TO: Citizens Budget Advisory Committee Members

FROM: Denise Hish, Administrative Assistant

DATE: May 21, 2010

SUBJECT: Minutes of May 19, 2010 meeting

In attendance: Betsy Brooks, Matt Burde, Jim Dale, Marv DeSelm, Ed Dorsey, Jean Garrabrant, Pat Gorman, Ken Kranz, Jan Martynuska, Marv Morgan, Bob Nelson, Eric Scarbro, Dick Sugg, Cynthia Merrill-Tamny, Bethany Thomas

Staff: Mike Bestor, Jeff Hansen, Denise Hish

I. MINUTES APPROVAL

With a motion by Ed Dorsey and a second by Jean Garrabrant, the April 21, 2010 minutes were unanimously approved as written.

II. 1st QUARTER FINANCIAL REPORT – Jeff Hansen

City departments are doing well at maintaining levels compared to the state and other cities. We are doing well, but have to be cautious on our spending.

Questions:
Page 5 – Other taxes – what does that include? Answer: franchise fees for Xcel, phone companies and cable and also auto ownership tax.

III. CIP AND OPERATING BUDGET DISCUSSION – Jeff Hansen

Jeff pointed out on page 3 – The approved Jackson Street Corridor will now have a total cost of $1.6M and that will take all of 2010 budget and leave about $300,000 for discretionary spending for the 2011 budget in the SUT Fund. Bob Nelson stated that he felt it was very irresponsible for Council to take all of the money for this project, because it limits what we can do down the road. Jim Dale disagreed and said that we have needed this improvement for safety reasons for quite some time.

IV. SALES TAX – MARCH

Positive month; Kohl’s and Home Depot were up compared to last year and that indicates that
economy is improving. Sales tax collections were up $72,954 (8.3.0%) for the month. Use tax collections were down $35,907 (-14/-%) for March. In addition, $21,865 in audit revenue was collected in April. Total audit revenue collected so far in 2010 is $78,097. In the 6 years, the audit program has brought in approximately $6 M. The economy continues to show signs of stabilizing with some slight improvement. Sales tax is approaching 2007 levels and use tax revenue remains at 2005 levels.

V. DEBT SERVICE – Jeff Hansen

Jeff stated that the 2008 comprehensive list of existing debt and repayment schedules are on line in the CAFR – Note 6 to the financial statement. The 2009 financial statement he hopes will be done by June 1. Outstanding debt right now is water, storm water, SUT bonds, COP’s and the total principle debt is approximately $45M.

VI. COMMUNICATIONS REPORT/UPDATE – Karlyn Tilley

Karlyn gave a brief overview of the draft Resolution that was in the packet. Ed Dorsey was concerned that CBAC is just seeing this for the first time and it is going in front of Council in 2 weeks. He main concerns were Section 11 and 12. We should not be giving Council the administrative control and there is no appeal process. He also felt that the 3 big events that define our community should be grandfathered and the City should just pay the costs and all new events should pay 100%. The 3 big events he stated were Buffalo Bill Days, 4th of July and Candlelight Walk. The City should also sit down with these 3 event holders and try and figure out ways to reduce costs. Others mentioned the Farmers Market and Fine Arts Festival should also be added.

Several options for special events discussed:
- Use a criteria based checklist for events.
- Put together a list of events that should be 100% covered by the City. Take into consideration their character, sales tax revenue and other benefits they bring to the City.
- Have a line item with a dollar amount for special events. Jeff mentioned that this would not work because of how salaries are tied into the cost.
- $60,000 that the City is paying for special events is so minor that the City should just waive those costs because the benefits to the Community are so great, and trying to get reimbursed 25% of the cost would only come out to about $13,000, which is too small to worry about.
- Have a CBAC member be a part of the ad-hoc Special Event committee.
- Jim Dale encouraged everyone to be a part of the Clear Creek Corridor process and maybe we designate a space for events and festivals that would be low or no impact to the City.

Jim Dale made a motion that City Council have criteria checklist for special events and the City should account in some fashion for special events. CBAC does not feel there is a lot of money involved and feels that if there should be more transparency. Motion carried.

Several members of CBAC stated they would contact City Council to ask that they discuss this in more depth and not take action at this time.
VII. VOTING MEMBERS – AS OF MAY, 2010

- Sandy Curran
- Jim Dale
- Marv DeSelm
- Ed Dorsey
- Jean Garrabrant
- Ken Kranz
- Jan Martynuska
- Marv Morgan
- Bob Nelson
- Diane Pasquarelli
- Eric Scarbro
- John Spice
- Dick Sugg
- Cynthia Merrill-Tamny
- Bethany Thomas

VIII. OTHER DISCUSSIONS

- Jeff brought up the 3 upcoming ballot measures, Proposition 101, Amendment 60 and Amendment 61. Jeff stated that we are evaluating the impact to the City and will be taking the findings to Council in June. The Finance department will also be doing 2 budgets; one if it passes and one for if it is defeated. If it passes, there will be huge impacts to city’s and schools, including reducing the vehicle tax you pay, any de-brucing that went into affect is now repealed, the mill levy will be reduced and government enterprises will now need to pay property taxes on assets. Jeff will provide a financial analysis and CML findings for the June meeting, but for more information now, go to website: www.donthurtcolorado.com
- Single hauler trash and recycle program was approved by Council and contract given to EDS. Should begin by September 1.
- With no further business, the meeting was adjourned at 9:45am.

Next CBAC Meeting will be held on Wednesday, June 16 at 7:30 a.m. Meet in Council Chambers.