



City of Aurora, Colorado



BUDGET IN BRIEF

2015 Budget Acknowledgements

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Debi Hunter Holen ...	Mayor Pro-Tem (2015) and At-Large
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Renie Peterson	Ward II
Marsha Berzins	Ward III
Molly Markert	Ward IV
Bob Roth	Ward V
Robert (Bob) E. Broom	Ward VI
Barbara Cleland	At-Large
Bob LeGare	At-Large
Brad Pierce	At-Large

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For more information, please visit the *City Budget* page on the City of Aurora website at www.auroragov.org/budget.

For other questions about the City, please call Access Aurora at (303) 739-7000.

Introduction

The 2015 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 2015 budget as adopted by City Council in the fall of 2014.

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, grants, reimbursements, intergovernmental revenues, and interest earnings.

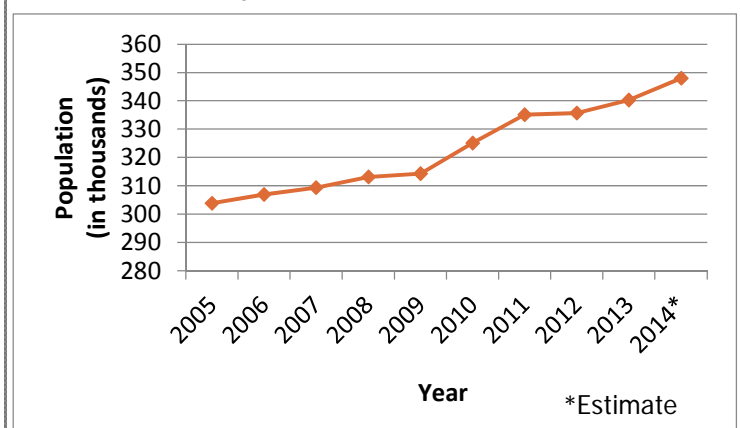
1. Profile of Aurora

Aurora is the third largest city in the State of Colorado (2014 est. population 347,953) 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 2015 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 2014 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 a 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 continues to strengthen with improvements in the housing market, employment growth and increased exports which are boosting aggregate demand. At the local level, Aurora is experiencing the fifth consecutive year of positive revenue growth. Through June 2014, General Fund collections are 6.4 percent higher than during the same months in 2013. This increase is largely attributable to strong sales tax and capital-related use tax collections. The year-end projection for 2014 assumes a 4.4 percent increase in General Fund revenue, followed by modest year-over-year gains throughout the forecast period, declining from 3.5 percent in 2015 to 1.9 percent in 2019.

Unemployment Rate: Thanks to employment figures which increased 2.4 percent in 2012 and 2.3 percent in 2013, the local unemployment rate dropped to 7.1 percent in 2013. In 2014, unemployment has continued to fall, resulting in an average unemployment rate of 6.5 percent through June. Aurora is expected to continue adding jobs, however, the rate of growth will be partially offset as workers re-enter the workforce. Between 2012 and 2013, the natural resources and construction sector in Aurora saw the highest percentage of employment growth while the government sector added the largest number of jobs, closely followed by wholesale and

retail trade. Aurora's largest single private employer continues to be Buckley Air Force Base. In 2007, Aurora's unemployment rate was at a pre-recession low of 4.7 percent when almost one fourth of the local workforce was employed in construction and finance/real estate. During the recession, these industries suffered significant job losses, which drove up Aurora's unemployment. Comparing employment between 2007 and 2013, more people in Aurora are now employed in educational services/health care and the recreation/food sectors while employment in construction and finance/real estate has not returned to pre-recession levels.

Wage and salary: The state wage and salary income grew by 4.0 percent in 2013 and is projected to grow at a faster rate in 2014 of 5.7 percent. While Aurora's wage and salary data trends with the state and metro area, the annual rate of growth is typically slower. This is likely driven by Aurora's large percentage of low wage jobs in industries such as wholesale and retail trade as well as leisure and hospitality .

Retail sales: In the metro region, retail sales increased 4.8 percent in 2013, higher than the state increase of 4.4 percent. Through the first quarter of 2014, retail sales in the metro region increased by 5.9 percent, a rate of growth again above the state's rate of 5.2 percent. Full year growth of 5.6 percent is expected for the state in 2014, followed by an increase of 5.4 percent in 2015 .

Housing: Construction of housing in Aurora peaked in 2005 with 2,382 permits issued and bottomed out at 425 permits in 2009. In 2013, the number of permits issued increased to 883, still 62.9 percent below the 2005 peak. Improvement in the overall economy and the housing market in particular are expected to drive the number of permits up to 980 in 2014, followed by 1,130 permits in 2015 and 1,230 permits in 2016. Nevertheless, residential permits remain 48.4 percent below the 2005 peak.

Property tax: The budgeted property tax collection for 2015 incorporates a 1.0 percent increase over 2014, which mainly represents additional base properties typically seen in non-reassessment years. Property tax revenue for 2016 is expected to increase 5.0 percent as the 2015 reassessment will capture the strong home price appreciation seen in 2013 and through June 2014. Collections are expected to reach 2009 peak levels in 2017.

Revenue Outlook

Sales tax: The sales tax budget estimate for 2015 is based on 3.8 percent or \$5.7 million growth over 2014 projected revenues. This moderate rate of growth assumes that economic momentum will maintain consumer confidence and retail sales through 2015. This estimate is reflective of a strengthened economy, where job growth and increased

personal income support comfortable levels of household consumption and business investments.

Property tax: The 2015 property tax collection budget estimate is based on the 2013 certified assessments, incorporating preliminary data from each county and an increase in additional base properties typically seen in non-reassessment years, resulting in a 1.0 percent increase over 2014.

Franchise fees & tax: For 2015, the OBFP estimates that franchise fees & tax collections will be 4.0 percent higher than 2014, driven by modest increases in natural gas and electricity prices combined with slightly higher usage. The assumed increases are in line with projections by the Energy Information Administration. Future years are forecast to grow slightly above the five year average at 2.0 percent.

Auto use tax: Over the first six months of 2014, auto use tax collections exceed 2013 revenues by 7.6 percent, with demand being fueled by strengthening consumer confidence combined with strong loan demand and wide credit availability. This increase is expected to diminish over the second half of the year, based on predictions that the market has captured pent-up demand caused by delayed purchases related to the unusually harsh winter months at the end of 2013. This will result in a 4.0 percent year-end increase for 2014. Economic reports suggest that nationwide auto sales will return to pre-recession levels in 2015, translating to a 4.0 percent increase in Aurora auto-related revenue in 2015 and bringing local auto sales to pre-recession levels. Auto experts maintain that replacement demand continues to drive auto sales, combined with optimal borrowing conditions.

Building materials use tax (BMUT) and other equipment & consumables use tax: Primarily applied to business capital assets and supplies, BMUT and other use tax are the main sources of capital-related revenue and are closely aligned with construction activity. For 2015, economists expect construction activity in the state to grow, although at a slower rate than seen in 2014. The 2015 budget estimate for BMUT incorporates an 8.7 percent increase over 2014, while the estimate for other use tax assumes 1.0 percent growth. Together, the two categories of capital related use tax net to a 5.0 percent increase in 2015. The forecast for 2016 assumes slow growth with moderate construction-related revenue increases, resulting in a 3.3 percent increase over 2015.

State Highway Users Tax Fund (HUTF): The fund 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. Through the first half of 2014, HUTF transfers are \$173,800 (4.3 percent) higher than the

same period in 2013, driven by increased tax collections from fuel sales. This increase is attributable to growing fuel usage due to stable gas prices and personal income growth. In addition, Colorado's growing population and an increased number of registrations per household is driving revenues from vehicle registrations. The year-end projection for 2014 equates to a 2.0 percent increase over 2013. The OBFP projects that 2015 and 2016 will increase an estimated 1.0 percent as a result of the improving economy, slightly 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 55 percent of total revenue. Use tax is a companion tax to sales tax and is associated with purchases of commodities and equipment. Approximately two-thirds of all General Fund revenue is dependent on purchases when use tax revenues are included. General Fund revenue, excluding transfers, is estimated to grow at a relatively conservative overall rate of 3.5 percent or \$9.5 million in 2015. The major component of revenue growth in 2015 comes from a \$5.7 million budgeted increase in sales tax over the 2014 projection. An additional \$877,800 will be generated by increases in capital-related use tax and \$1.4 million will result from an increase in other operating revenues, primarily lodger's tax (\$438,300), audit revenue (\$396,600) and external charges for service (\$269,500). Moderate but sustained growth in franchise fees and taxes and auto use tax are also expected in 2015.

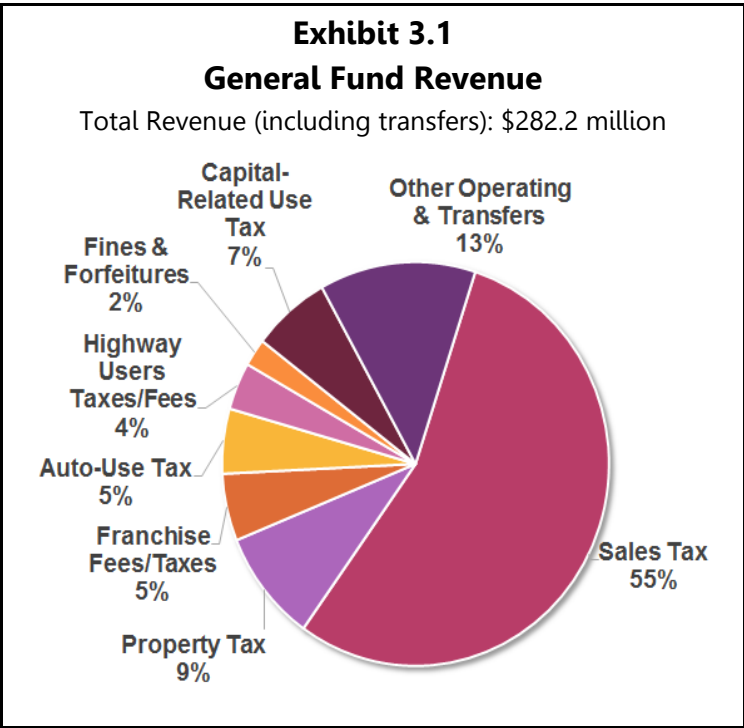


Exhibit 3.2 Key General Fund Revenues (Projected) Percent Change 2013-2014 and 2014-2015		
Revenue Source	2013-2014 Change	2014-2015 Change
Sales Tax	4.7%	3.8%
Property Tax	0.0%	1.0%
Franchise Fees/Taxes	3.0%	4.0%
Auto Use Tax	4.0%	4.0%
Capital-Related Use Tax	10.7%	5.0%
Highway User's Fee/Taxes	2.0%	1.0%
Fines & Forfeitures	1.5%	1.0%
Other Operating Revenue	6.0%	4.0%
General Fund Revenue	4.4%	3.5%
Transfers in	-5.2%	5.0%
Total w/ Transfers in	4.4%	3.5%

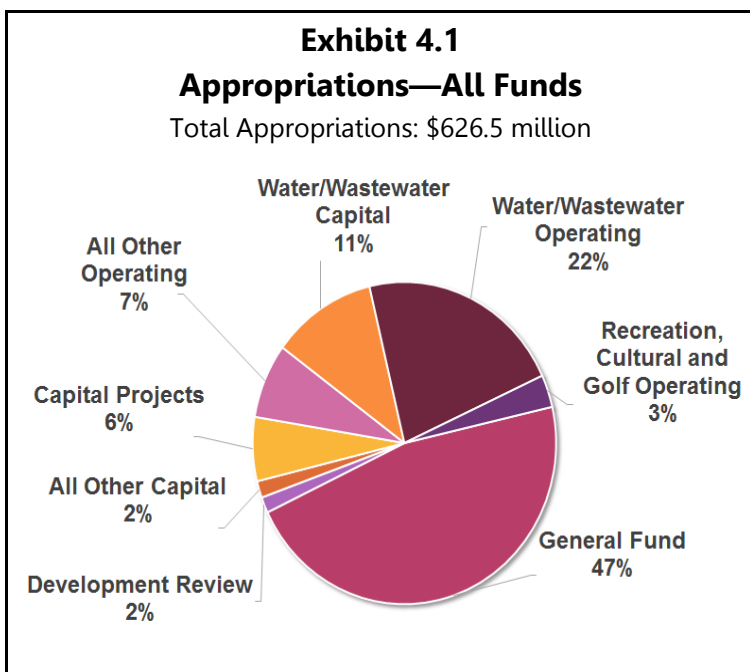
4. Budget Overview

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 2015 Adopted Budget includes a total of \$626,491,211 in appropriations for all funds. This compares with the 2014

Original Budget of \$591,393,172 and the 2014 expenditure projection of \$641,997,506. Total expenditures in the 2015 Adopted Budget will increase \$35,098,039 over the 2014 Original Budget. The increase is attributable to several factors including \$18.0 million in personnel-related expenses, \$10.4 million increase in the Capital Improvement Program (CIP) and \$6.1 million in supplies and services. The increases in those categories were partially offset by a \$5.5 million decrease in debt-related costs.

Exhibit 4.2 Expenditure and Budget Summary All Funds			
Fund	2013 Actual	2014 Projection	2015 Adopted
General Fund	\$261,712,854	\$273,989,549	\$291,514,209
Capital Projects Fund	\$23,951,505	\$44,879,849	\$40,264,902
Community Development	\$6,108,019	\$5,187,797	\$4,829,297
Debt Services	\$7,020,208	\$7,027,191	\$2,818,045
Development Review	\$8,078,653	\$9,220,134	\$9,920,360
Fleet Management Fund	\$8,922,680	\$8,895,936	\$9,778,013
Golf Courses Fund	\$8,202,860	\$8,405,344	\$8,597,498
Recreation; Cultural	\$11,584,324	\$11,904,686	\$12,287,739
Risk Management Fund	\$7,994,801	\$8,004,831	\$8,295,436
Wastewater Fund	\$80,869,687	\$73,942,284	\$71,383,773
Water Fund	\$94,253,582	\$163,066,507	\$135,443,372
Others	\$32,279,871	\$27,473,398	\$31,358,567
Total Budget	\$550,979,044	\$641,997,506	\$626,491,211



Base Budget Adjustments

The 2015 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 2015 Adopted Budget generally maintains the current service levels of the programs funded in the 2014 Original Budget in the face of significant cost drivers (e.g. compensation increases, police staffing, maintaining fleet replacement, health insurance increases). The budget also funds costs in addition to those found in the 2014 Original Budget, including:

Exhibit 4.3
Operating Appropriations by Category
 All Funds

Category	2013 Actual	2014 Projection	2015 Adopted
Salaries and Benefits	\$234,453,120	\$243,617,218	\$260,024,214
Supplies and Services	\$115,507,637	\$123,912,249	\$136,272,256
Interfund Charges	\$15,160,938	\$15,837,910	\$17,237,135
Debt Related	\$62,911,728	\$63,857,381	\$33,633,322
Capital Related	\$5,180,819	\$9,305,341	\$8,937,490
Operating Transfers*	\$48,633,616	\$50,175,585	\$49,598,199
Total Budget	\$481,847,858	\$506,705,684	\$505,702,616

*Includes capital-related funding

- The addition of costs associated with prior year cuts and deferrals;
- One-time transfer of funds available to fund various Council and staff priorities including capital projects; and
- Expenses identified by Council as part of the budget adoption process.

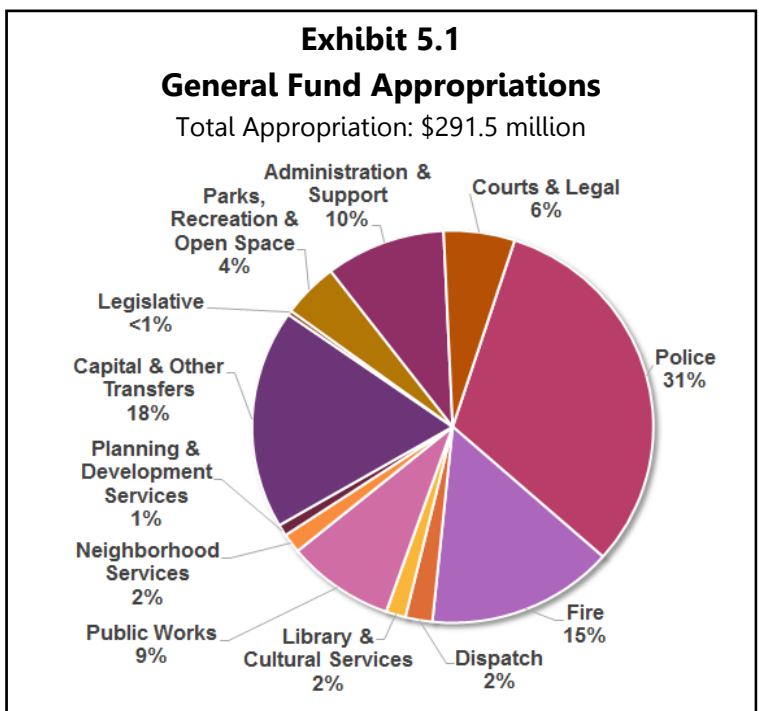
5. General Fund

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 2015 total \$291,514,209, an 8.0 percent increase from the \$269,768,889 million original expenditure budget for 2014. The primary increase is a result of increased personnel-related costs in all departments. A continued incremental increase in the annual transfer to the Capital Projects Fund—housed in Non-Departmental—also drives up expenditures in the 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 Exhibit 5.1 illustrates, public safety functions, including Fire, Dispatch, Police and the Courts and Legal account for 54 percent of total General Fund appropriations. Significant changes from the 2014 Original Budget include:

- \$8.9 million additional one-time transfer to the Capital Projects Fund and a \$5.0 million increase in the regular transfer per the 2015 transfer formula;
- \$6.4 million for a 3.75 percent pay increase and civil service step and grade of \$691,900;
- \$1.4 million for increases in fleet-related charges, utilities and risk management charges;

- \$1.0 million for a 5.0 percent increase in the City's contribution for employee health insurance net of savings in insurance plan selections;
- \$723,300 for 7.0 new Police Officers to comply with the modified consent decree, \$784,100 to fund 6.0 civilian FTE and storage and equipment for property and evidence management;
- \$600,000 for 5.0 FTE for two additional Fire Medical Service Units including equipment, \$403,500 for 6.0 additional Firefighters and \$350,000 to begin a phased replacement of self-contained breathing apparatus (SCBA) units;
- \$737,500 for departmental mandated costs to maintain 2014 service levels
- \$700,000 to fund the replacement of 16 pieces of heavy equipment and vehicles;
- A net new cost of \$332,000 to fund a new Office of International Initiatives. The net cost is inclusive of \$90,000 in savings from reductions in the City Council and Intergovernmental Relations budgets;
- \$400,000 for potential market adjustments and other one-time, performance-based payments to employees; and
- Establishment of new Marijuana Enforcement Division in the Finance Department. The cost for adding the division is completely offset by new licensing fee revenue, creating a net zero impact on the fund.



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 2015.

Exhibit 6.1 Amendments in Other Operating funds		
Fund	Description	Amount *
Abatement	Reduce abatement program appropriation	\$ (23,699)
Community Development	Align CDBG and HOME appropriations to anticipated funding; align NSP appropriation to anticipated program revenue; homeless initiative; 1.0 FTE	1,991,007
Cultural Services	Additional appropriation for Art in Public Places; 1.0 FTE Education Curator for the Aurora History Museum	310,000
Designated Revenues	Compensation adjustment for Judicial Teen Court Coordinator	15,014
Development Review	All 4 Business Action Plan: Add 1.0 FTE Project Manager, 1.0 FTE Administrative Technician, and nine contingent positions (two Design Engineers, two Permit Technicians, one Plans Examiner, one Building Inspector; three Planners); Parks Development support; wellness incentives	883,157
Fleet Management	Replace fuel management system	-
Gifts & Grants	Move 0.5 FTE Emergency Management Specialist from General Fund; increase library appropriation; anticipated COMPASS grant; add 2.0 FTE for Small Business Development Center	1,396
Recreation	Free Fridays program for outdoor pools; anticipated COMPASS grant, Village Green pool fee equity	3,000
Risk Management	AMC employee health clinic; convert contingent wellness coordinator to FTE; wellness program	134,918
Wastewater	Convert 0.4 FTE Admin Assistant; drainage studies; add 1.0 FTE Environmental Inspector; equipment, tool and system replacements; add 0.6 FTE Inspection Manager; wellness incentives; technical adjustments to adjust FTE allocations between funds	593,757
Water	2.0 FTE Treatment Plant Operators; filter media replacement; convert 0.6 FTE Admin Assistant; fleet replacement; purchase new vehicles; equipment, tool and system replacements; add 0.4 FTE Inspection Manager; spec book update; technical adjustment to adjust FTE allocations between funds; reduction in outside legal services; wellness incentives	1,367,365
Total Net Amendments		\$ 5,275,915

* Expenditure Appropriation Net of Revenue from Budget Amendments

Uses of Fund Balance

For 2015, a net of \$21.0 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, 15 have planned draw-downs of fund balance, three are expected to increase fund balance, and two have no change. Exhibit 6.2 lists the significant uses of fund balances.

Exhibit 6.2 Significant Uses of Fund Balance in 2015		
Fund	Use (in millions)	Anticipated Uses
General Fund	\$9.3	Planned draw-down largely a result of an additional one-time transfer to the Capital Projects Fund and other one-time items.
Wastewater Fund	\$5.4	Planned draw-down to increase capital spending for various projects.
Capital Projects Fund	\$4.0	Planned draw-down for various projects including the 6th Avenue extension, TOD development, Police District 2 office space, and other items.
Open Space Fund	\$2.7	Planned drawdown primarily due to capital spending on Aurora Sports Park and the Triple Creek projects.
Designated Revenues Fund	\$1.5	Draw-down due to second year of operating Tallyn's Reach Library without payments from Arapahoe Library District, increased incentive payments.
Debt Service Fund (GO)	\$1.5	Draw-down of all remaining funds as all debt service is completed in 2015.
Conversation Trust Fund	\$1.1	Planned draw-down for improvements to the Moorhead Recreation Center

7. Staffing

The 2015 Adopted Budget includes an additional net 107.81 FTE, with a net of 56.4 FTE added in all funds as part of the 2015 budget process and another 51.41 FTE added as part of the 2014 spring supplemental. Exhibit 7.1 outlines the staffing changes for all funds.

The total General Fund increases by a net of 58.42 FTE. This is a result of 44.4 FTE being added for the first time in 2015 as well as 14.52 FTE being added as part of the 2014 spring supplemental. A 0.5 FTE position in Fire will be moved out of the General Fund and will instead be funded from a grant as a 2015 technical adjustment. Of the 2014 midyear additions, 13.21 were contingent employees converted to FTE and 1.0 is the new retail marijuana licensing manager and 0.31 FTE comes from three additional technical adjustments. There are no position cuts for 2015.

Exhibit 7.2 shows the details of the staffing level by fund over time. The total number of FTE in the General Fund declined 2.8 percent (56.7 FTE) over the last 12 years. This decrease is offset by growth in other funds of 152.6 FTE, mostly Water and Wastewater, up 50.5 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 2015. Police Civil Service has grown 15.1 percent (87.85 FTE) while Career Service FTE has dropped 14.3 percent (166.05 FTE).

Exhibit 7.1 Staffing Summary by Fund In Full-Time Equivalents (FTEs)			
Fund	2013 Actual	2014 Projection	2015 Adopted
Abatement	5.5	3.50	3.50
Community Development	21.2	21.20	23.20
Conservation Trust	16.77	16.77	21.77
Cultural Services	15	15.00	18.00
Designated Revenue	28.91	28.91	32.11
Development Review	74.75	74.75	76.75
Enhanced E-911	5	5.00	5.00
Fleet Management	44	44.00	44.00
General	1,921.33	1,932.08	1,990.50
Gifts & Grants	5.5	5.50	8.00
Golf Courses	40	38.00	38.00
Open Space	18.34	18.34	22.43
Parks Development	0.75	0.75	0.75
Recreation	56.2	56.20	75.80
Risk Management	9	9.00	10.00
Wastewater	148.18	144.06	145.37
Water	273.82	277.94	283.63
Total FTE	2684.25	2691.00	2798.81

Exhibit 7.2 Historical Staffing Changes 2003-2015 (All Funds)					
	2003	2005	2007	2009	2015*
Police, Civil Service	580.00	603.00	635.00	640.00	667.85
Fire, Civil Service	302.50	288.00	311.00	306.00	324.00
Career Service	1,164.70	1,089.12	1,091.53	1,066.53	998.65
Sub-total, General Fund	2,047.20	1,980.12	2,037.53	2,012.53	1,990.50
Non-General Funds					
Police/Fire Civil (Non-GF)	2.50	1.00	2.00	2.00	9.15
Wastewater/Water Fund	285.00	329.00	403.00	426.00	429.00
Development Review Fund	111.95	115.85	119.25	86.20	76.75
Golf Courses Fund	57.00	56.00	52.00	52.00	38.00
Recreation & Cultural Svcs Fund	90.80	86.30	86.00	85.75	93.80
All other FTE	108.50	107.35	137.89	139.89	161.61
Sub-total, Non-General Funds	655.75	695.50	800.14	791.84	808.31
Total	2,702.95	2,675.62	2,837.67	2,804.37	2,798.81

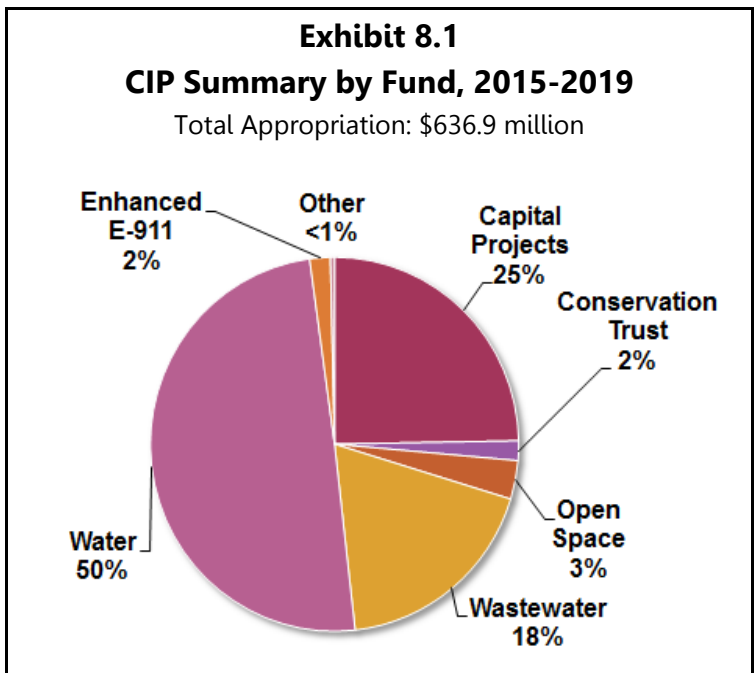
*Budgeted

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 \$636.9 million, five-year capital improvement program draws from a total of ten 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 \$433.7 million. Exhibit 8.1 illustrates the distribution of the CIP appropriations by fund for 2015-2019.

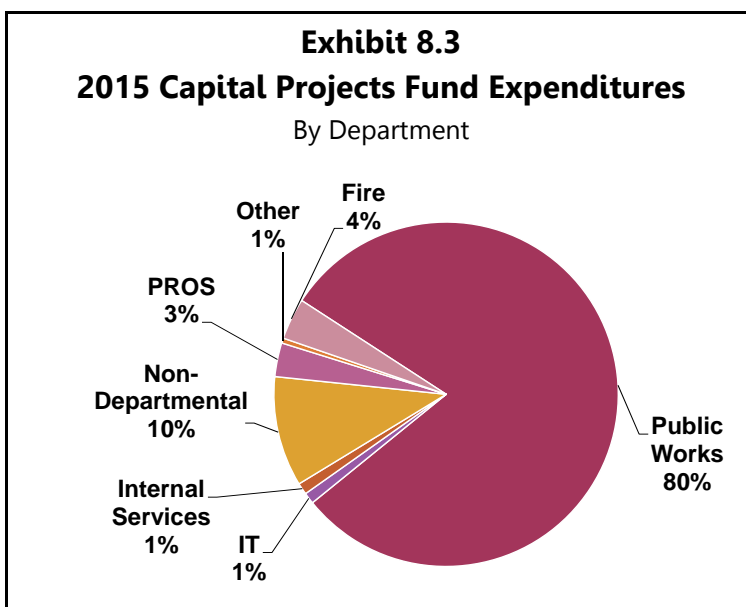
Capital Projects Fund

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 2015 transfer is set at 2.5 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 2015-2019 five-year plan totals \$157.4 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 CPF five-year plan is an increase in expenditures of \$18.1 million, a 13.0 percent increase. Most of the increase went to street maintenance projects in Public Works.

Exhibit 8.2 Summary of Capital Project Fund Projects, 2015-2019		
Project	Total Cost (in \$ millions)	Percent of Total
Street maintenance, reconstruction & improvements	\$ 87.4	55.6%
Building repair projects	14.4	9.2%
Public safety debt service	7.5	4.8%
Traffic signal component replacement	6.1	3.9%
800 MHz radio system debt / infrastructure upgrade	6.0	3.8%
Direct costs – Public Works design & engineering / building	5.8	3.7%
6th Avenue extension	5.7	3.6%
Fire Station Build / Remodel	5.5	3.5%
Police District 2 office space	4.1	2.6%
FasTracks projects	3.0	1.9%
TOD Development Support	2.4	1.5%
Direct costs – Purchasing Services	2.1	1.3%
IT System, Network, Telephone Projects	2.1	1.3%
Parks Projects	1.4	0.9%
Art in public places	1.4	0.9%
All other projects	2.4	1.5%
Total	\$ 157.4	



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 2015 budget is the projected amount approved by City Council when it adopted the 2014 budget less one-time items and various adjustments. These changes may include: items approved in the 2014 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, 2014.

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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