



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: May 12, 2010

SUBJECT: Study Session Agenda for May 17, 2010

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. City Council Technology Q&A Session
2. Preliminary Budget Discussion - **Verbal**

6:30 P.M.

EXECUTIVE SESSION

1. Discuss taxpayer's objection to sales tax exemption on prescription drugs for animals with City Attorney and obtain Council direction thereon, pursuant to Section 1-11-3 (C)(5) and 1-11-3(C)(8) of the Westminster Municipal Code and CRS sections 24-6-402(b) and (e)

INFORMATION ONLY ITEMS – Does not require action by City Council

1. Update on Extension Request for Comcast Cable Franchise Agreement
2. Westminster Economic Development Authority 1st Quarter 2010 Financial Update

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

Minutes from May 3, 2010 Study Session



WESTMINSTER

Staff Report

City Council Study Session Meeting
May 17, 2010



SUBJECT: City Council Technology Q&A Session

PREPARED BY: David Puntenney, Information Technology Director

Summary Statement:

Information Technology Department staff will be in attendance at the May 17th City Council Study Session to conduct a technology Q&A session for Council members. During this session, staff will be available to address your questions or concerns with your City provided technology tools, including laptop computers, Blackberry PDAs and City provided email services. Council members are reminded that there is no need to wait until this meeting if there are problems or questions that need to be addressed sooner. Should Council members require technical support for City provided technology prior to the May 17th meeting, they may call the Information Technology help desk at extension 2050 between the normal operation hours of 7:00 AM and 6:00 PM, Monday through Friday. Messages left at other times will be returned no later than the next normal work day.

Council members may bring their laptops and Blackberry devices to the meeting for support issues or questions.

Background Information:

The Information Technology Department provides support services to all employees and City Council members using City issued computers and software. City Council members are provided with the option to use a City provided laptop computer and standard software to use for City business. The Information Technology Department provides help desk services at extension 2050 for employees and City Council members between the hours of 7:00 AM and 6:00 PM Monday through Friday.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

Information Only Staff Report
May 17, 2010



SUBJECT: Update on Extension Request for Comcast Cable Franchise Agreement

PREPARED BY: David Puntteney, Information Technology Director

Summary Statement:

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

During the February 9th, 2009 study session, staff recommended and City Council concurred, that the City send a formal letter to Comcast requesting their approval to extend the current City of Westminster's Franchise Agreement with Comcast. The City's current franchise agreement with Comcast is set to expire on October 1st, 2010. The intent of the extension request was to align the City of Westminster's franchise expiration with those of other Cities, including Denver, so that the cities could negotiate a regional model franchise agreement. Staff sent a letter to Comcast, and contacted them afterwards, to request the extension. Comcast did not reply to the City's request in 2009.

The City of Westminster is a member of the Greater Metro Telecommunications Consortium (GMTC), a board of local governments formed in 1992 with representatives comprising 30 communities in the greater metropolitan Denver, Colorado area. Originally, the group was formed to facilitate franchise agreements with local cable television companies, and now has bargaining strength and recognition in all areas of telecommunications expertise. At the most recent meeting on April 22, 2010, staff learned that the GMTC legal counsel and Comcast has now agreed that Comcast would be willing to extend the franchise expiration date to as late as December 31, 2013 for those communities whose franchises are set to expire prior to December 31, 2012.

Staff will make another request with Comcast in May to seek an extension of the City's current franchise agreement to December 31, 2013. Staff has not identified any reason not to extend the current Franchise Agreement until this date. If Comcast concurs with the extension Staff will bring this item back for official City Council action in the next two months. Staff would begin negotiations on the long term franchise agreement after the GMTC model franchise has been finalized.

Background Information

Most individual GMTC communities have a cable franchise agreement with Comcast. Historically, the first "model" agreement was negotiated with TCI in the mid-1990s and the second "model" was based upon Denver's agreement with AT&T Broadband in 2000. Different jurisdictions' franchises came up for renewal at different times. Each time an individual franchise renewal was negotiated; few changes were usually made with the language of the then-current model franchise. After Comcast acquired the metro area cable systems, it raised a number of concerns with certain terms of the model, and has been moving further away from that document in subsequent franchise renewals. If the GMTC can negotiate a model agreement with Comcast, then the City of Westminster and other communities could use the model as a template for their final negotiations with Comcast.

Comcast recently informed the GMTC that it is willing to extend franchise agreements until December 31, 2013 in those cities where the franchise agreements are set to expire prior to December 31, 2012. Staff will volunteer to participate in the GMTC model franchise agreement subcommittee and negotiations should GMTC jurisdictions be successful in extending their dues dates and if Comcast is willing to work with the GMTC to establish a new model agreement.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

Information Only Staff Report
May 17, 2010



SUBJECT: Westminster Economic Development Authority 1st Quarter 2010 Financial Update

PREPARED BY: Karen Creager, Special Districts Accountant

Summary Statement:

This report is for information only and requires no action by the Board. The report represents the unaudited financial position for each of the Westminster Economic Development Authority's (WEDA) Urban Renewal Areas (URA's) as of March 31, 2010.

The Board will note that several of the URA's had significantly larger debt service payments in 2009. This was due to the credit issue with WEDA's letter of credit bank forcing the bonds into bank bond status. The affected bond issues were refinanced in 2009 and the debt service has leveled out in 2010 and for future years.

Background Information:

WEDA currently includes seven separate URA's. This report presents the financial activity as of March 31, 2010. Included in the report are the following for each URA:

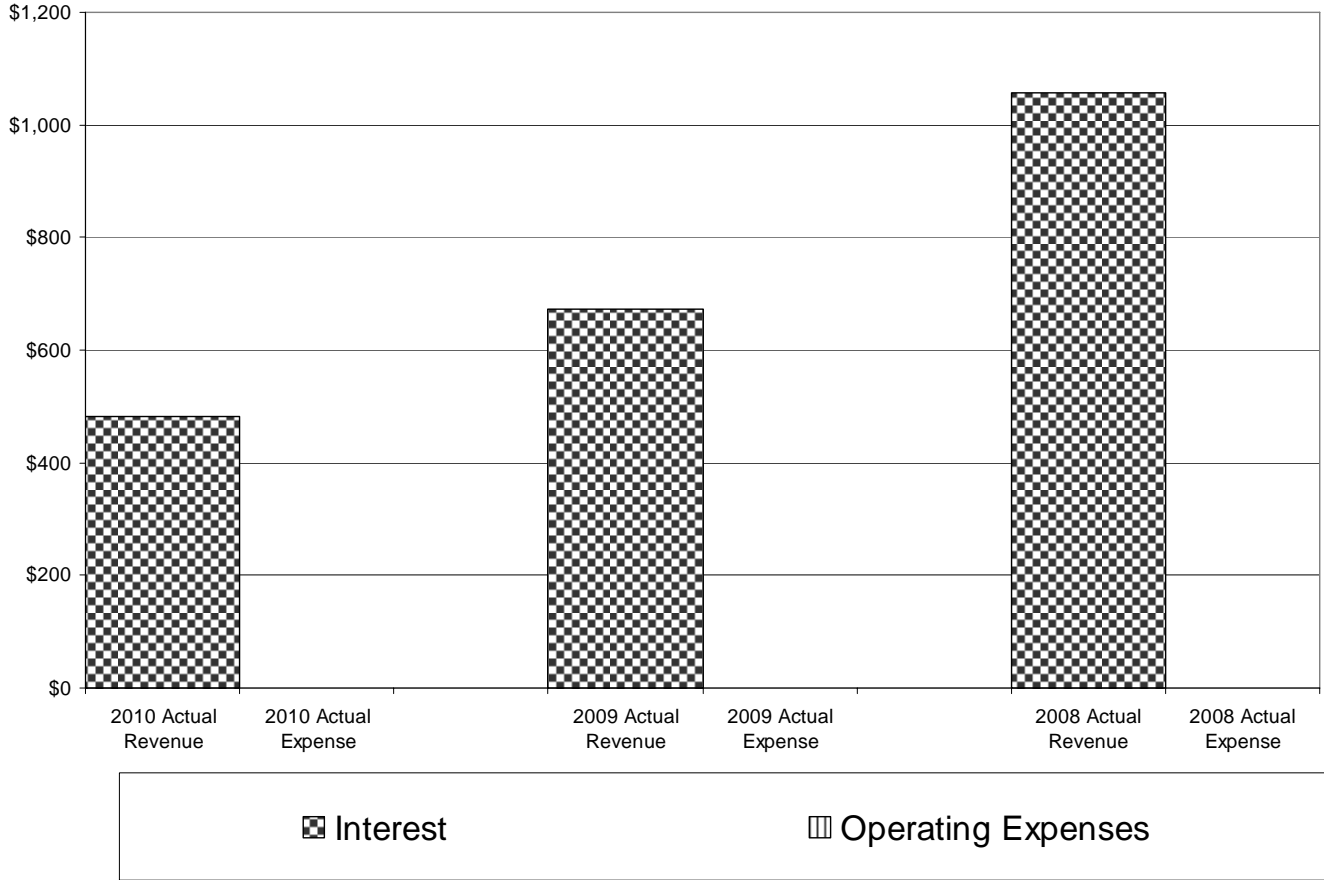
- Year-to-date comparative graphs showing three years of operating revenues and expenses and debt service, as of March 31, 2010, and
- A chart with an at-a-glance look at the changes in revenues and expenses for comparable reporting periods from 2010 to 2009.

Additionally, attached are

- A chart summarizing the financial position as of March 31, 2010
- A list of all current outstanding obligations of the URAs

Holly Park URA

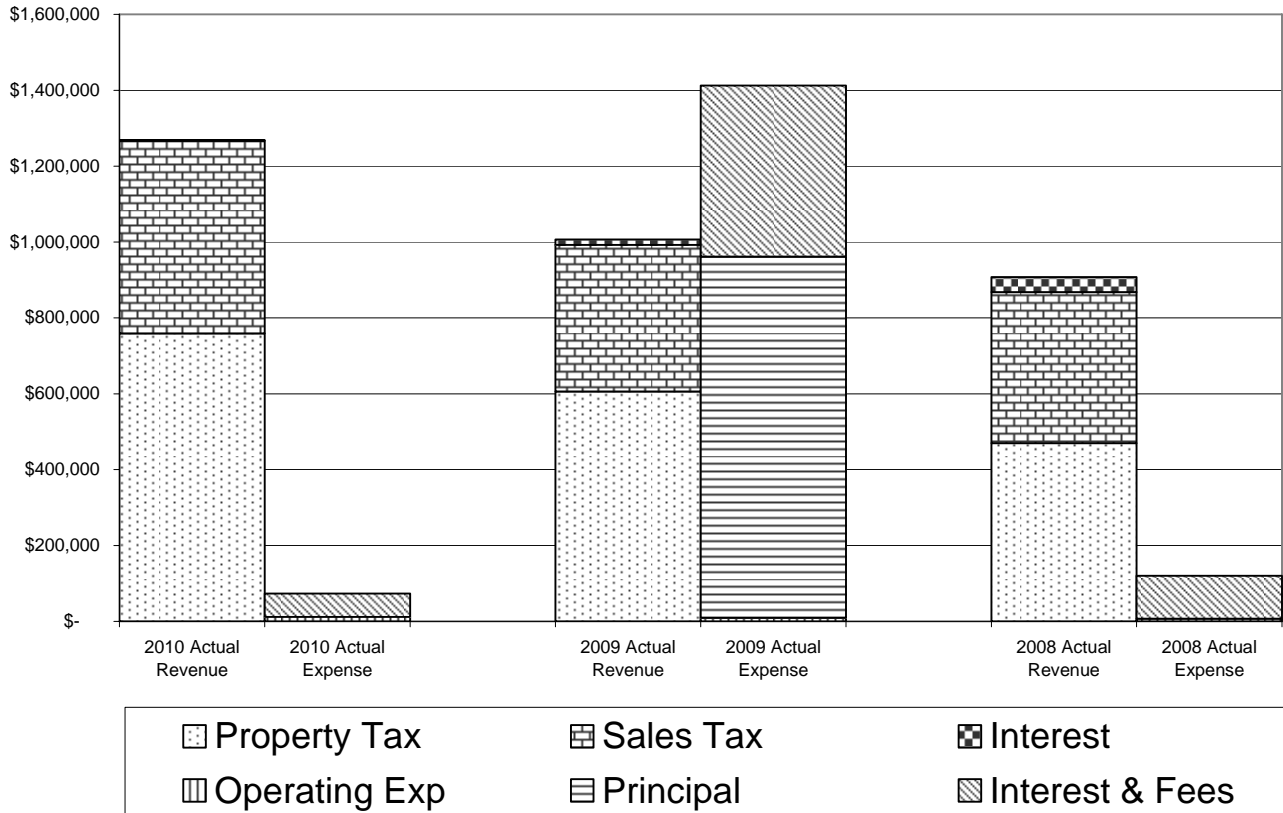
Holly Park URA Comparative Revenues vs Expenses as of 3/31/10



- The General Fund loaned \$1,245,000 to this URA to fund the capital project for the clean-up of the property to ready it for resale. It is anticipated that the interfund loan will be repaid once the property is sold. The property is on the market, but Staff does not anticipate identifying a buyer until residential housing activity picks up.
- Currently, the only revenue recorded in this URA is interest earnings on the unspent project funds. Interest earnings decreased \$189 in 2010 from 2009 because the project funds continue to be spent.

Mandalay Gardens URA (Shops at Walnut Creek)

Mandalay Gardens URA Comparative Revenues vs Expenses as of 3/31/10



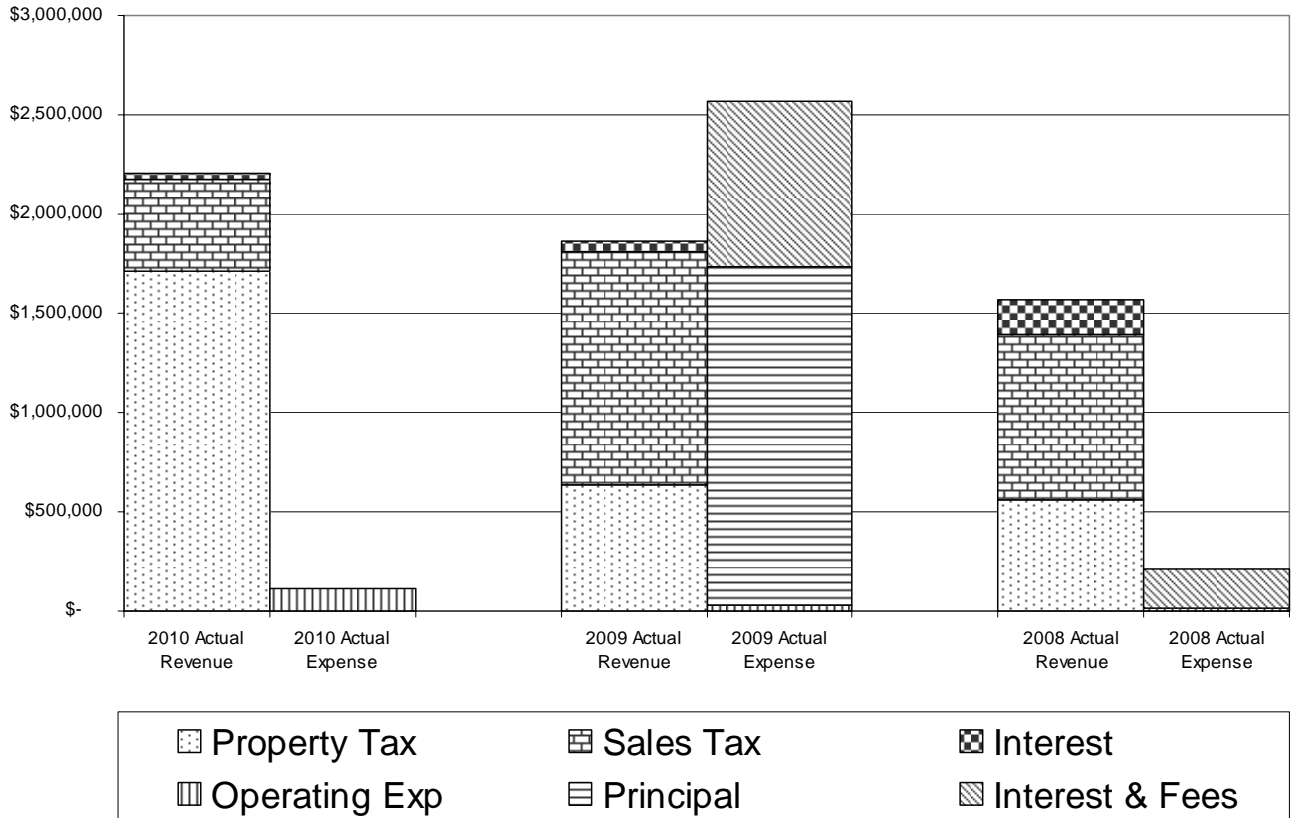
Description	2010	2009	Change
Property tax increment	758,972	605,772	153,200
Sales tax increment	508,028	386,314	121,714
Interest	1,761	14,382	(12,621)
Operating Exp	11,385	9,086	2,299
Principal	0	952,625	(952,625)
Interest and Fees	61,896	450,685	(388,789)

- Property tax increment increased due to assessed valuation increases from newly completed development.
- The sales tax pledge was 1.75% through September 2009 and increased to 3% in October 2009 as part of the bond refinancing. In March 2010, the pledge decreased to 0% as funds already on deposit with US Bank Trust as well as anticipated property tax increment will be sufficient to meet debt service requirements in 2010. The sales tax increment reported here is the total sales tax increment that will be received for 2010.
- Due to the low interest rate earnings environment, the interest earnings on the funds invested at US Bank Trust are low relative to historic performance.
- Operating expenses increased due to an increase in the property tax collection fee paid to the county treasurer, consistent with the increase in property tax revenues.

- Debt service costs decreased in 2010 from 2009. During the 1st Qtr of 2009 the accelerated debt service schedule was in effect. The bonds for this URA were subsequently refunded in September 2009. The refinancing provides for a more even stream of debt service payments in the future.

North Huron URA

North Huron URA Comparative Revenues vs Expenses as of 3/31/10



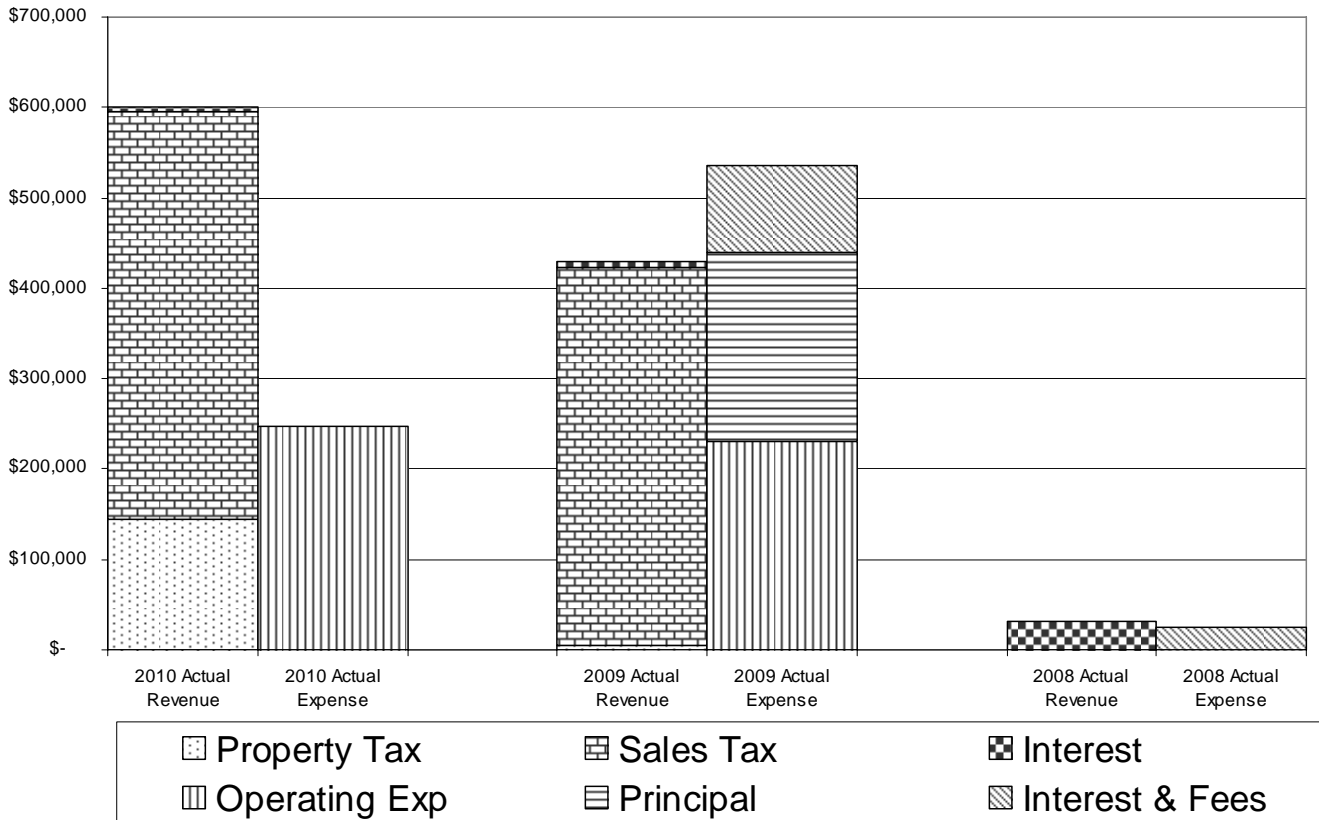
Description	2010	2009	Change
Property tax increment	1,715,674	639,822	1,075,852
Sales tax increment	460,570	1,173,981	(713,411)
Interest	24,647	49,695	(25,048)
Operating Exp	114,878	30,233	84,645
Principal	-	1,707,500	(1,707,500)
Interest and Fees	31	827,075	(827,044)

- Property tax increment increased as a result of increases in the assessed valuation due to development in the URA.
- Sales tax increment decreased due to the reduction of the sales tax pledge from 1% to 0% in March 2010. Funds already on deposit with Compass Bank, as well as anticipated property tax increment will be sufficient to meet debt service requirements for 2010. The sales tax increment reported here is the total sales tax increment that will be received for 2010.

- Interest earnings decreased in 2010 from 2009 as a result of lower project cash on hand due to project completions and the pay down of principal when the bonds were refinanced.
- Operating expenses increased due to anticipated larger economic development agreement (EDA) expenses and an increase in the property tax collection fee paid to the county treasurer, consistent with the increase in property tax revenues.
- Debt service costs decreased from 2010 to 2009. During the 1st Qtr of 2009 the accelerated debt service schedule was in effect. The bonds for this URA were subsequently converted to a loan in May 2009. The refinancing provides for a more even stream of debt service payments in the future.

South Sheridan URA

South Sheridan URA Comparative Revenues vs Expenses as of 3/31/10



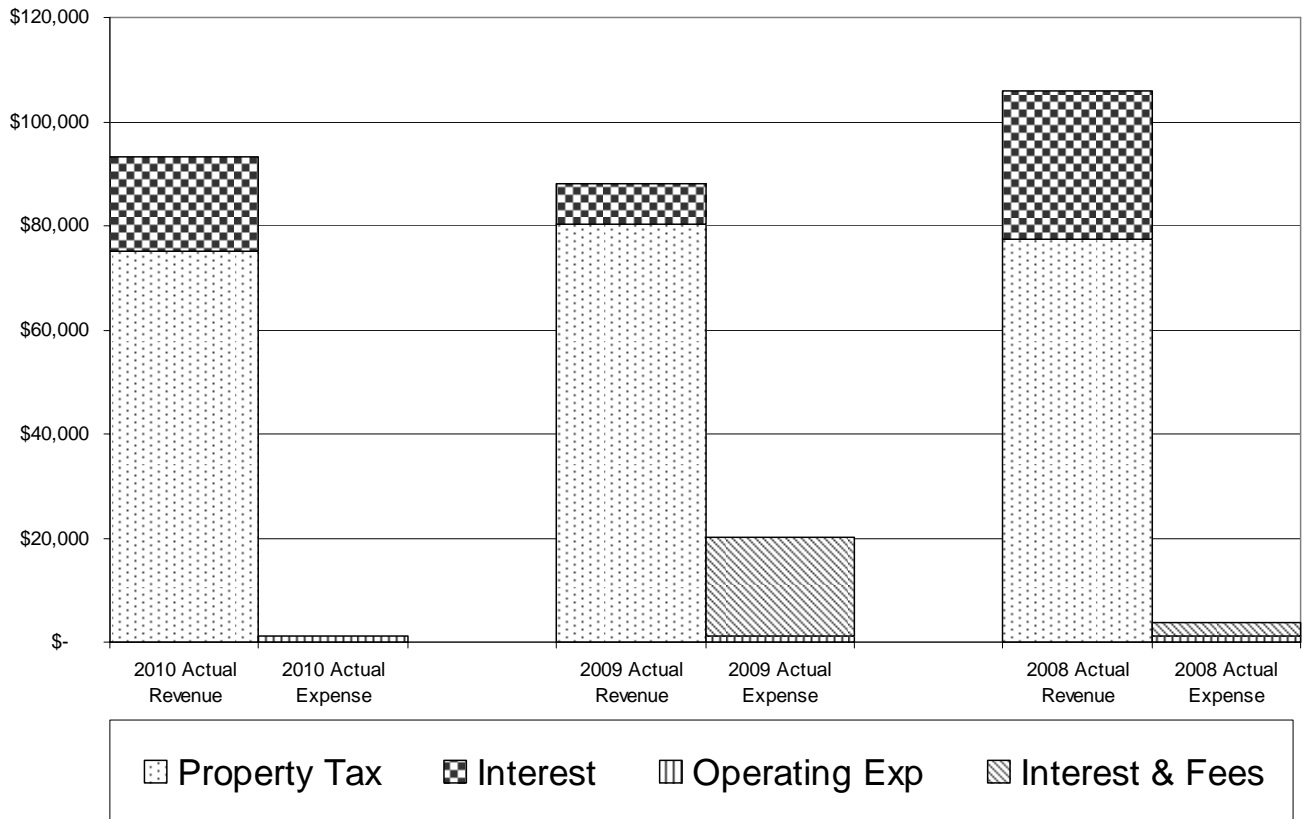
Description	2010	2009	Change
Property tax increment	144,962	5,078	139,884
Sales tax increment	450,211	417,689	32,522
Interest	6,059	6,121	(62)
Operating Exp	247,762	230,835	16,927
Principal	-	208,000	(208,000)
Interest and Fees	15	96,646	(96,631)

- Receipt of incremental property tax revenues began in 2009. Property tax increment increased in 2010 as a result of increases in the assessed valuation due to completed development in the URA.
- The sales tax increment increased slightly in 2010 from 2009.

- Interest earnings remained constant in 2010 from 2009.
- Operating expenses increased due to larger EDA expenses and an increase in the property tax collection fee paid to the county treasurer, consistent with the increase in property tax revenues.
- Debt service costs decreased from 2010 to 2009. During the 1st Qtr of 2009 the accelerated debt service schedule was in effect. The bonds for this URA were converted to a loan in June 2009. The refinancing provides for a more even stream of debt service payments in the future.

South Westminster URA

South Westminster URA Comparative Revenues vs Expenses as of 3/31/10



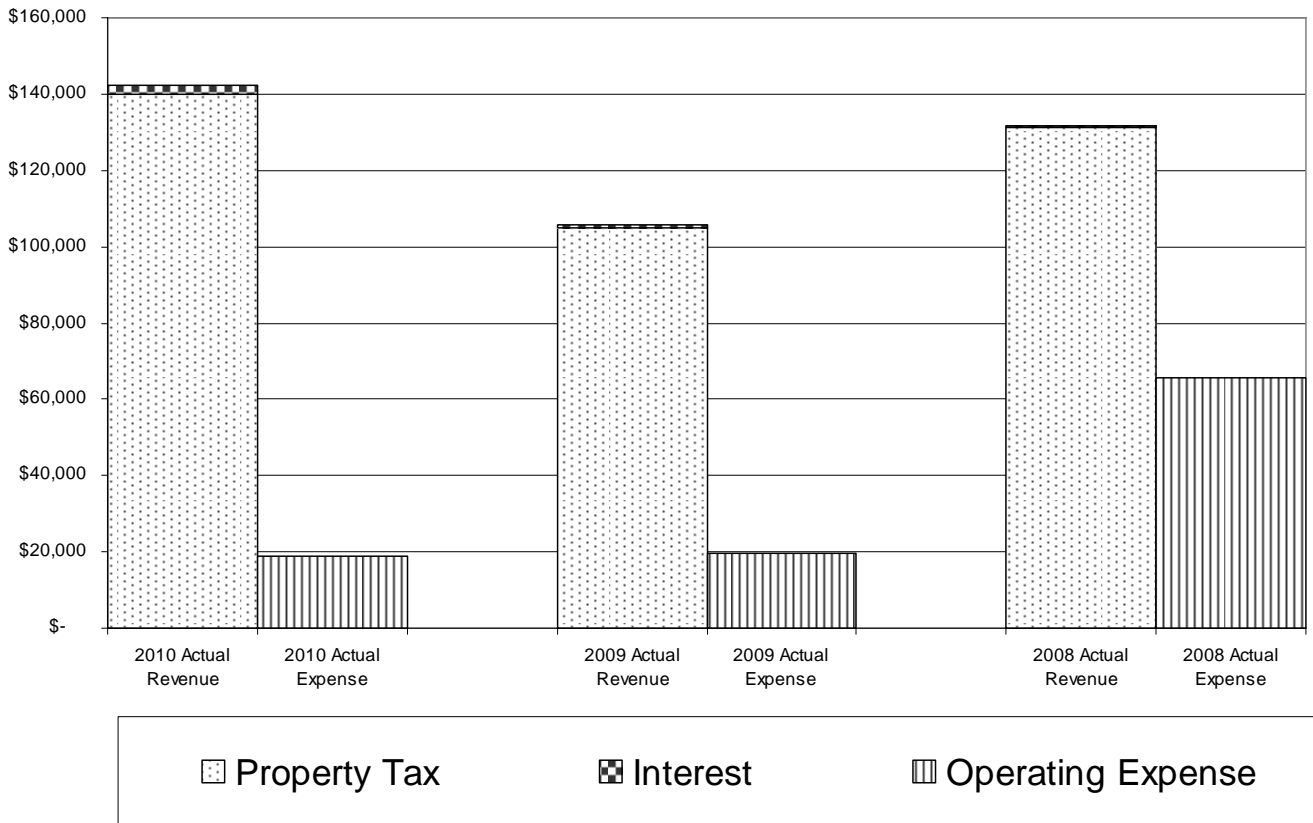
Description	2010	2009	Change
Property tax increment	74,972	80,362	(5,390)
Interest	18,320	7,668	10,652
Operating Exp	1,125	1,205	(80)
Interest and Fees	-	18,964	(18,964)

- Although property tax receipts fluctuate from month-to-month in this URA, property tax increment decreased in 2010 from 2009, as a result of declining property valuation.
- As the sales tax base has not been met because of the current economic climate, there is no sales tax increment to report at this time.
- Interest earnings increased in 2010 from 2009 as a result of the improved rate of return on the pooled investments.
- Operating expenses remained constant in 2010 from 2009.

- Debt service costs decreased as a result of the refunding of the WEDA Series 1997 Bonds with the City holding the bond in its investment portfolio.
- It is anticipated that current year revenues and existing available cash will be sufficient to fund current obligations of the URA. Use of existing available cash will result in a further reduction in this URA's fund balance.

Westminster Center URA

Westminster Center East URA Comparative Revenues vs Expenses as of 3/31/10

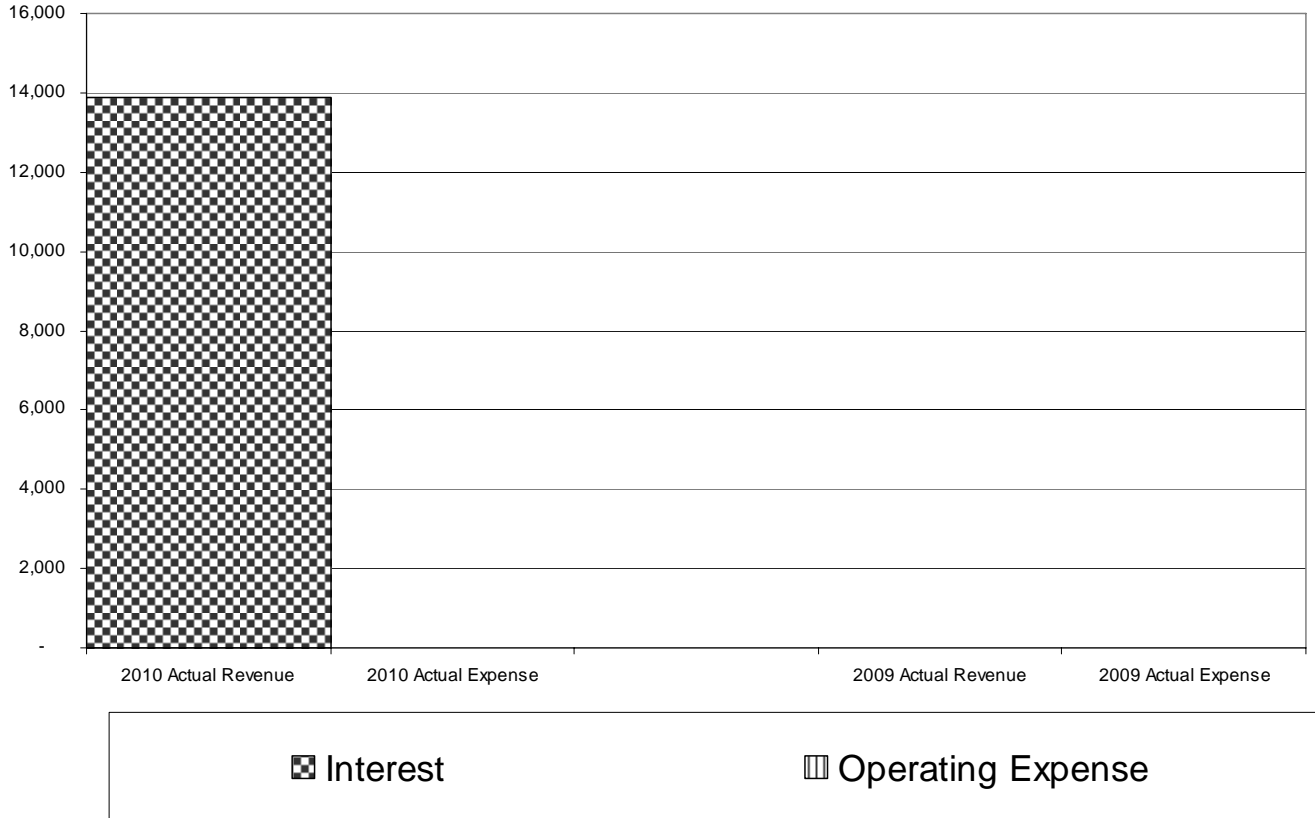


Description	2010	2009	Change
Property tax increment	139,884	105,027	34,857
Interest	2,260	888	1,372
Operating Exp	18,710	19,829	(1,119)

- Although property tax receipts fluctuate from month-to-month in this URA, total property tax increment increased slightly in 2010 from 2009.
- No sales tax increment was realized in 2010 or 2009 as property tax increment was sufficient to meet the URA's obligations.
- Interest earnings increased in 2010 from 2009 as a result of the improved rate of return on the pooled investments.
- Operating expenses remained constant in 2010 from 2009.
- This URA has no bonded debt obligations.

Westminster Center Urban Reinvestment Project Area

Westminster Center Urban Reinvestment Plan Area Comparative Revenues vs Expenses as of 3/31/10



- On April 13, 2009, City Council approved Resolution 12, Series 2009, which established the Westminster Center Urban Reinvestment Project Area (Area) and the Reinvestment Plan.
- Tax increment financing approval was not requested at that time.
- City participation funds of \$8,825,300 were transferred to the WURP URA.
- Interest earnings, the only revenue recorded in this URA, increased in 2010 from 2009 due to interest earned on the project funds received in 2010 that have not yet been spent.

Respectfully submitted,

J Brent McFall
 Executive Director of Authority

Attachments

City of Westminster City Council Study Session Notes
May 3, 2010

Mayor Nancy McNally called the Study Session to order at 6:44 PM. All Councillors were in attendance, except Faith Winter.

City Staff in attendance included: City Manager Brent McFall; City Attorney Marty McCullough; Assistant City Manager Steve Smithers; Community Development Director John Carpenter; Open Space Coordinator Heather Cronenberg; Open Space Technician Lauren Schevets; Public Information Officer Katie Harberg and Management Analyst Ben Goldstein.

The guest in attendance was June Younger with the Westminster Window.

Presentation on Human Services Board Funding

City Manager Brent McFall and Assistant City Manager Steve Smithers presented to City Council, suggested funding reductions to the Human Services Board (HSB) for 2011 and there after, as a result of the financial constraints on the City of Westminster. Currently the HSB receives an allocation of \$156,000 and it was recommended by staff to reduce that amount by 50 percent for 2011 and possible eliminate funding completely in future years. Council suggested that staff find a way to fund 2011 at \$80,000 and keep funding around that level if possible in future years. Council would like the HSB to look at focusing funding on fewer agencies and on those agencies that primarily serve Westminster residents or don't have other funding sources.

Executive Session

See separate notes

Mayor McNally adjourned the Study Session at 7:08 PM.