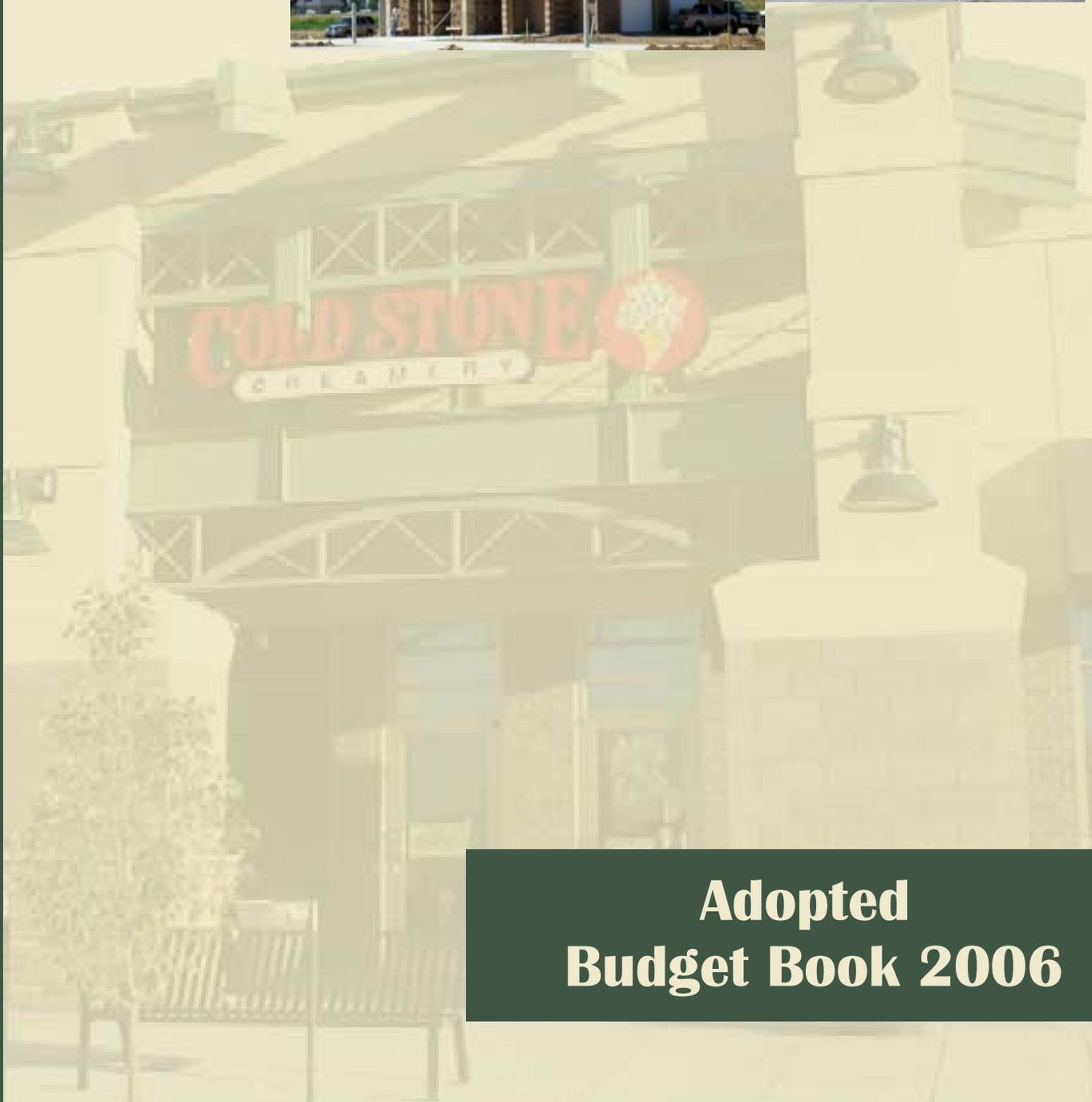


CITY OF LOVELAND COLORADO



**Adopted
Budget Book 2006**



Disclaimer:

The theme of the City of Loveland Budget Book for 2006 is to spotlight new development within the City. The pictures included herein are intended to illustrate this theme, and the City does not endorse or promote any of the individual businesses shown in the document.

**A vibrant community...
Surrounded by natural beauty...
Where you belong.**

Loveland is a community -

that is characterized by welcoming neighborhoods and a sense of individual belonging;

that embraces the heritage and natural beauty of the region and values its strategic location;

that is well planned and environmentally sensitive, where all citizens are safe and secure and have equal access to services and amenities, including plentiful recreational and cultural activities;

with an integrated system of technology, utility and transportation networks that supports a vital economy and coordinates with regional plans;

that is a continuously developing partnership of citizens, business and educational communities, with a stable and diverse economic base that offers ample employment and business opportunities to all;

that encourages active public involvement and is responsive to the needs of its citizens.

AWARD FOR DISTINGUISHED BUDGET PRESENTATION



The Government Finance Officers Association (GFOA) of the United States and Canada presented an award of Distinguished Presentation to the City of Loveland for its annual budget for the fiscal year beginning January 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

BUDGET STAFF

John Hartman, Budget Officer
Mona Brooks, Financial Analyst
Dawn Wirth, Business Services Coordinator

City of Loveland, Budget Division
500 East Third Street
Loveland, Colorado 80537
970-962-2329
www.cityofloveland.org

CITIZENS' FINANCE ADVISORY COMMISSION

Jennifer Kersten, Chair
Molly Elder, Vice-Chair
Gene Culbertson
Leonard Kopec
Ruth Larkin
William McCullough
Amy Parsons
Jim Pawlowski
David Schwab
Dave Clark (Council Liaison)
Walt Skowron (Council Liaison)

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USING THE BUDGET DOCUMENT

The City of Loveland Budget provides City residents and the City Council with a funding plan for the year 2006. The Department Summaries Section is organized by function (i.e. Development Services) which mirrors the City's departmental organization chart, and is further separated by divisions, which represent discrete activities within a department.

The department and division summaries provide historical cost information along with the current and recommended budget. Revenues that are attributed to a department are also presented. Included in this section are concise explanations of changes that have occurred from the 2005 Forecast. “**Budget Variances**” are increases or decreases to the base budget due to operational changes or other known factors. “**Normal Increases/Decreases**” represent the increase or decrease due to the pay plan, inflation factors, or transfers between categories (i.e. from supplies to purchased services). “**Supplements**” are increases which are required to maintain existing services levels (noted as workload), provide new services (noted as improvement), or as required by state or federal law (noted as mandated). “**Cost Reductions**” are reductions to the budget due to decisions to decrease services and/or improve the efficiency and effectiveness of providing the service.

Included with the cost information is the department's mission statement, descriptions of the program objectives for the coming year, along with measures which show the effectiveness or “outcome” of the programs.

References are made in the Department Summaries to the Capital Plan, which is included in a separate section of the budget document. Appropriations in the Capital Plan for 2006, with the exception of General Fund agencies, are included within a department's budget. The future years are approved by the City Council in concept only. The Capital Plan is updated annually based on Council priorities and goals.

The City of Loveland Budget is a comprehensive decision-making document, designed to present an accurate description of how the City operates, its policies and goals and services provided.

For the answer to questions regarding the budget or for additional information, please call the Budget Division at (970) 962-2329.

BUDGET GUIDE

This budget guide is a summary of the information contained in each section of the budget document. There are five main sections: Introduction, Budget Overview, Department Summaries, Capital Improvement Program and Appendix.

Introduction

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

- a City organizational chart;
- a list of the City officials;
- demographic and economic information;
- a summary of the budget process;
- the underlying policies and rules that guide and shape the budget;
- a brief description of each fund type.

Budget Overview

The City's total proposed budget and summaries of each fund type are presented in this section. It shows the City's total proposed budget summary in both gross and net form and a discussion of the major revenues and expenses, and major factors that will impact both revenues and expenses.

Summaries of the four fund types are compiled in gross amount form showing the primary services provided and the major sources of revenue. This section also includes:

- a list of full time equivalent positions by department/division;
- a debt service summary;
- the impact of Amendment 1 (TABOR) restrictions on the City's budget.

Department Summaries

This section details revenues and operating expenditures for all departments. Descriptions of each department, its mission and goals, measurements to quantify the effectiveness or "outcome" of the program, a summary of authorized positions, revenue attributable to the departments, and any significant changes in departmental budgets are included.

Capital Improvement Plan

This section contains a five-year capital improvement program for the City. It describes the major 2006 projects and their financial impact on the operating budget.

INTRODUCTION



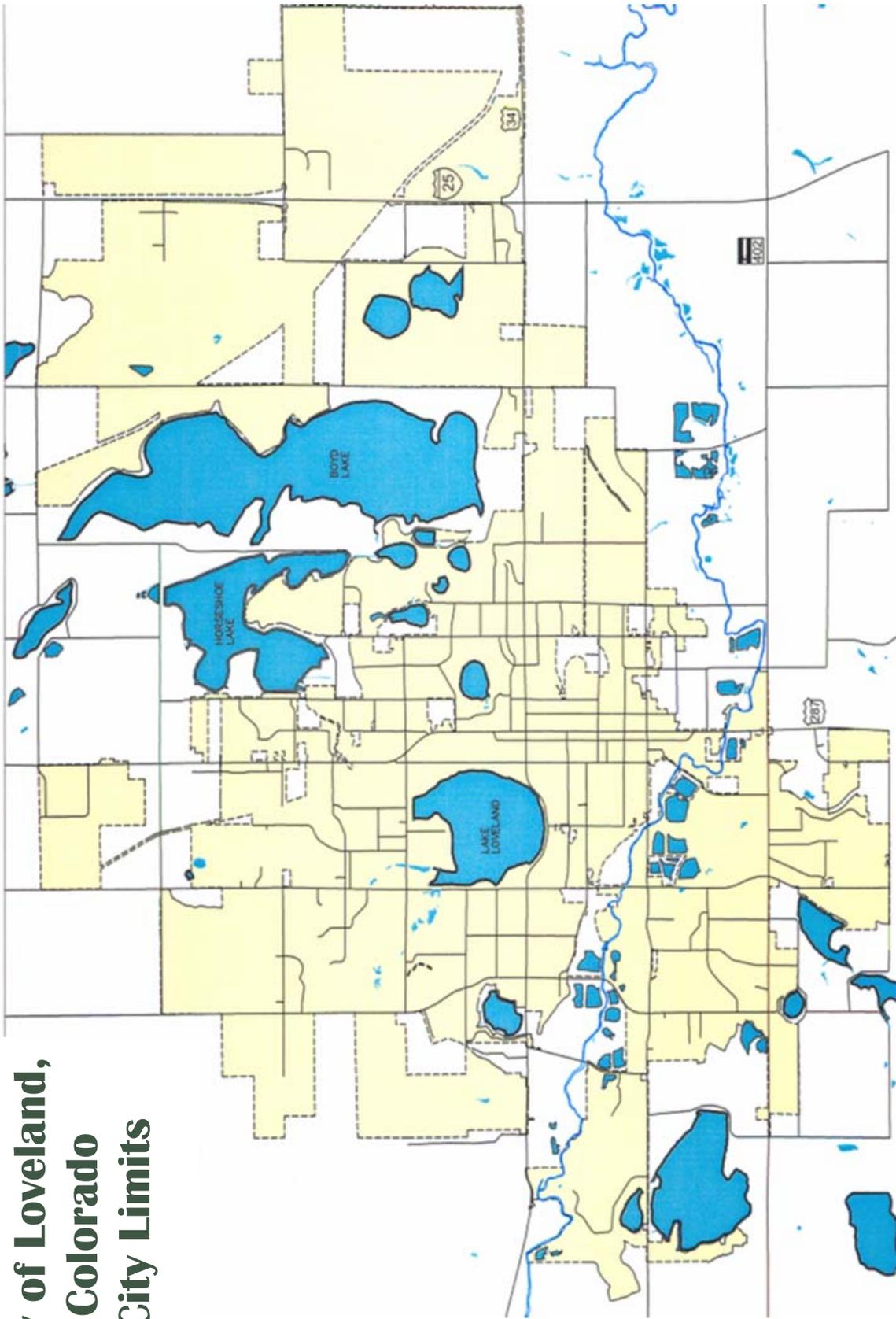
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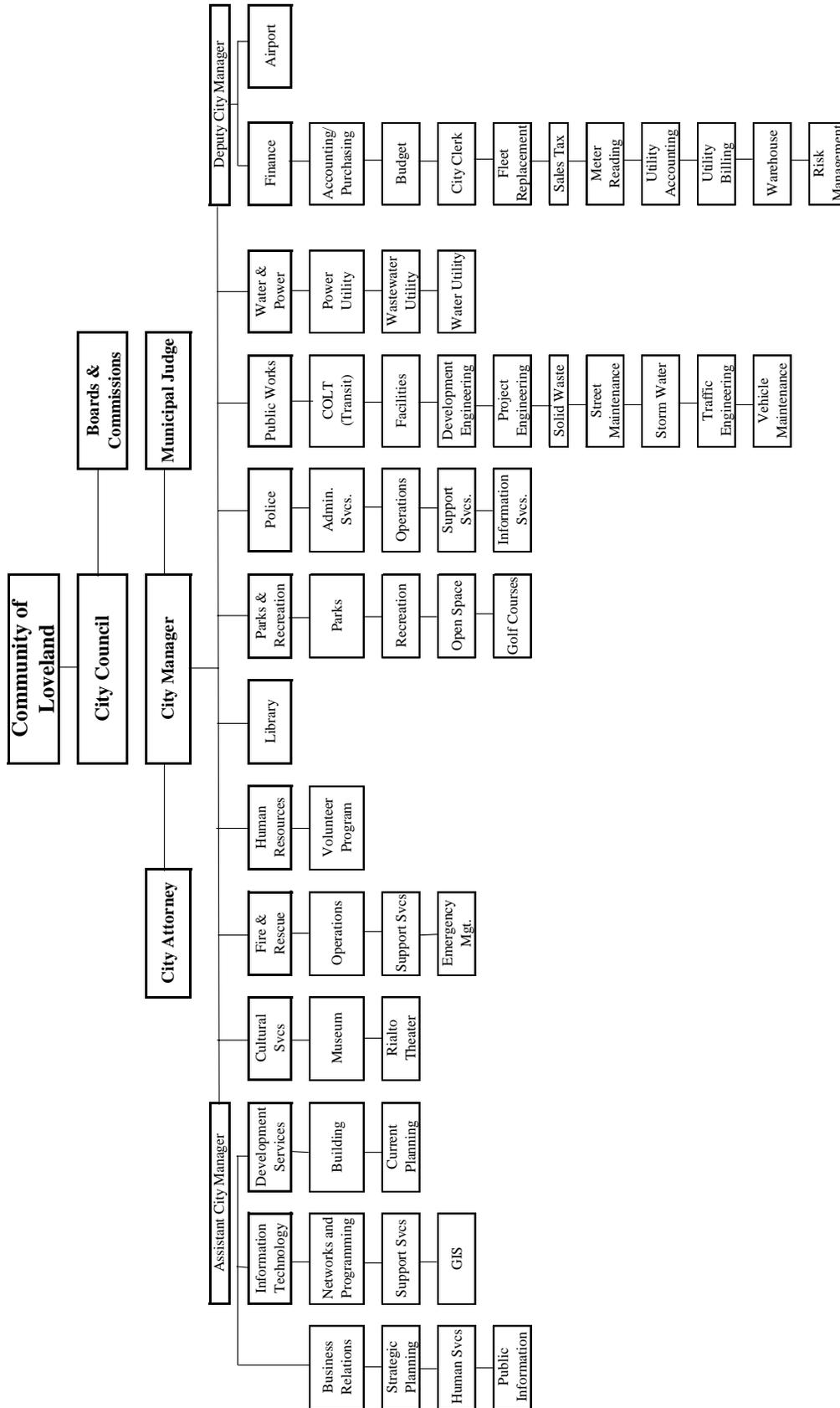
- a City organizational chart;
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- the underlying policies and rules that guide and shape the budget;
- a brief description of each fund type.



Example of new retail in the area.

**2006
City of Loveland,
Colorado
City Limits**





OFFICIALS OF THE CITY OF LOVELAND

City Council

Larry Walsh, Mayor
Gene Pielin, Mayor Pro-Tem
Ron Weaks, Councilor, Ward I
Jan Brown, Councilor, Ward I
Dave Clark, Councilor, Ward IV
Steven Dozier, Councilor, Ward III
Larry Heckel, Councilor, Ward IV
Glenn Rousey, Councilor, Ward II
Walt Skowron, Councilor, Ward III

Executive Staff

Don Williams, City Manager
Mike Hart, Deputy City Manager/Finance Director
Renee Wheeler, Assistant City Manager
Dave Gordon, Airport Director
Susan Ison, Cultural Services Director
Greg George, Development Services Director
Mike Chard, Fire Chief
John Van Eden, Human Resources Director
Bill Westbrook, Information Technology Director
Ted Schmidt, Library Director
Gary Havener, Parks & Recreation Director
Luke Hecker, Police Chief
Keith Reester, Public Works Director
Ralph Mullinix, Water & Power Director

Municipal Court

Bill Starks, Municipal Judge

Legal Staff

John Duval, City Attorney
Caroline Blackwell, Assistant City Attorney
Sharon Citino, Assistant City Attorney
Karen Stevens, Assistant City Attorney
Robert Fink, City Prosecutor

GENERAL INFORMATION

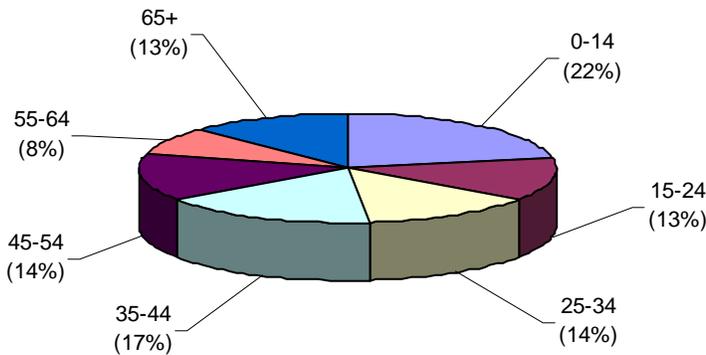
History and Location

The City of Loveland, Colorado, is located approximately 50 miles north of Denver, directly east of the Big Thompson River's emergence from the Front Range of the Rocky Mountains. Situated in southeastern Larimer County, the City limits encompass 30.63 square miles and an estimated current population of 61,871. Loveland is the thirteenth largest city in the state of Colorado.

Demographics

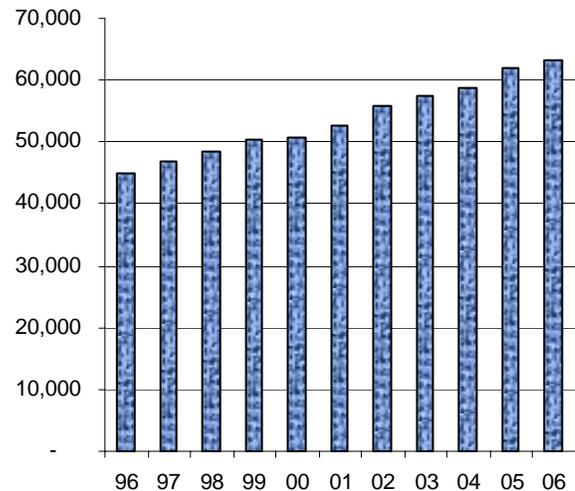
Loveland's population is older, with a median age of 36 in 2000, than Larimer County, the State, and the national averages at 33.2, 34.3, and 35.3 respectively. People 65 years of age or older represented 12.5% of Loveland's total population in 2000. By comparison, the percentage of persons 65 years or older in Larimer County, the State, and the nation were 12.4%, 9.7%, and 9.3% respectively. However, there is an indication that this trend may change. Persons under 18 years of age represented 26.9% of Loveland's total population in 2000. By comparison, the percentage of persons under 18 years of age in Larimer County, the State, and the nation were 23.4%, 25.6%, and 25.7% respectively.

Age Distribution (2000 Census)



The City's population is 20.1% of Larimer County's total population. The City has experienced an annual population growth rate of 2.64% since 1990. However, the number of persons per household has declined since 1990. In 2000, the number of persons per household was 2.55, compared to 2.62 in 1990.

Loveland Population Growth



Economics

Unemployment Rate for July 2005
(Not seasonally adjusted):

Loveland	3.8%	Larimer	
County	4.4%	United States	5.0%
Colorado	5.2%		

Major Employers in Loveland (2005)	Employees
Agilent Technologies	2,454
Thompson School District	1,888
McKee Medical Center	950
Wal-Mart Distribution Center	909
Hewlett-Packard	730
City of Loveland	685
Woodward Governor	650
Teledyne WaterPik	585
Hach Company	550
Wal-Mart SuperCenter	500
Group Publishing	270

Family Income (2004 Estimate)*

Median family income (includes all earners in household)	\$66,500
--	----------

Larimer County Income (2004 Estimate) **

Average annual wages (all occupations)	\$35,516
--	----------

Housing Costs in Loveland

Average sale price for a detached single family home (1st Qtr 2005)***	\$248,647
Average apartment rental rates (1st Qtr 2005) ****	\$762.00/month

Sources:

- * U.S. Department of Housing and Urban Development
- ** Colorado Department of Labor and Employment ES202 Wage Data
- *** The Group Inc., Real Estate Insider, July 2005
- **** Colorado Division of Housing, Multi-Family Housing Vacancy & Rental Survey 2/05

Taxes

City property tax levy for 2005	9.564 mills
City of Loveland sales tax levy	3.0%
Larimer County sales tax levy	0.8%
State of Colorado sales tax levy	2.9%

Governing Body

Loveland operates as a home rule city according to a city charter and ordinances, under a city council-city manager form of government.

Voters select members of the City Council in elections on the first Tuesday in November of odd-numbered years. The Council has a total of nine members. Each of four city wards elects two councilors to serve staggered four-year terms. The mayor is elected at large to serve a two-year term. The mayor pro-tem is chosen by the Council from its membership.

SCOPE OF SERVICES

Loveland is a full service municipality. The major services provided by the City include:

- Building
- Cemetery
- Community Planning
- Engineering
- Fire and Rescue
- Fort Collins–Loveland Airport
- Loveland Museum & Gallery
- Loveland Public Library
- Municipal Court
- Parks and Recreation
- Police
- Power Utility
- Rialto Theater
- Solid Waste Collection
- Storm Water Utility
- Streets Maintenance
- Wastewater Utility
- Water Utility

Employees and Benefits

The City currently has 686 authorized regular full-time and part-time positions on a full-time equivalent basis. In addition, a varying number are employed on a temporary and seasonal basis as needed. Loveland neither recognizes nor bargains with any employee union.

The City determines employee compensation by performance within a market-based pay plan. Using market pay established through an independent survey as the mid-point, the salary range for each level is set at 12.5-20% above and below the mid-point.

Benefits include medical, dental, disability and life insurance, as well as a pension plan for all full-time regular employees. Part-time employees who work at least 20 hours per week are eligible to participate in benefit plans under a cost-sharing arrangement.

BUDGET PROCESS

Budget Administration

This budget has been structured and prepared using the guidelines of the Government Finance Officers Association (GFOA). Two publications, Governmental Accounting, Auditing and Financial Reporting (GAAFR) and the Governmental Accounting and Financial Reporting Standards as adopted by the Governmental Accounting Standards Board (GASB) guide the budget process. The City of Loveland prepares its budget on a calendar-year basis as required by the City Charter. The budget must be balanced or show a revenue surplus.

Basis of Accounting

The budget parallels the City's accounting system. A modified accrual basis is used for general government operations. Significant revenues are recorded when measurable and available. Expenditures are recorded when incurred. Records for the City's enterprise funds, proprietary funds, and non-expendable trust and pension funds are maintained on a full accrual basis. For budgetary purposes depreciation, accrued liabilities for accumulated leave balances, and market value adjustments to City investments are not included in calculating fund balances. Building and equipment repair and maintenance are budgeted for annually. Payments for accrued leave are paid within the existing budget as employees leave. Investments are held to maturity so market value during the term of the investment is not an issue to allocating resources.

Citizens' Finance Advisory Commission

A Citizens' Finance Advisory Commission (CFAC) is appointed by City Council to participate in a review of the budget, evaluate all financial policies and report its findings to the Council. The commission consists of nine members who serve staggered terms of three years each. Its members are involved in the budget process and provide input to the Council during the adoption process.

2006 Budget Preparation Schedule

The budget process begins in January with the annual council retreat. At the retreat, City Council establishes the goals and objectives for the coming year, and direction on where future budgets should go.

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	City Council establishes priorities										
			Budget Division prepares core data and distributes								
					Departments prepare budgets						
			Reviews and conferences								
		Balance and prepare recommended budget									
					Budget approval						
							Adopted Budget distributed				

Beginning in April, the Budget Division prepares core data, such as salary information, health insurance rates, rates for vehicle maintenance and rental, workers' compensation and general liability rates. Along with this data, forecasts of current year revenue and preliminary revenue forecasts for the next year are completed. In late May, the core data is distributed, along with budget instructions for the upcoming year to the Departments.

Introduction

In June, Departments meet internally and with their respective advisory commissions to develop their budget requests. The requests are due back to the Budget Division the first week in July. In July, the Budget Division compiles all the submissions in preparation for the budget conferences with the City Manager and the departments. The conferences are held late in July, with final decisions on what will be included in the Recommended Budget completed by early August. Through August, the Budget Division balances and prepares the Recommended Budget. The document is submitted to City Council in early September, with a study session on the Recommended Budget with Council in late September. The budget is approved on First Reading, after a public hearing early in October, with Second Reading and final approval occurring in late October or early November.

FINANCIAL POLICIES

The City of Loveland financial policies, compiled below, set forth the basic framework for the overall financial management of the City. These policies assist the City Council's decision-making process and provide guidelines for evaluating both current activities and proposals for future programs. These policies are reviewed annually and presented to Council for approval.

General Policies

City of Loveland will:

- Annually prepare a budget, submit it to Council for approval and publicly issue a budget document.
- Identify costs and funding sources before recommending approval of capital and operating budgets.
- Provide for sound financial planning, the best possible bond rating, funding of depreciation and adequate working capital in all funds.
- Take measures to protect against catastrophic losses through a combination of insurance, funded self insurance, and cash reserves.
- Provide for recommended maintenance and replacement of facilities and equipment. Each department will prepare and annually update a maintenance and replacement plan.
- Follow the City of Loveland Charter when preparing the City's budget.
- View the budget as a dynamic rather than static plan which requires periodic adjustment as circumstances change. Approval of City Council is required for increases in total fund budgets and shifts in appropriations among departments in excess of \$25,000.
- Encourage citizen involvement in the budget process by having a Citizens' Finance Advisory Commission, public hearings and informal meetings.

Operating Budget Policies

City of Loveland will:

- Pay for all current year operating expenses with current year revenues and/or available fund balances.
- Provide for the adequate funding of all pension plans.
- Update operating expenditure projections for the budget year plus nine years. Projections will include increased operating costs associated with future capital improvements.
- Establish and monitor performance indicators and productivity indicators associated with operating expenses.
- Maintain a positive cash balance in each operating fund at the end of each fiscal year.
- Attempt to maintain present service levels for all priority and essential services within existing Amendment 1 revenue limitations.

Capital Budget Policies

City of Loveland will:

- Update capital improvement plan projections for the budget year plus four years.
- Evaluate the relative merit of each capital project according to Council's goals and priorities.
- Give priority to capital projects that are mandated by federal or state legislation.

Revenue Management Policies

City of Loveland will:

- Impose taxes, fees and rates at appropriate levels to fund their intended purposes. Maintain a balance to provide for a diversified and stable revenue system.
- Estimate annual revenues using an objective, analytical process.

- Update revenue projections for the budget year plus nine years.
- Annually review costs of activities supported by taxes, rates, user fees, plant investment fees and capital expansion fees.
- Set fees and user charges for each enterprise fund that maintains the enterprise status pursuant to TABOR.
- Review new sources of revenue to fund operating and capital costs consistent with Council's goals and priorities.
- Allocate revenues from restricted funds in accordance with municipal code provisions.

Reserve Management Policies

City of Loveland will:

- Establish reserves from restricted cash accounts for growth-related development. The reserve balance will be equal to the unexpended balance of cash less current liabilities in each restricted account.
- Establish bond reserves based on requirements of individual bond ordinances.
- Establish capital reserves which accumulate funds for the planned construction or replacement of city infrastructure or for the acquisition of capital equipment not funded through growth-related fees. These amounts will be determined by five-year or longer capital plans.
- Establish other reserves related to special items as approved by City Council. This would include accumulating reserves to retire debt at an accelerated schedule.
- Maintain the General Fund unrestricted balance at 6% of General Fund revenue.

Definitions of Reserve Terms

Operating - Reserves to cover unanticipated expenditures of a nonrecurring nature or to meet unexpected small increases in service delivery costs. These also cover operating carryover balances associated with cash flow needs and to provide an orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. Reserve amounts are based on a percentage of the operating budget within each appropriate fund.

Emergency - Reserves to cover costs associated with natural disasters or other unforeseen and declared emergency situations. Reserve amounts are based on a percentage of the operating budget in the general fund. This reserve satisfies the requirements of Amendment 1.

Liability - Reserves to cover accrued liabilities from items such as vacation, sick leave or compensation time. Reserve amounts are based on a percentage of fund liabilities.

Equipment Replacement - Provide for the replacement of fund assets such as office equipment and furniture, computers, vehicles, and tools and equipment used in operating the program. Items not included are city infrastructure, utility infrastructure and equipment covered under capital reserves, and the replacement of city buildings.

Designated - Reserves for planned capital projects which will be appropriated in future years based on the capital plan or for known debt payments in the future.

Restricted - Reserves for funds restricted by ordinance or law. An example is impact fee reserves which may only be spent on capital projects that are the result of growth.

Transfers Policies

City of Loveland will:

- Classify the following City of Loveland activities as enterprises:

Golf	Power	Solid Waste
Storm Water	Water	Wastewater
- Require that all City enterprises make payments to the City in lieu of taxes that are reasonable and proportionate to taxes paid to the City by private businesses unless the City Council grants exceptions. Transfer payments are based on percentage of certain revenues received by the fund. Specific transfers to the City from the affected funds are done on a monthly basis per the rates established as follows: Water, Wastewater, Storm Water, Power, and Solid Waste at 6% and Golf at 3%.
- Require that all departments furnish to other department such services, labor and materials as needed by the director of such department. Any labor or material shall be charged to the using department according to accounting procedures established by the City Manager. These charges are direct reimbursements for services provided and shall be calculated annually utilizing a cost of service analysis.

Investment Management Policies

City of Loveland will:

- Deposit funds only in financial institutions which are insured by the Federal Deposit Insurance Corporation or are approved for full collateralization by the public deposit protection act or other state statutes.
- Pool cash from all legally permitted funds for investment purposes.
- Maximize the investment rate of return. Adhere to lawful investment options. Safety of the principal shall be the dominant requirement, followed by sufficient liquidity to meet operating requirements, and then yield.
- Place custody of the City's investment securities with a third-party financial institution for the purpose of safekeeping of securities.
- Provide monthly investment reports.

Debt Management Policies

City of Loveland will:

- Confine long-term borrowing to major capital improvements that cannot be financed from current revenues.
- Repay debt within the expected useful life of the project or sooner.
- Prohibit the use of long-term debt for operating expenses.
- Issue debt which is relative to payback ability. Borrowing must not overburden future tax payers. When applicable, state law is the controlling policy.
- When practical, borrow from other funds. Monies borrowed must be repaid with interest before needed for their intended purpose(s). Repayment schedules and reserve sources for repayment shall be validated before borrowing from any fund.
- Review debt at least annually for repayment or refinance opportunities. A repayment strategy shall be a part of all recommended bond issues.

Accounting, Auditing and Reporting Policies

City of Loveland will:

- Provide regular information concerning cash position and investment performance through its accounting system.
- Establish and maintain a high degree of accounting competency. Financial accounting and reporting will be done in accordance with methods prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association, or their equivalents.
- Present monthly and annual reports to the City Council summarizing financial activity delineated by fund.
- Present a quarterly report on the status of major capital projects.
- Present a quarterly performance measurement report on the actual achievement towards the performance measure indicators.
- Maintain financial systems to monitor expenditures, revenues and performance of all municipal programs on an ongoing basis.
- Provide full disclosure in annual financial statements and bond representations.
- Use an independent certified public accounting firm to perform an annual audit.
- Publicly issue a Comprehensive Annual Financial Report.
- Comply with all required reporting requirements related to bond issuance terms.

FINANCIAL INFORMATION

Fund Accounting

Fund accounting is used throughout the City, both for budgeting and accounting. Under this system, money is divided into separate accounts, rather than being held in one central account. The City has 29 funds. Each fund has been established for a specific purpose and is somewhat like a separate bank account.

Those funds used to pay for operations, maintenance and other ongoing activities are like checking accounts. Generally, revenues flowing into the fund are spent during the same year. Unless there is a change in service levels, spending is similar year to year.

Other funds are more like savings accounts. Money accumulates for periodic capital needs, such as construction of a new park or an electric substation. The balance in those funds grows until an expenditure is made. Spending can vary greatly from year to year.

Appropriation and Expenditure

The total appropriation includes internal transfers and internal service charges, which are counted both as revenues and expenditures twice, and occasionally three times. For these reasons the total appropriated amount in a fund can be significantly higher than actual spending. *The net City budget excludes internal service charges and internal transfers. It represents a close approximation of projected spending.*

Fund Types:

The City classifies funds into several types: General Fund, Internal Service Funds, Enterprise Funds, Special Revenue Funds and Fiduciary Funds.

The **General Fund** includes the majority of City services. City Council, City Manager, City Attorney, City Clerk, Sales and Use Tax Administration, Municipal Court, Community Services, Police, Public Works, Fire and Rescue, Parks and Recreation, and Cultural Services are included. General Fund revenues include sales tax, use tax, property tax, user fees, fines, permits, licenses, internal transfers and intergovernmental revenue.

The **Internal Services Fund** provides support services to other City departments. It is financed by transfers from other funds or internal service charges. Included in this fund are Public Grounds Maintenance, City Fleet, Vehicle Maintenance, Information Technology, Finance Administration, Accounting, Purchasing, Budget, Human Resources, Facilities Management, Risk Management and Employee Benefits.

Enterprise Funds are self-supporting through user fees. They include Water, Wastewater, Storm Water, Power, Solid Waste and Golf.

Special Revenue Funds are established by federal/state law, or by municipal ordinance/resolution. Included are Capital Projects, Library, Local Improvements, Capital Expansion Fees, Park Improvement, Conservation Trust, Open Space, Community Development Block Grant, Art in Public Places, the General Improvement District # 1 (GID), the Loveland Special Improvement District #1, and the Loveland Urban Renewal Authority. Each has its own specific revenue source.

Fiduciary Funds are used to account for assets held by the City in a trustee capacity. Each fund is established by state law, municipal ordinance or resolution. They include Fire Pension and Cemetery Perpetual Care. *These funds are not included in the City's total budget summary table.*

The **Airport Fund**, and **the Loveland Larimer Building Authority Fund (LLBA)** do not belong to any fund type, but are included in this document for informational purposes. The Airport is a separate entity established by the cities of Fort Collins and Loveland. The City of Loveland does not have absolute authority to control this fund. The LLBA was established by Larimer County and the City of Loveland to construct and operate the new combined Police and Courts facility. *Neither of these funds is included in the City's total budget summary.*

Transfers

Because money is budgeted and accounted for in separate funds rather than being pooled in one account, transfers occur among funds. Transfers take three primary forms: payment in lieu of tax (PILT), direct charges and operating transfers.

Payment in Lieu of Tax - Payment in lieu of tax, which is transferred from the Enterprise Funds to the General Fund, approximates property taxes a private enterprise would pay. The services supported by payment in lieu of taxes are the same as those supported by property taxes. Police, fire and street maintenance services are examples. These charges are based on certain revenues received by the Enterprise Funds. The transfers are done on a monthly basis per the rates established by the intra-city transfers policies.

Direct Charges - Direct charges represent payments for support services provided by one City department to another City department. These charges are direct reimbursements for services provided and are calculated annually utilizing a cost of service analysis. Examples of support for which direct charges apply include Accounting, Human Resources and Information Technology.

Operating Transfers - This represents the transfer from one fund to another fund for operational purposes or for capital outlays without the expectation of any support services in return. One example is the transfer from the General Fund to the Library Fund. The majority of the Library's funding comes from the General Fund, though the Library does not provide support services to the General Fund. These transfers also include the transfer from one fund to another for the purpose of capital outlays. One example is the transfer from the Capital Expansion Fees Fund to the Capital Projects Fund for the construction of new streets.

BUDGET OVERVIEW



This section shows the City's total proposed budget summary in both gross and net form and includes a discussion of the major revenues and expenses, and major factors that will impact both revenues and expenses. This section also includes a debt service summary.

*Example of
new
corporate
offices
relocating to
Loveland.*



TOTAL CITY BUDGET

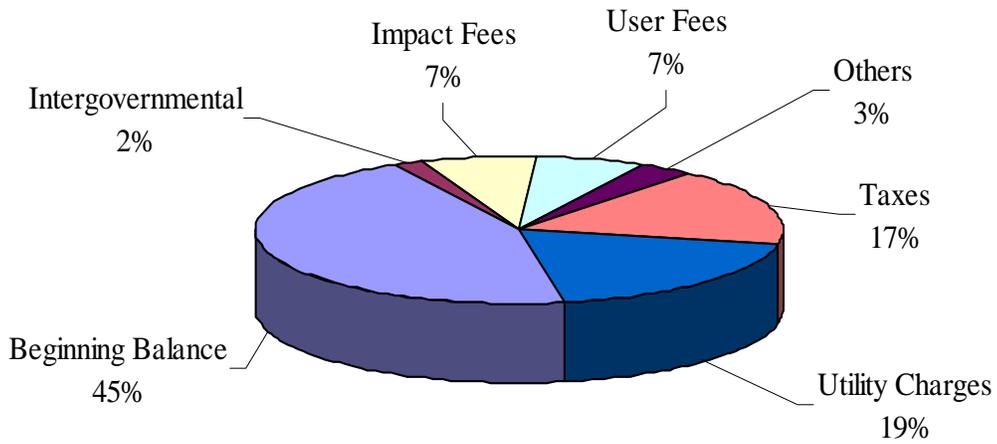
The 2006 budget is balanced and financially conservative. This budget is in compliance with the provisions of Colorado's TABOR restrictions, and existing service levels are maintained.

The total City budget as shown below is the combined budgets of all parts of the organization except for the Airport Fund, the Loveland-Larimer Building Authority, and Fiduciary Funds. The table below shows the gross City budget, as well as the net City budget, which excludes transfers and internal service charges, and closely approximates projected spending.

	2004	2005	2006	% Change
	Actual	Forecast	Budget	2005-06
REVENUE				
Beginning Balance	156,453,459	144,408,450	118,354,500	
Taxes	38,663,786	42,129,860	45,650,110	8.4%
Intergovernmental	5,969,890	5,894,840	4,853,300	(17.7%)
Impact Fees	17,682,292	16,065,440	18,664,370	16.2%
User Fees	15,631,236	16,801,180	17,972,090	7.0%
Interest	2,662,055	3,255,370	3,528,260	8.4%
Others	1,621,638	1,898,450	1,349,380	(28.9%)
Utility Fees	44,022,640	49,046,800	49,780,000	1.5%
Utility Other	1,475,411	3,759,400	3,834,300	2.0%
Total Net Revenue	127,728,948	138,851,340	145,631,810	4.9%
Transfers	27,153,388	37,545,920	24,856,410	(33.8%)
Internal Service Charges	9,202,195	9,466,080	11,670,260	23.3%
Total Revenue	164,084,531	185,863,340	182,158,480	(2.0%)
Total Resources	320,537,990	330,271,790	300,512,980	
APPROPRIATIONS				
General Fund	52,186,501	57,756,200	55,932,870	(3.2%)
Enterprise	81,348,498	86,644,830	70,752,740	(18.3%)
Internal Service	19,890,768	20,521,100	23,323,110	13.7%
Special Revenue	22,703,776	46,995,160	25,569,450	(45.6%)
Total	176,129,543	211,917,290	175,578,170	(17.1%)
Less Transfers	27,153,388	37,545,920	24,856,410	(33.8%)
Less Internal Service Charges	9,202,195	9,466,080	11,670,260	23.3%
Total Net Appropriations	139,773,960	164,905,290	139,051,500	(15.7%)
Ending Balance	144,408,447	118,354,500	124,934,810	

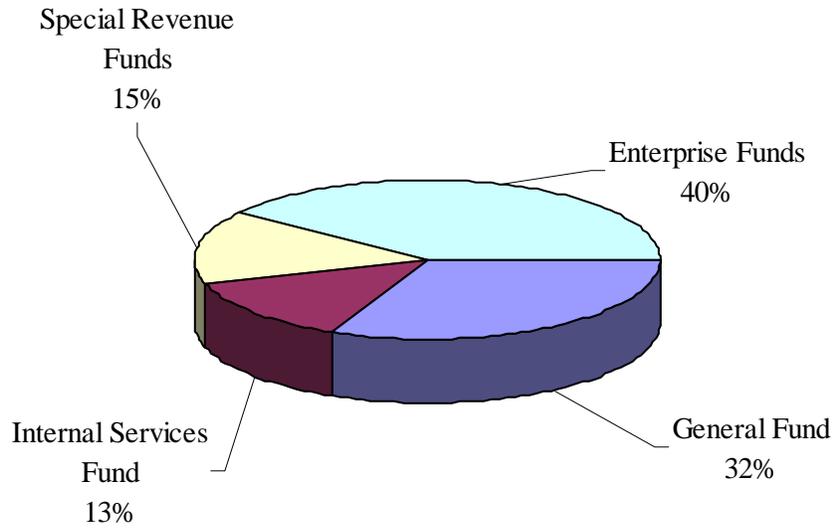
2006 TOTAL SOURCES OF FUNDS

(excluding Interfund transfers)



2006 TOTAL USES OF FUNDS

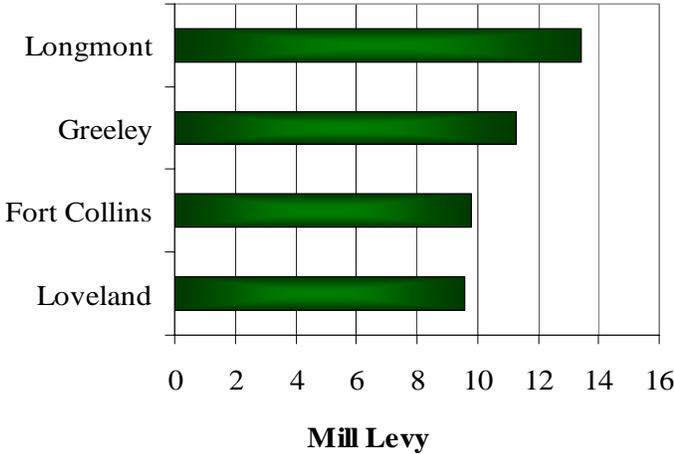
(excluding Interfund transfers)



REVENUE OVERVIEW

Property Tax

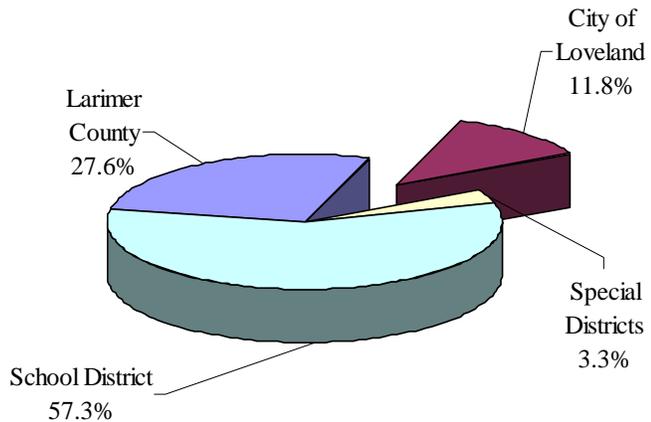
Loveland must comply with the TABOR limitation on property tax revenue (inflation plus local growth). In 1998, voters approved an allowance for the City to keep and spend all property tax revenue over the TABOR limit for the years 1998–2002 for street construction and youth services. In 2001, voters approved an allowance for the City to keep and spend all property tax revenue through 2012 for police, fire, street construction and maintenance, and parks construction and maintenance.



The 2005 mill levy rate will remain at the 2004 level, which is 9.564 mills. A mill is one-tenth of one cent. In other words, one mill represents \$1 for every \$1,000 of assessed property value. The mill levy is multiplied by the assessed valuation of a property to calculate the property

tax. The City’s levy has been 9.564 since 1992 and Loveland continues to have one of the lowest city government property tax levies in Northern Colorado. On average, the City collects 97.5% of the total value.

An amendment to the Colorado State Constitution requires that a constant relationship between residential and business property tax revenues be maintained on a statewide basis. Commercial and industrial properties are assessed at 29% and residential properties at 7.96% of their market value. The result is for properties of equal value, a business pays over three times as much property tax as a residence.



A number of special districts also overlap portions of the City’s boundaries and affect some properties. Loveland’s City government sets only the City mill levy and has no control over mill levies set by other entities. The City of Loveland receives less than 12% of a homeowner’s property tax dollars as shown in the chart above.

Property Tax Levy for the General Fund

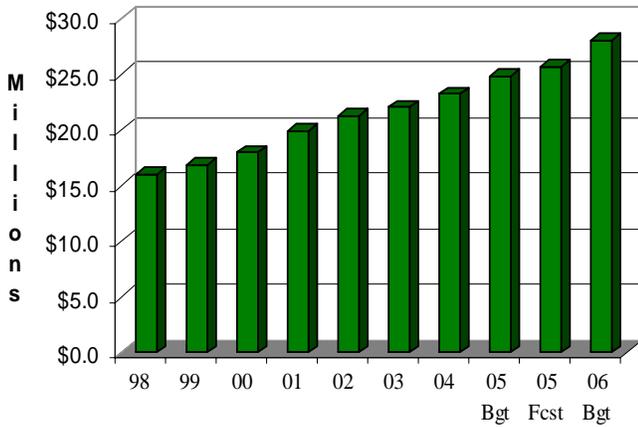
	2003	2004	2005
Mill Levy	9.564	9.564	9.564
Valuation	\$ 610,068,180	\$ 634,601,287	\$ 709,538,439
Net Tax Revenue	\$ 5,718,000	\$ 5,947,940	\$ 6,650,310

(98% of Total - County Collection fee is 2%)

Sales and Use Tax

Sales tax is the largest revenue source in the taxes category. Loveland’s current city sales tax rate is 3%. Through July 2004, sales tax collections were 6.4% higher than one year ago. The 2006 sales tax

Annual Sales Tax Collection

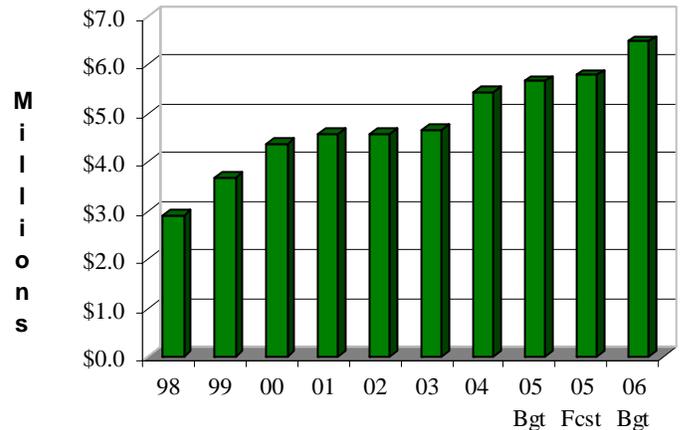


collections are projected to increase by 9.2% over 2005 forecasted revenue. The increase is due to a combination of an increase in existing business sales of 5% and an additional \$1.6 million is projected from the opening of the new Lifestyle Center for a full year and other new development in the Centerra Project.

Beginning on January 1, 1998, the City began collecting its sales tax in-house instead of using the services provided by the State of Colorado.

Use tax is also 3%, but only applies to building materials and motor vehicles and is distributed the same as sales tax.

Use tax collections on building materials are projected to increase by 5.8%. The increase is based on projected residential and commercial building permits for 2006. Collections on motor vehicles are projected to be flat, compared to the 2005 forecast. This revenue source has experienced declining growth in collections for the past two years, and with current oil prices this trend is expected to continue. \$500,000 in use tax is included based on anticipated audit recoveries.



Other Taxes

Liquor occupational tax - The projection is based on the number of businesses that sell liquor in the City; the revenues are very consistent from year to year.

Specific ownership tax - A tax paid by owners of motor vehicles in lieu of personal property tax. For 2006, the revenues are projected to increase 3.0%.

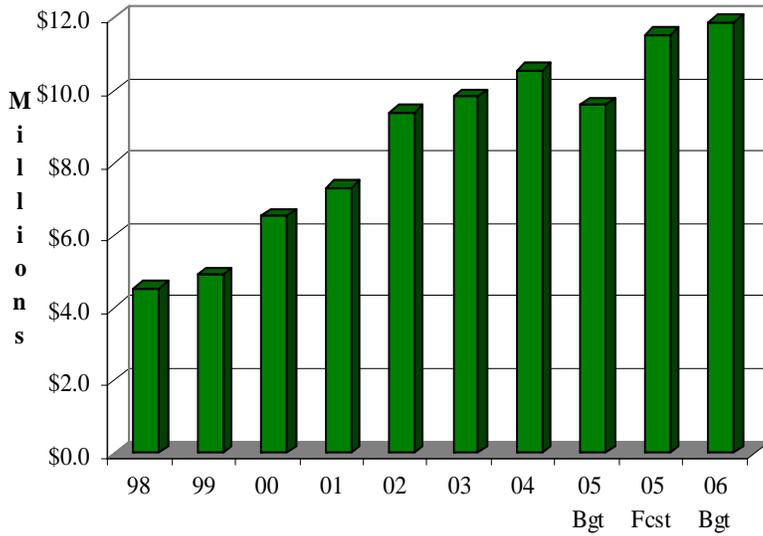
Cigarette tax - A tax levied on the wholesaling of cigarettes. This source of revenues varies to a small degree from year to year.

Gas franchise tax - A tax levied on the Public Service Company in granting the company the privilege to construct, purchase and operate within the City. The current tax levy is 3% of gross gas revenue.

Telephone franchise tax - A tax levied on the telephone company to operate within the City. The levy is adjusted annually based on changes in the consumer price index.

Cable television franchise tax - A franchise fee levied on the cable company to operate within the City. The current fee is 5% of the company’s annual gross revenue.

Annual CEF Collections



Impact Fees

Capital Expansion Fees (CEF) are imposed on every additional residential dwelling unit, square foot of retail office and institutional construction, as well as every acre of industrial development. These fees are intended to cover growth-related capital costs. The City also imposes System Impact Fees (SIF) on customers who increase utility demands that require future facilities expansion, such as new water lines, additional treatment plant capacity, or a new substation.

User Fees

One of the sources of this revenue is from the Hatfield Chilson Recreation/Senior

Center. Through user fees, a substantial part of the cost of operating programs and facilities is borne by those who use them. There are modest fee increases for most Parks and Recreation fees. Other sources of this revenue include golf fees, solid waste fees, and the street maintenance fee.

Interest

The cash balances in all funds are invested in interest-bearing investments of maturities appropriate to the projected cash requirements of the funds. In 2006, the projected interest rate is 3.5%.

Intergovernmental Revenues

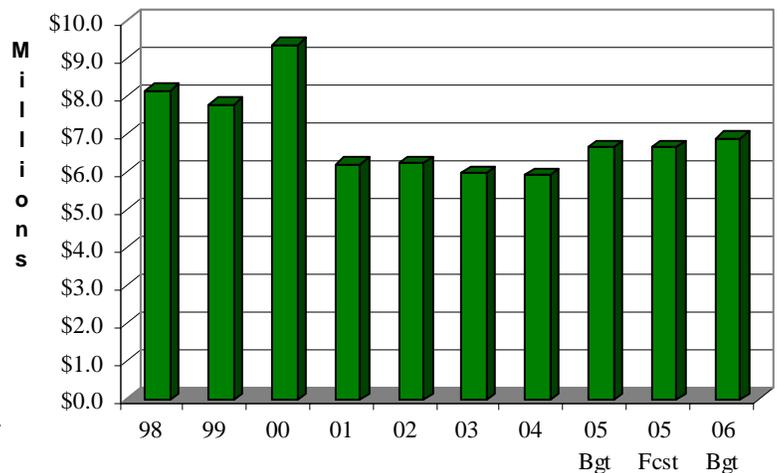
These revenues are received from federal, state and county sources. The largest item is the Highway Users Tax Fund, which is derived from gasoline taxes. Distributions are made to cities based on the number of registered vehicles and number of miles of maintained streets. Legislation requires the City to establish a minimum annual contribution for street maintenance to remain eligible for tax proceeds. The 2006 budget includes an amount that exceeds the minimum requirement, and the tax proceeds are projected to remain steady. Other sources include: road and bridge taxes from Larimer County for road and bridge construction, maintenance and administration; ambulance dispatch service revenues from the Thompson Valley Hospital District; fire dispatch services for the City of Berthoud; the State Highway Maintenance Contract and Traffic Signal Maintenance Contract budgeted according to the stated amount of the contracts; and federal grants for mass transportation.

Utility Charges

These are revenues generated from the provision of basic utility services. The City provides four utility services: water, wastewater, storm water and power.

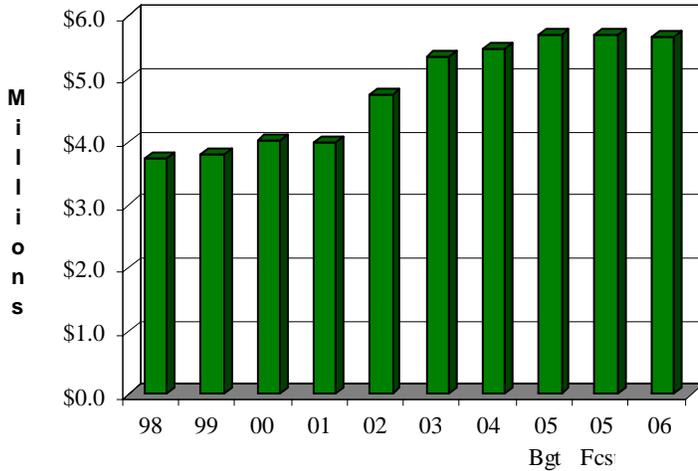
Water Utility Charges

Water Utility Charges



In 2001, water fees were reduced 33%, due to the early debt repayment. Revenues stabilized in 2004 after the severe drought the region experienced in 2003, and a small increase in usage is projected in 2005. The 2006 revenue increase is projected due to the growth in the number of new users. No fee increases are included in the 2005 budget.

Wastewater Utility Charges

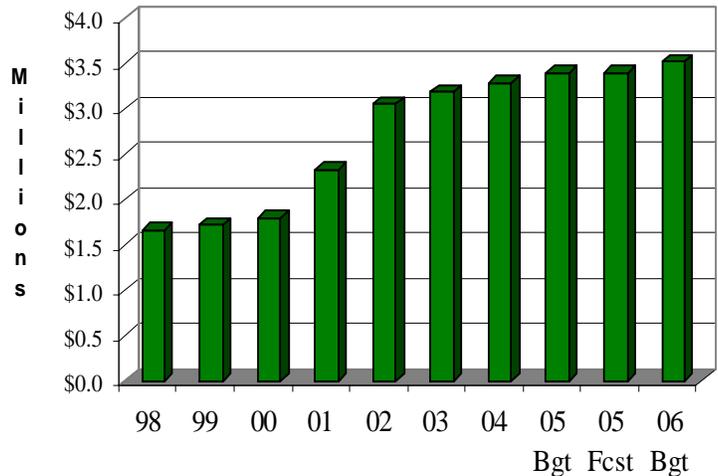


Wastewater Utility Charges

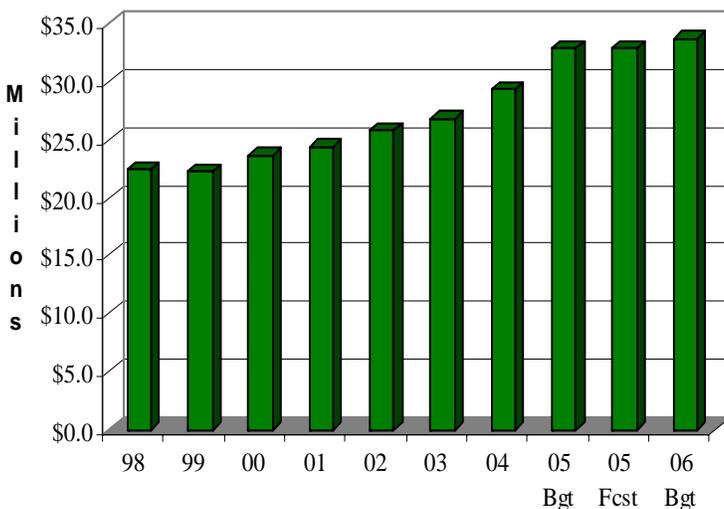
The wastewater revenues included an 18% increase in the 2002 budget and another 15% increase in 2003 due to new EPA mandates that effectively reduce the treatment plant capacity. Revenues have begun to taper off due to conservation measures such as low-flow toilets in new construction. No fee increases are included in the 2006 budget.

Storm Water Utility Charges

The storm water revenues included rate increases of 25% in 2001, and another 25% in 2002, to pay for federal discharge quality mandates and an accelerated capital program. No fee increases are included in the 2006 budget. The revenue increase projected in 2006 is due to residential and commercial growth.



Power Utility Charges



Power Utility Charges

The power rates have remained low for the past few years with no rate increases. Since the early retirement of the Electric Revenue Bonds in 1995, rates have decreased twice and the utility implemented a power rate reduction in 1999 resulting in a 6% reduction in revenues. Due to increased wholesale costs, a 4.4% average retail rate increase was included in the 2005 budget. No rate increases are included in the 2006 budget.

Utility Others

These are revenues generated from sources other than regular utility charges. Some of the examples are wheeling power fees, wholesale water sales and sale of water meters. These revenues are projected based on historical averages.

Other Revenues

These are miscellaneous revenues that do not belong to any of the above revenue categories. Revenues such as donations, proceeds on the sale of assets, employees' contributions to the health and dental plans, and rents are included here.

Transfers

Transfers occur between funds to pay for services provided by other departments, for Payments In Lieu of Taxes (PILT) which are charged to all enterprise funds based on a percentage of revenue received, or to combine funds received from different revenue sources within one fund to budget for a capital project.

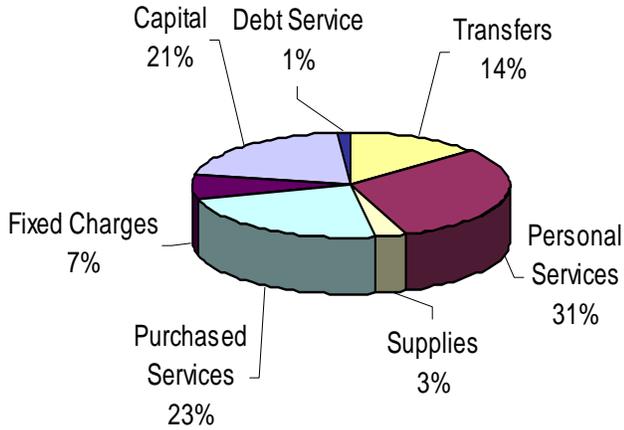
Fund Balance

The beginning fund balance, while not a true "revenue", is a major source of funding for the 2006 budget. Fund balance is created from monies saved in previous years for specific capital projects or operating contingencies, and revenue received above the amounts appropriated for expenditure. Fund balance will decrease in the 2006 budget. The decline is due to a planned spend-down for capital projects primarily utilizing Impact Fees which have been collected in prior years for growth related projects. The fund balance will continue to decline over the next five years as major capital projects, which are included in the Capital Improvement Plan, are completed.

The 2005 Forecast includes capital projects, which were budgeted in prior years but not completed before 2004 and assumes these, as well as new 2005 projects, will be completed by year end. This accounts for a portion of the large decline in fund balance between 2005 and 2006. After the year ends, a supplemental budget will be presented to City Council to re-appropriate the ending balances of capital projects remaining incomplete.

EXPENDITURE OVERVIEW

Total Expenses (Including Transfers)



Total City Expenses

The City divides expenditures into account groups to describe how it is spending its funds. The account groups are Personal Services, Supplies, Purchased Services, Fixed Costs, Debt Service, Transfers, and Capital. The personal services group includes all salaries, the City's contribution towards FICA and retirement accounts, the City's share of insurance benefits, workers' compensation costs, and other costs related to compensation and benefit packages. The Supplies group includes all office supplies, parts and materials necessary to provide the services funded in the budget. The Purchased Services group includes all services provided to the City by outside sources. Examples include telephone service, postage, subscriptions, and contract

services. The Fixed Charges group includes insurance premium payments, vehicle rental and maintenance costs, which are paid to the Internal Service Funds, and other rental costs. The Debt Service group includes principal and interest costs associated with any approved debt issues. The Transfer group is for any transfer between City funds. The Capital group is for the purchase of items that cost more than \$2,500 and have a useful life of more than one year, and all infrastructure and vertical construction projects.

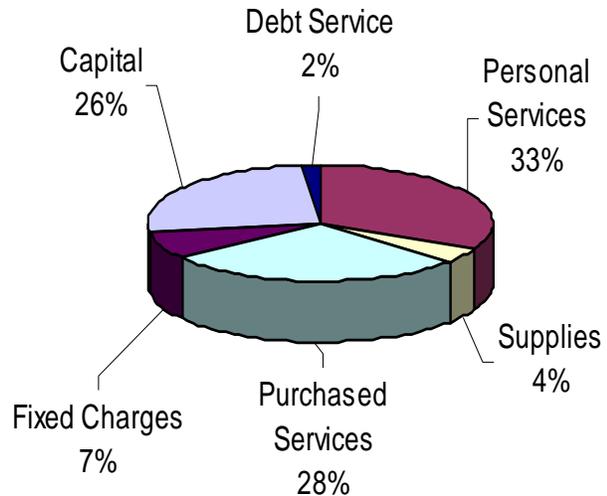
Of the City's total budget of \$176.6 million, the percentage attributed to each account group is shown above.

Total Expense (Excluding Transfers)

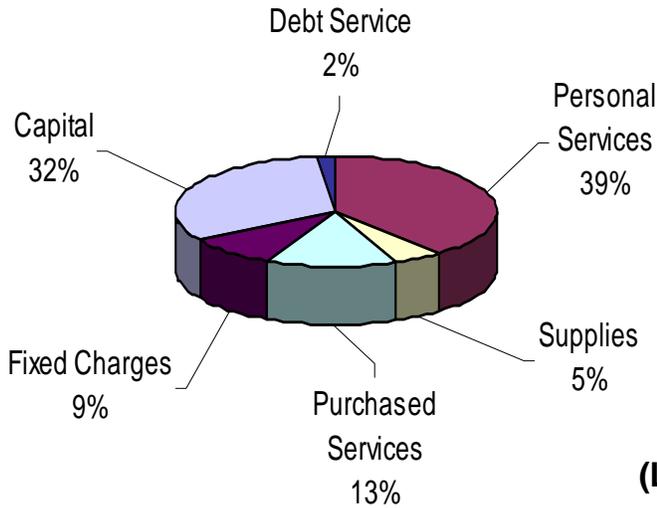
Net Total City Budget (Excluding Transfers)

For the Total City Budget, the net budget is a more accurate indicator of actual City spending. The net budget does not include transfers between funds or internal service charges. This is necessary since using transfers and internal service charges double counts some revenues and expenses two and occasionally three times.

Of the Total Net City Budget of \$140.1 million, the percentage attributed to each account group is as shown.



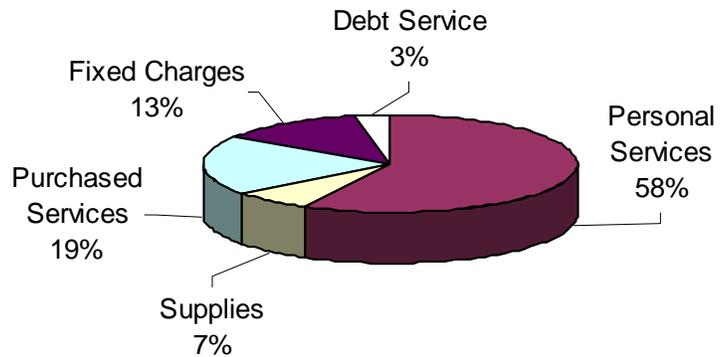
Total Expenses (Less Transfers and Purchased Power)



Total City Expenses (Less Transfers and Purchased Power)

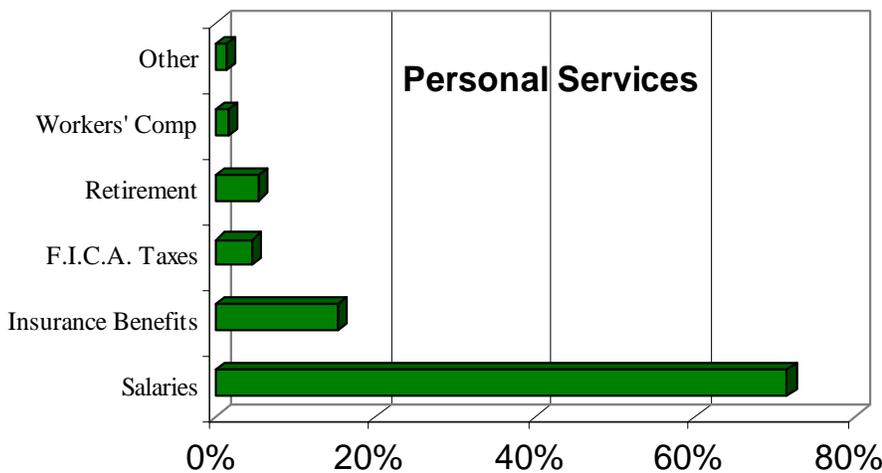
The Purchased Services percentage in the chart on the previous page, for analytical purposes, is overstated. The total Purchased Service cost includes the cost of Purchased Power of approximately \$24.5 million. This is the cost of electricity that is purchased from the Platte River Power Authority and then distributed and resold to the customers of the Power Utility. With purchased power excluded from the net City budget, the percentages attributed to each account group are as shown.

Operating Expenses (Less Capital, Transfers & Purchased Power)



Operating Expenses

Operating costs make up 57% of the City's budget and require on-going resources to fund these costs. The total operating costs are shown in the following chart. A discussion of each of the operating expense groups follows.



Personal Services

As can be seen by the above chart, personal services are the largest expense for City operations. The City offers a comprehensive compensation package that includes salary, retirement contributions, and insurance benefits. Of these costs, salary is the largest component, at 72% of the total personal services costs. Insurance benefit costs have been increasing, and are 15% of the personal service costs.

Salary Costs

The City's pay system can be described as a market based pay plan with budgetary constraints. The pay plan is based upon comparing City of Loveland salaries to other public and private employer salaries in

the Northern Colorado area, using data from the Mountain States Employers Council Northern Colorado Survey and Colorado Municipal League General and Executive Survey. Positions are grouped into pay levels based upon comparative factors of skill, effort, and responsibility. Each pay level has a pay range. The midpoint of each pay range is the average of all salaries paid in other organizations included in salary surveys completed each year. However, an employee’s salary is not automatically raised to reflect range movement. The change in an employee’s salary is determined by a merit evaluation of their work performance. As a guideline, employees who are consistently meeting job standards would be paid a salary within the market level of performance.

Retirement Costs

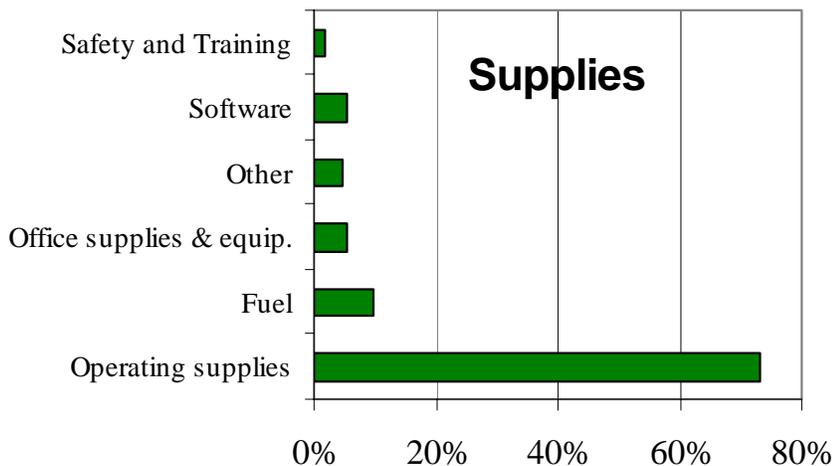
For general employees the City offers a pension plan based on the 401(a) provisions. The City contributes to an employee’s plan on a graduated scale based on length of service. After six months of employment, the City contributes 5% of the employee’s monthly base salary. This percentage is capped at 9% beginning with 21 years of services. The employee is required to contribute 3% of their base salary. An employee, after three years of service, will be vested in the City contribution. The City has separate pension plans for certified Fire employees and Police officers. In both plans, the City contributes 11% of the base monthly salary. In the Fire plan, the employee is required to contribute 9% and Police officers are required to contribute 7%. Fire employees vest in the City contribution after six years of service, and Police officers after five years of service. Employees are also offered a 457 Deferred Compensation Plan, to which they may contribute.

Insurance Benefit Costs

The City has self-insured medical coverage with two medical plan options, a Health Maintenance Organization (HMO) and a Preferred Provider Organization (PPO). All employees working 20 hours or more per week are eligible for medical benefits. Full-time employees receive full coverage and part-time employees receive coverage pro-rated depending on the number of hours worked. Due to the significant increases in medical costs, the City is shifting more of the cost to the employee in 2006. The City will contribute 80% of the premium cost for health care coverage. The City also provides dental insurance to employees, with the City contributing 60% of the cost. Other insurance costs to the City include coverage for short-term and long-term disability.

Workers’ Compensation

Workers’ compensation premium costs and claims are managed by the Risk Management Division, and budgeted in the Risk and Insurance Internal Service Fund. Workers’ compensation costs are then charged to each department based on the department’s claims history and forecast liability costs. The total cost for the City is anticipated to increase 29% in 2006.

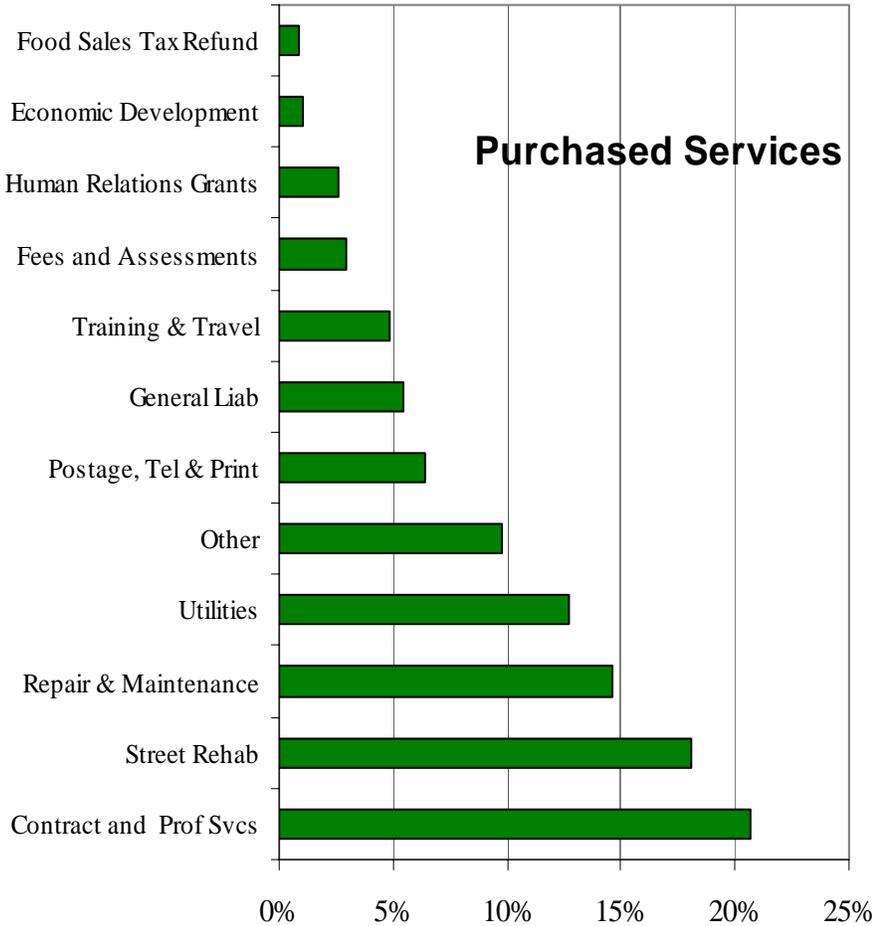


Supplies

Seven percent (7%) of the operating budget is for supplies. Operating supplies such as parts, tools and equipment, paint, landscaping material, and street materials are 87% of this cost. Office supplies and equipment are 5%, with the remainder in computer software, training and safety supplies, and other miscellaneous supplies.

Purchased Services

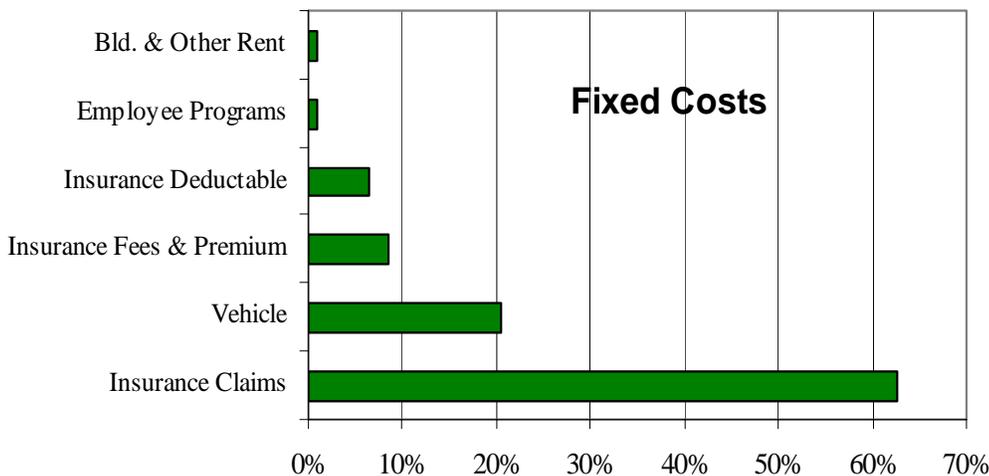
This account group is for services provided by sources outside the City and is 19% of the operating budget. The two largest categories within this account group are contract and professional services and street rehabilitation. Contract and professional services is 21% of the total purchased services and includes payments for custodial services, engineering services, attorney services, and other contractual services.



Street rehabilitation is 18% of the total for this category. The Street Rehabilitation Program is for resurfacing or the reconstruction of existing streets. In past years, streets were scheduled for resurfacing every 10 years. The City Council adopted a new street maintenance fee in 2001 that is charged to all residential and commercial properties within the City limits. The revenue from this program allows the scheduled resurfacing to be moved up to every seven years.

Other significant components of this account group are the charges for repair and maintenance (15%), general liability costs (5%), postage, telephone and printing (6%), and electric, water, sewer, gas and landfill charges (13%).

Other significant components of this account group are the charges for repair and maintenance (15%), general liability costs (5%), postage, telephone and printing (6%), and electric, water, sewer, gas and landfill charges (13%).



Fixed Costs

Fixed charges are 13% of the operating budget and are comprised primarily of insurance premiums and claims, and vehicle maintenance and rental charges. Seventy-eight percent (78%) of the fixed costs are for insurance fees and premiums, insurance deductibles, and

Budget Overview

insurance claims, which are managed through the Employee Benefit Internal Service Fund and the Risk and Insurance fund. 20% of the Fixed Cost group is for vehicle maintenance and rental charges. The remainder of the cost is for employee programs and building and equipment rentals.

Debt Service

This account group is for repayment on all bonded debt or any lease-purchase agreements and is 2% of the operating budget. All bonded debt is in the Golf Enterprise Funds. In 2001, the City paid the Water Enterprise general obligation bonded debt off early with fund balance. A fund balance reserve with the full amount of the revenue bond debt in Water has been established to pay the raw water bonds for the Windy Gap Project.

The Golf debt will be retired in 2010.

DEBT SERVICE & FINANCIAL OBLIGATIONS

Payments on all of the City of Loveland’s long-term obligations are included in debt service. This includes revenue bonds and lease purchase agreements. Also included are the City’s obligations for debt issued by other entities for the Windy Gap project.

Outstanding bonds as of December 31, 2004, totaled \$1,435,000 for golf course construction. All bonds are considered to be self-supporting with revenues providing for adequate debt service coverage.

Currently, the City’s revenue bonds are rated as follows:

<i>Moody’s Investors Service</i>	<i>A1</i>
<i>Standard and Poor</i>	<i>A+</i>

The City also has a number of lease-purchase agreements for equipment or facilities. In general, the agreements were entered into because it was possible to borrow at a lower rate than that earned on the City’s cash investments. Payments are made as part of operating budgets. Because of our financial planning practices and because the amounts are small, they do not adversely affect other parts of the operating budgets.

Legal Debt Limit

The City of Loveland is a home rule city. The Colorado Revised Statutes provides that general obligation indebtedness for all purposes shall not at any time exceed 3% of actual value, as determined by the County Assessor, of the taxable property in the City. The exception is debt that may be incurred in supplying water. The City’s debt is within the legal debt limit as demonstrated by the table below:

Computation of Legal Debt Limit

2005 actual value	5,726,166,406
Debt limit: 3% of actual value	171,784,992
Amount of bonded debt applicable to debt limit	-0-

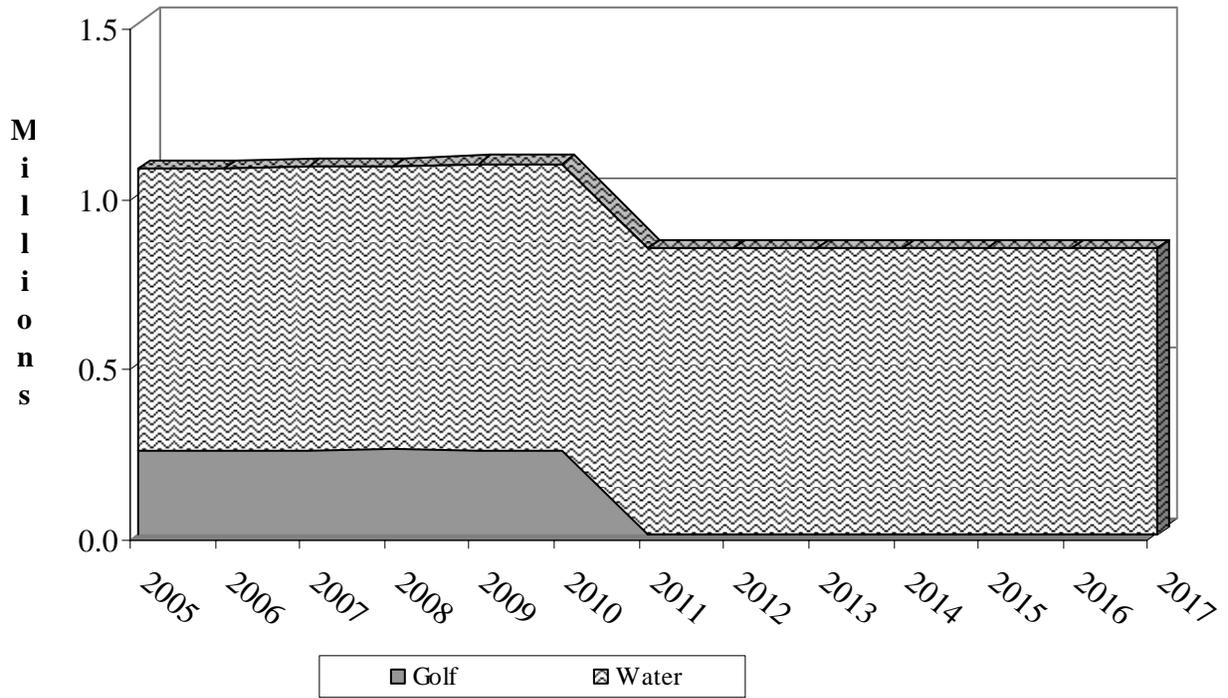
Bond Issues

	Balance		Payments Due			Maturity Date
	12/31/04	2005	2006	2007	2008	
Revenue Bonds:						
Raw Water (1)	—	825,796	826,155	827,124	826,856	2017
Golf Course (2)	1,260,000	245,318	244,987	247,832	248,095	2010
Bond Total	1,260,000	1,071,114	1,071,142	1,074,956	1,074,951	

Notes:

- The Municipal Subdistrict of the Northern Colorado Water Conservancy District holds the debt for the Windy Gap project. Loveland is responsible for 1/12 of the payments.*
- The City of Loveland refunded the original Golf Course C.O.P.s with revenue bonds on Sept. 15, 1998.*

Combined Bond issues



Lease Purchases				
	-----Payment Due-----		Total Max Payment Liability (1)	Last Payment Date
	2005	2006		
Lease Purchases:				
Library computer system	27,572	55,143	250,000	2010
Police Radios	104,605	104,605	280,750	2007
Golf GPS System	71,460	71,460	426,932	2012
Total	203,637	231,208	957,682	

Note: (1) This is the total payment liability from 2005 to the end of the payments.

FINANCIAL MASTER PLAN

Lincoln Place will include new retail shops and restaurants, a parking garage and apartment condos in the downtown area.



This section is a summary of the Financial Master Plan. For the complete document, please refer to the link listed on the Finance website

at www.ci.loveland.co.us/Finance/FinanceMain.htm or contact the Finance Department.

FINANCIAL MASTER PLAN SUMMARY

The City of Loveland Charter requires, as a part of the budget submission, a five-year capital plan. The Capital Improvement Plan Chapter of this document satisfies this requirement. As policy, staff has expanded this requirement and develops a Financial Master Plan for both operations and capital over a five-year period.

The Plan is intended to be a living document, and is updated at least on an annual basis attempting to integrate the City of Loveland Land Use Master Plan and departmental master plans. The Plan is used for discussions with Council on policy priorities at the beginning of the budget process, and provides a long term planning tool for the City departments for service development. It also provides an estimate of when revenues will be available for service increases or improvements. The Plan is designed to insure that operating revenues for new services, or new capital expansions, will be available in future years to maintain the new buildings or equipment or operate the expanded service after they have come on-line.

What is a Financial Master Plan?

- It is a multi-year planning instrument that enables the City to look to the future, and, based on emerging issues and trends, to direct its resources to meet specific and achievable goals.
- It encompasses the policy direction and priorities of Council.
- It projects resources for the next 5 years and forecasts compliance with the TABOR (Amendment 1) restrictions.
- It is a living document that enables management and Council to make funding decisions for service delivery and capital requests in a more predictable manner.
- It is a flexible guide to the future revenues and expenditures in the City.
- It is the basis for the development of future budgets.
- It notifies Council when projected revenues are insufficient to cover the projected expenses for priority projects. In order to balance the budgets, Council can make decisions based on a combination of the following options:
 - Cut projected operating or capital expenses by a critical review of departmental budgets.
 - Move projects or services funded in the plan to later years.
 - Increase revenue by increasing or enacting new fees or by proposing new taxes to voters.
 - Reduce the amount of required reserve.
 - Adjust the assumptions used in the forecast model.

The Special Revenue Funds are primarily capital in nature with dedicated funding sources, with the exception of the Library Fund. The Library Fund is funded primarily by a transfer from the General Fund. Increases to Library funding are accounted for in the Non-Departmental line of the General Fund Forecast.

The Internal Service Funds are funded in a similar fashion, but include transfers from the Enterprise Funds, as well as the General Fund. The General Fund portion of the increase to these funds appears in the Non-Departmental line. Due to the fact that the Enterprise Funds utilize their own funding sources and are balanced, only the General Fund portion is discussed in this chapter.

Council does not formally adopt the Financial Master Plan; however, through discussions with the Council, conceptual approval of the future years is obtained to ensure the plan meets Council priorities and goals. Since this is a living document, the plan may change significantly from year to year, due to changes in the local economy that will impact the revenue stream, changes in Council policies or goals, or legislative changes at the state and federal level that impact service provisions or available revenues.

GENERAL FUND OVERVIEW

Forecast Assumptions

The forecast of the Consumer Price Index (CPI) and Local Growth Factor used for the TABOR limit are based on the historical average the City has experienced. Actual amounts are not known until the month of March following the end of an individual fiscal year. The amount for the CPI is 1.5% in 2005, 2.5% for 2006 through 2008, and 3.0% for the remaining years. The local growth factor is 4.14% in 2005 based on the property valuations from the County Assessor, 4.1% in 2006, 6.3% in 2007 to reflect the Lifestyle Center's entry on the tax rolls, and 4.1% for the remaining years, which is the City's historical average.

Revenue Assumptions

- By State law the Property Assessor is required to reassess all property values every two years to meet the requirements of the Gallagher Amendment to the State Constitution. Historically, the City has experienced growth in assessments of 5.8% in non-reassessment years and 13.6% in reassessment (Gallagher) years. The property tax revenues assume the millage rate will remain the same throughout the plan and revenues will increase by the same amount as the property assessments.
- The City's sales tax base for 2007-2010 increases at a rate of 5.0%.
- The sales tax projections for the Lifestyle Center and the Centerra developments are based on the sales per square foot shown in the Master Financing Agreement between the City and the developer.
- Use taxes increase at a rate of 3.5% for 2007-2010.
- All other taxes increase 3.0% for 2007-2010.
- Intergovernmental revenue increases at a rate of 2.5% in 2007-2010.
- User fees increase by 3.5% each year of the plan.
- PILT increases are projected at 3.3% for most years in the plan.
- Interest is calculated at 3.5% of the beginning balance adjusted to assume that the combined TABOR and Council reserves will not exceed \$10 million, based on the current investment instruments held by the City, for 2006-2010.
- The TABOR excess projections are preliminary and will vary depending on the CPI and local growth percentage for each year and actual revenues.

Expense Assumptions

- 2006 is the recommended budget for the departments.
- Department base budgets are increased 4.5% from the 2006 recommended amount.
- Included in the 2006 operating expense line is a transfer to the CEF Fund for \$200,000 to reimburse the fund for incentives given in the Mirasol project.
- Included in the capital expenses in 2006 is a transfer of \$341,500 to reimburse the fund for incentives given for projects on the east side of town.
- The street construction General Fund portion is funded at \$2 million in each year using TABOR revenues or General Fund revenues when TABOR reserves are not available.
- Street Rehabilitation expenses are funded using TABOR revenues through 2008.

Required Reserve Assumptions

- The required balance includes the TABOR 3% emergency operating reserve; a Council Contingency reserve of \$72,430; an unfunded liability reserve of \$125,000; and an equipment replacement reserve of \$250,000; projected revenues which are above the TABOR cap and not currently designated toward specific projects; and the amount of Council Capital Reserve not currently designated for specific projects. The ability to keep and spend TABOR excess revenue and use this revenue for

police, fire, street construction and maintenance, and parks construction and maintenance was approved by the voters in the November 2001 election. This approval expires at the end of the 2012 budget year.

- The TABOR 3% operating reserve is a requirement of Article X, Section 20 of the State Constitution, which mandates government reserve 3% of the current year operating costs, excluding bonded debt, to be used for declared emergencies only.
- The Contingency Reserve is established to provide a funding source for small one-time projects, which could not have been anticipated during the development of the annual budget.
- The unfunded liability reserve provides resources in the event payouts for accrued leave or other unfunded liabilities exceed budgeted resources in any one year.
- The Council Capital Reserve was established by ordinance in 2005. The ordinance requires setting aside 5% of all tax revenue under the TABOR revenue cap for capital projects. The ordinance will sunset in 2009.
- In the forecast, the City is projected to be above the TABOR revenue limit beginning in all years of the plan.

Analysis

The plan as presented shows there is \$1,000,000 available for new operational expenses in each year of the plan. One million dollars (\$1,000,000) is allocated for new capital expense, above the requirements of the transportation plan, in all years of the plan. The policy of having the unreserved balance equal 6% of revenue is substantially met in most years of the plan.

Based on supplemental requests that were included in the 10-year planning process done earlier this year and the 2006 Capital Plan there will be difficult decisions staff and City Council will have to make in the near term. Policy issues that are being discussed by staff are:

- Increasing the Fire Department staffing so that three paid firefighters are on all apparatus, on every shift. To do this would require the addition of approximately 14 new firefighters;
- Adding Fire Station 7 and Fire Station 8 with at least nine new staff members at each station;
- Expansion of the Public Library;
- Expansion of the Parks and Recreation System, including the development and operation of Mehaffey Park, the expansion with the accompanying increase in operating expenses at Kroh Park, the opening of a new aquatics facility and a new recreation facility, Phase II operations for the Youth Sports Complex, development and operations of the old Fairgrounds site, and the development and operations of a new regional park;
- Increasing Police Department staffing to reach a ratio of 1.6 sworn officers per 1,000 population and 2.5 total employees per 1,000 population. Achieving this goal will require the addition of 48 new staff members. The current ratios are 1.4 and 2.1;
- Increased staffing in all departments to maintain current service levels due to growth in the community.

There is not enough revenue in the plan to fully fund all of these policy objectives. The decisions to balance this diverse set of requests will need to be made within the available dollars shown in the plan to ensure the financial stability of the organization. The timing of some of the expansions and staffing policies will need to be delayed to years outside the scope the current plan or a decision made not to pursue the policy in any year.

Financial Master Plan Summary

Finance Master Plan	2004	2005	2006	2007	2008	2009	2010
General Fund Revenue & Expenses	Actual	Forecast	Projected	Projected	Projected	Projected	Projected
Beginning Working Cash Balance	\$4,365	5,041	2,850	3,543	4,072	4,761	4,894
REVENUES							
Property Tax	5,683	5,898	6,252	6,615	7,514	7,950	9,031
Sales and Use Taxes	28,668	31,464	34,021	37,374	39,918	41,909	44,516
Interfund Transfers	2,888	3,094	3,327	3,437	3,564	3,692	3,807
Other Revenue	14,532	15,516	15,348	16,067	16,961	17,387	18,057
TOTAL REVENUE	51,770	55,972	58,948	63,493	67,958	70,938	75,412
Excess TABOR revenue	-4,371	-7,194	-6,595	-6,500	-7,405	-6,270	-6,380
Annual Council Set-Aside	-2,998	-1,508	-1,684	-1,874	-2,001	-2,179	-2,358
Change in TABOR 3% Emergency Reserve	-49	-149	-99	-110	-101	-91	-117
Net Revenue	44,352	47,120	50,571	55,008	58,451	62,397	66,556
EXPENSES							
Legislative	86	104	119	128	129	129	129
Executive & Legal	1,402	2,600	2,330	2,435	2,545	2,659	2,779
Cultural Services	968	1,064	1,055	1,103	1,152	1,204	1,258
Development Services	2,940	1,889	2,142	2,238	2,339	2,444	2,554
Finance	374	517	712	744	777	812	849
Fire & Rescue	5,771	6,432	7,141	7,462	7,798	8,149	8,516
Parks & Recreation	5,338	5,920	6,526	6,820	7,127	7,447	7,782
Police	11,590	12,557	13,190	13,784	14,404	15,052	15,729
Public Works	6,989	7,724	7,869	8,223	8,593	8,980	9,384
Non-Departmental	8,414	9,174	9,513	9,941	10,388	10,855	11,344
Commercial Incentive Program	128	627	350	350	350	350	350
Mirasol Fee Waiver	-	-	200	299	-	-	-
McKee Incentive Package	-	395	-	-	-	-	-
Transfer for Insurance overage	-	712	-	-	-	-	-
Available inflated out	-	-	-	-	1,045	2,137	3,278
Available funds	-	-	-	1,000	1,000	1,000	1,000
TOTAL APPROPRIATIONS	43,999	49,715	51,146	54,526	57,647	61,219	64,953
Reserved for Pay Plan Adjustment	-279	-	-	-	-	-	-
Use of Council Contingency Reserve	-	-	-28	-	-	-	-
Use of TABOR funds	-975	-3,399	-3,788	-2,670	-2,729	-1,301	-1,366
NET APPROPRIATIONS	42,745	46,315	47,331	51,856	54,918	59,919	63,587
NET OPERATING REVENUE (LOSS)							
	1,607	805	3,240	3,151	3,533	2,478	2,969
CAPITAL							
Police/Courts Building Payment	4,370	-	-	-	-	-	-
Net Capital Expense	2,669	3,130	1,144	1,000	1,000	1,000	1,000
Street Construction projects	797	2,934	2,000	2,000	2,000	2,000	2,000
Payment to Wastewater for Development Incentives	-	750	342	-	-	-	-
Equipment Replacement	351	1,227	1,301	1,622	1,844	1,345	1,471
TOTAL CAPITAL EXPENDITURES	8,188	8,041	4,787	4,622	4,844	4,345	4,471
Use of TABOR Funds	-2,887	-3,309	-2,240	-2,000	-2,000	-2,000	-2,000
Use of Council Set-aside	-4,370	-1,736	-	-	-	-	-
NET CAPITAL EXPENDITURES	931	2,996	2,547	2,622	2,844	2,345	2,471
Ending Working Cash Balance	5,041	2,850	3,543	4,072	4,761	4,894	5,392
Reserve policy requirement (6% of revenue)	3,106	3,358	3,537	3,810	4,077	4,256	4,525
amount above (under) policy	1,935	-508	6	263	683	638	867

* Note: All numbers are in 1,000s.

Financial Master Plan Summary

Finance Master Plan	2004	2005	2006	2007	2008	2009	2010
Tabor and Council Capital Reserves	Actual	Forecast	Projected	Projected	Projected	Projected	Projected

TABOR Excess Reserve

Beginning Balance	4,170	4,678	5,164	5,731	7,561	10,238	13,207
Projected Tabor Annual Excess	4,371	7,194	6,595	6,500	7,405	6,270	6,380
Street Construction	-797	-2,934	-2,000	-2,000	-2,000	-2,000	-2,000
Youth Sports Complex Construction	-2,090	-	-	-	-	-	-
Transportation Fee	-975	-1,021	-1,124	-1,180	-1,239	-1,301	-1,366
Fire Apparatus Replacement	-	-275	-	-	-	-	-
Fairgrounds renovation	-	-100	-	-	-	-	-
Youth Sports Complex Operating	-	-	-384	-	-	-	-
Public Works Operating (subsidy to Street Rehab)	-	-1,889	-1,490	-1,490	-1,490	-	-
Public Works Prj/Dev Engineering Operating	-	-489	-	-	-	-	-
Public Works Paint Truck	-	-	-240	-	-	-	-
New Firefighters and Equipment for Vol.	-	-	-424	-	-	-	-
New Police Officers	-	-	-366	-	-	-	-
Ending Balance	4,678	5,164	5,731	7,561	10,238	13,207	16,221

Council Capital Reserve

Beginning Balance	5,433	4,061	3,833	5,517	7,392	9,393	11,573
Annual Council Set-Aside	2,998	1,508	1,684	1,874	2,001	2,179	2,358
Police/Court Payment	-4,370	-	-	-	-	-	-
Youth Sports Complex Construction	-	-1,736	-	-	-	-	-
Ending Balance	4,061	3,833	5,517	7,392	9,393	11,573	13,931

* Note: All numbers are in 1,000s.

FUND SUMMARIES

This section provides summaries of the City's four fund types compiled in gross amount form showing the primary services provided and the major sources of revenue.

This section also includes:

- a list of full time equivalent positions by department or division;
- the impact of Amendment 1 (TABOR) restrictions on the City's budget.



Example of new fitness gyms for our community.

FUND SUMMARIES

The following four tables present revenue and expenditure summaries by departments/divisions for the four main fund types: the General Fund, Enterprise Funds, the Internal Services Fund, and Special Revenue Funds. These summaries are in gross budget form. Explanations for expenditure variances and detailed information regarding each department/division can be found in the Operating Summary section.

Fund Summaries

Fund Summary Schedule

Gross Budget	General Fund	Internal Services Fund	Enterprise Funds	Capital Projects Fund	Library Fund	Local Improv. Fund	CEF Fund
Beginning Balance	13,796,890	10,531,150	50,615,480	773,630	220,870	297,360	33,138,370
Revenues							
Legislative							
Executive/Legal	701,700						
Cultural Services	151,550						457,480
Development Services	2,937,200						
Finance	184,850	1,961,090					
Fire & Rescue	916,450						863,530
Human Resources		9,092,210					
Information Technology							
Library					2,226,320		628,010
Parks & Recreation	2,638,400		3,285,300				4,296,320
Police	300,500						586,520
Public Works	6,518,300	2,609,920	8,536,770				4,941,420
Water & Power			58,608,620				
Non-Departmental	44,599,220	9,682,690		9,737,500		8,920	1,752,940
Total Revenue	58,948,170	23,345,910	70,430,690	9,737,500	2,226,320	8,920	13,526,220
Total Resources	72,745,060	33,877,060	121,046,170	10,511,130	2,447,190	306,280	46,664,590
Appropriations							
Legislative							
Executive/Legal	118,820						
Cultural Services	2,332,780						
Development Services	2,156,430						
Finance	1,062,110						
Finance	724,120	4,646,420	2,515,700				
Fire & Rescue	7,236,600			350,000			
Human Resources		10,244,280					
Information Technology		2,664,440		93,500			
Library							
Library					2,226,320		
Parks & Recreation	7,318,230	394,660	3,153,860	1,300,000			2,830,120
Police	13,368,880						100,000
Public Works	8,027,250	5,279,810	7,636,070	7,994,000			5,175,000
Water & Power			57,447,110				
Non-Departmental	13,587,650	93,500					
Total	55,932,870	23,323,110	70,752,740	9,737,500	2,226,320	-	8,105,120
Ending Balance	16,812,190	10,553,950	50,293,430	773,630	220,870	306,280	38,559,470

Fund Summaries

Special Revenue Funds

Park Improv. Fund	GID #1 Fund	Con. Trust Fund	Comm. Dev. Blk. Gnt. Fund	Cnty. Open Sp. Fund	Art in Pub. Places Fund	Loveland SID #1	Loveland URA	Total
1,452,080	16,700	1,960,300	-	3,071,090	677,650	1,783,560	19,370	118,354,500
								-
								701,700
					117,100			726,130
			330,520					3,267,720
								2,145,940
								1,779,980
								9,092,210
								-
								2,854,330
191,500		610,000		1,484,720				12,506,240
								887,020
								22,606,410
								58,608,620
	33,440					1,148,770	18,700	66,982,180
191,500	33,440	610,000	330,520	1,484,720	117,100	1,148,770	18,700	182,158,480
1,643,580	50,140	2,570,300	330,520	4,555,810	794,750	2,932,330	38,070	300,512,980
								118,820
								2,332,780
					716,310			2,872,740
			330,520					1,392,630
								7,886,240
								7,586,600
								10,244,280
								2,757,940
								2,226,320
950,000		483,360		1,746,320				18,176,550
								13,468,880
	24,500							34,136,630
								57,447,110
						1,249,500		14,930,650
950,000	24,500	483,360	330,520	1,746,320	716,310	1,249,500	-	175,578,170
693,580	25,640	2,086,940	-	2,809,490	78,440	1,682,830	38,070	124,934,810

Fund Summaries

General Fund

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06
REVENUE				
Beginning Balance	15,998,000	15,581,060	13,796,890	
Taxes	36,092,342	39,541,990	43,031,340	8.8%
Licenses & Permits	2,813,547	3,603,280	3,120,500	(13.4%)
Intergovernmental	4,711,732	4,582,740	3,720,780	(18.8%)
Charges for Service	3,794,678	3,736,230	4,318,050	15.6%
Fines & Penalties	657,060	739,090	691,200	(6.5%)
Interest	310,060	304,980	398,850	30.8%
Miscellaneous	502,559	370,120	340,740	(7.9%)
Transfers	2,887,585	3,093,600	3,326,710	7.5%
Total Revenue	51,769,563	55,972,030	58,948,170	5.3%
Total Resources	67,767,563	71,553,090	72,745,060	
APPROPRIATIONS				
Legislative	85,552	104,130	118,820	14.1%
Executive/Legal	2,122,316	2,604,770	2,330,280	(10.5%)
Cultural Services	968,302	1,063,850	1,055,070	(0.8%)
Development Services	1,554,984	1,889,490	2,141,830	13.4%
Finance	373,762	517,390	711,620	37.5%
Fire & Rescue	5,770,576	6,431,780	7,140,890	11.0%
Parks & Recreation	5,338,072	5,919,700	6,526,080	10.2%
Police	11,590,224	12,556,530	13,189,960	5.0%
Public Works	7,371,431	7,723,950	7,869,250	1.9%
Non-Departmental	16,660,124	17,717,500	13,548,050	(23.5%)
Equipment Replacement	351,158	1,227,110	1,301,020	6.0%
Total	52,186,501	57,756,200	55,932,870	(3.2%)
Ending Balance	15,581,062	13,796,890	16,812,190	
EXPENSE BY CATEGORY				
Personal Services	25,647,239	28,495,950	30,715,590	7.8%
Supplies	1,621,076	1,498,840	1,810,740	20.8%
Purchased Services	7,267,030	7,983,220	8,002,640	0.2%
Fixed Charges	1,565,167	1,706,850	1,635,310	(4.2%)
Transfers	15,647,608	16,555,430	12,345,820	(25.4%)
Capital	438,381	1,515,910	1,422,770	(6.1%)
Total	52,186,501	57,756,200	55,932,870	(3.2%)

GENERAL FUND

The General Fund is where most City services to the public are budgeted. These services include City administration and legal services, police and fire protection, parks, recreation, cultural activities, street maintenance and repair, mass transportation, and development review and regulation. By transferring revenues to other funds, the General Fund is also the primary funding source for the Loveland Public Library. The Internal Support Services Fund provides administrative services and facility maintenance for the General Fund Departments and the Capital Projects Fund provides vertical construction, large building maintenance projects, road projects, major equipment purchases, and information technology improvements.

Nearly three quarters of the funding for these services is through taxes, primarily sales and use taxes. The other funding sources are State revenue sharing through motor vehicle fees, road and bridge taxes, federal grants, user fees, various licenses and permits, fines, and payments from all enterprise funds as payment in lieu of taxes that would have been collected if these enterprises were private operations.

General Fund revenues are anticipated to increase 5.3% over the 2005 forecast. The major sources of the increase are sales and use taxes. Growth in retail sales and auto sales will be moderate reflecting the slow return of the economy. Building permit revenue is anticipated to decrease in the coming year due to the Lifestyle Center completing the permit process in 2005; however, permit activity for residential and commercial property is expected to remain steady. Charges for service are projected to increase by 15% due increases in Parks & Recreation fees to address cost recovery concerns, growth in the community which will increase the transportation fee, and an increase in the collection fee to Centerra for collecting PIF fees for the Metro district.

The services provided by the General Fund are labor intensive. When transfers are excluded, personal services account for over 71% of General Fund expenditures. Another 18% is in purchased services, primarily for outsourcing the street rehabilitation program. The remaining expenses are for supplies, vehicle maintenance and replacement, and other equipment replacement.

Transfers account for 22% of the General Fund expenses. Fifty-nine percent (59%) of the transfer expense is to the Library Fund and the Internal Service Fund, both of which are also labor-intensive services. Twenty-two percent (22%) of the transfer expense is for capital projects with the remaining expenses for transfers to the Wastewater Enterprise for the second of two payments to reimburse the fund for development incentives on the east side of town; to the Capital Expansion Fee (CEF) fund as part of the Council's Economic Incentive Program; a transfer to the CEF fund for the Mirasol incentive; and for payments to the Water and Power enterprises for the expense of billing the street maintenance fee.

Within the ending balance are several reserves, some of which are restricted. The reserves include the Emergency Reserve required by the TABOR amendment to the State Constitution; the balance of revenues which are over the TABOR revenue limitations, the Council Capital Reserve; a contingency reserve; an equipment replacement reserve; and an unfunded liability reserve. The amount of each reserve is listed below. The remainder of the ending fund balance is unrestricted, to be used for future operating costs and/or as a hedge against a sudden, unexpected decline in the economy and exceeds the policy of having the unrestricted balance equal 6% of revenue.

Fund Summaries

TABOR Emergency Reserve	1,573,420
TABOR Revenue Over Revenue Cap	5,730,790
Council Capital Reserve	5,517,280
Council Contingency Reserve	72,430
Equipment Replacement Reserve	250,000
Unfunded Liability Reserve	125,000
Unrestricted Balance	3,543,280

The TABOR Emergency Reserve is one of the requirements included in the TABOR Amendment to the State Constitution. Three percent (3%) of the total operating expenses must be reserved, and can only be appropriated by an ordinance declaring an emergency.

The TABOR Revenue Reserve is for revenues over the TABOR revenue limitations. The \$5,730,120 is the balance of revenues over the limitation that has not yet been appropriated by Council. The reserve is limited, by the ballot language, to Police and Fire, Street Construction and Maintenance, and Parks Construction and Maintenance.

The Council Capital Reserve, originally established by ordinance, required 10% of all tax revenue below the TABOR revenue limitations be set aside for capital projects. This reserve has primarily been used for the annual payment of the sale/leaseback arrangement used to fund the new Loveland Larimer Police and Courts Building. The ordinance sunset in 2004. For 2005, Council has passed an ordinance reestablishing the reserve for another five years, changing the set aside requirement to 5% of all tax revenue below the TABOR revenue limitations, and continuing the restriction requiring funds be used for capital projects.

The Council Contingency Reserve is included each year for small projects that could not be foreseen in the budget development process. The Equipment Replacement Reserve is a contingency against a significant equipment failure. The Unfunded Liability Reserve is a contingency against a significant increase in staff turnover. As policy, employees are paid for vacation time and in some cases a portion of sick leave time that is unused at the time they leave City employment.

Enterprise Funds

	2004	2005	2006	% Change
	Actual	Forecast	Budget	2005-06
REVENUE				
Beginning Balance	85,845,066	67,755,510	50,615,480	
Impact Fees	7,120,925	6,443,000	6,765,810	5.0%
User Fees	7,324,217	7,548,510	7,862,070	4.2%
Interest	1,412,580	1,659,400	1,460,750	(12.0%)
Others	137,069	37,240	52,240	40.3%
Transfers	1,766,100	1,010,450	675,520	(33.1%)
Utility Charges	44,022,640	49,046,800	49,780,000	1.5%
Utility Other	1,475,411	3,759,400	3,834,300	2.0%
Total Revenue	63,258,942	69,504,800	70,430,690	1.3%
Total Resources	149,104,008	137,260,310	121,046,170	
APPROPRIATIONS				
Golf	3,788,715	4,231,710	3,153,860	(25.5%)
Power	34,592,078	39,549,970	39,177,840	(0.9%)
Solid Waste	3,268,813	3,740,190	4,034,450	7.9%
Storm Water	6,018,232	6,053,510	3,601,620	(40.5%)
Wastewater	10,649,334	10,184,230	7,165,260	(29.6%)
Water	23,031,326	22,885,220	13,619,710	(40.5%)
Total	81,348,498	86,644,830	70,752,740	(18.3%)
Ending Balance	67,755,510	50,615,480	50,293,430	
EXPENSE BY CATEGORY				
Personal Services	12,139,510	13,065,800	13,383,630	2.4%
Supplies	1,552,140	2,034,070	2,005,530	(1.4%)
Purchased Services	25,304,235	29,925,190	29,945,050	0.1%
Fixed Charges	448,296	531,690	631,840	18.8%
Debt	1,442,216	1,158,300	1,169,420	1.0%
Transfers	6,383,554	5,363,180	5,646,190	5.3%
Capital	34,078,547	34,566,600	17,971,080	(48.0%)
Total	81,348,498	86,644,830	70,752,740	(18.3%)

ENTERPRISE FUNDS

Enterprise funds by law are required to be self-supporting. The TABOR amendment limits the amount of tax subsidy to 10% of the total operating cost. The City of Loveland enterprise funds do not have any subsidy currently, and are entirely funded by user fees. Details of the operating costs for each fund are in the Enterprise Fund Chapter of the Department Summaries Section. The capital projects for each fund are included in the Capital Improvement Plan Chapter.

The Golf Enterprise Fund manages the three City-owned golf courses. The main source of revenues is from user fees paid by patrons of the golf courses. The fee schedule is set to recover all operating and capital costs involved in the operation of the three courses.

The Power Enterprise Fund includes all costs, operating, purchased power, and capital, associated with distributing electricity to City residents and businesses. The City of Loveland has the fourth lowest rate for electricity of all providers within Colorado.

The Solid Waste Fund includes all costs, operating and capital, associated with the collection and disposal of the City's solid wastes and manages a contract for mosquito control services. The fund is administered by the Public Works Department. The City of Loveland has been nationally recognized for the success of the "Pay As You Throw" Program and the high rate of materials recycled and removed from the waste stream.

The Water Enterprise Fund includes all costs, operating and capital, associated with providing the City with an adequate supply of water. The City of Loveland has the third lowest rate of all providers in our surrounding region.

The Storm Water Enterprise Fund includes all costs, operating, and capital, associated with treating the City's storm water runoff and returning clean usable water to downstream users. The fund is administered by the Public Works Department to more closely align the storm water management with street construction and maintenance.

The Wastewater Enterprise Fund includes all costs, operating and capital, associated with treating the City's wastewater and returning clean usable water to downstream users.

The Water and Power Department administers the Water Enterprise Fund, the Wastewater Enterprise Fund, and the Power Enterprise Fund. The consolidation of these three enterprises under one department results in administrative savings for each enterprise.

Internal Service Fund

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06
REVENUE				
Beginning Balance	10,125,408	10,397,540	10,531,150	
Charges for Service	1,559,207	1,772,220	2,533,740	43.0%
Intergovernmental	77,164	-	-	-
Interest	158,482	301,940	355,550	17.8%
Miscellaneous	22,902	20,000	20,000	-
Transfers	9,142,946	9,094,470	8,766,360	(3.6%)
Internal Service Charges	9,202,195	9,466,080	11,670,260	23.3%
Total Revenue	20,162,896	20,654,710	23,345,910	13.0%
Total Resources	30,288,304	31,052,250	33,877,060	
APPROPRIATIONS				
Employee Benefits	6,624,423	7,948,850	9,092,210	14.4%
Internal Support Services	7,254,163	8,200,340	8,486,510	3.5%
Fleet Services	4,188,446	2,608,800	3,840,140	47.2%
Risk & Insurance	1,823,736	1,763,110	1,904,250	8.0%
Total	19,890,768	20,521,100	23,323,110	13.7%
Ending Balance	10,397,536	10,531,150	10,553,950	
EXPENSE BY CATEGORY				
Personal Services	5,401,556	6,124,320	6,548,640	6.9%
Supplies	1,461,654	1,491,800	1,592,460	6.7%
Purchased Services	2,360,820	2,549,670	2,418,650	(5.1%)
Fixed Charges	8,292,989	9,524,140	10,803,960	13.4%
Transfers	1,913,298	276,670	337,400	22.0%
Capital	460,451	554,500	1,622,000	192.5%
Total	19,890,768	20,521,100	23,323,110	13.7%

INTERNAL SERVICE FUNDS

The Internal Service Funds provide general administrative services, benefits and risk administration, and fleet maintenance and replacement. Funding for these funds is from transfers from the General Fund and Enterprise Funds, internal service charges, and, in Fleet Services, payments from the Thompson Valley School District R2-J for maintenance for the School District's fleet. Detailed expenses for the divisions in these funds are in the Department Summaries Section under the Finance, Human Resources and Public Works departments.

The Employee Benefits Fund, administered by the Human Resources Department, is for management of the City's self-insured benefit program. Revenues for the fund are from internal service charges in each department's budget, which covers 80% of the health benefit cost, 60% of the dental benefit cost, life insurance, disability costs, and wellness program costs. Employees will pay 20% of the health benefit costs, and 40% of the dental benefit costs. Expenses are for medical and dental claims, purchased insurance for protection beyond a certain limit for individual cases and total claims, disability insurance costs, and administration costs.

The Internal Support Services Fund provides general administrative services, information technology services, and facility and grounds maintenance. A summary of the Internal Support Services Fund is in the Other Funds Chapter on page 20-11.

The Fleet Services Fund provides vehicle maintenance and replacement of the City fleet. Revenues for the fund are from internal service charges in each department's budget based on the amortization of existing vehicles, forecasted maintenance costs, and a payment from the Thompson Valley School District for maintenance of the District's fleet. Reserves are carried within the fund for future vehicle replacement. The City does not use a fully funded replacement plan, but a revolving fund philosophy. The reserves are established to ensure the solvency of the fund over a 10-year period. The Finance Department manages the Fleet Replacement Fund and the Public Works Department manages Vehicle Maintenance.

The Risk & Insurance Fund is administered by the Finance Department. The City is self-insured for general liability and workers' compensation insurance, with purchased insurance for coverage over certain limits. Revenues for the fund are from internal service charges within each department's budget, based on the individual department's rolling 5-year claims history, and the forecast insurance costs. The Risk Management Division also administers the City's Safety Program, to reduce workers' compensation liability, and provides assistance for environmental issues and federal compliance to the departments.

Special Revenue Funds

	2004	2005	2006	% Change
	Actual	Forecast	Budget	2005-06
REVENUE				
Beginning Balance	44,484,985	50,674,340	43,410,980	
Property Tax	31,010	48,000	50,880	6.0%
Other Tax	2,540,434	2,539,870	2,567,890	1.1%
Intergovernmental	1,180,994	1,312,100	1,132,520	(13.7%)
Impact Fees	10,561,367	9,622,440	11,898,560	23.7%
User Fees	139,587	140,940	137,730	(2.3%)
Interest	780,933	989,050	1,313,110	32.8%
Others	302,048	732,000	245,200	(66.5%)
Transfers	13,356,757	24,347,400	12,087,820	(50.4%)
Total Revenue	28,893,130	39,731,800	29,433,710	(25.9%)
Total Resources	73,378,115	90,406,140	72,844,690	
APPROPRIATIONS				
Art in Public Places	63,963	218,470	716,310	227.9%
Capital Expansion Fees	5,273,326	15,178,540	8,105,120	(46.6%)
Capital Projects	11,664,692	22,129,630	9,737,500	(56.0%)
Community Dev. Block Grant	344,650	344,100	330,520	(3.9%)
Conservation Trust	312,686	2,637,580	483,360	(81.7%)
County Open Space	708,628	1,863,090	1,746,320	(6.3%)
Library	2,008,521	2,225,750	2,226,320	0.0%
Loveland GID #1	138,333	24,500	24,500	-
Park Improvement	26,934	710,000	950,000	33.8%
Loveland SID #1	2,162,043	1,663,500	1,249,500	(24.9%)
Total	22,703,776	46,995,160	25,569,450	(45.6%)
Ending Balance	50,674,339	43,410,980	47,275,240	
EXPENSE BY CATEGORY				
Personal Services	2,060,163	2,292,750	2,320,210	1.2%
Supplies	278,634	267,840	232,620	(13.1%)
Purchased Services	456,048	496,840	502,560	1.2%
Fixed Charges	15,922	20,160	16,530	(18.0%)
Debt Service	6,525,747	1,171,010	1,167,010	(0.3%)
Transfers	3,485,637	15,410,540	6,527,000	(57.6%)
Capital	9,881,625	27,336,020	14,803,520	(45.8%)
Total	22,703,776	46,995,160	25,569,450	(45.6%)

SPECIAL REVENUE FUNDS

The Special Revenue Funds are for programs that, by Council policy, have dedicated revenue sources, and with the exception of the Library Fund and Community Development Block Grant (CDBG) Fund, are primarily capital in nature. For detail on the projects within these funds, see the Capital Improvement Plan Chapter near the back of the book. For detail on the Library, see the Library in the Department Summaries Section. The Other Funds Chapter contains detailed explanations of the expenses in the other special revenue funds.

The Art in Public Places Fund is to budget for art acquisition and maintenance. By City Ordinance, 1% of the cost of all construction projects over \$50,000 is deposited into the fund.

The Capital Expansion Fee Fund (CEF) is where all impact fees are budgeted. Only capital projects that are fully funded by CEFs are budgeted as expenses in the fund. Projects that are partially funded by CEFs are budgeted in the Capital Projects Fund by transferring funds to the Capital Projects Fund. This method allows for a full accounting of all impact fees collected and their use.

The Capital Projects Fund is where all vertical construction, non-enterprise infrastructure, major building maintenance projects, and major equipment purchases for General Fund agencies are budgeted. The funding sources for the fund are primarily transfers from the General Fund and the Capital Expansion Fee Fund. This allows for the full cost of a project to be budgeted, when the funding for the project is from different sources.

The Community Development Block Grant Fund is for federal funds the City receives from the U.S. Department of Housing and Urban Development. Loveland is an entitlement city, which allows the City to receive funds each year without reapplication. Currently, the funding is directed towards affordable housing needs in the community.

The Conservation Trust Fund is for park and recreation projects funded by Colorado Lottery funds. Expenses are for the construction and maintenance of the recreational trail, which on completion, will circle the City. Lottery funds previously provided a portion of the funding for construction of the Hatfield Chilson Recreation Center and are used as one funding source for the construction of the new Youth Sports Complex.

The County Open Space Fund is for the City's share of revenue from the County Open Space Sales Tax. The funding is for the purchase and maintenance of open land for the City.

The Library Fund is for all operational and capital costs incurred by the City of Loveland Public Library. Ninety-three percent (93%) of the revenue for the fund is from a transfer from the General Fund. Eighty-two percent (82%) of the expenses in the fund are for personal services, with the remaining percent being operating costs at the Library.

The Loveland General Improvement District (GID) #1 is a special district established with its own mill levy to maintain downtown public parking lots and street amenities.

The Park Improvement Fund is for the replacement of park amenities and infrastructure, such as shelters, pump stations, or other similar amenities or equipment. Revenue sources for the fund are park shelter use fees, ball field and tennis court rentals, and county fees collected within the Urban Growth Area.

Fund Balance Summary

	2005	2006
	Ending Balance	Ending Balance
General Fund	13,796,890	16,812,190
Internal Services		
Internal Support Services	697,210	718,580
Fleet Services	4,847,960	4,792,550
Risk & Insurance	4,985,980	5,042,820
Total	10,531,150	10,553,950
Special Revenue		
Capital Projects	773,630	773,630
Library	220,870	220,870
Capital Expansion Fees	33,138,370	38,559,470
Local Improvement	297,360	306,280
Parks Improvement	1,452,080	693,580
Loveland GID #1	16,700	25,640
Conservation Trust	1,960,300	2,086,940
Open Space Sales Tax	3,071,090	2,809,490
Art in Public Places	677,650	78,440
Loveland SID #1	1,783,560	1,682,830
Loveland URA	19,370	38,070
Total	43,410,980	47,275,240
Enterprise		
Golf	895,350	1,026,790
Water	30,165,240	28,567,700
Wastewater	4,382,210	5,101,000
Storm Water	1,464,330	2,104,710
Power	11,414,880	10,939,440
Solid Waste	2,293,470	2,553,790
Total	50,615,480	50,293,430
Total All Funds	118,354,500	124,934,810

STAFFING LEVELS

This table represents a comparison of positions that are authorized in the budget for all funds from 2004 to 2006. The summary includes all full-time and part-time benefited positions, but does not include temporary or non-benefited positions.

Department	FTE 2004	Revised FTE 2005	Budget FTE 2006	Change 2005-06
Executive & Legal	18.3	18.3	18.3	-
Cultural Services	11.3	11.3	11.7	0.4
Development Services	25.5	25.5	26.5	1.0
Finance	6.0	7.0	7.0	-
Fire and Rescue	61.8	61.8	66.8	5.0
Parks and Recreation	58.0	59.0	63.0	4.0
Police	124.0	124.0	128.0	4.0
Public Works	46.4	49.4	49.4	-
Total General Fund	351.3	356.3	370.7	14.4
Finance	16.6	17.6	17.6	-
Public Works/Facilities Mgt.	20.8	20.8	20.8	-
Human Resources	10.6	10.6	10.6	-
Information Technology	17.3	22.7	23.7	1.0
Parks/Public Ground Maint.	2.2	2.2	2.2	-
Public Works/Vehicle Maint.	14.7	15.2	15.2	-
Total Internal Service Funds	82.2	89.1	90.1	1.0
Parks & Recreation/Golf	16.5	16.5	16.5	-
Public Works/Solid Waste	23.7	23.7	23.7	-
Public Works/Storm Water	10.8	12.1	13.1	1.0
Water & Power	122.0	122.0	122.0	-
Finance	33.0	34.0	34.0	-
Total Enterprise Funds	206.0	208.3	209.3	1.0
Parks/Conservation Trust	1.0	1.0	1.0	-
Community Dev. Block Grant	0.7	0.7	0.7	-
Library	28.5	28.5	28.5	-
Parks/Open Space Sales Tax Fund	2.0	2.0	2.0	-
Total Other Funds	32.2	32.2	32.2	-
Total City Employees (FTE)	671.7	685.9	702.3	16.4

TABOR REVENUE

In 1992, Colorado passed a State Constitutional Amendment, known as TABOR, which imposed tax and spending limitations on governmental entities. In 1994, Loveland citizens approved a ballot issue authorizing the City to receive and expend all revenues generated from 1993 through 1997, thus waiving the limits of TABOR. In the 1999 election, the voters again authorized the City to receive and expend all revenues generated from 1998 through 2002. The 1999 ballot issue stipulated that these monies are to be spent on street construction and youth services. In 2002, voters once again authorized the City to receive and expend all revenues generated from 2003 through 2012. This ballot issue stipulated that these monies be spent on Police and Fire, street maintenance and construction, and park maintenance and construction.

Revenues above TABOR Limit

Year:	Amount
1993 actual revenues above TABOR limit.....	114,463
1994 actual revenues above TABOR limit.....	1,180,256
1995 actual revenues above TABOR limit.....	1,181,686
1996 actual revenues above TABOR limit.....	-
1997 actual revenues above TABOR limit.....	2,517,635
1998 actual revenues above TABOR limit.....	1,626,070
1999 actual revenues above TABOR limit.....	2,073,130
2000 actual revenues above TABOR limit.....	2,473,658
2001 actual revenues above TABOR limit.....	2,551,061
2002 actual revenues above TABOR limit.....	2,452,548
2003 actual revenues above TABOR limit.....	1,307,281
2004 actual revenues above TABOR limit.....	4,370,851
2005 projected revenues above TABOR limit.....	7,193,803
2006 projected revenues above TABOR limit.....	6,594,683
Total	\$35,637,125

**NOTE: Please see next page for total list of projects.*

Fund Summaries

Projects:	Amount
Land Acquisition (1995,1996).....	486,896
Fire Apparatus (1995,1996).....	443,879
Street Rehabilitation (1995,1996).....	500,000
Open Space Studies (1995,1996,1997).....	98,543
Police Over-hires (1995).....	57,600
Fire Station 1 and 5 Studies (1996,1997).....	50,000
Police and Fire Vehicles (1996,1997).....	115,195
Fire Station 5 and Equipment (1997,1998).....	425,210
Police Vehicles and Equipment (1997).....	84,010
Public Safety Radio Communication System (1998).....	1,500,000
Streets (1998).....	160,000
Public Safety Computer System (1998).....	744,000
Streets Grant Match (1999).....	286,000
Emergency Notification System (1999).....	32,020
Fire Equipment (1999).....	10,687
Boyd Lake Avenue Bridge Reconstruction (2000 Budget).....	200,000
Swimming Pool at Mountain View High School (2001 Budget).....	2,900,000
Street Construction Projects (2001 Budget).....	760,000
Street Rehabilitation and Maintenance (2001 Budget).....	820,000
City/School Playground Development (2001 Budget).....	25,000
Street Construction Projects (2002 Budget).....	369,157
Street Rehabilitation and Maintenance (2002 Budget).....	848,700
City/School Playground Partnership (2002 Budget).....	25,000
Street Rehabilitation and Maintenance (2003 Budget).....	1,545,170
Street Construction Projects (2003 Budget).....	320,830
Youth Sports Complex (2003 Budget).....	500,000
Street Rehabilitation and Maintenance (2004 Budget).....	975,180
Street Construction (2004 Budget).....	797,234
Youth Sports Complex (2004 Budget).....	2,089,871
Street Rehabilitation and Maintenance (2005 Budget).....	2,909,800
Fire Apparatus Replacement (2005 Budget).....	275,000
Fairgrounds Renovation (2005 Budget).....	100,000
Street Construction (2005 Budget).....	2,934,280
In-house Street Construction Engineering (2005 Budget).....	489,490
Street Construction (2006 Budget).....	2,000,000
Street Rehabilitation and Maintenance (2006 Budget).....	2,613,710
Youth Sports Complex Operating Costs (2006 Budget).....	384,000
Replace Street Paint Truck (2006 Budget).....	240,000
Four New Firefighters and Volunteer Equipment (2006 Budget).....	424,140
Four New Police Officers (2006 Budget).....	365,730
Total	\$29,906,332
 Balance	 \$5,730,793

DEPARTMENT SUMMARIES

This section details revenues and operating expenditures for all departments. Descriptions of each department, its mission and goals, measurements to quantify the effectiveness or “outcome” of the program, a summary of authorized positions, revenue attributable to the departments, and any significant changes in departmental budgets are included.

The department and division summaries provide historical cost information along with the current and recommended budget. Revenues that are attributed to a department are also presented. Included in this section are concise explanations of changes that have occurred from the 2005 Forecast.



Example of new retail in the area.

LEGISLATIVE



Current construction and futuristic drawing of the new Medical Center of the Rockies

The City's vision statement:

“A vibrant community... Surrounded by natural beauty... Where you belong.”



EXECUTIVE & LEGAL

The mission of the City Attorney's Office is to provide high-quality, prompt and cost-effective legal services to the City Council, City boards and commissions, and City staff and, in so doing, to benefit Loveland's citizens by protecting the City's legal and financial interests and by supporting the City's provision of municipal services; and, within the bounds of justice and professional responsibility, to vigorously prosecute in Loveland Municipal Court violations of the City Charter and Code.



Example of a current business in Loveland who recently expanded.

The mission of the Municipal Court, created by the City Charter, is to provide due process and justice in an impartial, fair and efficient manner to its residents, visitors and employees.

Department of Executive & Legal Summary

	2004	2005	2006	% Change	2005	2006
	Actual	Forecast	Budget	2005-06	FTE	FTE
General Fund						
City Manager	466,491	499,530	533,030	6.7%	3.8	3.8
City Attorney	575,430	609,160	631,890	3.7%	5.6	5.6
Municipal Court	281,117	325,630	332,700	2.2%	4.0	4.0
Business Relations	78,688	85,760	92,770	8.2%	1.0	1.0
Community & Strategic Planning	295,542	500,730	288,610	(42.4%)	3.0	3.0
Human Services	425,048	583,960	451,280	(22.7%)	0.9	0.9
Total	2,122,316	2,604,770	2,330,280	(10.5%)	18.3	18.3
REVENUE						
Municipal Court	669,575	755,790	701,700	(7.2%)		
Community & Strategic Planning	-	222,880	-	(100.0%)		
Total	669,575	978,670	701,700	(28.3%)		
EXPENSE BY CATEGORY						
Personal Services	1,567,322	1,613,830	1,703,340	5.5%		
Supplies	15,451	37,030	36,920	(0.3%)		
Purchased Services	539,543	953,910	590,020	(38.1%)		
Total	2,122,316	2,604,770	2,330,280	(10.5%)		

DIVISION

City Manager

DEPARTMENT

Executive & Legal

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
City Manager	466,491	499,530	533,030
EXPENSE BY CATEGORY			
Personal Services	440,052	427,180	465,810
Supplies	4,331	9,680	6,600
Purchased Services	22,108	62,670	60,620
Total	466,491	499,530	533,030
FTE	3.8	3.8	3.8

BUDGET VARIANCES

(1,050) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.

3,410 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

(1,030) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.

32,170 Normal Increases/Decreases
 36,270 Personal Services
 (3,080) Supplies
 (1,020) Purchased Services

33,500 Total Increase

CITY MANAGER'S OFFICE

Overview

The City Manager is the chief executive officer of the City of Loveland. This position is appointed by the City Council and is responsible for the execution of City Council policies, directives, and legislative action. Leadership in this capacity involves coordinating departmental functions and relationships with many external organizations to achieve alignment with City Council priorities for the community. This alignment effort is communicated in the annual budget and the 10-year financial plan.

All City staff report to the City Manager, except the Municipal Court and the City Attorney's Office. It is the City Manager's responsibility to integrate the talents of all department heads within a common vision that enables the organization to deliver service based on City Council direction. This management team works together to create an environment that encourages innovation, creativity, and growth. The City Manager's Office encourages management and every employee to hold each other accountable for achieving excellence. A performance measurement system has been established to create a means of communication that will align expectations for service delivery and the actual service delivery using resources available. The elements of this system serve as a tool to assess the efficiency and effectiveness of resource allocation. Activities in the Public Information Office, organizationally within the City Manager's Office, are a conduit for getting information about all organization initiatives to those within the organization and external to the organization.

Many organizations external to the organization help to shape the community and set the path for the future. The City Manager is responsible for coordinating relationships with:

- other agencies, such as federal, state, county and other municipalities;
- other non-profit organizations;
- the City of Loveland's 26 boards and commissions; and
- businesses and other private agencies.

It is critical to manage those relationships in a way that the citizens receive the most benefit today and in the future. It must pave the way to an efficient, results oriented government, which partners with all segments of the community to face the challenges of the future.

Objectives

- Articulate City Council goals and communicate initiatives intended to achieve those goals.
- Develop quality of life measures and guidelines to assist in establishing departmental goals.
- Develop citywide strategic plans to achieve City goals.

DIVISION

City Attorney

DEPARTMENT

Executive & Legal

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
City Attorney	575,430	609,160	631,890
EXPENSE BY CATEGORY			
Personal Services	529,864	558,800	582,830
Supplies	2,316	6,400	6,300
Purchased Services	43,250	43,960	42,760
Total	575,430	609,160	631,890
FTE	5.6	5.6	5.6

BUDGET VARIANCES

(1,810) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.

3,620 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

550 Increase in purchased services for subscriptions due to an increased rate for the Westlaw service used for legal research.

(1,750) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.

22,120 Normal Increases/Decreases
 22,220 Personal Services
 (100) Supplies

22,730 Total Increase

CITY ATTORNEY'S OFFICE

Overview

The Loveland Home Rule Charter sets out the duties of the City Attorney as follows: "The City Attorney shall serve as the chief legal adviser for the City, shall advise the Council and other City officials in matters relating to their official powers and duties, and shall perform such other duties as may be designated by Council."

The Loveland Municipal Code also requires the City Attorney to appear for the City in all actions or suits in which the City is a party and s/he is authorized to make any and all affidavits or instruments in writing for the proper conduct in any suit in which, in her/his opinion, the City's interests require. The City Attorney must attend all meetings of the Council and draw all ordinances, contracts and other instruments when requested by the Council to do so. The City Attorney may appoint assistants as necessary and as authorized in the budget, to serve under the direction and control of the City Attorney.

The City Attorney's Office handles all prosecution in the Loveland Municipal Court. When matters are appealed from the Loveland Municipal Court to the District Court, this office handles the appeals. A vital part of handling Municipal Court matters is consultation with defendants in Municipal Court on their particular cases, which includes an education effort about law enforcement in general.

The City Attorney's Office handles most legal matters for the City. Occasionally, certain areas that require specialized expertise are handled by outside counsel. When lawsuits are filed against the City on matters for which the City has liability insurance coverage, the insurance company retains an attorney to represent the City, at the insurance company's expense. In these matters, the City Attorney assists the attorney retained by the insurance company with the defense of the lawsuits.

The City Attorney's Office consults frequently with the City Manager's Office regarding various matters which have legal implications for the City.

Objectives

- 90% of clients answer satisfied or very satisfied on customer survey.
- To contain direct costs for legal services.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% of answers to survey with satisfied/very satisfied response.	93.5%	90.0%	90.0%
Cost per hour.	\$64.66	\$66.00	\$68.00

DIVISION

Municipal Court

DEPARTMENT

Executive & Legal

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Municipal Court	281,117	325,630	332,700
REVENUE			
Court Costs	42,953	42,000	42,000
Court Administration Fees	6,153	2,500	2,500
Court Summons Surcharge	60,524	67,000	67,000
Traffic Fines	472,268	557,000	500,000
Municipal Ordinance Fines	33,786	34,000	34,000
Parking Fines	29,667	30,900	38,000
Other Fines	11,709	5,390	7,700
Other Service Charges	12,515	17,000	10,500
Total	669,575	755,790	701,700
EXPENSE BY CATEGORY			
Personal Services	258,099	284,140	288,530
Supplies	3,487	10,950	10,950
Purchased Services	19,531	30,540	33,220
Total	281,117	325,630	332,700
FTE	4.0	4.0	4.0

BUDGET VARIANCES

- (710) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,680 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 2,680 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 2,420 Normal Increases
2,420 Personal Services
- 7,070 Total Increase**

MUNICIPAL COURT

Overview

The Municipal Court’s authority and responsibility is established by the Home Rule Charter and State law. It functions to adjudicate and process municipal code and charter violations.

The Court will process approximately 12,000 cases in 2006 with the following attendant responsibilities: Maintain Traffic Violations Bureau for “decriminalized” traffic infractions; formal arraignment on all other charges with advisement of legal rights and procedures; provision of a trial by judge or jury for disputed violations; sentencing of convicted violators; keep records and report convictions as required; maintain administrative record keeping; issue and account for warrants for the arrest of non-compliant offenders; collect fines and costs; and set minimum fines and costs except as otherwise established by local or State law.

Objectives

- Process payments within one (1) business day.
- Conduct 100% further proceeding settings within 72 hours of receipt.
- Process all court events within 24 hours of court.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% payments processed within 1 day.	97%	95%	95%
% of proceeding settings within 72 hours of receipt.	95%	90%	90%
% of court events processed within 24 hours.	95%	90%	90%

DIVISION

Business Relations

DEPARTMENT

Executive & Legal

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Business Relations	78,688	85,760	92,770
EXPENSE BY CATEGORY			
Personal Services	45,011	40,280	53,510
Supplies	2,336	5,800	9,150
Purchased Services	31,341	39,680	30,110
Total	78,688	85,760	92,770
FTE	1.0	1.0	1.0

BUDGET VARIANCES

- (220) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 340 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (210) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 7,100 Normal Increases/Decreases
- 13,110 Personal Services
 - 3,350 Supplies
 - (9,360) Purchased Services

7,010 Total Increase

BUSINESS RELATIONS

Overview

The Business Relations Division's vision is to provide the opportunity for a quality job to every Loveland resident. To build the vision, the division strives to retain and expand the job base within the City of Loveland. The main service provided by the Division is business assistance. The Division works with existing employers to insure that existing jobs remain with the community, as well as potential new jobs created by existing businesses. In addition, the Division provides assistance to potential new businesses looking to relocate to the Community. Services include, but are not limited to, detailed community information, support throughout the development review process, community tours, appropriate site and building identification, special programs, incentive assistance, and workforce development.

Objectives

- To respond to every prospect request within 24 hours (1 business day).
- Effectively promote and close deals in Loveland for primary jobs.
- Retain existing Loveland jobs.
- Attract new primary jobs.
- To provide high quality assistance to new and existing business.
- To create and maintain a good relationship between the City and the top 25 existing businesses.
- Attain 10% primary job growth for the next 10 years.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% prospect requests responded to within 24 hours.	100%	100%	100%
% satisfaction of clients assisted.	N/A	95%	95%
# of clients assisted.	18	80	80
% of top 25 businesses satisfied with Business Relations assistance.	N/A	95%	95%
# of primary jobs created due to Business Relations assistance.	84	150	150
# of non-primary jobs created due to Business Relations assistance.	1,119	300	300

DIVISION

Community & Strategic Planning

DEPARTMENT

Executive & Legal

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Strategic Planning	295,542	500,730	288,610
REVENUE			
Intergovernmental	-	222,880	-
Total	-	222,880	-
EXPENSE BY CATEGORY			
Personal Services	240,950	254,460	266,090
Supplies	2,375	4,050	3,090
Purchased Services	52,217	242,220	19,430
Total	295,542	500,730	288,610
FTE	3.0	3.0	3.0

BUDGET VARIANCES

- (910) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,010 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (870) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (222,970) Decrease in purchased services for the Loveland Feed & Grain Building Assessment and the Union Block/Lincoln Hotel Restoration funded by State Historic Preservation Grants.
- 10,620 Normal Increases/Decreases
 10,530 Personal Services
 (960) Supplies
 1,050 Purchased Services
- (212,120) Total Decrease**

COMMUNITY & STRATEGIC PLANNING

Overview

The Community & Strategic Planning Division manages a proactive community-wide planning program, which defines long-term strategies for maintaining and enhancing the quality of life in Loveland. The Community Vision is accomplished through the development of key planning documents and various City programs in collaboration with citizens, elected officials, and other City departments. Staff participates in regional planning projects involving multi-jurisdictions in Northern Colorado to identify opportunities to jointly address land use and growth issues on a regional scale. The Division's goal is to provide the Community with services that balance existing resources with the public interest, encouraging quality planning for Loveland's future.

Objectives

- Increase level of effective communication.
- Keep Comprehensive Master Plan current.
- Implement redevelopment programs for the downtown in a timely fashion.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% respondents to survey indicating effective communication of planning initiatives.	91%	80%	80%
% of projects in yearly work program advanced to decision point by Management / Council /or other decision maker.	88.5%	85.0%	85.0%
% of downtown initiatives and projects in yearly work program advanced to decision point by Management / Council / or other decision maker.	100%	85%	85%
% of referral review comments completed by established due date.	100%	95%	95%
% of Historic Preservation Commission packets sent to Commissioners 5 days or more in advance of meeting.	90%	95%	95%

DIVISION

Human Services

DEPARTMENT

Executive & Legal

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Human Services	425,048	583,960	451,280
EXPENSE BY CATEGORY			
Personal Services	53,346	48,970	46,570
Supplies	606	150	830
Purchased Services	371,096	534,840	403,880
Total	425,048	583,960	451,280
FTE	0.6	0.9	0.9

BUDGET VARIANCES

- 110 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- (180) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (133,100) Decrease in purchased services for Human Relations Commission due to the reappropriation of past year grants.
- 490 Normal Increases/Decreases
 (2,510) Personal Services
 680 Supplies
 2,320 Purchased Services
- (132,680) Total Decrease**

HUMAN SERVICES

Overview

The City of Loveland provides funds for human service needs in the Community through the Human Relations Commission Grant Program. The Human Relations Commission prepares an annual recommendation for allocation of the grant funds for City Council. The grant funds are allocated to a variety of non-profit human service agencies in Loveland that meet the annual goals set by the Human Relations Commission.

The Human Services Office administers the City's affordable housing policies by tracking affordable housing development and working on policy development with the Affordable Housing Commission.

Objectives

- Increase number of respondents that indicate satisfaction with City's grant process and administration.
- Increase number of affordable housing units within the City at the same rate as there is growth in total housing.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of agencies responding to a survey indicating "Satisfaction" with the City's grant process and administration.	87%	90%	90%
% increase in affordable housing units.	2.6%	3.0%	4.0%
% increase in total housing units.	4%	3%	4%
# of affordable housing units produced under City incentives.	10	10	25
# of housing units produced.	807	890	890
# of grant applications processed.	36	46	50

CULTURAL SERVICES



The mission of the Cultural Services Department is to serve as a regional historical and cultural arts center by enriching the community, and visitors of all ages and backgrounds, through high quality, diverse, and affordable performing arts, exhibits and events.



Examples of new retail stores and restaurants.

DIVISION

Museum

DEPARTMENT

Cultural Services

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Museum	708,050	784,170	774,390
REVENUE			
Donations	43,565	17,940	15,000
Gallery Sales	1,188	3,050	2,000
Museum Store Sales	11,162	8,330	11,000
Program Revenue	10,788	18,000	17,000
Other Revenue	88	-	-
Total	66,791	47,320	45,000
EXPENSE BY CATEGORY			
Personal Services	548,017	580,280	609,130
Supplies	67,393	90,370	72,500
Purchased Services	92,640	113,320	92,560
Fixed Charges	-	200	200
Total	708,050	784,170	774,390
FTE	8.6	8.6	9.0

BUDGET VARIANCES

- (1,990) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 4,040 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (1,300) Decrease in supplies due to realignment of costs. Based on the Division's changing needs this funding is moved to purchased services.
- (600) Decrease in supplies due to a one-time reappropriation for archaeological storage units.
- (15,000) Decrease in supplies due to a one-time reappropriation for the Picasso Ceramics Exhibit.
- (740) Decrease in purchased services for general liability costs based on the Division's historical experiences and forecasted liability costs.
- (15,000) Decrease in purchased services due to a one-time reappropriation for grants received in 2004.
- 1,300 Increase in purchased services due to realignment of costs. Based on the Division's changing needs this funding is moved from supplies.
- (1,540) Decrease in purchased services due to a one-time reappropriation for archaeological storage units.
- 17,450 Normal Increases/Decreases
 - 17,500 Personal Services
 - 30 Supplies
 - (80) Purchased Services

SUPPLEMENTS

- 3,600 **Improvement** - Increase to personal services (\$9,300) for addition of hours to an existing Administrative Specialist position, to perform Graphic Art duties in-house; to be offset by reductions in purchased services expense (\$4,700) and supplies expense (\$1,000).

(9,780) Total Decrease

MUSEUM/GALLERY

Overview

Museum/Gallery: The mission of the Museum/Gallery is to serve as a regional cultural center by collecting, preserving and interpreting Loveland’s history; and by presenting exemplary art and history exhibits, programs and events for the enrichment of visitors of all ages and backgrounds.

Objectives

- Offer exhibits which may be described as diverse, educational and/or make an aesthetic impact, encouraging return visits from patronage. A 10% increase in attendance due to return visits is desired.
- 5% increase in “out of town” visitors.
- Increase youth and teen class participation.
- Increase the number of classes offered.
- Offer events that are diverse, well attended, entertaining, and community-oriented at no cost to the public.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% increase in the number of return visits per year.	43%	10%	5%
% increase in the number of “out of town” visitors.	57%	5%	5%
% increase in event attendance.	39%	5%	5%
% increase in youth and teen program participation.	-8%	5%	5%

DIVISION

Rialto

DEPARTMENT

Cultural Services

Section Summary:**04 Actual****05 Forecast****06 Budget****General Fund****Rialto****260,252****279,680****280,680****REVENUE**

Ticket Sales

32,457

38,400

37,000

Restoration Fee

15,482

13,000

15,000

Rental

18,832

15,300

17,500

Concessions

16,691

17,800

15,800

Donations

7,186

8,600

11,000

Other

10,612

9,580

10,250

Total**101,260****102,680****106,550****EXPENSE BY CATEGORY**

Personal Services

149,915

159,730

166,220

Supplies

14,617

15,810

15,360

Purchased Services

78,495

88,170

85,130

Fixed Charges

15,348

15,970

13,970

Capital

1,877

-

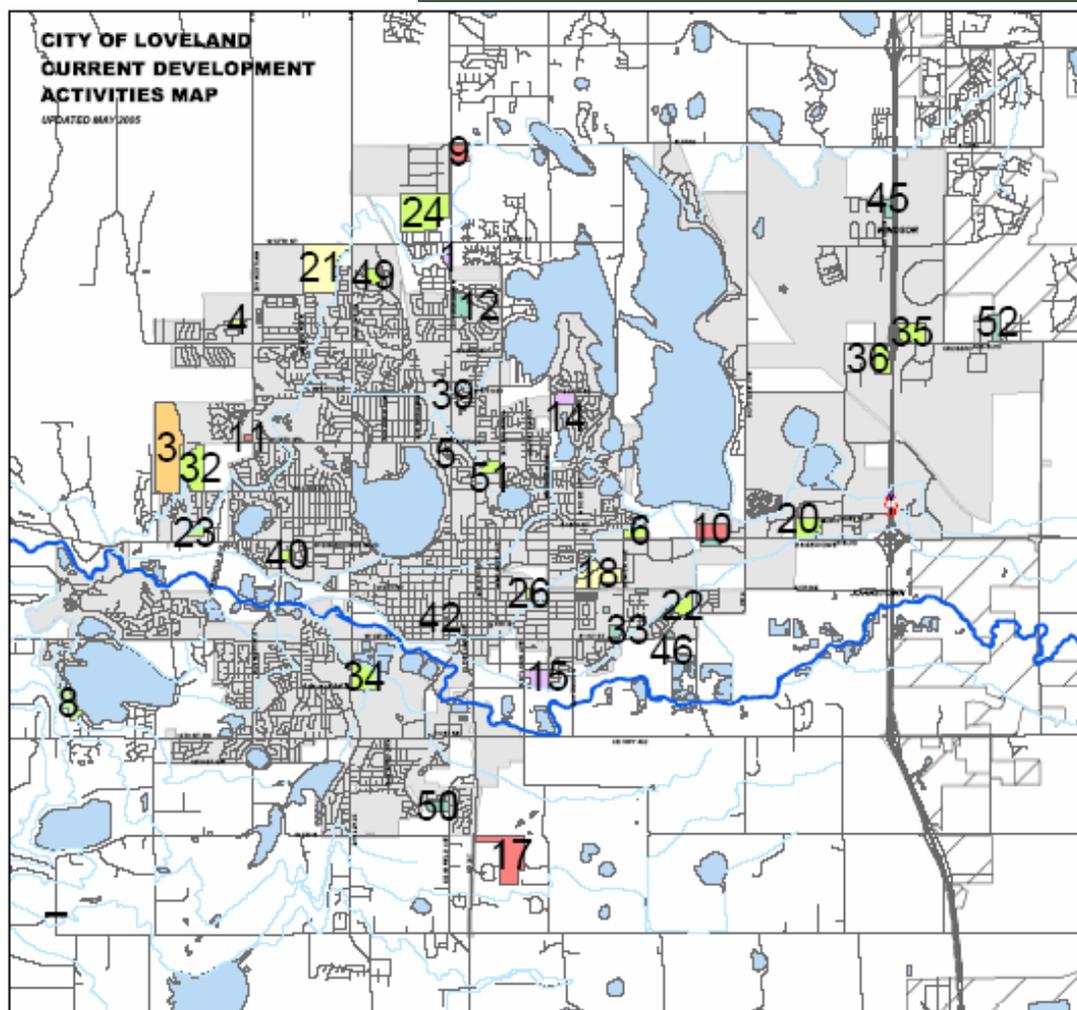
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Total**260,252****279,680****280,680****FTE****2.7****2.7****2.7**

DEVELOPMENT SERVICES

The Mission of the Development Services Department is to improve the community livability in the City of Loveland. This is accomplished through comprehensive community planning that preserves and enhances the City's quality of life and

natural environment, quality plan reviews and inspections that ensure safety.



This is a map of all the current development in the City of Loveland. For further information about this map and its detail, please visit our website at www.ci.loveland.co.us/currplanning/cpmain.htm.

DIVISION

Building

DEPARTMENT

Development Services

Section Summary:

04 Actual

05 Forecast

06 Budget

General Fund

Building

807,557

933,740

1,131,810

REVENUE

Building Permits

2,458,851

3,276,000

2,800,000

Contractor License Fee

28,850

29,700

31,000

Other Fees

3,450

5,100

5,700

Total

2,491,151

3,310,800

2,836,700

EXPENSE BY CATEGORY

Personal Services

711,476

877,540

928,950

Supplies

20,124

9,720

9,220

Purchased Services

38,431

21,910

168,120

Fixed Charges

23,738

24,570

25,520

Capital

13,788

-

-

Total

807,557

933,740

1,131,810

FTE

13.0

13.0

13.0

BUDGET VARIANCES

- 15,510 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 8,710 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 710 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 45,000 Increase in purchased services for the weed control contract. For 2006, the contract and weed enforcement activities are transferred from the Street Maintenance Division to consolidate all code enforcement functions under one area.
- 28,140 Normal Increases/Decreases
 - 27,190 Personal Services
 - (500) Supplies
 - 500 Purchased Services
 - 950 Fixed Charges

SUPPLEMENTS

- 100,000 **Improvement** - Increase in purchased services to outsource building permit plan review and inspection services during peak periods to maintain adequate turn-around times.

198,070 Total Increase

BUILDING

Overview

The Building Division coordinates and performs various administrative services related to development and construction activities. These include permit application, review, inspection, issuance of Certificates of Occupancy process, as well as monitoring construction activity. This administration is to protect the public health, safety, and welfare.

In addition to these functions, information on zoning and building codes regulations are provided, as well as coordinating code enforcement activities. Also, the Building Division works closely with the Construction Advisory Board, who serves as the Board of Appeals, in conjunction with contractor licensing and business practices of the licensed contracting community.

Objective

- Process building permit applications in a timely and consistent manner.
- Provide a proactive approach to code enforcement.
- Provide timely and efficient site inspections

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% of average turn-around time for plans in 3 weeks (commercial).	81%	100%	85%
% of code enforcement cases settled without court action.	96.6%	85.0%	85.0%
# of building sites inspected per day per FTE inspector.	11.14	10.00	10.00
% of code complaints/inquiries responded to within 24 hours.	85%	85%	85%

DIVISION

Current Planning

DEPARTMENT

Development Services

Section Summary:

04 Actual

05 Forecast

06 Budget

General Fund

Current Planning

557,356

764,350

779,710

REVENUE

Annexation Filing Fee

26,169

11,500

11,000

Planning Filing Fee

63,161

46,400

89,500

Total

89,330

57,900

100,500

EXPENSE BY CATEGORY

Personal Services

500,349

693,510

712,880

Supplies

7,821

8,700

11,250

Purchased Services

44,076

56,770

50,380

Fixed Charges

5,110

5,370

5,200

Total

557,356

764,350

779,710

FTE

10.5

9.5

10.5

BUDGET VARIANCES

- (1,510) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 4,460 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (35,460) Decrease in personal services due to the transfer of one position to the Administration division mid-year.
- (1,360) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (6,930) Decrease in purchased services for professional services due to one-time expense.
- (5,580) Normal Increases/Decreases
 - (5,410) Personal Services
 - (1,900) Supplies
 - 1,900 Purchased Services
 - (170) Fixed Charges

SUPPLEMENTS

- 61,740 **Improvement** - Increase in personal services (\$57,290) and supplies (\$4,450) for the addition of one Planning Technician position to decrease turnaround times for plan reviews.

15,360 Total Increase

CURRENT PLANNING

Overview

Current Planning provides review services and coordinates the City’s development review process. The goals of the Current Planning Division are: create and administer an efficient development review process; to preserve and enhance the Community quality of life and the natural environment; promote the development of economic vitality and diversity; and promote the cost-effective delivery of public services. The Division facilitates public meetings to gather input related to development proposals. Public input, staff comments, and other relevant information are compiled by Current Planning into reports for Planning Commission and City Council consideration.

Objectives

- Implement the Comprehensive Master Plan (CMP) Land Use Map through zoning review process.
- Provide review comments to development applicants in timely manner.
- Improve understanding of neighborhood concerns and assist developers in designing projects that are compatible with existing neighborhoods.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of development applications where City Council takes action in accordance with City staff recommendation.	98%	95%	90%
% of times applicant received written comments from DRT within 5 weeks of application submittal date.	48%	90%	N/A
% of times applicant received written comments from DRT within 3 weeks of application submittal date.	N/A	N/A	90%
% of development applications where neighborhood issues are resolved as indicated by no filing of an appeal.	98%	90%	95%
% of times the applicant received written comments from Planning, on average, within 3 weeks of complete application submittal date.	N/A	N/A	90%

FINANCE DEPARTMENT



The mission of the Finance Department is to ensure that the City government is a financially sound organization and to enhance the decision making process by providing timely and accurate forecasts and reports to City management, City Council, and the general public, and to provide effective and efficient services to the citizens and city departments.



Examples of new retail with additions under construction.

Department of Finance Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
General Fund						
City Clerk	256,331	277,020	330,240	19.2%	4.0	4.0
Sales Tax Administration	117,431	240,370	381,380	58.7%	3.0	3.0
Subtotal	373,762	517,390	711,620	37.5%	7.0	7.0
Internal Service Fund						
Administration	307,726	401,670	598,000	48.9%	5.80	5.80
Accounting/Purchasing	533,878	580,590	553,010	(4.8%)	7.00	7.00
Budget	155,535	170,610	111,040	(34.9%)	1.00	1.00
Fleet Management	2,116,131	304,550	1,480,120	386.0%	-	-
Risk & Insurance	1,823,736	1,763,110	1,904,250	8.0%	3.80	3.80
Subtotal	4,937,006	3,220,530	4,646,420	44.3%	17.6	17.6
Enterprise Fund						
Utility Accounting	583,093	493,620	502,210	1.7%	5.2	5.2
Utility Billing	975,874	1,114,820	1,197,170	7.4%	16.3	16.3
Meter Reading	456,531	505,270	525,150	3.9%	8.5	8.5
Warehouse	261,449	277,460	291,170	4.9%	4.0	4.0
Subtotal	2,276,947	2,391,170	2,515,700	5.2%	34.0	34.0
Total	7,587,715	6,129,090	7,873,740	28.5%	58.6	58.6
REVENUE						
General Fund						
Sales Tax Collection Fee	29,779	30,000	30,000	-		
PIF/RSF Fees	27,990	133,560	154,850	15.9%		
Subtotal	57,769	163,560	184,850	13.0%		
Internal Service Fund						
Fleet Management	2,657,417	838,090	1,174,810	40.2%		
Risk & Insurance	1,538,090	1,538,930	1,961,090	27.4%		
Subtotal	4,195,507	2,377,020	3,135,900	31.9%		
Total	4,253,276	2,540,580	3,320,750	30.7%		
EXPENSE BY CATEGORY						
Personal Services	3,249,565	3,636,320	3,892,580	7.0%		
Supplies	28,144	79,290	81,570	2.9%		
Purchased Services	563,380	684,240	881,120	28.8%		
Fixed Charges	1,619,900	1,411,030	1,529,700	8.4%		
Transfers	1,824,898	76,550	150,120	96.1%		
Capital	301,828	241,660	1,338,650	453.9%		
Total	7,587,715	6,129,090	7,873,740	28.5%		

FINANCE DEPARTMENT

Overview

The Finance Department provides various general government support functions. The responsibilities include the annual City budget, annual financial report, risk and insurance, environmental compliance, general governmental accounting, investments, long-range financial planning, utility billing, customer service, meter reading, fleet replacement funding, utility accounting, rates and fees, finance, and warehousing.

In 2000, the Finance staff from the City and the Water & Power Utilities merged to form one distinct department. This has allowed additional financial support to be provided to all areas of the City without increasing resources. The Department produces two major documents each year, the City of Loveland Budget (both the recommended and adopted versions), and the Comprehensive Annual Financial Report (CAFR). These two documents provide comprehensive accounting for the City's revenues, expenditures, and financial condition, as well as the financial policies and business plan for the coming year.

The Department has begun an effort to develop a Financial Master Plan, to be used for resource allocation decisions and timing of improvements to stay within the projected dollars that will be available. The Plan is a living document that will be updated annually to reflect changing priorities or circumstances. 2005 is the fourth year of that process. While improvements still need to be made in the process, this planning effort guided the decision making for the 2006 budget process.

In 2005, the Department began an Internal Auditing function as an independent, objective assurance and consulting activity to add value and improve the organizations operations. This area will conduct both financial and operational audits of selected departments or activities. Priorities for audits will be based on a risk assessment performed annually. The function will aid to assure that City assets and resources are safeguarded against loss or improper use, and that the City's financial policies and departmental internal control procedures are followed.

The primary functions of the Department are revenue collection, accounting and purchasing, internal audit, risk management, and budget development. In addition, the Department manages the fleet replacement fund and the warehouse operation. In 1998, the City, using its home rule powers, began collecting its own sales taxes and auditing businesses within the City to insure compliance, rather than relying on the State for this function. The change has resulted in an increased collection rate netting more sales tax collections that become available for appropriation. Revenue collection is done through three divisions, the Sales Tax Division, Utility Billing Division and Meter Reading Division. Accounting and purchasing is through the Accounting, Purchasing and Utility Accounting divisions. The Budget Division prepares and administers the annual budget. The Risk Management Division manages the City's self-insured general liability and property insurance program, the workers' compensation insurance program, and the safety and environmental compliance programs.

DIVISION

City Clerk

DEPARTMENT

Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
City Clerk	256,331	277,020	330,240
 EXPENSE BY CATEGORY			
Personal Services	226,953	239,530	258,490
Supplies	1,646	2,850	2,850
Purchased Services	27,732	34,640	68,900
Total	256,331	277,020	330,240
 FTE	 4.0	 4.0	 4.0

BUDGET VARIANCES

- 730 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,680 Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.
- (740) Decrease in purchased services for general liability based on the Division's historical experience and forecasted liability costs.
- 15,550 Normal Increases
 - 15,550 Personal Services

SUPPLEMENTS

- 35,000 **Workload** - Increase in purchased services due to an increase in coordinated election costs billed by Larimer County.
- 53,220 Total Increase**

CITY CLERK

Overview

The City Clerk's Division maintains current files on all minutes, ordinances, resolutions, contracts, agreements, and easements, titles and deeds for the City Council and management. The City Clerk attends and records all Council meetings, conducts municipal elections, receives and deposits all revenue other than utility payments and City Sales Tax revenue, issues licenses and permits, and operates the central switchboard. The City Clerk is also responsible for retaining e-mail documents sent to City Councilors deemed to be public record as well as scanning public records into the imaging system for citizen and employee access. Facilities Reservations: reservations for the Foote Lagoon, Gertrude Scott Room (Library MPR), The Pulliam Building, as well as the Council Chambers and the Conference room on the main floor of the Municipal Building are made through this Division. In June, 2004, administration of the Food Sales Tax Rebate Program was moved to the City Clerk's Office.

Objectives

- Accurate and prompt retention and retrieval of records.
- Direction of citizen and staff calls to proper entity.
- To ensure that all employees involved have accurate training in order to comply with State Statutes relating to Municipal Elections.
- Provide licensees with accurate and timely processing of license applications and compliance with State of Colorado regulations relating to liquor/beer licensing.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of permanent records available electronically.	90%	90%	90%
% of permanent records images within 30 days.	65%	70%	80%
% of citizen and staff requests responded to within 24 hours.	95%	95%	95%
% of liquor license applications processed within 1 week of approval by local authority.	100%	100%	100%

DIVISION

Sales and Use Tax Administration

DEPARTMENT

Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Sales Tax Collection	117,431	138,260	351,730
Fee Collection	-	102,110	29,650
Total	117,431	240,370	381,380
REVENUE			
Sales Tax Collection Fee	29,779	30,000	30,000
PIF/RSF Fees	27,990	133,560	154,850
Total	57,769	163,560	184,850
EXPENSE BY CATEGORY			
Personal Services	103,751	174,380	184,240
Supplies	3,286	8,680	8,680
Purchased Services	10,394	49,310	188,460
Capital	-	8,000	-
Total	117,431	240,370	381,380
FTE	2.0	3.0	3.0

BUDGET VARIANCES

- (370) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- (2,000) Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.
- (18,520) Decrease in personal services due the elimination of a part-time benefited position mid-year.
- (350) Decrease in purchased services for general liability based on the Division's historical experience and forecasted liability costs.
- 139,500 Increase in purchased services for contractual sedrvices to outsource use tax audits. The audits are anticipated to bring in \$500,000 in additional use taxes.
- (8,000) Decrease in capital expense for one-time office equipment.
- 30,750 Normal Increases
 30,750 Personal Services
- 141,010 Total Increase**

SALES & USE TAX ADMINISTRATION

Overview

The Sales & Use Tax Administration Division is responsible for processing receipts of sales tax returns, monitoring businesses' compliance with the City's sales & use tax ordinances, and overseeing collection of City sales tax instead of relying on the State for this function. The main emphasis is educating and assisting businesses in voluntary compliance with the ordinances, while maintaining the resources to enforce the ordinances if necessary.

In 2005, the City has begun the collection of Public Improvement Fees (PIF) and Retail Sales Fees (RSF) and is monitoring compliance from retailers in the Centerra development and at the new Lifestyle Center. The PIF is levied by the Centerra Public Improvement Collection Corporation and the RSF is levied by the McWhinney Centerra Lifestyle Center LLC, and the Centerra Retail Sales Fee Corporation for public improvements associated with the Centerra development, including the Lifestyle Center. The City will receive a fee from these entities for the collection and compliance monitoring effort.

Objectives

- Enter sales tax returns for the month no later than the 1st business day of the next month.
- Issue sales tax licenses within a week of receiving the application.
- Respond to audits resulting in vendor assessments made by contract auditors by deadline due dates.
- Contact delinquent vendors within a week of notification of delinquency.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of months all sales tax returns processed by 1st business day of the next month.	100%	92%	92%
% of sales tax licenses issued within a week of receiving application.	70%	95%	95%
% of delinquent vendors contacted within one week of notification.	N/A	90%	90%

DIVISION

Accounting/Purchasing

DEPARTMENT

Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Accounting	430,636	463,110	476,550
Purchasing	103,242	117,480	76,460
Total	533,878	580,590	553,010
 EXPENSE BY CATEGORY			
Personal Services	461,178	493,770	467,740
Supplies	7,798	10,550	10,550
Purchased Services	64,902	76,270	74,720
Total	533,878	580,590	553,010
 FTE	 8.0	 7.0	 7.0

BUDGET VARIANCES

- (1,600) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 4,690 Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.
- (45,360) Decrease in personal services due to the transfer of one position to the Administration Division mid-year in 2005.
- (1,550) Decrease in purchased services for general liability based on the Division's historical experience and forecasted liability costs.
- 16,240 Normal Increases
 - 16,240 Personal Services
- (27,580) Total Decrease**

ACCOUNTING / PURCHASING

Overview

Accounting is responsible for the disbursement of City funds and for providing accurate, timely and informative financial information to a variety of users. This Division prepares the Comprehensive Annual Financial Report and has been awarded the “Certificate of Achievement for Excellence in Financial Reporting” by the Government Finance Officers Association every year since 1980.

Purchasing manages the City’s decentralized purchasing program to ensure compliance with local and state laws while using effective, efficient and flexible practices.

Objective

- Pay vendors in an accurate and timely manner.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of bills paid within 1 week of receipt.	99.1%	98.0%	98.0%
% of checks reissued due to error.	0.1%	0.5%	0.5%
# of account payable transactions per FTE.	17,390	16,000	18,000

DIVISION

DEPARTMENT

Budget

Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
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Internal Service Fund

Budget	155,535	170,610	111,040
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EXPENSE BY CATEGORY

Personal Services	145,631	153,600	89,760
Supplies	898	1,100	1,100
Purchased Services	9,006	15,910	20,180
Total	155,535	170,610	111,040

FTE	2.0	1.0	1.0
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BUDGET VARIANCES

- (550) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 670 Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.
- (65,090) Decrease in personal services due to the transfer of one position to the Administration Division mid-year in 2005.
- (530) Decrease in purchased services for general liability based on the Division's historical experience and forecasted liability costs.
- 5,500 Increase in purchased services for printing due to increased printing costs associated with the production of the budget documents and the annual Year End Performance Measures report.
- 430 Normal Increases/Decreases
 - 1,130 Personal Services
 - (700) Purchased Services
- (59,570) Total Decrease**

BUDGET

Overview

The Budget Division prepares and administers the City’s annual operating budget and capital plan; forecasts and monitors the City’s expenditures and revenues; forecasts the five–year operating and capital plans; and provides financial data, support and analysis to other City departments. In addition, this division participates in policy analysis and formation and ensures City compliance with federal and state legislation that affect the budget. The Division has received the “Distinguished Budget Presentation Award” from the Government Finance Officers Association every year since 1985.

Objective

- Collection and dissemination of data in timely and accurate manner.
- Accurate revenue projection.
- Accurate forecasting of current year expenses to reduce the number of year-end supplemental budgets.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of current year revenue forecast to actual with 4 months of data.	99.8%	95.0%	95.0%
% of adopted budget revenues to actual.	93.8%	95.0%	95.0%
% of General Fund expenses forecast to actual with 4 months of data.	100.5%	105.0%	105.0%
% of General Fund unrestricted fund balance to total General Fund revenue.	9.3%	6.0%	6.0%

DIVISION	DEPARTMENT		
Fleet Management	Finance		
Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Fleet Management	2,116,131	304,550	1,480,120
REVENUE			
Beginning Balance	3,499,922	4,041,210	4,574,750
Interest	57,984	139,090	160,120
Federal Transportation Authority Grant	77,164	-	-
Vehicle repair	1,793,390	-	-
Vehicle rent	676,345	679,000	679,690
Transfers	42,508	-	315,000
Sale of Assets	10,026	20,000	20,000
Subtotal	2,657,417	838,090	1,174,810
Total	6,157,339	4,879,300	5,749,560
EXPENSE BY CATEGORY			
Transfers	1,824,898	76,550	150,120
Capital	291,233	228,000	1,330,000
Total	2,116,131	304,550	1,480,120
Ending Balance	4,041,208	4,574,750	4,269,440

Finance Department

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Risk & Insurance	1,823,736	1,763,110	1,904,250
REVENUE			
Beginning Balance	5,495,806	5,210,160	4,985,980
Interest	84,741	151,350	174,510
Workers' Compensation	573,540	708,130	916,680
General Liability Charges	877,500	679,450	856,450
Transfer from the General Fund	-	-	13,450
Miscellaneous	2,309	-	-
Subtotal	1,538,090	1,538,930	1,961,090
Total	7,033,896	6,749,090	6,947,070
EXPENSE BY CATEGORY			
Personal Services	253,084	268,730	279,840
Supplies	6,878	7,410	22,290
Purchased Services	113,899	103,110	101,680
Fixed Charges	1,449,875	1,383,860	1,500,440
Total	1,823,736	1,763,110	1,904,250
Ending Balance	5,210,160	4,985,980	5,042,820
FTE	3.8	3.8	3.8

BUDGET VARIANCES

- 2,460 Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.
- 43,690 Increase in fixed costs for liability insurance based on the forecasted increase in claims costs.
- 72,890 Increase in fixed costs due to increased premium costs and forecasted increase in claims costs.
- 8,650 Normal Increases/Decreases
 - 8,650 Personal Services
 - 4,430 Supplies
 - (4,430) Purchased Services

SUPPLEMENTS

- 13,450 **Improvement:** Increase in supplies (\$10,450) and purchased services (\$3,000) to purchase and maintain AED units in government facilities.

141,140 Total Increase

RISK MANAGEMENT

Overview

The Risk Management Division is responsible for protecting the operating effectiveness of the City by minimizing the costs associated with the City's property, liability, workers' compensation and environmental exposures. This is accomplished through identification and evaluation of the City's risks, implementation of appropriate safety, environmental and loss control programs, risk financing measures and claims management.

Objectives

- Reduce cost of claims as a percentage of payroll.
- Improve claim efficiency and processing by assuring claims are reported within 1 business day of receipt.
- Contact employees within 2 business days after receiving notification of lost time due to a work-related injury.
- Workers' compensation claims are closed within 90 days.
- Meet applicable local, state, and federal regulations for environmental compliance and reduce the potential of fines.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
Workers' compensation claims per FTE.	.14	.23	.22
% of insurance carrier loss control requirements complied.	99%	95%	96%
Workers' compensation losses as % of total City payroll.	1.02%	1.24%	0.75%
# of major federal or state environmental inspection violations.	0	0	0
# of minor federal or state environmental inspection violations.	2	4	3
% of the cost for environmental remediation recovered where available.	100%	50%	50%

DIVISION

Utility Accounting

DEPARTMENT

Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Utility Accounting	583,093	493,620	502,210
 EXPENSE BY CATEGORY			
Personal Services	406,971	417,620	441,010
Supplies	(16,655)	4,300	3,300
Purchased Services	48,930	71,700	57,900
Fixed Charges	143,847	-	-
Total Operating	583,093	493,620	502,210
 Total Utility Accounting	 583,093	 493,620	 502,210
 FTE	 5.2	 5.2	 5.2

BUDGET VARIANCES

(15,000) Decrease in purchased services due to the one-time cost of a rate study.

- 23,590 Normal Increases/Decreases
 - 23,390 Personal Services
 - (1,000) Supplies
 - 1,200 Purchased Services

- 8,590 Total Increase**

UTILITY FINANCE

Overview

The Utility Finance Division works with many outside agencies, as well as the City Council, various boards and commissions, other City departments, and utility customers on a daily basis. The restructuring of the utility has provided new opportunities for the Division to work together to provide higher levels of customer service to rate payers and to other City divisions. There are four sections that have been moved from Water and Power to the Finance Department. They are Meter Reading, Utility Billing, Warehouse, and Utility Accounting. Funding for these divisions is from the Water, Wastewater and Power Enterprise Funds.



UTILITY ACCOUNTING

Overview

The Utility Accounting Division is responsible for the annual budget, monthly financial reports, year-end financial processing, daily process of source documents, payroll processing, and tracking projects costs for the Water and Power Utilities. In addition, the Division is responsible for providing accounting and long-range financial planning services for the Public Works and Police Departments. This Division will have ongoing interactions with the Loveland Utilities Commission, City Council, and the Citizens' Finance Advisory Committee.

Objective

- Bill or refund 85% of all Power Aid-To-Construction work orders within 45 days of completion of project.
- Complete preparation of all monthly financial statements within 5 business days of month-end close 90% of the time, and with a 90% accuracy rate.
- Process 90% of all accounts payable source documents received by the end of business on Friday, and have them to City Accounting for payment in the following week's check writing.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of Aid-To-Construction work orders billed or refunded within 45 days of completion of project.	2%	85%	85%
% of monthly financial statement preparation completed within 5 business days of the month-end close and accuracy rate.	89%	90%	90%
% of accounts payable source documents received by the end of business on Friday, processed and to the City's Accounting Division for payment in the following week's check writing.	99%	90%	90%

DIVISION	DEPARTMENT
Utility Billing	Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
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Enterprise Fund			
Utility Billing	975,874	1,114,820	1,197,170

EXPENSE BY CATEGORY

Personal Services	733,470	840,260	896,220
Supplies	7,969	12,650	9,650
Purchased Services	233,611	255,100	281,450
Fixed Charges	824	1,150	1,200
Total Operating	975,874	1,109,160	1,188,520

Capital	-	5,660	8,650
Total Capital	-	5,660	8,650

Total Utility Billing	975,874	1,114,820	1,197,170
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FTE	15.3	16.3	16.3
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BUDGET VARIANCES

5,880	Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.	
21,900	Increase in purchased services for postage costs.	
51,580	Normal Increases/Decreases	
50,080	Personal Services	
(3,000)	Supplies	
4,450	Purchased Services	
50	Fixed Charges	
79,360	Total Increase	

UTILITY BILLING

Overview

Utility Billing is responsible for providing customer service and processing monthly statements and payments for all electric, water, wastewater, storm drainage, solid waste, and street maintenance consumers.

Objective

- Process and mail monthly bills, process payments daily, respond to customer and City inquiries, collect account receivables, provide financial and consumptive data to customers and departments.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of bills mailed within 4 days of meter reading.	86.5%	98.0%	98.0%
% of payments processed on day of receipt.	100%	100%	100%
% of telephone responses in less than 15 seconds.	76%	100%	100%
% of bad debt write off to electric revenue billed.	0.198%	0.200%	0.200%

DIVISION

DEPARTMENT

Meter Reading

Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
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Enterprise Fund

Meter Reading	456,531	505,270	525,150
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EXPENSE BY CATEGORY

Personal Services	421,133	452,510	484,490
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Supplies	4,789	20,850	6,300
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Purchased Services	8,809	10,100	10,030
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Fixed Charges	21,800	21,810	24,330
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Total Operating	456,531	505,270	525,150
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Total Meter Reading	456,531	505,270	525,150
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FTE	8.5	8.5	8.5
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BUDGET VARIANCES

2,810 Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.

(15,050) Decrease in supplies due to the one-time expense for probes to read the water touch pads.

2,520 Increase in fixed costs for vehicle maintenance based on projected fuel costs and maintenance costs.

29,600 Normal Increases/Decreases
 29,170 Personal Services
 500 Supplies
 (70) Purchased Services

19,880 Total Increase

METER READING

Overview

Meter Reading is responsible for reading all electric and water meters monthly, and connecting and disconnecting services daily, as well as monitoring for meter divisions.

Objective

- Produce accurate and timely meter readings and trouble reports, and provide minor meter property service orders in a timely, efficient and customer friendly manner.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
Cost to read meter.	\$0.48	\$0.50	\$0.52
Accuracy rate of meter reads.	99.9%	99.9%	99.9%
% of porchlight service orders completed within 5 days.	96.4%	90.0%	90.0%

DIVISION	DEPARTMENT
Warehouse	Finance

Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Warehouse	261,449	277,460	291,170
EXPENSE BY CATEGORY			
Personal Services	214,909	235,100	249,440
Supplies	3,332	7,650	6,400
Purchased Services	29,059	30,500	31,600
Fixed Charges	3,554	4,210	3,730
Total Operating	250,854	277,460	291,170
Capital	10,595	-	-
Total Capital	10,595	-	-
Total Warehouse	261,449	277,460	291,170
FTE	4.0	4.0	4.0

BUDGET VARIANCES

- 1,480 Increase in personal services for insurance benefits due to increased premium costs and forecasted liability costs.

- 12,230 Normal Increases/Decreases
 - 12,860 Personal Services
 - (1,250) Supplies
 - 1,100 Purchased Services
 - (480) Fixed Charges

- 13,710 Total Increase**

WAREHOUSE

Overview

Warehouse responsibilities include inventory items used by all departments in the City, disposing of obsolete items, overseeing yard materials, maintaining an inventory of department tools and delivering trash tags and bags to city merchants, as well as materials and office supplies to other City employees. This section will also coordinate fleet replacement and scheduled maintenance for the Water and Power utility vehicles.

Objectives

- Provide timely and accurate availability of materials while maintaining the lowest achievable inventory.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of transactions entered on the iSeries correctly.	98%	98%	98%

FIRE & RESCUE DEPARTMENT

Through commitment, compassion and courage, the mission of the Loveland Fire & Rescue Department is to

protect
and save
life and
property.



The Promenade Shops at Centerra began construction in late 2004 with a target completion date of October of 2005.

DIVISION	DEPARTMENT		
Fire Suppression	Fire & Rescue		
Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Fire Suppression	5,014,579	5,688,730	6,242,000
REVENUE			
Charges for Services	8,520	15,000	15,000
Rural Fire District	677,597	730,650	730,650
Rural Fire - Pension	117,491	50,000	50,000
Rural Fire - Special Payment	16,239	20,000	20,000
Total	819,847	815,650	815,650
EXPENSE BY CATEGORY			
Personal Services	4,390,786	4,991,920	5,505,320
Supplies	167,087	126,040	278,240
Purchased Services	299,106	280,540	309,860
Fixed Charges	151,505	185,230	148,580
Capital	6,095	105,000	-
Total	5,014,579	5,688,730	6,242,000
FTE	54.8	55.8	59.8

BUDGET VARIANCES

- 63,160 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 38,180 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (11,490) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 12,000 Increase in purchased services for maintenance agreements for AED devices and for the 800 MHz radios.
- (36,650) Decrease in fixed costs for vehicle maintenance and rental based on projected fuel costs and maintenance costs.
- (105,000) Decrease in capital due to one-time capital expenditures.

- 106,500 Normal Increases/Decreases
 - 107,360 Personal Services
 - (29,670) Supplies
 - 28,810 Purchased Services

SUPPLEMENTS

- 27,570 **Workload** - Increase in purchased services for the cost of physicals for new volunteer firefighter members.
- 418,500 **Improvement** - Increase in personal services (\$264,200) and supplies (\$154,300) for 4 new equipped firefighter positions and bunker gear and equipment for 20 new volunteer firefighters.
- 40,500 **Improvement** - Increase in personal services in overtime for the one-time cost of Special Operations Team training.

- 553,270 Total Increase**

FIRE SUPPRESSION

Overview

The Fire Suppression Division provides primary fire attack and rescue efforts, including dive rescue, rope rescue, wildland firefighting, aircraft rescue/firefighting, technical rescue, emergency medical services and hazardous materials mitigation and newly acquired technical rescue expertise. In addition, the division supports the Prevention Division with public education and inspection programs. The department continues to see an increase in emergency medical related incidents, hazardous materials responses and structure fires. The nature of emergency calls within the City is changing as it develops. We are now responding occasionally to trench cave-in, confined space rescue, and building collapse calls.

Objectives

- Respond to emergency incidents within the City limits in 5 minutes or less 90% of the time.
- Control fire within 15 minutes of arrival 80% of the time in single-family residences.
- All firefighters and officers certified at the level required for their rank by January 2007.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of Fire and EMS responses in 5 minutes or less.*	77%	83%	75%
% of single-family home fires contained in 15 minutes. (Within City limits)	63%	80%	95%
% of single-family home fires contained in 15 minutes. (Rural/City combined)	63%	70%	70%
% of firefighters and officers certified to LFR qualifications program.	100%	100%	100%

- *Note: The 5 minute response time does not include dispatch time.*
- *Note: the certification standard has been increased for 2006.*

DIVISION	DEPARTMENT		
Fire Prevention	Fire & Rescue		
Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Support Services	744,485	724,510	880,350
REVENUE			
Fire Works Permits	15,500	18,540	17,500
Fire Permit & Inspection Fees	20,810	25,200	19,000
Rural Fire Inspection Fees	2,030	5,240	2,500
Special Event Fees	30,605	60,000	60,000
Contractor Licenses	1,925	1,500	1,800
Total	70,870	110,480	100,800
EXPENSE BY CATEGORY			
Personal Services	624,560	609,810	725,100
Supplies	34,327	23,970	34,770
Purchased Services	57,226	64,230	61,710
Fixed Charges	28,372	26,500	30,270
Capital	-	-	28,500
Total	744,485	724,510	880,350
FTE	7.0	6.0	7.0

BUDGET VARIANCES

- 10,890 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 780 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (2,520) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 3,770 Increase in fixed costs for vehicle maintenance and rental based on projected fuel costs and maintenance costs.

- 18,930 Normal Increases
 18,930 Personal Services

SUPPLEMENTS

- 123,990 **Improvement** - Increase in personal services (\$84,690), supplies (\$10,800), and capital (\$28,500) for one new Fire Prevention Inspector position to improve turnaround time in the plan review process.

- 155,840 Total Increase**

FIRE PREVENTION

Overview

The Fire Prevention Division’s focus is primarily to safeguard citizen’s lives and property through effective emergency management coordination, inspection of buildings as part of code enforcement effort, and implementation of business occupancy risk reduction efforts. This is accomplished through plan review processes, code compliance inspections, follow–up of citizen complaints, and the regulation of storage and handling of hazardous materials. The Division also initiates fire cause and origin investigations and, where arson is suspected, provides evidence to the district attorney in prosecutions.

The Fire Prevention Bureau strives to provide high quality customer service and fire safety public education to the community through presentations, demonstrations and our Fire Safety House. Our public education programs span the entire age-range with our Hazard House aimed at small children to our “Price is Life” program designed to meet the needs of our senior citizens.

The focus in 2005 has been on streamlining our workflow process to become more efficient in dealing with our day-to-day operations due to an increasing workload. In 2006, we will continue to improve our service to the community and meet the increasing demands of our Community. Fire prevention education will remain a high priority and we will be working with other City departments in determining our at-risk population and areas to focus on relative to educating the community.

Objectives

- Conduct effective inspections of commercial buildings and business occupancy risk reduction efforts of 60% of businesses annually.
- Conduct inspections and public education in 100% of commercial daycares, preschools, and R2-J School District.
- Complete all plan review within 15 working days.
- Conduct timely and thorough fire investigations to determine cause and origin of every fire within our jurisdiction.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of commercial properties inspected and cleared of violations annually.	21%	50%	25%
% of schools & commercial daycares visited each year.	100%	100%	100%
% of plan reviews completed within 15 working days.	86%	71%	70%
% of fires where cause of origin was determined.	86%	99%	100%
% of fires started by juveniles.	4%	5%	6%

HUMAN RESOURCES



We in Human Resources seek new and better ways to help recruit,

develop, support and retain individuals who provide quality services for the City's customers.



Examples of new restaurants and historical renovations in downtown Loveland.

Department of Human Resources

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Internal Service Fund						
Human Resources	965,817	1,115,860	1,152,070	3.2%	10.6	10.6
Employee Benefits	6,624,423	7,948,850	9,092,210	14.4%	-	-
Total	7,590,240	9,064,710	10,244,280	13.0%	10.6	10.6
REVENUE						
Internal Service Fund						
Employee Benefits	6,729,064	7,948,850	9,092,210	14.4%		
Total	6,729,064	7,948,850	9,092,210	14.4%		
EXPENSE BY CATEGORY						
Personal Services	643,007	776,640	787,530	1.4%		
Supplies	28,206	28,650	30,650	7.0%		
Purchased Services	196,473	241,070	238,890	(.9%)		
Fixed Charges	6,719,689	8,014,850	9,177,210	14.5%		
Capital	2,865	3,500	10,000	185.7%		
Total	7,590,240	9,064,710	10,244,280	13.0%		

DIVISION

Human Resources

DEPARTMENT

Human Resources

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Human Resources	965,817	1,115,860	1,152,070
EXPENSE BY CATEGORY			
Personal Services	640,756	776,640	787,530
Supplies	28,206	28,650	30,650
Purchased Services	182,973	206,070	203,890
Fixed Charges	111,017	101,000	120,000
Capital	2,865	3,500	10,000
Total	965,817	1,115,860	1,152,070
FTE	10.6	10.6	10.6

BUDGET VARIANCES

- (2,770) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 6,970 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 4,000 Increase in supplies for database computer software purchase.
- (2,630) Decrease in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs.
- 20,000 Increase to unemployment due to upward historical trend. This is a State imposed cost beyond the City's direct control.
- (3,500) Decrease in capital due to the one-time purchase of equipment.
- 4,140 Normal Increases/Decreases
 - 6,690 Personal Services
 - (2,000) Supplies
 - 450 Purchased Services
 - (1,000) Fixed Charges

SUPPLEMENTS

10,000 **Improvement** - Increase in capital for the purchase of a printer/copier.

36,210 Total Increase

HUMAN RESOURCES

Overview

The Human Resources Department provides the following services to the City and its employees and volunteers: recruitment, selection and orientation; compensation plan development; benefits development and administration; counseling and discipline; policy development; payroll and record keeping; training and employee development; employee recognition program; and the Community Volunteer Program.

Objectives

- Retain new benefited employees and long-term volunteers after 6 months of placement.
- Reduce Open Doors Program appeals.
- Reduce voluntary termination rate.
- Implement recruiting system upgrades.
- Administer centralized driver qualification program.
- Implement benefit plan design changes.
- Improve Volunteer Program and participation.
- Review 33% of positions for 2006 compensation plan.
- Achieve a 10% HR assessment survey improvement from 2005 baseline.
- Retain 95% of new benefited employees / long-term volunteers after 6 months of placement.
- Deliver 3 or more qualified candidates for each external benefited search.
- Reduce Open Doors Program appeals by 10% vs. 2004.
- Reduce voluntary termination rate by 1% vs. 2004.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of new employees / job transfers / long-term / volunteers retained after 6 months.	95.8%	95.0%	95.0%
Voluntary turnover rate.	5.1%	4.0%	4.0%
Total Open Doors Program appeals.	8	7	7
Increase participation in Volunteer Program.	675	675	725

BUDGET VARIANCES

- 1,216,500 Increase in fixed costs for health claims based on current projections of claims cost.
- 3,670 Increase in fixed costs for dental claims based on current projections of claims cost.
- 41,200 Increase in fixed costs for disability insurance premiums based on forecasted liability costs.
- (35,000) Decrease in fixed costs due to the reallocation of the consulting costs to purchased services.
- 41,290 Increase in fixed costs for stop-loss premiums and fees.
- 40,150 Increase in life insurance premiums based on forecasted liability costs.
- (179,270) Decrease in fixed costs for health and dental fees.
- 14,820 Increase in wellness costs based on projected participation.

- 1,143,360 Total Increase**

EMPLOYEE BENEFIT FUND

Overview

Human Resources is responsible for the administration of the Employee Benefit Fund. This fund offers a competitive benefit package to employees. For medical and dental insurance, the City is self-insured, with insurance protection beyond a certain limit for individual cases and total claims.

Primarily due to a rapid rise in catastrophic claims, which are defined as individual medical claims above \$25,000, the rate of growth of the City's medical plan costs have been rising dramatically over the last 3 years. Specifically claims costs have been increasing at an average rate of 20% since 2000. Because the claims portion of medical benefits represent approximately 80% total benefits expense excluding pension and paid time off, this is a significant concern for the sustainability of the medical portion of our benefits package.

Although managed care, first incorporated into the City's medical benefits plan in the mid 1990s, helped to reduced abuse of the plan for a time, this method of management is not effective in limiting the number and severity of catastrophic claims. In short, the cost saving advantages of managed care have been realized and the City is faced with local and nationwide reality that the cost of medical services and prescription medication continues to increase at a rapid rate.

In 2006, employee premiums have been adjusted to reflect this trend. Also, the City has transitioned to a flat 80% subsidy of employee premiums, eliminating the free benefits that were enjoyed by those electing single coverage. The City will continue to research and implement changes to the medical benefits plan in an effort to address the ongoing issue of benefits cost and quality.

Objectives

- Go out to bid for benefits vendors.
- Implement benefits premium changes for 2006 plan.

INFORMATION TECHNOLOGY

The mission of the Information Technology Department is to provide for interactive government services using effective communication and technology savvy employees throughout the organization that align technology initiatives with the City's service delivery objectives using a collaborative approach to building a roadmap for future success.



Construction and new development in Loveland Market Place Shopping Center.



Department of Information Technology Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Internal Service Fund						
Administration	-	278,520	171,130	(38.6%)	1.0	1.0
Networks & Programming	-	1,106,010	964,230	(12.8%)	11.0	11.0
Support Services	-	922,030	1,202,040	30.4%	7.0	8.0
Geographic Information Svcs.	281,972	295,940	327,040	10.5%	3.7	3.7
Management Information Svcs.	1,912,164	-	-	-	-	-
Total	2,194,136	2,602,500	2,664,440	2.4%	22.7	23.7
EXPENSE BY CATEGORY						
Personal Services	1,331,070	1,581,770	1,793,280	13.4%		
Supplies	122,499	82,630	79,440	(3.9%)		
Purchased Services	577,730	669,600	539,720	(19.4%)		
Fixed Charges	63	-	-	-		
Capital	162,774	268,500	252,000	(6.1%)		
Total	2,194,136	2,602,500	2,664,440	2.4%		

INFORMATION TECHNOLOGY

Overview

The Information Technology (IT) Department is comprised of the Divisions of Administration, Geographic Information Services, Networks and Programming, and Support Services. The Department is responsible for organization-wide strategic and operational technical planning, providing customer service to City staff and citizens to enable efficient use of technical resources, and to lead the effort of using the organization's technical resources, both equipment and personnel, in the most effective manner possible. IT provides a technology training lab that is equipped and ready to provide training opportunities for City partners, like Loveland's Business Development Center, and City Staff.

DIVISION

Administration

DEPARTMENT

Information Technology

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Administration	-	278,520	171,130
Total	-	278,520	171,130
 EXPENSE BY CATEGORY			
Personal Services	-	131,980	127,150
Supplies	-	4,060	29,640
Purchased Services	-	142,480	14,340
Total	-	278,520	171,130
 FTE	 -	 1.0	 1.0

BUDGET VARIANCES

- (1,650) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 670 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (2,930) Decrease in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs.
- 25,580 Increase in supplies due to a re-allocation of costs between divisions. \$23,260 of this funding is transferred from the Support Services Division and \$2,320 is transferred from the Networks and Programming Division.
- (125,910) Decrease in purchased services for professional services due to transferring the document imaging program to the Support Services Division and re-allocating the funding to personal services and purchased services.
- (3,150) Normal Increases/Decreases
 - (3,850) Personal Services
 - 700 Purchased Services
- (107,390) Total Decrease**

ADMINISTRATION

Overview

The Administration Division, through the Department Director, provides leadership, determines budgetary needs including staffing, and establishes program guidelines for the Department. Administration guides the annual development of the IT work plan using strategic and procedural objectives and guidelines.

Objectives

- Ensure monthly Department Team meetings are held with other departments focusing on customer service, project updates, and service concerns.
- Ensure annual work plan is developed, agreed to, published, and accomplished.
- Enlist IT Department internal coordination and cooperation to meet customer satisfaction goal of at least 80% satisfied with services provided.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% Project completed on time and within budget.	N/A	N/A	90%
% customer satisfaction.	N/A	N/A	80%

DIVISION

Networks and Programming

DEPARTMENT

Information Technology

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Networks and Programming	-	1,106,010	964,230
EXPENSE BY CATEGORY			
Personal Services	-	886,930	925,650
Supplies	-	18,600	16,750
Purchased Services	-	194,480	21,830
Capital	-	6,000	-
Total	-	1,106,010	964,230
FTE	-	11.0	11.0

BUDGET VARIANCES

(2,320) Decrease in supplies due to the transfer of budget to the Administration Division.

(160,840) Decrease in purchased services due to the transfer of budget for repair and maintenance to the Support Services Division.

(6,000) Decrease in capital due to one-time purchase of office furniture in 2005.

27,380 Normal Increases/Decreases
 38,720 Personal Services
 470 Supplies
 (11,810) Purchased Services

(141,780) Total Decrease

NETWORKS AND PROGRAMMING

Overview

The Networks and Programming Division provides server hardware and server, desktop, laptop, and core business application software support to City Departments. The Division assists in the areas of networking, computers (servers, desktops, laptops, PDAs), email, web services, security, and other technology issues. The City's networking infrastructure, including the PRPA fiber backbone, is managed and maintained by this Division. Application support is provided to Utility Billing, Public Safety, Accounting, Payroll, the Public Library, Development Services, Parks and Recreation, Public Works, and the Utility functions of the City.

Objectives

- Ensure that systems are available 7 days a week from 6:00 a.m. to 10:00 p.m. with 1% or less unscheduled downtime.
- Ensure that data backups are completed 100% of the time.
- Use server refresh plans to make sure the network servers do not become obsolete by replacing one-third of the server inventory annually.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of time network is up and available.	99%	99%	99%
% time successful data recovery.	N/A	N/A	100%

DIVISION

Support Services

DEPARTMENT

Information Technology

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Support Services	-	922,030	1,202,040
EXPENSE BY CATEGORY			
Personal Services	-	339,640	474,280
Supplies	-	37,260	15,410
Purchased Services	-	282,630	470,350
Capital	-	262,500	242,000
Total	-	922,030	1,202,040
FTE	-	7.0	8.0

BUDGET VARIANCES

- 89,240 Increase in personal services due to addition of two FTEs for document imaging. Funding is transferred from the purchased services budget in the Administration Division.
- (23,260) Decrease in supplies due to the transfer of budget to the Administration Division.
- (12,000) Decrease in purchased services based on the Division's historical experience.
- 36,670 Increase in purchased services due to the transfer of funding for the imaging project from the Administration Division.
- 160,840 Increase in purchased services due to the transfer of funding from the Networks & Programming Division for repair and maintenance.
- (3,000) Decrease in capital office furniture due to a one-time purchase in 2005.
- (24,500) Decrease in capital computer equipment due to a one-time appropriation for storage area network equipment.
- (4,360) Normal Increases
 - (6,570) Personal Services
 - 2,210 Purchased Services

SUPPLEMENTS

- 60,380 **Workload** - Increase to personal services (\$51,970), supplies (\$1,410) and one-time capital expense (\$7,000) for the addition of a full-time Computer Support Technician.

280,010 Total Increase

SUPPORT SERVICES

Overview

Support Services is responsible for providing voice telecommunications, document management, help desk, and computer and peripheral hardware support for City customers. The Division supports and maintains the City's phone switches, Phone Mail, a customer focused help desk, and support and annual replacement of desktop and laptop computers.

Objectives

- Ensure that urgent and high priority help desk calls are resolved in one working day by using help desk procedures for follow-up.
- Ensure that standard calls are resolved in three or less working days by using help desk procedures for follow up.
- Use the City technology refresh plan to replace one-fourth of the desktop and one-third of the laptop inventory annually.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% of initial response within 24 hours.	75%	95%	95%
% of high priority calls resolved in 1 day.	67%	80%	95%
% standard calls resolved in 3 working days or less.	72%	70%	95%

DIVISION

Geographic Information Services

DEPARTMENT

Information Technology

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Geographic Information Services	281,972	295,940	327,040
EXPENSE BY CATEGORY			
Personal Services	229,160	223,220	266,200
Supplies	15,524	22,710	17,640
Purchased Services	37,288	50,010	33,200
Capital	-	-	10,000
Total	281,972	295,940	327,040
FTE	3.3	3.7	3.7

BUDGET VARIANCES

- (1,900) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 7,730 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (1,810) Decrease in purchased services for general liability costs based on the Division's historical experiences and forecasted liability costs.
- (9,000) Decrease in purchased services due to a one-time appropriation for additional training of new personnel.
- (6,000) Decrease in purchased services due to a one-time appropriation to purchase aerial photography from Larimer County.
- 32,080 Normal Increases/Decreases
 - 37,150 Personal Services
 - (5,070) Supplies

SUPPLEMENTS

10,000 **Improvement** - Increase in capital for the purchase of a Global Positioning Unit.

31,100 Total Increase

GEOGRAPHIC INFORMATION SERVICES

Overview

The Geographic Information Services Division (GIS) is responsible for the maintenance of the City's centralized land-based information and of the City's Geographic Information Services. With this information, the Division provides City mapping and data products for many areas within the City. GIS also creates custom computer programs for use by City staff to assist in analyzing GIS and other land related data. The Division assists with the support of computers and related technical issues for the Department; and maintains the land-based applications on the City's mainframe computer. Addressing for property within the City is done in the GIS Division.

Objectives

- Ensure timely access to newly created lots via the City's geographic information system and the iSeries.
- Ensure that the geographic information system is available to all users at all times.
- Provide a GIS and mapping service to City departments that do not have their own GIS capabilities.
- Increase frequency of delivery of street and address data for the City's 911/computer aided dispatch system from quarterly to monthly.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of lots entered into the geographic information system within 5 weeks of approval.	100%	90%	90%
% of time the geographic information system is available to users.	99.7%	99.0%	99.0%
% of special projects completed within the timeframe given.	94%	90%	90%
% of updates submitted on a monthly basis for new street and address information compiled for 911 computer-aided dispatch database.	100%	100%	100%

DIVISION

Management Information Services

DEPARTMENT

Information Technology

Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
MIS	1,912,164	-	-
Total	1,912,164	-	-
EXPENSE BY CATEGORY			
Personal Services	1,101,910	-	-
Supplies	106,975	-	-
Purchased Services	540,442	-	-
Fixed Charges	63	-	-
Capital	162,774	-	-
Total	1,912,164	-	-
FTE	14.0	-	-



Note:

In 2005, the City combined two existing divisions under one management structure. The Land Records Management Division, which formerly resided in the Community Services Department, was moved to be combined with the Management Information Services Division. As part of this reorganization MIS was divided into three divisions; Administration, Networks & Programming, and Support Services. The Land Records Management Division was renamed Geographic Information Services. The change is expected to improve organization-wide strategic and operational planning, improve customer service to the user departments, and make more effective use of technology resources.

This page is provided so that three years of costs can be compared at the Department level for these services.

LOVELAND PUBLIC LIBRARY

The mission of the

Loveland Public Library is to serve as the information center of the community, to be accessible and active in outreach to the people of all ages and backgrounds informing, educating, entertaining, and culturally enriching them and bridging the past to the future and connecting one community resource with another with a diverse collection of resources and services. The Library seeks to fulfill this mission by emphasizing excellent customer service in a welcoming environment.



Another example of new retail construction.

Loveland Public Library

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Special Revenue Fund						
Library	2,008,521	2,225,750	2,226,320	0.0%	28.5	28.5
REVENUE						
Beginning Balance	273,113	279,090	220,870			
Library	2,014,499	2,167,530	2,226,320	2.7%		
Subtotal	2,014,499	2,167,530	2,226,320	2.7%		
Total	2,287,612	2,446,620	2,447,190			
EXPENSE BY CATEGORY						
Personal Services	1,620,477	1,840,980	1,880,220	2.1%		
Supplies	238,953	238,790	200,200	(16.2%)		
Purchased Services	98,715	83,970	71,140	(15.3%)		
Fixed Charges	28	4,500	1,700	(62.2%)		
Debt Service/Lease Payments	50,348	57,510	57,510	-		
Total	2,008,521	2,225,750	2,226,320	0.0%		
Ending Balance	279,091	220,870	220,870			

DIVISION	DEPARTMENT		
Library	Library		
Section Summary:	04 Actual	05 Forecast	06 Budget
Special Revenue Fund			
Library	2,008,521	2,225,750	2,226,320
REVENUE			
Charges for Service	11,905	12,000	12,000
Fines	79,219	81,000	81,000
Interest	4,318	10,000	8,000
Donations	31,137	35,000	25,000
Transfer from General Fund	1,887,920	2,029,530	2,100,320
Total	2,014,499	2,167,530	2,226,320
EXPENSE BY CATEGORY			
Personal Services	1,620,477	1,840,980	1,880,220
Supplies	238,953	238,790	200,200
Purchased Services	98,715	83,970	71,140
Fixed Charges	28	4,500	1,700
Debt Service/Lease Payments	50,348	57,510	57,510
Capital	-	-	15,550
Total	2,008,521	2,225,750	2,226,320
FTE	28.5	28.5	28.5

BUDGET VARIANCES

- (6,380) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 17,270 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (5,500) Decrease in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs.
- (58,220) Decrease in supplies (\$48,220) and purchased services (\$10,000) due to the one-time re-appropriation of gifts and donations received in 2004.
- 13,000 Increase in supplies for a computer software maintenance contract, necessary for software on the new computer system purchased in 2005.
- (2,800) Decrease in fixed costs for vehicle maintenance and rental based on projected maintenance costs.

- 27,650 Normal Increases/Decreases
 - 28,350 Personal Services
 - (3,370) Supplies
 - 2,670 Purchased Services

SUPPLEMENTS

- 15,550 **Improvement** - Increase in capital for the replacement of two photocopiers; one for use by staff and the other for use by the public.

570 Total Increase

LIBRARY

Overview

The Loveland Public Library offers a wide array of materials, programs and services to the residents of Loveland and the area through its 18 year old, 32,000 square foot building and outreach services minivan. Many of the traditional measures of public library service indicate the Library to be a very busy and well used City service.

The Colorado State Library's "2004 Statistics from Public Libraries Located in Metropolitan Areas Serving Populations Between 25,000 and 99,999" reports Loveland's rank among the 14 reporting libraries as follows:

Inputs (Resources available to provide service)

- FTE Staff per 1,000 served: 7 of 14, 8.9% above mean or average.
- Materials expenditure per capita: 9 of 14, 23% below mean.
- Magazine, newspaper subscriptions per 1,000 served: 7 of 14, 13% below mean.
- Volumes per capita: 11 of 14, 17.3% below mean.

Outputs (Measures of Library activity)

- Circulation/borrowing per capita: 2 of 14, 48.2% above mean.
- Reference questions answered per capita: 3 of 14, 47% above the mean.
- Turnover, or how many times each item owned is borrowed: 1 of 14, 70% above the mean.

This information is found at http://www.lrs.org/asp_public/historic/fcsdata.asp and can be compared with previous year's information.

Objectives

- Add more customer service-orientated content to the library web page and keep information on the web page current and relevant.
- Increase visit to online services by residents.
- Maintain pre-school literacy experiences of the target population (Birth-5).
- Maintain Library circulation of materials per capita.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
Library-wide materials borrowing per capita.	12.53	11.75	11.75
% increase in number of web page hits.	68.8%	15.0%	5.0%
% increase in Library visits.	4.8%	2.0%	2.0%
% increase in public use of Library database.	-9.5%	5.0%	5.0%

PARKS & RECREATION

The mission of the Loveland Parks and Recreation Department is to provide effective, efficient and high quality leisure facilities, sites, services and programs for citizens of and visitors to the community.



Current construction of the Youth Sports Complex.



Department of Parks & Recreation Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
General Fund						
Administration	465,660	490,050	520,550	6.2%	3.3	3.3
Parks	2,157,501	2,353,130	2,807,890	19.3%	25.4	28.8
Recreation	2,714,911	3,076,520	3,197,640	3.9%	30.3	30.9
Subtotal	5,338,072	5,919,700	6,526,080	10.2%	59.0	63.0
Internal Service Fund						
Public Grounds	338,480	378,860	394,660	4.2%	2.2	2.2
Subtotal	338,480	378,860	394,660	4.2%	2.2	2.2
Total	5,676,552	6,298,560	6,920,740	9.9%	61.2	65.2
REVENUE						
General Fund						
Parks	168,916	177,070	191,720	8.3%		
Recreation	2,214,653	2,303,790	2,446,680	6.2%		
Total	2,383,569	2,480,860	2,638,400	6.4%		
EXPENSE BY CATEGORY						
Personal Services	4,487,752	4,992,120	5,476,740	9.7%		
Supplies	433,346	464,860	512,650	10.3%		
Purchased Services	566,309	651,930	699,810	7.3%		
Fixed Charges	189,145	189,650	231,540	22.1%		
Total	5,676,552	6,298,560	6,920,740	9.9%		

PARKS & RECREATION

Overview

The Parks and Recreation Department is responsible for all the public recreational and parks areas including development, programming and operations. The department operates the Hatfield Chilson Recreation/Senior Center, Winona Pool, a mountain park, one 9-hole and two 18-hole public golf courses, batting cages, and Lake Loveland Swim Beach. This Department also provides maintenance at the City's public facilities, the Civic Center and Service Center grounds. The citywide natural areas program for open space needs, as well as the off-road recreational trail system, is managed through the Department.

The Department offers both competitive and recreational athletic programs including adult volleyball, basketball, softball and soccer. Organized youth sports are available in softball, football, basketball, baseball and soccer. An extensive number of recreational classes and instructional programs are provided for all ages in arts and crafts, as well as hobby and cultural activities. The Hatfield Chilson Recreation Center offers both athletic and fitness facilities, in addition to recreational activities.

During 2006, the Department estimates generating in excess of \$2.0 million in user fees and revenues from recreational programs, athletic events, activities and uses of the Hatfield Chilson Recreation Center and Winona Pool, resulting in an 85% Recreation Division cost recovery. An additional \$3 million is generated from user fees to the Golf Enterprise Fund. The Department operates on a modified "user pay" philosophy and recovers expenditures with revenues where possible and within market conditions. Cost recovery policies are used to assist in department fee and budget decisions.

Objectives

- Continuation of Youth Sports Complex projects.
- Planning and design of expanded and/or new recreation.
- Construction of recreational trail underpass on north Highway 287.
- Plans and initial construction of Fairgrounds Park.

DIVISION

Parks

DEPARTMENT

Parks & Recreation

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Cemetery	233,815	255,560	261,790
Grounds	633,810	699,140	822,500
Mountain Parks	130,448	137,670	142,060
Operations	517,868	576,560	785,490
Projects/Fleet Maintenance	486,073	518,270	581,180
Planning	155,487	165,930	214,870
Total	2,157,501	2,353,130	2,807,890
REVENUE			
Mountain Park	738	-	-
Cemetery	168,178	177,070	191,720
Total	168,916	177,070	191,720
EXPENSE BY CATEGORY			
Personal Services	1,609,786	1,753,630	2,087,090
Supplies	226,962	243,200	288,270
Purchased Services	166,227	205,080	240,180
Fixed Charges	154,526	151,220	192,350
Total	2,157,501	2,353,130	2,807,890
FTE	24.3	25.4	28.8

BUDGET VARIANCES

- 9,670 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 42,120 Increase in personal services to fund one-half of the existing Construction Coordinator position, which was previously funded in full by CEFs.
- (11,730) Decrease in supplies due to a one-time appropriation for bike racks and benches at Centennial Park.
- (6,160) Decrease in purchased services due to a one-time appropriation for fencing at the Youth Sports Complex.
- 9,280 Increase in fixed costs for vehicle maintenance and rental based on projected fuel costs and maintenance costs.

- 55,700 Normal Increases/Decreases
 - 55,780 Personal Services
 - 990 Supplies
 - (1,070) Purchased Services

SUPPLEMENTS

- 355,880 **Workload** - Increase to personal services (\$225,890) for 3.4 new FTEs, supplies (\$55,810), purchased services (\$42,330) and fixed charges (\$31,850) to open and operate the Youth Sports Complex.

- 454,760 Total Increase**

PARKS

Overview

Cemetery - This section manages and maintains the 46-acre City of Loveland Cemetery, which is comprised of Lakeside Cemetery and Loveland Burial Park.

Mountain Park – Performs resource management and maintenance functions at the 420 acre Viestenz-Smith Mountain Park.

Parks Maintenance - Loveland maintains 27 developed parks, covering 318 acres. Site amenities include 22 softball fields, 24 playgrounds, 14 reservable picnic shelters, 4 racquetball courts and 21 tennis courts. Maintenance of these parks is divided into Operations and Grounds.

Parks Planning - This section performs planning and construction management of parks, recreation areas, and trails projects.

Projects/Fleet Maintenance - This section performs in-house park construction and repair services and maintains turf and construction equipment used in the parks system.

	2005 FTE	2006 FTE
Cemetery	3.6	3.6
Grounds	6.5	7.5
Mountain Park	2.0	2.0
Operations	5.0	7.4
Projects/Fleet Maintenance	5.3	5.3
Planning	3.0	3.0
Total	25.4	28.8

Objectives

- Increase youth sport facilities and opportunities.
- Extend useful life of cemetery by increasing lots available for burials.
- Maintain existing service levels & provide high quality park facilities for public use.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
Developed park acreage maintained.	263	263	318
Operating cost / developed park acre.	\$6,255	\$6,600	\$6,790
Cemetery operation cost recovery.	72.45%	73.00%	70.00%

DIVISION

Recreation

DEPARTMENT

Parks & Recreation

Section Summary:**04 Actual****05 Forecast****06 Budget****General Fund**

Adult Athletics	236,989	299,480	306,010
Concessions/Batting Cages	124,285	146,220	155,270
Hatfield Chilson Recreation Center	1,381,152	1,576,210	1,623,970
Outdoor Aquatics	104,515	127,870	130,080
Recreation Programs	461,878	450,640	473,280
Special Recreation Services	169,606	223,040	229,840
Youth Athletics	236,486	253,060	279,190
Total	2,714,911	3,076,520	3,197,640

REVENUE

Outdoor Aquatics	90,979	127,500	132,000
Youth Athletics	195,932	192,680	199,350
Recreation Programs	256,556	229,500	252,000
Hatfield Chilson Recreation Center	1,098,831	1,184,500	1,279,400
Adult Athletics	377,196	342,610	349,930
Concessions/Batting Cages	126,090	149,500	155,000
Special Recreation Services	69,069	77,500	79,000
Total	2,214,653	2,303,790	2,446,680

EXPENSE BY CATEGORY

Personal Services	2,289,157	2,606,220	2,723,890
Supplies	158,327	180,100	182,820
Purchased Services	256,263	275,180	277,380
Fixed Charges	11,164	15,020	13,550
Total	2,714,911	3,076,520	3,197,640

FTE**29.8****30.3****30.9**

BUDGET VARIANCES

16,990 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

(1,530) Decrease in supplies due to one-time appropriation for the installation of cabinets at Winona Pool.

(1,470) Decrease in fixed costs for vehicle maintenance and rental based on projected maintenance costs.

79,010 Normal Increases/Decreases
 79,010 Personal Services
 (2,200) Supplies
 2,200 Purchased Services

SUPPLEMENTS

28,120 **Workload** - Increase to personal services (\$21,670) for .6 FTE and supplies (\$6,450) to open and operate the Youth Sports Complex.

121,120 Total Increase

RECREATION

Overview

Adult Athletics - Adult Athletics is supported by user fee revenues to provide coordination and supervision for adult athletic programming. Adult programs include: competitive leagues in basketball, volleyball, in-line hockey, soccer, softball and softball tournaments.

Batting Cages/Concessions - This area operates seasonal food concessions at Winona Pool, Lake Loveland Beach and Kroh Park, as well as the concessions at Barnes Park. The Barnes Park Batting Cages feature pitching machines, which are open during league and tournament play.

Hatfield Chilson Recreation/Senior Center - The Hatfield Chilson Recreation/Senior Center is a multi-purpose facility designed for all ages of guests for programmed instruction or drop-in use. The Center includes 2 gymnasiums, an indoor running track, an aerobics room, weight training areas, 3 racquetball courts, a steam room and whirlpool, and a 25-meter indoor pool with a water slide. The adjacent Senior Center provides a large banquet room for dances, socials, meals and meetings. A game room, billiard area, lounge and kitchen are available for the seniors as well.

Outdoor Aquatics - Outdoor Aquatics includes the Lake Loveland Swim Beach and Winona Swimming Pool. The City operates a supervised swimming area at Lake Loveland at no admission charge to the public. Winona is an outdoor swimming pool with a water slide and leisure pool for younger children, open for operation during the summer months.

Recreation Programs - Recreation programs include outdoor recreation, general instruction and recreation activities. Outdoor recreation programs include horseback riding, canoeing, skiing, camping and rock climbing for all ages. In addition, diverse activities in crafts and cultural arts, dance, music, computers, cooking, martial arts and financial planning are offered.

Special Recreation Services - This program provides social, educational, recreational, and health-related programs and services to Loveland's senior population.

Youth Athletics - The Youth Athletics Program offers year-round instruction in softball, football, basketball, baseball, tennis, gymnastics, in-line hockey and soccer.

	2005	2006
	FTE	FTE
Adult Athletics	2.2	2.6
Concessions/Batting cages	0.4	0.4
Hatfield Chilson Recreation Center	18.4	18.4
Outdoor Aquatics	0.3	0.3
Recreation Programs	3.9	3.9
Special Recreation Services	2.8	2.8
Youth Athletics	2.3	2.5
Total	30.3	30.9

Objectives

- Maintain clean, safe and attractive facilities.
- Increase level of participation in programs.
- Meet and exceed City Council and Department cost recovery goals through effective and efficient financial management of resources.
- Increase amount of registrations processed by automated registration systems.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% of direct cost recovered in recreation programs/facilities.	78%	76%	73%
% cost recovery at Hatfield Chilson Recreation Center through user fees & charges.	79%	76%	76%
Average daily attendance at Hatfield Chilson Recreation Center.	1,055	1,060	1,115
% registrations processed by automated systems.	36%	40%	45%

POLICE DEPARTMENT



Example of new medical facilities.

The Loveland Police Department exists for the purpose of providing an enhanced level of safety in our community, protecting the rights guaranteed to all people by the Constitution, and improving the quality of life of each citizen.

Police Department

DIVISION

DEPARTMENT

Administration

Police

Section Summary:

04 Actual

05 Forecast

06 Budget

General Fund

Administration	1,516,331	1,311,960	1,325,110
Journey Conference	6,000	6,000	6,000
Total	1,522,331	1,317,960	1,331,110

REVENUE

Special Event Fees	38,099	-	-
Police Training	-	1,000	-
Donations	1,500	1,000	1,000
Police Auction	3,969	3,000	3,000
Total	43,568	5,000	4,000

EXPENSE BY CATEGORY

Personal Services	706,876	665,190	638,300
Supplies	33,011	22,150	19,580
Purchased Services	770,614	630,620	673,230
Capital	11,830	-	-
Total	1,522,331	1,317,960	1,331,110

FTE

7.0

6.0

6.0

BUDGET VARIANCES

- (3,720) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 4,100 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (17,370) Decrease in personal services due to the transfer of position to the Information Services Division mid-year.
- 36,850 Increase in purchased services due to increased costs for the payment for the Island Grove Detox Treatment Center (\$2,020), the payment to the Humane Society for animal control (\$22,830), and for psychologist fees (\$12,000).
- 7,610 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.

- (14,320) Normal Decreases
 - (9,900) Personal Services
 - (2,570) Supplies
 - (1,850) Purchased Services

- 13,150 Total Increase**

ADMINISTRATION

Overview

This executive level unit includes the Office of the Chief of Police and the Office of Professional Standards. Our Professional Standards section handles internal and citizen complaints against police employees, oversees the personnel function, and the Department Training Sergeant and Accreditation. The unit is staffed by a police lieutenant and is responsible for investigation of serious complaints, tracking, assigning, and reporting on all complaints, investigations, and commendations received by the department. The Lieutenant also conducts annual staff inspections of the Department's divisions and their units. This unit administers the Department pay plan and supervises the training, accreditation, and personnel units. The Training Unit is responsible for managing, assigning, and reporting on all police employee training assignments and mandatory training classes and attendance. It also oversees the animal control services contract. The section is staffed by a police sergeant, who also serves as the Department Public Information Officer. The Personnel Section is responsible for handling all police employee recruitment, selection, and hiring. The section is staffed by a police sergeant who also conducts Department policy reviews, personnel performance system audits, and recommends policy and procedure changes when required. Our Accreditation section is responsible for administration and management of the Department's International Accreditation Program. The section is staffed by a civilian, who maintains ongoing audits of department policy and procedures, and modifies required directives to insure compliance with Accreditation Standards. The section is also the liaison to the Commission on Accreditation of Law Enforcement Agencies and manages tri-annual onsite audits by Commission assessors.

	<i>2005 FTE</i>	<i>2006 FTE</i>
Administration	6.0	6.0
Total	6.0	6.0

Objectives

- To enhance employee safety and skills.
- To insure prompt investigation of citizen complaints.
- To have 80% of survey respondents say they feel safe.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of citizen complaint investigations completed within 30 calendar days.	76%	95%	95%
% of complaints where the complainant was notified within 5 working days that the case has been assigned and the investigation begun.	84%	95%	95%

DIVISION	DEPARTMENT		
Operations	Police		
Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Operations Administration	261,377	274,650	278,310
Patrol	5,041,573	5,630,450	6,144,190
Traffic	526,840	564,280	599,710
Total	5,829,790	6,469,380	7,022,210
REVENUE			
Special Events	114,658	160,710	140,000
State & Federal Grants	62,265	33,660	35,000
Charges for Service	11,269	10,000	11,000
Other	15,609	-	-
Total	203,801	204,370	186,000
EXPENSE BY CATEGORY			
Personal Services	5,043,801	5,543,190	6,090,230
Supplies	103,940	109,100	162,730
Purchased Services	53,997	128,650	147,620
Fixed Charges	621,501	660,840	621,630
Capital	6,551	27,600	-
Total	5,829,790	6,469,380	7,022,210
FTE	65.0	65.0	69.0

BUDGET VARIANCES

- 46,550 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 43,550 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 7,070 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 14,740 Increase in purchased services to outsource Downtown Parking Enforcement.
- (39,210) Decrease in fixed costs for vehicle maintenance and rental based on projected maintenance costs. A portion of the decrease is due to decreased amortization costs for replacement due to the change in vehicle models used for the patrol fleet.
- (27,600) Decrease in capital costs due to the one-time purchase of new equipment.
- 149,380 Normal Increases/Decreases
 - 154,410 Personal Services
 - (2,190) Supplies
 - (2,840) Purchased Services

SUPPLEMENTS

- 358,350 **Improvement** - Increase in personal services (\$302,530) and supplies (\$55,820) for three new patrol officers, one sergeant, and their equipment.
- 552,830 Total Increase**

OPERATIONS

Overview

This Division manages the following sections: Patrol, Traffic, Chaplains and Explorer Scouting. Patrol provides front line law enforcement services to the Community 24 hours per day, 365 days per year. Lieutenants command each of the three patrol shifts. Patrol officers are assigned a patrol car on a 24-hour take-home basis. This Take-Home Program has been successful in increasing the visibility of police and in reducing fleet costs. This Division also includes the Reserve Officers Program, Bicycle Program, Gangstop Officers, Mounted Patrol Unit, K-9 Unit, SWAT, Bomb Squad, and the Chaplains Program. Traffic officers are assigned to address the frequent traffic complaints coming into the City, as well as increasing traffic enforcement to lower accident rates. One sergeant is assigned to oversee the traffic unit.

	<i>2005 FTE</i>	<i>2006 FTE</i>
Operations Administration	2.0	2.0
Traffic	6.0	6.0
Patrol	57.0	61.0
Total	65.0	69.0

Objectives

- To arrive on scene to emergency calls within 4 minutes of dispatch.
- To develop and maintain productive problem-solving partnerships with public and private organizations.
- To improve safety of City streets through police involvement in directed traffic enforcement.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% increase in seatbelt compliance.	4%	5%	5%
% of emergency calls where police arrive on scene within 4 minutes.	76%	85%	85%
% reduction in injury accidents throughout the City.	17%	5%	5%

DIVISION

Information Services

DEPARTMENT

Police

Section Summary:**04 Actual****05 Forecast****06 Budget****General Fund**

Administrative Services	363,777	417,550	393,120
Communications	1,455,075	1,715,700	1,662,740
Records	581,441	653,940	711,390
Total	2,400,293	2,787,190	2,767,250

REVENUE

Dispatch Services	109,024	104,000	109,000
Records	1,082	1,000	1,500
Total	110,106	105,000	110,500

EXPENSE BY CATEGORY

Personal Services	1,841,946	2,114,700	2,175,740
Supplies	38,051	40,500	38,140
Purchased Services	402,126	571,990	501,120
Capital	118,170	60,000	52,250
Total	2,400,293	2,787,190	2,767,250

FTE**30.0****31.0****31.0**

BUDGET VARIANCES

- (6,110) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 20,690 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 17,370 Increase in personal services due to the transfer of one position from the Administration Division mid-year in 2005.
- (6,510) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (43,620) Decrease in supplies and purchased services due to the one-time reappropriation of LETA grant funds.
- (39,380) Decrease in purchased services for the one-time reappropriation of funds for the radio reprogramming project.
- 20,000 Increase in purchased services for telephone cost to provide modem service for the laptop computers and palm devices.

- 13,620 Normal Increases/Decreases
 - 29,090 Personal Services
 - (660) Supplies
 - (7,060) Purchased Services
 - (7,750) Capital

SUPPLEMENTS

- 4,000 **Improvement** - Increase in supplies for computer software for four new patrol positions.

- (19,940) Total Decrease**

INFORMATION SERVICES

Overview

This Division is responsible for 911 communications and dispatching for police, fire and EMS, police records and information technology, including technology project management and crime analysis. The Communications Center is responsible for the 24-hour emergency dispatching for the Loveland Police and Fire Departments, Berthoud Fire Department, and the Thompson Valley Ambulance Service. Loveland is the answering point for 911 calls in all of southern Larimer County, covering in excess of two hundred square miles and handling an estimated 153,000 calls in 2004. The Center is managed by a civilian manager and two communication supervisors. Our Records Section is responsible for typing police reports; recording summons; sorting, filing, and maintaining case reports; maintaining and dispersing criminal history information on persons; compiling statistical information; and acting as the receptionist and front desk report taker for the Police Department. The unit is managed by a civilian manager and a supervisor. The Administration Services section is responsible for the management of data for police reporting, which involves the review of data input, output, and storage. This area is also responsible for recommending new technology purchases and training police employees in their use. Our Crime Analyst provides pertinent information relative to crime patterns and trend correlation to assist operational and administrative personnel in planning the deployment of resources for the prevention and suppression of criminal activities. The Crime Analyst is a civilian and serves collaterally as the Police Information Manager over the Records section.

	2005 FTE	2006 FTE
Administration Services	3.0	3.0
Communications	18.0	18.0
Records	10.0	10.0
Total	31.0	31.0

Objectives

- To answer 911 calls within 2 rings and/or 5 seconds of initial ring time into Communications Center.
- To provide timely processing of police reports.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of 911 calls answered within 2 rings.	93.7%	100.0%	100.0%
% traffic accident and police reports involving a felony are available to all customers within 2 business days.	57%	80%	80%

DIVISION

Support Services

DEPARTMENT

Police

Section Summary:

04 Actual

05 Forecast

06 Budget

General Fund

Community Policing	95,854	98,620	96,120
Community Resources	314,081	328,720	342,280
Drug Free Grant	102,774	141,100	135,750
Investigations	723,482	813,980	883,140
Narcotics & Vice	231,733	219,230	220,840
Services Administration	193,065	186,950	193,620
Technical Support	176,821	193,400	197,640
Total	1,837,810	1,982,000	2,069,390

EXPENSE BY CATEGORY

Personal Services	1,756,447	1,876,040	1,976,800
Supplies	25,003	23,380	24,920
Purchased Services	56,360	82,580	67,670
Total	1,837,810	1,982,000	2,069,390

FTE

22.0

22.0

22.0

BUDGET VARIANCES

- 45,590 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 17,460 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (6,290) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 30,630 Normal Increases/Decreases
 - 37,710 Personal Services
 - 1,540 Supplies
 - (8,620) Purchased Services
- 87,390 Total Increase**

SUPPORT SERVICES

Overview

This Division manages and administers all department support services including Investigations, Special Investigations Unit, Community Resource Unit, and the Technical Support Unit. Our Investigations Unit handles major crime scenes and follow-up investigations in the areas of general crime, juvenile investigations, sexual offenses, and check fraud. The Technical Support Unit is responsible for collecting, transporting, storing, and processing property and evidence for the department. The Community Response Unit is the home for three School Resource Officers, one Crime Prevention Officer, Senior Volunteers, and Restorative Justice Program. The Crime Prevention Officer coordinates community outreach for all age groups. Examples include: Crime Prevention Education, Adult Protection Services, Neighborhood Watch programs, the Annual Fishing Derby and Senior Volunteers. During the school year, the three School Resource Officers work full-time in the Loveland high schools and middle schools and carry out a wide variety of duties. They are the first responders to emergencies in the school; investigate school related crimes, teach classes, and sometimes take on coaching responsibilities. The Restorative Justice Program is the only such program with a full time dedicated law enforcement officer in the United States. In the program, criminal violators come face to face with the crime victim. A facilitator leads the meeting and the victim is able to explain to the violator how the crime adversely affected their life.

	2005 FTE	2006 FTE
Community Resources	4.0	4.0
Crime Prevention	1.0	1.0
Investigations	9.0	9.0
Special Investigations Unit	2.0	2.0
Support Services Administration	2.0	2.0
Technical Support	2.0	2.0
Drug Free Grant	2.0	2.0
Total	22.0	22.0

Objectives

- To have 70% of total cases assigned to detectives be successfully cleared by a police investigation.
- To work with Community members in the Restoration Justice Program process to lower the recidivism rate among juvenile offenders.
- Provide crime trend information involving specific neighborhoods in 40% of all neighborhood community resource meetings.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of total cases assigned to the Investigations Unit for follow up that were successfully cleared.	72%	70%	70%
% decrease of repeat offenders after Restorative Justice Program conference.	N/A	16%	16%
% of citizens surveyed who attended police/neighborhood meetings and responded they received valuable information.	N/A	100%	100%

PUBLIC WORKS



McKee Medical Center added to their campus with a new Cancer Center.

The Department of Public Works' mission is to ensure Loveland remains a pleasant, safe, and economically-viable community for all its citizens and visitors by providing and maintaining reliable and cost-effective transportation systems, storm drainage, solid waste management, city facilities, and equipment.



Department of Public Works Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
General Fund						
Administration	131,579	112,810	122,830	8.9%	1.0	1.0
COLT	771,953	755,510	756,060	0.1%	10.5	10.5
Development Engineering	382,629	426,000	440,360	3.4%	5.0	5.0
Project Engineering	3,344,509	3,399,290	3,481,390	2.4%	8.3	8.3
Street Maintenance	1,585,034	1,786,310	1,892,300	5.9%	14.6	14.6
Traffic Engineering	1,109,754	1,199,030	1,176,310	(1.9%)	10.0	10.0
Weed Control	45,973	45,000	-	(100.0%)	-	-
Subtotal	7,371,431	7,723,950	7,869,250	1.9%	49.4	49.4
Internal Service Fund						
Facilities Management	2,758,591	2,840,250	2,919,790	2.8%	20.8	20.8
Vehicle Maintenance	2,072,315	2,304,250	2,360,020	2.4%	15.2	15.2
Subtotal	4,830,906	5,144,500	5,279,810	2.6%	36.0	36.0
Total	12,202,337	12,868,450	13,149,060	2.2%	85.4	85.4
REVENUE						
General Fund						
Engineering	5,988,973	6,052,930	6,184,090	2.2%		
Street Maintenance	169,791	80,010	63,890	(20.1%)		
COLT	987,739	425,560	126,220	(70.3%)		
Traffic Engineering	135,683	135,100	144,100	6.7%		
Subtotal	7,282,186	6,693,600	6,518,300	(2.6%)		
Internal Service Fund						
Vehicle Maintenance	2,237,601	2,266,250	2,609,920	15.2%		
Subtotal	2,237,601	2,266,250	2,609,920	15.2%		
Total	9,519,787	8,959,850	9,128,220	1.9%		
EXPENSE BY CATEGORY						
Personal Services	5,049,708	5,621,090	5,865,840	4.4%		
Supplies	1,774,771	1,816,140	1,950,820	7.4%		
Purchased Services	4,577,820	4,479,150	4,482,910	0.1%		
Fixed Charges	651,113	719,250	684,710	(4.8%)		
Transfers	88,400	90,120	93,780	4.1%		
Capital	60,525	142,700	71,000	(50.2%)		
Total	12,202,337	12,868,450	13,149,060	2.2%		

PUBLIC WORKS

Overview

The Department of Public Works provides planning, design, construction, and maintenance services for the general public and the City's internal operations. The use of City facilities for meetings and special events is coordinated and supported by Public Works. This Department also manages the purchasing of vehicles and equipment for the City and maintains these plus the school district vehicles.

The public services provided include: transportation system design; street construction management and inspection; pavement management; traffic signals, signs, and pavement markings installation and maintenance; storm water collection systems design and maintenance; street maintenance and repair; snow and ice removal; fixed route and paratransit bus service; solid waste management and recycling; and mosquito control.

DIVISION

City of Loveland Transportation (COLT)

DEPARTMENT

Public Works

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
COLT	771,953	755,510	756,060
REVENUE			
Paratransit Fares	5,908	4,190	4,190
Fixed Route Fares	24,281	28,800	28,800
Medicaid	14,968	13,900	50,000
Advertising	37,650	17,930	17,930
Federal Grants	884,846	335,440	-
Special Events	1,590	3,500	3,500
Pass Fares	18,496	21,800	21,800
Total	987,739	425,560	126,220
EXPENSE BY CATEGORY			
Personal Services	471,419	483,410	495,460
Supplies	46,133	10,350	10,350
Purchased Services	101,890	74,700	94,990
Fixed Charges	152,511	187,050	155,260
Total	771,953	755,510	756,060
FTE	10.5	10.5	10.5

BUDGET VARIANCES

- (1,920) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,660 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 20,290 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (31,790) Decrease in fixed costs for vehicle maintenance and rental based on projected maintenance costs due to a newer fleet.
- 11,310 Normal Increases
 11,310 Personal Services
- 550 Total Increase**

CITY OF LOVELAND TRANSPORTATION (COLT)

Overview

The COLT Division operates three paratransit buses, one mid-sized bus and one low-floor heavy-duty transit bus to provide quality, low-cost transportation to Loveland residents.

Objectives

- Arrive at fixed route transfer points and primary stops within 3 minutes of schedule.
- Increase average paratransit vehicle occupancy.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
Net General Fund cost as a percentage of total cost.	65.0%	56.3%	83.4%
Cost per service hour:			
Total Cost	\$27.06	\$19.03	\$30.00
Fixed Route	\$14.63	\$19.55	\$15.00
Paratransit	\$18.32	\$18.65	\$19.00
Cost per service mile:			
Total cost	\$3.80	\$1.76	\$4.00
Fixed route	\$2.72	\$1.27	\$3.00
Paratransit	\$5.34	\$2.50	\$5.50
Cost per passenger:			
Total cost	\$9.51	\$4.75	\$10.00
Fixed route	\$5.98	\$2.71	\$7.00
Paratransit	\$23.40	\$11.63	\$25.00
Passengers per service mile:			
Total	2.5	4.0	4.0
Fixed route	2.0	7.3	7.3
Paratransit	3.6	1.6	1.6

DIVISION

Development Engineering

DEPARTMENT

Public Works

Section Summary:**04 Actual****05 Forecast****06 Budget****General Fund****Development Engineering****382,629****426,000****440,360****EXPENSE BY CATEGORY**

Personal Services

360,977

397,350

415,810

Supplies

7,512

6,400

6,400

Purchased Services

14,140

22,250

18,150

Total**382,629****426,000****440,360****FTE****5.0****5.0****5.0****BUDGET VARIANCES**

(1,040) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.

3,350 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

(1,010) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.

(3,090) Decrease in purchased services for one-time printing costs to publish regional street standards.

16,150 Normal Increases

16,150 Personal Services

14,360 Total Increase

DEVELOPMENT ENGINEERING

Overview

Development Engineering represents the Community interests in the evaluation of anticipated traffic impacts from new land development projects. This Division updates and maintains the City’s street design and construction standards, as well as the policies regarding acceptable levels of traffic congestion to ensure that adequate transportation infrastructure is provided by new developments. The Development Engineering staff advises the Planning Commission and City Council on transportation issues at public hearings, as well as providing technical information and process assistance to citizens, developers, realtors, attorneys, and consulting engineers.

Objectives

- Ensure that Transportation Engineering Division review of commercial building permits is completed within 15 working days.
- Ensure that Transportation Engineering Division review of planning and zoning major development applications is completed by the due date.
- Enhance communications with citizen groups and development community groups with the result being improved products and processes.
- Ensure that all phone calls are returned by the end of the next business day.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% of use-by-right commercial building permits reviewed within 15 business days.	96%	90%	90%
% of discretionary reviews that are completed by the due date established by the Development Review Schedule.	96%	90%	90%
% of calls returned by the end of the next business day.	97%	100%	100%

DIVISION	DEPARTMENT		
Project Engineering	Public Works		
Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Project Engineering	3,344,509	3,399,290	3,481,390
REVENUE			
Use Tax Auto	2,298,277	2,390,300	2,390,300
Highway Users Tax	1,733,378	1,682,370	1,716,020
State Road & Bridge Tax	603,130	621,000	655,860
Motor Vehicle Fees	211,146	216,000	220,760
Transportation Fee	975,181	1,070,200	1,123,710
New Street Inspection Fee	66,466	73,060	77,440
Concrete Program	101,395	-	-
Total	5,988,973	6,052,930	6,184,090
EXPENSE BY CATEGORY			
Personal Services	409,569	540,310	548,380
Supplies	25,747	16,150	16,150
Purchased Services	2,853,197	2,804,140	2,893,670
Fixed Charges	23,426	23,690	23,190
Capital	32,570	15,000	-
Total	3,344,509	3,399,290	3,481,390
FTE	6.3	8.3	8.3

BUDGET VARIANCES

- (1,050) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,800 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 11,260 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 78,270 Increase in purchased services for Street Rehabilitation based on the forecasted increase in transportation fee revenue.
- (500) Decrease in fixed costs for vehicle maintenance and rental based on projected maintenance costs.
- (15,000) Decrease in capital for one-time equipment purchases.
- 6,320 Normal Increases
 - 6,320 Personal Services
- 82,100 Total Increase**

PROJECT ENGINEERING

Overview

The Project Engineering Division is involved with most aspects of street design, construction, safety and maintenance. This Division manages the design and construction of capital street and bridge projects. Updating and implementing a long-range Transportation Master Plan is one of the major responsibilities of this Division.

Objectives

- Identify projects and estimated budgets within 15% of actual costs.
- Acquire needed right-of-way in advance to avoid construction delays.
- Improve pavement rating of arterials and collector streets to a rating of 90.
- Improve local streets to a rating of 85.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
Center line miles of city streets.	298	306	314
% of total miles of streets resurfaced by contractors.	8.1%	10.0%	10.0%
% of total miles of streets resurfaced with chipseal.	3.56%	6.00%	6.00%
% of total miles of street resurfaced by overlay/reconstruction.	1.5%	2.0%	2.0%
% of total miles of cul de sac overlays.	1.4%	1.0%	1.0%
% of total miles of streets resurfaced by a paving train rebuild.	0.4%	1.0%	1.0%
% of actual cost to construction projects budgets.	92%	90%	90%
Rating of arterial and collector streets on a yearly basis.	88.9	90.0	90.0
Rating of local streets.	92.1	85.0	85.0
Capital expenditures per capita.	\$81.80	\$130	\$100
Capital expenditure per accepted mile of street.	\$15,895	\$26,530	\$20,000

DIVISION

Street Maintenance

DEPARTMENT

Public Works

Section Summary:**04 Actual****05 Forecast****06 Budget****General Fund****Street Maintenance**

Street Maintenance	1,585,034	1,786,310	1,892,300
Weed Control	45,973	45,000	-
Total	1,631,007	1,831,310	1,892,300

REVENUE

State Highway Maintenance	26,894	26,890	26,890
Recycled Asphalt	59,632	5,120	-
Waste Hauler License	8,396	6,200	5,500
Street Cut Permits	72,111	38,800	20,000
Weed Mowing	23	2,000	5,500
Rotomill Charges	2,735	1,000	3,000
Street Patch Fee	-	-	3,000
Total	169,791	80,010	63,890

EXPENSE BY CATEGORY

Personal Services	904,663	1,067,050	1,152,390
Supplies	237,292	228,600	282,480
Purchased Services	180,297	183,250	92,660
Fixed Charges	297,755	322,410	323,770
Capital	11,000	30,000	41,000
Total	1,631,007	1,831,310	1,892,300

FTE**13.6****14.6****14.6**

BUDGET VARIANCES

- 8,320 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 12,800 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 25,000 Increase in supplies for chemicals to control weeds and for de-icing based on the Division's historical experience.
- 17,000 Increase in supplies for parts and supplies based on the Division's historical experience.
- 9,000 Increase in supplies for sand, gravel and asphalt based on the Division's historical experience.
- 8,290 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (48,780) Decrease in purchased services due to a change from crushing and selling old asphalt to trading the old product to our asphalt contractor for new product.
- (45,000) Decrease in purchased services for the weed control contract. For 2006, the contract and weed enforcement activities are transferred to the Code Enforcement Section in the Building Division to consolidate all code enforcement functions under one area.
- 1,360 Increase in fixed costs for vehicle maintenance and rental based on projected fuel costs and maintenance costs.
- (30,000) Decrease in capital for one-time equipment purchases.

- 62,000 Normal Increases/Decreases
 - 64,220 Personal Services
 - 2,880 Supplies
 - (5,100) Purchased Services

SUPPLEMENTS

- 41,000 **Improvement** - Increase in capital to purchase a mobile truck hoist, and a plow that can be attached to a pickup to increase the snow fighting fleet.

60,990 Total Increase

STREET MAINTENANCE

Overview

The Street Maintenance Division’s activities include street patching and repair, minor asphalt overlays, asphalt milling, alley and road shoulder maintenance, roadside mowing and weed spraying. The division provides major support for the annual Street Resurfacing Program - a citywide street reconstruction and resurfacing program planned and managed by the Projects Engineering Division. The Division is also responsible for winter roadway maintenance. Crews plow snow, apply de-icing and anti-icing chemicals, load and haul snow/ice from the downtown district and other confined areas, and clear designated sidewalks. Contractors are used for some routine sidewalk snow removal. For major storms, contractors are used to supplement City plowing efforts and assist with post-storm cleanup.

Objectives

- Rebuild at least 15% of City alleys with recycled asphalt & Reclamite.
- Crack-seal at least 10% of residential/collector streets annually.
- Decrease pothole repair response time.
- Ensure arterials and highways are plowed within 8 hours of snow’s end.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% alley reconstructed with recycled asphalt & Reclamite.	5.6%	15.0%	15.0%
% of City-owned streets crack-sealed by City crews.	2%	10%	10%
% potholes repaired within 3 business days of call.	87%	95%	95%
% priority 1 snow routes plowed within 8 hrs of snow’s end.	100%	100%	100%

DIVISION

Traffic Engineering

DEPARTMENT

Public Works

Section Summary:**04 Actual****05 Forecast****06 Budget****General Fund****Traffic Engineering****1,109,754****1,199,030****1,176,310****REVENUE**

Traffic Signal Maintenance

125,844

125,850

134,850

Ambulance District Payment

9,250

9,250

9,250

Recycled Materials

589

-

-

Total**135,683****135,100****144,100****EXPENSE BY CATEGORY**

Personal Services

762,817

804,810

829,650

Supplies

188,574

218,030

219,060

Purchased Services

71,160

48,910

45,780

Fixed Charges

77,514

84,080

81,820

Capital

9,689

43,200

-

Total**1,109,754****1,199,030****1,176,310****FTE****10.0****10.0****10.0****BUDGET VARIANCES**

(1,760) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.

7,370 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

(2,200) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.

(2,260) Decrease in fixed costs for vehicle maintenance and rental based on projected fuel costs and maintenance costs.

(43,200) Decrease in capital for one-time equipment purchases.

19,330 Normal Increases/Decreases

19,230 Personal Services

1,030 Supplies

(930) Purchased Services

(22,720) Total Decrease

TRAFFIC ENGINEERING

Overview

The Traffic Engineering Division is responsible for the installation, operations, and maintenance of all traffic control devices in the public right of way in the City. Citywide programs of responsibility include the Signal System, Sign Program, and Markings Program. The Division also issues City Right of Way Work Permits for anything from sidewalk replacements and special events to major street detours for construction projects. The Division's main goal is the safety of workers and the people using all forms of transportation. Safety projects such as the installation of new traffic signals and school zone flashers are sometimes federally funded by various grants through the Colorado Department of Transportation (CDOT). Grant administration duties include applications, design, contract administration and construction engineering and inspection.

This Division is also responsible for promoting and planning alternative transportation services and the Traffic Calming Program for neighborhoods. This includes coordination with the regional Smart Trips Program, to encourage vehicular travel reduction through carpooling and bicycling programs.

Objectives

- Reduce injury accidents and arterial corridor delays.
- Maintain or reduce arterial corridor travel times.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
Injury accidents per million vehicle miles traveled.	0.496	0.490	0.500
<i>Afternoon peak travel time (in minutes & seconds):</i>			
Eisenhower from Rocky Mtn. Blvd. to Wilson Ave.	11:46	11:22	12:00
US 287 from State Hwy 402 to 71st.	10:56	10:44	11:00
Taft Ave. from State Hwy 402 to 57th.	8:45	8:28	8:20
29th from Madison to Wilson.	5:50	5:47	5:50
Traffic operations cost per capita.	\$18.00	\$19.74	\$18.57
Traffic operations cost per centerline street mile.	\$3,640	\$4,000	\$3,700

DIVISION

Facilities Management

DEPARTMENT

Public Works

Section Summary:**04 Actual****05 Forecast****06 Budget****Internal Service Fund****Facilities Management**

Support Services	456,581	515,050	502,880
General Building Maintenance	1,794,149	1,868,750	1,958,490
Service Center	197,402	148,950	150,920
Chilson Recreation Center	234,018	209,400	209,400
Golf Courses	59,747	98,100	98,100
Facility Rentals	16,694	-	-
Total	2,758,591	2,840,250	2,919,790

EXPENSE BY CATEGORY

Personal Services	1,169,455	1,276,170	1,345,700
Supplies	289,658	260,500	260,500
Purchased Services	1,208,613	1,199,120	1,195,670
Fixed Charges	87,286	87,960	87,920
Capital	3,579	16,500	30,000
Total	2,758,591	2,840,250	2,919,790

FTE**20.8****20.8****20.8****BUDGET VARIANCES**

- 1,290 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 20,110 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (3,450) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (16,500) Decrease in capital for one-time equipment purchases.
- 48,090 Normal Increases/Decreases
 48,130 Personal Services
 (40) Fixed Charges

SUPPLEMENTS

30,000 **Workload** - Increase in capital to replace a John Deere tractor.

79,540 Total Increase

FACILITIES MANAGEMENT

Overview

The Facilities Management Division (FM) manages the operation and construction of all the City's physical facilities. It coordinates and supports meetings and special events scheduled within City facilities, and provides full mail service to all City employees. Facilities Management also provides technical and specialized trade and construction support to City facilities.

Objectives

- Extend the life cycle of the City's building systems and equipment through consistent preventive maintenance programs.
- Ensure the City's costs to support and maintain its buildings are consistent with best-in-class measures from the International Facility Management Association.
- Respond quickly and effectively to all FM customer requests.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
% of preventive maintenance on building systems and equipment completed within the manufacturer's recommended guidelines.	82%	95%	90%
Cost per square foot to maintain each key City facility.	\$4.22	\$4.35	\$4.40
% of all priority and emergency customer requests responded to within 1 day of notification.	98%	95%	95%
% of all customer requests completed on or before the date that the project was originally scheduled for completion.	88%	90%	90%
% of weekly communication updates to customers whose projects are past their due date.	100%	100%	100%

DIVISION	DEPARTMENT		
Vehicle Maintenance	Public Works		
Section Summary:	04 Actual	05 Forecast	06 Budget
Internal Service Fund			
Vehicle Maintenance	2,072,315	2,304,250	2,360,020
REVENUE			
Beginning Balance	145,923	311,210	273,210
School District	523,490	652,650	652,650
Rural Fire District	30,313	30,000	30,000
Transfer from Fleet Fund	1,683,798	-	-
Transfer from General Fund	-	18,620	-
Internal Service Charges	-	1,564,980	1,927,270
Total Revenue	2,237,601	2,266,250	2,609,920
Total Resources	2,383,524	2,577,460	2,883,130
EXPENSE BY CATEGORY			
Personal Services	884,702	965,510	981,950
Supplies	964,943	1,071,050	1,150,820
Purchased Services	121,649	125,510	120,720
Fixed Charges	12,621	14,060	12,750
Transfers	88,400	90,120	93,780
Capital	-	38,000	-
Total	2,072,315	2,304,250	2,360,020
Ending Balance	311,209	273,210	523,110
FTE	14.7	15.2	15.2

BUDGET VARIANCES

- 3,930 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 4,750 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (1,710) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 84,620 Increase in supplies for fuel based on forecasted cost increases.
- (20,000) Decrease in supplies and purchased services for parts and repair and maintenance due to the School District contracting the white fleet to private vendors.
- 3,660 Increase in transfers to the Internal Support Services fund for the vehicle maintenance shop allocation of facility maintenance costs.
- (38,000) Decrease in capital for one-time equipment purchases.

- 18,520 Normal Increases/Decreases
 - 7,760 Personal Services
 - 11,150 Supplies
 - 920 Purchased Services
 - (1,310) Fixed Charges

- 55,770 Total Increase**

VEHICLE MAINTENANCE

Overview

The Vehicle Maintenance Division performs preventive, scheduled and unscheduled maintenance of all City and Thompson School District vehicles, whether they are owned or leased. This Division is responsible for all vehicle specifications and equipment recommendations, and maintains a standard parts inventory to provide all preventive maintenance parts and some specialized parts to reduce unscheduled downtime on essential equipment.

Complete fleet management services include: vehicle specifications, formal bidding and purchasing, outfitting, planning life cycles and preventive maintenance schedules, standardized equipment selection and amortizing replacement funding, and disposing of depreciated and obsolete vehicles and equipment. This service is provided to the following departments or divisions: Police, Facility Maintenance, Parks and Recreation, Streets, Engineering, Traffic, Building Inspection and Planning.

Only maintenance and repair services are provided to the following departments or divisions: Thompson School District Transportation and Operations, Meter Readers, Water and Power, Warehouse, Technical Services, Golf, COLT, Storm Drainage, Street Sweeping, Solid Waste and Fire.

Two work shifts are staffed to provide repair and maintenance service to all vehicles 15 hours a day, five days a week. Emergency response is available 24 hours a day, seven days a week.

Objectives

- Complete quarterly preventive maintenance within one working day.
- Complete annual preventive maintenance within three working days.
- Maximize vehicle availability.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
# of vehicles serviced.	592	626	631
% of quarterly PMs completed in 1 day.	94%	98%	98%
% of annual PMs completed in 3 days.	N/A	90%	90%
% of light duty vehicle down time.	N/A	5%	5%
% of street sweep and refuse trucks vehicle down time.	N/A	16%	16%
Average miles/mechanic hour for light duty (excluding police cars).	480	500	500
Average miles/mechanic hour for police cars.	521	500	500
Average miles/mechanic hour for heavy duty vehicles.	113	400	400

NON-DEPARTMENTAL

Example of new retail store with plans of an additional store in the area.



This section is for costs that are not part of any City department. The majority of the expenses are for transfers to other funds for the General Fund's portion of their costs. Other expenses include funding for the Loveland Center for

Business Development, the School Crossing Guard Program, and the Food Sales Tax Rebate Program.

Non-Departmental Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
General Fund						
City Services	16,309,026	17,339,470	13,154,050	(24.1%)	-	-
Community Support	351,098	378,030	394,000	4.2%	-	-
Total	16,660,124	17,717,500	13,548,050	(23.5%)	-	-
REVENUE						
Taxes	33,794,064	37,151,690	40,641,040	9.4%		
Licenses & Permits	20,264	19,070	20,000	4.9%		
Intergovernmental	44,734	10,000	10,000	-		
Charges for Service	45,055	47,380	47,430	.1%		
Interest	314,747	304,980	398,850	30.8%		
Miscellaneous	277,620	188,040	155,190	(17.5%)		
Transfers	2,887,584	3,093,600	3,326,710	7.5%		
Total	37,384,068	40,814,760	44,599,220	9.3%		
EXPENSE BY CATEGORY						
Supplies	40,479	53,000	58,000	9.4%		
Purchased Services	969,340	1,104,370	1,144,230	3.6%		
Fixed Charges	2,697	4,700	-	(100.0%)		
Transfers	15,647,608	16,555,430	12,345,820	(25.4%)		
Total	16,660,124	17,717,500	13,548,050	(23.5%)		

DIVISION

City Services

DEPARTMENT

Non-Departmental

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
City Services	16,309,026	17,339,470	13,154,050
REVENUE			
Property Tax	5,682,765	5,898,240	6,264,600
Specific Ownership Tax	603,680	633,800	652,810
Sales Tax	23,239,540	25,678,000	28,037,030
Use Tax Building	3,129,726	3,395,550	4,093,960
Franchise Tax	1,343,486	1,328,200	1,372,140
Other Tax	(205,133)	217,900	220,500
Licenses & Permits	20,264	19,070	20,000
State Severance Tax	44,734	10,000	10,000
Charges for Service	26,210	25,570	25,620
Community Building Use	18,845	21,810	21,810
Interest	314,747	304,980	398,850
PILT - Water Fund	353,394	397,800	413,340
PILT - Wastewater Fund	328,928	328,600	339,900
PILT - Storm Water	197,009	207,800	211,140
PILT - Power	1,701,179	1,846,300	2,022,000
PILT - Golf	97,956	93,100	97,300
PILT - Solid Waste	209,118	220,000	243,030
Miscellaneous	277,620	188,040	155,190
Total	37,384,068	40,814,760	44,599,220
EXPENSE BY CATEGORY			
Supplies	40,479	53,000	58,000
Purchased Services	618,242	726,340	750,230
Fixed Charges	2,697	4,700	-
Transfers	15,647,608	16,555,430	12,345,820
Total	16,309,026	17,339,470	13,154,050

BUDGET VARIANCES

- 3,890 Increase in purchased services for the payment of the Loveland-Larimer Building Authority for the City's share of the maintenance costs of the Loveland-Larimer Police and Courts Building.
- 70,790 Increase in transfers to the Loveland Public Library based on the Library's budget.
- 237,620 Increase in transfers for the transfer to the Internal Services Fund based on the General Fund's allocation for these services.
- (2,920,330) Decrease in transfers for the transfer to the Capital Projects Fund based on the Capital Plan.
- (408,500) Decrease in transfers for the transfer to the Wastewater Fund for the second year of a two-year payment to reimburse the fund for development incentives approved by Council.
- (277,220) Decrease in transfers for the Economic Development Incentive account due to a one-time reappropriation of funds.
- (711,800) Decrease in transfers to the Employee Benefits Fund due to the one-time transfer to cover shortfalls within the fund.
- (18,620) Decrease in transfers to the Vehicle Maintenance Fund for one-time costs.
- (395,000) Decrease in transfers to the CEF Fund for the one-time payment in the incentive agreement with McKee Medical Center.
- 200,000 Increase in transfers to the CEF Fund for waivers associated with the Mirasol Development incentives that will occur in 2006.
- 15,000 Increase in purchased services for the Economic Gardening Pilot Program transferred from the Chamber of Commerce partnership fund.
- 13,450 Increase in transfers to the Risk and Insurance Fund to purchase AED units for government facilities.
- 5,300 Normal Increases/Decreases
 - 5,000 Supplies
 - 5,000 Purchased Services
 - (4,700) Fixed Charges
- (4,185,420) Total Decrease**

DIVISION

Community Support

DEPARTMENT

Non-Departmental

Section Summary:	04 Actual	05 Forecast	06 Budget
General Fund			
Community Support	351,098	378,030	394,000
EXPENSE BY CATEGORY			
Purchased Services	351,098	378,030	394,000
Total	351,098	378,030	394,000

BUDGET VARIANCES

- 11,300 Increase in purchased services for the contribution to the Loveland Center for Business Development based on the Center's budget.
- 14,000 Increase in purchased services for the school crossing guard program based on historical experience.
- (15,000) Decrease in purchased services for the Chamber of Commerce partnership. The funds are transferred to the Economic Gardening Pilot Program.
- 5,670 Normal Increases
 - 5,670 Purchased Services
- 15,970 Total Increase**

GENERAL FUND EQUIPMENT REPLACEMENT



This section provides a summary of equipment replacement purchases for the General Fund departments over a five-year period.

Residential growth continues at a strong pace to keep up with projected population growth.



General Fund Equipment Replacement

Description	2006	2007	2008	2009	2010
<u>City Clerk</u>					
Printer	2,500	-	-	-	-
Copier	10,000	-	-	-	-
Subtotal City Clerk	12,500	-	-	-	-
<u>Development Services</u>					
Printer-Dev Svcs Admin	3,900	-	-	-	-
Printer-Dev Svcs Admin	-	-	-	2,500	-
Printer-Building	2,140	-	-	-	-
FAX/Copier-Building	1,000	-	-	-	-
Printer-Current Planning	-	2,140	-	-	-
Subtotal Development Services	7,040	2,140	-	2,500	-
<u>Cultural Services</u>					
Second Box Office Window/Computer-Rialto	5,000	-	-	-	-
Public Address System-Rialto	3,000	-	-	-	-
Infra-red Audio System-Rialto	2,000	-	-	-	-
Replace/Refurbish Lighting Instruments-Rialto	2,100	2,100	1,200	7,000	-
Replace Entryway Mats-Rialto	2,500	-	-	-	-
Replace/Refurbish Theater Seats-Rialto	-	90,000	-	-	-
Replace Audio Console-Rialto	-	-	35,000	-	-
Replace/Motorize Movie Screen-Rialto	-	-	-	8,000	-
Replace Popcorn Machine-Rialto	-	-	-	6,000	-
Replace/Upgrade Fly System-Rialto	-	-	-	-	15,000
Subtotal Cultural Services	14,600	92,100	36,200	21,000	15,000
<u>Fire & Rescue</u>					
Copier	-	15,000	10,000	15,000	10,000
Technical Rescue Team	11,000	13,000	15,000	17,000	17,000
Dive Rescue	5,500	6,500	7,500	7,800	8,000
EMS Equipment	4,000	-	5,000	-	9,500
Haz Mat Equipment	2,500	2,000	3,600	3,000	3,000
Hose & Nozzles	10,000	11,000	11,500	12,000	12,000
Printer/FAX	3,500	4,000	4,000	4,500	5,000
SCBA	16,210	13,220	11,860	12,540	15,000
Small Equipment	25,000	27,000	27,000	30,000	35,000
Communications	18,000	21,000	24,000	27,000	27,000
Subtotal Fire & Rescue	95,710	112,720	119,460	128,840	141,500
<u>Municipal Court</u>					
Printer	2,500	-	-	-	-
Court Audio System	-	6,000	-	-	-
Copier	-	5,000	-	-	-
FAX	-	-	2,500	-	-
Subtotal Municipal Court	2,500	11,000	2,500	-	-

General Fund Equipment Replacement

Description	2006	2007	2008	2009	2010
<u>Non-Departmental</u>					
Copiers	39,600	-	50,000	-	50,000
Subtotal Non-Departmental	39,600	-	50,000	-	50,000
<u>Parks & Recreation</u>					
Parks Maintenance Equipment Replacement	203,210	233,800	309,840	180,290	341,780
Chilson Equipment Replacement	171,440	166,280	440,350	161,790	85,200
Recreation Equipment Replacement	33,710	99,890	10,540	111,750	11,400
Irrigation Systems Replacement	161,880	206,830	197,390	130,000	205,300
Playground Equipment Replacement	124,150	176,030	128,120	110,230	89,300
Asphalt Repairs at Park Location	31,170	22,900	32,200	33,610	17,640
Hard-Court Resurfacing	31,590	22,800	16,320	30,780	42,700
Copiers/Printers/Office Equip	35,000	30,000	-	-	10,000
Subtotal Parks & Recreation	792,150	958,530	1,134,760	758,450	803,320
<u>Police</u>					
Replace Horse (Mounted Patrol)	-	-	4,770	-	-
Computer Software Upgrades	43,680	45,650	47,700	49,850	52,090
CAD/RMS Hardware Upgrade	43,680	-	47,700	-	-
Motorola Portable Radio Replacements	-	-	19,080	19,940	20,840
Radio Repeaters Replacements	-	-	-	49,850	-
Printer Replacement	5,460	2,850	2,980	6,230	6,510
Photocopier Replacements	-	22,820	-	6,230	39,070
Intoxilizer Replacement	-	-	5,960	-	-
SWAT Equipment Replacement	5,460	5,710	5,960	6,230	6,510
SIU Transmitter Replacement	-	-	-	-	3,400
Hostage Phone Replacement	-	-	11,930	-	-
Truck Used for Mounted Replacement	21,840	-	-	-	-
Radar Unit Replacement	5,460	5,710	5,960	6,230	6,510
Bullet-Proof Vest Replacement	7,100	7,420	7,750	8,100	8,470
McGruff Robot Replacement	-	11,410	-	-	-
Canine Replacement	-	5,140	-	5,610	5,860
Camera Replacement	-	2,850	-	-	3,260
Varda Alarm Replacement	-	-	5,960	-	-
FAX Machine Replacement	-	-	2,390	2,490	2,610
Packset Battery Replacement	4,370	4,570	4,770	4,990	5,210
Handgun/Shotgun Replacement	10,480	10,960	11,450	11,960	12,500
Laptop Replacement	28,390	-	31,010	-	33,860
Radio Consoles Replacement	-	-	41,740	-	-
Communications chairs	3,000	-	3,420	-	3,740
Video Enhancement Equipment	-	-	-	-	-
Subtotal Police	178,920	125,090	260,530	177,710	210,440

General Fund Equipment Replacement

Description	2006	2007	2008	2009	2010
Public Works					
Steppe Asphalt Distributor (Slide-In)-Streets	50,000	-	-	-	-
1976 Hyster Pavement Roller-Streets	60,000	-	-	-	-
Schmidt Mf5 Plow-Streets	-	17,500	-	-	-
Tink Claw Bucket-Streets	-	20,000	-	-	-
Hiway Sander-Streets	-	24,000	-	-	-
Side/Rear Flail Mowers (Massey Ferguson)-Streets	-	27,300	-	-	-
Bomag 120 Vibratory Roller-Streets	-	50,000	-	-	-
Trackless Tractor And Attachments-Streets	-	105,000	-	-	-
Hiniker Pickup Plow-Streets	-	-	5,400	-	-
Snoway Pickup Plow-Streets	-	-	5,400	-	-
Henke Plow-Streets	-	-	18,000	-	-
Lee Boy 8500 Elite Asphalt Paver-Streets	-	-	190,000	-	-
John Deere Self-Propelled Mower-Streets	-	-	-	6,600	-
Sweepster 9" Broom-Streets	-	-	-	10,000	-
Schmidt Mf5 Plow-Streets	-	-	-	19,000	-
Schmidt Mf3 Plow-Streets	-	-	-	19,000	-
Larson Sander-Streets	-	-	-	26,000	-
Side/Rear Flail-Type Mowers (John Deere)-Streets	-	-	-	27,000	-
Sullair Air Compressor-Streets	-	-	-	30,400	-
1996 Roscoe Pothole Spray Patcher-Streets	-	-	-	-	200,000
Weed Sprayer System-Streets	-	-	-	-	3,500
Western Pickup Plow-Streets	-	-	-	-	5,900
Warren Sander-Streets	-	-	-	-	6,000
Torit Smoke Collector-Streets	-	-	-	-	6,200
Hobart 250 Mig Welder-Streets	-	-	-	-	3,700
Signal Replacement-Traffic	48,000	52,000	56,000	60,000	64,000
Subtotal Public Works	158,000	295,800	274,800	198,000	289,300
Total General Fund	1,301,020	1,597,380	1,878,250	1,286,500	1,509,560

ENTERPRISE FUNDS



Another example of a new retail strip mall that includes various types of stores.

This section contains all Enterprise Funds

that are self-supporting through user fees. They include Water, Wastewater, Storm Water, Power, Solid Waste and Golf.

As in the Department Summaries section, information on goal objectives, measurements to the effectiveness of “outcome” of the services provided, authorized positions, revenues funding the Enterprise and significant changes to the Enterprise's budget are also included.



Golf Enterprise Fund Summary

	2004	2005	2006	% Change	2005	2006
	Actual	Forecast	Budget	2005-06	FTE	FTE
Enterprise Fund						
Golf Admin. & Support	1,154,497	1,206,850	1,268,500	5.1%	5.5	5.5
Olde Course/Cattail Creek	783,507	852,320	872,670	2.4%	5.0	5.0
Mariana Butte	789,877	841,420	866,390	3.0%	6.0	6.0
Total	2,727,881	2,900,590	3,007,560	3.7%	16.5	16.5
REVENUE						
Beginning Balance	2,166,050	1,648,930	895,350			
Olde Course	1,058,506	1,110,000	1,071,200	(3.5%)		
Mariana Butte	1,594,631	1,701,850	1,587,100	(6.7%)		
Cattail Creek	341,033	358,280	338,500	(5.5%)		
Interest	30,242	40,000	40,000	-		
Miscellaneous	247,184	268,000	248,500	(7.3%)		
Subtotal	3,271,596	3,478,130	3,285,300	(5.5%)		
Total	5,437,646	5,127,060	4,180,650			
EXPENSE BY CATEGORY						
Personal Services	1,443,993	1,536,570	1,626,560	5.9%		
Supplies	345,429	361,530	368,730	2.0%		
Purchased Services	360,635	390,920	389,670	(0.3%)		
Fixed Charges	7,365	10,300	10,300	-		
Debt Service/Lease Payments	296,163	332,500	343,260	3.2%		
Transfers	274,296	268,770	269,040	0.1%		
Total Operating	2,727,881	2,900,590	3,007,560	3.7%		
Capital	1,060,834	1,331,120	146,300	(89.0%)		
Total Capital	1,060,834	1,331,120	146,300	(89.0%)		
Total Golf	3,788,715	4,231,710	3,153,860	(25.5%)		
Ending Balance	1,648,931	895,350	1,026,790			

GOLF

Overview

The City operates three golf courses. The Olde Course and Mariana Butte are par 72, 18-hole golf courses and Cattail Creek is a par 3, 9-hole golf course. This fund accounts for the operation and maintenance of all the golf courses, and supervision of golf activities through contractual golf professionals who operate the concession and pro shop areas.

The golf courses operate as an enterprise fund, generating operating and ongoing capital funding needs through user fees, charges and investment of funds.

Objectives

- Recover 125% above the required mandated cost recovery number to ensure continuation of the Capital Improvement and Equipment Replacement programs.
- Maintain a consistent speed of play that provides for an efficient use of the facility and an enjoyable round for patrons.
- Increase ease of access to and user friendliness of acquiring tee times by automated systems.
- Improve and expand existing golf facilities.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of revenue exceeding operating expense.	21%	25%	20%
% of rounds within predetermined speed of play.	90%	88%	92%
% automated tee times.	82%	85%	85%

DIVISION

Golf Administration/Support

DEPARTMENT

Parks & Recreation

Section Summary:**Enterprise Fund**

	04 Actual	05 Forecast	06 Budget
Golf Administration	802,304	829,860	858,630
Golf Support	352,193	376,990	409,870
Total	1,154,497	1,206,850	1,268,500

EXPENSE BY CATEGORY

Personal Services	490,906	532,340	592,240
Supplies	70,000	77,250	79,150
Purchased Services	63,603	72,340	70,340
Fixed Charges	1,215	1,650	1,650
Debt Service/Lease Payments	254,477	254,500	256,080
Transfers	274,296	268,770	269,040
Total Operating	1,154,497	1,206,850	1,268,500

Capital	-	25,160	27,000
Total Capital	-	25,160	27,000

Total Golf Administration/Support	1,154,497	1,232,010	1,295,500
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FTE	5.5	5.5	5.5
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BUDGET VARIANCES

- 20,000 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 5,760 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (5,200) Decrease in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs.
- 1,580 Increase in debt service and lease payments based on the debt schedule.
- (6,000) Decrease in transfer for PILT payments to the General Fund based on the revenue estimates.
- 6,270 Increase in transfers to the Internal Service Fund based on the allocation for internal service budgets.

- 30,910 Normal Increases
 - 25,810 Personal Services
 - 1,900 Supplies
 - 3,200 Purchased Services

SUPPLEMENTS

- 8,330 Additional part-time salaries for Play Manager Support Services.

61,650 Total Increase

Enterprise Funds

DIVISION

Olde Course/Cattail Creek

DEPARTMENT

Parks & Recreation

Section Summary:

	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Olde Course/Cattail Maintenance	642,990	685,620	701,970
Olde Course Clubhouse	92,469	118,800	122,800
Cattail Creek Clubhouse	48,048	47,900	47,900
Total	783,507	852,320	872,670

EXPENSE BY CATEGORY

Personal Services	462,764	486,590	500,890
Supplies	137,019	153,030	154,830
Purchased Services	161,694	171,850	172,100
Fixed Charges	2,104	3,850	3,850
Debt Service/Lease Payments	19,926	37,000	41,000
Total Operating	783,507	852,320	872,670

Capital	270,341	591,360	119,300
Total Capital	270,341	591,360	119,300

Total Olde Course/Cattail Creek	1,053,848	1,443,680	991,970
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FTE	5.0	5.0	5.0
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BUDGET VARIANCES

3,350 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

1,800 Increase in supplies due to projected increase in cost of fuel and Department's usage.

4,000 Increase in debt service and lease payments based on the debt schedule.

11,200 Normal Increases

10,950 Personal Services

250 Purchased Services

20,350 Total Increase

DIVISION

Mariana Butte

DEPARTMENT

Parks & Recreation

Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Mariana Butte Maintenance	687,248	702,620	722,410
Mariana Butte Clubhouse	102,629	138,800	143,980
Total	789,877	841,420	866,390
 EXPENSE BY CATEGORY			
Personal Services	490,323	517,640	533,430
Supplies	138,410	131,250	134,750
Purchased Services	135,338	146,730	147,230
Fixed Charges	4,046	4,800	4,800
Debt Service/Lease Payments	21,760	41,000	46,180
Total Operating	789,877	841,420	866,390
 Capital	 790,493	 714,600	 -
Total Capital	790,493	714,600	-
 Total Mariana Butte	 1,580,370	 1,556,020	 866,390
 FTE	 6.0	 6.0	 6.0

BUDGET VARIANCES

- 4,020 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- 3,500 Increase in supplies due to projected increase in cost of fuel and Department's usage.
- 5,180 Increase in debt service and lease payments based on the debt schedule.
- 12,270 Normal Increases
 - 11,770 Personal Services
 - 500 Purchased Services
- 24,970 Total Increase**

Solid Waste Enterprise Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Enterprise Fund						
Refuse	1,684,468	1,854,130	1,948,800	5.1%	11.8	11.8
Recycling	800,801	876,890	1,011,090	15.3%	8.3	8.3
Yard Waste	584,273	630,920	703,560	11.5%	3.6	3.6
Mosquito Control	157,521	178,050	191,000	7.3%	--	--
Total	3,227,063	3,539,990	3,854,450	8.9%	23.7	23.7
REVENUE						
Beginning Balance	1,791,912	2,223,180	2,293,470			
Charges for Service	3,662,488	3,761,080	4,238,770	12.7%		
Interest	27,622	49,400	56,000	13.4%		
Miscellaneous	9,971	-	-	-		
Subtotal	3,700,081	3,810,480	4,294,770	12.7%		
Total	5,491,993	6,033,660	6,588,240	9.2%		
EXPENSE BY CATEGORY						
Personal Services	1,424,974	1,483,560	1,641,580	10.7%		
Supplies	197,169	341,250	227,350	(33.4%)		
Purchased Services	681,330	770,700	825,690	7.1%		
Fixed Charges	506,692	469,400	623,100	32.7%		
Transfers	416,898	475,080	536,730	13.0%		
Total Operating	3,227,063	3,539,990	3,854,450	8.9%		
Capital	41,750	200,200	180,000	(10.1%)		
Total Capital	41,750	200,200	180,000	(10.1%)		
Total Solid Waste	3,268,813	3,740,190	4,034,450	7.9%		
Ending Balance	2,223,180	2,293,470	2,553,790			

SOLID WASTE

Overview

The City of Loveland provides solid waste collection and curbside recycling service to nearly all single-family, and to half of all multi-family dwellings, within City limits. The Waste Management Program is operated as an enterprise fund using full cost accounting principles, with all direct and indirect costs covered by user fees. A 6% payment-in-lieu-of-taxes (PILT) is made to the General Fund annually. In 2006, these PILT charges will be about \$240,000.

The City's Waste Management Program is popular with the community as noted by the City's annual community satisfaction survey. The program has received numerous waste management awards and honors, and was one of eighteen communities selected by the United States Environmental Protection Agency for inclusion in a detailed report entitled *Cutting the Waste Stream in Half: Community Record-Setters Show How*.

Objectives

- Reduce complaints regarding missed setouts.
- Resolve all complaints in 1 business day.
- Reduce the number of injuries to field staff.
- Reduce at fault accidents by employees.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
Missed setouts per 10,000 collections.	3.61	3.40	3.50
% of complaints resolved in 1 business day.	100%	95%	95%
% of field personnel with no OSHA recordable injuries.	81%	95%	95%
% of field personnel with no at-fault accidents.	81%	95%	95%

DIVISION	DEPARTMENT		
Refuse	Public Works		
Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Refuse	1,684,468	1,854,130	1,948,800
REVENUE			
Charges for Services	1,716,378	1,777,820	2,159,400
Interest	14,916	25,500	30,000
Miscellaneous	9,793	-	-
Total	1,741,087	1,803,320	2,189,400
EXPENSE BY CATEGORY			
Personal Services	762,853	735,970	822,060
Supplies	155,858	279,160	172,370
Purchased Services	296,596	353,170	369,890
Fixed Charges	255,850	237,830	295,540
Transfers	213,311	248,000	288,940
Total Operating	1,684,468	1,854,130	1,948,800
Capital	41,750	200,200	180,000
Total Capital	41,750	200,200	180,000
Total Refuse	1,726,218	2,054,330	2,128,800
FTE	11.8	11.8	11.8

BUDGET VARIANCES

- 26,410 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 8,180 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims.
- (102,640) Decrease in supplies for carts and bins based on the estimated replacement needs.
- 1,520 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 57,710 Increase in fixed costs for vehicle maintenance based on projected fuel costs and maintenance costs.
- 16,060 Increase in transfers for PILT based on projected revenue.
- 24,880 Increase in transfers for internal services based on the allocated costs.
- 62,550 Normal Increases/Decreases
 - 51,500 Personal Services
 - (4,150) Supplies
 - 15,200 Purchased Services
- 94,670 Total Increase**

REFUSE

Overview

Refuse collection by public and private haulers by City ordinance must operate under a volume-based rate system. For City service, residents can choose among two disposal options: prepaid tags for customer trash bags, or subscription-based trash carts. City carts come in three different sizes giving customers more choice and more control over their disposal costs. City rates compare quite favorably with private waste haulers' rates within Loveland, and within surrounding communities.

Objectives

- Increase tons collected per refuse collector.
- Increase number of stops per day by refuse collector.
- Decrease missed collections due to collector error.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
Tons collected per single-family refuse collector.	2,310	2,400	2,500
Single-family stops per day per refuse collector.	1,000	1,030	1,130
Missed collections per 10,000 due to collector error.	4.4	3.0	3.5
Operating cost per customer for refuse collection.	\$81.67	\$75.00	\$82.51

DIVISION	DEPARTMENT		
Recycling	Public Works		
Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Recycling	800,801	876,890	1,011,090
REVENUE			
Charges for Services	1,067,000	1,092,060	1,121,770
Interest	8,563	16,800	17,500
Miscellaneous	144	-	-
Total	1,075,707	1,108,860	1,139,270
EXPENSE BY CATEGORY			
Personal Services	460,367	495,400	568,640
Supplies	30,976	45,670	47,310
Purchased Services	38,881	47,320	50,550
Fixed Charges	140,627	140,510	181,720
Transfers	129,950	147,990	162,870
Total Operating	800,801	876,890	1,011,090
Total Recycling	800,801	876,890	1,011,090
FTE	8.3	8.3	8.3

BUDGET VARIANCES

- 16,730 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 5,350 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims.
- 990 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 41,210 Increase in fixed costs for vehicle maintenance based on projected fuel costs and maintenance costs.
- 770 Increase in transfers for PILT based on projected revenue.
- 14,110 Increase in transfers for internal services based on the allocated costs.
- 32,660 Normal Increases
 - 28,780 Personal Services
 - 1,640 Supplies
 - 2,240 Purchased Services

SUPPLEMENTS

- 22,380 **Improvement** - Increase in personal services for temporary salaries to staff a seasonal position at the Recycling Center.

134,200 Total Increase

RECYCLING

Overview

Mandatory monthly environmental fees fund the City's recycling, green waste composting, household hazardous waste collection, community large item disposal program, and solid waste planning programs. Over 50% of the community's residential wastes are recycled annually, which extends the life of the Larimer County landfill.

Objectives

- Increase the percentage of city-collected discards recycled/composted.
- Revitalize our recycling education and promotion program.
- Increase the number of single-family customers that recycle.
- Decrease the number of missed collections due to collector error.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of City-collected waste recycled / composted.	58%	56%	58%
Pounds recycled per City-served customer.	618	580	650
Single-family stops per day per recyclables collector.	1,250	1,290	1,344
Missed collections per 10,000 due to collector error.	1.28	2.00	2.00
Operating cost per customer for recycling services.	\$40.03	\$40.00	\$40.32

Enterprise Funds

DIVISION	DEPARTMENT		
Yard Waste	Public Works		
Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Yard Waste	584,273	630,920	703,560
REVENUE			
Charges for Services	703,735	711,200	768,200
Interest	4,143	7,100	8,500
Miscellaneous	34	-	-
Total	707,912	718,300	776,700
EXPENSE BY CATEGORY			
Personal Services	201,754	252,190	250,880
Supplies	10,335	16,420	7,670
Purchased Services	190,632	194,560	228,750
Fixed Charges	110,215	91,060	133,840
Transfers	71,337	76,690	82,420
Total Operating	584,273	630,920	703,560
Total Yard Waste	584,273	630,920	703,560
FTE	3.6	3.6	3.6

BUDGET VARIANCES

- 6,050 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,200 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims.
- (9,350) Decrease in supplies for carts and bins based on the estimated replacement needs.
- 410 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 36,000 Increase in purchased services for yard waste hauling services based on projected costs.
- 42,780 Increase in fixed costs for vehicle maintenance based on projected fuel costs and maintenance costs.
- 2,990 Increase in transfers for PILT based on projected revenue.
- 2,740 Increase in transfers for internal services based on the allocated costs.

- (11,180) Normal Increases/Decreases
 - (9,560) Personal Services
 - 600 Supplies
 - (2,220) Purchased Services

- 72,640 Total Increase**

YARD WASTE

Overview

Yard wastes – i.e. grass clippings, leaves, garden trimmings, tree branches – comprise nearly one-third of our community’s annual residential waste stream. If properly separated for recycling, these materials are easily converted into valuable soil amendments and landscape mulches. Compost derived from green wastes contains valuable nutrients and increases the water holding capacity and “workability” of our area’s heavy clay soils. The City of Loveland is partnered with A-1 Organics, a Northern Colorado company that manufactures and markets a variety of landscaping products, including *Loveland’s Own* compost, now sold in both bags and bulk form.

Objectives

- Increase pounds collected/composted per residential customer.
- Increase stops per day per yard waste collector.
- Decrease missed collections due to collector error.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
Single-family stops per day per yard waste collector.	736	770	791
Pounds collected and composted per single-family customer.	1,423	1,200	1,425
Missed collections per 10,000 due to collector error.	11.34	10.00	10.00
Operating cost per customer for yard waste collection.	\$29.21	\$29.00	\$30.90

Storm Water Enterprise Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Enterprise Fund						
Administration/Engineering	1,052,756	895,350	989,910	10.6%	5.0	6.0
Collections	340,358	482,790	563,210	16.7%	4.8	4.8
Street Sweeping	212,772	221,440	236,200	6.7%	2.3	2.3
Total	1,605,886	1,599,580	1,789,320	11.9%	12.1	13.1
REVENUE						
Beginning Balance	5,436,691	3,477,300	1,464,330			
Utility Charges	3,290,786	3,400,000	3,519,000	3.5%		
Utility Other	66,366	60,000	65,500	9.2%		
Impact Fees	558,660	498,000	513,000	3.0%		
Interest	92,655	75,000	77,400	3.2%		
Transfers	42,160	6,540	66,100	910.7%		
Miscellaneous	8,213	1,000	1,000	-		
Subtotal	4,058,840	4,040,540	4,242,000	5.0%		
Total	9,495,531	7,517,840	5,706,330	(24.1%)		
EXPENSE BY CATEGORY						
Personal Services	702,430	784,450	968,880	23.5%		
Supplies	80,183	92,940	97,000	4.4%		
Purchased Services	373,167	237,780	206,890	(13.0%)		
Fixed Charges	80,951	92,380	99,480	7.7%		
Transfers	362,159	392,030	417,070	6.4%		
Total Operating	1,598,890	1,599,580	1,789,320	11.9%		
Capital	4,419,342	4,453,930	1,812,300	(59.3%)		
Total Capital	4,419,342	4,453,930	1,812,300	(59.3%)		
Total Storm Water	6,018,232	6,053,510	3,601,620	(40.5%)		
Ending Balance	3,477,299	1,464,330	2,104,710			

STORM WATER

Overview

The Storm Water Utility is responsible for the design, construction, maintenance and repair of the Storm Water collection system within the City and operates as an enterprise fund.

Objectives

- Continue the drainage minor project construction and repair program in order to solve the community's backlog of nuisance drainage problems.
- Construction of the South Loveland Outfall Phase II Regional Detention Pond (Wernimont Pond) in order to serve existing development in the area.
- Construction of the Dotsero Avenue storm sewer improvements into Loch Lon Park's existing detention pond, and provide a piped outlet from the detention pond to an existing storm sewer at Dotsero Avenue and Carlisle Drive.

<u>Performance Measures</u>	<u>2004 Actual</u>	<u>2005 Budgeted</u>	<u>2006 Projected</u>
# of minor construction / repair projects completed.	9	20	20
# of arterial/highway curb miles of streets.	158	160	164
# of times arterials swept.	14.11	12.00	12.00
# of collector/residential curb miles of streets.	469	466	490
# of times collector/residential streets swept.	6.84	4.00	6.00
# of times downtown district swept and/or flushed.	29	40	30
% drainage inlets vacuumed.	100%	95%	100%
% of actual project cost to budget.	81.4%	90.0%	90.0%
Total capital expenditures per capita.	\$75.25	\$111.71	\$111.71

DIVISION

Administration/Engineering

DEPARTMENT

Public Works

Section Summary:**04 Actual****05 Forecast****06 Budget****Enterprise Fund****Administration/Engineering****1,052,756****895,350****989,910****EXPENSE BY CATEGORY**

Personal Services

296,360

289,140

399,420

Supplies

36,831

43,450

45,850

Purchased Services

351,901

165,330

127,570

Fixed Charges

5,505

5,400

-

Transfers

362,159

392,030

417,070

Total Operating**1,052,756****895,350****989,910****Total Administration/Engineering****1,052,756****895,350****989,910****FTE****4.7****5.0****6.0**

BUDGET VARIANCES

- (930) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 3,160 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims cost.
- (5,000) Decrease in supplies for parts and supplies based on the Division's historical experience.
- 5,640 Increase in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- (49,400) Decrease in purchased services for repair and maintenance.
- 7,140 Increase in transfers for PILT based on the revenue estimates.
- 17,900 Increase in transfers to the Internal Service Fund based on the allocation for internal service budgets.

- 45,200 Normal Increases/Decreases
 - 45,700 Personal Services
 - (1,100) Supplies
 - 6,000 Purchased Services
 - (5,400) Fixed Charges

SUPPLEMENTS

- 70,850 **Workload** - Increase in personal services (\$62,350) and supplies (\$8,500) for the addition of one Stormwater Field Inspector to keep up with inspections of new development.

- 94,560 Total Increase**

DIVISION

DEPARTMENT

Collections

Public Works

Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Collections	340,358	482,790	563,210
 EXPENSE BY FUND			
Personal Services	286,751	364,050	433,440
Supplies	21,047	24,460	26,760
Purchased Services	15,971	65,260	71,490
Fixed Charges	16,589	29,020	31,520
Total Operating	340,358	482,790	563,210
 Total Collections	 340,358	 482,790	 563,210
 FTE	 3.8	 4.8	 4.8

BUDGET VARIANCES

- 16,570 Increase in personal services for workers' compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs.
- 2,960 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims cost.
- (1,470) Decrease in purchased services for general liability costs based on the Division's historical experience and forecasted liability costs.
- 6,300 Increase in purchased services for other services based on the Division's historical experience.
- 14,060 Normal Increases
 - 7,860 Personal Services
 - 2,300 Supplies
 - 1,400 Purchased Services
 - 2,500 Fixed Charges

SUPPLEMENTS

42,000 **Workload** - Increase in personal service for temporary salaries to increase seasonal staffing for drain cleaning and maintenance.

80,420 Total Increase

DIVISION

Street Sweeping

DEPARTMENT

Public Works

Section Summary:

Enterprise Fund

Street Sweeping

04 Actual

05 Forecast

06 Budget

EXPENSE BY FUND

Personal Services

Supplies

Purchased Services

Fixed Charges

Capital

Total Operating

Total Street Sweeping

FTE

119,319

22,305

5,295

58,857

6,996

212,772

212,772

2.3

131,260

25,030

7,190

57,960

-

221,440

221,440

2.3

136,020

24,390

7,830

67,960

-

236,200

236,200

2.3

BUDGET VARIANCES

1,500 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims cost.

10,000 Increase in fixed costs for vehicle maintenance and rental based on projected fuel costs and maintenance costs.

3,260 Normal Increases/Decreases
 3,260 Personal Services
 (640) Supplies
 640 Purchased Services

14,760 Total Increase

Water Enterprise Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Enterprise Fund						
Water Utility	7,710,279	6,664,480	6,680,380	0.2%	43.8	43.8
Water Finance	425,498	538,130	535,160	(0.6%)	7.7	7.7
Total	8,135,777	7,202,610	7,215,540	0.2%	51.5	51.5
REVENUE						
Beginning Balance	52,945,681	41,302,380	30,165,240			
Utility Charges	5,900,111	6,656,300	6,889,000	3.5%		
Utility Other	1,031,981	847,200	924,600	9.1%		
Impact Fees	3,543,163	3,128,000	3,229,310	3.2%		
Interest	874,470	1,110,000	933,820	(15.9%)		
Miscellaneous	3,928	3,840	3,840	-		
Transfers	34,370	2,740	41,600	1,418.2%		
Subtotal	11,388,023	11,748,080	12,022,170	2.3%		
Total	64,333,704	53,050,460	42,187,410	(20.5%)		
EXPENSE BY CATEGORY						
Personal Services	2,933,120	3,216,580	3,166,350	(1.6%)		
Supplies	464,577	608,300	630,360	3.6%		
Purchased Services	1,217,299	1,621,430	1,608,760	(0.8%)		
Fixed Charges	126,804	133,590	138,290	3.5%		
Debt Service	1,146,053	825,800	826,160	0.0%		
Transfers	2,247,924	796,910	845,620	6.1%		
Total Operating	8,135,777	7,202,610	7,215,540	0.2%		
Capital	14,895,549	15,682,610	6,404,170	(59.2%)		
Total Capital	14,895,549	15,682,610	6,404,170	(59.2%)		
Total Water	23,031,326	22,885,220	13,619,710	(40.5%)		
Ending Balance	41,302,378	30,165,240	28,567,700			

DIVISION

Water Utility

DEPARTMENT

Water & Power

Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Water Utility	7,710,279	6,664,480	6,680,380
REVENUE			
Utility Charges	5,900,111	6,656,300	6,889,000
Utility Other	1,031,981	847,200	924,600
Impact Fees	3,543,163	3,128,000	3,229,310
Interest	874,470	1,110,000	933,820
Miscellaneous	3,928	3,840	3,840
Transfers	34,370	2,740	41,600
Total	11,388,023	11,748,080	12,022,170
EXPENSE BY CATEGORY			
Personal Services	2,555,330	2,793,270	2,714,780
Supplies	479,298	587,150	624,920
Purchased Services	1,160,840	1,533,970	1,537,320
Fixed Charges	120,834	127,380	131,580
Debt Service	1,146,053	825,800	826,160
Transfers	2,247,924	796,910	845,620
Total Operating	7,710,279	6,664,480	6,680,380
Capital	14,895,549	15,680,910	6,402,130
Total Capital	14,895,549	15,680,910	6,402,130
Total Water Utility	22,605,828	22,345,390	13,082,510
FTE	43.3	43.8	43.8

BUDGET VARIANCES

- (9,780) Decrease in personal services for workers' compensation costs due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 5,960 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims cost.
- (42,900) Decrease in personal services for Operations due to a reallocation of personnel costs between the Water Enterprise and the Wastewater Enterprise.
- 16,400 Increase in personal service for Inspecting/Locating due to a reallocation of personnel costs between the Water Enterprise and the Wastewater Enterprise.
- 6,100 Increase in personal services for Key Accounts and GIS Support due to a reallocation of personnel costs between the Water Enterprise and the Wastewater Enterprise.
- 20,000 Increase in supplies for chemicals due to increasing costs to supply the Water Treatment Plant.
- 11,700 Increase in supplies for Water Operations due to a reallocation of expenses between the Water Enterprise and the Wastewater Enterprise.
- 11,320 Increase in purchased service for general liability based on the Department's historical experience and forecasted liability costs.
- (220,000) Decrease in purchased services for the Windy Gap assessment.
- 25,000 Increase in purchased services for the CBT assessment.
- 65,000 Increase in purchased services for participation in the Little Thompson Users Association, Colorado Water Congress special projects and SPWRAP costs.
- 25,000 Increase in purchased services for water quality monitoring at the Green Ridge Glade Reservoir.
- 25,000 Increase in purchased services in the Water Quality Division for cryptosporidium monitoring.
- 17,300 Increase in purchased services for inspecting/locating services.
- (30,000) Decrease in purchased services for street repairs.
- 20,500 Increase in purchased services for radio frequency upgrades, contracted instrumentation and control services.
- 13,960 Increase in transfers for PILT based on the revenue projections.
- 34,750 Increase in the transfer to the Internal Support Services Fund based on the allocation for internal services.

Enterprise Funds

(39,410) Normal Increases/Decreases
 (69,270) Personal Services
 1,070 Supplies
 24,230 Purchased Services
 4,200 Fixed Charges
 360 Debt Service

SUPPLEMENTS

15,000 **Workload** - Increase in personal services for a temporary employee to clean and paint fire hydrants.

35,000 **Improvement** - Increase in supplies and purchased services for Cross Connection Control Coordinator.

10,000 **Improvement** - Increase in purchased services for development of a GIS-based Water rights package.

15,900 Total Increase

WATER UTILITY

Overview

The Water Utilities Division consists of all groups and programs responsible for the day-to-day operations, engineering, and management for the department's two water-related utilities: Water and Wastewater. Groups within the Division also provide some support services to the Power Operations Division such as utility locates, inspection, drafting, and Geographical Information Systems (GIS).

The following sections comprise the Water Utilities Division:

√ Construction and Inspection	√ Technical Services
√ Engineering	√ Treatment Operations
√ Information Technology	√ Water Resources
√ Maintenance and Operations	√ Water Metering
√ Key Accounts Program	

Construction and Inspection - This section is responsible for utility location and construction inspections for all water and electric construction. This section coordinates small construction projects.

Engineering - Engineering reviews all new development proposals with respect to water and wastewater design and construction. This section manages the capital projects for both water utilities.

Information Technology - This section operates the department's computerized drafting and geographical information systems (GIS). The water, wastewater and electric system maps are all maintained and updated by this section. They also are responsible for the Department's information technology needs such as specialized software applications, databases, development and maintenance, survey fieldwork and computer networks.

Maintenance and Operations - Maintenance and Operations is comprised of equipment operators who maintain the water transmission and distribution systems and the wastewater collection system. They repair water line leaks, clean treated water tanks, flush hydrants and inspect, wash and repair sewer lines.

Technical Services - Technicians maintain and repair all water and wastewater treatment plant controls such as pumps, motors, valves, electrical systems, and electronic components. They also are responsible for all the wastewater lift stations and water pumping stations throughout the city.

Treatment Operations - Water treatment and production, wastewater treatment and reclamation, and water quality laboratories are in this section. Certified plant operators at both plants monitor treatment processes, perform process testing, and notify technicians when equipment needs to be repaired or replaced. Laboratory personnel perform various analyses of the water to insure proper treatment is accomplished.

Water Resources - The Water Resources Section is primarily responsible for the raw water planning and water supply activities of the Department. Responsibilities include everything from day-to-day administration of water rights to long-range planning for future water needs. This section works closely with the Loveland Utilities Commission in all matters concerning water resources.

Enterprise Funds

Water Metering - Water Metering is responsible for repairing and maintaining water meters, assisting contractors with new water taps, inspecting new lawn irrigation systems, testing meters and providing customer service.

Key Accounts Program - The Water Division will provide a single-point-of-contact for larger customers on water issues through the Key Accounts Program. The program is designed to facilitate customer service and build long-term relationships with the designated key accounts.

Objectives

- Have 90% of respondents on customer surveys indicate they are satisfied or very satisfied with their water service.
- Maintain or decrease number of waterline breaks per mile on the water distribution system.
- Meet or exceed all applicable local, state, and federal regulations in the treatment and distribution of water.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
# of leaks or breaks per 100 miles of distribution system.	17	25	25
# of major state or federal violations per year.	0	0	0
# of minor state or federal violations per year.	1	3	3
Water treatment cost per thousand gallons.	\$0.41	\$0.37	\$0.37
Maintenance costs per 100 miles of piping system.	\$486,418	\$655,000	\$580,000
% of unaccounted for lost treated water.	15.5%	16.0%	16.0%
# of property damage incidents that exceed \$1,000.	1	2	2
# of personal injury accidents resulting in lost work time per year.	0	1	0

DIVISION

DEPARTMENT

Water Finance

Finance

Section Summary:

04 Actual

05 Forecast

06 Budget

Enterprise Fund

Utility Billing	179,501	199,710	214,280
Meter Reading	105,001	127,810	120,790
Warehouse	50,016	55,490	58,240
Utility Accounting	90,980	155,120	141,850
Total	425,498	538,130	535,160

EXPENSE BY CATEGORY

Personal Services	377,790	423,310	451,570
Supplies	(14,721)	21,150	5,440
Purchased Services	56,459	87,460	71,440
Fixed Charges	5,970	6,210	6,710
Total Operating	425,498	538,130	535,160

Capital	-	1,700	2,040
Total Capital	-	1,700	2,040

Total Water Finance	425,498	539,830	537,200
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FTE	7.6	7.7	7.7
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BUDGET VARIANCES

- 600 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims cost.
- (15,050) Decrease in supplies due to the one-time expense for probes to read the water touch pads in Meter Reading.
- 5,730 Increase in purchased services for postage costs in Utility Billing.
- (15,000) Decrease in purchased services due to the one-time cost of a rate study.
- 20,750 Normal Increases/Decreases
 - 27,660 Personal Services
 - (660) Supplies
 - (6,750) Purchased Services
 - 500 Fixed Charges
- (2,970) Total Decrease**

Wastewater Enterprise Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Enterprise Fund						
Wastewater Utility	3,477,280	4,081,060	4,539,330	11.2%	29.0	29.0
Wastewater Finance	176,151	200,220	215,960	7.9%	3.4	3.4
Total	3,653,431	4,281,280	4,755,290	11.1%	32.4	32.4
REVENUE						
Beginning Balance	8,134,190	6,330,180	4,382,210			
Utility Charges	5,485,373	5,706,100	5,665,000	(0.7%)		
Utility Other	8,020	8,500	9,500	11.8%		
Impact Fees	1,684,316	1,605,000	1,723,500	7.4%		
Interest	126,055	140,400	122,270	(12.9%)		
Miscellaneous	8,631	1,300	300	(76.9%)		
Transfers	1,532,930	774,960	363,480	(53.1%)		
Subtotal	8,845,325	8,236,260	7,884,050	(4.3%)		
Total	16,979,515	14,566,440	12,266,260	(15.8%)		
EXPENSE BY FUND						
Personal Services	1,865,059	2,089,320	2,088,020	(0.1%)		
Supplies	161,964	247,600	243,030	(1.8%)		
Purchased Services	967,797	1,263,010	1,723,170	36.4%		
Fixed Charges	65,213	68,770	60,840	(11.5%)		
Transfers	593,398	612,580	640,230	4.5%		
Total Operating	3,653,431	4,281,280	4,755,290	11.1%		
Capital	6,995,903	5,902,950	2,409,970	(59.2%)		
Total Capital	6,995,903	5,902,950	2,409,970	(59.2%)		
Total Wastewater	10,649,334	10,184,230	7,165,260	(29.6%)		
Ending Balance	6,330,181	4,382,210	5,101,000			

DIVISION	DEPARTMENT		
Wastewater Utility	Water & Power		
Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Wastewater Utility	3,477,280	4,081,060	4,539,330
REVENUE			
Utility Charges	5,485,373	5,706,100	5,665,000
Utility Other	8,020	8,500	9,500
Impact Fees	1,684,316	1,605,000	1,723,500
Interest	126,055	140,400	122,270
Miscellaneous	8,631	1,300	300
Transfers	1,532,930	774,960	363,480
Total	8,845,325	8,236,260	7,884,050
EXPENSE BY CATEGORY			
Personal Services	1,710,829	1,916,210	1,903,310
Supplies	160,942	245,370	241,200
Purchased Services	947,867	1,239,150	1,694,860
Fixed Charges	64,244	67,750	59,730
Transfers	593,398	612,580	640,230
Total Operating	3,477,280	4,081,060	4,539,330
Capital	6,995,903	5,902,270	2,409,030
Total Capital	6,995,903	5,902,270	2,409,030
Total Wastewater Utility	10,473,183	9,983,330	6,948,360
FTE	28.5	29.0	29.0

DIVISION

Wastewater Finance

DEPARTMENT

Finance

Section Summary:

	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Utility Billing	89,861	104,080	111,520
Meter Reading	18,260	19,610	21,000
Utility Accounting	68,030	76,530	83,440
Total	176,151	200,220	215,960

EXPENSE BY CATEGORY

Personal Services	154,230	173,110	184,710
Supplies	1,022	2,230	1,830
Purchased Services	19,930	23,860	28,310
Fixed Charges	969	1,020	1,110
Total Operating	176,151	200,220	215,960

Capital	-	680	940
Total Capital	-	680	940

Total Wastewater Finance	176,151	200,900	216,900
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FTE	3.3	3.4	3.4
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BUDGET VARIANCES

15,740	Normal Increases/Decreases
11,600	Personal Services
(400)	Supplies
4,450	Purchased Services
90	Fixed Charges

15,740 Total Increase

WASTEWATER

Overview

The Water Utilities Division consists of all groups and programs responsible for the day-to-day operations, engineering, and management for the Department's two water-related utilities: Water and Wastewater. Groups within the Division also provide some support services to the Power Operations Division such as utility locates, inspection, drafting, and GIS.

The following sections comprise the Water Utilities Division:

√ Construction and Inspection	√ Technical Services
√ Engineering	√ Treatment Operations
√ Information Technology	√ Water Resources
√ Maintenance and Operations	√ Water Metering

Objectives

- Have 90% of respondents on customer surveys indicate they are satisfied or very satisfied with their water service.
- Maintain or decrease number of sewage backups per mile on the sewage collection system.
- Meet or exceed all applicable local, state, and federal regulations in the collection and treatment of wastewater.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
# of collection system plugs or backups per 100 miles of collection system.	6.3	8.0	8.0
# of major violations of state or federal regulations per year.	0	0	0
# of minor violations of state or federal regulations per year.	0	4	4
Wastewater treatment cost per thousand gallons.	\$0.90	\$0.84	\$0.84
Maintenance cost per 100 miles of piping system.	\$256,369	\$385,000	\$260,000
# of personal property damage incidents exceeding \$1,000.	7	3	3
# of personal injury accidents resulting in lost work time per year.	0	1	0

Power Enterprise Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Enterprise Fund						
Power Utility	26,262,206	30,907,020	30,403,570	(1.6%)	49.2	49.2
Power Finance	1,664,703	1,647,160	1,755,930	6.6%	22.9	22.9
Total	27,926,909	32,554,180	32,159,500	(1.2%)	72.1	72.1
REVENUE						
Beginning Balance	15,370,542	12,773,540	11,414,880			
Utility Charges	29,346,370	33,284,400	33,707,000	1.3%		
Utility Other	369,044	2,843,700	2,834,700	(.3%)		
Impact Fees	1,334,786	1,212,000	1,300,000	7.3%		
User Fees	420,375	349,300	378,000	8.2%		
Interest	261,536	244,600	231,260	(5.5%)		
Miscellaneous	106,326	31,100	47,100	51.4%		
Transfers	156,640	226,210	204,340	(9.7%)		
Subtotal	31,995,077	38,191,310	38,702,400	1.3%		
Total	47,365,619	50,964,850	50,117,280			
EXPENSE BY CATEGORY						
Personal Services	3,769,934	3,955,320	3,892,240	(1.6%)		
Supplies	302,818	382,450	439,060	14.8%		
Purchased Services	21,704,007	25,641,350	25,190,870	(1.8%)		
Fixed Charges	(338,729)	(242,750)	(300,170)	23.7%		
Transfers	2,488,879	2,817,810	2,937,500	4.2%		
Total Operating	27,926,909	32,554,180	32,159,500	(1.2%)		
Capital	6,665,169	6,995,790	7,018,340	.3%		
Total Capital	6,665,169	6,995,790	7,018,340	.3%		
Total Power	34,592,078	39,549,970	39,177,840			
Ending Balance	12,773,541	11,414,880	10,939,440			
FTE	50.2	49.2	49.2			

DIVISION

Power Utility

DEPARTMENT

Water & Power

Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Power Utility	26,262,206	30,907,020	30,403,570
REVENUE			
Utility Charges	29,346,370	33,284,400	33,707,000
Utility Other	369,044	2,843,700	2,834,700
Impact Fees	1,334,786	1,212,000	1,300,000
User Fees	420,375	349,300	378,000
Interest	261,536	244,600	231,260
Miscellaneous	106,326	31,100	47,100
Transfers	156,640	226,210	204,340
Total	31,995,077	38,191,310	38,702,400
EXPENSE BY CATEGORY			
Personal Services	2,525,471	2,606,250	2,457,360
Supplies	289,684	360,380	420,680
Purchased Services	21,459,987	25,385,270	24,909,640
Fixed Charges	(501,815)	(262,690)	(321,610)
Transfers	2,488,879	2,817,810	2,937,500
Total Operating	26,262,206	30,907,020	30,403,570
Capital	6,654,574	6,992,510	7,012,670
Total Capital	6,654,574	6,992,510	7,012,670
Total Power Utility	32,916,780	37,899,530	37,416,240
FTE	50.2	49.2	49.2

BUDGET VARIANCES

- (15,970) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 24,530 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (24,600) Decrease in personal services due to a reallocation of personnel costs for Inspecting/Locating between the Water, Wastewater, and Power Enterprises.
- (151,320) Decrease in purchased services due to an increase in the allocation of capitalized labor.
- 31,000 Increase in supplies for warehouse withdrawals based on the Department's historical experience.
- 23,500 Increase in supplies for tools for the Line Crews to purchase portable defibrillators.
- (2,350) Decrease in purchased services for general liability based on the Department's historical experience and forecasted liability costs.
- (442,000) Decrease in purchased services for purchased power based on the projected costs and demand.
- (42,300) Decrease in purchased services due to a decreased scope of work outsourced to PRPA for substation maintenance.
- 19,200 Increase in purchased services for contract inspecting/locating services.
- 55,970 Increase in transfers for PILT based on the revenue projections.
- 63,720 Increase in transfers to the Internal Support Service fund based on the allocations for internal services.
- (42,830) Normal Increases/Decreases
 - 18,470 Personal Services
 - 5,800 Supplies
 - (8,180) Purchased Services
 - (58,920) Fixed Charges
- (503,450) Total Decrease**

POWER UTILITY

Overview

The Power Operations Division maintains the City's electric distribution system and achieved a 99.994% reliability for our customers in 2002. The City is a retail distributor of electricity to over 29,000 customers in and around Loveland, as well as a wholesale distributor of electricity to Xcel Energy. Loveland owns and maintains the distribution system, as well as a small hydroelectric generating plant in the Big Thompson Canyon.

Over 99% of our electricity is purchased from Platte River Power Authority (PRPA). The municipalities of Estes Park, Fort Collins, Longmont, and Loveland formed PRPA in 1973. Approximately 35% of the electricity consumed by the four cities is hydroelectric.

The Power Operations Division operates and maintains the entire electric utility infrastructure. The Division plans, designs, and builds system improvements to meet the customer's electrical needs. In 2006, the Division anticipates designing and constructing over \$7 million in distribution system improvement and expansion projects.

To provide much needed capacity to serve the City's ever-increasing growth of commercial and residential customers in the City's service territory, a new substation east of Boyd Lake and west of Loveland-Fort Collins Airport, named Crossroads Substation, was completed in 2002. This project was completed jointly with the Platte River Power Authority and the City of Loveland.

Objectives

- Have one of the highest Average Service Availability Indexes (ASAI) in the Front Range region while having the average customer experience an outage of the power distribution system not longer than 1 hour.
- To keep our non-purchased power expenses reasonable.
- To continue to work safely by keeping the number of incident reports that are related to workers' compensation injuries to no more than 9 per year. In addition, have 5 or less incident reports per year that are related to property damage.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
System Average Interruption Frequency Index (SAIFI). <i>Note: the national average = 1.5</i>	0.5	0.6	0.6
Customer Average Interruption Duration Index (CAIDI). <i>Note: the national average = 81</i>	52	60	60
Average Number of momentary interruptions per customer per year (MAIFI). <i>Note: the national average = 6.6</i>	0.32	3.00	3.00
Average Service Availability Index (ASAI).	99.994	99.993	99.993
Non-purchased power expenses per kilowatt hour sold.	0.0170	0.0190	0.0190
# of incident reports related to workers' compensation.	13	9	9
# of staff preventable personal property damage incidents.	5	12	5

Enterprise Funds

DIVISION	DEPARTMENT		
Power Finance	Finance		
Section Summary:	04 Actual	05 Forecast	06 Budget
Enterprise Fund			
Utility Billing	706,512	805,370	862,720
Meter Reading	333,270	357,850	383,360
Warehouse	200,838	221,970	232,930
Utility Accounting	424,083	261,970	276,920
Total	1,664,703	1,647,160	1,755,930
 EXPENSE BY FUND			
Personal Services	1,244,463	1,349,070	1,434,880
Supplies	13,134	22,070	18,380
Purchased Services	244,020	256,080	281,230
Fixed Charges	163,086	19,940	21,440
Total Operating	1,664,703	1,647,160	1,755,930
 Capital	 10,595	 3,280	 5,670
Total Capital	10,595	3,280	5,670
 Total Power Finance	 1,675,298	 1,650,440	 1,761,600
 FTE	 22.1	 22.9	 22.9

BUDGET VARIANCES

11,100 Increase in purchased services for postage in Utility Billing.

97,670 Normal Increases/Decreases
 85,810 Personal Services
 (3,690) Supplies
 14,050 Purchased Services
 1,500 Fixed Charges

108,770 Total Increase

Water & Power Department Summary

	2004	2005	2006	% Change	2005	2006
	Actual	Forecast	Budget	2005-06	FTE	FTE
Enterprise Fund						
Water	7,710,279	6,664,480	6,680,380	0.2%	43.8	43.8
Wastewater	3,477,280	4,081,060	4,539,330	11.2%	29.0	29.0
Power	26,262,206	30,907,020	30,403,570	(1.6%)	49.2	49.2
Total	37,449,765	41,652,560	41,623,280	(0.1%)	122.0	122.0
REVENUE						
Utility Charges	40,731,854	45,646,800	46,261,000	1.3%		
Utility Other	1,409,045	3,699,400	3,768,800	1.9%		
Impact Fees	6,562,265	5,945,000	6,252,810	5.2%		
User Fees	420,375	349,300	378,000	8.2%		
Interest	1,262,061	1,495,000	1,287,350	(13.9%)		
Miscellaneous	118,885	36,240	51,240	41.4%		
Transfers	1,723,940	1,003,910	609,420	(39.3%)		
Total	52,228,425	58,175,650	58,608,620	0.7%		
EXPENSE BY CATEGORY						
Personal Services	6,791,630	7,315,730	7,075,450	(3.3%)		
Supplies	929,924	1,192,900	1,286,800	7.9%		
Purchased Services	23,568,694	28,158,390	28,141,820	(0.1%)		
Fixed Charges	(316,737)	(67,560)	(130,300)	92.9%		
Debt Service	1,146,053	825,800	826,160	0.0%		
Transfers	5,330,201	4,227,300	4,423,350	4.6%		
Total Operating	37,449,765	41,652,560	41,623,280	(0.1%)		
Capital	28,546,026	28,575,690	15,823,830	(44.6%)		
Total Capital	28,546,026	28,575,690	15,823,830	(44.6%)		
Total Water & Power	65,995,791	70,228,250	57,447,110	(18.2%)		

WATER & POWER

Overview

The Water and Power Department serves about 25,000 customers with a staff of 122 FTEs. It is an efficient and cost-effective organization that provides high quality water, reliable electricity and responsive service to the citizens of the City of Loveland.

The Department is made up of the Electric, Wastewater, and Water Utilities. All costs are allocated to the three utility funds.

OTHER FUNDS

This section contains provides information on the Special Revenue funds. Each has its own specific revenue source. These funds provide funding for a specific program or activity.

Two funds included here are the Airport Fund and the Loveland-Larimer Building Authority Fund (LLBA) do not belong to any fund type, but are included in this document for informational purposes.



Example of a new private school in the area.

Airport Fund Summary

	2004	2005	2006	% Change	2005	2006
	Actual	Forecast	Budget	2005-06	FTE	FTE
Airport Fund	687,965	2,208,250	5,295,180	139.8%	3.8	3.8
REVENUE						
Beginning Balance	225,031	263,990	290,190			
Airport Revenue	464,324	563,000	626,760	11.3%		
Contributions from Gov'ts	252,654	1,664,760	4,533,160	172.3%		
Interest	3,496	6,690	6,600	(1.3%)		
Subtotal	726,924	2,234,450	5,166,520	131.2%		
Total	951,955	2,498,440	5,456,710			
EXPENSE BY FUND						
Personal Services	233,205	254,060	262,340	3.3%		
Supplies	16,111	17,500	21,000	20.0%		
Purchased Services	306,030	585,200	180,660	(69.1%)		
Fixed Charges	59,816	69,540	50,920	(26.8%)		
Transfers	23,450	23,450	23,450	-		
Capital	49,353	1,258,500	4,756,810	278.0%		
Total	687,965	2,208,250	5,295,180	139.8%		
Ending Balance	263,990	290,190	161,530			

BUDGET VARIANCES

- 2,460 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims.
- (80) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- (380) Decrease in purchased services for general liability insurance costs based on the Department's historical experience and forecasted liability costs.
- (367,860) Decrease in purchased services for professional services due to one-time costs for the Airport Master Plan.
- (51,420) Decrease in purchased services due to the one-time expense associated with environmental cleanup costs.
- 10,620 Increase in purchased services for repair and maintenance based on projected expenses.
- (15,720) Decrease in fixed costs for building rental due to the purchase of the terminal annex.
- (1,258,500) Decrease in capital due to one-time capital projects.
- 230,500 Increase in capital to fog seal the main runway, repaint the markings and replace the airfield lighting controls. These projects are funded with Passenger Facility Fees paid to the Airport.
- 3,473,680 Increase in capital for taxiway improvements. \$3.3 million of this cost is funded by FAA entitlement and discretionary grants.
- 1,063,630 Normal Increases/Decreases
 - 5,900 Personal Services
 - 3,500 Supplies
 - 4,500 Purchased Services
 - (2,900) Fixed Charges
- 3,086,930 Total Increase**

AIRPORT

Overview

The Fort Collins-Loveland Municipal Airport’s mission is to provide a safe and efficient air transportation facility for use by the aviation community and general public; to meet Federal Aviation Administration (FAA) safety standards; and to implement a plan for airport development that will continue to meet the needs of our communities.

The Fort Collins–Loveland Municipal Airport was developed by the two cities in the mid-1960s. The cities jointly oversee management of the airport. An Airport Director, who reports to both city managers, provides on–site management of the day–to–day operations. The city managers and the Airport Steering Committee are responsible for making major decisions similar to other operations of the City. An intergovernmental agreement specifies that the City of Fort Collins will provide supervision of the Airport Director and Loveland will provide administrative support. Each city receives fair compensation for its services to ensure that costs are being shared equally.

Airport revenues cover operating costs and capital projects. Each city contributes equal funding of \$60,000 for airport operating and capital costs. These contributions are included in airport revenues. Airport development and improvements funds are also received, for eligible projects, from the FAA and the Colorado Department of Transportation, Division of Aeronautics.

The Airport negotiates land leases for the construction of hangars. The leases provide land rent revenues and, because they attract more aircraft to the airport, increase fuel sales which financially benefit the airport. Ownership of the hangars reverts to the Airport at the end of the lease, providing the Airport with revenue producing infrastructure.

Beginning midyear in 2003, commercial service returned to the airport with flights to Las Vegas, Nevada by Allegiant Airlines.

Because Loveland provides support services for the Airport, the City adopts the Airport budget and includes it in this document. The Airport publishes no separate budget document.

Objective

- Become self-sufficient by 2009.
- Increase availability of Airport ground for hangar construction.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% increase in fuel sales.	26%	5%	5%
% increase in operating revenue.	32%	10%	10%
% increase in ground rental income.	2%	5%	5%

Art in Public Places Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Art in Public Places	63,963	218,470	716,310	227.9%	-	-
REVENUE						
Beginning Balance	425,556	507,060	677,650			
Gifts/Donations	3,500	-	-	-		
1% for the Arts	134,983	368,000	95,300	(74.1%)		
Interest	6,981	21,060	21,800	3.5%		
Subtotal	145,464	389,060	117,100	(69.9%)		
Total	571,020	896,120	794,750			
EXPENSE BY CATEGORY						
Personal Services	6,789	7,430	19,440	161.6%		
Supplies	3,573	2,000	5,900	195.0%		
Purchased Services	28,601	74,930	111,000	48.1%		
Capital	25,000	134,110	579,970	332.5%		
Total	63,963	218,470	716,310	227.9%		
Ending Balance	507,057	677,650	78,440			

BUDGET VARIANCES

12,930 Increase in personal services due to allocation of hours for administration of the Art in Public Places.

2,400 Increase in supplies for the Governor's Art Show and Sale.

11,000 Increase in purchased services for the Thompson Park Beautification Competition.

24,720 Increase in purchased services for multiple installations of art.

91,190 Increase in capital for art purchased by the Visual Arts Commission.

354,670 Increase in capital for one-time construction costs for art purchased by the Visual Arts Commission.

930 Normal Increases

(920) Personal Services

1,500 Supplies

350 Purchased Services

497,840 Total Increase

ART IN PUBLIC PLACES

Overview

The Art in Public Places Fund is administered by the Cultural Services Department and the Visual Arts Commission. The Art in Public Places Program was established by ordinance in 1985. One percent (1%) of the cost of all City construction projects is deposited into the fund to be used for the acquisition of works of art, maintenance and repairs of works of art, and related administrative expenses. A construction project is defined as the construction, rehabilitation, renovation, remodeling, equipping, or improvement of any street, park, utility line, or other public improvement by or for the City.

Art purchased through the program must be displayed in a public place, or with the owner's agreement, on private property that has substantial public exposure. The City currently owns works of art with an estimated value of \$6 million.

Community Development Block Grant Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
CDBG	344,650	344,100	330,520	(3.9%)	0.7	0.7
REVENUE						
Grant Revenue	344,650	344,100	330,520	100.0%		
Total	344,650	344,100	330,520	(3.9%)		
EXPENSE BY CATEGORY						
Personal Services	46,830	55,390	59,650	7.7%		
Supplies	1,000	1,300	770	(40.8%)		
Purchased Services	296,820	287,410	270,100	(6.0%)		
Total	344,650	344,100	330,520	(3.9%)		

BUDGET VARIANCES

(420) Decrease in administrative expense due to reduced grant revenue.

(13,160) Decrease in grants due to reduced grant revenue.

(13,580) Total Decrease

COMMUNITY DEVELOPMENT BLOCK GRANT

Overview

The City receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development. Congress limits these funds to be used primarily to address the needs of low and moderate income persons, to eliminate slum and blight, and meet urgent Community needs. Each year, the Human Services Commission advises the City Council on the allocation of funds for projects that meet goals established in the 5-year Consolidated Plan that guides the way the City expends CDBG dollars. For the past several years, the City Council has used the majority of CDBG funds to meet affordable housing and homeless needs in the Community.

Objectives

- Provide a grant allocation process and grant fund administration program to assist non-profit agencies that satisfies HUD requirements.
- Utilize grant funds to address the three goals of the 5-year Consolidated Plan:
 - Provide services to homeless persons through shelter, case management and permanent housing;
 - Create and maintain housing opportunities for households with low income;
 - Provide services that provide tools for self-sufficiency.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
% of agencies responding to a survey indicating satisfaction with the City's grant process.	87%	90%	90%
# of homeless families assisted annually through CDBG-funded programs.	125	126	122
# of housing units created, purchased or rehabilitated annually through CDBG-funded projects.	59	64	75
# of households with low income assisted with tools for self-sufficiency through CDBG-funded programs.	864	214	117
# of grant applications processed.	13	13	13

Conservation Trust Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Conservation Trust Fund	312,686	2,637,580	483,360	(81.7%)	1.0	1.0
REVENUE						
Beginning Balance	3,778,069	4,024,880	1,960,300			
Lottery Proceeds	492,900	500,000	500,000	-		
Grants	529	-	-	-		
Interest	66,070	73,000	110,000	50.7%		
Subtotal	559,499	573,000	610,000	6.5%		
Total	4,337,568	4,597,880	2,570,300			
EXPENSE BY CATEGORY						
Personal Services	70,279	97,530	101,690	4.3%		
Supplies	19,278	15,650	15,650	-		
Purchased Services	14,450	3,460	3,690	6.6%		
Fixed Charges	15,894	15,660	14,830	(5.3%)		
Transfers	-	1,200,000	-	(100.0%)		
Capital	192,785	1,305,280	347,500	(73.4%)		
Total	312,686	2,637,580	483,360	(81.7%)		
Ending Balance	4,024,882	1,960,300	2,086,940			

Internal Support Services Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06
Accounting	533,878	580,590	553,010	(4.8%)
Budget	155,535	170,610	111,040	(34.9%)
Facilities Management	2,758,591	2,840,250	2,919,787	2.8%
Finance Administration	307,726	401,670	598,000	48.9%
Human Resources	965,817	1,115,860	1,152,070	3.2%
Information Technology	2,194,136	2,602,500	2,664,440	2.4%
Non-departmental	-	110,000	93,500	(15.0%)
Public Grounds	338,480	378,860	394,660	4.2%
Total	7,254,163	8,200,340	8,486,507	3.5%
REVENUE				
Beginning Balance	1,088,398	834,960	697,210	
Charges for Service	37,118	49,050	49,050	-
Interest	11,356	11,500	20,920	81.9%
Miscellaneous	2,210	-	-	-
Transfers	6,950,040	8,002,040	8,437,910	5.4%
Subtotal	7,000,724	8,062,590	8,507,880	5.5%
Total	8,089,122	8,897,550	9,205,090	
EXPENSE BY CATEGORY				
Personal Services	4,261,519	4,890,080	5,286,847	8.1%
Supplies	489,833	413,340	419,350	1.5%
Purchased Services	2,111,772	2,286,050	2,161,250	(5.5%)
Fixed Charges	221,821	212,370	233,560	10.0%
Transfers	-	110,000	93,500	(15.0%)
Capital	169,218	288,500	292,000	1.2%
Total	7,254,163	8,200,340	8,486,507	3.5%
Ending Balance	834,960	697,210	718,584	

INTERNAL SUPPORT SERVICES FUND

Overview

Divisions included in the Internal Support Services Fund primarily provide services to the other City departments, rather than the general public. Revenues for the fund are from transfers from the General Fund and the Enterprise Funds based on an allocation of the services provided to these funds. This is one fund within the Internal Service Fund classification. The other funds are Employee Benefits (Human Resources Department), Fleet Management, Risk & Insurance (both in the Finance Department), and Vehicle Maintenance (Public Works Department). Summaries of these funds are provided in the specific department section that administers the fund. Detail for the divisions included in the Internal Support Service Fund can also be found under the Department chapter in which they reside.

The Finance Administration, Accounting, and Budget Divisions provide financial assistance and reporting to the Council, the departments and the public. The two major publications provided for the public are the annual budget document and the Comprehensive Annual Financial Report (CAFR). In addition, departments are provided advice and assistance in preparing their annual budget submissions, developing long-term financial plans, and accounting for all activities of the departments.

The Facilities Management Division, under the Public Works Department, maintains all City buildings and all parking areas.

The Human Resources Department provides assistance in all personnel matters including hiring, termination, and benefits. The Department also provides training to all departments in personnel management and policies and administers the Volunteer Program.

The Information Technology Department, maintains the City's information management systems, geographic information systems and telephone system. The Division administers the annual Computer Replacement Program to keep the City current with changes in technology. The City's internal networks have improved efficiency and productivity throughout the City.

The Public Grounds Division, administered through the Parks & Recreation Department, maintains the open areas and landscaping at the Civic Center, Service Center, and other City building sites.

Loveland Larimer Building Authority Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Building Operations	425,270	435,800	440,860	1.2%	2.0	2.0
Grounds Maintenance	-	14,250	14,250	-	-	-
Total	425,270	450,050	455,110	1.1%	2.0	2.0

REVENUE

Larimer County Contribution	92,620	103,510	104,680	1.1%
Transfer from General Fund	332,650	346,540	350,430	1.1%
Total	425,270	450,050	455,110	1.1%

EXPENSE BY CATEGORY

Personal Services	105,090	108,360	113,420	4.7%
Supplies	1,656	1,250	1,250	-
Purchased Services	293,114	340,440	340,440	-
Fixed Charges	25,410	-	-	-
Total	425,270	450,050	455,110	1.1%

BUDGET VARIANCES

1,340 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.

3,720 Normal Increase
 3,720 Personal Services

5,060 Total Increase

LOVELAND LARIMER BUILDING AUTHORITY

Overview

The Loveland Larimer Building Authority was created to construct and operate the new Police/Court Facility on Monroe and 10th Street. This will be the third year the facility is in operation. The contribution from the City and the County is determined based on the square footage each entity occupies in the facility. The two FTEs include a building attendant and a facilities maintenance technician, and are supervised through the Public Works Department, Facility Maintenance Division. Operating costs include janitorial supplies, parts and supplies (other than janitorial), custodial costs, utilities, and repair and maintenance.

Beginning in 2005, the Parks and Recreation Department began management of the grounds maintenance at the site.

Park Improvement Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Park Improvements	26,934	710,000	950,000	33.8%	-	-
REVENUES						
Beginning Balance	1,608,887	1,773,190	1,452,080			
County Fees	2,969	1,240	2,000	61.3%		
User Fees	48,463	47,940	44,730	(6.7%)		
Interest	28,475	39,710	44,770	12.7%		
Other Revenue	111,325	300,000	100,000	(66.7%)		
Subtotal	191,232	388,890	191,500	(50.8%)		
Total	1,800,119	2,162,080	1,643,580			
EXPENSE BY CATEGORY						
Transfers	-	660,000	800,000	21.2%		
Capital	26,934	50,000	150,000	200.0%		
Total	26,934	710,000	950,000	33.8%		
Ending Balance	1,773,185	1,452,080	693,580			

BUDGET VARIANCES

(660,000) Decrease in transfers due to transfers to the Capital Projects Fund for the Youth Sports Complex.

800,000 Increase in transfers due to transfers to the Capital Projects Fund for the Youth Sports Complex.

100,000 Increase in capital for restroom renovation.

240,000 Total Increase

PARK IMPROVEMENT FUND

Overview

The Parks & Recreation Department administers and manages the Parks and Recreation Improvement Program which is earmarked for the capital repair and replacement of existing park infrastructure.

Open Space Sales Tax Fund Summary

	2004 Actual	2005 Forecast	2006 Budget	% Change 2005-06	2005 FTE	2006 FTE
Open Space	708,628	1,863,090	1,746,320	(6.3%)	2.0	2.0
REVENUE						
Beginning Balance	2,724,055	3,469,020	3,071,090			
County Open Space Taxes	1,401,760	1,401,100	1,429,120	2.0%		
Interest on Investments	50,338	35,060	30,700	(12.4%)		
Miscellaneous	1,496	29,000	24,900	100.0%		
Subtotal	1,453,594	1,465,160	1,484,720	1.3%		
Total	4,177,649	4,934,180	4,555,810			
EXPENSE BY CATEGORY						
Personal Services	124,074	151,420	157,090	3.7%		
Supplies	1,016	8,100	8,100	-		
Purchased Services	15,797	36,570	36,130	(1.2%)		
Capital	567,741	1,667,000	1,545,000	(7.3%)		
Total	708,628	1,863,090	1,746,320	(6.3%)		
Ending Balance	3,469,021	3,071,090	2,809,490			

BUDGET VARIANCES

- (470) Decrease in personal services for workers' compensation due to the allocation of the City's cost based on the Department's experience rating and forecasted liability costs.
- 1,340 Increase in personal services for insurance benefits due to increased premium costs and forecasted increase in claims costs.
- (440) Decrease in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs.
- (122,000) Decrease in capital due to projected costs for land acquisition and projects.
- 4,800 Normal Increase
4,800 Personal Services
- (116,770) Total Decrease**

OPEN SPACE

Overview

The Parks & Recreation Department administers and manages the Open Space Program to identify, acquire, and maintain areas in conformance with the Natural Areas Plan. Funding is from the Larimer County Open Space sales tax of .25 cents, which was approved through 2018. There are currently 1,801 acres of open lands preserved.

Objective

- Increase amount of open lands in and surrounding Loveland.
- Increase number of Management and Maintenance Plans.

Performance Measures	2004 Actual	2005 Budgeted	2006 Projected
# of acres of open space preserved.	1,891	1,917	1,957
Open space operational cost.	\$140,806	\$198,240	\$199,980
Open space operational cost per acre.	\$74.46	\$103.41	\$102.19

Loveland Special Improvement District #1

	2004 Actual	2005 Budget	2006 Budget	Percent Change 2005-06	2005 FTE	2006 FTE
Loveland SID #1	2,162,043	1,663,500	1,249,500	(24.9%)	-	-
REVENUE						
Beginning Balance	3,282,848	2,288,290	1,783,560			
Assessments	1,138,674	1,138,770	1,138,770	0.0%		
Interest	28,813	20,000	10,000	(30.6%)		
Subtotal	1,167,487	1,158,770	1,148,770	(0.7%)		
Total	4,450,335	3,447,060	2,932,330			
EXPENSE BY CATEGORY						
Debt Service	2,105,690	1,113,500	1,109,500	(47.1%)		
Capital	56,353	550,000	140,000	876.0%		
Total	2,162,043	1,663,500	1,249,500	(23.1%)		
Ending Balance	2,288,292	1,783,560	1,682,830			

BUDGET VARIANCES

(410,000) Decrease in capital due to completion of approved projects.

(4,000) Normal Decrease

(4,000) Debt Service

(414,000) Total Decrease

LOVELAND SPECIAL IMPROVEMENT DIST. # 1

Overview

The City serves as the sponsoring agency for the Special Improvement District. The District was established to allow for the collection of assessments from property owners in the district to back bonded debt used to construct infrastructure improvements in the district. The City does not have any legal obligation towards this debt.

CAPITAL IMPROVEMENT PLAN

Another example of future renovation and additions to Loveland downtown.

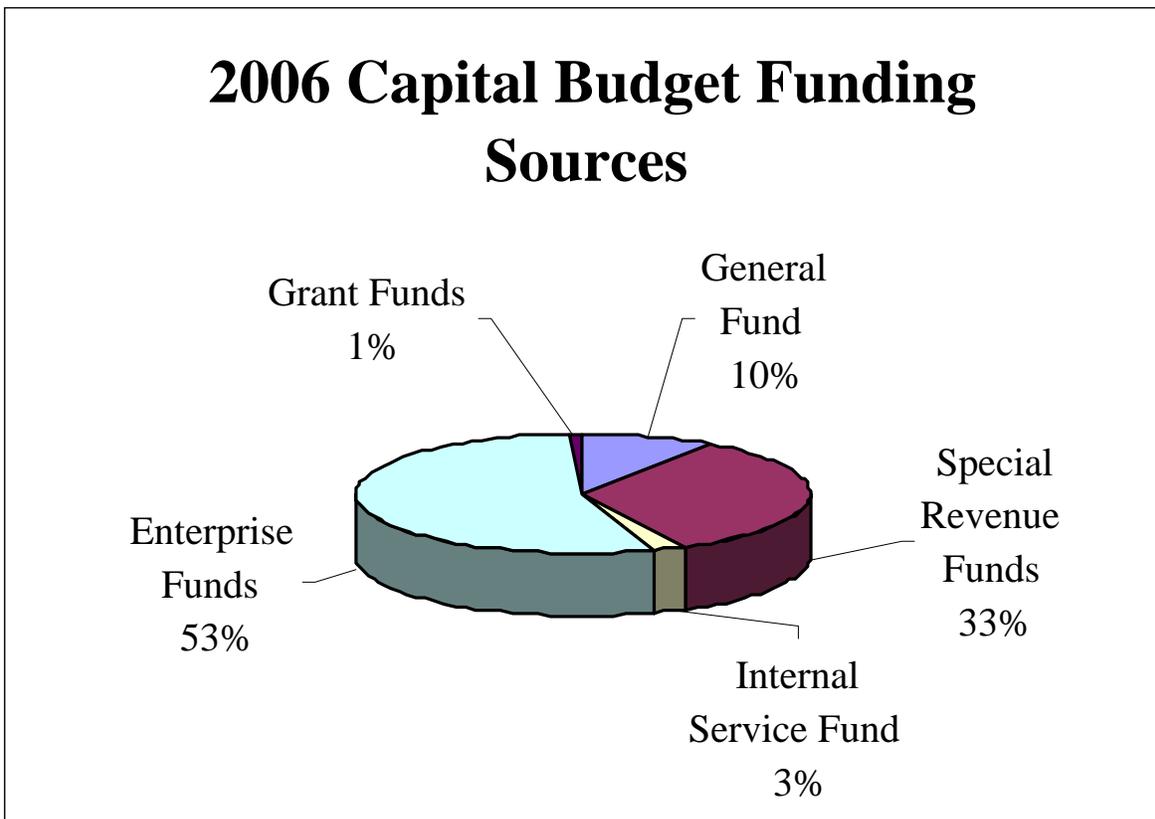


This section contains a five-year capital improvement program for the City. It describes the major 2006 projects and their financial impact on the operating budget.

CAPITAL IMPROVEMENT PLAN

The City of Loveland’s five-year Capital Improvement Plan is the financial plan for the City to maintain existing facilities and infrastructure and meet the needs for new facilities and infrastructure, which are funded through taxes, impact fees, or other special revenues. Projects have been prioritized using the Council’s major goals for the City, by need and by operating impacts to the General Fund. Projects have been funded in the plan to minimize operating impacts in any one year, so that operating expenditures will keep pace with revenue growth allowed under TABOR. Most of the funding for the plan is from dedicated resources, not General Fund resources, as shown in the graph below.

All projects included in the first year of the Capital Plan are funded in the 2006 Recommended Budget. Projects included in the “out-years” (2007–2010) will be approved by Council in concept only. The plan will be updated annually to address specific needs as they arise, or as Council goals and policies change.



There are far more capital needs than the City has resources to fund. Growth within the City has strained both the street system and the parks system to maintain levels of service to which the community has become accustomed.

The City has developed a 20-Year Transportation Plan to widen existing and construct new streets necessary to keep traffic movement at “Level C”. The Transportation Plan is funded with CEF revenue and \$2 million of General Fund revenues in each year of the Plan. For 2006, the General Fund portion is funded by using the TABOR revenue reserves.

2006 Capital Plan All Funds Summary

	2005 Revised	2006 Budget
General Fund		
General Capital Fund	22,129,630	9,737,500
Internal Service Fund	430,790	1,573,620
Total General Fund	22,560,420	11,311,120
Special Revenue Funds		
Capital Expansion Fee Fund	15,178,540	8,105,120
Parks Improvement Fund	710,000	950,000
Conservation Trust Fund	2,505,280	347,500
Open Space Sales Tax Fund	1,667,000	1,545,000
Total Special Revenue Funds	20,060,820	10,947,620
Enterprise Funds		
Golf Fund	1,331,120	146,300
Storm Water Fund	4,653,930	1,812,300
Water Fund	15,622,610	6,404,170
Waste Water Fund	5,910,370	2,409,970
Power Fund	6,980,470	7,018,340
Total Enterprise Funds	34,498,500	17,791,080
Total City Capital Expenditures	77,119,740	40,049,820
Less Transfers	(15,508,540)	(6,758,620)
Net Capital Expenditures	61,611,200	33,291,200

CAPITAL IMPROVEMENT PLAN OVERVIEW

The majority of the Capital Plan resides in the Enterprise Funds and the Capital Expansion Fee (CEF) fund. The CEF fund is where all impact fees with the exception of Plant Investment Fees (PIF) and System Impact Fees (SIF) are budgeted. The PIFs and SIFs are included within the Utility Enterprise funds capital programs. The following is a summary of the major projects included in the Capital Improvement Plan.

Building Projects

- **Facility Maintenance Projects** – In 2003, the City began an accelerated facility maintenance program. Many of the City facilities are now over 10 years in age, and will require an increased maintenance effort. This will include roof replacements, upgrades or replacement of heating and cooling systems, carpet replacement, and general repair. The City will put over \$2.7 million towards this effort over the five-year period. The funding source is General Fund revenues.
- **Service Center Addition** – Phase III of the addition to the Service Center Complex will house the Streets, Solid Waste, Traffic Engineering, Street Project Engineering and the Storm Water divisions, along with the equipment associated with these operations. The project is projected to cost \$6.7 million to complete, and is projected to open in 2009. The funding source is General Government impact fees, Storm Water and Solid Waste Enterprise revenues.
- **Recreation Center Expansion** – The expansion of the Recreation Center will provide additional court and exercise space. The total cost is projected to be \$9.6 million. The funding source is Recreation impact fees.

Park Projects

- **Mehaffey Park** – Development of the new 60-acre community park in the northwest side of town, with play facilities and athletic fields. The total projected cost is \$6.1 million and the facility is planned to open in 2009. The funding source is Park impact fees.
- **Water Rights and Parkland Acquisition** – \$4.5 million is allocated over the five-year period to increase the amount of water in the Park's portfolio and to acquire additional parkland. The funding source is Park impact fees.
- **Open Land Acquisition** – Over \$10.5 million is programmed over the next five years for the purchase of additional open space around the City. The funding sources are the Open Space impact fees and the County Open Space Sales tax.
- **Trail Construction** – \$1.9 million is programmed over the next five years for construction of the bike/hike trail that will circle the City upon completion. The funding sources are Colorado Lottery funds and Trail impact fees.
- **Golf Course Improvements** – Course improvements at two of the three golf courses are programmed at \$630,500 over the five-year period, with \$202,000 at the Olde Course, \$428,500 at the Cattail Creek Course. The funding source is Golf Enterprise revenues.
- **Youth Sports Complex** – In 2006, \$1.3 million is added to complete the funding for the project, with \$500,000 from Parks and Recreation CEFs and \$800,000 from the Park Improvement Fund. The Centennial Park phase of the project is completed and opened in 2005. The Youth Sport Park phase is near completion and anticipated to open for the 2006 season. The Barnes Park phase will begin with the 2006 funding.

Infrastructure Projects

- **Street Construction** – \$32.3 million is programmed over the next five years for construction and renovation of the City streets. The funding sources are the Streets CEFs and General Fund revenues.

Capital Improvement Plan

- **Storm Water System Improvements** – \$6.4 million is programmed over the five-year period for storm water improvements. The funding source is Storm Water Enterprise revenues.
- **Storm Water Quality** – \$250,000 is programmed over the five-year period for the new storm water quality program to meet increasing storm water quality regulations. The funding source is Storm Water Enterprise revenues.
- **Storm Water Oversizing** – \$2.5 million is programmed to reimburse development for oversizing the storm drainage system in new developments. The funding source is Storm Water impact fees.
- **Water Delivery Projects** – \$12.2 million in various water delivery projects, including main extensions and oversizing, is programmed over the five-year period. The funding source is Water Enterprise revenues and impact fees.
- **Water Treatment Plant Improvements** – The 2006 cost is \$2.37 million, with a total of \$4.27 million of projected costs over the next five-year period. Both operating revenues and SIF fees fund the projects. This is an annual program to keep the treatment plant current with demand technology improvements and EPA/State mandated compliance with water quality regulations.
- **Wastewater Main Improvements** – \$7.4 million is programmed for wastewater main improvements. The funding source is Wastewater Enterprise revenues and impact fees.
- **Wastewater Treatment Plant Improvements** – This is an ongoing program resulting from new EPA mandates for water quality and anticipated growth. Costs for 2006 are \$1.8 million, with a total of \$7.9 million of projected costs over the next five-year period. Both operating revenues and SIF fees fund the projects.
- **Power Distribution Projects** – \$35.7 million is programmed over the five-year period for various power distribution projects. The funding source is Power Enterprise revenues and impact fees.

Operating Impacts

For most of the capital plan, particularly in the Enterprise Funds, the operating impacts are incremental due to additional miles of trails, water lines or power lines. For these projects, and for the Facility Maintenance projects, the operating expenses may go down since they are replacing old lines or equipment, increasing the reliability, and decreasing annual maintenance required. Due to the replacement schedule budget savings in total may not be achieved due to the aging of infrastructure not being replaced and experiencing increased maintenance costs.

The major operating impacts are to the General Fund, due to additional staffing and maintenance of the new facilities. These impacts are shown in the chart below.

Project	2006	2007	2008	2009	2010
Service Center	-	-	-	125,000	-
Hatfield Chilson Rec. Ctr. Expansion	-	-	215,000	-	-
Youth Sports Complex	384,000	-	252,000	-	-
Mehaffey Park	-	-	-	420,000	-
Kroh Park Expansion	-	-	-	-	100,000
Total	\$384,000	-	\$467,000	\$545,000	\$100,000

For more detail on the capital projects, see each individual fund capital plan, on the pages that follow.

Capital Projects Fund

REVENUE

Description	2006	2007	2008	2009	2010
Transfer from CEF - General Gov't	-	113,360	4,309,860	-	-
Transfer From CEF - Streets	4,900,000	4,136,000	4,106,000	4,230,000	4,106,000
Transfer From CEF - Parks	500,000	-	-	-	-
Transfer From Park Imp. Fund	800,000	400,000	-	-	-
Transfer from Internal Services	93,500	270,000	120,000	120,000	93,710
Transfer from Solid Waste	-	-	1,672,600	-	-
Transfer from Storm Water	-	-	557,540	-	-
Transfer From General Fund	3,144,000	2,993,000	2,677,000	2,608,000	2,366,290
Federal and State Grants	300,000	350,000	150,080	-	-
Total Revenue	9,737,500	8,262,360	13,593,080	6,958,000	6,566,000

EXPENSE

Description	2006	2007	2008	2009	2010
Server Replacement	93,500	60,000	60,000	60,000	60,000
Fiber Backbone Upgrade	-	20,000	20,000	20,000	20,000
Egovernment Expansion	-	40,000	40,000	40,000	40,000
Network Switchgear Replacement	-	150,000	-	-	-
Subtotal Executive	93,500	270,000	120,000	120,000	120,000
Replace Rialto Theater Seats	-	75,000	-	-	-
New Audio Console at Rialto	-	-	25,000	-	-
Subtotal Cultural Services	-	75,000	25,000	-	-
Engine 4 Replacement	350,000	-	-	-	-
Engine 5 Replacement	-	350,000	-	-	-
Subtotal Fire & Rescue	350,000	350,000	-	-	-
Service Center Phase III	-	113,360	6,540,000	-	-
Facility Roof Projects	-	90,000	80,000	155,000	-
Facilities Bldg. Maintenance Projec	362,000	358,000	564,000	453,000	340,000
Facility Carpet Replacement	62,000	120,000	8,000	-	-
MOC Renovation	130,000	-	-	-	-
Street Construction	7,200,000	6,486,000	6,256,080	6,230,000	6,106,000
Replace the Roadway Striper Truck	240,000	-	-	-	-
Subtotal Public Works	7,994,000	7,167,360	13,448,080	6,838,000	6,446,000
Youth Sports Complex	1,300,000	400,000	-	-	-
Subtotal Parks	1,300,000	400,000	-	-	-
Total General Fund	9,737,500	8,262,360	13,593,080	6,958,000	6,566,000

CAPITAL PROJECTS FUND

Projects for 2006 include:

- Accurate and prompt retention and retrieval of records.

- Funding for major maintenance at City facilities (\$554,000). Projects included are:
 - Renovation of the Maintenance Operation Center (\$130,000);
 - Phase II of the carpet replacement at the Library (\$50,000);
 - Phase II of the replacement of the windows at the Hatfield Chilson Recreation Center (\$50,000);
 - Completion of stormwater drainage at the Police & Courts Building (\$45,000);
 - Furniture for anticipated projects (\$40,000);
 - Expansion of the parking lot at the Police & Courts Building (\$35,000);
 - Continuation of the Parking Lot Repair Program (\$35,000);
 - Replacement of the fire alarm panels at the Municipal Building and Library (\$35,000);
 - Drainage remediation at Fire Station 4 (\$30,000);
 - Replacement of the front doors at the Rialto Theater (\$30,000);
 - Replacement of the doors at the Loveland Public Library (\$20,000);
 - Upgrade of the HVAC in the Information Technology data room (\$15,000);
 - Replacement of RTU #3 at the Museum (\$13,000);
 - Replacement of the carpet in the Rialto Theater office areas (\$12,000); and
 - Recovering the dividers at the Senior Center multi-purpose rooms (\$12,000).

- Funding for replacement of computer servers (\$93,000).

- The street construction program is budgeted at \$7.2 million in 2006. Major projects include:
 - Right of way acquisition for Centerra Parkway (\$1,000,000);
 - Improvements to the U.S. 287 and 57th Street intersection (\$1,000,000);
 - Signal and turn lanes at the Madison Avenue and 1st Street intersection (\$400,000);
 - Design for improvements to 37th Street from Monroe to Madison (\$400,000);
 - Design for improvements to Madison Avenue from Silver Leaf to 29th Street (\$400,000);
 - A signal at U.S 287 and 19th Street SE (\$350,000); and
 - The extension of North Boise Avenue from Park to Larimer County Road 11C (\$320,000).

- Funding for Youth Sports Complex (\$1,300,000).

- Funding to replace Fire Engine #4, in the Fire & Rescue Department (\$350,000).

- Major projects in the “out-years” include replacement of Engine 5 (\$350,000); the design and construction of the Phase III addition to the Service Center to house the Streets Division, Solid Waste Division, Traffic Division, Project Engineering and Storm Water Division, and the equipment associated with these operations; and \$25 million for the street construction program.

Capital Expansion Fee Fund Summary

REVENUE					
Description	2006	2007	2008	2009	2010
CEF Fees	11,898,560	12,255,510	12,623,180	13,001,860	13,391,930
CEF Interest	1,077,660	1,302,940	1,320,320	1,205,560	1,456,900
Fund Balance	33,522,388	38,393,488	37,740,478	35,453,848	42,764,748
Total Revenue	46,498,608	51,951,938	51,683,978	49,661,268	57,613,578
EXPENSE					
Description	2006	2007	2008	2009	2010
Street Projects	5,175,000	4,198,100	4,170,270	4,296,520	4,174,850
Park Projects	2,830,120	9,900,000	7,750,000	2,600,000	2,000,000
General Gov't Projects	-	113,360	4,309,860	-	-
Police Projects	100,000	-	-	-	-
Total CEFs	8,105,120	14,211,460	16,230,130	6,896,520	6,174,850
Ending Balance	38,393,488	37,740,478	35,453,848	42,764,748	51,438,728



CEF FUND

The Capital Expansion Fee (CEF) Fund is the funding source for new facilities or infrastructure that is the result of growth in the community. Revenues are from fees charged to new development and are restricted to use for new facilities and infrastructure, which add to the City capacity. Projects to enhance service levels are not eligible for funding from these fees. The City currently has CEF fees for Streets, Parks, Recreation, Trails, Fire, Law Enforcement, the Library, the Museum, and General Government.

The Utility Enterprise Funds also include revenues from “impact” fees. These are the System Impact Fee (SIF) in the Water, Wastewater, and Storm Water Funds, and the Plant Impact Fee (PIF) in the Power Fund. Projects funded by these fees are included in the Enterprise Capital Plans.

CEF Fund - Parks/Recreation/Trails

REVENUE

Description	2006	2007	2008	2009	2010
Parks CEF Fund Balance	6,122,103	6,961,953	8,498,613	4,274,123	5,181,323
Recreation CEF Fund Balance	7,481,606	7,854,926	1,132,376	1,489,396	2,639,316
Trails CEF Fund Balance	394,508	256,638	167,108	329,468	101,418
Open Space Fund Balance	397,777	788,677	650,627	1,070,087	1,064,127
Parks Interest	214,270	313,290	382,440	192,340	233,160
Recreation Interest	261,860	235,650	33,970	44,680	79,180
Trails Interest	13,810	7,700	5,010	9,880	3,040
Open Space Interest	13,920	23,660	19,520	32,100	31,920
Parks CEF	2,255,700	2,323,370	2,393,070	2,464,860	2,538,810
Recreation CEF	1,011,460	1,041,800	1,073,050	1,105,240	1,138,400
Trails CEF	148,320	152,770	157,350	162,070	166,930
Open Space CEF	376,980	388,290	399,940	411,940	424,300
Total Revenue	18,692,314	20,348,724	14,913,074	11,586,184	13,601,924

EXPENSE

Description	2006	2007	2008	2009	2010
Transfer to Capital Project Fund	500,000	-	-	-	-
Mehaffey Park	-	600,000	5,500,000	-	-
Kroh Park Phase II	-	-	250,000	1,750,000	-
Water & Park Land Acquisition	800,000	500,000	1,250,000	-	2,000,000
Youth Sports Equipment	288,000	-	-	-	-
Recreation Center Expansion	900,000	8,000,000	750,000	-	-
Trails	300,000	250,000	-	400,000	-
Open Lands Acq/Restoration	-	550,000	-	450,000	-
Project Management	42,120	-	-	-	-
Total Parks	2,830,120	9,900,000	7,750,000	2,600,000	2,000,000
Ending Park Balance	6,961,953	8,498,613	4,274,123	5,181,323	5,953,293
Ending Recreation Balance	7,854,926	1,132,376	1,489,396	2,639,316	3,856,896
Ending Trails Balance	256,638	167,108	329,468	101,418	271,388
Ending Open Space Balance	788,677	650,627	1,070,087	1,064,127	1,520,347

CEF PARKS & RECREATION

The demand for additional Parks and Recreation facilities continues to grow as the City's population continues to increase. Construction of new facilities is dependent on the City's ability to fund the operations and maintenance of these facilities in the operating budget, therefore the spacing of projects within this plan.

Major projects for 2006 include:

- Funding Youth Sports Complex (\$500,000) is transferred to the Capital Projects Fund).
- Funding for water rights and additional parkland acquisition should land become available (\$800,000).
- Funding for equipment to open the Youth Sports Complex (\$288,000).
- Funding for design of the Hatfield Chilson Recreation Center expansion (\$900,000).
- Land acquisition and construction of the trail system (\$300,000).

Major projects in the "out-years" include:

- Development of Mehaffey Park to come on line in 2009 with a projected operating impact of \$420,000.
- The expansion of the Hatfield Chilson Recreation Center to meet demand and growth in the community, funded by Recreation CEFs. Operations due to the expansion are projected to begin in 2009 with an operation impact of \$215,000.
- Significant expansion of Kroh Park to come on line in 2010 with an operating impact of \$100,000.
- Additional park land and open space as land and willing sellers become available.

Other CEF Funds

REVENUE

Description	2006	2007	2008	2009	2010
Fire CEF Fund Balance	2,690,920	3,554,450	4,467,360	5,431,850	6,450,190
Law Enf. CEF Fund Balance	1,697,281	2,183,801	2,800,981	3,453,231	4,142,101
Library CEF Fund Balance	2,736,855	3,364,865	4,028,095	4,728,085	5,466,445
Museum CEF Fund Balance	2,546,130	3,003,610	3,486,250	3,995,150	4,531,440
Gen Gov't CEF Fund Balance	6,107,980	7,310,920	8,467,180	5,493,140	6,772,180
Fire Interest	80,730	106,630	134,020	162,960	193,510
Law Enforcement Interest	50,920	65,510	84,030	103,600	124,260
Library Interest	82,110	100,950	120,840	141,840	163,990
Museum Interest	76,380	90,110	104,590	119,850	135,940
General Government Interest	183,240	219,330	254,020	164,790	203,170
Fire CEF	782,800	806,280	830,470	855,380	881,040
Law Enforcement CEF	535,600	551,670	568,220	585,270	602,830
Library CEF	545,900	562,280	579,150	596,520	614,420
Museum CEF	381,100	392,530	404,310	416,440	428,930
General Government CEF	1,019,700	1,050,290	1,081,800	1,114,250	1,147,680
Total Revenue	19,517,646	23,363,226	27,411,316	27,362,356	31,858,126

EXPENSE

Description	2006	2007	2008	2009	2010
Transfer to Capital Project Fund	-	113,360	4,309,860	-	-
Transfer to Fleet Fund (Police)	100,000	-	-	-	-
Subtotal Transfers	100,000	113,360	4,309,860	-	-
Total Other CEFs	100,000	113,360	4,309,860	-	-
Ending Fire Balance	3,554,450	4,467,360	5,431,850	6,450,190	7,524,740
Ending Law Enf. Balance	2,183,801	2,800,981	3,453,231	4,142,101	4,869,191
Ending Library Balance	3,364,865	4,028,095	4,728,085	5,466,445	6,244,855
Ending Museum Balance	3,003,610	3,486,250	3,995,150	4,531,440	5,096,310
Ending Gen Gov't Balance	7,310,920	8,467,180	5,493,140	6,772,180	8,123,030

OTHER CEF FUNDS

In 2006, \$100,000 of Law Enforcement CEFs is transferred to the Fleet Fund for the purchase of cars for the new police officers approved in the operating budget. Design costs for Phase III of the Service Center addition are programmed in 2007 with construction in 2008. The addition will house the personnel and equipment for the Solid Waste Utility, the Storm Water Utility, Traffic, Project Engineering, and the Street Maintenance Division. A portion of the cost of the project will be provided by the Solid Waste Enterprise and the Storm Water Enterprise with the balance from General Government CEFs. The operational impact in 2009 is projected at \$125,000.

Open Space Sales Tax Fund

REVENUE					
Description	2006	2007	2008	2009	2010
Fund Balance	3,071,090	2,809,490	2,754,050	3,565,660	3,891,490
Sales Tax Proceeds	1,252,700	1,290,280	1,328,990	1,368,860	1,409,930
Interest	30,700	84,280	82,620	106,970	116,740
Total Revenue	4,354,490	4,184,050	4,165,660	5,041,490	5,418,160
EXPENSE					
Description	2006	2007	2008	2009	2010
Land Acquisition	1,545,000	1,430,000	600,000	1,150,000	1,200,000
Total Open Space	1,545,000	1,430,000	600,000	1,150,000	1,200,000
Ending Balance	2,809,490	2,754,050	3,565,660	3,891,490	4,218,160



OPEN SPACE

The Open Space Fund revenues are from the City’s share of a .25 cent County sales tax levied for the purpose of purchasing land for open space. The City actively pursues the acquisition of open space under a “willing seller–willing buyer” philosophy.

Water Enterprise Fund

REVENUE

Description	2006	2007	2008	2009	2010
Fund Balance	30,165,240	28,567,700	23,589,360	13,884,370	16,536,780
Operating Revenues	2,017,710	1,286,870	2,724,750	2,045,560	2,096,410
SIF Fees	2,592,750	2,755,710	2,955,490	3,169,770	3,399,600
SIF Interest	196,170	221,410	53,790	131,600	218,230
Total Resources	34,971,870	32,831,690	29,323,390	19,231,300	22,251,020

EXPENSE

Description	2006	2007	2008	2009	2010
Water Meter Purchase & Installation	38,000	39,140	40,310	41,520	42,770
Right of Way Relocation	30,000	30,900	31,830	32,780	33,770
Emergency Water line Repair	50,000	51,500	53,050	54,640	56,280
S. 22nd & Colo. Water Line Repl.	-	30,900	-	284,110	-
Jill Drive Water Line Replacement	-	-	265,230	-	-
4 MG 29th Street Tank Painting	-	515,000	-	-	-
Vulnerability Assessment Imp.	120,000	-	-	-	-
Water Line Replacement Program	-	309,000	437,090	808,620	1,215,550
Transmission & Distribution Projects	321,270	197,010	507,400	170,760	130,860
Phase I Treatment Imp. Construction	641,830	528,630	-	-	-
Misc. Water Treatment Plant Imp.	214,840	145,280	5,840	6,020	6,200
Equipment Replacement	83,140	78,720	78,240	130,480	73,650
Total General Projects	1,499,080	1,926,080	1,418,990	1,528,930	1,559,080
Windy Gap Firing Project	940,000	-	12,906,000	-	-
Ditch Company Exchange Usage	50,000	51,500	-	-	-
Water Court Transfer Costs	395,000	20,000	50,000	30,000	20,000
Private Water Rights Usage	75,000	77,250	-	-	-
City Domestic Water Rights	50,000	-	-	-	-
24" Loop S. Tank-8th St./St. Louis	335,000	2,724,350	-	-	-
East Elevated 2MG Tank	350,000	2,214,500	-	-	-
Granite Waterline Addition	-	-	-	54,640	225,100
Water Main Extensions & Oversizing	1,041,140	887,420	899,050	911,020	623,350
Subtotal Water Resource SIF	3,236,140	5,975,020	13,855,050	995,660	868,450
Phase I Treatment Imp. Construction	1,303,120	1,073,270	-	-	-
Water Treatment Plant Improvement	215,830	113,460	5,840	6,020	6,200
Subtotal Water Trtmt Plant SIF	1,518,950	1,186,730	5,840	6,020	6,200
Contractor Meter Purchases SIF	150,000	154,500	159,140	163,910	168,830
Total SIF Projects	4,905,090	7,316,250	14,020,030	1,165,590	1,043,480
Total Water	6,404,170	9,242,330	15,439,020	2,694,520	2,602,560
Ending Balance	28,567,700	23,589,360	13,884,370	16,536,780	19,648,460

WATER ENTERPRISE FUND

Major projects for 2006 include:

- Funding for improvements to the Water Treatment Plant. The 2006 cost is \$2.3 million, with a total of \$4.3 million of projected costs over the next five-year period. Both operating revenues and SIF fees fund the projects. This is an ongoing program to keep the Water Treatment Plant current to meet demand while complying with EPA/State mandated water quality/treatment regulations.
- Continued funding for rehabilitation/replacement of aging water infrastructure.
- Funding for a two million-gallon elevated storage tank and transmission lines to support east side development demands.

Wastewater Enterprise Fund

REVENUE

Description	2006	2007	2008	2009	2010
Fund Balance	4,382,210	5,101,000	3,733,730	517,710	-
Operating Revenues	1,023,130	502,730	488,540	1,911,800	2,337,900
SIF Fees	2,065,000	1,845,300	1,964,600	2,064,800	2,200,400
SIF Interest	40,630	91,880	101,300	69,800	76,270
Total Revenue	7,510,970	7,540,910	6,288,170	4,564,110	4,614,570

EXPENSE

Description	2006	2007	2008	2009	2010
Project C WAS Thickening	280,650	1,277,940	1,316,280	-	-
Project D Influent Pumping	-	-	-	988,380	898,490
Project E Headworks Facility	-	-	-	442,880	402,650
Upsized Aeration Lift Pumps	195,200	-	-	-	-
Treatment Plant Improvement	244,650	515,210	446,440	54,860	21,730
Equipment Replacement	7,940	95,810	67,160	69,380	52,440
Subtotal Treatment Plant	728,440	1,888,960	1,829,880	1,555,500	1,375,310
Right of Way Utility Relocate	50,000	51,500	53,050	54,640	56,280
Barberry Place Lift Station Abdn.	-	-	-	-	281,380
Fairgrounds/Namaqua Interceptor	320,000	-	-	54,640	416,440
Boyd Lake Interceptor Rehab.	-	-	74,260	579,140	78,790
CMOM Sanitary Sewer Sys Imp.	-	-	106,090	54,640	45,020
Waste Water Main Improvements	161,200	165,010	853,600	292,690	490,570
Subtotal Main Improvements	531,200	216,510	1,087,000	1,035,750	1,368,480
Total General Projects	1,259,640	2,105,470	2,916,880	2,591,250	2,743,790
Project C WAS Thickening	93,550	425,980	438,760	-	-
Project D Influent Pumping	-	-	-	329,460	299,490
Project E Headworks Facility	-	-	-	442,880	402,650
Odor Control Strategies	214,400	183,480	846,170	-	-
Upsized Aeration Lift Pumps	195,200	-	-	-	-
Waste Water Main Improvement	576,530	1,012,220	1,515,920	1,194,290	1,162,220
Treatment Plant Improvement	70,650	80,030	52,730	6,230	6,420
Total SIF Projects	1,150,330	1,701,710	2,853,580	1,972,860	1,870,780
Total Waste Water	2,409,970	3,807,180	5,770,460	4,564,110	4,614,570
Ending Balance	5,101,000	3,733,730	517,710	-	-

WASTEWATER ENTERPRISE FUND

Major projects for 2006 include:

- Funding for improvements and expansion of the Wastewater Treatment Plant. This is an ongoing program that ensures the Plant keeps pace with anticipated growth while complying with EPA/State mandated water quality/treatment regulations. Costs for 2006 are \$1.3 million, with a total of \$11.2 million of projected costs over the next 5-year period. Both operating revenues and SIF fees fund the projects.
- Continued funding for infrastructure on the east side of town to meet development demand.
- Continued funding for design and construction of Wastewater Treatment Plant odor control projects.
- Continued funding for rehabilitation/replacement of aging wastewater infrastructure.
- Increased funding for maintenance of existing wastewater system.

Capital Improvement Plan

Power Enterprise Fund

REVENUE

Description	2006	2007	2008	2009	2010
Fund Balance	11,414,880	10,939,440	6,718,440	6,166,340	5,539,410
Operating Revenues	5,150,670	1,058,450	5,172,600	5,157,540	5,153,470
PIF Fees	1,300,000	1,339,000	1,379,170	1,420,550	1,463,170
PIF Interest	92,230	108,970	106,310	119,050	113,640
Total Revenue	17,957,780	13,445,860	13,376,520	12,863,480	12,269,690

EXPENSE

Description	2006	2007	2008	2009	2010
Hydro Generation	5,000	5,150	5,300	5,460	5,620
Overhead Distribution Lines	50,000	51,500	53,050	54,640	56,280
Underground Distribution Lines	84,000	86,520	89,120	91,790	94,540
Meter Purchase/Install/Upgrade	130,000	133,900	137,920	142,060	146,320
Transformer Purchase & Install	45,000	46,350	47,740	49,170	50,650
Substation	15,000	15,450	15,910	16,390	16,880
Overhead Svc Install/Upgrade	30,000	30,900	31,830	32,780	33,760
Underground Svc Install/Upgrade	375,000	386,250	397,840	409,780	422,070
Temporary Service Install	75,000	77,520	79,570	81,960	84,420
Hydro Generation Improvments	30,000	-	-	-	-
Airport Substation Improvments	-	-	486,600	-	-
Other Substation Improvements	20,000	-	-	-	-
Customer Aid to Construction	2,000,000	2,060,000	2,121,800	2,185,450	2,251,020
East Substation to 29th Street	671,750	-	-	-	-
Valley Substation to 1st St./Wilson	500,000	904,950	-	-	-
CKT 912 Reconductor OH Line	-	224,910	-	-	-
Sub to Sub tie, Valley/East	-	-	1,326,130	1,365,880	-
Sub to Sub tie, West/Horseshoe	-	-	-	-	1,586,960
Other System Improvements	770,000	618,000	691,180	655,630	675,300
URD Sections	50,000	51,500	53,050	54,640	56,280
Street Lights/Cust. Req./Misc. Proj	40,000	41,200	42,440	43,710	45,020
Street Lights/Development Driven	300,000	309,000	318,270	327,820	337,650
Equipment	88,870	169,950	145,440	132,100	368,850
Public Work Projects	188,380	-	-	-	-
Subtotal General Projects	5,468,000	5,213,050	6,043,190	5,649,260	6,231,620
Substation PIF Projects	-	-	636,540	1,128,450	675,300
East Substation to 29th Street	671,750	-	-	-	-
Valley Substation to 1st St./Wilson	378,590	-	-	-	-
CKR 613, Sub E/Rocky Mt. Blvd.	-	999,370	-	-	-
Other Feeder PIF Projects	500,000	515,000	530,450	546,360	562,750
Subtotal PIF Projects	1,550,340	1,514,370	1,166,990	1,674,810	1,238,050
Total Power	7,018,340	6,727,420	7,210,180	7,324,070	7,469,670
Ending Balance	10,939,440	6,718,440	6,166,340	5,539,410	4,800,020

POWER ENTERPRISE FUND

Major projects for 2006 include:

- Construct a new underground distribution feeder circuit between the East substation and the Horseshoe substation. This new circuit will provide the ability to transfer loads between these two substations and will provide a contingency source should there be a problem with an underground cable or a problem at either substation.
- Begin the construction of a new underground distribution feeder circuit between the Valley substation and the West Substation. This is part one of a two part project. In 2006, the conduit and vaults will be installed and in the 2007, the conductor will be installed. This new circuit will provide the ability to transfer loads between these two substations and will provide a contingency source should there be a problem with an underground cable or a problem at either substation.
- In five different locations where we have older underground lines, single phase tie lines will be constructed to provide a contingency source should the older underground cables fail. These five locations are in larger residential areas and we currently do not have back up source should we experience a cable failure.
- During 2004, we removed an overhead distribution tie line on Rocky Mountain Boulevard to accommodate a road widening project. In 2006, we will be reinstalling this tie line with a new underground distribution circuit. This circuit will provide an alternate source for the Medical Center of the Rockies.
- At the Wastewater Treatment Plant, we currently have a 600 kW generator. This generator will be relocated to the water treatment plant and a new 1500 kW generator will be installed. Together these generators will be operated during peak load times to help reduce the demand portion of our bill that we receive from Platte River Power Authority.
- Several miscellaneous smaller projects will be done including relocating electric facilities to accommodate projects being constructed by the Public Works Department, replacing some older oil-filled switchgear, and installing street lights on various main roadways.

APPENDIX

This section provides definitions of terms and acronyms used within this document.



To keep up with the growth in Loveland, additional streets and construction are necessary to keep up with traffic.



GLOSSARY OF TERMS

Accrual Basis of Accounting: The method of accounting under which debits and credits are recorded at the time they are incurred as opposed to when cash is actually received or spent. For example, in accrual accounting, revenue which was earned in December, but not collected until January, is recorded as revenue in December.

ADA: Americans with Disabilities Act.

Adjudication: The act or process of reaching settlement judicially.

Amendment One (TABOR): An amendment to the Colorado State Constitution that limits revenues and expenditures to the inflation rate, measured by the Denver–Boulder Consumer Price Index, Urban Area (CPI–U), and growth (defined as new construction) of the jurisdiction in the prior year. All new or increased taxes must be voted on by the public. Also, it establishes mandatory emergency reserves.

Appropriation: A legal authorization made by the City Council to make expenditures and incur obligations for specific purposes.

Appropriation Ordinance: An ordinance by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual budget is enacted into law by the City Council.

Assessed Valuation: A valuation set upon real estate or other property by the county assessor to establish a basis for levying taxes. It is equal to 7.96% of market value for residential property and 29% for commercial and industrial property.

Bond: A form of borrowing money for major capital projects, such as buildings and streets. The City obligates itself to repay the principal at a stated rate of interest over a stated period of time.

Budget: A financial plan of estimated expenditures and the means of financing them for a stated period of time. Upon approval by the City Council the budget appropriation ordinance is the legal basis for expenditures in the budget year.

Capital Outlay: An item that costs \$2,500 or more and is expected to last one year or longer. Examples include vehicles, carpet and equipment.

Capital Expansion Fee (CEF): An assessment on new development to contribute to providing new infrastructure necessitated by population growth.

Capital Improvements: Expenditures related to the acquisition, expansion or rehabilitation of an element of the city's physical structure, sometimes referred to as infrastructure. Examples include buildings, streets, bridges, parks and utility systems.

Capital Improvement Plan: An annually updated plan of capital expenditures for public facilities, infrastructure and major fixed assets with estimated costs, sources of funding and timing of projects over a five–year period.

Capital Project: Expenditure for equipment, machinery, facilities, or infrastructure that will provide long–term service or other public benefits.

Carryover: Amount of money remaining at the end of the preceding year and available in the current budget year through an ordinance commonly called the rollover ordinance.

CDBG: Community Development Block Grant.

CFAC: Citizens' Finance Advisory Commission.

CIRSA: Colorado Intergovernmental Risk Sharing Agency.

CEF: Capital Expansion Fee (see definition above).

CMP: Comprehensive Master Plan. The Master Plan is the official document that serves as the long range, comprehensive policy guide to the day-to-day decisions about the future development of the City of Loveland.

Community Survey: Written or telephone survey performed annually to determine citizens' overall satisfaction with community services.

Contractual Services: Expenses that are usually incurred by entering into a formal agreement or contract with another party. Expenses included in this category can include insurance, repairs or professional services.

Debt Service: Principal and interest due on long-term debt such as loans, notes and bonds incurred by the City.

Department: Major unit of organization in the City.

Depreciation: Expiration in the service life of fixed assets because of wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Division: Sub-unit of a department.

DUI: Driving Under the Influence (of alcohol or other drugs).

EOC: Emergency Operations Center.

Encumbrance: Obligations in the form of purchase orders or contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

Enterprise Fund: Funds that are self-supporting through user fees. Examples include water, golf, solid waste and power. By the TABOR amendment these funds can not have more than 10% of their budget subsidized by taxes.

EPA: Environmental Protection Agency.

ESP: Extra Special People. A service provided by the City that provides transportation to persons who are elderly, handicapped and/or low-income. Under the ADA, this service is now called Paratransit service.

Expenditure: Payment for goods or services, including operating expenses that require the current or future use of net current assets, debt and capital outlays. Note that an encumbrance is not an expenditure, but reserves funds to be expended.

FAA: Federal Aviation Administration.

Fiduciary Fund: A fund used to account for activity of the City as a trustee over funds allotted to meet a current or future financial obligation, usually on an actuarially sound basis. Example: Pension funds.

Fiscal Year: The 12-month period to which the operating budget applies. This is January 1 to December 31 for the City of Loveland.

Fixed Assets: Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery and other equipment.

FTE: Full-time equivalent. The hourly equivalent of a full-time employee. An FTE can be made up of either one full-time employee or two or more part-time employees whose total hours equal 40 per week.

Fund: Accounting entity with a self-balancing set of accounts, which is segregated from other funds, to carry on specific activities or attain certain objectives.

Fund Balance: On-hand available cash balances which are realized in prior fiscal years less current liabilities and are available for designation as a funding source for a future budget year.

General Fund: A central fund into which most of the City's tax and unrestricted revenues are budgeted to support basic municipal services, public safety and administrative activities of the City; financed mainly by sales tax and property tax.

GIS: Geographic Information System. GIS is a specialized information system for capturing, storing, querying, analyzing, and displaying geographic data. Geographic data describes both the location and the characteristics of features or objects on the earth's surface. That ability makes GIS more than just maps; they are smart maps that can do everything from environmental analysis to site location for a new video store.

GPS: Global Position System. A GPS is a navigational system which allows the individual to find where they are in the world.

Grant: A contribution made from either the private sector to the City or by one governmental unit to another. The contribution is usually made to support a specified program, function or project.

Home Rule: A limited grant of discretion from the State of Colorado to Loveland, concerning either the organization of functions or the raising of revenue. Loveland became a home rule city in May of 1996.

Intergovernmental Revenue: Amounts of money received from federal, state and other governmental bodies.

Internal Services Fund: Activities which provide support services to other City departments. Example: Accounting.

Intra-City Charges: Items counted both as revenue and expense in two separate funds, which the revenue is received only once from an outside source. It usually occurs because one fund provides a service to another fund.

Level of Service: Transportation Level of Service (LOS) is based on a ratio of current or anticipated volumes of traffic at peak hours and trip generation along the street divided by the capacity of the street. The City of Loveland has adopted Level A for local roads, Level B for Collectors and Level C for other areas with a few exceptions. When service level falls below LOS C, movements become more restricted and delays may occur during peak periods.

Lease-Purchase Agreement: Financial arrangement which permits the City to pay for the use of equipment or machinery over a period of time through a lease and to purchase it at the end of that time.

LHPAC: Loveland High Plains Art Council.

LRFPD: Loveland Rural Fire Protection District.

Mill Levy: Rate by which assessed valuation is multiplied to determine property tax. A mill is 1/10 of one cent or \$1.00 of tax for each \$1,000 of assessed valuation.

MIS: Management Information Systems. MIS provides innovative information technology and services that are reliable, accessible, and cost effective for the City of Loveland staff and citizens.

Modified Accrual: Under Modified Accrual Accounting revenues are recorded when they are measurable and available. Expenses are recorded when they are incurred. This differs from the full accrual method where revenues are recorded when received and expenses recorded when the expense is paid for.

Net City Budget: Total City operating and capital budget net of transfers among funds, and internal service charges. This amount represents a close approximation of projected spending.

Operating Budget: The portion of the budget that pertains to daily operations providing basic governmental services. The operating budget contains appropriations for such expenditures as personal services, supplies and materials.

Paratransit Service: Door to door transportation services for people who due to health or disability can not use fixed route transportation services.

PIF: Plant Investment Fee. (See definition below.)

PILT: Payment in lieu of tax. An estimate of the amount of taxes that would be chargeable to a utility if owned privately.

PRPA: Platte River Power Authority.

Personal Services: Salaries, wages, benefits and other related costs of employees.

Plant Investment Fee (PIF): Charges made on new development to contribute to financing utility facilities to meet the needs of increased population. Applies to Loveland Water and Power. This fee is similar in nature to a Capital Expansion Fee.

Projection: Estimation of future revenues and expenditures based on past trends, current economic conditions and financial forecasts.

- Property Tax:** Annual charge to owners of real property, based on assessed valuation and the mill levy.
- Reserve:** Funds set aside in the current and past years for the purpose of paying for capital needs, providing for obligations and liabilities, and meeting emergency needs.
- Reserve Fund Balance:** The portion of a fund's balance that is legally restricted for a specific purpose and is, therefore, not available for general appropriation.
- Resources:** Total amounts available for appropriation, consisting of estimated beginning funds on hand plus anticipated revenues.
- Revenues:** Funds that the government receives as income such as tax payments, user fees, charges, special assessments, fines, grants and interest income to support the services provided.
- Risk Management:** As organized attempt to protect a government's assets against accidental loss in the most economical manner, and programs to minimize worker injury and supervisory actions to limit City liability.
- RSF:** Retail Sales Fee. A fee collected by the merchant for developer or sub-unit of government such as a Metropolitan District to fund the cost of infrastructure and other approved expenses.
- SCADA:** Supervisory Controlled and Data Acquisition System.
- Self-Insurance:** Establishment of a sum of money sufficient to pay anticipated claims. Used as a planning process to control costs and coverage in lieu of paying premiums to insurance companies.
- SIF:** System Impact Fee. (See definition below.)
- Service Center:** A complex of buildings located at First Street and Wilson Avenue that house the City's electric and water utilities and provides warehousing, vehicle maintenance and other service facilities.
- Services Rendered:** Charges made to a fund for support services provided by another fund.
- Special Assessment:** A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.
- Special Improvement Districts:** A district composed of property owners who have agreed to join together to complete and pay for the cost of public improvements.
- Special Revenue Funds:** A fund used to account for the proceeds of specific revenues that are legally restricted to be spent for specific purposes. Example: Capital Expansion Fees.
- Supplemental Requests:** Programs and services that departments would like or have added (in priority order) over their target budget, or if revenue is received is greater than anticipated.
- System Impact Fee (SIF):** Impact fees on new development that contribute to financing utility facilities to meet the needs of increased population. Applies to the Water, Wastewater and Storm Water utilities.
- TABOR (Tax Payers' Bill of Rights):** Refers to an amendment to State constitution which put in place several restrictions to state and local government. The most significant limits are the requirement for all tax rate increases to be by a vote of approval, and creating revenue limits a government must abide by, refunding all revenue over the limit unless given voter approval otherwise.
- Transfers:** Amounts distributed from one fund to finance activities in another fund. Transfers are shown as an expenditure in the originating fund and a revenue in the receiving fund.
- Unreserved Fund Balance:** The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.
- User Fee:** Charge to the benefiting party for the direct receipt of a public service.
- VAC:** Visual Arts Commission. The Visual Arts Commission, a seven-member volunteer citizens' committee, oversees the city's art acquisitions/donations and site selection.
- WAPA:** Western Area Power Authority.