

# CITY OF AURORA



## 2010

### Budget in Brief

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

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## 2010 BUDGET ACKNOWLEDGEMENTS

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### City Council

Edward J. Tauer.....Mayor  
Bob FitzGerald.....Mayor Pro-Tem and At-Large  
Deborah Wallace.....Ward I (outgoing)  
Melissa Miller.....Ward I (incoming)  
Renie Peterson.....Ward II  
Larry Beer.....Ward III (outgoing)  
Marsha Berzins.....Ward III (incoming)  
Molly Markert.....Ward IV  
Sue Sandstrom.....Ward V  
Bob Broom.....Ward VI  
Ryan Frazier .....At-Large  
Steve Hogan.....At-Large (outgoing)  
Barbara Cleland.....At-Large (incoming)  
Brad Pierce.....At-Large

### City Manager's Staff

Ronald S. Miller.....City Manager  
Nancy Freed.....Deputy City Manager  
Tom Nicholas.....Deputy City Manager  
Michelle Wolfe.....Deputy City Manager  
Janice Napper.....Assistant City Manager

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## INTRODUCTION

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The 2010 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 2010 budget as adopted by City Council in the fall of 2009.

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.** 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.

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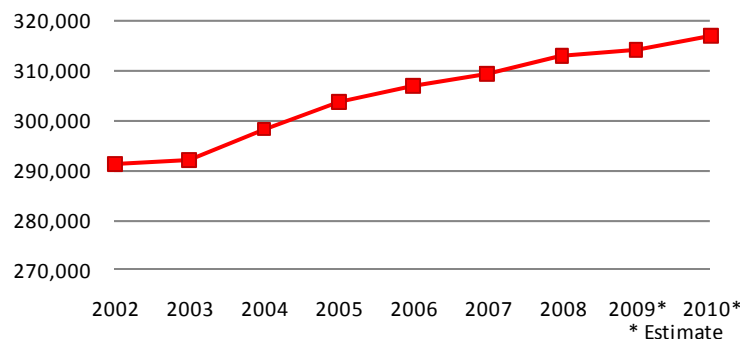
## 1. PROFILE OF AURORA

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Aurora is the third largest city in the State of Colorado (2009 est. population 314,326) 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

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**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.

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## 2. CITY VISION AND GOALS

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The 2010 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 2009 collectively outline the City's vision for the future. This vision encompasses eleven 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;
7. Implement a vision for growth and the effective delivery of services to stakeholders;
8. Continually improve the City of Aurora's relationship with its public school districts, private and charter schools, post secondary and higher education institutions in Aurora;
9. Provide an excellent water management and utility system;
10. Serve as leaders to shape policy that benefits the Aurora community; and
11. 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.

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## 3. AURORA'S ECONOMIC AND REVENUE OUTLOOK

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### **Economic Outlook**

- *Wage income* growth in Aurora remained positive in 2008, although for 2009 it is projected to decline over 4 percent. 2010 is expected to return to positive growth followed by healthier growth rates in future years.

- After three years of job growth, 2008 *employment* data for Aurora was relatively flat with limited job growth in some sectors being offset by significant losses in the construction, manufacturing, and retail industries. Employment is projected to decline over 4 percent in 2009 followed by minimal additional job losses in 2010. Employment is expected to recover over the following years, approaching pre-recession levels in 2012.
- *Retail sales* in the metro region is projected to decline over 8 percent in 2009, just over the decline projected for the state. A modest recovery is expected in 2010 followed by slow, sustained growth in future years.
- Aurora's *housing construction* projection for 2009 indicates a second year of record declines over 60 percent. Estimates for 2010 assume the housing industry will have bottomed out by the conclusion of 2009 and begin a recovery early in 2010 resulting in an increase over 35 percent in housing permits on a significantly reduced base. Considerable growth in housing related construction is also expected for 2011 and 2012.

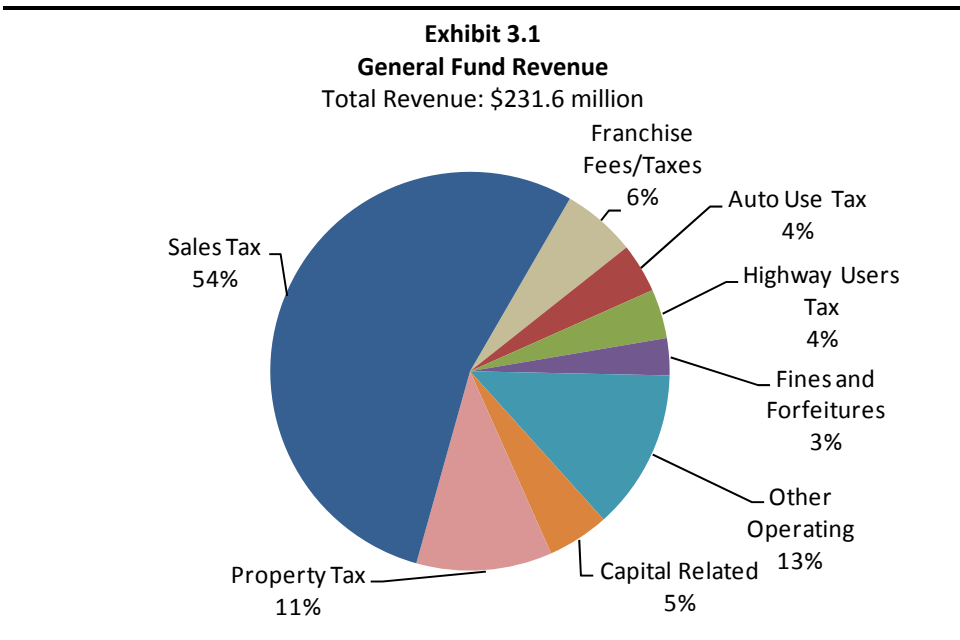
### **Revenue Outlook**

- The projection for 2009 *sales tax* collections reflects the second decline in annual revenue over the last 23 years. The projected rate of decline is slightly less than that experienced in 2002, resulting from the previous recession. A slight recovery is forecast for 2010 with a rate of growth just over the projected metro area inflation rate. Future years reflect a much slower growth rate than the average rate experienced over the last 10 years as consumer confidence is restored to a dampened level reflecting a gradual recovery in employment, higher saving rates, and more restricted access to credit.
- Preliminary reassessed property valuations obtained from each county indicate an overall decline in property values in Aurora which will, in turn, reduce projected *property tax* receipts for 2010 below the 2009 level. Minimal growth is expected in collections for 2011, stemming from an assumed conservative increase in base properties. An additional decline in property valuations is expected as a result of the 2011 reassessment data with a corresponding decline in tax revenue for 2012. Future years beyond 2012 are forecasted to reflect slow recovery in the real estate market.
- Rate declines in natural gas and electricity, reduced demand, and mild seasonal temperatures will cause a significant reduction in collections for *franchise fees and taxes* in 2009. 2010 is projected to reflect an increase as rates and demand recover and temperatures return to more seasonal averages.
- Construction related *building materials use tax and other (equipment and consumables) use tax*, the majority of which are transferred to the Capital Projects Fund, declined in 2007, declined in 2008 and are projected to de-

cline in 2009. 2010 marks the beginning of a turnaround in residential construction, while commercial construction is expected to remain at depressed levels. A recovery is reflected in the forecast for future years although collections will not reach the levels seen in 2006 during the five-year forecast period.

### General Fund Revenues

Total General Fund revenue has shown a decrease from 2008 through the first half of 2009. Through June, total revenue (excluding transfers) was 4.1 percent (\$4.9 million) below 2008. Third quarter projections incorporate continued declines, albeit at diminishing rates, followed by some improvement in the fourth quarter, reflecting growth compared to the worst performing months of 2008.



Based on recent receipts, current economic conditions, and future expectations, the revised full year projection for 2009 assumes a decrease of 2.7 percent (\$6.3 million) compared to 2008. Several of the City's revenue streams are expected to finish the year below 2008 with the most significant declines in sales tax, BMUT, auto use tax, and lodgers tax.

The five year forecast for 2010 through 2014 included in the Adopted Budget suggests conservative growth. In 2010, the General Fund is expected to grow by 2.9 percent which is less than the 5.0 percent average rate of General Fund growth over the last twenty years. Each of the forecasted years beyond 2010 remains well below the twenty year average with limited growth in excess of average projected inflationary increases.

<b>Exhibit 3.2</b> <b>Key General Fund Revenues (Projected)</b> Percent Change 2009 and 2010		
<b>Revenue Source</b>	<b>2009 Percent Change</b>	<b>2010 Percent Change</b>
Sales Tax	-2.8%	1.5%
Property Tax	2.8%	-3.3%
Franchise Fees/Taxes	-5.1%	8.0%
Auto Use Tax	-15.0%	9.0%
Highway Users Tax	6.1%	13.9%
Fines & Forfeitures	1.5%	5.2%
Other Operating	-2.2%	6.2%
Capital-Related	-11.2%	3.9%
<b>Subtotal</b>	<b>-2.7%</b>	<b>2.9%</b>
Transfers and Reserves	<b>5.1%</b>	<b>-92.9%</b>
<b>Total with Transfers and Reserves</b>	<b>-2.5%</b>	<b>-0.3%</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 internal service, special revenue, and debt service funds. Appropriations for these funds provide for operating, debt service, and capital costs. The City uses different funds to control and manage money intended for a particular purpose or to demonstrate compliance with finance-related legal requirements and to aid financial management by segregating transactions related to certain city functions or activities.

The 2010 Adopted Budget includes a total of \$615,342,149 in appropriations for all funds. This compares with the 2009 original budget of \$833,612,712 and the 2009 expenditure projection of \$781,594,962. The significant changes from the 2009 original budget to the 2010 Adopted Budget are due to reduced levels of capital spending as the Prairie Waters project is completed, lower funding availability in the Capital Projects Fund and reductions in the General Fund to address both the structural budget imbalance and the current economic recession.

<b>Exhibit 4.1</b>			
<b>Expenditure and Budget Summary- All Funds</b>			
<b>Fund</b>	<b>2008 Actual</b>	<b>2009 Projection</b>	<b>2010 Adopted</b>
General Fund	\$238,132,903	\$232,234,906	\$231,585,369
Capital Projects Fund	30,037,051	35,844,095	19,740,969
Community Development Fund	4,099,340	11,587,952	6,792,092
Debt Service Funds	8,371,245	8,600,853	7,973,367
Development Review Fund	10,165,880	8,833,001	6,959,289
Fleet & Print Shop Funds	8,329,314	7,502,950	8,844,847
Golf Fund	9,579,937	9,836,240	10,269,999
Recreation & Cultural Funds	12,199,423	11,562,927	10,067,667
Risk Management Fund	5,439,079	10,850,699	8,323,002
Wastewater Fund	40,332,492	72,228,124	79,370,114
Water Fund	361,895,515	335,839,901	188,707,577
Other Funds	35,306,968	36,673,314	36,707,857
<b>GRAND TOTAL</b>	<b>\$ 763,889,147</b>	<b>\$ 781,594,962</b>	<b>\$ 615,342,149</b>

Exhibit 4.2 illustrates the distribution of the City's total appropriations in 2010.

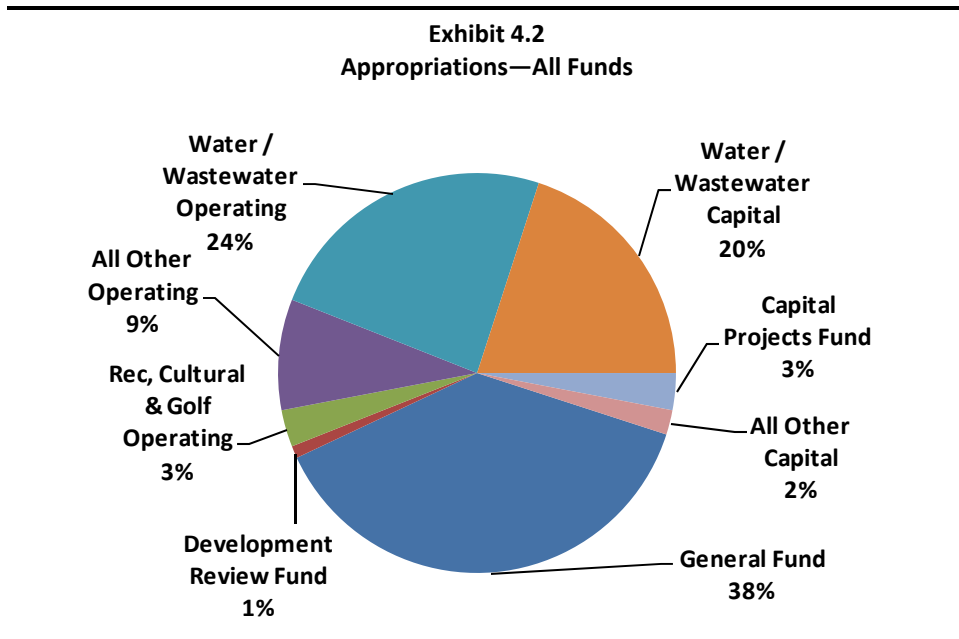


Exhibit 4.3 details 2010 operating budget appropriations by category. A *category* is a high-level classification of expenditures.



**Exhibit 4.3**  
**Operating Appropriations by Category**  
**All Funds**

<b>Category</b>	<b>2008 Actual</b>	<b>2009 Projection</b>	<b>2010 Adopted</b>
Salaries and Benefits	\$ 220,809,969	\$ 220,792,106	\$ 223,101,908
Supplies and Services	105,111,162	120,282,800	126,594,922
Interfund Charges	15,483,688	13,484,717	15,808,571
Debt Related	100,715,393	60,394,492	59,936,087
Capital Related	3,550,890	2,276,133	2,598,083
Operating Transfers, including Capital Funding	38,315,747	41,766,777	30,744,739
<b>Total Budget</b>	<b>\$ 483,986,849</b>	<b>\$ 458,997,025</b>	<b>\$ 458,784,310</b>

### **Base Budget Adjustments**

The 2010 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 2010 base budget include:

- A 1.0 percent pay increase for all career service (non-union) and police civil service employees and 3.0 percent increase of fire civil service, which increases costs by \$2.4 million for all City funds, with the General Fund cost increasing by \$2.0 million;
- A 5.0 percent increase in planned City contributions for fire civil service health insurance costs and 7.0 percent increase for police and career service employees, – the total increase in funding is \$1.5 million, of which \$1.1 million is from the General Fund;
- Civil service step and grade costs of \$1.0 million, all of which is General Fund;
- A decrease of \$11.4 million in transfers out, with \$5.0 million in the General Fund due to a decrease in the transfer to the Capital Projects Fund and the removal of a technical transfer to and from the Recreation Fund for Sports Park of \$1.1 million net of an increase of \$750,000 for additional building lease costs. One-time transfers of funds available in 2009 from various funds including, \$3.5 million from the Risk Fund, and \$766,400 from the E-911 Fund, were removed;

- 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 an increase of \$136,400, including a \$385,000 decrease 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 a decrease of \$1.4 million, with a net increase of \$37,000 in the General Fund. The decrease includes \$0.8 million in elimination of one-time capital related purchases by various funds in 2009 not recurring in 2010. The City also incorporates technical adjustments, such as elimination of one-time costs, into the base budget.

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## 5. GENERAL FUND

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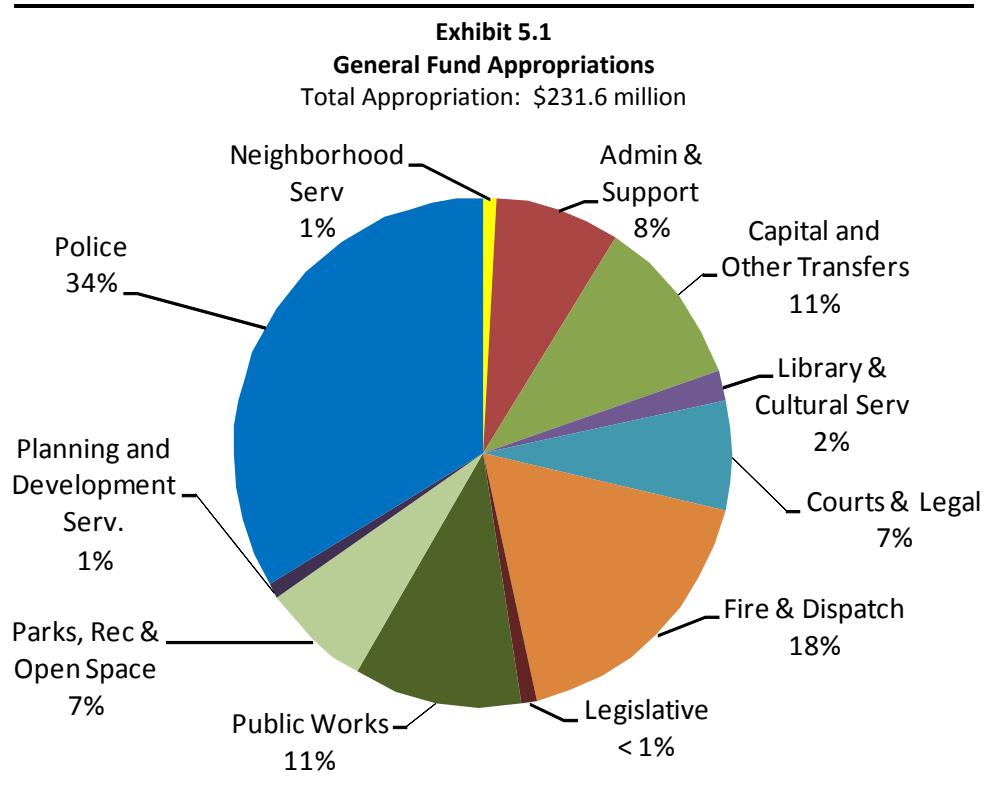
The General Fund is the primary source of funding for most City operations, including public safety, transportation, parks, libraries, and other City services. In addition, annual transfers from the General Fund to the Capital Projects Fund pay for many of the City’s infrastructure projects.

General Fund appropriations for 2010 total \$231,585,369, a 0.3 percent decrease from the \$232.2 million expenditure projection for 2009. The impact of the economic recession is reflected by the fact that adopted 2010 General Fund appropriations are \$15.2 million less than the 2009 Adopted Budget. Maintaining public safety as a high priority is reflected in the fact that it makes up the largest share of the General Fund budget and that percentage is growing as further budget reductions are made in all other areas. As Exhibit 5.1 illustrates, Public Safety functions, including Fire, Dispatch, Police, and the Courts account for 59 percent of total General Fund appropriations in 2010. In comparison, Public Safety functions accounted for 54 percent of the 2009 Adopted Budget.

Changes from the 2009 Adopted Budget include:

- \$0.2 million increase for 2.0 additional uniformed police officers to maintain 2/1000 mandated staffing;
  - \$1.4 million decrease associated with savings from reorganization plan, including the elimination of 10.7 positions of which 3.0 are currently filled positions – in addition 3.3 positions in other funds are eliminated as part of the reorganization;
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- \$5.6 million decrease associated with making permanent reductions made as part of the 2009 budget contingency plan to address mid-year revenue shortfalls, including the elimination of 45.2 vacant positions;
- \$7.8 million decrease associated with department adjustments to balance the 2010 budget, including the elimination of 50.2 positions with 35 of those positions currently filled.



## 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 amendments in the City's other funds in 2010.

**Exhibit 6.1**  
**Amendments in Other Operating Funds**

<b>Fund</b>	<b>Item</b>	<b>Description</b>	<b>Amount</b>
Abatement Fund	2010	Transfer in of 3.9 FTE from the General Fund, partially offset by the elimination of a filled, contract part-time position and 4.0 vacant and 1.0 filled Forestry FTE; additional budget to cover full-year appropriation for contract Code Enforcement officers approved for partial year funding in 2009	\$ 45,116
Arapahoe County Open Space Fund	2009 Midyear	Reallocate Parks' temporary employees from the General Fund	250,000
	2010	Transfer in of 3.05 FTE: 2.05 FTE from the General Fund and 1.0 FTE from Conservation Trust Fund, offset by: transfer out of 1.0 FTE to Parks Development Fund, layoff of 1.0 FTE and elimination of 0.35 vacant FTE	83,275
	Re-Org	Layoff 1.0 FTE Open Space Facilities Supervisor	(81,393)
Community Development Fund	2010	Transfer in of 1.0 FTE from the General Fund, offset by layoff of 1.0 FTE; full budget appropriation to match approved federal spending plan for CDBG, NSP and HOME funds	6,792,092
Conservation Trust Fund	2009 Midyear	Reallocate Parks' temporary employees from the General Fund	50,000
	2010	Transfer in of 3.0 FTE from the General Fund, transfer out 1.0 FTE to Arapahoe County Open Space Fund, eliminate 0.5 vacant FTE	92,507
Cultural Services Fund	2010	Reduce temporary compensation, transfer 4th of July fireworks funding to Designated Revenues Fund, reduce special events funding	(145,662)
Designated Revenues Fund	2009 Midyear	Recalculate incentive payments	(600,000)
	2010	Net transfer in of 5.62 FTE from other funds; layoff 2.5 FTE in Library operations; increase appropriation for DARE and Aurora Water 2010 bond issue review; reduce operating budget in TV Services; eliminate contract Animal Shelter Attendant; eliminate employee computer sales; transfer in funding for 4th of July fireworks	585,982
Development Review Fund	2009 Midyear	Eliminate 6.15 filled FTE and 1.0 vacant FTE	(454,376)
	2010	Eliminate 7.0 vacant FTE, charge staff salaries to the Energy Efficiency and Conservation Block Grant (EECBG), eliminate transfer from Development Review Fund to General Fund for 2010 and reduce supplies and services	(2,081,996)

Exhibit 6.1 (Continued)			
Amendments in Other Operating Funds			
Fund	Item	Description	Amount
Development Review Fund	Re-Org	Transfer 1.0 FTE from Zoning and Development Review to Building Division, layoff 1.0 filled FTE	\$ (40,377)
E-911 Fund	2010	Align the Alcatel microwave system for public safety radios and transfer funds to General Fund for Public Safety Communications	176,000
Fleet Management Fund	2010	Transfer in 0.16 FTE	11,649
Gifts and Grants Fund	2010	Charge staff time to the Energy Efficiency and Conservation Block Grant	150,000
Golf Courses Fund	2010	Transfer in 1.0 FTE from General Fund, layoff 1.0 filled FTE and decrease debt service related to final Aurora Hills irrigation debt payment, partially offset by increase in appropriation for expected growth in rounds	(16,258)
Parks Development Fund	2010	Transfer in of 1.0 FTE from Arapahoe County Open Space Fund	75,753
Print Shop Fund	Re-Org	Layoff 1.0 filled FTE and transfer in 1.0 filled FTE	3,670
Recreation Fund	2009 Midyear	Close Fitzsimons and Pheasant Run pools, reduce recreation administration	(165,490)
	2010	Layoff 1.0 filled FTE, eliminate 3.0 vacant FTE, close Bicentennial Mini-Golf and Village Green pool	(371,315)
	Re-Org	Eliminate 2.0 vacant FTE, transfer in 3.0 FTE from General Fund, transfer out 3.0 Graphics and Public Relations FTE: 2.0 to General Fund and 1.0 to Print Shop Fund	(351,276)
Wastewater Fund	2010	Conversion of six existing positions to Prairie Waters Project positions; standby and overtime pay; eliminate 1.0 vacant FTE and 1.0 vacant contract position; transfer 0.5 FTE to Purchasing Division in General Management; major purchases of operating equipment; Sand Creek plant rehardening; increase in technical services funding; utilities for new pumps stations	(57,804)
Water Fund	2010	Conversion of six existing positions to Prairie Waters Project positions; standby and overtime pay; eliminate 1.0 vacant FTE and 1.0 vacant contract position; transfer 0.5 FTE to Purchasing Division in General Management; major purchases of operating equipment; utilities for new pump stations; reduction in short-term water lease budget	(2,459,093)
<b>Total Amendments</b>			<b>\$ 1,491,004</b>

## Use of Fund Balance

For 2010, \$35.9 million of the total fund balance is expected to be drawn down, primarily due to capital spending. Of the 26 funds tracked by the City, 15 have planned draw-downs of fund balance, and eight are expected to increase fund balance in 2010. Of the \$35.9 million that is expected to be drawn down, \$32.3 million (90.1 percent) is associated with capital spending in the Wastewater, Capital Projects, and Conservation Trust Funds. Exhibit 6.2 shows the significant uses of fund balances in 2010.

<b>Exhibit 6.2</b>		
<b>Anticipated Uses of Fund Balance in 2010</b>		
<b>Fund</b>	<b>Fund Balance Use (millions)</b>	<b>Anticipated Uses</b>
Wastewater Fund	\$25.8	Planned draw-down of funds available for capital projects, including construction of Tollgate Interceptor North, Curative in Place Pipe (CIPP) rehabilitation project and Piney Creek Force Main improvements.
Conservation Trust Fund	3.8	Funds available decrease due to spending on capital projects, including the Beck Recreation Center remodel.
Capital Projects Fund	2.8	Draw-down of funds available for capital projects, including the I-225/Colfax interchange and ongoing repair, improvement, and maintenance projects in Public Works.
Designated Revenues Fund	1.7	Funds available decrease primarily due to expenditure of capital funds and use of incentive proceeds.
Abatement Fund	0.6	Funds available continue to decrease due to lower revenues
General Fund	0.3	Council adjustment to restore proposed reductions in the Police department
All Other Funds	0.9	
<b>Total Anticipated Fund Balance Use: \$35.9 million</b>		

## 7. STAFFING

The 2010 Adopted Budget eliminates 136.2 FTE in all funds, including 45.5 filled positions. This is partly offset by the addition of 6.5 FTE for a net decrease of 129.7 FTE. In addition, a number of positions are transferred between funds. Exhibit 7.1 on the following page provides departmental detail on the staffing changes for all funds.

<b>Exhibit 7.1 Staffing Summary by Fund</b>				
<b>Fund</b>	<b>2008 Actual</b>	<b>2009 Original</b>	<b>2009 Projection</b>	<b>2010 FTE</b>
Abatement Fund	3.00	4.00	4.00	7.90
Arapahoe County Open Space Fund	17.95	17.95	17.95	18.65
Community Development Fund	25.20	26.20	26.20	26.20
Conservation Trust Fund	4.90	4.90	5.90	6.40
Cultural Services Fund	20.00	19.00	19.00	19.00
Designated Revenue Fund	35.50	32.00	32.00	35.12
Development Review Fund	119.25	86.20	86.20	72.75
Enhanced E-911 Fund	5.00	5.00	5.00	5.00
Fleet Management Fund	38.34	37.34	37.34	37.50
General Fund	2,044.03	2,014.83	2,012.53	1,897.23
Gifts & Grants Fund	0.50	0.50	0.50	0.50
Golf Courses Fund	52.00	52.00	52.00	52.00
Parks Development Fund	-	-	-	1.00
Print Shop Fund	3.00	3.00	3.00	3.00
Recreation Fund	67.00	66.75	66.75	60.75
Risk Management Fund	10.00	10.00	10.00	10.00
Wastewater Fund	152.70	155.70	158.34	155.09
Water Fund	262.30	270.30	267.66	267.91
<b>Totals FTE</b>	<b>2,860.67</b>	<b>2,805.67</b>	<b>2,804.37</b>	<b>2,676.00</b>

City departments continue to improve operational efficiency through various cost savings measures, continued workload evaluation, improved technology, and effective organizational management. Compared with 2003, total budgeted staffing in the City for 2010 decreases 1.0 percent (27 FTE). The total number of FTE (public safety civil service and career service) in the General Fund has declined 7.3 percent (150 FTE) over the last seven years, while this has been mostly offset by growth in Aurora Water, up 48.4 percent (138 FTE) for the same period. The ratio of civil FTE (police officers and firefighters) to career FTE has changed significantly from 2003 to 2010. Police civil service has grown 10.7 percent (62 FTE) while career service FTE has dropped 18.6 percent (216.5 FTE). Fire is relatively unchanged over the past seven years. Exhibit 7.2 on the following page shows the details of the staffing level by fund over time.

**Exhibit 7.2**  
**Historical Staffing 2003-2010 (All Funds)**

	2003	2004	2005	2006	2007	2008	2009	2010
Police Civil GF	580.0	588.0	603.0	627.0	635.0	639.0	644.0	642.0
Fire Civil GF	302.5	295.5	288.0	303.0	311.0	311.0	305.0	307.0
General Fund Career	1164.7	1125.0	1089.1	1050.7	1091.5	1094.0	1065.8	948.2
Total General Fund	2047.2	2008.5	1980.1	1980.7	2037.5	2044.0	2014.8	1897.2
Police/Fire Civil Non GF	2.5	2.5	1.0	1.0	2.0	2.0	2.0	3.0
Aurora Water	285.0	304.0	329.0	375.0	403.0	415.0	426.0	423.0
Development Review Funds	112.0	107.9	115.9	118.3	119.3	119.3	86.2	72.8
Golf Fund	57.0	57.0	56.0	52.0	52.0	52.0	52.0	52.0
Rec/Cultural Services Funds	90.8	87.3	86.3	85.0	86.0	87.0	85.0	79.8
All other FTE	108.4	102.0	107.3	127.5	137.9	141.4	139.7	148.2
<b>Total</b>	<b>2,703</b>	<b>2,669</b>	<b>2,676</b>	<b>2,740</b>	<b>2,838</b>	<b>2,861</b>	<b>2,806</b>	<b>2,676</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 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 repair and enhancement;
- Technology improvements and infrastructure;
- Traffic signal installation;
- Sidewalk and ADA improvements;
- Major equipment purchases; and
- Art in Public Places.

The CIP functions as a capital-spending plan for all five years. The CIP is updated annually as part of the budget process. It 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

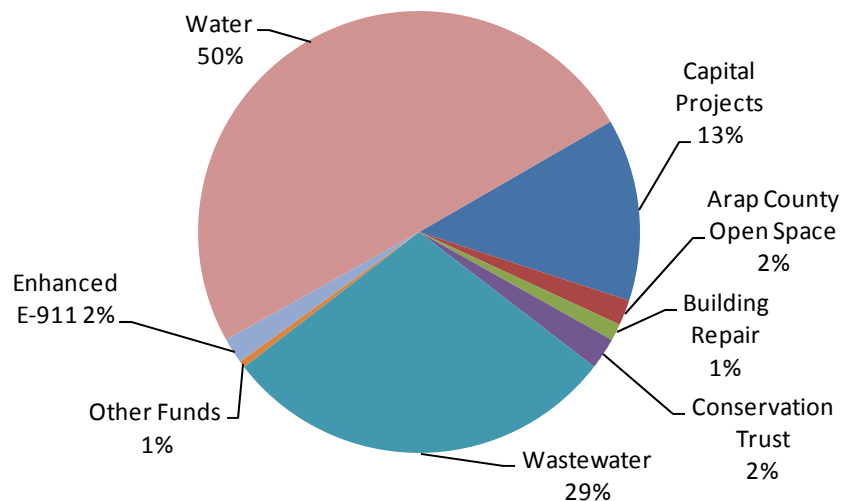


and any requests to revise prior year appropriations. Unlike the operating budget, which authorizes expenditures for only one fiscal year, capital budget appropriations are multi-year and continue until the project is completed or changed by City Council, or until three fiscal years have elapsed without any expenditure or encumbrance of project funds.

There are multiple funds in the City that include at least some expenditure within the CIP. The adopted \$710.1 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 \$560.1 million. Exhibit 8.1 below illustrates the distribution of the CIP appropriations by fund for 2010-2014.

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**Exhibit 8.1**  
**CIP Summary by Fund 2010-2014**



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### **Capital Projects Fund**

The Capital Projects Fund (CPF) provides support for general government capital projects. Historically, the CPF received a transfer equal to 100 percent of all

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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 police officer program. Consistent with prior budgets, the 2010 Adopted Budget retains the transfer of all use taxes, but reduces the transfer of all other General Fund revenues from 4.0 percent to approximately 1.0 percent. A supermajority vote by City Council was required to approve this adjustment.

Due to decreased building material use tax revenue coming from the General Fund, the forecasted transfer from the General Fund was reduced by over \$34.8 million for the 2009 to 2014 period compared to the amended 2009 CIP plan. This shortfall was covered through project cuts or reductions in nearly all departments in all years, including:

- Street repair, traffic signals, alleys, undergrounding, sidewalks - \$24.5 million
- Elimination of fire station and fire station remodels - \$4.1 million
- Information Technology elimination of funding for network replacement and other IT projects - \$2.4 million
- Parks & Open Space trails, parks and direct costs- \$2.0 million
- Other Cuts and reductions - \$1.9 million

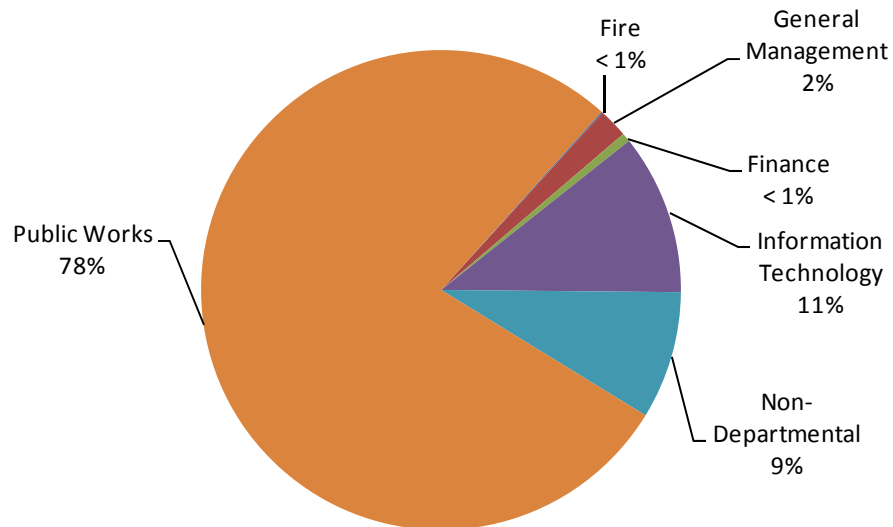
<b>Exhibit 8.2</b>		
<b>Summary of Capital Projects Fund Projects 2010-2014</b>		
<b>Project</b>	<b>Total cost</b>	<b>Percent of Total</b>
Street maintenance, reconstruction & improvements	\$ 58.7 million	62%
Transfer to Building Repair Fund	8.5 million	9%
800 MHz radio system debt service (transfer to E-911 Fund)	6.8 million	7%
Direct Costs – Public Works design & engineering	5.4 million	6%
Transportation Improvement Program (TIP)	4.5 million	5%
Traffic signals – new	2.8 million	3%
Traffic signals – replacement	2.6 million	3%
Direct costs – purchasing services	2.1 million	2%
Systems, telephone infrastructure and network replacement	2.1 million	2%
All other projects	1.3 million	1%
<b>TOTAL</b>	<b>\$94.8 million</b>	

Appropriations for the CPF are \$19.7 million in 2010, with a total of \$94.8 million in capital projects planned between 2010 and 2014. As Exhibit 8.2 shows, with completion of most of the City's major facilities projects in

recent years, the 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 2010 allocation of the Capital Projects Fund by department

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**Exhibit 8.3**  
**2010 Capital Projects Fund Expenditures by Department**




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## 9. BUDGET PROCESS AND FINANCIAL PLANNING

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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

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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 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.

For expenditures, the baseline for the development of the 2010 budget during 2009 is the projected amount approved by City Council when they adopted the 2009 budget less one-time items and various adjustments. These changes may include: items approved in the 2009 Spring Supplemental ordinance; utility, water, and fuel rate adjustments; risk management adjustments; and fleet service adjustments. Personal services costs are calculated by the Office of Budget and Financial Planning to reflect current staffing levels and cost factors. These amounts are provided to the departments on a line-item basis. Any new funding request that is not tied to the items noted above 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.

After significant review of additions and reductions by the Deputy City

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Managers, the City Manager, and other council appointees, the Office of Budget and Financial Planning consolidates prior year actual expenditures, the current year budget projections, and department budget submissions into the City Manager's proposed budget document. Items in the proposed budget are presented to City Council, both in one-on-one settings and formal presentations, 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 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:

- The Proposed Budget is a recommended budget using the current year budget with adjustments as approved by the City Manager.
- 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.

### **Summary of Key Events**

The City's fiscal year is January 1 through December 31. The budget is developed and considered between May and November. Monitoring and adjustment of the budget occur throughout the year. The following is a typical calendar.

#### ***January – May***

- Final revenues and expenditures for the previous year are reported and analyzed;

- First quarter review of current year expenditures and revenues;
- Appropriation amendments are requested and the spring supplemental ordinance is presented;
- Departments meet with Council for discussions about department issues;
- Goals and priorities for the next year are defined; and
- City Council members host “Budget Town Meetings.”

***May – September***

- Second quarter review of current year expenditures and revenues;
- Departments and Council Appointees prepare proposed budgets/adjustments;
- Executive staff evaluate projections and determine budget adjustments;
- Departments present budget adjustments to City Manager;
- Administrative fee changes are reviewed by the Management and Finance Committee;
- The Citizens’ Advisory Budget Committee reviews and comments upon the City’s budget proposals; and
- The proposed budget is produced and delivered to City Council.

***September – December***

- Aurora Water, the Citizens’ Water Advisory Committee and the Citizens’ Advisory Committee on Housing and Community Development present their budgets to Council;
- City Manager presents proposed budget to Council;
- 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.



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, 2009.

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.



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