



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: February 29, 2012

SUBJECT: Study Session Agenda for March 5, 2012

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room

6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

PRESENTATIONS

6:30 P.M.

1. Municipal Code Modifications Relating to the Industrial Pretreatment Program
2. Presentation on the Water Distribution System Pressure Zones
3. Rating Agency Presentations – November 2011

EXECUTIVE SESSION

1. Discuss and receive legal advice concerning the South Westminster TOD redevelopment strategy, including potential litigation, and provide direction and instructions to the City's negotiators, as allowed by WMC section 1-11-3(C)(3) and (C)(7) and C.R.S. section 24-6-402(4)(b) and (4)(e).

INFORMATION ONLY ITEMS

None at this time.

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
March 5, 2012



SUBJECT: Municipal Code Modifications Relating to the Industrial Pretreatment Program

Prepared By: David Meyer, Water Quality Specialist
Mary Fabisiak, Water Quality Administrator
Mike Happe, Utilities Planning & Engineering Manager

Recommended City Council Action

Review the proposed modifications to the attached Municipal Code relating to the Industrial Pretreatment Program and direct Staff to prepare an Agenda Memorandum for Council approval.

Summary Statement

- The City administers an Industrial Pretreatment Program as required by the United States Environmental Protection Agency (U.S. EPA) in order to regulate discharges by industrial users into the sewage collection system.
- The Industrial Pretreatment Program protects the City's wastewater treatment facility from incompatible pollutants and reduces the possibility of release of contaminants to the environment.
- The proposed modifications to the Municipal Code align definitions with federal definitions, change some paragraph references, update local wastewater discharge limitations based on current facility performance and permit limits, and provide authority to establish sector control programs and issue general wastewater discharge permits applicable to groups of similar users.
- Currently four businesses in the City are issued Industrial Discharge Permits. These businesses will not be negatively impacted by the proposed changes and new businesses will not be at a competitive disadvantage.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Should the City update the local discharge limitations and make other changes to the Municipal Code related to the Industrial Pretreatment Program?

Alternatives

Council could direct Staff to develop alternative modifications; however, modifications must meet the requirements and approval of the U.S. EPA. Staff does not recommend this alternative.

Background Information

The City operates an Industrial Pretreatment Program as required by the U.S. EPA. The program regulates the types and quantities of pollutants that industrial and commercial businesses may discharge to the City's wastewater treatment facility. The City must evaluate and update its local discharge limits when significant changes occur at its wastewater treatment facility or when the State issues a new discharge permit. The proposed changes are based on a new discharge permit issued by the State in 2010 and by expansion of the City's wastewater treatment facility. Also, the U.S. EPA is expected to propose regulations restricting the discharge of dental amalgam later this year. The ability for the City to develop sector-wide control programs and issue general, rather than individual industrial discharge permits, will be less burdensome on both the City and on dischargers.

These changes to the Municipal Code will assist in meeting the City's goal of a Beautiful and Environmentally Sensitive City by allowing the City's wastewater treatment facility to effectively treat the City's wastewater and remain in compliance with applicable environmental regulations.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment: Proposed Municipal Code Modifications Relating to the Industrial Pretreatment Program

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO.

SERIES OF 2012

INTRODUCED BY COUNCILLORS

A BILL

FOR AN ORDINANCE AMENDING SECTIONS 8-10-1, 8-10-2, 8-10-3, 8-10-4, 8-10-6, AND 8-10-9 OF THE WESTMINSTER MUNICIPAL CODE CONCERNING INDUSTRIAL PRETREATMENT CODE UPDATES

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Section 8-10-1, subsection (D), paragraphs (28) and (32) W.M.C., are hereby AMENDED as follows:

8-10-1: GENERAL PROVISIONS - DEFINITIONS: (3381)

(D) DEFINITIONS: Unless a provision explicitly states otherwise, the following terms and phrases, as used in this Chapter, shall have the meanings hereinafter designated:

(28) Publicly Owned Treatment Works or POTW. A treatment works, as defined by Section 212 of the Act (33 U.S.C. Section 1292), which is owned by the City. This definition includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of sewage or industrial wastes of a liquid nature and any conveyances, which convey wastewater to a treatment plant. The term also means the municipality, as defined in Section 502(4) of the Act, which has jurisdiction over the indirect discharges to and the discharges from such treatment works.

(32) Slug Load or Slug Discharge. ~~Any discharge at a flow rate or concentration, which could cause a violation of the prohibited discharge standards in Section 8-10-2(A) of this ordinance.~~ A Slug Discharge is any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch Discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, local limits or Permit conditions.

Section 2. Section 8-10-2, subsection (A), paragraph (2), subparagraph (o) and subsection (D) paragraphs (3) and (4) W.M.C., are hereby AMENDED as follows:

8-10-2: GENERAL SEWER USE REQUIREMENTS – PRETREATMENT STANDARDS: (3381)

(A) Prohibited Discharge Standards:

(2) Specific Prohibitions. No user shall introduce or cause to be introduced into the POTW the following pollutants, substances, or wastewater:

(o) Trucked or hauled pollutants, except at discharge points designated by the City Manager and in accordance with Section 8-10-3(D) of this Chapter; ~~Pollutants, substances, or wastewater prohibited by this Section shall not be processed or stored in such a manner that they could be discharged to the POTW.~~

(D) Local Limits:

(3) Daily Maximum Discharge Limits: No person shall discharge wastewater containing in excess of the following maximum limits. These limits apply at the point where the wastewater is discharged to the

POTW. The City Manager may impose mass-based limitations in addition to the concentration-based limits below.

~~0.090.13~~ mg/l arsenic (total)
~~0.140.10~~ mg/l cadmium (total)
~~19.934.63~~ mg/l chromium (total)
~~1.441.26~~ mg/l chromium (VI)
~~2.902.69~~ mg/l copper (total)
~~0.350.77~~ mg/l lead (total)
~~0.00070.0005~~ mg/l mercury (total)
~~0.560.84~~ mg/l molybdenum (total)
~~2.531.82~~ mg/l nickel (total)
~~0.040.13~~ mg/l selenium (total)
~~0.190.91~~ mg/l silver (total)
~~9.248.44~~ mg/l zinc (total)

(4) Pollutant Loadings: The following are the total cumulative pollutant loadings allowed from all commercial dischargers. The City manager may limit the discharge of pollutants from commercial dischargers as necessary to meet the following daily allowable loadings.

~~0.150.07~~ lbs/day arsenic (total)
~~0.240.05~~ lbs/day cadmium (total)
~~33.152.52~~ lbs/day chromium (total)
~~2.400.69~~ lbs/day chromium (VI)
~~4.831.47~~ lbs/day copper (total)
~~0.590.42~~ lbs/day lead (total)
~~0.0210.053~~ lbs/day mercury (total)
~~0.930.46~~ lbs/day molybdenum (total)
~~4.200.99~~ lbs/day nickel (total)
0.07 lbs/day selenium (total)
~~0.310.49~~ lbs/day silver (total)
~~15.374.60~~ lbs/day zinc (total)

Section 3. Section 8-10-3, W.M.C. is hereby AMENDED BY THE ADDITION OF THE FOLLOWING NEW SUBSECTION (E) to read as follows:

8-10-3: PRETREATMENT OF WASTEWATER: (3381)

~~(E) SECTOR CONTROL PROGRAMS: The City Manager may establish sector control programs to control specific pollutants as necessary to meet the objectives of this chapter for users that engage in similar activities and discharge similar pollutants. The City Manager shall establish policies for each sector control program. Users subject to these sector control programs may be required to install and operate wastewater pretreatment systems and, or implement best management practices and may be required to apply for a wastewater discharge permit.~~

Section 4. Subsections 8-10-4(B)(1), 8-10-4(C), and 8-10-4(D) are hereby AMENDED; A NEW SUBSECTION (E) IS ADDED to read as follows; and existing subsections (E) through (M), W.M.C., are hereby relettered as subsections (F) through (N):

8-10-4: WASTEWATER DISCHARGE PERMITS: (3381)

(B) WASTEWATER DISCHARGE PERMIT REQUIREMENT:

(1) No significant industrial user shall discharge wastewater into the POTW without first obtaining ~~an individual a~~ wastewater discharge permit from the City of Westminster, except that a significant industrial user that has filed a timely application pursuant to Section 8-10-4(C) of this ordinance may continue to discharge for the time period specified therein.

(C) WASTEWATER DISCHARGE PERMITTING: EXISTING CONNECTIONS: Any user required to obtain a wastewater discharge permit who was discharging wastewater into the POTW prior to the effective date of this ordinance and who wishes to continue such discharges, shall apply for a wastewater discharge permit in accordance with Section 8-10-4(~~EF~~) within 30 days of the requirement, or within such other time period specified by the City Manager.

(D) WASTEWATER DISCHARGE PERMITTING: NEW CONNECTIONS: Any user required to obtain a wastewater discharge permit who proposes to begin discharging into the POTW must obtain such permit prior to beginning such discharge. An application for this wastewater discharge permit, in accordance with Section 8-10-4(~~EF~~), must be filed at least 30 days prior to the date upon which any discharge will begin or recommence.

(E) TYPES OF WASTEWATER DISCHARGE PERMITS: At the discretion of the City Manager, the City Manager may issue either individual wastewater permits or general wastewater discharge permits to control significant industrial user discharges to the POTW. General Permits may be used if the following conditions are met. All Facilities to be covered by a general permit must:

- (1) Involve the same or substantially similar types of operations;
- (2) Discharge the same types of wastes;
- (3) Require the same effluent limitations;
- (4) Require the same or similar monitoring; and
- (5) In the opinion of the City Manager, are more appropriately controlled under a general permit than under individual discharge permits.

Section 5. Subparagraph 8-10-6(A)(2)(a), subsection 8-10-6(C), paragraph 8-10-6(E)(1), and subparagraphs 8-10-6(N)(1) and (2), W.M.C., are hereby AMENDED as follows:

8-10-6: REPORTING REQUIREMENTS: (3381)

(A) BASELINE MONITORING REPORTS:

- (2) Users described above shall submit the information set forth below:-
 - (a) All information required in Section 8-10-4(~~EF~~)(1)(a)(~~+~~), Section 8-10-4(~~EF~~)(1)(b), Section 8-10-4(~~EF~~)(1)(c)(~~+~~), Section 8-10-4(~~EF~~)(1)(f) and Section 8-10-4(~~EF~~)(1)(g)(~~+~~).

(C) REPORTS ON COMPLIANCE WITH CATEGORICAL PRETREATMENT STANDARD DEADLINE: Within ninety (90) days following the date for final compliance with applicable categorical pretreatment standards, or in the case of a new source following commencement of the introduction of wastewater into the POTW, any user subject to such pretreatment standards and requirements shall submit to the City Manager a report containing the information described in Section 8-10-4(~~EF~~)(1)(f) and (g) and 8-10-6(A)(2)(b) of this ordinance. For users subject to equivalent mass or concentration limits established in accordance with the procedures in Section 8-10-2(B), this report shall contain a reasonable measure of the user's long-term production rate. For all other users subject to categorical pretreatment standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the user's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Section 8-10-6(N)(1) of this ordinance. All sampling will be done in conformance with Section 8-10-6(K).

(E) REPORTS OF CHANGED CONDITIONS: Each user must notify the City Manager of any significant changes to the user's operations or system which might alter the nature, quality, or volume of its wastewater at least thirty (30) days before the change. A significant change for the purposes of this paragraph is an increase in the volume of wastewater of 20% or more, an increase in pollutant concentration or pollutant mass of 20% or more, or the addition any new regulated pollutant.

- (1) The City Manager may require the user to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a wastewater discharge permit application under Section 8-10-4(~~EF~~) of this Chapter.

(N) CERTIFICATION STATEMENTS:

(1) Certification of Permit Applications, User Reports and Initial Monitoring Waiver – The following certification statement is required to be signed and submitted by users submitting permit applications in accordance with Section 8-10-4(~~GH~~); users submitting baseline monitoring reports under Section 8-10-6(A); users submitting reports on compliance with the categorical pretreatment standard deadlines under Section 8-10-6(C); users submitting periodic compliance reports required by Section 8-10-6(D), and users submitting an initial request to forego sampling of a pollutant based on Section 8-10-6(D)(2). The following certification statement must be signed by an authorized representative as defined by Section 8-10-1(D)(2):

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

(2) Annual Certification for Non-Significant Categorical Industrial Users - A facility determined to be a Non-Significant Categorical Industrial User by the City Manager pursuant to 8-10-1(D)(31)(c) and 8-10-4(~~GH~~)(3) must annually submit the following certification statement signed in accordance with the signatory requirements in 8-10-1(D)(2). This certification must accompany an alternative report required by the City Manager:

Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR _____, I certify that, to the best of my knowledge and belief that during the period from _____, _____ to _____, _____ [months, days, year]:

- (a) The facility described as _____ [facility name] met the definition of a non-significant categorical Industrial User as described in section 8-10-1(D)(31)(c) [40 CFR 403.3(v)(2)];
- (b) the facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and (c) the facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period.

This compliance certification is based upon the following information.

Section 6. Subsections 8-10-9(A) and (B), W.M.C., are hereby AMENDED as follows:

8-10-9: PUBLICATION OF USERS IN SIGNIFICANT NONCOMPLIANCE: (3381)

The City Manager shall publish at least annually, in a newspaper of general circulation that provides meaningful public notice within the jurisdictions served by the POTW, a list of the users which, at any time during the previous twelve (12) months, were in significant noncompliance with applicable pretreatment standards and requirements. The term significant noncompliance shall be applicable to any significant industrial user that meets any of the criteria in paragraphs (A) through (H) below and any other user that meets the definition in paragraphs (C), (D) or (H) below. Significant noncompliance shall mean:

(A) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all of the measurements taken for the same pollutant parameter taken during a six- (6-) month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limits, as defined by 40 CFR 403.3(L);

(B) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent (33%) or more of wastewater measurements taken for each pollutant parameter during a six- (6-) month period equals or exceeds the product of the numeric pretreatment standard or requirement including instantaneous limits, as defined by 40 CFR 403.3(L), multiplied by the applicable criteria (1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH);

Section 7. This ordinance shall take effect upon its passage after second reading.

Section 8. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this _____ day of February, 2012.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this _____ day of _____, 2012.

Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

City Clerk

City Attorney's Office



WESTMINSTER

Staff Report

City Council Study Session Meeting
March 5, 2012



SUBJECT: Presentation on the Water Distribution System Pressure Zones

Prepared By: Andy Walsh, Senior Engineer
Steve Grooters, Senior Projects Engineer

Recommended City Council Action

This item is for information only and requires no action by City Council.

Listen to Staff's presentation on water distribution system pressure zones regarding: 1) How pressure zones work and why they are necessary, 2) Why improvements are necessary, and 3) Reviews of upcoming pressure zone improvement projects.

Summary Statement

- The 2006 Utility System Infrastructure Master Plan identified the need for improvements to the City's water distribution system pressure zones.
- Recommendations included dividing existing pressure zones into smaller zones to allow for tighter control on water pressure ranges in the distribution system.
- In 2011, an update to the Utility System Infrastructure Master Plan was completed to refine, optimize, and prioritize remaining recommended pressure zone improvements.
- High priority improvements are included in the currently adopted budget and are currently being implemented.
- Additional pressure zone projects are targeted in the future. Because of their cost, these projects will be implemented in concert with growth, development and/or redevelopment efforts.
- In response to a recent Council request, Staff prepared a presentation to review the City's pressures zones, their importance and improvements targeted near-term.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Should the City maintain a proactive approach to water distribution system pressure zone improvements?

Alternative

Council could choose to discontinue the current proactive approach on pressure zone improvements and defer pressure zone projects to a future date. This is not recommended because improvements are warranted for continued customer service, regulatory compliance, and to maintain a cost-effective operation of the potable water distribution system.

Background Information

The City works continually to ensure three goals are met for the potable water distribution system. Those goals include: 1) Sustaining adequate potable water flow and water quality to our customers; 2) Providing adequate water pressure to ensure safe, reliable system performance; and 3) Maintaining adequate redundancy in the system to provide water during main breaks or other emergency situations. The City sustains these goals through ongoing system maintenance, repairs, and improvements.

Currently, the City's potable water distribution system is comprised of 12 pressure zones. Both near and long-term improvements have been identified for the system based on long-term planning, growth projections and overall system water demands. Ultimately, planned improvements will lead to 17 pressure zones. Because these improvements involve relatively costly capital projects, they need to be phased over time in concert with growth, development and/or redevelopment efforts. Ultimately, however, the planned pressure zone improvements create a more cost-effective distribution system that provides a higher level of service to City customers.

Funds have already been adopted by Council for high priority, near-term improvements including the following:

1. Standley Lake Area West of Wadsworth Boulevard (Zone 4) – This project will provide redundant water supply to the area between West 88th Avenue and West 92nd Avenue on the west side of Wadsworth Boulevard. The initial phases of this project are currently underway. Ultimately, this project will increase water pressure and flow rate during fires and other emergency situations.
2. Big Dry Creek Basin Area (Zone 12 Phase I) – This project will reduce existing high pressures in the area generally be bounded by Big Dry Creek on the south, Gray Street on the west and West 120th Avenue on the north. This project will prolong the life of existing infrastructure in the area.
3. Wandering View Tank Rehabilitation (Zone 1) – This project involves necessary improvements to the tanks including structural rehabilitation, adding access manholes and modifications to the overflow piping at several tanks to conform to Colorado Department of Public Health and Environment (CDPHE) regulations. These tanks are necessary to sustain water system pressures and to provide adequate flow of water during periods of high demand and/or emergency situations.

Some of the key longer-term pressure zone improvement projects include the following:

1. Westminster Mall Area (Zone 3) – This project will raise existing low pressures in the area of the existing Westminster Mall and Westminster Urban Revitalization Project areas. Improvements will include the existing Westminster Mall area, the Westfield Shopping Center, and the Franklin Square and Madison Hill Subdivisions. The timing of these improvements will be coordinated with water demands resulting from growth and redevelopment to sustain quality services.
2. Countryside Subdivision Area (Zones 5 and 15) – This project will raise existing low pressures in the area north of Standley Lake and West of Countryside Drive. The project will also reduce existing high pressures in the eastern portion of that subdivision.

Pressure Zone Improvement Projects help achieve the City Council’s Strategic Plan Goals of “Financially Sustainable City Government Providing Exceptional Services” and “Vibrant Neighborhoods in One Livable Community” by contributing to the objectives of well-maintained City infrastructure and facilities and maintaining neighborhood infrastructure.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
March 5, 2012



SUBJECT: Rating Agency Presentations – November 2011

PREPARED BY: Tammy Hitchens, Finance Director
Robert Smith, Treasury Manager

Recommended City Council Action

This item is for information only. No City Council direction is required.
Listen to the rating agency presentation.

Summary Statement

Every two years the Mayor, City Staff and the City's investment bankers meet with representatives of the rating agencies to review with them the City's strategic plan recent accomplishments and update them about the financial condition of the City. The formal presentation covers current strategic plan goals as outlined by Council and recent accomplishments, the finances of the City and the City's Water and Wastewater Utility, and the development and economic status of WEDA projects. These reviews took place on November 30 at the offices of Standard and Poor's and Fitch Ratings in San Francisco.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

No issue identified.

Alternative

No issue identified.

Background Information

The City last briefed the rating agencies in October 2009 in Westminster. The meetings held at the City included a review of the City's finances in light of the fiscal pressures created by the "Great Recession" followed by tours of several urban renewal areas to showcase the redevelopment that has taken place in those areas and to highlight the economic benefits the City is realizing from the redevelopment.

The presentations to the agencies in 2011 were held in San Francisco and focused on:

- the City's strategic plan and the accomplishments made towards achieving the goals of the Plan;
- strategy and progress made to date concerning redevelopment of the Westminster Mall;
- the current financial strength of the City and its water and wastewater utility;
- the economic benefits from development projects in other WEDA urban renewal areas; and
- development and adoption of a written Debt Policy for the City which Council approved on October 24, 2011.

City participants included Mayor McNally, Brent McFall, Steve Smithers, Tammy Hitchens, and Bob Smith as well as Helen Cregger from the City's bond underwriter, Piper Jaffray. Attendees from Fitch Ratings were Jose Acosta (by phone from Dallas) and Steven Walsh and Matt Reilly in San Francisco, and from Standard and Poor's Bryan Moore and Kathleen Parmer.

The Mayor began the presentation with a review of the City's history in the context of the Centennial Celebration and how the City is preparing for the future with a particular focus on the implications of transportation related activities along the U.S. 36 corridor on the City. This was followed by a discussion of the City's Strategic Plan and our focus on financial sustainability. Brent addressed recent WEDA activities to acquire properties at the Westminster Mall and the status of negotiations with a nationally known company for redevelopment of the Mall. Brent also explained how the strategy for using revenues generated from projects at other urban renewal areas has successfully replaced lost revenues from the Mall's decline to help sustain current City operations.

This was followed by a summary of the financial aspects of the Sales and Use Tax Fund, the General Fund and the Utility Fund. One significant message was how the City managed its way through the impact of declining revenues resulting from the "Great Recession" in order to maintain City operations and sustain its capital improvement plan. An important factor in this discussion was the funding, use of and replenishment of balances in the General Fund Stabilization Reserve. Finally staff reviewed the 2012 Budget Priorities and how a focus on core services and financial sustainability will balance the budget in future years.

Regarding the Utility Fund, staff discussed the utility’s philosophy of multi-year forecasting and gradual and steady rate increases to fund ongoing operations. The 5-Year Capital Improvement Program was described and staff emphasized that the utility expects to cash fund all of the projects currently in the Plan. Finally staff did a recap of the use of and balances in the Rate Stabilization Reserve and the Capital Reserve initially approved by Council in 2006 and how this supports prudent management of the utilities’ finances.

The final part of the presentation included a review of the City’s newly adopted formal Debt Policy. This policy codified guidelines and philosophies the City has followed for many years when issuing debt, but which now are formally presented in a written document, which is something the rating agencies look for when evaluating how a City manages its finances.

Westminster’s current underlying (non-insured) ratings from Standard and Poor’s and Fitch Ratings respectively are:

Type of Bond Issue	S&P	Fitch Ratings
Sales and Use Tax	AA +	AA +
POST	AA -	AA -
Certificates of Participation (COPs)	AA -	not rated
Water / Wastewater Enterprise		
2001 Refunding	AA	AAA
2010 Build America Bonds	AA	AA +
WEDA		
Series 2009 Variable Rate Bonds	not rated	not rated
Bank Loans	not rated	not rated

Feedback from the analysts was very favorable, which is encouraging since several of them were new to the review of the City’s strategic approach towards managing its operations and finances. However, the rating agencies currently are not performing formal reviews of ratings unless there is a bond issue pending, which the City does not anticipate in the near future. Therefore, though we articulated the reasons why we believe that the financial strength and strategic approach to managing the City’s finances warrants an upgrade to AAA/Aaa, it is expected that Westminster will remain a AA+ credit for the time being.

Staff will present an abbreviated version of the presentation.

Respectfully submitted,

J. Brent McFall
City Manager

City of Westminster Colorado



WESTMINSTER

Presentation Participants

City of Westminster:

- Nancy McNally, Mayor
- Brent McFall, City Manager
- Steve Smithers, Assistant City Manager
- Tammy Hitchens, Finance Director
- Bob Smith, Treasury Manager

Piper Jaffray:

- Helen Cregger, Senior Vice President



Presentation Overview

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Centennial Celebration – Celebrating the City's Rich, 100-Year History

- Named after Westminster University in England, the City was founded on April 4, 1911.
- Located at the first train stop outside Denver, the City has long enjoyed ready access to central commercial corridors, facilitating, for example, transport of apples and cherries from, what were then, some of the largest orchards in the country.
- The City's character as a quiet rural town all changed with the construction of the Denver-Boulder Turnpike (U.S. Hwy 36) in 1950 with population increasing from approximately 1,600 to 106,000 today.
- Westminster voters approved its city charter in 1958 and became a Home Rule city with a Council-City Manager form of government.



Preparing for the City's Future

- The City is strategically located in the middle of the high tech corridor running along U.S. Hwy 36 from Denver to Boulder.
- RTD FasTracks is funding the first commuter rail station of the Northwest Rail Corridor in South Westminster, which will be the first leg of the commuter rail planned along the high tech corridor. The City will match the funds RTD contributes to the project and will pay for upgrades to the project.
- Transit Oriented Development (TOD) around the funded station represents a cornerstone for the next wave of commercial & residential development.
- Westminster is slated for two additional commuter rail stations within the Westminster Urban Renewal Project (WURP) and Mandalay Gardens Urban Renewal Areas (URA's).



City Council



WESTMINSTER

Strategic Plan: 2011-2016

Five Goals



Financially Sustainable City Government Providing Exceptional Services



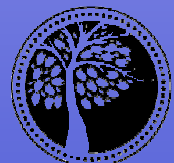
Strong, Balanced Local Economy



Safe and Secure Community



Vibrant Neighborhoods in One Livable Community



Beautiful and Environmentally Sensitive City



Implementation of Strategic Plan Following Council Retreat in April 2011

- Financial strength of the City government remained as the highest priority.
- Economic stability and growth are supported by the Westminster Economic Development Authority (WEDA) redevelopment strategy.
- Budget reductions made in 2010 and continued in 2011, provide a sustainable budgetary balance with an ongoing intent to focus on core services.



Westminster Mall Redevelopment / WEDA

- Declining revenues at the Mall since 1999 and lack of reinvestment by the owner led to an expectation of the Mall's eventual demise and the need to plan for strategic redevelopment.
- WEDA's purchase of the Mall property in May 2011 consolidates ownership, which facilitates the eventual transition to a large scale mixed use development within the Westminster Urban Renewal Project (WURP) area.
- JC Penney, Sears, Sears Automotive, Olive Garden, Brunswick Zone, a dental office and US Bank are expected to remain open during redevelopment period.
- In 2010, these remaining businesses generated \$1.2 million in Sales Tax (STX) revenues.



Westminster Mall Redevelopment

Westminster Urban Renewal Project (WURP)

Developer:

- Currently in discussions with a developer who shares the City's development vision for the site.

Goal: Exclusive Negotiating Agreement by end of 2011

Redevelopment Agreement by end of 2012

Demolition:

- Goal: Demolition of the remaining vacant buildings to be completed by the middle of 2012.

Redevelopment:

- Financing Public Improvements: Potentially create a Downtown Development Authority and hold TABOR borrowing election in November 2012.
- Phase I of mixed use redevelopment open in 2015.



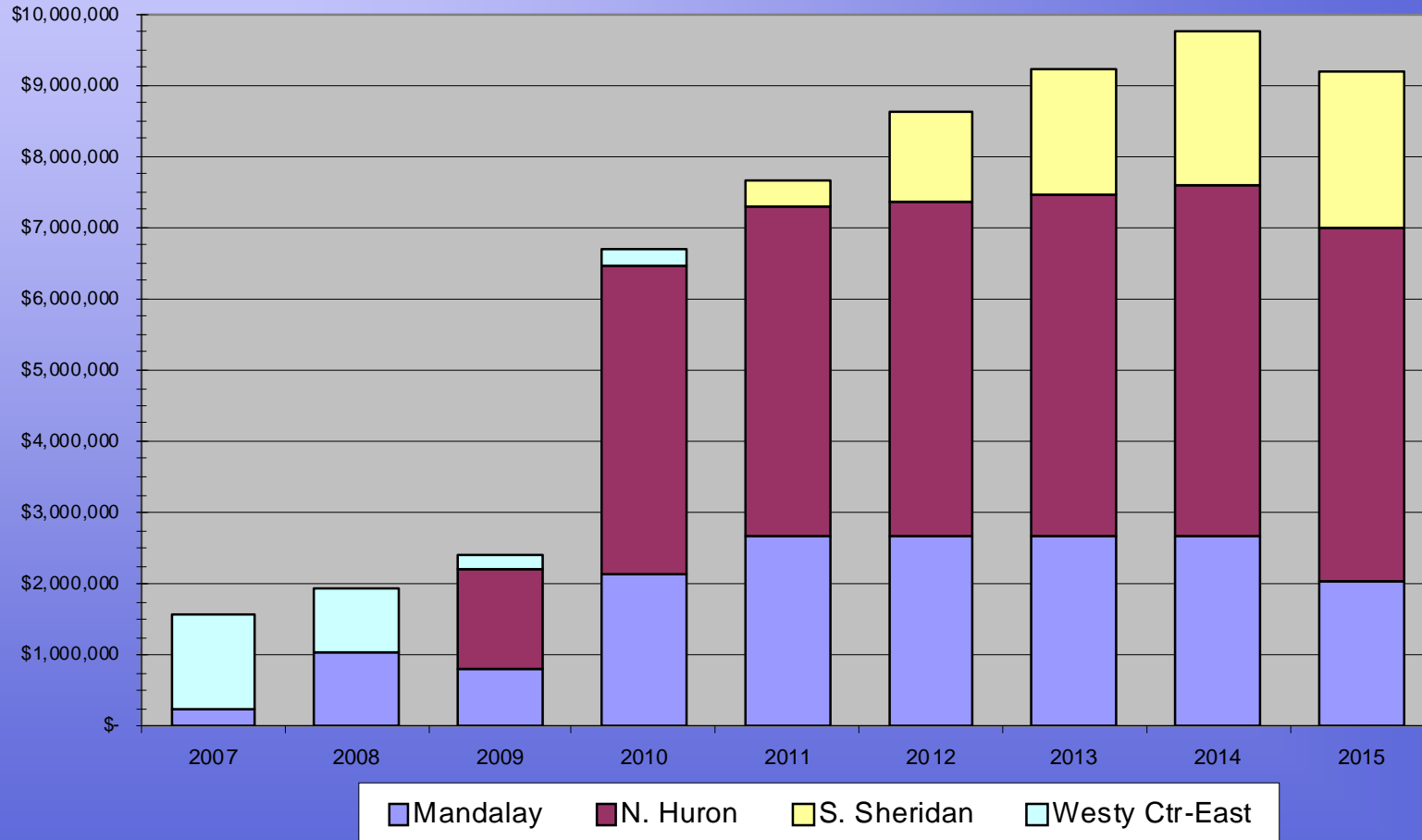
Westminster Mall Redevelopment

- In recent years declining revenues from the Mall have been more than offset by the sales tax revenues not pledged to debt service generated by Urban Renewal Area (URA) redevelopment projects.
- Increasing retail sales in 4 WEDA URA's have generated the unpledged sales tax the City has retained.
 - North Huron
 - Mandalay Gardens
 - South Sheridan
 - Westminster Center East
- Since 2007, the City has retained in the Sales Tax Fund \$12.61 million in sales tax receipts from these 4 URAs.
- The projections for unpledged sales tax revenues for 2011 & 2012 STX are \$7.68 million and \$8.63 million respectively.
- The City has invested \$30.06 million towards WURP.



Westminster Mall Redevelopment

Incremental Sales Tax Revenue the City Retains - By WEDA URA
 (Actual 2007 - 2010, Forecast 2011 - 2015)



Decline in 2015 due to interest rate assumption on variable rate paid on Mandalay Gardens' debt.



WESTMINSTER

WEDA Outstanding Debt Summary

<u>URBAN RENEWAL PROJECT</u>	<u>LIQUIDITY/LOAN PROVIDER</u>	<u>LIQUIDITY/LOAN TERMINATION DATE</u>	<u>COST OF BORROWING</u>	<u>INTEREST RATE RESET DATE</u>	<u>INTEREST RATE SPREAD</u>	<u>ORIGINAL PAR</u>	<u>OUTSTANDING PAR (12-31-11)</u>
Mandalay Gardens	US Bank	9/23/2012	130 bps LOC + Interest	Weekly	SIFMA + Spread 4-7 bps	\$35,830,000	\$33,520,000
North Huron	Compass Bank	6/1/2016	4.510%	6/1/2016	65% 1M LIBOR +230 bps	\$62,375,000	\$56,865,000
South Sheridan	Vectra Bank	12/1/2028	4.950%	6/15/2012	N/A	\$8,075,000	\$7,420,000

- STX pledge provisions for each of the above debt issues provide that STX not required to meet debt service plus a coverage factor can be retained by the City. Covenants protect investors with a floating STX pledge of up to the 3% General STX rate if coverage requirements are not satisfied, which is further backed by City's Moral Obligation commitment *.
- Currently City staff is exploring restructuring some WEDA debt to address potential financial risks from the 2012 interest rate reset for the South Sheridan loan and renewal of a Letter of Credit for the Mandalay Gardens VRDO's. The current low interest rate environment may make it attractive to "term-out" this debt to the end of the tax increment period in 2028.

* The N. Huron URA has a maximum STX pledge of 2% with other 1% STX increment going to a neighboring city through a revenue sharing agreement.



SALES AND USE TAX FUND



Sales and Use Tax Fund

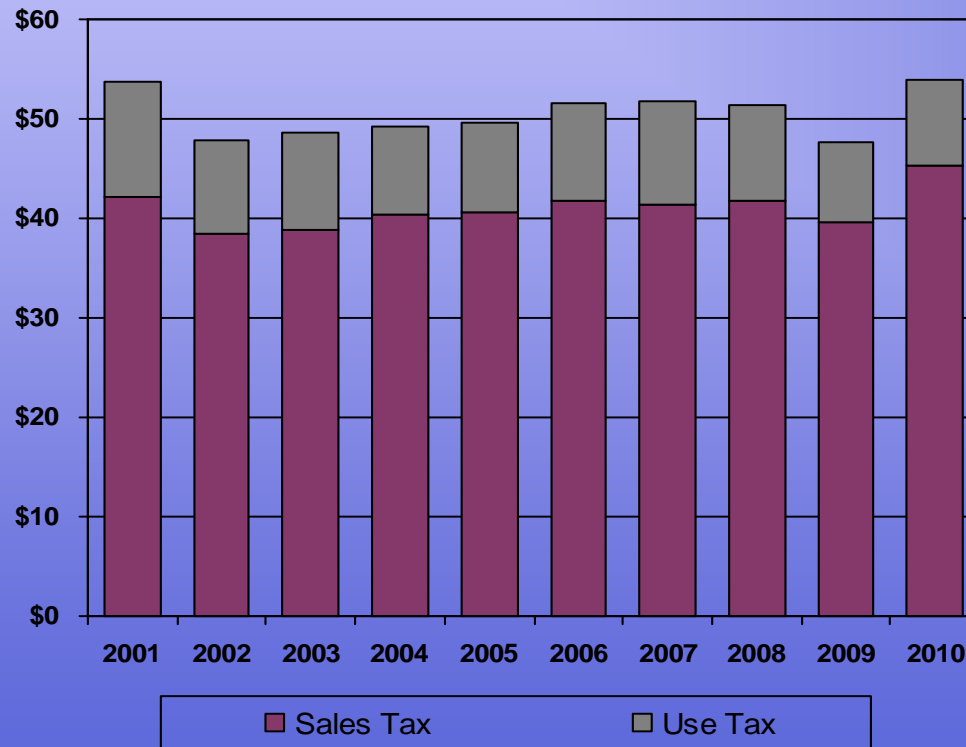
The City's Sales Tax Rate is comprised of three components:

		<u>Sunset</u>
General Sales Tax	3.00%	None
Public Safety Tax (PST)	0.60%	None
Parks, Open Space & Trails (POST)	<u>0.25%</u>	1/1/33
Total:	3.85%	



Sales and Use Tax Fund Cash Collections 3.00% General Sales Tax History 2001 - 2010

\$ Millions

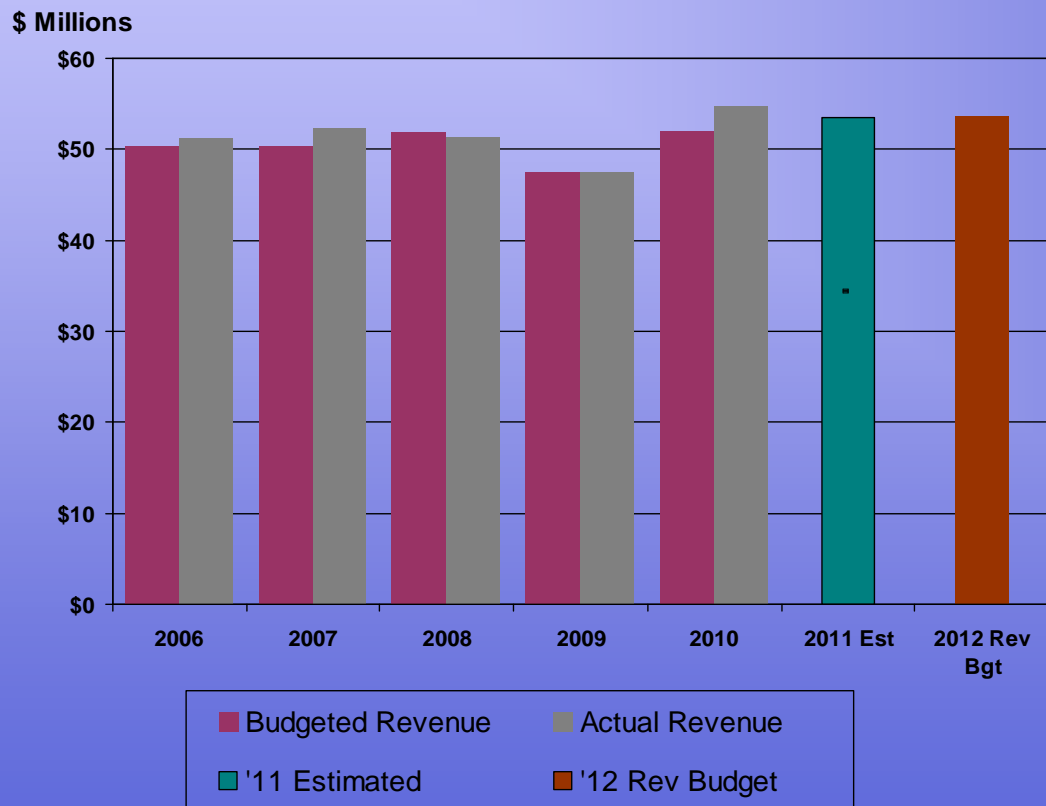


- 2007: Year excess STX pledge from URA's to STX Fund commences.
- 2008-10: Excess URA generated revenues have been instrumental in balancing budget amid economic downturn.



Sales And Use Tax Fund

3.00% General Sales and Use Tax Revenue – Budget vs. Actual *



- In 2010, Total Sales and Use Tax contributed 60.0% of the revenues for the General Fund.

- Estimated 2011 decrease in revenues compared to 2010 (2.19%).

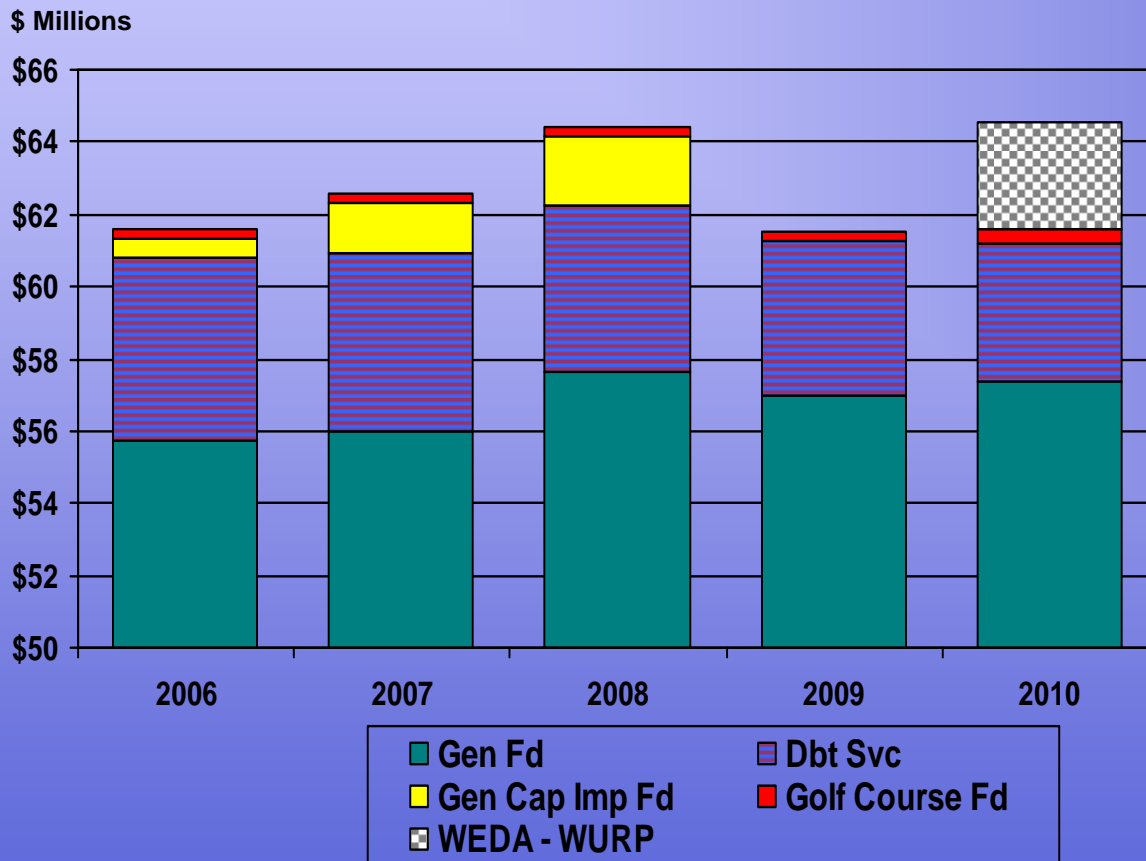
- Revised 2012 increase compared to estimated 2011 (0.37%).

*Figures exclude carry-over, includes interest earnings and are net of EDA payments



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Sales And Use Tax Fund Transfers To Other Funds (2006 – 2010) *



•Sales and Use Tax Fund Transfers to:

- General Fund
- Debt Service Fund
- General Capital Improvement Fund
- Golf Course Fund
- WEDA

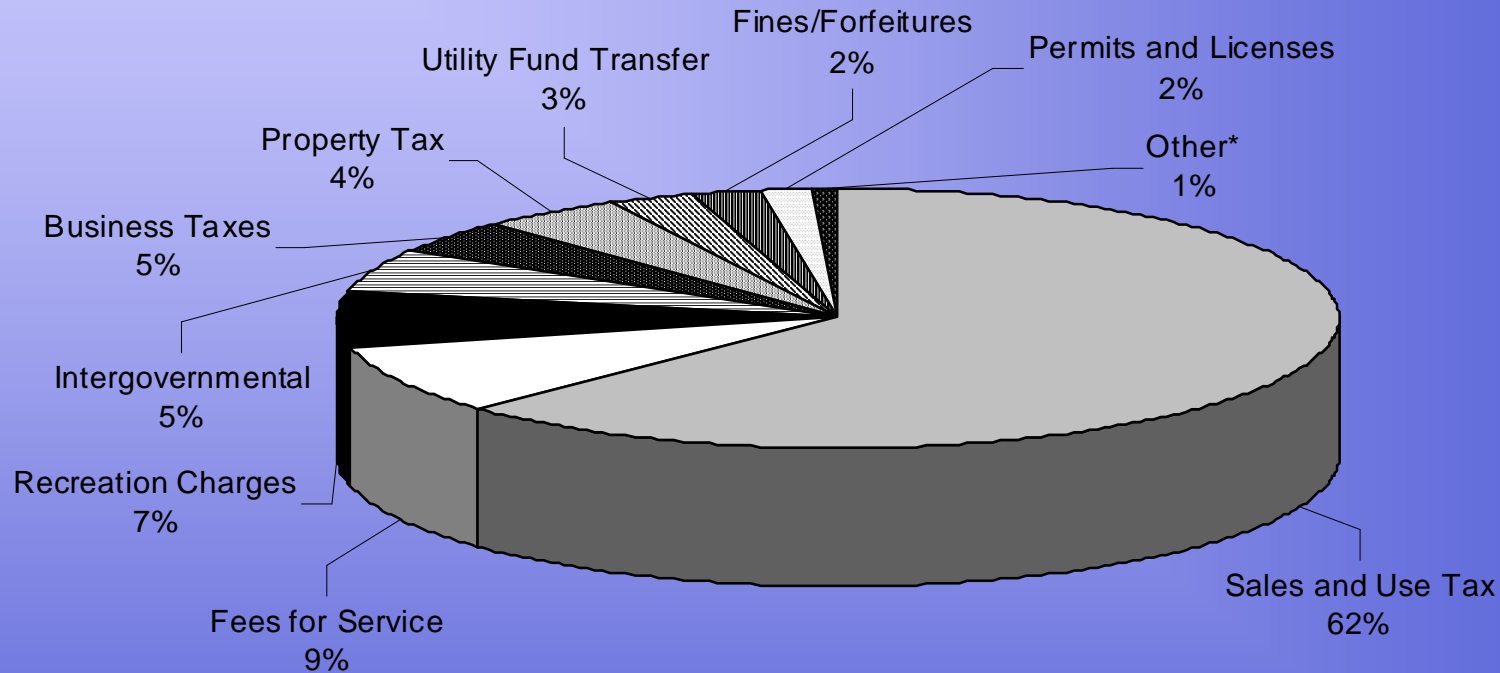
•Year-end fund balances in Sales & Use Tax Fund are generally allocated to Capital Projects.

* Figures exclude carry-over

GENERAL FUND



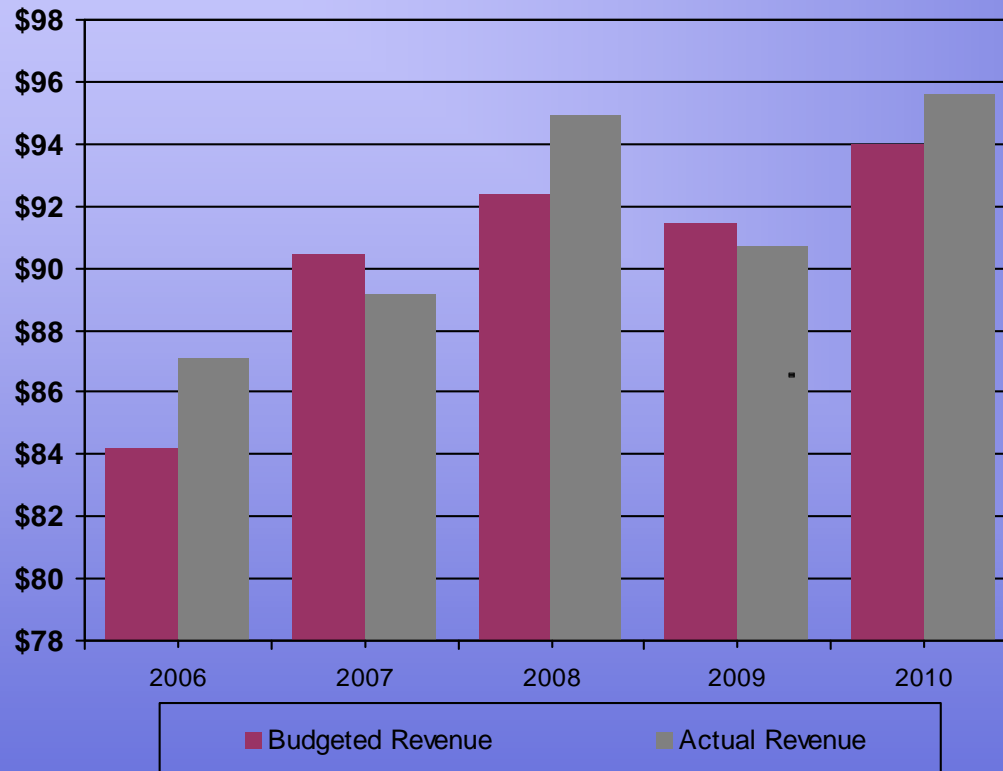
Amended Budget 2012 General Fund Revenues



General Fund

Revenue - Budget vs. Actual (2006 – 2010) *

\$ Millions



General Fund Revenues (\$ millions)

	Budget	Actual
2006	\$84.23	\$86.95
2007	\$90.43	\$89.18 **
2008	\$92.37	\$94.91 **
2009	\$91.43	\$90.69
2010	\$93.99	\$95.58
2011 (1)	\$94.59	
2012 (2)	\$94.08	

* Excludes carry-over but inclusive of any borrowing activities, such as equipment leases or debt offerings.

** Includes Thornton's payment on the 2005 COPS rather than with revenue sharing dollars & repaid in 2008.

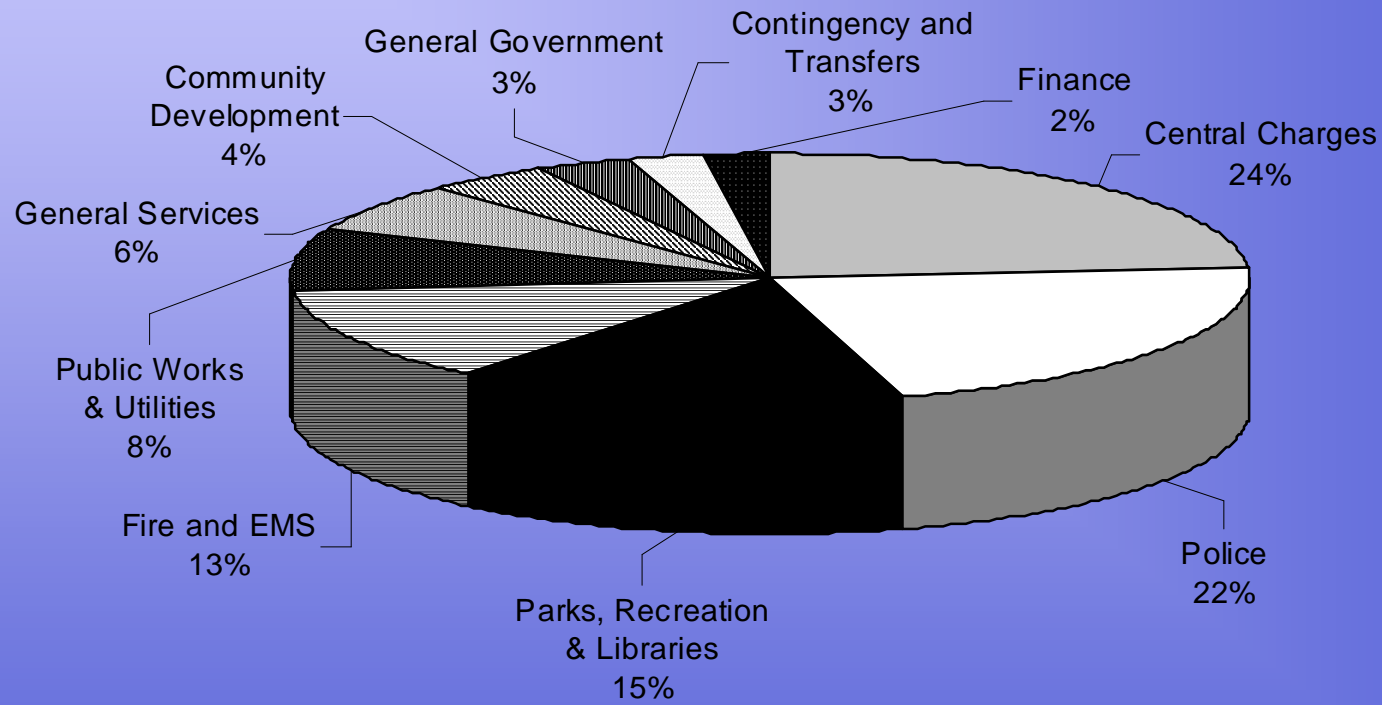
(1) Estimated

(2) Amended Budget



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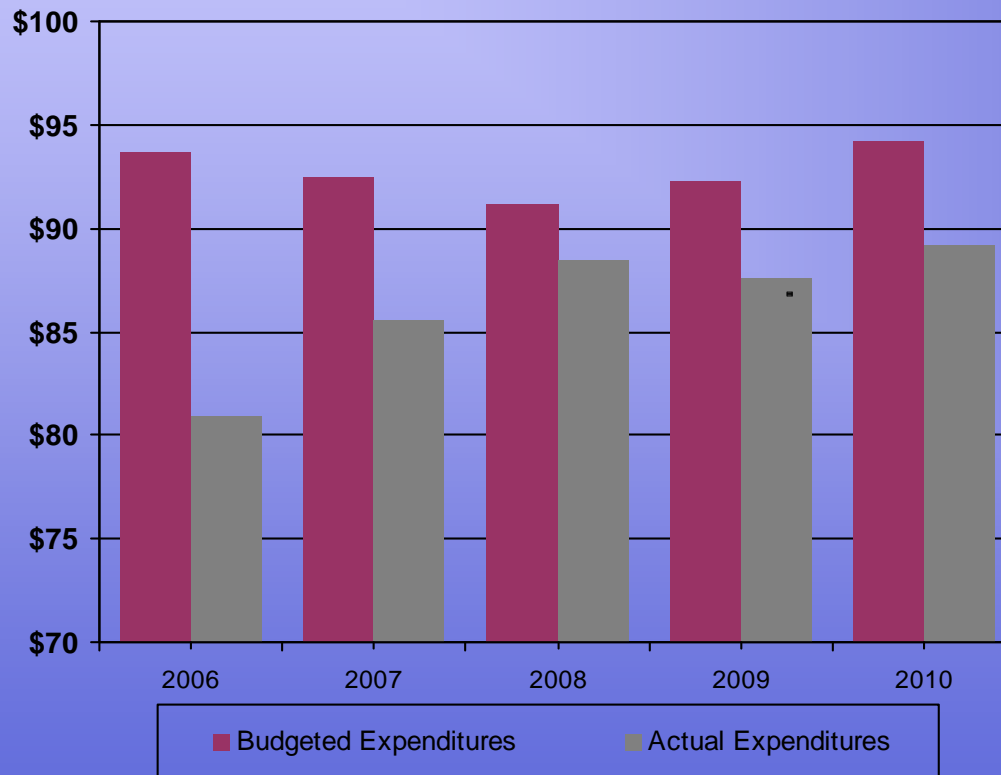
Amended Budget 2012 General Fund Expenditures



General Fund

Expenditures - Budget vs. Actual (2006 –2010)

\$ Millions



General Fund Expenditures (\$ millions)

	Budget	Actual
2006	\$93.66	\$80.95
2007	\$92.48	\$85.52
2008	\$91.29	\$88.44
2009	\$92.32	\$87.54
2010	\$94.19	\$89.13
2011 (1)	\$97.93	
2012 (2)	\$93.96	

(1) Estimated Actual
(2) Amended Budget



Amended Budget 2012 *

General Capital Improvement Program

	2011	2012	2013	2014	2015	Total
Streets and Traffic	\$ 1,535	\$ 1,840	\$ 1,174	\$ 2,032	\$ 1,877	\$ 8,458
Gen. Cap. Improvement	2,810	1,690	2,264	2,030	2,385	\$ 11,179
Public Safety	576	638	530	525	520	\$ 2,789
Park Improvements	4,274	4,095	4,227	4,246	4,264	\$ 21,106
	\$ 9,195	\$ 8,263	\$ 8,195	\$ 8,833	\$ 9,046	\$ 43,532
<i>Pay as you Go</i>	\$ 9,195	\$ 8,263	\$ 8,195	\$ 8,833	\$ 9,046	\$ 43,532
<i>Expected Debt Financing Needed</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Chart above reflects revisions to original budget approved by Council on 10/24/2011.



General Fund Carryover Allocations

- Historically, carryover generally goes to Capital in following year.
- 2008 carryover primarily utilized to fund the General Fund's Stabilization Reserve.
- Portion of 2010 carryover used to replenish the Stabilization Reserve to minimum level after managed draw-down of \$3.0 million in the reserve.

Appropriated carry-over 5-year history:

<u>Year</u>	<u>Operating</u>	<u>Capital</u>	<u>Reserve</u>	<u>WEDA (1)</u>	<u>Total</u>
2007	\$2,622,827	\$5,655,463	\$ 0	\$ 0	\$8,278,290
2008	\$ 589,132	\$2,331,482	\$ 0	\$ 200,000	\$2,920,614
2009	\$ 500,660	\$ 0 ⁽²⁾	\$5,149,887	\$ 200,000	\$5,650,547
2010	\$ 144,087	\$ 588,788	\$ 0	\$3,114,945	\$3,817,820
2011	\$ 151,499	\$1,548,735	\$ 867,678	\$ 175,000	\$2,742,912

(1) WEDA carryover funding: \$2.9 million allocated to WURP and balance to the S. Westminster URA.

(2) 2009 Capital project funding was accomplished with other available funds.



General Fund Reserve Policy

I. General Reserve Fund

- Serves as a source of funds for unanticipated one-time expenditures and for emergencies.
- Target amount in any given year is 10% of the total General Fund operating expenditures, excluding contingency.
- Exceeds Colorado State Constitutional (TABOR) requirement to set aside 3% of its fiscal spending in reserve.
- Projected balance on December 31, 2011 = 10.5% or \$9.35 Million



General Fund Reserve Policy

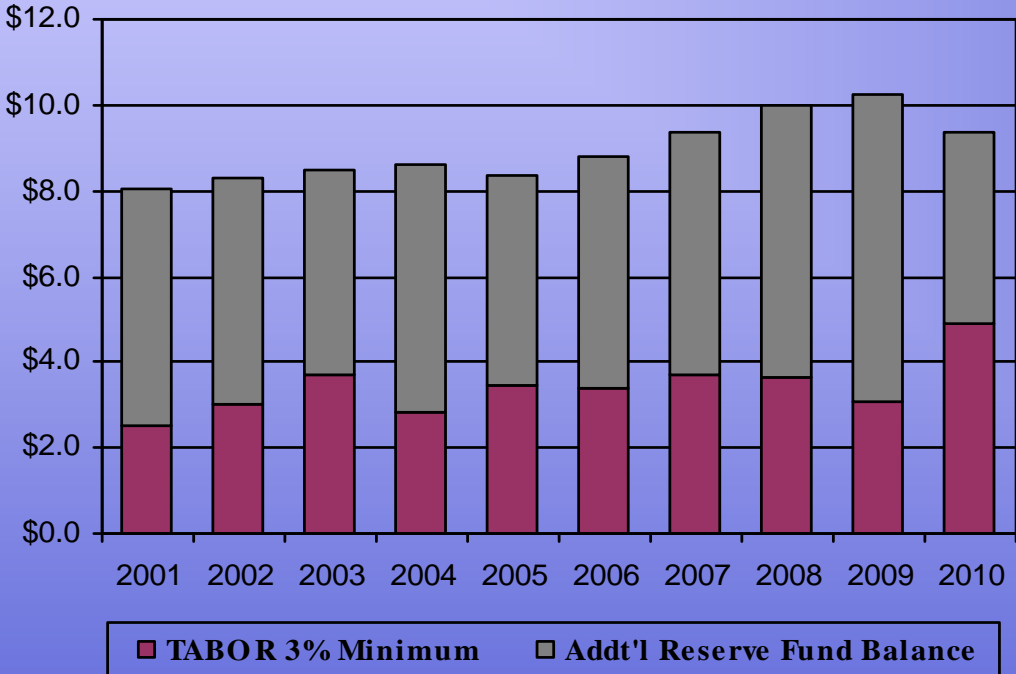
II. General Fund Stabilization Reserve

- Created in August 2009, and funded with 2008 carryover money, to be used as a stop gap funding source.
- Serves as a stabilizer during reduced revenue collection years, allowing City core services to continue to be delivered despite economic downturns.
- Target amount in any given year ranges from 5-10% of the total Sales & Use Tax Fund revenues for the budgeted year.
- Balance as of December 31, 2010 = \$2.3 million, which was below 5% minimum. \$868K of 2010 carryover utilized to bring balance back to minimum threshold.



General Fund Reserves Reserve Analysis (2001 – 2010)

\$ Millions



- From 2001 to 2010 the level of reserves to expenditures at year-end ranged between 10.49% and 13.34%.

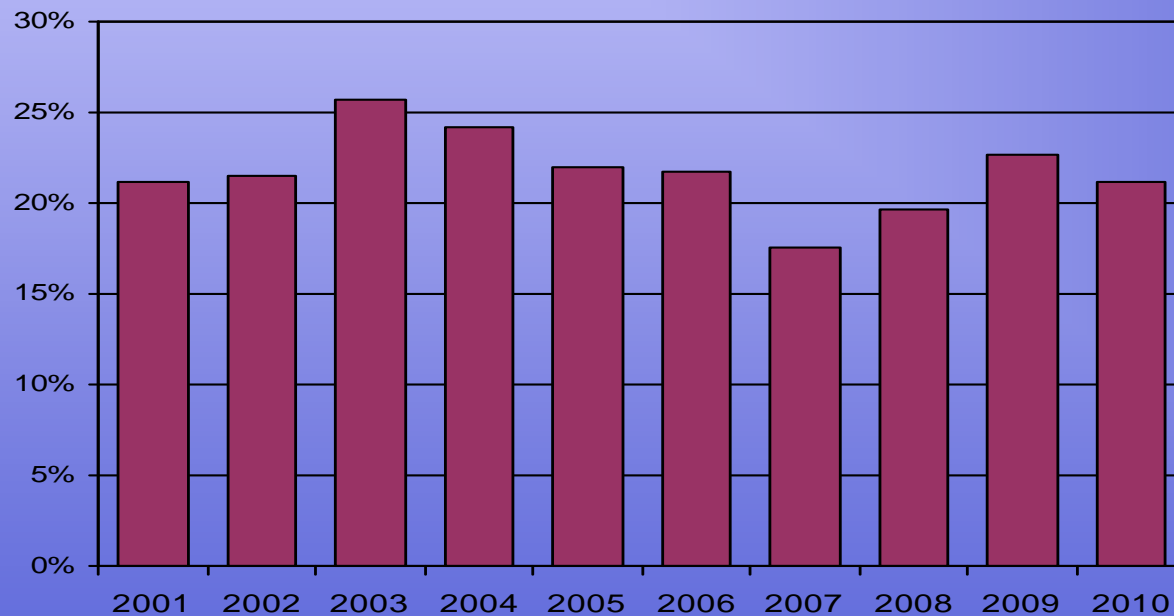
- On 12/31/10 the reserves balance was 10.49% of expenditures. (\$3.5 million of GRF used in 2010 to balance GF consistent with policy)

- Anticipate \$9.5 million balance on 12/31/11.

- Reserve Fund is separate from GF Stabilization Reserve; Combined Policies equates to 14.3% of Amended GF Budget expenditures.

General Fund Fund Balance Analysis (2001 – 2010)

Fund Balance As %
of Expenditures



- Includes restricted and un-restricted balances.
- Fund Balance includes all Reserves.
- 10-year range between 17% to 25%.
- General Fund balance as of 12/31/10 is 21% of expenses.



2012 Budget Priorities

- Focus on moving forward on Westminster Urban Center Reinvestment Project (WURP).
- Continue investment in South Westminster – TOD.
- Maintain existing infrastructure through Capital Improvement Program (CIP) funding.
- Ongoing evaluation and reconsideration of core services.
- Maintain a competitively paid workforce.
 - Council approved a 2% Across-the-Board salary pay plan adjustment for employees.
- Continue efforts to manage medical insurance costs.
 - Negotiated 0% increase in medical/dental coverage costs for 2012 due to success of cost containment measures.



Budget Management with Reduced Revenue Growth Assumptions

- Sales & Use Tax collections outside of the URAs remains flat, with most revenue growth coming from Sales Tax Revenues not pledged to urban renewal area debt.
- A total of \$8.079 million sustainable spending reductions were made in FY2010 to maintain budgetary balance.
- Going forward, the emphasis will be maintaining and funding core services for our citizens.
- Staffing level - Impact of core services analysis:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012 Amend Budget</u>
FTE – All Funds	979.13	981.12	983.92	982.67	909.84	910.34



UTILITY ENTERPRISE FUND



Utility Enterprise Fund

Highlights:

- System operations remain strong financially:
 - The Utility's long-standing practices of multi-year forecasting and contingency planning continue.
 - Rate increases reviewed and approved by City Council every two years in conjunction with City's Biennial Budget process.
 - Long-term strategy is for gradual and steady increases.
Rates increases approved for 2012: 4.00% water
 4.00% sewer
- Capital Projects
 - The Utility's water and wastewater treatment facilities are currently sized to meet projected requirements at build-out.
 - Five Year Capital Improvement Program (CIP) includes annual repair and replacement projects.
 - No debt financing is necessary to fund projects in current adopted 5-year CIP Budget (2011-2015).



Utility Enterprise Fund

Water And Wastewater Service Rates

Ongoing Rate Strategy:

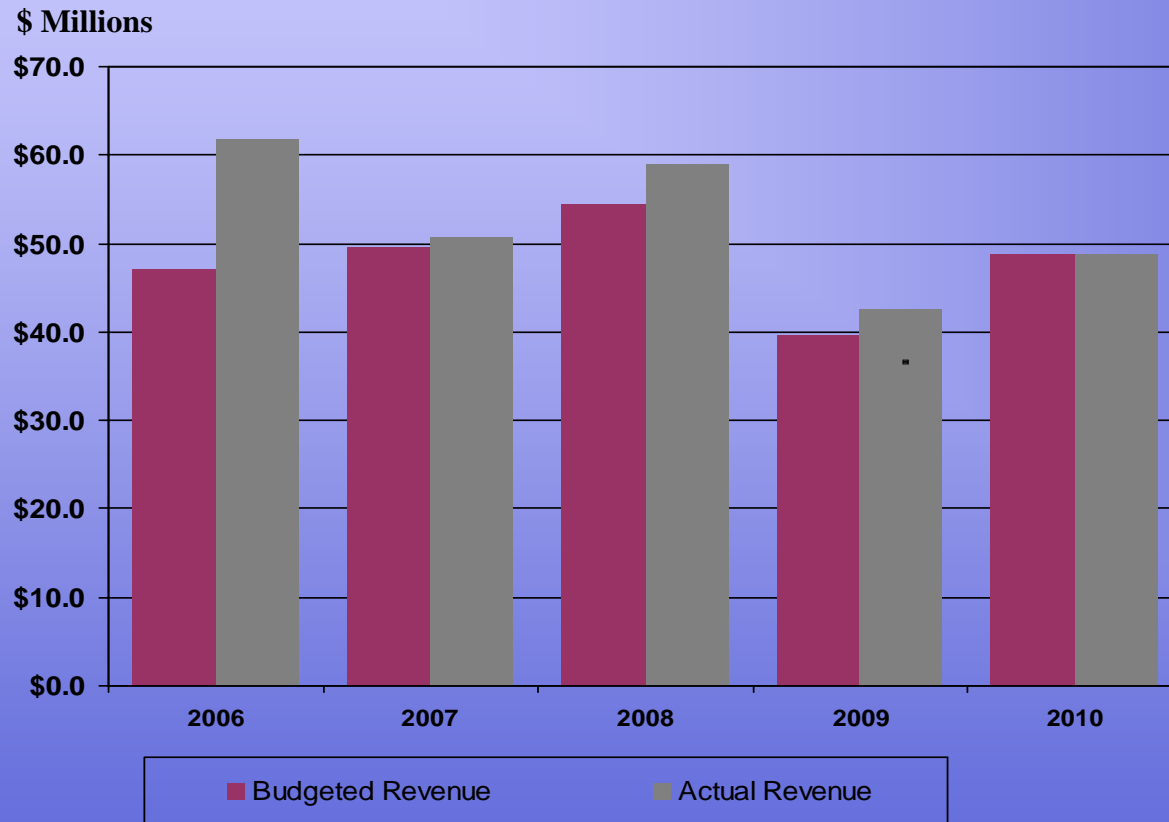
Increase service rates annually in relatively small increments to gradually shift funding of capital projects away from tap fees towards funding them through service revenues.

Approved Rate Increases Per Year:

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>	<u>Approved</u>
2012	4.00%	4.00%	10-11-10
2011	4.00%	4.00%	10-11-10
2010	3.00%	4.50%	11-17-08
2009	3.00%	4.50%	11-17-08
2008	2.74%	6.50%	7-10-06
2007	4.12%	12.00%	7-10-06



Utility Enterprise Fund Revenue: Budget vs. Actual (2006 – 2010)*



2010 Actual - \$48.8 MM

- Actual revenues (\$6.29 MM) higher than 2009

2011 Oct Estimate – \$51.90 MM

- Revenues estimated to be (\$2.14 MM) higher than 2010 actual revenues
- Does not include \$4.00 MM of 2010 carryover

2012 Rev Budget – \$54.02 MM

- Revenues include rate increases (Water : 4.00% / WW: 4.00%)

* Excludes carryover

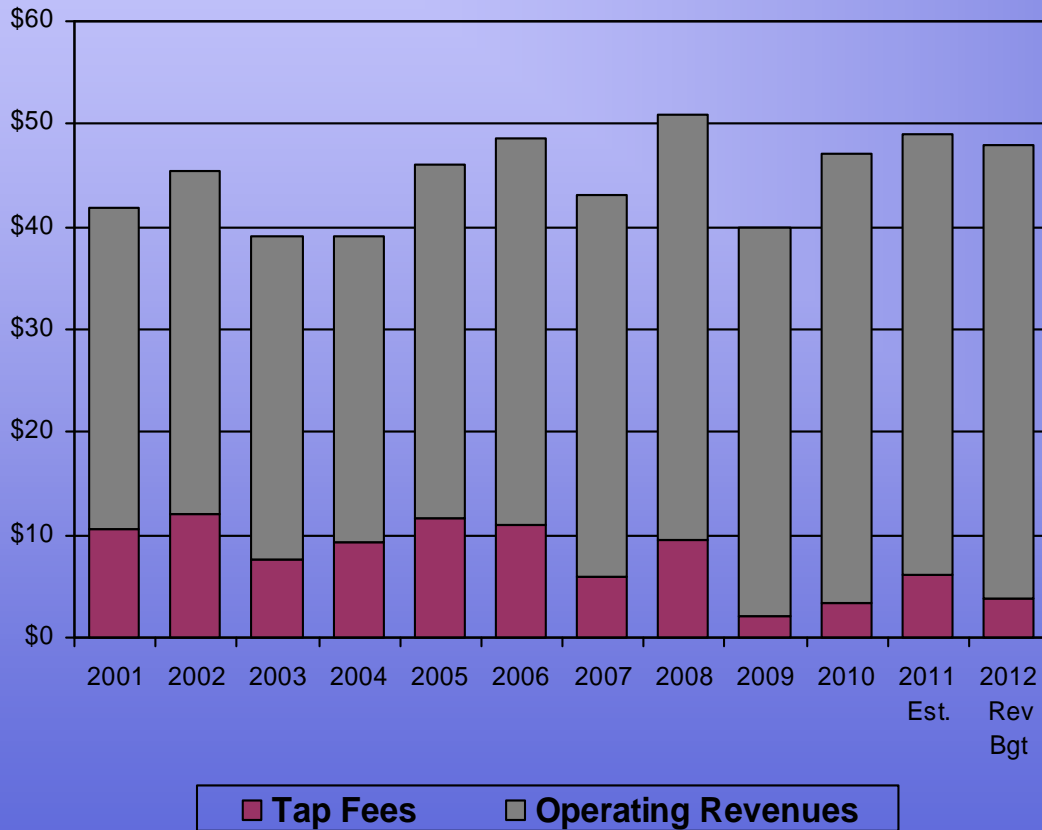
* Includes revenues not pledged to debt service, predominately storm water revenues



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Utility Enterprise Fund Sources of Revenue (2001 – 2012)

\$ Millions



2005: Tap fees were 25.1% of the combined Operating and Tap Fee revenues.

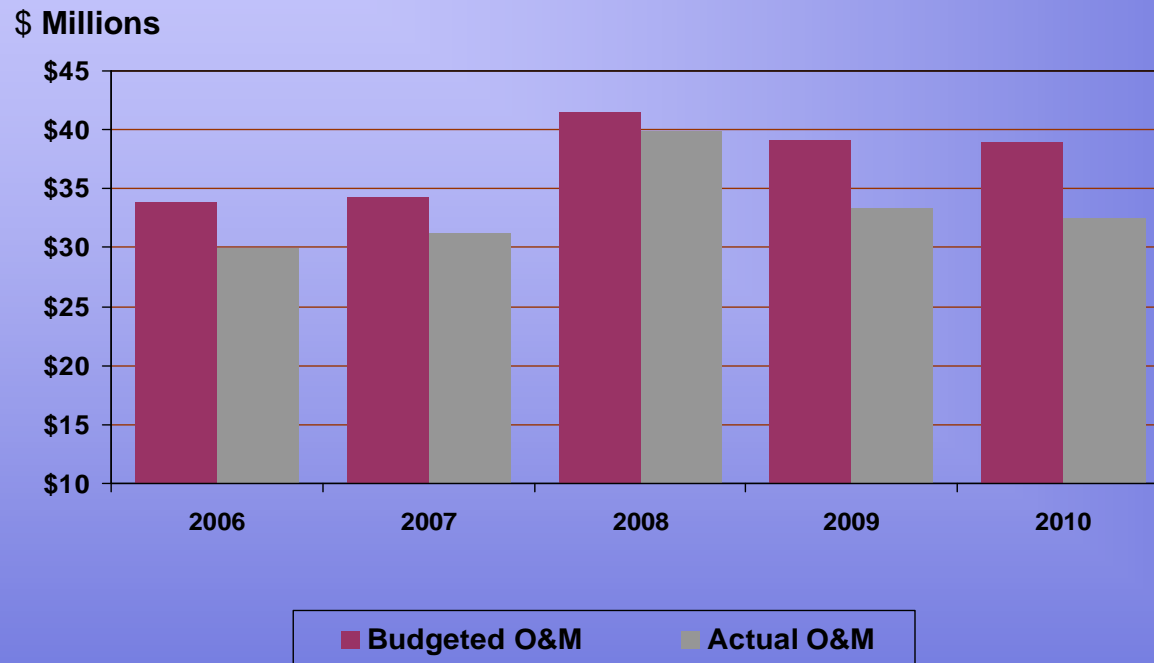
2010: Tap fees only accounted for 7.24% of combined Operating and Tap Fee revenues.

2011-12: In 2011 Tap fees are projected to be about 13.00% of combined Operating & Tap Fee revenues due to apartment construction projects, but in 2012 the percentage will decline again to about 7.00% of combined revenues.



Utility Enterprise Fund

Expenditures: Budget vs. Actual (2006 – 2010)*



Conservative budgeting results in ability to generate carryover to help fund capital projects

2011 Oct Estimate:

- Operating: \$40.15 MM
- CIP: \$13.10 MM

2012 Rev Budget:

- Operating: \$37.80 MM
- CIP: \$16.21 MM

- Expenditures include expensed capital costs originally not included in the budget estimate, as well as interest and principal payments budgeted in Central Charges. Does not include depreciation.



Utility Enterprise Fund Capital Improvement Program *Amended Budget 2012

	2011	2012	2013	2014	2015	Total
Wastewater	\$ 3,888	\$ 4,812	\$ 5,944	\$ 4,943	\$ 4,689	\$ 24,276
Water	7,864	10,048	9,821	14,659	15,247	\$ 57,639
Stormwater	1,352	1,354	1,354	1,354	1,354	\$ 6,768
	\$ 13,104	\$ 16,214	\$ 17,119	\$ 20,956	\$ 21,290	\$ 88,683
<i>Pay as you Go</i>	\$ 13,104	\$ 16,214	\$ 17,119	\$ 20,956	\$ 21,290	\$ 88,683
<i>Expected Debt Financing Needed</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Table above reflects revisions, approved by Council on 10/24/2011, to the original CIP budget.



Utility Enterprise Fund Annual Debt Service Coverage*

	2006	2007	2008	2009	2010
Charges for Services	\$ 36,994,887	\$ 36,545,958	\$ 40,954,349	\$ 37,476,945	\$ 42,521,660
Less Stormwater Revenues	(1,043,496)	(1,150,925)	(2,105,004)	(2,121,396)	(2,034,110)
Tap Fees	10,975,288	6,008,940	9,559,015	2,145,099	3,405,505
Other Revenue	4,952,734	6,312,717	4,453,897	1,461,578	2,052,463
Total Pledged Revenue	51,879,413	47,716,690	52,862,257	38,962,226	45,945,519
Operation & Maintenance Expenses	(27,152,034)	(29,159,730)	(32,519,143)	(35,638,730)	(30,707,277)
Less Stormwater Expenses	349,846	612,083	794,624	723,784	893,590
Pledged Revenues	\$ 25,077,225	\$ 19,169,043	\$ 21,137,738	\$ 4,047,280	\$ 16,131,831
Annual Debt Service (Senior)	2,684,344	2,696,898	8,486,973	2,137,050	2,137,400
Annual Debt Service (Subordinate)	3,493,539	3,399,175	3,585,942	3,597,398	4,365,078
Annual Debt Service (Combined)	6,177,883	6,096,073	12,072,915	5,734,448	6,502,478
Annual Coverage Ratio (Senior)	9.34	7.11	2.49	1.89	7.55
Annual Coverage Ratio (Combined)	4.06	3.14	1.75	0.71	2.48

- In 2009 when the balance in the Rate Stabilization Reserve (RSR) is taken into consideration for purposes of the Ordinance rate covenant, the inclusion of \$10,582,665 RSR balance along with Pledged Revenues would significantly increase the coverage level to 1.97x MADS in 2009.

- Increase in subordinate debt service due to interest paid on 2010 BAB's, issued in May 2010.

* Coverage ratios exclude storm water revenues/expenses, developer contributions, and depreciation.



Utility Enterprise Fund Reserve Policies

Reserve policies were established in 2006 with 3 separate reserves:
Operating, Rate Stabilization, and Capital Project

Revisions made to Policies to better reflect the Utility's processes:

- 2010 - Eliminated the Operating Reserve given sufficient operating cash-flows and overall balance in capital reserve to cover any short-term operating expenses.
- 2011 - Clarified the way staff applies the Rate Stabilization and Capital Reserve for consistency in financial operations and planning.

Current Reserves:

Rate Stabilization Reserve: Target - 25% of water rate revenues and 10% of wastewater revenues (based on budget).

- Current Balance = \$11.767 MM
- Minimum Required Balance = \$5.995 MM

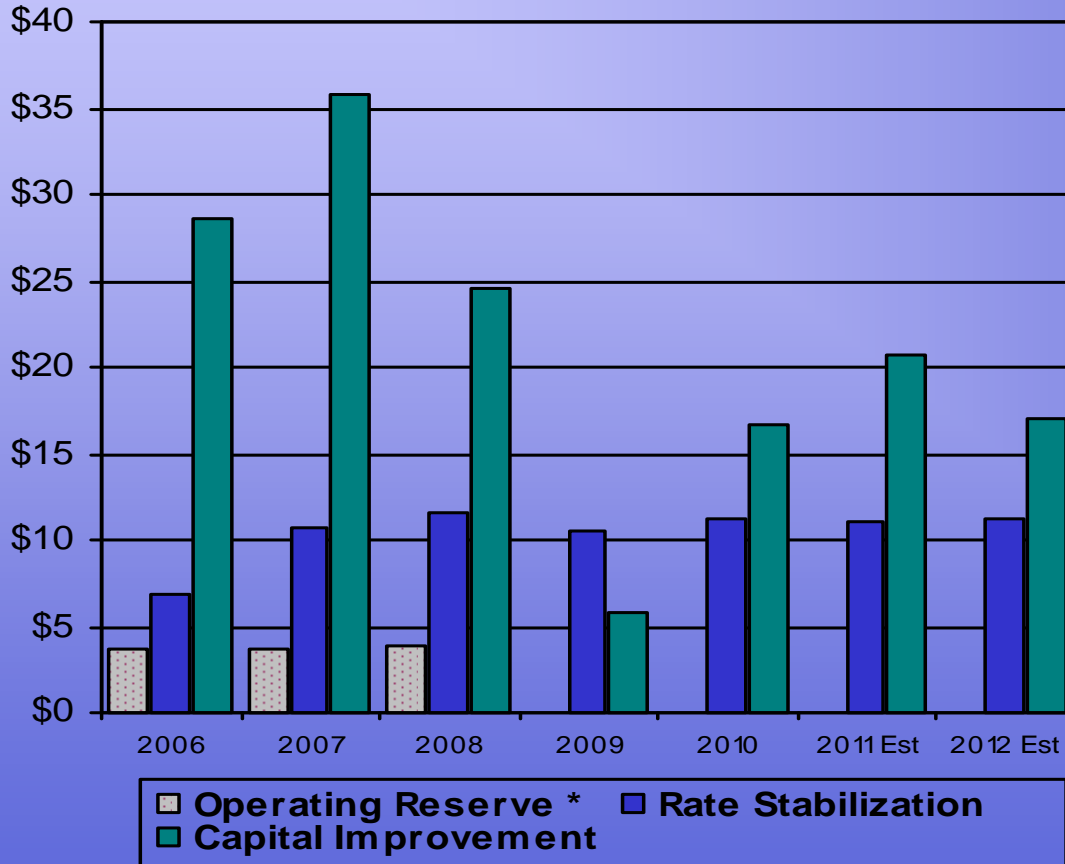
Capital Project Reserve: Target - Minimum \$5.0 million, maximum of 40% of adopted five (5) year CIP expenditures.

Current Balance = \$20.723 MM



Utility Enterprise Fund Reserves Analysis (2006 – 2012 Revised Budget)

\$ Millions



YEAR-END RESERVE BALANCES

Rate Stabilization Reserve

2008: \$11.612 million
 2009: \$10.583 million
 2010: \$11.297 million
 2011: \$11.017 million Est.
 2012: \$11.270 million Rev Bdgt

Capital Project Reserve

2008: \$24.528 million
 2009: \$ 5.705 million
 2010: \$16.668 million
 2011: \$20.641 million Est
 2012: \$17.103 million Rev Bdgt

* Operating Reserve eliminated in 2009



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DEBT OVERVIEW



Debt Policy – City of Westminster

- In 2011, the City staff initiated a review of the policies followed in the past when issuing and administering debt.
- In October 2011 City Council adopted a formal Debt Policy for the City of Westminster.
- The major provisions of the Policy:
 - covers all types of debt that the City may issue;
 - addresses compliance with legal requirements and covenants when debt is issued and administered;
 - governs not only new money issuances but thresholds and conditions for advance or current refundings;
 - affirms City's proactive debt management practices;
 - addresses the use of improvement district and urban renewal financing;
 - considers the appropriate use of variable rate debt.



CLOSING STATEMENT

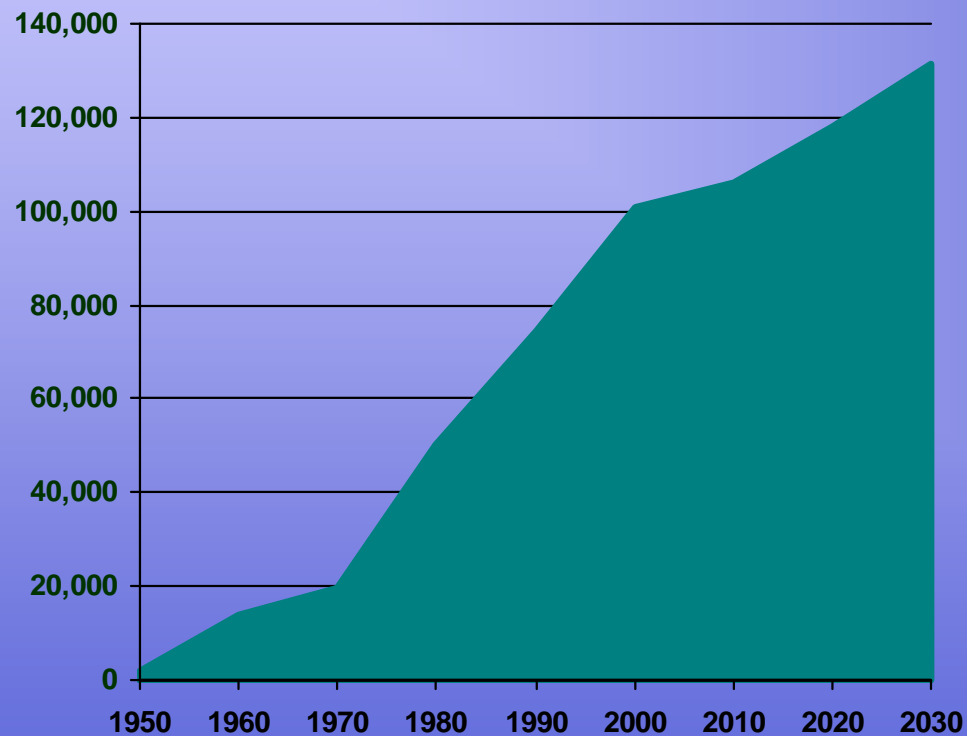


APPENDIX



City of Westminster Growth in Population

Population



Population estimate from
2010 Census: 106,114

Estimated population in
2030: 131,000



WESTMINSTER

City of Westminster Key Employers by Industry

# Businesses Industry	# Employers		# Employees	
	2006	2011	2006	2011
Agriculture	65	67	354	438
Mining	6	10	26	75
Construction	245	280	1,775	2,076
Manufacturing	102	133	1,511	2,083
Trans/Comm/Util	72	131	1,159	1,180
Wholesale Trade	107	155	1,805	2,033
Retail	704	836	11,479	13,477
Finance	418	507	3,964	3,723
Service	1,261	1,754	15,558	18,464
Public Admin	36	38	687	519
Total	3,016	3,911	38,318	44,068
Total Private Sector	2,751	3,578	33,084	37,886
Total Public Sector	265	333	5,234	6,182



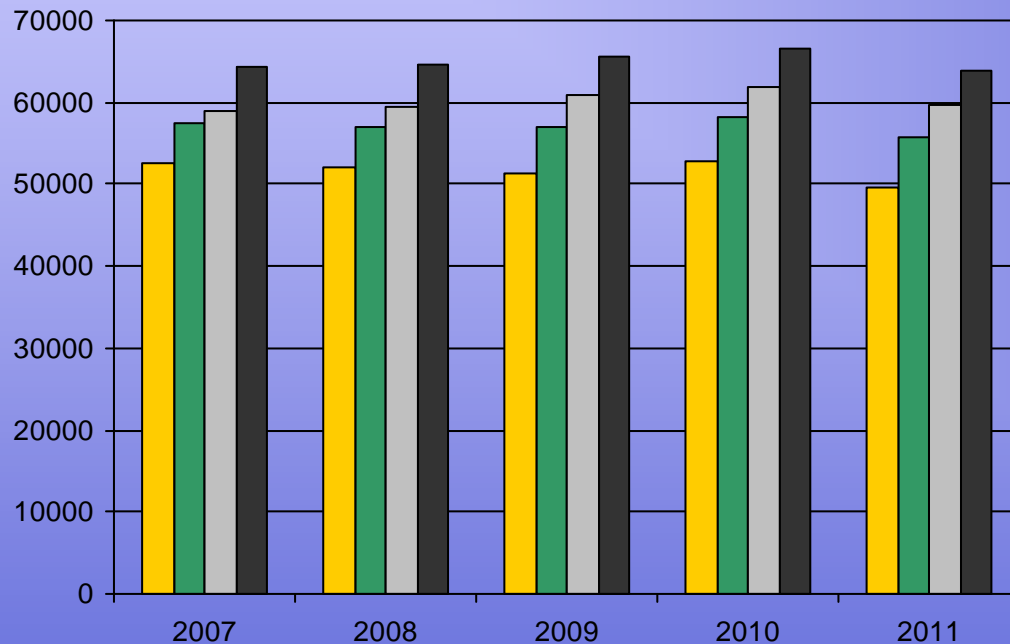
City of Westminster Top 10 Private Employers

<u>Business</u>	<u># Employees</u>
Avaya	1,200
Ball Corporation	896
St. Anthony's North Hospital	725
LPS Asset Management Solutions	500
McKesson information Solutions	475
Alliance Data Systems	422
Tri-State Generation	400
Trimble Navigation	350
Kaiser Permanente	340
LGS Innovations	255



Comparison of Median Household Buying Income

Median Household Buying Income



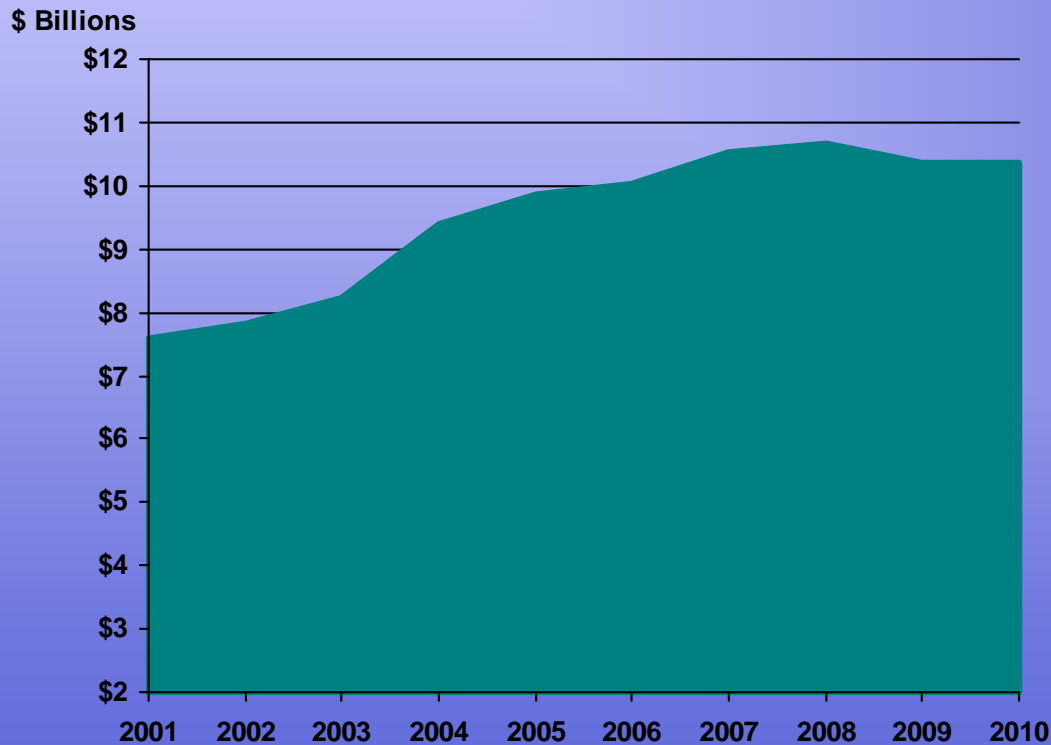
The City's 2011 MHBI of \$63,899 exceeds that of:

- Denver Metro \$59,668
- Colorado \$55,717
- USA \$49,726

Source: American Community Survey US Bureau of Census

United States Colorado Denver Metro City of Westminster

City of Westminster Real Estate - Actual Values (Includes Adams and Jefferson Counties)



Property market values have risen from \$5.7 billion to \$10.37 billion since 1997.

Since 2008, the market value has decreased \$299 million or 2.8%.

2012 – Est. decline of \$140,000 (0.15% General Fund revised budget) in property tax revenues based on preliminary values.

2012 – Property tax revenues less than 4.5% of total General Fund revenues.



Westminster Mall Redevelopment – Revenue Replacement: North Huron URA

Increment Revenues	2008	2009 *	2010	2011	2012
STX	\$ 4,029,502	\$ 4,721,293	\$ 4,762,293	\$ 4,623,177	\$ 4,691,934
PTX	\$ 1,790,083	\$ 3,118,158	\$ 5,132,581	\$ 5,171,404	\$ 5,239,058
Total Increment Revenues	\$ 5,819,585	\$ 7,839,451	\$ 9,894,874	\$ 9,794,582	\$ 9,930,991
Debt Service	\$ (2,316,866)	\$ (7,783,140)	\$ (4,887,345)	\$ (4,879,508)	\$ (4,879,612)
Net Increment	\$ 3,502,719	\$ 56,311	\$ 5,007,530	\$ 4,915,074	\$ 5,051,380
PTX Coverage	77.26%	40.06%	105.02%	105.98%	107.37%
STX Retained by City	\$ -	\$ 1,401,722	\$ 4,301,724	\$ 4,623,177	\$ 4,691,934

- URA features 972,000 SF of development in The Orchard lifestyle center anchored by a Super Target, Macy's, JC Penny's, AMC Theaters, and REI, plus a Wal-Mart and Lowe's located outside of The Orchard.
- Property tax increment fully covers current debt service and coverage will increase in 2013 with the addition to the tax rolls of a 300 unit apartment complex.

Note: 2009 Debt Service includes two principal payments for Bank Bonds that totaled \$3.415 million.



Westminster Mall Redevelopment – Revenue Replacement: Mandalay Gardens URA

Increment Revenues	2008	2009 *	2010	2011	2012
STX	\$ 2,522,546	\$ 2,526,511	\$ 2,654,402	\$ 2,663,348	\$ 2,669,085
PTX	\$ 1,578,269	\$ 1,865,063	\$ 2,158,345	\$ 2,149,692	\$ 1,910,987
Total Increment Revenues	\$ 4,100,815	\$ 4,391,574	\$ 4,812,747	\$ 4,813,040	\$ 4,580,073
Debt Service	\$ (1,298,745)	\$ (4,380,043)	\$ (1,739,534)	\$ (1,814,615)	\$ (2,077,701)
Net Increment	\$ 2,802,070	\$ 11,531	\$ 3,073,213	\$ 2,998,425	\$ 2,502,371
PTX Coverage	121.52%	42.58%	124.08%	118.47%	91.98%
STX Retained by City	\$ 1,051,061	\$ 793,819	\$ 2,146,374	\$ 2,663,348	\$ 2,669,085

- URA features 240,000 SF of development in The Shops at Walnut Creek plus a 175,000 SF Super Target.
- Since 2010 property tax increment revenues have covered 100% of debt service due to current low borrowing rates (averaging 0.27 bp for 2011) based off the SIFMA Swap Index. This condition is expected to continue through 2012.

Note: 2009 debt service includes three principal payments for Bank Bonds totaling \$2.8580 million.



Westminster Mall Redevelopment – Revenue Replacement: South Sheridan URA

Increment Revenues	2008	2009 *	2010	2011	2012
STX	\$ 699,313	\$ 1,801,861	\$ 1,973,127	\$ 2,001,669	\$ 2,045,719
PTX	\$ -	\$ 183,818	\$ 427,365	\$ 407,658	\$ 405,310
Total Increment Revenues	\$ 699,313	\$ 1,985,679	\$ 2,400,492	\$ 2,409,328	\$ 2,451,029
Debt Service	\$ (282,866)	\$ (941,181)	\$ (659,242)	\$ (661,193)	\$ (663,412)
Net Increment	\$ 416,447	\$ 1,044,498	\$ 1,741,250	\$ 1,748,135	\$ 1,787,617
PTX Coverage	0.00%	19.53%	64.83%	61.66%	61.09%
STX Retained by City	\$ -	\$ -	\$ -	\$ 389,213	\$ 1,272,892

- URA features 242,000 SF of new commercial development including a Super Wal-Mart.
- Property tax increment revenues anticipated to cover about 60% of debt service in 2012.
- In 2011 the City retained sales tax of 0.70% on sales in the URA and this is anticipated to be 2.1% in 2012.

Note: 2009 debt service includes two principal payments for Bank Bonds totaling \$0.416 million.



Westminster Mall Redevelopment – Revenue Replacement: Westminster Center East URA

Increment Revenues	2008	2009	2010	2011	2012
STX	\$ 891,220	\$ 216,507	\$ 231,159	\$ -	\$ -
PTX	\$ 381,732	\$ 381,732	\$ 437,065	\$ 380,305	\$ 349,042
Total Increment Revenues	\$ 1,272,952	\$ 598,239	\$ 668,224	\$ 380,305	\$ 349,042
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increment	\$ 1,272,952	\$ 598,239	\$ 668,224	\$ 380,305	\$ 349,042
PTX Coverage	N/A	N/A	N/A	N/A	N/A
STX Retained by City	\$ 891,220	\$ 216,507	\$ 231,159	\$ -	\$ -

- Westminster Center URA has only non-debt financial obligations and Property Tax (PTX) increment contributes approximately \$82,000 per year towards General Fund operational costs.
- Starting in 2011, STX collections have not exceeded the Statutory Base.
- Approximately \$1.0 million of Westminster Center Tax increment has been contributed towards WURP.



2010 Refundings - Savings Summary

<u>Year</u>	<u>Sales Tax Refundings</u>	<u>Certificates of Participation</u>	<u>Golf Course Revenue</u>	<u>Ice Centre Refunding (1), (2)</u>	<u>TOTAL</u>
2010	127,090	166,320	55,549	802	349,760
2011	125,345	154,819	172,900	44,719	497,783
2012	185,345	139,819	99,500	44,720	469,384
2013	102,795	136,213	172,690	43,706	455,404
2014	105,950	140,525	168,240	44,959	459,674
2015	438	1,850	4,890	45,641	52,819
2016	4,413	1,550	3,790	43,196	52,949
2017	1,663	50	915	45,199	47,826
2018	2,263	1,531	2,815	44,879	51,487
2019	263	894	165	45,039	46,360
2020	3,163	2,931	1,675	43,359	51,127
2021	675	4,338	2,913	43,989	51,914
2022	3,038	3,675	3,788	44,910	55,410
<u>2023</u>	<u>-</u>	<u>-</u>	<u>3,363</u>	<u>-</u>	<u>3,363</u>
TOTAL	662,438	754,514	693,191	535,117	2,645,260

NPV Savings (\$) \$627,485 \$713,201 \$639,090 \$414,553 \$2,394,329

NPV Savings (%) 5.95% 5.82% 13.37% 8.72% N/A

(1) Assumes 2.00% annual interest earnings on DSRF.

(2) Represents the City of Westminster's portion of the savings, per the IGA with Hyland Hills.



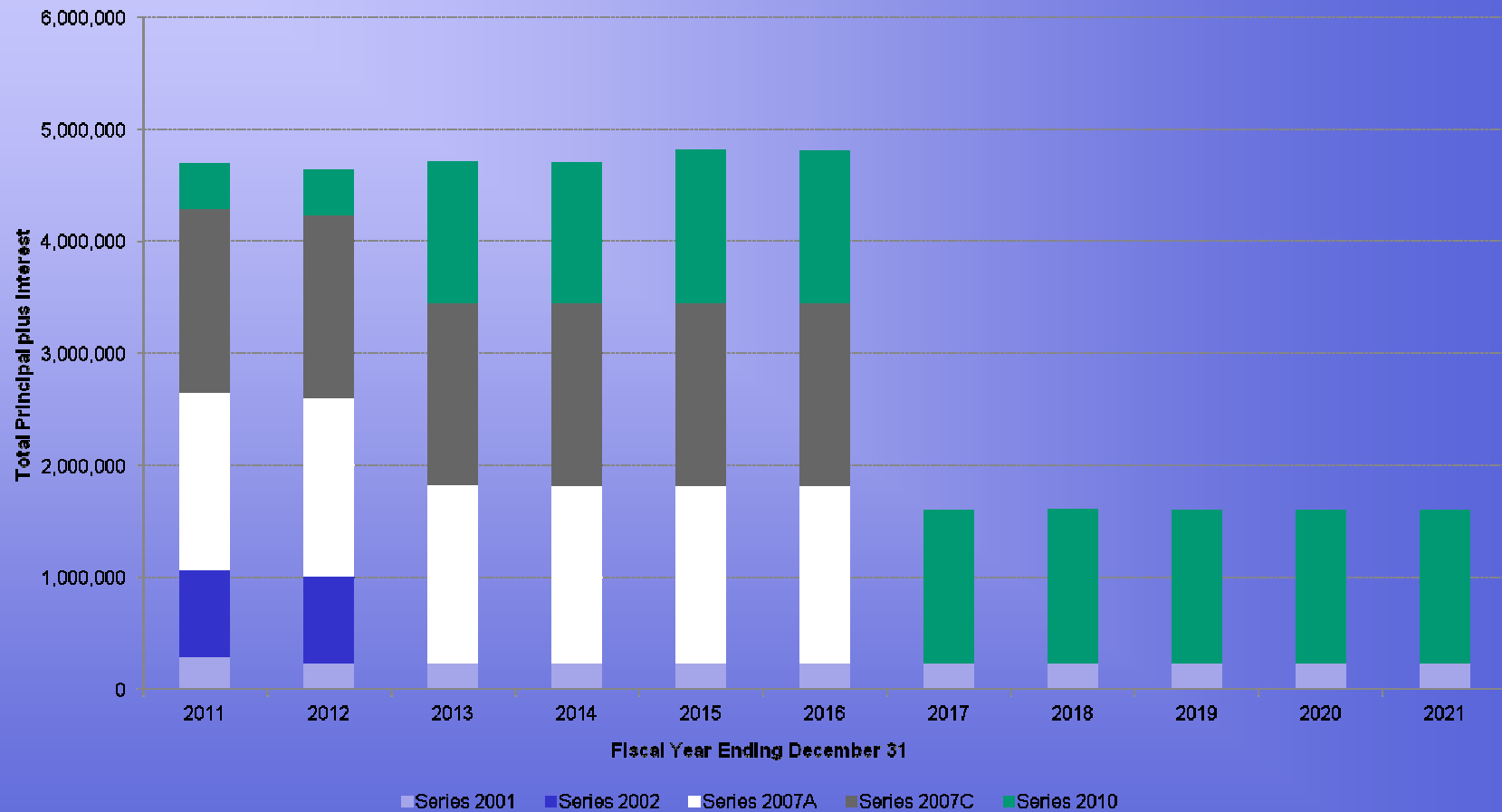
Outstanding Debt Debt Service by Purpose

<u>Fiscal Year Ends Dec. 31</u>	<u>General Fund Sales and Use Tax Revenue Bonds</u>	<u>Post Sales & Use Tax Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Water/Wastewater Revenue Bonds</u>	<u>TOTAL COMBINED</u>
2011	4,693,146	2,879,438	7,294,763	3,098,325	17,965,671
2012	4,646,039	2,874,838	7,388,875	3,097,125	18,006,876
2013	4,717,826	2,878,038	7,309,200	3,098,500	18,003,563
2014	4,709,026	2,878,638	7,308,000	3,097,000	17,992,663
2015	4,824,345	2,874,888	7,622,575	2,435,625	17,757,432
2016	4,813,845	2,873,363	7,621,538	2,434,638	17,743,383
2017	1,599,600	1,890,863	7,620,888	2,433,492	13,544,842
2018	1,609,250	1,892,463	7,612,688	2,433,502	13,547,902
2019	1,600,500	1,894,963	7,622,438	2,434,197	13,552,097
2020	1,599,000	1,895,550	5,917,656	2,435,990	11,848,196
2021	1,604,250	1,891,950	5,910,775	2,435,210	11,842,185
2022	1,275,750	1,891,100	6,909,013	2,436,233	12,512,096
2023		1,892,100	3,467,238	2,434,957	7,794,294
2024		1,895,100	2,971,763	2,435,749	7,302,611
2025		1,893,113	2,963,363	2,438,373	7,294,848
2026		1,894,863	-	2,437,583	4,332,446
2027		1,893,113	-	2,436,004	4,329,117
2028		1,890,388	-	2,436,588	4,326,976
2029		1,890,813	-	2,434,147	4,324,960
2030		1,892,675	-	2,433,681	4,326,356
2031		1,890,738	-	-	1,890,738
Total	37,692,578	45,648,988	95,540,769	51,356,916	230,239,250

*Series 2010 Water & Wastewater Revenue Bonds are net of BAB interest subsidy



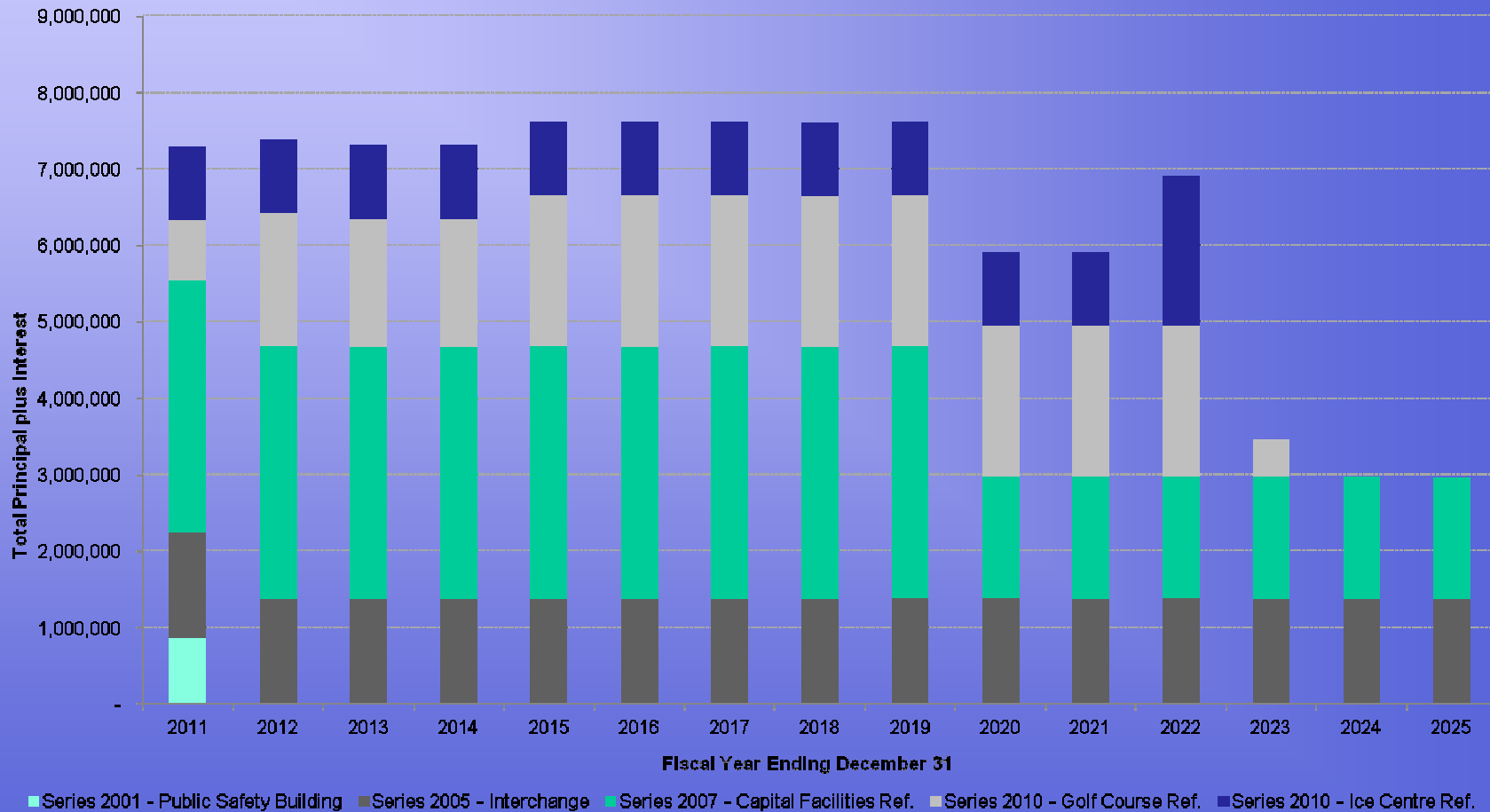
Sales & Use Tax Outstanding Debt Debt Service Schedule



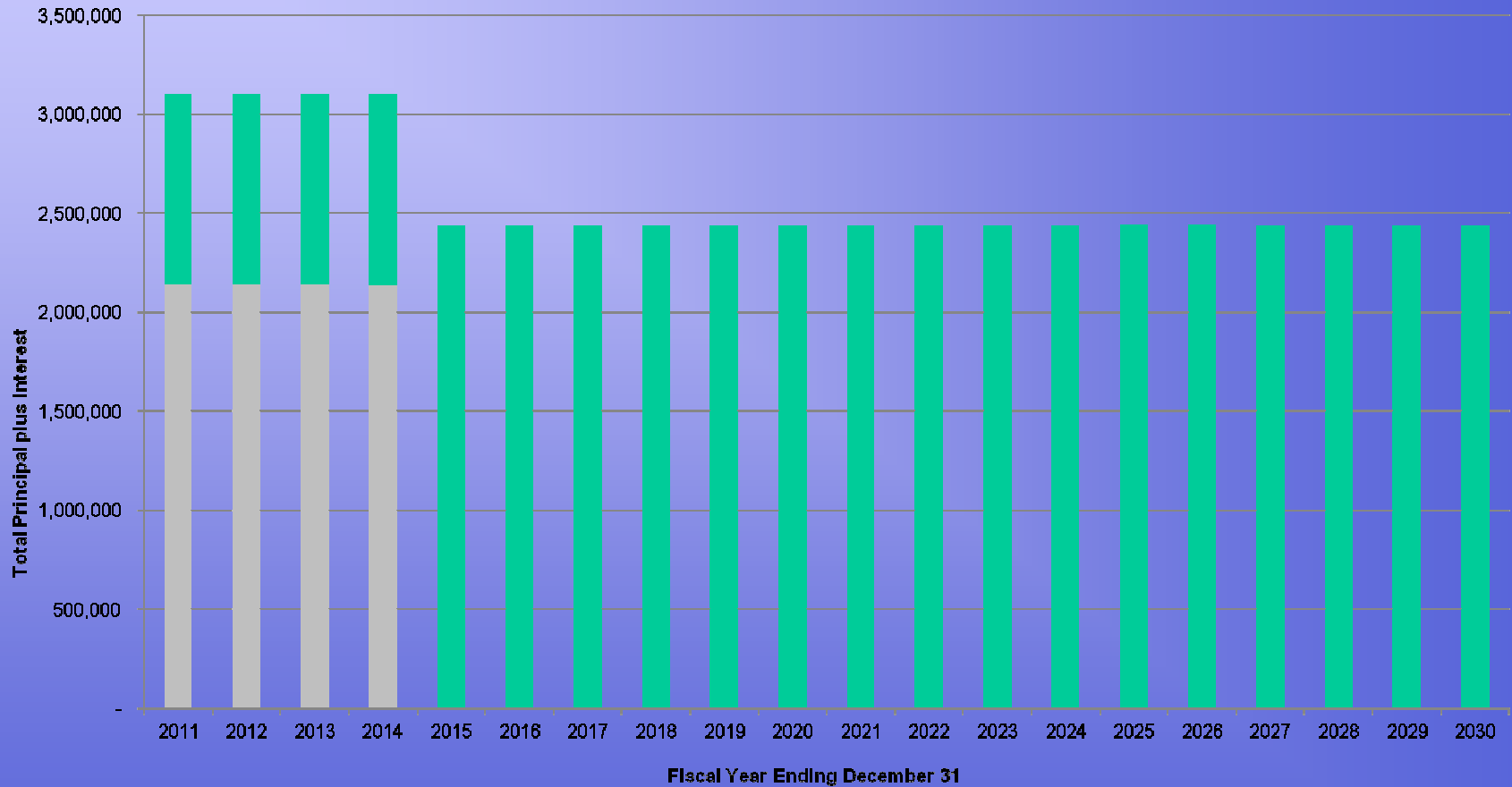
POST Outstanding Debt Debt Service Schedule



COPs Outstanding Debt Debt Service Schedule



Water & Wastewater Outstanding Debt Debt Service Schedule (Parity Lien Debt only)



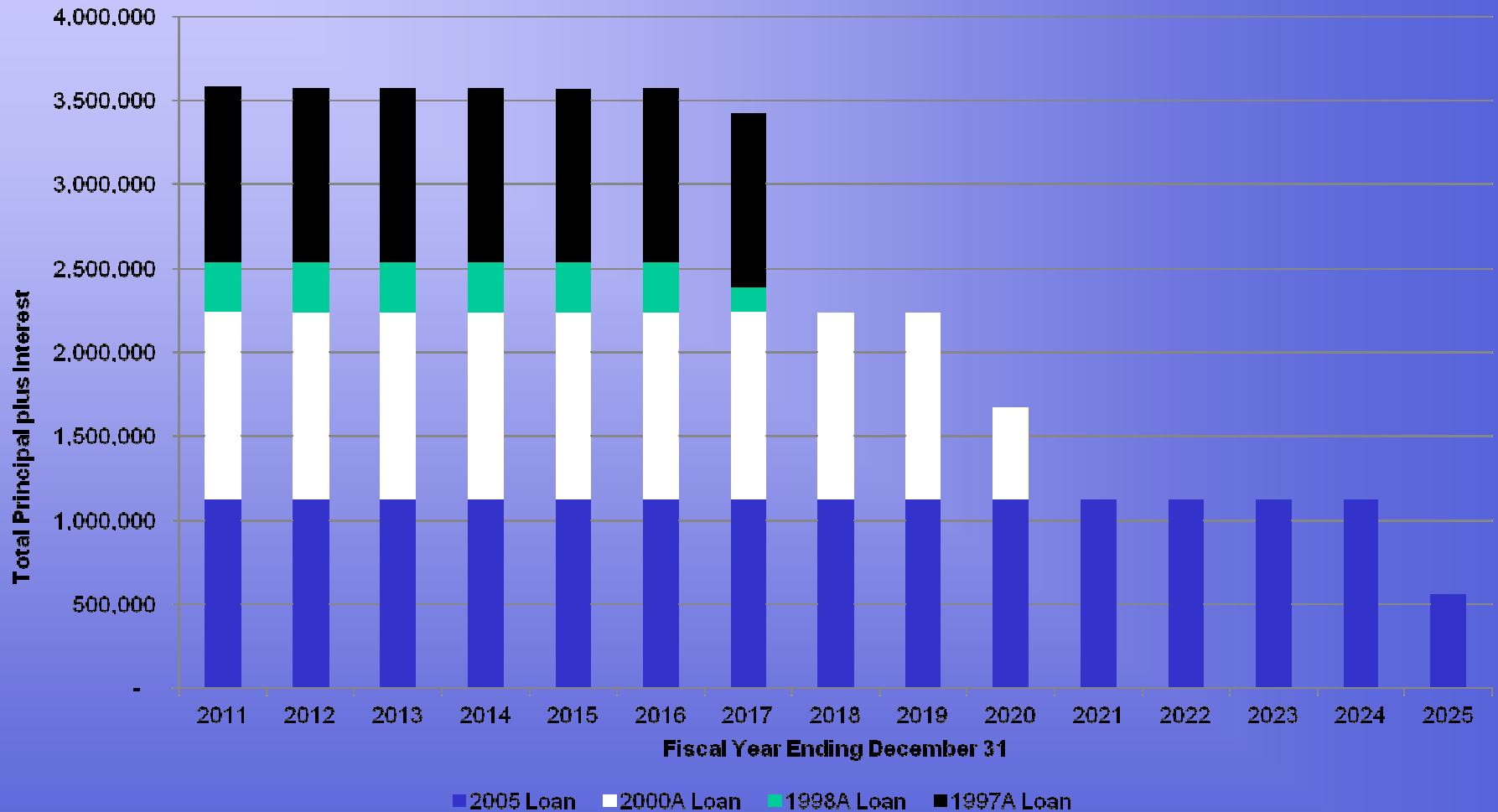
**Series 2010 net of BAB interest subsidy*

■ Series 2001 ■ Series 2010 (BAB)



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Water & Wastewater Outstanding Debt Debt Service Schedule (Subordinate Debt only)*

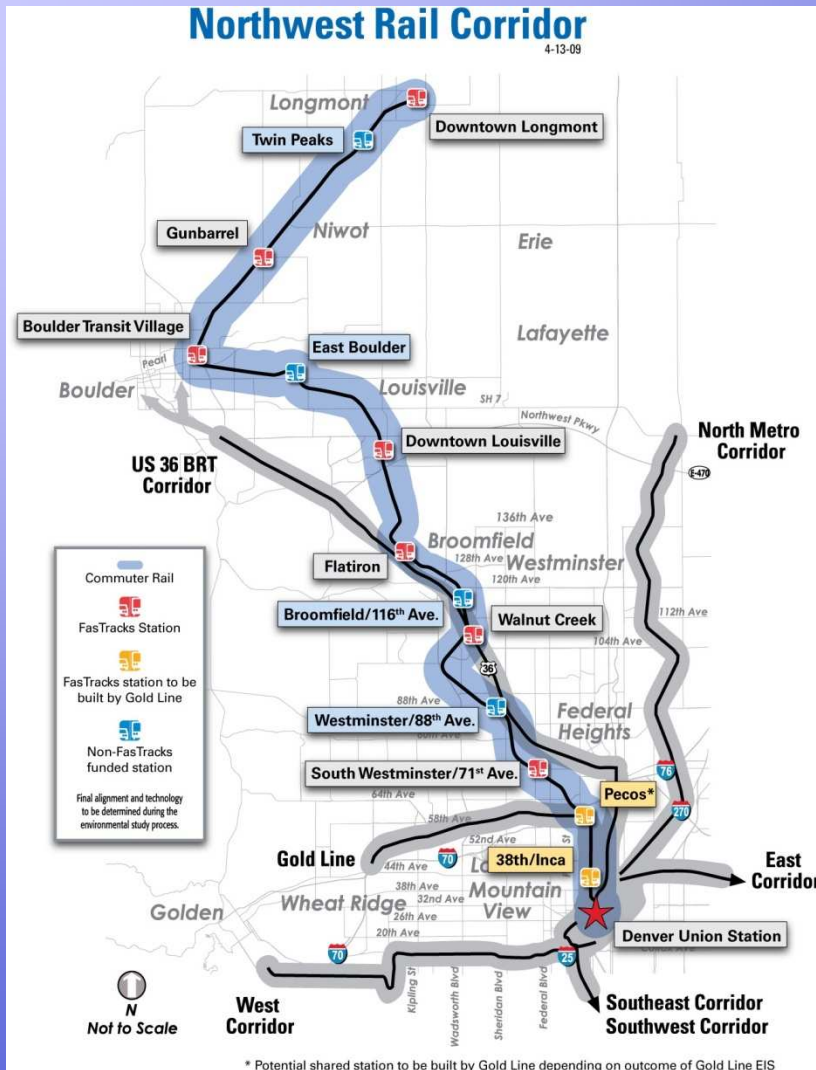


* Reflects all outstanding loans with the Colorado Water Resources Power Development Authority.



WESTMINSTER

RTD FasTracks



- Westminster is proposed to have 3 stops along the Northwest Corridor:
 - South Westminister URA
 - WURP
 - Mandalay Gardens URA

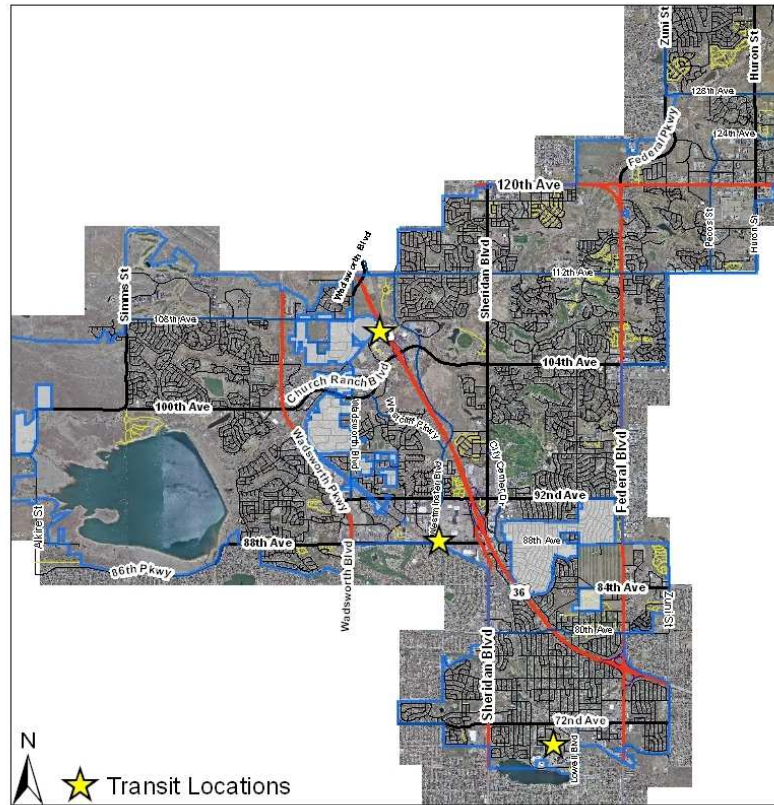
RTD FasTracks



- South Westminster station is funded and estimated to open in 2016

TOD Stops

Westminster Transit Stations



WESTMINSTER



WESTMINSTER

South Westminster TOD



- First FasTracks stop funded in Westminster is located in the South Westminster URA.
- Plan will include a large covered parking facility and walking access to parks/open space.