

City of Lone Tree 2013 Annual Budget



CITY OF LONE TREE



CITY OF LONE TREE

Mission

“ To surpass expectations”



CITY OF LONE TREE

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CITY OF LONE TREE

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To the Citizens of Lone Tree and other interested parties:

I am pleased to present the 2013 City Budget. This Budget is the result of many hours of work by City staff and City Council who jointly participated in the budget process. The Budget was adopted by the City Council by Resolution No. 12-20 on December 18, 2012.

During its 2013 budget process, the City continued to implement the Budgeting for Outcomes (BFO) methodology. In its second year incorporating BFO as part of the budget process, Council kept the seven outcomes the same and incorporated BFO questions into the citizen survey which was conducted during 2012. Consistent through the survey results was that overall the citizens feel that the priorities are important and that the same effort should be applied to the various outcomes. Also seen in the 2012 citizen survey were City ratings related to overall quality of life at 59% excellent and 38% good resulting in a 97% favorable outlook as to quality of life in Lone Tree. City staff and Council are committed to maintaining this standard and feel that the below outcomes and vision statements help ensure guidance during the budget process to achieve this goal.

Desired Outcomes

Below are the seven outcomes and each related vision statement for the 2013 Budget:

Outcome	Vision Statement
Economic Vibrancy	A diverse, dynamic and prosperous local economy that sustains our community
Safe Community	A community that feels and is safe and secure anytime, anywhere
Multimodal Transportation	A comprehensive transportation network that provides reliable options to move people and goods to their destinations
Enriched Community	A community that promotes a culture of social belonging and healthy lifestyles
Attractive and Sustainable Environment	A distinctive and well-designed community that respects and preserves our natural resources
Municipal Stewardship	A responsive, professionally managed and collaborative government that provides services with excellence, integrity and care
Capital Investment in the Future	A proactive and forward-thinking government that addresses multi-generational needs through strategic investments

Budget Highlights

The City's 2013 Budget reflects Council's objective to develop a fiscally responsible budget – a budget built on conservative revenue projections, necessary as well as discretionary expenditure levels, and required and reasonable reserves and designations. Highlights of the City Budget include:

- Total budgeted revenues for all City funds are \$37.6 million.
- Taxes make up approximately 66% of total revenues. The primary source of this revenue is sales and use tax which is projected to increase by 3% in 2013. The City does not assess a mill levy for the collection of property taxes.
- Total budgeted expenditures for 2013 for all City funds are \$41.9 million. Budgeted expenditures are projected to be paid from projected 2013 revenues received as well as prior years' accumulated fund balances.
- The Budget sustains all ongoing City services and anticipates hiring several new positions within the City including a Chief Building Official which was previously contracted out as well as a Business Affairs Officer to focus on business retention and expansion for the City.
- Capital improvement projects for 2013 include continued overlay of City streets, improvements to the Kimmer Drive and Park Meadows Drive intersection and Entertainment District improvements, Park Meadows Drive reconstruction west of Acres Green and County Line Road improvements.
- The 2013 Budget also anticipates renovation of City Hall including expansion to the second floor of the building.
- A 20% working reserve has been established and included in the 2013 Budget in order to set aside funds for unanticipated revenue shortfalls and unanticipated expenditures. Additionally, capital reserves have been established as part of the 2013 Budget process for future capital maintenance, new capital projects as well as economic development.

The *Budget Overview* section provides more detailed information on the Budget process and development while the *Budget Assumptions* details information about revenues and expenditures included in the 2013 Budget.

Finally, I would like to acknowledge City staff for their hard work, dedication and innovation and thank the Mayor and City Council for their direction, leadership and commitment. This Budget is truly reflective of a group effort.

The Council and I welcome any questions or comments concerning the 2013 Budget and budget process.

Sincerely,



Jack W. L. Hidahl
City Manager

PRINCIPAL OFFICIALS OF THE CITY OF LONE TREE, COLORADO
December 31, 2012

CITY COUNCIL

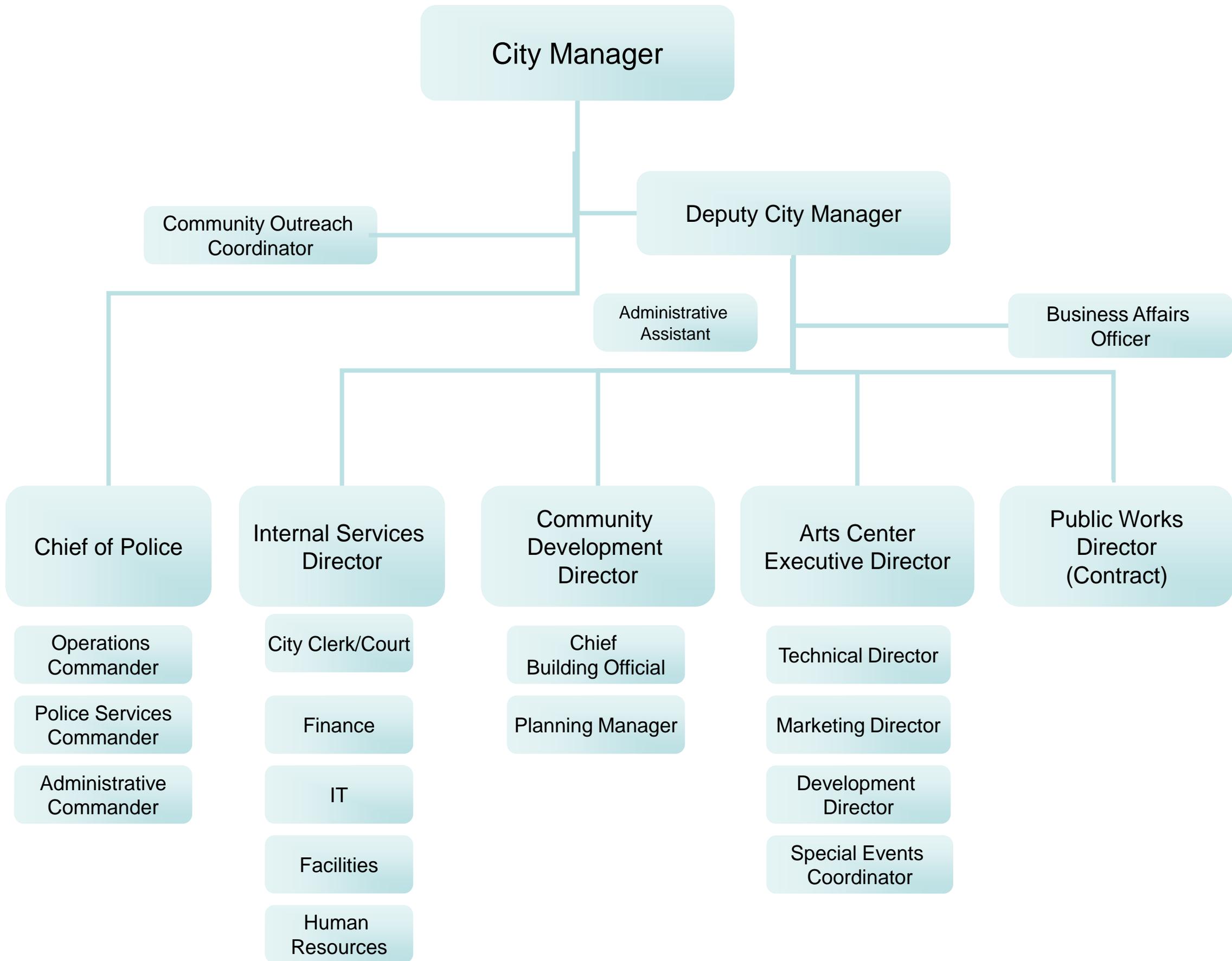
Mayor James D. Gunning, At-Large
Mayor Pro-Tem..... Jacqueline Millet, District 1
Council Member Harold Anderson, District 1
Council Member Kim Monson, District 2
Council Member Susan Squyer, District 2

MUNICIPAL JUDGE Louis Gresh

CITY OFFICIALS

City Manager Jack Hidahl
Deputy City Manager..... Seth Hoffman
City Attorney Gary White
Internal Services..... Robert Johnson, Director
Finance Christine Harwell, Director
Public Works..... John Cotten, Director
Community Development..... Steve Hebert, Director
Police..... Ron Pinson, Interim Chief
City Clerk..... Jennifer Pettinger





LONE TREE FACTS

Overview

- ❖ Incorporated in November 1995
- ❖ Became a Colorado Home Rule City on May 5, 1998
- ❖ Council-Manager form of government where Council sets the City policy and the Manager is responsible for City operations
- ❖ Council is made up of five Council members, including the City Mayor, elected in non-partisan elections. Each member serves a staggered, four-year term and represents one of the two districts within the City except for the Mayor, who serves as an at-large member
- ❖ Provides full range of services including public safety, construction and maintenance of streets and other public infrastructure, planning and building permit and inspections, arts and cultural activities and municipal court services

Location

- ❖ Located in the southern Denver metropolitan area at the junction of C-470/E-470 and I-25
- ❖ Comprises approximately 6,162 acres or 9.6 square miles
- ❖ Located in northern Douglas County

General Population

- ❖ Population estimated at 11,097
- ❖ Average household income exceeds \$90,000
- ❖ 97% of the City's residents would recommend living in Lone Tree

Economy

- ❖ Includes 39 million square feet of office space and employment of more than 300,000 people, making Lone Tree an economic output of close to 25% of the state's total
- ❖ Home to the Park Meadows Retail Resort, Colorado's only retail resort with over 185 unique retailers and restaurants including American Girl, Nordstrom and a Microsoft Store
- ❖ RidgeGate is a 3,500 acre master planned community located within the City and is home to the Lone Tree Recreation Center, the Lone Tree Arts Center as well as diverse retail, dining, office space and home offerings
- ❖ Lone Tree Entertainment District is your place for fun including a movie theater, miniature golf, bowling, indoor skydiving and numerous restaurants
- ❖ Sky Ridge Medical Center opened in the City in 2003 and is a state of the art regional medical facility located on 42 acres. In 2013, Sky Ridge will begin an estimated \$107

million expansion plan which will add 90 beds, a women's center, a new medical office building, additional spine/ortho operating rooms and parking structure. The expansion is expected to completed in 2014

- ❖ The City sales tax rate of 1.8125% is among the lowest in Colorado

Parks, Recreation and Culture

- ❖ Extensive trail system and numerous parks including the Bluffs Regional Park and Prairie Sky Park
- ❖ Lone Tree golf club and tennis center and park which includes a championship Arnold Palmer-designed 18-hole public course, 2 championship/teaching tennis courts with terraced seating, 4 court tennis complex with lighted courts and a pavilion with picnic tables and children's playground
- ❖ Cook Creek pool which features a 4600 square feet outdoor leisure pool, 23 foot tower slide, zero depth entry, basketball and lesson area and interactive water feature
- ❖ Lone Tree Arts Center featuring a 500 seat main stage theater with orchestra and balcony seating, adaptable 150-225 seat event hall for intimate performances and events and a 300-350 seat outdoor terrace theater
- ❖ Each summer the City features free summer concerts at Sweetwater Park as well as free outdoor movie nights with food and fun activities at Prairie Sky Park
- ❖ Annual Independence Day celebration at Sweetwater Park features music, trampolines, climbing walls, face painters, caricature, inflatables, clowns, petting zoo, fireworks and much more

2012 Honors & Awards

- ❖ The Lone Tree Arts Center earned LEED certification (Leadership in Energy and Environmental Design), an internationally recognized green building program. LEED certification demonstrates leadership, innovation, environmental stewardship and social responsibility
- ❖ The Lone Tree Arts Center was named the Best Local Theater/Playhouse in the 2012 Best of the Best Lone Tree Voice
- ❖ Municipal Court was selected Court Customer of the Year by EForce
- ❖ For the last 6 years, the City has been awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports

Budget Process and Overview

The City Budget

The City of Lone Tree provides various services to approximately 11,100 citizens. Municipal services for the City are financed through a variety of taxes, fees, intergovernmental revenues, charges for services and fines. In order for the City to provide the services needed as well as efficiently allocate the revenues that support the services, annually the City adopts a budget.

Guidance for the budget process comes from many sources. The State Constitution and the City Charter provide the basic legal requirements and time lines for the process while Council goals and constituent input provide the policy direction to respond to community needs.

Budget Process

The fiscal year of the City is the calendar year and the budget process for the City encompasses the majority of the year.

The intent of the budget process is more than just a financial presentation of revenues and expenditures; instead, the most important piece of the process is to formulate a sound operational plan to serve the residents of the City. The timeline for adoption of the budget is designed to meet Charter and State mandates as well as allow active and early participation by City staff and City Council. Additionally, City policies guide preparation and long-range planning during the budget process.

Starting in February, Council evaluates the City's outcomes from the previous year and discusses if changes are needed to those outcomes. Final outcomes are determined by the end of March. Next, City staff begins preliminary discussions and revenue projections in April to determine what revenues are available for the selected outcomes. From May through August, the Results Team (consisting of City management, department directors and finance) hold meetings and collect information, and a draft budget is compiled. In September, Council work sessions are held and a public draft of the budget is available on October 15th of each year. On the third Tuesday of November a budget public hearing is held and on the third Tuesday of December each year, the budget is adopted by Council.

Total Budget Summary

The 2013 Budget has been prepared with no tax rate increases. The rate for sales and use tax for general operations remains at 1.5%. The total sales and use tax rate for the City is 1.8125% of which .125% is pledged to bond repayment related to park and recreation improvements and .1875% is pledged to bond repayment related to the construction of the Lone Tree Arts Center. The City's comparative low sales tax rate makes it attractive for consumers to visit and shop in

the City. The following table compares the City’s sales tax rate with other communities around the state:

Municipality	Total Local Sales Tax Rate
Lone Tree	1.8125%
Greenwood Village	3.0%
Centennial	2.5%
Parker	3.0%
Castle Rock	4.0%
Denver	3.62%
Lakewood	3.0%
Broomfield	4.15%
Boulder	3.41%
Colorado Springs	2.5%

The total budgeted expenditures for all City funds for 2013 is \$41.9 million. The net operating budget which represents the funds needed for operating day-to-day services, excluding debt service and capital projects, increased by 10.7% in 2013 from 2012. Included in this increase were several new positions including a full time Building Official, Business Affairs Officer and Community Outreach coordinator. Also included in this increase were additional snow removal costs, several IT software and hardware updates as well as an AV system upgrade at the Civic Center. The increase in capital funding from 2012 to 2013 was a result of several projects originally budgeted in 2012 being deferred until 2013 including the Kimmer/Park Meadows drive intersection improvements, landscaping at County Line Road and Park Meadows Center Drive and the County Line Road improvements. Additionally, several new projects including the City Hall renovations, Park Meadows Drive reconstruction west of Acres Green and the City’s contribution to the I-25 lane balance project are budgeted in 2013. The following table compares the 2011 actual expenditures with 2012 estimated and 2013 budgeted amounts for net operations, capital improvements and debt service:

Total Budget (in hundred thousands)

	2011 Actual	2012 Estimated	% Change	2013 Budget	% Change
Operating	16,466	18,315	11.2%	20,278	10.7%
Debt	2,251	2,309	2.5%	2,375	2.8%
Capital	18,886	10,272	(45.6)%	19,217	87.0%
Total	37,603	30,896	(17.8)%	41,870	35.5%

2013 Revenue Outlook

The 2013 Budget includes a wide variety of funding sources, some with restrictions that limit what the funds can be used for. This section provides an overview of some of the key revenue sources which make up the overall budget. For additional information regarding 2013 projected revenue, refer to pages 46-47 and 59-60.

Taxes make up approximately 66.2% of the total revenue for the City. Each tax type is described below:

- **Sales Tax and Use Tax on Retail**
Sales and use tax on retail make up approximately 59% of total revenues. The Budget assumes a 3% increase in sales tax revenue and a 2% increase in use tax revenue in 2013 based on the improved economy as well as the addition of new retailers.
- **Use Tax – Building Materials**
The Budget assumes an increase in 2013 for this revenue source in the RidgeGate area, primarily due to additional residential build-out estimates as well as new commercial construction. In the traditional City, this revenue source is anticipated to decrease from 2012. 2012 revenues were higher than normal due to the large number of roof repairs in 2012 as a result of a hail storm during the summer which is not anticipated in 2013.
- **Lodging Tax**
Lodging tax, which is charged on the renting and leasing of lodging accommodations is anticipated to increase 2% in 2013. Additionally, two hotels added in the RidgeGate area will increase this revenue source.
- **Admissions Tax**
Based on historical trends, admissions tax is anticipated to increase by 2% in 2013.

Franchise fees account for 2.4% of the total revenue for the City. Franchise fees include both fees charged on electric and gas utilities as well as on cable TV. These fees directly correlate to the number of homes in the City. Franchise fees are estimated to increase by approximately 2% in the traditionally City and 5% in the RidgeGate area in 2013 due to utility cost increases as well as additional homes anticipated to be built.

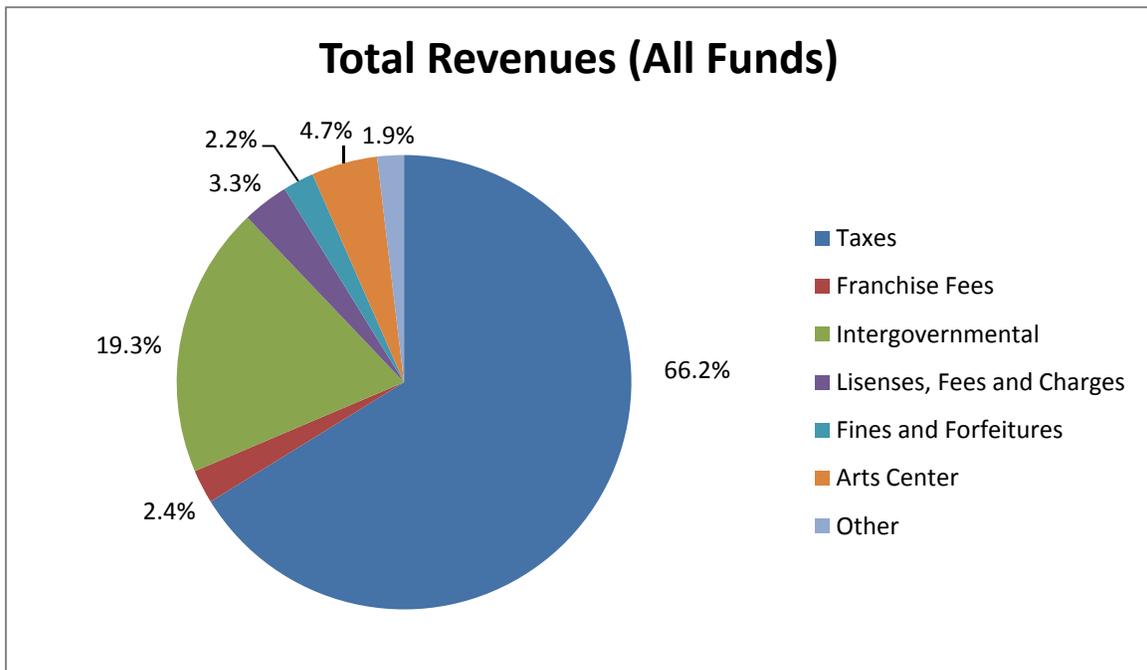
Intergovernmental revenue is the City's second largest revenue source consisting of 19.3% of the total budgeted revenues. Items in this category are made up of various sharebacks with the State and County for road and transportation improvements as well as funding from other governmental entities for capital improvements within the City.

Licenses, fees and charges make up 3.3% of the total budgeted revenues including items such as building permit fees, engineering fees as well as business and liquor license fees. These revenues are anticipated to increase for 2013 based on anticipated new construction.

Fine and forfeitures, which are comprised of court fees and vehicle and other violation fines are anticipated to comprise 2.2% of total revenues in 2013. This revenue source is anticipated to increase approximately 2% in 2013.

Arts Center revenues make up approximately 4.7% of total City revenues for 2013. This revenue source is made up of all revenues received and collected by the Lone Tree Arts Center including ticket sales, handling fees, rental fees, concession and catering fees, donations and grants.

Additionally, other items such as investment earnings, City Hall tenant revenue as well as various other revenue sources make up remainder 2013 budgeted revenue totaling approximately 1.9% of the total revenues.

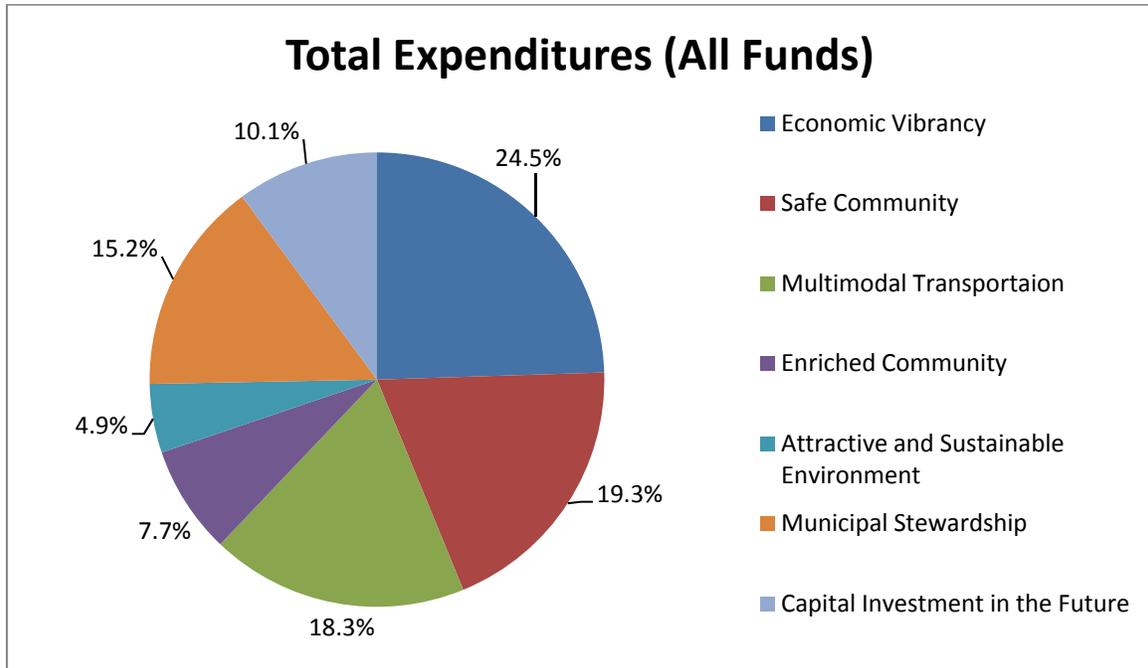


2013 Expenditure Outlook

The 2013 Budget evaluates available resources and allocates revenues to City priorities. The objective is to fund services and programs that are the most likely to achieve the seven outcomes identified by Council. For 2013, the percent breakdown between the seven outcomes is as follows:

- Economic Vibrancy – 24.5%
- Safe Community – 19.3%
- Multimodal Transportation – 18.3%
- Enriched Community – 7.7%

- Attractive and Sustainable Environment – 4.9%
- Municipal Stewardship – 15.2%
- Capital Investment in the Future – 10.1%



For detailed information on what comprises the above items, refer to pages 14-42.

Economic Vibrancy



A diverse, dynamic and prosperous local economy that sustains our community

Economic Vibrancy

A diverse, dynamic and prosperous local economy that sustains our community

Overview

The City has worked diligently to attract and expand local and national businesses through partnerships with the Metro Denver Economic Development Corporation, local chambers of commerce and the Denver South Economic Development Partnership, to name a few. Capital outlay enhancements including landscape, road, and signage improvements provide infrastructure that is essential to the success of the local economy and is a top priority for the City. Additionally, City staff offer a streamlined approach to internal Building Department procedures ensuring that the economic vibrancy of the City isn't delayed by bureaucratic processes.

Citizen Survey Results

- Lone Tree as a place to work – 82% rated excellent or good
- Overall quality of business & service establishments in Lone Tree – 87% rated excellent or good
- Shopping opportunities in Lone Tree – 93% rated excellent or good

2012 Outcomes & Accomplishments

- Became a destination meeting venue for over one hundred breakfasts, summits, workshops, business meetings, and social events for a wide variety of corporate and community clients, enhancing economic development activities and serving as a gathering place to address issues of community interest at the Lone Tree Arts Center.
- Processed over 30 land use applications, maintaining a review time of 3 months or less for site improvement plans. Projects included Cabela's (RidgeGate Commons), Embassy Suites, University of Colorado Hospital Lone Tree Health Center, Brother's Bar and Grill, North Sky Single-family residential, Kaiser and the I-25 Sign Program.
- Facilitated a panel of experts from the Urban Land Institute (ULI) to evaluate and make recommendations regarding the Entertainment District.

2013 Goals & Highlights

- Provide unique meeting and business services to area companies and meeting groups in order to make the Lone Tree Arts Center a meeting venue of choice.

- Provide comprehensive and expeditious processing of major land use projects anticipated in 2013 including expansion of the Sky Ridge Medical Center and the Charles Schwab office campus.
- Continue to work with the businesses and property owners in the Entertainment District to help create a vision and a program to strengthen existing businesses and promote new opportunities.

Funding Sources

- Tax revenues
- County contributions
- Arts Center rentals fees

ECONOMIC VIBRANCY

2013 ADOPTED

Dues and memberships		
DSEDP (Denver South Economic Development Partnership)	\$	25,000
International Council of Shopping Centers		270
Business Affairs Officer		71,500
Economic development		
Business development		130,000
Lone Tree Chamber of Commerce		12,500
Metro Denver ECO Development		10,000
South Denver Metro Chamber		5,000
Marketing/Public relations		60,000
Taste of Lone Tree Sponsorship		5,000
LTAC Community Usage Grant		10,000
Liberty Dash Sponsorship		1,000
Miscellaneous		5,500
Capital outlay		
Kimmer/Park Meadows Dr. intersection and Entertainment District improvements		500,000
Park Meadows Dr. traffic improvements		110,000
Landscaping at Park Meadows Center Dr. & County Line		150,000
Retail retention agreement		75,000
Service provider shareback agreement		10,000
County public improvements shareback		2,200,000
Retail shareback RidgeGate		262,813
Service provider shareback RidgeGate		200,000
Developer revenue shareback RidgeGate		415,053
Reimbursement related to annexation agreement RidgeGate		386,630
Reimbursement of sales taxes to PMBID		5,406,329
Reimbursement of property taxes to PMBID for PMMD		185,000

TOTAL ECONOMIC VIBRANCY	\$	10,236,595
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PERCENT OF TOTAL EXPENDITURES	24.5%
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Safe Community



**A community that feels and is safe and
secure anytime, anywhere**

Safe Community

A community that feels and is safe and secure anytime, anywhere

Overview

The City is dedicated to protecting, defending, and serving the residents of, and visitors to, Lone Tree. A commitment to maintaining a safe community can be seen through the City's support of human and social services and the implementation of local laws backed by the Police Department and municipal court. Furthermore, pedestrian lighting along major roadways and throughout residential streets offers a network of safe routes around the City. The Building Department monitors the correct interpretation of the International Code Council's building codes to remain current and assure safe buildings and sound construction techniques.

Citizen Survey Results

- Lone Tree safety from violent crimes – 96% rated very safe or somewhat safe
- Lone Tree safety in your neighborhood during the day – 98% rated very safe or somewhat safe
- Lone Tree safety in your neighborhood during the dark – 94% rated very safe or somewhat safe

2012 Outcomes & Accomplishments

- Expanded the fleet replacement program to include detective vehicles which are now six years old. During 2012 The City replaced two vehicles within the detective fleet.
- Increased the effectiveness of the Police Department's Field Training Program by purchasing software to better track and document new officers' progress and abilities during their Field Training time and evaluation.
 - This program was put into place and is currently being used during the training program of new officers. The FTO manual is provided to the officers and documented check-off sheets are maintained within the software which provides quality graphs to understand the officer's performance as they progress through training.
- Continued to actively market the Lone Tree Police Department to new recruits and potential candidates to continue our efforts to recruit and retain the best, most qualified officers.
 - This is a continuing effort that is maintained through the ride-a-long program, job fairs and sessions held at various private academies within the metro area. Providing access to high quality training for all officers is a benefit to our officers and the citizens of the community. During training sessions officers can learn new

ideas and necessary skills to provide high quality services to the community. In addition, officers have the ability to interact with other officers and highlight the positive image of the City.

- Continued to look at partnership efforts within the community and with surrounding agencies in order to better serve the needs of the community.
 - During the last year, the City has partnered with Fleet Maintenance out of Parker for routine work on the fleet of vehicles owned by the City. This partnership will begin in January of 2013. An anticipated savings to the City will be between \$10,000 and \$20,000 for the 2013 year.
 - In November of this year, South Metro Drug Task Force was disbanded. The change caused a gap in organized drug enforcement for the southern portion of the metro area. The Lone Tree Police Department, Douglas County Sheriff's office, Parker and Castle Rock have worked together to have the drug enforcement element absorbed into the Pattern Crime Unit.
- Continued to look at methods of communication between the police and the community to encourage more community interaction.
 - The City and LTPD continue to use various electronic methods to communicate with the public. In addition, during the year we have purposefully provided stories of interest to the local media on a regular basis. Staff continues to work within the Neighborhood Partnership Program to meet with the public in a positive manner where we can exchange ideas and concerns to facilitate problem solving solutions that involve the community as well as the City.
- Implemented a new elevator and escalator inspection program to provide services to building owners that assure public health and safety.
- Issued over 1500 permits for building projects including new homes and businesses, various home improvement projects and over 700 re-roofing jobs.

2013 Goals & Highlights

- The Police Department will continue to provide high quality service to the community during the renovations to the Lone Tree Municipal Building and make recommendations to facilitate a smooth transition of how and where work will be performed during the process.
- Fill the vacancy of the Chief of Police position.
- Will be replacing two of the detective vehicles through retrofitting two H3 from patrol in 2013.
- The Lone Tree Police Department will continue to look at ways to be more effective and efficient within the business process within the organization. One of the areas specifically to be addressed is areas where civilianization of current positions would be of a benefit to the organization.

- Continue to look at methods of communication between the police and the community to encourage more community interaction.
- Continue to look at partnership efforts within the community and with surrounding agencies in order to better serve the needs of the community.
- Continue to actively market the Lone Tree Police Department to new recruits and potential candidates to continue our efforts to recruit and retain the best, most qualified officers.

Funding Sources

- Tax revenues
- Fines and forfeitures
- Licenses, fees and charges
- Park Meadows Metropolitan District contributions
- Grants

SAFE COMMUNITY

2013 ADOPTED

Community support		
Women's crisis center	\$	8,000
Arapahoe/Douglas mental health		8,000
Community education programs		2,000
Municipal court		
Municipal Judge		33,500
Legal		36,000
Administration		137,644
Office supplies and software		6,000
Victims assistance		20,000
Community development		
Building Division		412,725
Public works		
Street lighting		335,000
Capital outlay		
Park Meadows Dr. regional pond upgrade		58,300
Pedestrian lights		360,000
Police department		
Salaries and benefits		5,053,219
Office and administration		316,050
Uniforms and equipment		73,200
Vehicles and equipment		481,250
General equipment		26,350
Dispatch		464,737
Training		113,500
General Community Outreach		
Community Relations		
Community education		6,000
Neighborhood watch and safety		3,000
Business watch		500
Printing and newsletters		1,000
Volunteer supplies		2,500
Volunteer appreciation		750
Community and Police Partnership (CAPP) meetings		500
Citizens police academy		3,000
JPA for school		400
DARE		2,000
Miscellaneous - comm relations		500
Code Enforcement		
Animal Impound Fees		5,900
Coyote tracking		2,500
Animal pick up fees		2,000
General		
Organizational memberships		4,000
Crime analysis service		6,210
Crime scene services		15,870
Evidence processing and storage		60,375
Arap/Douglas Haz-mat Mutual Aide Agreement		2,000
JAC - Juvenile Assessment Center		5,900

TOTAL SAFE COMMUNITY	\$	8,070,380
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PERCENT OF TOTAL EXPENDITURES	19.3%
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Multimodal Transportation



A comprehensive transportation network that provides reliable options to move people and goods to their destinations

Multimodal Transportation

A comprehensive transportation network that provides reliable options to move people and goods to their destinations

Overview

The City's continued investment to improve the transportation network throughout the City can be highlighted in several large projects including continuing improvements on Park Meadows Drive and Lincoln Avenue, along with leadership positions on the expansion of C-470 and the RTD light rail system. The Public Works Department oversees the City's snow removal needs and offers roadway inspection, maintenance, and repair in addition to traffic signal operations. These operations maintain the necessary flow of people, products and services to ensure a vibrant community.

Citizen Survey Results

- Ease of walking in Lone Tree – 86% rated excellent or good
- Ease of rail travel in Lone Tree – 85% rated excellent or good
- Ease of car travel in Lone Tree – 82% rated excellent or good

2012 Outcomes & Accomplishments

- Received approval by the Denver Regional Council of Governments (DRCOG) to amend the City's urban center designation as part of the region's Metro Vision Plan.
- Continued the concrete pavement improvements on Lincoln Avenue east of I-25. This involved the removal and replacement of numerous concrete panels or partial panels that were cracked or displaced.
- Reconstructed Parkway Drive from Acres Green Drive to Ed Bozarth Way in April 2012. The reconstruction included the narrowing of the roadway and raised medians. Landscaping within the medians was completed in August 2012.
- Overlaid with asphalt several residential streets and a portion of Lincoln Avenue to increase their expected lifetime.
- Widened and resurfaced Park Meadows Drive within the area adjacent to the Kaiser Permanente site development.
- Solicited and selected a contractor for both the routine street maintenance and snow removal throughout the City.

2013 Goals & Highlights

- Provide routine maintenance checklists to each of the 45 traffic signals maintained by the City.
- Continue the City's overlay program. Streets to be overlaid in 2013 include portions of Lincoln Avenue, Yosemite Street, and streets within Fairways 39 Subdivision and the Vista HOA.
- Replacement of the Traffic Signal at County Line Road and Park Meadows Center Drive.
- The City will be partnering with Douglas County, Arapahoe County, and the City of Centennial to complete a Transportation Study of the County Line Road corridor from Inverness Park to Yosemite Street. This study will provide recommendations for road improvements.
- Continue to evaluate improvements for the Kimmer Drive/Park Meadows Drive Intersection and Entertainment District. These improvements include a proposed revision to the intersection of Park Meadows Drive and Kimmer Drive to a four-leg intersection with traffic signal and other miscellaneous access improvements.
- The reconstruction of Park Meadows Drive from Quebec Street to Acres Green Drive which includes the complete removal of concrete pavement and replacement with asphalt pavement. In addition to the pavement replacement, the project will include raised medians, and landscape/hardscape to the new medians.

Funding Sources

- Tax revenues
- County sharebacks
- Motor vehicle registration fees
- County contributions
- Park Meadows Metropolitan District contributions
- Licenses, fees and charges

MULTIMODAL TRANSPORTATION

2013 ADOPTED

Dues and memberships		
Transit Alliance	\$	500
South I-25 Urban Corridor TMA		45,010
Public works		
Public Works Department		480,000
Street maintenance		650,000
Traffic signal energy cost and maintenance		150,000
Signal timing		6,000
Snow removal		910,000
Engineering		550,000
Materials and equipment		14,000
Signage and striping		80,000
Accident repairs		20,000
Public Works Facility operations and equipment		35,000
Software and support		16,000
Miscellaneous		3,000
Capital outlay		
Overlay/reconstruction projects		1,470,000
Traffic signalization		184,000
Traffic and other improvements - joint projects w/ County & PMMD		14,000
Concrete panel replacement		295,000
I-25 Lane Balance Share		500,000
Transportation study		50,000
County Line improvements		560,000
C-470 Coalition - Douglas County		200,000
Park Meadows Drive reconstruction (west of Acres Green)		1,300,000
Roundabouts RidgeGate		120,000

TOTAL MULTIMODAL TRANSPORTATION	\$	7,652,510
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PERCENT OF TOTAL EXPENDITURES	18.3%
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Enriched Community



A community that promotes a culture of social belonging and healthy lifestyles

Enriched Community

A community that promotes a culture of social belonging and healthy lifestyles

Overview

Exciting cultural, community and recreational amenities offer visitors and residents of Lone Tree countless opportunities for fun. Community support of the arts and recreation ensure that these services will be enjoyed for many generations. There is a sense of belonging in the City and it is easily felt during the numerous summer events that include outdoor movies and concerts, Arbor Day festivities, an Independence Day celebration, charitable runs and more. The Lone Tree Arts Center offers regional musical performances, drama, dance and art to patrons in a beautiful, state of the art, yet intimate setting.

Citizen Survey Results

- Recreational opportunities in Lone Tree – 88% rated excellent or good
- Availability of paths and walking trails in Lone Tree – 87% rated excellent or good
- Opportunities to attend cultural activities in Lone Tree – 83% rated excellent or good

2012 Outcomes & Accomplishments

- Completed the first full season of programming in April 2012 at the Lone Tree Arts Center, which included partnerships with leading cultural organizations such as the Colorado Ballet, Opera Colorado, the Arvada Center, Creede Repertory Theatre, Su Teatro and Stories On Stage.
- Continued to attract national artists such as *SFJazz Collective* and former stars of the Broadway musical *Jersey Boys* in concert to Lone Tree, where they will play their only Front Range Colorado performances.
- Programmed the popular inaugural outdoor summer concert series, *Tunes on the Terrace*, with a seven concert package that featured a wide variety of artists, from pop to bluegrass to classical to jazz.
- Partnered with leading Colorado cultural organizations such as the Colorado Symphony Orchestra to bring the best local performances to Lone Tree audiences.
- Created an ongoing partnership with the flagship performing arts group in the state, the Colorado Symphony Orchestra, helping to establish their south Denver home. Three concerts ranging from a Pops concert to an all-Mozart program to an American Composers tribute played to enthusiastic audiences in the much-lauded acoustics of the Lone Tree Arts Center.

- Played host to dozens of community performances for groups ranging from the Lone Tree Symphony Orchestra to the Denver Concert Band, Christian Youth Theater to Metro Academy of Dance, allowing hundreds of children and community actors and musicians to perform in a professional setting.
- Through December 2012, over 56,000 tickets to Lone Tree Arts Center performances were sold with total ticket revenue close to \$1.5 million for the Arts Center and its performing partners.

2013 Goals & Highlights

- Expand the visual arts offerings at the Lone Tree Arts Center by adding a gallery rentals program, as well as continue to display outdoor public art at the Center.
- Strengthen educational programs and outreach to provide increased numbers of children, schools, and school districts quality performing arts and cultural opportunities at an affordable cost.

Funding Sources

- Tax revenues
- Conservation trust funds
- Arts Center ticket and subscription sales
- Arts Center handling and rental fees
- Individual, corporate and foundation contributions
- Grants

ENRICHED COMMUNITY

2013 ADOPTED

Annual events		
Summer Events	\$	54,000
Independence Day		78,000
Special events intern		3,000
Schweiger Ranch fall event		11,000
Casino night		3,500
Wag 'n romp		2,500
Miscellaneous		3,000
Community support		
Heart Across Miles		10,000
South Suburban Park Foundation		5,000
Leadership Douglas County		2,000
Douglas County Task Force		8,000
Youth Commission		5,000
Appreciation event and commission dinners		6,500
City boards and commissions / miscellaneous		2,000
Arts Center rental for civic engagement		7,500
Living and aging well in Lone Tree		300
Miscellaneous		3,000
Arts and cultural events		148,972
Communications and newsletter		60,000
Special Events Coordinators		104,609
Youth initiatives		19,800
Housing Partnership		35,000
Arts Center operations		
Administration		121,184
Programming		1,471,499
Marketing		365,855
Education		61,997
Facilities		197,500
Development		169,250
Contingency		50,000
Parks and recreation		
Joint recreational projects with South Suburban		13,500
Recreational activities and support		21,300
Public works		
Street amenities		5,000
Holiday lighting		38,000
Capital outlay		
Schweiger Ranch preservation		75,000
Schweiger Ranch preservation Ridgegate		75,000

TOTAL ENRICHED COMMUNITY	\$	3,237,765
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PERCENT OF TOTAL EXPENDITURES	7.7%
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Attractive and Sustainable Environment



**A distinctive and well-designed community
that respects and preserves our natural
resources**

Attractive & Sustainable Environment

A distinctive and well-designed community that represents and preserves our natural resources

Overview

The City continually demonstrates its commitment to sustainability through subsidizing the household hazardous waste curbside pickup program, providing residential recycling for homes in Lone Tree and water conservation support. Noxious weed management and drainage maintenance provided by the Public Works Department help to beautify the community and recent amendments to the Zoning Code helped identify key aesthetic and quality criteria for future land development.

Citizen Survey Results

- Quality of overall natural environment in Lone Tree – 88% rated excellent or good
- Air Quality in Lone Tree – 88% rated excellent or good
- Cleanliness of Lone Tree – 97% rated as excellent or good

2012 Outcomes & Accomplishments

- Completed a comprehensive multi-family residential parking study, providing recommendations about short and long term strategies to ensure an appropriate balance of parking in RidgeGate over time.

2013 Goals & Highlights

- Complete an update to the City Design Guidelines, based on input from the residential and business community, Planning Commission and City Council.
- Implement the Noxious Weed Control program including removal of Russian Olive Trees on public and private property throughout the City. 2013's program is to focus on Russian Olive Trees located within residents' properties.
- Continue to cooperate with neighboring jurisdictions in Douglas County and the southeast metro area to share information and ideas related to growth and development, changing demographics, water conservation, and oil and gas exploration.
- Provide Mutt Mitt maintenance by maintaining these stations to an acceptable level. The mutt mitt stations are a popular amenity to residents and visitors and it is the goal of the Public Works Department to ensure the mutt mitt stations are emptied regularly and the mutt mitt bags are stocked at each station.

Funding Sources

- Tax revenues
- Licenses, fees and charges

ATTRACTIVE AND SUSTAINABLE ENVIRONMENT

2013 ADOPTED

Dues and memberships		
Regional Air Quality Council	\$	600
Restroom maintenance		8,000
Community support		
Household Hazardous Waste Program		10,000
Annual events		
Tree City / Arbor Day		22,000
Community development		
Planning Division		419,989
Code Enforcement Division		71,737
Public Works		
Landscaping maintenance		141,000
Fence maintenance		20,000
Street & sidewalk sweeping		56,000
Drainage maintenance		50,000
Noxious weeds control		20,000
EPA Phase 2 Drainage		110,000
Trash and recycling service		514,097
Mutt mitts contract		12,000
Habitat control		2,500
Capital outlay		
Monumentation and signage		10,000
Enclave entrance rehabilitation		45,000
Storm sewer improvements		150,000
Park Meadows Drive median improvements		300,000
Landscape improvements		70,000

TOTAL ATTRACTIVE AND SUSTAINABLE ENVIRONMENT	\$	2,032,923
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PERCENT OF TOTAL EXPENDITURES	4.9%
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Municipal Stewardship



**A responsive, professionally managed
and collaborative government that
provides services with excellence,
integrity and care**

Municipal Stewardship

A responsive, professionally managed and collaborative government that provides services with excellence, integrity and care

Overview

The City continues to exhibit a professionally managed and collaborative government through dozens of partnerships with local county, municipal and state agencies. These partnerships are integral to project management, cost-sharing, and regional leverage regarding many of the City's functions. The City's Finance Department and the Human Resources Department have recently implemented new strategies to enhance financial stability and internal efficiency.

Citizen Survey Results

- City of Lone Tree resident impression of City employees
 - 97% rated overall quality of City services as either excellent or good
 - 92% rated knowledge as either excellent or good
 - 91% rated courtesy as either excellent or good

2012 Outcomes & Accomplishments

- Regina Dennehy (in December of 2011) was selected CAMCA (Colorado Association of Municipal Court Administrator) Member of the Year and Lone Tree Municipal Court was selected Court of the Year by software provider Eforce. Jennifer Pettinger was nominated for the 2012 Colorado Clerk of the Year.
- Successfully implemented purchasing card program which has improved purchasing efficiency.
- Successfully automated the City's payroll system which is helping to better manage staff time and payroll operations.
- Transitioned its Pay for Performance system to a common review date allowing the City to improve budget impact analysis, improve the process of providing feedback to employees, and ensuring employee performance goals are tied to the organization's annual goals.
- Established benchmarks and performance measures for every division in the Internal Services Department which includes finance, Information Technology, facilities, City Clerk and human resources.
- Combined multiple security access systems into single access control for all City buildings increasing building security and reducing administrative overhead.

- The Public Works department represented the City on numerous technical committees and provided liaison with CDOT, DRCOG, Douglas County, Park Meadows Metropolitan District and other agencies. This includes the C-470 coalition.
- Collaborated with other governmental entities and Districts including Park Meadows Metropolitan District, Rampart Range Metropolitan District and Douglas County on several capital improvement projects where funding was shared between the entities and the City.

2013 Goals & Highlights

- Complete renovation of the City Municipal building resulting in improved operational efficiency
- Implement electronic submission of court dispositions to the Department of Motor Vehicle.
- Implement an online application and payment system for both business licenses and sale and use tax reports.
- Implement a record management process for all municipal records with the expressed goal of increasing accessibility and limiting expansion of physical record retention where possible.
- Implement a work order management system that will improve both internal customer response and satisfaction for facility management.
- Development and implementation of IT Service Desk for tracking IT assets, service requests and critical events.
- Develop a comprehensive risk management program that improves safety and potential liability of the City.
- Implement new software designed to improve the efficiency and effectiveness of building permit and development application tracking.
- Evaluation of City employee compensation plan to ensure the City attracts and retains highly qualified employees in order to maintain the high government service standard.

Funding Sources

- Tax revenues
- Fines and forfeitures
- Licenses, fees and charges

MUNICIPAL STEWARDSHIP

2013 ADOPTED

City Council expenditures	\$	46,000
City Council stipend		57,800
City Clerk Office - salaries and benefits		128,699
City Clerk - elections		20,000
City Clerk - publications		20,000
City Administration - salaries and benefits		895,663
Dues and memberships		
Metro Mayor's Caucus		750
DRCOG		5,400
CML		4,680
Greater Metro Telecommunications Consortium		1,000
Government Finance Officer's Association		190
Miscellaneous		750
Finance - salaries and benefits		251,857
Finance - consulting		465,000
Administration and overhead costs Ridgeway		120,000
Human Resources		243,642
Payroll service		3,000
Information Technology		10,000
Website maintenance		11,660
Legal - general		581,411
Legal - special		525,000
Audit		19,235
Consulting		70,000
Sales tax audits		-
Insurance		415,000
City Office		553,555
Civic Center maintenance & utilities		137,000
Miscellaneous general government		52,416
Public works		
Geographic Information System (GIS)		140,000
Website mapper		5,000
Capital outlay		
Financial package software and hardware		100,000
City Office building		1,482,000

TOTAL MUNICIPAL STEWARDSHIP	\$	6,366,708
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PERCENT OF TOTAL EXPENDITURES	15.2%
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Capital Investment in the Future



**A proactive and forward-thinking government
that addresses multi-generational needs
through strategic investments**

Capital Investment in the Future

A proactive and forward-thinking government that addresses multi-generational needs through strategic investments

Overview

The City places a strong emphasis on making sound investments for the future that enhance amenities and improve the quality of life for residents and visitors. The opening of the East-West Trail and the new Cook Creek tennis courts are the most recent examples of the City's dedication to addressing the changing needs of the community. Additionally, the City plans to evaluate and refine existing policies related to the growing elderly population within its boundaries.

Citizen Survey Results

- Lone Tree as a place to raise children – 97% rated excellent or good
- Lone Tree as a place to retire – 80% rated excellent or good
- Lone Tree as a place for higher educational opportunities – 41% rated excellent or good

2012 Outcomes & Accomplishments

- Produced extensive programs for children, including *Seedlings*, a program for the youngest children (1 – 4 years old) and their families; several school-day matinees for students from Douglas County and surrounding school districts, including *Super Scientific Circus*, *Alexander and the Terrible, Horrible, No Good, Very Bad Day*, and *The Geography of Adventure*; and continued the highly successful *Passport to Culture* series, expanding it to a monthly program for children from 5 – 10 years old and their families.
- Launched two community series, *Essential Jazz* and *Chamber Music Insights*, designed to showcase local artists as well as provide mid-day programming for aging and senior populations.
- Provided early facilitation and ongoing support, as needed, for Living and Aging Well in Lone Tree.
- Enabled the completion of a portion of the East-West trail in cooperation with Douglas County and Rampart Range Metropolitan District.

2013 Goals & Highlights

- Expand family programming to include performances appealing to families with teenagers and young adults.
- Continue to develop programs designed to serve the aging and senior population in Douglas and surrounding counties by offering daytime programming at low prices.

- Continue active participation in the C-470 expansion and the light rail extension to RidgeGate.

Funding Sources

- Tax revenues
- Arts Center ticket and subscription sales

CAPITAL INVESTMENT IN THE FUTURE

	2013 ADOPTED	
Bond Interest Arts Center	\$	524,556
Bond Interest Parks and Recreation		443,800
Bond Principal Arts Center		845,000
Bond Principal Parks and Recreation		555,000
Paying agent fees Arts Center		500
Paying agent fees Parks and Recreation		500
Contingency Arts Center debt		4,944
Contingency Parks and Recreation debt		700
Arts center construction		
Arts and cultural facilities improvements		63,000
Capital outlay		
City Office building - capital leases		1,776,013
City Office building - letter of credit fees and remarketing fees		59,000
TOTAL CAPITAL INVESTMENT IN THE FUTURE	\$	4,273,013
PERCENT OF TOTAL EXPENDITURES		10.1%

Accountant's Compilation Report

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

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the City of Lone Tree for the General Fund, Special Revenue Fund – RidgeGate, Special Revenue Fund – Arts Center, Debt Service Fund – Arts and Cultural Facilities and Debt Service Fund – Park and Recreation Improvements for the year ending December 31, 2013, including the forecasted estimate of comparative information for the year ending December 31, 2012, 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 audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. 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 and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2011 is presented for comparative purposes only. Such information is taken from the audit report of the City for the year ended December 31, 2011, as prepared by Wagner Barnes, PC, dated June 20, 2012, 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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 18, 2012

**CITY OF LONE TREE
SUMMARY
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
BEGINNING FUND BALANCES	\$ 17,832,107	\$ 11,246,733	\$ 12,999,486
REVENUE			
TAXES	21,086,961	22,901,200	24,913,300
FRANCHISE FEES	905,892	875,700	895,900
INTERGOVERNMENTAL	5,687,692	4,930,463	7,284,008
LICENSES, FEES AND CHARGES	654,029	1,089,000	1,244,000
FINES AND FORFEITURES	729,769	826,000	843,000
ARTS CENTER	872,188	1,131,814	1,745,450
OTHER	1,081,659	902,271	719,100
Total revenue	<u>31,018,190</u>	<u>32,656,448</u>	<u>37,644,758</u>
TRANSFERS IN			
General Fund	548,153	33,051	445,148
Special Revenue Fund - RidgeGate	-	117,122	-
Special Revenue Fund - Arts Center	555,950	693,405	691,834
Total transfers in	<u>1,104,103</u>	<u>843,578</u>	<u>1,136,982</u>
Total funds available	<u>49,954,400</u>	<u>44,746,759</u>	<u>51,781,226</u>
EXPENDITURES			
GENERAL GOVERNMENT	4,467,312	5,053,591	5,652,268
MUNICIPAL COURT	201,557	222,607	233,144
COMMUNITY DEVELOPMENT	1,100,737	1,177,692	904,451
POLICE DEPARTMENT	5,850,140	6,329,425	6,653,211
PUBLIC WORKS	3,402,304	3,669,378	4,362,597
ARTS AND CULTURAL	11,009,038	1,934,219	2,500,284
PARKS AND RECREATION	108,469	866,122	34,800
CAPITAL OUTLAY	9,212,776	9,333,416	19,154,138
DEBT SERVICE	2,251,231	2,309,581	2,375,000
Total expenditures	<u>37,603,564</u>	<u>30,896,031</u>	<u>41,869,894</u>
TRANSFERS OUT			
General Fund	555,950	818,191	691,834
Special Revenue Fund - RidgeGate	-	33,051	289,392
Debt Service Fund - Arts and Cultural Facilities	548,153	-	155,756
Total transfers out	<u>1,104,103</u>	<u>851,242</u>	<u>1,136,982</u>
Total expenditures and transfers out requiring appropriation	<u>38,707,667</u>	<u>31,747,273</u>	<u>43,006,876</u>
ENDING FUND BALANCES	\$ 11,246,733	\$ 12,999,486	\$ 8,774,350

**CITY OF LONE TREE
SUMMARY
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
FUNDS RESERVED FOR:			
Emergency reserves (TABOR)	717,000	743,000	773,000
Emergency maintenance and repair	52,601	52,601	52,601
Prepaid items	550,620	241,131	241,131
Emergency disaster management	93,433	88,944	89,730
Arts Center improvements	66,244	-	-
Capital projects - County - transportation	823,579	598,579	-
Capital projects - joint projects with PMMD	50,000	-	-
Bond proceeds - Park and Recreation Improvements	1,124,192	985,634	985,634
Park fee in lieu of land	-	46,125	46,125
Conservation Trust Fund	-	53,000	107,000
Debt Service - Arts and Cultural Facilities	188,320	398,439	477,883
Debt Service - Park and Recreation Improvements	514,771	560,971	634,671
FUNDS DESIGNATED FOR:			
Working reserve	3,271,000	2,925,000	3,090,000
Capital reserve - maintenance	750,000	1,500,000	1,300,000
Capital reserve - economic development	-	470,000	470,000
Capital reserve - new projects	-	335,000	335,000
Capital reserve - public art projects	-	75,000	150,000
Subsequent year's expenditures in excess of revenue	3,679,307	3,385,426	-
UNDESIGNATED AND UNRESERVED FUNDS	(634,334)	540,636	21,575
	\$ 11,246,733	\$ 12,999,486	\$ 8,774,350

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

REVENUE DETAIL

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
BEGINNING FUND BALANCE	\$ 16,912,664	\$ 11,127,979	\$ 11,987,475
REVENUE			
TAXES			
Sales tax	16,196,535	16,832,000	17,676,000
Use tax-retail	195,430	330,000	350,000
Use tax - building materials	142,002	255,000	157,000
Lodging tax	526,104	578,000	590,000
Admissions tax	346,446	326,000	333,000
TOTAL TAXES	<u>17,406,517</u>	<u>18,321,000</u>	<u>19,106,000</u>
FRANCHISE FEES			
Electric and gas	650,973	622,000	635,000
Cable TV	161,589	165,000	168,000
TOTAL FRANCHISE FEES	<u>812,562</u>	<u>787,000</u>	<u>803,000</u>
INTERGOVERNMENTAL			
Highway Users Tax (HUTF)	254,173	256,885	260,898
Conservation Trust Fund (Lottery)	47,436	53,000	54,000
Cigarette tax	202,963	203,000	203,000
County Road & Bridge shareback	1,019,091	984,077	992,774
Douglas County Shareback - transportation	1,811,508	2,019,000	2,216,000
Motor vehicle registration fees	35,952	38,000	39,000
Regional improvements contribution - RRMDs	84,554	87,237	91,876
Reimbursable costs	2,180,064	1,035,654	3,297,000
Grants	9,781	11,205	10,000
TOTAL INTERGOVERNMENTAL	<u>5,645,522</u>	<u>4,688,058</u>	<u>7,164,548</u>

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

REVENUE DETAIL - Continued

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
REVENUE (Continued)			
LICENSES, FEES AND CHARGES			
Sales and use tax and business license fees	20,592	20,000	20,000
Liquor license fees	10,192	11,000	11,000
Building permit fees	280,478	475,000	338,000
Planning and zoning fees	20,757	20,000	20,000
Engineering fees	42,149	40,000	40,000
Other	25,497	25,000	25,000
TOTAL LICENSE, FEES AND CHARGES	399,665	591,000	454,000
FINES AND FORFEITURES			
Court fees	81,120	90,000	92,000
Vehicle and other code violation fines	598,828	680,000	694,000
Victims assistance surcharge	49,821	56,000	57,000
TOTAL FINES AND FORFEITURES	729,769	826,000	843,000
OTHER			
Net investment income	33,358	16,000	25,000
Miscellaneous	422,862	220,000	400,000
Arts and cultural events	16,705	12,000	12,000
Arts Center donations	245,000	-	-
Police Department fees and other charges	43,389	24,000	24,000
Tenant rental income	309,986	320,000	245,000
OTHER	1,071,300	592,000	706,000
Total revenue	26,065,335	25,805,058	29,076,548
TRANSFERS IN			
Special Revenue Fund - RidgeGate	-	33,051	289,392
Debt Service Fund - Arts and Cultural Facilities	548,153	-	155,756
Total transfers in	548,153	33,051	445,148
Total funds available	\$ 43,526,152	\$ 36,966,088	\$ 41,509,171

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

EXPENDITURE DETAIL

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
EXPENDITURES			
GENERAL GOVERNMENT			
City Council expenditures	\$ 35,470	\$ 31,000	\$ 46,000
City Council stipend	53,748	56,100	57,800
City Clerk Office - salaries and benefits	120,681	132,442	128,699
City Clerk - elections	-	132	20,000
City Clerk - publications	12,563	5,000	20,000
City Administration - salaries and benefits	701,286	690,836	903,803
Dues and memberships	87,487	90,000	84,150
Finance - salaries and benefits	237,658	244,849	251,857
Finance - consulting	428,390	415,000	415,000
Human Resources	178,316	226,768	243,642
Payroll service	2,676	3,000	3,000
Information Technology	33,125	11,082	10,000
Website maintenance	11,225	11,660	11,660
Legal - general	533,081	515,068	506,411
Legal - special	172,004	525,000	525,000
Audit	13,372	14,116	14,235
Consulting	46,397	45,000	45,000
Sales tax audits	-	12,144	-
Insurance	304,592	316,000	328,700
City Office	418,324	452,996	553,555
Civic Center maintenance & utilities	54,019	57,000	137,000
Restroom maintenance	4,175	13,000	8,000
Annual events	226,665	237,980	174,000
Arts and cultural events	129,664	153,300	148,972
Community support	59,395	67,965	75,300
Youth initiatives	18,000	18,000	19,800
Community education programs	883	1,000	2,000
Citizen survey	-	25,000	-
Housing Partnership	30,000	30,000	35,000
Communications and newsletter	51,853	55,000	60,000
Economic development	121,353	94,000	239,000
Miscellaneous	12,825	33,562	47,416
TOTAL GENERAL GOVERNMENT	4,099,227	4,584,000	5,115,000

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

EXPENDITURE DETAIL - Continued

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
EXPENDITURES (Continued)			
MUNICIPAL COURT			
Municipal Judge	27,373	27,400	33,500
Legal	36,666	36,891	36,000
Administration	119,424	133,116	137,644
Office supplies and software	5,765	12,700	6,000
Victims assistance	12,329	12,500	20,000
TOTAL MUNICIPAL COURT	201,557	222,607	233,144
COMMUNITY DEVELOPMENT			
Salaries and benefits	490,469	498,145	581,956
Contract services	-	-	1,500
Field supplies	4,210	4,310	4,730
Planning Commission	3,073	1,500	3,440
Document scanning	1,706	1,500	6,500
Plan review and other inspections	38,200	51,000	12,000
Elevator inspections	23,040	39,500	38,500
Engineering	61,801	55,000	60,000
Sustainability program	-	-	3,000
Miscellaneous	4,483	8,400	10,580
TOTAL COMMUNITY DEVELOPMENT	626,982	659,355	722,206
POLICE DEPARTMENT			
Salaries and benefits	3,811,258	4,008,980	4,101,580
Office and administration	242,930	240,294	255,048
Uniforms and equipment	39,114	47,781	59,071
Vehicles and equipment	343,278	339,071	388,363
General equipment	21,395	25,245	21,264
Dispatch	301,421	342,578	375,037
Training	57,578	79,861	91,593
Community outreach and miscellaneous	64,884	99,977	100,797
TOTAL POLICE DEPARTMENT	4,881,858	5,183,787	5,392,753

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

EXPENDITURE DETAIL - Continued

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
EXPENDITURES (Continued)			
PUBLIC WORKS			
Public Works Department	441,355	440,000	480,000
Street lighting	265,459	275,000	285,000
Street maintenance	512,139	540,000	650,000
Drainage maintenance	50,769	50,000	50,000
Street & sidewalk sweeping	28,250	30,000	56,000
Traffic signal energy cost and maintenance	143,740	140,000	150,000
Signal timing	-	-	6,000
Snow removal	588,416	780,000	800,000
Landscaping maintenance	55,885	66,000	141,000
Trash and recycling service	456,528	481,378	514,097
Engineering	313,951	300,000	300,000
Fence maintenance	10,601	20,000	20,000
Geographic Information System (GIS)	142,327	102,000	140,000
Website mapper	5,459	5,000	5,000
Materials and equipment	7,335	14,000	14,000
EPA Phase 2 Drainage	97,354	95,000	110,000
Noxious weeds control	18,276	20,000	20,000
Signage and striping	59,570	80,000	80,000
Accident repairs	4,160	10,000	20,000
Public Works Facility operations and equipment	31,840	35,000	35,000
Software and support	9,521	12,000	16,000
Street amenities	-	5,000	5,000
Mutt mitts contract	-	9,000	12,000
Habitat control	-	-	2,500
Holiday lighting and decorations	-	-	38,000
Miscellaneous	2,505	2,000	3,000
TOTAL PUBLIC WORKS	3,245,440	3,511,378	3,952,597
ARTS AND CULTURAL			
Marketing, org costs and website development	30,302	-	-
Arts Center construction	9,550,598	-	-
Arts Center improvements	-	109,000	63,000
TOTAL ARTS AND CULTURAL	9,580,900	109,000	63,000
PARKS AND RECREATION			
Recreational activities and support	12,862	37,000	21,300
Joint recreational projects with South Suburban	2,908	426,000	13,500
Park and recreation improvements (spent from bond proceeds)	92,699	403,122	-
TOTAL PARKS AND RECREATION	108,469	866,122	34,800

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

EXPENDITURE DETAIL - Continued

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
EXPENDITURES (Continued)			
CAPITAL OUTLAY			
Software packages	13,075	21,285	100,000
Sustainability program	87,237	28,000	-
Overlay/reconstruction projects	839,660	1,065,000	1,470,000
Traffic signalization	22,797	20,000	184,000
Traffic and other improvements - joint projects w/ County & PMMD	1,200	3,927	14,000
Pedestrian lights	269,775	25,000	360,000
Monumentation and signage	3,123	30,000	10,000
Enclave entrance rehabilitation	-	-	45,000
City Office building	30,448	100,000	1,482,000
City Office building - capital leases	1,863,881	896,000	1,776,013
City Office building - letter of credit fees and remarketing fees	84,920	63,400	59,000
Concrete panel replacement	237,943	225,000	295,000
Park Meadows Dr./Parkway Dr. remove and replacement	438,478	524,222	-
Kimmer/Park Meadows Dr. intersection and Entertainment District improvements	-	23,655	500,000
Park Meadows Dr. traffic improvements	-	380,000	110,000
Park Meadows Drive median improvements	-	-	300,000
Park Meadows Dr. regional pond upgrade	-	6,700	58,300
Landscaping at Park Meadows Center Dr. & County Line	-	-	150,000
Transportation study	-	-	50,000
Landscape improvements	-	150,403	70,000
County Line improvements	-	-	560,000
County Line road reimbursement - SEMSWA	-	62,258	-
C-470 Coalition - Douglas County	-	-	200,000
Storm sewer improvements	-	-	150,000
I-25 Lane Balance Share	-	-	500,000
Park Meadows Drive Reconstruct (west of Acres Green)	-	-	1,300,000
Schweiger Ranch preservation	-	75,000	75,000
Reimbursement for Heritage Hills public improvement purchases	272,672	-	-
Retail retention agreement	75,000	75,000	75,000
Service provider shareback agreement	-	-	10,000
County public improvements shareback	-	-	2,200,000
Reimbursement of sales taxes to PMBID	4,672,824	5,064,871	5,406,329
Reimbursement of property taxes to PMBID for PMMD	184,757	184,452	185,000
TOTAL CAPITAL OUTLAY	9,097,790	9,024,173	17,694,642
Total expenditures	31,842,223	24,160,422	33,208,142
TRANSFERS OUT			
Special Revenue Fund - Arts Center	555,950	693,405	691,834
Special Revenue Fund - RidgeGate	-	124,786	-
Debt Service Fund - Arts and Cultural Facilities	-	-	-
Debt Service Fund - Park and Recreation Improvements	-	-	-
Total transfers out	555,950	818,191	691,834
Total expenditures and transfers out requiring appropriation	32,398,173	24,978,613	33,899,976
ENDING FUND BALANCE	\$ 11,127,979	\$ 11,987,475	\$ 7,609,195

**CITY OF LONE TREE
SPECIAL REVENUE FUND - RIDGEGATE
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
BEGINNING FUND BALANCE	\$ (113,719)	\$ (584,337)	\$ 52,601
REVENUE			
Sales tax	784,277	833,000	1,065,000
Use tax-retail	384,918	418,000	475,000
Use tax - building materials	43,810	765,000	1,477,500
Lodging tax	-	-	108,000
Franchise fees - electric and gas	89,627	85,000	89,000
Franchise fees - cable	3,703	3,700	3,900
Highway Users Tax (HUTF)	42,170	42,619	44,460
Building permit fees	168,801	393,000	675,000
Planning and zoning fees	15,376	20,000	20,000
Engineering fees	70,187	85,000	95,000
Schweiger Ranch grants and contributions	-	75,000	75,000
Net investment income	29	900	1,000
Developer reimbursement	-	256,671	-
Reimbursable costs	-	124,786	-
Other	8,456	51,000	10,000
Total revenue	1,611,354	3,153,676	4,138,860
TRANSFERS IN			
General Fund	-	117,122	-
Total transfers in	-	117,122	-
Total funds available	\$ 1,497,635	\$ 2,686,461	\$ 4,191,461

**CITY OF LONE TREE
SPECIAL REVENUE FUND - RIDGEGATE
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
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EXPENDITURES

City Administration - salaries and benefits	\$ 122,451	138,591	170,969
Legal	12,860	50,000	75,000
Finance - consulting	49,199	50,000	50,000
Administration and overhead costs	109,633	120,000	120,000
Insurance	68,911	79,000	86,300
Audit	5,031	5,000	5,000
Engineering	327,026	350,000	250,000
Community Development	146,729	168,337	182,245
Consulting	-	25,000	25,000
Police Department	968,282	1,145,638	1,260,458
Street lighting	51,055	48,000	50,000
Snow removal	105,809	110,000	110,000
Schweiger Ranch Preservation	-	75,000	75,000
RidgeGate extension - engineering and construction	83,986	234,243	-
Happy Canyon Creek Study - Urban Drainage	31,000	-	-
Roundabouts	-	-	120,000
Retail shareback	-	-	262,813
Service provider shareback	-	-	200,000
Developer revenue shareback	-	-	415,053
Reimbursement related to annexation agreement	-	-	386,630
Miscellaneous	-	2,000	5,000
Total expenditures	2,081,972	2,600,809	3,849,468

TRANSFERS OUT

General Fund	-	33,051	289,392
Total transfers out	-	33,051	289,392

Total expenditures and transfers out requiring appropriation	2,081,972	2,633,860	4,138,860
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ENDING FUND BALANCE

ENDING FUND BALANCE	\$ (584,337)	\$ 52,601	\$ 52,601
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**CITY OF LONE TREE
SPECIAL REVENUE FUND - ARTS CENTER
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2010 ACTUALS AND 2011 ESTIMATED**

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
LONE TREE ARTS CENTER			
Operating			
Ticket sales	569,014	690,205	1,019,450
Handling fees	28,997	44,802	55,600
Rental fees	23,475	86,095	90,000
Concessions and catering	22,603	51,040	74,500
Miscellaneous	11,273	55,000	60,000
Education	-	24,650	38,400
Non-Operating			
Individual, corporate and foundation contributions	39,855	87,953	163,250
Government grants	60,000	92,000	144,250
Fundraising	116,971	69	100,000
TOTAL LONE TREE ARTS CENTER	872,188	1,131,814	1,745,450
Total revenue	872,188	1,131,814	1,745,450
TRANSFERS IN			
General Fund	555,950	693,405	691,834
Total transfers in	555,950	693,405	691,834
Total funds available	\$ 1,428,138	\$ 1,825,219	\$ 2,437,284

**CITY OF LONE TREE
SPECIAL REVENUE FUND - ARTS CENTER
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2010 ACTUALS AND 2011 ESTIMATED**

2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
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EXPENDITURES

LONE TREE ARTS CENTER

Administration	66,095	116,566	121,184
Programming	615,215	1,114,679	1,471,499
Marketing	262,796	246,229	365,855
Education	494	44,188	61,997
Facilities	83,390	204,001	197,500
Development	157,939	99,556	169,250
One-time start up	242,209	-	-
Contingency	-	-	50,000

TOTAL LONE TREE ARTS CENTER	1,428,138	1,825,219	2,437,284
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Total expenditures	1,428,138	1,825,219	2,437,284
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TRANSFERS OUT

Total transfers out	-	-	-
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Total expenditures and transfers out requiring appropriation	1,428,138	1,825,219	2,437,284
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ENDING FUND BALANCE

ENDING FUND BALANCE	\$ -	\$ -	\$ -
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**CITY OF LONE TREE
DEBT SERVICE FUND - ARTS AND CULTURAL FACILITIES
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED**

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
BEGINNING FUND BALANCE	\$ 548,153	\$ 188,320	\$ 398,439
REVENUE			
Sales tax	1,445,940	1,493,000	1,567,000
Use tax - retail	17,382	24,100	24,600
Use tax - building materials	16,569	22,000	17,500
Net investment income	1,060	700	1,100
Total revenue	<u>1,480,951</u>	<u>1,539,800</u>	<u>1,610,200</u>
TRANSFERS IN			
General Fund	-	-	-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,029,104</u>	<u>1,728,120</u>	<u>2,008,639</u>
EXPENDITURES			
Bond interest	562,431	544,181	524,556
Bond principal	730,000	785,000	845,000
Paying agent fees	200	500	500
Contingency	-	-	4,944
Total expenditures	<u>1,292,631</u>	<u>1,329,681</u>	<u>1,375,000</u>
TRANSFERS OUT			
General Fund	548,153	-	155,756
Total transfers out	<u>548,153</u>	<u>-</u>	<u>155,756</u>
Total expenditures and transfers out requiring appropriation	<u>1,840,784</u>	<u>1,329,681</u>	<u>1,530,756</u>
ENDING FUND BALANCE	<u>\$ 188,320</u>	<u>\$ 398,439</u>	<u>\$ 477,883</u>

CITY OF LONE TREE
DEBT SERVICE FUND - PARK AND RECREATION IMPROVEMENTS
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUALS AND 2012 ESTIMATED

	2011 ACTUAL	2012 ESTIMATED	2013 ADOPTED
BEGINNING FUND BALANCE	\$ 485,009	\$ 514,771	\$ 560,971
REVENUE			
Sales tax	964,892	995,000	1,045,000
Use tax - retail	11,599	16,100	16,400
Use tax - building materials	11,057	14,000	11,300
Net investment income	814	1,000	1,000
Total revenue	988,362	1,026,100	1,073,700
TRANSFERS IN			
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	1,473,371	1,540,871	1,634,671
EXPENDITURES			
Bond interest	483,400	464,400	443,800
Bond principal	475,000	515,000	555,000
Paying agent fees	200	500	500
Contingency	-	-	700
Total expenditures	958,600	979,900	1,000,000
TRANSFERS OUT			
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	958,600	979,900	1,000,000
ENDING FUND BALANCE	\$ 514,771	\$ 560,971	\$ 634,671

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On November 7, 1995, a majority of the qualified voters at a general election voted to incorporate the City of Lone Tree (the City). Following incorporation, 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 numerous services to its residents including general government, municipal court, community development and building regulation, public safety, public works, arts and cultural and capital improvements.

In 2000, RidgeGate, formerly known as Rampart Range, was annexed into the City by voter approval. The annexation agreement with the developers of RidgeGate require accounting for revenue and expenditures related to the RidgeGate development in a separate Special Revenue Fund.

Starting with the 2011 fiscal year, the City has elected to account for all revenue and expenditures related to the Lone Tree Arts Center in a separate Special Revenue Fund.

In addition to the General Fund and two Special Revenue Funds described above, the City also has two separate Debt Service Funds. The Debt Service Funds segregate monies related to the sales tax increases that were approved by City voters on May 6, 2008. Pursuant to that election, City voters authorized the issuance of indebtedness in an amount not to exceed \$18.5 million by increasing the rate of sales and use tax levied by the City by .1875 percent to be used to finance the cost of cultural facilities. Additionally, City voters authorized indebtedness in an amount not to exceed \$12.5 million by increasing the rate of sales and use tax levied by the City by .125 percent to be used to finance various park and recreational improvements. The increase in the sales and use tax rate for both initiatives commenced on July 1, 2008.

The City's Budget is prepared using the modified accrual basis of accounting. The City's Budget does not include any component units, such as the Entertainment Business Improvement District, the Lone Tree Building Authority or the Park Meadows Business Improvement District. A separate budget has been prepared for these entities.

Currently, the majority of the services related to legal, finance and public works are contracted by the City. 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 at elections held in November 1999 and May 2008. Emergency reserves, required under TABOR, have been provided for.

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

Taxes

The primary sources of revenue for the City are sales and use tax. The City assesses a 1.8125% sales or use tax on all taxable retail transactions and a 1.8125% use tax on building construction materials (1.5% base tax, .1875% for cultural facilities, and .125% for park and recreational improvements). 2013 sales and use tax revenue is estimated for 2013 using historical trends, current economic conditions, as well as projections based on expected new retail openings in the City.

In addition to sales and use taxes, the City also collects lodging and accommodations tax and an admission and event tax which were approved by election in November 1998. Lodging and admissions tax is a tax assessed on guest lodging in hotels and motels located within the City limits at a rate of 6.0% to be charged on renting or leasing lodging accommodations for a period of sixty consecutive days or less since February 2001. 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. These taxes are estimated to increase by 2% in 2013 based on historical trends. Additionally, two new hotels are anticipated to open in 2013 in the RidgeGate area.

Franchise Fees

Franchise fees are revenues derived from fees levied on companies in exchange for the right to use public right of way and otherwise operate as a franchise. Franchise fees for the City are generated from a negotiated franchise license with Xcel Energy for gas and electric service in the City as well as cable franchise fees with Comcast and Century Link.

The electric and gas franchise 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. The cable franchise fee with Comcast is at the rate of 1.5% for cable service provided to City residents, not including residents within the RidgeGate development. A Century Link franchise fee of 5.0% is collected for cable service provided to City residents within the RidgeGate development boundaries and was initiated in May 2005. Franchise fees are estimated to increase by 2% in the traditional City and 5% in the RidgeGate development area in 2013 due to utility cost increases as well as anticipated residential development.

Intergovernmental Revenue

Intergovernmental revenue, which is the second largest revenue source for the City consists of various sources of revenue that are received by the City from the State or County including the Highway Users Tax (HUTF), Cigarette tax, County sharebacks for road and bridge as well as transportation and conservation trust funds. These revenues are budgeted each year based on set factors and formulas and are somewhat stable for the City unless legislature is revised. The HUTF is a state tax shared locally based on gas tax, various vehicle registration, title and license fees. Cigarette tax is a tax assessed by

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

the state government and a percentage of the tax is allocated to the City based on sales tax receipts as a percentage of state sales tax receipts. The County Road and Bridge Shareback is based on the County mill levy of 4.493 which is assessed against the City's assessed value for the purpose of maintaining roads and bridges. The County Shareback for Transportation, effective as of January 1, 2011, provides that 75% of 0.4% of gross sales and use tax (building materials) generated within the City's boundaries (with the exception of the Park Meadows Mall) is to be reimbursed to the City by the County for transportation projects. This agreement will be in effect until December 31, 2030. Finally the Conservation Trust Funds are lottery revenues from the State that are allocated to municipalities based on population estimates.

In addition to the State and County revenue items above, the City also partners with other governmental entities including the Park Meadows Metropolitan District, Rampart Range Metropolitan District and Douglas County for capital projects and shared maintenance costs. These amounts are reflected under reimbursable costs for amounts received for City contracted projects and services.

Licenses, Fees and Charges

Licenses, fees and charges consist of various fees including business license, liquor license, building permit, planning and zoning and engineering fees. Many of these fees are based on residential and commercial development within the City and are estimated based on permit information as well as information received from developers within the City.

Fines and Forfeitures

Fines and forfeiture revenue include court fees as well as vehicle and other code violation fines including Red Light ticket revenue. 2013 amounts reflect a slight increase; however these revenue sources have been somewhat stable over the last couple of years due to an increase of citizenry compliance with traffic and other laws.

Lone Tree Arts Center

The revenues listed in the Special Revenue Fund – Arts Center are associated with the operations of the Lone Tree Arts Center and include various ticket sales, handling fees, rental fees, concessions and catering revenue as well as various estimated contributions and grants.

Other

Various other revenue sources are anticipated to be received by the City including interest income, fees collected from Arts and Cultural events, as well as tenant rental income received by parties leasing space in the City Hall.

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Though the City began implementing the Budgeting for Outcomes (BFO) process in 2012, the Budget has also been presented in this report based on generally accepted accounting principles requirements.

General Government

Expenditures in this area include City Council stipends as well as Council costs for travel, seminars and training, and other related expenditures. City Clerk expenditures include costs for public elections and legal publication costs including ordinances and hearings, as well as salaries and benefits costs for the City Clerk. City Administration expenditures include certain personnel costs including the City Manager's office, facilities management, events coordination, community outreach, business affairs and IT. Internal Finance costs include sales and use tax collections and compliance as well as accounts receivable, accounts payable and payroll processing. Contracted Finance for the City represents the outsourced function which includes compilation of the City's monthly and annual financial reports, budget process, establishing financial policies, and other financial projects. Human resources include full time HR personnel as well as various trainings for City staff, recruitment costs and wellness programs. City office and Civic Center costs consist of expenditures including supplies, equipment and furniture, IT hardware and software, phone service, as well as other expenditures related to the specific City facility. Also, legal, insurance and economic development costs are reflected under General Government.

Additionally, other City programs are reflected under General Government including Community Support which consists of various contributions to local groups and other community related events. Annual events include summer concerts, the Independence Day celebration, holiday lighting and Arbor Day. Arts and Cultural events include various events including the City's Arts Exhibition, photography show, Children's programming and the Lone Tree Symphony Orchestra.

2013 estimates for General Government have been determined based on historical costs, anticipated cost increases related to salary and benefits as well as known contract price changes. Additionally, in 2013, the City anticipates upgrading the AV system at the Civic Center as well as multiple IT hardware and software purchases to ensure the City is functioning efficiently.

Municipal Court

Municipal court expenditures are based on the City's creation of a municipal court in 2002. Costs in this area consist of judge fees, legal fees, court clerks salaries and benefits as well as office supplies and software. Municipal Court expenditures are estimated to increase slightly in 2013.

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures – Continued

Community Development

Community Development includes planning services, costs incurred related to the City's Planning Commission, as well as other miscellaneous costs. Community Development also includes building permit and inspection, code enforcement and engineering. The anticipated increase in 2013 is mainly due to the City budgeting to hire a full time Chief Building Official as well as additional planning and inspection costs anticipated with planned residential and commercial developments in 2013. It should be noted that a majority of these costs are offset with building permit fees as well as licenses, fees and other charges.

Police Department

The 2013 Budget includes payroll and related benefit expenditures for forty-seven (47) sworn officers and six (6) civilian employees. The 2013 Budget also includes costs related to the contract with the Town of Parker to provide dispatch services, crime scene and analysis services as well as evidence processing and storage.

Public Works

The Public Works Department oversees street lighting, street maintenance, landscape maintenance, snow removal, drainage maintenance including EPA Phase 2 compliance, street and sidewalk sweeping, engineering, noxious weeds control and maintains the Geographic Information System (GIS). Additionally, solid waste pickup as well as recycling is provided to all single-family residents in the City.

Arts and Cultural

Arts and cultural expenditures for 2013 include all operation costs for the Lone Tree Arts Center including programming, marketing, education and development for the Center, as well as administration and facilities costs.

Parks and Recreation

Parks and recreations services for the City are provided by the South Suburban Parks and Recreation District (SSPRD). The 2013 Budget includes City funds for several events including day events at Cook Creek pool for City residents and tennis events at the tennis and park facility at the golf course.

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures – Continued

Capital Outlay

To the extent funds are available and the need is established, the 2013 Budget provides for capital outlay costs including street construction and overlay, landscape improvements, traffic signalization improvements, and various street reconstruction projects including Park Meadows Drive west of Acres Green and County Line Road. City office building anticipates the costs related to a renovation of the City Hall including expansion to the second floor of the building as well as lease payments and certain associated costs related to the certificates of participation (COPs) issued by the Lone Tree Building Authority in January 2007. Reimbursement of sales taxes to PMBID includes the portion of sales taxes to be reimbursed to the Park Meadows Business Improvement District associated with the annexation of Park Meadows Mall.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2008A Sales and Use Tax Revenue Bonds (Recreation Projects) as well as the Series 2009 Sales and Use Tax Revenue Bonds (Cultural Facilities Projects). The City's current debt service schedules are attached.

Debt and Leases

On November 19, 2008, the City issued \$11,000,000 in Sales and Use Tax Revenue Bonds for park and recreational improvements. The Series 2008A Bonds are due annually in various amounts beginning December 1, 2008 through December 1, 2023, with interest rates from 3.50% to 5.25%, payable semiannually on June 1 and December 1. The Series 2008A Bonds maturing on or before December 1, 2018 are not subject to redemption prior to maturity. The Series 2008A Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity at the option of the City with no redemption premium. The principal and interest on the Series 2008A Bonds is payable solely from and secured by an irrevocable pledge of the 2008A pledged revenues which primarily consist of the revenues derived from the City's recreation sales and use tax imposed at a rate equal to .125%.

On August 11, 2009, the City issued \$16,880,000 in Sales and Use Tax Revenue Bonds for cultural facilities projects. The Series 2009 Bonds are due annually in various amounts beginning December 1, 2009 through December 1, 2023, with interest rates from 2.50% to 4.25%, payable semiannually on June 1 and December 1. The Series 2009 Bonds maturing on or before December 1, 2019 are not subject to redemption prior to maturity. The Series 2009 Bonds maturing on and after December 1, 2020 are subject to redemption prior to maturity at the option of the City with no redemption premium. The principal and interest on the Series 2009 Bonds is payable solely from and secured by an irrevocable pledge of the 2009 pledged revenues which primarily consist of the revenues

CITY OF LONE TREE

2013 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (Continued)

derived from the City's cultural facilities sales and use tax imposed at a rate equal to .1875%.

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 (COPs) for the purchase of the City Hall. The City will be responsible for the scheduled lease payments due under the certificates of participation.

Debt service schedules as well as scheduled lease payments related to the COPs are attached.

Reserve Funds

The City has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2013, defined under TABOR. Additionally, the City has provided for emergency maintenance and repair reserves in 2013 as defined per the RidgeGate Annexation and Development Agreement, and an emergency disaster management reserve pursuant to an intergovernmental agreement with Douglas County estimated at .02% of the City's assessed value. Pursuant to bond restrictions, reserves are also set aside for remaining bond proceeds related to park and recreation bonds issued in 2008 as well as revenue received from the sales tax increases approved in 2008 by City voters which are pledged for payment of interest and principal payments on the 2008A and 2009 Bonds. Additionally, funds are also reserved for park and recreation improvements and related maintenance costs with City funds received from the State's Conservation Trust Fund as well as park fees which have been collected by developers in lieu of land dedication as a requirement under certain site improvement plans.

In addition to the funds reserved by the City pursuant to laws or other contractual obligations outlined above, the City also has designated 20% of its operating costs as a working reserve to account for unanticipated revenue shortfalls, unanticipated expenditures as well as to ensure stable tax rates for the City. The City also has designated certain funds as capital reserves specific to future capital maintenance costs, new capital projects, economic development projects as well as public art projects.

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

**CITY OF LONE TREE
ESTIMATED BASE RENTALS SCHEDULE
December 31, 2012**

**\$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
2013	\$ 940,000	\$ 186,013	\$ 1,126,013
2014	1,005,000	131,963	1,136,963
2015	1,070,000	74,175	1,144,175
2016	220,000	12,650	232,650
	\$ 3,235,000	\$ 404,800	\$ 3,639,800

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%.

**CITY OF LONE TREE
DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2012**

**\$11,000,000 Sales and Use Tax Revenue Bonds
Recreation Projects
Series 2008A, Dated November 19, 2008
Interest Rate Varying from 3.50% to 5.25%
Interest Payable June 1 and December 1
Principal Due December 1**

	Principal		Interest		Total
2013	\$ 555,000	\$	443,800	\$	998,800
2014	600,000		420,213		1,020,213
2015	645,000		394,713		1,039,713
2016	695,000		365,687		1,060,687
2017	750,000		332,675		1,082,675
2018	805,000		295,175		1,100,175
2019	870,000		254,925		1,124,925
2020	940,000		209,250		1,149,250
2021	1,005,000		162,250		1,167,250
2022	1,080,000		112,000		1,192,000
2023	1,160,000		58,000		1,218,000
	<u>\$ 9,105,000</u>	<u>\$</u>	<u>3,048,688</u>	<u>\$</u>	<u>12,153,688</u>

Note: The 2008A Bonds maturing on or before December 1, 2018 are not subject to redemption prior to maturity. The 2008A Bonds maturing on or after December 1, 2019 are subject to redemption prior to maturity at the option of the City with no redemption premium.

**CITY OF LONE TREE
DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2012**

**\$16,880,000 Sales and Use Tax Revenue Bonds
Cultural Facilities Projects
Series 2009, Dated August 11, 2009
Interest Rate Varying from 2.50% to 4.25%
Interest Payable June 1 and December 1
Principal Due December 1**

	Principal	Interest	Total
2013	\$ 845,000	\$ 524,556	\$ 1,369,556
2014	915,000	499,206	1,414,206
2015	985,000	471,756	1,456,756
2016	1,060,000	439,744	1,499,744
2017	1,140,000	403,044	1,543,044
2018	1,225,000	363,481	1,588,481
2019	1,325,000	314,481	1,639,481
2020	1,425,000	261,481	1,686,481
2021	1,535,000	204,481	1,739,481
2022	1,645,000	143,081	1,788,081
2023	1,770,000	75,228	1,845,228
	\$ 13,870,000	\$ 3,700,539	\$ 17,570,539

Note: The 2009 Bonds maturing on or before December 1, 2019 are not subject to redemption prior to maturity. The 2009 Bonds maturing on or after December 1, 2020 are subject to redemption prior to maturity at the option of the City with no redemption premium.

**CITY OF LONE TREE
FULL-TIME EQUIVALENT CITY
EMPLOYEES BY FUNCTION/PROGRAM
2011 Actual, 2012 Estimated and 2013 Projected**

Function/Program	Full-Time Equivalent Employees		
	2011	2012	2013
General Government			
City Manager's Office	4.00	4.00	4.00
Human Resources	2.00	2.00	2.00
Events Coordinator	1.50	1.50	2.00
Facilities Manager	1.00	1.00	1.00
Community Outreach	-	-	1.00
Business Affairs	-	-	1.00
IT Manager	-	1.00	1.00
City Clerk	2.00	2.00	2.00
Finance (1)	4.00	4.00	4.00
Municipal Court			
Court Clerk	2.00	2.00	2.00
Community Development			
Planning	2.75	3.00	3.00
Code Enforcement	1.00	1.00	1.00
Building	2.00	2.00	3.00
Arts & Cultural			
Administration	0.50	1.50	1.50
Programming	9.75	9.20	9.45
Marketing	1.00	1.00	1.00
Education	0.50	0.50	0.50
Development	1.00	1.00	1.00
Police			
Chief	1.00	1.00	1.00
Commander	3.00	3.00	3.00
Detective	4.00	4.00	4.00
Sergeant	9.00	10.00	10.00
Community Resource	1.00	1.00	1.00
Patrol	29.00	29.00	29.00
Police Service Coordinator	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00
Receptionist	-	-	1.00
Records Tech	3.00	3.00	3.00
Total	87.000	89.700	94.450

(1) Includes sales tax collection and compliance, accounts payable, payroll and cash receipt collection.

Note: The City outsources Public Works, legal and the majority of its finance and accounting services.

CITY OF LONE TREE
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Five Fiscal Years

Function/Program	2008	2009	2010	2011	2012
Municipal court					
Number of court cases	2,260	2,159	1,918	2,114	2,107
Community development					
Building permits issued	634	536	701	700	1,562
Building inspections conducted	4,257	2,750	4,513	4,196	8,392
Public works					
Streets overlayed (miles)	12.52	11.61	10.48	9.71	8.55
Public safety					
Accidents	1,033	970	878	1,008	995
Citations issued	7,879	5,619	6,107	4,812	4,380

CITY OF LONE TREE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Five Fiscal Years

Function/Program	2008	2009	2010	2011	2012
Public works					
Streets (miles)	130.40	147.00	148.37	148.37	148.37
Traffic signals	35	40	42	42	43
Public safety					
Stations	2	2	2	2	2
Patrol units	16	22	24	24	25
Capital outlay					
Storm drainage (miles)	38.25	38.25	38.25	38.25	38.70