

# Budget Advisory Committee

City of Englewood, Colorado

City Manager's Office

1000 Englewood Parkway

Englewood, CO 80110-2373

Website: [www.engagewoodgov.org/budget-advisory-committee](http://www.engagewoodgov.org/budget-advisory-committee)



## AGENDA

Englewood Civic Center

City Council Conference Room, Third Floor

Tuesday, August 18, 2015

4:30pm to 6:00pm

These meetings are recorded, please be mindful of side conversations.

1. Call to Order and Roll Call of Members
2. Clarification to the Meeting Recording – July 21, 2015
3. New Business
  - Slate Communication Representative will provide an update to the City's Branding Project
  - Review Draft Sections of the Annual Report
4. Old Business
5. Budget Advisory Members' Choice
6. Adjourn

Please note: If you have a disability and need auxiliary aids or services, please notify the City of Englewood (303-762-2409) at least 48 hours in advance of when services are needed. Thank you.

City of Englewood, Colorado  
Budget Advisory Committee

Annual Report to  
City Council

Submitted  
September 15, 2015

Prepared by

Christine McGroarty, Chair  
Steve Ward, Vice Chair  
John Moore  
Harvey Pratt  
Ben Rector



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The Budget Advisory Committee is pleased to present its second annual report to the Englewood City Council.

## Background

The Englewood City Council created the Budget Advisory Committee in May 2013 (Ordinance 16, Series 2013) with the following purpose:

The Budget Advisory Committee (BAC) is established by Council and the City Manager to advise the City on the development, implementation, and evaluation of the annual City Budget. Participation in the Budget Advisory Committee is an opportunity not only to advise on the prioritization of how city tax dollars are spent, but also to advise policymakers in ~~the~~ their decision-making process in an open and transparent manner.

The BAC is comprised of:

- Christine McGroarty, Chair
- Steve Ward, Vice Chair
- John Moore
- Harvey Pratt
- Ben Rector
- Joe Jefferson, City Council Liaison
- Linda Olson, Alternate City Council Liaison

For the last year, the BAC had meetings with the Police, Parks and Recreation, and Community Development Departments.

Once the budgets have been reviewed and have incorporated requests for new programs and or personnel authorized by the City Manager- ~~The~~ Budget Advisory Committee shall submit a written report of its findings and recommendations (BAC Report) to Council prior to the public hearing regarding the budget.

Overall the BAC was impressed with the City staff we met and believe they are committed and dedicated to goals developed by the Council:

- A City that provides and maintains a quality infrastructure
- A City that is safe, clean, healthy and attractive
- A progressive City the provides responsive and cost effective services
- A City ~~the~~that is business-friendly and economically diverse
- A City that provides diverse culture, recreation, and entertainment

In our report below, we will provide comments and recommendations around the following issues:

- ~~Citizen Involvement~~
- Fire Department

- Parks and Recreation
- Police
- Community Development
- Priority Based Budgeting
- Economic Development and Shifting Demographics
- Retrospective: Review of Last Year's Recommendations as Adopted
- Recommendations Going Forward

### **City Departments**

Membership in the Budget Advisory Committee affords us the opportunity to meet annually with the various city departments. To prepare last year's report, we met with the fire department, public works and human resources. For this year's report, we had meetings with community development, police, and parks and recreation.

Each department meeting is an opportunity for us as lay citizens to learn about how each of these city departments provides services that benefit the citizens, who is in charge of each department, and what personnel or capital purchases each department needs or wants. We also have an opportunity to see the longitudinal focus that each department employs.

### **Parks and Recreation**

The Parks and Recreation Department takes care of more than just our city's parks. They also maintain medians where greenery is planted, run Pirate's Cove, and share use of some fields and recreation facilities with the Englewood School District.

Englewood's citizens make heavy use of Englewood's parks. Many of the services provided by the Parks and Recreation Department are free to citizens. In some past years, the Parks and Recreation Department has contributed upwards of \$300,000 per year to the general fund. The money that Parks and Recreation contributed to the general fund aided in the city's operations in years of declining revenues. However, sacrifices were made to accommodate the transfers to the general fund. Expensive capital projects were delayed or denied.

It costs an estimated \$250,000 minimum to replace a restroom in a park. The cost to replace irrigation systems is closer to \$1 million. The Parks and Recreation Department sets aside money from its budget annually to plan for these expenses, but those funds cannot be used as planned when Council makes transfers from the Parks and Recreation budget to the general fund.

When major recreation programs such as Pirate's Cove, Englewood Recreation Center, or the Malley Center are built, the Parks and Recreation Department has traditionally used bond dollars. While bond money is effective in paying for these large capital costs, it is not as effective in paying for maintenance or upgrades. A steady hand is required in order to ensure that future expansion plans as well as ongoing maintenance do not become burdensome to the city's overall budget.

No one questions the value of our city's parks and recreation facilities. Members of other nearby municipalities are paying property taxes into a special district (8.8 mils for South Suburban Parks and Recreation District) for services that are supported by Englewood's much smaller 8.124 mill levy. It's important to note that Englewood's mill levy goes to support more than just parks and recreation. Additional funds come from sales and use taxes, grants, and lottery dollars.

Englewood is blessed with a parks and recreation system that effectively meets the needs of its citizens. Indeed, Pirate's Cove is a regional attraction serving not just the citizens of Englewood. We encourage Council to continue its support of our Parks and Recreation Department and to exercise extreme caution when making transfers out of the Parks and Recreation Department's long-term planning accounts to support the general fund.

### **Police**

When we met with the Police Department, Chief Collins discussed two major department needs. The Police Department has a significant capital need because it is housed in a 44-year-old building. This building is afflicted with HVAC issues, a leaking roof, inadequate locker rooms, lack of room to securely catalog and store evidence, and an overall lack of square footage for offices. Additionally, the current public safety building is not functional as a jail because of the issues listed above. The estimated cost for rebuilding or replacing the police building is \$15 to \$16 million.

The members of the Budget Advisory Committee believe that it is appropriate to request bond funds to replace the police building. While a certificate of participation (COP) or lease purchase option might be considered, we believe that a bond is a less expensive financing vector. We also support the use of a bond rather than a COP because we view a COP as an end-run around TABOR that while legal is nonetheless undesirable because it denies the citizens the right to make decisions regarding the long-term finances of the city.

Chief Collins also shared with us some concerns regarding personnel and staffing. While it is likely that every city department would prefer "more bodies," the chief's concerns extend beyond just the number of bodies he has on staff. Acquiring and training a police officer is an expensive and lengthy process. Some departments can afford to choose applicants, pay their tuition through the law enforcement academy, and bring them on board as full police officers after they are POST certified. Unfortunately, Englewood's budget does not allow us to hire police officers before they are POST certified.

An increase in the Englewood Police Department's staffing budget would allow the city to pay for police officer candidates' POST certification and would thereby ensure that Englewood could compete with other, larger municipalities for the best candidates. This approach results in increased up-front hiring costs, but we believe the Chief when he indicates that the investment will allow us to hire the best-qualified candidates into long-term positions.

Commented [C1]: I would like to talk about this.

Some nearby municipalities recently received a lot of media attention for their ticketing

practices. It seems that some law enforcement agencies are focused on ticket writing for the purposes of revenue generation. We commend Chief Collins for overseeing Englewood's recent shift from a "numbers-driven" (quota) policing system where the officer who wrote the most tickets was seen as the most effective officer to a more "hot spot" or "community-based" model. By analyzing crime statistics and focusing police attention on areas of the city where the highest numbers of crimes occur, our police officers are better equipped to build positive relationships positive in the community. As citizens of Englewood, we support a police department that is focused on preventing and responding to serious crimes and providing services to victims rather than on issuing traffic tickets for revenue generation or to keep up appearances.

### **Community Development**

Our visit with Community Development revealed an active group that serves our citizens in a number of ways. Community Development is responsible for approving building plans, verifying zoning requirements, and marketing our city to potential business owners. The Community Development department serves to aid business owners, developers, and citizens in ensuring that their proposed projects comply with Englewood's requirements before ground is broken. Additionally, Community Development is deeply involved in the city's comprehensive plan.

We believe that Community Development is a great asset to the city, and will continue to be so well into the future. Sometimes, potential development is stymied by bureaucratic hurdles. In our meeting, the officials from Community Development made it clear that they are available to members of the public to assist with understanding the regulatory hurdles involved in development. We encourage further marketing of the Community Development department as a resource for business owners and homeowners to foster a collaborative rather than adversarial relationship with the city's regulatory officials.

We would like to see continued focus on economic development and the adoption of policies that contribute to sustained business growth in our city. Because our city is dependent upon sales tax for much of its revenue, we would like to see our Community Development department allotted the resources that will allow it to effectively attract and keep major retailers in key parts of our city. The success of the King Soopers at Belleview and Federal is an example of how the work of our Community Development department can serve to provide both an economic benefit and a lifestyle convenience to the people of Englewood.

Commented [C2]: Are we recommending a budget increase here?

### **Priority Based Budgeting**

The BAC is extremely interested in the results of the City's priority based budgeting initiative. Council members and staff alike seem to be enthusiastic about the initiative and the BAC is eager to see the impacts it will have on the budget and the budgeting process. As the BAC often discusses which services are most important to citizens and how resources should be allocated, the initiative's focus on results-based resource allocation is of considerable interest to the Committee. The BAC is especially enthusiastic about the outcomes of the fiscal health and wellness initiative. Thus far the fiscal health and wellness approach seems to be incorporating several of the issues that the BAC raised in its 2014 report (e.g. fiscal policies

and long term sustainability). The BAC looks forward to participating in and learning about the outcomes of the priority based budgeting initiative.

### **Economic Development, Growth and Changing Demographics**

Although there is some controversy, the BAC believes that current growth and development is, over all, positive for Englewood. The BAC supports the emphasis the city manager is placing on economic development. There is significant new construction and development happening around the city from new grocery stores and apartments to expansion of medical facilities. However, there is some concern among citizens about the growth in the number of apartments in the city. The influx of new residents should have a positive impact, particularly on growth of new and existing businesses. Inevitably there are tradeoffs between the economic benefits of growth against the increased demands for services associated with that growth. The BAC believes it is important to analyze both costs and benefits associated with growth and development. For example, how many new residents can be added before an additional police officer is needed. The BAC believes that conducting a robust analysis of costs and benefits and including that analysis in the decision-making process is key. The State requires that all new legislation have an accompanying fiscal note that analyzes expenditure and revenue implications. The BAC believes a similar approach could be valuable as projects are being considered.

There are several initiatives underway including Englewood forward and the branding initiative. Although change can be difficult, the BAC supports these initiatives as being critical to Englewood's community and economic vitality. The Committee is very pleased to see the significant effort being undertaken to involve citizens and get their input on these initiatives. The Committee also applauds the cooperation of the various City departments in these development initiatives. Close cooperation, such as between Community Planning and Public Works, is essential to ensure that the City's infrastructure (e.g. parking and transportation) is adequate to handle increased residents. The BAC urges close collaboration between all departments to ensure that all perspectives and costs are understood, considered and addressed as the city grows.

### **Retrospective to the 2014 Report**

In the first annual report, the BAC addressed a number of issues from citizen involvement to aging infrastructure. The BAC is pleased to see progress on several of those issues over the last twelve months. The work with the Center for Priority Based Budgeting is addressing concerns the BAC raised around the need for the city to have a reserve policy and to engage in more long-term planning. The City Council is reviewing a draft of financial policies that establish parameters and guidelines for a number of items including reserve policies. The BAC is very pleased to see the financial policy document and is appreciative of the opportunity to contribute ideas to the drafts.

Infrastructure needs were a major theme of the 2014 report and continues to be a critical issue that the BAC urges City Council to keep front and center. Since his arrival in September of 2014, the new city manager has worked with departments to develop a snapshot of

Englewood's infrastructure needs. The list of needs was more than one hundred million dollars over the next twenty years. One of the intended uses for the savings from outsourcing the fire department was to bolster capital improvements funding. The BAC hopes that a significant portion of the savings will be dedicated to capital infrastructure needs and will not be used to increase on-going operating expenses. Despite this infusion of new funding, the city's capital and infrastructure needs remain significant. Addressing these needs continue to be a high priority issue for the BAC.

Another major theme in the 2014 BAC report was the City's vulnerability due to its heavy reliance on volatile sales tax revenues. 58% of Englewood's revenue comes from sales tax. Because sales tax revenue depends on consumer spending, it is subject to fluctuations as the economy rises and falls. The economic downturn of 2008 had a significant negative impact on Englewood's financial situation. While the city was able to weather those difficulties and is currently in a strong financial position, greater insulation from the volatility of heavy dependence on sales tax revenues remains an important issue. In the 2014 report, the BAC discussed the need to diversify the City's revenue streams. We urge Council to continue looking for ways to generate revenue that is more stable and sustainable than sales tax.

Another issue the BAC discussed in the 2014 report was the issue of citizen involvement. Increasing citizen involvement in the budget was a major factor in City Council's decision to create the BAC. In addition to developing this report, last year the BAC developed a citizen's budget in brief in hopes of making Englewood's budget more accessible to citizens. Unfortunately it does not appear as though that effort reached very many citizens. The BAC has postponed development of a citizen's budget in brief until later in the year. The BAC plans to revisit the citizen's budget and the issue of increasing citizen engagement in the fall.