

Financial Sustainability

Group Discussion Feedback

Lavender Group

- **Determine legitimate role of municipal government and shed others**
 - Pro – defines a standard to make decision
 - Con – difficulty in doing – who does it practicality
- **Cost/benefit decision making**
 - Pro – use to justify and prioritize
 - Con – difficult to analyze
- **Department director review**
 - Pro – encourage analysis of operations
 - Con – will protect turf
- Staggered fee structure (Non-profit/ For Profit)
- Determine legitimate functions – Shed others
- Cost Benefit
- Limit General Fund Services to those that serve whole community and all taxpayers have access to them
- Do a time study on all departments
- Get out of recreation and leisure services
- Encourage volunteerism to provide services
- Maintain and enhance quality of life

Blue Group

- **Pay for services – identify and quantify**
- **Lean manufacturing – eliminate waste (quality at the RIGHT cost)**
- **Identify services bulk of community does not want to pay for**
- If a city service is in competition with private business, it should be self-supporting / pay for itself
- Evaluate the model for calculating revenues
- Evaluate service levels, i.e., street maintenance
- Shared revenues (increase) and fees 40% / cut costs 60%
- Public discussion of the role of government results in guiding principles

Purple Group

- Centerra does not pay 3% sales tax to city, instead to District. Have Centerra pay 3%.
- Ensure Centerra pays for all services per metro-district agreement
- Look at property tax rebates.
- Evaluate quality improvement programs, like Baldrige, to improve processes and reduce costs. Look at 6 sigma lean programs
- Rialto – self funded
- Don't loan money to businesses
- Better market Loveland to increase sales tax revenue, lodging tax, etc.
- Attract Fort Collins/Regional Revenue – make Loveland a destination choice
- Fire – Ensure costs are fully recovered – explore district
- Take more risk with money city has in reserve to increase returns
- Evaluate how to lower taxes

Yellow Group

- **Eliminate Council Reserve Fund**
- **Bring metro district (Centerra) into sales tax parity (Totally funds \$3.5 million gap)**
- Across the board cuts – 5%
- Remove non-essential programs from General Fund and evaluate for:
 - Fees
 - Elimination of program
 - Reduction of scope of program
- Metro-district (downtown and Centerra) property tax increases
- Fees on downtown parking
- City tobacco tax
- City licenses for tobacco retailers
- User “cards”, punch cards, buy X get Y, etc. (Park user fees in general)
- Bid preference for local (Loveland-owned/based)
- Vendors doing business in city (enhances permits & sales taxes)
- Citizen board/commission to develop/monitor/review city department performance metrics

Green Group

- **Public safety should be TOP priority in any strategy with #2 infrastructure & streets**
- **Each department head and employees should rank order cost and importance of service provided / Incent city employees to come up with solutions to gap**
- **Avoid “across the board” cuts (5%) / Council approval for all cuts/create visibility (Council meetings) for all fee increases**
- Create a fee for Library users living outside City limits
- Renegotiate Centerra sales tax for an increase in tax
- In public response sessions, provide sufficient data to feed opinion
- Ensure education around district or authority (library/fire) creation for voting
 - Creates benefit by reducing general fund cost
- Targeted tax increases
- Determine essential City-run services and programs

Grey Group

- **Are the inefficiencies eliminated (cut waste) ?**
- **Support strategic cuts based on qualitative analysis**
- Confirm the cost savings to the City for supporting non-profit services (demonstrate/report return value)
- Must know the long-term consequences of cutting a social services programs
- What are the Loveland community values?
 - What must we have
 - What must we prevent
 - What can be privatized
- Bring in new revenue with economic development (new businesses)

Pink Group

- **Cost identification – line item area id**
- **Streamlining – duplicate services**
- **Efficiency - service centralization**
- Cover development costs
- Increase sales tax
- Identify local needs
- Regional cooperation
- User fees
- Focus on core functions

Orange Group

Increase revenue

- **Any service that competes with private service should raise fees to cover expenses. (Include compensation return to low – income / disadvantaged)**
- **Evaluate some kind of sales tax increase**

Decrease expenses

- **Prioritize services (per category)**
 - Lower priority = more cuts
 - Higher priority = less cuts
- **Consider full impact of each reduction**
- **Evaluate largest expense categories first**
- **Incentivize cost reductions**

Brown Group

- **Equalize tax rates for ALL entities**
- **City department cost reductions**
- **Privatize services that can be or used to be private, i.e., Rialto, Chilson**
- Cost reduction
- Cut level of services
- Increase fees

Red Group

- Labor #1 Cost
 - Pay cuts
 - Lower 401K contribution
 - Labor reduction
 - Utilization
 - Insurance/benefits
 - *Pros – cost, cash flow, labor equalization // Cons – publicity, service impact*
- Revenue plus
 - Fair tax equity: Centerra Tax District - 1.2% retained (\$3.9 million)
 - Service Usage: Itemization delivery
 - *Pros – cash, budget // Cons – litigation*
- Revenue equal to cost of rentals plus an uplift
 - *Pros – reduce shortfall // Cons – local business complaints, Too creative*

Red Group

- Investment Fund Management
 - Risk management
 - Policy
 - Release process of money
 - *Pros – less risk, cash exposure, prove it or lose it // Cons – growth business*
- Membership and participation
 - ICLEI
 - Other low value organizations

What Do You Love About Loveland

People:

Volunteers, Family,
Neighbors, Participation

Amenities:

Parks, Natural
Space, Arts,
Library, Centerra

Attributes:

Location, Quality,
Safe, Size,
Business-Friendly,
Foresight,
Stewardship,
Homey

General Fund Services: Essentials (“Have to Have It”)

| | | | |
|-------------------------------------|---|--|---------------------------------|
| 911 Dispatch For So. Larimer County | Development Inspection & Compliance | Hazardous Materials & Other Spec. Team Resp. | Police/Records & Report Support |
| Accounting & Budgeting | Development Planning & Review | Investigations | Public Grounds Maintenance |
| Arson Investigations | Development Review | Legal Services | Public Information |
| Building Review & Inspection | Elections | Library Reference Desk & Collection | Risk Management |
| Business Development & Retention | Emergency Management | Liquor Licensing | Safety Coordination |
| Canine Unit | Environmental Compliance | Medical Response | School Zone Safety |
| Code Enforcement | Facilities Maintenance | Neighborhood Park Maintenance | Signal System Coordination |
| Community Master Planning | Fire Inspections | Partner in No. Colo. Drug Task Force | Snow Removal |
| Community Park Maintenance | Fire Mutual Aid Resp. to Other Agencies | Police Response to Emergency & Non-Emergency Calls | Street Maintenance & Repair |
| Crime Prevention | Fire Response | Police/Evidence Collection & Mgmt. | Traffic Enforcement |
| Vehicle/Fleet Maintenance | | Traffic Signals Mtn. & Repair | |

General Fund Services: Preferred ("Nice to Have It")

| | | |
|---|--|---|
| SCHOOL RESOURCE OFFICERS | Adaptive & Special Needs Recreation Programs | Library Del. of Homebound Patrons |
| FIXED ROUTE BUS SERVICE | Affordable Housing Admin | Loveland Lake Swim Beach |
| FLEXROUTE BUS SERVICE | Cable Television | Museum & Gallery Historic Exhibits & Archives |
| LIBRARY CHILDREN'S PROGRAMMING | Community Events | Recreation Center |
| LIBRARY PUBLIC COMPUTER AVAILABILITY | Downtown Renovation | Traffic Calming Programs |
| MOSQUITO CONTROL | Food Sales Tax & Utility Bill Rebate | Trees & Horticulture Services |
| PARATRANSIT BUS SERVICE | Historic Preservation | Viestenz-Smith Mountain Park |
| YOUTH RECREATION PROGRAMS | Human Services Grants | Economic Gardening |
| Library Programming for Schools & Cultural Institutions | | |

General Fund Services: 100% Cost Recovery ("Pay Up")

Adult Recreation Programs

Aquatics Programs & Maintenance

Cemetery Maintenance, Repair & Burial Services

Children/ Adult Prog. & Classes

Museum & Gallery Traveling Exhibits

North Lake Train

Rialto Theater Productions

Perspective on Balancing the Budget

- Generally the City does a good job with efficiency, facilities maintenance, responsiveness; however, it could be more cost effective and focus more on fiscal conservatism
- Budget Balancing Techniques
 - 1. Reduce cost per unit
 - 2. Invest in projects that generate more existing service
 - 3/4. Eliminate services/Increase existing revenue sources

Revenue Sources Requiring Voter Approval

| Revenue Sources | Yes | Maybe, with more info | No |
|-----------------|-----|-----------------------|----|
| Property Tax | | X | |
| Sales Tax | | X | |
| Use Tax | | | X |
| Excise Tax | | | X |

If there were an increase in tax, it should be dedicated to a particular purpose.

If Tax Increase, Should Be Dedicated To...

| | Yes | No |
|----------------------|-----|----|
| Economic Development | | X |
| Fire | | X |
| Library | | X |
| Museum | | X |
| Parks | | X |
| Police | | X |
| Theater | | X |
| Streets | X | |
| Transit | | X |

Willing to Support a New District?

| | Yes | Maybe, with more info | No |
|---------|------------|----------------------------------|-----------|
| Fire | | | X |
| Library | | | X |
| Museum | | | X |
| Parks | | | X |
| Theater | | | X |
| Transit | | | X |

Increase Fees?

| | Yes | No |
|---------------------------------|-----------------|-----------------|
| Recreation Center Use | Technical error | Technical error |
| Development Planning and Review | | X |
| Library | X | |
| Traffic Enforcement | X | |
| Street Maintenance | | X |
| Fixed Route Bus | X | |
| Paratransit Bus | | X |

Prioritize Budget Balancing Values

1. Ensure operating revenues and expenditures are equal.
2. Protect existing infrastructure.
3. Maintain quality level of services that are provided.
4. Limit operating impact of capital projects.
5. Compensate (salaries and benefits) employees competitively.
6. Continue all services currently provided.
7. Maintain sufficient reserves.

Social Services

| | Yes | No |
|---|------------|-----------|
| Human Services Grants | | X |
| Food & Utility Sales Tax Rebates | | X |
| Affordable Housing Fee Waivers | X | |
| Building Support for the Homeless Shelter | X | |
| Discounted Rec Programs | | X |
| Discounted Transit | X | |

TABOR

- Refer the measure to retain revenue in excess of TABOR limit
- There should be a sunset of 5 years

| | Yes | No |
|-------------------------------|-----|----|
| Police & Fire | X | |
| Police, Fire & Parks | | X |
| Police, Fire, Parks & Streets | | X |
| Any General Purpose | | X |

Rank Ways to Reduce Expenditures

1. Eliminate non-essential services.
2. Strategic reductions at service levels.
3. 5% reduction to all departments.
4. Reduce the cost per unit retaining all existing services.

Cost Recovery Proportions

- Solutions should be 50% cost reduction and 50% revenue

Cost Recovery Responses

- Street maintenance fee 50%.
- \$10k is recovered for facility rentals at Pulliam, Library G. Scott Room, Lagoon, and Civic Center but 100% should be recovered.
- Rialto recovers 35% of operations costs but it should recover 100%.
- Planning Department recovers less than 10% of its costs through application fees but it should recover 80%.

