

# **2011 Financial Assessment Report**

**City of Longmont, Colorado**

**September 2011**

## TABLE OF CONTENTS

City Profile .....	1
Overview.....	2
Economic Indicators .....	4
Fund Structure .....	16
City-wide Revenues.....	17
General Fund Revenues.....	22
City-wide Expenditures .....	26
General Fund Expenditures.....	28
Five-Year Fund Projections .....	32
General Fund.....	32
Water Operating Fund .....	40
Sewer Operating Fund.....	41
Electric Fund.....	42
Sanitation Fund.....	43
Storm Drainage Fund .....	44
Street Improvement Fund .....	45
Public Safety Fund.....	46





## City of Longmont, Mission Statement:

To enhance the quality of life for those who live in, work in, or visit our community.

### CITY PROFILE

**Location:** The City of Longmont is located thirty-five miles North of Denver and twelve miles Northeast of Boulder, in northeast Boulder County. The City is part of the metro Denver region and as of December 2010 covers an area of 22.89 square miles.

**History:** The City was established in 1871 and incorporated in 1873. On August 5, 1961, the City was chartered as a home rule city, under the provisions of Article XX of the Constitution of the State of Colorado (Home Rule City Act).

**Government Structure:** The City is a full service municipality operating under a council - manager form of government. The Council consists of a mayor and six council members. The mayor is elected at-large to a two-year term. Three council members are elected from each of the three wards and three council members are elected at-large to four-year terms. The council members' terms are staggered.

**Services Provided:** Police, Fire, Electric, Telecommunications, Water, Sewer, Streets, Sanitation, Storm Drainage, Airport, Library, Museum, Parks, Recreation, Senior Services, Youth Services, Neighborhood and Community Resources, Building Inspection, Code Enforcement, Planning, Golf, Open Space and Economic Development.

**Quality of Life:** Longmont functions mostly as a free-standing city and has a unique mix of elements and people, which combined with high home ownership, above average school test scores and an efficient, accessible pool of services are all strong indicators of the life in Longmont. The Longmont area has a pleasant climate, aesthetic beauty and a multitude of nearby recreational and cultural amenities. Longmont is also an attractive place to live due to its low crime rate and no occurrence of air quality readings below the Primary Acceptable Standard.

## OVERVIEW

Beginning in early 2002, Longmont started to see the effects of a slowdown in the economy. Previous to that time, the City had experienced strong economic growth which translated into increased revenues as well as increased expenditures, primarily due to the cost of providing services and capital infrastructure to a growing community. Most economic indicators show that 2001 and 2002 were difficult years for the national and local economy. In 2003, the U.S. economy posted slight gains. Longmont had an average annual unemployment rate of 3.9% in 2001 and up to 6.0% by 2003 before beginning to decline in 2004 through 2007 ending the year at 3.3%. In 2008 the local unemployment rate began to increase again each year thereafter, and is currently at 7.2% in July of 2011. Personal income fluctuated during this time as well. After a decrease in 2002, average annual wages showed a good increase in 2003, slipped again slightly in 2004, were back up in 2005 through 2009, and decreased by 2.9% in 2010.

Colorado's economy has seen sizable job losses since 2001. Longmont area primary employers reported a combined job loss of over 3,000 in 2001 and 2002 with 2003 netting small gains, 2004 again showing net losses, 2005 and 2006 net gains, followed by losses in 2007 through 2009. 2010 saw a net gain of 336 jobs; however, 97 jobs have been lost through July of 2011.

Total revenues for 2010 were \$191.8 million an increase of 4.67% from 2009 levels. Charges for services represented 57% of the City-wide resources and that revenue increased 8.58% from 2009. Actual revenue from sales and use tax in 2010 was 4.43% above 2009. Sales and use tax collections in 2011 are up through July and property tax collections are down slightly. During 2010, the City issued 89 residential permits, an increase of 41% from 2009 levels of 63. Non-residential permit activity based on square footage was also up from the 2009 square footage as well as valuation per square foot due to the construction of a new Super Wal-Mart. Actual building permit revenue through July 2011 is down from 2010 levels due to the fact that the Super Wal-Mart permit revenue was collected in May 2010.

The five-year forecasts included in this document are not intended to be a precise projection of the future, but rather to provide an overview of what the future may look like, based on recent trends. The projections are purposefully conservative to take into account the trend of a slowing economy.

The proposed 2012 General Fund budgeted expenditures total \$65,982,716, which includes \$4,811,837 of one-time expenses of which \$3,518,567 are budgeted from the projected fund balance. This is an increase in total expenditures of \$2,903,871 over the 2011 adopted budget. The forecast projections for 2013 through 2016 show ongoing expenditures exceeding ongoing revenues each year, ranging from \$1,772,872 in 2013 to \$4,313,380 by 2016. Forecast projections for 2013-2016 do not include any one time expenses. These forecasts have historically been negative in the out years, however each year that the FAR is updated the shortage has continued to grow to the current levels

In the Water Fund working capital is projected to remain above the adopted minimum 90-day reserve requirement established in the City's financial policies. The fund will have capital projects of \$2.1 million in 2012, \$2.3 million in 2013, \$11.2 million in 2014, \$995,000 in 2015, and \$778,000 in 2016. The Windy Gap Firming Project is planned for construction in 2014 with preliminary and final design scheduled for 2012 and 2013. This project is estimated to cost approximately \$23 million during this time frame with funding coming from the Water Operating Fund, Water Construction Fund, Water Acquisition Fund, and Raw Water Storage Fund. A total of approximately \$11 million is currently shown as unfunded in the CIP. The 2008 Water and Wastewater Rates and System Development Fee Study projected rate increases beginning in 2012 through 2017 ranging from 2% to 4%. Based upon changing water customer usage patterns and the initiation of the 2% franchise fee in 2010, an update of the report will be necessary in 2012 to determine the needed rate increases beginning in 2014.

The Sewer Fund is projected to remain above the adopted minimum 90-day reserve requirement for the five-year period as well. The fund will have capital projects of \$3.4 million in 2012, \$3.5 million in 2013, \$722,000 in 2014, \$575,000 in 2015, and \$313,000 in 2016. A total of \$15 million is currently unfunded in the CIP. Federal water quality standards are anticipated to continue to become more stringent over time. The City has anticipated, through the recently completed master plan, future improvements that may be needed to meet those anticipated future standards.

The Electric Fund ending working capital is projected to meet the minimum reserve requirement by 2014. In 2009 a new financial policy, intended to increase the reserve requirement, was implemented. The fund balance in the Electric Fund has been growing to meet this new reserve requirement. The 2012 proposed budget includes an overall average 7.5% rate increase, and an average rate increase of 6.5% is projected for 2013.

Working capital in the Sanitation Fund is projected to remain above the minimum 60-day reserve requirement in 2012 through 2014 but fall short of that in 2015 and 2016. It is expected that adjustments will need to be made in order to keep this fund above the reserve requirement. Rate increases of 12% in 2012 for 96 gallon service and 8% for 48 gallon service were adopted by City Council in June 2011. Additional rate increases were approved for 2014 and 2016.

The Storm Drainage Fund is projected to meet the minimum 60-day reserve requirement after City Council adopts the 9% rate increase as part of the 2012 budget. Minimal capital work in the amount of \$186,000 is funded during the five year period. A total of \$8 million is currently unfunded in the CIP. When the Storm Drainage Master Plan is completed the accompanying financial plan will be brought forward for City Council's review and approval. This is anticipated to occur in late 2012 or early 2013.

Due to the Street Fund sales and use tax extension passed by voters in November 2009, fund balance is projected to remain above the required 6% operating reserve. The fund will have capital projects of \$8.2 million in 2012, \$8.6 million in 2013, \$7.3 million in 2014, \$15.4 million in 2015, and \$7.2 million in 2016. Approximately \$31 million has been identified for future projects in the CIP and is shown as unfunded unless the voters approve the sales and use tax extension beyond 2016.

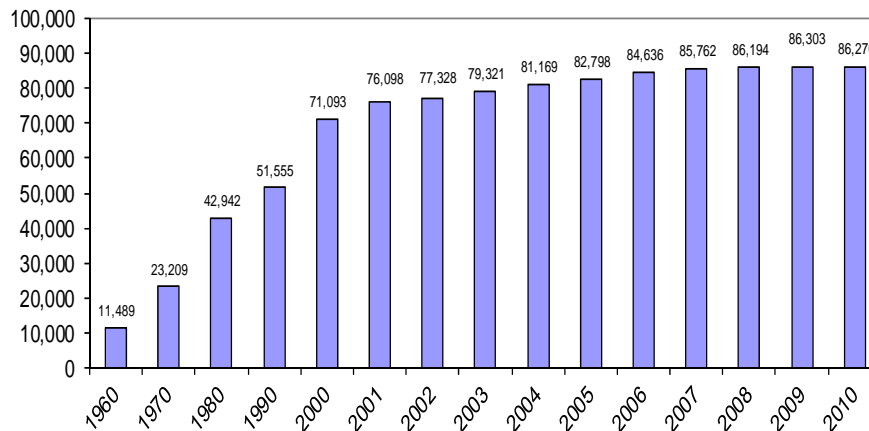
Since the Public Safety Fund is managed so that ongoing revenues are used only for ongoing expenses of the fund, ending working capital is projected to be above or near \$1.0 million for all five years. These projections also include a minimum of \$150,000 of one time expenses per year.

## ECONOMIC INDICATORS

When planning upcoming budgets, it is important to be aware of current economic conditions and trends. Many revenue sources, such as sales and use taxes, fluctuate depending upon general economic conditions. In addition, looking at economic trends helps anticipate possible changes in demand for services, such as utilities, police and fire, development and planning support, parks and recreation facilities, and street infrastructure.

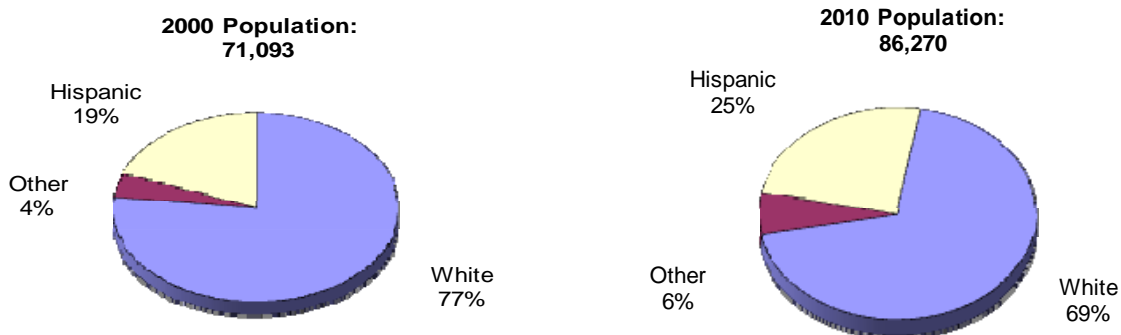
**Population:** Population growth for the City of Longmont is included in order to provide context for the following economic indicators. Longmont’s population growth is one factor driving the economic conditions of the area, and at the same time is being caused by the economic growth. The growth in population increases the market for goods and services and provides a larger workforce. At the same time, population growth places new and increased demands on public services and infrastructure.

**City of Longmont Population: 1960 to 2010**



Source: City of Longmont Planning Division

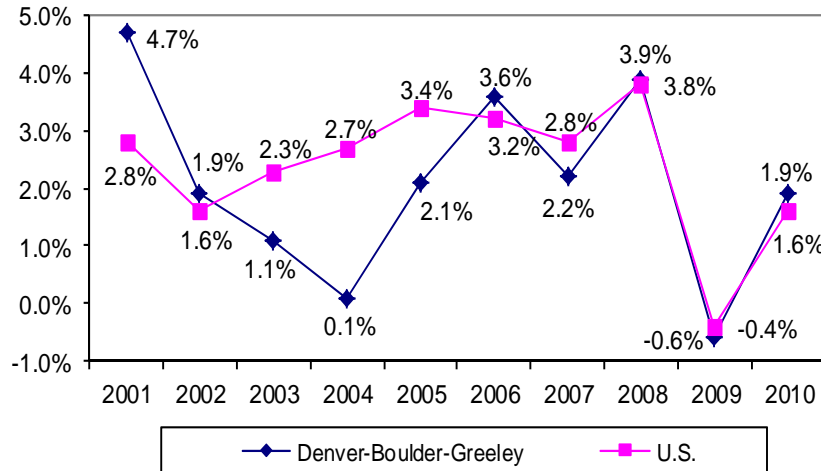
The City of Longmont experienced a 21% increase in population between the 2000 census and the 2010 census as reported by the US Census Bureau, most of which occurred between 2000 and 2001. The Hispanic population showed the largest increase with nearly 56% gain from 2000 to 2010. The slight decrease in population between 2010 and 2009 is due to the fact that the 2010 population is from the 2010 US Census Bureau report, and the 2009 population was a projection from the City’s Planning Division.



“Other” consists of African American, American Indian, Eskimo, Aleut, Asian and Pacific Islander.

**Inflation Rates:** The rate of inflation for the Denver-Boulder-Greeley area increased significantly in 2010. Nationally, only the transportation and medical care categories increased from 2010 while the food and beverage, housing, apparel, other goods and services, recreation, and education and communications categories decreased. Three categories saw negative inflation rates in 2010: housing (-0.4%), apparel (-0.5%) and recreation (-0.8%). While the Education and Communication category did not have a negative rate, the information technology sector which is part of that category did have a -1.7% inflation rate in 2010. Colorado and the Denver-Boulder-Greeley area inflation rates were slightly higher than the US average in 2010.

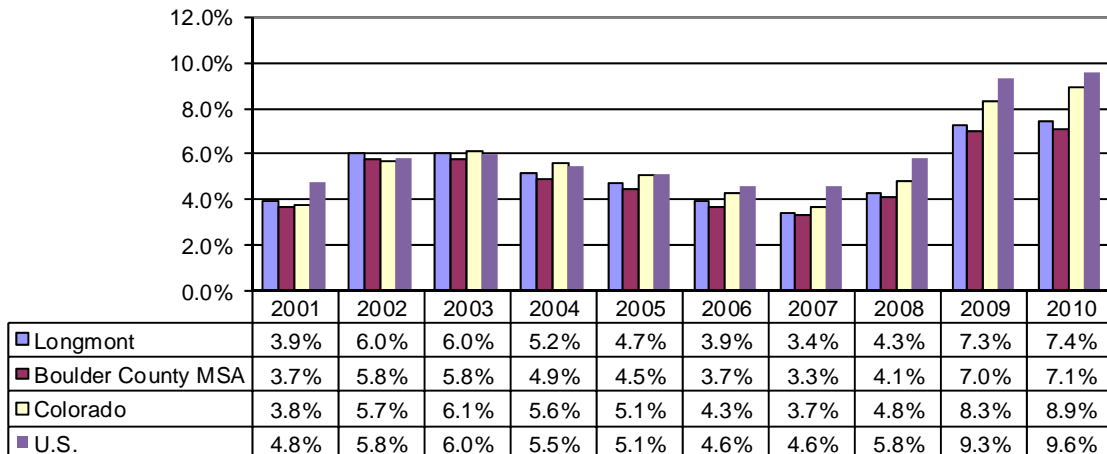
**Inflation Rates: 2001 to 2010**



SOURCE: US Department of Labor, Bureau of Labor statistics

**Unemployment Rate:** The National unemployment rate increased from 9.3% in 2009 to 9.6% in 2010. Local unemployment rates increased for the third year in a row, with Colorado's unemployment rate increasing from 8.3% to 8.9%, and Longmont's unemployment rate increasing from 7.3% to 7.4%. In 2010, the unemployment rate in Longmont continued to remain lower than the national average but above the Boulder County average. As of July 2011, Longmont's unemployment rate is 7.2%.

**Unemployment Rates: 2001 to 2010**



Source: Bureau of Labor Statistics

**Local Foreclosures:** The foreclosures in Longmont had been increasing since 2001, but decreased from 722 in 2009 to 575 in 2010. From 2004 to 2008, more than 50% of the foreclosed properties resulted in a sale of the property, but in 2009 it decreased to 40%, however, in 2010 it was back up to 57%. As of July 31, 2011 the number of foreclosures filed that have ended in a sale of the property is up to 71%.

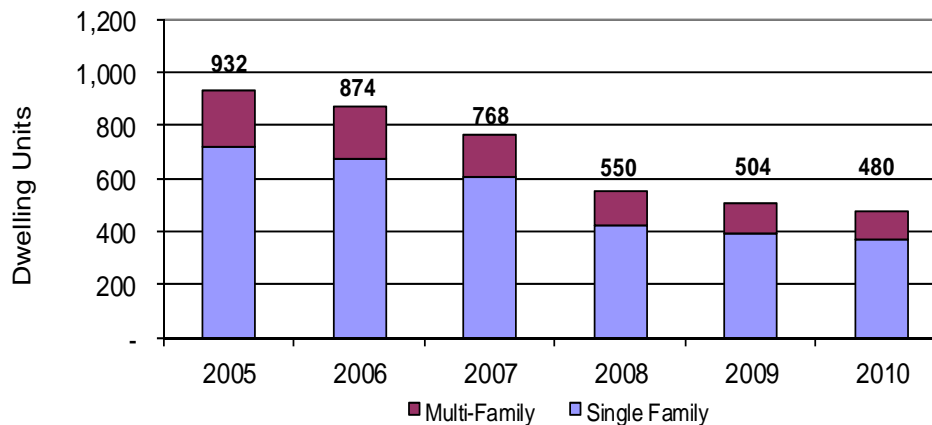
### City of Longmont Foreclosures 2001-2010

	Number of Properties		Percentage of Filed Properties Sold	Value of Properties	
	Filed	Sold		Filed	Sold
2001	91	27	29.67%	13,947,885	3,577,290
2002	133	36	27.07%	20,799,369	6,051,526
2003	246	107	43.50%	43,464,377	21,166,131
2004	240	151	62.92%	46,458,149	32,081,458
2005	333	198	59.46%	65,376,273	37,606,459
2006	433	282	65.13%	88,010,589	55,483,151
2007	595	322	54.12%	124,918,244	79,497,352
2008	576	308	53.47%	126,261,099	39,470,508
2009	722	292	40.44%	176,448,400	68,917,604
2010	575	328	57.04%	118,245,229	66,490,592

Source: City of Longmont Community Service Division; Boulder County Trustee website

**Housing Units on the Market:** The following chart shows the number of total dwelling units on the market as of December 31 of each year. The number of housing units on the market at that time decreased by 4.8% in 2010 after a decrease of 8.4% in 2009, 28.4% in 2008, 12.1% in 2007 and 6.2% in 2006. The decrease for the fifth year in a row most likely reflects the slow down in the new residential construction over the past few years. The number of housing units on the market as of July 31, 2011 was 617, which is an increase of 29% over 2010 year end.

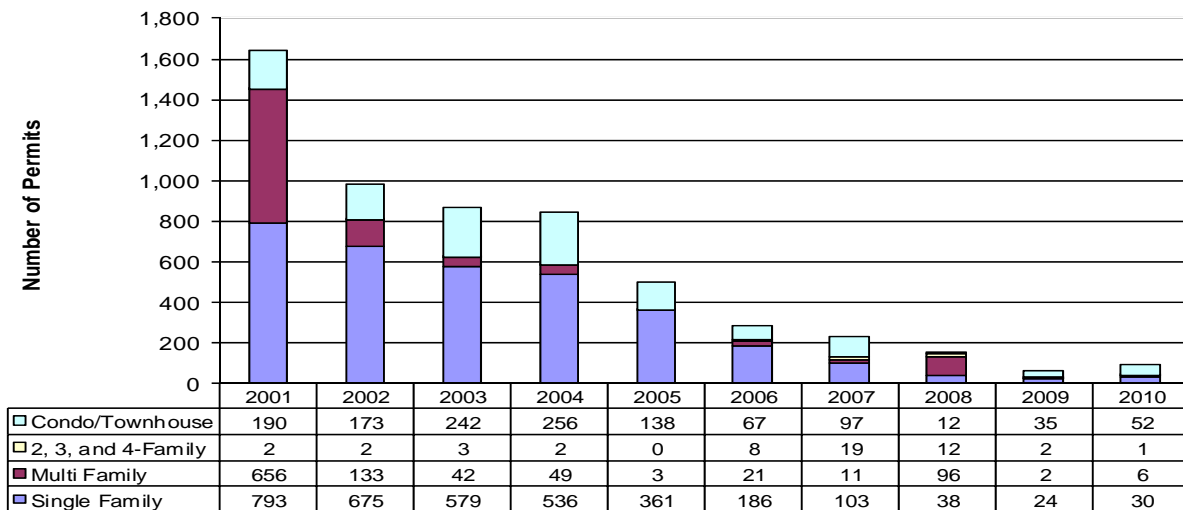
### Longmont Housing Units on the Market at December 31, 2005-2010



Sources: City of Longmont Community Services Division; Boulder Area Realtors Association

**Residential Construction:** The number of single family residences, multiple units and condominiums/townhouse permits issued decreased from 230 permits in 2007 to 158 permits in 2008 to only 63 in 2009. In 2010, the number of permits increased to 89, but are still significantly down from permit levels in 2000 and 2001. The annual number of permits issued from 2001-2002 were more than double the average for the first half of 1990s and reflected the increased prosperity and growth of the region for that period of time. Recent trends reflect the slowdown in residential construction activity which is expected to continue into 2011 and beyond.

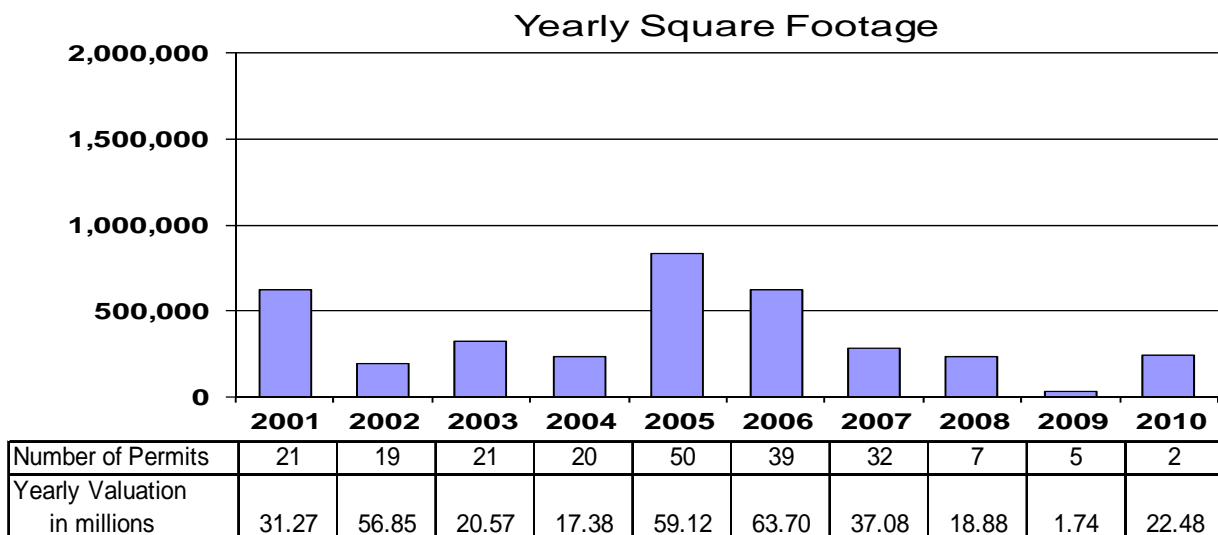
**Residential Permits: 2001 to 2010**



Source: City of Longmont Planning Division

**Non-Residential Construction:** In 2005, non-residential construction activity reached its highest peak since 2001 with 50 permits issued. The number of permits issued in 2010 was only 2, however, the total value of those permits was significantly higher than what was permitted in 2009, due to the construction of a new Super Wal-Mart.

**Non-Residential Construction: 2001 to 2010**



Sources: City of Longmont Planning Division and Building Inspection Division

**Regional Employer Profile:** In Boulder County there were a total of 12,777 employers in 2010, an increase of 15 employers, or 0.1% above 2009. Boulder County had the second highest increase and remains above Broomfield, Larimer and Weld Counties in terms of total employers. Broomfield County employers increased by 0.2% while Larimer and Weld Counties saw reductions in employers of -1.5% and -1.4% respectively.

**Total Employers: 2001 to 2010**

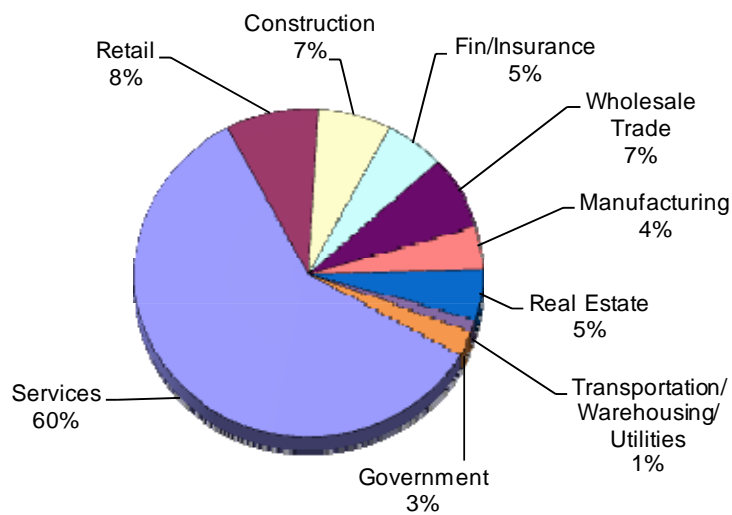
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	% change
Boulder County	12,423	11,697	11,691	11,791	12,223	12,546	12,862	12,976	12,762	12,777	0.1%
Broomfield County		1,328	1,462	1,604	1,818	1,938	2,042	2,055	2,053	2,058	0.2%
Larimer County	8,565	8,802	9,046	9,218	9,664	10,032	10,304	10,431	10,072	9,922	-1.5%
Weld County	4,574	4,786	5,057	5,301	5,628	5,912	6,070	6,085	5,837	5,753	-1.4%

Note: North American Industrial Classification System (NAICS) for reporting data. Beginning in 2002, portions of Boulder, Adams, Jefferson and Weld Counties were formed to create the boundaries of Broomfield County.

Source: Colorado Department of Labor and Employment

In 2010, the number of employers in Boulder County grew by the slightest of margins, and the employers by industry category remained the same as well.

**2010 Boulder County Employers by Industry**



Source: Colorado Department of Labor and Employment

### Longmont Area Largest Employers

August 2011		
<u>Company Name</u>	<u>Product</u>	<u>Employees</u>
St Vrain Valley Schools	School District	4,876
Longmont United Hospital	Regional Hospital	1,282
Seagate Technology	Computer disk drives	1,160
City of Longmont	City government	814
Intrado	911 Database and mapping services	807
Amgen	Biopharmaceuticals	678
DigitalGlobe	Satellite imagery	650
Federal Aviation Administration	Aviation control center	566
Crocs	Crocs shoes	435
McLane Western	Grocery distribution center	406
Butterball, LLC	Value added turkey products	360
Circle Graphics	Digital billboards	292
Longmont Clinic	Medical services	288
Xilinx	Programmable Logic (Software Division)	270
PharMerica	Regional billing office	225
Dot Hill Systems Corp	Fiber channel computer devices	208
Measured Progress	Standardized test grading firm	200
GE Energy	Power generation & energy technology	178
Western Digital	Computer disk drives	173
OnCore Manufacturing	Contract manufacturer	143
Thule Organization Solutions	Computer/audio/video/storage cases	119
Woodley's Fine Furniture	Custom furniture	110
Sun Construction & Design	Construction and design services	107
LSI	Integrated circuits for data storage	105
Mentor Graphics	Software development	100
Brooks Automation	Vacuum measurements instruments	95
Matheson	Chemicals for semiconductor industry	94

Source: Longmont Area Economic Council

**Primary Employees:** The table below shows the number of primary employees from 2003 through 2010. According to the Longmont Area Economic Council, the majority of the 2010 net gain of jobs was due to increases in the aerospace, semiconductor and software industries. In the first half of 2011 there has been a net loss of 97 primary jobs.

### City of Longmont Primary Employees Activity Report

Jobs	2001	2002	2003	2004	2005	2006	2007*	2008	2009	2010
<b>Beginning of Year</b>	15,953	14,338	13,102	13,370	12,985	13,659	11,954	11,858	11,461	10,710
<b>Net Changes</b>	(1,615)	(1,236)	268	(385)	674	443	(96)	(397)	(751)	336
<b>Percentage Change</b>	-10.12%	-8.62%	2.05%	-2.88%	5.19%	3.24%	-0.80%	-3.35%	-6.55%	3.14%
<b>End of Year</b>	14,338	13,102	13,370	12,985	13,659	14,102	11,858	11,461	10,710	11,046

\*Weld County numbers were removed from the base for 2007 (2,148 jobs).

Source: Longmont Area Economic Council

**Primary Employers:** Longmont Area Primary Employers by Industry are found in a variety of the above mentioned industry categories. As reported by the Longmont Area Economic Council Primary jobs in Longmont increased by 336 in 2010. On the LAEC website they define Primary Employers as: companies that sell the majority of their goods and services outside the Boulder County Region.

**Longmont Area Primary Employers by Industry**  
as of August 1, 2011

<u>Industry</u>	<u># of Companies</u>	<u># of Employees</u>
Aerospace	5	726
Agriculture	1	3
Apparel/Accessories/Finished Products	8	517
Biotech	7	816
Business Services	10	519
Chemical Manufacturing	3	134
Communications Equipment	12	160
Computers/Peripherals/Interface Products	18	1,790
Computer Software	14	1,058
Construction	4	284
Consumer Storage Products	3	153
Contract Manufacturing	6	329
Electrical Equipment, Appliances & Component Manufacturing	5	254
Electronic Equipment & Related Components	3	37
Fabricated Metal Products and Services	8	126
Federal Government	1	566
Food Processing	7	551
Games/Toys/Dolls/Sporting Goods/Artist Materials	7	69
Machinery Manufacturing & Robotics	4	62
Machining, Tool and Die, Prototype Development	6	105
Measurement Instruments/Controlling Devices	8	205
Medical/Electromedical Instruments	5	118
Photonics	7	144
Plastics and Misc Rubber Products	11	298
Printing and Publishing	3	348
Professional, Scientific and Technical Services	15	192
Semiconductor and other Electronic Component	12	738
Thin Film Coating	2	32
Transportation Equipment Manufacturing	2	35
Warehouse Distribution	2	413
Welding Shops	1	6
Wood Products and Furniture	3	161

Source: Longmont Area Economic Council

**Industrial and Office Space Vacancy:** In 2010, the total square footage available for Longmont Area Primary Employers was 8,616,765. Primary Employers occupied 7,353,408 square feet of space in 2010, leaving 1,263,357 vacant. In 2010 there was a net increase of 7,444 square feet occupied by Primary Employers (compared to 36,931 for 2009). This increase reflects 185,898 square feet of expansion by new and existing companies in existing space, and 178,454 square feet of space vacated by companies that closed or downsized.

**Vacancy Rates for Industrial and Office Space: 2001-2010**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacancy Rate	18.7%	22.5%	23.2%	19.6%	18.5%	18.1%	17.5%	14.2%	14.8%	14.6%
Square Feet On The Market (millions)	1.83	2.31	2.45	2.01	1.87	1.88	1.46	1.20	1.27	1.26

Source: Longmont Area Economic Council

**Regional Employee Profile:** Boulder, Broomfield, Larimer and Weld Counties all saw a gain of employees in 2010. Boulder County had the lowest percentage of employee increases, however, Boulder County still has the largest number of employees.

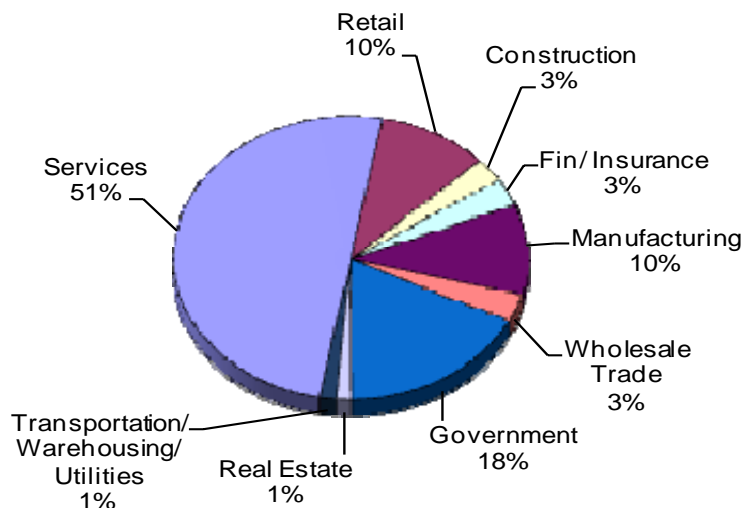
**Total Employees: 2001 to 2010**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	% change
Boulder County	184,755	156,352	151,446	151,834	154,367	156,905	159,984	162,253	152,784	154,169	0.9%
Broomfield County		25,481	26,972	27,737	28,738	29,704	30,517	30,414	28,754	29,247	1.7%
Larimer County	121,880	121,437	120,513	122,414	124,986	127,332	130,249	131,266	125,633	127,648	1.6%
Weld County	71,572	72,460	73,171	74,837	77,004	80,405	82,909	83,503	77,988	79,577	2.0%

Source: Colorado Department of Labor and Employment. Beginning in 2002, portions of Boulder, Adams, Jefferson and Weld Counties were formed to create Broomfield County.

In Boulder County in 2010, employees by industry remained relatively unchanged from 2009.

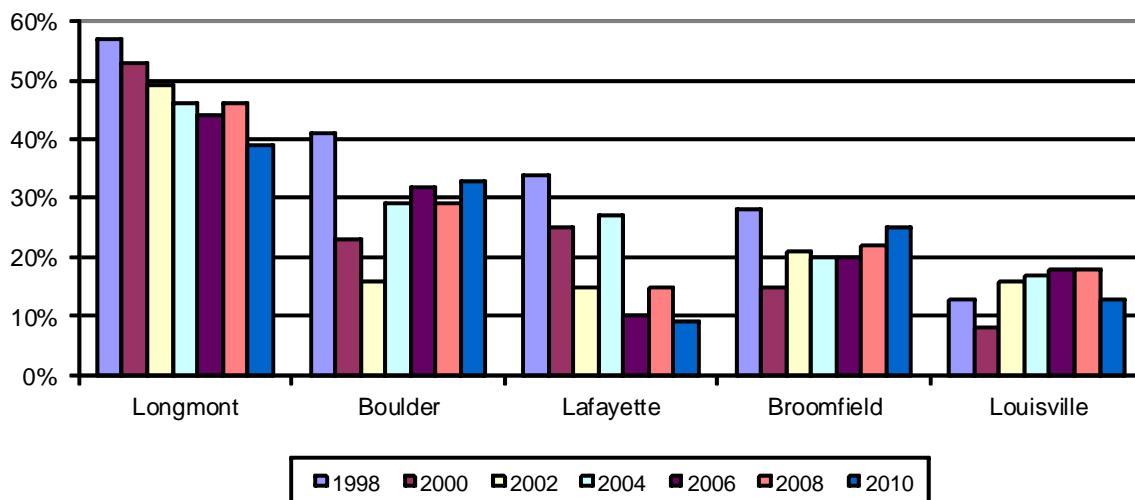
**Boulder County Employees By Industry**



Source: Colorado Department of Labor and Employment

**Locally Residing Employees:** When employees live in a city in which they also work, benefits are derived from decreased traffic congestion and increased tax revenues. A 2010 study conducted by the Longmont Area Economic Council indicates that 39% of people that work in Longmont are residents, while 36% commute to Longmont from Larimer or Weld Counties, and 13% commute to Longmont from other areas in Boulder County. Longmont fares well in this category, with a higher percentage of its workforce living within its boundaries than does any other community in Boulder County. In 2010 there was a 7% decrease from 2008 in Longmont’s locally residing employees, however it has decreased significantly since 1998.

**Locally Residing Employees**  
% of Employees who live in and work in each City



Source: Longmont Area Economic Council, Boulder County Labor Migration Profile. Study done every two years

**Average Annual Wage:** Throughout most of the state, average annual wages were up in 2005 through 2009, but then decreased statewide in 2010. Average annual wages in Boulder County are typically higher than those in Larimer and Weld Counties but not quite as high as wages in Broomfield County. Jobs in the Professional and Technical Services category provide the highest paying jobs in Boulder County, averaging at \$90,584 annually and jobs in the Finance and Insurance category are the second highest paying jobs at \$79,872 annually.

**Average Annual Wage: 2001 to 2010**

	2001	2002	% Change	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change
Boulder County	\$44,310	\$44,036	-0.6%	\$48,012	9.0%	\$47,264	-1.6%	\$49,140	4.0%	\$50,946	3.7%	\$52,745	3.5%	\$53,455	1.3%	\$55,588	4.0%	\$53,976	-2.9%
Broomfield County		\$49,176		\$50,874	3.5%	\$51,587	1.4%	\$51,688	0.2%	\$55,892	8.1%	\$60,434	8.1%	\$59,915	-0.9%	\$62,036	3.5%	\$58,552	-5.6%
Larimer County	\$33,248	\$34,215	2.9%	\$37,137	8.5%	\$35,517	-4.4%	\$36,608	3.1%	\$37,941	3.6%	\$39,340	3.7%	\$40,151	2.1%	\$43,732	8.9%	\$40,716	-6.9%
Weld County	\$30,066	\$31,104	3.5%	\$32,695	5.1%	\$32,592	-0.3%	\$33,644	3.2%	\$35,144	4.5%	\$37,066	5.5%	\$38,696	4.4%	\$40,196	3.9%	\$39,260	-2.3%
Colorado	\$37,953	\$38,004	0.1%	\$40,533	6.7%	\$40,296	-0.6%	\$41,600	3.2%	\$43,506	4.6%	\$45,396	4.3%	\$46,614	2.7%	\$50,180	7.7%	\$46,696	-6.9%

Source: Colorado Department of Labor and Employment.

### 2010 Average Annual Wage by Industry

<b>Industry</b>	<b>Boulder County</b>	<b>Broomfield County</b>	<b>Larimer County</b>	<b>Weld County</b>
Retail Trade	\$ 27,404	\$ 24,856	\$ 23,660	\$ 25,636
Agriculture	28,184	n/a	27,144	31,356
Construction	43,160	52,416	44,928	47,424
Government	47,920	43,690	44,345	35,772
Mining	55,588	220,688	46,072	68,536
Finance and Insurance	79,872	72,332	50,960	49,192
Real Estate	38,636	46,904	31,616	32,708
Professional & Technical Services	90,584	91,832	69,420	49,556
Manufacturing	73,008	91,208	73,736	44,928
Wholesale Trade	78,832	76,596	53,092	52,208
Transportation and Warehousing	44,980	56,732	38,948	44,772
Utilities	72,852	n/a	68,536	67,912

Source: Colorado Department of Labor and Employment

Despite the Colorado Department of Labor and Employment reporting average annual wage decreases in Boulder County, the Longmont Area Economic Council reported increases in entry level hourly wages in the Boulder/Longmont area for 2010. Production workers saw the largest increase, up over 20% from 2009, while electrical engineers saw the lowest increase at only 2.72%.

### Entry Level Wages for Selected Occupations

<b>Occupation</b>	<b>Boulder/Longmont median hourly wage</b>		<b>% change</b>
	<b>2009</b>	<b>2010</b>	
Production Worker	\$ 12.18	\$ 14.62	20.03%
Secretary - Executive	20.14	21.76	8.04%
Machinist	17.92	19.40	8.26%
Electrical Engineer	38.66	39.71	2.72%
Assembler	12.16	13.38	10.03%
Computer Specialist	35.46	37.33	5.27%
Janitor	10.36	11.13	7.43%
Sheet Metal Worker	18.91	19.59	3.60%
Truck Driver - Heavy	18.59	19.81	6.56%

Source: Longmont Area Economic Council

**City of Longmont Budgeted Positions Per Capita:** Since 1985, Longmont’s population has increased by approximately 73% (36,443 people). City government’s growth during that period was a 41.9% increase, or 245 new employees, to provide services to a growing city. Positions per capita fluctuated from 1985 through 2002 and have remained at approximately 0.01 since 2003.

**Budgeted FTE Positions per Capita: All Funds**

Year	Population	Budgeted FTE Positions Per	
		Positions	Capita
1985	50,000	584	0.0116
1990	51,555	602	0.0116
1995	57,208	683	0.0119
2000	71,093	791	0.0111
2001	76,098	818	0.0107
2002	77,328	852	0.0110
2003	79,321	837	0.0105
2004	81,169	818	0.0100
2005	82,798	832	0.0100
2006	84,636	836	0.0098
2007	85,762	861	0.0100
2008	86,194	859	0.0099
2009	86,303	854	0.0098
2010	86,270	832	0.0096
2011 est	86,443	829	0.0095

**Regional Budgeted FTE Per Capita:** In comparison to other front range cities, the City of Longmont had the third highest budgeted FTE per capita in 2010. This number can be a bit misleading due to the fact that some of these comparison Cities do not provide the same services as Longmont. The City of Loveland provided the closest comparison since they offer similar services.

**2010 Budgeted FTE Per Capita Comparison**

City	Population	Total	Total
		Budgeted FTE	Budgeted FTE Per Capita
Boulder	97,385	1,248	0.0128
Loveland	66,859	692	0.0104
Longmont	86,270	832	0.0096
Greeley	92,889	861	0.0093
Westminster	106,114	983	0.0093
Broomfield *	55,889	513	0.0092
Fort Collins	143,986	1,166	0.0081
Louisville	18,376	138	0.0075
Lafayette	24,453	177	0.0072
Thornton	118,772	805	0.0068

\* Broomfield Budgeted FTE includes only City FTE

Major Budgeted FTE Differences from Longmont

Boulder	No Power Utilities or Trash
Loveland	No major differences
Greeley	No Power Utilities, Trash or Library
Westminster	No Power Utilities or Trash
Broomfield	No Power Utilities, Trash or Fire Department
Fort Collins	No Trash, Fire, or Library
Louisville	No Power Utilities, Trash or Fire Department
Lafayette	No Power Utilities or Trash
Thornton	No Power Utilities or Library

**Economic Summary:** Longmont benefited from strong economic health for several years prior to and into 2001. In 2002, 2003 and 2004, the City recognized the declining economic climate and took steps to offset the expected decline in revenues. The City's economy showed signs of a recovery during 2004 then leveled off in 2005 and 2006. Revenue increases in 2006 were less than what was seen in 2005 while revenue increases in 2007 were 4.8% largely due to the implementation of the new Public Safety tax. Revenue in 2008 and 2009 decreased 3.23% and 2.75% respectively, but then increased by 4.67% in 2010. While Colorado has fared better than the US during this recession, the City of Longmont has had to deal with the impacts of a depressed economy forcing the continuation of tough decisions on the allocations of scarce resources.

Through July 2011, combined sales and use tax collections are up 7.4% from 2010 levels. The number of building permits for new dwelling units through July 2011 is only 25, which is significantly down compared to 2010. There have been 5 commercial permits through July 2011, however, the valuation of these permits is only about half of the permits valuation for 2010, when a Super Wal-Mart was built. Foreclosure rates in Longmont continue to be a concern. The number of housing units on the market as of July 2011 was 617 compared to 480 as of December 2010.

## FUND STRUCTURE

The City maintains a variety of funds to account for various revenues and expenditures. The use of multiple funds is necessary to ensure compliance with the Governmental Accounting Standards Board (GASB) and to promote financial accountability to its citizens. Each of the City's funds falls into one of three broad fund categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

The Governmental Funds category includes five fund types that provide the financing for a variety of City services. These five fund types are the General Fund, the Special Revenue Funds, the Debt Service Funds, the Capital Projects Funds, and the Permanent Funds.

- The General Fund is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund. It derives the majority of its revenues from sales, use and property taxes.
- Special Revenue Funds account for certain revenues, such as specific taxes and grants that are legally restricted to be spent for specified purposes. Funds included here are: Street Improvement Fund; Electric Community Investment Fee Fund; Public Buildings Community Investment Fee Fund; Transportation Community Investment Fee Fund; Park Improvement Fund; Open Space Fund; Conservation Trust Fund; Community Development Block Grant Fund; Public Safety Fund; and other smaller funds.
- Debt Service Funds account for the accumulation of resources to pay principal, interest, and related costs on long term governmental debt.
- Capital Projects Funds account for financial resources which are designated for the acquisition or construction of general government capital improvements. The Public Improvement Fund is the City's Capital Projects Fund. It is financed from sales and use tax revenues.
- Permanent Funds account for endowments which are legally restricted to the extent that only earnings, and not principal, can be expended.

The Proprietary Funds category includes Enterprise Funds and Internal Service Funds.

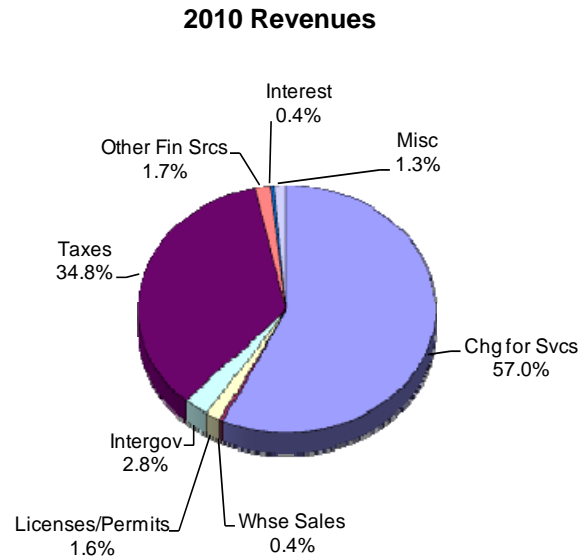
- Revenues and expenditures of each of the City's six utilities (Electric, Telecommunications, Water, Sewer, Storm Drainage and Solid Waste) are accounted for through an Enterprise Fund. Each utility is financed and operated as a business-like enterprise, which requires periodic determination of revenues earned, expenses incurred and net income. Other Enterprise Funds are the Airport Fund and the Golf Fund.
- Internal Service Funds account for operations that provide goods or services to other City departments on a cost reimbursement basis. Included in this group are the Fleet and Warehouse Funds, as well as the City's Self-Insurance Funds.

The Fiduciary Funds category consists of Trust Funds which must be spent as provided in legal trust agreements and related to state laws, such as the Pension funds.

### CITY-WIDE REVENUES

**Total City Revenues:** As reported in the 2010 *Comprehensive Annual Financial Report (CAFR)*, the City's revenues in 2010 totaled \$191.8 million, an increase of 4.67% from 2009. Following are total revenues for all funds.

	Total Revenues	% Change	Adjusted for Inflation	% Change
1990	\$ 67,762,801	--	67,762,801	--
1991	72,698,324	7.28	69,902,235	3.16
1992	80,815,765	11.17	74,829,412	7.05
1993	87,387,753	8.13	78,024,779	4.27
1994	98,966,873	13.25	84,587,071	3.11
1995	103,239,842	4.32	84,622,821	0.04
1996	113,960,208	10.38	89,732,447	6.04
1997	132,653,641	16.40	101,262,321	8.96
1998	141,091,461	6.36	105,292,135	3.98
1999	147,137,709	4.29	106,621,528	1.26
2000	170,346,351	15.77	119,123,322	11.73
2001	180,867,105	6.18	120,578,070	1.22
2002	170,833,879	(5.55)	111,656,130	- 7.40
2003	168,782,056	(1.20)	108,891,649	- 2.48
2004	178,917,059	6.00	115,430,361	6.00
2005	183,085,079	2.33	115,876,632	0.39
2006	185,798,475	1.48	113,291,753	- 2.23
2007	194,723,266	4.80	115,906,706	2.31
2008	188,433,581	(3.23)	108,295,161	- 6.57
2009	183,242,957	(2.75)	105,920,784	- 2.19
2010	191,808,513	4.67	108,982,110	2.89



**Charges for Services:** Charges for services, 57.0% of the City-wide revenues for 2010, totaled \$109.3 million, an increase of 8.68% from 2009. Following are charges for services broken out by Governmental Funds, Internal Service Funds and Enterprise Funds, based on Generally Accepted Accounting Principles (GAAP). The increase is attributable to increases in the General Fund (\$2.1 million), the Electric Fund (\$4.9 million) and the Water Fund (\$855,325).

	Governmental Funds	Internal Services Funds	Enterprise Funds	Total Revenues	% Change	Adjusted for Inflation	% Change
1990	\$ 4,211,031	\$ 2,141,144	\$ 34,548,647	\$ 40,900,822	--	\$ 40,900,822	--
1991	4,511,332	2,225,855	35,808,209	42,545,396	4.02	40,909,035	0.02
1992	4,539,729	5,354,183	37,927,985	47,821,897	12.40	44,279,534	8.24
1993	4,713,967	6,069,349	41,054,690	51,838,006	8.40	46,283,934	4.53
1994	4,984,750	6,694,493	44,287,607	55,966,850	7.96	47,834,915	3.35
1995	5,142,085	7,208,899	44,813,346	57,164,330	2.14	46,856,008	- 2.05
1996	5,538,228	7,624,075	46,912,109	60,074,412	5.09	47,302,687	0.95
1997	5,849,368	8,218,592	50,146,337	64,214,297	6.89	49,018,547	3.63
1998	6,466,521	8,572,609	54,201,520	69,240,650	7.83	51,672,127	5.41
1999	7,270,404	9,140,814	55,939,647	72,350,865	4.49	52,428,163	1.46
2000	7,465,165	10,473,337	60,791,929	78,730,431	8.82	55,056,245	5.01
2001	7,664,993	10,693,186	63,856,653	82,214,832	4.43	54,809,888	- 0.45
2002	9,366,109	11,991,408	66,157,693	87,515,210	6.45	57,199,484	4.36
2003	9,735,558	12,723,055	66,362,209	88,820,822	1.49	57,303,756	0.18
2004	10,207,341	13,443,307	68,124,200	91,774,848	3.33	59,209,579	3.33
2005	10,542,033	14,836,226	72,078,092	97,456,351	6.19	61,681,235	4.17
2006	10,863,269	13,215,096	76,596,647	100,675,012	3.30	61,387,202	- 0.48
2007	10,386,406	14,069,634	77,486,952	101,942,992	1.26	60,680,352	- 1.15
2008	10,572,260	14,886,578	76,349,722	101,808,560	(0.13)	58,510,667	- 3.58
2009	10,914,591	14,355,960	75,263,955	100,534,506	(1.25)	58,112,431	- 0.68
2010	13,070,916	14,713,754	81,473,092	109,257,762	8.68	62,078,274	6.82

**Sales and Use Tax:** Sales and Use Tax accounted for 23.2% of the total City revenues in 2010, the same percentage as 2009. Total sales and use tax increased by 4.43% in 2010 after the City had experienced decreases in both 2008 and 2009; however, 2010 sales and use tax revenues are still 4.6% below 2007 levels. Sales and Use taxes shown below were collected in the General Fund, the Public Improvement Fund, the Street Fund, the Open Space Fund and the Public Safety Fund as based on Generally Accepted Accounting Principles (GAAP).

	General Fund	Public Improvement Fund	Street Fund	Open Space Fund	Public Safety Fund	Total Revenues	% Change	Adjusted for Inflation	% Change
1990	\$ 6,429,667 (a)	\$ 2,143,218 (a)	\$ 3,212,007	\$ -	\$ -	\$ 11,784,892	--	\$ 11,784,892	--
1991	7,674,714	1,354,361	3,385,903	-	-	12,414,978	5.35	11,937,479	1.29
1992	8,542,442	1,506,812	3,769,379	-	-	13,818,633	11.31	12,795,031	7.18
1993	9,826,882	1,734,156	4,335,389	-	-	15,896,427	15.04	14,193,238	10.93
1994	10,704,416	1,889,014	4,722,538	-	-	17,315,968	8.93	14,799,973	4.27
1995	11,547,190	2,037,737	5,094,347	-	-	18,679,274	7.87	15,310,880	3.45
1996	12,663,383	2,234,715	5,586,786	-	-	20,484,884	9.67	16,129,830	5.35
1997	14,133,223	2,494,097	6,235,245	-	-	22,862,565	11.61	17,452,340	8.20
1998	15,960,210	2,816,508	7,041,269	-	-	25,817,987	12.93	19,267,154	10.40
1999	16,795,534 (b)	3,504,118 (b)	7,612,369	-	-	27,912,021	8.11	20,226,102	4.98
2000	20,114,999 (c)	4,266,818 (c)	9,143,181	-	-	33,524,998	20.11	23,444,055	15.91
2001	21,299,654 (d)	4,863,962 (d)	9,811,356	2,601,749 (e)	-	38,576,721	15.07	25,717,814	9.70
2002	20,365,611 (f)	4,911,004 (f)	9,478,730	2,527,661	-	37,283,006	(3.35)	24,367,978	- 5.25
2003	20,858,864 (g)	4,716,398 (g)	9,590,725	2,557,525	-	37,723,512	1.18	24,337,750	- 0.12
2004	22,905,289 (h)	4,022,853 (h)	10,098,053	2,692,816	-	39,719,011	5.29	25,625,168	5.29
2005	23,181,626	4,090,876	10,227,189	2,727,250	-	40,226,941	1.28	25,460,089	- 0.64
2006	23,798,827	4,199,793	10,499,482	2,799,861	-	41,297,963	2.66	25,181,685	- 1.09
2007	24,252,480	4,279,848	10,699,626	2,853,231	4,635,144 (i)	46,720,329	13.13	27,809,720	10.44
2008	24,207,871	3,952,522	10,560,147	2,816,040	4,576,063	46,112,643	(1.30)	26,501,519	- 4.70
2009	22,751,072	3,316,107	9,775,192	2,606,718	4,235,916	42,685,005	(7.43)	24,673,413	- 6.90
2010	23,640,672	3,581,110	10,208,168	2,722,178	4,423,539	44,575,667	4.43	25,327,084	2.65

(a) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.5 cents / 0.5 cents to 1.7 cents / 0.3 cents, respectively

(b) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.7 cents / 0.3 cents to 1.66 cents / 0.34 cents, respectively

(c) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.66 cents / 0.34cents to 1.65 cents / 0.35 cents, respectively

(d) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.65 cents / 0.35 cents to 1.63 cents / 0.37 cents, respectively

(e) Sales tax rate changed from 2.75% to 2.95% with the .2% increase earmarked for the Open Space Fund.

(f) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.63 cents / 0.37 cents to 1.61 cents / 0.39 cents, respectively

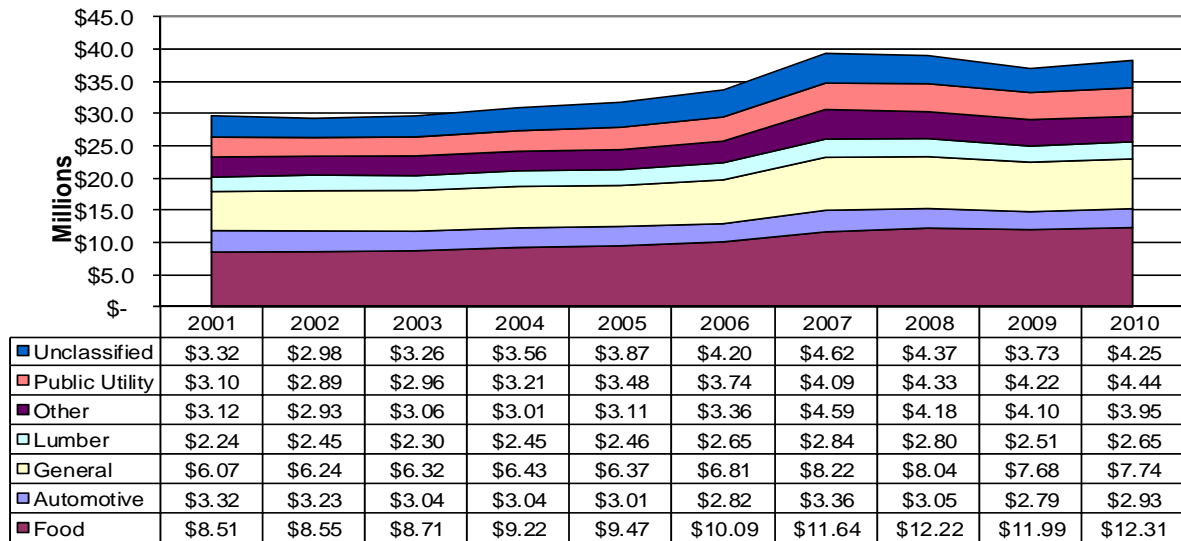
(g) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.61 cents / 0.39 cents to 1.624 cents / 0.376 cents, respectively

(h) Distribution of tax rate between General Fund and Public Improvement Fund changed from 1.624 cents / 0.376 cents to 1.7 cents / 0.3 cents, respectively

(i) Sales tax rate changed from 2.95% to 3.275% with the .325% increase earmarked for the Public Safety Fund.

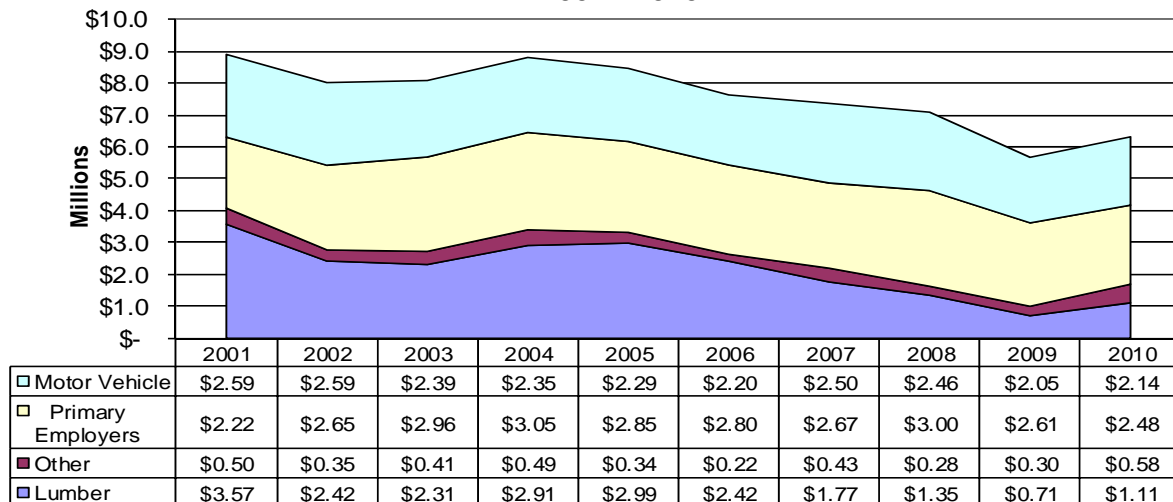
**Sales and Use Tax by Industry:** The following area graphs show the trend of sales and use tax by industry from 2000 to 2011. To make the graphs easier to read some of the smaller categories have been combined. In 2010, sales tax increased after decreasing in both 2008 and 2009. Food is the largest sales tax category followed by the General category, which includes department stores, drug stores and Other specialty stores. All categories of sales tax increased in 2010 with the exception of the other category which decreased slightly. Use tax is more volatile than sales tax. In 2010, total use tax increased for the first time since 2004; however, use tax from the Primary Employers category dropped to its lowest level since 2001. The largest categories of use tax are displayed below while the smaller categories have been combined.

**Sales Tax By Industry  
2001 - 2010**



Note: Other includes Apparel, Home Furnishings, Lodging, Professional, Home Occupation and

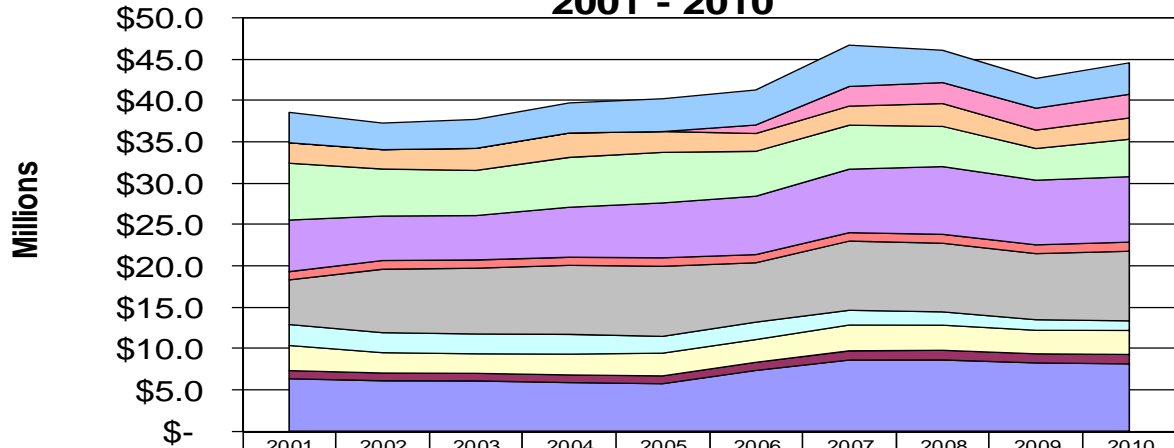
**Use Tax By Industry  
2001 - 2010**



Note: Primary Employers includes Manufacturing Professional and Unclassified. Other includes Apparel, Automotive, Food, Home Furnishings, General, Lodging, Public Utility, and Home Occupation.

**Sales and Use Tax by Location:** The following area graph shows the trend of sales and use tax by location from 2000 to 2010. To make the graph easier to read some of the smaller categories have been combined. The combined Main Street (excluding Downtown), Twin Peaks Square Extended, Out of Town, and City of Longmont/Boulder County locations are the areas where the largest sales and use tax collection occurs. Downtown, Ken Pratt Boulevard, Twin Peaks Mall, North Hover and the South West Businesses are the smallest collection areas of town.

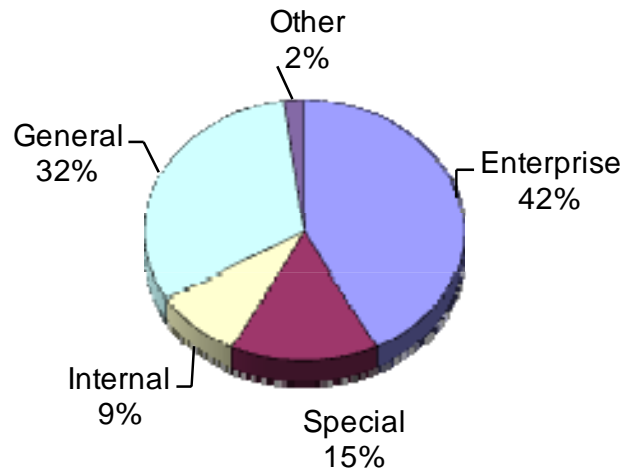
**Sales & Use Tax By Location  
2001 - 2010**



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other	\$3.66	\$3.21	\$3.50	\$3.63	\$3.96	\$4.24	\$5.00	\$3.91	\$3.60	\$3.81
Harvest Junction	\$-	\$-	\$-	\$-	\$-	\$1.03	\$2.37	\$2.55	\$2.66	\$2.87
SW Business	\$2.49	\$2.35	\$2.67	\$2.96	\$2.53	\$2.16	\$2.32	\$2.76	\$2.22	\$2.57
City of Lgmnt/Boulder Co	\$6.87	\$5.68	\$5.47	\$6.03	\$6.12	\$5.43	\$5.32	\$4.87	\$3.83	\$4.52
Out of Town	\$6.25	\$5.40	\$5.37	\$6.05	\$6.63	\$7.06	\$7.68	\$8.20	\$7.83	\$7.93
North Hover	\$0.99	\$1.05	\$1.00	\$0.98	\$1.04	\$0.98	\$1.02	\$1.08	\$1.07	\$1.10
Twin Peaks Square Extended	\$5.41	\$7.68	\$7.95	\$8.35	\$8.47	\$7.19	\$8.37	\$8.31	\$7.99	\$8.43
Twin Peaks Mall	\$2.52	\$2.42	\$2.40	\$2.40	\$2.04	\$2.11	\$1.79	\$1.60	\$1.28	\$1.15
Ken Pratt Blvd	\$3.04	\$2.46	\$2.37	\$2.51	\$2.74	\$2.75	\$3.12	\$3.03	\$2.84	\$2.91
Downtown	\$1.56	\$1.48	\$0.99	\$0.94	\$0.95	\$0.98	\$1.11	\$1.18	\$1.10	\$1.14
Main Street	\$6.34	\$6.10	\$6.08	\$5.87	\$5.74	\$7.35	\$8.61	\$8.62	\$8.27	\$8.15

Note: Other includes Lashley, Francis, Airport, Pace, Miscellaneous and All Others. Main street locations have been combined with the exception of Downtown. City of Lgmnt/Boulder Co represents utility taxes, building permit taxes and vehicle taxes.

**2010 Revenue By Fund Group (GAAP Basis)**



**General Fund:** The City’s General Fund revenues in 2010 totaled \$60.5 million. This is an increase of 5.59% from 2009. Revenue increases were seen in all categories except for property tax, intergovernmental, and investment income, which decreased 0.7%, 62.2% and 15.0% respectively. The decline in the number of grants contributed to the large decrease in intergovernmental revenues. Large increases were seen in licenses and permits revenue (33.5%) and charges for services (20.2%) and a smaller increase in sales and use taxes (3.9%). Licenses and permits revenue increased due to an increase in building permit activity, and charges for services revenue increased due to higher administrative transfer fees and the new disconnect tag fee and parks maintenance fee.

**Enterprise Funds:** Operating revenues in the Enterprise Funds increased by 8.3%, or \$6,209,137 from 2009. Electric operating revenues increased by 11.1% in 2010 due mainly to rate increases. Smaller increases were seen in the Water, Sewer, Sanitation, Telecom and Airport funds. Total revenues in the Storm Drainage and Golf funds decreased in 2010.

**Special Revenue Funds:** Revenue from these funds decreased by 0.9% (\$269,188) in 2010. Intergovernmental revenues decreased (\$1.2 million) and licenses and permits revenue increased (\$1.4 million). Intergovernmental revenues decreased due to a decline in the number of grants; and licenses and permits revenues increased due to the increase in building permits.

**Internal Service Funds:** Revenues in the Internal Service Funds decreased 2.0% in 2010. Most of the revenue in these funds is from charges to or transfers from other funds. The Fleet Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance and replacement costs, and those charges increased by 2.5% in 2010. However, warehouse sales decreased by 42.4% (\$592,472) causing an overall revenue decrease in the Internal Service Funds.

**Other Funds:** Revenues in the Public Improvement Fund increased by 8.2% in 2010. Use tax revenues in this fund increased by 8.0%.

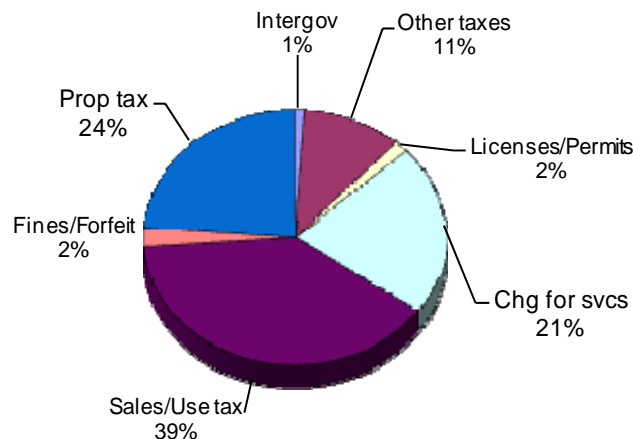
### General Fund Revenues

The General Fund accounts for most of the services typically associated with local government including police and fire protection, parks, recreation facilities and programs, library and museum services, planning, code enforcement, legal, finance and human resources. The General Fund shows wide fluctuations during the last twenty years. In 2010, the General Fund experienced revenue growth of more than 3% for the first time since 2004. In 2010, the total General Fund increased 5.59% from 2009.

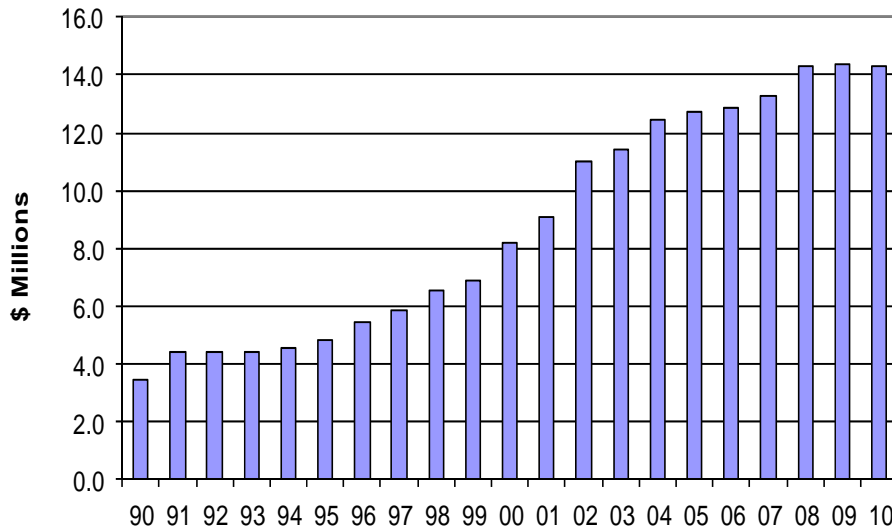
#### 1990-2010 General Fund Revenues (GAAP Basis)

	Revenues	% Change	Adjusted for Inflation	% Change
1990	\$ 17,785,790	--	17,785,790	--
1991	20,305,373	14.17	19,524,397	9.78
1992	21,427,217	5.52	19,840,016	1.62
1993	23,013,380	7.40	20,547,661	3.57
1994	24,431,417	6.16	20,881,553	1.62
1995	25,924,724	6.11	21,249,774	1.76
1996	28,546,897	10.11	22,477,872	5.78
1997	32,741,992	14.70	24,993,887	11.19
1998	35,625,722	8.81	26,586,360	6.37
1999	38,163,600	7.12	27,654,783	4.02
2000	44,325,146	16.15	30,996,606	12.08
2001	47,096,470	6.25	31,397,647	1.29
2002	48,434,798	2.84	31,656,731	0.83
2003	49,881,528	2.99	32,181,631	1.66
2004	53,641,393	7.54	34,607,350	7.54
2005	55,085,060	2.69	34,863,962	0.74
2006	56,122,070	1.88	34,320,477	(1.56)
2007	56,480,692	0.64	33,796,268	(1.53)
2008	57,979,560	2.65	33,390,898	(1.20)
2009	57,284,329	(1.20)	33,209,023	(0.54)
2010	60,485,434	5.59	34,421,239	3.65

#### 2010 General Fund Resources



### Property Tax Receipts: 1990 - 2010



In 1991 the City increased the property tax mill levy to fund additional public safety positions. This mill levy increase temporarily reversed the trend of declining or flat property tax revenue. In 2010, the City saw property tax revenue decrease for the first time since before 1990. This decrease reflects decreasing value of residential, commercial and industrial property. The mill levy has remained at 13.42 mills since 1991.

### General Fund Property Tax Levies and Collections

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY
1999	2000	\$ 8,341,427	\$ 8,152,560	97.7	\$ 26,375	\$ 8,178,935	98.1
2000	2001	9,204,986	9,053,272	98.4	2,236	9,055,508	98.4
2001	2002	11,129,739	10,981,104	98.7	28,339	11,009,443	98.9
2002	2003	11,643,381	11,420,707	98.1	(18,890) (b)	11,401,817	97.9
2003	2004	12,619,238	12,459,430	98.7	(6,779) (b)	12,452,651	98.7
2004	2005	12,927,716	12,730,641	98.5	3,852	12,734,493	98.5
2005	2006	13,037,177	12,849,208	98.6	7,168	12,856,376	98.6
2006	2007	13,445,358	13,286,992	98.8	9,040	13,296,032	98.9
2007	2008	14,461,571	14,274,137	98.7	(21,130) (b)	14,253,007	98.6
2008	2009	14,568,772	14,398,968	98.8	3,587	14,402,555	98.9
2009	2010	14,512,552	14,297,043	98.5	(204) (b)	14,296,839	98.5

(a) Property taxes are assessed by Boulder and Weld Counties and, after collection and deduction of 1% as a collection fee, are remitted to the City. Outstanding delinquent taxes, although relatively minor, are not known by the City, and are assumed to be negligible.

(b) Refunds exceeded delinquent collection.

### 2010 Principal Taxpayers

Taxpayer	Type of Business	2009 Assessed Valuation	Percentage of Total Assessed Valuation
AMGEN INC	Pharmaceutical Industry	\$ 28,398,660	2.59%
SEAGATE TECHNOLOGY LLC	Computer Industry	22,344,640	2.04%
CIRCLE CAPITAL LONGMONT LLC	Land Development	15,185,930	1.39%
HUB PROPERTIES TRUST	Land Development	11,564,480	1.06%
LONGMONT SANDSTONE LLC	Land Development	10,783,580	0.98%
LONGMONT SPRINGCREST LLC	Land Development	10,783,580	0.98%
LONGMONT WOODHAVEN LLC	Land Development	10,783,580	0.98%
XLINX INC	Computer Industry	9,474,320	0.87%
LONGMONT SQUARE PLAZA LLC	Shopping Center	8,159,980	0.75%
AMERICAN HONDA MOTOR CO INC	Data Center	8,083,570	0.74%
Total Taxable Assessed Value of 10 Largest Taxpayers		135,562,320	12.38%
Total Taxable Assessed Value of Other Taxpayers		959,374,680	87.62%
Total Taxable Assessed Value All Taxpayers		\$ 1,094,937,000	100.00%

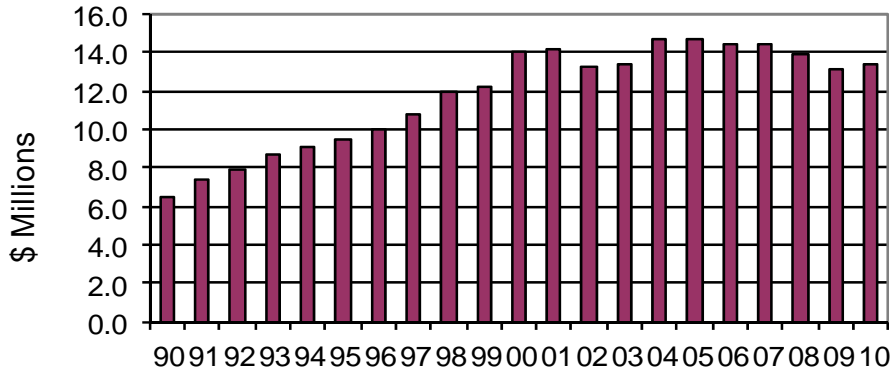
**Regional Tax Rates:** In comparison to neighboring front range cities with a population over 19,000, Longmont has the third lowest sales tax rate, and the second highest property tax mill levy.

### 2010 Property Tax and Sales Tax Rate Comparisons

	Mill Levy	Sales Tax Rate
Longmont	13.420	3.275%
Boulder	10.818	3.410%
Broomfield	11.457	4.150%
Fort Collins	9.797	3.000%
Greeley	11.274	3.460%
Lafayette	14.334	3.500%
Louisville	6.710	3.500%
Loveland	9.564	3.000%
Thornton	10.210	3.750%
Westminster	3.650	3.850%

Sources: Mill Levies - Adams, Boulder, Broomfield & Weld County websites  
 Sales Tax Rates - City websites

**Sales and Use Tax Receipts Adjusted for Inflation: 1990-2010**



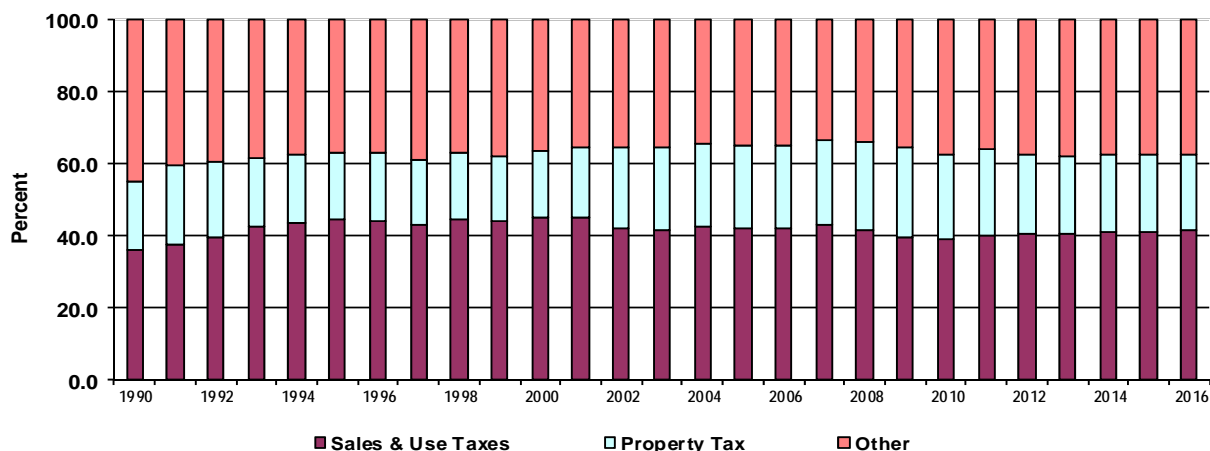
When adjusted for inflation, the General Fund’s sales and use tax receipts for 2010 equaled \$13,453,507 an increase of \$302,598 from 2009 but a \$7.1 million increase from 1990. In real terms, sales and use tax receipts increased from \$6.4 million to \$14.2 million during the period from 1990 through 2001. In 2002, receipts dipped to \$13.3 million, with a slight increase to \$13.5 million in 2003. 2004 shows an increase to \$14.8 million, with 2005 remaining relatively flat at \$14.7 million, then decreases slightly to \$14.5 million in 2006 and again remained flat at \$14.4 million in 2007. In 2008 receipts decreased to \$13.9 million and decreased again in 2009 to \$13.2 million. In 2010, receipts increased to \$13.5 million.

The General Fund continues to derive a large percentage of its revenues from sales and use taxes. In 2010, this percentage was 39.1% (\$23.6 million), the second year it was below 40% of total revenues since 1992 due to lagging economic conditions. Future projections show the percentage will remain between 41.3% and 42.5% through 2016.

Property tax revenues totaled \$14.3 million, or 23.6%, of the General Fund’s revenues in 2010. Projections show this revenue decreasing to 22.6% in 2013, 21.8% in 2014, 21.4% in 2015, and then decreasing again to 20.9% by 2016. Property tax revenues are projected to decrease due to a projected decrease in property values in 2014, a reassessment year, and continued high foreclosure numbers.

All other General Fund revenues generated \$22.5 million, or 37.3% in 2010. Included in this category are other taxes, licenses and permits, developer participation, charges for services, fines and forfeits, investment income, intergovernmental revenue, other financing sources and miscellaneous revenues. Projections show a gradual increase to \$23.7 million or 36.6% by 2016.

**Percentage of General Fund Revenues By Source**



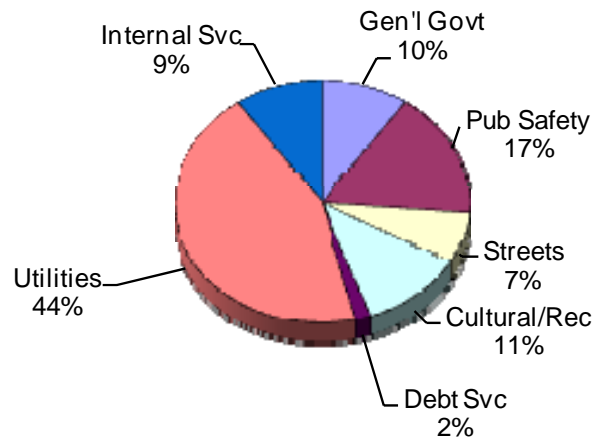
NOTE: 1990-2010 are actual amounts collected; 2011 is estimated revenues; 2012 is proposed budgeted revenues; and 2013-2016 are projections.

## EXPENDITURES

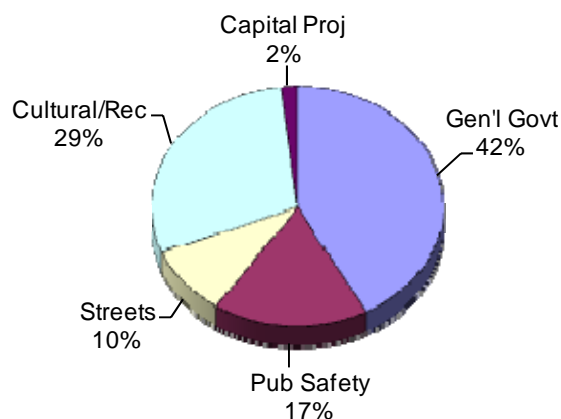
**Total City Expenditures:** As reported in the 2010 Comprehensive Annual Financial Report (CAFR), the City's expenditures totaled \$199.3 million. This is a decrease of 0.7% from 2009. The expenditure figures below include all funds and are based on Generally Accepted Accounting Principles (GAAP).

		Total Expenditures	% Change	Adjusted for Inflation	% Change
1990	\$	70,448,999	--	70,448,999	--
1991		65,676,644	(6.77)	63,150,619	(10.36)
1992		77,571,048	18.11	71,825,044	13.74
1993		88,840,605	14.53	79,321,969	10.44
1994		91,623,602	3.13	78,310,771	(1.27)
1995		89,865,932	(1.92)	73,660,600	(5.94)
1996		99,103,508	10.28	78,034,258	5.94
1997		112,004,920	13.02	85,499,939	9.57
1998		115,994,464	3.56	86,563,033	1.24
1999		126,716,586	9.24	91,823,613	6.08
2000		155,908,012	23.04	109,026,582	18.73
2001		196,795,357	26.23	131,196,905	20.33
2002		186,747,682	(5.11)	122,057,308	(6.97)
2003		172,714,507	(7.51)	111,428,714	(8.71)
2004		185,353,130	7.32	119,582,665	7.32
2005		186,114,475	0.41	117,793,972	(1.50)
2006		187,908,823	0.96	114,578,551	(2.73)
2007		184,187,153	(1.98)	109,635,210	(4.31)
2008		193,491,604	5.05	111,202,071	1.43
2009		200,642,508	3.70	115,978,328	4.30
2010		199,262,194	(0.69)	115,180,459	(0.69)

### 2010 Expenditures All Funds



## 2010 Expenditures By Fund Groups (GAAP Basis)



**General Fund:** The City's General Fund expenditures in 2010 totaled \$58.4 million. This is an increase of 0.3%, or \$18,574, from 2009 expenditures. The change was due to a decrease of 1.4% for General Government, decrease of 0.04% for Public Safety and an increase of 3.2% for Cultural and Recreation, as further explained on the next page.

**Enterprise Funds:** Operating expenses for the Enterprise Funds increased by 5.5%. Over 43% of the expenses in the Enterprise Funds are for the purchase of wholesale electric power in the Electric Fund, the cost of which increased by 8.1% in 2010. Expenses in the Water Fund decreased by 3.1% due to decreased costs in the Water Distribution area. The Sanitation Funds expenses increased by 11.6% due to increased administrative fees and fleet costs.

**Special Revenue Funds:** Special Revenue Funds total expenditures were \$34.3 million, a decrease of 9.8% or \$3.7 million from 2009. The Street Fund decreased by \$5.1 million from 2009 due to County Line Road Improvements, the Martin Street project, the State Highway 66 and Hover Street Intersection Improvements. Water System Construction Reserve Fund expenditures increased \$1.2 million from 2009 due to increased expenditures for the Union Reservoir Land Acquisition Program. Open Space Fund expenditures increase by \$451,372 expenditures associated with debt refinancing. Public Safety Fund expenditures decreased by \$1.6 million due to the completion of the new Fire Station #1 construction project in 2009. Conservation Trust Fund expenditures increased by \$632,790 due to the St Vrain Greenway project. Art in Public Places Fund expenditures decreased by \$285,533 due to the DiagonArt Project completion in 2009. Transportation Community Investment Fee Fund expenditures increased by \$735,635 due to the Martin Street project. Water Acquisition Fund expenditures increased \$852,272 due to the purchase of water rights associated with the Union Reservoir Land Acquisition program. Finally, Parks Grants and Donations Fund expenditures decreased by \$708,546 due to the St Vrain Greenway project.

**Internal Service Funds:** The Internal Service Funds operating expenses increased 1.5% in 2010, due to decreased sales at the Warehouse and increased claims from the Self Insurance, Dental Trust and Worker's Compensation Insurance Funds.

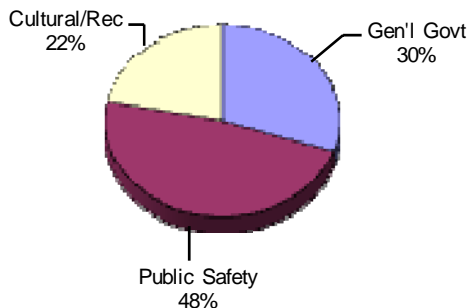
**Other Funds:** Expenditures in the Public Improvement Fund decreased 34.0% in 2010. Capital projects decreased \$1.8 million or 67.3%. The decrease is due to the \$2.3 million of expenditures in 2009 associated with the energy efficiency project that is being funded by a lease purchase which will be paid for from the utility savings due to these upgrades.

### 1990 - 2010 General Fund Expenditures (GAAP Basis)

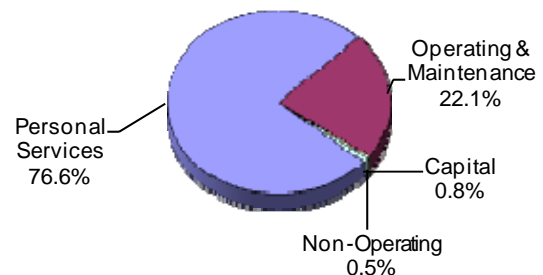
	Expenditures	% Change	Adjusted for Inflation	% Change
1990	\$ 16,355,722	--	\$ 16,355,722	--
1991	18,704,183	14.36	17,984,791	9.96
1992	20,944,753	11.98	19,393,290	7.83
1993	22,106,504	5.55	19,737,950	1.78
1994	23,824,530	7.77	20,362,846	3.17
1995	25,199,092	5.77	20,654,993	1.43
1996	27,800,690	10.32	21,890,307	5.98
1997	31,164,255	12.10	23,789,508	8.68
1998	34,097,663	9.41	25,446,017	6.96
1999	37,003,480	8.52	26,814,116	5.38
2000	40,329,676	8.99	28,202,571	5.18
2001	44,533,384	10.42	29,688,923	5.27
2002	49,414,348	10.96	32,296,959	8.78
2003	48,441,507	-1.97	31,252,585	-3.23
2004	51,267,900	5.83	33,076,065	5.83
2005	56,046,817	9.32	35,472,669	7.25
2006	57,958,144	3.41	35,340,332	-0.37
2007	57,408,977	-0.95	34,172,010	-3.31
2008	58,158,259	1.31	33,424,287	-2.19
2009	58,360,778	0.35	33,734,554	0.93
2010	58,379,352	0.03	33,170,086	-1.67

**General Fund Expenditures:** The City's General Fund expenditures in 2010 totaled \$58.4 million. This is an increase of 0.3%, or \$18,574 from 2009 expenditures. Public Safety expenditures decreased by \$125,894 (0.4%) from 2009 due to decreased capital equipment costs of \$1.0 million in Communications associated with CIP PB-166 Radio System Upgrades offset by increased overtime costs in the Police and Fire Departments. A reduction of 3.5 FTE accounts for the \$248,597 (1.4%) decrease in expenditures from 2009 for General Government. Culture and Recreation expenditures increased by \$393,065 (3.2%) from 2009 expenditures due to various operating line item increases in Recreation and Library.

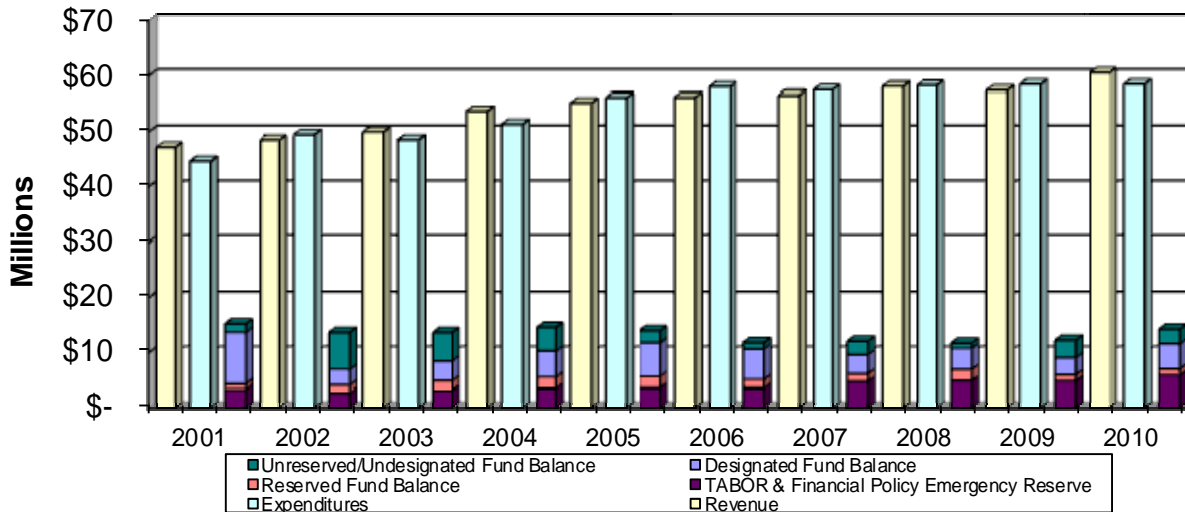
#### Expenditures by Service



#### Expenditures by Category



### General Fund Analysis 2001-2010



General Fund expenses exceeded revenues in 2002, and from 2005 through 2009. This is evidence of a declining economic cycle. The City has responded to the declining revenues by reducing General Fund expenditures while attempting to maintain quality services to its residents. In 2002, savings of up to 10% of the original budget were identified and implemented. For 2003, mid-year budget cuts were made to assure that ongoing expenditures would not exceed 2003 revenues. The 2004 adopted budget included further expenditure reductions. In 2005 and into 2006 the City’s economy began to slowly show positive indicators and the City managed to adopt a budget that maintained current service levels. Mid-year 2007 the City was again in a situation of having to save up to 3% of budgeted expenditures to offset the decrease in development revenue and use tax. The 2008 through 2011 budgets included further reduction and during 2009 further savings had to be implemented. The 2010 adopted budget also included further reductions as well as the proposed 2011 budget.

The fund balances shown in the above graph are divided into 4 separate categories: the TABOR and Financial Policy reserve requirements; reserved; designated; and unreserved/undesigned. In 2007, City Council changed the General Fund Reserve Policy by increasing it from 6% of budgeted expenses to 8%. The following is a comparison of the fund balance breakdown for 2009 and 2010:

	2009	2010
TABOR and Financial Policy Emergency Reserve	\$ 4,836,156	\$ 5,896,308
Reserved	1,114,375	1,112,844
Designated	3,043,148	4,548,357
Unreserved/Undesignated	3,147,062	2,647,655
<b>Total General Fund fund balance</b>	<b>\$12,140,741</b>	<b>\$14,205,164</b>

The most significant change from 2009 is in the designated category which increased over \$1.5 million from 2009 to 2010 due to the use of fund balance in the 2011 budget.

## PRIORITIZATION PROCESS

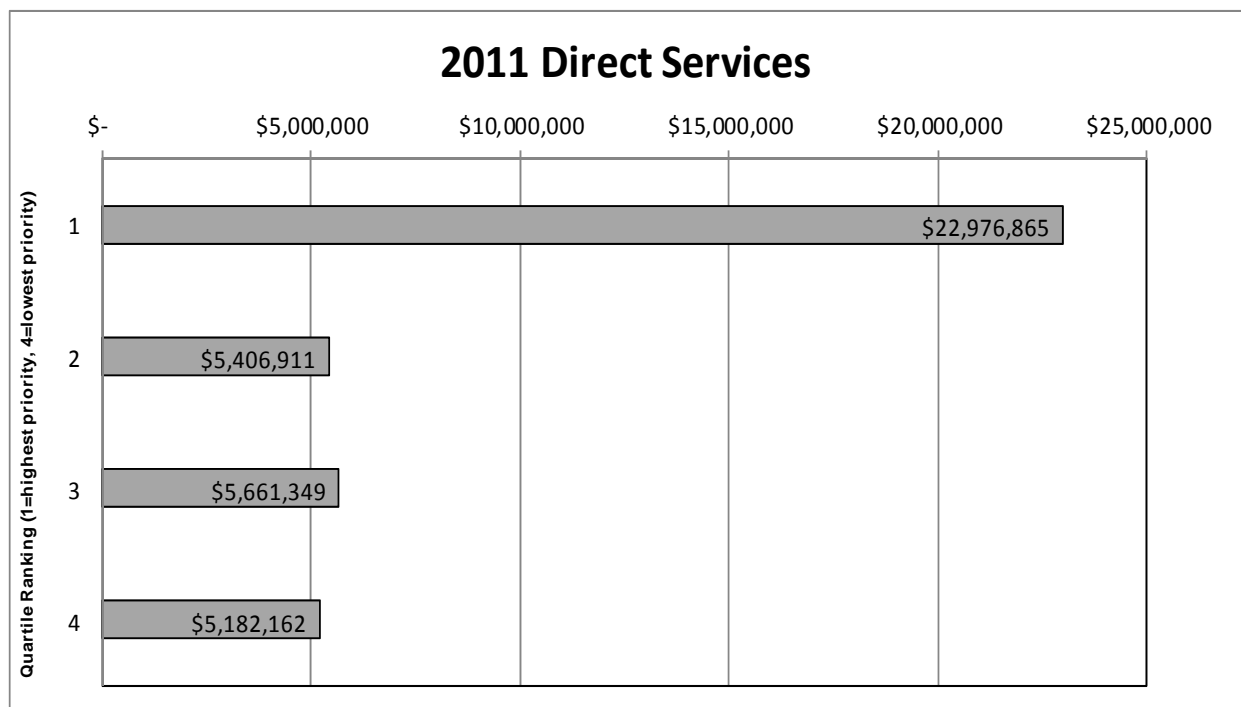
During 2009 the City implemented a prioritization process which resulted in the prioritization of General Fund City services to assist Council and the community in potential service reductions for the proposed budget. While these results were not utilized to make service level reductions they do indicate the amount of funding that the City puts towards the services that are of the highest value to the community.

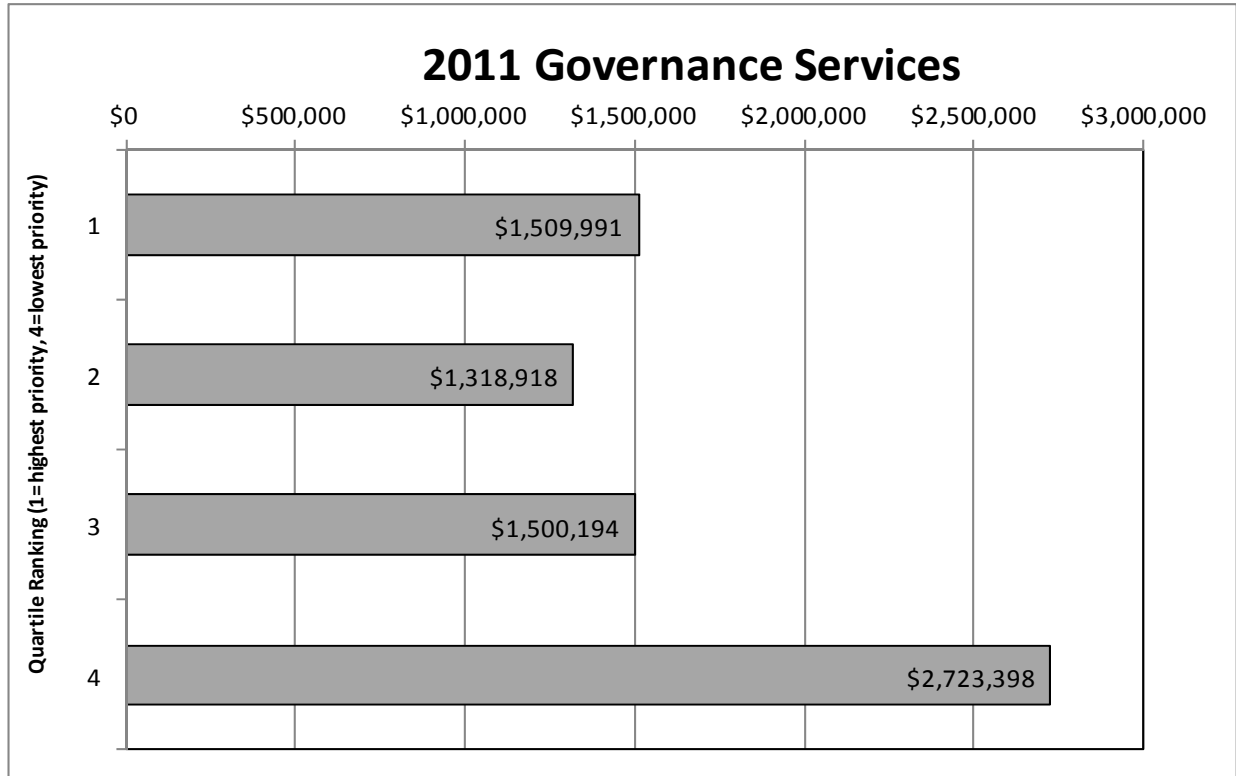
The first step of the process was to identify the City wide results that are important to the community. These are:

- Community Safety
- Economic Health
- Culture, Learning, Recreation and Human Service Opportunities
- Environmental Health
- Neighborhood Quality
- Effective and Efficient Governance

City services were then identified, costed out and separated between services delivered directly to the public and governance services, which are services provided internally. Staff valued each service in regard to their influence in achieving each of the results as well as the basic attributes of mandates, demand and revenue generations. The resulting scores were used to establish the relative priority for each service. In 2011 the cost of these services were updated to reflect the 2011 adopted budget.

The services were then separated into four quartiles based on scores with each quartile representing 25% of the services.





Based on this information, the City will spend over \$39.2 million of taxes and general government revenues in 2011 on services that are provided directly to the public with approximately \$23.0 million of that on high priority services such as public safety related services. In addition, the City will spend over \$7.0 million of taxes and general government revenues in 2010 on services that provide internal support to the Divisions that provide these direct services. Of that approximately \$2.7 million is ranked in the lowest quartile. Even though ranked low, it is important to note that over half of this amount will be spent on things such as utilities and operations and maintenance of the City’s facilities. These types of services ranked low as a result of not meeting the criteria established in the process. Nevertheless, these are vital services for the City.

## FIVE-YEAR FUND PROJECTIONS

This section contains five-year projections of revenues and expenditures in the City's major operating funds: General, Water, Sewer, Electric, Sanitation, Storm Drainage, Street and Public Safety Fund. As with any such forecasts, the projections made in this report are completely dependent on the assumptions made. In establishing assumptions, one can either try to project what may happen in the future, or extend current trends to see what may happen if those trends continue. Both methodologies were used in the creation of these projections.

These analyses are not intended to be precise projections of what we will need in the future. Instead, they alert us to what the future may possibly look like. These estimates are purposefully conservative in nature so that we may prepare ourselves for circumstances that may require changes in the way we operate.

### General Fund

The following assumptions were made for revenue and expenditure projections for the General Fund. Unless stated otherwise, these same assumptions were used where applicable in the other funds as well.

#### **Revenues:**

- A slight decrease of 0.6% in property tax collections are projected for 2011. Based on early information from the Assessor's office and the anticipation of declines in assessed valuation, the 2012 proposed budget includes a 2.9% decrease in this revenue source. Staff projections for 2013 and beyond look bleak due to the impact of the current housing market situation. We are projecting property values to remain flat in 2013, decrease another 2% in 2014, a reassessment year, then remaining flat in 2015 and 2016.
- Sales and use tax revenues in 2011 are projected to increase 3.26% from 2010 actual collections. The 2012 budget for all sales and use tax is based on a 2.34% increase from projections for 2011. Sales and use taxes are projected to increase by 3% from 2013-2016. This reflects the anticipated gradual recovery of the economy and projected population growth of the City. The financial policy on sales and use tax receipts governing the allocation between the General Fund and the Public Improvement Fund (PIF) has implications on the ability of the General Fund to meet existing service levels, as well as increasing demands for service over the long term. The allocation was 85% (1.7 cents) in the General Fund and 15% (.3 cents) in the Public Improvement fund from 2004 through 2009. In an attempt to further stabilize the General Fund, beginning in 2008 this policy was changed so that a greater percentage of the more stable sales tax will go to the General Fund while greater percentage of the less stable use tax will go to the Public Improvement Fund where it is much easier to react to the volatility seen in this revenue source, while continuing the 85%/15% split. In the 2010 budget process, Council directed that the split be changed to 88.3% to the General Fund and 11.7% to the PIF. This split was continued by Council for the 2011 budget with an \$850,000 one time transfer from the General Fund to the Public Improvement Fund to help fund the cost of capital projects. The split remains the same for 2012 with a one time transfer of \$266,300 of one time funds from the General Fund, and \$683,003 of projected carryover of use tax revenue in excess of the 2011 budget. Projections for 2013 through 2016 assume the sales and use tax allocation is returned to the 85%/15% split, resulting in a negative impact of approximately \$949,303 in the General Fund.

**Revenues (continued):**

- Building permit revenues for 2012 are projected to increase by 2% from 2011 projected collections. The number of permits for dwelling units is expected to increase from 64 projected dwelling units in 2011 to 87 units in 2012. The growth rate in building permit revenue is projected to be 2% in the years 2013 and 2015. These estimates of annual growth are based on the Planning Division estimates of housing starts in each of those years, and estimated permit fee increases.
- Interest earnings are budgeted at \$200,000 for each year of the five-year period.
- Administrative transfers for 2011 fluctuate depending on the fund in which the fees are transferred from. These fees are updated annually based on actual prior year support of General Fund services to each of the major operating funds. Projections for these revenues average about a 3% increase from 2013 through 2016 to reflect projected increase in the General Fund salaries paid to the services that provide assistance to the Enterprise and other operating funds.

**Expenditures:**

- The 2012 General Fund Budget includes a net increase of 2.0 FTE. Projections for 2013 through 2016 include no new personnel. This may not be a realistic assumption as there have been numerous FTE reductions without a reduction in demands on the General Fund for services. However, we use this assumption to determine if we could continue to fund our current activities based on current trends.
- The 2012 budget does not include funding for merit/performance increases for open range employees but it does include a 1% increase to the base salary of incumbents in open range and non-collectively bargained positions. It includes a 1% increase in pay for the Police collective bargaining agreement and an average of a 1.73% for the Fire collective bargain agreement. For 2013 most personnel costs are projected to increase at 2% followed by a 3% through 2016 as they follow anticipated pay increases, except health insurance costs which are projected at 5% increases each year.
- Operating and Maintenance projections have been updated based on historical trends. Most line item expenditures are projected to increase between 2.0% and 3.0%. Fleet lease rates are expected to increase 3.6% annually for the operating and maintenance portion and 4% annually for the depreciation portion.
- One-time expenditures have been separated from other expenditures at the end of the table. These expenditures are financed with fund balance or carryover amounts. They are not considered ongoing expenses and they might not be budgeted in any year where an excess fund balance is not expected. To be consistent, since excess revenues are not projected, these expenses, which are ultimately financed with such excess revenues, are not included in the 2013 through 2016 projections.

Using these assumptions, in 2012 the General Fund projections show expenditures exceeding revenues by \$3,518,567 which is the amount of one time expenses that are budgeted from the projected fund balance. Forecast projections for 2013-2016 show ongoing expenses exceeding ongoing revenues from \$1,772,872 in 2013 to \$4,313,380 by 2016. Contributing factors to the projected gap in future years are the sunset of the parks maintenance fee in 2013 (\$470,400), and the projected decrease in property tax in 2014 (\$276,010).

**Conclusion:**

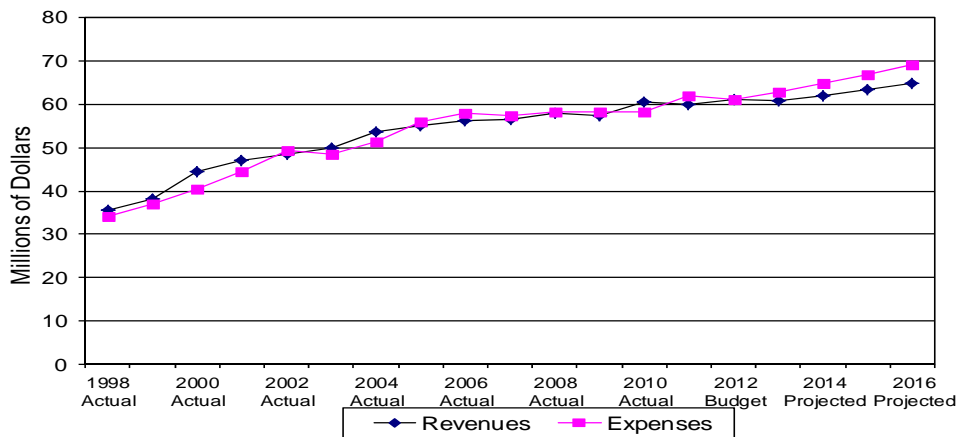
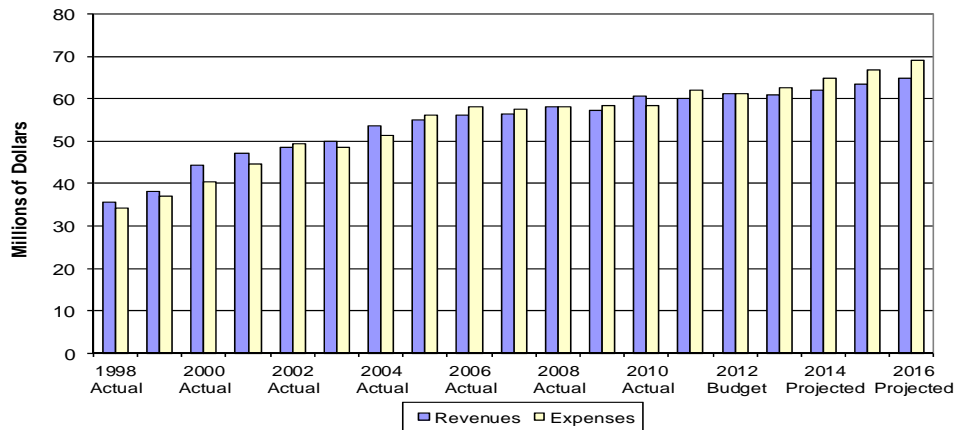
We are extremely dependent on growth in sales and use tax and property tax to be able to sustain growth in service levels in the General Fund. This conclusion is supported by recent experience. Over the past five years the only annual budget in which we have been able to address increasing demands for services without offsetting cuts was in 2005. This was after a year in which we experienced growth of 5.3% in the sales and use tax. The five year projections result in operating deficits between 2013 and 2016. The projected deficits reflect that strong growth in tax revenue is necessary to increase service levels as well as meet existing demands for service.

According to the Longmont Area Comprehensive Plan, the City is nearing build-out. As this occurs, it is sure to have an impact on revenue sources such as property tax and building permits. Up to this point, a large portion of the growth in property tax revenue has been due to new construction. This revenue will not be realized as construction tapers off. Building permit revenues stemming from new construction have certainly proven to not be sustainable. In fact the revenue challenges that the City has faced over the last several years are certainly similar to the challenges of a community reaching build-out. In an attempt to mitigate some of those challenges, beginning with the 2005 Budget, we introduced a financial policy regarding the use of incremental development revenue. Incremental development revenue will only be available for development related expenses that are either one-time or else subject to reduction in the event that this level of revenue is not sustainable in the future. Since 2005 that revenue has essentially dried up and adjustments have been made to subsequent budgets due to the decreases in development revenues. Going forward any new development revenue over the projected 120 permits per the Policy will be considered to be incremental development revenue. Since permit levels for 2012 are below the 120 threshold, the proposed 2012 budget does not include any incremental development revenue.

We continue to survive the economic turmoil through conservative revenue projections and tightly managing budgets, included extending vacancies and limited pay increases. The Financial Policy regarding the allocation of the 2% sales and use tax, which puts more off the sales tax to the General Fund and more of the use tax to the Public Improvement Fund (PIF), has been successful in stabilizing revenue swings and providing us the ability to change the allocation of the 2% tax between the General Fund and the PIF but still manage to provide fund balance for capital projects from the PIF.

Previous Financial Assessment Reports have also indicated that our General Fund is dependent on a strong local economy to generate the revenues needed to continue to provide existing services. Our experience with sales and use tax revenues in 2002 and 2008-2010 and development related revenues in 2005-2009 have validated the stated concern that a slowdown in the local economy would significantly curtail the availability of funds for necessary operating and maintenance costs associated with new or expanded General Fund services. It is imperative that the City continue the process of structurally aligning its' revenues and expenditures so the services provided to the community will continue to remain strong.

### General Fund Revenues and Expenses: 1998 through 2016 Legal Basis



General Fund Actuals	Revenues	Expenses	Surplus (Deficit)	
1998	35,625,722	34,097,663	1,528,059	
1999	38,163,600	37,003,480	1,160,120	
2000	44,325,146	40,329,676	3,995,470	
2001	47,096,470	44,533,384	2,563,086	
2002	48,434,798	49,414,348	(979,550)	
2003	49,881,528	48,441,507	1,440,021	
2004	53,641,393	51,267,900	2,373,493	
2005	55,085,060	56,046,817	(961,757)	
2006	56,122,070	57,958,144	(1,836,074)	
2007	56,480,692	57,408,977	(928,285)	
2008	57,979,560	58,158,259	(178,699)	
2009	57,284,329	58,360,778	(1,076,449)	
2010	60,485,434	58,379,352	2,106,082	
2011 Projected	60,070,296	62,006,505	(1,936,209)	
General Fund Projections	Ongoing Revenues	Ongoing Expenses	Surplus (Deficit)	One Time Expenses
2012 Proposed Budget	61,170,879	61,170,879	0	3,518,567
2013	60,957,638	62,730,510	(1,772,872)	500,000
2014	61,990,989	64,763,913	(2,772,924)	500,000
2015	63,340,668	66,867,904	(3,527,235)	500,000
2016	64,731,762	69,045,142	(4,313,380)	500,000

Note: One time expenses, which are funded from fund balance, are included in the actual amounts from 1998 through 2010, and the 2011 projected actual. The 2012 one time expenses are comprised of \$4,811,837 of one time expenses net \$1,293,270 of one time transfers for other funds. Projections for 2013 through 2016 include one time expense of \$500,000 with no one time transfers projected.

# GENERAL FUND REVENUE PROJECTIONS: 2011 - 2016

Revenues	2011	2012	2013	2014	2015	2016	% Change				
	Projected Actual	Budget	Projection	Projection	Projection	Projection	2012	2013	2014	2015	2016
Property Taxes - Current	14,210,870	13,800,490	13,800,490	13,524,480	13,524,480	13,524,480	-2.9%	0.0%	-2.0%	0.0%	0.0%
Sales and Use Taxes	24,206,670	25,401,051	25,185,300	25,940,859	26,719,085	27,520,657	4.9%	-0.8%	3.0%	3.0%	3.0%
Cigarette Taxes	175,000	185,000	185,000	185,000	185,000	185,000	5.7%	0.0%	0.0%	0.0%	0.0%
Natural Gas Franchise	775,000	713,000	748,650	786,083	825,387	866,656	-8.0%	5.0%	5.0%	5.0%	5.0%
Cable Television Franchise	760,000	780,000	803,400	827,502	852,327	877,897	2.6%	3.0%	3.0%	3.0%	3.0%
Telephone Franchise	195,126	195,126	179,516	165,155	151,942	139,787	0.0%	-8.0%	-8.0%	-8.0%	-8.0%
Electric Franchise	4,418,080	4,477,223	4,611,540	4,749,886	4,892,382	5,039,154	1.3%	3.0%	3.0%	3.0%	3.0%
Telecommunications Franchise	10,657	14,207	14,207	14,207	14,207	14,207	33.3%	0.0%	0.0%	0.0%	0.0%
Water Franchise	262,884	255,982	261,102	266,324	271,650	277,083	-2.6%	2.0%	2.0%	2.0%	2.0%
Wastewater Franchise	341,000	349,452	356,441	363,570	370,841	378,258	2.5%	2.0%	2.0%	2.0%	2.0%
Liquor Licenses	8,000	9,000	9,180	9,364	9,551	9,742	12.5%	2.0%	2.0%	2.0%	2.0%
Sales Tax Business Permits	28,000	28,000	28,560	29,131	29,714	30,308	0.0%	2.0%	2.0%	2.0%	2.0%
Business Licenses	4,600	4,900	4,998	5,098	5,200	5,304	6.5%	2.0%	2.0%	2.0%	2.0%
Building Permits	537,070	563,076	574,338	585,824	597,541	609,492	4.8%	2.0%	2.0%	2.0%	2.0%
Contractor Licenses	103,050	110,000	112,200	114,444	116,733	119,068	6.7%	2.0%	2.0%	2.0%	2.0%
Use of Public Places Permit	6,000	4,550	4,550	4,550	4,550	4,550	-24.2%	0.0%	0.0%	0.0%	0.0%
Alcohol in Public Places Permits	1,200	500	500	500	500	500	-58.3%	0.0%	0.0%	0.0%	0.0%
Non-grant Federal Revenue	-	11,110	11,110	11,110	11,110	11,110	0.0%	0.0%	0.0%	0.0%	0.0%
State Severance Taxes	30,000	20,000	20,000	20,000	20,000	20,000	-33.3%	0.0%	0.0%	0.0%	0.0%
St. Vrain School District-School Officers	116,380	127,388	131,210	135,146	139,200	143,376	9.5%	3.0%	3.0%	3.0%	3.0%
Boulder County Fire IGA	29,899	29,899	29,899	29,899	29,899	29,899	0.0%	0.0%	0.0%	0.0%	0.0%
Boulder County Shared Fines	55,000	70,000	71,400	72,828	74,285	75,770	27.3%	2.0%	2.0%	2.0%	2.0%
Liquor Application Fees	26,000	24,000	24,480	24,970	25,469	25,978	-7.7%	2.0%	2.0%	2.0%	2.0%
Zoning and Hearings	40,000	30,000	30,600	31,212	31,836	32,473	-25.0%	2.0%	2.0%	2.0%	2.0%
Parks Maintenance Fee	447,000	470,400	-	-	-	-	5.2%	0.0%	0.0%	0.0%	0.0%
Maps and Publications	1,200	1,200	1,200	1,200	1,200	1,200	0.0%	0.0%	0.0%	0.0%	0.0%
Print Shop Revenue	211,316	213,326	219,726	226,318	233,107	240,100	1.0%	3.0%	3.0%	3.0%	3.0%
Sales Tax Commission	6,000	15,000	15,300	15,606	15,918	16,236	150.0%	2.0%	2.0%	2.0%	2.0%
Purchasing Card Rebates	22,000	50,400	50,400	50,400	50,400	50,400	129.1%	0.0%	0.0%	0.0%	0.0%
Criminal Justice Records	25,000	25,000	25,500	26,010	26,530	27,061	0.0%	2.0%	2.0%	2.0%	2.0%
Sex Offender Registration Fees	12,000	10,000	10,200	10,404	10,612	10,824	-16.7%	2.0%	2.0%	2.0%	2.0%
Vehicle Impound Fees	2,800	1,800	1,836	1,873	1,910	1,948	-35.7%	2.0%	2.0%	2.0%	2.0%
Firework Stands Fees	6,000	6,000	6,000	6,000	6,000	6,000	0.0%	0.0%	0.0%	0.0%	0.0%
Fire Inspection Fees	60,000	50,000	51,000	52,020	53,060	54,122	-16.7%	2.0%	2.0%	2.0%	2.0%
Emergency Dispatching	99,096	106,617	106,617	106,617	106,617	106,617	7.6%	0.0%	0.0%	0.0%	0.0%
Plan Check Fees	163,141	177,208	180,752	184,367	188,055	191,816	8.6%	2.0%	2.0%	2.0%	2.0%
Variance/Appeals Board	1,425	1,675	1,709	1,743	1,778	1,813	17.5%	2.0%	2.0%	2.0%	2.0%
Elevator Inspection Fees	37,500	39,900	40,698	41,512	42,342	43,189	6.4%	2.0%	2.0%	2.0%	2.0%
Right of Way Maintenance	234,556	235,915	240,633	245,446	250,355	255,362	0.6%	2.0%	2.0%	2.0%	2.0%
GID Maintenance	47,000	47,000	47,000	47,000	47,000	47,000	0.0%	0.0%	0.0%	0.0%	0.0%
Disconnect Tag Fee	321,000	370,000	370,000	370,000	370,000	370,000	15.3%	0.0%	0.0%	0.0%	0.0%
Rec Center-Admission & Passes	1,325,000	1,374,986	1,402,486	1,430,535	1,459,146	1,488,329	3.8%	2.0%	2.0%	2.0%	2.0%
Rec Center-Aquatic Fees	55,000	60,000	61,200	62,424	63,672	64,946	9.1%	2.0%	2.0%	2.0%	2.0%
Rec Center-General Activity Fees	63,000	60,000	61,200	62,424	63,672	64,946	-4.8%	2.0%	2.0%	2.0%	2.0%
Rec Center-Rentals	41,000	45,000	45,900	46,818	47,754	48,709	9.8%	2.0%	2.0%	2.0%	2.0%
Rec Center-Concessions	17,000	17,000	17,340	17,687	18,041	18,401	0.0%	2.0%	2.0%	2.0%	2.0%
Rec Center-Resale Merchandise	445,000	471,000	480,420	490,028	499,829	509,826	0.0%	2.0%	2.0%	2.0%	2.0%
Pool Fees, Passes, Lessons	30,000	30,000	30,600	31,212	31,836	32,473	0.0%	2.0%	2.0%	2.0%	2.0%
Recreation Non-Resident Fees	44,426	44,426	45,315	46,221	47,145	48,088	0.0%	2.0%	2.0%	2.0%	2.0%
Community Events Revenue	240,000	240,000	244,800	249,696	254,690	259,784	0.0%	2.0%	2.0%	2.0%	2.0%
Union Reservoir Fees	90,000	105,000	109,242	111,427	113,655	115,955	16.7%	2.0%	2.0%	2.0%	2.0%
Seasonal Ice Rink Program Fees	300,000	301,314	307,340	313,487	319,757	326,152	0.4%	2.0%	2.0%	2.0%	2.0%
Athletic Program Fees	475,000	498,233	508,198	518,362	528,729	539,303	4.9%	2.0%	2.0%	2.0%	2.0%
Recreation Activity Fees	500	575	575	575	575	575	15.0%	0.0%	0.0%	0.0%	0.0%
Senior Services Misc. Revenue	50,000	55,000	56,100	57,222	58,366	59,534	10.0%	2.0%	2.0%	2.0%	2.0%
Outdoor Recreation Activity Fees											

Special Populations Activity Fees	17,000	17,098	17,789	18,145	18,507	0.6%	2.0%	2.0%	2.0%	2.0%
Concessions-Sandstone II	11,300	11,300	11,757	11,992	12,231	0.0%	2.0%	2.0%	2.0%	2.0%
Concessions-Sandstone I	17,000	17,000	17,687	18,041	18,401	0.0%	2.0%	2.0%	2.0%	2.0%
Concessions-Centennial Pool	-	1,700	1,769	1,804	1,840	0.0%	2.0%	2.0%	2.0%	2.0%
Concessions-Clark Park	13,500	14,000	14,566	14,857	15,154	3.7%	2.0%	2.0%	2.0%	2.0%
Concessions-Roosevelt Park	-	150	156	159	162	0.0%	2.0%	2.0%	2.0%	2.0%
Concessions-Sunset Pool	26,000	26,000	27,050	27,591	28,143	0.0%	2.0%	2.0%	2.0%	2.0%
Concessions-Memorial Building	1,200	1,300	1,353	1,380	1,407	8.3%	2.0%	2.0%	2.0%	2.0%
Concessions-Garden Acres	40,000	40,918	42,571	43,423	44,291	2.3%	2.0%	2.0%	2.0%	2.0%
Concessions-Union Reservoir	6,200	5,700	5,930	6,049	6,170	-8.1%	2.0%	2.0%	2.0%	2.0%
Concessions-Ice Rink	775	675	702	716	731	-12.9%	2.0%	2.0%	2.0%	2.0%
Ice Rink Rentals	28,000	30,000	31,212	31,836	32,473	7.1%	2.0%	2.0%	2.0%	2.0%
Memorial Building Rentals	34,000	46,000	47,858	48,816	49,792	35.3%	2.0%	2.0%	2.0%	2.0%
Willow Barn Rental	22,300	21,300	21,726	22,604	23,056	-4.5%	2.0%	2.0%	2.0%	2.0%
Senior Center Rentals	13,000	13,000	13,525	13,796	14,072	0.0%	2.0%	2.0%	2.0%	2.0%
Swimming Pool Rentals	41,000	42,000	43,697	44,571	45,462	2.4%	2.0%	2.0%	2.0%	2.0%
Other Facility Rentals	87,000	93,737	97,524	99,474	101,464	7.7%	2.0%	2.0%	2.0%	2.0%
Batting Cage Licensing Fees	1,600	2,000	2,000	2,000	2,000	25.0%	0.0%	0.0%	0.0%	0.0%
Park Shelter Rentals	30,000	30,500	31,732	32,367	33,014	1.7%	2.0%	2.0%	2.0%	2.0%
Museum Special Events Fee	21,000	21,000	21,000	21,000	21,000	0.0%	0.0%	0.0%	0.0%	0.0%
Parking Fines	120,000	112,000	118,821	122,385	126,057	-6.7%	3.0%	3.0%	3.0%	3.0%
Other Fines	800,000	800,000	848,720	874,182	900,407	0.0%	3.0%	3.0%	3.0%	3.0%
Bond Forfeitures	19,500	21,000	21,848	22,285	22,731	7.7%	2.0%	2.0%	2.0%	2.0%
Court Education Fees	41,000	35,000	36,414	37,142	37,885	-14.6%	2.0%	2.0%	2.0%	2.0%
Probation Monitoring Fees	32,000	30,000	31,212	31,836	32,473	-6.3%	2.0%	2.0%	2.0%	2.0%
Surcharge on Violations	102,800	105,000	109,242	111,427	113,655	2.1%	2.0%	2.0%	2.0%	2.0%
Court Costs	140,000	143,000	148,777	151,753	154,788	2.1%	2.0%	2.0%	2.0%	2.0%
Outstanding Judgment/Warrant-City	4,000	6,000	6,000	6,000	6,000	50.0%	0.0%	0.0%	0.0%	0.0%
Fines and Penalties	93,000	100,000	104,040	106,121	108,243	7.5%	2.0%	2.0%	2.0%	2.0%
Misc. Penalties	6,000	1,200	1,248	1,273	1,299	-80.0%	2.0%	2.0%	2.0%	2.0%
False Alarm Fines	55,000	55,000	57,222	58,366	59,534	0.0%	2.0%	2.0%	2.0%	2.0%
Weed Cutting	16,000	20,000	20,400	21,224	21,649	25.0%	2.0%	2.0%	2.0%	2.0%
Misc. Revenue	25,000	35,608	37,047	37,787	38,543	42.4%	2.0%	2.0%	2.0%	2.0%
Misc. Revenue-Police	20,000	22,000	22,889	23,347	23,814	10.0%	2.0%	2.0%	2.0%	2.0%
Misc. Revenue-Court	700	700	728	743	758	0.0%	2.0%	2.0%	2.0%	2.0%
Misc. Revenue-City Clerk	200	200	200	200	200	0.0%	0.0%	0.0%	0.0%	0.0%
LEGI Services	2,000	2,000	2,000	2,000	2,000	0.0%	0.0%	0.0%	0.0%	0.0%
LEGI Services	3,000	2,000	2,000	2,000	2,000	-100.0%	0.0%	0.0%	0.0%	0.0%
Sale of Equipment	312,000	200,000	200,000	200,000	200,000	-35.9%	0.0%	0.0%	0.0%	0.0%
Interest Income	5,000	10,000	10,000	10,000	10,000	100.0%	0.0%	0.0%	0.0%	0.0%
Oil and Gas Leases/Royalties	469,768	469,910	493,687	508,498	523,753	0.0%	2.0%	3.0%	3.0%	3.0%
Transfer from Sanitation Fund	60,000	60,000	60,000	60,000	60,000	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer from Sanitation for Parks Trash	151,738	111,598	117,245	120,762	124,385	-26.5%	2.0%	3.0%	3.0%	3.0%
Transfer from Golf Fund	1,701,615	1,660,010	1,744,007	1,796,327	1,850,217	-2.4%	2.0%	3.0%	3.0%	3.0%
Transfer from Electric Fund	23,000	23,000	23,000	23,000	23,000	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer from Electric-Tree Planting	10,500	10,500	10,500	10,500	10,500	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer from Electric-Rec Sponsorships	-	37,735	38,490	40,834	42,059	0.0%	2.0%	3.0%	3.0%	3.0%
Transfer from Telecommunications Fund	1,139,931	1,291,052	1,356,379	1,397,071	1,438,983	13.3%	2.0%	3.0%	3.0%	3.0%
Transfer from Water Fund	670,137	778,370	817,756	842,288	867,557	16.2%	2.0%	3.0%	3.0%	3.0%
Transfer from Sewer Fund	451,870	421,171	442,482	455,757	469,429	-6.8%	2.0%	3.0%	3.0%	3.0%
Transfer from Storm Drainage Fund	91,076	109,144	114,667	118,107	121,650	19.8%	2.0%	3.0%	3.0%	3.0%
Transfer from Airport Fund	1,319	1,322	1,389	1,431	1,473	0.2%	2.0%	3.0%	3.0%	3.0%
Transfer from Judicial Wedding Fund	898,284	830,608	872,637	898,816	925,780	-7.5%	2.0%	3.0%	3.0%	3.0%
Transfer from Street Fund	20,500	20,500	20,500	20,500	20,500	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer from Library Services Fund	183,246	308,343	323,945	333,664	343,673	68.3%	2.0%	3.0%	3.0%	3.0%
Transfer from Open Space Fund	109,719	121,388	127,530	131,356	135,297	10.6%	2.0%	3.0%	3.0%	3.0%
Transfer from Self Insurance Fund	164,127	174,778	183,622	189,130	194,804	6.5%	2.0%	3.0%	3.0%	3.0%
Transfer from Workers' Compensation	12,097	8,969	9,423	9,706	9,997	-25.9%	2.0%	3.0%	3.0%	3.0%
Transfer from GID	205,538	229,466	241,077	248,309	255,759	11.6%	2.0%	3.0%	3.0%	3.0%
Transfer from Fleet Fund	243,310	1,293,270	-	248,309	-	431.5%	0.0%	0.0%	0.0%	0.0%
One Time Transfers	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 60,070,296</b>	<b>\$ 62,464,149</b>	<b>\$ 61,990,989</b>	<b>\$ 63,340,668</b>	<b>\$ 64,731,762</b>	<b>4.0%</b>	<b>-2.4%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.2%</b>

# GENERAL FUND EXPENDITURE PROJECTIONS: 2011 - 2016

object	Expenditures	2011		2012	2013	2014	2015	2016	% Change				
		Actual	Budget						Projection	Projection	Projection	2012	2013
111	Salaries and Wages	31,750,448	32,582,658	33,234,311	34,231,340	35,258,281	36,316,029	36,316,029	2.6%	2.0%	3.0%	3.0%	3.0%
112	Temporary Wages	2,151,285	2,119,257	2,161,642	2,226,491	2,293,286	2,362,085	2,362,085	-1.5%	2.0%	3.0%	3.0%	3.0%
114	Skill Based Pay	55,688	55,425	56,534	58,230	59,976	61,776	61,776	-0.5%	2.0%	3.0%	3.0%	3.0%
121	Overtime Wages	1,121,291	1,394,119	1,422,001	1,464,661	1,508,601	1,553,859	1,553,859	24.3%	2.0%	3.0%	3.0%	3.0%
122	Longevity Compensation	118,343	118,800	118,800	118,800	118,800	118,800	118,800	0.4%	0.0%	0.0%	0.0%	0.0%
123	Sick Conversion	154,200	154,200	157,284	162,003	166,863	171,868	171,868	0.0%	2.0%	3.0%	3.0%	3.0%
126	Retirement Health Savings Plan	263,168	267,357	272,704	280,885	289,312	297,991	297,991	1.6%	2.0%	3.0%	3.0%	3.0%
127	Police/Fire Death and Disability	116,230	121,510	123,940	127,658	131,488	135,433	135,433	4.5%	2.0%	3.0%	3.0%	3.0%
128	FICA	146,774	148,687	151,661	156,211	160,897	165,724	165,724	1.3%	2.0%	3.0%	3.0%	3.0%
129	Medicare Contribution	446,907	452,384	461,432	475,275	489,533	504,219	504,219	1.2%	2.0%	3.0%	3.0%	3.0%
131	MOPC	867,819	901,250	919,275	946,853	975,259	1,004,517	1,004,517	3.9%	2.0%	3.0%	3.0%	3.0%
132	Employee Insurance	4,312,766	4,503,017	4,728,168	4,964,576	5,212,805	5,473,445	5,473,445	4.4%	5.0%	5.0%	5.0%	5.0%
133	Employee Retirement	1,025,832	1,100,212	1,122,216	1,155,883	1,190,559	1,226,276	1,226,276	7.3%	2.0%	3.0%	3.0%	3.0%
134	Police/Fire Retirement	1,605,774	1,642,506	1,675,356	1,725,617	1,777,385	1,830,707	1,830,707	2.3%	2.0%	3.0%	3.0%	3.0%
135	Compensation Insurance	402,311	413,709	421,983	434,643	447,682	461,112	461,112	2.8%	2.0%	3.0%	3.0%	3.0%
136	Unemployment Insurance	79,838	97,189	99,133	102,107	105,170	108,325	108,325	21.7%	2.0%	3.0%	3.0%	3.0%
137	Staff Training/Conferences	329,300	340,480	347,290	357,708	368,440	379,493	379,493	3.4%	2.0%	3.0%	3.0%	3.0%
138	Tuition Reimbursement	30,000	30,000	30,000	30,000	30,000	30,000	30,000	0.0%	0.0%	0.0%	0.0%	0.0%
139	Dental Insurance	159,780	194,371	204,090	214,294	225,009	236,259	236,259	0.0%	5.0%	5.0%	5.0%	5.0%
141	Uniforms/Protective Clothing	240,742	197,103	201,045	205,066	209,167	213,351	213,351	-18.1%	2.0%	2.0%	2.0%	2.0%
142	Food Allowance	25,881	26,006	26,006	26,006	26,006	26,006	26,006	0.5%	0.0%	0.0%	0.0%	0.0%
210	Office Supplies	92,987	92,326	94,173	96,056	97,977	99,937	99,937	-0.7%	2.0%	2.0%	2.0%	2.0%
211	Adult Books	189,290	189,290	194,969	200,818	206,842	213,048	213,048	0.0%	3.0%	3.0%	3.0%	3.0%
212	Children's Books	55,857	57,857	59,593	61,380	63,222	65,119	65,119	3.6%	3.0%	3.0%	3.0%	3.0%
213	Periodicals	17,136	17,136	17,650	18,180	18,725	19,287	19,287	0.0%	3.0%	3.0%	3.0%	3.0%
214	Pamphlets and Documents	3,914	4,414	4,546	4,683	4,823	4,968	4,968	12.8%	3.0%	3.0%	3.0%	3.0%
215	Audiovisual Materials	51,560	53,604	55,212	56,868	58,575	60,332	60,332	4.0%	3.0%	3.0%	3.0%	3.0%
216	Reference Books and Materials	109,823	111,543	114,889	118,336	121,886	125,543	125,543	1.6%	3.0%	3.0%	3.0%	3.0%
217	Dues and Subscriptions	164,863	169,748	175,689	181,838	188,203	194,790	194,790	3.0%	3.5%	3.5%	3.5%	3.5%
218	Non-Capital Equipment, Furniture	174,845	193,166	197,029	200,970	204,989	209,089	209,089	10.5%	2.0%	2.0%	2.0%	2.0%
219	Drafting Supplies	1,300	1,050	1,071	1,092	1,114	1,137	1,137	-19.2%	2.0%	2.0%	2.0%	2.0%
220	Gas and Oil	206	206	210	214	219	223	223	0.0%	2.0%	2.0%	2.0%	2.0%
222	Chemicals	102,178	107,508	112,883	118,528	124,454	130,677	130,677	5.2%	5.0%	5.0%	5.0%	5.0%
223	Photography and Lab Supplies	2,350	2,050	2,091	2,133	2,175	2,219	2,219	-12.8%	2.0%	2.0%	2.0%	2.0%
224	Resale Merchandise	81,230	81,230	82,855	84,512	86,202	87,926	87,926	0.0%	2.0%	2.0%	2.0%	2.0%
225	Freight	7,870	7,870	8,027	8,188	8,352	8,519	8,519	0.0%	2.0%	2.0%	2.0%	2.0%
226	Prisoner Expenses	1,515	1,515	1,545	1,576	1,608	1,640	1,640	0.0%	2.0%	2.0%	2.0%	2.0%
228	Janitorial Supplies	124,830	128,990	132,860	136,845	140,951	145,179	145,179	3.3%	3.0%	3.0%	3.0%	3.0%
229	Materials and Supplies	435,057	446,606	455,538	464,649	473,942	483,421	483,421	2.7%	2.0%	2.0%	2.0%	2.0%
230	Printing and Copier Supplies	91,711	92,051	93,892	95,770	97,685	99,639	99,639	0.4%	2.0%	2.0%	2.0%	2.0%
232	Building Repair/Maintenance	145,570	162,132	166,996	172,006	177,166	182,481	182,481	11.4%	3.0%	3.0%	3.0%	3.0%
233	Facility Repair/Maintenance	95,247	100,247	103,756	107,387	111,146	115,036	115,036	5.2%	3.5%	3.5%	3.5%	3.5%
240	Equipment Repair/Maintenance	1,120,894	1,470,595	1,522,066	1,575,338	1,630,475	1,687,542	1,687,542	31.2%	3.5%	3.5%	3.5%	3.5%
241	Grounds Maintenance	223,126	210,224	214,428	218,717	223,091	227,553	227,553	-5.8%	2.0%	2.0%	2.0%	2.0%
243	Non-Capital Computer Equip/Supplies	236,816	253,826	261,441	269,284	277,363	285,683	285,683	7.2%	3.0%	3.0%	3.0%	3.0%
245	Mileage Allowance	30,129	28,324	28,890	29,468	30,058	30,659	30,659	-6.0%	2.0%	2.0%	2.0%	2.0%
246	Liability Insurance	434,926	489,963	507,112	524,861	543,231	562,244	562,244	12.7%	3.5%	3.5%	3.5%	3.5%
247	Safety Expenses	55,282	52,259	53,304	54,370	55,458	56,567	56,567	-5.5%	2.0%	2.0%	2.0%	2.0%
248	Lease/Purchase Payments	255,000	255,000	255,000	255,000	255,000	255,000	255,000	0.0%	0.0%	0.0%	0.0%	0.0%
249	Operating Leases/Rentals	234,478	263,026	268,287	273,652	279,125	284,708	284,708	12.2%	2.0%	2.0%	2.0%	2.0%

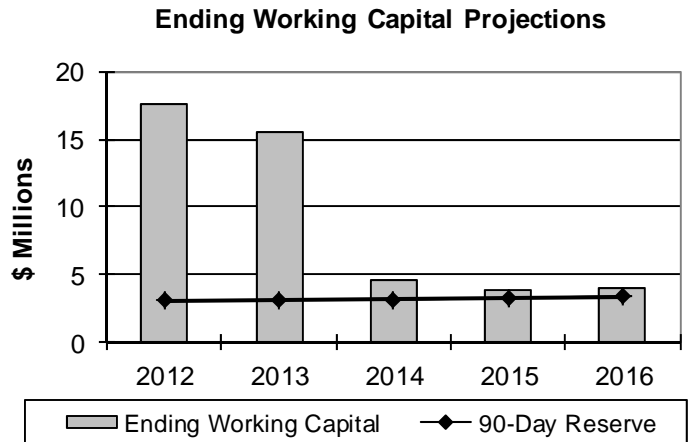
250 Professional/Contracted Services	3,107,347	3,270,381	3,384,844	3,503,314	3,625,930	3,752,837	5.2%	3.5%	3.5%	3.5%	3.5%
251 Audit Contract	65,495	68,200	70,928	73,765	76,716	79,784	4.1%	4.0%	4.0%	4.0%	4.0%
252 Legal Notices/Advertising	101,154	484,154	473,437	482,906	492,564	502,415	358.9%	2.0%	2.0%	2.0%	2.0%
255 Jury and Witness Fees	1,250	1,250	1,250	1,250	1,250	1,250	0.0%	0.0%	0.0%	0.0%	0.0%
256 Refunds	10,000	10,000	10,200	10,404	10,612	10,824	0.0%	2.0%	2.0%	2.0%	2.0%
258 Investigative Expenses	58,636	59,136	60,319	61,525	62,756	64,011	0.9%	2.0%	2.0%	2.0%	2.0%
259 Licenses and Permits	1,940	1,940	1,979	2,018	2,059	2,100	0.0%	2.0%	2.0%	2.0%	2.0%
260 Utilities	1,054,510	1,126,510	1,205,366	1,289,741	1,380,023	1,476,625	6.8%	7.0%	7.0%	7.0%	7.0%
261 Telephone Charges	357,866	387,041	394,782	402,677	410,731	418,946	8.2%	2.0%	2.0%	2.0%	2.0%
262 Radio Repair/Maintenance	1,450	1,450	1,479	1,509	1,539	1,570	0.0%	2.0%	2.0%	2.0%	2.0%
263 Postage	319,805	389,402	401,084	413,117	425,510	438,275	21.8%	3.0%	3.0%	3.0%	3.0%
264 Printing and Copying	210,476	231,231	235,856	240,573	245,384	250,292	9.9%	2.0%	2.0%	2.0%	2.0%
269 Other Services and Charges	281,831	400,564	408,575	416,747	425,082	433,583	42.1%	2.0%	2.0%	2.0%	2.0%
273 Fleet Lease - Operating/Maintenance	1,401,411	1,447,170	1,499,268	1,553,242	1,609,158	1,667,088	3.3%	3.6%	3.6%	3.6%	3.6%
274 Fleet Lease - Replacement	1,201,347	1,145,730	1,191,559	1,239,222	1,288,790	1,340,342	-4.6%	4.0%	4.0%	4.0%	4.0%
950 Bad Debt	9,400	9,400	9,588	9,780	9,975	10,175	0.0%	2.0%	2.0%	2.0%	2.0%
970 Transfer to Other Funds	184,555	193,324	199,124	205,097	211,250	217,588	4.8%	3.0%	3.0%	3.0%	3.0%
971 Council Contingency	60,000	60,000	60,000	60,000	60,000	60,000	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>\$ 58,372,840</b>	<b>\$ 61,170,879</b>	<b>\$ 62,730,510</b>	<b>\$ 64,763,913</b>	<b>\$ 66,867,904</b>	<b>\$ 69,045,142</b>	<b>4.8%</b>	<b>2.5%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.3%</b>

**ONE TIME EXPENDITURES**

431 Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
432 Vehicles	184,133	21,500									
440 Machinery and Equipment	332,620	2,066,126									
475 Building Improvements	-	17,800									
One Time Operating	3,116,912	2,706,411									
<b>ONE TIME TOTAL</b>	<b>\$ 3,633,665</b>	<b>\$ 4,811,837</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>					
<b>GRAND TOTAL</b>	<b>\$ 62,006,505</b>	<b>\$ 65,982,716</b>	<b>\$ 63,230,510</b>	<b>\$ 65,263,913</b>	<b>\$ 67,367,904</b>	<b>\$ 69,545,142</b>					

### Water Operating Fund

The five-year forecast for the Water Operating Fund has been updated based on the proposed 2012 budget. Through 2016, the fund's operating reserve will be above the minimum 90-day requirement established in the City's financial policies. The Windy Gap Firming Project is planned for construction in 2014 with preliminary and final design scheduled for 2012 and 2013. This project is estimated to cost approximately \$23 million during this time frame with funding coming from the Water Operating Fund, Water Construction Fund, Water Acquisition Fund, and Raw Water Storage Fund. Rate increases have been previously approved by City Council in 2012 and 2013, of 2% and 4% respectively. The five-year financial projections also assume rate increases of 4% in 2014, 2% in 2015, and 2% and 2016. These rate increases have not been formally adopted by City Council.

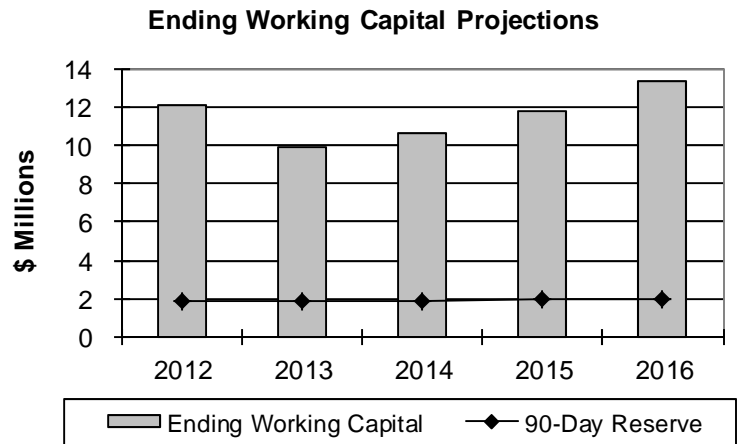


#### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	20,278,543	17,633,096	15,524,878	4,614,572	3,923,051
REVENUES					
Charges for Services	12,782,596	13,226,200	13,728,100	13,999,500	14,276,100
Intergovernmental	195,223	195,223	195,223	195,223	195,223
Interest and Miscellaneous	681,700	845,896	686,396	785,096	1,517,396
TOTAL AVAILABLE FUNDS	33,938,062	31,900,415	30,134,597	19,594,391	19,911,770
EXPENDITURES					
Operating and Maintenance	12,640,442	12,622,135	12,953,250	13,291,204	13,660,358
Debt Service	1,429,029	1,417,012	1,404,510	1,385,992	1,391,304
Capital Projects	2,235,495	2,336,390	11,162,265	994,144	778,050
TOTAL EXPENDITURES	16,304,966	16,375,537	25,520,025	15,671,340	15,829,712
ENDING WORKING CAPITAL	17,633,096	15,524,878	4,614,572	3,923,051	4,082,058

### Sewer Operating Fund

The five-year forecast for the Sewer Operating Fund has been updated based upon the proposed 2012 budget. Through 2016, the fund's operating reserve will be above the minimum 90-day requirement established in the City's financial policies. Approximately \$6.2 million dollars will be spent during this time frame for rehabilitation and upgrades at the wastewater treatment plant. This will require the sale of the second portion of the bonds approved by the voters in 2009. Rate increases have previously been approved by City Council of 6% in 2012 and 2013. The five-year financial projections also assume rate increases of 4% in 2014 and 2015, and 3% in 2016. These rate increases have not been formally adopted by City Council.

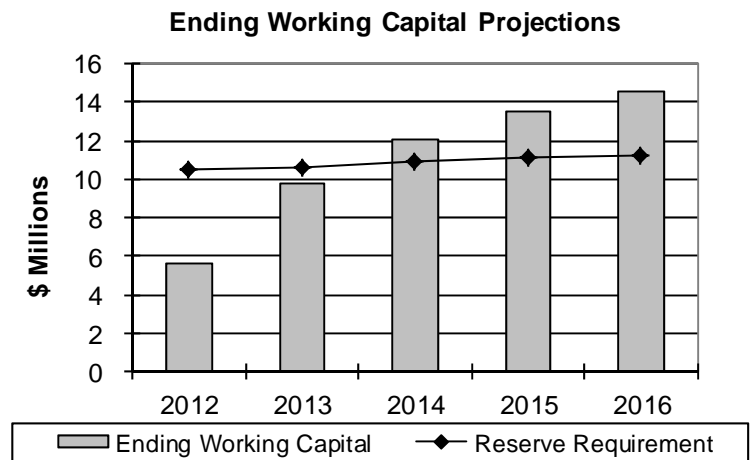


### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	8,341,762	12,083,074	9,879,110	10,667,058	11,812,106
REVENUES					
Charges for Services	8,734,800	9,272,200	9,662,300	10,085,300	10,427,700
Intergovernmental	174,530	174,530	174,530	174,530	174,530
Interest and Miscellaneous	516,849	386,252	403,952	425,012	453,532
Bond Proceeds	6,200,000	-	-	-	-
TOTAL AVAILABLE FUNDS	23,967,941	21,916,056	20,119,892	21,351,900	22,867,868
EXPENDITURES					
Operating and Maintenance	7,409,014	7,422,100	7,649,500	7,884,700	8,122,700
Debt Service	1,069,475	1,082,300	1,081,300	1,080,100	1,088,700
Capital Projects	3,406,378	3,532,546	722,034	574,994	312,929
TOTAL EXPENDITURES	11,884,867	12,036,946	9,452,834	9,539,794	9,524,329
ENDING WORKING CAPITAL	12,083,074	9,879,110	10,667,058	11,812,106	13,343,539

### Electric Fund

The five-year forecast for the Electric Fund has been updated based on the proposed 2011 Budget. As directed by Council in 2008, this forecast includes a plan to spread needed rate increases as evenly as possible during the period of 2009 to 2013 and meet the reserve requirement in 2014. The reserve policy is designed to address normal operating costs, multi-year capital plans and unanticipated needs. The proposed 2011 budget includes an overall average 7.5% rate increase. Additional similar rate increases are projected for the years 2012 and 2013.

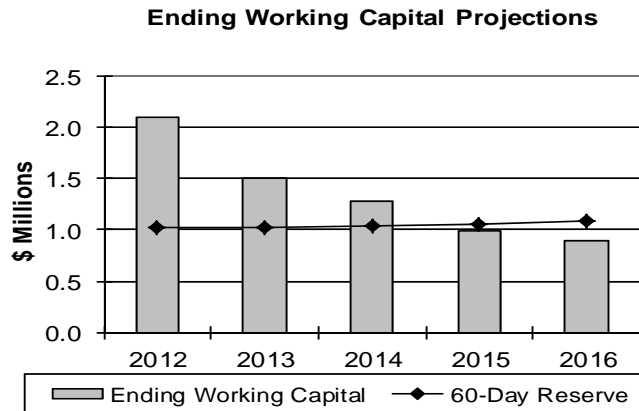


### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	6,237,926	5,604,378	9,772,546	12,066,410	13,475,502
REVENUES					
Charges for Service	60,313,500	64,232,899	64,748,946	65,190,659	65,602,966
Other Revenues	230,166	1,237,900	1,312,174	1,390,904	1,474,358
TOTAL AVAILABLE FUNDS	66,781,592	71,075,177	75,833,666	78,647,973	80,552,826
EXPENDITURES					
Purchased Power	43,448,085	45,365,631	46,967,256	47,275,370	47,549,583
Operating and Maintenance	15,409,344	14,700,000	15,500,000	16,300,000	17,100,000
Operating Capital	500,850	350,000	400,000	400,000	400,000
Capital Projects	1,818,935	887,000	900,000	1,197,101	910,000
TOTAL EXPENDITURES	61,177,214	61,302,631	63,767,256	65,172,471	65,959,583
ENDING WORKING CAPITAL	5,604,378	9,772,546	12,066,410	13,475,502	14,593,243

### Sanitation Fund

The five-year forecast for the Sanitation Fund has been updated based on the proposed 2012 budget. Through 2014, the fund's operating reserve will be above the minimum 60-day requirement established in the City's financial policies. Rate increases were approved by City Council this year. A 12% rate increase for 96 gallon service and an 8% increase for the 48 gallon service were approved in 2012. During the five-year period additional rate increases were approved in 2014 and 2016 of 11.5% and 8% respectively, for 96 gallon service and 7.5% and 8% respectively, for 48 gallon service. The last rate increase in the fund occurred in 2002.



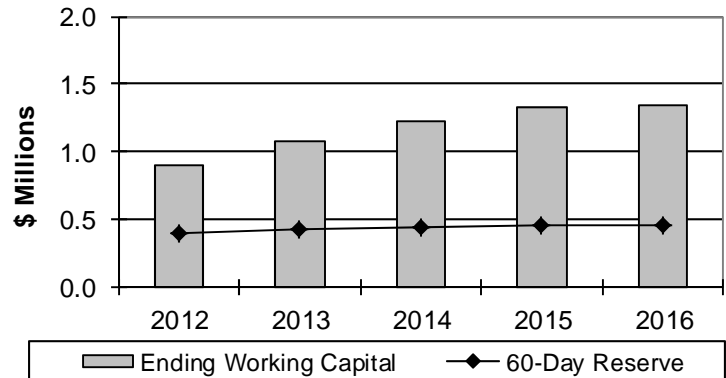
### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	2,630,030	2,106,946	1,502,874	1,287,510	986,698
REVENUES					
Charges for Services	5,647,600	5,647,400	6,086,500	6,090,500	6,476,000
Interest and Miscellaneous	29,424	25,368	30,340	56,093	54,399
TOTAL AVAILABLE FUNDS	8,307,054	7,779,714	7,619,714	7,434,103	7,517,097
EXPENDITURES					
Operating and Maintenance	6,195,866	6,190,385	6,332,204	6,447,405	6,626,071
Capital Projects	4,242	86,455	-	-	-
TOTAL EXPENDITURES	6,200,108	6,276,840	6,332,204	6,447,405	6,626,071
ENDING WORKING CAPITAL	2,106,946	1,502,874	1,287,510	986,698	891,026

### Storm Drainage Fund

The five-year forecast for the Storm Drainage Fund has been updated based on the proposed 2012 budget. A minimal capital program of \$186,000 is included during the five year time frame. Approximately \$8 million is currently unfunded in the five year CIP. The last storm drainage rate and fee study, completed in 2005, developed a 21- year financial plan to anticipate and meet the financial needs of the utility. The study anticipated annual increases of 4% in the monthly user charges for years 2011 through 2013 and 7% increases for years 2014 and 2015. Due to the economy and the need to update the Storm Drainage Master Plan, staff did not bring forward increases in the monthly user charges for 2011 as originally adopted in the 2005 Rate and Fee Study. A 9% rate increase was reviewed by City Council in August and will be brought forward for adoption as part of the 2012 budget in October. Through 2016, the fund's operating reserve will be above the minimum 60-day requirement established in the City's financial policies once the rate increase is adopted. After the master plan is completed identifying the priority and need of future capital projects, staff will bring forward several financial plan alternatives for Council direction and approval to maintain the long term financial viability of the utility.

Ending Working Capital Projections

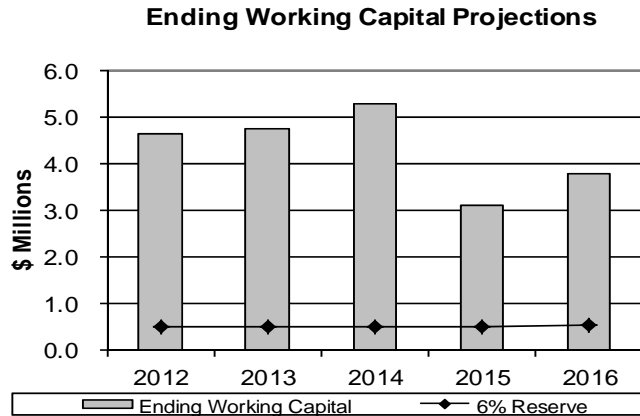


### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	719,624	892,154	1,079,848	1,222,814	1,329,339
REVENUES					
Charges for Services	3,777,458	3,760,029	3,770,513	3,782,620	3,774,781
Capital Improvement Fees	37,187	51,902	59,222	72,436	51,730
Interest and Miscellaneous	39,839	49,554	51,983	56,170	59,676
TOTAL AVAILABLE FUNDS	4,574,108	4,753,639	4,961,566	5,134,040	5,215,526
EXPENDITURES					
Operating and Maintenance	2,409,159	2,590,260	2,654,996	2,721,420	2,789,577
Debt Service	1,086,406	1,083,531	1,083,756	1,083,281	1,084,081
Capital Projects	186,389	-	-	-	-
TOTAL EXPENDITURES	3,681,954	3,673,791	3,738,752	3,804,701	3,873,658
ENDING WORKING CAPITAL	892,154	1,079,848	1,222,814	1,329,339	1,341,868

### Street Improvement Fund

The five-year forecast for the Street Improvement Fund has been updated based on the proposed 2012 budget. In 1986 the voters approved a ¾ cent sales tax for operation and maintenance of the City's transportation system. The sixth consecutive approval of this sales tax was approved by the voters in November 2009 extending funding through 2016. This fund is projected to exceed its minimum 6% operating reserve through the five year period.

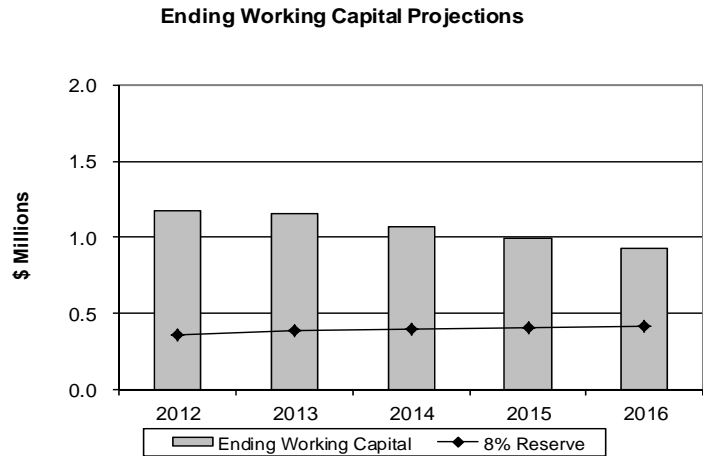


### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	5,905,151	4,634,945	4,761,873	5,275,654	3,085,165
REVENUES					
Sales and Use Tax	10,787,536	11,111,162	11,444,497	11,787,832	12,141,467
State Highway Use Tax	2,735,048	2,735,048	2,735,048	2,735,048	2,735,048
Automobile Tax	1,092,420	1,114,268	1,136,554	1,170,650	1,205,770
Intergovernmental	364,381	1,667,381	582,381	5,832,381	364,381
Street Cut Permit/Inspection	15,000	15,000	15,000	15,000	15,000
Interest Income	59,174	50,522	66,211	68,989	32,966
Miscellaneous	86,225	65,000	65,000	65,000	65,000
TOTAL AVAILABLE FUNDS	21,044,935	21,393,326	20,806,564	26,950,554	19,644,797
EXPENDITURES					
Operating and Maintenance	8,086,727	7,855,009	8,090,660	8,333,429	8,583,380
Special Transit Funding	120,000	120,000	120,000	120,000	120,000
Capital Projects	8,203,263	8,656,444	7,320,250	15,411,960	7,166,000
TOTAL EXPENDITURES	16,409,990	16,631,453	15,530,910	23,865,389	15,869,380
ENDING WORKING CAPITAL	4,634,945	4,761,873	5,275,654	3,085,165	3,775,417

### Public Safety Fund

The five-year forecast for the Public Safety Fund has been updated based on the proposed 2012 Budget. The Public Safety Fund was established in 2006 to allow for increased public safety needs that could not be met in the General Fund. The original commitment was to hire a total of 32 FTE in Police, 12 FTE Fire and 2 FTE in Children and Youth Resources. With the reduced levels of sales and use tax we were only able to fund 27.38 FTE in Police, 12 FTE in Fire and 2 FTE in Children and Youth Resources. If the rate of growth in revenues does not keep pace with the projected rate of growth in expenses we may be faced with further reductions in the future. The fund balance in this fund is projected to exceed the 8% reserve requirement.



### Fund Statement

	2012	2013	2014	2015	2016
BEGINNING WORKING CAPITAL	1,762,099	1,177,230	1,157,284	1,068,745	991,274
REVENUES					
Sales and Use Tax	4,674,598	4,814,836	4,959,281	5,108,059	5,261,301
Intergovernmental	206,028	209,809	133,703	137,714	141,846
Firing Range	207,933	214,171	220,596	227,214	234,030
Interest and Miscellaneous	16,615	13,192	12,994	12,107	11,333
TOTAL AVAILABLE FUNDS	6,867,273	6,429,238	6,483,858	6,553,840	6,639,784
EXPENDITURES					
Operating and Maintenance	4,425,032	4,771,954	4,915,113	5,062,566	5,214,443
Fires Station #6 Lease Payment	350,000	350,000	350,000	350,000	350,000
Firing Range	207,933	-	-	-	-
One Time Expenditures	417,078	150,000	150,000	150,000	150,000
Capital Projects	290,000	-	-	-	-
TOTAL EXPENDITURES	5,690,043	5,271,954	5,415,113	5,562,566	5,714,443
ENDING WORKING CAPITAL	1,177,230	1,157,284	1,068,745	991,274	925,341