

EXPLORE



CITY OF
LONE TREE

2025 BUDGET BOOK



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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 2024 estimated budget and the 2025 adopted budget.

The City of Lone Tree prepares a modified programs-based budget. The Fund Summaries and Budget Message are found on pages 19-55 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 Six Big Ideas. Collectively, the vision, mission, Six 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 77-79 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 2025 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 three 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 59, provides further details. Furthermore, the City's debt and lease instruments are discussed, and corresponding 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.



PARK MEADOWS RETAIL RESORT

One of the best parts of Lone Tree is one place where you can shop, dine, and play. Park Meadows Retail Resort is Colorado's largest shopping mall and its home is right here in Lone Tree! What makes Park Meadows Retail Resort so unique? It's Colorado's largest mall, with more annual visitors than the Louvre in France! From over 185 boutique stores to national favorites, delicious dining spots, and entertainment options like breakout rooms and events hosted throughout the year, there's something for everyone!

INTRODUCTION & OVERVIEW

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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 2025 Budget, a strategic roadmap that not only aligns with our vision of Lone Tree as a premier Colorado community but also sets the stage for us to become a major regional destination in the state. This budget embodies our commitment to achieving our community's aspirations through excellence, innovation, and collaboration, while also positioning us to attract visitors, businesses, and investment from across the region. The annual budget, in conjunction with our Strategic Plan and Comprehensive Plan, serves as a cornerstone for shaping the future of our City. 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. 24-57 on December 3, 2024.

BUDGET HIGHLIGHTS

This balanced budget reaffirms the City Council's commitment to maintaining the high level of service that our residents, visitors, and business community value and on which they depend. To achieve this, we remain focused on our ongoing dedication to public safety, strategic planning for the future, maintaining and upgrading the City's core infrastructure, maximizing the value of prior investments, and managing both operating and capital reserves with fiscal responsibility.

The City's adopted 2025 budget reflects City Council's commitment to fiscal responsibility and alignment with the City's Strategic Plan, built on conservative revenue projections, as well as necessary and discretionary expenditures, and required reasonable reserves and designations. This adopted budget aligns with the City's long-term financial goals, as outlined during the 2E Tax Initiative, ensuring fiscal stability for the years ahead and honoring the commitments made to the community when the initiative was passed.

WHAT TO EXPECT IN 2025

Investing in Our Vision

- **Revenue Projections and Fiscal Responsibility:** While we do not anticipate major increases, our conservative revenue projections allow us to invest in critical priorities while maintaining a balanced budget and ensuring financial stability (Big Idea #6). This strong fiscal foundation was essential in achieving our AA+ credit rating on our certificates of participation (COPs).
- **Focus on Public Safety and Infrastructure:** 87% of all expenses are dedicated to public safety and infrastructure, reflecting our unwavering commitment to safety and a well-maintained environment, crucial elements for any thriving regional destination (Big Ideas #1 & #4).

- **Strategic Staffing Enhancements:** The proposed budget includes key positions to strengthen our service capacity and achieve operational excellence (Big Idea #6). These additions will enable us to better serve our residents and visitors, foster a connected community, and provide exceptional cultural and recreational opportunities that will attract people to Lone Tree (Big Ideas #3 & #4).
- **Leveraging Grant and Partnership Funding:** Significant grant and partnership funding has been secured for capital projects, maximizing our investment in our community's infrastructure and amenities. These projects will enhance our appeal to visitors and businesses alike, further supporting our commitment to exceptional places (Big Idea #4).
- **Capital Projects:** The Justice Center, High Note Regional Park, and an enlarged Public Works Facility represents our dedication to visionary transportation networks and signature recreational opportunities that will elevate Lone Tree's regional profile (Big Ideas #2 & #4).

Achieving Our Vision Together

The City's Strategic Plan challenges us to be a "national model" in public safety, our transportation network, signature cultural and recreational opportunities, our diverse and sustainable economy, a welcoming and connected community, and as an innovative, customer-focused, and efficient city government. This strategic and forward-thinking approach is what makes the Lone Tree community unique and a desired location for our residents, as well as continuing to be a regional presence, attracting business investments and visitors. To achieve this goal, we have focused our priorities on investments in our people, our infrastructure, and our community while maintaining fiscal responsibility.

SUMMARY OF REVENUES, EXPENDITURES AND RESERVES

- Total budgeted revenues for all City funds are approximately \$81.0 million.
- Taxes account for approximately 55.4% of total revenues, with sales tax being the primary source of this funding.
- Sales tax projections for 2025 are based on a conservative approach, incorporating 2024 trends along with the effects of new store openings and closures, leading to a modest anticipated growth rate of 1.5% in the sales tax base.
- The City does not assess a mill levy for the collection of property taxes.
- Changes in other tax areas include increases to lodging tax, admissions tax, and use tax-retail, as a result of conservative projections based on current trends. In addition, the budget includes a significant increase to use tax-building materials due to anticipated new development. Use tax-building materials can significantly vary year over year based on anticipated construction projects and redevelopment activity.
- Total budgeted expenditures for all City funds in 2025 are approximately \$117.2 million. These expenditures are to be funded by projected 2025 revenues, along with accumulated fund balances from prior years.
- The operating budget ensures that core services, such as snow removal, trash and recycling collection, and street maintenance, continue to meet the same high-quality standards.
- The budget for salaries and benefits includes funding for several new positions outlined in the City's five-year staffing plan. These positions span across key departments, including Community Development, the Lone Tree Arts Center, Municipal Court, Police Department, and Public Works, ensuring the City can continue to meet the service expectations of residents, visitors, and the business community.
- The 2025 Police Department budget includes the addition of a new Records Technician position to meet growth and increased complexity of cases. Additionally, it includes a grant-funded Talent Acquisition and Development Manager to support police officer recruitment, and grant funded over-hire costs to maintain coverage during officers' academy training. The budget also emphasizes succession planning to ensure long-term stability and continuity within the department.
- Leveraging partnerships remains a critical strategy for the City to fund large capital projects, and we are excited to continue receiving this support in 2025. Approximately 30% of total capital project funding has been secured through partnerships and grants, 50% from COPs for the design and construction of new City facilities, while the remaining 20% will be funded by the City.

Key capital improvement projects for 2025 include:

- o Annual Street Overlay and Traffic Signals
 - o Advancing Lincoln Avenue
 - o C-470 Trail Connection to County Line RTD Light Rail Station
 - o Groundbreaking and initial construction of the Justice Center, Public Works Facility expansion, and High Note Regional Park
 - o Storm Sewer and Drainage Improvements
 - o Bikeway Connections and Transportation Improvements
- The 2025 budget includes a 27% working reserve, which is designated to cover unanticipated revenue shortfalls or unforeseen expenditures.
 - An operational reserve was established in 2023 to oversee the accumulation and use of funds generated by the one-percent tax increase approved by voters through ballot question 2E. This tax, approved for a 10-year period, is expected to provide a stable revenue stream over the duration of that period.
 - Capital reserves have been established for both capital replacement and new capital projects, in alignment with the City's five-year capital plan, to support future significant initiatives.

HOW TO USE THIS DOCUMENT

The *Budget Summary* section provides an overview of the City's priorities for 2025, along with budgeted revenues, expenditures, and ending fund balances for each of the City's Funds. The *Budget Message* section offers detailed information on the services provided by the City, projected revenues and expenditures, and the reserve funds included in the 2025 budget. Additionally, the capital section includes specific details on the City's major capital projects.

I would like to extend my gratitude to City Staff for their hard work, dedication, and forward-thinking approach, and to the Mayor and City Council for their unwavering commitment to public service and the citizens of Lone Tree. The foundation they and their predecessors have built has shaped Lone Tree into what it is today, and their continued leadership promises a successful 2025 with many accomplishments. This budget is truly reflective of that remarkable group effort.

The City Council and I welcome any questions or comments regarding the 2025 budget and the budget process.

Sincerely,



Seth Hoffman
City Manager

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INTRODUCTION & OVERVIEW LIST OF OFFICIALS

December 31, 2024

CITY COUNCIL

Mayor Marissa Harmon, At-Large
Mayor Pro-Tem Jay Carpenter, District 1
Councilmember Mike Parr, District 1
Councilmember Alecia Brown, District 2
Councilmember Mike Anderson, District 2



CITY OFFICIALS

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lone Tree
Colorado**

For the Fiscal Year Beginning

January 01, 2024

Christopher P. Morill

Executive Director

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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 City policy and the City Manager is responsible for City operations.
- City Council is made up of five Councilmembers, 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, 2024 (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, Dick's Sporting Goods, Dillard's, 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 opened offices in Lone Tree, adding 500 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.
- HCA HealthONE Sky Ridge continues to be an important state-of-the-art regional medical facility located on 42 acres. In 2023, HCA HealthONE 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. HCA HealthONE Sky Ridge was ranked eighth of all Denver-area hospitals in the Book of Lists Denver Business Journal in 2024.
- The 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.
- Bluffs Regional Park and the RidgeGate Open Space feature over 400 acres of open space and trails with sweeping views of the Denver metro area.
- 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.
- Lone Tree's parks and recreation provider, South Suburban, was awarded the 2024 Grand Plaque National Gold Medal Award for excellence in Parks and Recreation.
- Former Lone Tree Mayor Jackie Millet was awarded the 2024 Sam Mamet Good Governance Award by the Colorado Municipal League.
- Corporal Grant Collins with the Lone Tree Police Department was awarded the Law Enforcement Hero Award by the Douglas County Community Foundation.
- The Lone Tree Arts Center held its ranking of 16th on the 2024 list of Denver-Area Tourist Attractions.
- The Lone Tree Arts Center received four Colorado Theater Guild nominations, including one win, for its production of DREAMGIRLS: Brian Boyd, Best Actor in a Musical; Lawrence Flowers, Best Supporting Actor in A Musical (win), Christopher Page Sanders, Best Choreography, and Emily Valley, Best Costumes; and one nomination for its production of THE MOUSETRAP: Kevin Nelson, Best Scenic Design.
- The Lone Tree Link on Demand service celebrated its 10-year anniversary in 2024.
- Several City employees were awarded various awards including Douglas County Sheriff's Commendation Award, Respect for Law Award, Ken Fisher Award, and CIRSA's Safety Champion Recognition.

2024 HONORS AND AWARDS

- For the last 19 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 ten 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 2024 Award for best Live Music Venue.



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INTRODUCTION & OVERVIEW

TOTAL BUDGET SUMMARY

The objectives of this budget are to allocate City funds in alignment with our Six Big Ideas while ensuring adequate reserves for the City's long-term financial stability. The following factors guided the development of the 2025 annual budget:

- Projected revenue streams that align with the City's long term fiscal analysis
- Capital improvements to maintain current infrastructure following the City's five-year capital plan
- Staffing priorities to uphold exceptional service levels to the community based on our updated five-year staffing plan
- Target capital and operational reserve amounts and maintaining working reserve levels in accordance with council adopted policies

The 2025 priorities share several similarities with those of 2024, such as investing in community safety and maintaining current infrastructure. Additionally, the 2025 budget includes priorities for continuing to provide exceptional service to our residents and businesses, making investments in infrastructure projects, and planning for future growth.

Changes between the proposed budget and the adopted budget include capital project rollover amounts that were accounted for in 2024, but due to timing of completion, will not be finished until 2025.

The 2025 priorities will be funded through general fund revenues received during the year, proceeds from the issuance of certificates of participation, as well as local and regional partnerships and grants, which are primarily accounted for in the capital fund.

The City's main priorities for the 2025 budget are outlined below. A majority of these priorities remain achievable thanks to the funds generated by the one-percent tax increase approved by voters through ballot question 2E:

- Maintain high service levels for residents, including exceptional customer service, free trash removal and recycling, expanded Link on Demand service, and a variety of City-sponsored community events.
- Continued focus on public safety, including the addition of a new Talent Acquisition & Development Manager and Records Technician to ensure the department is fully staffed and operating efficiently to keep our community safe.
- Sustained focus on service levels to support the growth east of I-25, with increased resources in consulting, staffing, and inspections. A significant portion of these expenses will be offset by developer fee revenues.

- Maintain or upgrade core infrastructure, including street overlays, the C-470 trail connection to the County Line RTD Light Rail Station, concrete panel replacements, storm sewer improvements, and traffic signalization upgrades.
- Continue design work for the Advancing Lincoln Avenue (I-25 / Lincoln Avenue Interchange) project, which received substantial grant and partnership funding to leverage City dollars.
- Finalize design and initiate construction of a new Justice Center and Public Works Facility expansion. These projects are part of the City's five-year capital and long-range fiscal plans and are financed through certificates of participation, a form of lease-purchase agreement in place of bonds or other long-term debt.
- Complete design and initiate construction of High Note Regional Park – Phase 1, which represents the City's dedication to signature recreational opportunities that will elevate Lone Tree's regional profile.

REVENUES

The total budgeted revenues for all City funds are \$80,963,586, reflecting a 22% increase compared to the 2024 estimate. This increase is primarily due to higher intergovernmental revenue, certificates of participation, tax projections, and revenue from the Lone Tree Arts Center.

The rise in intergovernmental revenue is mainly attributed to partnership funding for the High Note Regional Park, as well as grants and partnerships for the ongoing design of Advancing Lincoln Avenue and the continued construction of the C-470 Trail Connection to the County Line RTD Light Rail Station.

The increase in certificates of participation is driven by funding for the finalization of design work and the initiation of construction for the City's new facilities and regional park.

The increase in tax revenue is largely due to a conservative projection in sales tax expectations and the anticipated opening of new businesses in 2025. Taxes collected account for approximately 55.4% of total revenue, with sales tax being the primary source.

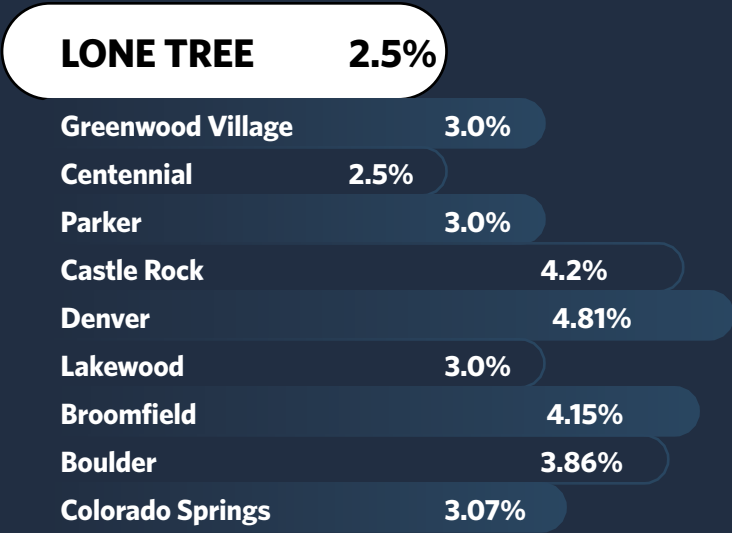
The revenue increase from the Lone Tree Arts Center is mainly due to the planned programming, including two theatrical productions, which is expected to generate higher ticket sales.

The total sales and use tax rate for the City is 2.5 percent. This comparatively low sales tax rate makes the City an attractive destination for consumers to visit and shop. The following table compares the City's sales tax rate with those of other communities along the Front Range.

BUDGET SUMMARY

Local Sales Tax Rate

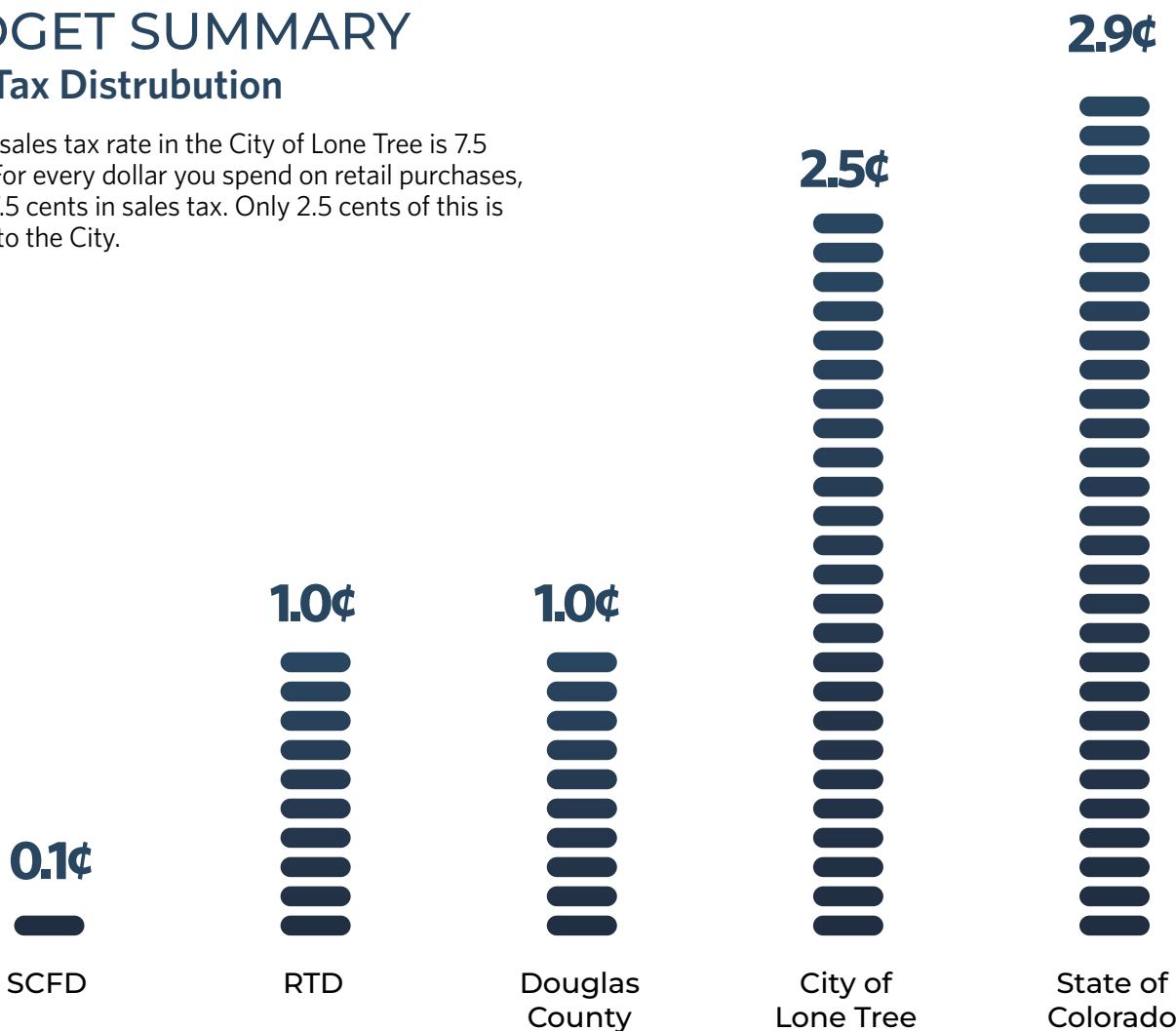
The following table compares the City’s sales tax rate with other communities along the Front Range.



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 is returned to the City.



EXPENDITURES

The total budgeted expenditures for all City funds in 2025 are \$117,215,809. The net operating budget, which represents the funds needed for day-to-day services (excluding payments related to certificates of participation and capital projects), has increased by 10 percent in 2025 compared to the 2024 estimate. This increase includes operating costs related to staffing additions necessary to maintain excellent service levels amid the City's anticipated growth, as well as investments in aging infrastructure, replacement vehicles for the City fleet, and updates to the City's Comprehensive Plan and Land Use Code. Additionally, the increase is driven by higher costs associated with street maintenance, snow removal, and insurance.

The 2025 budget also includes funding for several capital projects, such as design and construction for the High Note Regional Park, a new Justice Center, and Public Works Facility expansion. In addition, it includes funding for the Advancing Lincoln Avenue (I-25/Lincoln Avenue Interchange) design, the C-470 Trail Connection to the County Line RTD Light Rail Station, the Havana Street Bikeway project, and Park Meadows Drive Adaptive Signal Controls.

The following table compares the 2023 actuals, 2024 estimated, and 2025 budgeted amounts for revenues, expenditures, and fund balance.

TOTAL BUDGET	2023 Actual	2024 Estimated	2025 Adopted	Percent Change
Beginning Fund Balance	\$53,194,566	\$58,228,488	\$72,954,959	25%

REVENUES

Operating & Capital	\$64,130,533	\$66,350,295	\$80,963,586	22%
Certificates of Participation	\$ -	\$8,500,000	\$26,000,000	206%
Total	\$64,130,533	\$74,850,295	\$106,963,586	43%

EXPENDITURES

Operating	\$39,688,539	\$44,862,605	\$49,404,659	10%
Certificates of Participation	\$ -	\$4,171,938	\$3,957,500	(5%)
Debt	\$2,929,100	\$ -	\$ -	0%
Capital	\$16,478,968	\$10,623,674	\$63,853,650	501%
Total	\$59,096,607	\$59,658,217	\$117,215,809	96%

Ending Fund Balance	\$58,228,488	\$72,954,959	\$62,702,735	(14%)
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CHANGE IN ENDING FUND BALANCE	2024 Estimated Ending Fund Balance	2025 Adopted Ending Fund Balance	Change in Fund Balance	Percent Change
General Fund	\$72,203,702	\$62,125,046	(\$10,078,656)	(14%)
Cultural and Community Services Fund	\$751,257	\$577,689	(\$173,568)	(23%)
Total	\$72,954,959	\$62,702,735	(\$10,252,224)	(14%)

In the General Fund, the percentage change from the 2024 estimated to the 2025 adopted budget is primarily due to the expenditure of funds reserved for the High Note Regional Park, Justice Center, and Public Works Facility expansion, as well as the use of intergovernmental revenue from partnership funding reserved for capital projects.

The decrease in the Cultural and Community Services Fund from the 2024 estimated to the 2025 adopted budget is primarily due to the use of the fund balance for programming expenditures related to theatrical productions.





ENTERTAINMENT DISTRICT

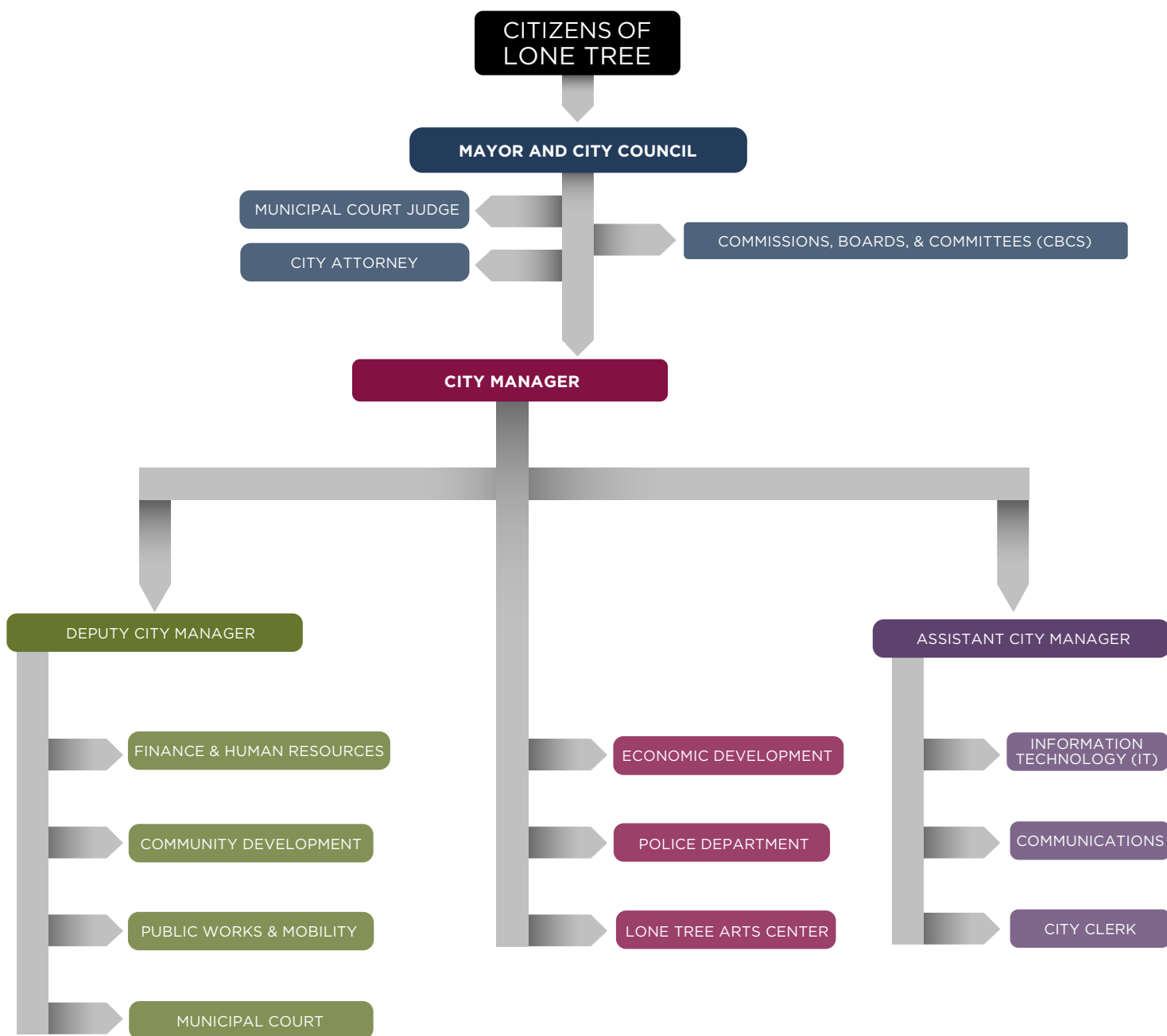
Lone Tree isn't just a place—it's a community full of possibilities! Whether you're looking to shop, dine, work, or unwind, this vibrant city offers something for everyone. Lone Tree is a business-friendly hub, attracting top employers and supporting local growth. With a dynamic economy and a community that embraces innovation, it's the perfect place to start, grow, or expand your business.

FINANCIAL STRUCTURE POLICY & PROCESS

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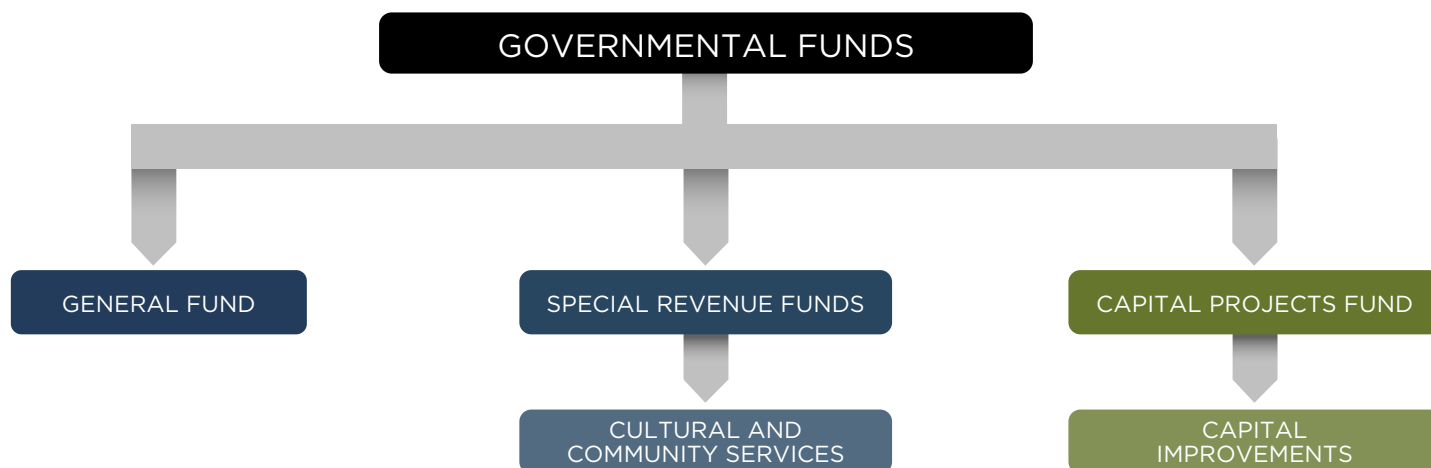
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FINANCIAL STRUCTURE POLICY & PROCESS DEPARTMENTAL STRUCTURE



2

FINANCIAL STRUCTURE POLICY & PROCESS 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

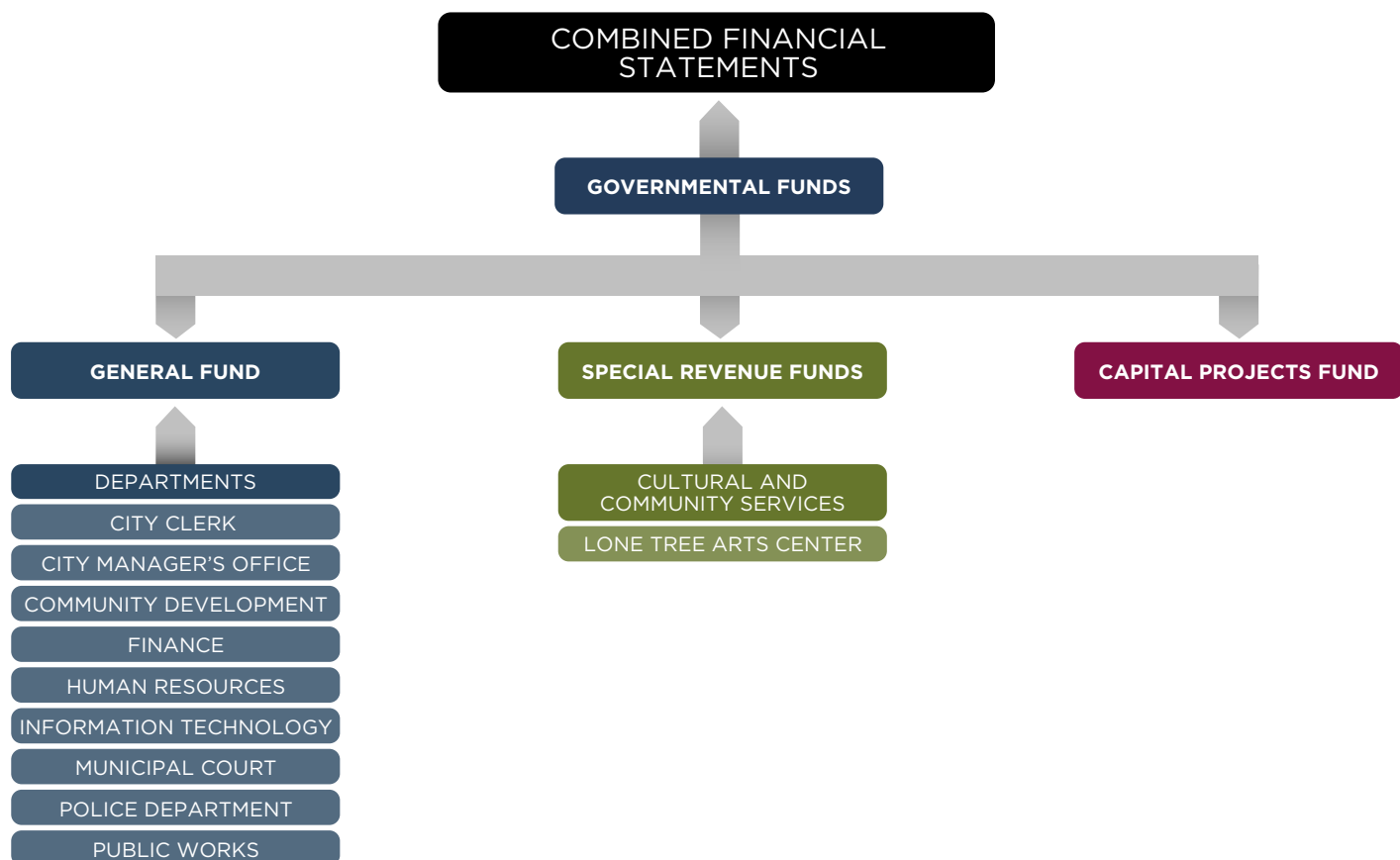
The **Special Revenue Fund—Cultural and Community Services** is used to account for revenues and expenditures related to the operations of the LTAC, as well as other City-sponsored events and cultural services. Revenue reported in this fund include all sales at the LTAC, which include ticket sales and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

2

FINANCIAL STRUCTURE POLICY & PROCESS DEPARTMENT/FUND RELATIONSHIP



2

FINANCIAL 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, and special revenue fund 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. 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 2025, 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 2025 budget provides a framework for delivering services and programs to its approximately 15,000 residents, based on the provision of core services. Municipal services are funded through a variety of taxes, fees, intergovernmental revenues, charges for services, and fines. To efficiently allocate these revenues and ensure the needed services are provided, the City adopts an annual budget.

The City's fiscal year follows the calendar year, and the budget process takes place throughout much of the year.

The purpose of the budget process extends beyond a simple financial presentation of revenues and expenditures. The key objective is to create a sound operational plan that serves the City's residents. The budget adoption timeline is designed to comply with the City Charter and state mandates while allowing for active and early participation by City staff and the City Council. City policies also guide the preparation and long-range planning during the budget process.

In May, City Council holds a budget retreat to discuss policy decisions for the year with City staff. From May through August, the Management Team—comprising the City Manager's Office, department directors, and finance staff—holds meetings, gathers information, and compiles a draft budget. By mid-September, Council work sessions are held, and a public draft of the budget is made available on the City's website by October 15 each year. A public hearing on the budget is held in November, and in December, the budget is adopted by City Council.

If a budget amendment is needed during the year—whether due to transfers between funds, unanticipated revenues, revenues not assured at the time of adoption, or revenues coming in lower than expected—notice is published as required, and a public hearing is held. A resolution for the budget amendment is then adopted in accordance with State Statute 29-1-109.

On the following page is a chart showing the typical budget schedule.

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

PROCUREMENT PLANNING

All City purchases of goods or services are made in accordance with the State of Colorado Revised Statutes, 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 at 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, as established by the Governmental Accounting Standards Board (GASB). The ACFR provides a comprehensive view of the City's financial status based on GAAP. It includes fund revenues and expenditures presented 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 made conservatively, and authorized expenditures are closely monitored. During stable economic periods, this combination of strategies results in revenue collections that exceed actual expenditures. The accumulation of these fund balances helps protect the City from uncontrollable increases in expenditures or unforeseen reductions in revenue, or a combination of both. It also facilitates the prudent financing of capital construction and replacement projects. Additionally, fund balances provide temporary financing for unforeseen opportunities or emergency needs. The 2025 budget adheres to all the City's policies, which are listed on the next page.

Within the governmental funds, fund balances are reported based on financial reporting standards that define criteria for classifying fund balances into specific categories to make the nature and extent of constraints clearer and more understandable. These classifications form a hierarchy based primarily on the degree to which the City is bound to honor constraints on the intended purposes for which funds can be spent. Fund balances can be classified as non-spendable, 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 being 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, Operational 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 101.

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 102.

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 103.

DEBT MANAGEMENT POLICY

The City Council adopted a Debt Management Policy in July 2013. This policy is included on page 108.

BRICK FENCE REPLACEMENT RESERVE POLICY

The City Council adopted this reserve policy in December 2018. This policy is included on page 110.

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 111.

OPERATIONAL RESERVE POLICY

The City Council adopted an Operational Reserve Policy in December 2022. This policy is included on page 112.

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LONE TREE GOLF CLUB AND HOTEL

TEE OFF at the Lone Tree Golf Club & Hotel! Our stunning 18-hole, Par 72 championship course is a true gem of the Lone Tree community. Whether you're a casual player or a seasoned pro, you'll love the breathtaking views, challenging fairways, and top-notch amenities. Ready to play? Don't miss out on the ultimate golfing experience right here in Lone Tree!

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FINANCIAL SUMMARIES

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FINANCIAL SUMMARIES

SUMMARY—ALL FUNDS

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

BEGINNING FUND BALANCES

Revenue

Taxes	46,580,074	43,781,111	44,828,250
Franchise Fees	1,254,827	1,266,219	1,278,881
Intergovernmental	8,139,139	13,018,938	27,023,279
Licenses, Fees and Charges	2,163,812	2,353,584	2,113,793
Fines and Forfeitures	490,058	450,747	457,483
Arts Center	2,434,365	2,627,078	2,848,052
Other	3,068,258	2,852,618	2,413,848

Total Revenue

\$64,130,533 \$66,350,295 \$80,963,586

Other Financing Sources

General Fund	6,067,053	8,500,000	26,000,000
Special Revenue Fund-Arts Center	1,469,542	1,592,632	1,866,634
Special Revenue Fund-Capital Improvements	14,257,580	5,042,921	44,883,650
Total Other Financing Sources	21,794,175	15,135,554	72,750,283

Total Funds Available

\$139,119,274 \$139,714,336 \$226,668,828

Expenditures

General Government	6,164,911	7,143,070	7,817,899
Municipal Court	331,450	427,135	491,422
Community Development	1,682,956	1,830,252	2,365,143
Police Department	10,369,949	11,944,171	13,387,683
Public Works	7,050,761	9,835,619	10,736,373
Arts and Cultural	3,960,994	4,324,585	4,888,254
Parks and Recreation	104,398	105,250	105,250
Sharebacks	10,023,121	9,252,524	9,612,634
Capital Outlay	16,478,968	10,623,674	63,853,650
Debt Service/Certificates of Participation	2,929,100	4,171,938	3,957,500

Total Expenditures

\$59,096,607 \$59,658,217 \$117,215,809

Other Financing Uses

General Fund	15,727,122	7,101,161	46,750,284
Special Revenue Fund-Park and Recreation	3,034,306	-	-
Special Revenue Fund-Arts and Cultural Facilities	3,032,747	-	-
Total Other Financing Uses	21,794,175	7,101,161	46,750,284

Total Appropriation

\$80,890,782 \$66,759,378 \$163,966,093

ENDING FUND BALANCES

\$58,228,488 \$72,954,959 \$62,702,735

FINANCIAL SUMMARIES

SUMMARY—ALL FUNDS

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

Funds Reserved For:

Emergency Reserves (TABOR)	1,662,948	1,702,000	1,717,000
Prepaid Items	202,769	360,000	360,000
Emergency Disaster Management	178,149	210,524	213,109
Park Fee in Lieu of Land	285,640	285,640	285,640
Conservation Trust Fund	679,697	772,820	867,806
Brick Fence Replacement Reserve	3,764,021	4,653,793	5,403,793
Metropolitan Football Stadium District Shareback	1,010,137	1,010,137	1,010,137
Advancing Lincoln Avenue	1,193,679	-	-
C-470 Trail Connection To RTD Station	185,807	-	-
CDOT Mobility Hub	-	2,000,000	-
Regional Park / Municipal Building Improvements - COP	-	6,700,000	1,000,000
Arts and Cultural	856,131	751,257	577,689
Capital Reserve - Arts and Cultural Facilities	2,549,763	2,247,675	1,902,675
Capital Reserve - Park and Recreation Improvements	2,030,944	2,003,701	703,701

Funds Designated For:

Working Reserve	7,676,000	9,547,000	10,466,000
Capital Reserve	15,564,465	12,247,169	13,553,600
Operational Reserve	19,811,664	27,991,569	24,268,561
LTAC Reserve	576,674	471,674	373,024

Undesignated and Unreserved Funds

TOTALS

2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
1,662,948	1,702,000	1,717,000
202,769	360,000	360,000
178,149	210,524	213,109
285,640	285,640	285,640
679,697	772,820	867,806
3,764,021	4,653,793	5,403,793
1,010,137	1,010,137	1,010,137
1,193,679	-	-
185,807	-	-
-	2,000,000	-
-	6,700,000	1,000,000
856,131	751,257	577,689
2,549,763	2,247,675	1,902,675
2,030,944	2,003,701	703,701
7,676,000	9,547,000	10,466,000
15,564,465	12,247,169	13,553,600
19,811,664	27,991,569	24,268,561
576,674	471,674	373,024
-	-	-
\$58,228,488	\$72,954,959	\$62,702,735



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FINANCIAL SUMMARIES

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 FY25 Beginning Balance	Anticipated FY25 Ending Balance	Increase (Decrease)	Percent Change
Assigned for Working Reserve	\$ 9,547,000	\$ 10,466,000	\$ 919,000	10%
Assigned for Capital Reserve	\$ 12,247,169	\$ 13,553,600	\$ 1,306,431	11%
Operational Reserve	\$ 27,991,569	\$ 24,268,561	\$ (3,723,008)	(13%)
LTAC Reserve	\$ 471,674	\$ 373,024	\$ (98,650)	(21%)
Undesignated	\$ -	\$ -	\$ -	0%
Total Unreserved Fund Balance	\$ 50,257,412	\$ 48,661,185	\$ (1,596,227)	(3%)

DISCUSSION:

The above table represents information for the General Fund only. The City's Special Revenue Fund and Capital Projects Fund 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 increasing this to 30%. The 2024 estimated and 2025 adopted budgets include 27%, in addition to the 3% TABOR reserve, which is restricted.

Additionally, the City's capital reserve policy mandates that the City maintain adequate cash fund balances to help offset future capital expenditures. The City believes that establishing and maintaining such reserves will allow it to take greater advantage of the pay-as-you-go approach, rather than relying primarily on debt financing, which would require voter approval since the City currently lacks bonding authority.

An operational reserve was established in 2023 to oversee the accumulation and usage of funds generated by the one-percent tax increase approved by voters through ballot question 2E. This reserve is based on long-term financial projections that show an accumulation of funds in the early

years, with the intent to use these funds in later years. The LTAC reserve was created to support future operating and/or capital expenditures at the Lone Tree Arts Center.

The increase in the working reserve is due to higher operating expenditures in 2025, with the reserve maintained at 27%. The increase in the capital reserve is based on the City's five-year capital plan and is targeted at 25% of the average aggregate projected cost for all planned projects, taking into account the scheduled timing of these projects.

The operational reserve policy specifies that the City Manager will recommend the amount to contribute to the operational reserve based on available net revenue, less required contributions to other reserves.

The decrease in the LTAC reserve is attributed to certain maintenance projects at the Lone Tree Arts Center.

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FINANCIAL SUMMARIES

GENERAL FUND

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

REVENUE DETAIL

Beginning Fund Balance

REVENUE

Taxes

Sales Tax	38,450,057	38,949,310	39,532,451
Use Tax-Retail	1,384,292	1,082,000	1,244,000
Use Tax-Building Materials	1,468,128	1,640,000	1,971,000
Lodging Tax	1,694,999	1,778,101	1,785,782
Admissions Tax	227,820	331,700	295,017

Total Taxes

\$43,225,296 \$43,781,111 \$44,828,250

Franchise Fees

Electric and Gas	1,033,156	1,063,161	1,073,793
Cable TV	221,671	203,058	205,088

Total Franchise Fees

\$1,254,827 \$1,266,219 \$1,278,881

Intergovernmental

Highway Users Tax (HUTF)	378,011	394,953	369,309
Conservation Trust Fund (Lottery)	107,560	93,123	94,986
Cigarette Tax	139,633	119,883	121,081
County Road & Bridge Shareback	1,981,128	2,278,000	2,305,970
Douglas County Shareback - Transportation	2,431,305	2,332,908	2,356,000
Motor Vehicle Registration Fees	43,726	47,357	48,778
Regional Improvements Contribution - RRMD	269,406	331,782	334,255
Operational Mill Levy - RRMD	-	331,782	334,255
Contractual Debt Mill Levy - RRMD	-	108,405	182,591
Reimbursable Costs	392,879	1,287,917	1,409,600
Operating Grants	174,102	112,076	496,454

Total Intergovernmental

\$5,917,750 \$7,438,186 \$8,053,279

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FINANCIAL SUMMARIES

GENERAL FUND

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

REVENUE DETAIL (Continued)

Licenses, Fees and Charges

Sales and Use Tax and Business License Fees
Liquor License Fees
Single Use Bag Fee
Building Permit Fees
Planning and Zoning Fees
Engineering Fees
Other

Total Licenses, Fees and Charges

Fines and Forfeitures

Court Fees
Vehicle and Other Code Violation Fines
Victims Assistance Surcharge

Total Fines and Forfeitures

Other

Net Investment Income
Miscellaneous
Police Department Fees and Other Charges
Tenant Rental Income

Other

Total Revenue

Other Financing Sources

Certificates of Participation
Special Revenue - Park and Recreation
Special Revenue - Arts and Cultural Facilities

Total Other Financing Sources

TOTAL FUNDS AVAILABLE

2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
39,892	13,400	35,520
16,535	61,344	28,273
124,271	125,840	80,000
1,186,509	1,430,000	1,217,000
101,010	170,000	200,000
689,970	550,000	550,000
5,625	3,000	3,000
\$2,163,812	\$2,353,584	\$2,113,793
36,716	41,171	41,583
439,457	398,155	404,365
13,885	11,421	11,535
\$490,058	\$450,747	\$457,483
2,327,834	2,377,094	1,890,181
202,384	248,000	264,885
132,504	113,052	138,586
110,002	114,472	120,196
\$2,772,724	\$2,852,618	\$2,413,848
\$55,824,467	\$58,142,464	\$59,145,534
-	8,500,000	26,000,000
3,034,306	-	-
3,032,747	-	-
\$6,067,053	\$8,500,000	\$26,000,000
\$108,827,028	\$124,014,821	\$157,349,235

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FINANCIAL SUMMARIES

GENERAL FUND

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL

General Government

	2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
City Council Expenditures	45,104	61,700	59,200
City Council Stipend	72,891	81,968	78,815
Information Technology - Salaries and Benefits	503,541	580,250	616,407
Human Resources - Salaries and Benefits	285,831	328,793	358,715
City Clerk - Salaries and Benefits	293,858	280,813	351,406
City Clerk	13,305	71,600	53,500
Human Resources	102,083	133,200	144,700
Information Technology	729,095	768,457	941,600
Insurance & Risk Management	568,930	793,887	947,302
Finance - Salaries and Benefits	822,034	868,714	892,708
Finance	123,964	166,190	227,190
Audit	42,250	45,000	47,000
City Manager's Office - Salaries and Benefits	1,377,383	1,568,695	1,660,504
Dues and Memberships	128,999	145,204	158,752
Legal - General	480,000	504,000	529,200
Legal - Special	20,060	55,000	55,000
Consulting	83,080	186,000	60,000
Community Support	125,772	127,100	228,600
Youth Initiatives	19,800	19,800	25,000
Housing Partnership	35,000	35,000	35,000
Communications	121,507	162,700	164,800
Economic Development	160,854	147,500	167,500
Miscellaneous	9,571	11,500	15,000
Total General Government	\$ 6,164,911	\$7,143,070	\$7,817,899

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FINANCIAL SUMMARIES

GENERAL FUND

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL (Continued)

Municipal Court

Municipal Judge	32,111	38,750	44,000
Legal	36,000	43,500	54,000
Administration	262,860	344,385	392,722
Office Supplies and Software	479	500	700

Total Municipal Court

\$331,450 \$427,135 \$491,422

Community Development

Salaries and Benefits	1,440,237	1,687,363	1,956,383
Contract Services	151,383	-	64,000
Field Supplies	2,400	4,420	5,000
Planning Commission	7,366	12,000	12,000
Plan Review and Other Inspections	19,734	10,000	10,000
Elevator Inspections	1,875	1,500	3,000
City Forestry Program	511	5,000	5,000
Public Outreach	443	600	4,000
South Metro Partnership	15,729	-	-
Comprehensive Plan & Code Update	29,021	80,000	292,000
Miscellaneous	14,259	29,369	13,760

Total Community Development

\$ 1,682,956 \$1,830,252 \$2,365,143

Police Department

Salaries and Benefits	8,364,596	9,568,441	10,662,481
Office and Administration	110,127	119,000	102,000
Uniforms and Equipment	175,185	153,466	365,732
Vehicles and Equipment	602,704	842,564	768,600
General Equipment	15,372	28,200	21,100
Intergovernmental Agreements	931,561	1,028,500	1,210,270
Training	135,548	160,000	209,500
Community Outreach and Miscellaneous	34,856	44,000	48,000

Total Police Department

\$10,369,949 \$11,944,171 \$13,387,683

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FINANCIAL SUMMARIES

GENERAL FUND

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL (Continued)

Public Works

	2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
Salaries and Benefits	1,503,523	1,792,162	2,071,152
Street Lighting	457,941	500,000	525,000
Street Maintenance	668,770	914,000	959,700
Drainage Maintenance	(5,523)	220,000	220,000
Street & Sidewalk Sweeping	24,510	90,000	120,000
Traffic Signal Energy Cost and Maintenance	112,183	270,000	270,000
Signal Timing	47,273	70,000	40,000
Snow Removal	1,286,581	1,550,000	1,627,500
Trash and Recycling Service	639,260	700,000	749,000
Household Hazardous Waste Program	-	-	3,500
Fence Maintenance	4,700	5,000	25,000
Materials and Equipment	7,146	11,000	11,000
EPA Phase 2 Drainage	2,023	3,000	3,000
Noxious Weeds Control	18,364	20,000	20,000
Signage and Striping	70,647	200,000	210,000
Accident Repairs	-	7,000	7,000
Public Works Facility Operations and Equipment	50,456	55,000	55,000
Software and Support	50,950	-	-
Mutt Mitts Contract	14,976	17,500	18,000
Miscellaneous	4,818	6,500	6,500
Vehicle Maintenance and Gas	30,367	40,000	60,000
Vehicles	-	-	121,000
Bridge Maintenance	26,106	50,000	50,000
Lone Tree Link	630,568	1,300,000	1,440,000
Contracted Services	367,855	600,000	500,000
Facilities	1,037,266	1,289,457	1,199,021
Brick Fence Replacement Analysis	-	75,000	-
Brick Fence Replacement Design & Survey	-	-	375,000
Walk and Wheel Analysis Update	-	50,000	50,000
Total Public Works	\$7,050,761	\$9,835,619	\$10,736,373

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FINANCIAL SUMMARIES

GENERAL FUND

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL (Continued)

Parks and Recreation

Rueter Hess Partnership Contribution

Recreational Activities and Support

Total Parks and Recreation

Sharebacks

Retail Shareback

RRMD Revenue Shareback - West Side

Reimbursement of Sales Taxes to PMBID

Reimbursement Property Taxes - PMBID for PMMD

Total Sharebacks

Certificates of Participation

Certificates of Participation - Principal

Certificates of Participation - Interest

Total Certificates of Participation

Total Expenditures

2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
100,000	100,000	100,000
4,398	5,250	5,250
\$104,398	\$105,250	\$105,250
290,575	270,680	208,174
1,355,757	785,972	832,543
8,060,106	7,824,740	8,200,216
316,682	371,132	371,701
\$10,023,121	\$9,252,524	\$9,612,634
-	2,200,000	1,565,000
-	1,971,938	2,392,500
-	\$4,171,938	\$3,957,500
\$35,727,545	\$44,709,959	\$48,473,905

OTHER FINANCING USES

Certificates of Participation - Cost of Issuance

Special Revenue Fund - Arts Center

Special Revenue Fund - Annual Events

Special Revenue Fund - Arts and Cultural Events

Special Revenue Fund - Capital Improvement Fund

Total Other Financing Uses

Total Appropriation

2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
-	465,607	-
1,019,273	1,149,016	1,316,981
346,745	378,609	401,855
103,524	65,007	147,798
14,257,580	5,042,921	44,883,650
\$15,727,122	\$7,101,161	\$46,750,284
\$51,454,667	\$51,811,119	\$95,224,188
\$57,372,357	\$72,203,702	\$62,125,047

ENDING FUND BALANCE

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FINANCIAL SUMMARIES

SPECIAL REVENUE FUND: CULTURAL AND COMMUNITY SERVICES

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

Beginning Fund Balance

REVENUE DETAIL

Lone Tree Arts Center

Operating:

Ticket Sales & Handling Fees

Rental Fees

Concessions and Catering

Labor Charge Backs

Miscellaneous

Non-Operating:

Individual, Corporate and Foundation Contributions

Government Grants

Total Lone Tree Arts Center

Other

Annual Events

Arts and Cultural Events

Total Other

Total Revenue

Other Financing Sources

General Fund - Lone Tree Arts Center

General Fund - Annual Events

General Fund - Arts and Cultural Events

Total Other Financing Sources

TOTAL FUNDS AVAILABLE

	2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
Beginning Fund Balance	\$913,218	\$856,131	\$751,257
REVENUE DETAIL			
Lone Tree Arts Center			
Operating:			
Ticket Sales & Handling Fees	1,195,401	1,371,092	1,541,552
Rental Fees	145,010	126,401	112,500
Concessions and Catering	128,362	124,363	126,200
Labor Charge Backs	92,564	86,972	85,000
Miscellaneous	5,498	4,250	5,000
Non-Operating:			
Individual, Corporate and Foundation Contributions	470,673	481,500	510,000
Government Grants	376,928	412,000	446,800
Total Lone Tree Arts Center	\$2,414,436	\$2,606,578	\$2,827,052
Other			
Annual Events	13,601	15,500	16,000
Arts and Cultural Events	6,328	5,000	5,000
Total Other	\$19,929	\$20,500	\$21,000
Total Revenue	\$2,434,365	\$2,627,078	\$2,848,052
Other Financing Sources			
General Fund - Lone Tree Arts Center	1,019,273	1,149,016	1,316,981
General Fund - Annual Events	346,745	378,609	401,855
General Fund - Arts and Cultural Events	103,524	65,007	147,798
Total Other Financing Sources	\$1,469,542	\$1,592,632	\$1,866,634
TOTAL FUNDS AVAILABLE	\$4,817,125	\$5,075,842	\$5,465,943

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FINANCIAL SUMMARIES

SPECIAL REVENUE FUND: CULTURAL AND COMMUNITY SERVICES

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL

Lone Tree Arts Center

Administration
Programming
Marketing
Development

Total Lone Tree Arts Center

Other

Annual Events
Arts and Cultural Events

Total Other

Total Expenditures

Other Financing Uses

Transfer Out - General Fund

Total Other Financing Uses

Total Appropriation

ENDING FUND BALANCE

2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
177,227	188,031	233,111
2,516,992	2,763,047	3,021,696
432,528	501,535	604,285
364,049	407,855	458,509
\$3,490,796	\$3,860,468	\$4,317,600
360,346	394,109	417,855
109,852	70,007	152,798
\$470,198	\$464,116	\$570,653
\$3,960,994	\$4,324,585	\$4,888,254
-	-	-
\$ -	\$ -	\$ -
\$3,960,994	\$4,324,585	\$4,888,254
\$856,131	\$751,257	\$577,689



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FINANCIAL SUMMARIES

CAPITAL PROJECTS FUND: CAPTIAL IMPROVEMENTS

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

Beginning Fund Balance

REVENUE DETAIL

Grants
Reimbursable Costs

Total Revenue

Other Financing Sources

Lease Inception
Transfer In - General Fund
Transfers In - Special Revenue- Park and Recreation
Transfers In - Special Revenue - Arts and Cultural Facilities

Total Other Financing Sources

TOTAL FUNDS AVAILABLE

2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
\$ -	\$ -	\$ -
1,868,903	2,380,752	3,100,000
352,485	3,200,000	15,870,000
\$2,221,388	\$5,580,752	\$18,970,000

-	-	-
12,771,236	5,042,921	44,883,650
1,003,362	-	-
482,982	-	-
\$14,257,580	\$5,042,921	\$ 44,883,650
\$16,478,968	\$10,623,674	\$63,853,650



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FINANCIAL SUMMARIES

CAPITAL PROJECTS FUND: CAPTIAL IMPROVEMENTS

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL

Public Works

	2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED
Overlay/Reconstruction Projects	2,672,276	2,600,000	3,200,000
Traffic Signalization	1,251,327	996,000	1,000,000
City Office Capital Improvements	421,487	205,000	35,000
Civic Center Capital Improvements	48,374	350,000	30,000
Justice Center / Public Works Facility	31,267	1,000,000	26,000,000
Concrete Panel Replacement	650,446	600,000	700,000
Storm Sewer Improvements	15,699	500,000	500,000
Vehicles	153,519	92,000	-
City-Wide Pavement Assessment	33,450	-	-
Advancing Lincoln Avenue	702,825	524,675	2,960,000
Acres Green Pedestrian and Bike Bridge	3,478,707	-	-
Emergency Repairs	365,876	500,000	500,000
City-Wide Bicycle Safety Study & Improvements	308,791	-	-
C-470 Trail Connection to RTD Station	2,901	1,497,099	2,120,000
Park Meadows Drive and Acres Green Intersection Rebuild	573,913	-	-
RidgeGate Crosswalks	131,514	-	-
CDOT Mobility HUB Contribution	-	-	2,000,000
Fiber Replacement at Lincoln and at Acres Green	-	350,000	100,000
Park Meadows Drive Adaptive Signal Controls	-	-	450,000
Havana Street Bikeway	-	-	2,000,000
Willow Creek Drainage Project Contribution	-	-	700,000
Citywide Multi-modal Transportation Improvements	-	-	200,000
RidgeGate Parkway Bikeway Connection	-	-	250,000
Total Public Works	\$10,842,373	\$9,214,774	\$42,745,000

Information Technology

Infrastructure	84,612	-	90,000
Facilities Security Camera Upgrades	-	50,000	-
Total Information Technology	\$84,612	\$50,000	\$90,000

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FINANCIAL SUMMARIES

CAPITAL PROJECTS FUND: CAPTIAL IMPROVEMENTS

Forecasted 2025 as adopted with 2023 Actuals and 2024 Estimated

EXPENDITURE DETAIL (Continued)

Community Development

Vehicles	124,828	51,812	-
Planning and Permit Software Upgrade	32,556	-	-
Code Enforcement Record System	19,250	5,000	-

Total Community Development

\$176,634 **\$56,812** **\$ -**

City Manager Office

ETIP Placeholder

3,867,314 - -

Total City Manager Office

\$3,867,314 **\$ -** **\$ -**

Parks And Recreation

Joint Recreational Projects with South Suburban
Regional Park

1,003,362 100,000 95,000
- 900,000 20,500,000

Total Parks and Recreation

\$ 1,003,362 **\$1,000,000** **\$20,595,000**

Arts And Cultural

Arts Center Capital Improvements

504,674 302,088 423,650

Total Arts and Cultural

\$504,674 **\$302,088** **\$423,650**

Lease Inception

Lease Inception

- - -

Total Lease Inception

\$ - **\$ -** **\$ -**

Total Expenditures

\$16,478,968 **\$10,623,674** **\$63,853,650**

Other Financing Uses

Transfer Out - General Fund

- - -

Total Other Financing Uses

\$ - **\$ -** **\$ -**

Total Appropriation

\$16,478,968 **\$10,623,674** **\$63,853,650**

ENDING FUND BALANCE

\$ - **\$ -** **\$ -**

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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's Budget does not include any component units, such as the Lone Tree Business Improvement District, the Lone Tree Urban Renewal Authority, 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, which were modified by the citizens at elections held in November 1999 and May 2008. Emergency reserves, as required under TABOR, have been provided for.



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FINANCIAL SUMMARIES

BUDGET MESSAGE: REVENUES

The City diligently works to maintain a strong, diverse revenue base, recognizing that reliance on any individual source makes revenues more vulnerable to economic cycles. All revenues are conservatively projected and are closely monitored and updated as necessary. The City uses historical trends, current data, judgmental forecasting, and unique adjustments (e.g., new retail, new fees, data from specific sources) 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	2023 Actual	2024 Estimated	2025 Adopted
Taxes	\$46,580,074	\$43,781,111	\$44,828,250
Franchise Fees	\$ 1,254,827	\$ 1,266,219	\$ 1,278,881
Intergovernmental	\$ 8,139,139	\$13,018,938	\$27,023,279
Licenses, Fees and Charges	\$ 2,163,812	\$ 2,353,584	\$ 2,113,793
Fines and Forfeitures	\$ 490,058	\$ 450,747	\$ 457,483
Arts Center	\$ 2,434,365	\$ 2,627,078	\$ 2,848,052
Other	\$ 3,068,258	\$ 2,852,618	\$ 2,413,848
Total Revenues	\$64,130,533	\$66,350,295	\$80,963,586

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FINANCIAL SUMMARIES

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 2.5% sales and use tax on all taxable retail transactions, which includes the ten-year 1% sales and use tax increment resulting from the passage of Ballot Issue 2E on November 2, 2021. 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.

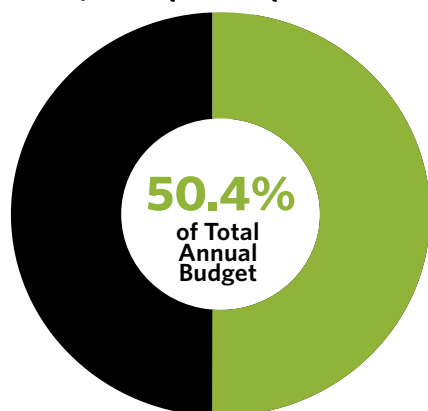
The 1% tax increment approved in 2021 is designated to fund vital City services, including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety, and maintaining and improving parks, trails and open space and is accounted 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 for 2025 is estimated using historical trends, current economic conditions, and projections based on expected new retail openings in the City and any potential store closings. Sales tax projections for 2025 are calculated conservatively.

A significant amount of time is dedicated to projecting sales tax, as it is the City's primary revenue source. Projections are initially completed at the beginning of the budget process in June, based on actual data through May. These projections are reassessed and updated, if needed, in August through November, using actual data for July through October.

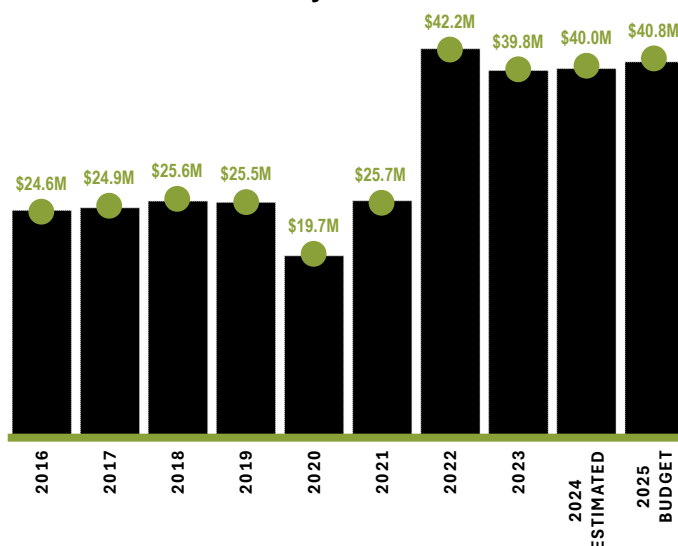
Total Sales Tax & Use Tax - Retail Revenue:

\$40,776,451



2025 Budget Total Revenue \$80,963,586

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 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 decrease from 2022 to 2023 reflects the tax rate decrease by 0.3125% as a result of the final payment of the Arts and Cultural Facilities bonds and the Park and Recreation Improvement bonds on December 1, 2023. Sales tax from 2023 to 2024 estimated is projected to be flat based on current trends. The increase from 2024 estimated to the 2025 budget reflects current trends and anticipated store openings in 2025.

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FINANCIAL SUMMARIES

USE TAX-BUILDING MATERIALS REVENUE

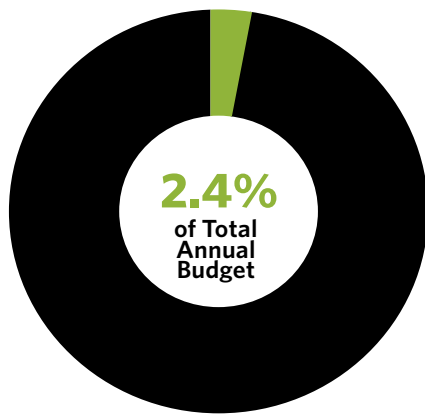
Source: The City assessed a 2.5% use tax for building construction materials, which includes the ten-year 1% sales and use tax rate increase resulting from the passage of Ballot Issue 2E on November 2, 2021. The use tax on building construction materials is collected by the City when a building permit 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 for 2025 is estimated using historical trends, current economic conditions, and projections based on anticipated construction projects and new businesses. The 2025 use tax - building materials budget reflects an increase compared to the 2024 estimate, driven by the continued development east of I-25. This development includes new retail, single-family home developments, and new apartment complexes.

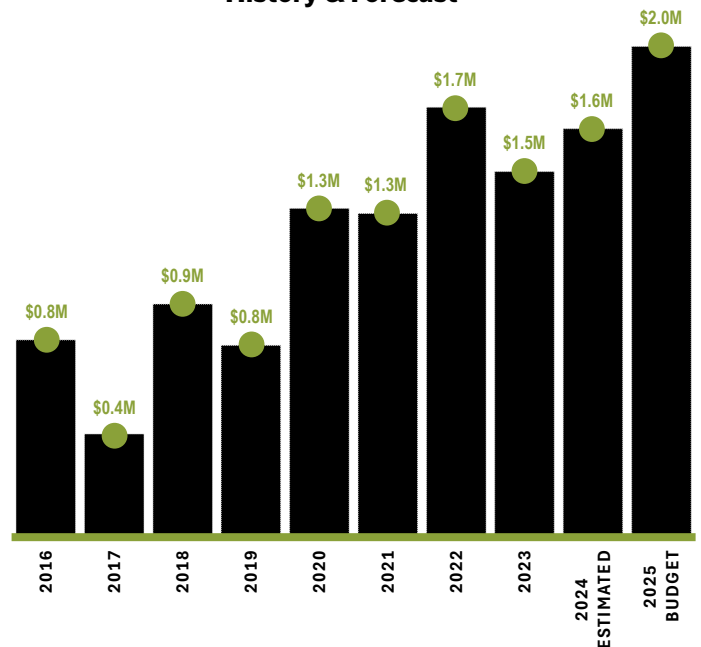
Total Use Tax - Building Materials Revenue:

\$1,971,000



2025 Budget Total Revenue \$80,963,586

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 2020 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 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 increase in use tax from 2023 to 2024 as well as from the 2024 estimated to the 2025 budget is primarily due to the growth of development east of I-25.

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FINANCIAL SUMMARIES

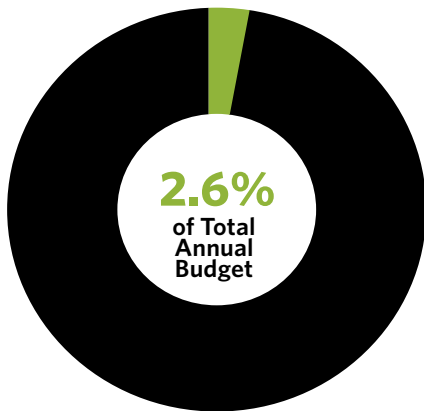
LODGING & ADMISSIONS TAXES REVENUE

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 2024 based on current trends. Historically, this tax has fluctuated year to year depending on travel patterns for both business and personal travel.

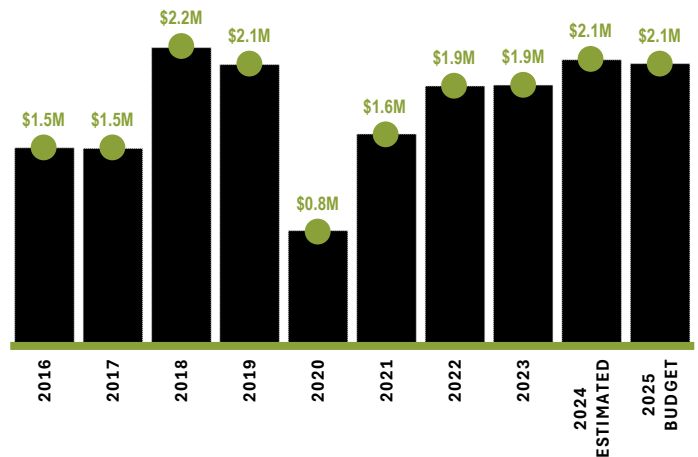
Admissions Tax is estimated to decrease in 2025, following current trends and due to timing of payments received in 2024 for 2023 tax returns from one admissions tax collecting business. Historically, the revenue generated from this tax has fluctuated between 1% and 7%, and to be conservative, the City budgets according to the lower end of this range.

Lodging & Admissions Taxes Revenue: \$2,080,799



2025 Budget Total Revenue \$80,963,586

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 increases from 2020 through 2024 estimated are based on the gradual recovery of businesses from COVID-19. The slight decrease from 2024 estimated to 2025 budget is due to a conservative budgeting approach, anticipating stable trends in lodging tax and a decrease in admissions tax due to timing of payments received in 2024 for 2023 tax returns from one admissions tax collecting business.

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FINANCIAL SUMMARIES

FRANCHISE FEES REVENUE

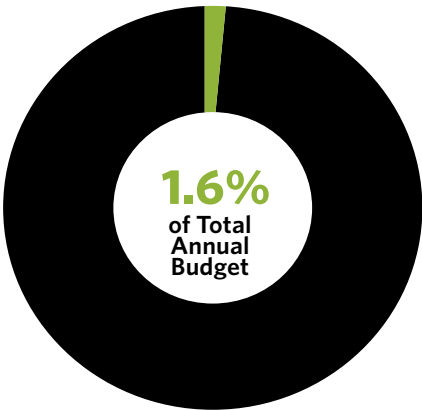
Source: Franchise fees are revenues derived from fees levied on companies in exchange for the right to use public right of way and otherwise operate as a franchise. Franchise fees for the City are generated from a negotiated franchise license for gas and electric service in the City as well as cable 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 the gross revenue collected from customers in the City, with fees estimated based on historical trends.

The cable franchise fee is set at a rate of 5.0% for cable services provided to City residents.

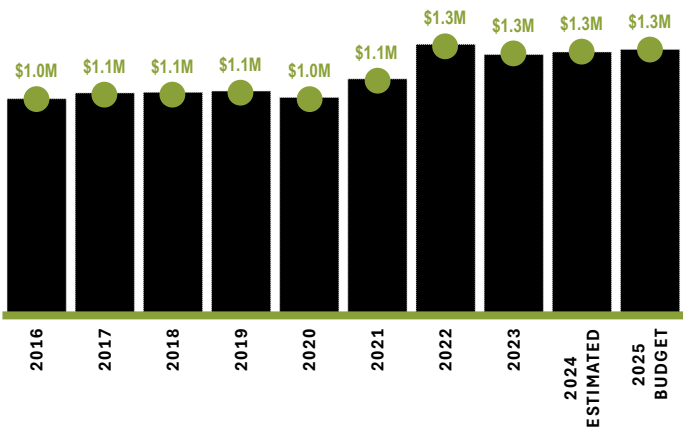
Both the electric and gas franchise fee and the cable franchise fee are estimated to increase slightly in 2025 compared to the 2024 estimate, based on a conservative projection that takes into account 2024 activity and anticipated new growth east of I-25.

Total Franchise Fees Revenue:
\$1,278,881



2025 Budget Total Revenue \$80,963,586

Franchise Fees Revenue:
History & Forecast



Trends: Fluctuations from year to year in the electric and gas franchise fees, as well as the cable franchise fees, are due to changes in gross revenue received from the usage of these services. As the City has continued to grow with more housing developments, this revenue source has increased, as seen from 2016 through 2024. With the expansion of housing developments east of I-25, these revenue sources are expected to continue trending upward. Additionally, increases in gas prices starting in 2021, which have continued into future fiscal years, also contributed to the overall growth of this revenue source. The 2025 budget, compared to the 2024 estimate, is expected to increase primarily due to the anticipated growth on the east side of I-25.

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FINANCIAL SUMMARIES

INTERGOVERNMENTAL REVENUE

Source: Intergovernmental revenue consists of various funds received by the City from the State of Colorado or Douglas County. These revenues are budgeted annually based on set factors and formulas, and are generally stable unless there are changes in legislation. Most of these funds have restrictions on their use, with the exceptions of the Cigarette Tax and the Motor Vehicle Registration Fees. Specifically, the Sharebacks for Transportation and Road and Bridge funds, as well as the Highway Users Tax, must be spent on transportation projects. The Conservation Trust Funds are designated for parks, recreation, or open space improvement and development. Additionally, the City receives reimbursable costs from partnering organizations for 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 was transferred to the Highway Users Tax Fund (HUTF) for local governments and \$22.5 million was transferred to the Multimodal Transportation Options Fund (Multimodal Fund) administered by the State Transportation Commission. Municipalities received a total of \$11.25 million in additional revenue (transferred on July 1, 2019) dispersed through the HUTF. Municipalities were also 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.

The **Cigarette Tax** is a state-imposed tax collected on cigarettes. From January 1, 2021, to June 30, 2024, the tax was 9.7 cents per cigarette. Starting July 1, 2024, through June 30, 2027, the tax increases to 11.2 cents per cigarette. Beginning July 1, 2027, the tax will further increase to 13.2 cents per cigarette. Of the revenue collected, 27% is distributed to municipalities and counties based on the ratio of state sales tax collected by the entity compared to the total state sales tax collected in the prior year. The state disburses these funds two months after collection. It is important to note that a separate portion of the tax increase approved by Colorado voters in 2005 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:

$$\text{(County Road \& Bridge Levy x Total City Assessed Value) / 2 = City Portion}$$

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.

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FINANCIAL SUMMARIES

INTERGOVERNMENTAL REVENUE (CONT.)

The **Douglas County Open Space, Parks, and Historic Preservation Sales and Use Tax** is a 0.17% tax that was first approved by voters in 1994. The tax was renewed in 2022 for an additional 15 years. Following the 2022 renewal, the City of Lone Tree became eligible to receive a share of the tax revenues for local park, open space, and historic preservation projects. Of the total tax revenues collected, 20% is allocated among the County's municipalities based on population. Lone Tree's share of the funds began accumulating in 2023 and is held by the County until the City submits requests for reimbursement related to eligible projects.

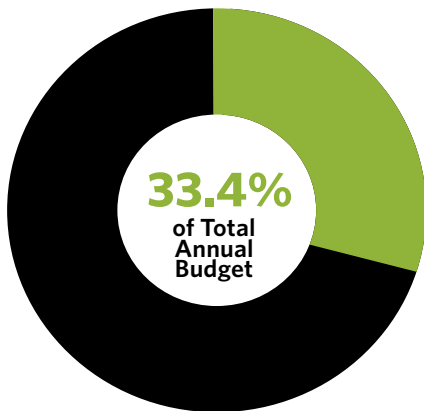
Reimbursable Costs: In addition to the State and County revenue items above, the City also partners with other

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 2025 is based on known operational and capital projects where the City is partnering with other entities to fund the projects.

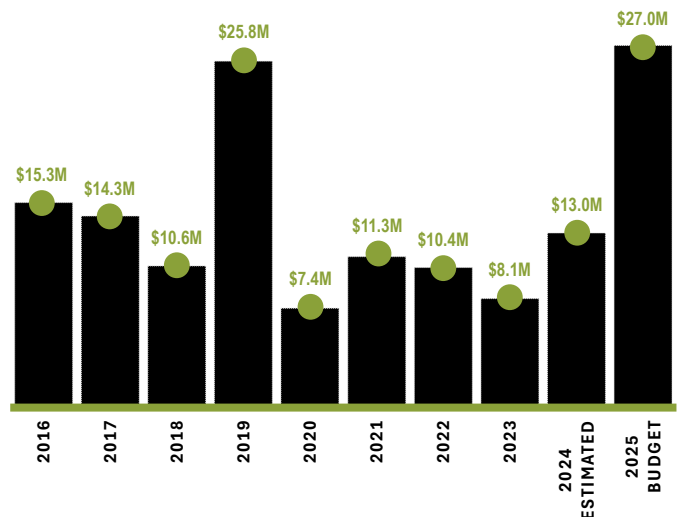
Total Intergovernmental Revenue:

\$27,023,279



2025 Budget Total Revenue \$80,963,586

**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 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 Advancing Lincoln Avenue, 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. The increase in reimbursable costs from 2024 to 2025 is primarily due to partnership and grant funding related to continued design work for Advancing Lincoln Avenue, the C-470 Trail Connection to the County Line RTD Station project, High Note Regional Park, and the Park Meadows Drive Adaptive Signal Controls project.

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FINANCIAL SUMMARIES

LICENSES, FEES & CHARGES REVENUE

Source: Licenses, fees, and charges revenues are generated through a variety of fees, including business licenses, liquor licenses, building permits, planning and zoning fees, and engineering fees. These fees are often tied to residential and commercial development activities within the City.

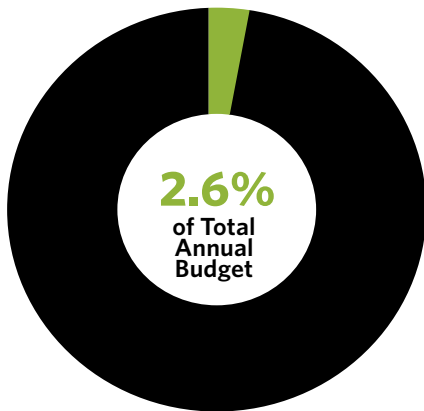
Rationale: The 2025 budget for licenses, fees, and charges revenue is estimated based on building permit data and information from developers in the City. Building permit fees are the primary component of this revenue source, and this revenue can fluctuate significantly depending on the

volume and scale of development projects in the City at any given time. The City closely monitors and forecasts these revenues, working with developers and the Community Development Department to project accurate figures.

In addition to building permit fees, the budget also includes planning, zoning, and engineering fees. These fees are projected using historical trends and the timing of construction projects. Similar to building permit fees, these revenues fluctuate based on when development projects are scheduled to take place.

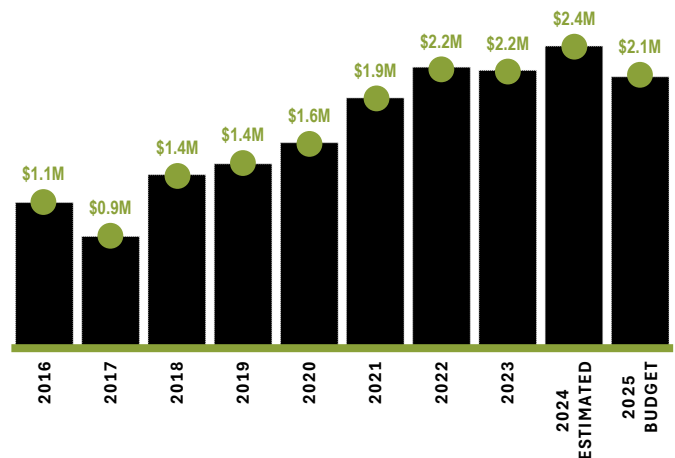
Total Licenses, Fees & Charges Revenue:

\$2,113,793



2025 Budget Total Revenue \$80,963,586

Licenses, Fees & Charges Revenue:
History & Forecast



Trends: 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 living project east of I-25. The increase from 2023 to 2024 is primarily due to the growth in residential single-family development projects and apartment complexes beginning east of I-25. These new developments have led to an increase in building permit fees and other related charges. The slight decrease from 2024 to the 2025 is attributed a conservative budgeting approach related to building permit fees, anticipating a similar pace of development compared to 2024, particularly on the east side of I-25.

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FINANCIAL SUMMARIES

FINES & FORFEITURES REVENUE

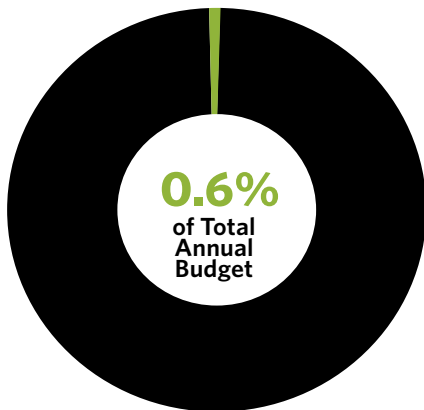
Source: Fines and forfeiture revenue for the City includes various sources such as court fees, fines for vehicle violations, and fines for other code violations.

Rationale: The 2025 budget for fines and forfeitures is estimated based on historical trends, with the understanding that this revenue stream can fluctuate depending on several factors.

These include the volume and types of citations issued, as well as staffing levels within the police department. Since there are no anticipated major changes in court fees or vehicle and code violation fines, the City is taking a conservative approach to revenue projections for this category in the 2025 budget.

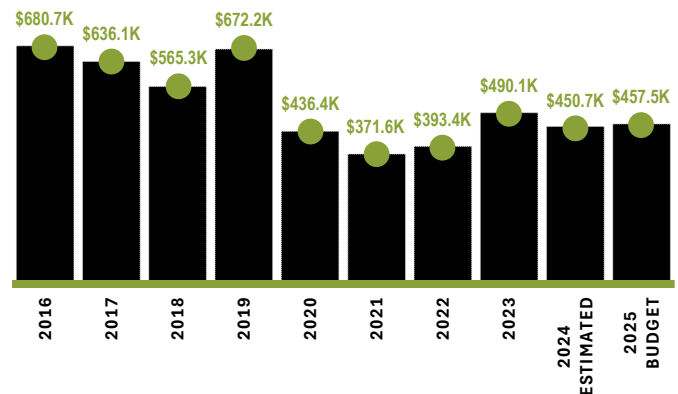
Total Fines & Forfeitures Revenue:

\$457,483



2025 Budget Total Revenue \$80,963,586

Fines & 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 through 2024 is largely due to a higher volume of cars on City roads, as well as reinstating two positions within the police department, with slight fluctuations due to the Police Department not being fully staffed at different times throughout this period. No major changes are anticipated from 2024 to 2025.

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FINANCIAL SUMMARIES

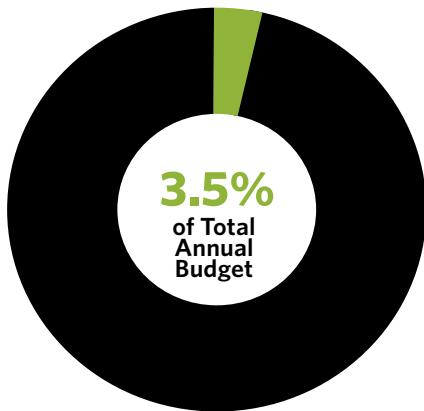
LONE TREE ARTS CENTER REVENUE

Source: The revenues in the Special Revenue Fund – Cultural and Community Services Fund are primarily derived from the operations of the Lone Tree Arts Center. These revenues include ticket sales, handling fees, rental fees, concessions, catering income, as well as estimated contributions and grants.

Rationale: The 2025 operating revenue for the Lone Tree Arts Center is estimated based on the programming schedule, event rental availability, and historical trends. The 2025 budget reflects the growth observed in 2024, with comparable revenue projections for 2025. This growth in 2024 is primarily attributed to ticket sales from two multi-week theatrical performances.

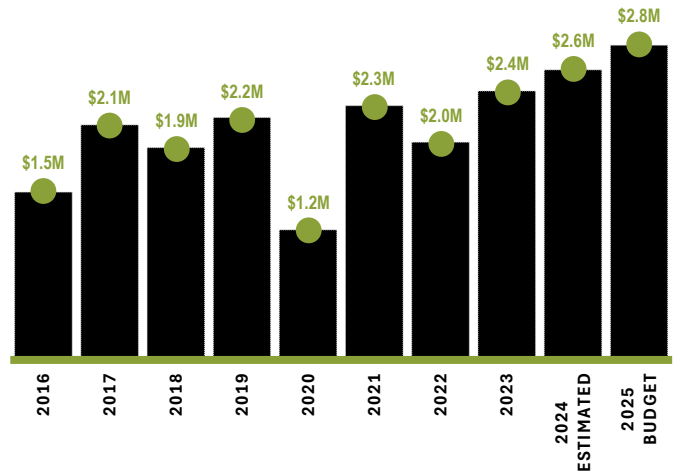
Total Lone Tree Arts Center Revenue:

\$2,848,052



2025 Budget Total Revenue \$80,963,586

**Lone Tree Arts Center Revenue:
History & Forecast**



Trends: 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. Increases in the periods following 2022 through 2025 are based on programming schedules, which include multi-week theatrical performances, as well as increases in contributed income.

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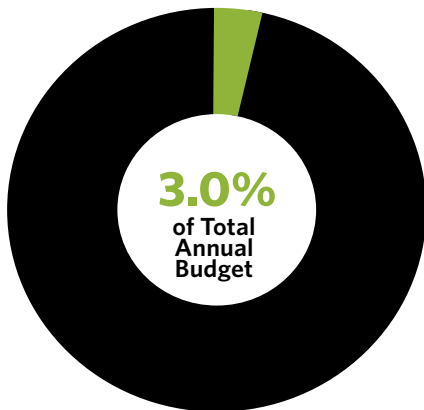
FINANCIAL SUMMARIES

OTHER REVENUE

Source: The City anticipates receiving various other revenue sources, including interest income, tenant rental income from parties leasing space in the Municipal Office Building, police department fees, and miscellaneous revenue.

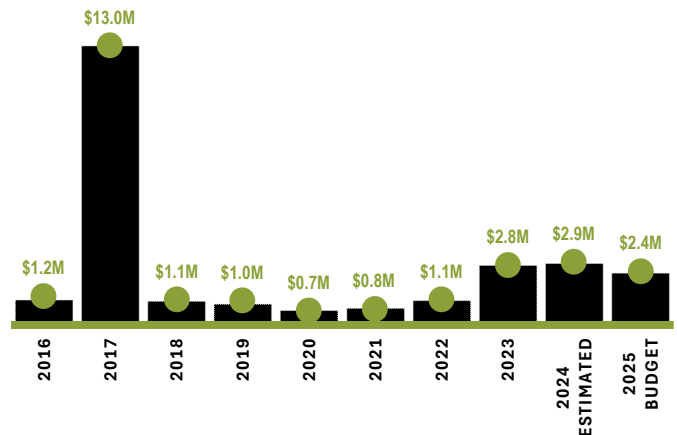
Rationale: The 2025 budget for these revenue sources is estimated based on historical trends and current conditions. Interest income is projected based on the average annual interest rate yield and the City's average balance. Tenant rental income is determined by the lease terms of current tenants. Police department fees and other charges are estimated based on off-duty contract billings and other funding agreements.

Total Other Revenue:
\$2,413,848



2025 Budget Total Revenue \$80,963,586

Other Revenue:
History & Forecast



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 through 2024 were primarily due to increased interest rates and a higher investment balance. The decrease in 2025 is primarily a reflection of an anticipated decrease in interest rates, as well as a decrease in the City's investment balance.

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FINANCIAL SUMMARIES

BUDGET MESSAGE: EXPENDITURES

The 2025 budget assesses available resources and allocates revenues to ensure a high level of service for the City's general operations, as well as to fund capital projects outlined in the five-year capital plan, in alignment with the City's priorities and City Council guidance. The goal is to fund services and programs that are most likely to achieve the City's strategic plan.

The total expenditures for the City are summarized in the following chart, with major expenditure categories highlighted individually.

TOTAL EXPENDITURES	2023 Actual	2024 Estimated	2025 Adopted
General Government	\$ 6,164,911	\$ 7,143,070	\$ 7,817,899
Municipal Court	\$ 331,450	\$ 427,135	\$ 491,422
Community Development	\$ 1,682,956	\$ 1,830,252	\$ 2,365,143
Police Department	\$ 10,369,949	\$ 11,944,171	\$ 13,387,683
Public Works	\$ 7,050,761	\$ 9,835,619	\$ 10,736,373
Arts and Cultural	\$ 3,960,994	\$ 4,324,585	\$ 4,888,254
Parks and Recreation	\$ 104,398	\$ 105,250	\$ 105,250
Sharebacks	\$ 10,023,121	\$ 9,252,524	\$ 9,612,634
Capital Outlay	\$ 16,478,968	\$ 10,623,674	\$ 63,853,650
Debt Service/Certificates of Participation	\$ 2,929,100	\$ 4,171,938	\$ 3,957,500
Total	\$ 59,096,607	\$ 59,658,217	\$ 117,215,809

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FINANCIAL SUMMARIES

GENERAL GOVERNMENT EXPENDITURES

Source: This section of the budget covers key administrative departments including City Clerk's Office, City Manager's Office, Finance, Human Resources, and Information Technology.

City Clerk's Office manages official City records, conducts elections, handles liquor licensing, and processes public records requests under the Colorado Open Records Act (CORA). The goal is to provide exceptional customer service by ensuring timely, accurate, and courteous responses to citizen and business inquiries.

City Manager's Office supports the work of the City Council by developing and implementing their goals and policies. The City Manager provides leadership across municipal services, guiding the City's strategic vision and priorities through intergovernmental relations, community outreach, communications, and economic development. This office also serves as a liaison between City Council and staff, ensuring the effective execution of service requests and supporting the activities of the City's leadership.

Finance Department handles sales tax administration and auditing, payroll processing, accounts payable, financial statement reporting, and overall accounting management.

The department's objective is to maintain accurate, up-to-date financial records that ensure compliance with state and federal regulations.

Human Resources is responsible for recruiting, hiring, and onboarding new talent, managing employee training, and administering fringe benefits like health insurance. Success is measured by how effectively these functions enable employees to serve citizens and businesses.

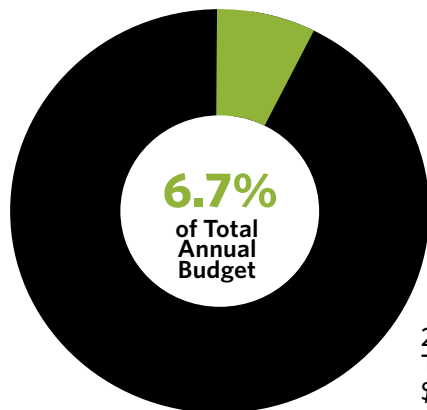
Information Technology governs the City's technological systems, maintaining infrastructure, and ensuring the functionality of all systems. The success of this department is measured by the seamless operation of technological services that support City staff in delivering services.

Additional costs under **General Government** include legal fees, insurance, and other City programs.

Rationale: The 2025 estimates for General Government have been determined based on historical costs and anticipated cost increases related to salary and benefits, legal and consulting services, and insurance.

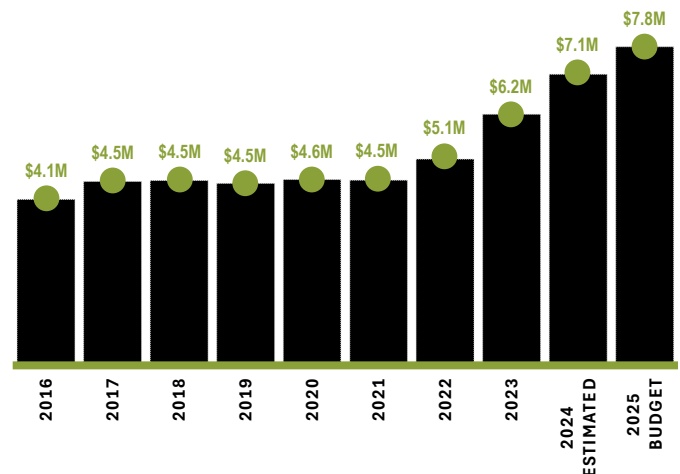
Total General Government Expenditures:

\$7,817,899



2025 Budget
Total Expenditures
\$117,215,809

General Government: History & Forecast



Trends: 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 primarily due to higher salary and benefit costs related to new positions, final salary adjustments from the comprehensive compensation study completed in 2022, increases in contracted services for legal and consulting, costs related to a grant matching opportunity, and expanded economic development activities. The increase in 2024 is mainly driven by salary and benefit increases, particularly for a new position in the Communications Division, increased insurance costs, contracted services for a broadband, fiber, and 5G plan development study, and increased software renewal costs in the Information Technology Department. The increase in costs from 2024 to 2025 is attributable to multiple factors with the largest ones being increases in salary and benefit costs, insurance costs for property casualty, liability and workers compensation, an increase in contracted legal services, funding for community support initiatives, and funding for the City's 30th anniversary events.

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FINANCIAL SUMMARIES

COMMUNITY DEVELOPMENT EXPENDITURES

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

Planning Division administers land-use projects, including site improvement plans, subdivision plats, and zoning changes. It also provides long-range planning services, including preparing and periodically updating various planning regulations and tools. Additionally, the division handles services related to historic preservation, signage and identification programs, streetscape programs, and community facilities.

Building Division ensures the safety of the community by administering the City's building codes. This is done through reviewing building plans, issuing building permits, and conducting inspections to ensure all buildings are safe for occupancy.

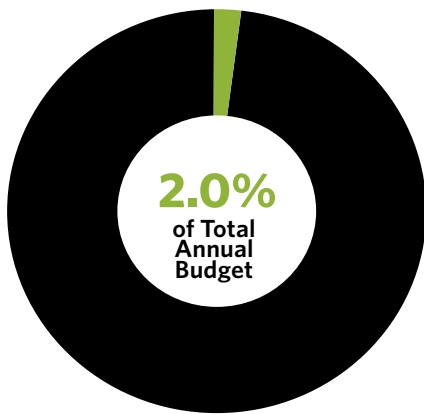
Code Enforcement Division works with residents, business owners, and property owners to maintain a clean, safe, and attractive community by enforcing zoning and nuisance regulations. This division is also responsible for issuing sign, banner, and temporary use permits.

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

Rationale: The 2025 Budget is based on historical trends. Overall expenditures for community development historically vary from 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.

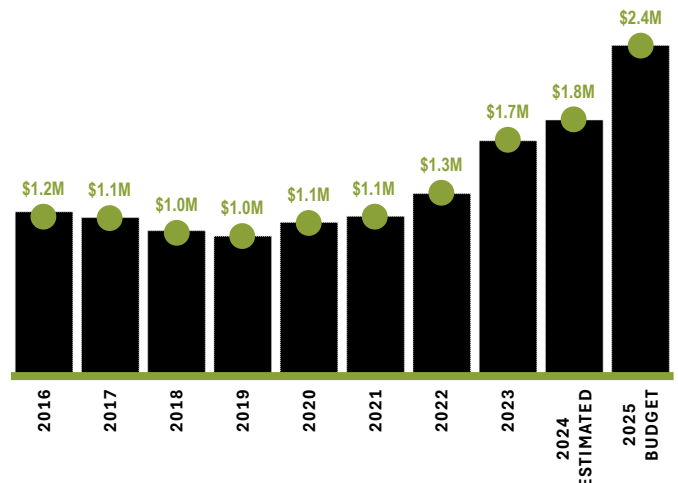
Total Community Development Expenditures:

\$2,365,143



2025 Budget Total Expenditures \$117,215,809

Community Development Expenditures: History & Forecast



Trends: 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 due to COVID-19, as well as 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, new positions to maintain high service levels in response to the City's growth, and a continued focus on code enforcement efforts. The increase in 2024 is attributed to salary increases and initial costs for the comprehensive plan and code update project. The increase in 2025 is primarily due to salary and benefit increases, including a new growth-related Senior Planner position, as well as costs related to the continuation of the comprehensive plan and code update project.

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FINANCIAL SUMMARIES

POLICE DEPARTMENT EXPENDITURES

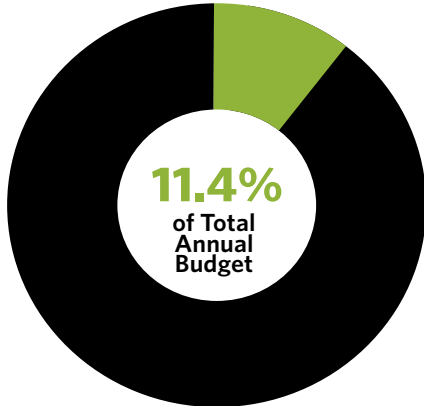
Source: The Police Department is committed to protecting, defending, and serving the residents, businesses, and visitors of Lone Tree. This commitment to maintaining a safe community is reflected in the City's community outreach programs and the implementation of local laws, supported by the Police Department's dedication to community policing concepts.

The 2025 budget includes payroll and related benefit expenditures for a total of 78 full-time and 2 part-time employees. Additionally, the budget covers costs related to office and administration, uniforms, general equipment, vehicles and equipment as per the City's vehicle replacement plan, training, recruitment, and testing. It also includes funding for community outreach and

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

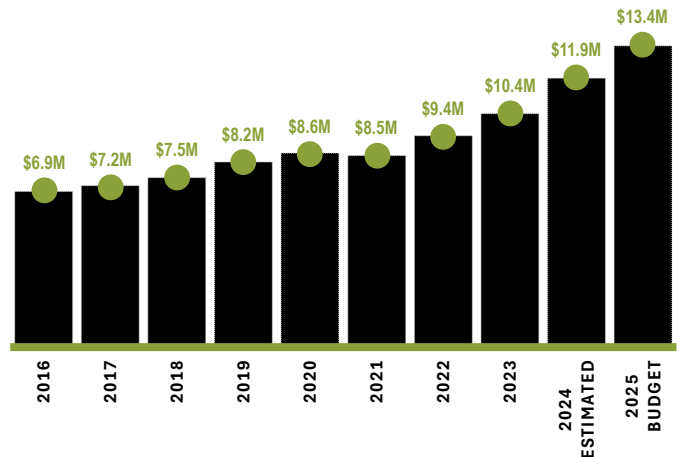
Rationale: The 2025 Budget is based on historical trends, intergovernmental agreements with the Town of Parker, and the City's vehicle replacement plan. Historically, the majority of budgeted increases are due to increases in payroll and related benefit expenditures. Costs associated with expenditures outside of payroll, related benefits, and intergovernmental agreements generally do not experience substantial year-over-year increases.

Total Police Department Expenditures:
\$13,387,683



2025 Budget Total Expenditures \$117,215,809

Police Department Expenditures:
History & Forecast



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FINANCIAL SUMMARIES

POLICE DEPARTMENT EXPENDITURES

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 includes 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. The increase in 2025 compared to 2024 is mainly due to salary and benefit increases, which include the addition of four new positions: a Records Technician, a Talent Acquisition and Development Manager and two Police Officer Recruits attending the academy. The Talent Acquisition and Development Manager position, as well as both Police Officer Recruits positions are one-year positions that are fully offset by grant revenue. Additionally, the budget includes an increase in equipment costs, including the purchase of six Flock cameras to be placed strategically around the City's main roadways, as well as the implementation of Draft One, an artificial intelligence program that assists in completing police reports. Lastly, an increase in Intergovernmental Agreements reflects contracted services with the Town of Parker for dispatch, vehicle maintenance, and evidence storage.

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FINANCIAL SUMMARIES

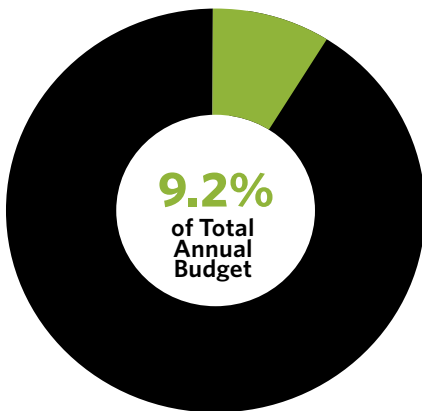
PUBLIC WORKS EXPENDITURES

Source: The Public Works Department is responsible for the maintenance and repair of streets, storm drainage, and open space, as well as the 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 work within City rights-of-way and City-owned property; maintains and operates the traffic signals within the City; and provides facility maintenance for City buildings. The department coordinates improvements and construction with related entities, including Douglas County, Park Meadows Metropolitan District, Southgate Districts, South Metro Fire Department, and the Colorado Department of Transportation.

Additionally, Public Works responds to citizen requests and concerns and represents the City on technical committees of numerous regional organizations. The department also provides solid waste pickup and recycling services to all single-family residents in the City.

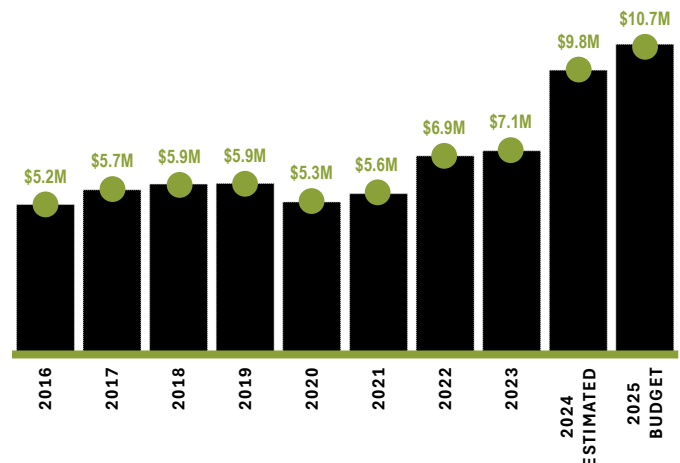
Rationale: The 2025 Budget is based on historical trends for public works operations, facilities costs, and costs related to surveying and design. In 2019, the Facilities Division was moved under Public Works, previously being part of Administrative Services. The historical data below has been updated to include facilities costs for comparative purposes.

Total Public Works Expenditures:
\$10,736,373



2025 Budget Total Expenditures \$117,215,809

Public Works Expenditures:
History & Forecast



3

FINANCIAL SUMMARIES

PUBLIC WORKS EXPENDITURES

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 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 was fully offset in increased partnership revenue. Additionally, the 2024 budget included 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. The 2025 budget includes increases in salary and benefits, as well as the addition of a Custodial Service Coordinator, which is partially offset in contracted personnel expense savings. Trash and recycling expenses rose due to increased service costs and an increase in the number of homes serviced. Street lighting, maintenance, and snow removal costs increased due to higher utility and service costs. The increase in the Lone Tree Link Shuttle is a result of continued coverage for the expanded service area, which is fully offset by partnership funds. Vehicles & vehicle maintenance costs have increased as a result of the consolidation of all vehicle-related expenses from other departments into Public Works. Finally, the 2025 budget includes funding for a Walk and Wheel analysis and brick fence replacement design & survey work, both partially funded by partnerships.



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FINANCIAL SUMMARIES

ARTS AND CULTURAL EXPENDITURES

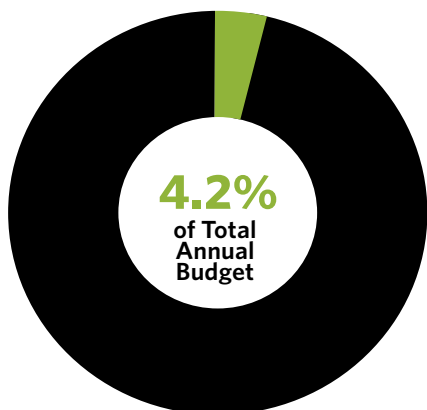
Source: The Lone Tree Arts Center is a community resource that provides cultural and entertainment programming for residents of all ages, offers affordable meeting services for local businesses and civic groups, and encourages community participation by hosting a variety of local performing arts groups. The Arts Center helps raise the City's profile by attracting audiences and attendees from across the seven-county metro Denver region. Additionally, staff oversee the City's public art programs and implement community-wide events, such as summer concerts and the Independence Day celebration.

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

Rationale: The 2025 operating expenditures for the Lone Tree Arts Center are primarily estimated based on the programming schedule, which includes anticipated performances and events for the year, alongside historical trends. The main expenditures are associated with programming and marketing costs, as well as payroll and related benefits.

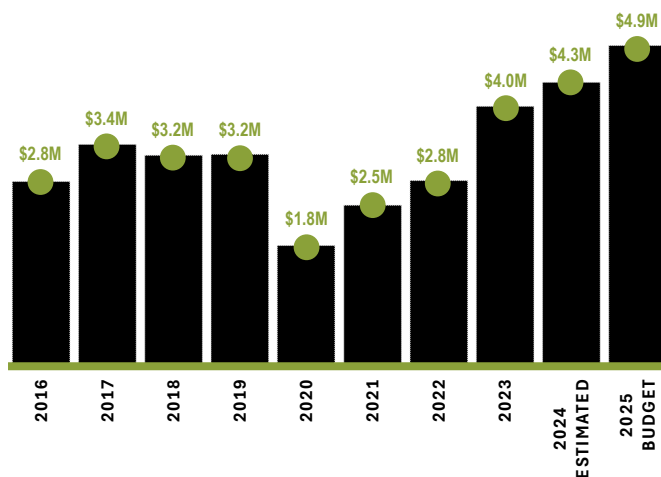
Total Arts and Cultural Expenditures:

\$4,888,254



2025 Budget Total Expenditures \$117,215,809

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 Shoals, 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 included 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. In 2025, salary and benefit increases are driven by merit and market adjustments, as well as the conversion of two part time Stage Technicians to fulltime positions, which is partially offset in expense savings. Programming, marketing, and administration expenses are increasing due to the programming schedule, which includes two multi-week theatrical performances and is expected to increase related revenues. The increase in Arts and Cultural is related to budgeting for the development of a Public Art Master Plan and various public art projects. The increase in Annual Events is mainly attributed to funds supporting the City's 30th anniversary events and entertainment.

FINANCIAL SUMMARIES

CAPITAL OUTLAY AND SHAREBACK EXPENDITURES

Source: The City defines capital expenditures as purchases over \$5,000 with a useful life of more than one year. The 2025 budget includes recurring capital expenditures, such as street construction and overlay, City-owned building improvements, and traffic signalization upgrades, provided funds are available and the need is established. Nonrecurring capital expenditures for 2025 are outlined below, with many of these projects receiving significant partnership funding.

Advancing Lincoln Avenue - \$2,960,000

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.

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

Douglas County and the City of Lone Tree are contributing \$1,000,000 of local funds, as well as \$1,000,000 from the Southeast Public Improvement Metropolitan District to the Colorado Department of Transportation for the construction of a mobility hub. This hub will facilitate regional and state transit services along I-25, providing direct access to Bustang transit operations and connecting to existing RTD light rail and regional activity centers.

C-470 Trail Connection to the County Line RTD Station - \$2,120,000

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 Littleton to Arapahoe County.

Havana Street Bikeway - \$2,000,000

The Havana Street Bikeway Project is a DRCOG TIP-funded initiative, managed by the City of Lone Tree in collaboration with funding partners at the Rampart Range Metro District. The project involves the installation of new bike lanes and a new traffic signal at the RidgeGate RTD light rail station entrance to transition the bikeway from on-street lanes to off-street side paths.

Justice Center & Public Works Facility - \$26,000,000

The 2025 budget includes capital expenditures for the design and construction of a new Justice Center (Police and Municipal Court) and an enlarged Public Works Facility. This multi-year project began in 2024 with design work continuing into 2025, with the start of construction scheduled to begin in 2025, and completion expected in 2026.

High Note Regional Park - \$20,500,000

This multi-year project will continue in 2025, with construction beginning on the 80-acre regional park located along Happy Canyon Creek near I-25 and RidgeGate Parkway. It will offer a diverse range of passive and active recreation opportunities as Lone Tree's first regional destination park.

Please refer to the capital expenditures section on page 57 for a summary of capital/fixed assets and their impact on the City's budget.

This section also includes amounts for the reimbursement of sales taxes to the Park Meadows Business Improvement District, related to the annexation of Park Meadows Mall, as well as payments pursuant to the RidgeGate annexation agreement. These tax sharebacks are reinvested in the area through improvements or used for bond repayment related to public infrastructure projects.

Rationale: The 2025 budget is based on scheduled capital projects outlined in the City's five-year capital plan. Projects were prioritized considering the remaining life of assets, community needs, staff recommendations, and City Council's guidance to align with the City's strategic plan. Approximately 30% of the 2025 capital project costs are offset by partnership funding and grant revenues, while 50% of funding is provided by certificates of participation for the construction of the Justice Center, Public Works Facility expansion, and High Note Regional Park.

The reimbursement of sales taxes to the Park Meadows Business Improvement District is calculated as 50% of the sales tax remitted by retailers at Park Meadows Retail Resort, per the annexation agreement, which expires on December 31, 2037. Additionally, the sales tax reimbursement to Rampart Range Metro District is calculated as 15% of the sales tax remitted by retailers in the RidgeGate area, with the percentage decreasing every five years. This agreement expires on December 31, 2032.

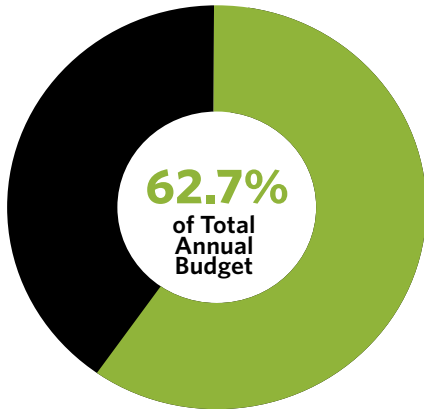
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FINANCIAL SUMMARIES

CAPITAL OUTLAY AND SHAREBACK EXPENDITURES (CONT.)

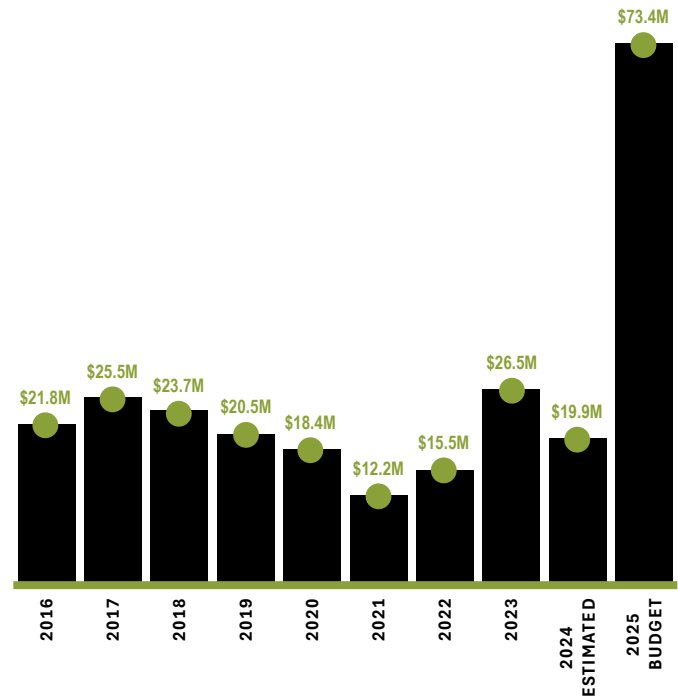
Total Capital Outlay and Shareback Expenditures:

\$73,466,284



2025 Budget Total Expenditures \$117,215,809

Capital Outlay and Shareback 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. In addition, the 2022 budget prioritized projects that received partnership funding and grant revenues including, Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange), 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, 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. The 2024 budget included design of the High Note Regional Park, Justice Center, and Public Works Facility expansion, while the Advancing Lincoln Avenue project and the C-470 Trail Connection to the County Line RTD Station projects continued. The increase from 2024 to 2025 is primarily driven by costs associated with the construction of the Justice Center, the Public Works Facility expansion, and High Note Regional Park. Additionally, several other projects that received significant grant or partnership funding will continue or start in 2025, including Advancing Lincoln Avenue, the C-470 Trail Connection to the County Line RTD Light Rail Station, the Havana Street Bikeway Project, and the Park Meadows Drive Adaptive Signal Controls project.

FINANCIAL SUMMARIES

BUDGET MESSAGE: ADDITIONAL EXPENDITURES

The additional expenditure sources support many important functions of the City but are not considered major expenditures. These are summarized below.

Municipal Court

Municipal court expenditures are based on the City's establishment of a municipal court in 2002. These costs include judge fees, legal fees, teen court, court clerks' salaries and benefits, as well as office supplies and software. The increase in 2025 is primarily due to salary and benefit adjustments, including annual merit and market increases, and the addition of a part-time Court Administrative Assistant. Additionally, costs are rising due to contracted municipal judge and legal services, driven by the need for all-day court sessions.

Parks and Recreation

Parks and Recreation services for the City are provided by the South Suburban Park and Recreation District (SSPRD). The 2025 budget includes funding for improvements at Cook Creek Pool, including pool furniture replacements, as well as event room table and chair replacements at the Lone Tree Hub.

Debt Service / Certificates of Participation

As of December 1, 2023, the City has no outstanding long-term debt, following the final scheduled bond payments for the Series 2008A, 2009, 2017A, and 2017B Bonds. The City follows a pay-as-you-go philosophy, and if additional debt issuances are considered in the future, voter authorization would be required.

In 2024, the City issued Certificates of Participation (COP) to finance the Justice Center, Public Works Facility expansion, and High Note Regional Park projects. Estimated lease payments and associated costs related to the COP are included in the 2025 budget. Certificates of Participation are a form of lease-purchase agreement used to finance the construction of new facilities, instead of issuing bonds or using other long-term debt options. Additional details regarding the City's Certificates of Participation, along with lease service schedules, are provided in the capital and debt & leases section.

Compensation, Benefits and Staffing

Personnel-related expenses make up the largest portion of the City's operating budget, therefore, maintaining this investment is a top priority. The City of Lone Tree aims to compensate employees based on their performance and contribution to the Strategic Plan and Six Big Ideas. Factors such as organizational effectiveness and the need to attract and retain qualified talent are considered in determining compensation.

Recognizing that employees are vital to the City's success, the City strives to attract and retain skilled, professional, and results-driven staff.

The City's total compensation package, including pay and benefits, is competitive with other governmental and private employers in the Denver/Boulder area, within the City's financial capabilities. The City supports employee development, encouraging skills growth, flexibility, customer service, teamwork, and communication. Employees who meet performance objectives are rewarded to help achieve the City's mission and uphold its values.

Reserve Funds

The City has established an emergency reserve equal to at least 3% of the fiscal year spending for 2025, as defined under TABOR, along with an emergency disaster management reserve under an intergovernmental agreement with Douglas County, estimated at 0.02% of the City's assessed value. In 2023, following the final debt payment on the City's outstanding bonds and the closeout of related debt service funds, the remaining fund balances were transferred to the General Fund, reserved for future capital projects related to Parks and Recreation, and Arts and Cultural initiatives. Additionally, funds are reserved for park and recreation improvements and related maintenance costs from the State's Conservation Trust Fund, and park fees collected by developers in lieu of land dedication under certain site improvement plans. Funds from litigation for brick fence repairs and contributions from the City and partners for the replacement program are also categorized as reserved.

Beyond these legally or contractually reserved funds, the City has designated 27% of its operating costs as a working reserve to cover unanticipated revenue shortfalls, unexpected expenditures, and to ensure stable tax rates. The City has also designated certain funds as capital reserves for future capital maintenance and new capital projects. Additionally, an operational reserve was established in 2023 to oversee funds related to the one percent tax increment approved by voters via ballot question 2E.

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LONE TREE RECREATION CENTER

From scenic parks to exciting recreational facilities, Lone Tree has something for everyone. Whether you're looking to explore nature, get active, or enjoy some downtime, this vibrant community offers endless opportunities to enjoy the great outdoors. The Lone Tree Recreation Center is a one-stop destination for fitness classes, sports, swimming, and more. Whether you want to break a sweat or unwind, this rec center has it all!

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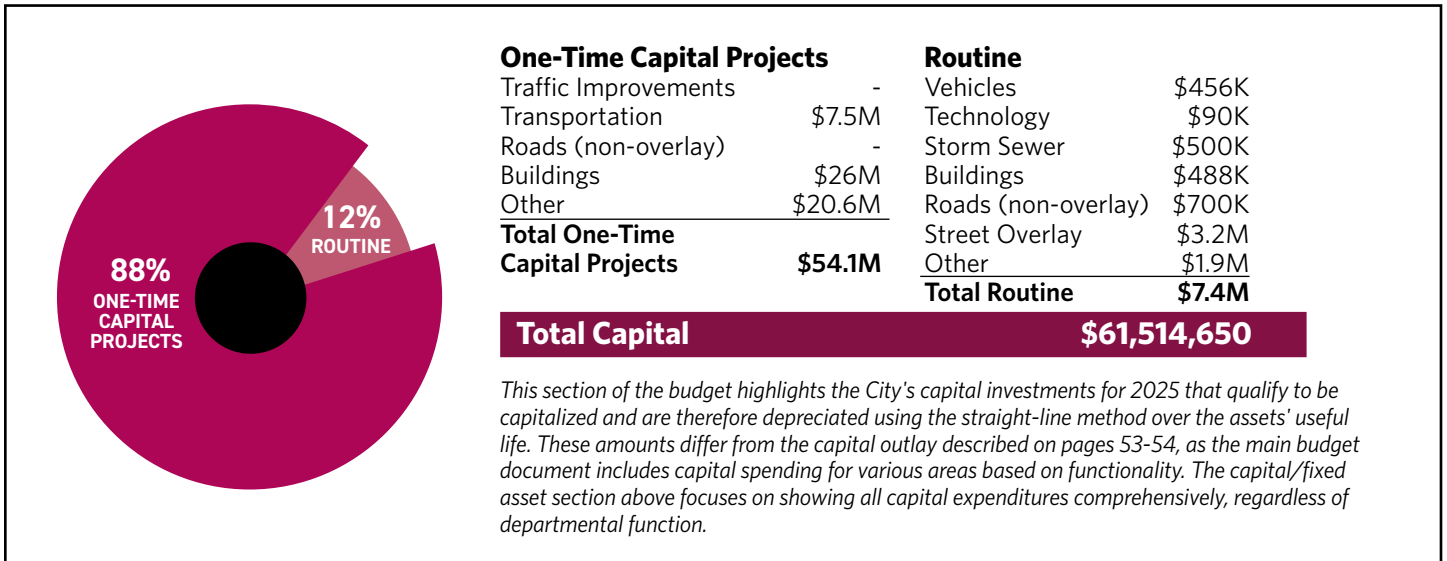
CAPITAL AND DEBT & LEASES

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4

CAPITAL AND DEBT & LEASES

CAPITAL EXPENDITURES



CAPITAL EXPENDITURES

The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. The 2025 budget contains \$61,514,650 million in total capital expenditures. As displayed in the graph, (\$7,384,650 or 12%) are projects that are routine capital improvements. The remainder (\$54,130,000 or 88%) are one-time capital expenditures.

The funding source for capital projects, routine and one-time, 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 RTD Light Rail Station, Park Meadows Drive Adaptive Signals, 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 64 describing each of the significant, nonrecurring capital projects that are included in the 2025 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 2025 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 2025 budget includes the Advancing Lincoln Avenue design, the C-470 trail connection to the County Line RTD Light Rail Station, the Havana Street Bikeway project, Citywide Multi-modal Transportation Improvements, and the RidgeGate Parkway Bikeway Connection project. 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 2025 budget does not include funding for such improvements but has allocated funding to overlay and concrete panel replacements.

Buildings

The 2025 budget includes capital expenditures for the new Justice Center (Police and Municipal Court) and the expanded Public Works Facility. This multi-year project will continue design work in 2025, with construction anticipated to begin later in the year.

Other

In 2025, the City will replace the aging and damaged fiber optic communication infrastructure at Lincoln Avenue and Acres Green Parkway. This critical upgrade ensures real-time communication with the traffic signals along these roadways. Additionally, the City will continue its multi-year project to develop High Note Regional Park, an 80-acre park located along Happy Canyon Creek near I-25 and RidgeGate Parkway. Construction of Phase 1 is expected to begin in 2025.

ROUTINE CAPITAL PROJECTS

Vehicles

The City's Police Department follows a five-year replacement schedule for police vehicles and the emergency equipment installed in each vehicle. These costs are included in the department's operating budget but are capitalized at year-end. Additionally, the 2025 budget includes the replacement of two vehicles and one variable message sign for the City's fleet captured in the Public Works Department.

Technology

The City's Information Technology Department conducts annual analyses to identify necessary hardware and software purchases to maintain efficient operations. The 2025 budget includes funding for new virtual hosts for the City's virtual servers.

Storm Sewer

The Public Works Department is responsible for maintaining and replacing distressed storm sewer lines. The City takes a proactive approach by video inspecting all steel storm sewer lines and creating a replacement schedule as necessary. The 2025 budget includes funding for general storm sewer improvements throughout the City as needed.

Buildings

The City currently owns six facilities: the Municipal Office Building, Civic Center, Lone Tree Arts Center, The Hub, and a Public Works Facility. The City is committed to annually investing in these facilities to maintain their visual quality while ensuring they operate efficiently and functionally to meet the needs of the community.

The 2025 budget includes improvements at the Municipal Office Building, such as resealing the parking lot and repairing sidewalks.

At the Civic Center, the 2025 budget supports the continuation of a multi-year remodel, with this year's budget allocated for a monument sign and parking lot repairs.

The 2025 budget also includes upgrades at the Lone Tree Arts Center, including the replacement of furniture, theater carpet, and theater seat upholstery, as well as painting and the replacement of aging HVAC pumps and motors.

Roads (non-overlay)

The Public Works Department is responsible for managing all capital projects related to street and road improvements in the City. The 2025 budget includes funding for concrete panel replacements along Lincoln Avenue east of I-25 to maintain acceptable pavement conditions.

Street Overlay

The Public Works Department is responsible for managing all capital projects related to street and road improvements in the City. Overlay is performed routinely each year as part of the City's commitment to maintaining its infrastructure. This process helps extend the useful life of streets and delays the need for complete street replacement.

While many streets may require improvements each year, the City cannot undertake major repairs on all roads in a single year due to the significant costs involved. Therefore, the City prioritizes streets based on their structural condition and remaining lifespan. A pavement assessment conducted in 2023 has helped identify the roads most in need of repair. In 2025, several streets are scheduled for repaving, with specific details provided on page 64.

Other

The City has recurring capital projects with varying focuses. The 2025 budget includes construction of a traffic signal at the intersection of County Line Road and Parkway Drive, as well as the installation of Adaptive Signal Controls along Park Meadows Drive.



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CAPITAL AND DEBT & LEASES FIVE YEAR CAPITAL PLAN

Projects

Facilities

	2025	2026	2027	2028	2029	TOTAL
Civic Center Improvements - Elevator Modernization	-	-	-	150,000	-	150,000
Civic Center Improvements - Monument Sign	20,000	-	-	-	-	20,000
Civic Center Improvements - HVAC Unit Replacement	-	50,000	-	-	-	50,000
Civic Center Improvements - Paint Interior, Exterior, and Touch Up	-	25,000	-	-	-	25,000
Civic Center Improvements - Parking Lot Improvements	10,000	-	50,000	-	10,000	70,000
Civic Center Improvements - Landscape Renovations	-	15,000	-	-	-	15,000
LTAC Improvements - Arts Center Carpet Replacement Entire Facility	35,000	-	-	-	-	35,000
LTAC Improvements - Concrete Replacement	-	-	30,000	-	-	30,000
LTAC Improvements - Flat Roof Replacement	-	-	180,000	-	-	180,000
LTAC Improvements - HVAC - Fan & Pump Motors, Seals, Controllers	15,000	-	15,000	-	-	30,000
LTAC Improvements - Lobby Furniture Replacement	20,000	-	-	-	-	20,000
LTAC Improvements - Painting Interior, Exterior, Touch Up	50,000	-	-	-	-	50,000
LTAC Improvements - Parking Lot Reconstruction & Re-Seal	-	-	40,000	-	-	40,000
LTAC Improvements - Theater Seating Upholstery	100,000	-	-	-	-	100,000
LTAC Improvements - Window Coverings	-	-	-	15,000	-	15,000
Municipal Office Building - City Fleet EV Charger	-	-	35,000	-	-	35,000
Municipal Office Building - Elevator Modernization	-	-	150,000	-	-	150,000
Municipal Office Building - Generator Overhaul	-	-	25,000	-	-	25,000
Municipal Office Building - Glass, Glazing, Building Envelope	-	-	25,000	-	-	25,000
Municipal Office Building - Hard Flooring	-	80,000	-	-	-	80,000
Municipal Office Building - HVAC	-	-	-	50,000	50,000	100,000
Municipal Office Building - Landscape Replenishment	-	15,000	-	-	20,000	35,000
Municipal Office Building - Concrete Replacement	10,000	-	-	10,000	-	20,000
Municipal Office Building - Seating - Guest and Break Area	-	20,000	-	-	-	20,000
Municipal Office Building - Parking Lot Improvements	25,000	-	-	-	-	25,000
Municipal Office Building - Renovation/Expansion	-	-	-	75,000	-	75,000
Municipal Office Building - Solar Designs	-	15,000	-	-	-	15,000
Municipal Office Building - Window Coverings	-	-	150,000	-	-	150,000
Municipal Office Building - Remodel	-	1,000,000	-	-	-	1,000,000
Justice Center & Public Works Facility	26,000,000	25,000,000	-	-	-	51,000,000
The Hub - Capital Improvements	40,000	-	50,000	-	50,000	140,000
Other Facilities Improvements	-	200,000	250,000	500,000	300,000	1,250,000
TOTAL	\$26,325,000	\$26,420,000	\$1,000,000	\$800,000	\$430,000	\$54,975,000

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CAPITAL AND DEBT & LEASES FIVE YEAR CAPITAL PLAN

Projects (continued)

Public Works

Traffic Signals:

	2025	2026	2027	2028	2029	TOTAL
Newly Warranted Signals	-	900,000	-	900,000	-	1,800,000
Parkway/County Line	1,000,000	-	-	-	-	1,000,000
Upgrade of Outdated Signals	-	-	-	-	900,000	900,000
Willow/County Line	-	900,000	-	-	-	900,000
Adaptive Traffic Signals	450,000	350,000	-	400,000	-	1,200,000
Fiber Replacement / Installation	100,000	-	750,000	750,000	-	1,600,000
Brick Fence Reserve Contribution	750,000	-	-	-	-	750,000
Brick Fence Replacement Design	-	300,000	-	-	-	300,000
Bridge Capital Maintenance	-	-	200,000	-	250,000	450,000
C-470 Trail Connection to RTD Station	2,120,000	-	-	-	-	2,120,000
CDOT Mobility Hub	2,000,000	-	-	-	-	2,000,000
City-wide Bicycle Safety Study & Improvements	-	50,000	75,000	50,000	-	175,000
City-wide Pavement Assessment	-	70,000	-	-	80,000	150,000
City-wide Pedestrian Safety Study & Improvements	-	75,000	-	-	-	75,000
Walk and Wheel Part 2 Active Transportation Plan	50,000	-	-	-	-	50,000
Concrete Panel Replacement	700,000	700,000	700,000	700,000	700,000	3,500,000
Congestion Relief - Right Turn onto Yosemite from Car Toys	-	350,000	-	-	-	350,000
Emergency Repairs	500,000	500,000	500,000	500,000	500,000	2,500,000
Advancing Lincoln Avenue - Design	2,960,000	2,000,000	-	-	-	4,960,000
Advancing Lincoln Avenue Construction - City Contribution	-	-	2,000,000	4,000,000	4,000,000	10,000,000
Master Transportation Plan Design	-	-	75,000	-	-	75,000
Citywide Multi-modal Transportation Improvements	200,000	400,000	200,000	250,000	250,000	1,300,000
Mill & Overlay Program	3,200,000	3,100,000	3,200,000	3,300,000	3,400,000	16,200,000
RidgeGate Crosswalks Upgrades	-	400,000	-	-	-	400,000
Storm Sewer Improvements	500,000	250,000	300,000	300,000	350,000	1,700,000
Willow Creek Crossing at Park Meadows Drive	-	-	-	-	1,500,000	1,500,000
Willow Creek Stream Stabilization between Park Meadows Drive and C-470	700,000	-	-	-	-	700,000
Havana Street Bikeway Project	2,000,000	600,000	-	-	-	2,600,000
RidgeGate Parkway Bikeway Connection - Havana - Park Meadows Blvd	250,000	2,000,000	-	-	-	2,250,000
Vision Zero Corridor Improvements	-	-	2,000,000	-	2,000,000	4,000,000
TOTAL	\$17,480,000	\$12,945,000	\$10,000,000	\$11,150,000	\$13,930,000	\$65,505,000

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CAPITAL AND DEBT & LEASES FIVE YEAR CAPITAL PLAN

Projects (continued)

Police Department

Cell Phone Forensics Software/Equipment
License Plate Reader Equipment
Live Scan Replacement (Fingerprint Equipment)
Flock Camera System
Motorized Parks / Open Space Bicycle Program
Tru-narc System Replacement
Rapid Deployment Drone
Other Capital Upgrades/Replacements
TOTAL

2025	2026	2027	2028	2029	TOTAL
-	25,000	-	-	-	25,000
-	23,000	-	-	-	23,000
-	17,000	-	-	17,000	34,000
21,400	-	-	-	-	21,400
-	-	25,000	-	-	25,000
-	25,000	-	-	-	25,000
-	120,000	-	-	-	120,000
-	80,000	300,000	200,000	80,000	660,000
\$21,400	\$290,000	\$325,000	\$200,000	\$97,000	\$933,400

Parks and Recreation

Joint Projects with South Suburban
High Note Regional Park
Reuter Hess
TOTAL

95,000	125,000	125,000	125,000	125,000	595,000
20,500,000	12,600,000	-	-	-	33,100,000
100,000	100,000	100,000	100,000	100,000	500,000
\$20,695,000	\$12,825,000	\$225,000	\$225,000	\$225,000	\$34,195,000

Community Development

Drone Program for Inspections
Integrated Plan Review Software (CDD and PW)
Comprehensive Plan and Code Update
TOTAL

-	5,000	-	-	-	5,000
54,000	-	-	-	-	54,000
292,000	-	-	-	-	292,000
\$346,000	\$5,000	\$ -	\$ -	\$ -	\$351,000

Information Technology

IT Storage Infrastructure
LTMB AV Replacements (TV's, cameras, audio, etc.)
Security Upgrades (Card readers, Cameras, Storage, Lock Down Mechanism)
Other IT Capital Upgrades/Replacements
TOTAL

90,000	-	-	-	-	90,000
-	-	50,000	-	-	50,000
-	50,000	-	-	-	50,000
-	50,000	50,000	100,000	100,000	300,000
\$90,000	\$100,000	\$100,000	\$100,000	\$100,000	\$490,000

Lone Tree Arts Center

Black Soft Goods (Curtains that Frame Sides and Back of Stage)
Event Hall LED/Moving Lights
Event Hall Light Board Replacement
Lighting System - Mainstage Light Board Replacement
Terrace Theatre Chairs
Wireless Microphone Replacements
Main Stage Inductive Loop Replacement
Main Stage LED Lighting Upgrade

-	-	-	20,000	-	20,000
-	50,000	-	-	-	50,000
-	10,000	-	-	-	10,000
-	-	25,000	-	-	25,000
-	-	-	15,000	-	15,000
-	-	-	25,000	-	25,000
50,000	-	-	-	-	50,000
50,000	-	50,000	-	75,000	175,000

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CAPITAL AND DEBT & LEASES FIVE YEAR CAPITAL PLAN

Projects (continued)

Lone Tree Arts Center (cont.)

Main Stage Proscenium A/V Position Installation

Terrace Lighting Upgrade

Stage Carpentry Tools (PW Building)

Plaza Lighting & Power

Lobby & Exterior Light Upgrade

Other Capital Upgrades/Replacements

TOTAL

	2025	2026	2027	2028	2029	TOTAL
-	-	-	-	-	40,000	40,000
-	-	20,000	-	-	-	20,000
-	30,000	-	-	-	-	30,000
-	-	-	40,000	-	-	40,000
75,000	100,000	406,758	422,555	-	-	1,004,313
-	-	50,000	110,000	-	-	160,000
\$175,000	\$190,000	\$551,758	\$632,555	\$115,000		\$1,664,313

TOTAL PROJECTED EXPENDITURE

\$65,132,400	\$52,775,000	\$12,201,758	\$13,107,555	\$14,897,000	\$158,113,713
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Funds from Other Entities/ from Restricted Funds

Arts and Cultural Facilities Capital Reserve Funds

C-470 Trail Connection to RTD Station - PMMD

Advancing Lincoln Avenue Design - DRCOG

Advancing Lincoln Avenue Design - DC

Advancing Lincoln Avenue Design - SPIMD

High Note Regional Park - Other Sources

High Note Regional Park - S. Suburban

High Note Regional Park - GOCO

High Note Regional Park - Denver South

High Note Regional Park - Football Stadium Shareback

High Note Regional Park - Park & Recreation
Improvement Capital Reserve Funds

High Note Regional Park - Certificates of Participation

Justice Center & PW Facility - Certificates of
Participation

Reuter Hess from S. Suburban

Anticipated Grants for Traffic Signals

Havana Street Bikeway Project - RRMD & CDOT TIP

RidgeGate Parkway Bikeway Connection - Denver South

RidgeGate Parkway Bikeway Connection - Grant

Walk and Wheel Part 2 Active Transportation Plan -
S. Suburban

Vision Zero Corridor Improvements - DRCOG / CDOT

Adaptive Traffic Signals - Partnership Funding / Grants

Exterior Painting at the Hub - S. Suburban

TOTAL OTHER FUNDS

TOTAL PROJECTED CITY COMMITMENT

CAPITAL RESERVE

	2025	2026	2027	2028	2029	TOTAL
345,000	160,000	816,758	622,555	115,000	-	2,059,313
120,000	-	-	-	-	-	120,000
1,200,000	300,000	-	-	-	-	1,500,000
800,000	450,000	-	-	-	-	1,250,000
-	500,000	-	-	-	-	500,000
5,000,000	4,700,000	-	-	-	-	9,700,000
6,500,000	6,200,000	-	-	-	-	12,700,000
1,000,000	-	-	-	-	-	1,000,000
1,000,000	-	-	-	-	-	1,000,000
-	1,000,000	-	-	-	-	1,000,000
1,300,000	700,000	-	-	-	-	2,000,000
5,700,000	-	-	-	-	-	5,700,000
26,000,000	26,000,000	-	-	-	-	52,000,000
72,000	72,000	72,000	72,000	72,000	72,000	360,000
-	270,000	-	270,000	-	-	540,000
2,000,000	600,000	-	-	-	-	2,600,000
50,000	-	-	-	-	-	50,000
-	1,600,000	-	-	-	-	1,600,000
25,000	-	-	-	-	-	25,000
-	-	1,600,000	-	1,600,000	-	3,200,000
200,000	280,000	-	320,000	-	-	800,000
20,000	-	-	-	-	-	20,000
\$51,332,000	\$42,832,000	\$2,488,758	\$1,284,555	\$1,787,000		\$99,724,313
\$13,800,400	\$9,943,000	\$9,713,000	\$11,823,000	\$13,110,000		\$58,389,400
\$13,553,600	\$12,961,750	\$12,545,500	\$12,426,750	\$11,800,500		

4

CAPITAL AND DEBT & LEASES 2025 ASPHALT OVERLAY PROGRAM

Category	Street Overlay	Project Sponsor	City of Lone Tree
Project Name	2025 Concrete Replacement / Asphalt Overlay	Project Management	City of Lone Tree Public Works
Location(s)	Various	Total Project Cost	\$3,200,000
Estimated Start Date	04/01/25	2025 Estimated Cost	\$3,200,000
Estimated End Date	11/01/25	City of Lone Tree Cost	\$3,200,000

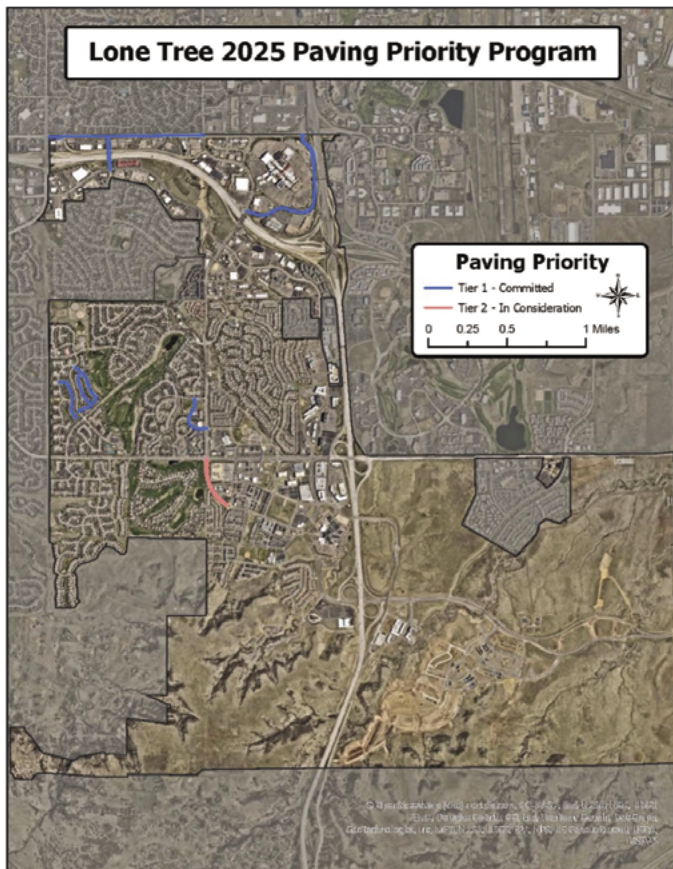
PROJECT DESCRIPTION

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 LOCATIONS

2025 Concrete and Overlay
Acres Green Drive - County Line Road to Park Meadows Drive
La Costa Lane
County Line Road - Quebec Street to Yosemite Street
Crosby Drive
Kemper Drive
Las Colinas Drive
Park Meadows Center Drive - County Line Road to Yosemite Street
Troon Village Drive - Fairview Drive to Yosemite Street

* Final locations subject to bids received and budget availability.

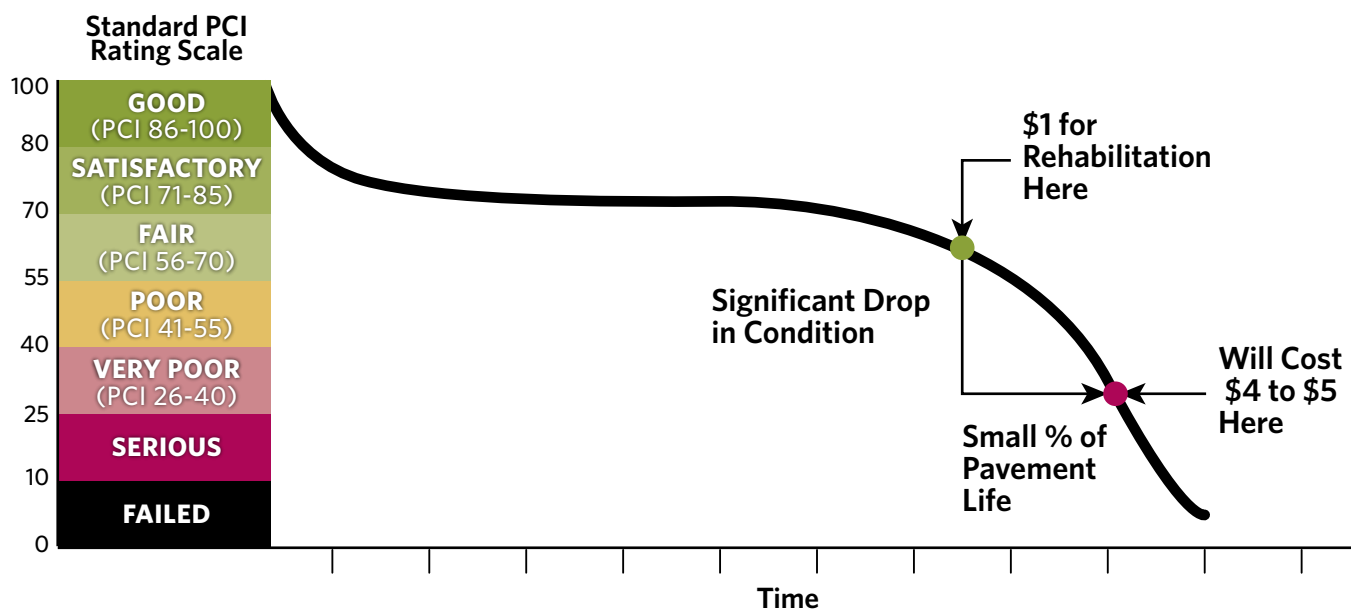


FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design							
Construction		\$ 3,200,000					\$ 3,200,000
TOTAL		\$ 3,200,000					\$ 3,200,000
FUNDING SOURCES							
2024 Rollover		\$ 200,000					\$ 200,000
City of Lone Tree		\$ 3,000,000					\$ 3,000,000
TOTAL		\$ 3,200,000					\$ 3,200,000

BENEFITS

The 2023 Citywide Transportation Analysis, conducted in May 2023, prioritized streets based on their Pavement Condition Index (PCI). The 2025 Overlay Program will address the work identified in this study as we prepare for a new assessment in 2026.

When PCI fall below 56, indicating poor pavement condition, the rate of deterioration accelerates, shortening the time between fair and failing conditions. Replacing failed pavement is approximately four times more expensive than milling and overlaying pavement in fair or better condition.



4

CAPITAL AND DEBT & LEASES 2025 TRAFFIC SIGNALIZATION

Category	Traffic Signals	Project Sponsor	City of Lone Tree
Project Name	County Line Road & Parkway Drive Traffic Signalization	Project Management	City of Lone Tree Public Works
Location(s)	County Line Road & Parkway Drive	Total Project Cost	\$1,000,000
Estimated Start Date	05/01/25	2025 Estimated Cost	\$1,000,000
Estimated End Date	11/30/25	City of Lone Tree Cost	\$1,000,000

PROJECT DESCRIPTION

This project is to upgrade the existing span-wire traffic signal at the intersection of County Line Road and Parkway Drive. It will involve upgrading all traffic signal components to meet current standards, improving pedestrian crossings, enhancing safety, and updating striping and crosswalks. The design has already been completed, enabling the project to go out to bid in early 2025.

PROJECT LOCATIONS

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

FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design							
Construction		\$ 1,000,000					\$ 1,000,000
TOTAL							
FUNDING SOURCES							
City of Lone Tree		\$ 1,000,000					\$ 1,000,000
TOTAL		\$ 1,000,000					\$ 1,000,000

BENEFITS

This project will install several safety enhancements for both drivers and pedestrians at the intersection. The upgraded traffic signal will also reduce maintenance calls for the current span-wire signal, which is well beyond its replacement lifecycle.

4

CAPITAL AND DEBT & LEASES 2025 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	\$700,000
Estimated Start Date	06/01/25	2025 Estimated Cost	\$700,000
Estimated End Date	11/30/25	City of Lone Tree Cost	\$700,000

PROJECT DESCRIPTION

This project will involve the removal and replacement of defective and damaged concrete roadway panels throughout the City of Lone Tree, focusing on the lowest-rated panels.

PROJECT LOCATIONS

This work will be focused on concrete panel replacements along Lincoln Avenue to the east of I-25.

FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design		\$ 50,000					\$ 50,000
Construction		\$ 650,000					\$ 650,000
TOTAL		\$ 700,000					\$ 700,000
FUNDING SOURCES							
City of Lone Tree		\$ 700,000					\$ 700,000
TOTAL		\$ 700,000					\$ 700,000

BENEFITS

For several years, the City of Lone Tree contracted the removal and replacement of concrete panels to enhance safety, improve rideability, and upgrade roadway conditions. However, the program was paused in previous years, resulting in accelerated degradation of many panels across the City. This project will address the deferred maintenance on concrete roadway segments and restore these critical infrastructure components.

4

CAPITAL AND DEBT & LEASES 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	2025 Estimated Cost	\$2,960,000
Estimated End Date	12/31/2026	City of Lone Tree Cost	\$1,500,000

PROJECT DESCRIPTION

The purpose of the Advancing Lincoln Avenue study is to create a long-term vision for the I-25 interchange and the segment of the Lincoln Avenue Corridor between Park Meadows Drive and Oswego Street. The study will identify key safety and mobility needs for this area, including improvements to the I-25 interchange and nearby local intersections. It will also incorporate enhancements for multi-modal opportunities, assess environmental impacts, and propose appropriate mitigation measures to address both 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	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$3,040,000	\$2,960,000	\$2,000,000				\$8,000,000
Construction							
TOTAL	\$ 3,040,000	\$ 2,960,000	\$ 2,000,000				\$ 8,000,000
FUNDING 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, and enhance operations at the I-25 interchange and along Lincoln Avenue for all modes of transportation. To achieve this, the project will incorporate meaningful bicycle, pedestrian, and transit elements. Currently, there is poor connectivity for bicyclists and pedestrians along this segment of Lincoln Avenue, with limited access between the communities of Parker, Lone Tree, Highlands Ranch, Meridian Business Park, and the proposed RidgeGate development east of I-25 and south of Lincoln Avenue.

Local agencies recognize the need to rebuild both the I-25 interchange and a section of Lincoln Avenue. It is crucial to integrate critical travel demand management (TDM) components that offer a strong return on investment, both initially and in the long term, while ensuring the preferred design alternative accommodates future TDM elements.

In 2025, the project team will develop final conceptual designs for improvements to the multimodal network, the Havana and Lincoln intersection, and the I-25 and Lincoln interchange. Preliminary design and the NEPA process will also begin in 2025.



4

CAPITAL AND DEBT & LEASES

C-470 TRAIL CONNECTION TO COUNTY LINE RTD LIGHT RAIL STATION

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	C-470 Trail Connection to County Line RTD Light Rail Station	Project Management	City of Lone Tree Public Works
Location(s)	C-470 / I-25 Interchange	Total Project Cost	\$3,620,000
Estimated Start Date	02/15/24	2025 Estimated Cost	\$2,120,000
Estimated End Date	06/01/24	City of Lone Tree Cost	\$800,000

PROJECT DESCRIPTION

This multi-year project will design and construct a spur connection from the high-use, shared C-470 regional trail to RTD's County Line Light Rail Station and Park Meadows Retail Resort. The C-470 trail spans Douglas County, extending from the City of Littleton to Arapahoe County.

PROJECT LOCATION

This bikeway project connects the C-470 trail, located near the northwest corner of the C-470/I-25 interchange, to the County Line RTD Light Rail Station, which is situated along the I-25 highway corridor. The total project distance is 1,730 feet.



FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 300,000						\$ 300,000
Construction	\$ 1,200,000	\$ 2,120,000					\$ 3,320,000
TOTAL	\$ 1,500,000	\$ 2,120,000					\$ 3,620,000
FUNDING SOURCES							
DRCOG Safer Streets Program	\$ 800,000	\$ 800,000					\$ 1,600,000
SPIMD	\$ 400,000						\$ 400,000
Park Meadows Metro District	\$ 200,000	\$ 120,000					\$ 320,000
Douglas County	\$ 500,000						\$ 500,000
City of Lone Tree		\$ 800,000					\$ 800,000
TOTAL	\$ 1,900,000	\$ 1,720,000					\$ 3,620,000

BENEFITS

The C-470 trail connector to the County Line RTD Light Rail Station provides a grade-separated bikeway link between Highlands Ranch, Centennial, Lone Tree, Meridian Business Park, Douglas County, and the RTD County Line Light Rail Station. This project enhances bicycle safety by offering a transit connection that avoids high-injury roadways. It also creates a new connection to the Park Meadows Retail Resort, a major shopping center and employment hub. The project will include secure bicycle parking with video surveillance, monitored by the Lone Tree Police Department.

Currently, Douglas County cyclists lack a safe connection to the RTD County Line Light Rail Station. This project will complete a convenient bikeway connection to regional transit, retail, and employment while bypassing high-risk areas such as the Yosemite Corridor, the C-470/I-25 interchange, and County Line Road. An existing traffic signal at Park Meadows Center Drive will be upgraded with new crosswalks, ADA ramps, and signal actuation to accommodate the grade-separated bikeway. The trail will extend along Park Meadows Center Drive to the RTD Light Rail Station, remaining grade-separated to prevent conflicts within the Park Meadows Retail Resort parking lot.

4

CAPITAL AND DEBT & LEASES HAVANA STREET BIKEWAY

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	Havana Street Bikeway	Project Management	City of Lone Tree Public Works
Location(s)	Havana Street	Total Project Cost	\$2,600,000
Estimated Start Date	03/01/25	2025 Estimated Cost	\$2,000,000
Estimated End Date	05/15/26	City of Lone Tree Cost	\$ -

PROJECT DESCRIPTION

The Havana Street Bikeway Project is a DRCOG TIP-funded initiative, managed by the City of Lone Tree and designed and funded in collaboration with our partners at the Rampart Range Metro District. The project involves the installation of new bike lanes and a new traffic signal at the RidgeGate RTD light rail station entrance to transition the bikeway from on-street lanes to off-street side paths.

PROJECT LOCATION

This project is located on Havana Street, extending from RidgeGate Parkway to the southern limit of the City of Lone Tree.

FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design							
Construction		\$ 2,000,000	\$ 600,000				\$ 2,600,000
TOTAL		\$ 2,000,000	\$ 600,000				\$ 2,600,000
FUNDING SOURCES							
Rampart Range Metro District		\$ 900,000	\$ 600,000				\$ 1,500,000
DRCOG - TIP Funds		\$ 1,100,000					\$ 1,100,000
City of Lone Tree							
TOTAL		\$ 2,000,000	\$ 600,000				\$ 2,600,000

BENEFITS

The Havana Street Bikeway will fill a critical gap in the City's bikeway network, enhancing safety for cyclists and pedestrians by improving street crossings and providing better access to the RidgeGate RTD light rail station.

4

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 Facilities	Project Management	City of Lone Tree Public Works
Location(s)	*See Below	Total Project Cost	\$52,000,000
Estimated Start Date	01/01/2024	2025 Estimated Cost	\$26,000,000
Estimated End Date	12/31/2026	City of Lone Tree Cost	\$52,000,000

PROJECT DESCRIPTION

In alignment with the City's long-range financial plan, the 2025 budget includes capital expenditures for the design and construction of a new Justice Center (Police and Municipal Court) and an expansion of the Public Works Facility. This multi-year project will continue with design work and construction beginning in 2025, with both buildings expected to be completed by the end of 2026.

PROJECT LOCATIONS

The Justice Center will be situated east of South Peoria Street and north of RidgeGate Parkway. The Public Works Facility will expand the existing maintenance facility, which is located at the corner of First and Lincoln Avenue.

FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 1,000,000	\$ 3,000,000	\$ 600,000				\$ 4,600,000
Construction		\$ 23,000,000	\$ 24,400,000				\$ 47,400,000
TOTAL	\$ 1,000,000	\$ 26,000,000	\$ 25,000,000				\$52,000,000
FUNDING SOURCES							
City of Lone Tree	\$ 1,000,000	\$ 26,000,000	\$ 25,000,000				\$ 52,000,000
TOTAL	\$ 1,000,000	\$ 26,000,000	\$ 25,000,000				\$52,000,000

BENEFITS

The City's current Municipal Building and Public Works Maintenance Facility have served the community well since 2007 and 2004, respectively, adapting to the needs of our growing community. However, as the City continues to expand, additional police officers, vehicles, road maintenance equipment, and snowplows will be required to maintain our high level of service as our existing facilities are no longer able to accommodate these growing needs.



4

CAPITAL AND DEBT & LEASES 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	\$34,000,000
Estimated Start Date	01/01/2024	2025 Estimated Cost	\$20,500,000
Estimated End Date	12/31/2026	City of Lone Tree Cost	\$9,000,000

PROJECT DESCRIPTION

The City of Lone Tree and South Suburban Parks and Recreation are collaborating to build Lone Tree's first and only regional park, High Note Regional Park (formerly known as Lone Tree Regional Park). This park has been a key part of the area's vision, included in the plan that Lone

Tree residents approved when the land was annexed into the City in 2000.

PROJECT LOCATIONS

The 80-acre park will be located along Happy Canyon Creek, near I-25 and RidgeGate Parkway.

FINANCIAL SUMMARY	Prior Years	2025 Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 900,000						\$ 900,000
Construction		\$ 20,500,000	\$ 12,600,000				\$ 33,100,000
TOTAL	\$ 900,000	\$ 20,500,000	\$12,600,000				\$ 34,000,000
FUNDING SOURCES							
Douglas County		\$ 300,000					\$ 300,000
SSPRD	\$ 300,000	\$ 6,500,000	\$ 6,200,000				\$ 13,000,000
GOCO Grant		\$ 1,000,000					\$ 1,000,000
Denver South		\$ 1,000,000					\$ 1,000,000
Other Sources		\$ 5,000,000	\$ 4,700,000				\$ 9,700,000
City of Lone Tree	\$300,000	\$ 7,000,000	\$ 1,700,000				\$ 9,000,000
TOTAL	\$ 600,000	\$ 20,800,000	\$12,600,000				\$ 34,000,000

BENEFITS

High Note Regional Park will serve as a destination park, creating a central gathering place in north-central Douglas County. It will be the first regional park in the City of Lone Tree, offering a diverse range of passive and active recreation opportunities for the community.

Due to the park's scale and significance as a generational project, it will be developed in phases. The goal of Phase 1 is to build the core areas on both the south and north sides of the park, allowing for future expansions as funding and project partners become available. This approach ensures the community will have access to high-quality public spaces not currently available in Lone Tree once the first phase is complete. Additionally, Phase 1 will prioritize essential infrastructure, including grading and utilities, to support both the initial and future phases of development.



4

CAPITAL AND DEBT & LEASES

DEBT & LEASES

DEBT

As of December 1, 2023, the City has no outstanding long-term debt, following the final scheduled bond payments for the Series 2008A, 2009, 2017A, and 2017B Bonds. The City follows a pay-as-you-go philosophy, and if additional debt issuances are considered in the future, voter authorization would be required.

LEASES

In 2024, the City issued Certificates of Participation (COP) to finance the Justice Center, Public Works Facility expansion, and High Note Regional Park projects. Estimated lease payments and associated costs related to the COPs are included in the 2025 budget.

Certificates of Participation are a form of lease-purchase agreement used to finance the construction of new facilities, instead of issuing bonds or using other long-term debt options. Additional details regarding the City's Certificates of Participation, along with lease payment schedules, are provided in this section.

SERIES 2024: CERTIFICATES OF PARTICIPATION

Year	Principal	Interest	Total
2024	\$2,345,000	\$1,617,394	\$3,962,394
2025	\$1,565,000	\$2,392,500	\$3,957,500
2026	\$1,645,000	\$2,314,250	\$3,959,250
2027	\$1,725,000	\$2,232,000	\$3,957,000
2028	\$1,810,000	\$2,145,750	\$3,955,750
2029	\$1,905,000	\$2,055,250	\$3,960,250
2030	\$2,000,000	\$1,960,000	\$3,960,000
2031	\$2,100,000	\$1,860,000	\$3,960,000
2032	\$2,205,000	\$1,755,000	\$3,960,000
2033	\$2,315,000	\$1,644,750	\$3,959,750
2034	\$2,430,000	\$1,529,000	\$3,959,000
2035	\$2,555,000	\$1,407,500	\$3,962,500
2036	\$2,680,000	\$1,279,750	\$3,959,750
2037	\$2,810,000	\$1,145,750	\$3,955,750
2038	\$2,955,000	\$1,005,250	\$3,960,250
2039	\$3,105,000	\$857,500	\$3,962,500
2040	\$3,255,000	\$702,250	\$3,957,250
2041	\$3,425,000	\$539,500	\$3,964,500
2042	\$3,595,000	\$368,250	\$3,963,250
2043	\$3,770,000	\$188,500	\$3,958,500
Total	\$50,195,000	\$29,000,144	\$79,195,144

4

CAPITAL AND DEBT & LEASES DEBT SERVICE REQUIREMENTS TO MATURITY

SERIES 2024 COP:

Purpose of Issue	Finance acquisition, construction, and equipping of a justice center, a public works facility, a regional park, and other capital improvements
Support Type	100% Self-Supported
Financial Classification	Certificates of Participation
Interest Dates	June and December
Date of Issue	April 9, 2024
Interest Rate	3.960184%
Amount of Issue	\$50,195,000
Bond Rating	AA+
Debt Limit	Not Applicable
Payoff Date	December 1, 2043
Paying Agent	U.S. Bank Trust Company, National Association





LONE TREE ARTS CENTER

Lone Tree isn't just a place to live—it's a place to experience art and culture in every form! From world-class performances to stunning public art, our City is bursting with creativity and inspiration. The Lone Tree Arts Center is at the heart of it all, bringing incredible performances, concerts, and events to the community. Whether you're into Broadway shows, local theater, live music, or family-friendly performances, there's always something amazing happening right here!

DEPARTMENTAL INFORMATION

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5

DEPARTMENTAL INFORMATION 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.

BIG IDEAS



Our deep active commitment to public safety.



Our visionary transportation network.



Our welcoming, connected, and resilient community.



Our signature cultural and recreational opportunities, exceptional places, and beautiful natural environment.



Our diverse and sustainable economy powered by top-tier businesses.



Our commitment to building the best team to support our innovative, customer-focused, and efficient city government.

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.

[Return to Table of Contents](#)

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 vibrant 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 the accomplishments for 2024 and the goals for 2025, which are focused on continually working toward the objectives described above.

5

DEPARTMENTAL INFORMATION STATISTICS—EMPLOYEES BY FUNCTION/PROGRAM

Function/Program

Full-Time Equivalent Employees

General Government

City Manager's Office

City Manager
Deputy City Manager
Economic Development Director
Economic Development Project Manager
Assistant City Manager
Communications Director
Communications Specialist
Office Manager
Management Analyst, Emergency & Risk Manager
Management Assistant Fellowship
Information Technology
City Clerk

	2023	2024	2025
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
Economic Development Project Manager	-	1.00	1.00
Assistant City Manager	1.00	1.00	1.00
Communications Director	1.00	1.00	1.00
Communications Specialist	-	1.00	1.00
Office Manager	1.00	1.00	1.00
Management Analyst, Emergency & Risk Manager	1.00	1.00	1.00
Management Assistant Fellowship	1.00	-	-
Information Technology	5.00	5.00	5.00
City Clerk	3.00	3.00	3.00

Finance

Finance Director
Senior Accounting Manager
Budget Manager
Accountant
Accounting Technician
Revenue and Licensing Clerk
Budget and Revenue Analyst
Human Resources

Finance Director	1.00	1.00	1.00
Senior Accounting Manager	1.00	1.00	1.00
Budget Manager	2.00	1.00	1.00
Accountant	-	1.00	1.00
Accounting Technician	1.00	1.00	1.00
Revenue and Licensing Clerk	1.00	1.00	1.00
Budget and Revenue Analyst	1.00	1.00	1.00
Human Resources	3.00	3.00	3.00

Municipal Court

Court Administrator
Court Clerk
Court Administrative Assistant

Court Administrator	2.00	2.00	2.00
Court Clerk	1.00	1.00	1.00
Court Administrative Assistant	-	-	0.50

Community Development

Planning
Code Enforcement
Building

Planning	7.00	7.00	8.00
Code Enforcement	2.00	2.00	2.00
Building	5.00	6.00	6.00

Arts & Cultural

Administration
Programming
Marketing
Development
Events

Administration	1.84	1.84	1.83
Programming	15.08	15.08	15.16
Marketing	1.15	1.15	2.87
Development	2.33	2.33	2.60
Events	1.60	1.60	1.54

Police

Chief
Commander
Lieutenant
Sergeant
Corporal
Investigations
Patrol
Police Officer Recruits
Community Resource Officers
School Resource Officers
Community Safety Officers
Police Service Coordinator
Support Services Manager
Crime Analyst / Administrative Assistant
Talent Acquisition & Development Manager
Background Investigator
Records
Victim Services
Administrative Assistant - Off-Duty Contracts

2023	2024	2025
1.00	1.00	1.00
3.00	3.00	3.00
2.00	3.00	3.00
9.00	9.00	9.00
8.00	8.00	8.00
5.00	5.00	5.00
24.00	24.00	24.00
-	-	2.00
3.00	3.00	3.00
1.00	4.00	4.00
3.00	4.00	4.00
1.00	-	-
1.00	1.00	1.00
1.00	1.00	1.00
-	-	1.00
-	0.25	0.25
6.00	6.00	7.00
2.00	2.00	2.00
0.25	0.25	0.50

Public Works

Director of Public Works and Mobility
Capital Projects Manager
City Engineer
Operations Manager
Field Inspector
Field Technician
Senior Project Engineer
Storm Water Engineer
Capital Projects Inspector
Senior Service Specialist
Traffic Signal Technician
Mobility Manager
Facilities Manager
Custodial Service Coordinator

1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00
-	1.00	1.00
-	1.00	1.00
1.00	1.00	1.00
2.00	2.00	2.00
1.00	1.00	1.00
1.00	1.00	1.00
-	-	1.00
147.25	155.50	164.25

TOTAL

Note: The position changes between 2023 and 2024 include the addition of a new Communications Specialist in the City Manager's Office, a new Lieutenant in the Police Department to address increased demands and support succession planning, two School Resource Officers requested by the Douglas County School District (with 50% of funding provided by the District), and the creation of two new positions in the Public Works Department—a Storm Water Engineer and a Capital Projects Inspector—due to increasing and aging infrastructure.

The position changes between 2024 and 2025 include the addition of a part-time Court Administrative Assistant, a growth related Senior Planner position to lead large and complex projects/master plans in the Community Development Department, the conversion of two Stage Technician positions from part-time status to full-time status at the Lone Tree Arts Center, a Records Technician to assist with increased general records requests for the Police Department, a Talent Acquisition and Development Manager in the Police Department that is fully funded by a grant, two Police Officer Recruits attending the academy, which are one year positions that are fully funded by a grant, and a Custodial Service Coordinator in Public Works to address the growing needs of City facilities, which is partially offset in contracted personnel expense savings.

5

DEPARTMENTAL INFORMATION CITY CLERK'S OFFICE

The City Clerk's Office is responsible for maintaining official City records, conducting City elections, managing liquor licenses, and responding to open records requests under the Colorado Open Records Act (CORA). The Office ensures accuracy, transparency, and compliance with all local and state laws and regulations and is dedicated to providing exceptional customer service to residents, businesses, and visitors of Lone Tree.

GOALS FOR 2025:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Participate in the November 4, 2025, Douglas County Election.

2024 HIGHLIGHTS:

- Increased voter turnout during the Regular Municipal Election season (January 22nd - May 7th), reflecting higher civic engagement compared to previous elections.
- Municipal Code updates were conducted accurately and in a timely manner.
- Successfully completed a large-scale records digitization project.
- Revised the City's liquor code to reflect legislative changes by the State of Colorado.



EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 280,813	\$ 351,406	25%
City Clerk	\$ 71,600	\$ 53,500	(25%)
Total	\$ 352,413	\$ 404,906	15%

The increase in salaries and benefits is due to annual merit and market adjustments. The decrease in City Clerk costs is attributed to lower election expenses in 2025, as no municipal election is scheduled.

DEPARTMENTAL INFORMATION

CITY MANAGER'S OFFICE

The City Manager's Office implements the direction and guidance of the City Council by developing and executing its goals and policies, managing intergovernmental relationships, and leading community outreach and economic development efforts. The City Manager provides leadership across all municipal services in alignment with the City Charter, offering professional management, strategic vision, and clear priorities to promote excellence in City services. The City Manager's Office staff members also serve as liaisons between the City Council and City staff, facilitating service requests and supporting the activities of the Mayor, City Council, and City Manager.

2024 HIGHLIGHTS:

Organizational Leadership and Management

- Led the City Council transition, including onboarding and the Council retreat to establish strategic priorities.
- Continued leadership as a member of the Colorado Municipal League (CML) Executive Board.
- Provided oversight of many Citywide initiatives including:
 - › Expansion of Link on Demand services to Meridian.
 - › Issuance of Certificates of Participation (COPs) and procurement of project management, architect, and contractor teams for the Justice Center, Public Works Facility expansion, and the High Note Regional Park.

Economic Development

- Continued oversight of the Lone Tree Business Improvement District and Lone Tree Urban Renewal Authority.
- Oversaw Entertainment District Redevelopment projects, including Jack's Lone Tree and 303 Sports Grill.
- Established Hawkview Metropolitan District.

Communications

- Initiated the first phase of website and digital accessibility compliance.
- Continued investment in citywide mailers including the new Summer Events mailer and Timberlines.
- Launched new Council community engagement events, including Connect with Council at Belvedere Park.
- Successfully executed the 2024 State of the City event and developed the New Resident Welcome Packet.

Park & Recreation Support

- Developed an updated concept plan for High Note Regional Park, along with design development and continued funding efforts.
- Improved storm drainage and upgraded the audio-visual system at the Lone Tree Hub.
- Continued efforts to open public access at Reuter-Hess Reservoir.

Advocacy and Risk Management

- Continued to lead advocacy efforts to support community growth and initiatives.
- The Community Wildfire Protection Plan utilized in-house resources to complete risk assessments.
- Completed the Broadband, Fiber, and 5G Analysis study, offering recommendations for future improvements.
- Developed a 'Lost Child/Vulnerable Person Procedure' for Community Events.
- The Lone Tree Police Department and Living & Aging Well Commission collaborated to create a new Senior Volunteer program within the Victim Services division.

GOALS FOR 2025:

Our Welcoming, Connected, and Resilient Community (Big Idea #3)

- Continue to focus on community engagement and events while highlighting the City’s 30th Anniversary.
- Develop a community-wide evacuation plan.
- Oversee the groundbreaking and initiation of construction for the Justice Center, Public Works Facility, and High Note Regional Park.

Our Diverse and Sustainable Economy Powered by Top-Tier Businesses (Big Idea #5)

- Continue to effectively manage and oversee the Lone Tree Business Improvement District, the Lone Tree Urban Renewal Authority, and the Park Meadows Business Improvement District to drive economic growth and community development.
- Advance the development of RidgeGate Parkway commercial projects.
- Promote and support Lone Tree business stewardship and small business initiatives.

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Strengthen and expand federal, state, and local advocacy efforts to effectively advance community priorities and influence policy outcomes.
- Update the City website with a redesigned homepage, enhanced functionality, improved content, and full digital accessibility compliance for an inclusive, user-friendly experience.

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,568,695	\$1,660,504	6%
Dues & Memberships	\$ 145,204	\$ 158,752	9%
Community Support	\$ 181,900	\$ 288,600	59%
Communications	\$ 162,700	\$ 164,800	1%
Economic Development	\$ 147,500	\$ 167,500	14%
Legal	\$ 559,000	\$ 584,200	5%
Risk Management	\$ 793,887	\$ 947,302	19%
Miscellaneous	\$ 436,418	\$ 308,266	(29%)
TOTAL	\$3,995,304	\$4,279,924	7%

The increase in salaries and benefits is due to annual merit and market adjustments. The increase in Community Support is attributed to additional funding for the Douglas County Youth Initiative, as well as funding for the City’s 30th anniversary events. Economic Development cost increased due to bringing federal advocacy efforts in-house. This is offset by related savings in the Miscellaneous expense category. Risk Management costs have risen significantly due to increased insurance costs.

5

DEPARTMENTAL INFORMATION COMMUNITY DEVELOPMENT

The Community Development Department oversees all planning, building, code and zoning compliance functions within the City government to support the creation of a vibrant, safe, and sustainable community. The department is organized into three primary areas: Planning, Building, and Zoning Enforcement/City Forestry.

Planning Division is involved in both current/land-use projects and long range/special activities. Current/land-use projects include the day-to-day coordination of land use issues, where planners work directly with customers to process and review development applications at various stages. This could include zoning applications, site plans, and other development-related requests. Long range/special activities involve conducting research and analysis to guide the City's long-term growth. This includes developing and implementing regulations, policies, and programs that shape the future of the City's infrastructure, land use, and overall development.

Building Division ensures that all buildings meet safety standards by administering the adopted building codes. This includes reviewing plans for buildings, electrical systems, mechanical systems, and plumbing to ensure compliance with safety codes, issuing necessary permits, and conducting inspections to verify that construction follows the approved plans and code requirements. Additionally, the division oversees the review and permitting of all permanent signs to ensure they comply with City standards and regulations.

Zoning Enforcement/City Forestry works to maintain a clean, safe, and attractive community through the enforcement of zoning laws and the promotion of environmental health. It collaborates with residents and business/property owners to ensure compliance with the City's zoning codes, addressing violations and taking enforcement actions when necessary. The division also provides education and outreach to promote the health of community trees, helping to preserve green spaces and contribute to environmental sustainability. Additionally, it handles the permitting of temporary banners, uses, and special events, ensuring they comply with City regulations.

2024 HIGHLIGHTS:

- Development activity related to the implementation of Lyric at RidgeGate, the City's largest residential neighborhood.
- Key administrative projects included overseeing ongoing construction, rezoning efforts, and the execution of site improvement and streetscape plans.
- Continued the Lone Tree Elevated planning initiative, focused on long-term planning and creating the new Comprehensive Plan and Land Use Code Updates.
- Code Compliance focused on proactive outreach, daily inspections of all commercial properties, property maintenance, illegal parking and dumping, vacant property registration, and addressing resident concerns and inquiries.
- The Building Division updated its Citizens Portal, enhancing efficiency and ease of use for customers.
- Held leadership roles in the American Planning Association and the International Code Council, strengthening City representation.

GOALS FOR 2025:

Our Welcoming, Connected, and Resilient Community (Big Idea #3)

- Initiate Phase 2 of Lone Tree Elevated to seek policy direction for modernizing and streamlining the code, incorporating the Entertainment District regulatory plan, and engaging stakeholders through a Steering Committee.
- Continue to focus on planning and development east of I-25, including 2024 carry-over projects, Southwest Village Filing 5, and Southeast Village preliminary plan.

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Enhance community engagement by streamlining and coordinating online permitting, records, and plan review processes to improve accessibility and efficiency.

PERFORMANCE MEASURES	2021 Measure	2022 Measure	2023 Measure	2024 Goal	2024 Measure	2025 Goal
Building Permits Issued	650	586	840	1,000	1,048	1,200
Building Inspections Conducted	4,000	4,460	6,002	7,500	9,033	10,000

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,687,363	\$1,956,383	16%
Community Development	\$ 600	\$ 58,000	9,567%
Planning	\$ 102,020	\$ 314,500	208%
Building	\$ 29,700	\$ 19,200	(35%)
Code Enforcement	\$ 10,569	\$ 17,060	61%
TOTAL	\$1,830,252	\$2,365,143	29%

The increase in salaries and benefits is due to annual merit and market adjustments, as well as the addition of a Senior Planner position. The increase in Community Development is due to cost related to public outreach, as well as the implementation of an online plan review software that will improve efficiency and transparency for customers. The rise in Planning costs is due to expenses related to the multi-year Comprehensive Plan and Code Update project. The decrease in Building results from consolidating vehicle and vehicle maintenance budget items into the Public Works Department budget. The increase in Code Enforcement funding is due to higher allocations for anticipated contract services needs. Many services in this department are offset by fee revenues.



5

DEPARTMENTAL INFORMATION CULTURAL AND COMMUNITY SERVICES

The Lone Tree Cultural and Community Services Fund supports cultural and community programming for residents of all ages at the Lone Tree Arts Center (LTAC) and other public gathering spaces throughout the City. LTAC also serves as an economic development driver by offering affordable meeting services to businesses and civic groups and providing a venue for regional leaders to discuss important community issues. It helps raise the City's profile by attracting audiences and meeting attendees from across the region. Services funded by this program include performing and visual arts presentations, affordable programs for children and families, and community celebrations in local parks.

2024 HIGHLIGHTS:

- Produced two theatrical runs, The Mousetrap and Million Dollar Quartet.
- Nominated for five Henry Awards for Dreamgirls and The Mousetrap, with one win for Best Supporting Actor in a Musical for Dreamgirls.
- Increased subscriber ticket packages (people who purchase three or more shows throughout the year), surpassing the previous year's numbers in record time.
- Launched the Lone Tree Arts Center Legacy Society to encourage patrons to include LTAC in their estate planning.
- Provided funding for bus service for students from Lone Tree schools.
- Maintained all community impact programs, including Seedlings, Passport to Culture, Arts in the Afternoon, Sensory Inclusive programming, and SPARK!, while seeking opportunities to expand by featuring more high-profile visiting artists and reaching specialty populations.
- Supported the At the Table (In Conversation) program and expanded outreach to diverse communities to foster an inclusive environment.
- Engaged the Arts Commission with art exhibits at LTAC and public art projects throughout the City, including a return to participating in Douglas County Art Encounters.

- Partnered with Eagle Academy to present student artwork for the Winter Commissioner's Choice Exhibit.
- Offered premier City events for Lone Tree community members, including two summer concerts at Sweetwater Park, Independence Day celebration, Wag 'N Romp, Craftoberfest, Fall Festival, and Merry Days.
- Collaborated with the Lone Tree Police Department (LTPD) to present the second annual LTPD Open House.

GOALS FOR 2025:

Our Welcoming, Connected, and Resilient Community (Big Idea #3)

- Strengthen relationships with local partners, including Douglas County School District, to continue community outreach opportunities for visiting artists.

Our Signature Cultural and Recreational Opportunities, Exceptional Places, and Beautiful Natural Environment (Big Idea #4)

- Present outstanding artists, exciting and engaging performances, diverse offerings, and a wide range of genres on our Main Stage.
- Expand theatrical programming to include a three-week run of a musical in the fall.
- Continue increasing subscription packages and focus on innovative ways to engage subscribers.
- Continue researching and identifying new grant funding opportunities.
- Develop a public art master plan to help guide placement of art throughout the City.
- Provide premier rental services for business meetings, social gatherings, and community performances in the South Metro area.

PERFORMANCE MEASURES	2021 Measure	2022 Measure	2023 Measure	2024 Goal	2024 Measure	2025 Goal
Lone Tree Arts Center Programming	89	118	140	150	156	157
Rentals, Meetings, and City Events	107	164	238	231	266	250

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$2,108,216	\$2,303,502	9%
Development	\$ 106,442	\$ 114,035	7%
Programming	\$1,517,829	\$1,747,747	15%
Marketing	\$ 293,600	\$ 339,820	16%
Administration	\$ 10,188	\$ 12,450	22%
Arts and Cultural	\$ 43,210	\$ 107,600	149%
Annual Events	\$ 245,100	\$ 263,100	7%
TOTAL	\$4,324,585	\$4,888,254	13%

The increase in salaries and benefits is due to annual merit and market adjustments, as well as the addition of two Stage Technicians, which is partially offset by savings in contracted personnel. The increase in Development is due to an increased focus on donor relations and appreciation events. The increase in Programming, Marketing, and Administration is primarily due to the programming schedule, which includes two multi-week theatrical performances and will lead to an increase in related revenues. The increase in Arts and Cultural is related to budgeting for the development of a Public Art Master Plan and various public art projects. Cost related to public art projects can vary significantly from year to year based on recommended projects. The increase in Annual Events is mainly attributed to funds supporting the City's 30th anniversary events and entertainment.



5

DEPARTMENTAL INFORMATION FINANCE

The Finance Department provides general accounting services, budgeting, payroll, tax administration and collection, business licensing, and auditing. Its success is measured by meeting the needs of both internal and external customers while ensuring the City remains compliant with state and federal requirements for accurate, up-to-date financial information.

2024 HIGHLIGHTS:

- Received Government Finance Officers Association (GFOA) awards for the Annual Comprehensive Financial Report and Budget Book.
- Implemented new subscription-based information technology arrangements accounting standard, as required by Government Accounting Standards Board.
- Completed arbitrage compliance for paid off bonds.
- Completed the 2023 audit with an unmodified opinion and no adjustments required.
- Achieved a AA+ Rating for Certificates of Participation, which were successfully issued to finance the Justice Center, Public Works Facility expansion, and High Note Regional Park.
- Streamlined the online business license application process to improve user experience for businesses.

GOALS FOR 2025:

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Implementation of new compensated absences accounting standard, as required by Government Accounting Standards Board.
- Introduce an electronic payables solution to provide vendors with more payment options and reduce fraud risk.
- Monitor budget and financial transactions closely to ensure effective management of the Certificates of Participation funds, supporting the construction of new City facilities.
- Evaluate tax and licensing software solutions that fully integrate with the State Sales and Use Tax system to enhance efficiency, improve customer service for businesses, and ensure data accuracy.

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 868,714	\$ 892,708	3%
Financial Services and Audit	\$ 221,190	\$ 284,190	28%
TOTAL	\$1,089,904	\$1,176,898	8%

The increase in salaries and benefits is due to annual merit and market adjustments. The rise in Financial Services and Audit costs is attributed to the integration of the state's Sales and Use Tax System into the City's accounting system, the replacement of the City's current time and attendance software, and the implementation of an electronic payables solution, which is offset by program revenues.

5

DEPARTMENTAL INFORMATION HUMAN RESOURCES

Human Resources measures success by its ability to provide effective and efficient service to City staff through recruitment, benefits administration, and City-wide employee training. Additionally, it plays a key role in integrating the City's mission, vision, and Six Big Ideas into the organizational culture.

2024 HIGHLIGHTS:

- Implemented a new Human Resources Information System (HRIS), enhancing applicant tracking, employee record management, benefit administration, and performance management.
- Restructured new hire orientation to emphasize City values and the strategic plan.
- The City's YES! (Your Excellence Shows) Committee organized employee appreciation initiatives for Public Service Recognition Week and National Police Week, while also implementing giving opportunities and facilitating engagement at employee events.
- Launched COLTRANET, an intranet for staff, to provide valuable resources and enhance communication across departments.

GOALS FOR 2025:

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Develop and implement a training curriculum for incoming and newly onboarded supervisors.
- Collaborate with the City's Leadership Team to develop department-specific succession planning efforts.
- Refine and implement effective recruitment strategies to attract and retain top talent.
- Enhance employee wellness opportunities and incentive strategies that align with the City's mission and values, promoting a healthy and motivated workforce.
- Continue to offer training opportunities for staff to enhance performance and foster collaboration.



EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 328,793	\$ 358,715	9%
Human Resources	\$ 133,200	\$ 144,700	9%
TOTAL	\$ 461,993	\$ 503,415	9%

The increase in salaries and benefits is due to annual merit and market adjustments. Human Resources costs rose due to additional funding for recruitment efforts and enhanced wellness programs for staff, focusing on physical, financial, and mental well-being.

5

DEPARTMENTAL INFORMATION INFORMATION TECHNOLOGY

Information Technology defines success by delivering effective and efficient service to employees. Additional success factors include the governance of the City's technological systems, maintenance of IT infrastructure, ensuring system functionality, and safeguarding data security.

2024 HIGHLIGHTS:

- Enhanced security at the City's municipal building and Civic Center by upgrading equipment for increased coverage and improved video quality.
- Utilized CIRSA resources to provide staff access to the gold standard of IT security awareness training.
- Rolled out several upgrades, including a high-grade antivirus solution and new modems for police department cars, improving cellular connectivity and officer safety.
- Developed an in-house asset management system for Public Works, eliminating other annual software subscriptions.
- Updated and developed City maps and dashboards to track growth and development, and created new maps for the public, including a development project map.

GOALS FOR 2025:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Upgrade virtual machine hosting servers to establish a failover structure, improving efficiency for critical services.
- Continue leveraging support from local, state, and regional government-exclusive programs as they relate to information technology.
- Continue expanding the City's datasets with a focus on enhancing public accessibility.
- Ensure new development areas are fully mapped, including utilities, stormwater, landscaping, and other key data points.

PERFORMANCE MEASURES	2021 Measure	2022 Measure	2023 Measure	2024 Goal	2024 Measure	2025 Goal
Number of IT Tickets Resolved	522	563	584	600	682	700

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 580,250	\$ 616,407	6%
Information Technology	\$ 768,457	\$ 941,600	23%
TOTAL	\$ 1,348,707	\$ 1,558,007	16%

The increase in salaries and benefits is due to annual merit and market adjustments, as well as increased funding for GIS training. The increase in Information Technology Infrastructure costs is attributed to computer hardware for new employees, additional software licenses, and contractual increases in software costs.

5

DEPARTMENTAL INFORMATION MUNICIPAL COURT

Municipal Court handles citations for City ordinances, municipal laws, and certain state laws, including record-keeping, and the collection of fines, court fees, and restitution. It also oversees the City's Teen Court Program and manages court administration, including scheduling hearings and ensuring legal compliance. Municipal Court is committed to offering prompt, professional, and respectful assistance to residents, businesses, and defendants throughout the legal process.

2024 HIGHLIGHTS:

Municipal Court Accomplishments:

- Increased efficiency by implementing a two-court clerk checkout system and updating many court forms to include English and Spanish translations to better assist customers.
- Initiated the digitization of court records and implemented a new filing system.
- Implemented all-day court to meet increased needs and to better serve customers.
- Collaborated with Parker Dispatch to streamline the warrant process and track issued warrants.

Teen Court Accomplishments:

- Conducted two general legal trainings for Teen Court.
- The Teen Court Coordinator presented to students in the criminal justice programs at Rock Canyon and Legend High Schools.

GOALS FOR 2025:

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)

- Complete the digitization of all court records.
- Evaluate the current court system software and explore alternative options.
- Continue to collaborate with neighboring municipalities to identify process improvements.



EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 266,385	\$ 314,722	18%
Municipal Court	\$ 160,750	\$ 176,700	10%
TOTAL	\$ 427,135	\$ 491,422	15%

The increase in salaries and benefits is due to annual merit and market adjustments, along with the addition of a part-time Court Administrative Assistant. The increase in Municipal Court is attributed to costs related to contracted municipal judge and legal services, as a result of holding all-day court sessions.

5

DEPARTMENTAL INFORMATION POLICE DEPARTMENT

The Police Department is dedicated to providing exceptional service to the Lone Tree community, its business partners, and thousands of daily visitors. They uphold the core values of Community, Integrity, and Service. The department's mission is to "serve and protect our diverse community by providing services with transparency, integrity, and compassion." They aim to exceed community expectations and create a sense of belonging where both residents, businesses, and visitors feel safe.

The department is staffed by 62 authorized sworn officers, who are assigned to various functions, including Patrol, Park Meadows Retail Resort Unit, Investigations Division, and Community Partnership Unit (CPU). In addition, the department has four, full-time Community Safety Officers (CSOs), who handle non-emergency responsibilities such as investigating property crimes, assisting with traffic accidents, and managing parking violations. The CSOs provide a cost-effective and innovative way to address non-emergency situations. The department also employs 14 civilian personnel who support the department's mission in roles such as Records, Animal Control, and Victim Advocacy.

The Police Department takes great pride in its Volunteers in Police Services (VIPS) program, which is integral to its operations. The VIPS assist in a variety of functions, including supporting officers with traffic accidents, traffic control, and other non-emergency situations. In addition, VIPS volunteers conduct routine neighborhood patrols, vacation house checks, and enforce parking regulations. Since 2007, the VIPS have logged a significant number of service hours, providing invaluable support to both the department and the community. Beyond patrol duties, the VIPS also assist the Records Division, Community Partnership Unit, Investigations Division, and the Victim Advocate/Crime Prevention Unit.

Through the combined efforts of sworn officers, Community Safety Officers, civilian personnel, and volunteers, the Police Department is committed to enhancing public safety, fostering strong community partnerships, and delivering efficient and compassionate services to all.

2024 HIGHLIGHTS:

- The department was actively involved in the Douglas County Mental Health Initiative, the Crisis Response Team (CRT) Program, and other regional collaborations in Douglas County.

- Secured an intergovernmental agreement with Douglas County School District (DCSD) to expand the School Resource Officer program to three full-time officers.
- The LTPD hosted a successful Open House at the Lone Tree Arts Center, which served as a positive community outreach event.
- The community partnership unit collaborated with HCA HealthOne Sky Ridge to hold multiple de-escalation training sessions for emergency room staff, addressing the growing number of patient assaults on medical personnel.
- The LTPD, in collaboration with the Living and Aging Well Commission, launched a new Senior Outreach Program to promote healthy community engagement and address the needs of seniors.
- Adapted processes to comply with changes in state laws regarding the Open Records Act and set an example for other agencies in handling the sealing of criminal cases.
- Implemented a software with various modules to track employees' careers, use of force, citizen complaints, pursuits, accidents, and training.
- Initiated a pilot study with patrol officers using Draft One, an artificial intelligence program that assists in completing police reports.

GOALS FOR 2025:

Our Deep, Active Commitment to Public Safety (Big Idea #1)

- Improve outcomes from HCA HealthONE Sky Ridge emergency room visits through strengthened collaboration with Sky Ridge staff and security.
- With the establishment of the new 23rd Judicial District, the department aims to build meaningful relationships with the new staff to ensure efficient and effective casework on behalf of victims and the City of Lone Tree.
- Explore new ways to engage with the community through events such as Coffee with a Cop, the annual Open House event, Citizen's Police Academy, HOA meetings, trainings, and more.
- Continue to collaborate with county-wide resources such as FIRST, IMPACT, and HEART to combat crime and homelessness in the City of Lone Tree and provide essential resources.

- Implement additional Flock Cameras to help prevent and apprehend criminals traveling through the City.
 - Adopt a county-wide training model for firearms, driving, arrest control, and active shooter response, while training patrol officers in the Gracie Survival Tactics system. Continuously identify and address training concerns, deficiencies, and emerging trends.
- Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government (Big Idea #6)**
- Enhance retention within the department by implementing targeted strategies and initiatives.
 - Continue developing supervisors to strengthen the department's succession pipeline through coaching and mentoring programs, promotional processes, and the recruitment of qualified individuals.
 - Expand training programs to improve responses to critical incidents, while maintaining a strong focus on enhancing supervision, mentorship, and leadership development. This approach will ensure staff are well-equipped to handle high-pressure situations and foster growth in leadership skills across all levels of the department.
 - Fully implement the use of Draft One across the department.

PERFORMANCE MEASURES	2021 Measure	2022 Measure	2023 Measure	2024 Goal	2024 Measure	2025 Goal
Person Crime Clearance Rate	81.2%	84.0%	80.0%	70.0%	85.1%	75%
Theft / Fraud Clearance Rate	47.2%	53.1%	59.3%	35.0%	54.9%	40%
Training Hours	5,080	6,240	9,219	7,000	5,726	7,000

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 9,568,441	\$10,662,481	11%
Office and Administration	\$ 119,000	\$ 102,000	(14%)
Uniforms and Equipment	\$ 153,466	\$ 365,732	138%
Vehicles and Equipment	\$ 842,564	\$ 768,600	(9%)
General Equipment	\$ 28,200	\$ 21,100	(25%)
Intergovernmental Agreements	\$ 1,028,500	\$ 1,210,270	18%
Training, Recruitment & Testing	\$ 160,000	\$ 209,500	31%
Community Outreach & Misc.	\$ 44,000	\$ 48,000	9%
TOTAL	\$11,944,171	\$13,387,683	12%

Overall, expenditures in the Police Department are increasing due to the City's commitment to public safety. The rise in salaries and benefits is driven by market adjustments for sworn positions to remain competitive with neighboring communities, the addition of a Talent Acquisition and Development Manager, two Police Officer Recruits, and an additional Records Technician. Funding for the Talent Acquisition and Development Manager and two Police Officer Recruits attending the academy are one-year positions and will be fully offset by grant revenue. The decrease in Office and Administration costs results from savings in the dictation program through the use of Draft One software. The increase in Uniforms and Equipment is mainly due to the purchase of six flock cameras and the Draft One software implementation, as well as lower maintenance costs for body cameras in 2024 due to the renegotiation of payment terms with the vendor. The increase in Intergovernmental Agreements reflects contracted services with the Town of Parker for dispatch, vehicle maintenance, and evidence storage. The increase in Training, Recruitment, & Testing is related to the establishment of a mentorship program and additional funding for employee wellness programs, with the mentorship program offset by grant funding.

5

DEPARTMENTAL INFORMATION PUBLIC WORKS

The Public Works Department consists of four areas: facilities, mobility, engineering, and operations. Its vision is to provide an excellent, safe, and connected multi-modal City that meets the needs of all citizens, businesses, and visitors. The department's mission is to efficiently install, maintain, and operate the City of Lone Tree's infrastructure, utilizing innovative technologies that extend connectivity well beyond the City's borders. To achieve this vision and mission, Public Works is focused on six strategic initiatives:

- Community Focused
- Enhance Mobility
- Efficient Project Delivery
- Leader in Innovation
- Operational Excellence
- Connected City

2024 HIGHLIGHTS:

- Completed the following for the new Justice Center, Public Works Facility expansion, and High Note Regional Park: hired a project management firm to oversee design and construction, managed the hiring of architects and construction firms, and handled programming, initial design work, and the initial guaranteed maximum price.
- Construction was completed on the following projects:
 - C-470 Bike & Pedestrian Bridge at Acres Green Drive.
 - New traffic signals at Acres Green Drive & Parkway Drive and Acres Green Drive & County Line Road.
- Collaborated with the Colorado Department of Transportation to complete the design of the I-25 Mobility Hub project.
- Expanded Link On Demand services into Meridian in partnership with Douglas County and Denver South.
- Inspected new public infrastructure related to development, including:
 - A new traffic signal at Havana Street and High Note Avenue.
 - New roadways within the RidgeGate East Couplet area and the Southwest Village.
- Began the design and construction of the C-470 trail connector to the County Line RTD Light Rail Station.
- Completed design of the Havana Street Bikeway project in partnership with Rampart Range Metro District.
- Collaborated with Douglas County School District to increase parking at the Eagle Academy campus on Teddy Lane by reconfiguring lane assignments and adding on-street spaces.
- Installed new rectangular rapid flashing beacons at Parkway Drive and Willow Creek Trail, and at Lone Tree Parkway and Willow Creek Trail.
- Began the Walk and Wheel Analysis update, with plans to collaborate with the community for completion in 2025.

GOALS FOR 2025:

Our Visionary Transportation Network (Big Idea #2)

- Complete installation of Adaptive Traffic Signals along the Park Meadows Drive corridor.
- Finish construction of the C-470 Trail Connector to the County Line RTD Light Rail Station.
- Continue development reviews and inspections of new public infrastructure within the City, focusing specifically on areas east of I-25.
- Advertise and begin construction on the Havana Street Bikeway Project.
- Begin final design work on the Advancing Lincoln Avenue project.
- Collaborate with the Colorado Department of Transportation to begin construction of the Lone Tree Mobility Hub.
- Successfully advance the Justice Center, Public Works Facility expansion, and High Note Regional Park projects by securing necessary permits, finalizing designs, completing the initial guaranteed maximum price for all projects, purchasing long-lead items, and preparing each site for construction.

Our Welcoming, Connected, and Resilient Community (Big Idea #3)

- Complete the final design of the brick fence replacement project in partnership with Park Meadows Metro District.
- Continue storm pipe video inspections and rehabilitate pipes identified as deficient.
- Partner with the Mile High Flood District to complete the design and submit federal permits for the Willow Creek improvements between Park Meadows Drive and C-470.
- In collaboration with the Carriage Club neighborhood, implement signage and striping improvements at Lone Tree Parkway and Lincoln Avenue East intersection.

PERFORMANCE MEASURES	2021 Measure	2022 Measure	2023 Measure	2024 Goal	2024 Measure	2025 Goal
Street Overlay (miles)	7.43	11.2	12.5	14	11.8	13.3
Traffic Signals	56	56	61	63	62	63
Storm Drainage (miles)	48	48	54.6	56	54.6	56

EXPENDITURES	2024 Estimated Actuals	2025 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,792,162	\$2,071,152	16%
Consulting and Surveying	\$ 600,000	\$ 500,000	(17%)
Trash and Recycling Service	\$ 700,000	\$ 749,000	7%
Street Lighting	\$ 500,000	\$ 525,000	5%
Street Maintenance	\$ 914,000	\$ 959,700	5%
Snow Removal	\$1,550,000	\$1,627,500	5%
Traffic Signal Maintenance	\$ 270,000	\$ 270,000	0%
Signage / Striping	\$ 200,000	\$ 210,000	5%
Lone Tree Link Shuttle	\$1,300,000	\$1,440,000	11%
Vehicles & Vehicle Maintenance	\$ 40,000	\$ 181,000	353%
Other Public Works Operations	\$ 680,000	\$1,004,000	48%
Facilities	\$1,289,457	\$1,199,021	(7%)
TOTAL	\$9,835,619	\$10,736,373	9%

The increase in salaries and benefits is due to annual merit and market adjustments, along with the addition of a Custodial Service Coordinator to address the growing needs of City facilities, which is partially offset in expense savings in the facilities line item. The decrease in Consulting and Surveying costs is attributed to utilizing in-house resources. The increase in Trash and Recycling expenses is driven by higher service costs and an increase in the number of homes being serviced. The rise in Street Lighting, Maintenance, and Snow Removal costs is due to increased utility and service costs. The increase in the Lone Tree Link Shuttle is a result of continued coverage for the expanded service area, which is fully offset by partnership funds. Vehicles & Vehicle Maintenance have increased as a result of the consolidation of all vehicle-related expenses from other departments into Public Works. The increase in Other Public Works Operations is due to the Walk and Wheel analysis and the brick fence replacement design, both partially funded by partnerships and accounted for in program revenues.



PRAIRIE SKY PARK

Our community spirit is the heart of Lone Tree, shining brightly throughout the year. With a perfect blend of small-town warmth and big city conveniences, we come together in everything we do. From vibrant events and close-knit neighborhoods, the genuine connections we share create a welcoming atmosphere where everyone feels like family. Prairie Sky Park is at the heart of it all - hosting community events, Independence Day celebrations, alongside casual time spent exercising or with friends and neighbors.

APPENDIX

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APPENDIX GLOSSARY OF TERMS

A

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.

B

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 – 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.

Colorado Department of Transportation (CDOT) – The state agency responsible for the planning, development, and maintenance of Colorado's transportation infrastructure, including highways, public transit systems, and bridges.

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

D

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.

Douglas County (DC) – A county located in central Colorado, home to various municipalities, including the City of Lone Tree. It is part of the Denver metropolitan area.

E

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

F

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.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

Governmental Accounting Standards Board (GASB) – The agency charged with establishing accounting standards for government. It sets the financial accounting and reporting standards for U.S. state and local governments, ensuring transparency and accountability.

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.

Lone Tree Urban Renewal Authority – A public entity established to oversee and manage urban renewal activities in the City of Lone Tree. Its purpose is to revitalize areas of the City through infrastructure improvements, economic development initiatives, and redevelopment projects.

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 enactment 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

Park Meadows Business Improvement District

(PMBID) – A special district created to provide funding for improvements and services within a designated business district in the Park Meadows area of Colorado. This may include infrastructure, maintenance, security, or marketing for local businesses.

Park Meadows Metro District (PMMD) – A special-purpose governmental entity that serves the Park Meadows area, providing services such as public infrastructure, maintenance, and utilities. It may include services like parks, street lighting, and water management in its jurisdiction.

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 Manager to City Council by October 15.

Q – R

Rampart Range Metro District (RRMD) – A special-purpose local government entity in the Rampart Range area, providing infrastructure and services, including utilities, water, and transportation to residents and businesses in the district.

Reimbursable Costs – Costs that are incurred by one party (such as a local government or contractor) and later reimbursed by another party, typically as per the terms of a contract, agreement, or special funding arrangement.

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.

South Suburban Parks and Recreation District (SSPRD) – A special district that provides parks, recreation, and open space services to residents in the southern Denver metro area, including portions of Littleton, Centennial, and Lone Tree. The district manages a wide range of facilities and programs, including parks, trails, sports complexes, recreation centers, and cultural activities, with funding derived from property taxes, program fees, and grants.

Southeast Public Improvement Metropolitan District (SPIMD) – A special district established to fund and manage public improvements and services in the southeastern part of the metropolitan area. This can include transportation, utilities, parks, and other municipal infrastructure projects.

T

Taxpayers Bill of Rights (TABOR) – 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.

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APPENDIX 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.



James D. Gunning
James D. Gunning
Mayor

Jennifer Pettinger
Attest: Jennifer Pettinger
City Clerk

6

APPENDIX CAPITAL RESERVE POLICY

SUBJECT: **Capital 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 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 twenty-five 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

Policy Review

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.



Jacqueline A. Millet
Jacqueline A. Millet, Mayor

ATTEST:

Rick Parsons
Rick Parsons, City Clerk

6

APPENDIX INVESTMENTS POLICY

SUBJECT: Investments

ISSUE DATE: June 18, 2013

CAP#: 13-02

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

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:

1. **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.




Jacqueline A. Millet, Mayor


Patricia Leyva, CMC, City Clerk

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APPENDIX 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 long-term, 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-you-go 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 or 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.




James D. Gunning
Mayor


Attest: Jennifer Pettinger
City Clerk

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APPENDIX BRICK FENCE REPLACEMENT RESERVE

SUBJECT: Brick Fence Replacement Reserve

CAP#: 18-04

ISSUE DATE: December 18, 2018

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

1. 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.
4. 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

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APPENDIX 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 City-sponsored 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 challenging to budget for each year as a result of the Fund being on a calendar basis in comparison to the Lone Tree Arts Center programming calendar running from June to May. Because of this timing variance, budgeting for the full calendar year, when the new season details are not yet known, is challenging and can result in variances from year to year. With the goal of having more consistent General Fund transfers each year, this policy will allow for fund balance accumulation in years when revenue goals are exceeded and/or budget savings are accomplished.

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.



Jacqueline A. Millet
Jacqueline A. Millet, Mayor

J. Robb
Attest: Jay Robb, City Clerk

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APPENDIX 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
Jacqueline A. Millet, Mayor

ATTEST:

Rick Parsons
Rick Parsons, City Clerk

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