues for Parks and Recreation are \$313,575 (12%) over 2009 Revenues
- 2012 Expenditures are only \$16,000 above 2009 Expenditures
- Full Time Equivalent (FTE) positions have been reduced by four (4) positions since 2009
- Service Levels have not declined with the reductions in expenditures and Full Time Positions

### Additional 1% Requested Reduction:

City Council has requested an additional 1% Reduction from each department for the 2013 Budget. Based on the limited amount of time for preparation, the following information is presented for Council's consideration:

• Elimination of 1 FTE – Youth Program Administrator Position	\$ 64,000
Program Expenditure Reduction -	<u>\$111,000</u>
<b>Total Reduction</b>	<b>\$175,000</b>
Program Revenue Loss -	\$134,000
<b>Net Savings</b>	<b>\$ 41,000</b>

Program Impacts –Staff reduction would eliminate the following programs:

Summer Camp Program: M-F/ Jun- Aug-10 weeks. 60 youth/week 600 participants

Pre School Program: M-Th/ Sep-May-36 weeks. 24 youth/week	864 participants
RecZone Program: 2/month. 10 youth/week	240 participants
Rec N Roll Program – 1/month. 30 youth/week	360 participants
Youth Council - School year for grades 6-12. Meet monthly plus activities	210 participants
General Youth education Program: 100 classes /annually (Craft, Music, Babysitting, Scout classes)	1200participants
Youth Dance Classes – 60 classes /annually	480 participants
Eliminate Youth Special Events – Halloween Carnival -	2000 participants
Easter Egg Hunt -	1000 participants
Santa Calling -	75 participants
Night of the Stars Talent Show -	<u>500 participants</u>

**Total number of participants - 7,529**

Please let me know if you have any questions.

TJB

2013 Budget Overview\_September 26\_2012 \_\_ Revised October 2\_2012

Cc Michael Flaherty, Deputy City Manager  
Joe Sack, Recreation Services Manager  
Dave Lee, Manager of Open Space  
Bob Spada, Golf Operations Manager



# 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: Gary Sears, City Manager  
FROM: Alan White, Community Development Director  
DATE: September 25, 2012  
SUBJECT: 2013 CD Budget

Below is a list of budget adjustments in the Community Development Department Proposed 2013 Budget compared to the 2012 Adopted Budget:

<b>Adopted 2012 Budget</b>	<b>\$1,478,398</b>	
Commodities	(\$ 4,350)	
Contractual Services	(\$ 125)	
Professional Services	(\$160,000)	
Training	(\$ 9,000)	
Contributions		
SMDC Dues	\$ 4,000	(Consolidated CD and CMO dues)
Art Shuttle	\$ 10,350	(May be offset by contributions)
Catalyst Program	<u>(\$ 10,000)</u>	
	Total	(\$170,022)
Salary Adjustments		\$ 16,398

**Net Reduction (\$153,624) 10.4%**

**Proposed 2013 Budget \$1,324,774**

Additional 1% Reduction \$ 13,248

This additional 1% reduction is proposed to come from the Catalyst Program. A reduction of \$13,250 in Catalyst Program funding would have the least impact on services provided by the Department. Combined with the \$10,000 reduction already proposed, the Program would be funded at \$96,750.

During the remainder of 2012 and into 2013 we will continue to explore options for contracting out all or some of the services provided through our various housing programs. Long term changes in the housing programs likely won't be implemented fully until 2014.



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

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To: Gary Sears, City Manager

CC: Mike Flaherty, Deputy City Manager  
Frank Gryglewicz, Director – Finance  
Sue Carlton-Smith – Executive Assistant, CMO

From: Jeff Konishi, Director – Information Technology

Date: October 2, 2012

RE: 2013 Budget Proposal

**Budget Summary:**

The Information Technology Department is forecasting a 1.32% reduction for 2012 and 1.5% reduction for 2013 based on the following:

2012

- Salary saving due to open positions = \$60k+
- Estimating \$40k+ in additional expenses to customize Oracle for union contract and holiday time changes
- Net savings 1.32% decrease in budget

2013

- Re-structure of staff classifications have reduced the expenses for 2013
- Net savings 1.5% decrease in budget

To achieve any additional reductions in the 2013 budget, we will need to re-structure/re-classify/eliminate one FTE. Eliminating any FTE would result in slower response times and may increase project timelines and potentially increase professional service costs to offset the loss of the FTE.

- Eliminate or re-classify one FTE to move to .5 FTE or a demotion to a lower classification. This would reduce the budget amount; however, it would increase response time, and may affect the ability to correct a down system. To compensate for this, any additional funding must be used to supplement a professional services contract for time/materials for potential down system work.
- If the FTE is eliminated, then the remaining savings \$\$ will need to be re-allocated to increase the professional services budget line item to insure that the City is protected from downtime. Should a downtime occur, this increase in professional services will offset any time and material costs from additional support.

## MEMORANDUM



TO: Mayor Penn  
Englewood City Council Members

FROM: Dan Brotzman, City Attorney ✓

DATE: October 2, 2012

REGARDING: Budget Reduction.

The City Attorney Budget for 2013 is \$783,147, 1% would be \$7,831.00.

Budget cuts in prior years have come from a combination of personnel and outside attorney fees. The budget presented maintains the status quo. Further reductions to personnel costs have not been recommended as that would affect services. It is anticipated that further cuts will result in reduced services to the Police and Court. Further reduction will in all likelihood create bottleneck slowing the prosecution of all cases and requiring that certain cases be filed in state court. The result would be diminished revenue and degradation to the quality of service.

Any reduction in outside attorney fees is also not recommended. In 2012 it is anticipated that the budget for outside attorney fees will be entirely spent and may be even exceeded. Departmental line items for attorney fees have been cut back in recent years and supplemented by this City Attorney line item. It is anticipated that departmental budgets may be exceeded this year and a supplemental appropriation at the end of the year may be required for the City Manager's Office regarding Xcel and CenturyLink negotiations. It has been recommended that departments needing outside attorneys review their individual budgets to address anticipated items such as labor negotiations, pension issues, sales tax advocacy, IT consulting, and any anticipated projects outside of the norm. At this time it is estimated that the entire outside attorney fee budget for 2013 will be required. If this item is exceeded it would require a supplemental appropriation, much like the one that will be upcoming in 2012, out of the General Fund.

CC: Gary Sears  
Mike Flaherty  
Frank Gryglewicz  
Jennifer Nolan

DB/nf



# Memorandum

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## City Manager's Office

**TO:** Gary Sears, City Manager  
**FROM:** Michael Flaherty, Deputy City Manager  
**DATE:** October 3, 2012  
**SUBJECT:** Proposed 2013 Budget Reduction Alternatives

### City Manager's Office

The City Manager's proposed 2013 budget is \$679.653, a 1% increase over the 2012 budget, which accommodates minor salary increases and also includes \$4,500 for legal expenses related to the Xcel Energy franchise agreement. The final 2012 budget expenditures will be impacted by unanticipated legal expenses for both the Xcel and Century Link cable franchise agreements, with a possibility of a supplemental appropriation requirement.

2013 Proposed Budget - \$679,653  
1% - \$6,796 - Two options are proposed.

Option 1. Eliminate travel and training (conference) budget allocation. (\$6,000)

This will eliminate all travel and conference related expenditures for the City Manager's Office.

Option 2. Reduce front office position from full-time to 4/5 time (32 hours) (\$8,000)

Impacts would include periodic unavailability of staff to respond to citizen phone and in-person inquiries, lack of back-up for staff during scheduled leave and delays in providing information to the public, e.g., website postings, and services to City Council, e.g. meeting and trip scheduling, meeting packet production and Council short-term requests. In addition, a change in position status may make employee retention difficult.



## MEMORANDUM

To: Stu Fonda, Utilities Director

From: John Bock, Utilities Manager of Administration

Date: October 3, 2012

Subject: 1% Reductions to the 2013 Water and Sewer Enterprise Fund Budgets

To reduce the Water Fund Budget by 1% cuts totaling \$65,000 would have to be made.

Those cuts could be made from any combination of the following line items:

Delay various tree removal jobs :	\$10,000±
Reduce Distribution Miscellaneous Supplies Budget:	\$15,000±
Delay installation of new ERTs on water meters:	\$20,000±
Delay Advanced Utility professional services	\$15,000±
Delay purchase of up-to-date Itron Meter Readers	\$30,000
Delay City Ditch piping	Up to \$100,000

To reduce the Sewer Fund Budget by 1% cuts totaling \$19,200 would have to be made.

Those cuts could be made from any combination of the following line items:

Where possible and practical, delay special, non-critical engineering services:	\$20,000.
Delay purchase of a new crane for the sewer truck:	\$25,000

## Cathy Burrage

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**From:** Dennis Stowe  
**Sent:** Wednesday, October 03, 2012 2:41 PM  
**To:** Stu Fonda  
**Cc:** Cathy Burrage; Page Parker  
**Subject:** 2013 Budget Reduction

The requested 1% reduction in the proposed 2013 budget amounts to \$160,000 of the proposed budget. I recommend the the reduction be taken from our building maintenance budget for next year. While the maintenance is needed, we can prioritize the planned work to achieve the reduction. We have done similar prioritization in previous years to achieve requested budget reductions.

Sent from my iPad

# Memorandum

To: Gary Sears, City Manager  
CC: Mike Flaherty, Frank Gryglewicz  
From: Jeff Sanchez, Deputy Chief of Police  
Date: October 2, 2012  
Re: 2013 Budget Reduction Memo

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## Overview:

I have been asked to provide information regarding a 1% reduction in the proposed 2013 budget to include associated impacts if those reductions are made.

-The Police Department's proposed budget for 2013 is **\$11,250,771**.

-A 1% overall reduction for 2013 would be **\$112,508**.

## Reductions:

The proposed reductions would be as follows:

1. Eliminate one P/T Department Assistant - **\$28,801**.
2. Eliminate the Evidence Assistant position (the Evidence Technician has advised that they will be retiring in April, 2013. The Evidence Assistant would likely move into that position.) – The savings would be **\$43,725**.
3. Eliminate the Victim Advocate position - **\$40,731**.

Total Savings: **\$113,257**

Impacts:

1. The **P/T Department Assistant** provides administrative duties for the Patrol Division, which is the largest division within the Police Dept. These duties would have to be reassigned to Records personnel and/or the Police Desk Officer (PDO).
2. Besides assisting the Evidence Technician, the **Evidence Assistant** also does Police Desk Officer (PDO) duties by taking reports either in person or by phone. All PDO duties would then fall to the remaining PDO. Police Officers would also be needed to help out if the PDO was off-duty or if they were too busy with other calls.
3. The **Victim Advocate** works almost exclusively at the Municipal Court assisting victims of crime. The Victim Coordinator would then have to assume these duties which would significantly reduce the amount of victim services that we could provide.



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## **NRF, Shop.org Expect Solid Growth This Holiday Season**

For Immediate Release  
Kathy Grannis (202) 783-7971  
[www.nrf.com/holidays](http://www.nrf.com/holidays)

[Explore NRF's 2012 Holiday Survival Kit](#)  
[Download audio file](#) from media briefing

### **NRF, Shop.org Expect Solid Growth This Holiday Season**

-Retailers Will Hire Estimated 585,000 to 625,000 Seasonal Employees This Year-

Washington, October 2, 2012 – Tempered by political and fiscal uncertainties but supported by signs of improvement in consumer confidence, holiday sales this year will increase 4.1 percent to \$586.1 billion.\* NRF's 2012 holiday forecast is higher than the 10-year average holiday sales increase of 3.5 percent. Actual holiday sales in 2011 grew 5.6 percent.\*\*

"This is the most optimistic forecast NRF has released since the recession. In spite of the uncertainties that exist in our economy and among consumers, we believe we'll see solid holiday sales growth this year," said NRF President and CEO Matthew Shay. "Variables including an upcoming presidential election, confusion surrounding the 'fiscal cliff' and concern relating to future economic growth could all combine to affect consumers' spending plans, but overall we are optimistic that retailers promotions will hit the right chord with holiday shoppers."

Recent government data released shows a crosscurrent of indicators that could impact holiday sales, including unimpressive job and income growth and an unemployment rate stuck at eight percent. However, positive indicators are emerging that show a cautious but capable consumer, such as increases in confidence and home prices.

"While moderate compared to what we experienced the last two holiday seasons, the forecast is a very pragmatic look at what to expect this year given the current rate of economic growth," said NRF Chief Economist Jack Kleinhenz, Ph.D. "There's still some general anxiety amongst consumers when it comes to how the state of the economy is impacting their spending plans, but retailers can expect to see excitement around their promotions and plenty of bargain hunters both online and in stores in the coming months."

NRF's holiday sales forecast is based on an economic model using several indicators including consumer confidence, consumer credit, disposable personal income, and previous monthly retail sales releases. It now includes the non-store category (direct-to-consumer, kiosks and online sales.) For historic sales information visit NRF's [Holiday Headquarters](#).

## **Shop.org Forecasts Online Holiday Sales to Grow 12% Over Last Holiday Season**

Shop.org for the first time in its history today released its 2012 online holiday sales forecast, expecting sales to grow 12 percent over last holiday season to as much as \$96 billion.\*\*\* The U.S. Department of Commerce estimates total 2011 4th Quarter e-commerce sales increased 15 percent. Shop.org defines the holiday season as sales in the months of November and December.

"Online retail has been a bright spot for years and we don't expect that trend to change anytime soon, especially with the growth in mobile," stated Shay. "Aside from the convenience, shoppers look to the holiday season to take advantage of retailers' increased digital offerings. In addition to enhancing the site experience, retailers have spent the year investing in optimizing their mobile and social platforms, just what holiday shoppers are looking for."

## **NRF Forecasts Seasonal Employment to Grow Between 585,000 and 625,000**

According to NRF, retailers are expected to hire between 585,000 and 625,000 seasonal workers this holiday season, which is comparable to the 607,500 seasonal employees they hired last year.

"The retail industry creates hundreds of thousands of jobs every holiday season by adding new staff in stores, distribution centers, and customer service departments across the country. In addition to the newly created jobs, many retailers also offer existing staff the opportunity to work longer hours if they want," said Shay. "New jobs help people support their families, and for some, seasonal employment can turn into a career opportunity once the holidays have passed."

As the world's largest retail trade association and the voice of retail worldwide, NRF's global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the United States and more than 45 countries abroad. In the United States, NRF represents an industry that includes more than 3.6 million establishments and which directly and indirectly accounts for 42 million jobs – one in four U.S. jobs. The total U.S. GDP impact of retail is \$2.5 trillion annually, and retail is a daily barometer of the health of the nation's economy. [www.nrf.com](http://www.nrf.com).

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\* NRF defines "holiday sales" as retail industry sales in the months of November and December. Retail industry sales include most traditional retail categories including non-store, auto parts and accessories stores, discounters, department stores, grocery stores, and specialty stores, and exclude sales at automotive dealers, gas stations, and restaurants.

\*\* Holiday retail sales for the past several years have been updated based on revisions from the U.S. Department of Commerce, and NRF most recently revised how it calculates retail sales to now include non-store and auto parts and auto accessories stores.

\*\*\* Shop.org's estimates are based on data collected by the U.S. Department of Commerce, the Federal Reserve, U.S. Census, The Conference Board, and NRF calculations. These include personal income and spending, consumer credit, consumer confidence, and previous monthly retail reports.

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3257th St NW 1100 Washington DC 20004 • PH: 1-800-673-4692 • Fax: 202-737-2849  
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# Memorandum

## City Manager's Office

TO: Mayor Penn and Members of City Council  
THROUGH: Gary Sears, City Manager  
FROM: Michael Flaherty, Deputy City Manager  
DATE: September 27, 2012  
SUBJECT: 2013 Budget Alternatives

- Copy -

During the City Council 2013 budget discussion on September 24, Council requested additional information on alternatives for addressing the current imbalance between General Fund revenues and expenditures. In addition, some members of Council noted their desire for budget alternatives to be sustainable into the future. Staff has previously discussed, both internally and with City Council, a variety of alternatives that Council may consider to meet these objectives.

The 2013 budget reflects continued cost containment efforts on the part of City departments. On a global basis, these efforts are illustrated by the reduction of permanent personnel by over 50 FTEs since the peak year of 2001. Budget growth over the past five years has averaged 0.8% per year, and the growth in actual expenditures over the same period averaged 0.7% annually. At the same time, citizens have seen little negative impact on City service levels. However, most departments are functioning with fewer personnel and many employees have taken on additional responsibilities. Departments have also cross-trained employees in order to provide services more efficiently.

Further reductions of any significance will require City Council to make difficult choices that may impact service levels and/or the way in which the City conducts business. The following list of alternatives, with the exception of the last two bullet points, was written in 2011 in preparation for 2012 budget deliberations with City Council. While somewhat dated, the list remains largely valid. Note that some of the alternatives listed have either been implemented in the 2012 budget or considered and rejected by City Council (see notes in *italics*). Other alternatives will require additional internal, and in some cases, external discussions and some cannot be attained in 2013, but would require additional time for implementation. Except as otherwise noted, these alternatives for expenditure reduction and revenue enhancement are sustainable.

### Personnel Savings Alternatives

- Personnel reduction through attrition – *personnel reductions since 2003 have resulted in only three layoffs; the remainder of these reductions has occurred through attrition. Currently, 21 employees are in the City's DROP plan with retirement dates ranging from 2013-2015. Upon scheduled retirement of these employees, some of these positions could be eliminated.*
- Early retirement incentive
- Eliminate or reduce personal leave payouts – *accomplished in 2012/2013*
- Reduce or consolidate paid time-off – *accomplished in 2012/2013*
- EEA employee contribution requirement to benefit pension plan – *accomplished 2012*
- Furloughs – *previously implemented - not sustainable*

- Pay plan adjustments – *accomplished 2012*

#### Programmatic Budget Adjustment Alternatives

- Reduction of hours/closure of one day/week
  - Library – *Library hours were reduced in 2011, but restored in 2012*
  - ERC and Malley Center
  - Municipal Courts – *previously considered but rejected by City Council*
- Fleet policy review - take-home vehicles, mileage reimbursement, auto allowance alternatives – *previously eliminated underutilized vehicles and extended service life of certain vehicles*
- Specific program reduction or elimination
  - Art Shuttle – *previously considered but rejected by City Council*
  - CD Housing programs – *Council has requested additional study on contracting options*
  - CD Catalyst program – *LTAR funded in 2011, returned to General Fund in 2012*
  - Special events, e.g. July 4<sup>th</sup> Celebration - *previously considered but rejected by City Council*
  - P&R Recreation programs/personnel- *revenue/service impacts*
  - Police Impact Team – *grant funding ends in 2013, LTAR funded in 2014*
  - Medic 23 closure – *revenue/service impacts, previously considered but rejected by City Council*
- Revenue review
  - City-wide review of fees and charges – *annually reviewed; waste transfer fee increased in 2012*
  - Eliminate vendor fee on sales tax – *implemented 2012*

#### Shared Services/Mergers/Outsourcing Alternatives

- Police Dispatch – contract with Arapahoe County – *further study required/issue of Fire dispatch unresolved*
- IT shared service agreements with other municipalities – *discussion on some specific shared services currently in progress*
- Library alternatives
  - Provide services to Sheridan via agreement with Arapahoe County Library District (revenue enhancement) – *studied in 2011, not implemented*
  - Contract for COE library services with Arapahoe County Library District – *possible issues with State law*
  - Merger with Arapahoe County Library District- *Merger would require a TABOR vote to establish a mill levy*
- Fire Department Alternatives
  - Provide EMS services for Cherry Hills Village area via agreement with South Metro Fire (revenue enhancement) – *studied in 2011, not implemented*
  - Contract for Fire Dispatch services – *Englewood/Littleton Fire cooperative feasibility study underway*
  - Contract for fire services with other City or District - *Englewood/Littleton Fire cooperative feasibility study underway*

• **Parks and Recreation Alternatives**

- Joint operating agreement for golf course with Denver – *2011 meeting with Denver Parks & Recreation, no action taken/no future contact from Denver*
- Contract for P&R services (or merger) with South Suburban P&R District – *Merger would require a TABOR vote to establish a mill levy*
- Shared service agreement(s) for landscaping maintenance, snow plowing and other services with EEF and Englewood Schools.

**Revenue Enhancement Alternatives**

- **Ballot initiatives – each would require a TABOR vote**
  - Dedicated Mill Levy to support public safety (Police and/or Fire) services
  - Dedicated Mill Levy to support capital improvements
  - Occupational privilege tax
- Review of 2103 Sales Tax revenues- not specifically accounted in 2013 budget
  - Kent Place
  - Centennial Shopping Center (new King Soopers)
- McLellan Properties Lease Revenues
  - Two parcels currently under consideration by prospective tenants

This list of alternatives is not all inclusive. Other program reductions and outsourcing options could be identified; however, additional program reductions or outsourcing could also impact service levels and current employees. Any alternative may be considered at any time. However, as previously stated, some of the listed alternatives will require additional study, cooperation from outside agencies, and/or a TABOR vote. Most program reductions could be implemented at any time Council directs but most, if not all, of the programmatic reductions would result in elimination of employees. Council may choose to consider one or more of these alternatives for implementation in 2013 or at a later date depending upon economic conditions. At the direction of City Council, staff will initiate implementation of chosen alternatives.