



CITY OF LONE TREE



2019  
BUDGET

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## USING THE BUDGET DOCUMENT

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Each year, the City Manager and staff prepare an annual budget that serves as the funding plan for the policies, goals and service levels as determined by City Council. This document is a comprehensive decision-making tool that provides detail for the 2018 estimated Budget and the 2019 adopted Budget.

The City of Lone Tree prepares a modified programs-based budget. The Fund Summaries and Budget Message are found on pages 21-57, which provide fund summary information, revenue details, as well as program budgets that identify activities and financial detail for each department based on generally accepted accounting principles.

In developing the Budget, the City staff focuses on the Community Vision Statement which states: *Lone Tree is a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment and thriving businesses.* Additionally, the organizational mission states: *We will achieve Lone Tree's community vision by doing things the best way, not just the expected way.*

Along with the vision and mission statements, the City Manager committed to six big ideas. These six big ideas serve as the cornerstone of the strategic plan. In order to achieve the vision and mission, the City will be a national model for:

- 1 Our deep, active commitment to **public safety**
- 2 Our visionary **transportation** network
- 3 Building a **great community** known for exceptional places
- 4 Creating signature **cultural and recreational** opportunities
- 5 Attracting and growing **top-tier businesses** and a diverse economy
- 6 Our innovative, customer-focused and efficient **city government**

The City also identified a number of objectives that further define how we will achieve the big ideas. Collectively, the vision, mission, big ideas and objectives form our strategic plan. The strategic plan serves as our guide as we set priorities, assign responsibilities, set schedules and budget for operating and capital expenditures.

The City utilizes a decentralized "bottom up" approach in the development of the annual budget. Each department is responsible for developing the financial data and narratives that are to be incorporated into the budget document. Guidelines and instructions are established by the Finance Department in cooperation with the City Manager's Office and City Council's policy direction. The Finance Department coordinates and compiles all the budget information from the departments into the final budget document that is presented by the City Manager to City Council.

There are five main sections to this document including: Introduction & Overview; Financial Structure, Policy & Process; Financial Summaries; Capital & Debt; and Departmental Information.

# THE FIVE MAIN SECTIONS OF THIS DOCUMENT

## **1 INTRODUCTION & OVERVIEW**

This section provides general information about the City including budget highlights from the City Manager, a list of Principal Officials, Lone Tree Facts and a snapshot of the City's total budget, including revenues and expenditures for all funds. Additionally, there is a summary of the City's priorities for 2019 based in part on identified short-term factors influencing decision making.

## **2 FINANCIAL STRUCTURE, POLICY & PROCESS**

This section provides the citywide organizational chart, a description of the four City Funds and their structure and how they relate to each department. Additionally, a discussion is presented on the basis of budgeting, the City's financial policies and the budget process.

## **3 FINANCIAL SUMMARIES**

This section provides supporting detail for the revenues and expenditures for all funds requiring appropriation. Additionally, the Budget Message provides detailed information about the City and each fund, as well as information on each revenue type, department expenditure information, capital expenditure information, debt and leases, compensation, benefits and staffing, and reserve funds.

## **4 CAPITAL & DEBT**

This section outlines the City's capital expenditures and discusses the difference between routine and one-time capital expenditures. Additionally, the Capital Expenditures budget, which can be found on page 59, provides further details. Additionally, the City's debt instruments are discussed and the debt schedules are presented.

## **5 DEPARTMENTAL INFORMATION**

This section provides employee counts by function/program, department descriptions, unit goals and objectives.

**INTRODUCTION  
& OVERVIEW**

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# CITY MANAGER'S BUDGET HIGHLIGHTS

## TO THE CITIZENS OF LONE TREE AND OTHER INTERESTED PARTIES:

I am pleased to present the City of Lone Tree's 2019 budget. The City Council and City Staff have worked diligently for several months in order to develop a plan that is fiscally cautious, but allows the City to continue on the promises made in our vision, mission and big ideas. It is a plan that will help us achieve our vision of Lone Tree as "a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses." It will serve as both a policy document and a financial instrument that focuses on our work toward that vision.

The Budget was formally adopted by the City Council by Resolution No. 18-57 on December 4, 2018.

## BUDGET HIGHLIGHTS

This balanced budget reflects the City Council's objective to continue to provide a high level of service to our community, maintain or upgrade the City's existing core infrastructure, capture maximum value out of previous investments, maintain operating reserves, and contribute to the City's capital reserve.

## HIGHLIGHTS INCLUDE:

- Total budgeted revenues for all City funds are approximately \$70 million.
- Taxes make up approximately 42% of total revenues. The primary source of this revenue is sales tax.
- During 2018, year-over-year sales tax collections are estimated to end the year with an increase of 3.9% compared with 2017 collections. This increase is largely a result of the Omnipark annexation into the City at the end of 2017, with other contributors as well, such as new vendors opening in the City and growth with current vendors.
- Although, sales tax collections are estimated to have a 3.9% increase in 2018, since the increase was primarily from the Omnipark annexation, we conservatively projected revenue based on new retail and restaurants, along with known store closings for 2019, showing a 2.5% increase.
- The City does not assess a mill levy for the collection of property taxes.
- Total budgeted expenditures for 2018 for all City funds are approximately \$71 million. Budgeted expenditures are projected to be paid from projected 2019 revenues received as well as prior years' accumulated fund balances.
- The operating budget maintains the same high quality level of service as 2018.
- While our preference would be to make our facilities completely open and welcoming, we do need to make some investments in our buildings to keep our staff and visitors as safe as possible. This budget includes a variety of capital safety improvements to meet that goal.
- 2019 includes three new positions within the Police Department:
  - Commander – continue to enhance public safety operations with improved command oversight in areas including policy management, department training and internal affairs investigations.
  - Traffic Enforcement Unit – two officers to focus on high accident areas and areas of citizen complaints to implement traffic safety improvements with the goal of providing better traffic flow.
- Conversion to a fully in-house public works department, resulting in overall budget savings.

- The coming year will bring exciting changes, as two long-sought infrastructure projects—the Southeast Light Rail Extension and the RidgeGate Parkway Expansion—prime the pump for development east of I-25. Leveraging partnerships is still a key component for the City to be able to fund large capital projects and we are excited for that continued support in 2019. Capital improvement projects in 2019 include:
  - RidgeGate Parkway Widening
  - County Line Road Improvements Phase 2b
  - RidgeGate Crosswalk/Pedestrian Improvements
  - Annual Street Overlay, concrete replacement, traffic signals, and storm drainage projects
  - Adaptive Traffic Signals
- A 25% working reserve has been included in the 2019 Budget. This reserve is set aside if unanticipated revenue shortfalls or unanticipated expenditures occur.
- Capital reserves have been established for capital replacement and new capital projects based on the City's 5-year capital plan.

## WHAT TO EXPECT IN 2019

The coming year will bring several exciting opportunities including:

- A major City investment in street overlay, traffic improvements, and road improvements and repairs.
- Lone Tree will continue as a national leader in its pursuit of Smart City solutions to use technology to help provide the highest-quality services through Link On Demand, multiple electric vehicle charging stations and adaptive traffic signals.
- Immense benefits from contracting for or partnering on a wide variety of City services, ranging from trash removal to snow plowing to police evidence storage. Contracting these services is still financially prudent compared to what they would cost in staffing and capital facilities and equipment.

- The Lone Tree Arts Center will continue its commitment to remarkable programming, including the theatrical productions Beehive and Home for the Holidays, as well as providing concerts and community impact programs.

## HOW TO USE THIS DOCUMENT

The Budget Summary section provides a brief summary on the priorities for 2019, budgeted revenues, expenditures, and ending fund balances for each of the City's Funds, while the Budget Message section details information about services provided by the City; projected revenues and expenditures; and, the City's current debt and reserve funds included in the 2019 Budget. In addition, we have included in the capital section specific details on each of the City's larger capital projects.

I would like to acknowledge City Staff for their hard work, dedication and forward thinking and to thank the Mayor and City Council for their strong public service commitment to the citizens of Lone Tree. The foundation they and their predecessors have laid has made Lone Tree what it is today, and their continued leadership promises to make 2019 a great year with many accomplishments. This Budget is truly reflective of that remarkable group effort.

The City Council and I welcome any questions or comments concerning the 2019 Budget and budget process.

Sincerely,



Seth Hoffman  
City Manager

# 1

## INTRODUCTION & OVERVIEW

# LIST OF OFFICIALS

December 31, 2018

### CITY COUNCIL

- Mayor** ..... Jacqueline A. Millet, At-Large
- Mayor Pro-Tem** ..... Cathie Brunnick, District 2
- Council Member** ..... Mike Anderson, District 2
- Council Member** ..... Jay Carpenter, District 1
- Council Member** ..... Wynne Shaw, District 1



### CITY OFFICIALS

- City Manager** ..... Seth Hoffman
- City Attorney** ..... Linda Michow
- Municipal Judge** ..... Louis Gresh
- Deputy City Manager** ..... Steve Hebert
- Assistant City Manager/Finance Director** ..... Kristin Baumgartner
- Public Works Director** ..... Justin Schmitz
- Community Development Director** ..... Kelly First
- Chief of Police** ..... Kirk Wilson
- Lone Tree Arts Center Executive Director** ..... Lisa Rigsby Peterson
- Economic Development Director** ..... Jeff Holwell
- City Clerk** ..... Jay Robb



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Lone Tree  
Colorado**

For the Fiscal Year Beginning

**January 1, 2018**

*Christopher P. Morill*

Executive Director

# 1

## INTRODUCTION & OVERVIEW

### LONE TREE FACTS

#### OVERVIEW

- Incorporated in November 1995.
- Became a Colorado Home Rule City on May 5, 1998.
- Council-Manager form of government where Council sets the City policy and the City Manager is responsible for City operations.
- City Council is made up of five Council members, including the Mayor, elected in non-partisan elections. Each member serves a staggered four-year term and represents one of the two districts within the City except for the Mayor, who serves as an at-large member.
- The City provides a full range of services including public safety, construction and maintenance of streets and other public infrastructure, planning and building permit and inspections, arts and cultural activities, financial management and municipal court services.

#### LOCATION

- Located in the southern Denver metropolitan area at the junction of C-470/E-470 and I-25.
- Comprises approximately 6,162 acres or 9.6 square miles.
- Located in northern Douglas County.

#### GENERAL POPULATION

- Estimated population as of Dec. 31, 2018 - 14,444 (daytime population approx. 31,510)
- Median household income - \$115,049
- Median Age - 39.4

#### ECONOMY

- Lone Tree is located on the Southeast I-25 Corridor and within the boundaries of the Denver South Economic Development Partnership, which includes 42 million square feet of office space and employment of more than 300,000 people.



- The City is home to the Park Meadows Retail Resort, Colorado's only retail resort with over 200 unique retailers and restaurants including Amazon 4-Star Store, American Girl, Apple Store, LL Bean, Nordstrom, Microsoft Store and Tesla.
- RidgeGate is a 3,500-acre master planned community located within the City and is home to the Lone Tree Recreation Center, the Lone Tree Arts Center as well as diverse retail, dining, office space and residential uses.
- In 2016, Charles Schwab became Douglas County's largest private sector employer with an estimated 4,000 employees.
- CU South Denver, CNA, Marriott Denver South, and multiple other new businesses were annexed into the City in 2017.
- The Lone Tree Entertainment District includes a movie theater, bowling alley, indoor skydiving and numerous restaurants.
- Sky Ridge Medical Center opened in the City in 2003 and is a state-of-the-art regional medical facility located on 42 acres. In 2013, Sky Ridge began an estimated \$117 million expansion plan which added 90 beds, a women's center, a new medical office building, additional spine/ortho operating rooms and a parking structure. The expansion was completed with the opening of its children's emergency room in 2016.
- The City sales tax rate of 1.8125 percent is among the lowest in Colorado.
- Lone Tree Arts Center includes a 500-seat main stage theater with orchestra and balcony seating, an adaptable 150-225 seat event hall for intimate performances and events and a 300-350 seat outdoor terrace theater.
- Each summer the City features free summer concerts at Sweetwater Park as well as free outdoor movie nights with food and fun activities at Prairie Sky Park.
- The Annual Independence Day celebration at Sweetwater Park features music, trampolines, climbing walls, face painters, caricature, inflatables, fireworks and much more.

## **PARKS, RECREATION AND CULTURE**

- The City has an extensive trail system comprised of 34.5 miles in City limits.
- Lone Tree Golf Club and Tennis Center includes a championship Arnold Palmer-designed 18-hole public course, two championship/teaching tennis courts with terraced seating, four-court tennis complex with lighted courts and a pavilion with picnic tables and children's playground.
- Cook Creek pool features a 4,600-square-foot outdoor leisure pool, 23-foot tower slide, zero depth entry, basketball and lesson area and interactive water feature.



## 2018 HONORS AND AWARDS

- For the last thirteen years, the City has been awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports.
- For the last four years, the City of Lone Tree has been the recipient of the Distinguished Budget Presentation Award for excellence in municipal budget reporting by the Government Finance Officers Association (GFOA). The award was first given for the City's 2015 budget, which was the first year the City applied for the award. This award represents a significant achievement by the City of Lone Tree and reflects the commitment of the City and staff to meet the highest principles of governmental budgeting.
- The City was presented with the 2018 Gold Leaf Award for Arbor Day Activity by the Rocky Mountain Chapter of the International Society of Arboriculture (ISA) in recognition of the 2018 Arbor Day public outreach program. The award is presented to individuals, organization or municipalities that have orchestrated, hosted or promoted an Arbor Day event that has drawn the support of the community to promote education and support the care and preservation of arboriculture.
- The Lone Tree Arts Center is the first-ever recipient of the Rex Morgan Award for Innovative Partnership and Regional Cooperation. From the official press release: *The award recognizes the Lone Tree Arts Center for creatively breaking through barriers to offer unique and inventive programming that benefits all residents of the district and the entire region. An example of the center's innovation is its Sensory Friendly Initiative which breaks down boundaries to access to art and culture for people living with intellectual or developmental disabilities and encouraging other partners to do the same.*
- The Lone Tree Arts Center were nominated for two Henry Awards: Outstanding Actor in a Play for Esau Pritchett as Troy Maxson in August Wilson's *Fences*, and Best Scenic Design Tier II for Ed Haynes for August Wilson's *Fences*. Ed Haynes won the award. The Henry Awards are presented by the Colorado Theatre Guild and are Colorado's version of the Tony Awards.



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## INTRODUCTION & OVERVIEW

### TOTAL BUDGET SUMMARY

The objectives of this budget are to preserve the current level of services while adjusting to changing revenue trends, but still making progress towards and implementing the City's strategic plans, specifically the "Big Ideas". The items discussed below reflect the short-term financial and operational factors that guided the development of the 2019 annual budget.

- Projected Revenue Streams
- Salary & Benefit Guidelines Taking into Account the Continued Increases Associated with Benefit Costs
- Capital Improvements to Maintain Current Infrastructure
- Target Capital Reserve Amounts
- Maintaining Working Reserve Levels
- Technology Investments

The 2019 priorities share multiple similarities with the priorities of 2018, such as making investments in new technology, community safety, and maintaining current infrastructure. With the completion of the Southeast Light Rail extension in 2019, along with the RidgeGate Parkway Widening project, these projects set the stage for development east of I-25. Additionally, the 2019 budget continues to focus on making sure the City provides an exceptional level of service to our businesses and residents, while also continuing to look and plan for our future growth. The 2019 priorities are going to be funded with general fund revenues received during the year, along with portions of the City's capital reserve, which has been intentionally built up in anticipation of capital projects.

#### **The City's main priorities in the 2019 budget are:**

- Maintain the same high level of service to our residents by providing services such as exceptional customer service, trash removal at no charge, and a variety of City-sponsored community events.
- Transition the Public Works department fully in-house, with the exception of surveying and design services.

- Maintain or upgrade our existing core infrastructure, including street overlay, concrete replacement, traffic signals and storm drainage.
- Continued investments in new technology to continue to be a national model, including Link On Demand, network of electric vehicle charging stations and adaptive traffic signals.
- Security enhancements to the City's buildings to provide our staff and visitors a safe environment.

#### **REVENUES**

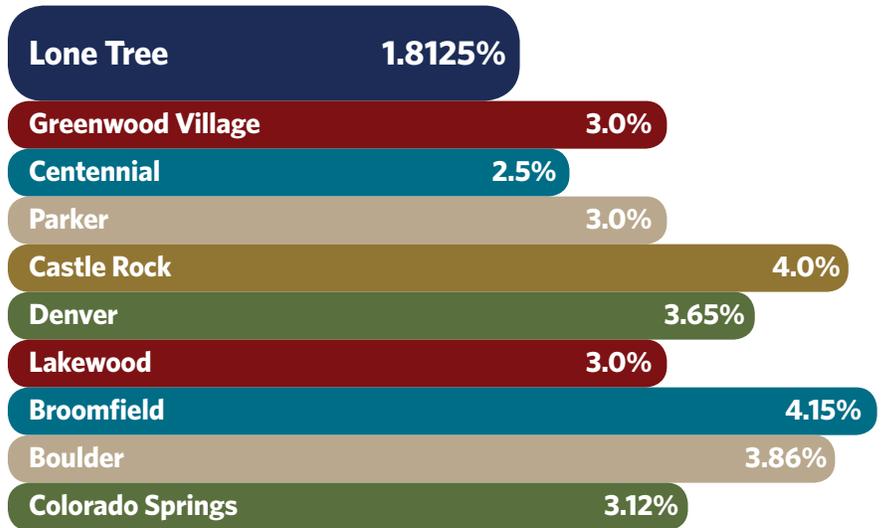
The 2019 Budget has been prepared with no tax rate increases. Total budgeted revenues for all City funds are \$70,116,387. This is an increase of 55.6 percent from 2018 estimated. This increase is largely the result of additional intergovernmental revenue anticipated to be received, which comprises 50.4 percent of total revenue. The increase in intergovernmental revenue received in 2019 compared to 2018 is largely due to the RidgeGate Parkway Widening project that is beginning in 2019 and funded fully by grant revenue and partner contributions. Additionally, the increase in revenue is due to sales tax from new businesses that are projected to open during 2019. Total taxes collected makes up approximately 42 percent of total revenue. The primary source of the City's tax revenue is sales tax and use tax.

The rate for sales and use tax for general operations remains at 1.5 percent. The total sales and use tax rate for the City is 1.8125 percent of which .125 percent is pledged to bond repayment related to park and recreation improvements and .1875 percent is pledged to bond repayment related to the construction of the Lone Tree Arts Center. These sales and use tax increases which are pledged to the current City bonds will end December 1, 2023. The City's comparative low sales tax rate makes it attractive for consumers to visit and shop in the City.

BUDGET SUMMARY

## Local Sales Tax Rate

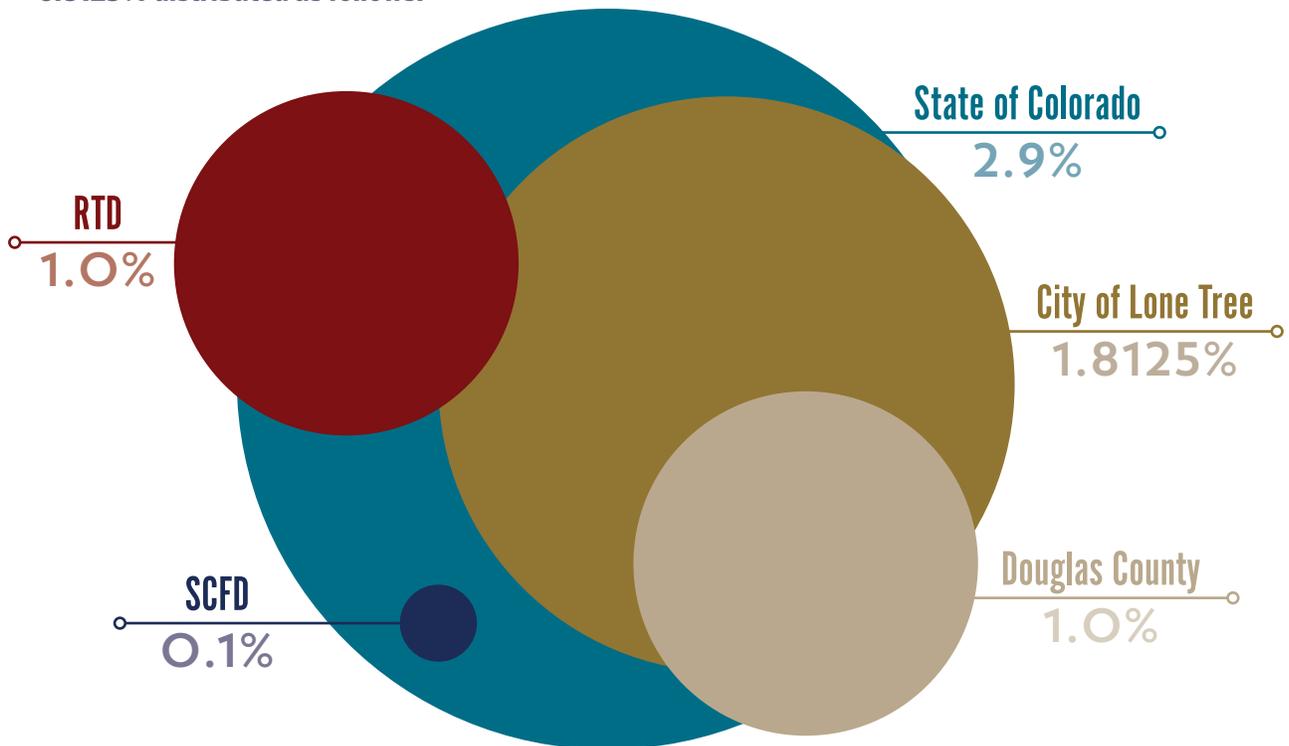
The following table compares the City's sales tax rate with other communities along the Front Range:



BUDGET SUMMARY

## Sales Tax Distribution

Total tax rate in Lone Tree is 6.8125% distributed as follows:



## EXPENDITURES

The total budgeted expenditures for all City funds for 2019 is \$70,960,923. The net operating budget, which represents the funds needed for operating day-to-day services, excluding debt service and capital projects, increased by 6.3 percent in 2019 from 2018 estimated. Included in this increase are operating costs associated with new Police Department vehicles, intergovernmental agreement increases for Police Department services with the Town of Parker, as well as three new full-time employees in the police department, including a Commander and two Traffic Enforcement Unit Officers. Additionally, the increase is due to general consulting costs and future economic development consulting costs, as well as increased personnel costs due to merit and

benefit increases. The increase in capital funding from 2018 to 2019 includes the RidgeGate Parkway widening, storm sewer improvements, Park Meadows Drive Regional Pond Upgrade, adaptive traffic signals, RidgeGate Crosswalk Improvements, and traffic signalization. The change in fund balance between 2018 and 2019 is primarily a result of the large capital projects planned for 2019 with the use of fund balance coming from the City's capital reserve. The use of the capital reserve is pursuant to the City's five-year capital improvement plan and Capital Reserve Policy.

The following table compares the 2017 actual, 2018 estimated and 2019 budgeted amounts for revenues, expenditures and fund balance:

TOTAL BUDGET	2017	2018	2019	Percent Change
	Actual	Estimated	Adopted	
<b>Beginning Fund Balance</b>	\$ 27,152,840	\$ 23,262,006	\$ 18,569,714	(20.2%)
<b>Revenues</b>	\$ 46,482,434	\$ 45,075,932	\$ 70,116,387	55.6%
<b>EXPENDITURES</b>				
<b>Operating</b>	\$ 22,177,310	\$ 23,485,450	\$ 24,969,438	6.3%
<b>Debt</b>	\$ 2,497,396	\$ 2,619,250	\$ 2,680,000	2.3%
<b>Capital</b>	\$ 25,599,295	\$ 23,663,523	\$ 43,311,485	83.0%
<b>Total</b>	\$ 50,274,001	\$ 49,768,223	\$ 70,960,923	42.6%
<b>Ending Fund Balance</b>	\$ 23,262,006	\$ 18,569,714	\$ 17,725,178	(4.5%)

<b>CHANGE IN ENDING FUND BALANCE</b>	<b>2018 Estimated Ending Fund Balance</b>	<b>2019 Adopted Ending Fund Balance</b>	<b>Change in Fund Balance</b>	<b>Percent Change</b>
General Fund	\$15,388,690	\$14,423,669	\$ (965,021)	(6.3%)
Cultural and Community Services Fund	-	-	-	0.0%
Arts and Cultural Facilities Debt Service Fund	\$ 1,463,854	\$ 1,485,469	\$ 21,615	1.5%
Park and Recreation Improvements Debt Service Fund	\$ 1,717,170	\$ 1,816,040	\$ 98,870	5.8%
<b>Total</b>	<b>\$ 18,569,714</b>	<b>\$ 17,725,178</b>	<b>\$ (844,536)</b>	<b>(4.5%)</b>

In the General Fund, the percentage change from 2018 estimated to 2019 projected is a result of using capital reserve funds (part of the 2018 ending fund balance) to pay for capital expenditures in 2019 pursuant to the City's five-year capital improvement plan and Capital Reserve Policy.

The Arts and Cultural Facilities Debt Service Fund and the Park and Recreation Improvements

Debt Service Fund show an increase from 2018 Estimated to 2019 Adopted. The percentage increase in both funds is due to an increase in projected sales tax. Additionally, the increase in the Arts and Cultural Facilities Debt Service Fund is due to the 2019 transfer of excess funds to the General Fund to support capital projects completed at the Lone Tree Arts Center being lower than in 2018.

**FINANCIAL STRUCTURE,  
POLICY & PROCESS**

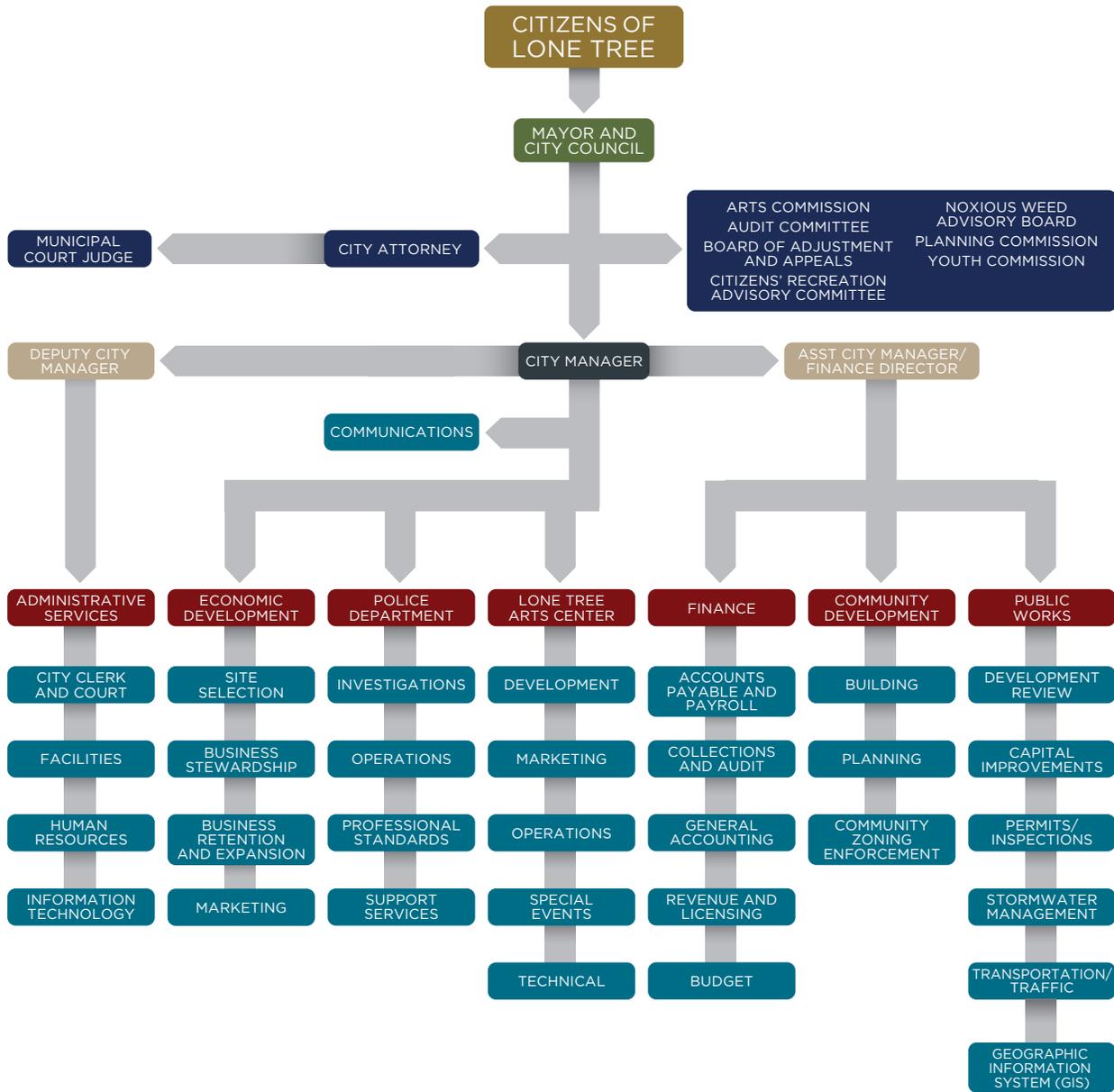
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## FINANCIAL STRUCTURE, POLICY & PROCESS

### DEPARTMENTAL STRUCTURE

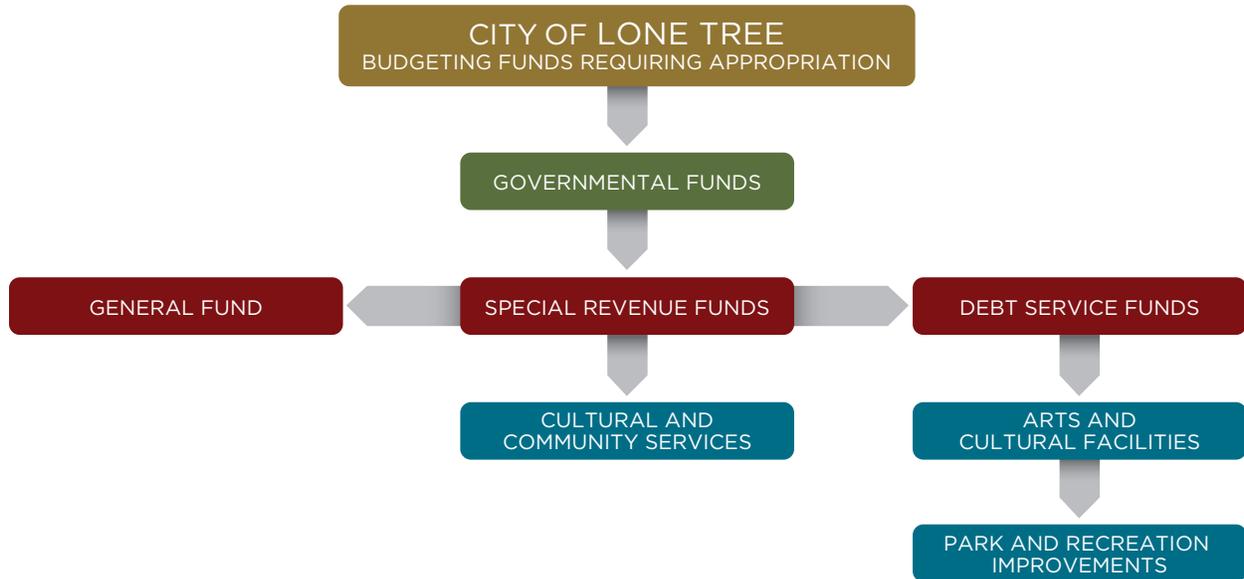


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## FINANCIAL STRUCTURE, POLICY & PROCESS

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### BUDGET FUND STRUCTURE



### MAJOR FUND DESCRIPTIONS

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#### General Fund

The **General Fund** is the City’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

#### Special Revenue Fund

The **Special Revenue Fund—Cultural and Community Services** is used to account for revenues and expenditures related to the operations of the LTAC, as well as other City-sponsored events and cultural services. Revenue reported in this fund include all sales at the LTAC, which include ticket sales and related fees, rental fees, concessions, donations and grants.

#### Debt Services Funds

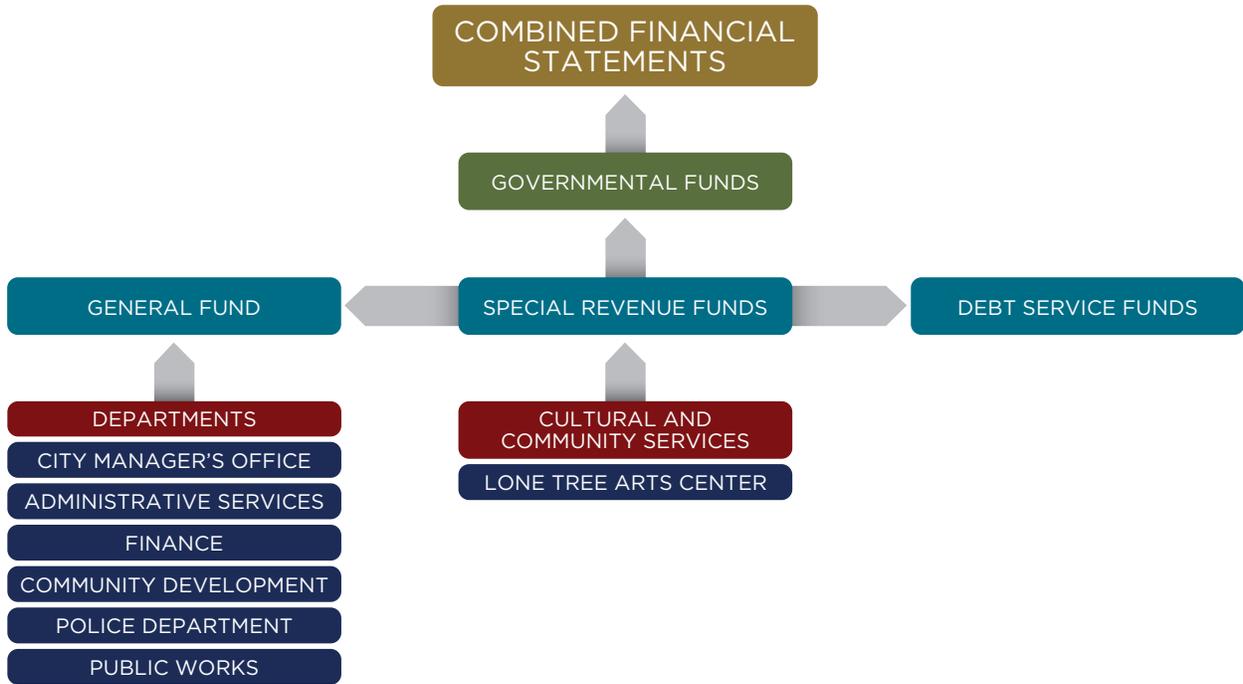
The **Debt Service Fund—Arts and Cultural Facilities** is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to arts and cultural facilities improvements.

The **Debt Service Fund—Park and Recreation Improvements** is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to park and recreational improvements.

# 2 FINANCIAL STRUCTURE, POLICY & PROCESS

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## DEPARTMENT/FUND RELATIONSHIP



# 2

## FINANCIAL STRUCTURE, POLICY & PROCESS

# ACCOUNTING, BUDGETING & FINANCIAL POLICIES

The City of Lone Tree, Colorado financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Colorado Revised Statutes and the City of Lone Tree City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

### **BASIS OF ACCOUNTING**

The City's finances are accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Under accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Modified accrual accounting recognizes revenues when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are sales, use, lodging and admissions taxes, as well as partner contributions on capital projects. Additionally, payments for off-duty services and rental invoices from the Lone Tree Arts Center are susceptible to accrual. Generally revenue items not listed above are considered to be measurable and available only

when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

### **BASIS OF BUDGETING**

Basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. The City of Lone Tree budgets on a cash basis. The City does not budget for non-cash items such as depreciation and amortization. The revenues and expenditures are assumed to be collected or spent during the period appropriated. Using this assumption, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover expenditures during the budget year, or that there are sufficient cash reserves in the fund to cover a revenue shortfall. The City's operating and capital budget, special revenue fund and all debt service funds are adopted on an annual basis (the fiscal year begins with the first day of January and ends on the last day of December) with all appropriations lapsing at fiscal year-end.

### **BASIS OF BUDGETING VS. BASIS OF ACCOUNTING**

The basis of budgeting differs from the basis of accounting only by the assumptions that are made in regard to the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when they become both measurable and available, and expenditures when incurred. Cash is not necessarily received or expended at the same time. Additionally, compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees with GAAP as opposed to being expended when paid on the budget basis.

## **BASIS OF PRESENTATION – FUND ACCOUNTING**

The activities of the City are organized into separate funds that are designated for a specific purpose or set of purposes. Each fund is considered a separate accounting entity, so the operations of each fund are accounted for with a set of self-balancing accounts that comprise its revenues, expenses, assets, liabilities, and fund equity as appropriate.

The number and variety of funds used by the City promotes accountability but can also make municipal budgeting and finance complex. Therefore, understanding the fund structure is an important part of understanding the City's finances. The City of Lone Tree currently has four funds. Each of the City's funds are major funds and each fund is appropriated for annually.

## **BUDGET PHILOSOPHY**

The budget is the long-range plan by which financial policy is implemented and controlled. The City Charter, Colorado Constitution, and Colorado State statutes provide the basic legal requirements and time lines for the City's budget process. Council goals, ordinances, and resolutions provide policy direction that respond to the needs and desires of the community.

The City considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, which is technically a surplus. There are also instances when the City might plan to spend fund balances from previous years on one-time or non-routine expenditures, such as capital projects. The City considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not build ongoing expenditures into this type of funding. For 2019, the City's budget is balanced with revenues and appropriated fund balances equaling expenditures, as well as beginning fund balance from capital reserves and other restricted funds.

Municipal services are funded through a variety of taxes, fees, charges for service, and intergovernmental assistance. Generally, the City:

- Utilizes conservative growth and revenue forecasts.
- Appropriates the budget in accordance with the City Charter, the Colorado Constitution, and Colorado laws.

- Adopts financial management policies that establish guidelines for financial plans.
- Establishes budgets for all funds based on adopted policies and practices.
- Organizes the budget so that revenues are related to expenditures, as much as possible.
- Prepares a multi-year financial plan for capital improvements.
- Manages the operating and capital budgets, with City Council approval.
- Provides department directors with immediate access to revenue and expenditure information to assist their efforts in controlling annual expenditures against appropriations.

## **BUDGET PROCESS & TIMELINE**

The City of Lone Tree's 2019 Budget provides the framework for providing services and programs to its approximate 14,444 citizens based on the delivery of core services. Municipal services for the City are financed through a variety of taxes, fees, intergovernmental revenues, charges for services and fines. In order to provide the services needed as well as efficiently allocate the revenues that support the services, the City adopts an annual budget.

The fiscal year of the City is the calendar year and the budget process occurs throughout most of the year.

The intent of the budget process is more than just a financial presentation of revenues and expenditures; instead, the most important step in the process is to formulate a sound operational plan to serve the residents of the City. The timeline for adoption of the budget is designed to meet the City Charter and state mandates as well as allow active and early participation by City staff and City Council. Additionally, City policies guide preparation and long-range planning during the budget process.

In May, City Council holds a budget retreat to discuss policy decision for the year with City staff. From May through August, the Management Team (consisting of the City Manager's Office, department directors and finance) hold meetings and collect information, and a draft budget is compiled. In Mid-September, Council work sessions are held and a public draft of the budget is available on the City's website October 15th of each year. In November, a budget public hearing is held and in December the budget is adopted by City Council.

If during the year it is decided that a budget amendment is needed either due to budget transfers between funds, unanticipated revenues or revenues not assured at the time of budget adoption or revenues coming in lower than anticipated requiring revised appropriations pursuant to State Statute 29-1-109, the City will publish notice as required and conduct a public hearing and adopt a resolution for the budget amendment.

BUDGET TASKS	MONTH											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Council Retreat with City staff to discuss policy decision topics					○							
City staff collaborate on long-range planning, capital projects and goals for the budget year						○	○					
City staff collaborate and draft proposed Budget for City Council						○	○	○	○			
City Council work sessions with staff to review the Budget draft in detail									○			
Budget draft made available to the public on the City's website										○		
Budget public hearing											○	
Budget adoption												○
Budget booklet published and made available to the public	○											

### PROCUREMENT PLANNING

All City purchases of goods or services are made in accordance with the State of Colorado Revised Statutes, Lone Tree City Charter and the City's Purchasing Guidelines.

### FINANCIAL REPORTING

The City's accounting records are audited by an independent certified public accounting firm following the conclusion of each fiscal year in accordance with the City Charter and state law. The City Manager and Finance Director prepare a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting principles (GAAP) as applicable to state and local governments established by the Governmental Accounting Standards Board (GASB) for governmental accounting and financial reporting principles. The CAFR shows the status of the City's finances on the basis of GAAP. The CAFR shows fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes.

## FUND BALANCE POLICIES

A top priority of the City Council is to maintain the fiscal health of the City. Revenue projections are conservative and authorized expenditures are closely monitored. In stable economic times, the combination of these two strategies lead to revenue collections higher than actual expenditures. The accumulation of these fund balances protects the City from uncontrollable increases in expenditures or unforeseen reductions in revenue, or a combination of the two. It also allows for the prudent financing of capital construction and replacement projects. Fund balances provide for the temporary financing of unforeseen opportunities or needs of an emergency nature.

Within the governmental funds, fund balances are reported based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances can be classified as nonspendable, restricted, committed, assigned, or unassigned.

## FUND BALANCE CLASSIFICATIONS

**Nonspendable Fund Balance** – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

**Restricted Fund Balance** – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**Committed Fund Balance** – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. City Council will either pass an ordinance or resolution as the highest level of decision making dependent on the subject matter.

**Assigned Fund Balance** – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The City's Working Reserve Policy as well as the Capital Reserve Policy are shown as assigned fund balance in the Budget. See below for more information on these policies.

**Unassigned Fund Balance** – The residual portion of fund balance that does not meet any of the criteria described above.

## WORKING RESERVE POLICY

The City Council adopted a Working Reserve Policy or Unrestricted Fund Balance Policy in January 2012. This policy is included on page 113.

## CAPITAL RESERVE POLICY

The City Council adopted a Capital Reserve Policy in January 2013. This policy is included on page 114.

## DEBT MANAGEMENT POLICY

The City Council adopted a Debt Management Policy in July 2013. This policy is included on pages 115-117.

## INVESTMENTS POLICY

The City Council adopted an Investments Policy in July 2013. This policy is included on pages 118-120.

## BRICK FENCE REPLACEMENT RESERVE POLICY

The City Council adopted this reserve policy in December 2018. This policy is included on page 121.

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**FINANCIAL  
SUMMARIES**

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## FINANCIAL SUMMARIES

### SUMMARY

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
<b>Beginning Fund Balances</b>	<b>\$27,152,840</b>	<b>\$23,262,006</b>	<b>\$18,569,714</b>
<b>Revenue</b>			
Taxes	26,790,921	28,970,799	29,290,405
Franchise Fees	1,069,729	1,061,500	1,064,000
Intergovernmental	14,291,208	10,319,371	35,321,604
Licenses, Fees and Charges	869,837	1,254,050	1,022,000
Fines and Forfeitures	636,085	561,000	658,000
Arts Center	2,128,189	1,951,712	2,103,878
Other	696,465	957,500	656,500
<b>Total Revenue</b>	<b>\$46,482,434</b>	<b>\$45,075,932</b>	<b>\$70,116,387</b>
<b>Other Financing Sources</b>			
Bond Issuance	11,005,000	-	-
Bond Premium	1,277,505	-	-
Transfer In-General Fund	-	670,493	703,000
Transfer In-Special Revenue Fund-Arts Center	983,277	1,093,736	1,166,126
Total Other Financing Sources	13,265,782	1,764,229	1,869,126
<b>Total Funds Available</b>	<b>\$86,901,056</b>	<b>\$70,102,167</b>	<b>\$90,555,227</b>
<b>Expenditures</b>			
General Government	5,493,850	5,774,014	6,162,399
Municipal Court	270,686	315,682	340,573
Community Development	1,133,143	1,070,716	1,065,936
Police Department	7,176,874	7,561,242	8,516,900
Public Works	4,722,606	5,436,494	5,221,126
Arts and Cultural	3,380,151	3,327,302	3,662,504
Parks and Recreation	136,701	362,500	400,000
Capital Outlay	25,462,594	23,301,023	42,911,485
Debt Service	2,497,396	2,619,250	2,680,000
<b>Total Expenditures</b>	<b>\$50,274,001</b>	<b>\$49,768,223</b>	<b>\$70,960,923</b>
<b>Other Financing Uses</b>			
Refunded Bonds	12,381,772	-	-
Transfer Out-General Fund	983,277	1,093,736	1,166,126
Transfer Out-Debt Service Fund-Park and Recreation	-	112,500	250,000
Transfer Out-Debt Service Fund-Arts and Cultural Facilities	-	557,993	453,000
Total Other Financing Uses	13,365,049	1,764,229	1,869,126
<b>Total Appropriation</b>	<b>63,639,050</b>	<b>51,532,452</b>	<b>72,830,049</b>
<b>Ending Fund Balances</b>	<b>\$23,262,006</b>	<b>\$18,569,714</b>	<b>\$17,725,178</b>



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## FINANCIAL SUMMARIES

# SIGNIFICANT CHANGES IN ANTICIPATED FUND BALANCE

The following analysis focuses on available fund balances of the City's major funds anticipated to increase or decrease by 10% or more.

<b>GENERAL FUND</b>	<b>Anticipated FY19 Beginning Balance</b>	<b>Anticipated FY19 Ending Balance</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Assigned for Working Reserve	\$ 5,047,000	\$ 5,275,000	\$ 228,000	4.5%
Assigned for Capital Reserve	\$ 7,200,000	\$ 5,365,000	\$ (1,835,000)	(25.5%)
Undesignated	\$ 33,417	\$ 19,254	\$ (14,163)	(42.4%)
<b>Total Unreserved Fund Balance</b>	<b>\$12,280,417</b>	<b>\$10,659,254</b>	<b>\$ (1,621,163)</b>	<b>(13.2%)</b>

### DISCUSSION:

The above table represents information for the General Fund only. The City's Special Revenue Fund and Debt Service Funds do not have unreserved fund balances.

The City's unreserved fund balance consists of the working reserve, the capital reserve, and undesignated funds. It is the City's policy to maintain a working reserve of at least 16.7% of the current year's budgeted operating expenditures with the goal of moving towards 30%. The 2018 estimated and 2019 projected budgets include 25% in addition to the 3% TABOR reserve which is restricted. Additionally, the City's capital reserve policy states that the City needs to maintain adequate cash fund balances to help offset costs of future capital expenditures. The City believes that establishing and maintaining such reserves will assist the City to take greater advantage of the pay-as-you-go philosophy versus relying entirely or primarily on debt financing, which would require voter approval as the City currently does not have any bonding authority. The minimal amount remaining is the undesignated funds.

The decrease in the capital reserve is primarily a result of capital project timing in 2018. Certain budgeted projects in 2018, including the regional pond upgrades and adaptive traffic signals, have been deferred to 2019, so funds related to those projects are reflected in the capital reserve balance at the end of 2018 but will be expended in 2019, resulting in the reserve decrease. Additionally, the City's Capital Reserve Policy states that the funds in the capital reserve can only be used for capital projects. The minimal amount that comprises the undesignated balance (separate from the working reserve and capital reserve), is purposely kept at a low balance, so the City's total unreserved fund balance is maximized in either the working reserve or capital reserve account.

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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### REVENUE DETAIL

#### Beginning Fund Balance

#### REVENUE

##### Taxes

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
Beginning Fund Balance	\$24,723,662	\$20,208,231	\$15,388,690
<b>REVENUE</b>			
<b>Taxes</b>			
Sales Tax	20,939,542	21,723,800	22,178,900
Use Tax-Retail	834,875	753,507	769,020
Use Tax-Building Materials	360,868	868,000	596,000
Lodging Tax	1,092,192	1,885,000	1,885,000
Admissions Tax	363,474	371,500	371,500
<b>Total Taxes</b>	<b>\$23,590,951</b>	<b>\$25,601,807</b>	<b>\$25,800,420</b>

##### Franchise Fees

Electric and Gas	821,426	816,500	816,500
Cable TV	248,303	245,000	247,500
<b>Total Franchise Fees</b>	<b>\$1,069,729</b>	<b>\$1,061,500</b>	<b>\$1,064,000</b>

##### Intergovernmental

Highway Users Tax (HUTF)	358,780	453,000	385,000
Conservation Trust Fund (Lottery)	69,468	65,500	63,500
Cigarette Tax	175,349	182,600	182,600
County Road & Bridge Shareback	1,439,996	1,550,719	1,557,661
Douglas County Shareback-Transportation	2,110,400	2,163,000	2,167,000
Motor Vehicle Registration Fees	46,318	46,000	46,000
Regional Improvements Contribution-RRMDS	178,965	212,649	218,593
Reimbursable Costs	9,883,572	5,581,903	30,657,250
Grants	28,360	64,000	44,000
<b>Total Intergovernmental</b>	<b>\$14,291,208</b>	<b>\$10,319,371</b>	<b>\$35,321,604</b>

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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### REVENUE DETAIL (Continued)

##### Licenses, Fees and Charges

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
Sales and Use Tax and Business License Fees	35,825	10,000	38,000
Liquor License Fees	15,854	16,000	17,000
Building Permit Fees	574,956	955,000	695,000
Planning and Zoning Fees	28,194	28,550	30,000
Engineering Fees	140,283	148,000	155,000
Other	74,725	96,500	87,000

##### **Total Licenses, Fees and Charges**

<b>\$869,837</b>	<b>\$1,254,050</b>	<b>\$1,022,000</b>
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##### Fines and Forfeitures

Court Fees	79,652	91,000	93,000
Vehicle and Other Code Violation Fines	524,543	440,000	535,000
Victims Assistance Surcharge	31,890	30,000	30,000

##### **Total Fines and Forfeitures**

<b>\$636,085</b>	<b>\$561,000</b>	<b>\$658,000</b>
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##### Other

Net Investment Income	213,074	295,000	195,000
Miscellaneous	128,583	240,000	104,000
Police Department Fees and Other Charges	157,080	125,500	129,000
Tenant Rental Income	176,438	249,000	215,000

##### **Total Other**

<b>\$675,175</b>	<b>\$909,500</b>	<b>\$643,000</b>
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##### **Total Revenue**

<b>\$41,132,985</b>	<b>\$39,707,228</b>	<b>\$64,509,024</b>
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#### TRANSFERS IN

Debt Service Fund–Park and Recreation	-	112,500	250,000
Debt Service Fund–Arts and Cultural Facilities	-	557,993	453,000

##### **Total Transfers In**

<b>\$ -</b>	<b>\$670,493</b>	<b>\$703,000</b>
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##### **Total Funds Available**

<b>\$65,856,647</b>	<b>\$60,585,952</b>	<b>\$80,600,714</b>
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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### EXPENDITURE DETAIL

##### General Government

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
City Council	25,625	40,000	50,000
City Council Stipend	64,744	67,353	68,631
Administrative Services-Salaries and Benefits	879,671	928,774	985,167
City Clerk	19,677	46,121	28,000
Human Resources	106,855	124,300	121,650
Information Technology	423,364	653,639	639,970
Facilities	946,812	976,900	1,033,650
Holiday Lighting and Decorations	31,300	32,000	35,000
Insurance	369,413	410,000	430,000
Finance - Salaries and Benefits	478,687	492,979	513,976
Finance	60,215	42,290	43,490
Audit	36,915	38,000	39,000
City Manager's Office-Salaries and Benefits	965,776	974,225	1,037,246
Dues and Memberships	103,942	104,386	123,119
Legal-General	510,199	430,000	380,000
Legal-Special	64,495	50,000	100,000
Consulting	94,873	31,185	128,500
Community Support	12,392	27,400	32,300
Youth Initiatives	19,800	19,800	19,800
Housing Partnership	35,000	35,000	35,000
Living and Aging Well	1,227	3,300	900
Communications	111,079	118,863	129,500
Economic Development	126,548	117,500	157,500
Miscellaneous	5,242	10,000	30,000
<b>Total General Government</b>	<b>\$5,493,850</b>	<b>\$5,774,014</b>	<b>\$6,162,399</b>

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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### EXPENDITURE DETAIL (Continued)

##### Municipal Court

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
Municipal Judge	26,228	25,000	30,000
Legal	36,000	36,000	36,000
Administration	202,842	253,182	272,573
Office Supplies and Software	3,156	1,500	2,000
Victims Assistance	2,461	-	-

##### **Total Municipal Court**

**\$270,686                      \$315,682                      \$340,573**

##### Community Development

Salaries and Benefits	783,434	826,616	869,006
Contract Services	22,434	15,000	20,500
Field Supplies	1,936	1,550	2,100
Planning Commission	1,318	2,000	2,000
Plan Review and Other Inspections	57,008	70,000	75,000
Elevator Inspections	79,675	96,500	87,000
City Forestry Program	663	500	1,500
Engineering	175,912	50,000	-
Miscellaneous	10,765	8,550	8,830

##### **Total Community Development**

**\$1,133,143                      \$1,070,716                      \$1,065,936**

##### Police Department

Salaries and Benefits	5,820,433	6,103,529	6,829,181
Office and Administration	96,505	118,700	131,500
Uniforms and Equipment	43,771	45,450	52,700
Vehicles and Equipment	450,464	429,375	522,100
General Equipment	17,470	60,330	23,500
Intergovernmental Agreements	674,138	709,053	849,214
Training	57,471	71,500	81,000
Community Outreach and Miscellaneous	16,622	23,305	27,705

##### **Total Police Department**

**\$7,176,874                      \$7,561,242                      \$8,516,900**

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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

##### EXPENDITURE DETAIL (Continued)

##### Public Works

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
Salaries and Benefits	7,966	482,694	995,126
Public Works Department-Contracted	668,973	360,000	-
Street Lighting	332,337	400,000	450,000
Street Maintenance	669,300	690,000	690,000
Drainage Maintenance	-	120,000	60,000
Street and Sidewalk Sweeping	45,000	55,000	55,000
Traffic Signal Energy Cost and Maintenance	98,333	100,000	125,000
Signal Timing	4,716	15,000	65,000
Snow Removal	955,329	1,200,000	1,200,000
Landscaping Maintenance	20,812	26,000	30,000
Trash and Recycling Service	544,270	540,000	580,000
Household Hazardous Waste Program	8,507	8,000	8,000
Engineering	346,057	320,000	-
Fence Maintenance	-	-	25,000
Geographic Information System (GIS)	149,199	165,000	-
Materials and Equipment	5,283	20,000	10,000
EPA Phase 2 Drainage	53,927	70,000	-
Noxious Weeds Control	8,013	7,500	7,500
Signage and Striping	111,523	120,000	120,000
Accident Repairs	-	13,300	10,000
Public Works Facility Operations and Equipment	51,496	55,000	55,000
Software and Support	16,500	25,000	30,000
Mutt Mitts Contract	10,338	11,000	15,000
Miscellaneous	1,350	3,000	3,000
Public Works Vehicle Maintenance and Gas	3,589	5,000	5,000
Lone Tree Link	609,788	625,000	460,000
PW Transition Start-Up Costs	-	-	77,500
Consulting and Surveying	-	-	145,000
<b>Total Public Works</b>	<b>\$4,722,606</b>	<b>\$5,436,494</b>	<b>\$ 5,221,126</b>

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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### EXPENDITURE DETAIL (Continued)

##### Arts and Cultural

Arts Center Repairs and Maintenance  
Arts Center Capital Improvements

##### Total Arts and Cultural

##### Parks and Recreation

Joint Recreational Projects with South Suburban  
Park and Recreation Capital Improvements

##### Total Parks and Recreation

##### Capital Outlay

Software Packages  
Website Redesign  
Overlay/Reconstruction Projects  
Traffic Signalization  
City Identification and Wayfinding Sign Program  
City Office Building  
Civic Center Capital Improvements  
Concrete Panel Replacement  
Entertainment District Improvements  
Park Meadows Dr. Regional Pond Upgrade  
Fingerprinting Machines  
Trunarc Narcotics Analyzer  
License Plate Reader  
Storm Sewer Improvements  
Light Rail Extension  
Lincoln Pedestrian Bridge  
Yosemite Turn Lane (Maximus to PMD)  
County Line Improvements  
LTAC Plaza  
Public Art Projects  
Vehicles  
Schweiger Ranch Preservation  
The Hub Remodel  
Rueter Hess  
Boom Truck and Signal Maintenance Equipment  
West Cook Creek Tributary Improvements

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
	265,646	30,000	227,500
	3,039	251,855	165,000
<b>Total Arts and Cultural</b>	<b>\$268,685</b>	<b>\$281,855</b>	<b>\$392,500</b>
	36,701	362,500	300,000
	100,000	-	100,000
<b>Total Parks and Recreation</b>	<b>\$136,701</b>	<b>\$362,500</b>	<b>\$400,000</b>
	8,390	-	-
	-	-	50,000
	1,522,594	2,040,000	1,800,000
	-	405,000	1,015,000
	-	120,000	10,000
	196,923	35,000	150,000
	18,194	20,000	-
	-	481,000	500,000
	21,291	-	-
	-	45,000	1,055,000
	52,253	-	-
	-	-	24,000
	-	20,000	-
	294,782	-	500,000
	8,333,333	8,405,334	-
	4,702,503	326,500	-
	73,503	-	-
	1,564,167	2,930,000	1,500,000
	306,139	-	-
	11,720	-	-
	28,321	10,000	30,000
	10,000	10,000	10,000
	543,270	-	-
	54,375	75,000	100,000
	111,387	-	-
	-	200,000	-

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## FINANCIAL SUMMARIES

### GENERAL FUND

#### FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### EXPENDITURE DETAIL (Continued)

##### Capital Outlay (Continued)

RidgeGate Parkway Widening	-	-	26,900,000
Surrey Ridge Tunnel Drainage	16,546	28,009	-
City-Wide Pavement Assessment	13,230	-	-
Master Transportation Plan	-	20,000	25,000
Yosemite Medians (North of Park Meadows Drive)	6,905	18,000	-
Park Meadows Drive Improvements	-	-	-
Adaptive Traffic Signals	-	14,000	1,072,000
LTAC Monument Sign	-	70,000	-
Electric Vehicle Charging Stations	-	-	100,000
Willow Creek Trail Signage Program	-	77,500	-
Street Bench Replacement Program	-	8,000	7,000
Trash Can Replacement Program	-	30,000	-
Mall Entry Traffic Improvements	-	30,000	-
Meeting Management Application	-	-	10,000
Taos Back Road Demolition	-	-	17,000
RidgeGate Crosswalk/Ped Improvements	-	-	645,000
Lincoln-Peoria Signal Upgrade	-	-	90,000
Traffic Coating	-	-	67,000
Security Enhancements	-	-	115,000
Landscaping Enhancements	-	88,000	-
Capital Contingency	-	77,000	-
Retail Retention Agreement	75,000	75,000	75,000
Retail Shareback	451,850	400,000	400,000
RRMD Revenue Shareback-West Side	1,315,775	1,607,713	853,916
Reimbursement of Sales Taxes to PMBID	5,501,526	5,379,967	5,535,569
Reimbursement Property Taxes-PMBID for PMMD	228,619	255,000	255,000

#### Total Capital Outlay

**\$25,462,594**      **\$23,301,023**      **\$42,911,485**

#### Total Expenditures

**\$44,665,139**      **\$44,103,526**      **\$65,010,918**

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## FINANCIAL SUMMARIES

### GENERAL FUND

FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

#### TRANSFERS OUT

Special Revenue Fund-Arts Center

#### Total Transfers Out

#### Total Appropriation

#### ENDING FUND BALANCE

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
	983,277	1,093,736	1,166,126
<b>Total Transfers Out</b>	<b>\$983,277</b>	<b>\$1,093,736</b>	<b>\$1,166,126</b>
<b>Total Appropriation</b>	<b>\$45,648,416</b>	<b>\$45,197,262</b>	<b>\$66,177,045</b>
<b>ENDING FUND BALANCE</b>	<b>\$20,208,231</b>	<b>\$15,388,690</b>	<b>\$14,423,669</b>



# 3 FINANCIAL SUMMARIES

## SPECIAL REVENUE FUND—CULTURAL & COMMUNITY SERVICES

FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

### Beginning Fund Balance

### REVENUE

#### Lone Tree Arts Center

##### OPERATING

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
	\$ -	\$ -	\$ -
Ticket Sales	1,057,140	850,000	1,008,378
Ticket Handling Fees	110,760	132,871	135,000
Rental Fees	133,409	113,080	116,000
Concessions and Catering	135,474	99,539	97,000
Labor Charge Backs	84,959	73,775	68,000
Miscellaneous	19,843	10,520	10,000

##### NON-OPERATING

Individual, Corporate and Foundation Contributions	305,454	345,000	372,000
Government Grants	258,657	308,427	279,500

#### Total Lone Tree Arts Center

	<b>\$2,105,695</b>	<b>\$1,933,212</b>	<b>\$2,085,878</b>
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#### Other

Annual Events	16,043	12,000	11,500
Arts and Cultural Events	6,450	6,500	6,500

#### Total Other

	22,493	18,500	18,000
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### Total Revenue

	<b>\$2,128,189</b>	<b>\$1,951,712</b>	<b>\$2,103,878</b>
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### TRANSFERS IN

General Fund—Lone Tree Arts Center	697,333	802,840	794,850
General Fund—Annual Events	246,260	246,285	276,736
General Fund—Arts and Cultural Events	31,600	36,161	35,540
General Fund—Park and Recreation	8,084	8,450	9,000
General Fund—Economic Development	-	-	50,000

#### Total Transfers In

	<b>\$983,277</b>	<b>\$1,093,736</b>	<b>\$1,166,126</b>
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### TOTAL FUNDS AVAILABLE

	<b>\$3,111,466</b>	<b>\$3,045,447</b>	<b>\$3,270,004</b>
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# 3 FINANCIAL SUMMARIES

## SPECIAL REVENUE FUND—CULTURAL & COMMUNITY SERVICES

FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
<b>EXPENDITURES</b>			
<b>Lone Tree Arts Center</b>			
Administration	163,664	163,479	174,640
Programming	1,953,094	1,884,787	1,979,661
Marketing	468,478	451,290	470,840
Facilities	10,925	6,300	7,000
Development	206,868	230,195	258,586
Contingency	-	-	40,000
<b>Total Lone Tree Arts Center</b>	<b>\$2,803,029</b>	<b>\$2,736,051</b>	<b>\$2,930,728</b>
<b>Other</b>			
Annual Events	262,303	258,285	288,236
Arts and Cultural Events	38,050	42,661	42,040
Recreational Activities and Support	8,084	8,450	9,000
<b>Total Other</b>	<b>\$308,437</b>	<b>\$309,396</b>	<b>\$339,276</b>
<b>Total Expenditures</b>	<b>\$3,111,466</b>	<b>\$3,045,447</b>	<b>\$3,270,004</b>
<b>TRANSFERS OUT</b>			
<b>Total Transfers Out</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Appropriation</b>	<b>\$3,111,466</b>	<b>\$3,045,447</b>	<b>\$3,270,004</b>
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# 3

## FINANCIAL SUMMARIES

# DEBT SERVICE FUND—ARTS & CULTURAL FACILITIES

FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
<b>Beginning Fund Balance</b>	<b>\$1,158,403</b>	<b>\$1,549,690</b>	<b>\$1,463,854</b>
<b>REVENUE</b>			
Sales Tax	1,822,785	1,907,857	2,006,815
Use Tax-Retail	65,160	56,000	57,000
Use Tax-Building Materials	32,025	58,000	30,000
Net Investment Income	10,245	25,000	6,500
<b>Total Revenue</b>	<b>\$1,930,215</b>	<b>\$2,046,857</b>	<b>\$2,100,315</b>
<b>Other Financing Sources</b>			
Bond Issuance	6,200,000	-	-
Bond Premium 2017B	678,165	-	-
Transfer In-General Fund	-	-	-
<b>Total Other Financing Sources</b>	<b>\$6,878,165</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Funds Available</b>	<b>\$9,966,783</b>	<b>\$3,596,547</b>	<b>\$3,564,169</b>
<b>EXPENDITURES</b>			
Bond Interest	267,788	345,000	296,000
Bond Principal	1,140,000	1,225,000	1,325,000
Paying Agent Fees	400	200	200
Bond Issuance Costs	89,106	-	-
Contingency	-	4,500	4,500
<b>Total Expenditures</b>	<b>\$1,497,294</b>	<b>\$1,574,700</b>	<b>\$1,625,700</b>
<b>OTHER FINANCING USES</b>			
Refunded Bonds	6,919,799	-	-
Transfer Out-General Fund	-	557,993	453,000
<b>Total Other Financing Uses</b>	<b>\$6,919,799</b>	<b>\$557,993</b>	<b>\$453,000</b>
<b>Total Appropriation</b>	<b>\$8,417,093</b>	<b>\$2,132,693</b>	<b>\$2,078,700</b>
<b>ENDING FUND BALANCE</b>	<b>\$1,549,690</b>	<b>\$1,463,854</b>	<b>\$1,485,469</b>

# 3 FINANCIAL SUMMARIES

## DEBT SERVICE FUND—PARKS & RECREATION IMPROVEMENTS

FORECASTED 2019 AS ADOPTED WITH 2017 ACTUALS AND 2018 ESTIMATED

	2017 ACTUAL	2018 ESTIMATED	2019 ADOPTED
<b>Beginning Fund Balance</b>	<b>\$1,270,775</b>	<b>\$1,504,085</b>	<b>\$1,717,170</b>
<b>REVENUE</b>			
Sales Tax	1,215,190	1,273,135	1,339,170
Use Tax-Retail	43,440	36,000	37,000
Use Tax-Building Materials	21,370	38,000	20,000
Net Investment Income	11,045	23,000	7,000
<b>Total Revenue</b>	<b>\$1,291,045</b>	<b>\$1,370,135</b>	<b>\$1,403,170</b>
<b>Other Financing Sources</b>			
Bond Issuance	4,805,000	-	-
Bond Premium 2017A	599,340	-	-
Transfer In-General Fund	-	-	-
<b>Total Other Financing Sources</b>	<b>\$5,404,340</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Funds Available</b>	<b>\$7,966,160</b>	<b>\$2,874,220</b>	<b>\$3,120,340</b>
<b>EXPENDITURES</b>			
Bond Interest	179,873	236,850	196,600
Bond Principal	750,000	805,000	855,000
Paying Agent Fees	400	200	200
Bond Issuance Costs	69,829	-	-
Contingency	-	2,500	2,500
<b>Total Expenditures</b>	<b>\$1,000,102</b>	<b>\$1,044,550</b>	<b>\$1,054,300</b>
<b>OTHER FINANCING USES</b>			
Refunded Bonds	5,461,973	-	-
Transfer Out-General Fund	-	112,500	250,000
<b>Total Other Financing Uses</b>	<b>\$5,461,973</b>	<b>\$112,500</b>	<b>\$250,000</b>
<b>Total Appropriation</b>	<b>\$6,462,075</b>	<b>\$1,157,050</b>	<b>\$1,304,300</b>
<b>ENDING FUND BALANCE</b>	<b>\$1,504,085</b>	<b>\$1,717,170</b>	<b>\$1,816,040</b>

# 3

## FINANCIAL SUMMARIES

# BUDGET MESSAGE

### Services Provided

On November 7, 1995, a majority of the qualified voters at a general election voted to incorporate the City of Lone Tree (the City). Following incorporation, on May 5, 1998, a majority of the qualified voters adopted a Home Rule Charter thereby granting the City all powers accorded to cities by the laws of the State of Colorado. The City provides numerous services to its residents including general government, municipal court, community development and building regulation, public safety, public works, arts and cultural and capital improvements.

Starting with the 2011 fiscal year, the City has elected to account for all revenue and expenditures related to the Lone Tree Arts Center in a separate Special Revenue Fund. In 2013, City Council decided to expand the use of this fund to account for not only the Lone Tree Arts Center but also include other City programs focused on the arts and other types of community activities. Beginning with the 2014 budget, this fund is now referred to as the Cultural and Community Services Fund.

In addition to the General Fund and Special Revenue Fund described above, the City also has two separate Debt Service Funds. The Debt Service Funds segregate monies related to the sales tax increases that were approved by City voters on May 6, 2008. Pursuant to that election, City voters authorized the issuance of indebtedness in an amount not to exceed \$18.5 million by increasing the rate of sales and use tax levied by the City by .1875 percent to be used to finance the cost of cultural facilities. Additionally, City voters authorized indebtedness in an amount not to exceed \$12.5 million by increasing the rate of sales and use tax levied by the City by .125 percent to be used to finance various park and recreational improvements. The increase in the sales and use tax rate for both initiatives commenced on July 1, 2008. In 2017, the City refunded these bonds acquiring a lower interest rate, while maintaining the bond terms, which produced a savings over the life of the bonds.

The City's Budget does not include any component units, such as the Lone Tree Business Improvement District or the Park Meadows Business Improvement District. A separate budget has been prepared for these entities.

Historically, the majority of the services related to legal and public works have been contracted by the City. City Council has determined it to be economically prudent to outsource a portion of these services rather than incur the payroll, benefit costs and related liabilities associated with maintaining permanent city employees. Starting in 2018 the City brought four public works positions in house, while still contracting out a portion of the Public Works department. In 2019, the City plans to bring Public Works completely in-house, with the exception of design and surveying needs. Legal services will remain a contracted service for the City.

The Budget is in accordance with the TABOR Amendment limitations that were modified by the citizens at elections held in November 1999 and May 2008. Emergency reserves, required under TABOR, have been provided for.



**Revenues:** The City diligently works to maintain a strong, diverse revenue base recognizing that a dependence upon any individual source makes revenues more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The City uses historical trends, current trends, judgmental forecasting, and unique adjustments (i.e. new

retail, new fees, data from a specific source, etc.) for its revenue projections.

The total revenues collected by the City are summarized in the following graph. Additionally, the major revenue sources are highlighted individually.

TOTAL REVENUES	2017	2018	2019
	Actual	Estimated	Adopted
Taxes	\$26,790,921	\$28,970,799	\$29,290,405
Franchise Fees	\$ 1,069,729	\$ 1,061,500	\$ 1,064,000
Intergovernmental	\$14,291,208	\$10,319,371	\$35,321,604
Licenses, Fees and Charges	\$ 869,837	\$ 1,254,050	\$ 1,022,000
Fines and Forfeitures	\$ 636,085	\$ 561,000	\$ 658,000
Arts Center	\$ 2,128,189	\$ 1,951,712	\$ 2,103,878
Other	\$12,978,970	\$ 957,500	\$ 656,500
<b>Total</b>	<b>\$58,764,939</b>	<b>\$45,075,932</b>	<b>\$70,116,387</b>

# 3

## FINANCIAL SUMMARIES

# SALES TAX & USE TAX—RETAIL REVENUE

### BUDGET MESSAGE

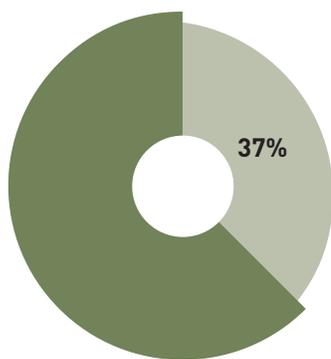
**Source:** The primary source of revenue for the City is sales tax and use tax - retail. The City assesses a 1.8125% sales tax (1.5% base tax, 0.125% for park and recreational improvements, and 0.1875% for cultural facilities) on all taxable retail transactions. The tax is collected by the retail businesses and remitted to the City. The use tax on retail transactions is due upon the purchase of any tangible property on which sales tax was not paid. Use Tax is included with the business' sales tax return. The base tax of 1.5% does not have restrictions on use other than to fund general City services in the General Fund and Cultural and Community Services Fund, whereas the 0.125% is allocated to the Debt Service Fund: Park and Recreation Improvements and 0.1875% is allocated to the Debt Service Fund: Arts and Cultural Facilities.

**Rationale:** 2019 sales tax and use tax-retail revenue is estimated for 2019 using historical trends, current economic conditions, as well as projections based on expected new retail openings in the City and store closings, if any. The 2019 sales tax budget anticipates sales tax to increase by 2.5% and use tax - retail to increase 2%. The sales tax increase is due to new

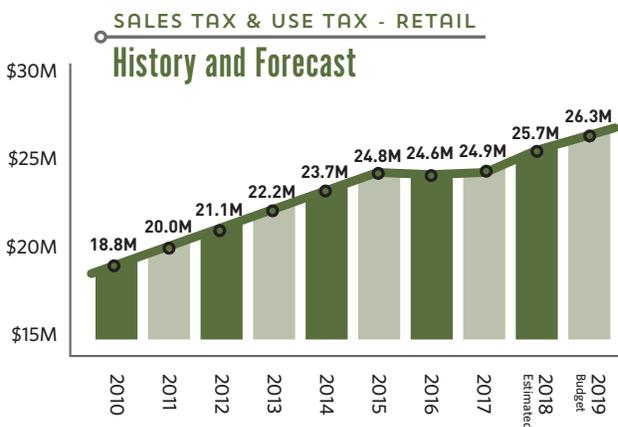
vendors that opened mid-year 2018 or that will be opening in 2019, as well as anticipated modest growth from existing businesses in certain areas of the City. Additionally, one of the City's shareback agreements has a percentage decrease in 2019, resulting in a higher amount the City retains. The use tax increase is attributable to growth of existing vendors, as well as new vendors that will be opening in 2019. Overall, the City budgets sales tax and use tax - retail revenue conservatively compared to the historical trends due to the sometimes volatile environment related to consumer spending and the economy.

A considerable amount of time is spent projecting sales tax, since this is the City's primary revenue source. Projections are initially completed at the beginning of the budget process in June, based on actuals through May and again assessed and updated, if needed, in August through November (based on actuals for July through October).

### TOTAL SALES TAX & USE TAX - RETAIL REVENUE: \$26,387,905



2019 BUDGET TOTAL REVENUE: \$70,116,387



**Trends:** The increase in 2017 and 2018 is due to sales tax collections trending higher than in previous years, with several factors impacting this change, including the OmniPark annexation and new businesses opening such as Fogo de Chao, Amazon 4 Star, and Hobby Lobby, as well as liquor sales at Costco. Additionally, Sierra did not open until late 2017, so there is a full year of activity in 2018. The City is continuing to monitor retail trends as consumers continue to utilize the online shopping option. The increase in 2019 is due to growth of current businesses, a decrease in shareback percentage on one of the City's agreements and new businesses opening in the City.

# 3

## FINANCIAL SUMMARIES

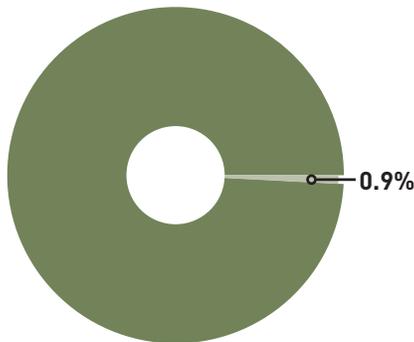
# USE TAX—BUILDING MATERIALS REVENUE

### BUDGET MESSAGE

**Source :** The City assesses a 1.8125% use tax (1.5% base tax, 0.125% for park and recreational improvements, and 0.1875% for cultural facilities) for building construction materials. The use tax on building construction materials is collected by the City when a building permit is issued for the project. The base tax of 1.5% does not have restrictions on use other than to fund general City services in the General Fund, whereas the 0.125% is allocated to the Debt Service Fund: Park and Recreation Improvements and 0.1875% is allocated to the Debt Service Fund: Arts and Cultural Facilities.

**Rationale:** 2019 Use Tax - Building Materials revenue is estimated for 2019 using historical trends, current economic conditions, as well as projections based on anticipated construction projects and new businesses. The 2019 use tax - building materials budget reflects an overall decrease compared to 2018 due to the timing of large construction projects in 2018, including a corporate campus parking garage and a medical office building, as well as several remodels of current businesses.

TOTAL USE TAX - BUILDING MATERIALS REVENUE: \$646,000



2019 BUDGET TOTAL REVENUE: \$70,116,387

USE TAX BUILDING MATERIALS  
History and Forecast



**Trends:** The increase in 2012 through 2015 is related to significant development in the RidgeGate area of the City, specifically a new corporate campus, a hospital expansion, large assisted living / nursing home project, and construction of multiple single family home communities. The decrease in 2017 is a result of no large scale development projects. The increase in 2018 is due to some large new construction projects, specifically a new hotel and expansion of a corporate campus. The decrease in the 2019 projection is to be more in line with years past as the projection does not include any large scale projects.

# 3

## FINANCIAL SUMMARIES

# LODGING & ADMISSIONS TAXES REVENUE

### BUDGET MESSAGE

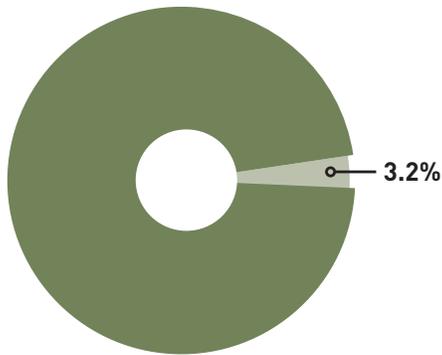
**Source:** The City collects a lodging tax and an admission tax, which were approved by election in November 1998. Lodging tax is a tax assessed on guest lodging in hotels located within the City limits at a rate of 6.0% to be charged on renting or leasing lodging accommodations for a period of sixty consecutive days or less since February 2001. Additionally, in February 2001, the City initiated a 4.0% admissions/event tax to be charged on every person who pays to gain admission to any place or event open to the public, as defined by City Ordinance. Venues subject to admissions tax, but not limited to, are movie theatres, golf courses, etc. Both types of tax do not have restrictions on use other than to fund general City services in the General Fund.

**Rationale:** 2019 Lodging Tax revenue is estimated to remain consistent with 2018 based on an

anticipated stable economic environment and no new hotels anticipated to open in 2019. 2018 increased significantly based on a full year of operations for a new lodging establishment and a full year of operations for a lodging establishment located within the OmniPark area annexed into the City in late 2017. Historically, this tax has fluctuated year to year depending on traveling patterns seen in business travel and personal vacations, as well as the addition of new lodging establishments as the City continues to grow.

2019 Admission tax is estimated to remain constant in 2019 based on historical trends. Historically, the revenue generated from this tax has fluctuated from 1% to 7%, so to be conservative, the City budgets according to the lower end of the spectrum.

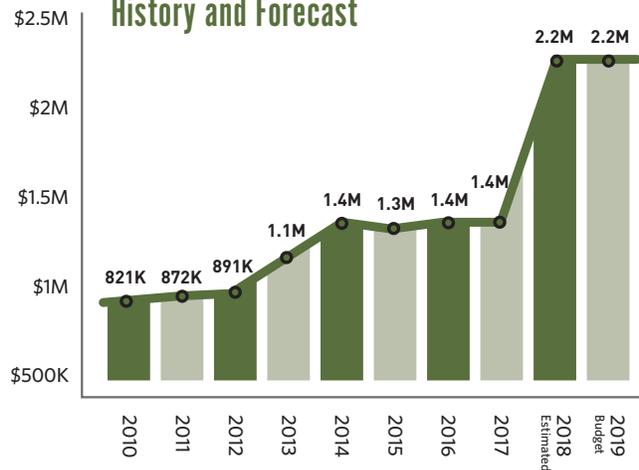
TOTAL LODGING & ADMISSIONS TAXES REVENUE: \$2,256,500



2019 BUDGET TOTAL REVENUE: \$70,116,387

LODGING & ADMISSIONS TAXES

### History and Forecast



**Trends:** The large increases in 2013 and 2014 were due to growth of the City, particularly with the construction of two additional lodging establishments. Additionally, the spike in 2014 includes a significant one-time payment from a vendor for adjustments to prior year's remittances of admissions tax that were filed incorrectly. The large increase in 2018 is based on a lodging establishment located within the OmniPark area annexed into the City in 2017, as well as a new lodging establishment that opened in the middle of 2017. 2019 is expected to remain consistent with 2018 due to no new businesses or changes in the economic environment. A new lodging establishment is going to be constructed in 2019, but is not expected to open until the end of the year, so no new lodging tax is projected.

# 3

## FINANCIAL SUMMARIES

# FRANCHISE FEES REVENUE

### BUDGET MESSAGE

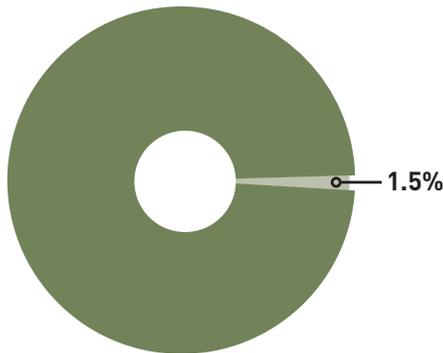
**Source :** Franchise fees are revenues derived from fees levied on companies in exchange for the right to use public right of way and otherwise operate as a franchise. Franchise fees for the City are generated from a negotiated franchise license with Xcel Energy for gas and electric service in the City as well as cable franchise fees with Comcast and Century Link. Both types of franchise fees do not have restrictions on use other than to fund general City services in the General Fund. Xcel Energy and Comcast franchise fees are submitted electronically to the City's bank account on a monthly and quarterly basis, respectively. The Century Link franchise fees are submitted via check to the City on a quarterly basis.

**Rationale:** The electric and gas franchise fee is based on 3.0% of gross revenue collected from customers in the City. Fees are estimated based on historical trends.

The cable franchise fee with Comcast and Century Link is at the rate of 5.0% for cable service provided to City residents.

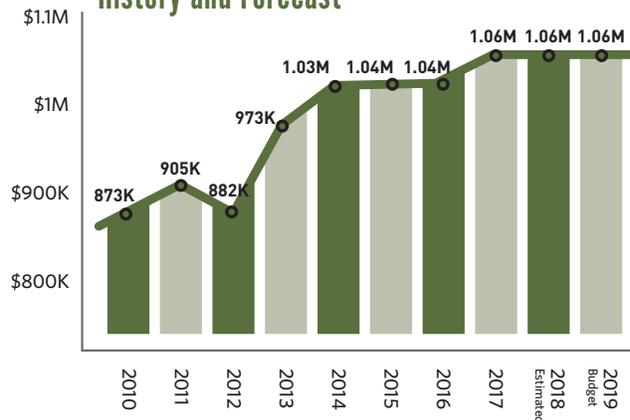
The electric and gas franchise fee as well as cable franchise fees are estimated to slightly increase for 2019 based on historical trends.

**TOTAL FRANCHISE FEES REVENUE: \$1,064,000**



**2019 BUDGET TOTAL REVENUE: \$70,116,387**

**FRANCHISE FEES History and Forecast**



**Trends:** Fluctuations from year-to-year are due to changes in gross revenue received from Comcast and Century Link based on usage of cable services and from Xcel Energy based on usage of electric and gas services. As the City continues to grow with more housing developments being built, this will generally cause this revenue to increase, as evidenced from 2012 through 2017. 2018 Estimated and 2019 Projected are expected to remain close to flat based on a conservative approach. As the City gets ready for the expansion of housing developments in RidgeGate East starting as early as 2020, these revenue sources should start to trend upward again.

## INTERGOVERNMENTAL REVENUE

### BUDGET MESSAGE

**Source:** Intergovernmental revenue consists of various sources of revenue that are received by the City from the State of Colorado or Douglas County that are listed below. These revenues are budgeted each year based on set factors and formulas and are somewhat stable for the City unless legislation is revised. These funds do have restrictions on use, except for the Cigarette Tax and the Motor Vehicle Registration Fees. The Sharebacks for Transportation and Road and Bridge funds as well as the Highway Users Tax must be spent on transportation projects and the Conservation Trust Funds must be used for parks, recreation, or open space improvement/development. Additionally, the City receives reimbursable costs from partnering organizations on specific projects.

The **Highway Users Tax Fund (HUTF)** is state-collected, locally-shared revenue that is distributed via electronic funds transfer on a monthly basis to the City of Lone Tree in accordance with the following formulas:

- 1 **Basic Fund** — the first seven cents of gasoline taxes and the base amount of various motor vehicle registration, title and license fees. 9% of these revenues are distributed to municipalities. The basic fund monies may be spent on acquisition of rights-of-way for, and the construction, engineering, safety, reconstruction, improvement, repair, maintenance, and administration of streets, roads and highways.
- 2 **Supplemental Fund** — 18% of the amount above seven cents of gasoline taxes are distributed to municipalities and may be spent only on road improvements including new construction, safety improvements, maintenance and capital improvements.
- 3 **1989 Increase Fund** — 18% of the gasoline tax, registration fee and driver's license fee increases enacted in 1989 are shared with municipalities and can be used for the same purposes designated in (2) above.
- 4 **1995 Increase Fund** — 18% from a three-year phased reduction of the amount previously withheld by the state for administrative purposes which can be used for the same purposes designated in (2) above.

For Fiscal Year 2018-19 – SB 18-001 (Fix Colorado Roads Act) transfers \$495 million, of which \$74.25 million is transferred to the Highway Users Tax Fund (HUTF) for local governments, and \$74.25 million is transferred to a new Multimodal Transportation Options Fund (Multimodal Fund) administered by the State Transportation Commission. Municipalities will receive a total of \$37.125 million in additional revenue (transferred on July 1, 2018) dispersed through the HUTF. Municipalities will also be eligible for up to \$60.61 million in local government multimodal grants through the Multimodal Fund.

For Fiscal Year 2019-20 – SB 18-001 transfers \$150 million, of which \$22.5 million is transferred to the HUTF for local governments and \$22.5 million is transferred to the Multimodal Fund. Municipalities will receive a total of \$11.25 million in additional revenue (transferred on July 1, 2019) dispersed through the HUTF. Municipalities will also be eligible for up to \$63.11 million in local government multimodal grants through the Multimodal Fund.

The City received an additional \$100,000 in 2018 and anticipates receiving an additional \$30,000 in 2019 as a result of SB 18-001.

**Conservation Trust Funds** are from lottery proceeds that are collected from retail merchants selling lottery products by the State of Colorado. Municipal lottery proceeds are distributed to municipalities based upon current population estimates prepared by the State Division of Local Governments. Lone Tree's share is electronically transferred to the City's bank account on a quarterly basis.

**Cigarette Tax** is a tax the state imposes and collects a 4.2 cent tax per cigarette, of which 27% of the proceeds are distributed to municipalities and counties according to the ratio of the state sales tax collected in the entity to the total state sales tax collected in the prior year. The state disburses the funds two months after they are collected. (Note: Voters in Colorado approved an increase in the cigarette tax, effective January 1, 2005. However, the increase is earmarked for specific purposes and is not included in the distribution to municipalities and counties.)

The **Douglas County Road and Bridge Shareback** is a mill levy imposed by Douglas County that

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## FINANCIAL SUMMARIES

# INTERGOVERNMENTAL REVENUE (CONT.)

### BUDGET MESSAGE

is dedicated to road and bridge improvements throughout Douglas County. Because Douglas County's efforts only include unincorporated areas and the property tax is collected from all areas, the State requires that Douglas County return one half of the road and bridge levy to each municipality. The formula used to compute the amount returned to Lone Tree is as follows:

$$\frac{(\text{County Road \& Bridge Levy} \times \text{Total City Assessed Value})}{2} = \text{City Portion}$$

The money is distributed via electronic funds transfer on a quarterly basis to the City of Lone Tree.

The **Douglas County Shareback for Transportation**, effective as of January 1, 2011, is based on the County who collects a 0.4 percent roads sales and use tax (building materials) county-wide and then remits 75 percent of the amount collected within Lone Tree city-limits to the City (with the exception of the Park Meadows Retail Resort) and is to be used for transportation projects. This revenue helps fund the construction of new road projects. Funds are received

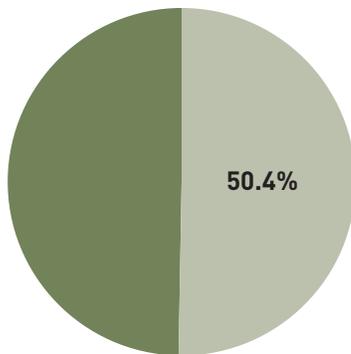
electronically directly to the City's bank account on a monthly basis. This shareback will be in effect until December 31, 2030.

**Douglas County Motor Vehicle** offices title and register vehicles of residents of Douglas County, which include the City of Lone Tree. Fees are assessed based on the vehicles' weight in pounds. The funds are allocated per statute between the State, Counties, and Cities/Towns based on a funding formula.

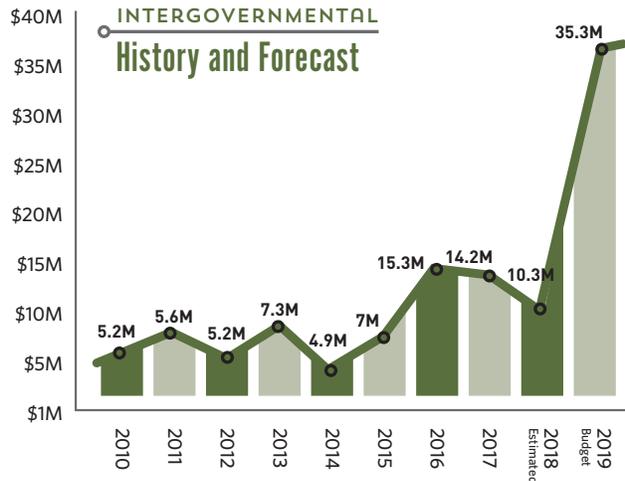
**Reimbursable Costs:** In addition to the State and County revenue items above, the City also partners with other governmental entities including the Park Meadows Metropolitan District, Rampart Range Metropolitan District, Douglas County and various other entities for capital projects and shared maintenance costs. These amounts are reflected under reimbursable costs for amounts received for City contracted projects and services.

**Rationale:** Reimbursable Cost for 2019 is based on known capital projects where the City is partnering with other entities to fund the projects.

**TOTAL INTERGOVERNMENTAL REVENUE: \$35,321,604**



**2019 BUDGET TOTAL REVENUE: \$70,116,387**



**Trends:** Intergovernmental revenues fluctuate year to year primarily due to reimbursable costs and the projects that are being completed between the City and various partners. The 2013 increase is due to a one-time reimbursement from Douglas County for transportation improvements. The significant increase from 2015 to 2016, as well as the decrease from 2016 to 2017 is based on the contribution schedules listed in each agreement with the partnering organizations for two large capital projects including the Lincoln Pedestrian Bridge and the Southeast Light Rail Extension. The increase from 2018 Estimated to 2019 Projected is the result of the RidgeGate Parkway Widening Project (originally budgeted in 2018, but moved to 2019), which includes funding from Rampart Range Metropolitan District, Douglas County, Southeast Public Improvement Metropolitan District (SPIMD) and a grant from the Denver Regional Council of Governments.

# 3

## FINANCIAL SUMMARIES

# LICENSES, FEES, AND CHARGES REVENUE

### BUDGET MESSAGE

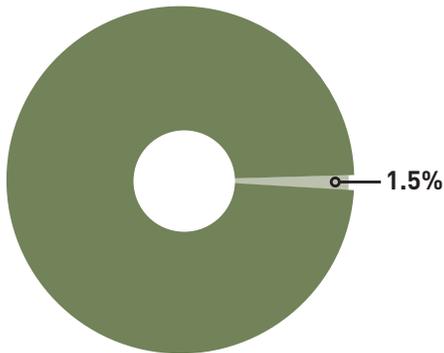
**Source:** Licenses, fees and charges consist of various fees including business license, liquor license, building permit, planning and zoning and engineering fees. Many of these fees are based on residential and commercial development within the City.

**Rationale:** 2019 budget is estimated based on building permit information as well as information received from developers within the City. Historically, building permit fees are the primary component of this revenue source. This revenue source can fluctuate greatly depending on the development projects that are being completed in

the City at any given time, so considerable time is spent projecting the building permit revenue based on information received from developers and the City's Community Development Department.

Additionally, the planning, zoning, and engineering fees are included in this revenue source. These fees are based on historical trends which include a 12.8% increase for 2019. This increase is mainly due to the two year business license renewal fees. Historically, the revenues generated from the planning, zoning, and engineering fees somewhat fluctuate as the timing of development projects occur.

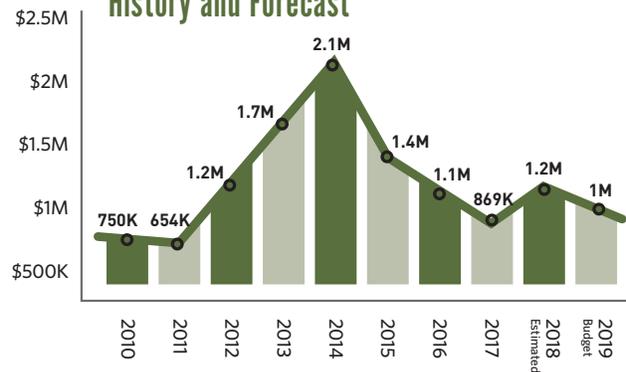
### TOTAL LICENSES, FEES AND CHARGES REVENUE: \$1,022,000



2019 BUDGET TOTAL REVENUE: \$70,116,387

### LICENSES, FEES, AND CHARGES

#### History and Forecast



**Trends:** The spike seen in 2012 through 2014 is related to significant development in the RidgeGate area of the City, particularly a new corporate campus, a hospital expansion, and construction of multiple single-family home communities. In 2015-2016 the amounts remained high due to the continued construction of single-family home communities, as well as the construction of a large assisted living/nursing home. The decrease in 2017 is due to the timing of when fees were received for the larger projects of a new hotel, restaurant, and apartment complex. The project fees were received in 2016, but the majority of the work was completed in 2017. 2018 aligns more closely with historical trends, as a result of additional work on a corporate campus as well as a new hotel and medical office building. 2019 Projected decreased due to lower building permit revenue expected as more large projects took place in 2018 than is anticipated in 2019. These projections are based on renovations by current businesses place and residents in the City, as well as a couple new residential home developments.

# 3

## FINANCIAL SUMMARIES

# FINES AND FORFEITURES REVENUE

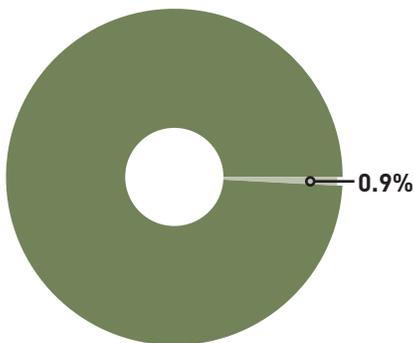
### BUDGET MESSAGE

**Source:** Fines and forfeiture revenue include court fees as well as vehicle and other code violation fines including Red Light ticket revenue.

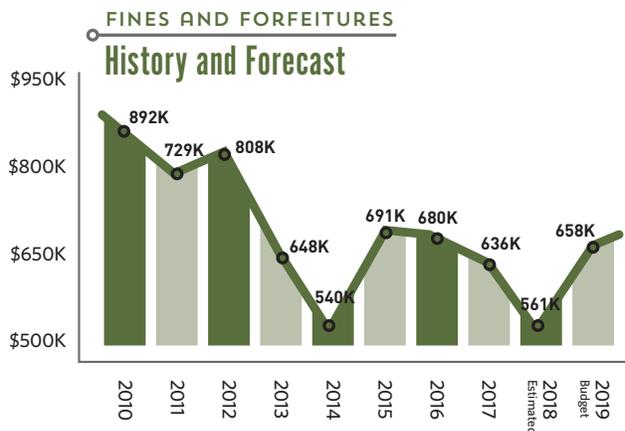
**Rationale:** 2019 budget is estimated based on historical trends. Historically, this area can fluctuate, depending on the number and types of citations issued, as well as staffing levels in the police

department. Court fees, vehicle and other code violation fines includes a 1% increase to remain conservative on revenue projections. The remaining increase in 2019 is due to the hiring of two Traffic Enforcement Unit Officers in 2019 which is anticipated to increase enforcement efforts.

### TOTAL FINES AND FORFEITURES REVENUE: \$658,000



2019 BUDGET TOTAL REVENUE: \$70,116,387



**Trends:** The significant decreases seen between 2012-2014 are due to red light cameras being reduced from three to one with the one camera being inoperable during 2014 as a result of road construction projects, as well as fewer citations being issued during this period. The increase from 2014 to 2015 is largely due to the red light camera being operational for the full year and an increase in police presence throughout the City. The decrease experienced from 2016 through 2018 is largely due to the decrease in vehicle fines, which is primarily due to the Police Department not being fully staffed at different times throughout this period, as well as officers being pulled away from traffic enforcement to respond to other calls. The expected increase from 2018 to 2019 is due to the addition of two Traffic Enforcement Unit Officers, which is expected to increase enforcement efforts related to traffic violations in the City.

# 3

## FINANCIAL SUMMARIES

# LONE TREE ARTS CENTER REVENUE

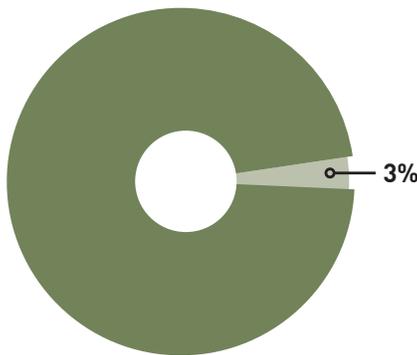
### BUDGET MESSAGE

**Source:** The revenues listed in the Special Revenue Fund - Cultural and Community Services Fund are associated with the operations of the Lone Tree Arts Center and include various ticket sales, handling fees, rental fees, concessions and catering revenue as well as various estimated contributions and grants.

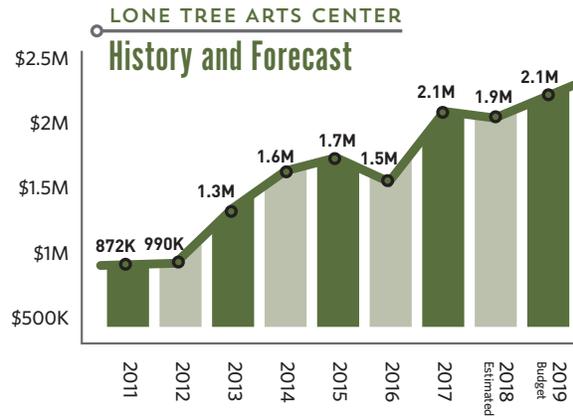
**Rationale:** The 2019 operating revenue generated from the Lone Tree Arts Center is estimated based primarily on the programming schedule and availability of space for event rentals, while utilizing historical trends and past performances as a guide. Additionally, 2019 includes additional contribution revenue that was previously unavailable to the Arts Center due to the new 501(c)3.

Historical data starts in 2011 when the Lone Tree Arts Center opened.

**TOTAL LONE TREE ARTS CENTER REVENUE: \$2,103,878**



**2019 BUDGET TOTAL REVENUE: \$70,116,387**



**Trends:** The increase from 2011 to 2012 is a result of the Lone Tree Arts Center being operational for a full year, as the Arts Center opened in the latter half of 2011. The increases are the results from analyses and comparisons of historical data of what types of performances best attract audiences and using those findings to develop a programming schedule that will generate a solid revenue stream. Additionally, the Lone Tree Arts Center has been mentioned in multiple local media outlets, which is increasing the public's awareness of the facility. The decrease seen from 2015 to 2016 is due to the shifting of a musical performance from 2016 to the 2017 programming schedule, which resulted in decreased revenue, but is offset with decreased expenses. 2018 decreased from 2017 due to multiple factors including two concerts that were cancelled due to unforeseen circumstances as well as lower than expected ticket sales for the large scale spring performance. 2019 Projected revenue is expected to increase from 2018 and be more in line with 2017 due to more featured attraction performances, additional foundation contribution revenue from the formation of the 501(c)3 and an increase in non-SCFD grant revenue.

# 3 FINANCIAL SUMMARIES

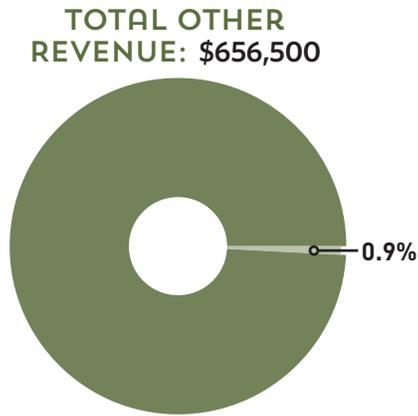
## OTHER REVENUE

### BUDGET MESSAGE

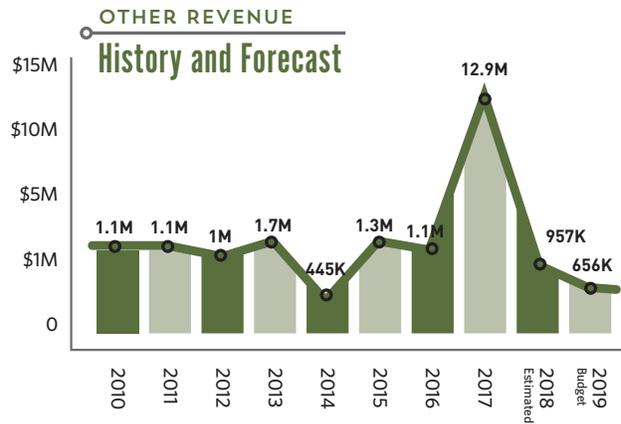
**Source:** Various other revenue sources are anticipated to be received by the City including interest income, tenant rental income received by parties leasing space in the Municipal Office Building, and miscellaneous revenue received.

**Rationale:** 2019 budget is estimated based on historical trends and interest rates. Interest income is based on average annual interest rate yield and

the City's average balance. Tenant rental income is based on current tenants' lease terms. The decrease from 2018 to 2019 is due to the recognizing of legal retainage as revenue as the result of a contract expiring and lower tenant rental income due to the City taking over one of the current rental spaces to increase City office space.



2019 BUDGET TOTAL REVENUE: \$70,116,387



**Trends:** The increase in 2013 is due to receiving one-time funds from a litigation settlement. The significant increase in 2015 is due to a transfer from reserves to pay off the Certificates of Participation on the Municipal Office Building. The increase in 2017 is related to the debt refinancing to benefit from interest savings. The decrease for 2019 Projected is a result of the legal retainage recognition in 2018 as well as less tenant rental income as the City is taking over a current rental space to convert it into additional City office space.

# 3

## FINANCIAL SUMMARIES

### EXPENDITURES

#### BUDGET MESSAGE

The 2019 Budget evaluates available resources and allocates revenues to maintain the general operations of the City, and to fund the capital projects outlined in the five-year capital plan based on the City's priorities and guidance of City Council. The objective is to fund services and programs that are the most likely to achieve the strategic plan of the City.

The total expenditures incurred by the City are summarized in the following graph. Additionally, the major expenditure sources are highlighted individually.

<b>TOTAL EXPENDITURES</b>	<b>2017 Actual</b>	<b>2018 Estimated</b>	<b>2019 Adopted</b>
General Government	\$ 5,493,850	\$ 5,774,014	\$ 6,162,399
Municipal Court	\$ 270,686	\$ 315,682	\$ 340,573
Community Development	\$ 1,133,143	\$ 1,070,716	\$ 1,065,936
Police Department	\$ 7,176,874	\$ 7,561,242	\$ 8,516,900
Public Works	\$ 4,722,606	\$ 5,436,494	\$ 5,221,126
Arts and Cultural	\$ 3,380,151	\$ 3,327,302	\$ 3,662,504
Parks and Recreation	\$ 136,701	\$ 362,500	\$ 400,000
Capital Outlay	\$25,462,594	\$23,301,023	\$42,911,485
Debt Service	\$ 2,497,396	\$ 2,619,250	\$ 2,680,000
<b>Total</b>	<b>\$50,274,001</b>	<b>\$49,768,223</b>	<b>\$70,960,923</b>

# 3

## FINANCIAL SUMMARIES

# GENERAL GOVERNMENT EXPENDITURES

### BUDGET MESSAGE

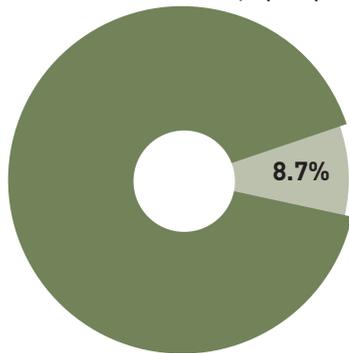
**Source:** This area of the Budget includes the Administrative Services department, Finance and the City Manager’s Office. The Administrative Services Department is responsible for providing and maintaining technology, risk management, facilities management, and personnel related services to the various City Departments. The success of Administrative Services is measured by how seamlessly and effectively employees are able to provide services to citizens and businesses in the community. The Administrative Services Department is divided into four divisions including Human Resources, Facilities, Information Technology, and City Clerk. Additionally, the City’s Finance department includes sales tax administration and auditing, payroll processing and accounts payable as well as financial statement reporting, budget, and accounting records management. The goal of the Finance Department is to keep the City compliant with various state and federal requirements related to having up to date, accurate financial information.

The City Manager’s Office facilitates the work of the City Council by developing and implementing the details of City Councils’ goals and policies. The City Manager provides leadership in all areas of municipal services to the community in accordance with the City Charter and provides strategic vision and priorities of the organization through intergovernmental relationships, community outreach, and economic development. The City Manager’s Office staff also serves as liaisons between the City Council and City staff for carrying out service requests and supporting the many activities in which the City Council and the City Manager are engaged.

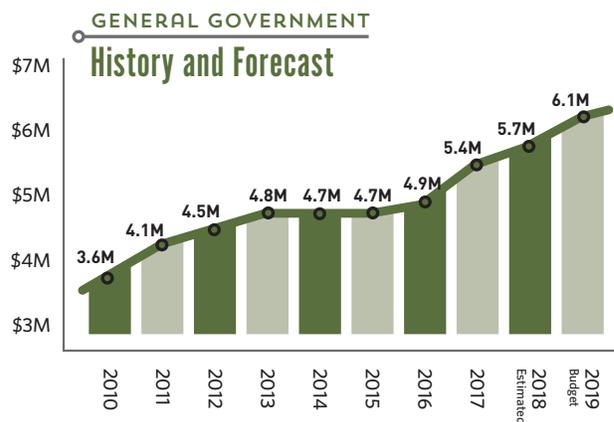
Other costs reflected under General Government include legal, insurance, and other City programs.

**Rationale:** 2019 estimates for General Government have been determined based on historical costs, anticipated cost increases related to salary and benefits as well as increased dues and membership fees and additional project consulting costs.

### TOTAL GENERAL GOVERNMENT EXPENDITURES: \$6,162,399



2019 BUDGET TOTAL REVENUE: \$70,960,923



**Trends:** The significant increase in costs from 2010 to 2011 is primarily associated with increased legal fees, contract services for outsourcing finance functions and an increase in city administration costs. The increase from 2011 to 2012 includes a significant increase in legal fees associated with a litigation case the City was involved in. The increase from 2015 to 2016 mainly includes three new positions in 2016, including the Deputy City Clerk, Capital Improvement Projects Manager and IT Systems Specialist as well as a citizen survey. The increase in costs from 2016 to 2017 is attributable to multiple factors with the largest ones being increases in salary and benefit costs, specifically for new positions such as the Accounting Manager, Support Specialist, and Communications Manager, improvements to City buildings, consulting costs, budgeting software tool implementation, and banking services fees. The increase in 2018 is also due to multiple factors with the greatest ones being increases in information technology for Office 365 implementation, upgrades to the City’s network of hardware and software applications, salary and benefit costs, and occurrence of a general election. The increase in 2019 is due to an increase in dues and memberships, salary and benefit costs and additional consulting costs.

# 3

## FINANCIAL SUMMARIES

# COMMUNITY DEVELOPMENT EXPENDITURES

### BUDGET MESSAGE

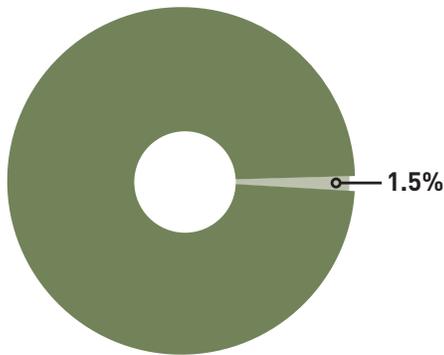
**Source:** The Community Development Department consists of the Planning Division, the Building Division and the Code Enforcement Division.

The Planning Division administers land use projects including site improvement plans, subdivision plats and zoning changes. The Planning Division also provides long-range planning services including the preparation and periodic update of various planning regulations and tools, as well as other services including those related to historic preservation, signage and identification programs, streetscape programs and community facilities. The Building Division serves the community by administering the City's building codes to ensure all buildings are safe for occupancy. This is accomplished through reviewing building plans, issuing building permits and conducting inspections. The Code Enforcement Division is responsible for working with our residents, business owners and property owners to achieve a clean, safe and attractive community through enforcement of the City's zoning and nuisance regulations. This division also issues sign, banner and temporary use permits.

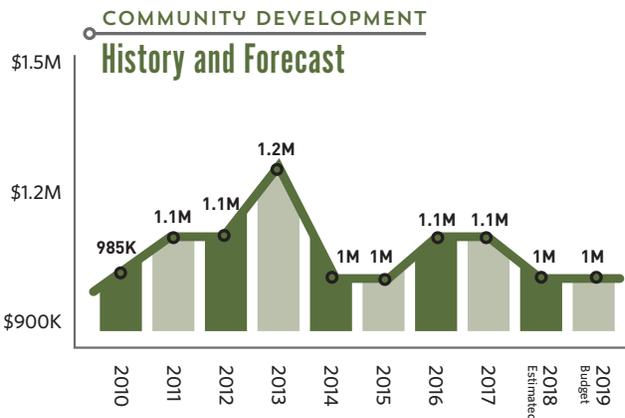
It should also be noted that a majority of these costs are offset with building permit fees as well as licenses, fees and other charges.

**Rationale:** The 2019 budget is based on historical trends and reflects a decrease of 0.4% from 2018. This decrease is a result of development review engineering costs being reallocated to public works as a result of the transition of Public Works completely in-house. The historical trends, along with the known large-scale construction projects to be completed, are used to develop an estimate of the number of hours to be spent on inspections. Historically, the overall expenditures for community development vary year to year, depending on the timing of construction and remodeling projects. The largest costs are for salary and benefits, building inspections, elevator inspections, plan review and electrical inspections.

### TOTAL COMMUNITY DEVELOPMENT EXPENDITURES: \$1,065,936



2019 BUDGET TOTAL EXPENDITURES: \$70,960,923



**Trends:** The decrease in 2014 is due to a reduction in engineering fees related to the RidgeGate area, based on the timing of projects being completed. The increase in 2016 is due to contracted personnel costs related to building inspections, personnel changes in the building department and plan review and electrical inspections. The decrease in 2018 and 2019 is due to the transitioning of development review engineering costs being reallocated to public works as a result of bringing positions in-house. Additionally, the decrease is due to a reduction in five-year witness inspections for elevators that are due for review in 2019 compared to 2018.

# 3 FINANCIAL SUMMARIES

## POLICE DEPARTMENT EXPENDITURES

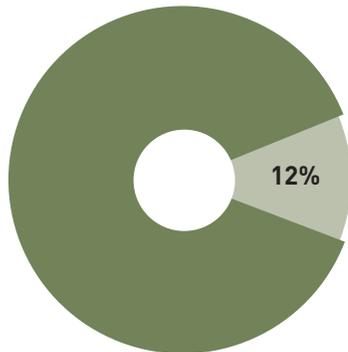
### BUDGET MESSAGE

**Source:** The Police Department is dedicated to protecting, defending, and serving the residents, businesses and visitors of Lone Tree. A commitment to maintaining a safe community can be seen through the City’s community outreach programs and the implementation of local laws backed by the Police Department’s commitment to community policing concepts.

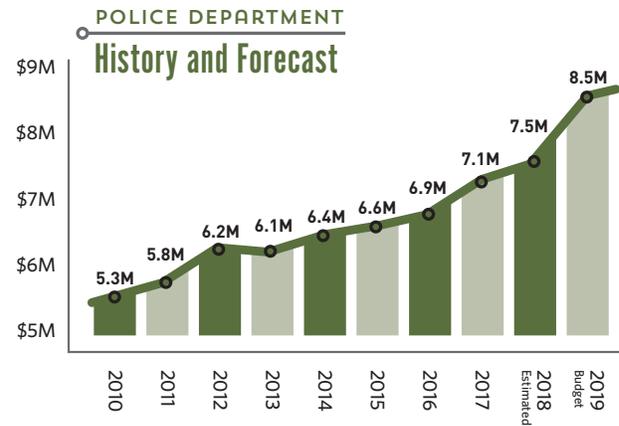
The 2019 budget includes payroll and related benefit expenditures for a total of 62.5 FTEs. Additionally, the Police Department includes costs related to office and administration; uniforms; general equipment; vehicles and equipment based on the City’s vehicle replacement plan; training, recruitment, and testing; community outreach, and intergovernmental agreements with the Town of Parker for dispatch services, crime scene and analysis services, as well as evidence processing and storage.

**Rationale:** The 2019 budget is based on historical trends, intergovernmental agreements with the Town of Parker, and the City’s vehicle replacement plan. Historically, the overall police department budget has an annual increase between 4-8%, which approximately half of this reflects the increase in payroll and related benefit expenditures. Historically, the costs associated with all expenditures outside of payroll and related benefits and the intergovernmental agreements do not increase substantially year to year. In 2019 there was an increase of approximately 12.6% which is detailed below.

**TOTAL POLICE DEPARTMENT EXPENDITURES: \$8,516,900**



**2019 BUDGET TOTAL EXPENDITURES: \$70,960,923**



**Trends:** The 2019 increase includes salary and benefit increases, taking into account several level adjustments in the sworn positions to continue to be competitive in the market to encourage retention of officers. Additionally, three new full-time employees were approved by City Council in the 2019 budget including a Commander position and two Traffic Enforcement officers. These new positions will continue to contribute to the City’s deep, active commitment to public safety with improved command oversight and better enforcement of high accident areas in the City. Finally, the increase includes cost related to the renegotiations with the Town of Parker to continue to provide dispatch, evidence storage and fleet maintenance to the City.

# 3

## FINANCIAL SUMMARIES

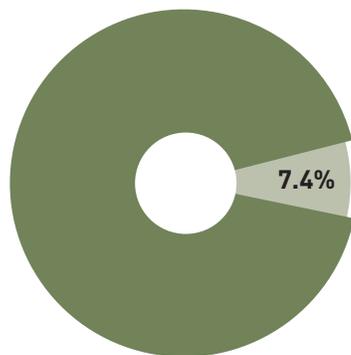
# PUBLIC WORKS EXPENDITURES

### BUDGET MESSAGE

**Source:** The Public Works Department is responsible for maintenance and repair of streets; storm drainage and open space, design, bidding and construction management of the City’s capital improvement projects; the City’s snow removal services; to review plans and issue permits for all work within City rights-of-way and City owned property; maintain and operate the traffic signals within the City; coordinate improvements and construction with related entities including Douglas County, Park Meadows Metropolitan District, Southgate Districts, South Metro Fire Department, CDOT and respond to citizen requests and concerns and represent the City on technical committees of numerous regional organizations. Additionally, solid waste pickup as well as recycling is provided to all single-family residents in the City.

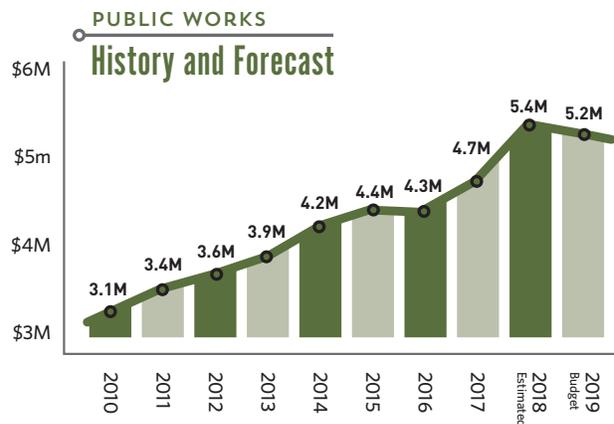
**Rationale:** The 2019 Budget is based on historical trends and also reflects the change to bring the public works department completely in-house in 2019. This department has been contracted through an external company since the City’s inception, but based on the scope of work from the contracted positions, as well as the retirement of the long-time Public Works Director in early 2019, it is more cost effective at this time to bring this department in-house with the exception of limited services such as surveying and design. The change in the budget from 2017 to 2018 and continued again in 2018 to 2019 shifts costs from contracted line items to salary and benefit costs, moving a portion from the community development department for the Development Review Engineer.

**TOTAL PUBLIC WORKS EXPENDITURES: \$5,221,126**



**2019 BUDGET TOTAL EXPENDITURES: \$70,960,923**

**Trends:** The spike shown from 2013 to 2014 is due to rate increases in contracting services for the public works department, snow removal, and signage and striping. The increase from 2017 to 2018 is due to higher snow removal costs as 2017 saw a mild winter and significant drainage maintenance work for storm sewer inlets. Additionally, the increase is due to shifting the Development Review Engineer costs from Community Development to Public Works. The decrease from 2018 to 2019 is a result of converting positions from contracted services to in-house positions.



# 3

## FINANCIAL SUMMARIES

# ARTS AND CULTURAL EXPENDITURES

### BUDGET MESSAGE

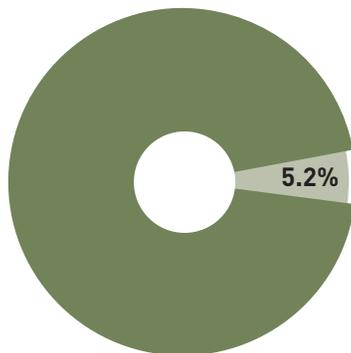
**Source:** The Lone Tree Arts Center serves as a community resource, providing cultural and entertainment programming to residents of all ages, offering unique and affordable meeting services to local businesses and civic groups, and encouraging community participation by hosting a wide range of local performing arts groups. The Arts Center helps bring wider recognition to the City by drawing audiences and meeting attendees from throughout the seven-county metro Denver region. Additionally, Lone Tree Arts Center staff oversees the City's public art programs as well as implement community-wide events for Lone Tree residents including summer concerts and the Independence Day.

Expenditures for the Lone Tree Arts Center include the administration, programming, marketing, development, annual City events, and arts and cultural events

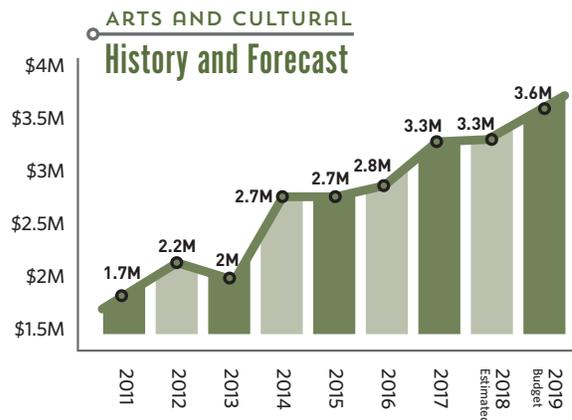
**Rationale:** The 2019 operating expenditures for the Lone Tree Arts Center are estimated based primarily on the programming schedule, while utilizing historical trends and past performances as a guide. The primary expenditures are related to programming and marketing costs as well as payroll and related benefits. The increase seen in 2019 from 2018 is due to these costs, along with an increase in events costs.

The expenditure history listed below begins when the Lone Tree Arts Center opened in 2011.

**TOTAL ARTS AND CULTURAL EXPENDITURES: \$3,662,504**



**2019 BUDGET TOTAL EXPENDITURES: \$70,960,923**



**Trends:** The increase from 2011 to 2012 is a result of the Lone Tree Arts Center being operational for a full year, as the Arts Center opened in the latter half of 2011. The decrease shown in 2013 is due to a change in allocation of the Arts Center facility maintenance costs from the Special Revenue Fund - Cultural and Community Services to the General Fund. The increases from 2013 to 2014-2019 is due to programming costs for contracted personnel, as the Arts Center transitioned from a presenting center to a presenting and producing center, as well as annual salary and benefit increases. Additionally, the increase from 2016 to 2017 is due to several popular performances, such as Evita, Art Garfunkel, and Muscle Shoals, which brought in strong ticket sales, which offset costs, but also increased expenditures for each performance. The 2019 increase is also due to certain repairs and maintenance cost anticipated at the Arts Center, including significant parking lot repairs.

# 3

## FINANCIAL SUMMARIES

# CAPITAL OUTLAY EXPENDITURES

### BUDGET MESSAGE

**Source:** The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. To the extent funds are available and the need is established, the 2019 Budget provides for reoccurring capital expenditure costs including software packages, street construction and overlay, City-owned building improvements, landscape improvements, traffic signalization improvements and storm sewer improvements. Additionally, significant nonrecurring capital expenditures are described below:

- **RidgeGate Parkway Widening — \$26,900,000**  
This project involves widening RidgeGate Parkway from Havana Street to the City of Lone Tree limits from 2 to 4 lanes. It also includes additional lanes, raised medians, left turn lanes at signalized intersections, a separated cycle track with bike detection at signals, bike and transit amenities, and new sidewalks with a minimum width of 8 feet. This project will be fully reimbursed from project partners and grant revenue with the City overseeing the project.
- **County Line Improvements — \$1,500,000**  
This project includes the redesign of the I-25 southbound off ramp turn lane onto westbound County Line Road along with some improvements to the westbound County Line Road lanes under I-25. This project will be fully reimbursed from project partners with the City overseeing the project.
- **Park Meadows Drive Regional Pond Upgrade — \$1,055,000**  
This amount is for the reconstruction of an existing detention facility. A significant portion of this will be funded by project partners.
- **Adaptive Traffic Signals — \$1,072,000**  
This amount is for the implementation of adaptive traffic signals along priority transportation corridors within the City.
- **RidgeGate Brick Pavers/Concrete Crosswalks — \$645,000**  
This project includes the replacement of concrete crosswalks with asphalt and appropriate striping and signage. Some of the project intersections include asphalt replacement, while others include signage and striping. A significant portion of this project will be funded by project partners.

Please see the capital expenditures section on page 59 for a summary of capital/fixed assets and their impact to the operating budget.

Also included in this section of the budget are amounts for reimbursement of sales taxes to Park Meadows Business Improvement District associated with the annexation of Park Meadows Mall, as well as pursuant to the RidgeGate annexation agreement. These tax sharebacks get reinvested in the area through improvements or used for bond repayment related to public infrastructure improvements.



# 3

## FINANCIAL SUMMARIES

# CAPITAL OUTLAY EXPENDITURES (CONT.)

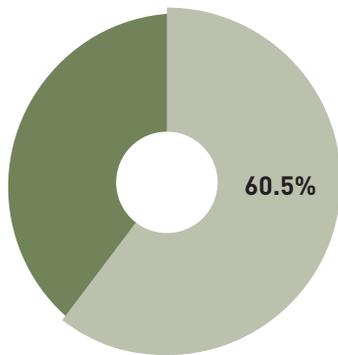
### BUDGET MESSAGE

**Rationale:** The 2019 budget is based on scheduled capital projects for the year per the City’s five-year capital plan. The capital projects are prioritized based on the assets remaining life, the community needs, staff recommendations and at the guidance of City Council based on meeting the goals of the City’s strategic plan.

The reimbursement of sales taxes to Park Meadows Business Improvement District is calculated based on 50% of the sales tax remitted for retailers at the Park Meadows Mall per the

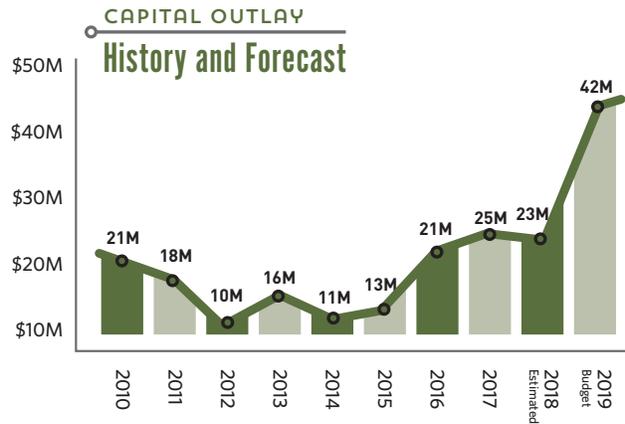
annexation agreement. This agreement expires December 31, 2031 with an option to extend through December 31, 2036. Additionally, the sales tax reimbursement to Rampart Range Metro District is calculated based on 45% of the sales tax remitted for retailers within the RidgeGate area of the City. In 2019, this percentage decreases to 25%. This agreement is tiered where the percentage reimbursed decreases every five years and expires on December 31, 2032.

**TOTAL CAPITAL OUTLAY EXPENDITURES: \$42,911,485**



**2019 BUDGET TOTAL EXPENDITURES: \$70,960,923**

**Trends:** Fluctuations from year-to-year are based on the capital project plan for each year. 2016 and 2017 are significant years due to several large projects, including the Southeast Light Rail Extension and the Lincoln Pedestrian Bridge. However, a significant portion of each of these projects involves funding from other partners. The decrease from 2017 to 2018 is due to the completion of the Lincoln Pedestrian Bridge in 2018, which helped to offset some of the increases in 2018 on the County Line Road project, as well as a couple other new capital projects. The large increase from 2018 to 2019 is due to the construction beginning on the RidgeGate Parkway Widening project, adaptive traffic signal implementation and additional work to be done on traffic signalization.



# 3

## FINANCIAL SUMMARIES

### ADDITIONAL EXPENDITURES

#### BUDGET MESSAGE

The additional expenditure sources comprise many important functions of the City, but they do not comprise the major expenditures of the City and are therefore summarized below.

**Municipal Court:** Municipal court expenditures are based on the City's creation of a municipal court in 2002. Costs in this area consist of judge fees, legal fees, teen court and court clerks' salaries and benefits as well as office supplies and software. Municipal Court expenditures are estimated to increase in 2019 based on additional court security for teen court and municipal court.

**Parks and Recreation:** Parks and recreation services for the City are provided by the South Suburban Parks and Recreation District (SSPRD). The 2019 Budget includes City funds for several events including day events at Cook Creek pool for City residents and tennis events at the tennis and park facility at the golf course. Also included in 2019 are costs related to the roof and HVAC replacement at The Hub, which will be jointly funded by the City and SSPRD.

**Debt Service:** Principal and interest payments are provided based on the debt amortization schedule from the Series 2008A Sales and Use Tax Revenue Bonds (Recreation Projects) as well as the Series 2009 Sales and Use Tax Revenue Bonds (Cultural Facilities Projects). A portion of the 2008A Bonds and the 2009 Bonds were refunded with Series 2017A and 2017B Bonds, respectively.

The Series 2008A, 2009, 2017A, and the 2017B Bonds are the only debt instruments that the City has outstanding. The debt limit on the 2008A Bonds (Recreation Projects) is \$12,500,000 and \$18,500,000 for the 2009 Bonds (Cultural Facilities Projects). The City utilizes a pay-as-you go philosophy, so if additional debt issuances were considered, the City would require voter authorization to do so.

Additional details of the City's debt, as well as the current debt service schedules are included in the capital and debt section of the budget document.

**Compensation, Benefits and Staffing:** Personnel-related expenses account for the largest operations portion of the City's Budget; therefore, maintaining this investment is a high priority.

The City of Lone Tree's objective is to compensate employees for their performance and contribution to the City's goals. The City considers a number of factors in compensation, including overall organizational effectiveness and the need to attract and retain qualified, talented employees. The City recognizes that employees are critical to the success of the City and must attract and retain competent, professional, and results-oriented staff.

Therefore, the City's total compensation package of pay and benefits, within our ability to pay, is competitive with the market of other governmental and private employers in the Denver/Boulder area. The City supports skill development, increased knowledge, flexibility, customer service, communication, teamwork, and job results. The City rewards employees who meet the above performance objectives to help achieve the mission and adhere to the City's stated values.

**Reserve Funds:** The City has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2019, defined under TABOR, as well as an emergency disaster management reserve pursuant to an intergovernmental agreement with Douglas County estimated at .02% of the City's assessed value. Pursuant to bond restrictions, revenue received from the sales tax increases approved in 2008 by City voters which are pledged for payment of interest and principal payments on the 2008A, 2017A, 2009, and 2017B Bonds. Additionally, funds are also reserved for park and recreation improvements and related maintenance costs with City funds received from the State's Conservation Trust Fund as well as park fees which have been

collected by developers in lieu of land dedication as a requirement under certain site improvement plans. Funds received in litigation from the brick fence repairs as well as contributions from the City and other partners for the replacement program are also categorized as reserved.

In addition to the funds reserved by the City pursuant to laws or other contractual obligations outlined above, the City also has designated 25% of its operating costs as a working reserve to account for unanticipated revenue shortfalls, unanticipated expenditures as well as to ensure stable tax rates for the City. The City also has designated certain funds as capital reserves specific to future capital maintenance costs and new capital projects.



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**CAPITAL  
& DEBT**

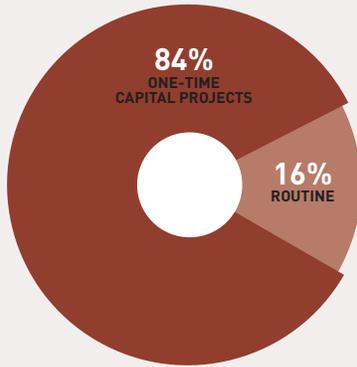
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# 4

## CAPITAL & DEBT

# 2019 CAPITAL/FIXED ASSET BUDGET



### One-Time Capital Projects

Traffic Improvements	\$ 1.5M
Transportation	27.9M
Roads (non-overlay)	645K
One-Time Capital Projects	-
Other	1M

**Total One-Time Capital Projects** **\$31.2M**

### Routine

Vehicles	\$265K
Technology	63K
Storm Sewer	500K
Buildings	888K
Roads (non-overlay)	500K
Street Overlay	1.8M
Other	1.2M

**Total Routine** **\$5.2M**

**Total Capital** **\$36,404,300**

This section of the budget highlights the City's capital investments for 2019 that qualify to be capitalized and are therefore depreciated using the straight-line method over the assets' useful life. These amounts differ from the capital outlay described on page xx, as the main budget document includes capital spending for various areas based on functionality. Additionally, tax shareback amounts are included under capital outlay, which would not be a depreciable asset. The capital/fixed asset section above focuses on showing all capital expenditures comprehensively, regardless of departmental function.

The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. The 2019 budget contains \$36.4 million in total capital expenditures. As displayed in the graph, the majority of these expenditures (\$31.2 million or 86%) are projects that are one-time capital improvements. The remainder (\$5.2 million or 14%) are routine capital expenditures.

The funding source for capital projects, routine and one-time, are from the general fund to the extent allowed based on projected revenues exceeding operating expenditures. In the event that revenues are not enough to cover capital projects contained within the capital replacement plan, the City maintains a capital reserve account to help offset costs of capital replacement and project needs. The reserve account includes excess funds that are rolled over, subsequent to year-end closing, of unanticipated accumulated fund balances. The funds in the capital reserve can only be used by the City for capital projects and at no time shall the accumulated capital reserves be used for City operational costs. Additionally, the City frequently partners with other organizations to fund capital projects, including RidgeGate Parkway Widening, County Line Road Improvements, Park Meadows Drive Regional Pond Upgrade, RidgeGate Crosswalks and Adaptive Traffic Signals in 2019. Without these critical partnerships, the City would

be limited on capital funding each year.

Additionally, the City receives sharebacks from Douglas County that can only be used for transportation and street/road improvements. The City also receives funds from the State of Colorado from lottery proceeds that can only be used for park and recreational improvements. The City currently has Sales and Use Tax Revenue Bonds that when excess revenues from sales and use tax are collected can be used specifically for arts and cultural improvements as well as park and recreational improvements.

The capital expenditures generally have a positive impact on the operating budget by helping to minimize unforeseen maintenance and repair costs associated with the City's infrastructure. The City takes a proactive and forward-thinking approach that addresses the City's needs through strategic investments. Additionally, the City's commitment to maintaining a capital reserve helps to minimize any negative impacts on the operating budget.

One-time capital projects and routine projects can be further broken down into expenditure categories. The table shows the expenditure categories by type of project. The paragraphs below describe the categories by providing additional detail on the types of projects that make up each category. Additionally, summary sheets

begin on page 62 describing each of the significant nonrecurring capital projects that are included in the 2019 budget.

## **ONE-TIME CAPITAL PROJECTS**

### **Traffic Improvements**

The Public Works Department is responsible for the management of many capital projects in the City, including traffic improvements. Traffic improvements are primarily comprised of multiple intersection improvements to improve the flow of traffic. Additionally, the 2019 budget includes funding for County Line Road Improvements to redesign the I-25 southbound off ramp turn lane onto westbound County Line Road along with some improvements to the westbound lanes under I-25. Additional details of the project can be found on pages 62-63.

### **Transportation**

The City's continued investment to improve the transportation network throughout the City has been highlighted in previous years with the construction of multiple large projects. 2019 continues this effort, which includes a large-scale project on RidgeGate Parkway that widens the road by two lanes and also includes bike and transit amenities. This project is fully funded by partners and a grant. The City's contribution is staff time to manage the project. The City is also investing in the implementation of adaptive traffic signals along priority transportation corridors.

### **Roads (non-overlay)**

The Public Works Department is responsible for the management of all of the capital projects related to street/road improvements in the City. For 2019, costs were budgeted for a large project in RidgeGate to replace the concrete crosswalks with asphalt and appropriate striping and signage at necessary locations to promote better pedestrian access.

### **Buildings**

The 2019 budget does not include funding in this area due to the capital projects being completed this year on City buildings being considered routine, rather than one-time.

### **Other**

The City has capital projects that have varying focuses, such as the reconstruction of an existing detention facility, multiple electric vehicle charging stations through the City (one of which will be owned by the City), and a TruNarc Analyzer for the police department. The reconstruction of an existing detention facility will largely be funded through partner contributions. The electric vehicle charging stations will be partially funded with a grant and the TruNarc Analyzer will be completely funded with a grant.

## **ROUTINE CAPITAL PROJECTS**

### **Vehicles**

The City's police department has a five-year replacement schedule for the police vehicles and emergency equipment installed within each vehicle. Additionally, the City administration maintains a small number of vehicles for City business use. The 2019 budget includes five new vehicles with emergency equipment for the Police Department and one new Public Works vehicle.

### **Technology**

The City's Information Technology Department conducts annual analyses to determine what hardware and software programs need to be purchased to ensure that the City is able to stay functioning efficiently. The 2019 budget accounts for new equipment to sustain current operation workloads and for replacement cycles. Specifically, application server replacements as well as storage area networks. The 2019 budget also accounts for subscription-based services for software, which is not depreciable, so those costs are not included in this section.

### **Storm Sewer**

The Public Works Department is responsible for maintaining and replacing storm sewer lines that are distressed. The City utilizes a proactive approach to try and detect issues before they arise by video inspecting all steel storm sewer lines in the City and formulating a replacement schedule when needed. The 2019 budget includes costs for the installation of pipe lining along Acres Green and Park Meadows Drive as well as on County Line Road.

## Buildings

The City currently owns five facilities, which include the Municipal Office Building, Civic Center, the Lone Tree Arts Center, The Hub and Public Works facility. The City is committed to investing each year in these facilities to ensure that visual quality is maintained, while also providing modern facilities that are operating efficiently and functionally for the needs of the City.

The 2019 budget incorporates improvements at the City office building, which include: the conversion of Suite 135 (previously a tenant space) into more City office space as a result of the Public Works transition, as well as completing a walkway on the north side of the property and a stairway on the south side to create a safer path for access to Kimmer Drive.

Additionally, the 2019 budget includes improvements at the Lone Tree Arts Center, which include a lock-out system for the main theater doors as well as all exterior doors, parking lot reconstruction and concrete replacement, a video system control rebuild, computer playback systems, follow spots for lighting, and a sound system-mainstage console.

Lastly, the 2019 budget includes a new roof and HVAC units at The Hub. The funding for this project is shared with South Suburban Park and Recreation District.

## Roads (non-overlay)

The Public Works Department is responsible for the management of all of the capital projects related to street/road improvements in the City. In 2019, concrete panel replacements will occur on Lincoln Ave.

## Street Overlay

The Public Works Department is responsible for the management of all of the capital projects related to street/road improvements in the City. Overlay occurs on a routine or reoccurring basis each year and is included in the 2019 budget as a result of the City's commitment to keeping the City's infrastructure system in good condition. Overlay is able to extend the useful life of the street and delay having to completely replace the existing street. While there are many streets that may need improvements each year, the City cannot perform major improvements on every road in one year due to the significant costs, so the City needs to spread out the improvements over a length of time and prioritize the streets that need improvements based on their structural quality and according to the remaining life of the street. A pavement assessment was completed during 2017 to help the City prioritize the roads that are most in need of repair for 2018 and beyond. For specifics on the 2019 overlay program, see pages 72-73.

## Other

The City has capital projects that have varying focuses that are recurring in nature. The 2019 budget incorporates replacing the existing span wire traffic signal at Yosemite Street and County Line Road to traditional mast arm poles, similar to all other traffic signals on the south side of C-470. The budget also includes replacing the existing traffic signal head at Lincoln Avenue and Peoria Street to allow for a protected northbound (Peoria Street) to westbound (Lincoln Avenue) left turn signal. Additionally, a traffic signal at Crooked Stick and RidgeGate Parkway will be added. Lastly, traffic coating will be added along the ramps on the north side of the Lincoln Avenue Pedestrian Bridge to protect the concrete material, which will extend the useful life and delay maintenance being needed.



# 4

## CAPITAL & DEBT

# COUNTY LINE ROAD IMPROVEMENTS

<b>Category</b>	Roads	<b>Project Sponsor</b>	Douglas County
<b>Project Name</b>	County Line Road Improvements	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	County Line Road and I-25 Southbound Off-Ramp		
<b>Estimated Start Date</b>	March/April 2019	<b>2019 Estimated Cost</b>	\$1,500,000
<b>Estimated End Date</b>	October 2019	<b>City of Lone Tree Cost</b>	\$1,500,000 (reimbursed \$250,000 from Centennial and \$1.25M from DougCo)

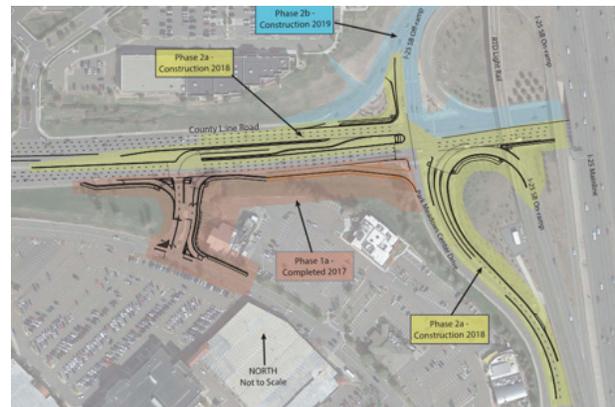
### PROJECT DESCRIPTION

2019 is the final year of this project that saw Phase 1 complete in 2017 and Phase 2a complete in 2018. Phase 1 consisted of adding an eastbound turn lane from County Line Road into Park Meadows Retail Resort; an additional exiting lane out of the north entrance of Park Meadows; a temporary span wire signal allowing left turns into Park Meadows from westbound County Line and two lanes of right turns out of Park Meadows Retail Resort. Phase 1 also included a right turn lane onto Park Meadows Center Drive from eastbound County Line Road. Phase 2a of the project included the construction of several improvements to the I-25 southbound off ramp; milling and overlay of County Line Road; addition of another left turn lane from westbound I-25 into the northern Park Meadows Retail Resort entrance; and construction of a dedicated northbound right turn lane off Park Meadows Center Drive. Included in the 2019 budget, Phase 2b of the project is scheduled to start in March/April of 2019 and includes the redesign of the I-25 southbound off-ramp turn lane onto westbound County Line Road along with some improvements to the westbound County Line Road lanes under I-25.

This activity has the following subtasks:

- Alteration to the I-25 Southbound Off-Ramp

### PROJECT LOCATION



<b>FINANCIAL SUMMARY PHASE 2B</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>						
Planning/Design						
Construction	\$ 1,500,000					\$ 1,500,000
<b>TOTAL</b>	<b>\$1,500,000</b>					<b>\$1,500,000</b>
<b>FUNDING SOURCES</b>						
Douglas County	\$ 1,250,000					\$ 1,250,000
City of Centennial	\$ 250,000					\$ 250,000
<b>TOTAL</b>	<b>\$1,500,000</b>					<b>\$1,500,000</b>

**BENEFITS**

The County Line Road Improvements are targeted to provide short and long-term traffic congestion relief, improve corridor safety, and improve mobility and access to businesses. The immediate effects that are noticeable to the City of Lone Tree include a relief in traffic exiting out of the Park Meadows Mall on Park Meadows Center Drive and better access through the PF Chang’s entrance to the mall.

**OPERATING COSTS**

In 2017, the City took on the ownership and maintenance of the new traffic signal at PF Changs and County Line Road, as well as maintenance of the newly replaced span wire traffic signals at Park Meadows Center Drive and County Line Road that was completed by CDOT. In 2018, the City will take ownership and maintenance of the newly installed mast arm for the additional northbound lanes on Park Meadows Center Drive.

# 4

## CAPITAL & DEBT

# RIDGEGATE PARKWAY WIDENING

<b>Category</b>	Roads	<b>Project Sponsor</b>	Lone Tree
<b>Project Name</b>	RidgeGate Parkway Widening: Havana Street to Lone Tree Limits	<b>Project Management</b>	City of Lone Tree/Rampart Range Metropolitan District
<b>Location(s)</b>	RidgeGate Parkway from Peoria Street to Stepping Stone		
<b>Estimated Start Date</b>	2019	<b>2019 Estimated Cost</b>	\$26.9M
<b>Estimated End Date</b>	2020	<b>City of Lone Tree Cost</b>	Project and Grant Management

### PROJECT DESCRIPTION

The project will widen RidgeGate Parkway from Havana Street to the City of Lone Tree limits from 2 to 4 lanes.

This activity has the following subtasks:

- Construction of an additional 3 lanes
- Construction of raised medians
- Construction of left turn lanes at signalized intersections
- Construction of a separated cycle track with bike detection at signals
- Installation of bike and transit amenities
- Construction of new sidewalks with a minimum width of 8 feet

### PROJECT LOCATION



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design							
Construction		\$26,900,000					\$ 26,900,000
<b>TOTAL</b>		<b>\$26,900,000</b>					<b>\$26,900,000</b>
<b>FUNDING SOURCES</b>							
DRCOG		\$ 6,400,000					\$ 6,400,000
Douglas County		\$ 2,500,000					\$ 2,500,000
SPIMD		\$ 2,500,000					\$ 2,500,000
RRMD		\$ 15,500,000					\$ 15,500,000
City of Lone Tree*							
<b>TOTAL</b>		<b>\$26,900,000</b>					<b>\$26,900,000</b>

*\*The City was the recipient of the DRCOG grant and therefore the project has to be bid out and overseen by the City. Staff time from internal departments such as Public Works, Finance, and Communications will be provided.*

### **BENEFITS**

The additional lanes along RidgeGate Parkway are necessary to match the existing four lane roadway to the east and to provide for the future development of RidgeGate East. Currently, RidgeGate Parkway already backs up heading east from I-25 during PM peak hours. The existing traffic levels coupled with the future development of the property, necessitates additional lanes.

### **OPERATING COSTS**

RidgeGate Parkway is owned by the City; however, maintenance of the asset will be performed by Douglas County, therefore there will be no operating costs associated with this project upon completion. However, in the future, there will be a trigger which will transfer responsibility from Douglas County to the City of Lone Tree. The agreement on this has yet to be negotiated.

# 4

## CAPITAL & DEBT

# RIDGEGATE WESTSIDE INTERSECTION REPLACEMENT

<b>Category</b>	Road	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	RidgeGate Westside Intersection Replacement	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	RidgeGate West		
<b>Estimated Start Date</b>	April 2019	<b>2019 Estimated Cost</b>	\$645,000
<b>Estimated End Date</b>	October 2019	<b>City of Lone Tree Cost</b>	\$175,000 (\$470K from RRMD)

### PROJECT DESCRIPTION

The project includes the replacement of concrete crosswalks with asphalt and appropriate striping and signage.

This activity has the following subtask:

- Demolition of existing concrete crosswalks and concrete intersections
- Construction of pavement sections
- Striping
- Signage Installation

### PROJECT LOCATIONS

The following intersections are proposed for a full concrete intersection removal and asphalt replacement:

- RidgeGate Parkway and Bellwether Lane
- RidgeGate Parkway and Commonwealth Street
- RidgeGate Parkway and Bismark Drive
- RidgeGate Circle and Commonwealth Street
- Halstead Lane and Commonwealth Street
- Commonwealth Street and Private Driveway

The following intersections are proposed for the concrete crosswalk removal, signage, and striping:

- RidgeGate Parkway and Belvedere Lane
- SkyRidge Avenue and Commons Street
- SkyRidge Avenue and Bellwether Lane
- SkyRidge Avenue and Bismark Drive
- SkyRidge Avenue and Library Way
- SkyRidge Avenue and Belvedere Lane

<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design		\$ 25,000					\$ 25,000
Construction		\$ 620,000					\$ 620,000
<b>TOTAL</b>		<b>\$ 645,000</b>					<b>\$ 645,000</b>
<b>FUNDING SOURCES</b>							
Rampart Range MD		\$ 470,000					\$ 470,000
City of Lone Tree		\$ 175,000					\$ 175,000
<b>TOTAL</b>		<b>\$ 645,000</b>					<b>\$ 645,000</b>

### **BENEFITS**

The removal of the existing concrete crosswalks within RidgeGate West which are fairly expensive to maintain and are not a standard pedestrian crossing treatment per the City's new pedestrian crosswalk guidelines. Replacement of the concrete crosswalks will save the City funding in the long term due to reduced maintenance costs. It will also improve the pedestrian crossing visibility and put them in compliance with the City's Pedestrian Crossing Treatment Policy as adopted by City Council in 2018.

### **OPERATIONAL COSTS**

The operational costs will be significantly reduced due to the removal of concrete and paver crosswalks that are deteriorating and expensive to repair and/or replace.

# 4

## CAPITAL & DEBT

# TRUNARC HANDHELD NARCOTICS ANALYZER

<b>Category</b>	Police Department	<b>Project Sponsor</b>	LTPD
<b>Project Name</b>	TruNarc Handheld Narcotics Analyzer	<b>Project Management</b>	LTPD
<b>Location(s)</b>	LTPD		
<b>Estimated Start Date</b>	2019	<b>Estimated Cost</b>	\$24,000

### PROJECT DESCRIPTION

Drug abuse is a major public health problem that impacts society on multiple levels. Directly or indirectly, every community is affected by drug abuse and addiction, as is every family. Drugs take a tremendous toll on our society at many levels.

With illicit drug use on the rise in America, to include Heroin and Fentanyl, on March 18, 2015, the United States Drug Enforcement Administration (DEA) issued a nationwide alert warning of the dangers of fentanyl and fentanyl analogues/compounds. In their press release, the DEA noted that Fentanyl is a Schedule II narcotic used as an analgesic and anesthetic and is the most potent opioid available for use in medical treatment. It is 50 to 100 times more potent than morphine and 30 to 50 times more potent than heroin and is potentially lethal, even at very low levels. Ingestion of doses as small as 0.25 mg can be fatal. Its euphoric effects are indistinguishable from morphine or heroin. Fentanyl, which is commonly found laced in heroin, is causing significant problems across the country. The DEA warned law enforcement that Fentanyl is not only dangerous for the drug’s users, but for law enforcement, public health workers and first responders who could unknowingly come into contact with it in its different forms. Fentanyl can be absorbed through the skin or accidental inhalation of airborne powder can also occur. DEA is concerned about law enforcement coming in contact with fentanyl on the streets during the course of enforcement and field testing.

With the use of fentanyl becoming a more common substance amongst illicit drug users, numerous Police Officers throughout the nation

have been accidentally exposed during the course of their duties which can cause serious medical complications.

In an effort to reduce accidental exposure to Officers of the Lone Tree Police Department while conducting field testing, a TruNarc handheld narcotics analyzer will be purchased and the City will discontinue the use of the chemical Reagent System used by the City’s Officers for field testing.

### FINANCIAL SUMMARY

\$24,000 per unit (includes a one year warranty). The department will access grant funding to purchase, otherwise the purchase will be moved to a future year.

### BENEFITS

The TruNarc handheld narcotics analyzer will enhance officer safety, as they will not be exposed to potentially harmful narcotics while testing.

### OPERATING COSTS

There is the possibility of minimal ongoing maintenance costs.

# 4

## CAPITAL & DEBT

# PARK MEADOWS DRIVE REGIONAL POND

<b>Category</b>	Drainage	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	Park Meadows Drive Regional Pond	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	C-470 and the Willow Creek Trail		
<b>Estimated Start Date</b>	June 2019	<b>Estimated Cost</b>	\$1,055,000
<b>Estimated End Date</b>	December 2019	<b>City of Lone Tree Cost</b>	\$255,000

### PROJECT DESCRIPTION

The project involves the reconstruction of an existing detention facility (aka Pond H) located within City Open Space near C-470 adjacent to the Furniture Row property. This existing detention facility provides detention volume for a portion of the Acres Green Subdivision in addition to commercial properties along Park Meadows Drive. With the widening of C-470, CDOT is required to provide water quality volume for areas of increased imperviousness and would like to utilize this detention facility for those purposes. The estimated cost for this project is detailed below. The City's contribution is \$255,000 in 2019 (the City contributed \$45,000 in 2018 for design costs) which is the prorated share of the amount of contributing runoff from City owned property. The remainder of the project will be split between the commercial properties along Park Meadows Drive, Douglas County (for Acres Green's runoff), and CDOT (for their contributing area).

### PROJECT LOCATION



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design	\$45,000						\$ 45,000
Construction		\$ 1,055,000					\$ 1,055,000
<b>TOTAL</b>	<b>\$45,000</b>	<b>\$ 1,055,000</b>					<b>\$ 1,100,000</b>
<b>FUNDING SOURCES</b>							
Furniture Row Properties		\$ 382,500					\$ 382,500
Douglas County		\$ 250,000					\$ 250,000
CDOT		\$ 167,500					\$ 167,500
City of Lone Tree	\$45,000	\$ 255,000					\$ 300,000
<b>TOTAL</b>	<b>\$45,000</b>	<b>\$ 1,055,000</b>					<b>\$ 1,100,000</b>

### **BENEFITS**

Reconstruction of the Park Meadows Regional Pond will provide water quality and detention for C-470, Park Meadows Drive commercial properties, Acres Green, and Park Meadows and Acres Green Drive. This pond is crucial to providing water quality that will now be required for the area, as well as a requirement in our City's MS4 permit.

### **OPERATING COSTS**

The City has ownership of the detention facility with Urban Drainage and Flood Control District (UDFCD) agreeing to take over maintenance of this regional pond when it is completed. However, UDFCD will not mow the area more than once a quarter, so there will be around \$10,000 in yearly maintenance fees to mow the area as well as eliminate any noxious weeds.

# 4

## CAPITAL & DEBT

# ELECTRIC VEHICLE CHARGING STATION AT THE MUNICIPAL BUILDING

<b>Category</b>	Facilities	<b>Project Sponsor</b>	Regional Air Quality Council's Charge Ahead Colorado Program
<b>Project Name</b>	Electric Vehicle Charging Station	<b>Project Management</b>	City Manager's Office
<b>Location(s)</b>	Municipal Building		
<b>Estimated Start Date</b>	Spring 2019	<b>Estimated Cost</b>	\$20,000
<b>Estimated End Date</b>	Summer 2019	<b>City of Lone Tree Cost</b>	\$11,000

### PROJECT DESCRIPTION

This request is to install an electric vehicle (EV) charging station at the Municipal Building using potential grant money available through the Regional Air Quality Council (RAQC). The station could be publically accessible and would in the future allow the City to accommodate electric vehicles in its fleet once current fleet vehicles reach the end of their useful life.

The station is proposed to be a dual port Level 2 charger, providing 20-30 miles of range per hour of charge.

### PROJECT LOCATION

The electric vehicle charging station would be located at the Municipal Building.

### FINANCIAL SUMMARY

The total cost for equipment and installation and the first year of the required subscription/warranty plan would be \$20,000. \$9,000 of the total would come from a potential grant from the Regional Air Quality Council with the remaining \$11,000 as the City's share.

### BENEFITS

Electric vehicles are becoming more prevalent. In 2017 and 2018, several auto manufacturers will roll out affordable (below \$35,000) electric vehicles, including the Tesla Model 3, and new editions of the Chevy Bolt and Nissan Leaf.

Installing a charging station now would allow the City flexibility in purchasing electric vehicles for its fleet in the future. Pursuing electric vehicles for the City's fleet would provide lower cost per mile through savings in fuel costs and maintenance.

The station could also be made available for public use before any electric fleet vehicles are purchased. After the purchase of fleet vehicles the station could remain open to the public during business hours as the fleet vehicles could be charged overnight.

### OPERATING COSTS

Costs would include electricity and annual subscription and warranty costs required for the charging station.

Annual subscription/warranty costs would be around \$2,000 for both plugs on the dual port charger. Costs for the first year are included in the budgeted amount.

Electricity costs would be around \$2 per hour of use per plug.

# 4

## CAPITAL & DEBT

# 2019 ASPHALT OVERLAY PROGRAM

<b>Category</b>	Roads	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	2019 Concrete Replacement/ Asphalt Overlay	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	Prominence Point, Club Terrace/Lone Tree Terrace and Miscellaneous		
<b>Estimated Start Date</b>	May 2019	<b>Estimated Cost</b>	\$1,800,000
<b>Estimated End Date</b>	October 2019	<b>City of Lone Tree Cost</b>	\$1,800,000

### PROJECT DESCRIPTION

The project includes damaged concrete replacement (includes replacement of damaged curbs, gutter, sidewalks, crosspans, etc.) along streets located within Prominence Point, three (3) streets in Club Terrace/Lone Tree Terrace, County Line Road (Yosemite to Chester), Rosemont Avenue, Crooked Stick Trail (overlay and widening), Fairview Avenue (Lincoln to Colinade), and Heritage Hills Circle (Yosemite to Heritage Hill Parkway). These streets were selected based on their condition rating from the 2017 pavement assessment. The project will also include milling and resurfacing of the streets listed above.

This activity has the following subtasks:

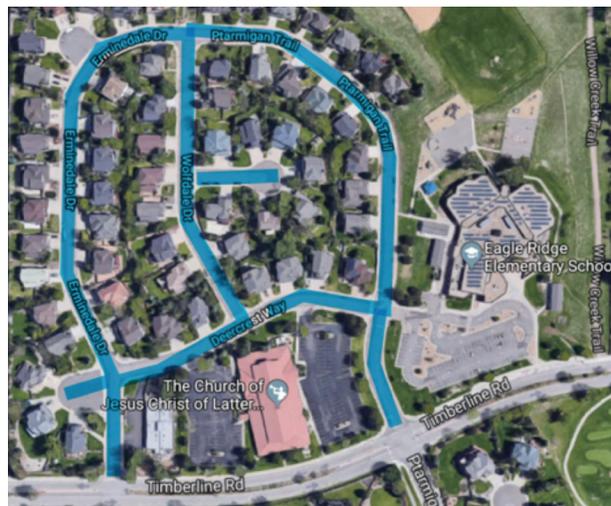
- Damaged Concrete Replacement
- Asphalt milling and resurfacing
- Full Depth Asphalt Replacement (Crooked Stick Only)
- Underground Stormwater Collection (Crooked Stick Only)
- Curb and Gutter Installation (Crooked Stick Only)
- Street Widening (Crooked Stick Only)

### BENEFITS

The 2017 City Wide Pavement Assessment performed in April 2017 prioritized the streets in accordance with an overall condition index. Almost all of the 'Very Poor' streets were resurfaced in 2017 and 2018, with County Line Road (Yosemite to Chester) being the only remaining street section to be paved. The proposed 2019 Overlay Program targets the next tier of streets rated as 'Poor'.

### PROJECT LOCATIONS

#### Prominence Point



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design		\$ 100,000					\$ 100,000
Construction		\$ 1,700,000					\$ 1,700,000
<b>TOTAL</b>		<b>\$1,800,000</b>					<b>\$1,800,000</b>
<b>FUNDING SOURCES</b>							
City of Lone Tree		\$ 1,800,000					\$ 1,800,000
<b>TOTAL</b>		<b>\$1,800,000</b>					<b>\$1,800,000</b>

**Club Terrace/Lone Tree Terrace**



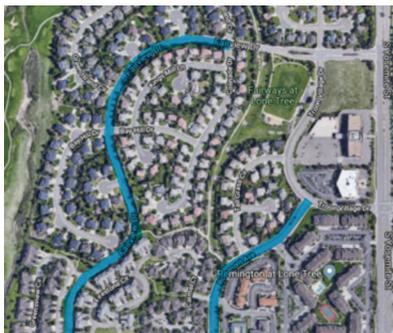
**County Line Road**  
(Eastbound only)



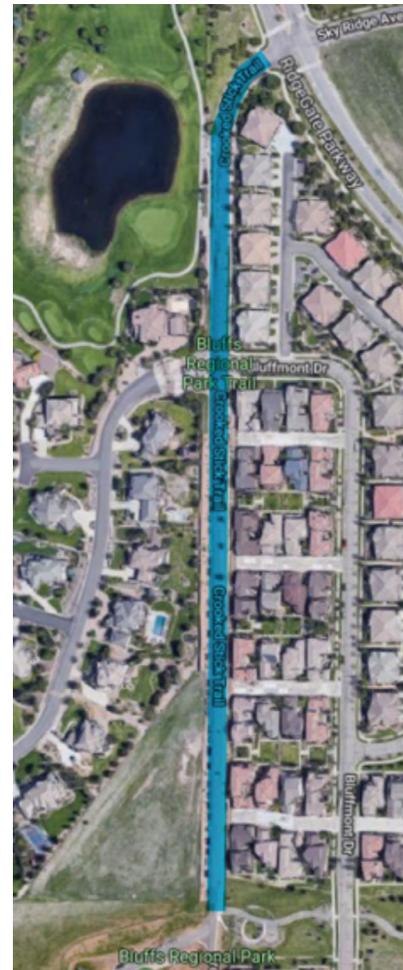
**Heritage Hills Circle**  
(Yosemite to Heritage Hills Parkway)



**Rosemont and Fairview**



**Crooked Stick Trail**  
(Overlay and Widening)



# 4

## CAPITAL & DEBT

# CROOKED STICK AND RIDGEGATE PARKWAY TRAFFIC SIGNAL

<b>Category</b>	Traffic Signals	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	RidgeGate/SkyRidge/Crooked Stick Traffic Signal	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	Crooked Stick Trail/RidgeGate Parkway/SkyRidge Avenue		
<b>Estimated Start Date</b>	July 2019	<b>Estimated Cost</b>	\$500,000
<b>Estimated End Date</b>	December 2019	<b>City of Lone Tree Cost</b>	\$500,000

### PROJECT DESCRIPTION

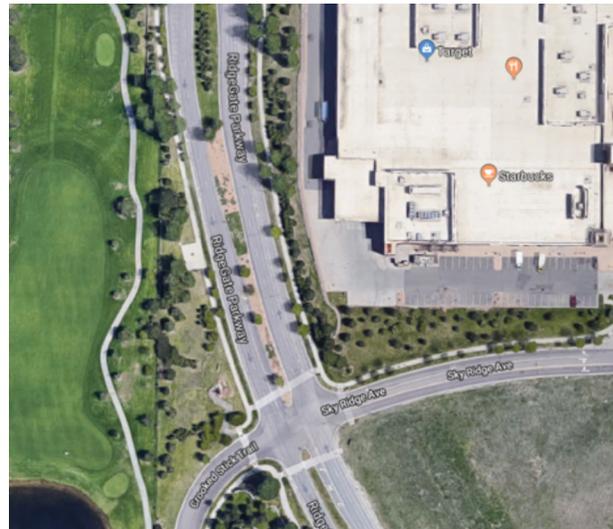
The project includes the installation of a new traffic signal at RidgeGate Parkway and SkyRidge Avenue/Crooked Stick Trail intersection.

This activity has the following subtask:

- Installation of a new traffic signal
- Intersection improvements

### PROJECT LOCATION

RidgeGate Parkway/SkyRidge Avenue/  
Crooked Stick Trail



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design		\$100,000					\$100,000
Construction		\$400,000					\$400,000
<b>TOTAL</b>		<b>\$500,000</b>					<b>\$500,000</b>
<b>FUNDING SOURCES</b>							
City of Lone Tree		\$500,000					\$500,000
<b>TOTAL</b>		<b>\$500,000</b>					<b>\$500,000</b>

### **BENEFITS**

A warrant study was performed on the RidgeGate Parkway/SkyRidge Avenue/Crooked Stick Trail intersection, and showed that the intersection meets two warrants (Signal Warrant 1 Condition B and Signal Warrant 3 Peak Hour Warrant). The installation of this signal will allow safer side street and pedestrian movements as well as left turn movements from RidgeGate Parkway to SkyRidge Avenue.

### **OPERATING COSTS**

The operational costs will be the monthly electrical fee and routine maintenance of a new signal.

# 4

## CAPITAL & DEBT

# YOSEMITE STREET – COUNTY LINE ROAD TRAFFIC SIGNAL UPGRADE

<b>Category</b>	Traffic Signals	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	Yosemite St. and County Line Traffic Signal Upgrade	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	Yosemite St. and E. County Line Road		
<b>Estimated Start Date</b>	August 2019	<b>Estimated Cost</b>	\$515,000
<b>Estimated End Date</b>	October 2019	<b>City of Lone Tree Cost</b>	\$515,000

### PROJECT DESCRIPTION

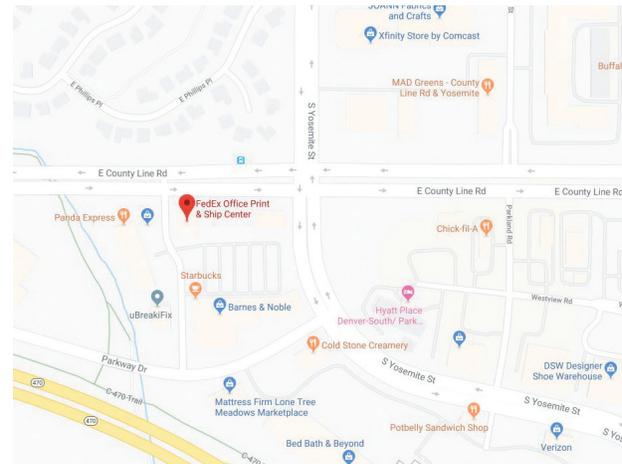
The project includes replacing the existing span wire traffic signal at the intersection of Yosemite St. and County Line Road to traditional mast arm poles similar to all other traffic signals on the south side of C-470.

This activity has the following subtasks:

- Replacing the existing span wire traffic signal with mast arm poles

### PROJECT LOCATION

#### Yosemite Street and County Line Road



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design		\$ 30,000					\$ 30,000
Construction		\$ 485,000					\$ 485,000
<b>TOTAL</b>		<b>\$ 515,000</b>					<b>\$ 515,000</b>
<b>FUNDING SOURCES</b>							
City of Lone Tree		\$ 515,000					\$ 515,000
<b>TOTAL</b>		<b>\$ 515,000</b>					<b>\$ 515,000</b>

### **BENEFITS**

Replacing the span wire traffic signal will reduce the amount of service calls due to outdated wiring that has reached life expectancy. A batter backup system will also be added.

### **OPERATING COSTS**

The operational costs will be reduced from decrease in service calls to the intersection.

# 4 CAPITAL & DEBT

## LINCOLN AVENUE CONCRETE PANEL REPLACEMENT PHASE 2

<b>Category</b>	Roads	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	Lincoln Avenue Concrete Panel Replacement	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	Lincoln Avenue East of I-25		
<b>Estimated Start Date</b>	April/May 2019	<b>Estimated Cost</b>	\$500,000
<b>Estimated End Date</b>	August 2019	<b>City of Lone Tree Cost</b>	\$500,000

### PROJECT DESCRIPTION

The project includes replacing numerous failed concrete panels along Lincoln Avenue east of I-25.

This activity has the following subtask:

- Concrete panel replacement
- Striping

### PROJECT LOCATION

Lincoln Avenue



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>						
Planning/Design		\$ 15,000				\$ 18,000
Construction		\$ 485,000				\$ 485,000
<b>TOTAL</b>		<b>\$500,000</b>				<b>\$500,000</b>
<b>FUNDING SOURCES</b>						
City of Lone Tree		\$ 500,000				\$ 500,000
<b>TOTAL</b>		<b>\$500,000</b>				<b>\$500,000</b>

### **BENEFITS**

The concrete panel replacement along Lincoln Avenue from I-25 to First Street was scheduled for repair in prior budget cycles, but was pushed out due to funding limitations. Last year, the concrete panels in the westbound lanes were repaired. In 2019, the panels in the eastbound lanes are proposed to be repaired

### **OPERATING COSTS**

Concrete panels have an average useful life of 30 years, with minimal maintenance costs for three to five years. Once maintenance is needed, it is generally resealing of joints and/or a procedure called grooving and grinding the concrete. This procedure helps to extend the life of the concrete panel beyond 30 years. The cost for such a procedure is around \$4/square yard. The cost to reseal joints is approximately \$200/joint depending on the size, which would be done every 2-3 years if the grooving and grinding procedure was not completed. With any roadway surface, spending money in preventative maintenance in the first 5 years of life is significantly less expensive than performing corrective maintenance and rehabilitation in later years.

# 4 CAPITAL & DEBT

## 2019 STORM SEWER IMPROVEMENTS

<b>Category</b>	Storm Sewer	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	2019 Storm Sewer Improvements	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	Acres Green and Park Meadows Drive, and County Line Road		
<b>Estimated Start Date</b>	April 2019	<b>Estimated Cost</b>	\$500,000
<b>Estimated End Date</b>	October 2019	<b>City of Lone Tree Cost</b>	\$500,000

### PROJECT DESCRIPTION

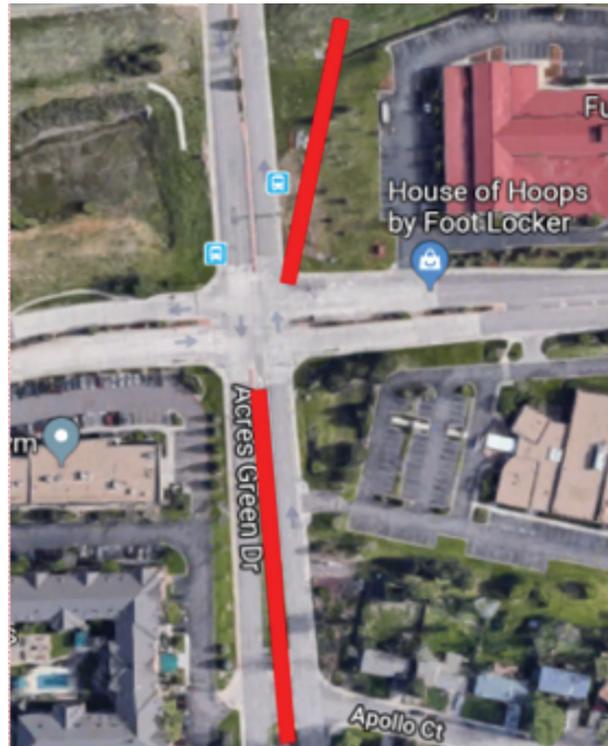
The project includes the installation of pipe lining for approximately 700 lineal feet of 60-inch corrugated metal pipe and 100 lineal feet of a 72-inch corrugated metal pipe.

This activity has the following subtask:

- Pipe Lining

### PROJECT LOCATIONS

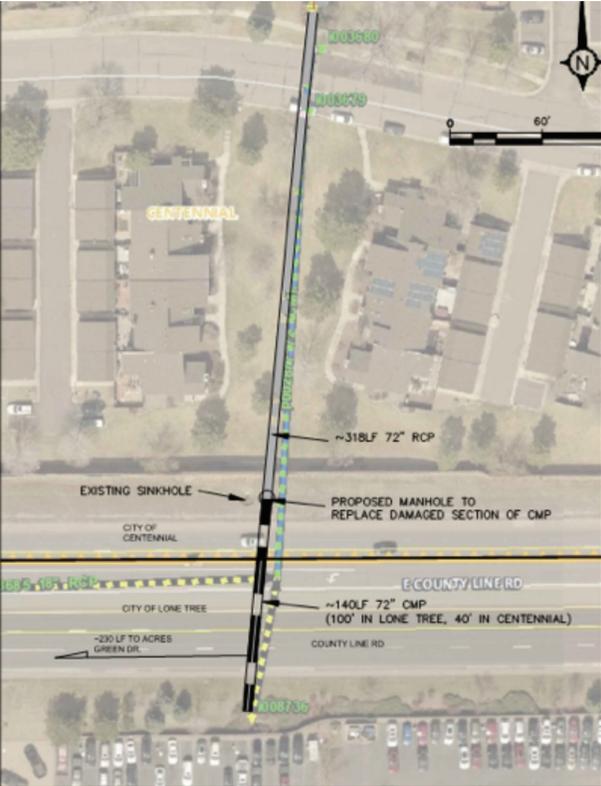
**Storm Sewer Pipe Lining - Acres Green and Park Meadows Drive**



**FINANCIAL SUMMARY**

	Prior Funding	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	TOTAL
<b>EXPENDITURES</b>						
Planning/Design						
Construction		\$ 500,000				\$ 500,000
<b>TOTAL</b>		<b>\$500,000</b>				<b>\$500,000</b>
<b>FUNDING SOURCES</b>						
City of Lone Tree		\$ 500,000				\$ 500,000
<b>TOTAL</b>		<b>\$500,000</b>				<b>\$500,000</b>

**Storm Sewer Pipe Lining - Acres Green and County Line Road**



**BENEFITS**

The existing 60-inch corrugated metal pipe that runs under Acres Green Drive across Park Meadows Drive has long history of collapsing. Several sections have been replaced with reinforced concrete pipes; however, the remaining sections that run under the grass and medians still need to be lined to prevent any further collapses. The 72-inch pipe under County Line Road has also been surveyed for significant damage and will be lined in coordination with Southeast Metro Stormwater Authority (SEMSWA). In December 2018, an IGA was approved with SEMSWA to perform all of the budgeted work under their existing pipe lining contract in 2019. The City of Lone Tree will reimburse them after work is complete, with a capped amount of \$500,000.

**OPERATING COSTS**

The operational costs will be significantly reduced and may prevent the need to replace with reinforced concrete pipe in the future.

# 4

## CAPITAL & DEBT

# 2019 ADAPTIVE TRAFFIC SIGNAL PROGRAM

<b>Category</b>	Signalization	<b>Project Sponsor</b>	City of Lone Tree
<b>Project Name</b>	2019 Adaptive Traffic Signal Program	<b>Project Management</b>	City of Lone Tree Public Works
<b>Location(s)</b>	Yosemite Street and Park Meadows Center Drive Corridors		
<b>Estimated Start Date</b>	January 2019	<b>2019 Estimated Cost</b>	\$1,072,000
<b>Estimated End Date</b>	December 2019	<b>City of Lone Tree Cost</b>	\$886,000

### PROJECT DESCRIPTION

The project includes the implementation of adaptive traffic signals along priority transportation corridors within the City of Lone Tree.

This activity has the following subtask:

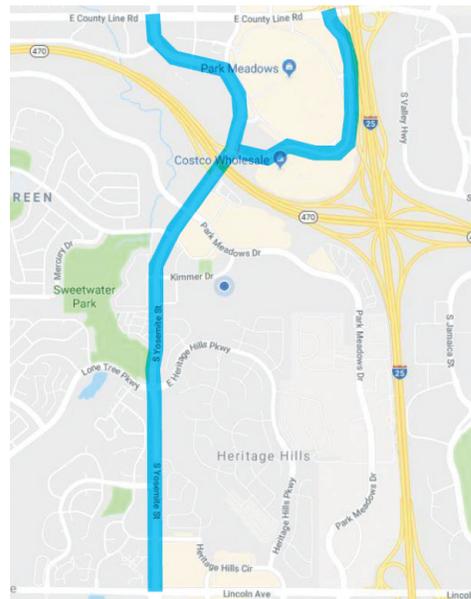
- Installation of adaptive traffic signal technology

### BENEFITS

In 2018, the City of Lone Tree partnered with Blyncsy, City of Greenwood Village, and City of Centennial to install Bluetoad devices along the Yosemite Street corridor to provide better data collection. The future technological deployments will be integrated with Centennial and the Blyncsy system to begin the Vehicle-to-Infrastructure Pilot. The 2019 Adaptive Signal Program is proposing to install radar-based traffic sensors in addition to existing cameras in order to improve vehicle detection. It is also proposing to install adaptive controller hardware along the respective corridors and integrate it with both City of Centennial and City of Greenwood Village. The installation of this hardware will allow for implementation of the adaptive signal technology for 12 signals along Yosemite and 8 signals along Park Meadows Center Drive.

### PROJECT LOCATIONS

**Yosemite Street and Park Meadows Center Drive Corridors (shown in blue)**



<b>FINANCIAL SUMMARY</b>	<b>Prior Funding</b>	<b>2019 Forecast</b>	<b>2020 Forecast</b>	<b>2021 Forecast</b>	<b>2022 Forecast</b>	<b>2023 Forecast</b>	<b>TOTAL</b>
<b>EXPENDITURES</b>							
Planning/Design							
Construction		\$ 1,072,000					\$ 1,072,000
<b>TOTAL</b>		<b>\$ 1,072,000</b>					<b>\$ 1,072,000</b>
<b>FUNDING SOURCES</b>							
PMMD		\$ 186,000					\$ 186,000
City of Lone Tree		\$ 886,000					\$ 886,000
<b>TOTAL</b>		<b>\$ 1,072,000</b>					<b>\$ 1,072,000</b>

The chart below further identifies the projected spending for the 2019 Adaptive Signal Program.

<b>Item</b>	<b>Use</b>	<b>Cost</b>
Adaptive Signal Hardware and Software	Dynamic Signals	\$ 500,000
Advanced Detection Equipment	Detection	\$ 429,500
Intersection Configuration	Startup Cost	\$ 40,000
SynchroGreen Server	Data Storage	\$ 20,000
Annual Maintenance Fee		\$ 26,000
SynchroGreen Training		\$ 6,500
Blyncsy Contract	Data Collection	\$ 50,000
<b>TOTAL</b>		<b>\$1,072,000</b>

## **OPERATIONAL COSTS**

The operational costs will be reduced with the implementation of adaptive signal technology. Outdated traffic signal timing incurs substantial costs to businesses and residents. They account for more than 10 percent of all traffic delay and congestion on major routes alone. For residents and commuter traffic, this causes excess delays and fuel consumption. For businesses, it decreases productivity and increases labor costs.

Outdated signals also affect City maintenance costs. Staff must respond to citizen complaints

when traffic signals do not meet traveler needs. The City also spends approximately \$15,000 per year in consultants who are paid to compile traffic data, then analyze and develop updated signal timing using the traditional signal timing process before generating their recommendations. Because these consultants must balance the needs of one intersection against system requirements, this is time consuming as well as expensive.

# 4

## CAPITAL & DEBT

# DEBT & DEBT SERVICE SCHEDULES

On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000 (legal debt limits), for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation respectively. The voters also authorized a temporary sales and use tax rate increase of 0.1875 percent for arts and cultural facilities and 0.125 percent for park and recreation improvements effective July 1, 2008 through December 31, 2023 or until the full payment of such debt if occurring earlier.

In 2017, the City issued \$4,805,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2017A at interest rates ranging from 2-5% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2008A whose original purpose was to finance the construction of several park and recreation improvements including, the Cook Creek Pool and tennis court facility at the Lone Tree Golf Club, as well as a portion of Prairie Sky Park. The purpose of the 2017 refunding was to reduce the interest rate paid on the 2008A Bonds. The terms of the bonds will remain the same with a payoff date of December 1, 2023.

Additionally, in 2017, the City issued \$6,200,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2017B at interest rates ranging from 3-4% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2009 whose original purpose was to finance the construction of the Lone Tree Arts Center. The purpose of the 2017 refunding was to reduce the interest rate paid on the 2009 Bonds. The terms of the bonds will remain the same with a payoff date of December 1, 2023.

Overall savings as a result of the two refundings is estimated at over \$600,000 during the remaining term of the debt.

The City utilizes a pay-as-you go philosophy, so if additional debt issuances were recommended, the City would need voter authorization to do so, as the City does not have any remaining debt authorization.

The debt schedules for the 2009, 2017A and 2017B Sales Tax and Use Tax Revenue Bonds start on the next page, as well as a description of the debt obligations.



# 4

## CAPITAL & DEBT

# DEBT & DEBT SERVICE SCHEDULES

### SERIES 2009: ARTS AND CULTURAL BONDS

Year	Principal	Interest	Total
2019	1,325,000	53,000	1,378,000
<b>TOTAL</b>	<b>\$ 1,325,000</b>	<b>\$53,000</b>	<b>\$1,378,000</b>

Purpose of Issue	Design and construction of the Lone Tree Arts Center, as well as other arts and cultural projects
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	August 11, 2009
Interest Rate	2.50% to 4.25%
Amount of Issue	\$16,880,000
Debt Limit	\$18,500,000
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations

**SERIES 2017A:  
PARK AND RECREATION BONDS**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	855,000	196,600	<b>1,051,600</b>
2020	900,000	179,500	<b>1,079,500</b>
2021	940,000	152,500	<b>1,092,500</b>
2022	1,020,000	105,500	<b>1,125,500</b>
2023	1,090,000	54,500	<b>1,144,500</b>
<b>TOTAL</b>	<b>\$4,805,000</b>	<b>\$688,600</b>	<b>\$5,493,600</b>

**Note:** The 2017A Bonds mature on December 1, 2023 with no prepayment option.

Purpose of Issue	Refunding of the 2008A Bonds
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	May 24, 2017
Interest Rate	2.00% to 5.00%
Amount of Issue	\$4,805,000
Debt Limit	Not Applicable
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations

**SERIES 2017B:  
ARTS AND CULTURAL BONDS**

Year	Principal	Interest	Total
2019	-	243,000	243,000
2020	1,385,000	243,000	1,628,000
2021	1,495,000	187,600	1,682,600
2022	1,600,000	127,800	1,727,800
2023	1,720,000	63,800	1,783,800
<b>TOTAL</b>	<b>\$6,200,000</b>	<b>\$865,200</b>	<b>\$7,065,200</b>

**Note:** The 2017B Bonds mature on December 1, 2023 with no prepayment option.

Purpose of Issue	Refunding of 2009 Bonds
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	May 24, 2017
Interest Rate	3.00% to 4.00%
Amount of Issue	\$6,200,000
Debt Limit	Not Applicable
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations

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**DEPARTMENTAL  
INFORMATION**

**5**

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# 5

## DEPARTMENTAL INFORMATION

# 2019-2021 STRATEGIC PLAN

### COMMUNITY VISION STATEMENT:

Lone Tree is a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses.

### ORGANIZATIONAL MISSION STATEMENT:

We will achieve Lone Tree's community vision by doing things the best way, not just the expected way.

### ORGANIZATIONAL CORE VALUES:

We are committed to Excellence through Integrity, Collaboration and Innovation.

## ETHICAL STANDARDS

STEWARDSHIP	We will effectively oversee and safeguard our resources.
HONESTY	We will conduct ourselves in a straightforward and truthful manner.
ACCOUNTABILITY	We will be conscientious and trustworthy in our actions.
RESPONSIBILITY	We will meet our obligations and commitments.
ENGAGEMENT	We will work together in a positive and meaningful way.

### BIG IDEA

1

WE WILL BE A NATIONAL MODEL FOR OUR DEEP, ACTIVE COMMITMENT TO PUBLIC SAFETY.

### BIG IDEA

2

WE WILL BE A NATIONAL MODEL FOR OUR VISIONARY TRANSPORTATION NETWORK.

### BIG IDEA

3

WE WILL BE A NATIONAL MODEL FOR BUILDING A GREAT COMMUNITY KNOWN FOR EXCEPTIONAL PLACES.

### BIG IDEA

4

WE WILL BE A NATIONAL MODEL FOR CREATING SIGNATURE CULTURAL AND RECREATIONAL OPPORTUNITIES.

### BIG IDEA

5

WE WILL BE A NATIONAL MODEL FOR ATTRACTING AND GROWING TOP-TIER BUSINESSES AND A DIVERSE ECONOMY.

### BIG IDEA

6

WE WILL BE A NATIONAL MODEL FOR OUR INNOVATIVE, CUSTOMER FOCUSED AND EFFICIENT CITY GOVERNMENT.

## BIG IDEA 1

---

### **WE WILL BE A NATIONAL MODEL FOR OUR DEEP, ACTIVE COMMITMENT TO PUBLIC SAFETY.**

#### **Objectives**

- 1.1 Progressive policing that prevents and effectively responds to crime.
- 1.2 Effective response to emergencies and disasters through community engagement and staff preparedness.
- 1.3 Safe and accessible buildings, public gatherings and public spaces.
- 1.4 A transportation network that is safe for all users- transit riders, motor vehicle travelers, bicyclists, and pedestrians.

## BIG IDEA 2

---

### **WE WILL BE A NATIONAL MODEL FOR OUR VISIONARY TRANSPORTATION NETWORK.**

#### **Objectives**

- 2.1 Existing local transportation assets that meet our high community standards.
- 2.2 A local transportation network that continues to advance as an innovative and competitive community asset.
- 2.3 Partnerships that build a leading-edge regional transportation system.

## BIG IDEA 3

---

### **WE WILL BE A NATIONAL MODEL FOR BUILDING A GREAT COMMUNITY KNOWN FOR EXCEPTIONAL PLACES.**

#### **Objectives**

- 3.1 Distinctive and welcoming neighborhoods that residents are proud to call home.
- 3.2 Vibrant mixed-use districts and social gathering places.
- 3.3 A strong sense of place and community identity.
- 3.4 High quality development that is integrated with the surrounding natural and built environment and reinforces local character.
- 3.5 A community that honors both the City's heritage and anticipates its future needs, particularly those which are multi-generational.
- 3.6 A beautiful natural environment that is preserved and continually enhanced.
- 3.7 Active community relationships and safety awareness

## BIG IDEA 4

---

### **WE WILL BE A NATIONAL MODEL FOR CREATING SIGNATURE CULTURAL AND RECREATIONAL OPPORTUNITIES.**

#### **Objectives**

- 4.1 A top-ranked Lone Tree Arts Center that is a cultural institution whose reputation reaches far beyond the Denver metropolitan area.
- 4.2 Community events that are interactive, educational, celebratory, and fun.
- 4.3 Recreational assets, both formal and informal, that are actively used and constantly improved.
- 4.4 Cultural facilities and programs that accommodate all ages, interests, and abilities.

## BIG IDEA 5

---

### **WE WILL BE A NATIONAL MODEL FOR ATTRACTING AND GROWING TOP-TIER BUSINESSES AND A DIVERSE ECONOMY.**

#### **Objectives**

- 5.1 New companies that enhance our economic ecosystem.
- 5.2 An increase in visitors to Lone Tree who maximize local spending.
- 5.3 Excellent care for existing businesses to ensure they are proud to call Lone Tree home.
- 5.4 Targeted commercial sites and projects are developed to their highest and best use.

## BIG IDEA 6

---

### **WE WILL BE A NATIONAL MODEL FOR OUR INNOVATIVE, CUSTOMER FOCUSED AND EFFICIENT CITY GOVERNMENT.**

#### **Objectives**

- 6.1 Recruit, retain, and recognize people who are critical to our success.
- 6.2 A high-performing organization with people who display discretionary effort and are committed to our core values of integrity, collaboration and innovation.
- 6.3 Proactive and transparent financial stewardship, which enhances the City's long-term fiscal sustainability.
- 6.4 An engaged community with open, honest, and timely communication.
- 6.5 A high quality environment and the right resources to do the best job.

The following department summaries outline accomplishments for 2018 and goals for 2019 that strive to continually work toward the goals as described above.

# 5

## DEPARTMENTAL INFORMATION

# STATISTICS—EMPLOYEES BY FUNCTION/PROGRAM

### Function/Program

### Full-Time Equivalent Employees

#### General Government

	2017	2018	2019
<b>City Manager's Office</b>			
City Manager	1.00	1.00	1.00
Deputy City Manager	1.00	1.00	1.00
Assistant City Manager / Finance Director	1.00	1.00	1.00
Economic Development Director	1.00	1.00	1.00
Assistant to the City Manager	1.00	-	-
Communications Manager	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst	2.00	2.00	2.00

#### Administrative Services Department

Human Resources	2.375	2.375	2.50
Facilities Manager	1.00	1.00	1.00
Information Technology	3.00	3.00	3.00
City Clerk	3.00	3.00	3.00

#### Finance

Accounting Manager	1.00	1.00	1.00
Accountant II	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00
Revenue and Licensing Clerk	1.00	1.00	1.00
Collections and Audit Agent	1.00	1.00	1.00

#### Municipal Court

Court Clerk	2.00	2.00	2.00
Teen Court Coordinator	0.50	1.00	1.00

#### Community Development

Planning	4.00	4.00	4.00
Code Enforcement	1.00	1.00	1.00
Building	3.00	3.00	3.00

#### Arts & Cultural

Administration	1.84	1.84	1.84
Programming	14.58	15.33	15.33
Marketing	1.75	1.75	1.75
Development	2.33	2.33	2.33
Events Manager	1.00	1.00	1.00

## Police

	2017	2018	2019
Chief	1.00	1.00	1.00
Commander	2.00	2.00	3.00
Sergeant	8.00	8.00	8.00
Sergeant - Investigations	1.00	1.00	1.00
Corporal - Investigations	1.00	1.00	1.00
Detective	4.00	5.00	5.00
Corporal - Patrol	7.00	7.00	7.00
Patrol	25.00	22.00	22.00
Traffic Enforcement Officers	-	-	2.00
Community Resource Officers	1.00	2.00	2.00
Police Service Coordinator	1.00	1.00	1.00
Support Services Manager	1.00	1.00	1.00
Crime Analyst / Administrative Assistant	1.00	1.00	1.00
Records Supervisor	1.00	1.00	1.00
Records Technician	3.00	3.00	3.00
Community Safety Officers	1.50	2.00	2.00
Victim's Advocate	1.00	1.00	1.00
Emergency Preparedness Coordinator	0.50	0.50	0.50

## Public Works

Director of Public Works and Mobility	-	1.00	1.00
Public Works / Capital Projects Manager	1.00	1.00	1.00
Development Review Engineer	1.00	1.00	-
City Engineer	-	-	1.00
Field Manager	1.00	1.00	1.00
Field Inspector	1.00	1.00	1.00
Service Specialist	-	1.00	1.00
GIS Analyst	-	-	1.00
Traffic Signal Technician	-	-	1.00
Public Works Specialist	-	-	1.00
<b>TOTAL</b>	119.38	121.13	127.25

**Note:** Position changes between 2017 and 2018 include a change from part-time to full-time Teen Court Coordinator, a change from part-time to full-time Lead Stage Technician for the Lone Tree Arts Center, and transitioning the Director of Public Works and Mobility position in-house, which was previously contracted. Position changes between 2018 and 2019 include three new Public Works positions due to transitioning Public Works completely in-house, adding three positions in the Police Department (Commander and two Traffic Enforcement Officers), and a change from .75 FTE to .875 FTE in Human Resources. The City outsources legal.

# 5

## DEPARTMENTAL INFORMATION

# ADMINISTRATIVE SERVICES

The Administrative Services Department includes six primary functions: City Clerk, Municipal Court, Information Technology, Facilities Management, Human Resources and Risk Management. The Administrative Services department define the success of the department by how seamlessly and effectively they provide excellent service to fellow employees, citizens, and businesses in the community.

### 2018 HIGHLIGHTS:

#### City Clerk and Municipal Court

- City Clerk helped coordinate a successful City Council election and orientation.
- Implemented new guest sign-in process to improve building security at Municipal Office Building.
- Improved Municipal Court security and complied with new legislation regarding public defenders and veterans.
- Completed transition of warrants from Lone Tree police department to Municipal Court.
- Implemented Teen Court jury trials and revisions to case eligibility guidelines.

#### Information Technology

- Completed upgrade to new Fortinet firewalls at the Municipal Building.
- Completed upgrades of network switches at Lone Tree Arts Center and Municipal Building.
- Completed Comcast Metro-Ethernet upgrade
- Completed upgrade of internal active directory network.
- Migrated 85% of users to Windows 10 and Office 365.

#### Facilities Management

- Reduced Municipal Office Building utility costs over 15% since 2015.
- Awarded new waste service contract, reducing costs 45%.
- Replaced cleaning supply ordering system, improving quality and reducing costs an average of 38%.
- Completed ADA surveys and implemented initial minor modifications.
- Installed new roof canopy to remediate water intrusion at the Lone Tree Arts Center.

#### Human Resources

- Completed the first annual Leadership Lone Tree Program.
- Assisted in the recruitment, hiring and onboarding of: six Public Works positions, six new Police Officers, City Clerk, Deputy City Clerk, Lone Tree Arts Center admin and artistic assistant, Box Office representatives, and bartenders.
- Fully implemented new Human Resources software application.
- Improved benefits program by adding third medical option based on employee feedback and automation of Aflac enrollment.
- Completed Supervisor Skills Training.
- Maintained a 5-year average voluntary turnover rate of 9.9% versus 14.4% for the region.

#### Risk Management

- Improved annual CIRSA audit scores, working to reduce premiums and improve loss control.
- Completed annual CIRSA inspection, which found no issues at any of the City sites.
- Provided security training throughout the organization.

**GOALS FOR 2019:**

**Deep, Active Commitment to Public Safety**

- Continue to improve Municipal Building and Municipal Court security

**Building a Great Community Known for Exceptional Places**

- Replace HVAC and roof at The Hub

**Creating Signature Cultural and Recreational Opportunities**

- Conduct second phase of parking lot replacement at the Lone Tree Arts Center

**Our Innovative, Customer-Focused and Efficient City Government**

- Conduct remodel to expand City offices
- Complete the migration to Office 365 and Windows 10

- Continue upgrades to the City’s network of hardware and software applications
- Configure Microsoft SharePoint and One Drive for cloud storage
- Update Municipal Code to include 2018 code revisions
- Install and implement new meeting management process
- Revise forms for Municipal Court and identify improvements to court processes
- Continue employee leadership program, supervisor skill training, and all employee training
- Continue offering personal development programs including financials, health and mind

EXPENDITURES	2018 Estimated Actuals	2019 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,131,656	\$1,198,740	5.9%
Facilities	\$1,008,900	\$1,068,650	5.9%
Information Technology	\$ 653,639	\$ 639,970	(2.1%)
Risk Management	\$ 410,000	\$ 430,000	4.9%
City Clerk	\$ 46,121	\$ 28,000	(39.3%)
Municipal Court	\$ 112,800	\$ 127,000	12.6%
Human Resources	\$ 124,300	\$ 121,650	(2.1%)
<b>TOTAL</b>	<b>\$3,487,416</b>	<b>\$3,614,010</b>	<b>3.6%</b>

The increase in salaries and benefits is due to the annual merit and benefit cost increases. The increase seen in facilities includes a placeholder for possible big ticket repair and maintenance items at the Art Center, additional security cameras at City facilities along with annual increases in vendor pricing. The decrease in city clerk expenditures is due to the general election costs in 2018 that are not budgeted for in 2019. The increase in municipal court costs are the result of additional teen court cases and the need to have more court security and interpreters available.

# 5

## DEPARTMENTAL INFORMATION

### CITY MANAGER'S OFFICE

The City Manager's Office executes the directions and guidance of the City Council by developing and implementing Council's goals and policies, coordinates the City's intergovernmental relationships, and leads the City's community outreach and economic development efforts. The City Manager provides leadership in all areas of municipal services to the community in accordance with the City Charter, and provides professional management, strategic vision, and priorities for the staff and organization to promote excellence in the services we offer. The City Manager's Office staff members also serve as liaisons between the City Council and City staff for carrying out service requests, and support the many activities of the Mayor, the City Council, and the City Manager.

#### 2018 HIGHLIGHTS:

##### Organizational Leadership and Management

- Conducted new Council Member orientation.
- Coordinated a successful Council retreat.
- City Manager held Colorado Smart Cities Alliance Board of Directors position.
- Implemented Smartsheet project management software.
- Completed successful City Attorney transition.

##### Partnerships and Negotiations

- Continued management of the Lone Tree Link, Link on Demand, RTD Bus Bridge and SERE Transition Plan.
- Completed South Suburban Park and Recreation District's (SSPRD) Master Plan Addendum for the east side.
- Completed the Master Intergovernmental Agreement and amended lease agreements with SSPRD.
- Promoted the successful inclusion of the east side of RidgeGate into South Suburban Park and Recreation District.
- Completed *Energy Future Collaboration* Memorandum of Understanding with Xcel Energy.

- Completed Lone Tree Chamber Merger and Reorganization.
- Explored Smart City partnerships.

##### Communications and Public Outreach

- Produced a redesigned Timberlines and increased issues to six per year.
- Launched '*Timberlines - At A Glance*' - an email version of Timberlines.
- Made improvements to the City website to include social media and news blog.
- Increased video production to highlight City's major milestones such as the pedestrian bridge grand opening, summer events, employee appreciation and strategic planning.
- Launched City's LinkedIn page to support the City's efforts under Big Idea #6.

##### Economic Development

- Completed Lone Tree Business Improvement District Annexation (Tru Hotel by Hilton).
- Completed 2018 Economic Development Marketing Plan.
- Involved in 2018 Legislative Session and Let's Go Colorado initiative.

## GOALS FOR 2019:

### Visionary Transportation Network

- Opening of the Southeast Light Rail Extension

### Attracting and Growing Top-Tier Businesses and a Diverse Economy

- Development at Sky Ridge Light Rail Station
- Sears Outlet reuse/redevelopment
- Development and growth of RidgeGate East

### Our Innovative, Customer-Focused and Efficient City Government

- Redesign the City's website to provide a more user-friendly platform internally and externally
- Identify City's 'story' and refresh the brand so both align
- Develop a system to manage website content and review for consistency, accuracy and timeliness
- Produce videos to highlight each of the City's 6 Big Ideas under the Strategic Plan
- Public Works transition in-house

EXPENDITURES	2018 Estimated Actuals	2019 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 974,225	\$1,037,246	6.4%
Dues & Memberships	\$ 104,386	\$ 123,119	17.9%
Community Support	\$ 85,500	\$ 88,000	2.9%
Communications	\$ 118,863	\$ 129,500	8.9%
Park and Recreation	\$ 362,500	\$ 400,000	(10.3%)
Economic Development	\$ 117,500	\$ 157,500	34.0%
Legal	\$ 480,000	\$ 480,000	-
Miscellaneous	\$ 148,538	\$ 277,131	86.5%
<b>TOTAL</b>	<b>\$2,391,512</b>	<b>\$2,692,496</b>	<b>12.5%</b>

The increase in salaries and benefits for 2019 is due to the annual merit and benefit cost increases. Dues and memberships are more in 2019 due to an increase in the Denver South TMA membership fee for additional landscape support. Parks and Recreation shows an increase in 2019 due to a contribution toward the East/West trail project. Economic Development costs show an increase in 2019 for a placeholder for project consulting. The increase in miscellaneous costs is due to an increase in consulting services as well as additional training/travel costs for City Council.

# 5

## DEPARTMENTAL INFORMATION

# COMMUNITY DEVELOPMENT

The Community Development Department is comprised of three divisions: Planning, Building, and Zoning Enforcement/City Forestry. This team of eight employees provides a wide range of professional services that contribute to a safe, connected, beautiful, and thriving City for today and generations to come.

**Planning Division** services generally fall into one of two categories: *Current/Land Use Projects and Long Range/Special Activities*. The former category includes day-to-day coordinating with customers on various land use issues and processing development applications through multiple stages of the review and development process. The latter category encompasses research, analysis, development and implementation of programs, regulations and policy proposals that guide the City's long-term growth and development.

**Building Division** services involve administering the adopted building codes to ensure all buildings are safe for occupancy. This is accomplished by reviewing building, electrical, mechanical and plumbing plans, issuing permits, and conducting inspections. Services have expanded to include review and permitting of all permanent signs.

**Zoning Enforcement/City Forestry** services involve working with residents, business owners, and property owners to achieve a clean, safe, and attractive community through a compliance-driven approach to enforcement of the City's Zoning Code. The City Forestry arm of this position centers on community education and outreach to promote healthy trees. This division also administers permits related to temporary banners, uses and special events.

### 2018 HIGHLIGHTS:

- Coordinated and completed the City Center Sub-Area Plan, Sub-Area Plan for the East Villages, Attainable Housing Plan and RidgeGate PDD Major Amendment
- Drafted Parks and Storm Water Planning for RidgeGate East
- Played a key role in the following projects: East side sanitary sewer lift station, Charles Schwab parking/mixed use, Tru by Hilton Hotel, Hobby Lobby Remodel, Extra Space Storage, Lincoln Commons, Pinnacle Office Building, Xcel substation annexation, Residential construction (The Retreat, Thrive, Urban Villas, RidgeGate apartments), Kimmer Plaza, and Kiddie Academy
- Completed Ordinance updates for Abandoned Shopping Carts, Zoning Notices and Penalty and Building Codes
- Completed updates on the following plans: Comprehensive Plan, Forestry Plan, Sign Plan and Three-Mile Plan
- Made changes to the Zoning Map to make it web-based and more interactive.
- Completed an intergovernmental agreement with South Metro Fire for a Staffing Partnership for Building Division Permit Software

## GOALS FOR 2019:

### Building a Great Community Known for Exceptional Places

- Potential new land use projects:
  - Sky Ridge Station area
  - Furniture Row properties
  - Property west of the Lone Tree Arts Center
- Continued oversight of land use projects

### Our Innovative, Customer-Focused and Efficient City Government

- Continue to enhance and update City codes
- Work on Design Guideline Updates

EXPENDITURES	2018 Estimated Actuals	2019 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 826,616	\$ 869,006	5.1%
Planning	\$ 2,650	\$ 3,050	15.1%
Building	\$ 239,000	\$ 189,500	(20.7%)
Code Enforcement	\$ 2,450	\$ 4,380	78.8%
<b>TOTAL</b>	<b>\$1,070,716</b>	<b>\$1,065,936</b>	<b>(0.4%)</b>

The increase in salaries and benefits is due to the annual merit and benefit cost increases. The decrease in the building division is the result of bringing the remainder of the Public Works department in-house. In doing so, community development is not incurring consultant fees for development review engineering fees.

# 5

## DEPARTMENTAL INFORMATION

# CULTURAL AND COMMUNITY SERVICES

The Lone Tree Cultural and Community Services Fund provides cultural and community programming to residents of all ages at the Lone Tree Arts Center (LTAC) as well as at public gathering places throughout the City. In addition, LTAC serves as an economic development driver for the City by offering unique and affordable meeting services to businesses and civic groups and by serving as a convening spot for regional leaders to discuss important issues facing our community. The Lone Tree Arts Center attracts wide recognition to the City by drawing audiences and meeting attendees from throughout the region. Services provided by the Cultural and Community Services Fund include performing and visual arts presentations, affordable programs for children and families, and community celebrations in local parks.

### 2018 ACCOMPLISHMENTS:

- Continued to produce its own theatrical productions with 40 performances of 3 shows in 2018, including the Henry Award-winning production of August Wilson's *FENCES*, production of *Low Down Dirty Blues* and *Home for the Holidays*
- Out of 34 featured attraction concerts they included the likes of international award-winning artists like The Temptations, Jim Messina, and Hamilton star Mandy Gonzalez
- Hosted 72 Community Impact programs including Seedlings, Passport to Culture, Sensory Friendly Family Tree, Arts in the Afternoon, SPARK! Alliance, Student Matinees and Master classes
- Received international recognition for sensory friendly leadership through INTIX
- Continued success of Classroom on Stage program (Title 1 student matinee outreach program)
- Raised over \$11,000 for Hearts Across the Miles through successful Independence Day Celebration
- Curated four successful visual arts exhibits
- Hosted 120 events, business meetings and community performances throughout the year
- Raised over \$11,000 for Hearts Across the Miles through successful Independence Day Celebration
- IRS approval of the LTAC Fund's 501(c)(3) application
- Recipient of prestigious and competitive grants, including the Bonfils-Stanton and Redline Foundation Arts in Society grant, as well as a first-time grant from the Duncan Foundation
- Renewed National Endowment for the Arts support (100% success rate to date)
- Increased the amount of SCFD funding that LTAC has received
- Achieved a 55% increase in the amount of season packages purchased
- Sold-out performances of many one-night featured events

## 2019 HIGHLIGHTS :

### Creating Signature Cultural and Recreational Opportunities

- Ongoing commitment to support the needs of a diverse community and will present numerous community impact programs in the upcoming year
- Present distinct performances of high artistic quality, including Featured Attractions and 3 theatrical productions, including Beehive, a fall production, and Home for the Holidays
- Student matinee programs for 2018-2019 season that are at or near capacity
- Sensory Friendly Open House for a second year

- Continue Classroom on Stage program's growth
- Planning on an additional utility cabinet wrap in 2019
- Growth in tickets sold to performances for 2018/2019 season

### Our Innovative, Customer-Focused and Efficient City Government

- Projected increase in foundation giving with the first full year of the LTAC Fund work and overall earned revenue

EXPENDITURES	2018 Estimated Actuals	2019 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,378,632	\$ 1,440,779	4.5%
Development	\$ 19,825	\$ 29,281	47.7%
Programming	\$1,079,699	\$ 1,148,274	6.4%
Marketing	\$ 312,330	\$ 328,780	5.3%
Administration/Misc.	\$ 28,000	\$ 69,250	147.3%
Arts and Cultural	\$ 42,661	\$ 42,040	(1.5%)
Events	\$ 184,300	\$ 211,600	14.8%
<b>TOTAL</b>	<b>\$3,045,447</b>	<b>\$ 3,270,004</b>	<b>7.4%</b>

The increase in salaries and benefits is due to the annual merit and benefit cost increases. Development costs increased in 2019 due to additional donor events and benefits planned, as well as additional printing costs associated with large year-end mailings. Programming represents an increase in contracted personnel, as well as musical instrument rentals for performances, based on a detailed analysis of the shows that are planned for 2019. The increase in miscellaneous is due to a contingency for variations in income or expense over the year that may arise, as the LTAC programming schedule is on a fiscal year versus a calendar year.

# 5

## DEPARTMENTAL INFORMATION

### FINANCE

The Finance Department includes general accounting services, budgeting, payroll, tax administration and collection, business licensing and auditing. The success of the Finance Department is measured by both meeting the needs of internal and external customers, as well as keeping the City compliant with the various state and federal requirements related to having up to date, accurate financial information.

#### 2018 HIGHLIGHTS:

- Updated 2018 budget document to meet additional GFOA budget award guidelines as well as redesigned the published budget booklet and budget-in-brief document to be more user friendly for the reader. These enhancements to the budget document continue to work towards better transparency to our citizens with our budget presentation.
- Created business license templates in accounting system
- Created manuals for cross-training (accounts payable, payroll, business license, and sales tax entry) and job rotation for increased cross-training opportunities
- Completed the long-term level of service analysis
- Participated in the State Legislature Sales Tax Simplification Task Force to ensure the City and other home rule entities can maintain local control of tax collection
- Oversaw the City's Impact Fee Study to identify and consider additional revenue sources
- Cooperated with multiple departments to provide project support for the RidgeGate East Annexation

Agreement, Town of Parker intergovernmental agreement renewal, SCFD portion of the audit, the formation of the new 501(c)3 for the Arts Center, intergovernmental agreements for RidgeGate Parkway and South Suburban

- Oversaw the 2018 budget process
- Completed fifteen audits and targeted compliance check

#### GOALS FOR 2019 :

##### Attracting and Growing Top-Tier Businesses and a Diverse Economy

- Evaluate efficiency increases in the business license renewal process
- Evaluate options to increase our online tax filings

##### Our Innovative, Customer-Focused and Efficient City Government

- Continue participation in the Sales Tax Simplification Task Force
- Continue participation in the GFOA Certificate of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award programs
- Contract management in Docuware system
- Expand our monthly sales tax and non-filer analysis
- GASB implementation for the new accounting standard for Other Post-Employment Benefits (OPEB)

EXPENDITURES	2018 Estimated Actuals	2019 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$492,979	\$513,976	4.3%
Financial Services	\$ 80,290	\$ 82,490	2.7%
<b>TOTAL</b>	<b>\$ 573,269</b>	<b>\$ 596,466</b>	<b>4.0%</b>

The increase in salaries and benefits is due to the annual merit and benefit cost increases.

# 5

## DEPARTMENTAL INFORMATION

### POLICE DEPARTMENT

The Police Department provides dedicated service to the Lone Tree community, business partners and thousands of daily visitors. The Police Department's mission is "to serve and protect our community with pride, integrity and professionalism." We strive to be innovative, community oriented and proactive.

The Police Department consists of 49 authorized Sworn Officers, 4 Community Safety Officers, 8 civilian personnel, and 19 volunteers. The Officers are distributed between multiple functions which include Patrol, Park Meadows Retail Resort Unit, Investigations Division and the Community Partnership Unit. The Community Safety Officers (CSO) respond to and investigate property crime calls for service, assist with traffic accidents, parking violations and many other non-emergency police functions. The CSOs are an innovative and cost effective way to provide police services for non-emergency calls. The civilian staff support the mission of the department in various ways which include the Records Department, Emergency Management Coordinator, Animal Control and Victim Advocacy.

The Police Department is proud to have an excellent Volunteers in Policing (VIP) Program. The VIP's assist and support the police department through a variety of functions. We have an innovative and critical VIP patrol program. The patrol VIP's assist officers on traffic accidents, traffic control and other non-emergency situations. In addition, the patrol VIPs conduct routine neighborhood patrolling, vacation house checks and parking enforcement. Our VIPs have logged more than 69,600 hours of service since 2007 and their service has been invaluable to the Department and the community.

The VIPs also assist in the Records Division, the Community Partnership Unit, the Investigations Division and our Victim Advocate/Crime Prevention Unit. The Victim Advocate/Crime Prevention person was added in October 2017 and is responsible for providing critical follow up for victims of crime and providing information and training to the public to reduce victimization.

#### 2018 HIGHLIGHTS:

- Completed three-year Strategic Plan
- Purchased and installed License Plate Reader equipment on new patrol car
- Expanded VIPs program to further assist with administrative functions and Victim Services
- Improved response by Victim Advocate to persons crimes
- Held monthly meetings at MorningStar for community education and providing Refuse to be a Victim and KidPower classes
- Brought all crime analysis duties in-house
- Implemented Data Driven Approach to Crime and Traffic Safety
- Put in place a traffic enforcement plan, which works on targeting high accident areas
- Used the SmartForce system to track and assign officers to various problems
- Fully implemented the Community Support Officer program
- Completed many different training exercises including:
  - Table top exercises with police supervisors and City staff
  - Investigations and report writing for officers
  - Active gunman shoot house exercises with officers
  - Anti-Bias policing through Anti-Defamation League
  - Pursuits, use of force and reporting use of force
  - Leadership trainings for supervisors
  - One officer trained on "Cellebrite"
  - Advanced driving training for all officers, community safety officers and VIPs
  - Defensive tactics training consolidated to conform to FBI defensive tactics model

- Strong regional collaborations including:
  - Developing the Financial Investigative Regional Strike Team collaboration with Douglas County Sheriff's Office and Castle Rock
  - Continued collaboration with Regional SWAT
  - Critical Response Team support
  - Collaboration with Douglas County on process improvement training – focusing on case filings
  - Table top exercise of active shooter at Park Meadows Retail Resort involving regional partners
- Evaluate and potentially implement a weight-bearing vest uniform that is more comfortable and reduces back and hip issues for officers
- Improve Apartment Watch and work towards implementing Crime Free Multi-Housing Program
- Implement educational safety workshops for aging population
- Implement bicycle and driver safety courses, particularly for teen drivers – possibly partnering with Teen Court

**Our Innovative, Customer-Focused and Efficient City Government**

- Continue to grow and enhance the volunteer program, particularly for Victim Services
- Develop a 5-year plan for police department growth and needs based on projected growth

**GOALS FOR 2019 :**

**Deep, Active Commitment to Public Safety**

- Fully implement License Plate Reader usage into patrol strategy
- Implement a Traffic Enforcement Unit to concentrate on citizen complaints, high accident areas and coordinate enforcement with State Patrol



<b>EXPENDITURES</b>	<b>2018 Estimated Actuals</b>	<b>2019 Adopted Budget</b>	<b>Percent Change</b>
<b>Salaries/Wages/Benefits</b>	\$6,103,529	\$6,829,181	11.9%
<b>Office and Administration</b>	\$ 118,700	\$ 131,500	10.8%
<b>Uniforms and Equipment</b>	\$ 45,450	\$ 52,700	16.0%
<b>Vehicles and Equipment</b>	\$ 429,375	\$ 522,100	21.6%
<b>General Equipment</b>	\$ 60,330	\$ 23,500	(61.0%)
<b>Intergovernmental Agreements</b>	\$ 709,053	\$ 849,214	19.8%
<b>Training, Recruitment &amp; Testing</b>	\$ 71,500	\$ 81,000	13.3%
<b>Community Outreach &amp; Misc.</b>	\$ 23,305	\$ 27,705	18.9%
<b>TOTAL</b>	<b>\$7,561,242</b>	<b>\$8,516,900</b>	<b>12.6%</b>

The salary and benefit increase includes three new positions (Commander and two Traffic Enforcement Unit Officers) and annual merit level and salary grade adjustment increases. Office and administration costs increased in 2019 due to the use of dictation software services. Vehicles and equipment increases in 2019 are due to the anticipated purchase of five vehicles versus 2018 having three vehicles purchased. The decrease in 2019 for general equipment is due to the timing of portable radio replacements as well as the City's 2018 contribution for a county-wide SWAT vehicle. Intergovernmental agreements increased based on salary/benefit increases to the Town of Parker for service fees to provide dispatch services, crime scene analysis and evidence processing storage. It also increased due to the City's contribution for the Rocky Mountain Computer Forensic Lab partnership with Douglas County Sheriff's Office. Training, recruitment and testing costs increased due to academy training if needed.

# 5

## DEPARTMENTAL INFORMATION

### PUBLIC WORKS

Public Works provides the following services to the City:

- Provide recommendations and assistance to the City Council, City Manager and other staff on development engineering and public works issues
- Assist citizens with concerns and respond to questions regarding the physical improvements of the City
- Review roads, storm drainage, erosion control, traffic and platting for new development
- Provide construction field review of development grading, drainage, roads and erosion control
- Oversee the maintenance and repair of streets, storm drainage and open space to include management and direction of contracted maintenance crews
- Represent the City on technical committees at several regional organizations
- Prepare and administer the program in support of the City's EPA Phase II Drainage permit as issued by the Colorado Department of Public Health and Environment
- Construct, update and maintain the City Geographic Information System (GIS)
- Provide for traffic signal and signage maintenance, timing, coordination and construction throughout the City
- Coordinate and administer the City's snow removal services
- Coordinate capital improvements and construction with partner entities including Douglas County, Park Meadows Metropolitan District, Colorado Department of Transportation, Regional Transportation District and others

#### 2018 HIGHLIGHTS:

- Removed and replaced 3,600 square yards of concrete panels on Lincoln Avenue – open to traffic in under 48 hours (two months ahead of schedule)
- Completed overlay and associated concrete repairs on Yosemite Street from Fairview Drive to County Line Road and Timberline from Lone Tree Parkway to the City boundary ahead of schedule
- Reconstructed the drainage at the Surrey Ridge tunnel under I-25
- Completed Phase 2a of the County Line Road improvements adding a lane to northbound Park Meadows Center Drive and adding another westbound left turn lane on County Line Road into the Park Meadows Retail Resort
- RidgeGate Parkway widening intergovernmental agreements approvals and construction bidding
- Partnered with Urban Drainage and Flood Control District to complete the West Cook Creek channel improvements through Cypress Greens
- Replaced existing span wire traffic signal at Chester and County Line with mast arms
- Worked with Coventry and Community Development to develop and obtain approvals of the RidgeGate East Side Sub-Area Plans and technical supplement
- Negotiated new agreements for street/storm maintenance, snow removal and trash services
- Completed Lincoln Pedestrian Bridge landscaping project
- Adopted City of Lone Tree pedestrian crossing treatment guidelines
- Completed analysis and recommendations for improvements of the RidgeGate West intersections

## GOALS FOR 2019 :

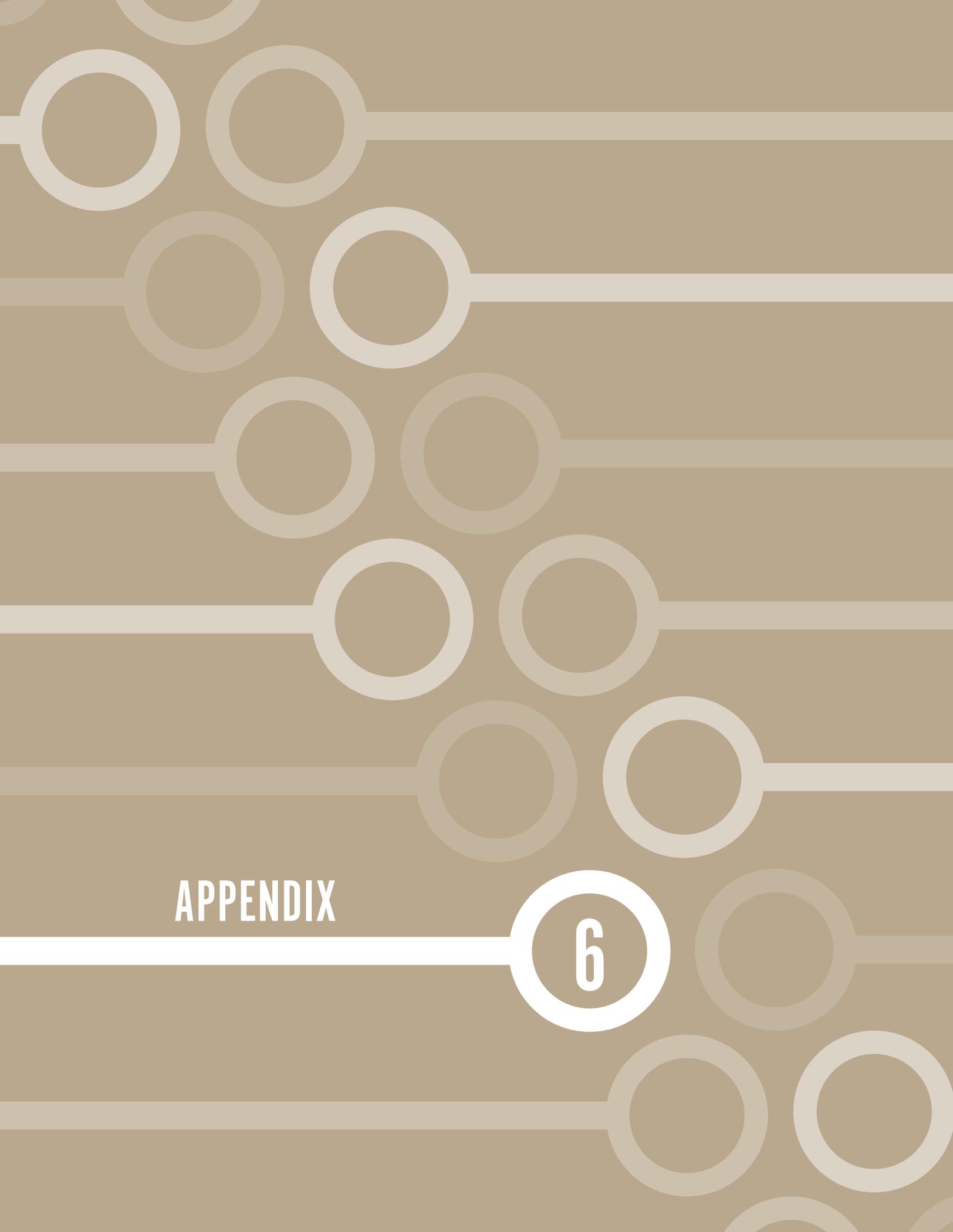
### Visionary Transportation Network

- Complete the County Line Road Improvements Project Phase 2b – improvements to the off ramps on I-25
- Complete annual overlay project based on the road quality assessment to determine which roads are priority
- Adaptive traffic signal implementation on Yosemite Street from County Line Road to Lincoln Avenue, as well as Park Meadows Center Drive
- Replace concrete panels along Lincoln Avenue east of I-25
- Widen RidgeGate Parkways from Havana to First Street
- Upgrade signal on Lincoln Avenue at Peoria Street in conjunction with Douglas County
- Upgrade the detention pond adjacent to C-470 east of Furniture Row in conjunction with CDOT, Douglas County and Furniture Row
- Install new traffic signal at Crooked Stick/ RidgeGate Parkway
- Complete City's first Master Transportation Plan

EXPENDITURES	2018 Estimated Actuals	2019 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 482,694	\$ 995,126	106.2%
Contracted Public Works	\$ 915,000	\$ 145,000	(84.1%)
Trash and Recycling Service	\$ 540,000	\$ 580,000	7.4%
Street Lighting	\$ 400,000	\$ 450,000	12.5%
Street Maintenance	\$ 690,000	\$ 690,000	-
Snow Removal	\$1,200,000	\$1,200,000	-
Traffic Signal Maintenance	\$ 100,000	\$ 125,000	25.0%
Signage/Striping	\$ 120,000	\$ 120,000	-
Lone Tree Link	\$ 625,000	\$ 460,000	(26.4%)
Other Public Works Operations	\$ 363,800	\$ 456,000	25.3%
<b>TOTAL</b>	<b>\$5,436,494</b>	<b>\$5,221,126</b>	<b>(4.0%)</b>

The increase in salary and benefits costs for Public Works Department is due to transitioning Public Works completely in-house and is off-set with the decrease in the contracted public works line, resulting in an overall net savings. Increase in trash and recycling service costs for 2019 is due to the new contract agreement. Street lighting and traffic signal maintenance shows an increase in 2019 since the City lowered the 2018 estimated amounts due to how 2018 costs were trending and includes a placeholder in 2019 for unanticipated repairs and maintenance. The decrease in Lone Tree Link costs for 2019 is due to the conclusion of the Lone Tree Link Circulator operation once the Southeast Light Rail Extension opens in early 2019. Link on Demand will continue to operate in 2019. The increase from 2018 to 2019 in Other Public Works Operations is due to the expected start-up costs that will be incurred for the Public Works transition.

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APPENDIX

6

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# 6

## APPENDIX

# GLOSSARY OF TERMS

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### A

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**Accrual Basis of Accounting** – The method of accounting under which revenues and expenses are recorded at the time they are incurred as opposed to when cash is actually received or spent. For example, in accrual accounting, revenue that was earned in December, but not collected until January, is recorded as revenue in December.

**Adopted Budget** – Budget amounts approved by the City Council and the budget document which consolidates all operating and capital appropriations.

**Amended Budget** – The Amended Budget amounts include the original Adopted Budget for the fiscal year with revisions by way of Budget Amendments done and approved by City Council on a quarterly basis for all requesting funds and departments. This process is completed in compliance with the Town Charter requirements.

**Amortization** – Cost allocation of an intangible capital asset or fixed asset over the useful life of the asset for expiration in the service life of fixed assets. Additionally, amortization is the gradual reduction of a liability, such as debt, in regular payments over a specified amount of time.

**Appropriation** – Legal authorization granted by the City Council to make expenditures and incur obligations up to a specific dollar amount.

### B

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**Bond** – A bond is a written obligation to pay a specified sum of money (principal), at a specified date or dates in the future, called the maturity date, together with periodic interest payments at a specified interest rate.

**Budget** – A financial plan for a specified period of time (the fiscal year) that balances projected revenues and fund balance appropriations to estimated expenditures and operating transfer obligations. Upon approval by the City Council the adopted budget is the legal basis for expenditures in the budget year.

**Budget Process** – Requirements of the City Charter, Article XII Financial Matters, Section 5 Budget, Audit, Investments, “all applicable laws of the State of Colorado now or hereafter existing relating to budgets...for Colorado municipalities shall, to the extent not in conflict herewith, be followed by the City.

State Statute requires a proposed budget for the ensuing fiscal year shall be presented to City Council on or before the fifteenth day of October each year. Additionally, it requires that no later than the 15th day of December of each year, City Council shall adopt on final reading a resolution for the budget.

### C

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**Capital Asset or Fixed Asset** – An asset that is acquired, purchased, or constructed with a cost or fair market value (at the time of acquisition) greater than or equal to \$5,000 and a useful life of more than one year. Equipment, furniture, fixtures, artwork, buildings, land and infrastructure that have a useful life of more than one year and cost greater than \$5,000 are all examples of capital assets. The cost of a capital asset includes all amounts incurred to acquire the asset and any amounts that can be directly attributable to bringing the asset into working condition. Directly attributable costs include costs for delivery, site preparation, installation and professional services such as legal, architectural, engineering and project management.

**Capital Expenditures** – Expenditure for equipment, facilities, or infrastructure that will provide long-term service or other public benefits.

**Capital Outlay** – Money spent to acquire, maintain, repair, or upgrade capital assets.

**Capital Plan** – A budget plan for the improvement of facilities and infrastructure in which the resulting project involves the addition of a fixed asset or extends the useful life of an existing asset.

**Capital Reserve** – Funds set aside specifically by the City for capital projects, as contained within the ten-year capital projections, as they are constructed. These funds may also be used for unplanned and unanticipated capital purposes that may arise during the year.

**Certificate of Participation** – A form of financing which allows for the purchase of an asset over time. Certificates are sold to investors, and proceeds are then used by an outside party (the lessor) to acquire a capital asset on behalf of the City. The asset becomes the collateral for the certificates, and the City assumes ownership of the asset at the end of paying the full amount of the lease. Payments are subject to annual appropriation and do not constitute a long-term obligation under TABOR.

**City Charter** – The City operates under a Home Rule Charter, which has been framed in conformity with Article XX of the Colorado Constitution and the Municipal Home Rule Act of 1971. The City operates under a Council-Manager form of government.

**Contingency** – An appropriation of funds to cover unforeseen events that occur during the fiscal year.

## D

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**Debt Service** – Principal and interest due on long-term debt such as loans, notes and bonds incurred by the City.

**Depreciation** – Cost allocation of a capital asset or fixed asset over the useful life of the asset for expiration in the service life of fixed assets because of wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

## E

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**Expenditure** – Payment for goods or services, including operating expenses that require the current or future use of net current assets, debt and capital outlays.

## F

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**Fiscal Year** – A twelve-month accounting period to which the operating budget applies, which for the City begins on January 1 and ends December 31 of the same calendar year.

**Full-Time Equivalent (FTE)** – The conversion of staff time into the decimal equivalent. One full-time position (1.0 FTE) is defined as containing 2,080 hours; a part-time position (0.5 FTE) requires 1,040 work hours.

**Fund** – Accounting entity with a self-balancing set of accounts, which is segregated from other funds, to carry on specific activities or attain certain objectives. The funds used by the City are General Fund, Special Revenue Funds, and Debt Service Funds.

**Fund Balance** – Generally, fund balance is the difference between a fund's assets and liabilities. For a given year, on a budgetary basis, the beginning fund balance plus estimated revenue less budgeted expenditures equals ending fund balance. Maintaining an adequate fund balance is important for reasons that include having funds available for emergencies, unexpected events, and to maintain a strong financial position.

## G

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**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues include sales and use taxes, business licenses, building permits, intergovernmental and other types of revenue. This fund includes most of the basic operation services including police, community development, public works, finance, and general administration.

**Grant** – A contribution made from either the private sector to the City or by one governmental unit to another. The contribution is usually made to support a specified program, function or project.

## H - N

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**Intergovernmental Agreement (IGA)** – an agreement between two or more governments to cooperate in some specific way, i.e. working together on a streets project.

**Infrastructure** – Public domain fixed assets such as roads, bridges, streets, drainage systems and similar immovable assets.

**Intergovernmental Revenues** – Revenue from other governments, such as federal, state and county grants.

**LTAC** – Lone Tree Arts Center

## O

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**Operating Budget** – The portion of the budget that pertains to daily operations providing basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies and materials.

**Operating Expenditures** – Those costs, other than capital improvements and debt service, necessary to support the primary services of the organization.

**Ordinance** – A formal legislative enactment by the governing body of the municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be by ordinance and those that may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

## P

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**Projection** – Estimation of future revenues and expenditures based on past trends, current economic conditions and financial forecasts.

**Proposed Budget** – The recommended City budget annually submitted by the City Administrator to City Council by October 15.

## Q - R

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**Reserve** – Funds set aside in the current and past years for the purpose of paying for capital needs, providing for obligations and liabilities, and meeting emergency needs.

**Reserve Fund Balance** – The portion of a fund's balance that is restricted for a specific purpose and is, therefore, not available for general appropriation.

**Resolution** – A special or temporary order of a legislative body: an order of a legislative body requiring less legal formality than an ordinance or statute.

**Revenue** – Income received by the City government in support of the government's program of services to the community. It includes items such as sales tax, use tax, intergovernmental, lodging tax, admissions tax, fees, user charges, and fines.

## S

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**Sales Tax and Use Tax Revenue Bonds** – A type of bond where the principal and interest is payable solely from and secured by an irrevocable pledge of the pledged revenues which primarily consist of the revenues derived from the City's sales and use tax imposed at a rate of 0.125%.

## T

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**TABOR (Taxpayers Bill of Rights)** – This amendment to the Colorado Constitution approved by voters in November 1992, which limits governmental mill levies, revenue, and expenditures. All new or increased taxes must be voted on by the public. Also, it establishes mandatory emergency reserves.

**Transfers** – The movement of monies from one fund to finance activities in another fund. The monies are considered a financing source for the receiving fund and a financing use for the originating fund. Transfers are at Council's discretion and for an appropriate purpose, such as to support other funds and legal debt service agreements.

## U - Z

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**Unreserved Fund Balance** – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

# 6

## APPENDIX

# WORKING RESERVE POLICY

SUBJECT: **Working Reserve Policy** CAP#: 11-01

ISSUE DATE: December 20, 2011 EFFECTIVE DATE: January 1, 2012

### INTENT

It is essential that the City of Lone Tree (the City) maintain an adequate working reserve in order to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates. Furthermore, an adequate working reserve is a critical consideration to the City's long-term financial planning.

### POLICY

In this regard, the City has established the following fiscal policy related to its working reserve.

### USE OF FUNDS

While targeting to maintain an annual working reserve of 30.0%, the City understands that there may be circumstances which warrant that the City use these funds temporarily. The City has established the following instances where it may elect to use these funds:

- An economic downturn in which revenues are below budget
- Unexpected and unappropriated price increases to service and maintain current City operations
- Early retirement of indebtedness
- Unexpected and non-budgeted emergencies, natural disaster costs, and/or litigation
- Capital asset acquisition, construction and improvement projects

The use of the working reserve for any of the permitted circumstances described above will require an affirmative vote of eighty percent (80%) by members of City Council.

### TERMS FOR REPLENISHING

In the event the City elects to use its working reserve in the aforementioned instances, the City will, concurrently in deciding to use its working reserve funds, establish a plan for replenishing the working reserve to its previous levels. When the working reserve is utilized, the City's priority will be to replenish the working reserve as soon as revenues are available.

### POLICY REVIEW

The City's Finance Director will be responsible for reviewing the Working Reserve Policy semiannually in connection with the City's annual budgeting process and preparation of year-end financial statements to ensure that the City is maintaining an adequate working reserve level as established by this policy. Moreover, at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



*James D. Gunning*  
James D. Gunning  
Mayor

*Jennifer Pettinger*  
Attest: Jennifer Pettinger  
City Clerk

# CAPITAL RESERVE POLICY

SUBJECT: **Capital Reserve Policy** CAP#: 12-02

ISSUE DATE: December 18, 2012 EFFECTIVE DATE: January 1, 2013 AMENDED: December 18, 2018

## INTENT

The City of Lone Tree (the City) has determined that accumulating and maintaining capital reserves as part of its annual budgeting process helps ensure that the City maintains adequate cash fund balances to help offset costs of future capital replacement and project needs. The City believes that establishing and maintaining such reserves will assist the City to take greater advantage of the "pay as you go" philosophy versus relying entirely or mostly on debt financing. As such, the City will be able to minimize the costs related to debt borrowing which in turn will make future revenues available for other purposes rather than interest payments on debt. In this regard, the City has established the following fiscal policy as it relates to capital reserves.

## POLICY

### Capital Projects and Replacement Program

On an annual basis and concurrently with the City's budgeting process, City Finance will ensure that a five-year capital projections are compiled by soliciting information from the City staff which reflects significant, contemplated capital projects, the associated costs, and the projected timeframe for the projects. The projections will be used for long-term financial planning purposes only and will in no way be intended to obligate the City in any manner to building or constructing the capital projects contained within the projections.

### Budgeting for Capital Reserves

Utilizing the five-year capital projections, the City will strive to fund a designated capital reserves fund balance within its budget that will be equal to at least twenty-five percent (25%) of the amount of the average aggregate projected cost over the five year period for all of the projects based on the scheduled timing of the projects. Moreover, the City will roll over any excess funds, subsequent to year-end closing, of unanticipated accumulated fund balances and will include any such excesses as part of the City's capital reserves.

### Use of Funds

Capital reserves will be utilized by the City for capital projects, as contained within the five-year capital projections, as they are constructed. While it is the City's intent to only utilize its capital reserves for

planned projects as contained in its five-year capital projections, it is understood that there may be unusual circumstances which may cause the City to desire to use its capital reserves for unplanned and unanticipated capital purposes. In instances where such an event may occur, an affirmative vote of eighty percent (80%) by members of City Council will be required. At no time shall accumulated capital reserves be used for City operational costs. Furthermore, should the City use its capital reserves for unplanned and unanticipated capital outlay purposes, the City will cause any such utilized reserves to be replenished within two years from the date of the reserves being drawn on.

### Investing Capital Reserve Balances

As established in this policy, the City acknowledges that it will be accumulating capital fund balance reserves that may and/or will not be used for an extended period of time. In order to maximize the City's investment earnings, City Finance will periodically, but no less than annually, analyze the capital reserves fund balance and recommend to Council various investment options available to the City. Any and all recommendations made by City Finance will adhere to state statutes regarding investments permitted by governmental entities. Investment revenue earned on long-term capital reserve balances will be used for costs incurred under this policy.

## PROCEDURES

### Policy Review

City Finance will be responsible for reviewing the Capital Reserves Policy on an annual basis in connection with the City's annual budgeting process to ensure that the City is maintaining appropriate capital reserves as established by this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



*Jacqueline A. Millet*  
**Jacqueline A. Millet, Mayor**

*Jay Robb*  
**Attest: Jay Robb, City Clerk**

# 6

## APPENDIX

# DEBT MANAGEMENT

SUBJECT: **Debt Management**

CAP#: 13-03

ISSUE DATE: June 18, 2013

EFFECTIVE DATE: July 1, 2013

### INTENT

The City of Lone Tree (City) understands the importance of long-range, financial planning in order to meet its capital asset needs. The following debt management policy establishes parameters on the issuance of debt to help ensure that the City maintains a sound debt position and that its credit rating is protected. As such, the policy allows for an appropriate balance between establishing debt limitations while also providing flexibility to respond to unforeseen circumstances and new opportunities. This policy applies to City derived revenues and revenues the City is entitled to receive. It is the intent of this policy to provide both a framework relating to current circumstances as they exist today as well as to address the City's future position relating to debt management.

### POLICY

The City has established the following fiscal policy related to debt management.

#### Development of Long-Term, Financing Recommendations

The primary responsibility for developing long-term, financing recommendations rests with the City Manager. During the annual budget process, and at any other such times during the year in which the need may arise, the City Manager will work collectively with the City's Finance Director and any other deemed necessary City staff (the Internal Working Group) to determine if there is a need for long-term borrowing. As part of the determination process, the Internal Working Group shall review the financing needs outlined by the Capital Improvement Plan to analyze the future capital financing needs as compared with the City's currently available cash resources and projected revenues. The Internal Working Group will also provide recommendations regarding refunding and restructuring of existing debt.

Once determination is made by the Internal Working Group to pursue long-term financing, a refunding, or restructuring of debt, the City Manager or City Manager designee, shall prepare and present to City Council a resolution of intent to

issue, refund or restructure debt and authorization of City staff to proceed with the necessary preparations.

#### Capital Improvement Plan

On an annual basis and as part of the City's budgeting process, the City will prepare and/or update a ten (10) year Capital Improvement Plan (CIP) identifying capital projects that are part of the City's long-term strategic vision and economic development plan. The CIP forecast process should include the associated, estimated ongoing operations and maintenance costs of such capital assets so that the total costs of the projects are considered for budgeting and projection purposes.

#### Purpose of Debt

Incurrence of long-term debt will only be used for the purpose of financing capital assets, which include but are not limited to buildings, infrastructure, land acquisition and purchase of significant equipment. The City, under no circumstances, will issue debt or borrow funds to finance the City's on-going costs for operations and services.

The City will strive to maximize the pay- as-you-go approach for its capital projects expenditures (see Capital Reserves Policy). Debt financing will be considered when annual revenues and accumulation of capital cash reserves are not sufficient to provide the necessary funding for such projects within a timeframe deemed necessary or adequate by City Council.

#### Types of Debt

The types of debt instruments to be used by the City will include:

- General Obligation Bonds
- Revenue Bonds
- Short-term Notes
- Special or Local Improvement Bonds or Tax Increment Securities
- Any other legally recognized security approved by City Council and deemed advantageous to the City

In order to mitigate any uncertainty of annual debt payment amounts due, the City will strive, if deemed practical and beneficial, to secure a fixed rate structure when issuing debt. The City will consider a variable rate structure when market conditions favor this type of issuance, and when feasible, ensure there is a maximum interest rate provided within the variable rate structure. Credit enhancements will be used only in instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.

#### **Level of Debt and Restrictive Provisions**

The City will strive to limit its general obligation debt (i.e., where ad valorem property taxes are the main and underlying security pledged on the debt) so as not to exceed fifteen percent (15%) of the City's total assessed valuation as shown by the last preceding assessment received from the Douglas County 's Assessor's Office. Additionally, the City will strive to maintain its annual general obligation debt service costs (principal and interest) for its governmental activities at a level of no greater than fifteen percent ( 15%) of the City's governmental expenditures. Any debt issued by the City, other than general obligation debt, wherein other revenue sources serve as security on the debt (e.g., revenue bonds), will not have any specific debt level restrictions, provided that each of such issuances will be evaluated on a case by case bases so as to ensure that the City has adequately provided for conservative revenue projections relating to principal and interest repayment purposes.

The repayment terms of all debt issued by the City will not exceed the useful life of the capital assets financed. Additionally, the City will seek level or declining debt repayment schedules and will not issue debt that provides for a balloon principal payment reserved at the end of the term of the issue. Furthermore, the City will strive to obtain redemption terms that allow for the pre payment of debt without paying a redemption penalty.

#### **Debt Issuance Practices**

As part of its debt issuance process, the City will at all times manage its debt and sustain its financial position in order to secure and maintain an AA/ Aa2 (long-term) or higher bond rating.

The City will market its debt through the use of a competitive bid process when issuing general obligation debt. The competitive bid process will also be used for other debt issuances unless time, interest rates and/or other factors make it more favorable for the City to use a negotiated process.

If needed, the City will hire an independent financial advisor, and any other professional service provider (e.g. bond counsel), to assist in the structuring of the debt transaction and to provide overall guidance throughout the process.

#### **Guidelines for Refunding**

The City shall consider refunding (advance and current refunding) outstanding debt whenever an analysis indicates the potential for net present value (NPV) savings of at least three percent (3%) can be achieved. The City shall also consider restructuring its existing debt in order to extend the payment terms to meet cash flow needs if deemed beneficial to the City's long-term financial and strategic planning . The City may also consider refunding outstanding bonds to remove existing restrictive covenants.

**Post Issuance Management**

The City will invest its debt proceeds in accordance with the City’s investment policy and statutory requirements. Funds will be invested in instruments and with related maturities that will provide the liquidity needed to meet the cash flow needs of each project. In this regard, the City’s Finance Director will prepare cash flow projections to determine the availability of funds to be invested and their respective required maturities.

The City will comply with all arbitrage rebate requirements as established by the Internal Revenue Service. Arbitrage will be calculated at the end of each fiscal year and interest earned on the investment of debt proceeds will be reserved to pay any penalties due. Secondary market disclosures requirements established within the terms of the debt transaction will be adhered to and filed on a timely basis.

The City’s Finance Director will be responsible for managing the post issuance requirements listed above and/or cause any post issuance requirements to be completed.

**POLICY REVIEW**

The City Manager and the City’s Finance Director will review the Debt Management Policy in connection with the City’s annual budget process as well as the year-end audit process to ensure that the City is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote by City Council.



*James D. Gunning*  
**James D. Gunning**  
Mayor

*Jennifer Pettinger*  
Attest: **Jennifer Pettinger**  
City Clerk

## INVESTMENTS

SUBJECT: **Investments**

CAP#: 13-02

ISSUE DATE: June 18, 2013

EFFECTIVE DATE: July 1, 2013

**INTENT**

The City of Lone Tree (City) recognizes the need to adopt an investment policy to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. This policy applies to the investments of all funds of the City. Except for funds held in trust or special funds that are otherwise specifically provided for, the City will consolidate the balances from all funds to maximize investment earnings and meet the liquidity requirements of the City subject to the primary objective of providing security of principal. Any and all investments made by the City must be allowable, as provided for, by state statute.

**POLICY**

The City has established the following fiscal policy related to investments.

**Objectives**

It is the policy of the City to invest idle public funds in a manner to meet the daily cash flow demands of the City with the primary objectives, in priority order, being: a) Safety of Principal b) Liquidity and c) Return on Investments .

**A. Safety of Principal**

Safety of principal is the foremost objective of the City's investment activities. Investments will be undertaken in a manner that seeks to ensure the preservation of principal in the overall investment portfolio. The objective will be to mitigate the following risks:

1 *Credit Risk*

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer. As such, the City shall place reliance upon nationally recognized credit rating agencies in evaluating credit risk of obligations not issued by the U. S. government and Federal Instrumentalities (Agencies and Government Sponsored Enterprises). Credit risk shall

be limited by restricting the credit ratings on securities that may be purchased and through diversification in order to reduce exposure to any one security type or issuer.

2 *Interest Rate Risk*

The City will minimize its interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to the changes in market interest rates, by structuring the portfolio to meet the cash requirements of the City's ongoing operations, thereby mitigating the need to liquidate securities at a loss prior to maturity.

3 *Concentration Risk*

The City will minimize concentration of credit risk, which is the risk of loss due to having a significant portion of resources invested in a single issuer, by diversifying its investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

**B. Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all of the City's operating requirements that may be reasonably anticipated. Investments shall be managed in order to avoid, although not prohibit, the sale of securities before their respective maturities to meet anticipated cash flow needs. Since all possible cash demands cannot be anticipated, the investment portfolio should contain a significant quantity of active secondary or resale markets. As such, at least twenty percent (20%) of the investment portfolio will be invested in overnight instruments, money market funds, Colorado local government pools, or in marketable securities which can be sold to raise cash within one day's notice.

### **C. Return on Investments**

The investment portfolio shall be designed and managed with the objective of attaining a market rate of return throughout interest rate cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety of principal and liquidity. The core investments are limited to relatively low risk securities in anticipation of earning a fair, although lower, return relative to the risk being assumed.

### **Delegation of Authority**

Authority to oversee and manage the City's investment program is granted to the City's Finance Director. Responsibility for the operation of the investment portfolio may be delegated to an investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy along with the procedures established by the investment officer. The investment officer will be responsible for all investment transactions undertaken and shall establish a system of controls to regulate the activities of any subordinate officials. Any investments with a maturity of two years or more shall be approved by Council.

### **Authorized Investments**

The City's authorized investments shall consist of the following:

- 1 U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations that have a liquid market with a readily determinable market value.
- 2 Any U.S. dollar denominated corporate or bank debt issued by a corporation or bank which is organized and operated with the United States and has a net worth in excess of two hundred fifty million dollars; except that the notes evidencing the debt must mature within three years from the date of settlement and, at the time of purchase, the debt must carry at least two credit ratings from any of the nationally recognized credit agencies and must not be rated below "AA-

or Aa3" by any credit rating agency. These may comprise of up to thirty percent (30%) of the book value of the City's investments at the time of purchase, with no more than five percent (5%) of the book value concentrated in any single obligor regardless of investment type.

3. Commercial paper rated A- 1, P- 1, or their equivalent by any nationally recognized credit rating agencies. Commercial paper shall not exceed thirty percent (30%) of the book value of the City's investment portfolio with no greater than ten percent (10%) exposure to any single issuer at the time of purchase.
4. Bankers Acceptances, the issuers of which are banks organized under U.S. laws or their parent companies, are rated A-1, P-1 or their equivalent by any nationally recognized credit rating agencies. Bankers acceptances shall not exceed thirty percent (30%) of the total par value of the City's investment portfolio.
5. Repurchase Agreements and Reverse Repurchase Agreements may be done only with approved dealers with whom the City has signed a master agreement governing such transactions, and must mature within 90 days. U.S. Treasury, agency, or instrumentality securities must collateralize any such transactions, the market value of which shall be at least 102% of the funds invested in the transaction at inception, and not less than 100% of the funds invested during its life. Securities collateralizing such transactions shall be delivered to the purchaser or their securities' custodian.
6. General Obligations of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities. No security may be purchased pursuant to this paragraph unless, at the time of purchase, the security is rated in one of the three highest rating categories by any nationally recognized organization that regularly rates such obligations. General obligations shall not exceed fifty percent (50%) of the total par value of the City's investment portfolio.

- 7 Guaranteed Investment Contracts of domestically-regulated insurance companies having a claims-paying ability rating AA or its equivalent by any nationally recognized credit rating agencies.
- 8 Money Market Mutual Funds and Local Government Investment Pools as permitted by Colorado statute, provided that such funds are either registered with the SEC or rated AAA by any nationally recognized credit rating agency.

**Interest Earnings**

Investment income will be allocated to the various funds based on the respective participation of principal in the overall investment portfolio.

**Investment Limitations**

The City will adhere to the following investment limitations:

**A. Diversification**

The City’s investments shall be diversified by:

- 1 Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
- 2 Limiting investment in securities with higher credit risks
- 3 Investing in securities with varying maturities, and
- 4 Continuously investing a portion of the City’s investment portfolio in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet the City’s ongoing obligations.

**B. Maturity**

To the extent possible, the City shall attempt to match its investments with anticipated cash flow needs. Unless matched to a specific cash flow, the City will not directly invest in securities with maturities of more than five (5) years from the date of purchase.

**C. Sale of investments prior to maturity**

Investments may be sold prior to their maturity date if the City determines that it is in the best interest of the City to do so. Sales shall not be made to speculate upon future market trends. It is the City’s intent to purchase and hold securities until maturity; however, from time to time, it may become necessary to sell a security at a loss in order to meet cash flow requirements or to take advantage of certain exchange advantages.

**D. Derivatives**

Securities which derive their value from an underlying asset, group of assets, reference rate, or index value are not permitted as an authorized investment under this policy.

**Reporting of Investments**

A report containing current investment activity and balances will be provided to City Council on a monthly basis.

**POLICY REVIEW**

The City’s Finance Director and City Manager will review the Investment Policy annually in concert with the preparation of the City’s year-end financial statements to ensure that the City is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote by City Council.



*James D. Gunning*  
 James D. Gunning  
 Mayor

*Jennifer Pettinger*  
 Attest: Jennifer Pettinger  
 City Clerk

# 6

## APPENDIX

# BRICK FENCE REPLACEMENT RESERVE

SUBJECT: **Brick Fence Replacement Reserve**

CAP#: 18-04

ISSUE DATE: December 18, 2012

EFFECTIVE DATE: January 1, 2019

### INTENT

To provide a reserve account to accumulate funding to replace the existing brick fences in the City at a future time. Due to the total project cost, as well as partner funding that is anticipated to be received over multiple years, segregating these funds is necessary..

### POLICY

As the City does not have any current debt authorization, for large capital projects, accumulating funds over multiple years is necessary at times to be able to complete projects timely and efficiently.

### PROCEDURES

- 1 The City will open an interest bearing account designated as the Brick Fence Reserve Fund (Project Account) in 2019.
- 2 The City will transfer the remaining litigation funds from the brick fence lawsuit of \$986,200 into that account.
- 3 Any partner contributions designated for this project will be deposited into the Project Account upon receipt.
- 4 Any amounts designated for this purpose by City Council during the budget process in any given year will be deposited into the Project Account by January 31st.
- 5 Interest earned on the deposited funds will remain in the Project Account and will be applied to the Brick Fence Replacement Project.
- 6 If the City Council would like to consider using the funds designated by this policy for a different purpose, an affirmative vote of eighty percent (80%) by members of City Council will be required and any partner funds would be returned immediately, including the proportionate amount of interest earned on those amounts.



*Jaqueline A. Millet*  
\_\_\_\_\_  
**Jaqueline A. Millet, Mayor**

*J. Robb*  
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**Attest: Jay Robb, City Clerk**

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CITY OF LONE TREE

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**CERTIFIED RECORD**  
**OF**  
**PROCEEDINGS RELATING TO**  
**CITY OF LONE TREE**  
**DOUGLAS COUNTY, COLORADO**  
**AND THE BUDGET HEARING**  
**FOR FISCAL YEAR**  
**2019**

STATE OF COLORADO                    )  
  )  
COUNTY OF DOUGLAS                )ss.  
  )  
CITY OF LONE TREE                    )

The City Council of the City of Lone Tree, Douglas County, Colorado, held a meeting at 8527 Lone Tree Parkway, Lone Tree, Colorado, on December 4, 2018 at 7:00 p.m.

The following members of the City Council were present:

Jacqueline Millet, Mayor  
Cathie Brunnick, Mayor Pro Tem  
Jay Carpenter, Council Member  
Wynne Shaw, Council Member  
Mike Anderson, Council Member

Also in attendance were:

Seth Hoffman, City Manager  
Linda Michow, City Attorney  
Kristin Baumgartner, CPA, Assistant City Manager/Finance Director  
Jay Robb, City Clerk

Mayor Millet stated that proper publication was made to conduct a public hearing on the 2019 budget for the City of Lone Tree on November 20, 2018. Mayor Millet opened the public hearing on the proposed 2019 budget for the City of Lone Tree. There was no public comment on the proposed budget for the City of Lone Tree, the public hearing was closed. Final adoption of the budget occurred at the regularly scheduled Council meeting on December 4, 2018 at 7:00 p.m.

Thereupon, Council Member Jay Carpenter moved, and Mayor Pro Tem Cathie Brunnick seconded, the adoption of the following Resolution:

**CITY OF LONE TREE  
RESOLUTION NO. 18-57**

A RESOLUTION ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND, SPECIAL REVENUE FUND/CULTURAL AND COMMUNITY SERVICES, DEBT SERVICE FUND/ARTS AND CULTURAL FACILITIES, AND DEBT SERVICE FUND/PARK AND RECREATION IMPROVEMENTS FOR THE CITY OF LONE TREE, DOUGLAS COUNTY, COLORADO, FOR THE 2019 FISCAL YEAR ENDING ON THE LAST DAY OF DECEMBER, 2019.

WHEREAS, the City Council of the City of Lone Tree has authorized its City Treasurer to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the City Council for its consideration; and

WHEREAS, pursuant to Colorado statute, upon due and proper notice published on November 15, 2018 in the Douglas County News Press (legal notice #934413), a newspaper having general circulation within the boundaries of the City of Lone Tree, said proposed budget was available for inspection by the public at the Lone Tree Administrative Office and the City's website, a public hearing was held on November 20, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, DOUGLAS COUNTY, COLORADO:

Section 1. 2019 Budget Revenues. That the estimated revenues for the General Fund, Special Revenue Fund/Cultural and Community Services, Debt Service Fund/Arts and Cultural Facilities, Debt Service Fund/Park and Recreation Improvements as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2019 Budget Expenditures. That the estimated expenditures for the General Fund, Special Revenue Fund/Cultural and Community Services, Debt Service Fund/Arts and Cultural Facilities and Debt Service Fund/Park and Recreation Improvements as more specifically set out in the budget attached hereto are accepted and approved.

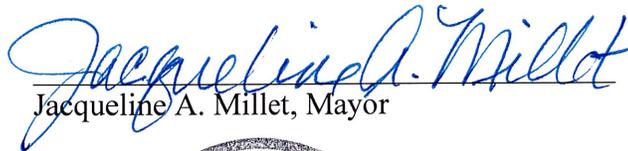
Section 3. Adoption of Budget for 2019. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the City of Lone Tree for fiscal year 2019.

Section 4. Levy of General Property Taxes. No mill levy will be certified by the City of Lone Tree for collection in 2019 and the attached budget does not anticipate general property tax revenues to balance the budget.

Section 5. Appropriations. That the amount of \$72,830,049 set forth as total expenditures in the budget attached hereto is hereby appropriated as follows from: the General Fund, \$66,177,045; the Special Revenue Fund/Cultural and Community Services, \$3,270,004; the Debt Service Fund/Arts and Cultural Facilities, \$2,078,700; and the Debt Service Fund/Park and Recreation Improvements, \$1,304,300 for the budgeted expenditures.

Section 6. Filing of Budget. Within thirty (30) days of January 1, 2019, the City shall file a certified copy of the 2019 budget in the office of the State Division of Local Government.

APPROVED AND ADOPTED this 4<sup>th</sup> day of December, 2018

  
Jacqueline A. Millet, Mayor

ATTEST:

  
Jay Robb, City Clerk



STATE OF COLORADO )  
 )  
COUNTY OF DOUGLAS )ss.  
 )  
CITY OF LONE TREE )

I, Jay Robb, City Clerk of the City of Lone Tree, Douglas County, Colorado, do hereby certify that the foregoing pages numbered 1 to 4, inclusive, constitute a true and correct copy of the record of proceedings of the City Council of the City of Lone Tree, adopted at a meeting of the Council held on December 4, 2018, at 7:00 p.m., at 8527 Lone Tree Parkway, Lone Tree, Colorado, as recorded in the official record of the proceedings of the City of Lone Tree, insofar as said proceedings relate to the budget hearing for fiscal year 2019; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2018 budget of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the City of Lone Tree this 4<sup>th</sup> day of December, 2018.



  
Jay Robb, City Clerk