



2017 Budget Retreat- City Manager's Recommendations

City of Commerce City
August 22, 2016

Characteristics of Good Budget Process

- Incorporates a long-term perspective
- Establishes linkages to broad organizational goals
- Focuses budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders



Key Considerations for 2017

- Complete 2K projects within program goals:
 - Build high quality facilities to lower their long-term maintenance costs
 - Spend taxpayer dollars wisely and transparently
 - Complete projects on time
- Balancing capital investment while maintaining operations and service levels in expanding community
- Managing, Budgeting to Outcomes



Key Considerations for 2017

- Organizational Development to improve service delivery
- Meeting council, community expectations
- Further alignment with council goals
- More public engagement on CIPP process (CIPCAC)

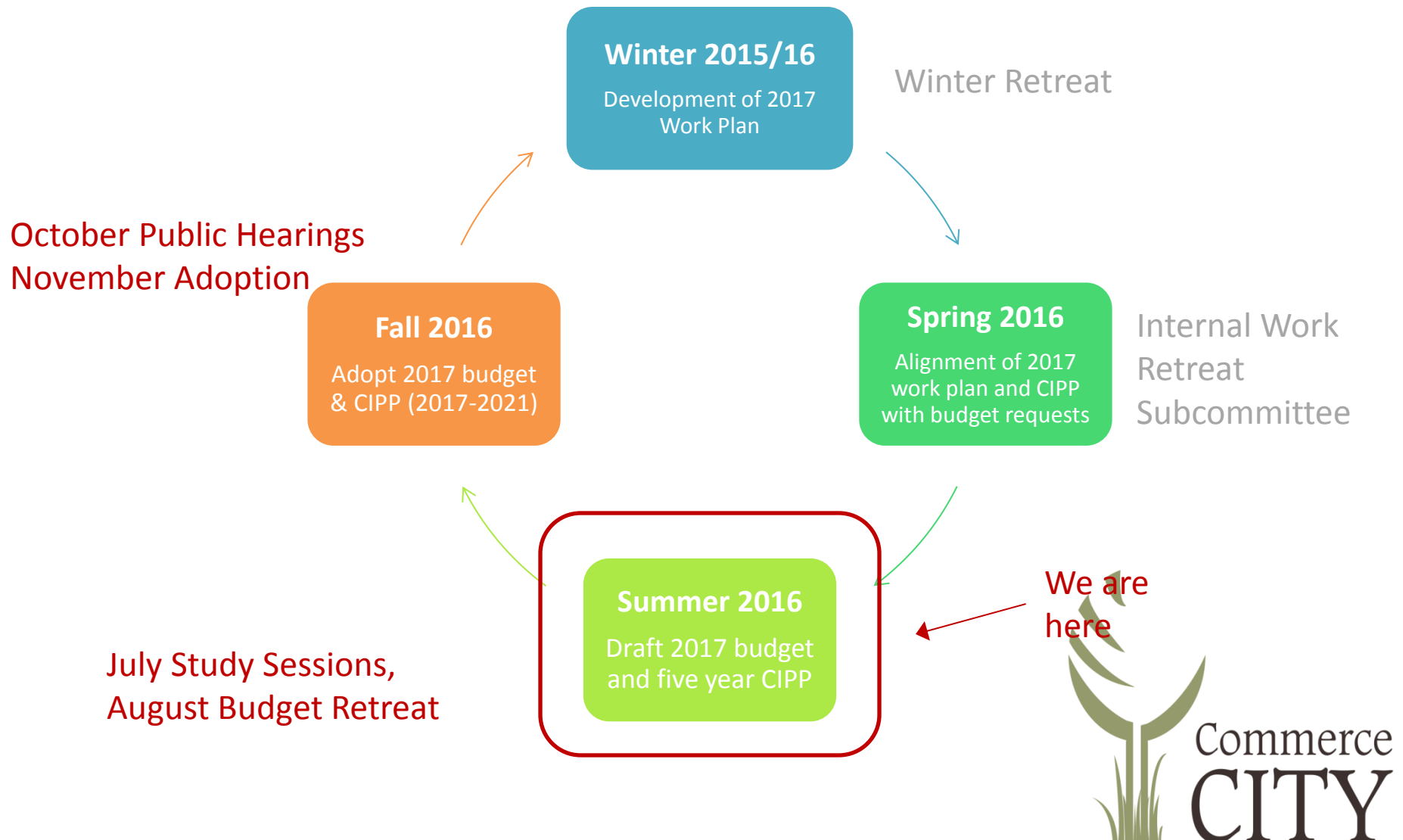


City Council Priorities

Identified Priority	Funding/Budget Action
120th Avenue & U.S. 85 grade separation	<ul style="list-style-type: none">• \$150,000 CIPP for NEPA re-evaluation
Senior Housing	<ul style="list-style-type: none">• \$81,000 identified for housing needs assessment and CDBG fair housing study
Competitive Youth Fields – North	<ul style="list-style-type: none">• \$75,000 CIPP for feasibility/need study
Police Department Assessment	<ul style="list-style-type: none">• Independent and comprehensive review by U.S. Department of Justice Office of Community Oriented Policing Services
Economic Development Project: Redevelopment studies in Clermont and Irondale	<ul style="list-style-type: none">• \$100,000 CIPP for study, to be appropriated later in 2017



2017 Work Plan, CIPP & Budget Cycle



Department Budget Meeting Recap

- **New Positions**

- Submitted 28 \$1,937,299
 - Yes 6 \$478,760
 - No 11 \$733,307
 - Move to 2018 11 \$725,232

- **Enhancements**

- Submitted 27 \$364,089
 - Yes 8 \$43,210
 - No 19 \$320,879



Department Budget Meeting Recap

- **Furniture and Equipment Requests**
 - Submitted 2 \$16,298
 - Yes 1 \$3,098
 - No 1 \$13,200
- **Special Considerations**
 - Submitted 6 \$159,229
 - Yes 3 \$136,829
 - No 3 \$22,400



Department Budget Meeting Recap

- **Facilities**

- Submitted 7 \$ 334,388

- Yes 1 \$50,000

- No 6 \$284,388

- **Vehicles/Equipment**

- Submitted 17 \$727,000

- Yes 4 \$170,000 (Fleet Retained Earnings)

- Yes 10 \$252,000 (CIPP)

- No 1 \$305,000

- **Total Requests**

- Submitted \$ 3,538,303

- Not Funded in 2017 GF Budget \$2,656,406



2017 General Fund-Proposed

Budgeted GF Operating Revenues	59,947,406
Operating Budget Requests*	(55,100,600)
Transfer to Housing Authority Fund	(60,000)
Transfer to Elected Officials' Retirement Fund	(44,160)
Transfer to Debt Service Fund	(2,954,651)
Transfer to URA Fund	(83,000)
Transfer to CIPP (Road & Bridge)	(492,963)
Subtotal: Revenue minus Expenditures	1,212,032
Transfer to CIPP (2017 Proposed Projects)	(1,395,000)
Excess 2015 Revenue	400,000
Grand Total: Revenue minus Expenditures	217,032

*Includes City Manager's 2017 Budget Recommendations



2017 2K Fund-Proposed

2K Budgeted Sales and Use Tax Revenue	11,201,659
Paradise Pool Budgeted Revenue	255,649
2K Sales and Use Tax Bond Issue - 2014	(4,534,575)
2K Sales and Use Tax Bond Issue - 2016 (Estimate)	(2,427,363)
2K Operating Budget Requests & Reserve (Estimate)	(4,495,370)
<hr/>	
2K Revenue minus Expenditures	0



2017 Proposed Revenue Estimates

TAXES	
General Property Tax	2,411,830
Ownership Tax	218,837
Vehicle Transfer Tax	7,018
Franchise Tax	3,084,681
Accommodations Tax	16,723
Sales & Use Tax	41,741,983
Sales & Use Tax – 2K	11,201,659

LICENSES AND PERMITS	
Liquor	47,000
Occupation	14,252
Contractors	78,712
Building Permits	1,042,661
Excavating Permits	490,000
Marijuana Licensing	91,715
Other	3,011

2017 Proposed Revenue Estimates

CHARGES FOR SERVICES			
Zoning	85,135	Golf Course	2,813,584
Plan Check Fees	241,260	Passports	44,100
Docket Fees	109,989	Towing Admin Fees	51,708
Court Surcharge	223,822	Reimbursed By Others	520,336
Fuel Surcharge	78,566	Reimbursed By Others - News	0
Housing Authority	84,764	NMTF Reimbursement	79,383
Special Duty Assignment	186,938	Reimbursements - School District	167,141
Employee Activity Comm.	0	Activity Fund	1,156,069
Weed Removal Fees	117,174	Other	29,927



2017 Proposed Revenue Estimates

FINES & FORFEITURES

Municipal Court	762,120
DUI Fines	20,000
Admin Fees	7,878
Photo Red Light	500,000
Other	0

MISCELLANEOUS

Investment Earnings	843,115
Miscellaneous Revenue	328,718



2017 Proposed Revenue Estimates

INTERGOVERNMENTAL	
Road & Bridge Tax	492,963
Cigarette Tax	106,639
Highway Users Tax	1,777,999
Motor Vehicle Registrations	210,068

TOTAL GENERAL REVENUES	
Total Revenue (including 2-K)	71,404,714



2017 General Fund-Proposed

Budgeted GF Operating Revenues	59,947,406
Excess 2015 Revenue	400,000
Operating Budget Requests*	(55,100,600)
Transfer to Housing Authority Fund	(60,000)
Transfer to Elected Officials' Retirement Fund	(44,160)
Transfer to Debt Service Fund	(2,954,651)
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Revenue minus Expenditures	217,032

*Includes City Manager's 2017 Budget Recommendations





Capital Improvements & Preservation Plan (CIPP)

Five Year CIPP Process

Submit
Projects

- Improved format, detailed information
- Criteria scored by submitting department <attach criteria sheet>

Evaluate
Submittals

- Finance, City Manager's Office
- Rescore submittals
- Balance capital investment with operations and level of service

Draft Plan

- Based on council priority, criteria, funding availability
- Input from CIPCAC, council



We are
here

CIPP Funding Sources

- General Fund
- Highway Users Tax
- Motor Vehicle Registration
- Solid Waste
- Open Space (Adams County)
- Lottery
- Park Impact Fee
- Road Impact Fee
- Drainage Basin
- Fleet Retained Earnings
- IT Retained Earnings
- All GIDs (future)
- Airport revenue (future)
- AdCo Road & Bridge (future)
- CDBG (future)



Five Year CIPP Philosophy

- Existing, significant commitments 2016, 2017 and 2018
- Focus on project management and completion of existing projects
- Limit “new” projects – focus on maintaining service levels and existing commitments
 - ♦ represents existing commitments
 - ★ represents 2017 identified council priorities
- Public input prior to winter retreat, using CIP CAC, to formulate 2018-2022 plan



Five Year CIPP Philosophy

- Adopt a more conservative approach to funding CIPP projects
 - Rely on “funds in the bank” vs. “projected revenues”
- Future policy discussion on how best to fund long-term capital maintenance needs
- Implementing financial controls consistent with project management phases/gates approach



Proposed 2017 CIPP Funding

Project	Project Cost	Source
RTD Station Area Enhancements ♦	\$112,500	Transportation Tax
112 th Ave Chambers/Tower	\$100,000	Transportation Tax
120 th /85 EA Re-evaluation ★	\$150,000	Transportation Tax
Pavement Management ♦	\$1,900,000	Transportation Tax/ Road-Bridge Tax
Warning Towers ♦	\$85,000	General Fund
RTD Station Area Improvements ♦	\$580,000	General Fund
Vehicle Wash Facility	\$182,000	Facility Retained Earnings
88 th Ave Widening ♦	\$150,000	General Fund
Concrete Flatwork	\$90,000	General Fund

Proposed 2017 CIPP Funding

Project	Project Cost	Source
Sidewalk Connectivity	\$115,000	General Fund/CDBG
Brighton/104 th Signal/Hammer ♦	\$300,000	General Fund
Complete Tower Road T-88 Drainage ★	\$500,000	2K Fund Balance
Buffalo Run Equipment Replacement	\$252,000	Lottery
Sand Creek NRDS ♦	\$250,000	Ad Co Open Space
General Park Improvements ♦	\$75,000	Ad Co Open Space
ACSD Ball field Improvements ♦	\$195,000	Ad Co Open Space
Competitive Youth Fields Assessment ★	\$75,000	General Fund
Economic Development Projects ★	\$100,000	General Fund Appropriate later in 2017

Proposed 2017 CIPP Funding

Funding Source	Total Cost
General Fund	\$1,395,000
2K Fund Balance	\$500,000
Lottery	\$252,000
Ad Co Open Space	\$520,000
Transportation Tax	\$1,769,537
Road-Bridge Tax	\$492,963
Facility Retained Earnings	\$182,000
Grand Total	\$5,111,500



City Manager's Closing Comments

- Continue shift towards budgeting to outcomes
 - Propose a balanced budget to Council
 - Continue to maintain high level of services
 - Maintain ability to weather economic changes
 - Take care of capital maintenance
 - Attract and retain a high quality workforce
 - Continuously review policies and procedures to insure future fiscal sustainability
 - Position City to take advantage of opportunities
 - Review operations for lean organization





Information Requested by City Council





Cost breakout of table sponsorships



Information Received To Date

Organization	Sponsorship	Amount to Organization	Administrative Costs	Residents Served
Adams 14 Education Foundation - 14er Fest	2,500.00	2,160.00	340.00	95% are Commerce City residents
Blue Stem Event	2,500.00	No reply	No reply	
Boys & Girls Club Annual Gala	2,500.00	1,500.00	1,000.00	Report Provided
<u>Budget Enhancements</u>				
Kids First Roast	1,500.00	1,500.00	.00	2,219 residents Aug 2015 - July 2016 – Nursing services at ACSD14 paid via MOU
Precious Child	2,500.00	No reply	No reply	Report Provided





Council compensation

August 22, 2016

Purpose

- Background Information
- Comparison Data
- Compensation Options



Compensation Background

- Governed by City Charter Sec. 4.6

Compensation of mayor and councilmen.

The members of the city council, including the mayor, shall receive such compensation as the council shall by ordinance prescribe; provided, however, they shall neither increase nor decrease the compensation of any member during his term of office, except, however, members of the council whose terms do not expire at the next organizational meeting of the city council shall receive the same salary as that provided for incoming members for the remainder of their terms of office.

The mayor and councilmen may, upon order of the council, be paid such necessary bona fide expenses incurred in service in behalf of the city as are authorized by city council.



Compensation Background

- Ordinance 1391 approved in 1991
 - Mayor receives \$800 per month
 - City Councilpersons receive \$700 per month
 - Compensation is adjusted annually May 1st to account for Consumer Price Index (“CPI”)
- Current compensation:
 - Mayor receives \$1,097.35 per month
 - Councilpersons receive \$960.20 per month



Compensation Comparison

Entity	Population	Mayor	Pro Tem	Council
Aurora	325,078	\$58,650	\$15,536	\$13,585
Arvada	106,433	\$18,000	\$15,000	\$13,800
Brighton	33,352	\$16,800	\$14,400	\$12,000
Broomfield	55,889	\$13,200	\$10,800	\$9,600
Commerce City	45,913	\$13,326	\$11,661	\$11,661
Englewood	30,225	\$10,800	\$10,200	\$9,600
Golden	18,867	\$20,484	\$15,684	\$14,684
Lakewood	142,980	\$38,800	\$12,873	\$12,873
Northglenn	35,789	\$17,298	\$15,000	\$13,620
Thornton	118,772	\$24,000	\$21,000	\$18,000
Westminster	106,114	\$17,052	\$14,616	\$12,180
Wheat Ridge	30,166	\$10,800	\$7,200	\$7,200

* Refer to June 1, 2016, handout for additional salary benefit notes by jurisdiction



Compensation Options

Option A	Option B	Option C
Increase mayor compensation	Increase council compensation	Shift from mileage reimbursement to vehicle stipend, potential different rates for mayor and council
<p>Pros:</p> <ul style="list-style-type: none">• Time commitments have changed since charter created and last salary increase• Increases future candidate pool• Reflects the increased time commitments based on position• More comparable to similar-sized communities• COLA remains relevant	<p>Pros:</p> <ul style="list-style-type: none">• Time commitments have changed since charter created and last increase• Increases future candidate pool• More comparable to similar-sized communities• COLA remains relevant	<p>Pros:</p> <ul style="list-style-type: none">• Budget certainty• Easier to manage from paperwork/process standpoint
<p>Cons:</p> <ul style="list-style-type: none">• Potential disparity with larger communities	<p>Cons:</p> <ul style="list-style-type: none">• Current compensation currently in line with other communities	<p>Cons:</p> <ul style="list-style-type: none">• Taxable income• Does not account for member variations

Compensation Options

Option A	Option B	Option C
<p>Recommended Range: \$14,000 - \$18,000</p> <ul style="list-style-type: none">• Comparable to Northglenn and Brighton• Remains less than larger communities Arvada, Aurora, and Thornton	<p>Recommended Range: \$12,000-\$13,000</p> <ul style="list-style-type: none">• Comparable to Northglenn and Brighton• Charter does not recognize mayor pro tem as different from a salary perspective	<p>Recommended Amount: Mayor: \$275/month Council: \$225/month</p> <ul style="list-style-type: none">• Refer to local mileage reimbursement sheet for five year history• Reviewed highest monthly local mileage rate for mayor, council.• Assume travel mileage for five conferences for mayor, council

Compensation Options

- Keep the CPI index increase.
- Include an automatic market comparison through Human Resources every three or five years to recommend adjustment as needed.
- Include total compensation within future ordinance to ensure charter compliance i.e. reference access to city employee benefits, with ability to better define within council policy.



Council Compensation Changes

- Must be changed by ordinance
- Doesn't take effect until after next council election
- If you're not up for re-election, compensation will be the same as the incoming councilors
 - If ordinance is approved in 2016, new compensation takes effect in 2018.



Mayor Compensation Changes

- After passing an ordinance and
- After standing for reelection
 - Since the mayor has no peer with the same salary amongst the incoming councilmembers who just stood for election
 - New compensation would take effect in 2020
- If vacancy, could take effect in 2018



Additional Benefits

- Policy change
- Effective next budget year





Quality Community Foundation funding options

Purpose

- Background Information
- Comparison Data
- Compensation Options



Background

- The purpose of the Quality Community Foundation is to support and obtain funding for post-secondary education and youth recreational program scholarships offered by and through the city. The Foundation also provides grants to fund various non-profit organizations which benefit Commerce City residents.



Scholarships

- A \$4,000 scholarship to one-two individuals over a two-four year period.
 - 2013 (1)
 - 2014 (2)
 - 2015 (1)
 - 2016 (1)
- Golf Tournament serves as main source of funding
 - Raised \$4,146.04 in 2016
 - Raised \$1,233.25 in 2015



Non-Profit Grants

- \$120,000 distributed annually through competitive grant program administered by QCF
 - 2016 award 25 recipients
 - 30 individuals applied, valued at \$198,800
- Designed to assist non-profit organizations that have the greatest and most significant impact to the quality of life in Commerce City.
- Funded exclusively by council's annual appropriations



Recreation Scholarships

- \$1,341.94 in scholarships provided to 52 recipients in 2015
- Board voted to use the funds collected at the Wine & Beer event go towards this program 2014 – 2016



Options for Consideration

- Fund educational scholarships
- Fund non-profit grant funds
- Fund recreation scholarships
- Combination of options



Options

- Educational Scholarships
 - \$4,000 educational scholarship
 - QCF match
- Nonprofit Grants
 - \$240,000 total grant
 - \$20,000/year increase
 - \$40,000/year increase
- Recreational Scholarships
 - \$1,000 annually





Buffalo Run Golf Course items

Pro Shop Television, NFL Sunday Ticket and Credit Card Acceptance

- From the Aug. 8 city manager update:
 - The pro shop television was eliminated during the renovation to include additional display areas for merchandise. Customers have the opportunity to view sporting events in the restaurant/bar area of the clubhouse. If council wants a television in the pro-shop, it is an estimated one-time cost of \$1,200, with an annual \$180 service cost.
 - Staff purchased the NFL Sunday Ticket in 2011 to evaluate whether it was an effective tool to expand traffic and revenue. There was not any noticeable or correlated increase to restaurant revenue and the service was discontinued. If city council desires, the service can be provided at an estimated annual cost of \$1,680 for the 2016 season.
- Acceptance of credit cards on the course for concessions is being planned for 2017 implementation – requires iPad, software and coordination with finance and IT department





Fees & Charges, O&M

Paradise Island Pool data

Process Map

Completed Fee
Study with
SACWSD
March 21



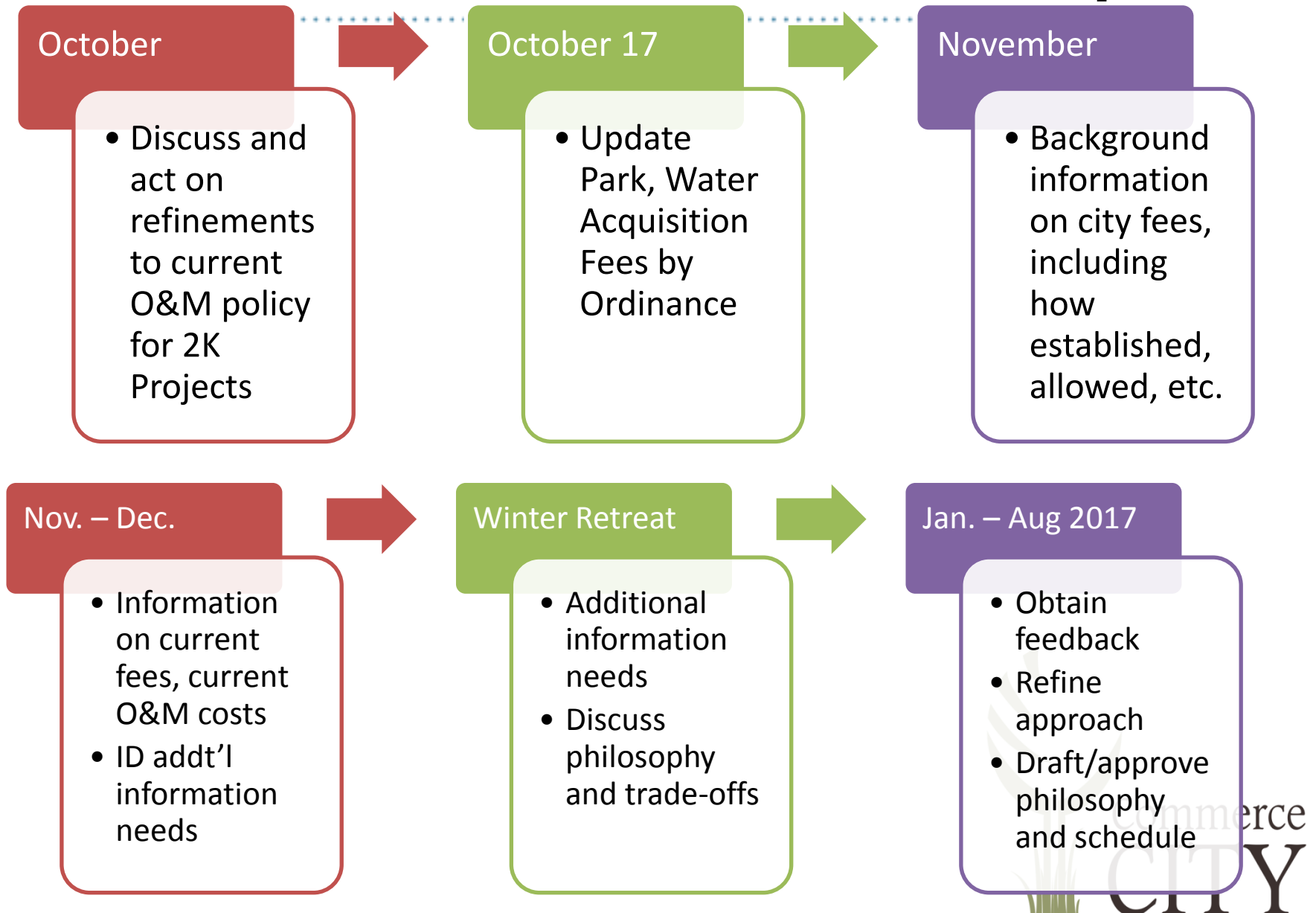
June 13 Follow-Up
Study Session



Council Direction:
Specific Fee
Changes
Need for coherent
fee philosophy



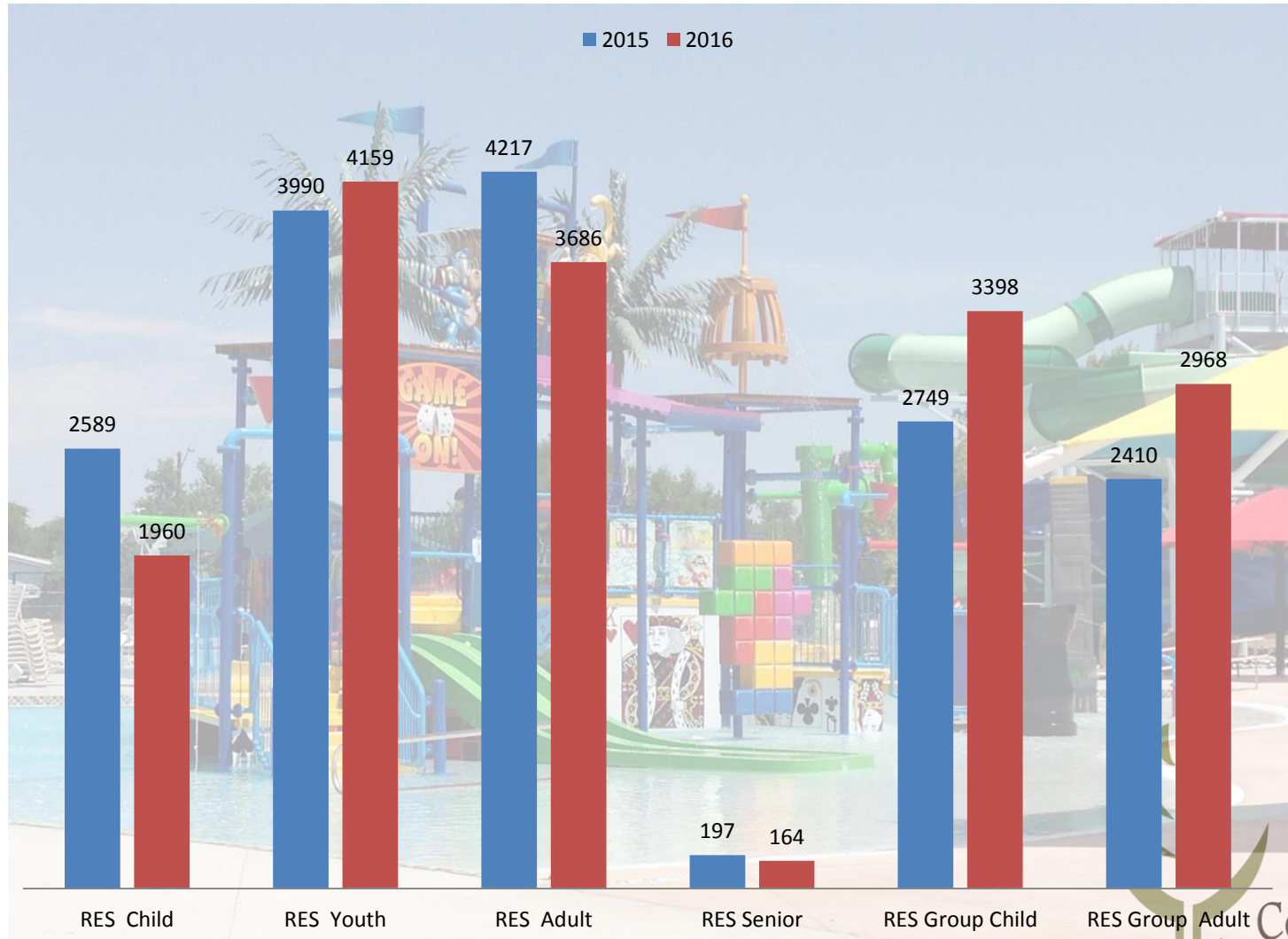
Process Map



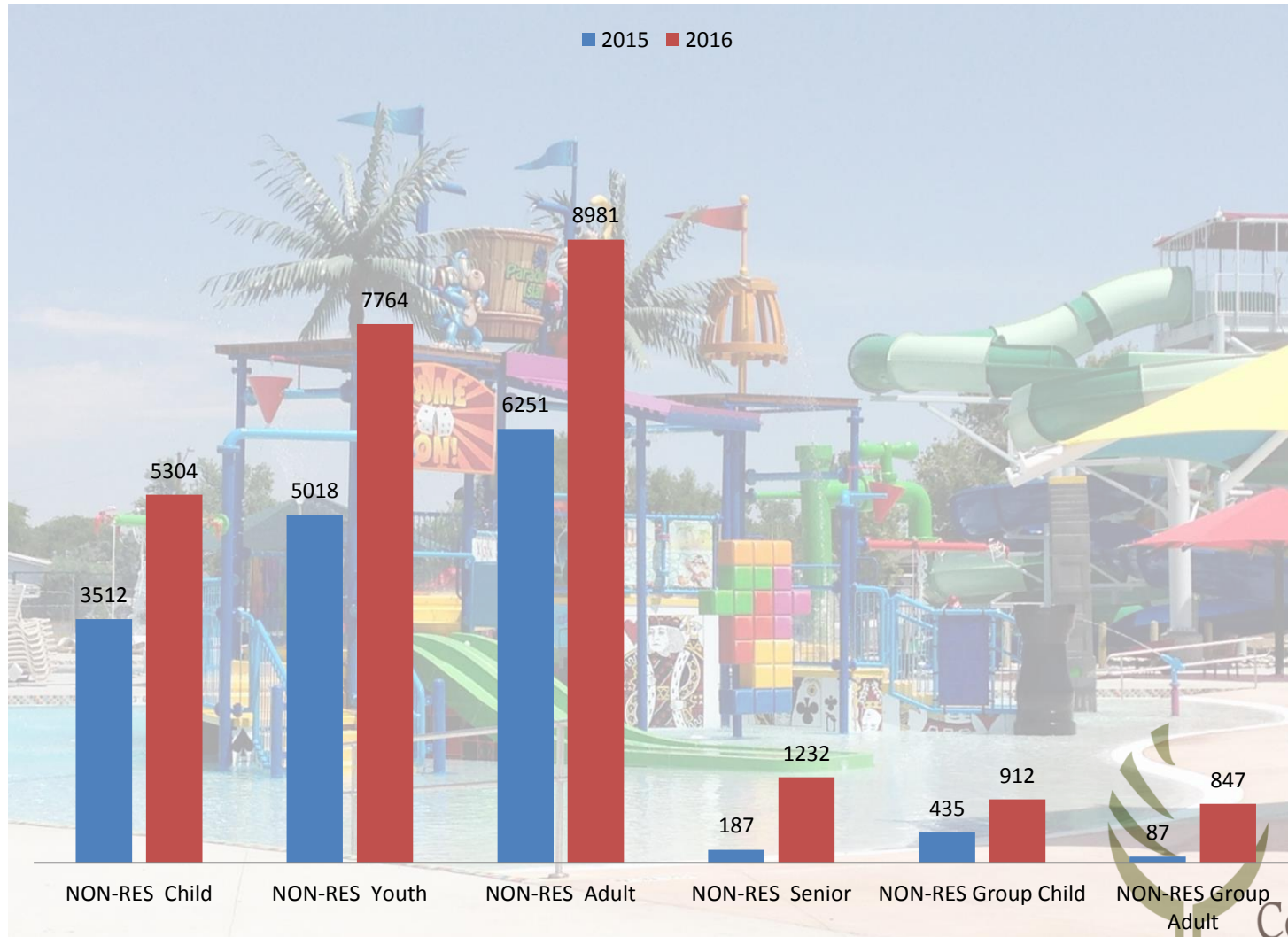
Paradise Pool 2015 vs 2016



Paradise Pool Resident Admissions



Paradise Pool Non-Resident Admissions





Channel 8 Implementation

2015 Work plan

- Identified multi-year process to transition Channel 8 to a two-channel network
- Content, equipment and personnel drive outcome



Franchise Agreement

- PEG Funds dedicated to equipment and maintenance; cannot be used for operating costs
- Two standard definition channels allocated to city, two high-definition channels assigned for future use pending metrics
- Hours requirement for programming, content



Background

- Adams 14 primary operator/user of Channel 8; intergovernmental agreement established
- IGA expired in 2009; unsuccessful update based on turnover in city and school district
- 2010-11 city invested in equipment and fiber at district and civic center to broadcast city council meetings



Background

- Agreement remains absent formal document
- District provided city direct access to programming software
- City procured videographer to create content; two-year contract to evaluate effectiveness
- Multiple meetings with Comcast to evaluate equipment condition, identify needed upgrades and obstacles to implemen



Background

- District/city staff met to discuss transition to two-channel system and identified key issues for future agreement
- City has begun to identify content sources to meet programming requirements
- Current PEG account is \$204,043.28; can only be used for equipment and maintenance



Next Steps

- Comcast pricing and negotiation to make two-channel transition (2016)
 - City Channel
 - Education Channel
- Create new programming schedule (2017)
- Evaluate staffing needs (2017)
- Create detailed transition plan in partnership with district (2017)
- Finalize draft IGA for review and approval (2017/early 2018)
- Implementation (2018)





Recycling center information

Purpose

- Background Information
- Potential Options



Trash & Recycling Program Goals

- Minimizing the rate of waste generation through education and source reduction
- Encouraging and facilitating the recovery, reuse and recycling of material within the waste stream
- Increasing the amount and types of materials being recycled
- Improving education to increase diversion rates and waste reduction
- Expanding recycling participation



Current Program Elements

- 96-gallon recycling bin and bi-weekly curbside pick-up
 - Previously had 18-size, uncovered bins
 - 13.6% increase in first year of diversion rates
- Free leaf and green yard waste resident events
 - 2015, 2016 events yielded 64 tons of waste, 245 vehicles to date
 - Cost per event is \$6,560



Current Program Elements

- Free large item pick-ups
 - Five per household each year
 - Approximately 300/month or a 5% usage rate in 2015
- Household chemical round-up days
 - Countywide event held twice annually
 - \$25/vehicle
- Free landfill day
 - Held twice year
 - 441 loads delivered; residents saved \$35,280



Current Program Elements

- Pilot program to check recycling cans and provide feedback tags on pick-up days.
 - Examine how can tagging affects resident behaviors and improves the level of contamination found in the city's recycling.
- Investigating future compost pilot with third party partner to provide residential vouchers.



Metro Denver Recycling Center/Facilities

- Offered in municipalities without central trash provider
 - Broomfield
 - Brighton (private)
 - Northglenn
 - Thornton
- Denver
- Numerous private companies
- City recycling center off of Highway 2
- Closed late 2011/early 2012
- Dumping, security, enforcement challenges
 - Existing facilities cite similar operational issues
 - WM discourages drop sites for contamination



To further increase recycling consider following ...

- Increase public education on available programs/services
 - Already in 2017 budget proposal
- Implement compost pilot program
- Increase recycling to weekly collection
- Increase number of green waste events





CIPCAC engagement

Background

- Created in recognition of citizen role in passing Issue 2K and
- City council desire to provide a framework for engaging the community in meaningful ways throughout the implementation of the voter-approved projects,



Duties and Role

- The committee shall advise the City on matters relating to the implementation of the voter approved Ballot Issue 2K, and perform such additional duties as requested by Commerce City
- Shall serve in an advisory capacity



Mission and Function

- Provide advice to Council on opportunities and issues related to the implementation of the five approved CIP projects, specifically relating to the three key program elements of:
 - Accountability – Demonstrating effective stewardship of taxpayer dollars
 - Engagement – Provide tangible opportunities for community members to engage
 - Potential – Leverage civic support and progress beyond the initial five projects



Mission and Function

- To receive staff reports on the progress of each approved CIP project in relationship to established schedules, budget allocations, project goals, & quality management guidelines.
- To review and provide comment on public engagement and public information plans.
- To promote public awareness and understanding of the voter-approved CIP projects and the implementation of each



Membership

- Consists of 11 members,
 - Two representatives from each of the four wards
 - Three members for the city at-large.
- Appointed to three-year staggered terms and shall serve no more than two (2) consecutive terms.
- Meet at least quarterly, more frequently as needed.

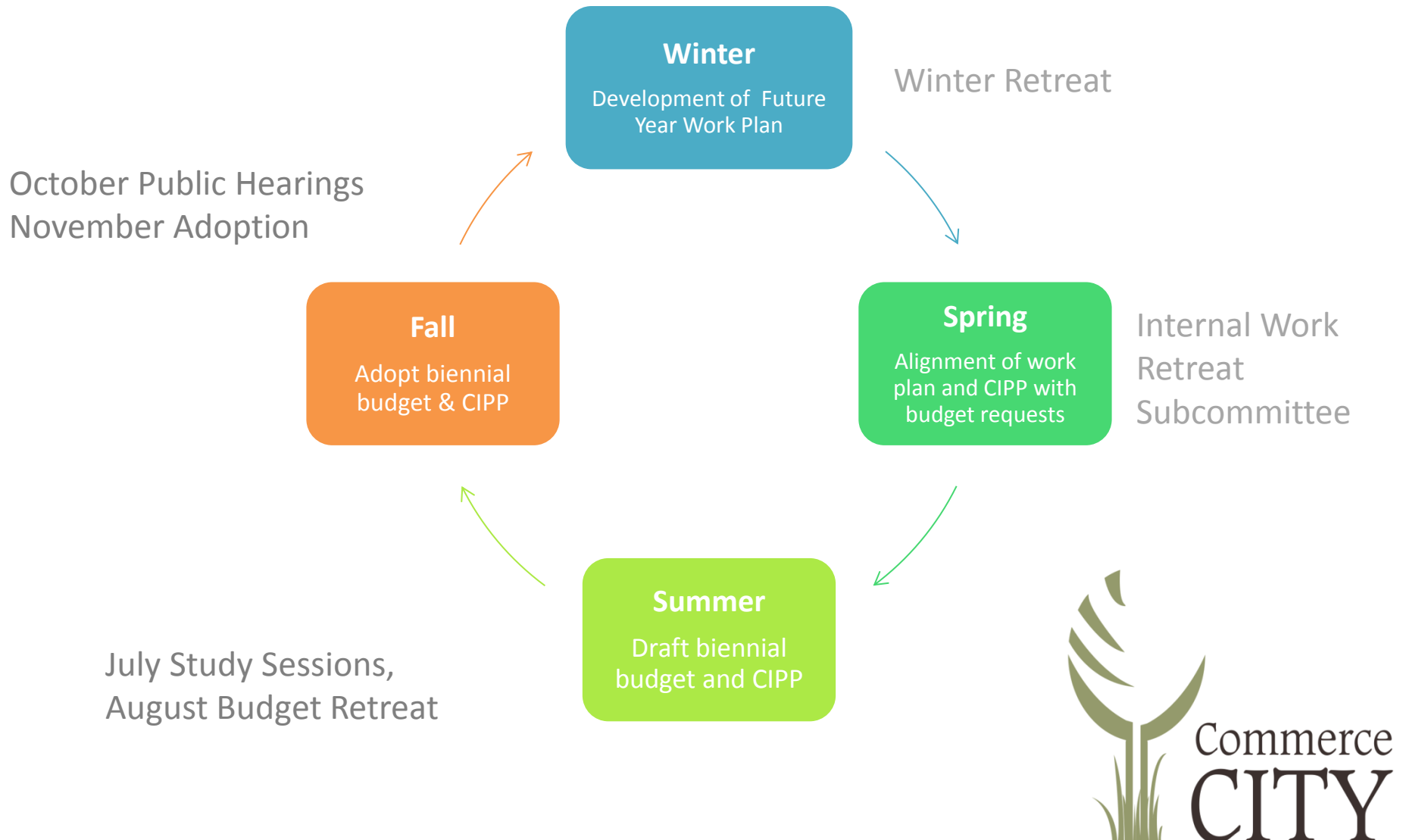


Expanded Function

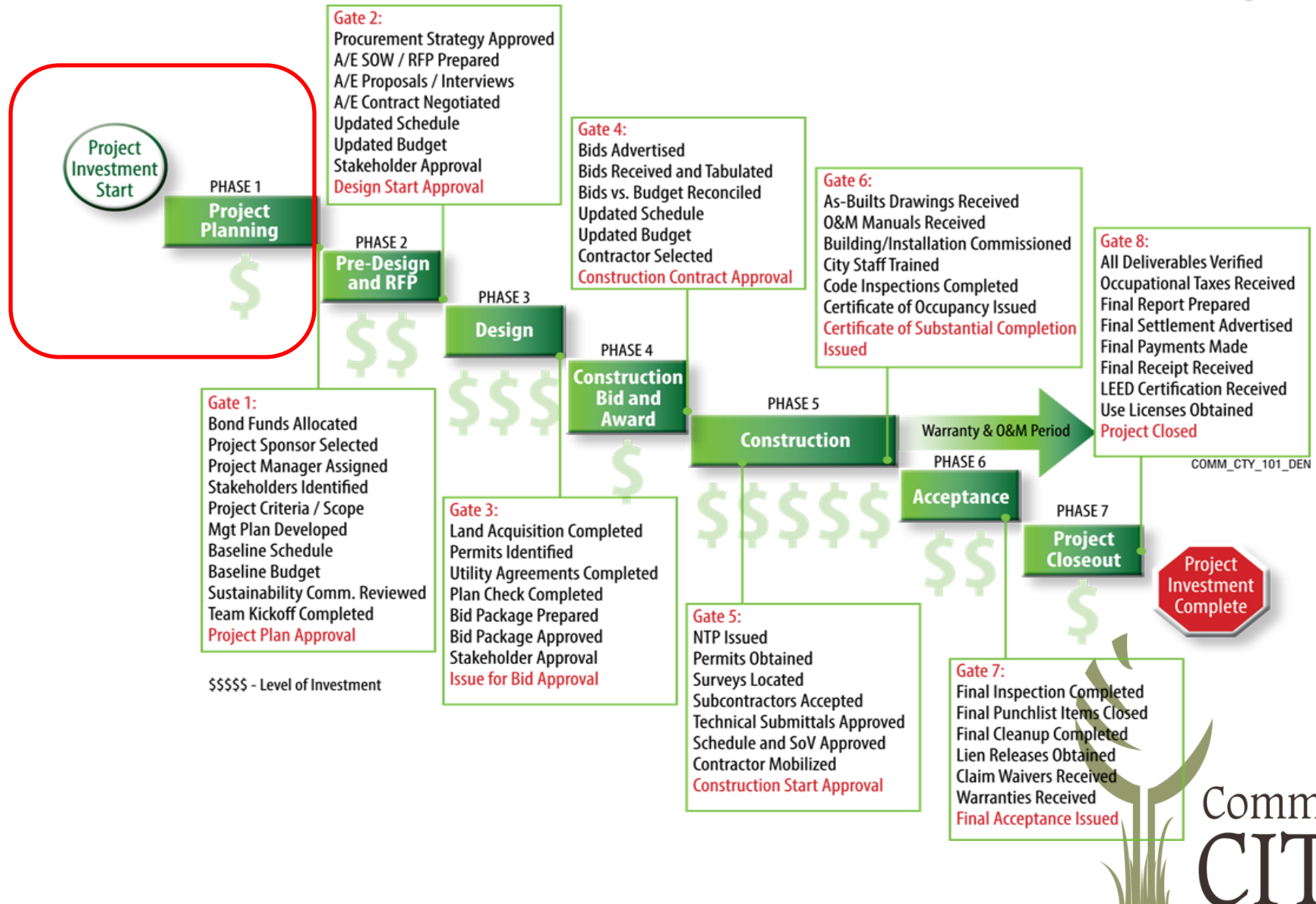
- 2015 City Council directed staff to engage CIPCAC on five-year capital planning process
- Reviewed draft project selection criteria and provided input on weighting/elements
- Council indicated desire for more formal role in CIPP process moving forward



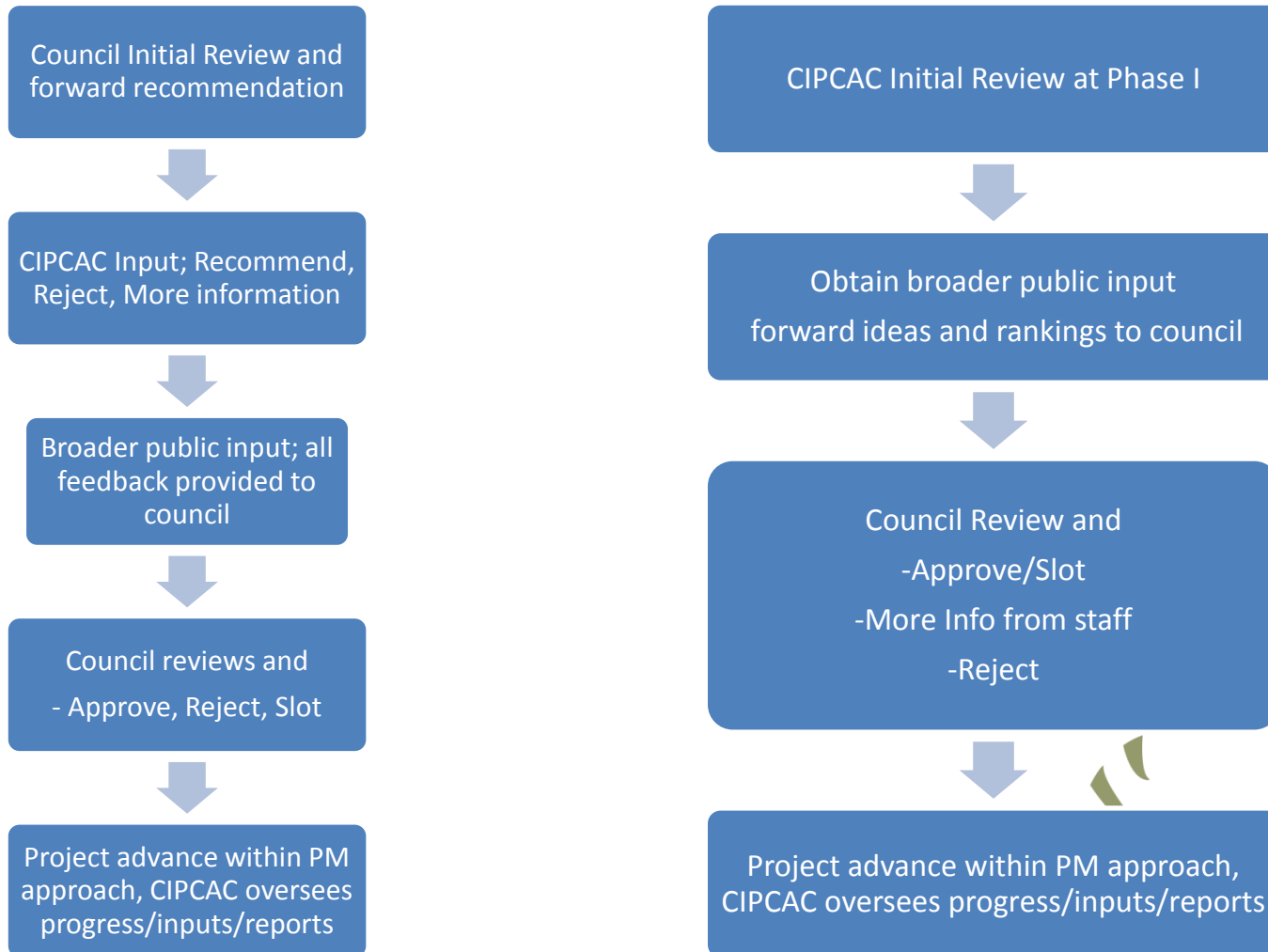
Annual Work Plan, CIPP & Budget Cycle



Project Management Approach



Initial Engagement Ideas



Considerations for Discussion

- How does ideas get into the planning queue?
 - Existing planning documents
 - Community/council generated ideas
- How are projects vetted at Phase I?
 - Scoping
 - ROM
 - Challenges & Opportunities
- Where does criteria come into play?
 - After broader input, before can accept/reject?
 - Who evaluates?





Questions/Comments
