TO: Citizens Budget Advisory Committee Members

FROM: Denise Hish, Administrative Assistant

DATE: October 19, 2012

SUBJECT: Minutes of October 17, 2012 meeting


Staff: Jeff Hansen, Denise Hish

Guest: Marcia Claxton, Saoirse Charis-Graves

I. MINUTES APPROVAL

With a motion by Jan Martynuska and a second by Jean Garrabrant, the September 19, 2012 minutes were unanimously approved.

II. SALES TAX – AUGUST (collected in September)

Sales tax was up but not as much as we have been seeing. August sales tax collections were up $31,917 (+3.52%) for the month and overall revenue is up $638,575 (+9.38%) year-to-date. Use tax collections were up $46,871 (+22.81%). In addition, $24,823 in audit revenue was collected in September with $312,434 collected in 2012.

Heritage Square area looks up because it now includes the Martin Marietta property that they bought from Lafarge. They are either doing more business or reporting better than Lafarge did.

III. 3RD QUARTER FINANCIAL REPORT

The Cemetery Fund was discussed - expenses for the most part are stable at the cemetery, so the costs are fixed and stable but the revenue is all over the place. We purchased a memorial wall and will begin marketing this service. We are also discussing paying commissions to the
Cemetery staff for selling these memorials and headstones. Leonard asked why we own the cemetery and Jeff replied that the City has owned it for a very long time and we aren’t unique in that. Dick asked how many plots have been purchased in advance. Jeff spoke with Parks Superintendent Paul Burkholder and found that approximately 5,000 plots are owned but not used. Keep in mind that this is over a 100 years of history, so some in-depth research would be required to get an exact amount.

Why the Planning/Community Marketing/Visioning is at 90% of budget already. Jeff replied that it’s because we include Grant administration in that total and that includes the Police Department Metro Crisis Hotline and we are the municipal pass-through of approximately $200,000.

Why does the Pro Cycling Challenge show expenditure of $69,107 and doesn’t show revenue (it includes the souvenir statues that were bought). Most of the revenues and expenses went through the non-profit (Golden Moves). We purchased one full sized statue from Rudolph Studio and 22 maquettes, or smaller statues. The total cost was $42,000 for the full sized statue and $24,200 for the smaller ones, for a total cost of $66,200. Golden Moves has reimbursed the City $22,234 so far, leaving a balance of $43,966. We have sold four of the maquettes and continue to have interest, and we expect to have stronger interest once the statue is actually placed. The maquettes sell for $1,200 each. As this money is made, Golden Moves will continue to reimburse the City. Those reimbursements are recorded as miscellaneous revenue in the General Fund.

Dick asked how much the Muller Study contract is going to cost. Jeff found that approximately $60 to $70k this year will be spent. They will bill hourly, so as things change, they do more work. There is not a contract with a non-to exceed amount.

Page 30 – Ward 3 – Bob asked what was the $1,000 Communication budget for. After the meeting, Jeff found that in March, there was an EDComm reception at Fossil Trace at a cost of approximately $2,000. Councilor Vermeulen’s and EDComm’s budgets split the cost.

IV. PROPOSED RATE AND FEE CHANGES

See page 8/9 of Mike’s Budget Memo – Various fee increases proposed.

Jean asked about the water / wastewater and how often are we going to see this go up. Jeff replied every year you will see a nominal increase. The City is proposing 15% for 2013/2014 for wastewater and probably around 2% to 5% per year after that for both water and wastewater. Jean stated that if it goes up again in 2013 and 14, this will be increased by approximately 40% but Jeff said you need to remember that the we did have an increase in 2011 and 2012 but we have not had increases to wastewater since 1994 and in some years even had a rebate. We are spending roughly $300,000 to $400,000 per year on maintenance of sewer lines plus a new water tank last year for approximately $3M. Bob Nettleship asked if it would make more sense to borrow the money at a low rate now and do all of the maintenance upgrades now but Jeff explained that if we did that, in 20 years, we would be back to having to replace everything again instead of doing things a little bit at a time.
Jim asked if we are hedging to prepare if Coors walks away from taking care of our sewer and are we thinking of having a tiered level of water usages. Jeff stated that there is budget anticipated for upgrades to the treatment plant in 2016 for ($6M) for the City share only. Coors is putting a lot of money into the facility for improvements, expansion and efficiencies, so we don’t anticipate them going away. The agreement we have with Coors is two-fold; we provide water to them and they provide sewer treatment to us. We don’t anticipate them giving up the water rights we afford them.

Leonard asked if we get this fee increase information out to the Citizens or do they just show up to our facilities and hear about the increase? Jeff stated that there may be an Informer article but doesn’t know for sure. Ed asked if we could increase the fees at the cemetery over a couple of years instead of all one year and Jeff said he would pass that suggestion on to Rod.

Jim Dale asked why Golden residents don’t get a better deal at the golf course; why are golfers punished but not the swimmers or people working out? Jeff responded that when this course was built, the majority of the citizens did not want to subsidize a golf course. Jeff also explained that the Golden residents get a discount at the golf course and to the community center.

V. **2013 OPERATING BUDGET**

Dick brought up the lawsuit against the Department of Interior and asked Jeff if he knew when a decision would be made. Jeff stated he had no idea when that would happen.

Ed likes the operating budget by dealing with what we have today instead of increasing and adding new things.

Ed asked if CBAC wanted to take on the Menu of Priorities and prioritize from a budget standpoint. Karen said she did prioritize herself and she felt that everyone should do it individually and then turn it into Council. Marv DeSelma disagreed and felt that more education would have to be necessary to make an intelligent decision on each priority.

Leonard – Public safety and Communication Center – would that be for daily operations? Jeff explained that yes, it would be for 24/7 daily operation for dispatch. We have had 3 police officers retire and have had a large turn-over in the police department. Presently we have a sworn officer involved in hiring new officers and its very time consuming and by hiring an HR person to do this, would free up this officer to be back on the streets. Jeff explained the lengthiness of hiring a police officer and why a dedicated HR person is the right decision.

Menu of Projects - Dick does not like the fact that the Clear Creek Corridor Master Plan is being put through as piece-meal and should be put in as a lump sum so people understand that is what is happening, and some people don’t like the Master Plan. Jean said she always understood that it was never meant to be done all at once and was going to be done a little at a time as money became available.
Several members of CBAC felt that there needs to be better transparency and criteria to making decisions on these priorities. Jim Dale stated that CBAC members need to also closely watch the growth management plans and recommendations to the Planning Commission in the coming months.

Leonard asked if there is any plan to bring back economic incentives to the Charter? Jeff stated that either Council needs to have that discussion and put it on the ballot or a citizen initiative to put something on the ballot. Leonard asked - Can CBAC recommend this to Council? Marv stated that CBAC has recommended this in the past, but then the problem is who wants to mobilize and move forward with putting it on the ballot. Jeff stated that ballot language would need to be finalized by August to get on a November ballot. Jeff went on to state that there were 3 options that could be pursued:

- Repeal it
- Amend it
- Develop an incentive plan within the guidelines of the charter amendment.

VI.  VOTING MEMBERS – AS OF OCTOBER, 2012

- Jim Dale
- Louanne Dale
- Marv DeSelm
- Ed Dorsey
- Jean Garrabrant
- Ken Kranz
- Peter Luptovic
- Jan Martynuska
- Marv Morgan
- Bob Nelson
- Karen Oxman
- John Spice
- Dick Sugg
- Bethany Thomas
- Leonard Todd
- Lynda Wentworth

VII.  OTHER DISCUSSIONS / CITY UPDATES

- Jeff will not be at the November 14 meeting.
- Adjourned at 9:15

Next CBAC Meeting will be held on Wednesday, November 14, 2012 at 7:30 a.m. 
Meet at the City Council Chambers.