



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: August 11, 2010

SUBJECT: Study Session Agenda for August 16, 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

6:30 P.M.

1. 2010 Private Activity Bond Allocation and Assignment (Attachment)
2. Proposed 2012 Operating Budget Priorities (Attachments)
3. Review of Proposed 2011 and 2012 Capital Improvement Program (CIP) Budget Priorities (Attachment)
4. 2011/2012 Water and Wastewater Rate Increases, Meter Service Fee Revisions and Fiscal Policy Revisions

EXECUTIVE SESSION

1. Consultation with the City Attorney concerning (1) enforcement of the City's medical marijuana related ordinances, and (2) appeal of denial of application for a medical marijuana business license, pursuant to WMC 1-11-3(C)(6) and (8), and CRS 24-6-402(4)(b) (*Verbal*)
2. Discuss the appointment of Board and Commission members pursuant to WMC section 1-11-3(C)(9) and CRS 24-6-402(4)(f) (*Verbal*)

INFORMATION ONLY ITEMS – Does not require action by City Council

1. Purchasing Card Program

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

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
August 16, 2010



SUBJECT: 2010 Private Activity Bond Allocation and Assignment

PREPARED BY: Vicky Bunsen, Community Development Program Coordinator

Recommended City Council Action

Discuss and direct Staff to prepare documents authorizing the assignment of \$3,000,000 of the City's private activity bond allocation for 2010 to the Westminster Housing Authority, and \$1,919,445 of the City's private activity bond allocation for 2010 to the Colorado Housing and Finance Authority for affordable single-family home mortgages.

Summary Statement

- The City's 2010 private activity bond (PAB) allocation is \$4,919,445. This allocation needs to be assigned or it will be kept by the State of Colorado for projects to be determined by the Department of Local Affairs.
- The Westminster Housing Authority (WHA) needs to finance rehabilitation expenses for Westminster Commons, a 130-unit low-income senior housing apartment complex. The City Council assigned the entire 2009 PAB allocation of \$4,843,305 to the WHA for this purpose. It is anticipated that up to \$3,000,000 in 2010 PAB capacity is needed for the project in addition to the 2009 assignment.
- The Colorado Housing and Finance Authority (CHFA) has requested that the City assign PAB capacity to CHFA for use in its affordable single-family mortgage program. The City could also assign PAB capacity to CHFA for rental housing, but there is no demand for that type of financing at this time.
- If the City's PAB allocation is not assigned or carried forward by September 15, 2010, it will revert to the State pool.

Expenditure Required: \$0

Source of Funds N/A

Policy Issue

Should the City assign the City's 2010 private activity bond allocation to the Westminster Housing Authority and the Colorado Housing Finance Authority or allow the allocation to revert back to the state pool?

Alternative

Take no action and allow the City's allocation to revert to the State pool, or make a different assignment. This option is not recommended as the Westminster Housing Authority needs the assignment in order to finance rehabilitation work at Westminster Commons and CHFA has requested the City's PAB capacity for its single-family loan program.

Background Information

When cities intend to issue tax-exempt bonds to finance certain eligible "private activities" as allowed by the Internal Revenue Code, they can do so only to the extent they have received a PAB allocation from the federal government. Each year, the City of Westminster receives an allocation of private activity bonds to use towards bond financing of certain eligible "private activities" as defined by federal law. The issuance of low-interest, tax-exempt bonds can save developers and the City from the higher costs of commercial financing that can provide a significant savings to the project. Qualified purposes of the bonds include:

- Qualified single-family mortgage revenue bonds, and mortgage credit certificates;
- Qualified manufacturing industrial development bonds;
- Qualified residential rental multi-family housing bonds;
- Student loans;
- Certain types of exempt facility bonds; and
- Qualified redevelopment bonds.

If the PAB allocation is not specifically designated to a specific project by September 15, 2009, federal law allows the allocation to be carried forward and preserved through February 15th of the following year. By February 15, 2011, a specific assignment of the allocation must be made or the City and the State will lose the PAB allocation and it will revert to the State pool. To maintain flexibility and to consider competitive projects, it is important that the City act to either assign or carry forward this allocation.

In recent years, PAB has been allocated by the City Council for both single-family and multi-family residential purposes. The Authority owns Westminster Commons, a 130-unit senior housing complex. The Commons is thirty years old and is in need of substantial reinvestment. Staff has been studying various means of financing this reinvestment and private activity bonds will most likely be a part of the financing solution. The City Council assigned the 2009 PAB cap of \$4,843,305 to the WHA to use on the Commons project. The WHA financial advisors believe that up to \$3,000,000 additional cap is needed for the project. Therefore, it is recommended that \$3,000,000 in 2010 cap be assigned to the WHA.

CHFA has requested that the City assign cap for its single-family loan program. While CHFA also assists in the financing of affordable multi-family housing, there is low demand for that type of PAB financing this year and CHFA already has sufficient PAB cap to handle the demand. Karen Harkin, Manager of Housing for CHFA, wanted to convey that, if a multi-family rental project in Westminster requires PAB cap over the next year, CHFA would work to provide that cap to a developer in Westminster.

The City will be receiving its 2011 allocation in December 2010 and will have the opportunity to assist any new proposed projects in 2011.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment – CHFA brochure

private activity bonds



2010



using private activity bonds in your community

Historically, CHFA has been one of the largest issuers of tax exempt Private Activity Bonds (PAB) in Colorado, providing bond financing to housing and economic development projects in all 64 counties in the state. While the current economy has changed some of the ways in which this resource is used, it is still an extremely important tool for community development. To help you and your neighbors better understand the value of utilizing tax exempt financing, we have put together this information outlining the general uses of PAB as well as CHFA's use of PAB in your community. We hope you find this valuable. We are available to discuss options your community has to make the most of your PAB allocation in 2010 and beyond.

what is pab?

PAB are tax exempt bonds designed to offer low-cost financing to private sector borrowers for projects that create jobs and expand the tax bases of local communities. PAB may be used to finance a broad array of community development projects including housing, manufacturing, higher education, infrastructure, and environmental projects. The bonding authority which allows the issuance of PAB is Volume Cap, created under the federal Tax Reform Act of 1986. The federal government allocates a maximum amount of Volume Cap use to each state annually, based on population.

Per Colorado statute, the Department of Local Affairs (DOLA) administers the state's allocation of Volume Cap. Under the statute, 50 percent of Colorado's allocation is given to five statewide authorities, with DOLA deciding the proportional allocation to each.

As a political subdivision of the state and an authority, CHFA is eligible to receive an allocation of volume cap, which it uses to issue tax exempt bonds throughout Colorado. CHFA uses its annual allocation to issue tax exempt bonds for single family mortgages, multifamily rental developments, manufacturers, and mortgage credit certificates.

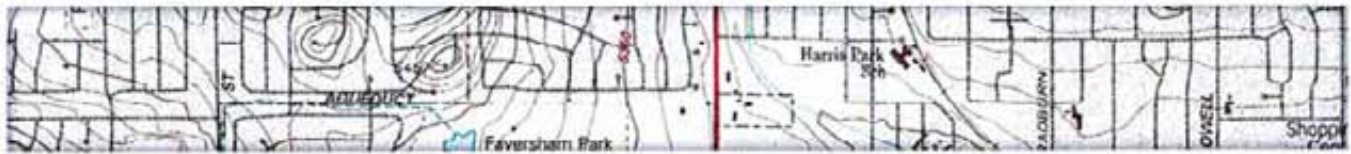
The remaining 50 percent of annual Volume Cap is allocated to local issuing authorities. A local issuing authority consists of "any city, town, county, or city and county which has a population in any year which would result in the local issuing authority having any allocation of the state ceiling in excess of one million dollars" (CRS 24-32-1703-8). In 2010, communities with a population of at least 22,883 received an allocation of Volume Cap. After allocating Volume Cap to local issuing authorities, any remaining balance becomes available by application to the statewide balance.

current market

In September 2008, when the financial markets declined, investor interest in PAB changed. Throughout most of 2009, the interest in PAB as an investment was still minimal. As a result, CHFA and many other issuers in Colorado are carrying balances of PAB. This is a mixed blessing. PAB can only be carried forward for three years after which they expire. CHFA is fortunate in that as large statewide issuer, we can carry forward PAB and use it within that time frame.

CHFA has an extensive history of partnering with cities and counties to support local projects by leveraging Volume Cap. Partnering with CHFA is a beneficial option for local communities to ensure they use their Volume Cap in a timely manner, since any unused Volume Cap is relinquished back to the statewide balance and administered by DOLA, meaning it is not likely to be used in your local community, as the original allocation would be. When a local municipality transfers its annual allocation of Volume Cap to CHFA, it can take advantage of CHFA's bond issuance expertise and A1/A+ Issuer Credit Rating, and ensure that this valuable resource gets utilized within that community.

Transfers of Volume Cap must take place before September 15 of the allocation year. We strongly encourage communities to think about how they intend to use their PAB allocations early, and we are available to discuss partnership opportunities at any time. Please contact us at 303.297.2432 for more information.



Westminster's 2010 PAB allocation is \$4,919,445.

Injecting PAB capital into the community has a direct impact on real estate, construction, and financial markets by stimulating economic activity and jobs. The following are examples of potential economic activity that your 2010 PAB allocation may create.

single family	multifamily	manufacturing
\$9.5 million in economic activity and 66 jobs	\$10.4 million in economic activity and 79 jobs	\$11.3 million in economic activity and 90 jobs

The following tables summarize CHFA's production with PAB from 2005-2009 in Westminster.

Single Family MRB loans in Westminster		
	number of loans	dollar amount of loans
2005 - 2009	185	\$398,154

Single Family MCC loans in Westminster		
	number of loans	dollar amount of loans
2009	2	\$28,448,414

Westminster assigned PAB volume cap to CHFA in 2008 and 2009.

Because a story often illustrates the benefits of a CHFA loan so much more eloquently than numbers and figures, we have highlighted CHFA customers in the interior.

christine rucks



After traveling for several years, Christine Rucks excitedly moved back to Parker, Colorado, to be close to her family. In 2009, she made the stay permanent by purchasing a home to receive the \$8,000 Federal First-Time Homebuyer Tax Credit.

When Christine consulted with her family's lender at Air Academy, she learned she was able to take advantage of CHFA's Statewide Mortgage Credit Certificate (CHFA MCC) program. CHFA MCCs help first time homebuyers supercharge the tax benefits of homeownership by letting them deduct 20 percent of the mortgage interest paid annually as a dollar-for-dollar federal tax credit, leaving the borrower more income to afford their home purchase. CHFA launched the statewide program in 2009 with the help of the additional private activity bond allocation granted by the Housing and Economic Recovery Act (HERA) of 2008.

leitner-poma of america, inc.



Leitner-Poma of America, Inc., is a subsidiary of the France ski lift designer and manufacturer known in America as Poma. The company opened their original Grand Junction facility in 1981 and has grown to employ 100 individuals in North America, 70 of which work at the Grand Junction site. Poma's primary North American product is the high speed quad, or six-place chairlift. The company also manufactures eight-place gondolas, and other cable transport systems.

In 2007, Poma determined they had outgrown their facility and wanted to expand. Recognizing Poma as a key employer within the community, several economic development partners in Mesa County worked diligently to encourage Poma to remain in the Grand Junction area. CHFA transferred \$2.7 million of tax exempt Private Activity Bonds to Mesa County to help finance the acquisition and construction of Poma's new manufacturing site, which nearly doubled the space of their previous facility. Additionally, the company anticipates adding 75 to 100 new jobs to help meet their growing demand for production.

darlene tafoya



Darlene Tafoya lives in Pueblo and had dreamed of owning a home, but knew financing a home on a single income could be difficult. CHFA's Mortgage Revenue Bond program made Darlene's dream a reality, and she was able to finance her home with a fixed rate 30-year loan. She also qualified for a CHFA Second Mortgage Loan, which provides down payment and closing cost assistance.

As others in Colorado face adjustable rate mortgage resets and payment increases, Darlene has the comfort of knowing that her monthly payment will remain the same as she is paying down the principal balance on her home. And because we service our own loans, if she has any questions or concerns, Darlene can call CHFA and receive assistance from a fellow Colorado resident.

castlegate apartments



Arvada was experiencing a lack of affordable multifamily housing. Luckily, thanks to Private Activity Bonds, that changed with the conversion of Castlegate Apartments, an existing 504-unit apartment complex constructed in 1971. Castlegate was a market rate project, but now is a 75 percent affordable and 25 percent market rate rental community. The 405 affordable rental units are set aside for residents at or below 60 percent of Area Median Income (AMI).

CHFA issued \$38 million in Private Activity Bonds as the primary financing source for the project. The bonds comprised approximately \$25,528,880 of CHFA PAB volume cap, as well as bond cap transferred to CHFA from the City of Arvada and Jefferson County. In addition, CHFA allocated \$1.3 million in low income housing tax credits to support this project.

how chfa uses pab

- CHFA offers financing for first time homeowners, developers of multifamily rental housing, and manufacturing businesses in Colorado. CHFA's staff has the technical expertise to leverage your PAB transfer (basically turning it into more money for your community) through pooled financing structures and streamlined bond documents.
- CHFA provides local, in-person loan servicing to borrowers, thereby providing better customer service and keeping more jobs in Colorado.

mortgage revenue bonds

All of our programs come with the option of a second mortgage for down payment and/or closing cost assistance. CHFA has had a stable default rate since 2000. We attribute this to our local servicing and homebuyer education, which ensures homebuyers are financially educated and prepared. We reprice our interest rates daily so we can take advantage of market rate changes and offer affordable interest rates.

mortgage credit certificates

MCCs allow first time homebuyers to claim up to 20 percent of the paid mortgage interest each year that they live in their home as a dollar-for-dollar federal income tax credit. An MCC provides borrowers with additional income which is then available when determining the amount of the mortgage loan.

rental housing

PAB financing may be used for the construction and/or preservation of multifamily affordable rental developments which serve families, seniors, and special need tenants in your community. Volume Cap can be used to provide tax exempt bond financing and can be leveraged with housing tax credits to provide an efficient, low-cost financing structure for affordable rental housing development.

industrial development bonds

IDBs are used to provide financing for manufacturing companies in your community. The tax exempt financing can be used for the construction of a new facility, acquisition of land, machinery and equipment, and other eligible uses. IDBs serve as an economic development tool that helps to create new jobs and increases the tax base of the local community. In 2010, CHFA launched the Mini-bond program, which makes this valuable resource available to smaller projects too.

homebuyer education

An additional advantage of CHFA programs is our homebuyer education. CHFA requires and pays for homebuyer education for borrowers using our home mortgage products or MCCs. We offer this valuable service both in-person throughout the state, or online 24 hours per day, seven days a week. Education has a significant impact on reducing defaults and keeping communication open between borrowers, lenders, and housing counselors.

Economic impact assessments made by CHFA Marketing and Strategic Development using RIMSII regional multipliers. Methodology and definitions available at: www.chfainfo.com/documents/methodology_econ_impact.pdf.

CHFA is not a state agency. Its bonds and notes are not obligations of the state of Colorado, and are not repaid with tax dollars. CHFA is self-supporting and pays all operating expenses from its program revenue.

This document was designed and printed in-house without the use of state general fund dollars.

The Colorado Housing and Finance Authority does not discriminate on the basis of disability in admission or access to the operation of its programs, services, activities or its own employment practices. Requests for reasonable accommodation, the provision of auxiliary aids or any complaints alleging violation of this nondiscrimination policy should be directed to Pamela McClune, Nondiscrimination Coordinator, CHFA, 1981 Blake Street, Denver, CO 80202-1272; 303.297.7366 (TDD 303.297.7305); available weekdays 8:00am to 5:00pm.

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WESTMINSTER

Staff Report

City Council Study Session
August 16, 2010



SUBJECT: Proposed 2012 Operating Budget Priorities

PREPARED BY: Steve Smithers, Assistant City Manager
Barbara Opie, Budget & Special Projects Manager
Aric Otzelberger, Senior Management Analyst
Ben Goldstein, Management Analyst

Recommended City Council Action:

- Provide Staff with feedback on the items highlighted below as they relate to preparations for the proposed 2012 Operating Budget.

Summary Statement

- The intent for the discussion at Monday night's Study Session is to apprise City Council of what the City Manager will be proposing in the 2012 Budget assuming revenues are sufficient to fund the proposed priorities and, in turn, to provide Staff with any feedback regarding these recommendations. No specific decisions by City Council are expected since those will be made after the public meetings/hearings and the Budget Retreat are held. Council's final decisions will be made with the adoption of the Budget in October.
- Staff continues to refine the Proposed 2012 Budget; therefore, City Council may see some minor modifications in the final proposed budget that is distributed in September.
- Department Heads will be in attendance at Monday night's Study Session to provide more details about these priorities if needed and answer any questions that City Council may have with regard to any specific items.

Expenditure Required: \$0

Source of Funds: General, Utility, POST and Golf Course Funds

Policy Issue

- Does City Council agree with the overall 2012 operating priorities as preliminarily proposed by Staff?

Alternative

- City Council can provide Staff with alternative approaches to 2012 operating priorities and revenue options as deemed appropriate.

Background Information

In June, City Council revisited their Strategic Plan and outlined their goals and priorities for 2011 and 2012. The City Council Goals are listed below:

- Financially Sustainable City Government Providing Exceptional Services
- Safe and Secure Community
- Strong, Balanced Local Economy
- Vibrant Neighborhoods in One Livable Community
- Beautiful and Environmentally Sensitive City

The direction provided by City Council through these Strategic Plan goals is key for City Staff as they develop the proposed 2011 and 2012 City Budgets. Other considerations that go into developing a comprehensive budget are department priorities that strive to maintain existing service levels and citizen/neighborhood and business input.

In November of 2000, Westminster voters approved a City Charter amendment that allows the City Council to adopt a formal two-year budget. The first official biennial budget was adopted with the 2003/2004 Budget in October 2002. Staff is again recommending adoption of a biennial City Budget this October for 2011 and 2012.

The entire proposed Budget for fiscal years 2011 and 2012 will be submitted to City Council at the beginning of September for review. After reviewing the proposed Budget for several weeks, City Council is scheduled to meet on Saturday, September 25, for the Budget Retreat to deliberate on final funding decisions on staffing levels, programs, services, and capital projects.

Staff reviewed operating budget priorities for the 2011 Budget with City Council at the June 21 Study Session. This Staff Report highlights any significant changes for FY2012, along with significant updates to fiscal year (FY) 2011 that have developed since the June 21 Study Session. As a reminder for City Council, the operating budgets are funded by recurring revenue such as sales and property taxes in the General Fund and by monthly water and sewer charges in the Utility Fund. The Capital Improvement Program (CIP) priorities, which City Council is also scheduled to discuss at the August 16th Study Session, are predominantly funded by one-time revenues, such as park development fees, building use taxes, utility tap fees and carryover funds.

Staff is anticipating an improved revenue picture for 2012 thanks primarily due to the strategic urban renewal projects coming to fruition and the difficult core service work completed by City Council for 2011. These variables should establish the City in a more sustainable position to handle the financial needs of serving the community and meeting ongoing increasing costs, such as energy, supplies, salaries and benefits.

In preparing the 2012 budgets, departments worked within their proposed 2011 funding levels. Some adjustments were made to department allocations for 2012 for such items as energy, water, etc.. However, overall, departmental proposed budgets for 2012 reflect the “new base” following the proposed “core services” adjustments in 2011, and as such, remain flat.

STAFFING PLAN FOR 2012:

No staffing changes are proposed for 2012. Since the June 21 Staff Report on Proposed 2011 Operating Budget Priorities/Core Services Adjustments, slight modifications to proposed staffing adjustments for 2011 have occurred. Below is a revised table based on City Council direction and other staffing developments. Please note that several staffing adjustments/reductions are still in process and could result in slight additional modifications to the summary table below. Staff will share an updated staffing adjustment table with City Council at the Budget Retreat in September. Currently, Staff is proposing a 72.723 FTE reduction City-wide, which represents a 7.4% staffing reduction compared to the City-wide 2010 authorized staffing level of 982.674. (Note that in the June 21 Staff Report, the reduction in force totaled 76.023 FTE; the primary change is that City Council chose to retain the Fast Track Domestic Violence and the Rental Housing Inspection Programs; separately, the Promenade and Golf Course staffing were not included.) This chart reflects reduction in staffing levels for 2011; no additional staffing reductions for 2012 are proposed.

Department	Vacant	Voluntary Reduction	Reduction in Staffing	TOTAL 2011 REDUCTION
GENERAL FUND				
City Attorney’s Office	0.000	0.250	0.000	0.250
City Manager’s Office	1.600	0.500	0.000	2.100
Community Development	2.000	0.500	0.500	3.000
Finance	1.500	0.250	0.500	2.250
Fire (1)	6.500	0.700	1.000	8.200
General Services	2.050	0.000	2.000	4.050
Parks, Recreation & Libraries (2)	21.273	0.200	3.200	24.673
Police (3)	10.000	0.000	2.200	12.200
Public Works & Utilities (Street Division)	0.000	2.000	0.000	2.000
<i>General Fund Total</i>	<i>44.923</i>	<i>4.400</i>	<i>9.400</i>	<i>58.723</i>
UTILITY FUND				
Finance	1.050	0.200	0.000	1.250
Information Technology	0.000	0.000	1.000	1.000
Public Works & Utilities	2.000	0.000	5.250	7.250
<i>Utility Fund Total</i>	<i>3.050</i>	<i>0.200</i>	<i>6.250</i>	<i>9.500</i>
OTHER FUNDS				
Fleet Maintenance	1.500	0.000	1.000	2.500
Risk Management	0.000	0.000	0.000	0.000
Golf Course	1.000	0.000	1.000	2.000
<i>Other Funds Total</i>	<i>2.500</i>	<i>0.000</i>	<i>2.000</i>	<i>4.500</i>
GRAND TOTAL	50.473	4.600	17.650	72.723

- (1) Due to the amount of time needed for the recruitment, selection, and training of new Firefighters, Staff is proposing the use of attrition for the overall reduction of commissioned personnel in the Fire Department. The total of 7.5 FTE in the “Vacant” column includes 3.0 FTE that are proposed to be eliminated through attrition over the next year.
- (2) Of the total “Vacant” positions for Parks, Recreation and Libraries, 7.248 FTE are Lifeguard positions that are technically vacant from a FTE point but are currently filled as hourly staff. For the past several years, these dollars

(approximately \$177,000) have been utilized for hourly lifeguards versus full-time lifeguards as a pilot project. As this pilot staffing project has been successful, Staff is proposing a housekeeping adjustment to the Pay Plan to reflect the official elimination of the 7.248 FTE. However, the budgeted funds and associated temporary staffing will remain for City Park Recreation Center and Swim and Fitness Center, retaining current staffing levels (albeit temporary in nature) at these pool facilities.

- (3) In the Police Department, all of the 3.2 FTE in the “Reduction in Staffing” column are civilian positions and do not reflect any reductions to sworn personnel.

PROPOSED 2012 OPERATING PRIORITIES:

This section highlights operating priorities/expenditure modifications proposed for 2012, organized by Fund and Department. These items highlight significant or Staff-related changes.

ALL FUNDS

Citywide

- Salary adjustments Citywide amount to \$843,986 for all funds. Staff is proposing to re-institute step and merit increases in 2012; however, no Across-the-Board (ATB) is included in the Proposed 2012 Budget. Staff believes sufficient funds will be available to permit step and merit adjustments in 2012. Staff will revisit the revenue projections for 2012 with City Council during the mid-year review next summer to ensure adequate funds provide for these adjustments.
- Citywide, electricity and gas costs are projected at \$3,929,094, which is a \$41,693 increase when compared to what is proposed in 2011. These figures do not include streetlight costs, which are discussed in the Public Works Operating Priorities section below. This proposed increase is due to Xcel Energy’s continuing increases to electricity rates and changes to how demand charges are calculated. This increase would be substantially higher if not for the forthcoming Siemens Energy Performance Contract (EPC) project, which Staff is projecting to create \$64,142 in energy savings in 2012. These savings are contractually guaranteed by Siemens Energy and will help to mitigate the impact of continuing energy rate increases from Xcel Energy. (Additional savings are anticipated due to the EPC but they are related to projected water conservation efforts.)
- A \$20,424 increase is proposed Citywide across all funds for bank charges paid to financial companies for processing credit card payments. In 2012, Staff is anticipating that bank charges Citywide will total \$262,458. While this is a significant expense, Staff believes that offering the option of credit card payment for many City services is a positive approach to customer service and in many cases expedites payments to the City. Credit card payment also allows residents and businesses to do business with the City through online applications on the City’s Web site, thereby saving resources associated with other payment methods. These costs are partially recovered through fees for the various services charged.

GENERAL FUND

City Council

- Per City Council direction at the Post City Council Meeting on August 9th, the revised Proposed 2011 and 2012 Budgets for City Council total \$229,519, which represents a 3.2% increase over City Council’s 2010 Amended Budget. Per direction provided at the Post Meeting, Staff added funding back to City Council’s career development account to allow for two national conferences a year per Councillor in both the Proposed 2011 and 2012 Budgets. Added back to the career development account is \$17,500; this equates to an average cost of \$2,500 per Councillor to attend a second national conference based on expenditure history. The National League of Cities (NLC) Congress of Cities location varies from year to year and traditionally costs slightly less than the trip to Washington, D.C. In addition, after further evaluation, additional funds were added to the career development account for the Mayor’s work with the US 36 Mayor and Commissioners Coalition (MCC) lobbying trips to Washington, D.C., to ensure that those trips do not potentially limit any Councillor from attending two national conferences and the in-state Colorado Municipal League Conference. Obviously, the budget is a planning tool and City

Council is not restricted to attending the two NLC and one CML conference; they are merely utilized as a planning tool in preparing the budget and City Council can decide for which conferences or training they utilize these funds. Staff anticipates that in the coming years, the lobbying needs to secure funds for the US 36 corridor may intensify and additional trips may be needed. The amount funded increased from \$1,170 to \$2,500.

- One other adjustment proposed to City Council's 2011/2012 Budget is the elimination of \$600 in funding from the Contract Services account for the North Metro Children's Advocacy Center (CAC) annual banquet. This non-profit organization receives funding from the City through the Human Services Board (HSB); for 2011, \$1,000 was recommended by the HSB to assist this program as reviewed with City Council on August 9. Per previous Council direction, groups should not receive funding from the City through the City Council contributions for banquets or golf tournaments as well as other areas, like HSB. As such, Staff is recommending that this funding be eliminated.
- City Council significantly reduced their 2010 budget through the mid-year amendment in October 2009. With that amendment, City Council reduced their 2010 Budget by \$18,050 (approximately 7.5%). The Proposed 2011 Budget represents a 3.2% increase over City Council's Amended 2010, primarily returning career development to ensure that future Council's may have the opportunity to learn from others across the country on innovative programs and initiatives that may benefit the City of Westminster. The Proposed 2012 Budget represents a 0% increase over the Proposed 2011 Budget. Copies of City Council's revised Proposed 2011/2012 Budget are attached.

Central Charges

- Health and dental care costs are projected to increase approximately 10%, which is an increase of approximately \$732,394 in the General Fund. While the City's health care renewals for 2011 look promising, Staff anticipates that cost increases in health care will continue to impact the City and its employees. This brings the total for medical and dental insurance in the General Fund to \$8,069,816. (Citywide, including all funds, medical/dental insurance totals \$9,932,525.)
- The retirement contribution for 2012 in the General Fund is estimated at \$4,745,000. This is a \$240,000 increase over the proposed 2011 funding level (5.3% increase). [Note that in 2011, this benefit was proposed to reduce by 5.3% due to the reduction in force.] This is primarily due to projected increases in salaries proposed in 2012 and the few recently hired staff reaching the 22 month mark, making them eligible to receive a retirement contribution from the City.
- Other benefits (life, long term disability (LTD), survivors benefit) are projected to increase by \$98,675 (10.5%) over 2011 proposed levels. [Note that in 2011, these benefits were proposed to reduce by 7.07% due to the reduction in force.] This is due to anticipated rate adjustments that will be passed on to the City in 2012.
- A total of \$1,018,500 is proposed for 34 General Fund vehicle replacements (includes 12 police patrol cars and 3 police traffic motorcycles). This includes replacing four conventional sedans with Toyota Prius hybrids. This is a reduction of \$39,950 in the fee paid to the General Capital Outlay replacement Fund (GCORF) when compared to 2011. This is primarily the result of the variety of vehicles being replaced pursuant to the Fleet Division's recommendations. This level of vehicle replacement keeps the City on track with where it needs to be with keeping the vehicle fleet productive and up to date.
- An increase of \$118,263 in certificates of participation (COP's) and lease payments is projected in 2012. Savings of approximately \$94,000 in 2012 are due to the refinancing of the 2001 COP for the Public Safety Center in 2010. These savings are offset by a full-year of required lease payments for the Siemens Energy Performance Contract (EPC) project, which will amount to \$308,097. Due to project timing, only a half-year of lease payments will be required in 2011 and budgeted as such. Both 2011 and 2012 lease payments will be funded by contractually guaranteed

energy and water savings across the City. As referenced in the “Citywide” section above, Staff is proposing reductions to various electricity/gas and water accounts across the City to reflect the guaranteed savings.

Community Development

- Per City Council direction at the June 21, 2010 Study Session meeting, Staff is proposing a licensing program and an associated fee for the City’s Rental Housing Inspection Program. Staff is proposing to amend the Rental Property Maintenance Code to require licensing for all multi-family rental units within the City of Westminster and to charge an associated fee for inspection. Staff is also proposing a change to remove individual rental units within otherwise owner-occupied complexes from the systematic inspection/licensing program and perform inspections of these units on a complaint basis only. These units (currently 766) generate much of the criticism and resistance to the inspection program. Owners of these units generally do not consider themselves “business operations” and the amount of Staff time and effort to contact, schedule and inspect these units is considerable. Additionally, these units tend to have fewer violations than multi-family units because the units are individually-owned, often as an investment.

Under Staff’s proposal, a license and inspection fee would be required on multi-family rental properties with three or more units within a single structure. Staff is proposing a \$40 per unit inspection fee that would run concurrent with the established systematic inspection schedule. Inspection of licensed rental properties would be completed in the same manner as currently conducted. Rental units that are twenty years old or newer would require inspections every four years and rental units over twenty years old would require inspections once every two years. The cost per unit would be \$1.67 per month based on a two-year inspection schedule or \$0.83 per month based on a four-year inspection schedule. All other multi-family residential rental properties would be required to register with the City, but would not require a systematic inspection and not have to pay an inspection fee. The proposed \$40 per unit cost was determined based on the number of units that would be subject to systematic inspection under the proposed license and fee structure. The \$40 per unit cost would recover approximately \$170,000 of annual costs that are necessary to cover the costs of the City’s Rental Property Inspection Program. There are currently over 11,000 units in the City’s rental housing inspection program.

Per Staff’s proposal, the initial inspection and the first re-inspection would be included in the required inspection fee. Owners could be charged a \$50 per unit re-inspection fee as subsequent re-inspections are required. Re-inspection fees could be deferred, at an inspector’s discretion, provided the property in question is brought into full compliance by the third re-inspection. This potential additional charge would offer owners an incentive to bring their properties into compliance by the first re-inspection.

Under Staff’s proposal, single-family detached and duplex rentals would be inspected on a complaint basis only, which would be the same as current practice. A change proposed with this new fee structure is the required registration of these units to provide the City with information on the owners and responsible parties if complaints are received. These registered rental units would be required to provide information to their tenants of the required rental property standards and information on filing complaints. Registration of these properties could help hold these units to the same standards as all other rental properties throughout the City; however, it is likely that these requirements will raise some concerns among these rental property owners.

If the proposed multi-family rental property licensing and fee proposal is supported by City Council, Staff will prepare draft regulations and conduct a focus group meeting with owners, property managers and other interested parties to gather input and introduce the revised program.

Staff will then prepare an ordinance modifying the current rental housing inspection requirements for City Council's consideration.

The alternative to implementing this new fee, as discussed with City Council at the June 21 Study Session as part of the core services discussion, is to eliminate the program. This would result in the reduction of 2.5 FTE. Based on City Council's feedback, this fee alternative is presented for consideration.

Fire

- As part of an ongoing effort to maintain safe and reliable equipment, the Fire Department has maintained an ongoing replacement schedule for heavy apparatus in coordination with the Fleet Division. Large fire engines, ladders and ambulance are replaced on a regular schedule to keep a relatively consistent funding level and keep the apparatus current. In 2011, a 75 foot aerial ladder truck is scheduled for replacement along with an ambulance. However, pursuant to the Fire Department major apparatus replacement schedule, no replacement of major fire suppression apparatus is scheduled for 2012. One ambulance is proposed for 2012 per the regular replacement schedule, at the cost of \$130,000.

Public Works & Utilities - Streets

- With City Council's direction to pursue an Infrastructure Fee increase at the June 21st Study Session of \$1 per a year for each of the next three years to address increasing infrastructure costs including sidewalk, curb, and gutter replacements and street lighting, Public Works and Utilities has adjusted both the 2011 and 2012 proposed budgets to reflect the change. The Department is planning to implement a \$1 per month increase to the infrastructure fee in 2011, 2012 and again in 2013. The fee will be utilized by the Department to address increases in infrastructure costs associated with concrete rehabilitation and street lighting. Expenses related to electricity charges and maintenance of streetlights has increased over 30% since 2006 and is projected to continue to increase in the future. As noted in the June 21 Staff Report, the concrete replacement budget retained partial funding (approximately \$118,000) thanks to the additional \$1/month infrastructure fee going into effect in 2011. An additional \$118,000 was added back for concrete replacement in 2012, bringing the total to \$736,000. This will return the concrete replacement program almost to the 2010 funding level of \$800,000. Per Council direction, Staff will return in October with an ordinance to amend the Westminster Municipal Code, increasing the infrastructure fee from \$3/month currently to \$4/month in 2011, \$5/month in 2012, and \$6/month in 2013.

Parks, Recreation & Libraries

- Per the June 21 Staff Report, Staff proposed ceasing operations of Kings Mill pool in 2011 and terminating the lease for the building at Kings Mill with Jefferson County Head Start. Since that time, the City has received three citizen requests from residents in the King's Mill neighborhood to keep the pool open. Also since that time, Jefferson County Head Start has found another location and is in the process of moving out of the facility. Staff maintains its recommendation to close both the pool and building, but would like to bring this item to City Council again for any new feedback or direction.

Both the pool and the facility at Kings Mill have major capital needs (totaling approximately \$508,400). The pool site needs drainage and storm sewer improvements (\$182,000), boiler replacement (\$50,000), sand filter replacement (\$21,000) and structural repairs to the boiler room (\$15,000). The building is in need of roof replacement (\$100,000), structural repairs (\$70,000), a sump pump installation due to water under the building (\$20,000) and siding/paint replacement

(\$50,400). From a core services standpoint, Staff feels that these capital costs are cost prohibitive to continue operation of the pool and facility.

From an operational standpoint, ceasing pool operations would save \$20,000 in staffing costs and \$4,000 in chemical and supplies. The proposed revenue loss with this proposed closure is estimated at \$8,900, thereby resulting in a net operating savings of \$15,100.

If Council is supportive of Staff's recommendation to cease operations of Kings Mill pool, Staff proposes the use of \$250,000 of 2009 carryover Conservation Trust Fund moneys towards demolition of the pool structure and building, along with the installation of park features on the site. A cellular tower currently exists on the site that would have to be considered in overall plans. Staff would hold a neighborhood meeting to notify the neighborhood about the closure and to gain public input on what park features the neighborhood would desire within the allocated budget. If City Council would prefer to maintain operations of the King's Mill pool, Staff will need to pursue capital improvements to the pool, pool site and boiler room. If the pool is to remain, Staff would still recommend that the majority of the King's Mill building be demolished. A partial demolition to the building would maintain locker rooms and the boiler/mechanical room. This demolition could include asbestos mitigation, structural challenges and other limiting factors. Factors related to a partial demolition would have to be investigated and analyzed.

- In developments since the 2011 operating priorities were reviewed with City Council, additional core service discussions concerning the Promenade have occurred. Per recent negotiations regarding maintenance of the Promenade, Entertainment Properties Trust (EPR) will be taking control and assuming maintenance of the Promenade West area commencing in 2011. Accordingly, the City will no longer have the maintenance responsibility for this area and will no longer receive Common Area Maintenance (CAM) charges from EPR. In 2010, EPR's CAM charge is \$170,482. In addition, in early 2010 the Westin assumed responsibility for its landscaping and for its parking lot maintenance. This reduced the Westin's CAM charges from \$70,771 to \$54,285. Based on these adjustments, the City's proposed 2011 CAM charges for the Promenade are proposed at \$174,864. Accordingly, the City's proposed expenditures for the Promenade must meet revenues (\$174,864). A total of \$151,771 in operating reductions are proposed for the Promenade in 2011 and 2012. This includes the proposed elimination of 2.0 FTE, which includes a 1.0 FTE Operations Coordinator and a 1.0 FTE Parkswoker. Staff is reassigning the current Operations Coordinator to a vacant position and pursuing a layoff for the 1.0 FTE Parkswoker. These two position eliminations total \$107,538 in savings. The remaining \$44,233 in necessary reductions are proposed in numerous operating accounts and reflect the elimination of areas of maintenance that were previously the City's responsibility as discussed above.
- A \$63,352 reduction is proposed to the Department's water and sewer budget for 2012 (2012 proposed budget = \$1,202,558). This is due to a full year of anticipated and contractually obligated irrigation water savings under the forthcoming Siemens Energy Performance Contract (EPC) project. A half-year of savings for the EPC was reflected in the proposed 2011 budget, but an additional \$113,988 in savings (full year = \$227,976) is reflected in the proposed 2012 budget. This reduction is partially offset by a proposed 4% increase (\$50,636) in the Department's water and sewer budget to reflect increasing rates in 2012.

UTILITY FUND

Central Charges

- Health care costs are projected to increase approximately 10%, which is an increase of approximately \$143,158 in the Utility Fund compared to proposed 2011 funding levels. While the City's health care renewals for 2011 look promising, Staff anticipates that cost increases in

health care will continue to impact the City and its employees. This brings the total for medical and dental insurance in the Utility Fund to \$1,651,409.

- The retirement contribution for 2012 in the Utility Fund is estimated at \$805,423. This represents a proposed increase of \$38,306 over the proposed 2011 funding level (5% increase). [Note that in 2011, this benefit was proposed to reduce by 14.9% due to the reduction in force.] This is primarily due to projected increases in salaries proposed in 2012 and the few recently hired staff reaching the 22 month mark, making them eligible to receive a retirement contribution from the City.
- Other benefits (life, LTD, survivors benefit) are projected to increase of \$20,505 (9.5%) over proposed 2011 expenses. [Note that in 2011, these benefits were proposed to reduce by 0.62% due to the reduction in force.] This is due to anticipated rate adjustments that will be passed on to the City in 2012.
- In May 2010, the City issued \$29.505 million in bonds for water projects as approved in the Amended 2010 Budget. As a result of this new debt issue, an increase of \$708,869 is proposed for the 2011 debt service portion of the Utility Fund budget. In 2012, a slight decrease of \$2,655 is budgeted due to the payment structure.
- Transfer payments from the Utility Fund to the General Fund are proposed to decrease by \$79,605 (approximately 3%) in 2011 as a result of the core services reductions in the 2011 General Fund budget. They are proposed to increase from 2011 to 2012 by \$12,870 (approximately 0.5%), which reflects the increases associated between the two years.

Public Works & Utilities

- As noted in the June 21 Staff Report, Staff needed to conduct additional analysis on Xcel Energy's new rate structure and its impact on utility operations. Staff's analysis has identified increased electricity charges due to 2010 Xcel rate case charging new demand charges and new base rates based on the co-occurrence demand charge, where the customer will now pay 1/2 of the peak demand in a 12 month period for the following 11 months. This will increase the base amount charged for all seasonal type use, including parts of Semper, the High Service Pump Station (HSPS), and Reclaimed operations. Per these rate changes, adjustments were made to the Proposed 2011 Budget and carried over as a new base for the Proposed 2012 Budget. A total of \$261,675 is proposed for 2011 that carries into 2012 for pump stations, HSPS, Semper Water Treatment Facility, reclaimed system, Northwest Water Treatment Facility, wastewater lift stations, and Big Dry Creek Wastewater Treatment Facility (BDCWWTF).
- A total of \$25,578 is proposed to cover increased costs related to ditch assessments. The largest increases include assessment to the Farmers Highline Canal (\$16,740), Church Ditch (\$5,887), and Frico (\$1,223). The increases in assessments are within the normal regular annual increases.
- Staff received notification on August 2 that the Metro Waste Water District annual charges for service net payment for 2011 will be down by \$385,657 from the Amended 2010 Budget. In 2012, a \$604,064 increase is proposed due to the uncertainty associated with Metro's annual charge for service calculation. The primary reason for the reduction in 2011 is due to the final credits being received for taking the 94th/Quitman station off the Metro system and redirecting that flow back to BDCWWTF.

Information Technology

- State mandates pertaining to email archiving, requiring all emails from every employee are saved for a minimum of three years, has resulted in an increase of \$3,600 in professional services for the Information Technology Department. The total spent on email archive services for 2012 is projected to cost \$45,000.

- An increase of \$7,100 in cost for VMware software maintenance for the thin client servers, now totaling \$22,901. VMware maintenance is for the virtualization of servers, reducing the total number of servers the City maintains.

PARKS, OPEN SPACE & TRAILS (POST) FUND

Community Development and Parks, Recreation & Libraries

- For 2011, Community Development and Parks, Recreation and Libraries reduced various operating accounts in their POST budgets by \$52,450 each compared to their Amended 2010 POST budgets (total proposed operating reduction of \$104,900). For 2012, both departments proposed budgets at the same funding level proposed in 2011. This proposed reduction in 2011 is due to POST sales and use tax revenue projections. Community Development is proposing a \$52,450 reduction to its land purchases account and will utilize POST bond monies and carryover funds for potential acquisitions in 2011 and 2012. Parks, Recreation and Libraries is proposing reductions to several operating accounts related to open space maintenance and construction. In 2010, Staff is maintaining \$57,754 in “budget hold” in the POST budget for each department (total of \$115,508) in the event actual revenues are below projected levels.

GOLF COURSE FUND

Parks, Recreation & Libraries

As part of the ongoing effort to balance the Golf Course budget, Staff continues to evaluate ways in which to make the Golf Courses more efficient and operate within their revenues while maintaining a high quality golf experience. In focusing on the Proposed 2011/2012 Budget, the following adjustments are proposed:

- For 2011, the proposed Golf Course Budget (Legacy Ridge and The Heritage) represents a \$339,891 reduction compared to the Amended 2010 Golf Course Budget (-9%). \$170,740 of this proposed reduction is due to anticipated principal and interest savings following the 2010 refinancing of debt associated with The Heritage. The remaining \$169,151 consists of proposed operating reductions to accounts across both Golf Courses.
- Staff is proposing the permanent elimination of a vacant 1.0 FTE Golfworker position at The Heritage. Parks, Recreation and Libraries has held this position vacant for several years and while it has been authorized, it has not been funded in several years as a means to help balance the Golf Course’s budget in previous years. If it had been funded, the reduction would have been \$36,576.
- A 1.0 FTE Guest Relations Clerk is proposed to be eliminated as part of the Golf Course’s core service analysis. This FTE is split 0.5 FTE at Legacy Ridge and 0.5 FTE at The Heritage (totaling \$35,435). This position assists in the Golf Course Pro Shops, assisting customers when the Golf Pros are not available. This will result in the potential for two layoffs. As an offset to this elimination of staff, \$20,000 of the reduction will be reallocated to temporary salaries to provide the hourly assistance needed in the Pro Shops when the Golf Pros are not available. As a result, the total reduction is \$15,435 to the Golf Course budget.
- For 2012, the proposed Golf Course Budget (Legacy Ridge and The Heritage) represents a \$117,608 increase compared to the Proposed 2011 Golf Course Budget (+3.4%). \$74,900 of this proposed increase is due to an increased debt service payment (compared to 2011) based on the recent refinancing of debt associated with The Heritage. The remaining \$42,708 proposed increase is due to projected increases to benefit costs (medical, dental, etc.) and minor fixed operating cost increases.
- A \$13,303 increase is proposed for medical and dental benefits in the Golf Course Budget for 2011 (7.4% increase) and an \$18,317 increase is proposed for 2012 (9.5% increase). While the City’s health care renewals for 2011 look promising, Staff anticipates that cost increases in health care will continue to impact the City and its employees.
- As City Council is aware, Staff continues to search creative solutions to increase golf rounds, tournament play and overall revenues at the Golf Courses. However, in light of the current

economic downturn, general play is down and tournament play is significantly reduced. The reduced general and tournament play, combined with the significant number of other public golf courses available in the Front Range, results in increased competition for a limited number of golfers. Current projections for the Golf Course for 2011 and 2012 reflect a shortfall in revenues compared to expenses.

Staff is proposing changing the golf fee structures to assist with the goal of maximizing revenue potential during a challenging economy and specifically in the golf industry. The fees changes would be effective for both of the City's two golf courses, Legacy Ridge Golf Course and The Heritage Golf Course at Westmoor. If approved, these fees will become effective January 2, 2011. These increased fees are included in the current 2011/2012 revenue projections; should City Council decline this recommended change, Staff will need to revisit the revenue projections and likely increase the subsidy from other funds.

Basically, the new fees will be a flat rate for every golfer, based on their age group and the day of the week they play. Instead of offering two separate categories of every green fee – one for residents and one for non-residents, Staff is recommending one rate that all golfers would pay.

The proposed new rates are as follows:

18 Hole Weekday	\$40
9 Hole Weekday	\$23
18 Hole Senior	\$28
9 Hole Senior	\$18
18 Hole Junior	\$18
9 Hole Junior	\$13
18 Hole Weekend	\$45
9 Hole Weekend	\$25

The rates are based on the amount of revenue that needs to be collected to aid in balancing the budget. These rates will be charged for weekday (Monday-Thursdays) or weekend play (Friday, Saturday, Sundays and Holidays). However, discounts and specials will continue to be offered via the www.golfwestminster.com website, newspaper advertisements, and other golf publications to allow golfers choices of what they choose to pay to play. The existing marketing plan provides discounts to be offered during non-peak play days and/or low play times. Discounts are not offered during peak play days, i.e. weekends prior to 1 or 2 p.m.

The flat rates will provide the golf courses the greatest opportunity to generate revenue to meet the recovery goals of Westminster's golf course operations. With the new rates, Westminster will not be the highest priced golf course nor will they be the lowest priced, but this change is necessary since golf rounds continue to remain flat (28,000 rounds projected at each golf course/year) while operating expenses continue to increase.

- Despite the proposed expenditure reductions and rate adjustments noted above, a revenue shortfall will remain. The shortfall is proposed to be covered through a transfer from the Parks, Open Space and Trails (POST) Fund and from the parks dedicated portion of General Capital Improvement Fund (GCIF) moneys. In 2011, a total of \$485,794 (-39.6% from the Amended 2010 Budget) is proposed to offset the revenue shortfall and is comprised of \$235,794 from the POST Fund and \$250,000 from the GCIF. In 2012, a total of \$543,143 (11.8%) is proposed to offset the revenue shortfall and is comprised of \$243,143 from the POST Fund and \$300,000 from

the GCIF. The reallocation of POST and GCIF funds to the Golf Course reduces the amount of moneys available for park capital improvements and renovations.

Staff is continuing to evaluate options at the Golf Courses to improve the long term financial picture. A number of alternatives have been examined, including contracting out management of the two courses to Hyland Hills; however, this did not result in any significant change to the financial picture. Staff will continue this analysis and report back to City Council on the findings.

The priorities identified above represent the current proposed major operating budget changes proposed in the 2012 Budget. Staff will be in attendance at Monday night's Study Session to provide more details about these priorities and answer any questions that City Council may have with regard to any of these items.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments:

Attachment A: Proposed 2011 City Council Budget – Revised

Attachment B: Proposed 2012 City Council Budget – Revised

PROPOSED CITY COUNCIL 2011 BUDGET

Account Number	Account Description & Proposed 2011 Budget Detail	2010 Amended Budget Detail	2011 Proposed Budget Detail	2009 Revised Budget	2009 Actual Expenditures	2010 Revised Budget	2010 Spent/ Encumbered Year-To-Date (7/31/10)	2011 PROPOSED BUDGET	% Change (2010 Amended v. 2011 Proposed)
10001010.60800.0000	Salaries Mayor & City Councillor salaries [salary increase for Council effective 12/1/09: Mayor \$1,400/month (\$16,800/year); Mayor Pro Tem \$1,200/month (\$14,400/year); Councillors \$1,000/month (\$12,000/year)]	\$92,400	\$92,400	\$75,300	\$74,472	\$92,400	\$49,722	\$92,400	0%
10001010.61100.0000	Council Allowance City Council allowance - tied to the Denver-Boulder Consumer Price Index (CPI) and will be automatically adjusted according to the current CPI when the budget is developed every two years. Allowance modified pursuant to CPI-U Denver-Boulder for 2009 (-0.7%) for the 2011/2012 budget years, decreasing the allowance from \$300/month to \$298/month per the resolution.	\$25,200	\$25,032	\$18,116	\$18,116	\$25,200	\$14,700	\$25,032	-1%
10001010.61200.0000	Mileage Reimbursement Mileage Reimbursement for Council - All mileage for travel outside of the City of Westminster is a reimburseable expense (ie, not included in Council's allowance) per adopted policy 10/05; reduced based on expenditures history	\$6,900	\$3,000	\$900	\$1,075	\$6,900	\$434	\$3,000	-57%
10001010.61400.0000	Meeting Expense Annual Legislative Dinner Goal-Setting Retreat Annual Budget Retreat Community Summit with Boards & Commission members Miscellaneous Meetings Rocky Flats meetings	\$1,600 \$1,700 \$500 \$2,150 \$1,500 \$300	\$1,600 \$2,300 \$500 \$2,150 \$2,000 \$0	\$6,975	\$6,350	\$7,750	\$3,741	\$8,550	10%
10001010.61800.0000	Career Development NLC Legislative Conference (Washington, DC) (average cost \$2,600/Councillor) NLC Congress of Cities (location varies) (average cost \$2,500/Councillor) CML Conference (average cost \$715/Councillor) US 36 Mayor & Commissioners Coalition (MCC) lobbying trips (Washington, DC)	\$18,200 \$5,000 \$5,005 \$1,170	\$18,200 \$17,500 \$5,005 \$2,500	\$19,485	\$19,417	\$29,375	\$7,619	\$43,205	47%
10001010.66900.0000	Telephone Blackberry service plans - monthly service charge \$41/month for 7 Councillors	\$3,450	\$3,450	\$3,550	\$2,684	\$3,450	\$1,671	\$3,450	0%
10001010.66950.0000	PC Replacement Fee Annual PC replacement fee for 7 laptops (Councillors Kaiser and Winter's laptop are scheduled for replacement in 2011; while Councillor Winter does not use a City laptop, retaining one in inventory for future Councillors)	\$2,353	\$1,750	\$2,353	\$2,353	\$2,353	\$2,353	\$1,750	-26%
10001010.67600.0000	Special Promotions Unanticipated requests from community groups for contributions and/or sponsorships for events.	\$4,700	\$3,500	\$3,200	\$1,405	\$4,700	\$980	\$3,500	-26%
10001010.67800.0000	Other Contractual Service Printing of misc materials (e.g., legislative booklet, organization charts, etc.) Strategic Planning facilitator fee Councillor expenses for photos, badges, & nameplates Miscellaneous contractual services We're All Ears events (3 summer concerts & Westminster Faire) Annual newspaper advertisements/sponsorships for outside agencies	\$900 \$5,634 \$1,000 \$1,000 \$1,700 \$2,000	\$900 \$5,634 \$1,000 \$1,400 \$1,700 \$2,000	\$44,750	\$42,784	\$40,184	\$17,471	\$39,884	-1%

* Changes from the 8/9/10 Post City Council Meeting review noted in grey in the 2011 Proposed Budget Detail column.

Account Number	Account Description & Proposed 2011 Budget Detail	2010 Amended Budget Detail	2011 Proposed Budget Detail	2009 Revised Budget	2009 Actual Expenditures	2010 Revised Budget	2010 Spent/ Encumbered Year-To-Date (7/31/10)	2011 PROPOSED BUDGET	% Change (2010 Amended v. 2011 Proposed)
	Annual Sponsorships/Contributions:								
	North Metro Arts Alliance (NMAA)	\$10,000	\$10,000						
	CEF Recreation for Education (District 50-Water World tickets)	\$1,500	\$1,500						
	Brothers Redevelopment Inc - Paint-A-Thon	\$500	\$500						
	Westminster Rotary Foundation (noon club)	\$1,250	\$1,250						
	Westminster 7:10 Rotary Club	\$1,250	\$1,250						
	Hmong American Association	\$150	\$150						
	Banquets/Lunches:								
	MetroNorth Chamber Annual Banquet	\$2,200	\$2,200						
	Adco School District 12 Five Star Gala	\$1,300	\$1,300						
	DRCOG Awards Dinner Table Sponsorship	\$750	\$750						
	The Jefferson Foundation Crystal Ball	\$2,000	\$2,000						
	Adams County MMCYA banquet (county level only; Jefferson County does not host a banquet)	\$500	\$500						
	Westminster Public Safety Recognition Foundation - annual banquet	\$1,000	\$1,000						
	Adams County Historical Moonlight Gala	\$500	\$500						
	North Metro Children's Advocacy Center (CAC) Annual Banquet - FUNDED BY HSB FOR 2011	\$600	\$0						
	Golf Tournament Sponsorships:								
	Front Range Community College Foundation	\$500	\$500						
	Hyland Hills Foundation	\$500	\$500						
	Heil Pro-Am Golf Tournament	\$750	\$750						
	Optimist Larry Silver's Golf Tournament	\$600	\$600						
	After Prom Events:								
	Arvada High School (5% Westminster students)	\$200	\$0						
	Jefferson Academy (50% Westminster students)	\$200	\$200						
	Legacy High School (27% Westminster students)	\$200	\$200						
	Mountain Range High School (15% Westminster students)	\$200	\$200						
	Pomona High School (25% Westminster students)	\$0	\$200						
	Ranum High School (last prom to be held in 2010)	\$200	\$0						
	Standley Lake High School (85% Westminster students)	\$600	\$600						
	Westminster High School (% Westminster students TBD)	\$500	\$600						
10001010. 70200.0000	Supplies			\$4,690	\$1,027	\$5,000	\$955	\$3,748	-25%
	Office supplies	\$2,000	\$1,500						
	Fax machine paper & ink	\$2,000	\$1,498						
	Printer ink cartridges for PCs	\$1,000	\$750						
10001010. 70400.0000	Food			\$4,500	\$3,318	\$5,000	\$1,760	\$5,000	0%
	Refreshments and dinners for City Council meetings, Study Sessions & other special Council events	\$5,000	\$5,000						
TOTAL				\$183,819	\$173,001	\$222,312	\$101,406	\$229,519	

NOTE: Items detailed in each account are estimates only; actual costs for each item noted may vary.

Difference between 2010 Amended & 2011 Proposed Budgets	\$7,207	3.2%
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* Changes from the 8/9/10 Post City Council Meeting review noted in grey in the 2011 Proposed Budget Detail column.

PROPOSED CITY COUNCIL 2012 BUDGET

Account Number	Account Description & Proposed 2012 Budget Detail	2011 Proposed Budget Detail	2012 Proposed Budget Detail	2011 PROPOSED BUDGET	2012 PROPOSED BUDGET	% Change (2011 Proposed v. 2012 Proposed)
10001010.60800.0000	Salaries Mayor & City Councillor salaries [salary increase for Council effective 12/1/09: Mayor \$1,400/month (\$16,800/year); Mayor Pro Tem \$1,200/month (\$14,400/year); Councillors \$1,000/month (\$12,000/year)]	\$92,400	\$92,400	\$92,400	\$92,400	0%
10001010.61100.0000	Council Allowance City Council allowance - tied to the Denver-Boulder Consumer Price Index (CPI) and will be automatically adjusted according to the current CPI when the budget is developed every two years. Allowance modified pursuant to CPI-U Denver-Boulder for 2009 (-0.7%) for the 2011/2012 budget years, decreasing the allowance from \$300/month to \$298/month per the resolution.	\$25,032	\$25,032	\$25,032	\$25,032	0%
10001010.61200.0000	Mileage Reimbursement Mileage Reimbursement for Council - All mileage for travel outside of the City of Westminster is a reimbursable expense (ie, not included in Council's allowance) per adopted policy 10/05; maintain 2011 funding level for 2012.	\$3,000	\$3,000	\$3,000	\$3,000	0%
10001010.61400.0000	Meeting Expense Annual Legislative Dinner Goal-Setting Retreat Annual Budget Retreat Community Summit with Boards & Commission members Miscellaneous Meetings	\$1,600 \$2,300 \$500 \$2,150 \$2,000	\$1,600 \$2,300 \$500 \$2,150 \$2,000	\$8,550	\$8,550	0%
10001010.61800.0000	Career Development NLC Legislative Conference (Washington, DC) (average cost \$2,600/Councillor) NLC Congress of Cities (location varies) (average cost \$2,500/Councillor) CML Conference (average cost \$715/Councillor) US 36 Mayor & Commissioners Coalition (MCC) lobbying trips (Washington, DC)	\$18,200 \$17,500 \$5,005 \$2,500	\$18,200 \$17,500 \$5,005 \$2,500	\$43,205	\$43,205	0%
10001010.66900.0000	Telephone Blackberry service plans - monthly service charge \$41/month for 7 Councillors	\$3,450	\$3,450	\$3,450	\$3,450	0%
10001010.66950.0000	PC Replacement Fee Annual PC replacement fee for 7 laptops (no laptops are scheduled for replacement in 2012)	\$1,750	\$1,750	\$1,750	\$1,750	0%
10001010.67600.0000	Special Promotions Unanticipated requests from community groups for contributions and/or sponsorships for events.	\$3,500	\$3,500	\$3,500	\$3,500	0%
10001010.67800.0000	Other Contractual Service Printing of misc materials (e.g., legislative booklet, organization charts, etc.) Strategic Planning facilitator fee Councillor expenses for photos, badges, & nameplates Miscellaneous contractual services We're All Ears events (3 summer concerts & Westminster Faire) Annual newspaper advertisements/sponsorships for outside agencies	\$900 \$5,634 \$1,000 \$1,400 \$1,700 \$2,000	\$900 \$5,634 \$1,000 \$1,400 \$1,700 \$2,000	\$39,884	\$39,884	0%

Account Number	Account Description & Proposed 2012 Budget Detail	2011 Proposed Budget Detail	2012 Proposed Budget Detail	2011 PROPOSED BUDGET	2012 PROPOSED BUDGET	% Change (2011 Proposed v. 2012 Proposed)
	Annual Sponsorships/Contributions:					
	North Metro Arts Alliance (NMAA)	\$10,000	\$10,000			
	CEF Recreation for Education (District 50-Water World tickets)	\$1,500	\$1,500			
	Brothers Redevelopment Inc - Paint-A-Thon	\$500	\$500			
	Westminster Rotary Foundation (noon club)	\$1,250	\$1,250			
	Westminster 7:10 Rotary Club	\$1,250	\$1,250			
	Hmong American Association	\$150	\$150			
	Banquets/Lunches:					
	MetroNorth Chamber Annual Banquet	\$2,200	\$2,200			
	Adco School District 12 Five Star Gala	\$1,300	\$1,300			
	DRCOG Awards Dinner Table Sponsorship	\$750	\$750			
	The Jefferson Foundation Crystal Ball	\$2,000	\$2,000			
	Adams County MMCYA banquet (county level only)	\$500	\$500			
	Westminster Public Safety Recognition Foundation - annual banquet	\$1,000	\$1,000			
	Adams County Historical Moonlight Gala	\$500	\$500			
	Golf Tournament Sponsorships:					
	Front Range Community College Foundation	\$500	\$500			
	Hyland Hills Foundation	\$500	\$500			
	Heil Pro-Am Golf Tournament	\$750	\$750			
	Optimist Larry Silver's Golf Tournament	\$600	\$600			
	After Prom Events:					
	Jefferson Academy (50% Westminster students)	\$200	\$200			
	Legacy High School (27% Westminster students)	\$200	\$200			
	Mountain Range High School (15% Westminster students)	\$200	\$200			
	Pomona High School (25% Westminster students)	\$200	\$200			
	Standley Lake High School (85% Westminster students)	\$600	\$600			
	Westminster High School (% Westminster students TBD)	\$600	\$600			
10001010.70200.0000	Supplies			\$3,748	\$3,748	0%
	Office supplies	\$1,500	\$1,500			
	Fax machine paper & ink	\$1,498	\$1,498			
	Printer ink cartridges for PCs	\$750	\$750			
10001010.70400.0000	Food			\$5,000	\$5,000	0%
	Refreshments and dinners for City Council meetings,	\$5,000	\$5,000			
	Study Sessions & other special Council events					
TOTAL				\$229,519	\$229,519	

NOTE: Items detailed in each account are estimates only; actual costs for each item noted may vary.

Difference between 2011 Proposed & 2012 Proposed Budgets	\$0	0.0%
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WESTMINSTER

Staff Report

City Council Study Session
August 16, 2010



SUBJECT: Review of Proposed 2011 and 2012 Capital Improvement Program (CIP) Budget Priorities

PREPARED BY: Steve Smithers, Assistant City Manager
Barbara Opie, Budget & Special Projects Manager
Aric Otzelberger, Senior Management Analyst
Ben Goldstein, Management Analyst

Recommended City Council Action

Provide Staff with feedback on the items highlighted below as they relate to the proposed 2011 and 2012 Capital Improvement Program (CIP) Budget priorities.

Summary Statement

- The Proposed Budget for 2011 and 2012 will be submitted to City Council on September 2 for review. After reviewing the Proposed Budget for several weeks, City Council is scheduled to meet on Saturday, September 25, in a Budget Retreat to deliberate on final funding decisions in regards to staffing levels, programs, services and capital projects for both fiscal years 2011 and 2012.
- The intent for the discussion at Monday night's Study Session is to apprise City Council of what the City Manager will be proposing in the 2011 and 2012 Capital Improvement Program (CIP) Budgets assuming revenues are sufficient to fund the proposed priorities and, in turn, to provide Staff with any feedback regarding these recommendations. No specific decisions by City Council are expected on Monday evening since those will be made after all the public meetings/hearings and the Budget Retreat are held. Council's final decisions will be made with the adoption of the 2011/2012 Budget in October.
- Staff continues to refine the proposed 2011 and 2012 Capital Improvement Program budget; therefore, City Council may see some minor modifications in the final proposed budget that is distributed in September.
- Appropriate Staff will be present Monday night at the Study Session to review the proposed 2011 and 2012 CIP and respond to City Council's questions regarding the recommended priority projects.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Does City Council generally agree with the overall 2011 and 2012 capital improvement priorities as preliminarily proposed by Staff?

Alternative

City Council may provide Staff with alternative approaches to 2011 and 2012 capital improvement priorities as deemed appropriate.

Background Information

City Council is scheduled to review the proposed 2011 and 2012 General Fund and Utility Fund Capital Improvement Program (CIP) at the August 16 Study Session. The practice of having Staff and City Council review the proposed CIP prior to the Budget Retreat has been productive in past years. Attached is a summary list of the projects proposed for 2011 and 2012, including a brief description and estimated cost of each project. The amounts shown indicate what the City Manager's Office is proposing based on projected available funding in 2011 and 2012. The proposed 5-year CIP budget will be included within the Proposed 2011/2012 Budget document to be delivered to City Council on September 2. The focus at Monday's Study Session will be on the proposed 2011 and 2012 CIP budget since these two years will be officially adopted and appropriated in October.

The main focus of the overview is to inform City Council of those CIP projects deemed to be a priority for the next two years. No decisions from City Council are expected at this overview. Any comments from Council members are welcomed and would be helpful to Staff in finalizing the Proposed 2011/2012 Budget.

The proposed funding for the 2011 and 2012 CIP is as follows:

PROPOSED 2011 CIP		
Revenue Source	# of Projects	Available Funds
General Capital Improvements	23	\$4,345,000
Public Safety Capital Improvements	6	\$576,000
Park Capital Improvements	14	\$4,274,000
<i>Subtotal General CIP Funds</i>	43	\$9,195,000
Wastewater Capital Improvements	6	\$3,888,000
Water Capital Improvements	24	\$7,864,000
Stormwater Capital Improvements	3	\$1,352,000
<i>Subtotal Utility CIP Funds</i>	33	\$13,104,000
Grand Total 2011 PROPOSED CIP	76	<u>\$22,299,000</u>

PROPOSED 2012 CIP		
Revenue Source	# of Projects	Available Funds
General Capital Improvements	20	\$3,467,000
Public Safety Capital Improvements	5	\$540,000
Park Capital Improvement	14	\$4,374,000
<i>Subtotal General CIP Funds</i>	39	<i>\$8,381,000</i>
Wastewater Capital Improvements	5	\$4,812,000
Water Capital Improvements	17	\$12,901,000
Stormwater Capital Improvements	3	\$1,354,000
<i>Subtotal Utility CIP Funds</i>	25	<i>\$19,066,000</i>
Grand Total 2012 PROPOSED CIP	64	<u>\$27,447,000</u>

The figures in the above tables reflect “pay-as-you-go” projects. Staff is not proposing any debt funded projects in 2011 or 2012. The total proposed 2011 Capital Improvement Program is \$22,299,000 consisting of 76 projects. The total proposed 2012 Capital Improvement Program is \$27,447,000 consisting of 64 projects.

The General Fund CIP and Utility Fund CIP are made up of one time revenue sources such as building use taxes, park development fees, lottery proceeds, open space revenue, utility tap fees and carryover funds. Projects in the public safety CIP are proposed to be funded via the public safety tax that was approved by voters in November of 2003. The public safety tax allows for \$576,000 in 2011 and \$540,000 in 2012 capital improvements that may not have been otherwise possible.

The total CIP continues to reflect an effort to move forward on many capital improvement fronts to address the City’s needs as well as to enhance community quality of life. These improvements benefit existing and future citizens and businesses by rehabilitating, improving and enhancing community amenities. Throughout the 2011/2012 budget development process, Staff has worked to strike a balance between capital and operating needs in a very challenging economic environment.

Appropriate Staff will be present Monday night at the Study Session to review the proposed 2011 and 2012 CIP and respond to City Council’s questions regarding the recommended priority projects.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

Proposed 2011 General Fund Capital Improvement ProjectsGeneral Capital Improvements

New Traffic Signals/Speed Control Devices	\$125,000
New Development Participation	\$30,000
Sidewalk Connection	\$50,000
New Street Light Program	\$25,000
Geographic Information System (GIS) Upgrades	\$75,000
Arterial Roadway Grinding/Resurfacing	\$650,000
120 th Avenue Corridor Turn Lanes and Restriping	\$580,000
City Facilities Parking Lot Maintenance Program	\$115,000
South Westminster Revitalization Project	\$75,000
Building Operations and Maintenance (BO&M) Major Maintenance	\$400,000
Small Business Capital Project Grant Program	\$25,000
Open Space Land Purchase Reimbursement	\$215,000
Major Software Upgrades	\$125,000
IP PBX Phone System Upgrade	\$76,000
South Westminster Transit Oriented Development	\$500,000
Railroad Crossing Surface Replacement Program	\$62,000
Bridge/Pedestrian Railing Repainting and Lighting Repair Project	\$69,000
Shoenberg Farm Restoration	\$10,000
Teleworks Upgrade	\$66,000
Miscellaneous Construction Projects	\$50,000
Municipal Service Center (MSC) Service Drive Rehabilitation	\$22,000
Westminster Center Urban Reinvestment Project (WURP)	\$1,000,000
Proposed 2011 General Capital Improvements Total	\$4,345,000

Public Safety Capital Improvements

Fire Station Major Modifications	\$45,000
Firefighting Simulator/Burn Building	\$170,000
Fire Station Concrete/Asphalt Replacement Program	\$50,000
Public Safety Facilities' Maintenance (BO&M)	\$150,000
Major Software Upgrades	\$100,000
IP PBX Phone System Upgrade	\$61,000
Proposed 2011 Public Safety Capital Improvements Total	\$576,000

Park Capital Improvements

Community Enhancement Program	\$1,262,000
Greenbelt and Drainage Improvements	\$50,000
Trail Development	\$80,000
Landscape Architect II/Project Manager	\$62,000
Recreation Facilities Improvements	\$300,000
Park Maintenance (JCOS)	\$454,000
Adams County Open Space Land Acquisition	\$175,000
Park Renovation Program	\$665,000
Golf Course Improvements	\$50,000
Standley Lake Regional Park Improvements	\$102,000
Recreation Facilities Major Maintenance (BO&M)	\$744,000
Transfer to Golf Course Fund	\$250,000
Minor Median Maintenance	\$50,000
Aquatics Major Maintenance (BO&M)	\$30,000
Proposed 2011 Park Improvements Total	\$4,274,000
PROPOSED 2011 GENERAL FUND Total	\$9,195,000

Proposed 2011 Utility Fund Capital Improvement ProjectsWastewater System Capital Improvements

Lift Station Improvements	\$2,300,000
Sanitary Sewer Line Trenchless Rehabilitation	\$500,000
IP PBX Phone System Upgrades	\$15,000
BDCWWTF Major Repair and Replacement	\$500,000
South Westminster TOD Wastewater Utilities	\$500,000
Payment in Lieu of Use Tax	<u>\$73,000</u>
Proposed 2011 Wastewater System Capital Improvements Total	\$3,888,000

Water System Capital Improvements

Major Software Upgrades	\$25,000
IP PBX Phone System Upgrade	\$15,000
Teleworks Upgrade	\$100,000
Utility Fund Facilities Parking Lot Management	\$25,000
SWTF Process Improvements	\$450,000
SWTF Major Repair and Replacement	\$415,000
EWTF Decommissioning	\$300,000
NWTF Major Repair and Replacement	\$50,000
CWSP – Reclaimed System Improvements	\$275,000
CWSP – South Westminster Non-Potable System	\$150,000
CWSP – Wattenberg Gravel Lakes Storage	\$200,000
CWSP – Bypass Pipeline to Standley Lake	\$300,000
Raw Water System Improvements	\$400,000
Open Cut Waterline Replacements	\$56,000
Pressure Zone 5 Improvements	\$1,208,000
Ongoing Water System Modeling and Master Planning	\$700,000
Pump Station Equipment – Major Repair and Replacement	\$100,000
Water Tanks – Major Repair and Replacement	\$500,000
Pressure Reducing Valves (PRV) Rehabilitations	\$50,000
RWTF Major Repair and Replacement	\$75,000
Reclaimed Water Salinity Projects	\$250,000
Gravel Lakes Facilities – Major Repair and Replacement	\$100,000
Brookhill/Vance Street Water Main Replacement	\$1,100,000
Wadsworth Boulevard Water Main Installation/Replacement	\$900,000
Payment in Lieu of Use Tax	<u>\$120,000</u>
Proposed 2011 Water Capital Improvements Total	\$7,864,000

Stormwater Capital Improvements

Miscellaneous Storm Drainage Improvements	\$100,000
Little Dry Creek (Lowell to Federal)	\$1,227,000
Payment in Lieu of Use Tax	<u>\$25,000</u>
Proposed 2011 Stormwater Capital Improvements Total	\$1,352,000
PROPOSED 2011 UTILITY FUND Total	\$13,104,000

PROPOSED 2011 CAPITAL IMPROVEMENT PROGRAM GRAND TOTAL \$22,299,000

Proposed 2012 General Fund Capital Improvement ProjectsGeneral Capital Improvements

New Traffic Signals/Speed Control Devices	\$95,000
New Development Participation	\$200,000
Sidewalk Connection	\$25,000
New Street Light Program	\$25,000
Geographic Information System (GIS) Upgrades	\$75,000
Arterial Roadway Grinding/Resurfacing	\$650,000
Federal Boulevard Sidewalks	\$176,000
128 th Avenue/Delaware Street Intersection Improvements	\$90,000
City Facilities Parking Lot Maintenance Program	\$115,000
South Westminster Revitalization Project	\$71,000
Building Operations and Maintenance Major Maintenance	\$160,000
Small Business Capital Project Grant Program	\$25,000
Major Software Upgrades	\$25,000
South Westminster Transit Oriented Development	\$900,000
Railroad Crossing Surface Replacement Program	\$26,000
Bridge/Pedestrian Railing Repainting and Lighting Repair Project	\$120,000
Shoenberg Farm Restoration	\$79,000
Semper Farm Restoration	\$60,000
Miscellaneous Construction Projects	\$50,000
Westminster Center Urban Reinvestment Project (WURP)	\$500,000
Proposed 2012 General Capital Improvements Total	\$3,467,000

Public Safety Capital Improvements

Fire Station Major Modifications	\$30,000
Firefighting Simulator/Burn Building	\$170,000
Fire Station Concrete/Asphalt Replacement Program	\$55,000
Public Safety Facilities' Maintenance (BO&M)	\$185,000
Major Software Upgrades	\$100,000
Proposed 2012 Public Safety Capital Improvements Total	\$540,000

Park Capital Improvements

Community Enhancement Program	\$1,280,000
Greenbelt and Drainage Improvements	\$50,000
Trail Development	\$100,000
Landscape Architect II/Project Manager	\$64,000
Recreation Facilities Improvements	\$300,000
Park Maintenance (JCOS)	\$465,000
Adams County Open Space Land Acquisition	\$175,000
Park Renovation Program	\$665,000
Golf Course Improvements	\$50,000
Standley Lake Regional Park Improvements	\$117,000
Recreation Facilities Major Maintenance (BO&M)	\$753,000
Transfer to Golf Course Fund	\$300,000
Minor Median Maintenance	\$25,000
Aquatics Major Maintenance (BO&M)	\$30,000
Proposed 2012 Park Improvements Total	\$4,374,000
PROPOSED 2012 GENERAL FUND Total	\$8,381,000

Proposed 2012 Utility Fund Capital Improvement ProjectsWastewater System Capital Improvements

Strasburg Natural Resources Farm Projects	\$1,550,000
Sanitary Sewer Line Trenchless Rehabilitation	\$500,000
BDCWWTF Major Repair and Replacement	\$200,000
South Westminster TOD Wastewater Utilities	\$2,500,000
Payment in Lieu of Use Tax	<u>\$62,000</u>
Proposed 2012 Wastewater System Capital Improvements Total	\$4,812,000

Water System Capital Improvements

Major Software Upgrades	\$25,000
SWTF Process Improvements	\$125,000
SWTF Major Repair and Replacement	\$672,000
NWTF Major Repair and Replacement	\$50,000
CWSP – Reclaimed System Improvements	\$500,000
CWSP – Wattenberg Gravel Lakes Storage	\$700,000
CWSP – Bypass Pipeline to Standley Lake	\$3,300,000
Raw Water System Improvements	\$150,000
Pressure Zone 4 Improvements	\$3,787,000
Ongoing Water System Modeling and Master Planning	\$75,000
Pump Station Equipment – Major Repair and Replacement	\$100,000
Water Tanks – Major Repair and Replacement	\$750,000
Pressure Reducing Valves (PRV) Rehabilitations	\$50,000
RWTF Major Repair and Replacement	\$75,000
Reclaimed Water Salinity Projects	\$300,000
Arrowhead Subdivision Water Main Replacement	\$2,000,000
Payment in Lieu of Use Tax	<u>\$242,000</u>
Proposed 2012 Water Capital Improvements Total	\$12,901,000

Stormwater Capital Improvements

Miscellaneous Storm Drainage Improvements	\$95,000
Little Dry Creek (Lowell to Federal)	\$1,234,000
Payment in Lieu of Use Tax	<u>\$25,000</u>
Proposed 2012 Stormwater Capital Improvements Total	\$1,354,000
PROPOSED 2012 UTILITY FUND Total	\$19,066,000

PROPOSED 2012 CAPITAL IMPROVEMENT PROGRAM GRAND TOTAL \$27,447,000

CIP Project Acronym Key

IP PBX = Internet Protocol Phone Bank Exchange
 BDCWWTF = Big Dry Creek Wastewater Treatment Facility
 SWTF = Semper Water Treatment Facility
 EWTF – England Water Treatment Facility
 NWTF = Northwest Water Treatment Facility
 CWSP = Comprehensive Water Supply Plan
 RWTF = Reclaimed Water Treatment Facility

PROPOSED 2011 AND 2012 CAPITAL PROJECT DESCRIPTIONS**General Fund Capital Improvement Projects****General Capital Improvements:****New Traffic Signal and Speed Control Devices****Proposed 2011 = \$125,000****Proposed 2012 = \$95,000**

This project provides funding for the installation of a limited number of new traffic signals that may be requested by citizens and that meet the City's traffic warrants for installation. The average cost of signalization for a four-legged intersection is approximately \$190,000. For 2011, this project would fund the installation of a traffic signal at 72nd Avenue and Depew Street. Traffic warrants now support signalization at this intersection. Development participation funds would be used to supplement the funds in this account to cover the costs of this signal. Potential candidates for future signals include 108th Avenue and Simms Street, along with Wadsworth Boulevard and 99th Avenue. This project may also provide a modest amount of funding for the occasional installation of other traffic control devices such as electronic "speed advisory" signs.

New Development Participation**Proposed 2011 = \$30,000****Proposed 2012 = \$200,000**

New Development Participation provides funding for the City's share of certain public improvements installed by private developers, as mandated by Westminster Municipal Code. Staff is unaware of any development projects that would warrant City participation in 2011, but \$30,000 is proposed for potential future projects. For 2012, a total of \$200,000 is requested to fund the City's share of the construction of 101st Avenue to the west of Sheridan Boulevard and related traffic signal modifications that may be installed in conjunction with the Amberwood Subdivision. This subdivision is to be located at the southwest corner of the current three-legged intersection of 101st Avenue and Sheridan Boulevard.

Sidewalk Connection**Proposed 2011 = \$50,000****Proposed 2012 = \$25,000**

This project provides funds for the installation of "missing links" of sidewalk that were not previously constructed by private developers or are located in areas of great need where development is not anticipated to occur in the near future. Targeted sub-projects include routes to schools and other highly used pedestrian paths. One project example is the missing link of sidewalk located along the west side of Huron Street between 121st Avenue and 124th Avenue, which would serve disabled patrons of a nearby care facility.

New Street Light Program**Proposed 2011 = \$25,000****Proposed 2012 = \$25,000**

This project is for the installation of individual street lights in warranted locations, usually as requested by residents of neighborhoods. Staff follows a certain technical criteria to determine if requested lights are truly warranted. Residential area street lights are typically installed by developers of these properties in accordance with designs furnished by Xcel Energy. However, those designs are occasionally faulty and additional street lights may be justified. In such instances, the City pays for the new lights.

Geographic Information System (GIS) Upgrades**Proposed 2011 = \$75,000****Proposed 2012 = \$75,000**

This project provides funding for the enhancements to the City's GIS program. Sub-projects proposed for 2011 include the development of datasets for residential buildings and impervious surfaces. In addition, GIS Web sites are proposed to be upgraded to take advantage of new

programming and delivery environments. These upgrades will improve maps and data available to citizens and businesses.

Arterial Roadway Grinding/Resurfacing

Proposed 2011 = \$650,000

Proposed 2012 = \$650,000

This ongoing project provides funding for one or more arterial roadways per year for resurfacing the existing pavement for a smoother ride, elimination of ruts, and resealing of the surface of the roadway. Proposed improvements to the existing pavement on major arterials will extend the life of the pavement and offset the high cost of repairs with a cost savings being realized over time, due to the elimination of rutting and weak areas. The asphalt mix design proposed to be used is highly resistant to rutting and traffic loads. In 2011, work is proposed for 88th Avenue from Harlan Street to Wadsworth Boulevard, along with 100th Avenue from Wadsworth Parkway to Simms Street. In 2012, projects are proposed for Sheridan Boulevard from U.S. 36 to 96th Avenue, along with Westminster Boulevard from 104th Avenue to 112th Avenue.

Federal Boulevard Sidewalks

Proposed 2011 = \$0

Proposed 2010 = \$176,000

Federal Boulevard is one of the more heavily used pedestrian corridors in the City. This project would fund the installation of an eight-foot sidewalk along the west side of Federal Boulevard between 92nd Avenue and the south boundary of the Northpark Subdivision. The project would install similar sidewalks in front of the Mushroom Farm Open Space on the east side of Federal Boulevard and on the east side of Federal Boulevard in front of the single family residence north of 118th Place. The project is currently in preliminary design. Staff will submit this project this fall for funding consideration as part of DRCOG's Transportation Improvement Program (TIP). The dollars proposed for 2012 represent the City's local match (estimated at 50%) that would be required by DRCOG's TIP program.

120th Avenue Corridor Turn Lanes and Restriping

Proposed 2011 = \$580,000

Proposed 2012 = \$0

The 120th Avenue corridor through Westminster is one of the most congested arterials in the City. A minor restriping effort in coordination with the Colorado Department of Transportation (CDOT) could create three through lanes in each direction for the portion of the corridor located between Federal Boulevard and I-25. However, in order for this occur in a safe manner, dedicated right-turn lanes would be needed at Zuni Street (eastbound and westbound), Tejon Street (eastbound) and Pecos Street (westbound). This project would fund the installation of separate right-turn lanes at these intersections. Adequate rights-of-way for the new turn lanes already exist.

128th Avenue/Delaware Street Intersection Improvements

Proposed 2011 = \$0

Proposed 2012 = \$90,000

This project would modify portions of 128th Avenue between Huron Street and I-25 to provide two continuous eastbound through lanes. Work includes design and reconstruction of portions of the curb along the south side of 128th Avenue, west of Delaware Street. The project would also include the removal and reconstruction of traffic signal islands, the relocation of one traffic signal pole at Delaware Street, asphalt work, restriping and restoration of areas disturbed by the work. The proposed modifications would improve traffic capacity and safety for eastbound 128th Avenue, which is now reduced to a single lane from Huron Street to the east. The total project is estimated to cost \$180,000, with half of the funds proposed in 2012 and half planned for 2013.

City Facilities Parking Lot Maintenance Program

Proposed 2011 = \$115,000

Proposed 2012 = \$115,000

This ongoing project funds annual contractual crackseal, resurfacing, sealcoating and concrete replacement as required at 91 municipal sites. Fifty-one locations have pavement requiring regular

maintenance and two courtyards need annual maintenance. Rotation for asphalt pavements requires cracksealing every three years and sealcoating every six years. Funding assures timely preventive maintenance based on sound pavement management practices. In 2011, sealcoating is proposed for parking lots at the Promenade (City owned), the Park Operations Center, Standley Lake, Westview Recreation Center and Margaret’s Pond. Cracksealing is proposed for parking lots at The MAC, Big Dry Creek Trail at 112th Avenue and Vrain, Wolff Run Park, City Hall, Public Safety Center, Big Dry Creek Park, Westminster Sports Center, Nottingham Park and Westminster Hills Dog Park. Concrete maintenance is proposed for the City Hall Courtyard and Service Entrance, the Public Safety Center Courtyard and Fire Station #5. In 2012, sealcoating is proposed for all parking lots at City Park Recreation Center and City Park Fitness Center. Cracksealing is proposed for Cotton Creek Park, Fire Stations (#1, #3, #4, #6), the Fire Storage Facility, Countryside Recreation Center and Irving Street Library.

South Westminster Revitalization Project

Proposed 2011 = \$75,000

Proposed 2012 = \$71,000

This project provides City funding assistance to numerous redevelopment and revitalization projects located within multiple areas of the southern portion of the City. The funds can provide a readily available local match to help leverage funding from outside sources that help support revitalization efforts. Potential future projects include art installation and plaza construction, small scale streetscape improvements (such as on Newton Street and Wilson Court), demolition of dilapidated structures and construction of new housing and commercial establishments. Funds are also proposed to cover the cost of preparing development plans and studies.

Building Operations & Maintenance Major Maintenance

Proposed 2011 = \$400,000

Proposed 2012 = \$160,000

This on-going project is for the maintenance and repair of City facilities that are larger in scope than the projects funded in the operating budget, such as carpet, roof, and glass/window replacement at various facilities. Anticipated projects for 2011 include brick façade repairs at City Hall, rooftop supply/exhaust fan replacement at City Hall, heat pump replacement at City Hall, heat pump replacement at the Old Police Facility (Colorado Department of Corrections), roof replacement over heated storage facilities at the Municipal Service Center and HVAC unit replacements at Municipal Court. Anticipated projects for 2012 include brick façade repairs at City Hall and heat pump replacement at City Hall.

Small Business Capital Project Grant Program

Proposed 2011 = \$25,000

Proposed 2012 = \$25,000

The Small Business Capital Project Grant provides financial assistance to encourage the growth of existing businesses in Westminster with 25 or fewer employees. This program provides grant funds to businesses for one-time, project related costs. Qualifying projects include tangible asset costs, office furnishings, specialized equipment, software purchases, information technology equipment, capital improvements and machinery. The maximum grant amount is \$5,000 or 10% of total project cost. One grant is allowed per business per year.

Open Space Land Purchase Reimbursement

Proposed 2011 = \$215,000

Proposed 2012 = \$0

This project is proposed for the reimbursement of the Open Space Fund for rights-of-way acquired over several open space properties purchased with open space sales tax funds totalling \$854,000. The rights-of-way were acquired prior to July 2004 and reimbursement was deferred until 2006-2011. A total of \$639,000 has been appropriated by City Council. The remaining \$215,000 owed to the Parks, Open Space, and Trails (POST) Fund is proposed to be repaid 2011.

Major Software Upgrades**Proposed 2011 = \$125,000****Proposed 2012 = \$25,000**

This is an ongoing project funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. The project funds major software application upgrades for systems including Intergraph Public Safety, Accela Maintenance Management, Utility Billing, Justice Systems Incorporated and Microsoft software. The City of Westminster has made a significant investment in application software for public safety, utility maintenance, utility billing, asset management, court, and office productivity tools. These software products require upgrades to acquire new features and to guarantee ongoing vendor support. Proposed projects for 2011 include an upgrade of Municipal Court's existing software system to Justice Systems Incorporated latest release, the Full Court Enterprise system. Also, Staff has proposed funds to add the Parks, Recreation and Libraries Department to the Accela Maintenance Management System. Per the City's four year repurchase cycle for Microsoft software and licenses, funds are programmed for 2011 and 2012 for these Microsoft items as well. The total budget proposed across all funds for this ongoing project equals \$250,000 for 2011 and \$150,000 for 2012.

Internet Protocol Phone Bank Exchange Phone Upgrade**Proposed 2011 = \$76,000****Proposed 2012 = \$0**

This project is proposed to be funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. The Internet Protocol Phone Bank Exchange (IP PBX) Phone System Upgrade is designed to consolidate the management and vendor deployment of all voice systems within the City of Westminster. The overall project, costing \$334,000, will touch almost every City location and provide a standardized 4-digit dialing structure to the entire organization. This will remove the multiple, disparate systems that exist today, allowing for all City employees to utilize the same voicemail system, as well as use the same process and procedures when using the phone system, regardless of location. This project will also eliminate the current scenario where the same "extension" exists in multiple locations, like at Fire Stations and Recreation Centers. Council appropriated funds for this project in 2009 and 2010, totalling \$167,000. The project is currently 50% complete. The requested funding for 2011 would provide the necessary funds to complete the project. The total amount proposed across all funds is \$167,000 in 2011.

South Westminster Transit Oriented Development**Proposed 2011 = \$500,000****Proposed 2012 = \$900,000**

This project is intended to fund infrastructure costs associated with the South Westminster Rail Station and surrounding transit-oriented development area that are not paid by RTD as part of the Eagle P3 Project. Expenses could include new streets, sidewalks, right-of-way acquisitions, street lights, street furniture, costs associated with the parking structure that might exceed the allowance from RTD. The project area is bounded by Federal Boulevard, 72nd Avenue, Lowell Boulevard and the approximate alignment of 69th Avenue. Per RTD, funds from the successful bid for the Eagle P3 Project that were earmarked for surface parking lots and related South Westminster Rail Station infrastructure improvements will be used to pay for a parking structure and minimal roadways serving the station. The construction of a parking structure is vital to the City's vision of a true, transit-oriented development in the vicinity of the station.

Railroad Crossing Surface Replacement Program**Proposed 2011 = \$62,000****Proposed 2012 = \$26,000**

This program will replace railroad crossing surfaces at three crossing locations throughout the City with concrete crossing pad materials. These three crossings are rated poor to very poor. In 2011, the crossings proposed to be replaced are located at Bradburn Boulevard at 72nd Way and Lowell Boulevard at approximately 71st Avenue. The existing pads at both of these crossings are rubber and are starting to breakdown. Rubber replacement pads are no longer available. In 2012, the

railroad crossing proposed to be replaced is located at 76th Avenue between Winona Court and Stuart Street. The existing pads at this crossing are older style concrete and rated as poor. In 2012, the pads will have been in service 17 years. Cooperation will be necessary from the Burlington Northern Santa Fe Railway Company (BNSF) to complete these crossing surface replacements.

Bridge/Pedestrian Railing Repainting/Lighting Repair Project **Proposed 2011 = \$69,000**
Proposed 2012 = \$120,000

This project is proposed for repainting railings along bridges, drainage ways and right-of-way walkways throughout the City. Staff has identified 12 bridge locations with railings and fencing over state highways and railroad overpasses throughout the City. Five locations are proposed for repainting in 2011 and 2012. These locations will require a contractor with specialized equipment to accomplish repainting as well as Colorado Department of Transportation (CDOT) involvement for lane closures. In addition to repainting phases of work, inspection and contractual electrical work is required to maintain lighting associated with City owned bridges and pedestrian underpasses. Proposed 2011 projects would repaint railings on 92nd Avenue over U.S. 36 and on Sheridan Boulevard over the Burlington Northern Santa Fe (BNSF) rail line. Proposed 2012 projects would repaint railings on 104th Avenue over U.S. 36, on Wadsworth Boulevard over U.S. 36 and on Zephyr Street over Church Ranch Boulevard.

Shoenberg Farm Restoration **Proposed 2011 = \$10,000**
Proposed 2012 = \$79,000

This project would help facilitate continuing renovation of historic properties located at the former Shoenberg Farm site. In 2011, these proposed funds would provide City matches for grants to complete construction plans for the rehabilitation of the wooden stave silo and for the small underground power plant. In 2012, the proposed funds would fund structural and exterior rehabilitation of the 1911 milkhouse; these funds represent the anticipated local match for grant funding that the City would pursue for this project.

Semper Farm Restoration **Proposed 2011 = \$0**
Proposed 2012 = \$60,000

The Charles and Julia Semper Farm is a four-acre open space parcel located at the northwest corner of 92nd Avenue and Pierce Street. It includes large trees, wildlife habitat, the Farmers High Line Canal Trail and several structures. The 1880 farmhouse and its 1961 addition received a structural and exterior rehabilitation in 2008 using CDBG and State Historical Fund monies. The 19th century well and 1961 pump house have been repaired and restored by Eagle Scout projects. Denver Urban Gardens established a community garden in 2006 with about 20 plots. Staff has coordinated improvements such as grading, parking and fences. This proposed project would fund interior repairs and install utility improvements for the farmhouse. This would allow for a caretaker to live on site in the future to assist with maintenance and upkeep of the property.

Teleworks Upgrade **Proposed 2011 = \$66,000**
Proposed 2012 = \$0

The project is proposed to be funded by both the General and the Utility Funds. The City uses Teleworks to give citizens and businesses access to account information and make payments in real-time. The Teleworks utility application ties directly to the City's utility billing database, so phone and web payments are posted immediately with no manual steps. This solution helps improve collections and processes while making efficient use of Staff resources. The proposed upgrade is needed to keep the current system under maintenance and receiving enhancements. This proposed upgrade would also give the City the capability to interface with the Building Permit System (Buildingworks) and with the Court's Jury Plus System (Courtworks) to provide citizens and businesses access to their information and the ability to make payments for permits or fines

through the phone. Last year, the City received 50,099 web payments totaling \$3,623,332 and 16,931 phone payments totaling \$1,203,763. From 2008 to 2009, the number of our customers using the system increased 24% and this trend is expected to continue. The total project cost across all funds totals \$166,000.

Miscellaneous Construction Projects

Proposed 2011 = \$50,000

Proposed 2012 = \$50,000

While a Special Improvement District was created to fund the original construction of the brick wall along 120th Avenue, no source is available to pay for repairs necessitated by automobile accidents. Likewise, no funding source exists for repairs to the City-owned walls along Sheridan Boulevard and 72nd Avenue. Vehicular accidents have caused damage to these walls on an annual basis for the past three to four years. Additionally, due to recent staffing reductions in various departments, Staff is less frequently available to perform maintenance work on Community Development projects. This project would provide funding for the maintenance of City-owned bricks walls and wood fences, as well as minor construction and maintenance work within public rights-of-way and other public lands.

Municipal Service Center Service Drive Rehabilitation

Proposed 2011 = \$22,000

Proposed 2012 = \$0

This project would fund the removal and replacement of deteriorated concrete panels, joint sealing, and application of liquid sealant on west service drive at the MSC. The concrete service drive is showing advanced deterioration due to year-round heavy loads traversing the drive. All heavy equipment and trucks owned by the City utilize this drive on a daily basis, as well as trucks delivering bulk materials. A strong concentration of deicing materials has also expedited the deterioration of this driveway. Dedicated funding for this project would allow other City facility parking lot maintenance to continue as scheduled.

Westminster Center Urban Reinvestment Project (WURP)

Proposed 2011 = \$1,000,000

Proposed 2012 = \$500,000

This project remains one of City Council's highest priorities. Staff continues to work with development interests in planning and pursuing redevelopment of the current Westminster Mall site. These funds are proposed for future public participation in infrastructure and other site improvements that might be necessary to facilitate redevelopment efforts. The Development Agreement for WURP was signed in August 2010. Anticipated activities during the 2011 and 2012 time period include acquisitions of properties, relocation of tenants, detailed project planning for the entire 108 acre site and Phase 1. The project is anticipated to be under construction in 2012.

Proposed 2011 General Capital Improvements Total

\$4,345,000

Proposed 2012 General Capital Improvements Total

\$3,467,000

Public Safety Capital Improvement Projects:

Fire Station Major Modifications

Proposed 2011 = \$45,000

Proposed 2012 = \$30,000

This project is proposed to fund necessary modifications to fire stations that fall outside of the purview of Building Operations and Maintenance (remodel and maintenance projects related to basic facility or structural needs, painting, carpet, windows, etc.). Proposed 2011 projects focus on Station #3 and include a remodel of the workout area, the replacement of showers, a bathroom remodel, an extractor washer/dryer combination and plumbing and electrical work to accommodate the new extractor washer/dryer. The extractor washer/dryer will allow firefighters to better maintain their bunker gear.

Firefighting Simulator/Burn Building**Proposed 2011 = \$170,000****Proposed 2012 = \$170,000**

This project is proposed for site improvements and the design and construction of a firefighting simulator/burn building in the vicinity of the existing Fire Department Training facility located at 3851 Elk Drive. To date, City Council has appropriated \$352,000 towards this project. Potential sites, flood plain mitigation alternatives and other issues are currently being investigated. Besides the simulator itself, site improvements could include the addition of fire hydrants, concrete work, adding electrical utilities, sanitary facilities, a briefing area, a storage building and fencing around the entire site for security. The proposed new simulator would be equipped with two burn rooms, roof chop outs, forcible entry simulator, smoke distribution system and moveable maze partition panels. The total project is estimated to cost \$692,000.

Fire Station Concrete/Asphalt Replacement Program**Proposed 2011 = \$50,000****Proposed 2012 = \$55,000**

Since the original construction of Fire Station #2 in 2003, the asphalt driving surface has deteriorated significantly, mostly due to the weight of heavy fire apparatus. Asphalt patching has been necessary to stabilize the driving surface, but continued patching is only a temporary remedy. This project would fund the installation of a more durable concrete driving surface at Station #2. Funding is proposed for 2011 and 2012, with construction proposed for 2012.

Public Safety Facilities Maintenance (BO&M)**Proposed 2011 = \$150,000****Proposed 2012 = \$185,000**

Funds are proposed for the ongoing maintenance costs for the Public Safety Center (PSC) and Fire Stations throughout the City. Anticipated projects for 2011 include furnace replacements at fire stations, kitchen improvements at Fire Stations #5 and #6, roof replacement at the Fire Storage facility and bay door opener replacements. Anticipated projects in 2012 include roof replacements at Fire Stations #5 and #3, interior apparatus bay painting at Fire Stations #3 and #6, tile replacement in the report writing area of the PSC, several window replacements at the PSC and carpet replacement in common areas of the PSC.

Major Software Upgrades**Proposed 2011 = \$100,000****Proposed 2012 = \$100,000**

This is an ongoing project funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. This project is for the recurring upgrade costs associated with major software applications such as Microsoft software and the Police and Fire Departments' Computer Aided Dispatch/Records Management System (CAD/RMS) software. This is proposed to be an ongoing project managed by the Information Technology Department to keep the CAD/RMS system upgraded and current. The funding in 2011 and 2012 is proposed to cover Microsoft software purchases and upgrades to the CAD/RMS system.

Internet Protocol Phone Bank Exchange Phone Upgrade**Proposed 2011 = \$61,000****Proposed 2012 = \$0**

This project is proposed to be funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. The Internet Protocol Phone Bank Exchange (IP PBX) Phone System Upgrade is designed to consolidate the management and vendor deployment of all voice systems within the City of Westminster. The overall project will provide a standardized 4-digit dialing structure to the entire organization. This will remove the multiple, disparate systems that exist today, allowing for all City employees to utilize the same voicemail system, as well as use the same process and procedures when using the phone system, regardless of location. This project will also eliminate the current scenario where the same "extension" exists in multiple locations, like at Fire Stations and Recreation Centers. Council appropriated funds for

this project in 2009 and 2010. The project is currently 50% complete. The requested funding for 2011 would provide the necessary funds to complete the project.

<i>Proposed 2011 Public Safety Capital Improvements Total</i>	<i>\$576,000</i>
<i>Proposed 2012 Public Safety Capital Improvements Total</i>	<i>\$540,000</i>

Park Capital Improvements:

Community Enhancement Program (CEP)

Proposed 2011 = \$1,262,000

Proposed 2012 = \$1,280,000

Funded from the City's accommodations tax, these projects benefit the entire community. Pursuant to the CEP Master Plan adopted by City Council on March 13, 2006, this program funds projects including medians, gateways, bridges, rights-of-way, public art, lights and banners. Anticipated projects for 2011 and 2012 include gateway construction at I-25 and 150th Avenue, median and right of way improvements along 80th Avenue, U.S. 36/Lowell Boulevard bridge enhancements and neighborhood enhancement grants. In addition to capital projects, funding from this program is also proposed for salaries for Park Services and Design Development Staff (\$371,338), contractual maintenance for City medians and rights-of-way (\$353,870), Promenade maintenance (\$75,000), greenhouse operations (\$40,695), forestry operations (\$19,000), replacement park signs (\$5,000) and the City's Plant-A-Tree program (\$2,500).

Greenbelt and Drainage Improvements

Proposed 2011 = \$50,000

Proposed 2012 = \$50,000

This is an ongoing project and proposed funds would provide for additional right-of-way improvements in City greenbelt and drainage areas, along with mandated Army Corps of Engineers wetland mitigation and State drainage permitting. Projects are anticipated for Airport Creek through Sheridan Green, Walnut Creek, the Big Dry Creek Trail area and Quail Creek. Drainage areas throughout the City can also present unexpected repairs due to environmental conditions caused by beavers, flooding and other impacts.

Trail Development

Proposed 2011 = \$80,000

Proposed 2012 = \$100,000

This ongoing project is proposed to complete trail connections, including culverts and bridges where applicable, throughout the City. The Trails Master Plan has identified several trail connections throughout the City to be constructed. This project works to construct those connections to make the Master Plan a reality. Anticipated 2011 projects include trail work at Savory Farm and Tanglewood at Willowbrook Park. Anticipated 2012 projects include trail work along Big Dry Creek and Little Dry Creek.

Landscape Architect II/ Project Manager

Proposed 2011 = \$62,000

Proposed 2012 = \$64,000

This ongoing project funds a 1.0 FTE Landscape Architect II that is indexed to park and trail development activities. This position concentrates on trail development, grant acquisition, grant administration and park development.

Recreation Facilities Improvements

Proposed 2011 = \$300,000

Proposed 2012 = \$300,000

This project provides ongoing funding for the City's recreation facilities for projects that will upgrade, update and/or renovate existing facilities and equipment. Projects for 2011 and 2012 include locker room improvements, pool equipment replacement, weight and cardio equipment replacement, stereo and security system replacements, replacement of table and chairs, classroom and program area enhancements. Funds would also be leveraged with Building Operations and Maintenance funds for painting and flooring improvements.

Park Maintenance (JCOS)**Proposed 2011 = \$454,000****Proposed 2012 = \$465,000**

This project is proposed to continue funding nine staff members (3.0 FTE Crewleaders, 2.0 FTE Irrigators and 4.0 FTE Parkworker positions) in the Park Services Division via the use of Jefferson County attributable share open space funds. These positions perform needed maintenance in the Jefferson County portion of the City open space and at City Park. As the City continues to grow its park and open space program, expanded service levels are required to maintain the properties developed and/or acquired.

Adams County Open Space Land Acquisition**Proposed 2011 = \$175,000****Proposed 2012 = \$175,000**

These funds are a portion of the open space sales tax revenue received from Adams County from the 2001 voter-approved tax, so the funds must be utilized for acquisitions within the Adams County portion of the City. Staff is proposing that these funds be utilized to help pay for the Metzger Farm Certificates of Participation (COPs) payments in 2011 (\$562,795) and 2012 (\$566,295). This debt service commenced in 2006 and will be paid off under the current schedule in 2016. These COPs financed the acquisition of the Metzger Farm Open Space.

Park Renovation Program**Proposed 2011 = \$665,000****Proposed 2012 = \$665,000**

This ongoing project provides annual funding for existing parks that are in need of repair and renovation. Projects proposed for 2011 utilizing proposed and existing funding include work at Westbrook Park (repainting of shelters and furnishings, tennis court renovation, playground replacement), Skyline Vista Park (in-line skate rink renovation, court repairs and improvements), City Park (handrail repair and replacement, replacement of certain furnishings), Torri Square (renovation of shelter, playground addition), Trailside Park (new play equipment with fiber surface) and Promenade Terrace (shelter addition at stage, rock work). Funding is also proposed for King's Mill Pool. Depending on direction from City Council, \$250,000 is proposed to either demolish the pool and install park features on the site or to renovate the pool infrastructure. Under both scenarios, Staff is recommending demolition of the building on the King's Mill site and these funds would help pay for those expenses as well. For 2012, proposed projects include work at Countryside Park (tennis court renovation and removal, playground enhancements), Cobblestone Park (playground replacements and enhancements) and Sommerset Park (playground replacements and enhancements). Minor renovation items are also planned for 2011 and 2012, including repainting, trip hazard elimination, rubber tile replacement, irrigation improvements, park signage improvements and concrete repair and replacement.

Golf Course Improvements**Proposed 2011 = \$50,000****Proposed 2012 = \$50,000**

This ongoing project is proposed to fund improvements that will upgrade, update and/or renovate existing facilities at The Heritage Golf Course at Westmoor and Legacy Ridge Golf Course. Projects proposed for 2011 for Legacy Ridge include kitchen floor replacement, cart path repair, patio railing painting, replacement of kitchen equipment and restroom renovation as funding permits. Proposed 2012 projects for Legacy Ridge include exterior painting, exterior door replacement, work on stone façade, basement heater replacement and banquet room television replacement as funding permits. Projects proposed for 2011 for The Heritage include replacement of banquet room table and chairs, replacement of patio tables and chairs, stonework repair, light replacement and installation of a new banquet room divider as funding permits. Proposed 2012 projects for The Heritage include repair work to the concrete patio, sealant addition to the mechanic shop floor, appliance replacement (ice machines, cooler and microwave), golf shop fixture replacement and emergency sprinkler system work as funding permits.

Standley Lake Regional Park Improvements**Proposed 2011 = \$102,000****Proposed 2012 = \$117,000**

This ongoing project is funded from boating permit fees and is proposed to fund improvements that will upgrade, update and/or renovate existing facilities at the Standley Lake Regional Park. Improvements proposed in 2011 include a shed for a seasonal office, paving of the spray station road and tag station lane, replacement of parking stripes in the parking lot and picnic table replacement with maintenance-free tables. Proposed 2012 projects include replacement of remaining "old" picnic tables and paving the campground road and pads with recycled asphalt.

Recreation Facilities Major Maintenance (BO&M)**Proposed 2011 = \$744,000****Proposed 2012 = \$753,000**

This ongoing project provides ongoing funding for major facility maintenance for the City's Recreation Facilities based on the Facility Structural Assessment Study. Projects proposed for 2011 include roof replacement at Swim and Fit Recreation Center, roof replacement at the MAC, plumbing and drainage upgrades at Swim and Fit, curtain wall glass replacement at City Park Fitness Center, repair work to exterior walls at City Park Recreation Center, repair and replacement of flooring at the Sports Center, replacement of fans and heating units at the Sports Center and window gasket and sealant replacement at both facilities at the City Park complex. Proposed 2012 projects include roof replacement at City Park Fitness Center, gym floor replacement at City Park Recreation Center, carpet replacement at the MAC and at City Park Recreation Center and flooring replacement in classrooms at City Park Recreation Center.

Golf Course Fund Transfer**Proposed 2011 = \$250,000****Proposed 2012 = \$300,000**

This transfer from the General Capital Improvement Fund (GCIF) to the Golf Course Fund is proposed by Staff in order to submit a balanced, proposed budget for the Golf Course Fund. Due to continuing debt obligations at The Heritage and challenges facing the golf industry as a whole, revenues from Golf operations alone are not projected to cover the total expenditures proposed for Golf operations in 2011 and 2012.

Minor Median Maintenance**Proposed 2011 = \$50,000****Proposed 2012 = \$25,000**

This is an ongoing project that last received funds in 2008. The project provides funds for the replacement of median plant material. Medians are a vital part of the City of Westminster that provide a pleasant driving experience and serve to enhance commercial and retail areas. Medians are a harsh environment for vegetation and plant material and associated irrigation needs to be replaced on a five to seven year cycle.

Aquatics Major Maintenance (BO&M)**Proposed 2011 = \$30,000****Proposed 2012 = \$30,000**

This is a new project proposed to dedicate funds for major repair and replacement of aquatics equipment at the City's pools. This equipment includes pool pumps, motors, heat exchangers, boilers and ozone equipment. The City operates indoor pools at City Park Recreation Center and at Swim and Fitness Recreation Center. The City currently operates outdoor pools at Countryside and King's Mill. Staff is proposing the closure of the King's Mill pool as part of the Proposed 2011 Budget.

Proposed 2011 Park Capital Improvements Total***\$4,274,000******Proposed 2012 Park Capital Improvements Total******\$4,374,000***

<i>Proposed 2011 GRAND TOTAL General Capital Improvement Fund</i>	<i>\$9,195,000</i>
<i>Proposed 2012 GRAND TOTAL General Capital Improvement Fund</i>	<i>\$8,381,000</i>

Utility Fund Capital Improvement Projects

Wastewater System Capital Improvements:

Strasburg Natural Resources Farm Projects

Proposed 2011 = \$0
Proposed 2012 = \$1,550,000

This project is primarily for the purchase of additional farmland for use as biosolids application sites. In order to accommodate the increased quantity of biosolids projected to be generated by the Big Dry Creek Wastewater Treatment Facility and maintain the current practice of land application of biosolids, the City must acquire additional farmland to supplement the Strasburg Natural Resources Farm (SNRF). The additional land is expected to be a combination of irrigated and non-irrigated acreage. The Utilities Division is in the process of updating its Solids Management Master Plan to identify the amount of additional farmland that will be required. In addition, the project would fund the evaluation and refurbishment/replacement of three wells and pump systems that provide water to two pivot irrigation systems at the Farm. These wells are between 40 and 50 years old and have required much more frequent maintenance and repair over the last several years. Some issues have led to the clogging of irrigation systems, which are critical in order to fully utilize the land area of the Farm for biosolids application.

Lift Station Improvements

Proposed 2011 = \$2,300,000
Proposed 2012 = \$0

A major portion of this ongoing project account is the proposed replacement of the lift station at 87th Avenue and Wadsworth Parkway. Engineering, design, and construction for this replacement would be required. The existing lift station was built in 1992 and is located in Arvada. The lift station pumps through a 10-inch force main and discharges into a 12-inch City gravity sewer near 90th Avenue and Wadsworth Parkway. This pipeline is within the Big Dry Creek Wastewater Treatment Facility collection system. The single 10-inch force main represents a relatively high risk to the City, as it is a single point of failure for a significant amount of sewage. Additionally, the existing lift station wet well size is too small and does not provide adequate storage capacity to prevent sewage overflow in the event of major power outages and/or mechanical failures. The proposed new station will include a larger wetwell, parallel force mains, improved mechanical and electrical equipment and stand-by power. The remaining proposed funds would be used for critical needs that may arise at the City's other lift stations at 80th and Clay, 95th and Federal, 88th and Zuni. An engineering study (scheduled for fall 2010) will be conducted to verify critical upgrades necessary at each of these facilities.

Sanitary Sewer Line Trenchless Rehabilitation

Proposed 2011 = \$500,000
Proposed 2012 = \$500,000

This project involves the ongoing rehabilitation of smaller diameter sewers (18-inch and smaller) throughout the City. The City currently inspects its sewers using a systematic ranking system and rehabilitates all sewers that fall below a specified condition threshold. The locations of each specific project vary from year to year. Some sections would be consolidated into larger projects as appropriate by geographical locations. As a result, some sewers may be rehabilitated out of sequence with their score ranking in order to maximize the cost-effectiveness of the replacement program.

Internet Protocol Phone Bank Exchange Phone Upgrade

Proposed 2011 = \$15,000
Proposed 2012 = \$0

This project is proposed to be funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. The Internet Protocol Phone Bank

Exchange (IP PBX) Phone System Upgrade is designed to consolidate the management and vendor deployment of all voice systems within the City of Westminster. The overall project will provide a standardized 4-digit dialing structure to the entire organization. This will remove the multiple, disparate systems that exist today, allowing for all City employees to utilize the same voicemail system, as well as use the same process and procedures when using the phone system, regardless of location. This project will also eliminate the current scenario where the same “extension” exists in multiple locations, like at Fire Stations and Recreation Centers. Council appropriated funds for this project in 2009 and 2010. The project is currently 50% complete. The requested funding for 2011 would provide the necessary funds to complete the project.

BDCWWTF Major Repair and Replacement **Proposed 2011 = \$500,000**
Proposed 2012 = \$200,000

This project would fund major repair and replacement needs associated with the Big Dry Creek Wastewater Treatment Facility (BDCWWTF) that were not addressed as part of the recent major capital projects at the plant. This would include replacing existing equipment that is integral to the treatment processes when this equipment exceeds its life expectancy and/or is at risk of operational failure. For 2011, Staff is proposing enhancements and optimization to the solids system at BDCWWTF. This would include improvements to digester hydraulics related to the gravity transfer of solids flow streams to/from and between digesters and to hydraulics related to the pumped transfer of thickened sludge from the gravity belt thickener to the thickened sludge mixing/holding tank. For 2012, this project would fund ongoing site maintenance and pipe work. One specific need is the replacement of the existing roof of the water quality building, which has reached the end of its useful life and needs to be replaced.

South Westminster TOD Wastewater Utilities **Proposed 2011 = \$500,000**
Proposed 2012 = \$2,500,000

The forthcoming RTD Northwest Spur of the Gold Line (also known as the Eagle P3 line for commuter rail) and resulting transit-oriented development (TOD) projects will impact the City’s utilities. This project would fund the relocation and/or capacity expansion of existing sanitary sewers from Lowell Boulevard to Zuni Street between 66th and 71st Avenues. While the exact construction schedule of the Gold Line has not been determined, RTD indicated it could begin as early as 2012, pending funding and easement acquisition. A target date for completion of the Gold Line is scheduled for 2015. To accommodate RTD’s schedule, the City’s relocation of utilities needs to be completed in early 2012. Staff is currently working on a sewer alignment that is consistent with the City’s plans for Little Dry Creek Park and with future build-out flows.

Payment in Lieu of Taxes **Proposed 2011 = \$73,000**
Proposed 2012 = \$62,000

This item represents a payment from the City’s Utility Fund to the City’s Sales and Use Tax and Parks, Open Space and Trails (POST) Funds as discussed with City Council at the July 19 Study Session. Use taxes must be paid on materials used by contractors on projects for all institutions, including governmental, religious and charitable organizations. Westminster’s Home Rule Charter requires that the rates and charges for any City utility be fixed as to at least meet all the operating costs of such utility. Therefore, the cost of use tax should be borne by the payer’s rate and factored into utility rates. Exempting materials used in utility construction projects from the City’s use tax provides an indirect subsidy of utility costs by the General Fund. This payment is calculated based on estimated construction materials used in projects undertaken and managed by the Utility Fund, calculated at the 3.85% use tax rate.

<i>Proposed 2011 Wastewater System Capital Improvements Total</i>	<i>\$ 3,888,000</i>
<i>Proposed 2012 Wastewater System Capital Improvements Total</i>	<i>\$ 4,812,000</i>

Water System Capital Improvements:**Major Software Upgrades****Proposed 2011 = \$25,000****Proposed 2012 = \$25,000**

This is an ongoing project funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. The project funds major software application upgrades for systems including Intergraph Public Safety, Accela Maintenance Management, Utility Billing, Justice Systems Incorporated and Microsoft software. The City of Westminster has made a significant investment in application software for public safety, utility maintenance, utility billing, asset management, court, and office productivity tools. These software products require upgrades to acquire new features and to guarantee ongoing vendor support. Per the City's four year repurchase cycle for Microsoft software and licenses, funds are programmed for 2011 and 2012 for these Microsoft items.

Internet Protocol Phone Bank Exchange Phone Upgrade**Proposed 2011 = \$15,000****Proposed 2012 = \$0**

This project is proposed to be funded through the General, Public Safety Tax, and Utility funds based on the software application and its primary users. The Internet Protocol Phone Bank Exchange (IP PBX) Phone System Upgrade is designed to consolidate the management and vendor deployment of all voice systems within the City of Westminster. The overall project will provide a standardized 4-digit dialing structure to the entire organization. This will remove the multiple, disparate systems that exist today, allowing for all City employees to utilize the same voicemail system, as well as use the same process and procedures when using the phone system, regardless of location. This project will also eliminate the current scenario where the same "extension" exists in multiple locations, like at Fire Stations and Recreation Centers. Council appropriated funds for this project in 2009 and 2010. The project is currently 50% complete. The requested funding for 2011 would provide the necessary funds to complete the project.

Teleworks Upgrade**Proposed 2011 = \$100,000****Proposed 2012 = \$0**

The project is proposed to be funded by both the General and the Utility Funds. The City uses the Teleworks to give citizens and businesses access to account information and make payments in real-time. The Teleworks utility application ties directly to the City's utility billing database, so phone and web payments are posted immediately with no manual steps. This solution helps improve collections and processes while making efficient use of Staff resources. The proposed upgrade is needed to keep the current system under maintenance and receiving enhancements. This proposed upgrade would also give the City the capability to interface with the Building Permit System (Buildingworks) and with the Court's Jury Plus System (Courtworks) to provide citizens and businesses access to their information and the ability to make payments for permits or fines through the phone. Last year, the City received 50,099 web payments totaling \$3,623,332 and 16,931 phone payments totaling \$1,203,763. From 2008 to 2009, the number of our customers using the system increased 24% and this trend is expected to continue.

Utility Fund Facilities Parking Lot Maintenance**Proposed 2011 = \$25,000****Proposed 2012 = \$0**

This ongoing project funds contractual cracksealing, resurfacing, sealcoating and concrete replacement at seven utilities-related municipal sites. Rotation for asphalt pavement requires cracksealing once every three years and sealcoating once every six years. Projects proposed for 2011 include sealcoating for parking lots at the Wandering View water tanks, the hydropillar, Semper Water Treatment Facility and Northwest Water Treatment Facility. Proposed projects also include cracksealing for parking lots at the Reclaimed Water Treatment Facility, Northwest Water Treatment Facility, the clear well at 91st Avenue and Pierce Street and at Big Dry Creek Wastewater Treatment Facility.

SWTF Process Improvements**Proposed 2011 = \$450,000****Proposed 2012 = \$125,000**

This project is proposed for major repair and replacement of equipment at the Semper Water Treatment Facility (SWTF) that is integral to water treatment processes and that has exceeded its life expectancy and is at risk of failure. Proposed projects for 2011 include the installation of variable frequency drives to two existing pumps to add flexibility and increase efficiency of the station, along with the replacement of four existing telescoping valves associated with the solids handling lagoons and repair work to areas of the concrete lagoon. Other proposed projects for 2011 include the elimination and abandonment of the old raw water line on the SWTF site that used to connect to the now abandoned England Water Treatment Facility. The proposed project for 2012 is the replacement of the existing flow meter on the station discharge line with a new meter that can measure flows up to 60 million gallons per day.

SWTF Major Repair and Replacement**Proposed 2011 = \$415,000****Proposed 2012 = \$672,000**

This ongoing project funds major repair and replacement needs at the Semper Water Treatment Facility (SWTF). This includes the repair and replacement of equipment that has exceeded its life expectancy and is at risk of failure. Proposed 2011 and 2012 projects include general facility maintenance not related to water treatment processes including painting, flooring replacement, HVAC major repair/replacement and pavement improvements. Other proposed 2011 projects include replacement of filter valves and various instruments, including turbidimeters that measure water clarity and chlorine residual analyzers. For 2012, funds are proposed to replace the roof at the administration building.

EWTF Decommissioning**Proposed 2011 = \$300,000****Proposed 2012 = \$0**

The England Water Treatment Facility (EWTF) was replaced by the Northwest Water Treatment Facility in 2002. The facility is now only used for storage of City-owned holiday decorations. Vandalism is becoming an increasing problem and even though it is at a reduced level, electric and gas utilities are still maintained at the site. The location of the site is still considered to be an important component of future water resources planning for a non-potable water supply system for irrigation in South Westminster. However, the buildings and structures on the site have been determined to have no value for any future use at the site and are becoming a liability to the City. Initial funding for this project was appropriated by City Council in the 2007-2008 Budget (\$300,000), and this additional \$300,000 that is proposed would provide the necessary funds to properly decommission the facility.

NWTF Major Repair and Replacement**Proposed 2011 = \$50,000****Proposed 2012 = \$50,000**

The Northwest Water Treatment Facility was completed in 2002. This project includes a variety of necessary building maintenance and repairs for items including HVAC components, emergency generator upkeep and maintenance of on-site pavement. 2011 and 2012 funding is proposed for HVAC and pavement needs. Future needs include chemical feed equipment replacement, building maintenance and water treatment membrane replacement.

CWSP – Reclaimed System Improvements**Proposed 2011 = \$275,000****Proposed 2012 = \$500,000**

The proposed project is part of the City's Comprehensive Water Supply Plan (CWSP). This project is for the design and construction of improvements to the reclaimed water distribution system. These modifications are necessary for the system to meet future demand goals and for the

City to avoid the need for additional water rights and infrastructure. The project will also simplify operations, maintain system compliance with state regulations, provide new customers with reclaimed water service and improve service received by existing customers. Proposed 2011 and 2012 projects include cross-connection testing/prevention, reclaimed line extensions and connections (cost share with developers) and water pressure improvements (booster pump and valve installations). A proposed 2012 project is a formal evaluation of reclaimed water operations and water quality. These evaluations will result in recommendation on how to improve system operations or conditions.

CWSP – South Westminster Non-Potable System

Proposed 2011 = \$150,000

Proposed 2012 = \$0

This proposed project would further development of a non-potable distribution system in the south area of Westminster and is part of the City's Comprehensive Water Supply Plan (CWSP). Design and construction of the system will occur in the future in conjunction with South Westminster development and redevelopment. A non-potable system in the southern section of the City would provide water predominantly for irrigation use, utilizing non-potable sources such as the Allen Ditch, Kershaw Ditch and Little Dry Creek. The URS Corporation has completed a study for the City on the feasibility of developing a non-potable irrigation water system to the southern portions of the City. Potential system demands and conceptual system infrastructure have been identified and pre-design costs have been provided. Pumping and storage requirements have also been identified. A follow-up study will be necessary to assess potential water sources, prepare preliminary designs of project components, and develop costs and project schedule. Evaluation of site-specific irrigation demands will be a part of these efforts.

CWSP – Wattenberg Gravel Lakes Storage

Proposed 2011 = \$200,000

Proposed 2012 = \$700,000

This project is part of the City's Comprehensive Water Supply Plan (CWSP). Wattenberg Gravel Lakes will be a series of lined reservoirs adjacent to the South Platte River in southern Weld County. In the future, Aggregate Industries will have mined out aggregate materials to create a storage facility for the City's use, amounting to a total of 4,000 acre-feet of storage volume. This project will include modifications to existing infrastructure to convey water to and from the gravel lake area and to prepare the gravel pit for use as an on-line storage facility. Funds proposed for 2011 and 2012 would provide for study, design and construction of an enlargement of the Brighton Ditch, which diverts water from the South Platte River. This added capacity would be used to divert Westminster's water from the South Platte into storage at Wattenberg Gravel Lakes. This sub-project will include permitting as necessary.

CWSP – Bypass Pipeline to Standley Lake

Proposed 2011 = \$300,000

Proposed 2012 = \$3,300,000

This project is part of the City's Comprehensive Water Supply Plan (CWSP). This project would fund the design and construction of a roughly four-mile long, 36-inch gravity fed pipeline from the outlet of the Kinnear Ditch Pipeline, south along Alkire Street, east around the south side of Standley Lake to the Croke Canal and Farmers' High Line Canal inlets, and north again to the valve house near Big Dry Creek. The work would also include construction at the Croke and Farmers' High Line Canals to allow for water from either or both of the canals to be diverted into the bypass pipeline. Design of the project would commence in 2011 and would include permitting and obtaining easements along the pipe alignment. Construction of this project would commence in 2012 and would include the pipeline, diversion structures and a measuring flume. Construction is projected to take two years. The bypass pipeline is intended to reduce the vulnerability of the City's water delivery system by providing a new route for raw water to flow from the Kinnear Ditch Pipeline directly to the Standley Lake valve house, bypassing Standley Lake. This bypass pipeline would be needed in the event that the water in Standley Lake became contaminated or the

dam or its inlet valve structures became compromised due to terrorism, zebra mussels or other unforeseen circumstances.

Raw Water System Improvements

Proposed 2011 = \$400,000

Proposed 2012 = \$150,000

This project is proposed to improve the raw water system throughout the City. In 2011 and 2012, this project would fund a raw water infrastructure master plan that would inventory structures, facilities and other components of the raw water delivery and storage system while indentifying vulnerabilities in the existing system. The master plan would also recommend improvements that would improve reliability, efficiency and enhance the City's raw water firm yield. In addition, the master plan would provide a condition assessment of the system and develop a plan and schedule to implement improvements, necessary repairs, maintenance and replacements. Some of the items to be included in the assessment are stream by-pass structures, sampling stations, SCADA software systems and hardware. A schedule for the improvements will be developed to be integrated with the canal companies' planned improvements. The Master Plan would provide estimated costs and recommendations to assist the City in short and long-term planning and budgeting. This project account would also fund SCADA hardware installation for the City's raw water system.

Open Cut Water Line Replacements

Proposed 2011 = \$56,000

Proposed 2012 = \$0

This ongoing project is for the design and construction of various open cut piping replacements within the City's water distribution system. This account funds replacement projects based on pipe age and break history, along with upgrades to existing pipelines to improve service, pressure and fire flow capacity. In many cases, pipeline replacement projects are identified through system-wide hydraulic modeling. Proposed projects for 2011 include water line replacement on Turnpike Drive from Bradburn Boulevard to Raleigh Street. This pipe replacement is needed due to age and timing issues with street repairs planned for late 2011 or 2012. This work must occur after the 80th Street Bridge Project is completed, but before the street repair project begins. Another proposed project for 2011 includes water line replacement at 78th Avenue and Stuart Place. This existing line has had a significant pipe break history. Some sewer replacement will occur simultaneously to this water main replacement. A 400-foot section of this line is planned for replacement in late summer 2010 due to water main breaks this summer. Staff is proposing to utilize \$894,000 of existing funds in this project account, along with the \$56,000 proposed in 2011, to complete this project. No major water line replacements are proposed to be funded by this account in 2012 as specific water line projects are identified separately in the proposed 2012 CIP.

Pressure Zone 4 Improvements

Proposed 2011 = \$0

Proposed 2012 = \$3,787,000

This proposed project would fund new and/or replacement transmission mains in the west-central portion of the City for Pressure Zone 4 and would replace the pump station in Zone 4. The overall goal of this project is to facilitate water flow from the Zone 4 Semper Pump Station and the Silo Pump Station to the expanded Zone 4 area, which would reach east to about Pierce Street. There are several water lines in the current Zone 4 in need of repair/replacement due to age and water main break history. This project would fund necessary upgrades to improve service, pressure and fire flow capacity. Sub-components of this project would be subject to refinement and timing as determined through more detailed hydraulic modeling, which is currently being performed. Design would begin in 2011 with construction commencing in 2012. There is currently \$993,000 in City Council appropriated funding already dedicated to this project.

Pressure Zone 5 Improvements

Proposed 2011 = \$1,208,000
Proposed 2012 = \$0

This project would fund new and/or replacement transmission mains in the west portion of the City for Pressure Zone 5 and would also fund improvements to the Countryside Pump Station. The overall goal of this project is to facilitate water flow from the Zone 5 pump station and the Countryside Pump Station to the modified Zone 5 area. The modified Zone 5 boundary is anticipated to roughly follow areas between 100th Avenue and 108th Avenue. A separate pressure sub-zone of Zone 5 is anticipated to be created to reduce pressures in certain portions of Zone 5. Rehabilitation of the Countryside Pump Station will generally consist of replacing the existing pumps to increase pressure to the surrounding area. New transmission mains will likely be required to isolate the new Zone 5 boundary from the pressure in Sub-Zone 5, and likewise to isolate pressure in Sub-Zone 5 from Zone 1. Pressure reducing valves and check valves are anticipated to be installed along zone boundaries. Some operations programming within the SCADA system will be necessary to coordinate the Zone 5 and Countryside pump stations.

Ongoing Water System Modeling and Master Planning

Proposed 2011 = \$700,000
Proposed 2012 = \$75,000

This proposed project is comprised of three subprojects: master plan computer modeling for water distribution system transmission mains and pressure zone improvements; project development, prioritization and scheduling based on the model; and an utility-wide asset valuation update. The computer modeling would provide a variety of design scenarios related to planned improvements throughout the City. Pressure zones throughout the City would be examined and modeled, including the Westminster Center Urban Reinvestment Project (WURP) area and areas in south Westminster envisioned for transit-oriented development (TOD). Certain proposed projects would be generated from this modeling and the City would receive a pre-design level of detail, including appropriate timing and implementation scheduling for these projects. This project would also fund an asset valuation by facility value, age and anticipated remaining service life. This data would be used to prioritize and budget for large capital projects and to confirm the amount of connection fee and rate monies required to maintain the City’s utility system.

Pump Station Equipment – Major Repair and Replacement

Proposed 2011 = \$100,000
Proposed 2012 = \$100,000

Pump station repairs are required on a regular basis in order to maintain service and safety. Typical pump station repairs include the replacement or addition of pumps, variable frequency drives (VFDs), valves, generators, automatic transfer switches (ATS) for generator services, electrical systems, controls, supervisory control and data acquisition (SCADA) and pipe works. The City maintains and operates eleven pump stations with an approximate total value of \$17 million.

Water Tanks – Major Repair and Replacement

Proposed 2011 = \$500,000
Proposed 2012 = \$750,000

This proposed, ongoing project would fund design and construction of recommended repairs and improvements at six of the City's water storage tank sites. An evaluation of the tanks with recommendations will be completed in 2010. The improvements would be made in phases and would be prioritized based on critical needs. The most critical improvement identified at this point is modification to tank overflow piping at tank sites to meet Colorado Department of Health and Environment (CDPHE) requirements. The overflow piping modifications are necessary to eliminate potential cross contamination issues with the storm sewers near the tanks. Other repair and replacement items would include improvements to the structural integrity of the tanks, tank safety enhancements, security improvements and tank coating improvements. No water tanks are proposed to be replaced; these funds are proposed for renovations and repairs only.

Pressure Reducing Valve (PRV) Rehabilitations**Proposed 2011 = \$50,000****Proposed 2012 = \$50,000**

PRVs are intended to control water system pressures and to maintain safe pressures (less than 80 PSI) in the water distribution system. This project is intended to rehabilitate several PRV stations and to replace obsolete equipment with current maintainable hardware, thereby extending the life of water distribution system components. The PRV rehabilitation project will help to ensure adequate water flow and pressure in the water distribution system for the City's water customers. This project includes the reconstruction and replacement of existing PRVs at 107th Place and Federal Boulevard, 118th Place and Sheridan Boulevard, 117th Avenue and Sheridan Boulevard, 116th Avenue and Sheridan Boulevard, and King Circle and King Street. Plus, this project would fund the construction of a new vault at 128th Avenue and Pecos Street.

RWTF Major Repair and Replacement**Proposed 2011 = \$75,000****Proposed 2012 = \$75,000**

This project is for the maintenance and upkeep of the Reclaimed Water Treatment Facility (RWTF). This project would fund the replacement of existing equipment that has exceeded its life expectancy and/or is at risk of operational failure. This project would also fund repairs necessary to maintain the facility and to continue to meet current and anticipated regulations. The types of repairs necessary include painting, mechanical equipment and pump replacement, electrical equipment replacement and maintenance, general building maintenance and roofing replacement and repairs.

Reclaimed Water Salinity Projects**Proposed 2011 = \$250,000****Proposed 2012 = \$300,000**

This project would provide funds to implement a management plan to assist reclaimed water customers and City Staff in dealing with issues related to salinity in landscaping at reclaimed water customer sites. The project would also fund the implementation of efforts to prevent or mitigate the impacts of salinity in reclaimed water. Staff has been working with Olsson Associates and Colorado State University to develop a plan for addressing issues related to salinity and/or the use of reclaimed water at customer sites.

Gravel Lakes Facilities – Major Repair and Replacement**Proposed 2011 = \$100,000****Proposed 2012 = \$0**

This project would provide funds for needs at the City's gravel lakes facilities, which were developed primarily for the purpose of operating a series of water right exchanges to provide additional water to, and to help protect the quality of, Standley Lake. Specific projects proposed include work at the Kershaw Ditch and Sheets Lake facilities that involves repair and enhancement of the pump inlet and piping infrastructure between the lake and the pump station, as well as modifications to the lake outlet to allow for appropriate operations. Additional work would occur at Jim Baker Reservoir and include repair and replacement of outlet control and flow measuring and monitoring equipment, along with a site condition assessment. Another project would include repair and replacement of miscellaneous items at the West Gravel Lakes facilities.

Brookhill/Vance Street Water Main Replacement**Proposed 2011 = \$1,100,000****Proposed 2012 = \$0**

This proposed project would replace old water lines near the apartment complex located just off of Vance Street, south of 92nd Avenue and north of 90th Avenue. In addition, this project would replace old water lines within the Brookhill Shopping Center. Both of these areas have a significant pipe break history and replacement of these lines is a high priority. Due to the overall scope and requested funding level for this project, it is being proposed as a separate project that is "broken out" from the Open Cut Waterline Replacement project account.

(CDPHE), topographic mapping of the City for updating the Flood Insurance Rate Maps, and studies with the Urban Drainage and Flood Control District (UDFCD).

Little Dry Creek (Lowell Boulevard to Federal Boulevard) Proposed 2011 = \$1,227,000
Proposed 2012 = \$1,234,000

With the proposed Fastracks station and South Westminster transit-oriented development (TOD) on the north side of the Burlington Northern Sante Fe Railroad, this proposed project would greatly enhance the existing Little Dry Creek area with a regional stormwater detention facility. Additionally, various properties that are currently in the flood plain will be removed from the floodplain. The proposed project would fund improvements that would include re-aligning Little Dry Creek to move it away from existing single family residences, a regional detention facility near Federal Boulevard, a regional water quality facility, various grade control structures, pedestrian bridges across the re-aligned creek and massive excavation to accommodate the needed detention storage. City Council has appropriated \$1,630,000 to this project to date.

Payment in Lieu of Taxes Proposed 2011 = \$25,000
Proposed 2012 = \$25,000

This item represents a transfer from the City’s Utility Fund to the City’s Sales and Use Tax Fund. Recent audits of construction projects in the City revealed that significant tax deficiencies arise when contractors construct infrastructure, landscape, and other public and private improvements outside the purview of a building permit. Staff is recommending implementation of pre-payment procedures for public and private improvements similar to those used for building permits to mitigate related tax deficiencies. Use taxes must be paid on projects for all institutions, including governmental, religious, and charitable organizations. Westminster’s Home Rule Charter requires that the rates and charges for any City utility be fixed as to at least meet all the operating costs of such utility. Therefore, the cost of use tax should be borne by the payer’s rate and factored into utility rates.

Proposed 2011 Stormwater Capital Improvements Total \$1,352,000
Proposed 2012 Stormwater Capital Improvements Total \$1,354,000

Proposed 2011 GRAND TOTAL Utility Capital Improvement Fund \$13,104,000
Proposed 2012 GRAND TOTAL Utility Capital Improvement Fund \$19,066,000

PROPOSED 2011 CAPITAL IMPROVEMENT PROGRAM GRAND TOTAL \$22,299,000

PROPOSED 2012 CAPITAL IMPROVEMENT PROGRAM GRAND TOTAL \$27,447,000



WESTMINSTER

Staff Report

City Council Study Session Meeting
August 16, 2010



SUBJECT: 2011/2012 Water and Wastewater Rate Increases, Meter Service Fee Revisions and Fiscal Policy Revisions

PREPARED BY: Phil Jones, Senior Management Analyst
Chris Gray, Management Analyst

Recommended City Council Action:

Provide direction to Staff to prepare an Ordinance to adjust water rates by 4% in 2011 and by 4% in 2012 and sewer rates by 4% in 2011 and 4% in 2012, provide direction to Staff to revise the meter repair and testing fees in the City Code and provide direction to Staff to revise the Utility reserve fiscal policies.

Summary Statement

- Staff is requesting Council's direction on a recommendation to increase water rates by 4% each year in 2011 and 2012 and sewer rates by 4% each year in 2011 and 2012.
- These rate increases adhere to the City's strategy of long-term sustainability for the Utility and will help the Utility address the rising costs of business associated with outside factors such as Xcel energy, Denver Water, Metro Wastewater Reclamation District and others.
- The combined increase cost for the 2011 average single family home is \$2.09/month.
- Staff is also seeking direction on revisions to language in the Code that references the manner in which charges for meter testing and repair are assessed.
- Finally, Staff is seeking direction on revisions designed to streamline and clarify certain reserve policies regarding the rate stabilization reserve and the capital projects reserve.

Expenditure Required: \$0

Source of Funds: NA

Policy Issues

1. Should the City adopt water and sewer rates for 2011 and 2012 as recommended?
2. Should City Council authorize Staff to propose revisions to the City Code (Code) regarding the fees associated with Meter Testing, Trip Charges and other service fees?
3. Should City Council authorize Staff to propose revisions to the Rate Stabilization Reserve and the Capital Project Reserve?

Alternatives

1. Rates: Do not approve the 2011 and 2012 water and wastewater rate increases.

By not approving the water and sewer rate increases, the City will under-fund the utility infrastructure that provides water and wastewater services to its customers. Under-funded and deteriorating infrastructure can lead to excessive maintenance costs, a decrease in system reliability and reduce the City's flexibility in reacting and providing for new and changed land uses. Staff does not recommend this alternative.

2. Provide partial increased water and wastewater rates for 2011 and 2012.

The City continues to face the critical need of repairing and replacing its water/wastewater infrastructure. The City's estimated replacement cost for its utility infrastructure is approximately \$1,100,000,000. By approving only a partial rate increase, the maintenance of the water and wastewater infrastructure will be under-funded. Staff does not recommend this alternative.

3. Meter Testing and Repair Fees: Do not make any changes to the Code regarding meter repair/testing fees.

This is not recommended as the proposed updates to the Code allow for the Utility to more fully recover its costs associated with the repair, testing and service calls performed above and beyond the basic maintenance covered by the base meter service charge on each account.

4. Reserve Language: Direct Staff to not make changes to the policy language for the Utility reserves.

This is not recommended as Staff has worked to clarify the language surrounding the tracking, calculation and accounting of the Rate Stabilization Reserve and Capital Projects Reserve. Updates to these policies will improve the ability to maintain consistent financial practices and also improve the process for year-end financial calculations.

Background Information

Water and Sewer Rate Increases

The recommended 4% water rate increase would apply to the sale of residential, irrigation, commercial and reclaimed water, as well as the monthly meter service fee. Staff is also recommending a 4% rate increase to sewer rates for residential and commercial customers each year in 2011 and 2012. For the average single family home, a 4% rate increase would equate to a combined monthly increase of \$2.09 in the 2011 monthly water and sewer bill. In 2012, the combined increase would result in an increase of \$2.17 to the average single family monthly bill.

The Utility has experienced rising costs of business that have increased dramatically due to outside factors. Significant cost increases to the Utility's operating budgets include:

- Power cost increases (approximately 5% in 2011 from Xcel Energy for base power charges);
- New Xcel Energy demand charge fee structure associated with equipment start-up (approximately 14% increase in 2011);
- Water share assessment increases to address major infrastructure and system improvements (in 2011, an 18% increase to Farmers' High Line shares and an 8% increase to the overall Operating budget item); and,
- Overall increases to chemical and other commodity costs that exceed inflation.

These costs are outside of the Utility's control and continue to outpace significant cost saving efforts taken as part of the 2011 and 2012 budget development process that included eliminating seven positions and downgrading one supervisory position; cutting professional services and contractual budgets; and reducing the water and wastewater capital improvement program from an annual average of nearly \$26 million, to approximately \$11.3 million in 2011.

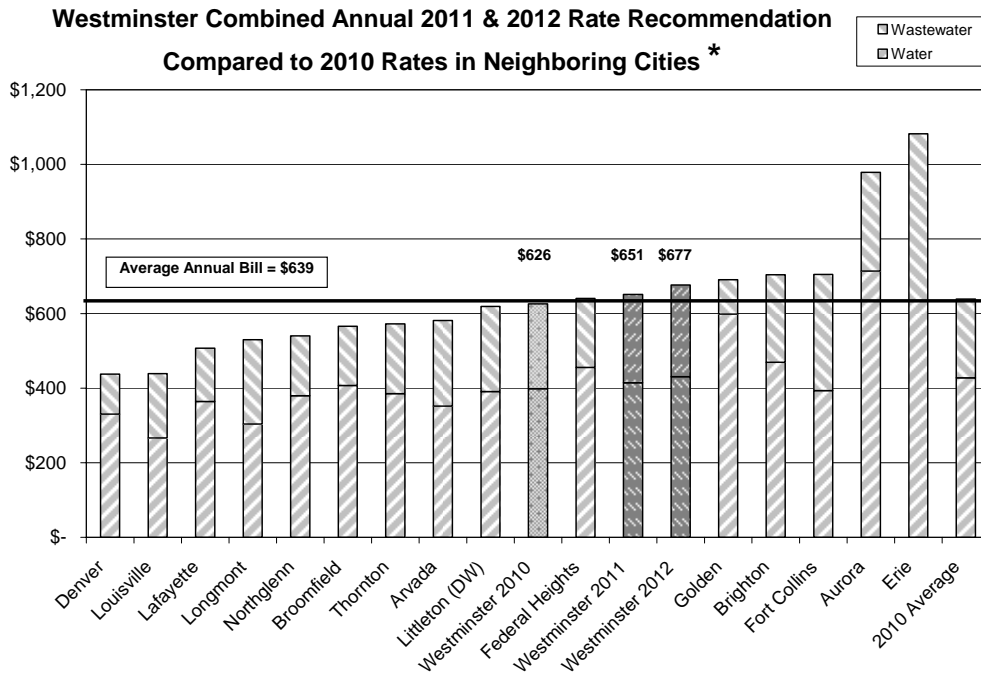
The 2011 and 2012 recommended rate increases adhere to the City's fiscal policies that were adopted in 2006 to provide for the long-term sustainability of the Utility. Part of these policies included a plan to transition the City's funding of capital projects away from dependence on tap fees to an increased reliance upon rates as tap fee income decreases as the City reaches build out. By following this policy, a greater portion of the repair and replacement of the City's utility system funding needs to be covered by rate income. This allows the Utility Fund to remain sustainable into the future and allows for the perpetual repair and replacement of the Utility system, reducing the chance of major rate increases in the future. A rate increase of 4% to both the water and sewer rates each year in 2011 and 2012 will allow the Utility to maintain a positive balance of funds and fund the Utility's operating expenses.

The significant decline in tap fees experienced due to the length and depth of the current recession is forcing the City to adjust the timing of some capital projects in the five year capital improvement plan. Staff is confident that critical capital improvement priorities in the Utility Fund will be addressed through the funding proposed in the 2011/2012 budget.

Because the City’s long-term strategy is to transition rates to cover all Utility costs, future water and sewer rates will need to address not only the rising costs of providing water and wastewater services to City customers, they will need to address the reduction of tap sales that have historically funded capital improvements. Staff will continue to evaluate the Utility’s adherence to these fiscal policies to ensure not only the funding of short-term operating expenses but the longer term plan to maintain the City’s water and wastewater infrastructure.

Staff is well aware of the current state of the economy and its impact on the bottom line for our citizens. The City’s water and wastewater rates continue to remain competitive when compared to those of its neighbors along the Front Range. For comparison purposes, Staff has included a graph illustrating Westminster’s combined rate increases along with the **current rates** of neighboring cities:

Combined Water and Sewer Rate Comparison



* The rates shown for other cities do not reflect increases they may implement for 2011 and 2012.

Staff is requesting direction to implement these rate changes effective January 1, 2011 and January 1, 2012, respectively.

Meter Rental and Repair Charge Updates

As part of the Core Services activity, Staff in the Meter Shop reviewed existing Code language regarding fees for service, repairs, and trip charges and found that the costs associated with providing these services were not being recovered.

As service requests by residents and business owners have increased over the past few years, Staff has noticed that many times, the residents or business owners are calling the Utilities Staff rather than a plumber for service on the private side of the meter. Staff has determined that increasing the trip charge associated with a service call will both help recover the Utility’s cost of service and encourage residents or business owners to call a plumber for private repairs. The service charge will be \$25 for all service calls where a problem is found anywhere on the private side of the system and/or behind the water meter.

Staff is also proposing increasing the charge for meter testing. This is testing that is done by request of a property owner. Fees will increase by \$5 on meters up to 1 inch in size and increase by \$10 on meters over 1 inch. The following chart shows the proposed changes:

Meter Size	Existing Test Charge	Proposed Test Charge
5/8”	\$25	\$30
3/4”	\$35	\$40
1”	\$70	\$75
1 ½ “	\$120	\$130
1 ½”	\$160	\$170
2” (170 model)	\$170	\$180
2” (200 Turbo model)	\$200	\$210
3”	\$450	\$460
>3”	\$450	\$460

The combination of these efforts will help recover an estimated \$15,000 in costs per year. It is also important to note that this is cost recovery associated with services performed above and beyond the standard meter service associated with the basic utility customer accounts.

Rate Stabilization Reserve (RSR) and Capital Project Reserve (CPR) Policy Changes

In 2006, Council adopted fiscal policies intended to assist Staff with the financial management of the water and wastewater funds. These policies included an Operating Reserve, designed to assist with cash flow and equivalent to 45 days of operating expenses; a Rate Stabilization Reserve, designed to smooth rate increases and serve as a financial cushion, where the utility would deposit money in years of surplus, and use money from the fund in years of need; and the Capital Projects Reserve, where the utility would deposit funds from project savings or operational savings and use the money to assist in funding future capital needs.

At the May 10, 2010 City Council meeting, based upon Staff recommendation Council eliminated the Operating Reserve and used the funds to balance the 2009 budget after a wetter and cooler than normal year. Now, Staff is requesting direction on proposed changes to the Rate Stabilization Reserve (RSR) and Capital Project Reserve (CPR) language in order to clarify and update the policies.

Staff wishes to make minor adjustments to the Rate Stabilization Reserve policy. These changes include adding language that allows the balance of the RSR to be included as a cash asset for

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purposes of bond coverage tests, adding language that clarifies the year-end accounting process and timeline, and updates the procedure for determining the balancing of RSR through carryover.

For updates to the Capital Project Reserve, Staff is proposing to change the minimum reserve balance from a \$5 million base, split 2/3 water fund, 1/3 wastewater fund, to a minimum of \$3.5 million water and \$2 million wastewater. Staff is also proposing to add language that the CPR balance will be viewed similarly to the RSR balance for purposes of bond coverage tests. Finally, language regarding the year-end process for reserve calculations will be updated.

Public Works & Utilities Staff has worked with Finance and City Manager's Office Staff on the proposed changes and feels that changes in policy will make for a better process when it comes to utility fund accounting and year-end review. Staff will bring their changes to a future council meeting for adoption by City Council.

Increasing the water and wastewater rates, making code changes regarding meter repair fees and adjusting the reserve policies support the City's goal of a Financially Sustainable City Government Providing Exceptional Services and a Safe and Secure Community by funding the maintenance of city infrastructure and supplying revenues to support the city services of providing high quality drinking water and wastewater treatment.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

Information Only Staff Report
August 16, 2010



SUBJECT: Purchasing Card Program

PREPARED BY: Robert Smith – Treasury Manager
Robert Byerhof – Senior Financial Analyst
Rachel Price – Financial Analyst

Recommended City Council Action

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

Summary Statement

- In 2004 the City initiated its purchasing card program with UMB Bank. The program currently has over 200 cardholders. In 2009 8,417 purchases were made, totaling over \$1,800,000 with a purchasing card (P-Card). Based on this volume of transactions, the City received an annual rebate of \$11,936 on these total charges, the largest rebate since the inception of the program.
- P-cards are a convenient, efficient way for the City to pay for goods and services, particularly for transactions less than \$1,000. Although P-Cards require a different approval process they eliminate purchase orders and individual checks for potentially thousands of minor transactions.
- As part of the City's competitive bid process, a Request for Proposal (RFP) was released on June 1, 2010 for purchasing card services and five proposals were submitted for analysis from which UMB Bank was selected by staff to be retained as the City's P-card services provider.

Background Information

Purchasing cards are very similar to credit cards; however, management can restrict uses to particular types of purchases or vendors as well as define spending limits by individual cardholders. The cards are widely utilized as a form of payment for many public entities, including Federal, State and local municipalities. This alternate form of payment for goods and services allows for efficient purchases that otherwise may have been done through a more time consuming process, such as creating a purchase order or getting reimbursed through petty cash.

In 2004 the City implemented its purchasing card program as a tool for employees to make purchases generally under \$5,000. For items costing more than \$5,000, the City's Purchasing Card Policy specifically outlines the procedures to make this type of purchase. This dollar limit level was set as a means to maintain compliance with purchasing requirements defined in the City's separate Purchasing

Policy. The Purchasing Card Policy was updated in March 2005 and serves as a reference for employees to prudently utilize the program while employing fiscally responsible purchases on behalf of the City.

The purchasing card program currently has 210 cardholders and 57 approvers. Not all City employees need a purchasing card and departments determine which employees will be given a card. Currently there is at least one card in each department, with multiple departments having over 50 participants in the program. The departments also control the credit limit and purchase restrictions for each cardholder with the exception of some parameters that the Finance Department controls. Some of the uses restricted on the purchasing cards include purchases at: liquor stores, florists, gas stations within 100 miles of City Hall, and cash advances.

Although purchasing card restrictions for the above mentioned uses will not be allowed on any of the cards, parameters for each purchasing card are flexible, and allow departments to control purchases by using combinations of the following:

- Dollars charged per month billing cycle
- Maximum per transaction dollar limit
- Supplier type and merchant industry restrictions

Benefits of a purchasing card program include:

- Instead of generating an individual purchase order and issuing an individual check for each purchase, the City makes one electronic payment to the financial institution which issued the cards.
- Payment by the card issuer is certain; the possibility of checks being delayed or lost in the mail is eliminated. At the same time, the City is still be able to take advantage of disbursement float, as the payment to the financial institution occurs approximately 20-30 days after the purchase date.
- Purchases of items vital to City operations are made immediately.
- Employees at outlying facilities no longer need to travel to City Hall for reimbursement of small purchases through Petty Cash and are empowered to make prudent purchasing decisions in the field.
- Vendors receive payment immediately, instead of waiting for the check to be issued and mailed.
- Administrative time, paperwork, and labor costs are reduced when compared with current purchasing and accounts payable procedures, for processing, tracking, and reconciliation. In a 2010 study conducted by RPMG Research Corporation, whose projects include major market studies of e-procurement utilization and the use of bank purchasing and corporate cards in North America, concluded that by switching from a manual paper purchase order process to a procurement card reduced costs per transaction from \$93 down to \$22.
- Reduced postage and mailing costs due to the reduction in accounts payable checks that must be written and mailed.
- Reduced printing costs due to the reduction in purchase orders and checks being printed.
- Reduced petty cash disbursements.

UMB is anticipating releasing an upgraded software program in late 2010, which will focus on optimizing the purchasing card program in light of industry "best practices." The program will include new VISA online reconciliation software that is more user-friendly to cardholders, approvers and P-Card Administrators. The new software will have greater reporting capabilities and will interface directly with the accounting software. During the upgrade the Finance Department will work carefully with the IT Department to ensure the most seamless integration between the two software packages. All cardholders and approvers will be provided training on the new VISA software.

Based on an RFP sent in June 2010 and subsequent review of five responses, the chosen vendor for the purchasing card program is UMB. Staff rated each of the vendors primarily on experience, training, report options, references, fees and rebate program. Based on the responses, Staff invited three finalists to give a presentation on their program. Based on the no-fee proposal resulting in the least cost, highest rebates and the City's previous positive experience with UMB, Staff believe UMB will help the City best optimize its already successful purchasing card program.

Utilizing P-Cards supports the Strategic Plan goal of Financially Sustainable City Government providing exceptional services.

Respectfully submitted,

J. Brent McFall
City Manager