

City Council

Agenda

Special Meeting – Budget Retreat

July 16, 2019

Library Meeting Room

951 Spruce Street

5:00 PM

- 1. CALL TO ORDER**
- 2. BUDGET RETREAT: DISCUSSION/DIRECTION/ACTION
2019-2020 BIENNIAL BUDGET**
 - A. 2018 YEAR-IN-REVIEW**

Staff Presentation
Public Comments (Please limit to 3 minutes each)
Council Questions & Comments and Direction
 - B. FINANCIAL POLICIES – PROPOSED AMENDMENTS**

Staff Presentation
Public Comments (Please limit to 3 minutes each)
Council Questions & Comments and Direction
 - C. 2019-2024 CAPITAL IMPROVEMENTS PLAN (CIP)**

Staff Presentation
Public Comments (Please limit to 3 minutes each)
Council Questions & Comments and Direction
 - D. REVENUE ASSUMPTIONS & EXPENDITURE
TARGETS**

Staff Presentation
Public Comments (Please limit to 3 minutes each)
Council Questions & Comments and Direction

Citizen Information

If you wish to speak at the City Council meeting, please fill out a sign-up card and present it to the City Clerk.

Persons with disabilities planning to attend the meeting who need sign language interpretation, assisted listening systems, Braille, taped material, or special transportation, should contact the City Manager's Office at 303 335-4533. A forty-eight-hour notice is requested.

E. 2019-2024 FINANCIAL PLAN

Staff Presentation

Public Comments (Please limit to 3 minutes each)

Council Questions & Comments and Direction

F. BUDGET CALENDAR

Staff Presentation

Public Comments (Please limit to 3 minutes each)

Council Questions & Comments and Direction

3. ADJOURN

SUBJECT: 2018 YEAR-IN-REVIEW

DATE: JULY 16, 2019

**PRESENTED BY: HEATHER BALSER, CITY MANAGER
KEVIN WATSON, FINANCE DIRECTOR**

SUMMARY

When developing the 2019-2020 biennial budget, staff made various revenue and expenditure projections for 2018 in order to estimate the 2018 ending fund balance, which is the beginning fund balance for the 2019-2020 biennium.

It was necessary to make these 2018 projections well in advance of the 2018 fiscal year-end. Therefore, as the first step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan, staff has updated all financial calculations by replacing the 2018 projections with the actual audited amounts for 2018.

The purpose of this agenda item is to briefly review the differences between the 2018 projections and the final audited 2018 actuals for the City’s main operating funds. The table below summarizes and compares these amounts for the General Fund.

**General Fund
2018 Projections & 2018 Audited Actuals**

	2018		Variance
	Projection	Actual	
Beginning Fund Balance	<u>7,797,337</u>	<u>7,797,337</u>	
Plus: Revenue	23,491,460	23,980,822	489,362
Less: Expenditures	(21,052,390)	(18,778,361)	2,274,029 [1]
Less: Transfers-Out	(2,484,100)	(2,471,660)	12,440
Ending Fund Balance	<u>7,752,307</u>	<u>10,528,139</u>	2,775,832
Adjustment for Carry Forward Amendment			(146,720)
Net Variance			<u>2,629,112</u>

[1] Equates to a 9.7% "Turnback" (i.e., 9.7% positive actual-to-budget variance)
Equates to a 10.8% positive actual-to-projection variance

The first column (Projection) summarizes the General Fund revenue and expenditure projections that were developed in the Fall of 2018. The second column (Actual) summarizes the final actual audited amounts for fiscal year 2018. The final column calculates a positive or negative variance between the actual amounts and the original projections.

For the General Fund, the 2018 ending fund balance of \$10,528,139 is \$2,775,832 greater than the projection. This is mostly due to a 9.7% “turnback” amount. The term “turnback” has been used in the past to refer to a positive actual-to-*budget* variance for fund expenditures. The positive actual-to-*projection* variance for fund expenditures for the General Fund is 10.8%.

Determining the budget carry forward amendments is the second step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan. Since part of the positive ending fund balance variance for 2018 is due to unfinished projects that will be completed in 2019, it is appropriate to reduce the variance by the carry forward budget amendment that was approved by Council on June 4. This is not a significant factor when analyzing the General Fund, but may be very significant when analyzing funds that contain large amounts of capital outlay.

The remaining Net Variance amount shown in the preceding table (\$2,629,112) can be thought of as the *unanticipated amount of additional fund balance at the beginning of 2019*.

The following tables present the same actual-versus-projection analysis for the City’s other main operating funds:

- Open Space & Parks;
- Historic Preservation;
- Capital Projects;
- Water Utility;
- Wastewater Utility;
- Storm Water Utility;
- Consolidated Utility; and
- Golf Course Fund.

At the meeting, staff will present a PowerPoint presentation containing these tables and will lead the discussion on reserve levels, total turnback, and operational turnback.

Open Space & Parks Fund
2018 Projections & 2018 Audited Actuals

	2018		
	Projection	Actual	Variance
Beginning Fund Balance	<u>2,646,825</u>	<u>2,646,825</u>	
Plus: Revenue	3,164,560	2,397,549	(767,011) [1]
Plus: Transfers-In [2]	1,047,470	1,029,360	(18,110)
Less: Expenditures	(5,959,160)	(2,798,642)	3,160,518 [3]
Ending Fund Balance	<u>899,695</u>	<u>3,275,092</u>	2,375,397
Adjustment for <i>Net</i> Carry Forward Amendment			<u>(1,565,670)</u>
Net Variance			<u>809,727</u>

- [1] Due to Delayed Grants on Delayed Capital Projects
 [2] Transfers from General Fund and Impact Fee Fund
 [3] Equates to a 52.3% Total "Turnback"
 Equates to an 11.7% Operational "Turnback"

Historic Preservation Fund
2018 Projections & 2018 Audited Actuals

	2018		
	Projection	Actual	Variance
Beginning Fund Balance	<u>1,759,778</u>	<u>1,759,778</u>	
Plus: Revenue	749,740	775,057	25,317
Less: Expenditures	(1,142,310)	(423,464)	718,846 [1]
Ending Fund Balance	<u>1,367,208</u>	<u>2,111,371</u>	744,163
Adjustment for Carry Forward Amendment			<u>(290,500)</u>
Net Variance			<u>453,663</u>

- [1] Due to Positive Variances within Incentives and Capital Categories

Capital Projects Fund
2018 Projections & 2018 Audited Actuals

	2018		
	Projection	Actual	Variance
Beginning Fund Balance	<u>4,693,763</u>	<u>4,693,763</u>	
Plus: Revenue	10,192,880	7,356,620	(2,836,260) [1]
Plus: Transfers-In	1,367,620	947,290	(420,330) [2]
Less: Expenditures	(14,025,520)	(6,159,986)	7,865,534 [3]
Less: Transfers-Out	(395,100)	(395,100)	-
Ending Fund Balance	<u>1,833,643</u>	<u>6,442,587</u>	<u>4,608,944</u>
Adjustment for <i>Net</i> Carry Forward Amendment			<u>(3,746,090)</u>
Net Variance			<u>862,854</u>

- [1] Due to Delayed Grants on Delayed Capital Projects
 - [2] Due to Negative Variance in Transfer from Impact Fee Fund
 - [3] Equates to a 54.5% "Turnback"
Equates to a 56.1% positive actual-to-projection variance
-

Water Utility Fund
2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>17,896,803</u>	<u>17,896,803</u>	
Plus: Revenue	9,292,690	8,593,893	(698,797)
Less: Expenditures	(15,504,060)	(11,387,443)	4,116,617 [1]
Ending Working Capital	<u>11,685,433</u>	<u>15,103,253</u>	3,417,820
Adjustment for Carry Forward Amendment			(1,754,560)
Net Variance			<u>1,663,260</u>

[1] Equates to a 27.7% Total "Turnback"
 Equates to an 21.7% Operational "Turnback"

Wastewater Utility Fund
2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>6,064,538</u>	<u>6,064,538</u>	
Plus: Revenue	3,920,830	3,978,044	57,214
Less: Expenditures	(5,767,420)	(4,423,253)	1,344,167 [1]
Ending Working Capital	<u>4,217,948</u>	<u>5,619,330</u>	1,401,382
Adjustment for Carry Forward Amendment			(273,000)
Net Variance			<u>1,128,382</u>

[1] Equates to a 23.0% Total "Turnback"
 Equates to an 12.6% Operational "Turnback"

Storm Water Utility Fund
2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>1,242,672</u>	<u>1,242,672</u>	
Plus: Revenue	751,050	869,188	118,138
Less: Expenditures	<u>(1,645,650)</u>	<u>(1,099,144)</u>	546,506 [1]
Ending Working Capital	<u>348,072</u>	<u>1,012,716</u>	664,644
Adjustment for Carry Forward Amendment			<u>(150,000)</u>
Net Variance			<u>514,644</u>

[1] Equates to a 42.0% Total "Turnback"
Equate to an 21.4% Operational "Turnback"

Consolidated Utility Fund
2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>25,204,013</u>	<u>25,204,014</u>	
Plus: Revenue	13,964,570	13,441,125	(523,446)
Less: Expenditures	<u>(22,917,130)</u>	<u>(16,909,839)</u>	6,007,291 [1]
Ending Working Capital	<u>16,251,453</u>	<u>21,735,299</u>	5,483,846
Adjustment for Carry Forward Amendment			<u>(2,177,560)</u>
Net Variance			<u>3,306,286</u>

[1] Equates to a 27.7% Total "Turnback"
Equate to an 18.8% Operational "Turnback"

Golf Course Fund
2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>286,798</u>	<u>286,798</u>	
Plus: Revenue	1,715,250	1,730,315	15,065
Less: Expenditures	(1,653,180)	(1,831,653)	(178,473) [1]
Ending Working Capital	<u>348,868</u>	<u>185,460</u>	<u>(163,408)</u>

[1] The Golf Course Fund Exceeded its Legal Appropriation by \$241,935 mostly due to the unanticipated amounts of Variable Wages, Reuse Water Charges, and Repairs from the Hail Storm.

SUBJECT: FINANCIAL POLICIES

DATE: JULY 16, 2019

**PRESENTED BY: HEATHER BALSER, CITY MANAGER
KEVIN WATSON, FINANCE DIRECTOR**

BACKGROUND

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 of Louisville's initial Fiscal Policies were adopted in 1984 and were updated intermittently until 1997. In 2015, staff updated and modernized the policies. Staff worked closely with the Finance Committee and on December 15, 2015, the City Council formally approved the new Financial Policies by Resolution 92, Series 2015.

The process for developing the policies included a review of Government Finance Officers Association's (GFOA's) Best Practices and other GFOA literature on each subject matter. It also included a review of GFOA's sample policies in each area, which included reviews of actual policies from various counties and municipalities throughout the country. Staff attempted to include all relevant policy elements deemed "recommended best practices" by the GFOA.

Prior to Council adoption, the Debt Policies were reviewed by the City's Financial Advisor and the Investment Policies were reviewed by the City's Investment Advisor. Standard and Poor's reviewed the City's Financial Policies during their rating review of the 2017 Recreation Center General Obligation Bond issue and responded with very positive comments.

Future policy sections under consideration include long-term financial planning, internal controls, risk management, and an update to the current procurement policy.

The current set of financial policies include an Introduction Section and the following eight 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

POLICY SUMMARY

Below is a brief summary of some of the elements within each policy section.

Introduction

- Contains a list of definitions related to all policy sections.

General Policies

- Requires a set of financial indicators to be calculated and disclosed in the City's budget documents.

Reserve Policies

- Defines both minimum and targeted reserve levels for the General Fund and the Open Space & Parks Fund.
- Defines minimum reserve levels for the Cemetery Fund, which receives an ongoing subsidy transfer from the General Fund, and the three Enterprise Funds that comprise the Combined Utility Fund.

Debt Policies

- Discusses factors which may favor "pay-as-you-go" financing and those that may favor "pay-as-you-use" financing.
- Discusses and recommends general debt financing structures and methods of sale.
- Does not apply to debt issued by the Urban Revitalization District.

Revenue Policies

- States that the City will value diversification, stabilization, and equity within its revenue structure.
- Formalizes the intent to fund all recurring expenditures with recurring revenue and that non-recurring revenue should be used to fund only non-recurring, one-time expenditures.
- Sets broad guidelines for setting user fees and charges.

Operating Budget Policies

- Defines the City’s “budgetary basis” of accounting.
- Formalizes the City’s legal level of budgetary control at the fund level. In other words, expenditures do not legally exceed appropriations until they do so at the fund level, as opposed to at the department or line item level. Therefore, budget amendments are not legally necessary until appropriations at the fund level are being exceeded.
- Defines “balanced budget” and states the City’s intent to also have a *structurally* balance budget.
- Requires a Capital Improvement Plan and a Long-Term Financial Plan to be presented at the time of budget development.

Investment Policies

- These are the same policies (just reformatted) that were approved by Council in 2012. No changes were made on December 15, 2015.
- Sets safety, liquidity, and yield objectives.
- Defines legal investments.
- Defines standards of care and performance.

Capital Asset Management Policies

- Broadly defines the Capital Improvement Plan (C-I-P) process.
- Defines and requires a “balanced” C-I-P.
- States the City’s intent to preserve existing infrastructure before allocating resources to new capital projects.

Accounting, Auditing, and Financial Reporting Policies

- Officially designates the City’s Finance Committee as the City’s Audit Committee.
- Discusses the City’s internal control structure and the COSO framework.
- Sets the City’s capitalization threshold.
- Grants authorization to the Finance Committee, City Manager, and Finance Director regarding “write-offs” of bad debt.

SUMMARY OF PROPOSED AMENDMENTS

Staff is proposing a variety of amendments to the current policies. Attached are the policies as they were adopted on December 15, 2015, with the proposed amendments redlined within the documents. Below is a summary of the proposed amendments by policy section.

Introductory Section

The proposed amendments include minor changes to definitions for *Capital Budget* and *Capital Improvement Plan (C-I-P)*. The proposed amendments also eliminate the term *Open Space & Parks Fund Targeted Fund Balance* and its definition.

Policy Section 1 – General Policies

The proposed amendments include minor changes to some of the financial indicator formulas to better match the definitions within the Introductory Section.

Policy Section 2 – Reserve Policies

The proposed amendments include:

- The elimination of the Open Space & Parks Fund targeted fund balance requirement;
- A formula definition for the recurring annual transfer from the General Fund to the Open Space & Parks Fund;
- A statement that, “*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.*”;
- The establishment of a minimum unrestricted fund balance and a capital asset renewal and replacement reserve for the Recreation Fund;
- A statement that, “*It is the intent of the City Council that the dedicated sales tax and user fee revenues 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.*”;
- A formula definition for the maximum recurring annual transfer from the General Fund to the Recreation Fund;
- A formula definition for the recurring annual transfer from the Capital Projects Fund to the Recreation Fund; and
- The establishment of a minimum unrestricted fund balance and a capital asset renewal and replacement reserve for the Golf Course Fund.

Policy Section 4 – Revenue Policies

The proposed amendments include a statement of the City Council’s intent to review fees yearly and a statement that annual fee inflators may be used during years in which a calculation of full cost is not done.

Policy Section 5 – Operating Budget Policies

The proposed amendments include minor narrative changes due a six-year (versus five-year) Capital Improvement Program, a six-year (versus five-year) Long-Term Financial Plan, a biennial (versus annual) budget process, and quarterly (versus monthly) Finance Committee financial reports.

Policy Section 7 – Capital Asset Investment & Management Policies

The proposed amendments include minor narrative changes due a six-year (versus five-year) Capital Improvement Program and a biennial (versus annual) budget process.

Policy Section 8 – Accounting, Auditing, & Financial Reporting Policies

The proposed amendments include minor narrative changes due quarterly (versus monthly) Finance Committee financial reports. The proposed Amendments also proposes to increase the capitalization threshold from \$5,000 to \$10,000.

RECOMMENDATION:

Staff requests the Council to review the proposed amendments and give staff direction on any changes.

ATTACHMENTS

1. Financial Policies as adopted on December 15, 2015 with proposed amendments redlined.

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.

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

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

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

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 31st 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 regional Consumer Price Index for All Urban Consumers.~~

~~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, in 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.

It is the intent of the City Council that the dedicated sales tax and user fee revenues 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 dedicated sales tax and user fee revenues may not be sufficient and the Recreation Fund may also 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 regional Consumer Price Index for All Urban Consumers.

In addition to the annual General Fund transfer towards the annual operating costs, minimum fund balance requirements, and capital asset renewal and replacement reserves, 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 regional Consumer Price Index for All Urban Consumers. This revenue source is restricted for capital outlay.

- 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.

Debt Policies

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

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.

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

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.

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

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 ~~Five~~Six-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).** ~~Five~~Six-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.



Investment Policies

Policy Section: 6

Adopted by Resolution No. 92, Series 2015

Effective Date: December 15, 2015

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.

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

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.

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

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: 2019-2024 CAPITAL IMPROVEMENTS PLAN (CIP)

DATE: JULY 16, 2019

**PRESENTED BY: HEATHER BALSER, CITY MANAGER
KEVIN WATSON, FINANCE DIRECTOR**

SUMMARY

The original 2019-2024 Capital Improvements Plan was developed during the 2019-2020 biennial budget process and is memorialized in the 2019-2020 Biennial Operating & Capital Budget document. This plan encompassed the following funds:

- Open Space & Parks
- Conservation Trust – Lottery
- Cemetery
- PEG Fee
- Historic Preservation
- Recreation
- Capital Projects
- Recreation Center Construction
- Water Utility
- Wastewater Utility
- Storm Water Utility
- Golf Course
- Technology Management
- Fleet Management

The next step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan is to update the original 2019-2024 Capital Improvements Plan with:

- Changes approved at the June 4 Budget Amendment Hearing; and
- New projects recently requested from departments for 2020.

New projects requested for 2020 include:

- Electric Vehicle charging station for Police Department (\$8,000)
- NEOGov Learning Management Software (\$24,900)
- Sander Box Leg Kit (\$22,150)
- BNSF Underpass (amount moved from 2019 = \$1,283,500)
- Waterline Replacement (added an additional \$400,000)
- NCWCD SWSP Eastern Pump Station (\$150,000)

SUBJECT: 2019-2024 CAPITAL IMPROVEMENTS PLAN**DATE: JULY 16, 2019****PAGE 2 OF 2**

Attached to this communication is an updated 2019-2024 Capital Improvements Plan Summary. Please note that this summary does not reflect the City Manager's final recommendations. This is the starting point for deliberations. The City Manager's Recommended 2020 Budget and Recommended 2019-2024 Capital Improvements Plan will be presented in September.

As shown in the following table, the six-year total for the plan is nearly \$100 million.

All Funds

Fund Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
Open Space & Parks Fund	3,567,730	502,300	559,560	265,820	283,300	112,500	5,291,210
Conservation Trust - Lottery Fund	224,000	224,000	224,000	224,000	224,000	236,000	1,356,000
Cemetery Fund	10,750	7,500	7,500	7,500	7,500	7,500	48,250
PEG Fee Fund	1,100	-	-	-	-	-	1,100
Historic Preservation Fund	351,350	-	-	-	-	-	351,350
Recreation Fund	480,760	171,000	70,000	233,000	70,000	70,000	1,094,760
Capital Projects Fund	17,717,740	10,920,950	6,265,470	8,096,360	4,985,860	5,336,120	53,322,500
Recreation Center Construction Fund	3,637,610	-	-	-	-	-	3,637,610
Water Utility Fund	7,858,490	4,479,810	2,357,510	4,521,000	3,094,000	2,288,500	24,599,310
Wastewater Utility Fund	1,695,650	760,500	496,000	1,153,000	350,000	473,500	4,928,650
Storm Water Utility Fund	434,220	771,500	274,500	300,000	279,000	135,500	2,194,720
Golf Course Fund	25,700	182,640	-	-	-	-	208,340
Technology Management Fund	60,000	60,000	60,000	60,000	60,000	60,000	360,000
Fleet Management Fund	641,670	177,240	171,920	180,530	189,550	199,030	1,559,940
Total for All Funds	36,706,770	18,257,440	10,486,460	15,041,210	9,543,210	8,918,650	98,953,740

ATTACHMENTS

1. Summary of 2019-2024 Capital Improvements Plan

City of Louisville, Colorado
Six-Year Capital Improvement Plan
For the Years 2019 Through 2024

Open Space & Parks Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	201314-640001	Machinery & Equipment	4,050	-	-	-	-	-	4,050
	201511-630071	Parks and Open Space Signs	111,250	-	-	-	-	-	111,250
	201511-630101	Irrig Replacements & Improvs (%)	30,000	-	-	-	-	-	30,000
	201511-630129	Playground Surfacing Replacement	12,000	12,000	-	-	-	-	24,000
	201511-630130	Sundance Park Master Plan	15,000	-	-	-	-	-	15,000
	201511-630131	Recycling Cans for Park Sites (%)	20,000	10,000	-	-	-	-	30,000
	201511-630132	Enhance BMX Track at Community Park	20,000	-	-	-	-	-	20,000
	201511-630133	Freeze Resistant Drinking Fountains	8,000	8,000	-	-	-	-	16,000
	201511-630135	Cottonwood Park Development	-	216,000	-	-	-	-	216,000
	201511-630151	Miners Field Fencing Upgrade (%)	11,000	-	-	-	-	-	11,000
	201511-640000	Motor Vehicle/Road Equipment (%)	26,000	-	-	-	-	-	26,000
	201511-640001	Machinery & Equipment (%)	52,500	52,500	-	-	-	-	105,000
	201511-630127	Miner's Field Park Improvs	-	11,000	-	-	-	-	11,000
	201522-630004	Lastoska Property Conservation	25,000	-	-	-	-	-	25,000
	201522-630134	Fishing Pond Dredging & Master Plan	-	35,000	-	-	-	-	35,000
	201522-640000	Motor Vehicle/Road Equipment (%)	33,700	-	-	-	-	-	33,700
	201523-630117	Interpretive Education	3,750	-	-	-	-	-	3,750
	201523-660093	Trail Connections (%)	31,950	-	-	-	-	-	31,950
	201524-660252	Coyote Run Slope Mitigation (50%)	300,000	-	-	-	-	-	300,000
	201528-660015	Open Space & Parks Signs (%)	-	120,000	-	-	-	-	120,000
	201528-660067	Hwy 42 Multi-Use Underpass	2,291,520	-	-	-	-	-	2,291,520
	201528-660093	Trail Connections (%)	572,010	-	-	-	-	-	572,010
	201528-660201	Trail Projects	-	37,800	-	-	-	-	37,800
2		Equipment Replacement - Parks (70%)	-	-	52,500	52,500	52,500	52,500	210,000
6		Playground Surfacing Replacement	-	-	12,000	-	-	-	12,000
8		Recycling Cans for Park Sites (50%)	-	-	10,000	-	-	-	10,000
10		Freeze Resistant Drinking Fountains at Park Sites	-	-	8,000	8,000	8,000	-	24,000
11		Open Space & Parks Trail & Direct'l Signs (50%)	-	-	19,200	-	78,000	-	97,200
13		Fishing Pond Dredging & Master Plan	-	-	180,000	-	-	-	180,000
15		Trail Projects	-	-	277,860	205,320	112,800	-	595,980
17		Equipment Replacement	-	-	-	-	7,000	60,000	67,000
18		Damyanovich Master Plan	-	-	-	-	25,000	-	25,000
		Total Open Space & Parks Fund	3,567,730	502,300	559,560	265,820	283,300	112,500	5,291,210

Conservation Trust - Lottery Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
19	202511-630048	Playgrounds (%)	224,000	224,000	-	-	-	-	448,000
		Playground Replacement (80%)	-	-	224,000	224,000	224,000	236,000	908,000
		Total Conservation Trust - Lottery Fund	224,000	224,000	224,000	224,000	224,000	236,000	1,356,000

Cemetery Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	204799-640000	Motor Vehicle/Road Equipment (%)	3,250	-	-	-	-	-	3,250
	204799-640001	Machinery & Equipment (%)	7,500	7,500	-	-	-	-	15,000
2		Equipment Replacement - Parks (10%)	-	-	7,500	7,500	7,500	7,500	30,000
		Total Cemetery Fund	10,750	7,500	7,500	7,500	7,500	7,500	48,250

PEG Fee Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	205120-600008	PEG Capital	1,100	-	-	-	-	-	1,100
		Total PEG Fee Fund	1,100	-	-	-	-	-	1,100

Historic Preservation Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	207542-620098	Austin Niehoff House Rehab (%)	82,500	-	-	-	-	-	82,500
	207542-620109	Miners' Cabins Relocation	208,000	-	-	-	-	-	208,000
	207542-620113	Historical Museum Structural Work (%)	60,850	-	-	-	-	-	60,850
		Total Historic Preservation Fund	351,350	-	-	-	-	-	351,350

Recreation Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	208533-640138	Rec Center Pool Table Replacements	-	10,000	-	-	-	-	10,000
	208535-620122	Rec Center Pool Plaster	-	79,000	-	-	-	-	79,000
	208535-620123	Memory Square Plaster	105,000	-	-	-	-	-	105,000
	208535-640137	Memory Square Pool Safety Cover	16,000	-	-	-	-	-	16,000
	208535-640139	Rec Center Pool Vacuums	-	12,000	-	-	-	-	12,000
	208535-630148	Memory Square Pool Play Feature	13,000	-	-	-	-	-	13,000
	208538-610009	Sports Complex Infield Improvements	80,000	-	-	-	-	-	80,000
	208538-630152	Replace Miners Field Scoreboard	40,000	-	-	-	-	-	40,000
	208538-630153	Rebuild Cleo Dugout Roof	25,000	-	-	-	-	-	25,000
	208539-620121	Rec Center Gym Curtain Replacement	15,000	-	-	-	-	-	15,000
	208539-620124	MAC Gym Curtain	45,000	-	-	-	-	-	45,000
	208539-630149	Rec Center Interior and Exterior Signage	60,000	-	-	-	-	-	60,000
	208539-640123	Rec Center Equipment Replacement	70,000	70,000	70,000	70,000	70,000	70,000	420,000
	208539-640136	Rec Center Adjustable Basketball Hoops	11,760	-	-	-	-	-	11,760
32		Rec Center Pool Deck Reseal	-	-	-	35,000	-	-	35,000
33		Recreation Center Campus Master Plan	-	-	-	128,000	-	-	128,000
		Total Recreation Fund	480,760	171,000	70,000	233,000	70,000	70,000	1,094,760

Capital Projects Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	301103-660025	Decorative Streetlight LED Conversion	50,000	135,000	-	-	-	-	185,000
	301103-630131	Recycling Cans for Park Sites (%)	20,000	10,000	-	-	-	-	30,000
	301103-640030	Electric Vehicle Charging Station	8,000	8,000	-	-	-	-	16,000
	301112-620115	City Clerk's Office Renovation	15,000	-	-	-	-	-	15,000
	301161-660241	Bike Share Program	10,000	-	-	-	-	-	10,000
	301165-620098	Austin Niehoff House Rehab (%)	52,500	-	-	-	-	-	52,500
	301173-650035	ERP System	114,490	-	-	-	-	-	114,490
	(New)	NEOGov Learning Management Software	-	24,900	-	-	-	-	24,900
	301173-650090	Rec Center-Copier Replacement	9,800	-	-	-	-	-	9,800
	301173-650097	City-Wide Surveillance Refresh	124,710	-	-	-	-	-	124,710
	301173-650098	IT Core Switching Fabric Upgrades	36,500	-	-	-	-	-	36,500
	301173-650099	Storage, Server, & Backup Refresh	-	135,000	-	-	-	-	135,000
	301173-660258	Middle Mile Fiber	200,000	-	-	-	-	-	200,000
	301211-620116	Police Dept Basement Restrooms & Lockers	282,500	-	-	-	-	-	282,500
	301211-620118	Police Dept Basement Sleep Room	27,000	-	-	-	-	-	27,000
	301211-620125	Police Dept Lobby Security Glass	20,000	-	-	-	-	-	20,000
	301211-640024	LTE D-Block Radio Program	11,100	-	-	-	-	-	11,100
	301211-640106	Body Cams	24,170	-	-	-	-	-	24,170
	301211-640114	FM Radio Stations	6,000	5,000	-	-	-	-	11,000
	301211-640124	Handheld 700-800 Portable Radios	15,420	-	-	-	-	-	15,420
	301211-650027	Toughbook, Prntrs, Dockng Stns	8,000	-	-	-	-	-	8,000
	301211-650089	Police/Courts Records Mgmt Sys	300,000	-	-	-	-	-	300,000
	301219-610010	Police Dept Parking Lot Repaving	35,000	-	-	-	-	-	35,000
	301219-620120	Police Dept Electrical Work	25,000	-	-	-	-	-	25,000
	301219-660276	Police Dept Concrete Replacement	199,000	-	-	-	-	-	199,000
	301311-630138	Bus Stop Improvements	157,000	-	-	-	-	-	157,000
	301311-630139	Street Lighting Safety Upgrades	40,000	-	-	-	-	-	40,000
	301311-660202	Railroad Quiet Zones	3,317,900	-	-	-	-	-	3,317,900
	301311-660227	SH 42: Hecla Dr Traffic Signal	39,710	-	-	-	-	-	39,710
	301311-660239	SBR Connectivity Feasibility S	35,030	-	-	-	-	-	35,030
	301312-630120	Bus then Bike Shelter	25,000	-	-	-	-	-	25,000
	301312-630141	ADA Parking Improvements	15,000	75,000	-	-	-	-	90,000
	301312-630142	Traffic Mitigation	25,000	25,000	-	-	-	-	50,000
	301312-630144	Transportation Master Plan First Steps	1,000,000	3,000,000	-	-	-	-	4,000,000
	301312-640001	Machinery & Equipment (%)	5,030	-	-	-	-	-	5,030
	301312-660012	Pavement Booster Program	5,028,130	4,840,000	-	-	-	-	9,868,130
	301312-660022	Concrete Replacement	75,000	75,000	-	-	-	-	150,000
	301312-660064	Bridge Inspection Follow-Up Repairs	30,000	100,000	-	-	-	-	130,000
	301312-660068	South Street Underpass (%)	184,250	-	-	-	-	-	184,250
	301312-660079	SH42 Short Intersection Design	153,550	-	-	-	-	-	153,550
	301312-660222	SH42 Short Intersection Construction	3,279,840	-	-	-	-	-	3,279,840
	301312-660226	Downtown Clay/Concrete Paver	119,490	-	-	-	-	-	119,490
	301312-660247	DRCOG Traffic Signal Improvts	50,000	-	-	-	-	-	50,000
	301312-660255	SH42 & Hecla Drive Traffic Signal	400,000	-	-	-	-	-	400,000
	301312-660256	Downtown Ornamental Light Replacement	70,000	72,000	-	-	-	-	142,000
	301312-660257	Downtown Surface Parking Expansion	100,000	-	-	-	-	-	100,000
	301313-630101	Irrigation Clock Replacements (%)	20,000	-	-	-	-	-	20,000
	301313-630140	Downtown Tree Grate Conduit Replacement	26,000	28,000	-	-	-	-	54,000
	301313-630145	Subdivision Entry Landscape Improvements	7,000	57,000	-	-	-	-	64,000
	301313-640000	Motor Vehicle/Road Equipment (%)	26,000	-	-	-	-	-	26,000

Capital Projects Fund (continued)

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	301313-640001	Machinery & Equipment (%)	7,500	7,500	-	-	-	-	15,000
	(New)	Sander Box Leg Kit	-	22,150	-	-	-	-	22,150
	301313-660103	Median Improvements	275,000	275,000	-	-	-	-	550,000
	301313-660226	Downtown Clay/Concrete Paver Replacement	110,000	110,000	-	-	-	-	220,000
	301313-660254	Utility Undergrounding	680,000	-	-	-	-	-	680,000
	301314-640001	Machinery & Equipment (%)	7,500	7,500	-	-	-	-	15,000
	301314-640135	Snow & Ice Attachment	18,000	-	-	-	-	-	18,000
	301511-630048	Playground Replacement (%)	56,000	56,000	-	-	-	-	112,000
	301511-630067	Heritage Restroom Renovation	28,000	200,000	-	-	-	-	228,000
	301511-630151	Miners Field Fencing Upgrade (%)	44,000	-	-	-	-	-	44,000
	301524-660252	Coyote Run Slope Mitigation (50%)	300,000	-	-	-	-	-	300,000
	301528-660015	Open Space & Parks Signs (%)	-	120,000	-	-	-	-	120,000
	301528-660068	South Street Underpass (%)	92,640	-	-	-	-	-	92,640
	301528-660069	BNSF RR Underpass/N Drainage (%)	-	1,283,500	-	-	-	-	1,283,500
	301531-630127	Miners Field Fencing Upgrade (%)	-	22,000	-	-	-	-	22,000
	301532-630127	Miners Field Fencing Upgrade (%)	-	22,000	-	-	-	-	22,000
	301532-640046	Fitness Equipment	22,360	-	-	-	-	-	22,360
	301537-640000	Motor Vehicle/Road Equipment (%)	3,250	-	-	-	-	-	3,250
	301551-650087	Upgrade Makerspace	-	15,000	-	-	-	-	15,000
	301551-620036	Library Building Improvements	16,820	-	-	-	-	-	16,820
	301552-620097	Historical Museum Campus (%)	20,850	165,400	-	-	-	-	186,250
	301552-620038	Museum Campus Building Improvements	51,210	-	-	-	-	-	51,210
	301552-620113	Historical Museum Structural Work (%)	60,850	-	-	-	-	-	60,850
	301553-620114	Center for the Arts Restoration	46,620	-	-	-	-	-	46,620
	301553-630136	Community Park Stage Improvements	24,000	-	-	-	-	-	24,000
	301553-640001	Machinery & Equipment (%)	5,020	-	-	-	-	-	5,020
	301651-630137	Downtown Patio Program Expansion	25,000	25,000	-	-	-	-	50,000
50		Concrete Replacement	-	-	75,000	75,000	75,000	75,000	300,000
53		Downtown Clay/Concrete Paver Replacement	-	-	110,000	-	-	-	110,000
54		Downtown Tree Grate Conduit Replacement	-	-	56,000	56,000	-	-	112,000
60		Downtown Ornamental Light Replacement	-	-	75,000	80,000	-	-	155,000
61		Pavement Management Program	-	-	4,000,000	4,600,000	4,300,000	4,500,000	17,400,000
2		Equipment Replacement - Parks (20%)	-	-	15,000	15,000	15,000	15,000	60,000
63		Median Landscape Renovation	-	-	275,000	-	-	-	275,000
66		Transportation Master Plan First Steps	-	-	1,200,000	2,800,000	-	-	4,000,000
8		Recycling Cans for Park Sites (50%)	-	-	10,000	-	-	-	10,000
19		Playground Replacement (20%)	-	-	56,000	56,000	56,000	59,000	227,000
68		Decorative Streetlight LED Conversion	-	-	100,000	110,000	100,000	100,000	410,000
69		Subdivision Entry Landscape Improvements	-	-	57,000	57,000	57,000	-	171,000
11		Open Space & Parks Trail & Direct'l Signs (50%)	-	-	19,200	-	78,000	-	97,200
73		Golf Maintenance Facility Improvements	-	-	99,910	-	-	124,130	224,040
74		Golf Division Equipment Replacement	-	-	117,360	117,360	117,360	117,360	469,440
75		Public Parking Lot Paving Program	-	-	-	130,000	130,000	130,000	390,000
76		Improvements to Community Dog Park	-	-	-	-	57,500	215,630	273,130
		Total Capital Projects Fund	17,717,740	10,920,950	6,265,470	8,096,360	4,985,860	5,336,120	53,322,500

Recreation Center Construction Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	303120-620106	Rec Center Construction	3,637,610	-	-	-	-	-	3,637,610
		Total Recreation Center Construction Fund	3,637,610	-	-	-	-	-	3,637,610

Water Utility Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	501498-640000	Motor Vehicle/Road Equipment (%)	190,500	-	-	-	-	-	190,500
	501498-640001	Machinery & Equipment (%)	9,650	-	-	-	-	-	9,650
	501498-640045	Meters	168,000	-	-	-	-	-	168,000
	501498-640121	WTP Resvr Treat Boat & Trailer	25,000	-	-	-	-	-	25,000
	501498-660182	Water Line Replacement	1,844,000	1,273,000	-	-	-	-	3,117,000
	501498-660205	PRV Replacement	75,000	-	-	-	-	-	75,000
	501498-660221	HBWTP Filter Media Replacement	5,000	-	-	-	-	-	5,000
	501498-660234	Tube Settler Replacement	380,920	-	-	-	-	-	380,920
	501498-660237	Water Tank Int Structure Maint	92,600	-	-	-	-	-	92,600
	501498-660259	Floride Equipment Replacement	105,000	-	-	-	-	-	105,000
	501499-600025	Fire Hydrant Painting	44,690	-	-	-	-	-	44,690
	501499-620119	Utilities Electrical Assessment (%)	-	32,500	-	-	-	-	32,500
	501499-630146	Marshall Lake Sediment Control	-	110,000	-	-	-	-	110,000
	501499-640116	Water Plants Disinfection Eval	408,040	-	-	-	-	-	408,040
	501499-640127	Excavation Shoring Box (%)	9,000	-	-	-	-	-	9,000
	501499-640131	Water Utility Trucks	80,000	-	-	-	-	-	80,000
	501499-650035	ERP System	2,000	-	-	-	-	-	2,000
	501499-650080	Water Facilities SCADA Upgrade	36,000	-	-	-	-	-	36,000
	501499-660175	WTP Chemical Storage Tanks	-	405,000	-	-	-	-	405,000
	501499-660190	NCWCD-Windy Gap Firming Proj	2,500,000	747,000	-	-	-	-	3,247,000
	501499-660211	Howard Diversion Upgrades	128,740	-	-	-	-	-	128,740
	501499-660212	SCWTP Recycle Pond Maintenance	86,000	-	-	-	-	-	86,000
	501499-660230	HBWTP HVAC Upgrade	3,000	-	-	-	-	-	3,000
	501499-660231	Louisville Lateral Ditch Pipin	20,000	-	-	-	-	-	20,000
	501499-660232	Cent/McCaslin Hi Zone Water Lp	22,230	-	-	-	-	-	22,230
	501499-660236	SBR Ditch Lining	170,200	88,310	-	-	-	-	258,510
	501499-660237	WTP Tank Cleaning & Evaluation	-	50,000	-	-	-	-	50,000
	501499-660243	Louisville Pipeline Flow Control	417,930	-	-	-	-	-	417,930
	501499-660244	HBWTP Upgrades	197,220	-	-	-	-	-	197,220
	501499-660245	SCWTP Upgrades	550,770	-	-	-	-	-	550,770
	501499-660260	WTP Vault Painting	-	225,000	-	-	-	-	225,000
	501499-660261	WTP Raw Water Study	-	75,000	-	-	-	-	75,000
	501499-660274	NCWCD SWSP Eastern Pump Station	-	150,000	-	-	-	-	150,000
	501499-660275	NCWCD SWSP Transmission Capacity	287,000	1,324,000	-	-	-	-	1,611,000
77		SBR Ditch Lining	-	-	90,510	-	-	-	90,510
78		Water Line Replacement	-	-	205,000	205,000	483,000	140,000	1,033,000
80		Louisville Lateral Ditch Piping	-	-	-	2,693,000	-	-	2,693,000
83		NCWCD - Windy Gap Firming Project	-	-	747,000	747,000	747,000	747,000	2,988,000
87		WTP Vehicle & Equipment Replacement	-	-	-	-	80,000	48,500	128,500
95		Marshall Lake Sediment Control	-	-	566,000	-	-	-	566,000
96		WTP Tank Cleaning & Evaluation	51	-	-	48,000	-	-	48,000
98		WTP Raw Water Study	-	-	100,000	-	-	-	100,000

Water Utility Fund (continued)

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
100		Water Rights Acquisition	-	-	565,000	552,000	566,000	580,000	2,263,000
101		Pump Replacement & Rehabilitation	-	-	84,000	276,000	17,000	-	377,000
102		SCWTP Filter Media Replacement	-	-	-	-	447,000	-	447,000
103		Meter Replacement	-	-	-	-	754,000	773,000	1,527,000
Total Water Utility Fund			7,858,490	4,479,810	2,357,510	4,521,000	3,094,000	2,288,500	24,599,310

Wastewater Utility Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	502498-640000	Motor Vehicle/Road Equipment	-	37,000	-	-	-	-	37,000
	502498-640001	Machinery & Equipment	9,650	-	-	-	-	-	9,650
	502498-640134	Replacement High Pressure Sewer Cleaner	260,000	-	-	-	-	-	260,000
	502498-660183	Sewer Utility Lines	498,000	275,000	-	-	-	-	773,000
	502498-660216	Reuse System Replacement	32,000	-	-	-	-	-	32,000
	502498-660265	Reuse System Equipment Replacement	32,000	66,000	-	-	-	-	98,000
	502498-660272	Drum Thickener Replacement	-	275,000	-	-	-	-	275,000
	502499-620119	Utilities Electrical Assessment (%)	-	32,500	-	-	-	-	32,500
	502499-630147	WWTP Digester and Reuse Lighting Improvements	40,000	-	-	-	-	-	40,000
	502499-640127	Excavation Shoring Box (%)	3,000	-	-	-	-	-	3,000
	502499-640132	WWTP Tractor	62,000	-	-	-	-	-	62,000
	502499-640133	Portable Lift Station Pump	50,000	-	-	-	-	-	50,000
	502499-650035	ERP System	2,000	-	-	-	-	-	2,000
	502499-660153	Wastewater Plant Upgrade	15,000	-	-	-	-	-	15,000
	502499-660262	WWTP Additional Influent Pump	72,000	-	-	-	-	-	72,000
	502499-660263	WWTP Asphalt Addition	50,000	-	-	-	-	-	50,000
	502499-660264	WWTP Digester Control Improvements	100,000	-	-	-	-	-	100,000
	502499-660266	WWTP Digester and Digester Lights	40,000	-	-	-	-	-	40,000
	502499-660267	WWTP Aeration Basin & Reuse Mixers	150,000	-	-	-	-	-	150,000
	502499-660268	WWTP Total Suspended Solids (TSS) Probes	45,000	-	-	-	-	-	45,000
	502499-660269	WWTP Vac Dump Station	235,000	-	-	-	-	-	235,000
	502499-660271	OPS Lift Station Painting	-	75,000	-	-	-	-	75,000
114		Sewer Line Replacement	-	-	420,000	400,000	350,000	425,000	1,595,000
119		WWTP Vehicle Replacement	-	-	-	-	-	48,500	48,500
120		WWTP Dewatering Building Upgrades	-	-	76,000	753,000	-	-	829,000
Total Wastewater Utility Fund			1,695,650	760,500	496,000	1,153,000	350,000	473,500	4,928,650

Storm Water Utility Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	503499-630032	Ctywide Strm Sewr Outfall Imps	5,100	-	-	-	-	-	5,100
	503499-630096	Detention Pond Maintenance	118,500	121,500	-	-	-	-	240,000
	503499-630150	Drainageway "A-1" Garfield/Cottonwood	-	500,000	-	-	-	-	500,000
	503499-640001	Machinery & Equipment	4,620	-	-	-	-	-	4,620
	503499-640128	Arterial Snow Plow Replacement (%)	56,000	-	-	-	-	-	56,000
	503499-660251	Drainageway G Dillon Rd Crossing	150,000	-	-	-	-	-	150,000
	503499-660273	Storm Water Quality Master Plan	100,000	150,000	-	-	-	-	250,000
121		Storm Sewer Detention Pond Maintenance	-	-	124,500	150,000	129,000	135,500	539,000
122		Storm Water Quality Master Plan	-	-	150,000	150,000	150,000	-	450,000
Total Storm Water Utility Fund			434,220	771,500	274,500	300,000	279,000	135,500	2,194,720

Golf Course Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	520799-620112	Shelter Improvements	14,500	-	-	-	-	-	14,500
	520799-650015	Irrigation Computer Replacement	11,200	-	-	-	-	-	11,200
	520799-630115	Cart Path Repairs	-	18,410	-	-	-	-	18,410
		Chemical Storage Building	-	31,930	-	-	-	-	31,930
		Golf Carts	-	132,300	-	-	-	-	132,300
Total Golf Course Fund			25,700	182,640	-	-	-	-	208,340

Technology Management Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	602120-650015	Computer-Hardware	60,000	60,000	-	-	-	-	120,000
126		Computer-Software	-	-	60,000	60,000	60,000	60,000	240,000
Total Technology Management Fund			60,000	60,000	60,000	60,000	60,000	60,000	360,000

Fleet Management Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	603120-640000	Motor Vehicle/Road Equipment	35,000	-	-	-	-	-	35,000
	603211-640000	Motor Vehicle/Road Equipment	254,170	177,240	-	-	-	-	431,410
	603314-640000	Motor Vehicle/Road Equipment	352,500	-	-	-	-	-	352,500
127	603211-640000	Motor Vehicle/Road Equipment	-	-	171,920	180,530	189,550	199,030	741,030
Total Fleet Management Fund			641,670	177,240	171,920	180,530	189,550	199,030	1,559,940

All Funds

Fund Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
Open Space & Parks Fund	3,567,730	502,300	559,560	265,820	283,300	112,500	5,291,210
Conservation Trust - Lottery Fund	224,000	224,000	224,000	224,000	224,000	236,000	1,356,000
Cemetery Fund	10,750	7,500	7,500	7,500	7,500	7,500	48,250
PEG Fee Fund	1,100	-	-	-	-	-	1,100
Historic Preservation Fund	351,350	-	-	-	-	-	351,350
Recreation Fund	480,760	171,000	70,000	233,000	70,000	70,000	1,094,760
Capital Projects Fund	17,717,740	10,920,950	6,265,470	8,096,360	4,985,860	5,336,120	53,322,500
Recreation Center Construction Fund	3,637,610	-	-	-	-	-	3,637,610
Water Utility Fund	7,858,490	4,479,810	2,357,510	4,521,000	3,094,000	2,288,500	24,599,310
Wastewater Utility Fund	1,695,650	760,500	496,000	1,153,000	350,000	473,500	4,928,650
Storm Water Utility Fund	434,220	771,500	274,500	300,000	279,000	135,500	2,194,720
Golf Course Fund	25,700	182,640	-	-	-	-	208,340
Technology Management Fund	60,000	60,000	60,000	60,000	60,000	60,000	360,000
Fleet Management Fund	641,670	177,240	171,920	180,530	189,550	199,030	1,559,940
Total for All Funds	36,706,770	18,257,440	10,486,460	15,041,210	9,543,210	8,918,650	98,953,740

SUBJECT: REVENUE ASSUMPTIONS & EXPENDITURE TARGETS

DATE: JULY 16, 2019

**PRESENTED BY: HEATHER BALSER, CITY MANAGER
KEVIN WATSON, FINANCE DIRECTOR**

SUMMARY

The next step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan is to update the revenue and expenditure estimates for 2019-2020 and to establish revenue assumptions and expenditure targets for 2021-2024.

The departmental operating requests for 2020 were included in the 2019-2020 biennial budget that was developed last year. Departments have requested some modifications to that original 2020 operational budget and those changes have been incorporated into the current 2020 estimates. Please note that these estimates do not reflect the City Manager's final recommendations. This is the starting point for deliberations. The City Manager's Recommended 2020 Budget will be presented in September. Expenditure target percentages have been applied to the 2020 estimates in order to develop expenditure projections for 2021-2024

Staff has also updated the revenue estimates for 2019 and assumptions for 2020-2024. Revenue assumption percentages have been applied to the 2019 estimates in order to develop revenue projections for 2020-2024.

The following table summarizes some of the more significant 2019 revenue estimates and 2020-2024 revenue projections.

SUBJECT: REVENUE ASSUMPTIONS & EXPENDITURE TARGETS

DATE: JULY 16, 2019

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**Summary of Revenue Actuals and Assumptions for Major Revenue Sources
2016 - 2024**

Revenue Category	Percent of Change								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Regional Consumer Price Index	2.77%	3.39%	2.73%	2.50%	2.00%	2.00%	2.25%	2.50%	2.75%
Taxes:									
Sales Tax	6.3%	13.2%	5.3%	2.0%	1.5%	1.5%	2.0%	2.5%	3.0%
Property Tax	16.3%	1.8%	53.5%	-9.3%	9.4%	-0.1%	3.9%	0.4%	5.3%
Use Tax - Consumer	27.4%	-9.7%	12.9%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Use Tax - Auto	-1.1%	9.7%	36.5%	-10.0%	-7.0%	-2.0%	2.0%	2.5%	3.0%
Use Tax - Building Materials	26.7%	-8.9%	24.6%	1.4%	-19.4%	-20.9%	0.1%	-31.8%	-1.2%
Franchise Taxes	-2.2%	2.0%	-0.4%	4.1%	2.8%	1.9%	1.9%	2.9%	2.9%
Lodging Tax	6.5%	3.3%	-8.6%	-10.0%	-7.0%	-5.0%	-3.0%	-1.0%	1.0%
Specific Ownership Tax	10.2%	11.0%	45.5%	-10.0%	-7.0%	-2.0%	2.0%	2.5%	3.0%
Licenses & Permits:									
Construction Permits	60.3%	-32.5%	-37.2%	53.9%	-10.8%	-13.2%	0.0%	-21.2%	-7.2%
Minor Building-Related Permits	40.3%	-54.2%	657.6%	-75.2%	-53.4%	2.0%	2.0%	2.0%	2.0%
Intergovernmental Revenue:									
Highway Users Tax	0.0%	0.9%	23.9%	-0.5%	-16.4%	1.0%	1.0%	1.0%	1.0%
State Lottery	19.3%	-10.3%	-0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Marijuana Tax	65.1%	25.1%	-3.4%	0.0%	1.0%	1.5%	2.0%	2.0%	2.0%
Charges for Services:									
Water User Fees	25.1%	-0.6%	9.7%	-11.6%	1.8%	2.3%	2.0%	1.8%	1.8%
Water Tap Fees	153.3%	-34.3%	-64.6%	31.2%	19.6%	-71.4%	81.8%	-65.9%	-58.2%
Wastewater User Fees	11.4%	12.2%	6.4%	-1.1%	5.9%	4.9%	4.4%	3.7%	3.2%
Wastewater Tap Fees	260.7%	-40.5%	-80.3%	70.6%	45.5%	-72.5%	33.5%	-46.2%	-57.1%
Storm Water User Fees	-1.3%	5.2%	6.8%	7.4%	19.7%	9.3%	4.4%	3.4%	3.0%
Solid Waste User Fees	3.9%	4.8%	3.8%	-0.7%	-8.4%	2.0%	1.7%	2.0%	2.0%
Recreation Center Fees	2.8%	-0.9%	-8.3%	37.3%	6.6%	2.9%	2.9%	2.9%	2.9%
Golf Course User Fees	85.7%	8.0%	4.1%	-1.2%	1.4%	2.9%	2.9%	2.9%	2.9%
Developer Impact Fees	42.8%	-60.1%	15.9%	-24.5%	18.9%	-74.0%	116.9%	-68.7%	-21.1%
Fines & Forfeitures:									
Court Fines	29.2%	-1.2%	-14.0%	-15.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The next table contains a summary of the more significant 2019 expenditure estimates and 2020-2024 expenditure targets. The term *targets* is used, rather than the term *assumptions*, to denote that, in most cases, the City has much more control over its

SUBJECT: REVENUE ASSUMPTIONS & EXPENDITURE TARGETS**DATE: JULY 16, 2019****PAGE 3 OF 4**

annual expenditures than its annual revenue. These estimates and targets are used to develop the fund financial forecasts discussed later in this document.

Summary of Expenditure Actuals, Estimates, and Targets for Major Expenditure Categories 2016 - 2024									
Expenditure Category	Percent of Change								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Regional Consumer Price Index	2.77%	3.39%	2.73%	2.50%	2.00%	2.00%	2.25%	2.50%	2.75%
Salaries & Wages:									
Regular Wages	9.6%	4.3%	3.0%	15.7%	2.5%	3.0%	3.0%	3.0%	3.0%
Variable & Seasonal Wages	10.9%	8.5%	6.0%	35.2%	6.5%	2.9%	2.9%	2.9%	2.9%
Overtime	4.6%	-2.0%	21.8%	1.2%	-4.9%	2.0%	2.0%	2.0%	2.0%
Employee Benefits:									
Employee Insurance	1.9%	8.2%	-1.6%	25.4%	5.0%	5.0%	5.0%	5.0%	5.0%
FICA Expense	9.6%	5.1%	4.4%	14.9%	2.2%	9.1%	3.0%	3.0%	3.0%
Retirement Contribution	8.7%	6.6%	1.1%	14.0%	2.7%	1.2%	3.0%	3.0%	3.0%
Workers Compensation	0.1%	2.9%	-0.7%	-2.1%	2.2%	0.0%	0.0%	0.0%	0.0%
All Employee Compensation	8.9%	4.9%	3.1%	17.7%	2.9%	3.4%	3.2%	3.2%	3.2%
Supplies:									
Chemicals	-1.2%	19.0%	-7.9%	55.7%	1.6%	2.0%	2.0%	2.0%	2.0%
Vehicle Maintenance Supplies	-10.9%	9.5%	33.2%	8.2%	-0.7%	2.0%	2.0%	2.0%	2.0%
Street Supplies	-5.9%	1.8%	17.7%	14.3%	-0.9%	2.0%	2.0%	2.0%	2.0%
Uniforms & Clothing	23.2%	5.4%	-1.2%	28.7%	-0.2%	2.0%	2.0%	2.0%	2.0%
Library Books & Media	6.0%	-2.0%	5.5%	5.0%	3.8%	2.0%	2.0%	2.0%	2.0%
All Supplies	8.0%	5.5%	5.7%	40.8%	-8.1%	1.4%	2.0%	2.4%	2.0%
Purchased/Contracted Services:									
Professional Services	19.6%	17.5%	-3.5%	36.0%	-7.4%	-2.6%	2.3%	2.1%	3.9%
Utilities	11.0%	-3.2%	19.7%	3.3%	6.2%	4.0%	4.0%	4.0%	4.0%
Solid Waste Hauling	0.4%	2.0%	2.2%	-1.3%	-10.7%	2.0%	2.0%	2.0%	2.0%
Parts, Repairs, & Maintenance	8.9%	-0.7%	65.5%	6.2%	-12.8%	19.3%	-16.4%	-3.7%	7.3%
Legal Services	-0.5%	0.8%	-20.2%	41.5%	0.0%	2.0%	2.0%	2.0%	2.0%
Insurance Premiums & Deductibles	11.5%	14.7%	-16.4%	47.0%	7.1%	5.0%	5.0%	5.0%	5.0%
Boulder Dispatch Services	0.0%	0.0%	1.9%	4.8%	1.6%	2.0%	2.0%	2.0%	2.0%
All Purchased/Contracted Services	8.8%	4.8%	10.0%	17.4%	-10.6%	3.6%	0.4%	2.4%	4.3%

Notes:

The All Supplies line is a consolidation of all supply categories, not just those shown above it.

Professional Services includes all professional services, less Solid Waste Hauling and Legal Services

The All Purchased/Contracted Services line a consolidation of all service categories, not just those shown above it.

SUBJECT: REVENUE ASSUMPTIONS & EXPENDITURE TARGETS

DATE: JULY 16, 2019

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Please note that all preceding revenue assumptions and expenditure targets are simply a place to start in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan. These will be revised continuously over the next few months as staff receives updated information.

At the meeting, staff's presentation will contain some of the more significant assumptions and targets and seek Council input.

SUBJECT: LONG-TERM FINANCIAL PLAN

DATE: JULY 16, 2019

**PRESENTED BY: HEATHER BALSER, CITY MANAGER
KEVIN WATSON, FINANCE DIRECTOR**

SUMMARY

The final step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan is to develop six-year financial forecasts for each of the City’s major operating funds. When consolidated, these fund forecasts represent the City’s 2019-2024 Long-Term Financial Plan.

The following fund financial forecasts were developed using the:

- Actual 2019 beginning fund balances;
- Boundaries and financial structures set by the Financial Policies;
- New 2019-2024 Capital Improvements Plan; and
- Revenue assumptions and expenditure targets.

Based on the operational “turnback” amounts that were presented in the 2018 Year-in-Review discussion, staff is proposing to expand the use of the turnback methodology from just the General Fund to the Open Space & Parks Fund, Recreation Fund, Water Utility Fund, Wastewater Utility Fund, Storm Water Utility Fund, and Golf Course Fund.

The following table summarizes the turnback percentages by fund for the years 2019 through 2024.

**Schedule of Turnback Percentages by Fund
2019 - 2024**

Fund	2019	2020	2021-2024
General	7%	5%	5%
Open Space & Parks	7%	5%	5%
Recreation	5%	3%	3%
Water Utility	15%	10%	10%
Wastewater Utility	10%	5%	5%
Storm Water Utility	15%	10%	10%
Golf Course	4%	4%	4%

SUBJECT: LONG-TERM FINANCIAL PLAN

DATE: JULY 16, 2019

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City of Louisville, Colorado								
Summary of Revenue, Expenditures, and Changes to Fund Balances								
All Funds								
2019 Estimate								
Fund Number	Fund Description	Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses		Ending Fund Balance	Amount of Change	Percent of Change
101	General	\$ 10,528,139	\$ 20,201,780	\$ 22,317,130	[1]	\$ 8,412,789	\$ (2,115,350)	-20%
Special Revenue Funds:								
201	Open Space & Parks	3,275,092	4,790,490	6,286,980	[2]	1,778,602	(1,496,490)	-46%
202	Conservation Trust - Lottery	-	259,280	224,400		34,880	34,880	
203	Cemetery Perpetual Care	583,564	44,740	12,890		615,414	31,850	5%
204	Cemetery	33,513	211,210	211,210		33,513	-	0%
205	PEG Fees	7,664	29,020	26,150		10,534	2,870	37%
206	Parking Improvement	-	-	-		-	-	
207	Historic Preservation	2,111,371	796,120	839,800		2,067,691	(43,680)	-2%
208	Recreation	-	5,170,320	4,685,260	[3]	485,060	485,060	
Total Special Revenue Funds		6,011,204	11,301,180	12,286,690		5,025,694	(985,510)	-16%
Capital Project Funds:								
301	Capital Projects	6,442,587	14,157,473	18,162,300		2,437,760	(4,004,827)	-62%
302	Impact Fee	526,941	552,340	1,005,060		74,221	(452,720)	-86%
303	Recreation Center Construction	2,827,427	1,093,360	3,637,610		283,177	(2,544,250)	-90%
Total Capital Project Funds		9,796,955	15,803,173	22,804,970		2,795,158	(7,001,797)	-71%
Debt Service Funds:								
402	Recreation Center Debt Service	14,604	1,788,520	1,742,550		60,574	45,970	315%
Total Debt Service Funds		14,604	1,788,520	1,742,550		60,574	45,970	315%
Enterprise Funds (WC Basis):								
501	Water Utility	15,103,253	8,304,680	12,437,170	[4]	10,970,763	(4,132,490)	-27%
502	Wastewater Utility	5,619,330	4,001,530	5,180,610	[5]	4,440,250	(1,179,080)	-21%
503	Stormwater Utility	1,012,716	1,089,860	1,015,870	[6]	1,086,706	73,990	7%
510	Solid Waste & Recycling Utility	89,900	1,670,430	1,596,400		163,930	74,030	82%
520	Golf Course	185,460	1,634,800	1,594,370	[7]	225,890	40,430	22%
Total Enterprise Funds		22,010,659	16,701,300	21,824,420		16,887,539	(5,123,120)	-23%
Internal Service Funds (WC Basis):								
602	Technology Management	198,796	74,920	60,750		212,966	14,170	7%
603	Fleet Management	567,313	350,960	642,170		276,103	(291,210)	-51%
Total Internal Service Funds		766,109	425,880	702,920		489,069	(277,040)	-36%
Total All Funds		\$ 49,127,669	\$ 66,221,833	\$ 81,678,680		\$ 33,670,822	\$ (15,456,847)	-31%

[1] Estimated Expenditures Include a Projected Operational "Turnback" of 7%, which amounts to	1,382,870
[2] Estimated Expenditures Include a Projected Operational "Turnback" of 7%, which amounts to	204,680
[3] Estimated Expenditures Include a Projected Operational "Turnback" of 5%, which amounts to	221,290
[4] Estimated Expenditures Include a Projected Operational "Turnback" of 15%, which amounts to	634,740
[5] Estimated Expenditures Include a Projected Operational "Turnback" of 10%, which amounts to	244,740
[6] Estimated Expenditures Include a Projected Operational "Turnback" of 15%, which amounts to	56,300
[7] Estimated Expenditures Include a Projected Operational "Turnback" of 4%, which amounts to	65,360

SUBJECT: LONG-TERM FINANCIAL PLAN

DATE: JULY 16, 2019

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City of Louisville, Colorado								
Summary of Revenue, Expenditures, and Changes to Fund Balances								
All Funds								
2020 Budget								
Fund Number	Fund Description	Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses		Ending Fund Balance	Amount of Change	Percent of Change
101	General	\$ 8,412,789	\$ 20,196,260	\$ 21,005,090	[1]	\$ 7,603,959	\$ (808,830)	-10%
Special Revenue Funds:								
201	Open Space & Parks	1,778,602	3,480,490	3,394,000	[2]	1,865,092	86,490	5%
202	Conservation Trust - Lottery	34,880	259,910	224,400		70,390	35,510	102%
203	Cemetery Perpetual Care	615,414	45,770	12,310		648,874	33,460	5%
204	Cemetery	33,513	187,740	187,740		33,513	-	0%
205	PEG Fees	10,534	29,240	25,050		14,724	4,190	40%
206	Parking Improvement	-	-	-		-	-	-
207	Historic Preservation	2,067,691	782,480	495,560		2,354,611	286,920	14%
208	Recreation	485,060	4,683,760	4,593,360	[3]	575,460	90,400	19%
Total Special Revenue Funds		5,025,694	9,469,390	8,932,420		5,562,664	536,970	11%
Capital Project Funds:								
301	Capital Projects	2,437,760	9,631,690	11,373,930		695,520	(1,742,240)	-71%
302	Impact Fee	74,221	643,500	642,320		75,401	1,180	2%
303	Recreation Center Construction	283,177	-	-		283,177	-	-
Total Capital Project Funds		2,795,158	10,275,190	12,016,250		1,054,098	(1,741,060)	-62%
Debt Service Funds:								
402	Recreation Center Debt Service	60,574	1,954,140	1,740,400		274,314	213,740	353%
Total Debt Service Funds		60,574	1,954,140	1,740,400		274,314	213,740	353%
Enterprise Funds (WC Basis):								
501	Water Utility	10,970,763	8,704,990	9,194,410	[4]	10,481,343	(489,420)	-4%
502	Wastewater Utility	4,440,250	4,311,200	4,286,180	[5]	4,465,270	25,020	1%
503	Stormwater Utility	1,086,706	1,272,980	1,379,030	[6]	980,656	(106,050)	-10%
510	Solid Waste & Recycling Utility	163,930	1,532,550	1,449,500		246,980	83,050	51%
520	Golf Course	225,890	1,611,350	1,777,920	[7]	59,320	(166,570)	-74%
Total Enterprise Funds		16,887,539	17,433,070	18,087,040		16,233,569	(653,970)	-4%
Internal Service Funds (WC Basis):								
602	Technology Management	212,966	57,000	60,750		209,216	(3,750)	-2%
603	Fleet Management	276,103	349,010	177,740		447,373	171,270	62%
Total Internal Service Funds		489,069	406,010	238,490		656,589	167,520	34%
Total All Funds		\$ 33,670,822	\$ 59,734,060	\$ 62,019,690		\$ 31,385,192	\$ (2,285,630)	-7%

[1] Budgeted Expenditures Include a Projected Operational "Turnback" of 5%, which amounts to	945,370
[2] Budgeted Expenditures Include a Projected Operational "Turnback" of 5%, which amounts to	152,190
[3] Budgeted Expenditures Include a Projected Operational "Turnback" of 3%, which amounts to	136,770
[4] Budgeted Expenditures Include a Projected Operational "Turnback" of 10%, which amounts to	414,060
[5] Budgeted Expenditures Include a Projected Operational "Turnback" of 5%, which amounts to	117,920
[6] Budgeted Expenditures Include a Projected Operational "Turnback" of 10%, which amounts to	38,260
[7] Budgeted Expenditures Include a Projected Operational "Turnback" of 4%, which amounts to	66,470

FUND FINANCIAL FORECASTS

By incorporating the actual 2019 beginning fund balances, the boundaries and financial structures set by the Financial Policies, the new 2019-2024 Capital Improvements Plan, and the revenue assumptions and expenditure targets, staff has developed a six-year financial forecast for all the City’s main operating funds.

Please note that these are very preliminary fund forecasts and are not based on the City Manager’s Recommended Budget, which will be presented to Council in September. These projections will be continuously updated during the 2020 budget development process.

Recognizing the changes to the long term financial plan resulting from adjustments in revenue and expenditures, staff is considering options for reductions to expenditures which could include:

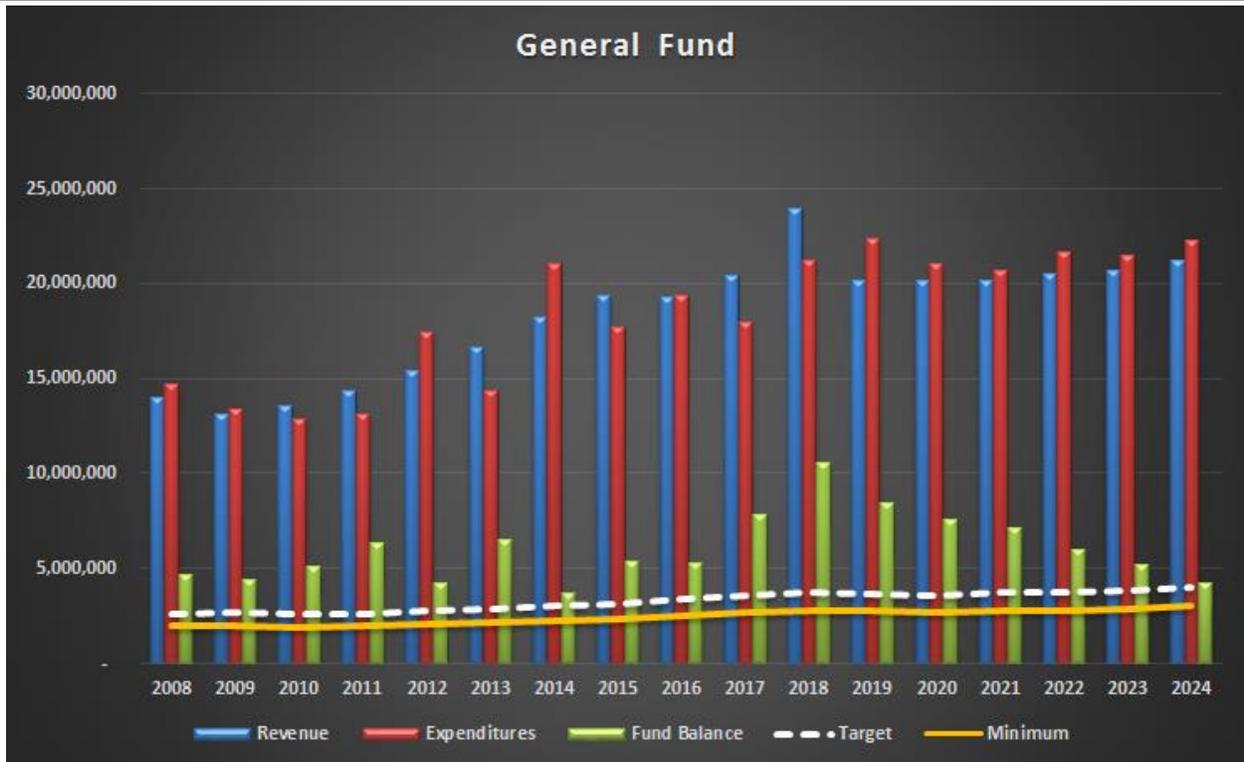
- 1) reductions or delays in projects/funding within the Capital Improvements Plan;
- 2) adjustments to future compensation levels, such as market adjustment levels and/or merit increases;
- 3) further considerations of minimum reserve policies and/or renewal and replacement reserves.

City Council and staff may also want to consider other revenue generation opportunities in the future as well.

However, staff is fairly confident in the current assumptions and is comfortable suggesting some further minor modifications for the 2020 budget, while anticipating a larger and more robust conversation as part of the 2021/2022 budget process.

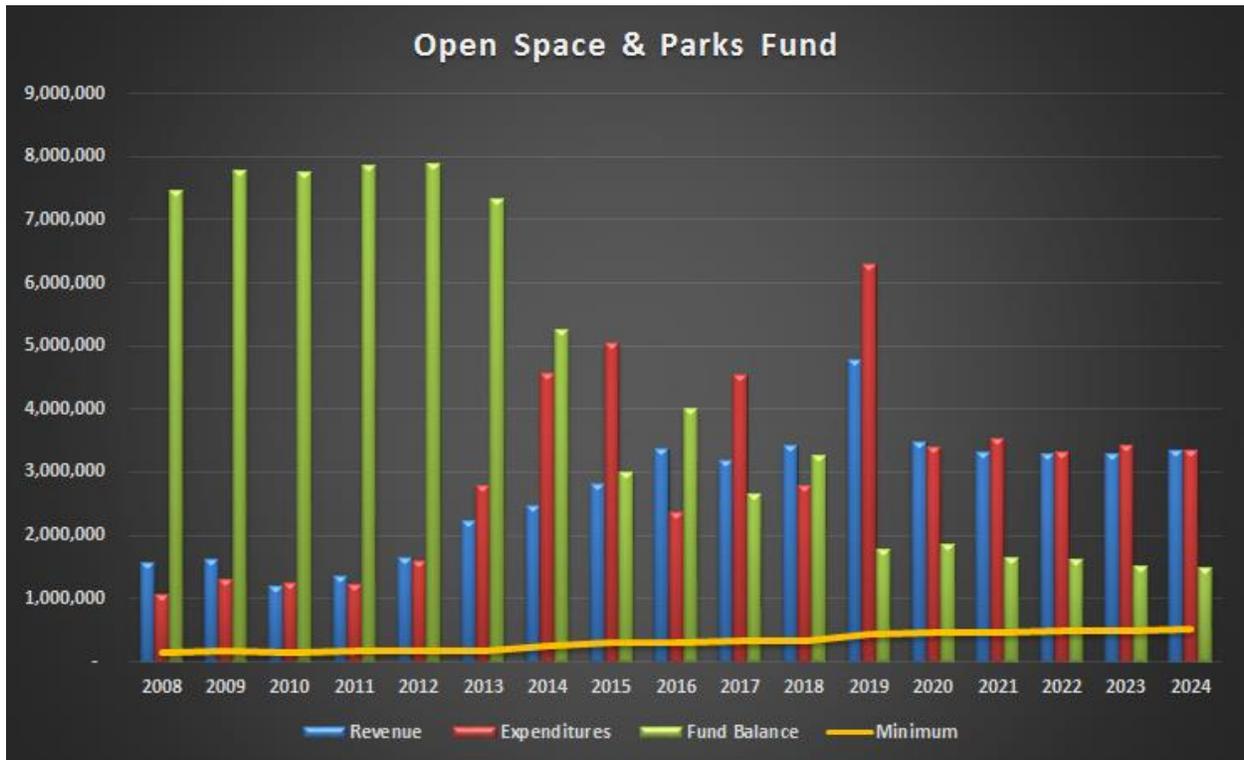
General Fund

Due to the reductions in sales and use tax revenue projections, the General Fund’s annual expenditures (including transfers) are currently targeted to exceed its annual revenue for each year of projection. The General Fund reserves are projected to stay above the minimum amount through 2024, but come close to the target by the end of the projection period.



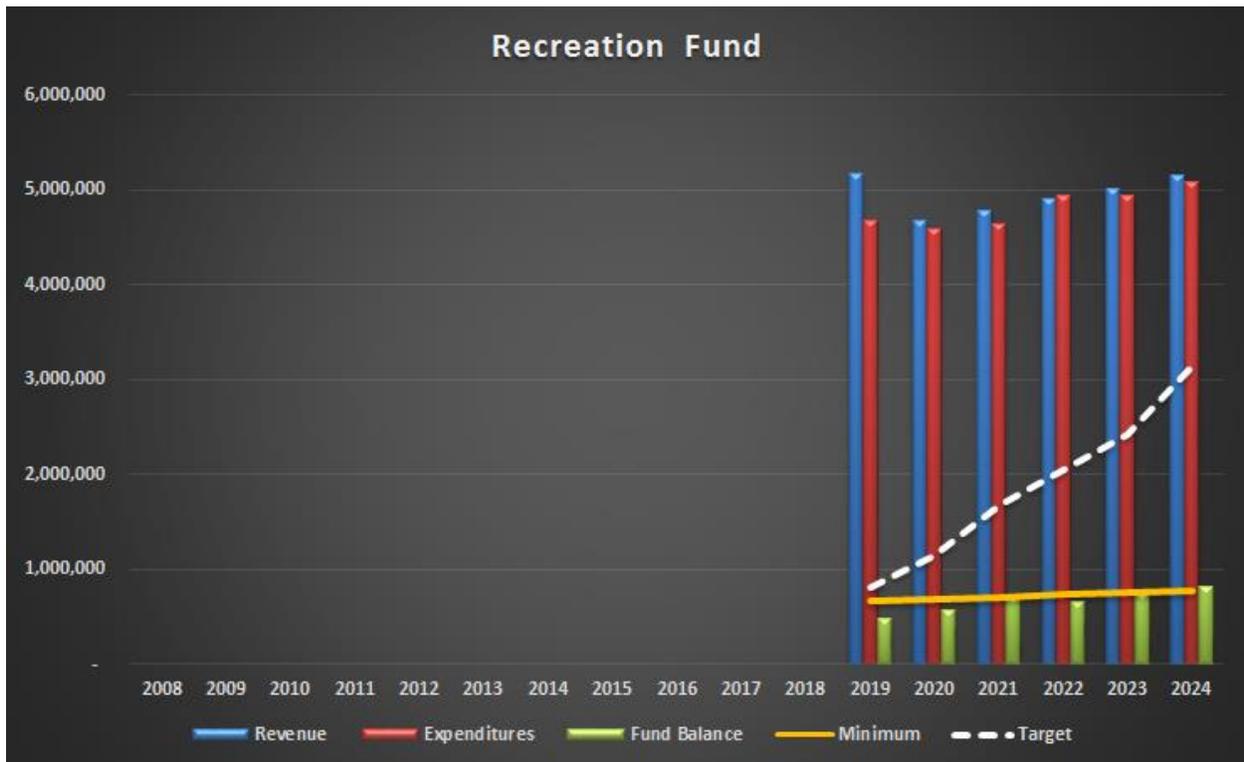
Open Space & Parks Fund

With assistance from the General Fund via an annual recurring support transfer, the Open Space & Parks Fund is projected to maintain adequate reserves through 2024.



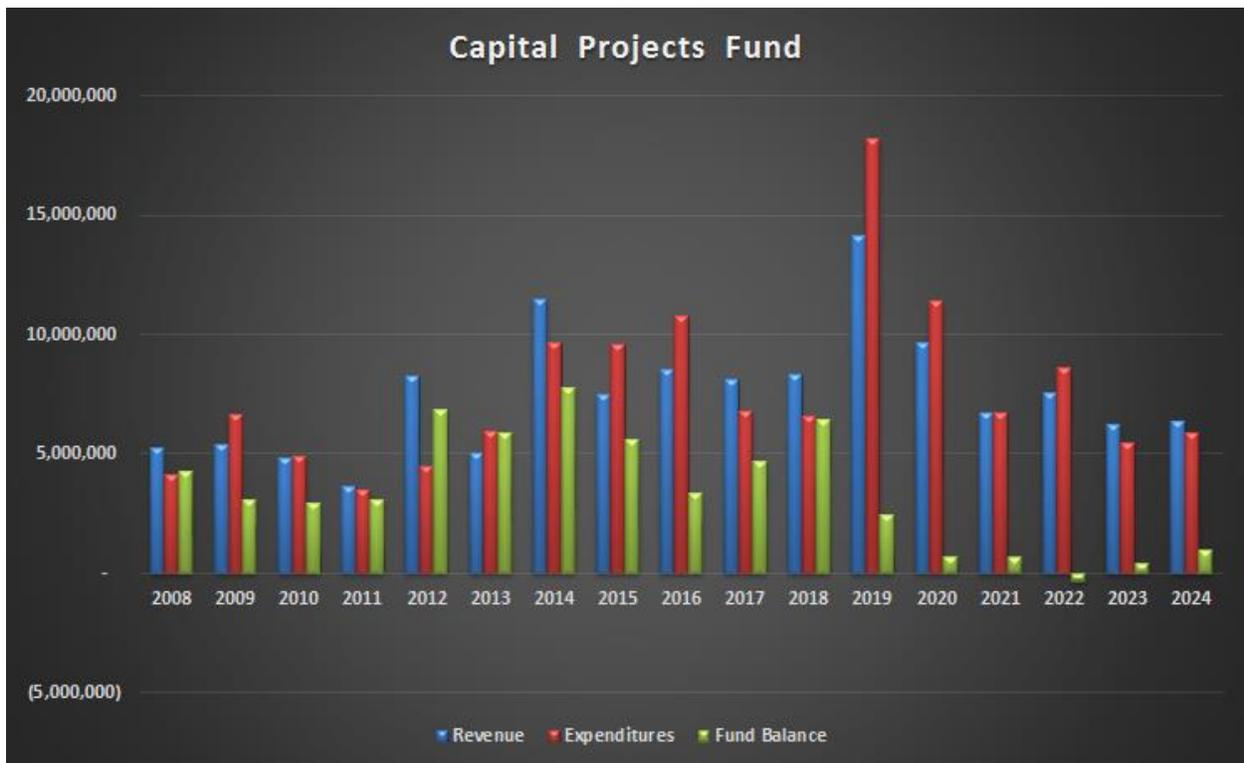
Recreation Fund

With assistance from the General Fund via an annual recurring support transfer, the Recreation Fund reserves are projected to reach the minimum levels by 2024. However, under the current financial structure, reserves are not projected to meet the targeted level of reserves during the projection period. Targeted reserves equal the minimum reserves (15% of operational expenditures) plus the renewal and replacement reserves. Staff is currently working with the Finance Committee on the renewal and replacement reserves.



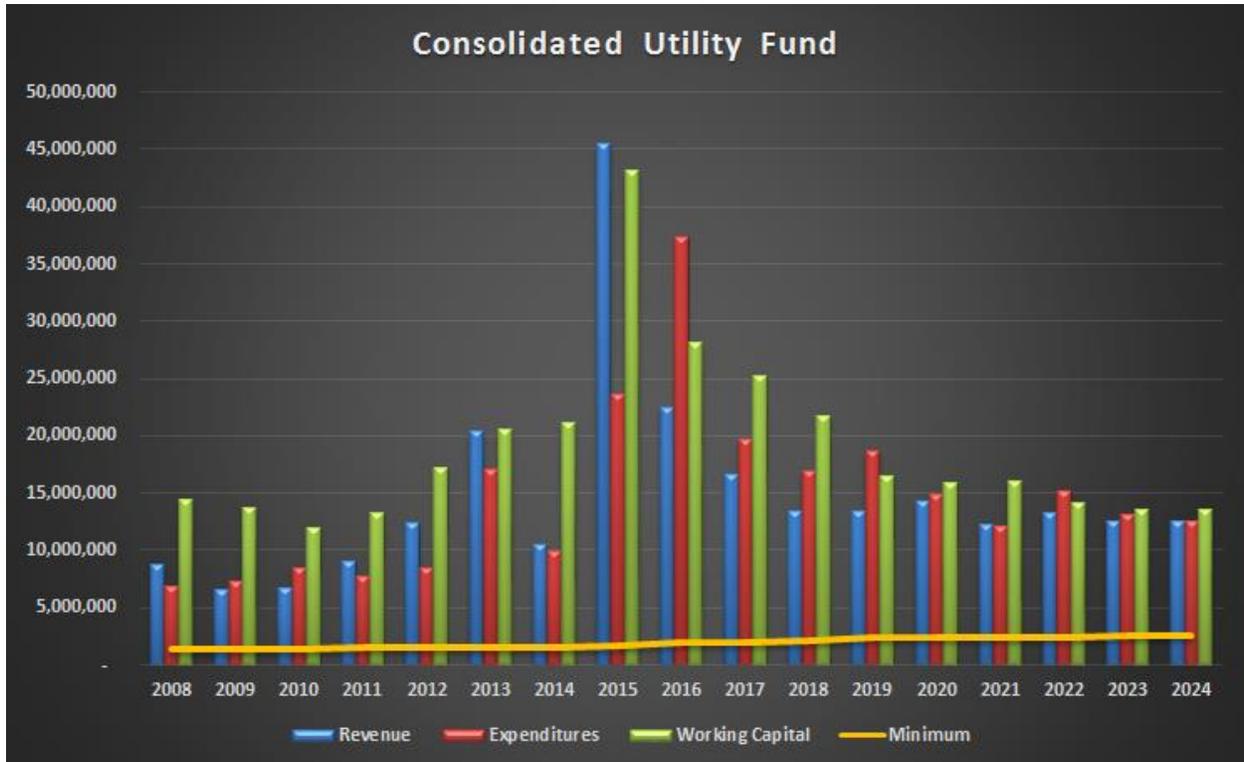
Capital Projects Fund

The City's Financial Policies do not specify a minimum level of reserves for the Capital Projects fund. However, staff attempts to keep an annual fund balance of \$1 million or greater. The reserves are not projected to remain at \$1 million or greater from 2020 through 2024 and staff intends to recommend further changes to the Capital Improvements Plan.



Consolidated Utility Fund

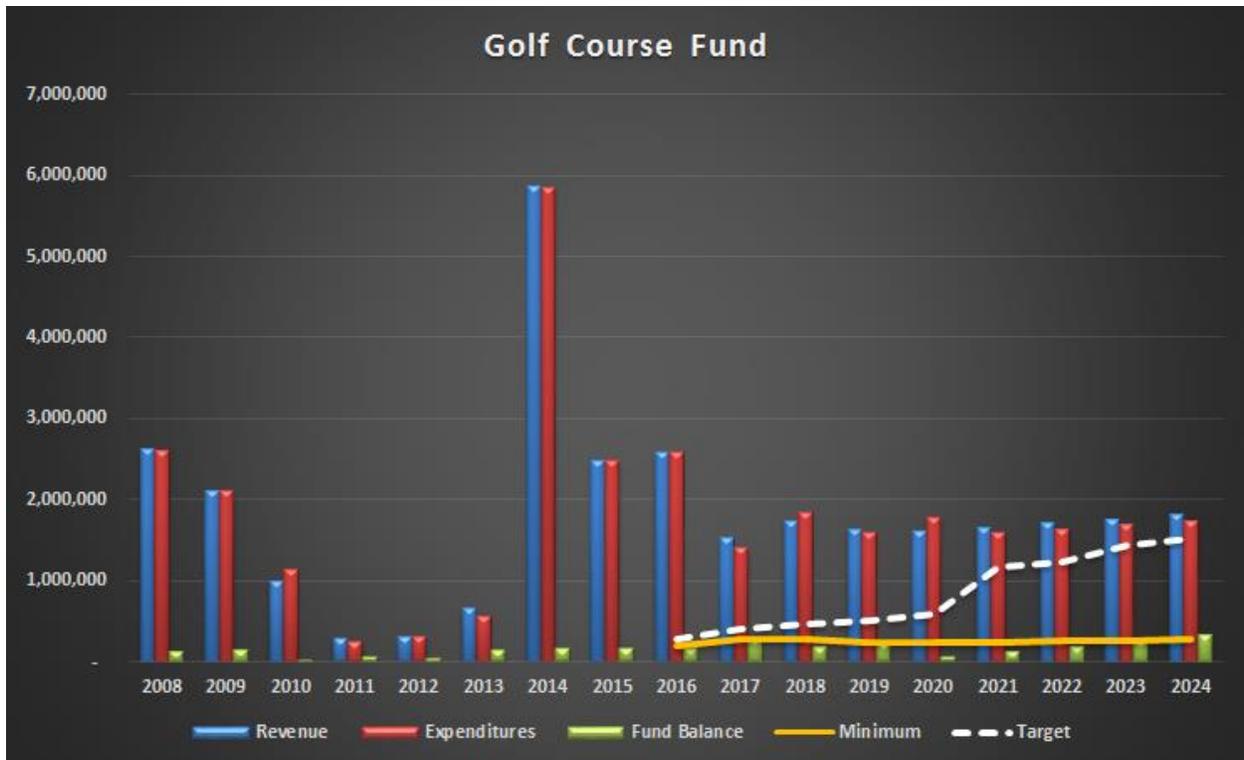
The Consolidated Utility Fund encompasses the Water Utility Fund, the Wastewater Utility Fund, and the Storm Water Utility Fund. Fund reserves are projected to remain well above the minimum level.



Golf Course Fund

Similar to the Recreation Fund, the Golf Course Fund reserves are projected to meet minimum levels (15% of operational expenditures) by 2024, but are not projected to meet the targeted level of reserves during the projection period. Targeted reserves equal the minimum reserves plus the renewal and replacement reserves. Staff is currently working with the Finance Committee on the renewal and replacement reserves.

Also, please note that, beginning in 2021, all Golf Course capital outlay is scheduled to be funded by the Capital Projects Fund.



City Council Budget Retreat Agenda July 16, 2019

- A. 2018 Year-In-Review
- B. Financial Policies – Proposed Amendments
- C. 2019-2024 Capital Improvements Plan
- D. Revenue Assumptions & Expenditure Targets
- E. 2019-2024 Financial Plan
- F. Current Budget Calendar

2018 Year-In-Review

- When developing the 2019-2020 biennial budget, staff made various revenue and expenditure projections for 2018 in order to estimate the beginning fund balances for the 2019-2020 biennium.
- As the first step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan, staff has replaced the 2018 projections with actual audited amounts for 2018.

2018 Year-In-Review

General Fund			
2018 Projections & 2018 Audited Actuals			
	2018		Variance
	Projection	Actual	
Beginning Fund Balance	<u>7,797,337</u>	<u>7,797,337</u>	
Plus: Revenue	23,491,460	23,980,822	489,362
Less: Expenditures	(21,052,390)	(18,778,361)	2,274,029 [1]
Less: Transfers-Out	(2,484,100)	(2,471,660)	12,440
Ending Fund Balance	<u>7,752,307</u>	<u>10,528,139</u>	2,775,832
		56%	
Adjustment for Carry Forward Amendment			(146,720)
Net Variance			<u>2,629,112</u>

[1] Equates to a 9.7% "Turnback" (i.e., 9.7% positive actual-to-budget variance)
Equates to a 10.8% positive actual-to-projection variance

2018 Year-In-Review

Open Space & Parks Fund			
2018 Projections & 2018 Audited Actuals			
	2018		Variance
	Projection	Actual	
Beginning Fund Balance	<u>2,646,825</u>	<u>2,646,825</u>	
Plus: Revenue	3,164,560	2,397,549	(767,011) [1]
Plus: Transfers-In [2]	1,047,470	1,029,360	(18,110)
Less: Expenditures	(5,959,160)	(2,798,642)	3,160,518 [3]
Ending Fund Balance	<u>899,695</u>	<u>3,275,092</u>	2,375,397
Adjustment for Net Carry Forward Amendment			(1,565,670)
Net Variance			<u>809,727</u>

[1] Due to Delayed Grants on Delayed Capital Projects
[2] Transfers from General Fund and Impact Fee Fund
[3] Equates to a 52.3% Total "Turnback"
Equates to an 11.7% Operational "Turnback"

2018 Year-In-Review

Historic Preservation Fund			
2018 Projections & 2018 Audited Actuals			
	2018		
	Projection	Actual	Variance
Beginning Fund Balance	<u>1,759,778</u>	<u>1,759,778</u>	
Plus: Revenue	749,740	775,057	25,317
Less: Expenditures	(1,142,310)	(423,464)	718,846 [1]
Ending Fund Balance	<u>1,367,208</u>	<u>2,111,371</u>	<u>744,163</u>
Adjustment for Carry Forward Amendment			(290,500)
Net Variance			<u>453,663</u>

[1] Due to Positive Variances within Incentives and Capital Categories

2018 Year-In-Review

Capital Projects Fund			
2018 Projections & 2018 Audited Actuals			
	2018		
	Projection	Actual	Variance
Beginning Fund Balance	<u>4,693,763</u>	<u>4,693,763</u>	
Plus: Revenue	10,192,880	7,356,620	(2,836,260) [1]
Plus: Transfers-In	1,367,620	947,290	(420,330) [2]
Less: Expenditures	(14,025,520)	(6,159,986)	7,865,534 [3]
Less: Transfers-Out	(395,100)	(395,100)	-
Ending Fund Balance	<u>1,833,643</u>	<u>6,442,587</u>	<u>4,608,944</u>
Adjustment for Net Carry Forward Amendment			(3,746,090)
Net Variance			<u>862,854</u>

[1] Due to Delayed Grants on Delayed Capital Projects
 [2] Due to Negative Variance in Transfer from Impact Fee Fund
 [3] Equates to a 54.5% "Turnback"
 Equates to a 56.1% positive actual-to-projection variance

2018 Year-In-Review

Consolidated Utility Fund 2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>25,204,013</u>	<u>25,204,014</u>	
Plus: Revenue	13,964,570	13,441,125	(523,446)
Less: Expenditures	(22,917,130)	(16,909,839)	6,007,291 [1]
Ending Working Capital	<u>16,251,453</u>	<u>21,735,299</u>	5,483,846
Adjustment for Carry Forward Amendment			(2,177,560)
Net Variance			<u>3,306,286</u>

[1] Equates to a 27.7% **Total** "Turnback"
Equates to an 18.8% **Operational** "Turnback"

2018 Year-In-Review

Golf Course Fund 2018 Projections & 2018 Audited Actuals

	2018		Variance
	Projection	Actual	
Beginning Working Capital	<u>286,798</u>	<u>286,798</u>	
Plus: Revenue	1,715,250	1,730,315	15,065
Less: Expenditures	(1,653,180)	(1,831,653)	(178,473) [1]
Ending Working Capital	<u>348,868</u>	<u>185,460</u>	(163,408)

[1] **The Golf Course Fund Exceeded its Legal Appropriation by \$241,935** mostly due to the unanticipated amounts of Variable Wages, Reuse Water Charges, and Repairs from the Hail Storm.

Financial Policies

Purpose

- Provides strategic, long-term approach to financial management.
- Serves as a blueprint for achieving financial stability.
- Institutionalizes good financial management.
- Clarifies strategic intent for financial management.
- **Defines certain boundaries and limits on actions that staff may take.**
- Supports good bond ratings.
- Promotes long-term and strategic thinking.
- Manages risks to financial condition.
- Complies with established best practices in public management.

Financial Policies

The current Financial Policies, adopted December 15, 2015, include an Introduction Section and eight 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

Financial Policies - Summary

Introduction

- States the overall purpose of financial policies and the difference between policies and statements of procedure.
- Contains a list of definitions related to all policy sections.

General Policies

- Requires a set of financial indicators to be calculated and disclosed in the City's budget documents.

Reserve Policies

- Defines minimum and targeted levels of fund balance for the General Fund, Open Space & Parks Fund, Cemetery Fund, and Combined Utility Fund.

Financial Policies - Summary

Debt Policies

- Discusses "pay-as-you-go" vs "pay-as-you-use".
- Recommends general debt financing structures and methods of sale.

Revenue Policies

- States that the City will value diversification, stabilization, and equity within its revenue structure.
- Formalizes the intent to fund all recurring expenditures with recurring revenue and that non-recurring revenue should be used to fund only non-recurring, one-time expenditures.
- Sets broad guidelines for setting user fees and charges.

Financial Policies - Summary

Operating Budget Policies

- Defines “budgetary basis”.
- Formalizes level of budgetary control at the fund level.
- Defines “balanced budget” and states intent to have a structurally balanced budget.
- Requires a Capital Improvement Plan (CIP) and Long-Term Financial Plan (LTFP).

Investment Policies

- Sets safety, liquidity, and yield objectives.
- Defines legal investments.
- Defines standards of care and performance.

Financial Policies - Summary

Capital Asset Management Policies

- Broadly defines CIP process.
- Defines and requires a “balanced” CIP.
- States intent to preserve existing infrastructure before allocating resources to new capital projects.

Accounting, Auditing, & Financial Reporting Policies

- Finance Committee = Audit Committee.
- Discusses internal control structure, the COSO framework, and sets capitalization thresholds.
- Grants authorization to the Finance Committee, City Manager, and Finance Director regarding “write-offs” of bad debt.

Financial Policies – Proposed Changes

Reserve Policies

- Eliminates the of the Open Space & Parks Fund targeted fund balance requirement.
- Defines the formula for the recurring annual transfer from the General Fund to the Open Space & Parks Fund.
- Establishes a minimum unrestricted fund balance and a capital asset renewal and replacement reserve for the Recreation Fund.
- Defines the formulas for the maximum recurring annual transfers from the General Fund to the Recreation Fund and from the Capital Projects Fund to the Recreation Fund.
- Establishes a minimum unrestricted fund balance and a capital asset renewal and replacement reserve for the Golf Course Fund.

2019-2024 Capital Improvements Plan

- The 2019-2024 Capital Improvements Plan was developed during the 2019-2020 biennial budget process and was published in the 2019-2020 Biennial Operating & Capital Budget document.
- As the next step in adopting the annual 2020 budget, developing the new 2019-2024 Capital Improvements Plan, and developing the new Long-Term Financial Plan, staff has updated the original 2019-2024 Capital Improvements Plan with:
 - Changes approved at the June 4 Budget Amendment Hearing.
 - New projects requested for 2020.
- Not the City Manager’s final recommendation.

2019-2024 Capital Improvements Plan

- New projects requested for 2020 include:
 - Electric Vehicle charging station for Police Department (\$8,000)
 - NEOGov Learning Management Software (\$24,900)
 - Sander Box Leg Kit (\$22,150)
 - BNSF Underpass (amount moved from 2019 = \$1,283,500)
 - Waterline Replacement (added an additional \$400,000)
 - NCWCD SWSP Eastern Pump Station (\$150,000)

2019-2024 Capital Improvements Plan

Open Space & Parks Fund									
Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	201314-640001	Machinery & Equipment	4,050	-	-	-	-	-	4,050
	201511-630071	Parks and Open Space Signs	111,250	-	-	-	-	-	111,250
	201511-630101	Irrig Replacements & Improvs (%)	30,000	-	-	-	-	-	30,000
	201511-630129	Playground Surfacing Replacement	12,000	12,000	-	-	-	-	24,000
	201511-630130	Sundance Park Master Plan	15,000	-	-	-	-	-	15,000
	201511-630131	Recycling Cans for Park Sites (%)	20,000	10,000	-	-	-	-	30,000
	201511-630132	Enhance BIKX Track at Community Park	20,000	-	-	-	-	-	20,000
	201511-630133	Freeze Resistant Drinking Fountains	8,000	8,000	-	-	-	-	16,000
	201511-630135	Cottonwood Park Development	-	216,000	-	-	-	-	216,000
	201511-630151	Miners Field Fencing Upgrade (%)	11,000	-	-	-	-	-	11,000
	201511-640000	Motor Vehicle/Road Equipment (%)	26,000	-	-	-	-	-	26,000
	201511-640001	Machinery & Equipment (%)	52,500	52,500	-	-	-	-	105,000
	201511-630127	Miner's Field Park Improvs	-	11,000	-	-	-	-	11,000
	201522-630004	Lastoska Property Conservation	25,000	-	-	-	-	-	25,000
	201522-630134	Fishing Pond Dredging & Master Plan	-	35,000	-	-	-	-	35,000
	201522-640000	Motor Vehicle/Road Equipment (%)	33,700	-	-	-	-	-	33,700
	201523-630117	Interpretive Education	3,750	-	-	-	-	-	3,750
	201523-660093	Trail Connections (%)	31,950	-	-	-	-	-	31,950
	201524-660252	Coyote Run Slope Mitigation (50%)	300,000	-	-	-	-	-	300,000
	201528-660015	Open Space & Parks Signs (%)	-	120,000	-	-	-	-	120,000
	201528-660067	Hwy 42 Multi-Use Underpass	2,291,520	-	-	-	-	-	2,291,520
	201528-660093	Trail Connections (%)	572,010	-	-	-	-	-	572,010
	201528-660201	Trail Projects	-	37,800	-	-	-	-	37,800
2		Equipment Replacement - Parks (70%)	-	-	52,500	52,500	52,500	52,500	210,000
6		Playground Surfacing Replacement	-	-	12,000	-	-	-	12,000
8		Recycling Cans for Park Sites (50%)	-	-	10,000	-	-	-	10,000
10		Freeze Resistant Drinking Fountains at Park Sites	-	-	8,000	8,000	8,000	-	24,000
11		Open Space & Parks Trail & Direct Signs (50%)	-	-	19,200	-	78,000	-	97,200
13		Fishing Pond Dredging & Master Plan	-	-	180,000	-	-	-	180,000
15		Trail Projects	-	-	277,860	205,320	112,800	-	595,980
17		Equipment Replacement	-	-	-	-	7,000	60,000	67,000
18		Damyanovich Master Plan	-	-	-	-	25,000	-	25,000
		Total Open Space & Parks Fund	3,567,730	502,300	559,560	265,820	283,300	112,500	5,291,210

2019-2024 Capital Improvements Plan

Conservation Trust - Lottery Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
19	202511-630048	Playgrounds (%)	224,000	224,000	-	-	-	-	448,000
		Playground Replacement (80%)	-	-	224,000	224,000	224,000	236,000	908,000
		Total Conservation Trust - Lottery Fund	224,000	224,000	224,000	224,000	224,000	236,000	1,356,000

Cemetery Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
2	204799-640000	Motor Vehicle/Road Equipment (%)	3,250	-	-	-	-	-	3,250
	204799-640001	Machinery & Equipment (%)	7,500	7,500	-	-	-	-	15,000
		Equipment Replacement - Parks (10%)	-	-	7,500	7,500	7,500	7,500	30,000
		Total Cemetery Fund	10,750	7,500	7,500	7,500	7,500	7,500	48,250

PEG Fee Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
205120-600008		PEG Capital	1,100	-	-	-	-	-	1,100
		Total PEG Fee Fund	1,100	-	-	-	-	-	1,100

Historic Preservation Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
207542-620098		Austin Niehoff House Rehab (%)	82,500	-	-	-	-	-	82,500
207542-620109		Miners' Cabins Relocation	208,000	-	-	-	-	-	208,000
207542-620113		Historical Museum Structural Work (%)	60,850	-	-	-	-	-	60,850
		Total Historic Preservation Fund	351,350	-	-	-	-	-	351,350

2019-2024 Capital Improvements Plan

Recreation Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
208533-640136		Rec Center Pool Table Replacements	-	10,000	-	-	-	-	10,000
208535-620122		Rec Center Pool Plaster	-	79,000	-	-	-	-	79,000
208535-620123		Memory Square Plaster	105,000	-	-	-	-	-	105,000
208535-640137		Memory Square Pool Safety Cover	16,000	-	-	-	-	-	16,000
208535-640139		Rec Center Pool Vacuums	-	12,000	-	-	-	-	12,000
208535-630148		Memory Square Pool Play Feature	13,000	-	-	-	-	-	13,000
208539-610009		Sports Complex Infield Improvements	80,000	-	-	-	-	-	80,000
208539-630152		Replace Miners Field Scoreboard	40,000	-	-	-	-	-	40,000
208539-630153		Rebuild Cleo Dugout Roof	25,000	-	-	-	-	-	25,000
208539-620121		Rec Center Gym Curtain Replacement	15,000	-	-	-	-	-	15,000
208539-620124		MAC Gym Curtain	45,000	-	-	-	-	-	45,000
208539-630149		Rec Center Interior and Exterior Signage	60,000	-	-	-	-	-	60,000
208539-640123		Rec Center Equipment Replacement	70,000	70,000	70,000	70,000	70,000	70,000	420,000
208539-640136		Rec Center Adjustable Basketball Hoops	11,760	-	-	-	-	-	11,760
32		Rec Center Pool Deck Reseal	-	-	-	35,000	-	-	35,000
33		Recreation Center Campus Master Plan	-	-	-	128,000	-	-	128,000
		Total Recreation Fund	480,760	171,000	70,000	233,000	70,000	70,000	1,094,760

Recreation Center Construction Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
303120-620104		Rec Center Design	-	-	-	-	-	-	-
303120-620105		Rec Center Construction Mgmt	-	-	-	-	-	-	-
303120-620106		Rec Center Construction	3,637,610	-	-	-	-	-	3,637,610
		Total Recreation Center Construction Fund	3,637,610	-	-	-	-	-	3,637,610

2019-2024 Capital Improvements Plan

Capital Projects Fund									
Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
301103-660025		Decorative Streetlight LED Conversion	50,000	135,000	-	-	-	-	185,000
301103-630131		Recycling Cans for Park Sites (%)	20,000	10,000	-	-	-	-	30,000
301103-640030		Electric Vehicle Charging Station	8,000	8,000	-	-	-	-	16,000
301112-620115		City Clerk's Office Renovation	15,000	-	-	-	-	-	15,000
301161-660241		Bike Share Program	10,000	-	-	-	-	-	10,000
301165-620098		Austin Niehoff House Rehab (%)	52,500	-	-	-	-	-	52,500
301173-650035		ERP System	114,490	-	-	-	-	-	114,490
	(New)	NEOGov Learning Management Software	-	24,900	-	-	-	-	24,900
301173-650090		Rec Center-Copier Replacement	9,800	-	-	-	-	-	9,800
301173-650097		City-Wide Surveillance Refresh	124,710	-	-	-	-	-	124,710
301173-650098		IT Core Switching Fabric Upgrades	36,500	-	-	-	-	-	36,500
301173-650099		Storage, Server, & Backup Refresh	-	135,000	-	-	-	-	135,000
301173-660258		Middle Mile Fiber	200,000	-	-	-	-	-	200,000
301211-620116		Police Dept Basement Restrooms & Lockers	282,500	-	-	-	-	-	282,500
301211-620118		Police Dept Basement Sleep Room	27,000	-	-	-	-	-	27,000
301211-620125		Police Dept Lobby Security Glass	20,000	-	-	-	-	-	20,000
301211-640024		LTE D-Block Radio Program	11,100	-	-	-	-	-	11,100
301211-640106		Body Cams	24,170	-	-	-	-	-	24,170
301211-640114		FM Radio Stations	6,000	5,000	-	-	-	-	11,000
301211-640124		Handheld 700-800 Portable Radios	15,420	-	-	-	-	-	15,420
301211-650027		Toughbook, Pmtrs, Docking Stns	8,000	-	-	-	-	-	8,000
301211-650089		Police/Courts Records Mgmt Sys	300,000	-	-	-	-	-	300,000
301219-610010		Police Dept Parking Lot Repaving	35,000	-	-	-	-	-	35,000
301219-620120		Police Dept Electrical Work	25,000	-	-	-	-	-	25,000
301219-660276		Police Dept Concrete Replacement	199,000	-	-	-	-	-	199,000
301311-630138		Bus Stop Improvements	157,000	-	-	-	-	-	157,000
301311-630139		Street Lighting Safety Upgrades	40,000	-	-	-	-	-	40,000
301311-660202		Railroad Quiet Zones	3,317,900	-	-	-	-	-	3,317,900
301311-660227		SH 42: Hecla Dr Traffic Signal	39,710	-	-	-	-	-	39,710
301311-660239		SBR Connectivity Feasibility S	35,030	-	-	-	-	-	35,030
301312-630120		Bus then Bike Shelter	25,000	-	-	-	-	-	25,000
301312-630141		ADA Parking Improvements	15,000	75,000	-	-	-	-	90,000
301312-630142		Traffic Mitigation	25,000	25,000	-	-	-	-	50,000
301312-630144		Transportation Master Plan First Steps	1,000,000	3,000,000	-	-	-	-	4,000,000

2019-2024 Capital Improvements Plan

Capital Projects Fund (continued)									
Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
301312-640001		Machinery & Equipment (%)	5,030	-	-	-	-	-	5,030
301312-660012		Pavement Booster Program	5,028,130	4,840,000	-	-	-	-	9,868,130
301312-660022		Concrete Replacement	75,000	75,000	-	-	-	-	150,000
301312-660064		Bridge Inspection Follow-Up Repairs	30,000	100,000	-	-	-	-	130,000
301312-660068		South Street Underpass (%)	184,250	-	-	-	-	-	184,250
301312-660079		SH42 Short Intersection Design	153,550	-	-	-	-	-	153,550
301312-660222		SH42 Short Intersection Construction	3,279,840	-	-	-	-	-	3,279,840
301312-660226		Downtown Clay/Concrete Paver	119,490	-	-	-	-	-	119,490
301312-660247		DRCOG Traffic Signal Improvts	50,000	-	-	-	-	-	50,000
301312-660255		SH42 & Hecla Drive Traffic Signal	400,000	-	-	-	-	-	400,000
301312-660256		Downtown Ornamental Light Replacement	70,000	72,000	-	-	-	-	142,000
301312-660257		Downtown Surface Parking Expansion	100,000	-	-	-	-	-	100,000
301313-630101		Irrigation Clock Replacements (%)	20,000	-	-	-	-	-	20,000
301313-630140		Downtown Tree Grate Conduit Replacement	26,000	28,000	-	-	-	-	54,000
301313-630145		Subdivision Entry Landscape Improvements	7,000	57,000	-	-	-	-	64,000
301313-640000		Motor Vehicle/Road Equipment (%)	26,000	-	-	-	-	-	26,000
301313-640001		Machinery & Equipment (%)	7,500	7,500	-	-	-	-	15,000
	(New)	Sander Box Leg Kit	-	22,150	-	-	-	-	22,150
301313-660103		Median Improvements	275,000	275,000	-	-	-	-	550,000
301313-660226		Downtown Clay/Concrete Paver Replacement	110,000	110,000	-	-	-	-	220,000
301313-660254		Utility Undergrounding	680,000	-	-	-	-	-	680,000
301314-640001		Machinery & Equipment (%)	7,500	7,500	-	-	-	-	15,000
301314-640135		Snow & Ice Attachment	18,000	-	-	-	-	-	18,000
301511-630048		Playground Replacement (%)	56,000	56,000	-	-	-	-	112,000
301511-630067		Heritage Restroom Renovation	28,000	200,000	-	-	-	-	228,000
301511-630151		Miners Field Fencing Upgrade (%)	44,000	-	-	-	-	-	44,000
301524-660252		Coyote Run Slope Mitigation (50%)	300,000	-	-	-	-	-	300,000
301528-660015		Open Space & Parks Signs (%)	-	120,000	-	-	-	-	120,000
301528-660068		South Street Underpass (%)	92,640	-	-	-	-	-	92,640
301528-660069		BNSF RR Underpass/N Drainage (%)	-	1,283,500	-	-	-	-	1,283,500
301531-630127		Miners Field Fencing Upgrade (%)	-	22,000	-	-	-	-	22,000
301532-630127		Miners Field Fencing Upgrade (%)	-	22,000	-	-	-	-	22,000
301532-640046		Fitness Equipment	22,360	-	-	-	-	-	22,360
301537-640000		Motor Vehicle/Road Equipment (%)	3,250	-	-	-	-	-	3,250

2019-2024 Capital Improvements Plan

Capital Projects Fund (continued)

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	301551-650087	Upgrade Makerspace	-	15,000	-	-	-	-	15,000
	301551-620036	Library Building Improvements	16,820	-	-	-	-	-	16,820
	301552-620097	Historical Museum Campus (%)	20,850	165,400	-	-	-	-	186,250
	301552-620038	Museum Campus Building Improvements	51,210	-	-	-	-	-	51,210
	301552-620113	Historical Museum Structural Work (%)	60,850	-	-	-	-	-	60,850
	301553-620114	Center for the Arts Restoration	46,620	-	-	-	-	-	46,620
	301553-630136	Community Park Stage Improvements	24,000	-	-	-	-	-	24,000
	301553-640001	Machinery & Equipment (%)	5,020	-	-	-	-	-	5,020
	301651-630137	Downtown Patio Program Expansion	25,000	25,000	-	-	-	-	50,000
50		Concrete Replacement	-	-	75,000	75,000	75,000	75,000	300,000
53		Downtown Clay/Concrete Paver Replacement	-	-	110,000	-	-	-	110,000
54		Downtown Tree Grate Conduit Replacement	-	-	56,000	56,000	-	-	112,000
60		Downtown Ornamental Light Replacement	-	-	75,000	80,000	-	-	155,000
61		Pavement Management Program	-	-	4,000,000	4,800,000	4,300,000	4,500,000	17,400,000
2		Equipment Replacement - Parks (20%)	-	-	15,000	15,000	15,000	15,000	60,000
63		Median Landscape Renovation	-	-	275,000	-	-	-	275,000
66		Transportation Master Plan First Steps	-	-	1,200,000	2,800,000	-	-	4,000,000
8		Recycling Cans for Park Sites (50%)	-	-	10,000	-	-	-	10,000
19		Playground Replacement (20%)	-	-	56,000	56,000	56,000	59,000	227,000
68		Decorative Streetlight LED Conversion	-	-	100,000	110,000	100,000	100,000	410,000
69		Subdivision Entry Landscape Improvements	-	-	57,000	57,000	57,000	-	171,000
11		Open Space & Parks Trail & Direct Signs (50%)	-	-	19,200	-	78,000	-	97,200
73		Golf Maintenance Facility Improvements	-	-	99,910	-	-	124,130	224,040
74		Golf Division Equipment Replacement	-	-	117,360	117,360	117,360	117,360	469,440
75		Public Parking Lot Paving Program	-	-	-	130,000	130,000	130,000	390,000
76		Improvements to Community Dog Park	-	-	-	-	57,500	215,630	273,130
		Total Capital Projects Fund	17,717,740	10,920,950	6,265,470	8,096,360	4,985,860	5,336,120	53,322,600

2019-2024 Capital Improvements Plan

Water Utility Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	501499-640000	Motor Vehicle/Road Equipment (%)	190,500	-	-	-	-	-	190,500
	501499-640001	Machinery & Equipment (%)	9,650	-	-	-	-	-	9,650
	501499-640045	Meters	168,000	-	-	-	-	-	168,000
	501499-640121	WTP Resrv Treat Boat & Trailer	25,000	-	-	-	-	-	25,000
	501499-660182	Water Line Replacement	1,844,000	1,273,000	-	-	-	-	3,117,000
	501499-660205	PRV Replacement	75,000	-	-	-	-	-	75,000
	501499-660221	HBWTP Filter Media Replacement	5,000	-	-	-	-	-	5,000
	501499-660234	Tube Settler Replacement	380,920	-	-	-	-	-	380,920
	501499-660237	Water Tank Int Structure Maint	92,600	-	-	-	-	-	92,600
	501499-660259	Florida Equipment Replacement	105,000	-	-	-	-	-	105,000
	501499-600025	Fire Hydrant Painting	44,690	-	-	-	-	-	44,690
	501499-620119	Utilities Electrical Assessment (%)	-	32,500	-	-	-	-	32,500
	501499-630146	Marshall Lake Sediment Control	-	110,000	-	-	-	-	110,000
	501499-640116	Water Plants Disinfection Eval	408,040	-	-	-	-	-	408,040
	501499-640127	Excavation Shoring Box (%)	9,000	-	-	-	-	-	9,000
	501499-640131	Water Utility Trucks	80,000	-	-	-	-	-	80,000
	501499-650035	ERP System	2,000	-	-	-	-	-	2,000
	501499-650080	Water Facilities SCADA Upgrade	36,000	-	-	-	-	-	36,000
	501499-660175	WTP Chemical Storage Tanks	-	405,000	-	-	-	-	405,000
	501499-660190	NCWCD-Windy Gap Firming Proj	2,500,000	747,000	-	-	-	-	3,247,000
	501499-660211	Howard Diversion Upgrades	128,740	-	-	-	-	-	128,740
	501499-660212	SCWTP Recycle Pond Maintenance	86,000	-	-	-	-	-	86,000
	501499-660230	HBWTP HVAC Upgrade	3,000	-	-	-	-	-	3,000
	501499-660231	Louisville Lateral Ditch Pipin	20,000	-	-	-	-	-	20,000
	501499-660232	Cent/McCaslin Hi Zone Water Lp	22,230	-	-	-	-	-	22,230
	501499-660236	SBR Ditch Lining	170,200	88,310	-	-	-	-	258,510
	501499-660237	WTP Tank Cleaning & Evaluation	-	50,000	-	-	-	-	50,000
	501499-660243	Louisville Pipeline Flow Control	417,930	-	-	-	-	-	417,930
	501499-660244	HBWTP Upgrades	197,220	-	-	-	-	-	197,220
	501499-660245	SCWTP Upgrades	550,770	-	-	-	-	-	550,770
	501499-660260	WTP Vault Painting	-	225,000	-	-	-	-	225,000
	501499-660261	WTP Raw Water Study	-	75,000	-	-	-	-	75,000
	501499-660274	NCWCD SWSP Eastern Pump Station	-	150,000	-	-	-	-	150,000
	501499-660275	NCWCD SWSP Transmission Capacity	287,000	1,324,000	-	-	-	-	1,611,000

2019-2024 Capital Improvements Plan

Water Utility Fund (continued)

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
77		SBR Ditch Lining	-	-	90,510	-	-	-	90,510
78		Water Line Replacement	-	-	205,000	205,000	483,000	140,000	1,033,000
80		Louisville Lateral Ditch Piping	-	-	-	2,693,000	-	-	2,693,000
83		NCVCD - Windy Gap Firing Project	-	-	747,000	747,000	747,000	747,000	2,988,000
87		WTP Vehicle & Equipment Replacement	-	-	-	-	80,000	48,500	128,500
95		Marshall Lake Sediment Control	-	-	566,000	-	-	-	566,000
96		WTP Tank Cleaning & Evaluation	-	-	-	48,000	-	-	48,000
98		WTP Raw Water Study	-	-	100,000	-	-	-	100,000
100		Water Rights Acquisition	-	-	565,000	552,000	566,000	580,000	2,263,000
101		Pump Replacement & Rehabilitation	-	-	84,000	276,000	17,000	-	377,000
102		SCVTP Filter Media Replacement	-	-	-	-	447,000	-	447,000
103		Meter Replacement	-	-	-	-	754,000	773,000	1,527,000
		Total Water Utility Fund	7,858,490	4,479,810	2,357,510	4,521,000	3,094,000	2,268,500	24,599,310

Storm Water Utility Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	503499-630032	Citywide Strm Sewr Outfall Imps	5,100	-	-	-	-	-	5,100
	503499-630096	Detention Pond Maintenance	118,500	121,500	-	-	-	-	240,000
	503499-630150	Drainageway "A-1" Garfield/Cottonwood	-	500,000	-	-	-	-	500,000
	503499-640001	Machinery & Equipment	4,620	-	-	-	-	-	4,620
	503499-640128	Arterial Snow Plow Replacement (%)	56,000	-	-	-	-	-	56,000
	503499-660251	Drainageway G Dillon Rd Crossing	150,000	-	-	-	-	-	150,000
	503499-660273	Storm Water Quality Master Plan	100,000	150,000	-	-	-	-	250,000
121		Storm Sewer Detention Pond Maintenance	-	-	124,500	150,000	129,000	135,500	539,000
122		Storm Water Quality Master Plan	-	-	150,000	150,000	150,000	-	450,000
		Total Storm Water Utility Fund	434,220	771,500	274,500	300,000	279,000	135,500	2,194,720

2019-2024 Capital Improvements Plan

Wastewater Utility Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	502499-640000	Motor Vehicle/Road Equipment	-	37,000	-	-	-	-	37,000
	502499-640001	Machinery & Equipment	9,650	-	-	-	-	-	9,650
	502499-640134	Replacement High Pressure Sewer Cleaner	260,000	-	-	-	-	-	260,000
	502499-660183	Sewer Utility Lines	498,000	275,000	-	-	-	-	773,000
	502499-660216	Reuse System Replacement	32,000	-	-	-	-	-	32,000
	502499-660265	Reuse System Equipment Replacement	32,000	66,000	-	-	-	-	98,000
	502499-660272	Drum Thickener Replacement	-	275,000	-	-	-	-	275,000
	502499-620119	Utilities Electrical Assessment (%)	-	32,500	-	-	-	-	32,500
	502499-630147	WWTP Digester and Reuse Lighting Improvements	40,000	-	-	-	-	-	40,000
	502499-640127	Excavation Shoring Box (%)	3,000	-	-	-	-	-	3,000
	502499-640132	WWTP Tractor	62,000	-	-	-	-	-	62,000
	502499-640133	Portable Lift Station Pump	50,000	-	-	-	-	-	50,000
	502499-650035	ERP System	2,000	-	-	-	-	-	2,000
	502499-660153	Wastewater Plant Upgrade	15,000	-	-	-	-	-	15,000
	502499-660262	WWTP Additional Influent Pump	72,000	-	-	-	-	-	72,000
	502499-660263	WWTP Asphalt Addition	50,000	-	-	-	-	-	50,000
	502499-660264	WWTP Digester Control Improvements	100,000	-	-	-	-	-	100,000
	502499-660266	WWTP Digester and Digester Lights	40,000	-	-	-	-	-	40,000
	502499-660267	WWTP Aeration Basin & Reuse Mixers	150,000	-	-	-	-	-	150,000
	502499-660268	WWTP Total Suspended Solids (TSS) Probes	45,000	-	-	-	-	-	45,000
	502499-660269	WWTP Vac Dump Station	235,000	-	-	-	-	-	235,000
	502499-660271	OPS Lift Station Painting	-	75,000	-	-	-	-	75,000
114		Sewer Line Replacement	-	-	420,000	400,000	350,000	425,000	1,595,000
119		WWTP Vehicle Replacement	-	-	-	-	-	48,500	48,500
120		WWTP Dewatering Building Upgrades	-	-	76,000	753,000	-	-	829,000
		Total Wastewater Utility Fund	1,695,650	760,500	496,000	1,153,000	350,000	473,500	4,928,650

2019-2024 Capital Improvements Plan

Golf Course Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	520799-620112	Shelter Improvements	14,500	-	-	-	-	-	14,500
	520799-650015	Irrigation Computer Replacement	11,200	-	-	-	-	-	11,200
	520799-630115	Cart Path Repairs	-	18,410	-	-	-	-	18,410
		Chemical Storage Building	-	31,930	-	-	-	-	31,930
		Golf Carts	-	132,300	-	-	-	-	132,300
		Total Golf Course Fund	25,700	182,640	-	-	-	-	208,340

Technology Management Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	602120-650015	Computer-Hardware	60,000	60,000	-	-	-	-	120,000
126		Computer-Software	-	-	60,000	60,000	60,000	60,000	240,000
		Total Technology Management Fund	60,000	60,000	60,000	60,000	60,000	60,000	360,000

Fleet Management Fund

Request No.	Project Account	Project Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
	603120-640000	Motor Vehicle/Road Equipment	35,000	-	-	-	-	-	35,000
	603211-640000	Motor Vehicle/Road Equipment	254,170	177,240	-	-	-	-	431,410
	603314-640000	Motor Vehicle/Road Equipment	352,500	-	-	-	-	-	352,500
127	603211-640000	Motor Vehicle/Road Equipment	-	-	171,920	180,530	189,550	199,030	741,030
		Total Fleet Management Fund	641,670	177,240	171,920	180,530	189,550	199,030	1,559,940

2019-2024 Capital Improvements Plan

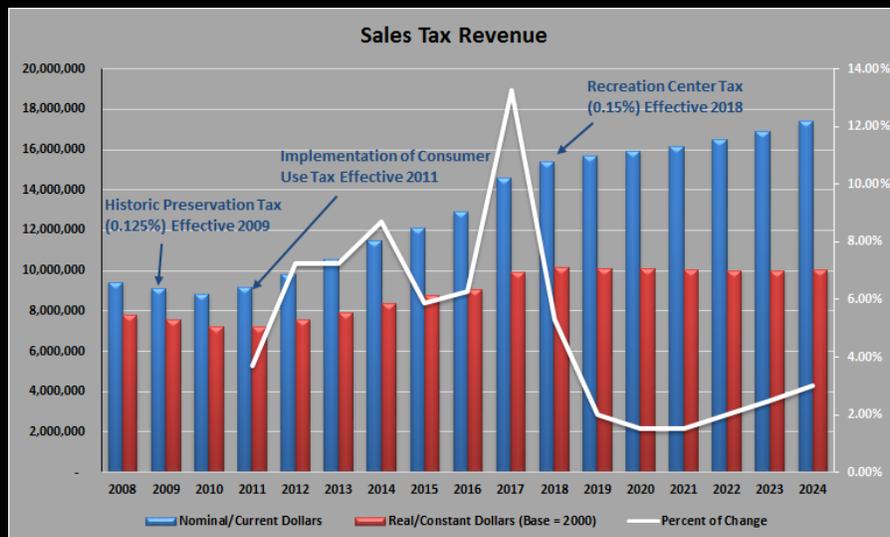
All Funds

Fund Description	2019 Estimate	2020 Budget	2021 Planned	2022 Planned	2023 Planned	2024 Planned	6-Year Totals
Open Space & Parks Fund	3,567,730	502,300	559,560	265,820	283,300	112,500	5,291,210
Conservation Trust - Lottery Fund	224,000	224,000	224,000	224,000	224,000	236,000	1,356,000
Cemetery Fund	10,750	7,500	7,500	7,500	7,500	7,500	48,250
PEG Fee Fund	1,100	-	-	-	-	-	1,100
Historic Preservation Fund	351,350	-	-	-	-	-	351,350
Recreation Fund	480,760	171,000	70,000	233,000	70,000	70,000	1,094,760
Capital Projects Fund	17,717,740	10,920,950	6,265,470	8,096,360	4,985,860	5,336,120	53,322,500
Recreation Center Construction Fund	3,637,610	-	-	-	-	-	3,637,610
Water Utility Fund	7,858,490	4,479,810	2,357,510	4,521,000	3,094,000	2,288,500	24,599,310
Wastewater Utility Fund	1,695,650	760,500	496,000	1,153,000	350,000	473,500	4,928,650
Storm Water Utility Fund	434,220	771,500	274,500	300,000	279,000	135,500	2,194,720
Golf Course Fund	25,700	182,640	-	-	-	-	208,340
Technology Management Fund	60,000	60,000	60,000	60,000	60,000	60,000	360,000
Fleet Management Fund	641,670	177,240	171,920	180,530	189,550	199,030	1,559,940
Total for All Funds	36,706,770	18,257,440	10,486,460	15,041,210	9,543,210	8,918,650	98,953,740

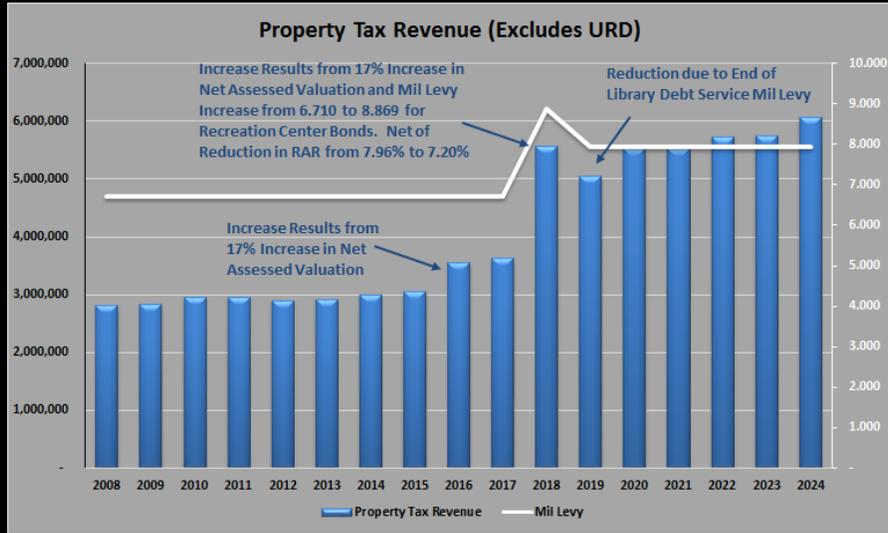
Revenue Assumptions & Expenditure Targets

- The next step in developing the 2020 Budget, the new 2019-2024 Capital Improvements Plan, and the new 2019-2024 Long-Term Financial Plan is to update the revenue and expenditure estimates for 2019 and to establish revenue assumptions and expenditure targets for 2020-2024.
- Departments have requested some modifications to that original 2020 operational budget and those changes have been incorporated into the current 2020 estimates.
- Staff has also updated the revenue estimates for 2019 and assumptions for 2020-2024.

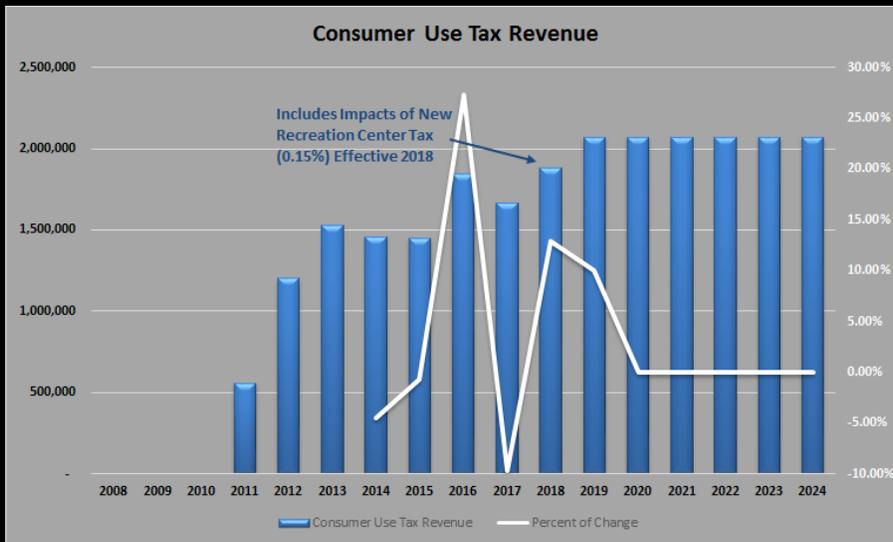
Revenue Assumptions & Expenditure Targets



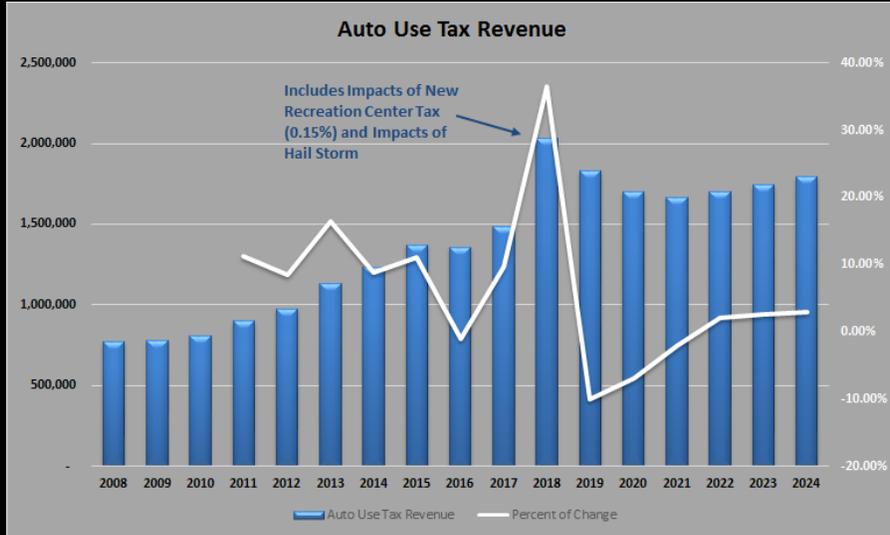
Revenue Assumptions & Expenditure Targets



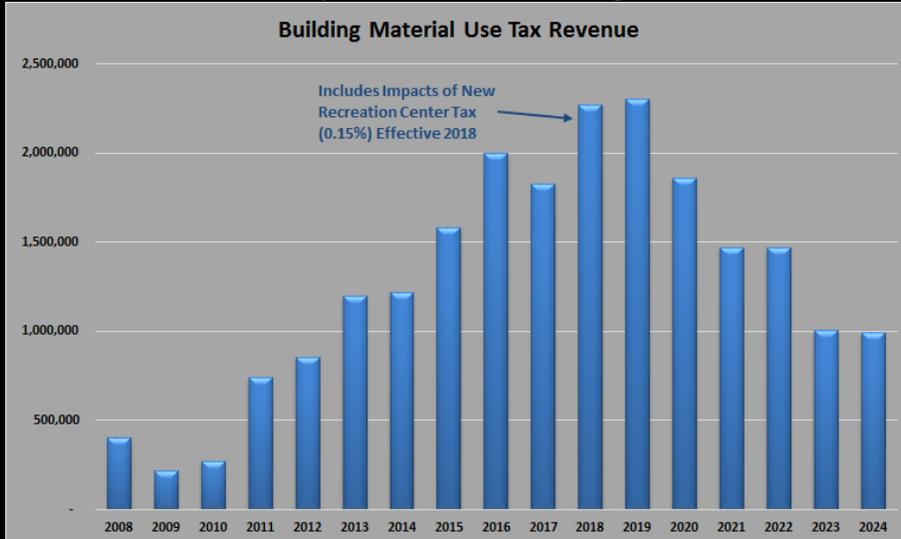
Revenue Assumptions & Expenditure Targets



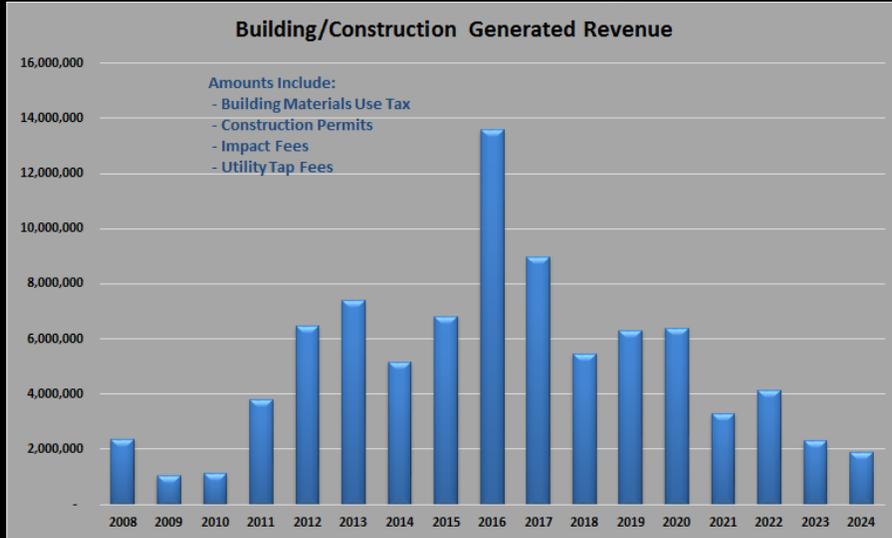
Revenue Assumptions & Expenditure Targets



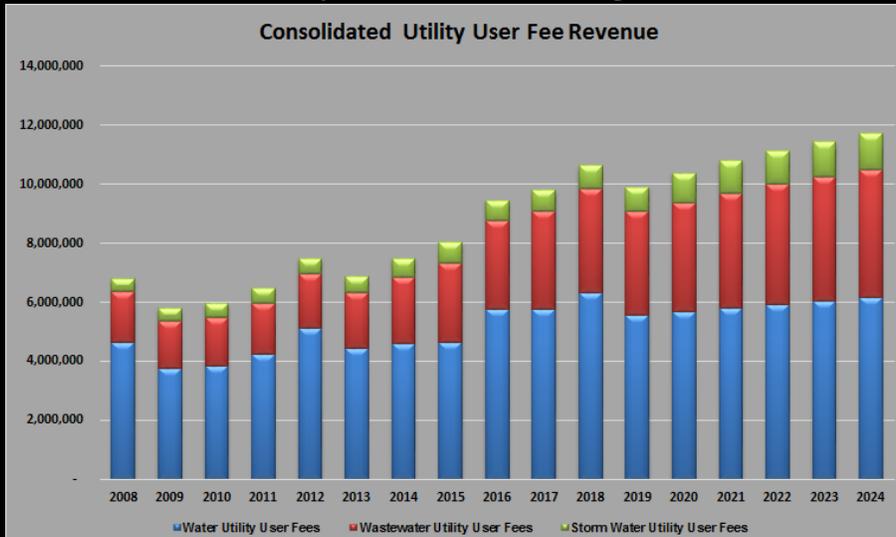
Revenue Assumptions & Expenditure Targets



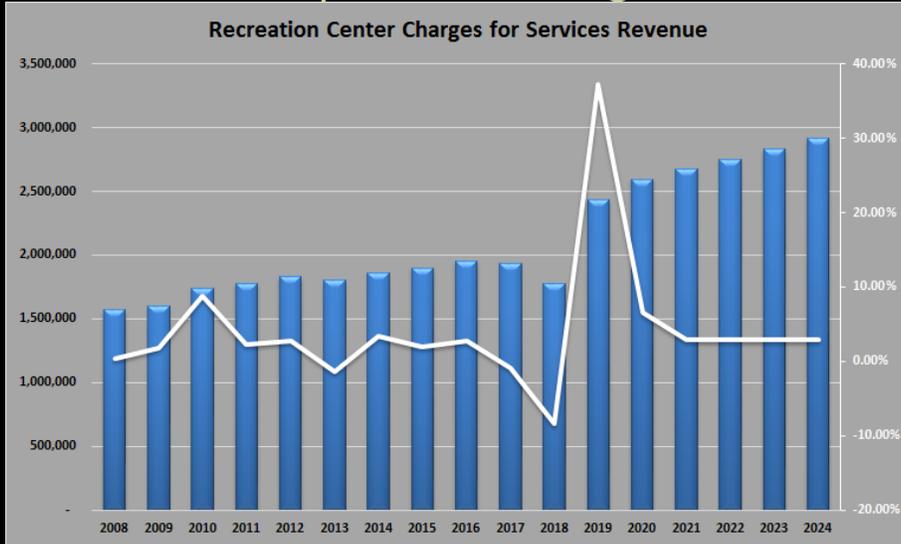
Revenue Assumptions & Expenditure Targets



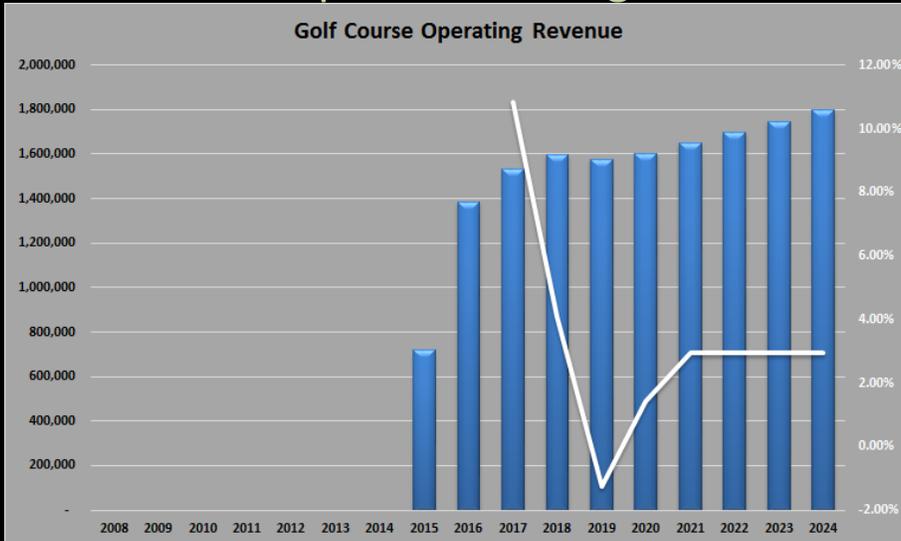
Revenue Assumptions & Expenditure Targets



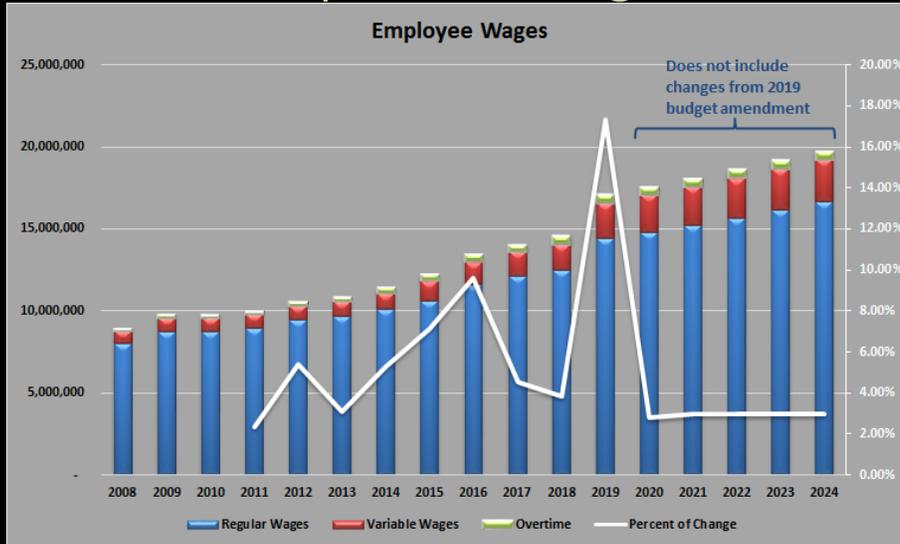
Revenue Assumptions & Expenditure Targets



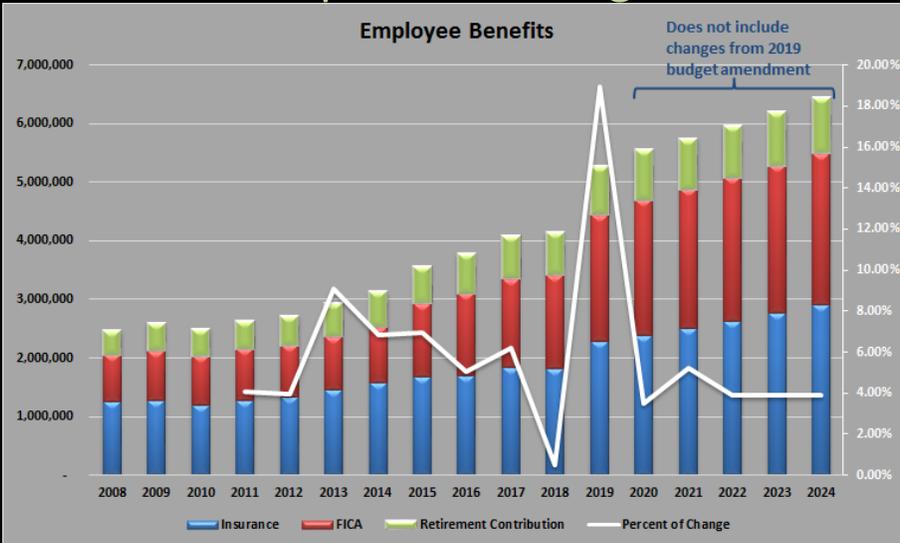
Revenue Assumptions & Expenditure Targets



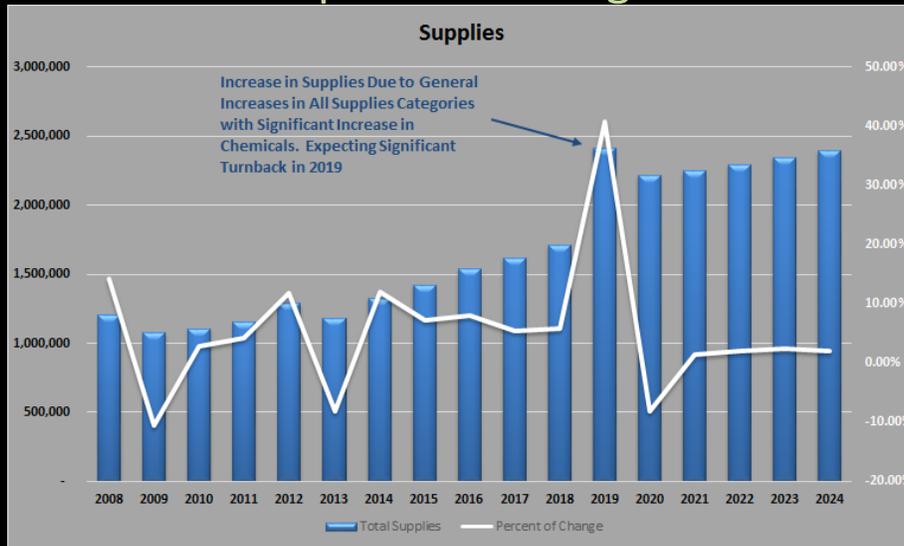
Revenue Assumptions & Expenditure Targets



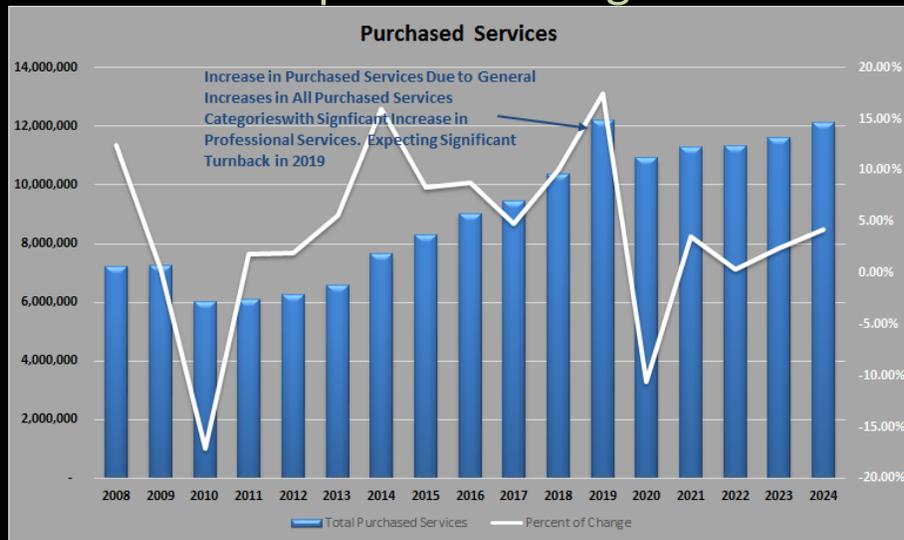
Revenue Assumptions & Expenditure Targets



Revenue Assumptions & Expenditure Targets



Revenue Assumptions & Expenditure Targets



2019-2024 Long-Term Financial Plan

Fund Financial Forecasts developed using the:

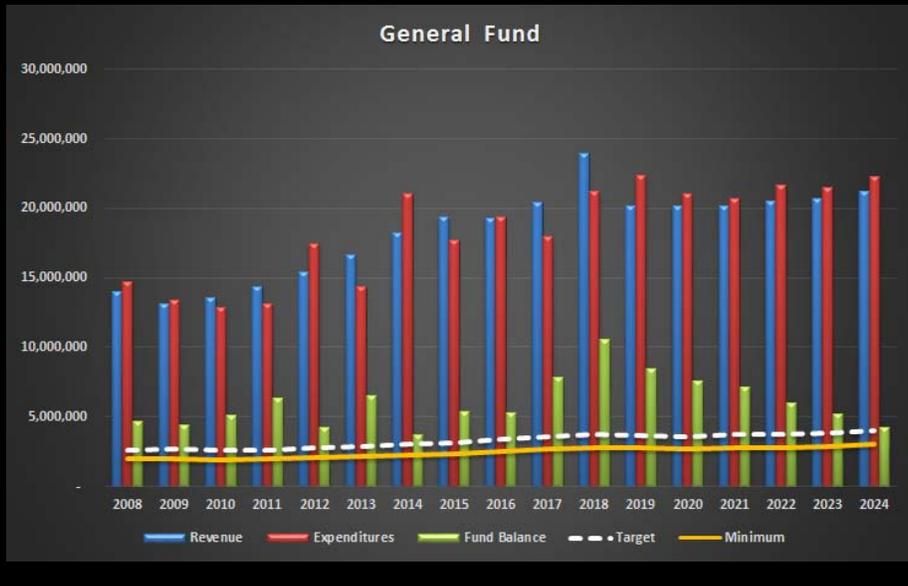
- 2019 beginning fund balances
- Boundaries and structures set by the Financial Policies
- New 2019-2024 Capital Improvements Plan
- Revenue assumptions and expenditure targets

2019-2024 Long-Term Financial Plan

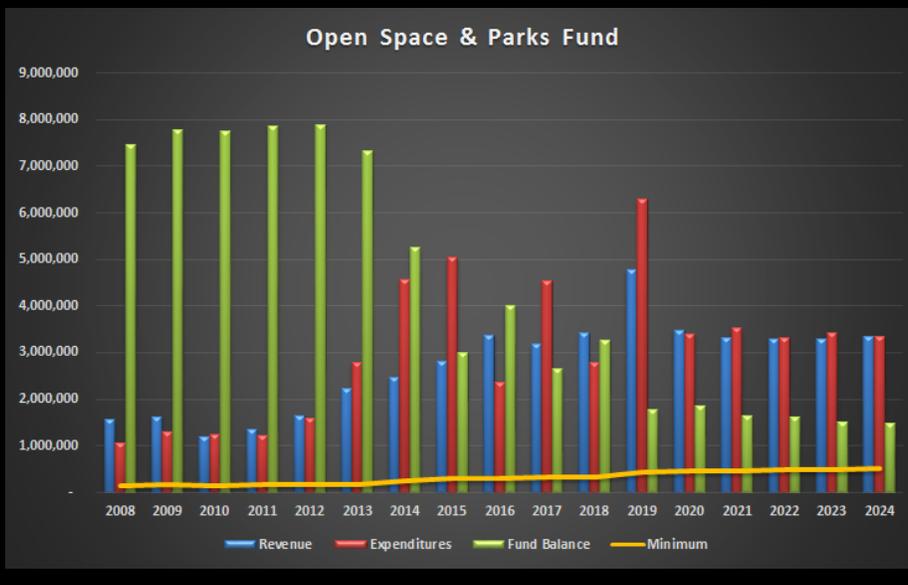
Expansion of the “Turnback methodology:

Fund	2019	2020	2021-2024
General	7%	5%	5%
Open Space & Parks	7%	5%	5%
Recreation	5%	3%	3%
Water Utility	15%	10%	10%
Wastewater Utility	10%	5%	5%
Storm Water Utility	15%	10%	10%
Golf Course	4%	4%	4%

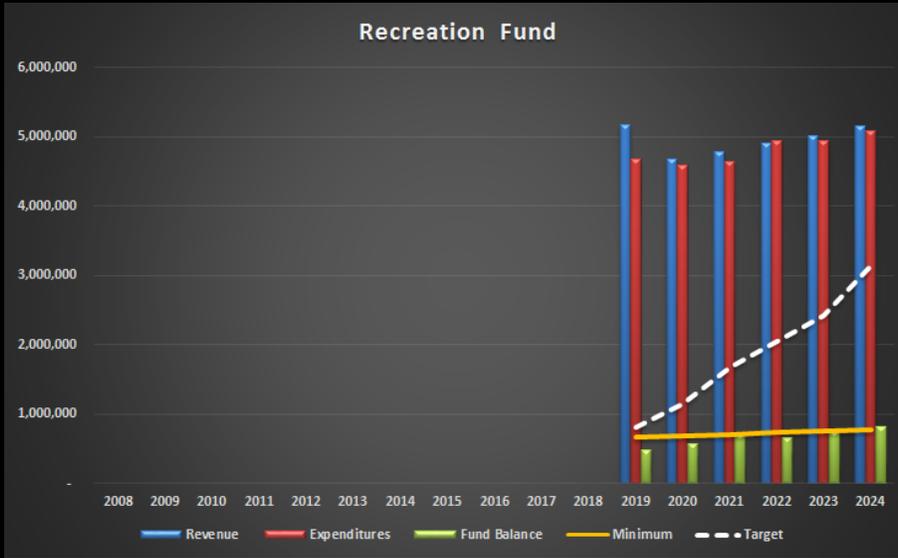
2019-2024 Long-Term Financial Plan



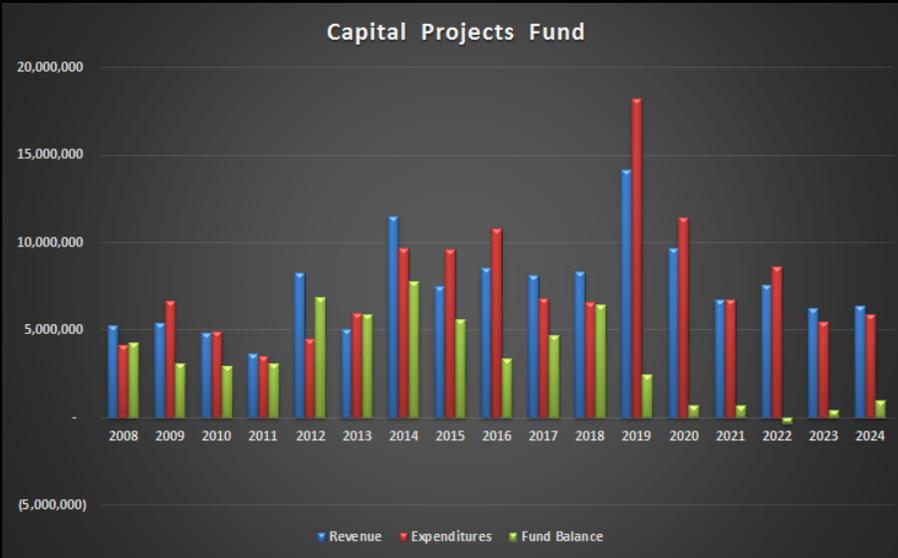
2019-2024 Long-Term Financial Plan



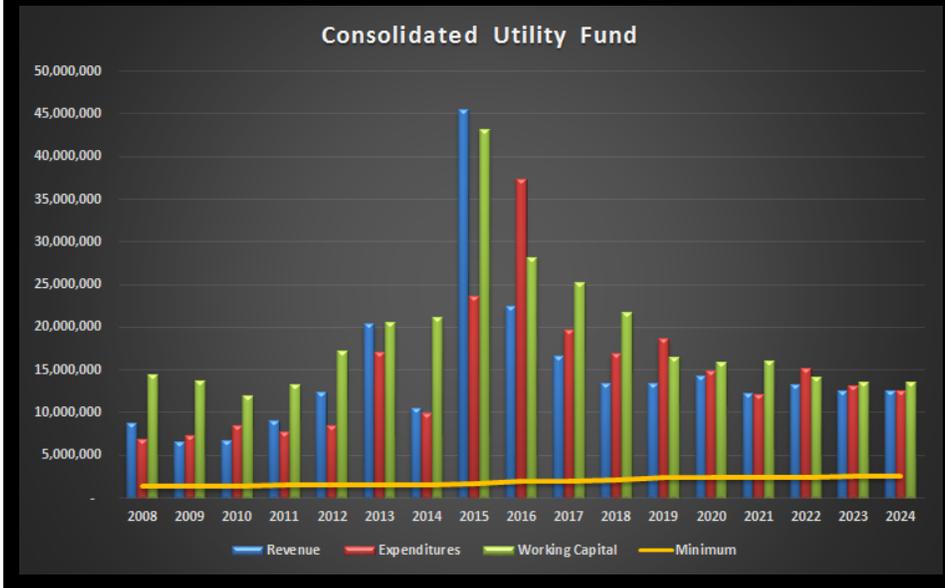
2019-2024 Long-Term Financial Plan



2019-2024 Long-Term Financial Plan



2019-2024 Long-Term Financial Plan



2019-2024 Long-Term Financial Plan



Current Budget Calendar

- **September 3, 2019** – City Manager presents Recommended Budget to City Council (set public hearing)
- **September 17, 2019** – City Council reviews Recommended Budget at Regular Meeting
- **October 1, 2019** – City Council conducts Public Hearing on Revised Recommended Budget
- **October 15, 2019** – City Council reviews Revised Recommended Budget at Regular Meeting
- **November 4, 2019** – City Council approves resolutions to adopt the budget, appropriate funds, and levy property taxes