

2017 Budget Overview

Included in this packet is the final proposed 2017 budget for all funds, reflecting all changes arising from the study session. A Capital Improvement Program (CIP) packet will be provided at a later date.

Packet Contents

This packet includes summary schedules for each fund, including by department and division, with supporting detail line item budgets also included. Actual results for 2015 are presented along with the 2016 Budget as amended (including the 2nd Supplemental Appropriation) and the 2017 proposed budget.

Fund Recap

The following table provides a summary of beginning and ending fund balance/working capital by fund and changes therein. Totals are for memorandum purposes only. Comments on individual funds follow.

Summary - Fund Balance Rollforward - 2017 Proposed Budget						
	Beginning			Net Increase/	Other	Ending
Changes in Fund Balances/Working Capital:	Balance	Revenues	Expenditures	Decrease	Changes	Balance
General Fund	\$ 9,720,420	\$ 21,160,400	\$ 20,949,100	\$ 211,300	\$ 4,889,600	\$ 14,821,320
Trails & Natural Areas Fund	1,106,780	1,141,000	1,404,300	(263,300)	-	843,480
Conservation Trust Fund	497,815	171,000	151,400	19,600	-	517,415
Cemetery Fund	133,754	15,100	-	15,100	-	148,854
Forfeiture & Seizure Fund	6,219	-	-	-	-	6,219
Total special revenue funds	1,744,568	1,327,100	1,555,700	(228,600)	-	1,515,968
Transportation Impact Fund	120,758	2,586,200	2,145,000	441,200	-	561,958
Public Facilities Impact Fund	905,742	875,400	168,700	706,700	-	1,612,442
Parks Improvement Impact Fund	1,932,865	1,558,600	3,275,000	(1,716,400)	-	216,465
Tree Impact Fund	299,781	120,200	118,000	2,200	-	301,981
Storm Drainage Impact Fund	651,812	655,200	975,000	(319,800)	-	332,012
Total impact fee funds	3,910,958	5,795,600	6,681,700	(886,100)	-	3,024,858
Water Fund	8,396,116	19,495,900	16,224,400	3,271,500	-	11,667,616
Wastewater Fund	10,588,603	6,453,800	4,646,800	1,807,000	-	12,395,603
Storm Drainage Operating Fund	288,206	817,000	767,700	49,300	-	337,506
Airport Fund	39,790	296,900	309,100	(12,200)	-	27,590
Total enterprise funds	19,312,715	27,063,600	21,948,000	5,115,600	-	24,428,315
Totals (for memorandum purposes only)	\$ 34,688,661	\$ 55,346,700	\$ 51,134,500	\$ 4,212,200	\$ 4,889,600	\$ 43,790,461

General Fund:

The General Fund has a budgeted surplus of \$211 thousand for 2017. Revenues excluding transfers are up \$1.1 million, or 6%. Taxes (including taxes passed thru from the State and counties) are expected to increase \$1.6 million, or 12%, primarily due to higher levels of sales tax as a result of the opening of King Soopers. Expenditures are budgeted to increase \$1.5 million, or 8%, compared to the final 2016 budget. Personnel expenses are projected to increase \$839 thousand, or 9%, reflecting 6 new fulltime-equivalent positions to be added in 2017, increased benefit costs, and merit/salary adjustments. New positions to be added in 2017 include a patrol officer, an engineer, an economic development specialist and various other positions to support growth.

Also anticipated in 2017 is repayment of most of the advance to the URA for purchases of the land at 287 and Arapahoe, with \$5.0 million projected to be received. As this is repayment of an advance it is not reflected in revenues but rather as a decrease in the “nonspendable” portion of fund balance. As a result, “spendable” fund balance will increase from 62% of operating expenses in 2015 (excluding the nonrecurring items referred to above) to 82% at the end of 2017.

Enterprise Funds:

Enterprise funds for the Town consist of the water, wastewater, storm drainage operating and airport funds. The water, wastewater and storm drainage funds are all budgeted to have surpluses in 2017, with the airport fund budgeted to have a small deficit. The single largest expenditure type in these funds is capital expenditures, totaling \$8.4 million in 2017. Most of these projects are in the water fund. Major water fund capital projects budgeted in 2017 include expansion of the reuse water system (\$3.0 million), costs related to the Windy Gap and NISP projects (\$1.5 million), various pipeline projects (\$1.3 million), and improvements to the water treatment facility (\$800 thousand).

Revenues in the water and wastewater funds arise from two primary sources – development-related fees/contributions and monthly service charges for system users. Revenues from development-related activities primarily reflect the assumption of 400 single-family permits being issued in 2017, plus what is believed to be a conservative estimate of the effect of expected development along Highway 7. Water and storm drainage revenues also reflect scheduled rate increases for monthly service fees and a scheduled rate increase in water tap fees, all pursuant to the 2014 rate study.

Impact Fee Funds:

The Town’s impact fee funds include the parks improvement, public facilities, storm drainage, transportation, and tree impact funds. Fees in these funds consist almost entirely of development-related impact fees. Revenue assumptions are the same as those for the water and wastewater funds described above. Virtually all expenditures of impact funds are capital in nature. Significant 2017 capital expenditures include \$2.8 million for various neighborhood parks, \$2.1 million for various streets-related projects, and \$1.0 million for storm drainage projects.

Impact fees have not been increased since 2002. The Town is currently conducting a study to determine what adjustments are warranted. The budget assumes the recently proposed residential fee increases will be implemented effective January 1, 2017. New nonresidential fees are expected to be finalized in the first part of 2017. No assumptions regarding increases to nonresidential fees are reflected in the budget.

Special Revenue Funds:

Included in special revenue funds are the trails and natural areas fund, the conservation trust fund, the cemetery fund and the forfeiture and seizure fund. Revenues in the trails and natural areas fund, which accounts for the bulk of this category of funds, consists primarily of property taxes, arising from a dedicated 4 mill levy. These revenues are projected to remain flat at \$1.1 million in 2017. An increase of 5% in the assessed valuation of taxable property excluding oil and gas facilities was offset by declines in these oil and gas properties.

The following schedules are included as part of this budget memorandum:

- 1.) Funds summary
- 2.) Budget summary and detail schedules
- 3.) Changes since budget study session