

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



AGENDA

Englewood Civic Center

City Council Conference Room, Third Floor

Tuesday, March 15, 2016

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 – February 16, 2016
3. New Business
 - Priority Based Budgeting Process Update (On-Going)
 - Discuss Long-Term Asset Reserve Fund
 - Develop 2016 Work Plan
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.

RESOLUTION NO. 90
SERIES OF 2007

A RESOLUTION CREATING A LONG TERM ASSET RESERVE FUND (LTAR)

WHEREAS, the City Council of the City of Englewood, Colorado has determined that funds from the sale, lease, or earnings from long-term assets should be used in a careful, judicious and strategic manner; and

WHEREAS, for this reason, City Council hereby authorizes the creation of a Long Term Asset Reserve Fund (LATR); and


WHEREAS, funds received from the sale, lease, or earnings from long-term assets shall be reserved in this account Long Term Asset Reserve Fund (LTAR); and

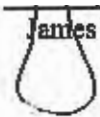
WHEREAS, the funds in this restricted account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ENGLEWOOD, COLORADO, AS FOLLOWS:


Section 1. The City Council of the City of Englewood, Colorado hereby authorizes the creation of a Long Term Asset Reserve Fund (LATR). The LATR Fund shall be created from funds from the sale, lease, or earnings from long-term assets should be used in a careful, judicious and strategic manner and reserved in an account known as the Long Term Asset Reserve Fund (LTAR). The funds in this restricted account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation

ADOPTED AND APPROVED this 15th day of October, 2007.

ATTEST: 


James K. Woodward, Mayor Pro Tem


Loucrishia A. Ellis, City Clerk

I, Loucrishia A. Ellis, City Clerk for the City of Englewood, Colorado, hereby certify the above is a true copy of Resolution No. 90, Series of 2007. 


Loucrishia A. Ellis, City Clerk

COUNCIL COMMUNICATION

Date: October 15, 2007	Agenda Item: 11 c i	Subject: A Resolution Creating a Long Term Asset Reserve (LTAR) in the General Fund
Initiated By: Department of Finance and Administrative Services		Staff Source: Frank Gryglewicz, Director

COUNCIL GOAL AND PREVIOUS COUNCIL ACTION

City Council discussed this issue at the Budget Retreat held September 22, 2007. Council gave staff direction to proceed with this Resolution.

RECOMMENDED ACTION

Staff recommends City Council approve the attached Resolution.

BACKGROUND, ANALYSIS, AND ALTERNATIVES IDENTIFIED

City Council discussed and determined that funds from the sale, lease, or earnings from long-term assets should be used in a careful, judicious and strategic manner; for this reason, these funds will be reserved in an account known as the Long Term Asset Reserve (LTAR). The funds restricted in this account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation.

Upon formation of this reserve, the remaining funds from the Golf Course lease (net of the "bridge funds" being transferred to the General Fund in 2008) will be transferred and restricted to the LTAR. In addition, any funds generated from the McLellan Reservoir property and transferred from the Englewood McLellan Reservoir Foundation (EMRF) to the City must be restricted to this account as well before any subsequent appropriation by City Council.

It is envisioned that proceeds received from other, similar long-term assets in the future will be subject to the same restriction to the LATR.

FINANCIAL IMPACT

This action will move the funds from the Golf Course Lease currently in the Public Improvement Fund to the General Fund LTAR; the net effect of the action will be zero.

LIST OF ATTACHMENTS

Resolution

RESOLUTION NO. 91
SERIES OF 2007

A RESOLUTION TRANSFERRING FUNDS FROM THE GOLF COURSE LEASE TO THE LONG TERM ASSET RESERVE FUND (LTAR).

WHEREAS, the City Council of the City of Englewood, Colorado has determined that funds from the sale, lease, or earnings from long-term assets should be used in a careful, judicious and strategic manner and reserved in an account known as the Long Term Asset Reserve (LTAR); and

WHEREAS, the funds in this restricted account can only be expended if the funds are specifically appropriated in the annual budget or by supplemental appropriation; and

WHEREAS, the remaining funds from the Golf Course lease (net of the \$1.5 million in "bridge funds" approved for transfer to the General Fund as part of the 2008 annual budget) will be transferred to the LTAR restricted fund; and

WHEREAS, any funds generated from the McLellan Reservoir property and transferred from the Englewood McLellan Reservoir Foundation (EMRF) to the City will be restricted to this account until subsequent appropriation by City Council;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ENGLEWOOD, COLORADO, AS FOLLOWS:

Section 1. The Budget for the City of Englewood, Colorado, is hereby amended for the year ending 2007, as follows:

PUBLIC IMPROVEMENT FUND

SOURCE OF FUNDS:

Fund Balance \$1,986,000

USE OF FUNDS:

Transfer Out to General Fund \$1,986,000

GENERAL FUND

SOURCE OF FUNDS:

Transfer in from the Public Improvement Fund \$1,986,000

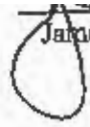
USE OF FUNDS:


Long Term Asset Reserve \$1,986,000

Section 2. The City Manager and the Director of Finance and Administrative Services are hereby authorized to make the above changes to the 2007 Budget for the City of Englewood.


ADOPTED AND APPROVED this 15th day of October, 2007.

ATTEST


James K. Woodward, Mayor Pro Tem


Loucrishia A. Ellis, City Clerk

I, Loucrishia A. Ellis, City Clerk for the City of Englewood, Colorado, hereby certify the above is a true copy of Resolution No. 94, Series of 2007.


Loucrishia A. Ellis, City Clerk

COUNCIL COMMUNICATION

Date: October 15, 2007	Agenda Item: 11 c ii	Subject: A Resolution Transferring the Remaining Proceeds from the Golf Course Lease to the Reserve
Initiated By: Department of Finance and Administrative Services		Staff Source: Frank Gryglewicz, Director

COUNCIL GOAL AND PREVIOUS COUNCIL ACTION

City Council discussed this issue at the Budget Retreat held September 22, 2007. Council gave staff direction to proceed with this Resolution. City Council created the Long Term Asset Reserve (LTAR) by resolution.

RECOMMENDED ACTION

Staff recommends City Council approve the attached Resolution.

BACKGROUND, ANALYSIS, AND ALTERNATIVES IDENTIFIED

City Council discussed and determined that funds from the sale, lease, or earnings from long-term assets should be used in a careful, judicious and strategic manner; for this reason, these funds will be reserved in an account known as the Long Term Asset Reserve (LTAR). The funds restricted in this account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation.

The remaining funds from the Golf Course lease (net of the "bridge funds" being transferred to the General Fund in 2008) are being transferred and restricted to the LTAR.

The following illustrates the transfer and restriction of funds:

PUBLIC IMPROVEMENT FUND

SOURCE OF FUNDS:

Fund Balance \$1,986,000

USE OF FUNDS:

Transfer Out to General Fund \$1,986,000

GENERAL FUND

SOURCE OF FUNDS:

Transfer In From the Public Improvement Fund \$1,986,000

USE OF FUNDS:

Long Term Asset Reserve \$1,986,000

FINANCIAL IMPACT

This action will move the funds from the Golf Course Lease currently in the Public Improvement Fund to the General Fund LTAR; the net effect of the action will be zero.

LIST OF ATTACHMENTS

Resolution

(i) Director Gryglewicz presented a recommendation from the Department of Finance and Administrative Services to adopt a resolution creating a Long-Term Asset Reserve Fund. He said this resolution creates a Long-Term Asset Reserve in the General Fund. This item has been discussed at our budget retreat fairly extensively. The language was drafted and there was ongoing discussion and I believe that there may be also another change tonight.

Council Member Moore said I will move Agenda Item 11 (c) (i) with the following amendment. I submitted revised language that fits under the Section 1, part of the Resolution, in Study Session. The City Clerk has the language which just rewords essentially what is there. As you all know, I very much support the creation of this Reserve, if nothing else, for the sake of allowing us to make very conscious decisions about the use of our long-term asset, including the conscious decision we made by consensus this budget session to supply another 1.5 million dollars in Bridge Funds for the 2008 budget. The creation of this Reserve will provide very transparent tracking of when we do utilize those funds...both for this Council and hopefully for many future Councils.

Council Member Moore amended the resolution to read: "The City Council of the City of Englewood, Colorado has determined that funds from the sale, lease, or earnings from long-term assets should be used in a careful, judicious and strategic manner. For this reason, City Council hereby authorizes the creation of a Long Term Asset Reserve Fund (LTAR), and funds received from the sale, lease, or earnings from long-term assets shall be reserved in the LTAR Fund. The funds in this restricted account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation."

COUNCIL MEMBER MOORE MOVED, AND IT WAS SECONDED, TO APPROVE AGENDA ITEM 11 (c) (i) - RESOLUTION NO. 90, SERIES OF 2007, AS AMENDED.

RESOLUTION NO. 90, SERIES OF 2007

A RESOLUTION CREATING A LONG-TERM ASSET RESERVE FUND (LTAR).

Mayor Pro Tem Woodward asked if there was any discussion. There was none.

Vote results:

Ayes:	Council Members Barrentine, McCaslin, Moore, Woodward, Tomasso
Nays:	None
Absent:	Council Member Oakley

Motion carried.

(ii) Director Gryglewicz presented a recommendation from the Department of Finance and Administrative Services to adopt a resolution transferring the remaining proceeds from the Golf Course Lease to the Long Term Asset Reserve Fund. He said this is a transfer of \$1,986,000.00 from the Public Improvement Fund, which is the remaining funds from the Golf Course Lease, less the 1.5 million dollars in Bridge Funds, to the General Fund Long Term Asset Reserve.

Council Member Moore said I would like to move Agenda Item 11 (c) (ii) with a very minor amendment. Because we didn't have this Fund in place in time for the budget, it wasn't there to operate like I hope it will in the future. So, as Frank has outlined, these are the remaining funds. What I would like to do in the 3rd Whereas paragraph, the parenthetical... just replace it to add a little more clarity, such that it says "(net of the 1.5 million in Bridge Funds approved for transfer to the General Fund as part of the 2008 annual budget)". So again, since we are just making that 1.5 million that Frank mentioned and placing it into the Resolution.

COUNCIL MEMBER MOORE MOVED, AND IT WAS SECONDED, TO APPROVE AGENDA ITEM 11 (c) (ii) - RESOLUTION NO. 91, SERIES OF 2007, AS AMENDED.

RESOLUTION NO. 91, SERIES OF 2007

A RESOLUTION TRANSFERRING FUNDS FROM THE GOLF COURSE LEASE TO THE LONG TERM ASSET RESERVE FUND (LTAR).

Mayor Pro Tem Woodward asked if there was any discussion. There was none.

Vote results:

Ayes:	Council Members Barentine, McCaslin, Moore, Woodward, Tomasso
Nays:	None
Absent:	Council Member Oakley

Motion carried.

(ii) Director Gryglewicz presented a recommendation from the Department of Finance and Administrative Services to adopt a resolution approving the appropriation of funds in the Donors Fund for Children's Services. He said this is a supplemental appropriation of \$7,086.84 in the Donors Fund and the use of those funds will be for the Library's Children's Services. These funds were originally collected to offset the cost of the Bookmobile. As Council is aware, the City no longer has the Bookmobile, so we have no way to expend them for that original purpose. So, it was discussed and determined to use these funds for Library's Children's Services.

Mayor Pro Tem Woodward asked if there were any questions for Frank. There were none.

COUNCIL MEMBER TOMASSO MOVED, AND IT WAS SECONDED, TO APPROVE AGENDA ITEM 11 (c) (iii) - RESOLUTION NO. 92, SERIES OF 2007.

RESOLUTION NO. 92, SERIES OF 2007

A RESOLUTION APPROPRIATING THE MONEYS IN THE DONORS FUND TO BE USED FOR LIBRARY PURCHASES RELATED TO CHILDREN'S SERVICES.

Mayor Pro Tem Woodward said I just want to make the comment that I'm pleased that these are for the Children's Services at the Library and I hope that they will be shared with and promoted with the schools, that they are there.

Mayor Pro Tem Woodward asked if there was any other discussion.

Council Member Moore said I don't think we mentioned that this was also the recommendation from the Library Board, correct? Mr. Woodward said that is correct. Mr. Moore said thank you.

Council Member McCaslin said being an educator and using the Library probably once a week, I do appreciate what Mr. Long has done for the Library in bringing in quality stuff and I think it will be great for the Library and for the Children's Services. Thank you.

Council Member Tomasso said I believe these funds were donated for the Library for the purpose of the Library to spread the use of books and literature and that this would be an appropriate fund for those donations, to direct them and to finalize their expenditure.

Mayor Pro Tem Woodward asked if there was any further discussion. There was none.

Vote results:

Ayes:	Council Members Barentine, McCaslin, Moore, Woodward, Tomasso
Nays:	None
Absent:	Council Member Oakley

LTAR Funding History
 Created by Reso 90-2007

Date	Description	Amount	Cumulative Total
Oct-07	Reso 91 - Transfer from PIF to General Fund for Long Term Asset Reserve (LTAR)	\$ 1,986,000.00	
Apr-08	Reso 34 - Disposition of Proceeds from EMRF/RTD Sale	499,142.50	2,485,142.50
Jun-08	Reso 39 - Budget Amendment - Transfer to LTAR from Unreserved Fund Balance	1,000,000.00	3,485,142.50
Mar-09	Reso 30 - Transfer from LTAR to PIF - Street Improvements	(165,000.00)	3,320,142.50
Mar-09	Reso 33 - Transfer from LTAR to EMRF	(800,000.00)	2,520,142.50
Dec-09	Transfer from EMRF to GF partial repayment of 2009 Reso 33	591,836.86	3,111,979.36
Dec-09	Transfer from EMRF to GF TT of Denver Nov/Dec-2009 rent	20,000.00	3,131,979.36
Jan-10	2010 Budget-COPS Grant reserve	(298,512.00)	2,833,467.36
Apr-10	Reso 35-2010 Transfer from LTAR to NSP	(750,000.00)	2,083,467.36
Dec-10	NSP House Sale-4819 S Delaware-Pmt to LTAR	47,052.28	2,130,519.64
Mar-11	LTAR funding of 2011 Catalyst Program	(120,000.00)	2,010,519.64
Jun-11	NSP House Sale-2215 W Wesley Ave-Pmt to LTAR Funds	37,494.00	2,048,013.64
Jun-11	NSP House Sale-2198 W Adriatic Pl-Pmt to LTAR Funds	48,080.44	2,096,094.08
Dec-11	NSP House Sale-4681 S Decatur St #226-Pmt to LTAR Funds	8,860.00	2,104,954.08
Dec-11	NSP House Sale-2010 W Baltic Pl-Pmt to LTAR Funds	36,444.73	2,141,398.81
Dec-11	NSP House Sale-2335 W Baltic Pl-Pmt to LTAR Funds	42,479.32	2,183,878.13
Dec-11	NSP House Sale-3102 W Radcliff Dr-Pmt to LTAR Funds	44,097.96	2,227,976.09
Dec-11	NSP House Sale-3115 S Acoma St-Pmt to LTAR Funds	63,456.10	2,291,432.19
Dec-11	NSP House Sale-4744 S Galapago St-Pmt to LTAR Funds	115,217.10	2,406,649.29
Jun-12	Transfer from LTAR to PIF per reso 53-2012 for fountain repairs	(100,000.00)	2,306,649.29
Jun-12	NSP House Sale-2159 W Vassar Ave-Pmt to LTAR Funds	51,952.04	2,358,601.33
Jun-12	NSP House Sale-3395 W Grand Ave-Pmt to LTAR Funds	78,387.83	2,436,989.16
Jun-12	Remaining balance from NSP *	182,385.72	2,619,374.88
Jun-14	Return funds from PIF fountain repairs Little Dry Creek reso 2014 (prev reso 53-2012)	43,723.70	2,663,098.58
Jan-16	Transfer from LTAR to EMRF for road construction per 2016 budget	(800,000.00)	1,863,098.58
LTAR Balance 01/31/2016		\$ 1,863,098.58	\$ 1,863,098.58

* NSP Summary		Amount
Apr-10	Reso 35-2010 Transfer from LTAR to NSP	(750,000.00)
2010-2012	Transfer from NSP to LTAR for (11) house sales	573,521.80
Jun-12	Transfer from NSP to LTAR - unused portion and interest earnings	182,385.72
Net earnings returned to LTAR from NSP		\$ 5,907.52

City of Englewood, Colorado
Finance and Administrative Services Department
Revenue and Budget Division

Budget Advisory Committee Meeting – Tuesday, March 15, 2016

Fiscal Health and Wellness Online Tool Assumptions: The assumptions are preliminary

RESERVES

Unassigned Fund Balance

- 17% of Revenue per draft Financial Policy

REVENUE

Sales and Use Tax

- 3% increase in 2017
- 2% increase in 2018-2021

Property Tax

- No increase in 2017 as we experienced an approximate 15% increase from the last appraisal in 2015 which was based on the sales/market activity from 7/1/2012 through 6/30/2015
- 10% increase in 2018 based on appraisal in 2017 that references the sales/market activity from 7/1/2015 through 6/30/2017
- No increase in 2018
- 5% increase in 2020 based on appraisal in 2019 which reflects a the leveling off of the sales/market activity from 7/1/2017-6/30/2019

All Other Revenue

- 1% increase from 2017 through 2021

EXPENDITURE

Salary and Wages

- 3% for Regular Wages
- 1% Auto Allowance
- 1.5% Temporary Wages

Benefits

- 1-2% increase

All other expenditures

- Range from 1%-3%