



2013 Annual Budget

City of Lakewood • 480 South Allison Parkway • Lakewood, Colorado 80226-3127

Lakewood



2011



CITY OF LAKEWOOD, COLORADO

ANNUAL BUDGET

2013





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lakewood
Colorado**

For the Fiscal Year Beginning

January 1, 2012

Linda C. Davison Jeffrey R. Egan

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Lakewood, Colorado** for its annual budget for the fiscal year beginning **January 1, 2012**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



BUDGET PREPARATION

Finance Director	Larry Dorr	303-987-7601
Accounting Manager	Richianne Sullivan	303-987-7612
Administrative Assistant	Sheila Becker	303-987-7617
Budget & Finance Mgmt Analyst	Cathy Barum	303-987-7031
Personnel Manager	Coleen Hampf	303-987-7715
Senior Accountant	Jeanne Anderson	303-987-7645

DEPARTMENT BUDGET COORDINATORS

City Manager's Office and Mayor and City Council	Carole Gosnell	303-987-7054
City Attorney's Office	Theresa Gonzales	303-987-7461
City Clerk's Office	Michele Millard	303-987-7048
Community Resources	Mary Masini	303-987-7816
Employee Relations	Jeannie Madigan	303-987-7705
Finance	Cathy Barum	303-987-7601
Information Technology	Tammi Dorsey	303-987-7891
Municipal Court	Norm Brisson	303-987-7422
Planning	Evelyn Baker	303-987-7548
Police	Cathy Schultz	303-987-7371
Public Works	Jim Richey	303-987-7985
Public Works	Vince Casteel	303-987-7941

CAPITAL IMPROVEMENT AND PRESERVATION PLAN COORDINATORS

Public Works	Vince Casteel	303-987-7941
Community Resources	Ross Williams	303-987-7814



USING THE BUDGET DOCUMENT

Each year, the City Manager and staff prepare an Annual Budget that serves as the funding plan for policies, goals, and service-levels as determined by the City Council. This document is a comprehensive decision-making tool that provides detail for the 2012 Revised Budget (Revised) and the 2013 Budget. This budget document includes audited, current year revised budget, next year's budget data, and forecasted (estimated) data beyond the budget year.

The City of Lakewood prepares a modified Program-Based Budget. The budget document provides fund summary reports as well as program budgets that identify activities and financial detail for each City department. The department/division and program summaries provide assistance to the reader in understanding historical data along with the current budgetary detail. Historical and budget data has been restated to reflect current organization and Fund structures. All available funding sources (revenues) that are utilized within a department/program are also presented. Council's Core Community Values (Core Values) are established on an annual basis for the purpose of guiding the organization. The department summary identifies the Department's Mission Statement and Goals and indicates which Core Value is supported by the given goal. This allows the reader to see the direct link between the Department Goals and Council's Core Community Values.



The table below indicates which departments are responsible for the implementation of the 2012/2013 Core Values. The Operating Summary section of this document details the Department's specific activities supporting the Core Community Values.

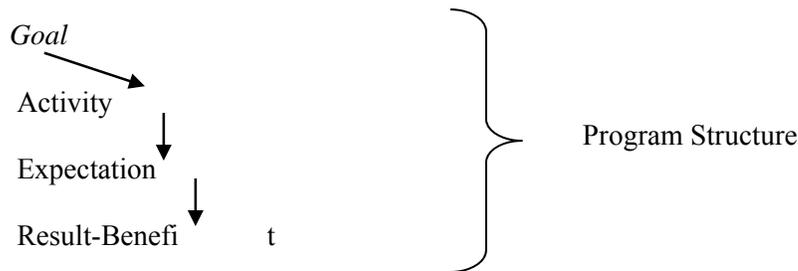
Matrix of Community Core Values by Department

Department	Safe Community	Open and Honest Communication	Fiscal Responsibility	Education and Information	Transportation	Quality Economic Development	Physical & Technological Infrastructure	Quality Living Environment	Community Sustainability
City Manager's Office	X	X		X	X	X	X	X	X
City Attorney's Office	X	X	X	X		X		X	
City Clerk's Office	X	X					X	X	X
Community Resources		X		X		X	X	X	
Employee Relations			X	X			X		
Finance		X	X	X					
Information Technology							X		
Municipal Court	X		X				X		
Planning	X	X		X		X		X	X
Police	X	X					X	X	
Public Works	X		X		X		X	X	X
Non-Departmental							X		



USING THE BUDGET DOCUMENT (CONTINUED)

Included in each program budget are explanations of significant changes that have occurred in the 2012 Revised Budget and/or significant budgetary variances in the 2013 Budget. Included with the financial information are descriptions of the Goals, which the program supports. A Goal is broad in nature. It guides a department on how to attain its Mission Statement and most specifically why given programs exist. Activity, Expectation, and Results-Benefits document workloads and achievements for each department for the coming year. Each activity is followed by the related expectation and result/benefit. If there is more than one activity under a given Goal, it will be separated by a bold line from the previous activity, expectation, and result-benefit. The reader can easily see the direct relationship between the activity, expectation, and result/benefit. The following diagram further explains the program layout:



The City utilizes a decentralized approach, “bottom up”, in the development of the Annual Budget. Each Department is responsible for developing the financial data and narratives that are to be incorporated into the budget document. Guidelines and instructions are established by the Finance Department in cooperation with City Council’s Budget and Audit Committee. These guidelines and instructions are compiled into a budget manual that assists the Departments in the development of the budget. The Finance Department coordinates and compiles all of the budget information from the Departments into the final budget document that is presented by the City Manager to City Council.



BUDGET GUIDE

This guide is a summary of the information contained in the annual budget document. There are seven (7) main sections to this document: the Introduction, Budget Overview, Fund Summaries, Strategic Financial Plan, Operating Summaries, Capital Improvement and Preservation Plan, and Appendix.

Introduction

This section provides general information about the City. It includes:

- ❖ Citywide Organization Chart
- ❖ State and Metropolitan Map
- ❖ Officials of the City
- ❖ City of Lakewood Ward Boundaries
- ❖ Budget and Audit Committee
- ❖ Budget Message from the City Manager
- ❖ Community Profile
- ❖ Form of Government
- ❖ Scope of Services
- ❖ Employees and Benefits
- ❖ 2013 Budget and Financial Policies

Budget Overview

This section provides the reader with a snapshot of the City's total budget, including revenues and expenditures for all funds. The Budget Overview also includes:

- ❖ City Funds Organization Chart
- ❖ 2011-2013 Summary of Estimated Financial Sources and Uses (all fund types)
- ❖ City Revenues Summary
- ❖ Revenue Overview
- ❖ Federal, State, and Local Grants
- ❖ Budget Summary by Fund, by Department, and by Program
- ❖ Functional Units by Fund
- ❖ All Funds Summary of Expenditures
- ❖ General Fund Summary of Expenditures
- ❖ Staffing Overview
- ❖ Staffing Summary by Department and by Fund Type
- ❖ Long-Term and Short-Term Goals Linked to Core Community Values
- ❖ Debt Service and Financial Obligations

Fund Summaries

This section provides the reader with supporting detail for the revenues and operating expenditures for all funds requiring appropriations. Descriptions are provided for each fund as well as a Summary of Estimated Financial Sources and Uses. Notes and assumptions used in the forecasting of the budget are presented.



BUDGET GUIDE (CONTINUED)

Strategic Plan

The Strategic Plan provides the reader historical and projected financial sources and financial uses for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds and a summary of All Revenue Funds. Assumptions for the Strategic Plan are also presented.

Operating Summaries

Each City department provides financial data for inclusion into the budget. Each department section begins with a summary listing of all programs within the department, a department organization chart, a department summary of expenditures, summary of resources, full-time positions and part-time hours, budget variances, Core Community Values that the department supports, and department goals.

This section also provides information for each program budget. The program information includes narrative on the department goal supported, program activities, program expectations, and program results/benefits. All revenue resources for each program are defined and expenditures are summarized for personnel services, services and supplies, and capital outlay. A summary of authorized personnel assigned to the program is also included. In the case of reorganizations, historical and budgeted data are restated to reflect the current organizational structure.

Five-Year Capital Improvement and Preservation Plan

Each year the City prepares a Five-Year Capital Improvement and Preservation Plan. The Five-Year Capital Improvement and Preservation Plan will be approved and adopted along with the City's Annual Budget.

Appendix

The Appendix section provides additional information as follows:

- ❖ Schedule of Purchases \$50,000 or greater
- ❖ Schedule of Transfers
- ❖ 2012 Revised / 2013 Budget Appropriation and Mill Levy Ordinance
- ❖ Glossary of Terms



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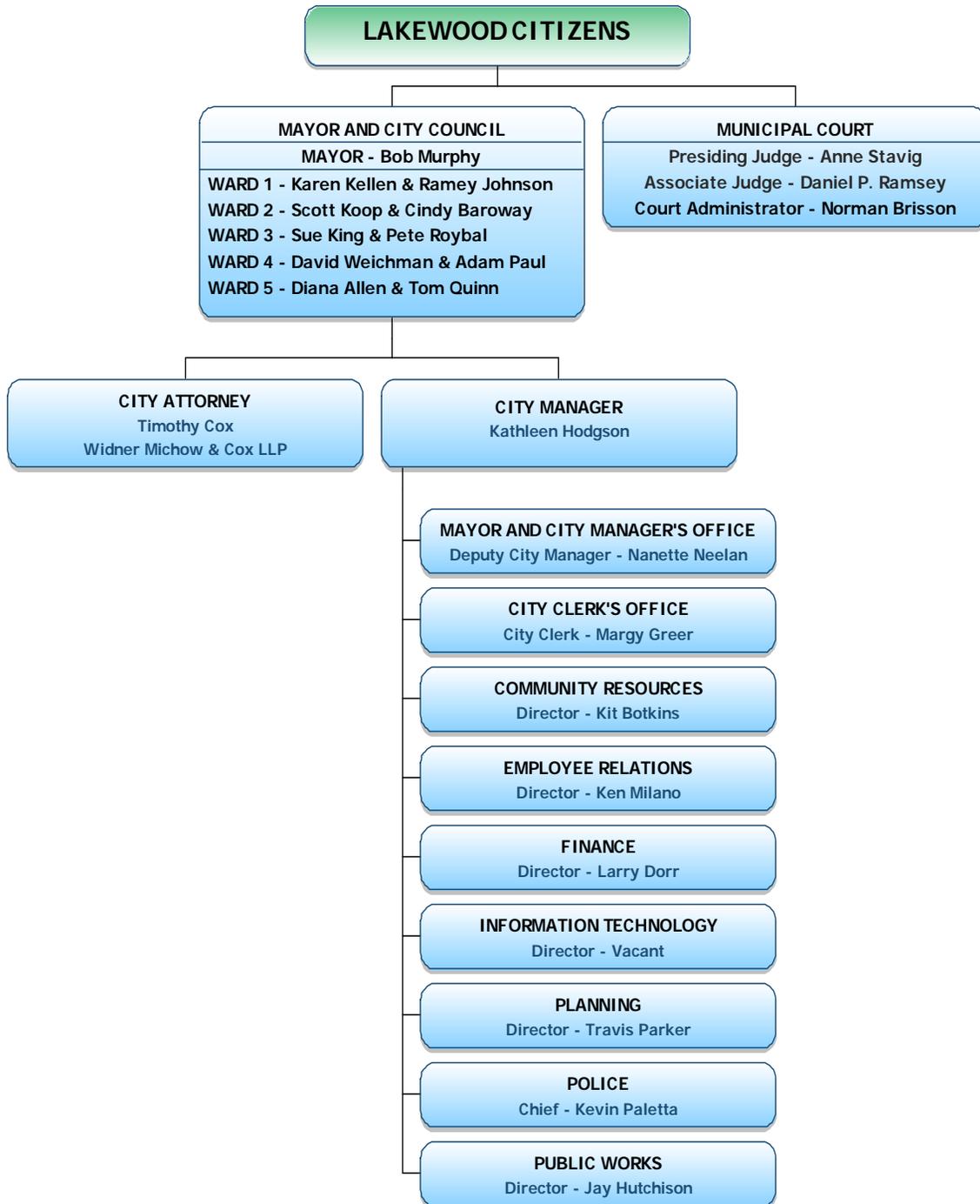
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INTRODUCTION

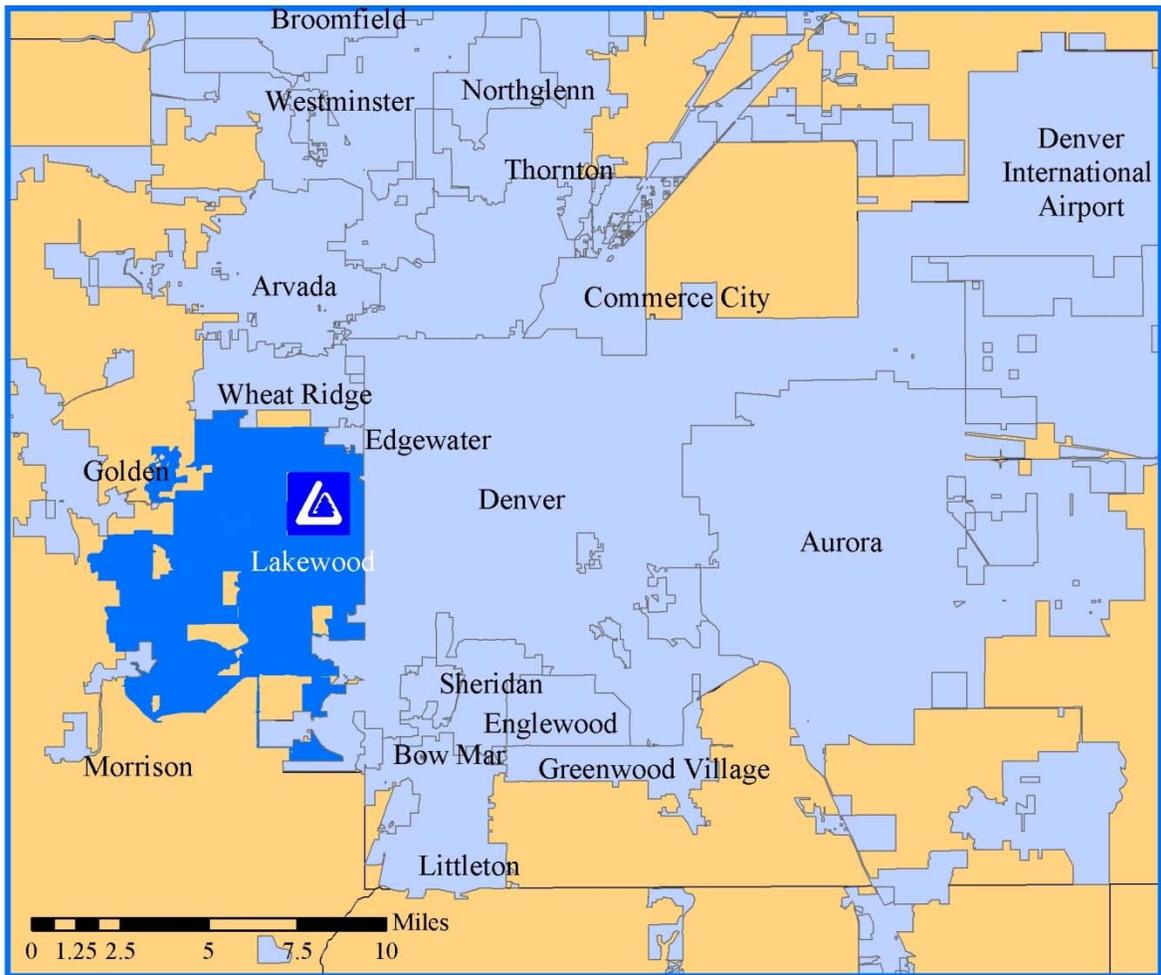


CITY OF LAKEWOOD, COLORADO ORGANIZATION CHART





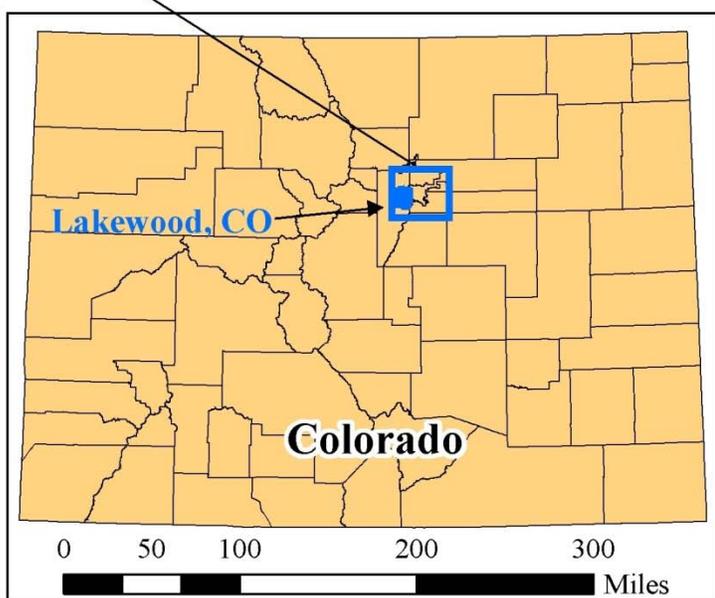
State and Metro Area



Legend

- City of Lakewood
- County Boundaries
- Other Cities

A compass rose is located to the right of the legend, showing North (N), South (S), East (E), and West (W).





City Government

CITY OF LAKEWOOD ELECTED OFFICIALS:



Bob Murphy
(303) 987-7040
bmurphy@lakewood.org

Mayor Bob Murphy was re-elected to a second four-year term as mayor in November 2011, after serving two previous terms on City Council from Ward 2.

WARD 1



Ramey Johnson
(303) 232-1567
rjohnson@lakewood.org



Karen Kellen
(303) 910-0541
kkellen@lakewood.org

Council member Ramey Johnson was selected in November 2011 to fill the unexpired term of the previous Council member, which ends in 2013.

Council member Karen Kellen was re-elected to a second four-year term in November 2011.

WARD 2



Scott Koop
(303) 233-1198
skoop@lakewood.org



Cindy Baroway
(720) 300-5986
cbaroway@lakewood.org

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

Council member Cindy Baroway was re-elected to a second four-year term in November 2011.



WARD 3



Sue King
(303) 986-1098
sking@lakewood.org



Pete Roybal
(720) 432-7554
proybal@lakewood.org

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

Council member Pete Roybal was elected to a four-year term in November 2011.

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 re-elected to a second four-year term in November 2011.

WARD 5



Diana Allen
(303) 942-0895
dallen@lakewood.org



Tom Quinn
(303) 717-8862
tquinn@lakewood.org

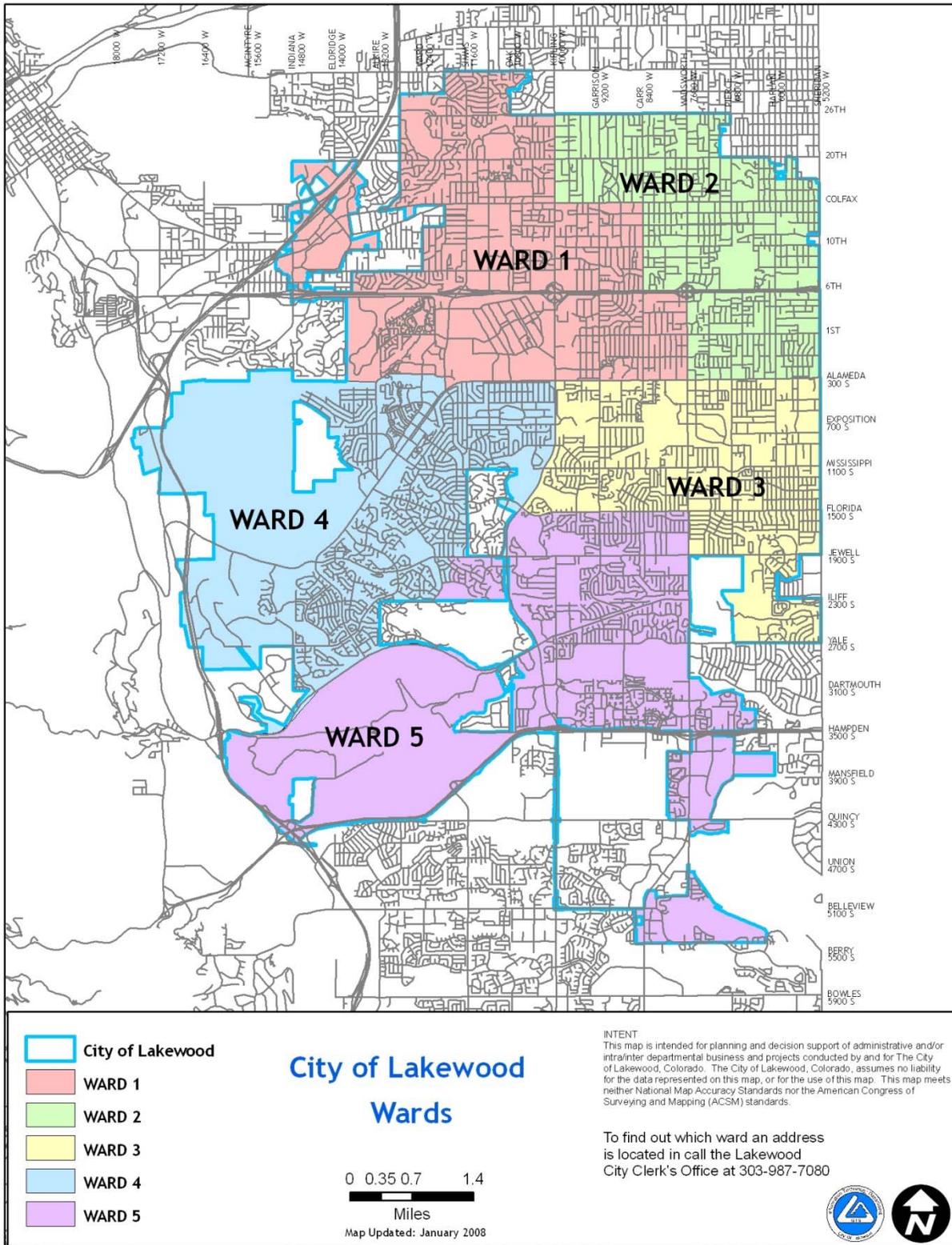
Council member Diana Allen was re-elected to a second four-year term in November 2009.

Council member Tom Quinn was re-elected to a second four-year term in November 2011.

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



City of Lakewood Ward Map





BUDGET & AUDIT COMMITTEE

City Council approved Resolution 2005-48 whereby certain budget policies became effective January 1, 2006. One of the policies stated is “The City Council Budget and Audit Committee will consist of three City Council Members and three citizen representatives appointed by the Mayor, with concurrence of City Council.” The Mayor has appointed the following persons, with City Council's concurrence.

City Council Members:



Diana Allen
Ward 5
(303) 942-0895
dallen@lakewood.org



Tom Quinn
Ward 5
(303) 717-8862
tquinn@lakewood.org



Ramey Johnson
Ward 1
(303) 232-1567
rjohnson@lakewood.org

Citizen Representatives:



Jon Ludwigson
Assistant Director
U.S. Government
Accountability Office
ludwigson@aol.com



Donald Tallman
Executive Director
Colorado Railroad Museum
donald@crrm.org



Tim Dennis
Lakewood Small Business Owner
tmd03@comcast.net

Authority, Expectations, and Tasks of the Committee:

Tasks of the citizen representatives of the Budget and Audit Committee should initially be in an oversight capacity: review financial statements, review budget forecast for revenues and expenditures, and provide feedback on the compliance with City policies. As the committee progresses, the expectations may change as the committee sees fit per the City Council's instruction. Expectations of the citizen representatives are to work with City Council.

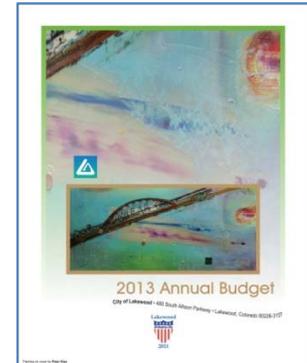


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Lakewood
Colorado

City Manager's Budget Message



October 8, 2012

Honorable Mayor and Members of City Council:

During the last year, the Lakewood community has been resilient in maintaining and advancing its quality of life. This is a result of the combined efforts of the entire community, including small and large businesses, the non-profit community, the education and faith-based communities, elected officials and the City's staff. This accomplishment, in the face of economic instability, reflects the fabric of the community as one of creativity, compassion, hard work and persistence.

Economic instability continues to be a challenge for the country, the City of Lakewood and all aspects of our community. A continued lack of confidence in the job market has weakened consumer confidence and commerce overall. In addition, the fragile outlook for government services across the country and locally is further contributing to an uncertain future. Frequently, the public is hearing from state and federal legislators that current levels of service are unlikely to continue in the short term and the long term. In turn, this has created a challenge in providing sustained levels of service to the Lakewood community, within current revenues. Yet, in the face of this, the City received the National Parks and Recreation Association's Gold Medal Award for Excellence in Parks and Recreation Services in November of last year.

While revenues continue to be unpredictable, City management has been successful in containing costs and providing services. This effort has enabled the City to add to its reserves during 2011, for the 7th consecutive year. This 2013 Budget anticipates a decrease in reserves, which will allow the City to accomplish some significant capital projects for the community. At the same time, we have been able to maintain predictable levels of service through these difficult economic times. Management will continue to look for opportunities to contain and reduce costs while seeking to partner with others in providing services. The City's overall financial strength provides flexibility while the economy returns to greater stability.



Lakewood
Colorado

City Manager's Budget Message

Operating Overview

During 2012, the City has made tangible progress in its sustainability efforts. This year, we have overhauled the Quail street recycling facility to better meet the needs of the community. With the help of a federal grant, and matching City funds, we have been able to increase the recycling capacity and user safety at the center. We are now experiencing over 2,200 visits per week at the recycling center and a substantial increase in the amount of materials processed. In addition, as the City constructs new and replacement traffic signals, we are utilizing light emitting diode street lights which last longer and consume less energy. Environmental and economic sustainability will continue to be an operating focus for the City for the foreseeable future.

The City continues to experience the positive secondary effects of the St. Anthony Hospital project. While the hospital has been open for nearly two years now, the areas surrounding the project continue to advance and grow. The neighboring medical office buildings and offices throughout the Union boulevard corridor are experiencing significant new commercial activity as a result of the hospital. This is not only creating jobs, but bringing medical services to Lakewood residents. Directly and indirectly, the St. Anthony Hospital is creating a multi-faceted medical campus that continues to provide unprecedented opportunities for Lakewood.

For a number of years now, I have written about the significant progress on the construction of the Regional Transportation District's (RTD) West Corridor Light Rail project. Since 2009, this regional transportation project has accomplished fundamental demolition and significant new construction. The project is fully funded by both RTD and the federal government and has not been vulnerable to delays or other uncertainties. The construction of primary improvements immediately adjacent to the rail tracks has been completed now and the opening of the line is scheduled for early 2013. The project has some offsite construction still in progress. The project includes 12 miles of light rail service from downtown Denver, through Lakewood, to Golden. The community is experiencing a number of positive development and re-development activities, near the seven Lakewood stations, as a result of the light rail project. During 2011 and 2012, the City's urban renewal authority has provided nearly \$3 million in supplemental construction funds to provide betterments at the Wadsworth station and the Oak street station that will catalyze private sector investment and redevelopment near these light rail stations.

General Fund Revenues

The City is heavily reliant on sales and use taxes. During 2011, sales and use taxes made up nearly 59% of general fund revenues. As a result of the recession, the City's sales tax revenues decreased by 7.6% during 2009. While sales taxes increased 3.9% during 2011, they remained 1% less than the amount received in 2008, prior to the



Lakewood
Colorado

City Manager's Budget Message

recession. The current forecast is for 2012 sales taxes to finally return to the 2008 level. During this recession, the combined effect of sales tax receipts falling below the 2008 level, during 2009, 2010 and 2011 is a difference in revenues of over \$7 million.

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 2012, the Alberta Corporation has broken ground on a new 10 acre retail center at the Denver West Promenade. This is a meaningful revitalization of a prominent site in the Lakewood community. The site had been an unused former car dealership with environmental needs that had become an eyesore in the community. The City will continue to enhance and diversify its tax base as a guard against future economic ups and downs.

To date, other General Fund revenues have been largely unchanged, with one exception. Beginning this summer, City Council has reviewed a comprehensive study of the City's development review and permit fees. As a result, fees have been increased after careful consideration of cost recovery versus competitiveness against neighboring communities.

Together, overall General Fund revenues have increased 2.8% 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 plus modest growth through 2013.

General Fund Expenditures

Over the last four years now, the City has undertaken a number of changes to help bridge a gap created by weak and uncertain revenues. Given that current revenues are uncertain, it has made sense in our plans to utilize some reserves if necessary, reduce spending where possible and provide a consistent level of service to the community. During 2011, management spent 4.4% less than budgeted, allowing the City to increase its reserves. For 2012 and 2013, management will attempt to spend at least 4% less than budgeted in an effort to conserve fund balance reserves. If these savings can be achieved, and fund balance maintained, I anticipate that we will be able to provide a consistent level of services to the community.

The City's 2012 Revised budget is smaller than the original budget. At year-end 2011, the City offered an early retirement inducement to police officers as a result of very low attrition rates during the year. As a result, our police force is now smaller and much closer to traditional staffing levels and the authorized number of police agents. This results in the City achieving meaningful savings in this year's budget. Since the year end event, we have



Lakewood
Colorado

City Manager's Budget Message

experienced further attrition and we are beginning a new class of police recruits. This new class of recruits will be a part of the community's first regionalized training academy, a joint effort of Lakewood Police and the Jefferson County Sheriff's Office. While maintaining the appropriate staff levels will always be challenging, our Police Department was once again successful in its accreditation reassessment by the Commission on Accreditation for Law Enforcement Agencies. In addition, the Police Department received the Law Enforcement Excellence Award.

In spite of these efforts, certain costs have continued to increase. At the moment, the City is purchasing gasoline and diesel fuel for its fleet at a cost that is both volatile and higher than last year's budget. Prices for fuel remain high but have decreased from recent peaks. As such, we are revising our 2012 Budget to reflect an increase in cost of 5% and keeping 2013 at that same level. As we do this, the managers of the City's fleet continue to analyze and implement new ways of doing business including the use of alternative fuels and vehicles that achieve higher mileage per gallon. To that end, we have completed an overhaul of our fueling station to accommodate E85 fuel consumption for certain vehicles.

Currently, the cost of providing medical coverage for employees has increased by 10% over the last year. In response, the City began a phased process in 2010 which provided alternatives at a manageable cost for the City and its employees. To be clear, costs continue to increase as mentioned, but we are slowing the rate of growth by implementing these initiatives. Beginning in 2010, the City switched medical providers as a result of a competitive Request For Proposals process. For 2011, the City offered its workforce a lower cost, reduced benefit plan. Beginning in 2012, the City has provided yet another new plan to include a deductible and a Health Reimbursement Account. In this year's budget, we are strengthening our wellness program by adding resources that we expect to recoup on a 4 to 1 basis. The rising cost of providing medical coverage is challenging organizations across the country. The City will continue to explore sustainable opportunities for providing employee benefits and competitive overall compensation.

One of the City's Core Community Values is Physical & Technological Infrastructure. In 2012, a replacement to the current revenue computer system is underway. This revenue system and its users are responsible for administering the City's biggest source of revenue. The system is over 26 years old.

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 2011 year-end General Fund Balance were 33.5% or \$31.5 million. City Council's Budget Policy requires a minimum General Fund Balance of 10% while the State requirement is 3%. The 2013 Budget exceeds both requirements.



Lakewood
Colorado

City Manager's Budget Message

As noted above, the City is experiencing a significant time in its history as the light rail construction is nearing completion. As a result of this, a unique opportunity for Lakewood is available for a short period of time. Because the community has had a significant disruption as a result of the light rail construction and because many features and amenities of the light rail project were deleted by RTD due to cost overruns, this budget provides some supplemental funding. As a result, the City will be able to construct many of the items that were previously deleted by the Regional Transportation District. This budget dedicates \$2,788,060 to this initiative which is equal to the amount of funds added to the General Fund balance during 2011. These funds will be transferred to the Capital Improvement Fund for this project.

In addition to the light rail funding from reserves described above, we are planning for a contingent project in 2013 that will necessitate an additional transfer of fund balance. Should the ending 2012 fund balance be equal to or greater than budget, we will transfer an additional \$3.0 million in fund balance to the Capital Improvement Fund in 2013. This contingent funding will provide for the overhaul and reconstruction of the Civic Center's plaza space, drive lane and parking garage. This infrastructure has deteriorated significantly in the recent years and is in dire need of attention. The facility is significant in serving as the center of the City's civic activities.

So, while this budget would reduce the fund balance by \$2.1 million in 2012 and \$3 million in 2013, the ending fund balance for 2012 would be greater than forecasted during last year's budget, and finish this year at a level of \$29.4 million or 29.3% of expenditures. This budget forecasts 2013 year end fund balance to be \$26.4 million or 25.5% of expenditures which is more than double the current policy. And when adjusting for the two transfers of fund balance, operating revenues in the General Fund exceed operating expenditures, with sensible revenue forecasting. At the same time, the City will accomplish two dramatic infrastructure projects. It is the strength in General Fund Balance that offers the flexibility to continue providing services without dramatic fluctuations from year to year.

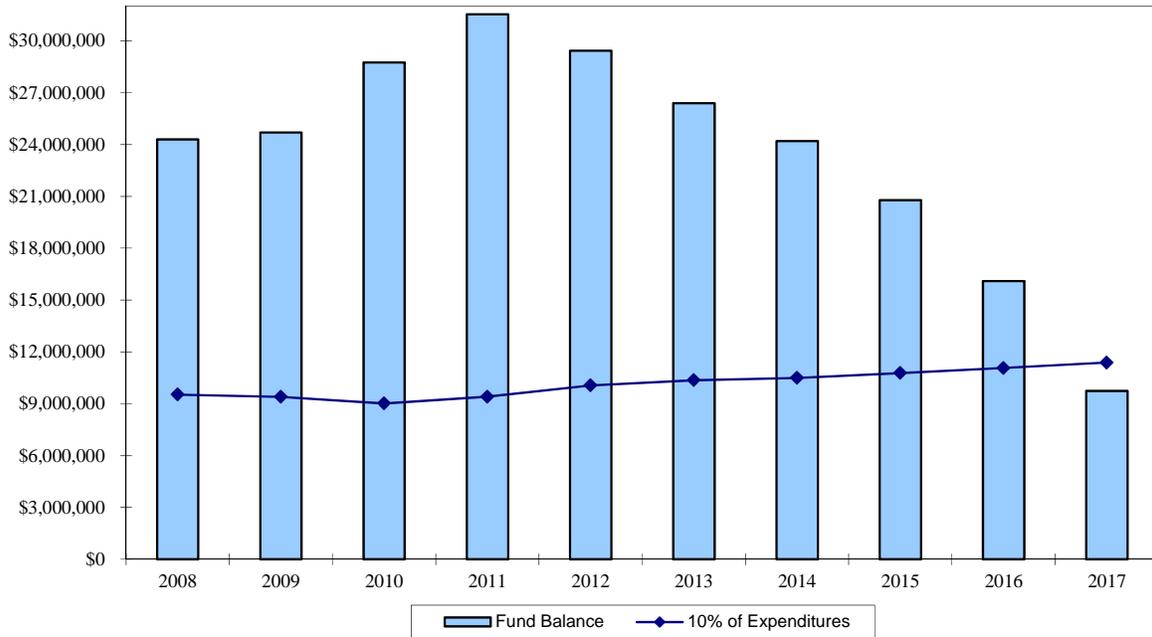
The following chart reflects the General Fund Balance from 2008 through 2017 and compares the Fund balance to 10% of expenditures plus operating transfers out. The economic challenges that the City faces will be mitigated by the use of General Fund Balance. In addition, by building fund balance, the community has created the opportunity to provide for meaningful infrastructure improvements. This budget and the long-term forecast anticipate further 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. Maintaining an adequate fund balance will remain a priority.



Lakewood
Colorado

City Manager’s Budget Message

General Fund Balance (Actual vs. Budget Policy)



Capital Projects Overview

The Capital Improvement and Preservation Plan activities are experiencing the same economic effects described above in the General Fund. However, the City continues to leverage funding from external sources, plan for new capital projects within existing funds and carefully consider General Fund balance transfers. Given the current economic environment, the Capital Improvement Fund (CIF) has added only a few new projects from its base revenues. However, the City has recognized the success of the Neighborhood Participation Program and increased funding from \$120,000 per year to \$180,000 per year. In spite of this, adding new projects to the CIF will continue to be challenging. Circumstances will warrant some new projects both in the CIF and other project funds, since federal highway and Community Development Block Grant opportunities generate outside-match funding. It is anticipated that these opportunities will diminish in the future as the federal government decreases its spending overall. In addition to projects, this 2013 Budget will provide for over \$10.1 million in annual programs that include basic street resurfacing, vehicle replacements and improvements to building infrastructure and traffic safety.

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



Lakewood
Colorado

City Manager's Budget Message

continue to monitor revenues and the progress of projects to determine the feasibility of future projects. The following is a list of projects funded in the Capital Improvement and Preservation Plan for 2012 and 2013:

• Wadsworth Blvd Improvements, 10 th Ave to 14 th Ave	\$7,801,000
• Civic Center Plaza, Drive Aisle & Garage	\$3,600,000
• Light Rail Corridor Improvements	\$2,788,069
• Kipling Parkway Signals	\$1,300,000
• Bike Paths & Sidewalks	\$1,200,000
• W. 14 th Ave & Lamar St. Roundabout	\$1,100,000
• Union Blvd Improvements, 4 th Ave to 6 th Ave	\$1,000,000
• Traffic Signal Improvements (General)	\$853,000
• Surfside Pool Renovation	\$815,000
• Park Playground Replacements	\$790,000
• Sewer Lining & Replacements	\$575,000
• Kipling & Colfax Intersection	\$500,000
• Holbrooke Park Pond Improvements	\$200,000
• 260 Union Pedestrian Hybrid Signal	\$191,000
• Traffic Signal at Alaska & Vance	\$152,000

All Funds Overview

In all, this 2013 Budget appropriates \$154,557,851 for municipal services, a decrease from 2012 of 6.4%. This includes appropriations for both governmental and proprietary expenditures and both operating and project related expenditures. Project initiatives and grant funding vary significantly from year to year and are reflective of the decrease in the All Funds expenditures and balance for 2012 and 2013.

The long-term debt of the City continues to decline. In 2011, the City retired \$5.7 million in long-term debt obligations. This budget will appropriate funds to retire additional debt in the amount of \$5.0 million in 2012 and \$3.9 million in 2013. This substantial retirement of debt contributes to the positive overall financial health of the City and demonstrates conservative fiscal policy.



Lakewood
Colorado

City Manager's Budget Message

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

- Police Department Reaccreditation and Law Enforcement Excellence Award
- Completed the transition to Digital Radio police infrastructure
- Prescription Take Back Day: Over 400 pounds of prescription drugs turned in for disposal
- Execution of a Citywide Emergency Preparedness Program
- Maintenance of over 7,900 street lights
- Entry and completion of over 20,000 Municipal Court summonses

Open and Honest Communication

- Televised "State of the City" report from Mayor Murphy
- 40 West Arts District Urban Design and Mobility Concepts Plan
- Awarded Excellence in Financial Reporting and Distinguished Budget Presentation
- KLTv8: 1st Place for Excellence in Government Programming (NATOA)
- Coordinated 1,700 responses to citizen inquiries through the Service Request Process

Fiscal Responsibility

- Savings in 2011 General Fund Budget of 4.4%, adding over \$2.7 million to Fund Balance
- Awarded federal Early Retiree Reimbursement Program funding in the amount of \$190,000
- In-depth review and analysis of every unit replaced in the vehicle fleet
- Maintenance of financial transparency website: <http://ledger.lakewood.org/>
- Internal Team Review of every personnel vacancy before replacement is approved

Education and Information

- Major update of the City's website, and experiencing 3.5 million page views per year
- Daily contact with the news media on operations and City Council policy decisions
- Completion of a community focused Civics 101 class



Lakewood
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City Manager's Budget Message

- Management of over 654 contracts, 75 ordinances & resolutions and over 70 public records requests
- Businesses are educated and informed about the tax laws, procedures, and requirements of the City
- Communication and training necessary to empower the City's workforce

Transportation

- Maintenance of over 490 miles of streets
- Maintenance and repair of 2,400 traffic signs and 200 traffic signals
- Operation of Citywide computerized traffic management system
- Lakewood Rides provided over 10,500 trips
- Partner to Colorado Department of Transportation on regional improvements within Lakewood
- Liaison between RTD and citizens on the West Corridor Light Rail Expansion construction

Quality Economic Development

- Continued support for the expansion and completion of Lakewood's new downtown, Belmar
- Continued emphasis on business retention, expansion, attraction, and promotion within Lakewood
- With over 5,000 Lakewood businesses or 70%, employing 10 people or less, the City is enhancing small business programs and outreach by partnering with the federal government, the State and the County to provide necessary support. This includes the Business Bar and Small Business Academy.
- 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

- Management of 700,000 square feet in 155 City buildings, 8 swimming pools, and 45 holes of golf
- Managed Citywide Stormwater Utility serving every property owner in Lakewood
- Responding to approximately 180 development review requests
- Replacing revenue computer system that's 26 years old
- Resurfaced over 41 miles of streets
- Over 13,000 building permits were issued

Quality Living Environment

- Learning opportunities and other children's programs that served over 600 children per day
- Head Start completion of the 23 month Early Learning Mentor Coach Grant
- Completed construction of a new Surfside Spray Park
- Winner of the National Parks & Recreation Association Gold Medal Award for Excellence



Lakewood
Colorado

City Manager's Budget Message

- Maintaining 98 parks, comprising over 7,000 acres, and four recreation centers
- Maintenance of over 56,000 trees throughout the community and Tree City USA award winner

Community Sustainability

- Recycled over 365,000 pounds of hazardous household waste
- Recycled over 48,000 pounds of waste from electronic devices
- Awarded Sustainable Communities Regional Planning Grant
- Assisted 180 businesses with energy efficiency efforts through our BEEP Program
- Active participation in local, regional and national sustainability organizations
- Implementation of energy efficiency improvements in City operations

Significant Legislative Activities

The City Council Legislative Committee, with the assistance of the Deputy City Manager, reviewed 228 of the 658 proposed statewide bills introduced between January and May of the 2012 Legislative Session. The Committee, which consists of one member of City Council from each of five wards, took positions on 43 bills. The Committee supported 22 bills and resolutions, and opposed 21. Of the supported bills and resolutions, 15 bills passed. Of the opposed bills and resolutions, 2 bills passed.

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 fund transfers and a description of 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.



Lakewood
Colorado

City Manager's Budget Message

- 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.
- 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 for the ensuing fiscal year to the City Council on or before the 15th day of September of each 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.**



Lakewood
Colorado

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, Lakewood continues to deliver quality municipal services 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, or are scheduled, on the dates listed below to comply with the City Charter requirements.

September 10, 2012

City Manager Submits the Proposed Budget

September 24, 2012

1st Reading of the Ordinance & Public Hearing

October 8, 2012

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 12th consecutive year in which the City has received this award which is particularly noteworthy given that typically about 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



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

September 10, 2012

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 \$2.1 million in reserves in 2012 and \$3.0 million in reserves in 2013 in order to accomplish certain strategic initiatives. Since the adoption of the 2005 budget policies, the General Fund balance has increased from \$8.8 million (11.9%) to \$31.5 million (33.5%) at year end 2011. The purpose of building reserves is to help the organization maintain municipal services when revenues decrease or become inconsistent. At present, the City has a unique opportunity to use reserves to provide for specific infrastructure as outlined in the City Manager's Budget Message. Given the level of reserves and these unique needs in the community, this is a special circumstance that warrants the use of fund balance.

Sincerely,

A handwritten signature in black ink that reads "Kathleen E. Hodgson".

Kathleen E. Hodgson
City Manager



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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 the third largest city in the Denver metro area, yet still retains much of its small-town flavor and open space. With over 7,000 acres of parkland and about 144,000 residents, the City has one of the highest ratios of parks and recreation facilities per capita in the country.

From the Lakewood Civic Center, 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

Lakewood’s Civic Center includes a cultural arts facility that opened 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



Fox Hollow Golf Course

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 complete through the rigorous accreditation process. Lakewood has achieved accreditation continuously since 1986.



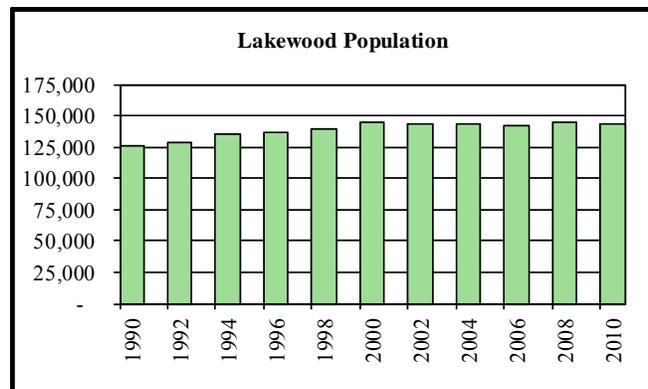


DEMOGRAPHICS

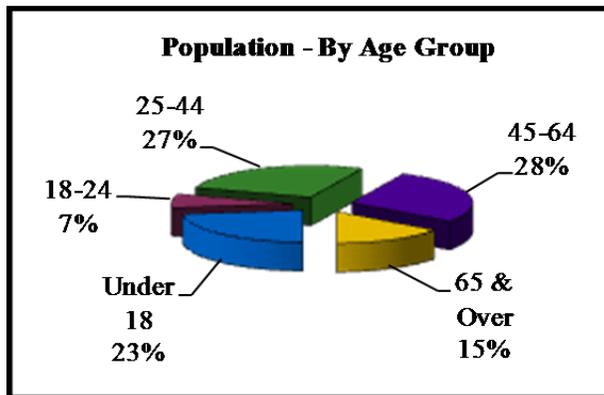
Lakewood Population Forecasts and Growth Rate

	1990	2000	2010	2020	2030	% Change 2000-2010
Lakewood	126,481	144,126	142,980	N/A	N/A	-0.80%
Jefferson County	438,430	527,056	534,543	571,753	612,885	1.42%
Denver Metro Area	1,622,980	2,109,282	2,489,661	2,920,374	3,315,572	18.03%
Colorado	3,294,394	4,301,261	5,029,196	5,999,989	7,014,248	16.92%

Source: Colorado Department of Local Affairs



Source: Colorado Department of Local Affairs



Source: U.S. Census Bureau, 2010 Census





Diversity



White	82.9%
Black or African American	1.6%
American Indian and Alaska Native	1.4%
Asian	3.1%
Some Other Race	7.8%
Hispanic or Latino	22.0%
Not Hispanic or Latino	78.0%



Source: U.S. Census Bureau, 2010 Census

Educational Attainment

<i>Population 25 Years and Older</i>	<i>Number</i>	<i>Percent</i>
High School Graduate	25,453	25.4%
Some College, No Degree	21,763	21.7%
Associate's Degree	6,850	6.8%
Bachelor's Degree	24,267	24.2%
Graduate or Professional Degree	11,417	11.4%
Percent High School Graduate or Higher		89.5%
Percent Bachelor's Degree or Higher		35.6%

Source: U.S. Census Bureau, 2010 American Community Survey





Employment by Industry

Industry	Number	Percent
Agriculture, Forestry, Fishing, Hunting, Mining	733	1.1%
Construction	5,641	8.3%
Manufacturing	4,689	6.9%
Wholesale Trade	1,803	2.7%
Retail Trade	7,718	11.4%
Transportation, Warehousing, Utilities	3,083	4.6%
Information	2,023	3.0%
Finance, Insurance, Real Estate, Rental & Leasing	4,171	6.2%
Professional, Scientific, Management, Administrative, Waste Management Services	10,639	15.7%
Educational Services, Health Care, Social Assistance	12,488	18.4%
Arts, Entertainment, Recreation, Accommodation, Food Services	7,221	10.7%
Other Services, Except Public Administration	3,731	5.5%
Public Administration	3,770	5.6%

Source: U.S. Census Bureau, 2010 American Community Survey



Major Employers in Lakewood (2012) With 250 Employees or More

Company	Product/Service	Employment
Denver Federal Center	Federal Government	8,000
Jefferson County R-1 School District	Education	2,734
TerumoBCT	Medical	1,624
St. Anthony Medical Campus	Medical	1,600
City of Lakewood	City Government	893
ServiceMagic, Inc.	Service Referral	884
FirstBank of Colorado	Banking	723
MoneyGram International	Financial	650
The Integer Group	Marketing	623
Department of Veterans Affairs	Federal Government	422
Red Rocks Community College	Higher Education	400
West Metro Fire Rescue	Fire Department	393
Lockheed Martin-Orion Project	Aerospace	300
Kinder Morgan Energy Partners, L.P.	Energy	280
National Renewable Energy Laboratory	Energy Research	276

Source: City of Lakewood, Economic Development, January 2012





ECONOMICS

Principal Property Taxpayers

<i>Taxpayer</i>	<i>Taxable Assessed Value</i>	<i>Percentage of Total City Assessed Value</i>
Colorado Mills Mall Limited Partnership	\$28,713,654	1.60%
Belmar Mainstreet Holdings I LLC	27,320,494	1.52%
Qwest Corp.	25,535,900	1.42%
Public Service Co of Colorado	22,271,660	1.24%
Lakewood City Commons LP	12,568,455	0.70%
Denver West Mills LP	11,358,314	0.63%
The Section 14 Development Company	11,199,899	0.62%
Centro Westland LLC	7,213,164	0.40%
Government Properties Income Trust LLC	7,211,430	0.40%
Realty Associates Fund IX LP	6,670,000	0.37%

Source: Jefferson County Assessor's Office



**MILL LEVIES:
2011 TAXES
PAYABLE IN 2012**

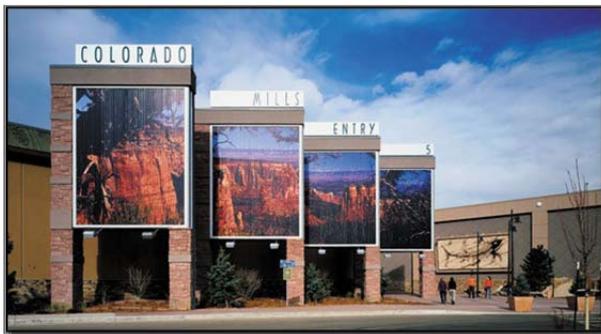
Jefferson County
24.346 mills

Jefferson County Schools
48.721 mills

West Metro Fire District
13.774 mills

*Urban Drainage/
Flood Control Dist.*
0.566 mills

CITY OF LAKEWOOD
4.711 mills



American Chamber of Commerce Research Association (ACCRA) Cost of Living Index, First Quarter 2012

<i>City</i>	<i>Com- posite Index</i>	<i>Grocery</i>	<i>Housing</i>	<i>Utilities</i>	<i>Transportation</i>	<i>Health Care</i>	<i>Misc. Goods & Services</i>
Houston, TX	92.9	84.0	91.9	90.5	94.8	95.2	97.4
Salt Lake City, UT	93.6	96.1	89.2	81.4	98.0	94.5	98.8
Phoenix, AZ	96.3	103.1	93.3	95.0	104.1	94.6	94.1
Atlanta, GA	98.1	107.9	85.8	96.1	109.1	99.4	101.8
Las Vegas, NV	98.1	101.0	90.5	91.4	104.0	107.3	102.5
Dallas, TX	99.8	101.9	75.0	111.4	108.9	108.2	113.1
Denver, CO	104.0	96.5	114.8	89.6	90.8	109.8	105.7
Chicago, IL	116.9	107.6	138.1	105.4	116.7	104.3	107.4
Los Angeles, CA	132.3	107.9	197.1	105.7	113.8	109.4	103.1
Boston, MA	139.4	118.8	165.3	142.4	110.6	127.4	135.3
Washington, DC	144.6	113.2	248.4	103.4	107.6	101.9	97.1
San Francisco, CA	166.5	120.4	294.8	93.7	110.9	112.8	121.4
New York, NY	228.3	147.7	451.9	127.9	131.0	124.8	142.6

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).



Median Household Income:

Lakewood	\$51,937
Jefferson County	\$63,826
Denver Metro Area	\$58,732
Colorado	\$54,046
United States	\$50,046

Housing Costs in Lakewood:

Median Home Value (owner-occupied):	\$234,100
Median Monthly Gross Rental Rate:	\$866

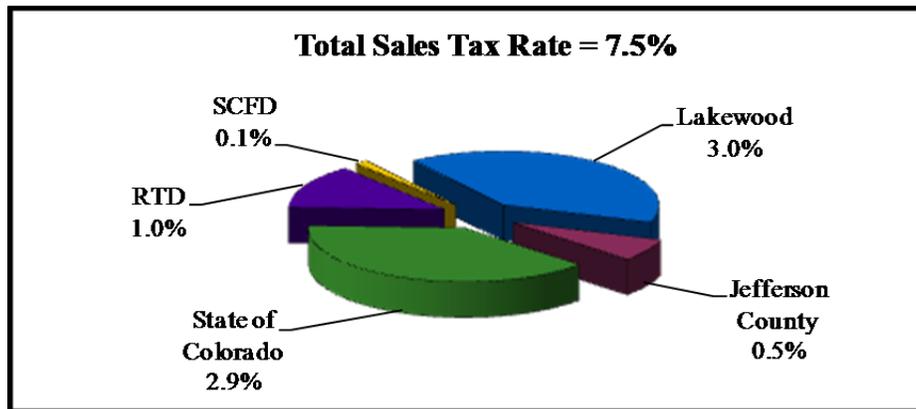
Source: U.S. Census Bureau, 2010 American Community Survey

MORE ABOUT LAKEWOOD...

Altitude:	5,375 feet above sea level
Precipitation*:	16.4 inches per year
Snowfall*:	55.4 inches per year
Area in Square Miles:	44.022
Miles of Streets:	540
Number of Street Lights:	7,869
Number of Parks:	98 parks with 7,152 acres
Number of Libraries/Media:	2 / 335,000
Number of Schools:	39
Number of Students K-12:	21,170
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)

*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
Arvada	3.46
Aurora	3.75
Boulder	3.41
Brighton	3.75
Broomfield	4.15
Castle Rock	4.00
Centennial	2.50
Cherry Hills Village	3.50
Colorado Springs	2.50
Commerce City	3.50
Denver	3.62
Edgewater	3.50
Englewood	3.50
Federal Heights	4.00
Fort Collins	3.85
Glendale	3.75
Golden	3.00

City	Sales Tax Rate
Greeley	3.46
Greenwood Village	3.00
Lafayette	3.50
Lakewood	3.00
Littleton	3.00
Lone Tree	1.8125
Longmont	3.275
Louisville	3.50
Loveland	3.00
Morrison	3.75
Northglenn	4.00
Parker	3.00
Sheridan	3.50
Superior	3.46
Thornton	3.75
Westminster	3.85
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



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.

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 852 authorized regular full-time positions (exempt and non-exempt) for 2012. 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, vision, disability plans, and life insurance. The City also offers pre-tax options on health premiums and flexible spending accounts under Section 125 of the Internal Revenue Code.



EMPLOYEES AND BENEFITS (CONTINUED)

All employees hired on or after April 1, 1986 are required by federal law to participate in the Medicare program under the Social Security Act of 1939. The City contributes 1.45 percent (1.45%) of salary to Medicare for each participating employee and each participating employee in Medicare contributes 1.45 percent (1.45%) of their salary. The City currently has over 100 employees that were hired prior to April 1, 1986 that do not participate in the Medicare program in accordance with Section 3121(u)(2)(C) of the Internal Revenue Code.

The City has established social security replacement money-purchase pension plans under provisions of Section 401(a) of the Internal Revenue Code. Regular full-time and regular part-time civilian employees participate in the Lakewood Employees Money Purchase Pension Plan, which is administered through Great West Life. The City contributes 10 percent (10%) of the salary to the plan and the employees are required to contribute 8 percent (8%) of their salary. Voluntary contributions up to 5 percent (5%) of the base wage are allowed under the plan.

Also, as of July 1, 1991, all provisional, temporary, and seasonal employees are required to participate in a pension program. The City of Lakewood's program is through International City/County Management Association-Retirement Corporation (ICMA-RC). Employees contribute 7.5 percent (7.5%) of their base salary on a pre-tax basis. The City does not contribute to this plan.

Sworn police personnel participate in the Lakewood Police Pension Fund, which is administered through Wells Fargo Bank. The City's contribution to this pension plan is 10 percent (10%) of base salary. The mandatory employee contribution is 8 percent (8%) of their salary. Employees may voluntarily contribute additional monies up to 5 percent (5%) of base wages. Lakewood also provides benefits from the Duty Death & Disability Trust for each sworn police personnel who incur disability or death by reason of service. This benefit is for a maximum of eight years and begins after any benefit from the City's long-term disability benefit ceases. The benefit is 60 percent (60%) of the sworn police personnel's salary at the time they became disabled. The City currently contributes to the fund at a rate of .72 percent (.72%) of salary for sworn personnel. All sworn police personnel employed by the City make a \$10 per pay period contribution.

Voluntary deferred compensation plans are also available to employees as an additional retirement savings plan.



2013 BUDGET AND FINANCIAL POLICIES

The budget and financial policies of the City provide the framework for the overall fiscal management of the City. Each policy that follows provides the necessary information for City Council and each functional area of the City to make sound fiscal decisions. The budget and financial policies are guidelines for evaluating both current activities and potential new activities. The budget and financial policies reflect the principles and practices that have allowed the City to maintain financial stability through both the good and bad times. These policies are reviewed and approved each year along with the annual budget. Occasionally, City Council will adopt via a resolution a specific set of budget or financial criteria that is included with the following policies. It is an inherent principal for the City that compliance with all budget and financial policies is a must.

The information that follows provides a summary of the current budget and financial policies for the following areas:

- ❖ Budget Policies
- ❖ Fund Accounting Policies
- ❖ Strategic Financial Plan
- ❖ Economic Development Policies
- ❖ Revenue Policies
- ❖ Expenditure Policies
- ❖ Taxpayer Bill of Rights (TABOR) Policies
- ❖ Reserves Policies
- ❖ Capital Improvement Fund Policies
- ❖ Debt Policies
- ❖ Cash Management and Investment Policies
- ❖ Risk Management Policies
- ❖ Self-Insurance Policies
- ❖ Other Planning Policies

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.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Budget Philosophy (continued)

- ❖ 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 "Balanced 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.

Budget Term

The budget term begins with the first day of January and ends on the last day of December.

Basis of Budgeting

The budget parallels the City's governmental accounting basis. Modified accrual basis is used for all fund operations except proprietary and fiduciary funds, which use the full accrual basis. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred except for debt service and compensated absences, which are recorded only when payment is due. The City considers the revenue and expenditures if collected or incurred within 60 days of the end of the fiscal period. Under the full accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budget Contingencies

Within the Capital Improvement Fund, Open Space Fund, Conservation Trust Fund, Sewer Enterprise Fund, Stormwater Enterprise Fund, and the Water Enterprise Fund that support capital projects, a budgeted amount may be established in a contingency line item. The contingency is only for those times when spending for a capital project is greater than originally established due to unforeseen circumstances. If a project is completed for a cost less than budgeted, the unspent balance may be moved to the contingency line item within the same fund. Dollars will move in and out of the contingency line item by fund, as needed, while maintaining the budgeted fund balance as a percent to expenditures plus transfers out.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Budget Recommendation

On or before the fifteenth (15th) day of September, the City Manager is required by the City Charter to present a proposed budget for the upcoming year. The proposed budget provides a complete financial plan for each fund of the City and includes appropriate financial statements for each type of fund showing comparative figures for the last completed fiscal year, comparative figures for the current year, and recommendations for the ensuing year.

Annually, the City Council also adopts a five-year plan for the Capital Improvement and Preservation Plan (CIPP) as a planning tool. Expenditures are approved for the current budget year only; however, the plan identifies revenue estimates and projected costs for capital improvements and capital maintenance projects for both the current budget year and four years beyond.

Public Hearings

The City Manager's proposed budget is a matter of public record and is open to the public for inspection. Two readings and two public hearings are held on the proposed budget and revisions to the current year's budget. Appropriate notice of the time and place of the hearing is placed in a newspaper of general circulation.

Adoption of Budget and Appropriation of Funds

In accordance with the City Charter, on or before the first (1st) day of November, the City Council shall adopt a balanced budget by ordinance for the current year revised and ensuing year. The Council appropriates sums of money, as it deems necessary, to defray all expenditures.

Changes to Adopted Budget

After the commencement of the fiscal year, the amounts appropriated for the proposed expenditures in the adopted budget may not be repealed and are deemed appropriated for each purpose specified. The expenditures of City operating funds cannot exceed the budgeted appropriations for the respective fund. In certain cases, however, adopted budgets can be increased, decreased, or amounts transferred between funds upon Council authorization.

Supplemental Appropriation

The City Council can make supplemental appropriations from actual and anticipated revenues and a prior year reserve as long as the total amount budgeted does not exceed the actual or anticipated revenue total and the available reserve balance. No appropriation can be made which exceeds the revenues, reserves, and other funds anticipated or available except for emergencies due to accident or an unforeseen event arising after the adoption of the annual appropriation.

Unanticipated Revenue

Council may approve for expenditure any unanticipated revenue that may be received during the fiscal year. Such revenue may be generated from sources such as grants, issuance of bonds, or the implementation of a new fee.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Encumbrance Carryover

If a fund has unpaid purchase orders at the end of a fiscal year and a commitment for the expenditure of funds, those related appropriations are encumbered and carried over to the ensuing fiscal year as a reservation of fund balance. All other encumbered appropriations lapse at year-end.

Budget Decreases

The budget can also be decreased below approved levels during the fiscal year. Changes in service demands, economic conditions, projected growth limits, and Council goals and direction may cause such budget reductions. Each service area is responsible for developing a plan to reduce expenses. Each plan must be in place and ready for implementation should the need arise. If the City Manager directs budget reductions, Council will be informed immediately and the appropriations will be set aside through administrative action. If the circumstances leading to the reduction in budget changes, the appropriation may be made available for expenditure.

Level of Control and Budget Transfers

Control of expenditures is exercised at the fund level. Fund managers are responsible for all expenditures made against appropriations within their respective funds and may allocate resources within a fund. The City may transfer appropriated monies between spending units within a fund or from one fund to another provided:

- ❖ The transfer is made from a fund in which the amount appropriated exceeds the amount needed to accomplish the purpose specified by the appropriation.
- ❖ The purpose for which the funds were initially appropriated no longer exists.
- ❖ A transfer may also include a subsidy of funding from one fund to support program needs of another fund.

Lapsed Appropriations

All appropriations not spent or unencumbered at the end of the fiscal year lapse into the fund balance applicable to the specific fund, except for as follows:

- ❖ Capital projects – appropriations for capital projects do not lapse until the project is completed or abandoned.
- ❖ Special funds (includes all Grant funding) – appropriations do not lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned.

The City Council can terminate a capital project or a federal or state grant at any time prior to completion of the project or expiration of the grant.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Budget Preparation

The City Council provides overall guidance and direction for the design and development of the City's budget. Goals and objectives supporting community values and vision can be found throughout the budget document. In addition, Resolution 2005-48 was adopted on August 8, 2005 to further define Budget Policies effective January 1, 2006. Policies are as follows:

- A. The annual draft budget submitted by the City Manager for 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 City Council outlining those special circumstances, the amount requested, the impact on City services, and alternatives to the use of General Fund reserves.
- 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 operation 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 court, 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% General Fund balance.

The City's financial and management policies guide the preparation of the budget. A budget team composed of the Council's Budget and Audit Committee, City Manager, Director of Finance, various accounting personnel, and technology staff develops the guidelines that are consistent with budget and financial policies. During the development of the budget, various department/division and program representatives are called on to provide their expertise to the budget team.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

BUDGET PREPARATION SCHEDULE

The following schedule outlines the timeframe for budget preparation:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
[Redacted] City Council Establishes Priorities, Goals, and Direction											
	[Redacted] Budget Team Prepares Forms and Data										
		[Redacted] Review of Prior Year Financial Results									
			[Redacted] Departments Prepare Budget								
			[Redacted] Reviews and Conferences								
				Budget & Audit Committee Review [Redacted]							
				Balance and Prepare Budget Recommendations [Redacted]							
					Public Hearings and Approval by City Council [Redacted]						
						Public Hearings and Approval by City Council when Required [Redacted]					
							Final Document Preparation and Printing [Redacted]				
									Certification of Mill Levy & Submission of Final Budget to Office of State Budgeting [Redacted]		



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

SCHEDULE FOR PREPARATION OF THE 2013 ANNUAL BUDGET

2012 DATE	RESPONSIBLE PARTY	REQUIRED ACTIVITY	REQUIREMENT REFERENCE
Jan 20 – Jan 21	City Council	City Council Annual Planning Session	
Apr 4 – Apr 12	Finance	One-on-One Department Budget Training Sessions	
May 1 – May 25	Finance	Salary and Benefit Data calculated	
Jun 4 – Jun 27	All Departments	Department's Line Item Detail (expenditures and revenues) completed	
Jul 9 – Jul 31	All Departments	Department's Narratives completed	
Jul 31 – Aug 16	Finance	Consolidation and Compilation of Proposed Budget Document	
Aug 13	Budget & Audit Committee	Review of the Revenue and Expenditure Budget and Forecasts prior to City Council's Study Session	
Sep 10	City Manager / City Council	City Council Study Session to review Proposed 2013 Budget data	City Charter Article XII, 12-2
Sep 11	All Departments	Updates from Study Session Due to Finance Department	
Sep 10 – Nov 16	Finance	Compile Final 2013 Budget Document	Colorado Revised Statute Section 29-1-103
Sep 24	City Manager / Finance / City Council	First Reading and Public Hearing on the Proposed 2013 Budget and 2012 Mill Levy Ordinance	City Charter Article XII, 12-4
Oct 8	City Manager / Finance / City Council	Second Reading and Public Hearing on the Proposed 2013 Budget and 2012 Mill Levy Ordinance	City Charter Article XII, 12-4
Nov 26	City Manager / Finance / City Council	First Reading and Public Hearing on the Supplemental to the 2012 Revised Budget Ordinance, if needed	City Charter Article XII, 12-4
Dec 5	Finance / City Council	Certify 2012 Tax Mill Levy with Jefferson County	Colorado Revised Statute Section 29-1-301
Dec 10	City Manager / Finance / City Council	Second Reading and Public Hearing on Supplemental to the 2012 Revised Budget Ordinance, if needed	City Charter Article XII, 12-4
By Dec 31	Finance	Submit the 2013 Budget Document to GFOA for Award Program and Certify the 2013 Budget to State of Colorado	Colorado Revised Statute Section 29-1-103



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Fund Accounting

Fund accounting is used both for budgeting and accounting purposes. Each fund is established for a specific purpose and is considered a separate accounting entity.

Council must approve or appropriate any expenditure from the various funds, including expenditures from reserves. The authorization is generally done prior to the beginning of each fiscal year, but can be done by the City Council anytime during the year if funds are available. In government, *appropriate* or *appropriation* is used instead of authorize or authorization.

City Fund Types:

Governmental

- ❖ *General Fund* - the General Fund is the general operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.
- ❖ *Special Revenue Funds* - Special Revenue Funds account for specific revenue sources that are legally restricted for specific purposes. The City's Special Revenue Funds include: Conservation Trust, Economic Development, Grants, Heritage, Culture & the Arts, and Open Space.
- ❖ *Capital Project Funds* – Capital Project Funds are created to account for resources used for the acquisition and construction of capital facilities by the City of Lakewood. The City's Capital Project Funds account for the following projects: Capital Improvement and Equipment Replacement.

Proprietary

- ❖ *Enterprise Funds* - Enterprise Funds account for the City's ongoing activities which are similar to those found in the private sector, and financial activity is reported in essentially the same manner as in commercial accounting where net income and capital maintenance are measured. The City has the following Enterprise Funds: Golf Course Enterprise, Sewer Enterprise, Stormwater Enterprise, and Water Enterprise.
- ❖ *Internal Service Funds* - Internal Service Funds are established to account for the financing of claims and judgments for all the City's Internal Service Funds, including Dental Self-Insurance, Property and Casualty Self-Insurance, Retiree's Health Program, and Worker's Compensation Self-Insurance.

Fiduciary

- ❖ *Trust and Agency Funds* - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent. The City has the following Trust and Agency Funds: City Manager Benefit Fund, Duty Death & Disability Trust, and Public Improvements Agency Fund. None of these trust and agency funds are required to be budgeted.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Strategic Financial Plan

The City develops a five year budget model that demonstrates the City's ability to accomplish long-term goals. The Strategic Financial Plan identifies fund balances, revenue patterns, and expense trends which are subject to constant change. The Strategic Financial Plan does not illustrate future budgets, services, or programs in any detail, but only by fund type. The Strategic Financial Plan is designed to help make two fundamental decisions: "Where do we want to go?" and "How are we going to get there?"

Economic Development Policies

Economic sustainability and development play a vital role in improving the quality of life for the citizens of Lakewood. Existing business retention and expansion, new business attraction, and sales tax generating opportunities remain paramount to the maintenance of Lakewood's economic stability.

The City promotes economic development that encourages private investment within the community, provides employment opportunities paying competitive wages, offers primary employment opportunities, and retail development opportunities.

Revenue Policies

The City of Lakewood strives to achieve and maintain a balanced and diverse revenue structure. Because Lakewood is a well-established community, annual revenues are fairly stabilized and can be used year to year as a sound revenue base. Major revenue sources in the General Fund are sales/use tax, property tax, intergovernmental revenues, franchise charges, fines and forfeitures, and user fees and charges.

The amount of a fee shall not exceed the overall cost of providing the facility, infrastructure, or service for which the fee is imposed. Fees for activities and services are determined by reflecting a pricing philosophy based on establishing fees commensurate with the benefit received. In calculating that cost, direct or indirect costs may be included. That includes: costs that are directly related to the provision of the service and support costs that are more general in nature but provide support for the provision of service. The City reviews all fees for licenses, permits, fines, and other miscellaneous charges as part of the annual budgetary process.

One-time revenues are used to fund one-time expenditures, capital improvements, or reserves. These revenues cannot be relied on in future budget years.

Unpredictable revenues are budgeted conservatively, and any amount collected in excess of the budget is generally applied to reserves.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Expenditure Policies

The General Fund is comprised of twelve (12) departments consisting of Mayor and City Council, City Manager, City Attorney, City Clerk, Community Resources, Employee Relations, Finance, Information Technology, Municipal Court, Planning, Police, and Public Works.

A Non-Departmental Section is also included in the General Fund, Capital Improvement Fund, Open Space Fund, Golf Course Enterprise Fund, Sewer Enterprise Fund, Stormwater Enterprise Fund, Water Enterprise Fund, Dental Self-Insurance Fund, Property & Casualty Self-Insurance Fund, Retiree's Health Program, and Workers' Compensation Fund to account for expenditures not related to a specific department. These accounts include special projects, building/facility costs (rents, utility charges, etc.), debt service payments, Citywide employee benefits, self-insurance funding, miscellaneous expenses, and cash reserves.

Each department can be further broken down into a variety of divisions and/or programs. Expenditures are classified as the following:

- ❖ Personnel Services
- ❖ Services & Supplies
- ❖ Capital Outlay

Personnel Services includes salaries for full-time and part-time employees, overtime pay, insurance, retirement, and other costs related to the City. The compensation plan is intended to provide all employees with fair and equitable pay and to provide a uniform system of payment. The City has adopted a Performance-Based Pay Plan. This plan equates an employee's salary based upon the performance evaluation rating.

Services & Supplies encompasses administrative costs such as office supplies, uniforms, small tools, ammunition, salt, sand and gravel, dues, subscriptions, travel and training expense, safety programs, audit/legal/consulting fees, telephone/utility charges, principal and interest payments, and photocopying, to name a few.

Capital Outlay consists of fixed assets over \$5,000 and a useful life of greater than one year. This expenditure area consists of furniture/fixtures, computer hardware, land, buildings, and other infrastructure.

A detailed, "line-item" budget is provided to departments to facilitate monitoring of day-to-day expenditures.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Taxpayers' Bill of Rights (TABOR)

Colorado voters approved an amendment to the Colorado Constitution (Article X, Section 20) that placed limits on revenue and expenditures of the State and all local governments in 1992. Even though the limit is placed on both revenue and expenditures, the constitutional amendment ultimately applies to a limit on revenue collections. Growth in revenue is limited to the increase in the Denver-Boulder-Greeley Consumer Price Index plus Local Growth (new construction and annexation minus demolition). This percentage is added to the preceding year's revenue base, giving the dollar limit allowed for revenue collection in the ensuing year. Any revenue collected over the limit must be refunded in the subsequent year. Cities have the option of placing a ballot question before the voters asking for approval on retaining the revenue over the limit. Federal grants and/or gifts to the City are not included in the revenue limit.

City "Enterprise Funds" (Golf, Sewer, Stormwater, and Water) are exempt from the imposed limits.

In August 2006, City Council approved Ordinance O-2006-18. This ordinance took a ballot question to the voters requesting that revenues received from Open Space and grants for streets, public safety, parks, recreation, and cultural opportunities be permanently exempt from the TABOR revenue limitation. In November 2006, the voters approved this TABOR exemption. In addition, Lakewood voters have approved a permanent exclusion of all revenues from two particular areas of the community referred to as Denver West Village and Colorado Mills. Finally, one-third of the City's sales and use tax revenue is also permanently exempt from TABOR revenue limitations.

Reserves Policies

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

Restricted Reserves

The City of Lakewood maintains reserves that are required by law or contract and that serve a specific purpose. These types of reserves are considered *restricted* and are not available for other uses.

Article X, Section 20 of the Colorado Constitution requires a three percent (3%) reserve for emergencies. The use of this reserve is *restricted* to the purpose for which it was established and can be used solely for declared emergencies.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Reserves Policies (continued)

Targeted Minimum Reserves

Within specific funds, additional reserves may be maintained according to adopted policies. All expenditures of reserves must be approved by City Council except in the case of an emergency or immediate public necessity deemed to exist by the City Manager. Monies held in this reserve may be appropriated during the current budget year and may also be used for ensuing budget years if additional expenditures are required to maintain appropriate levels of service and exceed projected revenues.

The City Council has determined that additional reserves be established to provide for unforeseen reductions in revenues in the current year if budgeted revenues are less than actual revenues, and expenditures including encumbrances, are greater than actual. The minimum amount of money to be held in reserves should be ten percent (10%) of approved General Fund operating expenditures plus transfers out, three percent (3%) for the Capital Improvement Fund, zero percent (0%) for the Grant Funds, and five percent (5%) for all other funds. These reserves can only be used with the permission of City Council or in the case of emergency or immediate public necessity deemed to exist by the City Manager. The established percent for reserves by fund include the TABOR 3% emergency reserve, where appropriate.

Capital Improvement Funds

The City has a significant financial investment in streets, public facilities, parks, natural areas, and other capital improvements. In past years, the City Council voiced a firm commitment to, and investment in, the City's capital projects. As a result, the City develops a Five-Year Capital Improvement and Preservation Plan (CIPP) that is updated annually.

Costs for the CIPP are estimated based on present value and funding sources are identified for each project. Operating and maintenance costs are identified at the time projects are approved. A variety of funding sources have been identified for capital improvements, including Jefferson County Open Space Revenues, Conservation Trust Funds, Urban Drainage and Flood Control District match, Capital Improvement Fund, Equipment Replacement Fund, Open Space, and a variety of grant funds.

The Capital Improvement Fund is the largest revenue source for the CIPP deriving its sources from one-sixth of the three percent (3%) sales tax from applicable areas within Lakewood and twenty-five percent (25%) of Lakewood's share of the State Highway User's Fund (gasoline tax). Other funding sources for the CIPP include:

- ❖ *Open Space* revenues from Lakewood's attributable share of the Jefferson County Open Space one-half cent sales tax.
- ❖ *Conservation Trust* funds received from the City's share of State Lottery proceeds and Intergovernmental Grants.
- ❖ *Community Development Block Grant (CDBG)* funds, which are federal funds that are required to be used to benefit low-to moderate-income residents of Lakewood.
- ❖ *Sewer Utility* funds, which are monies received from fees paid by utility customers and are restricted to the Sewer Utility.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Capital Improvement Funds (continued)

- ❖ *Stormwater Utility* funds, which are monies received from fees paid by property owners and are restricted to the Stormwater Utility.
- ❖ *Equipment Replacement* funds, which are monies received from transfers or user chargebacks and are restricted to equipment replacement.
- ❖ *Various grant funds* (when available).

Debt Policies

The City of Lakewood recognizes that the primary purpose of capital facilities is to support provision of services to residents. Using debt financing to meet the capital needs of the City must be evaluated according to two tests: efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of capital improvements. In meeting the demand for additional capital facilities, the City strives to balance the load between debt financing and “pay as you go” methods. The City realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects.

Through the rigorous testing of the need for additional debt financed facilities and the means by which the debt will be repaid, the City strikes an appropriate balance between service demands and the amount of debt. The City uses lease purchase financing for the provision of new and replacement equipment, vehicles, and rolling stock to ensure the timely replacement of equipment and vehicles and to decrease the impact of the cost to the user department by spreading the costs over several years. This method is also used to acquire real property. The type of lease that the City uses is termed a conditional sales lease or capital lease, in effect a purchase rather than a rental of property. For purposes of securing credit ratings and monitoring annual debt service as a percentage of operating expenditures, lease purchase financing is considered a long-term liability of the City, although subject to annual appropriation, and therefore will be issued under the same conditions as long-term debt.

Cash Management and Investment Policy

The City Charter and Colorado Law govern general provisions for the City’s investment strategies. The investment policy for the City shall apply to the investment of all general and special funds of the City of Lakewood over which it exercises financial control.

The City’s objectives for cash management and investments are:

- ❖ Observe investment management objectives of safety, liquidity, and yield.
- ❖ Preservation of capital through the protection of investment principal.
- ❖ Maximization of cash available for investment.
- ❖ Maintenance of sufficient liquidity to meet the City’s cash needs.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Cash Management and Investment Policy (continued)

- ❖ Diversification of the types and maturities of investments purchased to avoid incurring unreasonable credit or market risk regarding a specific security, maturity periods, or institution.
- ❖ Maximization of the rate of return for prevailing market conditions for eligible securities.
- ❖ Conformance with all federal, state and other legal requirements.

The City Charter assigns responsibilities for the collection of City funds and cash management functions to the City Treasurer (Director of Finance). The City Treasurer is responsible for the investment of all funds. Others within the Department of Finance may be assigned to assist in the cash management and investment functions.

The standard of prudence to be used for managing the City's assets is the "prudent investor" rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived".

The Finance Director and designees are authorized to invest funds of the City in accordance with the City Charter and Colorado Law in any of the following investments:

1) Investments that are legal for governmental entities as provided by Colorado Statute include:

- ❖ Bonds or other interest-bearing obligations of the United States.
- ❖ Bonds or other interest-bearing obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States.
- ❖ Demand accounts, interest bearing savings accounts or certificates of deposit in one or more state banks, national banks having their principal office in this state or saving and loan associations having their principal office in this State which have been duly approved and designated.
- ❖ Any Bankers' Acceptance that is issued by a state or national bank, which has a combined capital and surplus of at least two hundred fifty million dollars.
- ❖ Commercial Paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized organizations which regularly rates such obligation.
- ❖ Any interest in any local government investment pool organized pursuant to C.R.S. Section 24-75-601 and 701, et. seq., as amended.

2) Bonds or other interest bearing obligations of any agency of the United States.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Cash Management and Investment Policy (continued)

- 3) Repurchase Agreements fully collateralized by obligations of the United States or any agency thereof. As a matter of policy, the City must take delivery of the securities purchased through a repurchase agreement if the term of the agreement is greater than four days. If the term is less than four days, a bank or broker may hold the securities in safekeeping. Pledged securities under repurchase agreements must be based on market value, not face value. When entering a repurchase agreement where delivery is not required, the City shall obtain a safekeeping receipt for the specific security (ies) purchased. Repurchase agreements involving pooled collateral shall be avoided.
- 4) Investment instruments defined in Colorado Statutes as eligible for the investment of police and pension funds and Police Duty Death & Disability funds.

Speculative investments are not allowed. The City does not purchase investments that, at the time of investment, cannot be held to maturity. This does not mean that an investment cannot be sold ahead of maturity.

No investment may be purchased for a maturity of greater than three years out of General Fund revenues. Longer investments may be needed for Police Pension, Duty Death & Disability, and bond fund proceeds.

To protect against potential fraud and embezzlement, the investments of the City of Lakewood consisting of direct obligations of the United States government or its agencies are secured through third-party custody and safekeeping procedures. Investment officials are bonded to protect the public against possible embezzlement and malfeasance.

Arbitrage Policy

The purpose of this policy is to ensure compliance with the United States Treasury, Internal Revenue Service (IRS) Regulations. The IRS Code and Treasury Regulations were put into place to minimize the benefits of investing tax-exempt debt proceeds, thus encouraging expenditure for the governmental purpose and to remove the incentive to: Issue debt earlier than needed; Leave debt outstanding longer than necessary; and Issue more debt than necessary for a governmental purpose.

The City's policy is to spend debt issue gross proceeds using specific tracing by allocating debt proceeds to expenditures; comply with all applicable arbitrage provisions of the IRS; and perform rebate calculations for each applicable debt issue in a timely manner.

Risk Management

The goal of the City's Risk Management Program is to protect the assets of the City and provide a safe work environment for the City's employees. This goal is accomplished by planning for the negative consequences of any decision, process, or action by using risk control, risk retention, and risk transfer strategies. More specifically, the main features of this program are as follows:



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Risk Management (continued)

- ❖ Risk Management Staff delivers loss control programs such as defensive driving education, confined space entry education, safe lifting education, blood borne pathogens education, and a variety of other safety education measures to prevent or at least lessen the severity of workplace injuries, which saves money. Loss control also includes random audits of City facilities to detect safety hazards in order to make services safe for the public.
- ❖ City contracts are reviewed for the proper insurance requirements and to ensure the City is properly designated on the contractor insurance policy.
- ❖ Changes in the law at the federal and state level are monitored to determine if any changes affect the way the City delivers services, which in turn create a liability for the City.
- ❖ Financial resources are managed to pay for expected and unexpected losses. This includes managing a self-insurance fund to contain the cost of most losses and purchasing insurance policies to protect the City against catastrophic losses.
- ❖ The City complies with Colorado laws as they relate to operating a self-insurance program.
- ❖ Exposures in all City programs and services that may involve the City in future liabilities are monitored.

Self-Insurance

The City Council has established four funds as part of a self-insurance program: Dental Self-Insurance Fund, Property and Casualty Self-Insurance Fund, Retiree's Health Program Fund, and Worker's Compensation Self-Insurance Fund. Because of the size of the City, the City Council recognizes that the City should budget for expected losses, as is practical, in all areas of liability. The City relies upon the Colorado Sovereign Immunity law in every instance applicable. The magnitude of expected losses and unexpected losses are projected by analyzing claims history, establishing a realistic reserve practice, and utilizing actuarial reviews by an independent actuary. Additionally, the City purchases catastrophic event coverage, minimizing the City's exposure to losses. The Budget will provide for the adequate funding of the City's self-insurance funds.

Community Planning Processes

The City incorporates various other planning processes into the budget. These plans generally guide capital investment as either outside funding sources or fund reserves become available. The following is a list of the plans currently used by the City:



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Community Planning Processes (continued)

- ❖ **Citizen Participation Plan:** In order for a jurisdiction to receive federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grant funds, the U.S. Department of Housing and Urban Development (HUD) requires a citizen participation plan be adopted. The plan sets forth policies and procedures for citizen participation as it relates to the CDBG and HOME programs. The Plan is used by HUD, City staff, and residents as a tool to ensure all policies and procedures, relating to public participation for the CDBG and HOME programs, are being followed. The plan regulates the citizen participation policies and procedures for the CDBG and HOME programs only and does not pertain to the City of Lakewood's public participation procedures. The Citizen Participation Plan was created at the staff level, funded through CDBG and did not require the use of any of the City's General Fund.
- ❖ **Comprehensive Plan:** The Comprehensive Plan provides the vision for the development of Lakewood into the future. The Plan addresses land use, including residential, commercial, and office development, urban centers, economic development, transportation, parks, recreation, and open space. The Lakewood Comprehensive Plan sets a tone for and guides the development and re-development of the City. It's an advisory document that sets policies for the community. The Plan is used to respond to development proposals, as a work program for the Planning Department as well as to guide funding decisions including development of the Capital Improvement Program. The use of the Plan is ongoing by City staff throughout the organization, as well as residents and the business community. The Comprehensive Plan is a long-term vision and has been developed three times since the City's incorporation. As the community changes over time with re-development, changes in population, and changing needs, the Planning Department evaluates whether to update or rewrite the Comprehensive Plan. The Plan was funded through the General Fund for City staff time in the Planning budget when the Plan was written. The Plan is used as a guiding document for the Capital Improvement Program budget decisions.
- ❖ **Corridor Plan:** Corridor plans are created for areas along Lakewood's major streets. Examples include Wadsworth Boulevard, West Colfax Avenue, Kipling Boulevard, and other major corridors. These plans are created and/or updated when the City or a portion of the community recommends that a plan be created or updated. The plans provide an overall vision for the corridor. They identify the appropriate land uses and development densities along the corridors, generally within a block or two of the street. The plans may also suggest roadway and sidewalk/trail improvements that would improve the overall visual and pedestrian quality of the street. Corridor plans are used by City staff, the development community and residents when a development is proposed along the corridor. These plans identify the appropriate land uses, development densities, and streetscape improvements and standards (widening, intersection improvements) that will be incorporated into the development. The plans are funded through the City's General Fund and may be used to prioritize project or project elements in the Capital Improvement Program. Corridor plans are generally created at the staff level but consultants have been hired for some of the City's plans.



2013 BUDGET AND FINANCIAL POLICIES (CONTINUED)

Community Planning Processes (continued)

- ❖ **Neighborhood Plan:** The enhancement and protection of Lakewood's neighborhoods are key goals of the City of Lakewood Comprehensive Plan. One avenue for achieving those goals is through the neighborhood planning process. Neighborhood planning is a collaborative effort between City staff, residents, and property owners of a neighborhood to identify goals to provide guidance about the future direction of a neighborhood. This effort helps to foster strong communities that are the building blocks of a vital and active city. A neighborhood plan is intended to serve as a policy document to provide guidance to City officials and City staff regarding decisions in the neighborhood involving public works, traffic, community safety, land use, and property maintenance. The intent of a neighborhood plan is to contribute to the economic, social, and physical well being of the neighborhood by serving as a tool for City staff to assist in enhancing the character and quality of the neighborhood. Implementation of goals identified in neighborhood plans helps to resolve neighborhood issues and concerns and assures a more stable and cohesive neighborhood.

- ❖ **One Year Action Plan:** The One-Year Action Plan is the City's annual Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grant application to the U.S. Department of Housing and Urban Development (HUD). The CDBG and HOME grants are federal funds administered by HUD and allocated to communities to be used to address local housing and community development needs, primarily for low-to moderate-income persons. The plan provides an overview of the annual funding levels, projects, and programs that will be implemented the following program year. The plan is used by HUD, City staff, and residents to identify how the federal funds will be spent and also illustrate that the funded programs and projects follow the federal regulations and address Lakewood's identified community needs. The One-Year Action Plan is created at the staff level, funded through CDBG and does not require the use of any of the City's General Fund.

- ❖ **Station Area Plan:** Lakewood has been proactive in planning for future development around the West Corridor light rail line that will be in operation in early 2013. Plans have been adopted for areas surrounding four light rail stations in Lakewood (Sheridan, Wadsworth, Oak, and the Union Corridor). The plans identify appropriate land uses and development densities within approximately 1/2 mile of the stations. The plans also recommend pedestrian-friendly streetscapes and future roadway connections to and through the station areas. These plans are used as Comprehensive Plan Amendments in the vicinity of the four light rail stations to determine appropriate land uses and development densities. As development and redevelopment increases around these areas, the plans will assist City staff, the development community, and residents in guiding the development that occurs within the station area boundaries prior to and after the completion of construction of the West Corridor light rail line. The plans were funded through the City General Fund for City staff time in the Planning budget and may be used to prioritize project or project elements in the Capital Improvement Program.

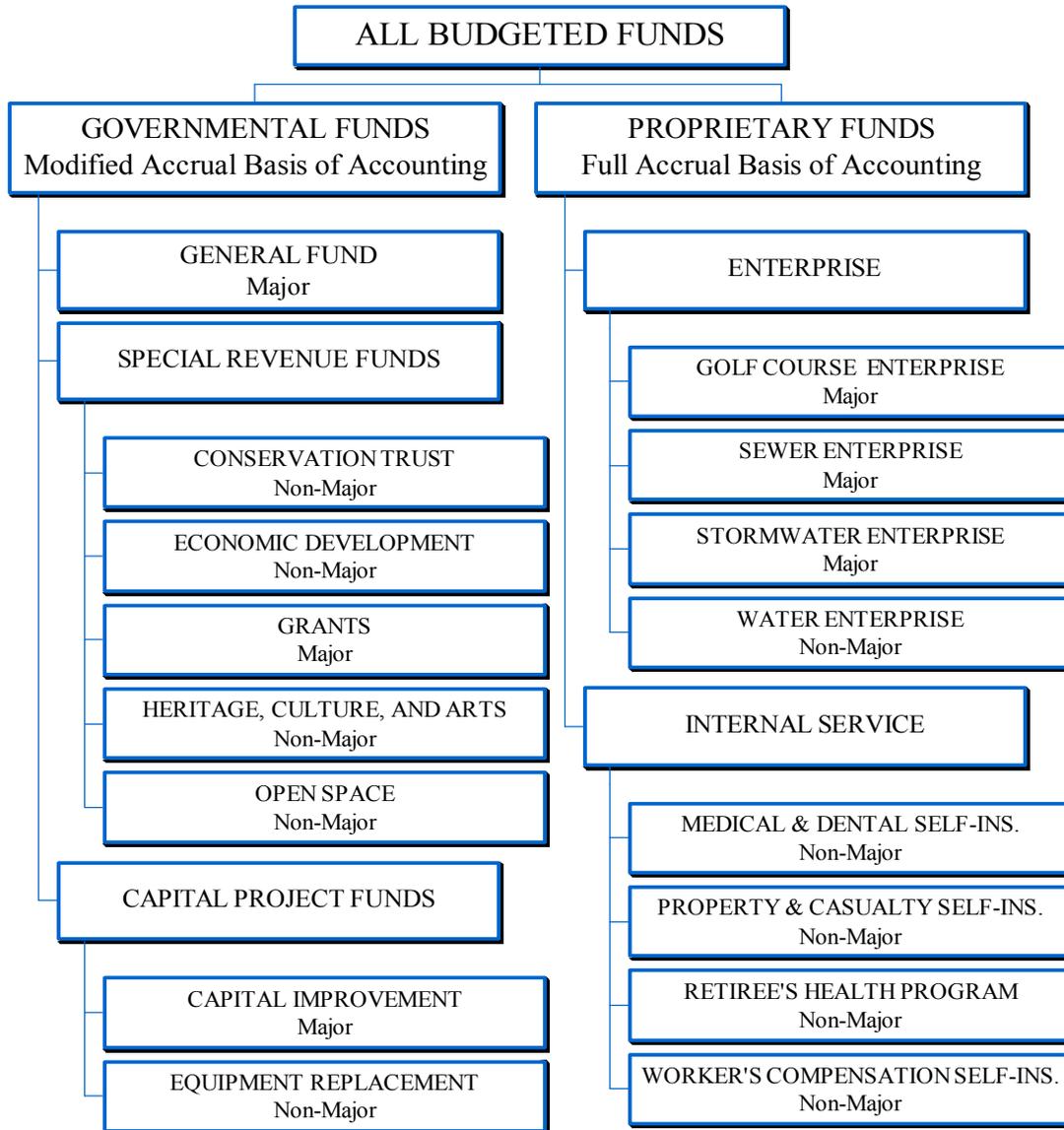


BUDGET OVERVIEW



CITY FUNDS

Fund Organization for the 2012 Revised Budget and 2013 Budget



Notes:

Definitions for all of the above Funds can be found under the Fund Summary Tab or in the glossary under the Appendix Tab.

This budget document does not include the following funds due to either an appropriation not being required for the fund or the fund being a separate legal entity from the City: Lakewood Public Building Authority and Lakewood Reinvestment Authority.



ALL FUND TYPES
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	Total All Funds			
	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Property Tax	\$ 7,986,944	\$ 7,903,919	\$ 7,986,944	\$ 7,986,944
Sales Tax	57,865,724	59,633,296	60,026,006	61,653,491
General Use Tax	3,304,844	2,987,535	3,304,844	3,304,844
Building Material Use Tax	2,473,727	2,265,522	2,265,522	2,265,556
Motor Vehicle Use Tax	4,502,179	4,575,050	4,805,042	4,805,042
Specific Ownership Tax	541,358	588,072	557,418	573,583
Tobacco Products Tax	366,364	355,497	366,364	366,364
Business & Occupation Tax	2,142,379	1,952,926	2,142,379	2,142,379
Franchise Charges & Other Taxes	7,061,942	7,009,679	6,833,916	7,272,100
Hotel Accommodation Tax	926,884	850,000	920,000	920,000
Licenses & Permits	2,739,114	2,127,553	2,425,489	2,538,045
Intergovernmental Revenue	24,072,286	19,368,216	28,934,377	18,228,638
Charges for Services	26,699,816	26,058,416	26,794,895	26,911,989
Fines & Forfeits	1,520,956	1,472,720	1,551,152	1,551,152
Investment Income	1,384,936	1,244,277	965,608	935,788
All Other Revenues	1,600,794	1,656,160	1,686,009	1,675,409
Total Revenues	145,190,247	140,048,838	151,565,965	143,131,324
EXPENDITURES				
Mayor and City Council	437,414	500,378	469,331	474,120
City Manager's Office	2,771,884	3,286,630	3,397,991	3,301,984
City Attorney's Office	1,445,238	1,578,704	1,555,327	1,598,632
City Clerk's Office	680,531	830,037	854,531	827,099
Community Resources	29,475,586	32,201,407	34,068,694	35,279,207
Employee Relations	1,318,000	1,423,415	1,494,952	1,598,574
Finance	3,237,805	3,286,640	3,487,024	3,837,324
Information Technology	5,115,141	5,824,763	6,597,789	6,000,615
Municipal Court	2,557,447	2,824,681	2,873,568	2,946,675
Planning	2,264,422	2,800,529	4,603,042	2,791,556
Police	41,559,527	43,414,257	42,092,690	43,465,848
Public Works	36,044,322	35,338,216	49,169,150	40,618,326
Non-Departmental	12,872,998	12,969,163	13,856,257	11,817,891
Total Expenditures	139,780,315	146,278,820	164,520,346	154,557,851
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	3,671,447	2,044,398	4,757,524	4,389,160
Operating Transfers Out	(3,655,258)	(2,026,778)	(4,741,335)	(4,372,971)
Total Other Financing Sources (Uses)	16,189	17,620	16,189	16,189
Excess (Deficiency) of Financial Sources over Financial Uses	5,426,121	(6,212,362)	(12,938,192)	(11,410,338)
FUND BALANCES/NET ASSETS, BEGINNING OF YEAR	91,189,776	75,634,951	96,615,897	83,677,705
FUND BALANCES/NET ASSETS, END OF YEAR	\$ 96,615,897	\$ 69,422,589	\$ 83,677,705	\$ 72,267,367

Note: General Fund includes designated reserve of \$354,000 for Section 108 and 3% Tabor Emergency Reserves.



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” dated March 19, 2012 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 2012 to 2017 that were used in forecasting:

Year	2012	2013	2014	2015	2016	2017
Consumer Price Index (CPI)	3.40%	2.90%	2.70%	n/a	n/a	n/a
City Council Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

For 2012, the 4.4 percent (4.4%) revenue increases are primarily from intergovernmental revenues or grants for streets, traffic engineering, energy conservation, public safety, and family services (4.9 million), sales tax revenues (2.2 million), and motor vehicle use tax (.3 million). These increases are offset by lower investment income (-.4 million), lower licenses and permits (-.3 million), lower building use taxes (-.2 million), and lower franchise charges (-.2 million). For 2013, revenues are down 5.6 percent (-5.6%) primarily due to reductions in intergovernmental revenues (-10.7 million). These reductions are offset by increases to sales tax revenues (1.6 million) and franchise charges (.4 million). All other revenues for 2013 are basically flat with the 2012 projections.

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

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue Inc (Dec)	4.0%	(3.9%)	.5 %	1.4%	4.4%	(5.6%)	1.2%	2.3%	1.7%	1.6%

TABOR (Taxpayers’ Bill of Rights)

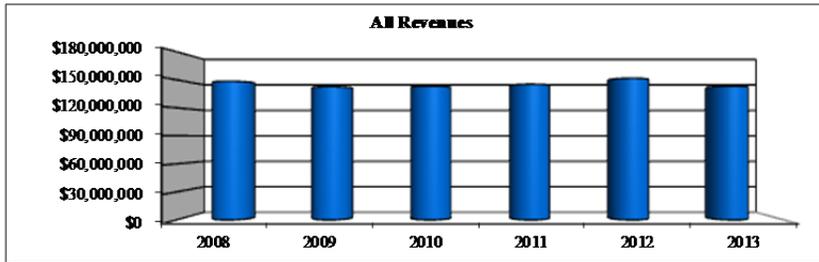
A substantial portion of the City’s revenues are limited by the Taxpayers Bill of Rights. The qualified revenues are limited to growth by an amount equal to the prior year’s CPI plus local growth and any amount above the TABOR limit would be subject to refunding. The current year budget and the forecasted years all assume that the City’s revenue growth will not exceed the TABOR growth factors, thus not triggering a refund. The City Council referred, and voters approved, a ballot initiative in November 2006 that exempts certain Grant and Open Space revenues from TABOR limits. The City has identified that certain Grant and Open Space can be the most volatile revenues within the current TABOR qualified limits. By exempting these revenues from potential refunds, this allows the City to retain and spend the dollars in accordance with the intent of the Grant or Open Space objective. No TABOR refund was required for 2011.



REVENUE OVERVIEW (CONTINUED)

Taxes, Licenses, Intergovernmental Revenues, and Fees and Charges:

The following graph depicts revenues for the prior four years of historical data, the estimate for the current year, and the estimated revenues for the 2013 Budget. Intergovernmental revenues continue to be the most volatile of the revenue types.



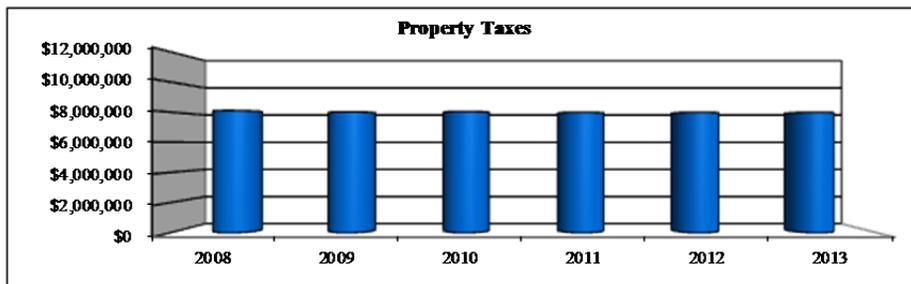
Year	All Revenues	% Chg
2008	\$148,364,553	
2009	\$142,566,552	-3.91%
2010	\$143,250,426	0.48%
2011	\$145,190,247	1.35%
2012	\$151,565,965	4.39%
2013	\$143,131,324	-5.56%

Following are descriptions of the City’s revenue resources, as associated forecasting assumptions, and revenue trends by revenue type for all funds.

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 2013 will remain at the 2012 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.

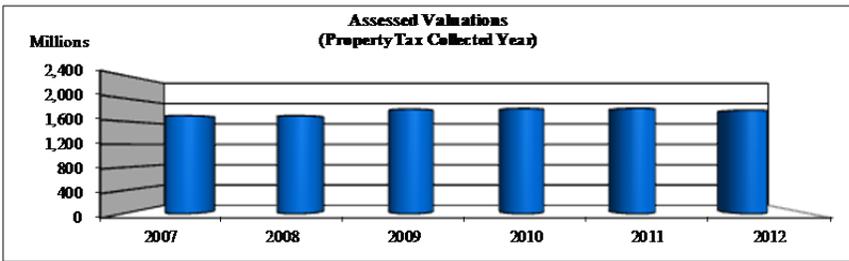
Property Taxes are forecasted for 2012 and 2013 based on assessed valuations as determined by Jefferson County and applying the City’s current mill levy rate. Judgmental forecasting was used to forecast the Property Taxes for 2014 through 2017 using historical data and current economic events. After 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 2013 are \$7,986,944.



Year	Property Taxes
2008	\$8,104,568
2009	\$8,017,422
2010	\$8,039,443
2011	\$7,986,944
2012	\$7,986,944
2013	\$7,986,944



REVENUE OVERVIEW (CONTINUED)



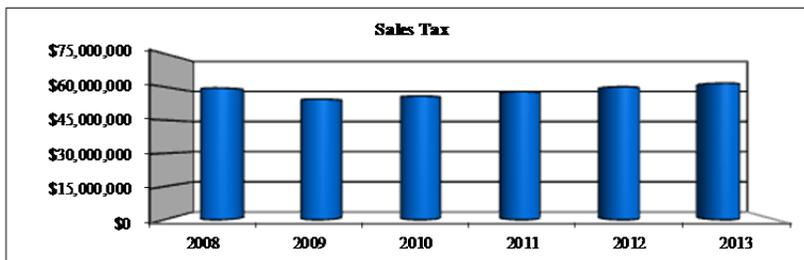
Year	Property Assessed Valuations	% Chg
2007	\$1,696,495,620	
2008	\$1,694,689,320	-0.11%
2009	\$1,808,506,450	6.72%
2010	\$1,819,708,520	0.62%
2011	\$1,822,883,110	0.17%
2012	\$1,792,154,080	-1.69%

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.

The City’s sales tax totals 3 cents on every dollar with 2.5 cents going directly to the General Fund and the remaining .5 cents to the Capital Improvement Fund, except in the areas where a Public Improvement Fee (PIF) for capital improvements exist.

Sales Taxes represent approximately 51.6 percent (51.6%) of the City’s general operating revenues and 56.7 percent (56.7%) of the capital projects revenues after removing a 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 CPI plus judgmental forecasting for 2012 Revised and is up 3.7 percent (3.7%) from 2011 actuals due to the benefit of analyzing approximately six months of sales tax receipts and for the 2012 year only, relies more heavily on this current activity. Sales tax for 2012 Revised increased over 2011 actuals due to first full year of new retail (Target, Nordstrom Rack, and Best Buy) which opened in early spring of 2011 plus the anticipated CPI growth of 3.4%. The CPI growth rate of 2.9 percent (2.9%) was used for 2013 and 2.7 percent (2.7%) for 2014. The City Council Rate of 2 percent (2%) increase was used for 2015 through 2017. Estimated revenues for 2013 are \$61,653,491.



Year	Sales Tax Taxes	% Chg
2008	\$59,479,668	
2009	\$54,458,580	-8.44%
2010	\$55,797,440	2.46%
2011	\$57,865,724	3.71%
2012	\$60,026,006	3.73%
2013	\$61,653,491	2.71%

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.



REVENUE OVERVIEW (CONTINUED)

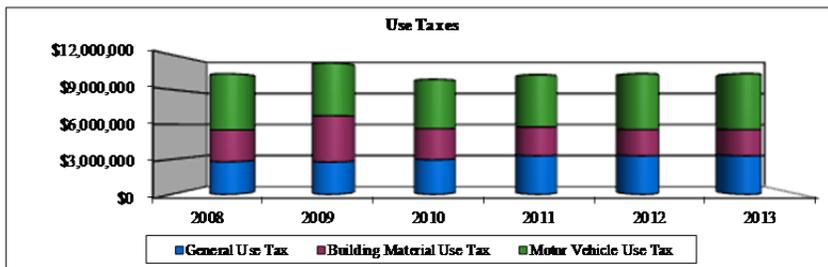
All use tax totals 3 cents on every dollar and is distributed in the same manner as the sales tax. Use taxes represent approximately 8.6 percent (8.6%) of the City’s general operating revenues and 12.7 percent (12.7%) of the capital improvement revenues.

General Use Taxes are forecasted for 2012 to remain the same as prior year actuals based on current year activity. General Use Taxes for 2013 remains the same as for 2012. A City Council rate of two percent (2%) is applied for 2014 through 2017.

Building Materials Use Taxes are expected to decrease for 2012 primarily due to one-time taxes for the construction associated with a major hail storm in the summer of 2011. The Building Material Use Tax for 2013 remains the same as for 2012. A City Council rate of two percent (2%) is applied for 2014 through 2017.

Motor Vehicle Use Tax is forecasted for 2012 reflecting an increase of 6.3 percent (6.3%) based on current year-to-date activity. The Motor Vehicle Use Tax for 2013 remains the same as for 2012. A City Council rate of two percent (2%) is applied for 2014 through 2017.

Estimated revenues of the combined three (3) use taxes for 2013 are \$10,375,442.



Year	Use Taxes	% Chg
2008	\$10,355,050	
2009	\$11,276,564	8.90%
2010	\$9,872,995	-12.45%
2011	\$10,280,750	4.13%
2012	\$10,375,408	0.92%
2013	\$10,375,442	0.00%

Specific Ownership Tax - The Specific Ownership Tax is paid by owners of motor vehicles, trailers, semi-trailers, and trailer-coaches in lieu of all ad valorem taxes on motor vehicles. The amount of the tax paid is a function of the class, age, and value of the vehicle. Generally, the amount of tax paid decreases with the age of the vehicle.

Specific Ownership Taxes for Class A vehicles, which includes any motor vehicle, truck, truck tractor, trailer or semi-trailer used to transport persons or property over public highways for compensation are paid to the State. Specific Ownership Taxes are distributed to each city/district based on the entity’s percentage of the total property tax dollar warrant as a percent of the total tax dollar warrant for the entire County.

Specific Ownership Tax forecasted for 2012 is an increase of 3 percent (3%) over 2011 actuals based on current year activity. The CPI growth rate of 2.9 percent (2.9%) is used for 2013 and the CPI rate of 2.7 percent (2.7%) is used for 2014. A City Council Rate of 2 percent (2%) increase is used for 2015 through 2017. The Specific Ownership Tax estimated for 2013 is \$573,583.

Tobacco Products Tax - The State of Colorado taxes wholesale distributors of tobacco products at the rate of 84 cents per pack. State tax stamps are issued to the distributors as evidence of payment. Each year an amount of State funds from the tax on tobacco products is distributed to counties and municipalities that do not impose any fee, license, or tax on cigarettes.



REVENUE OVERVIEW (CONTINUED)

The amount received is based on the proportion of State sales tax collected in each municipality. Tobacco Products Tax is forecasted for 2012 to remain the same as 2011 actuals. The 2013 forecast remains the same as 2012 and that amount is kept flat for 2014 through 2017. The 2013 budgeted revenues are estimated to be \$366,364.

Business and Occupation Tax - The Business and Occupation Tax is levied upon a business for providing basic local telecommunications service. The City adopted an ordinance in 1996 establishing the tax levy at \$716,937 adjusted each year thereafter based on the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index for Denver-Boulder-Greeley. Each additional provider is required to pay the tax on the per-line formula established in the ordinance.

Business and Occupation Tax is forecasted for 2012 to remain the same as 2011 actuals and to remain the same for 2013 through 2017. Revenues for 2013 are estimated to be \$2,142,379.

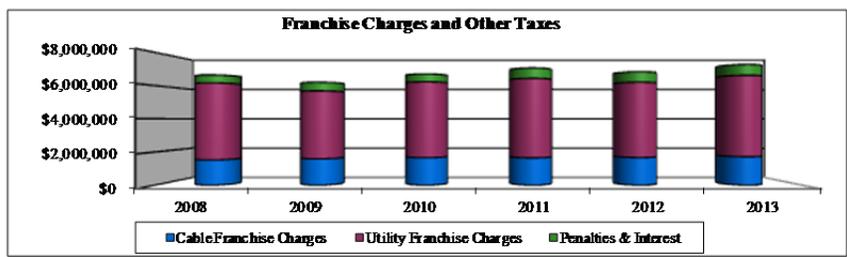
Franchise Charges - The City maintains two specific franchise charges, Cable Television Franchise Charge and Gas/Electric Franchise Charges:

Cable Television Franchise Charge - This fee is compensation for the benefits and privileges granted under the Cable Television Franchise Agreement. The fees are in consideration of permission to use City streets and rights-of-way for the provision of cable services. Throughout the duration of the Agreement, the fee is established at five percent (5%) of gross subscriber revenues of which the City currently has approximately 33,700 subscribers.

Cable Television Franchise Charge is forecasted for 2011 to be up 1.1 percent (1.1%) from 2011 actuals given current collections. The CPI growth rate over the 2012 Revised is used for the 2013 forecast and the City Council rate is used for 2014 through 2017 forecast. Revenues for 2013 are estimated to be \$1,706,451.

Gas/Electric Franchise Charge - The City currently has a nonexclusive franchise agreement with Xcel Energy for the right to furnish, sell, and distribute natural gas and electricity to residents and businesses within the community. The agreement provides Xcel Energy with access to public property to provide these services. In consideration for this franchise, the Company pays the City a sum equal to three percent (3%) of all revenues received from the sale of natural gas and electricity.

Gas/Electric Franchise Charge is forecasted for 2012 to be down 5.3 percent (-5.3%) from 2011 actuals given current collections less an audit refund. The CPI growth rate plus audit adjustment over the 2012 Revised is used for the 2013 forecast. The City Council rate is used for 2014 through 2017 forecast. Revenues for 2013 are estimated to be \$4,916,010.



Year	Franchise Charges	% Chg
2008	\$6,642,159	
2009	\$6,200,758	-6.65%
2010	\$6,699,177	8.04%
2011	\$7,061,942	5.42%
2012	\$6,833,916	-3.23%
2013	\$7,272,100	6.41%



REVENUE OVERVIEW (CONTINUED)

Hotel Accommodation Tax - The City imposes a 3 percent (3%) accommodations tax. This is in addition to the City's sales tax and is applied to charges for sleeping rooms or accommodations in the City if the occupancy is for a period of less than 30 consecutive days. The revenues collected are specifically reserved for economic development within the City.

Hotel Accommodation Tax is forecasted for 2012 with a decrease of .7 percent (-.7%) compared to 2011 actuals given the current year's collection activity and remaining flat for 2013 through 2017. Revenues for 2013 are estimated at \$920,000.

Licenses & Permits – Licenses & Permits are established by ordinance that allows the City to collect various licenses or permit fees. These licenses or permit fees allow the purchaser to perform or provide specific services or goods within the City. There are several types of licenses and permits required within the City. The following identifies the more significant licenses or permit fees.

Contractor's Registration – This is an annual registration fee for all construction contractors doing business within the boundaries of the City.

Contractor's Registrations for 2012 are forecasted using CPI to increase 3.4 percent (3.4%) over the 2011 actuals. The CPI growth rate over the 2012 Revised is used for the 2013 forecast. The City Council Rate is used for 2014 through 2017. Estimated revenues for 2013 are \$303,598.

Building Permit Fees – Building Permit Fees are based on the dollar valuation of the construction work to be performed. The valuation is determined using the cost per square foot published in the International Conference of Building Officials (ICBO) Building Standards magazine and by using the Colorado regional modifier for all new construction. Permit fees are established by resolution and are budgeted based on local economic trends. New permit fees went into effect July 1, 2012 based on approval of Resolution 2012-21.

Building Permit Fees for 2012 are forecasted using unique adjustments based on current year's activity, known activity for balance of year, and the new permit fees that went into effect July 1, 2012. Unique adjustment was used again for 2013 to pick up a full-year of the new permit fees. The City Council Rate was used for 2014 through 2017. Estimated revenues for 2013 are \$1,721,000.

Other Non-Business Permits – Other Non-Business Permits are forecasted for 2012 with a decrease of 65 percent (-65%) from the 2011 actuals. This decrease is largely due to the hail storm in July of 2011 that reflected an increase in roofing permits during 2011 and into 2012. The hail storm impacted some 7,000 structures. The forecast for 2013 was adjusted downward to account for the loss of the hail storm roofing permits received in 2012. The forecast for 2014 through 2017 used the City Council Rate of increase. Estimated revenues for 2013 are \$190,000.



REVENUE OVERVIEW (CONTINUED)

Intergovernmental Revenues:

Conservation Trust (Lottery) Proceeds – Municipal lottery proceeds are based upon the most current population estimates prepared by the Division of Local Government. Funds can only be used for the acquisition, development, and maintenance of new conservation sites, or for capital improvements to or maintenance of recreational purposes on any public site.

Lottery Proceeds are forecasted using judgmental forecasting and for 2012 are forecasted to increase by 1.9 percent (1.9%) over the 2011 receipts and a decrease of 1.2 percent (-1.2%) for 2013. Estimated revenues for 2013 are \$1,310,282.

County Road & Bridge – Jefferson County imposes a separate countywide mill levy, set by the County Commissioners, for construction and maintenance of roads and bridges. Funds are shared with local governments and are distributed based on the percent of assessed valuation to total countywide assessed valuation.

County Road & Bridge is forecasted for 2012 to increase by .5 percent (-.5%) from 2011 primarily based on year-to-date activity. The amount remains flat for 2013 and the City Council Rate is used for 2014 through 2017. Estimated revenues for 2013 are \$1,274,622.

Highway User's Tax – The Highway User's Tax (HUT) is state collected locally shared revenue. HUT revenues are based on a variety of formulas that include revenues based on motor fuel taxes, driver's license, and motor vehicle registration fees. The HUT is distributed monthly among the state, counties, and municipalities based on a formula that takes into account the number of vehicles registered and the miles of streets in each municipality relative to the same data in other municipalities. These funds may be spent on new construction, safety, reconstruction, improvement, repair and maintenance, and capacity improvements. These sources may not be used for administrative purposes.

Highway User's Tax is forecasted for 2012 with an increase of .9 percent (.9%) over 2011 actuals primarily due to current year activity and remains flat for 2013 through 2017. Estimated revenues for 2013 are \$2,839,028.

FASTER Fees – The FASTER (*Funding Advancement for Surface Transportation and Economy Recovery*) Fees are state collected locally shared revenues that became effective July 1, 2009. FASTER revenues are collected at time of motor vehicle registration. There are two parts to this revenue, a road safety surcharge and a bridge safety surcharge. Both surcharges are based on vehicle weight; however, the road safety surcharge is the only one allocated to counties and municipalities. The bridge safety surcharge goes into a Bridge Enterprise Fund at the State level that can be accessed via loans or grants to the counties or municipalities. These funds must be spent on highways defined as road and related improvements and services. A more detailed definition is available from the Colorado Revised Statute 43-4-801(14).

FASTER Fees are forecasted for 2012 reflecting a 2.7 percent (2.7%) increase based on current year activity and kept at the 2012 level for 2013 through 2017. Estimated revenues for 2013 are \$1,000,000.



REVENUE OVERVIEW (CONTINUED)

Jefferson County Open Space Attributable Share – A countywide one-half cent (.5¢) sales tax is imposed on tangible personal property or taxable services purchased at retail in the County. Portions of the net proceeds from the sales tax after deducting for administrative expenses, is attributable to municipalities located within Jefferson County. The amount attributable is based on the ratio of automobile registrations in each municipality as a percent to the total registrations in the county.

Jefferson County Open Space Attributable Share utilizes judgmental forecasting and for 2012 a 1.2 percent (-1.2%) decrease compared to 2011 actuals. A 1 percent (1%) increase is forecasted for 2013 and 1.5 percent (1.5%) for 2013 through 2017 based on information derived from the County. The forecasted change in revenues is different from the City's forecasted sales tax revenue because the countywide tax base is broader in nature and anticipates population growth. The City's anticipated share for 2013 is \$4,042,986.

Motor Vehicle Registration Fees – Motor Vehicle Registration Fees are State imposed on the registration of a vehicle. Fees are primarily based on the weight of the vehicle (as published by the manufacturer) and the age of the vehicle. In addition to the base fees, there are other add-on fees that are imposed. The revenue received by a county, city, or town is "actual" fees collected for the month based on the number and type of vehicles registered. Motor Vehicle Registration Fees utilizes judgmental forecasting and for 2012 to be an increase of 2.5 percent (2.5%) over 2011 actuals and remains the same for 2013. The City Council Rate is used for years 2014 through 2017. The City anticipates \$492,635 for motor vehicle registration fees for 2013.

Community Development Block Grant – An annual federal grant used to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low-to moderate-income persons.

The Community Development Block Grant awarded to the City for 2012 was \$892,769. It is anticipated that the amount will increase slightly in 2013 with slight decreases for 2014 through 2017. The amount available for 2012 spending is \$1,289,856 (includes carry over) and 2013 is \$908,318.

HOME Grant – An annual federal grant used to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership assistance to low-income persons.

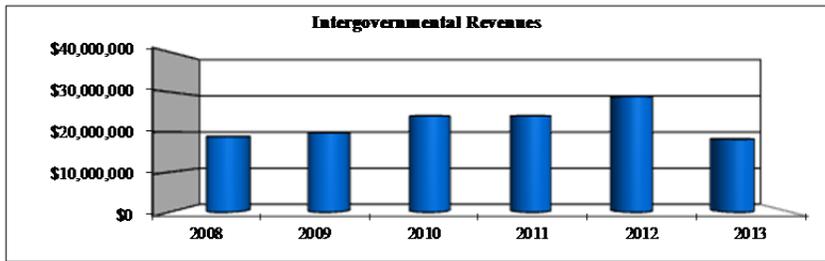
The Home Grant for 2012 has been awarded to the City in the amount of \$428,517 from which the City has five years to spend. It is anticipated that the amount will decrease slightly in 2013. The grant will move to the Jefferson County in 2014 allowing better leverage for projects within the community. The amount available for 2012 spending is \$1,449,976 (includes carry over) and 2013 is \$400,000.

Head Start Grant – Head Start Grant is a federal grant that serves the child development needs of pre-school children with the overall goal of increasing school readiness of young children ages three to five in low-income families.

The Head Start Grant is forecasted for 2012 with a 1.5 percent (-1.5%) decrease from 2011 amounts and approximately an 8.5 percent (8.5%) increase for 2013. A 3.8 percent (3.80%) increase was used each year 2014 through 2017. Estimated revenues for 2013 are \$1,064,317.



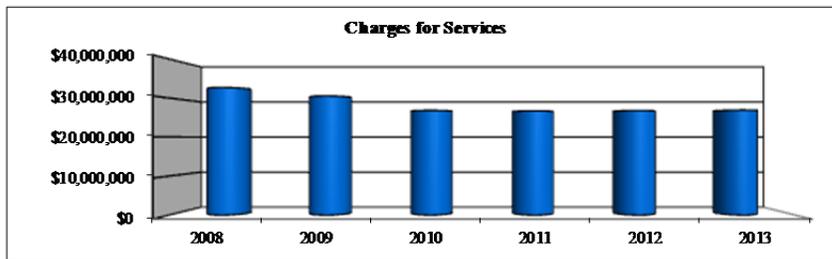
REVENUE OVERVIEW (CONTINUED)



Intergovernmental		
Year	Revenues	% Chg
2008	\$18,838,197	
2009	\$19,822,060	5.22%
2010	\$24,066,323	21.41%
2011	\$24,072,286	0.02%
2012	\$28,934,377	20.20%
2013	\$18,228,638	-37.00%

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 2012 based on current year’s activity and a slight increase is anticipated for 2013 through 2017. Estimated revenues for 2013 are \$26,911,989.



Charges for		
Year	Services	% Chg
2008	\$32,681,694	
2009	\$30,512,295	-6.64%
2010	\$26,823,089	-12.09%
2011	\$26,699,816	-0.46%
2012	\$26,794,895	0.36%
2013	\$26,911,989	0.44%

Fines and Forfeits – The Municipal Court assesses fees to parties found guilty of any municipal offense through the court system.

Fines and Forfeits are forecasted for 2012 based on current year activity with an increase from 2011 actuals. Forecasted Fines and Forfeits remain at the 2012 level for 2013 through 2017. There is \$1,551,152 budgeted as revenue for 2013.

Investment Income – The City’s reserve funds are invested in accordance with the Colorado Revised Statute and the City Charter and interest is allocated to the appropriate fund on a quarterly basis.

Investment Income is forecasted based on historical and anticipated yields for the two-year Treasury bond. The City considers the ten year average of the two year Treasury bond constant maturity index. The expected yield is then applied to the applicable reserves. Estimated investment income for 2013 is \$935,788.

All Other Revenues – Other revenues consist of sale of fixed assets, donations, refunds and rebates, rental income, pledged funds, and all other miscellaneous revenues received by the City.

All Other Revenues are forecasted using unique adjustments based on significant known factors for 2012 through 2017. Estimated revenues for 2013 are \$1,675,409.



Federal, State, and Local Grants

Grant Title	2012 Revised	2013 Budget	Source
14 th & Lamar Roundabout <i>(Additional funds of \$110,000 from Capital Improvement Fund)</i>	\$ 990,000	\$ -	Federal
BCLP-Interpretive Plan-Fed'l <i>(Additional funds of \$20,832 from Open Space Fund)</i>	20,000	-	Federal
Child & Adult Care Food Program	85,000	85,000	Federal
Community Development Block Grant (CDBG)	1,289,856	908,308	Federal
Emergency Management Grant	49,308	35,000	Federal
Energy Efficiency & Conservation Block Grant	302,531	-	Federal
EPA Brownsfield Grant	450,000	450,000	Federal
EUDL-Federal	40,000	10,000	Federal
Fed Hazard Elimination Alameda/Harlan & Alameda/Depew Signals <i>(Additional funds of \$5,000 from Capital Improvement Fund)</i>	25,000	-	Federal
Fed Hazard Elimination Kipling/Miss & Kipling/Expo Signals <i>(Additional funds of \$38,000 from Capital Improvement Fund)</i>	686,900	-	Federal
Fed'l Match Kipl Wads Bike Path <i>(Additional funds of \$1,860,000 from Capital Improvement Fund)</i>	-	-	Federal
Fed'l Match Union 4th to 6th <i>(Additional funds of \$409,000 from Capital Improvement Fund)</i>	591,000	-	Federal
Fed'l TEA-21 C470 Bike Path Extension <i>(Additional funds of \$15,000 from Capital Improvement Fund)</i>	-	-	Federal
Fed'l TEA-21 Colfax/Simms <i>(Additional funds of \$27,000 from Capital Improvement Fund)</i>	123,000	-	Federal
Fed'l TEA-21 Kipling/Colfax <i>(Additional funds of \$371,000 from Capital Improvement Fund)</i>	129,000	-	Federal
Fed'l TEA-21 Weir Gulch Tr/Wads <i>(Additional funds of \$10,000 from Capital Improvement Fund)</i>	-	-	Federal
Fed'l TIP Alameda Bike Path Reconstruction <i>(Additional funds of \$14,000 from Capital Improvement Fund)</i>	36,000	-	Federal



Federal, State, and Local Grants (continued)

Grant Title	2012 Revised	2013 Budget	Source
Head Start Mentor Coaches-ARRA	55,971	-	Federal
HIDTA Grant Federal	274,200	274,200	Federal
HOME Administration	1,449,976	400,000	Federal
Human Trafficking Grant	8,613	-	Federal
JAG-Domestic VIR-Fed'l	7,975	14,360	Federal
JAG-Fed'l- Boys & Girls Club	42,862	27,338	Federal
JAG-Juvenile AIL 2009-Fed'l	14,540	-	Federal
JAG 2009-Federal	108,901	-	Federal
JAG 2009-Federal ARRA	4,441	-	Federal
JAG 2010-Federal	62,815	-	Federal
JAG 2011-Federal	78,487	-	Federal
JAG 2012-Federal	92,172	-	Federal
JAG-Sub Abuse Youth 2009 ARRA	5,651	-	Federal
JAG-Sub Abuse Youth 2010 Fed'l	36,549	16,193	Federal
Kipling Sigs @ Kentucky /Dartmouth	-	570,000	Federal
Lakewood Head Start Program	980,672	1,064,317	Federal
LEAP ARRA - Federal	96,257	-	Federal
Pending Grants-PW <i>(Additional funds of \$232,000 from Capital Improvement Fund)</i>	368,000	-	Federal
Seatbelt Grant Federal	10,000	6,000	Federal
Union Pedestrian Signals <i>(Additional funds of \$38,000 from Capital Improvement Fund)</i>	153,000	-	Federal
Wadsworth Blvd Traffic Detection <i>(Additional funds of \$52,068 from Capital Improvement Fund)</i>	210,000	-	Federal
Subtotal of Federal Grants	\$ 8,878,677	\$ 3,860,716	



Federal, State, and Local Grants (continued)

Grant Title	2012 Revised	2013 Budget	Source
Auto Theft Task Force	\$ 1,476,394	\$ 1,232,866	State
Checkpoint & DUI POS -State	35,000	35,000	State
Colorado Historical Society Grant	19,552	35,000	State
LEAF Grant	14,500	14,500	State
Quail Street Recycling Site	62,976	-	State

Subtotal of State Grants	\$ 1,608,422	\$ 1,317,366	
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911 Authority	\$ 813,083	\$ 468,058	Local
Downtown Lakewood Connectivity-RTD <i>(Additional funds of \$50,000 from Capital Improvement Fund)</i>	100,000	-	Local
Open Space Miscellaneous Grant	465,000	20,000	Local
SCFD Tier II Grant	230,000	230,000	Local
Sheridan Catalytic Project	175,000	-	Local

Subtotal of Local Grants	\$ 1,783,083	\$ 718,058	
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Total All Grants	\$ 12,270,182	\$ 5,896,140	
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Note: Refer to Glossary for acronym definitions



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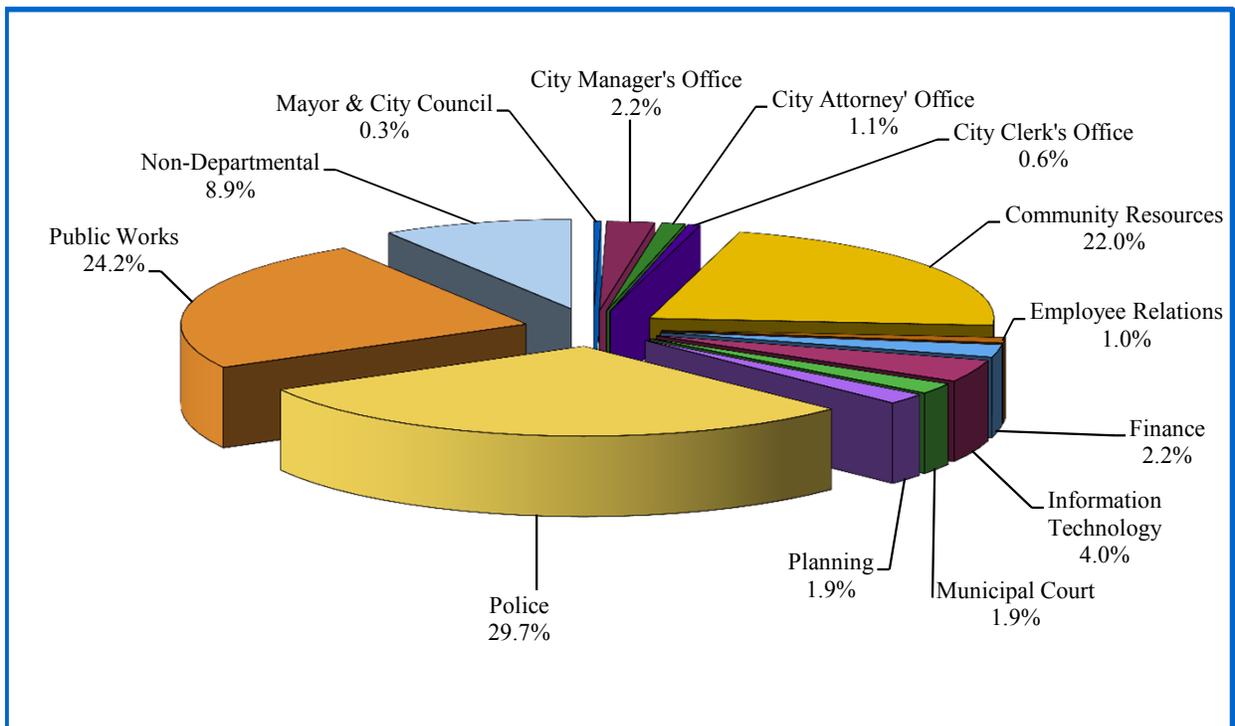
CITY BUDGET SUMMARY
BY ALL FUND TYPES, BY DEPARTMENT, AND BY PROGRAM
2013 BUDGET

City Department By Program	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total
Mayor and City Council	\$ 474,120	\$ -	\$ -	\$ -	\$ -	\$ 474,120
City Manager's Office	2,096,175	1,015,809	190,000	-	-	3,301,984
City Management	2,003,904	-	190,000	-	-	2,193,904
Economic Dev & Sustainability	92,271	1,015,809	-	-	-	1,108,080
City Attorney's Office	1,598,632	-	-	-	-	1,598,632
City Clerk's Office	827,099	-	-	-	-	827,099
Community Resources	17,008,671	9,662,839	3,790,843	4,816,854	-	35,279,207
Admin. & Resource Development	1,041,549	-	-	-	-	1,041,549
Family Services	3,103,618	1,276,317	-	-	-	4,379,935
Golf Course Operations	-	-	-	4,816,854	-	4,816,854
Heritage, Culture & the Arts	-	2,452,951	-	-	-	2,452,951
Planning, Construction, & Maintenance	4,026,433	2,328,220	3,785,843	-	-	10,140,496
Recreation	4,807,825	-	-	-	-	4,807,825
Regional Parks Operations	582,724	981,661	-	-	-	1,564,385
Urban Parks Operations	3,446,522	2,623,690	5,000	-	-	6,075,212
Employee Relations	1,598,574	-	-	-	-	1,598,574
Finance	3,748,544	36,494	52,286	-	-	3,837,324
Finance Administration	529,309	-	-	-	-	529,309
Accounting	668,278	36,494	-	-	-	704,772
Property & Purchasing Services	1,162,683	-	52,286	-	-	1,214,969
Revenue	1,388,274	-	-	-	-	1,388,274
Information Technology	4,810,615	-	1,190,000	-	-	6,000,615
Municipal Court	2,916,122	30,553	-	-	-	2,946,675
Municipal Court Administration	272,836	-	-	-	-	272,836
Court Marshal	566,527	-	-	-	-	566,527
Judicial	456,819	-	-	-	-	456,819
Probation Services	626,412	30,553	-	-	-	656,965
Violations Bureau	993,528	-	-	-	-	993,528
Planning	1,503,238	1,098,318	190,000	-	-	2,791,556
Police	41,314,886	2,150,962	-	-	-	43,465,848
Office of the Chief	2,999,058	37,338	-	-	-	3,036,396
Investigations	9,971,113	1,507,066	-	-	-	11,478,179
Patrol Services	20,655,831	55,500	-	-	-	20,711,331
Support Services	7,688,884	551,058	-	-	-	8,239,942



**CITY BUDGET SUMMARY
BY ALL FUND TYPES, BY DEPARTMENT, AND BY PROGRAM
2013 BUDGET**

City Department By Program	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total
Public Works	15,789,192	1,065,000	14,775,213	8,988,921	-	40,618,326
Public Works Administration	354,974	-	218,188	-	-	573,162
Engineering	3,173,113	10,000	3,350,207	-	-	6,533,320
Environmental Services & Emergency Preparedness	286,924	485,000	-	-	-	771,924
Fleet Management	4,236,579	-	3,144,581	-	-	7,381,160
Public Works Maintenance	3,881,892	-	7,016,831	-	-	10,898,723
Sewer Utility	-	-	-	4,246,631	-	4,246,631
Stormwater Management Utility	-	-	-	3,430,531	-	3,430,531
Traffic Engineering	3,855,710	570,000	1,045,406	-	-	5,471,116
Water Utility	-	-	-	1,311,759	-	1,311,759
Non-Departmental	5,560,488	-	2,345,682	181,236	3,730,485	11,817,891
Citywide Employee Benefits	1,528,246	-	-	31,236	175,000	1,734,482
Debt Obligations/Special Projects	3,532,242	-	2,345,682	150,000	-	6,027,924
Self-Insurance Funding	500,000	-	-	-	3,555,485	4,055,485
Total by Fund	\$99,246,356	\$15,059,975	\$22,534,024	\$13,987,011	\$3,730,485	\$154,557,851





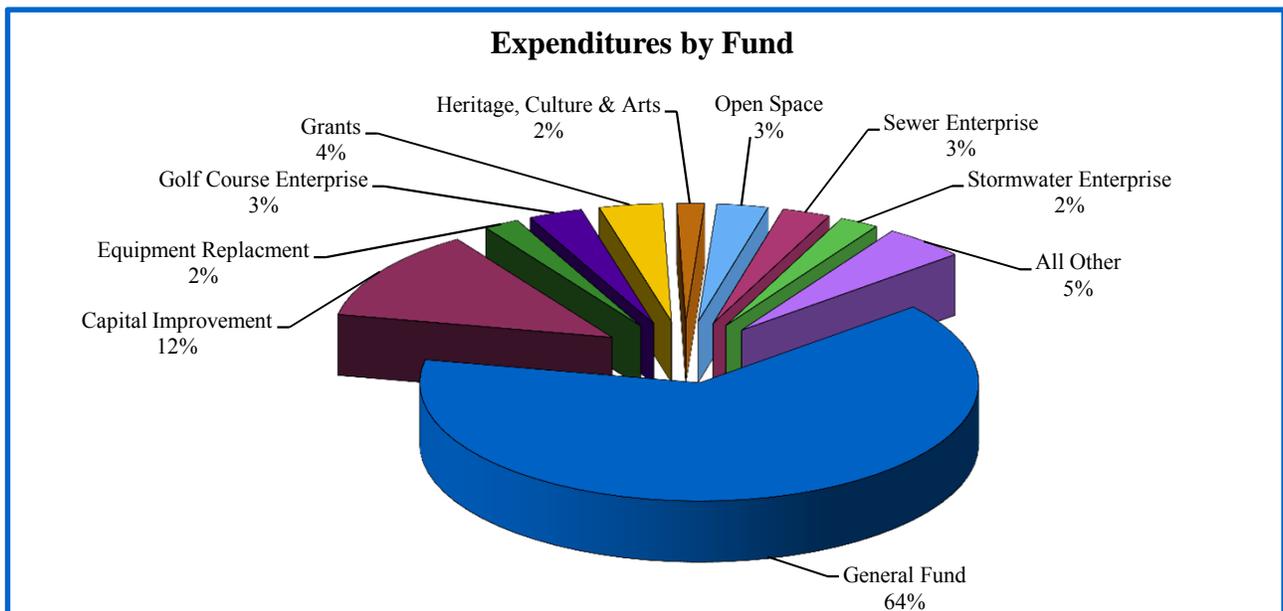
**FUNCTIONAL UNITS BY FUND
2013 BUDGET**

Department	Mayor and City Council	City Manager's Office	City Attorney's Office	City Clerk's Office	Community Resources	Employee Relations
Fund						
General	\$ 474,120	\$ 2,096,175	\$ 1,598,632	\$ 827,099	\$ 17,008,671	\$ 1,598,574
Capital Improvement	-	-	-	-	3,790,843	-
Conservation Trust	-	-	-	-	1,347,669	-
Dental Self-Insurance	-	-	-	-	-	-
Economic Development	-	1,015,809	-	-	-	-
Equipment Replacement	-	190,000	-	-	-	-
Golf Course Enterprise	-	-	-	-	4,816,854	-
Grants	-	-	-	-	1,276,317	-
Heritage, Culture & Arts	-	-	-	-	2,452,951	-
Open Space	-	-	-	-	4,585,902	-
Property & Casualty Self-Ins	-	-	-	-	-	-
Retirees Health	-	-	-	-	-	-
Sewer Enterprise	-	-	-	-	-	-
Stormwater Enterprise	-	-	-	-	-	-
Water Enterprise	-	-	-	-	-	-
Workers' Comp. Self-Ins	-	-	-	-	-	-
Total	\$ 474,120	\$ 3,301,984	\$ 1,598,632	\$ 827,099	\$ 35,279,207	\$ 1,598,574



**FUNCTIONAL UNITS BY FUND
2013 BUDGET**

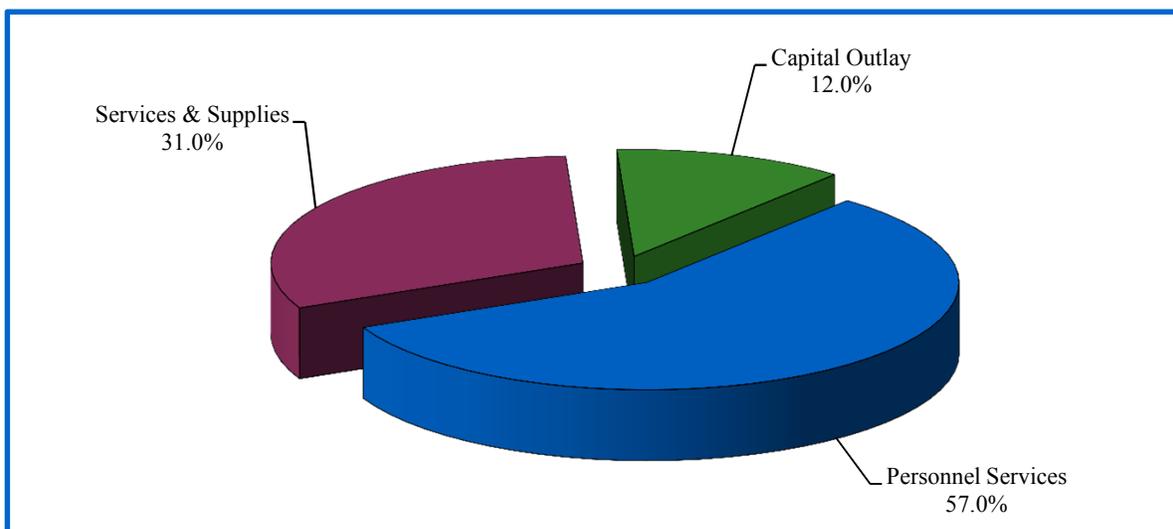
Finance	Information Technology	Municipal Court	Planning	Police	Public Works	Non-Departmental	Total
\$ 3,748,544	\$ 4,810,615	\$ 2,916,122	\$ 1,503,238	\$ 41,314,886	\$ 15,789,192	\$ 5,560,488	\$ 99,246,356
52,286	-	-	190,000	-	12,975,213	2,345,682	19,354,024
-	-	-	-	-	-	-	1,347,669
-	-	-	-	-	-	1,166,431	1,166,431
-	-	-	-	-	-	-	1,015,809
-	1,190,000	-	-	-	1,800,000	-	3,180,000
-	-	-	-	-	-	15,487	4,832,341
36,494	-	30,553	1,098,318	2,150,962	1,065,000	-	5,657,644
-	-	-	-	-	-	-	2,452,951
-	-	-	-	-	-	-	4,585,902
-	-	-	-	-	-	1,359,532	1,359,532
-	-	-	-	-	-	175,000	175,000
-	-	-	-	-	4,246,631	55,367	4,301,998
-	-	-	-	-	3,430,531	59,509	3,490,040
-	-	-	-	-	1,311,759	50,873	1,362,632
-	-	-	-	-	-	1,029,522	1,029,522
\$ 3,837,324	\$ 6,000,615	\$ 2,946,675	\$ 2,791,556	\$ 43,465,848	\$ 40,618,326	\$ 11,817,891	\$ 154,557,851





ALL FUNDS - SUMMARY OF EXPENDITURES BY CLASSIFICATION
2013 BUDGET

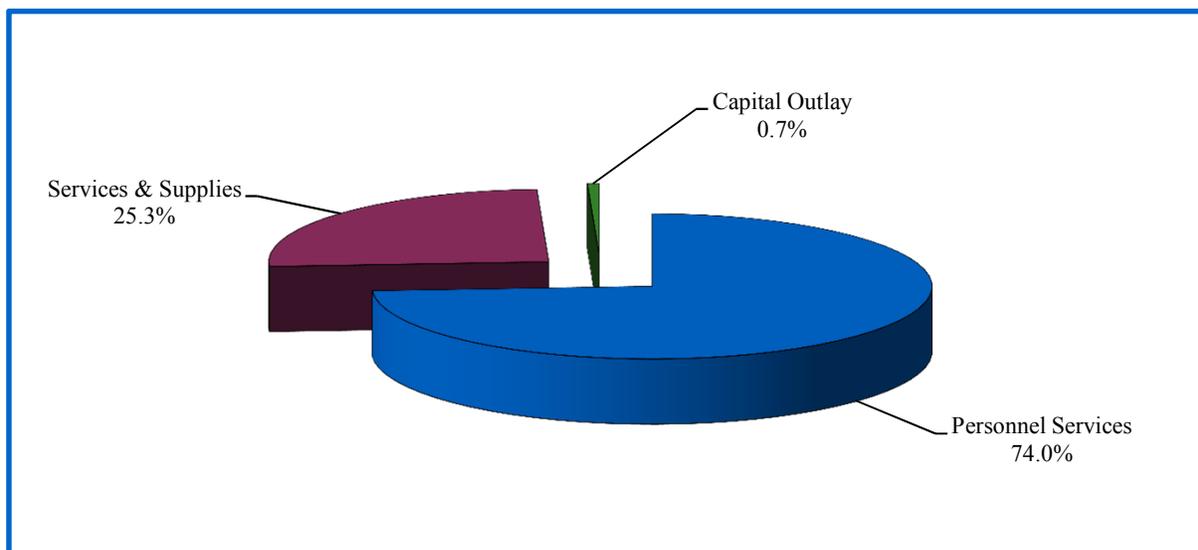
	<u>PERSONNEL SERVICES</u>	<u>SERVICES & SUPPLIES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
MAYOR AND CITY COUNCIL	\$ 248,494	\$ 225,626	\$ -	\$ 474,120
CITY MANAGER'S OFFICE	2,006,187	1,212,797	83,000	3,301,984
CITY ATTORNEY'S OFFICE	1,067,299	531,333	-	1,598,632
CITY CLERK'S OFFICE	687,817	139,282	-	827,099
COMMUNITY RESOURCES	18,516,922	11,503,354	5,258,931	35,279,207
EMPLOYEE RELATIONS	1,406,014	192,560	-	1,598,574
FINANCE	2,822,732	588,792	425,800	3,837,324
INFORMATION TECHNOLOGY	3,326,137	1,849,478	825,000	6,000,615
MUNICIPAL COURT	2,669,589	277,086	-	2,946,675
PLANNING	1,525,566	1,085,990	180,000	2,791,556
POLICE	39,159,807	3,995,841	310,200	43,465,848
PUBLIC WORKS	10,257,810	16,092,995	14,267,521	40,618,326
NON-DEPARTMENTAL	<u>1,503,592</u>	<u>8,199,617</u>	<u>2,114,682</u>	<u>11,817,891</u>
TOTALS	<u>\$ 85,197,966</u>	<u>\$ 45,894,751</u>	<u>\$ 23,465,134</u>	<u>\$ 154,557,851</u>





**SUMMARY OF EXPENDITURES BY CLASSIFICATION AND BY DEPARTMENT
GENERAL FUND ONLY
2013 BUDGET**

	<u>PERSONNEL SERVICES</u>	<u>SERVICES & SUPPLIES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
MAYOR AND CITY COUNCIL	\$ 248,494	\$ 225,626	\$ -	\$ 474,120
CITY MANAGER'S OFFICE	1,643,778	452,397	-	2,096,175
CITY ATTORNEY'S OFFICE	1,067,299	531,333	-	1,598,632
CITY CLERK'S OFFICE	687,817	139,282	-	827,099
COMMUNITY RESOURCES	10,844,440	6,058,270	105,961	17,008,671
EMPLOYEE RELATIONS	1,406,014	192,560	-	1,598,574
FINANCE	2,733,952	588,792	425,800	3,748,544
INFORMATION TECHNOLOGY	3,326,137	1,484,478	-	4,810,615
MUNICIPAL COURT	2,653,396	262,726	-	2,916,122
PLANNING	1,344,837	158,401	-	1,503,238
POLICE	38,357,517	2,892,369	65,000	41,314,886
PUBLIC WORKS	7,632,199	8,075,131	81,862	15,789,192
NON-DEPARTMENTAL	<u>1,472,356</u>	<u>4,088,132</u>	<u>-</u>	<u>5,560,488</u>
TOTAL GENERAL FUND	<u>\$ 73,418,236</u>	<u>\$ 25,149,497</u>	<u>\$ 678,623</u>	<u>\$ 99,246,356</u>



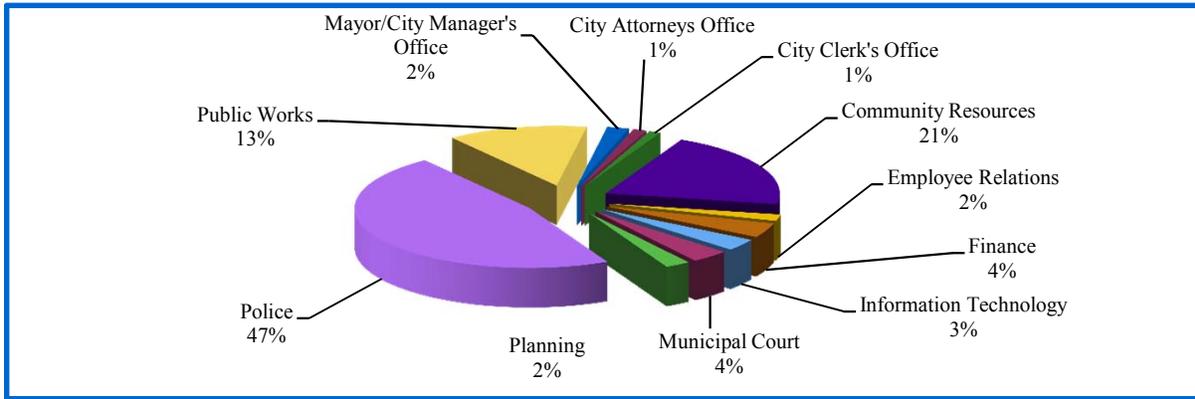
Note: The above schedule does not include any operating transfers out.



STAFFING OVERVIEW

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).

2013 Staffing by Department
Percent of Total



Staffing Comparisons of Full-Time Positions by Department

Positions are stated in full-time equivalents (FTE) based on 2,080 hours per year.

Departments ⁽¹⁾	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Mayor & City Council	-	-	-	-
City Manager's Office ⁽²⁾	16.37	18.50	17.51	17.50
City Attorney's Office	10.70	11.00	11.00	11.00
City Clerk's Office	8.73	9.00	9.00	9.00
Community Resources	174.48	179.17	176.39	176.81
Employee Relations	13.67	14.00	14.25	15.00
Finance	29.57	33.56	33.56	33.56
Information Technology	26.60	27.00	27.38	27.50
Municipal Court	26.38	29.00	30.00	30.00
Planning	14.15	15.00	15.00	15.00
Police	411.11	404.50	402.13	402.00
Public Works	112.24	116.31	116.31	114.31
Total Full-Time Positions (FTE):	844.00	857.04	852.53	851.68
Part-Time Hours	446,254	480,606	477,541	475,866
Total Full-Time and Part-Time Positions Stated as FTE	1,058.55	1,091.39	1,091.39	1,080.46
Anticipated Police Recruits	-	-	17.00	12.00

(1) A detailed list of positions by Department is under each Department section.

(2) Staffing for City Manager's Office does not include personnel dedicated to Lakewood Reinvestment Authority activities for which a budget is not appropriated by the City Council.



**STAFFING SUMMARY
BY FUND TYPE, BY DEPARTMENT,
BY FULL-TIME EMPLOYEES (STATED AS FTE), AND PART-TIME HOURS
2013 BUDGET**

Financial Sources	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds	Total
Mayor & City Council					
Full-Time Employees	-	-	-	-	-
Part-Time Hours	-	-	-	-	-
City Manager's Office					
Full-Time Employees	13.50	4.00	-	-	17.50
Part-Time Hours	3,843	-	-	-	3,843
City Attorney's Office					
Full-Time Employees	11.00	-	-	-	11.00
Part-Time Hours	1,040	-	-	-	1,040
City Clerk's Office					
Full-Time Employees	9.00	-	-	-	9.00
Part-Time Hours	1,810	-	-	-	1,810
Community Resources					
Full-Time Employees	109.47	50.52	-	16.82	176.81
Part-Time Hours	230,170	111,299	-	77,187	418,656
Employee Relations					
Full-Time Employees	15.00	-	-	-	15.00
Part-Time Hours	2,132	-	-	-	2,132
Finance					
Full-Time Employees	32.61	0.35	0.60	-	33.56
Part-Time Hours	5,906	-	-	-	5,906
Information Technology					
Full-Time Employees	27.50	-	-	-	27.50
Part-Time Hours	5,962	-	-	-	5,962
Municipal Court					
Full-Time Employees	29.76	0.24	-	-	30.00
Part-Time Hours	5,392	-	-	-	5,392
Planning					
Full-Time Employees	13.20	1.80	-	-	15.00
Part-Time Hours	1,772	-	-	-	1,772
Police					
Full-Time Employees	396.50	5.50	-	-	402.00
Part-Time Hours	6,828	-	-	-	6,828
Public Works					
Full-Time Employees	86.09	-	6.92	21.30	114.31
Part-Time Hours	19,373	-	1,592	1,560	22,525
Total Full-Time Employees (Stated as FTE)	743.63	62.41	7.52	38.12	851.68
Total Part-Time Hours	284,228	111,299	1,592	78,747	475,866
Total FTE Employees	880.28	115.92	8.29	75.98	1,080.46



LINKING LONG-TERM AND SHORT-TERM GOALS

LONG-TERM GOALS 2014-2017	SHORT-TERM GOALS 2012-2013	IMPLEMENTATION DEPARTMENT
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SAFE COMMUNITY

<p>Update, replace, and maintain public safety technology to improve service to the community</p>	<p>Expand VOIP based 911 Phone System Modernize Tornado/Emergency Siren Electronic Citation and Courts interface Video Feeds from RTD and others Wide Area Network based on FCC's Public Safety Network Digital Radio - Roaming Inter-Operability Build infrastructure to support most critical systems at a second location</p>	<p>Information Technology Municipal Court Police</p>
<p>Assess regionalization in police services to enhance service delivery, consistency in customer service and public safety, and provide cost-savings to agencies involved</p>	<p>Continue participation in the following areas West Metro Drug Task Force Metro Area Auto Theft Task Force Crime Laboratory Safe Streets Special Weapons & Tactics (SWAT) Training Academy and in-service training Radio communications and intelligence investigations Records keeping</p>	<p>Police</p>
<p>Build upon the emergency planning and response relationship with West Metro Fire District and the City of Wheat Ridge</p>	<p>Develop Volume III of the Emergency Preparedness Plan Integrate emergency preparedness with St. Anthony's</p>	<p>Public Works</p>

OPEN AND HONEST COMMUNICATION

<p>Continually evaluate and make adjustments to meet the growing demands of citizen communications</p>	<p>KLTV 8 Programming Use of Social Media Looking at Lakewood Notification to victims of court dates City Website Lakewood Zoning Improvement project Update Campaign Finance Ordinance Create pro-active community planning standards and process for community input</p>	<p>All Departments</p>
<p>Provide quality customer service</p>	<p>Implement a comprehensive program evaluation plan Provide staff training to ensure the required skills and knowledge exist for quality customer service Keep website fresh, informative, interesting, accurate, and easy to access including from mobile devices</p>	<p>All Departments</p>



LINKING LONG-TERM AND SHORT-TERM GOALS

LONG-TERM GOALS 2014-2017	SHORT-TERM GOALS 2012-2013	IMPLEMENTATION DEPARTMENT
FISCAL RESPONSIBILITY		
Provide accurate and transparent financial records and reporting	- Ensure compliance with financial and audit requirements	Finance Municipal Court
Provide programs and services by employing sound financial strategies	- Conduct fees and charges studies to ensure alignment with market and cost of services	City Clerk Community Resources Planning Public Works
Provide a coordinated and comprehensive resource development and marketing program	- Develop and secure community partnerships to support programs and services Identify potential funding sources to assist low income families	Community Resources
EDUCATION AND INFORMATION		
Continue to look for opportunities to foster transparency of operations	- Enhance presentations to City Council / Boards & Commissions	City Manager's Office Finance
	- Utilize input from the Lakewood Advisory Commission for an Inclusive Community	Information Technology
Provide education and training to employees and citizens on a variety of issues to increase community involvement	- Conduct training regarding financial investing, Social Security, Medicare, and retirement planning Implement Citizens Planning Academy Provide annual Civics 101 training - Implement new ADA policies and procedures to comply with Title II Implement new procedures to comply with the Patient Protection and Affordable Care Act	Community Resources Employee Relations Municipal Court Planning Public Works
TRANSPORTATION		
Work with CDOT on funding and construction	- Wadsworth Widening Project Wadsworth at Bear Creek US 6 at Sheridan	Planning Public Works
Enhance transportation through roadway improvements	- Construct Improvements: Union, 4th to 6th Improvements 2 -Year sidewalk project Bike Master Plan Bridge Betterments at Wadsworth and Kipling Complete Downtown Lakewood Connectivity Plan	Planning Public Works
Enhance transportation through signal improvements	- Signal system communications upgrade Construct Signal Upgrades: Kipling/Mississippi Kentucky /Dartmouth	Planning Public Works



LINKING LONG-TERM AND SHORT-TERM GOALS

LONG-TERM GOALS 2014-2017	SHORT-TERM GOALS 2012-2013	IMPLEMENTATION DEPARTMENT
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QUALITY ECONOMIC DEVELOPMENT

<p>Represent the City's interest in economic developments: St Anthony Hospital Rooney Valley Belmar Federal Center West Corridor Light Rail Line</p>	<p>Enhance City's business retention, expansion, and attraction efforts Increase awareness of services and resources offered to locally owned and operated small businesses Proactively market Transit Oriented Development</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>Continue to coordinate with 40 West Arts District Implement recommendations from Museum Assessment Program Provide premium golf course conditions at below market rate</p>	<p>Community Resources</p>

PHYSICAL & TECHNOLOGICAL INFRASTRUCTURE
--

<p>Utilize technology to improve internal processes and productivity: Electronic Records Management Revenue System Land Development System Records Management System Asset Management System</p>	<p>Complete inventory and assessment of the City's need for electronic records management Replace current Revenue System Computerize tracking of land development applications Interface the Records Management System with the county and state Identify an Asset Management System to organize and plan maintenance schedules</p>	<p>City Clerk's Office Finance Information Technology Planning Police 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 Identify Business Intelligence Software Implement Electronic Ticketing and Automation of Data Entry Identify on-line applications for permitting and licensing</p>	<p>City Clerk's Office Information Technology Municipal Court Planning Police Public Works</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 Recommend utility rates that are fairly structured and adequate to provide appropriate service levels Complete two-year sidewalk and bike path project Construction along the West Corridor Light Rail</p>	<p>Planning Public Works</p>



LINKING LONG-TERM AND SHORT-TERM GOALS

LONG-TERM GOALS 2014-2017	SHORT-TERM GOALS 2012-2013	IMPLEMENTATION DEPARTMENT
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PHYSICAL & TECHNOLOGICAL INFRASTRUCTURE (continued)
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Offer employees compensation, benefits, training, recognition, and encouragement in order to maintain a productive workforce	Research medical benefits options Train employees on Employment Law Conduct training on communication, conflict management, supervisory skills, customer service, and diversity issues Develop a succession plan program	City Manager's Office Employee Relations
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QUALITY LIVING ENVIRONMENT

Assist Council in preparation of a 10-year vision plan	Evaluate and utilize Citizen Survey in planning and budgeting	City Manager's Office
Implement goals and objectives of the Department of Community Resources Master Plan	Expand volunteer program Concentrate on improvements at O'Connell Middle School Identify potential community garden locations Renovation of medians on Colfax Avenue Construction of the Aerial Water Ramp at Little Soda Lake	Community Resources
Planning and Development of Strategic Areas within Lakewood Belmar Rooney Valley Redevelopment Light Rail Transit station areas Federal Center	Implement goals of the Neighborhood Revitalization Strategy Plan Complete two-year sidewalk project Manage Lakewood Zoning Improvement Project Emphasis on graffiti removal	Planning Public Works
Improve Police Response to Code Enforcement	Maintain Police Liaison Continue with the Neighborhood Revitalization Strategy Area Plan	Police

COMMUNITY SUSTAINABILITY

Focus on long-term community sustainability by promoting positive change throughout own actions, partnerships, and education	Develop a long-range Sustainability Plan that includes economic, environmental, and social sustainability Identify and participate in local, regional, and state sustainability organizations Conduct timely Shred days and Rx Drug Take Back events Improvements to Recycling Programs	City Manager's Office Planning Police Public Works
Continue to implement capital building and facility improvements that support sustainability efforts	Develop a comprehensive Natural Areas Management Plan for the park systems Continue to implement building, facility, technology, and traffic signal energy efficiency	Community Resources Information Technology Public Works



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 AA in 2006. 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:

Latest S&P Review	Obligation	Rating
2010	Sales & Use Tax Revenue Refunding Bond, 2009	AAA
2008	Certificates of Participation, 2006A	AA-
2009	Certificates of Participation, 2006B	AA-

LEGAL DEBT LIMIT

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, 2011, 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	\$1,704,760,136
Actual Value	\$14,052,670,470
Debt Limit: 3 Percent of Actual Value	\$421,580,114
Less: Assets in Debt Service	0
Legal Debt Margin	\$421,580,114
Amount of Bonded Debt Applicable to Debt Limit	0



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

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 small 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, 2011 totaled \$1,300,000. The entire amount of \$1,300,000 is the Sales and Use Tax Revenue Refunding Bonds, Series 2009. As of December 31, 2011, capital leases outstanding amount to \$3,107,563, and certificates of participation amount to \$44,100,000. In March 2006, the City and the Library District refinanced the Series 1998 Certificates of Participations for a net savings of \$3,444,393 after market costs to refinance.

The following table is a list of outstanding bonded debt and lease purchases as of December 31, 2011:

Long-Term Debt / Lease Payments	Balance
Sales and Use Revenue Refunding Bonds, Series 2009	\$ 1,300,000
2007 Section 108 Notes Payable	2,890,000
Police Facility	2,210,381
William Frederick Hayden Park Lease Purchase	897,182
Total	\$7,297,563

The following table is a list of the City’s portion of outstanding Certificates of Participation as of December 31, 2011. The Certificates of Participation, 2006B includes the Library’s portion of \$2,010,000 reflecting the City’s maximum liability.

Long-Term Debt / Lease Payments	Balance
Certificates of Participation, 2006A	\$24,700,000 (1)
Certificates of Participation, 2006B	19,400,000
Total	\$44,100,000

(1) Balance in the Certificate of Participation, 2006A includes a minimum reserve amount of \$2,756,700 to be credited toward debt service in 2022.

**INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)**

The following table is a list of principal and interest payments by Fund for 2012 through to maturity from the primary sources excluding the Library portion, which is the responsibility of Jefferson County, Colorado.

Primary Source/Fund	Year	Principal	Interest	Total
General	2012	2,712,988	1,072,907	3,785,895
	2013	2,063,256	869,479	2,932,735
	2014	2,152,988	784,588	2,937,576
	2015	2,244,595	745,524	2,990,119
	2016	2,336,382	701,878	3,038,260
	2017	2,433,459	600,683	3,034,142
	2018	2,546,208	497,376	3,043,584
	2019	2,651,114	386,693	3,037,807
	2020	2,765,986	272,679	3,038,665
	2021	934,925	170,400	1,105,325
	2022	3,762,839	99,203	3,862,042
	2023	133,556	48,074	181,630
	2024	139,553	42,077	181,630
	2025	145,819	35,811	181,630
	2026	152,366	29,264	181,630
	2027	159,208	22,423	181,631
	2028	166,356	15,274	181,630
	2029	173,825	7,805	181,630
General Total		27,675,423	6,402,138	34,077,561
Capital Improvement	2012	580,097	157,820	737,917
	2013	352,325	135,675	488,000
	2014	370,411	117,589	488,000
	2015	389,035	98,965	488,000
	2016	408,243	79,757	488,000
	2017	428,089	59,911	488,000
	2018	349,056	36,944	386,000
	2019	361,984	24,016	386,000
	2020	376,528	9,472	386,000
Capital Improvement Total		3,615,768	720,149	4,335,917

**INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)**

Primary Source/Fund (cont.)	Year	Principal	Interest	Total
Conservation Trust	2012	414,934	308,209	723,143
	2013	437,443	285,226	722,669
	2014	460,426	262,243	722,669
	2015	485,074	238,032	723,106
	2016	510,285	212,338	722,623
	2017	539,558	182,978	722,536
	2018	473,800	151,800	625,600
	2019	497,950	127,506	625,456
	2020	523,250	101,976	625,226
	2021	549,700	75,153	624,853
	2022	594,159	30,705	624,864
Conservation Trust Total		5,486,579	1,976,166	7,462,745
Equipment Replacement	2012	57,118	22,882	80,000
	2013	59,295	20,705	80,000
	2014	61,808	18,192	80,000
	2015	64,320	15,680	80,000
	2016	66,833	13,167	80,000
	2017	69,345	10,655	80,000
	2018	72,360	7,640	80,000
	2019	75,040	4,960	80,000
	2020	78,055	1,945	80,000
Equipment Replacement Total		604,174	115,826	720,000
Golf Course Enterprise	2012	790,000	358,625	1,148,625
	2013	487,500	427,284	914,784
	2014	510,000	404,784	914,784
	2015	534,000	331,354	865,354
	2016	558,000	256,724	814,724
	2017	586,500	228,112	814,612
	2018	618,000	198,000	816,000
	2019	649,500	166,312	815,812
	2020	682,500	133,012	815,512
	2021	717,000	98,024	815,024
	2022	774,990	40,050	815,040
Golf Course Enterprise Total		6,907,990	2,642,281	9,550,271



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Primary Source/Fund (cont.)	Year	Principal	Interest	Total
Grants	2012	238,000	130,909	368,909
	2013	248,000	121,818	369,818
	2014	258,000	111,898	369,898
	2015	269,000	101,216	370,216
	2016	279,000	89,569	368,569
	2017	294,000	77,069	371,069
	2018	305,000	63,663	368,663
	2019	320,000	49,572	369,572
	2020	335,000	33,988	368,988
	2021	344,000	17,372	361,372
Grants Total		2,890,000	797,074	3,687,074
Open Space	2012	201,500	151,842	353,342
	2013	211,250	141,824	353,074
	2014	221,000	132,074	353,074
	2015	231,400	121,921	353,321
	2016	241,800	111,248	353,048
	2017	254,150	98,849	352,999
	2018	267,800	85,800	353,600
	2019	281,450	72,069	353,519
	2020	295,750	57,639	353,389
	2021	310,700	42,478	353,178
	2022	335,829	17,355	353,184
Open Space Total		2,852,629	1,033,099	3,885,728



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Primary Source/Fund (cont.)	Year	Principal	Interest	Total
Total All Funds by Year	2012	4,994,637	2,203,194	7,197,831
	2013	3,859,069	2,002,011	5,861,080
	2014	4,034,633	1,831,368	5,866,001
	2015	4,217,424	1,652,692	5,870,116
	2016	4,400,543	1,464,681	5,865,224
	2017	4,605,101	1,258,257	5,863,358
	2018	4,632,224	1,041,223	5,673,447
	2019	4,837,038	831,128	5,668,166
	2020	5,057,069	610,711	5,667,780
	2021	2,856,325	403,427	3,259,752
	2022	5,467,817	187,313	5,655,130
	2023	133,556	48,074	181,630
	2024	139,553	42,077	181,630
	2025	145,819	35,811	181,630
	2026	152,366	29,264	181,630
	2027	159,208	22,423	181,631
	2028	166,356	15,274	181,630
	2029	173,825	7,805	181,630
Grand Total		50,032,563	13,686,733	63,719,296

Note: Certain obligations require a separate fund to be established to account for the repayments; however, the resources to do so (primary source) come into the separate fund via an operating transfer. The above schedule reflects only the primary sources.

**INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)**

The following table is a list of principal and interest payments by Financial Obligation for 2011 through to maturity excluding the Library portion, which is the responsibility of Jefferson County, Colorado.

Financial Obligations	Year	Principal	Interest	Total
2006A Certificate of Participation	2012	1,550,000	1,168,013	2,718,013
	2013	1,625,000	1,090,950	2,715,950
	2014	1,700,000	1,015,950	2,715,950
	2015	1,780,000	937,850	2,717,850
	2016	1,860,000	855,750	2,715,750
	2017	1,955,000	760,375	2,715,375
	2018	2,060,000	660,000	2,720,000
	2019	2,165,000	554,375	2,719,375
	2020	2,275,000	443,375	2,718,375
	2021	2,390,000	326,750	2,716,750
	2022	5,340,000 *	133,500	5,473,500
2006A Certificate of Participation Total		24,700,000	7,946,888	32,646,888
2006B Certificate of Participation	2012	1,705,000	691,389	2,396,389
	2013	1,770,000	623,682	2,393,682
	2014	1,845,000	553,523	2,398,523
	2015	1,920,000	480,420	2,400,420
	2016	1,995,000	404,275	2,399,275
	2017	2,070,000	325,284	2,395,284
	2018	2,160,000	243,154	2,403,154
	2019	2,240,000	157,589	2,397,589
	2020	2,330,000	68,787	2,398,787
2006B Certificate of Participation Total		18,035,000	3,548,103	21,583,103

* As required under the indenture for the Certificates of Participation, 2006A, funds have been reserved with a minimum amount of \$2,756,700 for the event of non-appropriation and are controlled by a trustee. Any unused portion of the reserves shall be credited toward debt service in 2022.



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Financial Obligations (cont.)	Year	Principal	Interest	Total
2007 Section 108 Notes Payable	2012	238,000	130,909	368,909
	2013	248,000	121,818	369,818
	2014	258,000	111,898	369,898
	2015	269,000	101,216	370,216
	2016	279,000	89,569	368,569
	2017	294,000	77,069	371,069
	2018	305,000	63,663	368,663
	2019	320,000	49,572	369,572
	2020	335,000	33,988	368,988
	2021	344,000	17,372	361,372
2007 Section 108 Notes Payable Total		2,890,000	797,074	3,687,074
2009 Sales/Use Tax Refunding Bond	2012	1,300,000	32,890	1,332,890
2009 Sales/Use Tax Refunding Bond Total		1,300,000	32,890	1,332,890
William Frederick Hayden Park Lease	2012	119,253	80,747	200,000
	2013	129,986	70,014	200,000
	2014	141,685	58,315	200,000
	2015	154,437	45,563	200,000
	2016	168,336	31,664	200,000
	2017	183,485	16,515	200,000
William Frederick Hayden Park Lease Total		897,182	302,818	1,200,000

**INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)**

Financial Obligations (cont.)	Year	Principal	Interest	Total
Police Facility Lease	2012	82,384	99,246	181,630
	2013	86,083	95,547	181,630
	2014	89,948	91,682	181,630
	2015	93,987	87,643	181,630
	2016	98,207	83,423	181,630
	2017	102,616	79,014	181,630
	2018	107,224	74,406	181,630
	2019	112,038	69,592	181,630
	2020	117,069	64,561	181,630
	2021	122,325	59,305	181,630
	2022	127,817	53,813	181,630
	2023	133,556	48,074	181,630
	2024	139,553	42,077	181,630
	2025	145,819	35,811	181,630
	2026	152,366	29,264	181,630
	2027	159,208	22,423	181,631
	2028	166,356	15,274	181,630
	2029	173,825	7,805	181,630
Police Facility Lease Total		2,210,381	1,058,960	3,269,341
Total All Financial Obligations by Year	2012	4,994,637	2,203,194	7,197,831
	2013	3,859,069	2,002,011	5,861,080
	2014	4,034,633	1,831,368	5,866,001
	2015	4,217,424	1,652,692	5,870,116
	2016	4,400,543	1,464,681	5,865,224
	2017	4,605,101	1,258,257	5,863,358
	2018	4,632,224	1,041,223	5,673,447
	2019	4,837,038	831,128	5,668,166
	2020	5,057,069	610,711	5,667,780
	2021	2,856,325	403,427	3,259,752
	2022	5,467,817	187,313	5,655,130
	2023	133,556	48,074	181,630
	2024	139,553	42,077	181,630
	2025	145,819	35,811	181,630
	2026	152,366	29,264	181,630
	2027	159,208	22,423	181,631
	2028	166,356	15,274	181,630
	2029	173,825	7,805	181,630
Grand Total		50,032,563	13,686,733	63,719,296



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

The following is a brief description of each of the financial obligations of the City of Lakewood.

Certificates of Participation, Series 2006A

On March 15, 2006, the Lakewood Public Building Authority (LPBA) issued certificates of participation in the amount of \$26,180,000 to advance refund a portion of the LPBA's outstanding Series 2000 certificates of participation. The Series 2006A certificates of participation bear interest at rates of 3.5% through 5.0%, payable semi-annually, and mature serially through December, 2022. The certificates of participation are not redeemable prior to maturity.

Payment of principal and interest is secured by the pledged properties and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

Certificates of Participation, Series 2006B

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,510,000 to advance refund a portion of the LPBA's outstanding Series 1998 certificates of participation. The Series 2006B certificates of participation bear interest at 3.925%, payable semi-annually, and mature serially through December, 2020. The 2006B certificates of participation are not redeemable prior to maturity.

Payment of principal and interest is secured by the Lakewood Civic Center property and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

2007 Section 108 Notes Payable

In December, 2007, the City entered into a variable/fixed rate note agreement in the amount of \$3,742,000 with a bank to finance the Ray Ross Park redevelopment project and a new Head Start building. On June 12, 2008, the City converted the loan to a fixed rate obligation. The interest rates on the loan range from 2.62% to 5.42%. The note matures on August 1, 2021.

The notes are collateralized by future City grant allocations, program income derived from the original loan proceeds, and all funds or investments in the accounts established for the proceeds. The City is also required to establish and maintain a deposit reserve account in the amount equal to the greatest amount of principal and interest projected to be due on the note during any year as calculated as of the date of the note. The required deposit reserve account balance at December 31, 2011, was \$371,218. The note is guaranteed by the United States Department of Housing and Urban Development under Section 108 of the Housing and Community Development Act of 1974.

Sales and Use Tax Revenue Refunding Bonds, Series 2009

In December, 2009, the City issued \$3,800,000 Sales and Use Tax Revenue Refunding Bonds to advance refund the remaining Sales and Use Tax Revenue Refunding Bonds, Series 1998. The bonds bear interest at 2.53%, payable semi-annually, and mature serially through December, 2012.



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Sales and Use Tax Revenue Refunding Bonds, Series 2009 (continued)

The bonds are payable solely from two-thirds of the City's 3% sales and use tax which is deposited into the General and Capital Improvements Funds. During the year ended December 31, 2010, revenues of approximately \$45 million were available to pay annual debt service of \$1,329,895.

William Frederick Hayden Park Lease Purchase

On September 8, 1988, the City entered into a lease agreement with an option to purchase land. The land is recorded in the City's capital assets at \$2,239,657, the present value of minimum lease payments on the date of inception of the lease. Annual payments of \$200,000, including principal and imputed interest accruing at 9%, are due on September 8, through 2017.

Police Facility

On September 30, 2009, the City entered into a lease purchase agreement for \$2,330,000 to purchase property for public safety use. Land, buildings, and equipment recorded in the City's capital assets to date are \$381,775, \$1,957,650 and \$13,703, respectively, which include interest income on proceeds. Annual payments of \$181,630, including principal and interest accruing at 4.49%, are due on December 31, through 2029.

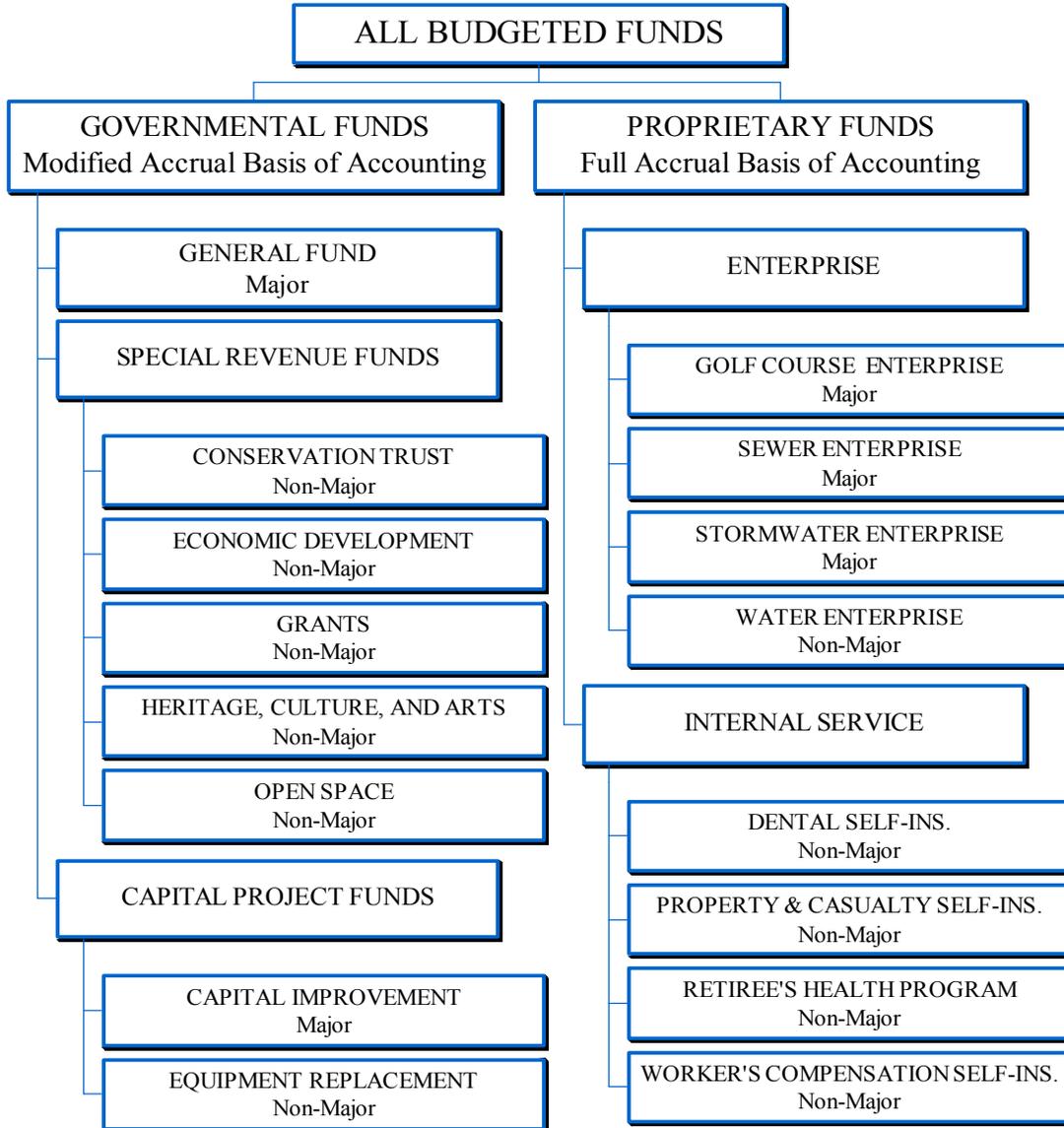


FUND SUMMARIES



CITY FUNDS

Fund Organization for the 2012 Revised Budget and 2013 Budget



Notes:

Definitions for all of the above Funds can be found under this section or in the glossary under the Appendix Tab.

This budget document does not include the following funds due to either an appropriation not being required for the fund or the fund being a separate legal entity from the City: Lakewood Public Building Authority and Lakewood Reinvestment Authority.



NOTES AND ASSUMPTIONS

The following notes and assumptions were used to build the detail for the 2012 Revised Budget and the 2013 Budget for revenues and expenditures. These assumptions apply to all funds except in cases where specifically noted. The overall driving factors were established through joint efforts with the City Council, the City Manager's Office, the Finance Department, and the Employee Relations Department.

The following schedules are the Fund Summaries for each of the funds included within the City's budget. There are two funds maintained by the City that are not part of the City's budget process and each creates its own specific budget. Those funds not included are the Lakewood Public Building Authority and the Lakewood Reinvestment Authority.

Fund Balance is the excess or deficiency of the assets of a fund over its liabilities at any point in time. This is shown in the following schedules as Revenues minus Expenditures plus Other Financing Sources (Uses) plus Beginning Fund Balance to derive the Ending Fund Balance. Each Fund Balance is also shown as a percent of expenditures plus operating transfers out. Discussion pertaining to fund balance changes will be noted below within each fund type.

GOVERNMENTAL FUNDS

Revenues and Transfers In:

Fund	2011 Audited Revenue & Transfers In	2012 Revised Revenue & Transfers In	2013 Budgeted Revenue & Transfers In	2013 Budgeted over (under) 2012 Revised
General	\$ 96,821,310	\$ 98,478,012	\$ 100,580,493	\$ 2,102,481
Capital Improvement	15,603,772	17,050,435	16,902,139	(148,296)
Conservation Trust	1,297,594	1,315,613	1,299,510	(16,103)
Economic Development	1,039,549	1,012,000	1,012,000	-
Equipment Replacement	2,304,190	2,177,969	2,177,969	-
Grants	11,257,767	15,209,116	5,621,150	(9,587,966)
Heritage, Culture, and Arts	2,181,785	2,299,260	2,367,148	67,888
Open Space	4,155,204	5,314,992	4,106,006	(1,208,986)
Total of Revenues & Transfers In	<u>\$ 134,661,171</u>	<u>\$ 142,857,397</u>	<u>\$ 134,066,415</u>	<u>\$ (8,790,982)</u>

- ❖ The City utilized the Colorado Legislative Council’s Economics Staff’s “Economic and Revenue Forecast” dated March 19, 2012 as the primary source for forecasted Denver-Boulder-Greeley Consumer Price Index (CPI). In conjunction with the Economics Staff’s report, other methodologies used were City Council rate increase, historical trends, judgmental analysis, current year activities, and unique adjustments (i.e. new retail outlets, 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 evaluated all of the above factors and established a City Council Rate of 2 percent (2%) to be used with various revenues for the forecasted years when the need for conservatism is recommended.

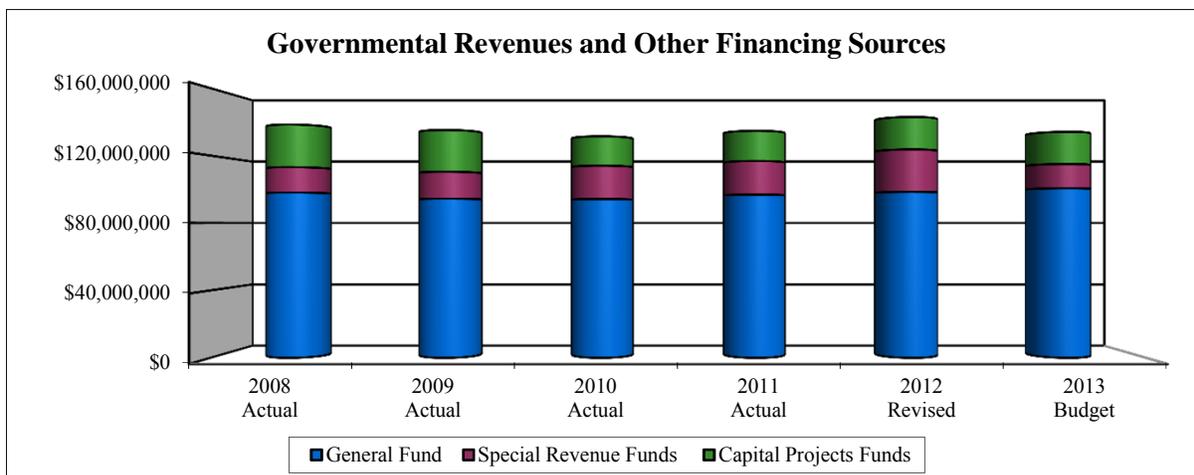


NOTES AND ASSUMPTIONS

GOVERNMENTAL FUNDS (continued)

Revenues and Transfers In: (continued)

- ❖ The General Fund and the Capital Improvement Fund sales and use tax revenues are projected for 2012 through 2017 using various methods including CPI, historical trend, judgmental analysis, and unique adjustments based on current year activities and known retail developments. The City uses a very conservative approach to forecasting that only includes new retail or new development once agreements have been signed.
- ❖ Sales tax for 2012 is forecasted to be up 3.7 percent (3.7%) primarily based on current year activity through June and full year retail from spring 2011 openings of Target, Nordstrom Rack, and Best Buy. The sales tax forecast for 2013 is up from the 2012 Revised primarily due to using the CPI rate increase of 2.9 percent (2.9%) offset by the redevelopment sharing agreements. The CPI growth rate was used for 2013 and the City Council Rate of 2 percent (2%) was used for 2014 through 2017.
- ❖ This year the City's general use tax is remaining flat with 2011 receipts. A review of current year activity for 2012 is on track to match activity in 2011. Using a conservative forecast for 2013, the general use tax will remain flat with 2012. A 2 percent (2%) increase is estimated for 2014 through 2017. Motor Vehicle Use Tax for 2012 reflects a 6.7 percent (6.7%) increase over 2011 actuals primarily based on year-to-date activity. No increase is anticipated for 2013 and a 2 percent (2%) increase for 2014 through 2017 is forecasted. Building Use Tax is down 8.5 percent (-8.5%) for 2012 primarily due to the costs associated with the July 2011 hail storm that affected over 7,000 structures being largely received in 2011. The Building Use Tax remains flat for 2013 with the City Council rate of 2 percent (2%) for each year after that.
- ❖ Revenues are built from the lowest accounting level up to the fund summaries. This detail will be incorporated into the financial data and reports upon approval from the City Council. This level of detail provides the end user with a method of tracking revenues.
- ❖ The overall decrease of 6.1 percent (6.1%) for 2013 is attributable to reductions in intergovernmental revenues or grants associated with transportation infrastructure, public safety, energy conservation, and family services.





NOTES AND ASSUMPTIONS

GOVERNMENTAL FUNDS (continued)

Expenditures and Transfers Out:

Fund	2011 Audited Expenditures & Transfers	2012 Revised Expenditures & Transfers	2013 Budgeted Expenditures & Transfers	2013 Budgeted over (under) 2012 Revised
General	\$ 94,033,240	\$ 100,590,690	\$ 103,619,327	\$ 3,028,637
Capital Improvement	14,742,325	21,509,769	19,354,024	(2,155,745)
Conservation Trust	1,176,046	1,463,618	1,347,669	(115,949)
Economic Development	512,586	1,029,384	1,015,809	(13,575)
Equipment Replacement	2,713,363	3,541,900	3,180,000	(361,900)
Grants	10,132,217	14,740,843	5,657,644	(9,083,199)
Heritage, Culture, and Arts	2,198,461	2,436,005	2,452,951	16,946
Open Space	4,383,763	6,407,117	4,585,902	(1,821,215)
Total of Expenditures & Transfers Out	\$ 129,892,001	\$ 151,719,326	\$ 141,213,326	\$ (10,506,000)

- ❖ Expenditures are built from the lowest accounting level up to the fund summaries. This detail will be incorporated into the financial data and reports upon approval from the City Council. This level of detail provides the end user a method of tracking expenditures. All expenditures are categorized as either Personnel Services, Services & Supplies, or Capital Outlay.
- ❖ Personnel Services costs are based on actual current data. Each individual employee's actual data for salary, retirement, and other benefits are used to calculate year-end results. Salary increases for 2012 were averaged at 1.4 percent (1.4%) within the Governmental Funds. The sworn police agents did not receive an annual increase in 2012 based on market studies. Salary increases are projected for 2013 through 2017 at 3 percent (3%). Medical benefit costs were increased by 15 percent (15%) and dental benefit costs reflect no increases for 2013-2017.
- ❖ In addition to salary and benefit increases, the Police Department experienced some planned and unplanned police agent attrition that triggered a need for a police recruit class. The recruiting class is moving toward regionalized training and it is anticipated that based on attrition factors that the City will have some recruits in each upcoming class which will take place about every six months. This will have a stabilizing effect on police recruiting and staffing.
- ❖ Services & Supplies and Capital Outlay are to remain flat in aggregate with the current year approved budget except by an approved budget exception or as part of the Capital Improvement and Preservation Plan (CIPP). Budget exceptions are required to be submitted for any increases in expenditures or operating transfers from the General Fund. All other Governmental Funds are reconciled for carry overs unspent from prior year, changes to currently approved projects, and addition of new projects based on individual fund capacity to fund these projects. All of the budget exceptions and fund reconciliations are reviewed by a budget team made up of members of the City Manager's Office, Finance Department, and Employee Relations Department to determine whether the additional request is consistent with organizational goals and if funding is available. Additional information concerning capital projects can be found under the Capital Improvement and Preservation Plan section of the budget document.

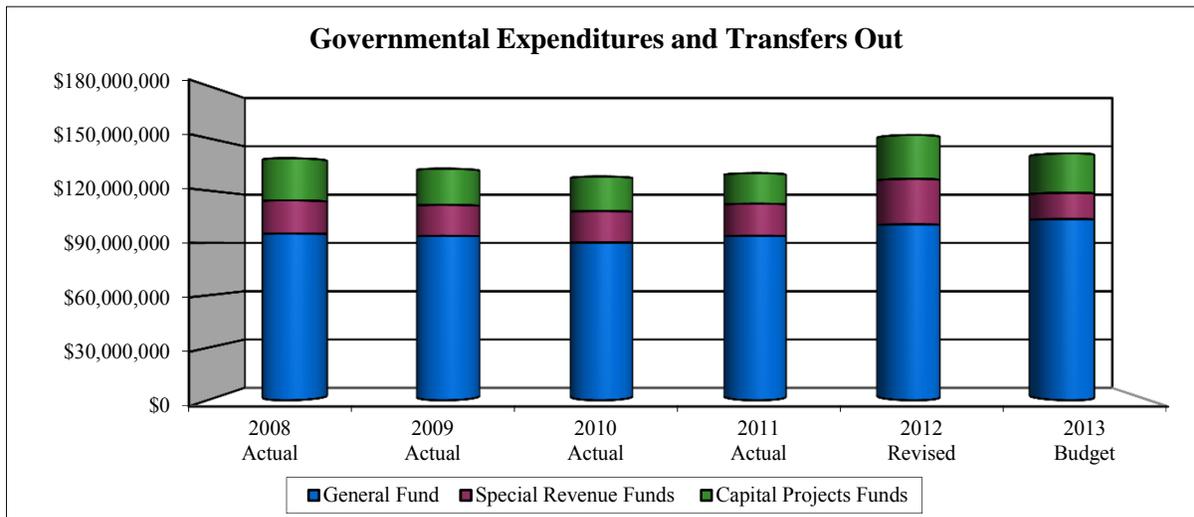


NOTES AND ASSUMPTIONS

GOVERNMENTAL FUNDS (continued)

Expenditures and Transfers Out: (continued)

- ❖ Grants available for spending in 2012 are up 8.8 percent (8.8%) over the amount spent in 2011. Grants anticipated for 2013 are down 52 percent (52%) compared to 2012; however, some of the grant amounts available for spending in 2012 will carry over into 2013. The grant amounts received for 2012 and 2013 will have approximately \$3.3 million in City matched funding largely from the Capital Improvement Fund.
- ❖ The City, under an intergovernmental agreement, transferred funds to the Lakewood Reinvestment Authority to promote redevelopment. During 2012 and 2013, some of those funds are being transferred back to the City and its General Fund.
- ❖ The General Fund will transfer \$3,568,070 in 2012 into the Capital Improvement Fund for design plans on the Civic Center Plaza improvements, improvements around the light rail system, and neighborhood improvement programs. The General Fund will transfer \$3,180,000 in 2013 into the Capital Improvement Fund for Civic Center Plaza improvements and neighborhood improvement programs. In addition, the General Fund will transfer \$187,969 for 2012 and 2013 to the Equipment Replacement Fund for technology improvements. Heritage, Culture and the Arts will receive a transfer from the General Fund for program assistance of \$985,296 in 2012 and \$1,005,002 in 2013.
- ❖ The City is experiencing a gap in technology funding. A team has been created made up of members from the City Manager's Office, Information Technology Department, Finance Department, and Public Works Department to review the needs of the City and the community. The team will also address how these needs are to be funded.

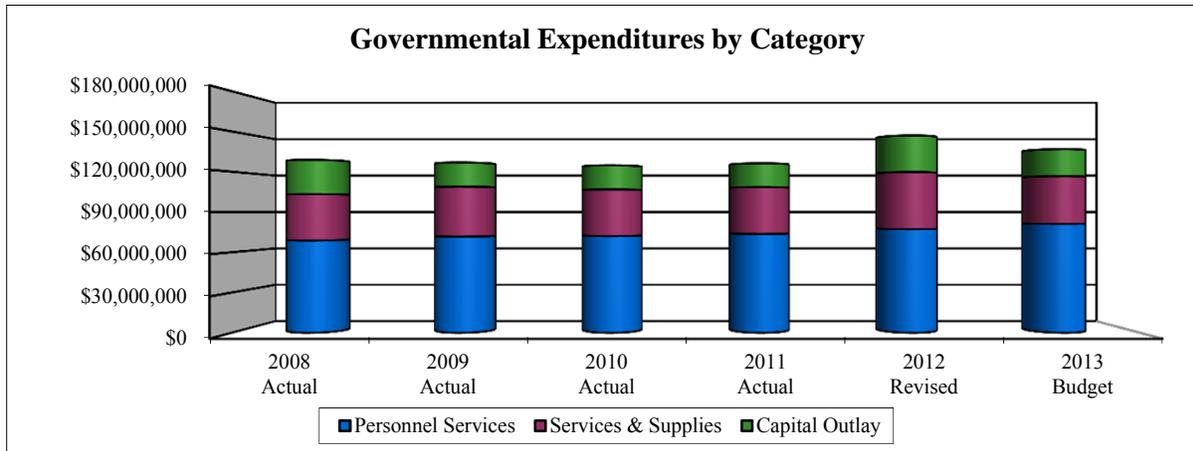




NOTES AND ASSUMPTIONS

GOVERNMENTAL FUNDS (continued)

Expenditures and Transfers Out: (continued)



Changes in Fund Balance:

Fund	2011 Fund Balance Actual	2012 Fund Balance Revised	2013 Fund Balance Budget	2013 Budgeted over (under) 2012 Revised
General	\$ 31,536,432	\$ 29,423,754	\$ 26,384,920	\$ (3,038,834)
Capital Improvement	12,354,475	7,895,141	5,443,256	(2,451,885)
Conservation Trust	432,064	284,059	235,900	(48,159)
Economic Development	2,909,683	2,892,299	2,888,490	(3,809)
Equipment Replacement	4,571,619	3,207,688	2,205,657	(1,002,031)
Grants	(97,252)	371,021	334,527	(36,494)
Heritage, Culture, and Arts	461,633	324,888	239,085	(85,803)
Open Space	2,836,798	1,744,673	1,264,777	(479,896)
Total of Fund Balances	\$ 55,005,452	\$ 46,143,523	\$ 38,996,612	\$ (7,146,911)
<i>Percent Change from Prior Year</i>		-16.1%	-15.5%	

Fund	2013 Budgeted Beginning Fund Balance	2013 Budgeted Revenues & Transfers In	2013 Budgeted Expenditures & Transfers Out	2013 Budgeted Ending Fund Balance
General	\$ 29,423,754	\$ 100,580,493	\$ 103,619,327	\$ 26,384,920
Capital Improvement	7,895,141	16,902,139	19,354,024	5,443,256
Conservation Trust	284,059	1,299,510	1,347,669	235,900
Economic Development	2,892,299	1,012,000	1,015,809	2,888,490
Equipment Replacement	3,207,688	2,177,969	3,180,000	2,205,657
Grants	371,021	5,621,150	5,657,644	334,527
Heritage, Culture, and Arts	324,888	2,367,148	2,452,951	239,085
Open Space	1,744,673	4,106,006	4,585,902	1,264,777
Total of Fund Balances	\$ 46,143,523	\$ 134,066,415	\$ 141,213,326	\$ 38,996,612

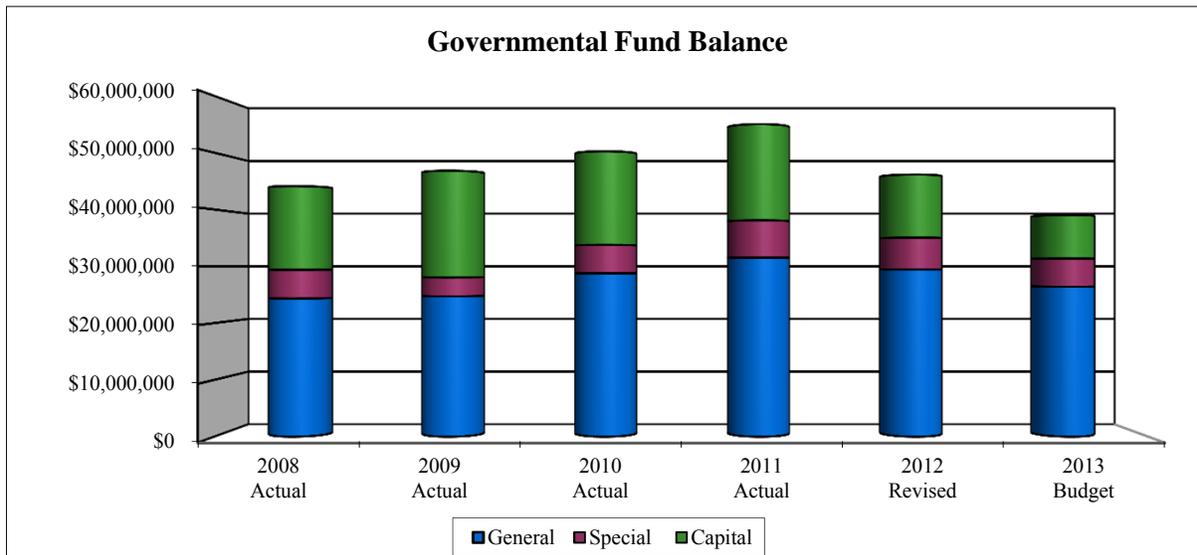


NOTES AND ASSUMPTIONS

GOVERNMENTAL FUNDS (continued)

Changes in Fund Balance: (continued)

- ❖ The Fund Balance for the Governmental Funds shows a decrease of \$8,861,929 or a negative 16.1 percent (-16.1%) for 2012 under 2011 and a decrease of \$7,146,911 or a negative 15.5 percent (-15.5%) for 2013 under 2012. As a percent of expenditures plus operating transfers out, this is a change of a negative 11.9 percent (-11.9%) for 2012 with 2013 having a change of a negative 2.8 percent (-2.8%). Revenues continue to grow at a much slower pace than expenditures. Fund Balance for all Governmental Funds are expected to decline for both 2012 and 2013.
- ❖ The General Fund expenditures are expected to increase overall by 6 percent (6%) for 2012 versus 2011 actuals with personnel costs making up the largest part of this increase. For 2013, the General Fund expects an increase in expenditures of 3.5 percent (3.5%). The General Fund balance includes a library contingency should the Library default on the financing related to the 2006B Certificate of Participation and 3% for TABOR. The Library is expected to make its final debt payment on the 2006B Certificate of Participation in 2013. Fund balance in the General Fund as a percent to expenditures plus transfers out is projected to decrease by 4.3% for 2012 and by 3.8% for 2013.
- ❖ Special Revenues, which are restricted funds, shows an increase in expenditures for 2012 of approximately 42 percent (42%) primarily associated with various grant projects not completed in 2011 and the receipt of additional grant dollars in 2012. Expenditures for 2013 versus 2012 are expected to decrease by approximately 42 percent (42%). Fund Balance for 2013 shows a decline of 11.6 percent (-11.6%) primarily due to reductions in grant revenues.
- ❖ Capital Improvement projects show an increase in 2012 of approximately 43 percent (43%) and a decrease of approximately 10 percent (-10%) in capital spending for 2013. Capital projects are expected to be completed in the first year; however, unspent dollars on a given project are carried forward until the completion of the project. Fund balance in the Capital Projects funds is expected to decrease by about 34 percent (-34%) in 2012 and by about 31 percent (-31%) in 2013.





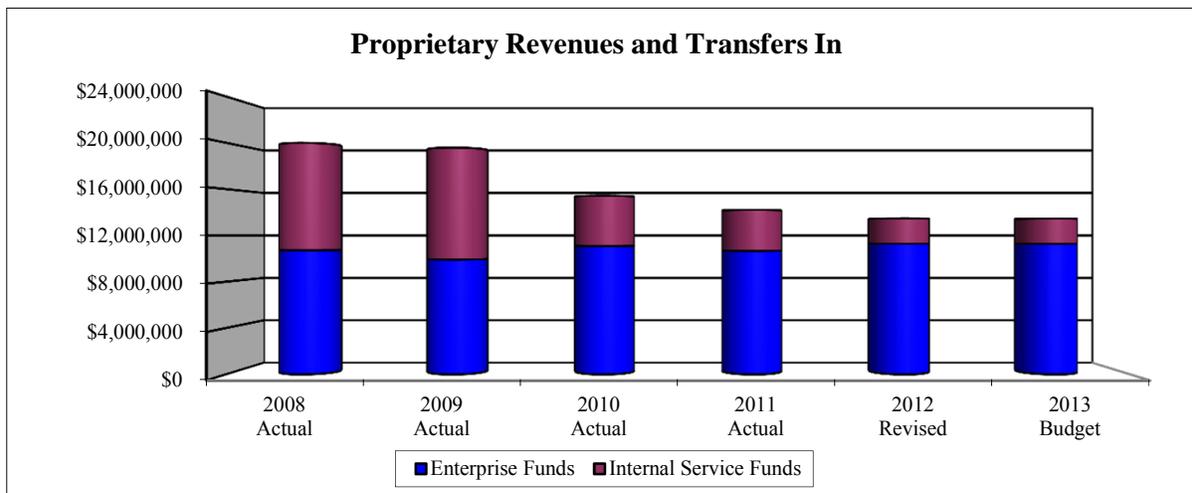
NOTES AND ASSUMPTIONS

PROPRIETARY FUNDS

Revenues and Transfers In:

Fund	2011 Audited Revenue & Transfers In	2012 Revised Revenue & Transfers In	2013 Budgeted Revenue & Transfers In	2013 Budgeted over (under) 2012 Revised
Golf Course Enterprise	\$ 4,096,611	\$ 4,623,683	\$ 4,628,016	\$ 4,333
Sewer Enterprise	2,852,696	3,022,067	3,018,871	(3,196)
Stormwater Enterprise	2,655,987	2,513,476	2,501,976	(11,500)
Water Enterprise	1,053,021	1,117,954	1,118,869	915
Dental Self-Insurance	928,435	1,216,760	1,219,504	2,744
Property & Casualty Self-Ins	1,175,560	377,970	368,048	(9,922)
Retiree's Health Program	538,202	351,300	356,415	5,115
Worker's Compensation Self-Ins	900,011	242,882	242,370	(512)
 Total of Revenues & Transfers In	 \$ 14,200,523	 \$ 13,466,092	 \$ 13,454,069	 \$ (12,023)

- ❖ The Golf, Sewer, Stormwater, and Water Enterprise Funds are fully funded through user fees and charges. The revenues herein are based on customer base and usage and have been trended accordingly.
- ❖ Each Fund has a fund manager who is responsible for building the revenue and expenditure projections. This allows the City to put this responsibility closer to the activity.
- ❖ The Internal Service Funds of Property and Casualty Self-Insurance, Retiree's Health Program, and Worker's Compensation Self-Insurance are funded through an expense to the General Fund. The Dental Self-Insurance Fund is funded by user charges. Funding levels are determined through actuarial studies except for the Dental Self-Insurance Fund which is based on actual participation.





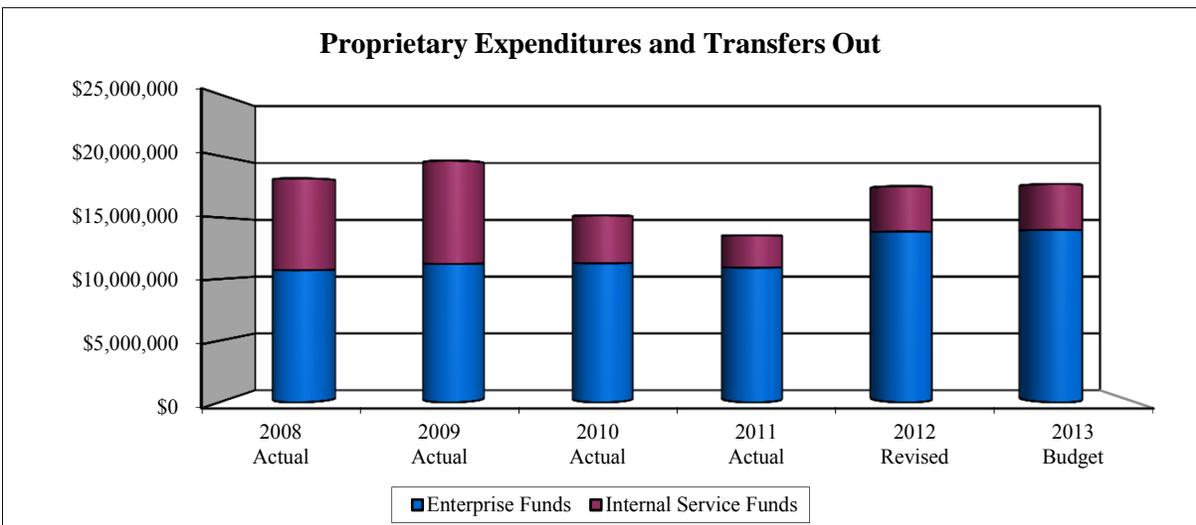
NOTES AND ASSUMPTIONS

PROPRIETARY FUNDS (continued)

Expenditures and Transfers Out:

Fund	2011 Audited Expenditures & Transfers	2012 Revised Expenditures & Transfers	2013 Budgeted Expenditures & Transfers	2013 Budgeted over (under) 2012 Revised
Golf Course Enterprise	\$ 4,359,649	\$ 4,645,766	\$ 4,832,341	\$ 186,575
Sewer Enterprise	3,644,660	3,956,919	4,301,998	345,079
Stormwater Enterprise	1,980,805	4,247,915	3,490,040	(757,875)
Water Enterprise	936,057	1,003,206	1,362,632	359,426
Dental Self-Insurance	749,593	1,166,431	1,166,431	-
Property & Casualty Self-Ins	1,160,671	1,348,892	1,359,532	10,640
Retiree's Health Program	161,028	175,000	175,000	-
Worker's Compensation Self-Ins	551,109	998,226	1,029,522	31,296
Total of Expenditures & Transfers Out	\$ 13,543,572	\$ 17,542,355	\$ 17,717,496	\$ 175,141

- ❖ Expenditures are built from the lowest accounting level up to the fund summaries. This detail will be incorporated into the financial data and reports upon approval from the City Council. This level of detail provides the end user a method to track program expenditures.
- ❖ Salary increases for 2012 were averaged at 1.8 percent (1.8%) within the Proprietary Funds. Salary increases are projected for 2013 through 2017 at 3 percent (3%). Medical benefit costs were increased by 15 percent (15%) and no increase was projected for dental benefit costs for 2013 through 2017.
- ❖ Various sewer and stormwater projects account for the significant increase in the Enterprise expenditures. The Medical and Dental Self-Insurance Fund accounts for the most significant change to the Internal Service Funds because the City is not currently self-insured for medical benefits.

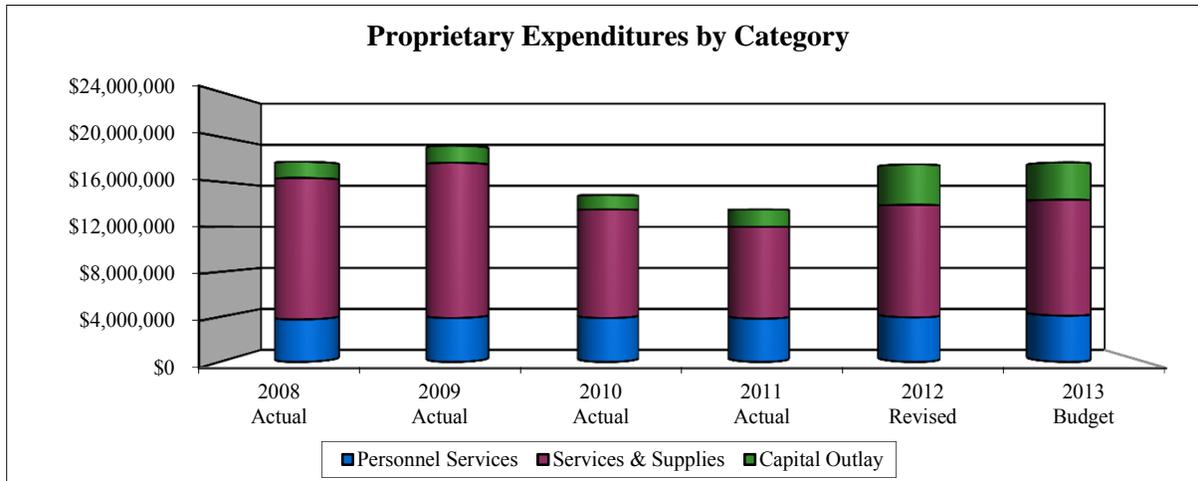




NOTES AND ASSUMPTIONS

PROPRIETARY FUNDS (continued)

Expenditures and Transfers Out: (continued)



Changes in Fund Balance:

Fund	2011 Fund Balance Actual	2012 Fund Balance Revised	2013 Fund Balance Budget	2013 Budgeted over (under) 2012 Revised
Golf Course Enterprise	\$ 9,739,139	\$ 9,717,056	\$ 9,512,731	\$ (204,325)
Sewer Enterprise	8,626,985	7,692,133	6,409,006	(1,283,127)
Stormwater Enterprise	9,342,253	7,607,814	6,619,750	(988,064)
Water Enterprise	1,375,196	1,489,944	1,246,181	(243,763)
Dental Self-Insurance	1,533,332	1,583,661	1,636,734	53,073
Property & Casualty Self-Ins	3,371,623	2,400,701	1,409,217	(991,484)
Retiree's Health Program	2,014,147	2,190,447	2,371,862	181,415
Worker's Compensation Self-Ins	5,607,770	4,852,426	4,065,274	(787,152)

Total of Expenditures & Transfers Out	\$ 41,610,445	\$ 37,534,182	\$ 33,270,755	\$ (4,263,427)
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Fund	2013 Budgeted Beginning Fund Balance	2013 Budgeted Revenues & Transfers In	2013 Budgeted Expenditures & Transfers	2013 Budgeted Ending Fund Balance
Golf Course Enterprise	\$ 9,717,056	\$ 4,628,016	\$ 4,832,341	\$ 9,512,731
Sewer Enterprise	7,692,133	3,018,871	4,301,998	6,409,006
Stormwater Enterprise	7,607,814	2,501,976	3,490,040	6,619,750
Water Enterprise	1,489,944	1,118,869	1,362,632	1,246,181
Dental Self-Insurance	1,583,661	1,219,504	1,166,431	1,636,734
Property & Casualty Self-Ins	2,400,701	368,048	1,359,532	1,409,217
Retiree's Health Program	2,190,447	356,415	175,000	2,371,862
Worker's Compensation Self-Ins	4,852,426	242,370	1,029,522	4,065,274

Total of Expenditures & Transfers Out	\$ 37,534,182	\$ 13,454,069	\$ 17,717,496	\$ 33,270,755
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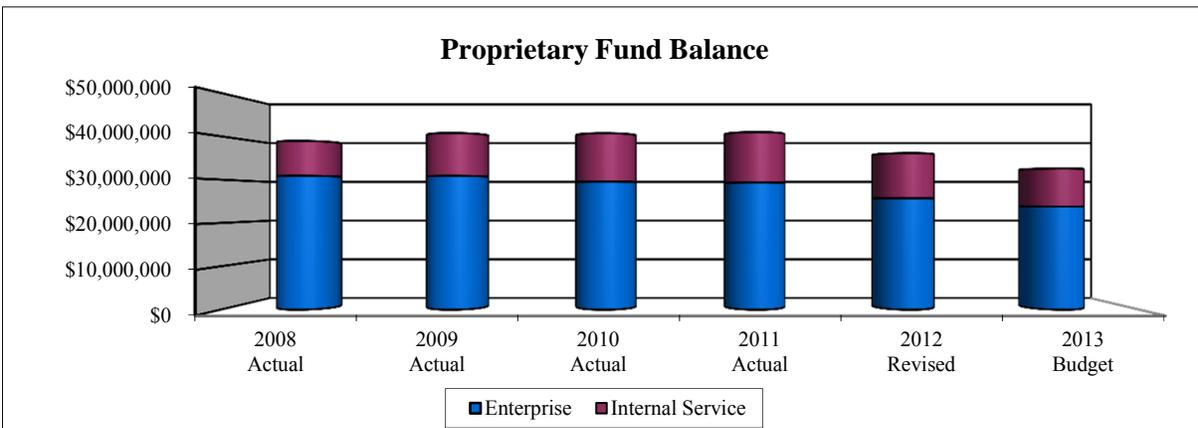


NOTES AND ASSUMPTIONS

PROPRIETARY FUNDS (continued)

Changes in Fund Balance: (continued)

- ❖ Fund Balance within the Proprietary Funds anticipates a decrease of \$4,076,263, a 9.8 percent (-9.8%) decrease for 2012 under 2011 or a decrease of approximately 93 percent (-93%) as a percent of expenditures. The Fund Balance for 2013 is projected to be down \$4,263,427 or a decrease of approximately 26.2 percent (-26.2%) as a percent of expenditures.
- ❖ Revenues within the Proprietary Funds are largely down in 2012 due to a reduction in self-insurance contributions supported by a recent actuarial study. This change in self-insurance contributions carries over into 2013 but is expected to return to normal levels in 2014.
- ❖ Expenditures within the Proprietary Funds are up \$3,998,783 in 2012 by 29.5 percent (29.5%) primarily due to carry over of unspent project costs within the enterprise funds from 2011. For 2013, the expenditures are projected to be relatively flat with 2012.





GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the City of Lakewood not accounted for in other funds. It is the City's primary operating fund. This fund represents an accounting for the City's ordinary operations financed from taxes and other general revenues and is the City's most significant fund in relation to overall expenditures.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the City of Lakewood from specific revenue sources that are restricted or committed to expenditures for specified purposes.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for resources used for the acquisition and construction of major capital facilities and other capital assets other than those financed by Proprietary Funds and Trust Funds. These funds are established to maintain a separate accounting of specific capital projects as directed by City Council.



GOVERNMENTAL FUNDS
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	General Fund			
	2011	2012	2012	2013
	Actual	Budget	Revised	Budget
REVENUES				
Property Tax	\$ 7,986,944	\$ 7,903,919	\$ 7,986,944	\$ 7,986,944
Sales Tax	48,457,915	50,046,737	50,450,985	51,914,064
General Use Tax	2,753,778	2,513,173	2,753,778	2,753,778
Building Material Use Tax	2,061,472	1,886,783	1,886,783	1,886,783
Motor Vehicle Use Tax	3,751,489	3,811,904	3,988,185	3,988,185
Specific Ownership Tax	541,358	588,072	557,418	573,583
Tobacco Products Tax	366,364	355,497	366,364	366,364
Business & Occupation Tax	2,142,379	1,952,926	2,142,379	2,142,379
Franchise Charges & Other Taxes	7,061,942	7,009,679	6,833,916	7,272,100
Hotel Accommodation Tax	-	-	-	-
Licenses & Permits	2,739,114	2,127,553	2,425,489	2,538,045
Intergovernmental Revenue	5,097,802	4,911,285	4,916,285	4,916,285
Charges for Services	10,365,425	10,394,183	10,726,582	10,770,705
Fines & Forfeits	1,520,956	1,472,720	1,551,152	1,551,152
Investment Income	661,954	625,968	453,826	484,200
All Other Revenues	1,296,229	1,402,688	1,421,737	1,419,737
Total Revenues	96,805,121	97,003,087	98,461,823	100,564,304
EXPENDITURES				
Mayor and City Council	437,414	500,378	469,331	474,120
City Manager's Office	1,918,818	2,013,937	1,983,897	2,096,175
City Attorney's Office	1,445,238	1,578,704	1,555,327	1,598,632
City Clerk's Office	680,531	830,037	854,531	827,099
Community Resources	15,244,786	16,381,906	16,441,785	17,008,671
Employee Relations	1,318,000	1,423,415	1,494,952	1,598,574
Finance	2,686,839	3,192,807	3,409,878	3,748,544
Information Technology	4,412,719	5,124,763	5,045,889	4,810,615
Municipal Court	2,509,849	2,820,477	2,808,853	2,916,122
Planning	1,179,384	1,457,584	1,498,110	1,503,238
Police	38,423,248	40,734,913	38,993,548	41,314,886
Public Works	14,089,992	15,192,979	15,638,858	15,789,192
Non-Departmental	6,031,164	5,361,849	5,654,396	5,560,488
Total Expenditures	90,377,982	96,613,749	95,849,355	99,246,356
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	16,189	17,620	16,189	16,189
Operating Transfers Out	(3,655,258)	(2,026,778)	(4,741,335)	(4,372,971)
Total Other Financing Sources (Uses)	(3,639,069)	(2,009,158)	(4,725,146)	(4,356,782)
Excess (Deficiency) of Financial Sources over Financial Uses	2,788,070	(1,619,820)	(2,112,678)	(3,038,834)
FUND BALANCES,				
BEGINNING OF YEAR	28,748,362	26,703,525	31,536,432	29,423,754
FUND BALANCES,				
END OF YEAR	\$ 31,536,432	\$ 25,083,705	\$ 29,423,754	\$ 26,384,920
Fund Balance as a Percent of Expenditures and Operating Transfers Out	33.54%	25.43%	29.25%	25.46%



Special Revenue Funds				Capital Projects Funds			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	9,407,809	9,586,559	9,575,021	9,739,427
-	-	-	-	551,066	474,362	551,066	551,066
-	-	-	-	412,255	378,739	378,739	378,773
-	-	-	-	750,690	763,146	816,857	816,857
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
926,884	850,000	920,000	920,000	-	-	-	-
-	-	-	-	-	-	-	-
16,876,529	12,388,022	22,065,652	11,249,536	1,912,046	2,068,909	1,952,440	2,062,817
1,035,769	1,134,966	1,051,225	1,124,196	1,787,977	1,993,658	1,840,000	1,840,000
-	-	-	-	-	-	-	-
108,182	106,790	84,436	71,308	257,833	134,415	150,742	115,699
18,559	33,572	44,372	35,772	206,804	207,500	207,500	207,500
<u>18,965,923</u>	<u>14,513,350</u>	<u>24,165,685</u>	<u>13,400,812</u>	<u>15,286,480</u>	<u>15,607,288</u>	<u>15,472,365</u>	<u>15,712,139</u>
-	-	-	-	-	-	-	-
620,025	1,083,693	1,224,094	1,015,809	233,041	189,000	190,000	190,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,065,692	10,329,499	11,270,215	9,662,839	805,459	790,586	1,726,415	3,790,843
-	-	-	-	-	-	-	-
495,088	35,769	35,279	36,494	55,878	58,064	41,867	52,286
-	-	-	-	702,422	700,000	1,551,900	1,190,000
47,598	4,204	64,715	30,553	-	-	-	-
1,035,605	1,212,945	2,914,932	1,098,318	49,433	130,000	190,000	190,000
3,134,997	2,679,344	3,099,142	2,150,962	1,282	-	-	-
3,474,584	294,744	7,126,661	1,065,000	11,918,224	12,009,582	17,211,340	14,775,213
529,484	-	341,929	-	3,689,949	3,693,856	4,140,147	2,345,682
<u>18,403,073</u>	<u>15,640,198</u>	<u>26,076,967</u>	<u>15,059,975</u>	<u>17,455,688</u>	<u>17,571,088</u>	<u>25,051,669</u>	<u>22,534,024</u>
965,976	985,296	985,296	1,005,002	2,621,482	1,041,482	3,756,039	3,367,969
-	-	-	-	-	-	-	-
<u>965,976</u>	<u>985,296</u>	<u>985,296</u>	<u>1,005,002</u>	<u>2,621,482</u>	<u>1,041,482</u>	<u>3,756,039</u>	<u>3,367,969</u>
1,528,826	(141,552)	(925,986)	(654,161)	452,274	(922,318)	(5,823,265)	(3,453,916)
5,014,100	2,899,246	6,542,926	5,616,940	16,473,820	9,933,344	16,926,094	11,102,829
<u>\$ 6,542,926</u>	<u>\$2,757,694</u>	<u>\$ 5,616,940</u>	<u>\$ 4,962,779</u>	<u>\$ 16,926,094</u>	<u>\$ 9,011,026</u>	<u>\$11,102,829</u>	<u>\$ 7,648,913</u>
35.55%	17.63%	21.54%	32.95%	96.97%	51.28%	44.32%	33.94%

**GOVERNMENTAL FUNDS (continued)****2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES (continued)**

	Total Governmental Funds			
	2011	2012	2012	2013
	Actual	Budget	Revised	Budget
REVENUES				
Property Tax	\$ 7,986,944	\$ 7,903,919	\$ 7,986,944	\$ 7,986,944
Sales Tax	57,865,724	59,633,296	60,026,006	61,653,491
General Use Tax	3,304,844	2,987,535	3,304,844	3,304,844
Building Material Use Tax	2,473,727	2,265,522	2,265,522	2,265,556
Motor Vehicle Use Tax	4,502,179	4,575,050	4,805,042	4,805,042
Specific Ownership Tax	541,358	588,072	557,418	573,583
Tobacco Products Tax	366,364	355,497	366,364	366,364
Business & Occupation Tax	2,142,379	1,952,926	2,142,379	2,142,379
Franchise Charges & Other Taxes	7,061,942	7,009,679	6,833,916	7,272,100
Hotel Accommodation Tax	926,884	850,000	920,000	920,000
Licenses & Permits	2,739,114	2,127,553	2,425,489	2,538,045
Intergovernmental Revenue	23,886,377	19,368,216	28,934,377	18,228,638
Charges for Services	13,189,171	13,522,807	13,617,807	13,734,901
Fines & Forfeits	1,520,956	1,472,720	1,551,152	1,551,152
Investment Income	1,027,969	867,173	689,004	671,207
All Other Revenues	1,521,592	1,643,760	1,673,609	1,663,009
	<u>131,057,524</u>	<u>127,123,725</u>	<u>138,099,873</u>	<u>129,677,255</u>
EXPENDITURES				
Mayor and City Council	437,414	500,378	469,331	474,120
City Manager's Office	2,771,884	3,286,630	3,397,991	3,301,984
City Attorney's Office	1,445,238	1,578,704	1,555,327	1,598,632
City Clerk's Office	680,531	830,037	854,531	827,099
Community Resources	25,115,937	27,501,991	29,438,415	30,462,353
Employee Relations	1,318,000	1,423,415	1,494,952	1,598,574
Finance	3,237,805	3,286,640	3,487,024	3,837,324
Information Technology	5,115,141	5,824,763	6,597,789	6,000,615
Municipal Court	2,557,447	2,824,681	2,873,568	2,946,675
Planning	2,264,422	2,800,529	4,603,042	2,791,556
Police	41,559,527	43,414,257	42,092,690	43,465,848
Public Works	29,482,800	27,497,305	39,976,859	31,629,405
Non-Departmental	10,250,597	9,055,705	10,136,472	7,906,170
	<u>126,236,743</u>	<u>129,825,035</u>	<u>146,977,991</u>	<u>136,840,355</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	3,603,647	2,044,398	4,757,524	4,389,160
Operating Transfers Out	<u>(3,655,258)</u>	<u>(2,026,778)</u>	<u>(4,741,335)</u>	<u>(4,372,971)</u>
	<u>(51,611)</u>	<u>17,620</u>	<u>16,189</u>	<u>16,189</u>
Excess (Deficiency) of Financial Sources over Financial Uses	4,769,170	(2,683,690)	(8,861,929)	(7,146,911)
FUND BALANCES,				
BEGINNING OF YEAR	<u>50,236,282</u>	<u>39,536,115</u>	<u>55,005,452</u>	<u>46,143,523</u>
FUND BALANCES,				
END OF YEAR	<u>\$ 55,005,452</u>	<u>\$ 36,852,425</u>	<u>\$ 46,143,523</u>	<u>\$ 38,996,612</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	42.35%	27.95%	30.41%	27.62%



SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the City of Lakewood from specific revenue sources that are restricted or committed to expenditures for specified purposes. The City's Special Revenue Funds account for the following:

CONSERVATION TRUST FUND

This fund is established as required by Section 31-25-220, Colorado Revised Statutes, 1973 to account for monies received from the State of Colorado for Conservation Trust Fund (lottery) and restricted for the purposes of planning, acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on public sites.

ECONOMIC DEVELOPMENT FUND

The Economic Development Fund is established by Ordinance 85-54 to account for the City's hotel accommodation taxes which were approved by the voters in 1987 and restricted for the purpose of promoting economic development within the City.

GRANTS FUND

The Grants Fund was established to maintain a separate accounting for Federal, State, and other qualified grants.

HERITAGE, CULTURE & THE ARTS FUND

This fund is established to provide a full complement of heritage, cultural, and art activities to the general public on a continuing basis financed primarily through user charges, intergovernmental revenues restricted to these activities, and other financial resources assigned specifically for these purposes.

OPEN SPACE FUND

This fund was established in 1987 to account for intergovernmental funds received from Jefferson County related to its Open Space Sales Tax Resolution approved by voters in 1980 and which restricts the use to open space purposes. Open space purposes include planning, development, construction, acquisition, and maintenance of park and recreation capital improvements.



SPECIAL REVENUE FUNDS
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	Conservation Trust Fund			
	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Hotel Accommodation Tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	1,285,462	1,310,282	1,310,282	1,295,000
Charges for Services	-	-	-	-
Investment Income	11,181	7,073	5,331	4,510
All Other Revenues	951	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,297,594	1,317,355	1,315,613	1,299,510
EXPENDITURES				
City Manager's Office	-	-	-	-
Community Resources	1,176,046	1,253,618	1,463,618	1,347,669
Finance	-	-	-	-
Municipal Court	-	-	-	-
Planning	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Non-Departmental	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,176,046	1,253,618	1,463,618	1,347,669
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Financial Sources over Financial Uses	121,548	63,737	(148,005)	(48,159)
FUND BALANCES,				
BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>	<hr/>
	310,516	254,586	432,064	284,059
FUND BALANCES,				
END OF YEAR	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 432,064	\$ 318,323	\$ 284,059	\$ 235,900
Fund Balance as a Percent of Expenditures and Operating Transfers Out				
	36.74%	25.39%	19.41%	17.50%



Economic Development Fund				Grants Fund			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ 926,884	\$ 850,000	\$ 920,000	\$ 920,000	\$ -	\$ -	\$ -	\$ -
-	-	-	-	11,272,936	5,441,544	15,228,090	5,621,150
66,300	52,000	52,000	52,000	(21,506)	-	(28,974)	-
46,365	64,889	40,000	40,000	6,337	1,858	5,000	-
-	-	-	-	-	-	5,000	-
<u>1,039,549</u>	<u>966,889</u>	<u>1,012,000</u>	<u>1,012,000</u>	<u>11,257,767</u>	<u>5,443,402</u>	<u>15,209,116</u>	<u>5,621,150</u>
512,586	1,083,693	1,029,384	1,015,809	107,439	-	194,710	-
-	-	-	-	1,307,422	1,319,398	1,263,475	1,276,317
-	-	-	-	495,088	35,769	35,279	36,494
-	-	-	-	47,598	4,204	64,715	30,553
-	-	-	-	1,035,605	1,212,945	2,914,932	1,098,318
-	-	-	-	3,134,997	2,679,344	3,099,142	2,150,962
-	-	-	-	3,474,584	294,744	7,126,661	1,065,000
-	-	-	-	529,484	-	41,929	-
<u>512,586</u>	<u>1,083,693</u>	<u>1,029,384</u>	<u>1,015,809</u>	<u>10,132,217</u>	<u>5,546,404</u>	<u>14,740,843</u>	<u>5,657,644</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
526,963	(116,804)	(17,384)	(3,809)	1,125,550	(103,002)	468,273	(36,494)
<u>2,382,720</u>	<u>2,263,047</u>	<u>2,909,683</u>	<u>2,892,299</u>	<u>(1,222,802)</u>	<u>(1,200,397)</u>	<u>(97,252)</u>	<u>371,021</u>
<u>\$ 2,909,683</u>	<u>\$ 2,146,243</u>	<u>\$ 2,892,299</u>	<u>\$ 2,888,490</u>	<u>\$ (97,252)</u>	<u>\$(1,303,399)</u>	<u>\$ 371,021</u>	<u>\$ 334,527</u>
567.65%	198.05%	280.97%	284.35%	-0.96%	-23.50%	2.52%	5.91%



SPECIAL REVENUE FUNDS (continued)

2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES (continued)

Heritage, Culture, and Arts Fund

	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Hotel Accommodation Tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	264,366	273,000	257,992	265,000
Charges for Services	933,835	1,082,966	1,027,422	1,072,196
Investment Income	-	-	-	-
All Other Revenues	17,608	22,750	28,550	24,950
Total Revenues	1,215,809	1,378,716	1,313,964	1,362,146
EXPENDITURES				
City Manager's Office	-	-	-	-
Community Resources	2,198,461	2,533,117	2,436,005	2,452,951
Finance	-	-	-	-
Municipal Court	-	-	-	-
Planning	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Non-Departmental	-	-	-	-
Total Expenditures	2,198,461	2,533,117	2,436,005	2,452,951
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	965,976	985,296	985,296	1,005,002
Total Other Financing Sources (Uses)	965,976	985,296	985,296	1,005,002
Excess (Deficiency) of Financial Sources over Financial Uses	(16,676)	(169,105)	(136,745)	(85,803)
FUND BALANCES, BEGINNING OF YEAR				
	478,309	320,946	461,633	324,888
FUND BALANCES, END OF YEAR				
	<u>\$ 461,633</u>	<u>\$ 151,841</u>	<u>\$ 324,888</u>	<u>\$ 239,085</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	21.00%	5.99%	13.34%	9.75%



Open Space Fund				Total Special Revenue Funds			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ -	\$ -	\$ -	\$ -	\$ 926,884	\$ 850,000	\$ 920,000	\$ 920,000
4,053,765	5,363,196	5,269,288	4,068,386	16,876,529	12,388,022	22,065,652	11,249,536
57,140	-	777	-	1,035,769	1,134,966	1,051,225	1,124,196
44,299	32,970	34,105	26,798	108,182	106,790	84,436	71,308
-	10,822	10,822	10,822	18,559	33,572	44,372	35,772
<u>4,155,204</u>	<u>5,406,988</u>	<u>5,314,992</u>	<u>4,106,006</u>	<u>18,965,923</u>	<u>14,513,350</u>	<u>24,165,685</u>	<u>13,400,812</u>
-	-	-	-	620,025	1,083,693	1,224,094	1,015,809
4,383,763	5,223,366	6,107,117	4,585,902	9,065,692	10,329,499	11,270,215	9,662,839
-	-	-	-	495,088	35,769	35,279	36,494
-	-	-	-	47,598	4,204	64,715	30,553
-	-	-	-	1,035,605	1,212,945	2,914,932	1,098,318
-	-	-	-	3,134,997	2,679,344	3,099,142	2,150,962
-	-	-	-	3,474,584	294,744	7,126,661	1,065,000
-	-	300,000	-	529,484	-	341,929	-
<u>4,383,763</u>	<u>5,223,366</u>	<u>6,407,117</u>	<u>4,585,902</u>	<u>18,403,073</u>	<u>15,640,198</u>	<u>26,076,967</u>	<u>15,059,975</u>
-	-	-	-	965,976	985,296	985,296	1,005,002
-	-	-	-	965,976	985,296	985,296	1,005,002
(228,559)	183,622	(1,092,125)	(479,896)	1,528,826	(141,552)	(925,986)	(654,161)
<u>3,065,357</u>	<u>1,261,064</u>	<u>2,836,798</u>	<u>1,744,673</u>	<u>5,014,100</u>	<u>2,899,246</u>	<u>6,542,926</u>	<u>5,616,940</u>
<u><u>\$ 2,836,798</u></u>	<u><u>\$ 1,444,686</u></u>	<u><u>\$ 1,744,673</u></u>	<u><u>\$ 1,264,777</u></u>	<u><u>\$ 6,542,926</u></u>	<u><u>\$ 2,757,694</u></u>	<u><u>\$ 5,616,940</u></u>	<u><u>\$ 4,962,779</u></u>
64.71%	27.66%	27.23%	27.58%	35.55%	17.63%	21.54%	32.95%



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CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for resources used for the acquisition and construction of major capital facilities and other capital assets other than those financed by Proprietary Funds and Trust Funds. These funds are established to maintain a separate accounting of specific capital projects as directed by City Council. The City's Capital Projects Funds account for the following:

CAPITAL IMPROVEMENT FUND

The purpose of the Capital Improvement Fund is to account for expenditures for the acquisition, construction, and improvements of capital assets. Revenue for this fund is primarily derived from one sixth of the City's sales and use taxes approved by voters and other intergovernmental revenues restricted for these purposes.

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund was established to accumulate resources to finance the acquisition, construction, and improvements of vehicle, technology, and public, education, and government access equipment.



CAPITAL PROJECTS FUNDS
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	Capital Improvement Fund			
	2011	2012	2012	2013
	Actual	Budget	Revised	Budget
REVENUES				
Sales Tax	\$ 9,407,809	\$ 9,586,559	\$ 9,575,021	\$ 9,739,427
General Use Tax	551,066	474,362	551,066	551,066
Building Material Use Tax	412,255	378,739	378,739	378,773
Motor Vehicle Use Tax	750,690	763,146	816,857	816,857
Intergovernmental Revenue	1,912,046	2,068,909	1,952,440	2,062,817
Charges for Services	-	-	-	-
Investment Income	257,833	134,415	150,742	115,699
All Other Revenues	28,560	57,500	57,500	57,500
Total Revenues	13,320,259	13,463,630	13,482,365	13,722,139
EXPENDITURES				
City Manager's Office	-	-	-	-
Community Resources	805,459	790,586	1,726,415	3,790,843
Finance	55,878	58,064	41,867	52,286
Information Technology	-	-	-	-
Planning	49,433	130,000	190,000	190,000
Police	1,282	-	-	-
Public Works	10,140,324	10,209,582	15,411,340	12,975,213
Non-Departmental	3,689,949	3,693,856	4,140,147	2,345,682
Total Expenditures	14,742,325	14,882,088	21,509,769	19,354,024
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,283,513	703,513	3,568,070	3,180,000
Total Other Financing Sources (Uses)	2,283,513	703,513	3,568,070	3,180,000
Excess (Deficiency) of Financial Sources over Financial Uses	861,447	(714,945)	(4,459,334)	(2,451,885)
FUND BALANCES, BEGINNING OF YEAR				
	11,493,028	5,901,276	12,354,475	7,895,141
FUND BALANCES, END OF YEAR				
	\$ 12,354,475	\$ 5,186,331	\$ 7,895,141	\$ 5,443,256
Fund Balance as a Percent of Expenditures and Operating Transfers Out	83.80%	34.85%	36.70%	28.12%



Equipment Replacement Fund				Total Capital Projects Funds			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ -	\$ -	\$ -	\$ -	\$ 9,407,809	\$ 9,586,559	\$ 9,575,021	\$ 9,739,427
-	-	-	-	551,066	474,362	551,066	551,066
-	-	-	-	412,255	378,739	378,739	378,773
-	-	-	-	750,690	763,146	816,857	816,857
-	-	-	-	1,912,046	2,068,909	1,952,440	2,062,817
1,787,977	1,993,658	1,840,000	1,840,000	1,787,977	1,993,658	1,840,000	1,840,000
-	-	-	-	257,833	134,415	150,742	115,699
178,244	150,000	150,000	150,000	206,804	207,500	207,500	207,500
<u>1,966,221</u>	<u>2,143,658</u>	<u>1,990,000</u>	<u>1,990,000</u>	<u>15,286,480</u>	<u>15,607,288</u>	<u>15,472,365</u>	<u>15,712,139</u>
233,041	189,000	190,000	190,000	233,041	189,000	190,000	190,000
-	-	-	-	805,459	790,586	1,726,415	3,790,843
-	-	-	-	55,878	58,064	41,867	52,286
702,422	700,000	1,551,900	1,190,000	702,422	700,000	1,551,900	1,190,000
-	-	-	-	49,433	130,000	190,000	190,000
-	-	-	-	1,282	-	-	-
1,777,900	1,800,000	1,800,000	1,800,000	11,918,224	12,009,582	17,211,340	14,775,213
-	-	-	-	3,689,949	3,693,856	4,140,147	2,345,682
<u>2,713,363</u>	<u>2,689,000</u>	<u>3,541,900</u>	<u>3,180,000</u>	<u>17,455,688</u>	<u>17,571,088</u>	<u>25,051,669</u>	<u>22,534,024</u>
337,969	337,969	187,969	187,969	2,621,482	1,041,482	3,756,039	3,367,969
337,969	337,969	187,969	187,969	2,621,482	1,041,482	3,756,039	3,367,969
(409,173)	(207,373)	(1,363,931)	(1,002,031)	452,274	(922,318)	(5,823,265)	(3,453,916)
<u>4,980,792</u>	<u>4,032,068</u>	<u>4,571,619</u>	<u>3,207,688</u>	<u>16,473,820</u>	<u>9,933,344</u>	<u>16,926,094</u>	<u>11,102,829</u>
<u>\$4,571,619</u>	<u>\$3,824,695</u>	<u>\$3,207,688</u>	<u>\$2,205,657</u>	<u>\$16,926,094</u>	<u>\$ 9,011,026</u>	<u>\$11,102,829</u>	<u>\$ 7,648,913</u>
168.49%	142.23%	90.56%	69.36%	96.97%	51.28%	44.32%	33.94%



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PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The City has four qualified Enterprise Funds including Golf, Sewer, Stormwater, and Water.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's Internal Service Funds account for the following services: Dental Self-Insurance Fund, Property & Casualty Self-Insurance Fund, Retiree's Health Program Fund, and the Worker's Compensation Self-Insurance Fund.



PROPRIETARY FUNDS
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	Enterprise Funds			
	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Charges for Services	\$ 10,390,142	\$ 10,522,052	\$ 11,163,531	\$ 11,163,531
Intergovernmental Revenue	-	-	-	-
Investment Income	121,171	107,237	101,249	91,801
Other Income	79,202	12,400	12,400	12,400
Total Revenues	<u>10,590,515</u>	<u>10,641,689</u>	<u>11,277,180</u>	<u>11,267,732</u>
EXPENDITURES				
Community Resources	4,359,649	4,699,416	4,630,279	4,816,854
Public Works	6,561,522	7,840,911	9,192,291	8,988,921
Non-Departmental	-	31,236	31,236	181,236
Total Expenditures	<u>10,921,171</u>	<u>12,571,563</u>	<u>13,853,806</u>	<u>13,987,011</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	67,800	-	-	-
Total Other Financing Sources (Uses)	<u>67,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Financial Sources over Financial Uses	(262,856)	(1,929,874)	(2,576,626)	(2,719,279)
NET ASSETS, BEGINNING OF YEAR	<u>29,346,429</u>	<u>25,719,832</u>	<u>29,083,573</u>	<u>26,506,947</u>
NET ASSETS, END OF YEAR	<u>\$ 29,083,573</u>	<u>\$ 23,789,958</u>	<u>\$ 26,506,947</u>	<u>\$ 23,787,668</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	266.30%	189.24%	191.33%	170.07%



Internal Service Funds				Total Proprietary Funds			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ 3,120,503	\$ 2,013,557	\$ 2,013,557	\$ 2,013,557	\$ 13,510,645	\$ 12,535,609	\$ 13,177,088	\$ 13,177,088
185,909	-	-	-	185,909	-	-	-
235,796	269,867	175,355	172,780	356,967	377,104	276,604	264,581
-	-	-	-	79,202	12,400	12,400	12,400
<u>3,542,208</u>	<u>2,283,424</u>	<u>2,188,912</u>	<u>2,186,337</u>	<u>14,132,723</u>	<u>12,925,113</u>	<u>13,466,092</u>	<u>13,454,069</u>
-	-	-	-	4,359,649	4,699,416	4,630,279	4,816,854
-	-	-	-	6,561,522	7,840,911	9,192,291	8,988,921
<u>2,622,401</u>	<u>3,882,222</u>	<u>3,688,549</u>	<u>3,730,485</u>	<u>2,622,401</u>	<u>3,913,458</u>	<u>3,719,785</u>	<u>3,911,721</u>
<u>2,622,401</u>	<u>3,882,222</u>	<u>3,688,549</u>	<u>3,730,485</u>	<u>13,543,572</u>	<u>16,453,785</u>	<u>17,542,355</u>	<u>17,717,496</u>
-	-	-	-	67,800	-	-	-
-	-	-	-	67,800	-	-	-
919,807	(1,598,798)	(1,499,637)	(1,544,148)	656,951	(3,528,672)	(4,076,263)	(4,263,427)
<u>11,607,065</u>	<u>10,379,004</u>	<u>12,526,872</u>	<u>11,027,235</u>	<u>40,953,494</u>	<u>36,098,836</u>	<u>41,610,445</u>	<u>37,534,182</u>
<u>\$ 12,526,872</u>	<u>\$ 8,780,206</u>	<u>\$ 11,027,235</u>	<u>\$ 9,483,087</u>	<u>\$ 41,610,445</u>	<u>\$ 32,570,164</u>	<u>\$ 37,534,182</u>	<u>\$ 33,270,755</u>
477.69%	226.16%	298.96%	254.21%	307.23%	197.95%	213.96%	187.78%



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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The City has the following Enterprise Funds:

GOLF COURSE FUND

The Golf Course Fund was established in 1990 to develop the Fox Hollow at Lakewood Golf Course, which opened in August 1993. An additional golf course, Homestead Golf Course, was completed in Summer 2002.

SEWER ENTERPRISE FUND

The Lakewood Board of Water and Sewer Enterprise Fund was established as required by Chapter 13.04, Section 080 of the City of Lakewood Municipal Code, 1974 supplement, to account for sewer services provided to Lakewood residents on a user charge basis.

STORMWATER ENTERPRISE FUND

The Stormwater Enterprise Fund was created by City Council adopting Ordinance O-98-28 to account for user fees collected from property owners to maintain existing storm water facilities, meet federal requirements for storm water quality, and to build new drainage facilities. All activities necessary to provide such services are accounted for in this fund.

WATER ENTERPRISE FUND

The Lakewood Board of Water and Sewer Enterprise Fund was established as required by Chapter 13.04, Section 080 of the City of Lakewood Municipal Code, 1974 supplement, to account for water services provided to Lakewood residents on a user charge basis.



ENTERPRISE FUNDS
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	Golf Course Fund			
	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Charges for Services	\$ 4,111,938	\$ 4,395,852	\$ 4,625,431	\$ 4,625,431
Investment Income	(15,698)	(8,443)	(1,748)	2,585
Other Income	371	-	-	-
Total Revenues	<u>4,096,611</u>	<u>4,387,409</u>	<u>4,623,683</u>	<u>4,628,016</u>
EXPENDITURES				
Community Resources	4,359,649	4,699,416	4,630,279	4,816,854
Public Works	-	-	-	-
Non-Departmental	-	15,487	15,487	15,487
Total Expenditures	<u>4,359,649</u>	<u>4,714,903</u>	<u>4,645,766</u>	<u>4,832,341</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Financial Sources over Financial Uses	(263,038)	(327,494)	(22,083)	(204,325)
NET ASSETS, BEGINNING OF YEAR	<u>10,002,177</u>	<u>9,605,040</u>	<u>9,739,139</u>	<u>9,717,056</u>
NET ASSETS, END OF YEAR	<u>\$ 9,739,139</u>	<u>\$ 9,277,546</u>	<u>\$ 9,717,056</u>	<u>\$ 9,512,731</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	223.39%	196.77%	209.16%	196.86%



Sewer Fund				Stormwater Fund			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ 2,772,278	\$ 2,586,000	\$ 2,957,900	\$ 2,957,900	\$ 2,478,879	\$ 2,480,000	\$ 2,480,000	\$ 2,480,000
72,668	60,993	54,167	50,971	49,787	31,151	33,476	21,976
7,750	10,000	10,000	10,000	59,521	-	-	-
<u>2,852,696</u>	<u>2,656,993</u>	<u>3,022,067</u>	<u>3,018,871</u>	<u>2,588,187</u>	<u>2,511,151</u>	<u>2,513,476</u>	<u>2,501,976</u>
-	-	-	-	-	-	-	-
3,644,660	4,005,447	3,951,552	4,246,631	1,980,805	2,865,597	4,238,406	3,430,531
-	5,367	5,367	55,367	-	9,509	9,509	59,509
<u>3,644,660</u>	<u>4,010,814</u>	<u>3,956,919</u>	<u>4,301,998</u>	<u>1,980,805</u>	<u>2,875,106</u>	<u>4,247,915</u>	<u>3,490,040</u>
-	-	-	-	67,800	-	-	-
-	-	-	-	67,800	-	-	-
(791,964)	(1,353,821)	(934,852)	(1,283,127)	675,182	(363,955)	(1,734,439)	(988,064)
<u>9,418,949</u>	<u>7,645,137</u>	<u>8,626,985</u>	<u>7,692,133</u>	<u>8,667,071</u>	<u>7,173,861</u>	<u>9,342,253</u>	<u>7,607,814</u>
<u>\$ 8,626,985</u>	<u>\$ 6,291,316</u>	<u>\$ 7,692,133</u>	<u>\$ 6,409,006</u>	<u>\$ 9,342,253</u>	<u>\$ 6,809,906</u>	<u>\$ 7,607,814</u>	<u>\$ 6,619,750</u>
236.70%	156.86%	194.40%	148.98%	471.64%	236.86%	179.10%	189.68%



ENTERPRISE FUNDS (continued)
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES (continued)

	Water Fund			
	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Charges for Services	\$ 1,027,047	\$ 1,060,200	\$ 1,100,200	\$ 1,100,200
Investment Income	14,414	23,536	15,354	16,269
Other Income	11,560	2,400	2,400	2,400
Total Revenues	<u>1,053,021</u>	<u>1,086,136</u>	<u>1,117,954</u>	<u>1,118,869</u>
EXPENDITURES				
Community Resources	-	-	-	-
Public Works	936,057	969,867	1,002,333	1,311,759
Non-Departmental	-	873	873	50,873
Total Expenditures	<u>936,057</u>	<u>970,740</u>	<u>1,003,206</u>	<u>1,362,632</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Financial Sources over Financial Uses	116,964	115,396	114,748	(243,763)
NET ASSETS, BEGINNING OF YEAR	<u>1,258,232</u>	<u>1,295,794</u>	<u>1,375,196</u>	<u>1,489,944</u>
NET ASSETS, END OF YEAR	<u>\$ 1,375,196</u>	<u>\$ 1,411,190</u>	<u>\$ 1,489,944</u>	<u>\$ 1,246,181</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	146.91%	145.37%	148.52%	91.45%



Total Enterprise Funds

2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ 10,390,142	\$ 10,522,052	\$ 11,163,531	\$ 11,163,531
121,171	107,237	101,249	91,801
79,202	12,400	12,400	12,400
<u>10,590,515</u>	<u>10,641,689</u>	<u>11,277,180</u>	<u>11,267,732</u>
4,359,649	4,699,416	4,630,279	4,816,854
6,561,522	7,840,911	9,192,291	8,988,921
-	31,236	31,236	181,236
<u>10,921,171</u>	<u>12,571,563</u>	<u>13,853,806</u>	<u>13,987,011</u>
<u>67,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>67,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
(262,856)	(1,929,874)	(2,576,626)	(2,719,279)
<u>29,346,429</u>	<u>25,719,832</u>	<u>29,083,573</u>	<u>26,506,947</u>
<u>\$ 29,083,573</u>	<u>\$ 23,789,958</u>	<u>\$ 26,506,947</u>	<u>\$ 23,787,668</u>
266.30%	189.24%	191.33%	170.07%



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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's Internal Service Funds account for the following services:

DENTAL SELF-INSURANCE FUND

This fund was established by Ordinance for employee medical and/or dental self-insurance purposes which include the payment of claims, administrative expenses, legal expenses, and payment for prevention efforts. On April 1, 2010, the self-insurance program for medical claims was discontinued.

PROPERTY & CASUALTY SELF-INSURANCE FUND

This fund was established by Ordinance for the purpose of paying premiums, claims, judgments, settlements, legal fees, and any other self-insurance related program expenses. The City has chosen to use large self-insured retentions/deductibles for its property and casualty insurance program through the municipal insurance pool.

RETIREE'S HEALTH PROGRAM FUND

The Retiree's Health Program Fund was established to account for all of the necessary activities of two benefit plans -- the Benefit Trust Plan, a defined contribution retirement plan that distributes a lump sum amount to eligible employees upon retirement, and the Pre-Funded Health Care Plan which distributes a monthly payment to eligible employees upon retirement to supplement insurance premiums.

WORKER'S COMPENSATION SELF-INSURANCE FUND

This fund was established by Ordinance for worker's compensation self-insurance purposes, which include the payment of claims, administrative expenses, employee compensation, funding a loss control program, and an incentive awards program.



INTERNAL SERVICE FUNDS
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

	Dental Self-Insurance Fund			
	2011 Actual	2012 Budget	2012 Revised	2013 Budget
REVENUES				
Charges for Services	\$ 900,503	\$ 1,193,557	\$ 1,193,557	\$ 1,193,557
Intergovernmental Revenue	-	-	-	-
Investment Income	27,932	35,501	23,203	25,947
Total Revenues	<u>928,435</u>	<u>1,229,058</u>	<u>1,216,760</u>	<u>1,219,504</u>
EXPENDITURES				
Non-Departmental	749,593	1,166,431	1,166,431	1,166,431
Total Expenditures	<u>749,593</u>	<u>1,166,431</u>	<u>1,166,431</u>	<u>1,166,431</u>
Excess (Deficiency) of Financial Sources over Financial Uses	178,842	62,627	50,329	53,073
NET ASSETS, BEGINNING OF YEAR	<u>1,354,490</u>	<u>1,406,485</u>	<u>1,533,332</u>	<u>1,583,661</u>
NET ASSETS, END OF YEAR	<u>\$ 1,533,332</u>	<u>\$ 1,469,112</u>	<u>\$ 1,583,661</u>	<u>\$ 1,636,734</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	204.56%	125.95%	135.77%	140.32%

Note:

In 2006, the City created a Medical and Dental Self-Insurance Fund of which the medical portion was discontinued in 2010. The City's and the employees' contribution for self-insured dental insurance is now shown as a revenue and the actual payment to the third party claims administrator (insurance provider) is now shown as an expenditure. Before going self-insured, all contributions were collected into a liability account and paid out when it became due from this liability account.



Property & Casualty Self-Insurance Fund				Retiree's Health Program Fund			
2011 Actual	2012 Budget	2012 Revised	2013 Budget	2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ 1,103,000	\$ 335,000	\$ 335,000	\$ 335,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000
-	-	-	-	185,909	-	-	-
72,560	73,635	42,970	33,048	32,293	47,217	31,300	36,415
1,175,560	408,635	377,970	368,048	538,202	367,217	351,300	356,415
1,160,671	1,444,614	1,348,892	1,359,532	161,028	175,000	175,000	175,000
1,160,671	1,444,614	1,348,892	1,359,532	161,028	175,000	175,000	175,000
14,889	(1,035,979)	(970,922)	(991,484)	377,174	192,217	176,300	181,415
3,356,734	2,580,692	3,371,623	2,400,701	1,636,973	1,816,162	2,014,147	2,190,447
<u>\$ 3,371,623</u>	<u>\$ 1,544,713</u>	<u>\$ 2,400,701</u>	<u>\$ 1,409,217</u>	<u>\$ 2,014,147</u>	<u>\$ 2,008,379</u>	<u>\$ 2,190,447</u>	<u>\$ 2,371,862</u>
290.49%	106.93%	177.98%	103.65%	1,250.81%	1,147.65%	1,251.68%	1,355.35%



INTERNAL SERVICE FUNDS (continued)
2011 - 2013 SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES (continued)

	2011 Actual	2012 Budget	2012 Revised	2013 Budget
Worker's Compensation Self-Insurance Fund				
REVENUES				
Charges for Services	\$ 797,000	\$ 165,000	\$ 165,000	\$ 165,000
Intergovernmental Revenue	-	-	-	-
Investment Income	<u>103,011</u>	<u>113,514</u>	<u>77,882</u>	<u>77,370</u>
Total Revenues	<u>900,011</u>	<u>278,514</u>	<u>242,882</u>	<u>242,370</u>
EXPENDITURES				
Non-Departmental	<u>551,109</u>	<u>1,096,177</u>	<u>998,226</u>	<u>1,029,522</u>
Total Expenditures	<u>551,109</u>	<u>1,096,177</u>	<u>998,226</u>	<u>1,029,522</u>
Excess (Deficiency) of Financial Sources over Financial Uses	348,902	(817,663)	(755,344)	(787,152)
NET ASSETS, BEGINNING OF YEAR	<u>5,258,868</u>	<u>4,575,665</u>	<u>5,607,770</u>	<u>4,852,426</u>
NET ASSETS, END OF YEAR	<u><u>\$ 5,607,770</u></u>	<u><u>\$ 3,758,002</u></u>	<u><u>\$ 4,852,426</u></u>	<u><u>\$ 4,065,274</u></u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	1,017.54%	342.83%	486.10%	394.87%



Total Internal Service Funds

2011 Actual	2012 Budget	2012 Revised	2013 Budget
\$ 3,120,503	\$ 2,013,557	\$ 2,013,557	\$ 2,013,557
185,909	-	-	-
235,796	269,867	175,355	172,780
<u>3,542,208</u>	<u>2,283,424</u>	<u>2,188,912</u>	<u>2,186,337</u>
<u>2,622,401</u>	<u>3,882,222</u>	<u>3,688,549</u>	<u>3,730,485</u>
<u>2,622,401</u>	<u>3,882,222</u>	<u>3,688,549</u>	<u>3,730,485</u>
919,807	(1,598,798)	(1,499,637)	(1,544,148)
<u>11,607,065</u>	<u>10,379,004</u>	<u>12,526,872</u>	<u>11,027,235</u>
<u>\$ 12,526,872</u>	<u>\$ 8,780,206</u>	<u>\$ 11,027,235</u>	<u>\$ 9,483,087</u>
477.69%	226.16%	298.96%	254.21%



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STRATEGIC PLAN



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STRATEGIC PLAN

The Strategic Plan is updated annually and submitted to City Council for review and approval along with the annual budget. The City Council and the City's Management Team review, confirm, and set the overall direction, plan, and policies for the City. A planning session is done annually at the beginning of each calendar year with the outcome of a Mission Statement, City Council's Commitment to Citizens, and the Core Community Values that drives the City's activities, expectations, and results-benefits.

The Strategic Plan:

- ❖ The Plan is a multi-year financial plan that looks at four years of historical data, current year budget, and five years of future projections. Based on emerging issues and trends, the Plan directs the resources to meet specific and achievable goals. City Council has adopted a policy of maintaining not less than a specified minimum fund balance, as a percent to expenditures plus operating transfers out. For most funds, this minimum fund balance is not less than five percent (5%). The exceptions to the five percent (5%) minimum is the General Fund, not less than ten percent (10%), Capital Improvement Fund, not less than three percent (3%), and Grants Fund, not less than zero percent (0%).
- ❖ Priorities and key issues for the new budget period are articulated.
- ❖ The policy direction and priorities of the City Council are encompassed.
- ❖ The major changes in priorities or service levels from the current period and the factors leading to those changes are summarized.
- ❖ City Council and the City's Management Team are enabled to make funding decisions for services and capital requests in a more predictable manner.
- ❖ Major financial factors and trends affecting the budget are identified and summarized.
- ❖ Financial summary data on the future revenues and expenditures in the City is provided.
- ❖ A basis for development of future budgets is provided.
- ❖ A balanced budget is maintained in accordance with the City Charter and Colorado law for the current year plus next year's budget.
- ❖ City Council is informed of shortfalls in projected revenues that are insufficient to cover projected expenditures.

The City Council is able to use the document to make decisions based on a combination of options:

- Reduce or increase projected operating and/or capital expenses by a critical review of departmental based budgets
- Identify services offered to the citizens and closely monitor program successes
- Increase revenue by increasing fees and/or initiate a tax increase requiring voters' approval
- Reduce or increase reserve dollars and/or the percent of reserves in relation to expenditures plus operating transfers out
- Adjust the assumptions used in the forecast model



FIVE-YEAR ASSUMPTIONS (2013-2017)

GENERAL ASSUMPTIONS

- ❖ City Council has directed staff to work toward a minimum fund balance of five percent (5%) as compared to expenditures plus operating transfers out for most funds except the General Fund is to maintain a minimum fund balance of not less than ten percent (10%). The General Fund projections for 2012 through 2017 indicate that given revenue estimates and current spending levels, the City will maintain a fund balance above 10 percent (10%) through 2016 but falls short beginning in 2017. This will be monitored closely as dollars appropriated are not completely spent in any given year, resulting in a potentially higher fund balance than projected which carries over into future years.
- ❖ The City takes a very conservative approach to revenue projections for the budget year and for all forecasted years. Revenues from new developments are only added when the probability of completion is extremely high; therefore, any new developments that might come along have not been included in these projections.
- ❖ The General Fund balance includes a three percent (3%) TABOR Emergency Reserve and a contingency appropriation for the Library's lease payments should it fail to make its building payments (to-date all payments have been made and future payments are expected to be made.) The Library's final payment is due in 2013.
- ❖ The City continues to receive significant Grant dollars for streets, sidewalks, traffic safety, public safety, parks, and community services. Some of the grants received are Justice Assistance Grant, Community Development Block Grant, Federal TEA-21, Auto Theft Task Force, 911 Authority, National Endowment for the Arts, and Head Start. These grants allow the City to continue and expand existing programs as well as add new programs to promote sustainability.
- ❖ Capital Projects are projected out for five years allowing the funding to be established for given projects at given time intervals. This allows the City and the City Council to better plan for upcoming projects needed, required, or requested by the citizens. Many of the capital projects receive grant funding toward a given project and requires that the City provide some matching funds. This allows the City to best leverage and utilize available funding.
- ❖ No new programs have been added for 2012 through 2017; however, in 2013, snow removal on private property for pedestrian access has been added near the Light Rail stations.



FIVE-YEAR ASSUMPTIONS (2013-2017) (continued)

LONG-TERM PLANS (2013-2016)

- ❖ The following is a list of some of the significant plans for 2013-2017.
 - Development related to the St. Anthony Hospital campus and related development from the recent annexation of approximately 600 acres at the Federal Center
 - Coordinate projects and protect the City's interests arising out of the construction of the Regional Transportation District's (RTD) West Corridor Light Rail line
 - Coordinate Rooney Valley design and construction within Lakewood and between Lakewood and the Town of Morrison
 - Implement capital building and facility improvements that support sustainability
 - Implement technology replacement to improve productivity, communication, transparency, and data storage and retrieval
 - Focus on long-term community sustainability by promoting positive change throughout City actions, partnerships, and education
 - Enhance transportation through improvements to streets, roadways, bike paths, sidewalks, traffic signals, and pedestrian signals
 - Evaluate the possibility of regionalizing various public safety initiatives

REVENUE ASSUMPTIONS

- ❖ Overall, the City of Lakewood has experienced a generally stable economy over the past few years with 2009 showing the biggest decrease in sales and use tax revenue. Revenue projections for 2012 and 2013 assumes a modest increase to sales and use tax revenues. Conservative forecasts were established using either the Denver-Boulder-Greeley Consumer Price Index (CPI) growth rate, the City Council Rate of two percent (2%), and unique adjustments based on known new factors. The City Council Rate of two percent (2%) is derived from the review of historical trends and current evaluation of economic factors utilizing the Colorado State Economic Forecast.
- ❖ The City's property tax mill levy will remain at the current rate of 4.711 mills. This rate cannot be increased without a vote of the citizens. Property tax revenue is projected to remain at the 2011 levels for 2012 and 2013. The City is experiencing a slight reduction in assessed values. Bi-annual reassessments of property are conducted during odd years and payable during the following even years. Each even year assumes a two percent (2%) forecasted rate increase over prior year's for property taxes. Due to the property valuation trends that are being reported in the news, this revenue stream will be closely monitored and adjusted as the need arises.



FIVE–YEAR ASSUMPTIONS (2013-2017) (continued)

REVENUE ASSUMPTIONS (continued)

- ❖ A large portion of the City's revenues are subject to TABOR revenue limitations. The Stevinson/Denver West annexations are perpetually exempt from TABOR revenue limitations as approved by the voters. In November 2005, the voters approved an exemption of the one percent (1%) sales and use tax rate increase from TABOR. Also, in November 2006, the voters approved an exemption from TABOR of Open Space revenues and grants for streets, public safety, parks, recreation, and cultural opportunities. The 2013 through 2017 revenue projections assumes no TABOR refund.
- ❖ In 2012, City Council adopted Ordinance O-2012-15, effective October 1, 2012, which is a change in how foods are being taxed. This change in taxation deletes the City sales tax on food for immediate consumption, defines soft drinks and candy, begins taxing soft drinks and candy, and aligns the City's taxation of food with that of the State of Colorado. The differences in the taxation of food between the City and the State of Colorado were confusing to consumers and difficult for retailers to administer effectively. This ordinance simplifies the taxation within the City.
- ❖ Revenues within the Special Revenue Funds show a significant increase in 2012 due to carry over dollars from 2011 grants. It is anticipated for 2013 through 2017 that only new dollars are forecasted and that all available 2012 spending will be made. The Enterprise Funds for 2013 through 2017 reflect modest increases primarily due to anticipated user fees increases. Internal Service Funds show a significant decrease in 2012 Revised and 2013 Budget due to a reduction in self-insurance contributions and back to normal levels beginning in 2014. These funds are restricted and used for specific purposes and not available for general use.
- ❖ Other revenues except Charges for Services, Investment Income, and All Other Revenues are based primarily on the City Council Rate of two percent (2%). Fees built into Charges for Services within the General Fund for Family Services and for General Recreation anticipate full capacity for all classes/programs. Should the revenues not come in as anticipated, the expenditures will be reduced accordingly. Investment Income is forecasted based on historical and anticipated yields for the two-year treasury bond. The City considers the ten year average of the two year treasury bond constant maturity index. The expected yield is then applied to the applicable reserves. All other revenues are based on known significant factors.



FIVE–YEAR ASSUMPTIONS (2012-2016) (continued)

EXPENDITURE ASSUMPTIONS

- ❖ The City's primary expenditure increase is in the cost of personnel. A salary increase of 3 percent (3.0%) is planned for 2013 through 2017. Medical benefits are expected to increase by 15 percent (15%) per year and no increase is expected for Dental benefits.
- ❖ All vacant positions are budgeted as if filled for the full year. Positions that become vacant in the future will require the approval of the City Manager prior to being filled. Three new positions, Probation Officer, Visitor Center Specialist, and the Wellness Coordinator, were added to the General Fund in 2012. No new General Fund positions are budgeted for 2013 through 2017.
- ❖ For the most part, within the General Fund all other line items remain unchanged from the prior year, unless a specific budget exception has been granted for additional funding. Excluding personnel, the departments have a base that is equal to the most recent approved budget. If additional funding is required, a budget exception request is made. All of the budget exceptions are reviewed by a core budget review group consisting of members from the City Manager's Office, Finance Department, and Employee Relations Department to determine if the request is approved or denied.
- ❖ Special Revenue Funds, Capital Projects Funds, and Internal Service Funds are not part of the budget exception process. Each individual fund within these are assigned a fund manager and the fund manager is responsible for identifying the projects to be funded all the while maintaining the required fund balance for that fund.
- ❖ In 2012, a General Fund transfer of \$2,788,070 is being made to the Capital Improvement Fund for improvements along the light rail line and stations that are not part of the Regional Transportation District's scope for the light rail project. These improvements are to better service the communities near the light rail.
- ❖ In 2013, a General Fund transfer of \$3,000,000 to the Capital Improvement Fund is anticipated for improvements to the Civic Center Plaza, garage, and drive aisle.
- ❖ A revenue system replacement begins in 2012 with an anticipated go-live in 2013. The City will be leasing the GenTax® software solution for approximately \$425,000 per year. This software will be replacing a system that is 28 years old.
- ❖ Capital costs are based on the current Capital Improvement and Preservation Plan but include many smaller projects not specifically identified within the Capital Improvement and Preservation Plan.

The following schedules reflect the 10 year look at the following fund types:

General Fund
Special Revenue Funds
Capital Projects Funds
Enterprise Funds
Internal Service Funds
All Funds Summary



GENERAL FUND

	2008 Actual	2009 Actual	2010 Actual	2011 Actual
REVENUES				
Property Tax	\$ 8,104,568	\$ 8,017,422	\$ 8,039,443	\$ 7,986,944
Sales Tax	49,241,747	45,516,310	46,629,393	48,457,915
General Use Tax	2,316,477	2,301,257	2,470,286	2,753,778
Building Material Use Tax	2,278,950	3,328,773	2,229,571	2,061,472
Motor Vehicle Use Tax	4,020,653	3,774,967	3,528,841	3,751,489
Specific Ownership Tax	670,012	611,463	571,499	541,358
Tobacco Products Tax	408,563	375,387	373,052	366,364
Business & Occupation Tax	1,557,085	1,741,197	1,909,019	2,142,379
Franchise Charges & Other Taxes	6,522,935	6,200,758	6,699,177	7,061,942
Licenses & Permits	2,254,964	3,520,571	2,928,913	2,739,114
Intergovernmental Revenue	5,793,893	5,518,617	5,347,029	5,097,802
Charges for Services	10,266,583	9,566,828	9,948,859	10,365,425
Fines & Forfeits	1,491,635	1,483,426	1,434,599	1,520,956
Investment Income	1,624,746	616,340	274,025	661,954
All Other Revenues	1,478,811	1,583,877	1,515,480	1,296,229
Total Revenues	<u>98,031,622</u>	<u>94,157,193</u>	<u>93,899,186</u>	<u>96,805,121</u>
EXPENDITURES				
Mayor and City Council	465,916	513,685	484,112	437,414
City Manager's Office	1,613,895	1,928,720	1,809,200	1,918,818
City Attorney's Office	1,441,956	1,501,946	1,462,165	1,445,238
City Clerk's Office	600,038	728,565	726,555	680,531
Community Resources	14,398,198	14,948,186	14,560,388	15,244,786
Employee Relations	1,113,721	1,175,975	1,209,531	1,318,000
Finance	2,658,365	2,812,646	2,750,451	2,686,839
Information Technology	4,266,058	3,892,278	3,918,116	4,412,719
Municipal Court	2,426,380	2,457,062	2,484,012	2,509,849
Planning	996,529	1,224,248	1,039,908	1,179,384
Police	37,079,779	37,742,837	37,949,069	38,423,248
Public Works	13,956,955	13,720,768	13,646,163	14,089,992
Non-Departmental	5,672,301	6,558,692	5,960,159	6,031,164
Total Expenditures	<u>86,690,091</u>	<u>89,205,608</u>	<u>87,999,829</u>	<u>90,377,982</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	27,381	256,443	308,320	16,189
Operating Transfers Out	(8,654,169)	(4,810,192)	(2,156,565)	(3,655,258)
Total Other Financing Sources (Uses)	<u>(8,626,788)</u>	<u>(4,553,749)</u>	<u>(1,848,245)</u>	<u>(3,639,069)</u>
Excess (Deficiency) of Financial Sources over Financial Uses	2,714,743	397,836	4,051,112	2,788,070
FUND BALANCES, BEGINNING OF YEAR				
	<u>21,584,671</u>	<u>24,299,414</u>	<u>24,697,250</u>	<u>28,748,362</u>
FUND BALANCES, END OF YEAR				
	<u>\$ 24,299,414</u>	<u>\$ 24,697,250</u>	<u>\$ 28,748,362</u>	<u>\$ 31,536,432</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out				
	25.49%	26.27%	31.89%	33.54%



GENERAL FUND (continued)

2012 Revised	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
\$ 7,986,944	\$ 7,986,944	\$ 8,146,683	\$ 8,146,683	\$ 8,309,617	\$ 8,309,617
50,450,985	51,914,064	53,315,744	54,382,059	55,469,700	56,579,094
2,753,778	2,753,778	2,808,854	2,865,031	2,922,332	2,980,779
1,886,783	1,886,783	1,924,519	1,963,009	2,002,269	2,042,314
3,988,185	3,988,185	4,067,949	4,149,308	4,232,294	4,316,940
557,418	573,583	589,070	600,851	612,868	625,125
366,364	366,364	366,364	366,364	366,364	366,364
2,142,379	2,142,379	2,142,379	2,142,379	2,142,379	2,142,379
6,833,916	7,272,100	7,417,542	7,565,893	7,717,211	7,871,555
2,425,489	2,538,045	2,587,686	2,638,319	2,689,966	2,742,648
4,916,285	4,916,285	4,951,630	4,987,682	5,024,455	5,061,964
10,726,582	10,770,705	10,813,882	10,859,087	10,906,420	10,956,095
1,551,152	1,551,152	1,551,152	1,551,152	1,551,152	1,551,152
453,826	484,200	624,729	665,212	635,014	507,614
1,421,737	1,419,737	1,419,737	1,419,737	1,419,737	1,419,737
<u>98,461,823</u>	<u>100,564,304</u>	<u>102,727,920</u>	<u>104,302,766</u>	<u>106,001,778</u>	<u>107,473,377</u>
469,331	474,120	481,570	491,950	503,580	516,612
1,983,897	2,096,175	2,142,983	2,196,579	2,253,309	2,313,469
1,555,327	1,598,632	1,635,347	1,674,663	1,716,616	1,761,474
854,531	827,099	851,593	877,968	906,191	936,462
16,441,785	17,008,671	17,424,505	17,848,288	18,299,819	18,781,870
1,494,952	1,598,574	1,652,845	1,711,273	1,774,189	1,842,078
3,409,878	3,748,544	3,849,937	3,956,871	4,071,479	4,194,572
5,045,889	4,810,615	4,931,053	5,058,403	5,194,209	5,339,334
2,808,853	2,916,122	2,995,146	3,089,292	3,189,435	3,296,086
1,498,110	1,503,238	1,548,814	1,597,320	1,649,026	1,704,261
38,993,548	41,314,886	42,648,079	44,021,408	45,487,299	47,055,263
15,638,858	15,789,192	16,045,267	16,329,480	16,633,120	16,958,194
5,654,396	5,560,488	7,333,795	7,462,958	7,596,226	7,687,413
<u>95,849,355</u>	<u>99,246,356</u>	<u>103,540,934</u>	<u>106,316,453</u>	<u>109,274,498</u>	<u>112,387,088</u>
16,189	16,189	16,189	16,189	16,189	16,189
<u>(4,741,335)</u>	<u>(4,372,971)</u>	<u>(1,393,071)</u>	<u>(1,413,573)</u>	<u>(1,434,485)</u>	<u>(1,455,815)</u>
<u>(4,725,146)</u>	<u>(4,356,782)</u>	<u>(1,376,882)</u>	<u>(1,397,384)</u>	<u>(1,418,296)</u>	<u>(1,439,626)</u>
(2,112,678)	(3,038,834)	(2,189,896)	(3,411,071)	(4,691,016)	(6,353,337)
<u>31,536,432</u>	<u>29,423,754</u>	<u>26,384,920</u>	<u>24,195,024</u>	<u>20,783,953</u>	<u>16,092,937</u>
<u>\$ 29,423,754</u>	<u>\$ 26,384,920</u>	<u>\$ 24,195,024</u>	<u>\$ 20,783,953</u>	<u>\$ 16,092,937</u>	<u>\$ 9,739,600</u>
29.25%	25.46%	23.06%	19.29%	14.54%	8.56%



SPECIAL REVENUE FUNDS

	2008 Actual	2009 Actual	2010 Actual	2011 Actual
REVENUES				
Hotel Accommodation Tax	\$ 1,133,951	\$ 900,179	\$ 890,059	\$ 926,884
Intergovernmental Revenue	11,542,119	12,889,514	16,792,599	16,876,529
Charges for Services	1,297,796	1,129,386	972,480	1,035,769
Investment Income	158,944	81,469	135,230	108,182
All Other Revenues	32,642	84,562	36,307	18,559
Total Revenues	14,165,452	15,085,110	18,826,675	18,965,923
EXPENDITURES				
City Manager's Office	1,616,562	503,371	875,648	620,025
Community Resources	12,400,460	10,740,075	8,384,776	9,065,692
Finance	21,445	26,321	22,044	495,088
Municipal Court	10,840	39,480	40,651	47,598
Planning	1,769,026	1,624,115	852,879	1,035,605
Police	556,207	1,786,525	3,733,475	3,134,997
Public Works	2,120,521	2,868,723	3,491,740	3,474,584
Non-Departmental	-	-	402,636	529,484
Total Expenditures	18,495,061	17,588,610	17,803,849	18,403,073
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	887,655	908,166	949,829	965,976
Operating Transfers Out	(500,000)	(162,930)	(290,701)	-
Total Other Financing Sources (Uses)	387,655	745,236	659,128	965,976
Excess (Deficiency) of Financial Sources over Financial Uses	(3,941,954)	(1,758,264)	1,681,954	1,528,826
FUND BALANCES, BEGINNING OF YEAR				
	9,032,364	5,090,410	3,332,146	5,014,100
FUND BALANCES, END OF YEAR				
	\$ 5,090,410	\$ 3,332,146	\$ 5,014,100	\$ 6,542,926
Fund Balance as a Percent of Expenditures and Operating Transfers Out	26.80%	18.77%	27.71%	35.55%



SPECIAL REVENUE FUNDS (continued)

2012 Revised	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
\$ 920,000	\$ 920,000	\$ 920,000	\$ 920,000	\$ 920,000	\$ 920,000
22,065,652	11,249,536	10,217,964	11,088,880	11,212,128	11,344,127
1,051,225	1,124,196	1,124,196	1,124,196	1,124,196	1,124,196
84,436	71,308	74,848	73,433	70,905	65,056
44,372	35,772	35,772	35,772	35,772	35,772
<u>24,165,685</u>	<u>13,400,812</u>	<u>12,372,780</u>	<u>13,242,281</u>	<u>13,363,001</u>	<u>13,489,151</u>
1,224,094	1,015,809	1,029,722	1,044,268	1,059,887	1,076,694
11,270,215	9,662,839	9,580,271	9,637,851	9,841,468	10,059,442
35,279	36,494	38,291	39,973	41,792	43,763
64,715	30,553	34,853	35,433	36,049	36,707
2,914,932	1,098,318	665,898	666,216	664,569	667,069
3,099,142	2,150,962	2,080,024	2,080,024	2,080,024	2,080,024
7,126,661	1,065,000	485,000	1,235,000	1,235,000	1,235,000
341,929	-	-	-	-	-
<u>26,076,967</u>	<u>15,059,975</u>	<u>13,914,059</u>	<u>14,738,765</u>	<u>14,958,789</u>	<u>15,198,699</u>
985,296	1,005,002	1,025,102	1,045,604	1,066,516	1,087,846
-	-	-	-	-	-
<u>985,296</u>	<u>1,005,002</u>	<u>1,025,102</u>	<u>1,045,604</u>	<u>1,066,516</u>	<u>1,087,846</u>
(925,986)	(654,161)	(516,177)	(450,880)	(529,272)	(621,702)
<u>6,542,926</u>	<u>5,616,940</u>	<u>4,962,779</u>	<u>4,446,602</u>	<u>3,995,722</u>	<u>3,466,450</u>
<u>\$ 5,616,940</u>	<u>\$ 4,962,779</u>	<u>\$ 4,446,602</u>	<u>\$ 3,995,722</u>	<u>\$ 3,466,450</u>	<u>\$ 2,844,748</u>
21.54%	32.95%	31.96%	27.11%	23.17%	18.72%



CAPITAL PROJECTS FUNDS

	2008 Actual	2009 Actual	2010 Actual	2011 Actual
REVENUES				
Sales Tax	\$ 10,237,921	\$ 8,942,270	\$ 9,168,047	\$ 9,407,809
General Use Tax	480,217	464,540	494,569	551,066
Building Material Use Tax	453,314	651,164	443,301	412,255
Motor Vehicle Use Tax	805,439	755,863	706,427	750,690
Other Taxes	119,224	-	-	-
Intergovernmental Revenue	1,502,185	1,413,929	1,926,695	1,912,046
Charges for Services	1,902,892	814,276	1,769,950	1,787,977
Investment Income	572,051	441,544	406,178	257,833
All Other Revenues	114,852	269,394	187,557	206,804
Total Revenues	<u>16,188,095</u>	<u>13,752,980</u>	<u>15,102,724</u>	<u>15,286,480</u>
EXPENDITURES				
City Manager's Office	-	209,864	198,218	233,041
Community Resources	5,110,559	1,385,803	2,121,010	805,459
Finance	51,911	53,517	54,167	55,878
Information Technology	1,782,300	973,543	731,086	702,422
Planning	142,112	39,786	269,863	49,433
Police	7,755	1,992,160	395,232	1,282
Public Works	12,007,271	7,925,840	11,508,202	11,918,224
Non-Departmental	4,578,405	7,460,521	3,667,642	3,689,949
Total Expenditures	<u>23,680,313</u>	<u>20,041,034</u>	<u>18,945,420</u>	<u>17,455,688</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease/Loan Proceeds	-	6,130,000	-	-
Operating Transfers In	9,071,486	4,858,660	2,301,029	2,621,482
Operating Transfers Out	(409,274)	(642,268)	(761,508)	-
Total Other Financing Sources (Uses)	<u>8,662,212</u>	<u>10,346,392</u>	<u>1,539,521</u>	<u>2,621,482</u>
Excess (Deficiency) of Financial Sources over Financial Uses	1,169,994	4,058,338	(2,303,175)	452,274
FUND BALANCES, BEGINNING OF YEAR				
	<u>13,548,663</u>	<u>14,718,657</u>	<u>18,776,995</u>	<u>16,473,820</u>
FUND BALANCES, END OF YEAR				
	<u>\$ 14,718,657</u>	<u>\$ 18,776,995</u>	<u>\$ 16,473,820</u>	<u>\$ 16,926,094</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out				
	61.10%	90.78%	83.59%	96.97%



CAPITAL PROJECTS FUNDS (continued)

2012 Revised	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
\$ 9,575,021	\$ 9,739,427	\$ 9,887,637	\$ 10,359,390	\$ 10,566,578	\$ 10,777,910
551,066	551,066	562,087	573,329	584,796	596,492
378,739	378,773	386,348	394,075	401,957	409,996
816,857	816,857	833,194	849,858	866,855	884,192
-	-	-	-	-	-
1,952,440	2,062,817	2,062,817	2,062,817	2,062,817	2,062,817
1,840,000	1,840,000	1,840,000	1,840,000	1,840,000	1,840,000
150,742	115,699	133,727	152,206	157,624	153,688
207,500	207,500	207,500	207,500	207,500	207,500
<u>15,472,365</u>	<u>15,712,139</u>	<u>15,913,310</u>	<u>16,439,175</u>	<u>16,688,127</u>	<u>16,932,595</u>
190,000	190,000	190,000	190,000	190,000	190,000
1,726,415	3,790,843	791,108	791,108	791,108	791,108
41,867	52,286	54,316	56,524	58,900	61,462
1,551,900	1,190,000	715,000	715,000	715,000	715,000
190,000	190,000	190,000	190,000	190,000	190,000
-	-	-	-	-	-
17,211,340	14,775,213	12,537,665	13,444,620	13,829,098	14,042,831
4,140,147	2,345,682	2,384,876	2,424,854	2,465,631	2,507,224
<u>25,051,669</u>	<u>22,534,024</u>	<u>16,862,965</u>	<u>17,812,106</u>	<u>18,239,737</u>	<u>18,497,625</u>
-	-	-	-	-	-
3,756,039	3,367,969	367,969	367,969	367,969	367,969
-	-	-	-	-	-
<u>3,756,039</u>	<u>3,367,969</u>	<u>367,969</u>	<u>367,969</u>	<u>367,969</u>	<u>367,969</u>
(5,823,265)	(3,453,916)	(581,686)	(1,004,962)	(1,183,641)	(1,197,061)
<u>16,926,094</u>	<u>11,102,829</u>	<u>7,648,913</u>	<u>7,067,227</u>	<u>6,062,265</u>	<u>4,878,624</u>
<u>\$ 11,102,829</u>	<u>\$ 7,648,913</u>	<u>\$ 7,067,227</u>	<u>\$ 6,062,265</u>	<u>\$ 4,878,624</u>	<u>\$ 3,681,563</u>
44.32%	33.94%	41.91%	34.03%	26.75%	19.90%



ENTERPRISE FUNDS

	2008 Actual	2009 Actual	2010 Actual	2011 Actual
REVENUES				
Charges for Services	\$ 10,329,570	\$ 9,750,016	\$ 10,137,515	\$ 10,390,142
Investment Income	366,394	278,306	214,837	121,171
All Other Revenues	<u>6,513</u>	<u>(118,050)</u>	<u>719,270</u>	<u>79,202</u>
Total Revenues	<u>10,702,477</u>	<u>9,910,272</u>	<u>11,071,622</u>	<u>10,590,515</u>
EXPENDITURES				
Community Resources	4,447,424	4,565,419	4,500,860	4,359,649
Public Works	5,872,540	6,270,728	6,441,374	6,561,522
Non-Departmental	<u>354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,320,318</u>	<u>10,836,147</u>	<u>10,942,234</u>	<u>10,921,171</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	67,800
Operating Transfers Out	<u>(395,698)</u>	<u>(389,259)</u>	<u>(332,785)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(395,698)</u>	<u>(389,259)</u>	<u>(332,785)</u>	<u>67,800</u>
Excess (Deficiency) of Financial Sources over Financial Uses	(13,539)	(1,315,134)	(203,397)	(262,856)
NET ASSETS, BEGINNING OF YEAR				
	<u>30,878,499</u>	<u>30,864,960</u>	<u>29,549,826</u>	<u>29,346,429</u>
NET ASSETS, END OF YEAR				
	<u>\$ 30,864,960</u>	<u>\$ 29,549,826</u>	<u>\$ 29,346,429</u>	<u>\$ 29,083,573</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out				
	288.03%	263.24%	260.28%	266.30%



ENTERPRISE FUNDS (continued)

2012 Revised	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
\$ 11,163,531	\$ 11,163,531	\$ 11,457,371	\$ 11,780,595	\$ 12,136,142	\$ 12,527,244
101,249	91,801	107,698	125,768	162,162	220,933
12,400	12,400	12,400	12,400	12,400	12,400
<u>11,277,180</u>	<u>11,267,732</u>	<u>11,577,469</u>	<u>11,918,763</u>	<u>12,310,704</u>	<u>12,760,577</u>
4,630,279	4,816,854	4,833,593	4,859,268	4,888,190	4,972,507
9,192,291	8,988,921	8,229,940	8,050,952	7,776,974	7,858,693
31,236	181,236	81,246	81,256	81,266	81,276
<u>13,853,806</u>	<u>13,987,011</u>	<u>13,144,779</u>	<u>12,991,476</u>	<u>12,746,430</u>	<u>12,912,476</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,576,626)	(2,719,279)	(1,567,310)	(1,072,713)	(435,726)	(151,899)
<u>29,083,573</u>	<u>26,506,947</u>	<u>23,787,668</u>	<u>22,220,358</u>	<u>21,147,645</u>	<u>20,711,919</u>
<u>\$ 26,506,947</u>	<u>\$ 23,787,668</u>	<u>\$ 22,220,358</u>	<u>\$ 21,147,645</u>	<u>\$ 20,711,919</u>	<u>\$ 20,560,020</u>
191.33%	170.07%	169.04%	162.78%	162.49%	159.23%



INTERNAL SERVICE FUNDS

	2008 Actual	2009 Actual	2010 Actual	2011 Actual
REVENUES				
Charges for Services	\$ 8,884,853	\$ 9,251,789	\$ 3,994,285	\$ 3,120,503
Intergovernmental	-	-	-	185,909
Investment Income	<u>392,054</u>	<u>409,208</u>	<u>355,934</u>	<u>235,796</u>
Total Revenues	<u>9,276,907</u>	<u>9,660,997</u>	<u>4,350,219</u>	<u>3,542,208</u>
EXPENDITURES				
Non-Departmental	<u>7,456,912</u>	<u>8,382,791</u>	<u>3,888,557</u>	<u>2,622,401</u>
Total Expenditures	<u>7,456,912</u>	<u>8,382,791</u>	<u>3,888,557</u>	<u>2,622,401</u>
Excess (Deficiency) of Financial Sources over Financial Uses	1,819,995	1,278,206	461,662	919,807
FUND BALANCES, BEGINNING OF YEAR	<u>8,047,202</u>	<u>9,867,197</u>	<u>11,145,403</u>	<u>11,607,065</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,867,197</u>	<u>\$ 11,145,403</u>	<u>\$ 11,607,065</u>	<u>\$ 12,526,872</u>
Fund Balance as a Percent of Expenditures and Operating Transfers Out	132.32%	132.96%	298.49%	477.69%



INTERNAL SERVICE FUNDS (continued)

2012 Revised	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
\$ 2,013,557	\$ 2,013,557	\$ 2,013,557	\$ 2,013,557	\$ 2,013,557	\$ 2,013,557
-	-	-	-	-	-
<u>175,355</u>	<u>172,780</u>	<u>228,490</u>	<u>277,407</u>	<u>325,993</u>	<u>372,935</u>
<u>2,188,912</u>	<u>2,186,337</u>	<u>2,242,047</u>	<u>2,290,964</u>	<u>2,339,550</u>	<u>2,386,492</u>
<u>3,688,549</u>	<u>3,730,485</u>	<u>3,809,300</u>	<u>3,860,218</u>	<u>3,987,581</u>	<u>4,072,699</u>
<u>3,688,549</u>	<u>3,730,485</u>	<u>3,809,300</u>	<u>3,860,218</u>	<u>3,987,581</u>	<u>4,072,699</u>
(1,499,637)	(1,544,148)	(1,567,253)	(1,569,254)	(1,648,031)	(1,686,207)
<u>12,526,872</u>	<u>11,027,235</u>	<u>9,483,087</u>	<u>7,915,834</u>	<u>6,346,580</u>	<u>4,698,549</u>
<u>\$ 11,027,235</u>	<u>\$ 9,483,087</u>	<u>\$ 7,915,834</u>	<u>\$ 6,346,580</u>	<u>\$ 4,698,549</u>	<u>\$ 3,012,342</u>
298.96%	254.21%	207.80%	164.41%	117.83%	73.96%



ALL FUNDS SUMMARY

	2008 Actual	2009 Actual	2010 Actual	2011 Actual
REVENUES				
Property Tax	\$ 8,104,568	\$ 8,017,422	\$ 8,039,443	\$ 7,986,944
Sales Tax	59,479,668	54,458,580	55,797,440	57,865,724
General Use Tax	2,796,694	2,765,797	2,964,855	3,304,844
Building Material Use Tax	2,732,264	3,979,937	2,672,872	2,473,727
Motor Vehicle Use Tax	4,826,092	4,530,830	4,235,268	4,502,179
Specific Ownership Tax	670,012	611,463	571,499	541,358
Tobacco Products Tax	408,563	375,387	373,052	366,364
Business & Occupation Tax	1,557,085	1,741,197	1,909,019	2,142,379
Franchise Charges & Other Taxes	6,642,159	6,200,758	6,699,177	7,061,942
Hotel Accomodation Tax	1,133,951	900,179	890,059	926,884
Licenses & Permits	2,254,964	3,520,571	2,928,913	2,739,114
Intergovernmental Revenue	18,838,197	19,822,060	24,066,323	24,072,286
Charges for Services	32,681,694	30,512,295	26,823,089	26,699,816
Fines & Forfeits	1,491,635	1,483,426	1,434,599	1,520,956
Investment Income	3,114,189	1,826,867	1,386,204	1,384,936
All Other Revenues	1,632,818	1,819,783	2,458,614	1,600,794
Total Revenues	148,364,553	142,566,552	143,250,426	145,190,247
EXPENDITURES				
Mayor and City Council	465,916	513,685	484,112	437,414
City Manager's Office	3,230,457	2,641,955	2,883,066	2,771,884
City Attorney' Office	1,441,956	1,501,946	1,462,165	1,445,238
City Clerk's Office	600,038	728,565	726,555	680,531
Community Resources	36,356,641	31,639,483	29,567,034	29,475,586
Employee Relations	1,113,721	1,175,975	1,209,531	1,318,000
Finance	2,731,721	2,892,484	2,826,662	3,237,805
Information Technology	6,048,358	4,865,821	4,649,202	5,115,141
Municipal Court	2,437,220	2,496,542	2,524,663	2,557,447
Planning	2,907,667	2,888,149	2,162,650	2,264,422
Police	37,643,741	41,521,522	42,077,776	41,559,527
Public Works	33,957,287	30,786,059	35,087,479	36,044,322
Non-Departmental	17,707,972	22,402,004	13,918,994	12,872,998
Total Expenditures	146,642,695	146,054,190	139,579,889	139,780,315
OTHER FINANCING SOURCES (USES)				
Capital Lease/Loan Proceeds	-	6,130,000	-	-
Operating Transfers In	9,986,522	6,023,269	3,559,178	3,671,447
Operating Transfers Out	(9,959,141)	(6,004,649)	(3,541,559)	(3,655,258)
Total Other Financing Sources (Uses)	27,381	6,148,620	17,619	16,189
Excess (Deficiency) of Financial Sources over Financial Uses	1,749,239	2,660,982	3,688,156	5,426,121
FUND BALANCES/NET ASSETS, BEGINNING OF YEAR				
	83,091,399	84,840,638	87,501,620	91,189,776
FUND BALANCES/NET ASSETS, END OF YEAR				
	\$ 84,840,638	\$ 87,501,620	\$ 91,189,776	\$ 96,615,897
Fund Balance as a Percent of Expenditures and Operating Transfers Out				
	54.18%	57.54%	63.71%	67.36%



ALL FUNDS SUMMARY (continued)

2012 Revised	2013 Budget	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast
\$ 7,986,944	\$ 7,986,944	\$ 8,146,683	\$ 8,146,683	\$ 8,309,617	\$ 8,309,617
60,026,006	61,653,491	63,203,381	64,741,449	66,036,278	67,357,004
3,304,844	3,304,844	3,370,941	3,438,360	3,507,128	3,577,271
2,265,522	2,265,556	2,310,867	2,357,084	2,404,226	2,452,310
4,805,042	4,805,042	4,901,143	4,999,166	5,099,149	5,201,132
557,418	573,583	589,070	600,851	612,868	625,125
366,364	366,364	366,364	366,364	366,364	366,364
2,142,379	2,142,379	2,142,379	2,142,379	2,142,379	2,142,379
6,833,916	7,272,100	7,417,542	7,565,893	7,717,211	7,871,555
920,000	920,000	920,000	920,000	920,000	920,000
2,425,489	2,538,045	2,587,686	2,638,319	2,689,966	2,742,648
28,934,377	18,228,638	17,232,411	18,139,379	18,299,400	18,468,908
26,794,895	26,911,989	27,249,006	27,617,435	28,020,315	28,461,092
1,551,152	1,551,152	1,551,152	1,551,152	1,551,152	1,551,152
965,608	935,788	1,169,492	1,294,026	1,351,698	1,320,226
1,686,009	1,675,409	1,675,409	1,675,409	1,675,409	1,675,409
<u>151,565,965</u>	<u>143,131,324</u>	<u>144,833,526</u>	<u>148,193,949</u>	<u>150,703,160</u>	<u>153,042,192</u>
469,331	474,120	481,570	491,950	503,580	516,612
3,397,991	3,301,984	3,362,705	3,430,847	3,503,196	3,580,163
1,555,327	1,598,632	1,635,347	1,674,663	1,716,616	1,761,474
854,531	827,099	851,593	877,968	906,191	936,462
34,068,694	35,279,207	32,629,477	33,136,515	33,820,585	34,604,927
1,494,952	1,598,574	1,652,845	1,711,273	1,774,189	1,842,078
3,487,024	3,837,324	3,942,544	4,053,368	4,172,171	4,299,797
6,597,789	6,000,615	5,646,053	5,773,403	5,909,209	6,054,334
2,873,568	2,946,675	3,029,999	3,124,725	3,225,484	3,332,793
4,603,042	2,791,556	2,404,712	2,453,536	2,503,595	2,561,330
42,092,690	43,465,848	44,728,103	46,101,432	47,567,323	49,135,287
49,169,150	40,618,326	37,297,872	39,060,052	39,474,192	40,094,718
13,856,257	11,817,891	13,609,217	13,829,286	14,130,704	14,348,612
<u>164,520,346</u>	<u>154,557,851</u>	<u>151,272,037</u>	<u>155,719,018</u>	<u>159,207,035</u>	<u>163,068,587</u>
-	-	-	-	-	-
4,757,524	4,389,160	1,409,260	1,429,762	1,450,674	1,472,004
(4,741,335)	(4,372,971)	(1,393,071)	(1,413,573)	(1,434,485)	(1,455,815)
<u>16,189</u>	<u>16,189</u>	<u>16,189</u>	<u>16,189</u>	<u>16,189</u>	<u>16,189</u>
(12,938,192)	(11,410,338)	(6,422,322)	(7,508,880)	(8,487,686)	(10,010,206)
<u>96,615,897</u>	<u>83,677,705</u>	<u>72,267,367</u>	<u>65,845,045</u>	<u>58,336,165</u>	<u>49,848,479</u>
<u>\$ 83,677,705</u>	<u>\$ 72,267,367</u>	<u>\$ 65,845,045</u>	<u>\$ 58,336,165</u>	<u>\$ 49,848,479</u>	<u>\$ 39,838,273</u>
49.44%	45.47%	43.13%	37.13%	31.03%	24.21%



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