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Using the Budget Document

Each year, City Council discusses and deliberates priorities for the budget that will serve as the funding plan for policies, goals, and service levels. With guidance from City Council, the City Manager and staff prepare the annual budget. This document is a comprehensive decision-making tool that provides detail for the 2023 estimated budget and the 2024 adopted budget.

The City of Lone Tree prepares a modified programs-based budget. The Fund Summaries and Budget Message are found on pages 21-59, which provide fund summary information, revenue details, as well as program budgets that identify activities and financial detail for each City department based on generally accepted accounting principles.

In developing the budget, the City staff focuses on the Community Vision Statement which states: Lone Tree is a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses. Additionally, the organizational mission states: We will achieve Lone Tree's community vision by doing things the best way, not just the expected way. Along with the vision and mission statements, the City Manager committed to six Big Ideas. These Six Big Ideas serve as the cornerstone of the strategic plan. In order to achieve the vision and mission, the City will be a national model for:

- 1. Our deep, active commitment to **public safety**
- 2. Our visionary **transportation** network
- 3. Our welcoming, connected, and resilient **community**
- 4. Our signature **cultural and recreational opportunities**, exceptional places, and beautiful natural environment
- 5. Our diverse and sustainable economy powered by **top-tier businesses**
- 6. Our commitment to building the best team to support innovative, customer-focused, and efficient **City government**

The City also identified a number of objectives that further define how we will achieve the Big Ideas. Collectively, the vision, mission, Big Ideas, and objectives form our strategic plan. The strategic plan serves as our guide as we set priorities, assign responsibilities, set schedules, and budget for operating and capital expenditures. The full strategic plan is located on pages 85-87 of this document.

The City utilizes a decentralized "bottom-up" approach in the development of the annual budget. Each Department is responsible for developing the financial data and narratives that are to be incorporated into the budget document. Guidelines and instructions are established by the Finance Department in cooperation with the City Manager's office and City Council's policy direction. The Finance Department coordinates and compiles all the budget information from the Departments into the final budget document that is presented by the City Manager to City Council for review, deliberation, and final approval.

There are five main sections to this document including: Introduction and Overview; Financial Structure, Policy, and Process; Financial Summaries; Capital and Debt & Leases; and Departmental Information.

Using the Budget Document THE FIVE MAIN SECTIONS OF THIS DOCUMENT

1 INTRODUCTION & OVERVIEW

This section provides general information about the City including budget highlights from the City Manager, a list of Principal Officials, Lone Tree Facts, and a snapshot of the City's total budget, including revenues and expenditures for all funds. Additionally, there is a summary of the City's priorities for 2024 based in part on identified short-term factors influencing decision-making.

2 FINANCIAL STRUCTURE, POLICY & PROCESS

This section provides the citywide organizational chart, a description of the five City Funds and their structure, and how they relate to each department. Additionally, a discussion is presented on the basis of budgeting, the City's financial policies, and the budget process.

3 FINANCIAL SUMMARIES

This section provides supporting detail for the revenues and expenditures for all funds requiring appropriation. Additionally, the Budget Message provides detailed information about the City and each fund, as well as information on each revenue type, department expenditure information, capital expenditure information, debt and leases, compensation, benefits and staffing, as well as reserve funds.

4 CAPITAL AND DEBT & LEASES

This section outlines the City's capital expenditures and discusses the difference between routine and one-time capital expenditures. Additionally, the Capital Budget, as well as the City's five-year capital plan, which can be found starting on page 63, provides further details. Furthermore, the City's debt instruments are discussed, and the debt schedules are presented.

5 DEPARTMENTAL INFORMATION

This section informs the reader of employee counts by function/program. Additionally, department descriptions, along with unit goals and objectives are discussed.



INTRODUCTION & OVERVIEW



INTRODUCTION & OVERVIEW

CITY MANAGER'S BUDGET HIGHLIGHTS

TO THE CITIZENS OF LONE TREE AND OTHER INTERESTED PARTIES:

I am pleased to present the City of Lone Tree's 2024 budget. The City Council and City Staff have worked diligently for several months in order to develop a plan that is fiscally responsible and allows the City to prioritize our Vision, Mission and our Six Big Ideas. The annual budget, in conjunction with our Strategic Plan and Comprehensive Plan, serves as a cornerstone for shaping the future of our City. It is a plan that will help us achieve our vision of Lone Tree as "a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses." It will serve as both a policy document and a financial instrument that focuses on our work toward that vision.

The budget was formally adopted by the City Council by Resolution No. 23-67 on December 19, 2023.

BUDGET HIGHLIGHTS

This balanced budget continues to underscore City Council's commitment to maintaining the exceptional level of service that our residents, visitors, and business community have come to appreciate and depend on. To accomplish this, we continue to focus on our deep active commitment to public safety, commit time and investment in planning for the future, maintain and upgrade the City's existing core infrastructure, capture maximum value out of previous investments, and manage the City's operating and capital reserves responsibly.

The City's 2024 adopted budget reflects Council's desire for a fiscally sound budget that is built on conservative revenue projections, as well as discretionary and necessary expenditure levels, and required and reasonable reserves and designations. This adopted budget is in line with the City's long-term projections as prepared during the 2E tax initiative to ensure fiscal stability in the years to come and fulfill the promises made to our community with the passage of this initiative.

WHAT TO EXPECT IN 2024

2024 will continue to be an exciting year for the community with new investments as the City continues to grow, as well as reinvestments and redevelopment opportunities being prioritized to maintain Lone Tree as a vibrant city. In 2023, the City began setting the foundation

for various multi-year initiatives such as the start of the comprehensive plan update, creation of the Urban Renewal Authority in the Entertainment District and purchase of a long-time vacant property that the City will engage with a private developer to turn into a tax generating asset. All of these initiatives will be a focus in 2024, as well as continued investments in core areas such as street overlay, traffic signalization improvements, road improvements, facility improvements, as well as storm drainage projects, ensuring continued advancement in providing a premier community. Additionally, a focus on public safety continues including new positions in supporting school safety with two additional school resource officers being funded in partnership with the Douglas County School District as well as additional leadership capacity with a new Lieutenant position being added. Continued investments in training opportunities, and vehicle replacements to ensure our police officers have the necessary resources to perform their jobs effectively is also key. For parks and recreation, the City will partner with South Suburban on a variety of capital projects and final design work of the new High Note Regional Park. Finally, a focus in 2024 will result in various community benefits such as bike and pedestrian improvements, expanded Lone Tree Link Shuttle services, as well as City-funded community events. The City still sees immense benefits from contracting for or partnering on a wide variety of City services, ranging from trash removal to snow plowing to police dispatch. Contracting these services is still financially prudent compared to what they would cost in staffing and capital facilities and equipment.

SUMMARY OF REVENUES, EXPENDITURES AND RESERVES

- Total budgeted revenues for all City funds are approximately \$66.9 million.
- Taxes make up approximately 66.5% of total revenues.
 The primary source of this revenue is sales tax.
- Sales tax projections for 2024 are calculated conservatively with projections based on 2023 trends, as well as new store openings and closings resulting in a modest growth rate of 1.9% in the sales tax base
- The City does not assess a mill levy for the collection of property taxes.
- In 2024, the City will see a new revenue stream from the sharing of 8 mills on the eastern Rampart Range Metro Districts and an additional 1 mill for the western Rampart Range Metro Districts. This mill levy pledge was a result of the annexation agreements associated

- with these areas and ensuring the same level of service can be provided to all residents of the City, while also maintaining that growth supports itself.
- The final payment of the Arts and Cultural Facilities bonds and the Park and Recreation Improvement bonds on December 1, 2023, resulted in the expiration of the associated pledged 0.3125% tax increment. As of the end of the year, the City is debt free.
- Changes in other tax areas include increases to lodging tax and use tax - retail, while decreases are shown in use tax - building materials and admissions tax as a result of conservative projections based on current trends. The decrease shown in admissions tax is largely due to the closing of the movie theatre. Use tax - building materials can significantly vary year over year based on anticipated construction projects and re-development activity.
- Total budgeted expenditures for 2024 for all City funds are approximately \$69.1 million. Budgeted expenditures are projected to be paid from projected 2024 revenues received as well as prior years' accumulated fund balances.
- The operating budget maintains the same high-quality level for core services such as snow removal, trash and recycling services, and street maintenance.
- The tiered tax shareback related to the RidgeGate West Annexation Agreement to Rampart Range Metro District will decrease from 25% to 15% in 2024.
- The budget for salaries and benefits includes several new positions as identified in the City's 5-year staffing plan, including positions in the Police Department, Public Works, Community Development, and the Communications Division, to maintain the level of service expected by residents, visitors, and the business community.
- The 2024 Police Department budget for salaries and benefits include market adjustments to remain competitive with neighboring communities, the addition of two school resource officers to prioritize community policing, and the addition of a Lieutenant to ensure needed coverage, as well as succession planning efforts.
- Leveraging partnerships is still a key component for the City to be able to fund large capital projects and we are excited for that continued support in 2024.
 Approximately 35% of total capital project funding has been secured from partnerships and grants, while about 65% is being funded by the City. Capital improvement projects in 2024 include:
 - o Advancing Lincoln Avenue Design
 - o Annual Street Overlay and Traffic Signals
 - o C-470 Trail Connection to the County Line RTD Station
 - Design of a new Justice Center and Public Works Facility

- o Contribution to the CDOT Mobility Hub Project
- o High Note Regional Park Final Design
- A 27% working reserve has been included in the 2024 budget. This reserve is set aside for unanticipated revenue shortfalls or if unanticipated expenditures occur.
- An operational reserve was established in 2023 for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E to provide funding stability in future years
- Capital reserves have been established for capital replacement and new capital projects based on the City's 5-year capital plan.

HOW TO USE THIS DOCUMENT

The Budget Summary section provides a brief summary on the priorities for 2024, budgeted revenues, expenditures, and ending fund balances for each of the City's Funds, while the Budget Message section details information about services provided by the City; projected revenues and expenditures; and the City's current reserve funds included in the 2024 budget. In addition, we have included in the capital section specific details on each of the City's larger capital projects.

I would like to acknowledge City Staff for their hard work, dedication, and forward-thinking and thank the Mayor and City Council for their strong public service commitment to the citizens of Lone Tree. The foundation they and their predecessors have laid has made Lone Tree what it is today, and their continued leadership promises to make 2024 a great year with many accomplishments. This budget is truly reflective of that remarkable group effort.

The City Council and I welcome any questions or comments concerning the 2024 budget and budget process.

Sincerely,

Seth Hoffman City Manager

Il Hophie

INTRODUCTION & OVERVIEW

LIST OF OFFICIALS

December 31, 2023

CITY COUNCIL

Mayor	Jacqueline A. Millet, At-Large
Mayor Pro-Tem	Wynne Shaw, District 1
Council Member	Marissa Harmon, District 1
Council Member	Mike Anderson, District 2
Council Member	Cathie Frazzini, District 2



CITY OFFICIALS

City Manager	Seth Hoffman
City Attorney	Linda Michow
Municipal Judge	Louis Gresh
Deputy City Manager	Kristin Baumgartner
Finance Director	Ulli Nierling
Public Works & Mobility Director	Justin Schmitz
Community Development Director	Kelly First
Chief of Police	Kirk Wilson
Lone Tree Arts Center Executive Director	Leigh Chandler
Economic Development & Public Affairs Director	Jeff Holwell
Assistant City Manager	Austin Good
City Clerk	Patricia Leyva
Communications Director	Nate Jones



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Lone Tree Colorado

For the Fiscal Year Beginning

January 01, 2023

Christopher P. Morrill

Executive Director



INTRODUCTION & OVERVIEW

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 City Manager is responsible for City operations.
- City Council is made up of five Council members, including the 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.
- The City provides a full range of services including public safety, construction and maintenance of streets and other public infrastructure, planning and building permits and inspections, arts and cultural activities, financial management 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 15,000 as of December 31, 2023 (with a daytime population estimated at 30,000).
- Median household income of \$120,000.
- Median Age 40.







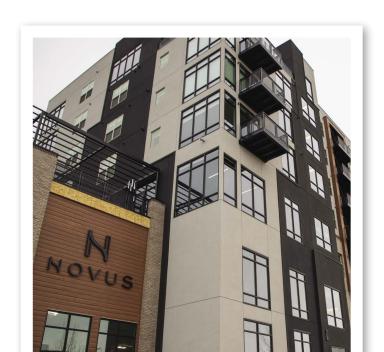


ECONOMY

- Lone Tree is located on the Southeast I-25 Corridor and within the boundaries of the Denver South Economic Development Partnership, which includes 42 million square feet of office space and employment of more than 300,000 people.
- The City is home to the Park Meadows Retail Resort, Colorado's only retail resort with over 200 unique and national retailers and restaurants including Apple Store, Dillard's, LL Bean, Nordstrom, Macy's, and Tesla.
- 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 residential uses. In 2023, Shea Homes commenced phase one of constructing single family homes in the Lyric development.
- In 2021, Kiewit Infrastructure completed its new corporate campus at the Sky Ridge Station, adjacent to RTD Light-Rail. This facility employs over 2,000 engineers and related positions and the buildings include a parking structure and 400,000 sq. ft of office space.
- In 2020, Cochlear Americas and Lockheed Martin opened offices in Lone Tree, adding 1,200 new jobs to our community.
- In 2016, Charles Schwab became Douglas County's largest private sector employer with an estimated 4,500 employees.
- The Lone Tree Entertainment District includes a bowling alley, indoor skydiving, and numerous restaurants.
- Sky Ridge Medical Center continues to be an important state-of-the-art regional medical facility located on 42 acres. In 2023, Sky Ridge celebrated two decades of remarkable growth, development and maturation of people, communities, and medical buildings. More than 56,000 people have Lone Tree listed as their place of birth thanks to the Sky Ridge Medical Center. Sky Ridge was ranked eighth of all Denver-area hospitals in the Book of Lists Denver Business Journal in 2023.
- The 2024 City sales tax rate of 2.5 percent is among the lowest in Colorado

PARKS, RECREATION AND CULTURE

- The City has an extensive trail system comprised of 34.5 miles in City limits.
- Lone Tree Golf Club and Tennis Center includes a championship Arnold Palmer-designed 18-hole public course, two championship/teaching tennis courts with terraced seating, a four-court tennis complex with lighted courts, and a pavilion with picnic tables and children's playground.
- Cook Creek Pool features a 4,600-square-foot outdoor leisure pool, 23-foot tower slide, zero depth entry, basketball and lesson area, and interactive water feature.
- Lone Tree Arts Center includes a 500-seat main stage theater with orchestra and balcony seating, an adaptable 150-225 seat event hall for intimate performances and events, and a 300-350 seat outdoor terrace theater.
- Each year the City features free summer concerts, community events, as well as the Annual Independence Day celebration featuring music, fireworks, and much more.

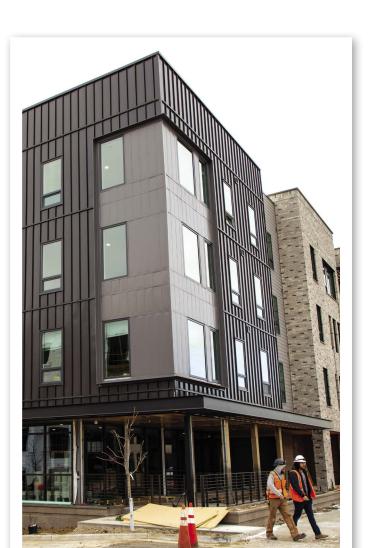


2023 HONORS AND AWARDS

- For the last 18 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 the preparation of state and local government financial reports.
- For the last nine years, the City of Lone Tree has been the recipient of the Distinguished Budget Presentation Award for excellence in municipal budget reporting by the Government Finance Officers Association (GFOA). The award was first given for the City's 2015 budget, which was the first year the City applied for the award. This award represents a significant achievement by the City of Lone Tree and reflects the commitment of the City and staff to meet the highest principles of governmental budgeting.
- Colorado Community Media awarded the Lone Tree Arts Center the Best of Lone Tree 2023 Award for Local Theater/Playhouse.
- The Lone Tree Arts Center held its ranking of 16th on the 2023 list of Denver-Area Tourist Attractions.

- The Lone Tree Arts Center was recognized multiple times in the True West Awards from the Denver Gazette including accolades for Kevin Nelson's set design for Dreamgirls and Sylvia Gregory's casting for Dreamgirls.
- Actress Shena Renee, who played Effie White in the Lone Tree Arts Center production of Dreamgirls, was recognized as best actress in a musical by local theatre critic, David Marlowe.
- Denver Regional Council of Governments awarded Lone Tree with the Metro Vision Award for the Enhanced Link on-Demand service.
- Storage Café named Lone Tree in their Top 10 Best Suburbs in the US for City-Like Living.
- Niche.com listed Lone Tree as one of their Best Suburbs in the Denver Metro Area.





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INTRODUCTION & OVERVIEW

TOTAL BUDGET SUMMARY

The objectives of this budget are to prioritize City funds in accordance with our Six Big Ideas, while also establishing adequate reserves for long-term financial stability for the City. The items discussed below reflect the short-term financial and operational factors that guided the development of the 2024 annual budget:

- Projected revenue streams
- Capital improvements to maintain current infrastructure
- Staffing priorities to maintain outstanding service levels to the community
- Target capital and operational reserve amounts and maintaining working reserve levels

The 2024 priorities share a couple of similarities with the priorities of 2023, such as making investments in community safety and maintaining current infrastructure. In addition, the 2024 budget includes expense priorities to continue to focus on making sure the City provides an exceptional level of service to our residents and businesses, investments in infrastructure projects, and to continue to look and plan for our future growth.

Changes between the proposed budget and the adopted budget include capital project rollover amounts that were accounted for in 2023, but due to the timing of completion wouldn't be finished until 2024.

The 2024 priorities are going to be funded with general fund revenues received during the year, proceeds from the issuance for certificates of participation, as well as local and regional partnerships and grants that are primarily accounted for in the capital fund.

The City's main priorities in the 2024 budget are listed below with a majority of these continuing to be possible due to the voter approved one percent temporary sales and use tax increase:

- Maintain the same high level of service to our residents by providing exceptional customer service, trash removal and recycling at no charge, expanded Link on Demand service, and a variety of City-sponsored community events, among other services.
- Continued focus on public safety with market adjustments for sworn positions to remain competitive with neighboring communities, the addition of two school resource officers to prioritize community policing, and the addition of a Lieutenant to ensure needed coverage, as well as succession planning efforts.
- Sustained focus on excellent service levels with the anticipated growth east of I-25, with increased resources in consulting, staffing and inspection levels. A significant portion of these expenses are offset with fee revenue.

- Maintain or upgrade our existing core infrastructure, including street overlay, C-470 trail connection to the County Line RTD station, concrete panel replacement, storm sewer improvements, and traffic signalization improvements.
- Design work will be continued for the Advancing Lincoln Avenue (I-25 / Lincoln Avenue Interchange) project. This project was awarded significant grant and partnership funds to be able to leverage City dollars for this project.
- Commence design work for a new Justice Center and Public Works facility. These projects were included in the City's 5-year capital and long-range fiscal plans and will be financed by certificates of participation. Certificates of participation are a form of lease-purchase agreement to finance the construction of new facilities in lieu of issuing bonds or using another form of long-term debt.
- Final design work of the Regional Park, as well as capital improvements at Cook Creek Pool in partnership with South Suburban Parks and Recreation District.

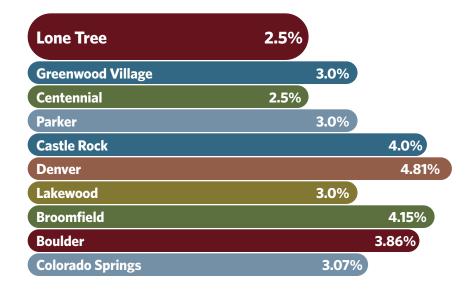
REVENUES

Total budgeted revenues for all City funds are \$66,924,028. This is an increase of 1.1% compared to 2023 estimated. This increase is largely the result of increases in tax projections, intergovernmental revenue, and the Lone Tree Arts Center. The increase in tax projections is primarily due to a conservative increase in sales tax, as well as new businesses that are projected to open during 2024. Total taxes collected makes up approximately 66.5% of total revenue. The primary source of the City's tax revenue is sales tax. The increase in intergovernmental revenue is mainly due to the partnership funding for the service expansion of the Lone Tree Link, as well as grants and partnership funding for the continued design of Advancing Lincoln Avenue and the C-470 Trail Connection to RTD Station. The increase in the Lone Tree Arts Center revenue is primarily due to the type of programming that is planned, including two theatrical productions, which is represented in increased ticket revenue.

The total sales and use tax rate for the City decreased to 2.5 percent due to the final debt payment of the Arts and Cultural Facilities bonds and the Park and Recreation Improvement bonds on December 1, 2023, which resulted in the expiration of the associated 0.3125% tax increment. The City's comparatively 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 along the Front Range.

BUDGET SUMMARY Local Sales Tax Rate

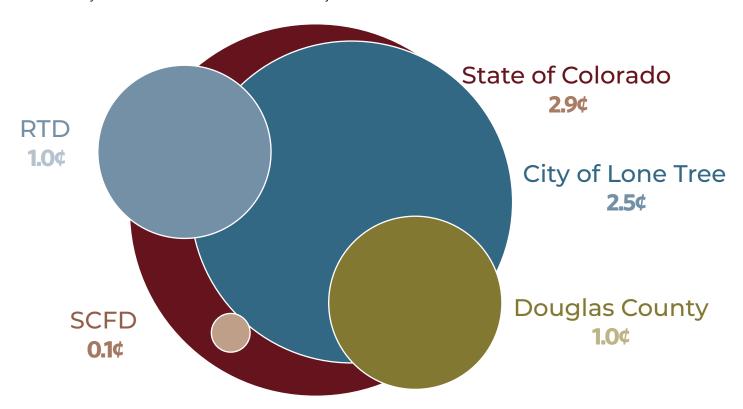
The following table compares the City's sales tax rate with other communities along the Front Range.



BUDGET SUMMARY

Sales Tax Distrubution

The total sales tax rate in the City of Lone Tree is 7.5 percent. For every dollar you spend on retail purchases, you pay 7.5 cents in sales tax. Only 2.5 cents of this comes back to the City.



EXPENDITURES

The total budgeted expenditures for all City funds for 2024 are \$69,120,906. The net operating budget, which represents the funds needed for operating day-to-day services, excluding payments related to certificates of participation and capital projects, increased by 11.6 percent in 2024 from 2023 estimated. Included in this increase are operating costs related to vehicles for the Police Department, increases in staffing to provide continued excellent service levels with the anticipated growth of the City, as well as aging infrastructure, funding for a Walk and Wheel analysis and a Brick Fence Replacement analysis, an update to the City's Comprehensive Plan and Code, and an expanded service area for the Lone Tree Link Shuttle, which is directly offset in partnership revenues.

Additionally, the increase is due to higher costs related to street maintenance, insurance, as well increased general consulting.

The 2024 budget includes funding for capital projects including the C-470 trail connection to the RTD station, a contribution to the CDOT Mobility Hub project, design work for the High Note Regional Park, design work for a new Justice Center and Public Works facility, and funding for the Advancing Lincoln Avenue (I-25/Lincoln Avenue Interchange) study.

The following table compares the 2022 actual, 2023 estimated and 2024 budgeted amounts for revenues, expenditures, and fund balance.

TOTAL BUDGET	2022 Actual	2023 Estimated	2024 Adopted	Percent Change
Beginning Fund Balance	\$34,227,116	\$ 53,194,566	\$ 56,942,071	7.0%
	REVEN	UES		
Operating & Capital	\$63,339,108	\$66,202,234	\$66,924,028	1.1%
Lease Inception	\$ 7,079	\$ 100,000	\$ 0	(100%)
Certificates of Participation	\$ 0	\$ 0	\$ 9,500,000	100%
Total	\$63,346,187	\$66,302,234	\$76,424,028	15.3%
	EXPENDI	TURES		
Operating	\$35,939,183	\$42,082,219	\$46,953,469	11.6%
Certificates of Participation	\$ 0	\$ 0	\$ 4,671,938	100%
Debt	\$ 2,854,100	\$ 2,929,100	\$ 0	(100%)
Capital	\$ 5,585,454	\$1 <i>7,</i> 543,410	\$17,995,500	2.6%
Total	\$44,378,737	\$62,554,729	\$69,620,907	11.3%
Ending Fund Balance	\$53,194,566	\$56,942,071	\$63,745,192	11.9%

CHANGE IN ENDING FUND BALANCE	2023 Estimated Ending Fund Balance	2024 Adopted Ending Fund Balance	Change in Fund Balance	Percent Change
General Fund	\$56,097,961	\$63,092,194	\$ 6,994,233	12.5%
Cultural and Community Services Fund	\$ 844,110	\$ 652,998	(\$191,112)	(22.6%)
Capital Improvement Fund	\$ 0	\$ 0	\$ 0	0.0%
Arts and Cultural Facilities Debt Service Fund	\$ 0	\$ 0	\$ 0	0.0%
Park and Recreation Improvements Debt Service Fund	\$ 0	\$ 0	\$ 0	0.0%
Total	\$ 56,942,071	\$63,745,192	\$ 6,803,121	11.9%

In the General Fund, the percentage change from 2023 estimated to 2024 adopted is primarily due to the issuance of Certificates of Participation to finance the Justice Center, Public Works facility and High Note Regional Park projects, as well as the increase in intergovernmental revenue from partnership funding for capital projects.

The decrease in the Cultural and Community Services Fund from 2023 estimated to 2024 adopted is primarily due to the use of the fund balance for programming expenditures related to theatrical productions.

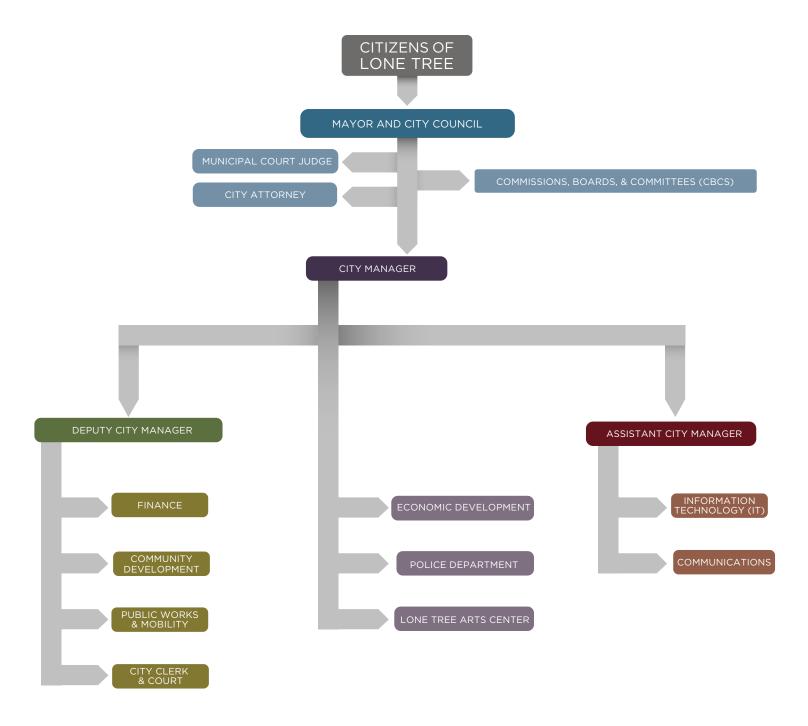
The debt related to the Arts and Cultural Facilities Debt Service Fund and Park and Recreation Improvements Debt Service Fund was paid off on December 1st, 2023, resulting in the expiration of the associated tax increment and an ending fund balance of zero. The remaining fund balances were transferred to the General Fund at the end of fiscal year 2023 and are reserved for future capital projects related to Park and Recreation and Arts and Cultural.



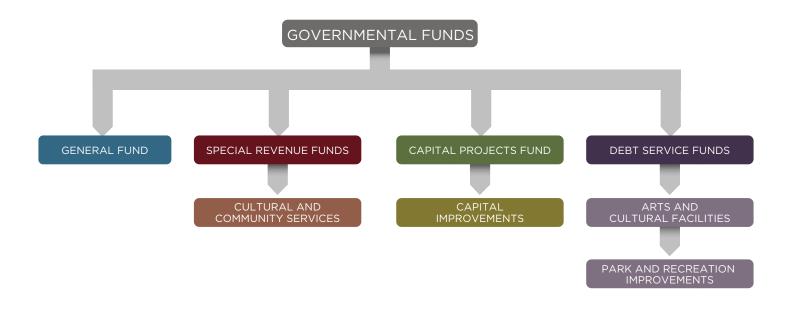
FINANCIAL
STRUCTURE
POLICY & PROCESS

FINANCE STRUCTURE, POLICY & PROCESS

DEPARTMENTAL STRUCTURE



BUDGET FUND STRUCTURE



MAJOR FUND DESCRIPTIONS

General Fund

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Special Revenue Fund

The **Special Revenue Fund—Cultural and Community Services** is used to account for revenues and expenditures related to the operations of the LTAC, as well as other Citysponsored events and cultural services. Revenue reported in this fund include all sales at the LTAC, which include ticket sales and related fees, rental fees, concessions, donations and grants.

Capital Projects Fund

The Capital Projects Fund—Capital Improvements Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay.

NON-MAJOR FUND DESCRIPTIONS

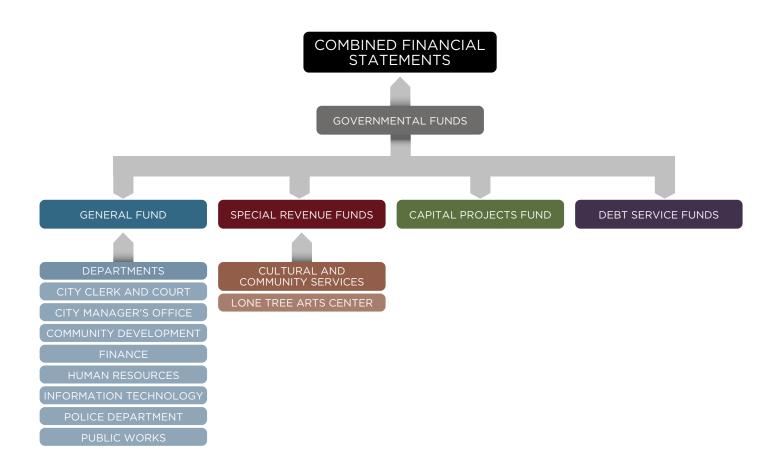
Debt Service Fund

The **Debt Service Fund—Arts and Cultural Facilities** is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to arts and cultural facilities improvements.

The **Debt Service Fund—Park and Recreation Improvements** is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to park and recreational improvements.

FINANCE STRUCTURE, POLICY & PROCESS

DEPARTMENT/FUND RELATIONSHIP





2

FINANCE STRUCTURE, POLICY & PROCESS

ACCOUNTING, BUDGETING & FINANCIAL POLICIES

The City of Lone Tree, Colorado financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Colorado Revised Statutes and the City of Lone Tree City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

BASIS OF ACCOUNTING

The City's finances are accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

The basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Modified accrual accounting recognizes revenues when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are sales, use, lodging and admissions taxes, as well as partner contributions on capital projects. Additionally, payments for off-duty services and rental invoices from the Lone Tree Arts Center are susceptible to accrual. Generally, revenue items not listed above are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

BASIS OF BUDGETING

Basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. The City of Lone Tree budgets on a cash basis. The City does not budget for non-cash items such as depreciation and amortization. The revenues and expenditures are assumed to be collected or spent during the period appropriated. Using this assumption, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover expenditures during the budget year, or that there are sufficient cash reserves in the fund to cover a revenue shortfall. The City's operating and capital budget, special revenue fund and all debt service funds are adopted on an annual basis (the fiscal year begins with the first day of January and ends on the last day of December) with all appropriations lapsing at fiscal year-end.

BASIS OF BUDGETING VS. BASIS OF ACCOUNTING

The basis of budgeting differs from the basis of accounting only by the assumptions that are made in regard to the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when they become both measurable and available, and expenditures when incurred. Cash is not necessarily received or expended at the same time. Additionally, compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees with GAAP as opposed to being expended when paid on the budget basis.

BASIS OF PRESENTATION – FUND ACCOUNTING

The activities of the City are organized into separate funds that are designated for a specific purpose or set of purposes. Each fund is considered a separate accounting entity, so the operations of each fund are accounted for with a set of self-balancing accounts that comprise its revenues, expenses, assets, liabilities, and fund equity as appropriate.

The number and variety of funds used by the City promotes accountability but can also make municipal budgeting and finance complex. Therefore, understanding the fund structure is an important part of understanding the City's finances. The City of Lone Tree currently has three major funds, General Fund, Special Revenue Fund – Cultural and Community Services, and Capital Projects Fund – Capital Improvements. The City had two non-major funds through the end of fiscal year 2023, Debt Service Funds-Arts and Cultural Facilities and Park and Recreation Improvements. Each fund is appropriated for annually.

BUDGET PHILOSOPHY

The budget is the long-range plan by which financial policy is implemented and controlled. The City Charter, Colorado Constitution, and Colorado State statutes provide the basic legal requirements and timelines for the City's budget process. Council goals, ordinances, and resolutions provide policy direction that respond to the needs and desires of the community.

The City considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, which is technically a surplus. There are also instances when the City might plan to spend fund balances from previous years on one-time or non-routine expenditures, such as capital projects. The City considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not build ongoing expenditures into this type of funding. For 2024, the City's budget is balanced with revenues and appropriated fund balances equaling expenditures, as well as beginning fund balance from capital reserves and other restricted funds.

Municipal services are funded through a variety of taxes, fees, charges for service, and intergovernmental assistance. Generally, the City:

- Utilizes conservative growth and revenue forecasts
- Appropriates the budget in accordance with the City Charter, the Colorado Constitution, and Colorado laws
- Adopts financial management policies that establish guidelines for financial plans
- Establishes budgets for all funds based on adopted policies and practices

- Organizes the budget so that revenues are related to expenditures, as much as possible
- Prepares a multi-year financial plan for capital improvements
- Manages the operating and capital budgets, with City Council approval
- Provides department directors with immediate access to revenue and expenditure information to assist their efforts in controlling annual expenditures against appropriations

BUDGET PROCESS & TIMELINE

The City of Lone Tree's 2024 budget provides the framework for providing services and programs to its approximate 15,000 citizens based on the delivery of core services. Municipal services for the City are financed through a variety of taxes, fees, intergovernmental revenues, charges for services and fines. In order to provide the services needed as well as efficiently allocate the revenues that support the services, the City adopts an annual budget.

The fiscal year of the City is the calendar year and the budget process occurs throughout most of the year.

The intent of the budget process is more than just a financial presentation of revenues and expenditures; instead, the most important step in 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 the City Charter and state mandates, as well as to allow active and early participation by City staff and City Council. Additionally, City policies guide preparation and long-range planning during the budget process.

In May, City Council holds a budget retreat to discuss policy decision for the year with City staff. From May through August, the Management Team (consisting of the City Manager's Office, department directors and finance) hold meetings and collect information, and a draft budget is compiled. In Mid-September, Council work sessions are held, and a public draft of the budget is made available on the City's website by October 15th of each year. In November, a budget public hearing is held and in December the budget is adopted by City Council.

If during the year it is decided that a budget amendment is needed either due to budget transfers between funds, unanticipated revenues or revenues not assured at the time of budget adoption or revenues coming in lower than anticipated requiring revised appropriations pursuant to State Statute 29-1-109, the City will publish notice as required and conduct a public hearing and adopt a resolution for the budget amendment.

A chart showing the budget schedule is on the following page.

		MONTH										
Budget Tasks	JAN	FEB	MAR	APR	MAY	NOL	JUL	AUG	SEP	OCT	NOV	DEC
Council Retreat with City staff to discuss policy decision topics					0							
City staff collaborate on long-range planning, capital projects and goals for the budget year						0	0					
City staff collaborate and draft proposed Budget for City Council						0	0	0	0			
City Council work sessions with staff to review the Budget draft in detail									0			
Budget draft made available to the public on the City's website										0		
Budget public hearing											0	
Budget adoption												0
Budget booklet published and made available to the public	0											

PROCUREMENT PLANNING

All City purchases of goods or services are made in accordance with the State of Colorado Revised Statues, Lone Tree City Charter and the City's Purchasing Guidelines.

FINANCIAL REPORTING

The City's accounting records are audited by an independent certified public accounting firm following the conclusion of each fiscal year in accordance with the City Charter and state law. The City Manager and Finance Director prepare an Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting principles (GAAP) as applicable to state and local governments established by the Governmental Accounting Standards Board (GASB) for governmental accounting and financial reporting principles. The ACFR shows the status of the City's finances on the basis of GAAP. The ACFR shows fund revenues and expenditures on both a GAAP basis and a budget basis for comparison purposes.

FUND BALANCE POLICIES

A top priority of the City Council is to maintain the fiscal health of the City. Revenue projections are conservative and authorized expenditures are closely monitored. In stable economic times, the combination of these two strategies leads to revenue collections higher than actual expenditures. The accumulation of these fund balances protects the City from uncontrollable increases in expenditures or unforeseen reductions in revenue or a combination of the two. It also allows for the prudent financing of capital construction and replacement projects. Fund balances provide for the temporary financing of unforeseen opportunities or needs of an emergency nature. The 2024 budget complies with all the City's policies listed on the next page.

Within the governmental funds, fund balances are reported based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances can be classified as nonspendable, restricted, committed, assigned, or unassigned.

FUND BALANCE CLASSIFICATIONS

- Nonspendable Fund Balance The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- Restricted Fund Balance The portion of fund balance that is constrained to be used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- Committed Fund Balance The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. City Council will either pass an ordinance or resolution as the highest level of decision-making dependent on the subject matter.
- Assigned Fund Balance The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The City's Working Reserve Policy, as well as the Capital Reserve Policy, are shown as assigned fund balance in the Budget. See below for more information on these policies.
- Unassigned Fund Balance The residual portion of fund balance that does not meet any of the criteria described above.

WORKING RESERVE POLICY

The City Council adopted a Working Reserve Policy or Unrestricted Fund Balance Policy in December 2011. This policy is included on page 109.

CAPITAL RESERVE POLICY

The City Council adopted a Capital Reserve Policy in December 2012 and amended this policy in December 2022. This policy is included on page 110.

INVESTMENTS POLICY

The City Council adopted an Investments Policy in July 2013 and amended this policy in November 2023. This policy is included on pages 111-115.

DEBT MANAGEMENT POLICY

The City Council adopted a Debt Management Policy in July 2013. This policy is included on pages 116-117.

BRICK FENCE REPLACEMENT RESERVE POLICY

The City Council adopted this reserve policy in December 2018. This policy is included on page 118.

CULTURAL AND COMMUNITY SERVICES FUND – FUND BALANCE RESERVE POLICY

The City Council adopted this reserve policy in January 2019. This policy is included on page 119.

OPERATIONAL RESERVE POLICY

The City Council adopted this reserve policy in December 2022. This policy is included on page 120.

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FINANCIAL SUMMARIES

SUMMARY—ALL FUNDS

	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
BEGINNING FUND BALANCES	\$34,227,116	\$53,194,566	\$56,942,071
Revenue			
Taxes	45,824,175	47,120,172	44,480,280
Franchise Fees	1,302,889	1,508,121	1,583,528
Intergovernmental	10,446,205	9,494,942	13,551,501
Licenses, Fees and Charges	2,188,240	2,287,598	1,897,095
Fines and Forfeitures	393,404	442,061	433,643
Arts Center	1,971,568	2,522,204	2,617,351
Other	1,212,627	2,827,136	2,360,630
Total Revenue	\$63,339,108	\$66,202,234	\$66,924,028
Other Financing Sources			
General Fund	46,300	4,698,345	9,500,000
Special Revenue Fund-Arts Center	1,463,876	1,492,748	1,600,923
Capital Projects Fund-Capital Improvements	-	13,684,272	11,909,000
Total Other Financing Sources	1,510,176	19,875,365	23,009,923
Total Funds Available	\$99,076,399	\$139,272,165	\$146,876,022
Expenditures			
General Government	5,061,388	6,402,074	7,479,389
Municipal Court	309,076	354,779	428,340
Community Development	1,305,370	1,880,378	2,201,049
Police Department	9,395,394	10,465,293	12,165,248
Public Works	6,876,848	8,337,805	10,140,859
Arts and Cultural	2,935,043	4,084,059	4,409,387
Parks and Recreation	104,592	103,250	105,250
Sharebacks	9,951,471	10,454,580	10,023,946
Capital Outlay	5,585,454	17,543,410	1 7, 995 , 500
Debt Service/Certificates of Participation	2,854,100	2,929,100	4,171,938
Total Expenditures	\$44,378,737	\$62,554,729	\$69,120,906
Other Financing Uses			
General Fund	1,463,876	13,579,970	14,009,923
Special Revenue Fund-Park and Recreation	-	3,085,061	-
Special Revenue Fund-Arts and Cultural Facilities	39,221	3,110,334	-
Total Other Financing Uses	1,503,097	19,775,365	14,009,923
Total Appropriation	45,881,833	82,330,094	83,130,829
ENDING FUND BALANCES	\$53,194,566	\$56,942,071	\$63,745,192

SUMMARY—ALL FUNDS

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

Funds Reserved For:

Emergency Reserves (TABOR)
Prepaid Items
Emergency Disaster Management
Park Fee in Lieu of Land
Conservation Trust Fund
Brick Fence Replacement Reserve
Metropolitan Football Stadium District Shareback
Advancing Lincoln Avenue
C-470 Trail Connection To RTD Station
Regional Park / Municipal Building
Improvements - COP
Arts and Cultural
Capital Reserve - Arts and Cultural Facilities
Capital Reserve - Park and Recreation
Improvements

Funds Designated For:

Working Reserve Capital Reserve Operational Reserve LTAC Reserve

Undesignated and Unreserved Funds TOTALS

2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
1,656,153	1,669,000	1,704,000
386,876	350,000	360,000
175,837	1 <i>7</i> 9,831	213,062
285,640	285,640	372,640
572,137	684,075	<i>7</i> 97 , 133
2,824,235	3,661,454	4,411,454
1,010,137	1,010,137	1,010,137
659,636	-	450,000
-	200,000	-
-	-	6,700,000
913,218	844,110	652,998
2,652,214	2,665,784	2,501,586
2,693,626	2,032,561	2,003,701
2,073,020	2,032,301	2,003,701
6,032,000	7,410,000	9,880,000
11,978,815	15,564,465	13,501,750
20,669,868	19,868,340	18,735,057
684,174	516,674	451,674
-	-	-
\$53,194,566	\$56,942,071	\$63,745,192



SIGNIFICANT CHANGES IN ANTICIPATED FUND BALANCE

The following analysis focuses on available fund balances of the City's major funds anticipated to increase or decrease by 10% or more.

GENERAL				
FUND	Anticipated FY24 Beginning Balance	Anticipated FY24 Ending Balance	Increase (Decrease)	Percent Change
Assigned for Working Reserve	\$ 7,410,000	\$ 9,880,000	\$ 2,470,000	33.3%
Assigned for Capital Reserve	\$ 15,564,465	\$13,501,750	\$ (2,062,715)	(13.3%)
Operational Reserve	\$19,868,340	\$18,735,057	\$(1,133,283)	(5.7%)
LTAC Reserve	\$ 516,674	\$ 451,674	\$ (65,000)	(12.6%)
Undesignated	\$ -	\$ -	\$ -	0.0%
Total Unreserved Fund Balance	\$ 43,359,479	\$42,568,481	\$ (790,998)	(1.8%)

DISCUSSION:

The above table represents information for the General Fund only. The City's Special Revenue Fund and Debt Service Funds do not have unreserved fund balances.

The City's unreserved fund balance consists of the working reserve, the capital reserve, the operational reserve, the Lone Tree Arts Center (LTAC) reserve and undesignated funds. It is the City's policy to maintain a working reserve of at least 16.7% of the current year's budgeted operating expenditures with the goal of moving towards 30%. The 2023 estimated and 2024 adopted budgets include 27% in addition to the 3% TABOR reserve which is restricted. Additionally, the City's capital reserve policy states that the City needs to maintain adequate cash fund balances to help offset costs of future capital expenditures. The City believes that establishing and maintaining such reserves will assist the City to take greater advantage of the pay-as-you-go philosophy versus relying entirely or primarily on debt financing, which would require voter approval as the City currently does not have any bonding authority. An operational reserve was established in 2023

for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E. This was based on long-term financial projections that showed an accumulation of funds in early years and an intent to use such funds in later years. The LTAC reserve was established to help fund future operating and/or capital expenditures at the Lone Tree Arts Center.

The increase in the working reserve is due to increased operating expenditures in 2024, as the reserve is kept at 27%. The decrease in the capital reserve is based on the City's five-year capital plan and is targeted at 25% of the amount of the average aggregate projected cost over the five-year period for all of the projects based on the scheduled timing of the projects. The operational reserve policy states the City Manager will recommend the amount to contribute to the operational reserve based on available net revenue, less required contributions to any other reserves. The decrease in the LTAC reserve is due to certain maintenance projects at the Lone Tree Arts Center.

REVENUE DETAIL	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
Beginning Fund Balance	\$29,606,856	\$46,935,508	\$56,097,960
REVENUE			
Taxes			
Sales Tax	37,376,292	39,049,304	39,906,063
Use Tax-Retail	1,091,846	1,173,000	1,232,000
Use Tax-Building Materials	1,597,589	1,456,000	1,348,000
Lodging Tax	1,575,329	1,705,901	1,754,167
Admissions Tax	339,902	251,300	240,050
Total Taxes	\$41,980,958	\$43,635,505	\$44,480,280
Franchise Fees			
Electric and Gas	1,072,787	1,166,126	1,224,433
Cable TV	230,102	341,995	359,095
Total Franchise Fees	\$1,302,889	\$1,508,121	\$1,583,528
Intergovernmental			
Highway Users Tax (HUTF)	371,392	337,993	371,961
Conservation Trust Fund (Lottery)	91,1 <i>77</i>	111,938	113,058
Cigarette Tax	91,582	97,228	99,172
County Road & Bridge Shareback	1,925,255	1,945,879	2,305,462
Douglas County Shareback - Transportation	2,628,978	2,396,428	2,345,940
Motor Vehicle Registration Fees	47,946	44,713	46,054
Regional Improvements Contribution - RRMD	255,617	281,052	325,698
Operational Mill Levy - RRMD	-	-	325,698
Contractual Debt Mill Levy - RRMD	-	-	125,051
Reimbursable Costs	2,237,451	273,643	1,238,100
Metropolitan Football Stadium District Shareback	1,010,137	-	-
COVID-19 Related Funding	1,644,079	-	-
Operating Grants	142,591	146,930	168,807
Total Intergovernmental	\$10,446,205	\$5,635,804	\$7,465,001

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

REVENUE DETAIL (Continued)	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
Licenses, Fees and Charges			
Sales and Use Tax and Business License Fees	12,281	39,692	9,923
Liquor License Fees	55,955	20,494	19,469
Single Use Bag Fee	-	126,666	101,332
Building Permit Fees	1,291,589	1,419,000	1,047,000
Planning and Zoning Fees	184,891	128,746	166,371
Engineering Fees	539,579	550,000	550,000
Other	103,945	3,000	3,000
Total Licenses, Fees and Charges	\$2,188,240	\$2,287,598	\$1,897,095
Fines and Forfeitures			
Court Fees	39,177	33,110	33,772
Vehicle and Other Code Violation Fines	342,252	392,685	383,768
Victims Assistance Surcharge	11,975	16,266	16,103
Total Fines and Forfeitures	\$393,404	\$442,061	\$433,643
Other			
Net Investment Income	583,217	2,008,252	1,782,891
Miscellaneous	234,545	252,032	343,553
Police Department Fees and Other Charges	148,367	159,812	119,515
Tenant Rental Income	164,717	113,053	114,671
Other	\$1,130,846	\$2,533,149	\$2,360,630
Total Revenue	\$57,442,542	\$56,042,237	\$58,220,177
Other Financing Sources			
Lease Inception	7,079	-	-
Certificates of Participation	-	-	9,500,000
Special Revenue - Park and Recreation	-	2,032,561	-
Special Revenue - Arts and Cultural Facilities	39,221	2,665,784	-
Total Other Financing Sources	\$46,300	\$4,698,345	\$9,500,000
TOTAL FUNDS AVAILABLE	\$87,095,698	\$107,676,090	\$123,818,138

EXPENDITURE DETAIL	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
General Government			
City Council Expenditures	39,431	49,000	61,000
City Council Stipend	71,633	72,921	76,904
Information Technology - Salaries and Benefits	332,837	549,387	577,076
Human Resources - Salaries and Benefits	277,534	319,939	353,108
City Clerk - Salaries and Benefits	298,963	302,419	335,039
City Clerk	27,837	22,400	92,900
Human Resources	109,333	124,200	133,700
Information Technology	556,506	688,200	869,073
Insurance & Risk Management	507,464	582,109	793,767
Finance - Salaries and Benefits	654,722	844,839	876,582
Finance	123,631	161 <i>,</i> 790	191,190
Audit	35,500	43,000	45,000
City Manager's Office - Salaries and Benefits	1,185,124	1,378,395	1,587,280
Dues and Memberships	125,374	127,764	145,170
Legal - General	390,240	480,000	504,000
Legal - Special	24,554	30,000	55,000
Consulting	40,603	105,000	225,000
Community Support	28,178	140,045	177,600
Youth Initiatives	19,800	19,800	19,800
Housing Partnership	35,000	35,000	35,000
Communications	56,142	138,365	162,700
Economic Development	11 <i>7,</i> 851	1 <i>77,</i> 500	147,500
Miscellaneous	3,131	10,000	15,000
Total General Government	\$5,061,388	\$6,402,074	\$7,479,389

EXPENDITURE DETAIL (Continued)	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
Municipal Court			
Municipal Judge	29,831	33,600	35,000
Legal	37,628	36,000	36,000
Administration	241,128	284,479	356,640
Office Supplies and Software	489	700	700
Total Municipal Court	\$309,076	\$354,779	\$428,340
Community Development			
Salaries and Benefits	1,063,667	1,493,298	1,742,769
Contract Services	73,524	225,000	25,000
Field Supplies	831	4,620	4,620
Planning Commission	3,505	8,000	12,000
Plan Review and Other Inspections	50,761	20,000	10,000
Elevator Inspections	88,092	1,500	3,000
City Forestry Program	-	1,000	5,000
South Metro Partnership	12,896	30,000	-
Comprehensive Plan & Code Update	-	73,000	372,000
Miscellaneous	12,094	23,960	26,660
Total Community Development	\$1,305,370	\$1,880,378	\$2,201,049
Police Department			
Salaries and Benefits	<i>7,</i> 556,801	8,368,748	9,644,347
Office and Administration	110,727	131,100	124,500
Uniforms and Equipment	229,382	189,235	282,764
Vehicles and Equipment	474,176	575,813	842,564
General Equipment	40,889	31,516	31,716
Intergovernmental Agreements	862,651	974,531	1,026,857
Training	99,742	151,000	168,500
Community Outreach and Miscellaneous	21,025	43,350	44,000
Total Police Department	\$9,395,394	\$10,465,293	\$ 12,165,248

EXPENDITURE DETAIL (Continued)	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
Public Works			
Salaries and Benefits	1,304,074	1,523,220	1,854,100
Street Lighting	338,975	475,000	500,000
Street Maintenance	652,857	815,000	914,000
Drainage Maintenance	135,876	220,000	220,000
Street & Sidewalk Sweeping	22,925	60,000	90,000
Traffic Signal Energy Cost and Maintenance	261,412	275,000	300,000
Signal Timing	36,360	40,000	40,000
Snow Removal	1,338,750	1,450,000	1,550,000
Trash and Recycling Service	621,186	650,000	700,000
Household Hazardous Waste Program	1,799	-	-
Fence Maintenance	-	25,000	25,000
Materials and Equipment	4,604	11,000	11,000
EPA Phase 2 Drainage	2,585	2,500	3,000
Noxious Weeds Control	18,364	20,000	20,000
Signage and Striping	151,398	175,000	200,000
Accident Repairs	4,134	5,000	7,000
Public Works Facility Operations and Equipment	52,722	55,000	55,000
Software and Support	43,533	60,000	-
Mutt Mitts Contract	13,648	17,000	17,000
Miscellaneous	3,169	3,000	6,500
Public Works Vehicle Maintenance and Gas	23,735	30,000	35,000
Bridge Maintenance	39,625	50,000	50,000
Lone Tree Link	395,280	692,573	1,440,000
Contracted Services	384,501	575,000	600,000
Facilities	1,025,336	1,108,512	1,253,259
Brick Fence Replacement Analysis	-	-	150,000
Walk and Wheel Analysis Update	-	-	100,000
Total Public Works	\$6,876,848	\$8,337,805	\$10,140,859

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

EXPENDITURE DETAIL (Continued)	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
Arts and Cultural			
Arts Center Capital Improvements	106,721	-	-
Total Arts and Cultural	\$106,721	-	-
Parks and Recreation			
Park and Recreation Improvements	100,000	100,000	100,000
Recreational Activities and Support	4,592	3,250	5,250
Total Parks and Recreation	\$104,592	\$103,250	\$105,250
Capital Outlay and Sharebacks			
Overlay/Reconstruction Projects	2,181,018	-	-
Traffic Signalization	5,526	-	-
City Office Building	82,374	-	-
Civic Center Capital Improvements	8,199	-	-
Concrete Panel Replacement	705,568	-	-
Storm Sewer Improvements	52,050	-	-
Security Appliance	68,282	-	-
Network Equipment	15,083	-	-
Electric Vehicle Charging Stations	24,390	-	-
Happy Canyon Creek	150,000	-	-
Security Fencing for Officer & Equipment Safety	203,495	-	-
Advancing Lincoln Avenue	1,060,322	-	-
Acres Green Pedestrian and Bike Bridge	174,208	-	-
Accounting Software Upgrade	4,516	-	-
Planning and Permit Software Upgrade	110,189	-	-
Emergency Repairs	319,161	-	-
Lease Inception	7,078	-	-
City-Wide Bicycle Safety Study & Improvements	8,439	-	-
RidgeGate Parkway Adaptive Signal Project	130,391	-	-

continued on next page

GENERAL FUND

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

EXPENDITURE DETAIL (Continued)

Capital Outlay and Sharebacks (Continued)

C-470 Trail Connection to RTD Station

Retail Shareback

RRMD Revenue Shareback - West Side

Reimbursement of Sales Taxes to PMBID

Reimbursement Property Taxes - PMBID for PMMD

Total Capital Outlay and Sharebacks

Certificates of Participation

Certificates of Participation - Principal

Certificates of Participation - Interest

Total Certificates of Participation

Total Expenditures

2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
275,163	-	-
328,351	311,600	326,180
1,416,637	1,433,874	869,654
7,889,623	8,385,909	8,467,237
316,860	323,197	360,875
\$15,536,926	\$10,454,580	\$10,023,946
-	-	2,200,000
_	-	1,971,938
-	-	\$4,1 <i>7</i> 1,938
\$38,696,313	\$37,998,160	\$46,716,019
	·	



GENERAL FUND

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

OTHER FINANCING USES

Certificates of Participation - Cost of Issuance
Special Revenue Fund - Arts Center
Special Revenue Fund - Replenish LTAC Reserve
Special Revenue Fund - Annual Events
Special Revenue Fund - Arts and Cultural Events
Special Revenue Fund - Capital Improvement Fund

Total Other Financing Uses
Total Appropriation

ENDING FUND BALANCE

2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
-	-	500,000
799,036	1,019,273	1,149,016
329,548	-	-
311,311	357,272	374,794
23,981	116,203	<i>77</i> ,113
-	12,087,222	11,909,000
\$1,463,876	\$13,579,970	\$14,009,923
\$40,160,189	\$51,578,130	\$ 60,725,942
\$46,935,508	\$56,097,960	\$63,092,196



SPECIAL REVENUE FUND—CULTURAL & COMMUNITY SERVICES

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
BEGINNING FUND BALANCE	\$306,096	\$913,218	\$844,110
REVENUE			
Lone Tree Arts Center			
OPERATING			
Ticket Sales & Handling Fees	896,224	1,210,301	1,324,401
Rental Fees	140,356	135,000	118,000
Concessions and Catering	98,050	116,500	113,500
Labor Charge Backs	88,804	94,000	90,000
Miscellaneous	3,165	3,000	2,950
NON-OPERATING			
Individual, Corporate and Foundation Contributions	364,059	517,050	510,000
Government Grants	356,294	426,353	437,000
Total Lone Tree Arts Center	\$1,946,952	\$2,502,204	\$2,595,851
Other			
Annual Events	16,255	15,000	15,500
Arts and Cultural Events	8,361	5,000	6,000
Total Other	24,616	20,000	21,500
Total Revenue	\$1,971,568	\$2,522,204	\$2,617,351
			L

OTHER FINANCING SOURCES

General Fund-Lone Tree Arts Center General Fund-Reestablish LTAC Reserve General Fund-Annual Events General Fund-Arts and Cultural Events

Total Other Financing Sources

TOTAL FUNDS AVAILABLE

799,036	1,019,273	1,149,016
329,548	-	-
311,311	357,272	374,794
23,981	116,203	<i>77</i> ,113
\$1,463,876	\$1,492,748	\$1,600,923
\$3,741,540	\$4,928,170	\$5,062,384

SPECIAL REVENUE FUND—CULTURAL & COMMUNITY SERVICES

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
EXPENDITURES			
Lone Tree Arts Center			
Administration	117,544	187,688	197,700
Programming	1,728,203	2,508,703	2,759,655
Marketing	396,566	504,955	562,093
Development	226,101	389,239	416,531
Total Lone Tree Arts Center	\$ 2,468,415	\$3,590,585	\$3,935,979
Other			
Annual Events	327,566	372,272	390,294
Arts and Cultural Events	32,342	121,203	83,113
Total Other	\$ 359,908	\$493,475	\$473,407
Total Expenditures	\$2,828,323	\$4,084,059	\$4,409,387
OTHER FINANCING USES			
Transfer Out-General Fund	-	-	-
Total Other Financing Uses	-	-	-
Total Appropriation	\$2,828,323	\$4,084,059	\$4,409,387
ENDING FUND BALANCE	\$913,218	\$844,110	\$652,998

CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

BEGINNING FUND BALANCE

REVENUE

Grants
Reimbursable Costs

Total Revenue

2022 ACT	UAL	2023 ESTIMATED	2024 ADOPTED
\$	-	\$ -	\$ -
	-	2,998,138	3,286,500
	-	861,000	2,800,000
	-	\$2,998,138	\$6,086,500

OTHER FINANCING SOURCES

Lease Inception

Transfer In - General Fund

Transfers In - Special RevenuePark and Recreation

Transfers In - Special Revenue - Arts and Cultural Facilities

Total Other Financing Sources

Total Funds Available

-	\$17,543,410	\$1 <i>7</i> ,995,500
-	\$13,684,272	\$11,909,000
-	444,550	-
-	1,052,500	-
-	12,087,222	11,909,000
-	100,000	-

EXPENDITURES

Put	olic	Wor	'KS

Overlay/Reconstruction Projects	
Traffic Signalization	
City Office Capital Improvements	
Civic Center Capital Improvements	
Justice Center / Public Works Facility	
Concrete Panel Replacement	
Storm Sewer Improvements	
Vehicles	
City-Wide Pavement Assessment	
Happy Canyon Creek	
Advancing Lincoln Avenue	
Acres Green Pedestrian and Bike Bridge	
Emergency Repairs	
City-Wide Bicycle Safety Study & Improvements	
C-470 Trail Connection to RTD Station	
Park Meadows Drive and Acres Green Intersection Rebuild	
RidgeGate Crosswalks	
CDOT Mobility HUB Contribution	
Fiber Replacement at Lincoln and at Acres Green	
Total Public Works	

-	2,500,000	2,800,000
-	1,304,000	996,000
-	440,000	205,000
-	50,000	350,000
-	-	2,000,000
-	600,000	600,000
-	150,000	500,000
-	120,000	90,000
-	50,000	-
-	100,000	-
-	554,548	3,660,000
-	4,020,000	-
-	500,000	500,000
-	302,500	-
-	3,000	2,497,000
-	750,000	-
-	200,000	-
-	-	2,000,000
-	-	350,000
-	\$11,644,048	\$16,548,000

CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
EXPENDITURES (CONT.)			
Information Technology			
Network Equipment	-	84,612	-
Facilities Security Camera Upgrades	-	-	50,000
Total Information Technology	-	\$84,612	\$50,000
Community Development			
Vehicles	-	205,200	70,000
Planning and Permit Software Upgrade	-	45,000	-
Code Enforcement Record System	-	20,000	5,000
Total Community Development	-	\$270,200	\$75,000
City Manager's Office			
ETIP Placeholder	-	3,850,000	-
Total City Manager Office	-	\$3,850,000	-
Parks and Recreation			
Joint Recreational Projects with South Suburban	-	1,052,500	100,000
Regional Park	-	-	900,000
Total Parks and Recreation	-	\$1,052,500	\$1,000,000
Arts and Cultural			
Arts Center Capital Improvements	-	542,050	322,500
Total Arts and Cultural	-	\$542,050	\$322,500
Lease Inception			
Lease Inception	-	100,000	-
Total Lease Inception	-	\$100,000	-
Total Expenditures	-	\$17,543,410	\$1 <i>7</i> ,995,500
OTHER FINANCING USES			
Transfer Out-General Fund	-	_	_
Total Other Financing Uses	-	-	<u>-</u>
Total Appropriation	-	\$17,543,410	\$17,995,500
ENDING FUND BALANCE	-	-	-

DEBT SERVICES FUND—ARTS & CULTURAL FACILITIES

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
BEGINNING FUND BALANCE	\$2,071,913	\$2,652,214	-
REVENUE			
Sales Tax	2,159,435	1,956,425	-
Use Tax-Retail	68,840	86,692	-
Use Tax-Building Materials	77,697	47,712	-
Net Investment Income	41,749	151,491	-
Total Revenue	\$2,347,722	\$2,242,320	-
OTHER FINANCING COURCES			I
OTHER FINANCING SOURCES			
Transfer In-General Fund	-	-	-
Total Other Financing Sources	*	-	-
Total Funds Available	\$4,419,635	\$4,894,534	-
EXPENDITURES			
Bond Interest	127,800	63,800	-
Bond Principal	1,600,000	1,720,000	-
Paying Agent Fees	400	400	-
Total Expenditures	\$1,728,200	\$1,784,200	-
			T
OTHER FINANCING USES			
Transfer Out-General Fund	39,221	2,665,784	-
Transfer Out-Capital Improvement Fund	-	444,550	-
Total Other Financing Uses	\$39,221	\$3,110,334	-
Total Appropriation	\$1,767,421	\$4,894,534	-

\$2,652,214

ENDING FUND BALANCE

DEBT SERVICES FUND—PARKS & RECREATION IMPROVEMENTS

Forecasted 2024 as adopted with 2022 Actuals and 2023 Estimated

2022 ACTUAL 2023 ESTIMATED 2024 ADOPTED

	2022 ACTUAL	2023 ESTIMATED	2024 ADOPTED
BEGINNING FUND BALANCE	\$2,242,251	\$2,693,626	-
REVENUE			
Sales Tax	1,439,623	1,304,284	-
Use Tax-Retail	45,893	57,795	-
Use Tax-Building Materials	51,727	31,760	-
Net Investment Income	40,032	142,496	-
Total Revenue	\$1,577,275	\$1,536,335	-
OTHER FINANCING SOURCES			
Transfer In-General Fund	_	_	_
Total Other Financing Sources	-	-	-
Total Funds Available	\$3,819,526	\$4,229,961	-
EXPENDITURES			
Bond Interest	105,500	54,500	
	1,020,000	1,090,000	-
Bond Principal Paying Agent Fees	400	400	-
Total Expenditures	\$1,125,900	\$1,144,900	-
OTHER FINANCING LIGES		I	
OTHER FINANCING USES		0.000.5/1	
Transfer Out-General Fund	-	2,032,561	-
Transfer Out-Capital Improvements Fund	-	1,052,500	-
Total Other Financing Uses	-	\$3,085,061	-
Total Appropriation	\$1,125,900	\$4,229,961	-
ENDING FUND BALANCE	\$2,693,626	_	-

5 FINANCIAL SUMMARIES

BUDGET MESSAGE

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.

Starting with the 2011 fiscal year, the City elected to account for all revenue and expenditures related to the Lone Tree Arts Center in a separate Special Revenue Fund. In 2013, City Council decided to expand the use of this fund to account for not only the Lone Tree Arts Center but also include other City programs focused on the arts and other types of community activities. Beginning with the 2014 budget, this fund is now referred to as the Cultural and Community Services Fund.

In addition to the General Fund and Special Revenue Fund described above, the City also has a Capital Projects Fund that was created in 2023. The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay. The separation of capital expenditures from the General Fund provides more financial transparency by allowing users of the budget book and the City's financial statements to identify operational and capital trends more clearly.

The City had two separate Debt Service Funds until December 1, 2023, at which point the debt was paid off and the associated sales and use tax increments expired. The Debt Service Funds segregated 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. In 2017, the City refunded these bonds acquiring a lower interest rate, while maintaining the bond terms, which produced a savings over the life of the bonds.

The City's Budget does not include any component units, such as the Lone Tree Business Improvement District, the Park Meadows Business Improvement District, and the Lone Tree Arts Center Fund (501(c)(3)). A separate budget has been prepared for these entities.

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.



BUDGET MESSAGE: REVENUES

The City diligently works to maintain a strong, diverse revenue base recognizing that a dependence upon any individual source makes revenues more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The City uses historical trends, current trends, judgmental forecasting, and unique adjustments (i.e. new retail, new fees, data from a specific source, etc.) for its revenue projections.

The total revenues collected by the City are summarized in the following graph. Additionally, the major revenue sources are highlighted individually.

TOTAL REVENUES	2022 Actual	2023 Estimated	2024 Adopted	
Taxes	\$45,824,175	\$47,120,172	\$44,480,280	
Franchise Fees	\$ 1,302,889	\$ 1,508,121	\$ 1,583,528	
Intergovernmental	\$10,446,205	\$ 9,494,942	\$13,551,501	
Licenses, Fees and Charges	\$ 2,188,240	\$ 2,287,598	\$ 1,897,095	
Fines and Forfeitures	\$ 393,404	\$ 442,061	\$ 433,643	
Arts Center	\$ 1,971,568	\$ 2,522,204	\$ 2,617,351	
Other	\$ 1,212,627	\$ 2,827,136	\$ 2,360,630	
Total Revenues	\$63,339,108	\$66,202,234	\$66,924,028	

BUDGET MESSAGE: SALES TAX & USE TAX-RETAIL REVENUE

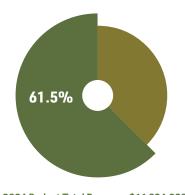
Source: The primary source of revenue for the City is sales tax and use tax - retail. The City assessed a 2.8125% sales and use tax (2.5% base tax, 0.125% for park and recreational improvements and 0.1875% for cultural facilities) through November 30, 2023 on all taxable retail transactions, which includes the ten-year 1% sales and use tax rate increase resulting from the passage of Ballot Issue 2E on November 2, 2021. The 0.3125% tax increment for park and recreational improvements and cultural facilities expired on December 1, 2023, due to the final bond payments, resulting in a reduced tax rate of 2.5%. The tax is collected by the retail businesses and remitted to the City. The use tax on retail transactions is due upon the purchase of any tangible property on which sales tax was not paid. Use tax is included with the business' sales tax return. The 1% tax approved in 2021 is designated to fund vital City services, including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety, and maintaining and improving parks, trails and open space and is accounted for in the General Fund. The remaining base tax of 1.5% does not have restrictions on use other than to

fund general City services in the General Fund, Cultural and Community Services Fund, and Capital Projects Fund.

Rationale: Sales tax and use tax-retail revenue is estimated for 2024 using historical trends, current economic conditions, as well as projections based on expected new retail openings in the City and store closings, if any. Sales tax projections for 2024 are calculated conservatively. The overall projected decrease in sales tax and use tax retail is primarily due to the 0.3125% sales and use tax rate decrease related to the final payment of the bonds on December 1, 2023. However, the tax base is projected to increase by 2.9%

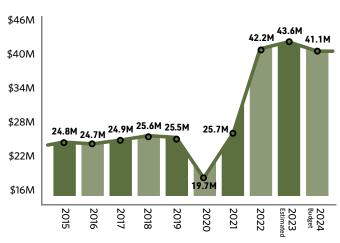
A considerable amount of time is spent projecting sales tax since this is the City's primary revenue source. Projections are initially completed at the beginning of the budget process in June, based on actuals through May and again assessed and updated, if needed, in August through November (based on actuals for July through October).

Total Sales Tax & Use Tax - Retail Revenue: \$41,138,063



2024 Budget Total Revenue, \$66,924,028

Total Sales Tax & Use Tax - Retail Revenue HISTORY & FORECAST



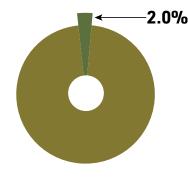
Trends: The increase from 2017 to 2018 is due to sales tax collections trending higher than in previous years with several factors impacting this change, including the OmniPark annexation and new businesses opening such as Fogo de Chao, Amazon 4 Star, and Hobby Lobby, as well as liquor sales at Costco. Additionally, Sierra did not open until late 2017, so a full year of activity is included in 2018. The drastic decrease from 2019 to 2020 is due to the global COVID-19 pandemic, where many vendors were ordered to close their facilities for multiple months starting in March. Following the Governor's Order, vendors were allowed to reopen with restrictions in May; however, significant decreases in sales tax collections were still recorded in the second half of 2020 as a result of impacts on consumer confidence and a shift to online shopping. The increase from 2020 to 2021 is due to the slow recovery from the pandemic. 2021 to 2022 reflects the continued recovery from the pandemic as well as the one percent sales and use tax rate increase as a result of the passing of Ballot Issue 2E to increase the City's sales and use tax rate to 2.8125%. The increase from 2022 to 2023 reflects current trends and anticipated store openings in 2023. The decrease in sales tax from 2023 estimated to 2024 budget is primarily due to the 0.3125% sales and use tax rate decrease related to the final payment of the bonds on December 1, 2023.

BUDGET MESSAGE: USE TAX-BUILDING MATERIALS REVENUE

Source: The City assessed a 2.8125% use tax (2.5% base tax, 0.125% for park and recreational improvements, and 0.1875% for cultural facilities) through November 30, 2023 for building construction materials, which includes the ten-year 1% sales and use tax rate increase resulting from the passage of Ballot Issue 2E on November 2, 2021. The 0.3125% tax increment for park and recreational improvements and cultural facilities expired on December 1, 2023, due to the final bond payments, resulting in a reduced use tax rate of 2.5%. The use tax on building construction materials is collected by the City when a building permit is issued for the project. The 1% base tax approved in 2021 is designated to fund vital City services, including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety, and maintaining and improving parks, trails, and open space and is accounted for in the General Fund. The remaining base tax of 1.5% does not have restrictions on use other than to fund general City services in the General Fund, Cultural and Community Services Fund, and Capital Projects Fund.

Rationale: Use Tax – Building Materials revenue is estimated for 2024 using historical trends, current economic conditions, as well as projections based on anticipated construction projects and new businesses. The 2024 use tax-building materials budget reflects a decrease compared to 2023 estimated due to the beforementioned criteria, as well as the use tax rate reduction from 2.8125% to 2.5%. Included in the 2024 projections is the continued development east of I-25, which includes new retail, single family home developments, and new apartment complexes.

Total Use Tax - Building Materials Revenue: \$1.348.000



2024 Budget Total Revenue: , \$66,924,028

Use Tax - Building Materials Revenue HISTORY & FORECAST



Trends: The decrease in 2017 is a result of no large-scale development projects. The increase in 2018 is due to some large new construction projects, specifically a new hotel and the expansion of Schwab. The increase in the 2020 projection is largely due to a couple of large projects including a second corporate campus building for Kiewit, as well as construction in a single-family residential home community. Activity for 2021 included the construction of two apartment projects. The increase from 2021 to 2022 is due to the one percent tax rate increase, as well as a new commercial building in RidgeGate and a new senior/assisted living project east of I-25. The decrease from 2022 to 2023 is due to the timing of construction east of I-25, including a phased new residential single-family home community and apartment complexes. The decrease in use tax from 2023 estimated to 2024 budget is primarily due to the 0.3125% use tax rate decrease related to the final payment of the bonds on December 1, 2023.

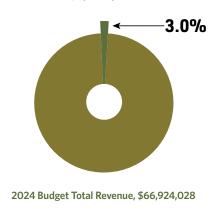
BUDGET MESSAGE: LODGING & ADMISSIONS TAXES REVENUE

Source: The City collects a lodging tax and an admission tax, which were approved by-election in November 1998. Lodging tax is a tax assessed on guest lodging in hotels located within the City limits at a rate of 6.0% to be charged on renting or leasing lodging accommodations for a period of 60 consecutive days or less since February 2001. Additionally, in February 2001, the City initiated a 4.0% admissions/event tax to be charged on every person who pays to gain admission to any place or event open to the public, as defined by City Ordinance. Venues subject to admissions tax, but not limited to, are movie theatres, golf courses, etc. Both types of tax do not have restrictions on use other than to fund general City services in the General Fund, Cultural and Community Services Fund, and Capital Projects Fund

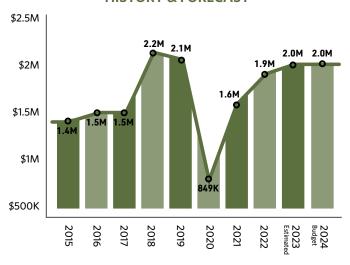
Rationale: Lodging Tax revenue is estimated to increase slightly from 2023 based on current trends. This is a 1% increase over 2019 levels. Historically, this tax has fluctuated year to year depending on travel patterns seen in business and personal travel. The recovery from the pandemic in lodging taxes has been much slower than other revenue streams, with 2024 projected amount being the first year back to prepandemic levels.

Admissions Tax is estimated to decrease in 2024 due to the closure of the movie theatre. However, when excluding the lost revenue from the movie theatre, admissions tax for other existing venues is estimated to increase slightly in 2024. Historically, the revenue generated from this tax has fluctuated from 1% to 7%, and to be conservative, the City budgets according to the lower end of the range

Total Lodging & Admissions Taxes Revenue: \$1,994,217



Lodging & Admissions Taxes Revenue HISTORY & FORECAST



Trends: The large increase in 2018 is based on a lodging establishment located within the OmniPark area annexed into the City in 2017, as well as a new lodging establishment that opened in the middle of 2017. Revenue in 2020 is significantly lower than in 2019 largely due to the impacts of the COVID-19 pandemic. The increase from 2020 to 2021 is based on the gradual recovery of businesses from COVID-19 but is still below historical trends. The increase from 2021 to 2022, as well as from 2022 to 2023, are due to the continued recovery from the pandemic, but at a much slower rate than other revenue streams. The slight increase in 2024 compared to 2023 is based on current trends and economic conditions.

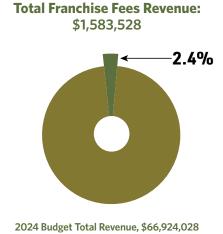
BUDGET MESSAGE: FRANCHISE FEES REVENUE

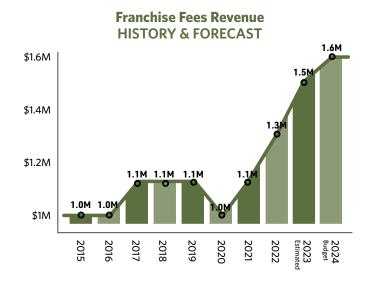
Source: Franchise fees are revenues derived from fees levied on companies in exchange for the right to use public right of way and otherwise operate as a franchise. Franchise fees for the City are generated from a negotiated franchise license for gas and electric service in the City as well as cable franchise fees. Both types of franchise fees do not have restrictions on use other than to fund general City services in the General Fund, Cultural and Community Services Fund, and Capital Projects Fund. Franchise fees are submitted electronically to the City's bank account on a monthly or quarterly basis.

Rationale: 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.

The cable franchise fee is at the rate of 5.0% for cable service provided to City residents.

The electric and gas franchise fee and cable franchise fee are estimated to increase slightly in 2024 compared to 2023 estimated based on a conservative estimate as a result of 2023 activity and anticipated new growth east of I-25.





Trends: Fluctuations from year-to-year are due to changes in gross revenue received on usage of cable services and usage of electric and gas services. As the City continued to grow with more housing developments built, this revenue source increased, as evidenced from 2015 through 2019. As the City gets ready for the expansion of housing developments east of I-25, these revenue sources should continue to trend upward. Increases in gas prices seen in 2021 which continued into future fiscal years also contributed to the overall increase of this revenue source. 2024 budget compared to 2023 estimated is expected to increase primarily due to anticipated growth on the east side of I-25.

FINANCIAL SUMMARIES

BUDGET MESSAGE: INTERGOVERNMENTAL REVENUE

Source: Intergovernmental revenue consists of various sources of revenue that are received by the City from the State of Colorado or Douglas County that are listed below. These revenues are budgeted each year based on set factors and formulas and are somewhat stable for the City unless legislation is revised. These funds do have restrictions on use, except for the Cigarette Tax and the Motor Vehicle Registration Fees. The Sharebacks for Transportation and Road and Bridge funds as well as the Highway Users Tax must be spent on transportation projects, and the Conservation Trust Funds must be used for parks, recreation, or open space improvement/development. Additionally, the City receives reimbursable costs from partnering organizations on specific projects.

The **Highway Users Tax Fund (HUTF)** is state-collected, locally-shared revenue that is distributed via electronic funds transfer on a monthly basis to the City of Lone Tree in accordance with the following formulas:

- 1 **Basic Fund** the first seven cents of gasoline taxes and the base amount of various motor vehicle registration, title and license fees. 9% of these revenues are distributed to municipalities. The basic fund monies may be spent on acquisition of rights-of-way for, and the construction, engineering, safety, reconstruction, improvement, repair, maintenance, and administration of streets, roads and highways.
- 2 Supplemental Fund 18% of the amount above seven cents of gasoline taxes are distributed to municipalities and may be spent only on road improvements including new construction, safety improvements, maintenance and capital improvements.
- 3 **1989 Increase Fund** 18% of the gasoline tax, registration fee and driver's license fee increases enacted in 1989 are shared with municipalities and can be used for the same purposes designated in (2) above.
- 4 **1995 Increase Fund** 18% from a three-year phased reduction of the amount previously withheld by the state for administrative purposes which can be used for the same purposes designated in (2) above.

For Fiscal Year 2019-20 – SB 18-001 (Fix Colorado Roads Act) transfers \$150 million, of which \$22.5 million is transferred to the Highway Users Tax Fund (HUTF) for local governments and \$22.5 million is transferred to the Multimodal Transportation Options Fund (Multimodal Fund) administered by the State Transportation Commission. Municipalities will receive a total of \$11.25 million in additional revenue (transferred on July 1, 2019) dispersed through the HUTF. Municipalities will also be eligible for up to \$63.11 million in local government multimodal grants through the Multimodal Fund

Conservation Trust Funds are from lottery proceeds that are collected from retail merchants selling lottery products by the State of Colorado. Municipal lottery proceeds are distributed to municipalities based upon current population estimates prepared by the State Division of Local Governments. Lone Tree's share is electronically transferred to the City's bank account on a quarterly basis.

Cigarette Tax is a tax the state imposes and collects a 9.7 cent tax per cigarette that will increase to 11.2 cent tax per cigarette starting July 1, 2024, of which 27% of the proceeds are distributed to municipalities and counties according to the ratio of the state sales tax collected in the entity to the total state sales tax collected in the prior year. The state disburses the funds two months after they are collected. (Note: Voters in Colorado approved an increase in the cigarette tax, effective January 1, 2005. However, the increase is earmarked for specific purposes and is not included in the distribution to municipalities and counties.)

The **Douglas County Road and Bridge Shareback** is a mill levy imposed by Douglas County that is dedicated to road and bridge improvements throughout Douglas County. Because Douglas County's efforts only include unincorporated areas and the property tax is collected from all areas, the State requires that Douglas County return one half of the road and bridge levy to each municipality. The formula used to compute the amount returned to Lone Tree is as follows

(County Road & Bridge Levy x Total City Assessed Value) / 2 = City Portion

The money is distributed via electronic funds transfer on a quarterly basis to the City of Lone Tree.

The **Douglas County Shareback for Transportation**, effective as of January 1, 2011, is based on the County who collects 0.4 percent roads sales and use tax (building materials) county-wide and then remits 75 percent of the amount collected within Lone Tree city-limits to the City (with the exception of the Park Meadows Retail Resort) and is to be used for transportation projects. This revenue helps fund the construction of new road projects. Funds are received electronically directly to the City's bank account on a monthly basis. This shareback will be in effect until December 31, 2030.

Douglas County Motor Vehicle: offices title and register vehicles of residents of Douglas County, which include the City of Lone Tree. Fees are assessed based on the vehicles' weight in pounds. The funds are allocated per statute between the State, Counties, and Cities/Towns based on a funding formula.

BUDGET MESSAGE: INTERGOVERNMENTAL REVENUE (CONT.)

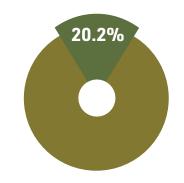
The **Douglas County Open Space, Parks, and Historic Preservation** Sales and Use tax is a .17% tax first approved by voters in 1994. It has since been renewed by voters in 2022 for an additional 15 years. After the 2022 renewal of the tax, the City of Lone Tree became eligible for a shareback of tax revenues for local park, open space, and historic preservation projects. 20% of the total tax revenues are divided among the County's municipalities based on population. Lone Tree's share of the funds began accumulating in 2023 and are held by the County until the City requests reimbursement for eligible projects.

Reimbursable Costs: In addition to the State and County revenue items above, the City also partners with other

governmental entities including the Southeast Public Improvement Metropolitan District (SPIMD), Park Meadows Metropolitan District, Rampart Range Metropolitan District, Douglas County, Colorado Department of Transportation and various other entities for capital projects and shared maintenance costs. These amounts are reflected in the General Fund and the Capital Projects Fund under reimbursable costs for amounts received for City contracted projects and services.

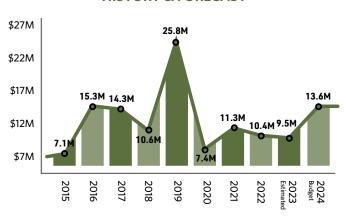
Rationale: Reimbursable Cost for 2024 is based on known capital projects where the City is partnering with other entities to fund the projects.

Total Intergovernmental Revenue: \$13,551,501



2024 Budget Total Revenue, \$66,924,028

Intergovernmental Revenue HISTORY & FORECAST



Trends: Intergovernmental revenues fluctuate year to year primarily due to reimbursable costs and projects that are being completed between the City and various partners. The significant increase from 2015 to 2016 is based on the contribution schedules listed in each agreement with the partnering organizations for two large capital projects including the Lincoln Pedestrian Bridge and the Southeast Light Rail Extension. The increase from 2018 to 2019 is the result of the RidgeGate Parkway Widening Project, which includes funding from Rampart Range Metropolitan District, Douglas County, Southeast Public Improvement Metropolitan District (SPIMD), and a grant from the Denver Regional Council of Governments. The increase from 2020 to 2021 is largely due to partnership funds for the Advancing Lincoln Avenue Design project (I-25/Lincoln Ave. Interchange), COVID-19 related one-time funding, and a pass-through grant. 2022 shows significant partnership funding for the C-470 Trail connection to the RTD Station project, the C-470 Trail over Acres Green Drive project, continued funding for the Advancing Lincoln Avenue Design project, and COVID-19 related one-time funding, as well as a Metropolitan Football Stadium District shareback received from the sale of the Bronco franchise. The decrease from 2022 to 2023 is primarily due to one-time revenues received in 2022, specifically COVID-19 related funding as well as the Metropolitan Football Stadium District shareback. The increase from 2023 to 2024 is a result of increases in the Douglas County Road and Bridge Shareback resulting from increases in assessed property values, reimbursable costs for projects including the C-470 Trail Connection to the County Line RTD Station and the Advancing Lincoln Avenue projects, as well as new revenue streams from the sharing of 8 mills on the eastern Rampart Range Metro Districts and an additional 1 mill for the western Rampart Range Metro Districts. This mill levy pledge was a result of the annexation agreements associated with these areas and ensuring the same level of service can be provided to all residents of the City, while also maintaining that growth supports itself.

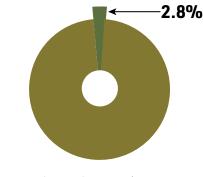
BUDGET MESSAGE: LICENSES, FEES & CHARGES REVENUE

Source: Licenses, fees and charges revenues 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.

Rationale: The 2024 budget is estimated based on building permit information as well as information received from developers within the City. Historically, building permit fees are the primary component of this revenue source. This revenue source can fluctuate greatly depending on the development projects that are being completed in the City at any given time, so considerable time is spent projecting the building permit revenue based on information received from developers and the City's Community Development Department.

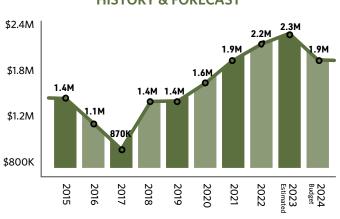
Additionally, planning, zoning, and engineering fees are included in this revenue source. These fees are based on historical trends and the timing of construction projects. Historically, the revenues generated from planning, zoning, and engineering fees fluctuate as the timing of development projects occur.

Total Licenses, Fees and Charges Revenue: \$1,897,095



2024 Budget Total Revenue, \$66,924,028

Licenses, Fees and Charges Revenue HISTORY & FORECAST



Trends: In 2015-2016 amounts remained high due to the continued construction of single-family home communities, as well as the construction of a large, assisted living/nursing home. The decrease in 2017 is due to the timing of when fees were received for the larger projects of a new hotel, restaurant, and apartment complex. The project fees were received in 2016, but the majority of the work was completed in 2017. The year 2018 aligns more closely with historical trends, as a result of additional work on a corporate campus as well as a new hotel and medical office building. The increase in 2019 is due to a couple of large projects, including a corporate campus building and parking garage for Kiewit as well as an apartment building. The increase in 2020 is mainly due to a couple of large projects including a second corporate campus building for Kiewit, as well as construction in a single-family residential home community. The 2021 amount is based on historical trends as well as the construction of two apartment projects. The increase from 2021 to 2022 is due to a new commercial building in RidgeGate and a new senior/assisted living project east of I-25. The increase from 2022 to 2023 is due to construction starting east of I-25, including a phased new residential single-family home community and apartment complexes. The projected 2024 amount is mainly attributable to residential single-family development projects on the east side of I-25.

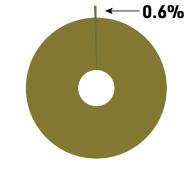
BUDGET MESSAGE: FINES & FORFEITURES REVENUE

Source: Fines and forfeiture revenue include court fees as well as vehicle and other code violation fines including Red Light ticket revenue.

Rationale: The 2024 budget is estimated based on historical trends. Historically, this area can fluctuate, depending on the number and types of citations issued, as well as staffing levels in the police department. As a result of the

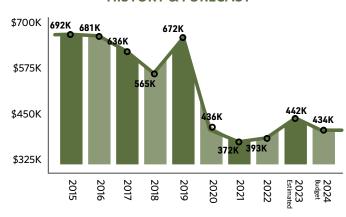
unprecedented COVID-19 pandemic, traveling patterns shifted due to an increase in remote work, particularly in 2020, but continuing into 2021 and 2022. The 2024 budget anticipates no major changes in court fees, vehicle, and other code violation fines to remain conservative on revenue projections.

Total Fines and Forfeitures Revenue: \$433,643



2024 Budget Total Revenue, \$66,924,028

Fines and Forfeitures Revenue HISTORY & FORECAST



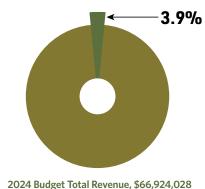
Trends: The decrease experienced from 2016 through 2018 is largely due to the decrease in vehicle fines, which is primarily due to the Police Department not being fully staffed at different times throughout this period, as well as officers being pulled away from traffic enforcement to respond to other calls. The increase from 2018 to 2019 is due to the addition of two Traffic Enforcement Unit Officers, which increased enforcement efforts related to traffic violations in the City. The decrease in 2020 was primarily due to the COVID-19 pandemic, with a significant decrease in the volume of cars on City roads. The continued decrease in 2021 is due to fewer vehicle and other code violations being issued due to fewer vehicles on City roads compared to pre-pandemic levels, as well as two police officer positions being frozen to help offset revenue impacts from the pandemic. The increase from 2021 to 2022 is largely due to a higher volume of cars on City roads, as well as reinstating two positions within the police department. The increase from 2022 to 2023 estimated is largely due to increased enforcement efforts related to traffic violations in the City. No major changes are anticipated from 2023 to 2024.

BUDGET MESSAGE: LONE TREE ARTS CENTER REVENUE

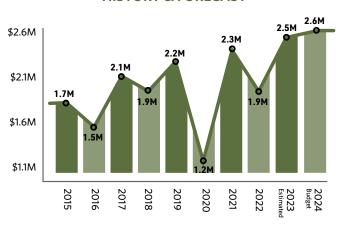
Source: The revenues listed in the Special Revenue Fund – Cultural and Community Services Fund are associated with the operations of the Lone Tree Arts Center and include various ticket sales, handling fees, rental fees, concessions, and catering revenue as well as various estimated contributions and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

Rationale: The 2024 operating revenue generated from the Lone Tree Arts Center is estimated based primarily on the programming schedule and availability of space for event rentals while utilizing historical trends and past performances as a guide. The 2024 budget accounts for the growth seen in 2023, resulting in comparable revenue amounts for 2024. The growth in 2023 is specifically related to contributed income as well as ticket sales from a multiweek theatrical performance.

Total Lone Tree Arts Center Revenue: \$2,617,351



Lone Tree Arts Center Revenue HISTORY & FORECAST

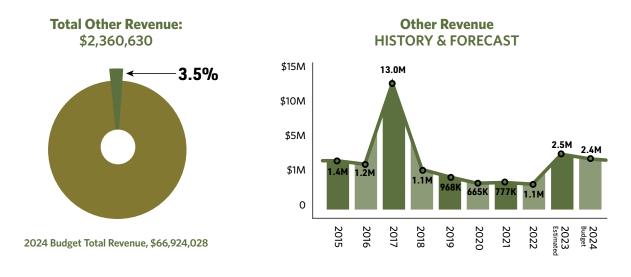


Trends: The decrease seen from 2015 to 2016 is due to the shifting of a musical performance from 2016 to the 2017 programming schedule, which resulted in decreased revenue, but is offset with decreased expenses. 2018 decreased from 2017 due to multiple factors including two concerts that were canceled due to unforeseen circumstances as well as lower-than-expected ticket sales for the large-scale spring performance. 2019 increased from 2018 and was more in line with 2017 due to more featured attraction performances, additional foundation contribution revenue with the formation of the 501(c)(3), and an increase in non-SCFD grant revenue. The decrease in 2020 is due to a significant drop in ticket sales revenue as a result of the COVID-19 pandemic, which caused the Arts Center to close from March through May, as well as restrictions on public gatherings. 2021 increased from 2020 due to a gradual recovery from the pandemic with virtual and creative performances in the first half of the year, and more traditional performances in the second half of the year. In addition, the Lone Tree Arts Center was the recipient of a one-time COVID-19 related grant. The decrease in 2022 is due to COVID-19 related grant funds received in 2021. 2023 increased from 2022 based on the programming schedule, which included a multi-week theatrical performance, as well as anticipated increases in contributed income. The slight increase from 2023 to 2024 is primarily related to increased ticket sales revenue.

BUDGET MESSAGE: OTHER REVENUE

Source: Various other revenue sources are anticipated to be received by the City including interest income, tenant rental income received by parties leasing space in the Municipal Office Building, police department fees, and miscellaneous revenue received.

Rationale: The 2024 budget is estimated based on historical trends and interest rates. Interest income is based on the average annual interest rate yield and the City's average balance. Tenant rental income is based on current tenants' lease terms. Police department fees and other charges are estimated based on off-duty contract billings and other funding agreements.



Trends: The increase in 2017 is related to debt refinancing to benefit from interest savings. The decrease for 2019 is a result of the legal retainage recognition in 2018 as well as less tenant rental income as the City took over a current rental space to transform it into additional City office space. The decrease in 2020 is primarily due to the COVID-19 pandemic, which caused a decline in investment income as interest rates dropped; off-duty contract billings also decreased as demands for this service decreased due to the pandemic. The increase in 2021 is primarily due to a one-time rebate payment received from a benefits vendor. The increases in 2022 and 2023 are primarily due to higher interest rates and a higher investment balance. The decrease in 2024 is primarily a reflection of an anticipated decrease in interest rates.

BUDGET MESSAGE: EXPENDITURES

The 2024 Budget evaluates available resources and allocates revenues to a high level of service for general operations of the City and to fund the capital projects outlined in the five-year capital plan based on the City's priorities and guidance of City Council. The objective is to fund services and programs that are the most likely to achieve the strategic plan of the City.

The total expenditures incurred by the City are summarized in the following chart. Additionally, the major expenditure sources are highlighted individually.

TOTAL EXPENDITURES	2022 Actual	2023 Estimated	2024 Adopted
General Government	\$ 5,061,389	\$ 6,402,075	\$ 7,479,389
Municipal Court	\$ 309,076	\$ 354,779	\$ 428,340
Community Development	\$ 1,305,370	\$ 1,880,378	\$ 2,201,049
Police Department	\$ 9,395,394	\$ 10,465,293	\$ 12,165,248
Public Works	\$ 6,876,848	\$ 8,337,805	\$ 10,140,859
Arts and Cultural	\$ 2,935,043	\$ 4,084,059	\$ 4,409,387
Parks and Recreation	\$ 104,592	\$ 103,250	\$ 105,250
Sharebacks	\$ 9,951,471	\$ 10,454,580	\$ 10,023,946
Capital Outlay	\$ 5,585,454	\$ 17,543,410	\$ 17,995,500
Debt Service/Certificates of Participation	\$ 2,854,100	\$ 2,929,100	\$ 4,171,938
Total	\$ 44,378,737	\$ 62,554,729	\$ 69,120,906

FINANCIAL SUMMARIES

BUDGET MESSAGE: GENERAL GOVERNMENT EXPENDITURES

Source: This area of the Budget includes Human Resources, Information Technology, Finance, City Clerk's Office, and the City Manager's Office. The Human Resources Department is responsible for providing services related to recruiting, hiring, and onboarding of new talent, employee training and administration of fringe benefits such as health insurance. The goal of the Information Technology department includes governance of the City's technological systems, maintenance of the infrastructure, and functionality of all systems. The success of Human Resources and Information Technology is measured by how seamlessly and effectively employees are able to provide services to citizens and businesses in the community. The City Clerk's office is responsible for maintaining official City records, conducting City elections, managing liquor licensing, and fulfilling open records requests under the Colorado Open Records Act (CORA). The goal of the City Clerk's Office is to provide exceptional customer service to the citizens and businesses of Lone Tree through timely, accurate, and courteous responses to inquiries and requests. Additionally, the City's Finance department includes sales tax administration and auditing, payroll processing and accounts payable as well as financial statement reporting, budget, and accounting records

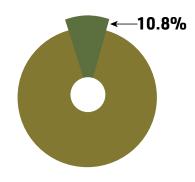
management. The goal of the Finance Department is to keep the City compliant with various state and federal requirements related to having up-to-date, accurate financial information.

The City Manager's Office facilitates the work of the City Council by developing and implementing the details of City Councils' goals and policies. The City Manager provides leadership in all areas of municipal services to the community in accordance with the City Charter and provides strategic vision and priorities of the organization through intergovernmental relationships, community outreach and communications, and economic development. The City Manager's Office staff also serves as liaisons between the City Council and City staff for carrying out service requests and supporting the many activities in which the City Council and the City Manager are engaged.

Other costs reflected under General Government include legal, insurance, and other City programs.

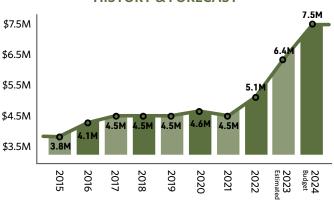
Rationale: 2024 estimates for General Government have been determined based on historical costs, and anticipated cost increases related to salary and benefits, legal and consulting, and insurance.

Total General Government Expenditures: \$7,479,389



2024 Budget Total Expenditures, \$69,120,906

General Government ExpendituresHISTORY & FORECAST



Trends: The increase from 2015 to 2016 mainly includes three new positions in 2016, including the Deputy City Clerk, Capital Improvement Projects Manager, and IT Systems Specialist as well as a citizen survey. The increase in costs from 2016 to 2017 is attributable to multiple factors with the largest ones being increases in salary and benefit costs, specifically for new positions such as the Accounting Manager, Support Specialist, and Communications Manager, improvements to City buildings, consulting costs, budgeting software tool implementation and banking services fees. The decrease in 2019 is due to lower costs in legal fees as the City switched to a different law firm in September 2018, as the previous contract had ended. The increase in 2020 is related to an allocation for COVID-19 related expenses and an increase in consulting fees. The increase in 2022 is due to reinstating employee training and professional development, as well as community support to pre-pandemic levels. In addition, the budget included increases in salary and benefit costs related to merit increases, increases in technology costs related to computer hardware and software upgrades, significant increases in insurance costs, and increases in costs related to citizen communication and economic development activities. The increase in 2023 is mainly due to increases in salary and benefit costs related to new positions, final salary adjustments resulting from the comprehensive compensation study that was completed in 2022, increases in contracted services for legal and consulting, costs related to a grant matching opportunity, and increased economic development activities. The increase in 2024 is primarily due to increases in salary and benefit costs, specifically for a new position in the Communications Division, increases in insurance costs, increases in contracted services for a broadband, fiber, and 5G plan development study, and increased software renewal costs in the information technology department.

BUDGET MESSAGE: COMMUNITY DEVELOPMENT EXPENDITURES

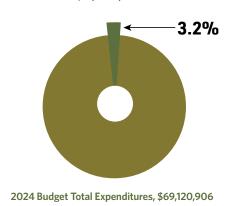
Source: The Community Development Department consists of the Planning Division, the Building Division and the Code Enforcement Division.

The Planning Division administers land-use projects including site improvement plans, subdivision plats, and zoning changes. The Planning Division also provides long-range planning services including the preparation and periodic update of various planning regulations and tools, as well as other services including those related to historic preservation, signage and identification programs, streetscape programs, and community facilities. The Building Division serves the community by administering the City's building codes to ensure all buildings are safe for occupancy. This is accomplished through reviewing building plans, issuing building permits, and conducting inspections. The Code Enforcement Division is responsible for working with our residents, business owners, and property owners to achieve a clean, safe and attractive community through enforcement of the City's zoning and nuisance regulations. This division also issues sign, banner, and temporary use permits.

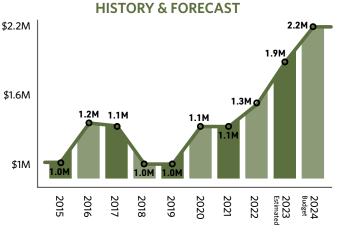
It should also be noted that a majority of these costs are offset by building permit fees as well as licenses, fees, and other charges.

Rationale: The 2024 budget is based on historical trends. In addition, the budget includes funding for the second phase of the comprehensive plan and code update. Historically, the overall expenditures for community development vary year to year, depending on the timing of construction and remodeling projects. The largest costs are for salary and benefits, building inspections, plan review, and electrical inspections. Many of the costs in the Community Development department are offset by revenues received.

Total Community Development Expenditures: \$2,201,049



Community Development Expenditures



Trends: The increase in 2016 is due to contracted personnel costs related to building inspections, personnel changes in the building department, and plan review and electrical inspections. The decrease in 2018 is due to the transitioning of development review engineering costs being reallocated to public works as a result of bringing positions in-house. The increase in 2020 is primarily due to the addition of the Planner I position, as well as increased costs for elevator inspections due to a higher volume of elevators in the City. The increase in 2021 is primarily due to having a Planner I position that was hired in June of 2020 for a full year and an increase in plan review and elevator inspections. The increase in 2022 is due to reinstating a previously frozen position and an increase in contracted services to meet the demands related to the growth east of I-25. The increase in 2023 is due to contracted services for electrical inspections, as well as new positions to continue to provide excellent service levels related to the City's growth, as well as a continued focus on code enforcement efforts. The increase in 2024 is primarily due to cost related to the second phase of the comprehensive plan and code update project.

FINANCIAL SUMMARIES

BUDGET MESSAGE: POLICE DEPARTMENT EXPENDITURES

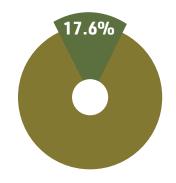
Source: The Police Department is dedicated to protecting, defending, and serving the residents, businesses, and visitors of Lone Tree. A commitment to maintaining a safe community can be seen through the City's community outreach programs and the implementation of local laws backed by the Police Department's commitment to community policing concepts.

The 2024 budget includes payroll and related benefit expenditures for a total of 73 full-time and 1 part-time employee. Additionally, the Police Department includes costs related to office and administration; uniforms; general equipment; vehicles and equipment based on the City's vehicle replacement plan; training, recruitment, and testing; community

outreach, and intergovernmental agreements with the Town of Parker for dispatch services and evidence processing and storage.

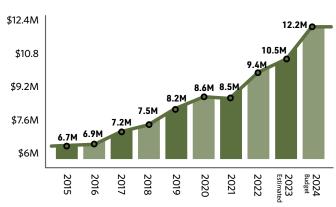
Rationale: The 2024 budget is based on historical trends, intergovernmental agreements with the Town of Parker, and the City's vehicle replacement plan. Historically, the majority of the budgeted increases are due to increases in payroll and related benefit expenditures. Typically, the costs associated with all expenditures outside of payroll and related benefits and the intergovernmental agreements do not increase substantially year to year.

Total Police Department Expenditures: \$12,165,248



2024 Budget Total Expenditures, \$69,120,906

Police Department Expenditures HISTORY & FORECAST



Trends: The increase in 2019 is primarily due to adding three new full-time positions, including a Commander position and two Traffic Enforcement officers. These new positions will continue to contribute to the City's deep, active commitment to public safety with improved command oversight and better enforcement of high accident areas in the City. The increase also includes costs related to the renegotiations with the Town of Parker to continue to provide dispatch, evidence storage, and fleet maintenance to the City. The increase in 2020 includes salary and benefit increases for a new part-time position, Project Assistant, to oversee the off-duty contracts with local businesses, as well as the Police Department pay structure being updated to lower the numbers of levels for police officers, corporals, and sergeants. This change allows the City to remain competitive in the market to increase the retention of officers. In 2020, the Police Department upgraded its body camera and taser equipment to meet the new Senate Bill 217 requirements. The slight decrease in 2021 from 2020 is mainly due to the restructuring of two positions in the Police Department to create two Lieutenant positions with no impact on the overall employee count. This restructuring effort increases the number of night supervisors on the team for better service to the community and to reduce liability related to Senate Bill 217. The increase in salaries and benefits was partially offset by a hiring freeze of two officers which was the result of expense cuts due to impacts on revenues from COVID-19. The increase in 2022 was due to reinstating the previously frozen police officer positions, a new police officer position joining the Douglas County Community Response Team, which offers services for mental health and substance abuse, an increase to the top out level of the pay step structure to keep the Police Department competitive with nearby municipalities, a new records/administrative technician position to comply with filing requirements outlined in Senate Bill 217, deferred vehicle replacements, firearm, and tactical gear replacements, and an upgrade to the Brazos e-ticketing system to comply with Senate Bill 217. The increase in 2023 was primarily due to the addition of three new patrol positions to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, as well as succession planning efforts. Additionally, it is due to salary market adjustments to remain competitive with neighboring communities, an increase in training opportunities, a non-sworn position to meet the unfunded state mandate and increased demands set forth in the "DA Accountability" bill that passed in 2021, cost increases associated with the Town of Parker for dispatch and evidence storage services, as well as vehicle purchases that were ordered in 2022, but due to supply chain issues were not received until 2023. The increased costs in 2024 are mainly associated with salary and benefit increases associated with pay structure increases to remain competitive with neighboring communities. Additionally, a continued focus on public safety continues including new positions in supporting school safety with two additional school resource officers being funded in partnership with the Douglas County School District as well as additional leadership capacity with a new Lieutenant position being added. Finally, the 2024 budget includes vehicle purchases that were ordered in 2023, but due to supply chain issues were not received until 2024.

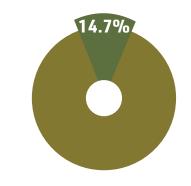
BUDGET MESSAGE: PUBLIC WORKS EXPENDITURES

Source: The Public Works Department is responsible for maintenance and repair of streets, storm drainage, open space, design, bidding, and construction management of the City's capital improvement projects and snow removal services. Public Works also reviews plans and issues permits for all work within City rights-of-way and Cityowned property; maintains and operates the traffic signals within the City; provides facility maintenance for City buildings; coordinates improvements and construction with related entities including Douglas County, Park Meadows Metropolitan District, Southgate Districts, South Metro Fire Department, Colorado Department of Transportation and

responds to citizen requests and concerns and represents the City on technical committees of numerous regional organizations. Additionally, solid waste pickup, as well as recycling, is provided to all single-family residents in the City.

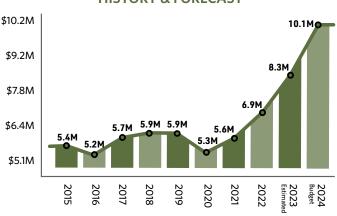
Rationale: The 2024 Budget is based on historical trends for the public works operation, facilities costs, and costs related to surveying and design. In 2019, the facilities division was moved under Public Works, this division was previously under Administrative Services. The history below has been updated to include facilities costs for comparative purposes.

Total Public Works Expenditures: \$10,140,859



2024 Budget Total Expenditures, \$69,120,906

Public Works Expenditures HISTORY & FORECAST



Trends: The increase from 2017 to 2018 was due to higher snow removal costs as 2017 saw a mild winter and significant drainage maintenance work for storm sewer inlets. Additionally, the increase was due to shifting the Development Review Engineer costs from Community Development to Public Works. The increase from 2018 to 2019 was primarily a result of increased snow removal costs, as 2019 had a higher than normal demand for snow removal operations. The decrease from 2019 to 2020 was primarily due to cost-saving measures as a result of COVID-19 impacts on City revenues. This included decreases in facilities costs, as repair and maintenance items were deferred. In addition, cost savings were achieved by a temporary suspension and reduced operation of the Lone Tree Link shuttle service. The increase in 2021 was due to restoring costs for signage and striping, drainage maintenance, and facilities-related costs for repair and maintenance back to historic trends. In addition, the increase included costs related to the Lone Tree Link shuttle service being operational for a full year, but still at reduced capacity. Due to flattening revenue trends even prior to the pandemic, certain maintenance items were reduced in previous years. With the passing of ballot measure 2E, the 2022 budget included priorities to meet the City's maintenance requirements. The increase in 2022 was largely due to traffic signal maintenance costs, snow removal, Lone Tree Link Shuttle, and consulting services. Specifically, the traffic signal maintenance costs returned to pre-pandemic levels, snow removal was due to increased lane miles on RidgeGate Parkway, the Lone Tree Link shuttle service returned to pre-pandemic operational levels, as well as consulting services for on-call engineering design and construction service contracts to meet the demands related to the growth east of I-25, which was offset in increased fee revenue. The increase in 2023 was primarily due to due to increased services for the Lone Tree Link Shuttle, as well as growth-related increases including two new positions, increased cost for snow removal and street maintenance due to additional lane miles, and an increase in contracted engineering and consulting services, which were offset in increased fee revenue. The increase in 2024 is largely due to cost related to an expanded service area for the Lone Tree Link Shuttle, which is fully offset in increased partnership revenue. Additionally, the 2024 budget includes increased costs for street maintenance and snow removal, funding for a Walk and Wheel analysis and a Brick Fence Replacement analysis, as well as a Storm Water Engineer and Capital Projects Inspector position needed due to increasing and aging infrastructure.

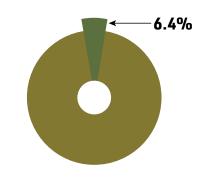
BUDGET MESSAGE: ARTS AND CULTURAL EXPENDITURES

Source: The Lone Tree Arts Center serves as a community resource, providing cultural and entertainment programming to residents of all ages, offering unique and affordable meeting services to local businesses and civic groups, and encouraging community participation by hosting a wide range of local performing arts groups. The Arts Center helps bring wider recognition to the City by drawing audiences and meeting attendees from throughout the seven-county metro Denver region. Additionally, Lone Tree Arts Center staff oversees the City's public art programs as well as implement community-wide events for Lone Tree residents including summer concerts and the Independence Day celebration.

Expenditures for the Lone Tree Arts Center include the administration, programming, marketing, development, annual City events, and arts and cultural events.

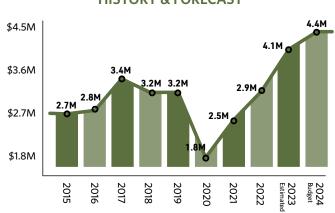
Rationale: The 2024 operating expenditures for the Lone Tree Arts Center are estimated based primarily on the programming schedule, which incorporates performances and events that are anticipated for the year and utilizes historical trends. The primary expenditures are related to programming and marketing costs, as well as payroll and related benefits.

Total Arts and Cultural Expenditures: \$4,409,387



2024 Budget Total Expenditures, \$69,120,906

Arts and Cultural Expenditures HISTORY & FORECAST



Trends: The increase from 2016 to 2017 is due to several popular performances, such as Evita, Art Garfunkel, and Muscle Schoals, which brought in strong ticket sales, which offset costs, but also increased expenditures for each performance. The large decrease in 2020 from 2019 is due to the impacts of the COVID-19 pandemic requiring the Arts Center to close their facility from March through May, as well as restrictions on the number of people at public gatherings. The increase in 2021 from 2020 is due to a gradual recovery from COVID-19 with virtual and creative performances in the first half of the year and more traditional performances in the second half of the year. The increase in 2022 compared to 2021 is primarily due to performances and events returning to pre-pandemic levels, as well as increased salary and benefits that included reinstating the previously frozen Rentals and Event Assistant position and the Assistant Technical Director position. The increase from 2023 compared to 2022 is largely due to costs associated with multiple public art projects throughout the City, as well as increases due to the programming schedule that includes a multi-week theatrical performance, which resulted in higher ticket revenue and corporate sponsorships. The increase in 2024 is primarily related to the programming schedule, which includes two theatrical performances, with an associated increase in ticket sales revenue.

BUDGET MESSAGE: CAPITAL OUTLAY AND SHAREBACK EXPENDITURES

Source: The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. To the extent funds are available and the need is established, the 2024 budget provides for reoccurring capital expenditure costs including street construction and overlay, City-owned building improvements, and traffic signalization improvements. Nonrecurring capital expenditures for 2024 are described below. Many of these nonrecurring projects received significant partnership funds.

Advancing Lincoln Avenue — \$3,660,000

The purpose of the Advancing Lincoln Avenue study is to develop a long-term vision for the I-25 interchange and the portion of the Lincoln Avenue Corridor between Park Meadows Drive and Oswego Street.

C-470 Trail Connection to the County Line RTD Station — \$2,497,000

This project will design and construct a spur connection to the RTD's County Line Light Rail Station and Park Meadows Retail Resort from the high ease-of-use, shared C-470 regional trail, which stretches across Douglas County from the City of Littleton through to Arapahoe County.

Justice Center & Public Works Facility — \$2,000,000

In line with the City's long-range financial plan, the 2024 budget includes capital expenditures related to the design of a new Justice Center (Police and Municipal Court) and enlarged Public Works facility. This multi-year project will involve design work in 2024 with anticipated construction starting in 2025.

CDOT Mobility HUB Contribution — \$2,000,000

The City of Lone Tree is contributing \$1,000,000 of City funds, as well as \$1,000,000 from Douglas County to the Colorado Department of Transportation as they construct a mobility hub that will facilitate regional and state transit services along I-25 by providing direct access to Bustang transit operations. In doing so, this will provide connections to existing RTD light rail and

regional activity centers within the City of Lone Tree. Project elements include a pedestrian overpass, bus docking stations along the outer shoulder of both north and southbound I-25, transit-specific acceleration/deceleration lanes along the shoulders of Interstate 25, pedestrian scale improvements to Sky Ridge Avenue and Trainstation Circle to accommodate people walking, bicycling, and using Link on Demand to access transit services.

High Note Regional Park — \$900,000

This multi-year project will start with designs in 2024 and construction planning to begin in 2025. The High Note Regional Park will be an 80-acre regional park located along Happy Canyon Creek near I-25 and RidgeGate Parkway. It will be the first regional destination park that will offer a diverse range of passive and active recreation opportunities located in the City of Lone Tree.

Fiber Replacements at Lincoln and at Acres Green — \$350,000

This project will develop plans and replace the aging and damaged existing fiber optic communication cable from the Douglas County Traffic Management Center to Havana Street. This critical piece of infrastructure provides real time communication to the traffic signals along Lincoln Avenue from Yosemite Street to Peoria Street and the entire Park Meadows Drive & Boulevard corridors.

Please see the capital expenditures section on page 61 for a summary of capital/fixed assets and their impact to the City's budget.

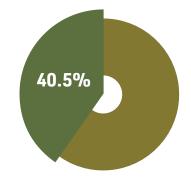
Also included in this section of the budget are amounts for reimbursement of sales taxes to Park Meadows Business Improvement District associated with the annexation of Park Meadows Mall, as well as pursuant to the RidgeGate annexation agreement. These tax sharebacks get reinvested in the area through improvements or used for bond repayment related to public infrastructure improvements.

BUDGET MESSAGE: CAPITAL OUTLAY AND SHAREBACK EXPENDITURES

Rationale: The 2024 budget is based on scheduled capital projects for the year per the City's five-year capital plan. Capital projects were prioritized based on the assets remaining life, the community needs, staff recommendations, and at the guidance of City Council based on meeting the goals of the City's strategic plan. It should also be noted that approximately 35% of the 2024 capital project costs are offset by partnership funding and grant revenues.

The reimbursement of sales taxes to Park Meadows Business Improvement District is calculated based on 50% of the sales tax remitted for retailers at Park Meadows Retail Resort up to the applicable sales tax cap per the annexation agreement. This agreement expires December 31, 2037. Additionally, the sales tax reimbursement to Rampart Range Metro District is calculated based on 15% of the sales tax remitted for retailers within the RidgeGate area of the City. This agreement is tiered where the percentage reimbursed decreases every five years and expires on December 31, 2032.

Total Capital Outlay Expenditures: \$28,019,446



2024 Budget Total Expenditures, \$69,120,906

Capital Outlay Expenditures HISTORY & FORECAST



Trends: Fluctuations from year-to-year are based on the capital project plan for each year. Years 2016 and 2017 are significant due to several large projects, including the Southeast Light Rail Extension and the Lincoln Avenue Pedestrian Bridge. However, a significant portion of each of these projects involves funding from other partners. The decrease from 2017 to 2018 is due to the completion of the Lincoln Avenue Pedestrian Bridge in 2018. The decrease in 2020 from 2019 is due to the COVID-19 pandemic, which resulted in significant expense cuts due to impacts on City revenues. Multiple capital projects were deferred to future years, including overlay, traffic signalization improvements, and RidgeGate concrete crosswalk improvements. 2021 displays a significant decrease from 2020 largely due to the majority of the RidgeGate Parkway Widening project being completed in 2020. Additionally, only high-priority projects were approved for 2021 with continued anticipated impacts on revenues from the COVID-19 pandemic and uncertainties around future stable revenue streams. The increase in 2022 is due to reestablishing costs associated with maintaining infrastructure to pre-pandemic levels, which was possible due to the passing of ballot issue 2E, which increased the sales and use tax rate by one percent for ten years. In addition, the 2022 budget prioritized projects that received partnership funding and grant revenues including, Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange Design), C-470 Trail Connection to the County Line RTD Station, Traffic Signalization, Acres Green Pedestrian & Bike Bridge, and City-Wide Bicycle Safety Study and Improvements. The increase related to sales tax reimbursements is mainly attributable to the one percent sales and use tax rate increase. The increase in 2023 is primarily due to several projects continuing from 2022 into 2023. These include Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange Design), C-470 Trail Connection to the County Line RTD Station, Traffic Signalization, Acres Green Pedestrian & Bike Bridge, and City-Wide Bicycle Safety Study and Improvements. Additionally, new projects in 2023 included the Park Meadows Drive & Acres Green Intersection Rebuild and the RidgeGate Crosswalks project. There is no significant change in overall capital outlay expenditures from 2023 to 2024; however, funding allocations have shifted as certain projects were completed in 2023, with new projects starting in 2024. The 2024 budget includes design of the High Note Regional Park, Justice Center, and Public Works facility, while the Advancing Lincoln Avenue project and the C-470 Trail Connection to the County Line RTD Station project continue from 2023 into 2024.

BUDGET MESSAGE: ADDITIONAL EXPENDITURES

The additional expenditure sources comprise many important functions of the City, but they do not comprise the major expenditures of the City and are therefore summarized below.

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, teen court and court clerks' salaries and benefits, as well as office supplies and software. Municipal Court expenditures are estimated to increase slightly in 2024 due to administrative costs and contracted services for a teen court coordinator.

Parks and Recreation: Parks and Recreation services for the City are provided by the South Suburban Park and Recreation District (SSPRD). The 2024 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. Also included in the budget for 2024 are capital improvements at Cook Creek pool, which are jointly funded by the City and SSPRD.

Debt Service/Certificates of Participation: As of December 1, 2023, the City had no outstanding long-term debt due to the final scheduled bond payments that occurred related to the Series 2008A, 2009, 2017A, and the 2017B Bonds. The City utilizes a pay-as-you go philosophy, so if additional debt issuances were considered, the City would require voter authorization to do so.

Additional details of the City's paid off debt, as well as final debt service schedules are included in the capital and debt section of the budget document.

In 2024, the City anticipates to issue Certificates of Participation to finance the Justice Center, Public Works facility and High Note Regional Park projects. Estimated lease payments and certain associated costs related to the Certificates of Participation are included in the 2024 budget. Certificates of Participation are a form of lease-purchase agreement to finance the construction of new facilities in lieu of issuing bonds or using another form of long-term debt.

Compensation, Benefits and Staffing: Personnel-related expenses account for the largest operating portion of the City's budget; therefore, maintaining this investment is a high priority.

The City of Lone Tree's objective is to compensate employees for their performance and contribution to the City's goals. The City considers a number of factors in compensation, including overall organizational effectiveness and the need to attract and retain qualified, talented employees. The City recognizes that employees are critical to the success of the City and must attract and retain competent, professional, and results-oriented staff.

Therefore, the City's total compensation package of pay and benefits, within our ability to pay, is competitive with the market of other governmental and private employers in the Denver/Boulder area. The City supports skill development, increased knowledge, flexibility, customer service, communication, teamwork, and job results. The City rewards employees who meet the above performance objectives to help achieve the mission and adhere to the City's stated values.





FINANCIAL SUMMARIES

BUDGET MESSAGE: ADDITIONAL EXPENDITURES

Reserve Funds: The City has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2024, defined under TABOR, was well as an emergency disaster management reserve pursuant to an intergovernmental agreement with Douglas County estimated at .02% of the City's assessed value. With the final debt payment on the City's outstanding bonds and the close out of the related debt service funds, the remaining fund balances were transferred to the General Fund at the end of fiscal year 2023 and are reserved for future capital projects related to Park and Recreation and Arts and Cultural. 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. Funds received in litigation from the brick fence repairs as well as contributions from the City and other partners for the replacement program are also categorized as reserved.

In addition to the funds reserved by the City pursuant to laws or other contractual obligations outlined above, the City has designated 27% of its operating costs as a working reserve to account for unanticipated revenue shortfalls, and 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 and new capital projects. In addition, an operational reserve was established in 2023 for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E.

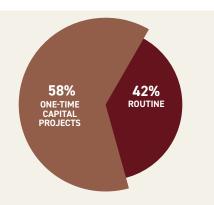


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CAPITAL AND
DEBT & LEASES

CAPITAL EXPENDITURES



One-Time Capital Proj	Routine		
Traffic Improvements	-	Vehicles	\$688K
Transportation	\$6.2M	Technology	\$55K
Roads (non-overlay)	-	Storm Sewer	\$500K
Buildings	\$2M	Buildings	\$898K
Other	\$1.3M	Roads (non-overlay)	\$600K
Total One-Time		Street Overlay	\$2.8M
Capital Projects	\$9.4M	Other	\$1.2M
		Total Routine	\$6.7M
Total Capital		\$16,	143,964

vestments for 2024 that qualify to be capitalized and are therefore depreciated using the

This section of the budget highlights the City's capital investments for 2024 that qualify to be capitalized and are therefore depreciated using the straight-line method over the assets' useful life. These amounts differ from the capital outlay described on page 56-57, as the main budget document includes capital spending for various areas based on functionality. Additionally, tax shareback amounts are included under capital outlay, which would not be a depreciable asset. The capital/fixed asset section above focuses on showing all capital expenditures comprehensively, regardless of departmental function.

CAPITAL EXPENDITURES

The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. The 2024 budget contains \$16,143,964 million in total capital expenditures. As displayed in the graph, (\$6,736,964 or 42%) are projects that are routine capital improvements. The remainder (\$9,407,000 or 58%) are one-time capital expenditures.

The funding source for capital projects, routine and onetime, are primarily from the general fund to the extent allowed based on projected revenues exceeding operating expenditures. In the event that revenues are not enough to cover capital projects contained within the capital replacement plan, the City maintains a capital reserve account to help offset the costs of capital replacement and project needs. The funds in the capital reserve can only be used by the City for capital projects and at no time shall the accumulated capital reserves be used for City operational costs. Additionally, the City frequently partners with other organizations to fund capital projects, including the Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange Design), the C-470 Trail connection to the County Line Regional Transportation District (RTD) station, and High Note Regional Park. Without these critical partnerships, the City would be limited on capital funding each year.

Additionally, the City receives sharebacks from Douglas County that can only be used for transportation and street/road improvements. The City also receives funds from the State of Colorado from lottery proceeds that can only be used for park and recreational improvements.

The capital expenditures generally have a positive impact on the operating budget by helping to minimize unforeseen maintenance and repair costs associated with the City's infrastructure. The City takes a proactive and forward-thinking approach that addresses the City's needs through strategic investments. Additionally, the City's commitment to maintaining a capital reserve helps to minimize any negative impacts on the operating budget.

One-time capital projects and routine projects can be further broken down into expenditure categories. The table shows the expenditure categories by type of project. The paragraphs below describe the categories by providing additional detail on the types of projects that make up each category. Additionally, summary sheets begin on page 68 describing each of the significant nonrecurring capital projects that are included in the 2024 budget.

ONE-TIME CAPITAL PROJECTS

Traffic Improvements

The Public Works Department is responsible for the management of many capital projects in the City, including traffic improvements. Traffic improvements are primarily comprised of multiple intersection improvements to improve the flow of traffic. The 2024 budget includes projects that will ultimately assist with traffic improvement but have been categorized in the transportation section below.

Transportation

The City's continued investment to improve the transportation network throughout the City has been highlighted in previous years with the construction of multiple large projects. The 2024 budget includes the Advancing Lincoln Avenue study and the C-470 trail connection to the County Line RTD Station. These large-scale projects include partnership funding and funds contributed by the City.

Roads (non-overlay)

The Public Works Department is responsible for the management of all the capital projects related to street/road improvements in the City. The 2024 budget does not include funding for such improvements but has allocated funding to overlay and concrete panel replacements.

Buildings

The 2024 budget includes capital expenditures related to the design of a new Justice Center (Police and Municipal Court) and enlarged Public Works facility. This multi-year project will involve design work in 2024 with anticipated construction starting in 2025.

Other

In 2024, the City will develop plans and replace the aging and damaged existing fiber optic communication cable from the Douglas County Traffic Management Center to Havana Street. This critical piece of infrastructure provides real time communication to the traffic signals along Lincoln Avenue from Yosemite to Peoria and the entire Park Meadows Drive and Boulevard corridors. Additionally, in 2024, the City will commence a multi-year project to construct High Note Regional Park, an 80-acre regional park located along Happy Canyon Creek near I-25 and RidgeGate Parkway. Design work will begin in 2024 with construction to begin in 2025.

ROUTINE CAPITAL PROJECTS

Vehicles

The City's Police Department has a five-year replacement schedule for the police vehicles and emergency equipment installed within each vehicle. Those costs are included in the police department operating budget, but they are capitalized at year-end. In addition, the 2024 budget includes one vehicle for Community Development, as well as two vehicles for the Public Works department.

Technology

The City's Information Technology Department conducts annual analyses to determine what hardware and software programs need to be purchased to ensure that the City is able to stay functioning efficiently. The 2024 budget includes a new record system for the Code Enforcement division, as well as security camera upgrades. The 2024 budget also accounts for subscription-based services for software, which are not depreciable, so those costs are not included in this section.

Storm Sewer

The Public Works Department is responsible for maintaining and replacing storm sewer lines that are distressed. The City utilizes a proactive approach to try and detect issues before they arise by video inspecting all steel storm sewer lines in the City and formulating a replacement schedule when needed. The 2024 budget includes general storm sewer improvements throughout the City as needed.

Buildings

The City currently owns six facilities, which include the Municipal Office Building, Civic Center, the Lone Tree Arts Center, The Hub, and a Public Works facility. The City is committed to investing each year in these facilities to ensure that visual quality is maintained, while also providing modern facilities that are operating efficiently and functionally for the needs of the City.

The 2024 budget incorporates improvements at the Municipal Office Building for office space improvements, carpet replacement, painting, window seals and upgrades to the current panic system.

The 2024 budget incorporates improvements at the Civic Center for a remodel that will span over multiple years which will include a redesign of the Council chamber and an update to the main level of the facility to include increased seating, redesign of AV equipment, a new reception/security desk in the lobby and controlled access to the lower level. Security and ADA upgrades are also included.

The 2024 budget also includes improvements at the Lone Tree Arts Center, which include concrete replacement, lobby furniture replacement, parking lot reconstruction, and upgrades to seating in the lobby and event hall.

The 2024 budget also includes a drainage improvement project at The Hub.

Roads (non-overlay)

The Public Works Department is responsible for the management of all of the capital projects related to street/road improvements in the City. The 2024 budget includes concrete panel replacements along Lincoln Avenue east of I-25 to maintain acceptable pavement conditions.

Street Overlay

The Public Works Department is responsible for the management of all of the capital projects related to street/ road improvements in the City. Overlay occurs on a routine or reoccurring basis each year and is included in the 2024 budget as a result of the City's commitment to keeping the City's infrastructure system in good condition. Overlay is able to extend the useful life of the street and delay having to completely replace the existing street. While there are many streets that may need improvements each year, the City cannot perform major improvements on every road in one year due to the significant costs, so the City prioritizes streets that need improvements based on their structural quality and according to the remaining life of the street. A pavement assessment was completed during 2023 to help the City prioritize the roads that are most in need of repair. In 2024, several streets are scheduled to be repaved. The details of which streets are included are outlined on page 68.

Other

The City has recurring capital projects that have varying focuses. The 2024 budget includes construction of a traffic signal at the intersection of Acres Green Drive and County Line Road, which was moved from 2023 to 2024.

FIVE YEAR CAPITAL PLAN

To optimize new infrastructure investments as well as plan for annual capital maintenance demands, the City has developed a multi-year, needs-based capital plan. This planning document is updated annually to reflect current conditions and the financial position of the City. By reviewing the capital plan annually, the City can accommodate new projects, revisit ongoing projects, evaluate economic development opportunities and then develop a financial road map for the future. With lots of demands and competing needs, projects are prioritized based on leveraging funding partnerships and grants as well as the useful life of the assets. The five-year capital plan summarized on the next pages will be funded through government partnerships, grants, operating revenues from the general fund, certificates of participation, as well as the City's capital reserve.





CAPITAL AND DEBT & LEASES

FIVE YEAR CAPITAL PLAN

Projects
Facilities
Civic Center Improvements -
Council Chamber Design & Improvements
Civic Center Improvements - Elevator Modernization
Civic Center Improvements - Exterior Signage Replacement
Civic Center Improvements - HVAC Unit Replacement
Civic Center Improvements - Parking Lot Improvements
Civic Center Improvements - Roof Replacement
LTAC Improvements - Arts Center Carpet Replacement Entire Facility
LTAC Improvements - Concrete Replacement
LTAC Improvements - Event Hall Floor Replacement
LTAC Improvements - Flat Roof Replacement
LTAC Improvements -
HVAC - Fan & Pump Motors, Seals, Controllers
LTAC Improvements - Lobby Furniture Replacement
LTAC Improvements - Parking Lot Reconstruction
LTAC Improvements - Seating Lobby & Event Hall
LTAC Improvements - Solar Design
LTAC Improvements - Window Coverings
Municipal Office Building - Carpet Replacement
Municipal Office Building - City Fleet EV Charger Municipal Office Building - Elevator Modernization
Municipal Office Building - Generator Overhaul
Municipal Office Building -
Glass, Glazing, Building Envelope
Municipal Office Building - Hard Flooring
Municipal Office Building - HVAC
Municipal Office Building - Landscape Replenishment
Municipal Office Building - Man Lift
Municipal Office Building - Office & Conference Room Furniture
Municipal Office Building - Painting Interior, Exterior, Touch Up
Municipal Office Building - Panic System
Municipal Office Building - Concrete Replacement
Municipal Office Building - Seating - Guest and Break Area
Municipal Office Building - Parking Lot Improvements
Municipal Office Building - Renovation/Expansion
Municipal Office Building - Solar Designs
Municipal Office Building - Window Coverings
Municipal Office Building - Window Seals

350,000	-	30,000	-	-	380,000
-	-	-	-	100,000	100,000
-	20,000	-	-	-	20,000
-	-	50,000	-	-	50,000
-	10,000	-	50,000	-	60,000
-	-	70,000	-	-	70,000
-	50,000	-	-	-	50,000
40,000	-	30,000	-	30,000	100,000
-	-	50,000	-	-	50,000
-	-	-	150,000	-	150,000
-	15,000	-	15,000	-	30,000
25,000	-	-		-	25,000
200,000	-	-	40,000	-	240,000
20,000	-	-	-	-	20,000
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-	-	20,000	-	-	20,000
-	25,000	-	-	25,000	50,000
75,000	-	250,000	-	-	325,000
-	15,000	-	-	-	15,000
-	25,000	-	-	-	25,000
25,000	25,000	-	-	-	50,000

Projects (cont.)	2024	2025	2026	2027	2028	TOTAL
Municipal Office Building - Remodel	-	-	1,000,000	-	-	1,000,000
Justice Center & Public Works Facility	2,000,000	23,500,000	23,500,000	-	ı	49,000,000
The Hub - Capital Improvements	20,000	15,000	-	50,000	-	85,000
Other Facilities Improvements	-	150,000	200,000	250,000	500,000	1,100,000
TOTAL	\$2,860,000	\$24,020,000	\$25,295,000	\$675,000	\$715,000	\$53,565,000

TOTAL	\$14,843,000	\$13,850,000	\$10,530,000	\$10,850,000	\$11,020,000	\$61,093,000
Willow Creek Stream Stabilization between Park Meadows Drive and C-470	-	3,500,000	-	-	-	3,500,000
Vehicles - Public Works	90,000	150,000	35,000	100,000	70,000	445,000
Lincoln Fiber Replacement & New Fiber Acres Green	350,000	-	-	-	-	350,000
Storm Sewer Improvements	500,000	250,000	250,000	300,000	300,000	1,600,000
RidgeGate Crosswalks Upgrades	-	-	400,000	-	-	400,000
Ridgegate Parkway Bikeway Connection - Havana - Park Meadows Blvd	-	250,000	2,000,000	-	-	2,250,000
Mill & Overlay Program	2,800,000	3,000,000	3,100,000	3,200,000	3,300,000	15,400,000
Master Transportation Plan Implementation	-	200,000	200,000	200,000	250,000	850,000
Master Transportation Plan Design	-	-	-	75,000	-	75,000
Advancing Lincoln Avenue - Final Design	3,660,000	2,000,000	-	-	-	5,660,000
Advancing Lincoln Avenue Construction - City Contribution	-	-	2,000,000	4,000,000	4,000,000	10,000,000
Emergency Repairs	500.000	500,000	500.000	500.000	500.000	2,500,000
Congestion Relief - Right Turn onto Yosemite from Car Toys	-	350,000	-	-	-	350,000
Concrete Panel Replacement	600,000	700,000	700,000	700,000	700,000	3,400,000
Walk and Wheel Part 2 Active Transportation Plan	100,000	-	-	-	-	100,000
City-wide Pedestrian Safety Study & Improvements	-	50,000	75,000	-	-	125,000
City-wide Pavement Assessment	-	-	70,000	-	-	70,000
City-wide Bicycle Safety Study & Improvements	-	50,000	50,000	75,000	-	175,000
CDOT Mobility Hub	2,000,000	-	-	-	-	2,000,000
C-470 Trail Connection to County Line RTD Station	2,497,000	-	-	-	-	2,497,000
Bridge Capital Maintenance	-	150,000	-	200,000	-	350,000
Brick Fence Reserve Contribution	750,000	750,000		-		1,500,000
Adaptive Traffic Signals	300,000	400,000	400,000	-	400,000	1,200,000
Willow/County Line Ethernet Switch - 56 Signals	300.000	750,000	-	-	-	750,000 300,000
Upgrade of Fiber Network - Install	-	750,000	-	750,000	750,000	1,500,000
Upgrade of Fiber Network - Study	-	100,000	-	-	750,000	100,000
Parkway/County Line	-	700,000	-	-	-	700,000
Newly Warranted Signals	-	-	750,000	750,000	750,000	2,250,000
Acres Green/County Line	696,000	-	-	-	-	696,000

CAPITAL AND DEBT & LEASES

FIVE YEAR CAPITAL PLAN

Projects (cont.)	2024	2025	2026	2027	2028	TOTAL
Police Department						
Cell Phone Forensics Software/Equipment	-	25,000	-	-	-	25,000
License Plate Reader Equipment	-	23,000	-	-	-	23,000
Flock Camera System	-	80,000	80,000	-	-	160,000
Live Scan Replacement (Fingerprint Equipment)	-	15,000	-	-	17,000	32,000
Motorized Parks / Open Space Bicycle Program	-	-	25,000	-	-	25,000
Tru-narc System Replacement	-	-	25,000	-	-	25,000
Rapid Deployment Drone	-	120,000	-	-	-	120,000
Other Capital Upgrades/Replacements	-	-	80,000	300,000	200,000	580,000
TOTAL	\$-	\$263,000	\$210,000	\$300,000	\$217,000	\$990,000
Parks and Recreation						
Joint Projects with South Suburban	50,000	125,000	125,000	125,000	125,000	550,000
High Note Regional Park	900,000	8,000,000	7,400,000	-	-	16,300,000
Reuter Hess	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL	\$1,050,000	\$8,225,000	\$7,625,000	\$225,000	\$225,000	\$17,350,000
Community Development						
Community Department Vehicles	70,000	35,000	-	35,000	-	140,000
Code Enforcement Record System	5,000	-	-	-	-	5,000
Integrated Plan Review Software (CDD and PW)	-	45,000	-	-	-	45,000
Comprehensive Plan and Code Update	372,000	-	-	-	-	372,000
TOTAL	\$447,000	\$80,000	\$-	\$35,000	\$-	\$562,000
Information Technology						
IT Storage Infrastructure	-	60,000	-	-	-	60,000
LTMB AV Replacements (TV's, cameras, audio, etc.)	-	-	-	50,000	-	50,000
Security Upgrades (Card readers, Cameras, Storage, Lock Down Mechanism)	-	-	50,000	-	-	50,000
Aging Hardware Replacement (Servers for Hosting VM's)	-	60,000	-	-	-	60,000
Camera Upgrades	50,000	-	-	-	-	50,000
Other IT Capital Upgrades/Replacements	-	-	50,000	50,000	100,000	200,000
TOTAL	\$50,000	\$120,000	\$100,000	\$100,000	\$100,000	\$470,000
Lone Tree Arts Center						
Additional Moving Lights	-	-	80,000	-	-	80,000
Bar Coolers	-	-	5,000	-	-	5,000
Black Soft Goods (Curtains that Frame Sides and Back of Stage)	-	-	-	-	50,000	50,000
Event Hall LED/Moving Lights	-	75,000	-	-	-	75,000
Event Hall Light Board Replacement	-	-	-	-	50,000	50,000
Ice Machines	-	-	7,500	-	-	7,500
Lighting System - Mainstage Light Board Replacement	_	_	50,000	_	_	50,000
			30,000			30,000

Projects (cont.)	2024	2025	2026	2027	2028	TOTAL						
Lone Tree Arts Center												
Event Hall Revitalization	20,000	-	-	-	-	20,000						
Main Theatre Projector	-	-	•	75,000	-	75,000						
Reupholster Main Stage Seats	-	75,000	-	-	-	75,000						
Terrace Theatre Chairs	-	8,000	-	-	-	8,000						
Upgrade LTAC Website	-	-	-	75,000	-	75,000						
Wireless Microphone Replacements	-	-	-	15,000	-	15,000						
Workspace/Office Renovations	-	-	-	-	25,000	25,000						
ALS Amp Replacement	7,500	-	-	-	-	7,500						
Audio Monitor Console	10,000	-	-	-	-	10,000						
Other Capital Upgrades/Replacements	-	-	,	50,000	110,000	160,000						
TOTAL	\$37,500	\$208,000	\$142,500	\$215,000	\$235,000	\$838,000						
TOTAL PROJECTED EXPENDITURE	\$19,287,500	\$46,766,000	\$43,902,500	\$12,400,000	\$12,512,000	\$134,868,000						

Funds from other entities/ from restricted funds	2024	2025	2026	2027	2028	TOTAL
Acres Green/County Line Traffic Signal - CDOT	486,500	-	-	-	-	486,500
Arts and Cultural Facilities Capital Reserve Funds	257,500	198,000	210,000	330,000	265,000	1,260,500
C-470 Trail Connection to RTD Station - DRCOG	1,600,000	-	-	-	-	1,600,000
C-470 Trail Connection to RTD Station - SPIMD	400,000	-	-	-	-	400,000
C-470 Trail Connection to RTD Station - DC (Reserve)	300,000	-	-	-	-	300,000
Advancing Lincoln Avenue Final Design - DRCOG	1,200,000	300,000	-	-	-	1,500,000
Advancing Lincoln Avenue Final Design - DC	800,000	450,000	-	-	-	1,250,000
Advancing Lincoln Avenue Final Design - SPIMD	-	500,000	-	-	-	500,000
Park & Recreation Improvement Capital Reserve Funds	50,000	980,810	980,810	-	-	2,011,620
Regional Park - Douglas County	300,000	-	-	-	-	300,000
Regional Park - SSPRD	300,000	4,000,000	3,700,000	-	-	8,000,000
Regional Park - Conservation Trust Fund / Park Fee In Lieu of Land	-	-	38,380	-	-	38,380
Certificates of Participation - Regional Park	300,000	3,019,190	2,680,810	-	-	6,000,000
Certificates of Participation - Facilities	2,000,000	23,500,000	24,500,000	-	-	50,000,000
Reuter Hess from S. Suburban	72,000	72,000	72,000	72,000	72,000	360,000
Anticipated Grants for Traffic Signals	-	-	-	450,000	450,000	900,000
Willow Creek Stream Stabilization between Park Meadows Drive and C-470 - Developer & Mile High Flood District	-	3,000,000	-	-	-	3,000,000
CDOT Mobility Hub - DC	1,000,000	-	-	-	-	1,000,000
Drainage Improvement at The Hub - S. Suburban	10,000	-	-	-	-	10,000
Walk and Wheel Part 2 Active Transportation Plan - S. Suburban	50,000	-	-	-	-	50,000
TOTAL OTHER FUNDS	\$9,066,000	\$36,020,000	\$32,182,000	\$852,000	\$787,000	\$78,967,000
TOTAL PROJECTED CITY COMMITMENT	\$10,221,500	\$10,746,000	\$11,720,500	\$11,548,000	\$11,725,000	\$55,901,000
CAPITAL RESERVE	\$13,501,750	\$13,563,625	\$12,590,375	\$11,531,000	\$11,446,250	

2024 ASPHALT OVERLAY PROGRAM

Category	Street Overlay	Project Sponsor	City of Lone Tree
Project Name	2024 Concrete Replacement /Asphalt Overlay	Project Management	City of Lone Tree Public Works
Location(s)	Various	Total Project Cost	\$2,800,000
Estimated Start Date	04/01/24	2024 Estimated Cost	\$2,800,000
Estimated End Date	11/01/24	City of Lone Tree Cost	\$2,800,000

PROJECT DESCRIPTION

This project supports the annual roto-mill, overlay, and concrete repair contracts for the City of Lone Tree. Each year roadways are selected based on a roadway condition study with a focus on addressing the lowest-rated streets within the City.

PROJECT LOCATION

2024 Concrete and Overlay						
Parkway Drive	Indian Wells Drive					
La Quinta Drive	Indian Wells Way					
La Quinta Lane	Indian Wells Ct					
La Quinta CV	Indian Wells CV					
La Quinta CT	Indian Wells Lane					
La Quinta Bay	Indian Wells Place					
La Quinta PL	Ptarmigan Trail					
La Quinta Wy	Lincoln Avenue					
First Street						

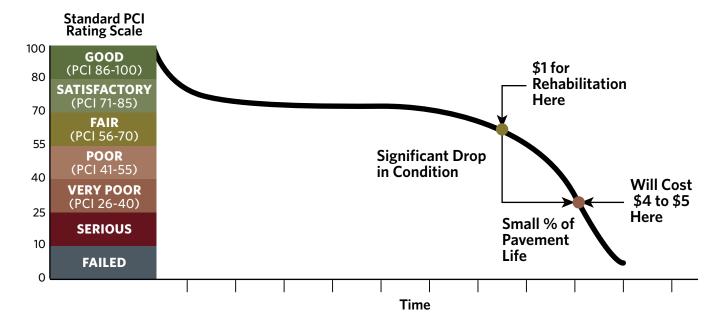
^{*} Final locations subject to bids received and budget availability.

FINANCIAL SUMMARY	Prior Years	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL				
EXPENDITURES											
Planning/Design											
Construction		\$ 2,800,000					\$ 2,800,000				
TOTAL		\$ 2,800,000					\$ 2,800,000				
		FUNDING S	OURCES								
2022 Rollover		\$ 200,000					\$ 200,000				
City of Lone Tree		\$ 2,600,000					\$ 2,600,000				
TOTAL		\$ 2,800,000					\$ 2,800,000				

BENEFITS

The 2023 City Wide Transportation Analysis performed in May 2023 prioritized the streets in accordance with a pavement condition index (PCI). The 2024 Overlay program will complete the work prioritized with this 2023 study as we prepare for a new assessment in 2026.

When pavement conditions indexes get below 56, into the poor condition category, the rate of deterioration increases thus making the timeframe between fair and failing short. The cost of replacing failed pavement, as compared to milling and overlaying pavement, in fair condition or better, is approximately 4 times more expensive.



ADVANCING LINCOLN AVENUE

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	Advancing Lincoln Avenue	Project Management	City of Lone Tree Public Works
Location(s)	Lincoln Avenue from Oswego to Park Meadows Drive	Total Project Cost	\$8,000,000
Estimated Start Date	06/01/2021	2024 Estimated Cost	\$3,660,000
Estimated End Date	12/31/2025	City of Lone Tree Cost	\$1,500,000

PROJECT DESCRIPTION

The purpose of the Advancing Lincoln Avenue study is to develop a long-term vision for the I-25 interchange and the portion of the Lincoln Avenue Corridor between Park Meadows Drive and Oswego Street. The results of this study will be used to clearly identify the long-term safety and mobility needs for this segment of Lincoln Avenue, which will include improvements at the I-25 interchange, the nearby local intersections, and incorporates other improvements that enhance multi-modal opportunities, identifies environmental impacts and proposes appropriate mitigation that will address both the regional and local community needs.

PROJECT LOCATION

This project focuses on Lincoln Avenue, from Park Meadows Drive to Oswego Street, including the I-25 interchange.

FINANCIAL SUMMARY	Prior Years	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL				
EXPENDITURES											
Planning/Design	\$ 2,340,000	\$ 3,660,000	\$ 2,000,000				\$ 8,000,000				
Construction											
TOTAL	\$ 2,340,000	\$ 3,660,000	\$ 2,000,000				\$ 8,000,000				
		FUNDIN	G SOURCES								
DRCOG TIP Funding	\$ 1,500,000	\$ 1,200,000	\$ 300,000				\$ 3,000,000				
Douglas County	\$ 1,250,000	\$ 800,000	\$ 450,000				\$ 2,500,000				
SPIMD	\$ 500,000		\$ 500,000				\$1,000,000				
City of Lone Tree		\$ 750,000	\$ 750,000				\$1,500,000				
Total	\$ 3,250,000	\$ 2,750,000	\$ 2,000,000				\$ 8,000,000				

BENEFITS

The objective of this project is to finalize a preferred design alternative that will improve safety, reduce congestion, improve operations at the I-25 interchange and on Lincoln Avenue for all modes of transportation; and in order to implement a variety of multi-modal solutions it will require incorporating meaningful bicycle, pedestrian and transit elements to achieve this objective. In addition to congestion, currently, there is poor connectivity for bicyclists and pedestrians along this segment of Lincoln Avenue and there is limited access for these modes of transportation between the communities of Parker, Lone Tree, Highlands Ranch, and the Meridian Business Park

and proposed RidgeGate development that is located east of I-25 and south of Lincoln Avenue. The local agencies anticipate the need for rebuilding the I-25 interchange and a segment of Lincoln Avenue, and it is paramount that we integrate as many critical travel demand management (TDM) components as possible that will have a good return on our investment both initially as well as in the future and ensuring that the preferred alternative will readily accommodate future TDM elements. In 2024 the preferred alternative will be finalized and the NEPA process will be completed.

CAPITAL AND DEBT & LEASES

C-470 TRAIL CONNECTION TO COUNTY LINE RTD STATION

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	C-470 Trail Connection to County Line RTD Station	Project Management	City of Lone Tree Public Works
Location(s)	Acres Green Drive and Parkway Drive	Total Project Cost	\$2,500,000
Estimated Start Date	02/15/24	2024 Estimated Cost	\$2,497,000
Estimated End Date	11/15/24	City of Lone Tree Cost	\$300,000

PROJECT DESCRIPTION

This multi-year project will design and construct a spur connection to the RTD's County Line Light Rail Station and Park Meadows Shopping Resort from the high ease-of-use, shared C-470 regional trail, which stretches across Douglas County from the City of Littleton through to Arapahoe County. The project includes secure bicycle parking adjacent to the light rail station with video surveillance provided by the Lone Tree Police Department.

PROJECT LOCATION

This bikeway project connects the C-470 trail, adjacent to the northwest corner of the C-470/I-25 interchange, to the County Line RTD station, adjacent to the I-25 highway corridor. The total project distance is 1,730 feet.

FINANCIAL SUMMARY	Prior Years	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL
			EXPENDITURES	5			
Planning/Design	\$ 3,000	\$ 297,000					\$ 300,000
Construction		\$ 2,200,000					\$ 2,200,000
TOTAL	\$ 3,000	\$ 2,497,000					\$ 2,500,000
		1	FUNDING SOURC	ES			
DRCOG Safer Streets Program		\$ 1,600,000					\$ 1,600,000
SPIMD		\$ 400,000					\$ 400,000
Park Meadows Metro District	\$ 200,000						\$ 200,000
City of Lone Tree		\$ 300,000					\$ 300,000
TOTAL	\$ 200,000	\$ 2,300,000					\$ 2,500,000

BENEFITS

The C-470 trail connector to the County Line RTD light rail station provides access to regional transit from the C-470 trail, providing a new grade-separated bikeway link between Highlands Ranch, Centennial, Lone Tree, Meridian Business Park, and Douglas County, and RTD's County Line Rail Station. This project improves bicycle safety by incorporating a transit connection that avoids roadways identified on the high injury network. In addition, this bikeway provides a new connection to the Park Meadows Retail Resort, a regional shopping center, and employer. This bikeway project will include secure bicycle parking that will include video surveillance that will be monitored by the Lone Tree Police Department.

Douglas County bicyclists currently do not have a safe connection to the RTD Park Meadows light rail station. This project will complete a high-ease-of-use bikeway connection to regional transit and regional retail and employment while avoiding the high-injury roadways, such as the Yosemite Corridor, the C-470 and I-25 interchange, and County Line Road. An existing traffic signal at the intersection of Park Meadows Center Drive will be enhanced with new crosswalks, ADA ramps, and signal actuation, to accommodate the grade-separated bikeway connection. The trail will extend along Park Meadows Center Drive to the RTD light rail station, remaining grade-separated to avoid conflicts within the parking lot of the Park Meadows shopping resort.

2024 CONCRETE PANEL REPLACEMENT

Category	Roads	Project Sponsor	City of Lone Tree
Project Name	Concrete Panel Replacement	Project Management	City of Lone Tree Public Works
Location(s)	Various	Total Project Cost	\$600,000
Estimated Start Date	06/01/24	2024 Estimated Cost	\$600,000
Estimated End Date	11/30/24	City of Lone Tree Cost	\$600,000

PROJECT DESCRIPTION

This project will allow for the removal and replacement of defective and damaged concrete roadway panels within the City of Lone Tree.

PROJECT LOCATIONS

This project will address the lowest rated concrete panels within the City.

FINANCIAL SUMMARY	Prior Years	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL
			EXPENDIT	URES			
Planning/Design		\$ 15,000					\$ 15,000
Construction		\$ 585,000					\$ 585,000
TOTAL		\$ 600,000					\$ 600,000
			FUNDING SC	URCES			
City of Lone Tree		\$ 600,000					\$ 600,000
TOTAL		\$ 600,000					\$ 600,000

BENEFITS

For several years the City of Lone Tree was able to contract the removal and replacement of concrete panels throughout the City to enhance safety, rideability, and improve the roadway conditions within the City. In the past, this program was paused and many panels throughout the City have experienced accelerated degradation in that time. This project allows the City to address the deferred maintenance needs on our concrete roadway segments.



2024 TRAFFIC SIGNALIZATION

Category	Traffic Signals	Project Sponsor	City of Lone Tree
Project Name	Acres Green Drive & County Line Traffic Signalization	Project Management	City of Lone Tree Public Works
Location(s)	Acres Green Drive & County Line Road	Total Project Cost	\$696,000
Estimated Start Date	05/01/24	2024 Estimated Cost	\$696,000
Estimated End Date	11/30/24	City of Lone Tree Cost	\$209,500

PROJECT DESCRIPTION

This CDOT HSSIP funded project will support the City of Lone Tree in upgrading an existing span wire traffic signal at the intersection of Acres Green and County Line Road. This project will upgrade all traffic signal components to current standards, improve pedestrian crossings, enhance safety, and update the striping and crosswalks.

PROJECT LOCATIONS

This project is located at the intersection of Acres Green Drive and County Line Road.

FINANCIAL SUMMARY	Prior Years	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL
			EXPENDITU	RES			
Planning/Design							
Construction		\$ 696,000					\$ 696,000
TOTAL							
			FUNDING SOL	JRCES			
CDOT - HSSIP Funds		\$ 486,500					\$ 486,500
City of Lone Tree		\$ 209,500					\$ 209,500
TOTAL		\$ \$696,000					\$ 696,000

BENEFITS

This project will install and provide numerous safety enhancements for drivers, pedestrians, and bikes on this intersection. This upgraded traffic signal will also reduce the number of maintenance calls at this span wire traffic signal that is well beyond its replacement life cycle. The pedestrian curb ramps will be updated to current standards with this project.



CAPITAL AND DEBT & LEASES

JUSTICE CENTER AND PUBLIC WORKS FACILITIES

Category	Buildings	Project Sponsor	City of Lone Tree
Project Name	Justice Center and Public Works Facilitys	Project Management	City of Lone Tree Public Works
Location(s)	*See Below	Total Project Cost	\$49,000,000
Estimated Start Date	01/01/2024	2024 Estimated Cost	\$2,000,000
Estimated End Date	12/31/2026	City of Lone Tree Cost	\$49,000,000

PROJECT DESCRIPTION

In line with the City's long-range financial plan, the 2024 budget includes capital expenditures related to the design of a new Justice Center (Police and Municipal Court) and enlarged Public Works facility. This multi-year project will involve design work in 2024 with anticipated construction starting in 2025.

PROJECT LOCATIONS

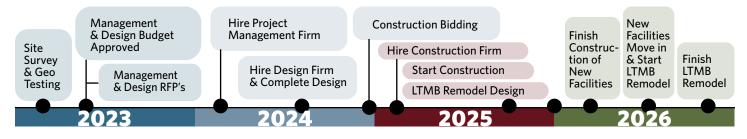
The Justice Center will be located east of S. Peoria Street and north of RidgeGate Parkway. The Public Works facility will be an expansion of the current public works maintenance facility located on the corner of First and Lincoln Avenue.

FINANCIAL SUMMARY	Prior Years	2024 Forecast		2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL
				EXPENDITURES	5			
Planning/Design		\$ 2,000,000	\$	2,000,000	\$ 600,000			\$ 4,600,000
Construction			\$	21,500,000	\$ 22,900,000			\$44,400,000
TOTAL		\$ 2,000,000	\$	23,500,000	\$23,500,000			\$49,000,000
			F	FUNDING SOURC	ES			
City of Lone Tree		\$ 2,000,000	\$	23,500,000	\$ 23,500,000			\$49,000,000
TOTAL		\$ 2,000,000	\$	23,500,000	\$23,500,000			\$49,000,000

BENEFITS

The City's current Municipal Building and Public Works Maintenance Facility have served the community well since 2007 and 2004 respectively. They have absorbed the needs of our thriving community for many years. However, as the City continues to grow as planned, we will need additional police officers, police vehicles, road maintenance vehicles and snowplows to maintain our high level of service. Our current facilities cannot accommodate those needs.

Using the same forward-thinking approach we use for transportation infrastructure and to ensure the City maintains the same level of service to the community, we have developed the following design/build timeline for a new Justice Center and Public Works facility. In addition, moving municipal court out of its current location, within a residential area, will be a benefit to the community.





HIGH NOTE REGIONAL PARK

Category	Parks and Recreation	Project Sponsor	City of Lone Tree
Project Name	High Note Regional Park – Phase I	Project Management	City of Lone Tree Public Works
Location(s)	*See below	Total Project Cost	\$16,300,000
Estimated Start Date	01/01/2024	2024 Estimated Cost	\$900,000
Estimated End Date	12/31/2026	City of Lone Tree Cost	\$8,000,000

PROJECT DESCRIPTION

The City of Lone Tree and South Suburban Parks and Recreation are working collaboratively in developing plans for Lone Tree's first and only regional park. This multi-year project will start with design in 2024 and construction planned to begin in 2025.

PROJECT LOCATIONS

The High Note Regional Park will be an 80-acre regional park located along Happy Canyon Creek near I-25 and RidgeGate Parkway.

FINANCIAL SUMMARY	Prior Years	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	TOTAL	
			EXPEND	ITURES				
Planning/Design		\$ 900,000					\$ 900,000	
Construction			\$ 8,000,000	\$7,400,000			\$ 15,400,000	
TOTAL		\$ 900,000	\$8,000,000	\$7,400,000			\$ 16,300,000	
			FUNDING	SOURCES				
Douglas County		\$ 300,000					\$ 300,000	
South Suburban Parks and Recreation District		\$ 300,000	\$ 4,000,000	\$ 3,700,000			\$ 8,000,000	
City of Lone Tree		\$ 300,000	\$ 4,000,000	\$ 3,700,000			\$ 8,000,000	
TOTAL		\$ 900,000	\$8,000,000	\$7,400,000			\$ 16,300,000	

BENEFITS

The regional park will be a destination park, creating a new central gathering place in north-central Douglas County. It will be the first regional destination park that will offer a diverse range of passive and active recreation opportunities located in the City of Lone Tree.



CAPITAL AND DEBT & LEASES

DEBT & LEASES

DEBT

As of December 1, 2023, the City had no outstanding long-term debt due to the final scheduled bond payments that occurred related to the Series 2008A, 2009, 2017A, and the 2017B Bonds. The City utilizes a pay-as-you go philosophy, so if additional debt issuances were considered, the City would require voter authorization to do so. Additional details of the City's paid off debt, as well as final debt service schedules are included in this section.

On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000 (legal debt limits), for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation, respectively. The voters also authorized a temporary sales and use tax rate increase of 0.1875 percent for arts and cultural facilities and 0.125 percent for park and recreation improvements effective July 1, 2008 through December 31, 2023 or until the full payment of such debt if occurring earlier.

In 2017, the City issued \$4,805,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2017A at interest rates ranging from 2-5% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2008A whose original purpose was to finance the construction of several park and recreation improvements including the Cook Creek Pool and tennis court facility at the Lone Tree Golf Club, as well as a portion of Prairie Sky Park. The purpose of the 2017 refunding was to reduce the interest rate paid on the 2008A Bonds. The terms of the bonds remained the same with a payoff date of December 1, 2023. The City paid off this debt in full on December 1, 2023, resulting in the expiration of the associated tax increment. The historic revenue bond coverage for the Parks and Recreation Improvement Bonds are listed below for 2022 actuals and 2023 estimated amounts. The 2023 budget included a transfer to the general fund to close out the debt service fund after the last bond payment was made. These remaining funds will be restricted for future park and recreation capital projects.

		Gro	ss Revenue	erating enses	ailable for bt Service	Principal Payment	nterest ayment	Total	Coverage
2022 Ad	ctual	\$	1,577,275	\$ 400	\$ 1,577,675	\$ 1,020,000	\$ 105,500	\$ 1,125,500	140%
2023 Esti	mated	\$	1,536,335	\$ 400	\$ 1,536,735	\$ 1,090,000	\$ 54,500	\$ 1,144,500	134%

Additionally, in 2017, the City issued \$6,200,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2017B at interest rates ranging from 3-4% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2009 whose original purpose was to finance the construction of the Lone Tree Arts Center. The purpose of the 2017 refunding was to reduce the interest rate paid on the 2009 Bonds. The City paid off this debt in full on December 1, 2023, resulting in the expiration of

the associated tax increment. The historic revenue bond coverage for the Arts and Cultural Improvement Bonds are listed below for 2022 actuals and 2023 estimated amounts. The 2023 budget included a transfer to the general fund to close out the debt service fund after the last bond payment was made. These remaining funds will be restricted for future capital improvements at the Arts Center.

	Gro	ss Revenue	rating enses	vailable for ebt Service	Principal Payment	nterest ayment	Total	Coverage
2022 Actual	\$	2,347,722	\$ 400	\$ 2,348,122	\$ 1,600,000	\$ 127,800	\$ 1,727,800	140%
2023 Estimated	\$	2,242,320	\$ 400	\$ 2,242,720	\$ 1,720,000	\$ 63,800	\$ 1,783,800	126%

Overall savings, as a result of the two refundings, were estimated at over \$600,000 during the remaining term of the debt.

The debt schedules for the paid off 2017A and 2017B Sales Tax and Use Tax Revenue Bonds start below, as well as a description of the debt obligations.



CAPITAL AND DEBT & LEASES

DEBT SERVICE REQUIREMENTS TO MATURITY

SERIES 2017A:

PARK AND RECREATION BONDS

Purpose of Issue	Refunding of the 2008A Bonds
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	May 24, 2017
Interest Rate	2.00% to 5.00%
Amount of Issue	\$4,805,000
Bond Rating	AA+
Debt Limit	Not Applicable
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations

SERIES 2017B:

ARTS AND CULTURAL BONDS

Purpose of Issue	Refunding of 2009 Bonds
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	May 24, 2017
Interest Rate	3.00% to 4.00%
Amount of Issue	\$6,200,000
Bond Rating	AA+
Debt Limit	Not Applicable
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations

LEASES

In 2024, the City anticipates to issue Certificates of Participation to finance the Justice Center, Public Works facility and High Note Regional Park projects. Estimated lease payments and certain associated costs related to the Certificates of Participation are included in the 2024

budget. Certificates of Participation are a form of leasepurchase agreement to finance the construction of new facilities in lieu of issuing bonds or using another form of long-term debt. This page intentionally left blank



STRATEGIC PLAN

COMMUNITY VISION STATEMENT

Lone Tree is a premier **Colorado community** connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses.

ORGANIZATIONAL MISSION STATEMENT:

We will achieve Lone Tree's community vision by doing things the best way, not just the expected way.

ORGANIZATIONAL CORE VALUES:

We are committed to Excellence through Integrity, Collaboration, and Innovation.



COMMITMENT TO PUBLIC SAFETY.

OUR SIGNATURE CULTURAL AND RECREATIONAL OPPORTUNITIES, EXCEPTIONAL

PLACES, AND BEAUTIFUL

NATURAL ENVIRONMENT.

OUR VISIONARY TRANSPORTATION NETWORK.

OUR DIVERSE

AND SUSTAINABLE **ECONOMY POWERED BY TOP-TIER BUSINESSES.**

OUR WELCOMING,

CONNECTED, AND RESILIENT COMMUNITY.

OUR COMMITMENT TO BUILDING

FOCUSED, AND EFFICIENT CITY

ETHICAL STANDARDS:

STEWARDSHIP

We will effectively oversee and safeguard our resources.

HONESTY

We will conduct ourselves in a straightforward and truthful manner.

ACCOUNTABILITY

We will be conscientious and trustworthy in our actions.

RESPONSIBILITY

We will meet our obligations and commitments.

ENGAGEMENT

We will work together in a positive and meaningful way.

BIG IDEA 1

OUR DEEP ACTIVE COMMITMENT TO PUBLIC SAFETY.

Objectives

- 1.1 Engage Citizens and build strong business relationships that foster increased safety, awareness, and overall quality of life throughout the City.
- 1.2 Resource and enable dedicated law enforcement professionals who serve to protect life, property, and reduce crime by means of progressive policing.
- 1.3 Respond effectively to emergencies and disasters through community engagement, staff preparedness, and skilled communication.
- 1.4 Ensure safe accessible transportation network, buildings, public gatherings, and public spaces.

BIG IDEA 2

OUR VISIONARY TRANSPORTATION NETWORK.

Objectives

- 2.1 Provide and improve a multimodal, safe, reliable, and well maintained, transportation system.
- 2.2 Focus our transportation investments to provide accessibility and mobility for all ages and abilities of people who live, work, and visit our City.
- 2.3 Leverage strong community and regional partnerships to build an equitable and innovative network of transportation choices.

BIG IDEA 3

OUR WELCOMING, CONNECTED, AND RESILIENT COMMUNITY.

Objectives

- 3.1 Foster a distinctive and inclusive City that community members are proud to be part of.
- 3.2 Encourage a strong sense of place and active community relationships.
- 3.3 Advance Lone Tree as an innovative, adaptive, cohesive, and sustainable community through our developments, partnerships, and programs.

BIG IDEA 4

OUR SIGNATURE CULTURAL AND RECREATIONAL OPPORTUNITIES, EXCEPTIONAL PLACES, AND BEAUTIFUL NATURAL ENVIRONMENT.

Objectives

- 4.1 Uphold the City's top-ranked Arts Center as a cultural institution with a far-reaching reputation and one which serves as a catalyst for other community-based opportunities that are inclusive, interactive, celebratory, and educational.
- 4.2 Cultivate vibrate and innovative mixed-use districts and social gathering places for businesses and people.
- 4.3 Support high-quality recreational spaces that reinforce local character, integrate with the beautiful natural environment, and preserve open space.

BIG IDEA 5

OUR DIVERSE AND SUSTAINABLE ECONOMY POWERED BY TOP-TIER BUSINESSES.

Objectives

- 5.1 Attract and retain exceptional employers who call Lone Tree home.
- 5.2 Identify areas of opportunity that enhance economic health.
- 5.3 Increase local participation with the business community to drive economic sustainability.
- 5.4 Maximize regional partnerships that support local economic development.

BIG IDEA 6

OUR COMMITMENT TO BUILDING THE BEST TEAM TO SUPPORT OUR INNOVATIVE, CUSTOMER-FOCUSED, AND EFFICIENT CITY GOVERNMENT.

Objectives

- 6.1 Recruit, retain, and develop a diverse, professional team of staff and volunteers.
- 6.2 Empower and recognize a high-performing team by providing it the tools, resources, and environment for success.
- 6.3 Support community engagement with open, honest, and timely communication.
- 6.4 Foster a quality work culture where people model the core values of integrity, collaboration, innovation, and public accountability.
- 6.5 Embody a proactive and transparent approach to financial stewardship, which enhances the City's long-term fiscal stability.

The following department summaries outline accomplishments for 2023 and goals for 2024 that strive to continually work toward the goals as described above.

STATISTICS—EMPLOYEES BY FUNCTION/PROGRAM

Function/Program	Full-Time Equivalent Employees				
General Government	2022	2023	2024		
City Manager's Office					
City Manager	1.00	1.00	1.00		
Deputy City Manager	1.00	1.00	1.00		
Economic Development Director	1.00	1.00	1.00		
Administrative Services Director	-	-	-		
Assistant City Manager	1.00	1.00	1.00		
Communications Manager	1.00	1.00	1.00		
Communications Specialist	-	-	1.00		
Administrative Assistant	1.00	1.00	1.00		
Management Analyst III	1.00	1.00	1.00		
Management Assistant Fellowship	1.00	1.00	1.00		
Information Technology	4.00	5.00	5.00		
City Clerk	3.00	3.00	3.00		
Finance					
Finance Director	1.00	1.00	1.00		
Senior Accounting Manager	1.00	1.00	1.00		
Senior Accountant	1.00	2.00	1.00		
Budget Manager	-	-	1.00		
Accounting Technician	1.00	1.00	1.00		
Revenue and Licensing Clerk	1.00	1.00	1.00		
Accounts Payable Assistant	0.25	-	-		
Budget and Revenue Analyst	1.00	1.00	1.00		
Human Resources	2.63	3.00	3.00		
Municipal Court					
Court Clerk	2.00	2.00	2.00		
Court Administrator	-	1.00	1.00		
Teen Court Coordinator	1.00	-	-		
Community Development		1			
Planning	5.00	7.00	7.00		
Code Enforcement	1.00	2.00	2.00		
Building	4.00	5.00	6.00		
Arts & Cultural		1			
Administration	1.84	1.84	1.84		
Programming	15.08	15.08	15.08		
Marketing	1.15	1.15	1.15		
Development	2.33	2.33	2.33		
Events	1.60	1.60	1.60		
Events	1.00	1.00	1.00		

Police	2022	2023	2024
Chief	1.00	1.00	1.00
Commander	3.00	3.00	3.00
Lieutenant	2.00	2.00	3.00
Sergeant	9.00	9.00	9.00
Corporal	8.00	8.00	8.00
Investigations	5.00	5.00	5.00
Patrol	22.00	24.00	24.00
Community Resource Officers	3.00	3.00	3.00
School Resource Officers	-	1.00	3.00
Community Safety Officers	3.00	3.00	3.00
Police Service Coordinator	1.00	1.00	1.00
Support Services Manager	1.00	1.00	1.00
Crime Analyst / Administrative Assistant	1.00	1.00	1.00
Records	5.00	6.00	6.00
Victim Services	2.00	2.00	2.00
Administrative Assistant - Off-Duty Contracts	0.25	0.25	0.25
Public Works			
Director of Public Works and Mobility	1.00	1.00	1.00
Capital Projects Manager	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00
Operations Manager	1.00	1.00	1.00
Field Inspector	1.00	1.00	1.00
Field Technician	1.00	1.00	1.00
Senior Project Engineer	-	1.00	1.00
Storm Water Engineer	-	-	1.00
Capital Projects Inspector	-	-	1.00
Senior Service Specialist	1.00	1.00	1.00
Traffic Signal Technician	1.00	2.00	2.00
Mobility Manager	1.00	1.00	1.00
Facilities Manager	1.00	1.00	1.00
TOTAL	135.13	147.25	154.25

Note: The position changes between 2022 and 2023 include a new GIS Administrator position in the Information Technology Department; a Senior Accountant in the Finance Department; increasing two part-time positions to full-time in Human Resources; four positions in Community Development to ensure continuation of high service levels related to growth and increased code enforcement challenges (Long-Range Senior Planner, Planning Technician, Building Inspector, and Code Enforcement Officer), three sworn officer positions in the Police Department to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, and succession planning efforts; a Discovery Specialist position in the Police Department to meet the unfunded state mandate and increased demands set forth in the "DA Accountability" bill that passed in 2021; and two new growth related positions in the Public Works Department to continue to provide excellent service levels to the community (Senior Project Engineer and Traffic Signal Technician).

The position changes between 2023 and 2024 include a new Communications Specialist in the City Manager's Office, a new Lieutenant in the Police Department to cover increased demands and to prepare for succession planning efforts, two School Resource Officers as requested by the Douglas County School District, which is funding 50% of the positions, and due to increasing and aging infrastructure a Storm Water Engineer and Capital Projects Inspector in the Public Works Department.



CITY CLERK AND MUNICIPAL COURT

The City Clerk's office is responsible for maintaining official City records, conducting City elections, managing liquor licensing and fulfilling open records requests under the Colorado Open Records Act (CORA). The Municipal Court's responsibilities include the collection of fines, court fees and restitution, oversight of the City's teen court program, as well as the administration of the municipal court. The City Clerk and Municipal Court department provide exceptional customer service to the citizens and businesses of Lone Tree, as well as the defendants appearing in court through timely, accurate and courteous responses to inquiries and requests.

2023 HIGHLIGHTS:

City Clerk / Municipal Court Accomplishments:

- Processed special event permits & collaborated with Legacy Campus on special events.
- Processed new liquor license applications and renewals.
- Streamlined the warrant entry process.
- Started court records digitization project.
- Made security improvements for Municipal Court.
- Implemented process improvements for jury trials.

Teen Court Accomplishments:

- Enhanced the general legal training to increase volunteer base after several long-time volunteers graduated.
- Increased number of cases from eight per month (96 per year) to ten per month (120 per year).



GOALS FOR 2024:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Complete Mayoral / Council election in May.
- Evaluate record management processes in Clerk's office for better customer service in locating documents for City departments.
- Continue to digitize City and court records.
- Evaluate where additional process improvements can occur and conduct cross training between areas for seamless customer service at front desk.

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 537,898	\$ 613,679	14%
City Clerk	\$ 22,400	\$ 92,900	315%
Court	\$ 119,300	\$ 149,700	25%
Total	\$ 679,598	\$ 856,279	26%

The increase in salaries and benefits is due to annual merit and market adjustments. The increase in City Clerk is due to election costs, as well as converting paper documents to an electronic format. The increase in Court is due to an increase in Teen Court expenditures to return to previous operating levels and an increase in general administration costs.





CITY MANAGER'S OFFICE

The City Manager's Office executes the direction and guidance of the City Council by developing and implementing Council's goals and policies, coordinating the City's intergovernmental relationships, and leading the City's community outreach and economic development efforts. The City Manager provides leadership in all areas of municipal services to the community in accordance with the City Charter, and provides professional management, strategic vision, and priorities for the staff and organization to promote excellence in the services we offer. The City Manager's Office staff members also serve as liaisons between the City Council and City staff for carrying out service requests, and support the many activities of the Mayor, the City Council, and the City Manager.

2023 HIGHLIGHTS:

Organizational Leadership and Management

- Completed a redistricting of Council Districts with updated population estimates.
- Continued to engage with employees to foster a strong culture of customer service and focus on City values.
- Establish short-term rental regulations.
- Continued success in the Management Fellow program, building up Lone Tree's fellowship program to have a national reputation.
- Completed the City's EV Action Plan in partnership with Xcel Energy.
- Implemented TextMyGov text messaging service with updates to residents on construction, trash delays, programming, events, and more.

Economic Development

- Completed the Entertainment District Market and Zoning Analysis.
- Engaged in new management responsibilities of the Lone Tree Business Improvement District.
- Launched the Lone Tree Urban Renewal Authority and initiated the Lone Tree Entertainment District Urban Renewal Plan.
- Completed the annual Economic Development marketing plan.

Communications

- Rolled out the Timberlines printed edition.
- Increased visibility for City of Lone Tree through additional advertising.
- Completed a comprehensive rebrand for the Link on Demand shuttle service.

Park & Recreation Support

- Annexed Sweetwater Park into the City.
- Participated in management transition of recreation at Reuter-Hess Reservoir to Douglas County.
- Expanded the engagement of the Recreation Committee.

Advocacy and Risk Management

- Led advocacy efforts during a challenging legislative session.
- Finalized the re-negotiated Comcast Franchise Agreement.
- Completed Wildfire Mitigation code updates.



GOALS FOR 2024:

Our Welcoming, Connected, and Resilient Community

- Oversight of the 2024 Mayor and City Council election
- Increase community engagement through events that utilize important landmarks and resources, such as expanded Reservoir Partner Days with Rueter-Hess.
- Complete design and construction plans for High Note Regional Park and identify funding opportunities.
- Complete Community Wildfire Preparedness Plan

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Support as 2024 Chair the Partnership of Douglas County Governments and the Douglas County Economic Development Collaborative.
- Advance the City's interests at the Colorado Capitol with our partners at CML, Metro Mayors' Caucus, and business groups.
- Implement ADA compliance measures throughout the City of Lone Tree website.
- Create Cyber Incident Response Plan

Our Diverse and Sustainable Economy Powered by Top-Tier Businesses

- Manage and oversee the Lone Tree Business
 Improvement District, the Lone Tree Urban Renewal Authority, and the Park Meadows Business
 Improvement District, and initiate new local business resources and events.
- Advance new business investments and prospects.
- Advocate for Federal, State, and Local funding for the Advancing Lincoln Avenue initiative.
- Advocate for new housing partnerships and opportunities and continue housing policy development

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,375,895	\$1,587,280	15%
Dues & Memberships	\$ 127,764	\$ 145,170	14%
Community Support	\$ 194,845	\$ 232,400	19%
Communications	\$ 138,365	\$ 162,700	18%
Economic Development	\$ 1 <i>77,</i> 500	\$ 147,500	-17%
Legal	\$ 510,000	\$ 559,000	10%
Risk Management	\$ 582,109	\$ 793,768	36%
Miscellaneous	\$ 332,671	\$ 473,154	42%
TOTAL	\$3,439,149	\$4,100,972	19%

The increase in salaries and benefits is due to annual merit and market adjustments, as well as a new position in the Communications Division to better meet the City's increasing demands for communications support throughout the organization. Dues & Memberships is showing an increase due to support for the Douglas County Community Foundation, as well as increased dues for the Colorado Municipal League. The increase in Community Support is due to the costs for a Community Response Team vehicle, which is fully offset in partnership revenue. The increase in Communications is related to community engagement events and funding for ADA compliance software/services on the City website. Legal shows an increase due to increased level of services, which are partially offset by fee revenues. The increase in Risk Management is due to a significant increase in insurance costs. The increase in Miscellaneous is primarily due to cost related to contracted services for a broadband, fiber, and 5G plan development study.

5

DEPARTMENTAL INFORMATION

COMMUNITY DEVELOPMENT

The Community Development Department is comprised of three divisions: Planning, Building, and Zoning Enforcement/City Forestry. This team of employees provides a wide range of professional services that contribute to a safe, connected, beautiful, and thriving City for today and generations to come.

Planning Division services generally fall into one of two categories: *Current Land-Use Projects* and *Long Range/ Special Activities*. The former category includes day-to-day coordinating with customers on various land use issues and processing development applications through multiple stages of the review and development process. The latter category encompasses research, analysis, development, and implementation of programs, regulations, and policy proposals that guide the City's long-term growth and development.

Building Division services involve administering the adopted building codes to ensure all buildings are safe for occupancy. This is accomplished by reviewing building, electrical, mechanical, and plumbing plans, issuing permits, and conducting inspections. Services have expanded to include review and permitting of all permanent signs.

Zoning Enforcement/City Forestry Forestry services involve working with residents, business owners, and property owners to achieve a clean, safe, and attractive community through a compliance-driven approach to enforcement of the City's Zoning Code. The City Forestry arm of this position centers on community education and outreach to promote healthy trees. This division also administers permits related to temporary banners, uses, and special events.

2023 HIGHLIGHTS:

- Focused on Long Range Planning which includes Comprehensive Plan/Code, population projections/ reporting, attainable housing, sub-area plans, zoning/ rezoning, GIS – data and map integration, and special projects.
- Development review included site improvement plans, subdivision plats, rezoning, streetscape plans, and ordinances.
- Code Enforcement software was integrated between the Building and Planning division, the Public Works department, and GIS that provides systematic scheduling of inspections and manages workflow.
- The Building Division returned elevator permitting and inspection to the state, provided oversight on the multiphase housing development east of I-25, as well as five new multi-family projects under construction and three multi-family projects under review.
- Code Compliance focused on compliance-driven outreach, daily proactive inspections of all commercial properties, property maintenance, illegal parking/ dumping, vacant property registration, and responding to resident concerns/inquiries.
- Continued to grow the Sustainability Committee
 which focuses on promoting a sustainable Lone Tree
 community that serves the City's current and future
 needs through a collaborative and innovative approach.

GOALS FOR 2024:

Our Welcoming, Connected, and Resilient Community

- Update the City's Comprehensive Plan and Phase 2 code rewrites by managing the internal and public community engagement processes.
- Focus on planning and development east of I-25, including residential and commercial development, parks, trails and open space, and infrastructure planning

PERFORMANCE MEASURES	2020 Measure	2021 Measure	2022 Measure	2023 Target	2023 Measure	2024 Target
Building Permits Issued	873	650	586	900	840	1000
Building Inspections Conducted	4,169	4,000	4,460	5000	6002	7500

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,493,298	\$1,742,769	17%
Planning	\$ 92,920	\$ 398,620	329%
Building	\$ 263,000	\$ 24,500	(91%)
Code Enforcement	\$ 31,160	\$ 35,160	13%
TOTAL	\$1,880,378	\$2,201,049	17%

The increase in salaries and benefits is due to annual merit and market adjustments, as well as the transition from a contracted Electrical Inspector to an internal staff position, resulting in net savings to the City. The increase in planning is due to costs associated with the multi-year Comprehensive Plan and Code Update project. The decrease in building is related to reduced contract services for electrical inspections due to moving this position in house. The increase in code enforcement is due to increased funding to the City forestry program. Many services in this department are offset with fee revenues.



CULTURAL AND COMMUNITY SERVICES

The Lone Tree Cultural and Community Services Fund provides cultural and community programming to residents of all ages at the Lone Tree Arts Center (LTAC), as well as at public gathering places throughout the City. In addition, LTAC serves as an economic development driver for the City by offering unique and affordable meeting services to businesses and civic groups and by serving as a convening spot for regional leaders to discuss important issues facing our community. LTAC attracts wide recognition to the City by drawing audiences and meeting attendees from throughout the region. Services provided by the Cultural and Community Services Fund include performing and visual arts presentations, affordable programs for children and families, and community celebrations in local parks.

2023 HIGHLIGHTS:

- Presented 34 Featured Attraction performances on the Main Stage, highlighting national, international, and local artists, all representing wide cultural diversity, such as blues legend Taj Mahal, Broadway star Chris Mann, Doo Wop Project, The Drifters, and our own artist-inresidence, Grammy-nominated saxophonist Gerald Albright.
- Successfully returned to producing theatricals with Dreamgirls.
- Achieved the highest number of subscribers (people who purchase three or more shows throughout the year) in Lone Tree Arts Center history.
- Presented the most successful Tunes on the Terrace series in Lone Tree Arts Center history.
- Launched a new user-focused website.
- Held the biggest gala in Lone Tree Arts Center history, sponsored by the Fund Board.
- Presented a full lineup of City events.
- Focused on bringing in a more diverse range of rental activity.
- Worked with the Arts Commission to curate four successful visual arts exhibits and an interactive exhibit on the Arts Center Plaza.
- Contracted with a consultant to commission an artist to install a mural on the Pedestrian Bridge.
- Partnered with Easterseals Colorado to present a Job Fair for people with intellectual and developmental disabilities.



GOALS FOR 2024:

Our Signature Cultural and Recreational Opportunities, Exceptional Places, and Beautiful Natural Environment

- Present remarkable artists, diverse offerings, and a wide range of genres on our Main Stage.
- Produce two theatrical performances.
- Continue all community impact programs, including Seedlings, Passport to Culture, Arts in the Afternoon, Sensory Inclusive programming, and SPARK!, and seek opportunities to expand programs.
- Expand our Student Matinee line-up, as well as provide ticket sponsorships for Title 1 schools and free tickets and bus coverage for Lone Tree schools.
- Expand the number of residencies, masterclasses, and workshops with visiting artists who engage the community with outreach programs.
- Continue to present diversity in the arts dialogue evenings and increase outreach to diverse communities to foster an inclusive environment.
- Host and facilitate a Gala with the Lone Tree Arts Center Fund Board.
- Continue to provide premier rental services for business meetings, social gatherings, and community performances.

PERFORMANCE MEASURES	2020 Measure	2021 Measure	2022 Measure	2023 Target	2023 Measure	2024 Target
Lone Tree Arts Center Programming	70	89	118	129	162	150
Rentals, Meetings, and City Events	41	107	164	145	240	231

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,911,137	\$2,107,491	10%
Development	\$ 103,534	\$ 114,160	10%
Programming	\$1,415,288	\$1,540,155	9%
Marketing	\$ 312,740	\$ 334,850	7%
Administration	\$ 9,860	\$ 11,230	14%
Arts and Cultural	\$ 95,900	\$ 56,400	(41%)
Annual Events	\$ 235,600	\$ 245,100	4%
TOTAL	\$4,084,059	\$4,409,386	8%

The increase in salaries and benefits is due to annual merit and market adjustments. Additionally, the increase incorporates overhire pay related to two theatrical performances. The increase in development is due to budgeting for donor prospecting software, with a direct correlation to increased fundraising revenue. The increase in programming, marketing, and administration is primarily due to the programming schedule, which includes two multi-week theatrical performances. The programming schedule including two theatrical performances increases revenue projections substantially. The decrease in arts and cultural is related to decreased cost for public art projects around the City. Cost related to public art projects can vary significantly from year to year based on recommended projects.

FINANCE

The Finance Department includes general accounting services, budgeting, payroll, tax administration and collection, business licensing, and auditing. The success of the Finance Department is measured by both meeting the needs of internal and external customers, as well as keeping the City compliant with the various state and federal requirements related to having up-to-date, accurate financial information.

2023 HIGHLIGHTS:

- Received Government Finance Officers Association (GFOA) awards for the Annual Comprehensive Financial Report and Budget Book.
- Evaluated and implemented an investment program and strategy with the help of an investment advisory firm.
- Recommended updates to the Investment Policy for Council consideration.
- Implemented of a new lease standard, as required by the Government Accounting Standards Board.
- Met compliance and reporting requirements for paid-off bonds.
- Completed outreach to businesses on 0.3125% sales and use tax rate decrease resulting from the final bond payment.
- Implemented improvements to the business license application and renewal process.
- Developed a customized financial dashboard for all departments for revenue and expense tracking purposes.

GOALS FOR 2024:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Complete arbitrage compliance for paid off bonds.
- Integration of State Sales and Use Tax System to the City's accounting system to create efficiencies and ensure accuracy of data transfer.
- Implementation of new subscription-based information technology arrangements accounting standard, as required by Government Accounting Standards Board.
- Oversee issuance of Certificates of Participation to finance new City facilities.
- Implement electronic payables solution to offer more payment options to our vendors and decrease fraud risk.

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 844,839	\$ 876,582	4%
Financial Services and Audit	\$ 214,790	\$ 246,190	15%
TOTAL	\$1,059,629	\$1,122,772	6 %

The increase in salaries and benefits is due to annual merit and market adjustments. The increase in Financial Services and Audit is primarily due to costs associated with the integration of the state's Sales and Use Tax System into the City's accounting system and the implementation of an electronic payables solutions to offer more payment options to our vendors and decrease fraud risk, which is offset in program revenues.

HUMAN RESOURCES

The Human Resources Department defines success by how effectively and efficiently they provide excellent service to City staff through recruitment, administration of benefits and City-wide employee training. Additionally, the Human Resources Department serves to integrate the City's mission, vision, and Big Ideas into the City's culture.

2023 HIGHLIGHTS:

- Developed total compensation reports to display personalized information including salary, City paid benefits, City paid retirement and paid time off benefits.
- Facilitated benefit presentations for family members of Police Department staff at the first Family Academy hosted by the Lone Tree Police Department.
- Organized speakers for All Hands Meetings with a focus on Diversity, Equity and Inclusion, as well as effective communication strategies.
- YES! Committee organized employee appreciation initiatives for Public Service Recognition Week and National Police Week, as well as implemented quarterly giving opportunities and organized engagement opportunities at employee events.
- Enhanced the new employee orientation experience to increase engagement of new City staff.
- Organized a well-attended benefits fair for employees.
- Implemented process to administer and coordinate the issuance of Regional Transportation District (RTD) Eco Pass to City staff to promote sustainable options of transportation.

GOALS FOR 2024

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Research and identify a new Human Resources Information System, as the current system is being phased out by the vendor.
- Collaborate with senior management in the development of department specific succession planning efforts.
- Develop a City-wide training plan that includes leadership training, diversity & inclusion training, and advance use of Emergenetics.
- Refine and implement strong recruitment strategies to attract top talent to the City.
- Enhance and create efficiencies of Human Resources processes and procedures.
- Continue to offer new wellness and engagement opportunities that align with the City's mission and values.

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 319,939	\$ 353,108	10%
Human Resources	\$ 124,200	\$ 133,700	8%
TOTAL	\$ 444,139	\$ 486,808	10%

The increase in salaries and benefits is due to annual merit and market adjustments. Administration increased due to increased funding for enhanced wellness opportunities for staff, with a focus on physical, financial, and mental wellness.

INFORMATION TECHNOLOGY

The Information Technology Department defines success by how effectively and efficiently they provide excellent service to fellow employees. Additional success measures include governance of the City's technological systems, maintenance of IT infrastructure, functionality of all systems, and data security.

 Made substantial progress on high-priority GIS projects, including a wildfire risk assessment, Citywide maintenance map, City display maps, data for the comprehensive plan update, and public facing maps for development and City projects.

2023 HIGHLIGHTS:

- Successfully upgraded all network gear in the City providing better security, coverage, consistency, and speeds. This includes a modernization of the Wi-Fi network.
- Implemented a completely new backup system that scans for malware for security.
- Upgraded critical servers and conference equipment in certain meeting rooms.
- Implemented Multi-Factor Authentication for entire organization.
- Completed a third-party security assessment to test security and use the results to improve overall cyber security.
- Coordination with Denver Regional Council of Governments (DRCOG) and the County on data projects.

GOALS FOR 2024:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Update security cameras across all City facilities for increased visibility at City buildings and parking lots.
- Implement recommendations from the security assessment.
- Increased employee training for cyber security and general technology.
- Focus on leveraging the support of local, state, and regional government exclusive programs.
- Identify gaps in GIS data and develop workflows to build new datasets.

PERFORMANCE	2020	2021	2022	2023	2023	2024
MEASURES	Measure	Measure	Measure	Target	Measure	Target
Number of IT Tickets Resolved	369	522	563	500	584	600

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 549,387	\$ 577,076	5%
Information Technology	\$ 688,200	\$ 869,073	26%
TOTAL	\$ 1,237,587	\$ 1,446,149	17%

The increase in salaries and benefits is due to annual merit and market adjustments. The increase in information technology infrastructure is mainly due to moving Accela software support from Community Development to the IT department, adding additional users to certain software programs, and moving GIS costs from Public Works to the IT department.



POLICE DEPARTMENT

The Police Department provides dedicated service to the Lone Tree community, business partners, and thousands of daily visitors, and upholds the values of Community, Integrity, and Service. The Police Department's mission is "to serve and protect our diverse community by providing services with transparency, integrity, and compassion." We will continually strive to exceed the expectations of our community and foster a sense of belonging where residents and visitors feel safe.

The Police Department consists of 59 authorized sworn officers, 3 full-time community safety officers (CSOs), 12 civilian personnel (one part-time), and multiple volunteers. The officers are distributed between multiple functions which include Patrol, Park Meadows Retail Resort Unit, Investigations Division, and Community Partnership Unit (CPU). CSOs respond to and investigate property crime calls for service, and assist with traffic accidents, parking violations, and many other non-emergency police functions. The CSOs are an innovative and cost-effective way to provide police services for non-emergency calls. The civilian staff supports the mission of the department in various ways which include the Records Department, Animal Control, and Victim Advocacy.

The Police Department is proud to have an excellent Volunteers in Police Services (VIPS) Program. The VIPS assists and supports the department through a variety of functions. The patrol VIPS assists officers with traffic accidents, traffic control, and other non-emergency situations. In addition, the patrol VIPS conduct routine neighborhood patrolling, vacation house checks, and parking enforcement. Our VIPS have logged a tremendous number of hours of service since 2007 and their service has been invaluable to the department and the community.

The VIPS also assists the Records Division, the Community Partnership Unit, the Investigations Division, and the Victim Advocate/Crime Prevention Unit.

2023 HIGHLIGHTS:

- Continued involvement in regional partnerships such as the Homeless Initiative, Mental Health Initiative, Critical Response Team Program and collaborating with the other three law enforcement agencies.
- Initiated a Sky Ridge Mental Health Outcome Improvement Group. This group consists of the Critical Response Team, Douglas County Public Health, Lone Tree Police Department, and various Sky Ridge staff to improve safety, provide training, develop a partnership with the Critical Response Team, and improve outcomes for mental health patients.

- The new Critical Incident Response Team (CIRT) was formed which includes agencies in Douglas, Elbert, and Lincoln counties. These are the agencies that will make up the new 23rd Judicial District in 2025.
- Transitioned four new officers into the CPU to allow for two officers to concentrate on Crime Prevention Through Environmental Design (CPTEDS), Schools, Crime Free Housing and many other crime prevention and community outreach tasks.
- CPU organized and conducted a well-attended and dynamic open house for the Police Department that was held at the Lone Tree Arts Center.
- Held a Citizen Police Academy in September 2023.
- Victim Advocate Unit (VAU) worked with CPU to provide and coordinate personal, financial safety and crime prevention training to the community.
- VAU coordinated the first Lone Tree Police Department Family Academy in 2023. This was to provide an overview for family members, develop relationships and set appropriate expectations.
- Creation of Lone Tree Police Department Chaplain program to provide spiritual services to staff.
- Alignment training was completed with all new employees and volunteers. This training is to align our mission and values, our priorities, expectations, limit liability and improve decision making.
- Implement new software (LEFTA) to manage training requirements, Field Training Program, personnel investigations, early warning system and equipment management.

GOALS FOR 2024:

Deep, Active Commitment to Public Safety

- Demonstrate outcomes from the Sky Ridge Mental Health Outcome Improvement Group.
- Complete Child Abduction Response Team (CART) training for all detectives.
- Continue to utilize various social media platforms to inform the community of various events, crime trends, and crime prevention methods.
- Host an annual open house for public safety and conduct another Citizen Police Academy.
- Continue to provide support services regarding statistical inquiries for calls for service and crime reports.

- Complete a second Family Academy and organize department activities to promote overall wellness and resiliency.
- Utilize cameras within the City to improve crime prevention and investigations.

Our Commitment to Building the Best Team to Support Our innovative, Customer-Focused, and Efficient City Government

 Continue developing employees and succession planning for the future. This will be accomplished through training, developement opportunities and mentoring.

- Participate in the design and planning of a new justice center.
- Continue to implement a culture of fitness and wellness to improve resiliency and officer safety.
- Fully implement the new LEFTA software to manage training, personnel investigations, equipment, and the Field Training program.

PERFORMANCE MEASURES	2020 Measure	2021 Measure	2022 Measure	2023 Target	2023 Measure	2024 Target
Person Crime Clearance Rate	79.8%	78.9%	83.7%	70.0%	77.2%	70%
Theft / Fraud Clearance Rate	54.4%	47.3%	52.8%	35.0%	58.4%	35%
Training Hours	4,541	5,080	6,240	10,000	9,219	10,000

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$8,368,748	\$ 9,644,347	15%
Office and Administration	\$ 131,100	\$ 124,500	(5%)
Uniforms and Equipment	\$ 189,235	\$ 282,764	49%
Vehicles and Equipment	\$ <i>575,</i> 813	\$ 842,564	46%
General Equipment	\$ 31,516	\$ \$31, 7 16	1%
Intergovernmental Agreements	\$ 974,531	\$ 1,026,8 <i>57</i>	5%
Training, Recruitment & Testing	\$ 151,000	\$ 168,500	12%
Community Outreach & Misc.	\$ 43,350	\$ 44,000	1%
TOTAL	\$10,465,293	\$12,165,248	16%

Overall, expenditures in the Police Department are increasing due to the City's commitment to public safety. The increase in salaries and benefits is due market adjustments for sworn positions to remain competitive with neighboring communities, the addition of two school resource officers being funded in partnership with the Douglas County School District to prioritize community policing, and the addition of a Lieutenant to ensure needed coverage, as well as succession planning efforts. The increase in uniforms and equipment is due SWAT operator equipment and radios that were ordered in 2023, but won't be received until 2024, as well as increased costs related to taser and body camera lease fees. The increase in vehicles and equipment is due supply chain issues related to vehicle and equipment purchases that were placed in 2023 but will not be received until 2024. The increase in intergovernmental agreements is due to contracted services with the Town of Parker for dispatch and evidence storage. The increase in training, recruitment, and testing is related to promotional testing costs for Corporals, Lieutenants and Commander positions, as well as increased police academy costs.

PUBLIC WORKS

The Public Works Department is made up of four areas including facilities, mobility, engineering, and operations. The vision of the Public Works Department is to provide an excellent, safe, connected multi-modal City that meets the needs of all our citizens, businesses, and visitors. The mission of the Department is to efficiently install, maintain, and operate the City of Lone Tree's infrastructure using innovative technologies that connect the City well beyond its borders. To achieve the vision and mission, Public Works is focused on six strategy initiatives listed below:

- Community Focused
- Enhance Mobility
- Efficient Project Delivery
- Leader in Innovation
- Operationally Excellent
- Connected City

2023 HIGHLIGHTS:

- Completed design and started construction of the C-470 Trail Connector project.
- Construction was completed on the following projects:
 - C-470 Bike & Pedestrian Bridge project at Acres Green Drive
 - Colorado Department of Transportation Safer Main Streets Rapid Rectangular Flashing Beacon project
- Completed the design of the remaining County Line Road traffic signal span wire changeovers.
- Completed phase one for Advancing Lincoln Avenue alternatives analysis and started phase two - preliminary design and environmental permitting on the selected alternative.
- Began the partnership with the Colorado Department of Transportation on the Lone Tree Mobility Hub design.
- Installed and activated Adaptive Traffic Signal controls on five existing signalized intersections and one new control along the RidgeGate Parkway corridor.
- Completed the 2023 concrete panel replacement program including the joint repair on Lincoln Avenue bridge at I-25.
- Link On Demand:
 - Implemented new turnkey service with Via Mobility and increased ridership and efficiency of the system.
 - Worked with Denver South and Douglas County to apply for Regional Transportation District (RTD) partnership funding to expand the program.

 Completed multiple facilities projects at City owned buildings including parking lot re-pavements, retaining wall repairs, security enhancements and office renovations.

GOALS FOR 2024:

Our Visionary Transportation Network

- Complete construction of the C-470 Trail Connection to the County Line RTD station.
- Complete asphalt overlay and concrete repair program as well as concrete panel replacement on time and on budget.
- Complete the traffic signal span wire changeover project at County Line Road and Acres Green Drive.
- Start coordination with Rampart Range Metropolitan District on the design of the Havana Street Bikeway project.
- Upgrade the 72-strand single mode fiber optic backbone communication line connecting the Douglas County Traffic Management Center to the traffic signals along the Lincoln Avenue corridor east of I-25.
- Update critical communication switches at all traffic signals within the City of Lone Tree consistent with the current work being conducted by Douglas County.

Our Welcoming Connected, and Resilient Community

- Partner with the Park Meadows Metropolitan District on a brick fence replacement analysis.
- Continue renovating facility landscapes to conserve water.
- Implement storm sewer lining projects at critical locations during inspections.
- Provide development review and engineering inspection services for new infrastructure related to new and ongoing development.

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Install new security and ADA equipment at the Civic Center.
- Continue with preventative maintenance projects included in the 5-year capital plan at all facilities.
- Commence design work of a new Justice Center and Public Works Facility.

PERFORMANCE MEASURES	2020 Measure	2021 Measure	2022 Measure	2023 Target	2023 Measure	2024 Target
Street Overlay (miles)	0.25	7.43	11.2	10.3	12.5	14
Traffic Signals	54	56	56	59	61	63
Storm Drainage (miles)	43.36	48.00	48.00	51.3	54.6	56

EXPENDITURES	2023 Estimated Actuals	2024 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,523,220	\$1,854,100	22%
Consulting and Surveying	\$ 575,000	\$ 600,000	4%
Trash and Recycling Service	\$ 650,000	\$ 700,000	8%
Street Lighting	\$ 475,000	\$ 500,000	5%
Street Maintenance	\$ 815,000	\$ 914,000	12%
Snow Removal	\$1,450,000	\$1,550,000	7%
Traffic Signal Maintenance	\$ 275,000	\$ 300,000	9%
Signage/Striping	\$ 175,000	\$ 200,000	14%
Lone Tree Link Shuttle	\$ 692,573	\$1,440,000	108%
Other Public Works Operations	\$ 598,500	\$ 829,500	39%
Facilities	\$1,108,512	\$1,253,259	13%
TOTAL	\$8,337,805	\$10,140,859	22%

The increase in salaries and benefits is due to annual merit and market adjustments, as well as the addition of a Storm Water Engineer and Capital Projects Inspector position needed due to increasing and aging infrastructure. The increase in trash and recycling is due to an increase in the cost of the service, as well as an increase in homes being serviced. The increase in street maintenance is due to an increase in the cost of the service, as well as additional crack sealing work. Snow removal cost is increasing to maintain current service levels and to account for additional lane miles due to growth. The increase in traffic signal maintenance is due to meeting the City's maintenance needs, as well as an increase in energy costs. Cost for signage and striping increased due to higher costs associated with the service as well as additional lane miles due to growth. The increase for the Lone Tree Link Shuttle is mainly due to an expanded service area, which is fully offset in partnership funds. The increase in other public works operations is attributable to a Walk and Wheel analysis and a Brick Fence Replacement analysis, both with partnership funding accounted for in program revenues. The increase in facilities is largely due to increased costs in electricity and gas, as well as increased fees on service agreements.





APPENDIX

6APPENDIX

GLOSSARY OF TERMS



Accrual Basis of Accounting – The method of accounting under which revenues and expenses are recorded at the time they are incurred as opposed to when cash is actually received or spent. For example, in accrual accounting, revenue that was earned in December, but not collected until January, is recorded as revenue in December.

Adopted Budget – Budget amounts approved by the City Council and the budget document which consolidates all operating and capital appropriations.

Amended Budget - The Amended Budget amounts include the original Adopted Budget for the fiscal year with revisions by way of Budget Amendments done and approved by City Council on a quarterly basis for all requesting funds and departments. This process is completed in compliance with the Town Charter requirements.

Amortization – Cost allocation of an intangible capital asset or fixed asset over the useful life of the asset for expiration in the service life of fixed assets. Additionally, amortization is the gradual reduction of a liability, such as debt, in regular payments over a specified amount of time.

Appropriation – Legal authorization granted by the City Council to make expenditures and incur obligations up to a specific dollar amount.

В

Bond – A bond is a written obligation to pay a specified sum of money (principal), at a specified date or dates in the future, called the maturity date, together with periodic interest payments at a specified interest rate.

Budget - A financial plan for a specified period of time (the fiscal year) that balances projected revenues and fund balance appropriations to estimated expenditures and operating transfer obligations. Upon approval by the City Council the adopted budget is the legal basis for expenditures in the budget year.

Budget Process – Requirements of the City Charter, Article XII Financial Matters, Section 5 Budget, Audit, Investments, "all applicable laws of the State of Colorado now or hereafter existing relating to budgets...for Colorado municipalities shall, to the extent not in conflict herewith, be followed by the City.

State Statute requires a proposed budget for the ensuing fiscal year shall be presented to City Council on or before the fifteenth day of October each year. Additionally, it requires that no later than the 15th day of December of each year, City Council shall adopt on final reading a resolution for the budget.

C

Capital Asset or Fixed Asset - An asset that is acquired, purchased, or constructed with a cost or fair market value (at the time of acquisition) greater than or equal to \$5,000 and a useful life of more than one year. Equipment, furniture, fixtures, artwork, buildings, land and infrastructure that have a useful life of more than one year and cost greater than \$5,000 are all examples of capital assets. The cost of a capital asset includes all amounts incurred to acquire the asset and any amounts that can be directly attributable to bringing the asset into working condition. Directly attributable costs include costs for delivery, site preparation, installation and professional services such as legal, architectural, engineering and project management.

Capital Expenditures – Expenditure for equipment, facilities, or infrastructure that will provide long-term service or other public benefits.

Capital Outlay - Money spent to acquire, maintain, repair, or upgrade capital assets.

Capital Plan – A budget plan for the improvement of facilities and infrastructure in which the resulting project involves the addition of a fixed asset or extends the useful life of an existing asset.

Capital Reserve – Funds set aside specifically by the City for capital projects, as contained within the ten-year capital projections, as they are constructed. These funds may also be used for unplanned and unanticipated capital purposes that may arise during the year.

Certificate of Participation – A form of financing which allows for the purchase of an asset over time. Certificates are sold to investors, and proceeds are then used by an outside party (the lessor) to acquire a capital asset on behalf of the City. The asset becomes the collateral for the certificates, and the City assumes ownership of the asset at the end of paying the full amount of the lease. Payments are subject to annual appropriation and do not constitute a long-term obligation under TABOR.

City Charter – The City operates under a Home Rule Charter, which has been framed in conformity with Article XX of the Colorado Constitution and the Municipal Home Rule Act of 1971. The City operates under a Council-Manager form of government.

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year.



Debt Service – Principal and interest due on long-term debt such as loans, notes and bonds incurred by the City.

Depreciation – Cost allocation of a capital asset or fixed asset over the useful life of the asset for expiration in the service life of fixed assets because of wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.



Expenditure – Payment for goods or services, including operating expenses that require the current or future use of net current assets, debt and capital outlays.



Fiscal Year – A twelve-month accounting period to which the operating budget applies, which for the City begins on January 1 and ends December 31 of the same calendar year.

Full-Time Equivalent (FTE) – The conversion of staff time into the decimal equivalent. One full-time position (1.0 FTE) is defined as containing 2,080 hours; a part-time position (0.5 FTE) requires 1,040 work hours.

Fund – Accounting entity with a self-balancing set of accounts, which is segregated from other funds, to carry on specific activities or attain certain objectives. The funds used by the City are General Fund, Special Revenue Funds, and Debt Service Funds.

Fund Balance – Generally, fund balance is the difference between a fund's assets and liabilities. For a given year, on a budgetary basis, the beginning fund balance plus estimated revenue less budgeted expenditures equals ending fund balance. Maintaining an adequate fund balance is important for reasons that include having funds available for emergencies, unexpected events, and to maintain a strong financial position.

G

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues include sales and use taxes, business licenses, building permits, intergovernmental and other types of revenue. This fund includes most of the basic operation services including police, community development, public works, finance, and general administration.

Grant – A contribution made from either the private sector to the City or by one governmental unit to another. The contribution is usually made to support a specified program, function or project.

H - N

Intergovernmental Agreement (IGA) – An agreement between two or more governments to cooperate in some specific way, i.e. working together on a streets project.

Infrastructure – Public domain fixed assets such as roads, bridges, streets, drainage systems and similar immovable assets.

Intergovernmental Revenues – Revenue from other governments, such as federal, state and county grants.

LTAC - Lone Tree Arts Center

O

Operating Budget – The portion of the budget that pertains to daily operations providing basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies and materials.

Operating Expenditures – Those costs, other than capital improvements and debt service, necessary to support the primary services of the organization.

Ordinance – A formal legislative entment by the governing body of the municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be by ordinance and those that may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

P

Projection - Estimation of future revenues and expenditures based on past trends, current economic conditions and financial forecasts.

Proposed Budget - The recommended City budget is annually submitted by the City Administrator to City Council by October 15.

Q - R

Reserve – Funds set aside in the current and past years for the purpose of paying for capital needs, providing for obligations and liabilities, and meeting emergency needs.

Reserve Fund Balance – The portion of a fund's balance that is restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution – A special or temporary order of a legislative body: an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue – Income received by the City government in support of the government's program of services to the community. It includes items such as sales tax, use tax, intergovernmental, lodging tax, admissions tax, fees, user charges, and fines.

S

Sales Tax and Use Tax Revenue Bonds – A type of bond where the principal and interest is payable solely from and secured by an irrevocable pledge of the pledged revenues.

Τ

TABOR (Taxpayers Bill of Rights) – This amendment to the Colorado Constitution approved by voters in November 1992, which limits governmental mill levies, revenue, and expenditures. All new or increased taxes must be voted on by the public. Also, it establishes mandatory emergency reserves.

Transfers – The movement of monies from one fund to finance activities in another fund. The monies are considered a financing source for the receiving fund and a financing use for the originating fund. Transfers are at Council's discretion and for an appropriate purpose, such as to support other funds and legal debt service agreements.

U - Z

Unreserved Fund Balance – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.



WORKING RESERVE POLICY

SUBJECT: Working Reserve Policy CAP#: 11-01

ISSUE DATE: December 20, 2011 EFFECTIVE DATE: January 1, 2012

INTENT

It is essential that the City of Lone Tree (the City) maintain an adequate working reserve in order to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates. Furthermore, an adequate working reserve is a critical consideration to the City's long-term financial planning.

POLICY

In this regard, the City has established the following fiscal policy related to its working reserve.

MINIMUM AND TARGET LEVELS

The City will maintain a minimum working reserve balance of at least two months (16.7%) of the current year's budgeted operating expenditures. At the same time, the City will strive to achieve and maintain a 30.0% working reserve balance (which would include the 3% Emergency Reserve as required by TABOR) as part of its annual budget process.

USE OF FUNDS

While targeting to maintain an annual working reserve of 30.0%, the City understands that there may be circumstances which warrant that the City use these funds temporarily. The City has established the following instances where it may elect to use these funds:

- An economic downturn in which revenues are below budget
- Unexpected and unappropriated price increases to service and maintain current City operations
- Early retirement of indebtedness
- Unexpected and non-budgeted emergencies, natural disaster costs, and/or litigation
- Capital asset acquisition, construction and improvement projects

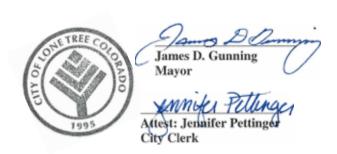
The use of the working reserve for any of the permitted circumstances described above will require an affirmative vote of eighty percent (80%) by members of City Council.

TERMS FOR REPLENISHING

In the event the City elects to use its working reserve in the aforementioned instances, the City will, concurrently in deciding to use its working reserve funds, establish a plan for replenishing the working reserve to its previous levels. When the working reserve is utilized, the City's priority will be to replenish the working reserve as soon as revenues are available.

POLICY REVIEW

The City's Finance Director will be responsible for reviewing the Working Reserve Policy semiannually in connection with the City's annual budgeting process and preparation of year-end financial statements to ensure that the City is maintaining an adequate working reserve level as established by this policy. Moreover, at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



CAPITAL RESERVE POLICY

SUBJECT: Captial Reserve Policy

ISSUE DATE: December 18, 2012

CAP#: 12-02

EFFECTIVE DATE: January 1, 2013

AMENDED: April 6, 2021, December 6, 2022

INTENT

The City of Lone Tree (the City) has determined that accumulating and maintaining capital reserves as part of its annual budgeting process helps ensure that the City maintains adequate cash fund balances to help offset costs of future capital replacement and project needs. The City believes that establishing and maintaining such reserves will assist the City to take greater advantage of the "pay as you go" philosophy versus relying entirely or mostly on debt financing. As such, the City will be able to minimize the costs related to debt borrowing which in turn will make future revenues available for other purposes rather than interest payments on debt. In this regard, the City has established the following fiscal policy as it relates to capital reserves.

POLICY

Capital Projects and Replacement Program

On an annual basis and concurrently with the City's budgeting process, City Finance will ensure that a five-year capital projections are compiled by soliciting information from the City staff which reflects significant, contemplated capital projects, the associated costs, and the projected timeframe for the projects. The projections will be used for long-term financial planning purposes only and will in no way be intended to obligate Policy Review the City in any manner to building or constructing the capital projects contained within the projections.

Budgeting for Capital Reserve

Utilizing the five-year capital projections, the City will strive to fund a designated capital reserve fund balance within its budget that will be equal to at least twentyfive percent (25%) of the amount of the average aggregate projected cost over the five year period for all of the projects based on the scheduled timing of the projects.

Use of Funds

The capital reserve will be utilized by the City for capital projects, as contained within the five-year capital projections, as they are constructed. While it is the City's intent to only utilize its capital reserve for planned projects as contained in its five-year capital projections, it is understood that there may be unusual circumstances which may cause the City to desire to

use its capital reserve for unplanned and unanticipated capital purposes. In instances where such an event may occur, an affirmative vote of eighty percent (80%) by members of City Council will be required. At no time shall the accumulated capital reserve be used for City operational costs. Furthermore, should the City use its capital reserve for unplanned and unanticipated capital outlay purposes, the City will cause any such utilized reserve to be replenished within two years from the date of the reserve being drawn on.

Investing Capital Reserve Balances

As established in this policy, the City acknowledges that it will be accumulating a capital fund balance reserve that may and/or will not be used for an extended period of time. In order to maximize the City's investment earnings, City Finance will periodically, but no less than annually, analyze the capital reserve fund balance and recommend to Council various investment options available to the City. Any and all recommendations made by City Finance will adhere to state statutes regarding investments permitted by governmental entities. Investment revenue earned on long-term capital reserve balances will be used for costs incurred under this policy.

PROCEDURES

City Finance will be responsible for reviewing the Capital Reserve Policy on an annual basis in connection with the City's annual budgeting process to ensure that the City is maintaining an appropriate capital reserve as established by this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.

Garqueline a. Millet Jacqueline A. Millet, Mayor

ATTEST:

Rick Parsons, City Clerk

INVESTMENTS POLICY

SUBJECT: Investments CAP#: 13-02

ISSUE DATE: June 18, 2013 EFFECTIVE DATE: July 1, 2013

AMENDED: November 21, 2023

INTENT

The City of Lone Tree (City) recognizes the need to adopt an investment policy to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. The provisions of this Policy shall apply to all investable funds of the City. The purpose of this investment policy is to specify various policies and procedures that will foster a prudent and systematic investment program designed to achieve the City's objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the City's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA) and the Association of Public Treasurers (APT).

POLICY

The City has established the following fiscal policy related to investments.

Objectives

The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

Safety of Principal

Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns.

Liquidity

The investment portfolio will remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated.

Return on Investments

The investment portfolio will be designed

with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

Delegation of Authority

Authority to manage the City's investment program is derived from Colorado Revised Statutes (C.R.S. § 24-75-601.1). The City's Council is responsible for the adoption of this Policy. Management responsibility for the administration of this Policy is hereby delegated to the City's Finance Director.

The Finance Director shall develop administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage support services of advisors, consultants, and professionals in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources. Investment Advisors shall be registered with the Securities Exchange Commission under the Investment Advisors Act of 1940. Advisors shall be subject to the provisions of this Policy, and shall not, under any circumstances, take custody of any City funds or securities.

Ethics and Conflicts of Interest

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and officials involved in the investment process shall disclose to the City Manager any

material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials involved in the investment process shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City:

Pooling of Funds

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Authorized Financial Institutions, Depositories and Broker/Dealers

Public deposits will be made only in qualified public depositories pursuant to the Public Deposit Protection Act (CRS 11-10.5-101, et seq.) for banks and the Savings and Loan Association Public Deposit Protection Act (CRS 11-47-101, et seq.).

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Safekeeping and Custody

To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the City's investment portfolio shall be held in safekeeping in the City's name by a third-party custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and (iii) money market mutual funds, since the purchased securities are not deliverable.

Authorized Investments

Except as specifically defined in this Policy, all investments of the City shall be made in accordance with the City's Home Rule Charter and applicable laws contained in the Colorado Revised Statutes, as amended: C.R.S. § 11-10.5-101, et seq., Public Deposit Protection Act; C.R.S. § 11 47 101, et seq., Savings and Loan Association Public Deposit Protection Act; C.R.S. § 24 75 601, et seq., Funds-Legal Investments; C.R.S. § 24 75 603, Depositories, and C.R.S. § 24-75-702, Local governments-authority to pool surplus funds. Any revisions or extensions of these sections of the Colorado Revised Statutes will be assumed to be part of this Investment Policy immediately upon the effective date thereof.

The credit quality of any eligible investment will be evaluated using the following Nationally Recognized Statistical Rating Organizations (NRSROs): Standard & Poor's, Moody's or Fitch (or any of their successor agencies).

The City has further defined the following types of securities and transactions as eligible for use by the City:

- U.S. TREASURY SECURITIES fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment.
 - Maturities shall not exceed five years from the date of trade settlement.
 - There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasuries.
- 2. **FEDERAL AGENCY AND U.S. GOVERNMENT-SPONSORED ENTERPRISE (GSE) SECURITIES** issued by or fully guaranteed as to principal and interest by federal agencies or U.S. GSEs.
 - Maturities shall not exceed five years from the date of trade settlement.
 - There are no limits on the dollar amount or percentage that the City may invest in federal agency and GSE securities.
 - No more than 35% of the total portfolio may be invested in any single Agency/GSE issuer.

3. CORPORATE OR BANK SECURITIES

 The term "bank security" includes negotiable certificates of deposit issued by banks organized and chartered within the United States. Public Entities must consider these bank securities as investments and not deposits subject to the protection of the "Public Deposit Protection Act", article 10.5 of title 11, or insured by the Federal Deposit Insurance Corporation.

- Maturities shall not exceed three years from the date of trade settlement.
- At the time of purchase must carry at least two credit ratings from the above mentioned NRSROs and are not rated below:
 - a) "A1, P1, or F1" or their equivalents if the security is a money market instrument such as commercial paper or bankers' acceptance; or
 - b) "AA- or Aa3" or their equivalents if the security is any other kind of security.
 - c) These rating requirements first apply to the security being purchased and second, if the security itself is unrated, to the issuer, provided the security contains no provisions subordinating it from being a senior debt obligation of the issuer.
- At no time shall the book value of investments in corporate and bank securities total more than 50% of the total book value of the City's portfolio with no greater than 5% exposure to any single issuer.
- No subordinated security may be purchased.
- 4. **MONEY MARKET MUTUAL FUNDS** registered under the Investment Company Act of 1940, provided they:
 - Have a constant daily net asset value per share of \$1.00:
 - Are "no load" (i.e.: no commission or fee shall be charged on purchases or sales of shares) and charge no 12b1 fees;
 - Limit assets of the fund to securities authorized by state statute:
 - Have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and
 - Have a rating of AAAm by Standard and Poor's or Aaa by Moody's, or AAAmmf by Fitch Investors Service.
 - A maximum of 100% of the portfolio may be invested in money market mutual funds with a single fund constituting no more than 35% of the portfolio.
- 5. **LOCAL GOVERNMENT INVESTMENT POOLS** authorized under C.R.S. § 24-75-701, et seq., provided they:
 - Have a constant daily net asset value per share of \$1.00;
 - Are "no-load" (i.e., no commission or fees shall be charged on purchases or sales of shares) and charge no 12b1 fees;
- 6. **CERTIFICATES OF DEPOSITS** with a maturity not exceeding five years in any bank that is a member of the Federal Deposit Insurance Corporation (FDIC).

- Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act or the Savings and Loan Association Public Deposit Protection Act.
- No more than 30% of the total portfolio may be invested in certificates of deposit.
- No more than 5% of the total portfolio may be invested in any one issuer.
- 7. **REPURCHASE AGREEMENTS** collateralized with marketable U.S. Treasury, Agency or GSE securities listed in items #1 & 2 above and maintained at a market value plus accrued interest of at least 102% of the dollar value of the repurchase agreement.
 - Repurchase agreements are subject to a Master Repurchase Agreement between the City and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
 - Repurchase agreements shall be entered into only with dealers who have executed an approved Master Repurchase Agreement with the City and who are recognized as primary dealers with the Federal Reserve Bank of New York or have a primary dealer within their holding company structure.
 - For the purpose of this section, the term collateral shall mean purchased securities under the terms of the Master Repurchase Agreement and shall be delivered versus payment to the City's custodian bank for safekeeping on behalf of the City.
 - The collateral for the repurchase agreement may have a maturity in excess of five years.
 - The market value plus accrued interest of the collateral securities shall be marked to the market no less frequently than weekly.
 - The City may utilize Tri party Repurchase
 Agreements provided that the City is satisfied that
 it has a perfected interest in the securities used as
 collateral and that the City has a properly executed
 Tri party Agreement with both the counterparty and
 custodian bank.
 - The maximum maturity of the repurchase agreement shall not exceed one year.
- 8. **MUNICIPAL SECURITIES** of state or local governments with a maturity not exceeding five years from the date of trade settlement.
 - General obligation and revenue obligation securities
 of this state or any political subdivision of this state
 must be rated at the time of purchase at least "A-" or
 its equivalent by at least two NRSROs.
 - General obligation and revenue obligation securities
 of any other state or political subdivision of any other
 state must be rated at the time of purchase at least
 "AA-" or its equivalent by at least two NRSROs.

- No more than 30% of the total portfolio may be invested in municipal securities.
- No more than 5% of the total portfolio may be invested in the securities of any single issuer.

9. **SUPRANATIONALS**, provided that:

- Issues are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the World Bank.
- The securities are rated at the time of purchase at least "AA" or its equivalent by an NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

Prohibited Investment Vehicles and Practices

State law notwithstanding, any investments not specifically authorized pursuant to this approved Investment Policy are prohibited, including but not limited to:

- Futures and options
- Investment in inverse floaters, range notes, or mortgage derived interest-only strips
- Investment in any security that could result in a zero interest accrual if held to maturity
- Trading securities for the sole purpose of speculating on the future direction of interest rates
- Purchasing or selling securities on margin
- The purchase of foreign currency denominated securities

Investment Pools / Mutual Funds

The City shall conduct a thorough investigation of any local government investment pool or money market mutual fund prior to making an investment, and on a continual basis thereafter.

Maximum Maturity

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The City will not invest in securities maturing more than 5 years from the date of trade settlement (3 years for corporate securities), unless the City Council has by resolution granted authority to make such an investment.

Risk Management and Diversification Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

 The diversification requirements included in the "Authorized Investment" section of this policy are designed to mitigate credit risk in the portfolio.

- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the City's risk preferences.
- If securities owned by the City are downgraded by a nationally recognized statistical ratings organization (NRSRO) to a level below the quality required by this Investment Policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
- If a security is downgraded, the Finance Director will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to City Council.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City adopts the following strategies to control and mitigate its exposure to market risk:

- The City shall maintain at least 10% of its total portfolio in instruments maturing in 90 days or less to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities) in the portfolio will be 20%.
- The maximum stated final maturity of individual securities in the portfolio will be five years, except as otherwise stated in this policy.

The duration of the portfolio will at all times be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.

Review of Investment Portfolio

The Finance Director shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council. In addition, the Finance Director will provide an annual investment update to City Council to report on investment activities, investment objectives, and portfolio performance.

Performance Evaluation

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Finance Director shall monitor and evaluate the portfolio's performance relative to market benchmark. The Finance Director shall select an appropriate, readily available index to use as a market benchmark.

Reporting of Investments

A report containing current investment activity and balances will be provided to City Council on a monthly basis.

POLICY REVIEW

The City's Finance Director and City Manager will review the Investment Policy annually in concert with the preparation of the City's year-end financial statements to ensure that the City is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.

ONE TREE COTO PADO

Jacqueline A. Millet, Mayor

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DEBT MANAGEMENT

SUBJECT: **Debt Management** CAP#: 13-03

ISSUE DATE: June 18, 2013 EFFECTIVE DATE: July 1, 2013

INTENT

The City of Lone Tree (City) understands the importance of long-range, financial planning in order to meet its capital asset needs. The following debt management policy establishes parameters on the issuance of debt to help ensure that the City maintains a sound debt position and that its credit rating is protected. As such, the policy allows for an appropriate balance between establishing debt limitations while also providing flexibility to respond to unforeseen circumstances and new opportunities. This policy applies to City derived revenues and revenues the City is entitled to receive. It is the intent of this policy to provide both a framework relating to current circumstances as they exist today as well as to address the City's future position relating to debt management.

POLICY

The City has established the following fiscal policy related to debt management.

Development of Long-Term, Financing Recommendations

The primary responsibility for developing longterm, financing recommendations rests with the City Manager. During the annual budget process, and at any other such times during the year in which the need may arise, the City Manager will work collectively with the City's Finance Director and any other deemed necessary City staff (the Internal Working Group) to determine if there is a need for long-term borrowing. As part of the determination process, the Internal Working Group shall review the financing needs outlined by the Capital Improvement Plan to analyze the future capital financing needs as compared with the City's currently available cash resources and projected revenues. The Internal Working Group will also provide recommendations regarding refunding and restructuring of existing debt.

Once determination is made by the Internal Working Group to pursue long-term financing, a refunding, or restructuring of debt, the City Manager or City Manager designee, shall prepare and present to City Council a resolution of intent to

issue, refund or restructure debt and authorization of City staff to proceed with the necessary preparations.

Capital Improvement Plan

On an annual basis and as part of the City's budgeting process, the City will prepare and/or update a ten (10) year Capital Improvement Plan (CIP) identifying capital projects that are part of the City's long-term strategic vision and economic development plan. The CIP forecast process should include the associated, estimated ongoing operations and maintenance costs of such capital assets so that the total costs of the projects are considered for budgeting and projection purposes.

Purpose of Debt

Incurrence of long-term debt will only be used for the purpose of financing capital assets, which include but are not limited to buildings, infrastructure, land acquisition and purchase of significant equipment. The City, under no circumstances, will issue debt or borrow funds to finance the City's on-going costs for operations and services.

The City will strive to maximize the pay- as-yougo approach for its capital projects expenditures (see Capital Reserves Policy). Debt financing will be considered when annual revenues and accumulation of capital cash reserves are not sufficient to provide the necessary funding for such projects within a timeframe deemed necessary or adequate by City Council.

Types of Debt

The types of debt instruments to be used by the City will include:

- General Obligation Bonds
- Revenue Bonds
- Short-term Notes
- Special or Local Improvement Bonds o Tax Increment Securities
- Any other legally recognized security approved by City Council and deemed advantageous to the City

In order to mitigate any uncertainty of annual debt payment amounts due, the City will strive, if deemed practical and beneficial, to secure a fixed rate structure when issuing debt. The City will consider a variable rate structure when market conditions favor this type of issuance, and when feasible, ensure there is a maximum interest rate provided within the variable rate structure. Credit enhancements will be used only in instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.

Level of Debt and Restrictive Provisions

The City will strive to limit its general obligation debt (i.e., where ad valorem property taxes are the main and underlying security pledged on the debt) so as not to exceed fifteen percent (15%) of the City's total assessed valuation as shown by the last preceding assessment received from the Douglas County 's Assessor's Office. Additionally, the City will strive to maintain its annual general obligation debt service costs (principal and interest) for its governmental activities at a level of no greater than fifteen percent (15%) of the City's governmental expenditures. Any debt issued by the City, other than general obligation debt, wherein other revenue sources serve as security on the debt (e.g., revenue bonds), will not have any specific debt level restrictions, provided that each of such issuances will be evaluated on a case by case bases so as to ensure that the City has adequately provided for conservative revenue projections relating to principal and interest repayment purposes.

The repayment terms of all debt issued by the City will not exceed the useful life of the capital assets financed. Additionally, the City will seek level or declining debt repayment schedules and will not issue debt that provides for a balloon principal payment reserved at the end of the term of the issue. Furthermore, the City will strive to obtain redemption terms that allow for the pre payment of debt without paying a redemption penalty.

Debt Issuance Practices

As part of its debt issuance process, the City will at all times manage its debt and sustain its financial position in order to secure and maintain an AA/Aa2 (long-term) or higher bond rating.

The City will market its debt through the use of a competitive bid process when issuing general obligation debt. The competitive bid process will also be used for other debt issuances unless time, interest rates and/or other factors make it more favorable for the City to use a negotiated process.

If needed, the City will hire an independent financial advisor, and any other professional service provider (e.g. bond counsel), to assist in the

structuring of the debt transaction and to provide overall guidance throughout the process.

Guidelines for Refunding

The City shall consider refunding (advance and current refunding) outstanding debt whenever an analysis indicates the potential for net present value (NPV) savings of at least three percent (3%) can be achieved. The City shall also consider restructuring its existing debt in order to extend the payment terms to meet cash flow needs if deemed beneficial to the City's long-term financial and strategic planning. The City may also consider refunding outstanding bonds to remove existing restrictive covenants.

Post Issuance Management

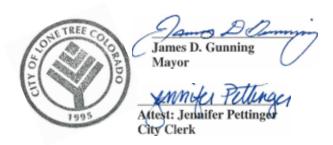
The City will invest its debt proceeds in accordance with the City's investment policy and statutory requirements. Funds will be invested in instruments and with related maturities that will provide the liquidity needed to meet the cash flow needs of each project. In this regard, the City's Finance Director will prepare cash flow projections to determine the availability of funds to be invested and their respective required maturities.

The City will comply with all arbitrage rebate requirements as established by the Internal Revenue Service. Arbitrage will be calculated at the end of each fiscal year and interest earned on the investment of debt proceeds will be reserved to pay any penalties due. Secondary market disclosures requirements established within the terms of the debt transaction will be adhered to and filed on a timely basis.

The City's Finance Director will be responsible for managing the post issuance requirements listed above and/or cause any post issuance requirements to be completed.

POLICY REVIEW

The City Manager and the City's Finance Director will review the Debt Management Policy in connection with the City's annual budget process as well as the year-end audit process to ensure that the City is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote by City Council.



BRICK FENCE REPLACEMENT RESERVE

SUBJECT: Brick Fence Replacement Reserve

ISSUE DATE: December 18, 2018

CAP#: 18-04

EFFECTIVE DATE: January 1, 2019

INTENT

To provide a reserve account to accumulate funding to replace the existing brick fences in the City at a future time. Due to the total project cost, as well as partner funding that is anticipated to be received over multiple years, segregating these funds is necessary.

POLICY

As the City does not have any current debt authorization, for large capital projects, accumulating funds over multiple years is necessary at times to be able to complete projects timely and efficiently.

PROCEDURES

- The City will open an interest bearing account designated as the Brick Fence Reserve Fund (Project Account) in 2019.
- 2. The City will transfer the remaining litigation funds from the brick fence lawsuit of \$986,200 into that account.
- 3. Any partner contributions designated for this project will be deposited into the Project Account upon receipt.
- Any amounts designated for this purpose by City Council during the budget process in any given year will be deposited into the Project Account by January 31st.
- 5. Interest earned on the deposited funds will remain in the Project Account and will be applied to the Brick Fence Replacement Project.
- 6. If the City Council would like to consider using the funds designated by this policy for a different purpose, an affirmative vote of eighty percent (80%) by members of City Council will be required and any partner funds would be returned immediately, including the proportionate amount of interest earned on those amounts.

Jacqueline A. Millet, Mayor

Attest: Jay Robb, City Clerk

CULTURAL AND COMMUNITY SERVICES FUND— FUND BALANCE RESERVE

SUBJECT: Cultural and Community Services Fund-Fund Balance Reserve Policy **CAP#**: 19-01

ISSUE DATE: January 30, 2019

EFFECTIVE DATE: February 19, 2019

INTENT

The Cultural and Community Services Fund is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other Citysponsored events and cultural services. As a stand-alone governmental special revenue fund for the City, pursuant to Resolution 11-25, all funds in the Special Revenue Fund are committed to be used solely to fund the Lone Tree Arts Center and its programs. This policy is designed to outline procedures for when to allow fund balance accumulation, resulting in more consistent amounts being transferred from the General Fund from year to year.

POLICY

The Cultural and Community Services Fund is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other Citysponsored events and cultural services. As a stand-alone governmental special revenue fund for the City, pursuant to Resolution 11-25, all funds in the Special Revenue Fund are committed to be used solely to fund the Lone Tree Arts Center and its programs. This policy is designed to outline procedures for when to allow fund balance accumulation, resulting in more consistent amounts being transferred from the General Fund from year to year.

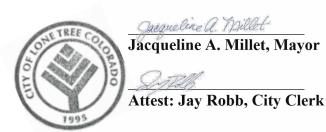
PROCEDURES

At the end of each calendar year, a comparison will be completed between the approved budgeted amount of the General Fund transfer to the Cultural and Community Services Fund for Arts Center programming (exclusive of the transfers for annual events, arts and cultural events, park and recreation and economic development) and the actual transfer needed to cover the difference between revenues and expenditures for the year. If the budgeted transfer amount is greater than the actual transfer needed, the full budgeted

amount will be transferred and the variance will be maintained in the Cultural and Community Services Fund for future year's spending. Any accumulated fund balance will be committed to be used solely to fund the Lone Tree Arts Center and its programs.

POLICY REVIEW

The City's Finance Director will be responsible for reviewing this policy on an annual basis in connection with the City's annual budgeting process and reporting findings to the City Council to ensure that the City is maintaining appropriate reserves as established in this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revision to the policy as deemed appropriate.



OPERATIONAL RESERVE FUND

SUBJECT: Operational Reserve Policy ISSUE DATE: December 6, 2022

CAP#: 22-02

EFFECTIVE DATE: January 1, 2023

INTENT

Due to the successful passing of ballot question 2E, which temporarily increases the City's Sales and Use Tax by one percent for ten years starting in 2022, long-term financial projections show an accumulation of funds in early years and an intent to use such funds in later years. Projections show that the temporary one percent tax rate increase will allow for a stable revenue stream over a ten-year period. To address fluctuations in years where operating and capital expenditures exceed revenues, it is essential to establish a reserve to ensure fiscal stability. For oversight purposes regarding the buildup and usage of these funds, the City of Lone Tree (the City) establishes an operational reserve in order to continue to provide vital City services to the community. With the goal of future fiscal stability, the City has established the following policy as it relates to the operational reserve.

POLICY

Budgeting for Operational Reserve

On an annual basis and concurrently with the City's budgeting process, the City Manager will recommend the amount contributed to the operational reserve based on available net revenue, less required contributions to any other reserves. Moreover, the City will roll over any excess funds, subsequent to year-end closing, of unanticipated accumulated fund balances and will include any such excesses as part of the City's operational reserve, or as otherwise recommended by the City Manager depending on the accumulated balance and updated projections. In addition, the City Manager will recommend the use of operational reserve funds in years when operating and capital expenditures exceed revenues. This is anticipated, based on long-term financial projections which indicate contributions to the reserve in early years and the use of funds in later years. City Finance will be responsible for updating long-term projections and reporting findings to the City Council to ensure future fiscal stability. City Council will consider approval of the recommended contribution or usage of the operational reserve during the annual budget process.

Use of Funds

The City Manager will recommend the utilization of operational reserve funds in years where expenditures are exceeding revenues. The use of the operational reserve will require an affirmative vote of eighty percent (80%) by members of City Council.

Investing Operational Reserve Balances

As established in this policy, the City acknowledges that it will be accumulating an operational fund balance reserve. In order to maximize the City's investment earnings, City Finance will periodically, but no less than annually, analyze the operational reserve fund balance and recommend to Council various investment options available to the City. Any and all recommendations made by City Finance will adhere to state statutes regarding investments permitted by governmental entities and the Council adopted Investment policy.

POLICY REVIEW

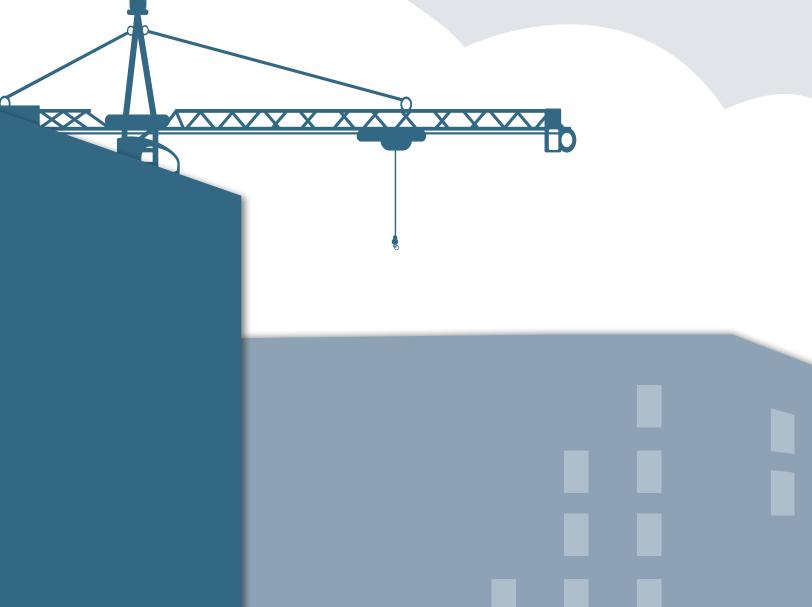
City Finance will be responsible for reviewing the Operational Reserve Policy on an annual basis in connection with the City's annual budgeting process to ensure that the City is maintaining an appropriate operational reserve as established by this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. In addition, City Council will review the operational reserve policy every five years to ensure that the policy is still in line with projections and that the policy is still serving the stated intent. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



Jacqueline A. Millet, Mayor

ATTEST:

Rick Parsons, City Clerk





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