



2014

Budget in Brief



2014 Budget Acknowledgements

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Sally Mounier.....	Ward I
Renie Peterson	Ward II
Marsha Berzins	Ward III
Molly Markert.....	Ward IV
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Barbara Cleland	At-Large
Debi Hunter Holen	At-Large
Bob LeGare	At-Large
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Introduction

The 2014 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 2014 budget as adopted by City Council in the fall of 2013.

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.

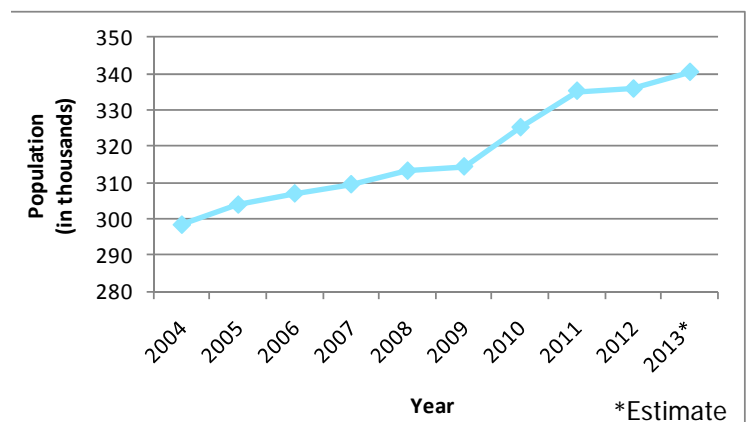
1. Profile of Aurora

Aurora is the third largest city in the State of Colorado (2013 est. population 340,269) 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 charter.

The Aurora City Council is composed of 10 members and the Mayor. Of the 10 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.

Exhibit 1.1
City of Aurora Population



2. City Vision and Goals

The 2014 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 2013 collectively outline the City's vision for the future. This vision encompasses six major areas of focus:

1. Assure a safe community for people;
2. Serve as leaders and partner with other governments and jurisdictions;
3. Ensure excellent infrastructure that is well maintained and operated;
4. Create a superior quality of life for residents making the city a desirable place to live and visit;
5. Be a great place to locate, expand and operate a business and provide for well-planned growth and development: and
6. Provide well-managed and financially strong city.

References to these goals and to activities supporting these goals are included throughout the budget document.

3. Aurora's Economic and Revenue Outlook

Economic Outlook

- ◆ The national economy is gradually recovering with improvements in the housing market, personal income, and job growth. However, economic growth remains constrained by high unemployment dampening demand and the potential federal government shutdown. The recovery in Aurora continued with the third consecutive year of positive revenue growth as 2012 ended the year with 7.9 percent growth over 2011. This growth was primarily driven by pent-up demand resulting in one-time purchases and short-term conditions. Through June 2013, growth has continued with a 4.7 percent increase, driven by an upturn in consumer spending and less impact from one-time purchases. Slower revenue growth rates are expected over the remainder of 2013, resulting in a 3.5 percent year-end increase, followed by modest gains throughout the rest of the forecast timeframe varying from 2.1 to 3.3 percent through the forecast period.
- ◆ Aurora's **unemployment rate** peaked at 10.8 percent in 2010 before improving to 9.0 percent in 2011. As the local labor market improved, unemployment rates in Aurora continued to decrease, resulting in an unemployment rate of 8.5 percent in 2012. Through the first half of 2013, the unemployment rate in Aurora have further declined to 7.4 percent, driven by new jobs

notably in the construction industry. Aurora is expected to continue adding jobs, however, the rate of growth will be partially offset as workers re-enter the workforce. Unemployment in Aurora was at a pre-recession low in 2007 when a large portion of the local workforce was employed in construction and retail industries. Following the recession, employment in Aurora continues to be driven by the retail and business services industries. In 2012, the industries with the highest employment growth in Aurora were construction and business services, with Buckley Air Force Base remaining the largest employer in the City.

- ◆ State **wage and salary** income grew by 4.7 percent in 2012 and is projected to grow at a slower rate of 4.3 percent in 2013. Typically, Aurora's wage and salary data trends with the state and metro area; however recent year-over-year gains in the City show an improved rate of growth. Local wage and salary data continues to be driven by the job mix in Aurora, which includes a high percentage of low paying jobs in industries such as construction and retail.
- ◆ **Retail sales** in the metro region increased 7.6 percent in 2012, followed by a 3.7 percent increase over the first six months of 2013. Full year growth of 3.5 percent is expected for the state in 2013 followed by an increase of 6.2 percent in 2014.
- ◆ The number of **housing** permits issued in Aurora peaked in 2005 with 2,337 permits. In 2012, the number of permits increased 51.7 percent over 2011 with 751 permits issued, yet remained 67.9 percent lower than the 2005 peak. Estimates assume an improved housing industry will drive permit growth up to 825 in 2013, followed by 960 in 2014 and 1,100 in 2015. Despite the forecasted growth, 2015 is projected to remain below pre-recession values by 52.9 percent.
- ◆ **Property tax** collections for 2014 are derived from the 2013 reassessment for the time period spanning from January 2011 to June 2012. Based on preliminary 2013 reassessment data, the property tax collections estimate for 2014 incorporates an increase in commercial/industrial valuations, as well as a lingering decrease in residential valuations, resulting in an overall 1.3 percent growth. Property tax collections are expected to reach pre-recession levels in 2016.

Revenue Outlook

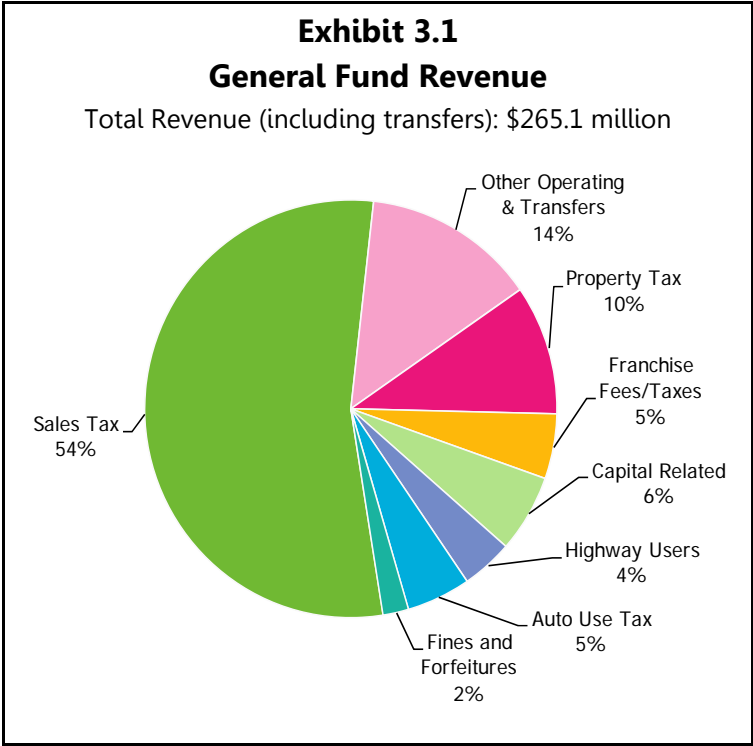
- The **sales tax** budget estimate for 2014 is based on 2.7 percent or \$3.8 million growth over 2013 projected revenues. This moderate rate of growth assumes that increased personal income and strengthening consumer

confidence will continue to drive consumer sales through 2014. This estimate is reflective of a recovering economy, where job growth and improving unemployment rates support household consumption and business investments at a cautious level.

- The 2014 **property tax** collection budget estimate is based on preliminary 2013 reassessment data, incorporating an anticipated increase in commercial/industrial valuations, as well as a lingering decrease in residential valuations. As predicted by local economists, the bottom of the residential market was not captured in the 2011 valuation, resulting in residual low residential valuations in the 2013 assessment. Using preliminary data from each county and incorporating historical trends, a 1.3 percent increase in property tax collections is expected for 2014 over 2013.
- For 2014, the OBFP budget estimate for total **franchise fees and taxes** is a 2.5 percent increase over 2013, primarily due to modest increases in natural gas rates and usage, combined with ongoing electricity rate increases. The assumed increases are in line with projections by the Energy Information Administration. Future years are forecasted to grow slightly below the 5-year average at 3.0 percent.
- **Auto use tax** collections over the first six months of 2013 are up 5.1 percent over 2012, with ongoing demand being fueled by strengthening consumer confidence combined with low interest rates and wide credit availability. This increase is expected to diminish slightly over the second half of the year to incorporate the potential impact of sequestration on the local economy. This will result in a 4.8 percent increase for the year, posting the fourth consecutive year of increases in auto use tax collections. The OBFP projection for 2014 is for 4.0 percent growth, anticipating that pent-up demand for new autos was met in 2011 and 2012.
- **Building materials use tax (BMUT) and other equipment & consumables use tax**, primarily applied to business capital assets and supplies, are the main sources of capital-related revenue and are closely aligned with construction activity. For 2014, economists expect construction activity in the state to resume healthy and gradual growth levels as the real estate industry stabilizes, as some economists speculate that areas with rapid construction increases are potentially experiencing unsustainable growth. The 2014 budget estimate for

building materials use tax incorporates an 8.0 percent increase over 2013, while the estimate for other use tax assumes 1.0 percent growth. Together, the two categories of capital related use tax will net to an estimated increase of 4.8 percent for 2014. Future years assume a protracted residential and commercial recovery with moderate construction related revenue increases.

- The **State Highway Users Tax Fund (HUTF)** was created to account for state highway revenue and is comprised of revenue generated mainly by motor fuel excise taxes (per-gallon-of-gas basis) and certain annual vehicle license and registration fees. Following the implementation of FASTER collections in 2010, HUTF collections remained relatively flat for two years, with 0.8 percent growth in 2011 and 0.9 percent growth in 2012, influenced by fuel price increases leading to decreased travel and demand for fuel. The OBFP projection for 2013 assumes that fuel prices will not be a factor, leading to a full year projection increase of 1.5 percent over 2012. OBFP projects that 2014 will increase an estimated 1.0 percent over 2013 as a result of a slowly improving economy, offset by continuous improvements in fuel efficiency and downward pressure on fuel consumption.



General Fund Revenues

Exhibit 3.1 illustrates the sources of revenue within the General Fund. Retail sales remain the backbone of Aurora's General Fund, accounting for 54 percent of total revenue. Use tax is a companion tax to sales tax and is associated with

Exhibit 3.2**Key General Fund Revenues (Projected)**

Percent Change, 2012-2013 and 2013-2014

Revenue Source	2012-2013 Percent Change	2013-2014 Percent Change
Sales Tax	4.0%	2.7%
Property Tax	1.1%	1.3%
Franchise Fee/Taxes	4.8%	2.5%
Auto Use Tax	4.8%	4.0%
Highway User's Tax	1.5%	1.0%
Fines & Forfeitures	-2.0%	1.5%
Capital-Related	7.3%	4.8%
Other Operating	2.5%	4.3%
Subtotal	3.5%	2.9%
Transfers and Reserves	-1.4%	-5.2%
Total w/ Transfers, Reserves	3.5%	2.8%

purchases of commodities and equipment. Nearly two-thirds of all General Fund revenue is dependent on purchases when use tax revenues are included. General Fund revenue is estimated to grow at a conservative overall rate of 2.8 percent (\$7.3 million) in 2014. A total of \$3.8 million of this increase is from sales tax; \$0.8 million will be generated by increases in capital-related use tax, with the remaining \$2.7 million of increased collections from the other sources of operating revenue. The five year forecast for 2014 through 2018 incorporates continued conservative growth.

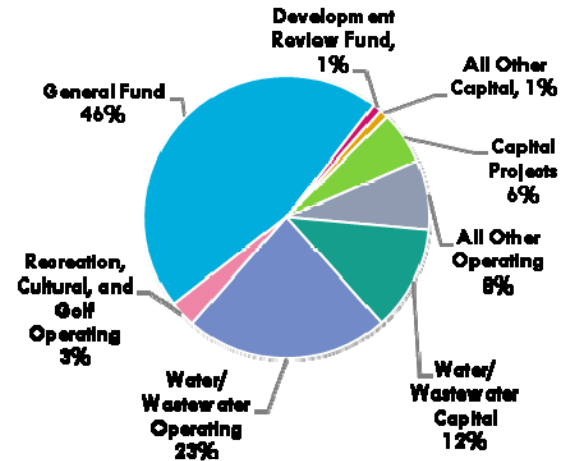
4. Budget Overview

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. Different funds are used to manage money intended for particular purposes or to demonstrate compliance with finance-related legal requirements as well as to aid fiscal management by separating out transactions related to certain functions.

The 2014 Adopted Budget includes a total of \$591,393,209 in appropriations for all funds. This compares with the 2013 Original Budget of \$532,905,762 and the 2013 expenditure projection of \$557,529,489. Total operating expenditures increase \$24.1 million between the 2013 Original and 2014 Adopted Budget. Included is an additional \$12.0

Exhibit 4.2**Appropriations—All Funds**

Total Appropriations: \$591.4 million



million in operating transfers, mostly the transfer to the Capital Projects Fund. Another \$6.0 million in salaries and benefits for compensation increases of 1.5 percent pay, 6.0 percent health and expanded health coverage to contingent employees as well as additional staff. The remaining \$6.1 million is primarily for supplies and services in various funds offset by debt savings.

Base Budget Adjustments

The 2014 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."

Exhibit 4.1**Expenditure and Budget Summary**

All Funds

Fund	2012 Actual	2013 Projection	2014 Adopted
General Fund	\$236,839,725	\$263,721,864	\$269,768,917
Capital Projects Fund	\$18,505,667	\$22,831,293	\$31,846,435
Community Development	\$4,949,914	\$5,661,049	\$4,730,404
Debt Services	\$7,861,749	\$7,377,520	\$6,989,608
Development Review	\$7,510,742	\$8,005,904	\$8,536,189
Fleet Management Fund	\$8,323,695	\$8,786,331	\$9,170,183
Golf Courses Fund	\$9,173,616	\$8,758,358	\$8,736,760
Recreation; Cultural	\$10,923,810	\$11,160,552	\$11,650,020
Risk Management Fund	\$7,484,833	\$7,120,798	\$7,038,383
Wastewater Fund	\$53,750,045	\$80,116,888	\$75,609,249
Water Fund	\$131,359,583	\$102,207,743	\$129,809,993
Others	\$30,357,472	\$31,781,189	\$27,507,068
Total Budget	\$527,040,851	\$557,529,489	\$591,393,209

Exhibit 4.3 Operating Appropriations by Category All Funds			
Category	2012 Actual	2013 Projection	2014 Adopted
Salaries and Benefits	\$226,703,110	\$235,054,925	\$241,976,197
Supplies and Services	\$108,279,197	\$122,120,876	\$130,141,675
Interfund Charges	\$14,382,083	\$14,911,406	\$15,927,552
Debt Related	\$98,237,666	\$62,767,513	\$39,147,556
Capital Related	\$5,526,419	\$5,728,354	\$7,594,884
Operating Transfers*	\$29,677,231	\$49,921,587	\$46,207,255
Total Budget	\$482,805,706	\$490,504,661	\$480,995,119

*Includes capital-related funding

The 2014 Adopted Budget generally maintains the current service levels of the programs funded in the 2013 Original Budget in the face of significant cost drivers (e.g. police staffing, maintaining fleet replacement, health insurance increases). The budget also funds costs in addition to those found in the 2013 Original Budget, including:

- A significant amount of costs previously funded by other means, including positions previously housed in the Abatement and Community Development Funds that can no longer support them;
- New program costs, such as additional personal computer (PC) and teen centers;
- The addition of costs associated with prior year cuts and deferrals, such as furloughs and leave buy back;
- One-time transfer of funds available to fund various Council and staff priorities; and
- Expenses identified by Council as part of the budget adoption process.

5. General Fund

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 2014 total \$269,768,917, a 7.4 percent increase from the \$251.3 million original expenditure budget for 2013. The primary increase is in Non-Departmental, mostly a result of an increase in the transfer to the Capital Projects Fund. Maintaining public safety is a high priority, as reflected in the fact that it makes up the largest share of the General Fund budget. As Figure 5 illustrates, Public Safety functions, including Fire, Dispatch, Police, and the Courts account for 56 percent of total General Fund appropriations. Significant changes from the 2013 Original

Budget include:

- \$8.8 million net additional transferred to the Capital Projects Fund;
- \$2.6 million for items including: a 1.5 percent pay increase; civil service step and grade of \$0.9 million; net other savings in personal savings due to entry level hiring and insurance plan selections (\$0.6 million);
- \$2.0 million for various departmental amendments with a net of 3.25 new FTE;
- \$1.4 million for increases in Fleet maintenance, fuel, utilities and Risk Management charges;
- \$1.1 million for a 6.0 percent increase in the City's contribution for employee health insurance;
- \$0.9 million for a one-time transfer to the Risk Management Fund;
- \$0.6 million and 8.0 FTE in the Fire Department;
- \$0.6 million for additional equipment replacement;
- \$0.6 million for targeted and potential market adjustments;
- \$0.5 million for departmental mandated costs to maintain 2013 service levels;
- \$0.4 million for health care for contingent employees working more than 30 hours per week;
- \$0.3 million for additional building leases payment;
- \$0.3 million for additional tree trimming contract;
- \$0.3 million one-time funding for image branding campaign;
- \$0.2 million for a change in the Visit Aurora funding calculation;
- \$1.8 million in savings from other departmental balancing actions.

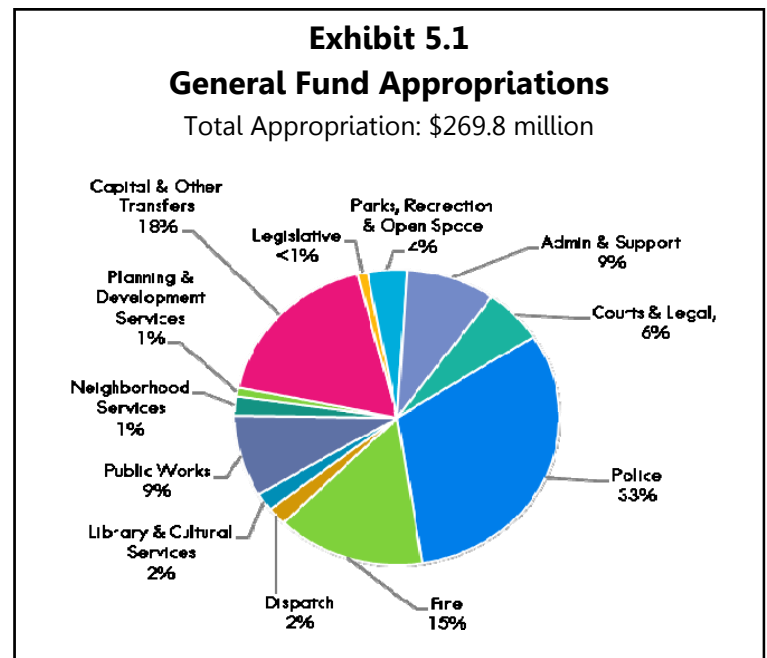


Exhibit 6.1 Amendments in Other Operating funds		
Fund	Description	Amount *
Abatement	Reduce appropriation to reflect current abatement funding requirements; transfer 2.0 FTE Code Enforcement Officers from the Abatement Fund to the General Fund	\$ (190,654)
Community Development	Adjustment to align CDBG appropriation to anticipated funding; adjustment to align HOME appropriation to anticipated funding; adjustment to align NSP appropriation to anticipated program revenue; technical adjustment to reprogram funds originally proposed for contingent conversion to FTE	619,271
Conservation Trust	Affordable Care Act: health insurance costs for contingent positions	28,411
Cultural Services	Increase Aurora Fox contingent appropriation; technical fix to Art in Public Places maintenance budget; technical fix to Scientific and Cultural Facilities District; Affordable Care Act adjustment to Recreation and Cultural Services Fund subsidies; Affordable Care Act: health insurance costs for contingent positions	151,587
Designated Revenues	Transfer contingent employees and supplies and services from PEG Fund to General Fund; replace Aurora Channel television equipment truck; upgrade of studio and meeting room television equipment; Affordable Care Act health insurance for contingent positions; transfer 0.5 FTE AFY Program Manager to Designated Revenue Fund from General Fund; generator for Comitis from Nexus funds	601,959
Development Review	Affordable Care Act health insurance for contingent positions; adjust funding allocation of Airport Noise Coordinator; add 5.0 FTE Building Division staff	458,972
Enhanced E-911	First year maintenance and support contract - CAD	54,000
Gifts & Grants	Transfer vaccination and medical fee revenue and related expenditures out of the Gift and Grants Fund; add Small Business Development Center (SBDC) seminars.	7,500
Golf Courses	Close Centre Hill Golf Course	(71,664)
Open Space	Affordable Care Act health insurance for contingent positions; increase in transfer to ACLC for debt service balloon payment	639,698
Recreation	Affordable Care Act adjustment to Recreation and Cultural Services Fund subsidies; Affordable Care Act health insurance for contingent positions; Highline lease extension; increase appropriation for temporary staffing at Utah Pool and gymnastics programs offset by additional revenue; Morningstar Medicaid and Veterans Administration reimbursement; one-time funding for an International Festival	(36,905)
Risk Management	Transfer to Risk Fund to maintain adequate liability reserve	(900,000)
Wastewater	Reduce annual debt service; equipment replacement; fleet replacement; Metro Wastewater increase; technical adjustment to adjust FTE and operating allocations between funds; technical adjustment for sediment removal; Affordable Care Act health insurance for contingent positions	873,957
Water	Reduce annual debt service; equipment replacement; fleet replacement; technical adjustment to adjust FTE and operating allocations between funds; technical adjustment for preliminary storage assessments; Affordable Care Act health insurance for contingent positions	1,166,428
Total Net Amendment		\$ 3,402,560

*Expenditure Appropriation Net of Revenue from Budget Amendments

6. Other Funds

The City's other funds include the Water and Wastewater Funds; the Golf 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 lists the amendments in the City's other funds in 2014.

Uses of Fund Balance

For 2014, \$20.2 million of the total fund balance is expected to be drawn down, primarily due to capital spending. Of the 20 funds tracked by the City, 14 have planned draw-downs of fund balance, five are expected to increase fund balance, and one has no change. Of the \$24.3 million that is expected to be drawn down, \$15.2 million (62.3 percent) is associated with capital projects in the Wastewater Fund.

Exhibit 6.2 lists the significant uses of fund balances.

Exhibit 6.2 Significant Uses of Fund Balance in 2014		
Fund	Use (in millions)	Anticipated Uses
Wastewater Fund	\$15.2	Planned draw-down of funds available to increase capital spending for various projects.
General Fund	\$4.7	Planned draw-down of funds available primarily from an increased transfer to the CPF from improving revenue for purposes such as the parking garage construction, seed money for the future Moorhead Recreation Center upgrade, and preparation for the 6th Ave. planned extension. One-time funds for an image branding campaign and library materials are also included in the draw-down.
Designated Revenues Fund	\$1.3	Planned draw-down of funds available for upgrades to TV Services, an estimated increase in incentive payments, and to maintain the Tallyn's Reach Library operations without a revenue offset from Arapahoe Library District.

7. Staffing

The 2014 Adopted Budget includes an additional 13.5 FTE, with 17.75 FTE added in all funds, plus another 0.75 FTE added as part of the 2013 Spring supplemental, offset by the elimination of 5.0 vacant FTE. Exhibit 7.1 outlines the staffing changes for all funds.

The total General Fund increases by a net of 12.53 FTE. This is a net result of 0.25 FTE technical adjustment in Communications from the 2013 Spring Supplemental, a net 1.03 FTE transferred in from other funds in the 2013 Spring Supplemental, 2.0 Code Enforcement Officers from the Abatement Fund, 1.0 new Code Enforcement Officer, 8.0 FTE in Fire, 1.0 Assistant City Attorney, 0.75 City Attorney Investigator, 1.0 Human Resources Front Desk Assistant, and 1.0 for Mission Viejo Library staff. These are partially offset by the elimination of 3.0 vacant positions.

Exhibit 7.2 shows the details of the staffing level by fund over time. the total number of FTE in the General Fund declined 5.6 percent (115.1 FTE) over the last 11 years, while this is offset by growth in other funds of 103.2 FTE mostly Water and Wastewater, up 48.1 percent for the same period. The ratio of civil FTE (police officers and firefighters) to General Fund career FTE has changed significantly from 2003 to 2014.

Exhibit 7.1 Staffing Summary by Fund In Full-Time Equivalents (FTEs)			
Fund	2012 Actual	2013 Projection	2014 Adopted
Abatement	9.5	5.5	3.5
Community Development	23.85	21.2	21.2
Conservation Trust	16.77	16.77	16.77
Cultural Services	15	15	15
Designated Revenue	30.71	28.91	28.91
Development Review	69.75	74.75	74.75
Enhanced E-911	5	5	5
Fleet Management	39.5	44	44
General	1,900.50	1,921.33	1,932.08
Gifts & Grants	7.85	5.5	5.5
Golf Courses	42	40	38
Open Space	18.62	18.34	18.34
Parks Development	0.75	0.75	0.75
Recreation	55.2	56.2	56.2
Risk Management	9	9	9
Wastewater	153.09	148.18	144.06
Water	268.91	273.82	277.94
Totals FTE	2,666.00	2,684.25	2,691.00

Police civil service has grown 13.9 percent (80.85 FTE) while career service FTE has dropped 18.2 percent (211.5 FTE).

Exhibit 7.2 Historical Staffing Changes 2003-2014 (All Funds)					
	2003	2005	2007	2009	2014
Police Civil GF	580.0	603.0	635.0	640.0	660.9
Fire Civil - GF	302.5	288.0	311.0	306.0	318.0
General Fund Career	1,164.7	1,089.1	1,091.5	1,066.5	953.2
Total General Fund	2,047.2	1,980.1	2,037.5	2,012.5	1,932.1
Police/Fire Civil Non GF	2.5	1.0	2.0	2.0	9.2
Aurora Water	285.0	329.0	403.0	426.0	422.0
Development Review Funds	112.0	115.9	119.3	86.2	74.8
Golf Fund	57.0	56.0	52.0	52.0	38.0
Rec/Cultural Services Funds	90.8	86.3	86.0	85.8	71.2
All other FTE	108.5	107.4	137.9	139.9	143.8
Total	2,703.0	2,675.6	2,837.7	2,804.4	2,691.0

8. Capital Improvement Program

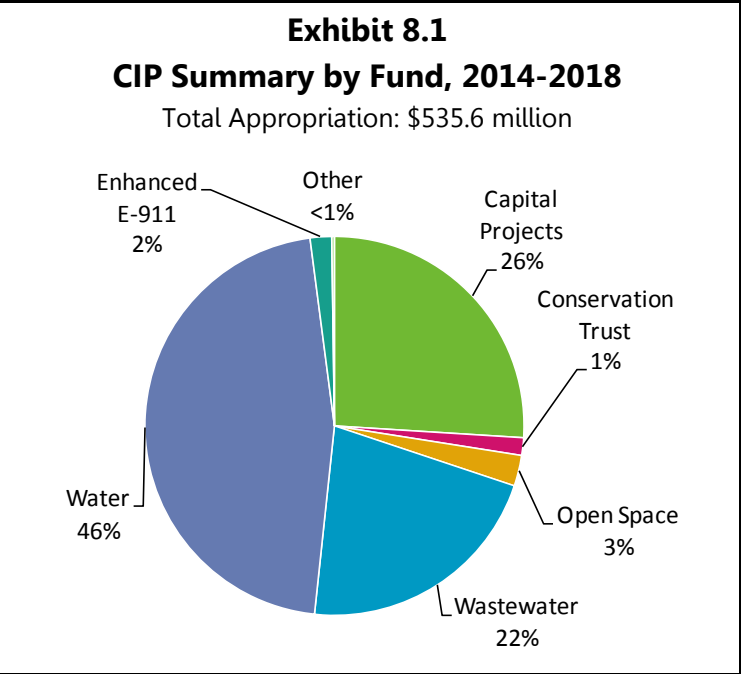
The City of Aurora's five-year Capital Improvement Program (CIP) identifies the capital needs of the City and allocates existing funds and projected revenues for projects of \$25,000 or more. All projects must have a long-term benefit of at least five years. The CIP is the funding program for:

- 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;
- 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 \$488.1 million, five-year capital improvement program draws from a total of eight separate funds. The Capital Projects Fund provides for general government infrastructure and facilities, including streets, parks, information systems, and facilities. The Parks, Recreation, and Open Space Department's capital plan receives the majority of its funding from dedicated revenue funds, including the Open Space Fund and Conservation Trust Fund. The Water and Wastewater Funds include planned five-year capital spending totals in excess of \$363.0 million. Exhibit 8.1 illustrates the distribution of the CIP appropriations by fund for 2014-2018.



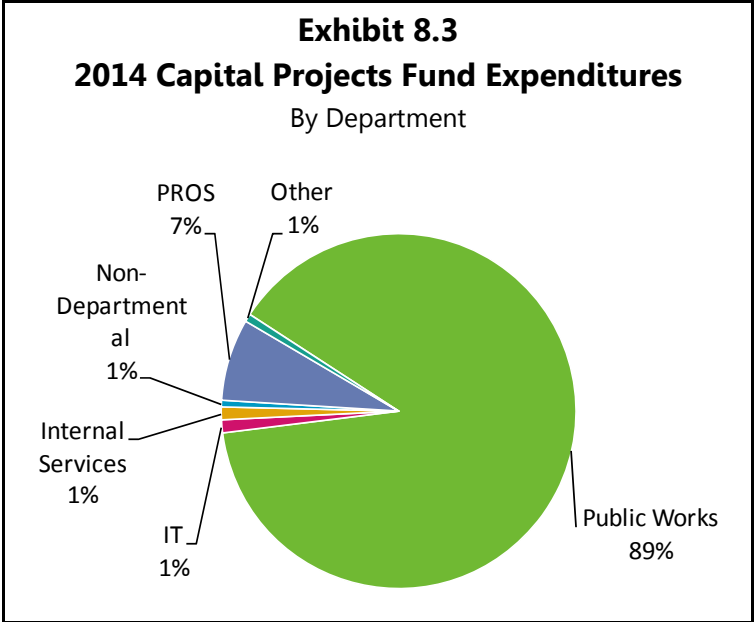
Capital Projects Fund

The Capital Projects Fund (CPF) provides support for general government capital projects. Historically, the CPF received a transfer equal to 100 percent of all 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 police officer staffing program. Subsequent Council decisions reduced the transfer by about \$6 million each year. This equates to a transfer of approximately one percent. As part of the 2013 Budget process, Council requested that staff begin to return the transfer back to the 4.0 percent mandate. Because of this, the 2014 transfer is set at 2.0 percent. This transfer will increase each subsequent year by one-half of a percent until the entire 4.0 percent amount is transferred in 2018.

The 2014-2018 five-year plan totals \$139.3 million. As Exhibit 8.2 shows, the funding in the Capital Projects Fund is primarily dedicated to ongoing street maintenance, reconstruction, improvements, and other capital maintenance projects.

The net change in the 2014-2018 CPF five-year plan is an increase in expenditures of \$48.4 million, a 53.3 percent increase in expenditures over the 2013-2017 five-year plan. Most of the increase went to street maintenance projects in Public Works.

Exhibit 8.2 Summary of Capital Project Fund Projects, 2014-2018		
Project	Total Cost (in millions)	Percent of Total
Street maintenance, reconstruction & improvements	\$82.9	60%
Building repair projects	\$13.1	9%
FasTracks projects	\$7.9	6%
Direct costs – Public Works design & engineering / building repair	\$6.2	5%
Public safety debt service	\$6.0	4%
Traffic signal component replacement	\$6.0	4%
800 MHz radio system debt / infrastructure upgrade	\$4.5	3%
Police / Fire joint training facility design	\$2.6	2%
Direct costs – Purchasing Services	\$2.0	1%
Moorhead / Ward V Recreation Center seed money	\$1.8	1%
6th Avenue extension	\$1.7	1%
System and network replacement	\$1.6	1%
Art in public places	\$1.0	1%
All other projects	\$2.0	1%
TOTAL	\$139.30	



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 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 2014 budget is the projected amount approved by City Council when it adopted the 2013 budget less one-time items and various adjustments. These changes may include: items approved in the 2013 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 in-depth review of additions and reductions by the deputy city 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 its 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 ordinances are normally considered in the spring and fall.

Budget Document

The Office of Budget and Financial Planning prepares two formal documents annually:

- 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 next page.

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, 2013.

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.



City of Aurora

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