

City of Lone Tree 2008 Annual Budget



CITY OF LONE TREE



CITY OF LONE TREE

To the Citizens of Lone Tree and other interested parties,

Enclosed is the 2008 Budget with the included Summary of Significant Assumptions as the "Budget Message" for the City of Lone Tree. The Budget was adopted by the City Council by Resolution No. 07-40 on December 4, 2007.

The primary source of revenue for the City is sales and use tax. The City does not assess a mill levy for the collection of property taxes.

Along with projected 2008 revenue, the City enters 2008 with a fund balance adequate to continue reconstruction of streets and a number of capital outlay projects.

The Special Revenue Fund - RidgeGate properly segregates the revenue and expenditures related to RidgeGate annexed property from the City's General Fund, as required by agreement.

The Special Revenue Fund - Interchange accounts for the activity related to the construction of the RidgeGate Parkway Interchange.

I, Jack Hidahl, certify that the attached is a true and accurate copy of the adopted 2008 budget for the City of Lone Tree.

The Council and Staff welcome any questions or comments concerning the 2008 Budget and budget process.

Sincerely,

Jack W. L. Hidahl
City Manager



Accountant's Report

Honorable Mayor and Members of the City Council
City of Lone Tree
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures and fund balance of the City of Lone Tree for the General Fund, Special Revenue Fund - RidgeGate, and Special Revenue Fund - Interchange for the year ending December 31, 2008, including the forecasted estimate of comparative information for the year ending December 31, 2007, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures and fund balances or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2006 is presented for comparative purposes only. Such information is taken from the audit report of the City for the year ended December 31, 2006, as prepared by Simmons & Wheeler, P.C., dated June 19, 2007, wherein an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the City's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the City of Lone Tree.

Clifton Gunderson LLP

Greenwood Village, Colorado
December 4, 2007

Offices in 15 states and Washington, DC



PRINCIPAL OFFICIALS OF THE CITY OF LONE TREE, COLORADO
December 31, 2007

CITY COUNCIL

Mayor John R. O’Boyle, At-Large
Mayor Pro-Tem..... Patricia Braden, District 2
Council Member Jim Gunning, District 1
Council Member Sharon Van Ramshorst, District 2
Councilman Elton Winters, District 1

MUNICIPAL JUDGE Louis Gresh

CITY OFFICIALS

City Manager Jack Hidahl
Deputy City Manager..... Michelle Kivela
Assistant City Manager..... Seth Hoffman
City Attorney Gary White
Finance..... Christine Harwell, Director
Public Works..... John Cotten, Director
Community Development..... John Johnson, Director
Police..... Steve Hasler, Chief
City Clerk..... Jennifer Pettinger



CITY OF LONE TREE

2008 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The City of Lone Tree (the City) was authorized to become incorporated by a majority of the qualified voters at a general election held on November 7, 1995. On May 5, 1998, a majority of the qualified voters adopted a Home Rule Charter thereby granting the City all powers accorded to cities by the laws of the State of Colorado. The City provides services for general government, planning and building regulation, public safety, public works, capital improvements and municipal court.

During 2000, the voters approved the annexation of a significant parcel of land for future development - RidgeGate, formerly known as Rampart Range. The annexation agreement requires separate accounting for revenue and expenditures related to the RidgeGate development in a separate Special Revenue Fund.

During 2007, the City entered into intergovernmental agreements with the Colorado Department of Transportation (CDOT) and Rampart Range Metropolitan District No. 1 (RRMD No. 1) for the financing and construction of the RidgeGate Parkway Interchange. The City will oversee the construction of the interchange and will receive funds from both CDOT and RRMD No. 1 to finance the project. Activities related to the interchange project are accounted for separately in a separate Special Revenue Fund.

The City prepares its budget on the modified accrual basis of accounting. The City's budget does not include any component units, such as the Entertainment Business Improvement District or the Park Meadows Business Improvement District. A separate budget has been prepared for any such units.

Except for its Police Department and City Administration, the City has contracted out all services, functions, and activities that would normally be provided by city employees. City Council has determined it to be economically prudent to outsource these services rather than incur the payroll, benefit costs and related liabilities associated with maintaining permanent city employees.

The budget is in accordance with the TABOR Amendment limitations that were modified by the citizens in an election held in November 1999. Emergency reserves, required under TABOR, have been provided for.

Revenue

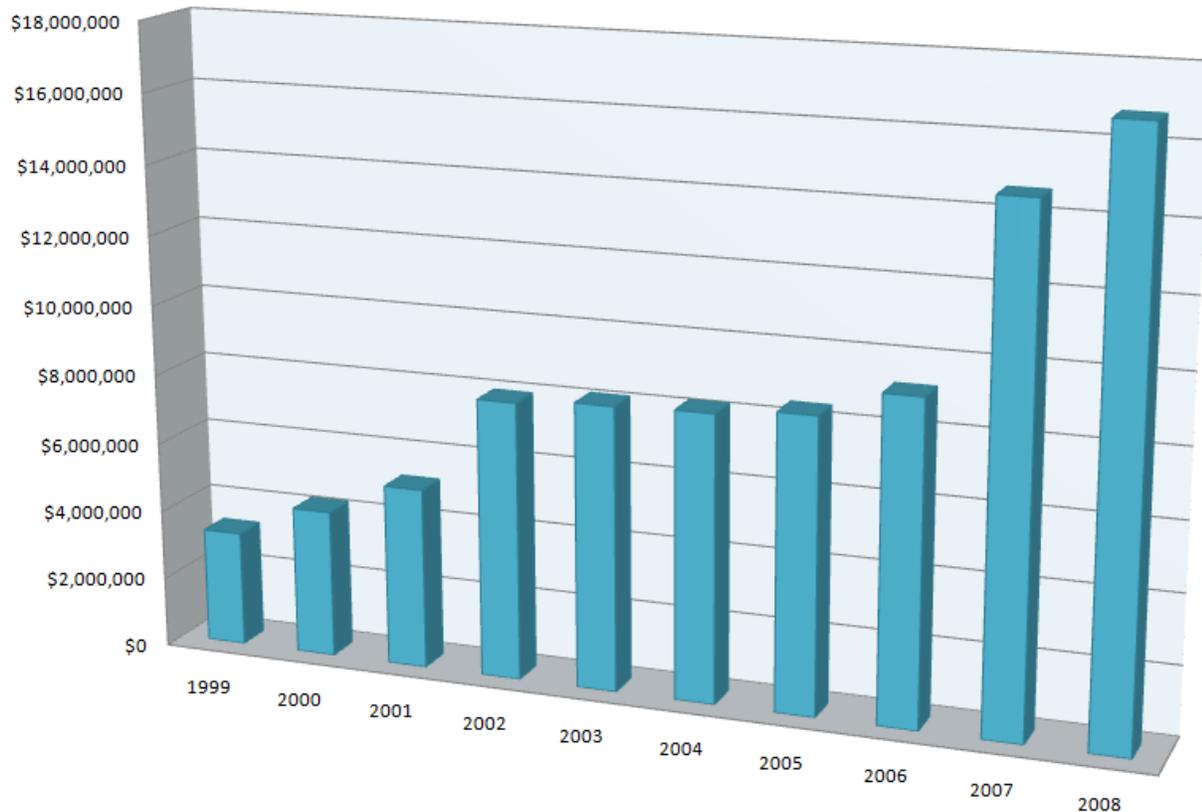
Taxes

Sales and use tax is the primary source of revenue for the City. The City assesses a 1.5% sales or use tax on all taxable retail transactions and a 1.5% use tax on building construction materials. The City has estimated 2008 sales and use tax revenue using historical trends and economic conditions, an estimation of taxes generated from the new Park Meadows Mall Lifestyle Center anticipated to open in the Spring of 2008, an estimation of taxes generated from an additional significant anchor store annexed in early 2008, and an estimation for expected vendors based on new commercial permits.

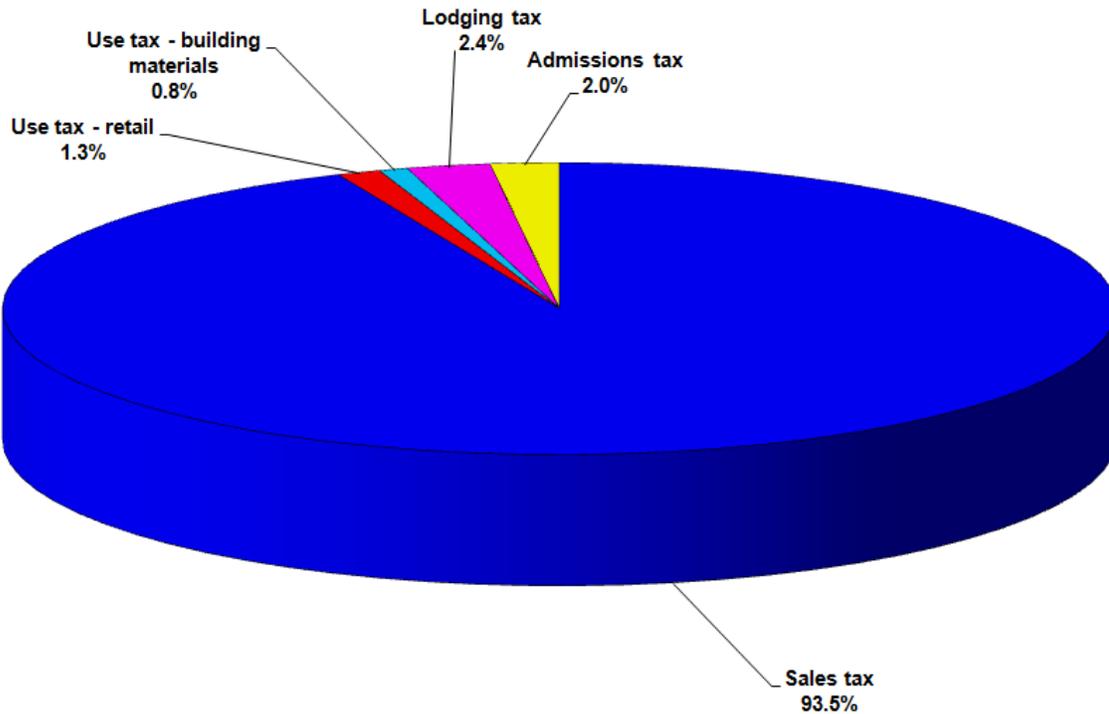
In November 1998, the City's electorate approved a lodging and accommodations tax and an admissions and event tax. In February 2001, the City initiated a 6.0% lodging and accommodations tax to be charged on the renting and leasing of lodging accommodations for a period of sixty consecutive days or less. In November 2001, the City initiated a 4.0% admissions and event tax to be charged on each taxable transaction, as defined by City Ordinance.

Sales Tax Summary

1999-2006 Actual, 2007 Estimated and 2008 Projected



2008 Projected Total Tax Revenue (General Fund Only)



Franchise Fees

Franchise fees are generated from a negotiated franchise license with Xcel Energy for gas and electric service in the City. This fee is based on 3.0% of gross revenue collected from customers in the City. Fees are estimated based on historical trends and new building permits issued in the prior year. Additionally, a franchise fee of 1.5% for cable service provided to City residents, not including residents within the RidgeGate development, and currently collected by Comcast, was initiated effective April 2001. A franchise fee of 5.0% for cable service provided to City residents within the RidgeGate development boundaries, and currently collected by Qwest, was initiated effective May 2005.

Intergovernmental Revenue

The City receives shared revenue from the State and County from several sources. In general, the State shared revenue is distributed based on the State's fiscal year which begins July 1st. A significant portion of the projected intergovernmental revenue for 2008 relates to funds the City anticipates receiving from CDOT for the construction of the RidgeGate Parkway Interchange as well as funds anticipated to be received from Park Meadows Metropolitan District and Douglas County related to joint cooperative street improvement projects. Additional intergovernmental revenue sources are detailed on page 24 of the Budget.

Licenses, Fees and Charges

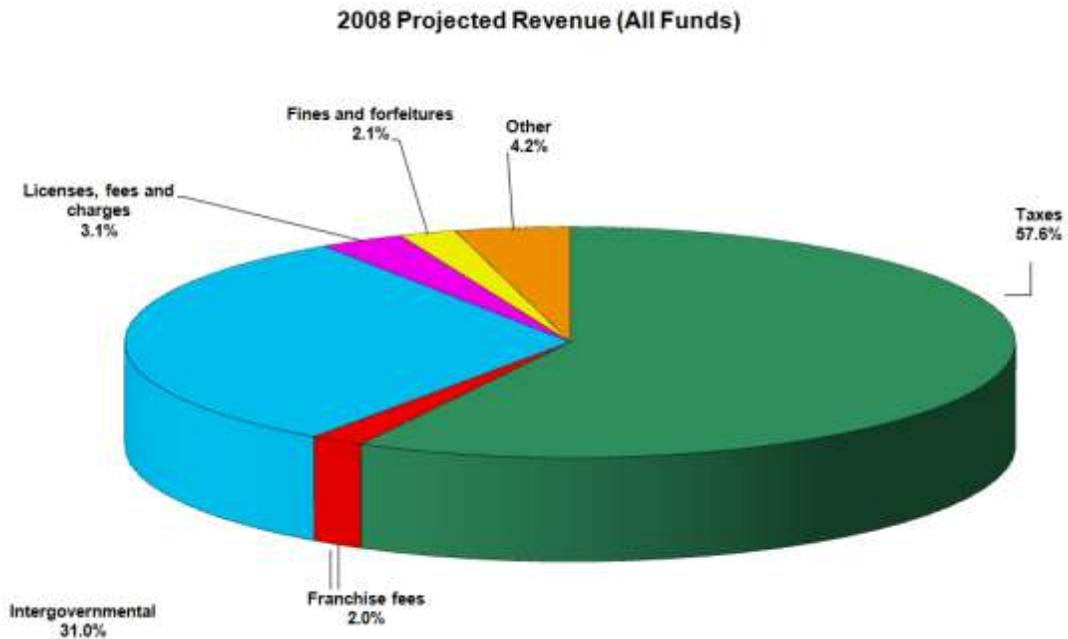
Building permit and inspection fees for new construction, remodeling, and improvements of commercial and residential units are expected to decline from the unusually high level of activity of prior years, except for RidgeGate. The same holds true for planning and zoning fees for existing City parcels and for annexations, except for RidgeGate. The planning and zoning fees includes a base fee, except for annexation, and a consultation fee, which will vary depending on the complexity and size of the project.

Fines and Forfeitures

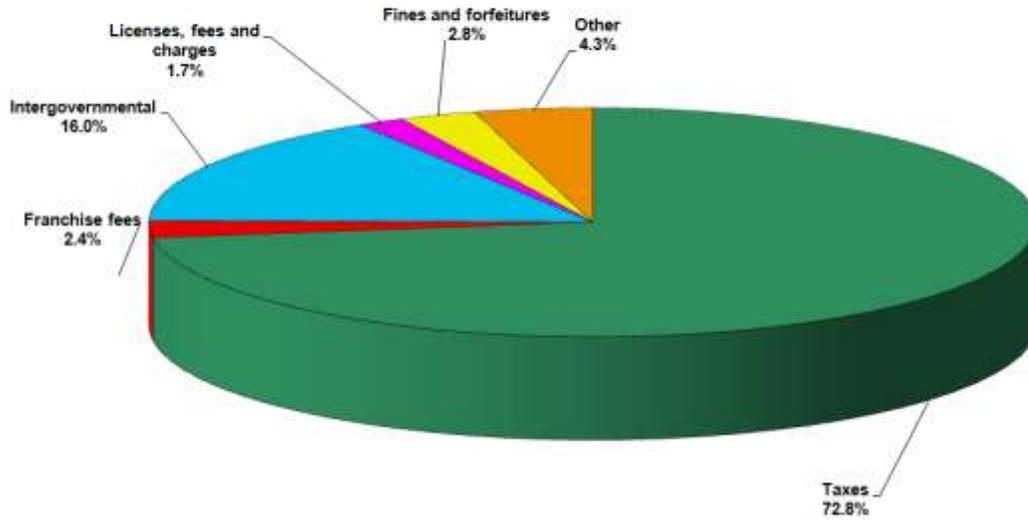
Fines and forfeiture revenue are anticipated to be collected in 2008 based on the City's creation of a municipal court in 2002 and enforcement of the Municipal Code.

Other

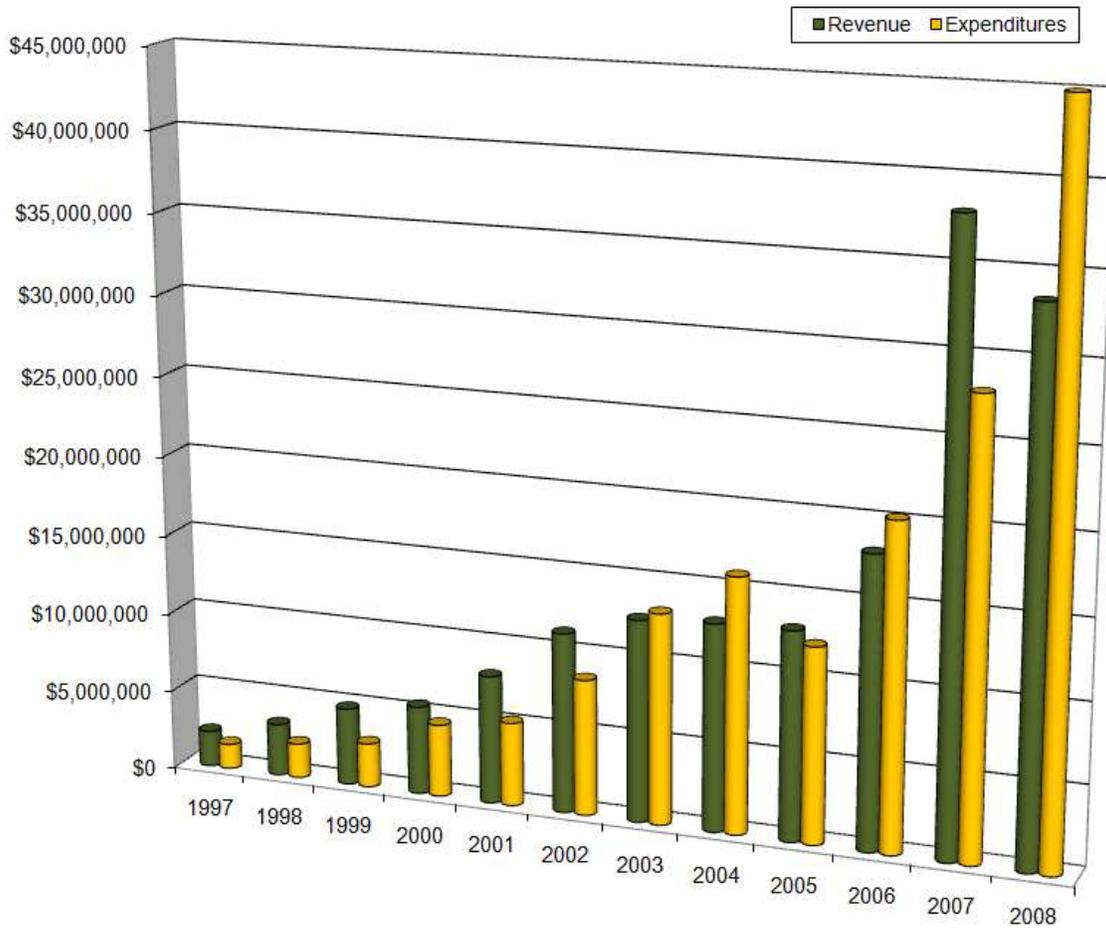
The City anticipates collecting various other miscellaneous revenue in 2008 including interest income, fees collected from Arts and Cultural events, as well as tenant rental income received by parties leasing space in the Lone Tree Municipal Building.



2008 Projected Total Revenue (General Fund Only)



Comparison of Revenue and Expenditures
1997 - 2006 Actual, 2007 Estimated and 2008 Projected



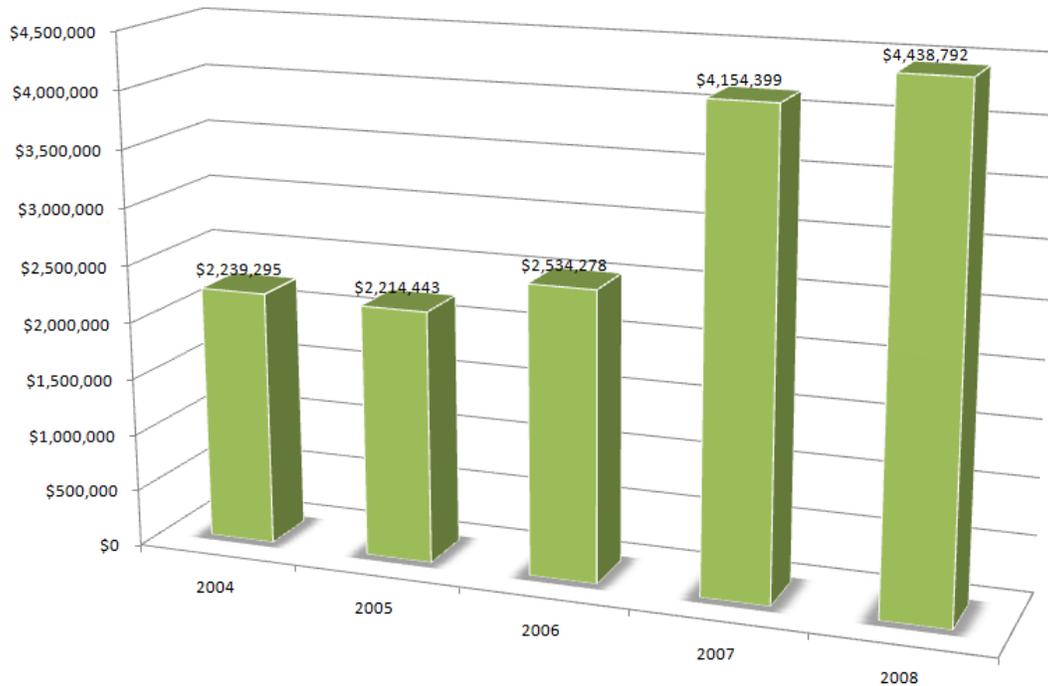
Expenditures

General Government

Estimated expenditures for City Council include stipends for the Council, travel, seminars and training, and other related expenditures. City Clerk expenditures include cost of public elections and publication costs for legal publications including ordinances and hearings. Services contracted out include legal, accounting, and economic development. Estimates for these have been based on prior year's costs and adjusted for expected activity in 2008.

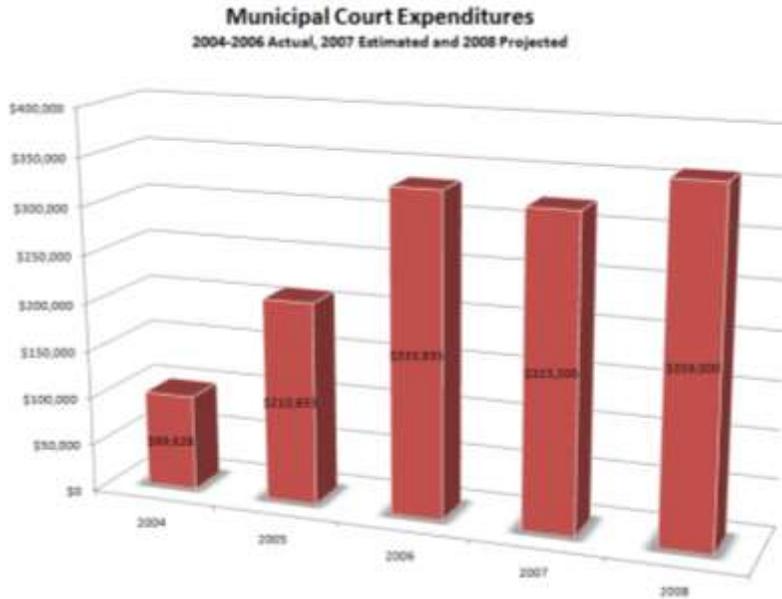
Community Support includes contributions to various local groups and other community related events. Annual events sponsor summer concerts, the Independence Day Celebration, holiday lighting and City festivities. The Arts Commission sponsors various events including the City's Arts Exhibition, Colorado Stage and the Lone Tree Symphony Orchestra.

**General Government Expenditures
2004-2006 Actual, 2007 Estimated and 2008 Projected**



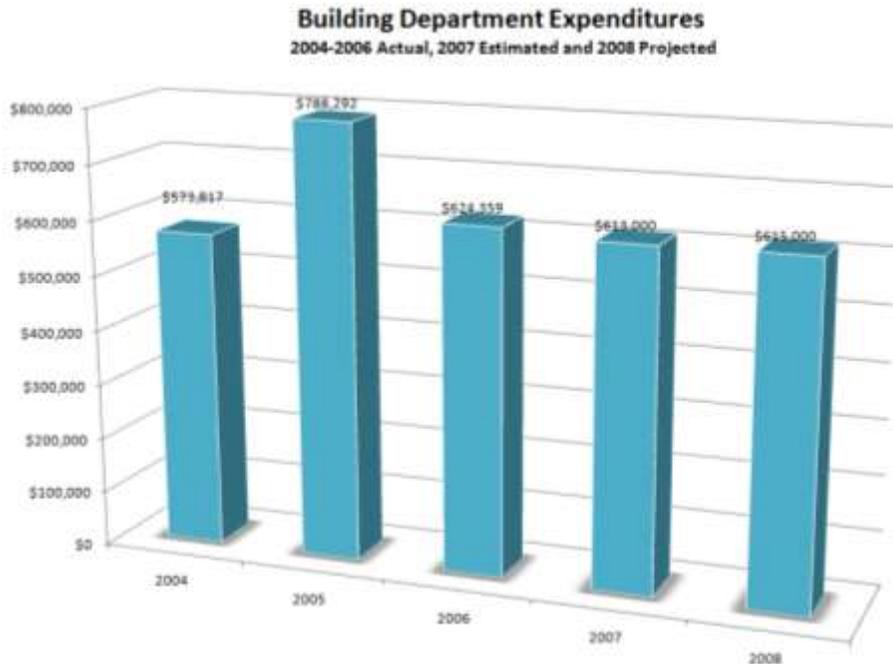
Municipal Court

Municipal court expenditures are based on the City's creation of a municipal court in 2002. Estimated costs have been projected based on activity levels from the previous year.



Building Department

Building permit, inspection fees and engineering fees are expected to decline in 2008, not including RidgeGate, as the remainder of the City approaches build-out.

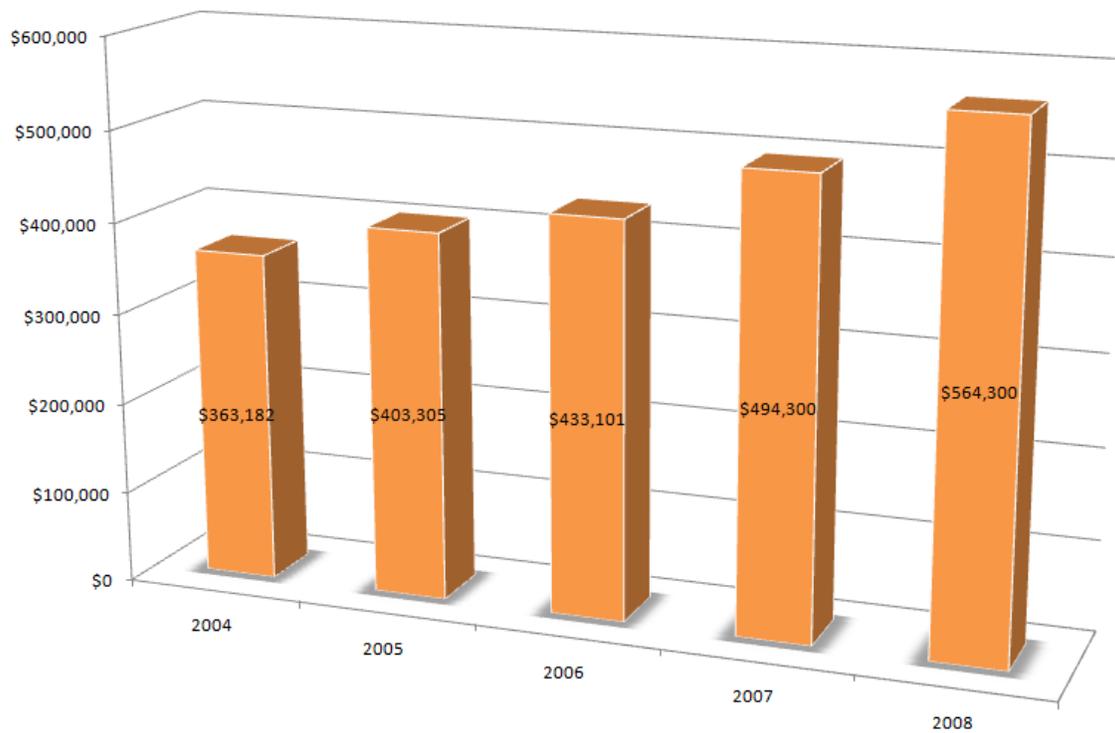


Community Development

Community Development includes planning services, costs incurred related to the City's Planning Commission, as well as other miscellaneous costs. Planning services, not including RidgeGate, are anticipated to decline in 2008 as the remainder of the City approaches build-out.

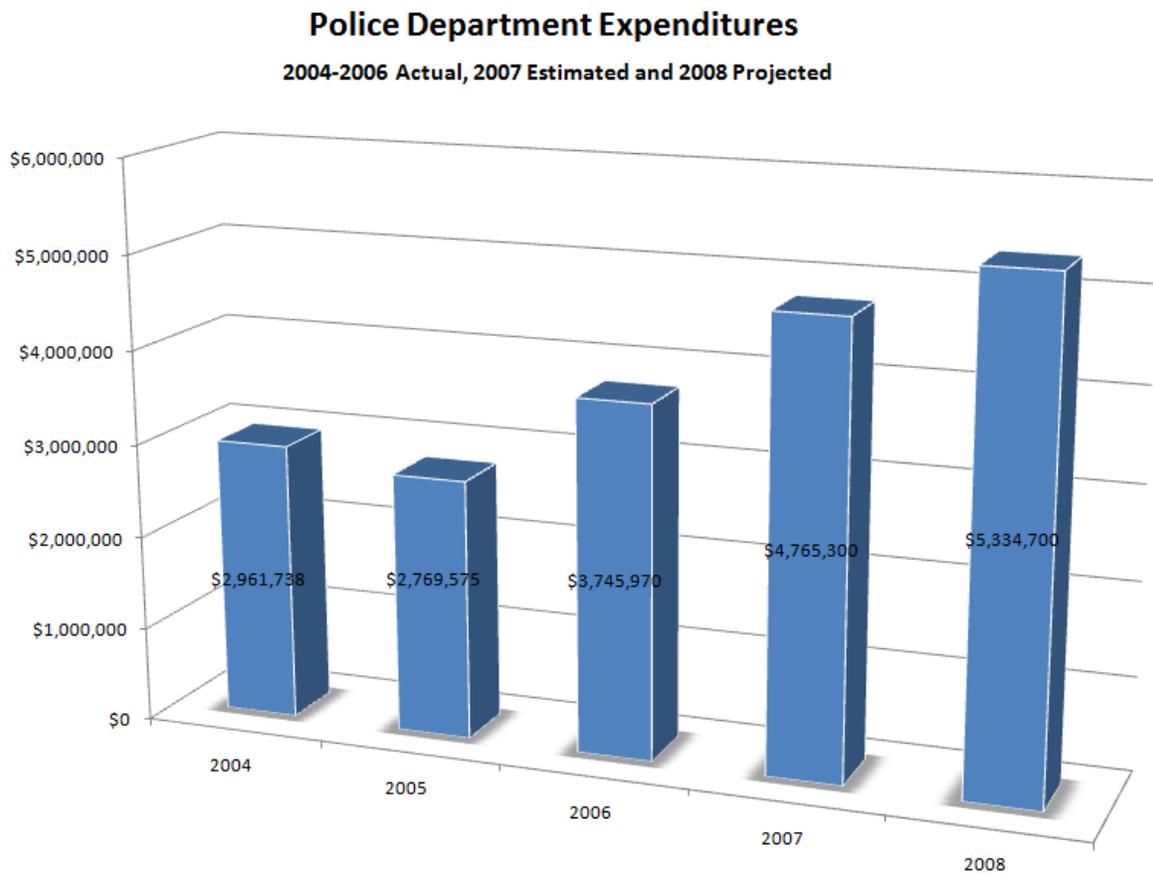
Community Development Expenditures

2004-2006 Actual, 2007 Estimated and 2008 Projected



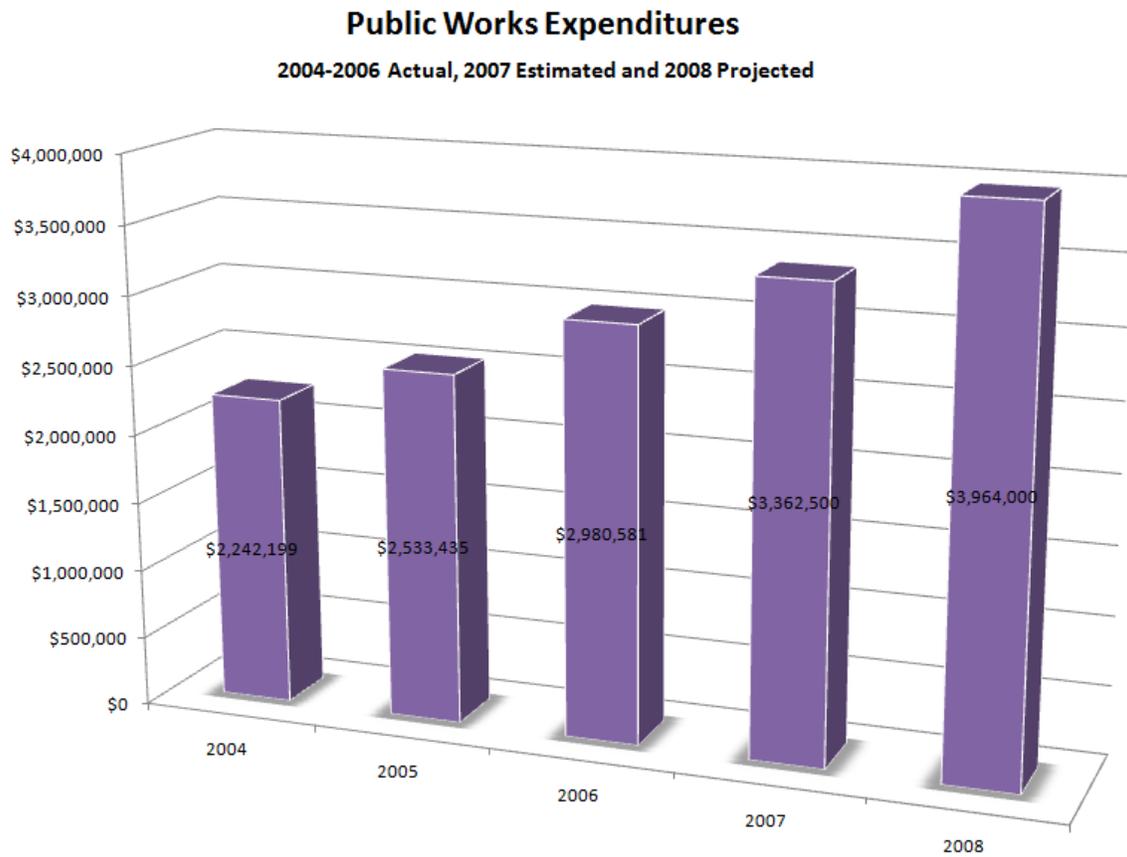
Police Department

The 2008 police department budget includes payroll and related benefit expenditures for 41 sworn officers and four civilian employees. The City has contracted with the Town of Parker to provide dispatch services to the City during 2008.



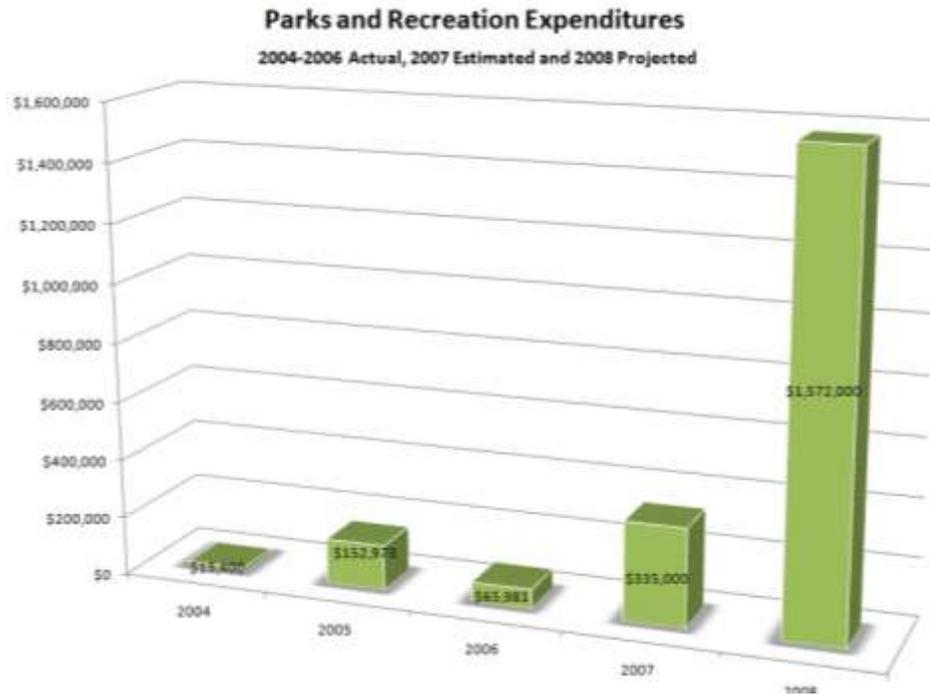
Public Works

The City provides street lighting, street maintenance, snow removal, solid waste pickup for all single-family residents, and certain landscaping within the boundaries of the City.



Parks and Recreation

South Suburban Parks and Recreation District (SSPRD) provides the parks and recreational services for City residents. In order to enhance these services, the City has budgeted in 2008 for a cooperative participation program with SSPRD for park and trail improvements as well as other recreational programs.

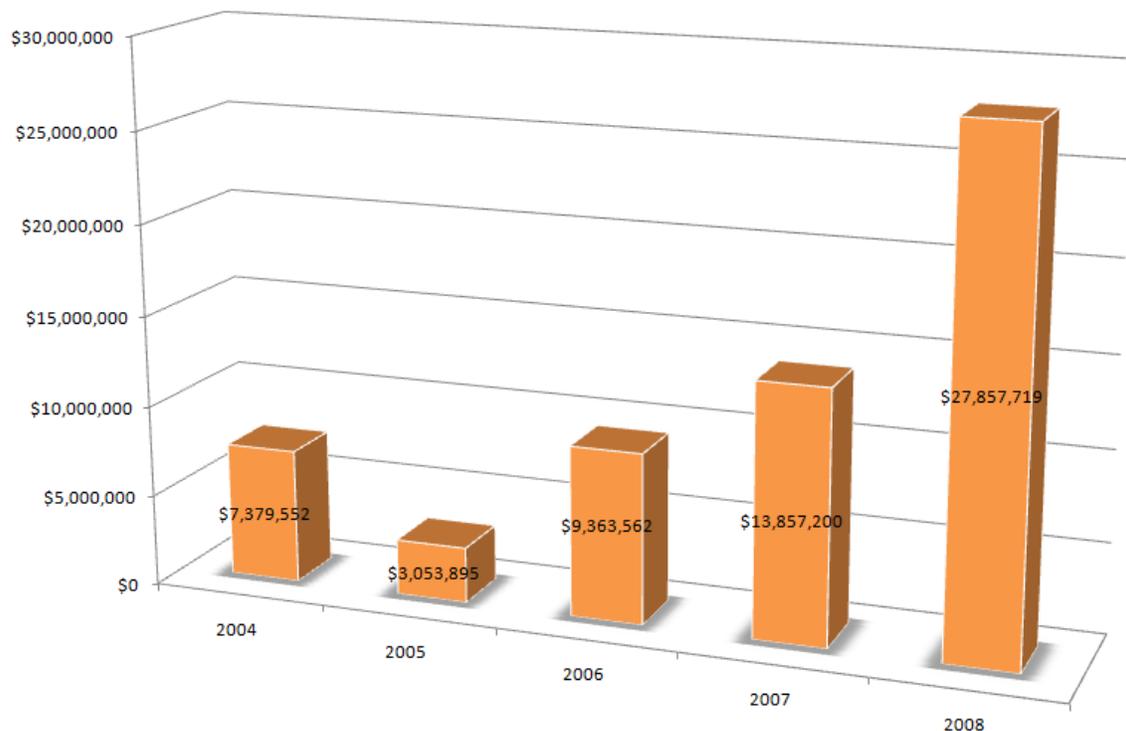


Capital Outlay

To the extent funds are available and the need is established, the 2008 budget provides for capital outlay costs including street reconstruction, traffic signalization, median and right-of way improvements, landscaping improvements and joint traffic improvements with Douglas County and Park Meadows Metropolitan District. Special improvement projects is a multi-purpose grant program designed to improve the aesthetics and appearance of non-City owned property for the overall betterment of the City. Public improvement purchases and Heritage Hills improvement purchases relate to the acquisition of infrastructure through developer rebate programs. City office building includes various additions and modifications to the leased City office building as well as the estimated lease payments and certain associated costs related to the certificates of participation issued by the Lone Tree Building Authority in January 2007. Reimbursement of sales taxes to BID includes the portion of sales taxes to be reimbursed to the Business Improvement District associated with the annexation of Park Meadows Mall. The capital outlay projects are detailed on page 26 of the Budget.

Capital Outlay Expenditures

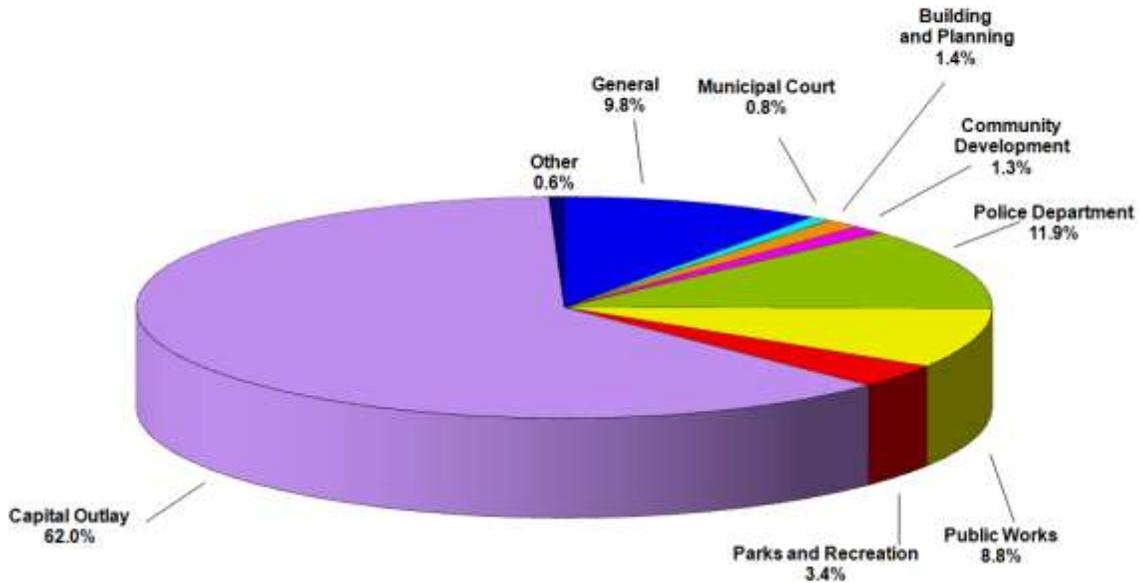
2004-2006 Actual, 2007 Estimated and 2008 Projected



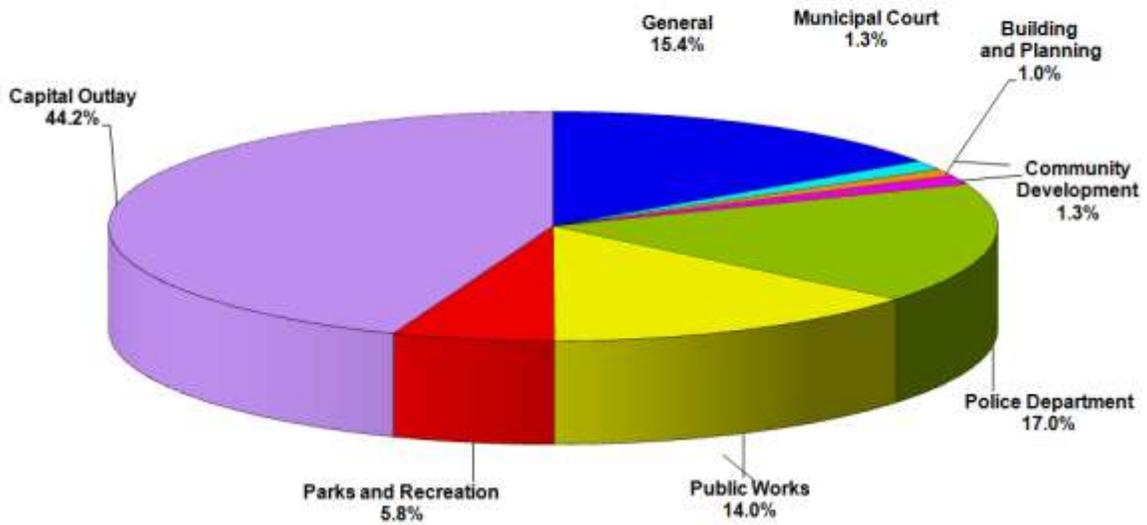
Reserve Funds

The City has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2008, defined under TABOR. Additionally, the City has provided for an emergency maintenance and repair reserve in 2008 as defined per the RidgeGate Annexation and Development Agreement and sales tax share-back agreements with several developers.

2008 Projected Expenditures (All Funds)



2008 Projected Expenditures (General Fund Only)



Debt and Leases

The City has no outstanding long-term debt.

The City entered into a Lease Purchase Agreement with the Lone Tree Building Authority in January 2007 in which the City will lease a certain building purchased by the Lone Tree Building Authority to be used as City Hall. The Lone Tree Building Authority issued certificates of participation for the purchase of the City Hall. The City will be responsible for the scheduled lease payments due under the certificates of participation. A copy of the lease schedule is included in the Appendix.

This information is an integral part of the accompanying forecasted budget.

City Administration

- ◆ *City Manager's Office*
 - ◆ *City Clerk*
 - ◆ *Municipal Court*
 - ◆ *Tax Collection and Compliance*
 - ◆ *Landscape and Facilities*
 - ◆ *Building Services*
 - ◆ *Recreation, Arts, and Events*
 - ◆ *Human Resources*
-
-

2007 Accomplishments and Outcomes

- ◆ Completed design, construction and move to new City-owned municipal office building at 9220 Kimmer Dr. The new facility is expected to absorb the growth of City services for the next 15-20 years.
- ◆ Successfully sought a \$200,000 Great Outdoors Colorado grant toward the construction of the new Lone Tree Community Park adjacent to the Lone Tree Recreation Center.
- ◆ Launched a significantly upgraded City website. The new site is much easier to navigate and much easier for staff to update. The new site also incorporates 'Lone Tree Listens' – a citizen request module.
- ◆ Completed the annexation of Park Meadows Mall and attached anchor stores.
- ◆ Implemented the 'Passport to Culture' children's cultural programming series. The program hosted five children's cultural events at the Lone Tree Recreation Center and one event at each of the three area elementary schools, so the program has reached nearly every school-aged child in Lone Tree.
- ◆ Partnered with South Suburban Parks and Recreation to complete a Parks, Trails, and Recreation Master Plan. Several community meetings were conducted to gather input for the plan, which identifies several recommendations and priorities for recreation in Lone Tree.
- ◆ Completed the launch of Innoprise, a new financial software platform that will allow us to integrate several different systems, including sales tax, permitting, accounts payable and budgeting. Previously, those functions each had their own software system.

2008 Goals and Highlights

- ◆ Implement a new electronic document management system for building plans, accounts payable, and sales tax returns.
- ◆ Design and install an emergency backup generator for the Lone Tree Municipal Building.
- ◆ Facilitate the selection a new major public art piece at the Lone Tree Municipal Building.
- ◆ Conduct a smooth, fair municipal election in May.
- ◆ Implement improved sustainability requirements in Building and Community Development applications.
- ◆ Support Douglas County Art Encounters program with installation in summer 2008.
- ◆ Continue Passport to Culture children's cultural opportunities.
- ◆ Complete the construction of the Lone Tree Community Park, adjacent to the Lone Tree Recreation Center.
- ◆ Continue to improve summer concert series and Independence Day events.
- ◆ Hire a facilities and landscape specialist to ensure City-maintained landscaped areas meet Lone Tree's high standards.
- ◆ Hire a sustainability coordinator to assist the City's green initiatives.

Community Development

- ◆ *Development Review*
- ◆ *Zoning/Code Enforcement*
- ◆ *Community Services*
- ◆ *Long Range Planning*
- ◆ *Code Updating*
- ◆ *Master Planning*

Mission Statement

Serve the City of Lone Tree with excellence by efficiently providing a broad range of quality and effective planning services through collective expertise, experience and creativity, in an environment of respect and integrity.

2007 Accomplishments and Outcomes

- ◆ Processed over 65 new land use applications, maintaining a review time of 3 months or less for site improvement plans, and one to 3 business day review time for administrative matters.
- ◆ Updated the City's Comprehensive Plan. An executive summary and a Lone Tree DVD presentation were completed.
- ◆ Facilitated planning for the Lone Tree "Center" and worked in conjunction with Semple Brown Architects, Coventry Development Corporation, the Library District, and OPUS Development.
- ◆ Worked with Coventry to preserve and enhance the historic Schweiger Ranch. Nearly \$300,000 was raised in a partnership effort to begin first phase improvements to the ranch, with contributions from the State Historic Fund (\$190,000), the City (\$75,000), the Rampart Range Metro District (\$25,000), and Douglas County via the Phillip Miller Fund (\$25,000).
- ◆ Established a Xeriscape Grant Program, in conjunction with Administration and Public Works, with the first proposal awarded funding in 2007.
- ◆ Created a "Citizens Guide to Meetings" brochure to inform residents how to work with the City Council or Planning Commission, and understand the application review and approval process.

2008 Goals and Highlights

- Update the City's Design Guidelines document.
- Prepare an update to the City's Subdivision Code.
- Work with Coventry and developers on the continued implementation of the RidgeGate PD, including the Lincoln Commons Master Plan and Site Improvement Plans, as well as various residential, office and commercial proposals.
- Continue to work with General Growth regarding implementation of the Vistas site improvement plan, resulting in a high quality, vibrant, walkable, new outdoor shopping experience.
- Promote Comprehensive Plan goals concerning environmental conservation through Green Build practices with all residential development, LEED building practices with non-residential development and Xeriscape practices with all Site Improvement Plans and public improvement projects.
- Continue to set the stage for Transit Oriented Development at the City's existing and planned Light Rail stations by planning for convenient access for multiple modes of travel, complementary land uses and a regulatory framework conducive to successful implementation.
- Facilitate the restoration of the Schwieger Ranch by supporting efforts of the Schweiger Ranch Foundation to apply for a Phase II Improvement Grant in October of 2008. Solicit participation by the Rampart Range Metro District and Douglas County toward a cash match contribution.

Police Department

- ◆ *Patrol*
- ◆ *Investigations*

- ◆ *Code Enforcement*
- ◆ *Records*

Mission Statement

The Lone Tree Police Department is committed to working in partnership with our community to improve the quality of life in our City. We are dedicated to solving community problems, the reduction of crime, the preservation of laws, ordinances and the constitutional rights of all persons within our jurisdiction.

2007 Accomplishments and Outcomes

- ◆ Completed the first year of policing at the Park Meadows Mall.
- ◆ Initiated a paperless records management system for municipal and misdemeanor state charges.
- ◆ Initiated and implemented a physical agility test for current employees and future applicants.
- ◆ Completed the assessment process and received accreditation from the Colorado Association of Chiefs of Police.
- ◆ Applied for and received grant funding from the Law Enforcement Assistance Fund (LEAF) and the Victim Assistance and Law Enforcement (VALE) Grant Program.
- ◆ Researched and secured City Council approval to install photo red light cameras at two intersections in Lone Tree.
- ◆ Selected three senior sergeants to attend the Northwestern Command School.
- ◆ Selected one senior sergeant to attend the Federal Bureau of Investigations National Academy.
- ◆ Participated in the design of and moved into the new police department of the Municipal Building.
- ◆ Completed the first Citizens' Police Academy.
- ◆ Contracted with Property Room.Com for disposal of evidence, found property and surplus property.
- ◆ Criminal Investigations Division initiated two statewide grand jury investigations into separate groups involved in identity theft and price fixing at major area retail outlets.
- ◆ Experienced a 42% decrease in reported crime for 2007 over 2006.

2008 Goals and Highlights

- ◆ Assist in design and relocation of new police department sub-station at Park Meadows Mall.
- ◆ Create new volunteers in policing community patrol unit to assist the police department in non-emergency, low priority calls and assignments (e.g. house watches, traffic control, etc.).
- ◆ Commence phased replacement on marked police patrol cars to ensure patrol fleet is at maximum efficiency.
- ◆ Obtain Crisis Intervention Team (C.I.T.) training for all officers and sergeants resulting in the first police department in Colorado to have all C.I.T. qualified commissioned personnel.
- ◆ Create 80 hours of in-service training module for all commissioned personnel.
- ◆ Continue working towards a regional dispatch center for all law enforcement agencies in Douglas County.
- ◆ Implement the Automated Fingerprint Identification System at both police facilities in the City.

Public Works

- ◆ *Street Maintenance*
- ◆ *Development Engineering Review*
- ◆ *Capital Projects*
- ◆ *Storm Drainage Management*

Mission Statement

Public Works strives to provide the citizens of the City of Lone Tree with the highest quality of life by maintaining and improving the City's transportation and drainage systems consistent with City policy and best management practices.

2007 Accomplishments and Outcomes

- ◆ The RidgeGate interchange on I-25 commenced construction with a planned completion in the spring of 2009. This is a \$20,000,000 project funded by CDOT and the Rampart Range Metropolitan District.
- ◆ A study of necessary improvements to Lincoln Avenue from Yosemite to Peoria was completed. The initial improvements were commenced in 2007 with completion in 2009. The recommendations include further improvements in the next 2 to 5 years and a reconstruction of the I-25 interchange in the 10 to 15 year timeframe.
- ◆ Preparation of a City trails master plan is being developed. This master plan will guide the development of the trail system in the City for the next decade. The plan will be finalized in early 2008.
- ◆ Preliminary design of a connection from the County Line RTD light rail station was completed.
- ◆ Design of the Chester Street improvements from Westview to County Line was begun.
- ◆ Completed the overlay of four miles of streets. The primary focus was Yosemite.
- ◆ Installed the third phase of median improvements in Lone Tree Parkway.
- ◆ Assisted in the contracting and management of the new City offices.
- ◆ Represented the City on numerous technical committees and provided liaison with CDOT, Douglas County, Park Meadows Metropolitan District and other agencies.
- ◆ Completed an updated fee schedule of Public Works fees for the City.

2008 Goals and Highlights

- ◆ Continued oversight and direction of the RidgeGate interchange construction contract.
- ◆ Complete construction of the initial phase of improvements to the Lincoln Avenue corridor.
- ◆ Undertake a system quality and reliability improvement program for the traffic signals in the City. This will include replacement of incandescent bulbs with LED bulbs to conserve energy, installation of uninterruptible power supplies in those intersections which are not so equipped and other service improvements to several of the intersections.
- ◆ Begin a comprehensive storm sewer maintenance program to clean and repair existing storm sewers.
- ◆ Bid and construct an additional lane on Chester Street between Westview to County Line Road to provide a dedicated right turn lane onto County Line Road.
- ◆ Provide for the installation of pedestrian lighting along Yosemite Street from the southern edge of the commercial area to Lincoln Avenue.
- ◆ Construct the next phase of the Lone Tree Parkway median improvements.

**CITY OF LONE TREE
SUMMARY
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED**

	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
BEGINNING FUND BALANCES	\$ 7,486,506	\$ 5,361,084	\$ 15,397,735
REVENUE			
TAXES	10,307,885	16,883,000	19,296,000
FRANCHISE FEES	672,134	638,000	653,000
INTERGOVERNMENTAL	5,114,520	15,157,565	10,340,767
LICENSES, FEES AND CHARGES	782,357	1,018,000	1,031,500
FINES AND FORFEITURES	533,594	641,000	690,000
OTHER	689,461	3,680,726	1,394,797
Total revenue	18,099,951	38,018,291	33,406,064
Total funds available	25,586,457	43,379,375	48,803,799
EXPENDITURES			
GENERAL GOVERNMENT	2,534,278	3,697,000	4,419,000
MUNICIPAL COURT	333,935	323,200	359,000
BUILDING DEPARTMENT	624,359	613,000	615,000
COMMUNITY DEVELOPMENT	433,101	494,300	564,300
POLICE DEPARTMENT	3,745,970	4,765,300	5,334,700
PUBLIC WORKS	2,980,581	3,362,500	3,964,000
PARKS AND RECREATION	65,981	335,000	1,572,000
CAPITAL OUTLAY	9,363,562	13,857,200	27,857,719
OTHER	143,606	534,140	258,339
Total expenditures requiring appropriation	20,225,373	27,981,640	44,944,058
ENDING FUND BALANCES	\$ 5,361,084	\$ 15,397,735	\$ 3,859,741
FUNDS RESERVED FOR:			
Emergency reserves (TABOR)	486,000	661,000	656,000
Conservation Trust Funds	113,212	156,212	-
RidgeGate emergency maintenance reserve	500,000	52,601	52,601
Entertainment District emergency maintenance reserve	150,000	150,000	150,000
Long-term receivable	511,558	-	-
Park fees in lieu of land	209,775	209,775	-
Victims assistance surcharge fees	40,811	-	-
Certificates of participation proceeds	-	47,059	-
Interchange project	-	9,328,265	-
FUNDS DESIGNATED FOR:			
Working reserve	2,480,000	2,475,000	3,000,000
Subsequent year's expenditures in excess of revenue	289,285	1,796,683	-
UNDESIGNATED AND UNRESERVED FUNDS	580,443	521,140	1,140
	\$ 5,361,084	\$ 15,397,735	\$ 3,859,741

CITY OF LONE TREE
GENERAL FUND
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED

REVENUE DETAIL			
	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
BEGINNING FUND BALANCE	\$ 6,945,556	\$ 4,794,634	\$ 5,950,419
REVENUE			
TAXES			
Sales tax	8,430,640	14,643,000	16,759,000
Use tax-retail	77,425	175,000	225,000
Use tax - building materials	158,128	290,000	150,000
Lodging tax	371,056	425,000	434,000
Admissions tax	381,932	350,000	357,000
TOTAL TAXES	9,419,181	15,883,000	17,925,000
FRANCHISE FEES			
Electric and gas	451,742	440,000	449,000
Cable TV	114,215	138,000	141,000
TOTAL FRANCHISE FEES	565,957	578,000	590,000
INTERGOVERNMENTAL REVENUE			
Highway Users Tax (HUTF)	189,619	176,000	172,000
Conservation Trust Fund (Lottery)	42,513	43,000	44,000
Cigarette tax	154,242	165,000	165,000
County Road & Bridge shareback	691,765	729,000	942,000
Motor vehicle registration fees	24,623	25,000	25,500
Regional improvements contribution - RRMDs	49,405	57,000	73,000
Reimbursable costs	3,643,954	380,000	2,505,000
Grants	6,910	6,300	6,500
TOTAL INTERGOVERNMENTAL REVENUE	4,803,031	1,581,300	3,933,000
LICENSES, FEES AND CHARGES			
Sales and use tax and business license fees	10,090	5,000	13,000
Liquor license fees	15,101	16,000	16,500
Building permit fees	301,630	525,000	300,000
Planning and zoning fees	66,416	70,000	50,000
Engineering fees	51,322	45,000	35,000
Other	1,439	12,000	7,000
TOTAL LICENSE, FEES AND CHARGES	445,998	673,000	421,500
FINES AND FORFEITURES			
Court fees	105,623	110,000	112,000
Vehicle and other code violation fines	364,642	446,000	491,000
Victims assistance surcharge	63,329	85,000	87,000
TOTAL FINES AND FORFEITURES	533,594	641,000	690,000
OTHER			
Investment income	196,345	450,000	200,000
Miscellaneous	163,998	360,000	80,000
Arts and cultural events	51,309	42,000	42,000
Police Department fees and other charges	22,073	98,000	100,000
Certificates of participation proceeds	-	1,700,785	-
Tenant leases	-	398,000	397,000
Transfer of excess revenue from Special Revenue Fund	143,606	76,741	238,547
OTHER	577,331	3,125,526	1,057,547
Total revenue	16,345,092	22,481,826	24,617,047
Total funds available	\$ 23,290,648	\$ 27,276,460	\$ 30,567,466

CITY OF LONE TREE
GENERAL FUND
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED

EXPENDITURE DETAIL			
	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
EXPENDITURES			
GENERAL GOVERNMENT			
City Council expenditures	\$ 26,944	\$ 29,000	\$ 35,000
City Council stipend	45,212	46,000	48,500
City Clerk - elections	23,614	-	21,000
City Clerk - publications	2,669	5,000	10,000
Dues and memberships	82,962	105,000	161,000
City Administration	454,981	608,000	920,000
Legal - general	436,393	400,000	425,000
Legal - special	46,850	386,000	100,000
Accounting and financial services	228,310	285,000	285,000
Sales tax audits	48,093	10,000	15,000
Audit	9,000	9,200	9,200
Insurance	110,065	270,000	270,000
Consulting	22,059	25,000	25,000
Civic Center maintenance & utilities	44,099	42,000	47,000
Community support	70,888	124,000	168,000
Annual events	224,311	209,000	241,000
Arts and cultural events	134,853	200,500	280,000
Youth initiatives	-	18,636	25,000
Community education programs	-	2,000	4,000
Citizen survey	19,728	-	20,000
Housing Partnership	20,000	30,000	30,000
Communications & newsletter	32,894	40,000	42,000
Information technology	28,968	50,000	27,000
Website maintenance	15,747	13,000	10,000
Tree City	11,097	13,182	20,000
Lone Tree City Office	137,740	421,000	563,000
Economic development	33,239	66,000	60,000
Payroll service	8,265	10,000	11,000
Miscellaneous	5,196	15,000	247,000
Contingency	-	1,482	1,300
TOTAL GENERAL GOVERNMENT	2,324,177	3,434,000	4,121,000
MUNICIPAL COURT			
Municipal Judge	21,415	35,000	45,000
Legal	211,311	125,000	125,000
Administration	44,826	93,200	128,000
Office supplies and software	18,566	20,000	10,000
Victims assistance surcharge	37,817	50,000	51,000
TOTAL MUNICIPAL COURT	333,935	323,200	359,000
BUILDING DEPARTMENT			
Building permit & inspection	204,985	260,000	185,000
Building Department management	24,926	40,000	25,000
Engineering	60,343	43,000	30,000
Miscellaneous	9,130	5,000	25,000
TOTAL BUILDING DEPARTMENT	299,384	348,000	265,000

CITY OF LONE TREE
GENERAL FUND
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED

EXPENDITURE DETAIL - Continued			
	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
EXPENDITURES (Continued)			
COMMUNITY DEVELOPMENT			
Planning services	343,670	392,000	325,200
Field supplies	8,981	8,000	12,000
Planning Commission	664	2,000	2,000
Miscellaneous	5,213	10,000	8,300
TOTAL COMMUNITY DEVELOPMENT	358,528	412,000	347,500
POLICE DEPARTMENT			
Payroll and benefits	2,503,389	3,244,000	4,001,000
Office and administration	144,621	262,400	185,000
Uniforms and equipment	101,926	79,700	109,900
Vehicles and equipment	477,121	445,500	366,700
General equipment	79,387	166,200	47,500
Dispatch	379,064	420,000	440,000
Training	36,933	83,200	91,000
Miscellaneous	21,886	64,300	43,600
Disasters	1,643	-	50,000
Allocation to Special Revenue Fund	(607,596)	(706,659)	(798,062)
TOTAL POLICE DEPARTMENT	3,138,374	4,058,641	4,536,638
PUBLIC WORKS			
Public Works Department	233,931	280,000	330,000
Street lighting	155,749	216,000	220,000
Street maintenance	516,943	550,000	580,000
Drainage maintenance	-	-	30,000
Signal timing	-	-	65,000
Street & sidewalk sweeping	6,598	35,000	30,000
Traffic signal energy cost and maintenance	214,371	200,000	200,000
Snow removal	495,894	650,000	700,000
Landscaping maintenance	124,399	115,000	125,000
Cooperative participation - landscaping PMMD/HHMD	158,889	160,000	-
Median landscape replacement	33,912	-	-
Trash and recycling service	374,109	413,000	700,000
Engineering	264,211	230,000	260,000
Brick fence coating	-	-	100,000
Geographic Information System (GIS)	144,541	150,000	155,000
Materials and equipment	4,533	10,000	10,000
EPA Phase 2 Drainage	79,880	75,000	75,000
State mandated noxious weeds control	10,871	15,000	25,000
Signage and striping	58,026	60,000	55,000
Public Works Facility operations and equipment	54,861	50,000	52,000
Software and support	14,337	22,000	25,000
Miscellaneous	1,560	3,500	3,000
TOTAL PUBLIC WORKS	2,947,615	3,234,500	3,740,000
PARKS AND RECREATION			
Payroll and benefits	-	17,500	25,000
Joint recreational projects with South Suburban	14,386	210,000	303,000
Recreational activities and support	51,595	107,500	1,244,000
TOTAL PARKS AND RECREATION	65,981	335,000	1,572,000

CITY OF LONE TREE
GENERAL FUND
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED

EXPENDITURE DETAIL - Continued			
	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
EXPENDITURES (Continued)			
CAPITAL OUTLAY			
Special improvement projects	70,000	70,000	70,000
Public improvement purchases - deferred rebates	278,619	339,589	374,000
Xeriscaping grant program	-	40,000	40,000
Median and right-of-way improvements	356,335	215,000	205,000
Overlay/reconstruction projects	282,289	425,000	500,000
Traffic signalization	237,583	80,000	400,000
Traffic improvements - joint projects w/ County & PMMD	5,241,862	1,104,000	1,300,000
Traffic control	-	-	105,000
Fencing	1,383,438	-	-
Public message board sign	-	-	75,000
Monumentation and signage	-	10,000	50,000
City Office building - purchase and tenant finish	285,445	1,750,000	126,700
City Office building - capital leases	-	483,400	1,880,179
City Office building - letter of credit fees and remarketing fees	-	94,039	98,136
Pedestrian lights	372,363	50,000	250,000
Arts and Cultural facility	10,245	40,000	35,000
Weather station	9,587	-	-
Reimbursement for Heritage Hills public improvement purchases	272,672	272,672	272,672
Local matching transportation contribution - TREX	50,000	-	-
EA Light rail	-	-	250,000
Website upgrade	32,790	-	-
UDFCD Willow Creek study	-	85,000	-
Maintenance Triangle restoration	25,388	74,000	-
Maintenance facility well	-	17,000	-
Lincoln traffic study and conceptual design	29,404	30,000	35,000
Lincoln Avenue improvements	-	675,000	1,600,000
Schweiger Ranch Preservation	-	-	75,000
Financial package software and hardware	90,000	180,000	20,000
Vehicles	-	-	31,000
Reimbursement of sales taxes to BID	-	2,940,000	3,816,500
Reimbursement of property taxes to PMMD	-	206,000	210,000
TOTAL CAPITAL OUTLAY	9,028,020	9,180,700	11,819,187
Total expenditures requiring appropriation	18,496,014	21,326,041	26,760,325
ENDING FUND BALANCE	\$ 4,794,634	\$ 5,950,419	\$ 3,807,140

**CITY OF LONE TREE
SPECIAL REVENUE FUND - RIDGEGATE
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED**

	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
BEGINNING FUND BALANCE	\$ 540,950	\$ 566,450	\$ 119,051
REVENUE			
Sales tax	619,163	652,000	697,000
Use tax-retail	81,973	200,000	225,000
Use tax - building materials	160,988	120,000	420,000
Admissions tax	26,580	28,000	29,000
Franchise fees	106,177	60,000	63,000
Highway Users Tax (HUTF)	27,262	23,000	22,000
Building permit fees	272,745	280,000	520,000
Planning and zoning fees	20,250	25,000	40,000
Engineering fees	43,364	40,000	50,000
Loan from General Fund for Interchange	51,315	-	-
Schweiger Ranch grants and contributions	-	25,000	75,000
Interchange reimbursement from RidgeGate	284,227	150,000	-
Interest income	32,638	18,000	10,000
Other	28,177	87,200	27,250
Total revenue	1,754,859	1,708,200	2,178,250
Total funds available	2,295,809	2,274,650	2,297,301
EXPENDITURES			
City Administration	40,156	50,000	60,000
Legal	38,515	55,000	50,000
Accounting and financial services	26,243	30,000	40,000
Administration and overhead costs	71,878	80,000	80,000
Insurance	21,309	46,000	50,000
Audit	2,000	2,000	3,000
Sales tax audits	10,000	-	10,000
Building Department management	26,594	15,000	35,000
Engineering	141,354	130,000	140,000
Planning services	74,573	82,300	216,800
Building permit and inspection	157,027	120,000	175,000
Consulting	-	-	5,000
Police Department	607,596	706,659	798,062
RidgeGate Interchange design	335,542	150,000	-
Transfer to General Fund	143,606	76,741	238,547
Street lighting	32,966	33,000	34,000
Street maintenance	-	-	20,000
Snow removal	-	95,000	170,000
Schweiger Ranch Preservation	-	26,500	99,500
Reimbursement of use taxes	-	447,399	-
Miscellaneous	-	10,000	10,000
Contingency	-	-	9,792
Total expenditures	1,729,359	2,155,599	2,244,701
ENDING FUND BALANCE	\$ 566,450	\$ 119,051	\$ 52,601
Emergency Maintenance and Repair Reserve	\$ 500,000	\$ 52,601	\$ 52,601

**CITY OF LONE TREE
SPECIAL REVENUE FUND - INTERCHANGE
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUALS AND 2007 ESTIMATED**

	2006 ACTUAL	2007 ESTIMATED	2008 ADOPTED
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 9,328,265
REVENUE			
Intergovernmental revenue - CDOT	-	-	6,310,767
Intergovernmental revenue - Rampart Range Metro District No. 1	-	13,528,265	-
Interest income	-	300,000	300,000
Total revenue	-	13,828,265	6,610,767
OTHER	-	13,828,265	15,939,032
EXPENDITURES			
Interchange construction and engineering	-	4,500,000	15,939,032
Total expenditures	-	4,500,000	15,939,032
ENDING FUND BALANCE	\$ -	\$ 9,328,265	\$ -

APPENDIX

CITY OF LONE TREE					
FULL-TIME EQUIVALENT CITY GOVERNMENT					
EMPLOYEES BY DEPARTMENT					
2004-2006 Actual, 2007 Estimated and 2008 Projected					
Department	Full-Time Equivalent Employees				
	2004	2005	2006	2007	2008
Administration (General Government)	-	4	7	10	14
Municipal Court	-	-	1	2	2
Building Department	-	1	1	1	1
Police	22	26	40	43	45
Total	22	31	49	56	62

CITY OF LONE TREE				
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM				
Last Four Fiscal Years				
Function/Program	2004	2005	2006	2007
Public works				
Streets (miles)	99.19	109.94	109.94	130.40
Traffic signals	25	27	29	33
Public safety				
Stations	N/A (1)	1	1	2
Patrol units	N/A (1)	9	11	15
Capital outlay				
Storm drainage (miles)	1.62	1.62	1.62	1.62
(1) The City's Police Department commenced operations on January 1, 2005. Prior to that time, the City contracted out its public safety services with Douglas County.				

CITY OF LONE TREE				
OPERATING INDICATORS BY FUNCTION/PROGRAM				
Last Four Fiscal Years				
Function/Program	2004	2005	2006	2007
Municipal court				
Number of court cases	115	891	1,167	1,427
Building Department				
Building permits issued	406	735	664	723
Building inspections conducted	7,252	10,764	7,223	5,031
Public works				
Streets overlaid (miles)	3.02	1.59	2.10	4.06
Public safety				
Accidents	N/A (1)	926	968	1,095
Citations issued	N/A (1)	2,899	4,466	4,860
(1) The City's Police Department commenced operations on January 1, 2005. Prior to that time, the City contracted out its public safety services with Douglas County.				

CITY OF LONE TREE			
ESTIMATED BASE RENTALS SCHEDULE			
December 31, 2007			
\$9,230,000 Taxable Adjustable Rate Certificates of Participation			
Series 2007, Dated January 1, 2007			
Monthly Rate Mode Assumed			
Principal and Interest Due Monthly			
	Principal	Interest	Total
2007	\$ -	\$ 469,655	\$ 469,655
2008	670,000	532,179	1,202,179
2009	715,000	492,200	1,207,200
2010	765,000	451,088	1,216,088
2011	820,000	407,100	1,227,100
2012	875,000	360,936	1,235,936
2013	940,000	309,638	1,249,638
2014	1,005,000	255,588	1,260,588
2015	1,070,000	197,800	1,267,800
2016	1,145,000	136,648	1,281,648
2017	1,225,000	70,438	1,295,438
	<u>\$ 9,230,000</u>	<u>\$ 3,683,270</u>	<u>\$ 12,913,270</u>

Note: Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity. Assumes the COPS will remain in variable rate mode to maturity at an average interest rate of 5.75%.