



City of Cherry Hills Village, Colorado

2017 ANNUAL BUDGET



2017 Annual Budget



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Cherry Hills Village
Colorado**

For the Fiscal Year Beginning

January 1, 2016

A handwritten signature in black ink that reads "Jeffrey P. Evans".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Cherry Hills Village for its annual budget for the fiscal year beginning January 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



City of Cherry Hills Village

2017 Elected Officials

Mayor
Councilmember District 1
Councilmember District 2
Councilmember District 3
Councilmember District 4
Councilmember District 5
Councilmember District 6

Laura Christman
Randy Weil
Earl Hoellen
Al Blum
Mike Gallagher
Dan Sheldon
Katy Brown

Department Heads

City Manager
Director of Public Works
Chief of Police
Director of Finance & Administration
Director of Community Development
Parks, Trails & Recreation Administrator
City Attorney

Jim Thorsen
Jay Goldie
Michelle Tovrea
Karen Proctor
Rachel Granrath
Ryan Berninzoni
Linda Michow

Prepared By:

Jessica Sager & Karen Proctor



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MISSION

It is the mission of the City of Cherry Hills Village, its Council and staff, to preserve and enhance the pastoral environment, the overall low density residential zoning and the high quality of services and public facilities that exist in the City and to promote an atmosphere that contributes to a sense of community.



VISION

It is the vision of the City of Cherry Hills Village to provide a safe, low-density, residential community as it is the desire of the residents to maintain the established character of the community through the implementation of the City's planning goals, strategies, regulations and decisions.



Budget Message

December 14, 2016

Mayor Christman and Members of Cherry Hills Village City Council:

In accordance with Section 9.2 and article IX of the City of Cherry Hills Village Home Rule Charter, Section 2-3-40(4) of the City Code and Colorado Revised Statutes 29, Article 1, Local Government Budget Law of Colorado, staff is pleased to present the 2017 annual budget. This submittal of the budget represents the policy set forth this past year and the allocation of funds for the provision of municipal services to Cherry Hills Village residents.

This budget document provides the legal authority to appropriate and expend funds for each year and explains funding for projects, programs and services. The document also serves as an operations guide by designating service levels to be provided and serves as a financial plan guided by Council's goals. We must not only monitor the daily revenues and expenditures, but also look to future commitments and projects to plan accordingly and ensure levels of service are maintained and sustainable.

The budget process requires a constant monitoring of revenues and expenditures to ensure fund balances are preserved at levels required by the City's Fund Balance Policy. The budget process is ongoing throughout the year. This process allows staff to identify when revenues are not in line with expenditures, thereby providing the opportunity to examine any shortfall that the City may experience and to adjust spending accordingly.

Budget Priorities

The annual budget for 2017 is based on achieving goals and priorities established by the City Council. The top priority of the City Council in 2017 is to begin work on a new Public Works Facility, a new Village Center, and construction of John Meade Park and Alan Hutto Memorial Commons. The 2017 budget takes into consideration the following additional priorities:

- Continue to proactively address safety, health and welfare issues within the City
- Evaluate and, where possible, enhance service delivery and responsiveness.
- Manage the public's monies in a fiscally responsible manner.
 - Stay within budget.
 - Adhere to and monitor the Strategic Financial Plan.
 - Evaluate possible alternative revenue sources.
- Master Plan implementation.
- Code review and revisions.
- Quincy Farm planning process.
- High Line Canal Trail Interconnect Project.



Budget Message

- Glenmoor Traffic Signal Project (partnered with the HOA and Greenwood Village).
- Improve public outreach.
 - Village Crier (monthly publication), Villager, website, channel 22, HOA meetings, school interactions, etc.
 - Special events: Winter Celebration, Exotic Car Show, Summer Movie Night, Spring clean-up, Prescription Drug Take Back, National Night Out, electronics turn-in, Farmer's Market and Art Commission events.
- Maintain and evaluate IT systems.
- Employee training and development.
 - Establish training in critical areas for all employees on an annual basis.
 - Leadership training for supervisory and management staff.
- Annual Employee Compensation Study.
 - Evaluate employee benefit programs.
- Determine community strategies for open space acquisitions.
- Maintain close staff liaison with the various City Boards and Commissions.

Projects and COP Funding

The City has three major projects, indicated as top priority, included in the 2017 budget. These include the construction of John Meade Park and Alan Hutto Memorial Commons (\$3.7M), the construction of a new Village Center (\$4.5M) and the construction of a new Public Works Facility (\$4.7M). \$12.9 million in Certificates of Participation (COPs) have been included in the budget to fund all of the work.

Based on a \$12.9M issuance, 25 years, the Capital Fund will receive 42% of these funds (\$5,350,000) while the Parks and Recreation Fund will receive the remaining 58% (\$7,550,000) of the bond proceeds. The split for the cost of the Public Works Facility and the Village Center was based on the amount of the construction that is needed to support the City's Parks Division, as compared to the rest of the Administration and Public Works Divisions. The COP payment in 2017 for each of the respected allocations will be split as follows: \$266,651 will be paid from the General Fund operating budget and \$368,233 will be paid from the Parks and Recreation Fund.

Economic Conditions

In 2012, the City began to experience the effects of the downturn in the housing market and saw a 16% decline in property tax revenue. The City experienced an additional 4% decline in property tax revenue for 2014, which remained in 2015. The City saw a 15% increase in property tax revenue in 2016, finally bringing property tax revenue closer to pre-2012 levels. Arapahoe County has reported that Cherry Hills Village will see a slight decrease in assessed value due to valuation appeals,



Budget Message

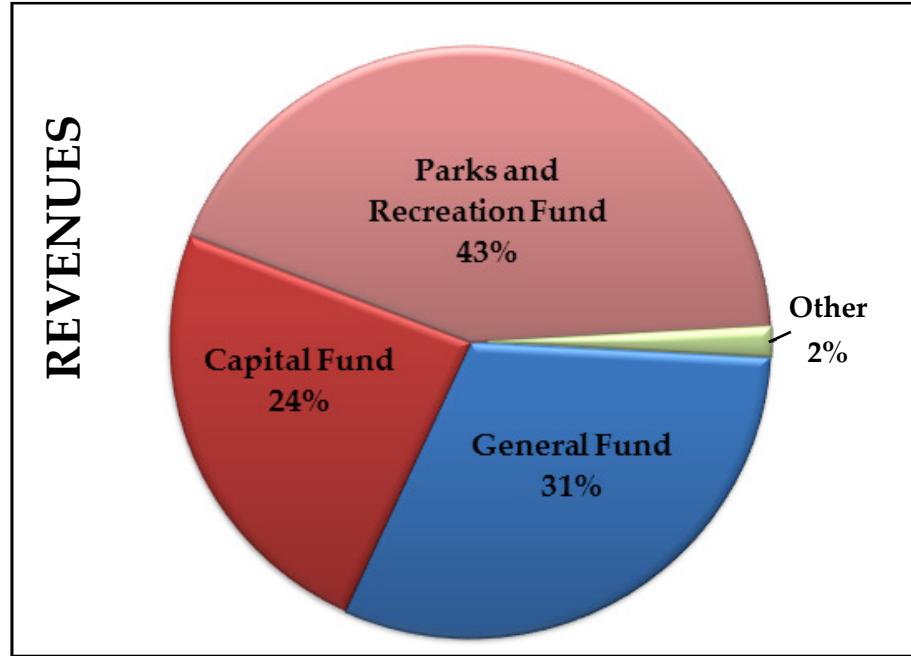
resulting in a decrease of approximately \$22,772 in property tax revenue for 2017. Staff has used several indicators to conservatively plan and estimate all other revenues for 2017. Other sources of revenue such as motor vehicle use tax, building permits and franchise fees have continued to remain steady or slightly increase.

2017 Adopted Budget-Revenues

All Funds Revenues

The City is heavily dependent on property tax revenue as the majority of our revenue source for the General Fund and the Parks and Recreation Fund. Budgeted revenues for all funds in 2017, as compared to the 2016 adopted budget, are expected to remain flat with the exception of a one-time increase of \$12.9 million in bond proceeds. The bond proceeds would be allocated into the Capital Fund (\$5.35 million) and the Parks and Recreation Fund (\$7.55 million) to finance a new Public Works Facility, a new Village Center and for John Meade Park and Alan Hutto Memorial Commons improvements. Therefore, the 2017 budget shows a total revenue of \$22 million in all funds. The overall increase is mainly due to \$3.5 million of bond proceeds in the Capital Fund to finance a new Public Works Facility.

The following graph depicts the total revenue by fund:



General Fund Revenues

The General Fund is the major operating fund of the City and is used to account for all resources that are not required to be accounted for in another fund. General Fund revenues represent thirty-one percent (31%) of the City's total revenue. Budgeted revenues for the General Fund are expected to decrease slightly from the 2016 budget by \$79,413 or 1 percent (1%).



Budget Message

Property tax continues to be the General Fund's largest source of revenue, representing approximately 36 percent (36%) of General Fund revenues. The 2017 budget for property tax reflects a slight decrease from the 2016 adopted budget of approximately \$12,623 or less than one percent (<1%).

Use tax revenue represents fourteen percent (14%) of General Fund revenues. The 2017 budget for use tax reflects a decrease from the 2016 adopted budget of seven percent (7%) or \$82,435. The decrease in use tax revenue is based on the 2016 projection and the uncertainty of vehicle sales.

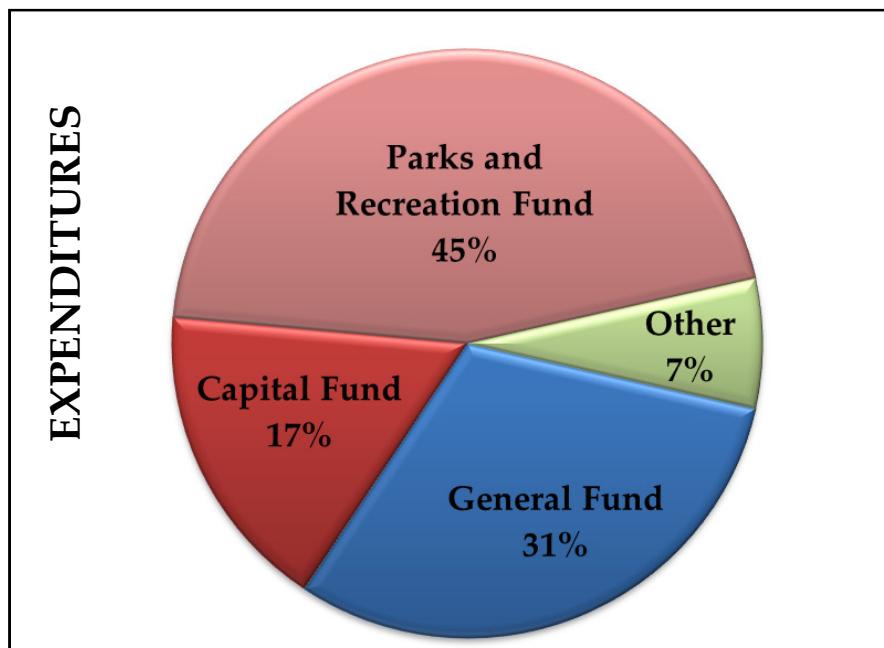
Building permit revenue represents eight percent (8%) of General Fund revenues. The 2017 budget for building permit revenue is an increase of five percent (5%) from the 2016 adopted budget based on increases we have seen in 2016.

2017 Adopted Budget-Expenditures

All Funds Expenditures

Staff has strived to minimize 2017 expenditure increases, except for instances where mandated costs (contractual obligations, legal liabilities, utilities, etc.) are fixed. Any increases beyond the 2016 budgeted amounts were presented to City Council at the budget study session. Budgeted expenditures for all funds in 2017, as compared to the 2016 adopted budget, are expected to increase approximately fifty-one percent (51%) to \$22.5 million. This increase is for the three major capital projects identified as top priority. The Capital Fund includes a \$2.8 million dollar expenditure for a new Public Works Facility and Village Center. The Parks and Recreation Fund includes a \$7.55 million dollar expenditure for their portion of the Public Works Facility and improvements to John Meade Park and Alan Hutto Memorial Commons. In addition, the General Fund includes a COP payment in the amount of \$266,651 and the Parks and Recreation Fund includes a COP payment of \$368,233.

The following is a graph of total expenditures by fund:





Budget Message

The City's full time employee count consists of 53 full-time employees and approximately 7 part-time/seasonal employees.

General Fund Expenditures

The City's total General Fund budget expenditures for 2017 are \$6,925,454 and reflect a one percent (1%) decrease from the 2016 budget. This decrease is mainly due to the appropriate allocation of Parks related expenses to the Parks and Recreation Fund.

Capital Fund Expenditures

The Capital Fund was established in 2011. Overall capital expenditures for 2017 have decreased from 2016 by two percent (2%). This decrease is due to reduced equipment purchases. The Public Works Street improvement program is slowly evolving from a repair and replace type program, to a maintenance program. This is a very cyclical program and will be more in maintenance mode for 2017.

Conservation Trust Fund Expenditures

The City's total Conservation Trust Fund budget for 2017 is \$568,500. This represents a one hundred-twenty nine percent (129%) increase from 2016. The increase in expenditures is for trail restoration, trail development, bank stabilization and the Hampden Underpass project.

Catherine H. Anderson Land Donation Fund Expenditures

The City's Land Donation Fund is funded through charges, fees imposed on development related services and donations. The City's total Land Donation Fund budget expenditures for 2017 is \$166,420, an increase of \$160,800 from the 2016 budget. In July of 2016, the City took possession of the Quincy Farm property. The additional expenditures in 2017 are for utilities, grounds maintenance and other necessary expenses related to this property.

Arapahoe County Open Space Fund Expenditures

The City's total Arapahoe County Open Space Fund budget for 2017 is \$200,000, a sixty-seven percent (67%) decrease from the 2016 budget. The decrease is mainly due to the relocation of expenditures for John Meade Park to the Parks and Recreation Fund. Similar to the 2016 adopted budget, the 2017 budget includes funding for trail and park improvements.

Water and Sewer Fund Expenditures

The City's total Water and Sewer Fund budget for 2017 is \$557,112, an increase of five percent (5%) from the 2016 budget. This increase is for necessary repairs to the sewer lines.

Parks and Recreation Fund Expenditures

The City's total Parks and Recreation Fund budget for 2017 is \$10,134,735, an increase of approximately four hundred sixty-seven percent (467%) over the 2016 budget. This increase is due to the funding for new buildings and John Meade Park.



Budget Message

2017 Adopted Budget-Fund Balance

General Fund - Fund Balance

The City Council implemented a policy that establishes the City's General Unreserved Fund Balance be minimum of six months (or approximately 50%) of current year's expenditures. The General Fund balance for 2017 is budgeted at 65% of the annual expenditures and exceeds the Fund Balance policy.

In 2016, approximately \$2 million of the General Fund balance will be transferred to the Capital Fund based on the excess above the required Fund Balance Policy amount. The General Fund balance is projected to end 2017 at approximately \$4.5 million.

Capital Fund - Fund Balance

The Capital Fund began 2016 with a fund balance of \$6.3 million. The Capital Fund is projected to end 2017 with a remaining fund balance of \$6.2 million, after a transfer in of approximately \$2 million from the General Fund in 2016.

Parks and Recreation - Fund Balance

The Parks and Recreation Fund began 2016 with a fund balance of \$2.3 million and is projected to end 2017 with a fund balance of \$1.9 million.

Conclusion

It is with great appreciation for the continued leadership and support of the Mayor and members of City Council that staff presents the 2017 budget document. I would also like to thank each of the department directors for their help in the preparation of this document. The creation of such a document is a year long process that requires the vision of Cherry Hills Village's elected leaders and the hard work and participation of the City staff. The result is a comprehensive financial plan that will guide the City through the next year as we implement City Council's goals and objectives.

It is staff's desire to produce a budget that is transparent and demonstrates accountability in the use of revenues for the provision of City services. It is our hope that we have fulfilled the residents' expectations and that this document presents the financial and policy plans in a clear, concise and understandable manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Thorsen".

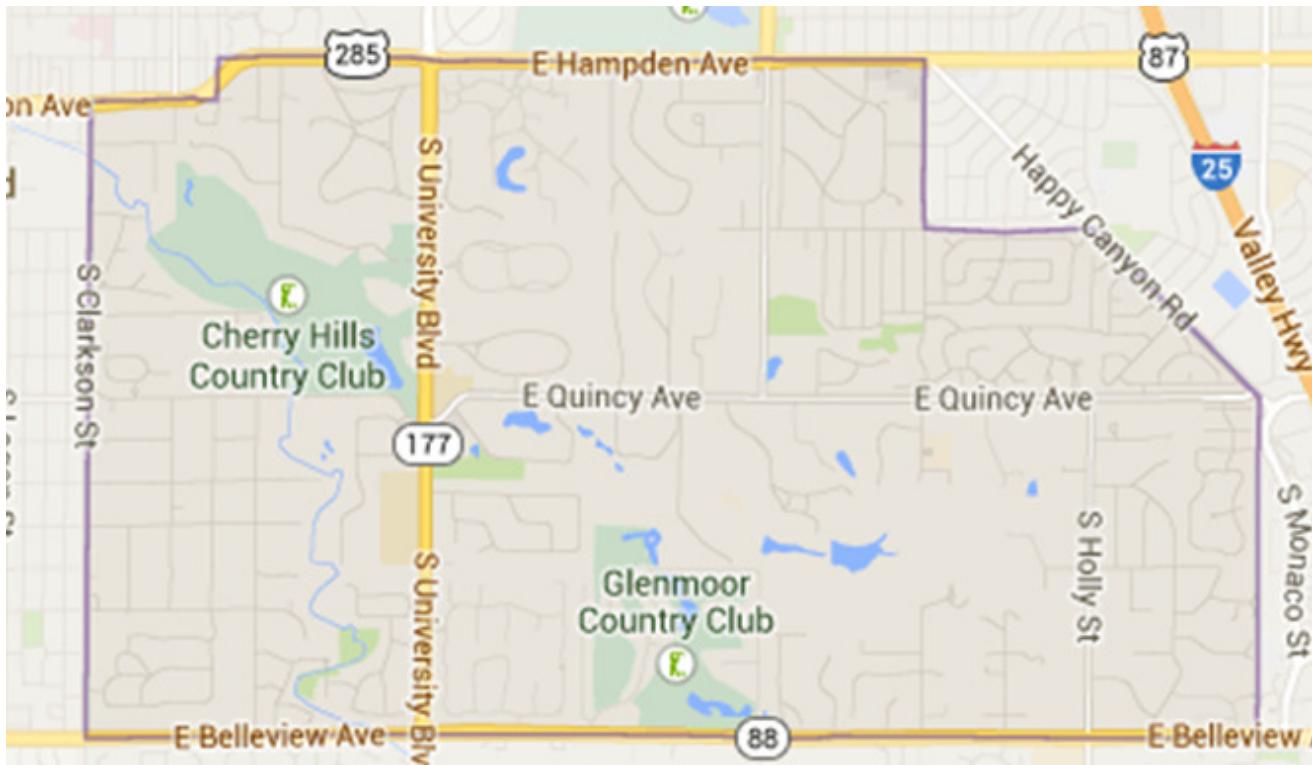
Jim Thorsen
City Manager

A handwritten signature in black ink, appearing to read "Karen L. Proctor".

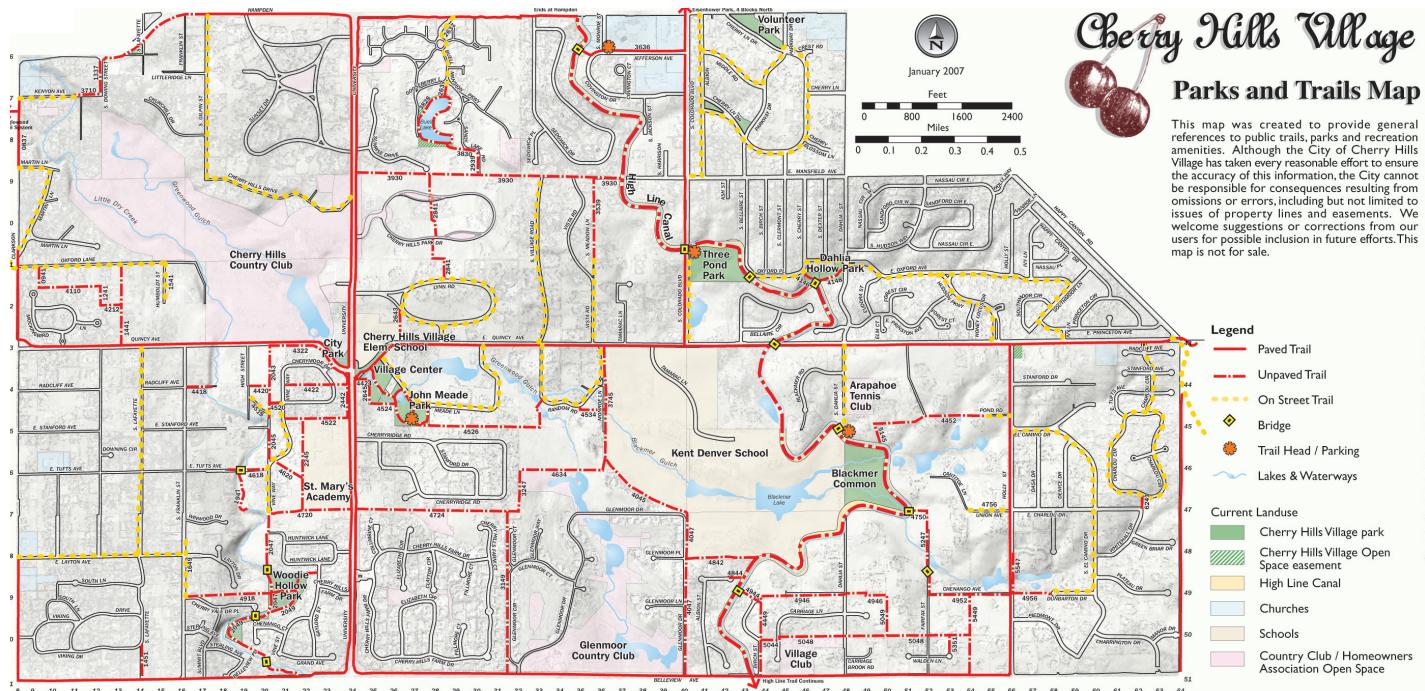
Karen L. Proctor
Director of Finance and Administration



Boundary/Trail Map



The City of Cherry Hills Village is bordered by Denver (to the north and east), Greenwood Village (to the south) and Englewood (to the west). The northern street boundary is East Hampden Avenue; the eastern street boundary is Happy Canyon Road; the southern street boundary is East Bellevue Avenue and the western street boundary is South Clarkson Street.





Demographics

History

The City of Cherry Hills Village's unique history of development and semi-rural character have shaped the community into what it is today; one of the premier communities in the Denver metropolitan area. Incorporated in 1945, the City of Cherry Hills Village is comprised of 6.5 square miles in Arapahoe County and is an integral part of the south Denver metropolitan region. The residents of the City pride themselves on their sense of community, their quality of life and their unique park and trail systems.

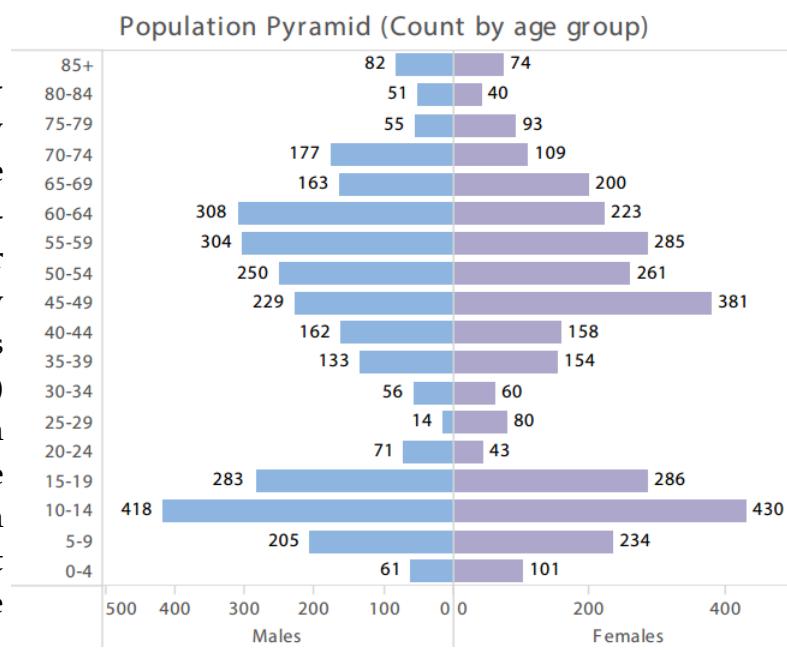
The Cherry Hills Village City Council is committed to developing the most effective means of delivering services and programs to the residents. City Council members continue to work to ensure that the Police Department, Public Works Department and all City employees are responsive to residents, businesses and customers. They sincerely believe that the City of Cherry Hills Village is the best place in the entire metropolitan area to live and raise a family. The City of Cherry Hills Village has prevailed in maintaining its semi-rural character against changing economic trends. Although new development will continue, the City strives to preserve its unique character as a quality, single-family residential community in the Denver metropolitan area.

Demographics

The City of Cherry Hills Village is 10 miles south of Denver and sits at an altitude of approximately 5,426 feet. Residents chose to incorporate in 1945. Between 1950 and 1970, the City grew from 750 residents in 1950 to 4,605 residents in 1970. There was a 23% population growth from 1980 to 2005 and a 5% population increase predicted for 2005 to 2030. The City of Cherry Hills Village is still predominantly residential. According to the 2015 Census, the population of the City registers slightly over 6,000 residents, the median age of Village residents was 46.3 and the median household income was \$237,569.

Cherry Hills Village Profile

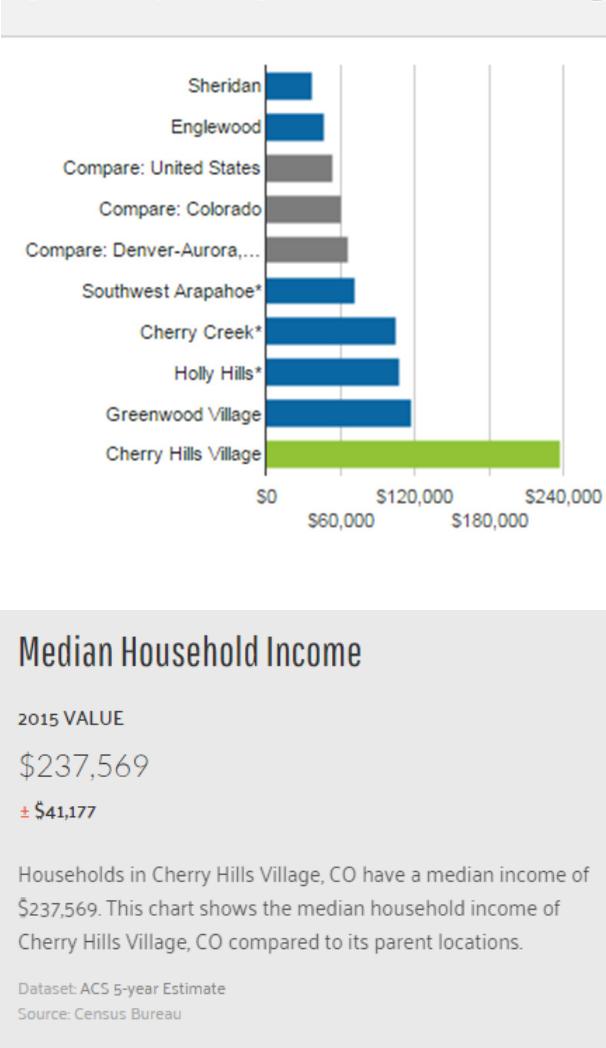
The City of Cherry Hills Village has 6 businesses located in a small commercially zoned area in its northwest corner. There are also 3 schools within the City boundaries (St. Mary's Academy, Kent Denver School and Cherry Hills Village Elementary School), two country clubs (Cherry Hills Country Club and Glenmoor Country Club) and several churches. Fire protection services are provided by South Metro Fire Rescue Authority; which has no affiliation with the City of Cherry Hills Village, but does reside in the same building as the Cherry Hills Village Police Department.





Demographics

Figure 2: Cherry Hills Village, CO Median Household Income



Cherry Hills Village Profile continued

The City boasts an exceptional parks and trails system, with over 30 miles of trails, 47 acres of parkland, rights-of-way improvement and two horse arenas. The High Line Canal passes through the City and provides continuity to the north and south. The City of Cherry Hills Village provides a full range of services, including police protection, municipal court, construction/maintenance of streets and other infrastructure, in addition to general government services. The City does not have its own post office and addresses that fall within the city limits can have one of four zip codes (80110, 80111, 80113 and 80121).

The City of Cherry Hills Village has five active Boards and Commissions. The Planning and Zoning Commission reviews all subdivision applications, rezoning requests, floodplain modifications and other development applications submitted to the City and provides recommendations to City Council on those various applications. The Planning and Zoning Commission is also responsible for the preparation of the City's Master Plan and for making recommendations to the City Council regarding updates to the Master Plan. The

Board of Adjustment and Appeals hears appeals on zoning and building code decisions and requests; as well as requests for variances to the zoning ordinance. The Parks, Trails and Recreation Commission was established to advise City Council on matters related to parks, trails, recreation and open space within the community. This Commission also provides recommendations to the City Council on preliminary plat subdivision development applications concerning the dedication of land. The Public Art Commission was established in 2011 to provide guidance in selecting, acquiring and maintaining public art within the City based on the Public Art Master Plan. The Quincy Farm Committee was created to identify and evaluate the possible opportunities presented to the City through the gift of the Quincy Farm Life Estate Catherine H. Anderson bestowed upon the City in 2007.

**The demographic data was obtained from the Denver Regional Council of Governments (DRCOG) website. DRCOG compiled the information from the "Population Data 2014" from the Colorado Department of Local Affairs and the "American Communities Survey 5-Year 2014" from the U.S. Census Bureau. Median household data was collected from Data USA based on 2015 U.S. Census Bureau statistics.



Demographics



The Cherry Hills Village Parks, Trails and Recreation Commission hosts an annual movie night at the end of August. This event is always well attended by both residents and non-residents. The attendees enjoy free popcorn, ice cream and jumping castles for the children to go along with the featured movie.





Demographics



The Parks, Trails and Recreation Commission also hosts an annual Car Show at the end of the summer for residents and non-residents to enjoy. The event allows car owners the chance to display their exotic vehicles, such as the 2006 Ford GT above or the 1989 Chevrolet Caprice below.





Demographics



Another event hosted by the Parks, Trails and Recreation Commission is the Annual Winter Celebration. This event is always well attended by residents. They can have their picture taken with Santa, ride a horse drawn carriage through the City, get their face painted and enjoy the festivities with free hot cocoa, apple cider, chili and cookies.





Elected Officials

Elected Officials and Office Terms

Cherry Hills Village is a home rule community with a Council-Manager form of government. The City is divided into six districts and a Councilmember from each is elected to staggered four year terms with term limits of two consecutive terms. The Mayor is elected at-large to two year terms with a term limit of three consecutive terms. The City Council appoints the City Manager, City Attorney, City Treasurer, Municipal Judge and City Clerk.

Article III of the City of Cherry Hills Village Charter establishes the roles and duties of the City Council. The Council is empowered to "...enact and provide for the enforcement of all ordinances necessary to protect life, health and property; to declare, prevent and summarily abate and remove nuisances; to preserve and enforce good government, general welfare, order and security of the City and the inhabitants thereof; to provide for the granting of probation and the conditional suspension of sentences by the Municipal Court; and to delegate to boards and commissions...such functions, powers and authority as proper and advisable".

Mayor



Laura Christman was elected Mayor in November of 2014 and commenced her term in January of 2015. She was re-elected for another 2 year term in January 2017. Mayor Christman, a twenty-five year resident of the City of Cherry Hills Village, practiced law for more than thirty-five years specializing in corporate real estate, finance and development. She received a BA in Economics from The Colorado College and her JD from The College of William and Mary.



Elected Officials



Pictured left to right: Mike Gallagher, Randy Weil, Earl Hoellen, Laura Christman, Katy Brown, Dan Sheldon & Al Blum

Councilmembers

Randy Weil (District 1) was elected in January 2017. His current term will be up in January 2021. Mr. Weil has been a resident of Cherry Hills Village since 2010. He has a MBA that he received from Berkeley. For the past ten years, he owned a manufacturing company, Unique Industries, and commercial real estate.

Earl Hoellen (Mayor Pro-Tem & District 2) was elected in January 2015. His current term will be up in January 2019. Mayor Pro-Tem Hoellen, a twenty year resident of the Village, spent over thirty years as an executive in the nuclear power and energy trading industries. He earned a BS in Nuclear Engineering from the University of Virginia, an MBA from the University of North Carolina, and a JD from the University of Denver.

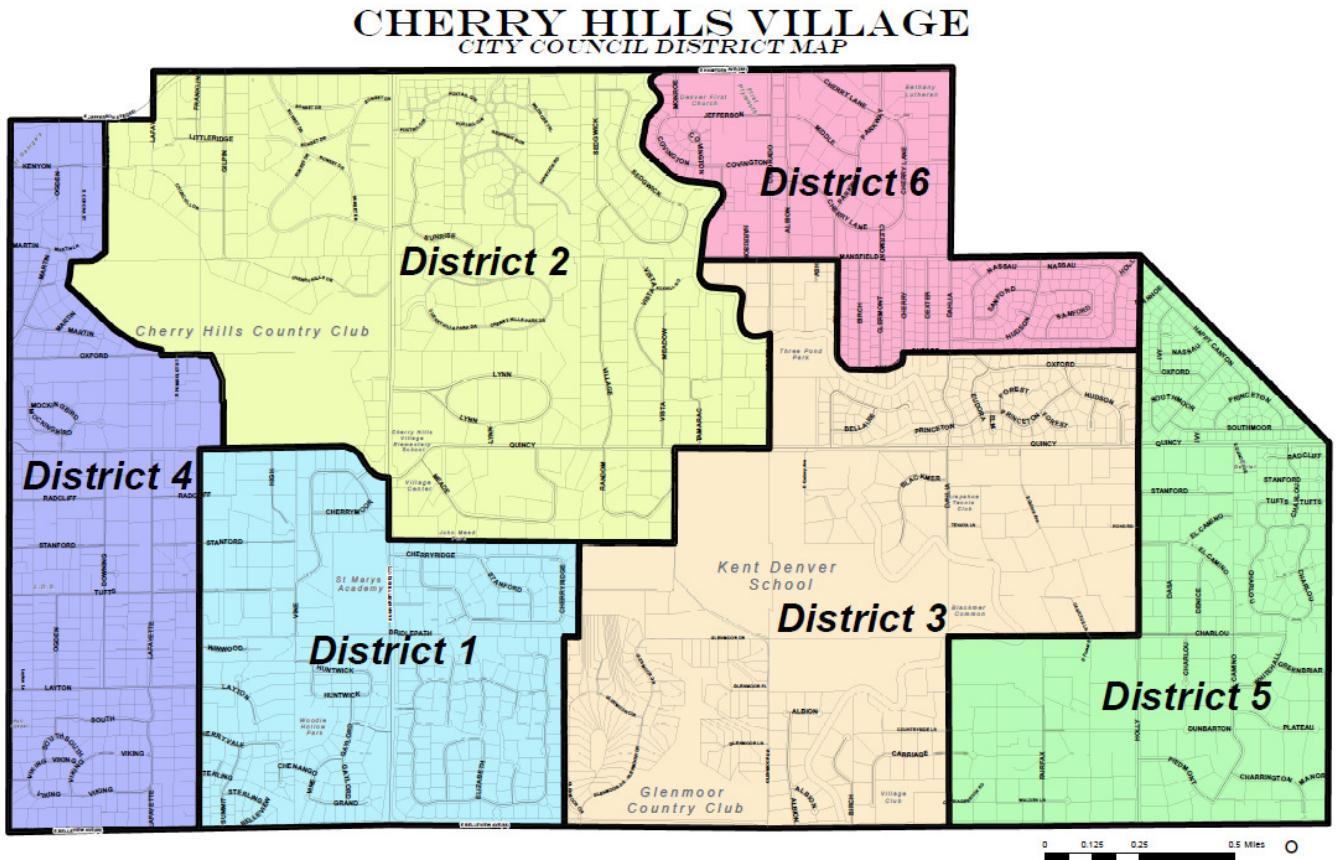
Al Blum (District 3) was elected in January 2017. His current term will be up in January 2021. Mr. Blum has been a resident of Cherry Hills Village since 1995. He holds bachelor degrees from the University of Colorado and a JD degree along with a Masters in Laws degree from the University of Denver. He is currently CEO of a homebuilding company and general counsel to a real estate development company.

Mike Gallagher (District 4) was elected in January 2015. His current term will be up in January 2019. Mr. Gallagher has been a resident of Cherry Hills Village since 1983. Since 2000, he has owned and operated Colorado Insurors Service, Inc., an independent insurance agency. He has a BA in Economics that he received from Bowdoin College and has a Chartered Property and Casualty Underwriters designation.

Dan Sheldon (District 5) was elected in January 2017. His current term will be up in January 2021. Mr. Sheldon has been a resident of Cherry Hills Village since 2007. He has a degree from the University of Colorado in Political Science. He is a 3rd generation Denver real estate developer.

Katy Brown (District 6) was appointed in November 2012. Her current term will be up in January 2019. Ms. Brown has been a resident of Cherry Hills Village since 2005. She has a BS in Computer Science and Engineering that she received from MIT and a MS in Media Arts and Sciences from MIT. Ms. Brown owns a small web development company specializing in the tourism industry.

City Council District Map



District 1: Randy Weil

District 2: Earl Hoellen

District 3: Al Blum

District 4: Mike Gallagher

District 5: Dan Sheldon

District 6: Katy Brown



Short Term Goals

Goal 1. Relocate the Public Works Facility

- * Locate a more appropriate setting for the Public Works Facility that will be able to house the equipment and personnel necessary to maintain the Cherry Hills Village streets and parks with the high level of service the residents expect.
- * Ensure the new location has enough space to function safely and effectively, while also allowing the Public Works Department to be cost effective and efficient.

Goal 2. Construct a new Village Center

- * Design and construct a new City Hall in the Village Center that is ADA accessible, includes safety and security features for staff and visitors and has adequate space for meeting rooms, offices and records storage.
- * Ensure the new location is constructed above the 100-year floodplain to remain in compliance with FEMA regulations.

Goal 3. Develop John Meade Park and Alan Hutto Memorial Commons

- * Regrade John Meade Park to improve drainage flows and reduce flooding.
- * Improve wildlife and plant habitats and restore wetlands.
- * Construct a restroom, picnic area, ADA-accessible playground and community performance area.

Goal 4. Authorize appropriate funding for three major projects

- * Review funding for the projects, such as Certificates of Participation (COPs), that will not require an increase in taxes.
- * Work with a public finance organization to establish a high level credit rating through S & P Global Ratings in order to qualify for lower interest rates on financing options.

Goal 5. Improve traffic calming efforts

- * Coordinate with appropriate jurisdictions to install a traffic signal at Glenmoor and Bellevue.

Goal 6. Upgrade sewer system

- * Investigate methods that can be used to attach sewer system to an alternate provider.



Long Term Goals

Goal 1. Maintain fiscally responsible practices that continually evaluate the cost and benefit of current and potential services in the City to ensure a balanced budget

- * Efficiently and effectively manage Cherry Hills Village revenues and expenditures.
- * Identify potential (new and existing) revenue sources.
- * Conduct a comprehensive analysis of revenues.

Goal 2. Maintain the existing land use and development pattern

- * Discourage rezoning property that would increase residential density or intensity from what is allowed through the City's current zoning regulations.
- * Maintain the City's floodplain management regulations and revise as necessary.
- * Encourage property owners to rezone floodplain areas on their property to Open Space (O-1).
- * Encourage the use of natural materials to address drainage and erosion issues or other impacts to development.

Goal 3. Promote the overall semi-rural character of Cherry Hills Village through design and maintenance of streetscapes, public lands and public facilities

- * Encourage the use of street lights and other outdoor lighting that are designed to preserve a "dark sky", while providing adequate safety.
- * Investigate standards that will accommodate all users, such as motorists, equestrians, pedestrians, bicyclists and at the same time maintain the semi-rural character of the City.
- * Consider pedestrian improvements for school-safe zones at street crossings and along major roads adjacent to schools.

Goal 4. Enhance public outreach and continue to provide excellent customer service to Cherry Hills Village residents

- * Maintain the high level of award winning service provided by the Cherry Hills Village Police Department.
- * Update the Cherry Hills Village website to include the streaming of videos.



Strategic Plan

Goal 5. Increase training and communication for all Cherry Hills Village employees

- * Create an ongoing training schedule that will provide employees with increased training in the areas of diversity, ethics, harassment.
- * Increase inside and outside training opportunities for employees.
- * Enhance new employee orientation as needed.

Goal 6. Increase and protect the amount of City owned open space while identifying and protecting key scenic treasures

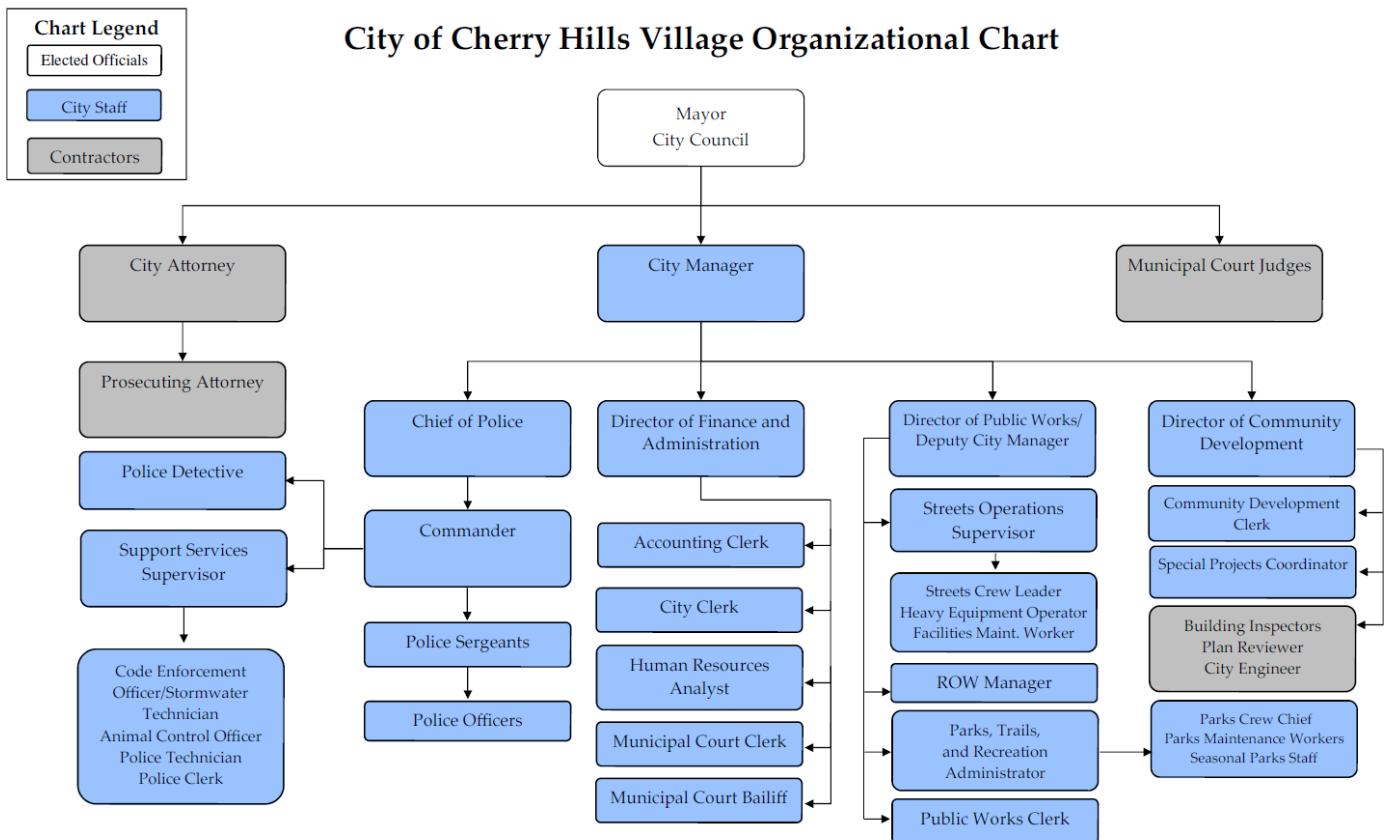
- * Encourage open area preservation and open space acquisition through conservation easements, deed restrictions, recreational easements and other land use restrictions.
- * Develop an inventory of potential open space sites, historic properties, scenic areas and scenic vistas in the City that can be preserved both practically and economically and that provide public value in that they contribute to openness, provide scenic views or support the preservation of public trails, natural open spaces, wetlands and wildlife habitats.
- * Establish the necessary City processes, including a process of working with residents, to find, acquire and protect open space, scenic areas and scenic vistas.
- * Develop design standards for structures and facilities in public areas that encourage blending into the natural setting and that minimize impact on the environment and on scenic vistas.

Goal 7. Preserve, maintain and improve the current trail system while identifying opportunities to establish new parks through land dedication, donation and acquisition

- * Identify and investigate opportunities to fill in gaps in the trail system and to increase connectivity with open space and City parks, especially the Village Center and John Meade Park.
- * Implement consistent, functional design standards for trail markers, signage, bridges and installed (manmade) elements such as trash cans, sign posts and benches.
- * Develop natural, sustainable and low water consuming landscapes in City parks through energy efficient and other innovative technologies and environmentally sensitive sign design.
- * Establish parks that are dedicated to preservation of views, wildlife corridors and water habitats.
- * Continue to sponsor special events within the City, such as the Exotic Car Show, Movie Night and the Annual Winter Celebration.

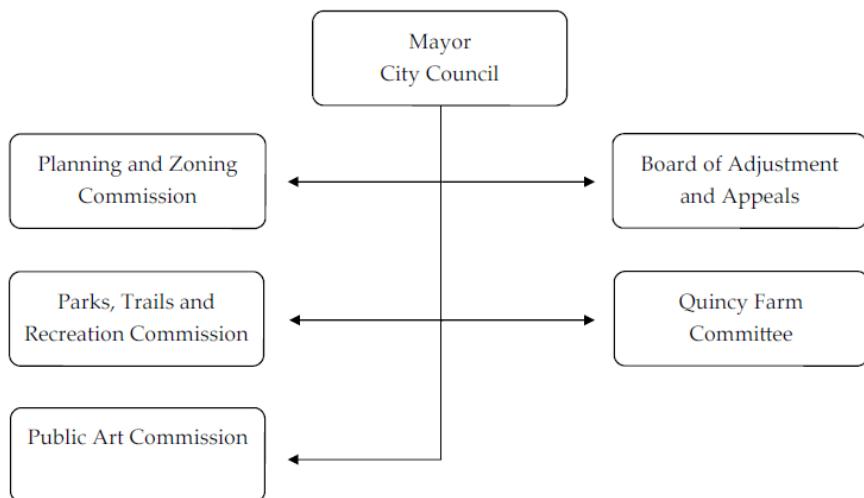


Organization



**Fire services are provided by South Metro Fire; which is a completely separate entity from Cherry Hills Village.

Boards and Commissions





City Structure

Administrative Positions	2012	2013	2014	2015	2016	2017
City Manager	1	1	1	1	1	1
Director of Finance & Administration	1	1	1	1	1	1
Accounting Clerk			1	1	1	1
City Clerk	1	1	1	1	1	1
Human Resource Analyst	1	1	1	1	1	1
Municipal Court Clerk	1	1	1	1	1	1
Bailiff	0.5	0.5	0.5	0.5	0.5	0.5
Police Department Positions						
Police Chief	1	1	1	1	1	1
Police Lieutenant/Commander	1	1	1	1	1	1
Sergeants	4	4	4	4	4	4
Police Officers	16	16	16	17	17	17
Support Services Supervisor			1	1	1	1
Evidence Technician	1	1	1	1	1	1
Detective	1	1	1	1	1	1
Code Enforcement Off/Stormwater Technician	2	1	1	1	1	1
Animal Control Officer	1	1	1	1	1	1
Police Clerk	1	1	1	1	1	1
Public Works/Parks Positions						
Public Works Director	1	1	1	1	1	1
Parks, Trails & Recreation Administrator	1	1	1	1	1	1
Street Operations Supervisor	1	1	1	1	1	1
Streets Crew Leader	1	1	1	1	1	1
Parks Crew Leader	1	1	1	1	1	1
Project and Right of Way Manager			1	1	1	1
Heavy Equipment Operators	3	3	3	3	3	3
Parks Maintenance Workers II	3	3	3	3	4	4
Public Works Administrative Assistant	1	1	1	1	1	1
Janitors/Facilities Maintenance Worker	2	2	2	1	1	1
Seasonal Parks Workers	6	6	6	6	6	6
Community Development Positions						
Planning Manager/Community Development Director	1	1	1	1	1	1
Community Development Clerk	1	1	1	1	1	1
Special Projects Coordinator	0	1	1	1	1	1
City Wide Totals	55.5	55.5	58.5	58.5	59.5	59.5



City Structure

Employees and Benefits

Cherry Hills Village has 53 full-time employees, 1 part-time employee and an average of 6 seasonal employees. Cherry Hills Village reviews the Colorado Municipal League Compensation Analysis and the Mountain States Projection and Planning Survey along with other resources to determine annual salary adjustments. The City offers health insurance benefits to all employees that work twenty or more hours per week. Full-time employees that decline the City's coverage have the option of receiving a flat \$1,000 into a healthcare flexible spending arrangement account or a cash equivalent that will be deposited in increments throughout the year. Other Cherry Hills Village benefits include: dental insurance, life insurance, long-term disability insurance, short-term disability insurance, worker's compensation insurance, flexible spending account plans, retirement benefits, Roth IRA plan, deferred compensation plan, employee assistance plan, holiday leave, paid time off, bereavement leave, alternative scheduling, computer loan program and tuition reimbursement.

Cherry Hills Village City Services

The City of Cherry Hills Village is comprised of a number of different departments that provide essential services to the residents. These departments strive to maintain and enhance the quality of life that the Cherry Hills Village residents enjoy. They include:

- Administration/Finance Department
- Animal Control
- Code Enforcement/Stormwater Technician
- Community Development
- Municipal Court
- Parks, Trails and Recreation
- Public Works
- Police Department

Administration Department

The administration team is made up of the City Manager, Director of Finance & Administration, City Clerk, Municipal Court Clerk, Accounting Clerk and Human Resource Analyst. The City Manager serves at the direction of the City Council and is responsible for the general financial and personnel administration of the City. Additionally, the City Manager oversees the daily administration and management of all City departments and provides monthly reports to the Council on activities and projects performed by the departments. There are no expected changes to personnel counts for the Administration Department in 2017.

The City Manager's office is at the center of City operations. The City Manager is responsible for the design, implementation and oversight of all programs necessary to meet the City Council's mission, commitment to residents and community values. The City Manager sets the standard for the City, which provides quality service to the public. The City Manager also provides the executive management, leadership, guidance and support for the City government and oversees the City's image and reputation. Finally, the City Manager is responsible to the City Council for the administration of all business within the City limits and is required to present the annual budget to the City Council for approval.

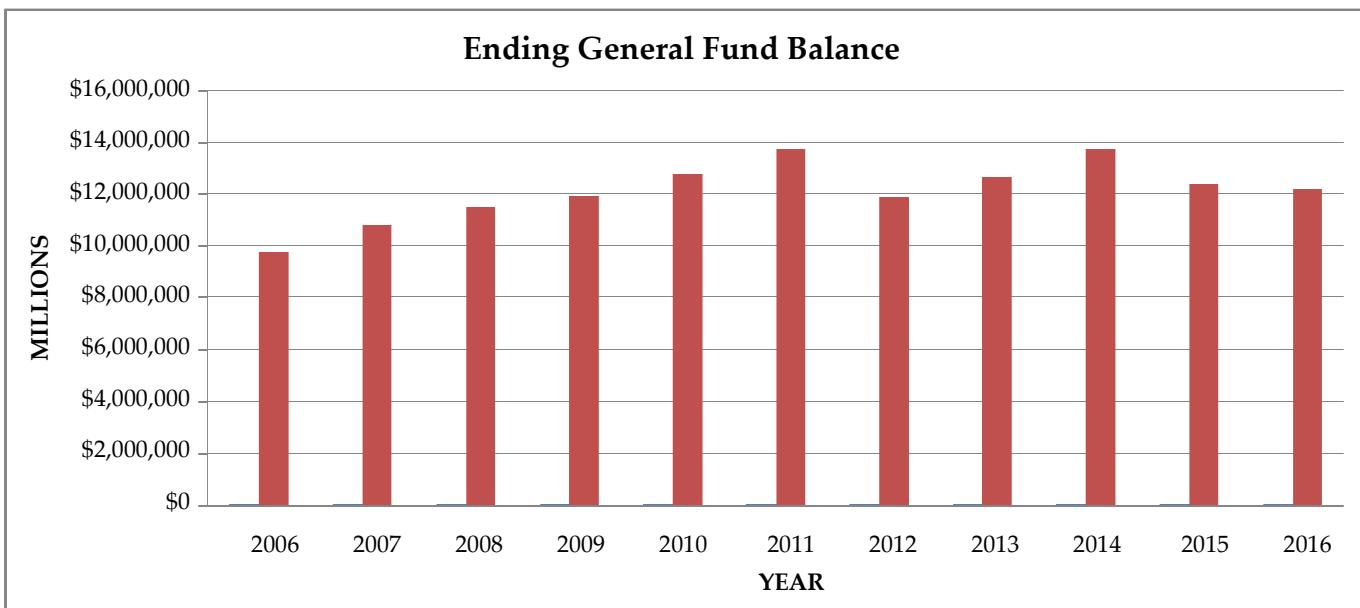


City Structure

Administration Department continued

The Department of Finance and Administration consists of four primary functions, including the following: Finance, City Clerk, Human Resources and Municipal Court. The Finance & Accounting Department performs all financial functions for the City of Cherry Hills Village. These functions include budgeting, financial analysis and reporting, cash and debt management, investments, accounts payable, utility billing, sales tax collection, payroll and maintenance of the fixed asset inventory.

The Finance Department is also charged with maintaining an unreserved fund balance for the General Fund equivalent to a minimum of six months of the current year's expenditures less capital outlay and transfers out budgeted for the fund. The 2016 ending fund balance for the General Fund and Capital Fund was \$12.2 million. A 10 year review of the fund balance for Cherry Hills Village is charted below:



The duties and responsibilities of the City Clerk are set forth in State statutes as well as the City's Charter and ordinances. The City Clerk is appointed by the City Council and serves as the Secretary to the Council. Other duties assigned to the City Clerk include the following: seal and attest all legal documents, conduct municipal elections, issue business and liquor licenses and serve as Deputy County Clerk and Recorder for purposes of voter registration. The City Clerk prepares all City Council meeting minutes, ordinances and resolutions and is the official custodian of the City's public records. The City Clerk is also responsible for the legal retention of all documents of the City and for preservation of all archival documents. The City Clerk's office compiles the bi-weekly City Council packets; publishes legal notices and codification of the municipal code and administers the City's website and Cable Channel 22.

Human Resources' responsibilities include new-hire orientation, benefits administration, retention and recognition programs, worker's compensation and property casualty claim administration, risk management, employee relations, compensation and benefits package analysis, employment-related policy updates, applicant recruitment, applicant selection process (including interviewing as



City Structure

Administration Department continued

needed and conducting background screening) and other miscellaneous employment-related functions.

The Cherry Hills Village Municipal Court processes citations for traffic, parking and code violations, accepts payment for fines and schedules court appearances. Municipal Court is held every other Wednesday morning and is presided over by Judges James Turre and Jeff Welborn. The jurisdiction of the Municipal Court has been authorized to issue local rules adopted by the State of Colorado Model Traffic Code, along with other various City ordinances.

Key Performance Measures				
	2013	2014	2015	2016
Meet or Exceed Annual Budget	Exceeded	Exceeded	Exceeded	Exceeded
Maintain or Increase General Fund/ Capital Fund Balance	\$658,704	\$1,105,237	\$273,230	(\$99,548)*
Employee Turnover below 12%	11%	8%	17%	13%
Reduce Number of Property Casualty Claims (less than 5)	1	4	8	4
Reduce Number of Worker's Compensation Claims (less than 5)	3	6	5	0

* Purchase of land for new Public Works Facility. To be reimbursed from COP proceeds in 2017.

Goals and objectives of the Administration Department:

- Conservative fiscal management
- Provide excellent customer service
- Continual training and education for employees
- Remain a competitive employer
- Leadership development and transitional training
- Minimal worker's compensation and property casualty claims
- Increase financial transparency
- Establish a 10% vehicle accident goal to comply with CIRSA program

Challenges

- Flat revenue with an increase in service requests/expenses
- Complete three major capital projects over the next two years

Program Measures

The Administration Department will measure the success of several of the objectives defined above by analyzing the employee turnover rate at the end of every year. It will also measure the success of how well it maintained fiscal conservancy by analyzing the department's expenditures versus revenue at the end of every year. The department is also working on a system to solicit customer service feedback in order to measure the level of customer service provided.

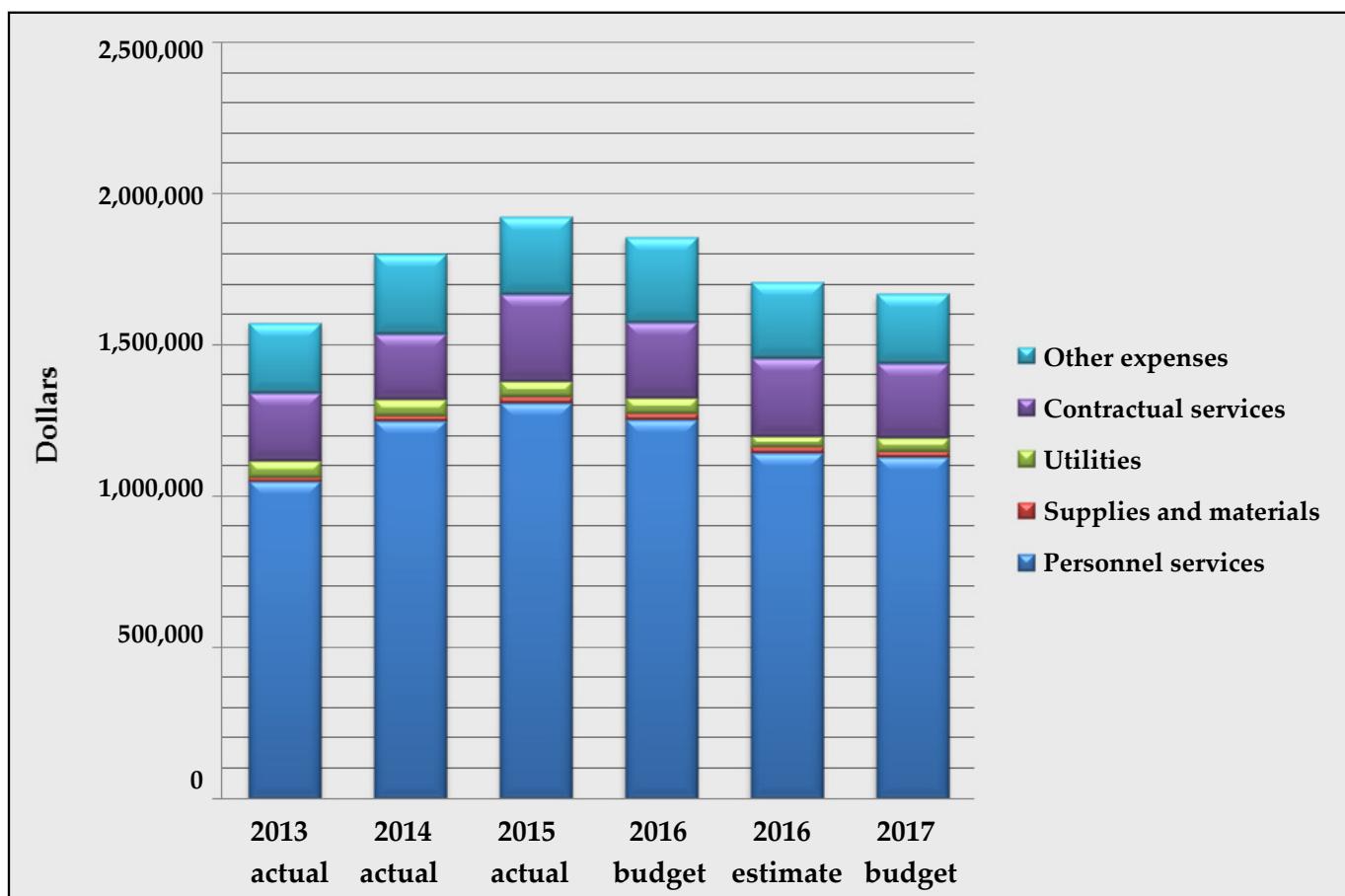


City Structure

Administration Department continued

The total Administration Department expenditures by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Personnel services	1,049,029	1,250,173	1,309,437	1,253,666	1,143,441	1,128,553
Supplies and materials	14,553	16,620	21,074	21,280	19,410	20,000
Utilities	54,958	53,863	50,400	52,136	37,270	43,872
Contractual services	223,927	215,428	287,636	248,705	258,744	246,827
Other expenses	230,168	262,947	255,733	281,092	248,086	228,581
Total Administration expenses	\$1,572,634	\$1,799,030	\$1,924,281	\$1,856,880	\$1,706,952	\$1,667,833





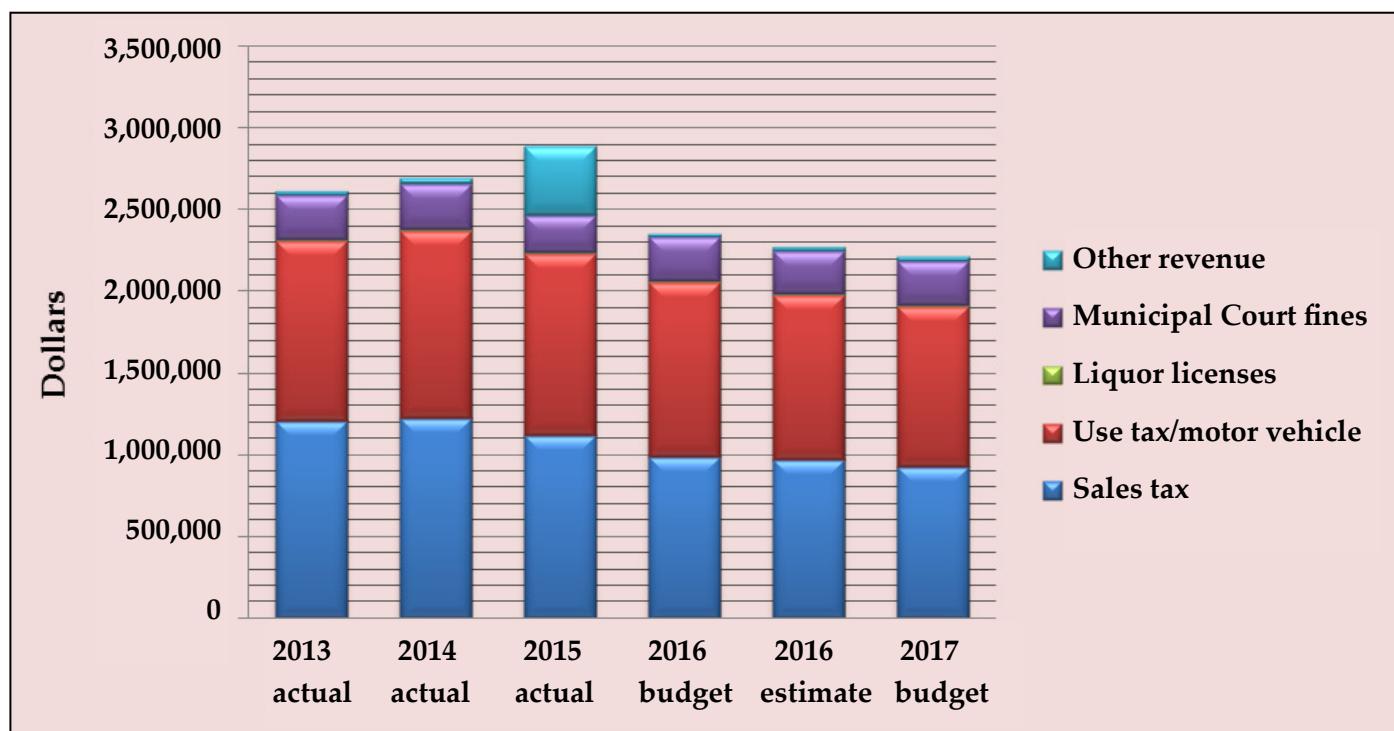
City Structure

Administration Department continued

The total Administration Department revenues by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Sales tax	1,205,914	1,225,012	1,122,134	991,232	973,811	925,000
Use tax/motor vehicle	1,101,958	1,146,976	1,105,996	1,066,887	1,006,797	984,452
Liquor license	7,150	8,350	7,025	7,201	7,441	6,328
Municipal Court fines	277,314	278,297	228,886	270,000	260,762	270,000
Other revenue	23,818	35,079	426,326*	20,000	23,257	30,000
Total Administration revenue	\$2,616,154	\$2,693,714	\$2,890,367	\$2,355,320	\$2,272,068	\$2,215,780

* In 2015, Cherry Hills Village residents donated \$349,979 towards the purchase of a Deborah Butterfield statue.





City Structure

Police Department

The Cherry Hills Village Police Department contributes to the safety of persons and property within the City by providing law enforcement, animal control and code enforcement services. Members of the department provide police service through proactive crime prevention, criminal investigation, traffic enforcement, animal control, code enforcement, stormwater enforcement, disaster preparedness, a school resource officer, public information and assistance with various non-criminal matters. Educating the public and establishing strong alliances between the Police Department and our residents has proven to be the most effective way to gain support for crime reduction and enhancing public safety within the City.

The mission of the Cherry Hills Village Police Department is to promote strong community partnerships while providing courteous, professional and ethical police services. The Cherry Hills Village Police Department employees are dedicated to an ethical work environment within the agency with both criminal and non-criminal issues. There are no expected changes to personnel counts for the Police Department in 2017.

Goals and objectives of the Police Department:

- Research implementation of social media applications to enhance communication between the Police Department and residents such as Next Door and other applications.
- To reduce accidents at the top two collision locations by selective enforcement.
- To identify areas of concern and respond with appropriate enforcement, education and engineering efforts in order to enhance the traffic safety of residents traveling throughout the City; to include pedestrian and bicycle safety.
- To certify as many officers as possible in Crisis Intervention Training (CIT) in order to enhance the Department's response to mental health issues in the community.
- Enhance community outreach by coordinating the National Night Out event and assisting the City with other scheduled events such as the Barn Tour, Car Show and Movie Night.
- To provide all sworn personnel the opportunity to attend at least two sessions of firearms training utilizing the simulator at the Douglas/Arapahoe County Range facility; as well as training in active shooter scenarios and use of the ballistic shield. This type of training will incorporate skills necessary to appropriately respond to incidents in school environments, de-escalation, firearms, arrest control, report writing and incident debriefing with a detective.

Program Measures

The Police Department will measure the success of accident reduction by analyzing the accident rate percentage at two key locations (East Hampden Avenue at South Colorado Boulevard and East Hampden Avenue at South University Boulevard; which are the top two accident locations in the City). The department will also measure its effectiveness to identify areas of concern from residents by responding with extra patrols and selective traffic enforcement within the City limits.



City Structure

Police Department continued

Key Performance Measures				
	2013	2014	2015	2016
Total number of traffic accidents	313	283	259	260
Number of Officers certified in Crisis Intervention Training	2	2	9	5
Reduce number of theft, criminal mischief & burglary cases to less than 90	75	97	67	62
Reduce on the job injuries resulting in lost time to less than 5	4	2	0	2

The total Police Department expenditures by category for a 5 year period are listed below:

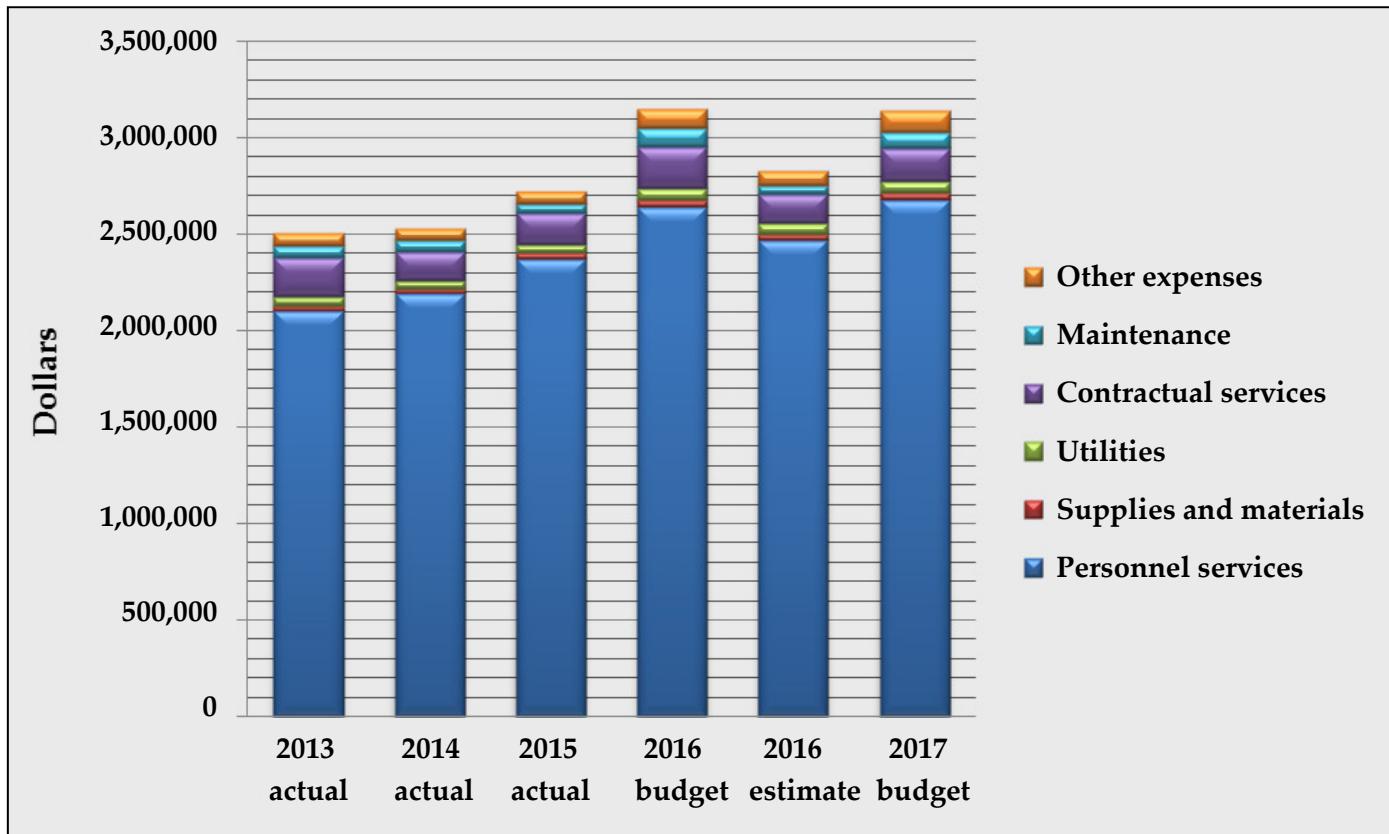
	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Personnel	2,107,889	2,196,065	2,372,641	2,642,091	2,472,813	2,677,908
Supplies and materials	22,159	21,395	33,528	34,730	29,780	36,300
Utilities	45,153	41,415	41,156	61,800	54,138	58,960
Contractual Services	207,332	152,409	163,631	213,779	154,458	173,915
Maintenance	59,170	57,352	48,998	96,225	44,222	80,150
Other expenses	65,552	60,452	63,446	103,600	75,778	112,100
Total Public Safety expenses	\$2,507,255	\$2,529,088	\$2,723,400	\$3,152,225	\$2,831,190	\$3,139,333



City Structure

Police Department continued

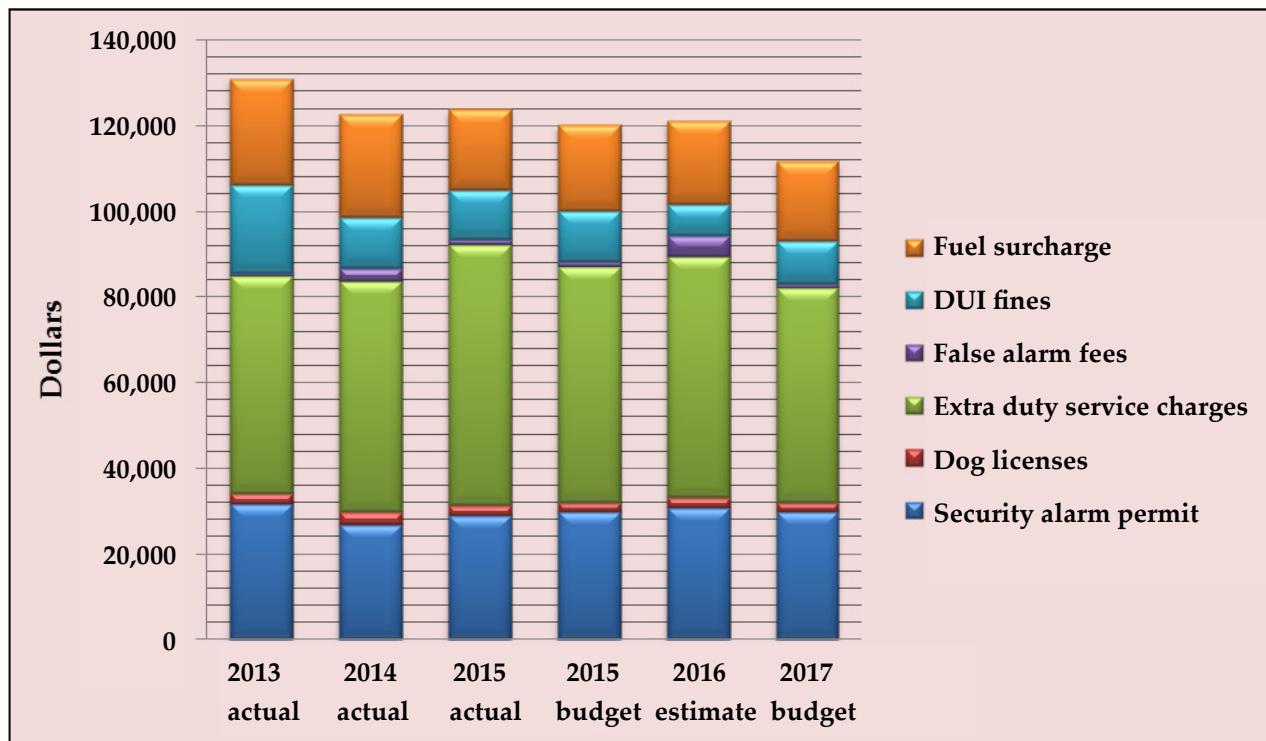
The total Police Department revenues by category for a 5 year period are listed below:



	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Security alarm permit	31,600	26,950	29,119	30,000	30,825	30,000
Dog licenses	2,620	2,990	2,330	2,200	2,310	2,200
Extra duty service charges	50,645	53,740	60,689	55,000	56,285	50,000
False alarm fees	600	3,100	1,200	1,000	5,100	1,000
DUI fines	20,841	11,886	11,754	12,000	7,227	10,000
Fuel surcharge	24,625	23,965	18,640	20,000	19,340	18,500
Total Public Safety revenue	\$130,931	\$122,631	\$123,732	\$120,200	\$121,087	\$111,700



Police Department continued



Public Works Department

The Public Works Department is dedicated to maintaining and improving the quality of life in Cherry Hills Village by planning for future needs of streets and parks, promoting environmental quality, building and maintaining municipal infrastructure, managing public capital improvement projects and protecting health and safety. In addition, the Department provides for the design, construction, operation and maintenance of public works and related services within the City. In 2014, the Public Works Department was awarded accreditation status by the American Public Works Association (APWA). Cherry Hills Village is the 94th agency in the nation to achieve accreditation through APWA.

The Public Works Department is responsible for general management, operation and care of the infrastructure found in the City's right-of-way including: streets, bridges, curbs, gutters, trails, traffic, traffic signage, street striping, storm drain system, irrigation, street sweeping, entry features and tree trimming, right-of-way permits and inspections, snow removal as well as general management operation and care of City facilities and properties.

Another component of the Public Works Department is the Parks Division. The Parks Division is dedicated to enhancing the quality of life for all residents of Cherry Hills Village by providing a variety of opportunities that encourage physical and social health, community pride, relaxation and enjoyment of the City's open space, trails and parks. The Parks Division maintains over 30 acres of parks and open space lands as well as over 26 miles of bridal paths and hard surface trails.

The mission of the Public Works Department is to provide superior quality, safe and appropriate infrastructure and natural areas for all residents. By establishing positive relationships with the community, the Department is able to provide effective, safe and well managed streets, parks and



City Structure

public facilities. The Department will be stewards of the environment and be fiscally responsible in all aspects of its operation. All Public Works employees will be highly qualified individuals and will be provided with the opportunity to continually increase their knowledge through education and training. The vision for the Public Works Department is to be a well managed, highly effective department that responds to the current and future needs through creativity and innovation in order to maintain and enhance the community's essential infrastructure and natural resources. There are no expected changes to personnel counts for the Public Works Department in 2017.

Goals and objectives for the Public Works Department:

- Ensure that all employees have a healthy, safe and secure work environment by limiting on the job accidents
- Achieve high levels of customer service and satisfaction
- Enhance the quality of life for residents by implementing proactive programs to improve all City owned rights-of-way and natural resource areas
- Operate, maintain and improve the City's streets to optimize their intended function, serve residents' needs, protect property, health and safety and meet the needs of the residents in the future
- Develop and maintain exceptionally qualified and well-trained employees
- Ensure capital accounts do not exceed budgeted expenditures

Program Measures

The Public Works Department will develop tools that can be implemented to measure the level of customer service that is provided to residents and contractors. The department currently measures the level of customer service provided throughout the year by analyzing the number of work requests that were completed. The department measures its commitment to developing and maintaining exceptionally qualified and well-trained employees by holding mandatory monthly safety trainings, annual customer service and ethics trainings and periodic OSHA, defensive driving, flagger certification and worker's compensation trainings; because of this commitment, the Public Works Department and Parks Division experienced an accident and injury free year in 2016.

Key Performance Measures

	2013	2014	2015	Forecast 2016
Over/Under (+/-) budget for Capital Street Improvement Program	-\$62,042	-\$53,967	-\$6,256	-\$44,923
Over/Under (+/-) budget for Capital Crack Seal Program	-\$15,200	-\$13,630	-\$9,883	-\$6,352
Over/Under (+/-) budget for Capital Curb & Gutter Program	\$12,035	\$27,693	-\$39,511	-\$6,868
Work requests processed	83	110	184	155
Reduce on the job injuries resulting in lost time to less than 4.	2	2	2	0

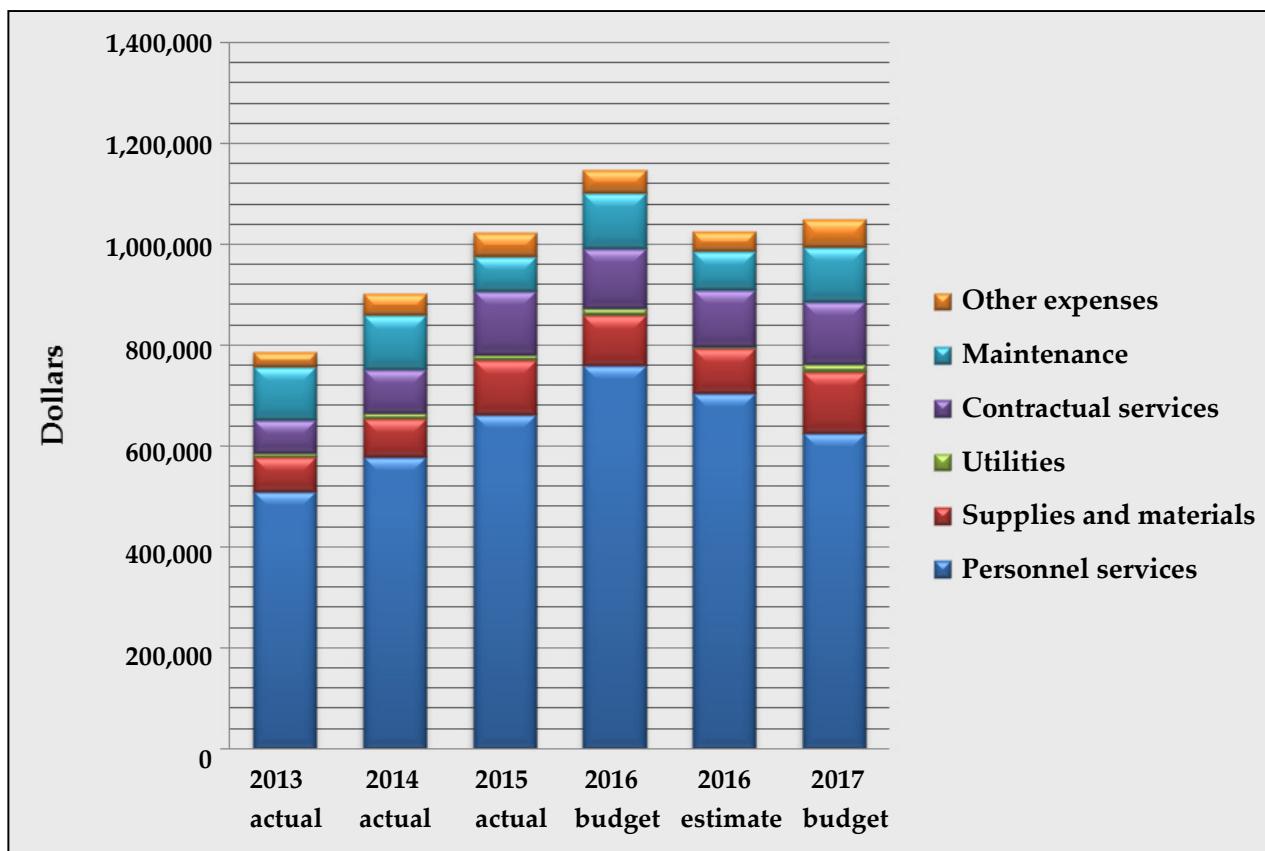


City Structure

Public Works Department continued

The total Public Works Department expenditures by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017
Personnel services	509,067	578,939	662,909	760,232	705,130	626,729
Supplies and materials	68,863	75,080	107,681	98,900	88,020	121,500
Utilities	8,136	11,838	9,650	14,150	4,900	14,150
Contractual services	66,725	87,526	127,167	119,500	112,529	124,500
Maintenance	105,680	105,914	69,858	108,500	76,774	108,500
Other expenses	28,905	42,176	44,896	46,000	37,458	54,000
Total Public Works expenses	\$787,375	\$901,474	\$1,022,162	\$1,147,282	\$1,024,810	\$1,049,379



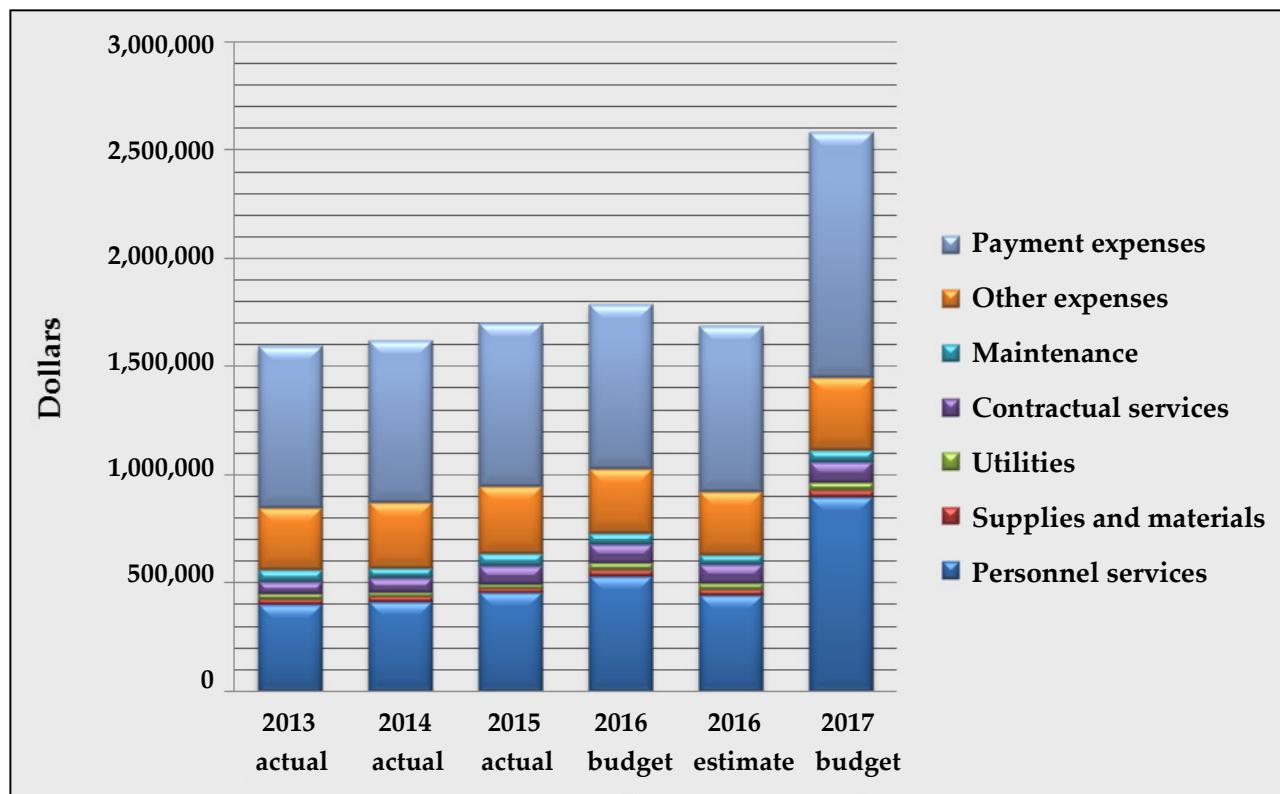


City Structure

Public Works Department continued

The total Parks Division expenditures by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017
Personnel services	404,131	416,432	456,230	533,004	444,597	901,467
Supplies and materials	23,234	24,910	22,237	29,250	28,713	30,900
Utilities	26,987	19,712	19,602	33,200	26,814	33,200
Contractual services	56,386	64,040	82,157	87,877	87,204	97,298
Maintenance	53,606	47,530	57,095	50,500	46,243	51,500
Other expenses	284,053	299,994	310,688	293,944	292,681	340,029
Payment expenses	747,426	748,625	753,550	759,974	759,973	1,130,342
Total Parks Division expenses	\$1,595,826	\$1,621,244	\$1,701,558	\$1,787,749	\$1,686,225	\$2,584,736



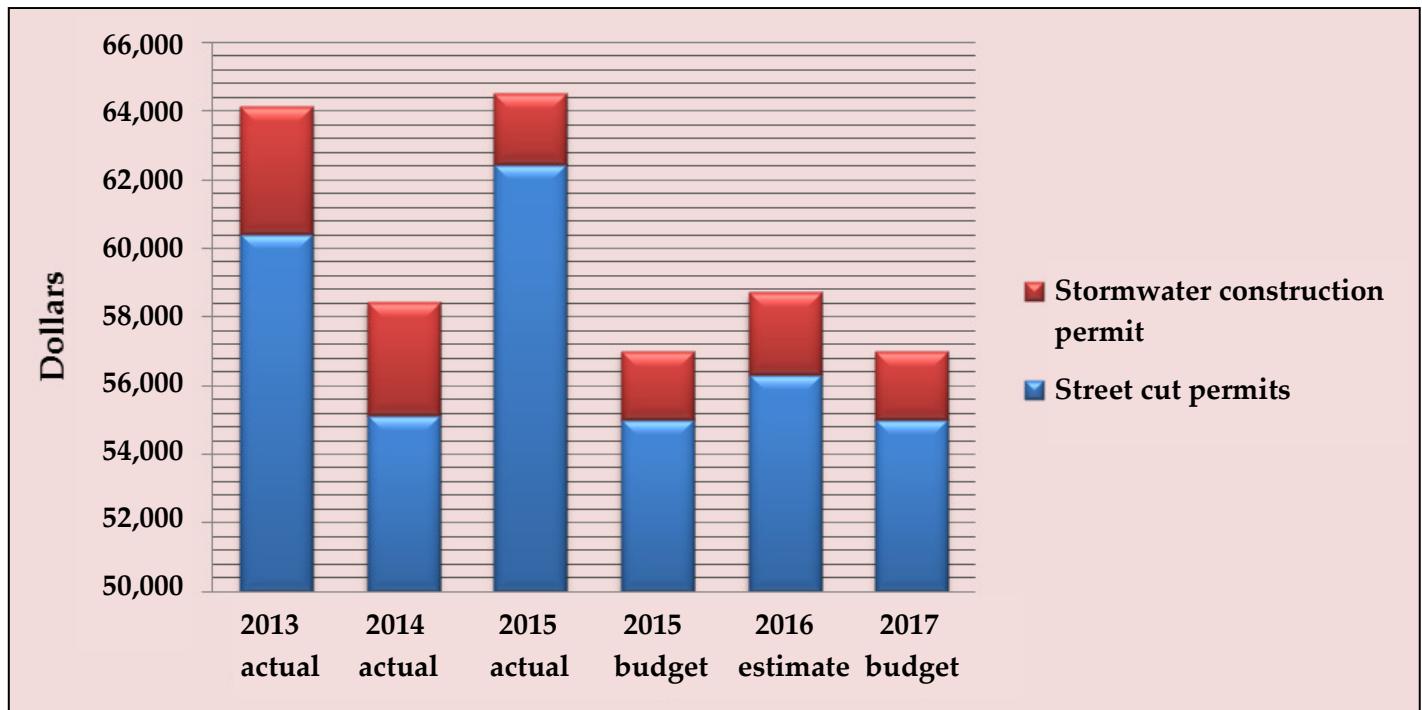


City Structure

Public Works Department continued

The total Public Works Department revenues by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Street cut permits	60,416	55,154	62,438	55,000	56,318	55,000
Stormwater construction permit	3,720	3,300	2,100	2,000	2,400	2,000
Total Public Works revenue	\$64,136	\$58,454	\$64,538	\$57,000	\$58,718	\$57,000



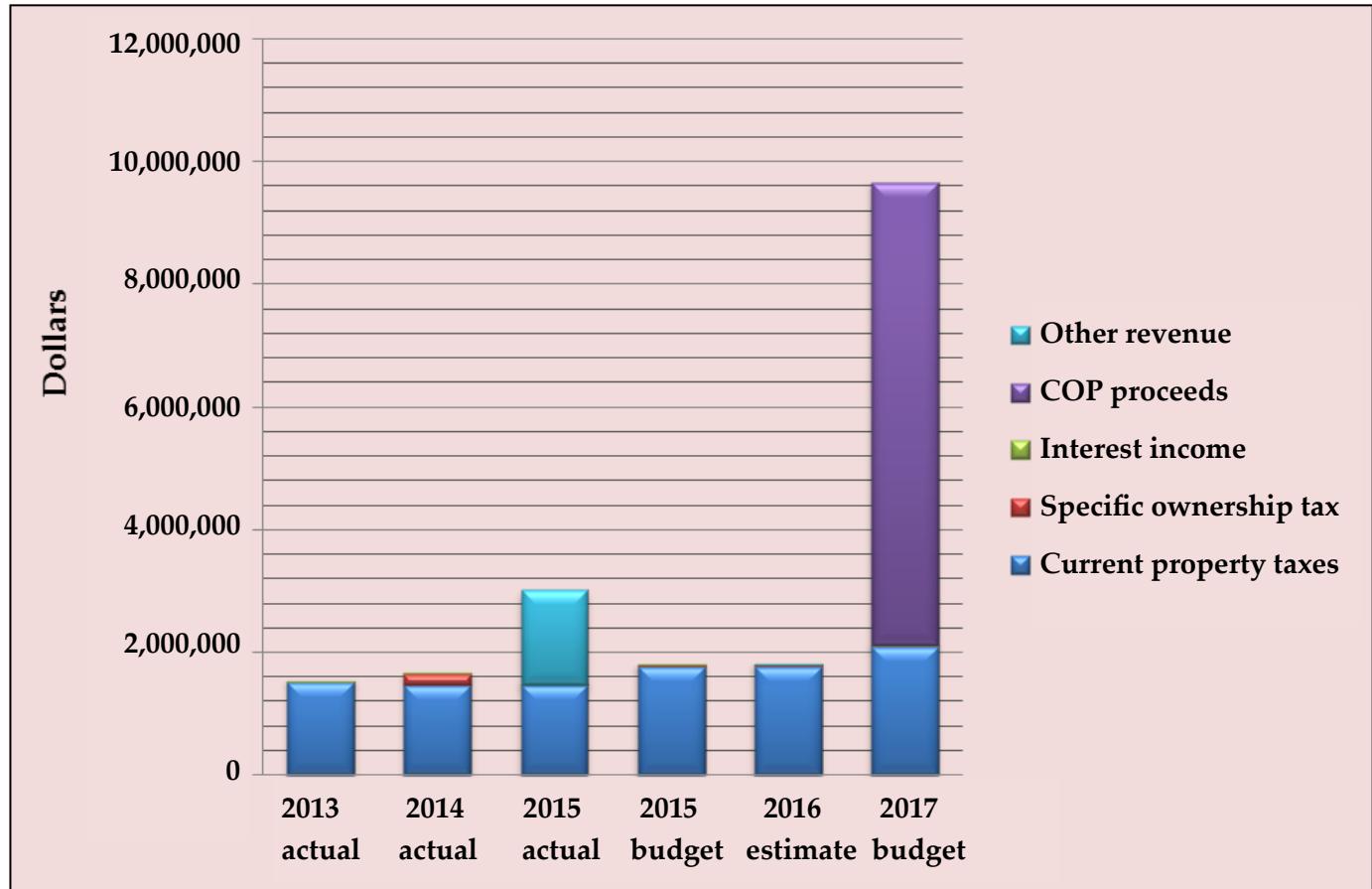


City Structure

Public Works Department continued

The total Parks Division revenues by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Current property taxes	1,517,820	1,466,977	1,471,282	1,772,749	1,772,749	2,099,817
Specific ownership tax	0	177,750	0	10,000	10,000	0
Interest income	8,781	4,761	6,251	5,000	14,473	15,000
COP proceeds	0	0	0	0	0	7,550,000
Other revenue	0	0	1,542,491	0	1,869	0
Total Parks Division revenue	\$1,526,601	\$1,649,488	\$3,020,024	\$1,787,749	\$1,799,091	\$9,664,817





City Structure

Community Development Department

The Community Development Department oversees the implementation of the City's Master Plan and all construction-related activities within the City. More specifically, it is responsible for the enforcement of municipal ordinances relating to the subdivision of land, zoning regulations, floodplain management, building codes and coordination of utility services. The Community Development Department reviews building permit applications for compliance with all applicable building codes and performs all necessary building inspections during the construction process. In 2014, the Community Development Department was awarded accreditation status by the American Public Works Association (APWA). Cherry Hills Village is the 94th agency in the nation to achieve accreditation through APWA.

The mission of the Community Development Department is to provide excellent service to the residents, builders, contractors and designers working in the City through the Planning, Building and Engineering Divisions. The Community Development Department protects the public health, safety and welfare of the residents by ensuring that development and land use in the City are consistent with Cherry Hills Village City codes and the Cherry Hills Village Master Plan. There are no expected changes to personnel counts for the Community Development Department in 2017.

Goals and objectives of the Community Development Department:

- Improve each customer's experience by ensuring the development application review timelines are within established goals and standards
- Improve each customer's experience through efficient administration of building permits, including ensuring maximum timeframes are met for differing types of permits; as well as ensuring the number of inspections and re-inspections are within established goals and standards
- Maintain an annual National Flood Insurance Program (NFIP) Community Rating System (CRS) of 7 by ensuring that all floodplain development and administration requirements are met and annual recertification is completed with the Federal Emergency Management Association (FEMA)
- Utilize new technology to provide cost savings and improve department wide efficiency and customer service

Program Measures

The Community Development Department will measure the success of the NFIP program by reviewing the rating that is provided through formal documentation by FEMA. The department will continue to improve the efficiency of the permitting process with emailed inspection requests that became effective mid-year 2016. They will measure the success of this program throughout the course of 2017 and develop an acceptable standard with which to compare all subsequent years in order to establish benchmarks.

Key Performance Measures

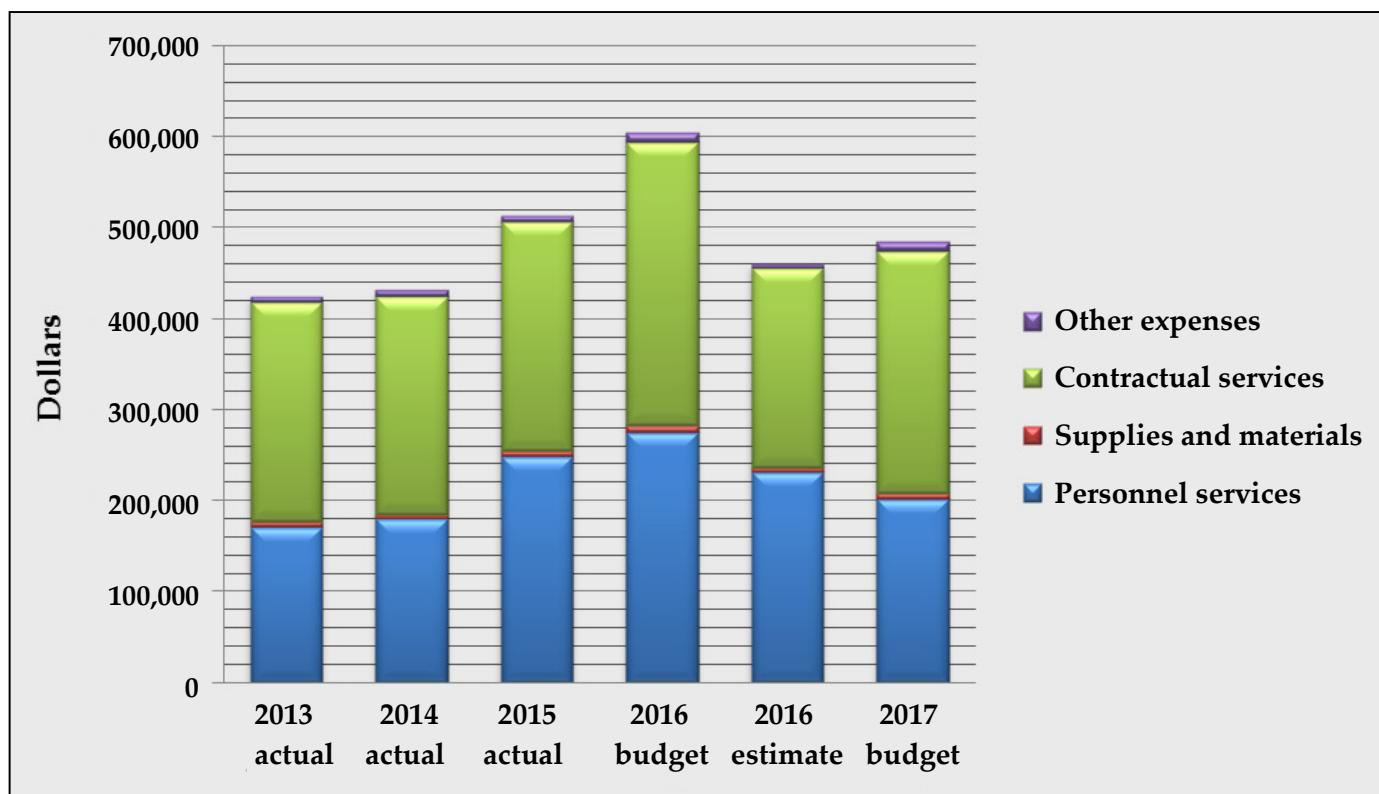
	2012	2013	2014	2015	2016
Maintain annual NFIP CRS rating of at least 8	8	8	8	8	7



Community Development Department continued

The total Community Development Department expenditures by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Personnel services	170,975	180,310	248,460	275,370	230,608	201,772
Supplies and materials	5,115	3,555	5,611	7,950	4,637	6,750
Contractual services	241,405	240,847	252,859	310,850	220,469	266,200
Other expenses	6,567	6,766	6,921	10,700	4,071	10,200
Total Community Development expenses	\$424,062	\$431,478	\$513,851	\$604,870	\$459,784	\$484,922



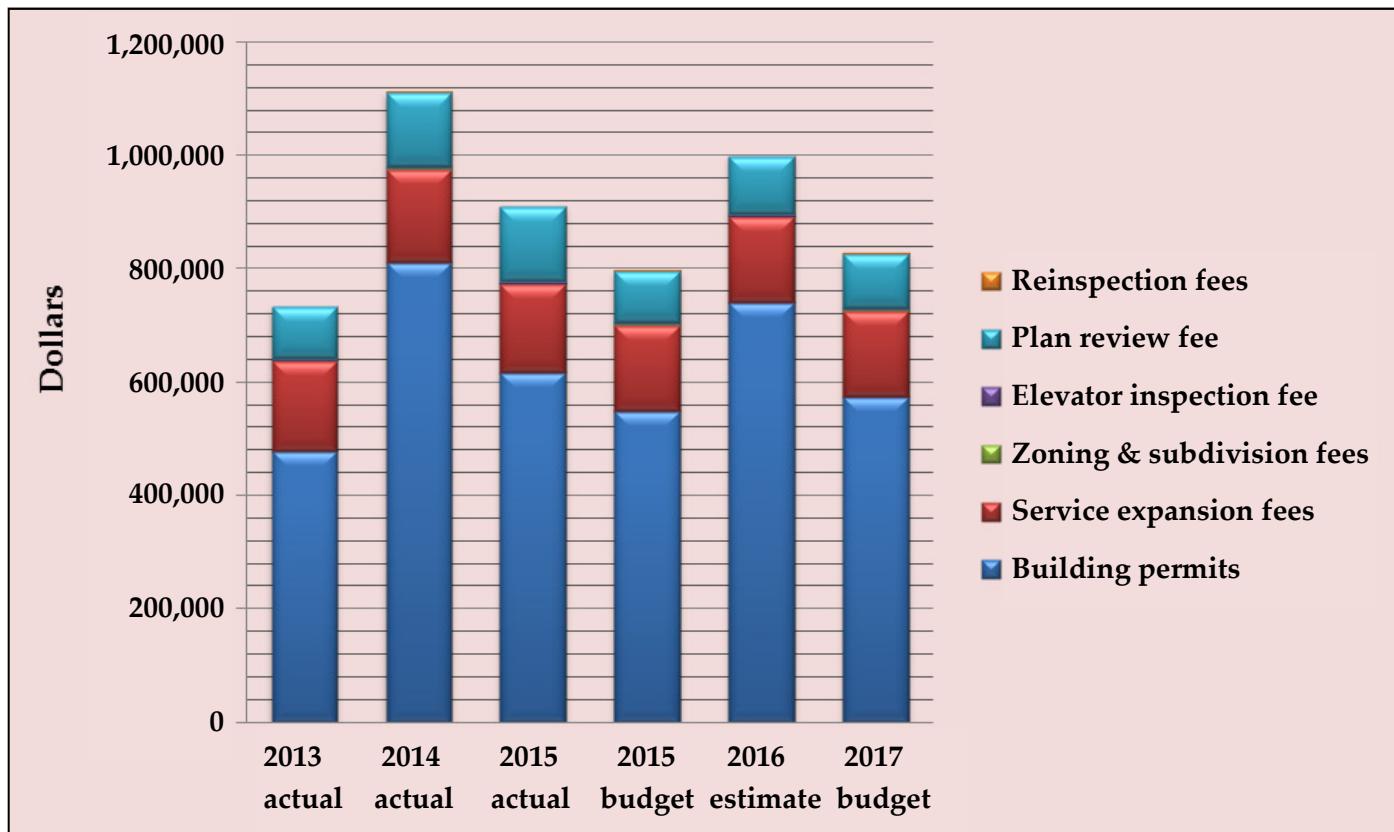


City Structure

Community Development Department continued

The total Community Development revenues by category for a 5 year period are listed below:

	2013 actual	2014 actual	2015 actual	2016 budget	2016 estimate	2017 budget
Building permits	477,725	811,537	617,789	550,000	741,167	575,000
Service expansion fees	160,094	164,276	154,522	150,000	150,968	150,000
Zoning & subdivision fees	200	1,900	1,900	2,000	0	2,000
Elevator inspection fees	3,600	3,600	5,000	3,600	5,000	3,600
Plan review fee	90,891	129,455	129,377	90,000	101,920	95,000
Reinspection fees	0	150	0	500	0	500
Total Community Development revenue	\$732,510	\$1,110,918	\$908,588	\$796,100	\$999,055	\$826,100





Financial Policies

Fund Balance / Reserve Policy

The City of Cherry Hills Village recognizes the importance of maintaining an appropriate level of undesignated fund balance to provide the required resources to meet operating needs and to allow for unforeseen needs of an emergency nature. After evaluating the City's operating characteristics, tax base, non-tax revenue sources, capital needs, local and economic outlooks, emergency and disaster risk and other contingent issues, the City establishes the following policy regarding the undesignated fund balances and reserves for the City of Cherry Hills Village.

Purpose

To establish a Fund Balance/Reserve Policy tailored to the needs of the City to ensure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy will ensure the City maintains an adequate fund balance and reserves to:

- provide sufficient cash flow for daily financial needs
- offset significant economic downturns or revenue shortfalls
- provide for unforeseen expenditures related to emergencies

Definitions

Emergency Reserve - an additional reserve to provide for unforeseen reductions in revenues in the current year or expenditures that are greater than the current year revenues.

Fund Balance - the cumulative difference of all revenues and expenditures.

Reserved Fund Balance - portion of the fund balance that is legally restricted to a specific use or otherwise not available for appropriation or expenditures.

Unreserved Fund Balance - a measure of how much fund balance is left over at the end of the current year which can be used for the subsequent year's budget.

Policy

It is the policy of the City Council to ensure the fiscal health of the community against unforeseen circumstances by maintaining fund balances and emergency reserves at sufficient levels for operations to continue. Use of excess fund balance is intended only for one-time or non-recurring expenditures. Listed on the following page are the Council's approved Fund Balance/Reserve Policy for each fund of the City of Cherry Hills Village.



Financial Policies

Fund Balance / Reserve Policy (continued)

General Fund - In the General Fund, there shall be maintained an unreserved fund balance equivalent to a minimum of six months of the current year's expenditures less capital outlay and transfers out budgeted for the fund. For purposes of this calculation, the expenditures shall be the budget as originally adopted by ordinance in December for the subsequent budget year. In addition, the City Council has determined that additional reserves be established in the General Fund to provide for unforeseen reductions in revenues in the current year or expenditures that are greater than the current year revenues. The minimum reserve amount should be 10% of approved general fund operating expenditures.

Conservation Trust Fund - This fund is a special revenue fund created to account for the proceeds of specific revenue sources that are legally restricted for specified expenditure purposes. No specific fund balance or reservation of fund balance is created by virtue of enactment of this policy. The amount of any reservation of fund balance shall be governed by the legal authority underlying the creation of this fund.

Catherine H. Anderson Land Donation Fund - This fund was created to account for the resources designated to foster and encourage the preservation of natural open space through financial assistance to residents interested in preserving natural areas in the City, but may also be used by the Council for park-related purposes. No specific requirement is established for this fund. However, at a minimum, the year end reserved fund balance and estimated revenues for the ensuing year must be sufficient to meet all outstanding fund encumbrances.

Sid #7 Bond Fund - Debt service funds are subject to the creation of very specific reserve amounts as part of the ordinance which authorizes the issuance of the bonds. This policy does not create any specific reservation of fund balance for this fund. Reserve requirements for any outstanding bond issue will be consistent with the ordinance authorizing the issuance of the bonds.

Arapahoe County Open Space Fund - This fund is a special revenue fund created to account for the proceeds of specific revenue sources that are legally restricted to be expended for specified purposes. No specific fund balance or reservation of fund balance is created by virtue of enactment of this policy. The amount of any reservation of fund balance shall be governed by the legal authority underlying the creation of this fund.

Water and Sewer Fund - This fund is a special revenue fund created to account for all revenue and expenses associated with the consolidation of water and sewer utilities coming under auspices of the City. No specific fund balance or reservation of fund balance is created by virtue of enactment of this policy.



Fund Balance / Reserve Policy (continued)

Parks and Recreation Fund - There shall be maintained an unreserved fund balance equivalent to a minimum of three months of current year expenditures less capital outlay and transfers out budgeted for the fund. In addition, 3% of operating expenditures shall be maintained as an emergency reserve.

Capital Fund - The Capital Fund was established to separately track and fund the costs of capital assets for the City. No specific fund balance or reservation of fund balance is created by virtue of enactment of this policy.

Utilization of Minimum Reserves

Appropriation from the minimum unreserved fund balance shall require the approval of the City Council and shall be only for one-time expenditures and not for ongoing expenditures unless a viable revenue plan designated to sustain the expenditure is simultaneously adopted.

Replenishment of Minimum Fund Balance/Reserve Deficits

If it is anticipated at the completion of any year that the projected or estimated amount of unreserved fund balance will be less than the minimum requirement, then the City Manager shall prepare and submit in conjunction with the proposed budget a plan for the expenditure or expense reductions and/or revenue increases necessary to restore the minimum requirements in subsequent budget years.

Utilization of Surplus Reserves

In the event that the unreserved fund balance exceeds the minimum requirements, the excess may be utilized for any lawful purpose approved by the City Council. It is recommended that the first priority be given to utilizing the excess within the fund in which it was generated. In order to minimize the long term effect of such use, the excess shall be appropriated to fund one time expenditures or expenses which do not result in recurring operating costs.

Annual Review

Compliance with the provisions of this policy shall be reviewed as part of the annual budget adoption process. The current version of the Fund Balance / Reserve Policy was formally adopted by resolution on April 21, 2015.



Financial Policies

Investment Policy

The following Investment Policy for the City of Cherry Hills Village addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds.

Scope

The Investment Policy governs the investment activities of the City with regard to investing the financial assets of all funds, with the exception of the retirement funds and deferred compensation funds.

Objectives

The overall objectives of the City's investment program, in order of priority, are safety, liquidity and yield.

Safety

Protection of principal is the primary objective of the City investment activities and is the single most important factor any investment decisions of the investment officer. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. For purposes of this policy, the two most significant risks to the City are:

- Credit Risk - Credit risk shall be limited by restricting the credit ratings on securities that may be purchased and through diversification of investments to reduce exposure to any one security type, issuer or account.
- Interest Rate Risk - Interest rate risk shall be limited by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily with durations of no longer than five years, money market mutual funds or similar investment pools.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands of the City. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.

Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk assumed. Securities shall generally



Financial Policies

Investment Policy (continued)

be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal
- A security swap that would improve the quality, yield or target duration in the portfolio
- Liquidity needs of the portfolio require that the security be sold

Prudence

The standard of care to be used by the investment official shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes.

The “prudent person” standard states that “investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived”.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Cherry Hills Village.

Delegation of Authority

In accordance with Article VI, Section 6.3 of the City of Cherry Hills Village Charter, the responsibility for conducting investment transactions resides with the City Treasurer/Director of Finance (investment officer). No person may engage in an investment transaction except as provided under the terms of the Cherry Hills Village investment policy.

Authorized Financial Institutions, Depositories and Brokers/Dealers

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness (i.e. a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as applicable or required by the investment officer:



Financial Policies

Investment Policy (continued)

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood the City of Cherry Hills Village Investment Policy and agreeing to comply with it
- Evidence of adequate insurance coverage

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the investment officer.

Registered Investment Auditor

The City of Cherry Hills Village may elect to engage the services of a Registered Investment Advisor (RIA) to manage the City's portfolio. The RIA will manage the portfolio in conformance with State and Federal guidelines. Qualified RIA's must demonstrate the following:

- Domiciled in Colorado
- Primary focus should be local governments in Colorado
- At least five years of experience
- SEC registered
- Errors & Omissions insurance in an amount of at least \$5 million dollars and provide a copy for the City's files
- A third party custodian that meets the minimum capital requirements of \$10,000,000 in assets
- A copy of their audited financial statements

Safekeeping and Custody

All trades of marketable securities will be executed by delivery versus payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by an independent third-party custodian selected by the entity as evidenced by safekeeping receipts in the City of Cherry Hills Village's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls-Service Organization Control Reports prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16.

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Cherry Hills Village are protected from loss, theft or misuse. Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the City of Cherry Hills Village's annual independent audit.



Financial Policies

Investment Policy (continued)

Suitable Authorized Investments

The following investments will be permitted by the Cherry Hills Village investment policy and are defined by state and local law where applicable:

- U.S. Treasury obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips which carry the full faith and credit guarantee of the United States government, are considered to be the most secure instruments available and have a final maturity not exceeding five years from the date of the trade settlement.
- Federal Agency Securities: Debentures and mortgage-backed securities with a stated final maturity not exceeding five years from the date of trade settlement and issued by the Government National Mortgage Association (GNMA).
- Bankers' acceptances.
- Federally insured time deposits (non-negotiable certificates of deposits) in state or federally chartered banks, saving and loans or credit unions, provided that the amount per institution is limited to the maximum coverage under federal insurance.
- Time deposits (non-negotiable certificates of deposits) in state or federally chartered banks, savings and loans or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with state law.
- Negotiable certificates of deposit (NCDs).
- Commercial paper rated at least A-1, P-1 or the equivalent by at least two Nationally Recognized Statistical Rating Organization (NRSROs) and by each NRSRO that rates the commercial paper.
- Investment-grade obligations of state and local governments and public authorities. No security may be purchased pursuant to this paragraph unless, at the time of purchase, the security is rated in one of the three highest rating categories by a nationally recognized organization that regularly rates such obligations.
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist only of dollar-denominated securities and have a rating of AAAm or Aaa or the equivalent by each NRSRO that rates the fund.
- Local government investment pools either state administered or developed through joint powers statutes and other intergovernmental agreement legislation. They must be "no-load", have constant net asset value of \$1.00, limit assets of the fund to securities authorized by statute and have a rating of AAAm or Aaa or the equivalent by each NRSRO that rates the fund.



Financial Policies

Investment Policy (continued)

Investment in derivatives of the above instruments shall require authorization by the Cherry Hills Village City Council.

Collateralization

To qualify as a depository, financial institutions must be listed as eligible depositories by the State Commissioner of Financial Services or the State Division of Banking. Acceptable collateral for bank deposits and repurchase agreements shall include only:

- Obligations of the U.S. Government, its agencies and GSEs, including mortgage backed securities.
- Obligations of any state, city, county or authority rated at least AA by two nationally recognized statistical rating organizations.

Diversification

The investments shall be diversified by limiting investments for any one type of security to 5% of the total portfolio to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); limiting investment in securities that have higher credit risks; investing in securities with varying maturities and continuously investing a portion of the portfolio in readily available funds such as local government pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Maximum Maturities

To the extent possible, the City of Cherry Hills Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Cherry Hills Village will not directly invest in securities maturing more than five (5) years from the date of purchase. The City of Cherry Hills Village shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives. Reserve funds and other funds with longer term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the City Council prior to investing.

Comparison to Market

In order to ensure fair institution execution, the investment officer shall compare to market, using Bloomberg, each purchase of investment instruments purchased on the secondary market.

If the City's funds are being managed by an outside investment organization, the Portfolio Manager will document secondary purchases and sales and provide a trade recap for the date of purchase or sale.



Financial Policies

Investment Policy (continued)

Reporting Methods

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter and provide it to City Council. The report shall include the following:

- An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer and interest rate
- Average maturity of the portfolio and modified duration of the portfolio
- Maturity distribution of the portfolio
- Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date and since inception compared to the Benchmark Index returns for the same periods
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks
- Distribution of type of investment

Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The City's cash management portfolio shall be designed to attain a market rate of return through budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities and cash flow requirements. The performance of the portfolio shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the City's portfolio, all fees involved with managing the portfolio shall be included in the computation of the portfolio's rate of return net of fees.

Marking to Market

The market value of the portfolio shall be calculated monthly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

Approval of Investment Policy

The City's Investment Policy shall be adopted by resolution of the City Council. The policy shall be reviewed by staff on an annual basis and any modifications made must be approved by the City Council. The current version of the Investment Policy was formally adopted on April 21, 2015.



Financial Policies

Purchasing Policy

The purpose of the Purchasing Policy is to provide guidance to Cherry Hills Village City staff and City Council in an effort to set forth a prudent system and standard of integrity when purchasing supplies, services, materials and equipment on behalf of the City; which would maximize the purchasing value of public funds, provide for timely purchases and follow common sense and good business practices.

It shall be the objective of the department making the purchase to procure from reliable vendors supplies, services, materials and equipment of the best quality, for use at the required time and at the best possible price. When price, cost of procurement, quality and availability are comparable, priority shall be given to local vendors. This objective shall be achieved by following General Procedures, which are applicable to all purchases in either the Specific Procedures for General Fund or the Specific Procedures for Other Fund Expenditures.

General Procedures

Conflict of interest

Section 3.4 of the Cherry Hills Village City Charter states "No member of the Council shall have any direct financial interest in any contract with the City".

Spending authority

Cherry Hills Village assigns responsibility of the purchasing function to the Finance Director's office and utilizes a system of purchasing in which purchasing authority and responsibility is designated to Department Directors. The Finance Director is charged with monitoring purchases, establishing a purchasing system and providing assistance to departments making purchases. Unless otherwise noted in this policy, no employee may purchase goods or services unless such person is designated by the Department Director, Finance Director or City Manager.

Code of ethics

All employees engaged in purchasing products or services on behalf of Cherry Hills Village shall ensure that all organizations are afforded equal opportunity to compete and are bound by the code of ethics outlined in Chapter 2, Article 9 of the Cherry Hills Village Municipal Code.

Unauthorized purchasing actions

The following purchasing actions are unauthorized and violate the Cherry Hills Village Purchasing Policy:

- The use of public funds to purchase goods and services for personal use or gain either with or without later reimbursement.
- Splitting larger purchases into smaller amounts to circumvent the Purchasing Policy guidelines.
- Directing a contractor to proceed without a fully executed or authorized contract.
- The acquisition of traveler's checks, cashier's checks or the utilization of ATM machines.



Financial Policies

Purchasing Policy (continued)

Tax exempt status

The City of Cherry Hills Village qualifies as a tax-exempt organization under the State of Colorado. Employees are encouraged to avoid paying sales tax when purchasing on behalf of the City, whether it is by cash, purchase card or check. The City's tax-exempt number, which is available from the Finance Department, should be given to the vendor before the sale is completed.

Tax reporting

All vendors must complete a Request for Taxpayer Identification Number and Certification W-9 form prior to conducting business with the City of Cherry Hills Village. A completed W-9 is only required once from each vendor unless its business information changes. It is the responsibility of the employee making the purchase to request a completed W-9 form from the vendor in order for the Finance Department to issue payment.

Finance Director notification for cash flow

The Finance Director shall review all Accounts Payable Payment Approval reports and the Check Register after every check run is processed. This will assist the City in cash flow management and investment programs.

Emergency purchases

The City of Cherry Hills Village is subject to unforeseen emergencies which could require a substantial outlay of City funds immediately. Such emergencies could include floods, explosions, civil disturbances, falling aircraft, fire, major drainage disorders and other civil disasters affecting the lives and safety of the residents and/or employees of the City.

In such cases of emergencies which require the immediate purchase of non-appropriated supplies or services to avoid the loss of life, property or detriment to the community, the City Manager or designated Department Director has the authority to authorize immediate expenditure of City funds without a competitive bidding process, regardless of the amount. The City Manager or designated Department Director shall obtain verbal approval from the Mayor, or in his/her absence, the Mayor Pro-Tem prior to initiating non-appropriated emergency purchases or services in excess of \$100,000. Immediately following the purchase, a written report shall be made by the authorizing individual to the City Manager's office stating the nature of the emergency, the amount and type of expenditure. This report shall be distributed to the Mayor and City Council within seven (7) days of the emergency.

Exceptions

Exceptions to these policies will be allowed only when requested in writing by the City Manager and approved by the City Council with a motion.

Contracts and records maintenance

All original contracts and agreements shall be provided to the City Clerk for maintenance with the City records.



Financial Policies

Purchasing Policy (continued)

Specific Procedures for General Fund Expenditures

Purchases under \$2,000

The responsibility and authority for purchasing transactions and negotiations of purchases under \$2,000 rests with the Department Director functioning under the general direction of the City Manager. Employees are encouraged to obtain the lowest and/or best price for goods or services and, when applicable, utilize comparative pricing via verbal or informal methods. Periodic checks should be made on these purchases to be certain they are secured according to the purchasing objectives.

Purchases over \$2,000 but under \$10,000

The Department Director or other designated party responsible for a budgetary account shall obtain quotations prior to the purchase from more than one source for all purchases over \$2,000 but under \$10,000. Material purchases which are on a volume basis (i.e. gallons, tons) and utilized throughout the year (i.e. asphalt, road base and gasoline) shall be subject to an annual quotation only. Single source purchases (i.e. gas and electricity) are acceptable if approved by the City Manager. The Department Director shall recommend to the City Manager the vendor believed to be the most qualified on the basis of the purchasing objectives listed above. The City Manager, along with the Department Director, shall make the final purchasing decision.

Purchases over \$10,000 but under \$25,000

All purchases over \$10,000 but under \$25,000 should be awarded on the basis of competitive bids. The Department Director or other designated party responsible for a budgetary account shall solicit quotations prior to the purchase from more than one source. The Department Director shall recommend to the City Manager the vendor believed to be the most qualified on the basis of the purchasing objectives listed above. The City Manager, along with the Department Director, shall make the final purchasing decisions.

Purchases over \$25,000

All purchases over \$25,000 should be awarded on the basis of formal bids or proposals. The following policy shall govern obtaining bids or proposals:

1. Prior approval from City Council to initiate competitive purchasing procedures or purchases for any item approved in the adopted annual City budget is not required.
2. Three (3) or more formal bids or proposals shall be obtained. If three (3) bids or proposals cannot be secured, a lesser number may be obtained; however, a written explanation must accompany the bid documents and be approved by the City Manager.
3. Colorado State bid prices and purchases may be used in lieu of competitive or other purchasing procedures when in the best interest of the City.



Financial Policies

Purchasing Policy (continued)

4. A Notice of Invitation for Bid shall be prepared by the Department Director and inserted by the City Clerk or other designated employee in the newspaper utilized by the City of Cherry Hills Village for its legal advertising. Such notice shall include the following information:
 - a. The Department Director that is responsible for the bid.
 - b. The location where bids will be received.
 - c. The location where bids will be opened.
 - d. A statement that Cherry Hills Village reserves the right to reject any or all bids.
 - e. A statement that written specifications are available from the Department Director upon request.
5. The City of Cherry Hills Village reserves the right to reject any of all bids, parts of bids or bids for any one or more supplies or contractual services included in the proposed contract when in the best interest of the City. Bids shall be evaluated and awarded to the bid that best meets the City's needs and requirements. Each bid, with the name of the bidder, shall be entered on the record and preserved for a period of seven (7) years for accepted bids and three (3) years for un-accepted bids for all inspection and maintained by the City Clerk with the City records.
6. The Department Director shall itemize all bids or proposals and, along with the appropriate City consultant(s), prepare a report for the City Manager summarizing the bids or proposals received and make a recommendation for award in accordance with the purchasing objectives.
7. The City Manager shall approve all General Fund bids in excess of \$25,000.
8. The City Council may approve a purchase in the open market under any one of the following circumstances:
 - A. Inadequate or absence of bids throughout the normal process.
 - B. Single source supplies for specialized or unique equipment, products or services.
 - C. Acceleration of delivery date when time is a major factor and it is in the City's best interest to shorten the delivery date.

Exceptions requiring City Council approval

Exceptions that require City Council approval shall include the following:

1. Non-budgeted transactions over \$10,000.
2. Budgeted purchases over \$25,000 and/or 10% over the budgeted amount.

Specific Procedures for Other Fund Expenditures

Purchases under \$10,000

Other fund expenditures under \$10,000 shall follow the same purchasing policy that is outlined for



Financial Policies

Purchasing Policy (continued)

purchases under \$2,000 in the Specific Procedures for the General Fund.

Purchases over \$10,000 but under \$25,000

Other fund expenditures over \$10,000 but under \$25,000 should be awarded on the basis of competitive bids. The Department Director or other designated party responsible for a budgetary account shall solicit quotations prior to the purchase from more than one source. The Department Director shall recommend to the City Manager the vendor believed to be the most qualified on the basis of the purchasing objectives listed above. The City Manager, along with the Department Director, shall make the final purchasing decision.

Purchases over \$25,000

Other fund expenditures in excess of \$25,000, with the exception of work performed directly by City employees, shall be contracted utilizing the procedure outlined below:

1. All City/contractor relationships will be centralized into one responsible party for each entity. The responsible Department Director shall serve this function on behalf of the City of Cherry Hills Village.
2. When plans and specifications approach completion, the Department Director or designated employee must be supplied with the following information so that he may advertise the project in the newspaper utilized by the City of Cherry Hills Village for its legal advertising within at least twenty (20) days prior to the proposed bid opening date:
 - a. Name, description and location of the project.
 - b. Source of funds (i.e. City, State, Federal and/or Special District).
 - c. Desired bid opening date and time.
3. Colorado State bid prices and purchases may be used in lieu of competitive purchasing procedures when in the best interest of the City.
4. The Department Director will receive all sealed bid proposals prior to the established bid opening time. All bids received after the specified time and date will be rejected by the City.
5. The Department Director shall itemize all bids and, along with the appropriate City consultant(s), prepare a report for the City Manager summarizing the bids received and make a recommendation for award in accordance with the purchasing objectives.

Exceptions requiring City Council approval

Exceptions that require City Council approval shall include the following:

1. Non-budgeted transactions over \$10,000.
2. Budgeted purchases over \$25,000 and/or 10% over the budgeted amount.



Financial Policies

Purchasing Policy (continued)

Acquisition Methods

Petty Cash

Petty cash procedures shall be established by the Director of Finance or other designated employee. Petty cash must be kept in a locked safe, locked cash box or secure location at all times and only the assigned Administrative staff shall be allowed access to the petty cash funds. Petty cash transactions shall not exceed \$50 and must be approved by the appropriate Department Director. The Administrative employee is responsible for ensuring that cash given to the requesting employee exactly matches the Petty Cash Authorization form signed by the Department Director.

To obtain an advance from petty cash, employees must complete the Petty Cash Authorization form and have it signed by the appropriate Department Director. The form will be kept inside the locked cash register until the employee returns with the original vendor receipt and any excess cash received from the advance. The Administrative employee shall ensure that the excess cash received exactly matches the vendor receipt provided by the employee.

In cases of reimbursement requests that are more than \$50, the employee shall submit a completed Expense Reimbursement form, signed by the appropriate Department Director, along with original itemized receipts. Upon receiving the Expense Reimbursement form and itemized receipts, the Accounting Clerk shall provide reimbursement on the next scheduled check-run.

Purchasing Card

Please refer to the Wells Fargo Commercial Card Program policy for more information regarding purchasing card rights and responsibilities.

Check Request

A check request shall be used for purchases which are not applicable to the use of petty cash or purchasing cards. All check request transactions shall be supported via a vendor-issued invoice or original itemized receipt. The Director of Finance and/or City Manager shall perform a final review of all processed check request transactions to ensure compliance with the policies.

Approval of Purchasing Policy

The City's Purchasing Policy shall be adopted by resolution of the City Council. The policy shall be reviewed by staff on an annual basis and any modifications made must be approved by the City Council. The current version of the Purchasing Policy was formally adopted on April 21, 2015.



Financial Policies

Check Controls Policy

The City of Cherry Hills Village will follow these policies related to check controls and the signing of checks.

1. Payment Discounts - The City will take advantage of, when possible, payment discounts to reduce expenditures when the rate offered is less than the rate of investment income the City is earning on cash.
2. Check Requirements - In most cases, staff will be required to complete the following steps to obtain a check:
 - a. Budget - Adequate budget funds must exist before staff considers a purchase.
 - b. Department Approval - All invoices must have a signature of approval by the department that received the items/service indicating the invoice is acceptable to pay.
 - c. Coding - All invoices must have a vendor number and budget account to which the item will be charged against.
 - d. Invoices - All invoices will be given to the Accounting Clerk for entry into the accounting system.
3. Check Signatures - Two signatures are required on all checks. One signature will be from the City Manager and the other from an approved Department Director. Electronic signatures are acceptable so long as the Payment Approval report has been reviewed and signed by those whose signatures appear on the check and/or the Director of Finance.
4. Distribution of Checks - Checks will be mailed following the signing of the Payment Approval report.
5. Check Register - The check register will be available for review at any time by the City Council and/or the residents for up to seven years (in accordance with the Colorado Municipal Records Retention Schedule) following the issue of payment.

Approval of Check Controls Policy

The City's Check Controls Policy shall be adopted by resolution of the City Council. The policy shall be reviewed by staff on an annual basis and any modifications made must be approved by the City Council. The current version of the Check Controls Policy was formally adopted on April 21, 2015.



Debt Procedure

Section 9.12 of the Cherry Hills Village City Charter states “The City may, subject to applicable limitations in the Colorado Constitution (including without limitation applicable provisions of Article X, Section 20 also known as the TABOR Amendment), borrow money or enter into other obligations and issue securities or other evidences of such obligations in such form and manner as determined by the Council to be in the best interests of the City”. The Colorado Revised Statutes provides that general obligation indebtedness for all purposes shall not at any time exceed 3 percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the City. The City’s legal debt limit is shown in the table below:

Assessed Value	\$335,487,662
Actual Value	\$4,105,030,900
Debt Limit: 3 Percent of Actual Value	\$123,150,927
Less: Assets in Debt Service	\$2,262,530
Legal Debt Margin	\$120,888,397
Amount of Bonded Debt Applicable to Debt Limit	\$2,262,530

The City initiated exclusion from the South Suburban Parks and Recreation District (“District”). The resulting litigation produced an order from the District Court dated November 2004. The order required the City to pay the District \$9,660,838 for the conveyance and transfer of facilities, including water rights, parks, trails and other considerations. The City’s appeal process ended in November 2009 with a final decision by the Colorado Supreme Court, in which they denied the appeal. The City is required to make annual principal and interest payments, beginning in December 2006 through 2019. Interest on the obligation accrues at the two-year Treasury bill rate. Annual debt service requirements for the outstanding obligation at December 31, 2016 are estimated at a 0.853% interest rate and are as follows:

Year	Principal	Interest	Total
2017	\$ 740,185	\$ 19,053	\$ 759,238
2018	\$ 757,962	\$ 1,276	\$ 759,238
2019	\$ 743,422	\$ 632	\$ 744,054
Total Debt Service Requirements	\$ 2,241,569	\$ 20,961	\$ 2,262,530

Section 1.3 of the Cherry Hills Village City Charter allows the City to enter into a long-term rental or lease agreement in order to provide necessary land, buildings, equipment and other property for governmental purposes. The agreements may include an option to purchase and acquire title to such leased property within a period not exceeding the useful life of such property and in no case exceeding 30 years. In order to complete the three projects City Council identified as top priorities for 2017 (a new Public Works Facility, a new Village Center and improvements to John Meade Park and Alan Hutto Memorial Commons), Council found it necessary and in the best interest of the City to undertake lease purchase financing.



Debt Procedure

In the financing transaction, the City leased two pieces of land it owned to a trustee Bank pursuant to a Site Lease, in return for a lump-sum payment equal to the cost of the projects, plus the cost of marketing and closing the transaction. The Bank simultaneously entered into a Lease Purchase Agreement with the City, under which the Bank leased the land, and the buildings to be constructed on it, back to the City for rental payments sufficient to amortize the total amount financed over the term of the Lease Purchase Agreement. The Bank's right to receive the rental payments under the Lease Purchase Agreement was divided into participations (COPs), which were sold to investors to raise the Bank's initial lump-sum payment for the Site Lease. The COPs represent proportionate interests in the Bank's right to receive rental payments under the Lease Purchase Agreement, with each year's rental payments consisting of a principal component and an interest component. The interest component of the city's lease payment is treated for federal and Colorado income tax purposes as interest on an obligation of the City and is therefore tax-exempt in the same way as interest on a municipal bond. When all of the rental payments are made under the Lease Purchase Agreement, both the Lease Purchase Agreement and the Site Lease shall terminate. During this process the City received the highest possible rating given to a municipality. S&P Global Ratings assigned its 'AAA' issuer credit rating (ICR) to Cherry Hills Village and also assigned its 'AA+' rating to the City's series 2017 certificates of participation.

The first ten years of the bond debt service for the COPs are as follows:

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017	280,000	2.000%	347,611	627,611
12/01/2018	285,000	3.000%	452,788	737,788
12/01/2019	295,000	3.000%	444,238	739,238
12/01/2020	305,000	3.000%	435,388	740,388
12/01/2021	315,000	3.000%	426,238	741,238
12/01/2022	325,000	3.000%	416,788	741,788
12/01/2023	335,000	3.000%	407,038	742,038
12/01/2024	345,000	5.000%	396,988	741,988
12/01/2025	360,000	5.000%	379,738	739,738
12/01/2026	380,000	5.000%	361,738	741,738
12/01/2027	395,000	5.000%	342,738	737,738
Total Debt Service (over 25 years)	\$11,395,000		\$6,990,510	\$18,385,510



Budget Policy

The City's annual budget is prepared in accordance with the guidelines of the Governmental Accounting, Auditing, and Financial Reporting (GAAFR), the Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). As required by the City Charter, the budget is prepared on a calendar year basis beginning on the first day of January and ending on the thirty-first day of December each year. The budget must be balanced or have a revenue surplus. A balanced budget means that expected expenditures do not exceed forecasted revenues.

The Cherry Hills Village budget is created by the City staff and City Council respectively. Department Directors continuously prepare or update the operational budget and prioritize projects throughout the year. The Cherry Hills Village City Charter states that "The Council shall adopt a budget calendar by resolution on or before the twentieth (20) day of September of each year, and shall adopt an ordinance for the budget and an ordinance for the annual appropriations in accordance with said calendar. When finally adopted, the budget shall become a public record, and sufficient copies shall be deposited with the Clerk to ensure adequate circulation".

The budget process takes into consideration the following priorities:

- Pro-actively address safety, health and welfare issues within the City
- Improve service delivery and responsiveness
- Master Plan implementation
- Ensure the City remains fiscally responsible and conservative
- Improve public outreach efforts
- Professional development (accreditation, GFOA, intergovernmental cooperation, conferences)
- Evaluate staffing levels and job functions
- Maintain and evaluate IT systems
- Employee training and development
- Annual compensation study
- Determine community strategies for open space acquisitions and High Line Canal connectivity
- Closely coordinate/monitor activities of the outside entities that have a direct impact on City operations and quality of life issues, such as: the Colorado Department of Transportation (CDOT), Denver Water, Xcel Energy and Century Link

Consequently, every Department Director will provide the City Manager with their recommendations and projections prior to the twentieth (20) day of September deadline for the following year's budget. Once the City Manager has received the recommendations from the Department Director, the budget calendar on page 62 will be followed.



Budget Policy

The Council shall hold a public hearing on the proposed budget each year. The notice of the time and place of the hearing will be published at least five (5) days prior to the hearing and copies of the proposed budget shall be made available to the public, whether on the City's website or available by printed copy in the City Clerk's office. The Council may at any time before the final adoption increase, decrease, add or strike out any item in the budget.

Annual Budget Scope

The Cherry Hills Village City Charter states that "the budget adopted by the Council shall contain: (a) an estimate of anticipated revenue from all sources other than the tax levy for the ensuing year; (b) an estimate of the general fund cash surplus at the end of the current fiscal year, or of the deficit to be made up by appropriate; (c) the estimated expenditures necessary for the operation of the several departments, offices and agencies of the City; (d) debt service requirements for the ensuing fiscal year; (e) an estimate of the sum required to be raised by the tax levy for the ensuing fiscal year, and the rate of the levy necessary to produce such a sum based on the percentage of current levy collection experience during the three preceding fiscal years; (f) a balance between the total estimated expenditures; including any deficit to be met, and monies set aside for public improvements and total anticipated revenue, plus any surplus. All estimates shall be in detail showing revenues by source and expenditures by organization units, activities, character and object."

Special Funds

The Cherry Hills Village City Charter allows for the creation of additional funds, otherwise known as special funds, to be used for special purposes such as: depreciation and obsolescence; debt service; equipment and building replacement; special services; local improvements; City-owned utilities; trust funds and endowments; and such other purposes as the Council may determine.

Amendment Procedure

The Cherry Hills Village City Charter states that "The Council may make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required of the City, but such additional appropriations shall not exceed the amount by with actual and anticipated revenues of the year are exceeding the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public peace, health or safety". Any annual departmental appropriation or portion thereof, remaining unexpended or unencumbered at the close of the fiscal year, shall revert to the general fund.



Budget Policy/Calendar

Basis for Budgeting

The City uses the same basis of budgeting that it uses for its audited financial statements. The modified accrual basis of accounting is used for all fund operations and for the financial statements, except for the proprietary fund (Water Fund) which uses the accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Under the full accrual basis of accounting used for the City's government-wide financial statements and proprietary fund financial statements, revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of timing of related cash flows.

2017 Budget Calendar

September 20, 2016 - The City Manager will submit the proposed 2017 budget to the City Council.

October 4, 2016 - The City Council will hold a study session to review the proposed 2017 budget.

November 15, 2016 - A public hearing will be held for the proposed 2017 budget and first readings of the Appropriations Ordinance and Mill Levy Ordinance.

December 14, 2016 - The 2017 Annual Budget and the Appropriations Ordinance and Mill Levy Ordinance will be adopted on second and final reading.



Budget Details

Fund accounting is used for budgeting and accounting purposes. Each fund is created for a specific purpose. City Council must approve the appropriation of expenditures from each fund. Approval generally occurs at the beginning of each fiscal year, but may occur by City Council any time throughout the year if funds are available. All City funds described below are appropriated by City Council.

The City's budget contains the General Fund and six small funds. The General Fund is broken out into Revenues, Administration, Judicial, Data Processing, Community Development, Public Safety, Village Crier, Public Works and Capital. Approximately 36% of the General Fund revenue comes from property taxes, approximately 27% from use tax/sales tax, approximately 8% from building permits and the remainder of revenue is from municipal court fines and other taxes received from the State and County.

- ◆ The **Administration Department** is comprised of the City Manager, Director of Finance and Administration, HR Analyst, Accounting Clerk and City Clerk. Some expenses of this division include: salaries, election costs, personnel management, City insurance programs, records management and utilities.
- ◆ The **Judicial Department** is comprised of the Court Clerk, Bailiff and Municipal Judges. The expenses of this department are all for the purpose of running the Municipal Court.
- ◆ The **Data Processing** division accounts for all computer related expenses of the City.
- ◆ The **Community Development Department** is comprised of a Community Development Director, Community Development Clerk and Special Projects Coordinator. This department provides day-to-day administration and coordination of all building activities along with consultants and civil engineers.
- ◆ The **Public Safety Department** delivers a full range of professional law enforcement services. The Police department staff includes the Police Chief, Police Commander, one Support Services Specialist, four Sergeants, sixteen Police Officers, one Animal Control Officer, one Code Enforcement Officer/Stormwater Technician, one Police Technician and one Police Clerk. The total expenditures include expenses to run the department such as salaries, uniforms, crime prevention, animal control, vehicle and equipment maintenance, training and investigations.
- ◆ The **Village Crier** is the official Cherry Hills Village City government sponsored publication. It is published every month and mailed or emailed to all Cherry Hills Village residents. The Village Crier division is used to track expenses for the publication of The Village Crier. The expenses of this department are funded by contributions from residents and advertisements.
- ◆ The **Public Works Department** is responsible for the maintenance of City buildings, grounds and streets. The department includes the Public Works Director, Streets Crew Leader, Project Manager, four Heavy Equipment Operators, one Administrative Assistant, one Facilities Maintenance Worker and two seasonal Maintenance Workers.
- ◆ The **Capital Fund** is used to track equipment or vehicles that cost in excess of \$5,000 and have a useful life greater than one year.



Budget Details

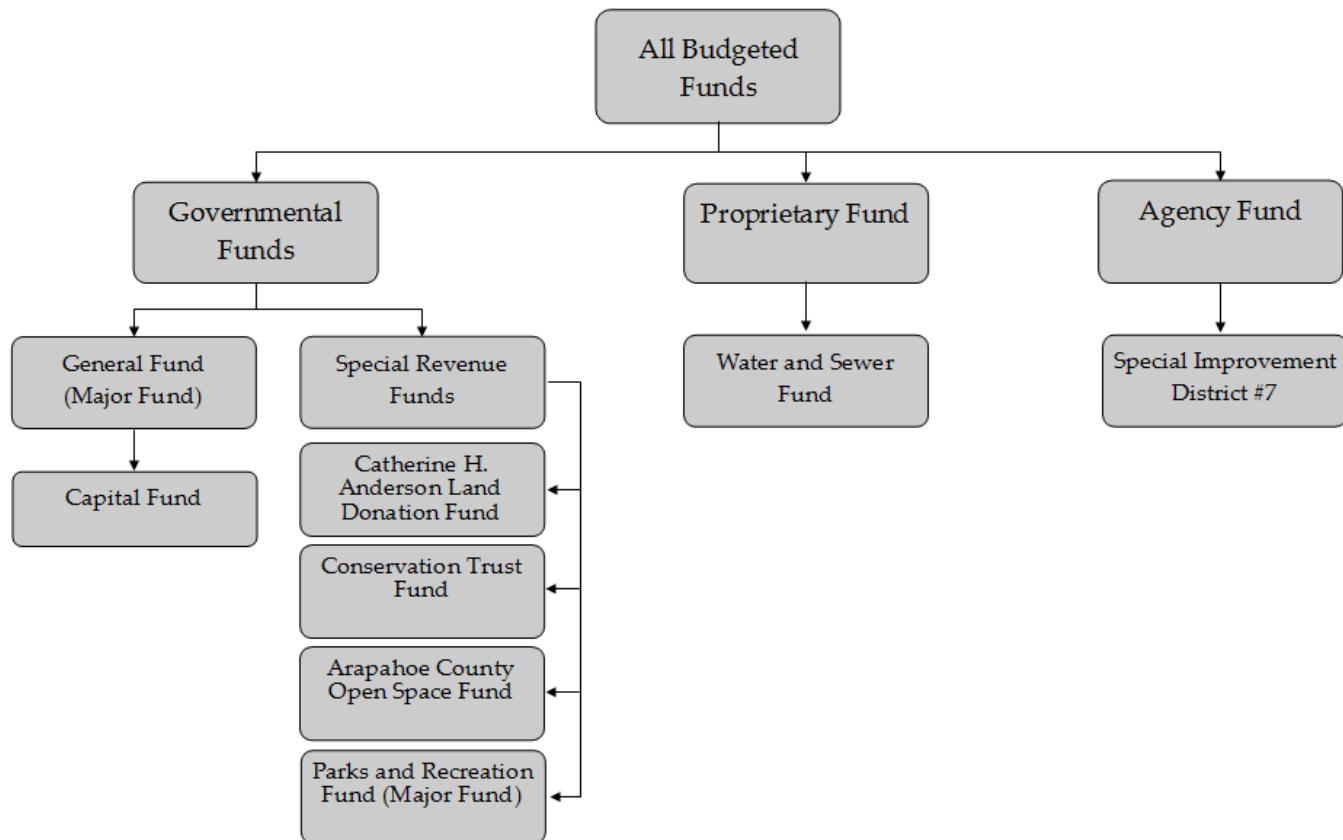
The six small funds are the Conservation Trust Fund, the Catherine H. Anderson Land Donation Fund, the Arapahoe County Open Space Fund, the Special Improvement District #7 Fund, the Water and Sewer Fund and the Parks and Recreation Fund.

- ◆ The Colorado State Legislature requires the establishment of the **Conservation Trust Fund** if a local government desires to receive state allocations for the acquisition, development and maintenance of parks and open space properties. The Colorado Lottery is the primary source of this fund.
- ◆ The **Catherine H. Anderson Land Donation Fund** was established by the subdivision regulations of the City and derives its revenue from subdividers within the City, in addition to recreation reimbursement donations or charitable contributions. These revenues are earmarked for parks, open space, trails or other public improvements.
- ◆ The **Arapahoe County Open Space Fund** was created to account for sales tax revenues generated from the Arapahoe County Open Space ballot measure. The City receives a shareback of the tax revenues collected. These funds may be used to acquire real estate, easements, water rights and to improve, restore and protect open space.
- ◆ The **SID #7 Bond Fund** was established for collecting assessments and paying debt services on the bonds that finance the construction of the new water improvement system for the Cherry Hills Village residents of the subdivisions Charlou Park and Charlou Park second addition. The first year of collections was in 2001 and the final payments are to be made in 2020.
- ◆ The **Water and Sewer Fund** was created to account for all the revenues and expenses associated with the consolidation and operation of water and sewer utilities coming under the auspices of the City of Cherry Hills Village.
- ◆ The **Parks and Recreation Fund** was established in 2004 for the purpose of accounting for costs related to the exclusion of the City from the South Suburban Park and Recreation District and to establish park and recreation functions within the City of Cherry Hills Village. The Parks and Recreation Department is comprised of the Parks and Trails Administrator, Parks Crew Leader, four Parks Maintenance Workers and six seasonal Parks Maintenance Workers.



Fund Structure

Fund Organization for the 2017 Budget





Department Fund Source

Department	Funding Source
City Council	General Fund
City Manager	General Fund
Finance Department	General Fund
• Accounting Clerk	General Fund
• City Clerk	General Fund
• Human Resources	General Fund
• Municipal Court	General Fund
Police Department	General Fund
• Support Services	General Fund
• Animal Control	General Fund
• Code Enforcement	General Fund
• Patrol	General Fund
• Capital Purchases	Capital Fund
Public Works Department	General Fund
• Street Maintenance	General Fund
• Grounds and Building Maintenance	General Fund
• Fleet Maintenance	General Fund
• Parks and Trails Maintenance	Parks and Recreation Fund
• Capital Purchases	Capital Fund
Community Development Department	General Fund
• Planning	General Fund
• Building Inspections	General Fund
Data Processing	General Fund
• Capital Purchases	Capital Fund



Budget Ordinance

ORDINANCE NO. 8 Series 2016

November 15, 2016: Introduced as Council Bill 8, Series 2016 by Councilor Earl Hoellen, seconded by Councilor Klasina VanderWerf and considered in full text on first reading. Passed by a vote of 6 yes and 0 no.

December 14, 2016: Considered in full text on second reading. Passed by a vote of 5 yes and 0 no.

A BILL FOR AN ORDINANCE ADOPTING A BUDGET AND LEVYING PROPERTY TAXES FOR THE CITY OF CHERRY HILLS VILLAGE, COLORADO FOR FISCAL YEAR 2017

WHEREAS, the City of Cherry Hills Village prepared and established a Budget for fiscal year 2017, made such Budget available for public inspection, and held a public hearing prior to adoption of the Budget by the City Council pursuant to Article IX of the Charter of Cherry Hills Village; and

WHEREAS, the Budget provides for expenditures and transfers for all purposes in the amount of \$22,499,398 and

WHEREAS, the Arapahoe County Assessor has certified a taxable assessed valuation for the City of Cherry Hills Village \$335,487,662; and

WHEREAS, \$4,548,877 of the total expenditures and transfers required shall be derived from ad valorem taxes, and the balance shall be derived from other sources.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, ORDAINS:

Section 1. The City of Cherry Hills Village Budget in the total amount of \$22,499,398 for the fiscal year beginning January 1, 2017 and ending December 31, 2017, is hereby approved and adopted.

Section 2. The Mayor and City Clerk of the City of Cherry Hills Village, Colorado, are hereby authorized and directed to certify a General Purpose Levy of fourteen and seven hundred and twenty two thousandths (14.722) mills to the Board of County Commissioners of Arapahoe County, Colorado, on or before the 15th day of December 2016, to be levied against all property within the City of Cherry Hills Village for taxes to be collected in 2017 for the valuation year 2016.

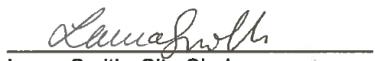
Section 3. The City Council, pursuant to Article XX of the Colorado Constitution, supersedes and deems the provision of C.R.S. 1972, 29-1-301, inapplicable.

Section 4. Should any section, clause, sentence or part of this Ordinance be adjudged by any court to be unconstitutional or invalid, the same shall not affect, impair or invalidate the ordinance as a whole or any part thereof other than the part so declared to be invalid.

Adopted as Ordinance No. 8, Series 2016, by the City Council of the City of Cherry Hills Village, Colorado the 14th day of December, 2016.


Laura Christman, Mayor

ATTEST:


Laura Smith, City Clerk

APPROVED AS TO FORM:


Linda Michow, City Attorney



Budget Ordinance-Appropriations

ORDINANCE NO. 9 Series 2016

November 15, 2016: Introduced as Council Bill 9, Series 2016 by Councilor Earl Hoellen, seconded by Councilor Klasina VanderWerf and considered in full text on first reading. Passed by a vote of 6 yes and 0 no.

December 14, 2016: Considered in full text on second reading. Passed by a vote of 5 yes and 0 no.

A BILL FOR AN ORDINANCE OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 2017

WHEREAS, the City of Cherry Hills Village has prepared and approved a Budget for fiscal year 2017 and the City is authorized and required to make appropriations by ordinance for each fiscal year pursuant to Article IX of the Charter of Cherry Hills Village, and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO
ORDAINS:**

Section 1. From the monies obtained from taxation and from all other sources of revenue of the City of Cherry Hills Village, Colorado, during the year beginning January 1, 2017, and ending December 31, 2017, there is hereby appropriated the following sums for the following funds, to-wit:

General Fund	6,925,454
Capital Fund	3,846,379
Land Donation Fund	166,420
Conservation Trust Fund	568,500
Special Improvement District No. 7	100,797
Water & Sewer Enter Enterprise Fund	557,112
Arapahoe County Open Space Fund	200,000
Parks and Recreation Fund	10,134,736
TOTAL	<u>\$22,499,398</u>

Section 2. The City Council, pursuant to Article XX of the Colorado Constitution, deems that this ordinance supersedes the provisions of C.R.S. 29-1-301, and that said statute is inapplicable to the matters addressed by this ordinance.

Section 3. Should any section, clause, sentence or part of this ordinance be adjudged by any court to be unconstitutional or invalid, the same shall not affect, impair or invalidate the ordinance as a whole or any part thereof other than the part so declared to be invalid, except to the extent that such invalidation defeats the purpose and intent of the City Council in adopting this ordinance.

Adopted as Ordinance No. 9, Series 2016, by the City Council of the City of Cherry Hills Village, Colorado, the 14th day of December, 2016.

Laura Christman, Mayor

ATTEST:

Laura Smith, City Clerk
Linda Michow, City Attorney

APPROVED AS TO FORM:

Linda Michow, City Attorney



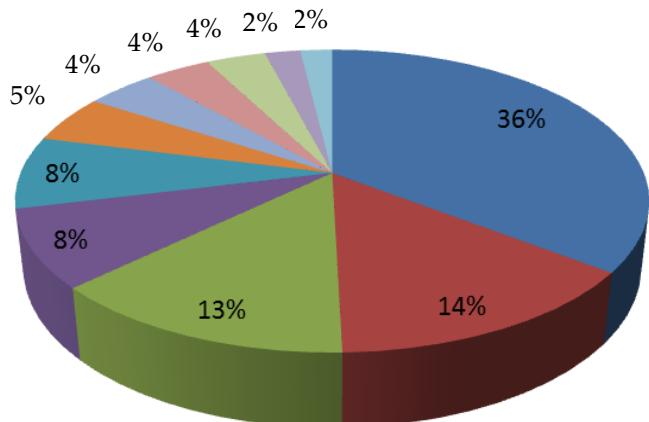
Revenue Summary

Revenue Sources	Revenue	Percentage
Property Taxes	\$2,449,060	36%
Use Tax	\$984,452	14%
Sales Tax	\$925,000	13%
Building Permit Fees	\$575,000	8%
Other	\$534,358	8%
Utility Franchise Fees	\$355,000	5%
Specific Ownership Tax	\$295,000	4%
Municipal Court Fines	\$270,000	4%
Highway Users Tax	\$252,584	4%
Service Expansion Fees	\$150,000	2%
Cable Television Franchise Fees	\$135,000	2%
Total	\$6,926,454	100%

The General Fund is the primary operating fund for the City of Cherry Hills Village. The major revenue sources for the General Fund are property taxes, use tax, sales tax, building permit fees and municipal court fines. 2017 revenue collections are projected at \$6,926,454 which is a decrease of 1% from the 2016 projections of \$7,004,867. Cherry Hills Village City staff is challenged with providing outstanding customer service levels and responses while maintaining fiscally responsible practices. The graph to the right indicates the breakdown of revenues collected by the City of Cherry Hills Village.

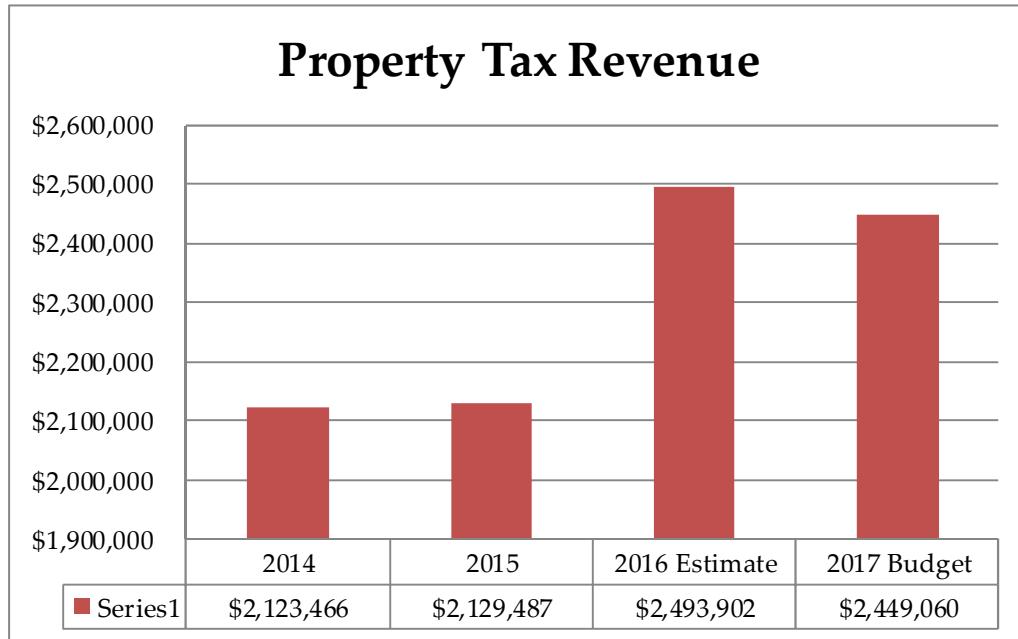
2017 General Fund Revenue Projections

- Property Taxes
- Use Tax
- Sales Tax
- Building Permit Fees
- Other
- Utility Franchise Fees
- Specific Ownership Tax
- Municipal Court Fines
- Highway Users Tax
- Service Expansion Fees
- Cable Television Franchise Fees





Revenue Summary



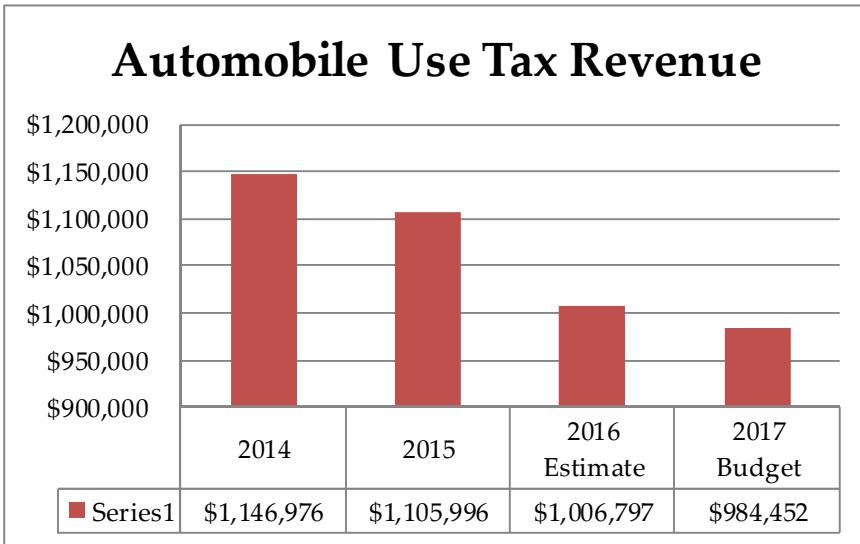
Property Taxes

The property tax valuation and assessments in Cherry Hills Village are determined every two years by Arapahoe County using a "Sales Comparison Approach". This approach directly compares properties that are similar in general location, design, size, age and amenities. The property taxes are calculated by taking the actual value multiplied by the assessment rate multiplied by the mill levy. The residential assessment rate is 7.96% and all other property (including vacant land) is 29%. Each residence is mailed a Personal Property Notice of Valuation by June 15th of each year; indicating the location, classification, characteristics subject to germane value and the actual value of the property for the prior and current year. Property taxes can be paid in two installments; the first half is due the last day in February and the second half is due June 15th. Below is the breakdown of how property taxes are assessed for Cherry Hills Village residents:

<u>Taxing Entity</u>	<u>Tax Levy</u>	<u>Percentage</u>
Cherry Creek School District	53.232	53.61
Arapahoe County	14.039	14.14
Developmental Disability	1.000	1.01
Cherry Hills Village	13.559	13.66
Arapahoe Library District	5.926	5.97
South Metro Fire Rescue	9.250	9.32
Cherry Hills Fire Bond	0.500	0.50
South Suburban Parks & Rec.	1.163	1.17
Urban Drainage & Flood	0.559	0.56
Urban Drainage & Flood (S Platte)	0.061	0.06

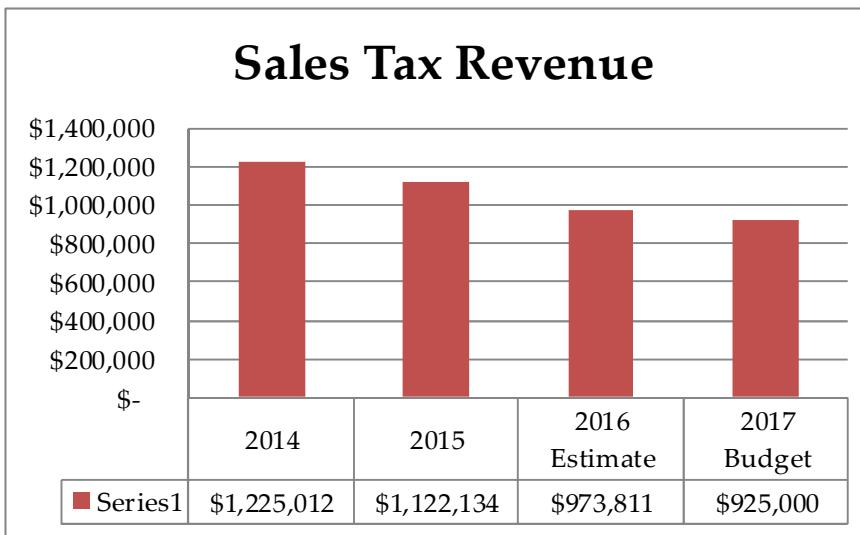


Revenue Summary



Automobile Use Tax

The City of Cherry Hills Village has a use tax of 3% that is assessed on all vehicle purchases. This fee is collected by the dealerships, remitted to the Arapahoe County Treasurer and then forwarded to Cherry Hills Village. This tax accounts for 14% of the General Fund revenue. The City of Cherry Hills Village has seen a decrease in the purchase of vehicles and their value over the last several years. The estimate for 2016 is approximately \$60,090 less than the budgeted amount, while the 2017 projection was reduced by 1% to provide a conservative budget based on past trends.

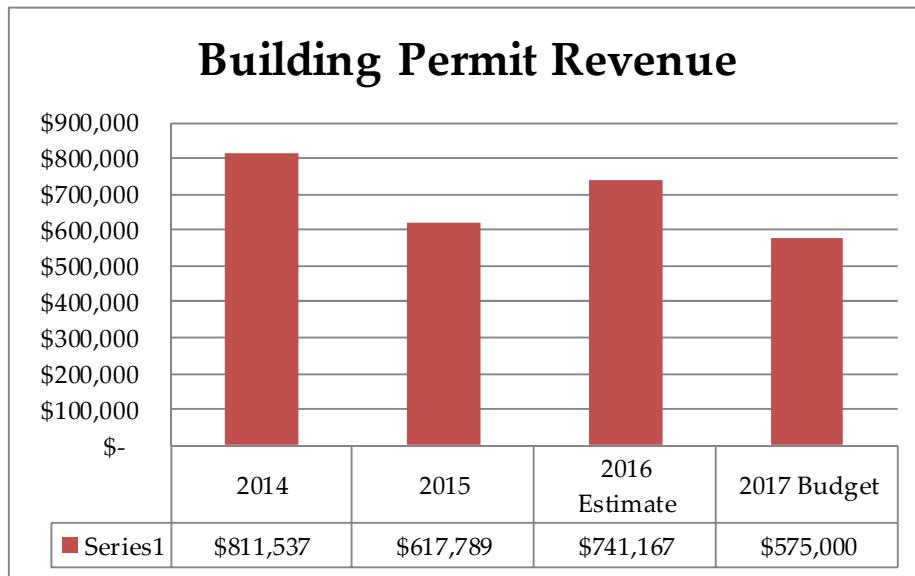


Sales Tax

The City of Cherry Hills Village has a sales tax rate of 3.5% that is assessed on tangible personal property that is sold within the Cherry Hills Village City limits. Cherry Hills Village does not charge a sales tax on deliveries into the City or services provided (even if they are performed within the City limits). Collection of these sales tax fees accounts for 13% of the General Fund revenue. The 2016 estimate is \$17,421 below the budgeted amount, while the 2017 projection was reduced by 1% to provide a conservative budget based on past trends.



Revenue Summary



Building Permit Fees

Cherry Hills Village assesses a building permit fee on every permit issued by the Building Department. The building permit fee is 1% of the project valuation that is calculated by the contractor or home owner. This valuation only includes the costs for labor and materials. Over the last year, Cherry Hills Village has experienced an increase in building permit fees, which account for 8% of the General Fund revenue. The 2016 estimate is \$191,167 above the budgeted amount based on actual permits issued. Because of the uncertainty of new permits and past trends, the 2017 projection was only increased 1% above the 2016 budget.

Total Revenue by Fund					
	2014 Actual	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
General Fund	7,298,804	7,124,878	7,004,867	6,869,703	6,925,454
Conservation Trust Fund	59,784	60,643	60,266	67,860	60,600
Catherine H. Anderson Fund	245,379	9,812	6,000	9,200	8,000
Sid #7 Bond Fund	87,094	81,254	90,797	95,483	100,797
Arapahoe County Open Space Fund	269,981	257,614	133,400	165,451	147,000
Water and Sewer Fund	63,637	160,799	77,624	103,568	73,488
Parks and Recreation Fund	1,649,488	3,020,024	1,787,749	1,799,091	9,664,817
Capital Fund	373,934	569,739	3,839,717	661,270	5,363,000
Total Revenue	\$10,048,101	\$11,284,763	\$13,000,420	\$9,771,626	\$22,343,156



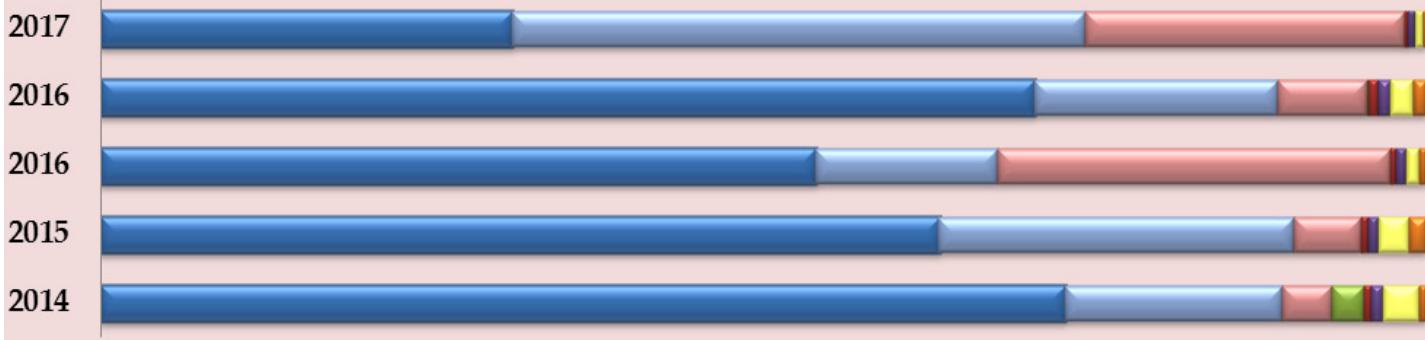
Revenue Summary

Total Revenue by Fund

	2014 Actual	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
General Fund	72.64%	63.14%	53.88%	70.30%	31.00%
Conservation Trust Fund	0.59%	0.54%	0.46%	0.69%	0.27%
Catherine H. Anderson Fund	2.44%	0.09%	0.05%	0.09%	0.04%
Sid #7 Bond Fund	0.87%	0.72%	0.70%	0.98%	0.45%
Arapahoe County Open Space Fund	2.69%	2.28%	1.03%	1.69%	0.66%
Water and Sewer Fund	0.63%	1.42%	0.60%	1.06%	0.33%
Parks and Recreation Fund	16.42%	26.76%	13.75%	18.41%	43.26%
Capital Fund	3.72%	5.05%	29.54%	6.77%	24.00%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%

Total Revenue by Fund

- General Fund
- Capital Fund
- Conservation Trust Fund
- Arapahoe County Open Space Fund
- Parks and Recreation Fund
- Catherine H. Anderson Fund
- Sid # 7 Bond Fund
- Water and Sewer Fund





Revenue Summary

Revenue Summary with Percentage Change			
	2016 Budget	2017 Budget	2017 % of Total
General Fund	7,004,867	6,925,454	31%
Conservation Trust Fund	60,266	60,600	0%
Catherine H. Anderson Fund	6,000	8,000	0%
Sid #7 Bond Fund	90,797	100,797	0%
Arapahoe County Open Space Fund	133,400	147,000	1%
Water and Sewer Fund	77,624	73,488	0%
Parks and Recreation Fund	1,787,749	9,664,817	43%
Capital Fund	3,839,717	5,363,000	24%
Total Revenue	\$13,000,420	\$22,343,156	100%
Percentage Change		72%	

The General Fund property tax revenue decreased by \$12,623 due to valuation appeals. Sales tax revenues have also been budgeted at a 7% decrease because sales tax is not collected on deliveries into the City. In addition, motor vehicle use tax is budgeted at a decrease of 7% for 2017 due to the decrease we have seen in the past couple of years. The main reason for the large increase in revenue from 2016 to 2017 is for the receipt of bond proceeds in the amount of \$12.9 million.



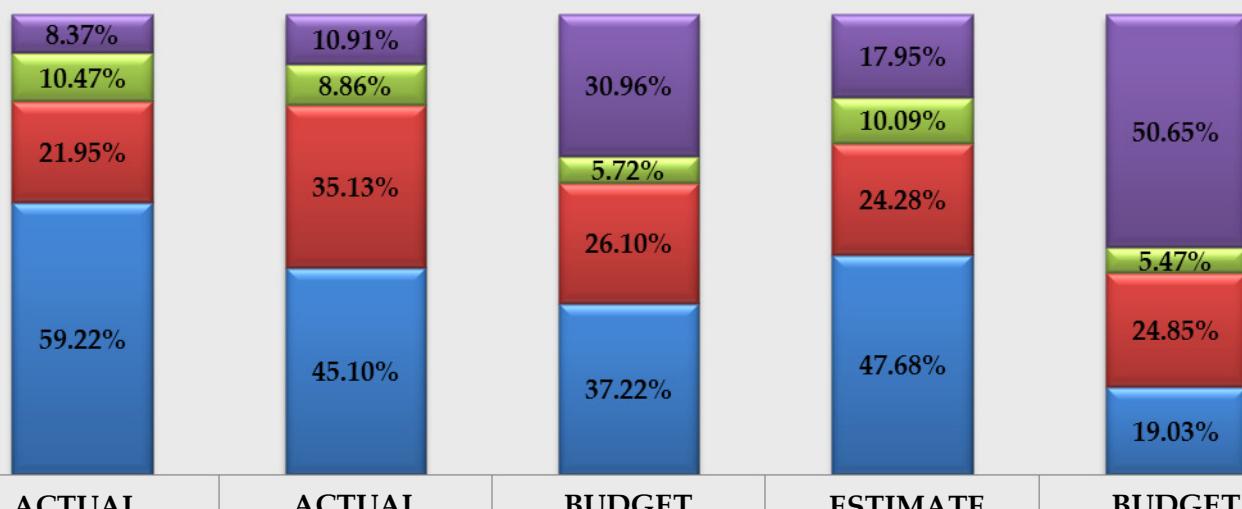
Expenditure Summary

All Fund Expenditures by Category

	2014 Actual	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Personnel	4,706,785	4,249,280	5,535,952	3,927,909	4,281,328
Operations & Maintenance	1,744,455	3,309,649	3,882,810	2,000,138	5,590,552
Debt Service	831,856	834,804	850,771	830,926	1,231,139
Capital Outlay	665,479	1,027,471	4,605,065	1,478,864	11,396,379
Total Expenditures	\$7,948,574	\$9,421,204	\$14,874,598	\$8,237,837	\$22,499,398
Personnel	59.22%	45.10%	37.22%	47.68%	19.03%
Operations & Maintenance	21.95%	35.13%	26.10%	24.28%	24.85%
Debt Service	10.47%	8.86%	5.72%	10.09%	5.47%
Capital Outlay	8.37%	10.91%	30.96%	17.95%	50.65%
Total Expenditures	100.00%	100.00%	100.00%	100.00%	100.00%

2014-2017 Total Expenditures by Category

■ Personnel ■ Operations & Maintenance ■ Debt Service ■ Capital Outlay





Expenditure Summary

Expenditure Summary with Percentage Change			
	2016 Budget	2017 Budget	2017 % of Total
Personnel	5,535,952	4,281,328	19%
Operations & Maintenance	3,882,810	5,590,552	25%
Debt Service	850,771	1,231,139	5%
Capital Outlay	4,605,065	11,396,379	51%
Total Expenditures	\$14,874,598	\$22,499,398	100%
Percentage Change		51%	

Personnel costs increased approximately 9% due to a 3% merit increase and public safety step increases. Additionally, two Director positions were vacant for a portion of 2016. Operations and Maintenance increased 44% due to increases in IT costs, trail improvements, Quincy Farm operations and sewer repairs. Debt Service increased by 45% due to Certificate of Participation principal and interest payments. Capital Outlay increased by 147% due to a new Public Works Facility, a new Village Center and John Meade Park and Alan Hutto Memorial Commons improvements.



Capital Project Plan

Objective

The following projects were identified by City Council and will be implemented over a period of years. Preliminary estimates of costs were used in the analysis and will change as more accurate cost information is developed. No tax increases or additional revenue sources were incorporated into the analysis. Continuation of the current level of services was assumed as part of the evaluation.

Capital Projects

Project	Cost	Time Frame
Public Works Facility	Approximately \$4.7 million	Complete by 2017
Village Center	Approximately \$4.5 million	Complete by 2018
John Meade Park/Alan Hutto Memorial Commons	Approximately \$2.6 million	Complete by 2018
Hampden Underpass	\$350,000	Complete by 2018
Ongoing Capital Needs (vehicles, equipment, streets, etc.)	Approximately \$1.2 million	Annual

Assumptions

In order to create a comprehensive capital plan, the following assumptions were used:

- The Hampden Underpass project will be paid for out of the Conservation Trust Fund.
- General Parks and Trail improvements, which are currently paid for out of the Conservation Trust Fund and Arapahoe County Open Space Fund, will be paid from the Parks Fund beginning in 2020 (approximately \$130,000).
- In 2020, the final payment will be made to South Suburban.
- The City will utilize a total of \$11.8 million in COP proceeds in 2017 and 2018 to finance the Public Works Facility, new Village Center and John Meade Park and Alan Hutto Memorial Commons projects.
- COP payments of approximately \$740,000 will be paid annually from the General Fund and the Parks Fund.



Capital Project Plan

Assumptions continued

- It was assumed that there would be a decrease of approximately \$22,000 in property tax revenue for 2017.
- It was also assumed that there would be a 1% annual increase in all other revenues.
- The final assumption was that there would be a 5% increase in expenditures in 2017 and a 1-2% increase every year thereafter.

Below is a 5 year chart used to forecast revenue and balances for each fund. The original forecast goes through 2030 and shows positive cumulative fund balances remaining after the completion of the COP payments:

	2017	2018	2019	2020	2021
Capital Fund					
Beginning fund balance	4,662,986	6,179,607	5,197,607	4,215,607	3,233,607
Annual revenue	13,000	13,000	13,000	13,000	13,000
Bond proceeds	5,350,000	-	-	-	-
Annual expenditures	(3,846,379)	(995,000)	(995,000)	(995,000)	(995,000)
Ending fund balance	6,179,607	5,197,607	4,215,607	3,233,607	2,251,607
Conservation Trust Fund					
Beginning fund balance	819,491	311,591	6,591	36,591	21,591
Annual revenue	60,600	60,000	60,000	60,000	60,000
Annual expenditures	(568,500)	(365,000)	(30,000)	(75,000)	-
Ending fund balance	311,591	6,591	36,591	21,591	81,591



Capital Project Plan

Forecast revenue balances continued

	2017	2018	2019	2020	2021
Catherine H. Anderson Land Donation Fund					
Beginning fund balance	664,372	505,952	312,332	118,712	92
Annual revenue	8,000	7,000	7,000	7,000	7,000
Annual expenditures	(166,420)	(200,620)	(200,620)	(125,620)	(620)
Ending fund balance	505,952	312,332	118,712	92	6,472
Arapahoe County Open Space Fund					
Beginning fund balance	837,008	784,008	814,008	793,008	780,008
Annual revenue	147,000	130,000	130,000	130,000	130,000
Annual expenditures	(200,000)	(100,000)	(151,000)	(143,000)	(200,000)
Ending fund balance	784,008	814,008	793,008	780,008	710,008
Parks and Recreation Fund					
Beginning fund balance	2,388,822	1,968,095	1,189,438	786,137	1,100,696
Annual revenue	2,114,817	1,884,093	2,231,517	2,342,481	2,342,636
Bond proceeds	6,450,000	-	-	-	-
Annual expenditures	(2,535,544)	(2,662,750)	(2,634,819)	(2,027,922)	(2,054,486)
Public Works Facility	(3,850,000)	-	-	-	-
John Meade Park	(2,600,000)	-	-	-	-
Ending fund balance	1,968,095	1,189,438	786,137	1,100,696	1,388,845



Capital Improvements Overview

Overview

The Capital Fund was established in 2011 in order to track and fund the costs of capital assets for the City of Cherry Hills Village. A capital asset for the City is defined as:

- Any public facility
- Equipment or vehicle that costs more than \$5,000
- Has a useful life greater than 1 year

Typically items such as police cars, public works vehicles, parks and recreation equipment, major streets and storm drainage improvements and building improvements are included in this fund.

Streets Equipment

Cherry Hills Village has put together a long range equipment replacement plan based on useful life of the equipment. The City also tracks maintenance and repair costs and will accelerate the replacement of specific equipment that is no longer fiscally practical to maintain.

Project Cost Estimate by Year/Funding Source					
Prior Years	2017	2018	2019	2020	2021
Capital Fund	\$38,316	\$14,000	\$50,000	\$50,000	\$50,000

Estimated Operations Impact					
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There is not a significant impact to operational costs that is anticipated at this time aside from the typical costs for maintenance and repair.

Streets Vehicles

Cherry Hills Village has put together a long range vehicle replacement plan based on useful life of the vehicles. The City also tracks maintenance and repair costs and will accelerate the replacement of specific vehicles that are no longer fiscally practical to maintain. The Public Works Department does not anticipate purchasing any new streets vehicles in 2017.

Project Cost Estimate by Year/Funding Source					
Prior Years	2017	2018	2019	2020	2021
Capital Fund	\$0	\$0	\$50,000	\$135,000	\$195,000

Estimated Operations Impact					
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There is not a significant impact to operational costs anticipated in 2017. The future expenses are anticipated costs for the replacement of existing Public Works and Parks Department vehicles.



Capital Improvements Overview

Street Improvement Program

Each year the City repairs and maintains a portion of the one hundred lane miles of asphalt streets within its control. These projects consist of asphalt overlays and chip seal applications. These funds are from both the Highway User Tax fund and the City's Capital Improvement fund. The City has invested significant funds in the past to upgrade and repair its streets and is currently in a full maintenance mode. The City of Cherry Hills Village has found chip seal to be the most effective, efficient and affordable asphalt maintenance tool for extending the life of the City's streets. The City has a very aggressive maintenance program and chip seals all new asphalt within 4 years. After the initial application of chip seal the City reapplies the product at 6 year intervals. In 2017 all funds will be used for chip seal, asphalt and concrete projects.

Project Cost Estimate by Year/Funding Source					
Prior Years	2017	2018	2019	2020	2021
Capital Fund	\$601,857	\$630,000	\$570,000	\$570,000	\$570,000

Estimated Operations Impact					
-----------------------------	--	--	--	--	--

There is not a significant impact to operational costs that is anticipated at this time aside from the typical costs for maintenance and repair.

Police Department Vehicles

The Cherry Hills Village Police Department has a vehicle replacement plan based on the useful life of each vehicle. The Police Department also tracks maintenance and repair costs and accelerates the replacement of specific vehicles that are no longer fiscally practical to maintain. The Police Department will purchase and equip one new SUV, one new patrol vehicle and one new Animal Control vehicle.

Project Cost Estimate by Year/Funding Source					
Prior Years	2017	2018	2019	2020	2021
Capital Fund	\$136,003	\$197,700	\$175,550	\$189,500	\$189,500
Replacement Vehicles	4	3	2	2	2

Estimated Operations Impact					
-----------------------------	--	--	--	--	--

There is not a significant impact to operational costs that is anticipated for the department at this time because the new vehicles will replace existing patrol vehicles. The previous Animal Control vehicle was transferred to the Public Works Department and will be used as a replacement vehicle in that department.



Capital Improvements Overview

Police Equipment

The State of Colorado requires that Police Department meet minimum standards for all Police Department equipment. This fund was established to replace existing equipment in order to meet these State standards. In 2017, the Police Department will purchase one new speed trailer.

Project Cost Estimate by Year/Funding Source					
Prior Years	2017	2018	2019	2020	2021
Capital Fund	\$41,019	\$16,000	\$25,000	\$0	\$0

Estimated Operations Impact					
-----------------------------	--	--	--	--	--

There is not a significant impact to operational costs that is anticipated for the department at this time because the speed trailer will eventually replace the existing trailer when the computer of the existing trailer fails.

Woodie Hollow Park

As part of a continuous effort to improve drainage ways on both public and private property the City of Cherry Hills Village, through Urban Drainage and Flood Control District, has established a cost sharing program in an effort to help offset the costs of repairing and maintaining waterways and drainage channels throughout the City. This project allows residents to be reimbursed up to 50% of their construction costs using funds provided by Urban Drainage. The City is also eligible to apply for these funds for projects on city owned properties. In 2017, the City of Cherry Hills Village and Urban Drainage will work on a project that is on both public and private property along Little Dry Creek; which is on the edge of Woodie Hollow Park. The City has budgeted \$70,000 for its share of the proposed Woodie Hollow Park project.

Project Cost Estimate by Year/Funding Source					
Prior Years	2017	2018	2019	2020	2021
Conservation Trust Fund	N/A	\$70,000	N/A	N/A	N/A

Estimated Operations Impact					
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The Woodie Hollow Park project will be completed in 2017 and there will not be a significant impact to operational costs beyond 2017.



Capital Improvements Overview

Hampden Underpass

As part of an effort to improve regional trail connectivity, the City has partnered with the City and County of Denver and Arapahoe County to build two underpasses at Hampden Avenue and Colorado Boulevard. Both of these roads are high-speed state highways that create a barrier for recreational users of the High Line Canal. The trail ends to the south of Hampden Avenue and users are forced to cross the intersection at grade and reconnect with the trail going east in Denver. Installation of the underpass is intended to improve pedestrian and cyclist safety as a significant trail connection will be established and users will be able to cross underneath the roadways instead. In 2015, the Denver Regional Council of Governments (DRCOG) and Colorado Department of Transportation (CDOT) awarded \$4,050,000 to complete the project through the Transportation Improvement Program. The required local cash match is \$1,350,000, which is to be provided by the City of Cherry Hills Village, Denver and Arapahoe County. For 2017, the City has budgeted \$175,000 for its share of the project.

Project Cost Estimate by Year/Funding Source						
	Prior Years	2017	2018	2019	2020	2021
Conservation						
Trust Fund	N/A	\$175,000	\$137,500	N/A	N/A	N/A
Estimated Operations Impact						

The Hampden Underpass project will be completed in 2018 and there will not be a significant impact to operational costs beyond 2018.

John Meade Park/Alan Hutto Memorial Commons

As the only neighborhood park with playground equipment near the existing Village Center, John Meade Park and Alan Hutto Memorial Commons are meant to serve as a central gathering space and recreational facility. Re-development of the park and the creation of the memorial commons will provide new recreation opportunities for residents and visitors, as well as educational opportunities for students. Construction is expected to be completed in phases as the scope of work is too large for the City to complete at one time. The first phase of the project focuses on completing the engineering design for the park and the memorial commons, replacing box culverts underneath two roadway crossings to improve drainage and performing site grading and channel work to restore Greenwood Gulch and improve its riparian habitat. The goal of the project is to create an active gathering space and recreational amenity that will meet the needs of visitors and become a valued community asset for years to come.



Capital Improvements Overview

John Meade Park Alan Hutto Memorial Commons continued

Project Cost Estimate by Year/Funding Source						
Prior Years	2017	2018	2019	2020	2021	
Parks and Recreation Fund	N/A	\$1,300,000	\$1,300,000	N/A	N/A	N/A

Estimated Operations Impact

The John Meade Park / Alan Hutto Memorial Commons project will be completed in 2018 and there will not be a significant impact to operational costs beyond 2018.

Public Works and Administrative Facilities

The City of Cherry Hills Village's Administrative facilities and Public Works Department are located on the Village Center campus at South University Boulevard and East Quincy Avenue; both facilities are antiquated and provide operating challenges in their current configurations. In January of 2017, City Council approved the purchase of a parcel of land located in Sheridan, Colorado. This will be the new location for the Public Works Facility. In the long range financial plan, the City has included COP funds in the 2017 budget for the design of these two facilities.

Project Cost Estimate by Year/Funding Source						
Prior Years	2016	2017	2018	2019	2020	
Capital Fund	N/A	N/A	\$4,600,000	\$4,600,000	N/A	N/A

Estimated Operations Impact

The Public Works and Administrative Facilities project will be completed in 2018 and there will not be a significant impact to operational costs beyond 2018.



All Funds Summary

Revenue & Expenditure Statement By Fund	2015 Actual	2016 Budget	2017 Budget	% Change from 2016 to 2017
GENERAL FUND				
BEGINNING FUND BALANCE	6,800,798	3,698,352	4,613,343	25%
TOTAL REVENUE	7,124,878	7,004,867	6,925,454	-1%
TOTAL APPROPRIATION	6,393,918	7,004,867	6,925,454	-1%
TRANSFER OUT	1,542,491	-	-	-
ENDING FUND BALANCE	5,989,267	3,698,352	4,613,343	25%
CAPITAL FUND				
BEGINNING FUND BALANCE	6,799,886	7,556,673	4,716,425	-38%
TOTAL REVENUE	569,739	3,839,717	5,363,000	40%
TRANSFER IN FROM GENERAL FUND	-	-	-	-
TOTAL APPROPRIATION	1,027,471	4,605,065	3,846,379	-16%
ENDING FUND BALANCE	6,342,154	6,791,325	6,233,046	-8%
WATER & SEWER FUND				
BEGINNING FUND BALANCE	894,700	593,559	995,054	68%
TOTAL REVENUE	160,799	77,624	73,488	-5%
TOTAL APPROPRIATION	132,471	532,000	557,112	5%
ENDING FUND BALANCE	923,028	139,183	511,430	267%
CATHERINE H ANDERSON LAND DONATION FUND				
BEGINNING FUND BALANCE	648,599	649,150	656,372	1%
TOTAL REVENUE	9,812	6,000	8,000	33%
TOTAL APPROPRIATION	619	5,620	166,420	2861%
ENDING FUND BALANCE	657,792	649,530	497,952	-23%
CONSERVATION TRUST FUND				
BEGINNING FUND BALANCE	724,258	674,877	819,491	21%
TOTAL REVENUE	60,643	60,266	60,600	0.55%
TOTAL APPROPRIATION	7,771	248,500	568,500	129%
ENDING FUND BALANCE	777,130	486,643	311,591	-36%



All Funds Summary

Revenue & Expenditure Statement By Fund	2015 Actual	2016 Budget	2017 Budget	% Change from 2016 to 2017
SPECIAL IMPROVEMENT DISTRICT (SID #7)				
BEGINNING FUND BALANCE	25,361	33,793	41,076	22%
TOTAL REVENUE	72,439	79,751	79,801	0.06%
TOTAL APPROPRIATION	81,254	90,797	100,797	11%
ENDING FUND BALANCE	16,546	22,747	20,080	-12%
ARAPAHOE COUNTY OPEN SPACE FUND				
BEGINNING FUND BALANCE	671,340	668,824	837,008	25%
TOTAL REVENUE	257,614	133,400	147,000	10%
TOTAL APPROPRIATION	157,397	600,000	200,000	-67%
ENDING FUND BALANCE	771,557	202,224	784,008	288%
PARK & RECREATION FUND				
BEGINNING FUND BALANCE	957,490	2,299,604	2,388,822	4%
TOTAL REVENUE	3,020,024	1,787,749	9,664,817	441%
TOTAL APPROPRIATION	1,701,558	1,787,749	10,134,736	467%
ENDING FUND BALANCE	2,275,956	2,299,604	1,918,903	-17%
TOTAL REVENUE	11,275,948	12,989,374	22,322,160	72%
TOTAL TRANSFER OUT	1,542,491	-	-	-
TOTAL APPROPRIATIONS	9,502,459	14,874,598	22,499,398	51%
TOTAL TRANSFER IN	-	-	-	-
TOTAL ENDING FUND BALANCE	17,753,430	14,289,608	14,890,353	4%



Revenue/Expenditure Statement

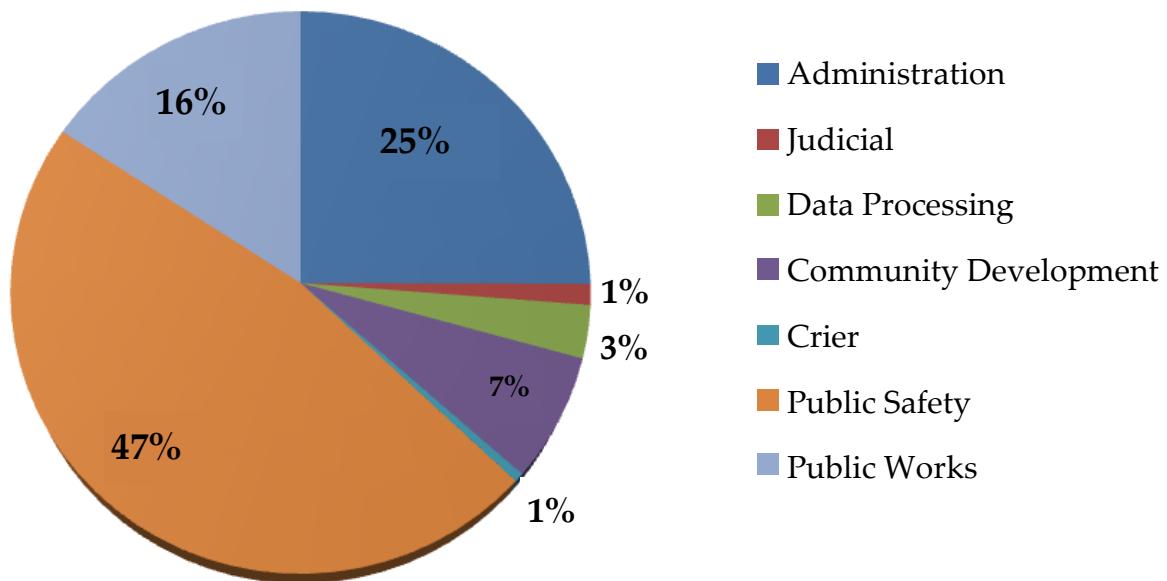
General Fund Statement of Revenues and Expenditures					
	2014	2015	2016	2016	2017
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
REVENUE					
CURRENT PROPERTY TAXES @ 7.30 MILLS	2,123,466	2,129,487	2,461,683	2,493,902	2,449,060
USE/TAX MOTOR VEHICLES	1,146,976	1,105,996	1,066,887	1,006,797	984,452
SALES TAX	1,225,012	1,122,134	991,232	973,811	925,000
SERVICE EXPANSION FEES	164,276	154,522	150,000	150,968	150,000
BUILDING PERMITS	811,537	617,789	550,000	741,167	575,000
FRANCHISE FEES	455,827	407,553	359,700	328,243	355,000
HIGHWAY USERS TAX	246,369	254,789	241,697	230,642	252,584
MUNICIPAL COURT FINES	278,297	228,886	270,000	260,762	270,000
COUNTY ROAD & BRIDGE LEVY	113,504	113,995	134,381	110,270	109,704
SPECIFIC OWNERSHIP TAX	-	-	264,000	-	295,000
OTHER REVENUES	733,539	989,727	515,287	592,502	559,654
TOTAL OPERATING REVENUE	7,298,803	7,124,878	7,004,867	6,889,064	6,925,454
EXPENDITURES					
ADMINISTRATION	1,799,030	1,924,281	1,861,128	1,706,952	1,667,833
JUDICIAL	90,501	67,248	75,279	73,718	79,592
DATA PROCESSING	130,595	121,615	133,583	130,863	203,044
COMMUNITY DEVELOPMENT	431,478	513,851	604,870	459,784	484,922
VILLAGE CRIER	19,854	21,361	30,500	29,971	34,700
PUBLIC SAFETY	2,529,088	2,723,400	3,152,225	2,831,190	3,139,333
PUBLIC WORKS	901,474	1,022,162	1,147,282	1,024,810	1,049,379
TOTAL OPERATING EXPENDITURES	5,902,020	6,393,918	7,004,867	6,257,288	6,658,803
COP PAYMENT	-	-	-	-	266,651
TOTAL EXPENDITURES	5,902,020	6,393,918	7,004,867	6,257,288	6,925,454
OPERATING GAIN/(LOSS)	1,396,783	730,960	-	631,776	-



Revenue/Expenditure Statement

General Fund Statement of Revenues and Expenditures	2014	2015	2016	2016	2017
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
EXTRAORDINARY EXPENSES					
TRANSFER TO PARKS AND REC FUND	-	1,542,491	-	-	-
TRANSFER TO CAPITAL FUND	1,065,944	-	-	2,007,700	-
TOTAL EXTRAORDINARY EXPENSES	1,065,944	1,542,491	-	2,007,700	-
BEGINNING FUND BALANCE	6,469,959	6,800,798	3,698,352	5,989,267	4,613,343
ADD/(SUBTRACT) OPERATING DIFFERENCE	1,396,783	730,960	-	631,776	-
LESS: EXTRAORDINARY EXPENSES	(1,065,944)	(1,542,491)	-	(2,007,700)	-
AVAILABLE FUND BALANCE	6,800,798	5,989,267	3,698,352	4,613,343	4,613,343

Operating Expenditure Percentage by Department





2017 Budget

General Fund Revenues					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
ASSESSED VALUE	290,292,390	291,710,547	337,216,810	337,216,810	335,487,662
MILL LEVY	7.30	7.30	7.30	7.30	7.30
CURRENT PROPERTY TAXES	2,123,466	2,129,487	2,461,683	2,493,902	2,449,060
SPECIFIC OWNERSHIP TAXES	-	-	264,000	-	295,000
UTILITY FRANCHISE FEE	455,827	407,553	359,700	328,243	355,000
CABLE TELEVISION FEES	141,783	144,164	133,000	142,584	135,000
CURRENT TAX INTEREST	5,869	4,466	6,000	7,960	6,000
DELIQUENT TAXES	-	-	-	-	-
DELIQUENT INTEREST	-	-	-	-	-
SALES TAX	1,225,012	1,122,134	991,232	973,811	925,000
USE TAX/MOTOR VEHICLES	1,146,976	1,105,996	1,066,887	1,006,797	984,452
EXCISE TAX	150,000	-	-	-	-
TOTAL TAXES AND FEES	5,248,933	4,913,798	5,282,502	4,953,297	5,149,512
LIQUOR LICENSES	8,350	7,025	7,201	7,441	6,328
SECURITY ALARM PERMITS	26,950	29,119	30,000	30,825	30,000
BUILDING PERMITS	811,537	617,789	550,000	741,167	575,000
SERVICE EXPANSION FEES	164,276	154,522	150,000	150,968	150,000
ZONING & SUBDIVISION FEES	1,900	1,900	2,000	-	2,000
ELEVATOR INSPECTION FEE	3,600	5,000	3,600	5,000	3,600
PLAN REVIEW FEES	129,455	129,377	90,000	101,920	95,000
REINSPECTION FEES	150	-	500	-	500
DOG LICENSES	2,990	2,330	2,200	2,310	2,200
STREET CUT PERMITS	55,154	62,438	55,000	56,318	55,000
STORMWATER CONST. PERMIT	3,300	2,100	2,000	2,400	2,000
ENGINEERING REVIEW	3,900	6,375	8,000	5,400	25,536
TOTAL LICENSES/PERMITS	1,211,562	1,017,975	900,501	1,103,748	947,164



2017 Budget

General Fund Revenues					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
MOTOR VEH REGISTRATION	26,625	25,793	25,000	25,346	25,000
CIGARETTE TAX	3,186	3,336	2,800	3,528	3,000
HIGHWAY USERS TAX	246,369	254,789	241,697	230,642	252,584
COUNTY ROAD/BRIDGE LEVY	113,504	113,995	134,381	110,270	109,704
TOTAL INTERGOVERNMENTAL	389,684	397,913	403,878	369,787	390,288
EXTRA DUTY SERVICE CHARGES	53,740	60,689	55,000	56,285	50,000
FALSE ALARM FEES	3,100	1,200	1,000	5,100	1,000
MUNICIPAL COURT FINES	278,297	228,886	270,000	260,762	270,000
DUI FINES	11,886	11,754	12,000	7,227	10,000
FUEL SURCHARGE	23,965	18,640	20,000	19,340	18,500
PHOTO RED LIGHT FINES	325	25	-	-	-
TOTAL CHARGES FOR SERVICE	371,313	321,194	358,000	348,713	349,500
INTEREST INCOME	11,476	16,357	12,000	45,889	35,000
PENALTY-BUILDING PERMIT	5,935	5,718	3,000	3,505	3,000
CRIER CONTRIBUTIONS	7,886	7,376	7,000	5,286	5,000
CRIER ADVERTISEMENT	9,376	10,055	10,000	7,935	8,000
OTHER REVENUES	35,079	426,326	20,000	23,257	30,000
LEASE PROCEEDS	7,560	8,165	7,986	8,287	7,990
TOTAL MISC REVENUES	77,312	473,997	59,986	94,159	88,990
TOTAL REVENUES	7,298,804	7,124,878	7,004,867	6,869,703	6,925,454

Notes:

- Property tax revenue decreased by \$12,623
- All of the specific ownership tax was moved to the General Fund
- Slight decrease in sale tax revenue based on past years receipts
- \$82,435 decrease in use tax revenue based on the 2016 projection and uncertainty of vehicle sales

Overall: 1% decrease from the 2016 adopted budget



2017 Budget

General Fund Administration					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
PERSONNEL SERVICES:					
PERSONNEL SERVICES	493,652	539,883	496,616	489,229	422,973
FEE PERSONNEL	16,200	15,000	16,800	16,200	17,400
SOCIAL SECURITY TAXES	65,904	40,285	39,729	37,259	41,500
RETIREMENT 401-NONSWORN	36,230	29,376	35,000	22,421	35,000
RETIREMENT 457	69,521	66,091	65,000	67,636	70,000
HEALTH-LIFE-DENTAL INSURANCE	523,070	550,493	487,522	455,064	465,000
UNEMPLOYMENT-WORKERS COMP INS	43,424	66,372	113,000	54,652	75,680
OVERTIME	2,171	1,937	-	981	1,000
TOTAL PERSONNEL SERVICES	1,250,173	1,309,437	1,253,666	1,143,441	1,128,553
SUPPLIES AND MATERIALS:					
OFFICE SUPPLIES-POSTAGE	13,407	17,491	16,280	15,266	15,000
PRINTING-REPRODUCTION	1,296	1,953	2,500	2,203	2,500
SPECIAL MATERIALS	1,917	1,631	2,500	1,942	2,500
TOTAL SUPPLIES AND MATERIALS	16,620	21,074	21,280	19,410	20,000
UTILITIES:					
GAS-HEAT-LIGHT	22,625	18,406	21,000	16,786	19,360
COMMUNICATIONS	31,244	29,215	28,000	17,631	22,000
SEWER	(6)	2,779	3,136	2,853	2,512
TOTAL UTILITIES	53,863	50,400	52,136	37,270	43,872



2017 Budget

General Fund Administration		2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	
CONTRACTUAL SERVICES:						
COUNTY TREASURER FEES	23,994	23,958	24,491	28,208	24,491	
COUNTY USE TAX FEES	57,349	55,361	49,223	49,338	49,223	
AUDIT	8,205	8,500	8,500	8,500	7,480	
LEGAL	112,705	180,210	150,000	140,589	150,800	
OTHER CONTRACTURAL SERVICES	13,177	19,608	16,492	32,109	14,834	
TOTAL CONTRACTURAL SERVICES	215,428	287,636	248,705	258,744	246,827	
OTHER EXPENSES:						
INSURANCE-PROPERTY/CASUALTY	131,993	119,487	130,000	122,737	96,800	
ELECTION EXPENSE	5,847	1,499	6,000	4,035	-	
TRAINING-DUES-TRAVEL-SUBSCRIPTION	64,672	62,348	95,817	56,354	74,381	
TESTING-PHYSICALS	55	57	300	206	300	
LEGAL PUBLICATIONS	-	-	300	30	300	
SPECIAL EVENTS	1,829	1,920	2,500	5,096	2,700	
MISCELLANEOUS EXPENSES	56,993	68,172	44,675	59,478	52,600	
EQUIPMENT	1,558	2,250	1,500	150	1,500	
TOTAL OTHER EXPENSES	262,947	255,733	281,092	248,086	228,581	
TOTAL ADMINISTRATION EXPENSES	1,799,030	1,924,281	1,856,880	1,706,952	1,667,833	

Notes:

- 3% salary increases
- Expenses for Parks Division employees allocated to the Parks and Recreation budget
- Decrease in tuition reimbursement requests

Overall: 10% decrease from the 2016 adopted budget



2017 Budget

General Fund Judicial	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
PERSONNEL SERVICES:					
PERSONNEL SERVICES	63,403	49,627	51,471	52,320	53,900
FEE PERSONNEL	13,000	12,500	13,000	14,500	14,500
SOCIAL SECURITY TAXES	4,863	3,809	4,118	4,103	4,312
OVERTIME	-	-	-	-	-
TOTAL PERSONNEL SERVICES	81,266	65,936	68,589	70,923	72,712
SUPPLIES AND MATERIALS					
OFFICE SUPPLIES-POSTAGE	115	31	100	75	100
PRINTING-REPRODUCTION	823	-	400	188	400
TOTAL SUPPLIES AND MATERIALS	938	31	500	263	500
CONTRACTURAL SERVICES:					
JURY-WITNESS FEES	5	-	100	10	100
TOTAL CONTRACTURAL SERVICES	5	-	100	10	100
OTHER EXPENSES:					
TRAINING-DUES-TRAVEL-SUBSCRIPTION	399	420	560	573	600
INTERPRETERS	730	525	850	1,153	1,000
MISCELLANEOUS EXPENSES	7,163	336	4,680	797	4,680
EQUIPMENT	-	-	-	-	-
TOTAL OTHER EXPENSES	8,292	1,281	6,090	2,523	6,280
TOTAL JUDICIAL EXPENSES	90,501	67,248	75,279	73,718	79,592

Notes:

- 3% salary increases
- 5 additional court sessions added

Overall: 1% increase from 2016 adopted budget



2017 Budget

General Fund Data Processing						
		2014	2015	2016	2016	2017
DESCRIPTION		ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
DATA PROCESSING:						
SOFTWARE		1,258	9,788	18,704	26,777	18,164
OTHER CONTRACTUAL SERVICES		95,040	97,718	97,132	84,458	94,687
EQUIPMENT MAINTENANCE		472	4,060	-	-	-
MISCELLANEOUS EXPENSES		20,528	-	-	-	48,440
EQUIPMENT/HARDWARE		13,298	10,050	17,747	19,627	41,753
TOTAL DATA PROCESSING		130,595	121,615	133,583	130,863	203,044

Notes:

- North Star support 20 hrs/week
- Police Department IT related expenses moved from Police Department budget
- New website
- Additional new computers, laptops, monitors, hard drives and a large format printer

Overall: 50% increase from the 2016 adopted budget



2017 Budget

General Fund Community Development					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
PERSONNEL SERVICES:					
PERSONNEL SERVICES	167,715	230,842	254,972	213,792	183,809
SOCIAL SECURITY TAXES	12,596	17,618	20,398	16,816	17,963
OVERTIME	-	-	-	-	-
TOTAL PERSONNEL SERVICES	180,310	248,460	275,370	230,608	201,772
SUPPLIES AND MATERIALS:					
OFFICE SUPPLIES-POSTAGE	859	3,928	4,500	2,380	4,000
PRINTING-REPRODUCTION	2,471	1,423	3,200	2,163	2,500
SPECIAL MATERIALS	225	260	250	94	250
TOTAL SUPPLIES AND MATERIALS	3,555	5,611	7,950	4,637	6,750
CONTRACTURAL SERVICES:					
TELEPHONE	754	421	850	749	1,200
GREEN BUILDING REBATES	-	-	20,000	-	-
CONTRACTED PLAN REVIEW	87,200	71,975	70,000	68,063	70,000
ENGINEERING SERVICES	17,447	36,020	30,000	26,853	35,000
BUILDING INSPECTION	128,162	128,428	150,000	124,024	150,000
OTHER CONTRACTUAL SERVICES	7,284	16,014	40,000	780	10,000
TOTAL CONTRACTUAL SERVICES	240,847	252,859	310,850	220,469	266,200
OTHER EXPENSES:					
TRAINING-DUES-TRAVEL-SUBSCRIPTIONS	3,481	3,811	4,900	729	4,400
MISCELLANEOUS EXPENSES	3,285	3,110	4,000	2,313	4,000
EQUIPMENT	-	-	1,800	1,028	1,800
TOTAL OTHER EXPENSES	6,766	6,921	10,700	4,071	10,200
TOTAL COMMUNITY DEVELOPMENT	431,478	513,851	604,870	459,784	484,922

Notes:

- 50% of Special Projects Coordinator salary allocated to Parks and Recreation budget

Overall: 20% decrease from the 2016 adopted budget



2017 Budget

General Fund Village Crier	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
PERSONNEL SERVICES:					
PERSONNEL SERVICES	3,600	1,730	3,000	3,300	3,600
TOTAL PERSONNEL SERVICE	3,600	1,730	3,000	3,300	3,600
SUPPLIES AND MATERIALS:					
OFFICE SUPPLIES AND POSTAGE	5,851	6,794	10,500	9,226	10,100
PRINTING AND REPRODUCTION	10,403	12,837	17,000	17,445	21,000
TOTAL SUPPLIES AND MATERIALS	16,254	19,631	27,500	26,671	31,100
TOTAL VILLAGE CRIER	19,854	21,361	30,500	29,971	34,700

Notes:

- Increase in printing and postage for monthly issues
- Increase in cost for graphic artist for larger issues

Overall: 14% increase from the 2016 adopted budget



2017 Budget

General Fund Public Safety					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
PERSONNEL SERVICES:					
PERSONNEL SERVICES	1,912,228	2,077,133	2,263,049	2,188,276	2,314,011
SOCIAL SECURITY TAXES	49,174	51,921	67,891	56,593	71,797
POLICE PENSION CONTRIBUTIONS	136,986	138,936	145,000	135,331	150,500
UNIFORM EXPENSE	13,320	15,884	26,150	16,242	27,100
OVERTIME	37,108	40,234	70,000	27,739	60,000
EXTRA DUTY CHARGES	47,248	48,533	70,000	48,631	54,500
TOTAL PERSONNEL SERVICES	2,196,065	2,372,641	2,642,091	2,472,813	2,677,908
SUPPLIES AND MATERIALS:					
OFFICE SUPPLIES-POSTAGE	7,431	8,191	8,670	8,070	8,800
PRINTING AND REPRODUCTION	4,347	3,424	5,780	4,254	6,000
CRIME PREVENTION	575	1,964	4,000	3,267	3,500
DARE	1,431	1,948	1,000	200	1,500
SPECIAL MATERIALS	7,395	17,553	14,280	13,633	15,500
ANIMAL CONTROL	215	450	1,000	356	1,000
TOTAL SUPPLIES AND MATERIALS	21,395	33,528	34,730	29,780	36,300
UTILITIES:					
ELECTRICAL/GAS	24,167	21,705	27,300	27,199	26,000
WATER	1,422	1,608	3,250	2,915	2,500
TELEPHONE	15,257	16,033	28,750	21,318	29,025
SEWER	569	1,810	2,500	2,705	1,435
TOTAL UTILITIES	41,415	41,156	61,800	54,138	58,960



2017 Budget

General Fund Public Safety						
	2014	2015	2016	2016	2017	
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	
CONTRACTURAL SERVICES:						
VEHICLE MAINTENANCE CONTRACT	31,966	32,359	51,675	30,034	51,675	
OTHER CONTRACTUAL SERVICES	120,443	131,272	162,104	124,424	122,240	
PHOTO RED LIGHT EXPENSES	-	-	-	-	-	
TOTAL CONTRACTUAL SERVICES	152,409	163,631	213,779	154,458	173,915	
MAINTENANCE:						
BUILDING MAINTENANCE	6,042	13,385	24,625	13,733	23,750	
EQUIPMENT MAINTENANCE	2,994	3,411	5,000	2,144	9,800	
VEHICLE MAINTENANCE	3,647	5,156	6,600	5,596	6,600	
GASOLINE-OIL	44,668	27,046	60,000	22,749	40,000	
TOTAL MAINTENANCE	57,352	48,998	96,225	44,222	80,150	
OTHER EXPENSES:						
TRAINING-DUES-TRAVEL-SUBSCRIPTIONS	10,345	21,550	32,000	23,252	38,800	
TESTING AND PHYSICAL EXAMS	2,491	12,236	10,000	10,174	15,000	
PRISONER EXPENSES	5,435	3,642	7,800	1,694	7,800	
SPECIAL INVESTIGATIONS	1,537	1,571	2,800	1,485	2,800	
MISCELLANEOUS EXPENSES	11,507	17,797	15,000	12,384	15,000	
EQUIPMENT	29,138	6,651	36,000	26,789	32,700	
TOTAL OTHER EXPENSES	60,452	63,446	103,600	75,778	112,100	
TOTAL PUBLIC SAFETY	2,529,088	2,723,400	3,152,225	2,831,190	3,139,333	

Notes:

- 4% salary step increases
- Reduction in extra duty charges
- Animal Control and Code Enforcement salaries partially allocated to Parks and Recreation budget

Overall: Less than 1% decrease from the 2016 adopted budget



2017 Budget

General Fund Public Works					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
PERSONNEL SERVICES:					
PERSONNEL SERVICES	532,457	597,926	685,955	644,138	552,767
SOCIAL SECURITY TAXES	39,238	44,443	54,876	47,227	53,562
UNIFORM EXPENSE	1,603	5,644	5,400	4,000	5,400
OVERTIME	5,641	14,896	14,000	9,766	15,000
TOTAL PERSONNEL SERVICES	578,939	662,909	760,232	705,130	626,729
SUPPLIES AND MATERIALS:					
OFFICE SUPPLIES-POSTAGE	1,100	1,383	1,900	1,007	2,000
SNOW & ICE MATERIALS	30,994	41,190	25,000	33,052	35,000
ROAD MAINTENANCE MATERIALS	22,491	42,215	52,000	32,016	52,000
CURB-CUTTER-SIDEWALKS	-	1,782	5,000	500	5,000
TRAFFIC CONTROL DEVICES	10,243	8,918	9,000	15,241	13,500
SPECIAL MATERIALS	10,251	12,192	6,000	6,203	14,000
TOTAL SUPPLIES AND MATERIALS	75,080	107,681	98,900	88,020	121,500
UTILITIES:					
WATER	2,012	1,541	2,100	744	2,100
COMMUNICATIONS	3,383	5,299	7,050	3,656	7,050
STREET LIGHTING	6,443	2,810	5,000	500	5,000
TOTAL UTILITIES	11,838	9,650	14,150	4,900	14,150



2017 Budget

General Fund Public Works					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
CONTRACTUAL SERVICES:					
ENGINEERING SERVICES	17,068	11,337	12,500	2,804	12,500
VEHICLE MAINTENANCE CONTRACT	28,876	33,579	50,000	31,970	55,000
OTHER CONTRACTUAL SERVICES	41,582	82,251	57,000	77,755	57,000
TOTAL CONTRACTUAL SERVICES	87,526	127,167	119,500	112,529	124,500
MAINTENANCE:					
BUILDING MAINTENANCE	32,789	34,034	45,000	20,569	45,000
EQUIPMENT MAINTENANCE	9,988	5,646	8,500	14,284	8,500
VEHICLE MAINTENANCE	12,269	4,623	20,000	14,479	20,000
GASOLINE-OIL	50,868	25,554	35,000	27,442	35,000
TOTAL MAINTENANCE	105,914	69,858	108,500	76,774	108,500
OTHER EXPENSES:					
TRAINING-DUES-TRAVEL-SUBSCRIPTIONS	15,725	13,545	9,000	9,149	9,000
TESTING PHYSICALS	692	1,685	2,000	676	2,000
MISCELLANEOUS EXPENSES	11,354	16,122	8,500	10,031	9,000
PUBLIC ART	10,268	4,777	20,000	14,557	20,000
EQUIPMENT	4,137	8,767	6,500	3,046	14,000
TOTAL OTHER EXPENSES	42,176	44,896	46,000	37,458	54,000
TOTAL PUBLIC WORKS	901,474	1,022,162	1,147,282	1,024,810	1,049,379

Notes:

- 3% salary increases
- Partial salary allocations to the Park and Recreation budget
- Additional equipment purchases for 2017
- Thermal plastic stripping added

Overall: 1% decrease from the 2016 budget



2017 Budget

Capital Fund	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
BEGINNING FUNDS AVAILABLE	6,025,488	6,799,886	7,556,673	6,342,154	4,716,425
REVENUES:					
CURRENT PROPERTY TAXES	270,233	271,026	337,217	317,577	-
SPECIFIC OWNERSHIP TAX	101,740	294,629	-	324,875	-
BOND PROCEEDS	-	-	3,500,000	-	5,350,000
INTEREST INCOME	1,961	4,085	2,500	18,818	13,000
OTHER REVENUES	-	-	-	-	-
TOTAL REVENUE	373,934	569,739	3,839,717	661,270	5,363,000
EXPENDITURES:					
COP PAYMENT	-	-	96,263	-	-
ART PURCHASES	-	-	-	395,000	-
VILLAGE CENTER IMPROVEMENTS	19,374	46,501	1,260,000	249,591	2,822,679*
EQUIPMENT-COMPUTER	-	-	22,952	16,552	-
EQUIPMENT-ADMINISTRATION	-	-	-	-	-
EQUIPMENT-POLICE	32,014	49,725	94,350	41,019	16,000
VEHICLES-POLICE	141,012	156,922	162,600	136,003	197,700
MOTORCYCLE PROGRAM	-	-	52,900	34,667	-
STREET IMPROVEMENT PROGRAM	351,033	393,744	500,000	455,077	350,000
EQUIPMENT-PUBLIC WORKS	-	187,500	45,000	38,316	-
VEHICLES-PUBLIC WORKS	990	28,929	-	-	-
STORM SEWERS	-	12,800	50,000	-	50,000
TRAFFIC CALMING MEASURES	-	780	75,000	60,672	30,000
CRACK SEAL	11,370	17,117	25,000	18,648	30,000
CURB AND GUTTER	67,693	489	135,000	128,132	250,000
RIGHTS-OF-WAY IMPROVEMENTS	-	-	176,000	-	100,000
UNDERGROUNDING UTILITIES	-	-	-	-	-



2017 Budget

Capital Fund					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
LAND PURCHASE	13,900	7,481	1,500,000	2,527,321	-
TRAIL IMPROVEMENTS	252	-	325,000	175,000	-
SIGNS	-	-	-	-	-
EQUIPMENT-PARKS	27,842	91,065	20,000	18,702	-
VEHICLES-PARKS	-	34,419	40,000	-	-
LANDSCAPING	-	-	-	-	-
BUILDINGS	-	-	25,000	-	-
TOTAL CAPITAL EXPENDITURES	665,480	1,027,471	4,605,065	4,294,700	3,846,379
ADD/(SUBTRACT) OPERATING DIFFERENCE	(291,546)	(457,732)	(765,348)	(3,633,430)	1,516,621
TRANSFER OUT	(20,000)	-	-	-	-
TRANSFER IN	1,065,944	-	-	2,007,700	-
ENDING FUNDS AVAILABLE	6,799,886	6,342,154	6,791,325	4,716,425	3,705,725
ENDING COP FUNDS AVAILABLE	-	-	-	-	2,527,321

Notes:

- \$5.35 million on COP proceeds
- Public Works Facility and Village Center expenses
- Police speed trailer
- 3 new police vehicles
- Glenmoor light

* Significant non-recurring capital expenditures

Overall: 16% decrease in expenditures from the 2016 budget



2017 Budget

Conservation Trust Fund 07						
		2014	2015	2016	2016	2017
DESCRIPTION		ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
REVENUES:						
COLORADO LOTTERY		59,591	60,348	60,000	67,000	60,000
INTEREST ON INVESTMENT		193	295	266	860	600
OTHER REVENUES		-	-	-	-	-
TOTAL REVENUES		59,784	60,643	60,266	67,860	60,600
EXPENDITURES:						
TRAIL IMPROVEMENTS		318	7,771	248,500	25,500	568,500
TOTAL EXPENDITURES		318	7,771	248,500	25,500	568,500
INCREASE TO RESERVES		59,466	52,873	(188,234)	42,360	(507,900)
BALANCE IN RESERVES		722,464	775,312	587,089	817,455	309,773
EMERGENCY RESERVES		1,794	1,819	1,808	2,036	1,818

Notes:

- Miscellaneous bridal/asphalt trail restoration
- Overseeding of City parks and trails
- Trail development of First Church property
- Split rail fence
- Hampden Underpass

Overall: 129% increase in expenditures from the 2016 budget



2017 Budget

Catherine H. Anderson Land Donation Fund					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
REVENUES:					
REC REIMBURSEMENT DONATIONS	4,254	5,144	1,000	1,000	1,000
INTEREST ON INVESTMENT	935	1,433	1,000	4,000	3,000
OTHER REVENUES	3,065	3,235	4,000	4,200	4,000
EXCISE TAX	237,125	-	-	-	-
TOTAL REVENUES	245,379	9,812	6,000	9,200	8,000
EXPENDITURES:					
UTILITIES	-	-	-	8,000	10,800
THREE POND PARK WATER	619	619	620	620	620
PARKS & TRAIL IMPROVEMENTS	-	-	-	-	75,000
MISCELLANEOUS	-	-	5,000	2,000	80,000
TOTAL EXPENDITURES	619	619	5,620	10,620	166,420
INCREASE/(DECREASE) TO RESERVES	244,760	9,193	380	(1,420)	(158,420)
BALANCE IN RESERVES	641,238	657,498	657,992	656,096	497,712
EMERGENCY RESERVES	7,361	294	180	276	240

Notes:

- \$5,000 Quincy Farm Committee
- Utility expenses for Quincy Farm
- Grounds maintenance costs for Quincy Farm
- Consultant to work with Quincy Farm Committee on long term management plan

Overall: 286% increase in expenditures from the 2016 budget



2017 Budget

Sid #7 Bond Fund					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
REVENUES:					
INTEREST INCOME	43	48	50	150	100
INTEREST ON ASSESSMENTS	15,773	13,198	11,284	11,938	9,176
ASSESSMENT REVENUE	71,278	59,192	68,417	83,395	70,525
TOTAL REVENUE	87,094	72,439	79,751	95,483	79,801
REDUCTION OF RESERVES	-	8,815	11,046	-	20,996
TOTAL FUNDS AVAILABLE	87,094	81,254	90,797	95,483	100,797
EXPENDITURES:					
COUNTY TREASURER FEES	871	724	797	953	797
INTEREST EXPENSE	12,360	10,530	10,000	10,000	10,000
BOND PRINCIPAL PAYMENT	70,000	70,000	80,000	60,000	90,000
TOTAL EXPENDITURES	83,231	81,254	90,797	70,953	100,797
INCREASE TO RESERVES	3,863	-	-	24,530	-
BALANCE IN RESERVES	22,748	14,373	3,107	38,212	17,686
EMERGENCY RESERVES	2,613	2,173	2,393	2,864	2,394

Notes:

Overall: 11% increase in expenditures from the 2016 budget



2017 Budget

Arapahoe County Open Space Fund 14					
	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
REVENUES:					
OPEN SPACE SHAREBACK	129,570	142,285	130,000	151,811	140,000
SALES TAX COLLECTION FEE	3,064	3,338	2,000	3,000	3,000
INTEREST ON INVESTMENTS	1,476	2,828	1,400	6,600	4,000
OTHER REVENUES	135,870	109,162	-	4,040	-
TOTAL REVENUES	269,981	257,614	133,400	165,451	147,000
EXPENDITURES:					
ARAPAHOE COUNTY OPEN SPACE TAX	-	92	-	-	-
TRAIL IMPROVEMENTS	15,902	5,880	90,000	20,000	65,000
PARK IMPROVEMENTS	12,004	1,363	510,000	80,000	135,000
OTHER EXPENDITURES	145,746	150,061	-	-	-
TOTAL EXPENDITURES	173,652	157,397	600,000	100,000	200,000
INCREASE TO RESERVES	96,329	100,217	(466,600)	65,451	(53,000)
BALANCE IN RESERVES	663,241	763,829	300,955	832,044	779,598
EMERGENCY RESERVES	8,099	7,728	4,002	4,964	4,410

Notes:

- Concrete repair on City sidewalks
- Bank stabilization along Little Dry Creek
- Parks and Open Space improvements
- Quincy Farm general infrastructure maintenance

Overall: 67% decrease in expenditures from the 2016 budget



2017 Budget

Water and Sewer Fund 20	2014	2015	2016	2016	2017
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
BEGINNING FUNDS AVAILABLE	927,865	894,770	593,559	923,098	995,054
REVENUES:					
TAP FEES	29,000	53,700	-	-	-
SEWER ADMINISTRATION FEES	2,328	11,634	2,328	-	2,328
SEWER REPAIR & MAINTENANCE	31,440	63,655	74,496	99,868	69,660
INTEREST INCOME	844	1,294	800	2,750	1,500
OTHER REVENUES	25	30,516	-	950	-
TOTAL REVENUES	63,637	160,799	77,624	103,568	73,488
EXPENDITURES:					
LEGAL COUNSEL	1,287	1,571	1,000	1,200	2,500
OTHER CONTRACTUAL SERVICES	-	195	30,000	4,000	30,000
SEWER REPAIRS & MAINTENANCE	70,207	106,239	500,000	1,800	500,000
TRAINING-DUES-SUBSCRIPTIONS	854	854	1,000	1,000	1,000
MISCELLANEOUS EXPENSES	3,750	-	-	-	-
DEPRECIATION	23,612	23,612	-	23,612	23,612
TOTAL EXPENDITURES	99,710	132,471	532,000	31,612	557,112
INCREASE TO RESERVES	(36,073)	28,328	(454,376)	71,956	(483,624)
BALANCE IN RESERVES	892,861	918,274	136,854	991,947	509,225
EMERGENCY RESERVES	1,909	4,824	2,329	3,107	2,205

Notes:

- Necessary repairs to sewer lines

Overall: 5% increase in expenditures from the 2016 budget



2017 Budget

Parks and Recreation Fund 30						
	2014	2015	2016	2016	2017	
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	
BEGINNING FUNDS AVAILABLE	929,246	957,490	2,327,849	2,275,956	2,388,822	
REVENUES:						
ASSESSED VALUE	290,292,390	291,710,547	337,216,810	337,216,810	335,487,662	
MILL LEVY	6.422	6.422	6.422	6.422	7.422	
DEBT SERVICE MILL LEVY (ABATED)	1.348	1.165	1.165	1.165	1.163	
APPLIED MILL LEVY	5.074	5.257	5.257	5.257	6.259	
CURRENT PROPERTY TAXES	1,466,977	1,471,282	1,772,749	1,772,749	2,099,817	
SPECIFIC OWNERSHIP TAX	177,750	-	10,000	10,000	-	
INTEREST INCOME	4,761	6,251	5,000	14,473	15,000	
COP PROCEEDS	-	-	-	-	7,550,000	
OTHER REVENUES	-	1,542,491	-	1,869	-	
TOTAL REVENUE	1,649,488	3,020,024	1,787,749	1,799,091	9,664,817	
EXPENDITURES:						
PERSONNEL SERVICES						
PERSONNEL SERVICES	322,262	343,220	420,282	340,155	753,868	
SOCIAL SECURITY TAXES	24,888	26,821	33,623	28,337	60,309	
RETIREMENT 401 MANAGEMENT	4,456	4,590	4,600	4,708	4,725	
RETIREMENT 457	7,593	8,135	8,000	8,577	8,600	
HEALTH-LIFE-DENTAL INSURANCE	53,395	64,442	58,000	56,259	65,465	
UNIFORMS	2,331	3,067	3,500	3,381	3,500	
OVERTIME	1,507	5,955	5,000	3,180	5,000	
TOTAL PERSONNEL SERVICES	416,432	456,230	533,004	444,597	901,467	
SUPPLIES AND MATERIALS:						
OFFICE SUPPLIES/PRINTING	172	910	1,200	1,183	1,200	
PLANT SUPPLIES	2,242	1,391	3,500	3,326	3,500	
GENERAL INFRASTRUCTURE MAINTENANCE	17,324	15,936	15,500	15,491	16,200	
SNOW AND ICE MELT	184	-	1,000	1,000	1,000	
PARK SIGNAGE	430	1,165	1,000	700	1,000	
SPECIAL MATERIALS	4,559	2,834	7,050	7,014	8,000	
TOTAL SUPPLIES AND MATERIALS	24,910	22,237	29,250	28,713	30,900	



2017 Budget

Parks and Recreation Fund 30						
		2014	2015	2016	2016	2017
DESCRIPTION		ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET
UTILITIES:						
WATER		17,532	18,352	30,000	23,667	30,000
COMMUNICATIONS		2,181	1,249	3,200	3,147	3,200
TOTAL UTILITIES		19,712	19,602	33,200	26,814	33,200
CONTRACTUAL SERVICES:						
COUNTY TREASURER FEES		14,670	14,603	17,727	17,709	20,998
LEGAL/SURVEYING		1,800	3,801	4,000	4,000	4,000
FORESTRY/ROW TREE MAINTENANCE		33,986	25,540	28,000	28,000	28,000
VEHICLE MAINTENANCE CONTRACT		7,826	24,469	16,000	16,024	16,000
ENGINEERING		5,759	9,744	14,000	13,472	14,000
OTHER CONTRACTUAL SERVICES		-	4,000	8,150	8,000	14,300
TOTAL CONTRACTUAL SERVICES		64,040	82,157	87,877	87,204	97,298
MAINTENANCE:						
EQUIPMENT MAINTENANCE		3,404	10,459	6,000	6,025	7,000
VEHICLE MAINTENANCE		2,288	2,406	4,500	4,569	4,500
GASOLINE-OIL		22,229	13,527	20,000	16,138	20,000
GROUNDS MAINTENANCE/IMPROVED		19,610	30,703	20,000	19,511	20,000
TOTAL MAINTENANCE		47,530	57,095	50,500	46,243	51,500



2017 Budget

Parks and Recreation Fund 30						
	2014	2015	2016	2016	2017	
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	
OTHER EXPENSES:						
TRAINING-DUES-TRAVEL-SUBSCRIPTION	5,056	4,187	7,200	6,658	7,400	
TESTING-PHYSICALS	55	160	500	500	500	
SPECIAL EVENTS	14,244	12,737	15,000	14,798	15,000	
MISCELLANEOUS EXPENSE	3,507	3,688	5,000	5,018	5,000	
RECREATION REIMBURSEMENT	236,907	250,836	233,744	233,198	240,000	
EQUIPMENT	15,226	14,080	7,500	7,509	9,500	
ADMINISTRATIVE SERVICES	25,000	25,000	25,000	25,000	62,629	
TOTAL OTHER EXPENSES	299,994	310,688	293,944	292,681	340,029	
ASSET & COP PAYMENT EXPENSES						
INTEREST EXPENSE	12,895	18,925	25,387	25,387	22,304	
PRINCIPAL EXPENSE	735,730	734,625	734,586	734,586	739,804	
COP PAYMENT	-	-	-	-	368,234	
TOTAL PAYMENT EXPENSES	748,625	753,550	759,974	759,973	1,130,342	
TOTAL OPERATING EXPENSES	1,621,244	1,701,558	1,787,749	1,686,225	2,584,736	
JOHN MEADE PARK	-	-	-	-	(3,700,000)	
PUBLIC WORKS/VILLAGE CENTER	-	-	-	-	(3,850,000)	
ADD/(SUBTRACT) OPERATING DIFFERENCE	28,244	1,318,466	-	112,866	(469,918)	
ENDING FUND AVAILABLE	957,490	2,275,956	2,327,849	2,388,822	1,918,904	
ENDING COP FUNDS AVAILABLE	-	-	-	-	-	

Notes:

- 3% salary increases
- Recreation reimbursement \$240,000
- \$7.55 million in COP proceeds
- Increase in personnel costs for employees with Parks duties
- Increase in administrative costs for the proper allocation of property/casualty, worker's compensation, sewer, IT, phone and audit expenses
- \$3.7 million for John Meade Park/Alan Hutto Memorial Commons
- \$3.85 for Parks portion of new Public Works Facility and new Village Center

Overall: 467% increase in expenses from the 2016 adopted budget



Glossary of Terms

AAA Credit Rating - An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA+ - An obligated rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong. Certain obligations are designated with a plus sign (+), this indicates that the obligor's capacity to meet its financial commitment on these obligations are extremely strong.

American Public Works Association (APWA) - A professional organization that serves in all aspects of public works.

Assessed Valuation - The valuation set upon real estate and certain property by the Arapahoe County Assessor's Office as a basis for levying property taxes.

Asset - Resources owned or held by the City that have monetary value.

Balanced Budget - A balance between revenues and expenditures; a budget is considered balanced when reserves are used to complement revenues.

Bond - A long-term promise to pay for a specified amount of money on a particular date.

Budget - A plan of financial activity for a specified period of time, which indicates all planned revenues and expenditures for the budget year. The City's budget is based on a calendar year beginning January 1st and ending December 31st.

Budget Calendar - The schedule of key dates that the City follows in preparation and adoption of the following year's budget. The City's budget process begins in September and ends in December.

Capital Asset - An item that has a value of at least \$5,000 and has a useful economic life of more than one year.

Capital Fund - A governmental fund used to track the costs of capital assets including police cars, public works vehicles, parks and recreation equipment, major street and storm water drainage improvements and building improvements.

Capital Improvement Program - The City's plan for capital outlay which will be incurred each year over a fixed number of years to meet capital expenditures arising from the City's long-term needs.

Capital Projects - Major construction, acquisitions or renovation activities which add value or increase the useful life of the City's physical assets.

Certificates of Participation (COP) - A type of financing used by municipal or government entities which allows an investor to purchase a share of the lease revenues, rather than the bond being secured by those revenues.

Community Rating System (CRS) - A voluntary incentive program used by the National Flood Insurance Program (NFIP) to recognize communities for implementing floodplain management practices that exceed Federal minimum requirements of the NFIP.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures that have not been budgeted.

Contractual Service Agreements - Contractual agreements such as maintenance agreements, information technology services and professional consulting services rendered to the City of Cherry Hills Village by private firms, individuals and other governmental agencies.



Glossary of Terms

Crisis Intervention Training (CIT) - a program model for community policing that brings together law enforcement, mental health providers, hospital emergency departments and individuals with mental illness and their families to improve responses to people in crisis.

Debt Service - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Deficit - The excess of the City's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department - The organizational unit of government that is unique in its delivery or services. The City of Cherry Hills Village has 5 major departments: City Manager, Community Development, Finance and Administration, Police and Public Works.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association (GFOA) to encourage governments to prepare effective budget documents.

Emergency Reserve - An additional reserve to provide for unforeseen reductions in revenues in the current year or expenditures that are greater than the current year revenues.

Employee Benefits - Contributions made by the City to meet commitments or obligations for employee benefits. The City's benefits are dental insurance, life insurance, long-term disability insurance, short-term disability insurance, workers' compensation insurance, flexible spending account plans, retirement benefits, Roth IRA plan, deferred compensation plan, employee assistance plan, holiday leave, paid time off, extended sick leave, bereavement leave, alternative scheduling, computer loan program and tuition reimbursement.

Expenditure - The payment of cash or the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense - Charges incurred for operations, maintenance, interest or other charges.

Fiscal Year - A 12 month period designated as the operating year for accounting and budgetary purposes in an organization. The City's fiscal year is January 1st to December 31st.

Full Time Equivalent Employee (FTE) - A year round employee who is normally scheduled to work a full work period of 40 or 80 hours, depending on his/her position.

Fund - A fiscal entity with revenues and expenditures that are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance - The cumulative difference of all revenues and expenditures.

General Fund - This fund is the City's primary operating fund and is used to account for services typically associated with local governments. It is used to account for activities that are not accounted for in the other funds. The City of Cherry Hills Village's General Fund includes Revenues, Administration, Judicial, Data Processing, Community Development, Public Safety, Village Crier, Public Works and Capital.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

Infrastructure - The physical assets of the City (i.e. streets and public buildings).



Glossary of Terms

Interfund Transfers - The movement of moneys between funds of the same governmental entity.

Intergovernmental Revenue - Funds received from federal, state and other local governmental sources in the form of grants, shared revenues and payments in lieu of taxes.

Issuer Credit Rating - an S&P Global Ratings issue credit rating is a forward-looking opinion about an obligor's overall creditworthiness.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

National Flood Insurance Program (NFIP) - A program created by Congress in 1968 to provide a means for property owners to financially protect themselves in the event of a flood.

Net Assets - Assets minus liabilities.

Obligations - Amounts that a government may be legally required to meet from its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expenses - The cost for personnel, materials and equipment required for each department.

Operating Revenue - Funds that the government receives as income to pay for ongoing operations. It includes items such as taxes, fees from specific services and grant revenues. Operating revenues are used to pay for day to day services.

Personnel Services - Expenditures for salaries, overtime and benefits for employees.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Reserved Fund Balance - A portion of the fund balance that is legally restricted to a specific use or otherwise not available for appropriation or expenditures.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers and beginning balances.

Revenue - Sources of income financing the operations of a government.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for a specific purpose. The City has four Special Revenue Funds: Catherine H. Anderson Land Donation Fund, Conservation Trust Fund, Arapahoe County Open Space Fund and Parks and Recreation Fund.

Standard & Poor Global Rating - S&P Global Ratings provides high-quality market intelligence in the form of credit ratings, research and thought leadership.

Tax Levy - The rate per one hundred dollars multiplied by the tax base.

TABOR - The **T**Axpayer's **B**ill **O**f **R**

Tap Fees - Fees for connecting to the City's water or sewer system.

Unreserved Fund Balance - A measure of how much fund balance is left over at the end of the current year which can be used for the subsequent year's budget.



City of Cherry Hills Village, Colorado

2017 ANNUAL BUDGET