

2009

Budget in Brief



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



2009 BUDGET ACKNOWLEDGEMENTS

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Bob FitzGerald.....	Mayor Pro-Tem and At-Large
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Renie Peterson.....	Ward II
Larry Beer.....	Ward III
Molly Markert.....	Ward IV
Sue Sandstrom.....	Ward V
Bob Broom.....	Ward VI
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Steve Hogan.....	At-Large
Brad Pierce.....	At-Large

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INTRODUCTION

The 2009 Adopted Budget for the City of Aurora is the product of the 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 2009 budget as adopted by City Council in the fall of 2008.

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

Appropriation. Authority to spend budget City funds;

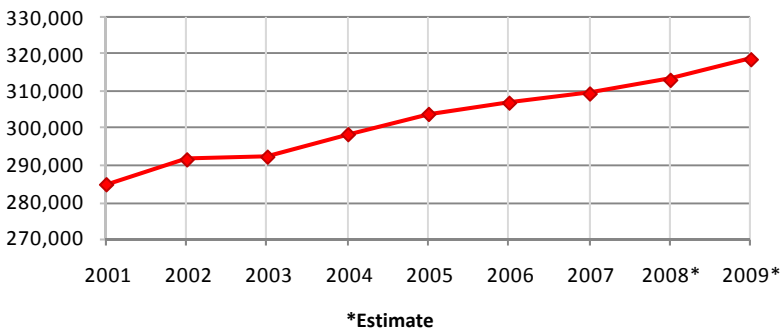
Fund. An independent fiscal and accounting entity with a self balancing set of accounts;

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

1. PROFILE OF AURORA

Aurora is the third largest city in the State of Colorado (2008 est. population 313,144) and is one of the most dynamic cities in the Denver-Aurora metropolitan area. The City is structured on a council/manager form of government. This system combines the political leadership of elected officials with the managerial expertise of an appointed, professionally trained manager. Aurora operates as a “home rule” city, allowing the City to draft and amend its own

Exhibit 1.1
City of Aurora Population



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, and represent the entire City.

2. CITY VISION AND GOALS

The 2009 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 2008 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. Ensure that every child and young person in Aurora will have access to the fundamental resources she or he needs to succeed, known as the five promises of the America's Promise Initiative.
7. Implement a vision for growth and the effective delivery of services to stakeholders;
8. Provide an excellent water management and utility system;
9. Serve as leaders to shape policy that benefits the Aurora community; and
10. Support effective efforts to integrate/orient an increasingly diverse community.

References to these goals and to specific activities that support these goals are included throughout the budget document.

3. AURORA'S ECONOMIC AND REVENUE OUTLOOK

Economic Outlook

- *Personal income growth* in Colorado and Metro Denver is expected to remain above the nation throughout the forecast horizon.

- After three years of job losses, Aurora reported its third consecutive year of positive *employment growth* in 2007. Slow job growth is expected for 2008 and 2009 followed by increases near or above 2007 levels in future years.
- Although Metro area *inflation* is expected to increase in 2008 and 2009 driven by increasing energy prices, it will remain under the national rate. Metro area inflation for 2010 and beyond will stay near 2008 levels. Nationally, declines in housing costs are assumed to offset increases expected from likely actions by the Federal Reserve and any continued volatility in the energy market.
- Local *housing construction* slowed down significantly in the second half of 2006 and is expected to remain down through the first half of 2009.
- Aurora's *population* projections show steady growth through 2013.

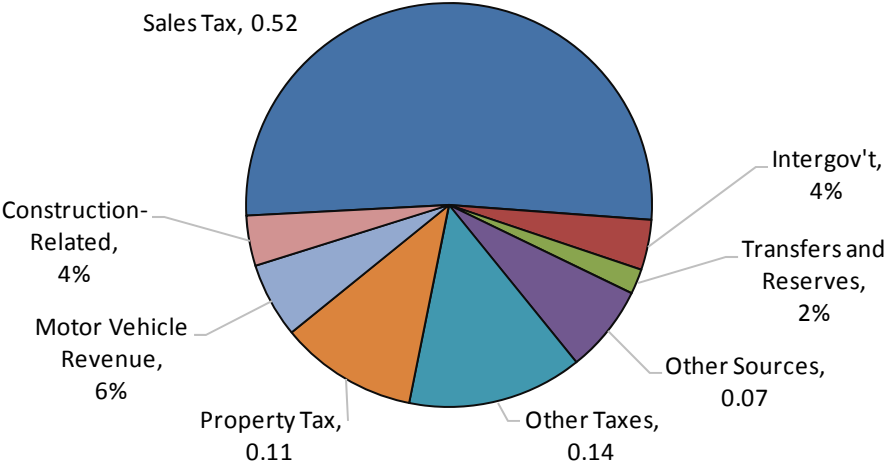
Revenue Outlook

- After three years of lackluster growth and declines, *sales tax* recovered in 2005 followed by strong growth in 2006 from new retail and stronger economic conditions. 2007 concluded with more conservative growth stemming from no major new retail openings and weakening economic conditions as revenue trends towards the minimal growth projected for 2008. Slightly increased growth is expected in 2009 resulting from the opening of a new major retail center and recovering economic conditions in late 2009.
- Aurora's property valuations were reassessed in 2007 generating strong *property tax* receipts in 2008 and a stable growth projection for 2009. Record numbers of foreclosures over 2007 and 2008 will result in a decline in property valuations in Aurora, though less than the decline projected nationally. Consequently, the 2009 valuation reassessment is expected to produce a decline in property tax receipts in 2010.
- Increases in natural gas and electric rates increased *franchise fees and taxes* in 2008. A slightly more modest rate of increase is projected for 2009.
- After experiencing low or declining rates of growth since 2002, *auto use tax* collections finished strong in 2007. In contrast, auto use tax collections are projected to decline in 2008 due to unprecedented increases in fuel prices and weakening economic conditions. The assumed economic recovery drives projected growth in auto use tax collections for 2009.
- *Building materials use tax and other (equipment and consumables) use tax*, which are transferred to the Capital Projects Fund, declined in 2007. Collections are projected to decline significantly in 2008 as construction activity continues to slow and then is expected to remain relatively flat through mid-2009 with increasing collections for the second half of the year.

General Fund Revenues

Total General Fund revenue has shown a decrease from 2007 through the first half of 2008. Through June, total revenue (excluding transfers) was 2.4 percent (\$2.9 million) under 2007. For the remainder of 2008, a similar trend is projected, resulting in a projected decrease of 1.9 percent (\$4.5 million) compared to 2007. Several of the City’s revenue streams are expected to finish the year under 2007 with the most significant decline in building materials use tax. Growth in primarily sales tax, property tax, and franchise fees is projected to partially cover the weaknesses anticipated in other revenue streams. Exhibit 3.1 illustrates the distribution of revenue source within the General Fund.

Exhibit 3.1
General Fund Revenue
Total Revenue: \$246.4 million



The forecast for 2010 through 2013 suggests conservative growth. In 2009, the General Fund is projected to grow by 4.4 percent, which is less than the 5.1 percent average rate of General Fund growth for the twenty years spanning from 1988 through 2007. A mid-2009 economic turn around is expected to generate growth in building materials use tax and sales tax. Franchise fees are expected to increase resulting from a continuing, yet more moderate rise in energy costs and property tax collections are expected to remain strong as their basis is the existing reassessment plus an increase in base properties. Exhibit 3.2 provides a summary of anticipated growth in all General Fund revenue components.

Exhibit 3.2
Key General Fund Revenues (Projected)
Percent Change 2008 and 2009

Revenue Source	2008 Percent Change	2009 Percent Change
Sales Tax	0.0%	0.0%
Construction-Related Revenue	0.0%	0.0%
Other Taxes and Audit Revenue	1.1%	4.6%
Motor Vehicle Revenue	-4.1%	2.7%
Intergovernmental Revenue	0.0%	0.0%
Property Tax	0.0%	0.0%
Other Revenue	0.0%	0.0%
Subtotal	0.0%	0.0%
Transfers and Reserves	14.0%	-30.4%
Total with Transfers and Reserves	-1.5%	3.4%

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 2009 budget includes a total of \$833.6 million in appropriations for all funds, including enterprise and capital funds. This compares with a 2008 adjusted budget (estimate) of \$755.1 million, including supplemental amendments for all funds. The difference between 2008 and 2009 is primarily due to changes in the Wastewater and Water Funds. The 2009 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.

Exhibit 4.1
Appropriations Summary - All Funds

Fund	2007 Actual	2008 Estimate	2009 Adopted
General Fund	\$ 241,879,623	\$ 238,357,996	\$ 246,400,600
Capital Projects Fund	27,560,385	30,015,318	24,406,750
Community Development Fund	5,029,960	4,527,874	4,305,915
Debt Service Funds	8,515,054	8,378,215	8,600,853
Development Review Fund	10,880,902	10,282,957	9,448,371
Fleet and Print Shop Funds	8,564,133	9,532,585	10,305,862
Golf Fund	10,162,593	10,089,625	10,082,278
Recreation and Cultural Funds	17,059,746	12,149,515	12,229,111
Risk Management Fund	6,074,794	8,120,528	11,741,640
Water Fund	276,562,094	336,467,423	381,513,874
Wastewater Fund	60,252,633	51,271,487	77,303,924
Other Funds	27,448,468	35,924,720	37,273,534
Total Budget	\$ 699,990,385	\$ 755,118,243	\$ 833,612,712

Exhibit 4.2 illustrates the distribution of the City’s total appropriations in 2009.

Exhibit 4.2
Appropriations—All Funds

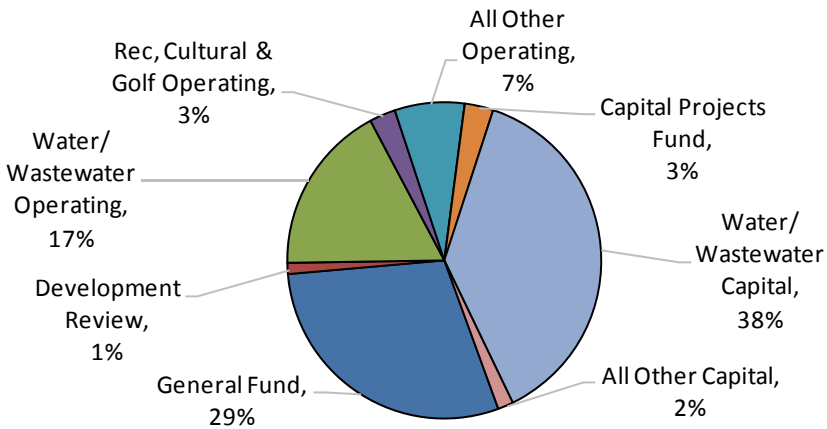


Exhibit 4.3 details 2009 operating budget appropriations by category. A *category* is a high-level classification of expenditures.

Exhibit 4.3
Operating Appropriations by Category

Category		2007 Actual		2008 Projection		2009 Adopted
Salaries and Benefits	\$	207,501,157	\$	218,979,440	\$	227,509,400
Supplies and Services		106,605,125		120,331,480		131,672,788
Interfund Charges		14,690,847		15,981,803		17,063,547
Debt Related		53,215,323		60,822,147		58,392,430
Capital Related		9,385,443		3,652,864		2,750,592
Operating Transfers, including Capital Funding		43,212,827		37,919,060		44,936,147
Total Budget	\$	434,610,722	\$	457,686,794	\$	482,324,904

Base Budget Adjustments

The 2009 Adopted Budget incorporates changes in ongoing personal services and operating costs. These changes include cost increases that apply citywide as well as other nondiscretionary increases. Collectively, these adjustments reflect changes in the “base budget.” The most significant items incorporated into the 2009 base budget include:

- A 2.0 percent pay increase for all career service (non-union) employees, which increases costs by \$2.1 million for all City funds, with the General Fund cost increasing by \$1.3 million;
- A 2.0 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 \$2.0 million, all of which is from the General Fund;
- A 5.0 percent increase in planned City contributions, and other employee plan changes for employee health insurance costs – the total increase in funding is \$2.0 million, of which \$1.8 million is from the General Fund;
- A net decrease of \$4.4 million in transfers out including:
 - A decrease of \$3.8 million in the General Fund due to a decrease in the transfer to the Capital Projects Fund;
 - An increase in the transfers to Recreation and Cultural Services Funds of \$325,900 for subsidy increases from the General Fund were offset by decreases in transfers to the Fleet Fund of \$210,000 for decreased auction proceeds and a decrease of \$61,700 to the Designated Revenues Fund for incentives; and
 - A decrease from the removal of a 2008 onetime transfer from the Policy Reserve Fund to the General Fund of \$293,000.

- 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 \$3.2 million, including a \$2.2 million increase in the General Fund.

The budget also contains base adjustments to reflect necessary funding for increased costs related to ongoing maintenance contracts, 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 \$2.9 million, with a net increase of \$2,800 in the General Fund. Debt costs related to the Water fund plays 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 related to public safety, transportation, parks, libraries, and other City services comes primarily from the General Fund. In addition, annual transfer from the General Fund to the Capital Project Fund provide monies for many of the City’s capital needs.

General Fund appropriations for 2009 total \$246,400,600, a modest increase of 3.4 percent from the \$238.4 million expenditure projection for 2008. The seriousness of the budget situation is reflected by the fact that the 2009 General Fund appropriations are \$2.3 million less than the 2008 original budget of \$248.7 million. Public safety costs are the largest share of appropriation increases. As Exhibit 5.1 illustrates, Public Safety functions, including Fire, Dispatch, Police, and the Courts account for 54 percent of total General Fund appropriations in 2009. In comparison, Public Safety functions accounted for 52 percent of the 2008 original budget. The next single largest share of total General Fund appropriations is for transfers to other funds, primarily the Capital Projects Fund.

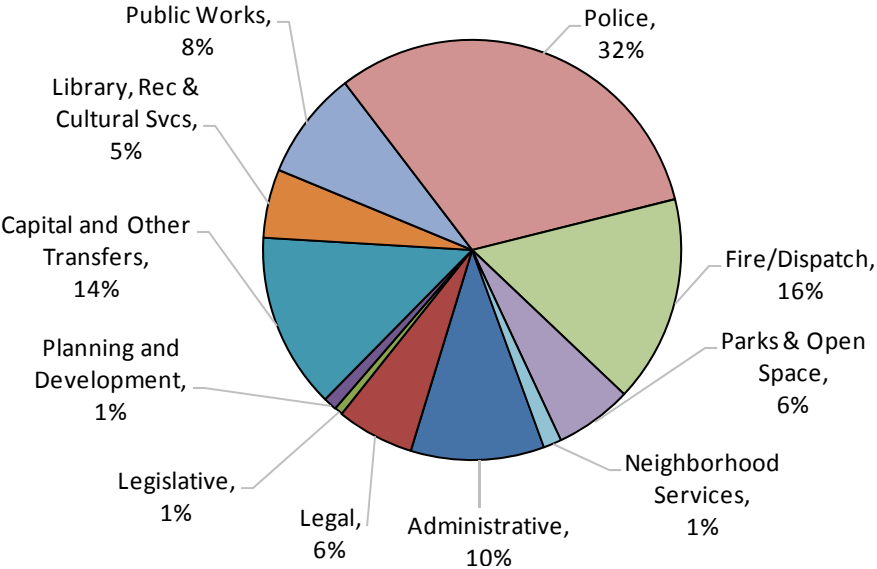
The 2009 General Fund budget includes funding for various mandated costs and other high priority items. These items include:

- \$0.6 million for 8.0 additional uniformed police officers to maintain 2 per 1,000 staffing;
- \$2.3 million for a net increase in required costs including various maintenance contracts, fuel, natural gas, vehicle maintenance, and electricity costs;

- \$2.0 million for a 2.0 percent pay increase and step/grade increases, net of reclass savings for all civil service (uniformed fire and police) employees;
- \$1.3 million for a 2.0 percent average pay increase for eligible service employees;

In addition to these adjustments, approximately \$132,800 in new revenue and \$2.2 million in transfers from other funds, including a \$1,000,000 transfer from the Risk Management Fund and a \$766,400 transfer from the E-911 Fund has helped to balance the budget.

Exhibit 5.1
General Fund Appropriations



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 increase or decrease spending in response to changes in the level of demand for various services. Exhibit 6.1 on the following pages lists the significant amendments in the City’s other funds in 2009.

Exhibit 6.1
Significant Adjustments to Other Operating Funds

Fund	Item	Amount
Abatement Fund	Transfer 1.0 Code Enforcement Inspectors from the General Fund to the Abatement Fund	\$ 59,432
Arapahoe Co. Open Space Fund	Funding for 20 new miles of trails and 61 new acres, equipment replacement, and noxious weed management	379,300
Building Repair Fund	Transfer of funds available to General Fund	18,209
Community Development Fund	Full appropriation to match approved federal spending plan, convert 1.0 Code Enforcement Officer from the General Fund to the Community Development Fund	4,305,915
Cultural Services Fund	Eliminate 1.0 North Aurora Special Events Assistant (offset by corresponding revenue reduction of \$61,544), absorb portion of cost for Grants Officer position	(46,544)
Debt Service (GO) Fund	One-time transfer from the City Debt Service Fund to the Capital Projects Fund	124,000
Designated Revenues Fund	Increase costs for investment research services, transfer of IYSO related expenses and 0.25 Recreation Supervisor from Recreation Fund to Designated Revenue Fund, add Financial Advisor retainer fee (fully offset by \$50,000 revenue from bond proceeds), increase Arapahoe County intergovernmental agreement expense (partially offset by \$6,694 in revenue), transfer of 4.0 TV Service positions from the Designated Revenue Fund to the General Fund, remove payment and offsetting transfer for ACED/AEDC/NABA, transfer of Restricted Breed Program supervisory expenses and decrease in Restricted Breed Program revenue, decrease the transfer in from Visitor's Promotion Advisory Board by \$85,425	(445,925)
Development Review Fund	Eliminate 17.0 vacant and 2.0 filled positions in Development Services; eliminate 8.05 vacant positions and 2.0 filled positions in Planning; eliminate 3.0 vacant positions in Public Works; eliminate 1.0 vacant position in General Management; transfer 1.0 Urban Renewal position from Development Review Fund to General Fund; move funding support of ACED/AEDC/NABA from the Development Review Fund to the General Fund	(2,855,382)
E-911 Fund	Use fund balance for Public Safety Communications	766,400
Fleet Management Fund	Add to replace fuel dispensers funded by fund balance, eliminate 1.0 Fleet Maintenance Specialist, eliminate Temporary Parts Driver, reduce outsourced services, transfer of funds available from Fleet Management Fund to the General Fund	32,000

Exhibit 6.1
Significant Adjustments to Other Operating Funds (con.)

Fund	Item	Amount
Gifts and Grants Fund	Due to additional anticipated revenue of \$15,600 in the Gifts and Grants Fund for preschool programs, the same amount of additional related expenses are being transferred from the Recreation Fund to the Gifts and Grants Fund	15,600
Golf Courses Fund	Restructure debt service for Aurora Hills Irrigation and Murphy Creek/Sewer Fund loans; increase appropriation for salary, equipment repair and replacement, and utility increases	(244,083)
Policy Reserve Fund	Transfer of funds available to General Fund	150,000
Print Shop Fund	Lease of high volume, high speed digital color and black and white copiers partially offset by a \$70,356 increase in revenue and a reduction in maintenance costs and overtime	103,553
Recreation Fund	Reduce teen night programs, reduce temporary employees, eliminate touch-tone registration, transfer of IYSO related expenses from the Recreation to the Designated Revenue Fund, transfer of preschool revenue and related expenses from the Recreation Fund to the Gifts and Grants Fund. The service reductions will be offset by equal revenue reductions (decrease in subsidy from the General Fund)	(190,578)
Risk Management Fund	One-time transfer from the Risk Management Fund to the Capital Projects Fund, one-time transfer from the Risk Management Fund to the General Fund, one-time transfer from the Risk Management Fund to the Designated Revenue Fund for the Green Fund loan	3,492,680
Surplus and Deficiency Fund	Charges for financing and Neighborhood Liaison assistance of Fence Program, one-time transfer from the Surplus and Deficiency Fund to the Capital Projects Fund	240,000
Wastewater Fund	Funding for 3.0 new positions, increased costs for sanitary sewer treatment services, closed circuit television installation, facility repair and maintenance, and additional operating costs	4,053,817
Water Fund	Funding for net 8.0 positions, new Lower Arkansas Valley intergovernmental agreement, and additional operating costs reduction in outside legal services, consulting services, and professional services; restructure of rebate program	2,010,875
TOTAL AMENDMENTS		\$ 11,969,269

Use of Fund Balance

For 2009, \$128.7 million of the total fund balance of \$321.2 million (40.0 per-cent) is expected to be drawn down, primarily due to capital spending. Of the 27 funds tracked by the City, 19 have planned draw-downs of fund balance, and only four are expected to increase fund balance in 2009. Of the \$128.7 million that is expected to be drawn down, \$117.4 million (91.2 percent) is associated with capital spending in the Water and Wastewater Funds, including the Prairie Waters Project. Exhibit 6.2 shows the significant uses of fund balances in 2009.

Exhibit 6.2

Projected Fund Balance Usage

Fund	Fund Balance Use (in millions)	Anticipated Uses
Water	\$92.1	Planned draw-down of funds available for continued construction of the Prairie Waters Project
Wastewater	\$25.3	Funds available decrease due to draw-down of reserves from bond proceeds received in 2006 for multiple capital projects
Capital Projects	\$3.7	Draw-down of funds available for capital projects, including partial renovation of the South Maintenance Facility, fire station remodels, Stapleton Road connections, and security system expansion for the municipal center
Risk Management	\$3.5	Transfers of funds available of \$1.5 million for Capital Projects Fund balancing, \$1.0 million for a loan to create the Green Fund, \$1.0 million for onetime uses in the General Fund
Arapahoe County Open Space	\$1.2	Increased spending for capital projects including Springhill Park
Enhanced E-911	\$1.2	Funds available of \$0.8 million are used for Public Safety Communications expenditures. Capital appropriations are also increased for an E-911 answering system upgrade
Development Review	\$1.1	Funds available continue to decrease due to lower revenues
All Other Funds	\$0.6	
Total Fund Balance Use	\$128.7	

7. STAFFING

The adopted 2009 budget eliminates 55 FTE in all funds. The General Fund decreases a net of 29.2 FTE. The Development Review Fund eliminates 33.1 FTE. The Recreation Fund, Cultural Services Fund, and Fleet Fund decreases 2.3 FTE. None of the FTE eliminations are filled positions. A net of 2.3 FTE are transferred from the General Fund to other funds. Aurora Water has added a net of 11 positions primarily for the Prairie Waters Project. Exhibit 7.1 provides fund detail on the staffing changes.

Exhibit 7.1
Staffing Summary by Fund

Fund	2007 Actual	2008 Projection	2009 Adopted
Abatement Fund	1.00	3.00	4.00
Arapahoe County Open Space Fund	16.85	17.95	17.95
Community Development Fund	27.20	25.20	26.20
Conservation Trust Fund	4.90	4.90	4.90
Cultural Services Fund	19.00	20.00	19.00
Designated Revenues Fund	33.10	35.50	32.00
Development Review Fund	119.25	119.25	86.20
Enhanced E-911 Fund	5.00	5.00	5.00
Fleet Management Fund	38.34	38.34	37.34
General Fund	2,037.53	2,044.03	2,014.83
Gifts and Grants Fund	0.50	0.50	0.50
Golf Courses Fund	52.00	52.00	52.00
Print Shop Fund	3.00	3.00	3.00
Recreation Fund	67.00	67.00	66.75
Risk Management Fund	10.00	10.00	10.00
Wastewater Fund	144.35	152.70	155.70
Water Fund	258.65	262.30	270.30
Total FTE	2,837.67	2,860.67	2,805.67

City departments continue to improve operational efficiency through various cost savings measures, continued workload evaluation, improved technology, and effective organizational management. The City is projected to have 8.92 FTE per 1,000 population in 2009. This compares to a projected 9.25 FTE per 1,000 in 2008 and actual 9.24 in 2007. Using the most recent comparative data

available (2007), the City of Aurora was approximately 22 percent lower than the average for other regional municipalities, as can be seen in Exhibit 7.2.

Exhibit 7.2	
Employees Per 1,000 Population (2007)	
Jurisdiction	FTE/1,000 Population
Denver, CO*	23.29
Englewood, CO	18.10
Loveland, CO	13.47
Casper, WY	12.59
Westminster, CO	12.36
Golden, CO	11.58
Longmont, CO	11.27
Aurora, CO	9.24
Colorado Springs, CO	8.07
Larimer County, CO	5.87
Windsor, CO	4.89
Average	11.88

*2007 data not available; most recent data used

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:

- Public facilities construction, remodeling, and renovation;
- Street overlay and reconstruction;
- Major water and wastewater infrastructure projects;
- Park land acquisition, development, and improvements;
- Major facilities and 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 project and 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 expenditure with the CIP. The adopted \$910.3 million, five-year capital improvement program draws from a total of 11 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 its 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 \$726.8 million. Exhibit 8.1 below summarizes the CIP by fund.

Exhibit 8.1				
CIP Summary Expenditures by Fund				
Source	2007		2008	
	Actual		Projection	
			Adopted	
Building Repair Fund	\$	2,213,612	\$	1,932,586
			\$	1,905,591
Capital Projects Fund		27,560,385		30,015,318
				24,406,750
Conservation Trust Fund		1,062,319		1,256,843
				2,765,722
Enhanced E-911 Fund		2,152,978		2,431,492
				2,816,682
Golf Courses Fund		382,500		110,000
				130,000
Parks Development Fund		547,934		1,702,505
				851,039
Wastewater Fund		26,077,290		10,193,941
				32,098,098
Water Fund		197,486,872		241,416,590
				281,627,576
Other Funds		-		-
				-
Total CIP	\$	257,483,890	\$	289,059,275
			\$	346,601,458

Exhibit 8.2 on the following page shows some major capital projects included in the 2009-2013 Capital Improvement Plan.

Exhibit 8.2
Selected Major Capital Projects 2009-2013 (All Funds)

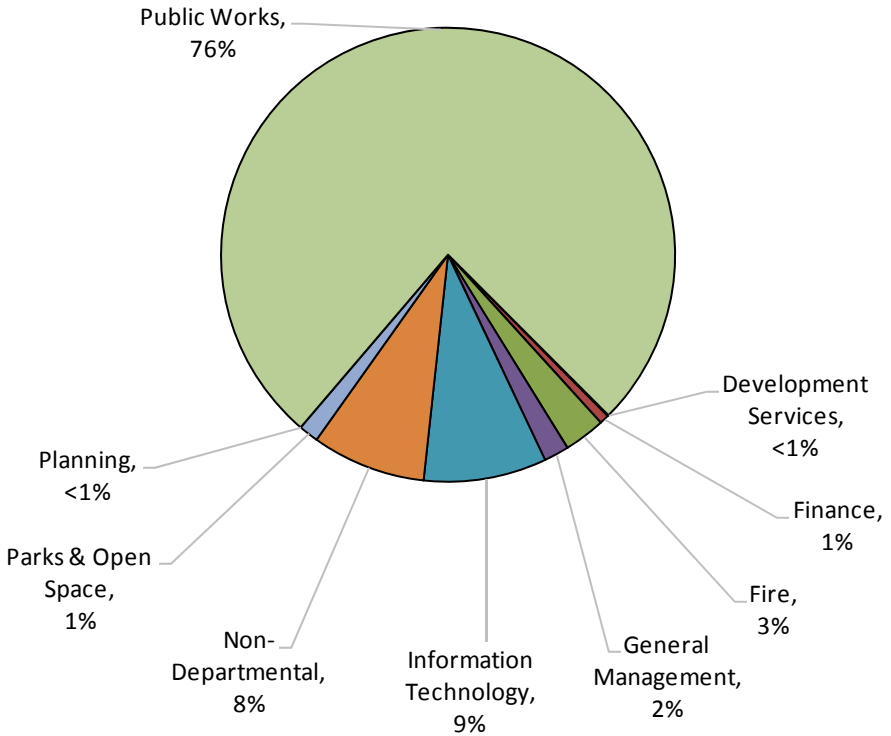
Project	Total Cost (in millions)	Percent of Total
Street Maintenance, Reconstruction, and Improvements	\$71.9	58.3%
Transfer to Building Repair Fund	\$9.3	7.5%
800 MHz Radio System Debt Service (transfer to E-911 Fund)	\$8.6	7.0%
Traffic Signals - New	\$7.5	6.1%
Direct Costs - Public Works Design and Engineering	\$5.6	4.5%
New Fire Stations, Remodeling, and Equipment	\$3.6	2.9%
Transportation Improvement Program (TIP)	\$2.6	2.1%
Traffic Signal Replacement	\$2.3	1.9%
Direct Costs - Purchasing Services	\$2.1	1.7%
Systems and Network Replacement	\$1.8	1.5%
Maintenance Facilities	\$1.1	0.9%

Capital Projects Fund

The Capital Projects Fund (CPF) provides support for general government capital projects. Appropriations from the CPF will reach \$24.4 million in 2009, with a grand total of \$123.4 million in capital projects planned between 2009 and 2013. 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 2009-2013 allocation of the Capital Projects Fund by department.

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. Subsequent Council decisions reduced the transfer by about \$6 million each year into the indefinite future. For 2009, approximately 73.5 percent of Capital Projects Fund revenue is from the General Fund. Additional revenues are composed of intergovernmental revenue from the

Exhibit 8.3
2009-2013 Capital Projects Fund Uses



Adams County Transportation Tax, Transportation Improvement Project grants, interest income, and other miscellaneous revenues. In 2009, the anticipated sources of funding for the Capital Projects Fund total \$20.7 million. Due to a significant drop in use taxes, the five-year outlook for CPF funding sources was reduced by over \$15 million over the 2008-2012 period. This reduction was accommodated through over \$13 million in project cuts or reductions, and \$2.4 million in onetime revenue increases. As a result of this effort, the five-year plan for the CPF is balanced.

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' Water Advisory Committee (CWAC).

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 2009 is the 2008 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 Appoint-

ees 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 that 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.

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. A calendar of the budget process can be found on the below.

January-May

- Final revenues and expenditures for the previous year are analyzed;
- First quarter review of current expenditures and revenues;
- Appropriation amendments are requested and the spring supplemental ordinance is presented;
- Goals and priorities for the next budget year are defined;

- City Council meets with departments to discuss budget issues and other 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Colorado**

For the Fiscal Year Beginning

January 1, 2008

Charles S. Cox

President

Jeffrey R. Emery

Executive Director

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, 2008.

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. The 2009 budget continues to conform to, and in many cases exceed, program requirements, and will be submitted to GFOA to determine its eligibility for another award.



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