

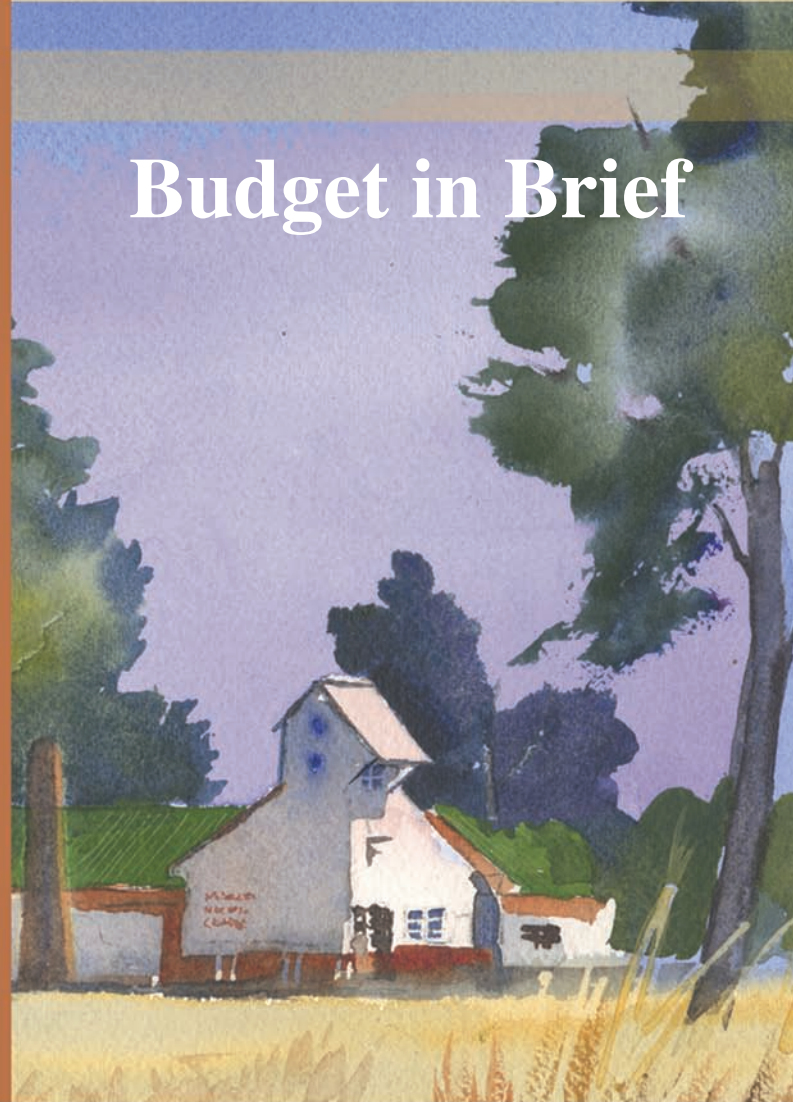


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2007

# Budget in Brief



Prepared by the  
Office of Budget & Financial Planning

## 2007 Annual Budget Acknowledgements

### **City Council**

Edward J. Tauer ..... Mayor  
Brad Pierce ..... Mayor Pro-Tem and At-Large  
Deborah Wallace ..... Ward I  
Renie Peterson ..... Ward II  
Larry Beer ..... Ward III  
Molly Markert ..... Ward IV  
Sue Sandstrom ..... Ward V  
Robert E. Broom ..... Ward VI  
Robert FitzGerald ..... At-Large  
Ryan Frazier ..... At-Large  
Steve Hogan ..... At-Large

### **City Manager's Staff**

Ronald S. Miller ..... City Manager  
Nancy Freed ..... Deputy City Manager  
Frank Ragan ..... Deputy City Manager  
John Hilton ..... Deputy City Manager

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For more information, please visit the *City Budget* section under *Government* on the City of Aurora website at <http://www.auroragov.org>. For other questions, please call Access Aurora at 303-739-7000.



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Aurora, Colorado for its annual budget for the fiscal year beginning January 1, 2006.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe that our current budget continues to conform to, and in many cases exceed, program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

## Budget Document

The Office of Budget and Financial Planning annually prepares two formal documents. First, the Proposed Budget is a recommended budget using the current year budget with adjustments as proposed by the City Manager. Second, the Adopted Budget is formally adopted by the City Council in the annual budget ordinance. It is the result of refinements made to the proposed budget by Council after analysis of overall City needs, priorities, and available resources.

## Budget Calendar Summary

The City's fiscal year is January 1 through December 31. The budget is developed and considered from February through November. Monitoring of the budget occurs throughout the year. The following is a typical calendar.

### January – May

- Final revenues and expenditures for the previous year are analyzed;
- First quarter review of current year expenditures and revenues;
- Appropriation amendments are requested and the spring supplemental ordinance is presented;
- Goals and priorities for the next year are defined;
- City Council meets with departments to discuss budget issues and priorities; and
- City Council members host "Budget Town Meetings."

### May – September

- Second quarter review of current year expenditures and revenues;
- Departments and Appointees prepare proposed budgets/adjustments;
- Executive staff evaluates projections and determines budget adjustments;
- Departments present budget adjustments to City Manager;
- Administrative fee changes are reviewed by a Council Committee; and
- The proposed budget is produced and delivered to City Council.

### September – December

- City Council reviews the proposed budget and makes budget decisions;
- Administrative fees are approved;
- Budget ordinances are introduced and adopted;
- Third quarter review of current year expenditures and revenues; and
- Appropriation amendments are requested and the fall supplemental ordinance is presented.

## INTRODUCTION

The 2007 adopted budget for the City of Aurora is the product of a well-established cooperative process carried out by City staff with the guidance and direction of City Council. The purpose of this document is to provide both summary-level and detailed information on the 2007 budget as adopted by City Council this past fall.

This summary document is divided into nine sections. While reading this document, some key terms to keep in mind are:

*Appropriation* Authority to spend budgeted City funds;

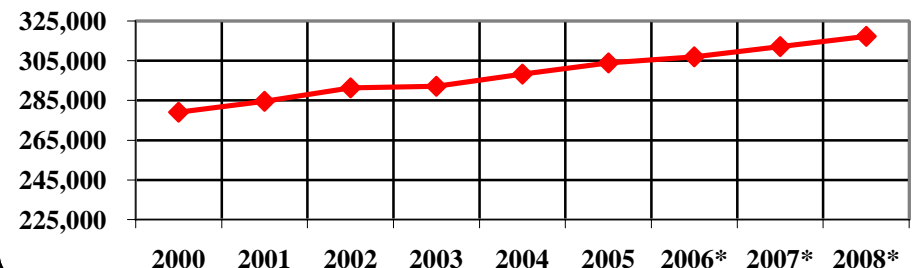
*Fund* A fund is the functional equivalent of a single bank account. The City deposits its revenues into various funds and all expenditures are paid from the appropriate fund. Just as individuals have different bank accounts for home, business, and investments - the City, likewise, has multiple funds for different purposes; and

*Revenue* Income received by the City, including all types of taxes, fees, gifts, grants, reimbursements, intergovernmental revenues, and interest earnings.

## 1. PROFILE OF AURORA

Aurora, Colorado, the state's third largest city (2007 est. population 312,075), is one of the most dynamic cities in the Denver/Aurora metropolitan area. A council/manager form of government governs the City of Aurora. This system combines the political leadership of elected officials with the managerial expertise of an appointed, professionally trained, local government manager. Aurora also operates as a "home rule" government, which allows the City to draft or amend its own charter. The Aurora City Council is composed of ten members and the Mayor. Of the ten members, six are ward Council members, each representing one of the six wards in the City. The remaining four Council members are elected at-large, like the Mayor, to represent the entire City.

**Exhibit 1.1**  
**City of Aurora Population (\* estimated)**



## 2. CITY VISION AND GOALS

The 2007 budget provides funding for services, programs, and projects that support City Council's established goals. The updated Goals and Objectives adopted by the City Council in 2006 collectively outline the City's vision for the future. This vision encompasses nine major areas of focus:

1. Aurora will be a fiscally strong and financially well-managed city;
2. Develop an effective transportation system for moving people and goods;
3. Make Aurora the best city in which to locate, expand, and operate a business;
4. Enhance Aurora's identity and raise awareness of the City's many qualities;
5. Ensure a safe community for people;
6. Implement a vision for growth and the effective delivery of services to stakeholders;
7. Provide an excellent water management and utility system;
8. Serve as leaders to shape policy that benefits the Aurora community; and
9. Support effective efforts to integrate/orient an increasingly diverse community.

This budget is, in effect, a work plan to implement City Council's Goals and Objectives.

## 3. AURORA'S ECONOMIC AND REVENUE OUTLOOK

### Economic Outlook

- Personal income growth in Colorado and Metro Denver is expected to remain higher than the nation between 2007 and 2011.
- After four years of job losses, Aurora reported positive employment growth in 2005 and foresees steady job growth continuing into future years.
- Metro area inflation is expected to stabilize in the near future after relatively sharp increases in 2005 and 2006 following on the heels of almost no inflation in 2004. Energy price increases, however, are expected to seep into consumer goods and affect consumer spending.
- Housing construction is projected to slow down significantly in the second half of 2006 and continue through 2007

## City Staff Involvement and the Basis of Budgeting

Each year, the Office of Budget and Financial Planning projects revenues (income) for the next five years. The first year of the five-year projection is used as the basis for the annual operating budget. The annual operating budget balances operating expenditures with operating revenues.

The initial baseline for 2007 is the 2006 adopted budget. The baseline budget represents continuation of the current service level, including adjustments for personnel costs, various mandated cost items, and other technical adjustments. This amount is allocated among various programs and accounts.

Any amount for which a department identifies a need that is over this baseline must be requested and specifically justified within a budget amendment request (an "add"). This process applies to requests to fund expanded or additional services. Similarly, departments submit budget reductions (a "cut") when lower revenue projections necessitate such items. Each Council-Appointee and department director submits the budget for his or her department. Working with their program managers and budget coordinators, department directors and Appointees compile and submit their budget. This information is submitted to the Office of Budget and Financial Planning in June. The budget submission includes line-item allocations.

The Office of Budget and Financial Planning consolidates prior year actuals, the current year budget, projections, and department budget submissions into the proposed budget after significant review of the entire budget by the Deputy City Managers, the City Manager, and other Council Appointees. These items are presented to City Council for their consideration and approval. The City Council convenes a workshop in the fall to discuss the proposed budget. At this time, the City Council makes any desired adjustments to the proposal and forwards it to a formal meeting for a vote.

In accordance with the City Charter, the budget is formally adopted by December after appropriate public notices and readings. After the budget is adopted, City Council may adjust the budget by way of one or more supplemental appropriation ordinances during the year. These are normally considered in the spring and fall.

Transfers to the Capital Projects Fund have been reduced to a level that is sufficient to fund only capital maintenance and a few smaller facilities and infrastructure projects. The Facilities Master Plan II identifies a number of facility and infrastructure needs that will arise in the next 5-10 years. Currently, no funding is available for the vast majority of these needs, although some smaller projects may be added to the five-year Capital Improvement Program as funds become available.

City Council has asked the Citizen's Committee on Governance and Infrastructure to examine the general government's capital needs and develop recommendations to fund them. Based on the work completed in the Structural Revenue Study, it appears clear that adequate funding could depend primarily on the voters' willingness to approve the issuance of bonds for specific projects. Revenue from additional impact fees would also be helpful in offsetting capital costs associated with new development.

## **9. BUDGET PROCESS AND FINANCIAL PLANNING**

The budget process for the City involves teamwork and cooperation among many groups and individuals within the City, including citizens, elected officials, other government entities, neighborhood associations, Council-appointed boards and commissions, and City staff. The process provides opportunities for the public to gain information and understanding about the City's budget and operations. In addition, citizens are given a forum to provide input regarding how the City allocates its resources.

### **Citizen Involvement**

Budget town meetings are conducted by each Ward Council member early in the budget development process. At that time, citizens receive information about the budget and are given the opportunity to inform City Council about their issues and priorities. Citizens are encouraged to express their opinions about the budget, and members of the public can make requests of City Council.

In addition, two public hearings are scheduled during City Council's formal weekly meetings. One hearing is held in the spring before budget preparation begins; and the other is scheduled in the fall just prior to Council meeting(s) to consider the proposed budget.

The Citizens' Advisory Budget Committee (CABC) meets monthly to become familiar with City operations, priorities, and budget needs. The CABC meets prior to the proposed budget submission to form its own recommendations to present to Council. Other commissions directly involved in making budget recommendations to the City Council are the Citizens' Advisory Committee on Housing and Community Development (CHCD) and the Citizens' Utility Advisory Committee (CUAC).

## **Revenue Outlook**

In 2005, total City revenues and other sources for all funds, including planned use of reserves, were \$652.7 million. In 2006, this total will decrease to \$609.6 million, with a subsequent rise to \$667.8 million in 2007. Of the \$667.8 million, \$660.1 million will be used to cover budgeted appropriations and \$7.7 million will be used to increase funds available in various funds. The primary reason for the large increase in revenue is the issuance of utility revenue bonds for water-related capital projects.

## **The Structural Revenue Study / Long-Range Financial Outlook**

In response to continued economic uncertainty, the City recently hired independent consultants to complete a review of the structure of City revenue and its long-range financial outlook. The study identified a "structural gap" between service needs and the City's present revenue capacity. Although strong revenue growth may reduce the size of the gap, the gap is expected to grow even if long-term revenue growth remains at current rates.

In response to these findings, Council authorized work on revenue enhancement recommendations that will generate approximately \$3.2 million in additional revenue starting in 2007. The revenue generated by these measures, combined with robust local sales tax growth, will allow the City to make progress towards gradual restoration of high priority services. The proposed revenue enhancements incorporated into this budget include: increasing fees for recreation and cultural services to more fully recover the costs of these programs; increasing other administrative fees to keep pace with inflation and more fully recover associated program costs; increasing overhead charges assessed against the City's enterprise funds; and hiring more auditors.

## **General Fund Revenues**

Budgeted revenues for the General Fund (including transfers) will increase 4.1 percent in 2007 and are projected at \$242.8 million. Retail sales remain the backbone of Aurora's General Fund revenue. As Exhibit 3.2 notes, sales tax revenues are projected to grow by 5.1 percent (\$6.1 million) in 2007 as retail activity continues to expand.

- After three years of lackluster growth and declines, *sales tax* recovered in 2005. Relatively strong growth is expected in 2006 and 2007 resulting from a recovering economy and new retail openings throughout the City.
- Aurora's property valuations were reassessed in 2005, translating into stable *property tax* growth in 2006 and 2007.



- *Building materials use tax and other (equipment and consumables) use tax*, which are transferred to the Capital Projects Fund, are expected to decline in 2006 as construction activity slows and high energy prices increase the cost of consumer goods and constrain business investment.
- The City also benefited from strong revenue growth attributable to higher revenues from taxes on electricity and natural gas.

**Exhibit 3.2**  
**Key General Fund Revenues**

Revenue Source	Percent Distribution 2007 Budget	Percent Change 2006 Estimate to 2007 Budget
Sales Tax	52.0%	5.1%
Construction-Related Revenue	7.0%	-5.8%
Other Taxes and Audit Revenue	12.0%	-1.4%
Motor Vehicle Revenue	6.0%	4.0%
Intergovernmental Revenue	4.0%	0.7%
Property Tax	10.0%	4.6%
Transfers	2.0%	-8.0%
Other Revenue (including interest)	7.0%	21.4%
<b>Total General Fund</b>	<b>100.0%</b>	<b>4.1%</b>

#### 4. BUDGET OVERVIEW

A total of \$660.1 million in appropriations are approved for all funds, including enterprise and capital funds. This compares with a 2006 estimate of \$580.1 million. The difference between 2006 and 2007 is primarily due to changes in the General Fund, Wastewater Fund, and Water Fund. The 2007 adopted budget is balanced for the General Fund and all other funds.

The General Fund accounts for approximately 38 percent of total appropriations, while another 31 percent of the 2007 budget is dedicated to capital projects in several funds. Nearly 80 percent of this amount (25 percent of the total budget) represents capital costs for Aurora Water. Approximately 31 percent the City's total budget is for operating costs that are not included in the General Fund. Over half of this amount (18 percent of the total budget) represents operating costs for Aurora Water.

#### Capital Projects Fund

The Capital Projects Fund (CPF) provides support for general government capital projects. Appropriations from the CPF will reach \$28.3 million in 2007, with a grand total of \$142.1 million in capital projects is planned between 2007 and 2011. With completion of most of the City's major facilities projects in recent years, the remaining funding in the Capital Projects Fund is primarily dedicated to ongoing street maintenance, reconstruction, and other Public Works projects. Exhibit 8.3 below shows the 2007 allocation of the Capital Projects Fund by department.

City policy had been that the CPF was to receive a transfer equal to 100 percent of all Building Materials and Equipment Use Taxes plus 4.0 percent of all other unrestricted General Fund revenues. The 2006 budget retained the transfer of all Use Taxes, but reduced the transfer of all other General Fund revenues from 4.0 percent to approximately 1.0 percent.

The 2007 budget maintains this reduction in the General Fund portion of the transfer. However, the budget proposes to increase the actual dollar amount of the transfer by a total of \$19.0 million between 2006 and 2011 through a series of transfers from one-time revenues and other sources. A supermajority vote by City Council is required to approve this adjustment.

**Exhibit 8.3**  
**Capital Project Fund Uses**

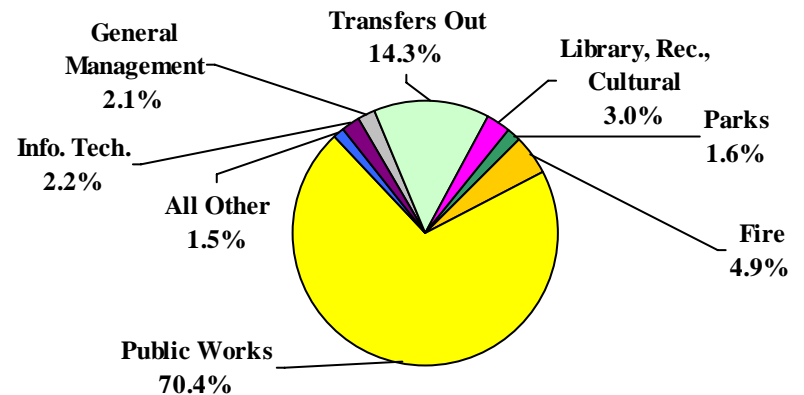


Exhibit 8.2 shows some major capital projects included in the Capital Improvement Plan.

<b>Exhibit 8.2 Selected Major Capital Projects 2007-2011 (All Funds)</b>	
<b>Project</b>	<b>Total Cost</b>
<b>Parks, Open Space, and Recreation Projects:</b>	
Construction - Parks	\$8,774,406
Springhill Park	4,800,000
Beck Recreation Center	3,986,740
Construction – Open Space	2,885,000
Infrastructure - Parks	6,453,000
Infrastructure - Trails	2,975,000
Del Mar Pool Bathhouse and Family Aquatics Center	1,130,871
<b>Aurora Water Projects:</b>	
Prairie Waters Project - Water	\$768,659,892
Storage - Water	133,927,442
Land and Water Acquisition - Water	90,649,509
Storm Water - Wastewater	65,272,284
Transmission and Distribution - Water	65,016,722
Facilities - Wastewater	59,868,702
Facilities - Water	41,428,957
Collection - Wastewater	28,085,135
Operations Projects - Wastewater	35,827,340
Raw Water Operations - Water	33,982,861
Planning and Management - Water	21,764,199
Developer Related Projects - Wastewater	20,969,345
<b>Transportation and Other:</b>	
Street Maintenance, Reconstruction & Improvements	\$67,948,759
Building Repair (Transfer to Building Repair Fund)	9,569,000
Transportation Improvement Program (TIP)	9,974,000
800 MHz radio system debt service (transfer to E-911 Fund)	8,550,000
Traffic Signals - New	7,310,000
South Maintenance Facility	5,244,000
Traffic Signal Replacement	2,150,000
Systems and Network Replacement	1,690,000
Alley Construction - NW Aurora	1,628,000
Fire Station Remodels	1,962,250
Service Line Undergrounding	1,250,000

Exhibit 4.1 summarizes appropriations and past (actual) expenditures for the City's largest funds

<b>Exhibit 4.1 Appropriations Summary by Fund</b>			
<b>Fund</b>	<b>2005 Actual</b>	<b>2006 Projection</b>	<b>2007 Adopted</b>
General Fund	\$220,516,057	\$231,595,804	\$242,628,604
Capital Projects Fund	42,212,196	21,040,829	28,273,604
Community Development Fund	8,893,387	5,750,827	5,341,067
Debt Service Funds	8,537,531	8,483,946	8,316,968
Development Review Fund	10,212,103	10,831,058	12,397,824
Fleet & Print Shop Funds	7,073,817	7,765,317	8,409,164
Golf Courses Fund	14,500,877	10,142,561	10,555,698
Recreation & Cultural Funds	11,251,687	11,519,763	12,332,016
Risk Management Fund	7,945,169	7,970,759	8,633,865
Water Fund	174,823,486	174,798,120	217,455,518
Wastewater Fund	39,315,608	49,352,590	68,002,531
Other Funds	54,264,596	40,821,937	37,727,076
<b>Total Budget</b>	<b>\$599,546,514</b>	<b>\$580,073,511</b>	<b>\$660,073,935</b>

Exhibit 4.2 illustrates the distribution of the City's total appropriations in 2007.

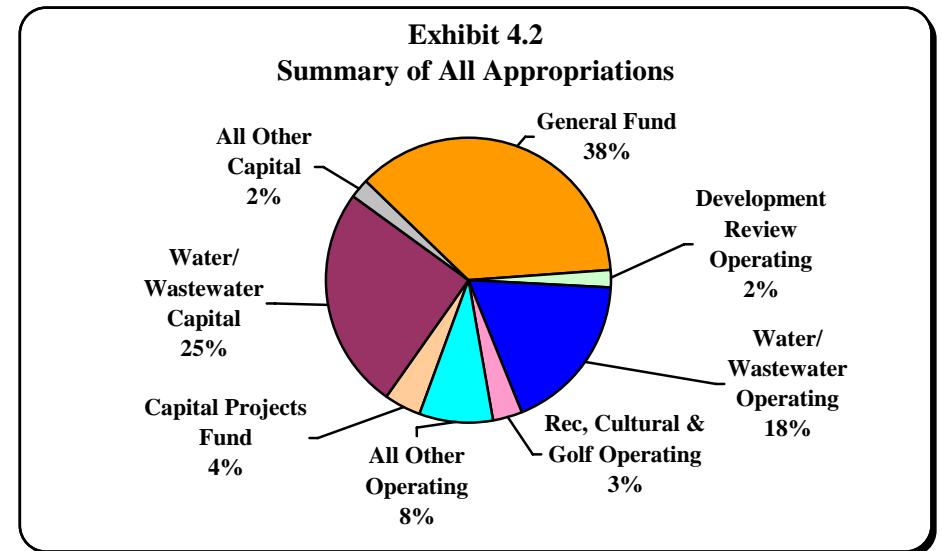


Exhibit 4.3 below details 2007 operating budget appropriations by category. A *category* is a high-level classification of expenditures.

<b>Exhibit 4.3 Operating Appropriations by Category</b>			
<b>Category</b>	<b>2005 Actual</b>	<b>2006 Projection</b>	<b>2007 Adopted</b>
Salaries & Benefits	\$186,190,424	\$196,810,451	\$213,947,059
Supplies & Services	119,649,393	109,628,537	124,164,449
Interfund Charges	11,345,034	12,837,823	14,656,204
Debt Related	36,827,464	34,952,635	43,601,733
Capital Related	3,961,894	7,562,256	10,601,141
Operating Transfers, including transfers to the Capital Fund	49,459,792	49,768,277	44,842,426
<b>Total Operating Expenses</b>	<b>\$407,434,001</b>	<b>\$411,559,979</b>	<b>\$451,813,012</b>

### Base Budget Adjustments

The baseline budget represents the continuation of the current service level, including adjustments for current personnel costs, various mandated cost items, and other technical adjustments. These adjustments reflect changes in the “base budget”. Significant items incorporated into the 2007 base budget include:

- A 3.5 percent pay increase for all career service (non-union) employees, which increases costs by \$3.5 million for all City funds, with the General Fund cost increasing by \$2.0 million;
- A 3.25 percent pay increase for all civil service (fire and police) employees, plus an annual 1.0 percent step increase for eligible civil service employees - this package costs \$3.4 million, all of which is from the General Fund;
- A 15.0 percent increase in planned City contributions for employee health insurance costs – the total increase in funding is \$1.9 million, of which \$1.4 million is from the General Fund;
- Other provisions in the fire and police salary / benefit contracts that add a net total of approximately \$0.2 million to the General Fund budget;
- An increase of \$2.6 million in the budgeted transfer to the Capital Projects Fund (CPF) to account for higher use tax receipts which must be transferred to the CPF; and
- Increases for other “mandated cost items” including risk management, natural gas, electricity, and water rate increases plus fleet fuel and maintenance costs. The total increase included for these items is \$6.7 million, including a \$3.2 million increase in the General Fund.

- Public facilities construction, remodeling, and renovation;
- Street overlay and reconstruction;
- Major water and wastewater infrastructure projects;
- Park land acquisition, development, and improvements;
- Major facilities repair and enhancement;
- Technology improvements and infrastructure;
- Traffic signal installation;
- Sidewalk and ADA improvements;
- Major equipment purchases; and
- Art in Public Places.

The CIP includes appropriations to support approved capital projects for the current budget year and reflects the input received from citizens and staff. It also contains requested appropriations for new projects, additional appropriations for previously approved projects, and any requests to revise prior year appropriations. Capital budget appropriations are multi-year and continue until the project is completed, changed by City Council, or until three fiscal years have elapsed without any expenditure or encumbrance of project funds.

The Capital Improvement Program is balanced, i.e., the budget identifies funding sources for all recommended projects for all five years of the plan. Annual capital appropriations for all City funds will reach \$208.3 million in 2007. Over \$1.6 billion in capital projects are budgeted or planned between 2007 and 2011.

Exhibit 8.1 below summarizes the CIP by fund.

<b>Exhibit 8.1 CIP Summary Expenditures by Fund</b>			
<b>Source</b>	<b>2005 Actual</b>	<b>2006 Projection</b>	<b>2007 Adopted</b>
Building Repair Fund	\$1,830,486	\$2,816,573	\$2,159,751
Capital Projects Fund	42,212,195	21,040,829	28,273,604
Conservation Trust Fund	2,382,000	2,440,194	1,453,000
E- 911 Fund	2,288,981	2,143,105	2,152,989
Golf Fund	206,334	345,000	382,500
Parks Development Fund	750,996	687,834	547,934
Wastewater Fund	11,984,327	17,607,734	29,090,566
Water Fund	114,674,135	108,038,264	137,410,975
Other Funds	15,783,090	13,393,999	6,789,604
<b>Total CIP</b>	<b>\$192,112,544</b>	<b>\$168,513,532</b>	<b>\$208,260,923</b>



In 2007, many of the increases to the other funds reflect increases in personal services costs, fuel costs, and other mandated costs such as insurance premiums as well as several partial cut restorations.

## 7. STAFFING

The City of Aurora's operating budget for 2007 includes 2,848.7 full-time equivalent (FTE) staff positions (excluding temporary positions), up 109.3 from the 2006 projection. The 2007 budget includes restoration of an additional 20.5 positions eliminated by prior year budget reductions. Another 91.3 positions are added to meet various new service needs and a net of 2.5 FTE are eliminated because of technical adjustments or transfers. Exhibit 7.1 below shows a summary of staffing by fund.

**Exhibit 7.1**  
**Staffing Summary by Fund**

<b>Fund</b>	<b>2005 Actual</b>	<b>2006 Projection</b>	<b>2007 Adopted</b>
Abatement Fund	1.0	1.0	1.0
Arapahoe County Open Space Fund	2.8	8.1	16.9
Community Development Fund	29.0	30.3	27.2
Conservation Trust Fund	4.5	4.7	4.9
Cultural Services Fund	18.0	18.0	19.0
Designated Revenues Fund	15.5	28.1	33.1
Development Review Fund	115.9	118.3	119.3
Enhanced E-911 Fund	0.0	5.0	5.0
Fleet Management Fund	40.0	38.3	38.3
General Fund	1980.1	1980.7	2035.5
Gifts and Grants Fund	1.5	0.5	0.5
Golf Courses Fund	56.0	52.0	52.0
Print Shop Fund	4.0	2.5	3.0
Recreation Fund	68.3	67.0	67.0
Risk Management Fund	10.0	10.0	10.0
Wastewater Fund	123.1	134.1	148.1
Water Fund	205.9	240.9	267.9
<b>Total FTE</b>	<b>2,675.5</b>	<b>2,739.4</b>	<b>2,848.7</b>

## 8. CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) provides funding over a five-year period for projects of \$25,000 or more that help the City to provide for its facility and infrastructure needs. All such projects must have a long-term benefit of five years or more. The CIP budget continues the funding of programs for:

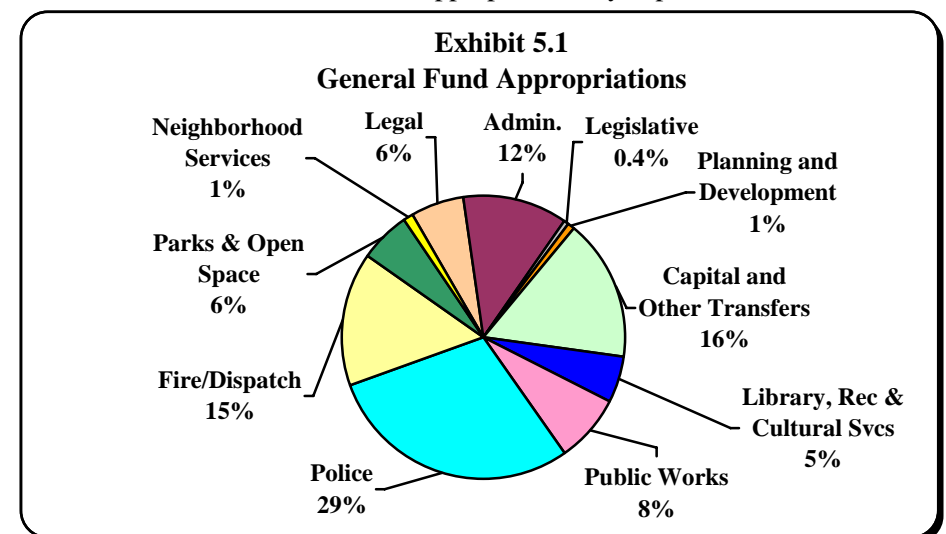
The budget also contains base adjustments to reflect necessary funding for increased costs related to ongoing maintenance contracts, changes in incentive payments, changes in existing debt service, changes in expected gifts and grants, and other non-discretionary funding needs. The net cost of these additional adjustments for all departments and funds (excluding a large technical adjustment in the Community Development Fund) is \$3.6 million, with a net increase of \$1.1 million in the General Fund. The City also incorporates technical adjustments, such as elimination of one-time costs, into the base budget.

## 5. GENERAL FUND

The General Fund (GF) is the primary source of funding for most City operations. Total General Fund appropriations for 2007 are \$242.6 million. Funding for operating costs related to public safety, public works, parks, libraries, and other City services comes primarily from the General Fund. In addition, annual transfers from the General Fund to the Capital Projects Fund provide monies for many of the City's capital needs.

Between 2001 and 2006, the City enacted continuing budget cuts that totaled \$31 million. These reductions remain in effect today. In addition, many other budget adjustments were implemented each year, including numerous one-time spending reductions (such as reducing PC and vehicle replacements), capital project deferrals, furloughs, elimination of funding for pay and benefit increases, and use of \$17 million from one-time reserves. By 2006, a total of 131 FTE were eliminated, with funding for 47 other FTE transferred to non-General Fund sources.

Exhibit 5.1 illustrates General Fund appropriations by department.



As Exhibit 5.1 illustrates, Public Safety functions, including Fire, Dispatch, Police, and the Courts, account for 50 percent of total General Fund appropriations. The next largest share of total General Fund appropriations is for transfers to other funds, primarily the Capital Projects Fund. In addition to the budgeted appropriations, approximately \$131,200 will be used to increase the General Fund operating reserve, bringing total uses to \$242.8 million.

The 2007 adopted budget includes funding designed to address high priority needs. Continued population growth and new development, combined with the impact of the economic downturn from 2002 through 2006 have significantly affected the City's ability to deliver services consistent with the standards and guidelines established for each program. Consequently, the 2007 adopted budget focuses on both maintaining current services and beginning the process of restoring other services throughout the City.

The 2007 adopted General Fund budget includes funding for various mandated costs and other high priority items. These items include:

- \$3.4 million for a 3.25 percent pay increase for all civil service (uniformed fire and police) employees and a 1.0 percent step increase for all eligible civil service employees;
- \$2.0 million for a 3.5 percent average pay increase for career service employees;
- \$1.4 million for increased health insurance costs;
- \$3.2 million for increased fuel, natural gas, insurance, and electricity costs;
- \$2.6 million for an increase in the transfer to the Capital Projects Fund;
- \$2.6 million to increase the number of fleet vehicles replaced in 2006;
- \$1.5 million to fund full-year staffing of Fire Stations #14 and #15;
- \$1.3 million to fund 9.0 additional uniformed police officers, 5.0 support staff, and other operating costs;
- \$1.2 million to provide adequate pay and staff for the Emergency Dispatch Center;
- \$0.7 million for additional street maintenance;
- \$0.7 million for items requested by other Council appointees;
- \$0.6 million for additional Parks and Open Space maintenance;
- \$0.5 million to restore library hours and recreation services; and
- A net of \$0.5 million for all other costs including expanded background checks, transfers to the City's long-term reserves, and additional support staff costs.

## 6. OTHER FUNDS

The City's other funds include the Water and Wastewater funds; the Golf Fund; the Print Shop Fund; the Development Review Fund; and various other internal service and governmental funds. Since many of these funds operate as enterprise or internal service funds, the appropriation adjustments often reflect the need to raise or lower spending in response to changes in the level of demand for various services. Exhibit 6.1 lists the significant changes in the City's other funds in 2007.

<b>Exhibit 6.1 Significant Changes to Other Funds</b>		
<b>Fund</b>	<b>Item</b>	<b>Amount</b>
Arapahoe County Open Space	Funding for 8.75 FTE and four contract positions in administration, maintenance, open space, landscaping, and trails.	\$962,934
Community Development	Each year, the fund is fully appropriated to match the approved federal spending plan. The 2007 Adopted Budget is \$607,335 less than the 2006 Adopted Budget.	5,341,067
Cultural Services	Transfer North Aurora Special Events Coordinator from Community Development Fund, and restore shortfall from 2005 merger of Historic Sites and Aurora History Museum.	112,743
Designated Revenue	Funding for Agencies with a Nexus to Law Enforcement offset through a court surcharge, payment for economic development agencies funded by a transfer from the Development Review Fund, efficiency investment projects in Information Technology, additional Fire programs, additional Visitor's Promotion Advisory Board support in Non-Departmental, 4.0 FTE Forestry maintenance workers, and Arapahoe County Community Park maintenance funded by additional revenue in Parks & Open Space.	1,807,752
Development Review	Transfer for economic development agency funding, 1.0 FTE Socio-economic Analyst and related operating costs, increase in recording fees and permits in General Management, additional training and supplies in Planning, additional overtime in Public Works.	584,283
Fleet Management	New and replacement capital outlay and funding for the maintenance of the two Fleet buildings in General Management.	80,000
Golf Courses	Budget addition for operations to match actual expenditures.	168,444
Recreation	Recreation division equipment replacement, additional Utah Pool natural gas, restoration of Parklane Pool operations, partial restoration of temporary employee hours.	238,002
Wastewater	Funding for 14.0 FTE, increased administrative fee to the General Fund, repair and maintenance of aging infrastructure, and additional operating costs.	4,195,304
Water	Funding for 27.0 FTE, increased administrative fee to the General Fund, additional computers, capital related equipment and vehicles, Griswold and Wemlinger capital adjustments, Wemlinger roof replacement, and additional operating costs.	4,915,016