



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: May 2, 2012

SUBJECT: Study Session Agenda for May 7, 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

1. Telephone Townhall Meeting (run through) ~*Verbal*
2. Recreation Overview/Cost Recovery Study

6:30 P.M.

INFORMATION ONLY ITEMS

1. Delivery of the City's 2011 Performance Report
2. Neighborhood Enhancement Grant Program

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

1. North Huron Urban Renewal Area Loan Refunding

EARLY DELIVERY OF MAY 14 POST COUNCIL MEETING ITEM

1. Core Services Level of Service Review in Preparation of the Proposed 2013/2014 Budget

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

Information Only Staff Report

May 7, 2012



SUBJECT: Presentation on Recreation and Golf Operations and Standley Lake Regional Park Overview and Cost Recovery Analysis

PREPARED BY: Peggy Boccard, Recreation Services Manager
Ken Watson, Provisional Director of Parks, Recreation and Libraries
Aric Otzelberger, Assistant to the City Manager

Summary Statement

This report is for City Council information only and requires no action by City Council. Staff will be in attendance at Monday's Study Session to present the attached materials.

Background Information

- Staff commenced a cost recovery analysis in the fall 2011 to review cost recovery practices, data collections and assumptions. The results of the review are in the attached presentation.
- Key Points of the presentation are:
 1. Summary of program and facility usage
 2. Breakdown of operations including golf, sports, Standley Lake, recreation programs and facilities
 3. Marketing techniques used to attract and retain customers
 4. Cost recovery data for the past seven years

These recreation/golf programs and services support the City's Strategic Plan Goals of "Financially Sustainable City Government Providing Exceptional Services," "Safe and Secure Community," "Vibrant Neighborhoods in One Liveable Community," and "Beautiful and Environmentally Sensitive City."

Respectfully submitted,

J. Brent McFall
City Manager

Attachment – Presentation Slides



WESTMINSTER

Recreation, Golf Operations and Standley Lake Regional Park



Tonight's Presentation:

- Provide a general overview of recreation and golf operations and services
- Share vision and goals for future
- Provide cost recovery data for past seven years
- Answer questions

Cost Recovery Analysis

- A management tool used to help guide sustainable strategies for recreation programming and operations
- Balance of service vs. budget
- **FINANCIALLY SUSTAINABLE CITY GOVERNMENT PROVIDING EXCEPTIONAL SERVICES**
 - Invest in well-maintained and sustainable city infrastructure and facilities
 - Focus on core city services and service levels as a mature city with adequate resources

The Recreation Facilities Division consists of five recreation facilities and a seasonal outdoor pool



City Park Fitness Center



City Park Recreation Center



The MAC



Swim and
Fitness Center



West View
Recreation Center



Countryside Pool
(seasonal)

2011 Facility Participation

- City Park Recreation Center – 277,772
- City Park Fitness Center – 155,960
- The MAC – 87,815
- Swim and Fitness Center – 110,086
- West View Recreation Center – 88,082
- Countryside Pool & Facility – 16,865

- TOTAL of **736,500** guests served

2011 Revenue

Facilities

City Park Fit	\$ 774,978
City Park Rec	\$1,167,186
Countryside	\$ 64,090
Kings Mill	\$ 13,800
MAC	\$ 335,355
Swim and Fit	\$ 443,659
West View	\$ 449,280

Total **\$3,189,955**

Programs

Adult Activities	\$ 43,439
Art	\$ 82,722
Preschool/Tot	\$243,205
Special Events	\$ 7,122
Youth Activities	\$546,882
Westminster Faire	\$ 16,290

Total **\$939,660**

Total \$4,129,615

Programs

102,827 program registrations in 2011



- Arts
- Youth Activities
- Preschool
- Fitness
- Aquatics
- Adult Activities
- Older Adult Classes and Trips

Cross-Generational

125 program enrollments for those over age 90,
with the oldest being 97

3,269 program enrollments under 5 years old



SilverSneakers

2011 visits – **104,510**

2011 revenue - **\$272,766**

Visits since inception in 2006 – **424,884**



Connecting with Constituents

Direct Marketing – Wedding guides, couples passes

Social Media – Facebook page for Recreation

Web, QRC, and other forms of electronic marketing

Holiday stocking-stuffer punch card - **\$51,000**



facebook®



Adapting to Changing Needs

- Numerous types of passes, punch cards, daily fees
- **\$253,264** in revenue was generated through Easy Pay (monthly) passes
- Scholarships and reduced rate passes



Fostering Community through Special Events

- Movies in the Park
- Concerts
- Father/Daughter Ball
- Summer Celebration
- 4th of July
- Westminster Faire
- Holy C.O.W. Stampede
- Halloween Carnival
- Santa Shop
- Holiday Lighting Celebration



Regional Parks, Sports & Golf Division



Christopher Fields



Sports Center



PR&L Police Patrol



Legacy Ridge Golf Course



Heritage Golf Course



Standley Lake

Standley Lake Regional Park

- Boating
- Camping
- Hiking
- Wildlife
- Fishing
- Picnicking
- Security
- Aquatic Nuisance Species Protection Program
- Nature Center
- Eagle Viewing Blind



2011 Standley Lake Usage

- **70,000** guest visitations
- **550** powerboat permits
- **4,000** day passes
- **9,175** inspections/tags
- **364** boat sprayings



Sports

- Westminster Sports Center
- Christopher Fields
- Westminster athletic fields
- City Park soccer fields
- City and school facilities/gyms
- Recreation and club soccer



Golf

- Legacy Ridge Golf Course
- The Heritage Golf Course at Westmoor
- The Grill at Legacy Ridge
- The Heritage Grill
- Driving Ranges



Marketing

- Guest usage patterns
- Surveys
- Feedback
- Discounting/promotions
- Events (Tournaments, CGA, USGA, etc.)
- Advertising - Cyber Golf, SPIRIT Club, Golf Expo
- Merchandising – golf shops - **\$248,000** in annual sales

2011 Golf Course Usage

- Legacy Ridge: **26,361** paid rounds
- Heritage: **25,544** paid rounds
- Tournaments: **62**
- Tournament Revenue: **\$250,000+**
- Ten corporate passes: **\$120,000+**



PR&L Police Patrol Program

- Started in 1998
- Two officers
- High safety rating in citizen survey



2011 Revenue

Sports:

Sports Center - \$311,322

Adult Sports - \$215,494

Youth Sports - \$126,042

Field Rentals - \$ 75,939

Total - \$728,797

Golf:

Legacy Ridge - \$1,428,212

The Heritage - \$1,250,246

Total - \$2,678,458

Standley Lake:

Total - \$ 557,078

Regional Parks, Sports and Golf Division Total 2011 Revenue

\$3,964,333

\$8,032,283 in revenue was processed through
RecTrac/GolfTrac/WebTrac in 2011

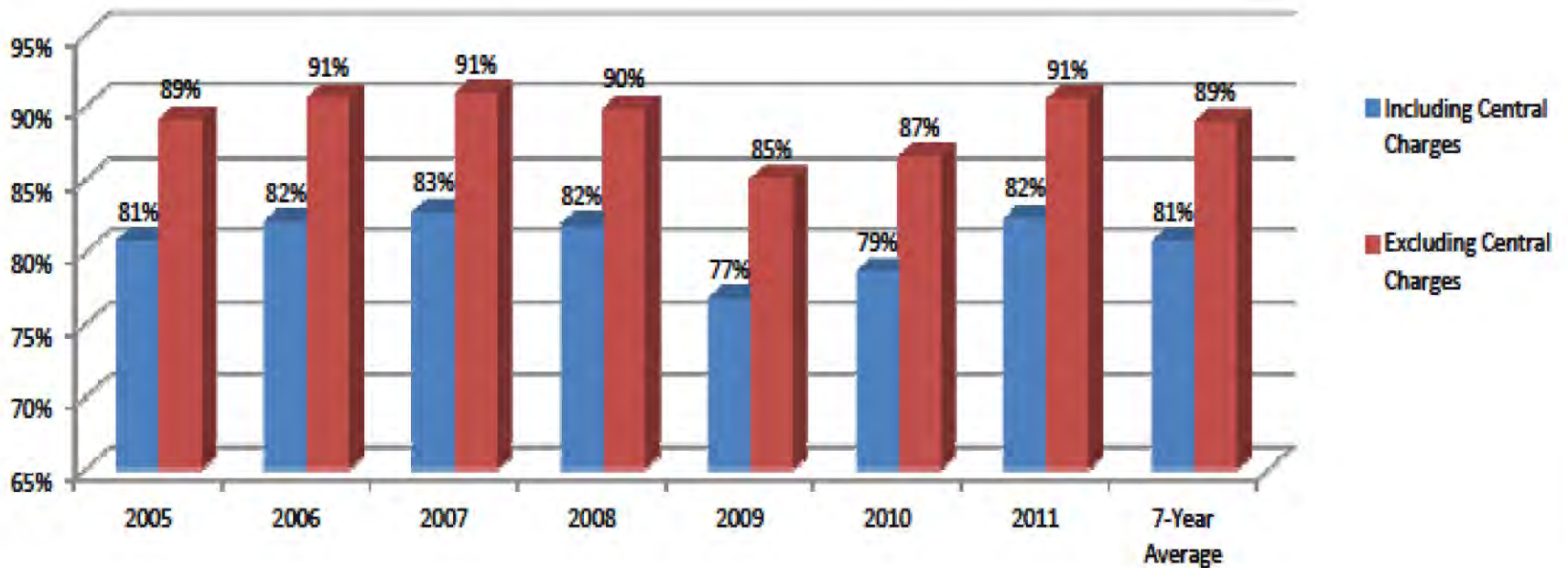


Cost / Service Balance

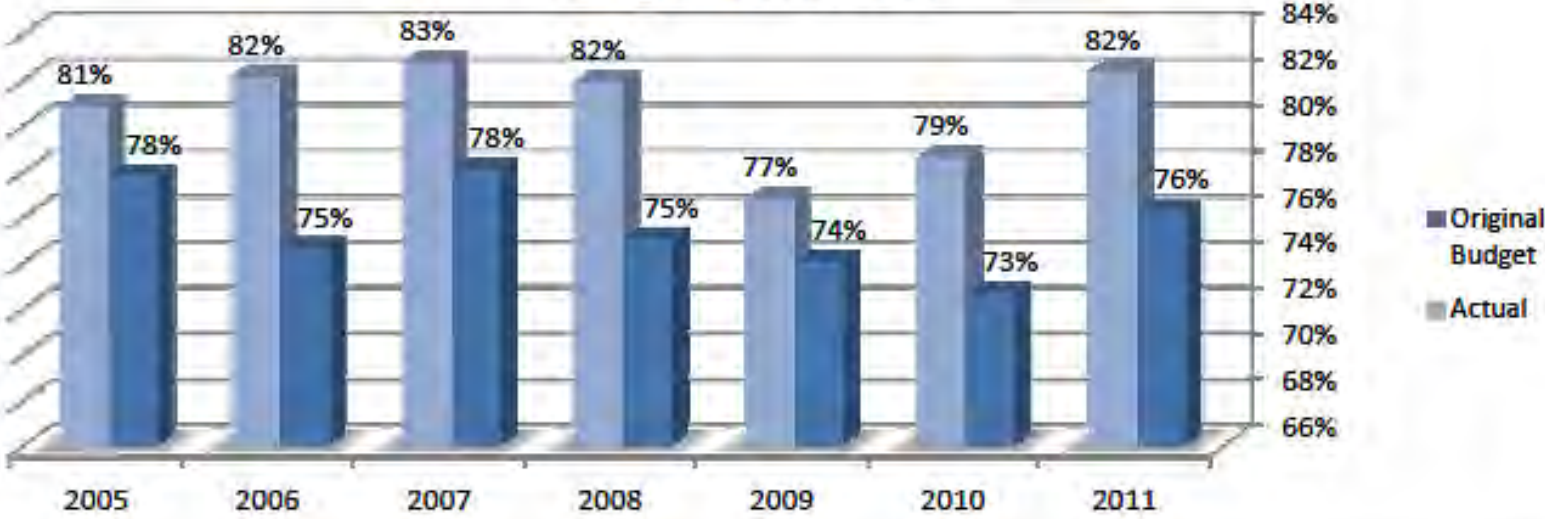
- Strategic Plan
- Performance Measures
- Trends
- Historical data
- Economy
- Market
- Guest Service



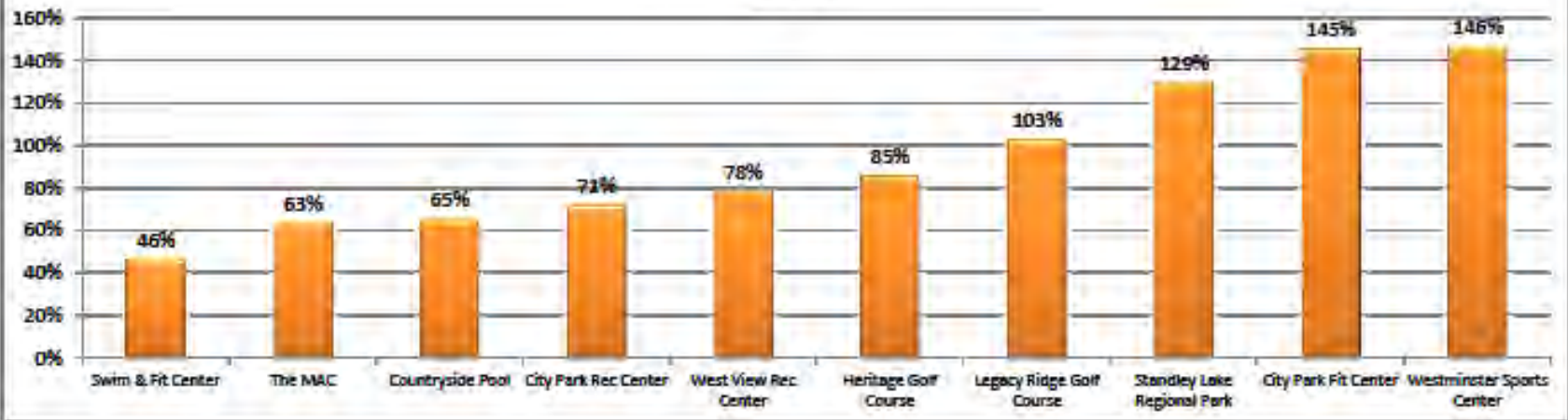
**Rec Facilities, Rec Programs,
Standley Lake and Golf Courses
Actual Revenue Recovery
Including/Excluding Central Charges**

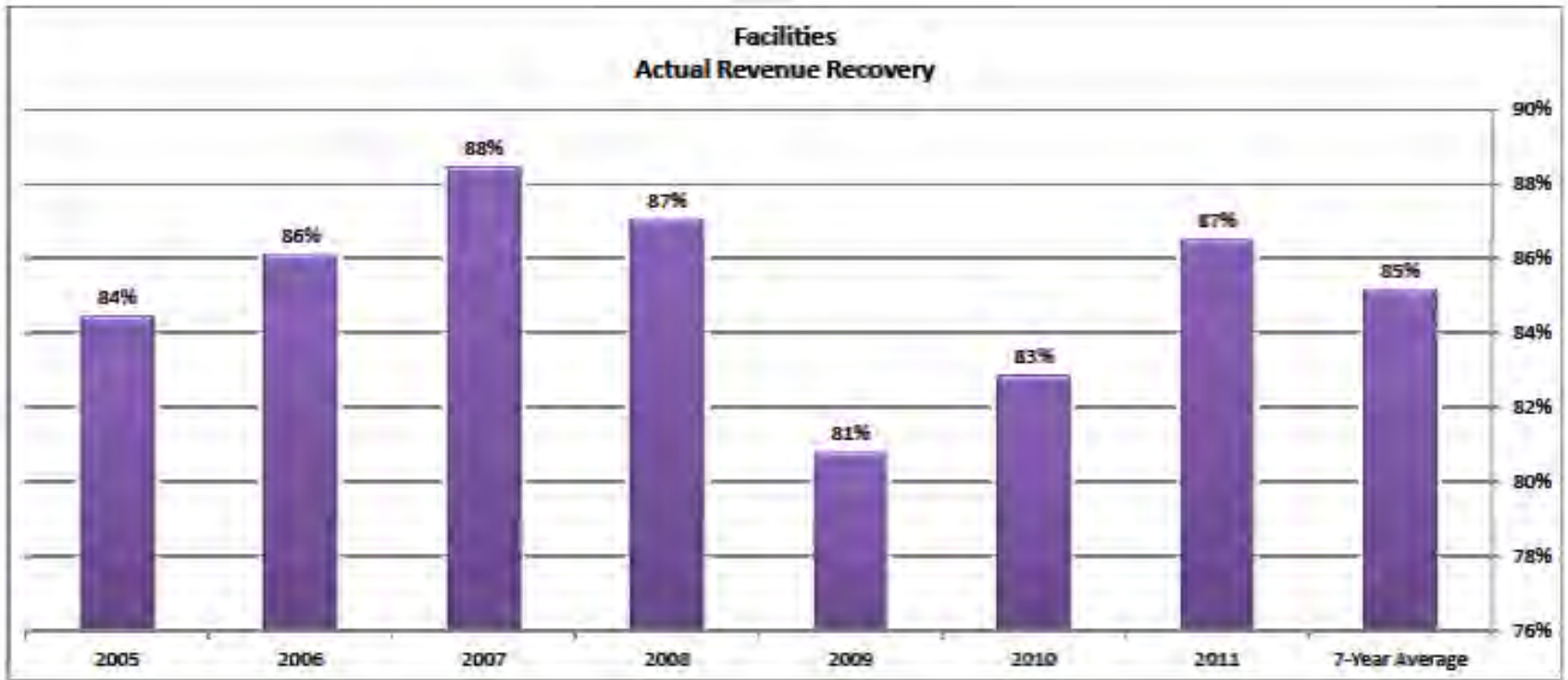


Rec Facilities, Rec Programs, Standley Lake and Golf Courses Revenue Recovery Budget vs Actual



**Facilities
Actual Revenue Recovery
2011**





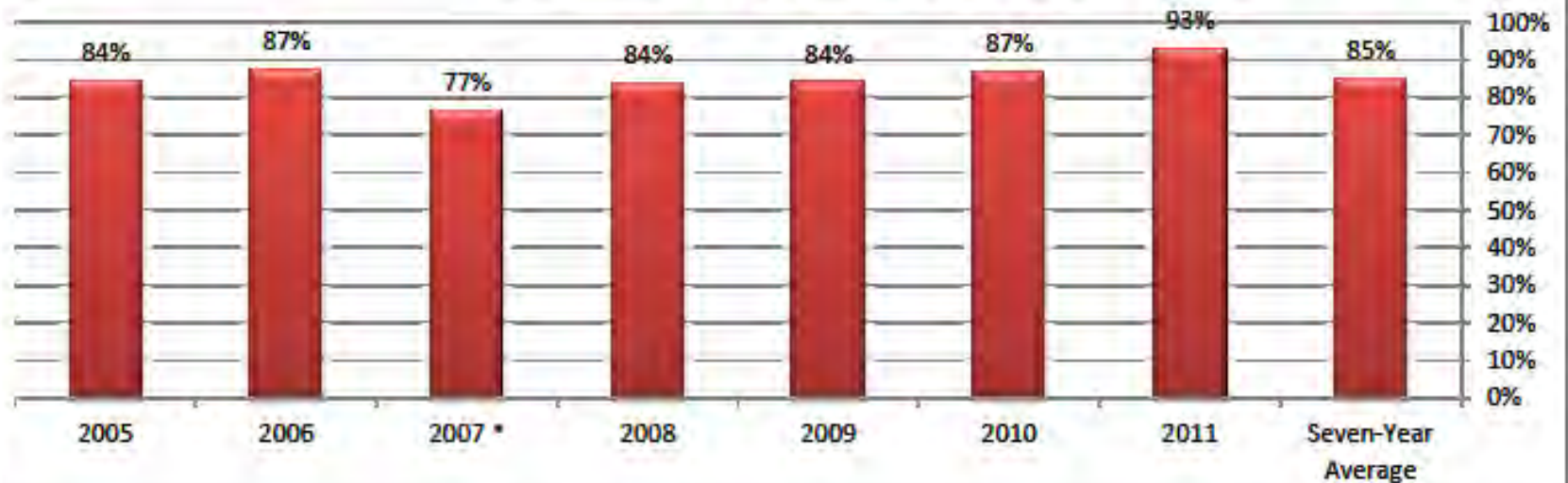
Facilities Includes:

CPRC, CPFC, SFC, WV, CS, WSC, The MAC, Legacy Ridge, The Heritage, and Standley Lake

2009: City Park Pool Renovation - Reopen 2010

2011 SFC Renovation

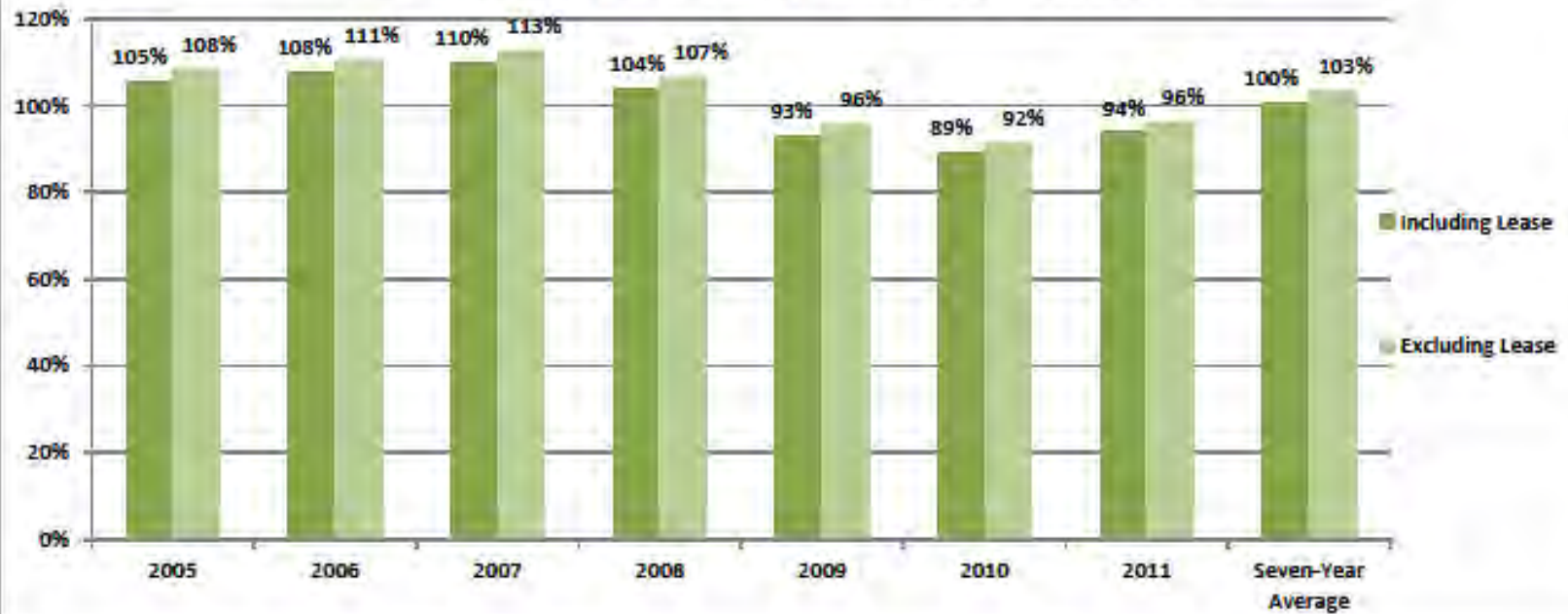
Actual Revenue Recovery Recreation Programs Division



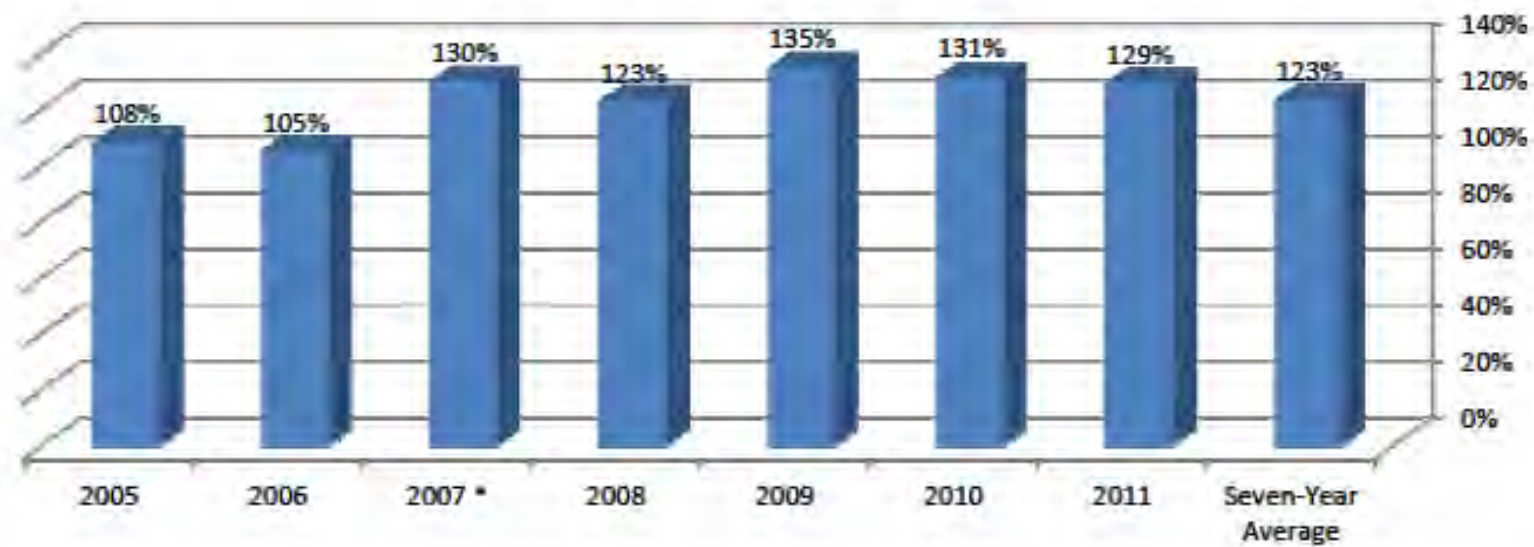
Includes: The MAC, Westminster Spts Cntr, Adult Actv Spts, Youth Actv Spts, Preschool, Athletic Field Rntls, Spcl Events, the Westminster Faire

* 2007 - Largest portion of decline was due to The MAC losing a church facility reservation

Actual Revenue Recovery Golf Courses Including/Excluding Heritage Airport Lease



Actual Revenue Recovery Standley Lake



* Council adjusted fees - boat permits

Questions?



WESTMINSTER

Staff Report

Information Only Staff Report
May 7, 2012



SUBJECT: Delivery of the City's 2011 Performance Report, *Take a Closer Look: How Performance Measures Build A Better City*

PREPARED BY: Ben Goldstein, Management Analyst

Summary Statement:

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

As part of the City of Westminster's commitment to accountability, open communication, continuous improvement, and SPIRIT (Service, Pride, Integrity, Responsibility, Innovation, and Teamwork), the City continues to utilize performance measurement as a key management tool. Performance measurement allows the City to continuously evaluate the effectiveness and efficiency of its operations. Performance measurement helps the City improve the delivery of services, the management of resources and the quality of policy recommendations. *Take a Closer Look: How Performance Measures Build A Better City* is the City's annual performance report and reflects 2011 performance measurement efforts and accomplishments in an easy-to-read format. Performance measures help gauge the success of the City's actions towards effectively fulfilling City Council's Strategic Plan Goals and Objectives.

Background Information:

Performance measurement helps the City improve the delivery of services, the management of resources and the quality of policy recommendations. The performance measurement program enhances accountability with the public and allows the organization to provide the community a more meaningful assessment of the City's achievements. The performance measurement program requires that employees step back from their day-to-day work and assess how essential services are being provided.

The City's performance measurement program is comprised of three parts. The first consists of the City of Westminster's operational performance measures. These measures are designed by Staff in each department to show year-to-year trends for City programs and projects and to describe progress made towards achieving City Council's Strategic Plan Goals and Objectives. The second part of the program involves collecting and utilizing comparative statistics. This aspect of the performance measurement program gives the City an opportunity to compare its operations to other governmental entities where applicable. In 2011, the City ended its involvement with the Colorado Performance Measurement Consortium (CPMC) as a result of insufficient return on investment for the staff resources being allocated; the CPMC previously served as a source for comparative data. While no longer utilizing the CPMC, Staff gathers comparative data from other jurisdictions through surveys and professional associations and reports on comparative data as appropriate. The final component of the City's performance measurement program is the City's Biennial Citizen Survey, which provides important data on citizen perceptions of quality of life and City services. The survey was last conducted in April 2010; and new data will be presented to City Council later this summer on the 2012 Citizen Survey and included in next year's performance measurement report.

Take a Closer Look reflects Staff's desire to share meaningful information regarding the City's service efforts and accomplishments in an interesting and easy-to-read format. *Take a Closer Look* presents a sampling of the City's 400+ performance measures in a concise, visually appealing manner. The report will also be posted on the City's Website.

The City of Westminster is recognized as a leader in performance measurement efforts by professional organizations and the local government community. In 2011, the City of Westminster received ICMA's "Certificate of Excellence" Award for exceptional accomplishments in performance measurement. This was the seventh time that Westminster received the highest level of recognition from ICMA for the City's performance measurement program. Westminster was one of only 28 cities across ICMA's worldwide membership to receive this honor.

The City's performance measurement program and *Take A Closer Look* report are closely linked to all five of City Council's strategic plan goals: Financially Sustainable City Government Providing Exceptional Service; Strong, Balanced Local Economy; Safe and Secure Community; Vibrant Neighborhoods in One Livable City; and Beautiful and Environmentally Sensitive City. The *Take A Closer Look* report illustrates how the City has utilized its performance measurement program to evaluate success in meeting departmental objectives as they relate to the City's greater strategic plan goals.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

TAKE A
CLOSER LOOK

How performance measures build a better city.



Take A Closer Look: City of Westminster 2011 Performance Report



2011

Performance Report

PURPOSE OF THIS REPORT

Welcome to *Take a Closer Look*, the City of Westminster's annual performance measurement report. In 2011, the City celebrated its centennial, further illustrating the value in taking a moment to look back at all that was accomplished in the last 100 years. The City continues to utilize performance measurement as part of its commitment to accountability, open communication, continuous improvement, and SPIRIT (Service, Pride, Integrity, Responsibility, Innovation, and Teamwork). Performance measurement allows the City to continuously evaluate the effectiveness and efficiency of its operations. Information gathered through performance measurement helps the City improve the delivery of services, the management of resources, and the quality of policy recommendations. Performance measurement is a management tool utilized to help "keep the finger on the pulse" of critical City services and activities.

Most importantly, the City's performance measures help evaluate progress made towards achieving the City's Strategic Plan Goals. The City of Westminster's 2011-2016 Strategic Plan Goals are:



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

These goals aim to fulfill the City of Westminster's mission of delivering exceptional value and quality of life. Several objectives and specific actions are linked to each goal. Performance measures help gage the success of these actions in effectively fulfilling the objectives and goals.

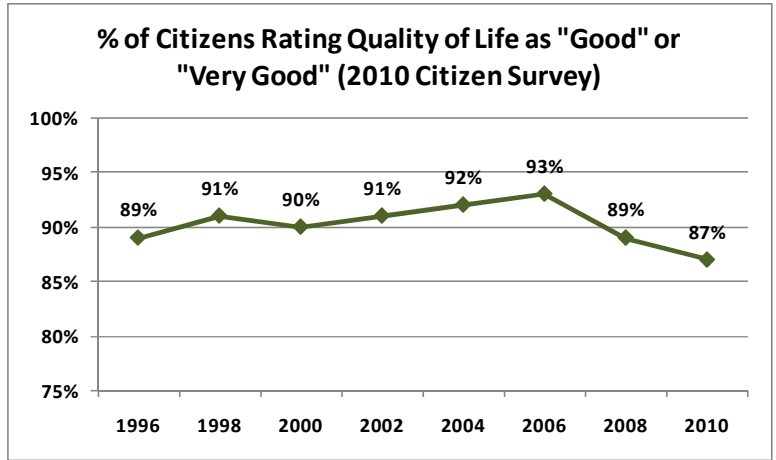
The City of Westminster's performance measures are derived through a variety of sources. City employees in all departments have created meaningful internal operational performance measures and performance targets. 2011 data for many of these "internal" measures are included in this report. In addition, the City conducts a biennial Citizen Survey to gather citizens' views of the quality of life and city services in Westminster. Several results from the City's 2010 Citizen Survey are included in this year's report. The survey will be conducted again in 2012. Westminster results are compared to national and Front Range averages where appropriate.

To gather relevant and accurate comparative performance measurement data, the City of Westminster works with other municipalities. The City also utilizes several professional associations to gather relevant benchmarking data.

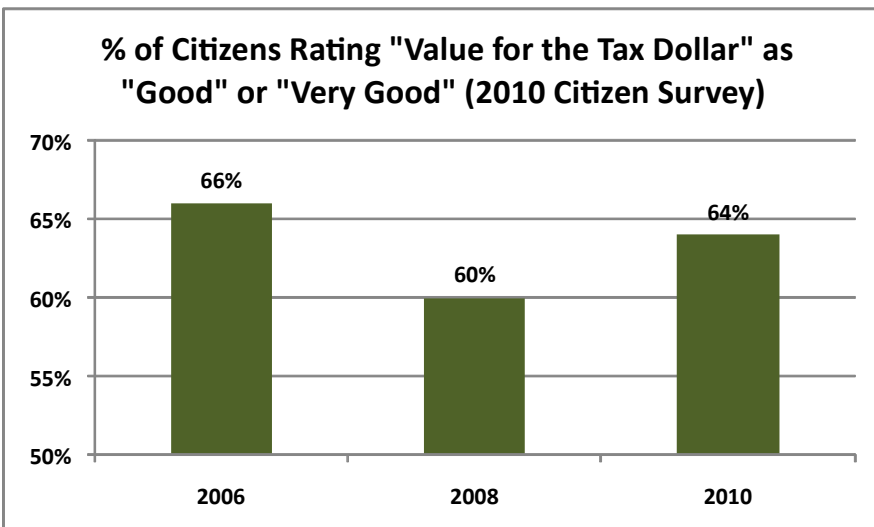
This report is organized by the reporting Department. We invite you to *Take a Closer Look* at the City's performance.

DELIVERING EXCEPTIONAL VALUE AND QUALITY OF LIFE

This is the City of Westminster's mission statement, which explains "why we are here." Citizen perception measures generated through the City's Biennial Citizen Survey help assess how well the City is doing in fulfilling its mission. Overall, citizen perceptions regarding quality of life remain very high. A slight downward trend in "Overall Quality of Life in Westminster" is a reminder of the importance of the work being done to sustain and improve quality of life in the City. Eighty-seven percent (87%) of citizen respondents indicated that the quality of life in Westminster was "good" or "very good" in 2010. This reflected a slight decrease compared to 2008 and was slightly below the City's average rating for the past five surveys (90%). Westminster residents rated their quality of life higher than residents in other jurisdictions across the nation, but slightly lower than those in the Front Range (this comparison data relates to other cities in National Research Center's database intended to represent all jurisdictions that conduct citizen surveys and that asked essentially the same question).



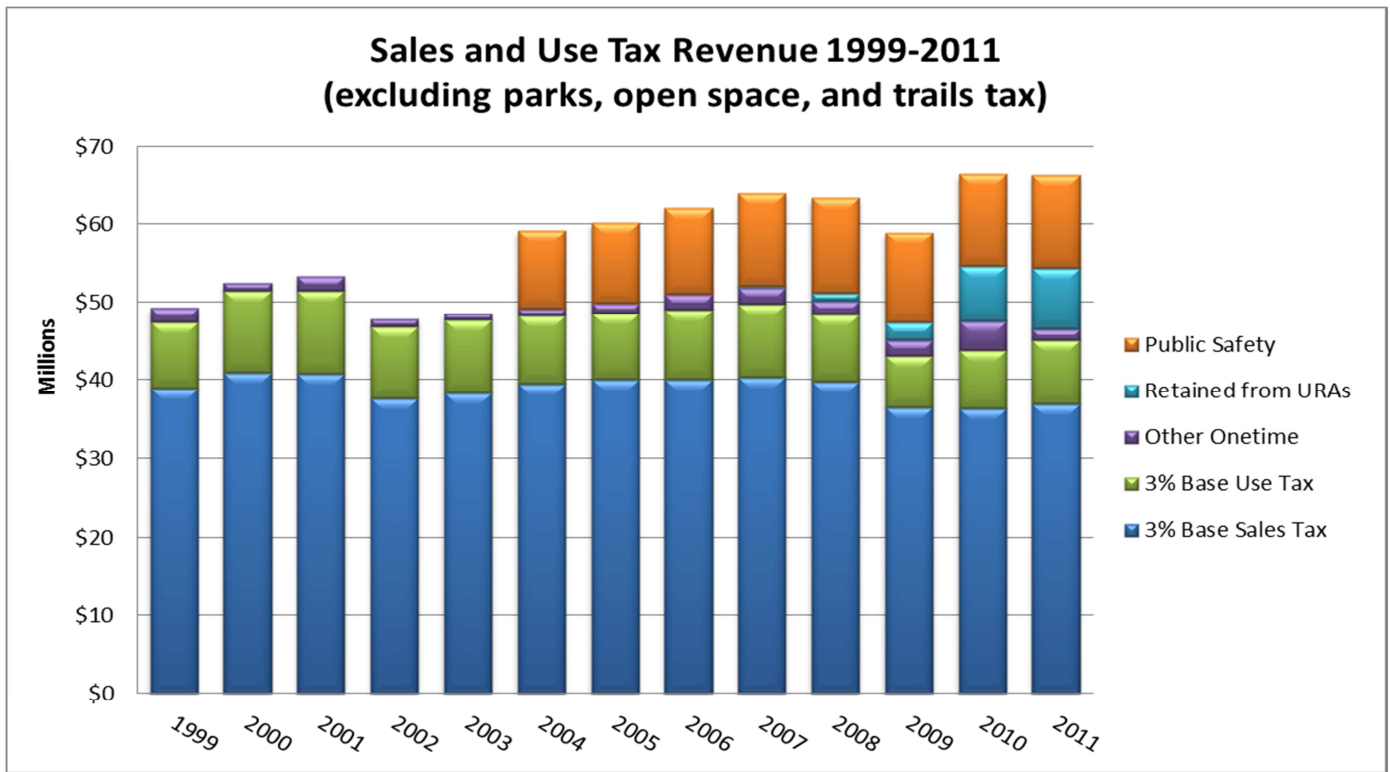
The City's 2010 Citizen Survey also produced important data for another performance measure related to the City's mission. In 2010, 64% of citizen respondents either "strongly agreed" or "somewhat agreed" that they receive good value for the City of Westminster taxes that they pay. This rating improved by four percentage points compared to 2006 (60%). The City of Westminster's rating on this measure remains well above the national average. This outcome is even more notable given the political environment and general discontent with the economy at the time the survey was conducted. The City does not take this outcome lightly and it serves as a reminder of the City's obligation to serve as a good steward of taxpayers' dollars.



MANAGING CITY RESOURCES IN AN EFFECTIVE AND EFFICIENT MANNER

The City Manager's Office works to manage city resources in an effective and efficient manner through responsible budget development and budget management while accurately forecasting resources available to provide services.

Looking at recent revenue history for the City's 3.0% general sales and use tax, collections started dropping in late-2008. As indicated in the graph below, by the largest bar and line, the City's base sales tax remained relatively constant from 2010 to 2011, with only a slight increase in the 3% base sales tax revenue. The overall revenue picture showed signs of improvement in 2011, due primarily to the revenue production from the City's Urban Renewal Area's (URA's). URAs are established in areas of the City that required additional investment to spur redevelopment and have significantly improved revenues as illustrated in the graph below.



In this current revenue environment, efficient and effective management of limited resources is vital. This is especially true of the City's General Fund. In 2011, the variance between actual and budgeted General Fund operating expenditures was 3.18% (approximately \$3.25 million). This variance means there were significant expenditure savings in the General Fund resulting from aggressive management of expenditures by departments and the City Manager's Office.



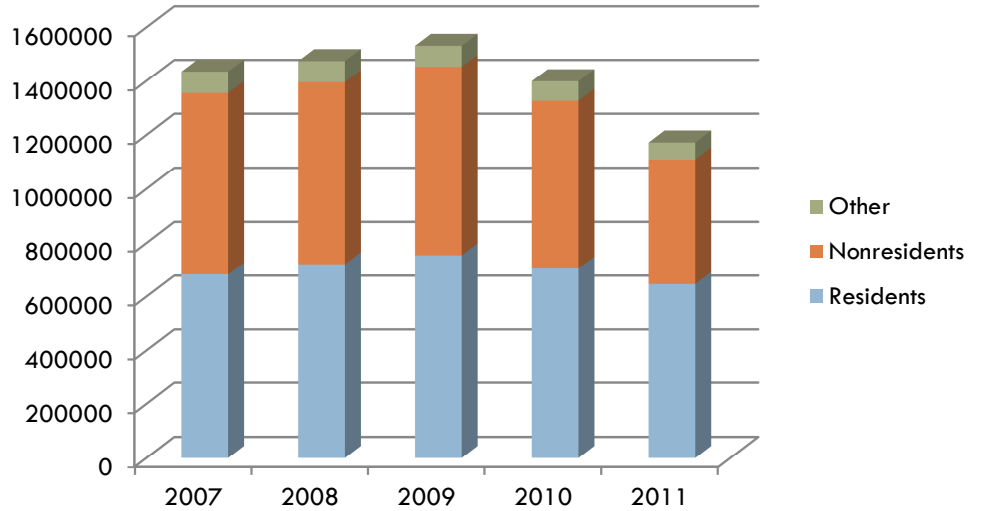
Financially Sustainable City Government, Providing Exceptional Services

PROVIDE SERVICES AT OR ABOVE THE LEVELS OF PEER LIBRARIES

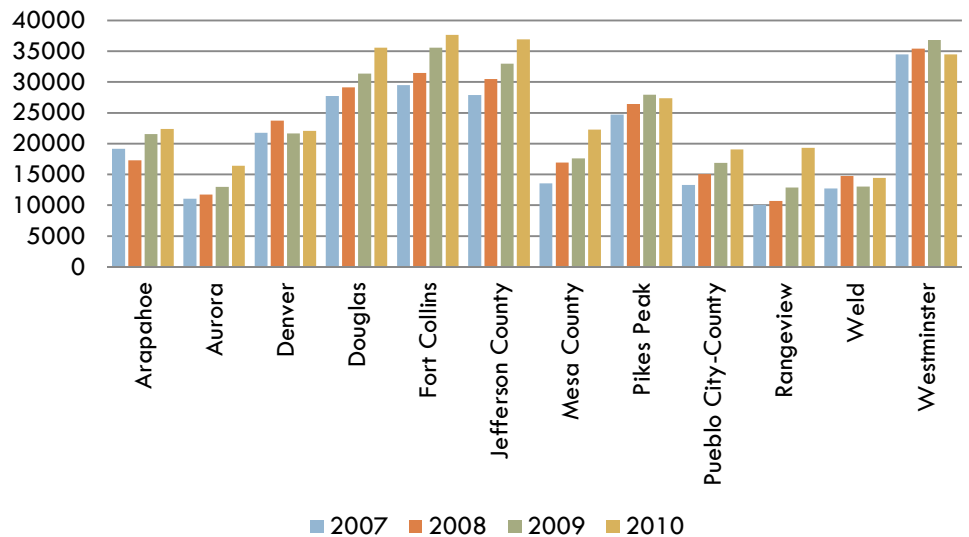
The Westminster Public Library is among the busiest library systems in the State of Colorado and has been for most of the last decade, according to the 2010 Library Research Service (LRS) interactive statistics for a range of peer libraries (see chart to the right). All public libraries within Colorado report annual statistics to LRS under state law. Staff workload is reflected in the circulation or checkout of materials of the largest public libraries in the state, which are the 12 systems serving populations larger than 100,000.

The chart to the right shows that circulation per FTE began to drop in 2010, which is thereby reversing a long-standing trend. Staff believes that this has potential positive long-term implications by allowing the Westminster Public Library to better focus on the needs of Westminster residents in the future. In 2011, this trend continued as can be seen by examining data from the Horizon integrated library system that tracks all circulation and patron records.

Circulation by Borrower Types



Circulation per Staff FTE 2007 - 2010



Financially Sustainable City Government Providing Exceptional Services

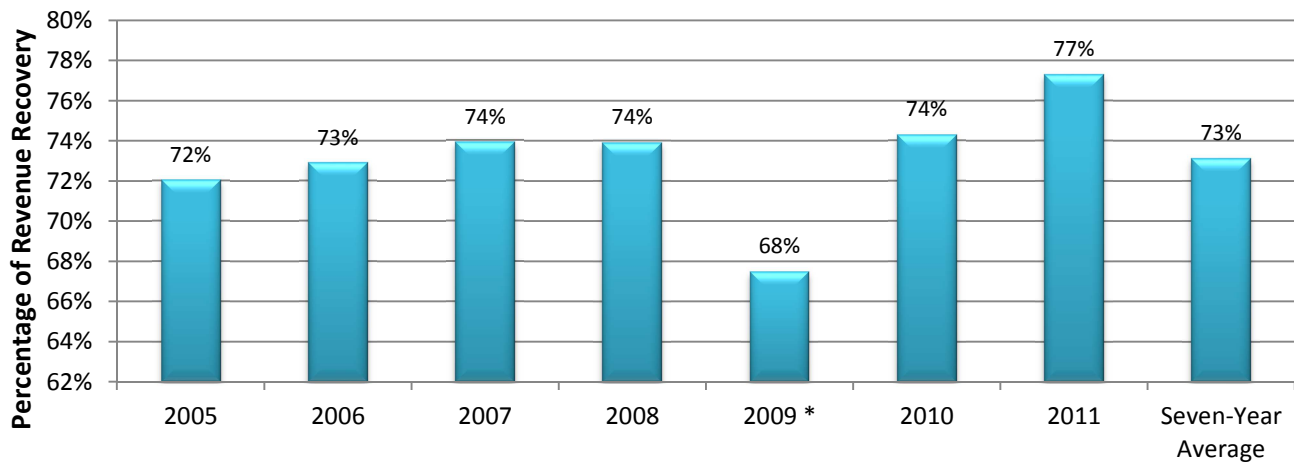
PROVIDE COST-EFFECTIVE FACILITIES AND RECREATION PROGRAMS

As a service provider, the balance of managing guest service with cost recovery is essential. Staff's "building on our best" approach determines which programs and facility amenities have the best impact and which may need to be reduced/eliminated to ensure investments are made in the services that provide the greatest value to the overall community.

One tool used to evaluate the success of recreation programs and facility operations is cost recovery. As this is directly tied into the budget process and decisions on increasing, decreasing or eliminating operations are associated with this measurement, Staff is diligent in assessing trends and adjusting offerings.



Actual Revenue Recovery Recreation Facilities Division



Includes City Park Recreation Center, City Park Fitness Center, Swim and Fitness Center, West View, Countryside, Kings Mill

** 2009 - City Park Rec Center was closed for renovation*

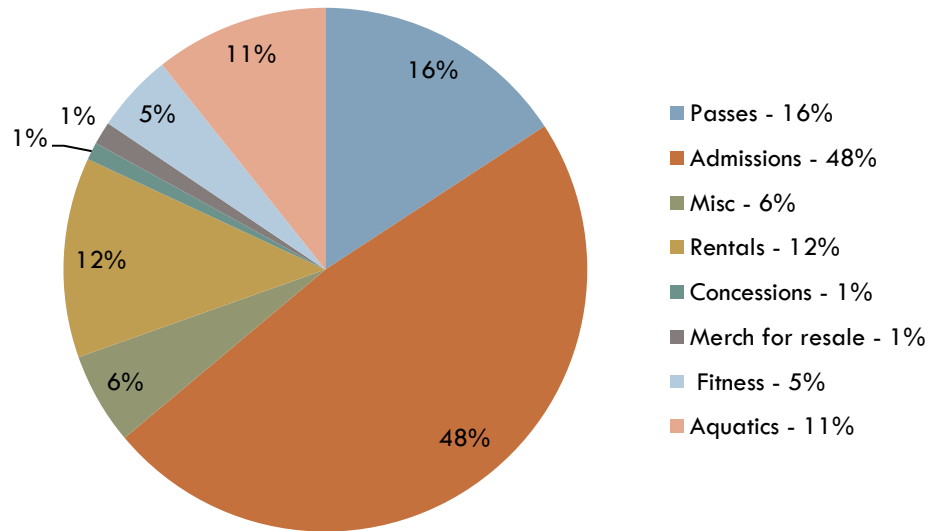
Actual Revenue	2009	2010	2011
Fitness	\$354,320	\$399,564	\$480,182
Aquatics	\$173,323	\$227,187	\$235,806
Sports Center Leagues	\$203,404	\$241,349	\$256,589
SilverSneakers	\$215,676	\$227,141	\$272,800

As noted from the figures to the left, all the facility-based programs grew over the past few years. The senior citizen SilverSneakers program's growth is staying consistent with the nation-wide baby boomer (born 1946-1964) explosion.

PROVIDE COST-EFFECTIVE FACILITIES AND RECREATION PROGRAMS

Rentals of facilities are also a focal area for performance measures as the funds generated comprise a significant portion of the overall revenue brought into the city. Rentals provide a benefit to both the City and to the user; however, they can also be a vulnerable and inconsistent source of revenue. For instance, one on-going rental alone can generate up to \$10,000 to \$20,000 annually. If that rental ceases, making up that revenue stream is difficult to impossible. See graphic to the right an example of the significant percentage of revenue received from rentals at City Park Recreation Center.

City Park Recreation Center
2011 Revenues



How does Westminster compare to surrounding communities?

	2010	2011
Wheat Ridge		
Expenditures	\$3,397,932	\$3,348,347
Revenues	\$2,571,287	\$2,707,534
Cost Recovery %	75.7%	80.9%
Lakewood		
Expenditures	\$4,503,618	\$4,693,488
Revenues	\$3,038,660	\$3,006,036
Cost Recovery %	67.5%	64.1%
Westminster		
Expenditures	\$6,080,802	\$5,940,270
Revenues	\$4,713,571	\$4,922,623
Cost Recovery %	77.5%	82.9%



MANAGE A SELF-SUSTAINING REGIONAL PARK AND LAKE FACILITY

Standley Lake Regional Park continues to be a high-quality outdoor water-based recreation area that has an annual visitation of more than 69,000 visitors. The park continues to sell out its annual boating permits and be self-sustaining within its operating budget and also provide funding for capital improvement projects. Total revenue collected for 2011 was \$557,078.

Standley Lake maintained high usage of power boaters the entire 2011 season, with very good water levels throughout the summer months. Capital improvement projects recently completed include an expanded and fenced-in boat storage lot, a new restroom near the west camping area and other roadway/parking area repairs/renovations.

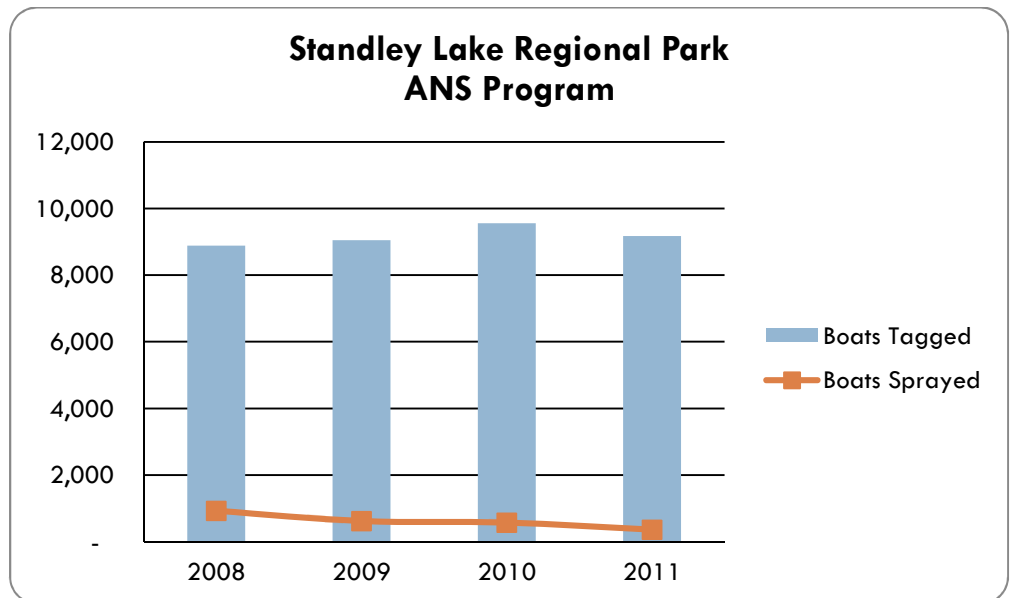
Annual visitation numbers at Standley Lake have been relatively stable over the past few years, with a slight increase in 2011. Boaters have become more familiar with the City's Aquatic Nuisance Species (ANS) Program, and are very loyal to Standley Lake as their primary location for water-based recreation.




Beautiful and Environmentally Sensitive City



Financially Sustainable City Government Providing Exceptional Services



PROVIDE A HIGH-QUALITY GOLF EXPERIENCE



The Heritage at Westmore Golf Course

The City's two municipal golf courses, Legacy Ridge and The Heritage at Westmoor, are championship-quality courses that provide a high level of guest service. Both facilities continue to show flat numbers in rounds and revenue.

Total tournament rounds for both courses increased in 2011 compared to 2010. Legacy Ridge increased 27% or 477 more tournament rounds in 2011 compared to 2010. Heritage increased by 24% or 368 more tournament rounds in 2011. However, both courses' tournament play remains below historic averages.

Despite overall decreased corporate and business spending on golf, the Golf Section Corporate Pass Program continues to be a worthwhile offering. The courses were able to maintain 17 corporate passes again in 2011. The Golf Section has been tracking corporate play for the past five years and made changes to the program to allow it to be financially successful. The Golf Section will continue to monitor the dollars per player in Corporate Golf Passes in order to maintain revenue goals for 2012. Staff used that data to make adjustments to the corporate pass program and changed the fee structure in 2011. Staff believes these new fee structures will continue to assist with generating additional revenue and also protect tee-sheets for public play guests who pay the rack or discounted rates.



Legacy Ridge Golf Course

PROVIDE A HIGH LEVEL OF COMPUTER SYSTEM AVAILABILITY

When computers and phone systems are unavailable, employee productivity is reduced and costs to provide services increase. Additionally, the ability to collect, record and track City sales tax and utility revenues is difficult without availability of computer systems.

During 2011, the Information Technology Department achieved 99.99% availability on all systems. IT management uses this performance measure to evaluate several areas of the department operations and identify new opportunities to improve availability. The following examples demonstrate what this performance measure tells managers in IT, and provides a few examples of some of the operational, system and software application upgrades and changes that were made to help meet the goal.

The department recognizes that Microsoft Exchange availability is critical to all departments. In order to enhance availability, the department migrated Microsoft Exchange to a continuous reputation cluster (CRC) with two mirrored servers. In the event that one server is down, the second server will provide uninterrupted email, calendar and other Outlook services. Additionally, in 2011 the department implemented Microsoft Outlook Cache Mode to enable users to continue to view email, calendar and contacts and prepare email even at times when the Exchange server is not performing well or when both servers are down.



The performance measure demonstrates that supervisors have continued to provide the appropriate level of training and education opportunities for IT staff to expand knowledge of City systems so they can proactively manage systems for high availability. Through training, they also have the skills required to quickly isolate, troubleshoot and resolve system, software and network problems.

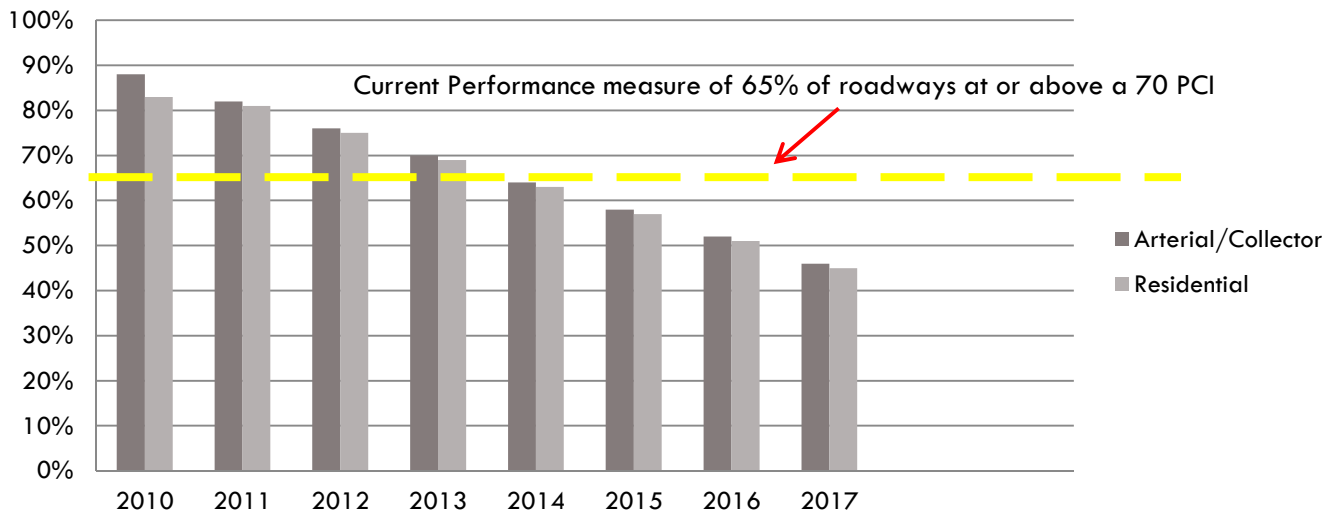
MAINTAIN A HIGH QUALITY PAVEMENT CONDITION

A computerized pavement management program is used to inventory and analyze the condition of the street network. The pavement condition analysis is conducted annually by staff members who drive each section of road and identify any pavement distresses that may be present and the quantity and severity of each distress. After this information is entered into the system, a PCI or pavement condition index number will be assigned that represents the condition of each road (85-100 Excellent, 70-84 Good, 51-69 Fair, 40-50 Poor and 0-39 Very Poor).

The goal for the Street Division is to maintain 65% of all roadways at a 70 PCI or above. Presently 81% of residential roadways and 82% of arterial/collector roadways fall within these parameters. Both of these numbers are slightly lower than what was reported in 2010 (residential 83%, arterial/collector 88%) and indicate the need to continue ongoing maintenance efforts citywide.

Every maintenance and rehabilitation technique that the Street Division employs requires the use of petroleum based liquid asphalt products. In the past 7 years, the cost of asphalt pavement maintenance has increased 54%, decreasing the quantity of pavement that is maintained each year. Assuming this trend continues, a conservative estimate of how the street network will be affected over the next 5 years would be a 6% loss of roadways that are at or above a 70 PCI each year.

Projected Percentage of Pavements That are at or Above a 70 PCI



When a roadway rates at or above a 70 PCI, this is an indication that the amount of distresses that are present is low and the severity of those distresses is minor. Streets that rate between 70 - 90 PCI will typically get the most benefit from lower cost maintenance strategies.

MAINTAIN A HIGH QUALITY WATER DISTRIBUTION SYSTEM

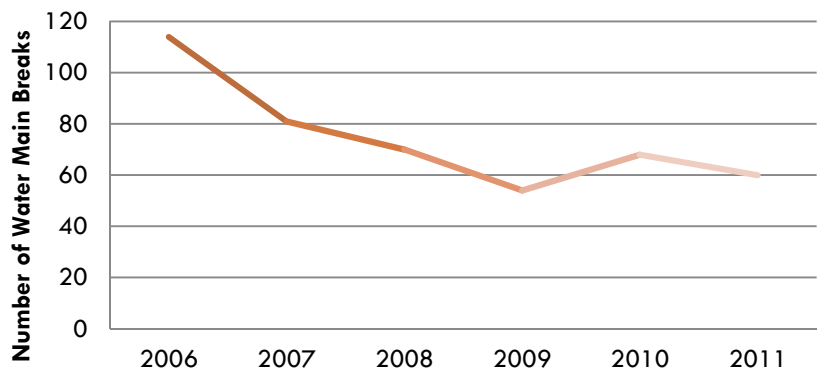
Public Works and Utilities field crews continue to perform water distribution system maintenance programs to minimize service disruptions for the citizens and businesses of Westminster. The City continues to invest in well maintained city infrastructure and facilities; focus on core city services and service levels as a mature city with adequate resources; and ensure that citizens have safe drinking water anywhere in the City.

One of the hallmarks of a good utility system is a low number of water main breaks. Over the past five years, the utility has experienced a trend of fewer main breaks per 100 miles of pipe each year, averaging a 17% decrease over the last five years. Monitoring the number of main breaks per 100 miles gives the City an “at a glance” idea of the condition of the pipe in the water distribution system. As resources become more limited, staff will continue to balance the benefit of repair versus replacement, working to replace the portion of the system that is in the poorest condition before ultimate failure of the asset.



Financially Sustainable City Government, Providing Exceptional Services

Number of Water Main Breaks Annually



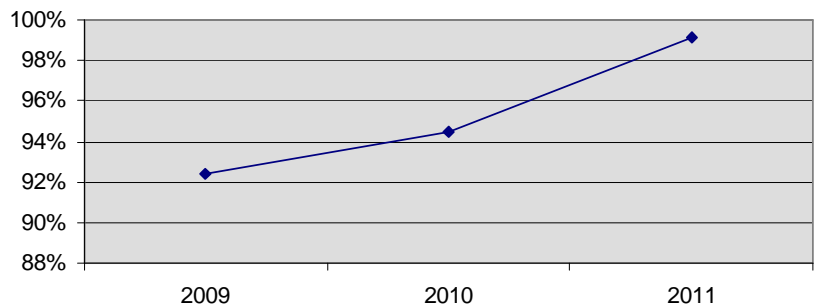
INVESTING IN TOOLS TO INCREASE EFFICIENCY AT THE MUNICIPAL COURT

The City provides diverse internal and external services. Many of these services are often not seen, but have a significant impact on operations. For example, the City manages energy consumption of facilities, serves as the guardian of historic information, supports the adjudication of municipal code, and operates the Municipal Court.

In response to many jurors failing to appear for service and having inadequate jury panels, in 2010 Court Clerks began making reminder calls. To reduce staff time spent calling jurors to duty, technological support was investigated. In 2011, the Court, in partnership with the Department of Information Technology, implemented the Court Partnership Calling Project (CPCP). This partnership established an automated calling system to prospective jurors. In just 48 minutes, the automated system can place 67 calls compared to three hours of staff time that would be spent making the same number of calls.

Since 2009, selected jurors have been provided a Jury Exit Questionnaire. In 2011, there was a notable increase in satisfaction with their overall experience. While most citizens would say they dislike jury duty, our jurors view their experience positively.

Juror Rating of Overall Experience as Excellent or Good

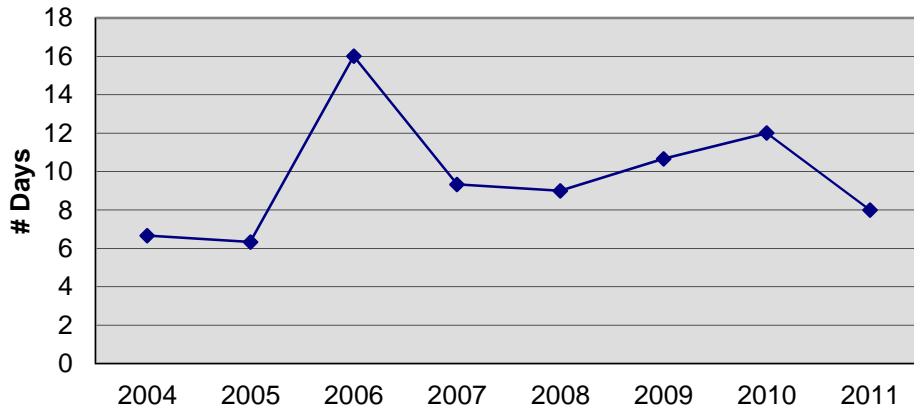


Safe and Secure Community

BUSINESS LICENSING SUPPORTS ECONOMIC GROWTH IN WESTMINSTER

In 2011, the City Clerk's Office implemented the use of a new business registration form in partnership with the Finance Department, City Manager's Office, Department of Community Development, Fire Department, Police Department and Information Technology Department. The new form addresses, previous concerns by the City and businesses about not having a centralized process for providing and finding information. The new form also helps to ensure appropriate sales tax auditing, convey to Economic Development business contact information, convey to emergency personnel contact names and phone numbers, and allow building and fire inspectors in specific trades and in all commercial structures an opportunity to determine whether the structure itself and the business will be meet current codes.

Average Business Days to Issue New Sales Tax, Home Occupation and General Business Licenses



Staff has been able to keep processing times low throughout the transition to the new form, despite the additional data being collected. This reduction in processing can be attributed to cross-training of staff in the offices that can process applications when primary staff is out of the office.



Strong, Balanced Local Economy

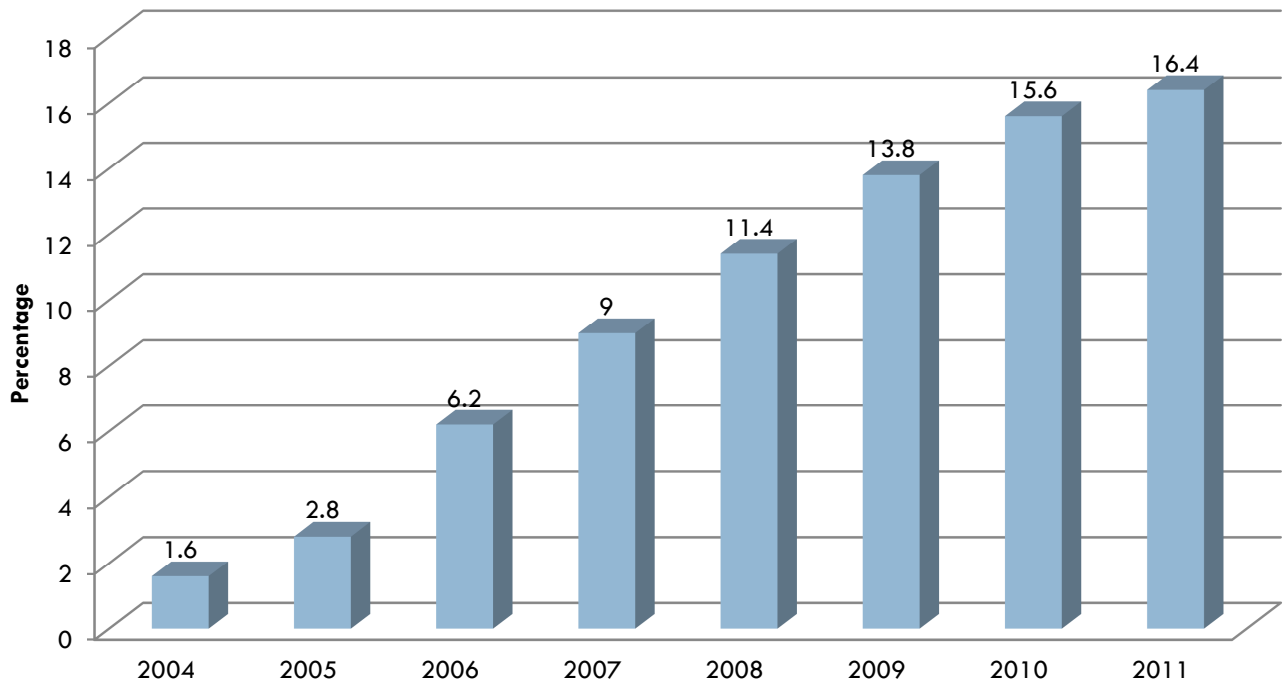


INCREASE UTILIZATION OF ELECTRONIC SALES TAX FILING

Many of the Sales Tax Division responsibilities and activities relate to revenue collection. Accordingly, the Division goal is to “maximize tax revenues for the City through the timely and accurate processing of tax receipts and administration of an efficient audit, enforcement, and special district oversight program.”

During the 2011, the Division was required to reduce its budget by 6%. Expenditures were reduced in the return processing area by eliminating the printing and mailing of return forms and reducing the Sales Tax Technician from 1.0 FTE to 0.75 FTE. The Division is working towards the elimination of the lockbox at some point in the near future. Thus, our efforts during the past year have been focused on increasing the utilization of electronic filing.

Percentage of Returns Filed Electronically



The dollar amount of sales/use tax paid electronically increased by 11.7% last year. A total of \$9.3 million was paid electronically in 2011 versus \$8.3 million in 2010. This dollar amount represents 13.8% of sales and use tax collected on returns, versus 12.6% in 2010.



Financially Sustainable City Government, Providing
Exceptional Services

MANAGE EMERGENCY SERVICE OPERATIONS

Fire Department staff continues to be vigilant in budget management while providing excellent service as demonstrated by a stable cost per capita for fire and EMS services. The Fire Department's 2011 cost per capita is \$117.45. This represents an increase from the 2010 per capita cost of \$116.17. This cost increase is in part due to the population decrease attributed to the 2010 Census.



Cost Per Capita



Safe and Secure Community



Financially Sustainable City Government,
Providing Exceptional Services

MANAGE EMERGENCY SERVICE OPERATIONS

Historically, the ambulance transport fee recovery effectiveness is determined by a number of factors, such as the number of ambulance transports, the patient's financial capabilities, the level of insurance reimbursement and the collection rate obtained by our third-party billing agency.

Transport fees collected in 2011 were down 0.62% in comparison to fees collected in 2010. Total mandated insurance write-offs in 2011 were 64.38% as compared to 58.4% in 2010. The reduction in 2011 transport fees is likely attributed to the current economic challenges and an increase in the number of customers falling under the mandated write-offs due to Medicare/Medicaid regulations.

Westminster's ambulance collection rate continues to be significantly higher than the Denver metro area average, which is below 60%. In 2011, the Fire Department's collection rate of 75.9% is slightly higher than the 2010 collection rate of 72.1%. Historically the Department collection rate for past years has averaged 74.99%. The table below summarizes the ambulance revenues for the past five years.



Ambulance Operations Annual Summary

Year	Total Fees Billed	Total Fees Collected	Write-Offs, Includes Memberships, Bad Debt and Medicare/Medicaid	Ambulance Transports	Collection Rate
2011	\$4,750,079	\$2,010,345	\$2,687,047	4,804	75.9%
2010	\$4,631,004	\$2,022,839	\$2,605,258	4,710	72.1%
2009	\$4,119,101	\$1,879,835	\$2,239,265	4,493	76.2%
2008	\$4,235,737	\$2,006,709	\$2,296,055	4,621	75.6%
2007	\$4,206,962	\$2,165,960	\$2,040,722	4,687	73.3%

MANAGE EMERGENCY SERVICE OPERATIONS

A safe and rapid response is the foundation in providing a safe and secure community, especially with a medical emergency or with the potential for a rapidly developing fire. In 2011, the average Fire Department response time was 5 minutes, 14 seconds (5:14). This is a 6% increase from 4:58 in 2010. Response times for 2011 are slightly over the benchmark of five minutes.

It is noteworthy that the increase in overall response time appears directly attributable to the alarm process time and a one-second increase in turn-out time. When analyzed, the actual response time is only two seconds slower in 2011 than that experienced in 2010. The call processing time warrants closer monitoring with the public safety communication supervisory team.

Annual Summary of Emergency Response Time Benchmarks

Year	Average Process Time (Target: 0:45 sec)	Average Turn-out Time (Target: 0:55 sec)	Average Response Time (Target: 5:00 min)
2011	0:52	1:00	5:14
2010	0:41	0:59	4:58
2009	0:43	0:57	5:03
2008	0:51	0:57	5:08
2007	0:39	0:53	4:49
2006	0:41	0:53	4:42
2005	0:46	1:04	4:53



Safe and Secure Community

SAFE AND SECURE COMMUNITY

The Police Department continually monitors Reported Crime on a daily, weekly, monthly and yearly basis in order to ensure a Safe and Secure Community. Reported Crime information is disseminated throughout the department via Beat Activity Reports, Crime Maps, Pass-on, Media Releases and Monthly Indicators. The department does focus on Part 1 Violent and Part 1 Property Crime, which is consistent with internal performance measures.

Historically, crime rates tend to rise when there is an economic downturn and high unemployment rates. However, during 2011, this was not the case. As reported by the Federal Bureau of Investigation (FBI) in the *Crime in the United States, 2010 Report*, the incidence of crime reported nationwide decreased yet again. Overall, when comparing 2010 to 2009, the estimated volume of violent crime (murder, forcible rape, robbery, and aggravated assault) decreased by 6% and for the fourth consecutive year, property crime (burglary, larceny-theft, and motor vehicle theft) decreased by 2.7%.

The *Crime in the United States, 2010 Report*, also reported that the City of Westminster followed the national trend. Violent crime decreased by 4% and property crime decreased by 6% when compared to 2009. During these hard economic times being experienced throughout the nation, statewide and locally, history would lead us to predict that the Part 1 Crime Rates would increase. However, that was not the case, the low crime rates could possibly be attributed to the aging of the population and high incarceration rates.



The complete year of 2011 for *Crime in the United States* has not yet been published; however, the Preliminary Semiannual Uniform Crime Report was released for figures between January and June. As a whole, law enforcement agencies throughout the Nation reported a decrease of 6.4% in the number of violent crimes for the first six months of 2011 when compared with figures reported for the same time period in 2010. The number of property crimes throughout the Nation also reported a decrease of 3.7% for the first six months of 2011 when compared with figures reported for the same time period in 2010.

SAFE AND SECURE COMMUNITY

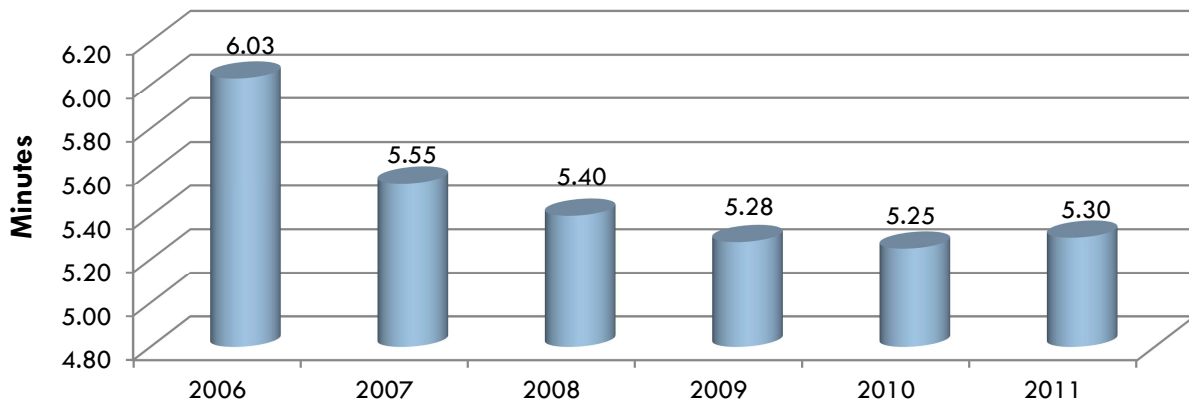


Safe and Secure Community

Response Times to Top Priority Police Calls has been a primary goal of the department to ensure a Safe and Secure Community. The department's overall goal is to have an average response time of 5 minutes to Top Priority Police Calls. The department has not yet reached that goal, but continues to track, monitor, review and record the response times of Priority 1 Calls on a monthly basis, which is consistent with our internal performance measures.

The Dispatch Center receives both emergency and non-emergency phone calls. In 2011, a total of 223,025 calls were received within the Dispatch Center; of the 43,854 Emergency 911 Calls received, 2.2% were Top Priority Police Calls.

Total Average Time From Receipt of Top Priority Call to Arrival on scene for 2006 - 2011



LOOKING FORWARD:

We hope that you have found *Take A Closer Look* interesting and informative. Each and every day, City of Westminster employees work to deliver exceptional value and quality of life. Performance measurement in the City of Westminster is continuously refined to ensure that the City is “measuring what matters.” Through constant reinforcement, the City’s performance measurement program works to improve the delivery of City services and the management of resources. Ultimately, performance measurement helps determine the progress made towards achieving the City’s Strategic Plan Goals and Objectives.



In 2011, the City of Westminster received ICMA’s “Certificate of Excellence” Award for exceptional accomplishments in performance measurement. This is the highest award in performance measurement that ICMA bestows. Only 28 local governments across ICMA’s worldwide membership were recognized with this honor in 2011.

The achievements and the continuing progress of the City of Westminster Performance Measurement Program is made possible through the support and efforts of City Council, the City’s Management Team, and Staff across the organization. This report and other performance measurement accomplishments are also a product of the continuing work of the City’s Performance Measurement Team. Members of this team are listed below and deserve a special thanks.

- City Manager’s Office: Barbara Opie, Ben Goldstein and Aric Otzelberger
- Community Development: John Burke
- Finance: Bob Smith and Rachel Price
- Fire and EMS: Doug Hall and Rich Welz
- General Services: Rachel Harlow-Schalk
- Information Technology: Carmen Linnebur and Joyce Garcia
- Parks, Recreation, and Libraries: Sue Andre
- Police: Jeri Elliot
- Public Works and Utilities: Phil Jones

"What gets measured gets done, what gets measured and fed back gets done well, what gets rewarded gets repeated."

- John E. Jones

*This Report was produced
April 2012*



WESTMINSTER

Staff Report

Information Only Staff Report
May 7, 2012



SUBJECT: Neighborhood Enhancement Grant Program

PREPARED BY: Kathy Piper, Landscape Architect II

Summary Statement:

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

Currently, the Parks, Recreation and Libraries Advisory Board receives \$50,000 every year from the Community Enhancement Fund to provide a funding source for communities willing to enhance their neighborhood streetscapes.

- On April 23, 2012, the Parks, Recreation and Library Advisory Board met to review and award this year's neighborhood grant applications.
- There is \$50,000 available for the Neighborhood Enhancement Grant Program to award.
- The Board received 15 applications requesting a total of \$117,394 in grants.
- The Board selected 10 grant applications to receive funding. They are as follows:

117 th HOA	\$3,780
Countryside HOA	\$2,500
Harris Park HOA	\$4,000
High Pointe HOA	\$3,381
Legacy Ridge West HOA	\$1,800
Lexington HOA	\$4,886
Open Space and Forestry (tree plantings)	\$9,950
Savory Farm HOA	\$2,006
Townhomes at the Ranch	\$2,442
Westminster Progressive HOA	\$4,000
Total	\$38,745

- Total amount funded in 2012 Neighborhood Enhancement Program grants will be \$38,745.
- Those who did not receive funding, either had a project that did not meet the criteria, such as being on private property or not visible to the public, did not complete the application properly, or did not provide matching funds or provide some volunteer efforts.
- Each applicant will receive acknowledgement for applying and will be informed of who received a Neighborhood Enhancement Grant.
- Those receiving grants will be required to meet all City of Westminster standards and regulations. All projects must be completed before December 31, 2012.
- The remaining funds will be considered for a special project determined by the Parks, Recreation and Libraries Advisory Board.

Background Information

The Neighborhood Enhancement Grant Program is a component of the Community Enhancement Program and is designed to provide a funding source for neighborhood communities who wish to enhance the appearance of their neighborhood and community. Staff posted flyers in all City recreational facilities, mailed information to all HOA's and management companies, along with posting the application on the City website. Several communities that have received grants in the past are reapplying and/or are requesting grants for several projects within their community. Applications are received once a year in spring with work to be completed by December 31. Total available funding is \$50,000.

This program meets the City's Strategic Plan Goals of "Vibrant Neighborhoods In One Livable Community" and "Beautiful and Environmentally Sensitive City."

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Westminster Economic Development Authority

TO: The Westminster Economic Development Authority Board Members

DATE: May 2, 2012

SUBJECT: WEDA Study Session Agenda for May 7, 2012

PREPARED BY: J. Brent McFall, Executive Director

Please Note: WEDA Study Sessions and Post meetings are open to the public, and individuals are welcome to attend and observe. WEDA was created by the Westminster City Council for the purpose of moving forward with strategic redevelopment of key areas of the City. WEDA Study Sessions and Post meetings are not intended to be interactive with the audience, as this is time set aside for WEDA Board Members to receive information, make inquiries, and to provide Staff with policy direction.

ROLL CALL

PRESENTATIONS

1. North Huron Urban Renewal Area Loan Refunding

INFORMATION ONLY

None at this time

EXECUTIVE SESSION

None at this time

Items may come up between now and Monday night. The WEDA Board will be apprised of any changes to the agenda.

Respectfully submitted,

J. Brent McFall
Executive Director



WESTMINSTER

Staff Report

WEDA Study Session Meeting
May 7, 2012



SUBJECT: North Huron Urban Renewal Area Loan Refunding

PREPARED BY: Tammy Hitchens, Finance Director
Robert Smith, Treasury Manager
Robert Byerhof, Senior Financial Analyst

Recommended Board Action:

Provide direction to staff regarding refinancing the 2009 loan with Compass Mortgage for the North Huron Urban Renewal Area.

Summary Statement:

In 2009, the Westminster Economic Development Authority (WEDA) entered into a loan agreement with Compass Mortgage (Bank) in the amount of \$62,375,000 to refinance debt issued in 2005 for the North Huron Urban Renewal Area (URA) redevelopment project. The current loan features a balloon payment in 2016 in the amount of \$46,975,000. The interest rate under the loan is a variable rate, but this rate was fixed to 4.51% through a rate exchange agreement (swap) with the parent company of Compass, Banco Bilbao Vizcaya Argentaria (BBVA). Staff was aware of the need to refinance this debt at the time the loan was secured. Current market conditions afford WEDA an opportunity to obtain a long-term interest rate loan with the Bank through a refunding of the existing debt.

On February 23, 2009, and May 4, 2009, Staff briefed the Board on the uses of and risks associated with interest rate exchange agreements.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue:

Should WEDA consider refinancing the current loan with Compass Mortgage?

Alternative:

Do not refinance the loan at this time and wait until current loan matures in 2016 to restructure and refinance the debt. This is not recommended due to financing risk associated with the uncertainty of both interest rates and a loan provider in the future. WEDA currently has the opportunity to refinance the existing debt through 2028 at a historically low fixed interest rate.

Background Information:

In 2009, the Westminster Economic Development Authority (WEDA) entered into a loan agreement with Compass Mortgage (Bank) in the amount of \$62,375,000 to refinance bonded debt issued in 2005 for the North Huron Urban Renewal Area (URA) redevelopment project. The refunding was necessary after the original bonded debt converted into Bank Bonds, which accelerated debt payments and increased the interest rate, when the Letter of Credit provider was downgraded by the rating agencies due to credit concerns associated with this provider. It should be noted that the need to restructure this debt was entirely due to the provider's credit issues and had nothing to do with WEDA's ability to service the debt.

The loan agreement structured with Compass Mortgage includes a scheduled balloon payment of \$46,975,000 in 2016 and features an interest rate exchange agreement (swap), which fixed the interest rate at 4.51%, an attractive rate at the time. The Bank proposes to refund the existing loan with one that will secure financing through the duration of the URA's statutory Tax Increment Finance (TIF) period, which ends in 2028. This refunding offers WEDA the ability to fix a low interest rate today with long-term financing certainty versus taking on interest rate risk to refund the loan in 2016. Interest rates are at historic record lows and there is a greater likelihood that interest rates will rise rather than fall or even remain at current levels over the next four years. Compass Mortgage has indicated a new fixed interest rate of around 3.70%.

The current loan with Compass Mortgage includes a variable interest rate based on the one-month London Interbank Borrowing Rate (LIBOR). To fix the rate, WEDA entered into a variable to fixed rate swap agreement, as was necessary to secure the financing after the collapse of the financial markets in late 2008. The loan secured provided WEDA the breathing room needed until a long-term debt structure was available given the unsustainable repayment terms of the Bank Bonds, which reduced the amortization from 25 years to 10 years and required quarterly interest and principal payments. Since WEDA entered into the swap agreement, interest rates have declined and thus, to terminate the agreement prior to 2016, WEDA currently would need to pay a current termination fee of approximately \$4,000,000 to release itself from the swap obligation. It should be noted that if the current loan and swap agreement were maintained until their scheduled maturity in 2016, there would be no termination fee associated with the swap.

Although the upfront cost of paying off the current loan and refinancing with a new one appears to be exceptionally high due to the swap termination, the refunding makes financial sense from both a nominal and present value analysis given today's low interest rate environment. Staff completed a financial analysis of the projected cost to keep the existing loan in place until 2016 and then enter into a new loan versus securing long-term financing today and paying the upfront \$4,000,000 swap

termination from available funds in the Revenue Fund of the loan agreement. The interest rate assumption commencing in 2016 is based on a long-term rate averaging 5.5% versus entering into new loan this year with an interest rate of 3.75%. By entering into a new loan today versus waiting another 4 years, WEDA will save approximately \$4,514,000 in interest costs over the life of the loan on a nominal basis and on a present value basis saves WEDA \$1,788,000, inclusive of the \$4,000,000 swap termination fee (see attached). Under the new loan, the interest rate will be fixed and so no new interest rate exchange agreement will be required.

Staff recommends pursuing the refinancing of the Compass Mortgage loan given the opportunity to extend the term of the loan through the end of the 25 year TIF period in 2028 and the ability to secure a low interest rate, which can be locked in today versus the taking on the refinancing uncertainties of waiting until 2016. The uncertainties include both the explicit interest rate risk since it is unknown what rates may be offered in the future and also the refinancing risk of having a loan provider available in 2016. As experienced during the 2008 financial market crisis, the ability to effectively refinance debt during a financial meltdown of credit markets can be challenging and places considerable risk of obtaining financing. By refinancing the Compass loan today, WEDA removes both of these exposures and secures low cost financing through 2028.

Staff has consulted with Helen Cregger and Bryan Stelmack from Piper Jaffray. They will be in attendance at the study session.

Staff is also analyzing the potential of funding additional projects with the refunding and will make a recommendation at a later date.

Respectfully submitted,

J. Brent McFall
Executive Director

Attachment

**WEDA - North Huron URA
Comparison of Refinancing Options**

Last Update: **25-Apr-12**

Assumptions:

Rates: 2012 Refinance Rate of:

3.69%

 Compass Mortgage Estimate of April 25, 2012
2016 Refinance Rate of:

5.50%

Scenario 1 Continue borrowing under terms of current Loan Agreement with Compass. Bullet payment of \$46.975M in 2016 Refinance when Loan matures in June 2016. Replace with a new loan with a 12 year loan term to end in 2028, the end of the TIF period. Do not pay down principal in 2016 with some of balance in Supplemental Reserve Funds. New Loan amount = \$46.975M.

Scenario 2 Refinance current Loan in June 2012. Replace with a new Compass Loan with a 16 year loan term to end in 2028, the end of the TIF period. Do not pay down principal in 2012 with some of balance in Supplemental Reserve Funds. New Loan Amount = \$56.865M. Pay \$3.97M fee to terminate the interest rate exchange agreement (interest rate swap) using funds in Supplemental Reserve Funds.

Analysis:

	Scenario 1		Scenario 2		Savings
Total Payments for the Period 2009 - 2028	Principal Repayments	Calculated Interest (Cash Basis)	Principal Repayments	Calculated Interest (Cash Basis)	
Principal	\$ 62,375,000		\$ 62,375,000	\$ 0	\$ 0
Interest		\$ 36,462,706		\$ 27,982,893	\$ 8,479,813
Swap Termination Fee:		\$ 0		\$ 3,966,257	\$ (3,966,257)
Total Payments:		\$ 36,462,706		\$ 31,949,150	
Total Savings					\$ 4,513,556
Net Present Value of Savings (@ 4.51% Interest)					\$ 1,788,636



WESTMINSTER

Staff Report

Post City Council Meeting

May 14, 2012



SUBJECT: EARLY DELIVERY FOR MAY 14 POST CITY COUNCIL MEETING – Core Services’ Level of Service Review in Preparation of the Proposed 2013/2014 Budget

PREPARED BY: Steve Smithers, Deputy City Manager
Barbara Opie, Assistant City Manager
Aric Otzelberger, Assistant to the City Manager
Ben Goldstein, Management Analyst

Recommended City Council Action:

Review the proposed core service’s level of service analysis outlined and provide direction on the following items:

- Provide direction on the list of Proposed Changes Recommended, whether Staff should continue research and pursuit of the items identified in concert with the development of the 2013/2014 Budget;
- Review the list of No Change Recommended items to ensure that City Council is comfortable that Staff has conducted adequate follow up and no changes are needed; and
- Review the proposed list of items to highlight at the June 11 City Council Meeting and provide Staff direction that these are the items City Council believes should be highlighted at the June 11 public meeting on the Proposed 2013/2014 Budget.

Summary Statement

In February, Staff commenced a level of service review of some of the City’s Core Services programs and services per City Council’s objective to “Institutionalize the core services process in budgeting and decision making” under the Financially Sustainable City Government Providing Exceptional Services goal. Staff has completed the initial analyses and some of the programs/services evaluated are highlighted within this Staff Report. These analyses are intended to look forward to 2013/2014 service demands, evaluate current funding levels and determine if modifications might be needed given the City’s limited resources (both financial and staffing) and priorities. This information is intended to provide City Council an opportunity earlier in the budget development process to provide direction on whether Staff should proceed with additional analysis of the proposed programmatic level of service changes and/or proposed reallocations of resources and bring these back for City Council’s further review and final determination during the budget process.

Expenditure Required: \$0

Staff Report – Core Services’ Level of Service Review in Preparation of the Proposed
2013/2014 Budget

May 14, 2012

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Source of Funds: N/A

Policy Issue

- Does City Council concur with moving forward as recommended on the proposed level of service items analyzed within this Staff Report?
- Does City Council concur with the list of three items Staff recommends highlighting at the June 11 public meeting on the Proposed 2013/2014 Budget?

Alternative

- City Council could choose not to pursue any of the recommended changes identified in the level of service items. Staff believes the items identified have merit to continue evaluating in concert with the development of the Proposed 2013/2014 Budget but ultimately, the policy direction is the decision of City Council and Staff will proceed as directed.
- City Council could identify fewer or more than the three items recommended to be highlighted at the June 11 meeting. Staff is cognizant of Council’s desire to gather input in the budget development process and believes that of all of the items identified in the level of service analyses, these items might be of greatest interest to the public. Staff is mindful that including too many items at the June 11 meeting may yield no public input and attempted to identify a manageable but realistic list of programs for review.

Background Information

In November 2009, the City commenced a “Core Service” inventory and discussion. Staff prepared an inventory of City-provided services and programs for City Council’s review, which was then prioritized with City Council during 2010. This prioritized inventory assisted City Council in adopting a balanced 2011 and 2012 budget, positioning the City in a sustainable financial position for the future. The goal of this work was to more clearly identify what services are essential to the community and what services can no longer be afforded. This process was made more difficult with the organization already being lean as a result of ongoing reductions throughout the past decade. The initial Core Services process included a comprehensive inventory of services and programs provided by the City of Westminster as well as identification of criteria to utilize in prioritizing the Core Services inventory. The Core Services assessment was completed in concert with the strategic planning process, allowing City Council and Staff to ensure services were appropriately aligned with the Strategic Plan.

During the creation of the core service inventory, services and programs offered the Westminster community were prioritized through a tiered system. The Service Business Priority (tier I, II or III) indicates the level of importance (more so than the Service Hierarchy/“house”). The general terminology utilized in preparing the prioritized core services inventory grouped programs or services under the following categories:

- Business Activity – The business activity identifies the primary activity provided. For example, it may be Legal Counsel and Representation, City Management/Administration, Public Information, Special Events, Community Development, Recreation Wellness/Leisure Services, Library Services, etc. Business activities will not necessarily tie specifically to a department name; they tie to a specific service or program offered by the City. This is why an item like Special Events, which includes efforts in almost every department across the City, is included as a comprehensive business activity inventory versus being spread out separately within each individual department.

Staff Report – Core Services’ Level of Service Review in Preparation of the Proposed
2013/2014 Budget

May 14, 2012

Page 4

This allows for a comprehensive review of this activity in context against the other special events provided in the City. (The full inventory City Council last reviewed on June 27, 2011, is not attached as the document is close to 60 pages; if City Council would like a copy of the full inventory, Staff is happy to provide it.)

- o Service Business Priority – As noted, Staff identified three tiers of Service Businesses provided. Service Businesses identify the program or service affiliated with each Business Activity; they are the services to ensure the accomplishment of the overall business activity. First tier items are those items that Staff believes are the highest priority in the provision of services to the community. The criteria Staff utilized to prioritize programs and services was reviewed and reaffirmed by City Council in June 2011. A copy of the criteria is attached (see Attachment A).
- o Service Hierarchy – The hierarchy is simply one part of the prioritization process utilized by City Council and Staff; the overall prioritization process includes six criteria agreed upon by City Council. The hierarchy is not necessarily any more important than the other criteria approved by City Council as noted previously. The service hierarchy is called out to simply help in the evaluation/prioritization process. Where each item falls is but one component of the approved criteria used to prioritize each Sub-Service Business provided. Items are identified as Community "Add On's"; Quality of Life; Core Business "Choice"; and Core Business "No Choice." A copy of the Service Hierarchy and associated definitions is attached (see Attachment B).

Per City Council’s objective “Institutionalize the core services process in budgeting and decision making” under the Financially Sustainable City Government Providing Exceptional Services goal, Staff updated the Core Services documents and reviewed them with City Council during 2011 as part of the mid-year budget review for the Adopted 2012 Budget. The update to the Core Services document ensured that it remains accurate in reflecting services and programs provided by the City. The Core Services work is being integrated into the organization as funding and resource allocation decisions are made now and into the future.

Staff commenced a level of service analysis in February 2012 in preparation for the 2013/2014 Budget development process. Staff reviewed the current Core Service inventory document and ensured that it still accurately reflects City services and programs. The majority of Staff work focused on identifying programs/services provided within the Core Service inventory and conducting level of service analyses. These analyses are intended to look forward to 2013/2014 service demands, evaluate current funding levels and determine if modifications might be needed given the City’s limited resources (both financial and staffing) and priorities. A summary of these analyses follow. This information is intended to provide City Council an opportunity earlier in the budget development process to consider any proposed programmatic level of service changes and/or proposed reallocation of resources and provide Staff with feedback and/or request additional research.

Recommendations on each specific level of service item are provided. Items are organized into two sections: “Proposed Changes Recommended” and “No Changes Recommended.” City Council expressed concern about the level of reductions made and potential impact on operations and services included in the 2011/2012 Budget. With this level of service analysis, Staff is providing evaluations on some programmatic changes made and following up in this Staff Report with some recommended changes and some areas that Staff believes the modifications were appropriate and no changes are recommended.

Overall, Staff is seeking City Council direction on which level of service items to pursue further in the 2013/2014 Budget development process. Much of the information below is conceptual in nature and reflects very preliminary cost estimates. For items City Council wishes to pursue, Staff will conduct

further in-depth review and analysis, and present this information for City Council’s consideration and final direction during the budget process during the summer. Staff will also share information with the public on level of service items being pursued through the City’s Web site and City Edition based on City Council direction. Three items are being recommended to bring forward at the June 11 public meeting on the Proposed 2013/2014 Budget; they are noted in the text which follows.

Proposed Changes Recommended

City Manager’s Office

- **Digital Media Development/Public Information Focus** – Staff proposes a shift in emphasis toward digitally focused communication media while continuing to serve residents through more traditional (i.e., print) channels. Key components of this shift include assisting departments in development and testing new communication technologies with the Information Technology Department, managing/ maintaining content management systems on various websites, managing domains for City websites, overseeing the City’s social media administrators group, managing compliance with City social media policies and more. City Staff would seek direction and City Council action for any proposed reallocation or addition of resources to fulfill these digital media services through the City’s regular budget process. This would be a refocus in the City’s current level of service, which is a service business priority level I and considered a service hierarchy type of “choice.” (net estimated change \$0; 0.0 FTE)

Community Development

- **Arts and Cultural Programming** – Staff proposes evaluating the City’s overall focus on arts, cultural programming and historic preservation. The City currently supports the arts through City Council’s annual contribution to the North Metro Arts Alliance (NMAA) of \$10,000 plus Parks, Recreation and Libraries (PR&L) reimburses NMAA for sound and other entertainment costs the City would incur (approximately \$6,000). These contributions/reimbursements fund summer concert series in City parks, Holiday Lighting Ceremony entertainment, and the band and sound system for the annual Summer Celebration at Irving Street Park and Independence Day fireworks celebration. In addition, Staff in the Parks, Recreation and Libraries (PR&L) Department work on programming the summer concert series, community art shows, etc.

Separately, within the Community Development Department, support for the public art program, cultural programming, and historic preservation have been spread among a few staff members. Support for the public art program focuses on the requirement that new development contributes art pieces or cash in lieu for future art purchases. Cultural programming includes supporting the growing arts movement within South Westminster and through the South Westminster Arts Group (SWAG). Historic preservation focuses primarily on building restoration opportunities through grants for Semper Farm, Shoenberg Farm, Bowles House and other historic buildings. Staff is seeking Council direction on the level of service desired in this area and has identified several options for consideration and further research.

Staff recommends conducting further research and brainstorming internally to be more strategic in the City’s approach to supporting the arts in the community. Staff is seeking some guidance from City Council on the level of support for this “quality of life” service and what level of resource allocation to the arts are desired and realistic. Should Council support Staff conducting additional

research, Staff will return to City Council with a more refined proposal for consideration. Depending on the direction Staff receives, this item could be brought forward at the June 11 public meeting for community input. (net estimated change TBD; 0.0 FTE) (*Staff recommends highlighting at June 11 Public Meeting.*)

- **Open Space Acquisition Program** – Staff requests City Council direction on the merits of different short and long-term funding/financing options for open space acquisition and to consider how the City strategically approaches resource allocation in the future between open space acquisition and maintenance. Funds from the most recent bond sale in 2007 will likely be depleted in 2012, leaving very limited existing revenue streams for open space acquisition. Short-term funding options that could be explored include use of public land dedication and cash-in-lieu funds. Long-term funding/financing options include the use of \$1.5 million (annually) that would be available after the City pays off the loan for the Metzger Farm acquisition, which becomes available on an annual basis starting in 2017. These funds could be used for direct purchases or for debt service if a decision was made to pursue issuance of a second set of bonds against the current sales tax ending date of December 31, 2032. Staff estimates that \$11 million could be available from another bond sale, which would be split between open space acquisitions and parks and trails projects. City Council could also consider going to the voters to remove the sunset for the parks, open space and trails sales (POST) tax, which could help attain the 15% open space goal and long term open space maintenance needs. The 15% goal has been an aspirational goal. Council could revisit this goal in the context of the need for more open space property.

A key consideration with any available revenue is identifying the proper balance between open space acquisition and maintenance. Staff is in the process of gathering data and performing analysis on estimates for open space maintenance in the future, focusing on noxious weed removal, re-vegetation and other needs. Staff will share this information with City Council as part of the Proposed 2013/2014 Budget process. Another consideration is how to allocate staff between open space acquisition and maintenance. Finally, if another bond issue is pursued, the City would need to consider proper balance between open space acquisition and potential parks and/or recreation projects.

By the end of 2012, the City's OS portfolio is projected to include 3,000 acres (13.9% of total land area). An additional 245 acres of open space is needed to meet the City's 15% open space goal. If an assumption is made that the City could preserve 104 acres at no cost to the City, that would leave 141 acres to reach the 15% goal (in general, properties that could be acquired at no cost are in floodplain areas that cannot be developed or land acquired through the public land dedication process). Using the average cost of open space over the past three years of \$155,000 per acre, acquiring another 141 acres would cost just under \$22 million. If an assumption is made that the City can leverage funds from outside grant sources (as the City has over the last few years), the City could expect to receive approximately \$8 million from these funding sources. That would require approximately \$14 million in City funds for 141 acres of land purchases. This would support the City's current level of service, which is a service business priority level I and considered a "quality of life" in the service hierarchy type. (net estimated change \$TBD; 0.0 FTE) (*Staff recommends highlighting at June 11 Public Meeting.*)

- **Stormwater Utility Fee Increase** – Staff recommends City Council consider increasing the Stormwater Utility Fee by \$1 per year for three years, commencing in 2014. This fee increase would help address the City's prioritized list of 87 stormwater capital improvement projects in a

more timely manner. The total cost estimate for these projects is \$74 million. It would take approximately 40 years to complete these projects under the current revenue stream from the existing stormwater fee of \$3.00 per month for single family residences. This timeline does not take into account additional mandates/regulations that could require more resources. Currently, the State of Colorado is in the process of adopting a regulation on nutrient criteria. There is the potential that actual in-stream monitoring and water quality sampling will be required in later years (2014+) and rough estimates show that each monitoring location would cost between \$15,000 and \$25,000 on an annual basis. In addition, the EPA is considering a new Stormwater Rulemaking that would place greater stormwater monitoring and facility retrofitting requirements on the City. If the City is required to retrofit existing facilities, this could mean buying property to install water quality ponds in subdivisions that do not have one and installation of storm sewer networks that do not currently exist. Costs for these requirements could easily be tens of thousands of dollars a year depending on how prescriptive the requirements become.

The City’s Stormwater Utility Fee was increased in 2008 from \$1.50 per single family to \$3.00 per single family. As of March of 2012, the average fee that local jurisdictions charge is \$5.77. Westminster’s stormwater fee currently ranks 13th out of the 16 Front Range cities that charge a stormwater fee (fourth lowest). By the time the phased in fee increase to \$6.00/month would be fully implemented in 2016, other cities will likely have adjusted their fees as well, keeping Westminster among the lower fees in the Front Range.

The current fee generates approximately \$1.95 million per year. If the proposed increase of \$1/year were to commence in 2014 and end with a \$6/month fee by 2016, it would generate approximately \$650,000 in additional revenue in each of the three years, for a total estimated revenue by 2016 of \$3.9 million/year. Staff recommends considering the multi-year increase to follow Council’s previously expressed preference to do fee increases in smaller incremental steps over the years versus making no changes and needing to implement large fee increases sporadically.

To accelerate the completion of needed stormwater projects, City Council could consider bonding against the Stormwater Utility Fee and use a portion of the \$1.95 million to repay the bond. (net estimated change \$TBD; 0.0 FTE) (*Staff recommends highlighting at June 11 Public Meeting.*)

Finance

- **Accounting Bill Payment Staffing** – Staff recommends re-evaluating the 0.5 FTE Accounts Payable position that was eliminated as part of the Core Services assessment in late 2010. Bill payment includes accounts payable processing, purchase order administration, off-system payment authorization and documentation, vendor record maintenance, retainage reporting, expense report validation, and purchasing card activity verification. Shortly after this position was eliminated, an increase in workload was realized as a result of changes made by other departments that affected the Accounts Payable section. These organizational changes included, but are not limited to, in-house processing of workers’ compensation payments and invoicing of rental housing inspection fees (new fee implemented in 2011 to retain the rental housing inspection program). The possible reinstatement of the 0.5 FTE would allow for better services delivery and reduce the risk of errors and staff burnout; Staff is concerned that the current workload is unsustainable with existing staffing levels. (net estimated change +\$20,000; +0.5 FTE)

- **Retirement Administration Use of Volunteer** – Staff proposes increasing the use of volunteers within the Retirement Administration Division. Each benefited employee has a participant file that contains enrollment forms, quarterly statements, distribution election forms, Retirement Medical Savings Account reimbursement claims, deferred compensation account transactions, and written communication pieces. Scanning of participant files began in 2006 after auditing procedures were implemented; however, with limited staff, the number of participant files being scanned has been very limited. Commencing in 2011, Retirement Administration began utilizing a volunteer to scan participant files four hours each week. Based on the success of this effort, Staff proposes to increase utilizing a volunteer to scan participant files to eight hours a week. Staff audits each scanned participant file for accuracy and believes increasing the volunteer hours scanning can be handled within the current staff workload. Scanning these files reduces the need for physical storage space and travel to off-site storage units. In addition, participant files will be saved and backed-up frequently by the Information Technology Department. (net estimated change \$0; 0.0 FTE)

General Services

- **Establishment of an Employee Wellness Clinic** – Staff recommends pursuing the creation of an Employee Wellness Clinic as a practical and proactive strategy to mitigate healthcare costs and risk in the self-insured medical plan. As part of a multi-year approach, Staff has considered various strategies including the possibility of unbundling health care services, as well as opening an Employee Wellness Clinic. Research projects a return on investment by reducing claims and the healthcare trend factor by up to 50%. Additional expenditure savings are anticipated through direct provision of various medical services through the clinic. As proposed, the Employee Wellness Clinic is anticipated to be an effective cost mitigation tool that will allow Staff to reduce the overall healthcare cost increase trend factor, consolidate and integrate all participant information, increasing the City’s ability to analyze and maximize available benefits. This would allow better utilization of the City’s healthcare dollars by reducing office visit and prescription costs as well as providing an effective avenue to manage chronic disease concerns. City Council reviewed this approach and concurred with Staff’s recommendation to proceed with vendor and site selection as well as development of a detailed clinic implementation plan in February 2012. Staff plans to review specific implementation recommendations with City Council in the summer and fall of 2012. The initial start-up cost of the clinic is projected at \$687,000 and ongoing cost are currently estimated at \$397,000; it is proposed that these expenses will be paid from the medical/dental self-insurance fund. (net estimated change +\$687,000; 0.0 FTE)
- **Mayoral Runoff Contingency Funding or W.M.C. Modification** – The Westminster Municipal Code (W.M.C.) requires that the Mayor win election with at least 40% of the votes cast. In 2013, the municipal election will be held to fill the office of the Mayor and three City Councillors; all incumbents are term limited and it is anticipated there will be significant interest by many in running for office. Councillors are elected by votes cast with no percentage of votes required. It is highly likely that, because of the 40% requirement, there may need to be a runoff election following the November 5, 2013, coordinated election for the office of Mayor. A runoff election is estimated to cost \$100,000-150,000. Rather than budget this within the City Clerk’s Office, since there is a chance that a runoff may not be necessary, Staff recommends planning to utilize contingency fund monies budgeted in the General Fund should a runoff election be necessary. An alternative to this expense is to make changes to the W.M.C. that would allow for the candidate with the top number of votes received to be elected to the office of Mayor, thus eliminating the

need for a runoff election. This proposed process is similar to what is currently used in City Council elections. (net estimated change +\$150,000; 0.0 FTE)

- **Modifications to the Community Recycling Program** – As City Council is aware, Staff has been working with the Environmental Advisory Board (EAB) and a focus group about community recycling over the last few years. The EAB met in April to review the focus group’s recommendations. The EAB will be meeting in May to identify recommendations to forward to City Council concerning community drop off locations, recycling education, possible code changes, etc. Staff will bring this item to City Council in June for consideration. Depending on the outcome of the Council review, Staff could bring this item forward at the second public meeting on the budget scheduled for July 23. (net estimated change +\$TBD; 0.0 FTE)

Parks, Recreation and Libraries

- **The MAC Staffing** – Staff recommends considering the addition of a 0.6 FTE Facility Assistant to the MAC to address increased facility usage and allow supervisory staff to reduce the amount of time they work in the clerk role at the front desk. Salary and benefits total \$30,265, but half of this cost would be paid by Hyland Hills Park and Recreation District, who is the City’s partner in this facility. Hyland Hills is supportive of this proposal and has verbally agreed to fund half of the cost. An amendment to the MAC IGA between the City of Westminster and Hyland Hills would be pursued if City Council is supportive of this proposal. The City’s portion of the salary and benefit cost is estimated at \$15,133. Staff proposes using increased MAC revenues to cover this cost. This revenue increase is being driven by aggressive and successful marketing efforts for facility rentals on the weekend, as well as by increased participation in the SilverSneakers program. For 2012, 96 of 114 available weekend days have already been booked. 2011 revenue from the MAC exceeded budget by \$61,355, largely due to the facility rental efforts by Staff and the SilverSneakers program. This better than anticipated revenue performance is anticipated for 2012 as well. (net estimated change +\$15,133; +0.6 FTE)
- **Tree Limb Recycling Program Reduction** – Staff proposes reducing the level of service for the City’s tree limb recycling program. This “add-on” program (tier II service business) is offered one Saturday morning per month for eight months (6 hours/day) and after significant storms. Estimated program costs of \$12,300 include overtime, contracted grinding, and equipment/loader costs. Private service providers offer the same service for a charge (e.g., A-1 Organics in Golden charges \$6.50 per cubic yard). Staff proposes reducing our program to provide four limb recycling events per year (two events in the spring and two in the fall). Limb recycling would also be offered after major storm events. Staff proposes reallocating the resource savings that would be available under a reduced program to help cover overtime and equipment costs related to Open Space volunteer events (16 events in 2011) and for the City’s hazard tree mitigation program. With a 4.0 FTE reduction in the Park Services Division as part of the City’s 2010 core services process, less Staff is available to cover special events and other "after hours" or overtime assignments. Looking at surrounding communities, Arvada, Lakewood and Wheat Ridge do not offer a tree limb recycling program to their residents. The City of Thornton offers a program that is very similar to Westminster’s current program (one Saturday a month for eight months) and the City and County of Broomfield offers tree limb recycling services to residents at their dedicated recycling facility. (net estimated change \$0; 0.0 FTE)

Police

- **K-9 Unit Supervision** – Staff recommends considering the reallocation of a 1.0 FTE Senior Police Officer position to a 1.0 FTE Sergeant position to provide dedicated, consistent supervision to the K-9 unit. This would provide the expertise and attention Staff feels is necessary for this specialized, high liability unit. The current program consists of five K-9 teams (officer and dog). Currently, supervision of this unit is split between patrol watch by a patrol sergeant, a first line supervisor (sergeant) and a police commander. However, there is really no direct, specialized supervision. Based on a number of studies on best practices and a separate analysis, Staff recommends adding full time, first line supervision. Depending on step in the pay plan, the salary difference between a Senior Police Officer and a Sergeant is between \$13,000 and \$17,000. Currently, the Police Department has 153 authorized police officers/senior police officers and 19 authorized sergeants. Staff is confident that pursuing this reallocation of Staff will provide a significant benefit and will not negatively impact patrol operations. (net estimated change +\$15,000; 0.0 FTE)
- **Animal Management Staffing** – Staff recommends considering the return of 0.5 FTE of the 1.0 FTE Animal Management Officer position that was eliminated as part of the City's 2010 core services process, through the reallocation of existing FTE within the Police Department as attrition occurs or other opportunities present themselves. This would bring animal management staffing to 4.0 FTE plus a 1.0 FTE supervisor. The 1.0 FTE Staffing reduction resulted in fewer animal management hours per day/week, eliminated response to wildlife calls, eliminated pickup of deceased wildlife on private property and discontinued public education in schools and special events. This lower level of service has resulted in significant service complaints; a decrease in dog licenses sold (reduced proactive outreach/enforcement); an increase in overtime hours; reallocation of the supervisor's time, spending 15% to 30% of time performing front line duties; and other impacts. Calls for service increased by 6% from 2010 through 2011. In the first two months of 2012, calls were up 16% and 7% in January and February respectively, over the same time period in 2011. These are not historically the busiest months of the year. In spite of the service reductions made with the core service analysis, Staff is challenged to maintain the new standard while keeping up with the increased workload. If this proposal is pursued, the Police Department would work to shift other department resources to cover this request and would re-allocate existing civilian FTE as the opportunity presents itself. (net estimated change \$0; 0.0 FTE)

Public Works & Utilities

- **Return Wastewater Collections System Maintenance In-House** – Staff recommends considering the addition of 4.0 FTE as part of bringing in-house the high pressure jet cleaning, closed circuit video televising (CCTV), reporting, and inspecting of the wastewater collection system. Currently, the City spends approximately \$620,000 a year for a contractor to service one-fourth of the City's wastewater collection system. With the core services analysis in 2010, the scope of this program reduced from one-third of the City's collection system receiving annual maintenance to one-fourth. In some instances, this has proven to be problematic where tree roots or other issues have caused problems/backups; these issues have primarily been on lines that would have been cleaned prior to the issue developing on the old one-third rotation, but are now one to two years out based on the new one-fourth rotation. As proposed, if the services were done in-house, the new crew of 1.0 FTE Utility Technician, 1.0 FTE Operator I, and 2.0 FTE Senior Maintenance Workers could potentially inspect one-third of the wastewater collection system

annually. The estimated cost of doing the program in-house is approximately \$350,000 for the addition of 4.0 FTE and ongoing maintenance of Vactor and CCTV trucks. Initial start-up costs include two large pieces of equipment; Staff will need to determine the most cost effective way to purchase a Vactor 2100 Series Positive Displacement unit (\$385,000) and a Ques model CCTV van (\$242,000). If the trucks were on a 10 year replacement cycle, the annual cost would be \$62,700, thus reducing the estimated saving of \$270,000 a year, to approximately \$200,000. If City Council supports further consideration of this proposal, Staff will continue to evaluate and refine these cost estimates and bring back a final recommendation with the Proposed 2013 Operating Priorities to City Council in July. (net estimated change -\$200,000; +4.0 FTE)

- **Street Maintenance Funding** – Staff proposes identifying additional funding to provide for regular street maintenance. Based on the analysis conducted and shared with City Council at the April 2 Study Session, the condition of Westminster’s street network is declining and will continue to decline unless the funding for street maintenance is increased. While the cost of street maintenance has increased by approximately 54% since 2005, the funds available for this work have only increased 9% over the same period. Currently, 85% of all streets in Westminster are at or above a 70 Pavement Condition Index (PCI), which is considered a rating of “good” or better. An alternative to increasing funding is to adjust the performance measurement goal from 65% of all streets at or above 70 PCI to 60% at or above a 65 PCI or 65% at or above 60 PCI (51-69 PCI is considered a rating of “fair”). Staff is evaluating cost estimates to identify a specific amount needed to achieve the current PCI goal, but if City Council is supportive of this proposal, Staff will pursue additional funding for street maintenance in 2013 and 2014. (net estimated change +\$TBD; 0.0 FTE)
- **Meter Shop Staffing** – Staff recommends evaluating returning some Senior Maintenance Workers back to assist in the operation of the Meter Shop. During the 2010 Core Service process, 4.00 FTE Senior Maintenance Workers from the Utilities Operations were eliminated. As part of a re-evaluation of the cuts made through the 2010 core service process, this area was identified as potentially having been reduced too significantly, impacting delivery of a core service (i.e., water). The return of some staffing to this workgroup would focus on recurring, every day duties that originate from the Utility Billing group, such as meter reading, shut-offs, restores, customer service call, etc.. This will allow the other meter shop staff to resume more advanced duties consistent with their job areas, including regulatory driven work which is currently not able to be completed on schedule, such as the administration of backflow devices as mandated by the State to ensure water is not being contaminated by cross connections and the accuracy testing of large water meters. Staff is concerned that the loss of the 4.0 FTE has resulted in the inability to keep up with the maintenance that is needed for the system, and may be resulting in lost revenue opportunities. (net estimated change +\$TBD; TBD FTE)
- **Conservation Program Modification** – Staff recommends redirecting the current level of rebate funding (\$43,000) towards the development of two technology tools (a GIS irrigation tool and a water leak notification tool) for staff and customers. Over the past ten years, the City has administered a successful rebate program, providing residents and businesses rebates for the installation of water saving fixtures. Staff is proposing to redirect these funds from rebates (which Staff believes have been already tapped by interested residents and businesses) towards the development of a GIS tool that will provide customers with information about the amount of water their property needs in any month. This information could be made available through the utility billing system as well as through the City’s website. Initial development of this GIS tool

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would be a one-time cost of approximately \$35,000, with \$8,000 going toward mailing leak notifications. A second tool would be the implementation of a leak notification system within the Utility Billing system. A recent study of Westminster residential customers showed that 13% of all residential water use is wasted in leaks. The Utility Billing system already collects data that can show that a leak is occurring on a customer’s property but does not have a notification system. It is proposed that this notification system be developed that would send customers a postcard notifying them of leaks and directing them to resources within the City and online. These two tools will assist residents and businesses in better managing their use of and costs associated with water consumption while assisting the City in the long term goal of conservation. (net estimated change +\$0; 0.0 FTE)

A summary of the Proposed Changes Recommended follows. Those items proposed to be highlighted at the June 11 public meeting on the Proposed 2013/2014 Budget are noted with an asterisk.

Description of Proposed Changes	Estimated Net Cost Change	Estimated Net Change to FTE
Digital Media Development/Public Information Focus	\$0	0.0
Arts and Cultural Programming *	TBD	0.0
Open Space Acquisition Program *	TBD	0.0
Stormwater Utility Fee Increase *	TBD	0.0
Accounting Billing Payment Staffing	+\$20,000	+0.5
Retirement Administration Use of Volunteer	\$0	0.0
Establishment of an Employee Wellness Clinic	+\$687,000	0.0
Mayoral Runoff Contingency Funding or W.M.C. Modification	+\$150,000	0.0
Modifications to the Community Recycling Program	TBD	0.0
The MAC Staffing	+\$15,133	+0.6
Tree Limb Recycling Program Reduction	\$0	0.0
K-9 Unit Supervision	+\$15,000	0.0
Animal Management Staffing	\$0	0.0
Return Wastewater Collections System Maintenance In-House	-\$200,000	+4.0
Street Maintenance Funding	TBD	0.0
Meter Shop Staffing	TBD	TBD
Conservation Program Modification	\$0	0.0

* Proposed to be highlighted at the June 11 public meeting on the budget.

No Changes Recommended

Central Charges

- **Federal Lobbying** – Currently, the City contracts for federal lobbying and advocacy services on an individual project basis with Williams and Jensen, PLLC. Williams and Jensen has provided and continues to provide services related to projects/initiatives such as the Westminster Center Urban Reinvestment Project (WURP) and South Westminster Transit-Oriented Development (TOD) efforts. Williams and Jensen provides access to key decision makers, and offers expertise in the federal legislative process, competitive grant programs and other areas of interest to the City. Staff examined the possibility of expanding the current contract with Williams and Jensen to provide broader, general lobbying work on issues of interest to the City. Currently, the City expends \$36,000 for the project-specific lobbying services of Williams and Jensen. It is estimated

that an additional \$36,000 would be needed to fund a general lobbying contract. Due to other priorities and competing financial needs, Staff does not recommend pursuing a general lobbying contract at this time. Staff proposes to continue to work with Williams and Jensen in the existing arrangement between the two parties. (net estimated change \$0; 0.0 FTE)

Finance

- **Sales Tax Lockbox** – Staff recommends continuing to use the lockbox service to process tax receipts at least through the next budget cycle (2013-2014). Beginning in 2012 and as a part of City-wide cost saving measures, the Sales Tax Division discontinued supplying businesses with tax return forms, requesting that businesses print their own forms from the City’s website or utilize electronic filing to calculate the amount of tax due and remit payment. In addition, an ACH Credit option was made available for tax remittance to make electronic filing more attractive. Approximately 24% of total returns filed in 2011 were done so electronically, versus 20% in 2010. Staff has closely tracked electronic filing by taxpayers since the mailing of forms by the City was discontinued and the ACH Credit option offered. Despite heavy marketing efforts, the majority of taxpayers are still utilizing paper returns and making payment by check. Perhaps in the future more filings will be made electronically, thus allowing for the elimination of the lockbox and further cost savings; however, no changes are recommended at this time. (net estimated change \$0; 0.0 FTE)

Fire

- **Fire/Arson Investigation Team** – Staff examined the need to continue the Fire/Arson Investigation Team and recommends no change, as the Team provides a level of service/expertise not found anywhere else in the City for investigating fires. Five major program activities are managed under the Fire Investigation/Arson Program:
 - (1) Cause determination of fires focuses on origin and cause of the fire with a determination of a possible crime being committed.
 - (2) The Juvenile Fire Setter Counseling Program works with fire setters under the age of 10 who are referred to this program for evaluation and counseling and a determination is made if a referral is warranted for professional counseling. The Juvenile Fire Setter Counseling Program is directed by the Public Education Specialist to avoid any conflict of interest from the fire investigation practices.
 - (3) Arrest and prosecution of people who set fires, putting lives and property at risk involves the coordination with Westminster Police Department, at times other law enforcement agencies and the Adams and Jefferson County District Courts. Arson cases are filed in District court and not municipal court. Fire code violations are prosecuted through the Westminster Municipal Courts.
 - (4) The actual filing of arson cases with the respective Districts Attorney’s offices is a specialized process managed within the responsibility of the Fire Lieutenant.
 - (5) All investigators are educated, nationally certified as fire and explosion investigators, and trained for court testimony. Testimony involves both criminal and civil court cases. This testimony is coordinated with the City of Westminster City Attorney’s Office and the District Attorney’s offices.

Over the last eight years, the fire/arson investigation team conducted an average of 53 investigations per year; 15 per year are determined to be arson. On average, 7 of the 15 (46%) are

solved or cleared via municipal summons, district court case or juvenile fire setter intervention. The recommendation is that the City continues with the current level of operation and service. (net estimated change \$0; 0.0 FTE)

Information Technology

- **Computer Server Replacement Schedule** – Staff conducted analysis to determine the feasibility and impact of extending the replacement schedule for central computer servers from four years to five years, similar to the PC replacement schedule established in 2008. IT had previously reduced the number of computer servers from 85 to 43 by using virtualization technology, resulting in an average savings of \$20,000 per year in server replacement expense. This level of service analysis was conducted to determine if further server replacement cost reductions could be achieved without negative impacts on system availability, performance or operational efficiencies.

All central computer servers purchased by the City include a four year hardware warranty agreement. Vendor warranty agreements for computer servers are necessary to provide prompt delivery of parts and recovery in the event of hardware failures. This analysis factored in the additional \$138 per server required for the fifth year of maintenance. Additionally, Staff calculated the time required to set up and configure new servers, and estimated the additional Staff time that might be required to support a server during its fifth year of usage. With a four year replacement schedule, the City replaces an average of 10.7 servers per year. That number is reduced to an average of 8.6 servers per year with a five year replacement schedule. The average server replacement cost is \$6,936.

Due to the risk of increased server down time, the potential inability for servers in the fifth year of use to meet the minimum hardware specifications required for new releases of software, and potential degradation of performance in the fifth year, Staff recommends against revising the server replacement schedule. (net estimated change \$0; 0.0 FTE)

Parks, Recreation and Libraries

- **Discontinue Support of Front Range Community College (FRCC) Databases** – The College Hill Library is a jointly operated library on the FRCC Westminster campus. While the City and the college are supposed to share a library network under the IGA, the agreement does not specify which agency provides IT support. Since the college did not have dedicated library IT staff when College Hill Library opened in 1998, the City library IT staff members supported and maintained the network for both institutional libraries without charging for support. Over the years, the level of support provided by City Staff has increased but is at the point where the focus needs to remain on library services for the Westminster community. As such, Staff is in the process of discontinuing IT/network support to Front Range Community College (FRCC) databases that are not associated with the FRCC Westminster campus specifically. Supporting these databases is outside of the City’s responsibilities for IT support for the libraries. Discontinuing this support will free up work time for three staff members, allowing them to focus on higher priorities for Westminster libraries including the development a mobile application and online fine payments. Staff has been coordinating with FRCC and the transition for support responsibility has commenced and is anticipated to be completed by June 30, 2012. (net estimated change \$0; 0.0 FTE)

- **Tiered Park Maintenance Program** – As a follow-up to the 2010 core services process, Staff implemented a Tiered Maintenance Program for City parks to prioritize the allocation of available resources and maximize effectiveness of operations throughout the park system. This resource management program is designed to better allocate available resources and maximize their effectiveness throughout the parks system. Staff spent a great deal of time carefully considering user needs when categorizing parks into the Tiered Maintenance Program. The Tiered Plan that identifies the level and frequency of maintenance is based on grouping parks into four different service level categories based on visitation, reservation availability, and recreation programming. This program commenced in 2011 and citizen calls, complaints and concerns have been minimal. Staff will be looking to results from the 2012 Citizen Survey to gauge additional feedback. Staff recommends continuing with the Tiered Maintenance Program as currently implemented. (net estimated change \$0; 0.0 FTE)

Police

- **School Resource Officer Program at Middle Schools** – As part of the City's 2010 core services process, the City eliminated two 1.0 FTE School Resource Officer (SRO) positions assigned to middle schools. This resulted in a current deployment of 1.0 FTE SRO to cover the three Jefferson County R-1 School District middle schools in the City (Mandalay, Moore and Wayne Carle). Formerly, a 1.0 FTE was assigned to each school. Based on analysis of actual experience at the three middle schools in 2011, the current 1.0 FTE SRO has been able to successfully handle calls at the three schools. Little impact has been felt on calls for service by either the community or the patrol division and calls for service at the schools is still handled in a timely and appropriate manner. Accordingly, Staff recommends continuing with the current deployment of the 1.0 FTE to cover these three schools and maintain the core services reduction from 2010. The current program does assign a 1.0 FTE SRO to Silver Hills Middle School, as Adams District 12 reimburses the City for half of the salary cost of that position. In addition, a 1.0 FTE SRO is assigned to each public high school in the City (Westminster, Hidden Lake, Standley Lake and Mountain Range). (net estimated change \$0; 0.0 FTE)
- **Victim Advocate Program** – As part of the City’s 2010 core services process, City Council made the decision to continue offering Westminster’s Fast Track Domestic Violence program. An integral part of this program is the City’s Victim Advocate Program. Following up from this decision, Staff analyzed the effectiveness and cost efficiency of the City's Victim Advocate Program. The purpose of the program was to provide support and assistance to victims of crimes. As the program and social/legal demands morphed, it placed greater emphasis on major crimes especially crimes against persons relating to domestic violence. Through qualitative analysis and statistical research, Staff evaluated if Westminster’s Victim Advocate Program is adequately serving residents and if an outside organization could more effectively and efficiently provide the services at a reasonable cost. Overall, the City's program is achieving positive results and is more cost effective than outsourcing options. For instance, through the Victim Advocate Program, the City was much more effective in securing guilty pleas at arraignment for domestic violence cases versus Jefferson County or Adams County in 2011 (Westminster = 54%, Jefferson County = 36% and Adams County = 32%). From the cost perspective, the City's cost per victim served is \$103 per person versus \$131 per person for the only viable contracting option. Based on these results, Staff does not recommend any changes to the program. (net estimated change \$0; 0.0 FTE)

A summary of the No Changes Recommended follows:

Staff Report – Core Services’ Level of Service Review in Preparation of the Proposed
2013/2014 Budget

May 14, 2012

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Description of No Changes Recommendation
Federal Lobbying
Sales Tax Lockbox
Fire/Arson Investigation Team
Computer Server Replacement Schedule
Discontinue Support of Front Range Community College Databases
Tiered Park Maintenance Program
School Resource Officer Program at Middle Schools
Victim Advocate Program

In summary, Staff is seeking the following from City Council at the May 14 Post City Council meeting:

- Direction on the list of proposed Changes Recommended, whether Staff should continue research and pursuit of the items identified;
- Concurrence on the list of No Change Recommended, ensuring that City Council is comfortable that Staff has conducted adequate follow up and no changes are needed; and
- Concurrence on the proposed list of items to highlight at the June 11 City Council Meeting, which are proposed to be highlighted in a brief presentation at the June 11 public meeting on the Proposed 2013/2014 Budget; the four items proposed include improvements to the community recycling program, arts and cultural programming, the open space acquisition program and the City’s stormwater utility fee.

Staff will be in attendance at the May 14 Post City Council meeting to answer any questions City Council might have. This item supports City Council’s Strategic Plan Goal of a “Financially Sustainable City Government Providing Exceptional Services” and the objective to “Institutionalize the core services process in budgeting and decision making.”

This Staff Report is being submitted to City Council one week early in order to provide additional time for review and consideration.

Respectfully submitted,

J. Brent McFall
City Manager

CITY COUNCIL APPROVED

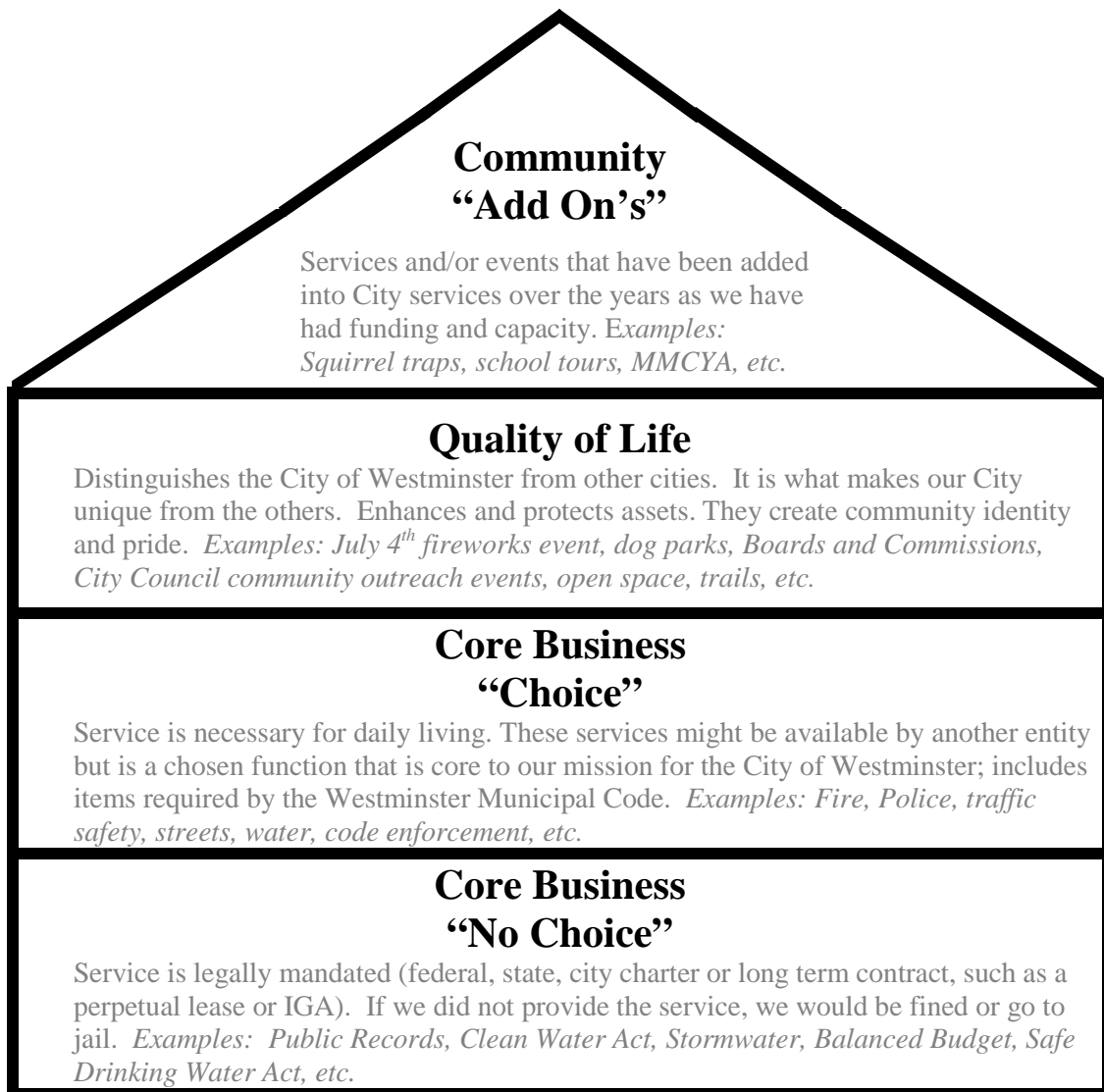
Service Business Priority: Criteria to Prioritize Service Businesses

1. Short Term Focus – Council directives, work activities, or action agenda
2. Long Term Outcome – Visions (principles), Mission (principles), and Goals (objectives): contribution to achieving
3. Degree or rate of cost recovery
4. Shift the service to a viable, appropriate provider at an acceptable cost (private, community organization or government)
5. Customer Served (Primary/Secondary) and Value to Customer
6. Service House: no choice, choice, quality of life, add on (no choice is higher priority than add on)

- City Council approved April 19, 2010; reaffirmed June 27, 2011

Service Hierarchy for the City of Westminster

→ Keep our mission statement as the primary focus when looking at core businesses:
“Our job is to deliver exceptional value and quality of life through SPIRIT.”



- **Our Community Quality Expectations and Value**
 - **Defines What Service for Our City**
 - **Determines Service Level for Our City**
 - **Costs – The Price of Government**