



BUDGET
IN BRIEF



CITY OF
LAKEWOOD
2011
ANNUAL
BUDGET

480 South Allison Parkway • Lakewood, Colorado 80226-3127



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Additional budget information is presented in the City of Lakewood’s budget document which is available in the Finance Department or is available for viewing at either of the Lakewood libraries and on the City’s web site at www.lakewood.org. Any questions regarding the budget can be directed to the Finance Department at (303) 987-7600.

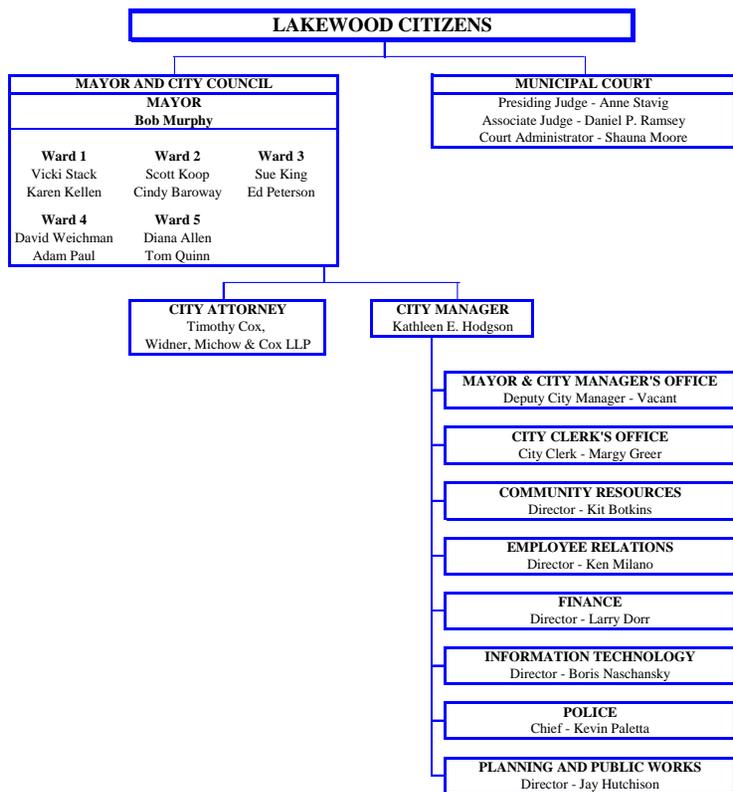
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FORM OF GOVERNMENT

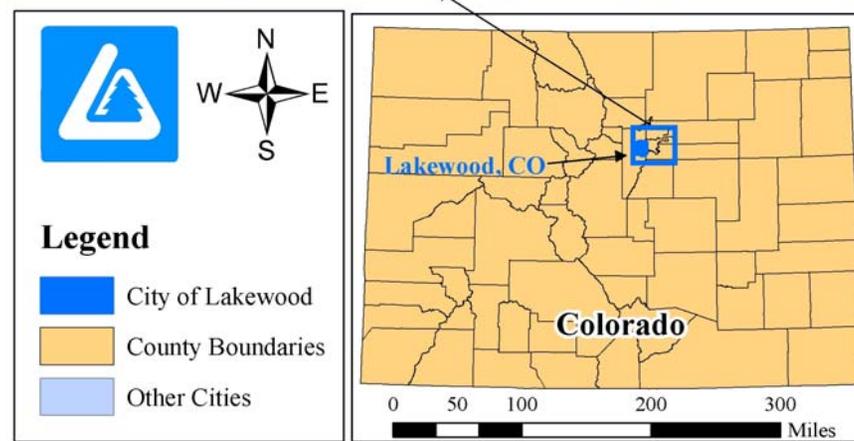
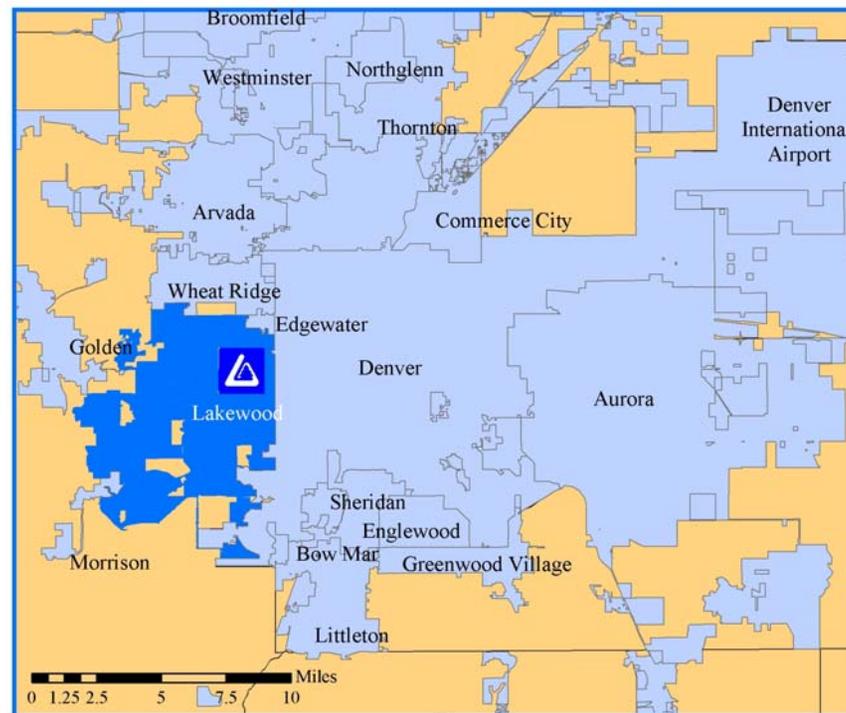
The City of Lakewood was incorporated in 1969, and on November 1, 1983 became a home-rule municipality under the Colorado Constitution Article XX and further defined by Colorado Statute Title 31. The City Charter, originally adopted November 1, 1983 and last amended November 2, 2004, provides for a Council-Manager form of government. The executive power is vested in the City Council who appoints the City Manager to run the daily affairs of the City. The City Council is composed of eleven members, two from each of five wards, who are elected to serve staggered four-year terms. The Mayor is elected at-large.

The City Manager is responsible to the City Council for the proper administration of all affairs of the City and is required to bring forward the City's annual budget.

CITY ORGANIZATIONAL CHART



STATE AND METRO AREA



OFFICIALS OF THE CITY



CITY OF LAKEWOOD ELECTED OFFICIALS:



Bob Murphy
(303) 987-7040

bmurphy@lakewood.org

Mayor Bob Murphy was elected to a four-year term as mayor in November 2007, after serving two previous terms on City Council from Ward 2.

WARD 1



Vicki Stack
(303) 233-2574

vstack@lakewood.org



Karen Kellen
(303) 910-0541

kkellen@lakewood.org

Council member Vicki Stack was re-elected to a second four-year term in November 2009.

Council member Karen Kellen was elected to a four-year term in November 2007.

WARD 2



Scott Koop
(303) 233-1198

skoop@lakewood.org



Cindy Baroway
(303) 987-7739

cbaroway@lakewood.org

Council member Scott Koop was elected to a four-year term in November 2009.

Council member Cindy Baroway was elected to a four-year term in November 2007.

WARD 3



Sue King
(303) 202-2225

sking@lakewood.org



Ed Peterson
(303) 988-8045

epeterson@lakewood.org

Council member Sue King was re-elected to a second four-year term in November 2009.

Council member Ed Peterson was re-elected to a second four-year term in November 2007.

WARD 4



David Wiechman
(303) 986-4818

dwiechman@lakewood.org



Adam Paul
(303) 988-6484

apaul@lakewood.org

Council member David Wiechman was elected to a four-year term in November 2009.

Council member Adam Paul was elected to a four-year term in November 2007.

WARD 5



Diana Allen
(303) 942-0895

dallen@lakewood.org



Tom Quinn
(303) 717-8862

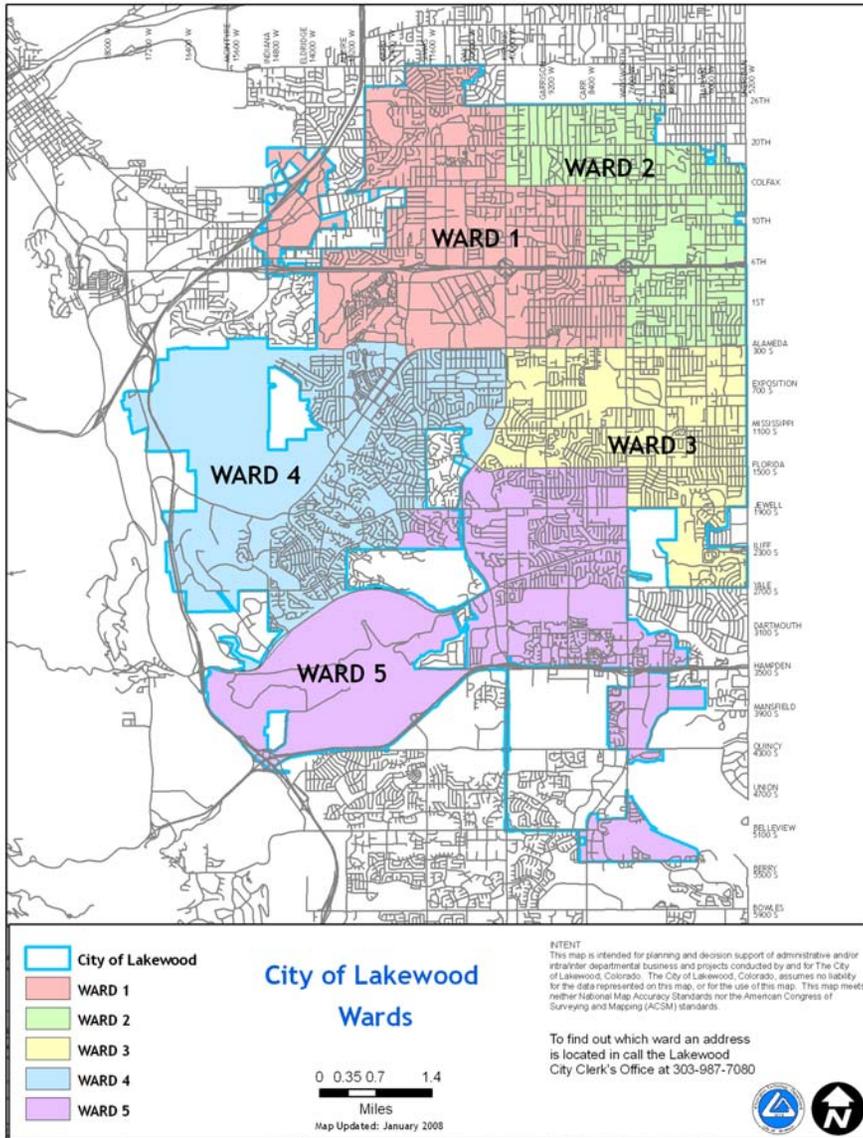
tquinn@lakewood.org

Council member Diana Allen was re-elected to a second four-year term in November 2009.

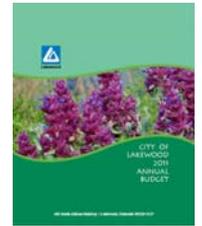
Council member Tom Quinn was elected to a four-year term in November 2007.

Note: Term limitations equal two terms of four years each.

LAKESWOOD'S FIVE GEOGRAPHICAL WARDS



City Manager's Budget Message



October 25, 2010

Honorable Mayor and Members of City Council:

The global recession and related financial uncertainty continue to be a challenge for the country, the City of Lakewood and all aspects of our community. At the same time, Lakewood is enjoying visible progress on a number of meaningful projects that will provide a vibrant and sustainable future for the City. Thankfully, the community is fully recovering from the effects of the hailstorm of 2009 that damaged over 10,000 structures in Lakewood. While revenues continue to be unpredictable, City management has been successful in containing costs. This enabled the City to add to its reserves during 2009, for the 5th consecutive year. This budget anticipates a decrease in reserves, which will allow the City to maintain predictable levels of service through these difficult economic times. Management has, and will continue, to look for opportunities to contain and reduce costs while seeking alternative revenue streams. The City's overall financial strength provides flexibility while the economy returns to greater stability.

Adding to the current uncertainty, three significant citizen-initiated ballot questions will be decided by Colorado voters this November 2010. These questions, if approved, will decrease revenues by an amount that will necessitate a complete re-thinking of the services that the City provides for the community. More background and detail are provided on the initiatives below.

Operating Overview

Earlier this year, Lakewood experienced the phase-one opening of St. Anthony Hospital, the first hospital in the City's history. This \$450 million project is a regional Level One trauma hospital that is having a significant positive impact on the community. We welcome the hospital's new employees, patients, contractors and vendors to Lakewood. Together, with



City Manager's Budget Message

the Colorado Orthopedic Hospital, our community is creating a multi-faceted medical campus that will create unprecedented opportunities for Lakewood.

We have also witnessed significant progress on the construction of the Regional Transportation District's (RTD) West Corridor Light Rail project. During 2009 and 2010, this regional transportation project accomplished fundamental demolition and construction. The project is fully funded by both RTD and the federal government and is not vulnerable to delays or other uncertainties. It is expected that construction of primary improvements immediately adjacent to the rail tracks will be completed during 2011 with a scheduled operation date of early 2013. The project includes 12 miles of light rail service from downtown Denver, through Lakewood, to Jefferson County. The community is experiencing a number of positive development and re-development activities as a result of the light rail project. Recognizing long-term community concerns and short-term construction impacts to the citizens, the City hired an ombudsman to act as a liaison between citizens and RTD during this period of significant construction. In addition, the City has provided financial assistance to two businesses that were relocated within Lakewood as a result of light rail construction.

Projects of this size, scale and scope come along once in a generation yet Lakewood has been fortunate to experience them at nearly the same time. In addition to the hospital and light rail, the City has other retail development occurring at Belmar and Colorado Mills that is described below under General Fund Revenues. All of this activity will contribute in a meaningful way to the sustainability of the community, which is one of our core values. To that end, this past March 2010 the City hired its first Sustainability Coordinator as a further commitment to overall sustainability.

Statewide Ballot Initiatives

On November 2, 2010, Colorado voters will decide three ballot questions; one initiated statute and two initiated amendments to the Colorado Constitution. While statewide voters will decide these initiatives, all three would be applicable to the City of Lakewood. As such, staff has analyzed and reported



City Manager's Budget Message

to Council the resultant changes in City revenues. If all three are approved, staff has estimated that revenues will be permanently reduced by nearly \$10 million beginning in 2011, and each year thereafter. The impact grows to \$14 million per year by 2014 and \$23 million by 2022, or 21% of the effected operating and capital funds. While voters will decide these questions on November 2nd, City Council is required by Charter to adopt a budget by November 1st. Because a mix of one or more of the initiatives might be approved, staff and Council's Budget & Audit Committee will be prepared to present options for consideration immediately after the election. Staff has analyzed and reported the direct impacts to City revenues, but there could be indirect impacts that are difficult to measure. As a part of Council's analysis of the initiatives, other governmental agencies that provide services to the Lakewood community will present their impacts at a scheduled Council Study Session. City Council is undertaking this analysis as it formulates a resolution either in support or opposition to one or more of the initiatives. Below is a list of activities related to this public discussion:

- August 2nd Council Study Session: Initiatives Overview & Analysis
- September 20th Council Study Session: Local Impacts: School District, Fire District & County Governments
- October 4th Council Study Session: Impacts to Community Not-For-Profits
- October 11th Council Meeting Resolution 2010-58 Asking Citizens to Vote NO

General Fund Revenues

In the last year, the State of Colorado lost over 100,000 jobs during this global recession. City sales tax revenues for 2009 decreased 7.6%. However, overall General Fund revenues during 2009 were helped significantly by one-time receipts from the St. Anthony Hospital construction and construction revenues generated by the 2009 hailstorm. For the first half of 2010, the City's sales tax revenues have increased by a surprising 3.6%. Sales taxes typically make up about 50% of the City's General Fund revenues. In



City Manager's Budget Message

addition, for the first half of 2010, the General Fund has experienced unanticipated on-going receipts related to the 2009 hailstorm. Other General Fund revenues have been mixed so far this year and generally unchanged compared to the prior year. Together, overall General Fund revenues have increased by 1.6% compared to last year at this time. Because of the quick and volatile changes to revenues, predicting the short-term and long-term future is difficult. While there are myriad scenarios for possible improving or worsening trends, this budget projects the current trend unchanged through year-end 2010. With the trend unchanged, the revised budget for 2010 anticipates a conservative 1.5% increase in revenues versus the original budget. Staff anticipates a slight increase in base revenues during 2011, plus new retail described below, that will offset the loss of one-time receipts in 2010. This results in an unchanged or flat revenue budget for 2011.

In view of the recent and historic revenue volatility, the City has continued to focus on its economic base by promoting primary jobs and retail shopping in the community. In 2007, closure of the Jillian's entertainment complex created significant vacant commercial space at the Colorado Mills mall. The Burlington Coat Factory has now leased this space and is undertaking improvements for the site. Burlington Coat Factory plans to open before the Christmas shopping season this year. Additionally, the Nordstrom Rack, Target store, and Best Buy construction continue at Belmar Downtown, and are all expected to open in the spring of 2011. These outlets are expected to generate substantial new sales tax revenues as described above. The City will continue to enhance and diversify its tax base as a guard against future economic ups and downs.

General Fund Expenditures

Over the last two years, the City has undertaken a number of things to help bridge a gap created by declining revenues. Given that the current revenue trend is uncertain in nature, it makes sense to utilize some reserves, reduce spending where possible and provide a consistent level of services to the community. As the national economy slowly begins to recover, the City is able to maintain services and a strong level of reserves, as described below.



City Manager's Budget Message

During the last year, the City has been able to reduce budgeted spending on fuel as prices have declined. Additionally, a comprehensive selection process has resulted in the selection of a new medical insurance provider with an anticipated savings. The City has experienced a positive recent trend with respect to risk management. The City is able to reduce funding for 2011 from \$2.2 million to \$1.4 million to help bridge the gap. It is anticipated that risk management funding will return to historical trends in 2012 and require a full \$2.2 million in funding. Finally, the salary adjustments for 2010 were anticipated to be 2.5% but were actually 2.0% creating additional savings.

General Fund Balance

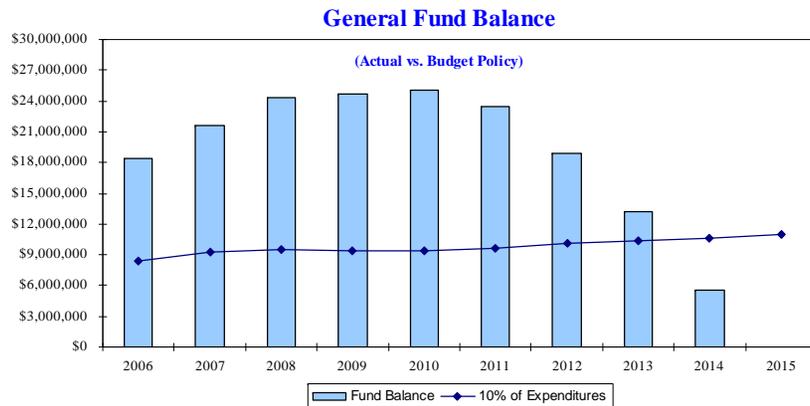
At the end of 2003, the General Fund balance as a percent of total operating expenditures was 11.9% or \$8.8 million. The same calculations for the 2009 year-end General Fund balance were 26.3% or \$24.7 million. City Council's Budget Policy requires a minimum General Fund Balance of 10% while State requirements are 3%. The 2011 Budget exceeds both requirements. As noted above, the City is currently experiencing a gap between revenues and expenditures for 2011 based on conservative revenue forecasts. While this 2011 budget would reduce the fund balance by nearly \$1.6 million, the ending fund balance for 2011 would be greater than forecasted during last year's budget, and finish the year at a level of 24.4% of expenditures, which is more than double the current policy target. It is the strength in General Fund balance that offers the flexibility to continue providing services without dramatic fluctuations from year to year.

The following chart reflects the General Fund balance from 2006 through 2015 and compares the Fund balance to 10% of expenditures plus operating transfers out. The economic challenges that the City faces will be mitigated by the use of General Fund Balance. This budget and long-term forecast anticipates significant reductions in General Fund Balance. As discussed above, the current revenue trend may not provide adequate long-term income, and therefore services, for the long-term. Without improvements in the economy in the coming years, adjustments to spending and/or revenues will be necessary in order to maintain reasonable levels of General Fund Balance.



City Manager's Budget Message

Maintaining an adequate fund balance in the coming years will remain a priority.



Capital Projects Overview

The Capital Improvement and Preservation Plan is experiencing the same economic effects described above in the General Fund. However, the City continues to leverage funding from external sources, as well as plan for new capital projects with existing funds. Given the current economic environment, the Capital Improvement Fund (CIF) has added only a few new projects from its base revenues. Adding new projects to the CIF will continue to be challenging. However, circumstances will warrant some new projects both in the CIF and other project funds, such as federal highway and Community Development Block Grant opportunities that generate outside-match funding. Additionally, the State's recently passed transportation funding legislation, known as FASTER, will provide for some transportation improvement projects. Yet, the City remains conservative in spending these receipts on individual projects as opposed to ongoing capital programs.

The addition of several new projects will help sustain property values, public safety and quality of life which continue to be a top priority and is reflected in the City's long-term and short-term goals. The City Council will continue to monitor revenues and the progress of projects to determine the feasibility of



City Manager's Budget Message

future projects. The following is a list of projects funded in the Capital Improvement and Preservation Plan for 2010 and 2011:

- *Bike Paths/Sidewalks* \$4,333,000
- *Kipling & Colfax Intersection* \$1,781,000
- *Head Start Center* \$1,250,630
- *Belmar Park Water Well Rehabilitation* \$400,000
- *Quail Street Recycling Center* \$150,000

All Funds Overview

In all, this 2011 Budget appropriates \$143,022,628 for municipal services, a decrease from 2010 of 16.2%. This includes appropriations for both governmental and enterprise expenditures and both operating and project related expenditures. Project initiatives and grant funding vary from year-to-year and are reflective of the decrease in the All Funds balance for 2011.

The long-term debt of the City continues to decline. In 2009, the City retired \$4.4 million in long-term debt obligations. This budget will appropriate funds to retire additional debt in the amount of \$4.7 million in 2010 and \$5.0 million in 2011. This substantial retirement of debt contributes to the positive overall financial health of the City and demonstrates conservative fiscal policy. Since 2006, Standard & Poor's has rated the City's Sales & Use Tax Revenue bonds AAA and continues this high rating through today. In the fall of 2009, for the first time, the City underwent Standard & Poor's financial management assessment and received its highest rating: Strong.

Core Community Values and City Accomplishments

The City Council has established its Core Community Values and related policies for the purpose of guiding the allocation of the City's resources to meet community values and expectations. While every department of the City participates in meeting the Council's Core Community Values, listed below are a few of the more visible results and practices related to the Core Values and associated policies.

Safe Community

- o Implementing new police software for electronic ticketing and workforce scheduling



City Manager's Budget Message

- o Replacing police squad car mobile data computers
- o Assessing law enforcement regionalization with neighboring agencies
- o Response to over 5,000 code violation complaints per year
- o Execution of a Citywide Emergency Preparedness Program
- o Maintenance of over 7,900 street lights
- o Entry and completion of over 2,700 warrants and 19,000 Municipal Court summonses per year
- o Respond to the over 135,000 citizen and agent initiated calls for service

Open and Honest Communication

- o Quality KLTV-8 government access television programming
- o Televised "State of the City" report from Mayor Murphy
- o Publication of a Comprehensive Annual Financial Report (CAFR)
- o Production of a user friendly Budget In Brief
- o Implementing communications via modern social media outlets
- o Coordinated 2,000 responses to citizen inquiries through the Service Request Process
- o Video-streaming of City Council meetings and Study Sessions live on the City of Lakewood website
- o Completion of a Police Department Annual Report

Fiscal Responsibility

- o Ongoing reporting and analysis of financial activities and trends: monthly on-line updates
- o In-depth review and analysis of every unit replaced in the vehicle fleet
- o Implementation and maintenance of financial transparency website: <http://ledger.lakewood.org/>
- o Internal Team Review of every vacancy before replacement is approved

Education and Information

- o Daily contact with the news media on operations and City Council policy decisions



City Manager's Budget Message

- o Quality information on the City's website, www.Lakewood.org and in "Looking at Lakewood"
- o Businesses are educated and informed about the tax laws, procedures, and requirements of the City
- o Communication and training necessary to empower the City's workforce
- o Communication of and follow up to the bi-annual citizen survey

Transportation

- o Maintenance of over 490 miles of streets
- o Maintenance and repair of 2,400 traffic signs and 185 traffic signals
- o Operation of Citywide computerized traffic management system
- o Lakewood Rides provided over 19,300 trips
- o Partner to Colorado Dept. of Transportation on regional improvements within Lakewood
- o Liaison between RTD and citizens on the West Corridor Light Rail Expansion construction

Quality Economic Development

- o Continued support for the expansion and completion of Lakewood's new downtown, Belmar
- o Continued emphasis on business retention, expansion, attraction, and promotion within Lakewood
- o Focus on Lakewood's small businesses to include the expansion of the Small Business Academy (SBA), the small business resource center, known as "The Business Bar", and a renewed focus on our City's start-up and existing small businesses' success
- o Continued work and partnership with RTD and Lakewood's Comprehensive Planning on the West Corridor Light Rail line and surrounding development scheduled to open in Lakewood in 2013

Physical and Technological Infrastructure

- o Complete and inventory and assessment of the City's need for electronic records management



City Manager's Budget Message

- o Management of 700,000 square feet in 155 City buildings, 8 swimming pools, and 45 holes of golf
- o Managed Citywide Stormwater Utility serving every property owner in Lakewood
- o Manage utility rates that are fairly structured and adequate to provide appropriate service levels
- o Responding to approximately 360 development review requests
- o Over 19,700 building permits were issued

Quality Living Environment

- o Learning opportunities and other children's programs that served over 600 children per day
- o Maintaining 98 parks, comprising over 7,000 acres, and four recreation centers
- o Developing the funding for a Boy's and Girl's Club at O'Connell Middle School
- o Maintenance of over 56,000 trees throughout the community and Tree City USA award winner
- o Developing the funding for a Boy's and Girl's Club at O'Connell Middle School
- o Expansion of liquid de-icing on City streets

Community Sustainability

- o Implement a 2-year Sustainability Plan
- o Active participation in local, regional and national sustainability organizations
- o Develop a comprehensive natural management plan for the park systems
- o Expanded volunteer Adopt-A-Trail and trail maintenance programs
- o Implementation of energy efficiency improvements in City buildings

Significant Legislative Activities

The City Council Legislative Committee, with the assistance of the Director of the Mayor and City Manager's Office, reviewed all 649 proposed statewide



City Manager's Budget Message

bills introduced between January and May of the 2010 Legislative Session. The Committee, which consists of one member of City Council from each of five wards, took positions on 21 bills and communicated those positions to State legislators. At the end of the state session, 16 of the Committee's positions were supported. The 2010 session was highlighted by medical marijuana regulation and, once again, by urban renewal.

Budget Management

The City Council has an active Budget and Audit Committee that continues to evaluate the City's financial practices and performance. The Committee has been charged with reviewing the City's monthly financial position as well as previewing the initial budget and any potential changes. In addition, the City's Management Team and City Council have formal and informal budget policies. Each City department has the responsibility for creating and documenting its own portion of the City's budget. Departments are not allowed any increases to their respective budgets, unless a budget addition is approved. Budget additions are approved by a team consisting of the Department Directors from the City Manager's Office, Department of Finance and Department of Employee Relations before they are submitted to me for approval and ultimately included in the proposed budget presented to City Council. By policy, the budget includes specific listings of all fund transfers and a description of all single purchases of \$50,000 or greater.

During 2005, the City Council adopted Resolution 2005-48 establishing certain budget policies that have been in effect since 2006. These budget policies are intended to guide the preparation, review and adoption of the annual City budget. The policies are referred to frequently throughout this annual budget.

- A. The annual draft budget submitted by the City Manager for the City Council consideration will be "balanced," i.e. revenues will exceed expenditures.
- B. If special circumstances warrant the use of General Fund reserves, the City Manager will submit a memorandum to Council outlining those special circumstances, the amount requested, the impact on City services, and alternatives to the use of General Fund reserves.



City Manager's Budget Message

- C. The annual draft budget will include a five-year estimate for costs and revenues for any proposed new program.
- D. Any proposal for the City of Lakewood to acquire property will include a five-year estimate of maintenance and operations costs.
- E. The City Council Budget and Audit Committee will consist of three City Council members and three citizen representatives appointed by the Mayor, with the concurrence of City Council.
- F. Thirty percent of the General Fund reserve will be set aside for public safety purposes.
- G. Public safety shall be defined as police, municipal courts, municipal prosecution, and related support services.
- H. The 2005 General Fund audit will be used to establish a "base" for public safety expenditures. The utilization of new sales tax revenues, as identified in ballot question 2A, will be in addition to the "base."
- I. The annual draft budget shall reflect a minimum 10 percent General Fund balance.

Budgetary Requirements of the City Charter

The budget process for the City of Lakewood is not an annual procedure but is a daily, continuous progression that is conducted throughout the year. The City continually monitors its sources of revenue and its expenditures so as to enable frequent and thorough analysis of the City's overall financial condition. This has proven valuable to both the City Council and the City's Management Team. Throughout this process it bears repeating that the budget must also work within the requirements of the City's Charter. Listed below are a few of the more significant budget related requirements in the Charter:

- **The City Manager shall submit the proposed budget to Council on or before the 15th of September for the following fiscal year.**
- **There shall be at least two public hearings on the proposed budget before it is adopted by the City Council.**
- **On or before the first day of November of each year the City Council shall adopt a budget for the ensuing fiscal year.**



City Manager's Budget Message

Conclusion and Acknowledgements

This budget represents the best use of the City's resources in executing the City Council's Core Community Values within the policy frameworks that have been established. This budget employs both fiscal prudence and realistic projections that reflect a continued commitment to the strategies that have made Lakewood a success. While an uncertain economic environment challenges the City, along with other cities and counties in Colorado, the City continues to deliver quality municipal services wherever possible while maintaining a strong foundation for its future. The City works to align the expectations of our citizens, our administration, and our employees, within available resources.

The following activities were held on the dates listed to comply with the City Charter requirements.

| | |
|-------------------|---|
| September 7, 2010 | City Manager Submits the Proposed Budget |
| October 11, 2010 | 1st Reading of the Ordinance & Public Hearing |
| October 25, 2010 | 2nd Reading of the Ordinance & Public Hearing |

In closing, it should be noted that last year's Budget received the Distinguished Budget Presentation Award as presented by the Government Finance Officers' Association of the United States and Canada. This marks the tenth consecutive year in which the City has received this award which is particularly noteworthy given that only 30 cities among Colorado's 270 received the award. Preparation of this document was accomplished through a team effort. I would like to sincerely thank the City Council Budget and Audit Committee, all of the City staff that contributed, including the Finance Department, the Employee Relations Department, department budget coordinators, and department directors for their contributions to the budget process.

Sincerely,

Kathleen E. Hodgson
City Manager

Attachment: Budget Memorandum



City of Lakewood

City Manager's Office

Kathleen E. Hodgson

480 South Allison Parkway
Lakewood, Colorado 80226-3127
303-987-7040 Voice
303-987-7057 TDD
303-987-7063 FAX

October 25, 2010

Mayor and City Council,

In 2005 the Council adopted Resolution 2005-48 setting forth certain budget policies. In the context of the 2005 sales tax election the intent of the policies was to set reasonable budgeting expectations, fund balance reserve requirements and to strengthen the role of the Budget & Audit Committee. As a part of that resolution, sections A and B are as follows:

- A. The annual draft budget submitted by the City Manager for the City Council consideration will be "balanced," i.e. revenues will exceed expenditures.
- B. If special circumstances warrant the use of General Fund reserves, the City Manager will submit a memorandum to Council outlining those special circumstances, the amount requested, the impact on City services, and alternatives to the use of General Fund reserves.

The purpose of this memo is to document the use of \$1.6 million in reserves in 2011 in lieu of making service reductions. Since the adoption of the 2005 budget policies, the general fund balance has increased from \$8.8 million (11.9%) to \$24.7 million (26.3%). The purpose of building reserves is to help the organization maintain municipal services when revenues become volatile. Clearly the ongoing global financial uncertainty, and resultant decrease in revenues, is a special circumstance that warrants the use of fund balance.

The City's staff and Council's and Budget & Audit Committee are closely monitoring monthly revenues and expenditures and the City is posting monthly financial statements on the internet.

Sincerely,

Kathleen E. Hodgson
City Manager

COMMUNITY PROFILE

Bustling at the base of the Rocky Mountains, Lakewood is part of the Denver Metropolitan area. With a heritage stretching back to Colorado's earliest Gold Rush days in the 1860s, Lakewood incorporated on June 24, 1969. Since then, Lakewood has grown to become Colorado's fourth-largest city, yet still retains much of its small-town flavor and open space. With 7,146 acres of parkland and about 147,000 residents, the City has one of the highest ratios of parks and recreation facilities per capita in the country.

From the Lakewood Civic Center (pictured below), residents can see the sun gleaming off the gold dome of the Colorado State Capitol in nearby Denver to the east, or off the year-round snowfields of 14,258-foot Mt. Evans to the west, symbolizing Lakewood's position as a gateway to the Rocky Mountain West. Recreational opportunities, from fishing to camping to hiking to boating, abound for any level of enthusiast in our local parks or the nearby mountains.



Lakewood Civic Center and Public Safety Center

Lakewood completed construction of the Civic Center, including a cultural arts facility in 2000. The Lakewood Cultural Center features a 300-seat auditorium for local plays and musical events, as well as an art gallery showcasing a variety of exhibits.

Lakewood's Fox Hollow Golf Course has consistently been rated as one of the finest public courses in Colorado by a variety of golf publications and players. It is one of the first courses in the country built to be 100 percent accessible for people with disabilities and received national recognition for its environmentally sensitive design. Fox Hollow provides play for golfers of all abilities on 27 challenging holes. The City opened the new Homestead Golf Course in the spring of 2002. This course provides fantastic views and is very beautiful and challenging for golfers of all abilities. The Homestead is also handicapped accessible and both courses offer a very enjoyable golfing experience.

Lakewood is home to one of the largest concentrations of Federal Government offices outside of Washington, D.C. Other major employers include medical equipment manufacturers, health care, energy, insurance and financial services, industrial engineering, and more.

The Lakewood Police Department has been accredited under the standards for the National Commission on Accreditation of Law Enforcement Agencies. Every three years the department must go through the rigorous accreditation process. Lakewood has achieved accreditation continuously since 1986.

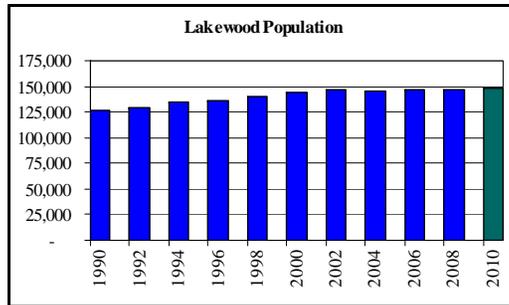


DEMOGRAPHICS

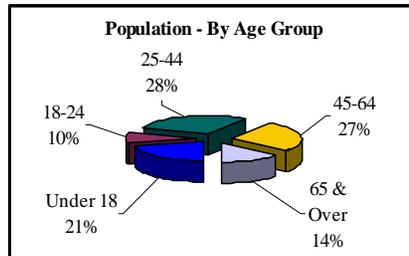
Lakewood Population Forecasts and Growth Rate

| | 1990 ^a | 2000 ^a | 2010 ^b | 2020 ^b | % Change 2000-2010 |
|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Lakewood | 126,481 | 144,126 | 148,161 | 152,310 | 2.80% |
| Jefferson County | 438,430 | 527,056 | 601,504 | 685,226 | 14.13% |
| Denver Metro Area | 1,859,008 | 2,415,042 | 2,868,516 | 3,255,286 | 18.78% |
| Colorado | 3,294,394 | 4,301,261 | 5,131,089 | 6,009,699 | 18.78% |

Sources: ^aU.S. Census Bureau, ^bDepartment of Local Affairs



Source: Denver Regional Council of Governments except 2010 population is a Department of Local Affairs estimate



Source: U.S. Census Bureau, 2008 American Community Survey



Diversity

| | |
|-----------------------------------|-------|
| White | 87.7% |
| Black or African American | 1.9% |
| American Indian and Alaska Native | 0.7% |
| Asian | 3.5% |
| Other | 6.2% |
| Hispanic or Latino | 21.7% |
| Not Hispanic or Latino | 78.3% |

Source: U.S. Census Bureau, 2008 American Community Survey



Educational Attainment

| Population 25 Years and Older | Number | Percent |
|--|--------|---------|
| High School Graduate | 23,164 | 23.1% |
| Some College, No Degree | 23,885 | 23.8% |
| Associate's Degree | 5,886 | 5.9% |
| Bachelor's Degree | 24,400 | 24.3% |
| Graduate or Professional Degree | 12,504 | 12.4% |
| Percent High School Graduate or Higher | | 89.4% |
| Percent Bachelor's Degree or Higher | | 36.7% |

Source: U.S. Census Bureau, 2008 American Community Survey



Employment by Industry

| Industry | Number | Percent |
|---|--------|---------|
| Agriculture, Forestry, Fishing, Hunting, Mining | 728 | 0.9% |
| Construction | 6,996 | 8.8% |
| Manufacturing | 5,762 | 7.3% |
| Wholesale Trade | 3,347 | 4.2% |
| Retail Trade | 7,294 | 9.2% |
| Transportation, Warehousing, Utilities | 3,176 | 4.0% |
| Information | 1,725 | 2.2% |
| Finance, Insurance, Real Estate, Rental & Leasing | 6,119 | 7.7% |
| Professional, Scientific, Management, Administrative, Waste Management Services | 10,507 | 13.2% |
| Educational Services, Health Care, Social Assistance | 13,468 | 17.0% |
| Arts, Entertainment, Recreation, Accommodation, Food Services | 10,560 | 13.3% |
| Other Services, Except Public Administration | 4,783 | 6.0% |
| Public Administration | 4,840 | 6.1% |

Source: U.S. Census Bureau, 2008 American Community Survey



Major Employers in Lakewood (2010)
With 250 Employees or More

| Company | Product/Service | Employment |
|--------------------------------------|--------------------|------------|
| Denver Federal Center | Federal Government | 6,200 |
| Jefferson County R-1 School District | Education | 3,637 |
| CaridianBCT | Medical | 1,634 |
| MoneyGram International | Financial | 875 |
| City of Lakewood | City Government | 865 |
| ServiceMagic, Inc. | Service Referral | 798 |
| National Renewable Energy Laboratory | Energy Research | 774 |
| FirstBank of Colorado | Banking | 723 |
| Lockheed Martin | Engineering | 650 |
| The Integer Group | Marketing | 580 |
| Department of Veterans Affairs | Federal Government | 402 |
| Red Rocks Community College | Higher Education | 393 |
| West Metro Fire Rescue | Fire Department | 386 |
| Kinder Morgan Energy Partners, L.P. | Energy | 270 |
| Colorado Christian University | Higher Education | 262 |

Source: City of Lakewood, Economic Development, January 2010



ECONOMICS

American Chamber of Commerce Research Association (ACCRA) Cost of Living Index, 3rd Quarter 2009

| City | Com- posite Index | Grocery | Housing | Utilities | Transportation | Health Care | Misc. Goods & Services |
|--------------------|-------------------------|---------|---------|-----------|----------------|----------------|------------------------------|
| Dallas, TX | 92.1 | 96.1 | 71.2 | 107.9 | 99.3 | 104.2 | 100.2 |
| Atlanta, GA | 94.2 | 100.6 | 88.6 | 82.5 | 97.7 | 103.7 | 97.8 |
| Albuquerque, NM | 96.2 | 98.2 | 89.1 | 89.1 | 96.6 | 103.3 | 103.2 |
| Phoenix, AZ | 98.4 | 105.6 | 94.6 | 88.5 | 101.3 | 97.7 | 100.9 |
| Salt Lake City, UT | 100.0 | 104.7 | 106.4 | 71.1 | 99.7 | 95.9 | 101.9 |
| Denver, CO | 102.9 | 101.4 | 107.4 | 99.3 | 94.3 | 105.3 | 103.4 |
| Minneapolis, MN | 112.7 | 117.0 | 124.7 | 100.9 | 101.1 | 107.7 | 108.6 |
| Chicago, IL | 113.2 | 104.4 | 131.5 | 114.3 | 115.4 | 110.3 | 99.3 |
| Portland, OR | 116.5 | 115.5 | 128.7 | 93.4 | 112.5 | 108.6 | 115.6 |
| Boston, MA | 130.9 | 117.0 | 146.7 | 156.6 | 100.7 | 127.5 | 129.9 |
| San Diego, CA | 133.5 | 105.8 | 201.2 | 96.0 | 114.5 | 113.1 | 104.9 |
| Los Angeles, CA | 141.6 | 107.6 | 229.1 | 90.7 | 114.8 | 109.4 | 106.3 |
| New York, NY | 217.2 | 145.9 | 399.5 | 156.8 | 128.3 | 130.7 | 144.2 |

Note: Index measures relative price levels for consumer goods and services in participating cities, as compared with the national average of 100 for all participating cities (metropolitan and non-metropolitan).

Principal Property Taxpayers

| Taxpayer | Taxable Assessed Value | Percentage of Total City Assessed Value |
|---|---------------------------|--|
| Colorado Mills Mall Limited Partnership | \$43,329,600 | 2.38% |
| Belmar Mainstreet Holdings I LLC | 27,659,160 | 1.52% |
| Public Service Co of Colorado | 26,624,260 | 1.46% |
| Qwest Corp. | 25,871,600 | 1.42% |
| Lakewood City Commons LP | 13,121,580 | 0.72% |
| Denver West Mills LP | 11,811,710 | 0.65% |
| The Section 14 Development Company | 11,009,060 | 0.60% |
| Carma Lakewood LLC | 9,113,000 | 0.50% |
| Centro Westland LLC | 7,738,940 | 0.42% |
| HUB Acquisition Tr | 6,171,780 | 0.34% |

Source: Jefferson County Assessor's Office



Median Household Income:

| | |
|-------------------|----------|
| Lakewood | \$51,539 |
| Jefferson County | \$66,344 |
| Denver Metro Area | \$60,344 |
| Colorado | \$56,993 |
| United States | \$52,029 |

Source: U.S. Census Bureau, 2008 American Community Survey



Housing Costs in Lakewood:

Median Home Value (owner-occupied): \$244,500
 Median Monthly Gross Rental Rate: \$917

Source: U.S. Census Bureau, 2008 American Community Survey

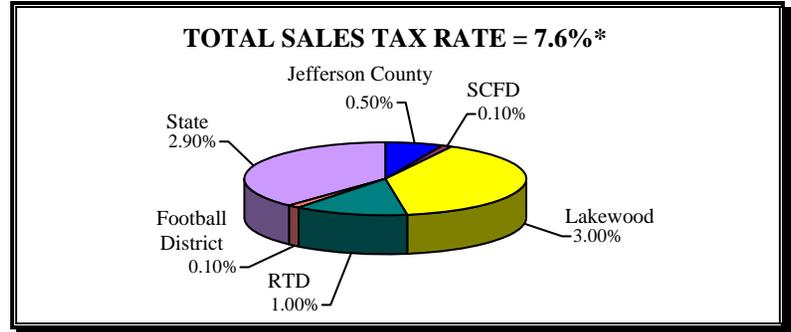
| MILL LEVIES: 2009 TAXES PAYABLE IN 2010 | |
|--|--------------------|
| Jefferson County | 24.346 mills |
| Jefferson County Schools | 48.145 mills |
| West Metro Fire District | 13.662 mills |
| Urban Drainage/ Flood Control Dist. | 0.508 mills |
| CITY OF LAKEWOOD | |
| | 4.711 mills |

MORE ABOUT LAKEWOOD...

Altitude: 5,375 feet above sea level
 Precipitation*: 16.4 inches per year
 Snowfall*: 55.3 inches per year
 Area in Square Miles: 44.022
 Miles of Streets: 547
 Number of Street Lights: 7,901
 Fire Districts: West Metro Fire Protection District (7 Stations located in Lakewood)
 Wheat Ridge Fire Protection District (No Stations in Lakewood)
 Pleasant View Metropolitan Fire District (No Stations in Lakewood)
 Number of Parks: 99 parks with 7,146.2 acres
 Number of Libraries/Media: 2 / Over 335,000
 Number of Schools: 39
 Number of Students K-12: 21,229



*Source: Western Regional Climate Center, Reno, NV



*Portions of Lakewood also have the Southeast Jefferson County Transportation Tax at 0.43%

**Sales Tax Rates
Denver Metro Area and Neighboring Communities**

| City | Sales Tax Rate | City | Sales Tax Rate |
|----------------------|----------------|-------------------|----------------|
| Arvada | 3.46 | Greeley | 3.46 |
| Aurora | 3.75 | Greenwood Village | 3.00 |
| Boulder | 3.41 | Lafayette | 3.50 |
| Brighton | 3.75 | Lakewood | 3.00 |
| Broomfield | 4.15 | Littleton | 3.00 |
| Castle Rock | 3.60 | Lone Tree | 1.8125 |
| Centennial | 2.50 | Longmont | 3.275 |
| Cherry Hills Village | 3.50 | Louisville | 3.50 |
| Colorado Springs | 2.50 | Loveland | 3.00 |
| Commerce City | 3.50 | Morrison | 3.00 |
| Denver | 3.62 | Northglenn | 4.00 |
| Edgewater | 3.50 | Parker | 3.00 |
| Englewood | 3.50 | Sheridan | 3.50 |
| Federal Heights | 4.00 | Superior | 3.46 |
| Fort Collins | 3.00 | Thornton | 3.75 |
| Glendale | 3.75 | Westminster | 3.85 |
| Golden | 3.00 | Wheat Ridge | 3.00 |

Source: Colorado Department of Revenue

LAKEWOOD CITIZEN SURVEY RESULTS

| Quality of Community Ratings | Percent of Respondents | | | | | | |
|------------------------------|------------------------|------|---------------------|-----|----------|-------------|-------|
| | Very Good | Good | Neither Good or Bad | Bad | Very Bad | Do Not Know | Total |
| Overall Quality of Life | 30% | 60% | 8% | 1% | 0% | 0% | 100% |
| Quality of Neighborhoods | 24% | 56% | 17% | 3% | 1% | 0% | 100% |

| Quality of Service Ratings | Percent of Respondents | | | | | | |
|---|------------------------|------|---------------------|-----|----------|-------------|-------|
| | Very Good | Good | Neither Good or Bad | Bad | Very Bad | Do Not Know | Total |
| Snow Removal | 18% | 51% | 17% | 10% | 2% | 1% | 100% |
| Street Repair/Condition | 10% | 50% | 27% | 11% | 1% | 1% | 100% |
| Street Cleaning | 15% | 53% | 27% | 3% | 1% | 1% | 100% |
| Enforcing Traffic Laws | 14% | 48% | 24% | 5% | 2% | 7% | 100% |
| City Code Enforcement | 9% | 38% | 31% | 10% | 4% | 8% | 100% |
| Maintenance of Existing Parks/Open Space/Trails | 27% | 56% | 9% | 2% | 0% | 5% | 100% |
| Recreation Programs | 17% | 34% | 13% | 1% | 0% | 34% | 100% |
| Recreation Facilities | 20% | 40% | 12% | 1% | 0% | 26% | 100% |
| Police Services | 22% | 48% | 15% | 3% | 2% | 10% | 100% |
| Government Access Cable Television (KLTV8) | 9% | 31% | 17% | 2% | 0% | 41% | 100% |
| Municipal Court | 6% | 25% | 19% | 1% | 1% | 48% | 100% |
| Building Permits/Inspections | 5% | 26% | 17% | 4% | 1% | 47% | 100% |
| Community Service Police Programs | 8% | 26% | 19% | 2% | 0% | 45% | 100% |
| Programs for Senior Citizens | 6% | 19% | 15% | 1% | 0% | 58% | 100% |
| City's Website (www.lakewood.org) | 7% | 29% | 16% | 1% | 0% | 47% | 100% |
| Looking at Lakewood (City Newsletter) | 12% | 42% | 20% | 2% | 0% | 25% | 100% |
| Cultural Facilities | 15% | 32% | 15% | 1% | 0% | 37% | 100% |
| Planning /Land Use | 7% | 26% | 26% | 6% | 2% | 33% | 100% |

Source: 2010 Lakewood Citizen Survey, National Research Center, Inc., Boulder, CO

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 Budget Law 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.

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.
- ❖ Adjusts the budget to reflect changes in the local economy, changes in priorities, and receipt of unbudgeted revenues.
- ❖ Organizes the budget so that revenues are related to expenditures, as much as possible.
- ❖ Prepares a multi-year financial plan for capital improvements.
- ❖ Allows staff to manage the operating and capital budgets, with City Council approval.
- ❖ Provides department managers with immediate access to revenue and expenditure information to assist their efforts in controlling annual expenditures against appropriations.

BUDGET PROCESS

The budget has been structured and prepared using the guidelines of the National Council on Governmental Accounting (NCGA) and the Governmental Finance Officers Association (GFOA). Two sources, Governmental Accounting, Auditing, and Financial Reporting (GAAFR) and the Governmental Accounting Standards Board (GASB) guide the financial reporting and annual budget process. The City of Lakewood prepares its budget on a calendar-year basis as required under City Charter. All funds within the City’s budget must comply with the “Balance Budget” definition. “Balanced Budget” is defined by the City Charter as a “balance between total estimated expenditures and total anticipated revenues, including surpluses.” This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance for any fund.

SCOPE OF SERVICES

The City of Lakewood provides the following major services:

| | |
|---|------------------------------------|
| Public Safety | Transportation |
| Parks, Recreation, Cultural | Environmental Services |
| Family Services | City Facilities |
| City Management and Public Representation | Economic and Community Development |
| Support Services | Water Utility |
| Stormwater Utility | Sewer Utility |

EMPLOYEES AND BENEFITS

The City currently has approximately 861 authorized regular full-time positions (exempt and non-exempt) for 2011. In addition, a varying number are employed on a part-time (regular and temporary/seasonal) basis. Lakewood neither recognizes nor bargains with any employee union.

The City is under a Performance-Based Pay System. A benchmark survey is conducted each year using a variety of resources to establish salary adjustments. Employees are evaluated annually and are eligible at that time to receive salary increases based on their performance. Actual salaries and benefits are calculated into the budget system assuming that each authorized position is filled for the entire budget period.

Other benefits provided City employees include vacation leave, sick leave, and paid holidays. Health care benefits include medical, dental and vision, disability plans, and life insurance. The City also offers pre-tax options on health premiums, flexible spending accounts under Section 125 of the Internal Revenue Code, and a Retirement Health Savings Plan that allows employees to realize substantial tax savings.

A significant part, 57 percent (57%), of the City's total budget is funding for personnel who in turn provide service to the community. Details on staffing changes are provided within each Departmental section. The following graph identifies full-time positions by department stated as full-time equivalents (FTE).

REVENUE OVERVIEW

The City diligently works to maintain a strong, diverse revenue base recognizing that a dependence upon any individual revenue source would make revenue yields more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The City utilized the Colorado Legislative Council's Economics Staff's "Economic and Revenue Forecast, 2009-2012" dated March 19, 2010 as the primary source for forecasted Denver-Boulder-Greeley Consumer Price Index (CPI). In conjunction with the Economics Staff's report, the City uses historical trends, current trends, judgmental forecasting, and unique adjustments (i.e. new retail, new fees, data from a specific source, etc.). Additionally, the City considers reports published by economists in the Colorado State Office of Planning and Budgeting. City Council reviewed the various forecasting methods and devised a rate supported by the Economic and Revenue Forecast in conjunction with the City's historical and current trends. The methodology used for each revenue type is further explained under each revenue type. The following table identifies the CPI and City Council's Rate for each year from 2010 to 2015 that were used in forecasting:

| Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------|-------|-------|-------|-------|-------|-------|
| Consumer Price Index (CPI) | 1.80% | 2.10% | 2.30% | n/a | n/a | n/a |
| City Council Rate | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

For 2010, increases are primarily from intergovernmental revenues or grants for streets, traffic engineering, energy conservation, public safety, and family services (\$18.6 million). These increases are offset by lower charges for services (-3.3 million). A shift between revenue categories still left all other revenues basically flat with 2009 actuals. For 2011, revenues are down 12.1 percent (-12.1%) primarily due to reductions in intergovernmental revenues (-\$18.1 million), building material use tax associated with the St. Anthony Hospital (-\$.8 million), permitting (-\$.9 million), and vehicle charge backs (-\$.8 million). All other revenues for 2011 are basically flat with the 2010 projections.

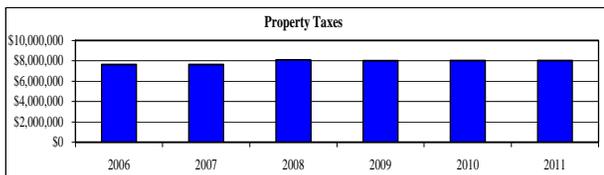
Revenue forecasting continues to be a challenge for the City's budget planners. Overall revenues are projected to change as follows:

| Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------|-------|------|------|--------|-------|---------|------|------|------|------|
| Revenue Inc. (Dec) | 19.5% | 7.9% | 4.0% | (3.9%) | 10.6% | (12.1%) | .8% | 1.3% | 1.6% | 1.2% |

Property Tax – Property Taxes are levied on December 31, and attach as an enforceable lien on property as of January 1. Taxes are due January 1 and are payable February 28 and June 15, if paid in installments, or April 30 if paid with a single payment. Taxes are delinquent, if not paid, as of August 1. If the taxes are not paid within subsequent periods, the property may be sold at a public auction. Jefferson County bills and collects all of the property taxes and remits collections to the City on a monthly basis after deducting a one percent (1%) collection fee.

The mill levy rate for Lakewood in 2011 will remain at the 2010 level of 4.711 mills. A mill is one-tenth of one cent. In other words, one mill represents \$1 for every \$1,000 in assessed property value. The mill levy is multiplied by the assessed valuation of a property to calculate the property tax. The City of Lakewood’s mill levy has been 4.711 since 1991, with the exception of a temporary levy reduction to 4.67 mills in 1997 when the City exceeded the property tax revenue limits established by TABOR.

Property Taxes are forecasted for 2010 and 2011 based on assessed valuations as determined by Jefferson County and applying the City’s current mill levy rate. Judgmental forecasting was used to forecast the Property Taxes for 2012 through 2015 using historical data and current economic events. After 2006, the City is not exempt from this portion of TABOR. Any revenues subject to the limitation will be refunded to Lakewood citizens. Estimated Revenues for 2011 are \$8,024,928.



| Year | Property Taxes | % Chg |
|------|----------------|--------|
| 2006 | 7,635,192 | |
| 2007 | 7,631,817 | -0.04% |
| 2008 | 8,104,568 | 6.19% |
| 2009 | 8,017,422 | -1.08% |
| 2010 | 8,024,928 | 0.09% |
| 2011 | 8,024,928 | 0.00% |

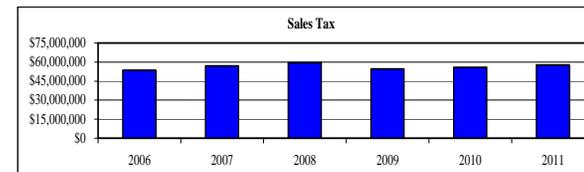
Sales Tax – The City of Lakewood began collecting a 3 percent (3%) tax as of January 1, 2006 on sales of tangible personal property and specific services. Sales Taxes are collected by the retailer and are reported directly to the City on either a monthly, quarterly, or annual basis. The City sales tax rate was 2 percent (2%) from 1971 through 2005. The voters approved a 1 percent (1%) sales and use tax rate increase on November 1, 2005 currently credited to the General Fund. As of January 1, 2009, sales tax does not apply to food for home consumption as defined by the City Code.

The City’s sales tax totals 3 cents on every dollar with 1 cent going directly to the General Fund and the remaining 2 cents is distributed as follows, except in the areas where a Public Improvement Fee (PIF) for capital improvements exist:

- 75% General Fund
- 25% Capital Improvement Fund

Sales Taxes represent approximately 51 percent (51%) of the City’s general operating revenues and 59 percent (59%) of the capital projects revenues after removing portion applicable to developer reimbursements. Lakewood’s economy is diverse and businesses are relatively stable and continue to provide a strong base for sales tax revenues.

Sales Taxes are forecasted using judgmental forecasting for 2010 Revised up 2.3 percent (2.3%) from 2009 actuals due to the benefit of analyzing approximately six months of sales tax receipts and for the 2010 year only, relies more heavily on this current activity. Sales tax for 2011 increased over 2010 Revised primarily due to new retail (Target, Nordstrom Rack, and Best Buy) scheduled to open in early spring of 2011 plus the anticipated CPI growth of 2.1%. The CPI growth rate of 2.3 percent (2.3%) was used for 2012 and the City Council Rate of 2 percent (2%) increase was used for 2013 through 2015. Estimated revenues for 2011 are \$57,765,101.



| Year | Sales Taxes | % Chg |
|------|--------------|--------|
| 2006 | \$53,471,358 | |
| 2007 | \$57,024,910 | 6.65% |
| 2008 | \$59,479,668 | 4.30% |
| 2009 | \$54,458,581 | -8.44% |
| 2010 | \$55,725,165 | 2.33% |
| 2011 | \$57,765,101 | 3.66% |

Use Taxes – A Use Tax is levied as a complement to the City sales tax at 3 percent (3%) and is imposed upon taxable purchases where a sales tax was not legally imposed. The Use Tax consists of three (3) types, General Use for all tangible personal property (e.g., furniture, fixtures, supplies, and equipment) not included in the Building Material Use Tax or the Motor Vehicle Use Tax. Depending upon the type of transaction, the use tax may be paid upon issuance of a building permit, upon purchase/registration of a motor vehicle, or on a sales/use tax return.

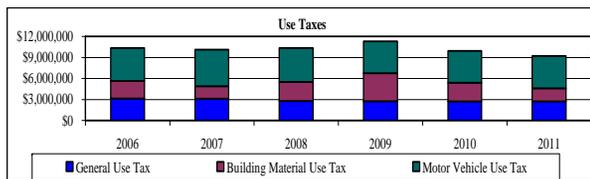
All use tax totals 3 cents on every dollar and is distributed in the same manner as the sales tax. Use taxes represent approximately 8 percent (8%) of the City’s general operating revenues and 12 percent (12%) of the capital projects revenues.

General Use Taxes are forecasted for 2010 with a 1.3 percent (1.3%) decrease compared to prior year actuals based on current year activity. General Use Taxes for 2011 remains the same as for 2010. A City Council rate of two percent (2%) is applied for 2012 through 2015.

Building Materials Use Taxes are expected to decrease for 2010 primarily due to one-time taxes for the construction of the St. Anthony Hospital received in 2009. The portion of the use tax related to the St. Anthony Hospital is removed from the 2011 data in order to establish a base where a two percent (2%) increase over base is applied for 2011 through 2015.

Motor Vehicle Use Tax is forecasted for 2010 based on prior year actuals in keeping with the current year activity. A two percent (2%) increase was applied for 2012 through 2015.

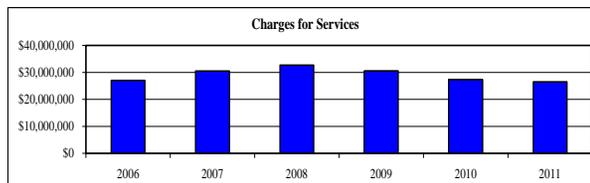
Estimated revenues of the combined three (3) use taxes for 2011 are \$9,219,641.



| Year | Use Taxes | % Chg |
|------|--------------|---------|
| 2006 | \$10,356,896 | |
| 2007 | \$10,104,396 | -2.44% |
| 2008 | \$10,355,050 | 2.48% |
| 2009 | \$11,276,564 | 8.90% |
| 2010 | \$9,927,779 | -11.96% |
| 2011 | \$9,219,641 | -7.13% |

Charges for Services – User based fees are established to help defray the cost of operations applicable to family services, internal charges for fleet maintenance, municipal court costs, recreation, utilities, and victim assistance.

Charges for Services are forecasted for 2010 based on current year’s activity and a slight increase is anticipated for 2011 through 2015. Estimated revenues for 2011 are \$26,486,192.



| Year | Charges for Services | % Chg |
|------|----------------------|---------|
| 2006 | \$26,968,462 | |
| 2007 | \$30,525,545 | 13.19% |
| 2008 | \$32,687,734 | 7.08% |
| 2009 | \$30,570,503 | -6.48% |
| 2010 | \$27,278,192 | -10.77% |
| 2011 | \$26,486,192 | -2.90% |

FEDERAL, STATE, AND LOCAL GRANTS

| Grant Title | 2011 Budget |
|--|--------------------|
| Federal Grants | |
| Child & Adult Care Food Program | \$ 85,000 |
| Community Development Block Grant (CDBG) | 1,060,538 |
| Emergency Management Grant | 35,000 |
| EPA Brownsfield Grant | 234,744 |
| HIDTA Grant Federal | 211,967 |
| HOME Administration | 640,204 |
| Human Trafficking Grant | 30,000 |
| JAG 2010-Federal | 45,338 |
| JAG-Sub Abuse Youth 2009 ARRA | 16,840 |
| Lakewood Head Start Program | 1,092,689 |
| OCDETF Grant Federal | 5,000 |
| Seatbelt Grant Federal | 10,000 |
| VAWA Grant | 64,835 |
| Subtotal of Federal Grants | \$3,532,155 |
| State Grants | |
| Auto Theft Task Force | \$1,500,000 |
| Checkpoint & DUI POS -State | 20,000 |
| Colorado Historical Society Grant | 100,000 |
| Subtotal of State Grants | \$1,620,000 |
| Local Grants | |
| 911 Authority | \$1,448,420 |
| SCFD Tier II Grant | 210,000 |
| Surfside Pool Renovation | 650,000 |
| Subtotal of Local Grants | \$2,308,420 |
| Total All Grants | \$7,460,575 |

LONG-TERM AND SHORT-TERM GOALS

LONG-TERM AND SHORT-TERM GOALS

| LONG-TERM GOALS 2012-2015 | SHORT-TERM GOALS 2010-2011 | IMPLEMENTATION DEPARTMENT |
|---|---|--|
| SAFE COMMUNITY | | |
| Update, replace, and maintain public safety technology to improve service to the community | Electronic Citations (E-ticketing) Police Training and Scheduling Software Modernize Tornado Siren Police Mobile Data Computers E-911 System Enhancements & Backup Code Enforcement integration w/Police Video Feeds from Schools | Information Technology Police |
| Regionalize the emergency preparedness and homeland defense capabilities of both Lakewood and Wheat Ridge | Train staff on the regional capabilities of the Emergency Operations Center Update Emergency Preparedness Plan Business Continuity during Emergencies | City Manager's Office Planning & Public Works Police |
| Assess regionalization in police services to enhance customer service and public safety providing a cost-savings to agencies involved | Continue participation in the following areas West Metro Drug Task Force Metro Area Auto Theft Task Force Crime Laboratory Special Weapons & Tactics (SWAT) Training Academy Radio Communications Intelligence Investigations | Police |
| OPEN AND HONEST COMMUNICATION | | |
| Continually evaluate and make adjustments to meet the growing demands of citizen communications | KLTV 8 Programming Implement new social media procedures & opportunities Notification to victims of court dates Website Replacement Update Zoning Ordinance | City Manager's Office City Clerk's Office Information Technology Municipal Court Planning & Public Works |
| Provide quality customer service | Evaluate services by utilizing a variety of methods and techniques Provide staff training to ensure the required skills and knowledge to provide quality customer service exists Create pro-active community planning standards and process for community input | All Departments |
| FISCAL RESPONSIBILITY | | |
| Provide accurate and transparent financial records and reporting | Ensure compliance with financial and audit requirements Fees and charges for programs and services will be collected to offset costs, where possible Manage Fleet Replacements | Community Resources Finance Information Technology Municipal Court Planning & Public Works |

LONG-TERM AND SHORT-TERM GOALS

LONG-TERM AND SHORT-TERM GOALS

| LONG-TERM GOALS 2012-2015 | SHORT-TERM GOALS 2010-2011 | IMPLEMENTATION DEPARTMENT |
|---|--|---|
| EDUCATION AND INFORMATION | | |
| Continue to look for opportunities to foster transparency of operations | Improve web presence for the Commission for an Inclusive Community Maintain Financial Transparency on Lakewood.org | City Manager's Office Finance Information Technology |
| Provide education and training to employees and citizens on a variety of issues to increase community involvement | Conduct training regarding Social Security, Medicare, and retirement planning Update employee City policies, procedures, and processes Provide education opportunities through teen court and staff presentations Implement a council presentation training program Solicit public input on the planning and implementation of programs Communicate fiscal impact associated with the proposed 3 statewide ballot initiatives | Community Resources Employee Relations Municipal Court Planning & Public Works |
| TRANSPORTATION | | |
| Work with CDOT on funding and construction | Wadsworth/ US 6 Interchange Wadsworth Widening Project Wadsworth/Hampden US 6/Sheridan | Planning & Public Works |
| Enhance transportation through roadway improvements | Transportation needs near St. Anthony Hospital Construct Improvements: Wadsworth/US 6 Interchange Kipling/Colfax Intersection Eastbound Hampden off-ramp widening at Kipling Union Blvd/Federal Center Connectivity Plan Union, 4th to 6th Improvements Wadsworth Medians, 9th & 13th | Planning & Public Works |
| Enhance transportation through signal improvements | Signal system communications upgrade Construct Signal Upgrades: Kipling/Exposition Kipling/Mississippi Alameda/Harlan Alameda/Depew | Planning & Public Works |

LONG-TERM AND SHORT-TERM GOALS

| LONG-TERM GOALS 2012-2015 | SHORT-TERM GOALS 2010-2011 | IMPLEMENTATION DEPARTMENT |
|---|--|--|
| QUALITY ECONOMIC DEVELOPMENT | | |
| <p>Represent the City's interest in potential economic developments: St. Anthony Hospital Rooney Valley Belmar Federal Center West Corridor Light Rail Line</p> | <p>Creation of a small business academy and a small business resource center "The Business Bar" Assist planning staff with development of new zoning ordinances Plan review, permitting, and inspection of St. Anthony Hospital, Target, Nordstrom Rack, and Best Buy</p> | <p>City Manager's Office City Attorney's Office Planning & Public Works</p> |
| <p>Provide high quality and equitable levels of park, recreation, cultural and family services which enhance the well-being of Lakewood's diverse community</p> | <p>Complete Playground Replacements and Modernization at Daniel's Park Develop Operational plan for Surfside Develop funding strategy for Lakewood Rail Restoration Center and Museum Facility at Oak Street</p> | <p>Community Resources</p> |
| PHYSICAL & TECHNOLOGICAL INFRASTRUCTURE | | |
| <p>Utilize technology to improve internal processes and productivity: Electronic Records Management Revenue System Utility System Permit Management System</p> | <p>Develop a paper free process for auditing disposition of records Complete inventory and assessment of the City's need for electronic records management Replace Permit and Inspection System Implement Electronic Records Management processes</p> | <p>City Clerk's Office Finance Information Technology Planning & Public Works</p> |
| <p>Utilize technology to improve internal and external customer service</p> | <p>Develop an electronic process for approving council agenda items Implement Electronic Records Management (ERM) Plan Upgrade LaserFiche Software Integrate Geographical Information System (GIS) with LaserFiche Identify Business Intelligence Software Implement Electronic Ticketing and Automation of Data Entry</p> | <p>City Clerk's Office Information Technology Municipal Court Planning & Public Works Police</p> |
| <p>Continue to proactively inspect and repair, street, stormwater, water, and sewer infrastructure</p> | <p>Continue repairs to street, stormwater, water, and sewer infrastructure Continue street resurfacing Recommend utility rates that are fairly structured and adequate to provide appropriate service levels Complete two-year CIF sidewalk project</p> | <p>Planning & Public Works</p> |

LONG-TERM AND SHORT-TERM GOALS

| LONG-TERM GOALS 2012-2015 | SHORT-TERM GOALS 2010-2011 | IMPLEMENTATION DEPARTMENT |
|--|--|--|
| PHYSICAL & TECHNOLOGICAL INFRASTRUCTURE (continued) | | |
| <p>Offer employees compensation, benefits, training, recognition, and encouragement in order to maintain a productive workforce</p> | <p>Research additional medical insurance options Train employees on Employment Law Update City policies and procedures Conduct training on communication, conflict management, and customer service</p> | <p>Employee Relations</p> |
| QUALITY LIVING ENVIRONMENT | | |
| <p>Provide high quality and equitable levels of park, recreation, cultural and family services which enhance the well-being of Lakewood's diverse community Collaborative Community Cultural Plan 2028</p> | <p>Boys and Girls Club at O'Connell Middle School Expand park volunteer program Establish the City as a certified local government through the Colorado Office of Archaeology and Historic preservation</p> | <p>Community Resources</p> |
| <p>Planning and Development of Strategic Areas within Lakewood Belmar Rooney Valley Redevelopment FasTracks West Corridor Federal Center</p> | <p>Implement development plans for Target, Nordstrom Rack, and Best Buy in Belmar St. Anthony Hospital Phase II Construction</p> | <p>Planning & Public Works</p> |
| <p>Improve Police Response to Community Development and Code Enforcement FasTracks West Corridor St. Anthony Hospital Rooney Valley Development</p> | <p>Maintain Police Liaison Develop Police Strategies Analyze personnel and resources needed for build out Continue with the Neighborhood Revitalization Strategy Area Plan</p> | <p>Police</p> |
| COMMUNITY SUSTAINABILITY | | |
| <p>Focus on long-term community sustainability by promoting positive change throughout own actions, partnerships, and education</p> | <p>Implement a 2-year Sustainability Plan Identify and participate in local, regional, and state sustainability organizations Increase awareness of services and resources offered to businesses with 50 or fewer employees Improvements to Recycling Programs Evaluate street surfacing products Reduce use fuel and electricity where possible</p> | <p>City Manager's Office Planning & Public Works</p> |
| <p>Continue to implement capital building and facility improvements that support sustainability efforts</p> | <p>Develop a comprehensive natural management plan for the park systems Continue to implement building and facility energy efficiency improvements</p> | <p>Community Resources</p> |

DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of the City of Lakewood’s debt service and financial obligations are appropriated for each budget year, whether or not they are legally classified as debt. In Colorado, certificates of participation (COP) and lease purchase agreements are not considered debt. This was determined through the court case of Gude vs. City of Lakewood 636 P.2d 691.

The City’s bond ratings are periodically reviewed by Standard & Poor’s (S&P). The Sales & Use Tax Revenue Refunding Bond rating from Standard & Poor’s was upgraded to AAA from prior years at AA. Standard & Poor’s defines AAA as “The obligor’s capacity to meet its financial commitment on the obligation is extremely strong” and AA- as “The obligor’s capacity to meet its financial commitment on the obligation is very strong”. The ratings for current financial obligations are as follows:

| <i>Latest S&P Review</i> | <i>Obligation</i> | <i>Rating</i> |
|------------------------------|--|---------------|
| 2010 | Sales & Use Tax Revenue Refunding Bond, 1998 | AAA |
| 2008 | Certificates of Participation, 2000 | AA- |
| 2008 | Certificates of Participation, 2006A | AA- |
| 2009 | Certificates of Participation, 2006B | AA- |

The City of Lakewood is a home rule city. The Colorado Revised Statutes provides that general obligation indebtedness for all purposes shall not at any time exceed 3 percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the City. The exception is debt that may be incurred in supplying water. As of December 31, 2009, the City has no general obligation debt outstanding. The City currently does not have and does not intend to issue any general obligation debt. The City’s debt is within the legal debt limit as demonstrated by the table below:

| | |
|--|------------------|
| Assessed Value | \$1,818,392,960 |
| Actual Value | \$14,648,305,503 |
| Debt Limit: 3 Percent of Actual Value | \$439,449,165 |
| Less: Assets in Debt Service | 0 |
| Legal Debt Margin | \$439,449,165 |
| Amount of Bonded Debt Applicable to Debt Limit | 0 |

The City also has a number of lease purchase agreements for equipment, land, and improvements. In general, the agreements were entered into because of the relatively low amounts borrowed, the estimated life of the equipment, and the low cost of capital. The payments are made as part of various capital budgets.

Outstanding bonds as of December 31, 2009 totaled \$3,800,000. The entire amount of \$3,800,000 is the Sales and Use Tax Revenue Refunding Bonds, Series 2009. As of December 31, 2009, capital leases outstanding amount to \$11,027,815, and certificates of participation amount to \$51,385,000. In March 2006, the City and the Library District refinanced the certificates of participations for a net savings of \$3,444,393 after market costs to refinance. In December 2009, the Sales & Use Tax Revenue Refunding Bonds, Series 1998 were refinanced for a net savings of \$128,500.

The following table is a list of outstanding bonded debt and lease purchases as of December 31, 2009:

| <i>Long-Term Debt / Lease Payments</i> | <i>Balance</i> |
|--|---------------------|
| Sales and Use Revenue Refunding Bonds, Series 1998 | \$ 3,800,000 |
| 2007 Section 108 Notes Payable | 3,336,000 |
| Police Facility | 2,330,000 |
| William Frederick Hayden Park Lease Purchase | 1,106,963 |
| Office Condo Lease Purchase | 241,581 |
| Homestead Golf Carts | 213,271 |
| Total | \$11,027,815 |

The following table is a list of the City’s portion of outstanding Certificates of Participation as of December 31, 2009: The Certificates of Participation, 2006B includes the Library’s portion of \$2,630,000 should they default.

| <i>Long-Term Debt / Lease Payments</i> | <i>Balance</i> |
|--|---------------------|
| Certificates of Participation, 2000 | \$ 1,330,000 |
| Certificates of Participation, 2006A | 26,180,000 |
| Certificates of Participation, 2006B | 23,875,000 |
| Total | \$51,385,000 |

2011 ESTIMATED FINANCIAL SOURCES AND USES

| | <i>Governmental Funds</i> | | |
|--|---------------------------|------------------------------|-------------------------------|
| | <i>General Fund</i> | <i>Special Revenue Funds</i> | <i>Capital Projects Funds</i> |
| REVENUES | | | |
| Property Tax | \$ 8,024,928 | \$ - | \$ - |
| Sales Tax | 48,308,689 | - | 9,456,412 |
| General Use Tax | 2,259,034 | - | 469,108 |
| Building Material Use Tax | 1,553,450 | - | 312,072 |
| Motor Vehicle Use Tax | 3,854,241 | - | 771,736 |
| Specific Ownership Tax | 624,304 | - | - |
| Tobacco Products Tax | 316,901 | - | - |
| Business & Occupation Tax | 1,772,539 | - | - |
| Franchise Charges & Other Taxes | 6,812,127 | - | - |
| Hotel Accommodation Tax | - | 850,000 | - |
| Licenses & Permits | 1,789,921 | - | - |
| Intergovernmental Revenue | 5,679,690 | 12,749,180 | 1,932,962 |
| Charges for Services | 9,934,752 | 1,069,225 | 1,802,564 |
| Fines & Forfeits | 1,367,640 | - | - |
| Investment Income | 776,290 | 113,934 | 150,314 |
| All Other Revenues | 1,407,688 | 21,422 | 207,500 |
| Total Revenues | \$94,482,194 | \$14,803,761 | \$15,102,668 |
| EXPENDITURES | | | |
| Mayor and City Council | 556,470 | - | - |
| City Manager's Office | 1,937,871 | 784,476 | 250,000 |
| City Attorney's Office | 1,539,443 | - | - |
| City Clerk's Office | 682,193 | - | - |
| Community Resources | 16,239,575 | 9,689,467 | 918,017 |
| Employee Relations | 1,364,453 | - | - |
| Finance | 3,062,412 | 28,410 | 56,173 |
| Information Technology | 4,430,174 | - | 1,155,000 |
| Municipal Court | 2,700,635 | 16,840 | - |
| Planning & Public Works | 15,575,339 | 1,728,486 | 11,262,807 |
| Police | 39,618,406 | 3,415,560 | - |
| Non-Departmental | 6,187,348 | - | 3,433,246 |
| Total Expenditures | \$93,894,319 | \$15,663,239 | \$17,075,243 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating Transfers In | 18,620 | 983,073 | 1,538,509 |
| Operating Transfers Out | (2,189,108) | - | - |
| Total Other Financing Sources (Uses) | \$(2,170,488) | \$ 983,073 | \$ 1,538,509 |
| Excess (Deficiency) of Financial Sources over Financial Uses | (1,582,613) | 123,595 | (434,066) |
| FUND BALANCES, BEGINNING OF YEAR | 25,065,313 | 4,389,034 | 8,916,915 |
| FUND BALANCES, END OF YEAR | \$23,482,700 | \$ 4,512,629 | \$ 8,482,849 |

Fund Balance as a percent of Expenditures and Operating Transfers Out

24.44% 28.81% 49.68%

2011 ESTIMATED FINANCIAL SOURCES AND USES

| <i>Proprietary Funds</i> | | <i>Total All Funds</i> |
|--------------------------|-------------------------------|------------------------|
| <i>Enterprise Funds</i> | <i>Internal Service Funds</i> | |
| \$ - | \$ - | \$ 8,024,928 |
| - | - | 57,765,101 |
| - | - | 2,728,142 |
| - | - | 1,865,522 |
| - | - | 4,625,977 |
| - | - | 624,304 |
| - | - | 316,901 |
| - | - | 1,772,539 |
| - | - | 6,812,127 |
| - | - | 850,000 |
| - | - | 1,789,921 |
| - | - | 20,361,832 |
| 10,874,600 | 2,805,051 | 26,486,192 |
| - | - | 1,367,640 |
| 249,633 | 313,194 | 1,603,365 |
| - | - | 1,636,610 |
| \$11,124,233 | \$ 3,118,245 | \$138,631,101 |
| - | - | 556,470 |
| - | - | 2,972,347 |
| - | - | 1,539,443 |
| - | - | 682,193 |
| 4,946,734 | - | 31,793,793 |
| - | - | 1,364,453 |
| - | - | 3,146,995 |
| - | - | 5,585,174 |
| - | - | 2,717,475 |
| 7,609,253 | - | 36,175,885 |
| - | - | 43,033,966 |
| 31,236 | 3,802,604 | 13,454,434 |
| \$12,587,223 | \$ 3,802,604 | \$143,022,628 |
| - | - | 2,540,202 |
| (332,474) | - | (2,521,582) |
| \$ (332,474) | \$ - | \$ 18,620 |
| (1,795,464) | (684,359) | (4,372,907) |
| 26,214,683 | 10,135,481 | 74,721,426 |
| \$24,419,219 | \$ 9,451,122 | \$ 70,348,519 |

189.01% 248.54%

BUDGET SUMMARY

2011 BUDGETED EXPENDITURES BY PROGRAM

| City Department by Program | General Fund | Special Revenue Funds | Capital Projects Funds | Enterprise Funds | Internal Service Funds | City Total |
|--------------------------------|--------------|-----------------------|------------------------|------------------|------------------------|---------------|
| Mayor and City Council | \$ 556,470 | \$ - | \$ - | \$ - | \$ - | \$ 556,470 |
| City Manager's Office | \$ 1,937,871 | \$ 784,476 | \$ 250,000 | \$ - | \$ - | \$ 2,972,347 |
| City Management | 1,937,871 | - | 250,000 | - | - | 2,187,871 |
| Economic Dev & Sustainability | - | 784,476 | - | - | - | 784,476 |
| City Attorney's Office | \$ 1,539,443 | \$ - | \$ - | \$ - | \$ - | \$ 1,539,443 |
| City Clerk's Office | \$ 682,193 | \$ - | \$ - | \$ - | \$ - | \$ 682,193 |
| Community Resources | \$16,239,575 | \$ 9,689,467 | \$ 918,017 | \$ 4,946,734 | \$ - | \$ 31,793,793 |
| Admin. & Resource Development | 742,066 | - | - | - | - | 742,066 |
| Family Services | 3,021,925 | 1,339,689 | - | - | - | 4,361,614 |
| Golf Course Operations | - | - | - | 4,946,734 | - | 4,946,734 |
| Heritage, Culture & the Arts | - | 2,344,291 | - | - | - | 2,344,291 |
| Planning & Construction | 3,944,674 | 2,847,555 | 913,017 | - | - | 7,705,246 |
| Recreation | 4,693,488 | - | - | - | - | 4,693,488 |
| Regional Parks Operations | 506,911 | 827,295 | - | - | - | 1,334,206 |
| Urban Parks Operations | 3,330,511 | 2,330,637 | 5,000 | - | - | 5,666,148 |
| Employee Relations | \$1,364,453 | \$ - | \$ - | \$ - | \$ - | \$ 1,364,453 |
| Finance | \$ 3,062,412 | \$ 28,410 | \$ 56,173 | \$ - | \$ - | \$ 3,146,995 |
| Finance Administration | 482,081 | - | - | - | - | 482,081 |
| Accounting | 610,105 | 28,410 | - | - | - | 638,515 |
| Property & Purchasing Services | 1,098,127 | - | 56,173 | - | - | 1,154,300 |
| Revenue | 872,099 | - | - | - | - | 872,099 |
| Information Technology | \$ 4,430,174 | \$ - | \$ 1,155,000 | \$ - | \$ - | \$ 5,585,174 |
| Municipal Court | \$ 2,700,635 | \$ 16,840 | \$ - | \$ - | \$ - | \$ 2,717,475 |
| Municipal Court Administration | 273,451 | - | - | - | - | 273,451 |
| Court Marshal | 508,710 | - | - | - | - | 508,710 |
| Judicial | 428,072 | - | - | - | - | 428,072 |
| Probation Services | 563,204 | 16,840 | - | - | - | 580,044 |
| Violations Bureau | 927,198 | - | - | - | - | 927,198 |

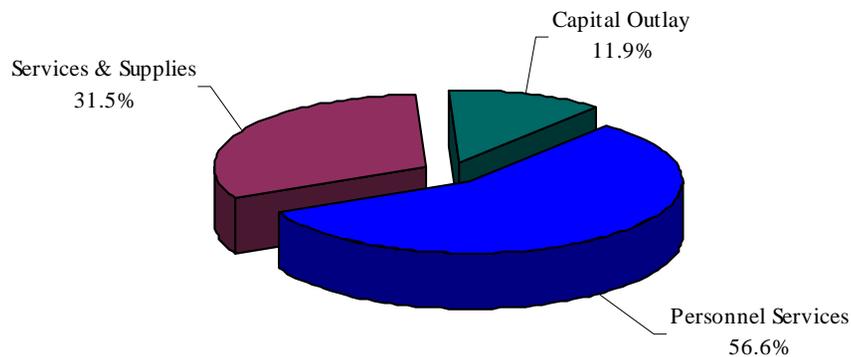
BUDGET SUMMARY

2011 BUDGETED EXPENDITURES BY PROGRAM

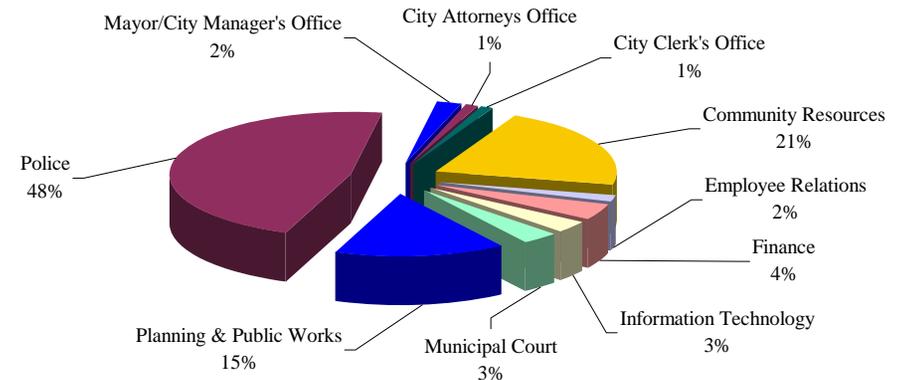
| City Department by Program | General Fund | Special Revenue Funds | Capital Projects Funds | Enterprise Funds | Internal Service Funds | City Total |
|---|--------------|-----------------------|------------------------|------------------|------------------------|---------------|
| Planning & Public Works | \$15,575,339 | \$ 1,728,486 | \$11,262,807 | \$ 7,609,253 | \$ - | \$ 36,175,885 |
| Public Works Administration | 400,080 | - | 184,146 | - | - | 584,226 |
| Comprehensive Planning & Research | 546,864 | 1,458,742 | 130,000 | - | - | 2,135,606 |
| Engineering | 2,952,095 | - | 809,376 | - | - | 3,761,471 |
| Environmental Services & Emergency Preparedness | 240,828 | 269,744 | - | - | - | 510,572 |
| Fleet Management | 3,557,667 | - | 3,107,515 | - | - | 6,665,182 |
| Planning-Development Assistance | 711,005 | - | - | - | - | 711,005 |
| Public Works Maintenance | 3,449,812 | - | 6,259,318 | - | - | 9,709,130 |
| Sewer Utility | - | - | - | 3,958,119 | - | 3,958,119 |
| Stormwater Management Utility | - | - | - | 2,721,252 | - | 2,721,252 |
| Traffic Engineering | 3,716,988 | - | 772,452 | - | - | 4,489,440 |
| Water Utility | - | - | - | 929,882 | - | 929,882 |
| Police | \$39,618,406 | \$ 3,415,560 | \$ - | \$ - | \$ - | \$ 43,033,966 |
| Office of the Chief | 2,241,908 | 45,338 | - | - | - | 2,287,246 |
| Investigations | 9,434,786 | 1,811,802 | - | - | - | 11,246,588 |
| Patrol Services | 20,863,954 | 30,000 | - | - | - | 20,893,954 |
| Support Services | 7,077,758 | 1,528,420 | - | - | - | 8,606,178 |
| Non-Departmental | \$ 6,187,348 | \$ - | \$ 3,433,246 | \$ 31,236 | \$ 3,802,604 | \$ 13,454,434 |
| Citywide Employee Benefits | 1,276,779 | - | - | 31,236 | 175,000 | 1,483,015 |
| Debt Obligations/Special Projects | 3,510,569 | - | 3,433,246 | - | - | 6,943,815 |
| Self-Insurance Funding | 1,400,000 | - | - | - | 3,627,604 | 5,027,604 |
| Total by Fund | \$93,894,319 | \$15,663,239 | \$17,075,243 | \$12,587,223 | \$ 3,802,604 | \$143,022,628 |

**2011 ALL FUNDS BUDGETED EXPENDITURES
BY CLASSIFICATION**

| <i>City Department</i> | <i>Personnel Services</i> | <i>Services & Supplies</i> | <i>Capital Outlay</i> | <i>Total</i> |
|---------------------------|---------------------------|--------------------------------|-----------------------|----------------------|
| Mayor and City Council | \$ 330,844 | \$ 225,626 | \$ - | \$ 556,470 |
| City Manager's Office | 1,863,660 | 964,687 | 144,000 | 2,972,347 |
| City Attorney's Office | 1,008,110 | 531,333 | - | 1,539,443 |
| City Clerk's Office | 543,507 | 138,686 | - | 682,193 |
| Community Resources | 17,708,964 | 11,497,842 | 2,586,987 | 31,793,793 |
| Employee Relations | 1,202,126 | 151,687 | 10,640 | 1,364,453 |
| Finance | 2,601,213 | 544,982 | 800 | 3,146,995 |
| Information Technology | 3,071,912 | 1,938,262 | 575,000 | 5,585,174 |
| Municipal Court | 2,486,651 | 230,824 | - | 2,717,475 |
| Planning and Public Works | 10,939,693 | 14,623,078 | 10,613,114 | 36,175,885 |
| Police | 37,910,560 | 3,720,406 | 1,403,000 | 43,033,966 |
| Non-Departmental | 1,277,125 | 10,454,958 | 1,722,351 | 13,454,434 |
| TOTALS | \$80,944,365 | \$45,022,371 | \$17,055,892 | \$143,022,628 |



**2011 STAFFING BY DEPARTMENT
(Percent of Total)**



| <i>Department</i> | <i>FTE Positions</i> |
|------------------------------------|----------------------|
| Mayor & City Council | 1.00 |
| City Manager's Office | 17.50 |
| City Attorney's Office | 11.00 |
| City Clerk's Office | 8.00 |
| Community Resources | 183.00 |
| Employee Relations | 14.00 |
| Finance | 34.56 |
| Information Technology | 27.50 |
| Municipal Court | 28.00 |
| Planning and Public Works | 131.31 |
| Police | 405.00 |
| Total FTE | 860.87 |
| Part-Time Hours | 479,472 |
| Anticipated Police Recruits | 10 |

FIVE-YEAR CAPITAL IMPROVEMENT AND PRESERVATION PLAN (CIPP)

The 2010 Revised through 2015 Five-Year Capital Improvement and Preservation Plan (CIPP) includes six new projects while maintaining funding levels for annual programs.

Six new projects were added to the CIPP this year as noted below. More detailed information about each new project as well as all other projects in the CIPP can be found on the individual project information sheets found later in this section of the budget document.

- Quail Street Recycling Site – This project will enhance the current recycling operation at 1050 Quail Street. This project is funded by City Capital Improvement Funds (CIF).
- West Corridor Neighborhood Transportation Study – This project is scheduled to begin in 2013 and will study all modes of transportation in the vicinity of the light rail corridor. This project is funded by City Capital Improvement Funds (CIF).
- Surfside Pool Renovation – This project will construct site improvements in accordance with the recently adopted site master plan. Approximately 77% of the project’s funding is from GOCO and Open Space grants. The remaining funding is from CDBG and Conservation Trust (CT) Funds.
- Trail Study – This project will study the feasibility of a trail system along Dry Gulch from Wadsworth to Sheridan. Approximately 35% of the project’s funding is from a state trails grant with the remainder from Open Space (OS) Funds.
- Playground Replacement – This project provides funds to replace and upgrade playgrounds throughout the City. This project is funded by City Conservation Trust (CT) and Open Space (OS) Funds.
- Holbrook Park Pond Improvements – This project will include dredging the lower pond at Holbrook Park, armoring the pond banks and improving the outlet structure. The project is funded with Open Space (OS) Funds.

CAPITAL IMPROVEMENT FUND

| PROJECT NAME | 2010R | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------------|--------------|---------------|---------------|---------------|---------------|
| Annual Programs | | | | | | |
| Compreh Plan Corridor Implem | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Building Infrastructure | 625,000 | 625,000 | 625,000 | 625,000 | 625,000 | 625,000 |
| Developer Contributions | 330,324 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Neighbrhd Entry Treatmnt Maint | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Neighbrhd Participation Progm | 210,171 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Roadside Safety Improvements | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 |
| Traffic Safety Improvements | 306,520 | 193,291 | 945,207 | 947,219 | 949,341 | 951,578 |
| Signal Safety Improvements | 77,169 | 197,744 | 198,469 | 199,227 | 200,020 | 200,850 |
| Long Life Pavement Markings | 214,207 | 216,417 | 219,256 | 222,236 | 225,366 | 228,655 |
| Development Participation | 50,000 | 50,000 | 150,000 | 450,000 | 150,000 | 50,000 |
| Street Resurface/Concrete Rehab | 5,928,782 | 6,259,318 | 6,629,062 | 7,020,894 | 7,436,141 | 7,876,210 |
| Water Rights | 282,245 | 184,146 | 186,555 | 189,086 | 191,748 | 194,550 |
| CIPP Support Services | 305,448 | 353,260 | 354,658 | 335,832 | 350,615 | 366,207 |
| City Parking Garage Maint | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Vehicle Replacement | 1,334,744 | 1,337,515 | 1,341,199 | 1,345,061 | 1,349,112 | 1,353,365 |
| Subtotals | \$ 9,894,610 | \$ 9,816,691 | \$ 11,049,406 | \$ 11,734,555 | \$ 11,877,343 | \$ 12,246,415 |
| Debts and Other Long Term Obligations | | | | | | |
| 2006B COP Payments | \$ 386,000 | \$ 386,000 | \$ 386,000 | \$ 386,000 | \$ 386,000 | \$ 386,000 |
| Revenue Sharing Agreements | 1,652,645 | 1,687,351 | 1,726,160 | 1,760,683 | 1,795,897 | 1,831,815 |
| William Frederick Hayden Park Acquisition | 110,586 | 110,757 | 110,932 | 111,110 | 111,292 | 111,291 |
| West Metro Repurchase Agrmnt | 127,260 | 127,260 | - | - | - | - |
| Subtotals | \$ 2,276,491 | \$ 2,311,368 | \$ 2,223,092 | \$ 2,257,793 | \$ 2,293,189 | \$ 2,329,106 |
| City Facilities | | | | | | |
| Head Start Center | \$ 1,250,630 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Belmar Park Well Rehabilitation | 400,000 | - | - | - | - | - |
| Police Facility Acquisition | 394,565 | - | - | - | - | - |
| Quail Street Recycling Site | 150,000 | - | - | - | - | - |
| Subtotals | \$ 2,195,195 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transportation | | | | | | |
| Bike Paths/Sidewalks | \$ 1,660,000 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - |
| Wadsworth/Colfax Intersection | 145,000 | - | - | - | - | - |
| W Corr Neighbrhd Transp Study | - | - | - | 100,000 | - | - |
| Union Boulevard, 4th to 6th | 385,295 | - | - | - | - | - |
| Kipling/Colfax Intersection | 1,781,000 | - | - | - | - | - |
| Colfax/Simms Intersection | 80,000 | - | - | - | - | - |

CAPITAL IMPROVEMENT AND PRESERVATION PLAN

CAPITAL IMPROVEMENT FUND (CONTINUED)

| PROJECT NAME | 2010R | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Transportation (continued) | | | | | | |
| Weir Gulch Trail Crossing Under Wadsworth Boulevard | 200,000 | - | - | - | - | - |
| Colfax/Youngfield Intersection | 30,000 | - | - | - | - | - |
| Kipling Light Rail Bike Path Overpass | 492,000 | - | - | - | - | - |
| Wadsworth Light Rail Bike Path Overpass | 1,464,000 | - | - | - | - | - |
| C-470 Bike Path Extension to Indiana Street | 77,000 | - | - | - | - | - |
| Wadsworth at Hampden | 680,000 | - | - | - | - | - |
| Alameda Bike Path Reconstructn | 240,000 | - | - | - | - | - |
| Alameda Signals @ Harlan & Depew | 75,000 | - | - | - | - | - |
| Wadsworth Medians @ 9th & 13th | 9,000 | - | - | - | - | - |
| Kipling Signals @ Miss & Expo | 18,000 | - | - | - | - | - |
| EB Hampden Off-Ramp at Kipling Street | 4,000 | - | - | - | - | - |
| West Corridor Noise Barrier | 80,000 | - | - | - | - | - |
| Subtotals | \$ 7,420,295 | \$ 400,000 | \$ - | \$ 100,000 | \$ - | \$ - |
| Project Contingencies | | | | | | |
| Capital Project Contingencies | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subtotals | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Capital Improvement Fund | \$22,286,591 | \$12,528,059 | \$13,272,498 | \$14,092,348 | \$14,170,532 | \$14,575,521 |

CONSERVATION TRUST AND OPEN SPACE FUNDS

| PROJECT NAME | 2010R | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Annual Programs | | | | | | |
| Parks Infrastructure | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 |
| Subtotals | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 |
| Debts and Other Long Term Obligations | | | | | | |
| 2000/2006A COP Payments | \$ 955,094 | \$ 978,651 | \$ 978,485 | \$ 977,743 | \$ 977,743 | \$ 978,427 |
| William Frederick Hayden Park Acquisition | 98,000 | 98,000 | 98,000 | 98,000 | 98,000 | 98,000 |
| Subtotals | \$ 1,053,094 | \$ 1,076,651 | \$ 1,076,485 | \$ 1,075,743 | \$ 1,075,743 | \$ 1,076,427 |

CAPITAL IMPROVEMENT AND PRESERVATION PLAN

CONSERVATION TRUST AND OPEN SPACE FUNDS (CONTINUED)

| PROJECT NAME | 2010R | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Capital Preservation & Improvement | | | | | | |
| Site & Facility Improvements | \$ 368,967 | \$ 216,058 | \$ 400,000 | \$ 500,000 | \$ 600,000 | \$ 400,000 |
| Subtotals | \$ 368,967 | \$ 216,058 | \$ 400,000 | \$ 500,000 | \$ 600,000 | \$ 400,000 |
| Development Projects | | | | | | |
| Bear Creek Lake Park | \$ 297,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lakewood Heritage Center | 6,000 | - | - | - | - | - |
| Coyote Gulch Park Ballfield | 10,000 | - | - | - | - | - |
| Arts in the Park | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Surfside Pool Renovation | 16,533 | 183,942 | - | - | - | - |
| Holbrooke Park Pond Improvmt | 100,000 | - | - | - | - | - |
| Trails | 27,000 | - | - | - | - | - |
| Playground Replacement | 275,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Ray Ross Park Renovations | 200,000 | - | - | - | - | - |
| Subtotals | \$ 951,533 | \$ 323,942 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 |
| Acquisitions | | | | | | |
| Land Acquisition | \$ 137,300 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 |
| Subtotals | \$ 137,300 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 |
| Total Conservation Trust and Open Space Funds | \$ 2,635,894 | \$ 1,743,451 | \$ 1,743,285 | \$ 1,842,543 | \$ 1,942,543 | \$ 1,743,227 |

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

| PROJECT NAME | 2010R | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------------|------|------|------|------|------|
| CDBG Sidewalk Projects | \$ 373,534 | \$ - | \$ - | \$ - | \$ - | \$ - |
| CDBG ARRA 14th Ave Sidewalk Project | 237,361 | - | - | - | - | - |
| Total Community Developmt Block Grant Fund | \$ 610,895 | \$ - | \$ - | \$ - | \$ - | \$ - |

GOLF COURSE FUND

| PROJECT NAME | 2010R | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| 2000/2006A COP Payments | \$ 754,029 | \$ 815,542 | \$ 815,403 | \$ 914,784 | \$ 914,784 | \$ 865,354 |
| Total Golf Course Fund | \$ 754,029 | \$ 815,542 | \$ 815,403 | \$ 914,784 | \$ 914,784 | \$ 865,354 |

CAPITAL IMPROVEMENT AND PRESERVATION PLAN

SEWER ENTERPRISE FUND

| <i>PROJECT NAME</i> | <i>2010R</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sewer Lining | \$ 350,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 | \$ 350,000 |
| Sewer Replacements | 300,000 | - | - | - | - | - |
| Capital Project Contingencies | 250,000 | - | - | - | - | - |
| Total Sewer Enterprise Fund | \$ 900,000 | \$ 350,000 |

WATER ENTERPRISE FUND

| <i>PROJECT NAME</i> | <i>2010R</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|------------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| Capital Project Contingencies | \$ 150,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Water Enterprise Fund | \$ 150,000 | \$ - |

STORMWATER ENTERPRISE FUND

| <i>PROJECT NAME</i> | <i>2010R</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| W Corridor Drainage Improvmts | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| North Sanderson Gulch at South Marshall Circle | 125,000 | - | - | - | - | - |
| North Dry Gulch Improvements | 250,000 | 500,000 | 300,000 | 700,000 | - | - |
| Wadsworth near Eastman | 125,000 | - | - | - | - | - |
| Local Drainage Projects | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Capital Project Contingencies | 250,000 | - | - | - | - | - |
| Total Stormwater Entrp Fund | \$ 1,400,000 | \$ 650,000 | \$ 450,000 | \$ 850,000 | \$ 150,000 | \$ 150,000 |

EQUIPMENT REPLACEMENT FUND

| <i>PROJECT NAME</i> | <i>2010R</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Radio Systems Replacement | \$ - | \$ - | \$ - | \$ 350,000 | \$ 350,000 | \$ - |
| Financial Mgmt and Human Resources Systems Update | - | - | - | 170,000 | - | - |
| Permits/Inspectns/Address Syst | 232,191 | - | - | - | - | - |
| Police Public Safety Syst Update | - | - | 230,000 | - | - | - |
| Web Content Management System Replacement | - | 225,000 | - | - | - | - |
| Wide Area Network Re-Design & Replacement | 100,000 | 150,000 | - | - | - | - |
| Total Equip Replacemt Fund | \$ 332,191 | \$ 375,000 | \$ 230,000 | \$ 520,000 | \$ 350,000 | \$ - |



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