



AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
TUESDAY, FEBRUARY 19, 2013
COMMUNITY ROOM
6:00 P.M.

- I. **Arapahoe County Commissioners**
Arapahoe County Commissioners Nancy Doty and Bill Holen will be present to discuss areas of concern and interest.
- II. **Hotel/Motel Registration/Cost of Systematic Inspection Program**
Fire Chief Mike Pattarozzi, Chief Building Official Lance Smith, Financial and Administrative Services Director Frank Gryglewicz and City Attorney Dan Brotzman will discuss the proposed hotel/motel registration and the cost of the systematic inspection program.
- III. **Financial Report**
Financial and Administrative Services Director Frank Gryglewicz will discuss the January, 2013 Financial Report.
- IV. **Citizen's Budget Committee**
City Council will discuss the proposed Citizen's Budget Committee.
- V. **City Manager's Choice**
- VI. **City Attorney's Choice**



Memorandum

To: Mayor Penn and Members of City Council
Through: Gary Sears, City Manager
Through: Michael Pattarozzi, Fire Chief
From: Lance Smith, Chief Building Official
Date: February 14, 2013
Subject: Motel Licensing and Inspection Program Options

At the upcoming Tuesday, February 19th, Study Session, City Council will again discuss options for implementing a motel licensing and inspection program. Staff has discussed problems inherent to aging motels like those in Englewood and is proposing alternative approaches to address those concerns.

The motels in Englewood are remnants of the pre-interstate highway system construction in the 1950s and '60s. At that time, the City's motels primarily served vacation and business travelers. However, with the passage of time and the change in travel patterns, the clientele has changed from business and pleasure travelers to transients and as housing of last resort or transitional housing for many individuals and families. Although daily rates are available in most such motels, the majority of motel clients rent on a weekly basis. Because the clientele is transient and/or economically distressed, some problems come with that demographic.

Previously, members of City Council have expressed concern with illegal activities that have taken place at City motels. Through efforts of the Police Department, particularly the Impact Team, communications with motel owners and managers has improved significantly. Transient nature of the motel clientele presents unique challenges but improved communications have helped reduce illegal activities.

However, City Council members continue to express concern with health and safety conditions that may be present, at least to some degree, at some or all Englewood motels. On two occasions, City Council has been presented information by the City of Westminster Housing Inspector, Holly Clayton. Ms. Clayton described how the Westminster Property Management Code (Rental Code) is used establish minimum health and safety regulations for rental housing, including but not limited to, lodging houses in Westminster. Westminster currently has 1,117 licensed rental units, although the total increases as units are built or unlicensed units are discovered. Westminster budgets \$170,000 annually to cover the cost of two full time inspectors and a part time secretary, along with related non-personnel costs. Rental units less than twenty years old are inspected every four years, and those older than 20 years are inspected every two years.

If City Council chooses to implement a license and inspection program for motels only, several changes would be required to current provisions of the City Code, as follows:

- The International Property Maintenance Code (IPMC), which the City has adopted, may need to be amended to address specific motel characteristics.
- A Lodging (Hotel/Motel) License requirement and fee schedule for licenses, inspections and re-inspections would have to be implemented.
- An inspection process and procedure, e.g., number and frequency of inspections, uniform checklist for inspections, penalties, remedies, etc., would have to be established.
- A determination by City Council of whether to limit the licensing and inspection program to motels (and any future hotels) only, or to at this time or in the future extend the licensing and inspection regulations to cover other rental housing as in Westminster. While the health and safety issues of the existing motels has been called into question, is limiting licensing and inspection to slightly more than 100 motel units unfairly singling out motels and not addressing health and safety issues in the many hundred other rental units in the City.

In addition, a decision on how to best staff the licensing and inspection program is needed. City staff offers the following options:

- Use existing building department staff to inspect. This would require suspension of construction inspections for up to two days for each motel, and additional time for any required re-inspections. While this is possible, with the current level of construction occurring in the City at this time, it could slow the process for both large and small construction projects. – Lost time due to motel inspections could require hiring an additional building inspector.
- Contract with a third party to conduct inspections. However, to date, the Building Division staff has been unable to locate private inspection firms or individuals willing to provide this service. Cost is undetermined at this time.
- Hire a new Housing Code Enforcement Officer to conduct motel inspections. The cost of an additional staff member would be approximately \$57,000, plus non-personnel costs such as vehicle and equipment costs, total likely to exceed \$70,000 annually.

Note also that based on the Westminster average annual cost of \$150/unit for licensing and inspection services, the cost for implementing a similar program in Englewood, based on a total fee of \$150/unit, would impact the City's motels in the following amounts:

Wright Motel-18 units	\$2700
4U Motel – 21 units	\$3150
Holiday Motel – 34 units	\$5100
Lucky U Motel – 40 units	<u>\$6000</u>
Total	<u>\$16,950</u>

Depending on the staffing method used, the City may or may not recover its costs at \$150/unit/year.

In addition to the staffing options above, staff offers the following alternative:

- Conduct a one-time voluntary inspection program of motels in the City, in lieu of implementing a full blown program of licensing and inspection. If done on a one-time basis, this would be accomplished by diverting existing staff for a period of 4-6 days to conduct inspections, which on a one-time only basis is manageable. After completion, staff will report the findings to City Council and Council may then consider the efficacy of implementing a formal regulatory program for licensing and inspecting hotel/motel units. And in the meantime, staff will continue to respond to any complaints received as is the current practice.

Depending on direction provided by City Council, staff will initiate steps towards implementation of the selected alternative(s).



City of Englewood

To: Mayor Randy Penn and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: February 13, 2013
Subject: December 2012 Financial Report

Summary of the December 2012 General Fund Financial Report (Please note the numbers in this Report are not audited and subject to change until the Comprehensive Annual Financial Report is presented to Council)

REVENUES:

- Through December 2012, the City of Englewood collected **\$39,752,764 or \$1,446,189 or 3.8 percent more** than 2011.
- The City collected \$2,874,816 in property and \$243,293 in specific ownership tax through December.
- **Year-to-date sales and use tax revenues were \$22,413,154 or \$676,044 or 3.1 percent more than December 2011**
- Cigarette tax collections were down \$1,145 compared to the prior year.
- Franchise fee collections were \$285,108 more than 2011.
- Licenses and permit collections were \$204,883 more than 2011.
- Intergovernmental revenues were \$139,639 more than the prior year.
- Charges for services decreased \$120,152 from 2011.
- Recreation revenues decreased \$19,579 from 2011.
- Fines and forfeitures were \$96,695 more than the prior year.
- Investment income was \$6,984 less than 2011.
- Miscellaneous revenues were \$187,135 more than the prior year.
- Rent Revenue from McLellan Reservoir totaled \$551,295

OUTSIDE CITY:

- Outside City sales and use tax receipts (cash basis) were down \$484,747 or 6.2 percent compared to last year. 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 December 2012 were \$3,414,514.

EXPENDITURES:

- Expenditures through December were \$40,194,518 or \$698,250 (1.8 percent) more than the \$39,496,268 expended through December 2011. Actual expenditures were \$755,275 (1.8 percent) under budget. The City refunded \$244,919 in sales and use tax claims in 2012.

REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues by \$441,754 this year compared to expenditures exceeding revenues by \$1,189,693 in 2011.

TRANSFERS:

- Net transfers of \$1,534,243 were made by the end of December 2012.

FUND BALANCE:

- The unaudited total fund balance is \$9,910,174 or 24.9% of unaudited revenue. The 2012 Unassigned Fund Balance is \$5,842,287 or 14.8% of unaudited revenue. The Reserved/Committed Fund Balance is \$4,067,887 or 10.2 percent of unaudited revenues.
- The 2012 unaudited Long Term Asset Reserve (LTAR) balance is \$2,619,375 (please refer to page 16).

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$2,745,552 in revenues and spent \$2,788,044 year-to-date. Estimated year-end fund balance is \$496,222.

General Fund Comparative Revenue, Expenditure & Fund Balance Report

as of December 31, 2012

Percentage of Year Completed = 100%

Fund Balance January 1	\$ 8,753,654	\$ 8,817,685	\$ 8,817,685	\$ 8,494,679	\$ 8,494,679	\$ 9,234,957	\$ 9,234,957			
Revenues	2012				2011			2010		
	Budget	Dec-12	% Budget	YE Estimate	Dec-11	Dec-11	% YTD	Dec-10	Dec-10	% YTD
Property Tax	2,880,000	2,874,816	99.82%	2,880,000	2,994,213	2,994,213	100.00%	3,020,884	3,020,884	100.00%
Specific Ownership Tax	250,000	243,293	97.32%	230,000	246,062	246,062	100.00%	263,434	263,434	100.00%
Sales & Use Taxes	22,115,126	22,413,154	101.35%	22,115,126	21,737,110	21,737,110	100.00%	20,866,515	20,866,515	100.00%
Cigarette Tax	190,000	189,618	99.80%	184,000	190,763	190,763	100.00%	196,320	196,320	100.00%
Franchise Fees	3,056,938	2,916,501	95.41%	2,900,000	2,631,393	2,631,393	100.00%	2,620,191	2,620,191	100.00%
Hotel/Motel Tax	8,713	10,395	119.30%	10,000	9,820	9,820	100.00%	8,806	8,806	100.00%
Licenses & Permits	574,025	983,419	171.32%	940,000	778,536	778,536	100.00%	695,563	695,563	100.00%
Intergovernmental Revenue	1,552,315	1,864,446	120.11%	1,821,012	1,724,807	1,724,807	100.00%	1,465,970	1,465,970	100.00%
Charges for Services	3,399,722	3,264,166	96.01%	3,261,304	3,384,318	3,384,318	100.00%	3,254,830	3,254,830	100.00%
Recreation	2,599,668	2,615,642	100.61%	2,609,701	2,635,221	2,635,221	100.00%	2,489,781	2,489,781	100.00%
Fines & Forfeitures	1,318,450	1,381,453	104.78%	1,368,450	1,284,758	1,284,758	100.00%	1,437,957	1,437,957	100.00%
Interest	100,000	84,050	84.05%	100,000	91,034	91,034	100.00%	100,545	100,545	100.00%
EMRF Rents	663,046	551,295	83.15%	546,112	425,159	425,159	100.00%	105,125	105,125	100.00%
Miscellaneous	411,998	360,516	87.50%	375,000	173,381	173,381	100.00%	293,658	293,658	100.00%
Total Revenues	39,120,001	39,752,764	101.62%	39,340,705	38,306,575	38,306,575	100.00%	36,819,579	36,819,579	100.00%
Expenditures										
Legislation	333,793	316,043	94.68%	337,748	298,731	298,731	100.00%	309,870	309,870	100.00%
City Attorney	746,734	711,578	95.29%	774,254	706,841	706,841	100.00%	702,228	702,228	100.00%
Court	974,417	886,249	90.95%	949,982	848,775	848,775	100.00%	901,469	901,469	100.00%
City Manager	672,072	656,397	97.67%	665,441	639,184	639,184	100.00%	659,882	659,882	100.00%
Human Resources	470,910	468,932	99.58%	461,343	430,792	430,792	100.00%	419,421	419,421	100.00%
Financial Services	1,541,645	1,461,785	94.82%	1,509,333	1,446,313	1,446,313	100.00%	1,445,581	1,445,581	100.00%
Information Technology	1,360,355	1,373,343	100.95%	1,342,364	1,332,766	1,332,766	100.00%	1,280,660	1,280,660	100.00%
Public Works	5,436,637	5,152,336	94.77%	5,327,838	5,259,875	5,259,875	100.00%	5,137,364	5,137,364	100.00%
Fire Department	7,711,732	8,093,853	104.96%	8,021,054	7,666,842	7,666,842	100.00%	7,425,903	7,425,903	100.00%
Police Department	10,921,455	10,784,755	98.75%	11,043,064	10,395,239	10,395,239	100.00%	10,312,633	10,312,633	100.00%
Community Development	1,478,398	1,259,703	85.21%	1,328,798	1,359,264	1,359,264	100.00%	1,301,473	1,301,473	100.00%
Library	1,256,481	1,180,012	93.91%	1,231,346	1,145,613	1,145,613	100.00%	1,284,083	1,284,083	100.00%
Recreation	5,834,425	5,648,771	96.82%	5,704,923	5,717,147	5,717,147	100.00%	5,811,809	5,811,809	100.00%
Debt Service	2,060,739	2,056,951	99.82%	2,060,739	2,096,463	2,096,463	100.00%	1,860,827	1,860,827	100.00%
Contingency	150,000	143,810	95.87%	150,000	152,423	152,423	100.00%	48,139	48,139	100.00%
Total Expenditures	40,949,793	40,194,518	98.16%	40,908,227	39,496,268	39,496,268	100.00%	38,901,342	38,901,342	100.00%
Excess revenues over (under) expenditures	(1,829,792)	(441,754)	24.14%	(1,567,522)	(1,189,693)	(1,189,693)		(2,081,763)	(2,081,763)	
Net transfers in (out)	1,306,739	1,534,243	117.41%	1,534,243	1,512,699	1,512,699	100.00%	1,341,485	1,341,485	100.00%
Total Fund Balance	\$ 8,230,601	\$ 9,910,174	120.41%	\$ 8,784,406	\$ 8,817,685	\$ 8,817,685	100.00%	\$ 8,494,679	\$ 8,494,679	100.00%

Fund Balance Analysis

Total Fund Balance	\$ 8,230,601	\$ 9,910,174	\$ 8,784,406	\$ 8,817,685	\$ 8,494,679
Restricted Fund Balance					
-Emergencies (TABOR)	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Committed Fund Balance					
-LTAR	2,713,467	2,619,375	2,619,375	2,406,649	2,130,520
-COPS Grant	298,512	298,512	298,512	298,512	298,512
Restricted/Committed	\$ 4,161,979	\$ 4,067,887	\$ 4,067,887	\$ 3,855,161	\$ 3,579,032
Estimated Unassigned Fund Balance	\$ 4,068,622	\$ 5,842,287	\$ 4,716,519	\$ 4,962,524	\$ 4,915,647
As a percentage of projected revenues	10.34%	14.85%	11.99%	12.95%	13.35%
As a percentage of budgeted revenues	10.40%	14.93%	12.06%		
Target	3,912,000	-	5,868,000		



City of Englewood

To: Mayor Randy Penn and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: February 11, 2013
Subject: January 2013 Financial Report

Please note any references to 2012 have not been audited and are subject to change until the annual audit and Comprehensive Annual Financial Report is completed.

REVENUES:

- Through January 2013, the City of Englewood collected **\$3,781,489 or \$154,584 or 4.3 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 no property or specific ownership tax through January (this is a normal collection pattern).
- **Year-to-date sales and use tax revenues were \$2,839,094 or \$82,002 (2.9 percent) more than January 2012**
- Cigarette tax collections were up \$4,201 compared to last year.
- Franchise fee collections were \$26,655 more than last year.
- Licenses and permit collections were \$31,767 more than 2012.
- Intergovernmental revenues were \$33,406 less than the prior year.
- Charges for services increased \$45,999 from last year.
- Recreation revenues increased \$6,076 from 2012.
- Fines and forfeitures were \$4,170 less than last year.
- Investment income was \$25,571 less than last year.
- Miscellaneous revenues were \$14,856 more than last year.
- Rent revenues from McLellan Reservoir were \$88,065.

OUTSIDE CITY:

- Outside City sales and use tax receipts (cash basis) were down \$13,659 or 1.1 percent compared to last year.
- 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 January 2013 were \$383,295 or \$17,486 more than last year during the same period.

EXPENDITURES:

- Expenditures through January were \$1,908,339 or \$30,197 (1.6 percent) less than the \$1,938,536 expended through January 2012. The City's refund of sales and use tax claims through January 2013 totaled \$4,333.

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures by \$1,873,150 this year compared to revenues exceeding expenditures by \$1,688,369 in 2012.

TRANSFERS:

- Net 2013 transfers-in to date of \$150,000 were made by the end of January 2013 (please refer to page 16 for the make-up).

FUND BALANCE:

- The estimated total fund balance is \$8,989,821 or 23 percent of revenue. The estimated unreserved/undesignated reserves for 2013 are estimated at \$4,921,934 or 12.6 percent of unaudited revenues.
- The 2013 estimated Long Term Asset Reserve (LTAR) balance is \$2,619,375 (please refer to page 13).

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$0 in revenues and spent \$0 year-to-date. Estimated year-end fund balance is \$0.

City of Englewood, Colorado

January 2013 Financial Report

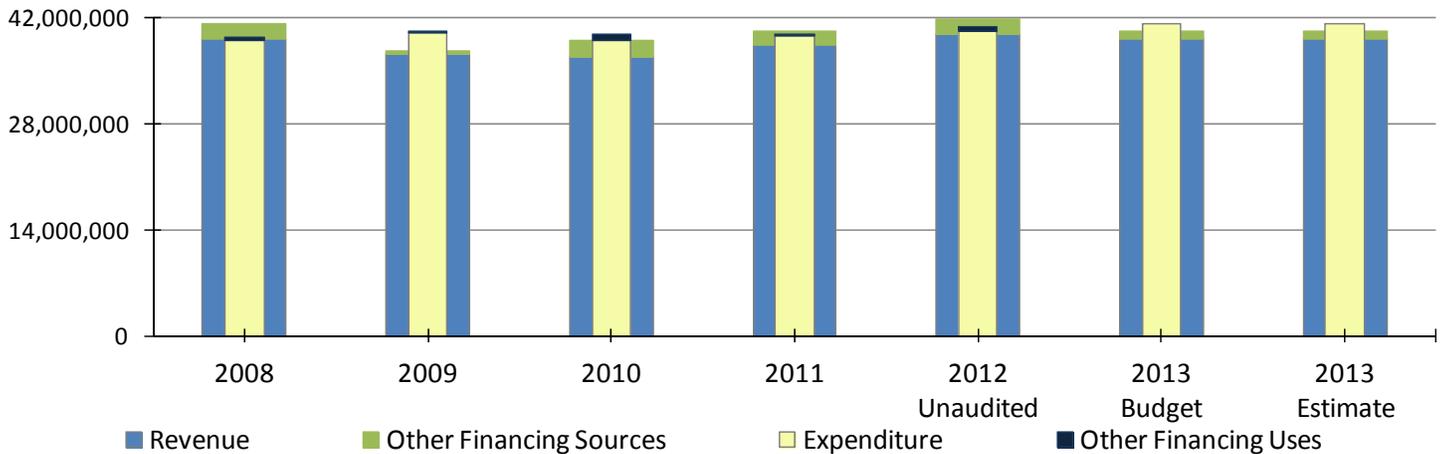
GENERAL FUND OVERVIEW AND ANALYSIS

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 administrative and oversight services through 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 2008 to 2013 Estimate. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.

General Fund: Total Sources and Uses of Funds



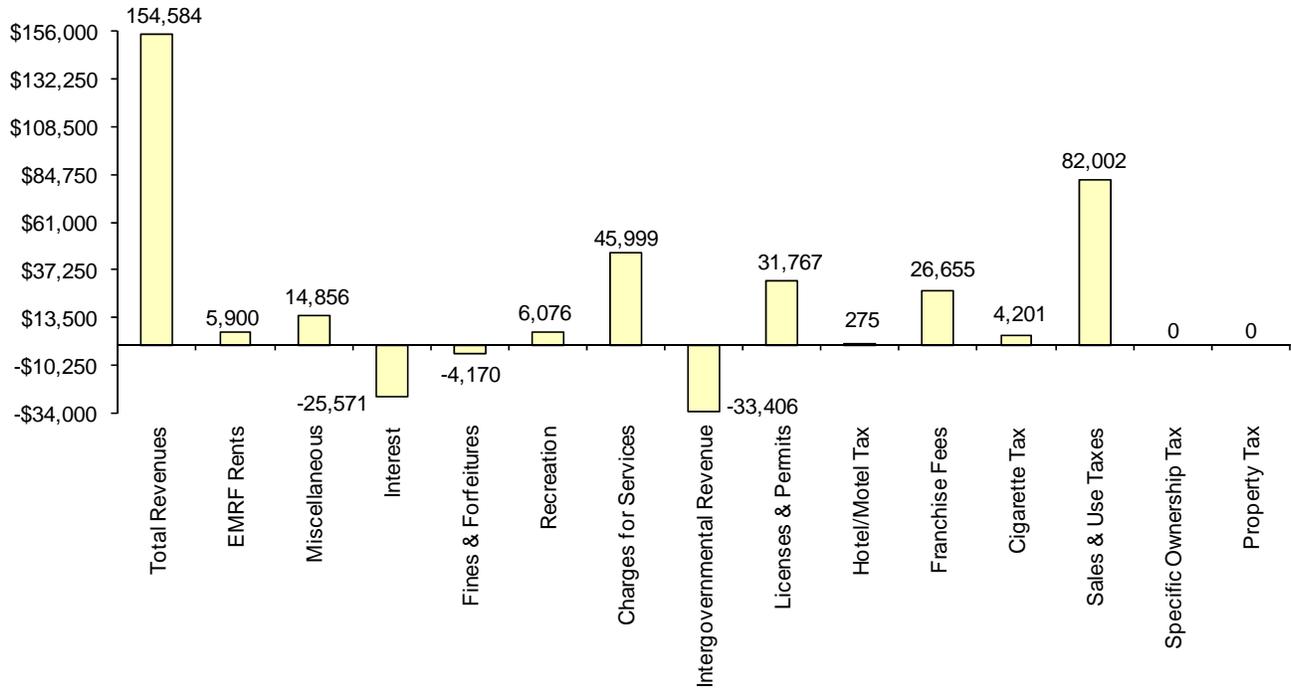
The table below summarizes General Fund Year-To-Date (YTD) Revenue, Expenditure, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended January, 2013. Comparative figures for years 2011 and 2010 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	Jan-13	n-13 vs n-12 Increase (Decrease)		Jan-12	n-12 vs n-11 Increase (Decrease)		Jan-11
General Fund							
Year-To-Date Revenue	\$ 3,781,489	\$ 154,584	4.26%	\$ 3,626,905	\$ (123,090)	(3.28%)	\$ 3,749,995
Year-To-Date Expenditure	1,908,339	(30,197)	(1.56%)	1,938,536	(175,091)	(8.28%)	2,113,627
Net Revenue (Expenditure)	\$ 1,873,150	\$ 184,781		\$ 1,688,369	\$ 52,001		\$ 1,636,368
Estimated Unreserved/ Undesignated Fund Balance	\$ 4,921,934	\$ (920,353)	(15.75%)	\$ 5,842,287	\$ 879,763	17.73%	\$ 4,962,524
Sales & Use Tax Revenue YTD	\$ 2,839,094	\$ 82,002	2.97%	\$ 2,757,092	\$ 78,486	2.93%	\$ 2,678,606
Outside City Sales & Use Tax YTD	\$ 1,227,493	\$ (13,659)	(1.10%)	\$ 1,241,152	\$ 150,160	13.76%	\$ 1,090,992

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$39,050,099. Total revenue collected through January 2013 was \$3,781,489 or \$154,584 (4.3 percent) more than was collected in 2012. The chart below illustrates changes in General Fund revenues this year as compared to last year.

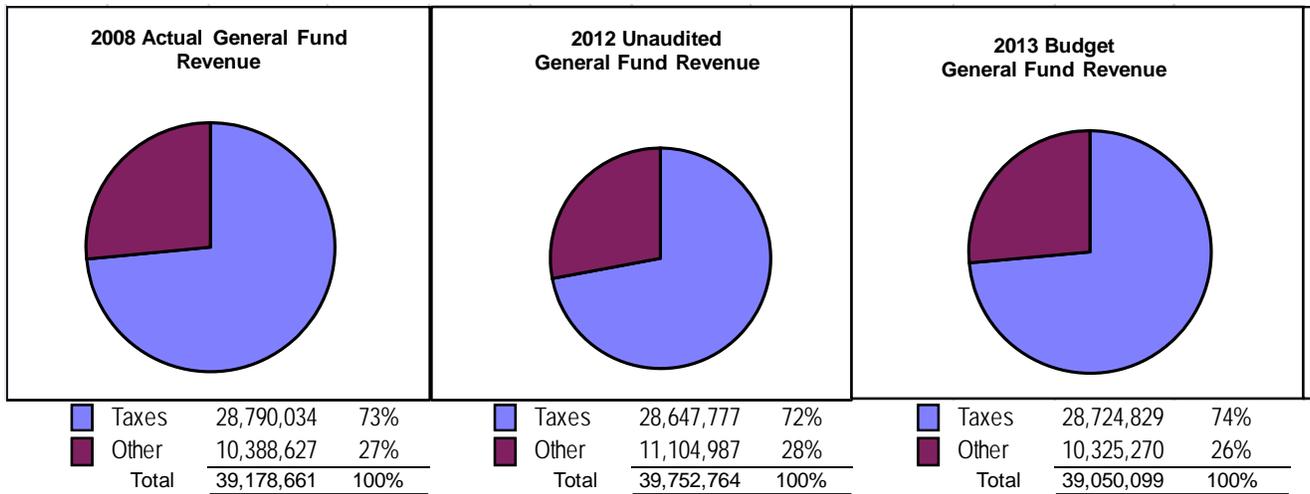
2012 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



General Fund - Taxes

The General Fund obtains most of its revenue from taxes. In 2012 total unaudited revenues were \$39,752,764 of which \$28,647,777 (72 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 2008, 2012 unaudited and 2013 Budget. 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 2012 mill levy collected in 2013 is 7.794 mills. The 2012 mill levy for general operations collected in 2013 is 5.880 mills. Voters approved a separate, dedicated mill levy for principal and interest payments on the City's general obligation debt for the construction of parks and recreation projects. The dedicated general obligation debt mill levy is accounted

for in the Debt Service Fund. The dedicated general obligation debt mill levy dedicated for the City's general obligation debt collected in 2012 is 1.914 mills. Property tax collections declined from \$2,995,990 in 2008 to \$2,874,816 in 2012. This was a

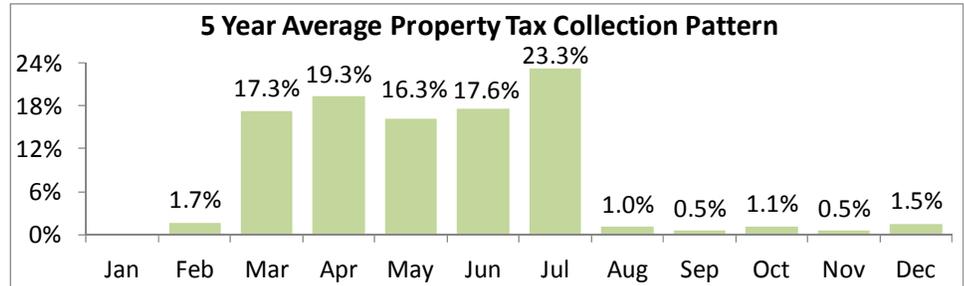
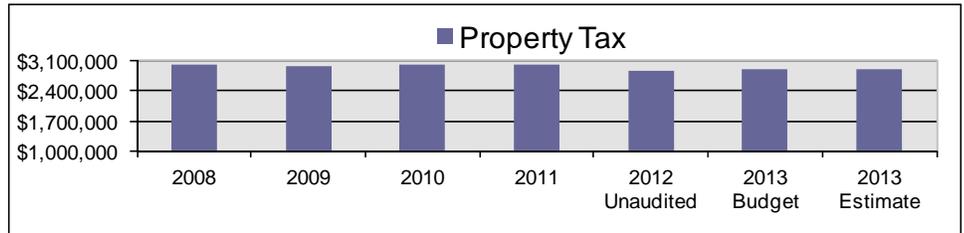
decrease of \$121,174 or four percent. In 2012 the City collected \$2,874,816 or 10 percent of 2012 total taxes and 7.2 percent of total revenues from property taxes. The City budgeted \$2,898,000 for 2013; and collected nothing (normal collection pattern) through January 2013. The estimate for the year is \$2,898,000.

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 \$316,242 in 2008 and \$243,293 in

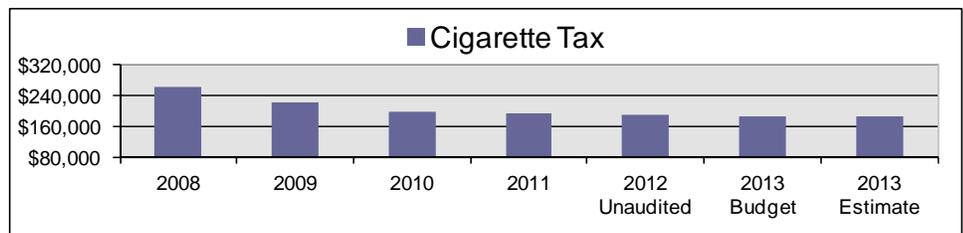
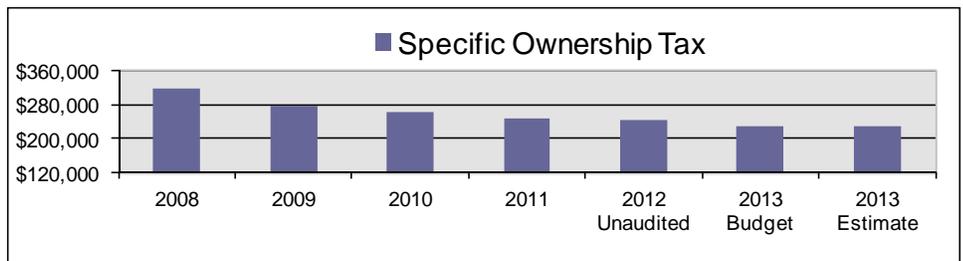
2012 which is a decrease of \$72,949 or 23.1 percent. The City collected \$243,293 in 2012 which is less than one percent of total revenues and total taxes. The City budgeted \$230,000 for 2013 and collected nothing (normal collection pattern) through January 2013. The estimate for the year is \$230,000.

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

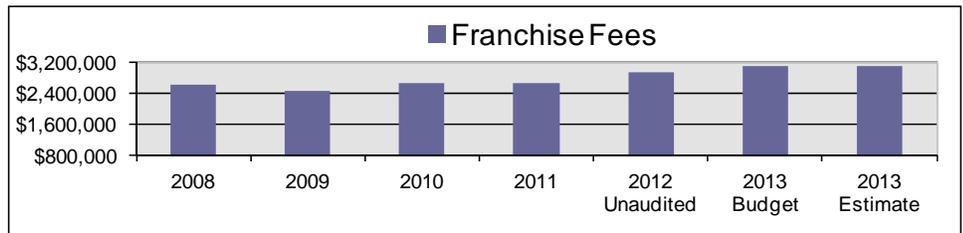
significantly in the past and continue to fall after the 2009 federal tax increase of approximately \$.62 per pack went into effect. This federal tax increase will fund the State Children's Health Insurance Program (CHIP). In 2008 the City collected \$261,743, but in 2012 the City collected \$189,618, which is a *decrease* of \$72,125 or 27.6 percent. These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2012. The City budgeted \$184,000 for the year and collected \$18,197 through January 2013, which is \$4,201 or 30 percent more than the \$13,996 collected through January 2012. The estimate for the year is \$184,000.



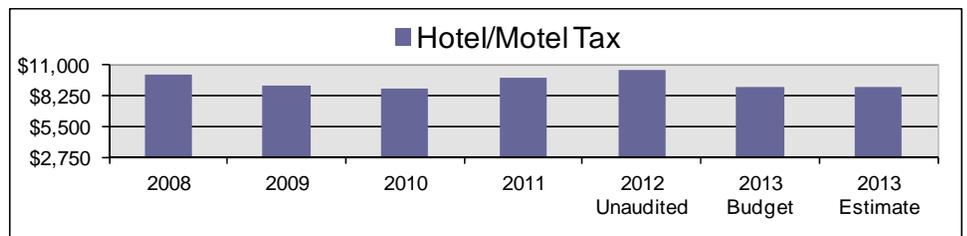
	2008	2009	2010	2011	2012	2013 Budget	2013 Estimate
Property Tax Mill Levy							
General Fund	5.880	5.880	5.880	5.880	5.880	5.880	5.880
Debt Service Fund	2.293	1.947	2.031	2.130	1.741	1.914	1.914
Total Mill Levy	8.173	7.827	7.911	8.010	7.621	7.794	7.794



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 tax on telephone services. The City collected \$2,588,214 in 2008 and \$2,916,501 in 2012, an increase of \$328,287 or 12.7 percent. These taxes accounted for 10.2 percent of taxes and 7.3 percent of total revenues in 2012. The City budgeted \$3,067,552 for the year; collections through January totaled \$105,108 compared to \$78,453 collected during the same period last year. The estimate for the year is \$3,067,552.

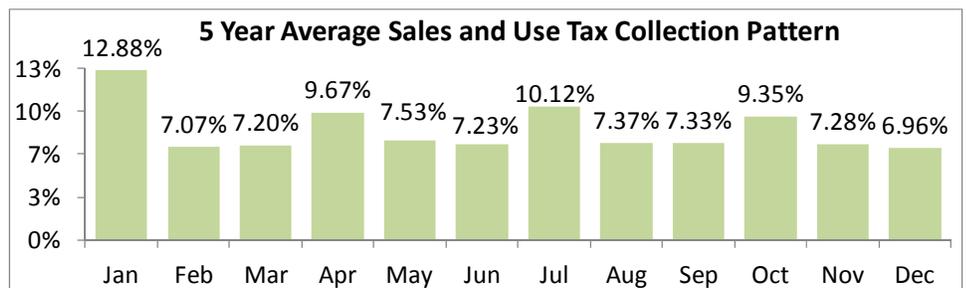
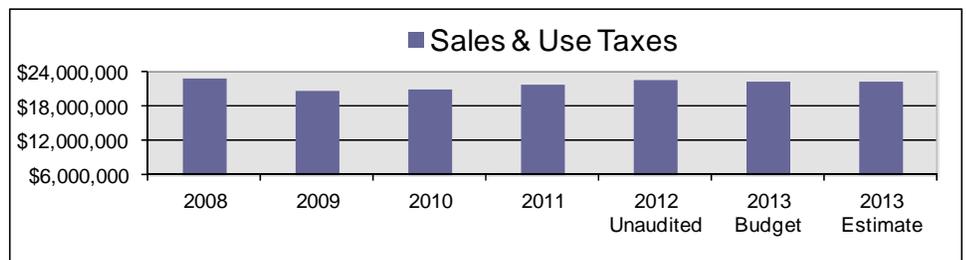


Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$9,000 for the year and has collected \$1,251 through January 2013. The estimate for the year is \$9,000.



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 78.2 percent of all taxes and 56.4 percent of total revenues collected in 2012. In 2008, this tax generated \$22,617,767 for the City of Englewood; in 2012 the City collected \$22,413,154, a decrease of \$204,613 (.9 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 no longer receive a fee for collecting and remitting their sales/use taxes. Taxes for the current month are due to the City by the twentieth day of the following month. The City budgeted \$22,336,277 for 2013. Sales and Use Tax revenue (cash basis) through January 2013 was \$2,838,094 while revenue year-to-date for January 2012 was \$2,755,537, an increase of \$82,002 or three percent.

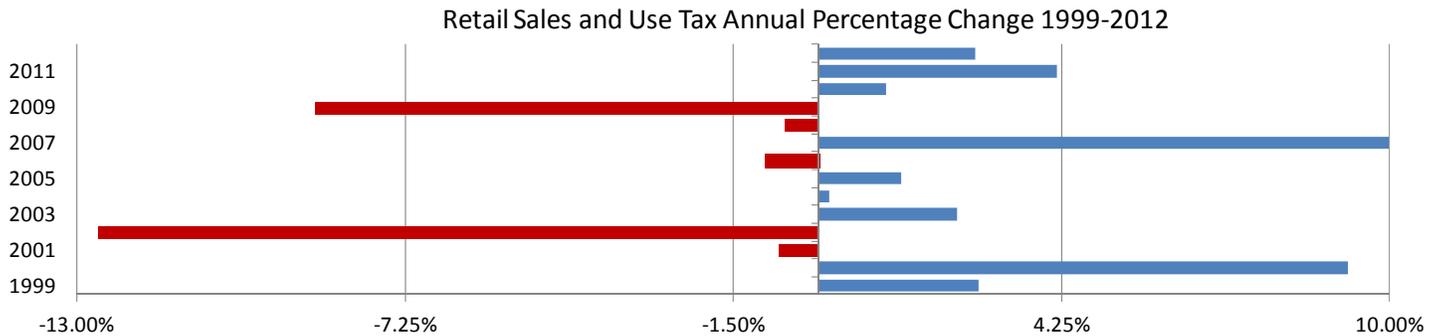


Collections (cash basis) for January 2013 were \$2,838,490 while collections for January 2012 and January 2011 were \$2,755,537 and \$2,442,029 respectively. January 2012 collections were three percent or \$82,002 more than January 2012 collections and \$396,461 or 16.2 percent more than January 2011 collections.

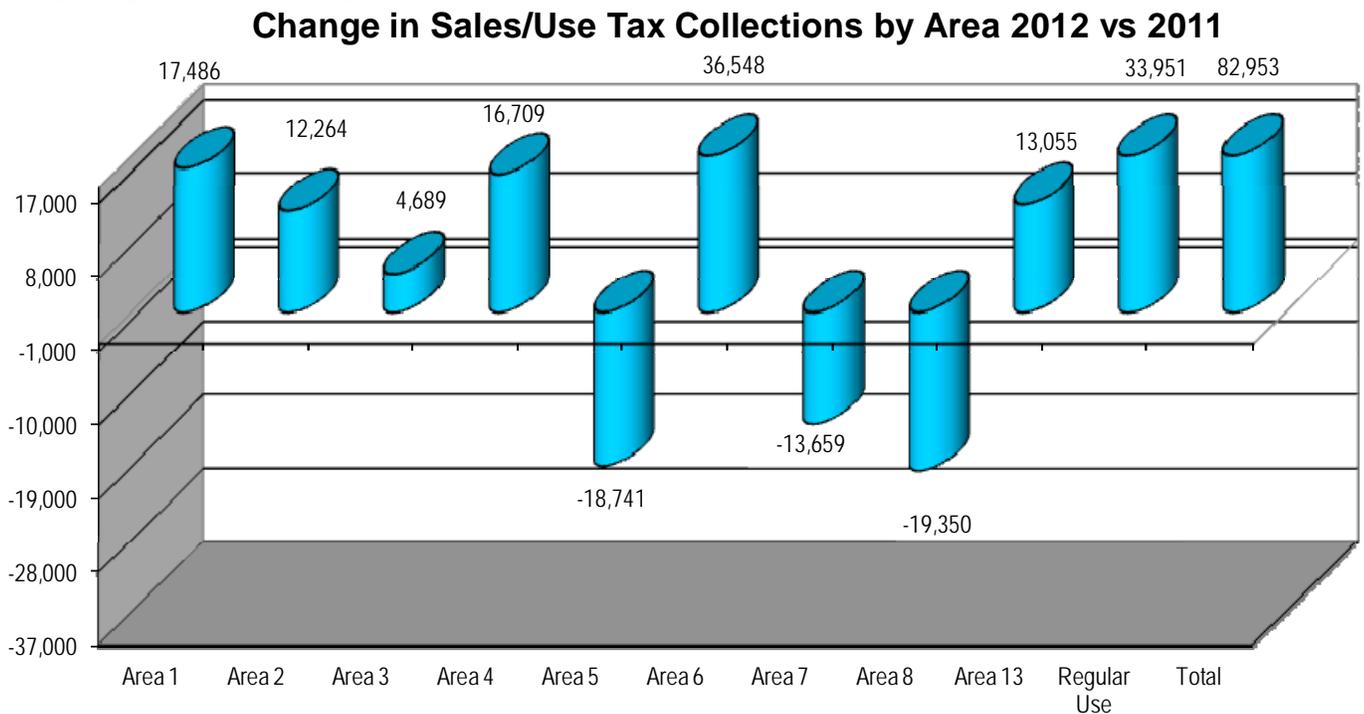
Based on last five years of sales tax collection data, January contributes 12.75 percent of total year's sales tax collections; if this pattern holds this year, 87.25 percent is left to collect over the next eleven months. Based on January's collections, the City will collect an additional \$19,415,937 over the next eleven months for a total of \$22,254,427. January's collections were 103 percent of last January's collections. If this were applied to the entire year, the total collected would be \$23,085,549; the average of the two forecasts is \$22,669,989.

Outside City sales and use tax collections through January totaled \$1,227,493 equaling a decrease of approximately \$13,659 from 2012 collections.

This revenue source tends to ebb and flow (often dramatically) with the economy, growing during economic expansions and contracting during downturns. The past three years of sales tax collections have been exceptionally erratic making it extremely difficult 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 2012 vs. 2011” indicates that most of the increase in sales tax collections is due to Outside City (Area 7) and Collections from Public Utilities (Area 8). 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.

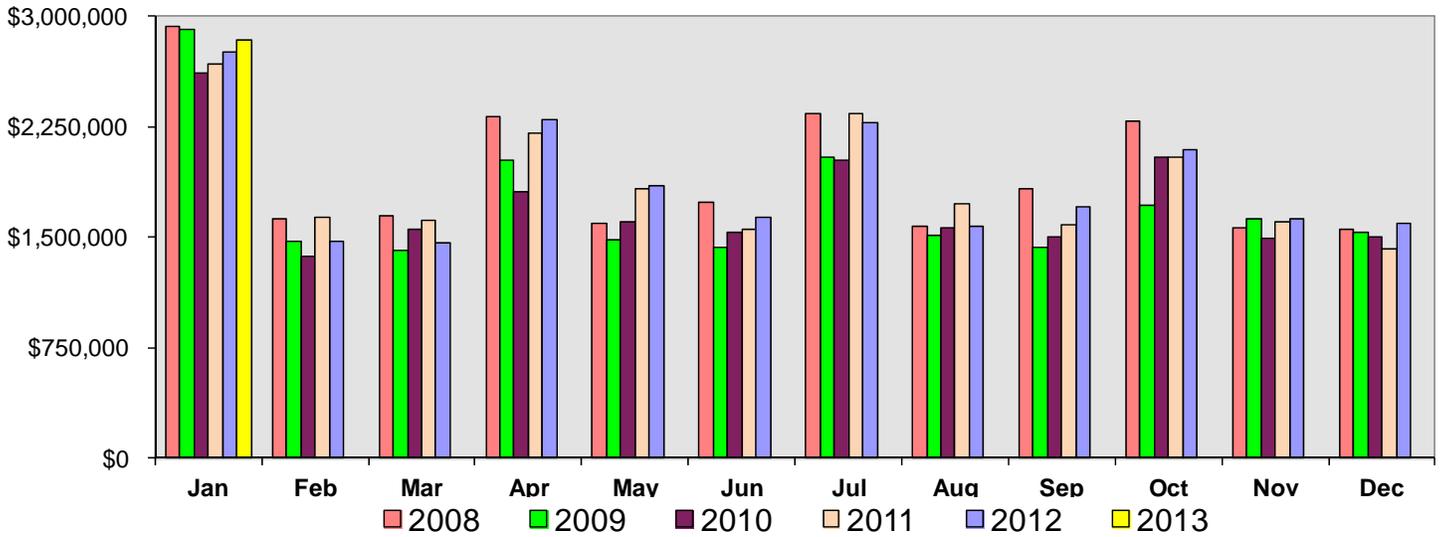


Please note that the geographic map of the sales tax areas was changed as of the February 2012 report, and hopefully makes more sense. Some of the areas will look skewed until more comparable data is available (next year). EURA Areas 9 & 10 and EURA Areas 11 & 12 were incorporated into Areas 1, 2 and 6. Specific changes include:

- Area 1 east boundary will change at Bannock St/Englewood Pkwy east to Acoma St south to Jefferson Ave/Hampden Ave/US 285
- Split the address down the middle of the streets for Area 2 and Area 3: Bannock St and Sherman St
- Split the address down the middle of the streets for Area 3 and Area 4: Belleview Ave, Fox St and Logan St
- The north and south side of the street included in Area 1: Jefferson Avenue
- The north and south side of the street included in Area 2: Jefferson Ave/Hampden Ave/US 285

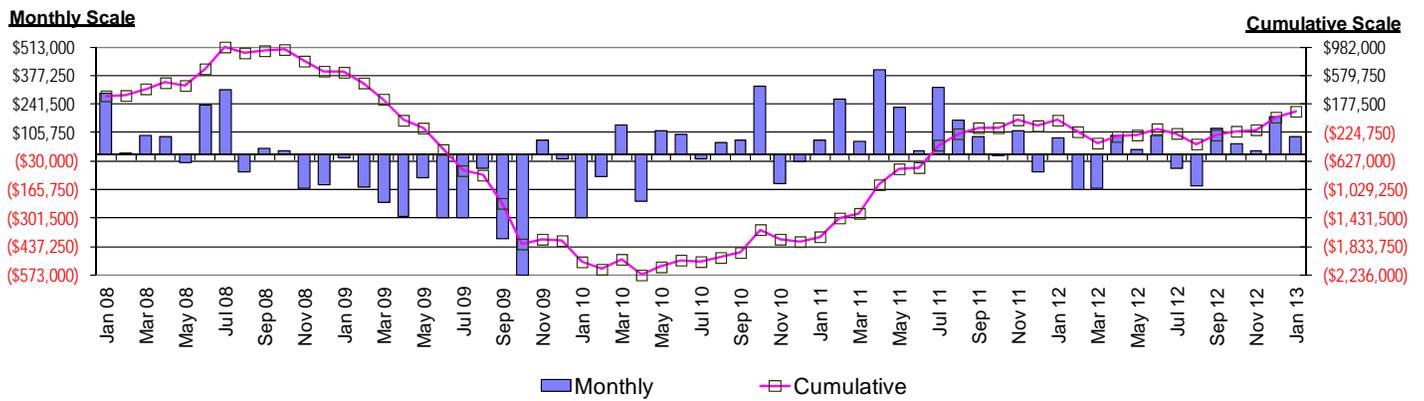
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2008 through 2013.

2008-2013 YTD Sales/Use Tax Collections by Month - Cash Basis



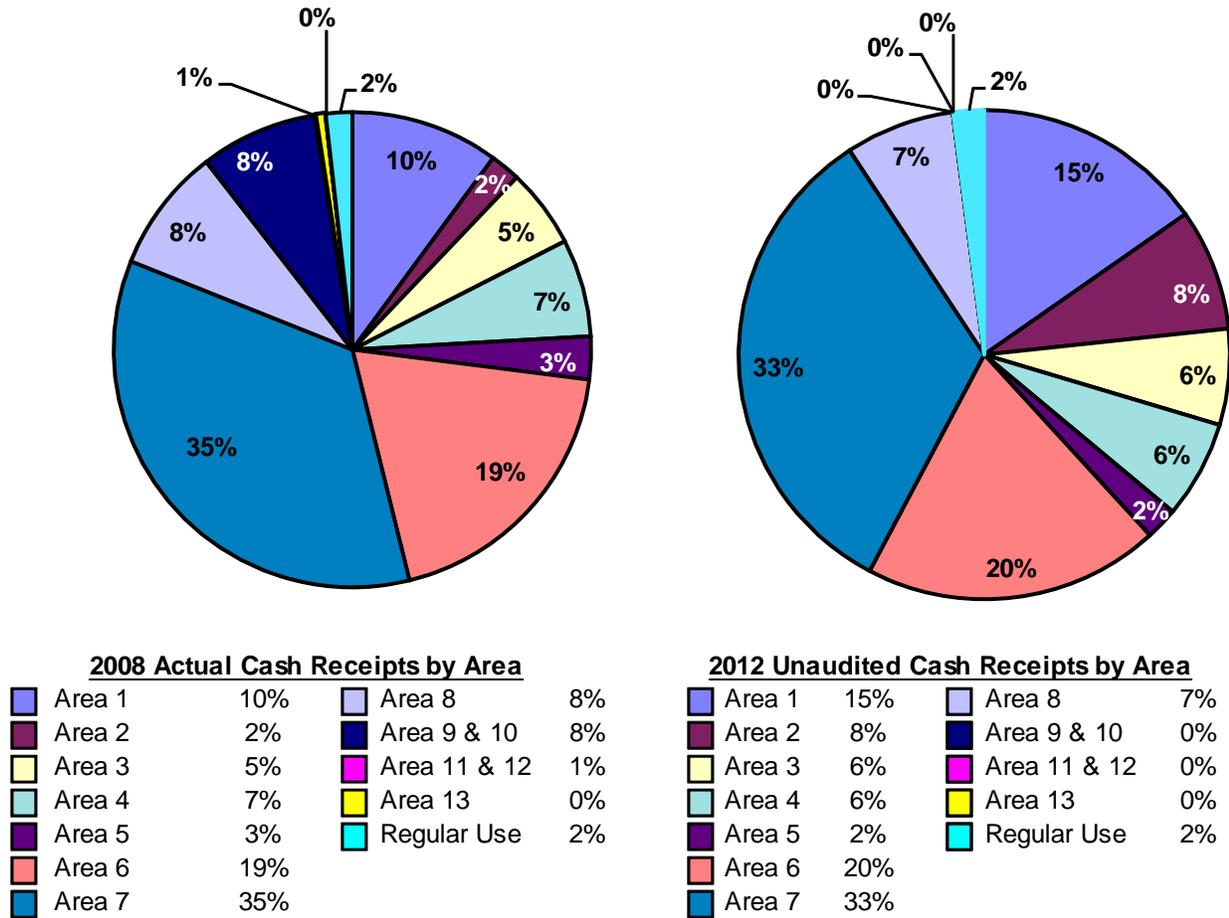
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

2008 - 2013 Monthly Change Sales and Use Tax Receipts



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2008 and 2012 unaudited.

Geographic Sales Tax Collection Areas



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

Area 1: This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$383,295 year-to-date 2013, \$17,486 or 4.8 percent more than was collected last year.

Area 4: This geographic area is up 11.6 percent from last year.

Area 6: This geographic area is up 9.2 percent from last year.

Area 7: This geographic area records the outside city sales tax collections (Outside City). Outside City has been the geographic area responsible for much of the sales tax growth (and decline) in past years. Outside City collections have decreased 1.1 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 2008 for collections through the month of January. 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:

	2009	2010	2011	2012	2013
Total Sales and Use Taxes	2,670,656	2,384,463	2,442,029	2,755,537	2,838,490
Outside City Collections	1,090,778	1,111,175	1,090,992	1,241,152	1,227,493
Percentage of Total	40.8%	46.6%	44.7%	45.0%	43.2%
Total General Fund Revenues	3,669,703	3,442,497	3,749,995	3,626,905	3,781,489
Outside City Collections	1,090,778	1,111,175	1,090,992	1,241,152	1,227,493
Percentage of Revenues	29.7%	32.3%	29.1%	34.2%	32.5%

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 \$4,333 in refunds including intercity sales/use tax claims through January 2013 compared to \$4,484 through January 2012. 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 January were down \$19,350 or 11.4 percent under 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 \$1,117 in sales and use tax audit revenues and general collections of balances on account through the month of January 2013, this compares to \$2,858 collected in 2012 and \$98,570 collected in 2011.

Of the 53 sales tax accounts reviewed in the various geographic areas, 30 (57.6 percent) showed improved collections and 23 (43.4 percent) showed reduced collections this year compared to the same period last year.

The Department issued 43 new sales tax licenses through January 2013; 38 and 25 were issued through January 2012 and 2011 respectively.

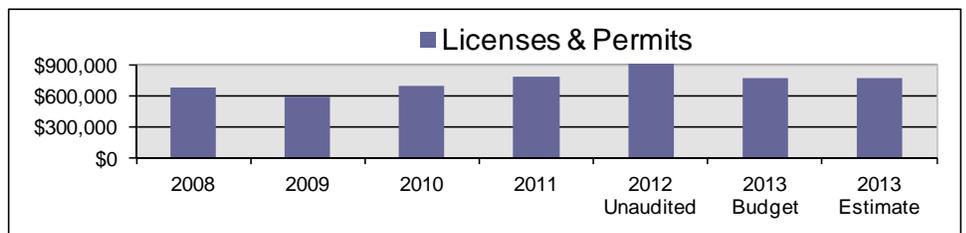
City records indicate that year-to-date two businesses closed (both were outside the physical limits of Englewood) and 43 opened (26 of them were outside the physical limits of Englewood).

General Fund - Other Revenue

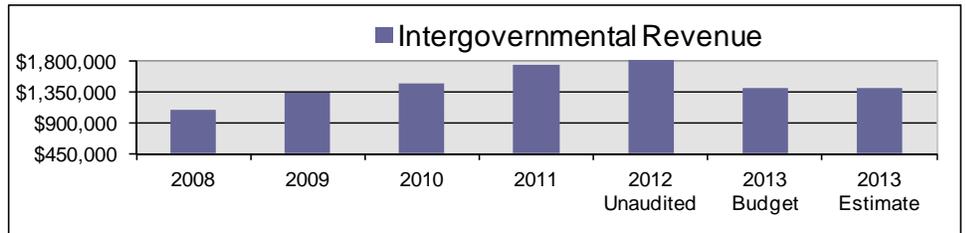
Other revenues accounted for \$11,104,987 or 27.9 percent of the total revenues for 2013; the City budgeted \$10,325,270 for 2013.

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

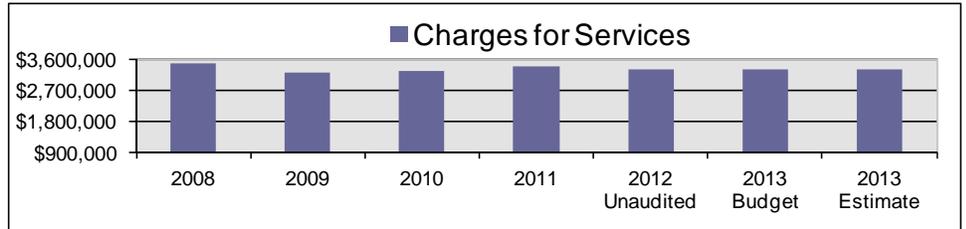
Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$983,419 during 2012 or 2.5 percent of total revenue and 8.9 percent of total other revenue. This revenue source totaled \$671,609 in 2008 and increased to \$983,419 in 2012, an 8.9 percent increase. The City budgeted \$767,153 for 2013 and year-to-date the City collected \$91,117 or \$31,767 (53.5 percent) more than the \$59,350 collected through January 2012. The estimate for the year is \$767,153.



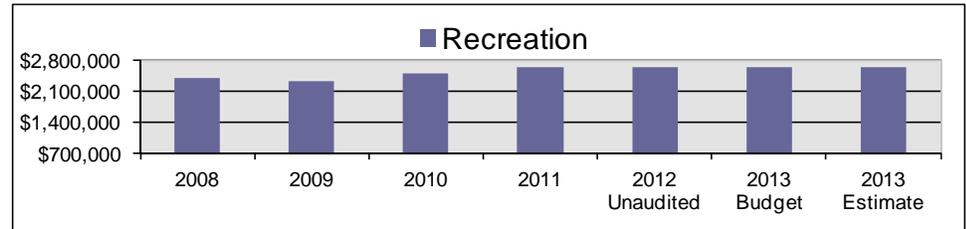
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,387,598 for 2013. This revenue source totaled \$1,079,285 in 2008 and the City collected \$1,864,446 in 2012, a 72.7 percent increase. The City collected \$5,246 through January 2012 this is \$33,406 (86.4 percent) less than the \$38,652 collected in the same period in 2012. The estimate for the year is \$1,387,598.



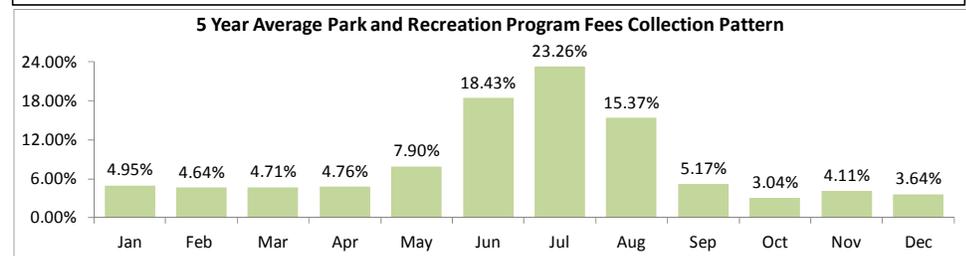
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,277,773 for 2013. This revenue source totaled \$3,476,583 in 2008 and decreased to \$3,264,166 in 2012, a 6.1 percent decrease. Total collected year-to-date was \$296,377 or \$45,999 (18.4 percent) more than the \$250,378 collected year-to-date in 2012. The estimate for the year is \$3,277,773.



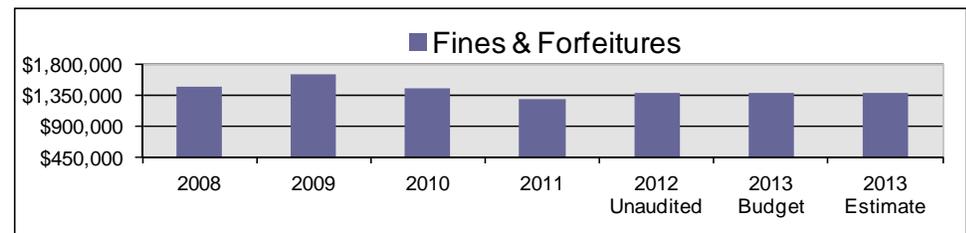
Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at



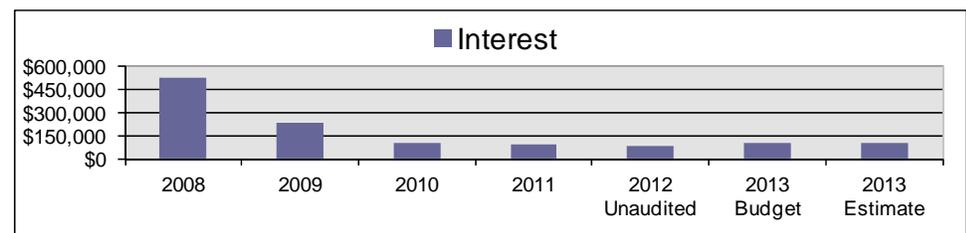
\$2,629,173 for 2013. This revenue source totaled \$2,364,758 in 2008 and increased to \$2,615,642 in 2012, a 10.6 percent increase. Total collections through January 2013 were \$158,541 compared to \$152,465 collected in 2012. The estimate for the year is \$2,629,173.



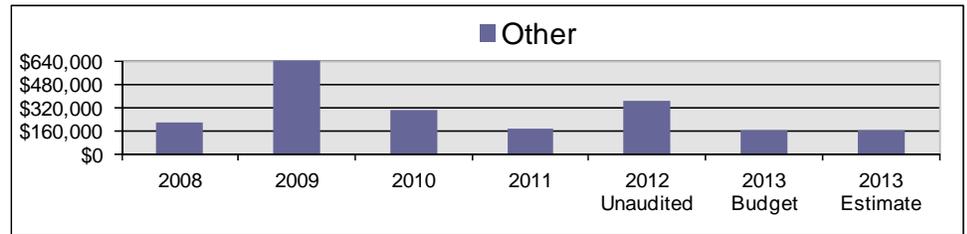
Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2013 budget for this source is \$1,368,450. This revenue source totaled \$1,461,100 in 2008 and decreased to \$1,381,453 in 2012, a 5.4 percent decrease. Total collected year-to-date was \$120,369 or \$4,170 (3.3 percent) less than the \$124,539 collected in the same time period last year. The estimate for the year is \$1,368,450.



Interest: This is the amount earned on the City's cash investments. The 2013 budget for this source is \$100,000. This revenue source totaled \$520,325 in 2008 and decreased to \$84,050 in 2012, an 83.8 percent decrease. The City lost \$3,997 through January 2013; while the City earned \$21,574 through January 2012. The estimate for the year is \$100,000.



Other: This source includes all revenues that do not fit in another revenue category. The 2013 budget for this source is \$156,294. This revenue source totaled \$215,823 in 2008 and increased to \$360,516 in 2012, a 67 percent increase. Total collected year-to-date is \$62,121 (31.4 percent) more than the \$47,265 collected last year during the same period. The estimate for the year is \$156,294.



General Fund - Expenditures

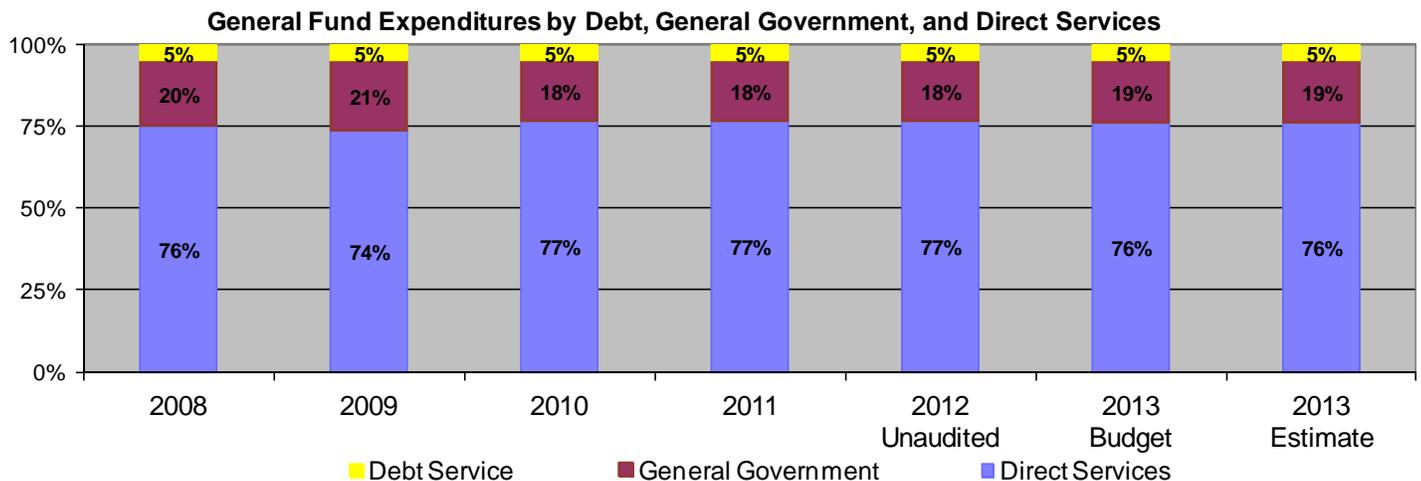
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 \$41,110,026 for 2013, this compares to \$40,194,518 and \$39,496,268 expended in 2012 and 2011 respectively. Budgeted expenditures for 2013 general government (City Manager, Human Resources, etc.) totals \$7,636,290 or 18.6 percent of the total. Direct government expenditures (Police, Fire, etc.) are budgeted at \$31,411,162 or 76.4 percent of the total. Debt service (fixed costs) payments are \$2,062,574 or five percent of the total. Total expenditures through January were \$1,908,339 compared to \$1,938,536 in 2012 and \$2,113,627 in 2011.

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



The schedule below provides the expenditure for each of the General Fund departments for the years 2008 through 2013 Estimate.

Expenditure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Unaudited	2013 Budget	2013 Estimate
General Government							
Legislation	350,254	346,044	309,870	298,731	316,043	330,436	330,436
City Manager	674,322	674,170	659,882	639,184	656,397	679,653	679,653
City Attorney	698,563	678,038	702,228	706,841	711,578	783,147	783,147
Municipal Court	915,303	914,494	901,469	848,775	886,249	962,993	962,993
Human Resources	579,136	456,275	419,422	430,792	468,932	481,392	481,392
Finance & Administrative Services	1,626,571	1,575,923	1,445,581	1,446,313	1,461,785	1,583,684	1,583,684
Information Technology	1,280,156	1,360,237	1,280,660	1,332,766	1,373,343	1,340,211	1,340,211
Community Development	1,464,725	1,366,437	1,301,473	1,359,264	1,259,703	1,324,774	1,324,774
Contingencies	59,759	160,578	48,138	152,423	143,810	150,000	150,000
Contribution to Component Unit(s)	-	800,000	-	-	-	-	-
General Government Subtotal	7,648,789	8,332,196	7,068,723	7,215,089	7,277,840	7,636,290	7,636,290
Direct Services							
Public Works	5,189,173	5,152,891	5,137,364	5,259,875	5,152,336	5,308,257	5,308,257
Police	9,974,925	10,183,890	10,312,633	10,395,239	10,784,755	11,250,771	11,250,771
Fire	7,215,444	7,320,268	7,425,903	7,666,842	8,093,853	7,889,065	7,889,065
Library	1,261,112	1,275,554	1,284,083	1,145,613	1,180,012	1,251,293	1,251,293
Parks and Recreation	5,916,449	5,727,968	5,811,809	5,717,147	5,648,771	5,711,776	5,711,776
Direct Services Subtotal	29,557,103	29,660,571	29,971,792	30,184,716	30,859,727	31,411,162	31,411,162
Debt Service							
Debt Service-Civiccenter	1,575,850	1,571,752	1,570,705	1,658,857	1,570,921	1,573,000	1,573,000
Debt Service-Other	233,456	233,456	290,122	437,606	486,030	489,574	489,574
Debt Service Subtotal	1,809,306	1,805,208	1,860,827	2,096,463	2,056,951	2,062,574	2,062,574
Total Expenditure	39,015,198	39,797,975	38,901,342	39,496,268	40,194,518	41,110,026	41,110,026
% Expenditure Change	2.35%	2.01%	-2.25%	1.53%	1.77%	2.28%	0.00%
Other Financing Uses							
Transfers Out	408,915	177,011	750,000	301,246	434,000	0	0
Total Other Financing Uses	408,915	177,011	750,000	301,246	434,000	0	0
Total Uses of Funds	39,424,113	39,974,986	39,651,342	39,797,514	40,628,518	41,110,026	41,110,026
% Uses of Funds Change	1.92%	1.40%	-0.81%	0.37%	2.09%	1.19%	0.00%

The chart below provides per capita the General Fund expenditure information categorized into direct and general government services and debt service. Also provided is the per capita General Obligation Debt accounted for in the Debt Service Fund.

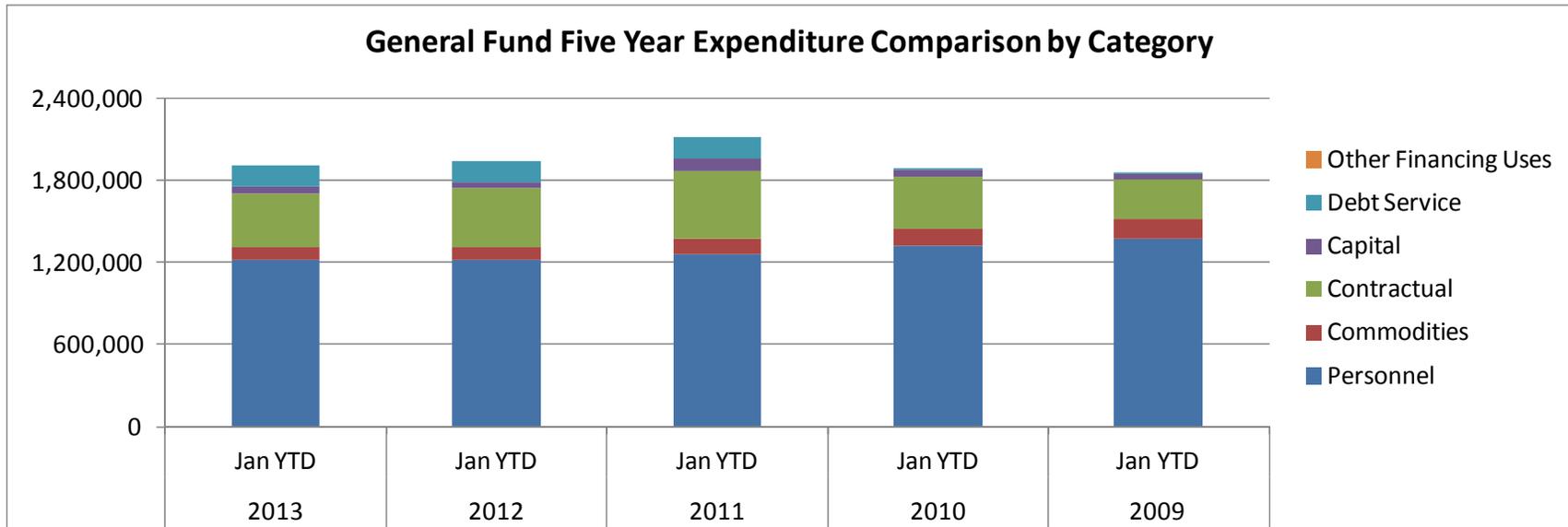
	2008	2009	2010	2011	2012 Unaudited	2013 Budget	2013 Estimate
Population*	30,943	30,761	30,255	30,720	30,720	30,720	30,720
General Fund							
General Government Services	\$ 247	\$ 271	\$ 234	\$ 235	\$ 235	\$ 252	\$ 234
Direct Services	\$ 955	\$ 964	\$ 991	\$ 983	\$ 983	\$ 1,014	\$ 999
Public Works	\$ 168	\$ 168	\$ 170	\$ 171	\$ 171	\$ 177	\$ 164
Police	\$ 322	\$ 331	\$ 341	\$ 338	\$ 338	\$ 356	\$ 350
Fire	\$ 233	\$ 238	\$ 245	\$ 250	\$ 250	\$ 251	\$ 263
Library	\$ 41	\$ 41	\$ 42	\$ 37	\$ 37	\$ 41	\$ 38
Parks & Recreation	\$ 191	\$ 186	\$ 192	\$ 186	\$ 186	\$ 190	\$ 183
Debt Service	\$ 58	\$ 59	\$ 62	\$ 68	\$ 68	\$ 67	\$ 67
Total Expenditure Per Capita	\$ 1,261	\$ 1,294	\$ 1,286	\$ 1,286	\$ 1,286	\$ 1,333	\$ 1,300
Debt Service Fund							
General Obligation Debt Per Capita	\$ 36	\$ 36	\$ 36	\$ 31	\$ 31	\$ 31	\$ 31

City of Englewood, Colorado

General Fund - Five Year Expenditure Comparison by Category

	Jan YTD 2013	YTD % Change	% of Total	Jan YTD 2012	YTD % Change	% of Total	Jan YTD 2011	YTD % Change	% of Total	Jan YTD 2010	YTD % Change	% of Total	Jan YTD 2009	% of Total
Personnel services														
Salaries and wages	824,934	-1.630%	2.007%	838,630	-6.330%	2.064%	895,267	-6.610%	2.250%	958,641	-6.350%	2.418%	1,023,672	51.102%
Overtime	22,959	-20.580%	0.056%	28,910	62.080%	0.071%	17,837	-7.430%	0.045%	19,269	6.400%	0.049%	18,109	1.027%
Benefits	369,783	4.990%	0.899%	352,219	1.270%	0.867%	347,799	1.130%	0.874%	343,925	2.660%	0.867%	335,009	18.333%
Personnel services total	1,217,676	-0.170%	2.962%	1,219,759	-3.260%	3.002%	1,260,902	-4.610%	3.168%	1,321,834	-3.990%	3.334%	1,376,791	70.463%
Commodities total	91,830	-1.960%	0.223%	93,663	-15.170%	0.231%	110,416	-9.000%	0.277%	121,339	-13.020%	0.306%	139,505	6.468%
Contractual services total	395,460	-7.970%	0.962%	429,721	-13.930%	1.058%	499,246	28.960%	1.254%	387,135	34.040%	0.976%	288,827	20.637%
Capital total	50,939	17.930%	0.124%	43,196	-53.490%	0.106%	92,866	109.260%	0.233%	44,379	10.400%	0.112%	40,200	2.366%
Total Expenditures	1,755,905	-1.700%	4.271%	1,786,339	-9.020%	4.397%	1,963,432	4.730%	4.934%	1,874,688	1.590%	4.728%	1,845,323	99.933%
Debt service total	152,433	0.150%	0.371%	152,197	1.330%	0.375%	150,194	11915.490%	0.377%	1,250	0.000%	0.003%	1,250	0.067%
Other financing uses total	0	0.000%	0.000%	0	0.000%	0.000%	0	0.000%	0.000%	0	0.000%	0.000%	0	0.000%
Total Uses of Funds	1,908,338	0.000%	4.642%	1,938,536	0.000%	4.771%	2,113,625	0.000%	5.311%	1,875,938	0.000%	4.731%	1,846,573	100.000%
Annual Total	41,110,026	1.185%		40,628,519	2.088%		39,797,514	0.369%		39,651,356	-0.810%		39,974,987	
YTD % of Annual Total	4.642%			4.771%			5.311%			4.731%			4.619%	

15



General Fund - 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 2012 the General Fund is not in the position to provide funding to the Capital Projects Funds but has received the following net transfers:

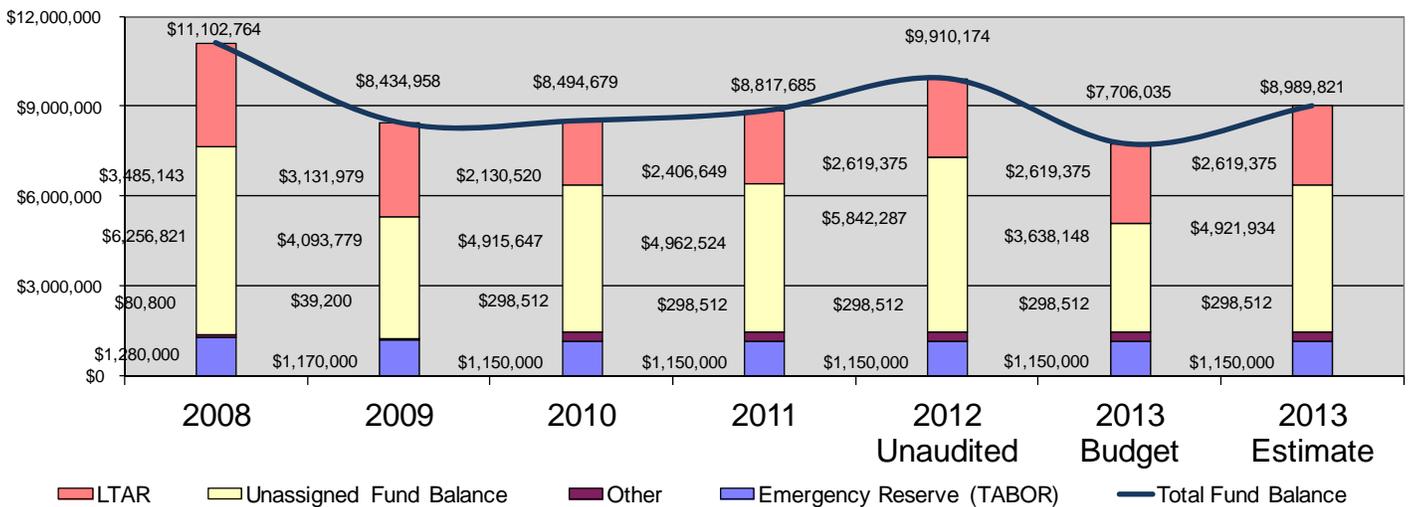
Source of Funds	2013 Budget Amount	2013 YTD Amount	2012 Net Annual Amount
Special Revenue Funds			
Neighborhood Stabilization Program Fund	\$ -	\$ -	\$ 312,726
Capital Project Funds			
Public Improvement Fund (PIF)	989,574	-	201,517
Internal Service Funds			
Central Services Fund	50,000	50,000	-
Servicenter Fund	100,000	100,000	100,000
Risk Management Fund	-	-	920,000
Transfers Total	\$ 1,139,574	\$ 150,000	1,534,243

General Fund - Fund Balance

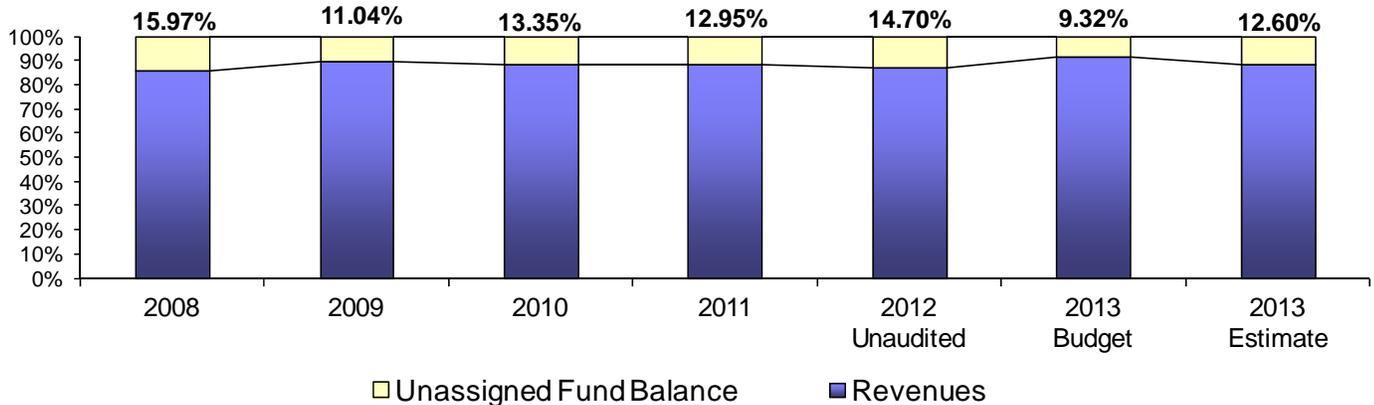
The City designates the fund balance into two categories, restricted and unrestricted. The portion of the fund balance which is restricted is referred to as the “Reserves” while the unrestricted portion is referred to as the unreserved/undesignated fund balance. The unreserved/undesignated fund balance represents funds the City sets aside for a “rainy day”. Another way to view these unrestricted funds is as a stabilization fund, the intent of which is to smooth over unexpected fluctuations in revenues and expenditures. The fund balance is normally built up when revenues exceed expenditures. In the past, excess funds have been transferred out, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The unreserved/undesignated fund 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, 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 balance at the end of January 2013 is \$2,619,375.

General Fund - Fund Balance



Unassigned Fund Balance As A Percentage of Revenue



The City's General Fund ended 2012 with total reserves of \$9,910,174, and an unreserved/undesigned fund balance of \$5,842,287 or 14.8 percent of revenues or 14.5 percent of expenditures. The budgeted total reserves for 2013 are \$7,706,035 with an unreserved/undesigned fund balance of \$3,638,148 or 9.3 percent of budgeted revenues or 8.8 percent of budgeted expenditures. Estimated total reserves for 2013 are \$8,989,821 with an unassigned fund balance of \$4,921,934 or 12.6 percent of budgeted revenues or 12 percent of budgeted expenditures. The \$4,921,934 would allow the City to operate for approximately 43.7 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 2011 through 2013. 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.

Public Improvement Fund (PIF)	2013	2013 vs 2012 Increase (Decrease)	2012	2012 vs 2011 Increase (Decrease)	2011
YTD Revenues	\$ -	\$ (21,482) (100.00%)	\$ 21,482	\$ (464) (2.11%)	\$ 21,946
YTD Expenditures	-	\$ (1,283,803) (100.00%)	1,283,803	\$ (1,651,015) (56.26%)	2,934,818
Net Revenues (Expenditures)	\$ -	\$ 1,262,321	\$ (1,262,321)	\$ 1,650,551	\$ (2,912,872)
Beginning PIF Fund Balance	\$ -		\$ 1,091,527		\$ 2,576,616
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ -		\$ (170,794)		\$ (336,256)
Plus: Remaining Annual Revenue	-		1,775,682		1,586,624
Less: Remaining Annual Appropriation	-		(1,376,691)		(1,285,341)
Estimated Ending Fund Balance	\$ -		\$ 228,197		\$ (34,973)
Unappropriated Fund Balance as of December 31,			\$ -		\$ 440,771

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

	2013 Estimate	2013 Adopted Budget	2013 YTD Actual	2013 Vs 2012		2012 YTD Actual	2012 Vs 2011		2011 YTD Actual
				Amount	%		Amount	%	
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 122,910	\$ 14,735	14%	\$ 108,175	\$ 37,488	53%	\$ 70,687
Building Use Tax	\$ 550,000	\$ 550,000	\$ 41,707	\$ 21,695	108%	\$ 20,012	\$ (167)	-1%	\$ 20,178
Arapahoe County Road and Bridge Tax	\$ 184,000	\$ 184,000	\$ 9,854	\$ 275	3%	\$ 9,579	\$ (27)	0%	\$ 9,605

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. These revenue sources are monitored periodically to determine the revision of the 2013 Estimate. **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%.

2013 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)	Restricted/ Committed Balance	Ending Balance
Governmental Fund Types (Fund Balance)						
General Fund	9,936,901	3,693,424	1,908,338	(2,843,490)	4,161,979	4,716,519
Special Revenue Funds						
Conservation Trust	1,229,649	(506)	5,085	(1,228,323)	-	(4,265)
Open Space	1,043,875	(530)	-	(945,463)	-	97,882
Neighborhood Stabilization Program	463,551	223,734	51,542	(635,744)	-	-
Donors	445,710	18,056	1,992	-	-	461,774
Community Development	-	4,995	2,948	(2,047)	-	-
Malley Center Trust	268,974	214	-	-	-	269,188
Parks & Recreation Trust	454,647	312	502	-	-	454,457
Debt Service Fund						
General Obligation Bond	55,625	(23)	-	-	-	55,602
Capital Projects Funds						
PIF	1,207,806	173,998	39,743	(845,839)	-	496,222
MYCP	837,576	(262)	2,861	(818,747)	-	15,706
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	14,105,972	307,066	872,161	-	-	13,540,876
Sewer	4,250,338	1,237,194	1,148,724	-	1,000,000	3,338,808
Stormwater Drainage	1,059,080	43,061	4,941	-	102,500	994,699
Golf Course	961,437	53,896	48,166	-	293,500	673,667
Concrete Utility	333,332	72,055	15,453	-	-	389,934
Housing Rehabilitation	399,544	7,606	5,744	52,340	-	453,747
Internal Service Funds						
Central Services	184,905	25,929	25,074	(50,000)	-	135,759
ServiCenter	1,209,362	219,804	87,164	(200,000)	-	1,142,001
CERF	1,488,533	64,663	-	100,000	-	1,653,196
Employee Benefits	(76,848)	379,531	815,491	-	-	(512,808)
Risk Management	(27,171)	821	7,241	-	-	(33,591)

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 through user fees and charges (business-type activities). These funds focus on the near-term *inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year.

Housing Rehabilitation Fund – Accounts for revenues and expenses associated with the City's housing rehabilitation program.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

MOA – Museum of Outdoor Arts

Malley Center Trust Fund – Accounts for a trust established by Elsie Malley to be used for the benefit of the Malley Senior Recreation Center.

FUNDS GLOSSARY

Multi-Year Capital Projects Fund (MYCP) - Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily with transfers from other City Funds.

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 January 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 January 31, 2013

Percentage of Year Completed = 8%

Fund Balance January 1	\$ 8,626,388	\$ 9,910,174	\$ 9,910,174	\$ 8,817,685	\$ 8,817,685	\$ 8,494,679	\$ 8,494,679			
Revenues	2013				2012			2011		
	Budget	Jan-13	% Budget	YE Estimate	Dec-12	Jan-12	% YTD	Dec-11	Jan-11	% YTD
Property Tax	2,898,000	-	0.00%	2,898,000	2,874,816	-	0.00%	2,994,213	-	0.00%
Specific Ownership Tax	230,000	-	0.00%	230,000	243,293	-	0.00%	246,062	-	0.00%
Sales & Use Taxes	22,336,277	2,839,094	12.71%	22,336,277	22,413,154	2,757,092	12.30%	21,737,110	2,678,606	12.32%
Cigarette Tax	184,000	18,197	9.89%	184,000	189,618	13,996	7.38%	190,763	15,975	8.37%
Franchise Fees	3,067,552	105,108	3.43%	3,067,552	2,916,501	78,453	2.69%	2,631,393	80,493	3.06%
Hotel/Motel Tax	9,000	1,251	13.90%	9,000	10,395	976	9.39%	9,820	885	9.01%
Licenses & Permits	767,153	91,117	11.88%	767,153	983,419	59,350	6.04%	778,536	53,806	6.91%
Intergovernmental Revenue	1,387,598	5,246	0.38%	1,387,598	1,864,446	38,652	2.07%	1,724,807	341,791	19.82%
Charges for Services	3,277,773	296,377	9.04%	3,277,773	3,264,166	250,378	7.67%	3,384,318	289,933	8.57%
Recreation	2,629,173	158,541	6.03%	2,629,173	2,615,642	152,465	5.83%	2,635,221	137,943	5.23%
Fines & Forfeitures	1,368,450	120,369	8.80%	1,368,450	1,381,453	124,539	9.02%	1,284,758	109,017	8.49%
Interest	100,000	(3,997)	-4.00%	100,000	84,050	21,574	25.67%	91,034	7,047	7.74%
EMRF Rents	638,829	88,065	13.79%	638,829	551,295	82,165	14.90%	425,159	17,875	4.20%
Miscellaneous	156,294	62,121	39.75%	156,294	360,516	47,265	13.11%	173,381	16,624	9.59%
Total Revenues	39,050,099	3,781,489	9.68%	39,050,099	39,752,764	3,626,905	9.12%	38,306,575	3,749,995	9.79%
Expenditures										
Legislation	330,436	6,841	2.07%	330,436	316,043	26,945	8.53%	298,731	30,390	10.17%
City Attorney	783,147	31,458	4.02%	783,147	711,578	24,797	3.48%	706,841	28,628	4.05%
Court	962,993	36,939	3.84%	962,993	886,249	38,509	4.35%	848,775	38,344	4.52%
City Manager	679,653	58,862	8.66%	679,653	656,397	65,123	9.92%	639,184	64,190	10.04%
Human Resources	481,392	20,218	4.20%	481,392	468,932	20,050	4.28%	430,792	16,475	3.82%
Financial Services	1,583,684	58,195	3.67%	1,583,684	1,461,785	56,310	3.85%	1,446,313	62,076	4.29%
Information Technology	1,340,211	76,691	5.72%	1,340,211	1,373,343	80,555	5.87%	1,332,766	71,676	5.38%
Public Works	5,308,257	227,182	4.28%	5,308,257	5,152,336	227,611	4.42%	5,259,875	313,755	5.97%
Fire Department	7,889,065	345,083	4.37%	7,889,065	8,093,853	379,872	4.69%	7,666,842	346,318	4.52%
Police Department	11,250,771	595,339	5.29%	11,250,771	10,784,755	543,573	5.04%	10,395,239	605,681	5.83%
Community Development	1,324,774	50,309	3.80%	1,324,774	1,259,703	44,510	3.53%	1,359,264	45,871	3.37%
Library	1,251,293	74,657	5.97%	1,251,293	1,180,012	75,978	6.44%	1,145,613	98,825	8.63%
Recreation	5,711,776	172,035	3.01%	5,711,776	5,648,771	202,121	3.58%	5,717,147	211,841	3.71%
Debt Service	2,062,574	152,683	7.40%	2,062,574	2,056,951	152,197	7.40%	2,096,463	150,194	7.16%
Contingency	150,000	1,847	1.23%	150,000	143,810	385	0.27%	152,423	29,363	19.26%
Total Expenditures	41,110,026	1,908,339	4.64%	41,110,026	40,194,518	1,938,536	4.82%	39,496,268	2,113,627	5.35%
Excess revenues over (under) expenditures	(2,059,927)	1,873,150	-90.93%	(2,059,927)	(441,754)	1,688,369		(1,189,693)	1,636,368	
Net transfers in (out)	1,139,574	150,000	13.16%	1,139,574	1,534,243	1,306,739	85.17%	1,512,699	1,448,366	95.75%
Total Fund Balance	\$ 7,706,035	\$ 11,933,324	154.86%	\$ 8,989,821	\$ 9,910,174	\$ 11,812,793	119.20%	\$ 8,817,685	\$ 11,579,413	131.32%

Fund Balance Analysis

Total Fund Balance	\$ 7,706,035	\$ 11,933,324	\$ 8,989,821	\$ 9,910,174	\$ 8,817,685
Restricted Fund Balance					
-Emergencies (TABOR)	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Committed Fund Balance					
-LTAR	2,619,375	2,619,375	2,619,375	2,619,375	2,406,649
-COPS Grant	298,512	298,512	298,512	298,512	298,512
Restricted/Committed	\$ 4,067,887	\$ 4,067,887	\$ 4,067,887	\$ 4,067,887	\$ 3,855,161
Estimated Unassigned Fund Balance	\$ 3,638,148	\$ 7,865,437	\$ 4,921,934	\$ 5,842,287	\$ 4,962,524
As a percentage of projected revenues	9.32%	20.14%	12.60%	14.70%	12.95%
As a percentage of budgeted revenues	9.32%	20.14%	12.60%		
Target	3,905,010	-	5,857,515		

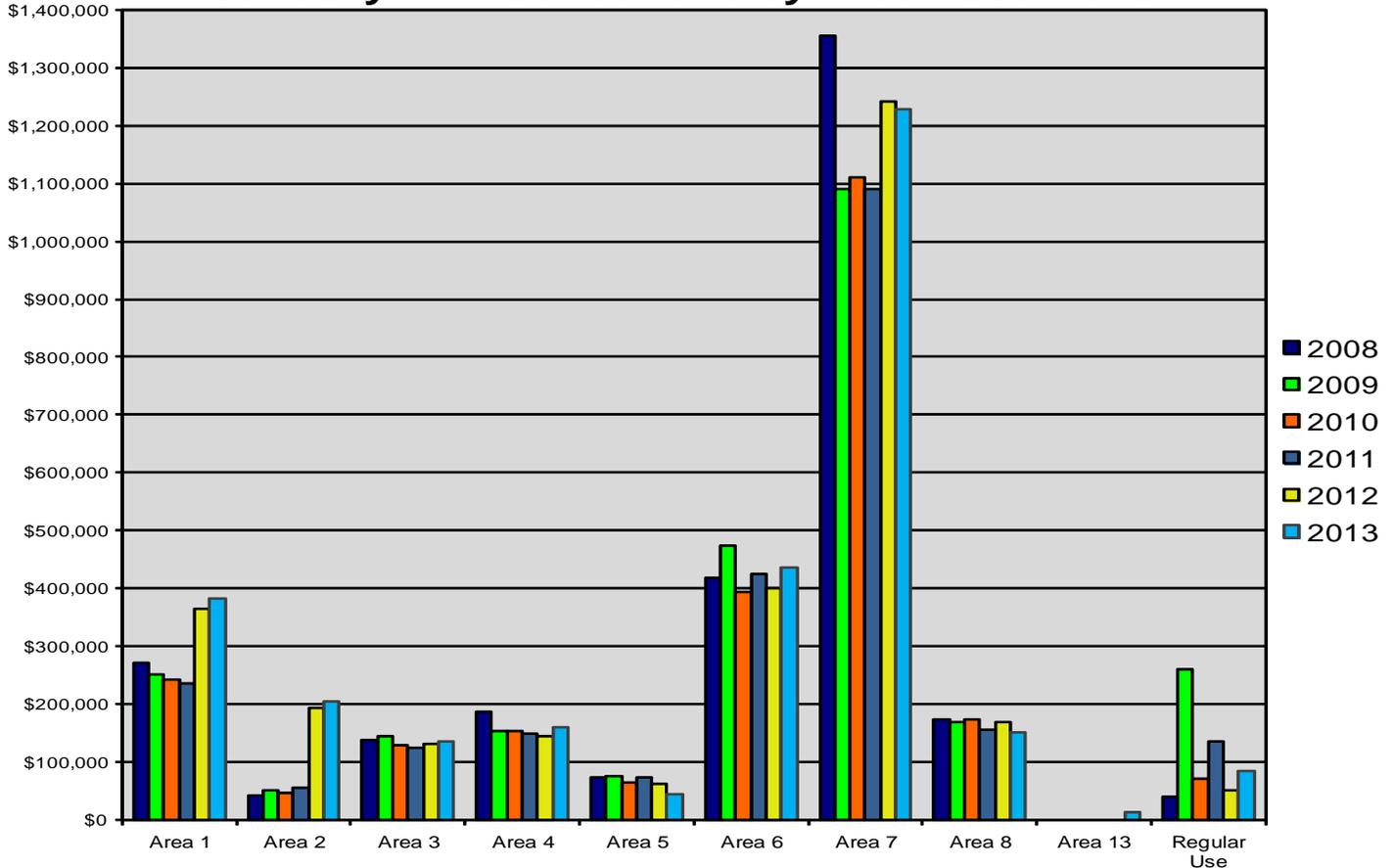
**Sales & Use Tax Collections Year-to-Date Comparison
for the month of January 2013**

Cash Basis

	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change	2013	% Change
Area 1	270,518	0.50%	252,180	-6.31%	242,884	-10.22%	236,180	-2.76%	365,809	54.89%	383,295	4.78%
Area 2	42,735	-12.61%	49,946	2.14%	46,994	9.96%	55,050	17.14%	192,752	250.14%	205,017	6.36%
Area 3	136,795	18.83%	144,347	25.39%	128,061	-6.39%	124,308	-2.93%	130,307	4.83%	134,996	3.60%
Area 4	187,229	-9.95%	154,100	-25.89%	153,350	-18.09%	147,924	-3.54%	144,287	-2.46%	160,996	11.58%
Area 5	73,429	4.25%	76,404	8.47%	64,306	-12.42%	73,057	13.61%	62,016	-15.11%	43,275	-30.22%
Area 6	417,640	-7.82%	473,984	4.62%	394,740	-5.48%	423,828	7.37%	399,329	-5.78%	435,876	9.15%
Area 7	1,355,126	28.73%	1,090,778	3.62%	1,111,175	-18.00%	1,090,992	-1.82%	1,241,152	13.76%	1,227,493	-1.10%
Area 8	173,106	8.25%	167,948	5.03%	172,348	-0.44%	155,901	-9.54%	169,434	8.68%	150,084	-11.42%
Area 13							0	0.00%	0	0.00%	13,055	0.00%
Regular Use	40,573	-11.56%	260,970	468.82%	70,606	74.02%	134,788	90.90%	50,451	-62.57%	84,402	67.29%
Subtotal	2,697,153	21.74%	2,670,656	20.54%	2,384,463	-11.59%	2,442,029	2.41%	2,755,537	12.84%	2,838,490	3.01%
Area 9 and 10	209,796	8.38%	222,340	5.98%	208,878	-6.05%	222,801	6.67%	0	-100.00%	0	0.00%
Area 11 and 12	16,109	15.14%	15,260	-5.27%	14,154	-7.24%	12,402	-12.38%	0	-100.00%	0	0.00%
Subtotal	225,905	8.84%	237,600	5.18%	223,033	-6.13%	235,202	5.46%	0	-100.00%	0	0.00%
Total	2,923,058	20.63%	2,908,256	-0.51%	2,607,496	-10.34%	2,677,231	2.67%	2,755,537	2.92%	2,838,490	3.01%

Refunds	8,916	3276.05%	0	-100.00%	14,740	---	3,004	-79.62%	4,484	49.28%	4,333	44.25%
Audit & Collections Revenue*	158,450	109.02%	203,633	28.52%	1,425	-99.30%	98,570	6817.21%	2,858	-97.10%	1,117	-98.87%
*included Above												
Unearned Sales Tax	650,000	0.00%	600,000	-7.69%	600,000	0.00%	1,100,000	83.33%	1,100,000	0.00%	1,100,000	0.00%
Building Use	260,087	-44.69%	7,080	-97.28%	36,873	420.81%	20,178	-45.28%	20,012	-0.83%	0	-100.00%
Vehicle Use	114,464	4.76%	83,585	-26.98%	87,440	4.61%	70,687	-19.16%	108,175	53.03%	122,910	73.88%

January YTD Collections by Area 2008-2013



Area Descriptions

Area 1 - CityCenter (Formerly Cinderella City)

Area 2 - S of Yale, north & south side of Jefferson Ave/US 285 between Bannock and Sherman

Area 3 - S of Jefferson Ave/US 285 between Bannock & Sherman and north side of Belleview between Logan & Delaware

Area 4 - Broadway and Belleview (Between Fox and Sherman and south side of Belleview and to the Southern City Limits)

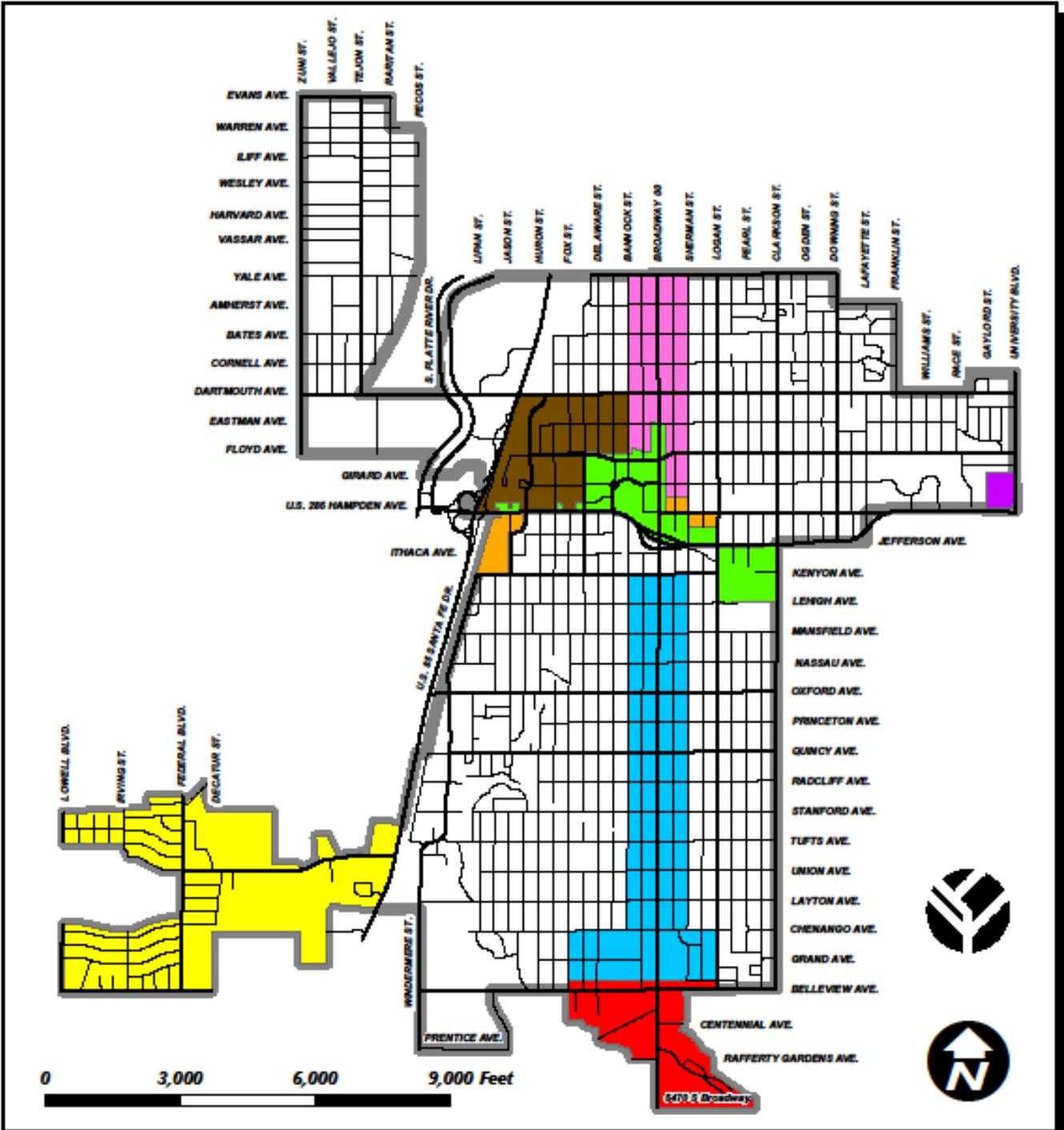
Area 5 - Federal and Belleview W of Santa Fe

Area 6 - All other City locations

Area 7 - Outside City limits

Area 8 - Public Utilities

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

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City of Englewood, Colorado

Council Request: Citizen Budget Advisory Committee Information

Below is a list of local jurisdictions that provide various advisory groups:

Arapahoe County - Citizen Budget Committee

The Citizen Budget Committee is responsible for reviewing the annual proposed Arapahoe County Budget. The Committee reviews proposals that have significant fiscal and operational impacts and performs other duties as assigned by the Board of County Commissioners. When directed by the Board, the Committee gathers information and makes recommendations regarding County financial decisions.

- website address: <http://www.co.arapahoe.co.us/Apps/Boards/BoardsAll.aspx>
- on-line application website address: <http://www.co.arapahoe.co.us/Apps/Boards/OnlineApp.aspx?board=15>
- Copy of Citizen Budget Committee Resolution to establish terms for members
- Copy of Citizen Budget Committee By Laws

City of Aurora – Citizen’s Advisory Budget Committee

Purpose: The Committee studies all phases of the City's budget and makes recommendations to City Council.

Qualifications: Must be a registered elector in the City.

Membership: Number of members: 22

Term: Same 4-year term as Mayor or City Council Member that appointed the Member.

- website address:
<https://www.auroragov.org/CityHall/BoardsandCommissions/CitizensAdvisoryBudgetCommittee/index.htm>
- Copy of Citizen’s Advisory Budget Committee code reference
- Copy of Citizen’s Advisory Budget Committee Mission Statement and Rules and Regulations

City of Boulder – Revenue Stabilization/Blue Ribbon Commission

The City of Boulder is heavily dependent upon sales and use tax to fund its many programs and services. Beginning in 2001, the City of Boulder experienced significant sales and use tax revenue decreases. This resulted in large budgetary cuts over the next four years. Additionally, one third of the sales tax rate is set to expire over an eight year period beginning to 2011.

At the 2006 City Council Retreat, an initiative was put forward to appoint a blue ribbon commission (BRC) to study the revenue policy issues confronting the city. This committee was to consist of technical experts in governmental tax policy as well as distinguished community members who understood the history of Boulder sales tax initiatives and could evaluate the political receptiveness of future tax initiatives.

Appointed by City Council this Commission has been asked to:

Establish a long-term, balanced and stable revenue stream for the city of Boulder that accomplishes public priorities while allowing flexibility to meet the varied and dynamic needs of the municipal corporation in the next twenty years.

- website address:
http://www.bouldercolorado.gov/index.php?option=com_content&task=view&id=5925&Itemid=2421

City of Centennial – Finance Committees (Budget Committee, Audit Committee and Investment Committee) have citizen participation

- website address: <http://www.centennialcolorado.com/>
 - Copy of Finance Committees (Budget, Audit and Investment) Bylaws
1. **Budget Committee** - During 2009, in accordance with Section 11.16(c) of the City of Centennial's Home Rule Charter, City Council passed Ordinance No. 2009-O-3, creating the Centennial Budget Committee. This committee consists of the Mayor, one councilmember, three citizen representatives, the City Manager and the Finance Director. The purpose of this committee is to promote citizen involvement in the budgeting decisions of the City by having the committee study all phases of the budget and by having the committee make recommendations and reports to City Council about those studies.
 - Copy of Budget Committee Ordinance
 2. **Audit Committee** - The Audit Committee is described in section 11.16 of the City's Charter (adopted June 2008): There shall be created an audit committee which shall be comprised of the Mayor, a Councilmember appointed by the City Council, the City Manager, the Finance Director, a staff member appointed by the Finance Director, the City Attorney and two City residents with relevant business experience appointed by the City Council. The audit committee shall:
 - a. periodically review recommendations of staff based on the City's process for requesting proposals and interview to select an auditor or auditing firm to perform the annual audit required by this Charter or other audit(s) that the City Council may request pursuant to the authority in this Charter;
 - b. receive and review the findings and reports of such auditor(s); and
 - c. present the annual or other audit report(s) to the City Council.
 - Copy of Audit Committee Ordinance
 3. **Investment Committee** - The Investment Committee is described in section 11.16 of the City's Charter (adopted June 2008): There shall be created an investment committee that shall be comprised of the Mayor, a Councilmember appointed by City Council, the City Manager, the Finance Director, a staff member appointed by the Finance Director and two City residents with relevant business experience appointed by the City Council. The investment committee shall:
 - a. recommend to the City Council for adoption an investment policy of the City to ensure that City funds will be invested in accordance with Part 6 of Article 75 of Title 24, C.R.S., as may be amended from time to time, and to set policy for management of City funds to attain stated investment goals;
 - b. routinely review the investment policy and make recommendations to City Council for revisions when deemed necessary;
 - c. receive reports from the City Finance Director on the performance of the City's investments as measured against the investment policy; and
 - d. periodically report to the City Council on the performance of the City's investments, which reports shall be publicized in accordance with an Ordinance adopted by the City Council.
 - Copy of Audit Committee Ordinance

City of Englewood, Colorado

Council Request: Citizen Budget Advisory Committee Information

City of Denver - Structural Financial Taskforce

The task force has been charged with achieving the following goals:

- ❖ Learn about the City's revenues, expenditures and tax burden.
- ❖ Challenge and validate Denver's thirty year expenditure and revenue forecasts identifying a structural budget gap.
- ❖ Generate and vet expenditure and revenue ideas that could solve the structural gap.
- ❖ Recommend to the City a package of options that will solve the structural gap.
 - website address: <http://www.denvergov.org/budget/StructuralFinancialTaskforce/tabid/440626/Default.aspx>

City of Golden – Citizens Budget Advisory Committee

The Citizens Budget Advisory Committee (CBAC) was created by the City Manager to advise City staff on the development, implementation, and evaluation of the annual City budget. Participation in CBAC is an opportunity not only to advise on the prioritization of how City tax dollars are spent, but also to advise our policymakers in their decision-making process.

Members review and discuss the quarterly financial reports and the current year's revenue and expenditure projections. Many discussions involve philosophical and strategic issues which impact the budget. It is the role of CBAC members to take information learned in the meetings back into the community and to bring questions/concerns back for discussion

- website address: <http://www.cityofgolden.net/government/boards-commissions/citizens-budget-advisory-committee/>
- Copy of Citizens Budget Advisory Committee By Laws
- Copy of CBAC 2011 Budget Summary Delivering Services to Our Citizens Report
- Copy of CBAC Calendar 2011 Calendar and Agenda