



City of Aurora  
Office of Budget & Financial Planning  
15151 E. Alameda Parkway, 5th Floor  
Aurora, Colorado 80012  
[budget@auroragov.org](mailto:budget@auroragov.org)

# 2008

## Budget in Brief



Prepared by the Office of Budget and Financial Planning,  
City of Aurora



## 2008 Budget Acknowledgements

### City Council

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

### City Manager's Staff

Ronald S. Miller ..... City Manager  
Nancy Freed..... Deputy City Manager  
Michelle Wolfe..... Deputy City Manager  
Tom Nicholas..... Interim Deputy City Manager

### Office of Budget Team

John Gross ..... Director of Finance  
Gregory Hays ..... Acting Budget Officer  
Katherine Kohn ..... Budget / Finance Programs Coordinator  
Trevor Vaughn..... Budget / Finance Programs Coordinator  
Mary Byer..... Management Analyst  
Amanda Karger..... Management Analyst  
Jackie Ehmann ..... Management Analyst  
Tod Kuntzleman..... Management Analyst  
Kathy Crouch ..... Senior Budget Assistant

### To contact us:

City of Aurora  
Office of Budget & Financial Planning  
15151 E. Alameda Parkway, 5th Floor  
Aurora, Colorado 80012

Telephone: (303) 739-7072  
Fax: (303) 739-7182  
E-mail: [budget@auroragov.org](mailto:budget@auroragov.org)

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, 2007.

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 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

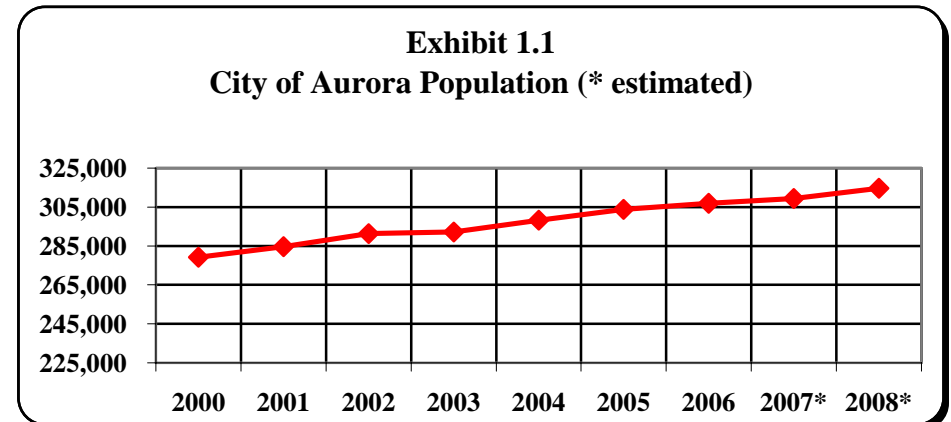
The 2008 Adopted Budget for the City of Aurora is the product of a well-established cooperative process carried out by City staff with the guidance and direction of City Council. The purpose of this document is to provide both summary-level and detailed information on the 2008 budget as adopted by City Council this past fall.

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

<i>Appropriation</i>	Authority to spend budgeted City funds;
<i>Fund</i>	An independent fiscal and accounting entity with a self balancing set of accounts; and
<i>Revenue</i>	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 309,416), 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.



## 2. CITY VISION AND GOALS

The 2008 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 2007 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 near or above the nation throughout the forecast horizon.
- As of March 2006, Colorado *employment* finally recovered all jobs lost during the recession. After four years of job losses, Aurora reported its second consecutive year of positive employment growth in 2006 and foresees steady job growth continuing into future years.
- Metro area *inflation* is expected to slowly 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.
- Local housing construction slowed down significantly in the second half of 2006 and is expected to remain down through 2008.
- Aurora's *population* projections show steady growth through 2012.

## 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 2008 is the 2007 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.

### 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.



In order to offset this decrease, the 2008 adopted budget includes an additional \$2.0 million transfer from the General Fund Operating Reserve. This added amount raises the General Fund portion of the capital transfer to approximately 2.0 percent. A supermajority vote by City Council is required to approve this adjustment. The CPF five-year plan also includes another \$3.9 million in revenue from extension of the Adams County Transportation Tax and \$758,000 in increased revenue from other sources. The combined impact of these adjustments and changes in the timing of some capital projects allows the City to maintain a balanced five-year capital plan that incorporates all the priorities approved in 2007.

## 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

- After three years of lackluster growth and declines, *sales tax* recovered in 2005 and strong growth was seen in 2006 due to new retail and stronger economic conditions. More conservative growth is expected in 2007 and 2008 due to a decrease in new retail openings.
- Aurora's property valuations were reassessed in 2007. Despite the nationwide real estate troubles, property valuations in Aurora are expected to increase resulting in moderate *property tax* receipt growth in 2008.
- After experiencing declines or lackluster growth since 2002, *auto use tax* is seeing strong growth in 2007. This growth is most likely the result of higher consumer demand for new vehicles due to factors such as aging of currently owned vehicles and potentially higher consumer confidence levels in comparison to prior years. Auto use tax collections are expected to level out in 2008.
- *Building materials use tax* and *other (equipment and consumables) use tax*, which is transferred to the Capital Projects Fund, is expected to remain flat or decline in 2007 as construction activity continues to slow and remain at the lower receipt levels through the majority of 2008.

## General Fund Revenues

Revenue growth in 2008 is anticipated to be modest. Consequently, no significant program enhancements are planned. Nonetheless, the budget provides adequate funding to maintain service levels for Public Safety, Parks, Libraries, Recreation, Water, and other City services. Citizens can continue to expect to receive high quality services in all these program areas.

Retail sales remain the backbone of Aurora's General Fund with sales tax alone accounting for over 52 percent of total revenue. Overall, the economy remains active as new retail centers and other businesses continue to locate and expand in Aurora. Several new retail centers have positively affected the City's overall revenue outlook in the past 18 months. However, no major centers are expected to open in 2008 and sales tax will grow more modestly primarily due to higher same store sales.

The continued weakness of the housing market also affects the City's revenues. Construction related revenues have declined by over 28 percent from their historic highs in 2005. Although no further weakening is expected in 2008, this source of revenue will not likely regain these losses for several years.

The net increase in 2008 General Fund revenue, excluding transfers and reserves, is expected to be approximately \$6.5 million (2.8 percent). This follows a projected \$6.7 million (2.9 percent) increase in 2007. The 2007 projection is \$1.4 million below the projection incorporated into the 2007 budget. The decrease is primarily attributable to weakness in construction revenues. This slowdown in revenue growth follows in the wake of two very strong years with a 5.4 percent overall rise in 2006 and a 7.3 percent increase in 2005.

**Exhibit 3.1**  
**Key General Fund Revenues**  
**Percent Change 2007 and 2008**

Revenue Source	2007 Percent Change	2008 Percent Change
Sales Tax	4.5%	3.0%
Construction-Related Revenue	-21.6%	0.4%
Other Taxes and Audit Revenue	1.0%	1.6%
Motor Vehicle Revenue	6.1%	3.6%
Intergovernmental Revenue	-0.9%	-3.6%
Property Tax	4.8%	6.5%
Other Revenue	18.7%	3.2%
<b>Subtotal</b>	<b>2.9%</b>	<b>2.8%</b>
<b>Transfers and Reserves</b>	<b>15.2%</b>	<b>-11.6%</b>
<b>Total with Transfers &amp; Reserves</b>	<b>3.2%</b>	<b>2.4%</b>

#### 4. BUDGET OVERVIEW

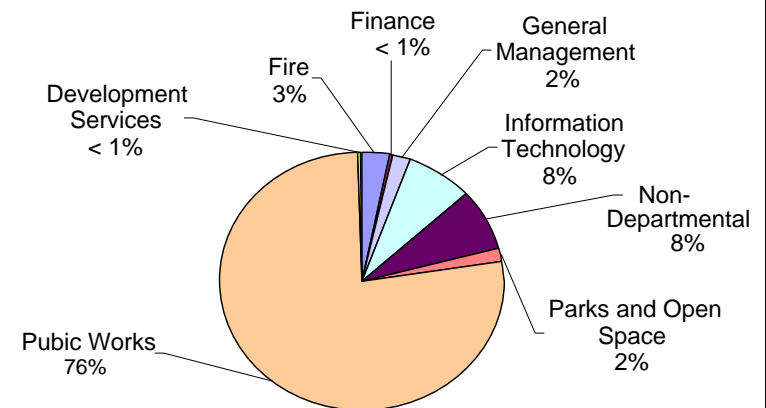
The City's budgeted funds include the General Fund, the Capital Projects Fund, the Water and Wastewater funds, the Recreation and Golf funds, the Development Review Fund, and various other enterprise, internal service, and governmental funds. Appropriations from these funds provide for operating, debt service, and capital costs.

The 2008 budget includes a total of \$870.1 million in appropriations for all funds, including enterprise and capital funds. This compares with a 2007 adjusted budget (estimate) of \$695.6 million, including supplemental amendments for all funds. The difference between 2007 and 2008 is primarily due to changes in the Water Fund. The 2008 budget includes a substantial increase in spending for the Aurora Water capital improvement program. Exhibit 4.1 on the following page summarizes appropriations and past (actual) spending for the City's largest funds.

#### Capital Projects Fund

The Capital Projects Fund (CPF) provides support for general government capital projects. Appropriations from the CPF will reach \$33.7 million in 2008, with a grand total of \$139.6 million in capital projects planned between 2008 and 2012. 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, improvements, and other capital maintenance projects. Exhibit 8.3 shows the 2008-2012 allocation of the Capital Projects Fund by department.

**Exhibit 8.3**  
**2008-2012 Capital Projects Fund Uses**



The Capital Projects Fund historically received a transfer equal to 100 percent of all Building Materials and Equipment Use Taxes plus 4.0 percent of all other General Fund revenues, less revenue from the 0.25 percent sales and use tax dedicated to the 2 per 1,000 program. 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. However, in 2006 City Council also approved one-time transfers to the Capital Projects Fund that raised the total transfer by \$4.9 million. The higher transfer amount was equal to 3.2 percent of General Fund revenues. The 2007 budget maintained the General Fund portion of the transfer at 1.0 percent. However, use tax revenues in 2007 are expected to decline, resulting in a net decrease in the total transfer to the CPF. Because of lower use tax collections, total CPF revenues over the life of the five-year plan are anticipated to be approximately \$9.9 million below the projections used for the 2007 Adopted Budget.

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

<b>Exhibit 8.2</b>	
<b>Selected Major Capital Projects 2008-2012 (All Funds)</b>	
<b>Project</b>	<b>Total Cost</b>
<b>Parks, Open Space, and Recreation Projects:</b>	
Springhill Park	\$5,700,000
Infrastructure - Parks	8,068,000
Construction - Parks	6,684,000
Construction – Open Space	2,460,000
Infrastructure - Trails	1,800,000
<b>Aurora Water Projects:</b>	
Prairie Waters Project - Water	\$512,444,225
Raw Water Projects- Water	112,323,874
Storage - Water	65,401,424
Storm Water Projects- Wastewater	64,041,260
Land and Water Acquisition - Water	59,158,207
Transmission and Distribution - Water	58,124,685
Facilities - Wastewater	53,726,312
Collection - Wastewater	44,954,374
Operations Projects - Wastewater	38,554,815
Facilities - Water	29,550,347
Developer Related Projects - Water	22,969,165
Developer Related Projects - Wastewater	17,557,676
Other Water Resources- Water	17,151,972
<b>Transportation and Other:</b>	
Street Maintenance, Reconstruction & Improvements	\$71,804,270
Building Repair (Transfer to Building Repair Fund)	9,294,000
Transportation Improvement Program (TIP)	8,820,000
800 Mhz radio system debt service (transfer to E-911 Fund)	8,550,000
Traffic Signals - New	7,689,700
New Fire Stations, Remodeling, and Equipment	7,030,000
Traffic Signal Replacement	2,200,000
Systems and Network Replacement	1,720,000
Alley Construction - NW Aurora	1,712,000
Service Line Undergrounding	1,250,000

<b>Exhibit 4.1</b>			
<b>Appropriations Summary: All Funds</b>			
<b>Fund</b>	<b>2006 Actual</b>	<b>2007 Estimate</b>	<b>2008 Adopted</b>
General Fund	\$ 230,924,832	\$ 242,952,560	\$ 248,692,921
Capital Projects Fund	21,188,538	27,567,288	33,687,797
Community Development Fund	5,533,665	5,325,777	4,854,677
Debt Service Funds	8,355,608	8,316,968	8,311,300
Development Review Fund	10,553,700	10,989,851	10,768,399
Fleet & Print Shop Funds	7,706,803	8,588,848	8,936,368
Golf Fund	9,698,461	10,114,798	10,606,809
Recreation & Cultural Funds	11,276,086	12,334,909	12,140,943
Risk Management Fund	5,762,587	8,016,902	8,429,700
Water Fund	160,940,923	266,127,750	406,734,219
Wastewater Fund	48,538,671	61,642,300	81,593,935
Other Funds	40,981,220	33,581,010	35,335,488
<b>TOTAL BUDGET</b>	<b>\$ 561,461,094</b>	<b>\$ 695,558,961</b>	<b>\$ 870,092,556</b>

Exhibit 4.2 illustrates the distribution of the City's total appropriations in 2008.

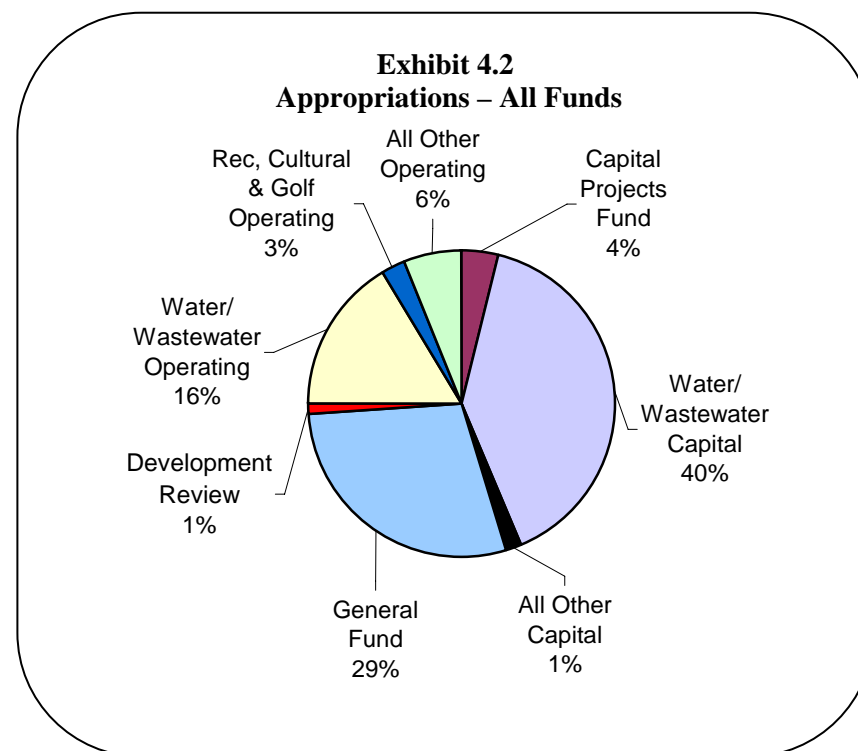


Exhibit 4.3 below details 2008 operating budget appropriations by category. A *category* is a high-level classification of expenditures.

<b>Exhibit 4.3 Operating Appropriations by Category</b>			
<b>Category</b>	<b>2006 Actual</b>	<b>2007 Projection</b>	<b>2008 Adopted</b>
Salaries & Benefits	\$195,018,060	\$207,573,389	\$223,684,722
Supplies & Services	99,491,665	116,100,850	125,948,445
Interfund Charges	12,865,124	14,903,468	16,005,195
Debt Related	37,440,83	37,406,727	61,009,406
Capital Related	5,719,326	9,835,501	6,152,051
Operating Transfers, including Capital Funding	51,356,137	43,187,909	44,095,402
<b>Total Operating Expenses</b>	<b>\$401,891,145</b>	<b>\$429,007,844</b>	<b>\$476,895,221</b>

### Base Budget Adjustments

The 2008 Adopted Budget incorporates changes in ongoing personal services and operating costs. These changes include cost increases that apply citywide as well as other non-discretionary increases. Collectively, these adjustments reflect changes in the “base budget.” The most significant items incorporated into the 2008 base budget include:

- A 3.5 percent pay increase for all career service (non-union) employees, which increases costs by \$3.4 million for all City funds, with the General Fund cost increasing by \$2.0 million;
- A 3.5 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 \$3.2 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;
- A decrease of \$2.7 million in transfers out, primarily due to a \$1.3 million decrease in transfers to Designated Revenue for economic development, a \$0.9 million decrease in the transfer to the Capital Projects Fund, and a \$0.6 million decrease in the transfer to the Policy Reserve Fund; and
- Adjustments for other “mandated cost items” including risk management, natural gas, electricity, and water rate changes plus fleet fuel and maintenance costs. The total adjustment for these items is \$2.8 million, including a \$1.0 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 appropriations for new projects and any requests to revise prior year appropriations. Unlike the operating budget, which authorizes expenditures for only one fiscal year, 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.

There are multiple funds in the City that include at least some expenditures associated with the CIP. The adopted \$1.3 billion, five-year capital improvement program draws from a total of eleven separate funds. The Capital Projects Fund provides for general government infrastructure and facilities, including streets, parks, information systems, and facilities. The Parks and Open Space Department’s capital plan receives the majority of funding from dedicated revenue funds, including the Arapahoe County Open Space Fund and Conservation Trust Fund. The Water and Wastewater Funds include planned five-year capital spending totals in excess of \$1.1 billion. Exhibit 8.1 below summarizes the CIP by fund.

<b>Exhibit 8.1 CIP Summary Expenditures by Fund</b>			
<b>Source</b>	<b>2006 Actual</b>	<b>2007 Projection</b>	<b>2008 Adopted</b>
Building Repair Fund	\$2,816,573	\$2,213,611	\$1,932,586
Capital Projects Fund	21,188,538	27,567,288	33,687,797
Conservation Trust Fund	2,560,444	1,062,319	1,850,717
E- 911 Fund	2,143,105	2,152,978	2,431,492
Golf Fund	345,000	362,500	110,000
Parks Development Fund	687,834	547,934	971,610
Wastewater Fund	18,522,604	26,448,923	41,334,463
Water Fund	97,886,654	197,599,580	305,521,695
Other Funds	13,419,197	8,595,984	5,356,975
<b>Total CIP</b>	<b>\$159,569,949</b>	<b>\$266,551,117</b>	<b>\$393,197,335</b>



In 2008, 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. The largest increase is attributable to \$23.2 million in debt service costs related to the Aurora Water capital program.

## 7. STAFFING

In 2007, the Adopted Budget included 2,848.7 FTE. Primarily due to a revised staffing plan for Aurora Water, the total number of full-time positions for 2007 declined by a net of 12.0 FTE. The 2008 Adopted Budget includes an additional 23.0 FTE to meet various new service needs and 2.0 FTE transferred from one department to another, resulting in a 2008 total FTE count of 2,859.7. Exhibit 7.1 below shows a summary of staffing by fund.

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

<b>Fund</b>	<b>2006 Actual</b>	<b>2007 Projection</b>	<b>2008 Adopted</b>
Abatement Fund	1.00	1.00	2.00
Arapahoe County Open Space Fund	8.10	16.85	16.85
Community Development Fund	30.30	27.20	25.20
Conservation Trust Fund	4.65	4.90	4.90
Cultural Services Fund	18.00	19.00	20.00
Designated Revenues Fund	28.10	33.10	35.10
Development Review Fund	118.25	119.25	119.25
Enhanced E-911 Fund	5.00	5.00	5.00
Fleet Management Fund	38.34	38.34	38.34
General Fund	1,980.68	2,063.53	2,045.53
Gifts and Grants Fund	0.50	0.50	0.50
Golf Courses Fund	52.00	52.00	52.00
Print Shop Fund	2.50	3.00	3.00
Recreation Fund	67.00	67.00	67.00
Risk Management Fund	10.00	10.00	10.00
Wastewater Fund	134.10	144.85	150.35
Water Fund	240.90	258.15	264.65
<b>Total FTE</b>	<b>2,739.42</b>	<b>2,836.67</b>	<b>2,859.67</b>

## 8. CAPITAL IMPROVEMENT PROGRAM

The City of Aurora's five-year Capital Improvement Program (CIP) identifies the capital needs of the City and allocates existing funds and projected revenues for projects of \$25,000 or more. All projects must have a long-term benefit of at least five years. The CIP functions as a capital-spending plan for all five years. The CIP is the funding program for:

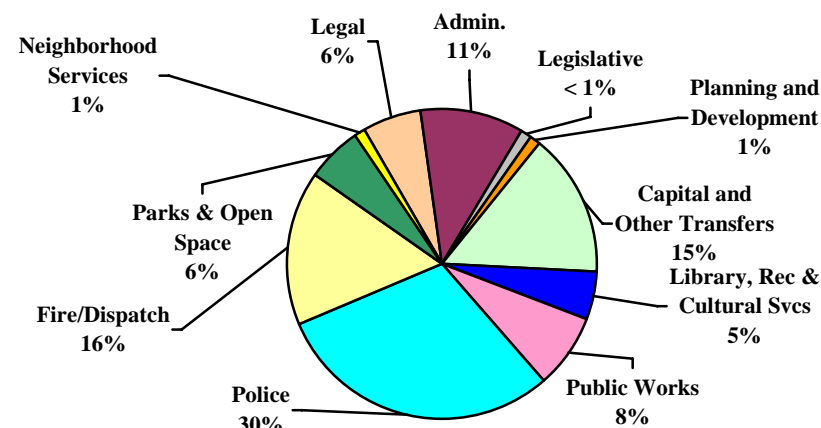
The budget also contains base adjustments to reflect necessary funding for increased costs related to ongoing maintenance contracts, changes in incentive payments, changes in existing debt service, changes in expected gifts and grants, and other non-discretionary funding needs. The net decrease of these additional adjustments for all departments and funds [excluding a large technical adjustment in the Community Development Fund] is \$8.2 million, with a net increase of \$55,800 in the General Fund. A \$5.3 million net decrease in debt costs related to Water and Wastewater funds play the primary role in the decrease. 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. Funding for operating costs related to public safety, transportation, 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.

General Fund appropriations for 2008 total \$248.7 million, an increase of 2.4 percent from the \$243.0 million projection for 2007. Public safety costs continue to drive the largest share of appropriations growth; accounting for the entire net increase in appropriations. The remainder of the budget actually declines by 0.3 percent in 2008, primarily due to the elimination of one-time funding for fleet replacement costs. As Exhibit 5.1 illustrates, Public Safety functions, including Fire, Dispatch, Police, and the Courts account for 52 percent of total General Fund appropriations in 2008. The next largest share of total General Fund appropriations is for transfers to other funds, primarily the Capital Projects Fund.

**Exhibit 5.1**  
**General Fund Appropriations**



The 2008 General Fund budget includes funding for various mandated costs and other high priority items. These items include:

- \$0.3 million to fund 4.0 additional uniformed police officers;
- \$1.0 million for a net increase in mandated costs including various maintenance contracts, fuel, natural gas, risk management, vehicle maintenance, and electricity costs;
- \$3.2 million for a 3.5 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;
- \$1.1 million for a net increase in the transfer to the Capital Projects Fund (a \$2.0 million one-time transfer less \$0.9 million in lower use tax revenue);
- \$0.5 million to fund one additional day of paid work in 2008;
- \$0.3 million for a 0.5 percent new hire pension increase for Police and Fire;
- \$0.2 million for increased subsidy costs in the Recreation and Cultural Funds;
- \$0.2 million for a technical adjustment associated with the transfer of fleet auction proceeds to the Fleet Management Fund; and
- A net decrease of \$4.5 million in all other parts of the budget primarily due to the elimination of one-time fleet replacement funding, implementation of a half-percent efficiency factor, reduced economic incentive costs, and savings in other transfers.

Even with these additional appropriations, funding for City services will remain at current levels and numerous service enhancements and other needs will remain unfunded. Among these unfunded needs is approximately \$700,000 requested by the Council Appointees for the opening of the Division V Courtroom and other added costs. The budget also does not include funding for additional library hours, police equipment and program support, increased fire overtime costs, street maintenance cost increases, or expanded snow removal. In total, these items and other high priority requests would add \$7.2 million to the 2008 budget. Given modest growth in City revenues, funding for these items will require additional revenue enhancements or budget reductions in other City programs.

## 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 2008.

<b>Exhibit 6.1 Significant Adjustments to Other Operating Funds</b>		
<b>Fund</b>	<b>Item</b>	<b>Amount</b>
Abatement	Convert 1.0 FTE Code Enforcement Officer from the Community Development Fund, mobile data computer maintenance costs, two contract Code Enforcement Officers and related equipment	\$264,000
Community Development	Full appropriation to match federal spending plan, convert 1.0 FTE Code Enforcement Officer to the Abatement Fund, add commensurate funding to Rehabilitation Budget	4,854,677
Cultural Services	Creation of 1.0 FTE Historic Preservation Services Coordinator, decrease of expenditures to reflect grant expectations	(74,627)
Designated Revenues	Add 1.0 FTE Finance Treasury Analyst in Debt Management offset by additional debt issuance revenue, convert 1.0 FTE Communications Master Control Specialist in General Management, increase Police training appropriation, increase for Adams County Economic Development	94,590
Development Review	Remove discretionary employees and reduce appropriations based on expected attrition in these departments	(2,599,782)
Emergency Contingency	Transfer of expected interest earnings to General Fund	38,378
Enhanced E-911	Positron maintenance support	14,800
Fleet Management	Transfer of vehicle auction proceeds to General Fund	125,000
Golf Courses	Budget addition for operations to match actual expenditures plus USGA Amateur Links Championship at Murphy Creek Golf Course	196,501
Policy Reserve	Transfer of fund balance to General Fund	293,000
Recreation	Adjustments to more accurately reflect revenue and spending expectations	(226,981)
Wastewater	Funding for 6.0 FTE, increased costs for sanitary sewer treatment services, and additional operating costs	2,809,450
Water	2008 debt service payment for 2007 Water Improvement Revenue Bonds, increased legal fees, funding for 6.0 FTE, and additional operating costs	28,208,452