

2022 HIGHLIGHTS



POPULAR ANNUAL FINANCIAL REPORT

For the year ended December 31, 2022

The City of Westminster, CO

cityofwestminster.us



WESTMINSTER

OUR VISION

Westminster is a city of beautiful, safe, well-maintained neighborhoods and destinations with a vibrant, diverse economy, rich and resilient environment, and a strong sense of community and belonging.

OUR MISSION

Westminster's purpose is to provide core services and foster economic resilience to give our community the opportunity to thrive.

OUR VALUES

Service

Pride

Integrity

Responsibility

Innovation

Teamwork



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Mayor
Nancy McNally



Mayor Pro Tem
David DeMott



Councillor
Bruce Baker



Councillor
Lindsey Emmons



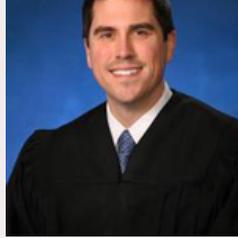
Councillor
Obi Ezeadi



Councillor
Sarah Nurmela



Councillor
Rich Seymour



Municipal Judge
Jason Lantagne



City Manager
Mark Freitag



City Attorney
David Frankel



Deputy City Manager
Barbara Opie



Deputy City Manager
Jody Andrews



Deputy City Manager/CFO
Larry Dorr



Assist. City Manager
Chris Lindsey



Community Development
Dave Downing



Economic
Development
Lindsey Kimball



Information
Technology
Art Rea



Fire Chief
Derik Minard



Parks, Recreation & Library
Tomás Herrera
Mishler



Police Chief
Norm Haubert



Public Works & Utilities
Sarah Borgers



Human Resources
Davy Godfrey

CITY COUNCIL & MANAGER

Incorporated in 1911, Westminster's council-manager form of government is consistently recognized for excellence in management and delivery of full services to businesses and residents.

The City of Westminster is a charter City, organized under the Constitution of the State of Colorado, governed by a Council-Manager form of government. City Council is comprised of seven members: a Mayor elected at large and six Councillors, also elected at large.

The Council appoints the City Manager, the City Attorney and the Municipal Court Presiding Judge; all other Staff are appointed or hired by the City Manager.

BOARDS & COMMISSIONS

City Council sets the policies, direction and budget for Westminster through the committee of the whole. The following boards and commissions are collaborations between City Council and community:

- Election Commission
- Environmental Advisory Board
- Historic Landmark Board
- Human Services Board
- Inclusivity Board
- Parks, Recreation, Libraries & Open Space Advisory Board
- Personnel Board
- Planning Commission
- Special Permit and License Board
- Youth Advisory Panel

CITY ORGANIZATION STRUCTURE



A MESSAGE FROM THE CITY MANAGER



City Manager
Mark Freitag

2022 was a year of transition for the City in many areas. In 2020 and 2021 the City took measured, timely, and courageous actions to fight a public health emergency, avert a financial collapse, and respond to the unprecedented needs of the community. 2022 allowed the community continue its recover and move forward. 2022 was also a year in which a newly seated City Council spent a full year leading the City and developing a new Strategic Plan. The 2022 budget was built under the auspices of the Strategic Plan and its guiding principles, including:

- *Collaboration and Partnership,*
- *Stewardship of our resources,*
- *Transparency,*
- *Diversity, Equity, and Inclusion, and*
- *Innovation*

The City is continuing its efforts on strengthening the City and making it more resilient for the future. As such, the 2023 Budget which we are currently midway through, focused on strengthening our core services. We are working as a team to achieve the following priorities set forth by our City Council:

- *Preparedness and Resilience*
- *Proactive Public Safety*
- *Shared Sense of Community*
- *Quality of Life*
- *Robust Infrastructure*

I appreciate the work of City Council and Staff towards accomplishing the City's Vision during 2022. We hope you find this popular annual financial report to be an easy-to-read documentation of our accomplishments.



Deputy City Manager/
Chief Financial Officer
Larry Dorr

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

In our ongoing effort to inform the citizens about the state of the City of Westminster finances, we are pleased to present the 2022 Popular Annual Financial Report (PAFR). This report is reflective of our commitment to preserving the city's long-term financial health and is intended to summarize the financial activities of the City's funds that are reported in more detail in the Annual Comprehensive Financial Report (ACFR). The PAFR contains information only from selected funds and excludes the City's component units, therefore it is not presented in accordance with Generally Accepted Accounting Principles (GAAP). A copy of the ACFR is available on the City's website at:

*[https://www.cityofwestminster.us/Government/Departments/
Finance](https://www.cityofwestminster.us/Government/Departments/Finance)*

To the best of our knowledge, the information presented herein is accurate in all material respects and presents fairly the financial position and results of operations for the year ending December 31, 2022. Responsibility for the accuracy, completeness and fairness of the data presented rests solely with the City. A special thank you goes out to the Finance Department staff and Policy and Budget Division staff whose hard work and diligence made this possible. The PAFR is prepared in accordance with the Government Finance Officers Association standards. We hope you find this report informative and we welcome your comments and questions. Citizens may keep apprised of the state of the City finances by reviewing the monthly financial reports posted to the City website.

WHO ARE WE?

COMMUNITY STATISTICS

Population – 118,940

Households – 47,628

Median Age – 37.6

Educational Attainment (AGE 25+):

Bachelor's Degree – 39.2%

Advanced Degree – 13.6%

Average Disposable Income- \$79,079



CHARACTERISTICS

Westminster is a first-ring suburb in the metro Denver area, but that doesn't begin to describe the unique places, neighborhoods, and development projects that can be found across the City. Already known for its great use of open space and abundance of parks, Westminster is creating several urban spaces, including its new City hub, Downtown Westminster. These targeted developments will add vibrancy and variety, while maintaining our 5 traditional suburban neighborhoods.

City Size - 34 square Miles

Open Space - 3,805 Acres

Trails - 120 Miles

Developed Parks - 63

City Golf Courses - 2

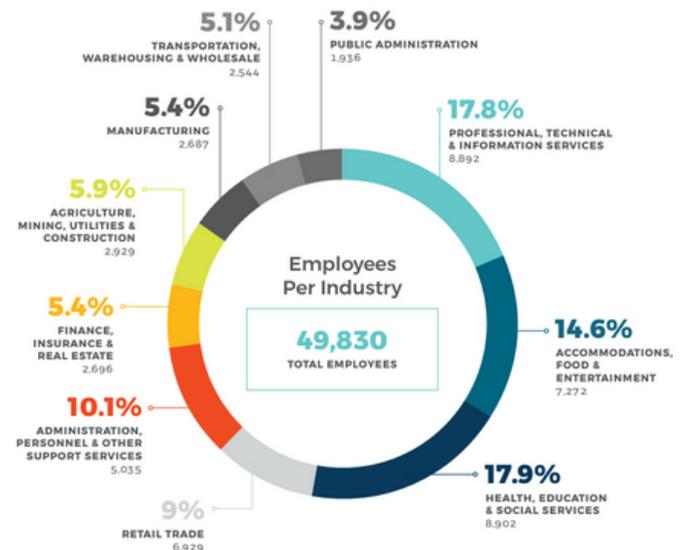
Recreation Centers - 7

City Libraries - 2

ECONOMY

There are over 4,000 businesses located in Westminster. The business community includes small family-owned businesses, service companies, and high-tech manufacturers, as well as national and international headquarters.

With 30 business parks, 68 retail centers, and almost 18.7 million square feet of commercial space, Westminster has real estate options to meet almost every business need.



2022 STRATEGIC PLAN

BACKGROUND

In 2022, City Council reviewed and updated the City's Strategic Plan.

The Strategic Plan includes a vision statement that reflects City Council's picture of the desired future.

The Strategic Plan is comprised of specific goals, objectives and actions. The goals reflect the broadly defined key statements of what the City hopes to achieve. The objectives reflect the means of achieving or moving toward the goals and focus City efforts. The actions flow from each objective to guide daily, weekly, and monthly actions, and identify specific projects, programs or priorities to be achieved, ultimately helping to achieve the Vision.

WHY A STRATEGIC PLAN?

Westminster City Council uses a strategic planning process to help achieve its long-range vision of a City that is rich in complexity, a community that is desirable as a place of residence or business.

The plan defines the City's vision, mission, core values, and goals. Each goal is further defined and specific initiatives are identified as priorities for City Council that help achieve the associated goal.

The Strategic Plan was developed to reinforce long-term planning for both operating (day-to-day operations and services) and capital (long-term investment projects such as road construction, water distribution and sewer maintenance) programs. City Council enlists staff's assistance, via the City department heads, in developing the Strategic Plan. This team approach is critical to success.



2022 STRATEGIC PLAN: PRIORITIES



Strategic Priority 1: Preparedness and Resilience

Build a system of intentional support for residents, businesses and the environment that mitigates risks and proactively seeks out ways to ensure the community not only endures, but thrives.



Strategic Priority 2: Proactive Public Safety

Enhance public safety to emphasize both prevention and enforcement, engage the community through education and outreach and provide the resources necessary to ensure safety and well-being throughout Westminster.



Strategic Priority 3: Shared Sense of Community

Foster equitable opportunities that help residents feel at home and connected in their community and empowered to live their best lives.



Strategic Priority 4: Quality of Life

Ensure that Westminster offers a diverse range of amenities and activities for residents, businesses and visitors that honor the city's history and support the arts, parks, recreation, open spaces, and libraries.



Strategic Priority 5: Robust Infrastructure

Provide safe and equitable access to core services and amenities by safeguarding, maintaining and improving the city's water, wastewater, stormwater, mobility and roadway systems.

2022 HIGHLIGHTS & AWARDS

Plans for a New Water Treatment Plant



The right-sized water treatment plant on Westminster Boulevard and the associated infrastructure follows a nearly year-long reevaluation of the original water treatment plant project. With up to \$100 million of potential cost savings, the new right-sized project will ensure the community continues to have clean, safe, and affordable drinking water for generations to come.

Transportation and Mobility Grants



Obtained grant funds of more than \$1.6M for eight transportation and mobility projects. Projects include Citywide Intersection Visibility and Crossing Safety Improvements, Community Mobility Planning and Implementation (CMPI) to construct a sidewalk connections transit center, the 72nd Avenue Corridor Study, and Enhanced Mobility of Seniors and Individuals with Disabilities.

Computer-Aided Dispatch (CAD) System



The Fire Department fully instituted the CAD-to-CAD system, which provides for faster fire and EMS service delivery in the north area. Seven fire agencies in the north area partnered to respond with the closest fire and/or EMS apparatus to a call regardless of the jurisdiction. The CAD-to-CAD component links the various computer aided dispatch (CAD) systems that each agency uses, allowing each dispatch center to monitor and dispatch units throughout the north area based on location. This provides for the best, fastest service delivery within the boundaries of all seven agencies. Implementation was the result of seven years of work.



2022 HIGHLIGHTS & AWARDS

Financial Process Improvements



In 2022, the Finance Department replaced the 35-year-old sales tax legacy software system, which enhanced customer service for 8,500 licensed businesses. The project was completed on time and on budget. The City also formed a Procurement Division to provide professional procurement services and leverage tax dollars for best value purchases of goods and services.

GFOA Distinguished Budget Presentation Award



Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Westminster, Colorado, for its Annual Budget for the fiscal year beginning January 01, 2022. In addition, Westminster was awarded the Certificate of Achievement for Excellence in Financial Reporting.

2022 Digital Cities Award

The Center for Digital Government's 2022 Digital Cities Survey awarded the City of Westminster 2nd place in the '75,000-124,999 population' category of the Top-Ten Digital Cities. Cities are recognized on their efforts to improve digital, citizen, and government experiences through technology and leadership. The City has ranked in the top 2 places four times in the last five years.



POPULAR ANNUAL FINANCIAL REPORT (PAFR)

As a part of an ongoing commitment to transparency and helping ensure community access to information about its local government the City of Westminster provides this Popular Annual Financial Report (PAFR), which describes the City's financial activities and position at the end of 2022. This is a summary of information reported in the City's 2022 Annual Comprehensive Financial Report (ACFR).

While the ACFR is prepared in accordance with generally accepted accounting principles, the PAFR is not. The ACFR is a more detailed, audited document of record, and it presents information in a format consistent with generally accepted accounting principles to ensure it contains detailed information including the City's alternative units, presents individual funds in detail, and fully discloses all material events. By contrast, the purpose of the PAFR is to increase public awareness about the City's financial condition by presenting information in a more user-friendly format and is unaudited and not presented in accordance with general accepted accounting principles.

Both documents are available on the City of Westminster Finance Department's webpage at:

<https://www.cityofwestminster.us/Government/Departments/ Finance>

The City's website also includes a wealth of information about the activities of City departments; job opportunities; budgets; council members, agendas and meetings; community events; and much more.

CHANGES IN FINANCIAL POSITION

The Consolidated Statement of Net Position, which appears on page 6, gives a picture of Westminster's balance sheet at December 31, 2022. The table below provides a summary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(\$ Millions)	2022 Actual	2021 Actual	Variance	% Change
Assets & Deferred Outflows	1,585.1	1,535.1	50.0	3.26%
Liabilities & Deferred Inflows	(323.9)	(332.5)	8.6	2.59%
Total Net Position	1,261.2	1,202.6	58.6	4.87%

STATEMENT OF NET POSITION

The Government-wide Balance Sheet, known as the Statement of Net Position, presents information about the City's assets and deferred outflows of resources as well as its liabilities and deferred inflows of resources, with the difference reported as net position. Deferred outflows and inflows of resources represent expenses and revenues that will be recognized in a future period. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

ASSETS & LIABILITIES

An asset is anything the City of Westminster owns, these can be tangible (property) or intangible (water rights).

A liability is anything that the City of Westminster owes to outside organizations, these can be bills (like Accounts Payable) or long term debts (like bonds and mortgages).

CAPITAL ASSETS

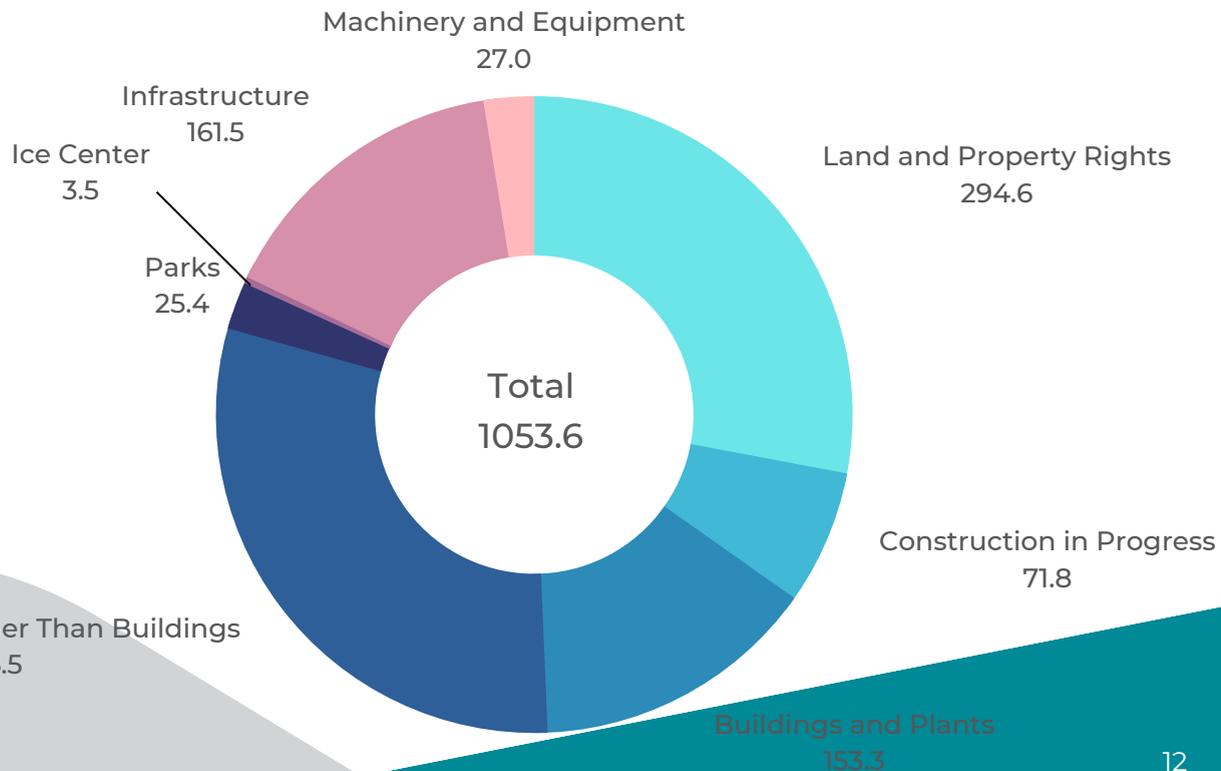
For budgeting, capital spending is treated as a cash outflow in the year that the spending is planned to occur. The Westminster City Council approves a proposed capital improvement program budget, which authorizes capital project spending to occur.

For consolidated government financial reporting, capital spending is reflected differently in the financial statements. Costs are not fully recognized in the year or years when an asset is built or acquired. Instead, only a portion of the cost is reported each year in the Consolidated Statement of Operations as depreciation. The number of years over which cost is recognized through the depreciation process is based on the expected service life of the asset.

The following graph shows the breakdown in the value of capital assets by category:

CAPITAL ASSETS BY CATEGORY

\$(MILLIONS)



IMPROVED HEALTH OF RESERVE FUNDS

Reserve Funds	2022	2023 Estimate
General Reserve	18.2	18.1
General Fund Stabilization Reserve	7.3	7.7
Utility Rate Stabilization Reserve	15.3	15.5
Utility Capital Project Reserve	74.5	94.6

Note: numbers in the millions

The General (Emergency) Reserve Fund is intended to act as a source of funds for unanticipated one-time expenditures and emergencies. City Council action is required to authorize the use of these funds. Under the Colorado State Constitution Article X, Section 20 (also known as TABOR), the City is required to set aside 3% of its fiscal spending subject to the constitutional provision into a reserve.

The General Fund Stabilization Reserve (GFSR) is intended to level the ebbs and flows of revenue collections, particularly the sales and use tax revenues, and smooth out any peaks or valleys that may result from the unpredictable nature of this primary revenue source. This fund is intended to serve as a stabilizer during reduced revenue collections, allowing City services to continue to be delivered despite downturns in the economy. When not in an economic downturn, the target amount of the General Fund Stabilization Reserve (GFSR) in any given year shall range from 5% to 10% of the total Sales and Use Tax Fund revenues for that year.

The Rate Stabilization Reserve (RSR) functions to offset revenue risk associated with low water demand years. If revenues do not materialize to fund expenses, the use of this reserve normalizes revenues without the need to increase rates. In years when revenues exceed expenses, the fund is replenished. The recommended minimum balance is 25% of projected rate revenue for the water utility and 10% of projected rate revenue for the wastewater utility.

The Capital Projects Reserve (CPR) functions as a source for new assets, replacement of existing assets, and emergency funding for repairs. The balance will be relatively high in some years and relatively low in periods of high investment. The minimum shall be \$3 million for water and \$2 million for wastewater. A maximum balance equal to 40% of the total adopted five-year Capital Improvement Program (CIP) funding is recommended.

REVENUES & EXPENSES 2022

RESULTS FOR 2022

Between 2021 and 2022, revenue and expenses changed by \$26.1 million and \$18.5 million respectively. The table below provides a summary.

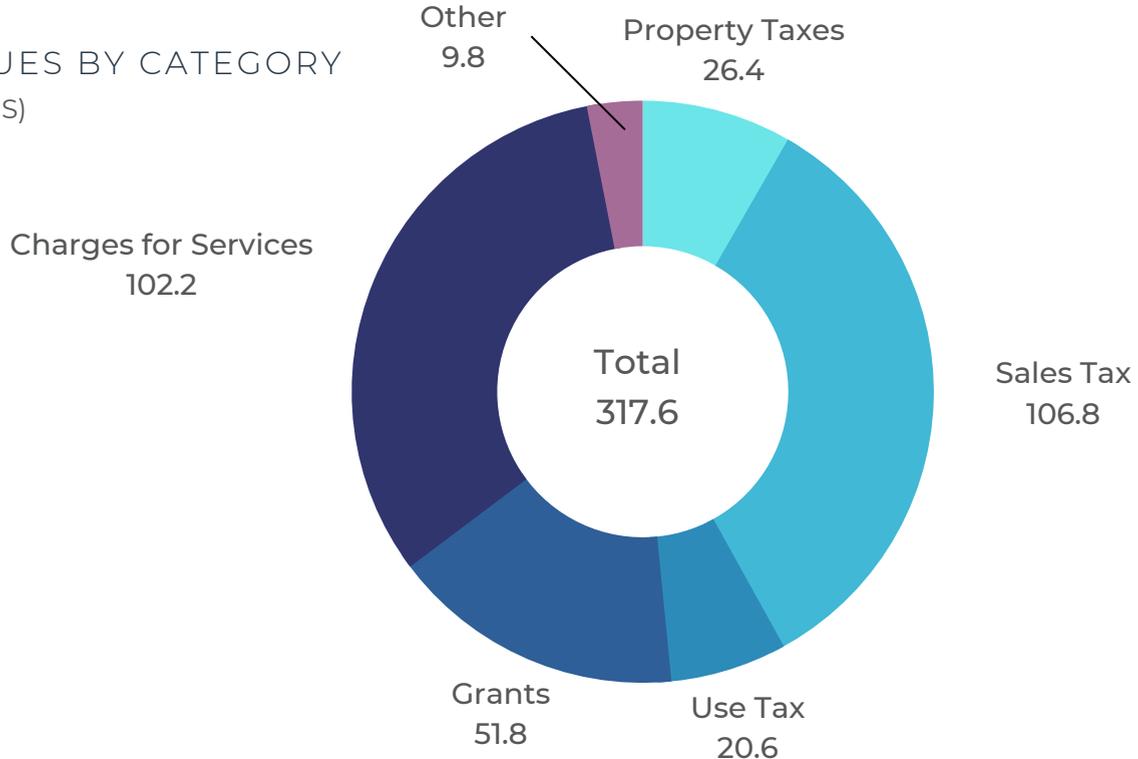
CONSOLIDATED STATEMENT OF OPERATIONS

(\$ Millions)	2022 Actual	2021 Actual	Variance
Revenues	309.1	283.0	26.1
Expenses	250.5	232.0	18.5
Annual Surplus (Accrual Basis)	58.6	51.0	7.6

REVENUES

Total revenues, excluding transfers, increased \$26.1 million, or 9.2%, compared to 2021.

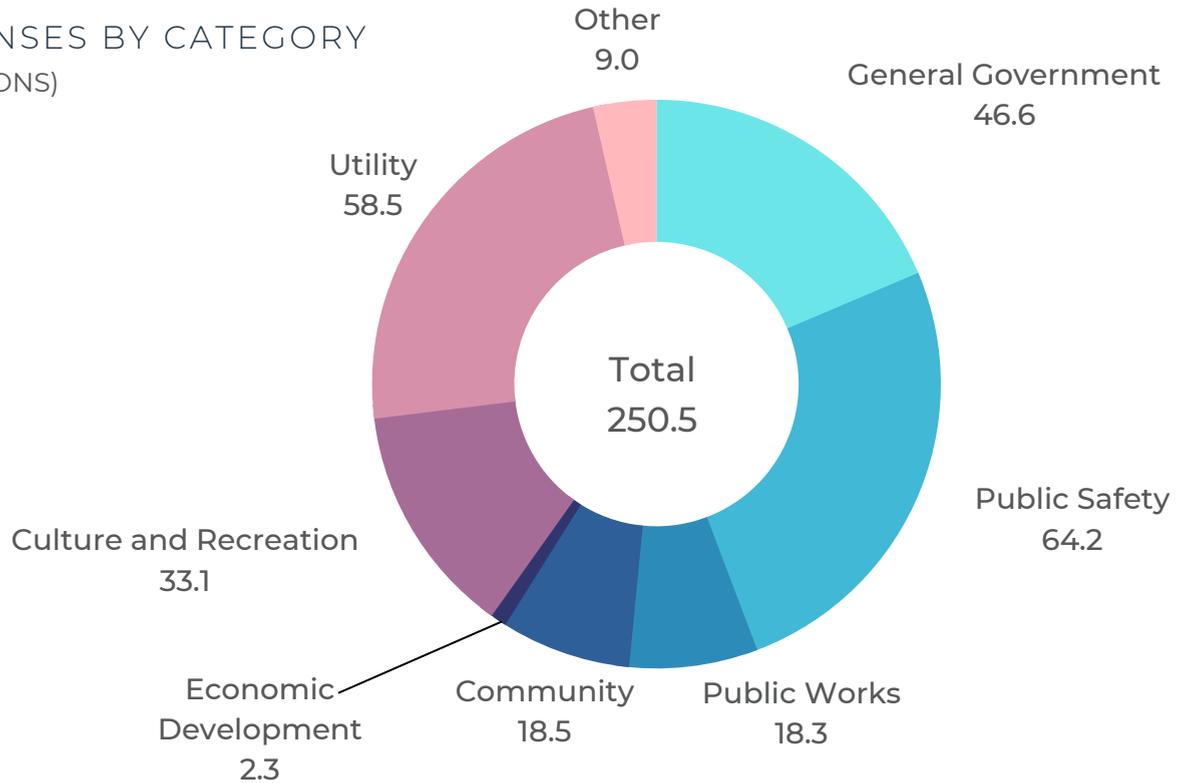
REVENUES BY CATEGORY \$(MILLIONS)



EXPENSES

The total expenses of all the City's programs increased \$18.6 million, or 8.8%, compared to 2021.

EXPENSES BY CATEGORY \$(MILLIONS)



General Government includes

- Internal service functions: City Manager, City Attorney, Policy & Budget, Finance, General Services, Human Resources and Information Technology
- The cost of employee benefits for Economic Development, Community Development, Public Works, Public Safety, and most of the Culture & Recreation categories.

CONCLUSION



Assistant
City Manager
Chris Lindsey

As Assistant City Manager and the sponsor of this Popular Annual Financial Report (PAFR), I would like to thank you for taking the time to review this important information. The Westminster community rebounded tremendously in 2022 and we are pleased to have been a part of our community's success.

This is the City's second PAFR and is part of a continuous effort in the City's transparency initiatives. The City also launched an interactive financial transparency portal on its website provide greater insight into the City's finances than ever before. We are committed to continuing our efforts in years to come.

This PAFR is intended to increase public awareness about the City's financial condition. It is intended to be a user-friendly companion to the City's 2022 Annual Comprehensive Financial Report (ACFR). The PAFR offers residents and the community a breakdown of our revenues and expenses, as well as a snapshot of our local economy.

Lastly, I would like to thank the Finance Department, led by the City's Chief Financial Officer Larry Dorr, for their hard work every year on the ACFR.

THE CITY OF WESTMINSTER

CONSOLIDATED STATEMENT OF NET POSITION

As of December 31, 2022

	2022	2021
ASSETS		
Current and Other Assets	\$531,100,000	\$494,700,000
Capital Assets	\$1,054,000,000	\$1,040,400,000
Total	\$1,585,100,000	\$1,535,100,000
DEFERRED		
Deferred Outflow of Resources	\$17,200,000	\$19,400,000
LIABILITIES		
Current and Other Liabilities	\$31,400,000	\$38,400,000
Long-term Liabilities	\$263,500,000	\$273,800,000
Total	\$294,900,000	\$312,200,000
DEFERRED		
Deferred Inflow of Resources	\$46,200,000	\$39,700,000
NET POSITION		
Net Investment in Capital Assets	\$837,300,000	\$816,200,000
Restricted	\$114,400,000	\$74,400,000
Unrestricted	\$309,500,000	\$312,000,000
Total Net Position	\$1,261,200,000	\$1,202,600,000

Note: rounded numbers



WESTMINSTER

THE CITY OF WESTMINSTER

CONSOLIDATED STATEMENT OF ACTIVITIES

As of December 31, 2022

	2022	2021
REVENUES		
Program Revenues		
Charges for Services	\$102,200,000	\$99,900,000
Operating Grants & Contributions	\$31,900,000	\$14,500,000
Capital Grants & Contributions	\$19,900,000	\$18,300,000
General Revenues		
Property Taxes	\$7,800,000	\$7,300,000
Sales Taxes	\$106,800,000	\$99,300,000
Use Taxes	\$20,600,000	\$20,300,000
Property Tax Increment	\$18,600,000	\$17,500,000
Accommodations Tax	\$5,000,000	\$3,900,000
Intergovernmental	\$800,000	\$500,000
Interest	(\$8,500,000)	(\$1,500,000)
Other	\$3,700,000	\$2,400,000
Gain on Sale of Assets	\$300,000	\$700,000
Total Revenues	\$309,100,000	\$283,000,000

Note: rounded numbers



THE CITY OF WESTMINSTER

CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)

As of December 31, 2019

	2022	2021
EXPENSES		
Program Expenses		
General Government	\$46,600,000	\$60,500,000
Public Safety	\$64,200,000	\$47,300,000
Public Works	\$18,300,000	\$12,800,000
Community Development	\$18,500,000	\$17,500,000
Economic Development	\$2,300,000	\$1,700,000
Culture & Recreation	\$33,100,000	\$26,900,000
Utility	\$58,500,000	\$58,600,000
Golf	\$5,400,000	\$4,400,000
Parking Management	\$1,300,000	\$1,300,000
Interest & Fiscal Charges	\$2,100,000	\$800,000
Unallocated Depreciation	\$100,000	\$200,000
Total Expenses	\$250,500,000	\$232,000,000
NET POSITION		
Excess Before Transfers	\$58,600,000	\$51,000,000
Transfers	--	--
Change in Net Position	\$58,600,000	\$51,000,000
Net Position - Beginning	\$1,202,600,000	\$1,151,600,000
Net Position - Ending	\$1,261,200,000	\$1,202,600,000

Note: rounded numbers



WESTMINSTER



WESTMINSTER

CONTACT US

For information on the City of Westminster services and programs, please visit:

<https://www.cityofwestminster.us/Residents/CityServices/ServicesA-Z>

303-658-2400

Monday-Friday
8 a.m. to 5 p.m.

MAILING ADDRESS

4800 W. 92nd Ave.,
Westminster, CO 80031

WEBSITE

www.cityofwestminster.us

GET INVOLVED

<https://www.cityofwestminster.us/Residents/GetInvolved>

