

**City of Westminster City Council Study Session
June 18, 2007**

Mayor Nancy McNally called the Study Session to order at 6:35 PM. All Council was in attendance.

City Staff in attendance included: City Manager Brent McFall; Assistant City Manager Steve Smithers; Deputy City Manager Matt Lutkus; City Attorney Marty McCullough; Finance Director Tammy Hitchens; Management Analyst Aric Otzleberger; Public Information Specialist Joe Reid; Open Space Coordinator Heather Cronenberg; City Engineer Dave Downing; Sales Tax Manager Barb Dolan; Accounting Manager Cherie Sanchez; Environmental and Administrative Services Officer Rachel Harlow-Schalk; and Management Intern Phil Jones.

The guests in attendance were Rachel Ceccarelli with the Westminster Window; Danny Tomlinson and Erin Silver of Tomlinson & Associates; Wendy Swanhorst, Partner and Kyle Logan, Senior Manager, of Swanhorst & Company, LLC; and Lisa Bressler, Vice Chair Environmental Advisory Board;

Lobbyist Update

City Lobbyists Denny Tomlinson and Erin Silver gave an update on the 2006-2007 legislative session and discussed the legislative scorecard. Current and future issues were discussed as they relate to transportation and transportation funding options. Transportation in 2008 will be a large issue. Also gave an update on constitutional ratification procedures.

Council was appreciative of all of the hard work during the legislative session by staff.

Global Warming Organizations

Though many organizations have contacted the City of Westminster for support on the fight against global warming, the City has not become involved with any of the organizations or initiatives because Staff and the Environmental Advisory Board have been evaluating organizations and their alignment with Westminster goals, practices and views including operational commitments that would impact the City fiscally. "Cool Mayors for Climate Change," is an organization that stands out from the rest and appears to be the best organization for the City to support. This organization asks mayors to sign an agreement that tier city will strive to meet or exceed the Kyoto Protocol targets for reducing global warming pollution by taking actions in municipal operations and in the community. The United States Conference of Mayors supports this organization and it is the only known organization that establishes expectations for cities who are involved and yet does not expect operational changes with huge fiscal impact to cities. To date, 406 mayors across the country have endorsed the U.S. Mayors Climate Protection Agreement. The expected targets Westminster will be asked to strive for by signing the Climate Protection Agreement through *Cool Mayors* are already established practices or goals that will not impact current City operations. This recommendation is provided in response to inquiries by citizens on what Westminster is doing to reduce global warming. As a result of signing this agreement, the City will have access to the *Cool Mayors* Website that provides technical assistance for the City's implementation efforts.

Council discussed the policy and directed staff to move forward and place the report on the agenda for the June 25, 2007 council meeting.

2006 Comprehensive Annual Financial Report and Management Letter

Finance Staff, along with Wendy Swanhorst, Partner and Kyle Logan, Senior Manager, of Swanhorst & Company, LLC, the City's independent audit firm, presented the 2006 Comprehensive Annual Financial Report (CAFR) and Management Letter to City Council for review. The city has received an unqualified opinion from Swanhorst & Company, LLC. This means the CAFR represents fairly the financial position of the City. The Management letter includes six comments the auditors would like to bring to the City's attention. These six items include the City's method for recording Construction Work in Progress; "Other Post Employment Benefit" liability calculation; grant recording; review of Volunteer Firefighters' Pension Plan administration

through the Fire and Police Pension Association; the need for reconciliation between the accounting system and the building permit system; and the need for a continued effort to reduce the interfund loan balances.

Council was appreciative of the hard work put forth by the auditors and staff.

Proposed FY 2006 Carryover Fund Appropriation into FY 2007

The City Council annually reviews and appropriates carryover funds from the previous year's budget into the current year budget for those items and services included in the previous year's budget but not received or provided until the current year's budget; new items and services not included in the previous year's budget or funds that were identified as available for these new priorities in late 2006, but the items or services were not received or provided until the current year's budget; budget incentive funds into various departments' budgets based on savings from the prior year; and existing or new capital projects and key operating priorities for which funds are needed and carryover funds are available. Total funding of \$32,961,916 (\$16,373,609 in Utility Fund Reserves) for the items recommended in this memo comes from unrestricted revenues and unexpended 2006 funds in the various amounts identified in the agenda memo. Given the continuing challenge the City faces with Sales and Use Tax revenue collections, Staff is recommending leaving \$1.0 million of 2006 carryover funds in the Sales and Use tax fund to protect against any potential shortfall in 2007. The source of funds for carryover expenditures include: General, General Capital Improvement, Utility, Storm Drainage, Open Space, and Workers' Compensation Funds.

Council discussed specific funding options and topics and directed staff to move forward with carryover appropriations for the June 25, 2007 council meeting.

Mayor McNally adjourned the Study Session at 8:35 PM.