

**LOVELAND CITY COUNCIL  
SPECIAL MEETING  
COUNCIL GOAL-SETTING SESSION  
SATURDAY, JANUARY 24, 2015  
GROUP PUBLISHING  
1515 CASCADE AVENUE  
LOVELAND, COLORADO 80538**

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at [bettie.greenberg@cityofloveland.org](mailto:bettie.greenberg@cityofloveland.org) or 970-962-3319.

**8:00 a.m. to 4:30 p.m.      SPECIAL MEETING - GROUP PUBLISHING**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

1. **CITY MANAGER**  
**Council Goal-Setting Session for 2015**  
Discussion by City Council of goals, priorities and actions for the City in 2015

**ADJOURN**

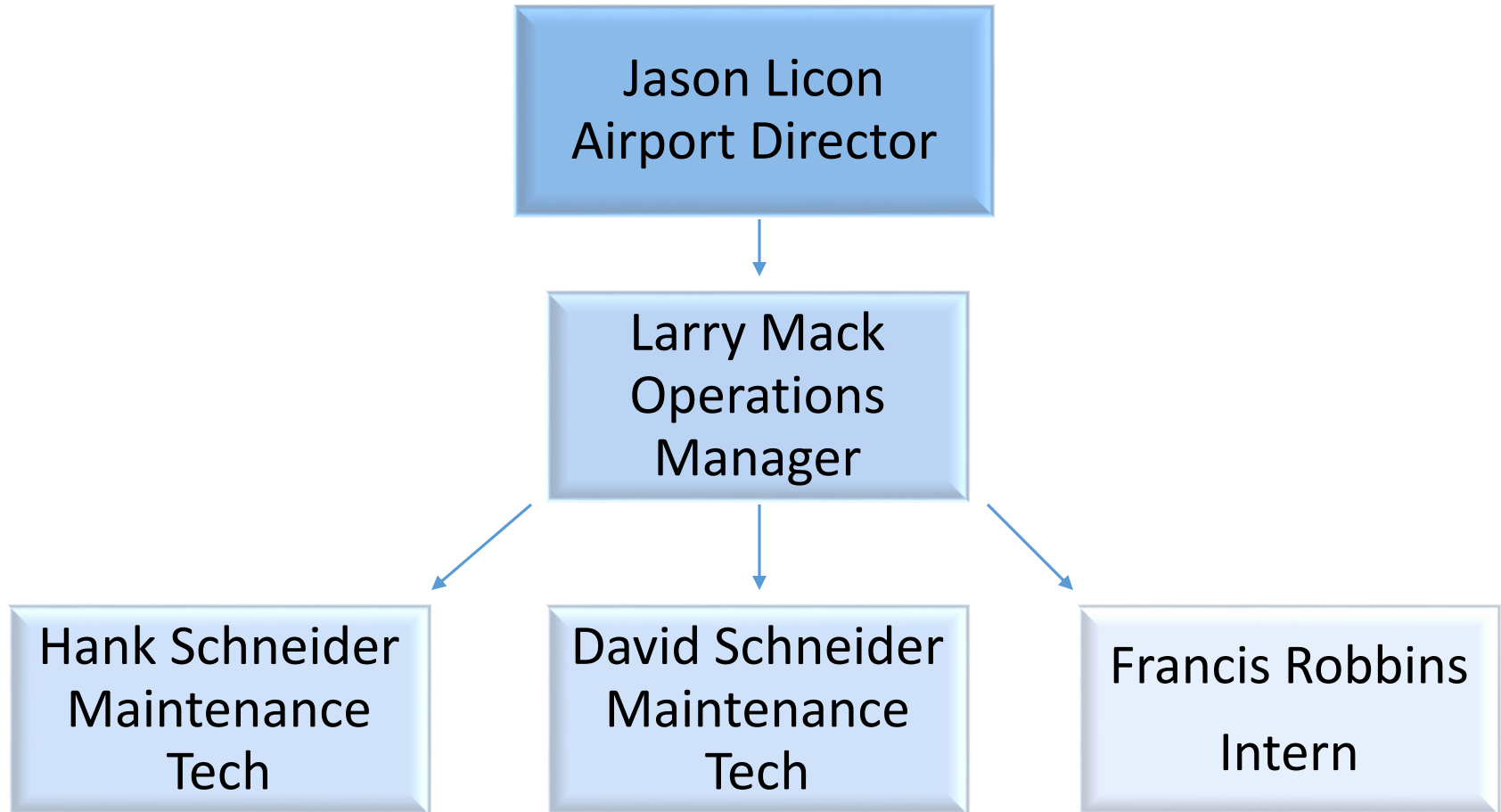
## Agenda for City Council Annual Workshop of January 24, 2015

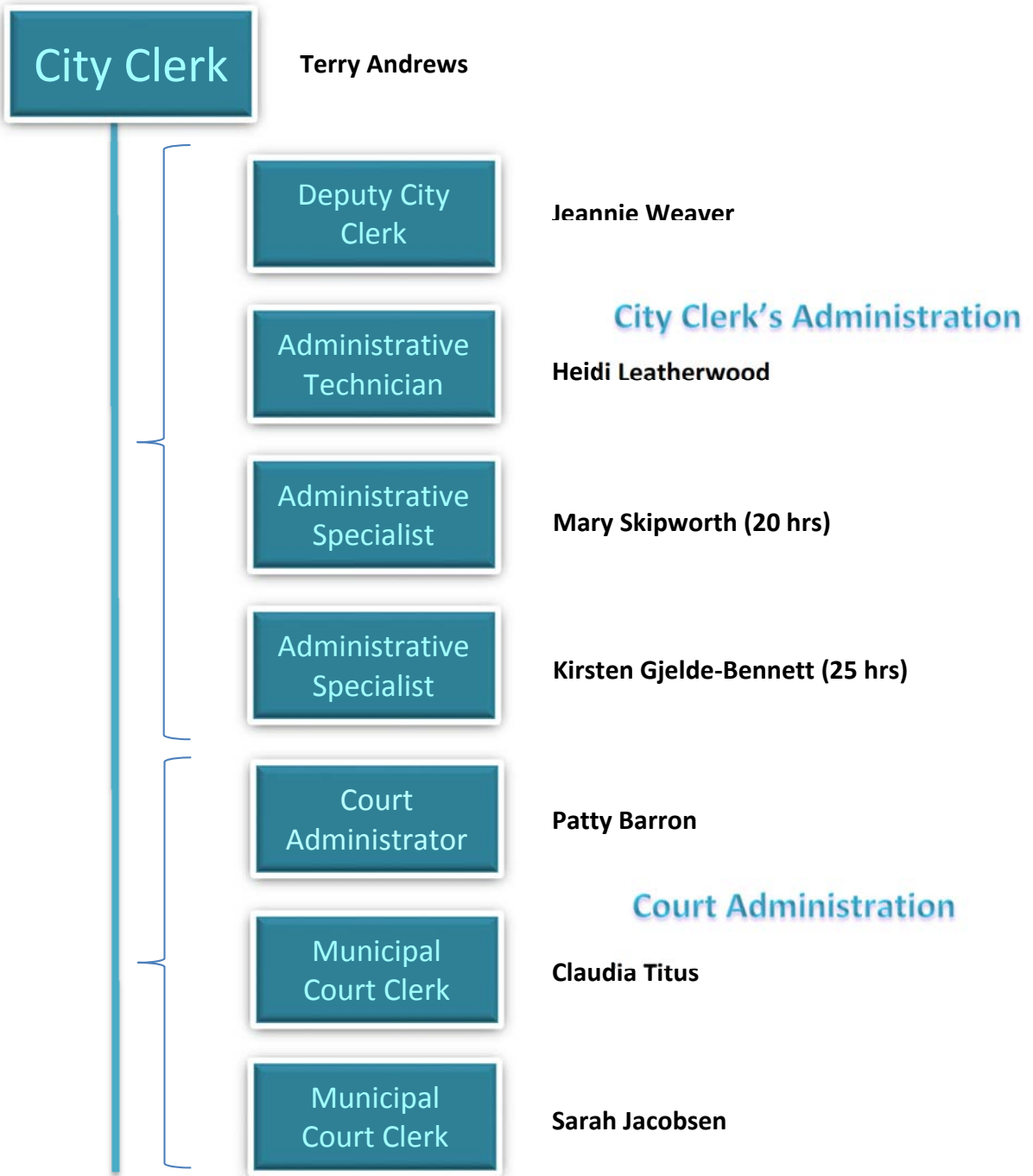
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7:30	<b>Breakfast available</b>	All	
8:00	<b>Convene and confirm day's agenda</b>	Mayor	
8:10	<b>2014 in Review</b>	City Manager	
8:30	<a href="#">Discussion: Council Information, Reports, History</a>	McKean	Andrews
9:30	<i>Orientation: Human Resources</i>	<i>Holland</i>	
9:40	<i>Orientation: Finance</i>	<i>Worthington</i>	
9:50	<a href="#">Discussion: Budgeting Processes and Schedule</a>	Cahill	Cahill, Worthington
10:35	<b>BREAK</b>		
10:45	<a href="#">Discussion: Human Services Priorities</a>	Gutierrez	Hade
11:45	<i>Orientation: Development Services</i>	<i>George</i>	
11:55	<i>Orientation: Airport</i>	<i>Licon</i>	
12:05	<i>Orientation: Economic Development</i>	<i>Hale</i>	
12:15	<b>LUNCH BREAK</b>		
12:45	<a href="#">Discussion: Economic Development and Business Loans</a>	Clark Fogle	Hale Scholl, Krcmarik
2:20	<b>BREAK</b>		
2:35	<i>Orientation: Water and Power</i>		<i>Adams</i>
2:45	<i>Orientation: Information Technology</i>		<i>Westbrook</i>
3:00	<a href="#">Discussion: Community Broadband</a>	Farley, Trenary	Adams, Westbrook
4:00	<i>Fire (LFRA)</i>	<i>Miller</i>	
4:10	<i>Police</i>	<i>Hecker</i>	
4:20	<i>Cultural Services</i>	<i>Ison</i>	
4:30	<i>Library</i>	<i>Lewis</i>	
4:40	<i>Parks and Recreation</i>	<i>Aggers</i>	
4:50	<i>Public Works</i>	<i>Browder</i>	
5:00	<i>City Attorney</i>	<i>Yellico</i>	
6:00	<b>Dinner (spouses invited)</b>		

14 departments

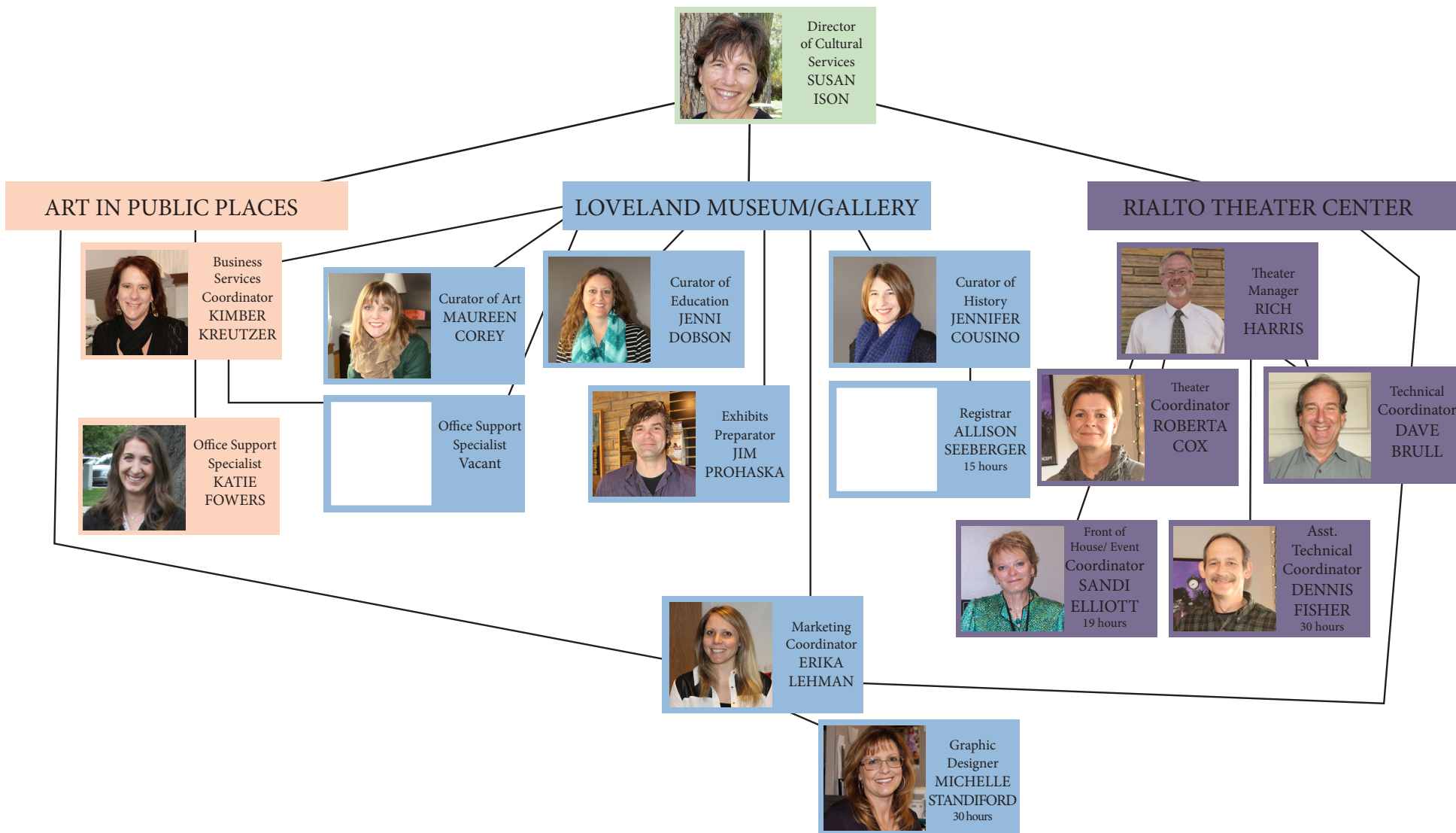
# Airport Organization Chart

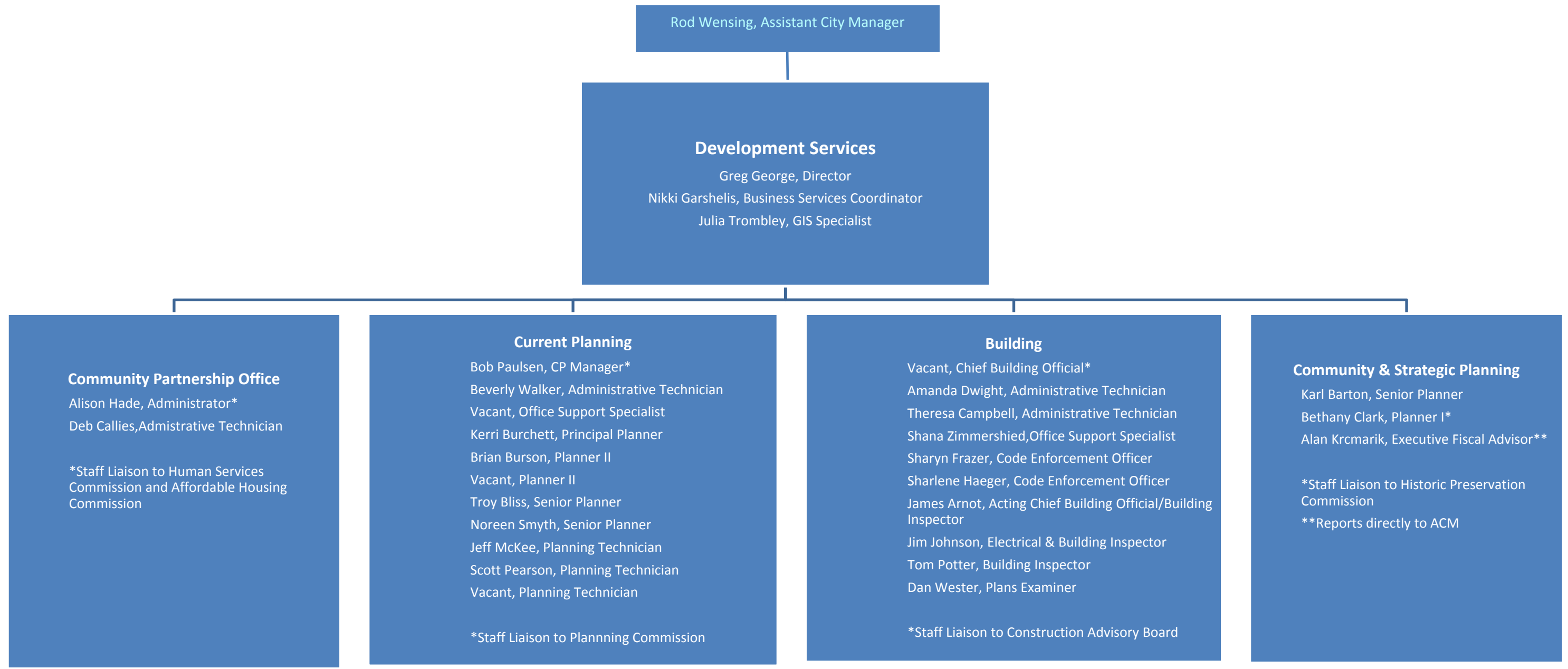




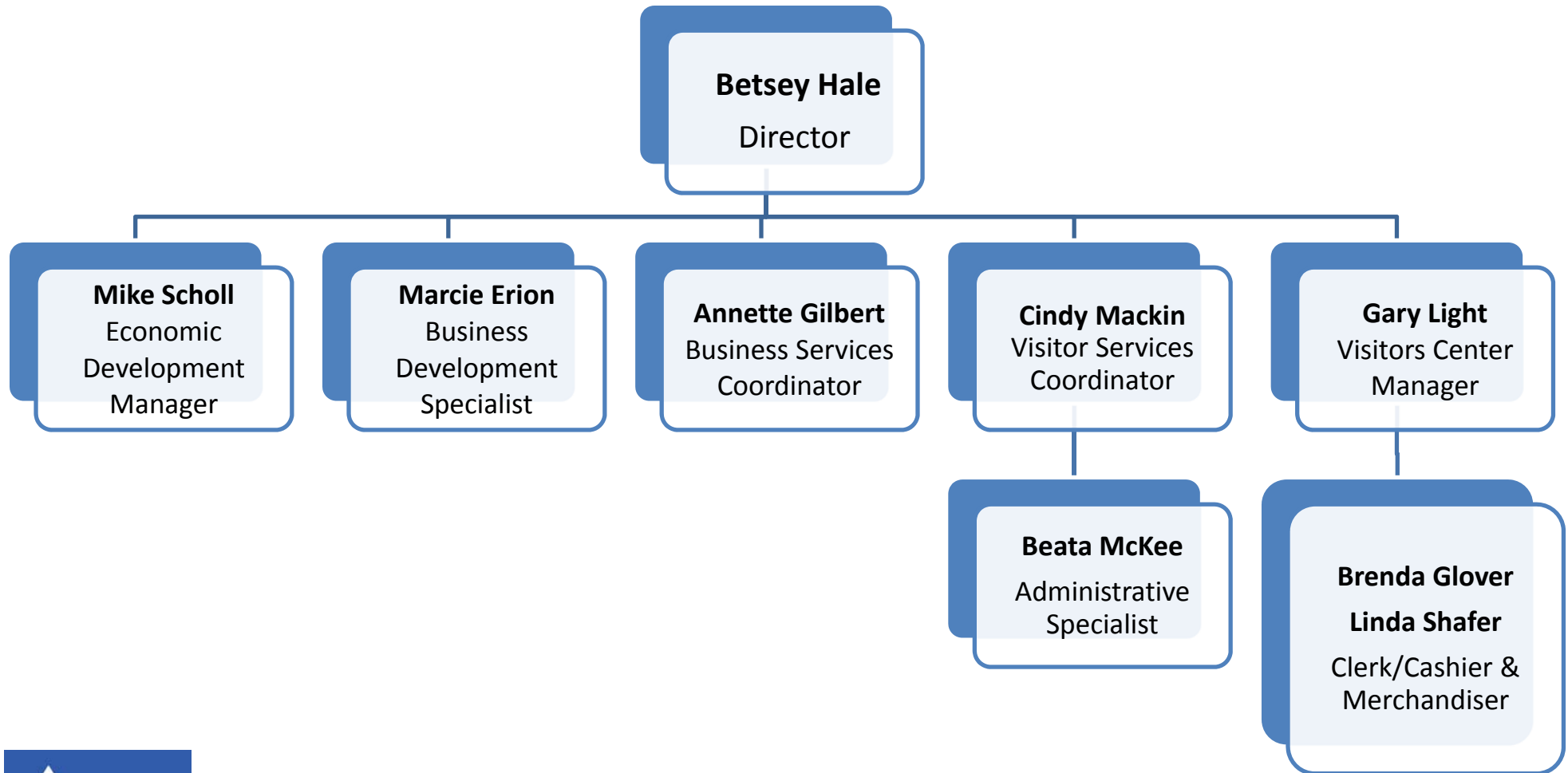
City Clerk and Court Administration  
2015

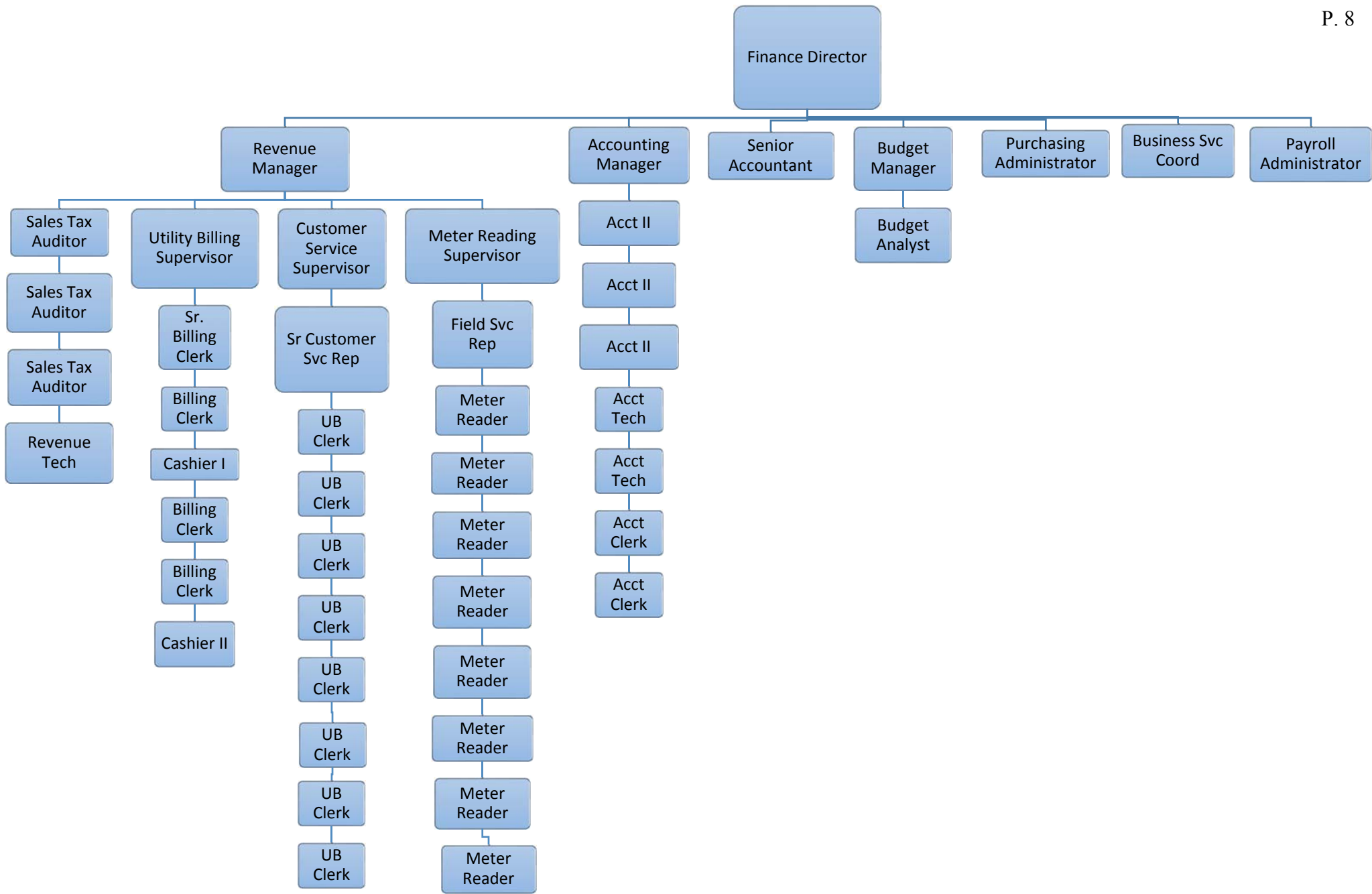
# City of Loveland Cultural Services Department Organizational Chart 2015





# Economic Development Department Organizational Chart



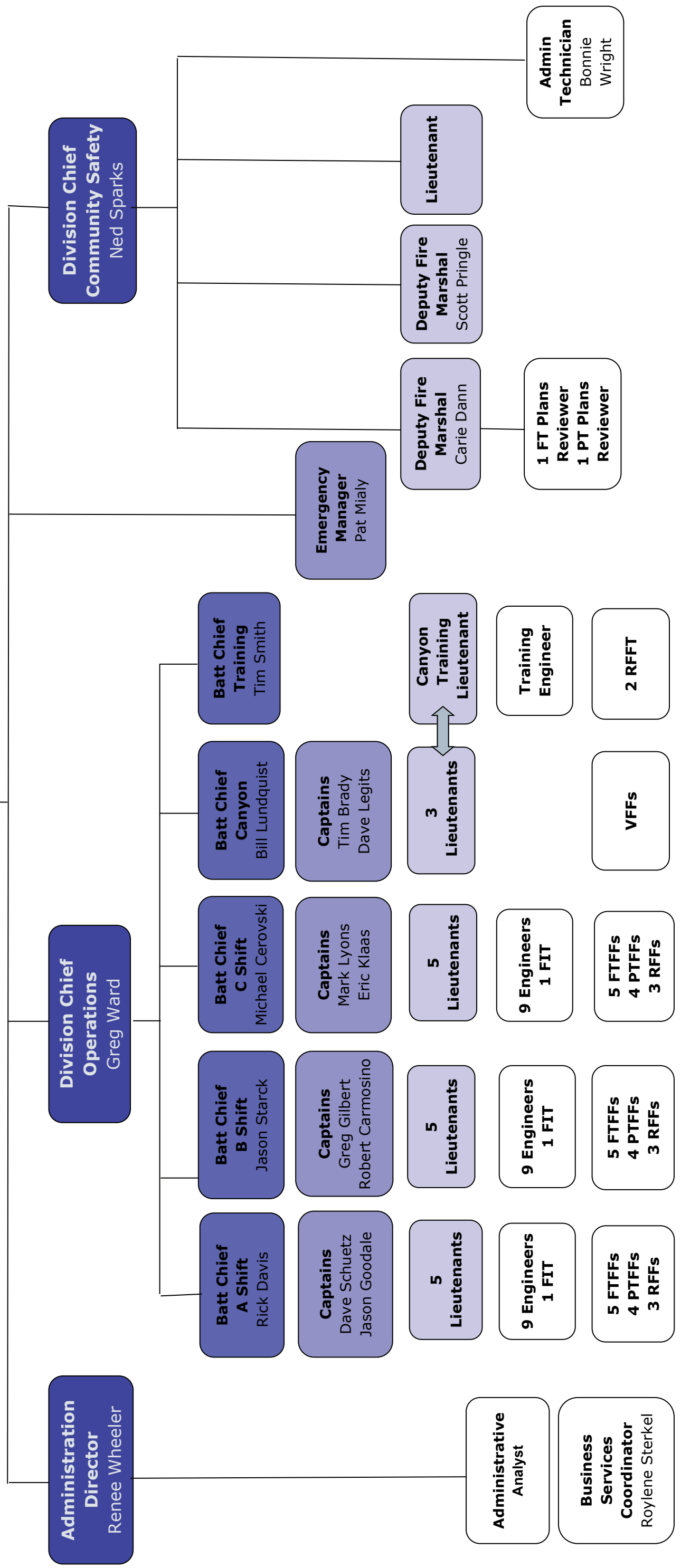






# LFRA Authority Board

**Fire Chief**  
Mark Miller



**Administration Director**  
Renee Wheeler

**Division Chief Operations**  
Greg Ward

**Division Chief Community Safety**  
Ned Sparks

**Batt Chief A Shift**  
Rick Davis

**Captains**  
Dave Schuetz  
Jason Goodale

**5 Lieutenants**

**9 Engineers**  
1 FIT

**5 FTFFS**  
**4 PTFFS**  
**3 RFFS**

**Batt Chief B Shift**  
Jason Starck

**Captains**  
Greg Gilbert  
Robert Carmosino

**5 Lieutenants**

**9 Engineers**  
1 FIT

**5 FTFFS**  
**4 PTFFS**  
**3 RFFS**

**Batt Chief C Shift**  
Michael Cerovski

**Captains**  
Mark Lyons  
Eric Klaas

**5 Lieutenants**

**9 Engineers**  
1 FIT

**5 FTFFS**  
**4 PTFFS**  
**3 RFFS**

**Batt Chief Canyon**  
Bill Lundquist

**Captains**  
Tim Brady  
Dave Legits

**3 Lieutenants**

**VFFS**

**2 RFFT**

**Batt Chief Training**  
Tim Smith

**Emergency Manager**  
Pat Mialy

**Canyon Training Lieutenant**

**Training Engineer**

**2 RFFT**

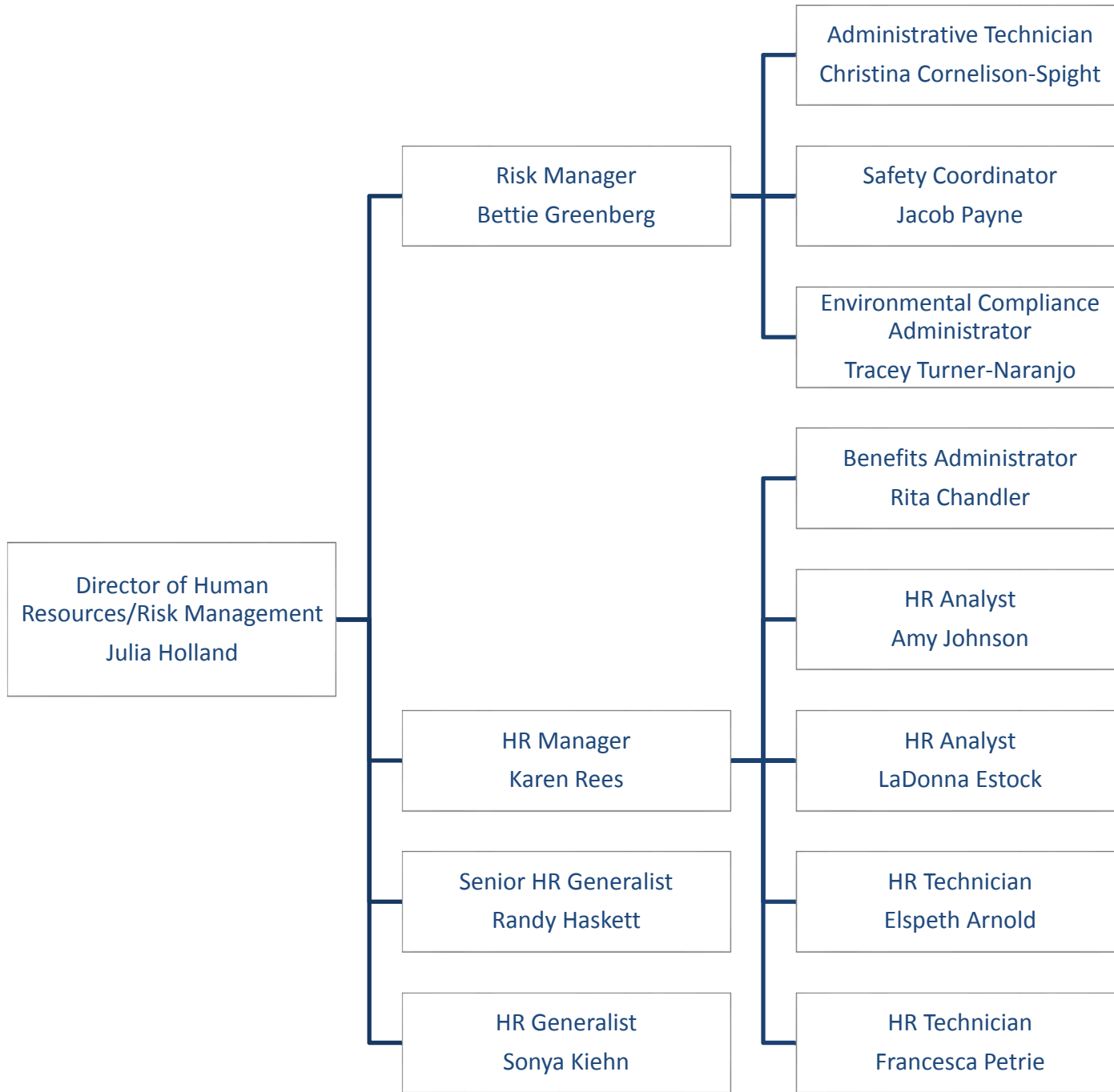
**Deputy Fire Marshal**  
Carie Dann

**1 FT Plans Reviewer**  
**1 PT Plans Reviewer**

**Deputy Fire Marshal**  
Scott Pringle

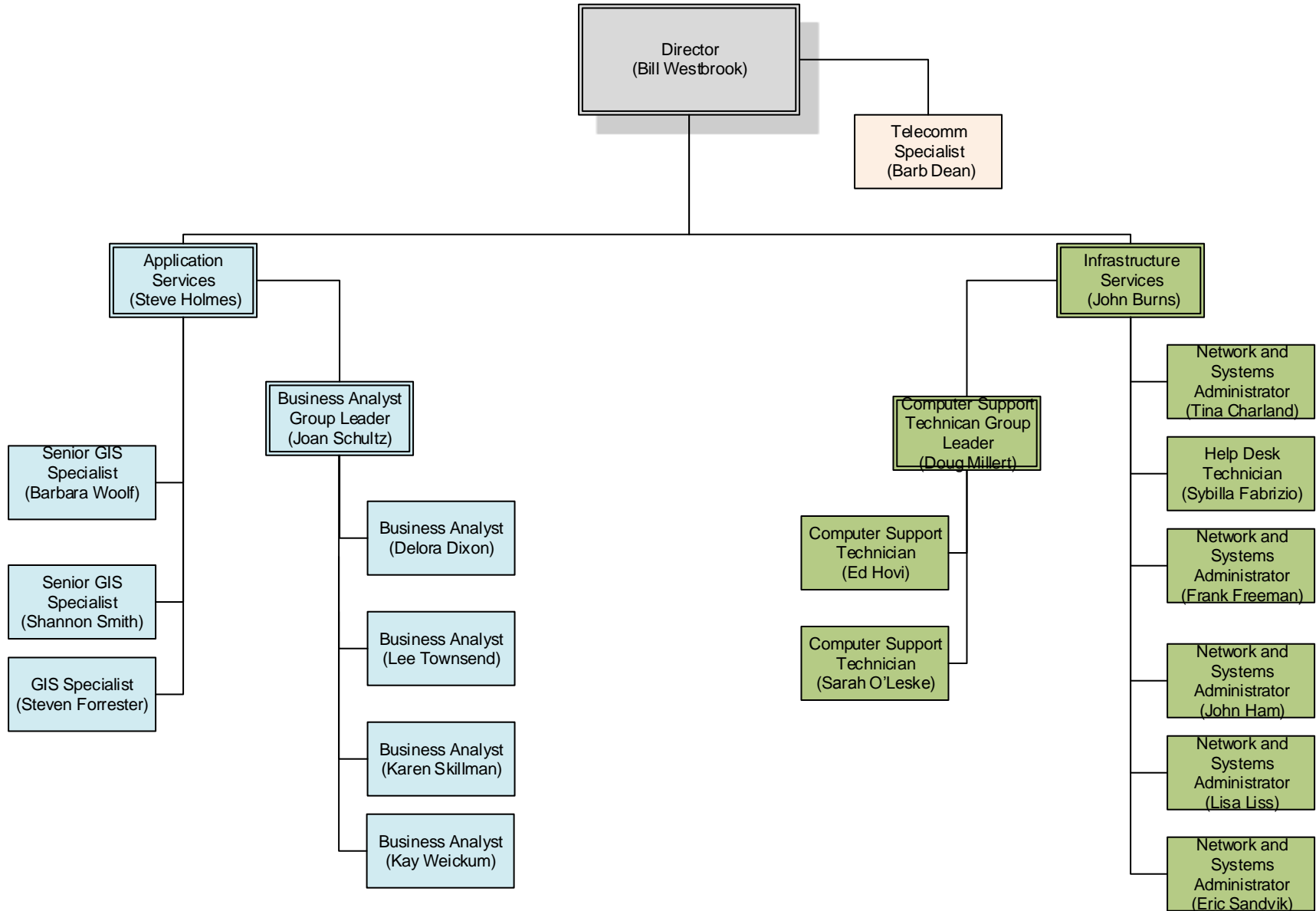
**Lieutenant**

**Admin Technician**  
Bonnie Wright



# IT Organizational Chart

January 12, 2015



# City Attorney

Tami Yellico

## Deputy City Attorney

Judith Yost Schmidt

## Assistant City Attorney II

Sharon Citino

## Assistant City Attorney II

Moses Garcia

## Assistant City Attorney I

Teresa (Tree) Ablao

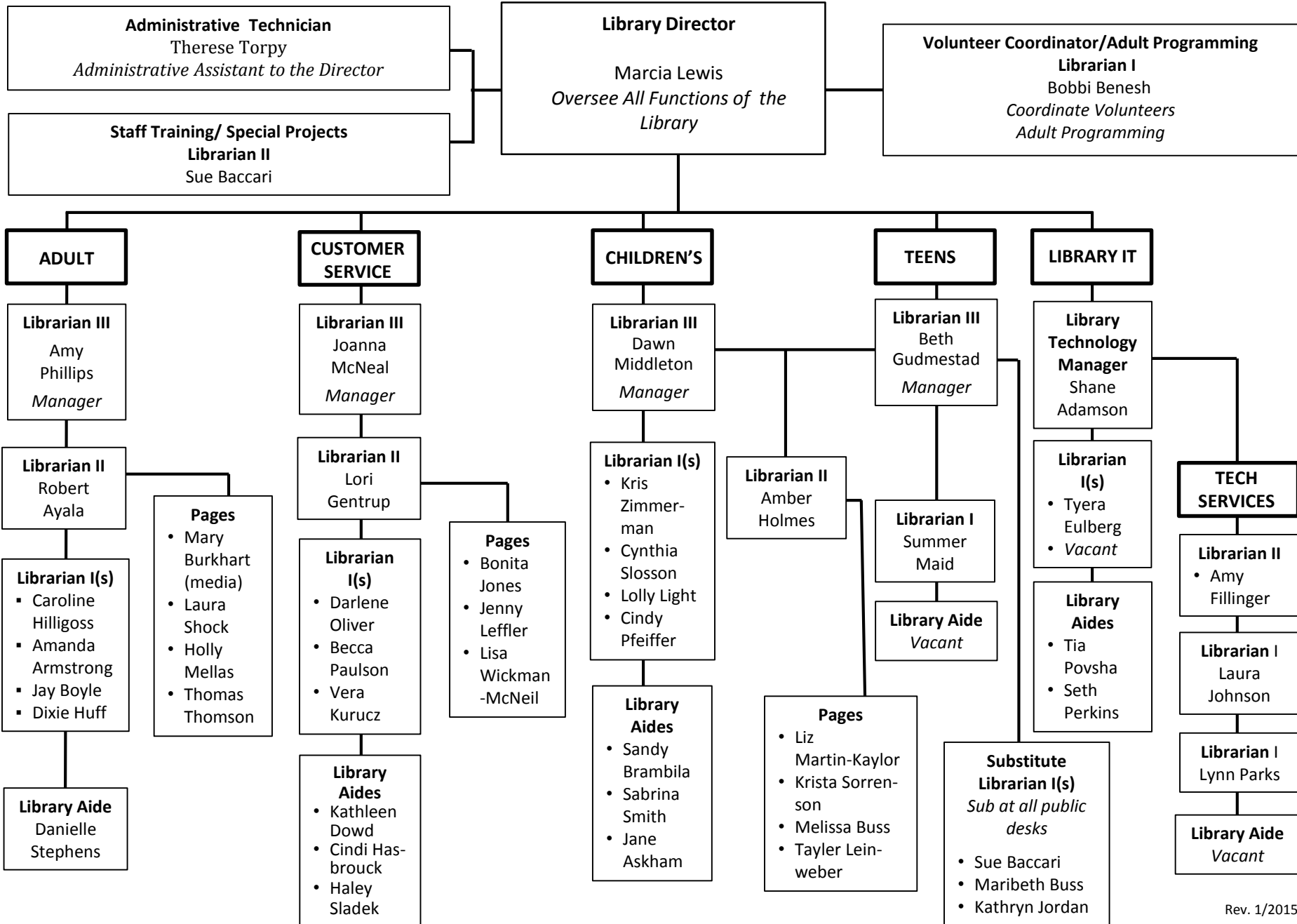
## Assistant City Attorney I

Vincent Junglas

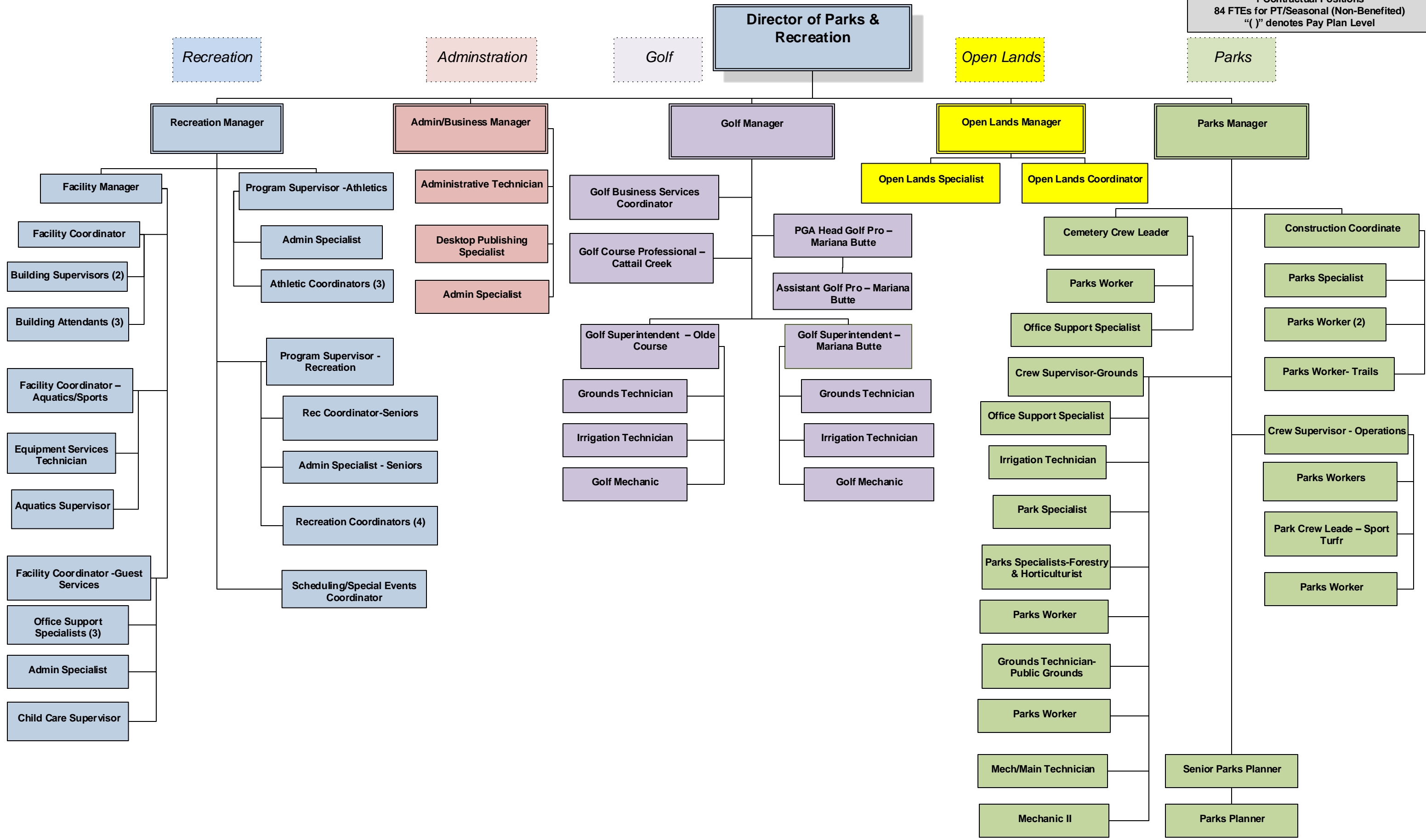
## Legal Assistant

Lana Scott

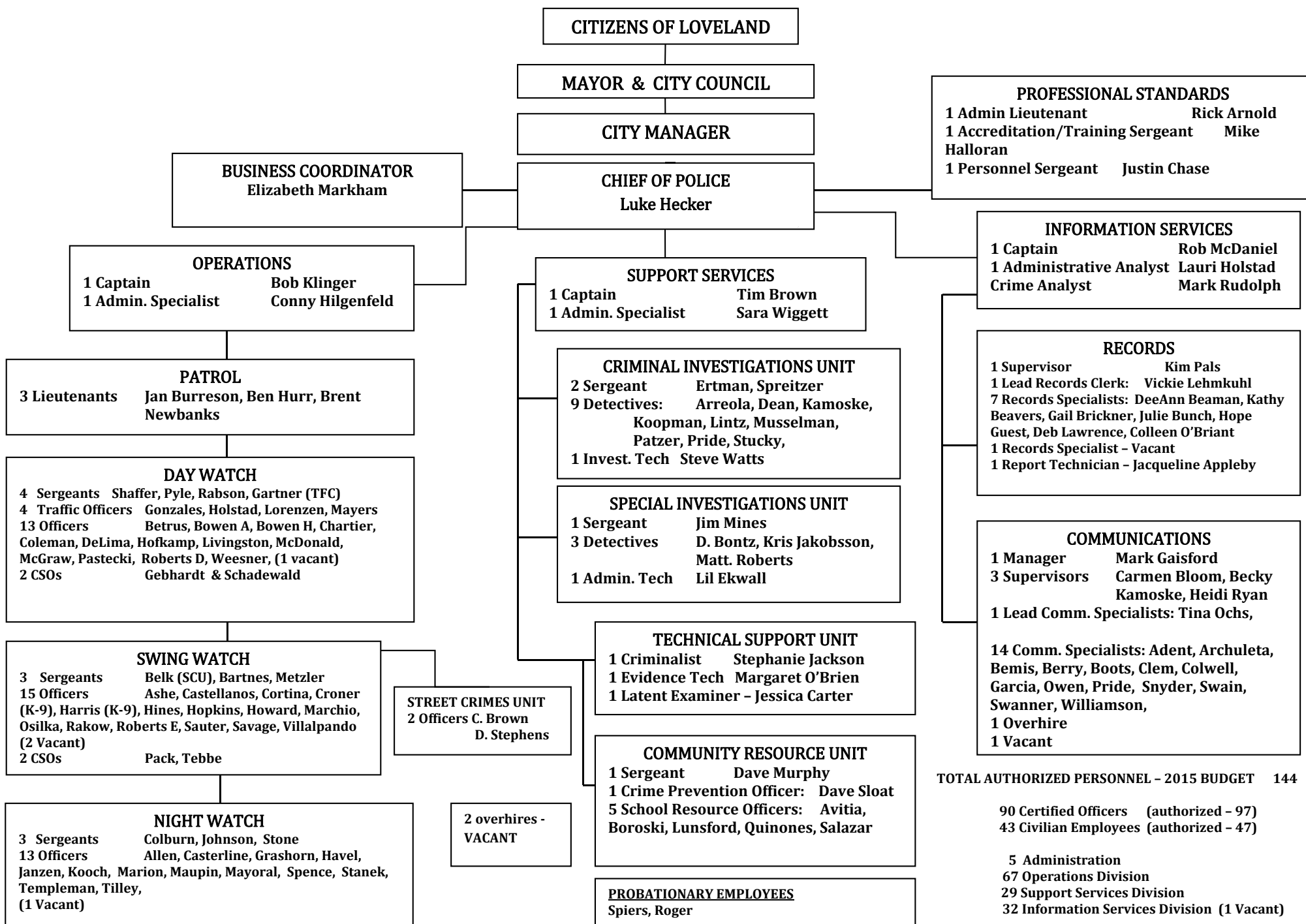
**Loveland Public Library  
Organizational Chart**



2015 Parks & Recreation Organizational Chart  
1/6/15  
78.25 FTE Positions (Benefited)  
1 Contractual Positions  
84 FTEs for PT/Seasonal (Non-Benefited)  
“( )” denotes Pay Plan Level



**LOVELAND POLICE DEPARTMENT  
ORGANIZATIONAL CHART**

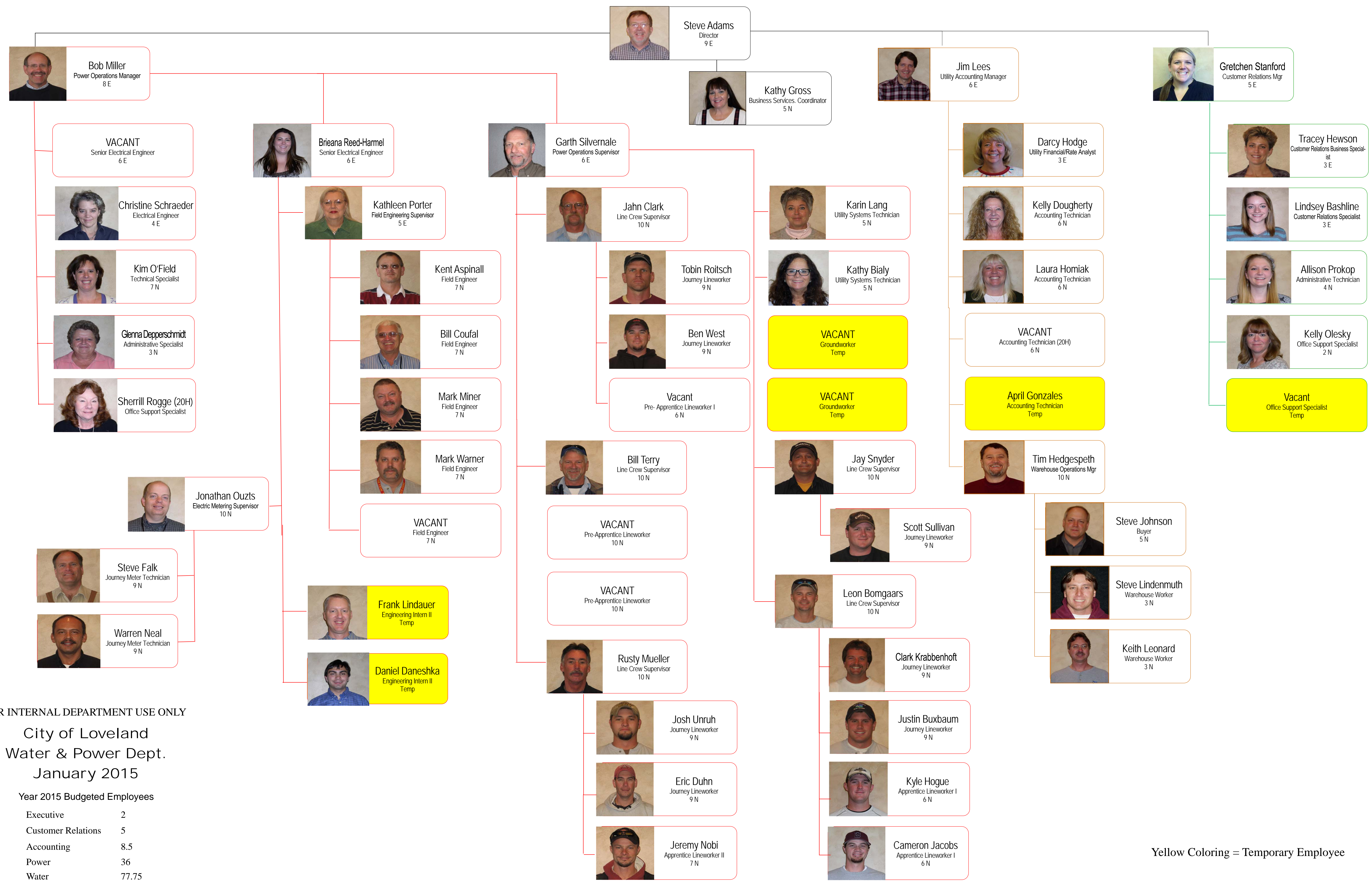


TOTAL AUTHORIZED PERSONNEL - 2015 BUDGET 144

90 Certified Officers (authorized - 97)  
43 Civilian Employees (authorized - 47)

5 Administration  
67 Operations Division  
29 Support Services Division  
32 Information Services Division (1 Vacant)

133 TOTAL



FOR INTERNAL DEPARTMENT USE ONLY

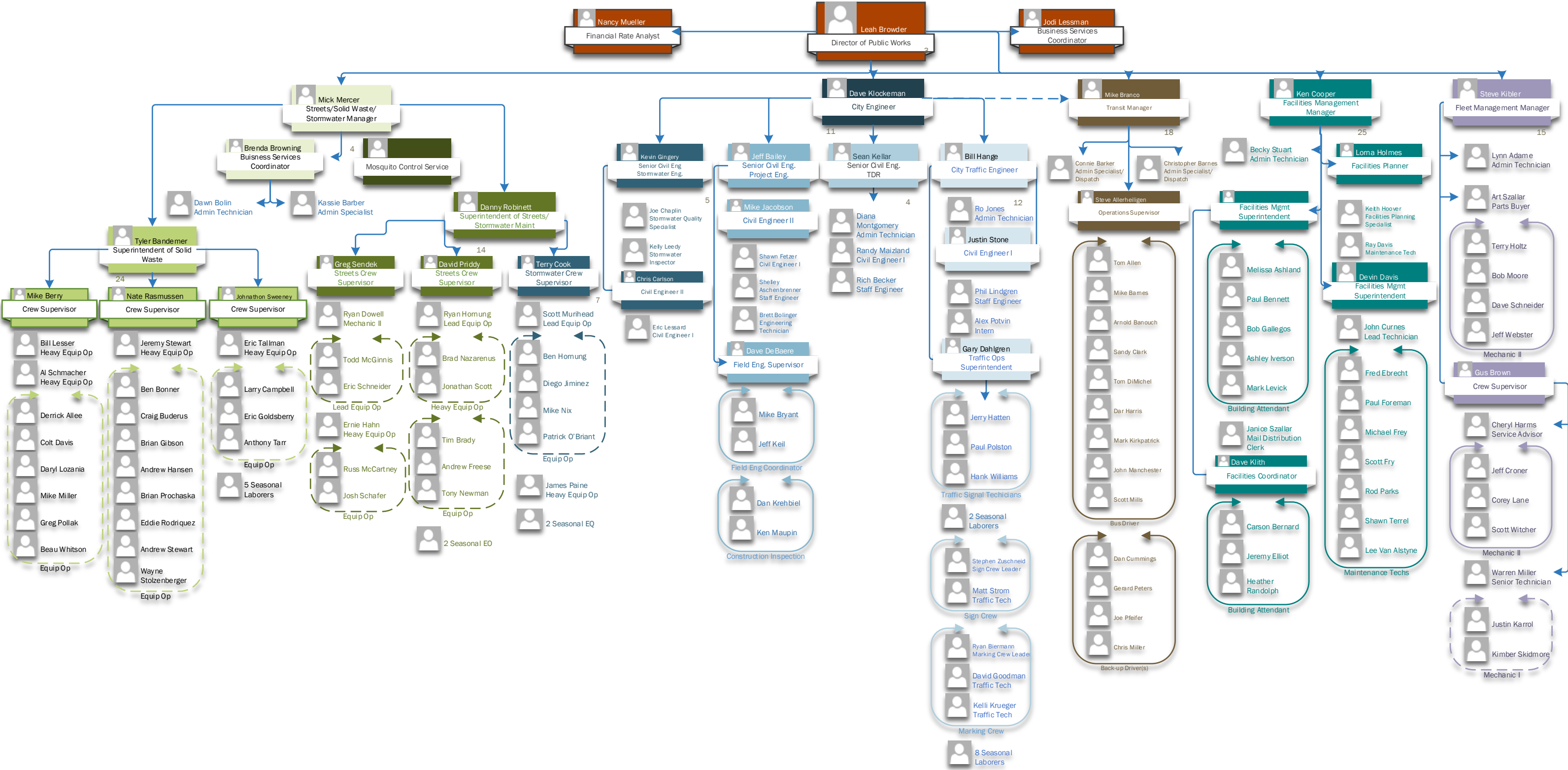
City of Loveland  
Water & Power Dept.  
January 2015

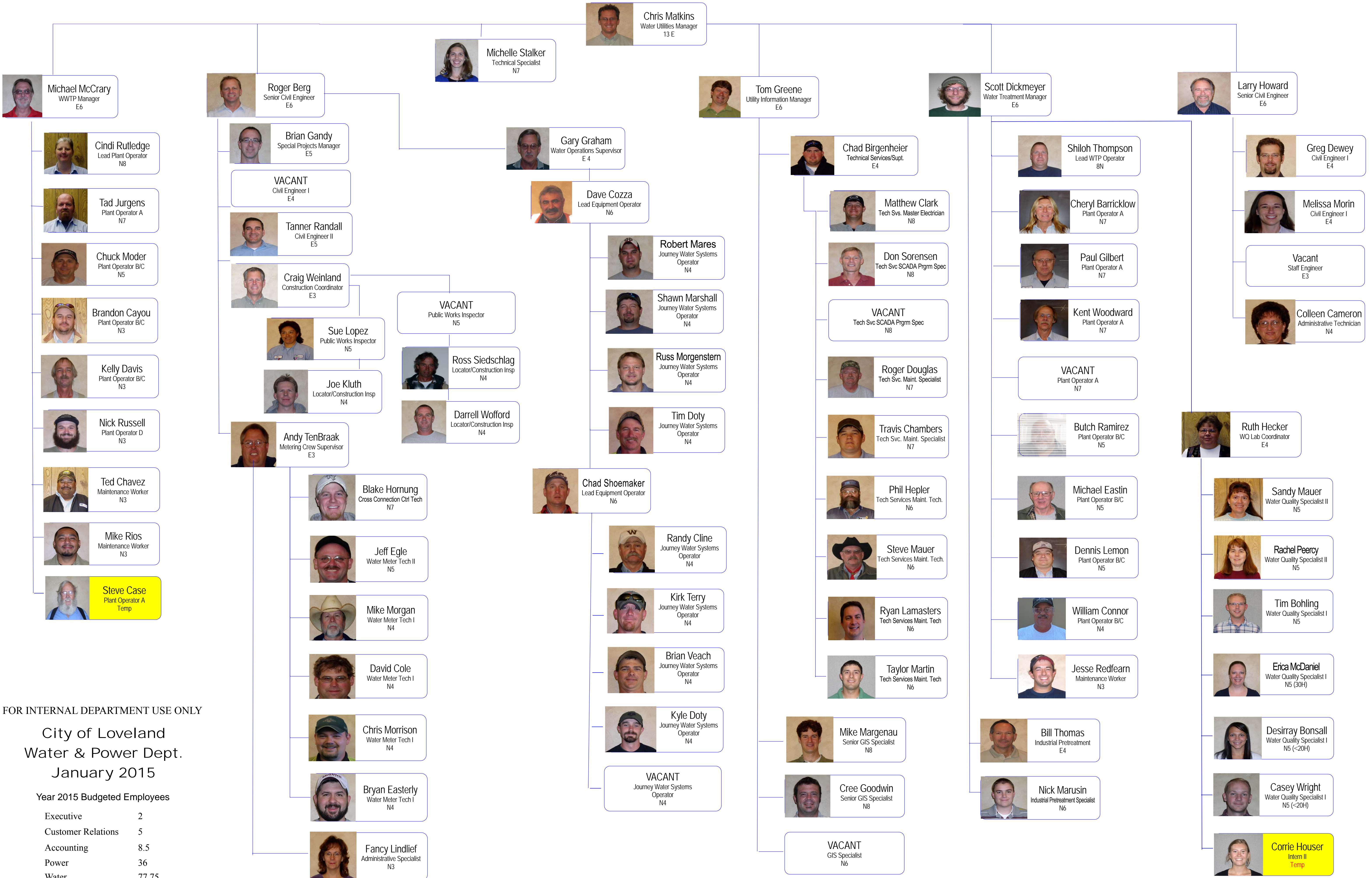
Year 2015 Budgeted Employees

Executive	2
Customer Relations	5
Accounting	8.5
Power	36
Water	77.75
<b>TOTAL</b>	<b>129.25</b>

Yellow Coloring = Temporary Employee







FOR INTERNAL DEPARTMENT USE ONLY

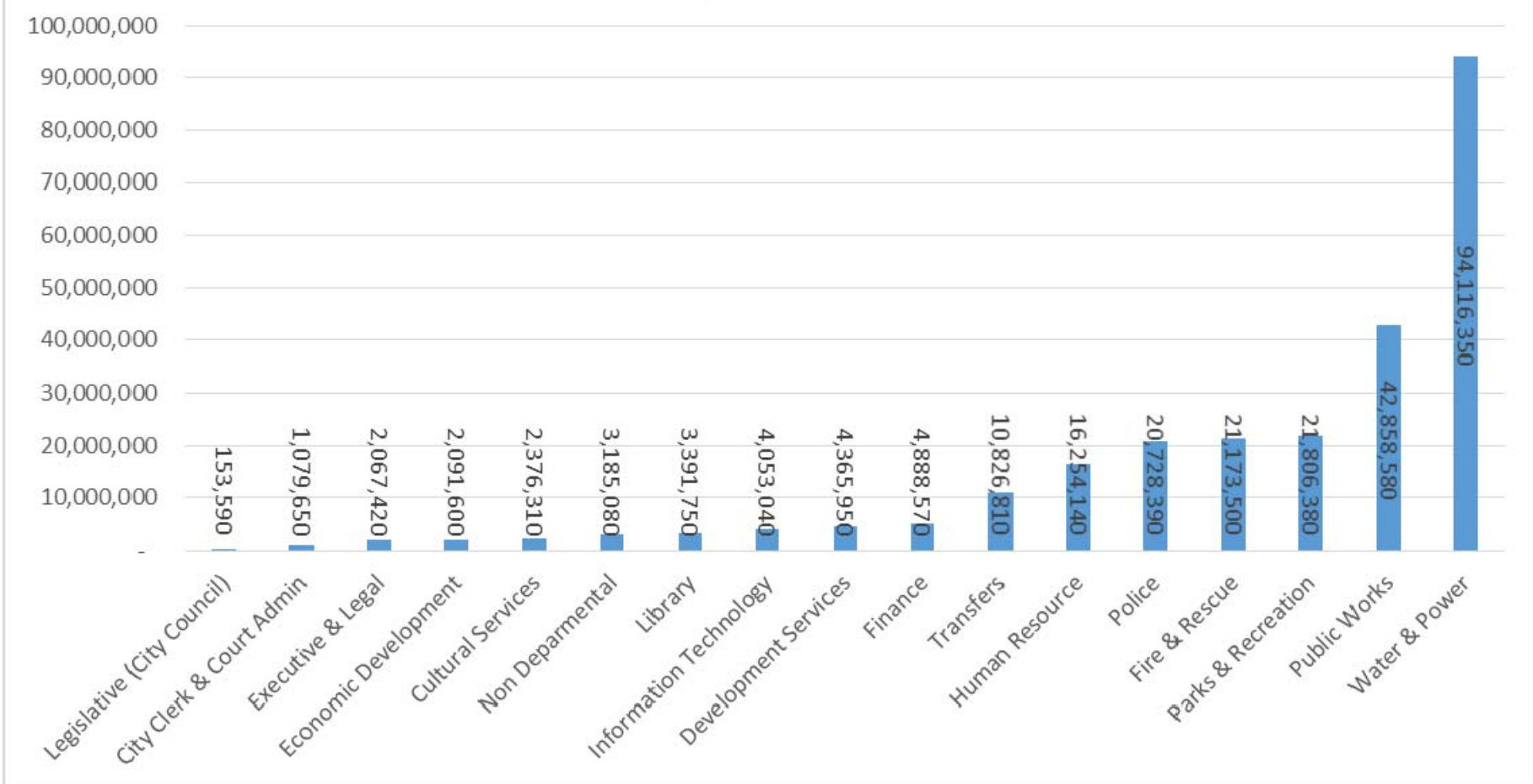
City of Loveland  
Water & Power Dept.  
January 2015

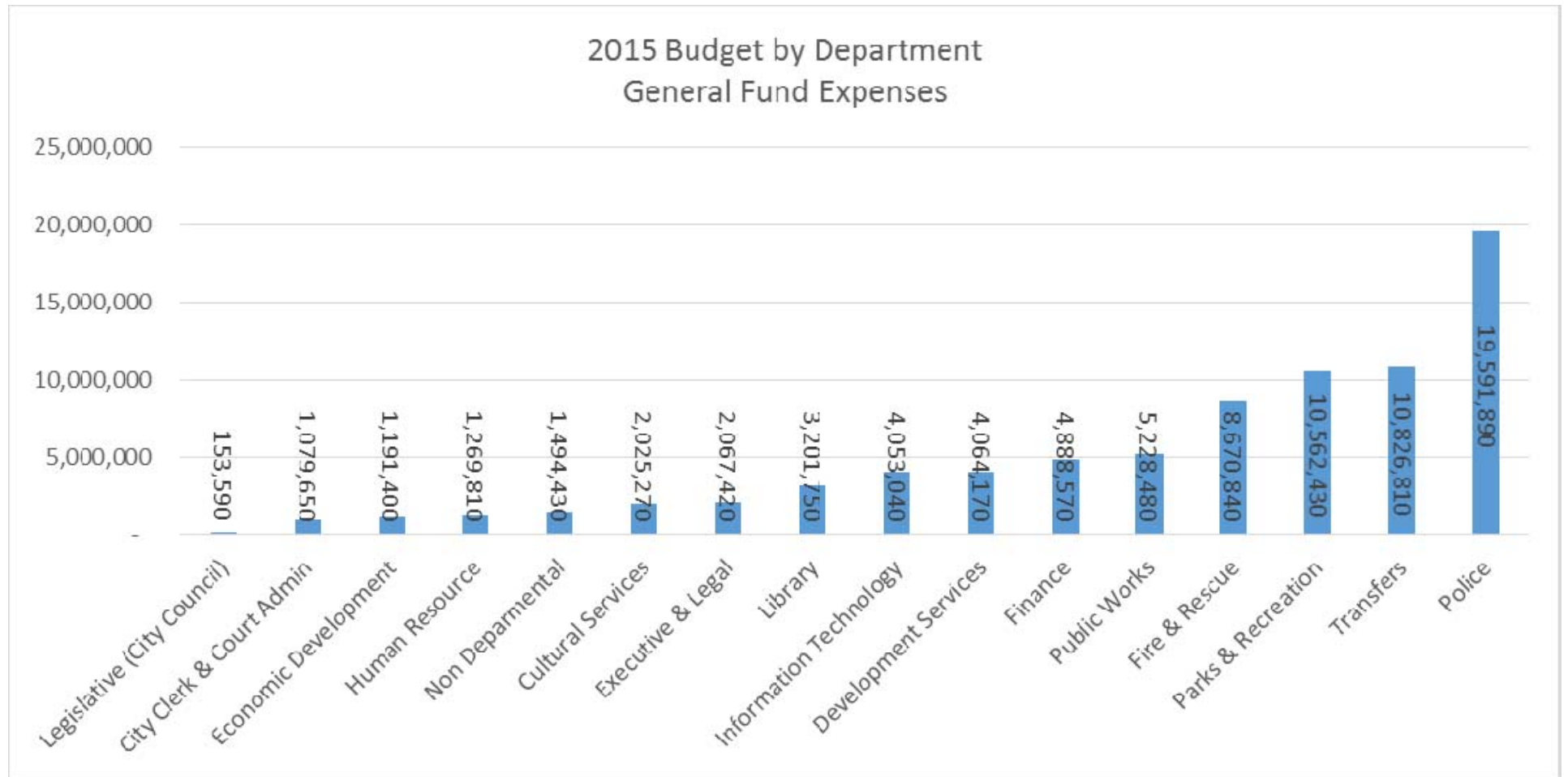
Year 2015 Budgeted Employees

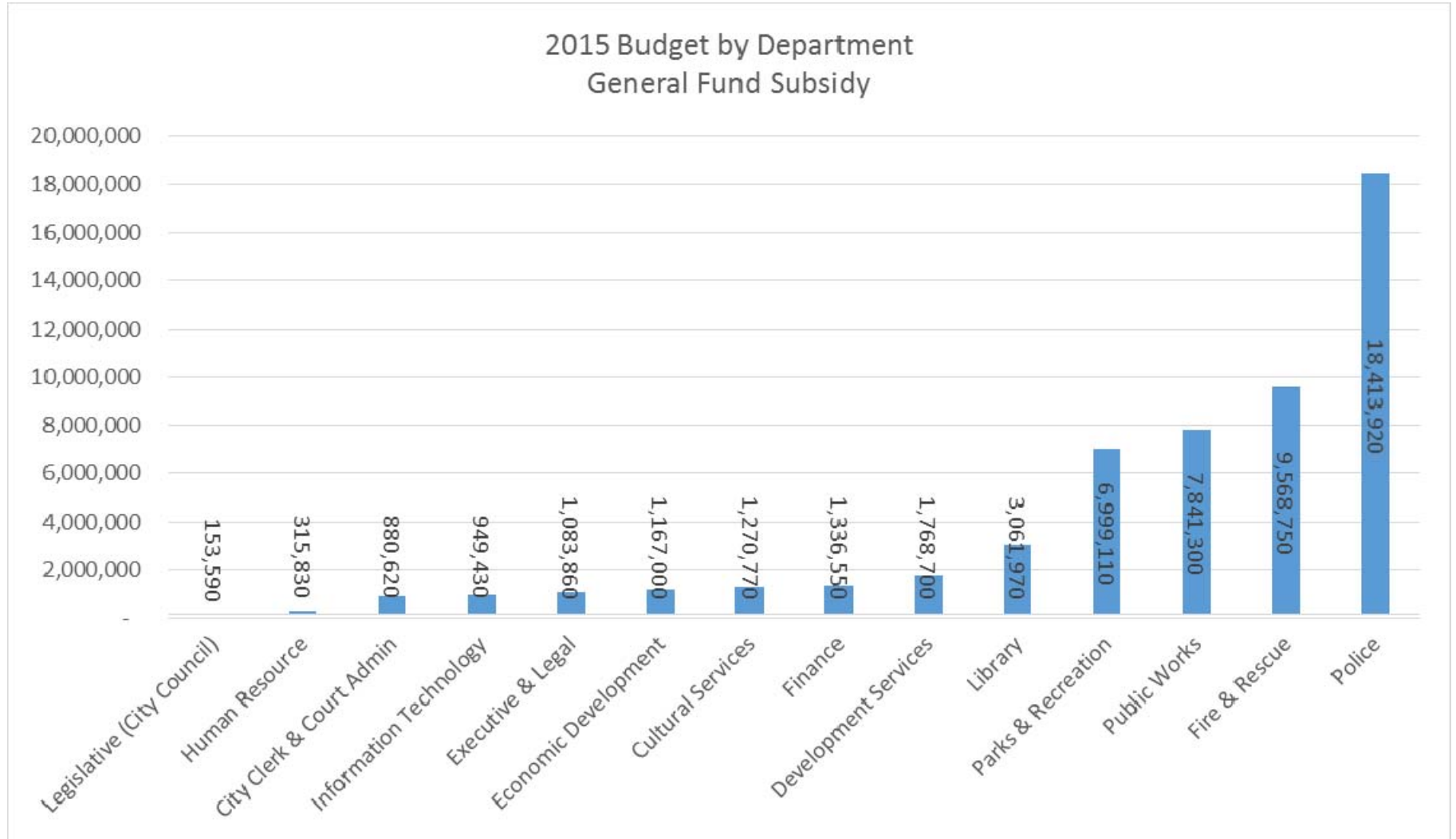
Executive	2
Customer Relations	5
Accounting	8.5
Power	36
Water	77.75
<b>TOTAL</b>	<b>129.25</b>

Yellow Coloring = Temporary Employee

### 2015 Budget by Department Total Expenses







2  
0  
1  
3



# 2013-2022 Forecast Scenario

City of Loveland

## Executive Summary

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**Introduction:** The purpose of the Ten-Year Forecast is to show the likely financial and organizational future of the City of Loveland, in order to provide a solid foundation for decision-making.

The Ten-year Forecast integrates all aspects of the City organization, and includes the effects of population growth and other external forces. The Forecast stops short of being a Strategic Plan: it does not include the deliberate policy development choices of such a plan.

The Ten-Year Forecast takes the City's Ten Year Financial Plan as a baseline, and then adds to it established plans which change service levels, staffing, or capital projects; growth in existing programs driven by Loveland's expected population growth; and reasonably anticipated capital projects which are not yet adopted into the Capital Program.

**Method:** The Departments developed potential staffing needs based on the population growth estimates, growth in lane miles from development and additional housing units to continue existing services with the larger customer base. No new programs or expansion of programs are contemplated. The Financial Master Plan and the assumptions included in it are used as the base, with the cost of the new positions added in, using the existing pay plan. Other potential costs, such as building additions to house the new positions is estimated, but not included in the forecast budget amount shown.

**Key Results:** The growth of the City is expressed in two ways in the Forecast: by number of employees (expressed as Full-time Equivalents, or FTEs), and in dollars of expense. The revenue estimates used in this Forecast are the same as used in the City's existing adopted Ten Year Financial Master Plan.

Over the next ten years, the population of Loveland is expected to grow by 13,597 to 83,306, averaging 2% growth in population annually.

In that same time, the City's total employee count is forecast to grow by 11.8% due to the forecast and by 18% including new positions added in the Financial Master Plan due to capital project operating impacts, to total 830.7 regular benefited FTEs in 2022.

Expenditures will rise from the 2013 gross budget level of \$223.77 million to a 2022 level of \$289.74 million or 29.5%.

**Conclusions:**

Financially, the City is healthy at status quo service levels. The existing adopted Ten Year Master Plan demonstrates this. The City's financial resources can also support some additional growth beyond the status quo, but not at the levels in the Forecast. For the General Fund, the Forecast as presented, places the fund in an unsustainable position for many years in forecast period. There is the possibility of using reserves to cover increased operational expenses in the short term, but other solutions will need to be found. The economy will play a significant role as we move forward through time. A strong economy may change the current revenue assumptions, resulting in additional resources to fund the growth. However, weaknesses in the national economy are still apparent, and if they begin to have an effect on the local economy, resources will be less than currently projected. Policy issues that will need to be considered include:

- Changing the scope of the capital program;
- Reducing some current services in order to fund the projected growth necessary in other areas;
- Rate increases in the Enterprise Funds above those presented to fund capital programs; and
- Presenting a ballot issue to the citizens to increase taxes to fund the additional operating expense.

A fuller discussion of the policy issues is included later in the document.



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 Financial Sustainability  
 Changes to Sustainability due to Forecast Growth

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## Introduction and Background

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**Purpose:** The purpose of the Ten-Year Forecast is to show the likely financial and organizational future of the City of Loveland, in order to provide a solid foundation for decision-making.

The City already has two excellent financial tools in place for projecting the next decade: the Capital Improvement Program, and the Ten-Year Financial Master Plan (which covers the General Fund only). In addition, individual departments and programs have their own forecasts and plans. But the City has not had a comprehensive picture integrating these plans, and the current Ten-Year Financial Master Plan does not integrate “ordinary growth” of the community and the organization.

The Ten-Year Forecast integrates all aspects of the City organization, and includes the effects of population growth and other external forces.

**Limitations:** The Ten-Year Forecast stops short of being a Strategic Plan: it does not include the deliberate policy development choices of such a plan. Neither is it a simple forecast of status-quo programs and policies; that is already provided in the City's Ten Year Financial Plan.

**Approach:** The Ten-Year Forecast takes the City's Ten Year Financial Plan as a baseline, and then adds to it:

1. Known or established plans which change service levels, staffing, or capital projects.
2. Growth in existing programs driven by Loveland's expected population growth and service needs.
3. Reasonably anticipated capital projects which are not yet adopted into the Capital Program.

“Reasonably anticipated” means known projects which have been discussed or included in various City documents, or which will arise in the 10-year period as a result of business need or regulatory change.

The City's Financial Master Plan was designed to project the impact of current policy into the future, to see if the current status of the General Fund departments could be sustained over time. In effect it is a “status quo” plan, since no service additions are included other than those created by approved capital projects within the ten-year period the revenue component of the Financial Plan takes into account normal population growth and building growth over time.

The last component added to the Financial Master Plan, driven by the Great Recession, was an analysis of any structural imbalance in the Plan. This removes the use of fund balance as a

funding source for operations, instead showing whether current expenditures are covered by current revenues.

This Forecast shows likely position increases and forecast costs over the next ten year period for all City functions, in addition to those that have already been identified related to operating capital improvements. Because City funds are segregated and restricted, in some cases to specific uses, the document is organized by fund type: General Fund, Enterprise Funds, Special Revenue Funds and Internal Service Funds. At the end of each section the number of FTEs, above those included in the Adopted Plans, is shown and the years they are projected to be added.

It is important to note that this is not a budgeting exercise for year-to-year allocations. Staff recognizes that business and economic cycles will continue to occur. No effort is made to predict the timing of the cycles. During this time frame there will be FTE adjustments made, both up and down, depending on the available resources and funding decisions in the individual years.

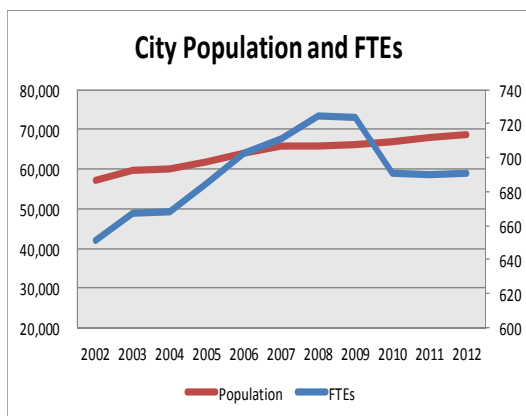
### Trends Affecting the Growth of the City Organization

---

The most fundamental trend affecting City organizational growth is the continued population growth of the community. Loveland has grown more rapidly than State and national averages, and northern Colorado is expected to be the most rapidly growing part of the State over the next several decades.

Population growth is discussed in more detail below, but it’s also important to note that there are several other trends affecting the City overall. Among the most important of these are:

- ▶ Population change (aging and diversity)
- ▶ Increased regulation
- ▶ Technological changes
- ▶ Continuing economic cycles



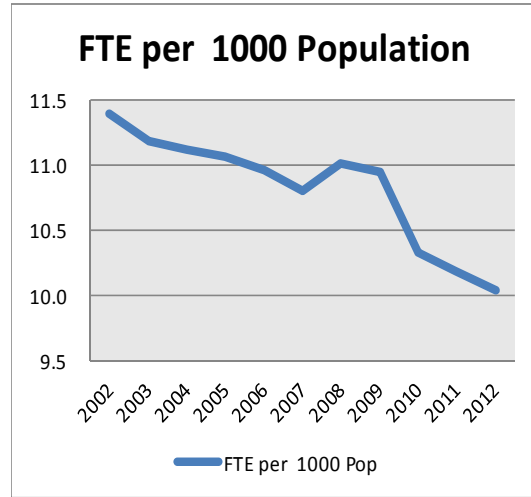
**Figure 1**

From 2002 to 2012, total City FTEs increased by 41. The growth was due to development and included facilities like the addition of fire stations, new parks, additional lane miles and increased miles of pipe to transport water and wastewater. Staffing for workload was also added in several other departments. Figure 1 on the left shows how the FTE growth compared to the population growth during this period. Population growth is charted on the left axis and FTE growth is charted on the right axis.

**Figure 2**

While the population continued a steady upward curve, FTEs followed a different pattern with initial steep growth reflecting the growth of the community, followed by a significant drop as a result of the Great Recession.

Another important measure is the number of FTEs per 1000 population. This comparison (Figure 2) shows that the number of FTEs relative to the City’s population showed continual decline over the ten years.

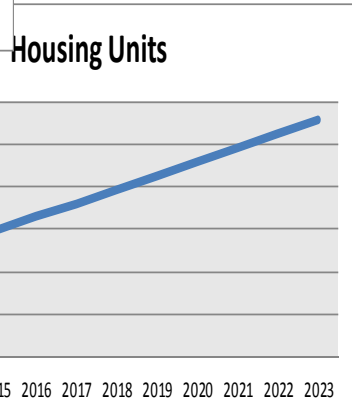
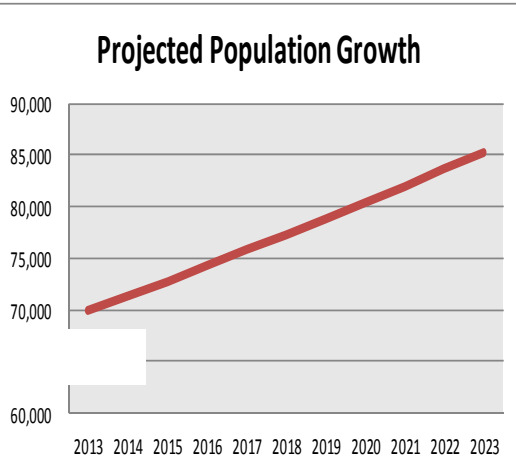


This decline in the number of City employees compared to the size of the community is not unique to Loveland. It reflects scarce resources, but also changes in employee productivity due to technological changes and management improvements.

**Figure 3**

The current [Data and Assumptions Report](#), prepared by the Community and Strategic Planning Division, projects the population to grow on average by 2.0%, reaching 83,606 by 2022 (Figure 3). Housing unit growth will increase by a similar percentage, based on an estimated average of 2.3 persons per household (Figure 4). While the housing mix may change over time, the forecast assumes the historical building pattern will be maintained, with predominantly single family detached units.

**Figure 4**



growth majority City for the and lane growth “line support

While there will be a portion of this that will be infill or redevelopment, the will be built on the edges of the current boundaries, expanding the service area City, including an increase in the acreage miles of streets. The impact of this will expand the coverage area for all the operations” of the City. This will drive increased administrative staffing to these operations.

**Growth Forecast - 2013 to 2022**

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**Employment Growth**

Total projected growth due to the forecast for the City (all funds) over the next ten years is an estimated 83.2 positions. The staffing study within the Police Department has not been concluded, so the increased FTE within this Department are preliminary.

**Figure 5**

<b>Department</b>	<b>Current FTE</b>	<b>Adopted Master Plan Additions</b>	<b>Forecast Additional FTE</b>	<b>Projected FTE in 2022</b>	<b>Net Increase 2013-2022</b>
Executive & Legal	18.30	-	4.70	23.00	4.70
Cultural Services	13.00	6.35	1.50	20.85	7.85
Development Services	24.38	-	3.50	27.88	3.50
Economic Development	5.63	-	1.00	6.63	1.00
Finance	44.88	-	1.00	45.88	1.00
Fire & Rescue	73.00	27.00	-	100.00	27.00
Human Resources	13.00	-	4.00	17.00	4.00
Information Technology	20.50	-	4.00	24.50	4.00
Library	30.76	-	-	30.76	-
Parks & Recreation	78.25	2.24	3.50	83.99	5.74
Police*	135.75	-	25.00	160.75	25.00
Public Works	134.00	6.00	20.00	160.00	26.00
Water & Power	114.50	-	15.00	129.50	15.00
<b>TOTAL</b>	<b>705.95</b>	<b>41.59</b>	<b>83.2</b>	<b>830.74</b>	<b>124.79</b>

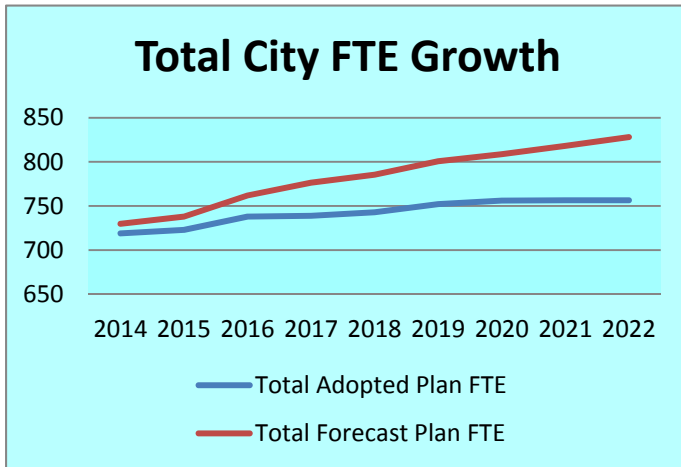
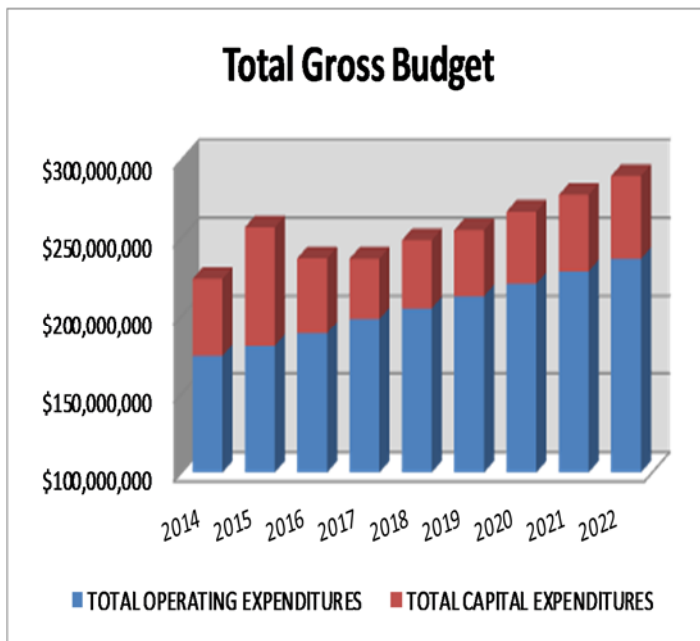


Figure 5 above shows the position increases by department for the ten-year period. This chart totals positions for all funds. Many of the departments operate within different funds, some of which have restricted funding sources. The graph at right (Figure 6) shows the difference between FTEs added in the 2013 adopted Financial Master Plan and the Forecast Plan.

**Total City Budget Impacts**

Figure 6

The total gross City Budget will increase from an estimated \$224.06 million in 2014 to \$289.74 million in 2022. The increase is due to increased operating costs associated with the increase in positions. Capital spending remains relatively constant over the time period.



Expenditure estimates are based on the FTE growth including salary and benefit costs. Salary costs are based on the mid-point for positions in the current pay plan. Reserves over time period will drop by \$41.6 million, from \$147.6 to \$105.3 million. Near term the decrease in available reserves is even greater. Reserve balances drop nearly \$50 million between 2014 and 2018 from \$147.6 million to \$98.2 million, and then gradually recover to the 2022 balance of \$109.5 million.

Figure 7

Much of the reduction in reserves is due to the spend-down of impact fees and water revenues saved for capital projects. In the case of Water funds, the new reservoir planned to firm the Windy Gap water is the major expense.

The significant drop in total reserves in 2015 is due almost entirely to the Windy Gap Firing Project, with the planned construction of a new reservoir. The actual timing for the project to be permitted and for construction to begin may change the curve of graph, moving the drop further out in time.

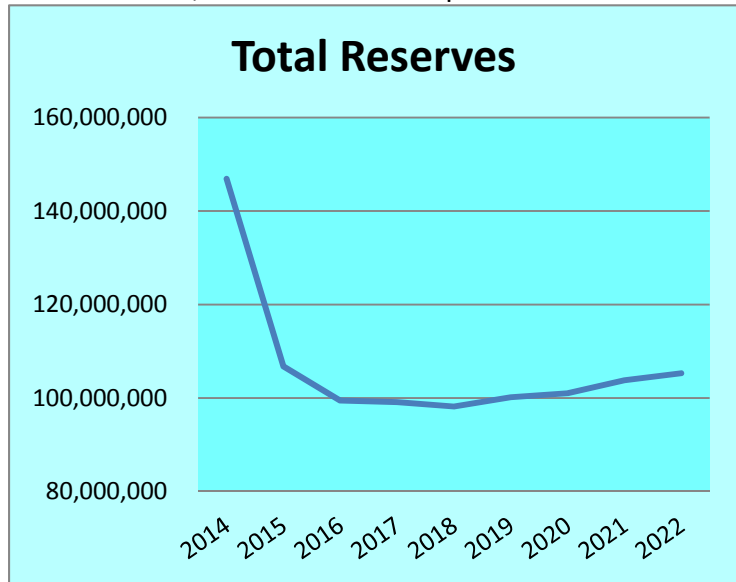


Figure 8

However, the \$6.7 million in annual operating increases due to the additional positions reduce unassigned balances to the point where the 15% fund policy is not met on a city-wide basis from 2015-2022, with the largest deficit in 2022 at \$23.5 million (see chart on Total City Reserves in the Appendix, page 40-41). The impact is across all funds, with the General Fund not meeting reserve requirements in 2015-2021. A portion of the deficit is driven by the Enterprise funds, where rate increases will be required to the fund the increases and remain within the reserve policy.

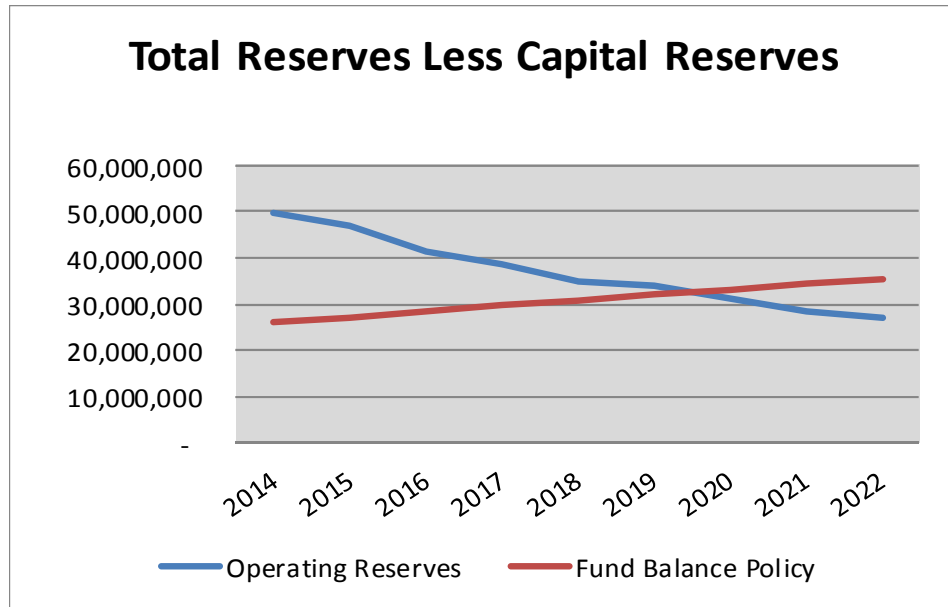
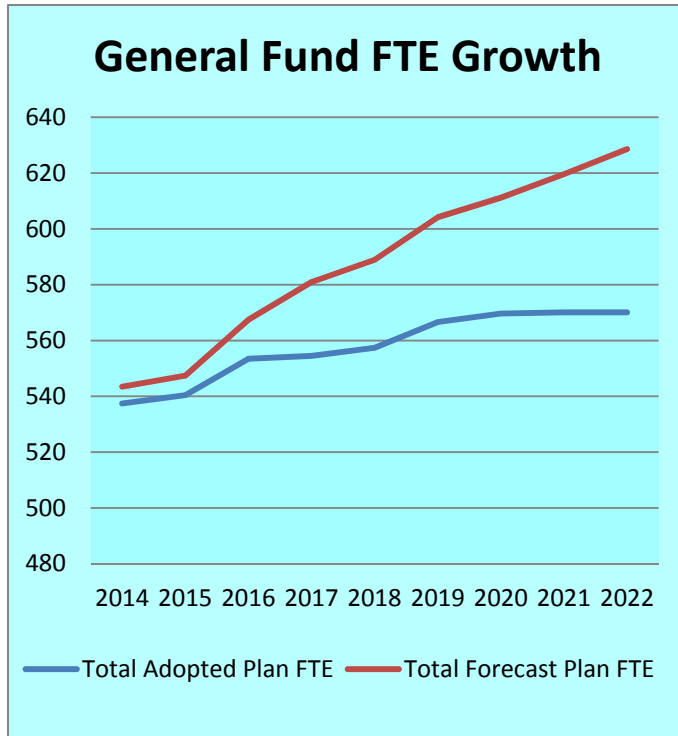


Figure 9

**General Fund Budget Impacts**

It is always particularly important to identify impact to the General Fund. The existing Financial



Master Plan is concerned with the General Fund only and provides a basis for comparison to this forecast.

The Financial Master Plan for the General Fund included in the Adopted Budget is shown in the Appendix. As discussed earlier, this is a status quo plan. The expenditure projections are based on maintaining current staffing and service levels through the forecast period.

For the Ten-Year Forecast Plan, there is no difference in the revenue projections. The expenditure portion of the Forecast contains the additions discussed in this document in addition to basic assumptions in the Adopted Plan.

Figure 10

**Financial Sustainability**

The Financial Master plan includes the Sustainability Model, developed to model any structural imbalance in the Financial Plan. A structural imbalance occurs when the revenue available for appropriation (total revenue less reserve contributions required by State Law or Council Ordinance) is less than annual expense. To continue with an imbalance for any time period requires the drawdown of reserves to fund ongoing functions.

Due to the recovery of sales tax revenue faster than originally projected and the steps taken to reduce operational costs in the 2012 Sustainability Plan, the Sustainability Model for the 2013 Adopted Budget currently shows that operations will be within available revenue in all but one year (2016) of the plan.



### Sustainability Model Projection from Adopted 2013 Budget

<b>Calculation of Annual Amount of Structural Imbalance in the Plan</b>				
	<b>2011 Actual</b>	<b>2012 Adopted Budget</b>	<b>2012 Projected Budget</b>	<b>2013 Adopted</b>
<b>Revenue</b>				
Total General Fund Revenue	\$66,580,362	\$59,725,120	\$62,418,380	\$69,869,080
Council Capital Reserve Contribution	(\$1,073,410)	(\$1,082,420)	(\$1,082,420)	(\$1,033,350)
Tabor 3% Contribution	(\$20,820)	\$6,600	(\$101,740)	(\$74,020)
<b>Net General Fund Revenue</b>	<b>\$ 65,486,132</b>	<b>\$ 58,649,300</b>	<b>\$61,234,220</b>	<b>\$68,761,710</b>
<b>Expenses</b>				
Operating Expense	\$56,735,584	\$55,220,190	\$59,962,310	\$62,543,910
Total Capital	\$6,319,399	\$7,171,680	\$6,995,660	\$5,932,710
Less Capital Funded by TABOR Reserves	(\$1,578,562)	(\$788,720)	(\$1,244,800)	(\$430,360)
Less Capital Funded by Council Capital Reserves	(\$1,130,200)	(\$1,197,000)	(\$1,870,910)	(\$1,957,150)
Less Capital Funded by Other reserves			(\$716,920)	(\$1,000,000)
Less Fund balance used to fund previously approved expenses in the Rollover Ordinance	(\$3,390,990)		(\$3,228,630)	
<b>Net General Fund Expense</b>	<b>\$ 56,955,231</b>	<b>\$ 60,406,150</b>	<b>\$59,896,710</b>	<b>\$65,089,110</b>
<b>Net Revenue less Net Expense</b>	<b>\$ 8,530,901</b>	<b>\$ (1,756,850)</b>	<b>\$ 1,337,510</b>	<b>\$ 3,672,600</b>

In the context of the total General Fund budget, the 2016 deficit is small and may be reversed in future years if the local economy continues the growth currently being experienced, particularly in the housing market and home prices.

2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
\$72,661,550	\$75,487,880	\$78,909,300	\$82,447,010	\$86,324,560	\$90,442,250	\$94,849,240	\$99,471,300	\$104,244,320
(\$1,157,920)	(\$1,259,190)	(\$1,322,880)	(\$1,389,820)	(\$1,460,170)	(\$1,534,100)	(\$1,611,810)	(\$1,693,470)	(\$1,779,290)
(\$75,270)	(\$103,570)	(\$119,490)	(\$31,610)	(\$102,590)	(\$91,730)	(\$78,150)	(\$87,090)	(\$89,720)
<b>\$ 71,428,360</b>	<b>\$74,125,120</b>	<b>\$77,466,930</b>	<b>\$ 81,025,580</b>	<b>\$84,761,800</b>	<b>\$88,816,420</b>	<b>\$93,159,280</b>	<b>\$97,690,740</b>	<b>\$102,375,310</b>
\$65,025,050	\$68,454,220	\$70,960,570	\$73,443,330	\$76,002,510	\$79,675,960	\$82,447,550	\$85,346,130	\$88,316,210
\$7,630,900	\$7,502,930	\$9,716,880	\$5,350,410	\$5,944,640	\$5,014,270	\$5,470,580	\$5,710,170	\$5,196,430
(\$394,100)	(\$359,000)	(\$389,000)	(\$363,000)	(\$351,000)	(\$389,000)	(\$373,000)	(\$412,800)	(\$475,500)
(\$1,999,610)	(\$2,033,950)	(\$2,052,070)	(\$679,850)	\$0	\$0	\$0	\$0	\$0
<b>\$ 70,262,240</b>	<b>\$73,564,200</b>	<b>\$78,236,380</b>	<b>\$ 77,750,890</b>	<b>\$81,596,150</b>	<b>\$84,301,230</b>	<b>\$87,545,130</b>	<b>\$90,643,500</b>	<b>\$ 93,037,140</b>
<b>\$ 1,166,120</b>	<b>\$ 560,920</b>	<b>\$ (769,450)</b>	<b>\$ 3,274,690</b>	<b>\$ 3,165,650</b>	<b>\$ 4,515,190</b>	<b>\$ 5,614,150</b>	<b>\$ 7,047,240</b>	<b>\$ 9,338,170</b>

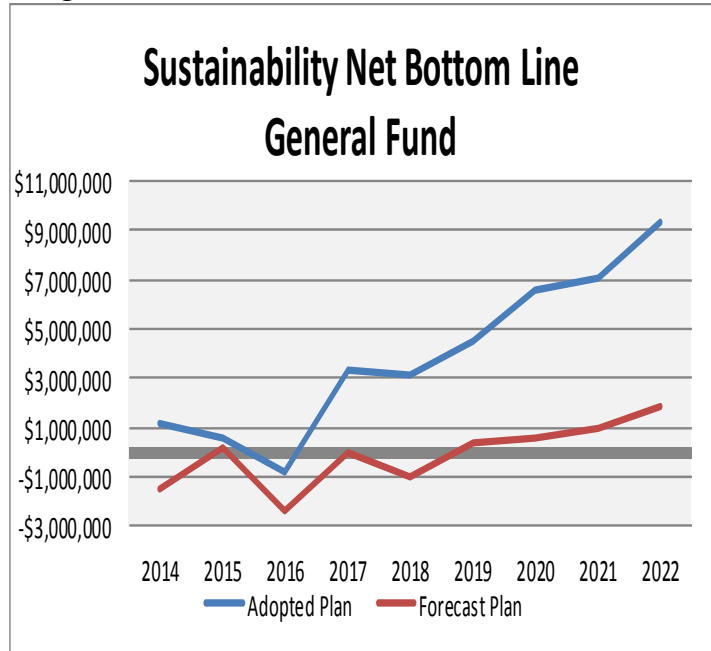
**Changes to Sustainability due to Forecast Growth**

The 10-Year Forecast, which takes into account factors not considered in the Adopted Financial Projection, shows net shortfalls in the near term of the ten-year period and reduced amounts of available revenue compared to expense through the remainder of the Plan.

The graph at right shows the difference between current revenues and current expenses for each year. It does not show reserves. The graph is intended to show whether the budget is “balanced” year to year.

According to the Forecast, the General Fund will be out of balance by over \$2 million in 2016. If the economy declines, bringing only small changes to the revenue assumptions, the Forecast may be negative for several more years.

Methods of addressing the shortfall are discussed later in the “Policy Options Moving Forward” section.



**Figure 11**

## Conclusions from the Forecast

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### **Financial Impact and Gaps**

Financially, the City is healthy at status quo service levels. The existing adopted Ten Year Master Plan demonstrates this. The City's financial resources can also support some additional growth beyond the status quo.

Existing revenues will support expense growth of about \$3.7 million annually, or a growth rate of about 10% on average. However, the resources to support this type of growth will not be available until 2017, under the current revenue projections.

Within the context of this forecast, it does not appear there is revenue available for new policy initiatives, or additions to the current Capital Program for projects that would require additional operating costs.

To fund the operations, a drawdown of reserves will be required to meet the expenses for the next four years. This scenario can be changed by moving the timing of staff additions due to growth to later in the Forecast period or possibly by implementing new technology that will take the place of staff.

Capital reserves in some areas may face constraints, to provide office space for the growth in FTEs.

### **Space Impacts**

This forecast is not a detailed space plan. However, the projected employment growth raises implications for some of the City facilities.

Not all City facilities will be affected by employment growth. The primary impacts are on the Civic Center, the Fire and Administration Building, the Police and Courts building, and to a lesser extent the existing Service Center Administration Building.

The Civic Center, consisting of the Washington School Building and the South Annex was originally designed to house one hundred fifteen (115) persons, and it currently houses one hundred forty (140) persons. This has been accomplished by repurposing a significant amount of conference room and storage space to office space. Over the next ten years another 17 people will need to be housed in the complex or in other space.

With the completion of the current Service Center Expansion Phase 3, Public Works will vacate part of the Fire and Administration Building (FAB), freeing up space. Depending on the extent of

the Service Center Phase 3 project, somewhere between eleven (11) and thirty (30) spaces will be available in the FAB.

### Projected Facility Needs

<b>Campus</b>	<b>Positions</b>	<b>Sq. Ft</b>	<b>Cost</b>
Civic Center	23.2	8,120	\$1,827,000
Service Center	13	4,550	\$1,023,750
Police & Courts	10	3,500	\$787,500
Maintenance Operations Center (MOC)	3	1,050	\$236,250
<b>Total Gross</b>	<b>49.2</b>	<b>17,220</b>	<b>\$3,874,500</b>
<i>Fire &amp; Administration (FAB)</i>	<i>-11</i>	<i>-3,850</i>	<i>(\$866,250)</i>
<i>if Service Center Moves PW Administration</i>			
<b>Total Net Projected Need</b>	<b>38.2</b>	<b>13,370</b>	<b>\$3,008,250</b>

Current Total Square Footage	685,000.00	
Approximate Value*	\$154,125,000	* does not include land value or land replacement
Net Square Footage/Person	350.00	
Cost per New Square Foot	\$225	

The Service Center Administration Building currently houses the Water & Power Department and the Risk Management Division. The north side of the building is at capacity and south side is near capacity, with space for 2-3 additional work stations. From the forecasts thirteen (13) spaces will need to be made available.

The Police portion of the Police and Courts building is near capacity, with room for no more than additional ten (10) positions. Projected growth exceeds that.

The result of this analysis indicates that during the forecast time period, employee assignments may need to be shifted between buildings (particularly flexing between the Municipal Complex and the FAB), or additional space may need to be developed. These would be new capital projects not currently in the adopted Capital Improvement Plan.

## Policy Options Moving Forward

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To bring the Sustainability Model back into balance, Council and staff can change the scenario presented in this plan by both technical and policy changes to increase revenues or decrease expenses:

### Technical changes include:

- Change the timing of FTE additions, moving additions further out in the Plan;
- Additional or increased fees to increase cost recovery of operations; and/or,
- Reducing internal transfers between funds for services provided.

### Policy changes include:

- Removing the requirement to reserve a portion of revenue (currently 2.5% of tax revenue below the TABOR revenue limitation), increasing the amount of revenue available for on-going operations;
- Increasing the spacing between new capital projects to reduce operating costs over the short term;
- A reduction of current programs and services, which may include reducing the staffing to keep up with growth presented in the Forecast;
- Reducing the scope of the Capital Program; and /or
- Referring a ballot issue for new or increased taxes to the voters.

### Ten-Year Forecast Sustainability Model

#### Calculation of Structural Imbalance in the Plan (Current Revenue minus Expenses)

Ten Year Forecast	2014 Projected	2015 Projected	2016 Projected	2017 Projected
<b>Revenue</b>				
Total General Fund Revenue	\$72,661,550	\$75,470,460	\$78,876,230	\$82,359,110
Council Capital Reserve Contribution	(\$1,157,920)	(\$1,259,190)	(\$1,322,880)	(\$1,389,820)
Tabor 3% Contribution	(\$100,610)	(\$90,350)	(\$153,590)	(\$81,540)
Tabor Revenue Reserve Contribution	(\$1,790,291)	\$0	\$0	\$0
<b>Net General Fund Revenue</b>	<b>\$ 69,612,729</b>	<b>\$74,120,920</b>	<b>\$77,399,760</b>	<b>\$ 80,887,750</b>
<b>Expenses</b>				
Operating Expense	\$65,869,650	\$68,858,220	\$72,501,380	\$76,648,330
Total Capital	\$7,656,900	\$7,533,930	\$9,749,880	\$6,387,410
Less Capital Funded by TABOR Revenue Reserves	(\$394,100)	(\$359,000)	(\$389,000)	(\$363,000)
Less Capital Funded by Council Capital Reserves	(\$2,025,610)	(\$2,064,950)	(\$2,085,070)	(\$1,716,850)
Less Capital Funded by Other reserves	\$0	\$0	\$0	\$0
<b>Net General Fund Expense</b>	<b>\$ 71,106,840</b>	<b>\$73,968,200</b>	<b>\$79,777,190</b>	<b>\$ 80,955,890</b>
<b>Net Revenue less Net Expense</b>	<b>\$ (1,494,111)</b>	<b>\$ 152,720</b>	<b>\$ (2,377,430)</b>	<b>\$ (68,140)</b>

<b>2018 Projected</b>	<b>2019 Projected</b>	<b>2020 Projected</b>	<b>2021 Projected</b>	<b>2022 Projected</b>
\$86,070,470	\$89,985,600	\$94,148,360	\$98,481,720	\$102,308,170
(\$1,460,170)	(\$1,534,100)	(\$1,611,810)	(\$1,693,470)	(\$1,762,930)
(\$123,510)	(\$85,720)	(\$97,300)	(\$109,670)	(\$104,780)
\$0	\$0	\$0	\$0	\$0
<b>\$84,486,790</b>	<b>\$88,365,780</b>	<b>\$92,439,250</b>	<b>\$96,678,580</b>	<b>\$100,440,460</b>
\$79,904,890	\$83,378,030	\$86,787,740	\$90,439,260	\$93,919,060
\$5,944,640	\$5,014,270	\$5,470,580	\$5,710,170	\$5,188,430
(\$351,000)	(\$389,000)	(\$373,000)	(\$412,800)	(\$475,500)
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0
<b>\$85,498,530</b>	<b>\$88,003,300</b>	<b>\$91,885,320</b>	<b>\$95,736,630</b>	<b>\$ 98,631,990</b>
<b>\$ (1,011,740)</b>	<b>\$ 362,480</b>	<b>\$ 553,930</b>	<b>\$ 941,950</b>	<b>\$ 1,808,470</b>



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## Appendix

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## **Departmental Summaries**

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The following Sections will provide a summary, by fund type and department, on the projected increase in positions and workload that is due to this growth. The department summaries are separated into four sections one for the General Fund agencies, one for the Enterprise Funds, one for Special Revenue Funds, and one for Internal Service Funds. This will allow the reader to distinguish between tax supported positions and those funded from utility rates or other dedicated resources.

### **General Fund Departments**

The General Fund is for services provided by the City that are primarily funded by tax revenues. Most City services fall within this fund and as a result, will be the primary focus of this forecast.

#### **Executive and Legal Department- City Manager's Office**

The City Manager's Office is the central administrative office of the City, responsible for integrating the departments' efforts with a common vision that enables the City to deliver service based on City Council policy direction. In 2013, the Office has 3.8 full time equivalent (FTE) regular staff, including the Public Information Office of the City. The primary factors influencing the growth and size of the City Manager's Office are the size and complexity of the overall City organization, and any new policy directives from City Council. It is expected that the size of the City organization as a whole may correlate roughly with the size of the community. Since Loveland will grow about 21%, similar growth may be expected in the organization and the City Manager's Office, although this will be constrained by finances and by actual need. The most likely staff addition, if any, would be a new Assistant to the City Manager position.

New General Fund FTEs - 0.5  
Year added 2017

#### **Executive and Legal Department-City Attorney's Office**

The City Attorney's Office (CAO) serves as the City's primary legal counsel and is responsible for advising and representing the City Council and all City officials and departments concerning the various legal matters and issues that affect the City. The CAO currently has 6.8 FTE regular staff.

The primary factors influencing the growth and size of the CAO are the same as those described for the City Manager's Office.

New General Fund FTEs - 2  
Years added 2016 and 2018

### **Executive and Legal Department-Municipal Court**

The mission of the Municipal Court, created by the City Charter, is to provide due process and justice in an impartial, fair, and efficient manner to its residents, visitors, and employees. The Municipal Court's authority and responsibility is established by the Home Rule Charter and State law. It functions to adjudicate and process Municipal Code and Charter violations. Currently there is 1 FTE (the Municipal Judge). Three (3) support staff is under the direction of the City Clerk.

The court processes 10,000 to 12,000 cases per year. The number of cases has been consistently in this range for several years. The court has determined that three (3) support staff is needed to maintain this caseload. If the number of cases grows, based on experience, additional staff is needed when the caseload gets to about 15,000. The Police Department's activity and referrals to the court is the primary driver for the caseload. The Humane Society, the Loveland Fire Rescue Authority, and Loveland's Code Enforcement are other case generating departments. The court will begin using new software for court and case management in the near future. Experience with this new software will reveal what time and labor savings may become available. Changes in technology may redirect court efforts, and may include accepting payments online or by phone, or the possibility of the Police Department moving to "electronic tickets" or "E tickets" instead of, or in addition to, traditional paper tickets.

New General Fund FTEs - 0

### **Executive and Legal Department-City Clerk**

The City Clerk's Office serves in four major capacities for the City of Loveland: Records, Liquor Licenses, Municipal Court Administration, and City Council service, including Elections, Agenda/Meeting Management and Email correspondence. Each of these functions contains both internal and external components. The Municipal Court function has three support staff now provided and directed by the City Clerk. In 2013 the City Clerk's Office has 6.8 FTE regular staff.

Primary factors that could affect the growth of the City Clerk's Office in the next 10 years are an increase in liquor license establishments, an increase in registered voters within the City of Loveland; as well as an increase in other licenses issued by the CCO. Records retention, production and management would be affected in a positive and negative manner: more devices would be used by individual city employees, but more modern technologies could create an easier method for managing city records. It is anticipated that the City Clerk's Office would increase to 7 FTE in the next two to three years and to 8 FTE by 2023.

New General Fund FTEs- 2.2  
Years added 2015, and 2017

### **Cultural Services Department**

The Department consists of three divisions: the Loveland Museum/Gallery, Rialto Theater Center, and Art in Public Places Program with a 2013 Adopted Budget of \$2.11 million and 13.0 FTEs.

The most significant issues facing the Museum are additional space for the historic collection, demand for gallery space with the current schedule, and classroom space.

The Rialto Theater Center consists of a restored historic theater, and a new addition completed in March 2012. As the population of Loveland increases, demand for rental of the theater and event center is also expected to increase. However, theater capacity and demand is limited by the calendar so there is a point where the theater “maxes out”. An increase of 1.5 FTE over the 2013 staffing level is anticipated. In addition, digital film distribution and improved audio technology will necessitate equipment upgrades over the next 10 years.

New General Fund FTEs – 1.5  
Year added 2018

### **Development Services Department**

The Development Services Department consists of five divisions with a budget of \$3.2 million, with 24.4 FTEs. The department provides a well-planned, sustainable and safe built community environment through community development planning, building inspection and code enforcement.

The rate of development is the major driver behind the Department’s workload. Technology and process improvement have been used to reduce turn-around times, and a significant portion of the work has been contracted out. In addition, regulatory impacts in the form of required planning documents from the State will begin if Loveland crosses the 100,000 population threshold in the next ten years.

Federal funding for the Community Development Block Grant (CDBG) has been decreasing and this trend may continue, reducing the grant management workload. This may be offset by a regional effort to fund homeless shelters and low income housing.

New General Fund FTEs- 3.5  
Year added – 2014, 2017, and 2020

### **Economic Development Department**

The mission of the Economic Development Department is to grow employment and business opportunities to sustain the economic health of Loveland and the Northern Colorado region. The department has a staff of 4.13 FTEs and an operating budget of \$1,060,110.

One program, the Creative Sector Division, was formed to be self-sufficient within 36 months. If this does not occur, increased efforts in primary employment projects may merit the repurposing of the position as a primary employer retention specialist.

New General Fund FTEs – 0

### **Finance Department**

The Finance Department provides financial operations and reporting, purchasing, sales tax licensing, revenue collection, and financial planning and budgeting. The department has 44.8 FTEs and a budget of \$4.3 million.

The Department does not anticipate significant impacts due to City growth over the next ten years, unless there are significant changes to other operations within the City. The greatest impact will be felt by the Revenue Division, driven by growth in residential, commercial, and industrial construction. There will be more transactions as city-wide operations expand; the Payroll Division will also see an expansion in workload due to staffing increases in other departments. The complexity of Accounting and Financial Reporting will continue to increase, with projected accounting regulation changes. The Budget process will increase in complexity and required analysis, due to an increased emphasis on Capital Programing and expected movement to a budget model that fully allocates overhead costs across the departments. Absent technology enhancements, the departments could require as many as 10 new positions. However, the use of new technology should allow the staffing to remain relatively constant. With many of the Departments either in the process or beginning revisions to their Master Plans, Capital Program and Capital Planning will require increased focus. A new position within the Budget Division will be needed to manage this program and the number of associated grants that are likely to be involved.

New General Fund FTEs – 1

Year Added – 2014

### **Loveland Fire Rescue Authority**

Loveland Fire Rescue Authority (Authority) is a partnership organization between the City of Loveland and the Loveland Rural Fire Protection District, formed in January of 2012. The Authority covers 194 square miles of area, protects approximately 90,000 residents and responds to about 6,500 emergency calls annually. The Authority's *2012 Strategic Plan* identifies and plans for future large capital expenditures and operation and maintenance needs. The Authority has a budget of \$9.88 million and 73.0 FTEs.

The two issues identified are connected to reductions in available government funds (grants) and community growth beyond expectations. First, federal and state resources for covering costs of major emergencies and wildland fires are expected to shrink. Fewer federal funds will be available for capital projects. Second, the Highway 402 corridor in southeast Loveland may see significant growth, for which there is no funding expansion currently identified. Normal population increases have been factored into the Authority's strategic plan; The "Model 1" plan, with associated expansions has been included in the City's Adopted Financial Plan, and includes 20 positions for 2014-2022. Growth levels beyond normalcy could negatively impact the Authority's ability to provide needed fire-rescue services.

New FTEs – 0

### **Human Resources Department**

The Human Resources Division provides several services for the City, employees and volunteers, including, but not limited to management of employee compensation and benefits, compliance with local, State and Federal employment laws; employee relations (managers and employees), recruitment selection, orientation, policy development; training and employee development, employee recognition and volunteer program management. The Department has a budget of \$1.0 million and 9 FTEs.

The primary factors influencing Human Resources is the growth and complexity of other Departments at the City and new or revised local, State and Federal legislation. HR expects to sustain the estimated 100 to 1 ratio of employees to HR support staff to adequately serve our organization and City. Regulatory compliance, particularly in the health care arena, recruitment and retention, and strategic workforce and succession planning will be the key issues faced by the Department in coming decade. New technology may mitigate the need for additional staff.

New FTEs – 2

Years added – 2018

### **Information Technology Department**

Information Technology, along with its internal and external partners, is responsible for the successful use of technology to support the City of Loveland's strategic goals. In addition, IT provides the software applications, hardware infrastructure, and tools needed to deliver cost effective solutions and services to the City workforce and its residents. IT reports to the Assistant City Manager and has a total staff of 20.5 FTEs and a budget of \$3.5 million. Primary factors influencing I.T. are global technical evolutions as well as the number of employees in the City organization. Significant change in the I.T. business model may be driven by the Strategic Plan to be done in 2013, as well as opportunities for technology outsourcing. Increasing the size of the Department by the 21% population growth factor seems reasonable, although that growth may be constrained by funding availability and changed by actual need. Likely staff additions would be in the areas of computer support, help-desk, GIS, and project management.

New FTEs – 4

Years Added – 2015, 2017, 2019, and 2021

### **Library Department**

The Library completed a major renovation and expansion in 2012 that provides modern services in a 57,000 sq. ft. building. The library staff consists of 40 benefitted staff (30.75 FTE) and nine Library Pages who usually work 15 hours/week, with a budget of \$2.8 million. Over 40,000 cardholders have actively used the library in the past three years.

Libraries will face major changes in the next ten years. The Loveland Public Library is positioned to have the flexible facilities that will be needed. As the population continues to age, a mobile outreach service expansion or plans for a secondary location will be considered; but future services may not be dependent on another physical location. Lifelong literacy, especially early learning for preschoolers, will continue to be a library focus. Lifelong learning will be delivered in numerous ways including books, digital media and community lectures, classes and events.

The library will investigate additional funding options including forming a library district or joining an existing district but these options are dependent on successful local elections. The State Library is promoting state funding for libraries again; the mechanism is in place but has not been funded for many years.

New FTEs – 0



### **Parks & Recreation Department**

The Parks and Recreation Department is responsible for public park and recreation areas integrating park, recreation, golf and open space services, facilities and activities to meet City Council goals and community desires. In 2013, the department's General Fund has 60.83 FTE's and a budget of \$9.4 million, partially funded by user fees and charges for service totaling \$3.2 million.

Changes in the Department will be influenced primarily by growth in the size and population of the City, influencing the number of activities and events provided in the recreation area. No facility expansion/growth is expected in the Chilson Recreation Center as a major expansion occurred in 2011; however visitation and recreational activity levels may increase with additional population growth. Additional neighborhood parks may be added in the northwest sector should development rebound, as well as the second phase of development at the Loveland Sports Park and Fairgrounds Parks requiring increased maintenance and operation funding, and 2-4 additional FTE's. A renovation of Cemetery maintenance facilities may be needed. However, no expansion of the burial acreage is forecasted as the trend is toward cremations and private burial arrangements will continue.

External factors impacting operations and facilities include: weather and water availability for irrigation; implementation and development of public outdoor areas requiring maintenance in the downtown initiative and plans; and State and Federal regulatory mandates. These will require additional funding sources in both capital and operation areas. Trends seem to point towards regionalism and closer to home recreational opportunities which could also alter local expansion of facilities, with potential increased costs due to collaboration with local agencies and or private/public partnerships to expand athletic fields and areas for self-directed groups and organizations requesting the space.

New FTEs – 4

Years Added – 2016 and 2019

### **Police Department**

The Loveland Police Department is a full service police agency with a current authorized staffing level of 135.75 FTEs. Of the total FTEs, 93 are sworn officers and 42.75 are civilian support staff. The 2013 operating budget for the Department is \$17.0 million. In 1992, the Loveland Police Department was accredited through the Commission for Accreditation of Law Enforcement Agencies and in 2012 was re-accredited for the 7th consecutive time since 1992.

Factors that will affect the department are an aging workforce; future city growth, technology changes for police related use, an increase in web-based crimes including identity theft and sex crimes, unfunded and unexpected state and federal mandates, increased use of the Northern Colorado Crime Lab, and the legalization of marijuana for recreational use by people over the age of 21.

To meet these challenges the Police Department must amplify its focus on succession planning and quality recruitment for sworn and civilian employees; complete and implement its comprehensive long range staffing and resources strategies; Police facilities for office space, training needs, and storage will need to be evaluated and when appropriate, included in the capital improvement plan; and increased IT support specifically related to police technology will need to be applied.

New FTEs added – To be determined in the Phase IV report, anticipated at around 25.  
Years added – to be determined

### **Public Works Department**

The General Fund portion of the Public Works Department funds includes administration, facilities management and transportation development review. The General Fund budget is \$4.8 million with 27.95 FTEs. Facilities Management handles 700,000 square feet of space.

Major impacts over the next decade will likely be spurred by additional improvements in sustainable building practices, adoption of new building codes, or any change in City policy driving core efforts. The City currently is investing in flex space to drive greater future adaptability and has invested in LEED building efforts but not mandated them in City projects.

Issues that could drive change or cost implications include greater needs for energy efficiency, and expansion of services requiring new space. As new City spaces come online, funding will be required for additional staff, custodial services, after hours event support, and utilities to maintain these areas. Utility rate increases are a significant concern if the US energy standard or resource availability changes. Investment in staff training will be required as new and evolving technologies move into the market place and staff retirements also occur. The rate of development is the major driver behind the workload for transportation development review.

New FTEs added – 3  
Years added – 2017, 2018

## **Enterprise Fund Summaries**

Enterprise funds account for City operations that act similar to private businesses. No tax revenue is used to fund the operations or capital needs, with one exception in the Water Enterprise. Funding is derived by rates and fees to the users of the services. Growth in the number of customers may provide sufficient revenue for the projected growth in positions. However, inflationary costs may require rate increases, above those previously discussed with Council in relation to the capital programs in the different enterprises, to accommodate these position increases.

### **Golf Enterprise**

The Golf Enterprise is managed by the Parks & Recreation Department and has a budget of \$3.5 million and 12.75 FTE's to manage two 18-hole courses; The Olde Course at Loveland and the Marianne Butte Golf Course, and one par 3, 9-hole course and the new mini-course at Cattail Creek, within the City. The new mini-course utilizes different equipment known as SNAG (Starting New At Golf), and will help draw new players expanding the Enterprise's customer base. The enterprise is totally funded by user fees. All costs for operations and ongoing capital funding are recovered through the fees. With the recently completed SNAG course, no additional golf courses are anticipated, and service levels are expected to remain the same.

New FTEs added - 0

### **Solid Waste Enterprise**

The Solid Waste Enterprise is managed by the Public Works Department. The Enterprise has a budget of \$9.1 million with 27.62 FTEs. Funding for the Enterprise is entirely from user fees. Currently the city provides solid waste and recycling services with a diversion rate of 60%.

In order to continue to successfully manage future waste, issues to be considered are additional diversion opportunities for food organics, technology changes that will make more products recyclable, alternative fuel options and truck hybrids will likely be considered to manage fuel costs. Regulatory initiatives will be a concern including alternative fuel options, higher fuel efficiency standards, or reduced emissions requirements, and additional requirements on electronic waste handling. Growth in the City will be a major factor, requiring additional staffing in order to maintain service levels. In the Adopted Financial plan for the Enterprise, four FTEs were included in 2014, 2016 and 2018 due to the projected increased residential accounts. There are no additional FTEs added as a part of this forecast.

The next decade will also likely bring expanded discussions on the future of the Larimer Country landfill and Loveland's participation in future expansion plans.

New FTEs added – 0

### **Storm Water Enterprise**

The Storm Water Enterprise is managed by the Public Works Department. The Enterprise has a budget of \$4.3 million and 14.6 FTEs. The Enterprise is funded through utility fees and impact fees.

Challenges will revolve around funding and a rate structure to meet current and future needs, including overhauling existing outdated and undersized infrastructure in the core of the city. The major unknown challenge facing the Enterprise is the potential for new water quality regulations at the state and federal levels. The City model currently meets all standards and should not be greatly impacted by mandates projected to occur in the next decade. In the Adopted Financial plan for the Enterprise, three FTEs are included in 2014, 2015 and 2020 for projected growth in curb miles for street sweeping and additional collections maintenance. No additional FTEs are added as a part of this forecast. Growth in the City will be a major factor, requiring additional staffing to maintain service levels.

New FTEs added - 0

### **Water Enterprise**

The Water Enterprise, managed by the Water and Power Department, is responsible for the City's acquisition and storage of raw water, water treatment and distribution of treated water, and return flow obligations. In 2013, the Water Enterprise will have 41.70 FTE regular staff and a budget of \$17.6 million. The Enterprise is funded by utility fees, except for a contribution to the water capital program from the General Fund.

The primary drivers likely to impact this utility within ten years are the growing need for on-going investment in aging and failing infrastructure, including capital investments, new programs such as leak detections, cross connection control, enhanced water right tracking and additional staff and resources. Growth of Loveland's population and industry will be a major factor requiring additional Water Utility assets to meet rising demands with the corresponding increases in resources for their operations and maintenance. Regulatory standards impacting the Water Utility are expected to increase independent of growth. Changes in climate may also have an impact on the water utility. Climate changes may trigger the need for additional budgeting requirements within the next 10 years to account for a possible increase in water acquisition, water storage, and water treatment in subsequent planning periods. The deployment of smart technologies over the next ten-year period may have additional budgetary impacts.

New FTEs added – 4.2

Years Added – 2014, 2015, 2016, and 2018

### **Wastewater Enterprise**

The Wastewater Enterprise, managed by the Water and Power Department, is responsible for the City's wastewater collection system and wastewater treatment. In 2013, the Enterprise will have 29.3 FTE regular staff and a budget of \$11.6 million.

Primary drivers likely to impact this utility within ten years are regulatory standards, which are expected to increase independent of growth; a growing need for on-going investment due to aging and failing infrastructure; and growth in Loveland's population and industry.

New FTEs added – 2.4

Year Added - 2021

### **Power Enterprise**

The Power Enterprise, managed by the Water and Power Department, is responsible for the distribution and delivery of electricity within the City. In 2013, the Enterprise will have 42.9 FTE regular staff and a budget of \$56.4 million.

Issues facing the Enterprise in the next ten years include the Renewable Energy Standard that requires municipal utilities serving 40,000 or more customers to generate or purchase enough renewable energy to supply 10% of their retail electric sales by 2020, increasing the cost of the energy produced. Additional power assets will be required in order to meet the growth in Loveland. Demand side management can reduce peak load, but there are challenges in identifying effective programs and customer education. Technological advancements will continue to require more innovative rates, investments in communication systems and software upgrades. The Enterprise continues to use portions of the Smart Grid Technology for its operations. A change in City policy to deploy smart technologies may have budgetary impacts. An aging workforce creates a need for ongoing succession planning. Increasing North American Electric Reliability Corporation (NERC) standards will continue to require additions in labor resources, capital investments and other resources.

New FTEs added – 8.4

Years added – 2014, 2015, 2018, 2020, and 2022

## **Special Revenue Funds Summaries**

Special revenue funds are established for areas or services that have dedicated revenue sources and most do not receive general tax revenue. Most of the funds are capital in nature and do not have an operating component. However, there are certain funds with operating costs that receive a General Fund subsidy. The Special Revenue funds with an operating component or that receive a portion of the funding from general fund revenue are shown below.

### **Conservation Trust Fund**

The Conservation Trust Fund, managed by the Parks and Recreation Department, is funded by State-controlled Lottery funds distribution. State law requires the funding to be used for Park or Recreation Capital and maintenance needs. The City has dedicated the funding to the maintenance and construction of the Recreation Trail System. In 2013 the fund has a budget of \$436,000 and 0.92 FTE regular staff.

In the next ten years additional recreational trails will be completed for linkage to the current Recreational Trail “loop” Plan. Completion will require acquisition, development and maintenance funds and staffing. Some of the staff additions may be achieved by reallocating General Fund Resources, reducing General Fund costs.

The Plan does not include trail linkages for regional trails or connections to adjoining cities, which may be requested in the future. The distribution of lottery proceeds is controlled by the State and decreased or elimination of funding would cause operational decisions for service levels and un-funded plans to be addressed. The FTE addition reflects a shift of existing Parks staff to this function, more accurately reflecting their actual duties.

FTEs added – 1.5  
Year Added - 2015

### **Open Space Fund**

The Open Space Fund, managed by the Parks and Recreation Department, is funded by a County distribution of the County open space sales tax. The funding is for the maintenance and acquisition of open space. In 2013 the fund has a budget of \$2.5 million and 3.75 FTE regular staff.

The County Open Space tax will sunset in 2018. Continuation of the Open Space tax will determine continued acquisition, and development past 2018. However, sufficient reserves will allow for continued operation and maintenance of sites throughout the 10 year plan period. Additional sites developed and opened for public use will require additional operating needs, some of which may include the use of volunteers and contractual services.

FTEs Added – 1  
Year Added - 2015

**Lodging Tax Fund**

The Lodging Tax Fund, managed by the Economic Development Department, is funded through the lodging tax approved by voters in 2009 and is restricted to use for expenditures related to tourism promotion, marketing the city, and promoting community events. In 2013 the fund has a budget of \$610,000 and 1.5 FTEs.

Additional funding through the lodging tax dollars to support the Visitor Center, whose operation was recently taken over by the City, is necessary to ensure an effective operation and for the Destination Loveland Program.

FTEs added – 1

Year added – 2014

**Transit**

The Transit Fund, managed by the Public Works Department, provides limited fixed route and Paratransit transit services for the public in Loveland. In 2013, the fund has an operating budget of \$1.88 million with 11 FTE regular staff. About 50% of the funding is from Federal operating grants and fare revenue. The remaining 50% is from a General Fund Subsidy.

Demand is expected to grow due to the aging of the City population and as the general population becomes more diverse. There is also an expectation that Federal operating grant money will continue to decline, which will make funding for adequate service (estimated at two additional routes within the City) a challenge. Initiatives may include more partnerships, notably with non-profits and the faith-based community to provide senior services and regionalization of transit service provision through an authority or other mechanism to gain efficiencies.

FTEs added – 10

Years added – 2017, 2022

### **Transportation**

The Transportation Fund, managed by the Public Works Department, provides for the maintenance and construction of the City street and signal system, and development inspection of new streets added to the City system. In 2013, the fund has a budget of \$11.6 million, of which \$5.6 million is operating expense with 37.68 FTE regular staff. The funding sources are State revenue sharing from the Highways Users Trust Fund (HUTF) and vehicle fees, the Transportation Utility Fee, impact fees, and General Fund revenue. The operating component receives a General Fund subsidy of \$4.1 million, and an additional \$530,000 of General Fund reserves is combined with impact fees for construction of new streets and bridge repair.

The cost of construction and materials has outpaced the general consumer price index and this trend is likely to continue creating a challenge in funding the program. Technology will continue to play a greater role than even today. Currently only one third of the city's traffic signals can communicate with the Traffic Operations Center. A growth in technology investment will likely be needed over the next decade to catch-up and keep-up with growth.

Trends driving change in the next decade will include projected reductions in state and federal transportation dollars to local agencies; livability standards will require more "non-lane mile" investments in transit, bike and pedestrian facilities, and congestion mitigation as opposed to roadway expansion as the primary solution; and community resiliency and sustainability will require greater integration into all project efforts requiring investment in solutions that will withstand larger scale weather and natural events.

FTEs added - 6

Years Added – 2015, 2019, and 2021



## **Internal Service Funds**

The Internal Service Funds are established for costs to serve City departments. The costs are allocated out to the General Fund and the Enterprise funds, so increases in the Internal Service Funds become increases to the General and Enterprise Funds.

### **Risk and Insurance Fund**

This fund, managed by the Human Resources Department, administers the areas of workers compensation, safety and environmental program management and training, ensures compliance with state and federal regulations as it relates to safety and environmental impacts, and manages all property and liability claims, including those impacting citizens. In 2013 the fund has a budget of \$3.0 million and 4 FTEs.

Legislation for additional workers' compensation presumptions may drive increased worker's compensation claim costs. In addition, federal regulatory requirements from the Occupational Safety and Health Administration (OSHA) and the American with Disabilities Act (ADA) will drive the addition of staff to coordinate compliance issues. Environmental compliance issues will also require additional staffing to meet the regulatory guidelines.

FTEs added – 2

Years Added – 2019 and 2022

### **Fleet Management**

The Fleet Management Fund, managed by the Public Works Department, maintains over 700 vehicles and pieces of equipment. In 2013 the fund has a budget of \$3.78 million and 15.15 FTEs.

Factors for sustainable growth over the next ten years include moving the fleet to higher fuel efficiency standards, greater vehicle technology, expanding the Shared Motor Pool, adding a wider variety of fuel management systems, and emission regulatory changes. As there is growth in the other City departments, additional space and staffing will be required to maintain the associated increase in the size of the fleet.

FTEs added – 0

## **Other Areas**

### **Airport**

The Fort Collins/Loveland Airport is jointly operated by the two cities under an Intergovernmental Agreement. The Airport has a 2013 Adopted Budget of \$2.2 million with five FTEs. Airport revenues cover operating and capital costs. With the loss of commercial service late in 2012, revenues will be significantly reduced.

Growth factors over the next ten years will be dependent primarily on bringing a new commercial carrier to the Airport, and on funding provided by the federal government for capital expansion projects. General aviation air operations will increase to a small degree with the increase in population.

FTEs added – 0

<b>Total City Financial Forecast</b>	<b>2014 Projected</b>	<b>2015 Projected</b>	<b>2016 Projected</b>	<b>2017 Projected</b>
<b>Beginning Fund Balance</b>	<b>\$162,845,353</b>	<b>\$146,944,520</b>	<b>\$106,987,080</b>	<b>\$99,978,290</b>
<b>REVENUES</b>				
Taxes	51,549,120	53,927,280	56,597,350	59,401,600
Intergovernmental	7,295,360	7,504,590	7,721,270	7,945,670
Impact Fees	7,710,020	8,176,310	8,487,560	8,726,890
Charges For Service	36,307,090	38,573,287	40,705,649	43,934,244
Interest	3,345,050	3,563,610	2,945,920	3,121,010
Others	4,112,290	3,955,040	4,093,470	4,236,000
Utility Charges	78,351,200	81,210,880	85,093,400	88,468,360
Utility Other	2,642,140	2,749,850	6,865,780	2,958,990
PILT	5,464,370	5,593,070	5,731,560	5,879,920
Transfers	11,387,310	11,809,910	11,984,710	12,310,420
<b>TOTAL REVENUES</b>	<b>\$ 208,163,950</b>	<b>\$ 217,063,827</b>	<b>\$ 230,226,669</b>	<b>\$ 236,983,104</b>
<b>TOTAL REVENUES &amp; SOURCES</b>	<b>\$ 371,009,303</b>	<b>\$ 364,008,347</b>	<b>\$ 337,213,749</b>	<b>\$ 336,961,394</b>
<b>OPERATING EXPENDITURES</b>				
General Fund Operating	65,869,650	68,858,220	72,501,380	76,648,330
Enterprise Funds Operating	80,737,650	82,624,880	85,570,860	89,063,680
Internal Service Funds Operating	18,025,470	19,172,410	20,403,720	21,726,590
Special Revenue Funds Operating	9,741,480	10,070,980	10,411,980	10,764,900
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 174,374,250</b>	<b>\$ 180,726,490</b>	<b>\$ 188,887,940</b>	<b>\$ 198,203,500</b>
<b>NET OPERATING REVENUES (LOSS)</b>	<b>\$ 33,789,700</b>	<b>\$ 36,337,337</b>	<b>\$ 41,338,729</b>	<b>\$ 38,779,604</b>
<b>CAPITAL EXPENDITURES</b>				
General Fund	7,656,900	7,533,930	9,749,880	6,387,410
Enterprise Funds	29,307,230	48,661,910	23,202,830	21,921,500
Special Revenue Funds (excluding CEF)	7,352,860	10,820,110	11,000,080	8,210,380
Internal Service Funds	1,351,500	1,122,000	868,500	1,320,000
CEF Funds	4,022,040	8,156,830	3,526,230	899,400
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 49,690,530</b>	<b>\$ 76,294,780</b>	<b>\$ 48,347,520</b>	<b>\$ 38,738,690</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (15,900,830)</b>	<b>\$ (39,957,443)</b>	<b>\$ (7,008,791)</b>	<b>\$ 40,914</b>
Ending Fund Balance	146,944,523	106,987,077	99,978,289	100,019,204
<b>Reserve Policy Requirement (15% of Oper. Expense)</b>	<b>\$ 26,156,140</b>	<b>\$ 27,108,970</b>	<b>\$ 28,333,190</b>	<b>\$ 29,730,530</b>
<b>Amount Above (Under) Policy</b>	<b>\$ 120,788,383</b>	<b>\$ 79,878,107</b>	<b>\$ 71,645,099</b>	<b>\$ 70,288,674</b>
<b>15% of operating reserve</b>	<b>26,156,140</b>	<b>27,108,970</b>	<b>28,333,190</b>	<b>29,730,530</b>

<b>2018 Projected</b>	<b>2019 Projected</b>	<b>2020 Projected</b>	<b>2021 Projected</b>	<b>2022 Projected</b>
<b>\$100,019,200</b>	<b>\$99,532,240</b>	<b>\$102,052,620</b>	<b>\$103,562,830</b>	<b>107,093,550</b>
62,346,830	65,440,220	68,689,300	72,101,990	75,032,020
8,178,120	6,466,890	6,618,790	6,774,840	6,935,170
7,914,430	8,243,510	8,576,790	8,811,530	9,169,380
45,939,740	48,921,620	52,312,660	54,498,180	56,668,770
3,756,130	4,119,830	4,576,930	5,160,620	5,763,282
4,386,410	4,538,270	4,697,100	4,861,130	5,030,940
93,914,360	97,425,300	101,007,020	104,757,260	108,751,810
3,046,970	3,155,410	3,264,920	3,379,610	3,486,030
6,038,690	6,207,000	6,385,830	6,574,840	6,772,080
12,712,100	13,177,230	12,321,080	14,230,790	14,498,850
<b>\$ 248,233,780</b>	<b>\$ 257,695,280</b>	<b>\$ 268,450,420</b>	<b>\$ 281,150,790</b>	<b>\$ 292,108,332</b>
<b>\$ 348,252,980</b>	<b>\$ 357,227,520</b>	<b>\$ 370,503,040</b>	<b>\$ 384,713,620</b>	<b>\$ 399,201,882</b>
79,904,890	83,378,030	86,787,740	90,439,260	93,919,060
90,942,550	93,349,420	95,802,920	98,066,170	100,121,030
23,148,900	24,679,280	26,327,200	28,103,050	30,018,240
11,130,170	11,508,180	11,899,370	12,113,570	12,627,320
<b>\$ 205,126,510</b>	<b>\$ 212,914,910</b>	<b>\$ 220,817,230</b>	<b>\$ 228,722,050</b>	<b>\$ 236,685,650</b>
<b>\$ 43,107,270</b>	<b>\$ 44,780,370</b>	<b>\$ 47,633,190</b>	<b>\$ 52,428,740</b>	<b>\$ 55,422,682</b>
5,944,640	5,014,270	5,470,580	5,710,170	5,188,430
23,748,750	27,684,500	29,613,250	28,160,000	34,493,870
6,315,590	6,562,720	5,379,630	7,032,150	7,049,540
2,012,250	997,500	3,491,000	3,669,500	2,586,000
5,573,000	2,001,000	2,168,520	4,326,200	3,741,500
<b>\$ 43,594,230</b>	<b>\$ 42,259,990</b>	<b>\$ 46,122,980</b>	<b>\$ 48,898,020</b>	<b>\$ 53,059,340</b>
<b>\$ (486,960)</b>	<b>\$ 2,520,380</b>	<b>\$ 1,510,210</b>	<b>\$ 3,530,720</b>	<b>\$ 2,363,342</b>
99,532,240	102,052,620	103,562,830	107,093,550	109,456,892
<b>\$ 30,768,980</b>	<b>\$ 31,937,240</b>	<b>\$ 33,122,580</b>	<b>\$ 34,308,310</b>	<b>\$ 35,502,850</b>
<b>\$ 68,763,260</b>	<b>\$ 70,115,380</b>	<b>\$ 70,440,250</b>	<b>\$ 72,785,240</b>	<b>\$ 73,954,042</b>
<b>30,768,980</b>	<b>31,937,240</b>	<b>33,122,580</b>	<b>34,308,310</b>	<b>35,502,850</b>

## **Total City Reserves**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Restricted Reserves	61,698,180	51,082,620	45,197,910	48,418,590
Committed Reserves	35,487,540	9,063,620	13,191,950	12,740,250
Assigned Reserves	22,449,260	21,031,030	19,824,170	18,847,200
Unassigned - Fund Balance Policy	26,156,140	25,809,807	21,764,259	20,013,164
Remaining Unassigned	1,153,403	-	-	-
<b>Total Reserves</b>	<b>146,944,523</b>	<b>106,987,077</b>	<b>99,978,289</b>	<b>100,019,204</b>
Fund Balance Policy Requirement	26,156,140	27,108,970	28,333,190	29,730,530
Amount above or below Requirement	1,153,403	(1,299,163)	(6,568,931)	(9,717,366)

Restricted reserves are the portion of fund balance that must be reserved by the State constitution or law.

Committed reserves are the portion of fund balance set aside by a Council Ordinance.

Assigned Reserves are the portion of fund balance set aside by management for specific purposes.

The Unassigned Fund Balance Policy is the amount of fund balance reserved against economic uncertainty, based on a calculation of 15% of operating expenses.

The Remaining Unassigned is the amount of fund balance that has no designations.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
48,048,940	47,441,310	47,456,020	45,575,580	45,194,420
16,409,290	20,595,890	24,801,720	33,033,430	37,343,570
18,118,410	18,787,730	17,643,400	15,985,830	14,665,770
16,955,600	15,227,690	13,661,690	12,498,710	12,253,132
-	-	-	-	-
<b>99,532,240</b>	<b>102,052,620</b>	<b>103,562,830</b>	<b>107,093,550</b>	<b>109,456,892</b>
30,768,980	31,937,240	33,122,580	34,308,310	35,502,850
(13,813,380)	(16,709,550)	(19,460,890)	(21,809,600)	(23,249,718)

### **Adopted Financial Projection Assumptions**

The forecast of the Consumer Price Index (CPI) and Local Growth Factor used for the TABOR limit are based on the historical average the City has experienced. Actual amounts are not known until the month of March following the end of an individual fiscal year. The forecasted growth rate for the CPI is 3.0% for all years in the plan. The Local Growth Factor is forecasted to be 2.0% in 2013, 3.2% in 2014, and 4.1% in the remaining years, representing the City's historical average.

### **Revenue Assumptions**

- By State law, the Property Assessor is required to reassess all property values every two years to meet the requirements of the Gallagher Amendment to the State Constitution. Historically, the City has experienced growth in assessments of 5.8% in non-reassessment years and 13.6% in reassessment (Gallagher) years. The recession has resulted in lower than average changes in property values. For 2013, values are expected to remain at 2012 amounts. The property tax revenues assume the millage rate (property tax rate) will remain the same throughout the Plan and revenues will increase by the same amount as the property assessments. These are currently forecasted at 0.0% in 2013, 4.0% in 2014 and 2015, and 5.8% for the remaining years in the plan.
- The City's sales tax base for 2013 is projected to increase by 4.0% and by 5.0% in the remaining years of the Plan.
- Use taxes increase 2.0% in 2013 and grow to 4.0% by 2016.
- Revenue from all other taxes increases 3.0% in 2013-2016.
- Intergovernmental revenue increases at a rate of 2.5% annually.
- Charges for service increase by 3.5% each year of the Plan.
- PILT revenues increase in 2013, in part due to projected rate and service charge increases in the enterprise funds. Based on the forecasts in the ten-year plans for the enterprises, this revenue increases 2.3%-2.5% through 2016.
- Interest is calculated at 1.2% of the expected beginning balance in 2013 and grows to 3.5% by 2017.
- The TABOR excess projections are preliminary and will vary depending on the CPI and local growth percentage for each year and actual revenues.

### **Expense Assumptions**

- The 2013 Budget is the City Manager's Recommended Budget for the departments and serves as the basis for projecting all the future years' expenditures.
- Department base budgets in each of the following years are increased 3.5% from the previous year's amount.
- The street construction General Fund portion is funded at the amount necessary to match the Capital Expansion Fee contribution. The source of the General Fund contribution is excess TABOR revenues the voters have allowed the City to retain.
- The operations impact of capital projects included in the Capital Program are introduced in the year when the impact is expected to begin and then escalated annually at the same percentage as the other departmental expenditures.

### **Required Reserve Assumptions**

- The required balance includes the TABOR 3.0% Emergency Operating Reserve; a Council Contingency Reserve of \$100,000; an unfunded liability reserve of \$200,000; a Library Reserve of \$125,030; a reserve to provide matching funds for potential Fire Authority grants of \$103,900; projected revenues which are above the TABOR cap and not currently designated toward specific

projects; and the amount of Council Capital Reserve not currently designated for specific projects. The ability to keep and spend TABOR excess revenue and use this revenue for police, fire, street construction and maintenance, and parks construction and maintenance was approved by the voters in the November 2011 election. This approval expires at the end of the 2024 budget year.

- The TABOR 3.0% Emergency Operating Reserve is a requirement of Article X, Section 20 of the State Constitution, which mandates government reserve 3.0% of the current year operating costs, excluding bonded debt, to be used for declared emergencies only.
- The Contingency Reserve is established to provide a funding source for small one-time projects, which could not have been anticipated during the development of the annual budget.
- The unfunded liability reserve provides resources in the event payouts for accrued leave or other unfunded liabilities exceed budgeted resources in any one year.
- The Library Reserve is for donations or endowments given to the Library that have not yet been appropriated.
- The Council Capital Reserve was established by ordinance in 2001. The ordinance requires setting aside 2.50% of all tax revenue under the TABOR revenue cap for capital projects.
- The City went under the TABOR limit beginning in 2010 and is expected to remain so in all but two years of the Plan. However, the projections are only under the limitation by a maximum of 3.0% in any one year. Changes in the economy or a small return to the building growth experienced in prior years will result in the City being over the limitation.



## 2013 Adopted Financial Plan

Finance Master Plan	2011 Actual	2012 Adopted	2012 Revised	2013 Adopted
Beginning Fund Balance	27,758,408	23,949,940	31,283,790	526,744,200
<b>REVENUES</b>				
Property Tax	7,787,891	7,428,900	7,428,900	7,439,950
Current Sales Tax Base	32,082,792	32,868,020	32,868,020	35,219,650
Use Tax	3,065,521	3,000,000	3,000,000	3,300,000
Other Taxes	3,254,792	2,484,600	2,484,600	2,628,000
Intergovernmental	5,751,622	356,320	835,510	324,080
Licenses & Permits	1,655,825	1,057,880	967,460	1,491,180
User Fees	3,436,764	3,409,100	3,703,320	3,885,840
Fines & Forfeits	936,370	1,005,280	1,005,280	1,068,280
Interest	785,913	405,050	405,050	340,160
Others	1,430,356	606,480	594,370	397,000
Internal Service Transfers General Fund				3,284,550
Internal Service Transfers Non-General Fund	2,127,571	2,062,020	4,084,400	4,721,780
PILT	4,253,945	5,041,470	5,041,470	5,639,810
Transfer from Power for Econ Development				78,800
Transfer from Lodging Tax	3,000	-	-	50,000
<b>TOTAL REVENUES</b>	<b>\$ 66,580,362</b>	<b>\$ 59,725,120</b>	<b>\$ 62,418,380</b>	<b>\$ 69,869,080</b>
<b>TOTAL REVENUES &amp; SOURCES</b>	<b>\$ 94,338,770</b>	<b>\$ 83,675,060</b>	<b>\$ 93,702,170</b>	<b>\$ 96,613,280</b>
<b>EXPENDITURES</b>				
Legislative	101,076	126,200	126,200	137,710
Executive & Legal	2,262,316	2,371,480	2,393,890	2,560,740
Cultural Services	1,206,836	1,151,810	1,319,160	1,694,190
Development Services	3,112,191	2,637,310	2,857,050	2,994,520
Economic Development	564,005	715,720	1,511,960	810,110
Finance	3,607,144	3,929,070	3,948,570	4,303,450
Fire & Rescue	7,871,256	-	674,470	-
Human Resources	717,480	926,550	926,550	1,048,160
Information Technology	2,553,379	2,596,880	2,683,520	2,788,480
Library	2,306,449	2,330,860	2,366,490	2,832,310
Parks & Recreation	7,023,011	7,361,390	7,359,740	8,452,510
Police	16,190,558	15,665,020	15,813,600	16,782,040
Public Works	4,382,977	4,648,150	4,435,390	4,825,790
Non-Departmental	733,651	740,240	786,650	1,237,900
Transfers	266,446	199,850	1,702,280	65,000
Business Incentive Program	404,117	5,510	858,520	250,000
City Contribution to Fire Authority		6,108,500	6,455,470	6,763,340
Transit Operating Subsidy	598,055	455,900	489,530	913,800
Transportation Operating Subsidy	2,834,637	3,249,770	3,253,270	4,083,860
Supplemental Funds Available Inflated Out		-	-	-
Supplemental Funds Available		-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 56,735,584</b>	<b>\$ 55,220,190</b>	<b>\$ 59,962,310</b>	<b>\$ 62,543,910</b>
<b>NET OPERATING REVENUES (LOSS)</b>	<b>\$ 9,844,778</b>	<b>\$ 4,504,930</b>	<b>\$ 2,456,070</b>	<b>\$ 7,325,170</b>
<b>CAPITAL</b>				
Net Capital Expense	2,748,483	4,226,650	3,594,550	1,600,000
Street Construction Projects	1,578,562	788,720	1,244,800	430,360
Olsen Annexation	-	-	-	-
Internal Loan Repayment (Recreation an Fire CEF)	97,485	97,000	97,000	957,150
Early Repay of Fire CEF Internal loan				1,000,000
Equipment Replacement	1,894,869	2,059,310	2,059,310	1,945,200
Executive & Legal	-	-	-	-
Finance	-	-	-	-
Development Services	-	-	-	-
Police	306,347	350,040	350,040	251,150
Fire & Rescue	85,818	-	-	-
Information Technology	635,265	624,990	624,990	747,550
Library	12,042	6,600	6,600	13,000
Parks & Recreation	766,027	1,057,680	1,057,680	931,500
Cultural Services	17,280	20,000	20,000	2,000
Public Works	72,090	-	-	-
Non-Departmental	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 6,319,399</b>	<b>\$ 7,171,680</b>	<b>\$ 6,995,660</b>	<b>\$ 5,932,710</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 3,525,379</b>	<b>\$ (2,666,750)</b>	<b>\$ (4,539,590)</b>	<b>\$ 1,392,460</b>
Ending Fund Balance	31,283,787	21,283,190	26,744,200	28,136,660
Required Balance	11,475,545	9,891,625	9,203,995	12,581,392
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ 19,808,242</b>	<b>\$ 11,391,565</b>	<b>\$ 17,540,205</b>	<b>\$ 15,555,268</b>
Reserve Policy Requirement (15% of Oper. Expense)	\$ 9,458,250	\$ 9,358,780	\$ 10,043,700	\$ 10,271,490
Amount Above (Under) Policy	\$ 10,349,992	\$ 2,032,785	\$ 7,496,505	\$ 5,283,778

2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
\$28,136,660	\$28,142,260	\$27,672,990	\$25,904,840	\$29,558,110	\$33,935,520	\$39,687,540	\$46,618,650	\$55,033,650
7,737,550	8,047,050	8,513,780	9,007,580	9,530,020	10,082,760	10,667,560	11,286,280	11,940,880
36,980,630	38,829,660	40,771,140	42,809,700	44,950,190	47,197,700	49,557,590	52,035,470	54,637,240
3,389,100	3,490,770	3,630,400	3,775,620	3,926,640	4,083,710	4,247,060	4,416,940	4,593,620
2,706,840	2,788,050	2,871,690	2,957,840	3,046,580	3,137,980	3,232,120	3,329,080	3,428,950
332,180	340,480	348,990	357,710	366,650	375,820	385,220	394,850	404,720
1,535,920	1,582,000	1,629,460	1,678,340	1,728,690	1,780,550	1,833,970	1,888,990	1,945,660
4,021,840	4,162,600	4,308,290	4,459,080	4,615,150	4,776,680	4,943,860	5,116,900	5,295,990
1,073,620	1,078,990	1,084,380	1,089,800	1,095,250	1,100,730	1,106,230	1,111,760	1,117,320
422,050	562,850	691,820	777,150	1,034,530	1,357,420	1,785,940	2,237,700	2,641,620
710,900	435,780	451,030	466,820	483,160	500,070	517,570	535,680	554,430
3,399,510	3,518,490	3,641,640	3,769,100	3,901,020	4,037,560	4,178,870	4,325,130	4,476,510
4,887,040	5,058,090	5,235,120	5,418,350	5,607,990	5,804,270	6,007,420	6,217,680	6,435,300
5,464,370	5,593,070	5,731,560	5,879,920	6,038,690	6,207,000	6,385,830	6,574,840	6,772,080
-	-	-	-	-	-	-	-	-
\$ 72,661,550	\$ 75,487,880	\$ 78,909,300	\$ 82,447,010	\$ 86,324,560	\$ 90,442,250	\$ 94,849,240	\$ 99,471,300	\$ 104,244,320
\$ 100,798,210	\$ 103,630,140	\$ 106,582,290	\$ 108,351,850	\$ 115,882,670	\$ 124,377,770	\$ 134,536,780	\$ 146,089,950	\$ 159,277,970
137,710	137,710	137,710	137,710	137,710	137,710	137,710	137,710	137,710
2,650,370	2,743,130	2,839,140	2,938,510	3,041,360	3,147,810	3,257,980	3,372,010	3,490,030
1,753,490	2,245,860	2,324,470	2,405,830	2,490,030	2,577,180	2,667,380	2,760,740	2,857,370
3,099,330	3,207,810	3,320,080	3,436,280	3,556,550	3,681,030	3,809,870	3,943,220	4,081,230
706,610	731,340	756,940	783,430	810,850	839,230	868,600	899,000	930,470
4,454,070	4,609,960	4,771,310	4,938,310	5,111,150	5,290,040	5,475,190	5,666,820	5,865,160
-	-	-	-	-	-	-	-	-
1,084,850	1,122,820	1,162,120	1,202,790	1,244,890	1,288,460	1,333,560	1,380,230	1,428,540
2,886,080	2,987,090	3,091,640	3,199,850	3,311,840	3,427,750	3,547,720	3,671,890	3,800,410
2,931,440	3,034,040	3,140,230	3,250,140	3,363,890	3,481,630	3,603,490	3,729,610	3,860,150
8,854,700	9,164,610	9,612,870	9,965,520	10,320,060	10,731,260	11,106,850	11,525,590	11,928,990
17,369,410	17,977,340	18,606,550	19,257,780	19,931,800	20,629,410	21,351,440	22,098,740	22,872,200
5,225,840	5,408,740	5,598,050	5,793,980	5,996,770	6,206,660	6,423,890	6,648,730	6,881,440
1,281,230	1,326,070	1,372,480	1,420,520	1,470,240	1,521,700	1,574,960	1,630,080	1,687,130
67,280	69,630	72,070	74,590	77,200	79,900	82,700	85,590	88,590
350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
7,000,060	7,984,450	8,263,910	8,553,150	8,852,510	10,142,780	10,497,780	10,865,200	11,245,480
945,780	978,880	1,013,140	1,048,600	1,085,300	1,123,290	1,162,610	1,203,300	1,245,420
4,226,800	4,374,740	4,527,860	4,686,340	4,850,360	5,020,120	5,195,820	5,377,670	5,565,890
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 65,025,050	\$ 68,454,220	\$ 70,960,570	\$ 73,443,330	\$ 76,002,510	\$ 79,675,960	\$ 82,447,550	\$ 85,346,130	\$ 88,316,210
\$ 7,636,500	\$ 7,033,660	\$ 7,948,730	\$ 9,003,680	\$ 10,322,050	\$ 10,766,290	\$ 12,401,690	\$ 14,125,170	\$ 15,928,110
4,264,250	4,113,770	4,361,040	2,863,940	2,689,640	2,336,870	2,975,640	3,171,150	2,574,000
394,100	359,000	389,000	363,000	351,000	389,000	373,000	412,800	475,500
-	-	442,000	-	-	-	-	-	-
999,610	1,033,950	1,052,070	79,850	-	-	-	-	-
1,972,940	1,996,210	3,472,770	2,043,620	2,904,000	2,288,400	2,121,940	2,126,220	2,146,930
5,000	5,000	5,180	5,360	5,550	5,740	5,940	6,150	6,370
-	35,000	13,000	5,000	13,000	5,000	13,000	5,000	13,000
-	-	-	-	-	-	-	-	-
289,010	382,350	345,490	326,320	321,860	333,130	344,790	356,860	369,350
-	-	-	-	-	-	-	-	-
598,810	626,750	804,220	696,900	696,900	696,900	696,900	696,900	696,900
24,000	34,400	549,510	64,600	6,600	6,600	6,600	6,600	6,600
1,044,120	904,710	1,755,370	945,440	1,860,090	1,241,030	1,054,710	1,054,710	1,054,710
12,000	8,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 7,630,900	\$ 7,502,930	\$ 9,716,880	\$ 5,350,410	\$ 5,944,640	\$ 5,014,270	\$ 5,470,580	\$ 5,710,170	\$ 5,196,430
\$ 5,600	\$ (469,270)	\$ (1,768,150)	\$ 3,653,270	\$ 4,377,410	\$ 5,752,020	\$ 6,931,110	\$ 8,415,000	\$ 10,731,680
28,142,260	27,672,990	25,904,840	29,558,110	33,935,520	39,687,540	46,618,650	55,033,650	65,765,330
13,107,264	12,077,074	11,078,374	11,456,954	12,668,714	13,905,544	15,222,504	16,590,264	17,983,774
\$ 15,034,996	\$ 15,595,916	\$ 14,826,466	\$ 18,101,156	\$ 21,266,806	\$ 25,781,996	\$ 31,396,146	\$ 38,443,386	\$ 47,781,556
\$ 10,898,390	\$ 11,393,570	\$ 12,101,620	\$ 11,819,060	\$ 12,292,070	\$ 12,703,530	\$ 13,187,720	\$ 13,658,450	\$ 14,026,900
\$ 4,136,606	\$ 4,202,346	\$ 2,724,846	\$ 6,282,096	\$ 8,974,736	\$ 13,078,466	\$ 18,208,426	\$ 24,784,936	\$ 33,754,656

**Finance Master Plan**

	2011 Actual	2012 Adopted	2012 Revised	2013 Adopted
<b>CALCULATION OF REQUIRED BALANCE</b>				<b>6,906,021</b>
TABOR Excess Reserves Beginning Balance 2003-2012	5,534,006	3,955,444	3,955,444	2,710,644
Projected Tabor Annual Excess	-	-	-	-
Street Construction	(1,578,562)	(788,720)	(1,244,800)	(430,360)
<b>TABOR Excess Reserve Ending Balance 2003-2012</b>	<b>\$ 3,955,444</b>	<b>\$ 3,166,724</b>	<b>\$ 2,710,644</b>	<b>\$ 2,280,284</b>
<hr/>				
TABOR Excess Reserves Beginning Balance 2013				-
Projected Tabor Annual Excess				4,625,737
Street Construction				-
<b>TABOR Excess Reserve 2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,625,737</b>
<hr/>				
TABOR 3% Emergency	1,758,910	1,752,310	1,860,650	1,934,670
Council Contingency	100,000	100,000	100,000	100,000
Unfunded Liability	200,000	200,000	200,000	200,000
Equipment Replacement	-	70,000	70,000	250,000
Fire Reserve for Third Year of SAFER Grant	46,100	92,200	138,300	
Fire Grant Match Reserve	-	434,690	113,800	103,900
Library Reserve	125,031	125,031	125,031	125,031
Police Communication Console Replacement	616,000	-	-	-
<b>Required Reserves</b>	<b>\$ 2,846,041</b>	<b>\$ 2,774,231</b>	<b>\$ 2,607,781</b>	<b>\$ 2,713,601</b>
<hr/>				
Council Reserve Beginning Balance	4,730,850	4,065,250	4,674,060	3,885,570
Annual Council Set-Aside (5% Tax Revenue)	1,073,410	1,082,420	1,082,420	1,033,350
Downtown Infrastructure Improvements	(915,360)	(1,100,000)	(1,100,000)	(1,000,000)
3rd Street Project (Leslie Demolition & Remediation)			(187,000)	
Milner/Schwartz House Renovation	(42,700)	-	-	-
Juniper Place Fee Waivers	(59,790)	-	-	-
Putlack Fee Waivers	(14,860)	-	-	-
Art Space Pre-Construction	-	-	(475,000)	-
IHN Fee Waiver	-	-	(11,910)	-
Intra-Fund Loan Repayment on Land Purchase	(97,490)	(97,000)	(97,000)	(957,150)
<b>Council Reserve Ending Balance</b>	<b>\$ 4,674,060</b>	<b>\$ 3,950,670</b>	<b>\$ 3,885,570</b>	<b>\$ 2,961,770</b>
<hr/>				
<b>REQUIRED BALANCE</b>	<b>\$ 11,475,545</b>	<b>\$ 9,891,625</b>	<b>\$ 9,203,995</b>	<b>\$ 12,581,392</b>

2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
2,280,284	1,886,184	1,527,184	1,138,184	775,184	424,184	35,184	-	-
-	-	-	-	-	-	-	-	-
(394,100)	(359,000)	(389,000)	(363,000)	(351,000)	(389,000)	(35,184)	-	-
<b>\$ 1,886,184</b>	<b>\$ 1,527,184</b>	<b>\$ 1,138,184</b>	<b>\$ 775,184</b>	<b>\$ 424,184</b>	<b>\$ 35,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
4,625,737	6,416,029	6,416,029	6,416,029	6,416,029	6,416,029	6,416,029	6,078,213	5,665,413
1,790,291	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(337,816)	(412,800)	(475,500)
<b>\$ 6,416,029</b>	<b>\$ 6,416,029</b>	<b>\$ 6,416,029</b>	<b>\$ 6,416,029</b>	<b>\$ 6,416,029</b>	<b>\$ 6,416,029</b>	<b>\$ 6,078,213</b>	<b>\$ 5,665,413</b>	<b>\$ 5,189,913</b>
2,009,940	2,113,510	2,233,000	2,264,610	2,367,200	2,458,930	2,537,080	2,624,170	2,713,890
100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
125,031	125,031	125,031	125,031	125,031	125,031	125,031	125,031	125,031
-	-	-	-	-	-	-	-	-
<b>\$ 2,684,971</b>	<b>\$ 2,788,541</b>	<b>\$ 2,908,031</b>	<b>\$ 2,939,641</b>	<b>\$ 3,042,231</b>	<b>\$ 3,133,961</b>	<b>\$ 3,212,111</b>	<b>\$ 3,299,201</b>	<b>\$ 3,388,921</b>
2,961,770	2,120,080	1,345,320	616,130	1,326,100	2,786,270	4,320,370	5,932,180	7,625,650
1,157,920	1,259,190	1,322,880	1,389,820	1,460,170	1,534,100	1,611,810	1,693,470	1,779,290
(1,000,000)	(1,000,000)	(1,000,000)	(600,000)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(999,610)	(1,033,950)	(1,052,070)	(79,850)	-	-	-	-	-
<b>\$ 2,120,080</b>	<b>\$ 1,345,320</b>	<b>\$ 616,130</b>	<b>\$ 1,326,100</b>	<b>\$ 2,786,270</b>	<b>\$ 4,320,370</b>	<b>\$ 5,932,180</b>	<b>\$ 7,625,650</b>	<b>\$ 9,404,940</b>
<b>\$ 13,107,264</b>	<b>\$ 12,077,074</b>	<b>\$ 11,078,374</b>	<b>\$ 11,456,954</b>	<b>\$ 12,668,714</b>	<b>\$ 13,905,544</b>	<b>\$ 15,222,504</b>	<b>\$ 16,590,264</b>	<b>\$ 17,983,774</b>

**Ten Year Forecast Position Costs - General Fund and Internal Service Fund**

**Agencies**

	2014	2015	2016	2017
Legislative				
Executive & Legal		12,000	122,580	118,100
Cultural Services				
Development Services	78,530			72,170
Economic Development	72,180			
Finance	78,530			
Fire & Rescue				
Human Resources				
Information Technology		78,530		66,460
Library				
Parks & Recreation	20,070		141,130	
Police	229,340	160,550	160,550	229,340
Public Works GF				85,590
Public Works Transit				306,550
Public Works Transportation		85,590		35,090
<b>Totals</b>	<b>478,650</b>	<b>336,670</b>	<b>424,260</b>	<b>913,300</b>

**All positions at mid-point**

Department	Year	Classification used
City Manager	2017	Assistant to City Manager
City Attorney	2016	Assistant City Attorney II
City Attorney	2020	Administrative Technician
City Clerk	2018	Administrative Specialist
Cultural Services	2018	Museum Curator
Development Services	2014 & 2020	City Planner I
Development Services	2017	Building Inspector
Economic Development	2014	Visitor Service Coordinator
Finance	2014	Capital Program Manager
Human Resources	2018	HR Analyst
Human Resources	2018	HR Generalist
Human Resources	2020	Environmental Technician
Human Resources	2022	Administrative Technician
Information Technology	2015	Computer Support Technician
Information Technology	2017	Help Desk Technician
Information Technology	2019	Network & Systems Administrator
Information Technology	2021	Project Manager/Leader
Parks	2016 & 2019	Recreation Coordinator (2)
Parks	2016 & 2019	Parks Worker (2)
Public Works - Trans. Dev. Review	2017	Associate Engineer
Public Works - Traffic	2019	Traffic Signal Technician II
Public Works - Traffic	2015 & 2021	Staff Engineer (2)
Public Works Project Engineering	2017	Public Works Inspector
Public Works - Transit	2017 & 2022	Bus driver 2 new routes, 10 positions
Public Works - Streets	2021	Equipment Operator (3)
Public Works - Facilities	2018	Building Attendant (2)

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
59,310		54,680			366,670
115,300					115,300
		108,940			259,640
					72,180
					78,530
					-
163,610		78,530		59,310	301,450
	93,430		102,150		340,570
					-
	157,210				318,410
229,340	229,340	229,340	229,340	229,340	1,926,480
113,360					198,950
				306,550	613,100
	72,180		269,520		462,380
<b>680,920</b>	<b>552,160</b>	<b>471,490</b>	<b>601,010</b>	<b>595,200</b>	<b>5,053,660</b>

**Enterprise Ten Year Forecast Position Costs**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Solid Waste					
Water	154,610	66,030	68,100		
Wastewater	44,190	35,940	41,740		
Power	183,330	233,680			83,590
Storm Water				35,090	
<b>Totals</b>	<b>382,130</b>	<b>335,650</b>	<b>109,840</b>	<b>35,090</b>	<b>83,590</b>

<b>Department</b>	<b>Year</b>	<b>Classification used</b>
W&P/Power	2014	Electrical Engineer
W&P/Power	2015	Field Engineer
W&P/Power	2018	Journey Lineworker
W&P/Power	2020	Journey Lineworker
W&P/Power	2022	Journey Lineworker
W&P/Water	2014	Technical Specialist
W&P/Water	2014	Water Treatment Plant Worker
W&P/Water	2014	Locator
W&P/Water	2015	Water Resources Accounting Technician
W&P/Water	2016	Special Project Manager
W&P/Water	2019	Public Works Inspector
W&P/Customer Relations	2014	Customer Relations Coordinator
W&P/Customer Relations	2015	Customer Relations Business Specialist
W&P/Customer Relations	2015	Customer Relations Specialist

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	Total
				-
23,160		28,070		339,970
18,950		42,110		182,930
28,070	83,590		83,590	695,850
				35,090
<b>70,180</b>	<b>83,590</b>	<b>70,180</b>	<b>83,590</b>	1,253,840



# Staff Recommendations and Records



Repeated requests for more information brought mixed results.

**Recent EWI Incentive of \$300,000**

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

# More definition is needed

- Denying the action requires information about the necessity or the ramification of taking no action.
  - One good example recently was the funding of the Water Treatment Plant expansion. Both construction and bond market timing were of the essence.
- Adopting a modified action or referring back to staff is not an efficient method without information about other options considered.
- Continuing the item to another meeting without more information is not a wise use of staff time.

# Fiscal notes are incomplete

## BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible

“The ordinance funding reduces the flexibility to fund other projects. The \$300,000 would come out of the Economic Development Incentive Fund in 2015. The current balance in the incentive fund for 2015 is \$450,000 with an additional rollover of \$762,790, making the current available balance \$1,212,790.”

# Answers are easy to provide

- Fund balance is or is not adequate.
- Other demands (sometimes not entirely known) give a frame of reference.
- Language is unnecessarily obtuse. “The ordinance funding reduces the flexibility to fund other projects.”
- What other projects?
- What time frame?
- What other choices are there for funding?

# April 2011 Public Works purchase of a cold milling machine

- April 5, 2011                      Item 4
- **TITLE:**
  - A motion authorizing the City Manager to enter into a purchase contract with Honnen Equipment Company for the replacement of one Cold Milling Machine.
- **DESCRIPTION:**
  - This is an administrative action authorizing a purchase contract for one Cold Milling Machine needed for the annual Street Maintenance and Street Rehab Programs.
- **BUDGET IMPACT:**
  - Funds were appropriated in the 2011 approved budget to cover this capital purchase.

# Explanation of staff recommendation

- **SUMMARY:**
- This new cold milling machine is a replacement for the 2001 cold milling machine currently assigned to the Public Works Streets Division. Honnen Equipment submitted the bid price on January 25, 2011 in a competitive bid. The net purchase price of the machine after trade-in is \$455,309. \$503,000 was approved in the 2011 budget. The 10-year replacement cycle is typical for this type of equipment.
- 
- The milling machine removes asphalt to depths of 6” and serves as a key piece in the preparation and repair of streets.
- 
- Public Works staff tracks all facets of the milling operations from a cost standpoint. Ongoing costs benefit analyses are completed to compare keeping the program in-house versus contracting it out. The most recent cost-benefit analysis documents a net minimum savings to the City of at least \$1.09M by operating an in-house milling program versus a contracted program during 2001-2010. Additionally, since scheduling is controlled by the city it has eliminated missed performance times that impact neighborhoods and businesses, saving staff time in responding to citizen concerns related to schedule work not completed.

# A citizen posed several questions

Among them:

- Why was the total amount \$535,309 when the new price is \$455,309?
- What is included in the “Ongoing costs benefit analyses”?
- How pertinent is the concern with “scheduling”?
- Why make a public sector purchase when the private contactors are usually more efficient in terms of time and cost?



# Staff responded

- Bidding was done under the City of Loveland requirements.
- Cost was exclusive of trade-in savings which would be rolled back into the General Fund.
- 3 separate cost-benefit studies done over 7 years. Private contactors were not competitive in the last 2 months.
- Additional details were provided about the fuel costs, fleet replacement funding, cost per hour, etc.
- All these items covered in a memo to the CM

# Outcome

- Same decision would probably have been made.
- Information was readily available.
- Staff had to do more work answering citizen's questions.
- Initial recommendation could have contained greater amount of information so that citizen's concerns were answered or at-hand for us to send along.
- Process without detail becomes a rubber stamp.

# Recommended action

- Staff offer their memo to CM in their recommendation.
  - Memo should necessarily include information about options considered, timing, costing, etc.
  - Memo should be part of item in the packet
- Coversheet should provide the recommended action in contrast to the options considered. (Abbreviated list of options.)
- Fiscal note should be required for each item.
  - If positive then a description of additional projects added.
  - If negative then a description of specific projects impacted.

# Minutes and Records Retention

- It is often difficult to go back and find items or find a specific discussion and know what arguments were made.
- Problem is with both the kind of Meeting Minutes we take as well as how long we preserve video records of meetings.
- Solutions are not easy or cheap.

# Types of Minutes

- Action Minutes: (3 hours total time; 90% complete prior to meeting)
  - Date, time and location of the meeting
  - Members present
  - Record of the action taken on the minutes from previous meetings
  - The exact working of each main motion and it was voted on. And a record of the vote.
  - Any notice given at the meeting
  - Points of appeal
  - Public comment: Name, address if given and support of opposition
  - Council reports
  - The hour of adjournment
- Pros: Very Brief, contain actions taken by Council, minimal preparation time
- Cons: No information regarding items, no discussion
- Summary Minutes: (Current City of Loveland practice) (5 hours total time; 75% complete prior to meeting)
  - a) all of the above
  - b) a brief summary of each item considered
  - c) further direction to Staff
  - d) Contains limited discussion
- Pros: Brief, Contains action by Council, identifies summary of item, enables search of information by topic.
- Cons: Supplemental information is very brief and does not always convey the spirit of the Council debate. Staff would have to determine comments of relevance based on discussion outcomes to insert into the minutes.
- Verbatim Minutes (50 hours x 2 employees, total time; 05% complete prior to meeting)
  - a) all of the above
  - b) all comments made are included. (Transcription of tape)
  - c) Effort would be made to remove non words, i.e. uh, you know, etc....
- Pros: Provides a true record of the proceeding. Preserves a record of the discussion and the intent of the Council to memorialize decisions.
- Cons: Extremely labor intensive. (For Englewood this takes 2 people a week to generate minutes for meetings 2-4 hours in length.) ; could delay Council consideration of the minutes; can result in Council taking time at meetings to restate comments and amend the record.

# Records Retention Policy

- Minutes--permanent
- Audio-6 months plus current
- Video-6 months plus current
  - The only true record of our meetings. Older meetings were not indexed (time stamp of items) and recent problems have shown us that we need redundancy.
- Executive Session-90 days plus current
- Packets-permanent

# Outcome

- Direct staff to include more background in their items.
  - When multiple options are considered, describe those.
  - Fully describe appropriations, add-backs, change orders, scope expansion or limitation
- Provide comprehensive fiscal note.
  - Source of funds (including policy reference)
  - Specific impact on other projects
- Consider Records Retention changes
  - Report on legal and staff implications
  - Breakdown of cost in upgrading video (inc. redundancy)



Questions?



## DESCRIPTION OF TYPES OF MINUTES: (EXAMPLES OF 1 AND 3 ARE INCLUDED)

- 1) Description of Action minutes include: (3 hours total time; 90% complete prior to meeting)
- a) Date, time and location of the meeting
  - b) Members present
  - c) Record of the action taken on the minutes from previous meetings
  - d) The exact working of each main motion and it was voted on. And a record of the vote.
  - e) Any notice given at the meeting
  - f) Points of appeal
  - g) Public comment: Name, address if given and support of opposition
  - h) Council reports
  - i) The hour of adjournment

Pros: Very Brief, contain actions taken by Council, minimal preparation time

Cons: No information regarding items, no discussion

- 2) Description of Summary Minutes (Current City of Loveland practice) (5 hours total time; 75% complete prior to meeting)
- a) all of the above
  - b) a brief summary of each item considered
  - c) further direction to Staff
  - d) Contains limited discussion

Pros: Brief, Contains action by Council, identifies summary of item, enables search of information by topic.

Cons: Supplemental information is very brief and does not always convey the spirit of the Council debate. Staff would have to determine comments of relevance based on discussion outcomes to insert into the minutes.

- 3) Description of Verbatim Minutes (50 hours x 2 employees, total time; 05% complete prior to meeting)

- a) all of the above
- b) all comments made are included. (Transcription of tape)
- c) Effort would be made to remove non words, i.e. uh, you know, etc....

Pros: Provides a true record of the proceeding. Preserves a record of the discussion and the intent of the Council to memorialize decisions.

Cons: Extremely labor intensive. (For Englewood this takes 2 people a week to generate minutes for meetings 2-4 hours in length.) ; could delay Council consideration of the minutes; can result in Council taking time at meetings to restate comments and amend the record.





# CITY COUNCIL PROCEEDINGS

**November 25, 2014**

**Civic Center  
350 Kimbark Street  
Longmont, CO 80501**

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## **REGULAR SESSION**

The November 25, 2014, Regular Session of the Longmont City Council was called to order at 7:00 p.m. by Mayor Dennis Coombs in the City Council Chambers.

### **1. ROLL CALL – PLEDGE OF ALLEGIANCE**

Valeria Skitt, City Clerk, called the roll. Those present were Mayor Coombs and Council Members Brian Bagley, Polly Christensen, Bonnie Finley, Sarah Levison, Jeff Moore, and Gabe Santos.

Mayor Coombs led the assembly in reciting the Pledge of Allegiance.

### **2. CHAIR REMINDER TO THE PUBLIC:**

Mayor Coombs reviewed the procedures for Public Invited to be Heard and Public Hearings.

### **3. APPROVAL OF MINUTES**

**Council Member Finley moved, seconded by Levison, to approve the minutes of the November 10, 2014 meeting as printed. Motion carried: 7-0.**

### **4. AGENDA REVISIONS AND SUBMISSION OF DOCUMENTS**

There were no agenda revisions or submission of documents.

### **5. CITY MANAGER'S REPORT**

The City Manager did not have a report.

### **6. SPECIAL REPORTS AND PRESENTATIONS**

There were no Special Reports or Presentations.

**7. FIRST CALL – PUBLIC INVITED TO BE HEARD**

Dani Bagley, Youth Council, congratulated Council for winning the “Halloween for the Hungry” Challenge. A total of 332 cans were collected during this food drive challenge.

Eliberto Mendoza, 1713 Spruce Street, talked about the People Engaged in Raising Leaders (PERL) Program. He talked briefly about his personal experience as one of the first graduates of PERL.

Susana Lopez-Baker, 10 S. 17<sup>th</sup> Avenue, Brighton, PERL Coordinator, spoke about how the PERL program prepares future leaders in Boulder County. She reviewed what the participants are trained in each year. Since 2013, PERL has had a 9% increase in its graduates serving on boards within Boulder County.

Strider Benston, 951 17<sup>th</sup> Avenue, spoke about events happening in Ferguson, Missouri.

Stanley Tolle, Longmont, spoke about his recent experience with the City’s court system in a “no notice” tow hearing.

**8. ORDINANCES ON SECOND READING AND PUBLIC HEARINGS ON ANY MATTER**

- A. O-2014-70**, A Bill For An Ordinance Authorizing The City Of Longmont To Lease The Real Property Known As The Top Of The City Landfill (The Premises) To The Saint Vrain Archers & Bowhunters Assoc., Inc. (Tenant)

Valeria Skitt, City Clerk, read the title of the ordinance into the record. There was no formal staff presentation on this item.

Mayor Coombs opened a public hearing on this item. There being no one present to address Council on this issue, the public hearing was closed.

**Council Member Finley moved, seconded by Bagley, to adopt Ordinance O-2014-70 on second reading. Motion carried: 7-0.**

**9. CONSENT AGENDA AND INTRODUCTION AND READING BY TITLE OF FIRST READING ORDINANCES**

- A. O-2014-71**, A Bill For An Ordinance Making Additional Appropriations For The Expenses And Liabilities Of The City Of Longmont For The Fiscal Year Beginning January 1, 2014 (ordinance introduced and public hearing scheduled for December 16, 2014)
- B. O-2014-72**, A Bill For An Ordinance Establishing A Charge Of Seventy-Five Cents Per Month For Emergency Telephone Service (“9-1-1”) For Wired And Wireless Subscribers In Longmont For The Calendar Year

2015 (ordinance introduced and public hearing scheduled for December 16, 2014)

- C. **R-2014-107**, A Resolution Of The Longmont City Council Approving The Intergovernmental Agreement Between The City And The State Of Colorado For A State Library Grant (resolution approved)
- D. **R-2014-108**, A Resolution Of The Longmont City Council Approving The Intergovernmental Agreement Between The City And The City Of Colorado Springs For An Internet Crimes Against Children Grant Award (resolution approved)
- E. Approve And Authorize The Mayor To Sign A Contract For Audit Services With CliftonLarsonAllen LLP For 2014 (contract approved and Mayor authorize to sign)

Valeria Skitt, City Clerk, read the ordinances into the record and reviewed the remaining items on the Consent Agenda.

**Council Member Santos moved, seconded by Moore, to approve the items on the Consent Agenda. Motion carried: 7-0.**

## **10. ITEMS REMOVED FROM CONSENT AGENDA**

There were no items removed from the Consent Agenda.

## **11. GENERAL BUSINESS**

- A. Cash Match Request From Boulder County For USDA Grant To Fund The Harvest Bucks Program

Karen Roney, Director of Community Services, introduced this item and reviewed information about the Harvest Bucks Program. She then introduced Rachel Arndt, Boulder County Public Health, Built Environment and Healthy Eating & Active Living (HEAL) Coordinator.

Ms. Arndt provided some additional details about the recent Harvest Bucks pilot program and explained what the grant funds will be used for including hiring a coordinator to do the work associated with the program and another part-time bilingual person to attend the Farmer's Market in Longmont. Ms. Arndt presented local statistics from the pilot program conducted this past summer.

Council discussion ensued.

Jennifer Kemp, 1017 Longs Peak Avenue, and local Food and Outreach Specialist for Boulder County Health, talked about the Santa Fe Farmers' Market and the results of their program which is similar to the Harvest Bucks Program. She reported that for

people who are using SNAP dollars, there is a comfort level that takes some time to develop when they start using the farmers' market for their fresh fruits and vegetables. Ms. Kempt noted that there is a very valuable education component that happens at the farmers' market.

**Council Member Santos moved, seconded by Bagley, to deny the request to match funds for the Harvest Bucks Program.**

Council discussion continued.

Council Member Levison talked about the multiplier effect of farmers spending dollars they make at the farmers' market locally. She advocated supporting the program and voting no on the motion on the table.

Council Member Bagley noted that this is about whether or not government should be providing these funds. He questioned what messages are the Council is sending when it encourages people who earn less than \$23,000 a year to spend their dollars at a high priced farmers' market.

**Vote was taken and the motion passed: 4-3 (Coombs, Levison and Christensen dissenting).**

**B. Municipalities Continuing Disclosure Cooperation Initiative (MCDC)**

Jim Golden, Director of Finance, reviewed this item. He reported that the Water District decided at its meeting last night that the City of Longmont's corrections were not misstatements and will not be including them in their report so there is no need for Council action on this matter.

**12. FINAL CALL – PUBLIC INVITED TO BE HEARD**

There was no one to address Council at this time.

**13. MAYOR AND COUNCIL COMMENTS**

Council Member Levison gave a brief report on her work at National League of Cities in Austin last week. She noted that one specific resolution passed out of committee was to harmonize and get banking procedures adopted for marijuana businesses throughout the country. She also reported on early childhood issues. Council Member Levison responded that the conference was well attended with a lot of good workshops. She also congratulated Boulder Mayor Matt Appelbaum who was appointed to the National League of Cities board and thanked Council Member Santos who attended a session on her behalf to explore grant opportunities.

Council Member Moore reported on the NLC conference as well. He talked about specific sessions he attended including as session on UBBER businesses and a

framework for regulations. He noted that UBBER and LIFT are not too big an issue for Longmont but lodging regulations is something we need to be ready for. He also reported on Internet sales tax, talked about wireless tower sightings, and noted that he was appointed as Chair of the Information, Technology and Communication (ITC) Committee and through that appointment has a seat on the National League of Cities Board of Directors.

Council Member Finley reported on the classes she attended at the NLC conference including a panel discussion about public/private partnerships. She congratulated Mayor Coombs and Mayor Pro Tem Bagley on their new hairdos and raising money for the Humane Society. Council Member Finley's business pick of the week was Snyder's Jewelry Store.

Council Member Christensen reported that she had dinner in Area 51 a few weeks ago where she heard a presentation about Windsor receiving a Federal grant for train noise abatement. Council Member Christensen indicated that this something staff might want to look into for Longmont. She also reported on the NLC conference and noted that she attended a lecture about the many people who are working on Veteran homelessness. Homelessness has been reduced by 40% as the result of initiatives introduced by our President and Veteran's homelessness has been reduced by 30%.

Council Member Santos reported on the NLC conference and explained that he is on the Hispanic Elected Local Officials (HELO) board. He suggested speaking to Sam Mamet, Executive Director of the Colorado Municipal League, about a meeting he attended with the head of the railroad commission.

Mayor Coombs explained that the Longmont Trojan football team is headed to the State Championships. The team did a lot of volunteer work in Lyons after the flood and also did a lot of teambuilding. Mayor Coombs also reported that he received a call from Mayor Michael Hancock's Chief of Staff and was asked if Longmont would sign a letter of support for a grant to help with revitalizing the Stock Show.

Council Member Levison asked to see the letter first.

Mayor Coombs wished everyone a Happy Thanksgiving.

#### **14. CITY MANAGER REMARKS**

Harold Dominguez, City Manager, talked about unlimited parking on Fridays in the downtown during the holiday seasons. He stated this something the City has done every year and wanted the Council to be aware that we are doing it again this year.

#### **15. CITY ATTORNEY REMARKS**

Eugene Mei, City Attorney, reported on Stanley Tolle's tow hearing. He talked about the City's policy and assured Council that the City does not receive any money as a kickback from tow operators. He further explained the process of providing notice to car

owners before towing, noting that Police Officers have discretion based on whether the car owner has received a prior violation and/or tow. Mr. Mei further explained the details of the tow hearing and assured Council that Mr. Tolle's hearing was conducted in a professional and judicious manner. He noted Mr. Tolle has the ability to appeal the judge's decision.

**16. ADJOURN**

There being no further business to come before the City Council, the meeting was adjourned at 8:33 p.m.

CITY OF LONGMONT, COLORADO

*Dennis L. Coombs*  
Mayor

ATTEST:

*Valeria D. Stett*  
City Clerk





**Terry Andrews**

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**From:** Kerry Bush <kbush@englewoodgov.org>  
**Sent:** Monday, January 12, 2015 1:31 PM  
**To:** Terry Andrews  
**Subject:** RE: verbatim minutes  
**Attachments:** cc010504.doc; cc012004.doc; cc120103.doc; cc110402.doc

I couldn't find a five hour meeting.

These 2-4 hour meetings would take almost a week, with 2 people working on them (listening to the recordings so many times that you started to correct them!)

Hope these help.

Hope you had a great New Year and that this year is good to you!

Kerry

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**From:** Terry Andrews [mailto:Terry.Andrews@cityofloveland.org]  
**Sent:** Monday, January 12, 2015 12:59 PM  
**To:** Kerry Bush  
**Subject:** verbatim minutes

*I have a Councilor interested in verbatim minutes. Do you have some samples of your minutes from when you did that? Aslo can you give me a general time frame of how long a 5 hour meeting took to complete? Thank you . t*

*Terry G. Andrews, City Clerk  
City of Loveland  
500 E. 3<sup>rd</sup> St, Ste 230  
Loveland, CO 80537  
970-962-2322 ext 2  
[Terry.Andrews@cityofloveland.org](mailto:Terry.Andrews@cityofloveland.org)*



Council Member Bradshaw said he has always been real responsive.

(iv) Mayor Garrett said the moratorium on the Admission Tax expires in a little over a month. We probably haven't really talked about whether we would like to continue the moratorium or not. So, I thought I would put that on a Study Session in the next couple of weeks.

Council Member Yurchick said do we want to notify the businesses that are directly affected by it?

Mayor Garrett said if the consensus is that we would like to talk about it, we probably should notify the two businesses in particular that it affects...which are the Gothic Theatre and Funtastic Nathan's.

Council Member Wolosyn said should we keep ACE apprised, since they recommended it initially?

Council Member Yurchick said do you want them to look at it first?

Mayor Garrett said do they have time and do they have a meeting yet this month?

Council Member Yurchick said no, we have met this month.

Mayor Garrett said when do they meet in February?

Council Member Yurchick said it is the second Thursday in the month.

Council Member Barrentine said Englewood wasn't the only one that did something like that, were they?

Council Member Yurchick said no.

Mayor Garrett said I think we should notify the two owners and at least get their input as soon as we can.

Council Member Bradshaw said I also think, with that information, we need to keep track of how many services we provide to those businesses...above and beyond the regular business on Broadway.

Mayor Garrett said I also think we need to know if they would be willing to share their sales tax input. He said that would be a part of it as well, but, that would be their choice on whether they want to share that information with us or not.

(v) Mayor Garrett said I was at a meeting on Saturday and I was given a one-hour free parking pass. I deposited that in the City Manager's Office. Mr. Garrett said if any of us need to go downtown on official business for Englewood, there is a pass that we can use at most of the meters, not all of the meters... some are prohibited, but it is there for our use. So, anybody that needs to borrow that, it is there.

(vi) Mayor Garrett said we received a request from St. Louis School and the children there, to pass a proclamation dealing with National Catholic Schools Week. This was sort of a late request and this is the only time available for us to consider this, so, we may not have had proper time. He said there were some materials that were upstairs and I don't know whether anyone had time to look at them. He stated, usually, we like to see these in advance so that we have a chance to digest them and so forth, but I will leave it up to the Council's pleasure as to what they would like to do.

Council Member Bradshaw said I have no problem with it.

AN ORDINANCE AMENDING TITLES 1, 6, 8, 9 AND 15 OF THE ENGLEWOOD MUNICIPAL CODE 2000.

Mayor Garrett asked if there were any comments or discussion. There was none.

**Vote results:**

Ayes: Council Members Barrentine, Moore, Bradshaw, Garrett, Wolosyn,  
Yurchick, Tomasso

Nays: None

Motion carried.

(c) Resolutions and Motions

There were no additional resolutions or motions submitted for approval. (See Agenda Item 10 - Consent Agenda.)

12. **General Discussion**

(a) Mayor's Choice

(i) Mayor Garrett said I usually meet with City Manager Sears and City Attorney Brotzman on Wednesday mornings. He said everyone has a standing invitation, but because of the delay to the holiday, Mr. Sears has not had an opportunity to have his staff meeting. We generally like to have our meeting after that. This came up after I left the office and I did not have my calendar, but it will probably be either late tomorrow afternoon or early Thursday morning. If anyone is interested in attending this particular one, let me know and I can e-mail you when I have a specific time.

(ii) Mayor Garrett said the Scientific and Cultural Facilities District is going back to the State Legislature, to request a re-authorization to go to the voters this fall, to renew that particular tax. They have asked that City Councils propose a resolution in support of this. So, I thought I would see if we were interested in doing that, and if we are, we will put it on the next agenda.

All of the Council members agreed.

Mayor Garrett said I have a draft resolution in the packet, if you could take a look at that.

(iii) Mayor Garrett said CML will give us more information but I think they are also looking for support from City Councils dealing with the Urban Renewal Bill that has currently been introduced. He said based on what I heard tonight, in my view, it may be a bit premature to take a position on that bill until we see how it evolves. Senator Dyer suggested it would probably evolve as it comes out of committee.

Mayor Garrett asked if anyone would like to take a position now or should we wait and see how it looks.

Council Member Barrentine said, unfortunately, Senator Allard's representative came a little late, but I had a chance to talk to him for just a minute and he said, specifically, he has information on some issues regarding that on a Federal level. So we might want to have them come back. I told him we were just talking about housing and we could always put him on the agenda another time if it is pertinent to what we want to do.

Council Member Barrentine said I took his card and we may want to check that out.

Mayor Garrett said why don't you check with him and see what information you can get.

easier to use and understand. There is some new material that is not in the current Code...definitions and standards, such as storm water drainage and erosion control. Those are areas that have not previously been within the Code. There is new material, which brings us up to community standards. There are minor updates for clarity and to codify policies that the City has followed for years, such as the effective date of a plat. The zoning map is an example of the update, where only the names are changed...the land is not being rezoned in any way, shape or form. Then the key changes are the substantive policy changes and those we reviewed at the first reading. They are the establishment of the Residential Design Standards, including bulk plane requirements, garage placement, setbacks and building height requirements, and a new Transit Station Area District zone category. Again, no land is being zoned to that category, it is just creating the zone district. There are new procedures incorporated into the UDC for Limited Review Permits and Temporary Use Permits. There is new variance criteria and Administrative Adjustments for typical zoning variances that are minor in nature and will be able to be handled administratively. New procedures for Land Subdivisions and the removal of an unused zone district, the R-2-C/SPS Residential District, that was never, ever applied. We have been addressing the update of the ordinance through the Web, there is a copy available in the Library, there are CD's available from the City Clerk's office, notices will be available once we move through the Public Hearing phase and adoption of effective dates so that we know what's going to be presented. They will be presented in the Citizen, and at the Building division counter. We are developing a Frequently Asked Questions report and we are still working on a method to contact the building contractors so that they are aware of some of the changes within the Code. As I said, in Phase 2, which begins this spring, we will be looking at other areas and we'll be having discussions, with Council, to set those priorities. Those are areas that will definitely involve more public involvement, because they are more specific topics. The changes presented here involve a format change, changes for the sake of clarity and updates to bring things up to current standards.

Ms. Langon said if there are any questions, I would be happy to answer them.

Mayor Garrett asked if there were any questions.

Council Member Yurchick said I have one question for clarification or it may just be a typo. The PUD 6 ...that you have marked on the map...University Homes...is that this little area off of University, between Cornell and Dartmouth, which says PUD 4? It is so small, I can't even read it with my glasses.

Ms. Langon said in that area, just north of the Korean Emmanuel Church at Dartmouth and University, there is a vacant lot. Council Member Yurchick asked if it should be PUD 6 and not PUD 4? He said we have a PUD 4 down by Craig. Ms. Langon said the little area at University should be PUD 6. Mr. Yurchick said it says 4 on mine, that is what it looks like, but I can't tell because it is so tiny. Ms. Langon said I will double-check it on a larger map to confirm that it is PUD 6.

Mayor Garrett asked if there were any other questions for Ms. Langon. There were none.

Mayor Garrett thanked Ms. Langon.

Don Roth, 2830 South Sherman, said as a member of the Planning and Zoning Commission, we spent a great deal of time working on this. The staff spent a huge amount of time working on this issue and, unlike the Broadway Plan, this isn't a vision, this is actual Code...it's law. I am kind of surprised that no one from the public has a viewpoint on it. The Planning and Zoning Commission considered a number of viewpoints as we looked at this Plan. We looked at it from the viewpoint of people who want to make improvements to their property, looked at it from the viewpoint of people who design those improvements, people who build the improvements and of course, the staff position, as they will have to administer all of this Code. The one viewpoint, that I'm not sure that we gave full consideration to, is the viewpoint of the people who will be calling you when one of these houses goes up next door to them. In particular, one thing that makes me a little nervous about this is the starting point of a bulk plane height at 12 feet. The majority of the residences in Englewood are single-story residences. Starting at a bulk plane, on a 50 foot lot, 5 feet from the property line at 12 feet, allows you a full two-story house, and if they become a little creative and look at some of the things that are allowed in there...like the ability to project into the bulk plane with gables...they can squeeze a two and a half story house into a height that we are allowing, which is much, much taller than anything that is out there

now, or in most neighborhoods...let's put it that way. It does make me a little nervous, as shadows cast by this...during 6 months of the year, the total height of the building will be the ruling factor and those shadows can extend across the major portion of any property to the north on a 50 foot lot. Myself, I would like to see that bulk plane lowered. Granted, we want to see more development, but on the other hand, we may be stepping into something that we don't want to step into, by allowing it to go quite that high, especially considering that we have increased the total building height by another 20% over what the current Code allows. By going lower, it still doesn't preclude someone from using a higher bulk plane height. It could be achieved through the variance process, where at least the neighbors have an opportunity to comment on that. Under the current Code, with the 12 foot height, the neighbors have no ability to comment whatsoever...it is a use by right. That is really all I have to say. Other than that, I think it is a great piece of work. I think we, and the staff, have done a great job. I think it will be a real plus for us. Thanks, he said.

Council Member Moore said may I ask Mr. Roth a question? Don, I was curious...regarding your bulk plane concerns...are you a lone voice from the Planning and Zoning Committee on that front?

Mr. Roth said I suppose so. That's where I think more consideration was given to the other viewpoints and not much to that viewpoint.

Mr. Moore said I assume that issue was probably debated relatively heavily? Mr. Roth said, actually, it was a rather short debate. Mr. Moore thanked Mr. Roth.

Cyndi Krieger, 2987 South Cherokee Street, said I was probably the one on the other side from Don. I am also on the Planning and Zoning Commission, although I am here more as a private citizen. I added a second story onto my house 10 years ago and it was difficult under the current zoning. I had my concerns. We are losing so many kids, especially from the upper grades and it is so difficult for a family to stay in Englewood. I combined a family and made it even bigger and it was impossible to find a house that would fit my family. We were lucky we had a big lot or we couldn't have done it. I think it is very important. I understand what Don is saying, because it does cast a fairly large shadow on a neighboring house, but at the same time, we also have to have the ability to have the families, that we need, to keep our City going. You can't put a full second story on most houses on a 50 foot lot, even with the 12 foot bulk plane height. Not a full second story, the entire width of your house. And, as small as some of those houses are...on the 50 foot lots...you're not going to get much of a second story, by the time you put a stairwell in there. So, I think it is a wonderful thing that we have expanded the building envelope, both out and up, but I think the bulk plane does help to mitigate that. I'm a contractor also, so I know how many people have tried and tried to build in Englewood and have not been able to, because of our current zoning. So, it is really wonderful that we have done this and I think it will help us tremendously. Also, I think it is a great improvement in usability, because, once again, I have used it as a contractor and I know how difficult it is to figure it out. Thanks, she said.

Mayor Garrett thanked Ms. Krieger.

Mayor Garrett asked if there was anyone who wished to address the Council. No one else came forward.

**COUNCIL MEMBER TOMASSO MOVED, AND IT WAS SECONDED, TO CLOSE THE PUBLIC HEARING TO GATHER INPUT ON COUNCIL BILL NO. 83, APPROVING THE UNIFIED DEVELOPMENT CODE.**

Ayes:	Council Members Barrentine, Moore, Bradshaw, Garrett, Yurchick, Tomasso
Nays:	None
Absent:	Council Member Wolosyn

Motion carried and the Public Hearing closed.

Mayor Garrett said I believe this will come back on the agenda in two weeks for second reading.

Council Member Bradshaw said we did put our changes in. Mayor Garrett said yes, Council Bill 83 reflects the changes we made.

## **CITY OF LOVELAND RETENTION SCHEDULE**

In 2002 the City adopted the State of Colorado Retention Schedule. This document is reviewed and updated semi-annually. At the time of adoption the city attached an exception report. Documents are retained based on content, not form (i.e. paper, electronic).

I have provided a copy of two pages from this schedule for you to see the layout of the schedule. The Retention Schedule is available at [Municipal Records Retention Manual | Archives](#)

I have also provided a copy a page from the exception report that contains information regarding the length of time we retain tapes of meetings.

**4.40 BYLAWS**

Documents adopted by entities to set out guidelines regarding the operation of the entity's governing board.

Retention: Permanent

**4.50 GOALS**

Formally adopted strategic plans, work plans or policy agendas established by the entity.

Retention: Permanent

**4.55 MEMBER LISTS** <Added 4/06>

Retention: Retain for 10 years unless needed for historical reasons

**4.60 MINUTES AND SUPPORTING DOCUMENTATION**

The official record of proceedings of regular, special and emergency meetings and all supporting documentation such as exhibits or other material referenced in the minutes.

Retention: Permanent

**4.70 NOTICES – MEETINGS**

Documentation of compliance with laws requiring posting and distribution of notices of public meetings.

Retention: 1 year + current

**4.80 OATHS OF OFFICE**

Oaths taken by appointed officials upon taking office.

Retention: Term of office + 1 year

**4.90 PACKETS DISTRIBUTED TO APPOINTED ENTITIES – INFORMATIONAL** <Amended 3/09>

Convenience copies of batches of information (if an intact copy of the packet is retained by the municipality for convenient reference] periodically distributed to members of the board, commission or entity for informational purposes, typically including copies of correspondence, minutes for review, agenda material, staff memos, etc. Note: This listing applies to convenience copies of such packets of information that may be retained intact by some municipalities for ready reference. Record copies of material included in this type of information packet, such as agendas and supporting documentation, minutes, correspondence, etc., are retained separately for the different retention periods. <Amended 3/09>

Retention: 3 years + current

**4.100 RECOMMENDATIONS**

Written recommendations to the governing body or other entities rendered in an advisory or decision-making capacity.

Retention: 2 years + current, *except* retain recommendations that have enduring historical or policy value permanently

**4.105 RECORDINGS OF MEETINGS** <Amended 3/07>

Audio or video recordings of official meetings typically made for use in preparing the minutes or transcripts of the meeting.

**A. Executive Sessions**

Retention: 90 days after meeting [CRS 24-6-402(2)(d.5)(II)(E)]



**A. Routine Supporting Documentation Submitted at Meetings**

Routine letters, nonbinding petitions and other written materials submitted at meetings and referenced in summary form (title, date and brief description) in the minutes. See also 7.80, *Complaints, Routine Service Requests and Nonbinding Petitions*.

Retention: 1 year + current after meeting provided summary description is included in minutes

**8.120 NOTES TAKEN AT MEETINGS**

Handwritten or other notes made by municipal clerk at meetings to facilitate the preparation of meeting minutes.

Retention: Until meeting minutes are approved

**8.130 NOTICES OF MEETINGS**

Documentation of compliance with laws requiring posting, mailing, publication or other distribution of public notice of meetings of the governing body.

Retention: 1 year + current

**8.140 OATHS OF OFFICE**

Oaths of office taken and subscribed to by elected or appointed officials at the time of assuming office [CRS 31-4-401].

Retention: 1 year + current after term expires

**8.150 ORDINANCES**

Legislative enactments of the governing body adopted to enact a local law, amend the municipal code or take other legislative actions such as annexing property, appropriating funds, vacating streets, etc.

Retention: Permanent

**8.160 ORIENTATION AND TRAINING INFORMATION**

See 8.170, *Packets of Information Distributed to Governing Body*.

**8.170 PACKETS OF INFORMATION DISTRIBUTED TO GOVERNING BODY – INFORMATIONAL**

<Amended 3/09>

Convenience copies of batches of information [if an intact copy of the packet is retained by the municipality for convenient reference] periodically distributed to members of the governing body for informational purposes, including correspondence, copies of agenda materials and minutes for review, copies of staff memos, etc. Note: This listing applies to convenience copies of such packets of information that may be retained intact by some municipalities for ready reference. Record copies of material included in this type of information packet, such as agendas and supporting documentation, minutes, correspondence, etc., are retained separately for the retention periods specified in this retention schedule. <Amended 3/09>

Retention: 1 year + current <Amended 3/09>

**8.180 PROCLAMATIONS**

Documents issued by the Mayor to proclaim support for municipal or community events, activities, programs or in connection with dedications or other ceremonial occasions, etc.

Retention: Permanent

### 1.1 ADDRESS HISTORY FILES

Records maintained as address history files to provide a chronological record and running history of building-related activities for each address located within the municipality. These files may include records listed elsewhere in the retention schedules, such as building and demolition permits, gas connection records, certificates of occupancy, building inspection reports, unsafe building actions, variances granted, zoning certificates and utility taps. ~~Utility taps, foundation plans, agreements, contractor change orders and other legal documents generated through the permit process.~~

### 1.2 APPLICATIONS FOR BUILDING PERMITS

Applications received by the municipality for the erection of new structures or modifications to existing structures.

#### *Applications for Building Permits Issued*

Retention: 90 days after completion [GRMRC A-5]

#### *Applications for Building Permits Not Issued*

Retention: 180 days [GRMRC A-5]

#### ~~Applications for Grading Permits~~

~~Retention: Permanent~~

### 4.7 NOTICES – MEETINGS

Documentation of compliance with laws requiring posting and distribution of notices of public meetings. ~~(notice of neighborhood meetings, project notices relating to specific project)~~

Retention: 1 year + current [GRMRC A-4] ~~Permanent (filed with project file)~~

### 4.12 TAPES OF MEETINGS

Audio or video recordings of official meetings typically made for use in preparing the minutes or transcripts of the meeting.

#### *Executive Sessions*

Retention: 90 days after meeting [CRS 24-6-402(2)(d.5)(II)(E)]

#### *Open Meetings*

Retention: 6 months after approval of the minutes, ~~unless high profile case, keep for 1 year.~~  
[GRMRC A-4]

### 5.16 FINANCIAL GUARANTEES

Records relating to the acquisition and release of various forms of financial guarantee -- including escrow accounts, letters of credit, ~~cash in lieu~~, liens, promissory notes -- required by the municipality from other parties to ensure performance, payments or the completion of certain specified actions, such as the completion of projects, required improvements or the payment of delinquent bills or assessments.

### Important Election Dates 2015

Election responsibility	Date	Resp Prty	Cd ref
last mtg before 100 days notice of participation	July21	Council	CC Article 4-1
Election Ordinance	July 21	Council	CC Article 6
Last day to notify County if participating	July 24	CClerk	1-7-116(5)
Last <b>REGULAR</b> mtg prior to IGA sign deadline and deadline to certify ballot content	August 19	Council	CC Article 4-1
First day a petition may be circulated	N/A	Candidate	1-4-805
Last day to file nomination petition	N/A	Candidate	1-4-805;31-10-302 (8)
Last day to enter into IGA with County	August 25	CClerk	1-7-1102(2)
Last day to cure a petition	August 28	Candidate	1-4-805
Ballot lottery drawing	Sept 1	CClerk	1-5-406
Last day to certify content	Sept 4	CClerk	1-5-208(1.5)
Pro con statement due	Sept 18	CClerk	1-7-901(4)
Initiator comments due	Sept 21	CClerk	1-7-903(3)
Submit TABOR issue comments to County	Sept 22	CClerk	1-7-904
Last day to register to vote	Nov 3	Public	1-2-201(3)
Campaign Finance Report	Oct 13	Candidate	Article 17
Last day mail ballots may be sent	Oct 16	County	1-7.5-107(3)
Last day to post and publish notice	Oct 14	CClerk	1-7.5-107(2.5)
Campaign Finance Report	Oct 20	Candidate	CC Article 17
Campaign Finance Report	Oct 30	Candidate	CC Article 17
<b>ELECTION DAY</b>	Nov 3	County	Art X sec 2
Campaign Finance Report	Dec 3	Candidate	CC Article 17
Abstract to State	Dec 15	CClerk	31-10-1201

United States Holidays and Observances 2015					
Jan 1	New Years Day	May 25	Memorial Day	Nov 11	Veteran's Day
Jan 19	Martin Luther King Jr. Day	Jun 21	Father's Day	Nov 26	Thanksgiving Day
Feb 14	Valentine's Day	Jul 4	Independence Day	Nov 27	Thanksgiving Day
Feb 16	President's Day	Sep 7	Labor Day	Dec 24	Christmas Eve
Apr 5	Easter Sunday	Oct 31	Halloween	Dec 25	Christmas Day
May 10	Mother's Day	Nov 3	Election Day	Dec 31	New Year's Eve

**CAMPAIGN FINANCE RELATED**

**CITY/COUNTY ACTIONS**

**TABOR DIRECTION**

**CANDIDATE PETITION PROCESS**

**CITY CLERK FOLLOW UP**

## Budget Adoption: Legal Requirements from Charter and Statute

### Charter

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August-15	Departments submit proposed budgets to City Manager
1st Tuesday in October	Proposed Budget to Council (1st reading)
Within 14 days	Public Hearing
December-15	Deadline for budget adoption (otherwise current year budget is re-appropriated)

### State Statute

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October-15	Proposed Budget to Council
December-15	Mill Levy Certified to County
December-15	Budget approved by Council (otherwise current year budget is re-appropriated)
January-15	Certified copy of budget filed with DOLA Division of Local Government

## Budget Process Questions and Issues

Should we set a "Budget Briefing day", early in the process, for a Saturday all-day session, for general orientation and kick-off? *Expected benefit: better understanding of budgeting; introduction to all parts of City budget.*

Should we get early direction from all Councilors, individually, to determine what the focus areas should be for the budget? *Expected benefit: a process that zeroes in on the parts of the budget most interesting to Councilors.*

At the tail end: should we provide materials to Council far in advance of meetings at which they're discussed, or should staff deliver materials to Council as part of verbal presentations, which would be scheduled earlier? *Expected benefit: if listening is a better learning technique than reading, this might be a better way to present information.*

January 14, 2014	Study Session - Introduction to PBB Process
January 21, 2014	Council Adopts PBB Result Areas
January 25, 2014	Council Advance
January 28, 2014	Study Session - Orientation to Governmental Budgeting
February through March	PBB Program Inventory Development
March 1, 2014	Rollover requests due to Budget Office
March	Update capital spreadsheets with projected ending balances and revenue projections
March	PBB Department Self Scoring
March - April 18	PBB Program Costing
March 18, 2014	Council Approves PBB Definitions and Result Maps
March 24, 2014	2015-2024 Capital forms out
April	Update Administrative Cost allocations
April 1, 2014	First reading on Rollover Ordinance (material due to Agenda Mgt. March 21st)
April 18, 2014	2015-2024 Capital forms due to Budget
April	Core budget development (salary forecast, risk allocation, vehicle maintenance, UB allocation,)
May 9, 2014	Capital meeting with City Manager on completion of draft Capital Program
May 12 - May 16	Department meetings with City Manager on Capital Program if needed.
May 13, 2014	Council Study Session on PBB model.
Week ending May 16	Core out to departments with budget instructions, training sessions
May 30, 2014	Draft Capital Program completed
June 10, 2014	Study Session on 2015-2024 Capital Program
June 13, 2014	Department budgets due to Budget Office
July 1, 2014	Agenda Item - Resolution approving the 2015-2024 Capital Program
July 14 - July 18, 2014	City Manager budget conferences
August 1-22, 2014	2015 Recommended Budget Book production
Aug 4 - Aug 8, 2014	City Manager final budget decision meetings
August 29, 2014	2015 Recommended Budget distributed to Council
September 2, 2014	Resolution to set public hearing date for 2015 Budget to Council (packet to Agenda Mgt. by Aug 21)
September 9, 2014	Study session on 2015 Recommended Budget (Packet to Agenda Mgt. Aug 26)
September 10, 2014	Citizen Finance Advisory Commission review of 2015 Recommended Budget
September 22, 2014	Ad and notice of public hearing published
October 7, 2014	Public hearing and first reading on 2014 Adopted Budget (packet to agenda Mgt. 9-26)
October 21, 2014	Second reading on 2014 Adopted Budget
November	Delivery of 2015 Adopted Budget books

## Council Action Dates: 2015 Budget Process

<u>Date</u>	<u>Event</u>
1/14/2014	PBB Study Session
1/21/2014	PBB Result Areas
1/25/2014	Council Workshop
1/28/2014	Governmental Budgeting Orientation Study Session
3/18/2014	PBB Result Maps
5/13/2014	PBB- Presentation of Model Study Session
6/10/2014	Capital Program Study Session
6/24/2014	PBB Analysis Study Session
7/1/2014	Capital Program Adoption
9/9/2014	2015 recommended Budget Presentation Study Session
10/7/2014	Budget to Council- First Reading
10/14/2014	Budget Hearing
10/28/2014	Budget to Council- Second Reading

Green shows steps in traditional budget process.



**City Council Annual Workshop – January 24<sup>th</sup> (10:45 a.m. Human Service Priorities)**

**QUESTION**

What services would the City have to provide if a non-profit agency were not able to provide the service?

How should the City address funding shortfalls for agencies that provide services that are either mandated or the City started.

**BACKGROUND**

- 1) GRANT ELIGIBILITY definition:  
Determine whether the applying program provides services that fulfill all or some of the Human Services Grant program goal:

*Financially support services that value diversity, foster self-reliance, treat people with dignity, build self-respect, address issues of safety, and allow people to live free of fear through the provision of food, shelter, physical and mental health care as well as services that prevent crises and assist in sustaining independent living.*

- 2) History of funding for Alternatives to Violence Victim Services program and House of Neighborly Service 137 Homeless Connection.
- 3) Additional information about ATV and 137.

**FUNDING HISTORY FOR ATV/VSP and HNS/137**

<b>Alternatives to Violence – Victim Services Program</b>			
<b>Year</b>	<b>Amount</b>	<b>Year</b>	<b>Amount</b>
2014	\$22,750	2013	\$20,170
2012	\$25,045	2011	\$21,679
2010	\$26,250	2009	\$31,653
2008	\$28,000	2007	\$18,577
2006	\$31,676	2005	\$10,625
Average - \$23,643			

**Loveland Police Department gave Alternatives to Violence \$11,000 in 2014 and will do the same in 2015.**

<b>House of Neighborly Service – 137 Homeless Connection</b>			
<b>Year</b>	<b>Amount</b>	<b>Year</b>	<b>Amount</b>
2014	\$0	2013	\$13,048
2012	\$21,233	2011	\$18,739
2010	\$21,000		
Average - \$23,643			

**The City of Loveland also pays the rent on the building used as a day shelter. In 2015, that amount will be \$14,737.**



### **Alternatives to Violence – Victim Advocacy**

Responsibilities outlined in the Colorado Constitution and enabling legislation include the following agencies:

- DISTRICT ATTORNEYS OFFICES
- LAW ENFORCEMENT AGENCIES
- THE COURTS
- THE DEPARTMENT OF CORRECTIONS
- PROBATION DEPARTMENTS
- THE DIVISION OF YOUTH CORRECTIONS
- COMMUNITY CORRECTIONS AGENCIES
- THE STATE HOSPITAL

As a result, there are victim services offered through these organizations. Each organization/agency must work to meet their obligations to provide victim services and ‘critical stage’ notification through their everyday operations. Alternatives to Violence provides this function for the Loveland Police Department.

### **COLORADO VICTIMS’ RIGHTS LAWS**

#### **§ 24-4.1-302.5 – Rights afforded to victims**

(1) In order to preserve and protect a victim's rights to justice and due process, each victim of a crime shall have the following rights:

(b) The right to be informed of and present for all critical stages of the criminal justice process as specified in section 24-4.1-302(2); except that the victim shall have the right to be informed of, without being present for, the critical stages described in section 24-4.1-302(2) (a), (2)(a.5), (2)(e.5), (2)(k.3), (2)(n), (2)(p), (2)(q), and (2)(u);

#### **§ 24-4.1-303 – Procedures for ensuring rights of victims of crimes**

(1) Law enforcement agencies, prosecutorial agencies, judicial agencies, and correctional agencies shall ensure that victims of crimes are afforded the rights described in section 24-4.1-302.5.

### **House of Neighborly Service – Homeless Assistance**

Inclement Weather Shelter History and Recommendation made 10/1/08

#### **Winter 2006 – 2007**

- December 2006, City Manager Don Williams directed staff to accommodate citizen requests for emergency daytime shelter during inclement weather. The Pulliam Building was made available for shelter provided that volunteers were available to staff the shelter and the forecast high temperature for the day is below 30°.
- The shelter was open 18 days during January – April, 2007. Average number of homeless persons served = 10 per day. 25 volunteers provided service. 60 hours of city staff time provided from Facilities, Emergency Manager, Human Services and Volunteer program staff
- There were few problems reported, mostly concerns regarding loitering when shelter was not open.
- Blue Sky Church provided night time shelter during inclement weather at the church’s location, then located at 4<sup>th</sup> & Cleveland.

Winter 2007 – 2008

- November, 2007: Day shelter opens in Pulliam Building under same rules as '06-'07.
- November 20, 2007: City Council approved agreement to allow Blue Sky Church to provide overnight shelter during inclement weather at the Pulliam Building.
- The shelter was open 81 days between Nov, 2007 and May, 2008. Average number of homeless persons served = 10 per day. 35 volunteers provided service. Staff time not tracked, but most likely more than 60 hours were spent on the project.
- Increased number of concerns during 2007 – 2008 Winter. Specifically, increased complaints received from businesses regarding loitering.

Winter 2008 – 2009

- Blue Sky Church planned to provide night shelter during inclement weather through 6 local churches, including transportation.
- Will Gresham assisted with the provision of day shelter.

Following are the details of services from 2006 through 2012.

Inclement Weather Shelter	2006/2007	2007/2008	2008/2009	2009/201	2010/2011	2011/2012	2012
				0			
Weather conditions	Deep snow	Extreme cold	mild	Cold/ice	mild	Mild with some heavy storms	Mild
<b>Nights</b> opened	57	75	61	89	81	95	94
Inclement <b>Night</b> shelter guests Nov-Apr	No records kept	45	75	95	105	105	99
<b>Night</b> Locations	Blue Sky	Pullium Bldg	Churches	Churches	Churches	Churches	Churches
<b>Days</b> opened	18	81	73	91	107	200	140
Inclement <b>Day</b> shelter guests Nov-Apr	17	49	100	123	115	155	151
<b>Day</b> Locations	Pullium Bldg	Pullium Bldg	137 S Lincoln	137 S Lincoln	137 S Lincoln	137 S Lincoln	137 S Lincoln

As noted in a January 3, 2015 Reporter Herald article, [12 homeless men and women have found a job or a place to live.](#)

In 2014, the following was reported after the annual point-in-time homeless count comparing 2014 to 2013.

On a single night, 36 people stayed in two shelters during the 2014 count, compared with 45 in 2013; 41 people were found sleeping in tents, cars, or other places not meant for human habitation compared with 59 people counted in 2013.

### **2014 Count**

In 2013, four families were participating in the Angel House program for homeless families, which includes sleeping in a church at night. In 2014, only one family was participating on the night of the count. The Angel House program is full almost all of the time and is expected to be operating at capacity once again in about two weeks. There were eight fewer people counted in 2014.

The House of Neighborly Service housed six people in a motel during the 2013 count and zero during the 2014 count. It isn't that HNS has been giving out fewer motel vouchers, they just didn't provide any on the night of the count.

An unsheltered count was required in 2013 but not in 2014. Therefore, the effort to locate unsheltered homeless was minimal compared with 2013. A full unsheltered count will be conducted in 2015.

The 2014 count also included families staying in two-year transitional housing. During 2014, 14 families received transitional housing (16 adults and 34 children), the same number of families were counted in 2013 (16 adults and 36 children).

### **2013 Count Update**

As part of the 2014 count, information was collected to track the current status of people counted in 2013. During the 2013 point-in-time count 104 people (91 adults, 13 children) were staying in shelters (45) or living on the streets (59, of which 5 were children). During the course of the year, two homeless Loveland residents died: one from a head injury likely caused by a stroke, and one who froze to death.

Eighteen (18) of Loveland's homeless counted in 2013 are currently housed; two of the 18 are children. Fourteen are known to have moved away and 52 are no longer seeking services locally, making it impossible to track whether or not they are still homeless. Eighteen of the remaining 20 were counted in 2014: 8 were staying in a shelter and 10 were sleeping in tents or cars. Two people are currently in rehab.

Of the 14 families living in transitional housing during the 2013 count, nine exited the program to permanent housing (three with voucher) (64%). Of the remaining five, three are still participating in a program (21%), one left without an explanation (7%), and one of the adults died. The children of that adult were placed with a family member.

**Discussion Questions / January 24, 2015**

**Economic Development**

1. Discuss annual budget process for incentives. What is the level of flexibility? Are there budget levels?
2. The Incentive Policy evaluates requests from developers and business owners. How does the Incentive Policy process intersect with the annual budgeting process?
3. There are various funding sources for Incentive agreements. How can these funding sources be more clearly identified in the Council packets?
4. At what point does Council engage in the incentive process?
5. What is Council's expected role of the private sector regarding economic development policy?
6. Does the Economic Development Subcommittee continue?

**"Economic Development 2007 - 2014 Not Anticipated Projects"**

<b>Year</b>	<b>Annual Budgeted Incentive</b>	<b>Project Not Anticipated in Budget</b>	<b>Funding Amount</b>	<b>Funding Source</b>
2007	\$ 350,000	Property Purchase at Hwy 402 & I25	\$ 6,450,000	General Fund & CEF Fund
		Property Purchase 225 E 4th "Mr Neats"	\$ 475,000	General Fund
2008	\$ 350,000	Property Purchase 817 E 1st	\$ 215,370	CEF Fund
		Water Rights Purchase Olson Annexation	\$ 1,890,000	General Fund & Water Enterprise Fund
2009	\$ 350,000	Property Purchase - Home State Bank (Gallery Flats)	\$ 315,000	CEF Fund
2010	\$ 350,000	Develop RFP for Downtown Development	\$ 100,000	General Fund
		Loveland High School Natatorium	\$ 650,000	General Fund
		Counseling Services for Artspace	\$ 550,000	General Fund
2011	\$ 250,000	Rilato Bridge Project	\$ 497,700	CEF Fund
				\$4.8 from Raw Water Enterprise Fund; Remainder CEF Funds & Wastewater Enterprise Fund)
		Property Purchase & Water Rights Agilent Site	\$ 5,822,000	Enterprise Fund)
		Property Purchase & Remediation 301 N Lincoln (Leslie)	\$ 242,800	Council Capital Reserve
2012	\$ 250,000	-	\$ -	-
2013	\$ 250,000	Loan to LURA for Gallery Flats	\$ 1,500,000	CEF Funds
		Sunrise Community Health Center	\$ 273,500	Council Capital Reserve
		Artspace Loan	\$ 300,000	Council Capital Reserve
		House of Neighborly Service	\$ 500,000	Council Capital Reserve
2014	\$ 350,000	Property Purchases Downtown (Earnest Money)	\$ 250,000	Council Capital Reserve
				\$4million Council Capital Reserve; \$2.25 million General Fund
		Property Purchases Downtown (18 parcels)	\$ 6,250,000	million General Fund
<b>Total</b>			<b>\$ 26,281,370</b>	

Note: The approved 2015 incentive budget is \$450,000

**Economic Development Annual Incentives and Program Expenses**

*\*does not include Engaging Loveland*

Year	Total Net Incentives *	Total Private Investment	% public	Programs*	Program Funding
2002	\$ 226,100.00	\$ 27,635,200.00	1%	LCBD, NCEDC (LCBD was city employee)	
2003	\$ 595,902.00	\$ 26,019,200.00	2%	LCBD, NCEDC (LCBD was city employee)	
2004	\$ 710,774.00	\$ 19,375,100.00	4%	LCBD, NCEDC (LCBD was city employee)	\$ 23,677.00
2005	\$ -	\$ -		LCBD, NCEDC (LCBD was city employee)	\$ 18,672.00
2006	\$ 155,000.00	\$ 1,927,200.00	8%	LCBD, NCEDC	\$ 128,877.00
2007	\$ -	\$ -		LCBD, NCEDC, RMI	\$ 138,992.00
2008	\$ 729,809.00	\$ 13,535,800.00	5%	LCBD, NCEDC, RMI	\$ 140,000.00
2009	\$ 530,201.00	\$ 45,711,319.00	1%	LCBD, NCEDC, RMI	\$ 150,000.00
2010	\$ -	\$ -		LCBD, NCEDC, RMI	\$ 150,000.00
2011	\$ 59,764.00	\$ 8,428,890.00	1%	LCBD, NCEDC, RMI, OCSD	\$ 250,000.00
2012	\$ 18,091.00	\$ 875,480.00	2%	LCBD, NCEDC, RMI, OCSD	\$ 270,000.00
2013	\$ 34,500.00	\$ 559,000.00	6%	LCBD, RMI, NCEDC, OCSD, PTAC	\$ 272,000.00
2014	\$ 1,638,782.00	\$ 30,736,000.00	5%	LCBD, NCEDC, RMI, MDEDC, PTAC	\$ 202,000.00
<b>Totals Rounded</b>	<b>\$ 4,698,923.00</b>	<b>\$ 174,803,189.00</b>	<b>3%</b>		<b>\$ 1,744,218.00</b>

Year	Cash/Job	Fee Waiver	Fee Deferral	Sales Tax Credit / Rebate	Total
2002	-	\$ 226,100.00	-	-	-
2003	-	\$ 595,902.00	-	-	-
2004	-	\$ 8,040.00	-	\$ 702,734.00	-
2005	-	-	-	-	-
2006	-	-	-	\$ 155,000.00	-
2007	-	-	-	-	-
2008	\$ 351,000.00	\$ 45,190.00	-	\$ 333,619.00	-
2009	\$ 509,000.00	-	\$ 21,201.00	-	-
2010	-	-	-	-	-
2011	-	\$ 59,764.00	-	-	-
2012	-	-	\$ 2,149.00	\$ 15,942.00	-
2013	\$ 34,500.00	-	-	-	-
2014	\$ 29,500.00	\$ 1,085,500.00	\$ 331,782.00	\$ 192,000.00	-
<b>Totals</b>	<b>924,000.00</b>	<b>2,020,496.00</b>	<b>355,132.00</b>	<b>1,399,295.00</b>	<b>4,698,923.00</b>
<b>% of Total Net Incentive</b>	<b>20%</b>	<b>43%</b>	<b>8%</b>	<b>30%</b>	

### Economic Development 2014 and 2015 Program Funding Details

Programs	2014 Funding	2015 Funding
Loveland Center for Business Development (LCBD)	\$ 130,000	\$ 145,000
Northern Colorado EDC (NCEDC)	\$ 40,000	\$ 20,000
Rocky Mountain Innosphere (RMI)	\$ 20,000	\$ 20,000
Metro Denver EDC (MDEDC)	\$ 10,000	\$ 10,000
Colorado PTAC (Procurement Technical Assistance Centers)	\$ 2,000	\$ 2,000
<b>Total</b>	<b>\$ 202,000</b>	<b>\$ 197,000</b>

## City of Loveland

### Small Business Loan Program Proposal

In good times, the City of Loveland has revenue collections above the budget estimates. A portion of these funds could be invested in Loveland small businesses that need capital to grow and be successful. Successful small business activity would help the City problems during slower economic growth periods.

The biggest challenges for lending to small business is:

- small loans under \$50,000
- small business start ups
- capital injections
- capital for inventory purchases

The primary source of capital for small businesses is the Small Business Administration (SBA) 7(a) and 504 Loan Program. Calling it a “loan program”, however, is a bit of a misnomer. The SBA 7(a) and 504 are actually loan guarantees provided by the SBA. The SBA guarantees up to 75 percent of the principal amount subject to the terms of the program.

The SBA loans are available through intermediary lender banks (most local banks participate) who administer the loan. The funds are available for up to \$5.5 million dollars with the average loan around \$373,000. Wells Fargo is the largest SBA lender in Colorado and is the only “preferred SBA” lender in Colorado. A preferred lender can issue the debt without secondary underwriting by the SBA Office.

Applicants are required to provide collateral, which varies but for the 7(a) program, lack of collateral is not enough to deny a loan application. While there is no minimum amount of the loan, functionally banks generally will not loan below \$35,000.

#### **City Micro-Loan Program:**

Through the Loveland Center for Business Development (LCBD), \$150,000 is available for small business loans. However, the money has not been used very frequently over the last few years because banks are no longer allowed to accept third-party guarantees for business loans.

In the past, the loan fund could be used as a loan guarantee similar to the SBA 7(a) and 504 programs but with recent changes to banking and finance laws, the guarantee can no longer be used.

#### **Questions for Council:**

1. Is Council interested in getting more information on this subject?
2. Can the loan fund concept be brought back to Council at a Study Session for additional information and discussion?





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[www.cityofloveland.org](http://www.cityofloveland.org)

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**TO:** City Council

**DATE:** January 24, 2015

**THROUGH:** Bill Cahill, City Manager

**FROM:** Steve Adams, Water and Power Director  
 Bill Westbrook, Information Technology Director  
 Bob Miller, Power Operations Manager

**RE:** City Council Workshop Broadband Discussion

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The project team of Loveland Water and Power, Information Technology (IT) and the City Manager's Office is presenting information on broadband at the City Council Workshop in order to provide a solid background for discussion and future topic consideration.

#### **Broadband Definition**

Broadband, also known as high-speed Internet, allows users to access the Internet and Internet-related services at considerably higher speeds than those available through "dial-up" services. These higher speeds are achieved through the use of transmission digital technology and a wide band of frequencies to transmit the information. This wide band of frequencies enables the information to be multiplexed and sent on many different frequencies concurrently, much like additional lanes on a highway allow more cars to travel on it at the same time.

Broadband speeds vary depending on the technology and platform used to provide it. The different platforms for providing broadband are Digital Subscriber Line (DSL), Cable Modem, Fiber, Wireless and Satellite. The City would consider a fiber platform to provide broadband connectivity. Fiber optic technology converts data carried by electrical signals to light and then sends the light through transparent glass fibers about the diameter of a human hair. Fiber transmits data at speeds far exceeding current DSL or cable modem speeds.

#### **Broadband Benefits to the Community**

Offering a high speed, reliable broadband connection is an important component of a municipality's ability to compete for employers. In today's world the high speed exchange of information is just as essential for globally competitive businesses and education as other infrastructure such as roads, water and electricity. Along with the economic development advantages of broadband, the education system's use of technology is expanding. Efficient, reliable broadband service is essential for customers to take advantage of telecommuting and in-home business opportunities as well as distance learning opportunities such as online college courses and continuing education programs. Broadband provides efficient access for work productivity, research, learning and teaching, which in turn helps to attract and maintain a competitive education system and workforce.

In addition to the direct benefits to businesses and customers through economic development and education, broadband installation provides a technological skill-based sector of employment. It promotes regional growth through the creation of jobs for the installation, operation and maintenance

of the broadband infrastructure. Economic research performed by the Colorado Department of Local Affairs (DOLA) identified broadband access as a key driver of economic growth in Colorado. According to DOLA, counties that offer broadband services are associated with approximately 1.8% increase in employment rates.

### **Loveland's Existing Fiber**

In 1997 Platte River Power Authority (PRPA) initiated a project to install fiber backbone loops in each of its member cities to connect the electric substations and provide communication for the Supervisory Control and Data Acquisition (SCADA) systems. At that time, PRPPA offered the use of 12 strands of fiber for general city-use and 12 strands for traffic use. The additional PRPA installed strands have been available for unused fiber (dark fiber) leases managed by PRPA. The revenue received by the City for the PRPA dark fiber leases is now being redirected to the expansion of the City's own fiber infrastructure. The City does not own, maintain or lease the PRPA fiber; however, the PRPA fiber loops will continue to be a vital piece for fiber networking in the community. A current franchise agreement guides the three member cities, with the exclusion of Longmont, and PRPA.

Loveland uses the PRPA fiber in conjunction with the additional fiber that has been installed by the City to connect all of the primary City facilities with the exception of the Cemetery, Sports Park, Fire Training Grounds, Winona Pool and Mariana Butte Golf Course. All the facilities, with the exception of a couple spurs, are connected on a redundant 10 gigabit (Gb) Ethernet backbone used for data and voice over internet protocol (VoIP) communication.

### **Senate Bill 152**

In 2005 Senate Bill 152 (SB 152) was enacted which prohibited any local government from engaging, either directly or indirectly, in providing cable television service, telecommunication service, or advanced service. The broad restrictiveness and vague definitions of the current State law has severely hindered municipalities in Colorado from moving forward with broadband implementation. The provisions in SB 152 can be overridden by a majority vote of the citizens of any community but this is a time consuming and expensive task which has often been opposed by large telecommunication providers.

Recent 2015 legislative session discussions have indicated that SB 152 will be examined during this session and there may be an opportunity to repeal it or at least modify it to clarify definitions and address its restrictiveness for municipalities. This may be addressed first at the federal level by the current Administration which is vowing in 2015 to promote the building of community-owned broadband networks. One of the steps the Administration plans to take is to ask the Federal Communications Commission (FCC) to overturn laws in 19 states, Colorado being one of them that prevent broadband competition by stopping cities from building their own broadband systems.

### **Community Broadband Initiatives**

In 1997 the City of Longmont assumed ownership of the fiber backbone network installed by PRPA in their community. Their intent was to build a city-wide fiber network to provide ultra-high-speed internet to businesses and residents through a public/private partnership. In April 2000, an alliance agreement was signed with Adesta Communications, Inc. to build out a fiber optic network and provide advanced broadband services. After some initial work, Adesta filed for bankruptcy and terminated the partnership. Longmont then partnered with Kite Networks to provide a Wi-Fi network for the community. Kite also filed for bankruptcy, and the Wi-Fi network was purchased by Ridgeview Telephone. To date, Ridgeview continues to manage and operate the Wi-Fi network of Tropos radios installed throughout the City of Longmont.

In 2005, when SB 152 was passed in Colorado, Longmont was required to comply. In 2009, Longmont had a voter referendum to override SB 152. Telecommunication companies contributed \$192,228 to advertise against the initiative and it failed to pass. In 2011, Longmont tried again with the override

voter referendum. This time private telecommunication companies contributed \$419,629 against the vote, but the initiative was approved by the voters with 61% in favor. In 2013, a bond issue for \$45.3 million was voted on and approved to provide funds for the City of Longmont to install infrastructure and service to each residence and building within the city limits. Phase 1 of 6 has been completed serving around 500 residential locations. All phases of the project are slated to be completed by the end of 2017. Longmont’s network is expected to provide a maximum of 1 gigabit connectivity to each of their residences and businesses once complete.

The focus on broadband has become a key national focus in 2015. In his January 14, 2015 speech at the headquarters of Cedar Falls Utilities in Cedar Falls, Iowa, President Obama described his Administration’s goals to promote the building of community-owned broadband networks. Cedar Falls is a city of 40,000 that built its own broadband network 20 years ago, and today its customers enjoy connectivity that is much faster than what is available in most other markets across the country. In 2015, the Administration will establish a “Broadband Opportunity Council”, an interagency committee charged with eliminating burdensome legislation toward providing broadband. The Administration has also offered support to the Next Century Cities Coalition, a group of 50 municipalities and three-dozen universities whose initiative is to connect communities by offering support to their elected officials as they seek to provide access to fast, affordable and reliable Internet in their communities.

**Map of Next Century Cities Members**



**List of Next Century Cities Members**

Ammon, ID	College Station, TX	Louisville, KY	Salisbury, NC	Wilson, NC
Arvada, CO	Culver City, CA	Montrose, CO	San Antonio, TX	Winthrop, MN
Auburn, IN	Gresham, OR	Morristown, TN	Sandy, OR	Yellow Springs, OH
Austin, TX	Jackson, TN	Mount Vernon, WA	Santa Cruz County, CA	
Boston, MA	Kansas City, KS	Opelika, AL	Santa Monica, CA	
Carbondale, IL	Kansas City, MO	Palo Alto, CA	Seattle, WA	
Centennial, CO	Lafayette, LA	Ponca City, OK	South Portland, ME	
Champaign, IL	Leverett, MA	Portland, OR	Urbana, IL	
Chattanooga, TN	Lexington, KY	Raleigh, NC	Vancouver, WA	
Clarksville, TN	Los Angeles, CA	Rockport, ME	Westminster, MD	

**Possible Next Steps**

Saying that a city is considering getting involved in advancing broadband service is not the same as saying it will provide retail services. There are a variety of potential roles the City could take:

**Catalyst:** One possible role is that of catalyst. Without undertaking a direct role, the City of Loveland could encourage existing private sector entities to increase demand and awareness of services and provide better broadband access. One advantage of this approach would be if the private sector can be motivated to provide services at a competitive cost, the City would assume less potential risk. Communities using private providers to provide high-speed broadband access can play a modified catalyst role and stay out of the “business” yet benefit from the availability of broadband for a focused concentration of businesses.

**Enabler:** A slightly more active role is that of an enabler. The City could avoid getting “in the business” but still be able to use government resources to help private sector entities provide additional and improved Internet service. A common example would be for the government to allow wireless providers to place antennas on city-owned water towers and radio masts.

**Infrastructure Provider:** A more active role is for the City to act as an infrastructure provider. Often, cities initially get into the infrastructure business by installing base infrastructure to serve only government and school sites. Then, through a public/private partnership the additional capacity can be rented by the retail providers to serve their customers. In some cases, cities are extending their infrastructure to individual homes, especially for new, larger developments. In Colorado, this currently would require a majority vote of the citizens to comply with SB 152.

**Retail Service Provider.** The most extensive form of involvement is for the City to act as a retail service provider. The City may be able to use existing infrastructure to directly provide competitive services such as Internet, cable television, and telephone. In Colorado, this currently would require a majority vote of the citizens to comply with SB 152.

These options could be explored further at a future City Council Study Session.



# City Council Workshop Broadband Discussion

January 24, 2015

# Agenda

1. Definition of Broadband
2. Benefits of Broadband
3. Senate Bill 152
4. Other Broadband Initiatives
5. Possible Next Steps

# Broadband Definition

- High speed internet services connecting users at speeds considerably higher than “dial-up” services.



Digital  
Subscriber Line  
(DSL)



Cable  
Modem



Fiber



Wireless



Satellite

# Benefits

## Economic Development

- Large and Small Business Connectivity
- Competition for Employers
- Job Creation

## Community Connectivity

- Government
- Libraries
- Healthcare
- Education

## Residential Customers

- Telecommuting
- Online Learning
- Entertainment



# Senate Bill 152

## Local Government Shall **Not**:

- Provide cable television, telecommunications or advanced services
- Purchase, lease, maintain, construct or operate any facility to offer such services

## Conditions for Providing Services:

- Voter referendum approved by the majority of those voting on the ballot



# Longmont's Broadband Initiative



**1997**

Assumed ownership of PRPA fiber

**2000**

Entered into public/private partnership for broadband services

**2005**

Was forced to comply with Senate Bill 152

**2009**

Failed to pass voter referendum to override Senate Bill 152

**2011**

Passed voter referendum to override Senate Bill 152

**2013**

Voters passed a \$45.3M bond issue to finance the Community Wide Fiber Optic Network

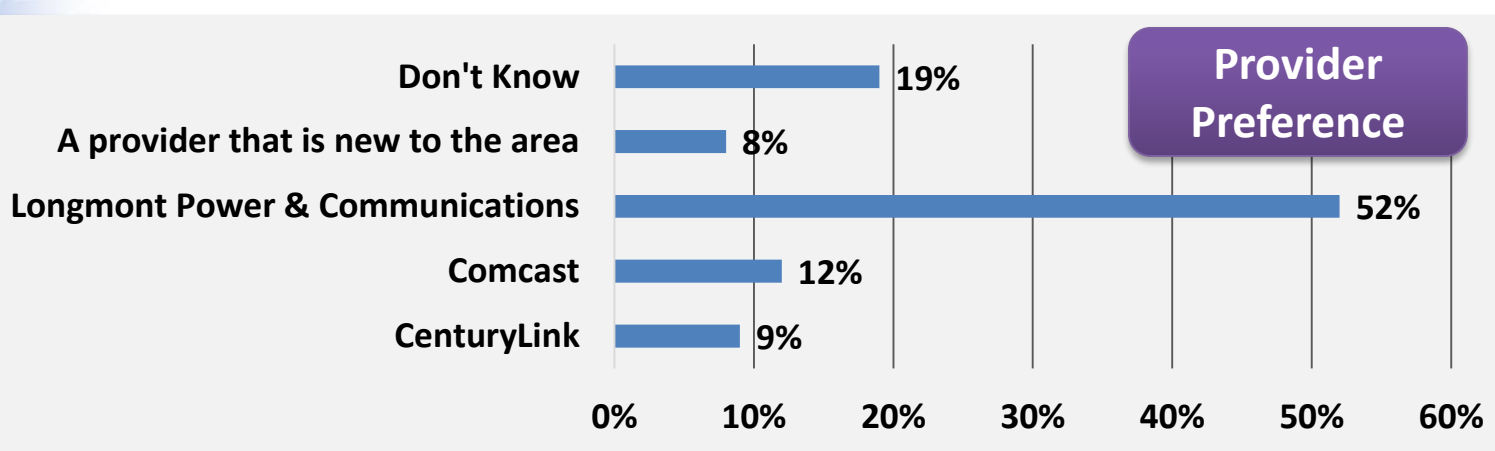
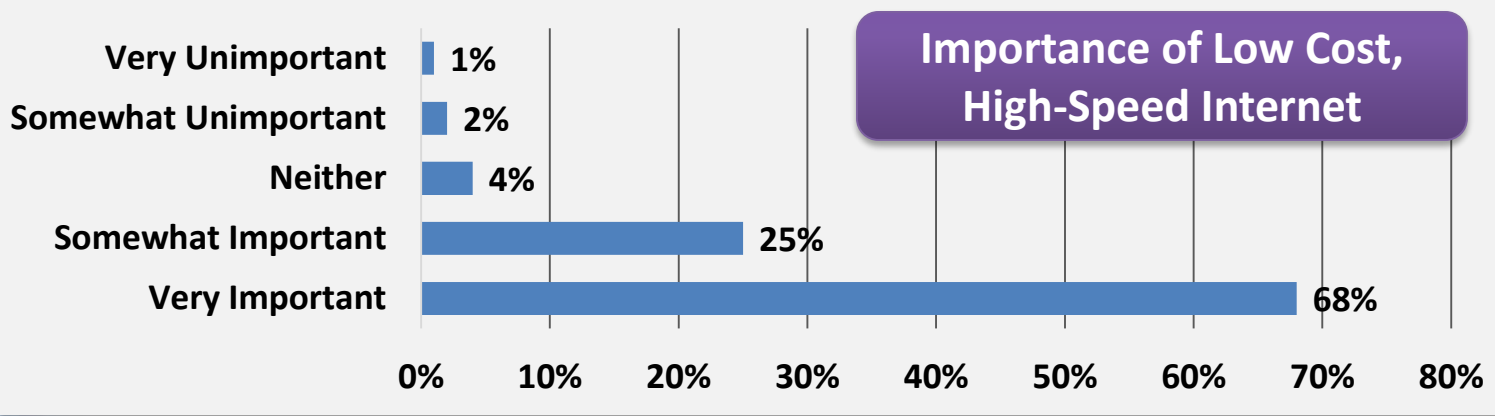
**2015**

Phase 1 (500 customers) of 6 completed

**2017**

All phases of the broadband installation scheduled to be completed

# Longmont's 2013 Feasibility Study Results <sup>P. 131</sup>



# Community Broadband Initiatives

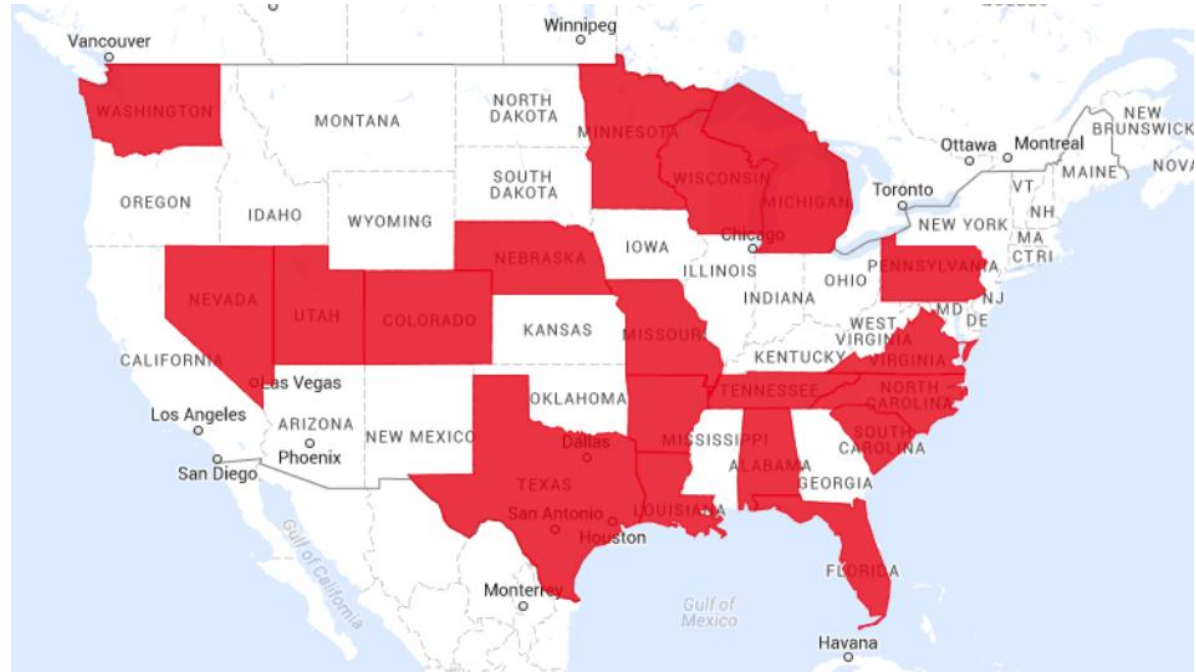


Ammon, ID	College Station, TX	Louisville, KY	Salisbury, NC	Wilson, NC
Arvada, CO	Culver City, CA	Montrose, CO	San Antonio, TX	Winthrop, MN
Auburn, IN	Gresham, OR	Morristown, TN	Sandy, OR	Yellow Springs, OH
Austin, TX	Jackson, TN	Mount Vernon, WA	Santa Cruz County, CA	
Boston, MA	Kansas City, KS	Opelika, AL	Santa Monica, CA	
Carbondale, IL	Kansas City, MO	Palo Alto, CA	Seattle, WA	
Centennial, CO	Lafayette, LA	Ponca City, OK	South Portland, ME	
Champaign, IL	Leverett, MA	Portland, OR	Urbana, IL	
Chattanooga, TN	Lexington, KY	Raleigh, NC	Vancouver, WA	
Clarksville, TN	Los Angeles, CA	Rockport, ME	Westminster, MD	

# Federal Broadband Initiatives

Wall Street Journal Headline:

***Obama Calls On FCC To Overturn Restrictions On Broadband Market Competition In 19 States***



# Next Steps

- Explore options at a future City Council Study Session

## Catalyst

Non-direct role to motivate the private sector to provide better broadband access.

## Enabler

Government resources to help private sector companies provide improved broadband services.

## Infrastructure Provider

Public/Private partnership to improve broadband services. Requires a majority vote to comply with SB 152.

## Retail Service Provider

City acts as a retail service provider. Requires a majority vote to comply with SB 152.



**Questions?**