

# City Council Finance Committee

## Meeting Agenda

**Monday, February 18, 2019  
City Hall – Spruce Room  
749 Main Street  
8:00 a.m.**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of the Minutes from the January 14, 2019 Meeting (page 2)
- V. Public Comments on Items Not on the Agenda
- VI. Recreation Center Sales and Use Tax and TABOR Issues (page 7)
- VII. Enterprise Dashboards for the Quarter and Year Ended December 31, 2018 (page 45)
- VIII. Sales/Use Tax Reports for the Quarter and Year Ended December 31, 2018 (page 48)
- IX. Accounts Receivable Write-Offs (page 65)
- X. Outside Louisville Sales Tax Categorization (page 66)
- XI. Financial Statements for the Quarter and Year Ended December 31, 2018 (page 69)
- XII. Capital Improvement Program Report for the Year Ended December 31, 2018 (page 89)
- XIII. Financial Policies – Second Review of Proposed Amendments (page 97)
- XIV. Continued Discussion on Finance Committee 2019 Work Plan Review (page 128)
- XV. Cash/Investments Report for the Quarter & Year Ended December 31, 2018 (page 130)
- XVI. Staff Reports/Updates/Discussions
  - 2019 Insurance Renewal (report on page 169)
  - Meetings with Non-Profit Grant Applicants (discussion only)
- XVII. *Possible Discussion Items for Next Regular Meeting – Tentatively Scheduled for Monday, March 18, 2019 at 8:00 a.m.*
  - Reuse Water Rates
  - Financial Policies – Third Review
  - Internal Controls Examination Report
  - 2020 Budget Calendar
- XVIII. Adjourn

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**City of Louisville, Colorado**

Finance Department      749 Main Street      Louisville CO 80027  
(303) 335-4505 (phone)      (303) 335-4506 (fax)      www.ci.louisville.co.us



# City Council Finance Committee

## Meeting Minutes

Monday, January 14, 2019  
City Hall, Spruce Room  
749 Main Street

### CALL TO ORDER

The meeting was called to order at 8:01 a.m.

### ROLL CALL

The following were present:

City Council: Mayor Muckle (8:25), Council Member Maloney and Council Member Lipton

Staff/Others Present: Heather Balsler, City Manager, Megan Davis, Deputy City Manager, Emily Hogan, Assistant City Manager for Communications and Special Projects, Kevin Watson, Finance Director, Kathleen Hicks, Human Resources Director, Chris Neves, IT Director, Nathan Mosley, Director of Parks, Recreation & Open Space, Sharon Nemechek, Library and Museum Director, Cara Golden (8:35), Accounting Manager, and Penney Bolte, Tax Manager

Absent: None

### APPROVAL OF THE AGENDA

Finance Committee Member Lipton requested item (VII) Use of Historic Preservation Funds for Museum Campus Development be advanced to item (XII). The Finance Committee Members approved the amended agenda.

### APPROVAL OF THE MINUTES FROM THE NOVEMBER 19, 2018 MEETING

Finance Committee Member Lipton approved the November 19, 2018 meeting minutes as presented.

### **PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None.

### **APPROVAL OF DESIGNATED PLACES FOR POSTING PUBLIC MEETING NOTICES**

The Finance Committee Members approved the Designated Places for Posting Public Meeting Notices as presented.

### **OVERTIME BUDGETS, POLICIES, AND PROCEDURES**

Human Resources Director Kathleen Hix presented a summary of overtime expenses to the Finance Committee. Ms. Hix reviewed some of the contributing staffing and salary factors with the Committee.

The chart provided to the Finance Committee illustrated overtime costs from 2008 through present, and the projected costs through 2024. Director Hix stated that overtime expenses significantly increased in 2014-2015 primarily due to staff shortages in the Police Department and subsequent change from 10-hour shifts to 12-hour shifts. Ms. Hix stated that these increases continued through 2016-2017 with additional overtime hours for Public Works staff involved with the Wastewater Treatment expansion.

Finance Committee Members discussed the wide variety of circumstances that can impact overtime, including, shift changes, staff shortages, hiring delays, CIP and special projects, and overall wage increases.

Finance Committee Members agreed that the varying factors provided reasonable explanations for the increase in overtime expenses. Finance Committee Members stated that the City needs to work towards doing a better job in forecasting potential overtime exposure and in analyzing operations with high overtime rates to determine when additional positions are necessary.

The reports and corresponding narrative can be located in the packet of the January 14, 2019 Finance Committee Meeting.

### **FINANCIAL POLICIES – INITIAL REVIEW OF PROPOSED AMENDMENTS**

Director Watson presented drafts of possible amendments to the City's Financial Policies to the Finance Committee. Director Watson stated that many of the

redlines reflect general housekeeping changes, while others represent changes requested by the Finance Committee in previous discussions.

Committee Members reviewed the policies and stated they had no questions pertaining to Section 1 General Policies, Section 3 Debt Policies, Section 5 Operating Budget Policies, Section 6 Investment Policies, or Section 7 Capital Asset Investment & Management Policies.

Chairperson Maloney stated that he wanted to discuss Section 2 Reserve Policies. Finance Committee Member Lipton agreed. Finance Committee Chairperson Maloney stated that he would like the annual transfer from the General Fund to the Recreation Fund to be hard-coded into the policy language.

Finance Committee Member Lipton stated that he would like language incorporated into Section 2 of the policy that conveys both the Recreation Center and Golf Course should each strive to operate in a manner that each will generate the maximum amount of reserves with as minimal General Fund support as possible.

Finance Committee Members also discussed the redline language of Section 4.6 of the Revenue Policies. The Finance Committee requested firmer language and reasonableness reviews be incorporated into the policy language with regard to the use of an annual fee inflator for certain City fees. The Committee requested City Manager Balser and Director Watson modify the language and bring the revised redline back to the Finance Committee in February.

Chairperson Maloney stated that he and Director Watson would work together to draft language for Sections 2.1, 2.5 and 2.6 of the Reserve Policy that supports the guiding principles discussed by the Finance Committee Members.

The last policy discussed was Section 8.6 of the Accounting, Auditing & Financial Reporting Policy. Director Watson stated that he is recommending the capitalization threshold of each item be increased from \$5K to \$10K. Director Watson stated that this would simplify the process and have minimal impact on the City's financial reporting. Finance Committee Members discussed and approved this change.

The reports and corresponding narrative can be located in the packet of the January 14, 2019 Finance Committee Meeting.

## **FINANCE COMMITTEE 2019 WORK PLAN**

Finance Committee Chairperson Maloney outlined the latest draft of the 2019 Finance Committee Work Plan. Committee Member Lipton requested the word "operational" be added to the 2<sup>nd</sup> Quarter review of the Recreation Center and Golf

Course budgets scheduled for June. Mayor Muckle requested that a bullet item be added to the 2<sup>nd</sup> Quarter discussion of the Budget Amendments scheduled for May, to include the Open Space and Parks Fund balance and funding of property acquisitions. Chairperson Maloney stated these items would be added and that other topics may be added to future agendas as needed.

The reports can be located in the packet of the January 14, 2019 Finance Committee Meeting.

### **USE OF HISTORIC PRESERVATION FUNDS FOR MUSEUM CAMPUS DEVELOPMENT**

Director Zuccaro presented a memorandum discussing the City's current practices regarding the use of Historic Preservation Fund (HPF) money, and the Finance Committee's inquiry to fund plan development/design for the potential museum campus addition. Director Zuccaro reviewed the analysis of the approving Ballot Issue 2A, the interpretation of City Council's authority provided by the City Attorney, and highlighted the pros and cons of utilizing HPF funds for the museum campus design work.

Director Zuccaro stated that City Council has the leeway to create incentives and to broaden policies, even to grant one-time incentives with no limit on the amount, either by funding resolution or ordinance. This was done for the Grain Elevator and the Miner's Cabins. In practice, however, Director Zuccaro stated that HPF money has not been allowed to be used to pre-pay design work, only for reimbursement of work performed under an alteration certificate.

Finance Committee Member Lipton asked specifically about the legal aspects of using HPF money. Director Zuccaro stated that the HPF is not intended to be a funding mechanism, but rather as revenue to fund grants and incentives. City Manager Balser added that new construction adds to the complexity of the issue.

Mayor Muckle stated that using HPF money to pay for the museum campus design and expansion is a terrible idea. Mayor Muckle stated that he would support HPF money being used to reimburse the General Fund, which is where Mayor Muckle believes the funding for the project should originate.

Chairperson Maloney stated that there are consistency issues that need to be addressed. Member Maloney asked if it would be possible to spend the HPF money on the design work in order to gain construction funding by ballot issue.

The Finance Committee Members and staff discussed the definition of "extraordinary circumstances". Director Zuccaro stated that work is being done now to write a draft resolution that will define "extraordinary" as well as increase

the current maximum grant cap of \$75K. Director Zuccaro stated he would bring the draft to Finance Committee in 2<sup>nd</sup> Q.

The reports and corresponding narrative can be located in the packet of the January 14, 2019 Finance Committee Meeting.

### **DISCUSSION ITEMS FOR THE NEXT REGULAR MEETING**

The next regular Finance Committee Meeting is scheduled for Monday, February 18, 2019 at 8:00 a.m.

Items scheduled for discussion at the next meeting include:

- Quarterly Reports
- Outside Louisville Sales Tax Categorization
- 2019 Budget Calendar
- Recreation Center Sales Tax and TABOR Issues (City Manager Balser to coordinate write-up from City Attorney for this discussion)
- Accounts Receivable Write-Offs
- Financial Policies

### **ADJOURN**

The meeting was adjourned at 9:02 a.m.



**Kathleen M. Kelly**  
(303) 298-1601 tel  
(303) 298-1627 fax  
kathleen@kellypc.com

**MEMORANDUM**

TO: Louisville City Council  
Heather Balsler, City Manager  
Kevin Watson, Finance Director

FROM: Kathleen M. Kelly 

DATE: February 7, 2019

RE: City Recreation Sales and Use Tax – Excess Revenue  
Obligations under the Taxpayer’s Bill of Rights (TABOR)

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The purpose of this memorandum is to provide an update of the legal issues and options available to the City Council with regard to excess revenues collected as a result of the 0.15% sales and use tax increase approved by the City’s voters at the 2016 election for operation and maintenance of the Louisville Recreation/Senior Center and pool facilities at Memory Square Park (the “Recreation Tax”). For your reference, attached is our July 10, 2018 memorandum, which addresses the issues in further detail.

**2018 Recreation Tax Collections:** The estimate provided in the ballot question and in the blue book for the first full fiscal year of the tax (2018) was \$575,000. Actual tax collections for 2018 totaled \$845,795, so an excess Recreation Tax revenue of \$270,795.

**Status of TABOR Litigation:** As noted in our previous memorandum, the El Paso County District Court had issued an opinion in a TABOR case that differed in a helpful manner from some other interpretations of the “later voter approval” requirement. In *Bruce v. El Paso County*, Douglas Bruce alleged the County violated TABOR by collecting and retaining, year over year, sales tax revenues in excess of the amount estimated when the tax was approved in 2012. In his complaint, Mr. Bruce demanded a reduction in the tax rate and a refund of amounts collected each year in excess of the estimate, plus interest.

The El Paso County District Court dismissed Mr. Bruce’s complaint, finding that de-brucing language (similar to that in the City’s ballot issue) exempted the tax from TABOR’s restrictions, including the “except by later approval” language contained within Section (3)(c).

Mr. Bruce appealed to the Colorado Court of Appeals, which today affirmed the District Court's dismissal in an unpublished opinion. Because it is an unpublished opinion, the City is prohibited by the rules of the Court from citing to it, so it cannot be relied upon in any future action involving the City's ballot question. However, the separate opinions issued by each of the three judges comprising the panel are interesting and provide some insight into how the issues raised by the City's ballot issue could be decided if it were before them. (A copy of the opinion is attached.)

Judge Dailey, who would affirm the District Court, determined the estimate of "approximately \$17 million annually" complied with TABOR's requirements because, by definition, an estimate is only an approximation. He found Mr. Bruce had presented no cogent argument with respect to the "except by later voter approval" issue, and thus declined to review it. By finding against Mr. Bruce on the first issue and declining judgment on the second, he would affirm the District Court Decision.

Judge Furman, who would reverse the District Court, found the term "later" as used in "except by later voter approval" means a subsequent election is required because whether excess revenues are collected – and in what amount – cannot be determined until sometime after the election authorizing the proposed tax increase, and that this interpretation guarantees the decision whether the excess revenues may be kept or refunded will therefore be made by a more informed electorate. For this reason, he would vote to reverse the dismissal of Mr. Bruce's complaint and direct the case proceed on its merits in the District Court.

Judge Vogt, a retired Court of Appeals judge sitting on this panel by assignment of the Chief Justice of the Colorado Supreme Court, would dismiss Mr. Bruce's appeal without reaching the merits because of disrespectful and inflammatory language used by him in his opening and reply briefs, and for his repeatedly ignoring the procedural rules of the Court.

The El Paso County ballot language specifically included the word "approximately" in reference to the estimated amount to be raised by the proposed tax, while the City's ballot language does not (and in this regard, complies with previous TABOR decisions finding the *exact* language set forth in TABOR must be used). So the basis upon which Judge Dailey would affirm the District Court's dismissal is not directly relevant, but the basis upon which Judge Furman would reverse (the "except by later voter approval" requirement in TABOR) is similar in both cases.

Therefore, even though the result from the Court of Appeals leaves the District Court's dismissal undisturbed, as we noted previously, the El Paso County District Court's decision would not be binding on the Boulder County District Court and thus would be of limited, if any, support in any litigation involving the City's ballot question. And based upon the views expressed in these opinions, it seems there may be little possibility of success if the case were before these particular Court of Appeals judges.

Louisville City Council  
February 7, 2019  
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Finally, Mr. Bruce may still attempt further appeal to the Colorado Supreme Court. We will continue to follow this case and will provide any updates in that regard; in the meantime, we offer the following options for Council's consideration.

**Summary of Options:** Options available at this point for addressing the issues raised under TABOR:

- (1) Direct a refund of 2018 excess revenue (\$270,795) in 2019 and reduce the tax rate; or
- (2) Refer a ballot issue to the voters requesting approval to keep all revenues from the tax and to continue the tax at the 0.15% rate.

Please let us know if you have any questions.



**MEMORANDUM**

TO: Louisville City Council  
Heather Balsler, City Manager  
Kevin Watson, Finance Director

FROM: Samuel J. Light /s/  
Nicolas D. Cotton-Baez /s/

DATE: July 10, 2018

RE: City Recreation Sales and Use Tax - Excess Revenue  
Obligations under Taxpayer's Bill of Rights (TABOR)

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**Introduction.** The City anticipates its 2018 sales and use tax revenue from the 0.15 percent recreation tax will exceed the estimate used in connection with Ballot Issue 2B, approved by the voters in November 2016. This memo outlines TABOR requirements related to the receipt of such excess tax revenues, and outlines for the Council's discussion options for how the City might address these issues.

**Background.** At the November 8, 2016 election, City voters approved the following ballot issue:

SHALL CITY OF LOUISVILLE TAXES BE INCREASED \$575,000 IN 2018 AND THEN ANNUALLY BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED THEREAFTER FROM THE LEVY OF AN ADDITIONAL SALES AND USE TAX OF 0.15 PERCENT BEGINNING JANUARY 1, 2018 AND CONTINUING THEREAFTER; WITH SUCH TAX TO BE IMPOSED ONLY IF REFERRED MEASURE 2A, REFERRED TO REGISTERED ELECTORS OF THE CITY AT THE NOVEMBER 8, 2016, ELECTION, IS APPROVED BY A MAJORITY OF SUCH ELECTORS; WITH THE NET PROCEEDS OF SUCH SALES AND USE TAX TO BE COLLECTED, RETAINED AND SPENT FOR OPERATING AND MAINTAINING THE LOUISVILLE RECREATION/SENIOR CENTER AND POOL FACILITIES AT MEMORY SQUARE PARK; AND SHALL THE CITY BE PERMITTED TO COLLECT, RETAIN AND EXPEND ALL REVENUES DERIVED FROM SUCH SALES AND USE TAX AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

In connection with new taxes, TABOR requires the distribution of a ballot issue notice which, as pertinent here, requires the City disclose: "For the first full fiscal year of each proposed district

[City] tax increase, district estimates of the dollar amount of each increase and of district fiscal year spending without the increase.” TABOR §20(3)(b)(iii). For 2018, the first year of collection of the recreation tax, the notice estimated the dollar amount of the increase to be \$575,000. It estimated 2018 fiscal year spending without the increase to be \$33,470,000. A copy of the notice is attached.

Currently, the Finance Department estimates that 2018 revenues from the recreation tax will be \$908,900, and that 2018 fiscal year spending will be \$37,903,000, both in excess of the estimates in the ballot issue notice. The actual amounts cannot be confirmed until after the end of the year.

TABOR includes a specific provision addressing amounts in excess of estimates contained in the ballot issue notice, which states as follows:

*Except by later voter approval, if a tax increase or fiscal year spending exceeds any estimate in (b)(iii) for the same fiscal year, the tax increase is thereafter reduced up to 100% in proportion to the combined dollar excess, and the combined excess revenue refunded in the next fiscal year. District bonded debt shall not issue on terms that could exceed its share of its maximum repayment costs in (b)(iv). Ballot titles for tax or bonded debt increases shall begin, "SHALL (DISTRICT) TAXES BE INCREASED (first, or if phased in, final, full fiscal year dollar increase) ANNUALLY...?" or "SHALL (DISTRICT) DEBT BE INCREASED (principal amount), WITH A REPAYMENT COST OF (maximum total district cost), ...?"*

TABOR §3(c)(emphasis added). Thus, absent “later voter approval,” this provision appears to require two actions to be taken if a tax increase or fiscal year spending exceeds an estimate in the ballot issue notice: (1) a refund of the excess revenue collected; and (2) a rate reduction in proportion to the excess revenue collected. These issues are discussed in turn.

**Refund of Excess Revenue.** While there is currently pending litigation regarding TABOR’s refund language (discussed below), Section (3)(c) of TABOR has generally been interpreted to require, in this instance, that the City refund amounts collected in 2018 in excess of \$575,000, unless the voters approve another ballot issue allowing the City to retain the excess revenue.<sup>1</sup> If the City Council determines to make a refund, the following are some pertinent points:

- TABOR Section 3(c) requires excess tax revenue to be refunded “in the next fiscal year.” For the recreation tax, this means before December 31, 2019.
- If excess tax revenue is not refunded by the end of the next fiscal year, TABOR Section 1 authorizes enforcement actions to force the refund of “[r]evenue collected, kept, or spent illegally since four full fiscal years before the suit is filed.” In other words, if the City did not obtain voter approval to retain the excess revenue collected in 2018 and failed to refund that revenue by December 31, 2019, a plaintiff with standing could bring a suit to force the refund at any time prior to December 31, 2023.

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<sup>1</sup> TABOR does not prohibit the receipt of excess revenue in the first place; that is, the City is not required to reduce the tax rate or take other action to forestall the receipt of excess revenue in the first year, though it could do so if desired in an effort to keep collections under the estimate.

- Section 1 of TABOR permits municipalities to use “any reasonable method” to refund excess revenue, and provides that “[r]efunds need not be proportional when prior payments are impractical to identify or return.”
- Colorado Revised Statutes (C.R.S.) Section 39-1-111.5 expressly authorizes a temporary mill levy reduction or temporary property tax credit in order to effect a TABOR refund. This section also includes a legislative declaration that the procedures set forth therein “shall be deemed to be a reasonable method for effecting refunds in accordance with [TABOR].” If desired, the refund method authorized by this statute can be used to refund excess revenue attributable to sales and use tax.
- While there is no reported appellate case specifically holding that excess sales and use tax revenue may be refunded through utility bill credits, this method has been used at the state and local level without challenge. Further, we do not think a utility bill credit would face any different proportionality issue than use of a temporary property tax credit or mill levy reduction. If a utility bill credit is used, the legislative declaration in C.R.S. §39-1-111.5 would not apply but, as noted above, TABOR itself authorizes any reasonable refund method, and states refunds need not be proportional when prior payments are impractical to identify or return, which is the case for many retail sales tax transactions.
- Interest is not required to be paid on the excess revenue collected *unless* such revenue is not refunded in the next fiscal year *and* suit is brought to force a refund, in which case the excess revenue will be ordered refunded with 10% annual simple interest from the “initial conduct” (i.e., December 31, 2019). See TABOR §§ 1 and 3(c).

**Rate Reduction.** As noted above, TABOR Section 3(c) also states that if a tax increase exceeds an estimate in the ballot issue notice for the same fiscal year, “the tax increase is thereafter reduced up to 100% in proportion to the combined dollar excess...”. Thus, absent “later voter approval,” this language appears to require the City reduce the rate of the tax on a going forward basis if revenues exceed estimates for the first full year of collection.

TABOR is not clear when the rate reduction must be applied. In a legal memo addressing the State’s obligations with respect to excess marijuana taxes, the Office of Legislative Legal Services interpreted TABOR to require the rate reduction to begin with the next fiscal year—i.e. beginning January 1, 2019 as applied to the City’s recreation tax. TABOR is also unclear on how to reduce the rate “in proportion to the combined dollar excess.” This language could mean that the amount of combined dollar excess is compared to the amounts actually brought in, or, alternatively, compared to the estimated tax increase, to determine the percentage by which the rate would then be reduced. Finally, it is not clear how “de-Brucing” language in a ballot issue may affect the rate reduction requirement.

The Colorado appellate courts have not issued an opinion on these issues, though there is currently pending litigation in this area (discussed below). This dearth of case law is due in part to the limited instances of revenues exceeding estimates and that where this has occurred, jurisdictions have obtained later voter approval to retain revenues generated by the previously approved tax. However, we understand several jurisdictions are currently facing this issue because of strong revenue growth.

**Later Voter Approval.** As noted above, TABOR Section 3(c) requires a rate reduction and refund, “except by later voter approval.” Thus, the City could refer a ballot issue to the voters requesting approval to retain excess revenue and/or maintain the previously approved tax rate. While it may be possible to put such a question on the November 2018 ballot, it is not certain whether the timing of such a question constitutes “later voter approval” because the first year of tax collection is not over, and thus the refund liability has not yet accrued. However, subject to this potential risk, the City could refer a ballot issue in 2018 or, alternatively, do so in November 2019. If a question in either year did not pass, the City would have until December 31, 2019 to effect a refund without the risk of liability for interest.

**Pending Litigation.** TABOR’s refund and rate reduction provisions were recently addressed in an El Paso County District Court case styled as Bruce v. El Paso County, Case No. 2017CV156. In this case, Douglas Bruce alleged that the County violated TABOR by collecting and retaining, year over year, sales tax revenues in excess of the amount estimated when the tax was approved in 2012.<sup>2</sup> In his Complaint, Mr. Bruce demanded a reduction in the rate of the tax and a refund of amounts collected each year in excess of the estimate, plus interest.

In its Order granting the County’s motion to dismiss, the trial court ruled that the “de-Bruce” language in the County ballot issue exempted the tax from TABOR’s restrictions, including the “except by later approval” language contained within Section (3)(c), effectively holding that the County did not have a refund obligation for even the first year of collection, or any rate reduction obligation. This Order (copy enclosed) is only a district court decision, and thus would not be binding, for example, on a Boulder County District Court, and the decision differs from some other interpretations of the “later voter approval” requirement. Nonetheless, the decision holds that “de-Bruce” language, similar to that contained in the City’s recreation tax question, eliminates any refund or rate reduction obligation. We understand Mr. Bruce has appealed the case and may be seeking direct review by the Colorado Supreme Court. Thus, it is possible this case will generate appellate law interpreting the rate reduction and refund obligations the City may face regarding the recreation tax.

**Summary of Options.** To assist your discussion, the following is a summary of potential options for addressing these issues:

- Direct a refund of 2018 excess revenue in 2019 and reduce the tax rate.
- Refer a ballot issue to the voters requesting approval to keep all revenues from the tax and to continue the tax at the 0.15% rate.
- Direct action be taken in 2018 to avoid collection of revenues in excess of the estimate.
- Take a wait-and-see approach and defer decisions on this issue until the first or second quarter of 2019, by which time there may be further developments in the Bruce case. At that time the City will also have actual revenue amounts for the 2018 fiscal year.

We will be available at your July 17 regular City Council meeting to further discuss these issues.

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<sup>2</sup> Specifically, the County in 2012 voted to increase the sales tax rate 0.23% and estimated the dollar amount of the increase at \$17 million. Mr. Bruce alleged the County received about \$875,000 more than the estimated amount and that under TABOR Section 3(c), the County was obligated to refund \$875,000 each year, plus 10% interest.

<p><b>El Paso County, CO, District Court</b></p> <p>Court Address: <b>P.O. Box 2980 270 S. Tejon Colorado Springs, CO 80901-2980</b></p> <p>Phone Number: <b>(719) 452-5275</b></p>	<p style="text-align: right;">DATE FILED: March 8, 2018 CASE NUMBER: 2017CV156</p> <p style="text-align: center;"><b>▲ COURT USE ONLY ▲</b></p>
<p><b>DOUGLAS BRUCE</b></p> <p><b>PLAINTIFF</b></p> <p><b>vs</b></p> <p><b>EL PASO COUNTY</b> <b>DEFENDANT</b></p>	<p><b>Case Number:</b></p> <p><b>2017CV156</b></p> <p><b>Division 3, Courtroom S406</b></p>
<p style="text-align: center;"><b>ORDER RE: DEFENDANT'S MOTION TO DISMISS PURSUANT TO C.R.C.P 12(b)(5)</b></p>	

**I. JURISDICTION**

Jurisdiction is proper in the El Paso County District Court. Although Plaintiff has failed to comply with C.R.S. § 30-11-105, which provides that all proceedings against a Colorado county must be brought against "The board of county commissioners of the county". The Board of County Commissioners of the County of El Paso waives any objection it has to jurisdiction.

**II. STANDARD OF REVIEW**

A motion to dismiss for failure to state a claim upon which relief can be granted, made pursuant to Rule 12(b)(5) of the Colorado Rules of Civil Procedure, may be granted if the plaintiff's factual allegations cannot support a claim as a matter of law. *Asphalt Specialties, Co. v. City of Commerce City*, 218 P.3d 741 (Colo. App. 2009). In reviewing such a motion, a court must accept all

material facts in the complaint as true and view all allegations in the light most favorable to the plaintiff.

The Plaintiff has requested oral argument and a hearing because “ facts and law are in serious dispute”. The request is denied. For purposes of this Motion, all material facts in the Complaint are assumed truthful and the question before the Court is whether the allegations can support a claim as a matter of law.

### **III STATEMENT OF THE CASE AND ALLEGATIONS**

On September 6, 2012, the Board of El Paso County Commissioners passed a resolution to refer a measure for the November 2012 election seeking voter approval to increase El Paso County’s sales and use tax rate to address certain public safety needs of the El Paso County Sheriff’s Office. The measure was designated “1A” by the El Paso County Clerk and Recorder’s Office.

Pursuant to the Taxpayers Bill of Rights (TABOR), a Notice of Election was mailed to all registered voters in El Paso County which contained information regarding measure 1A. El Paso County voters approved measure 1A. Starting in 2013, El Paso County has been collecting revenues from 1A for the purposes stated within the ballot measure.

The Plaintiff alleges that language in TABOR requires the county to refund to the taxpayers certain calculated revenues that exceed the estimate of revenues per TABOR. The Defendant asserts that the language of the measure preempts the statutory provision for reimbursement because the measure included authority from the voters to keep and use all revenues collected.

#### IV CONCLUSIONS OF LAW AND ORDER

Under Colo. Const. art X, § 20(3)(b), when proposing a tax increase, a county must mail an election notice to all registered voters in its jurisdiction with content requirements as set forth in the same section. Pursuant to Colo. Const. art X, § 20(3)(b)(iii), the county must provide, for the first full fiscal year of the increase, estimates of the maximum dollar amount of the tax increase and of the fiscal year spending without the increase. Colo. Const. art X, § 20(3)(c) states that except by later voter approval, if a tax increase or fiscal year spending exceeds any estimate in (b)(iii) for the same fiscal year, the tax increase is thereafter reduced and refunded.

The Colorado Supreme Court has identified three situations in which the voters must approve the collection, retention or expenditure of an increase in government revenue, one of which exists when such revenue exceeds the election notice estimate. *City of Aurora v. Acosta*, 892 P.2d 264, 268 (Colo. 1995). Because voter approval to allow a variation from the otherwise applicable limits is mandated by TABOR, any interpretation of TABOR which would limit the right of the electorate to vote on tax or spending proposals is not favored. *Havens v. Bd. of County Com'rs of County of Archuleta*, 924 P.2d 517, 520 (Colo. 1996).

Defendant's measure 1A contained the following language:

SHALL EL PASO COUNTY TAXES BE INCREASED BY  
APPROXIMATELY \$17 MILLION ANNUALLY TO DIRECTLY FUND THE  
URGENT PUBLIC SAFETY NEEDS IDENTIFIED BY EL PASO COUNTY  
SHERIFF TERRY MAKETA, THE CHIEF LAW ENFORCEMENT OFFICIAL

SERVING ALL RESIDENTS OF THE CITIES, TOWNS AND UNINCORPORATED AREAS WITHIN THE BOUNDARIES OF EL PASO COUNTY, AS CRITICAL TO PERFORMING HIS STATUTORY OBLIGATIONS TO ALL EL PASO COUNTY RESIDENTS, BY INCREASING THE COUNTY'S SALES AND USE TAX RATE BY TWENTY-THREE HUNDREDTHS OF ONE CENT (\$0.0023) PER DOLLAR PURSUANT TO PART 1 OF ARTICLE 2 OF TITLE 29, COLORADO REVISED STATUTES;

...

WITH ALL REVENUES GENERATED AND THE EARNINGS ON SUCH REVENUE TO BE COLLECTED AND SPENT EACH YEAR WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF, AND WITHOUT AFFECTING THE COUNTY'S ABILITY TO COLLECT AND SPEND OTHER REVENUES OR FUNDS UNDER, ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION...?

The Court finds that the language in measure 1A specifically asks the voters whether taxes shall be increased and whether all revenues generated from such tax and the earnings thereon may be exempted from the revenue and spending limits of TABOR. In approving measure 1A, El Paso County voters voted to lift all revenue and spending limitations contained in TABOR from the revenue generated by the tax increase.

The Colorado Supreme Court has consistently recognized the power vested in the voters to direct government spending under TABOR. It has stated that: "[t]he will of the electors, when fully and freely expressed, will not be defeated by a strict and technical construction of the law". *Bickel v. City of Boulder*, 885 P.2d

215, 226 (Colo. 1994). The Colorado Supreme Court also acknowledges that governments must be able to rely on the language and outcome of ballot issues in order to function, explaining that “[r]eliance on the ballot language is especially important for these ballot issues because article X, section 20 relies on voters to make important financial decisions. The issues are often complex... and article X, section 20 provides minimal guidance to taxing authorities seeking voter approval. To make this form of ‘direct democracy’ work, districts must be able to rely on the language of the ballot issues.” *Mesa Cty. Bd. of Cty. Comm'rs v. State*, 203 P.3d 519, 534 (Colo. 2009).

The Defendant has relied on the text of measure 1A as approved by the voters, which states that 1A is exempt from spending and revenue limits of TABOR. Importantly, the text of measure 1A clearly identifies “all revenue” being exempt from TABOR. This text applies to the first collection under the measure and applies to future years as well. By approving this text, the voters specifically removed measure 1A from TABOR’s restrictions, including the “[e]xcept by later approval...” language contained within (3)(c). It is contradictory that the voters would approve language to except TABOR, only to then be faced with the possibility of additional ballot questions thereafter on the exact same issue.

Accordingly, the Court grants the Defendant’s Motion to Dismiss and Plaintiff’s Complaint is hereby dismissed with prejudice.

Dated this 8<sup>th</sup> day of March, 2018

BY THE COURT



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Thomas K. Kane  
District Court Judge

**CERTIFICATE OF MAILING**

The undersigned hereby certifies that on March 8, 2018 a true and correct copy of the foregoing order was filed via US mail to:

Lori Seago, #29458  
Senior Assistant County Attorney  
200 S. Cascade  
Colorado Springs, CO 80903

Steven Klaffky, #44836  
Assistant County Attorney  
200 S. Cascade  
Colorado Springs, CO 80903

Douglas Bruce  
Box 26018  
Colorado Springs, CO 80936

18CA0620 Bruce v Bd Cnty Comm 02-07-2019

COLORADO COURT OF APPEALS

DATE FILED: February 7, 2019  
CASE NUMBER: 2018CA620

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Court of Appeals No. 18CA0620  
El Paso County District Court No. 17CV156  
Honorable Thomas K. Kane, Judge

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Douglas Bruce,

Plaintiff-Appellant,

v.

Board of County Commissioners of El Paso County, Colorado,

Defendant-Appellee.

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JUDGMENT STANDS AFFIRMED

Division II

Dailey, J., would affirm

Furman, J., would reverse

Vogt\*, J., would dismiss the appeal

**NOT PUBLISHED PURSUANT TO C.A.R. 35(e)**

Announced February 7, 2019

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Douglas Bruce, Pro Se

Amy Folsom, County Attorney, Lori Seago, Senior Assistant County Attorney,  
Steven Klaffky, Assistant County Attorney, Colorado Springs, Colorado, for  
Plaintiff-Appellee

\*Sitting by assignment of the Chief Justice under provisions of Colo. Const. art.  
VI, § 5(3), and § 24-51-1105, C.R.S. 2018.

¶ 1 In this action for declaratory and injunctive relief, plaintiff, Douglas Bruce, appeals the district court’s order dismissing his complaint against defendant, the Board of County Commissioners of El Paso County (the County), for failure to state a claim upon which relief could be granted. Because one member of the division would affirm the judgment, another would reverse the judgment, and yet a third would dismiss the appeal, the judgment of the court stands affirmed.

### *I. Background*

¶ 2 In his pro se complaint, Bruce alleged (and sought remedies for) violations of the state’s Taxpayer’s Bill of Rights (TABOR), Colo. Const. art. X, § 20. Specifically, Bruce alleged:

- In November 2012, the County “had on the election ballot a referred measure to increase the county sales tax rate [by] 0.23%.”
- Under TABOR, the County was obligated to (1) tell the voters the truth about the amount of first-year revenue the proposal would generate; and (2) either obtain subsequent voter approval to retain any excess revenue collected or refund it to the citizens.

- The County had prepared and mailed to the electorate false statements about the first-year revenue that the tax increase would generate: the actual revenue collected in 2013 from the increased tax was \$875,000 “more than the amount stated in the [County’s] election notice.”
- The County neither refunded the excess revenue collected or subsequently obtained voter approval to retain it.
- Consequently, the County (1) owed a refund to the citizens of \$875,000 plus interest for each of the ensuing fiscal years; and (2) should be required to lower the 0.23% increase in the sales tax rate “by the amount needed to comply with TABOR.”

¶ 3 Pursuant to C.R.C.P. 12(b)(5), the County filed a motion to dismiss Bruce’s complaint for failing to state a claim upon which relief could be granted. Specifically, the County asserted that TABOR was not violated because (1) in passing the referred measure (Measure 1A), the voters expressly exempted the proposed tax increase from TABOR’s revenue and spending limits; and (2) the County had substantially complied with TABOR’s election provisions by (a) underestimating “by only five percent” the actual

revenues that were collected and (b) obtaining simultaneous, rather than “later,” voter approval for a “wholesale exemption” from TABOR’s requirements.

¶ 4 In response to the County’s motion, Bruce asserted that he had warned the County that (1) it could not falsely “lowball[]” the amount of revenue the proposed increase in the tax rate would generate; (2) the proposal had to seek a specific (rather than “approximate”) dollar amount; and (3) any excess revenue collected would have to either be refunded to the voters or *subsequently* approved by them for retention and use by the County.

¶ 5 The district court granted the County’s motion to dismiss Bruce’s complaint, finding that

the language in [Measure 1A] specifically asks the voters whether taxes shall be increased and whether all revenues generated from such tax and the earnings thereon may be exempted from the revenue and spending limits of TABOR. In approving [the] measure . . . , El Paso County voters voted to lift all revenue and spending limitations contained in TABOR from the revenue generated by the tax increase.

¶ 6 Bruce now appeals.

II. *Bruce's Opening Brief Does Not Comply with the Rules of Appellate Procedure*

¶ 7 Initially, we note that Bruce's opening brief does not comply with the appellate rules. It does not include

- any references to the part(s) of the record where facts relevant to the issues or the court's rulings may be found, as required by C.A.R. 28(a)(5);
- a certificate of compliance, as required by C.A.R. 32(h);
- a standard of review, with citation to authority, as required by C.A.R. 28(a)(7)(A); or
- a statement as to whether the issues have been preserved, and, if so, the precise location in the record where the issues were raised and ruled upon, as required by C.A.R. 28(a)(7)(A).

¶ 8 This is not the first time Bruce has been cited for noncompliant briefs. In *Bruce v. City of Colorado Springs*, 252 P.3d 30, 32 (Colo. App. 2010), Bruce's brief was found to be noncompliant under C.A.R. 28 because it "fail[ed] to set forth a table of contents, a table of cases, a statement of the issues presented for review, a summary of the argument or any

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designation to the record other than bare references to certain exhibits.” The division also determined that his brief lacked case citations, applicable standards of review, and certifications of compliance. In a second case — *Bruce v. Williams & Williams*, (Colo. App. No. 15CA0942, May 19, 2016) (not published pursuant to C.A.R. 35(e)) — the division determined that Bruce’s opening brief was noncompliant with C.A.R. 28 because it did not have a certification of compliance, a statement of issues, citations to the record where those issues were preserved, a standard of review, and citations to the record. Further, his reply brief lacked a certification of compliance, a table of contents, and a table of authorities.

¶ 9 The appellate rules are not mere technicalities; they help facilitate review. *See O’Quinn v. Baca*, 250 P.3d 629, 631-32 (Colo. App. 2010). Bruce’s status as a pro se litigant does not exempt him from adhering to the appellate rules. *See Adams v. Sagee*, 2017 COA 133, ¶ 10 (“[A]lthough courts should liberally construe pro se parties’ pleadings, pro se parties must comply with procedural rules to the same extent as parties represented by attorneys.”).

¶ 10 A party’s failure to comply with the appellate rules could result in the striking of the party’s brief and the dismissal of his appeal.

*See People v. Durapau*, 280 P.3d 42, 50 (Colo. App. 2011) (counsel's failure to comply with appellate rules subjected his briefs to being stricken); *Castillo v. Koppes–Conway*, 148 P.3d 289, 291 (Colo. App. 2006) (division refused to consider noncompliant brief). Given Bruce's history of not complying with the rules, those remedies would be particularly appropriate in this case and indeed one of us (Judge Vogt) would dismiss Bruce's appeal. Due to the importance to the public of the issues raised *in this case*, however, two of us (Judge Dailey and Judge Furman) would refrain from striking his brief and dismissing his appeal and elect, instead, to address his contentions.

¶ 11 The separate opinions of the three members of the division follow.

JUDGE DAILEY would affirm.

¶ 12 On appeal, Bruce contends that the district court erred in dismissing his complaint. I perceive no reversible error.

¶ 13 A district court's ruling on a C.R.C.P. 12(b)(5) motion is reviewed de novo. *Fluid Tech., Inc. v. CVJ Axles, Inc.*, 964 P.2d 614, 616 (Colo. App. 1998).

¶ 14 A claim may be dismissed under C.R.C.P. 12(b)(5) if the substantive law does not support it, *W. Innovations, Inc. v. Sonitrol Corp.*, 187 P.3d 1155, 1158 (Colo. App. 2008), or if the plaintiff's factual allegations do not, as a matter of law, support a plausible claim for relief, *Warne v. Hall*, 2016 CO 50, ¶¶ 9, 24.

¶ 15 In deciding whether a plaintiff has set forth a "plausible" claim, the court must accept as true the factual allegations in the complaint. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). That tenet, however, "is inapplicable to legal conclusions" and "[t]hreadbare recitals of the elements of a cause of action." *Id.* In reviewing a complaint, then, a court should disregard conclusory allegations and "assume the[] veracity" of any "well-pleaded factual allegations" to "determine whether they plausibly give rise to an entitlement to relief." *Id.* at 679.

¶ 16 Finally, in resolving a C.R.C.P. 12(b)(5) motion to dismiss for failure to state a claim upon which relief could be granted, a court may only consider the facts alleged in the complaint, materials attached as exhibits or referenced in the complaint, and matters of which the court may take judicial notice. *Pena v. Am. Family Mut. Ins. Co.*, 2018 COA 56, ¶ 14.<sup>1</sup>

¶ 17 In this last regard, I note that Measure 1A said, in pertinent part:

SHALL EL PASO COUNTY TAXES BE  
INCREASED BY APPROXIMATELY \$17  
MILLION ANNUALLY TO DIRECTLY FUND THE  
URGENT PUBLIC SAFETY NEEDS IDENTIFIED  
BY EL PASO COUNTY SHERIFF TERRY  
MAKETA, THE CHIEF LAW ENFORCEMENT  
OFFICIAL SERVING ALL RESIDENTS OF THE  
CITIES, TOWNS AND UNINCORPORATED  
AREAS WITHIN THE BOUNDARIES  
OF EL PASO COUNTY, AS CRITICAL TO  
PERFORMING HIS STATUTORY OBLIGATIONS  
TO ALL EL PASO COUNTY RESIDENTS, BY  
INCREASING THE COUNTY'S SALES AND USE  
TAX RATE BY TWENTY-THREE HUNDREDTHS  
OF ONE CENT (\$0.0023) PER DOLLAR

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<sup>1</sup> Consequently, contrary to another of Bruce's assertions, the district court did not err in refusing to consider other information, including the contents of a transcript or an audio recording of the hearing at which the County decided to refer Measure 1A to the voters.

PURSUANT TO PART 1 OF ARTICLE 2 OF  
TITLE 29, COLORADO REVISED STATUTES;

. . . .

WITH ALL REVENUES GENERATED AND THE  
EARNINGS ON SUCH REVENUE TO BE  
COLLECTED AND SPENT EACH YEAR  
WITHOUT LIMITATION BY THE REVENUE  
AND SPENDING LIMITS OF, AND WITHOUT  
AFFECTING THE COUNTY'S ABILITY TO  
COLLECT AND SPEND OTHER REVENUES OR  
FUNDS UNDER, ARTICLE X, SECTION 20 OF  
THE COLORADO CONSTITUTION. . . .

¶ 18 Bruce asserts that Measure 1A violated TABOR in two respects: (1) it “approximated,” rather than set a maximum, amount of revenue the proposed tax increase would generate; and (2) it purported to relieve the County of having to refund to the citizens any excess revenue collected without the necessity of obtaining subsequent voter approval. I disagree with the first assertion and decline to address the second.

¶ 19 “The principal purpose of TABOR is to limit the spending and taxing power of state and local governments by providing taxpayers with greater direct control over government growth. TABOR requires voter approval of any proposed tax increase.” *Bd. of Cty. Comm'rs v. City of Broomfield*, 7 P.3d 1033, 1037 (Colo. App. 1999)

(citation omitted). Under TABOR, governmental entities must provide to the voters “estimates” for “the first full fiscal year of [the proposed tax] increase” of “the maximum dollar amount” of the tax increase and of the “fiscal year spending without the increase.” Colo. Const. art X, § 20(3)(b)(iii). And “[e]xcept by later voter approval, if a tax increase or fiscal year spending exceeds any estimate in [(3)](b)(iii) for the same fiscal year, the tax increase is thereafter reduced up to 100% in proportion to the combined dollar excess, and the combined excess revenue refunded in the next fiscal year.” Colo. Const. art. X, § 20(3)(c).

¶ 20 Contrary to Bruce’s first assertion, the County did not violate TABOR by notifying the voters that it expected to annually collect “approximately” \$17 million as a result of the proposed tax increase. As noted above, TABOR authorized the County to give the voters this information in terms of an “estimate[],” which, by definition, is only an approximation. *See, e.g., Nev. Rest. Servs., Inc. v. Clark Cty.*, 981 F. Supp. 2d 947, 957 (D. Nev. 2013) (“Merriam-Webster defines ‘estimate’ as ‘a rough or approximate calculation’”) (citation omitted), *aff’d*, 638 F. App’x 590 (9th Cir. 2016); *Pub. Serv. Elec. & Gas Co. v. N.J. Dep’t of Env’tl. Prot.*, 501

A.2d 125, 108 (N.J. 1985) (“By definition, an estimate is a mere approximation [that] precludes accuracy, and its ordinary meaning is to calculate roughly or to form an opinion from imperfect data [such that the term imbues] no more certainty than the words ‘about’ or ‘more or less.’”) (alterations omitted) (citation omitted); *Fleming v. Simper*, 158 P.3d 1110, 1113 (Utah Ct. App. 2007) (noting that a party “provided an estimation, which, by its nature, is an approximation, a rough determination of a figure, not an exact assertion”).

¶ 21 Further, I discern nothing in Bruce’s factual allegations, or in nature of the County’s “estimate” or its degree of variance from the amount of revenue actually collected, that would support a plausible claim of “deceit” on the County’s part. *See Warne*, ¶ 27 (“The broad allegations that Warne’s actions were motivated by malice or animosity toward Hall were unchallengeably conclusory allegations of a kind elsewhere held to be incapable of supporting a plausible claim for relief.”); *MedVet Assoc., Inc. v. Sebring*, 870 N.E.2d 268, 271 (Franklin Cty. Ohio Mun. Ct. 2007) (“Exceeding or coming in under a given estimate is not an uncommon result. The nature of an estimate leads to such result.”).

¶ 22 With respect to Bruce’s second assertion, the district court found that

the text of [Measure 1A] . . . identifies “all revenues” being exempt from TABOR. This text applies to the first collection under the measure and applies to future years as well. By approving this text, the voters specifically removed [the] measure . . . from TABOR’s restrictions, including the “[e]xcept by later approval. . .” language contained within (3)(c) [of Colorado Constitution article X, section 20]. It is contradictory that the voters would approve language to except TABOR, only to then be faced with the possibility of additional ballot questions thereafter on the exact same issue.

¶ 23 Significantly, Bruce challenges the district court’s ruling in only three (scattered) sentences in his opening brief. He cites no authority nor attempts to develop any cogent argument in support of his challenge. He merely makes his contention, in conclusory sentences. Because this is not an acceptable way of presenting an argument to an appellate court, I decline to address it. *See United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991) (“A skeletal ‘argument,’ really nothing more than an assertion, does not preserve a claim.”); *United States v. Zannino*, 895 F.2d 1, 17 (1st Cir. 1990) (“[I]ssues adverted to in a perfunctory manner,

unaccompanied by some effort at developed argumentation, are deemed waived.”); *Carducci v. Regan*, 714 F.2d 171, 177 (D.C. Cir. 1983) (“The premise of our adversarial system is that appellate courts do not sit as self-directed boards of legal inquiry and research, but essentially as arbiters of legal questions presented and argued by the parties before them.”); *People v. Hicks*, 262 P.3d 916, 920 (Colo. App. 2011) (declining to address contention “because [the] defendant has neither articulated a cogent argument for review nor provided supporting legal authority”); *Beall Transp. Equip. Co. v. S. Pac. Transp.*, 64 P.3d 1193, 1196 n.2 (Or. Ct. App.) (“[I]t is not this court’s function to speculate as to what a party’s argument might be. Nor is it our proper function to make or develop a party’s argument when that party has not endeavored to do so itself.”), *reh’g granted, opinion clarified and adhered to*, 68 P.3d 259 (Or. Ct. App. 2003); *see also CSX Transp., Inc. v. Miller*, 858 A.2d 1025, 1083 (Md. Ct. Spec. App. 2004) (“If [the party] wanted a weightier resolution of the issue, it should have mounted a weightier contention. Gravitas begets gravitas.”).

¶ 24 Because I have found against Bruce on his first assertion and declined to review his second, I would affirm the judgment of the district court.

JUDGE FURMAN would reverse.

¶ 25 I agree with Judge Dailey’s resolution of Bruce’s first assertion. But, contrary to the position he took, I would consider Bruce’s second assertion and reverse on that ground. In my view, the district court erred in determining that the voters could remove the requirement that excess revenues collected under Measure 1A be refunded to the taxpayers unless the retention of the money is “later approv[ed]” by the voters.

¶ 26 At the end of the day, the issue is resolved by interpreting the language of Colorado Constitution article X, section 20(3)(c).

¶ 27 “The interpretation of a constitutional provision presents a question of law that we review de novo.” *Landmark Towers Ass’n, Inc. by EWG-GV, LLC v. UMB Bank, N.A.*, 2018 COA 100, ¶ 59 n.15. “In construing a constitutional provision, our obligation is to give effect to the intent of the electorate that adopted it.” *Harwood v. Senate Majority Fund, LLC*, 141 P.3d 962, 964 (Colo. App. 2006). “We look to the language used and its plain and ordinary meaning,” *People v. Lente*, 2017 CO 74, ¶ 16, and “[w]e must favor a construction of a constitutional amendment that will render every word operative, rather than one that may make some words

meaningless or nugatory,” *Patterson Recall Comm., Inc. v. Patterson*, 209 P.3d 1210, 1215 (Colo. App. 2009). “If the language is unambiguous, we enforce it as written.” *Lente*, ¶ 16.

¶ 28 As noted above, Colorado Constitution article X, section 20(3)(c) requires the refund of excess revenues collected to taxpayers unless taxpayer approval to retain the money is sought and obtained “later.” Giving the term its common and ordinary meaning, “later,” in the present context, must mean sometime “after” or “subsequent to” the determination of the amount of excess revenues collected. *See Farr v. NC Mach. Co.*, 186 F.3d 1165, 1168 (9th Cir. 1999) (noting, in the context in which the term was used, that “[t]he word ‘later’ means that the superseding intervening cause has to occur after the defendant’s negligence”); *cf. Zukerberg v. D.C. Bd. of Elections & Ethics*, 97 A.3d 1064, 1073 (D.C. 2014) (“We agree with the [defendants] that the ‘common and ordinary meaning of the word “after”’ is ‘following in time or place,’ or ‘later in time.’”); *In re CNA Ins. Cos.*, 722 A.2d 496, 498 (N.H. 1998) (“‘Subsequent’ is commonly understood to mean ‘following in time: coming or being later than something else.’”); *Berry v. Myrick*, 194 S.E.2d 240, 242 (S.C. 1973) (“The word ‘after’ has been defined as

meaning later, succeeding, subsequent to or subsequent in time to.”); *State v. Elvig*, 213 P.3d 851, 852 (Or. Ct. App. 2009) (“The plain meaning of the preposition ‘after’ includes ‘later than a particular time or period of time: following the expiration of.’” (quoting Webster’s Third New International Dictionary 38 (unabridged ed. 2002))).

¶ 29 Colorado Constitution article X, section 20(3)(c), then, is unambiguous: the County may not retain the excess funds collected as a result of a ballot measure unless the taxpayers authorize the retention of the excess moneys in a subsequently held election. The district court’s ruling — that the electorate may give carte blanche approval to the retention of excess revenues at the very same time it authorizes an increase in taxes — is contrary to (and renders superfluous) the “[e]xcept by later voter approval” clause of article X, section 20(3)(c). *See Lente*, ¶ 39 (avoiding a construction that would render a constitutional provision meaningless).

¶ 30 My interpretation does not produce an absurd result. Whether excess revenues are collected — and in what amount — cannot be determined until sometime after the election authorizing a proposed tax increase. Requiring a separate, subsequent election

to determine whether a governmental entity may retain excess revenues collected guarantees that the decision will be made by a more informed electorate.

¶ 31 Because the district court erroneously determined that the voters could authorize retention of excess revenues collected in the very same election in which they authorized the proposed tax increase, it likewise erred in dismissing Bruce's complaint for failing to state a claim upon which relief could be granted.

¶ 32 Consequently, I would reverse the judgment and remand the case to the district court with directions to reinstate Bruce's complaint and for further proceedings.

JUDGE VOGT would dismiss the appeal.

¶ 33 “In rare cases, conduct in prosecuting an appeal is so contrary to court rules and so disrespectful of the judicial process and the participants therein that the right to appellate review is forfeited.” *Martin v. Essrig*, 277 P.3d 857, 859-60 (Colo. App. 2011). This is such a case.

¶ 34 As noted in the introductory part of our decision, appellant once again disregards the rules governing appeals to this court, as he has done in the past. Of far greater concern, in my view, is the content of his briefs. Because of the disrespectful and inflammatory language of the opening and reply briefs, I would strike the briefs and dismiss the appeal. I therefore respectfully dissent from the majority’s decision to reach the merits of the case.

### *I. The Briefs*

¶ 35 Appellant first disparages the district court, stating that the judge who dismissed his complaint was assigned to this case as a result of a “secret switch” that precluded appellant from moving to disqualify him; that the ruling in this case was an example of misconduct and “overt ethical violations” by the judge in other cases, including “an obvious conflict of interest, in favor of his

brother . . . in another case in which appellant was involved”; that the judge and the appellee are “partners”; and that in this case the judge ignored appellant’s offer of proof because “[h]is mind was made up and he didn’t want it confused by the facts.”

¶ 36 Turning to the Board of County Commissioners of El Paso County and its counsel, appellant repeatedly accuses county officials of bad faith and dishonesty. He asserts that the county “intentionally misled the voters in bad faith,” cites his “personal knowledge of other bad faith actions by appellee in other betrayals and deceptions of the electorate,” and refers to counsel’s good-faith defense as “lame.” The county’s ballot issue was a “scam” consisting of “legalistic BS by TABOR-hating TABOR violators.”

¶ 37 Nor is this court, or the judicial system generally, spared from appellant’s disdain. He writes:

If this court rules it’s OK to give voters false information on ballot issues, despite the plain meaning of TABOR (3)(c), you might as well be honest yourselves and announce you will never enforce TABOR because you hate it. Given the notoriety of high-level corruption in the FBI (soon to be renamed as the Federal Investigation Bureau, or FIB), Department of Justice, FISA courts, and other law enforcement agencies formerly trusted by the people, you should be HONEST enough to

divulge your cynical contempt for the rule of law and admit that government can do anything it damn well pleases.

¶ 38 Appellant’s view of his appeal is summarized in the conclusion of his reply brief as follows: “What is the reality here? Two government lawyers want to persuade three government judges to excuse the errors of one other government judge. They want to ignore the victim in this case, who wrote the TAXPAYER’S Bill of Rights 25 years ago.”

¶ 39 Notably absent from appellant’s briefs is any citation of case law.

## *II. Discussion*

¶ 40 I am well aware that vigorous argument is a part of appellate advocacy, and that judges at all levels are subject to criticism for their rulings. Yet there are limits. As a division of this court observed, “[d]isagreements — even vehement and vigorous disagreement — with a trial court’s rulings and with the arguments of an opposing party and counsel are, of course, part and parcel of any litigation matter. Nonetheless, we expect such disagreements to be civil and respectful.” *Keim v. Douglas Cty. Sch. Dist.*, 2015 COA 61, ¶ 32, *aff’d*, 2017 CO 81.

¶ 41 In my view, appellant’s briefs in this case have crossed the limit of what is acceptable. Appellant evidences a disdain for the judicial system whose assistance he now invokes. His appeal is so “disrespectful of the judicial process and the participants therein,” *Martin*, 277 P.3d at 859, that his right to appellate review should be forfeited.

¶ 42 While my conclusion is based primarily on the tone and content of appellant’s briefs, I also share the majority’s concern about appellant’s noncompliance with the rules of appellate procedure. In both the published and the nonpublished cases cited by the majority, this appellant was warned that his future noncompliance could result in sanctions, including dismissal; indeed, in the nonpublished case, Judge Hawthorne wrote separately to state his disagreement with the decision to reach the merits of the appeal. Nevertheless, the divisions elected to address appellant’s contentions, either in the interest of judicial economy or because appellant raised issues of public concern. Similarly here, the majority admonishes appellant but then decides not to dismiss the appeal “[d]ue to the importance to the public of the issues raised.”

¶ 43 The admonitions to this appellant from prior divisions have been ignored. They should not be ignored here. Enough is enough.

**SUBJECT: ENTERPRISE DASHBOARDS**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: VARIOUS**

**SUMMARY:**

Attached are Enterprise Dashboards received from the Golf Course and the Recreation Center.

The Utility Dashboards have been updated and can be accessed at:  
<https://public.tableau.com/profile/kurt.kowar#!/>

**2018 REVISED Dashboard**

Background information	Quarterly actual	Quarterly budget	YTD actual	YTD Budget
Playable Days	53	71	276	297
Total Rounds	2,865	3,277	27,267	32,000
<b>Revenue</b>				
Golf club rental	\$ 700.43	\$ 1,000	\$ 6,077	\$ 10,200
Green Fees	\$ 84,182	\$ 127,000	\$ 873,219	\$ 924,000
Golf Cart Fees	\$ 17,654	\$ 25,445	\$ 206,691	\$ 250,000
Golf Club Repair	\$ 619.00	\$ 1,400	\$ 12,086	\$ 8,160
Golf Lessons	\$ 4,295	\$ 3,000	\$ 58,879	\$ 34,000
handicap fees	\$ -	\$ -	\$ 5,580	\$ 4,400
Pro Shop retail sales	\$ 13,555	\$ 16,843	\$ 119,005	\$ 110,000
Pull Cart Rentals	\$ 427.30	\$ 1,003	\$ 3,946	\$ 8,860
Range Fees	\$ 9,449	\$ 16,964	\$ 111,091	\$ 110,000
Annual pass revenue	\$ 75,190	\$ 70,000	\$ 168,419	\$ 155,000
Sweet Spot lease F&B sales		\$ 2,000	\$ 37,988	\$ 26,000
Sweet Spot utilities	\$ 5,732	\$ 5,720	\$ 21,407	\$ 26,000
insurance recovery	\$ 37,667		\$ 113,568	
fourth of july reimbursement			\$ 8,000	
Interest earnings	\$ (979)		\$ 3,869	\$ 4,210
miscellaneous			\$ 300	\$ 5,000
<b>total revenue</b>	<b>\$ 248,491</b>	<b>\$ 270,375</b>	<b>\$ 1,750,125</b>	<b>\$ 1,675,830</b>
<b>total revenue per round</b>	<b>\$ 86.73</b>	<b>\$ 82.51</b>	<b>\$ 64.18</b>	<b>\$ 52.37</b>
revenue per playable day	\$ 4,688.52	\$ 3,808.10	\$ 6,341.03	\$ 5,642.53
<b>Expenditures</b>				
	Quarterly actual	Quarterly budget	YTD Actual	YTD Budget
Course maintenance	244,292	\$ 138,000	868,392	\$ 773,350
Golf Operations	113,239	\$ 89,000	706,165	\$ 575,520
clubhouse	83,263	\$ 20,000	142,516	\$ 94,520
Marketing	28,654	\$ 26,400	114,792	\$ 131,830
<b>Total expenditures</b>	<b>469,448</b>	<b>273,400</b>	<b>1,831,865</b>	<b>1,575,220</b>
<b>Expense per round</b>	<b>\$ 163.86</b>	<b>83.43</b>	<b>67.18</b>	<b>\$ 49.23</b>
<b>Total revenue - total expenditures</b>	<b>(220,957)</b>	<b>\$ (3,025)</b>	<b>(81,740)</b>	<b>\$ 100,610</b>
<b>gross profit (loss) per round</b>	<b>\$ (77)</b>	<b>\$ (0.92)</b>	<b>\$ (3.00)</b>	<b>\$ 3.14</b>
What does it cost to produce a round?			\$ 46.73	
golf course maintenance + golf ops labor/18 hole equivalent			\$405,884	golf ops labor

Significant information

2018 18 fewer playable days over the last quarter. At an average of \$ 4688 per day is an \$ 84,024 decrease in expected revenues  
 2017 After deducting insurance recovery funds reported in 2018 Revenues, the 4th quarter 2017 was \$70,771 higher than 2018

**LOUISVILLE RECREATION / SENIOR CENTER**  
**January to December 2018**

RECREATION & SENIOR CENTER USE AND REVENUE	2018	2017	VARIANCE \$	VARIANCE %	2018 EXPENSE
<b>Total Daily Admissions</b>					
Annual/Monthly Pass Admissions	201,388	212,208	(10,820)	-5%	
Punch Pass Admissions	40,314	45,755	(5,441)	-12%	
Daily Admissions	17,307	19,811	(2,504)	-13%	
<b>Admission Revenue</b>					
Membership Revenue	\$ 537,915	\$ 609,368	\$ (71,453)	-12%	
Punch Pass Revenue	\$ 178,873	\$ 175,376	\$ 3,497	2%	
Daily User Fee Revenue	\$ 57,795	\$ 85,568	\$ (27,773)	-32%	
<b>Total Admission Revenue</b>	<b>\$ 774,583</b>	<b>\$ 870,312</b>	<b>\$ (95,729)</b>	<b>-11%</b>	
<b>Other Revenue</b>					
Childcare	\$ 8,410	\$ 10,940	\$ (2,530)	-23%	
Facility Rentals	\$ 13,475	\$ 20,137	\$ (6,662)	-33%	
Rec Center Concession	\$ 5,865	\$ 9,094	\$ (3,229)	-36%	
Pro Shop Sales	\$ 854	\$ 1,208	\$ (354)	-29%	
Tax	\$ 606	\$ 1,208	\$ (602)	-50%	
Park Rentals	\$ 20,128	\$ 28,274	\$ (8,146)	-29%	
<b>Total Other Revenue</b>	<b>\$ 49,338</b>	<b>\$ 70,861</b>	<b>\$ (21,523)</b>	<b>-30%</b>	
<b>TOTAL ADMISSION AND OTHER REVENUE</b>	<b>\$ 823,921</b>	<b>\$ 941,173</b>	<b>\$ (117,252)</b>	<b>-12%</b>	
<b>RECREATION PROGRAM REVENUE:</b>					
Recreation Center Swim Lessons	\$ 76,745	\$ 85,301	\$ (8,556)	-10%	\$ 453,105.55 General Aquatics
Private Swim Lessons	\$ 13,810	\$ 34,215	\$ (20,405)	-60%	
Aquatics Red Cross	\$ 2,259	\$ 765	\$ 1,494	195%	
Aquatics Contractors	\$ 35,980	\$ 29,230	\$ 6,750	23%	
Memory Square Lessons	\$ 7,025	\$ 565	\$ 6,460	1143%	\$ 175,667.91 General Memory Square
Memory Square Admission	\$ 46,671	\$ 30,370	\$ 16,301	54%	
Swim Teams	\$ 18,777	\$ 20,269	\$ (1,492)	-7%	
<b>Aquatics Total Revenue</b>	<b>\$ 201,267</b>	<b>\$ 200,715</b>	<b>\$ 552</b>	<b>0%</b>	<b>\$628,773 Aquatics Total Expenses</b>
Youth Activities	\$ 206,095	\$ 221,805	\$ (15,710)	-7%	\$ 300,783.44 General Youth Activities
Youth Activities Contractors	\$ 27,889	\$ 37,255	\$ (9,366)	-25%	\$ 77,586.80 Nite At The Rec
Youth Activities Red Cross	\$ 194	\$ -	\$ 194		
Youth Sports	\$ 143,251	\$ 129,714	\$ 13,537	10%	\$ 199,584.32 General Youth Sports
Youth Sports Contractors	\$ 22,510	\$ 19,887	\$ 2,623	13%	
Nites	\$ 22,223	\$ 55,448	\$ (33,225)	-60%	
<b>Youth Services Total Revenue</b>	<b>\$ 422,162</b>	<b>\$ 464,109</b>	<b>\$ (41,947)</b>	<b>-9%</b>	<b>\$577,955 Youth Services Total Expenses</b>
Adult Sports	\$ 30,256	\$ 40,259	\$ (10,003)	-25%	\$ 40,235.32 General Adult Sports
Adult Activities	\$ 85,710	\$ 81,496	\$ 4,214	5%	\$ 185,298.08 General Fitness
Fitness Contractors	\$ 45,497	\$ 41,158	\$ 4,339	11%	
Fitness Red Cross	\$ 278	\$ 351	\$ (73)	-21%	
<b>Adult Services Total Revenue</b>	<b>\$ 161,741</b>	<b>\$ 163,264</b>	<b>\$ (1,523)</b>	<b>-1%</b>	<b>\$225,533 Adult Services Total Expenses</b>
Senior Fees	\$ 76,341	\$ 80,792	\$ (4,451)	-6%	\$ 315,051.37 General Seniors
Senior Grants/Contributions	\$ 6,784	\$ 5,205	\$ 1,579	30%	
Senior Contractors	\$ 11,521	\$ 14,348	\$ (2,827)	-20%	
County Reimbursement	\$ 34,910	\$ 50,788	\$ (15,878)	-31%	
Meal Site	\$ 28,499	\$ 15,185	\$ 13,314	88%	\$ 149,849.27 General Senior Meals
<b>Senior Services Total Revenue</b>	<b>\$ 158,055</b>	<b>\$ 166,318</b>	<b>\$ (8,263)</b>	<b>-5%</b>	<b>\$464,901 Senior Services Total Expenses</b>
<b>TOTAL RECREATION PROGRAM REVENUE</b>	<b>\$ 943,225</b>	<b>\$ 994,406</b>	<b>\$ (51,181)</b>	<b>-5%</b>	<b>\$ 452,417.81 REC CENTER MANAGEMENT</b> <b>\$ 423,766.04 REC CENTER BLDG MAINTENANCE</b> <b>\$ 28,039.07 MEMORY SQUARE BLDG MAINT</b> <b>\$ 178,085.47 ATHLETIC FIELD MAINTENANCE</b>
<b>TOTAL REC &amp; SENIOR CENTER REVENUE</b>	<b>\$ 1,767,146</b>	<b>\$ 1,935,579</b>	<b>\$ (168,433)</b>	<b>-9%</b>	<b>\$2,979,470 TOTAL EXPENSES</b> <b>\$ (1,212,324) TOTAL NET REVENUE (EXPENSE)</b>

**SUBJECT: SALES TAX REPORTS FOR THE MONTH AND QUARTER  
ENDED DECEMBER 31, 2018**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: PENNEY BOLTE, FINANCE DEPARTMENT**

**SUMMARY:**

Attached are the monthly revenue reports for sales tax, lodging tax, auto use tax, consumer use tax, and building use tax for the month ending December 31, 2018. Also included are the monthly and quarterly reports on sales tax revenue by area, by industry, revenue by area graphs for restaurants, and historical sales tax revenue.

It is important when reviewing these reports to remember that the .125% increase in the City's sale/use tax rate for the Recreation and Senior Center, represents an overall increase of 4.3%.

Total revenue through December 2018 for the specific taxes contained on the Revenue History report, increased 9.7% for the year as compared to the same period in 2017.

The month of December 2018 ended with an increase in sales tax revenue of 20.7% from December 2017. YTD sales tax revenue for 2018 ended 5.4% above 2017 but 1.8% below projections. Excluding audit revenue, 2018 sales tax revenue trended 9.8% above 2017, with 4.3% of the increase attributable to the 0.125% rate increase.

It is notable that 70% of the City's sales tax is generated inside the City and 30% is from outside the City. The 2018 sales tax revenue generated by businesses located outside the City increased 21.6% (17.3% net of rate increase) from 2017, while sales tax revenue generated by in-City businesses increased 5.29% (1% net of rate increase) from 2017.

Lodging tax revenue for December 2018 decreased 38.8% from December 2017, and YTD revenue ended down 8.6% as compared to 2017. Lodging tax revenue finished 2.7% below projections for the year.

Auto use tax revenue for December 2018 increased 23.6% from December 2017. YTD auto use tax revenue increased 35.5% from 2017 and finished the year 8.2% above projections.

Building use tax revenue for December 2018 decreased 73.7% from December 2017, however, the year ended with revenue 26.7% above 2017 revenue, and 11.1% above projections.

Consumer use tax revenue for the month of December 2018 increased 57.9% from December 2017 and finished the year 12.9% above 2017. Consumer use tax exceeded projections by 8.3%. Excluding audit revenue, consumer use tax finished the year 5.1% above 2017.

The monthly and quarterly sales tax revenue by area reports represent the YTD retail health of various quadrants of the City. These reports include all vendors remitting tax to the City.

The Monthly Revenue by Area report for December 2018 indicates gains in most areas. There were one-time sales for both the CTC and Centennial Valley areas, which recognized gains in December, and increases for Downtown, Pine Street, and McCaslin North. The most noticeable increase for the month was in the Outside City area. The Interchange, Louisville Plaza, Highway 42 South finished the month relatively flat while Highway 42 North, South Suburban, and Residential areas ended down slightly. The most noticeable decline for December was the South Boulder Road area.

The Quarterly Revenue by Area sales tax report through 4th quarter 2018 is a one-page snapshot for major areas in the City. The original sectors are combined into Western, Eastern, Northern, Central and Outside City areas.

All major sectors of the City recognized gains through 4th quarter 2018 except for CTC which routinely varies due to isolated sales.

Much of the increase reflected in Outside City sales tax revenue is attributed to construction and roofing materials, technology and equipment purchases, and voluntary remittance by online retailers. The increase in Downtown sales tax revenue is partially due to new businesses coming online throughout 2018.

The monthly and quarterly sales tax revenue by industry reports represent the retail health of individual industry sectors of the City. These reports include all vendors remitting tax to the City.

The Monthly Revenue by Industry report for the month of December 2018 indicates gains for most industry sectors. There were small declines for Automotive, Furniture, Grocery and General Merchandise. The largest gains for the month of December were in Building Materials, Wholesale, Finance & Leasing, Communications & Utilities, and Other Retail.

As with the Quarterly Revenue by Area report, the Quarterly Revenue by Industry sales tax report through 4th quarter 2018 represents industry sectors that have been grouped together and are color-coded.

**SUBJECT: SALES TAX REPORTS FOR THE MONTH ENDED DECEMBER 31, 2018**

**DATE: FEBRUARY 18, 2019**

**PAGE 3 OF 3**

All major industry sectors ended up for 4th quarter 2018 except Communications/Utilities which declined slightly.

The Building Materials sector led in the 4<sup>th</sup> quarter with an increase of over 20%, followed by General Merchandise, Food/Beverage, Other Retail, and Services. The increase in sales tax for building materials is directly related to the City's storm damage, while the increase for Food/Beverage reflects new or expanded restaurant growth. Other Retail and General Merchandise sectors continue to increase with online and out-of-City retailers voluntarily collecting and remitting City sales tax.

The Restaurant Revenue graphs indicate sales tax revenue for Eating and Drinking establishments remains strong overall. Louisville Plaza and McCaslin areas remain flat, though both areas ended above 2017.

The Historical quarterly report excludes audit revenue and provides 4th quarter comparisons from 2011 to present.

For informational purposes, included is an annual report representing how the Top 50 vendors finished for 2018, a summary of the 2018 audit revenue by tax type, and a count of tax payments submitted through the Point & Pay online portal, which was approved by the Finance Committee and implemented September 1, 2018.

**CITY OF LOUISVILLE**

**Revenue History  
2014 through 2018**

YEAR	MONTH	SALES TAX	CONS. USE TAX	BLDG USE TAX	AUTO USE TAX	LODGING TAX	AUDIT REVENUE	TOTAL
2018	JANUARY	1,141,972	128,132	293,454	114,134	29,376	13,506	1,720,575
	FEBRUARY	984,046	102,847	264,342	135,811	26,701	22,330	1,536,077
	MARCH	1,254,090	142,326	80,344	151,611	29,394	63,215	1,720,980
	APRIL	1,131,949	124,051	131,283	134,771	32,459	6,816	1,561,328
	MAY	1,284,619	86,666	86,100	124,497	44,481	(24,431)	1,601,930
	JUNE	1,458,894	144,902	106,167	100,297	57,035	30,865	1,898,161
	JULY	1,247,212	74,536	202,707	189,545	58,802	18,943	1,791,745
	AUGUST	1,198,848	98,692	356,991	271,704	58,980	196,689	2,181,902
	SEPTEMBER	1,425,270	145,883	295,455	233,665	45,157	125,089	2,270,519
	OCTOBER	1,187,020	103,396	294,551	240,914	39,845	10,093	1,875,820
	NOVEMBER	1,113,867	98,406	128,352	173,601	31,504	24,264	1,569,994
	DECEMBER	1,889,403	194,260	71,376	146,093	18,792	82,181	2,402,104
	YTD TOTALS		15,317,190	1,444,095	2,311,122	2,016,642	472,526	569,560
YTD Variance % to Prior Year		9.8%	5.1%	26.7%	35.5%	-8.6%	-43.8%	9.7%
2017	JANUARY	1,052,366	120,516	275,878	144,997	27,069	27,040	1,647,866
	FEBRUARY	864,842	92,210	103,187	110,561	24,240	8,935	1,203,976
	MARCH	1,182,825	127,911	300,687	123,024	33,056	48,822	1,816,325
	APRIL	1,044,230	108,870	95,596	92,463	34,743	97,793	1,473,695
	MAY	1,183,115	88,324	76,348	137,918	49,217	20,318	1,555,239
	JUNE	1,336,406	188,150	151,145	96,187	61,489	600,842	2,434,220
	JULY	1,137,813	82,143	94,455	123,752	61,409	25,805	1,525,376
	AUGUST	1,119,641	78,263	126,830	145,656	67,270	16,805	1,554,465
	SEPTEMBER	1,209,258	172,598	125,682	140,721	51,452	60,646	1,760,358
	OCTOBER	1,154,708	74,279	164,724	122,230	49,334	11,343	1,576,618
	NOVEMBER	1,112,434	87,717	37,893	132,970	26,870	45,130	1,443,015
	DECEMBER	1,554,048	153,334	271,190	118,218	30,714	50,309	2,177,813
	YTD TOTALS		13,951,686	1,374,317	1,823,614	1,488,699	516,863	1,013,786
YTD Variance % to Prior Year		8.7%	-16.0%	-8.9%	9.7%	3.3%	135.0%	7.5%
2016	JANUARY	886,723	222,163	174,842	100,855	25,767	8,203	1,418,554
	FEBRUARY	920,875	109,063	76,430	97,034	28,321	23,180	1,254,904
	MARCH	1,054,128	112,590	159,627	121,325	32,422	21,364	1,501,456
	APRIL	949,906	131,439	62,683	109,192	35,442	122,599	1,411,260
	MAY	1,032,963	93,047	235,856	90,115	48,597	24,809	1,525,386
	JUNE	1,216,853	145,283	510,772	109,738	56,221	8,832	2,047,699
	JULY	1,136,035	65,541	161,699	140,522	61,691	233	1,565,722
	AUGUST	1,050,800	124,102	155,447	112,981	60,005	3,013	1,506,350
	SEPTEMBER	1,153,466	101,636	64,269	115,244	49,801	12,266	1,496,681
	OCTOBER	1,003,857	244,682	305,287	124,471	46,278	3,267	1,727,843
	NOVEMBER	1,005,580	94,546	49,929	95,372	33,551	85,313	1,364,290
	DECEMBER	1,420,942	192,820	44,792	140,458	22,127	118,246	1,939,385
	YTD TOTALS		12,832,129	1,636,914	2,001,634	1,357,306	500,223	431,325
YTD Variance % to Prior Year		7.2%	28.6%	26.3%	-1.1%	7.2%	-6.4%	9.5%
2015	JANUARY	930,279	85,960	65,576	106,340	24,681	10,554	1,223,389
	FEBRUARY	751,446	89,441	35,569	113,225	23,429	64,859	1,077,969
	MARCH	966,850	124,548	136,921	111,521	30,900	52,296	1,423,036
	APRIL	926,082	94,037	93,561	89,588	34,080	72,649	1,309,996
	MAY	931,057	89,679	157,466	93,186	47,601	36,203	1,355,193
	JUNE	1,116,715	136,236	42,484	99,549	51,846	6,755	1,453,585
	JULY	1,026,333	68,703	472,951	107,445	57,071	29,908	1,762,410
	AUGUST	983,178	95,308	214,635	131,001	55,216	61,248	1,540,586
	SEPTEMBER	1,097,796	122,579	98,891	123,913	45,015	42,235	1,530,430
	OCTOBER	948,794	101,783	149,737	123,187	45,615	56,024	1,425,141
	NOVEMBER	933,235	119,106	72,504	131,168	28,694	19,884	1,304,591
	DECEMBER	1,360,790	145,597	45,098	142,083	22,498	8,276	1,724,342
	YTD TOTALS		11,972,557	1,272,978	1,585,392	1,372,205	466,646	460,891
YTD Variance % to Prior Year		7.0%	18.7%	30.0%	11.0%	9.2%	-44.0%	7.3%
2014	JANUARY	798,792	56,727	40,650	141,060	22,487	137,276	1,196,991
	FEBRUARY	708,164	72,199	196,461	83,341	22,789	18,193	1,101,147
	MARCH	891,756	88,634	99,076	98,457	27,659	145,636	1,351,217
	APRIL	990,489	88,362	93,637	117,881	29,651	42,908	1,362,927
	MAY	928,421	59,387	270,829	85,769	41,240	2,776	1,388,422
	JUNE	1,013,900	111,632	102,883	88,813	47,149	29,230	1,393,608
	JULY	866,647	114,724	70,466	79,622	54,076	15,679	1,201,213
	AUGUST	983,356	87,629	46,088	105,531	51,658	156,497	1,430,760
	SEPTEMBER	974,352	99,986	58,752	116,646	41,146	7,841	1,298,723
	OCTOBER	876,022	79,004	57,992	109,404	40,328	51,399	1,214,149
	NOVEMBER	867,460	66,255	157,394	85,387	27,146	212,991	1,416,633
	DECEMBER	1,294,297	147,830	24,949	123,793	21,905	3,019	1,615,792
	YTD TOTALS		11,193,655	1,072,369	1,219,177	1,235,702	427,234	823,445
YTD Variance % to Prior Year		7.5%	13.3%	1.6%	8.9%	12.4%	-5.7%	

**City of Louisville, Colorado  
Total Sales Tax Revenue  
2014 -2018**

Month Of Sale	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projection	2018 Actual	Mnthly % Of 2017	Y-T-D % Of 2017	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	800,685	938,911	890,050	1,054,675	1,166,160	1,150,144	109.1%	109.1%	98.6%	98.6%
Feb	708,418	808,454	922,502	866,877	1,049,839	999,636	115.3%	111.9%	95.2%	97.0%
Mar	985,745	979,639	1,055,715	1,189,196	1,306,336	1,259,719	105.9%	109.6%	96.4%	96.8%
Apr	993,747	968,100	964,682	1,045,769	1,235,215	1,132,162	108.3%	109.3%	91.7%	95.5%
May	929,994	944,922	1,043,401	1,192,302	1,308,397	1,287,256	108.0%	109.0%	98.4%	96.1%
Jun	1,015,778	1,120,140	1,218,023	1,859,310	1,496,394	1,467,403	78.9%	109.2%	98.1%	96.5%
Jul	871,158	1,038,928	1,136,243	1,149,068	1,300,244	1,252,821	109.0%	102.3%	96.4%	96.5%
Aug	1,096,941	993,159	1,053,719	1,134,443	1,272,272	1,202,431	106.0%	102.7%	94.5%	96.2%
Sep	980,918	1,103,330	1,154,610	1,256,653	1,377,231	1,432,059	114.0%	104.1%	104.0%	97.1%
Oct	907,968	954,697	1,003,914	1,160,202	1,244,861	1,187,678	102.4%	103.9%	95.4%	97.0%
Nov	869,528	935,693	1,011,439	1,124,996	1,241,130	1,132,530	100.7%	103.6%	91.2%	96.5%
Dec	1,294,795	1,364,240	1,422,983	1,571,740	1,689,631	1,896,863	120.7%	105.4%	112.3%	98.2%
<b>Totals</b>	<b>11,455,676</b>	<b>12,150,213</b>	<b>12,877,281</b>	<b>14,605,231</b>	<b>15,687,710</b>	<b>15,400,702</b>				
<b>% Of Change</b>	<b>8.6%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>13.4%</b>	<b>7.4%</b>	<b>-1.8%</b>				

**City of Louisville, Colorado  
Lodging Tax Revenue  
2014 -2018**

Month Of Sale	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projection	2018 Actual	Mnthly % Of 2017	Y-T-D % Of 2017	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	22,487	24,681	25,767	27,069	27,813	29,376	108.5%	108.5%	105.6%	105.6%
Feb	22,789	23,429	28,321	24,240	27,385	26,701	110.2%	109.3%	97.5%	101.6%
Mar	27,659	33,963	32,422	33,056	31,767	29,394	88.9%	101.3%	92.5%	98.3%
Apr	29,651	34,080	35,442	34,743	33,472	32,459	93.4%	99.0%	97.0%	97.9%
May	41,240	47,601	48,597	49,217	48,612	44,481	90.4%	96.5%	91.5%	96.1%
Jun	47,149	51,846	56,221	61,489	53,141	57,035	92.8%	95.5%	107.3%	98.8%
Jul	54,917	57,071	61,691	61,409	57,406	58,802	95.8%	95.5%	102.4%	99.5%
Aug	51,658	55,216	60,005	67,270	57,323	58,980	87.7%	94.1%	102.9%	100.1%
Sep	41,146	45,015	49,801	51,452	45,991	45,157	87.8%	93.3%	98.2%	99.9%
Oct	40,328	45,615	46,278	49,334	46,303	39,845	80.8%	91.9%	86.1%	98.4%
Nov	27,146	28,694	33,551	26,870	31,136	31,504	117.2%	93.3%	101.2%	98.6%
Dec	21,905	22,498	22,127	30,714	25,502	18,792	61.2%	91.4%	73.7%	97.3%
<b>Totals</b>	<b>428,075</b>	<b>469,709</b>	<b>500,223</b>	<b>516,863</b>	<b>485,850</b>	<b>472,526</b>				
<b>% Of Change</b>	<b>12.6%</b>	<b>9.7%</b>	<b>6.5%</b>	<b>3.3%</b>	<b>-6.0%</b>	<b>-2.7%</b>				

**City of Louisville, Colorado  
Auto Use Tax Revenue  
2014 -2018**

Month Of Sale	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projection	2018 Actual	Mnthly % Of 2017	Y-T-D % Of 2017	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	141,060	106,340	100,855	144,997	155,138	114,134	78.7%	78.7%	73.6%	73.6%
Feb	83,341	113,225	97,034	110,561	143,910	135,811	122.8%	97.8%	94.4%	83.6%
Mar	98,457	111,521	121,325	123,024	158,760	151,611	123.2%	106.1%	95.5%	87.7%
Apr	117,881	89,588	109,192	92,463	141,024	134,771	145.8%	113.9%	95.6%	89.6%
May	85,769	93,186	90,115	137,918	141,092	124,497	90.3%	108.5%	88.2%	89.3%
Jun	88,813	99,549	109,738	96,187	146,612	100,297	104.3%	107.9%	68.4%	85.9%
Jul	79,622	107,445	140,522	123,752	153,572	189,545	153.2%	114.7%	123.4%	91.4%
Aug	105,531	131,001	112,981	145,656	170,949	271,704	186.5%	125.4%	158.9%	100.9%
Sep	116,646	123,913	115,244	140,721	174,172	233,665	166.0%	130.6%	134.2%	105.1%
Oct	109,404	123,187	124,471	122,230	175,305	240,914	197.1%	137.1%	137.4%	108.7%
Nov	85,387	131,168	95,372	132,970	144,780	173,601	130.6%	136.5%	119.9%	109.7%
Dec	123,793	142,083	140,458	118,218	157,675	146,093	123.6%	135.5%	92.7%	108.2%
<b>Totals</b>	<b>1,235,702</b>	<b>1,372,205</b>	<b>1,357,306</b>	<b>1,488,699</b>	<b>1,862,990</b>	<b>2,016,642</b>				
<b>% Of Change</b>	<b>8.9%</b>	<b>11.0%</b>	<b>-1.1%</b>	<b>9.7%</b>	<b>25.1%</b>	<b>8.2%</b>				

Actual G/L amounts may vary

**City of Louisville, Colorado  
Building Use Tax Revenue  
2014 -2018**

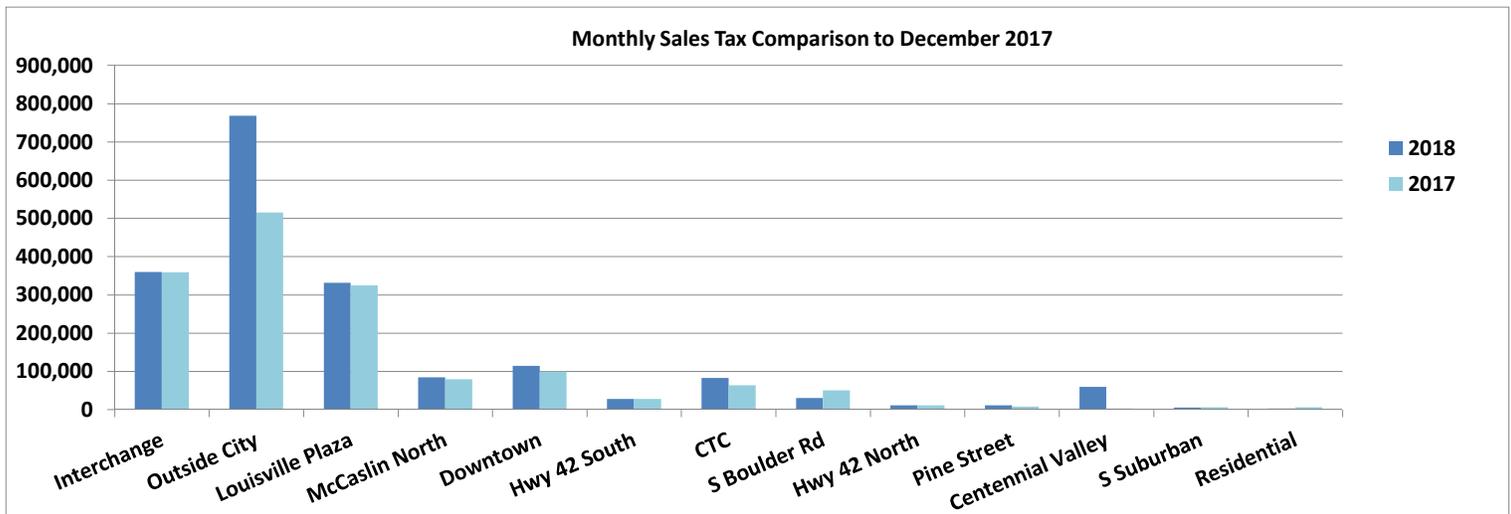
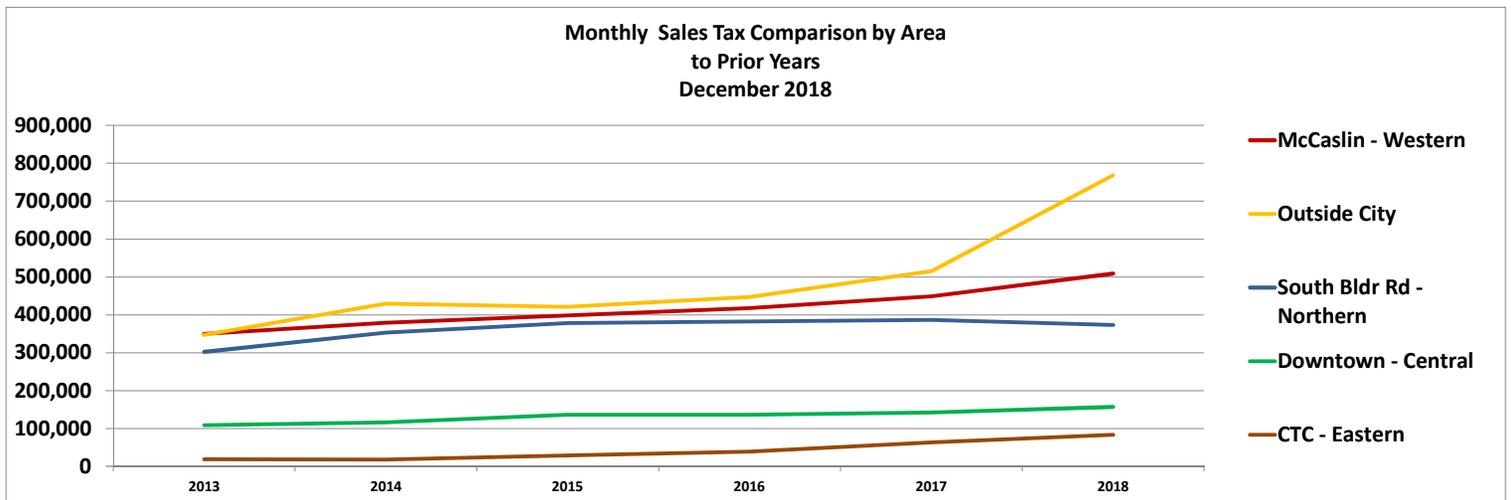
Month Of Sale	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projection	2018 Actual	Mnthly % Of 2017	Y-T-D % Of 2017	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	40,650	65,576	174,842	275,878	172,145	293,454	106.4%	106.4%	170.5%	170.5%
Feb	196,461	35,569	76,430	103,187	124,680	264,342	256.2%	147.2%	212.0%	187.9%
Mar	99,076	136,921	159,627	300,687	219,893	80,344	26.7%	93.9%	36.5%	123.5%
Apr	93,637	93,561	62,683	95,596	136,010	131,263	137.3%	99.2%	96.5%	117.9%
May	270,829	157,466	235,856	76,348	225,094	86,100	112.8%	100.4%	38.3%	97.5%
Jun	102,883	42,484	510,772	151,145	228,453	106,167	70.2%	95.9%	46.5%	86.9%
Jul	70,466	472,951	161,699	94,455	213,081	202,707	214.6%	106.1%	95.1%	88.3%
Aug	46,088	214,635	155,447	126,830	185,434	356,991	281.5%	124.3%	192.5%	101.1%
Sep	58,752	98,891	64,269	125,682	122,397	295,455	235.1%	134.6%	241.4%	111.7%
Oct	57,992	149,737	305,287	164,724	206,221	294,551	178.8%	139.4%	142.8%	115.2%
Nov	157,394	72,504	49,929	37,893	113,609	128,352	338.7%	144.3%	113.0%	115.0%
Dec	24,949	45,098	44,792	271,190	133,764	71,376	26.3%	126.7%	53.4%	111.1%
<b>Totals</b>	<b>1,219,177</b>	<b>1,585,392</b>	<b>2,001,634</b>	<b>1,823,614</b>	<b>2,080,780</b>	<b>2,311,102</b>				
<b>% Of Change</b>	<b>1.6%</b>	<b>30.0%</b>	<b>26.3%</b>	<b>-8.9%</b>	<b>14.1%</b>	<b>11.1%</b>				

**City of Louisville, Colorado  
Consumer Use Tax Revenue  
2014 -2018**

Month Of Sale	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projection	2018 Actual	Mnthly % Of 2017	Y-T-D % Of 2017	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	140,825	86,310	226,633	140,390	120,810	132,262	94.2%	94.2%	109.5%	109.5%
Feb	73,497	92,813	126,682	97,871	93,620	106,800	109.1%	100.3%	114.1%	111.5%
Mar	111,992	146,179	129,773	153,044	134,348	173,536	113.4%	105.4%	129.2%	118.3%
Apr	122,627	94,037	177,473	204,559	130,130	127,868	62.5%	90.7%	98.3%	112.9%
May	60,387	101,700	103,736	96,617	110,936	100,007	103.5%	92.5%	90.1%	108.6%
Jun	127,410	139,860	152,470	252,267	166,451	166,583	66.0%	85.4%	100.1%	106.7%
Jul	122,959	83,003	65,541	93,569	88,518	87,178	93.2%	86.1%	98.5%	105.8%
Aug	129,430	135,998	124,102	82,678	124,655	257,159	311.0%	102.7%	206.3%	118.8%
Sep	99,986	151,963	110,699	184,530	139,561	250,108	135.5%	107.4%	179.2%	126.4%
Oct	88,790	140,631	247,533	78,777	153,594	111,410	141.4%	109.3%	72.5%	119.8%
Nov	240,584	133,558	155,633	114,528	163,453	102,920	89.9%	107.8%	63.0%	113.3%
Dec	149,849	149,597	227,012	169,722	314,024	268,009	157.9%	112.9%	85.3%	108.3%
<b>Totals</b>	<b>1,468,338</b>	<b>1,455,649</b>	<b>1,847,288</b>	<b>1,668,551</b>	<b>1,740,100</b>	<b>1,883,839</b>				
<b>% Of Change</b>	<b>-4.0%</b>	<b>-0.9%</b>	<b>26.9%</b>	<b>-9.7%</b>	<b>4.3%</b>	<b>8.3%</b>				

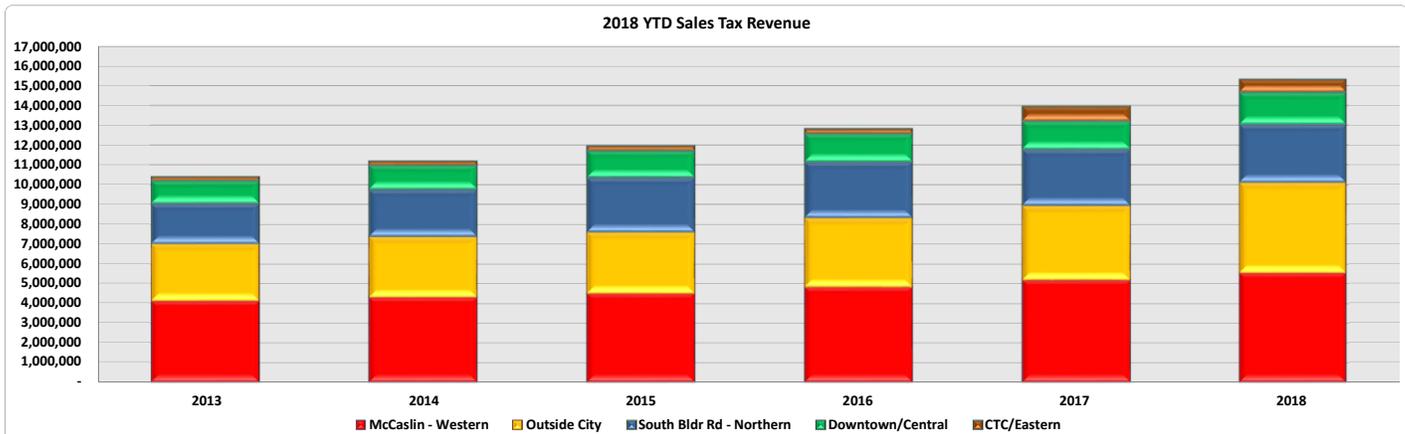
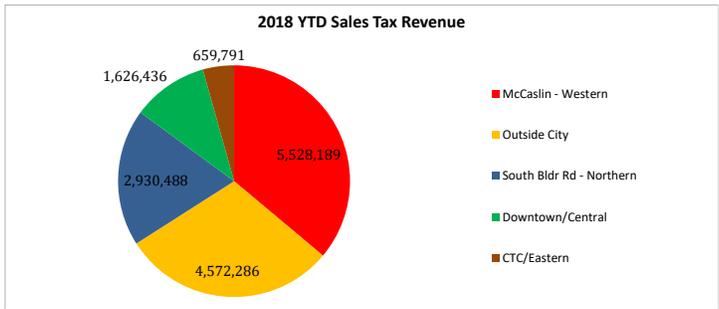
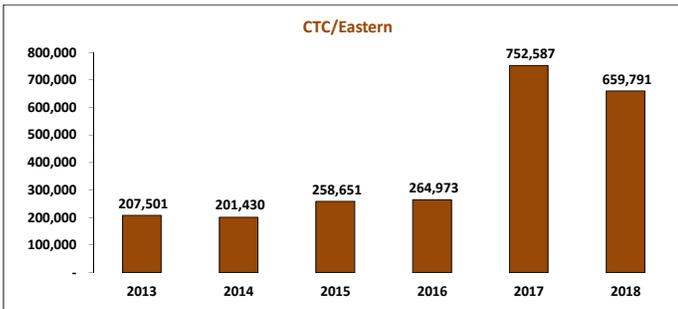
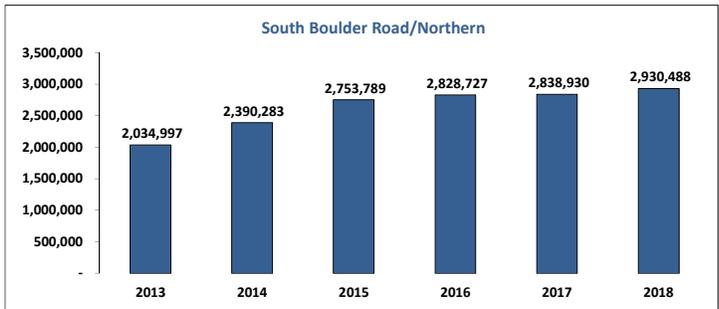
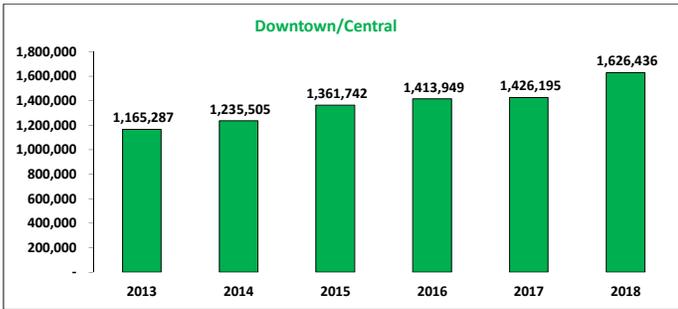
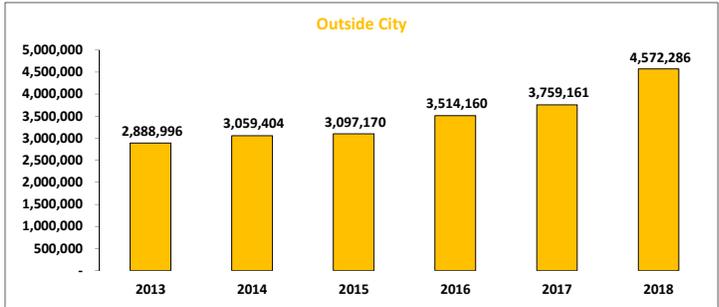
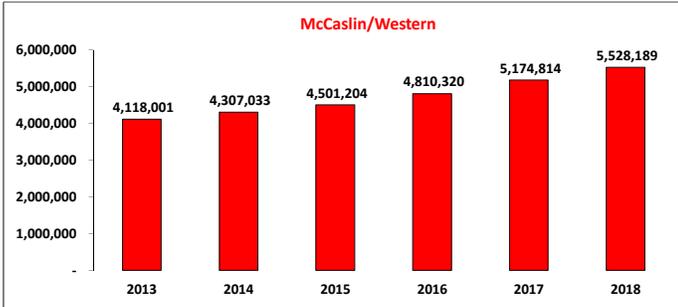
## Monthly Sales Tax Revenue Comparisons by Area (December 2018)

AREA NAME	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	% Of Total	% Change
Interchange	277,836	296,167	313,348	332,009	358,834	359,462	19.0%	0.2%
Outside City	346,846	428,723	420,479	447,044	514,983	768,240	40.7%	49.2%
Louisville Plaza	276,747	300,386	320,534	316,023	324,742	331,237	17.5%	2.0%
McCasin North	66,057	69,135	72,622	71,083	79,445	84,214	4.5%	6.0%
Downtown	72,112	77,540	95,214	96,503	99,407	114,694	6.1%	15.4%
Hwy 42 South	21,755	21,882	26,534	26,677	27,940	28,197	1.5%	0.9%
CTC	18,369	17,929	28,516	38,797	63,175	83,000	4.4%	31.4%
S Boulder Rd	16,538	43,334	47,812	55,452	50,289	30,638	1.6%	-39.1%
Hwy 42 North	8,804	9,096	9,239	10,244	11,331	10,964	0.6%	-3.2%
Pine Street	7,641	8,384	7,995	9,461	7,823	10,798	0.6%	38.0%
Centennial Valley	2,548	11,077	6,947	7,860	3,118	59,286	3.1%	1801.4%
S Suburban	3,163	2,702	5,447	6,248	6,584	5,732	0.3%	-12.9%
Residential	7,002	7,942	6,103	3,542	6,378	2,939	0.2%	-53.9%
<b>Total Revenue</b>	<b>1,125,418</b>	<b>1,294,297</b>	<b>1,360,790</b>	<b>1,420,942</b>	<b>1,554,048</b>	<b>1,889,403</b>		
<b>% Of Change</b>	<b>3.1%</b>	<b>15.0%</b>	<b>5.1%</b>	<b>4.4%</b>	<b>9.4%</b>	<b>21.6%</b>		



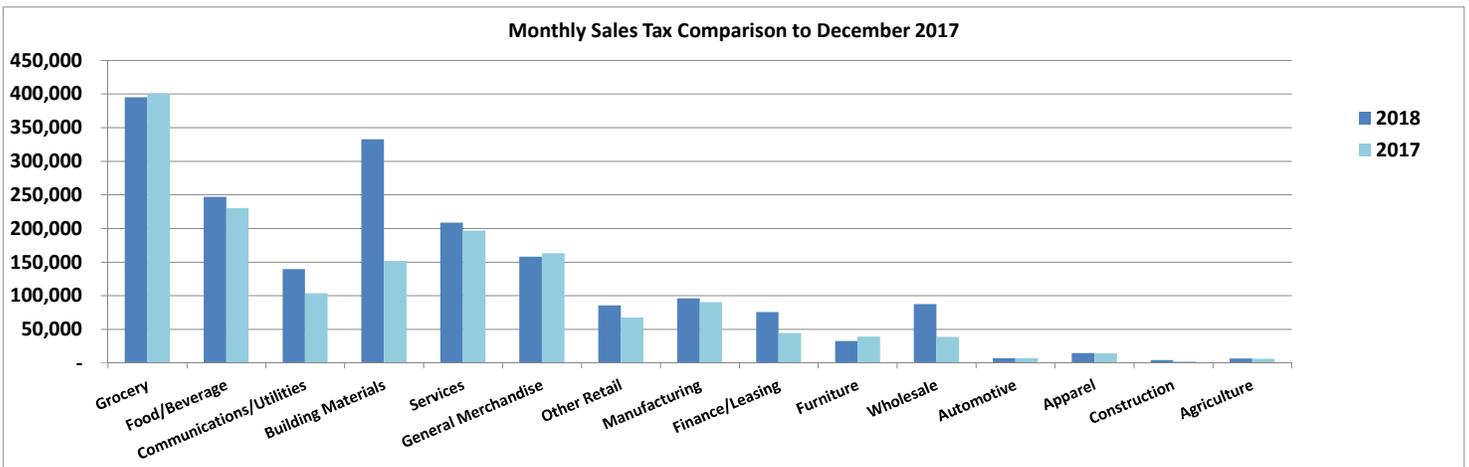
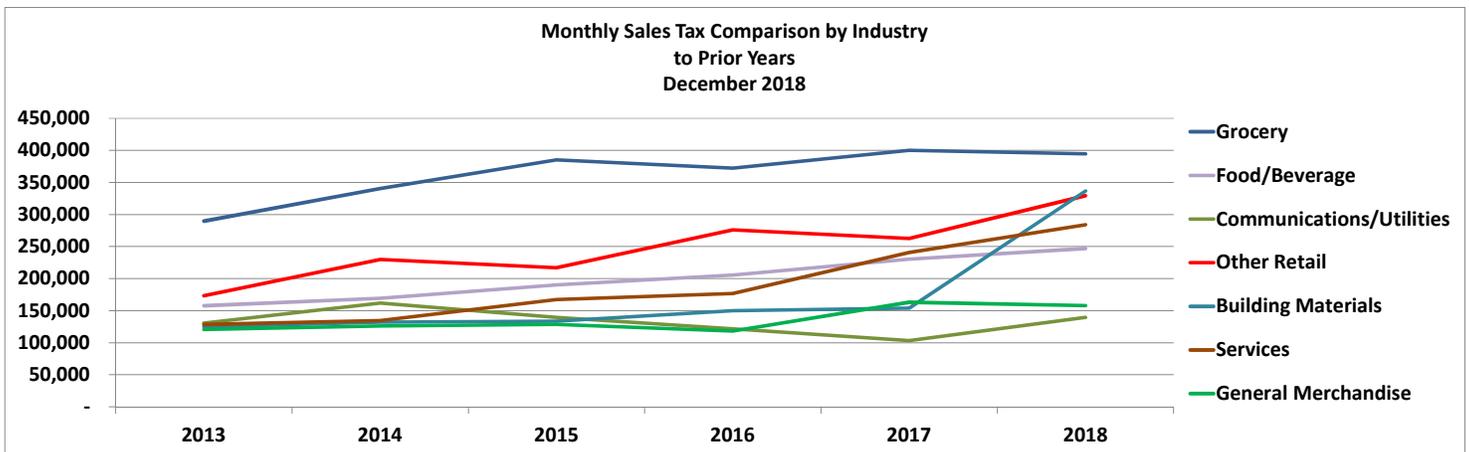
**CITY OF LOUISVILLE**  
**Sales Tax Revenue History by Area (Jan. - Dec. 2018)**

	2013	% Var	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var	% of Total
<b>McCaslin - Western</b>	4,118,001	3.37%	4,307,033	4.59%	4,501,204	4.51%	4,810,320	6.87%	5,174,814	7.58%	5,528,189	6.83%	36.1%
<b>Outside City</b>	2,888,996	12.86%	3,059,404	5.90%	3,097,170	1.23%	3,514,160	14.86%	3,759,161	6.97%	4,572,286	21.63%	29.9%
<b>South Blvd Rd - Northern</b>	2,034,997	13.23%	2,390,283	17.46%	2,753,789	15.21%	2,828,727	18.34%	2,838,930	0.36%	2,930,488	3.23%	19.1%
<b>Downtown/Central</b>	1,165,287	11.48%	1,235,505	6.03%	1,361,742	10.22%	1,413,949	14.44%	1,426,195	0.87%	1,626,436	14.04%	10.6%
<b>CTC/Eastern</b>	207,501	-43.09%	201,430	-2.93%	258,651	28.41%	264,973	31.55%	752,587	184.02%	659,791	-12.33%	4.3%
	10,414,782	6.8%	11,193,655	7.5%	11,972,557	7.0%	12,832,129	7.2%	13,951,686	8.7%	15,317,190	9.8%	



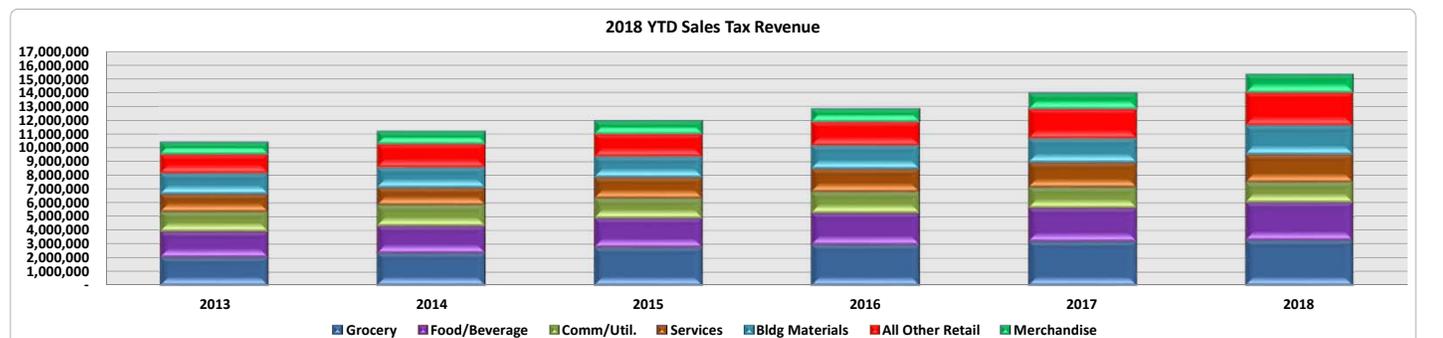
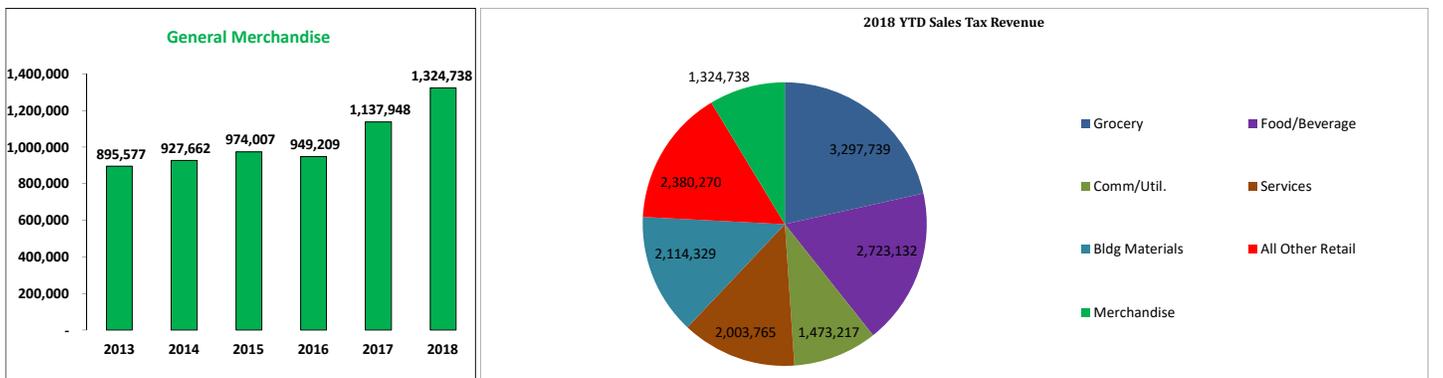
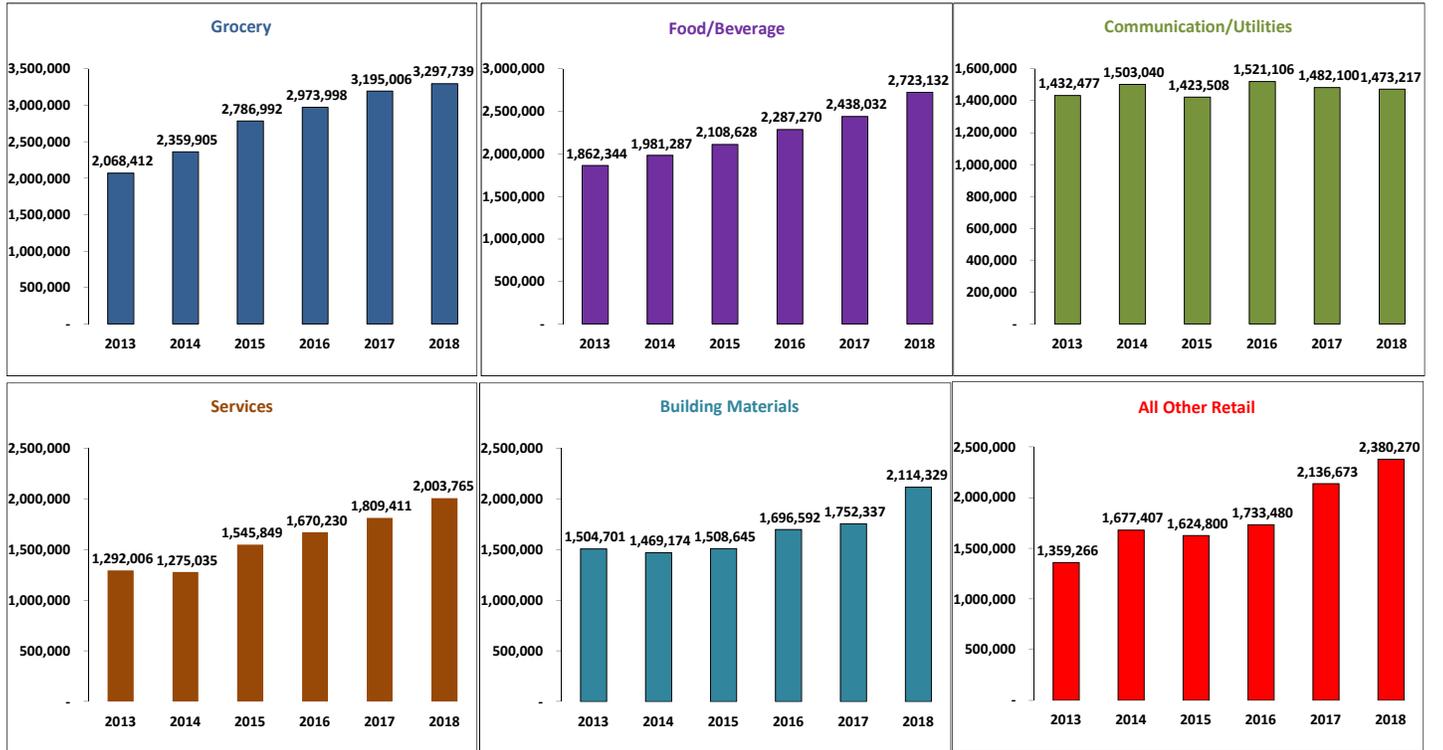
## Monthly Sales Tax Revenue Comparisons by Industry (December 2018)

AREA NAME	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	% Of Total	% Change
Grocery	289,601	340,801	385,388	372,500	400,050	394,932	20.9%	-1.3%
Food/Beverage	157,703	169,540	189,970	205,752	230,162	247,024	13.1%	7.3%
Communications/Utilities	130,857	161,779	139,626	121,438	103,345	139,455	7.4%	34.9%
Building Materials	116,344	110,257	122,681	127,786	151,886	332,656	17.6%	119.0%
Services	91,276	95,626	126,522	129,842	196,708	208,667	11.0%	6.1%
General Merchandise	120,844	125,951	128,453	118,238	163,099	157,891	8.4%	-3.2%
Other Retail	63,855	103,222	71,137	104,593	67,325	85,585	4.5%	27.1%
Manufacturing	35,481	42,599	39,004	75,655	90,251	96,020	5.1%	6.4%
Finance/Leasing	37,033	38,747	40,634	46,999	44,222	75,451	4.0%	70.6%
Furniture	24,292	32,841	48,364	43,924	39,064	32,456	1.7%	-16.9%
Wholesale	31,733	27,052	37,187	27,750	38,740	87,417	4.6%	125.7%
Automotive	2,154	6,815	4,421	4,583	7,035	6,958	0.4%	-1.1%
Apparel	10,168	12,096	11,640	14,254	14,022	14,465	0.8%	3.2%
Construction	8,470	21,643	10,761	22,229	2,027	3,923	0.2%	93.5%
Agriculture	5,608	5,316	5,002	5,343	6,111	6,503	0.3%	6.4%
<b>Totals</b>	<b>1,125,418</b>	<b>1,294,283</b>	<b>1,360,790</b>	<b>1,420,884</b>	<b>1,554,048</b>	<b>1,889,403</b>		
<b>% Of Change</b>	<b>3.1%</b>	<b>15.0%</b>	<b>5.1%</b>	<b>4.4%</b>	<b>9.4%</b>	<b>21.6%</b>		

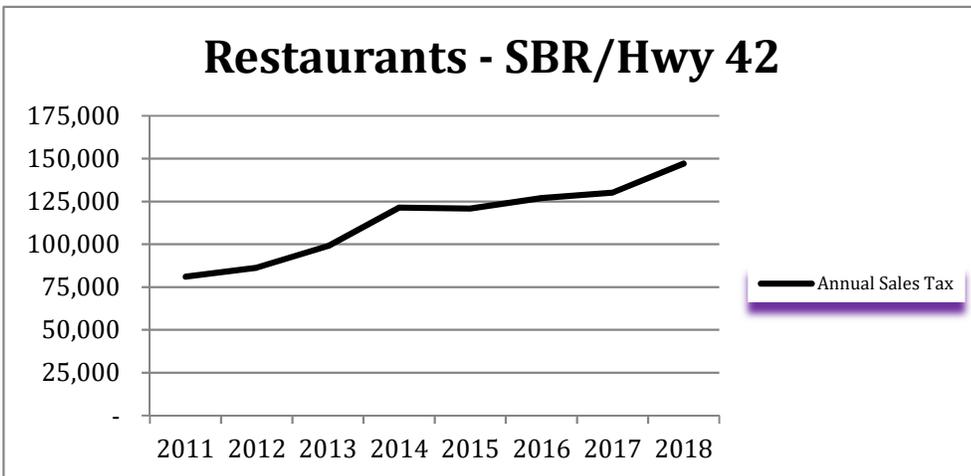
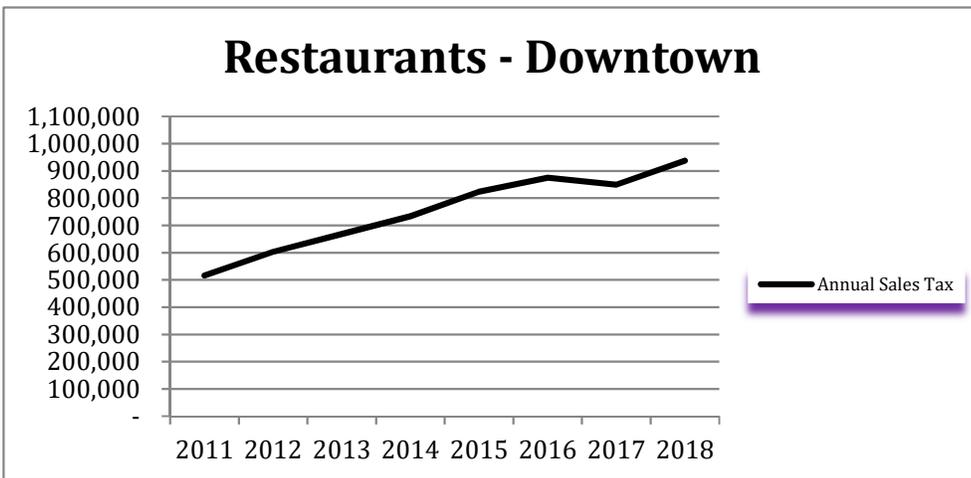
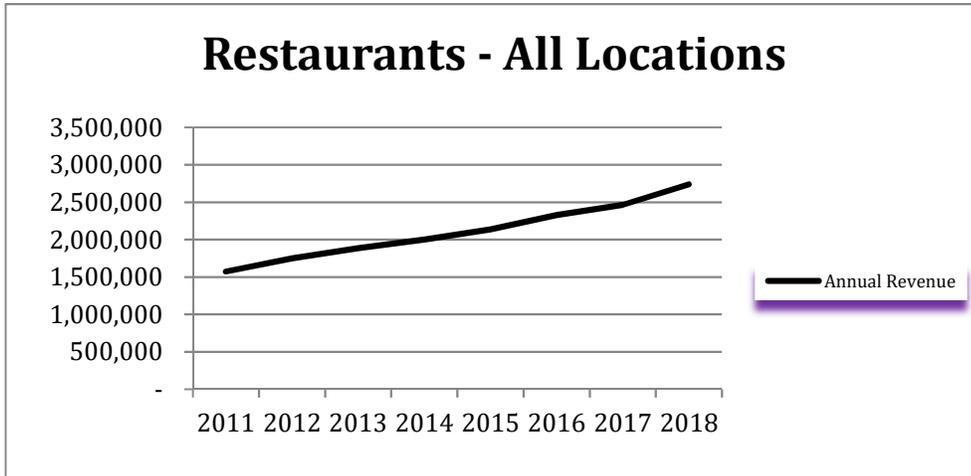


**CITY OF LOUISVILLE**  
**Revenue History by Industry (Jan. - Dec. 2018)**

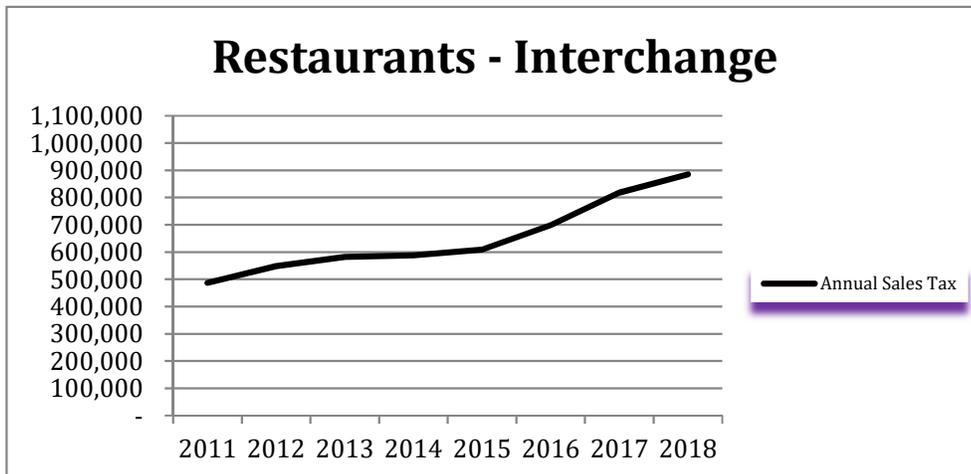
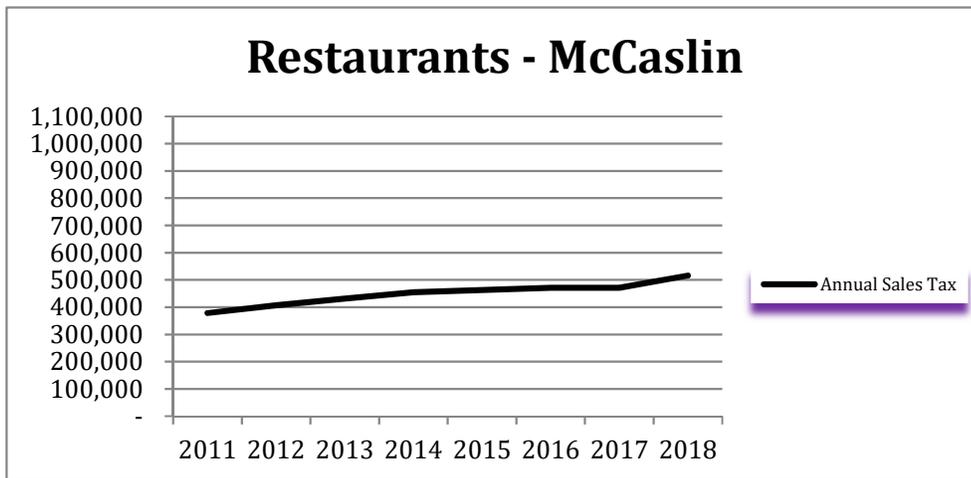
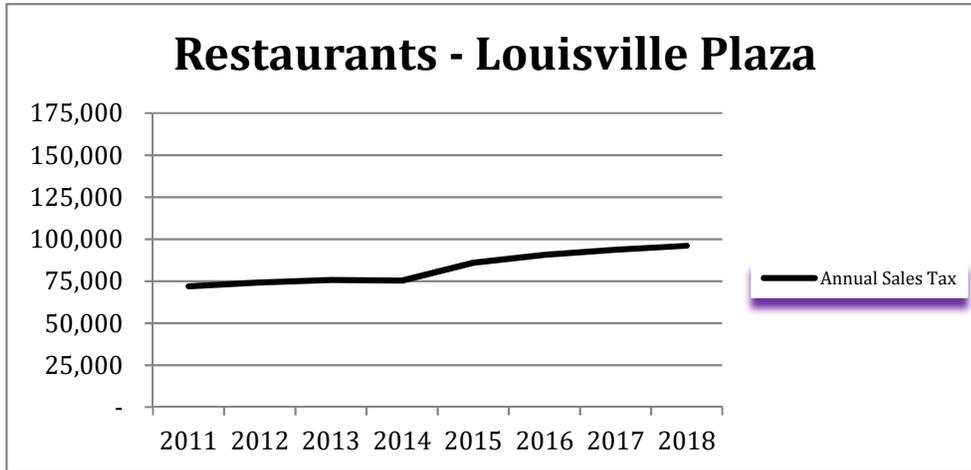
	2013	% Var	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var	% of Total
Grocery	2,068,412	12.5%	2,359,905	14.1%	2,786,992	18.1%	2,973,998	6.7%	3,195,006	7.4%	3,297,739	3.2%	21.5%
Food/Beverage	1,862,344	8.9%	1,981,287	6.4%	2,108,628	6.4%	2,287,270	8.5%	2,438,032	6.6%	2,723,132	11.7%	17.8%
Comm/Util.	1,432,477	3.0%	1,503,040	4.9%	1,423,508	-5.3%	1,521,106	6.9%	1,482,100	-2.6%	1,473,217	-0.6%	9.6%
Services	1,292,006	10.0%	1,275,035	-1.3%	1,545,849	21.2%	1,670,230	8.0%	1,809,411	8.3%	2,003,765	10.7%	13.1%
Bldg Materials	1,504,701	15.0%	1,469,174	-2.4%	1,508,645	2.7%	1,696,592	12.5%	1,752,337	3.3%	2,114,329	20.7%	13.8%
All Other Retail	1,359,266	-9.1%	1,677,407	23.4%	1,624,800	-3.1%	1,733,480	6.7%	2,136,673	23.3%	2,380,270	11.4%	15.5%
Merchandise	895,577	7.3%	927,662	3.6%	974,007	5.0%	949,209	-2.5%	1,137,948	19.9%	1,324,738	16.4%	8.6%
	10,414,782	6.8%	11,193,511	7.5%	11,972,429	7.0%	12,831,886	7.2%	13,951,506	8.7%	15,317,190	9.8%	



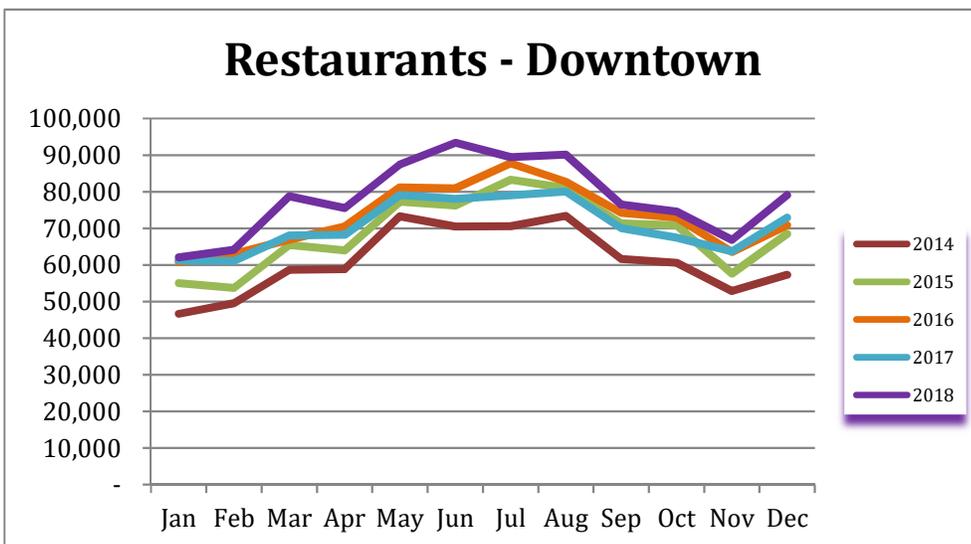
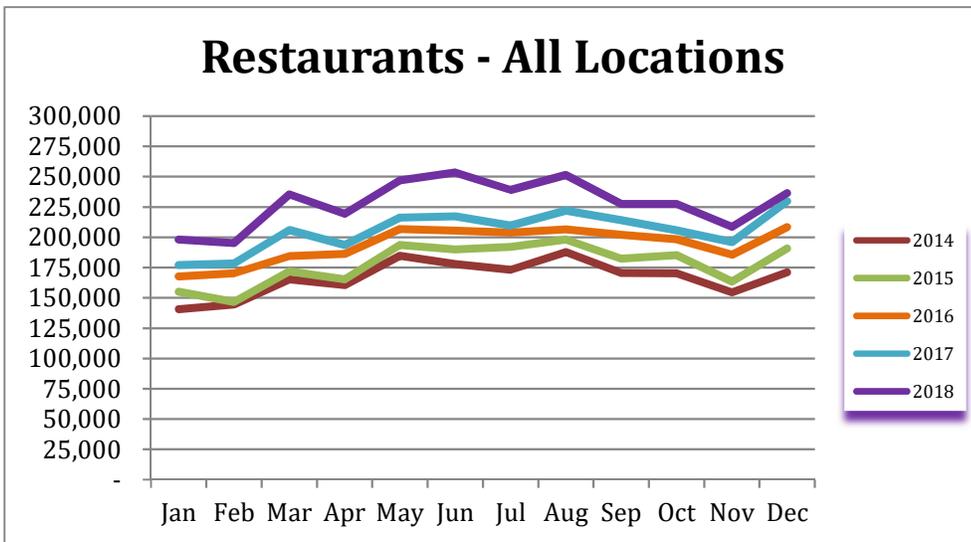
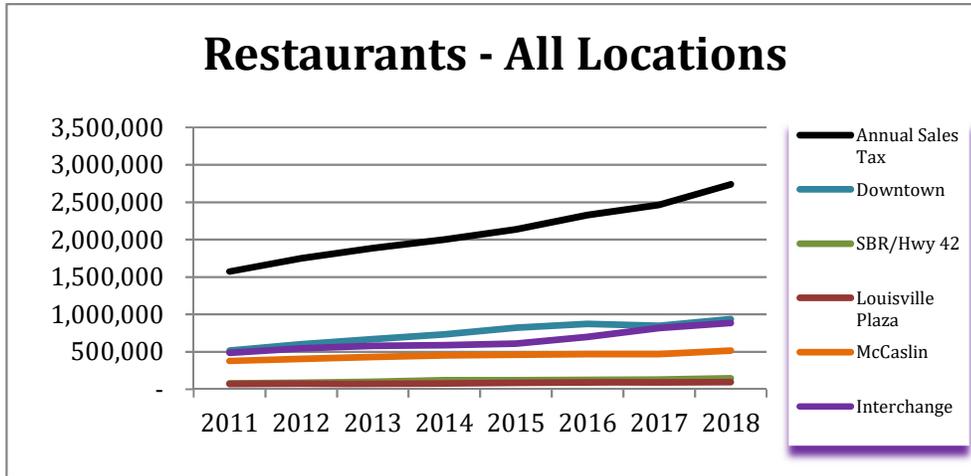
**Restaurant Graphs  
December 2018**



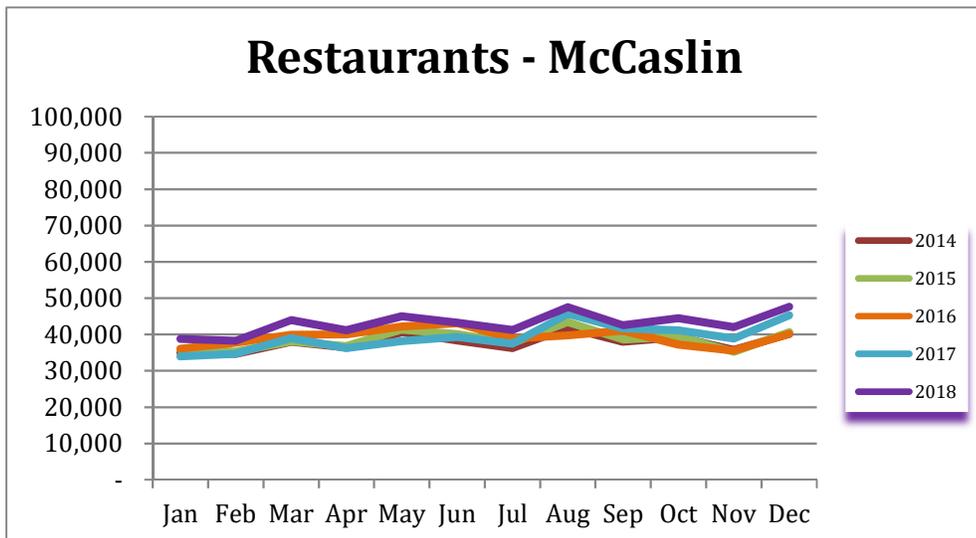
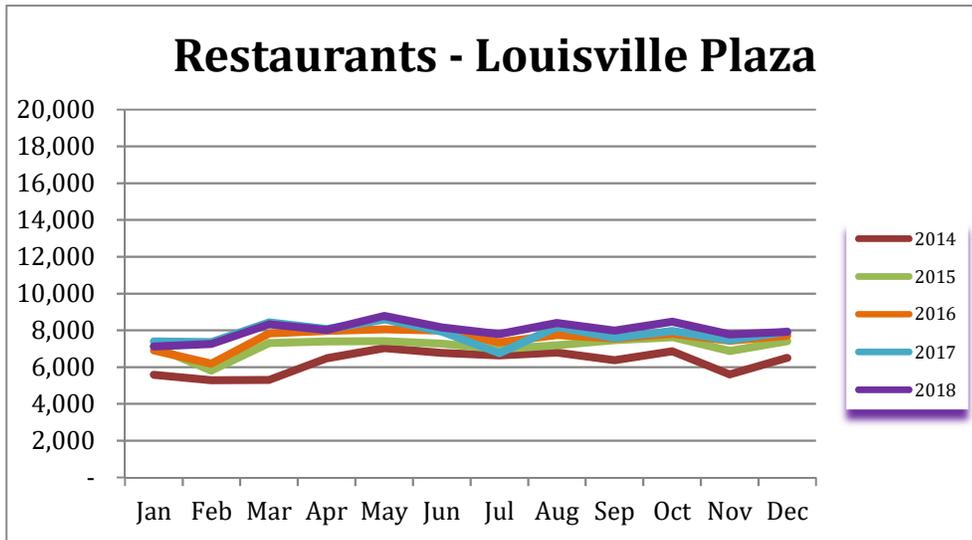
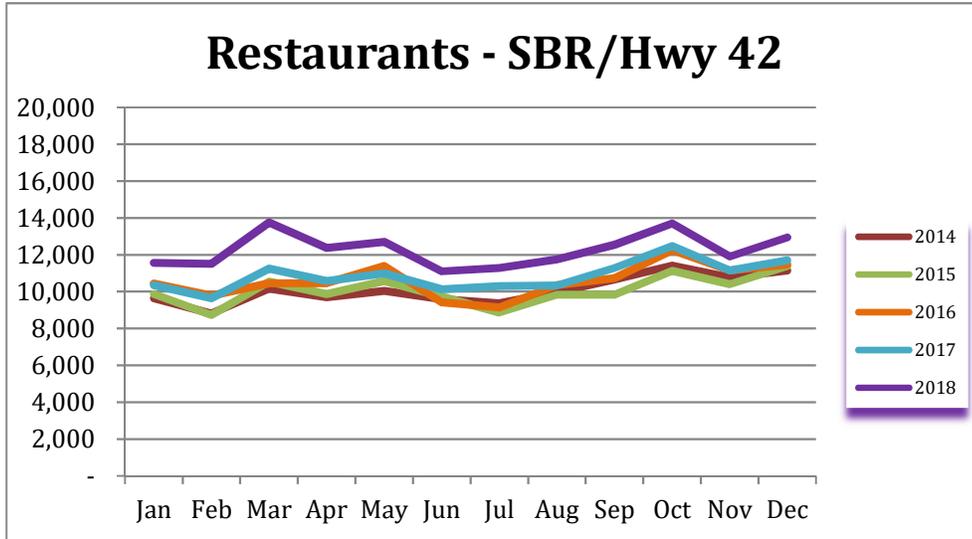
**Restaurant Graphs  
December 2018**



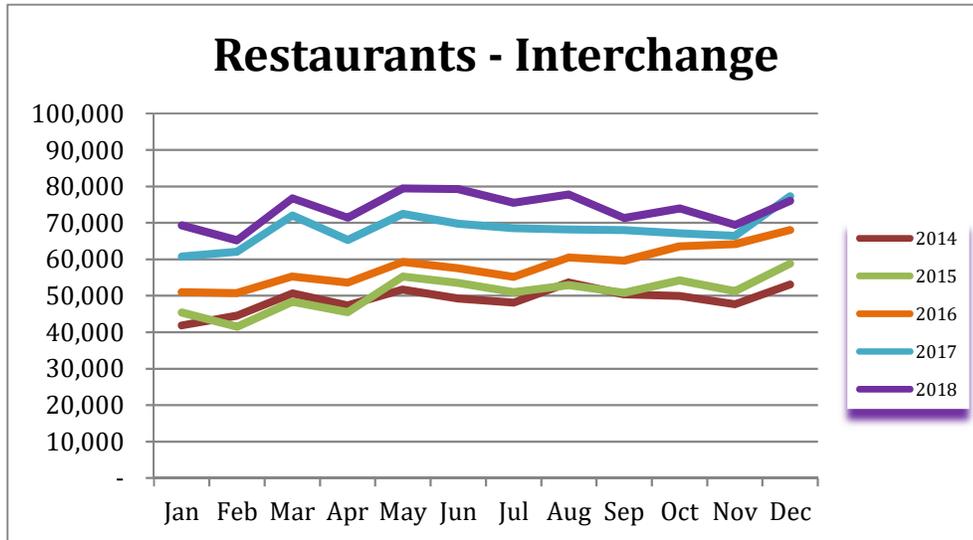
## Restaurant Graphs December 2018



**Restaurant Graphs  
December 2018**



Restaurant Graphs  
December 2018

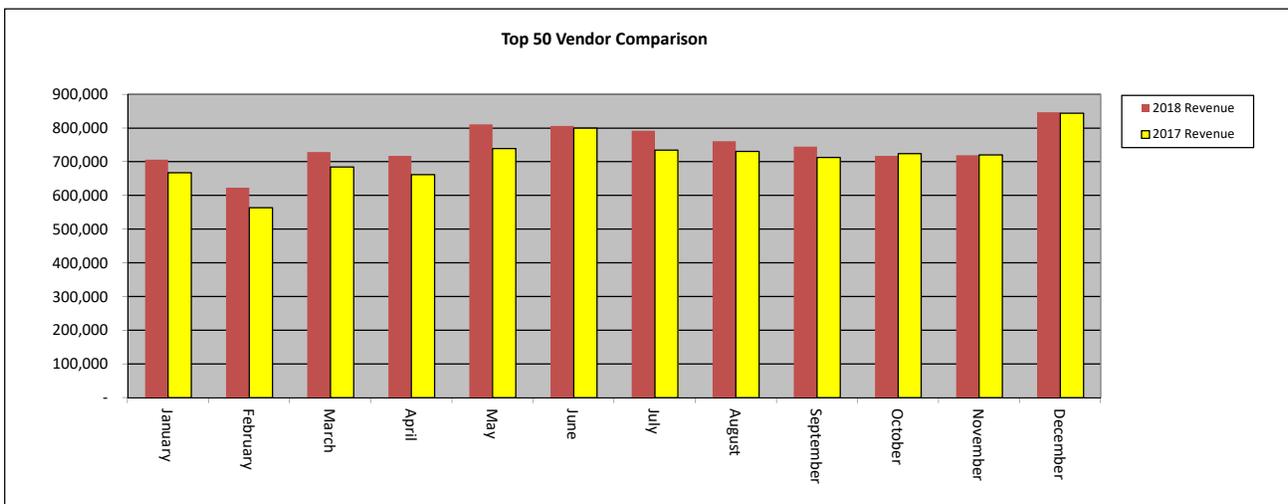


## CITY OF LOUISVILLE

### Top 50 Vendors Revenue for Yr 2018 with 2017 Comparisons

	Sales Tax 2018	Sales Tax 2017	Incr/(Decr)	Variance % 2018	% Top 50 Vendors to Total Tax
January	705,841	667,177	38,664	5.8%	79.3%
February	622,813	563,502	59,311	10.5%	67.5%
March	729,204	684,584	44,619	6.5%	69.1%
April	717,177	662,139	55,038	8.3%	74.3%
May	810,901	739,231	71,670	9.7%	77.7%
June	806,196	799,369	6,827	0.9%	66.2%
July	791,758	734,620	57,138	7.8%	69.7%
August	760,940	730,842	30,097	4.1%	72.2%
September	744,910	713,109	31,801	4.5%	64.5%
October	717,813	723,787	(5,973)	-0.8%	71.5%
November	718,922	720,100	(1,178)	-0.2%	71.1%
December	847,018	843,662	3,357	0.4%	59.5%
Totals	\$ 8,973,493	\$ 8,582,123	391,370	4.6%	69.7%

Top 50 Vendor Summary		
YTD 2018 compared with 2017:	Incr/(Decr)	% Variance
Top 50 vendors	391,370.45	4.6%
General Mds.	\$ (3,059.47)	-0.3%
Grocery	\$ 108,388.13	3.5%
Home Improvement	\$ 123,944.46	8.5%
Hotels	\$ (24,749.52)	-4.0%
Restaurants	\$ 110,017.20	7.6%
Telecom/Utilities	\$ 65,244.20	6.2%



**AUDITS/ASSESSMENTS****Revenue Collected**

<b>Tax Type</b>	<b>2018</b>	<b>2017</b>
Sales Tax	83,512.09	653,544.81
Consumer Use Tax	439,743.76	294,234.18
Building Use Tax	(24,461.33)	3,929.94
Lodging Tax	-	-
Penalties & Interest	70,765.23	62,077.43
Bad Debts	-	-
<b>Total Audit/Assessment Revenue</b>	<b>\$ 569,559.75</b>	<b>\$ 1,013,786.36</b>

<b>Point &amp; Pay Online Portal</b>	<b>E-Check</b>	<b>Credit Card</b>
Transactions (9-1-2018 - 01-31-2019)	1254	501

**SUBJECT: ACCOUNTS RECEIVABLE WRITE-OFFS**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: PENNEY BOLTE, FINANCE DEPARTMENT**

**SUMMARY:**

Staff will present a listing of accounts receivable write offs for discussion and for Finance Committee approval

**SUBJECT: OUTSIDE LOUISVILLE SALES TAX CATEGORIZATION**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: PENNEY BOLTE, FINANCE DEPARTMENT**

**SUMMARY:**

The City began self-collection of sales tax July 1, 2002. By 2008, the number of active sales tax accounts was (1,593), today it is (2,866). City sales tax revenue in 2008 was \$9,417,834, and today is \$15,400,703.

Between August 1, 2018 (after the U.S. Supreme Court Wayfair decision), and January 31, 2019, (183) new tax accounts have been established, (149) of those accounts are for retailers located outside the City or State. With the new economic nexus standard for sales tax collection, many remote sellers are now licensing to collect local sales tax for States and Cities where they previously did not collect sales tax.

The (40) Industry Sectors tracked by the City have not changed since the City began self-collection of sales tax in July 2002 (see attached). This has provided continuity in reporting and trending information through the years. All businesses licensing with the City, whether located in the City or outside the City, are assigned to one of the 40 industry sectors depending on the type of business or the type of products and services being sold.

Since 2002, however, the General Merchandise industry sector has been limited to brick-and-mortar businesses physically located in the City of Louisville that do not fall into one of the other 39 industry sectors, making this category a kind of hybrid area sector for in-City sales. Hotels/Lodging is another sector which shares these characteristics.

The Other Retail industry sector has historically been used for Outside City businesses and for Louisville home-based businesses that do not fall into one of the other 38 industry sectors.

Since use of the General Merchandise category is limited to in-City businesses, all other outside City retailers not able to be categorized within the current Industry Sectors, have been coded to the Other Retail sector, even though semantically Other Retail and General Merchandise are one and the same. When at all possible, remote retailers specializing in certain product lines have been assigned to specific industry sectors, such as Apparel, Metal Machinery Manufacturing, or Furniture/Appliance. Now days, however, with mass retailers offering everything from vitamin supplements, to athletic apparel, and gym equipment for example, the only fitting industry sector for many out of City retailers has been Other Retail.

As sales tax revenue from these remote sellers has grown, it has created a bubble in the Other Retail industry category. Also, in mid-2017, two large retailers (Amazon and Walmart entities and their subsidiaries), were added to the General Merchandise sector. This was done in an effort to inform City management and the Finance Committee of the impact of large remote sellers.

Part of the discussion today, is whether or not the increase in Other Retail industry sector is worrisome to the Finance Committee, and what purpose, or information is desired from the sales tax revenue by industry reporting. The other issue to discuss is removing Amazon and Walmart sales tax revenues from the General Merchandise industry sector, what options exist to make this change, and what should be considered.

Lastly, it is important to consider whether changing Industry Categories to reflect today's retail environment will sustain into future years. Decisions made today may be permanent, may affect the ability to analyze data or trends, and depending on the direction taken, may affect historical sales tax revenue reporting.

**OPTIONS FOR DISCUSSION:**

1. Reclassify the major on-line retailers from "General Merchandise" industry code to "Other Retail" industry code (modified prospectively, or modify history).
2. Leave current on-line retailers in "General Merchandise" but assign all other mass merchandise retailers to "Other Retail".
3. Eliminate Other Retail industry sector and move to General Merchandise
4. Other?

**ATTACHMENTS:**

SIC Industry Codes Master Listing

## SIC INDUSTRY CODES MASTER LISTING

### AGRICULTURE

1. **AGRICULTURE/FORESTRY/ANIMALS** – Production crops, livestock or animal specialties, veterinarians, pet grooming/stores, landscaping services, agricultural products/services, forestry, fishing, hunting or trapping.

### MINING

10. **MINING/GAS & OIL EXTRACTION** – Metal or coal mining, oil or gas extraction, mining or quarrying of non-metallic minerals (except fuels).

### CONSTRUCTION

15. **CONSTRUCTION/GENERAL CONTRACTORS & SUBCONTRACTORS** – Building construction general contractor or subcontractor (lump sum), heavy construction.

### MANUFACTURING

20. **FOOD MANUFACTURING** – In-City only
21. **TEXTILE MANUFACTURING/APPAREL/WOOD/PAPER** – Textile mill products, apparel, fabrics, lumber, wood products, furniture or fixtures, paper and allied products.
22. **PRINT/CHEMICAL/PLASTICS/RUBBER MANUFACTURING** – Printing, silk screening, publishing and allied industries, chemicals and allied products, petroleum refining, plastics and rubber products.
23. **GLASS/STONE/LEATHER MANUFACTURING** – Leather and leather products, stone, clay, glass and concrete products.
24. **METAL/MACHINERY MANUFACTURING** – Fabricated metal products, industrial and commercial machinery, and transportation equipment.
25. **ELECTRONICS/COMPUTER MANUFACTURING** – Electronic and electrical equipment and components, and computer equipment.
26. **MEASURING/MEDICAL/OPTICAL MANUFACTURING** – Measuring, analyzing and controlling instruments, photographic, medical and optical goods, beauty products.

### COMMUNICATIONS/UTILITIES/TRANSPORTATION

40. **TRANSPORTATION/FREIGHT/PIPELINES** – Railroad, local and suburban transit, motor freight, USPS, air or water transportation, pipelines, transportation services.
41. **ELECTRIC/GAS/SANITARY** – Electric, gas and sanitary services.
42. **COMMUNICATIONS - WIRELESS**
43. **COMMUNICATIONS - INTERNET SERVICE PROVIDER**
44. **COMMUNICATIONS – LOCAL EXCHANGE PROVIDER** – Land lines
45. **COMMUNICATIONS – LONG DISTANCE PROVIDER** - Land lines
46. **COMMUNICATIONS – SATELLITE**
47. **COMMUNICATIONS – EQUIPMENT/CABLING**
48. **COMMUNICATIONS – STREAMING/OTHER**

### WHOLESALE

50. **WHOLESALE** – Durable or non-durable goods.

### RETAIL

52. **BUILDING MATERIALS/HARDWARE** – Construction or building materials, hardware, garden supply and mobile home dealers.
53. **GENERAL MERCHANDISE STORES** – In-City brick-and-mortar.
54. **FOOD STORES** – All packaged food incl. special events, supplements.
55. **AUTO DEALERS/GAS SERVICE STATIONS**
56. **APPAREL AND ACCESSORY STORES**
57. **HOME FURNITURE/DECOR/HOME APPLIANCE**
58. **EATING AND DRINKING PLACES**
59. **OTHER RETAIL** - All arts & crafts, any other retail, online retail.

### FINANCE/LEASING

60. **FINANCE/INSURANCE/REAL ESTATE** – Depository institutions, security and commodity brokers, dealers, exchanges and services, insurance carriers, agents, brokers, real estate, property management, holding and other investment offices.
61. **LEASING/RENTAL COMPANIES** – Lessors of tangible personal property.

### SERVICES

70. **HOTELS AND OTHER LODGING PLACES**
71. **PERSONAL/BUSINESS SERVICES** – Photographers, salons, security monitoring, interior design, marketing.
72. **AUTO REPAIR AND SERVICES/OTHER REPAIR SERVICES** – Any repair service (parts only to 59).
73. **AMUSEMENT/RECREATION SERVICES** – Gyms, rec center, golf course.
74. **HEALTH/MEDICAL SERVICES** – All supplies, equipment, repairs, services.
75. **LEGAL/ACCOUNTING SERVICES**
76. **EDUCATIONAL SERVICES/SOCIAL SERVICES** – Lessons, training, seminars, fundraising.
77. **MEMBERSHIP ORGANIZATION/NON-PROFIT ORGANIZATION**
78. **ENGINEERING/RESEARCH/MANAGEMENT/CONSULTING/SOFTWARE** – All industry software.
79. **OTHER SERVICES**

**SUBJECT: FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR  
ENDED DECEMBER 31, 2018**

**DATE: OCTOBER 15, 2018**

**PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

Attached are the December 31, 2018 financial statements for all the City's budgeted funds. These are preliminary, unaudited statements presented on the City's budgetary basis. The following funds are included:

1. General Fund
2. Open Space & Parks Fund
3. Conservation Trust – Lottery Fund
4. Cemetery Perpetual Care Fund
5. Cemetery Fund
6. PEG Fees Fund
7. Historic Preservation Fund
8. Capital Projects Fund
9. Impact Fee Fund
10. Recreation Center Construction Fund
11. Library Debt Service Fund
12. Recreation Center Debt Service Fund
13. Water Utility Fund
14. Wastewater Utility Fund
15. Storm Water Fund
16. Solid Waste & Recycling Fund
17. Golf Course Fund
18. Technology Management Fund
19. Fleet Management Fund

These financial statements are prepared in the same format as those previously presented. Revenue is presented by source and then further categorized in areas where more information is desired. Expenditures are presented by function and then further categorized by division when more information is desired.

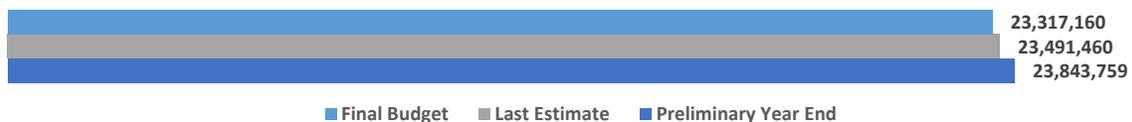
**General Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Taxes:							
Property Taxes	2,800,682	3,303,030	3,266,170	3,250,690	98.4%	99.5%	
Sales Taxes (Net of BAP's)	8,267,631	9,298,040	9,202,670	9,049,113	97.3%	98.3%	
Use Taxes (Net of BAP's)	2,165,757	2,738,040	2,739,900	2,927,090	106.9%	106.8%	
Franchise Taxes	1,078,608	1,123,230	1,076,340	947,465	84.4%	88.0%	
Other Taxes	830,159	807,370	872,250	892,428	110.5%	102.3%	
Licenses & Permits:							
Construction Permits (Net of BAP's)	1,045,677	933,310	894,810	651,947	69.9%	72.9%	
Other Licenses & Permits	427,078	1,510,650	1,623,790	1,766,261 a	116.9%	108.8%	
Intergovernmental Revenue:							
Recurring State-Shared Revenue	1,353,961	1,447,500	1,573,600	1,527,479	105.5%	97.1%	
Non-Recurring Grants/Contributions	28,182	15,000	24,700	40,785	271.9%	165.1%	
Charges for Services:							
Recreation /Senior Center Fees	1,878,517	1,618,910	1,693,160	1,714,745	105.9%	101.3%	
Other Charges for Services	169,337	162,770	172,810	148,532	91.3%	86.0%	
Fines & Forfeitures	210,720	229,670	194,610	185,851	80.9%	95.5%	
Miscellaenous Revenue	176,003	129,640	156,650	741,373 b	571.9%	473.3%	
Other Financing Sources	-	-	-	-			
Interfund Transfers	-	-	-	-			
<b>Total Revenue</b>	<b>20,432,313</b>	<b>23,317,160</b>	<b>23,491,460</b>	<b>23,843,759</b>	<b>102.3%</b>	<b>101.5%</b>	
<b>Expenditures:</b>							
General Government:							
City Manager	415,786	415,270	421,530	368,678	88.8%	87.5%	
Economic Development	219,781	280,120	283,520	244,519	87.3%	86.2%	
City Attorney	349,827	330,000	330,000	268,633	81.4%	81.4%	
City Clerk & Municipal Court	499,777	560,230	551,870	502,554	89.7%	91.1%	
Human Resources	517,490	552,840	572,480	527,681	95.4%	92.2%	
Information Technology	497,386	645,340	651,340	535,824	83.0%	82.3%	
Finance, Accounting, & Tax	852,428	728,370	724,250	727,980	99.9%	100.5%	
Planning & Building Safety	1,299,735	1,462,570	1,487,020	1,448,021	99.0%	97.4%	
General Administration Service	1,158,858	1,577,420	1,580,340	1,245,714	79.0%	78.8%	
Public Safety	4,872,386	5,670,870	5,633,850	5,186,097	91.5%	92.1%	
Public Works	2,311,031	2,965,800	2,903,810	2,501,931	84.4%	86.2%	
Culture & Recreation:							
Library & Museum Services	1,850,154	2,084,260	2,107,720	1,878,470	90.1%	89.1%	
Parks & Recreation Services	3,019,308	3,782,810	3,795,710	3,193,903	84.4%	84.1%	
Debt Service	8,995	8,950	8,950	9,090	101.6%	101.6%	
Interfund Transfers	67,800	2,473,890	2,484,100	2,471,660	99.9%	99.5%	
<b>Total Expenditures</b>	<b>17,940,742</b>	<b>23,538,740</b>	<b>23,536,490</b>	<b>21,110,755</b>	<b>89.7%</b>	<b>89.7%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>2,491,571</b>	<b>(221,580)</b>	<b>(45,030)</b>	<b>2,733,004</b>			
<b>Projected Turnback</b>	<b>N/A</b>	<b>737,270</b>	<b>N/A</b>	<b>N/A</b>			
<b>Beginning Fund Balance</b>	<b>5,305,766</b>	<b>7,797,337</b>	<b>7,797,337</b>	<b>7,797,337</b>			
<b>Ending Fund Balance</b>	<b>7,797,337</b>	<b>8,313,027</b>	<b>7,752,307</b>	<b>10,530,341</b>			

a) Significant increase in Minor Permit revenue due to hail storm - roof replacements

b) Includes insurance recovery

**Revenue**



**Expenditures**



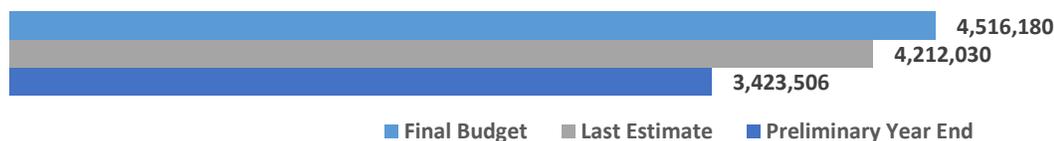
**Open Space & Parks Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Taxes:							
Sales Taxes	1,563,969	1,626,530	1,610,890	1,582,141	97.3%	98.2%	
Use Taxes	536,241	585,480	584,410	642,259	109.7%	109.9%	
Intergovernmental Revenue	4,800	900,000	900,000	- a	0.0%	0.0%	
Miscellaneous Revenue:							
Developer Contributions	213,125	-	-	-			
Land Dedication Fees	602,257	-	-	-			
Other Miscellaneous Revenue	75,065	58,040	69,260	169,747 b	292.5%	245.1%	
Other Financing Sources	6,500	-	-	-			
Interfund Transfers	173,950	1,346,130	1,047,470	1,029,359	76.5%	98.3%	
<b>Total Revenue</b>	<b>3,175,907</b>	<b>4,516,180</b>	<b>4,212,030</b>	<b>3,423,506</b>	<b>75.8%</b>	<b>81.3%</b>	
<b>Expenditures:</b>							
Central Fund-Wide Charges	264,063	289,400	291,960	255,222	88.2%	87.4%	
Snow & Ice Removal	81,986	85,880	87,980	81,142	94.5%	92.2%	
Open Space Administration & Operations	312,162	343,900	355,880	313,309	91.1%	88.0%	
Open Space Acquisition	3,897	8,970	8,970	4,113	45.8%	45.8%	
Open Space Education & Outreach	109,092	191,590	195,560	161,947	84.5%	82.8%	
Open Space Trail Maintenance	80,475	104,730	105,530	80,252	76.6%	76.0%	
Open Space New Trails	19,717	20,030	20,080	18,239	91.1%	90.8%	
Parks Administration & Operations	1,324,697	1,503,340	1,571,650	1,333,253	88.7%	84.8%	
Capital - Streetscapes	19,021	27,500	27,500	14,722	53.5%	53.5%	
Capital - Snow & Ice Removal	10,145	7,500	7,500	3,000	40.0%	40.0%	
Capital - Parks	70,405	128,850	130,120	78,259	60.7%	60.1%	
Capital - Open Space Maintenance	5,466	30,000	30,000	21,092	70.3%	70.3%	
Capital - Open Space Education & Outreach	1,064	130,170	130,170	52,857	40.6%	40.6%	
Capital - Open Space Trail Maintenance	46,416	292,500	292,500	16,894	5.8%	5.8%	
Capital - Open Space New Trails	120,550	2,693,860	2,693,860	351,247	13.0%	13.0%	
Capital - Athletic Fields	-	9,900	9,900	9,900	100.0%	100.0%	
<b>Total Expenditures</b>	<b>4,534,406</b>	<b>5,868,120</b>	<b>5,959,160</b>	<b>2,795,446</b>	<b>47.6%</b>	<b>46.9%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>(1,358,499)</b>	<b>(1,351,940)</b>	<b>(1,747,130)</b>	<b>628,060</b>			
<b>Beginning Fund Balance</b>	<b>4,005,324</b>	<b>2,646,825</b>	<b>2,646,825</b>	<b>2,646,825</b>			
<b>Ending Fund Balance</b>	<b>2,646,825</b>	<b>1,294,885</b>	<b>899,695</b>	<b>3,274,885</b>			

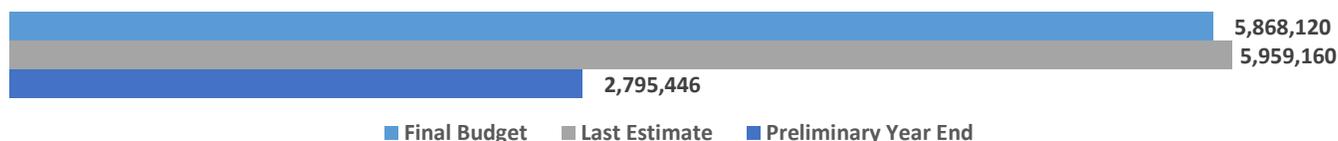
a) Grant for Multi-Use Underpass was budgeted and estimated for 2018

b) Includes Insurance Recovery

**Revenue**



**Expenditures**

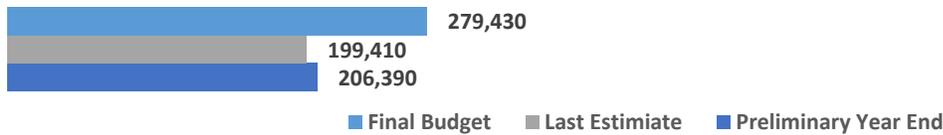


**Conservation Trust - Lottery Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Intergovernmental Revenue:							
Recurring State-Shared Lottery Proceeds	200,418	201,160	194,410	198,925	98.9%	102.3%	
Non-Recurring Grants/Contributions	-	75,000	-	-	0.0%		
Miscellaenous Revenue	4,962	3,270	5,000	7,466	228.3%	149.3%	
<b>Total Revenue</b>	<b>205,380</b>	<b>279,430</b>	<b>199,410</b>	<b>206,390</b>	<b>73.9%</b>	<b>103.5%</b>	
<b>Expenditures:</b>							
Administration & Operations	415	400	400	239	59.7%	59.7%	
Capital - Parks	335,076	289,100	289,100	275,358	95.2%	95.2%	
Capital - Open Space Maintenance	11,841	-	-	-			
Capital - Youth Activities	6,375	-	-	-			
Capital - Adult Activities	6,375	-	-	-			
Interfund Transfers	-	459,500	398,900	419,791 a	91.4%	105.2%	
<b>Total Expenditures</b>	<b>360,082</b>	<b>749,000</b>	<b>688,400</b>	<b>695,387</b>	<b>92.8%</b>	<b>101.0%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>(154,703)</b>	<b>(469,570)</b>	<b>(488,990)</b>	<b>(488,997)</b>			
<b>Beginning Fund Balance</b>	<b>643,700</b>	<b>488,997</b>	<b>488,997</b>	<b>488,997</b>			
<b>Ending Fund Balance</b>	<b>488,997</b>	<b>19,427</b>	<b>7</b>	<b>-</b> a			

a) All available equity transferred to Recreation Center Construction Fund

**Revenue**



**Expenditures**

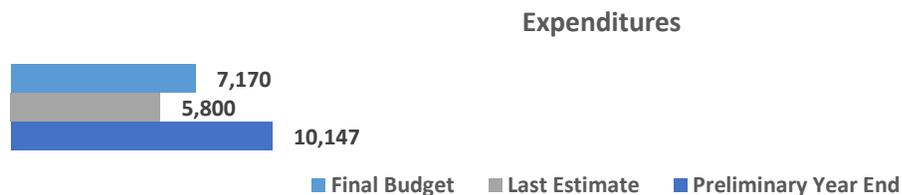
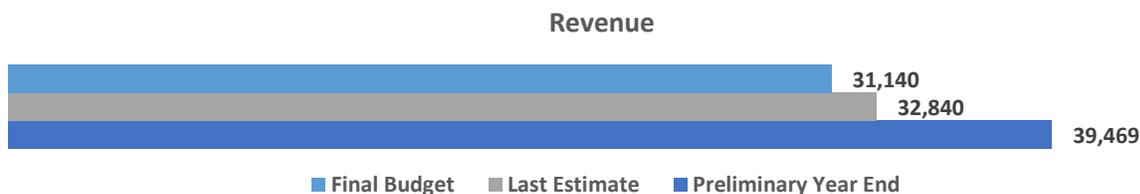


**Cemetery Perpetual Care Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				
		Final Budget	Last Estimate	Actual @ 12/31/18	Percent of Bdgt	Percent of Est
<b>Revenue:</b>						
Licenses & Permits:						
Burial Permits	39,567	24,270	27,340	29,620	122.0%	108.3%
Miscellaenous Revenue	3,966	6,870	5,500	9,849 <sup>a</sup>	143.4%	179.1%
<b>Total Revenue</b>	<b>43,533</b>	<b>31,140</b>	<b>32,840</b>	<b>39,469</b>	<b>126.7%</b>	<b>120.2%</b>
<b>Expenditures:</b>						
Administration & Operations	327	300	300	297	99.1%	99.1%
Interfund Transfers	3,966	6,870	5,500	9,849 <sup>a</sup>	143.4%	179.1%
<b>Total Expenditures</b>	<b>4,293</b>	<b>7,170</b>	<b>5,800</b>	<b>10,147 <sup>a</sup></b>	<b>141.5%</b>	<b>174.9%</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>39,240</b>	<b>23,970</b>	<b>27,040</b>	<b>29,323</b>		
<b>Beginning Fund Balance</b>	<b>515,001</b>	<b>554,241</b>	<b>554,241</b>	<b>554,241</b>		
<b>Ending Fund Balance</b>	<b>554,241</b>	<b>578,211</b>	<b>581,281</b>	<b>583,564</b>		

a) All interest earnings are transferred to the Cemetery Fund

b) Projected to exceed Legal Level of Budgetary Control due to more interest earnings than anticipated



**Cemetery Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				
		Final Budget	Last Estimate	Actual @ 12/31/18	Percent of Bdgt	Percent of Est
<b>Revenue:</b>						
Licenses & Permits:						
Burial Permits	39,567	24,270	27,340	29,620	122.0%	108.3%
Charges for Services:						
Burial Fees (Open & Close Fees)	38,790	35,110	38,670	38,890	110.8%	100.6%
Miscellaenous Revenue	299	380	400	524	137.9%	131.0%
Interfund Transfers	71,766	102,640	100,540	98,719	96.2%	98.2%
<b>Total Revenue</b>	<b>150,421</b>	<b>162,400</b>	<b>166,950</b>	<b>167,753</b>	<b>103.3%</b>	<b>100.5%</b>
<b>Expenditures:</b>						
Administration & Operations	138,468	154,900	159,450	160,740	103.8%	100.8%
Capital - Parks	14,410	7,500	7,500	1,375	18.3%	18.3%
<b>Total Expenditures</b>	<b>152,877</b>	<b>162,400</b>	<b>166,950</b>	<b>162,115</b>	<b>99.8%</b>	<b>97.1%</b>
Revenue Over/(Under) Expenditures	(2,456)	-	-	5,638		
Beginning Fund Balance	30,152	27,696	27,696	27,696		
Ending Fund Balance	27,696	27,696	27,696	33,334		

**Revenue**



**Expenditures**



**PEG Fees Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Charges for Services:							
PEG Fees - Comcast	27,533	21,280	28,000	21,400	100.6%	76.4%	
Miscellaenous Revenue	462	870	500	364	41.9%	72.9%	
Interfund Transfers	-	70,000	70,000	70,000	100.0%	100.0%	
<b>Total Revenue</b>	<b>27,995</b>	<b>92,150</b>	<b>98,500</b>	<b>91,765</b>	<b>99.6%</b>	<b>93.2%</b>	
<b>Expenditures:</b>							
Administration & Operations	36	40	40	23	57.1%	57.1%	
Capital - Administration & Support Services	2,858	165,000	165,000	167,661 a	101.6%	101.6%	
<b>Total Expenditures</b>	<b>2,894</b>	<b>165,040</b>	<b>165,040</b>	<b>167,684 b</b>	<b>101.6%</b>	<b>101.6%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>25,101</b>	<b>(72,890)</b>	<b>(66,540)</b>	<b>(75,919)</b>			
<b>Beginning Fund Balance</b>	<b>51,275</b>	<b>76,376</b>	<b>76,376</b>	<b>76,376</b>			
<b>Ending Fund Balance</b>	<b>76,376</b>	<b>3,486</b>	<b>9,836</b>	<b>457</b>			

a) Projected to exceed budget - Council Chambers Broadcast Equipment Upgrade

b) Projected to exceed Legal Level of Budgetary Control

**Revenue**



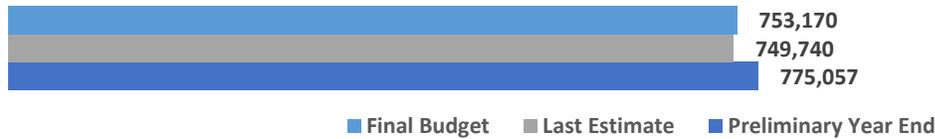
**Expenditures**



**Historic Preservation Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				
		Final Budget	Last Estimate	Actual @ 12/31/18	Percent of Bdgt	Percent of Est
<b>Revenue:</b>						
Taxes:						
Sales Taxes	521,333	542,190	536,970	527,380	97.3%	98.2%
Use Taxes	178,717	194,720	194,770	214,091	109.9%	109.9%
Intergovernmental Revenue	4,219	-	-	-		
Miscellaenous Revenue	11,830	16,260	18,000	33,585	206.6%	186.6%
<b>Total Revenue</b>	<b>716,099</b>	<b>753,170</b>	<b>749,740</b>	<b>775,057</b>	<b>102.9%</b>	<b>103.4%</b>
<b>Expenditures:</b>						
Administration & Operations	148,570	206,310	206,860	139,668	67.7%	67.5%
Historic Preservation Incentives	117,243	548,820	548,820	188,233	34.3%	34.3%
Historic Preservation Acquisitions	1	386,630	386,630	95,488	24.7%	24.7%
<b>Total Expenditures</b>	<b>265,815</b>	<b>1,141,760</b>	<b>1,142,310</b>	<b>423,389</b>	<b>37.1%</b>	<b>37.1%</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>450,284</b>	<b>(388,590)</b>	<b>(392,570)</b>	<b>351,668</b>		
<b>Beginning Fund Balance</b>	<b>1,309,494</b>	<b>1,759,778</b>	<b>1,759,778</b>	<b>1,759,778</b>		
<b>Ending Fund Balance</b>	<b>1,759,778</b>	<b>1,371,188</b>	<b>1,367,208</b>	<b>2,111,446</b>		

**Revenue**



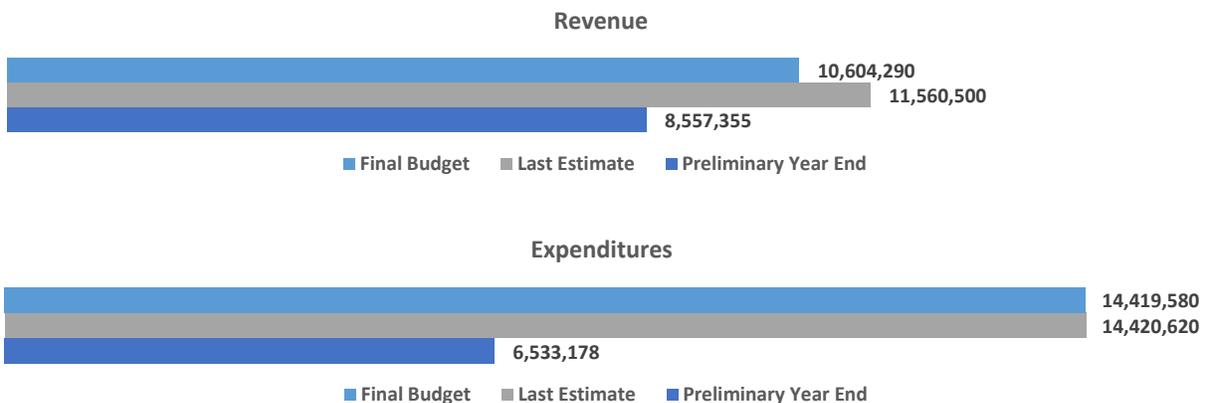
**Expenditures**



**Capital Projects Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Taxes:							
Sales Taxes (Net of BAP's)	4,130,009	4,319,470	4,274,950	4,216,395	97.6%	98.6%	
Use Taxes (Net of BAP's)	2,018,889	2,181,970	2,117,810	2,405,045	110.2%	113.6%	
Intergovernmental Revenue	233,234	2,903,620	2,903,620	39,017 a	1.3%	1.3%	
Charges for Services	15,300	10,000	24,350	24,350	243.5%	100.0%	
Miscellaneous Revenue:							
Developer Contributions	453,405	113,610	413,410	413,405 b	363.9%	100.0%	
URD Contributions	303,952	316,580	321,870	325,023	102.7%	101.0%	
Other Miscellaneous Revenue	121,761	111,750	136,870	176,623	158.1%	129.0%	
Other Financing Sources	2,050	-	-	10,200			
Interfund Transfers	825,151	647,290	1,367,620	947,297 c	146.3%	69.3%	
<b>Total Revenue</b>	<b>8,103,751</b>	<b>10,604,290</b>	<b>11,560,500</b>	<b>8,557,355</b>	<b>80.7%</b>	<b>74.0%</b>	
<b>Expenditures:</b>							
Central Fund-Wide Charges	368,768	301,410	301,960	292,687	97.1%	96.9%	
Capital - Sustainability	-	8,000	8,000	-	0.0%	0.0%	
Capital - City Clerk	-	9,000	9,000	8,627	95.9%	95.9%	
Capital - Community Design	365	496,120	496,120	487,890	98.3%	98.3%	
Capital - Historic Preservation	-	52,500	52,500	-	0.0%	0.0%	
Capital - Information Technology	133,741	154,070	154,070	21,235	13.8%	13.8%	
Capital - General Facilities	22,855	49,500	49,500	27,797	56.2%	56.2%	
Capital - Patrol & Investigations	65,772	413,060	413,230	84,163	20.4%	20.4%	
Capital - Code Enforcement	157	-	-	-			
Capital - Municipal Court	-	23,500	23,500	17,307	73.6%	73.6%	
Capital - Planning & Engineering	211,804	3,023,820	3,023,820	252,980	8.4%	8.4%	
Capital - Transportation	4,492,130	8,289,760	8,289,760	4,427,917	53.4%	53.4%	
Capital - Streetscapes	-	35,000	35,000	19,768	56.5%	56.5%	
Capital - Open Space Trail Maintenance	-	275,000	275,000	-	0.0%	0.0%	
Capital - Open Space New Trails	872,179	327,230	327,230	123,592	37.8%	37.8%	
Capital - Youth Activities	-	-	-	-			
Capital - Adult Activities	51,192	88,810	88,810	66,454	74.8%	74.8%	
Capital - Aquatics	18,637	10,000	10,000	-	0.0%	0.0%	
Capital - Recreation Center Building	321,215	-	-	-			
Capital - Library Services	126,591	215,000	215,000	195,435	90.9%	90.9%	
Capital - Museum Services	50,204	101,700	101,700	8,145	8.0%	8.0%	
Capital - Cultural Arts & Special Events	51,228	51,000	51,320	35,820	70.2%	69.8%	
Capital - Business Retention & Development	-	100,000	100,000	68,260	68.3%	68.3%	
Interfund Transfers	-	395,100	395,100	395,100	100.0%	100.0%	
<b>Total Expenditures</b>	<b>6,786,835</b>	<b>14,419,580</b>	<b>14,420,620</b>	<b>6,533,178</b>	<b>45.3%</b>	<b>45.3%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>1,316,916</b>	<b>(3,815,290)</b>	<b>(2,860,120)</b>	<b>2,024,177</b>			
<b>Beginning Fund Balance</b>	<b>3,376,846</b>	<b>4,693,763</b>	<b>4,693,763</b>	<b>4,693,763</b>			
<b>Ending Fund Balance</b>	<b>4,693,763</b>	<b>878,473</b>	<b>1,833,643</b>	<b>6,717,940</b>			

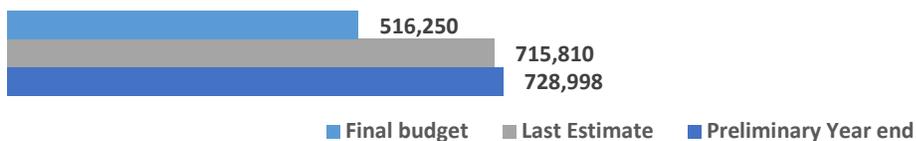
a) Uncollected project-related revenue budgets will be carried forward to 2019 with corresponding project budgets  
b) Developer contributions = \$303,405 from Koebel and \$110,000 from Kestral  
c) Transfer from Impact Fee Fund



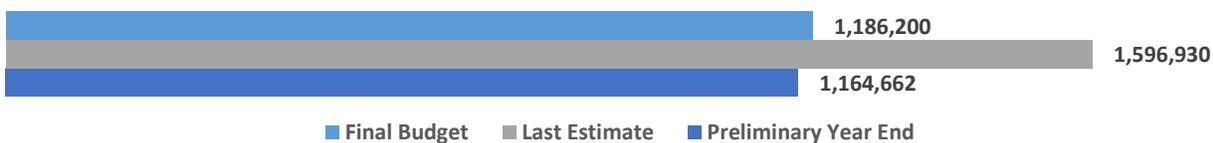
**Impact Fee Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Charges for Services:							
Impact Fees - Municipal government	86,944	-	-	-			
Impact Fees - Transportation	269,508	227,530	416,300	456,677	200.7%	109.7%	
Impact Fees - Parks & Trails	173,437	253,780	253,780	216,560	85.3%	85.3%	
Impact Fees - Recreation	49,179	-	-	-			
Impact Fees - Library	26,732	33,730	33,730	28,784	85.3%	85.3%	
Miscellaenous Revenue	9,010	1,210	12,000	26,977	2229.5%	224.8%	
<b>Total Revenue</b>	<b>614,810</b>	<b>516,250</b>	<b>715,810</b>	<b>728,998</b>	<b>141.2%</b>	<b>101.8%</b>	
<b>Expenditures:</b>							
Administration & Operations	3,235	900	900	796	88.5%	88.5%	
Interfund Transfers	584,640	1,185,300	1,596,030	1,163,866	98.2%	72.9%	
<b>Total Expenditures</b>	<b>587,875</b>	<b>1,186,200</b>	<b>1,596,930</b>	<b>1,164,662</b>	<b>98.2%</b>	<b>72.9%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>26,934</b>	<b>(669,950)</b>	<b>(881,120)</b>	<b>(435,664)</b>			
<b>Beginning Fund Balance</b>	<b>935,664</b>	<b>962,599</b>	<b>962,599</b>	<b>962,599</b>			
<b>Ending Fund Balance</b>	<b>962,599</b>	<b>292,649</b>	<b>81,479</b>	<b>526,935</b>			

**Revenue**



**Expenditures**



**Recreation Center Construction Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018			Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18		
<b>Revenue:</b>						
Intergovernmental Revenue	-	910,000	910,000	133,258 <i>a</i>	14.6%	14.6%
Miscellaneous Revenue:						
Interest Earnings	205,664	100,000	242,468	339,346 <i>b</i>	339.3%	140.0%
Contributions from HPF	-	220,020	220,020	90,171 <i>c</i>	41.0%	41.0%
Insurance Recovery	-	-	-	897,104 <i>d</i>		
Other Financing Sources:						
Bond Proceeds	26,653,454	-	-	-		
Bond Premium	1,846,241	-	-	-		
Interfund Transfers:						
Transfer from General Fund	-	1,500,000	1,500,000	1,500,000	100.0%	100.0%
Transfer from CT - Lottery Fund	-	459,500	398,900	419,791	91.4%	105.2%
Transfer from Capital Projects Fund	-	395,100	395,100	395,100	100.0%	100.0%
<b>Total Revenue</b>	<b>28,705,359</b>	<b>3,584,620</b>	<b>3,666,488</b>	<b>3,774,771</b>	<b>105.3%</b>	<b>103.0%</b>
<b>Expenditures:</b>						
Administration & Operations	399	750	750	725	96.6%	96.6%
Debt Service - Bond Issuance Costs	192,839	-	-	-		
Capital Outlay - Recreation	2,886,128	28,877,270	28,877,270	26,411,853 <i>d</i>	91.5%	91.5%
Interfund Transfers	414,461	-	-	-		
<b>Total Expenditures</b>	<b>3,493,827</b>	<b>28,878,020</b>	<b>28,878,020</b>	<b>26,412,578</b>	<b>91.5%</b>	<b>91.5%</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>25,211,532</b>	<b>(25,293,400)</b>	<b>(25,211,532)</b>	<b>(22,637,807)</b>		
<b>Beginning Fund Balance</b>	<b>-</b>	<b>25,211,532</b>	<b>25,211,532</b>	<b>25,211,532</b>		
<b>Ending Fund Balance</b>	<b>25,211,532</b>	<b>(81,868)</b>	<b>-</b>	<b>2,573,725</b>		

*a) Uncollected project-related grant revenue will be carried forward to 2019*

*b) Interest earnings on bond proceeds exceeded estimates*

*c) Proceeds from the Historic Preservation Fund did not meet estimates*

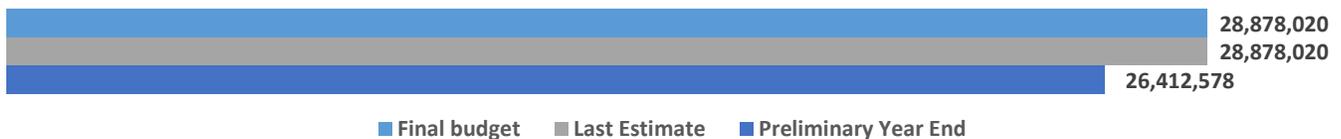
*d) Insurance Recovery*

*e) Unexpended budget will be carried forward to 2019*

**Revenue**



**Expenditures**

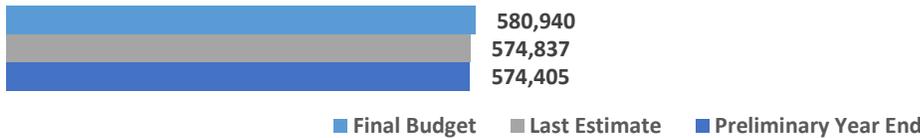


**Library Debt Service Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Taxes	824,429	573,440	567,040	566,465	98.8%	99.9%	
Miscellaenous Revenue	9,028	7,500	7,797	7,940	105.9%	101.8%	
<b>Total Revenue</b>	<b>833,457</b>	<b>580,940</b>	<b>574,837</b>	<b>574,405</b>	<b>98.9%</b>	<b>99.9%</b>	
<b>Expenditures:</b>							
Administration & Operations	964	1,150	1,150	802	69.8%	69.8%	
Debt Service:							
Principal	705,000	1,310,000	1,310,000	1,310,000	100.0%	100.0%	
Interest	78,400	51,200	51,200	51,115	99.8%	99.8%	
<b>Total Expenditures</b>	<b>784,364</b>	<b>1,362,350</b>	<b>1,362,350</b>	<b>1,361,917</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>49,093</b>	<b>(781,410)</b>	<b>(787,513)</b>	<b>(787,513)</b>			
<b>Beginning Fund Balance</b>	<b>738,419</b>	<b>787,513</b>	<b>787,513</b>	<b>787,513</b>			
<b>Ending Fund Balance</b>	<b>787,513</b>	<b>6,103</b>	<b>-</b>	<b>-</b>		<sup>a</sup>	

a) Library Bonds have been defeased

**Revenue**



**Expenditures**



**Recreation Center Debt Service Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018**

	2017 Actual	2018				
		Final Budget	Last Estimate	Actual @ 12/31/18	Percent of Bdgt	Percent of Est
<b>Revenue:</b>						
Taxes	-	1,752,190	1,754,690	1,747,796	99.7%	99.6%
Miscellaneous Revenue	4,194	1,000	4,500	3,214	321.4%	71.4%
Bond Proceeds for Capitalized Interest	561,546	-	-	-		
<b>Total Revenue</b>	<b>565,740</b>	<b>1,753,190</b>	<b>1,759,190</b>	<b>1,751,010</b>	<b>99.9%</b>	<b>99.5%</b>
<b>Expenditures:</b>						
Administration & Operations	-	-	300	300		
Debt Service:						
Principal	-	665,000	665,000	665,000	100.0%	100.0%
Interest	561,546	1,075,300	1,075,300	1,075,300	100.0%	100.0%
<b>Total Expenditures</b>	<b>561,546</b>	<b>1,740,300</b>	<b>1,740,600</b>	<b>1,740,600</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>4,194</b>	<b>12,890</b>	<b>18,590</b>	<b>10,410</b>		
<b>Beginning Fund Balance</b>	<b>-</b>	<b>4,194</b>	<b>4,194</b>	<b>4,194</b>		
<b>Ending Fund Balance</b>	<b>4,194</b>	<b>17,084</b>	<b>22,784</b>	<b>14,604</b>		

**Revenue**



**Expenditures**

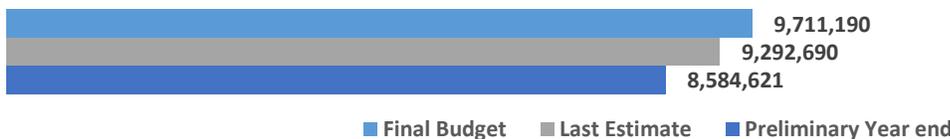


**Water Utility Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Intergovernmental Revenue	335,181	-	-	-			
Charges for Services:							
User Fees	5,851,124	6,089,240	5,794,630	6,416,158	105.4%	110.7%	
Tap Fees	4,659,014	3,371,190	3,138,310	1,647,686 <sup>a</sup>	48.9%	52.5%	
Miscellaneous Revenue	416,444	250,760	358,750	519,777	207.3%	144.9%	
Other Financing Sources	-	-	1,000	1,000		100.0%	
<b>Total Revenue</b>	<b>11,261,763</b>	<b>9,711,190</b>	<b>9,292,690</b>	<b>8,584,621</b>	<b>88.4%</b>	<b>92.4%</b>	
<b>Expenditures:</b>							
Central Fund-Wide Charges	476,752	495,150	498,650	461,913	93.3%	92.6%	
Utility Billing	135,665	153,830	156,140	133,473	86.8%	85.5%	
Water Utility Engineering	69,564	96,490	96,810	65,216	67.6%	67.4%	
Water Plant Operations	1,324,028	2,137,480	2,138,480	1,709,133	80.0%	79.9%	
Raw Water Operations	481,185	971,380	971,380	636,803	65.6%	65.6%	
Water Distribution	461,871	583,450	585,000	471,510	80.8%	80.6%	
Water Treatment Plant Building Maintenance	186,069	221,050	223,540	175,452	79.4%	78.5%	
Debt Service	976,824	987,190	987,190	987,674	100.0%	100.0%	
Replacement Capital - Public Works	2,049,987	2,992,600	2,992,600	1,890,055	63.2%	63.2%	
Capital - Public Works	1,869,152	7,120,570	7,135,270	4,828,930	67.8%	67.7%	
<b>Total Expenditures</b>	<b>8,031,098</b>	<b>15,759,190</b>	<b>15,785,060</b>	<b>11,360,159</b>	<b>72.1%</b>	<b>72.0%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>3,230,664</b>	<b>(6,048,000)</b>	<b>(6,492,370)</b>	<b>(2,775,538)</b>			
<b>Beginning Working Capital</b>	<b>14,666,139</b>	<b>17,896,803</b>	<b>17,896,803</b>	<b>17,896,803</b>			
<b>Ending Working Capital</b>	<b>17,896,803</b>	<b>11,848,803</b>	<b>11,404,433</b>	<b>15,121,265</b>			

a) Tap Fee revenue projected at well below budget and estimate

**Revenue**



**Expenditures**



**Wastewater Utility Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Charges for Services:							
User Fees	3,366,598	3,470,190	3,352,000	3,576,860	103.1%	106.7%	
Tap Fees	819,240	369,720	373,320	161,360 <i>a</i>	43.6%	43.2%	
Miscellaenous Revenue	160,451	111,290	195,510	238,087 <i>b</i>	213.9%	121.8%	
<b>Total Revenue</b>	<b>4,346,289</b>	<b>3,951,200</b>	<b>3,920,830</b>	<b>3,976,307</b>	<b>100.6%</b>	<b>101.4%</b>	
<b>Expenditures:</b>							
Central Fund-Wide Charges	371,666	353,080	353,480	309,197	87.6%	87.5%	
Utility Billing	113,671	122,560	122,820	111,602	91.1%	90.9%	
Wastewater Utility Engineering	44,841	71,410	71,560	64,220	89.9%	89.7%	
Wastewater Collections	224,838	237,480	252,180	206,950	87.1%	82.1%	
Wastewater Treatment Plant Operations	758,609	883,550	890,550	854,105	96.7%	95.9%	
Pretreatment	44,433	99,140	99,140	52,364	52.8%	52.8%	
Wastewater Treatment Plant Building Maint	300,726	394,510	395,050	264,523	67.1%	67.0%	
Debt Service	1,272,007	1,278,240	1,278,240	1,278,242	100.0%	100.0%	
Replacement Capital - Public Works	1,051,821	1,116,220	1,116,220	477,581	42.8%	42.8%	
Capital - Public Works	6,473,209	1,188,180	1,188,180	752,834	63.4%	63.4%	
<b>Total Expenditures</b>	<b>10,655,819</b>	<b>5,744,370</b>	<b>5,767,420</b>	<b>4,371,617</b>	<b>76.1%</b>	<b>75.8%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>(6,309,531)</b>	<b>(1,793,170)</b>	<b>(1,846,590)</b>	<b>(395,310)</b>			
<b>Beginning Working Capital</b>	<b>12,374,069</b>	<b>6,064,538</b>	<b>6,064,538</b>	<b>6,064,538</b>			
<b>Ending Working Capital</b>	<b>6,064,538</b>	<b>4,271,368</b>	<b>4,217,948</b>	<b>5,669,228</b>			

*a) Tap Fee revenue projected at well below budget and estimate*

*b) Includes Insurance Recovery*

**Revenue**



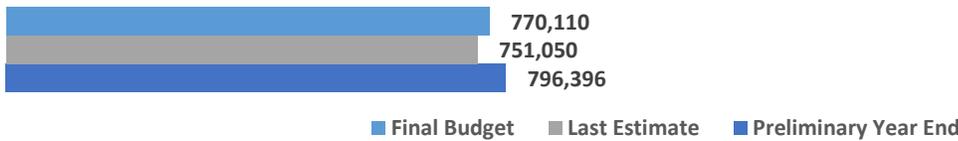
**Expenditures**



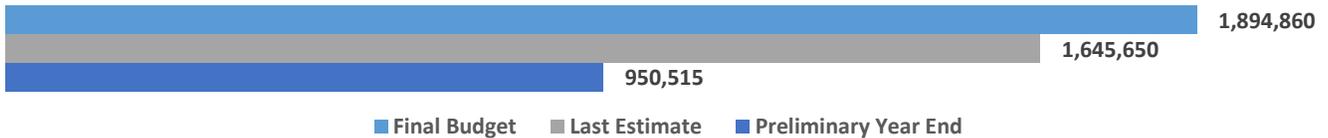
**Storm Water Utility Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Licenses & Permits	500	2,000	2,000	625	31.3%	31.3%	
Intergovernmental Revenue	265,643	-	-	-			
Charges for Services	739,801	762,240	738,050	779,643	102.3%	105.6%	
Miscellaenous Revenue	9,870	5,870	11,000	16,128	274.7%	146.6%	
<b>Total Revenue</b>	<b>1,015,814</b>	<b>770,110</b>	<b>751,050</b>	<b>796,396</b>	<b>103.4%</b>	<b>106.0%</b>	
<b>Expenditures:</b>							
Storm Water Utility Engineering	34,501	61,080	61,240	33,203	54.4%	54.2%	
Storm Water Administration & Operations	253,443	291,050	293,620	243,557	83.7%	82.9%	
Debt Service	260,532	261,810	261,810	261,809	100.0%	100.0%	
Capital - Public Works	390,646	1,280,920	1,028,980	411,945	32.2%	40.0%	
<b>Total Expenditures</b>	<b>939,122</b>	<b>1,894,860</b>	<b>1,645,650</b>	<b>950,515</b>	<b>50.2%</b>	<b>57.8%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>76,692</b>	<b>(1,124,750)</b>	<b>(894,600)</b>	<b>(154,119)</b>			
<b>Beginning Working Capital</b>	<b>1,165,980</b>	<b>1,242,672</b>	<b>1,242,672</b>	<b>1,242,672</b>			
<b>Ending Working Capital</b>	<b>1,242,672</b>	<b>117,922</b>	<b>348,072</b>	<b>1,088,553</b>			

**Revenue**



**Expenditures**



**Solid Waste & Recycling Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

	2017 Actual	2018				
		Final Budget	Last Estimate	Actual @ 12/31/18	Percent of Bdgt	Percent of Est
<b>Revenue:</b>						
Charges for Services:						
User Fees	1,424,193	1,478,480	1,478,480	1,455,963	98.5%	98.5%
Administration Fees	127,936	149,980	148,980	150,933	100.6%	101.3%
Hazardous Waste Fees	54,834	61,200	61,200	59,113	96.6%	96.6%
Other Fees	10,657	9,550	10,200	13,117	137.4%	128.6%
Miscellaenous Revenue	(3)	1,070	1,000	1,189	111.2%	118.9%
<b>Total Revenue</b>	<b>1,617,618</b>	<b>1,700,280</b>	<b>1,699,860</b>	<b>1,680,316</b>	<b>98.8%</b>	<b>98.9%</b>
<b>Expenditures:</b>						
Administration & Operations	96,944	99,540	100,240	91,513	91.9%	91.3%
BC Household Hazardous Waste	62,256	58,070	59,760	48,376	83.3%	81.0%
Professional Services - Solid Waste Hauling	1,433,766	1,485,740	1,478,480	1,465,869	98.7%	99.1%
<b>Total Expenditures</b>	<b>1,592,967</b>	<b>1,643,350</b>	<b>1,638,480</b>	<b>1,605,758</b>	<b>97.7%</b>	<b>98.0%</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>24,651</b>	<b>56,930</b>	<b>61,380</b>	<b>74,558</b>		
<b>Beginning Working Capital</b>	<b>(7,332)</b>	<b>17,319</b>	<b>17,319</b>	<b>17,319</b>		
<b>Ending Working Capital</b>	<b>17,319</b>	<b>74,249</b>	<b>78,699</b>	<b>91,878</b>		

**Revenue**



**Expenditures**

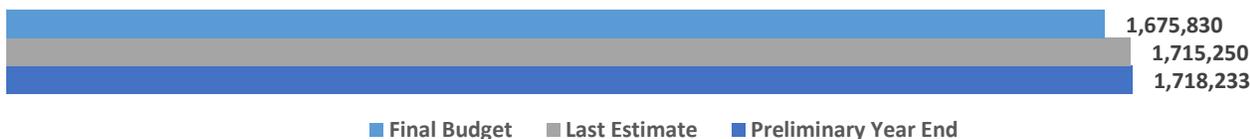


**Golf Course Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Charges for Services:							
Green Fees	833,131	924,000	910,000	867,029	93.8%	95.3%	
Annual Season Passes	152,940	155,000	168,000	149,175	96.2%	88.8%	
Golf Cart Rentals	221,517	250,000	231,700	206,692	82.7%	89.2%	
Driving Range Fees	108,124	110,000	123,000	111,091	101.0%	90.3%	
Pro Shop Merchandise Sales	98,642	110,000	127,000	119,005	108.2%	93.7%	
Other Charges for Services	121,088	117,620	141,900	133,150	113.2%	93.8%	
Miscellaenous Revenue	4,107	9,210	13,100	131,541 a	1428.2%	1004.1%	
Other Financing Sources	-	-	550	550		100.0%	
<b>Total Revenue</b>	<b>1,539,549</b>	<b>1,675,830</b>	<b>1,715,250</b>	<b>1,718,233</b>	<b>102.5%</b>	<b>100.2%</b>	
<b>Expenditures:</b>							
General & Marketing	134,525	131,830	104,650	116,284	88.2%	111.1%	
Golf Operations & Pro Shop	630,213	575,520	621,330	695,938 b	120.9%	112.0%	
Golf Course Maintenance	551,453	773,350	828,240	867,209 c	112.1%	104.7%	
Golf Clubhouse Operations & Maintenance	86,596	94,520	84,460	142,803 d	151.1%	169.1%	
Capital - Parks & Recreation	8,757	14,500	14,500	-	0.0%	0.0%	
<b>Total Expenditures</b>	<b>1,411,543</b>	<b>1,589,720</b>	<b>1,653,180</b>	<b>1,822,233 e</b>	<b>114.6%</b>	<b>110.2%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>128,006</b>	<b>86,110</b>	<b>62,070</b>	<b>(104,001)</b>			
<b>Beginning Working Capital</b>	<b>158,792</b>	<b>286,798</b>	<b>286,798</b>	<b>286,798</b>			
<b>Ending Working Capital</b>	<b>286,798</b>	<b>372,908</b>	<b>348,868</b>	<b>182,797</b>			

- a) Includes Insurance Recovery
- b) Projected to exceeded budget - mainly due to Resale Merchandise and Wages
- c) Projected to exceeded budget - mainly due to Water Charges and Hail Storm Damage Recovery
- d) Projected to exceed budget - mainly due to Hail Storm Damage Recovery
- e) Projected to exceed Legal Level of Budgetary Control

**Revenue**



**Expenditures**



**Technology Management Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

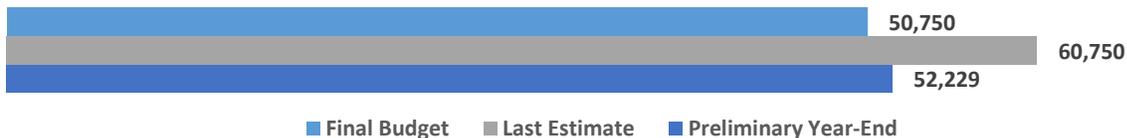
	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Replacement Contributions	70,242	58,860	58,860	68,130	115.7%	115.7%	
Miscellaenous Revenue	1,426	2,180	2,000	3,313	152.0%	165.7%	
<b>Total Revenue</b>	<b>71,668</b>	<b>61,040</b>	<b>60,860</b>	<b>71,443</b>	<b>117.0%</b>	<b>117.4%</b>	
<b>Expenditures:</b>							
Administration & Operations	119	750	750	1,334	177.9%	177.9%	
Capital - Equipment Replacment	92,214	50,000	60,000	50,895	101.8%	84.8%	
<b>Total Expenditures</b>	<b>92,333</b>	<b>50,750</b>	<b>60,750</b>	<b>52,229</b> <sup>a</sup>	<b>102.9%</b>	<b>86.0%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>(20,665)</b>	<b>10,290</b>	<b>110</b>	<b>19,214</b>			
<b>Beginning Fund Balance</b>	<b>200,247</b>	<b>179,582</b>	<b>179,582</b>	<b>179,582</b>			
<b>Ending Fund Balance</b>	<b>179,582</b>	<b>189,872</b>	<b>179,692</b>	<b>198,796</b>			

a) Projected to exceed Legal Level of Budgetary Control

**Revenue**



**Expenditures**

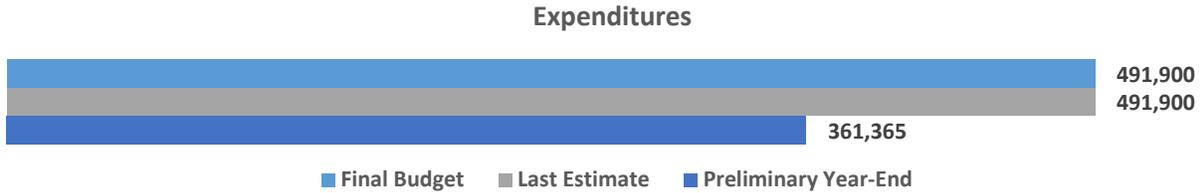
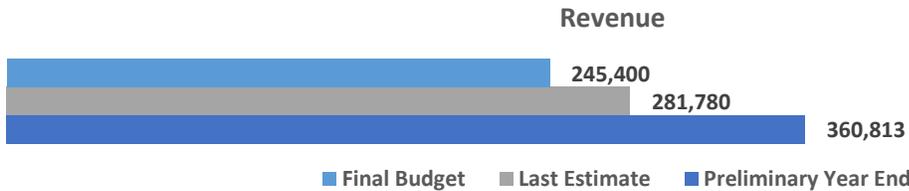


**Fleet Management Fund**  
**Revenue, Expenditures, & Changes to Fund Balance**  
**December 31, 2018 - Budgetary Basis**

	2017 Actual	2018				Percent of Bdgt	Percent of Est
		Final Budget	Last Estimate	Actual @ 12/31/18			
<b>Revenue:</b>							
Replacement Contributions	-	238,880	238,880	238,880	100.0%	100.0%	
Miscellaenous Revenue	4,839	6,520	42,900	61,933 <i>a</i>	949.9%	144.4%	
Other Financing Sources	-	-	-	60,000 <i>b</i>			
<b>Total Revenue</b>	<b>4,839</b>	<b>245,400</b>	<b>281,780</b>	<b>360,813</b>	<b>147.0%</b>	<b>128.0%</b>	
<b>Expenditures:</b>							
Administration & Operations	415	750	750	285	38.0%	38.0%	
Capital - Equipment Replacment	188,885	491,150	491,150	361,080	73.5%	73.5%	
<b>Total Expenditures</b>	<b>189,300</b>	<b>491,900</b>	<b>491,900</b>	<b>361,365</b>	<b>73.5%</b>	<b>73.5%</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>(184,462)</b>	<b>(246,500)</b>	<b>(210,120)</b>	<b>(552)</b>			
<b>Beginning Fund Balance</b>	<b>752,327</b>	<b>567,866</b>	<b>567,866</b>	<b>567,866</b>			
<b>Ending Fund Balance</b>	<b>567,866</b>	<b>321,366</b>	<b>357,746</b>	<b>567,313</b>			

*a) Includes Insurance Recovery*

*b) Sale of Assets*



**SUBJECT: C-I-P REPORT FOR THE YEAR-ENDED DECEMBER 31, 2018**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: CARA GOLDEN, ACCOUNTING MANAGER**

**SUMMARY:**

Attached is the 2018 amended budget C-I-P report by fund. The 2019 C-I-P report will be presented at the end of the second quarter (June 30, 2019).

Explanations for column data by column title (that are not self-explanatory) follow:

- Final Budget
  - Total budget as of December 31, 2018
- YTD expenditures
  - Total expenditures (January 1 – December 31, 2018). Retainage will be recorded on applicable projects.
- Carry Forward portion
  - Budget amount that was carried forward from a prior year followed by initial annum of inclusion in budgeted expenditures.
- Total 2018 Cost Estimate
  - The project “owner’s” updated estimate of the total expenditures incurred in 2018. Timing of vendor invoicing for 2018 costs incurred can create a variance between this
- Notes
  - Information on the project compiled quarterly by Capital Asset Senior Accountant

Thank you.

2018 Budget to YTD Actual as of December 31, 2018							Carry Forward (CF) portion	Initial budgeted approval (CF only)	Total 2018 Cost Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD				
<b>Open Space and Parks Fund</b>										
PARKS & RECREATION	STREETSCAPES - CAPITAL	Irrig Replacements & Improvs	\$ 20,000.00	\$ 20,000.00	\$ 8,834.72	44.2%			N/A	
PUBLIC WORKS	STREETSCAPES - CAPITAL	Machinery & Equipment	7,500	7,500	5,887	78.5%			N/A	
PARKS & RECREATION	SNOW & ICE REMOVAL - CAPITAL	Machinery & Equipment	7,500	7,500	3,000	40.0%			N/A	
PARKS & RECREATION	PARKS - CAPITAL	Parks and Open Space Signs	31,250	31,250	-	0.0%			N/A	
PARKS & RECREATION	PARKS - CAPITAL	Irrig Replacements & Improvs	30,000	30,000	20,860	69.5%			N/A	
PARKS & RECREATION	PARKS - CAPITAL	Miner's Field Park Improvs	10,000	10,000	8,275	82.8%			N/A	
PARKS & RECREATION	PARKS - CAPITAL	Machinery & Equipment	52,500	52,500	42,758	81.4%			N/A	
PARKS & RECREATION	PARKS - CAPITAL	Soccer/Multipurpose Fields	5,100	5,100	6,367	124.8%			N/A	
PARKS & RECREATION	MAINTENANCE & MANAGEMENT - CAPITAL	Lastoka Property Conser	12,500	12,500	1,168	9.3%	\$ 12,500	2017	N/A	
PARKS & RECREATION	MAINTENANCE & MANAGEMENT - CAPITAL	Machinery & Equipment	17,500	17,500	19,924	113.8%			N/A	
PARKS & RECREATION	EDUCATION & OUTREACH - CAPITAL	Interpretive Education	6,000	6,000	3,995	66.6%			N/A	
PARKS & RECREATION	EDUCATION & OUTREACH - CAPITAL	Trail Connections	124,170	124,170	48,862	39.4%			\$90,700	3 contracts: 1) Trail designs complete 2) Project management (PO submitted in 2018 for proposed carry forward) 3) Trail work to be bid out in Feb/March for construction in 2019
PARKS & RECREATION	TRAIL MAINTENANCE - CAPITAL	Machinery & Equipment	17,500	17,500	16,894	96.5%			N/A	
PUBLIC WORKS	COYOTE RUN SLOPE MITIGATION	Slope Mitigation	-	275,000	-	0.0%			Same as YTD	Final design received. Late March council consideration. Spring construction.
PUBLIC WORKS	NEW TRAILS - CAPITAL	Hwy 42 Multi-use Underpass	2,100,620	2,100,620	328,755	15.7%	300,620	2017	Same as YTD	Project in final design. Property needed to purchase has been re-platted. Working on final purchase documents. Remaining funds proposed carry forward.
PARKS & RECREATION	NEW TRAILS - CAPITAL	Trail Connections	496,700	496,700	-	0.0%			Same as YTD	2 Trail Projects. 1) Coyote Run trail and Washington sidewalk 2) Dillon/Powerline Trail. Both trail to be bid out in Feb/March for 2019 construction.
PARKS & RECREATION	NEW TRAILS - CAPITAL	Trail Projects	35,240	35,240	22,493	63.8%	35,240	2017	N/A	
PARKS & RECREATION	NEW TRAILS - CAPITAL	Kestral Trail Connection	61,300	61,300	-	0.0%	61,300	2017	N/A	
PARKS & RECREATION	ATHLETIC FIELD CAPITAL	Soccer/Multi-purpose Field	9,900	9,900	9,900	100.0%			N/A	
<b>OPEN SPACE AND PARKS FUND TOTAL</b>			<b>\$ 3,045,280</b>	<b>\$ 3,320,280</b>	<b>\$ 547,972</b>	<b>16.5%</b>	<b>\$ 409,660</b>		<b>\$ 90,700</b>	
<b>Conservation Trust-Lottery Fund</b>										
PARKS & RECREATION	PARKS - CAPITAL	Playgrounds	\$ 82,700.00	\$ 82,700.00	\$ 80,697.00	97.6%	\$ 70,020.00	2017	N/A	
PARKS & RECREATION	PARKS - CAPITAL	Recreation Campus Restroom	206,400	206,400	194,661	94.3%	116,360	2016	Same as YTD	Construction Completed in December 2018.

City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD	Carry Forward (CF) portion	approval (CF only)	Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
<b>CT-LOTTERY FUND TOTAL</b>			<b>\$ 289,100</b>	<b>\$ 289,100</b>	<b>\$ 275,358</b>	<b>95.2%</b>	<b>\$ 186,380</b>		<b>\$ -</b>	
<b>Cemetery Fund</b>										
PARKS & RECREATION	CEMETERY - CAPITAL	Machinery & Equipment	\$ 7,500	\$ 7,500	\$ 1,375	18.3%			N/A	
<b>CEMETERY FUND TOTAL</b>			<b>\$ 7,500</b>	<b>\$ 7,500</b>	<b>\$ 1,375</b>	<b>18.3%</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>PEG Fee Fund</b>										
ADMINISTRATION & SUPPORT SERVICES	GOVERNANCE & ADMINISTRATION - ADMINISTRATION & OPERATIONS	PEG Capital	\$ 165,000	\$ 165,000	\$ 167,661	101.6%			Same as YTD	Complete.
<b>PEG FEE FUND TOTAL</b>			<b>\$ 165,000</b>	<b>\$ 165,000</b>	<b>\$ 167,661</b>	<b>101.6%</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>Historical Preservation Fund</b>										
LIBRARY & MUSEUM SERVICES	HISTORIC PRESERVATION ACQUISITIONS	Austin Niehoff House Rehab	\$ 82,500	\$ 82,500	\$ -	0.0%			N/A	
PLANNING & BUILDING SAFETY	HISTORIC PRESERVATION ACQUISITIONS	Miner's Cabins Relocation	245,000	245,000	37,048	15.1%	22,000	2017	Same as YTD	Relocation proposals require Council approval of contract; Council presentation March 2019. Proposed carry over of funds.
PLANNING & BUILDING SAFETY	HISTORIC PRESERVATION ACQUISITIONS	Historic Interpretive Signs	25,000	25,000	24,307	97.2%	25,000	2017	N/A	
PLANNING & BUILDING SAFETY	HISTORIC PRESERVATION ACQUISITIONS	Blue Parrot Sign	34,130	34,130	34,133	100.0%			N/A	
<b>HISTORICAL FUND TOTAL</b>			<b>\$ 386,630</b>	<b>\$ 386,630</b>	<b>\$ 95,488</b>	<b>24.7%</b>	<b>\$ 47,000</b>		<b>\$ -</b>	
<b>Capital Projects Fund</b>										
ADMINISTRATION & SUPPORT SERVICES	SUSTAINABILITY - CAPITAL	Electric Vehicle Station Equip	\$ 8,000	\$ 8,000	\$ -	0.0%			N/A	
CITY CLERK	PUBLIC RECORDS - CAPITAL	Scanner - City Clerk	9,000	9,000	8,627	95.9%			N/A	
ADMINISTRATION & SUPPORT SERVICES	COMMUNITY DESIGN - CAPITAL	BCHA Affordable Housing Assist	486,120	486,120	486,121	100.0%			Same as YTD	Completed.
PLANNING & BUILDING SAFETY	COMMUNITY DESIGN - CAPITAL	Bike Share Program	10,000	10,000	-	0.0%	\$ 10,000	2017	N/A	
LIBRARY & MUSEUM SERVICES	HISTORIC PRESERVATION - CAPITAL	Austin Niehoff House Rehab	52,500	52,500	-	0.0%			N/A	
ADMINISTRATION & SUPPORT SERVICES	INFORMATION TECHNOLOGY - CAPITAL	ERP System	129,070	129,070	14,583	11.3%	129,070	2014	Same as YTD	MUNIS - still completing HR, Utility Billing & ESS Timekeeping modules EnerGov - still completing CSS & Plan Review workflows; integration with Laserfiche Document Management.
ADMINISTRATION & SUPPORT SERVICES	INFORMATION TECHNOLOGY - CAPITAL	Rec Center - Copier Replacement	10,000	10,000	-	0.0%	10,000	2017	N/A	
ADMINISTRATION & SUPPORT SERVICES	INFORMATION TECHNOLOGY - CAPITAL	Rec Center - RecTrack SW	15,000	15,000	6,652	44.3%	15,000	2017	N/A	

City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD	Carry Forward (CF) portion	approval (CF only)	Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
ADMINISTRATION & SUPPORT SERVICES	FACILITIES MAINTENANCE - CAPITAL	City Hall Security Improvements	30,000	30,000	9,947	33.2%			N/A	
ADMINISTRATION & SUPPORT SERVICES	FACILITIES MAINTENANCE - CAPITAL	Furniture & Fixtures-Planning	19,500	19,500	17,850	91.5%			N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Camera System - Police & Courts	7,500	7,500	6,196	82.6%			N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	LTE D-Block Radio Program	22,660	22,660	11,378	50.2%	7,660	2016	N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Handheld Portable Radio Replac	45,730	45,730	44,396	97.1%	45,730	2016	N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Body Cams	24,170	24,170	-	0.0%	24,170	2017	N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Hazardous Waste Stg Container	5,000	5,000	999	20.0%			N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Toughbook, Prntrs, Dockng Stns	8,000	8,000	-	0.0%			N/A	
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Police/Courts Records Mgmt	300,000	300,000	-	0.0%	300,000	2017	Same as YTD	2 bids rcv'd from initial RFP. Separate police and courts RFPs will be issued in an attempt to solicit more responses. One vendor from initial RFP will be looked at further to see if they have additional product upgrades. IT will be attending Police Conference to research other products/vendors. 2/8/19-We are moving forward with negotiations for the selected vendor and are also in the process of purchasing separate software for Police Property and Evidence.
MUNICIPAL COURT	MUNICIPAL COURT - CAPITAL	Camera System - Police&Courts	7,500	7,500	6,196	82.6%			N/A	
MUNICIPAL COURT	MUNICIPAL COURT - CAPITAL	Court Security Project	16,000	16,000	11,111	69.4%			N/A	
PUBLIC WORKS	PLANNING & ENGINEERING - CAPITAL	Railroad Quiet Zones	2,326,570	2,834,220	138,121	4.9%	263,900	2017	Same as YTD	City contractor has been selected. Awaiting PUC Approval. PUC Approval is waiting on necessary documents from the BNSF. Proposed carry over of funds.
PUBLIC WORKS	PLANNING & ENGINEERING - CAPITAL	SH 42: Hecla Dr Traffic Signal	64,300	64,300	24,592	38.2%			N/A	
PUBLIC WORKS	PLANNING & ENGINEERING - CAPITAL	SBR Connectivity Feasibility S	125,300	125,300	90,267	72.0%	46,730	2017	Same as YTD	Consultant preparing final report. Awaiting vendor invoices. Proposed funds carry forward.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Bus then Bike Shelter	25,000	25,000	-	0.0%	25,000	2017	N/A	
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Lucity Software	25,000	25,000	27,034	108.1%			N/A	
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Pavement Booster Program	2,216,470	2,216,470	1,820,376	82.1%			Same as YTD	Project complete.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Concrete Replacement	349,000	349,000	87,496	25.1%			Same as YTD	Project complete.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Street Reconstruction	2,115,700	2,115,700	2,120,908	100.2%			Same as YTD	Project complete.

City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD	Carry Forward (CF) portion	approval (CF only)	Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	South Street Underpass	216,230	216,230	31,980	14.8%	47,180	2016	Same as YTD	Preparing final as-builts for BNSF. Proposed funds to carry forward.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	SH42 Short Intersect De	199,350	199,350	45,803	23.0%	99,340	2016	Same as YTD	Project out to bid. Proposed funds to carry forward.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Contract Striping w/Epoxy Paint	75,000	75,000	75,117	100.2%			N/A	
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	SH42 Corridor Improvements	2,879,310	2,879,310	199,470	6.9%	384,200	2017	Same as YTD	Project out to bid. Proposed funds to carry forward.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Downtown Clay/Concrete Paver	125,000	125,000	5,510	4.4%			Same as YTD	Proposed funds to carry forward.
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	Campus Drive Alignment	18,700	18,700	6,655	35.6%	18,700	2017	N/A	
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	DRCOG Traffic Signal Im	20,000	20,000	-	0.0%	20,000	2017	N/A	
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	US36 BRT Pedestrian Imp	25,000	25,000	914	3.7%	25,000	2017	N/A	
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE MAINTENANCE - CAPITAL	KESTREL N&E SIDEWALKS	-	-	26,314	100.0%			N/A	City Infrastructure reimbursed by developer - \$110,000
PARKS & RECREATION	STREETSCAPES - CAPITAL	Median Improvements	35,000	35,000	19,768	56.5%			N/A	
PUBLIC WORKS	Coyote Run Slope Mitigation	Coyote Run Slope Mitigation	275,000	275,000	-	0.0%				
PUBLIC WORKS	NEW TRAILS - CAPITAL	South Street Underpass	216,230	216,230	123,592	57.2%	47,180	2016	Same as YTD	Preparing final as-builts for BNSF. Proposed funds to carry forward.
PUBLIC WORKS	NEW TRAILS - CAPITAL	BNSF RR Underpass/N Drainage	111,000	111,000	111,000	100.0%			Same as YTD	60% of design completed. Project in process with Urban Drainage.
PARKS & RECREATION	ADULT ACTIVITIES - CAPITAL	Fitness Equipment	88,810	88,810	66,454	74.8%	18,810	2017	N/A	
PARKS & RECREATION	ACQUATICS - CAPITAL	Rec Center Dri Dek	10,000	10,000	-	0.0%			N/A	
LIBRARY & MUSEUM SERVICES	LIBRARY SERVICES - CAPITAL	Library Improvements	110,000	110,000	95,513	86.8%			Same as YTD	Estimates for remaining work either complete and orders placed or estimates requested and pending. \$10,000 carry forward proposed.
LIBRARY & MUSEUM SERVICES	LIBRARY SERVICES - CAPITAL	Library Building Automation	-	100,000	99,922	99.9%			Same as YTD	Completed.
LIBRARY & MUSEUM SERVICES	LIBRARY SERVICES - CAPITAL	Library Tween Space	5,000	5,000	-	0.0%			N/A	
LIBRARY & MUSEUM SERVICES	MUSEUM SERVICES - CAPITAL	Museum Campus Bldg Improvmnts	59,350	59,350	-	0.0%			N/A	
LIBRARY & MUSEUM SERVICES	MUSEUM SERVICES - CAPITAL	Historical Museum Campus	42,350	42,350	8,145	19.2%	20,850	2017	N/A	
LIBRARY & MUSEUM SERVICES	CULTURAL ARTS & SPECIAL EVENTS - CAPITAL	Steinbaugh Pavilion Improvs	35,500	35,500	35,820	100.9%	10,500	2017	N/A	

City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD	Carry Forward (CF) portion	approval (CF only)	Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
LIBRARY & MUSEUM SERVICES	CULTURAL ARTS & SPECIAL EVENTS - CAPITAL	Exterior Lighting - Arts	15,500	15,500	-	0.0%	15,500	2017	N/A	
ECONOMIC DEVELOPMENT	BUSINESS RETENTION & DEVELOPMENT - CAPITAL	Main Street Patios	100,000	100,000	68,260	68.3%			Same as YTD	Completed.
ECONOMIC DEVELOPMENT	BUSINESS RETENTION & DEVELOPMENT - CAPITAL	Dwntown Surface Prkg Expansion	100,000	-	-	0.0%			\$0	Project on hold; tied to development.
<b>CAPITAL PROJECTS FUND TOTAL</b>			<b>\$ 13,215,420</b>	<b>\$ 13,723,070</b>	<b>\$ 5,953,086</b>	<b>43.4%</b>	<b>\$ 1,584,520</b>		<b>\$ -</b>	
<b>Recreation Center Expansion Fund</b>										
PARKS & RECREATION	GOVERNANCE & ADMINISTRATION - ADMINISTRATION & OPERATIONS	Rec Center Design	\$ -	\$ -	\$ 367,605	100.0%			Same as YTD	Ongoing - open house January 2019
PARKS & RECREATION	GOVERNANCE & ADMINISTRATION - ADMINISTRATION & OPERATIONS	Rec Center Construction Mgmt	-	-	116,688	100.0%			Same as YTD	Ongoing - open house January 2019
PARKS & RECREATION	GOVERNANCE & ADMINISTRATION - ADMINISTRATION & OPERATIONS	Rec Center Construction	28,877,270	28,877,270	25,937,810	89.8%	\$ 2,082,900	2017	Same as YTD	Ongoing - open house January 2019
<b>REC CENTER EXPANSION FUND TOTAL</b>			<b>\$ 28,877,270</b>	<b>\$ 28,877,270</b>	<b>\$ 26,422,103</b>	<b>91.5%</b>	<b>\$ 2,082,900</b>		<b>\$ -</b>	
<b>Water Fund</b>										
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	Fire Hydrant Painting	\$ 29,660	\$ 29,660	\$ 23,219	78.3%	\$ 17,160	2017	N/A	
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	Motor Vehicle/Road Equipment	31,520	31,520	32,390	102.8%			N/A	
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	Machinery & Equipment	8,000	8,000	7,731	96.6%			N/A	
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	WTP Resvr Treat Boat etc	25,000	25,000	-	0.0%			N/A	
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	Water Line Replacement	1,275,090	1,275,090	703,115	55.1%	421,920	2016	Same as YTD	95% complete.
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	PRV Replacement	40,000	40,000	31,260	78.2%	40,000	2016	N/A	
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	HBWTP Filter Media Replacement	138,410	138,410	133,301	96.3%	138,410	2016	Same as YTD	Project complete.
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	Tube Settler Replacement	1,218,390	1,218,390	833,116	68.4%	433,390	2017	Same as YTD	SCWTP Under construction. Proposed carry forward to 2019
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	Water Tank Intake Structure	105,060	105,060	12,462	11.9%			Same as YTD	Proposed carry Forward to 2019. Structural Evaluation Underway
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	WTP Facility Painting	113,580	113,580	105,579	93.0%	113,580	2017	Same as YTD	Project complete.
PUBLIC WORKS	WATER - REPLACEMENT CAPITAL	HBWTP Flash Mixer Replacement	7,890	7,890	7,883	99.9%	7,890	2017	N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Water Plants Disinfection Eval	564,520	564,520	156,481	27.7%	91,740	2017	Same as YTD	SCWTP design, Construction in 2019
PUBLIC WORKS	WATER - NEW CAPITAL	WTP Instrumentation Upgrades	35,820	35,820	29,888	83.4%	35,820	2017	N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	ERP System	4,140	4,140	2,117	51.1%	4,140	2016	N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Lucity Software	25,000	25,000	27,034	108.1%			N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Water Facilities SCADA Upgrade	166,970	166,970	106,188	63.6%	131,760	2016	Same as YTD	Under construction 90% complete
PUBLIC WORKS	WATER - NEW CAPITAL	NCWCD-Windy Gap Firming Proj	905,000	905,000	283,800	31.4%			Same as YTD	Design stages.
PUBLIC WORKS	WATER - NEW CAPITAL	SCWTP Pump Station	3,028,200	3,028,200	2,834,257	93.6%	1,155,700	2016	Same as YTD	Closeout stages. Final bill still pending
PUBLIC WORKS	WATER - NEW CAPITAL	Louisville PL Condition	250,000	250,000	156,354	62.5%	250,000	2016	Same as YTD	Project complete. Awaiting final vendor invoices.
PUBLIC WORKS	WATER - NEW CAPITAL	Water Facilities Security	33,140	33,140	13,580	41.0%	33,140	2016	N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Howard Diversion Upgrades	134,000	134,000	5,265	3.9%			Same as YTD	Design stages. Construction 2019. Proposed project carry forward to 2019.
PUBLIC WORKS	WATER - NEW CAPITAL	SCWTP Recycle Pond Maintenance	52,530	52,530	121	0.2%			N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Raw water line lowering	-	-	11,700	100.0%			N/A	Proposed carry forward of project to 2019.
PUBLIC WORKS	WATER - NEW CAPITAL	HBWTP HVAC Upgrade	155,610	155,610	142,253	91.4%	73,060	2017	Same as YTD	Proposed carry Forward to 2019. Structural Evaluation

City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD	Carry Forward (CF) portion	approval (CF only)	Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
PUBLIC WORKS	WATER - NEW CAPITAL	Louisville Lateral Ditch Pipin	169,820	169,820	20,320	12.0%			Same as YTD	Closeout stages. Final bill still pending, proposed partial carry forward to 2019.
PUBLIC WORKS	WATER - NEW CAPITAL	Cent/McCaslin Hi Zone W	55,000	55,000	32,673	59.4%	55,000	2017	N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	SBR Ditch Lining	84,050	84,050	-	0.0%			N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Louisville Piepline Flo	247,400	247,400	38,625	15.6%	247,400	2017	Same as YTD	Design stages. Proposed Carry Forward for construction in 2019.
PUBLIC WORKS	WATER - NEW CAPITAL	HBWTP Upgrades	399,130	399,130	201,913	50.6%	399,130	2017	Same as YTD	Proposed carry Forward to 2019. Structural Evaluation Underway.
PUBLIC WORKS	WATER - NEW CAPITAL	SCWTP Upgrades	480,640	480,640	452,869	94.2%	480,640	2017	Same as YTD	Proposed Carry Forward to 2019.
PUBLIC WORKS	WATER - NEW CAPITAL	SWSP Eastern Pump Station Impr	11,000	11,000	95	0.9%			N/A	
PUBLIC WORKS	WATER - NEW CAPITAL	Water Rights	-	318,600	318,400	99.9%	200		Same as YTD	Project complete.
<b>WATER FUND TOTAL</b>			<b>\$ 9,794,570</b>	<b>\$ 10,113,170</b>	<b>\$ 6,723,989</b>	<b>66.5%</b>	<b>\$ 4,130,080</b>		<b>\$ -</b>	
<b>Wastewater Fund</b>										
PUBLIC WORKS	WASTEWATER - REPLACEMENT CAPITAL	Sewer Utility Lines	\$ 1,034,070	\$ 1,034,070	\$ 477,581	46.2%	\$ 214,580	2016	\$ 775,000	Construction 95% complete. Awaiting final vendor invoices.
PUBLIC WORKS	WASTEWATER - REPLACEMENT CAPITAL	Reuse System Replacement	32,150	32,150	-	0.0%			N/A	
PUBLIC WORKS	WASTEWATER - REPLACEMENT CAPITAL	Steel Ranch Lift Station	50,000	50,000	-	0.0%	50,000	2017	N/A	
PUBLIC WORKS	WASTEWATER - NEW CAPITAL	ERP System	4,140	4,140	2,117	51.1%	4,140	2017	N/A	
PUBLIC WORKS	WASTEWATER - NEW CAPITAL	Lucity Software	25,000	25,000	27,034	108.1%			N/A	
PUBLIC WORKS	WASTEWATER - NEW CAPITAL	Wastewater Plant Upgrade	1,139,040	1,139,040	706,146	62.0%	1,139,040	2017	Same as YTD	Project Complete.
PUBLIC WORKS	WASTEWATER - NEW CAPITAL	CTC Lift Station Controls	20,000	20,000	17,538	87.7%	20,000	2016	N/A	
<b>WASTEWATER FUND TOTAL</b>			<b>\$ 2,304,400</b>	<b>\$ 2,304,400</b>	<b>\$ 1,230,416</b>	<b>53.4%</b>	<b>\$ 1,427,760</b>		<b>\$ 775,000</b>	
<b>Stormwater Fund</b>										
PUBLIC WORKS	STORMWATER - NEW CAPITAL	North Louisville Drainage	\$ 189,000	\$ 189,000	\$ 189,000	100.0%			Same as YTD	60% of design completed. Project in process with Urban Drainage.
PUBLIC WORKS	STORMWATER - NEW CAPITAL	CCS Drainage	250,000	250,000	-	0.0%			Same as YTD	Waiting on development of Coal Creek Station.
PUBLIC WORKS	STORMWATER - NEW CAPITAL	Detention Pond Maintenance	162,500	162,500	178,979	110.1%	\$ 47,000	2017	\$ 191,979	Work is 95% complete. Awaiting vendor invoices for work in 2018.
PUBLIC WORKS	STORMWATER - NEW CAPITAL	Citywide Storm Sewer Out	87,730	87,730	54,562	62.2%	87,730	2017	N/A	
PUBLIC WORKS	STORMWATER - NEW CAPITAL	Lucity Software	25,000	25,000	27,034	108.1%			N/A	
PUBLIC WORKS	STORMWATER - NEW CAPITAL	South Street Underpass	2,100	2,100	1,153	54.9%	2,100	2016	N/A	
PUBLIC WORKS	STORMWATER - NEW CAPITAL	Goodhue Ditch Storm Wtr Divers	279,440	279,440	27,496	9.8%	23,940	2017	Same as YTD	Alternative approach seems viable (project most likely eliminated)
PUBLIC WORKS	STORMWATER - NEW CAPITAL	Drainageway G Dillon Rd	150,000	150,000	-	0.0%			Same as YTD	Design stages.
<b>STORMWATER FUND TOTAL</b>			<b>\$ 1,145,770</b>	<b>\$ 1,145,770</b>	<b>\$ 478,224</b>	<b>41.7%</b>	<b>\$ 160,770</b>		<b>\$ 191,979</b>	
<b>Golf Course Fund</b>										
PARKS & RECREATION	GOLF COURSE - CAPITAL	Shelter Improvements	\$ 14,500	\$ 14,500	\$ -	0.0%			N/A	

City Department	Sub-Program	Project Description	Adopted Budget	Final 2018 Budget	YTD expenditures	% Spent YTD	Carry Forward (CF) portion	approval (CF only)	Estimate (as of 1/28/19)	Notes on Project/ Current Status (updated quarterly)
<b>GOLF COURSE FUND TOTAL</b>			<b>\$ 14,500</b>	<b>\$ 14,500</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>Technology Management Fund</b>										
ADMINISTRATION & SUPPORT SERVICES	GOVERNANCE & ADMINISTRATION - ADMINISTRATION & OPERATIONS	Computer - Hardware	\$ 50,000	\$ 50,000	\$ 50,895	101.8%			N/A	
<b>TECHNOLOGY MANAGEMENT FUND TOTAL</b>			<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,895</b>	<b>101.8%</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>Vehicle Replacement Fund</b>										
POLICE	PATROL & INVESTIGATIONS - CAPITAL	Motor Vehicle/ Road Equipment	\$ 144,690	\$ 356,000	\$ 225,930	63.5%			\$ 308,728	2019 Ford Explorers ordered, pending receipt of final vendor invoice
<b>VEHICLE REPLACEMENT FUND TOTAL</b>			<b>\$ 144,690</b>	<b>\$ 356,000</b>	<b>\$ 225,930</b>	<b>63.5%</b>	<b>\$ -</b>		<b>\$ 308,728</b>	
<b>ALL FUNDS TOTAL</b>			<b>\$ 59,440,130</b>	<b>\$ 60,752,690</b>	<b>\$ 42,172,497</b>	<b>144.1%</b>	<b>\$ 10,029,070</b>		<b>\$ 1,366,407</b>	

**SUBJECT: FINANCIAL POLICIES – SECOND REVIEW OF PROPOSED AMENDMENTS**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

The City of Louisville's initial Fiscal Policies were adopted in 1984 and were updated intermittently until 1997. In 2015, staff updated and modernized the policies and they were formally adopted by the City Council by Resolution 92, Series 2015.

The current policies include an Introduction Section and the following Policy Sections:

1. General Policies
2. Reserve Policies
3. Debt Policies
4. Revenue Policies
5. Operating Budget Policies
6. Investment Policies
7. Capital Asset Management Policies
8. Accounting, Auditing, and Financial Reporting Policies

Staff proposed several amendments to the current policies at the January 14, 2019 Finance Committee Meeting. The Committee discussed the proposed amendments and requested some changes to staff's recommendations.

These changes have been made to the Reserve Policies (Section 2.5) and to the Revenue Policies (Section 4.6)

Attached are the current versions of the Introductory Section and all eight Policy Sections. All proposed amendments are **redlined**. Changes made since the January 14 draft are **highlighted**.

Staff requests the Committee discuss these and any other amendments the Committee wants to consider.

### **Introduction**

The City of Louisville is an organization charged with providing a wide range of services that are supported by a wide range of revenue sources. The City's Financial Policies have been established to guide the City in providing these services in the most efficient way possible within the bounds of available revenue.

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City's Financial Policies shall be adopted by resolution of the City Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the City Council.

### **Definitions**

- *Advanced Refunding* – a refunding in which the outstanding bonds are callable and remain outstanding for a period of more than 90 days after the issuance of the refunding bonds. Proceeds from the sale of the refunding bonds are used to purchase permissible legal securities, which are deposited into an escrow account.
- *Agencies* – federal agency securities and/or Government-sponsored enterprises.
- *Arbitrage* – the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher-yielding taxable securities. The Internal Revenue Service regulates arbitrage on the proceeds from the issuance of municipal securities.
- *Bankers' Acceptance* – a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
- *Broker* – brings buyers and sellers together for a commission.

- *Capital Budget* – the first two years of the ~~Five~~Six-Year Capital Improvement Plan. These amounts are automatically included in the annual biennial budget process.
- *Capital Improvement Plan (C-I-P)* – a plan that describes the capital projects and associated funding sources the City intends to undertake ~~in the next fiscal year plus four additional future years~~during the next six years.
- *Collateral* – Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies (Public Deposit Protection Act; CRS 11-10.5-101 et seq.)
- *Current Refunding* – a refunding in which the outstanding bonds are retired within 90 days after the new bonds are sold.
- *Competitive Bond Sale* – bonds are marketed to a wide audience of investment banking (underwriter) firms. Sealed bids are submitted at a specific date and time and the underwriter is selected based on its bid for the City's securities.
- *Dealer* – as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
- *Delivery-versus-Payment* – delivery of securities with an exchange of money for the securities. *Delivery-versus-receipt* is delivery of securities with an exchange of a signed receipt for the securities.
- *Full Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when earned and expenses are recognized when the liability is incurred.
- *Fund* – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
- *Fund Balance* – the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund.
  - *Non-spendable Fund Balance* – fund balance that is inherently non-spendable, such as the long-term portion of loans receivable, the principal of an endowment, and inventories.
  - *Restricted Fund Balance* – fund balance that has externally enforceable limitations on its use, imposed by parties such as creditors, grantors, or laws and regulations of other governments.
  - *Committed Fund Balance* – fund balance with limitations imposed by the government itself at its highest level of decision making. For example, for the City of Louisville, this would be limitations imposed on fund balance by the Council through an ordinance or resolution.

- *Assigned Fund Balance* – fund balance that is earmarked for an intended use at either the highest level of decision making or by a body or an official designated for that purpose.
- *Unassigned Fund Balance* – all fund balances that are left after considering the other four categories. Use is the least restricted in this category of fund balance.
- *Unrestricted Fund Balance* – a category of fund balance that comprises committed fund balance, assigned fund balance, and unassigned fund balance. Unrestricted fund balance is, therefore, unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes.
- *General Fund Operating Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Operating Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less other financing sources (such as sales of assets) and interfund transfers-in.
- *General Fund Recurring Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Recurring Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less non-recurring building-related revenue, non-recurring and non-operational grants, other financing sources, and interfund transfers-in.
- *General Fund Sales Tax Revenue* – as used in the financial indicators, this term refers to total sales tax revenue less any sales tax rebates due to Business Assistance Packages.
- *General Obligation Bonds* – bonds backed by the “full faith and credit” of the City. Bondholders have the authority to compel the City to use its taxing power, or to use other revenue sources, to generate the revenue necessary to repay the bonds. General obligation bonds are subject to the City’s debt limitation and voter approval is required.
- *Liquidity* – refers to the ease in which an asset can be converted into cash without a substantial loss of value.
- *Modified Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when it become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when they are expected to draw on current spendable resources.
- *Negotiated Bond Sale* – the City selects the underwriter in advance of the bond sale. The Financial Advisor and City staff work with the underwriter to bring the issue to the market and negotiate all rates and terms of the sale.

- ~~*Open Space & Parks Fund Targeted Fund Balance* – as used in the financial indicators, this term refers to 15% of current operating expenditures plus an amount sufficient to cover the City's share of the total projected cost of acquiring the three highest priority candidate open space properties~~
- *Private Bond Placement* – the City sells its bonds to a limited number of sophisticated investors, and not the general public.
- *Program* – A set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- *Refunding* – refinancing an outstanding bond issue by issuing new bonds.
- *Revenue Bonds* – bonds secured by revenue generated by user fees or by other non-ad valorem revenue sources typically generated by the project being financed. Only the specific revenue source is pledged for the bond repayment. No taxing power or General fund pledge is provided as security. Revenue bonds are not subject to the City's debt limitation and voter approval is not required.
- *TABOR* – the Taxpayer Bill of Rights amendment to the Colorado Constitution and other Colorado law and court decisions.
- *Treasuries* – securities issued by the U.S. Treasury to finance the national debt. Treasury Bills are non-interest bearing discount securities that mature in one year or less. Treasury Notes are coupon bearing securities having initial maturities of two to ten years. Treasury Bonds are coupon-bearing securities having initial maturities of more than ten years.
- *Underwriter* – a dealer that purchases new issues of municipal securities from the issuer and resells them to investors. The difference between the price at which the bonds are bought and the price at which they are offered to investors is the underwriter's discount.
- *Utility Fund Budgetary Basis Expenses* – as used in the financial indicators, this term refers all expenses under the City's budgetary basis of accounting, less capital outlay and interfund transfers-out.
- *Working Capital* – current assets less current liabilities. Used as a measure of *reserves* in proprietary funds. Proprietary funds, unlike governmental funds, report both capital assets and long-term debt, even though neither is directly relevant to near-term financing. Therefore, the difference between proprietary fund assets and liabilities (net position) is not equivalent to the fund balance reported in governmental funds, and is not a useful indicator of *reserves*.
- *Yield* – the rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

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**General Policies****Policy Section: 1****Adopted by Resolution No. ~~92, Series 2015~~****Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

General Policies are financial policies that are not easily categorized under any of the other policy sections. Among other things, these policies will direct management to calculate specific information about the City of Louisville's current fiscal condition, past and future trends, as well as providing guidelines for making fiscal decisions and assuring that the City continues to pursue a financially prudent course.

**Policies**

- 1.1 **Financial Indicators.** The City of Louisville shall annually calculate and publish financial indicators consistent with those listed in Appendix "A". All indicators shall be calculated as of year-end and published each year in the budget document, along with the previous year's indicators for up to ten years. Any indicator that shows a warning trend when compared to prior years shall be more closely analyzed for reasons why a change has occurred.

**City of Louisville, Colorado  
Financial Policies  
General Policy 1.1  
Appendix A - Financial Indicators**

Category	Description	Formula	Warning Trend
Revenue:			
	General Fund Revenue Per Capita	$\frac{\text{General Fund Operating Revenue}}{\text{Population}}$	Decrease
	General Fund Intergovernmental Revenue	$\frac{\text{General Fund Intergovernmental Revenue}}{\text{General Fund Operating Revenue}}$	Increase
	General Fund Sales Tax	$\frac{\text{General Fund Sales Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Property Tax	$\frac{\text{General Fund Property Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Actual Revenue vs. Budget	$\frac{\text{General Fund Actual Revenue}}{\text{General Fund Budgeted Revenue}}$	Decrease
Expenditures:			
	General Fund Expenditures Per Capita	$\frac{\text{General Fund Operating Expenditures}}{\text{Population}}$	Increase
	General Fund Expenditures vs. Budget	$\frac{\text{General Fund Actual Expenditures}}{\text{General Fund Budgeted Expenditures}}$	Increase
	City-Wide Employees Per Capita	$\frac{\text{City-Wide Employees (FTE's)}}{\text{Population}}$	Increase
	City-Wide Employee Benefit Cost	$\frac{\text{City-Wide Employee Benefits Cost}}{\text{City-Wide Employee Wages Cost}}$	Increase
Operating Position:			
	General Fund Operational Surplus/(Deficit)	$\frac{\text{General Fund Recurring Operating Revenue}}{\text{General Fund Recurring Operating Expenditures}}$	Decrease
	General Fund Operating Margin	$\frac{\text{General Fund Operational Surplus/(Deficit)}}{\text{General Fund Recurring Operating Revenue}}$	Decrease
	General Fund Reserves	$\frac{\text{General Fund Unrestricted Fund Balance}}{\text{General Fund Operating Expenditures}}$	Decrease
	Open Space & Parks Fund Reserves	$\frac{\text{Open Space \& Parks Fund Total Fund Balance}}{\text{Open Space \& Parks Fund Targeted Fund Balance}}$	Decrease
	Water Utility Fund Working Capital	$\frac{\text{Water Utility Fund Working Capital}}{\text{Water Utility Fund Budgetary Basis Expenses}}$	Decrease

(continued)

**City of Louisville, Colorado  
Financial Policies  
General Policy 1.1  
Appendix A - Financial Indicators  
(continued)**

Category	Description	Formula	Warning Trend
Operating Position: (continued)			
	Wastewater Utility Fund Working Capital	$\frac{\text{Wastewater Utility Fund Working Capital}}{\text{Wastewater Utility Fund Budgetary Basis Expenses}}$	Decrease
	Storm Water Utility Fund Working Capital	$\frac{\text{Storm Water Utility Fund Working Capital}}{\text{Storm Water Utility Fund Budgetary Basis Expenses}}$	Decrease
	Combined Utility Fund Debt Burden	$\frac{\text{Total Combined Utility Fund Revenue}}{\text{Total Combined Utility Fund Debt Service}}$	Decrease
	Combined Utility Fund Net Position	$\frac{\text{Combined Utility Fund Current Year Net Position}}{\text{Combined Utility Fund Prior Year Net Position}}$	Decrease
	City-Wide Cash & Investments	$\frac{\text{City-Wide Unrestricted Cash \& Investments}}{\text{City-Wide Current Liabilities}}$	Decrease
	City-Wide Net Position	$\frac{\text{City-Wide Current Year Net Position}}{\text{City-Wide Prior Year Net Position}}$	Decrease
	City Wide Accumulated Depreciation	$\frac{\text{City Wide Accumulated Depreciation}}{\text{City-Wide Depreciable Assets}}$	Increase
	City-Wide Debt Per Capita	$\frac{\text{City-Wide Total Debt}}{\text{Population}}$	Increase

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**Reserve Policies****Policy Section: 2****Adopted by Resolution No. ~~92, Series 2015~~****Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City's credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used and how the reserves will be replenished if they fall below established reserve amounts.

The City will measure its compliance with this policy as of December 31<sup>st</sup> of each year, as soon as practical after final year-end information is audited and becomes available.

**Policies**

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any interfund transfers to other funds, regardless of whether the transfers are considered recurring or non-recurring.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 20% of current operating expenditures. This higher target is in recognition of:

- the General Fund's reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund's exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Open Space & Parks Fund, ~~and~~ the Cemetery Fund, and the Recreation Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures. However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan. Use of reserves below the 20% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed to replenish the reserves as quickly as reasonably possible and presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 **Open Space & Parks Fund Reserves.** The entire fund balance for the Open Space and Parks Fund is restricted by voters for acquisition, development, and operation of open space, trails, wildlife habitats, wetlands, and parks.

The minimum fund balance of the Open Space and Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space and parks operations and exclude all interfund transfers and capital outlay.

~~The targeted fund balance of the Open Space and Parks Fund will include the minimum fund balance plus an amount sufficient to cover the City's share (considering other likely joint partners) of the total projected cost of acquiring the three highest priority candidate open space properties. As the highest priority properties are purchased, this amount will be adjusted.~~

~~The Open Space & Parks Fund requires a recurring annual transfer from the General Fund to fund its operating deficit. This transfer will be calculated by taking the amount of funding provided by the General Fund for Parks in 2007 (\$626,900) and inflating that amount on an annual basis by the Consumer Price Index (All Urban Consumers, Not Seasonally Adjusted, for the Denver, Boulder, Greeley Area).~~

~~The City Council will annually consider interfund transfers of excess General Fund or Capital Project Fund balances to the Open Space & Parks Fund for property acquisition reserves.~~

~~Use of reserves below the targeted amount requires authorization from City Council. In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, the event reserves are used to acquire open space property resulting in a fund balance below the targeted amount, a plan will be developed to replenish the reserves as quickly as reasonably possible and presented as part of a long-term financial plan. Methods of replenishing fund balance may include transfers from other funds, securing loans from other agencies to jointly purchase property, seeking approval of bonds to finance property acquisition, and/or delaying/reducing expenditures for development, construction, operation, and maintenance of open space zones, trails, wildlife habitats, wetlands, and parks.~~

- 2.3 **Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

- 2.4 **Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

- 2.5 **Recreation Fund Reserves.** The minimum unrestricted fund balance of the Recreation Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Recreation Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the eventual replacement of Recreation Center and Memory Square Pool assets. The calculation of this reserve will be made by the Finance Department and the methodology used will be approved by the Finance Committee on an annual basis.

The City Council desires that the fee revenue generated by the Recreation Center and Memory Square Pool facilities cover the operating costs for those facilities, fund the 15% minimum fund balance, and fund the capital asset renewal and replacement reserve. However, the City Council also recognizes that the fee revenue may not be sufficient and the Recreation Fund may need to rely on annual General Fund transfers. The maximum annual General Fund transfer will be calculated by taking the General Fund subsidy for the Recreation Center/Memory Square Pool in 2017 (\$986,300) and inflating that amount on an annual basis by the Consumer Price Index (All Urban Consumers, Not Seasonally Adjusted, for the Denver, Boulder, Greeley Area).

This policy also authorizes an annual transfer from the Capital Projects Fund to the Recreation Fund in the amount of \$125,000 for 2019 and each year thereafter inflated on an annual basis by the Consumer Price Index (All Urban Consumers, Not Seasonally Adjusted, for the Denver, Boulder, Greeley Area).

- 2.6 **Golf Course Fund Reserves.** The minimum unrestricted fund balance of the Golf Course Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Golf Course Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the eventual replacement of Golf Course assets. The calculation of

this reserve will be made by the Finance Department and methodology used will be approved by the Finance Committee on an annual basis.

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**Debt Policies**

**Policy Section: 3**  
**Adopted by Resolution No. 92, Series 2015**  
**Effective Date: December 15, 2015**

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**Purpose and Scope**

To enhance creditworthiness and engage in prudent financial management, the City of Louisville is committed to systematic capital planning and long-term financial planning. Maintaining the City's bond rating is an important objective and, to this end, the City is continually working to improve its financial policies, budgets, forecasts, and financial health.

These policies establish criteria for the issuance of debt obligations by the City so that acceptable levels of indebtedness are maintained. The objectives of these policies are to ensure that the City obtains debt financing only when necessary, that the process for identifying the timing and amount of debt financing be as efficient as possible, that the most favorable interest rates and related issuance costs are obtained, and that future financial flexibility remains relatively unconstrained.

Debt financing includes general obligation bonds, revenue bonds, notes payable to the Colorado Water Resources & Power Development Authority, leases, and any other City obligations permitted to be issued or incurred under Colorado law, the City's Municipal Code, and the City's Charter.

This policy does not apply to the Urban Revitalization District, a legally separate entity, but a component unit of the City for financial reporting purposes.

**Policies**

- 3.1 **Use of Debt Financing.** Although the City will normally finance projects on a cash basis (pay-as-you-go), the City may decide that the most equitable way of financing a project is through debt financing (pay-as-you-use).

Factors which may favor *pay-as-you-go* financing include circumstances where:

- the project can be adequately funded from available current revenue and reserves;
- the project can be completed in an acceptable timeframe given the available resources;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or are not conducive to marketing debt.

Factors which may favor *pay-as-you-use* financing include circumstances where:

- current revenue or reserves are insufficient to pay project costs;
- a project is immediately required;
- revenue available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
- market conditions present favorable interest rates and demand for municipal debt financing; or
- the useful life of the project or asset is five years or greater.

The City will not use long-term debt to finance any recurring purpose such as current operations. Debt financing will be used only for capital improvement projects and large equipment purchases. Debt payments shall not extend beyond the estimated useful life of the project or the equipment being financed.

- 3.2 **Limitations and Constraints on Debt Financing.** Per Article 12, Section 12-1, of the City of Louisville Charter, the total amount of the City's indebtedness shall not at any time exceed three (3) percent of the actual value, as determined by the County Assessor, of taxable property within the City, except such debt as may be incurred by supplying water.

Per Article 12, Section 12-3, of the City of Louisville Charter, any lease-purchase agreement, except for the acquisition of water rights, entered into by the City shall be approved by the City Council by non-emergency ordinance.

Per the Taxpayer Bill of Rights (TABOR) amendment to the Colorado Constitution, all multiple-year debt shall first be approved by the City's taxpaying electorate unless it is issued for a TABOR-defined government enterprise, refinances bonded debt at a lower interest rate, or sufficient cash reserves are pledged irrevocably for future payments. The City's TABOR-defined enterprises include the Water Utility Fund, the Wastewater Utility Fund, the Storm Water Utility Fund, and the Golf Course Fund. Operating leases, lease-purchases, and certificates of participation (COP's) that are subject to annual appropriation are not considered multiple-year debt and are not subject to TABOR election requirements.

- 3.3 **Structure of Debt Financing.** City debt will be structured to achieve the lowest possible net interest cost given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will minimize impacts on future financing flexibility. To the extent possible, repayment of debt shall be structured to rapidly recapture credit capacity for future use.

City debt will be amortized for the shortest period consistent with a fair allocation of cost to current and future beneficiaries of the project being financed, and in keeping with other related provisions of this policy. The City shall normally issue general obligation bonds or revenue bonds with a maximum life of twenty years or less.

The City will normally seek to amortize general obligation bonds and revenue bonds with level payments (principal plus interest) over the life of the issue. Pushing higher debt service costs to future years will only be considered under special circumstances. The City will also avoid repayment schedules that consist of low annual payments and a large payment of the balance due at the end of the term. There shall always be at least one interest payment in the first fiscal year after a bond sale. Principal repayment shall start no later than the second year after the bond issue.

Call provisions for bond issues shall be made as short as possible, consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds shall be callable only at par.

Credit enhancements may be used if the costs of such enhancements are lower than the reduction in net debt service payments or if they provide other significant financial benefits to the City.

- 3.4 **Bond Counsel.** The City will retain an external bond counsel through a competitive process administered by the Finance Department and the City Attorney's Office. All debt issues of the City will include a written opinion by bond counsel on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.
- 3.5 **Financial Advisor.** The City will retain an external financial advisor through a competitive process administered by the Finance Department. For each debt issuance, the financial advisor will provide the City with information and recommendations on all aspects of the issuance, including market opportunities, method of sale, structure, term, pricing, and fees.
- 3.6 **Method of Sale.** As a matter of general policy, the City shall seek to issue its general and revenue bond obligations with a competitive sale process unless it is determined by the City's Financial Advisor and Finance Director that such a method will not produce the best results for the City. Other methods of sale that may be authorized by the Financial Advisor and Finance Director are a negotiated sales process and a private placement process.

Conditions that may favor a negotiated sale process are:

- The bond issue is, or contains, a refinancing that is dependent on market timing;
- At the time of the issuance, the interest rate environment or economic factors that affect the bond issue are volatile;
- The nature of the debt is unique and requires particular skills from the underwriter; or
- The debt issuance is bound by a compressed timeline due to extenuating circumstances that prevent a competitive process from being accomplished.

Whenever a negotiated sale process is determined to be in the best interests of the City, the City will use a competitive process to select its investment banking team.

In such instances where the City, through competitive bidding, deems the bids as unsatisfactory, or does not receive bids, it may, at the election of the Finance Director, immediately enter into a negotiated sale process or private placement process.

- 3.7 **Refunding of Debt.** Periodic reviews of all outstanding debts will be undertaken by the Finance Director and Financial Advisor to determine refunding opportunities. Refundings will be considered (within legal constraints) if and when there is a net economic benefit of the refunding, or if the refunding is essential in order to amend covenants to enhance operations and management. As a general rule, refundings will only be considered if the present value savings (net of all costs) of a particular refunding will exceed five percent (5%) of the refunded principal.

- 3.8 **Arbitrage Liability Management.** It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law. The City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Because of the complexity of the arbitrage rebate regulations and the severity of non-compliance penalties, the City will use the services of Bond Counsel and other arbitrage compliance experts when determining arbitrage liability, reporting, and exemptions.
- 3.9 **Financial Disclosure.** The City is committed to full and complete financial disclosure and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, accurate, and timely financial information. Continuing disclosure requirements under Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) may apply to certain debt transactions of the City. The City will comply with all such Federal or other State reporting requirements on a timely basis. The City is committed to meeting continuing disclosure requirements of the national information repositories.

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**Revenue Policies****Policy Section: 4****Adopted by Resolution No. ~~92, Series 2015~~****Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The City of Louisville collects revenue from various sources, the largest of which are from sales and use taxes, utility fees, property taxes, and intergovernmental revenue. The structure, equity, fluctuation, and collection of revenue are important for financial stability and are reviewed by bond rating agencies to determine the City's credit quality.

**Policies**

- 4.1 **Diversification and Stabilization.** The City will strive to maintain a diversified and stable revenue system to reduce the overall effects of fluctuations in any one revenue source.
- 4.2 **Equity.** Revenue will be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens. Services having a City-wide benefit shall be financed with revenue sources generated from a broad base, such as sales taxes and property taxes. Services where the customer determines the use shall be fully or partially financed with user fees and charges related to the level of service provided.
- 4.3 **Collections.** The City will monitor all taxes, fees, and charges to make sure they are equitably administered and collections are timely and accurate. The City will pursue collection of delinquent amounts (including related penalties and interest) as authorized by the Louisville Municipal Code.
- 4.4 **Recurring and Non-recurring Revenue.** The City's objective is to fund all recurring expenditures with recurring revenue. Non-recurring, one-time revenue should be used to fund only non-recurring, one-time expenditures. The preferred use of non-recurring revenue is to invest in projects that will result in long-term operational cost savings.
- 4.5 **Intergovernmental Revenue.** The City will pursue intergovernmental aid, including grants, for those programs and activities that address a recognized need and are consistent with the City's goals and objectives, and will attempt to recover all allowable costs associated with those programs. The City will avoid using grants for ongoing service delivery needs. Any decision to pursue intergovernmental aid should only be made after consideration of the present and future funding requirements, costs of administering the funds, costs associated with special conditions or regulations attached to the aid, and ongoing operational costs after the aid period.

- 4.6 **User Fees and Services Charges.** The City will periodically recalculate the full cost of providing services in order to provide a basis for setting the associated user fee or service charge. Full cost shall incorporate direct and indirect costs, including operations (with City labor costs), maintenance, overhead, debt service, equipment, and capital charges. The intent of this policy is to set fees at a level that is related to the actual cost of producing the good or service. The City will also periodically examine and compare rates from other cities providing similar services. It is recognized that competing policy objectives may result in user fee levels that recover only a portion of the costs. The City Council's intent is to review all fees every year during the budget process. For years in which a complete recalculation of full costs is not done, this policy authorizes the use of an annual fee inflator to be applied to certain fees.
- 4.7 **Fees for Children's Recreational Services and Senior Programs.** The City may set fees for children's recreational programs and senior services at levels below the full cost of providing those services.
- 4.8 **Fees for Non-Resident City Services.** Non-residents may be required to pay higher fees than residents for City services.

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**Operating Budget  
Policies****Policy Section: 5**  
**Adopted by Resolution No. ~~92, Series 2015~~**  
**Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The formulation of the annual operating budget, including the publication of the budget document, is one of the most important financial activities that the City of Louisville undertakes each year. The budget process provides a comprehensive plan to deliver efficient services to residents and stakeholders of the City in a manner that aligns resources with the policies, goals, mission, and vision of the City. This policy is intended to provide guidelines to assist in the formulation of financial discussion and the broader implications of financial decisions. This policy shall apply to all funds with an adopted budget.

**Policies**

- 5.1 **Budgetary Basis of Accounting.** The “basis of accounting” is a term used to describe the timing of revenue and expenditure recognition. In other words, when the effects of transactions or events should be recognized. In governmental accounting, the basis of accounting used for financial reporting purposes, as required by generally accepted accounting principles (GAAP), is not required for use in preparing a budget document. Under GAAP, governmental funds are required to utilize a modified accrual basis of accounting and proprietary funds (enterprise and internal service) are required to utilize a full accrual basis of accounting for financial reporting purposes. The City of Louisville’s *budgetary* basis of accounting is a modified accrual basis for *all* fund types, including proprietary funds. Some of the differences between the City’s budgetary basis of accounting and the GAAP basis of accounting for proprietary fund types are:
- *Issuance of debt* – budgeted as a revenue item, adjusted at year-end to a liability for financial reporting purposes.
  - *Principal payment on debt* – budgeted as an expense item, adjusted at year-end to a reduction in the liability for financial reporting purposes.
  - *Capital acquisition* – budgeted as an expense item, adjusted at year-end to an asset acquisition for financial reporting purposes.
  - *Depreciation* – not recognized for budgeting purposes, recorded at year-end as an expense for financial reporting purposes.

- 5.2 **Level of Budgetary Control.** The level of budgetary control is the level at which spending cannot exceed the budgeted amount without City Council authorization. The level of control is also the level of detail the City Council approves in the appropriation resolution. The City's current level of budgetary control is at the fund level. However, department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.

Article 11, Section 11-6 of the City of Louisville Charter states, *"During the fiscal year, no officer or employee shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated by the City Council. Any contract, verbal or written, made in violation of this subsection shall be void, and no moneys of the City shall be paid on such contract; except that the City Council may ratify such a contract if it determines that ratification would be in the best interest of the City, and if it adopts a resolution making the necessary appropriation."*

- 5.3 **Balanced Budget.** The City's definition of a balance budget requires each fund's revenue plus appropriated fund balance/working capital to be equal to, or greater than, each fund's total appropriations. However, it is the City's intent to go further and develop *structurally* balanced budgets for the General Fund and the other major operating funds (excluding capital project funds). In a structurally balanced budget, annual recurring revenue will be projected to equal or exceed annual recurring expenditures for each fund. If a structural imbalance (recurring expenditures exceeding recurring revenue) should occur in the General Fund or in any of the major operating funds, a plan will be developed and implemented to bring the budget back into structural balance.
- 5.4 **Budget Form.** Article 11, Section 11-2 of the City of Louisville Charter states, *"The proposed budget shall provide a complete financial plan for the City in a format acceptable to the City Council. Except as otherwise provided by this Charter, the proposed budget shall be prepared in accordance with State statutes establishing the local government budget law and the local government uniform accounting law."*
- 5.5 **Capital Improvement Plan (C-I-P).** A FiveSix-Year Capital Improvement Plan will be presented to the City Council for consideration during the biennial budget development process. The annual capital budget will be based on the first year of the approved C-I-P.
- 5.6 **Long-Term Financial Plan (LTFP).** FiveSix-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.
- 5.7 **Budget Amendment.** The City Council may amend or supplement the budget by resolution at any time after its initial adoption. A public hearing is required.
- 5.8 **Budget Control System.** The City will develop and maintain a budgetary control system to help it adhere to the budget. All departments are part of the budget control system and will have access to individual department reports that compare budget-to-actual financial performance. The Finance Department will report City-wide budget-to-actual performance on a monthly-quarterly basis for both revenue and expenditures to the City Finance Committee.

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**Investment Policies**

**Policy Section: 6**  
**Adopted by Resolution No. 92, Series 2015**  
**Effective Date: December 15, 2015**

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**Purpose and Scope**

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**Policies**

- 6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:
- *Safety.* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
  - *Liquidity.* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
  - *Yield.* The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

6.2 **Delegation of Authority.** The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

6.4 **Legal Investments.** All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA- or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed “delivery versus payment” (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

- 6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee monthly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received.

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**Capital Asset  
Investment &  
Management Policies****Policy Section: 7**  
**Adopted by Resolution No. ~~92, Series 2015~~**  
**Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

Capital assets have a major impact on the ability of the City of Louisville to deliver services, the economic vitality of the City, and the overall quality of life for the City's citizens. The purpose of this policy is to provide general guidelines for a comprehensive process of allocating limited resources to capital investments. This policy applies to all funds included in the City's FiveSix-Year Capital Improvement Plan.

**Policies**

- 7.1 **General Process for FiveSix-Year Capital Improvement Plan (C-I-P).** The Finance Department is responsible for coordinating the C-I-P process within the annual budget calendar and for compiling the requested, recommended, and adopted C-I-P document.

Each year, City departments will submit a list of prioritized projects for inclusion into the C-I-P. The City Manager will review the requests and make the final recommendations to City Council. City Council will review the recommended C-I-P and direct any changes for the final C-I-P. The first two years of the C-I-P will be included in the Annual-Biennial Operating & Capital Budget presented to the City Council for formal adoption in November.

The City shall provide meaningful opportunities for all stakeholders to provide input into the C-I-P development process.

- 7.2 **C-I-P Project Selection.** An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:
- Long-Term Forecasts – Long-term forecasts will be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance and replacement costs.
  - Impact of Other Projects – Projects shall not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.

- Full Costing – Cost analysis of a proposed project should encompass the entire cost of the project, including annual maintenance and other impacts to the operating budget.
- Predictable Project Timing & Scope – Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

7.3 **Balanced C-I-P.** The adopted C-I-P will be balanced. This means that for the ~~five~~-six-year period, revenue plus the use of fund reserves will equal or exceed total project expenditures.

7.4 **Asset Maintenance & Replacement.** It is the City's intent to maintain its existing assets and a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendations for asset maintenance in the C-I-P. It is the City's intent to ensure that adequate resources are allocated to preserve the City's existing infrastructure to the best of its ability before allocating resources to other capital projects.

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**Accounting, Auditing, &  
Financial Reporting  
Policies****Policy Section: 8**  
**Adopted by Resolution No. ~~92, Series 2015~~**  
**Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The City of Louisville desires to maintain a system of financial management that safeguards City assets, promotes financial transparency, and provides timely, accurate, and relevant financial information to citizens, elected officials, and management. This policy pertains to all funds and operations of the City and, to the extent reasonably possible, all component units of the City.

**Policies**

- 8.1 **Accounting.** The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The City's accounting and reporting policies will conform to the generally accepted accounting principles (GAAP).
- 8.2 **Auditing.** Article 11, Section 11-7 of the City of Louisville Charter states, *"The Council shall provide for a financial audit, which shall be performed at least annually by a certified public accountant selected by the Council. The Audit shall be performed in accordance with the State statutes establishing the local government audit law. Copies of the audit shall be made available for public inspection."*

In compliance with the Charter, an annual audit will be performed by an independent certified public accounting firm in accordance with Generally Accepted Governmental Auditing Standards and the auditor's opinion will be included in the City's Comprehensive Annual Financial Report (CAFR).

The City's Finance Department shall be responsible for managing the audit procurement process. The City Council will appoint the independent auditor and approve each year's audit engagement letter. The audit engagement term shall typically be for five to ten years, subject to annual review, approval, and appropriation.

- 8.3 **Audit Committee.** The City's Finance Committee will act as the City's Audit Committee. The Audit Committee will provide an independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. The City's independent auditors will meet with the Audit Committee at least annually and have direct access to the Audit Committee if City staff is unresponsive to auditor recommendations or if

the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- 8.4 **Financial Reporting.** The City's Comprehensive Annual Financial Report (CAFR) will be published annually to present the results, financial position, and results of operations of the City for the prior year. As an additional independent confirmation of the quality of the City's financial information, the City will annually submit its CAFR to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

The Finance Department will provide ~~monthly~~quarterly interim financial reports to the Finance Committee after the close of each ~~month~~quarter. The reports will be designed to keep the Committee continuously informed of the City's overall financial status.

- 8.5 **Internal Controls.** The goals and objectives of the City's internal control policies are to safeguard City assets and to foster reliance on public information for decision-making purposes at all levels both internally and externally. Management shall establish the presence of integrity, ethics, competence, and a positive control environment. Directors are responsible for establishing, executing, and maintaining control policies and procedures at the detail level within their specific departments.

The City's internal control structure will be based on the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) framework and comprised of the following elements:

- **Control Environment** – Factors include integrity and ethical values, commitment to competence, leadership philosophy and operating style, assignment of authority and responsibility, and policy and procedures;
  - **Risk Assessment** – Routine assessment of risk and its impact on internal controls;
  - **Control Activities** – Such as segregation of duties, authorization of transactions, retention of records, supervision and monitoring of operations, and physical safeguards;
  - **Information and Communication** – Policies and procedures are documented and accessible; and
  - **Monitoring** – Assessment of the quality of performance over time to determine whether controls are effective and track resolution achievements of identified problems.
- 8.6 **Capitalization of Assets.** The terms capital assets, capital outlay, and fixed assets are used to describe assets that are used in operations that have initial lives extending beyond a single reporting period, such as water rights, infrastructure, land, buildings, improvements other than buildings, and equipment. It is incumbent upon departments to maintain adequate control over all resources, including capital assets, to minimize the risk of loss or misuse.

Not all capital assets are required to be reported on the City's balance sheet. Specifically, capital assets with extremely short useful lives or of small monetary value are properly reported as an "expenditure" or "expense" of the period in which they are acquired. Capital

assets that are reported on the City's balance sheet are said to be "capitalized" and must meet the capitalization criteria outlined in this policy.

The City's capitalization criteria are, as follows:

- Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- The capitalization thresholds shall normally be applied to individual items rather than to groups of similar items (e.g., chairs), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., library books).
- The capitalization threshold for each individual item is ~~\$5,000~~10,000.
- Directors are responsible for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.

8.7 **Accounts Receivable Write-Off.** Accounts receivable is an asset account reflecting amounts owed to the City. Staff will make every effort to collect all receivables. Only receivables deemed uncollectible can be written off. In order to be deemed uncollectible, a receivable must meet the following criteria:

- All standardized collections procedures have been exhausted;
- Further measures to collect the debt have been determined as inappropriate; and
- The characteristics of the debt are such that write-off is appropriate (e.g., the debt is small relative to the cost of further collection efforts).

The City Manager or Finance Director is authorized to approve a write-off of up to \$100 per individual account. Staff's request to write-off accounts greater than \$100 must be approved by the Finance Committee. The amounts and reasons for all write-offs will be documented and made available for audit.

**SUBJECT: FINANCE COMMITTEE 2019 WORK PLAN REVIEW**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: COUNCILMEMBER MALONEY  
KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

Attached is an updated draft of the Finance Committee Work Plan for 2019. All changes made to the draft discussed on January 14 have been **highlighted**. The changes made are based on discussions at the January 14 Finance Committee Meeting and the January 15 Special Council Meeting.

# City of Louisville Colorado Finance Committee 2019 Work Plan (Draft)

Topics will be discussed in the quarter which they are listed. Items that are not complete will roll to the next quarter.

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## Quarterly Reports: material exceptions will be discussed at monthly FC meetings

- Sales & Use Tax Reports
  - Financial Statements
  - Capital Improvement Program Reports
  - Enterprise Dashboards (recreation, golf, utilities)
  - Cash and Investments Reports
- 

### First Quarter

- Review appropriate uses of HPF for development purposes (Jan)
- Review City policies for overtime (Jan)
- Financial policies – initial review (Jan)
- Work Plan Review (Jan)
- Quarterly Reports that are available (Feb)
- Outside Louisville Sales Tax Categorization (Feb)
- Recreation Center Sales tax collection and TABOR issues (Feb)
- Financial Policies – Second Review (Feb)
- Write-offs of Accounts Receivable (Feb)
- 2020 Budget – Review calendar and “off-year” process (Mar)
- Reuse Water Rates (Mar)
- Remaining Quarterly Reports (Mar)
- Financial Policies – Third Review (Mar)

### Second Quarter

- Presentation from Eide Bailly on Review of Internal Controls and Off-Site Cash Collection Processes (Apr)
- Presentation from Chandler on Economy and Investments (Apr)
- Review Budget Scenarios and Process for 2021 Budget including zero-based and negative and positive adjustments scenarios (Apr)
- Quarterly Reports that are available (Apr)
- Budget Amendment (May)
  - 2018 carryover
  - 2019 changes
  - Open Space & Parks Fund – Acquisition Funding
- Remaining Quarterly Reports (May)
- Business Assistance Program Discussion (Jun)

- Review Renewal and Replacement schedule and operating budget for Recreation Center (Jun)
  - Athletic Fields Issue
- Review Renewal and Replacement schedule and operating budget for Golf Course (Jun)

### Third Quarter

- Revenue Projection Dashboards
- Presentation from Eide Bailly on 2018 Audit
- Presentation of 2018 CAFR
- 2019/20 Budget Review
  - Performance Measures
  - Property Tax Rates
- Long-Term Financial Plan
  - Revenue Assumptions
  - Expenditure Targets
- Quarterly Reports

### Fourth Quarter

- Revenue Projection Dashboards
- Review 2020 Budget
- Quarterly Reports
- Review of 2020 Proposed Fees
- Review Non-Profit Grant application process for 2021-2022

**SUBJECT: CASH & INVESTMENTS AT DECEMBER 31, 2018**

**DATE: FEBRUARY 18, 2019**

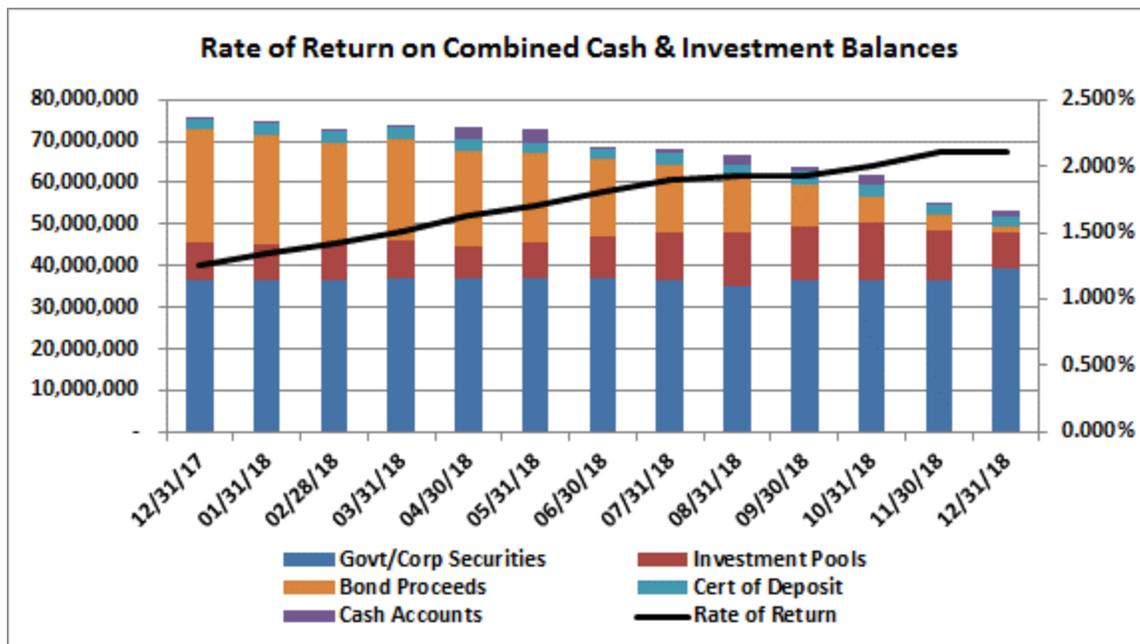
**PRESENTED BY: KEVIN WATSON, FINANCE DEPARTMENT**

**SUMMARY:**

Attached is the December 31, 2018 quarterly report from Chandler Asset Management, the City's Investment Advisor. Please note that this is not a consolidated report and only includes the investments managed by Chandler.

As of December 31, *all* cash and investments totaled \$53.2 million, a decrease of \$10.7 million since September 30, 2018. This decline is mostly due to the spending of bond proceeds for the Recreation Center / Memory Square Construction Project. The average rate of return on *all* cash and investments for the 2018 calendar year was 1.71%. This is the amount that would be charged/earned on any interfund loans for 2018.

The following chart summarizes the distribution of all cash and investments and the average rate of return for December 2017 through December 2018.



Bonds proceeds refer to the Recreation Center Limited General Obligation Bonds.

# City of Louisville

*Period Ending December 31, 2018*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>

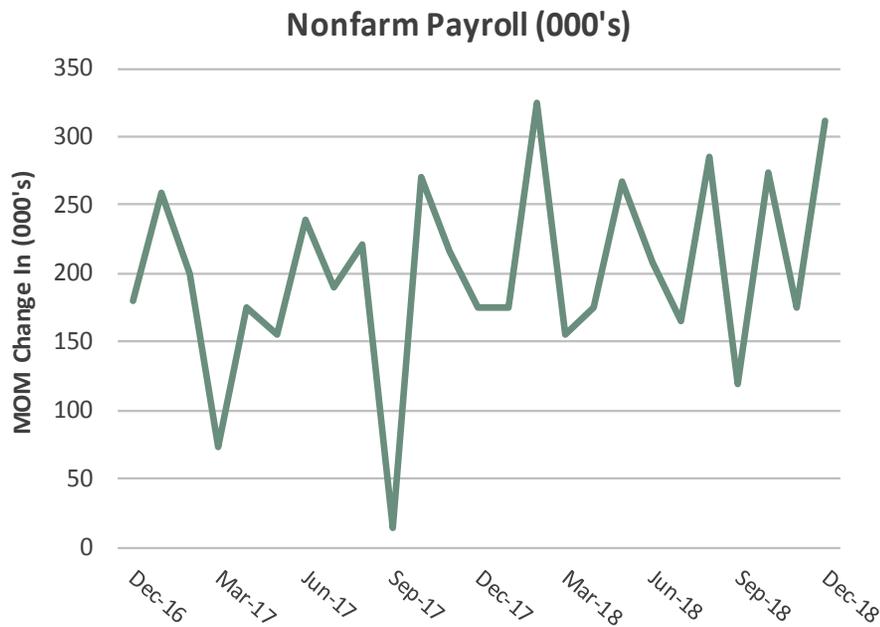


# Section 1 | Economic Update

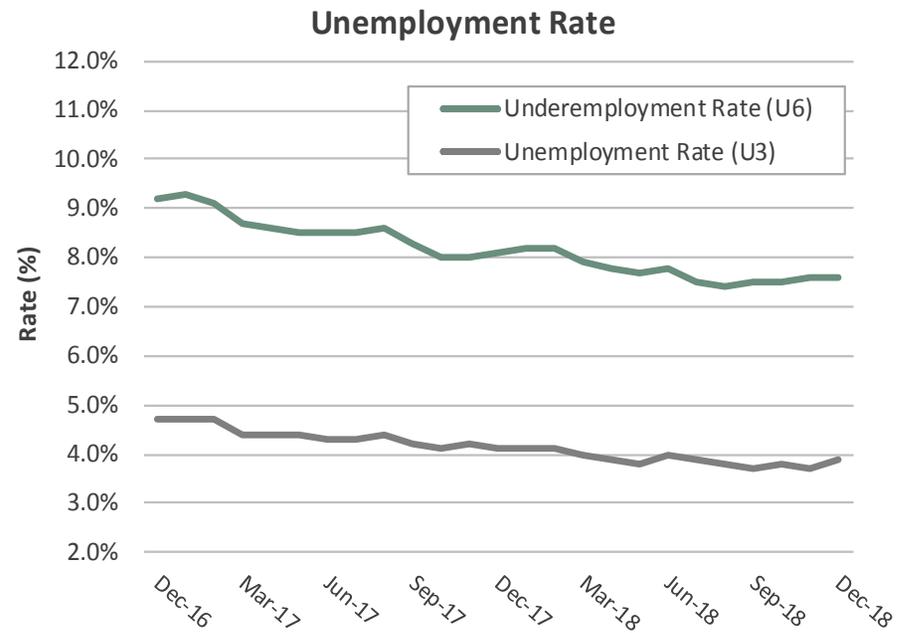
## Economic Update

- The Federal Open Market Committee (FOMC) raised the fed funds target rate by 25 basis points in December to a range of 2.25%-2.50%. Although recent economic data has softened, the rate hike was widely expected. The Fed's long run fed funds rate target was lowered to 2.8% from the previous estimate of 3.0%. However, the Fed did little to acknowledge the changing market dynamics and tightening financial conditions, reaffirming their strong economic forecast for 2019 and emphasizing the balance sheet reduction strategy remains on track. Although the modest adjustment in the Fed's projections was a step in the right direction, some market participants were expecting a more dovish tone from the Fed Chair. We continue to believe the terminal fed funds rate will be below 3.0% and believe the Fed is at risk of making a policy error if monetary policy continues to tighten at the same quarterly pace of 2018. We believe there is a high probability that the Fed will keep monetary policy on hold at least through the first quarter.
- Interest rate sensitive sectors such as housing and autos have softened, and financial conditions have tightened in recent months as equity prices have declined, borrowing costs have increased, and the US dollar has strengthened. Although labor market conditions remain tight, we expect the pace of job growth is likely to slow as the economy is at or near full employment. Meanwhile, inflation pressures remain subdued. Though we don't foresee a recession in the near-term, economic growth has eased. The economy is expected to grow 2.5% this year versus 2.9% in 2018.
- Treasury yields declined in December. At month-end, the 2-year Treasury yield was down nearly 30 basis points to 2.49%, while the 10-year Treasury yield was down slightly more than 30 basis points to 2.68%. The spread between 2- and 10-year Treasury yields was just 20 basis points at year-end.

# Employment



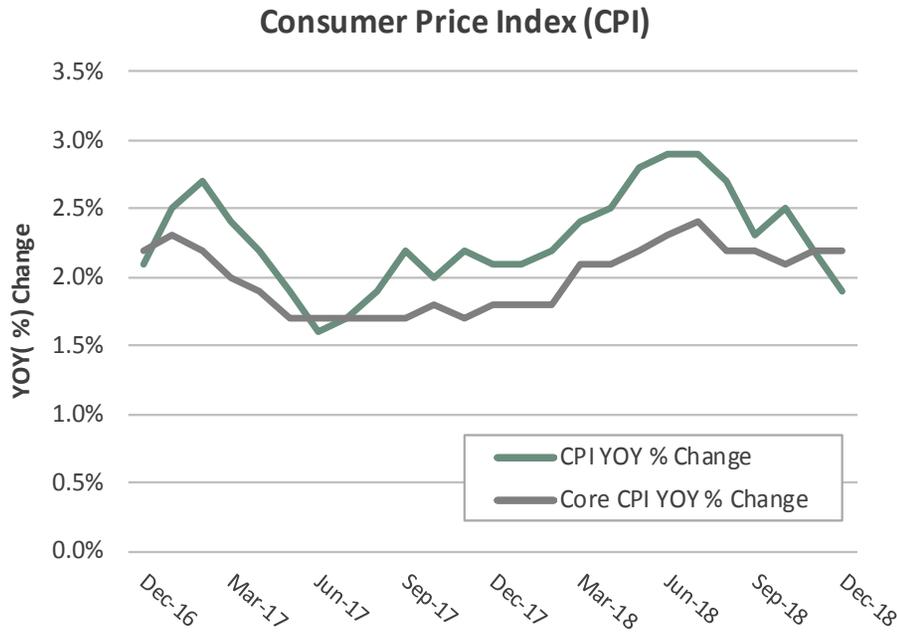
Source: US Department of Labor



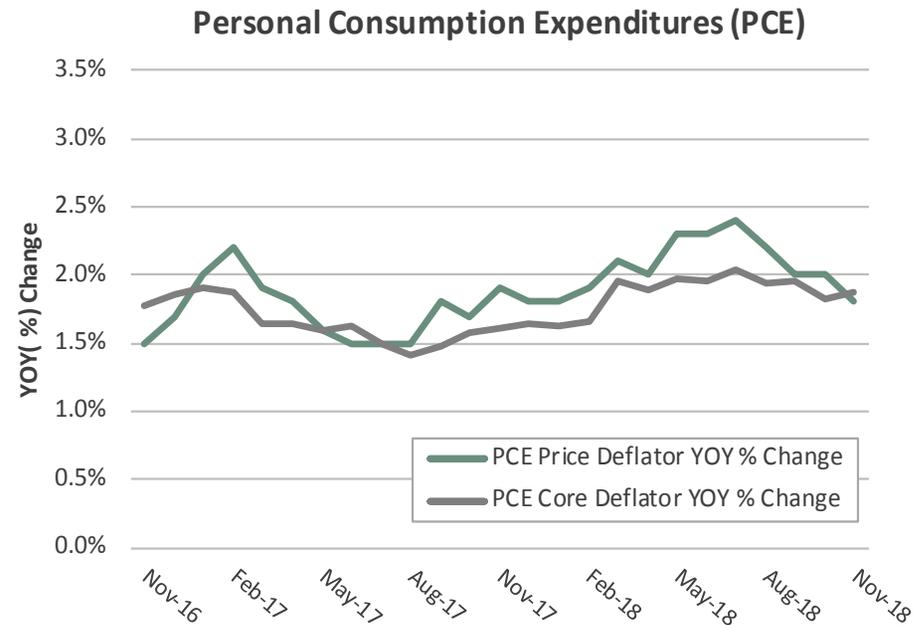
Source: US Department of Labor

U.S. payrolls rose by 312,000 in December, well above the consensus forecast of 184,000. October and November payrolls were revised up by a total of 58,000. On a trailing 3-month and 6-month basis payrolls increased by an average of 254,000 and 222,000 per month, respectively, more than enough to absorb new entrants into the labor market. The unemployment rate increased to 3.9% in December from 3.7% in November as the labor participation rate increased to 63.1% from 62.9%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, was unchanged at 7.6%. Wages jumped 0.4% in December on a month-over-month basis, exceeding expectations of 0.3%. Wages were up 3.2% on a year-over-year basis in December, versus up 3.1% year-over-year in November. The average workweek increased to 34.5 hours in December from 34.4 hours in November.

# Inflation



Source: US Department of Labor

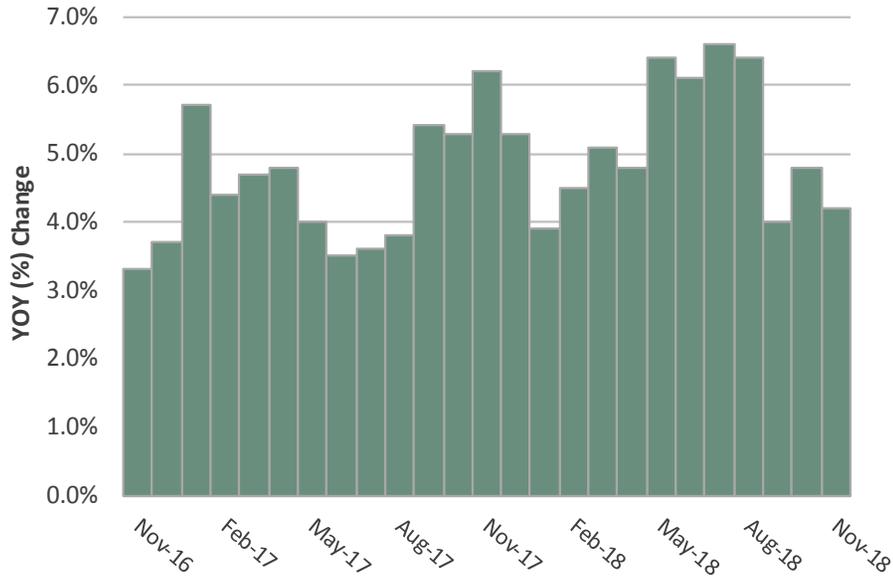


Source: US Department of Commerce

The Consumer Price Index (CPI) was up just 1.9% year-over-year in December, versus up 2.2% year-over-year in November, as energy prices pulled down the index month-over-month. Core CPI (CPI less food and energy) was up 2.2% year-over-year in December, unchanged on a year-over-year basis from November. The Personal Consumption Expenditures (PCE) index was up 1.8% year-over-year in November, versus up 2.0% year-over-year in October. Core PCE (excluding food and energy) was up 1.9% on a year-over-year basis in November, versus up 1.8% in October. Core PCE inflation, which is the Fed's primary inflation gauge remains below the Fed's 2.0% target.

# Consumer

### Retail Sales YOY % Change



Source: US Department of Commerce

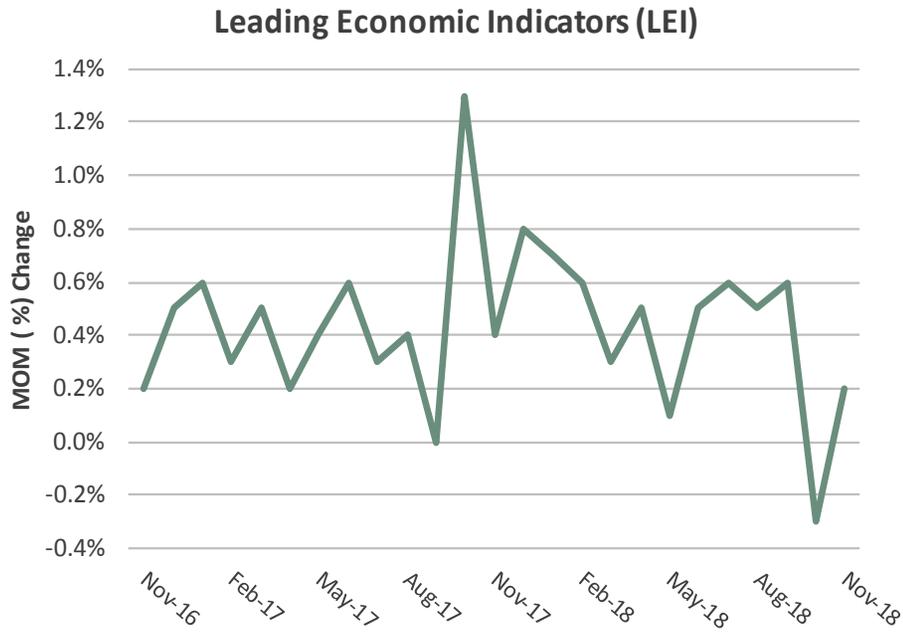
### Consumer Confidence



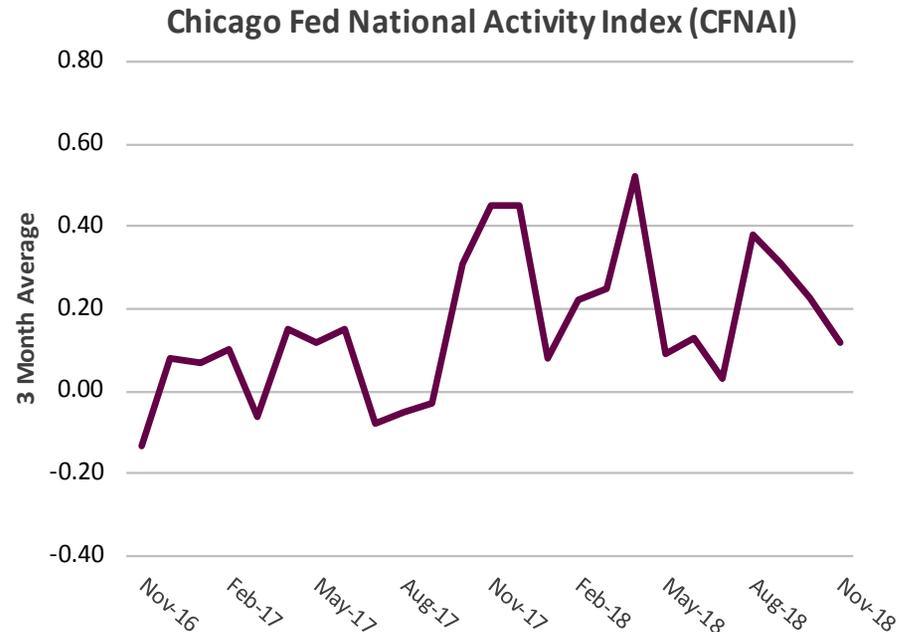
Source: The Conference Board

December retail sales data were delayed due to the government shutdown. On a year-over-year basis, retail sales were up 4.2% in November, versus up 4.8% year-over-year in October. On a month-over-month basis, retail sales increased 0.2% in November, above expectations for a 0.1% increase, following growth of 1.1% in October. October sales were likely boosted in part by a hurricane-related rebound in auto sales and building materials. Lower gas prices held back monthly retail sales growth in November, but sales growth excluding autos and gas was solid. The Consumer Confidence Index remains strong but eased to 128.1 in December from 136.4 in November. Looking ahead, labor market strength should continue to support consumer confidence and spending trends.

# Economic Activity



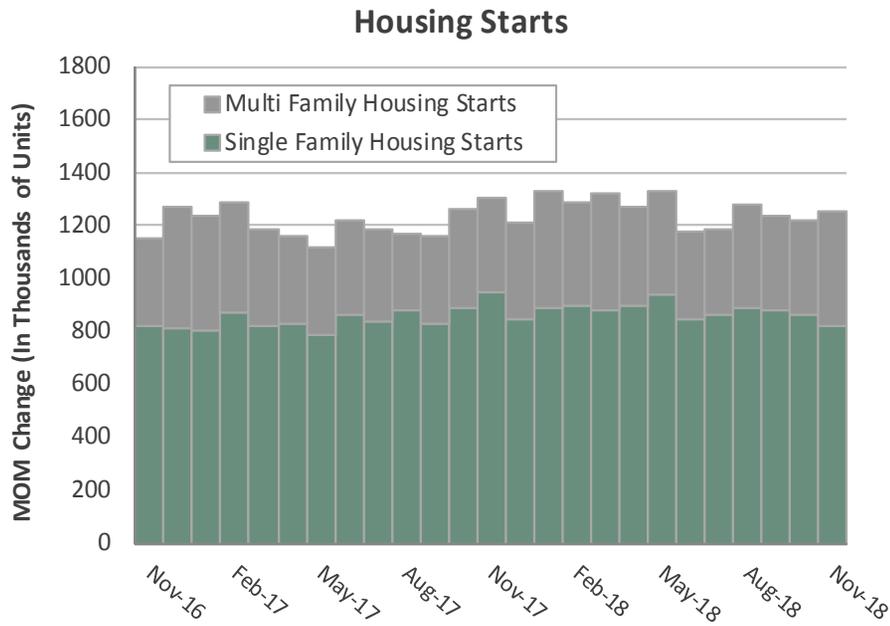
Source: The Conference Board



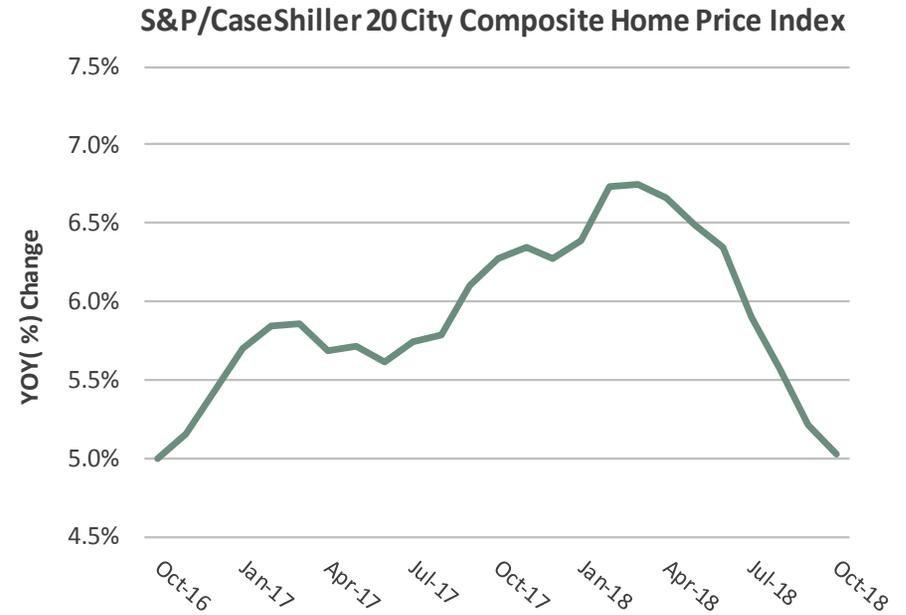
Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) rose 0.2% month-over-month in November, following a downwardly revised 0.3% decline in October. Based on the index, the Conference Board believes the US economy will continue to grow at a pace of about 2.8% in early 2019 and then moderate in the second half of the year. The Chicago Fed National Activity Index (CFNAI) increased to 0.22 in November from a sharply downwardly revised 0.0 in October (previously 0.24). On a 3-month moving average basis, the index declined to 0.12 in November from 0.23 in October.

# Housing



Source: US Department of Commerce



Source: S&P

December housing starts data were delayed due to the government shutdown. In November, total housing starts were stronger than expected, up 3.2% to a 1.256 million annualized rate. The growth was driven by multi-family starts which rose 22.4%. Single-family starts declined 4.6% in November. Permits rose 5.0% in the month. According to the Case-Shiller 20-City home price index, home prices were up 5.0% year-over-year in October, versus up 5.2% in September. The housing sector has softened as mortgage rates have increased.

# Manufacturing

### Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

### Industrial Production



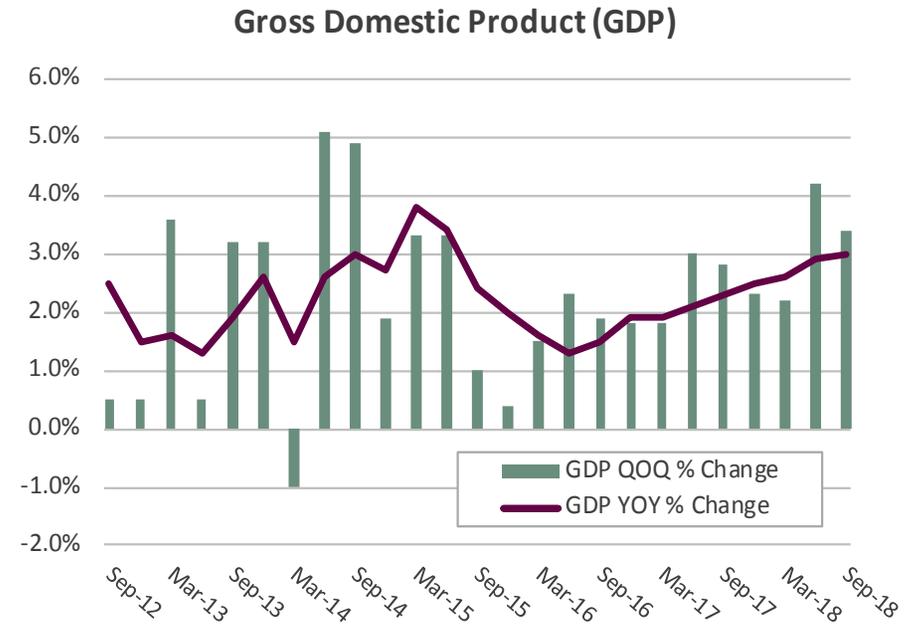
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index fell to 54.1 in December from 59.3 in November. Despite the large decline, a reading above 50.0 suggests the manufacturing sector is expanding. The Industrial Production index was up 4.0% year-over-year in December versus up 4.1% year-over-year in November. On a month-over-month basis, the manufacturing component of the index jumped 1.1% in December, following a 0.1% increase in November. Capacity Utilization increased to 78.7% in December from 78.6% in November, but remains below the long-run average of 79.8% indicating there is still excess capacity for growth.

# Gross Domestic Product (GDP)

Components of GDP	12/17	3/18	6/18	9/18
Personal Consumption Expenditures	2.6%	0.4%	2.6%	2.4%
Gross Private Domestic Investment	0.1%	1.6%	-0.1%	2.5%
Net Exports and Imports	-0.9%	0.0%	1.2%	-2.0%
Federal Government Expenditures	0.3%	0.2%	0.2%	0.2%
State and Local (Consumption and Gross Investment)	0.2%	0.1%	0.2%	0.2%
<b>Total</b>	<b>2.3%</b>	<b>2.2%</b>	<b>4.2%</b>	<b>3.4%</b>

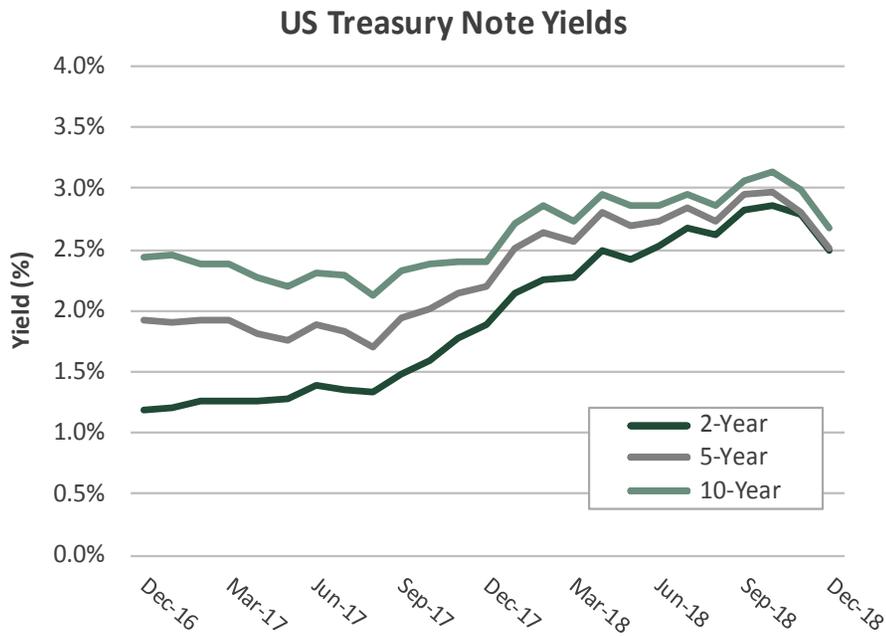
Source: US Department of Commerce



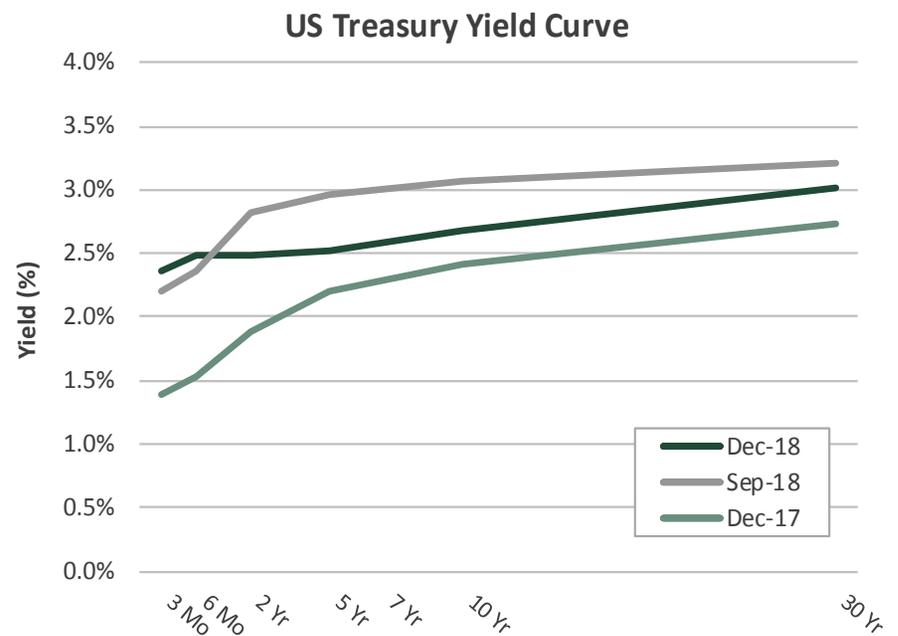
Source: US Department of Commerce

Third quarter GDP grew at an annualized rate of 3.4% (revised down slightly from the second estimate of 3.5%). This follows growth of 4.2% in the second quarter. Inventories and consumer spending drove growth in the third quarter, while net exports were a drag. The consensus forecast calls for GDP growth of 2.6% in the fourth quarter of 2018, 2.1% in the current quarter, and 2.5% for the full year 2019.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

On a year-over-year basis, Treasury yields have increased and the Treasury yield curve has flattened. The spread between 2-Year and 10-year Treasury yields narrowed from 52 basis points to 20 basis points in 2018. Rate hikes by the Federal Reserve have put upward pressure on rates, while supply and demand imbalances, technical factors, weakening global economic growth, and subdued inflation expectations have contributed to the curve flattening.



## Section 2 | Account Profile

## **Investment Objectives**

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

## **Chandler Asset Management Performance Objective**

The performance objective for the City of Louisville is to achieve an annual total return on the portfolio that exceeds the return of the 2 Year Held-To-Maturity Treasury Index and the ICE BAML Blended 0-3 Year Treasury Index.

## **Strategy**

In order to achieve its objective, we will invest the City's funds in a well diversified passive portfolio comprised primarily of U.S. Treasury and Agency securities. All securities will be in compliance with the City's Investment Policies and CRS 24-75-601.

**Statement of Compliance**  
As of December 31, 2018

**City of Louisville**

*Assets managed by Chandler Asset Management are in full compliance with state law and with the City's investment policy.*

Category	Standard	Comment
Treasury Issues	5 years maximum maturity; 5% minimum	<i>Complies</i>
Government Instrumentalities, GSEs	95% max inclusive of Corporate or Bank Securities, 35% max per issuer (includes FFCB, FHLB, FHLMC, FNMA, GNMA), 3 years max maturity	<i>Complies</i>
Municipal Securities	A- or above by two NRSROs for Colorado GO and Revs; AA- for Non-Colorado by two NRSROs; 3 years max maturity	<i>Complies</i>
Banker's Acceptances	A-1,P-1, or F-1 by two NRSROs; 25% maximum; 5% max per issuer; 270 days max maturity	<i>Complies</i>
Commercial Paper	A-1,P-1, or F-1 by two NRSROs; 25% maximum; 5% max per issuer; 270 days max maturity	<i>Complies</i>
CDs	AA- rated; 25% maximum; 5% max per issuer; 5 years max maturity	<i>Complies</i>
US Corporate (MTNs)	AA-/Aa3 rated by two NRSROs; 25% maximum; 5% max per issuer; 3 years max maturity	<i>Complies</i>
Money Market Fund	AAA rated; 20% maximum; 10% max per issuer; 100% U.S. Treasury	<i>Complies</i>
LGIP	AAA rated	<i>Complies</i>
Repurchase Agreements	Not used by Investment Adviser	<i>Complies</i>
GICS	Not used by Investment Adviser	<i>Complies</i>
Maximum Maturity	5 years	<i>Complies</i>

# Portfolio Characteristics

As of December 31, 2018

## City of Louisville

	12/31/2018		9/30/2018
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.04	0.86	0.90
Average Modified Duration	1.01	0.84	0.88
Average Purchase Yield	n/a	2.23%	2.02%
Average Market Yield	2.54%	2.60%	2.55%
Average Quality**	AA+	AA+/Aaa	AA+/Aaa
Total Market Value		39,615,034	37,325,081

\*2Yr Held-To-Maturity Treasury Index

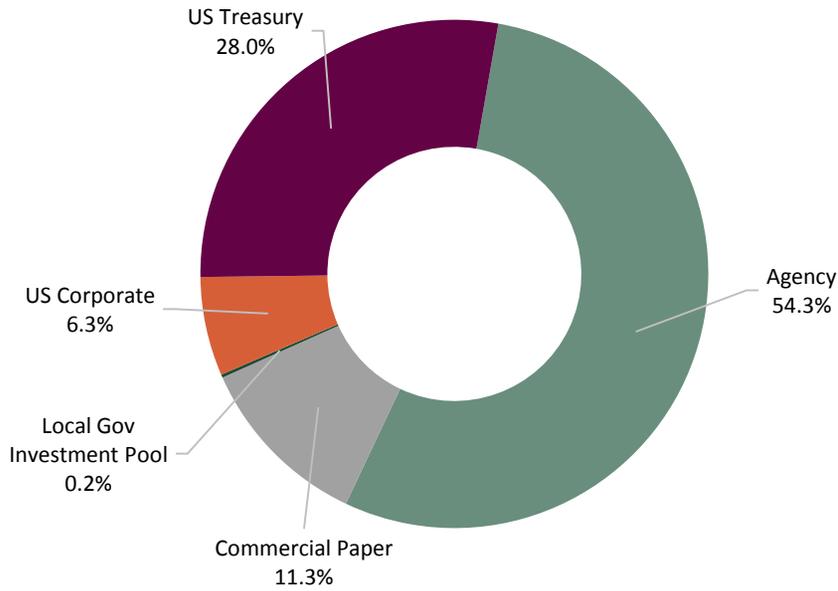
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

# Sector Distribution

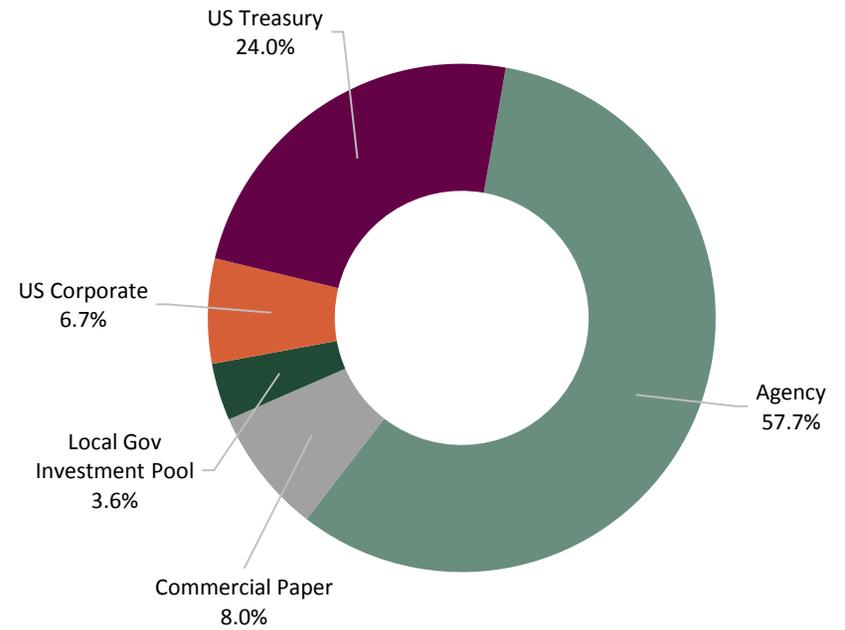
As of December 31, 2018

## City of Louisville

December 31, 2018



September 30, 2018



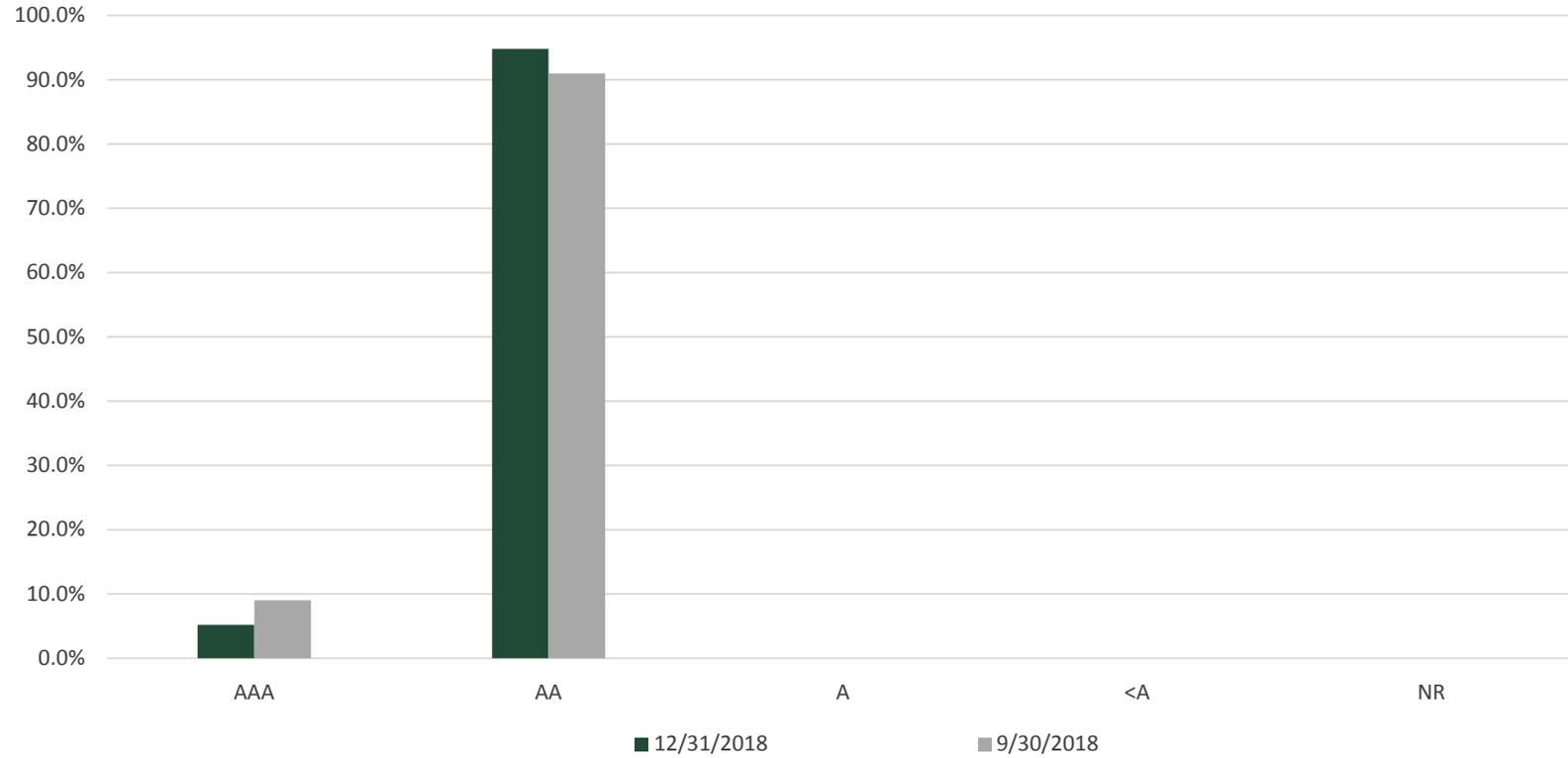
## City of Louisville – Account #10236

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	27.98%
Federal Home Loan Bank	Agency	26.50%
Federal National Mortgage Association	Agency	10.95%
Federal Home Loan Mortgage Corp	Agency	10.06%
Federal Farm Credit Bank	Agency	6.79%
Rabobank Nederland NV NY	Commercial Paper	2.52%
Microsoft	US Corporate	2.50%
MUFG Bank Ltd/NY	Commercial Paper	2.50%
Toyota Motor Corp	Commercial Paper	2.48%
Wal-Mart Stores	US Corporate	1.90%
Apple Inc	US Corporate	1.88%
Honda Motor Corporation	Commercial Paper	1.88%
JP Morgan Securities LLC	Commercial Paper	1.87%
CSAFE Investment Pool	Local Gov Investment Pool	0.17%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of December 31, 2018

## City of Louisville December 31, 2018 vs. September 30, 2018



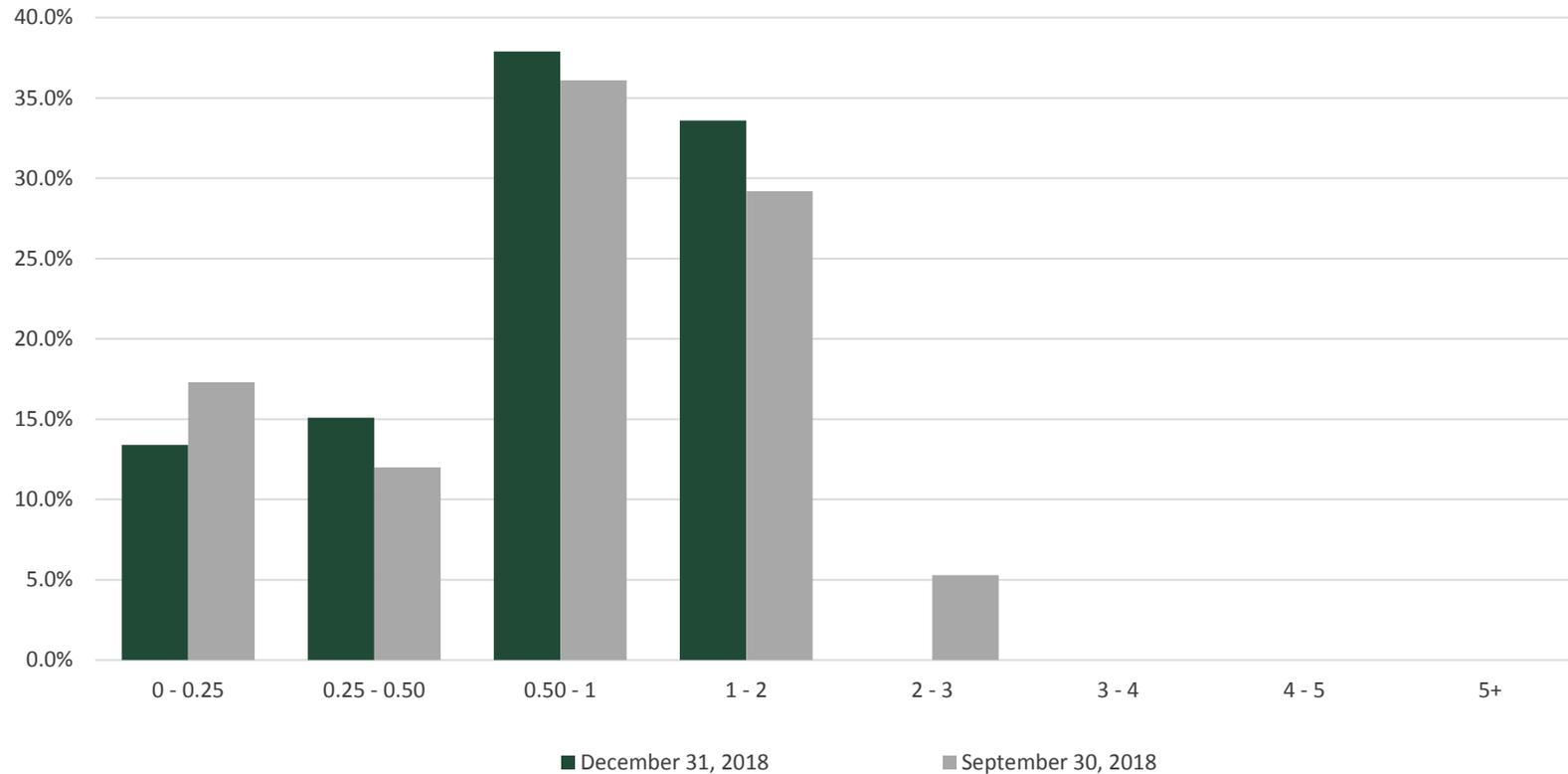
	AAA	AA	A	<A	NR
12/31/18	5.2%	94.8%	0.0%	0.0%	0.0%
09/30/18	9.0%	91.0%	0.0%	0.0%	0.0%

Source: S&P Ratings

# Duration Distribution

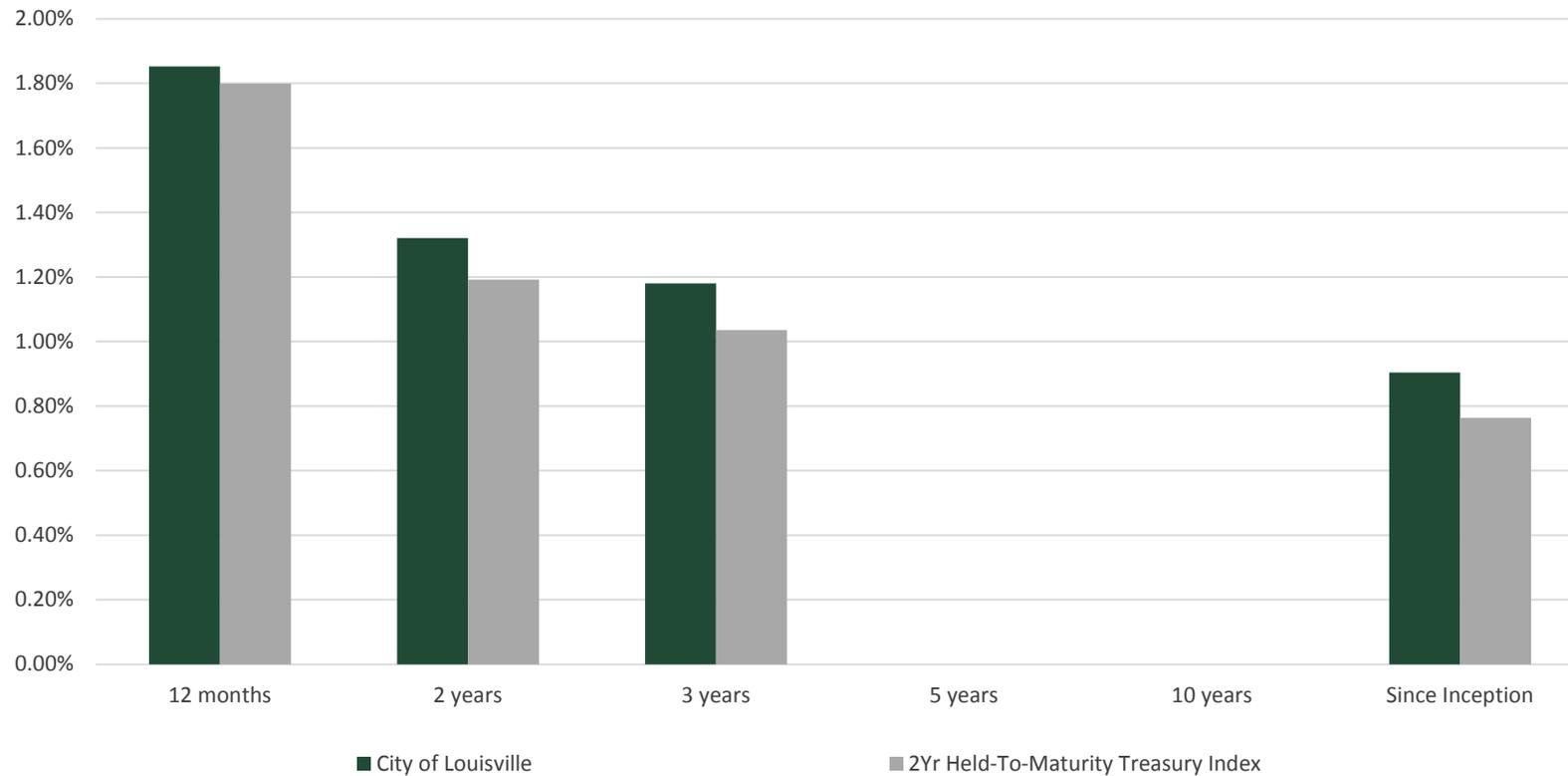
As of December 31, 2018

**City of Louisville**  
December 31, 2018 vs. September 30, 2018



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
12/31/18	13.4%	15.1%	37.9%	33.6%	0.0%	0.0%	0.0%	0.0%
09/30/18	17.3%	12.0%	36.1%	29.2%	5.3%	0.0%	0.0%	0.0%

## City of Louisville Total Rate of Return Annualized Since Inception 06/30/2014



*Annualized*

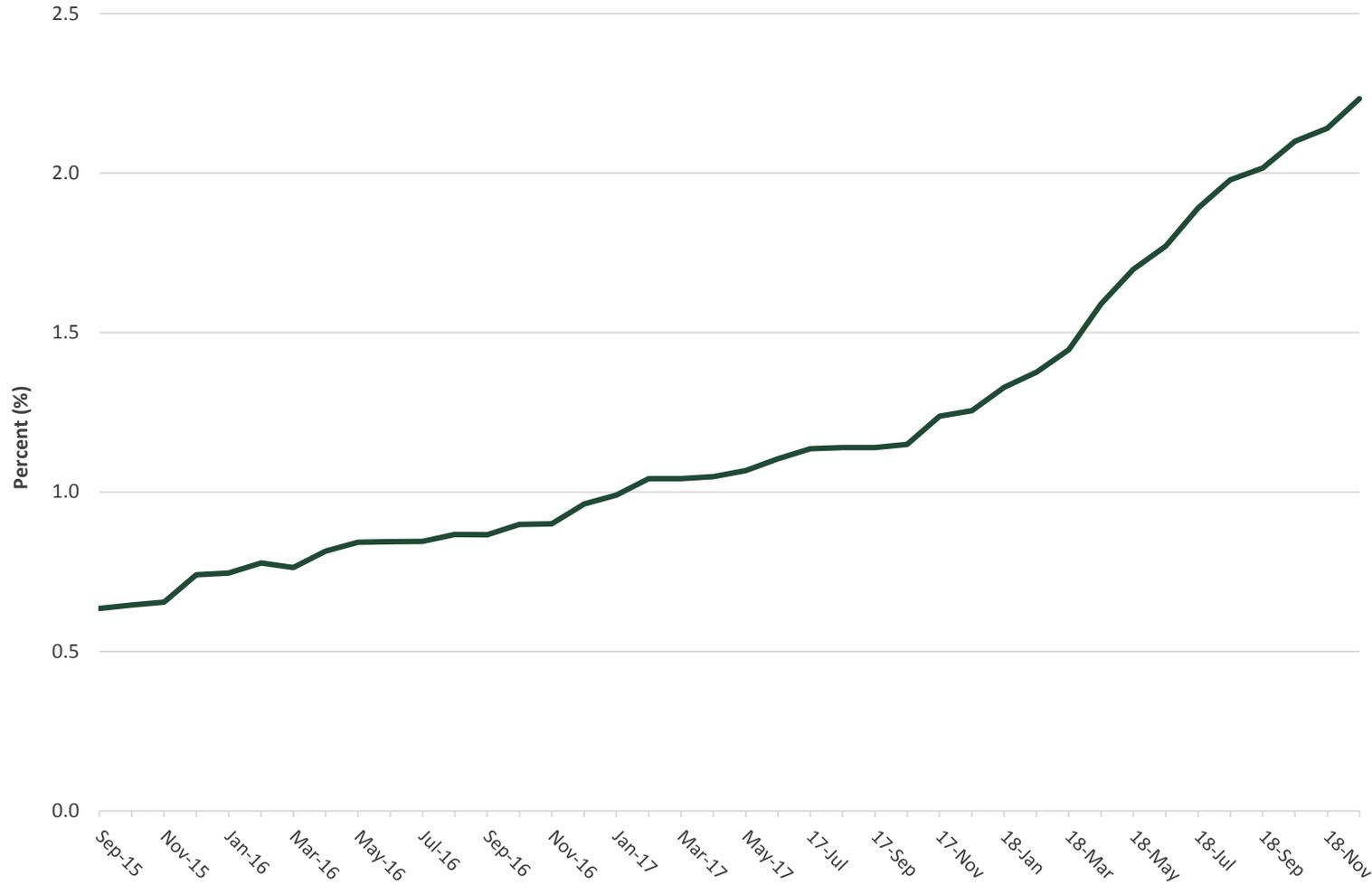
<b>TOTAL RATE OF RETURN</b>	<b>3 months</b>	<b>12 months</b>	<b>2 years</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>Since Inception</b>
City of Louisville	0.77%	1.85%	1.32%	1.18%	N/A	N/A	0.90%
2Yr Held-To-Maturity Treasury Index	0.84%	1.80%	1.19%	1.04%	N/A	N/A	0.76%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

# Historical Average Purchase Yield

As of December 31, 2018

**City of Louisville**  
Purchase Yield as of 12/31/2018 = 2.23%





## Section 3 | Portfolio Holdings

# Holdings Report

As of December 31, 2018

## City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Agency</b>									
3133782M2	FHLB Note 1.500% Due 03/08/2019	1,000,000.00	06/23/2017 1.38%	1,002,040.00 1,000,217.16	99.82 2.44%	998,243.00 4,708.33	2.53% (1,974.16)	Aaa / AA+ AAA	0.18 0.19
3130ABF92	FHLB Note 1.375% Due 05/28/2019	1,000,000.00	05/30/2017 1.36%	1,000,220.00 1,000,044.48	99.51 2.58%	995,124.00 1,260.42	2.52% (4,920.48)	Aaa / AA+ AAA	0.41 0.40
313379EE5	FHLB Note 1.625% Due 06/14/2019	1,000,000.00	06/13/2017 1.44%	1,003,580.00 1,000,805.38	99.57 2.59%	995,665.00 767.36	2.52% (5,140.38)	Aaa / AA+ AAA	0.45 0.45
3137EAEB1	FHLMC Note 0.875% Due 07/19/2019	1,250,000.00	04/09/2018 2.24%	1,228,687.50 1,240,879.17	99.05 2.63%	1,238,076.25 4,921.88	3.14% (2,802.92)	Aaa / AA+ AAA	0.55 0.54
3135G0N33	FNMA Note 0.875% Due 08/02/2019	1,350,000.00	Various 2.00%	1,332,456.00 1,341,291.90	98.99 2.62%	1,336,366.35 4,889.07	3.39% (4,925.55)	Aaa / AA+ AAA	0.59 0.58
3130A8Y72	FHLB Note 0.875% Due 08/05/2019	1,500,000.00	08/31/2018 2.47%	1,478,385.00 1,486,063.16	98.98 2.62%	1,484,650.50 5,322.92	3.76% (1,412.66)	Aaa / AA+ AAA	0.59 0.58
3137EAEB8	FHLMC Note 1.375% Due 08/15/2019	1,000,000.00	07/26/2017 1.43%	998,960.00 999,686.19	99.20 2.68%	991,966.00 5,194.44	2.52% (7,720.19)	Aaa / AA+ AAA	0.62 0.61
3135G0ZG1	FNMA Note 1.750% Due 09/12/2019	1,000,000.00	07/27/2018 2.52%	991,610.00 994,789.58	99.39 2.64%	993,885.00 5,298.61	2.52% (904.58)	Aaa / AA+ AAA	0.70 0.68
3137EADM8	FHLMC Note 1.250% Due 10/02/2019	1,000,000.00	07/14/2017 1.44%	995,820.00 998,580.77	98.97 2.64%	989,667.00 3,090.28	2.51% (8,913.77)	Aaa / AA+ AAA	0.75 0.74
3135G0R39	FNMA Note 1.000% Due 10/24/2019	1,000,000.00	04/02/2018 2.26%	980,870.00 990,048.37	98.67 2.66%	986,745.00 1,861.11	2.50% (3,303.37)	Aaa / AA+ AAA	0.81 0.80
3130A0JR2	FHLB Note 2.375% Due 12/13/2019	1,000,000.00	11/28/2017 1.83%	1,010,780.00 1,005,020.03	99.75 2.65%	997,475.00 1,187.50	2.52% (7,545.03)	Aaa / AA+ AAA	0.95 0.93
3133EJLU1	FFCB Note 2.420% Due 01/24/2020	1,000,000.00	05/30/2018 2.42%	999,980.00 999,987.13	99.80 2.61%	997,995.00 10,553.89	2.55% (1,992.13)	Aaa / AA+ AAA	1.07 1.03
3130ADN32	FHLB Note 2.125% Due 02/11/2020	1,500,000.00	02/08/2018 2.22%	1,497,255.00 1,498,477.50	99.53 2.55%	1,492,974.00 12,395.83	3.80% (5,503.50)	Aaa / AA+ AAA	1.12 1.08
3133EHFL2	FFCB Note 1.550% Due 04/13/2020	700,000.00	07/05/2018 2.57%	687,701.00 691,103.66	98.68 2.60%	690,773.30 2,350.83	1.75% (330.36)	Aaa / AA+ AAA	1.28 1.26
3137EAEM7	FHLMC Note 2.500% Due 04/23/2020	750,000.00	04/24/2018 2.55%	749,280.00 749,527.90	99.86 2.61%	748,959.75 3,541.67	1.90% (568.15)	Aaa / AA+ AAA	1.31 1.28
3130AECJ7	FHLB Note 2.625% Due 05/28/2020	1,500,000.00	05/18/2018 2.63%	1,499,790.00 1,499,854.02	100.14 2.52%	1,502,164.50 3,609.38	3.80% 2,310.48	Aaa / AA+ AAA	1.41 1.37
3130A66T9	FHLB Note 1.625% Due 09/11/2020	1,000,000.00	11/09/2017 1.80%	995,280.00 997,179.85	98.45 2.56%	984,539.00 4,965.28	2.50% (12,640.85)	Aaa / AA+ AAA	1.70 1.65

# Holdings Report

As of December 31, 2018

## City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133EHJ95	FFCB Note 1.750% Due 10/26/2020	1,000,000.00	10/31/2017 1.79%	998,810.00 999,275.08	98.51 2.59%	985,120.00 3,159.72	2.49% (14,155.08)	Aaa / AA+ AAA	1.82 1.77
3135G0U84	FNMA Note 2.875% Due 10/30/2020	1,000,000.00	12/13/2018 2.81%	1,001,090.00 1,001,061.40	100.55 2.56%	1,005,486.00 4,791.67	2.55% 4,424.60	Aaa / AA+ AAA	1.83 1.77
313371U79	FHLB Note 3.125% Due 12/11/2020	1,000,000.00	12/14/2018 2.79%	1,006,340.00 1,006,208.83	101.09 2.55%	1,010,887.00 1,736.11	2.56% 4,678.17	Aaa / AA+ AAA	1.95 1.88
<b>TOTAL Agency</b>		<b>21,550,000.00</b>	<b>2.11%</b>	<b>21,458,934.50</b> <b>21,500,101.56</b>	<b>2.59%</b>	<b>21,426,761.65</b> <b>85,606.30</b>	<b>54.30%</b> <b>(73,339.91)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.99</b> <b>0.96</b>
<b>Commercial Paper</b>									
21687BPK1	Rabobank Nederland NV NY Discount CP 2.370% Due 02/19/2019	1,000,000.00	07/17/2018 2.43%	985,714.17 985,714.17	98.57 2.43%	985,714.17 11,060.00	2.52% 0.00	P-1 / A-1 NR	0.14 0.14
02665KQNO	American Honda Discount CP 2.680% Due 03/22/2019	750,000.00	12/13/2018 2.74%	744,472.50 744,472.50	99.26 2.74%	744,472.50 1,060.83	1.88% 0.00	P-1 / A-1 F-1	0.22 0.22
62479MRF2	MUFG Bank Ltd/NY Discount CP 2.820% Due 04/15/2019	1,000,000.00	12/13/2018 2.89%	990,365.00 990,365.00	99.04 2.89%	990,365.00 1,488.33	2.50% 0.00	P-1 / A-1 NR	0.29 0.28
46640QSV4	JP Morgan Discount CP 2.650% Due 05/29/2019	750,000.00	10/01/2018 2.73%	736,750.00 736,750.00	98.23 2.73%	736,750.00 5,079.17	1.87% 0.00	P-1 / A-1 F-1+	0.41 0.40
89233HUS1	Toyota Motor Credit Discount CP 2.810% Due 07/26/2019	1,000,000.00	10/29/2018 2.90%	978,925.00 978,925.00	97.89 2.90%	978,925.00 4,995.56	2.48% 0.00	P-1 / A-1+ NR	0.57 0.56
<b>TOTAL Commercial Paper</b>		<b>4,500,000.00</b>	<b>2.74%</b>	<b>4,436,226.67</b> <b>4,436,226.67</b>	<b>2.74%</b>	<b>4,436,226.67</b> <b>23,683.89</b>	<b>11.26%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1+</b>	<b>0.32</b> <b>0.32</b>
<b>Local Gov Investment Pool</b>									
99CSAFE\$0	CSAFE Investment Pool	67,634.25	Various 2.44%	67,634.25 67,634.25	1.00 2.44%	67,634.25 0.00	0.17% 0.00	NR / AAA NR	0.00 0.00
<b>TOTAL Local Gov Investment Pool</b>		<b>67,634.25</b>	<b>2.44%</b>	<b>67,634.25</b> <b>67,634.25</b>	<b>2.44%</b>	<b>67,634.25</b> <b>0.00</b>	<b>0.17%</b> <b>0.00</b>	<b>NR / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>US Corporate</b>									
037833CB4	Apple Inc Note 1.100% Due 08/02/2019	750,000.00	07/29/2016 1.06%	750,907.50 750,176.85	99.01 2.81%	742,543.50 3,368.75	1.88% (7,633.35)	Aa1 / AA+ NR	0.59 0.58
931142EG4	Wal-Mart Stores Note 2.850% Due 06/23/2020	750,000.00	06/25/2018 2.78%	751,042.50 750,772.91	100.16 2.74%	751,214.25 475.00	1.90% 441.34	Aa2 / AA AA	1.48 1.44

# Holdings Report

As of December 31, 2018

## City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
594918BG8	Microsoft Callable Note Cont. 10/03/20 2.000% Due 11/03/2020	1,000,000.00	11/09/2017 2.00%	999,970.00 999,981.44	98.89 2.62%	988,864.00 3,222.22	2.50% (11,117.44)	Aaa / AAA AA+	1.84 1.79
<b>TOTAL US Corporate</b>		<b>2,500,000.00</b>	<b>1.95%</b>	<b>2,501,920.00</b> <b>2,500,931.20</b>	<b>2.71%</b>	<b>2,482,621.75</b> <b>7,065.97</b>	<b>6.28%</b> <b>(18,309.45)</b>	<b>Aa1 / AA+</b> <b>AA+</b>	<b>1.36</b> <b>1.32</b>
<b>US Treasury</b>									
912828V56	US Treasury Note 1.125% Due 01/31/2019	750,000.00	01/31/2017 1.21%	748,801.34 749,950.74	99.90 2.25%	749,282.25 3,530.91	1.90% (668.49)	Aaa / AA+ AAA	0.08 0.08
912828SN1	US Treasury Note 1.500% Due 03/31/2019	1,750,000.00	06/29/2018 2.27%	1,740,019.53 1,746,734.33	99.77 2.41%	1,746,048.50 6,706.73	4.42% (685.83)	Aaa / AA+ AAA	0.25 0.25
912828Q52	US Treasury Note 0.875% Due 04/15/2019	1,000,000.00	12/28/2017 1.86%	987,617.19 997,248.26	99.56 2.40%	995,606.00 1,875.00	2.52% (1,642.26)	Aaa / AA+ AAA	0.29 0.29
912828WS5	US Treasury Note 1.625% Due 06/30/2019	1,250,000.00	08/14/2018 2.41%	1,241,503.91 1,245,205.97	99.55 2.54%	1,244,336.25 56.11	3.14% (869.72)	Aaa / AA+ AAA	0.50 0.49
912828F39	US Treasury Note 1.750% Due 09/30/2019	1,500,000.00	01/30/2018 2.07%	1,492,207.03 1,496,507.93	99.35 2.63%	1,490,274.00 6,706.73	3.78% (6,233.93)	Aaa / AA+ AAA	0.75 0.73
9128283H1	US Treasury Note 1.750% Due 11/30/2019	1,000,000.00	07/23/2018 2.54%	989,531.25 992,943.13	99.21 2.62%	992,148.00 1,538.46	2.51% (795.13)	Aaa / AA+ AAA	0.92 0.90
912828U73	US Treasury Note 1.375% Due 12/15/2019	1,000,000.00	11/29/2018 2.74%	986,093.75 987,264.80	98.81 2.64%	988,086.00 642.17	2.50% 821.20	Aaa / AA+ AAA	0.96 0.94
9128283N8	US Treasury Note 1.875% Due 12/31/2019	750,000.00	07/31/2018 2.58%	742,734.38 744,894.43	99.27 2.62%	744,550.50 38.85	1.88% (343.93)	Aaa / AA+ AAA	1.00 0.98
9128284C1	US Treasury Note 2.250% Due 03/31/2020	1,100,000.00	10/04/2018 2.81%	1,091,105.47 1,092,546.94	99.59 2.58%	1,095,487.80 6,323.49	2.78% 2,940.86	Aaa / AA+ AAA	1.25 1.21
912828Y46	US Treasury Note 2.625% Due 07/31/2020	1,000,000.00	12/14/2018 2.75%	998,007.81 998,058.29	100.12 2.55%	1,001,211.00 10,985.05	2.56% 3,152.71	Aaa / AA+ AAA	1.58 1.53
<b>TOTAL US Treasury</b>		<b>11,100,000.00</b>	<b>2.33%</b>	<b>11,017,621.66</b> <b>11,051,354.82</b>	<b>2.53%</b>	<b>11,047,030.30</b> <b>38,403.50</b>	<b>27.98%</b> <b>(4,324.52)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.73</b> <b>0.72</b>
<b>TOTAL PORTFOLIO</b>		<b>39,717,634.25</b>	<b>2.23%</b>	<b>39,482,337.08</b> <b>39,556,248.50</b>	<b>2.60%</b>	<b>39,460,274.62</b> <b>154,759.66</b>	<b>100.00%</b> <b>(95,973.88)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.86</b> <b>0.84</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>39,615,034.28</b>			

# Holdings Report

As of December 31, 2018

## City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Agency</b>									
3133782M2	FHLB Note 1.500% Due 03/08/2019	1,000,000.00	06/23/2017 1.38%	1,002,040.00 1,000,217.16	99.82 2.44%	998,243.00 4,708.33	1.88% (1,974.16)	Aaa / AA+ AAA	0.18 0.19
3130ABF92	FHLB Note 1.375% Due 05/28/2019	1,000,000.00	05/30/2017 1.36%	1,000,220.00 1,000,044.48	99.51 2.58%	995,124.00 1,260.42	1.87% (4,920.48)	Aaa / AA+ AAA	0.41 0.40
313379EE5	FHLB Note 1.625% Due 06/14/2019	1,000,000.00	06/13/2017 1.44%	1,003,580.00 1,000,805.38	99.57 2.59%	995,665.00 767.36	1.87% (5,140.38)	Aaa / AA+ AAA	0.45 0.45
3137EAEB1	FHLMC Note 0.875% Due 07/19/2019	1,250,000.00	04/09/2018 2.24%	1,228,687.50 1,240,879.17	99.05 2.63%	1,238,076.25 4,921.88	2.33% (2,802.92)	Aaa / AA+ AAA	0.55 0.54
3135G0N33	FNMA Note 0.875% Due 08/02/2019	1,350,000.00	Various 2.00%	1,332,456.00 1,341,291.90	98.99 2.62%	1,336,366.35 4,889.07	2.51% (4,925.55)	Aaa / AA+ AAA	0.59 0.58
3130A8Y72	FHLB Note 0.875% Due 08/05/2019	1,500,000.00	08/31/2018 2.47%	1,478,385.00 1,486,063.16	98.98 2.62%	1,484,650.50 5,322.92	2.79% (1,412.66)	Aaa / AA+ AAA	0.59 0.58
3137EAEB8	FHLMC Note 1.375% Due 08/15/2019	1,000,000.00	07/26/2017 1.43%	998,960.00 999,686.19	99.20 2.68%	991,966.00 5,194.44	1.87% (7,720.19)	Aaa / AA+ AAA	0.62 0.61
3135G0ZG1	FNMA Note 1.750% Due 09/12/2019	1,000,000.00	07/27/2018 2.52%	991,610.00 994,789.58	99.39 2.64%	993,885.00 5,298.61	1.87% (904.58)	Aaa / AA+ AAA	0.70 0.68
3137EADM8	FHLMC Note 1.250% Due 10/02/2019	1,000,000.00	07/14/2017 1.44%	995,820.00 998,580.77	98.97 2.64%	989,667.00 3,090.28	1.86% (8,913.77)	Aaa / AA+ AAA	0.75 0.74
3135G0R39	FNMA Note 1.000% Due 10/24/2019	1,000,000.00	04/02/2018 2.26%	980,870.00 990,048.37	98.67 2.66%	986,745.00 1,861.11	1.85% (3,303.37)	Aaa / AA+ AAA	0.81 0.80
3130A0JR2	FHLB Note 2.375% Due 12/13/2019	1,000,000.00	11/28/2017 1.83%	1,010,780.00 1,005,020.03	99.75 2.65%	997,475.00 1,187.50	1.87% (7,545.03)	Aaa / AA+ AAA	0.95 0.93
3133EJLU1	FFCB Note 2.420% Due 01/24/2020	1,000,000.00	05/30/2018 2.42%	999,980.00 999,987.13	99.80 2.61%	997,995.00 10,553.89	1.89% (1,992.13)	Aaa / AA+ AAA	1.07 1.03
3130ADN32	FHLB Note 2.125% Due 02/11/2020	1,500,000.00	02/08/2018 2.22%	1,497,255.00 1,498,477.50	99.53 2.55%	1,492,974.00 12,395.83	2.82% (5,503.50)	Aaa / AA+ AAA	1.12 1.08
3133EHFL2	FFCB Note 1.550% Due 04/13/2020	700,000.00	07/05/2018 2.57%	687,701.00 691,103.66	98.68 2.60%	690,773.30 2,350.83	1.30% (330.36)	Aaa / AA+ AAA	1.28 1.26
3137EAEM7	FHLMC Note 2.500% Due 04/23/2020	750,000.00	04/24/2018 2.55%	749,280.00 749,527.90	99.86 2.61%	748,959.75 3,541.67	1.41% (568.15)	Aaa / AA+ AAA	1.31 1.28
3130AECJ7	FHLB Note 2.625% Due 05/28/2020	1,500,000.00	05/18/2018 2.63%	1,499,790.00 1,499,854.02	100.14 2.52%	1,502,164.50 3,609.38	2.82% 2,310.48	Aaa / AA+ AAA	1.41 1.37
3130A66T9	FHLB Note 1.625% Due 09/11/2020	1,000,000.00	11/09/2017 1.80%	995,280.00 997,179.85	98.45 2.56%	984,539.00 4,965.28	1.85% (12,640.85)	Aaa / AA+ AAA	1.70 1.65

# Holdings Report

As of December 31, 2018

## City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133EHJ95	FFCB Note 1.750% Due 10/26/2020	1,000,000.00	10/31/2017 1.79%	998,810.00 999,275.08	98.51 2.59%	985,120.00 3,159.72	1.85% (14,155.08)	Aaa / AA+ AAA	1.82 1.77
3135G0U84	FNMA Note 2.875% Due 10/30/2020	1,000,000.00	12/13/2018 2.81%	1,001,090.00 1,001,061.40	100.55 2.56%	1,005,486.00 4,791.67	1.89% 4,424.60	Aaa / AA+ AAA	1.83 1.77
313371U79	FHLB Note 3.125% Due 12/11/2020	1,000,000.00	12/14/2018 2.79%	1,006,340.00 1,006,208.83	101.09 2.55%	1,010,887.00 1,736.11	1.90% 4,678.17	Aaa / AA+ AAA	1.95 1.88
<b>TOTAL Agency</b>		<b>21,550,000.00</b>	<b>2.11%</b>	<b>21,458,934.50</b> <b>21,500,101.56</b>	<b>2.59%</b>	<b>21,426,761.65</b> <b>85,606.30</b>	<b>40.31%</b> <b>(73,339.91)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.99</b> <b>0.96</b>
<b>Cash</b>									
90CASH\$02	LSVL Cash Accounts	1,166,457.28	Various 0.50%	1,166,457.28 1,166,457.28	1.00 0.50%	1,166,457.28 0.00	2.19% 0.00	NR / NR NR	0.00 0.00
90COMB\$00	LSVL Compensating Balance Account	2,715,223.23	Various 0.00%	2,715,223.23 2,715,223.23	1.00 0.00%	2,715,223.23 0.00	5.09% 0.00	NR / NR NR	0.00 0.00
<b>TOTAL Cash</b>		<b>3,881,680.51</b>	<b>0.15%</b>	<b>3,881,680.51</b>	<b>0.15%</b>	<b>3,881,680.51</b> <b>0.00</b>	<b>7.27%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>Commercial Paper</b>									
21687BPK1	Rabobank Nederland NV NY Discount CP 2.370% Due 02/19/2019	1,000,000.00	07/17/2018 2.43%	985,714.17 985,714.17	98.57 2.43%	985,714.17 11,060.00	1.87% 0.00	P-1 / A-1 NR	0.14 0.14
02665KQNO	American Honda Discount CP 2.680% Due 03/22/2019	750,000.00	12/13/2018 2.74%	744,472.50 744,472.50	99.26 2.74%	744,472.50 1,060.83	1.40% 0.00	P-1 / A-1 F-1	0.22 0.22
62479MRF2	MUFG Bank Ltd/NY Discount CP 2.820% Due 04/15/2019	1,000,000.00	12/13/2018 2.89%	990,365.00 990,365.00	99.04 2.89%	990,365.00 1,488.33	1.86% 0.00	P-1 / A-1 NR	0.29 0.28
46640QSV4	JP Morgan Discount CP 2.650% Due 05/29/2019	750,000.00	10/01/2018 2.73%	736,750.00 736,750.00	98.23 2.73%	736,750.00 5,079.17	1.39% 0.00	P-1 / A-1 F-1+	0.41 0.40
89233HUS1	Toyota Motor Credit Discount CP 2.810% Due 07/26/2019	1,000,000.00	10/29/2018 2.90%	978,925.00 978,925.00	97.89 2.90%	978,925.00 4,995.56	1.84% 0.00	P-1 / A-1+ NR	0.57 0.56
<b>TOTAL Commercial Paper</b>		<b>4,500,000.00</b>	<b>2.74%</b>	<b>4,436,226.67</b> <b>4,436,226.67</b>	<b>2.74%</b>	<b>4,436,226.67</b> <b>23,683.89</b>	<b>8.36%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1+</b>	<b>0.32</b> <b>0.32</b>
<b>Local Gov Investment Pool</b>									
90LGIP\$00	LGIP Local Govt Investment Pool	9,870,916.83	Various 2.55%	9,870,916.83 9,870,916.83	1.00 2.55%	9,870,916.83 0.00	18.50% 0.00	NR / NR NR	0.00 0.00

# Holdings Report

As of December 31, 2018

## City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
99CSAFE\$0	CSAFE Investment Pool	67,634.25	Various 2.44%	67,634.25 67,634.25	1.00 2.44%	67,634.25 0.00	0.13% 0.00	NR / AAA NR	0.00 0.00
<b>TOTAL Local Gov Investment Pool</b>		<b>9,938,551.08</b>	<b>2.55%</b>	<b>9,938,551.08</b>	<b>2.55%</b>	<b>9,938,551.08</b> <b>0.00</b>	<b>18.62%</b> <b>0.00</b>	<b>NR / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>US Corporate</b>									
037833CB4	Apple Inc Note 1.100% Due 08/02/2019	750,000.00	07/29/2016 1.06%	750,907.50 750,176.85	99.01 2.81%	742,543.50 3,368.75	1.40% (7,633.35)	Aa1 / AA+ NR	0.59 0.58
931142EG4	Wal-Mart Stores Note 2.850% Due 06/23/2020	750,000.00	06/25/2018 2.78%	751,042.50 750,772.91	100.16 2.74%	751,214.25 475.00	1.41% 441.34	Aa2 / AA AA	1.48 1.44
594918BG8	Microsoft Callable Note Cont. 10/03/20 2.000% Due 11/03/2020	1,000,000.00	11/09/2017 2.00%	999,970.00 999,981.44	98.89 2.62%	988,864.00 3,222.22	1.86% (11,117.44)	Aaa / AAA AA+	1.84 1.79
<b>TOTAL US Corporate</b>		<b>2,500,000.00</b>	<b>1.95%</b>	<b>2,501,920.00</b> <b>2,500,931.20</b>	<b>2.71%</b>	<b>2,482,621.75</b> <b>7,065.97</b>	<b>4.67%</b> <b>(18,309.45)</b>	<b>Aa1 / AA+</b> <b>AA+</b>	<b>1.36</b> <b>1.32</b>
<b>US Treasury</b>									
912828V56	US Treasury Note 1.125% Due 01/31/2019	750,000.00	01/31/2017 1.21%	748,801.34 749,950.74	99.90 2.25%	749,282.25 3,530.91	1.41% (668.49)	Aaa / AA+ AAA	0.08 0.08
912828SN1	US Treasury Note 1.500% Due 03/31/2019	1,750,000.00	06/29/2018 2.27%	1,740,019.53 1,746,734.33	99.77 2.41%	1,746,048.50 6,706.73	3.28% (685.83)	Aaa / AA+ AAA	0.25 0.25
912828Q52	US Treasury Note 0.875% Due 04/15/2019	1,000,000.00	12/28/2017 1.86%	987,617.19 997,248.26	99.56 2.40%	995,606.00 1,875.00	1.87% (1,642.26)	Aaa / AA+ AAA	0.29 0.29
912828WS5	US Treasury Note 1.625% Due 06/30/2019	1,250,000.00	08/14/2018 2.41%	1,241,503.91 1,245,205.97	99.55 2.54%	1,244,336.25 56.11	2.33% (869.72)	Aaa / AA+ AAA	0.50 0.49
912828F39	US Treasury Note 1.750% Due 09/30/2019	1,500,000.00	01/30/2018 2.07%	1,492,207.03 1,496,507.93	99.35 2.63%	1,490,274.00 6,706.73	2.81% (6,233.93)	Aaa / AA+ AAA	0.75 0.73
9128283H1	US Treasury Note 1.750% Due 11/30/2019	1,000,000.00	07/23/2018 2.54%	989,531.25 992,943.13	99.21 2.62%	992,148.00 1,538.46	1.86% (795.13)	Aaa / AA+ AAA	0.92 0.90
912828U73	US Treasury Note 1.375% Due 12/15/2019	1,000,000.00	11/29/2018 2.74%	986,093.75 987,264.80	98.81 2.64%	988,086.00 642.17	1.85% 821.20	Aaa / AA+ AAA	0.96 0.94
9128283N8	US Treasury Note 1.875% Due 12/31/2019	750,000.00	07/31/2018 2.58%	742,734.38 744,894.43	99.27 2.62%	744,550.50 38.85	1.40% (343.93)	Aaa / AA+ AAA	1.00 0.98
9128284C1	US Treasury Note 2.250% Due 03/31/2020	1,100,000.00	10/04/2018 2.81%	1,091,105.47 1,092,546.94	99.59 2.58%	1,095,487.80 6,323.49	2.06% 2,940.86	Aaa / AA+ AAA	1.25 1.21

# Holdings Report

As of December 31, 2018

## City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828Y46	US Treasury Note 2.625% Due 07/31/2020	1,000,000.00	12/14/2018 2.75%	998,007.81 998,058.29	100.12 2.55%	1,001,211.00 10,985.05	1.90% 3,152.71	Aaa / AA+ AAA	1.58 1.53
<b>TOTAL US Treasury</b>		<b>11,100,000.00</b>	<b>2.33%</b>	<b>11,017,621.66</b> <b>11,051,354.82</b>	<b>2.53%</b>	<b>11,047,030.30</b> <b>38,403.50</b>	<b>20.77%</b> <b>(4,324.52)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.73</b> <b>0.72</b>
<b>TOTAL PORTFOLIO</b>		<b>53,470,231.59</b>	<b>2.14%</b>	<b>53,234,934.42</b> <b>53,308,845.84</b>	<b>2.41%</b>	<b>53,212,871.96</b> <b>154,759.66</b>	<b>100.00%</b> <b>(95,973.88)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.64</b> <b>0.63</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>53,367,631.62</b>			



## Section 4 | Transactions

# Transaction Ledger

As of December 31, 2018

## City of Louisville - Account #10236

September 30, 2018 through December 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/01/2018	46640QSV4	750,000.00	JP Morgan Discount CP 2.65% Due: 05/29/2019	98.233	2.73%	736,750.00	0.00	736,750.00	0.00
Purchase	10/01/2018	99CSAFE\$0	1,249.37	CSAFE Investment Pool	1.000	2.16%	1,249.37	0.00	1,249.37	0.00
Purchase	10/02/2018	99CSAFE\$0	6,250.00	CSAFE Investment Pool	1.000	2.16%	6,250.00	0.00	6,250.00	0.00
Purchase	10/05/2018	9128284C1	1,100,000.00	US Treasury Note 2.25% Due: 03/31/2020	99.191	2.81%	1,091,105.47	339.97	1,091,445.44	0.00
Purchase	10/05/2018	99CSAFE\$0	1,100,000.00	CSAFE Investment Pool	1.000	2.16%	1,100,000.00	0.00	1,100,000.00	0.00
Purchase	10/05/2018	99CSAFE\$0	5,280.00	CSAFE Investment Pool	1.000	2.16%	5,280.00	0.00	5,280.00	0.00
Purchase	10/13/2018	99CSAFE\$0	5,425.00	CSAFE Investment Pool	1.000	2.16%	5,425.00	0.00	5,425.00	0.00
Purchase	10/15/2018	99CSAFE\$0	4,375.00	CSAFE Investment Pool	1.000	2.16%	4,375.00	0.00	4,375.00	0.00
Purchase	10/23/2018	99CSAFE\$0	9,583.33	CSAFE Investment Pool	1.000	2.16%	9,583.33	0.00	9,583.33	0.00
Purchase	10/24/2018	99CSAFE\$0	5,000.00	CSAFE Investment Pool	1.000	2.16%	5,000.00	0.00	5,000.00	0.00
Purchase	10/26/2018	99CSAFE\$0	8,750.00	CSAFE Investment Pool	1.000	2.16%	8,750.00	0.00	8,750.00	0.00
Purchase	10/29/2018	89233HUS1	1,000,000.00	Toyota Motor Credit Discount CP 2.81% Due: 07/26/2019	97.893	2.90%	978,925.00	0.00	978,925.00	0.00
Purchase	10/29/2018	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	2.16%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	11/01/2018	99CSAFE\$0	1,358.88	CSAFE Investment Pool	1.000	2.29%	1,358.88	0.00	1,358.88	0.00
Purchase	11/03/2018	99CSAFE\$0	10,000.00	CSAFE Investment Pool	1.000	2.29%	10,000.00	0.00	10,000.00	0.00
Purchase	11/28/2018	99CSAFE\$0	27,328.13	CSAFE Investment Pool	1.000	2.29%	27,328.13	0.00	27,328.13	0.00
Purchase	11/30/2018	912828U73	1,000,000.00	US Treasury Note 1.375% Due: 12/15/2019	98.609	2.74%	986,093.75	6,311.48	992,405.23	0.00
Purchase	11/30/2018	99CSAFE\$0	13,750.00	CSAFE Investment Pool	1.000	2.31%	13,750.00	0.00	13,750.00	0.00
Purchase	11/30/2018	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	2.31%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	12/03/2018	99CSAFE\$0	1,345.41	CSAFE Investment Pool	1.000	2.31%	1,345.41	0.00	1,345.41	0.00
Purchase	12/13/2018	02665KQNO	750,000.00	American Honda Discount CP 2.68% Due: 03/22/2019	99.263	2.74%	744,472.50	0.00	744,472.50	0.00
Purchase	12/13/2018	62479MRF2	1,000,000.00	MUFG Bank Ltd/NY Discount CP 2.82% Due: 04/15/2019	99.037	2.89%	990,365.00	0.00	990,365.00	0.00
Purchase	12/13/2018	99CSAFE\$0	11,875.00	CSAFE Investment Pool	1.000	2.31%	11,875.00	0.00	11,875.00	0.00
Purchase	12/13/2018	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	2.31%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	12/14/2018	3135G0U84	1,000,000.00	FNMA Note 2.875% Due: 10/30/2020	100.109	2.81%	1,001,090.00	3,434.03	1,004,524.03	0.00

# Transaction Ledger

As of December 31, 2018

## City of Louisville - Account #10236

September 30, 2018 through December 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	12/14/2018	99CSAFE\$0	16,875.00	CSAFE Investment Pool	1.000	2.31%	16,875.00	0.00	16,875.00	0.00
Purchase	12/14/2018	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	2.31%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	12/15/2018	99CSAFE\$0	6,875.00	CSAFE Investment Pool	1.000	2.31%	6,875.00	0.00	6,875.00	0.00
Purchase	12/17/2018	313371U79	1,000,000.00	FHLB Note 3.125% Due: 12/11/2020	100.634	2.79%	1,006,340.00	520.83	1,006,860.83	0.00
Purchase	12/17/2018	912828Y46	1,000,000.00	US Treasury Note 2.625% Due: 07/31/2020	99.801	2.75%	998,007.81	9,915.08	1,007,922.89	0.00
Purchase	12/23/2018	99CSAFE\$0	10,450.00	CSAFE Investment Pool	1.000	2.31%	10,450.00	0.00	10,450.00	0.00
Purchase	12/31/2018	99CSAFE\$0	17,187.50	CSAFE Investment Pool	1.000	2.44%	17,187.50	0.00	17,187.50	0.00
<b>Subtotal</b>			<b>13,862,957.62</b>				<b>13,796,107.15</b>	<b>20,521.39</b>	<b>13,816,628.54</b>	<b>0.00</b>
Security Contribution	12/14/2018	99CSAFE\$0	2,000,000.00	CSAFE Investment Pool	1.000		2,000,000.00	0.00	2,000,000.00	0.00
<b>Subtotal</b>			<b>2,000,000.00</b>				<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>	<b>0.00</b>
Short Sale	10/05/2018	99CSAFE\$0	-1,091,445.44	CSAFE Investment Pool	1.000		-1,091,445.44	0.00	-1,091,445.44	0.00
Short Sale	11/30/2018	99CSAFE\$0	-992,405.23	CSAFE Investment Pool	1.000		-992,405.23	0.00	-992,405.23	0.00
Short Sale	12/14/2018	99CSAFE\$0	-1,004,524.03	CSAFE Investment Pool	1.000		-1,004,524.03	0.00	-1,004,524.03	0.00
<b>Subtotal</b>			<b>-3,088,374.70</b>				<b>-3,088,374.70</b>	<b>0.00</b>	<b>-3,088,374.70</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>12,774,582.92</b>				<b>12,707,732.45</b>	<b>20,521.39</b>	<b>12,728,253.84</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Closing Purchase	10/05/2018	99CSAFE\$0	-1,091,445.44	CSAFE Investment Pool	1.000		-1,091,445.44	0.00	-1,091,445.44	0.00
Closing Purchase	11/30/2018	99CSAFE\$0	-992,405.23	CSAFE Investment Pool	1.000		-992,405.23	0.00	-992,405.23	0.00

# Transaction Ledger

As of December 31, 2018

## City of Louisville - Account #10236

September 30, 2018 through December 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Closing Purchase	12/14/2018	99CSAFE\$0	-1,004,524.03	CSAFE Investment Pool	1.000		-1,004,524.03	0.00	-1,004,524.03	0.00
<b>Subtotal</b>			<b>-3,088,374.70</b>				<b>-3,088,374.70</b>	<b>0.00</b>	<b>-3,088,374.70</b>	<b>0.00</b>
Sale	10/01/2018	99CSAFE\$0	736,750.00	CSAFE Investment Pool	1.000	2.16%	736,750.00	0.00	736,750.00	0.00
Sale	10/05/2018	99CSAFE\$0	1,091,445.44	CSAFE Investment Pool	1.000	2.16%	1,091,445.44	0.00	1,091,445.44	0.00
Sale	10/29/2018	99CSAFE\$0	978,925.00	CSAFE Investment Pool	1.000	2.16%	978,925.00	0.00	978,925.00	0.00
Sale	11/30/2018	99CSAFE\$0	992,405.23	CSAFE Investment Pool	1.000	2.31%	992,405.23	0.00	992,405.23	0.00
Sale	12/13/2018	99CSAFE\$0	1,734,837.50	CSAFE Investment Pool	1.000	2.31%	1,734,837.50	0.00	1,734,837.50	0.00
Sale	12/14/2018	99CSAFE\$0	1,004,524.03	CSAFE Investment Pool	1.000	2.31%	1,004,524.03	0.00	1,004,524.03	0.00
Sale	12/17/2018	99CSAFE\$0	2,014,783.72	CSAFE Investment Pool	1.000	2.31%	2,014,783.72	0.00	2,014,783.72	0.00
<b>Subtotal</b>			<b>8,553,670.92</b>				<b>8,553,670.92</b>	<b>0.00</b>	<b>8,553,670.92</b>	<b>0.00</b>
Maturity	10/05/2018	3133EFX69	1,100,000.00	FFCB Note 0.96% Due: 10/05/2018	100.000		1,100,000.00	0.00	1,100,000.00	0.00
Maturity	10/29/2018	89233HKV5	1,000,000.00	Toyota Motor Credit Discount CP 2.22% Due: 10/29/2018	98.539		985,385.00	14,615.00	1,000,000.00	0.00
Maturity	11/30/2018	912828U40	1,000,000.00	US Treasury Note 1% Due: 11/30/2018	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	12/13/2018	62479MMD2	1,000,000.00	MUFG Bank Ltd/NY Discount CP 2.31% Due: 12/13/2018	99.217		992,171.67	7,828.33	1,000,000.00	0.00
Maturity	12/14/2018	313376BR5	1,000,000.00	FHLB Note 1.75% Due: 12/14/2018	100.000		1,000,000.00	0.00	1,000,000.00	0.00
<b>Subtotal</b>			<b>5,100,000.00</b>				<b>5,077,556.67</b>	<b>22,443.33</b>	<b>5,100,000.00</b>	<b>0.00</b>
Security Withdrawal	11/14/2018	99CSAFE\$0	105.39	CSAFE Investment Pool	1.000		105.39	0.00	105.39	0.00

# Transaction Ledger

As of December 31, 2018

## City of Louisville - Account #10236

September 30, 2018 through December 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Security Withdrawal	12/20/2018	99CSAFE\$0	1,458.47	CSAFE Investment Pool	1.000		1,458.47	0.00	1,458.47	0.00
<b>Subtotal</b>			<b>1,563.86</b>				<b>1,563.86</b>	<b>0.00</b>	<b>1,563.86</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>10,566,860.08</b>				<b>10,544,416.75</b>	<b>22,443.33</b>	<b>10,566,860.08</b>	<b>0.00</b>

# Transaction Ledger

As of December 31, 2018

## City of Louisville Reporting - Account #10237

September 30, 2018 through December 31, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Security Withdrawal	10/31/2018	90LGIP\$00	2,982,883.57	LGIP Local Govt Investment Pool	1.000		2,982,883.57	0.00	2,982,883.57	0.00
Security Withdrawal	11/30/2018	90LGIP\$00	3,928,498.92	LGIP Local Govt Investment Pool	1.000		3,928,498.92	0.00	3,928,498.92	0.00
Security Withdrawal	12/31/2018	90LGIP\$00	5,603,358.66	LGIP Local Govt Investment Pool	1.000		5,603,358.66	0.00	5,603,358.66	0.00
<b>Subtotal</b>			<b>12,514,741.15</b>				<b>12,514,741.15</b>	<b>0.00</b>	<b>12,514,741.15</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>12,514,741.15</b>				<b>12,514,741.15</b>	<b>0.00</b>	<b>12,514,741.15</b>	<b>0.00</b>

# Important Disclosures

*As of December 31, 2018*

2018 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

## 0-3 yr Treasury\*

*The ICE BAML 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publically issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: G1QA. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 1-Year Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G003. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G001. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 6-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G002. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML 1-3 Year US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. (Index: G1O2. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## 2Yr Held-To-Maturity Treasury Index

*The 2 Year Treasury benchmark is a custom benchmark created to reflect purchasing the 2 year Treasury every month directly through the Federal Reserve and holding until maturity.*

**SUBJECT: CITY OF LOUISVILLE 2019 INSURANCE RENEWAL**

**DATE: FEBRUARY 18, 2019**

**PRESENTED BY: MEGAN DAVIS, CITY MANAGER'S OFFICE**

**SUMMARY:**

**Property and Liability:** For the 2019 renewal, staff requested our broker, Flood & Peterson, request bids from various carriers. Ten insurance companies declined to respond, most citing the City's 2018 large property losses. Eighteen insurance companies were not considered due to higher deductibles and pricing not being competitive.

Four insurance companies provided quotes. Three carriers provided liability-only quotes in excess of \$300,000. Travelers quote for Liability was \$162,265.00. Travelers was also the only carrier willing to quote on all of our lines of coverage, including: liability, property, inland marine, auto, law enforcement and cyber. Thus, staff renewed coverage with Travelers.

The premium renewal for Property and Casualty with Traveler's is \$436,128 for 2019 vs. \$371,932 for 2018. This represents a roughly 17.26% increase.

The most significant factor for the increase is increased property values across the board. Notably, the Recreation Center value went from \$11,767,000 to \$25,000,000. Overall values of property were adjusted from \$109,785,919 to \$127,310,107, a roughly 15% increase in values.

The 2018 hail event also contributed to the overall increase with the claim in excess of \$1,689,941. Rates did go up slightly due to the losses; the largest portion of the increase attributed to the increase in exposure due to the hail claim.

**Worker's Compensation:** In 2018, the City received bids from Traveler's Insurance and Pinnacol Assurance to provide insurance for our workers compensation program. The decision was made to switch back to Pinnacol Assurance for the 2018 plan year. The Human Resources staff manages the workers compensation policy and employee claims and continues to be pleased with the resources, guidance, and information provided by Pinnacol Assurance over the past year. Flood and Peterson provided a quotes for Worker's Compensation coverage from Pinnacol Assurance for the 2019 plan year. That quote was \$169,215.

**FISCAL IMPACT:**

Item	2019 Budget	2019 Actual	Under Budget/(Budget shortfall)
Property and Casualty	\$444,470	\$436,128	\$8,342
Worker's Comp	\$197,010	\$169,215	\$27,795
Total – all lines of coverage	\$641,480	\$605,343	\$36,137

For all lines of coverage, the City has a 17.51% increase in insurance premium for 2019. The City is \$36,137 under budget for 2019.

## Program Comparison

Coverage Line	2018 RENEWAL			2019 RENEWAL EXPOSURES 2018 EXPIRING RATES			2019 RENEWAL		
	Exposure Basis	Average Rate	Expiring Premium	Exposure Basis	Average Rate	Expiring Premium	Exposure Basis	Average Rate	Renewal Premium
Property	\$109,785,919	\$0.09963	\$109,384	\$127,310,107	\$0.09963	\$126,844	\$127,310,107	\$0.1052	\$133,917
Equipment Breakdown	\$109,785,920	\$0.00675	\$7,412	\$127,310,107	\$0.00675	\$8,595	\$127,310,107	\$0.0067	\$8,588
High Hazard Flood \$1M			Incl. In Prop.			Incl. In Prop.			Incl. in Property
High Hazard Flood		Excess Flood	\$1,906		Excess Flood	\$1,906		Excess Flood	\$1,906
<b>Subtotal</b>	<b>\$109,785,919</b>	<b>\$0.1081</b>	<b>\$118,702</b>	<b>\$127,310,107</b>	<b>\$0.1081</b>	<b>\$137,345</b>	<b>\$127,310,107</b>	<b>\$0.1134</b>	<b>\$144,359</b>
Inland Marine	\$4,041,942	\$0.38	\$15,304	\$4,041,942	\$0.38	\$15,304	\$4,041,942	\$0.44	\$17,932
Solar Equipment & BI	N/A	N/A	N/A	\$990,000	\$0.50	\$5,000	\$990,990	\$0.50	\$5,000
General Liability	\$51,317,518	\$1.14	\$58,737	\$58,430,710	\$1.14	\$66,879	\$58,430,710	\$1.22	\$71,481
Public Entity Liability	\$51,317,518	\$0.028	\$14,241	\$58,430,710	\$0.028	\$16,215	\$58,430,710	\$0.030	\$17,724
Law Enforcement Liability	41	\$424.66	\$17,411	41	\$424.66	\$17,411	41	\$509.34	\$20,883
Employment Practices Liability	512	\$97.06	\$49,693	512	\$97.06	\$49,693	512	\$97.06	\$49,693
Auto	97	\$513	\$49,777	101	\$513	\$51,830	101	\$565	\$57,038
Crime	512	\$7.17	\$3,669	512	\$7.17	\$3,669	512	\$7.17	\$3,669
Excess Liability	\$189,859	\$178.79	\$33,945	\$216,819	\$178.791	\$38,765	\$216,819	\$175.82	\$38,121
Cyber Liability	\$51,317,518	\$0.20	\$10,453	\$58,430,710	\$0.20	\$11,902	\$58,430,710	\$0.18	\$10,228
Aggregate Amount Change			<b>\$371,932</b>			<b>\$414,012</b>			<b>\$436,128</b>
Percentage Change						<b>\$42,080</b>			<b>\$64,196</b>
						<b>11.31%</b>			<b>17.26%</b>
							<b>RATE CHANGE</b>		<b>5.95%</b>
Workers' Compensation	\$14,521,947	\$0.9861	\$143,199	\$14,379,055	\$0.9861	\$141,790	\$14,379,055	\$1.1768	\$169,215
Aggregate Amount Change			<b>\$143,199</b>			<b>\$141,790</b>			<b>\$169,215</b>
Percentage Change						<b>(\$1,409)</b>			<b>\$26,016</b>
						<b>-0.98%</b>			<b>18.17%</b>
Total Premium-All Lines			<b>\$515,131</b>	<b>PREMIUM IF RATES WERE</b>		<b>\$555,802</b>			<b>\$605,343</b>
Total Amount Change				<b>FLAT</b>		<b>\$40,671</b>			<b>\$90,212</b>
Total Percentage Change						<b>7.90%</b>			<b>17.51%</b>
							<b>OVERALL RATE CHANGE</b>		<b>9.62%</b>



*Additional limits may be available upon request*

## Marketing Results

Insurance Company	Response	Reason
Berkley Public Entity	Declined	Only write accounts that have large Casualty SIR's and use the services of a TPA. Could not offer terms on the Property or Inland Marine
Euclid Public Sector	Declined	Losses on the Property and Law Enforcement . Plus they do not offer flood coverage in high flood zones
Glatfelter Public Practice	Declined	Due to Property (High Wind/Hail Exposure) and Casualty losses.
Liberty Mutual	Declined	Due to the Property and Casualty Losses
McKee Risk Management	Declined	Would not be competitive based on the current program structure
One Beacon Government Risk	Indication	They indicated that they would be in excess of \$300,000 just for the Casualty lines exclusive of the Workers Compensation, Cyber Liability and Property/IM. Could not write those other lines
BRIT	Quoted	\$299,100 Casualty Lines only exclusive of Workers Compensation, Cyber Liability and Property/Inland Marine
Trident	Quoted	\$328,732 exclusive of the Property, Cyber Liability and Workers' Compensation
ACE / Westchester / Chubb	Indication	\$10M Primary, 2%/\$100k W/H, \$10k AOP, \$200k premium
Ambris	Not Competative	
Arch	Not Competative	
Aspen	Not Competative	
AXIS	Decline	Pricing not competitive, higher deductibles
Beazley	Not Competative	
Brit Global	Not Competative	
C.N.A.	Decline	Class
Dual	Not Competative	
Endurance	Not Competative	
Global Excess Partners (GEP)	Not Competative	
Hallmark	Not Competative	
Hudson	Not Competative	Wants x/o \$10M only
Lexington	Not Competative	
Liberty / Ironshore	Not Competative	
Markel	Not Competative	
Miller	Decline	Pricing not competitive, higher deductibles
RSUI	Not Competative	
Starr	Not Competative	
Swiss RE	Not Competative	
United National	Decline	TIV too large (Max \$100M, x-A/V Flood, Layered only)
V3	Decline	Pricing not competitive, Smaller limit only
Validus	Not Competative	
Zurich	Not Competative	Smaller limit only
<b>Golf Course Only</b>		
Philadelphia	Quoted	\$30,000 (\$25,000 Property Deductible and a 5% Wind/Hail Deductible
Venture Programs	Declined	Due to Property Losses
Nationwide	Declined	Due to Property Losses
Hanover	Declined	Not a market at this time for Golf Courses

