



# 2016 Budget Retreat: Policy for Use of 2K Revenue on Operation & Maintenance

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City of Commerce City  
August 24, 2015

# Summary of Options

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## Option A

- Staff recomm. budget to Council
- 2K funded equip., staff & supplies may be used anywhere

## Option B

- Costs will be based on ratios
- Equip., staff & supplies will be funded based on ratio of 2K & non-2K funded facilities/roads

## Option C

- Costs will be actual dollars spent
- 2K funded equip., staff & supplies may only be used on 2K facilities



# Summary of Options (2)

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## Option A

- Council's budget determines use of revenues
- Utilities invoiced separately will be separated between 2K & non-2K

## Option B

- Ratios determine use of revenues
- Utilities invoiced separately will be separated between 2K & non-2K

## Option C

- Requires separate funds & use
- Utilities invoiced separately will be separated between 2K & non-2K



# Comments on Option A

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- Is easiest to administer
- PRG already budgets this way (by facility)
- PW does not budget this way
- Requires more trust in staff than other options
- Facility Services, Fleet, & Information Technology are allocated based on facility square footages, # of vehicles, and computers & software assigned (all allocations include equipment, personnel, & supplies)



# Comments on Option B

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- Is second easiest to administer
- Ratios are based on easily identifiable data:
  - Facility square footages
  - Park maintained land
  - Public Works maintained lane miles of streets
  - Recreation programs at 2K facilities
- Facility Services, Fleet, & Information Technology are allocated based on facility square footages, # of vehicles, and computers & software assigned (all allocations include equipment, personnel, & supplies)



# Comments on Option C

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- Is hardest to administer because it requires two sets of equipment & supplies & payroll tracking
- Requires using 2K supplies on 2K facilities and then returning those to yard, picking up non-2K supplies for work on non-2K facilities and vice versa, and tracking staff hours by facility
- Facility Services, Fleet, & Information Technology are allocated based on facility square footages, # of vehicles, and computers & software assigned (all allocations include equipment, personnel, & supplies)



# General Comments

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- Need to be able to fund “indirect” impacts to Finance, Human Resources, etc.
- Finance must track 2K revenues, i.e. cash receipts from Paradise Island and payroll for 2K employees
- HR must recruit & support over 100 additional employees
- City Attorney’s Office reviews 2K contracts & 2K employee issues



# Staff Recommendation

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- Balancing accuracy with ease of administration, CIP CAC and staff recommend Option B





# What's Next?

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- With Council direction
  - Staff will place the policy in the annual budget book
  - The policy can be adjusted each year with adoption of the annual budget
- October 19 – Proposed Budget submitted to Council
- October 19 – Council opens & continues public hearing
- November 2 – Council closes public hearing, acts on budget & certifies mill levy