



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: June 16, 2010

SUBJECT: Study Session Agenda for June 21, 2010

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room 6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

PRESENTATIONS

1. 2009 Comprehensive Annual Financial Report and Management Letter (Attachments)
2. Proposed 2011 Operating Budget Priorities/Core Services Adjustments
3. Personnel Policies and Rules and General Leave Benefit Modifications (Attachment)

6:30 P.M.

EXECUTIVE SESSION

1. Consultation with the City Attorney on legal issues and risk mitigation strategies in connection with governmental reduction in force policies pursuant to WMC 1-11-3(C)(5)(7) and (8), and CRS 24-6-402(4)(b) and (e)

INFORMATION ONLY ITEMS – Does not require action by City Council

None at this time

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

J. Brent McFall
City Manager

Minutes from June 7, 2010 Study Session



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 21, 2010



SUBJECT: 2009 Comprehensive Annual Financial Report and Management Letter

PREPARED BY: Tammy Hitchens, Finance Director

Recommended City Council Action:

Review and discuss the 2009 Comprehensive Annual Financial Report (CAFR) and Management letter.

Summary Statement:

Finance Staff along with Kyle Logan, Senior Manager of Swanhorst & Company, LLC (Swanhorst), the City's independent audit firm, will present the 2009 CAFR and Management Letter to City Council for review. The CAFR is scheduled for formal acceptance at the Council meeting on June 28, 2010.

The City has received an unqualified opinion from Swanhorst & Company, LLC. This means the CAFR represents fairly the financial position of the City. The Management Letter includes comments in four areas that the auditors would like to bring to the City's attention.

Implementation of significant accounting policies The City early implemented Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Swanhorst has suggested the City establish written policies governing derivative transactions.

Significant Audit Adjustments Audit adjustments were made to the City's financial statements as a result of audit procedures relating to property taxes receivable and potential insurance claims payable. Additionally, the need for improved internal controls over communication between departments was noted as a result of a prior year transaction that required restatement of the Utility Fund beginning net assets for the 2009 reporting year.

Schedule of Expenditures of Federal Awards The City was unable to explicitly determine whether it had received an American Recovery and Reinvestment Act (ARRA) award disbursement related to housing assistance subsidies of the Westminster Commons. Based on available information, Staff surmised the ARRA award was received in 2009 and reported it on the Schedule of Expenditures of Federal Awards for the 2009 reporting year.

New Accounting Standards Implementation of Governmental Accounting Standards Statement No. 54, *The New Fund Balance*, is effective for the City for the period ending December 31, 2011. Staff is currently evaluating the standard requirements and will be developing this project over the coming months.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue:

Section 9.10 of the City Charter requires that an independent audit be conducted at least annually in accordance with generally accepted accounting principles as they pertain to governments for all funds reported in the Comprehensive Annual Financial Report. The audit is required to be conducted by Certified Public Accountants, experienced in municipal accounting. The 2009 audit was performed by Swanhorst & Company, LLC, Certified Public Accountants.

Alternative:

Require staff to make changes to the report. Minor changes could be made to the report without affecting the audit opinion; however, major changes may result in the report not being in compliance with generally accepted accounting principles as they pertain to governments and could result in a change of the auditor's opinion.

Background Information:

Each year Finance staff prepares a CAFR and contracts with an independent auditor to conduct an audit of the City's financial statements. The 2009 CAFR received an unqualified opinion from Swanhorst & Company, LLC, the City's independent auditors. An unqualified opinion indicates that the financial data of the City is fairly presented according to generally accepted accounting principles. Highlights of the 2009 CAFR are detailed below:

- Government-wide: Combined net assets of governmental and business-type activities decreased \$7.5 million, including a \$0.7 million decrease in governmental activities net assets and a \$6.8 million decrease in business-type activities net assets.
- General Fund: The fund balance of the General Fund increased \$2.5 million in 2009. Of the \$19.8 million ending fund balance, \$14.9 million was unreserved and available for future spending.
- Sales & Use Tax Fund: Sales and Use Tax revenues decreased by \$4.4 million. Fund Balance decreased by \$2.4 million primarily due to the decrease in sales and use tax collections.
- General Capital Improvement Fund: Operating revenues decreased by \$5.4 million and expenditures were \$7.1 million more than 2008. These changes as well as interfund transfers resulted in a decrease in Fund Balance of \$16.6 million.
- Westminster Economic Development Authority: Fund balance decreased \$7.0 million to \$23.2 million, primarily due to ongoing obligations related to economic development agreements.
- Utility Fund: Net Assets decreased \$6.5 million from \$388.9 in 2008 to \$382.4 million in 2009. This decrease is \$19.7 million less than the \$13.3 million increase in 2008. The 2009 decrease results from an \$8.7 million operating loss made up of a \$3.5 million decrease in charges for services revenue and a \$3.4 million increase in operating expenses over the prior year. Tap fees and developer contributions were down \$9.1 million and investment income was down \$4.1 million compared to the prior year.
- Golf Course Fund: Net Assets decreased \$0.4 million from \$11.2 to \$10.8 million due primarily to a reduction in charges for services of \$0.4 million.

- Capital spending was funded with pay-as-you-go resources and bond proceeds. Capital spending for all projects included the following:

\$ 24,835,374	General Capital Improvements Fund
4,127,100	Westminster Economic Development Authority
2,960,763	Parks, Open Space, and Trails Fund
526,358	Community Development Block Grant Fund
509,033	Conservation Trust Fund
7,809,452	Utility Fund
<u>\$ 40,768,080</u>	Total Current Year Capital Project Expenditures

The specifics of the management letter and staffs' response are outlined below.

Significant Accounting Policies

For the year ended December 31, 2009, the City early adopted Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and applied the standard's provisions to the swap agreement related to the variable rate note issued by the Westminster Economic Development Authority (WEDA). Swanhorst has suggested the City establish written policies governing derivative transactions.

Staff agrees that the City should create a formal policy regarding the use of derivatives to manage various types of risks. Staff's involvement in restructuring all of the WEDA debt to avoid high bank charges for interest rates did not permit time to develop a written policy prior to entering into the derivative transaction. Staff did, however, comply with the provisions of Colorado State Statute governing municipalities entering into derivatives including identifying and analyzing the risks associated with the type of derivative being entered into and briefing Council on those risks and providing for a minimum credit rating for the derivative counterparty. Such provision will be included in a formal policy concerning the City's use of derivatives.

Significant Audit Adjustments

Audit adjustments were made to the City's financial statements as a result of audit procedures relating to property taxes receivable and insurance claims payable. Swanhorst also cited the need for improved internal controls over communication between departments as a result of a prior year transaction that required restatement of the Utility Fund beginning net assets.

Property Taxes Receivable A property tax receivable is routinely recorded in the City's General Fund and General Improvement Districts. At the auditor's recommendation, the Westminster Economic Development Authority (WEDA) also began recording a property tax receivable in 2005. This had not been the practice in WEDA because WEDA can not legally certify a mill levy but instead captures revenue from mill levies certified by other jurisdictions whose boundaries overlap the various urban renewal areas. Because WEDA has no control over these jurisdictions' mill levies, WEDA's property tax receivable is a moving target. The auditors suggested that we use the property tax increment estimate that Staff had developed for the budget as the receivable amount for the following year.

The estimated property tax increment is arrived at using the preliminary assessed valuation received from the County in August. The final valuation is not received until December after the budget has

already been adopted. If there are substantial changes, either increases or decreases, to the preliminary assessed valuation, a supplemental appropriation is taken before the Board to adjust the property tax increment revenue budget. This is particularly important if the valuation decreases, meaning less property tax increment will be received by the URA.

When recording the property tax receivable at December 31, 2009, the original 2010 budget was inadvertently used instead of the amended 2010 budget. City Staff noticed this error when explaining to the auditors the process for calculating the property tax receivable. The auditors indicated that the receivable should be corrected. Because the amended 2010 budget was higher than the original 2010 budget; the receivable was increased to match the amended budget.

Insurance Claims Payable In past years, Staff had reported estimated medical and dental insurance claims payable based on lag reports supplied by the City's insurance providers. This process was evaluated during the audit and it was determined that an Incurred but Not Reported (IBNR) claims valuation was needed to measure this liability. The City's benefit consultant provided an IBNR estimate of reasonable claims run-out and administration costs of those run-out claims. This valuation was used by staff to adjust the potential claims liability reported for the year.

Prior Period Adjustment While reviewing the 2008 financial statement of the Woman Creek Reservoir Authority (WCRA), staff identified an error in the value of capital assets that were reported. After further evaluation, staff determined the opposite error was on the City's books. Westminster City Council authorized an intergovernmental agreement on July 22, 1996 to form the WCRA. As part of the agreement, land and improvements were to be conveyed by the City of Westminster to the WCRA. The actual purchase and sale agreement, which specified the assets to be transferred, was not signed until June 23, 1998. At that time, land was removed from the books of the City and recorded on the books of WCRA; however, the respective improvements totaling \$19,622,546 erroneously continued to be carried on the City's books. A restatement of the Utility Fund net assets was made to correct this prior year transaction.

In 2009, staff evaluated internal controls for communicating information between departments relative to significant accounting transactions. As a result, new processes were implemented to strengthen consistency in the financial information sharing process. Staff believes these new protocols will improve the accuracy and timeliness of financial reporting for the City.

Schedule of Expenditures of Federal Awards

The Westminster Housing Authority (WHA) receives Section 8 Housing Assistance Payments (HAP) from the Department of Housing and Urban Development for the Westminster Commons Senior Housing facility. Federal funding for these contract payments was exhausted prior to the end of the contract year. Both Federal and State housing authority representatives indicated that American Recovery and Reinvestment Act (ARRA) funds were used to make up for the funding deficit, however, they were unable to provide the City with specific information related to the disbursement of ARRA versus regular HAP funds to WHA. The only information that could be verified was the amount of the ARRA award allocated to the Commons' project and the award date.

These ARRA funds are exempt from Federal ARRA reporting requirements; however, the funds are still required to be reported on the City's Schedule of Expenditures of Federal Awards (SEFA) for the federally mandated Single Audit. Absent disbursement information that would differentiate these funding sources, Staff distinguished ARRA from regular HAP payments on the SEFA by disaggregating total contract payments based on the amount of the ARRA award. Other local housing authorities have communicated this same information gathering and reporting challenge.

It should be noted, that all funds received by HUD, whether regular HAP contract payments or ARRA funds, were properly recorded and spent within HUD contract guidelines.

New Accounting Standards

For the year ended December 31, 2011, the City will be required to adopt Governmental Accounting Standards Board Statement No. 54, *The New Fund Balance*. This standard, which applies only to governmental funds, is intended to improve the usefulness and understandability of fund balance information by changing the criteria for categorizing fund balances and clarifying definitions of governmental fund types. Currently, fund balance is used to gauge funds available for appropriation; the new fund balance classifications are intended to more clearly indicate constraints on fund balances and communicate the sources of those constraints. Staff is currently evaluating the standard requirements and will be developing this project over the coming months.

Staff and representatives from Swanhorst will attend the June 21, 2010 Study Session to answer City Council's questions.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

Management Letter
CAFR Draft

June 2, 2010

Honorable Mayor and Members of the City Council
City of Westminster
Westminster, Colorado

We have audited the financial statements of the City of Westminster (the "City") as of and for the year ended December 31, 2009, and have issued our report thereon dated June 2, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or regulations that do not have a direct and material effect on the financial statements.

In planning and performing our audit of the financial statements, we considered the City's internal control as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City's compliance with the requirements applicable to its major programs for the purpose of expressing an opinion on compliance with those requirements.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus, except as follows.

For the year ended December 31, 2009, the City chose to adopt the standards of Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and applied these standards to the swap agreement related to the variable rate bonds issued by the Westminster Economic Development Authority (WEDA). We recommend that the City establish written policies governing its derivative transactions, including whether they are allowed, what provider ratings are required, if collateral is required, etc. In the future, we recommend that the City establish stronger policies and procedures in a more timely manner when adopting new accounting standards.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. We provided management with a schedule of audit adjustments. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that is, cause future financial statements to be materially misstated). Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We proposed adjustments to the City's financial statements as a result of our audit procedures. The largest adjustments related to property tax receivables and insurance claims payable.

The City identified certain capital assets owned by a separate entity that were also reported in the City's accounting records. As a result, the City reported an adjustment to prior years financial statements in the amount of \$19.6 million. This adjustment is similar to other adjustments in past years. We continue to recommend that the City improve its procedures to evaluate and record capital assets.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. No such disagreements that arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information

Schedule of Expenditures of Federal Awards

The City is required by federal regulations to identify and report its federal awards in a schedule, as part of the annual Single Audit. The City was notified by the Department of Housing and Urban Development (HUD) that it received federal funding under the American Recovery and Reinvestment Act (ARRA). However, the City was unable to measure the exact amount of ARRA funding received during the fiscal year, and was not able to obtain the necessary assistance from HUD personnel or the paying agent, the Colorado Housing and Finance Authority. As a result, the City has reported the full amount of its ARRA funding in the current year's schedule of expenditures of federal awards.

New Accounting Standards

For the year ended December 31, 2011, the City will be required to adopt new accounting standards that require additional classifications of fund balance to be reported in the financial statements. These classifications include the City Council's future plans and commitments. In addition, reporting separate funds will not be allowed unless their revenues derive from a restricted or committed source. This may require the City to discontinue using certain funds. Management should begin planning for these new standards since the budget will require changes in advance of adopting the standards, and City policies may require revisions.

Conclusion

We would like to thank Tammy Hitchens, Cherie Sanchez, and the Department of Finance staff for their assistance during the audit process.

This report is intended solely for the information and use of the City Council and management of the City of Westminster and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Swanhorst & Company LLC



WESTMINSTER

COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2009

Prepared by:

**Finance Department
Tammy A. Hitchens, CPA
Finance Director**

www.ci.westminster.co.us

Centrally located between Denver and Boulder, Colorado, on the US Highway 36 high-tech corridor, is the City of Westminster, a beautiful, growing suburban community designed for exceptional quality of life. Over 109,000 residents enjoy superb recreation amenities, beautiful neighborhoods and numerous entertainment and shopping opportunities. The City has preserved 2,848 acres, 13.2% of the City's land area, for natural open space. Many areas in the City boast a majestic view of the Colorado Rocky Mountains. The community is nationally recognized, with a reputation for innovation and progressive management in local government.

On the front cover:

Images of Westminster showcase our community's unique beauty and natural settings, including the delicate, beautiful state flower – the Rocky Mountain Columbine. Colorado is the only known native state to the lavender and white, rare and protected flower. Westminster incorporates high development standards and encourages partnerships between the City and the development community. As a result of these initiatives, the City showcases state of the art facilities. The facilities shown on the cover include the Shops at Walnut Creek (2004), the Public Safety Center (2003) and City Hall (1988) with its pyramid shaped steel mesh 14-story bell tower structure. The 130-foot spire has inspired the City's logo and slogans and is a widely known community landmark synonymous with our City.

Westminster is a place for fun. The Butterfly Pavilion and Insect Center offers the unique experience of interacting with more than 1,000 live butterflies living in an indoor rainforest, a real hands-on learning experience for children and adults. The perfect place to spend time with family and friends is the Westminster Promenade, an outdoor pedestrian entertainment and business-oriented development positioned in an attractive, resort-like setting. The Promenade includes areas for children to play, including pop jets for a hot day; small performance areas; outdoor restaurants and cafes; a lake; trails; and sculptures to enjoy. The Westminster Westin at the Westminster Promenade offers a full service conference center. Other hotels in the City also have available space for meetings and special events. The City provides many community activities, including award winning swimming pools and recreation centers, a yearly community fair, the 3-sheet Ice Center at the Promenade, 2 libraries, a nationally recognized volunteer program and much more.

The City of Westminster's Public Art Program represents the evolution of public and private investment, consistently high development standards and the continual establishment of partnerships between the City and the development community. There are currently more than 100 individual works of art included in the City's public art program. Pictured here are "Dolly"/2009, named for the Dolly Madison Ice Cream company that operated at the Shoenberg Farm (northwest corner of West 72nd Avenue and Sheridan Boulevard) from 1941 to 2001; the Westminster City Center Marketplace "Dolphins" fountain/1996 at 92nd and Sheridan (one of 35 public art pieces at the Marketplace, including hand painted frescos, shown); "Precious Moments"/1996 at City Hall, a bronze statue of a little girl marveling at a family of rabbits; the majestic elk "Challenge"/1981 located at the Yates entrance to City Hall and the Public Safety Center; "Jungle Gym"/1995, a celebration of children playing located in the City Hall Sculpture Garden; and "Promise of the Prairie"/1993, also located at City Hall, displaying the inscription "Our hope, our vision of tomorrow is only fulfilled by the strong resolve of our families".

The City has established a historic preservation program in order to protect local historic landmarks and the City's rich heritage so they may continue to be a source of visual interest and education for the public. The Westminster University/Pillar of Fire Church/Belleview College building (completed in 1908) is located at 84th and Lowell, and can be seen high atop a hillside for miles. The Bowles House (homesteaded in 1871) located on 72nd Avenue between Sheridan and Lowell Boulevard, is listed on the National Register of Historic Places. The Westminster Historical Society has preserved it as a museum, which is open to the public for tours.

On the back cover:

A Westminster, Colorado open space pond shimmers as the sun descends into the Rocky Mountain horizon.

CITY OF WESTMINSTER, COLORADO

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WESTMINSTER
COLORADO

June 14, 2010

To the Citizens of Westminster:
To the Mayor and City Council:

It is with great pride that we present to you the 2009 Comprehensive Annual Financial Report for the City of Westminster. The report demonstrates the City's effective government operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The enclosed data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Please refer to Management's Discussion and Analysis for a more in-depth discussion and analytical overview of the City's basic financial statements and activities.

The Past Year

Westminster had many successes to celebrate during 2009, as well as challenges to weather the "Great Recession". While Colorado fared better than most of the nation with respect to unemployment and housing prices, Westminster still felt the impacts of the recession. Westminster was in a financially strong position entering the recession. Past strategic moves to diversify the sales tax base around the City and attract discount retailers proved to be beneficial. The City used a combination of one time revenues and conservative spending to help offset the reduction of sales and use tax, other revenues and development and building related fees.

In April, City Council designated the Westminster Mall site as an urban renewal area known as the Westminster Center Urban Reinvestment Project (WURP) area. This action set the stage for the Westminster Economic Development Authority (WEDA) to initiate the redevelopment efforts for the Westminster Mall area. In July, the WEDA Board approved the WURP project description so that all parties are clear about the Urban Renewal Authority vision for the project. The project is described as a dense mixed use project similar in form to an urban downtown. It will have a strong retail base complimented by office, residential and entertainment type uses. Development is anticipated to occur over a 15 to 20 year period of time.

Led by the City Manager's office, significant activity that has occurred since July includes: the selection of Steiner & Associates to enter into an exclusive negotiating agreement as the redeveloper of the area, the purchase and demolition of an abandoned restaurant, and the purchase of one of the anchor buildings and site.

Starting in December of 2008 and finishing in September 2009, the Finance Department led the effort for the City to redeem or refinance five different variable rate bond issues. The refinancings were necessitated by the downgrade of the direct pay letter of credit banks in the fall of 2008, which subsequently led investors to tender the bonds back to the bank. The Finance Department also upgraded its cashiering and utility billing systems.

In the Community Development Department, staff led the efforts for the City to purchase 18.8 acres of open space. These additions move the City closer to fulfilling the goal of protecting at least 15% of the City as open space.

The City also acquired the historic core of the Shoenberg farm. The City received \$801,125 in grants from the State Historical Fund to purchase the 1911 brick buildings and rehabilitate the dairy barn.

The Fire Department completed the integration of two emergency coordination centers at the Municipal Service Center and City Hall to enhance community emergency preparedness. The Fire Department also lowered their average response time by 5 seconds.

The golf staff from the Parks, Recreation and Libraries Department rented a booth at the Golf Expo event in February. More than 11,000 golf enthusiasts attended the event. Staff sold 355 discount coupons that brought over \$35,000 to the City in a typically low revenue month. The marketing efforts are geared for attracting golfers during non-peak times.

The library staff introduced citizenship classes, taught by trained volunteers, at the Irving Street Library. Those in the community interested in becoming United States citizens now have an opportunity to learn with others making the same decision and working toward the same goal.

The Police Department had continued success with the graffiti program. The program, which emphasizes enforcement, eradication and education continues to prove that it is a successful model to attack this social problem. The number of public graffiti vandalism reports dropped 12% and removal dropped 44%, reflecting the amount needing removal was down. Also, despite several serious critical incidents involving lethal use of force, no officers were seriously injured or killed. The Police Department also saw a decrease in response times for priority one calls.

The Public Works and Utilities Department was able to eliminate a sewage lift station. Rather than making continual and expensive repairs to the lift station for pumping flows to another District, the lift station was eliminated and the area's wastewater will be re-directed via gravity to the City's Big Dry Creek Wastewater Treatment Facility for treatment. This is estimated to save the City \$1.4 million dollars over a 20 year period.

The Information Technology Department purchased and implemented both a new storage area network and new data backup system. The new backup system eliminated unreliable tape backups and provides the ability to automatically back up data to the disaster recovery hot site.

In the General Services Department, Fleet Maintenance staff began providing maintenance on the Harley Davidson motorcycles used by the Police Department. This provides for quicker turn around and is a less expensive solution for the City.

Building Operations and Maintenance staff managed the installation of solar power on four City buildings helping to offset energy costs and "green" up operations. They also managed several capital improvement projects such as replacing roofs on both City Hall and the Municipal Court buildings.

The City Attorney's Office played an instrumental role in several key projects including WURP, sales and use tax collections, construction contracts, personnel issues and intergovernmental agreements.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2010. In an effort to help ensure long term financial sustainability, one of the City's main goals for 2010 will be to identify and prioritize the core services provided to citizens and customers.

The community celebrated a re-grand opening of the City Park Recreation Center aquatics center in March after approximately \$6,500,000 of upgrades, remodeling and renovations. The new pool features slides, a water playground, current channel, climbing wall, jumping platform, rope swing and family changing rooms.

Public Works and Utilities completed the South Pressure Zone 1 Waterline Project. Nearly two miles of large diameter water transmission main has been placed in 88th Avenue, Harlan Street and 91st Avenue. The construction project, which began in September 2009, included installation of valves and other improvements that will provide additional long-term reliability and improved water pressure to Westminster's distribution system, especially in the southern part of Westminster.

The City is proud to announce the completion of Westminster Center Park. The Park is a 10 acre urban park complete with a small amphitheater, playground and picnic amenities.

Westminster is an active participant in the US 36 Mayors/Commissioners Coalition (Coalition) The Coalition has been activity seeking funding for US 36 improvements. In the later part of 2009, the Colorado Department of Transportation (CDOT) submitted an application for a federal grant for US 36 under the American Recovery and Reinvestment Act. In February, 2010 the US 36 project was awarded \$10 Million due to the fact that, when the award is combined with other resources, this project will have a significant regional impact. The Grant award coincides with the opportunity to leverage other State and Regional funds through a federal loan program. CDOT is currently soliciting for design/build contracts. The project would begin in mid-2011 and would be completed in two years. If they are successful in these efforts, the high occupancy vehicle lanes that currently end in Westminster would be extended as managed lanes to the 120th and Wadsworth Interchange in Broomfield and perhaps even further.

Westminster's south rail station was approved as a spur that leads to the larger gold line of the Regional Transportation District's (RTD) FasTracks program. Staff continues to work with the RTD and other entities to develop around the transit station. In addition, Council and staff are working with other entities to develop strategies for the completion of the Northwest line which is currently not funded.

The number one priority of City Council and staff is continuing efforts to redevelop the WURP area. It is anticipated that a preliminary and final development agreement will be reached by the end of 2010.

Independent Audit

Pursuant to Section 9.10 of the City Charter, an audit of the accounts and financial statements has been completed by the City's independent Certified Public Accountants, Swanhorst & Company, LLC. Their report is included.

Government Structure and Types of Services

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 Judge; all other staff are appointed or hired by the City Manager.

With a population of approximately 109,000, the City is approximately 94% built out, with just over 6% of its remaining area to be developed. The City is a full service City, providing police, fire and

emergency medical service, court system, parks, recreation facilities and programs, libraries, planning and development, water and wastewater treatment, street construction and maintenance and a variety of services related to these such as human resources, finance, information technology, building maintenance, etc.

The City of Westminster includes several blended component units, wherein the City includes the financial statements of these units in its financial reporting. These units include:

- Westminster Housing Authority (WHA), the owner and manager of the City's senior housing project named Westminster Commons and other housing initiatives,
- The Westminster Economic Development Authority (WEDA), the City's Urban Renewal Authority, enables the City to employ eminent domain and tax increment financing for needed re-development in the City's blighted sections,
- Six General Improvement Districts that were created for infrastructure improvements and maintenance.
 - Amherst General Improvement District
 - Sheridan Crossing General Improvement District
 - 136th Avenue General Improvement District
 - Mandalay Town Center General Improvement District
 - Parking Garage General Improvement District
 - 144th Avenue General Improvement District

The governing board is the same as the governing body of the City in all cases and the City has the ability to modify or approve the budgets of these entities and to appoint or designate new management in the case of the WHA.

Internal Controls and Limitations

The City's framework of internal controls provides management with the reasonable assurance it needs to take meaningful responsibility for the contents of the financial statements. The City's basic system of internal controls includes the control environment, the accounting system and control procedures:

- The control environment includes a philosophy and organizational structure that allows for the fiduciary practice of oversight, control systems development and management control of the financial functions of the City.
- The accounting system includes built-in checks and balances for purchasing, contracting and contract approval, timely recording of all transactions, audit trails for all transactions, and routine reporting and reconciliation procedures across funds and accounts.
- The control policies and procedures established by the City include the following:
 - Budgetary oversight by the City Manager's Office separate from the accounting and recording of transactions by the Finance Department,
 - The legal level of budgetary control is at the department level,
 - Segregation of authorization, collection and recording/reconciliation functions across all departments and financially-related functions of the City of Westminster,
 - Access controls to all systems, whether purchasing, general ledger, payroll, information technology, or others,
 - Independent checks on the system and transactions by internal audit staff, supervised by the Accounting Manager, reporting directly to the City Manager and Finance Director, with an approved internal audit program for the year.

As with any system, the inherent limitations of the system make it imperative that the City rely on review and revision of programs when weaknesses are discovered; SAS99 reporting by the City's audit firm; and constant diligence on the part of management and employees for preventing and correcting errors or other weaknesses when reviewed.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westminster, Colorado, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the content of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-six consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

Oversight for the preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of Finance Department Staff.

In particular, our sincere appreciation is due to Cherie Sanchez, Accounting Manager; Sherri Rickard, Accountant; Vicki Adams, Accountant; Karen Creager, Accountant; Gary Newcomb, Accountant; Leslie Krough, Accounting Technician; Karen Elrod, Accounting Technician; Kim McDaniel, Retirement Administrator; Rachel Price, Financial Analyst; Bob Byerhof, Senior Financial Analyst; Chad Smith, Sales Tax Auditor; Barb Dolan, Sales Tax Manager; Bob Smith, Treasury Manager; and Maggie Hunter, Administrative Secretary. Thank you for your dedication, hard work and another excellent annual report.

In addition, the City's auditors, Swanhorst & Company, were very helpful. Their assistance and professional approach contributed to a thorough and smooth audit.

Finally, thank you to City Council and all Staff for your commitment to this community and the SPIRIT you exhibit.

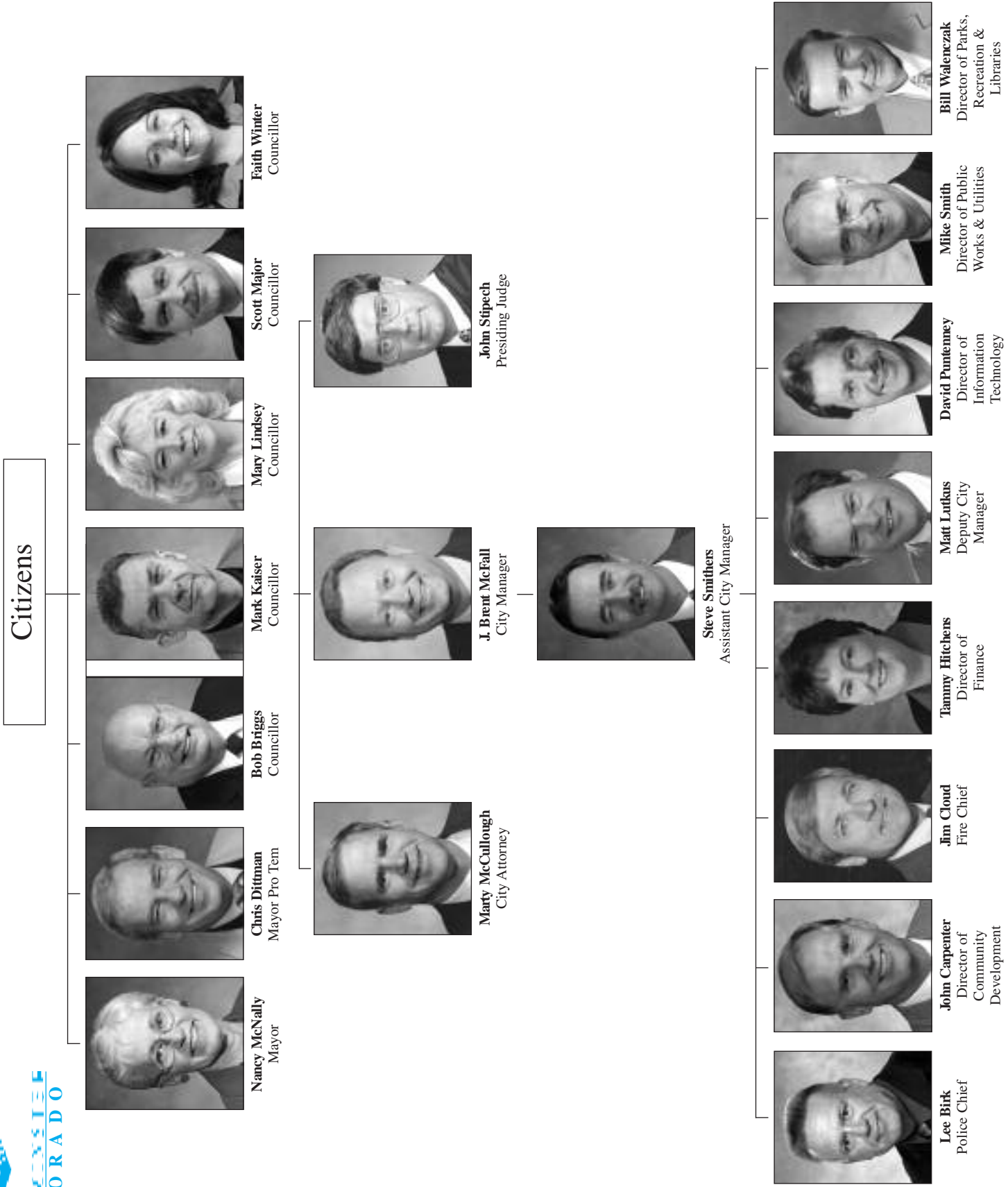
Respectfully submitted,

J. Brent McFall
City Manager

Tammy Hitchens
Director of Finance

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ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westminster
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Swanhorst & Company LLC

Honorable Mayor and Members of the City Council
City of Westminster
Westminster, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the City of Westminster, as listed in the table of contents. These financial statements are the responsibility of the City of Westminster's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Volunteer Firefighter Pension Fund, a pension trust fund of the City of Westminster. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to amounts included for the Volunteer Firefighter Pension Fund, is based solely upon the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

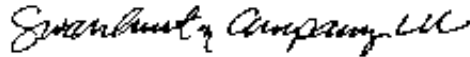
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2010, on our consideration of the City of Westminster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



June 2, 2010



WESTMINSTER
COLORADO

City of Westminster, Colorado

Management's Discussion and Analysis

This discussion and analysis of Westminster's financial statements for the year ended December 31, 2009 provides a narrative overview of the City's financial activities. Please consider the information here in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report and the financial statements and notes to the financial statements, which begin on page 17.

THE CITY

The City of Westminster is a charter city, organized under the laws 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 Judge; all other staff are appointed or hired by the City Manager. The City Manager has served Westminster since 2001 and continues to promote a spirit of pride, quality, and innovation throughout the organization. The City Manager directs eight departments, including Community Development, Finance, Fire, General Services, Information Technology, Parks, Recreation and Libraries, Police, and Public Works and Utilities.

Centrally located between Denver and Boulder Colorado, the City of Westminster is known for its exceptional quality of life, and for its innovative and progressive local government services. With a population of approximately 109,300, the City is approximately 94% built out, with just about 6% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical services, 52 developed parks and 7 undeveloped parks, 2,848 acres of natural open space, two libraries, two golf courses, several recreation centers, water and wastewater treatment, street construction and maintenance, and a variety of other services.

The primary sources of revenues for cities in Colorado are sales and use taxes, comprising approximately 54.0% of the City's governmental activities revenues. Sales tax increment contributes an additional 5.6%. Property taxes comprise approximately 3.8% of the City's governmental activities revenues. Property tax increment contributes an additional 4.9%. The primary sources of revenues for the City's enterprise funds including the Utility Enterprise and Golf Course Enterprise are fees and charges.

FINANCIAL HIGHLIGHTS

During 2009, WEDA refinanced four different bond issues. The issues were all variable rate debt. As a result of the economic and banking crisis, the letter of credit (LOC) provider for three of the issues was downgraded. The LOC provider on the fourth issue decided to not renew the LOC. Although there was no change in the underlying credits, the downgrade of the LOC provider had a negative impact on the City. The most significant impact was that the principal was required to be paid back quarterly over a 10 year period rather than an annual principal payment over at least a 20 year period. This required WEDA to look for different alternatives for the variable rate debt. Please see the debt refinancing note on pages 67 and 68 for more details.

The City was affected by the economic downturn in several ways. The City relies on Sales and Use tax as a major revenue source. Sales and Use tax was down over \$4 million. In addition, new development all but stopped. This decreased the revenues that the City normally receives as a result of development. This includes permit fees, plan review fees, tap fees and building use tax. Golf rounds and sales were also down. On the positive side, the City was able to get very favorable pricing on several capital projects.

The City utilized 2008 General Fund carryover of \$5.2 million to establish a General Fund stabilization reserve. This reserve was established to be utilized to buffer economic ups and downs.

The City also experienced an unusually wet and rainy year. Water consumption was down over 16% causing charges for services to show a significant decline in the Utility Fund.

The City made one prior period adjustment as identified in the notes on page 68. This prior period adjustment relates to deeding over assets in the Utility Fund to the Woman Creek Reservoir Authority (WCRA). The assets were constructed to ensure the water in Standley Lake was protected from run-off from a former nuclear weapons manufacturing facility. For more information on the WCRA, please see the note on page 64. All analysis is made utilizing the restated numbers for 2008.

- The assets of the City exceed its liabilities at the close of 2009 by \$657.0 million (\$263.2 million in governmental activity net assets and \$393.8 million in business-type activity net assets). Of the governmental activities net asset total, \$67.8 million, or 25.8%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$58.6 million, or 14.9%, of business-type activities net assets are unrestricted.
- Total net assets of the City decreased \$7.5 million, or 1.1%, compared to 2008. Net assets of the City's governmental activities decreased \$0.7 million, which represents a decrease of 0.3% from 2008. Net assets of the City's business-type activities decreased \$6.8 million, or 1.7%, from 2008.
- The total cost of all the City's programs increased \$0.4 million, or 0.2%, compared to 2008. The cost of governmental activities program expenses decreased \$2.5 million, or 2.0%, to \$124.2 million, while the cost of business-type activities increased \$2.9 million, or 5.7%, to \$53.6 million from 2008.
- Total revenues, excluding special items and transfers, decreased \$29.0 million, or 14.6%, compared to 2008. Governmental activities revenues decreased \$12.2 million, or 8.9%, to \$124.2 million, while revenues of business-type activities decreased \$16.8 million, or 26.7%, to \$46.1 million compared to 2008.
- As of December 31, 2009, the City's governmental funds reported a combined ending fund balance of \$97.5 million. Approximately 61.6%, or \$60.0 million, is unreserved fund balance and, therefore, available for spending at the City's discretion within the purposes specified for the City's funds.
- The General Fund reported a fund balance of \$19.8 million as of December 31, 2009, of which \$14.9 million was unreserved.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities.

The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the composition or quality of the City's sales tax base, the condition of the City's roads, etc., are also important to evaluate when assessing the overall health of the City.

The **Statement of Activities** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows.

In the Statement of Net Assets and Statement of Activities, the City is divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here – police, fire, public works, parks, recreation and libraries and general administration. Sales taxes, property taxes, fees and charges from the municipal court and the Parks, Recreation and Libraries Department, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer system, golf courses, and Westminster Housing Authority activities are reported here.

FUND FINANCIAL STATEMENTS

Governmental and Business-type Funds Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary (Pension Trust) funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the City-wide financial statements. However, unlike the City-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Financial information based on spendable resources is useful in evaluating the City's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the City-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the City-wide statements. Readers may

then better understand the long-term impact of the City's short-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City maintains 15 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sales & Use Tax Fund, the General Capital Improvement Fund and the Westminster Economic Development Authority (WEDA), the City's urban renewal authority. These funds are considered major funds for the City. Financial information for the other 11 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Utility Enterprise, Golf Course Enterprise, and Westminster Housing Authority. All of the funds are considered major funds of the City.
- **Internal Service funds** are used by the City to account for the costs of acquiring capital replacement equipment and costs for City-wide insurance programs. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties external to the City. The City is the trustee, or fiduciary, for three pension plans: General, Police, and Volunteer Fire. The City's fiduciary activities related to the General, Police and Volunteer Fire pension plans are reported in the notes to the financial statements on pages 58-62. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. The notes to the financial statements can be found beginning on page 33 of this report.

Other information is presented as required supplementary information. This information includes budgetary comparison schedules for the major governmental funds and the City's progress in funding the volunteer firefighter pension plan and post employment benefits other than pension (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. The analysis below focuses on the net assets and changes in net assets of the City's governmental and business-type activities.

Table 1 presents an analysis of the City's net assets as of December 31. The City's assets exceeded its liabilities by \$657.0 million at December 31, 2009. Governmental activities make up \$263.2 million (40.1%) of these assets, with business-type activities making up the remaining \$393.8 million (59.9%). Total net assets decreased by \$7.5 million in 2009. The decrease is comprised of the following:

- Total assets decreased \$28.3 million, or 2.8%, to \$997.4 million. This included an increase in capital assets of \$10.9 million and a decrease in current and other assets of \$39.2 million. The decrease in current and other assets was primarily due to a decrease of \$18.5 million of restricted cash and investments related to the proceeds of debt financed projects for WEDA and the Parks, Open Space and Trails bond issues. In addition, an acceleration of debt payments occurred in WEDA. Unrestricted cash and investments decreased \$24.7 million, primarily due to a \$9.6 million operating loss in the proprietary funds and \$9.1 million spent in the General Capital Improvement Fund on capital projects.
- Total liabilities decreased \$20.8 million, or 5.8%, to \$340.4 million. Debt decreased approximately \$24.0 million as a result of servicing the debt. Unearned revenue increased \$2.7 million due primarily to an increase in the property taxes receivable in the urban renewal areas.

Table 1: Net Assets as of December 31 (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	restated 2008	2009	restated 2008
Current and other assets	\$ 150.5	\$ 174.9	\$ 69.8	\$ 84.6	\$ 220.3	\$ 259.5
Capital Assets	398.4	391.1	378.7	375.1	777.1	766.2
Total Assets	548.9	566.0	448.5	459.7	997.4	1,025.7
Current and other liabilities	30.2	27.2	3.9	4.0	34.1	31.2
Long-term liabilities	255.5	274.9	50.8	55.1	306.3	330.0
Total liabilities	285.7	302.1	54.7	59.1	340.4	361.2
Net assets:						
Invested in capital assets, net of debt	158.9	161.0	329.7	324.0	488.6	485.0
Restricted	36.5	30.6	5.5	3.4	42.0	34.0
Unrestricted	67.8	72.3	58.6	73.2	126.4	145.5
Total net assets	\$ 263.2	\$ 263.9	\$ 393.8	\$ 400.6	\$ 657.0	\$ 664.5

By far the largest portion of the City's assets (77.9%) reflects its investment of \$777.1 million in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net capital assets are reported less any related debt used to acquire those assets that is still

outstanding. The City uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$42.0 million (6.4%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets, \$126.4 million (19.1%) may be used to meet the City's on-going obligations to the public and creditors. It is important to note that the \$58.6 million in unrestricted net assets of the City's business-type activities may not be used to fund governmental activities.

Analysis of Changes in Net Assets

As can be seen from Table 2, the City's net assets decreased \$7.5 million during 2009. This decrease is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net assets of governmental activities decreased by \$0.7 million during 2009. This was \$4.9 million less than the decrease of \$5.6 million in 2008; however, had the City not had a special item loss of \$14.8 in 2008, the difference between 2009 and 2008 would have reflected a decrease of \$9.9 million. The \$9.9 million difference can be attributed to a decrease in the amount of revenues in general of \$11.6 million, including sales tax, use tax, interest earnings and grants and contributions. The decreases were mostly as a result of the economy.

Governmental revenues decreased \$12.2 million (8.9%) compared to 2008. This decrease was due primarily to the decline in the economy.

Governmental expenses decreased \$2.5 million (2.0%) from 2008. Most of the decrease is attributable to increased expenses in Culture and Recreation, offset by a decrease in expenses in Community Development.

Table 2: Changes in Net Assets (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Service	\$ 17.1	\$ 18.5	\$ 41.4	\$ 45.4	\$ 58.5	\$ 63.9
Operating Grants and Contributions	4.3	5.5	-	-	4.3	5.5
Capital Grants and Contributions	7.1	8.7	3.5	12.6	10.6	21.3
General Revenues						
Property Taxes	4.7	4.6	-	-	4.7	4.6
Sales Taxes	56.7	59.1	-	-	56.7	59.1
Use Taxes	10.4	12.4	-	-	10.4	12.4
Property Tax Increment	6.1	4.4	-	-	6.1	4.4
Sales Tax Increment	6.9	6.3	-	-	6.9	6.3
Business Fees and Other Taxes	4.8	5.1	-	-	4.8	5.1
Accommodations Taxes	2.1	2.6	-	-	2.1	2.6
Intergovernmental	1.4	1.1	-	-	1.4	1.1
Interest	2.0	6.1	1.2	4.0	3.2	10.1
Other	0.6	1.4	-	-	0.6	1.4
Gain (loss on sale of land)	-	0.6	-	0.9	-	1.5
Total Revenues	124.2	136.4	46.1	62.9	170.3	199.3
Program Expenses						
General Government	36.9	37.8	-	-	36.9	37.8
Public Safety	31.6	31.8	-	-	31.6	31.8
Public Works	13.9	13.7	-	-	13.9	13.7
Community Development	12.5	17.7	-	-	12.5	17.7
Culture and Recreation	20.4	17.3	-	-	20.4	17.3
Utility	-	-	48.7	45.6	48.7	45.6
Golf	-	-	4.0	4.1	4.0	4.1
Housing Authority	-	-	0.9	1.0	0.9	1.0
Interest and Fiscal Charges	8.4	7.9	-	-	8.4	7.9
Unallocated Depreciation	0.5	0.5	-	-	0.5	0.5
Total Expenses	124.2	126.7	53.6	50.7	177.8	177.4
Excess (Deficiency) before Special Items and Transfers						
	-	9.7	(7.5)	12.2	(7.5)	21.9
Transfers	(0.7)	(0.5)	0.7	0.5	-	-
Increase (decrease) in Net Assets	\$ (0.7)	\$ (5.6)	\$ (6.8)	\$ 12.7	\$ (7.5)	\$ 7.1

Charts 2 and 3 illustrate the City's governmental expenses and revenues by function and its revenues by source. As can be seen in Chart 2, Public Safety expenditures accounted for 25.3% of expenditures net of depreciation. General Government, which includes all benefits, insurances and lease payments as well as the City Council and four departments' (City Manager's Office, City Attorney's Office, General Services and Finance) accounted for 29.5% of the expenditures. Culture and Recreation accounted for 16.3%, Community Development 10.0%, and Public Works 11.1% of total expenditures net of depreciation.

General Revenues such as sales and use taxes, property and other taxes are not shown in Chart 3 by program. These revenues are used to support City program activities city-wide. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (54.0%), followed by charges for services (13.8%).

Chart 2: Expenses and Program Revenues - Governmental Activities

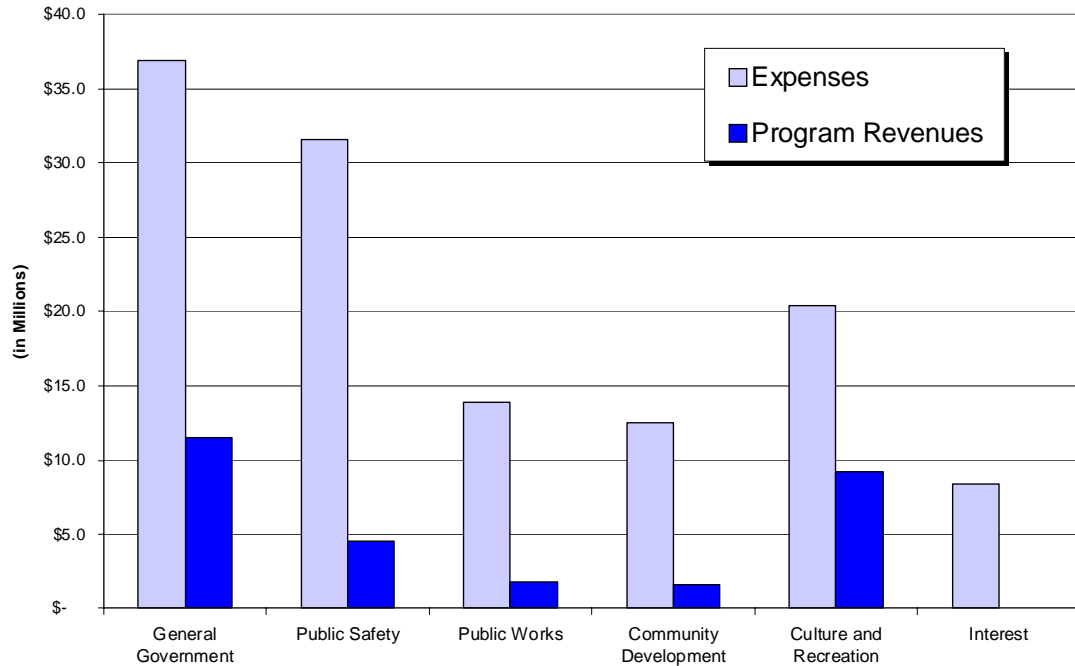
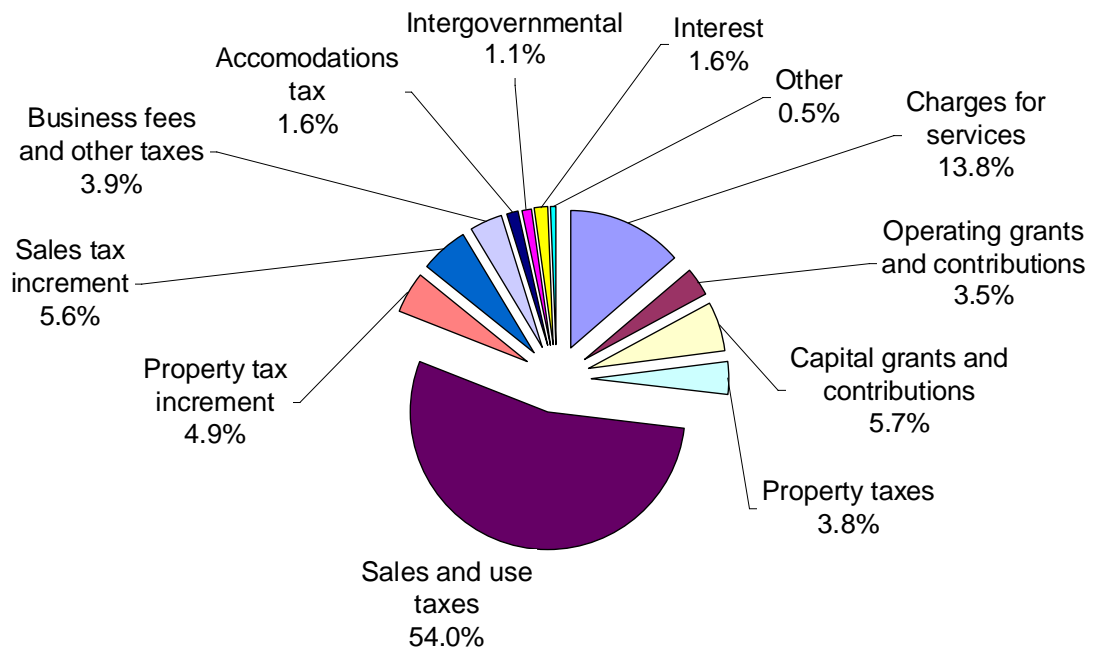


Chart 3: Revenues by Source - Governmental Activities



Business-type Activities

Net assets in business-type activities decreased \$6.8 million in 2009. This is \$19.5 million, or 153.5%, less than the increase of \$12.7 million in 2008. In 2009, the City received \$9.1 million less in tap fees and contributed lines, as well as, for \$4.0 million less in charges for services.

Chart 4: Expenses and Program Revenues - Business Type Activities

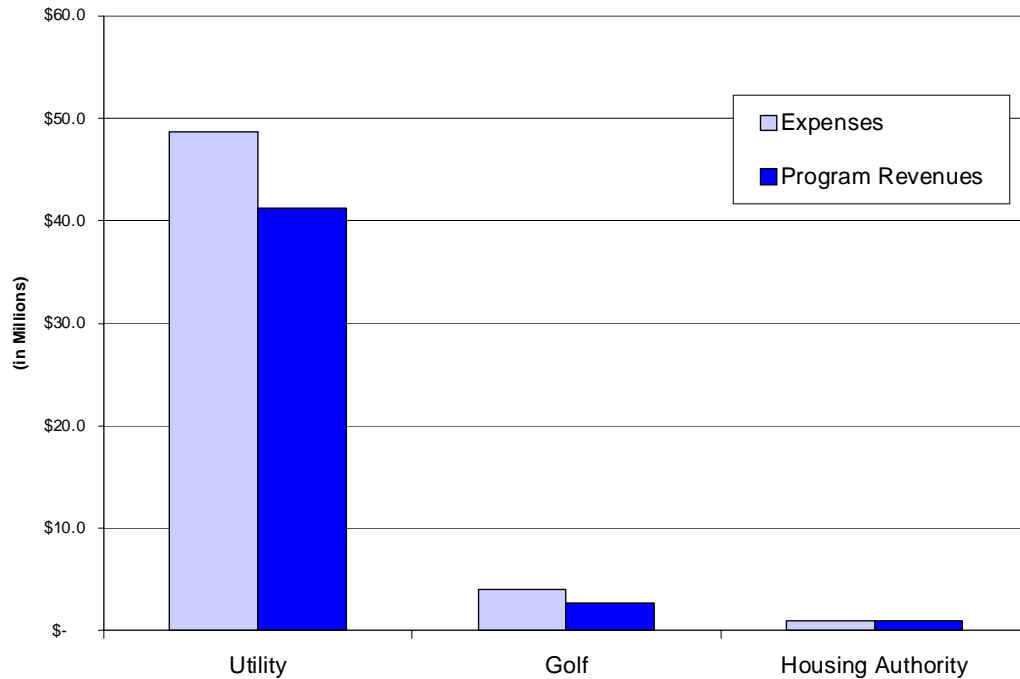
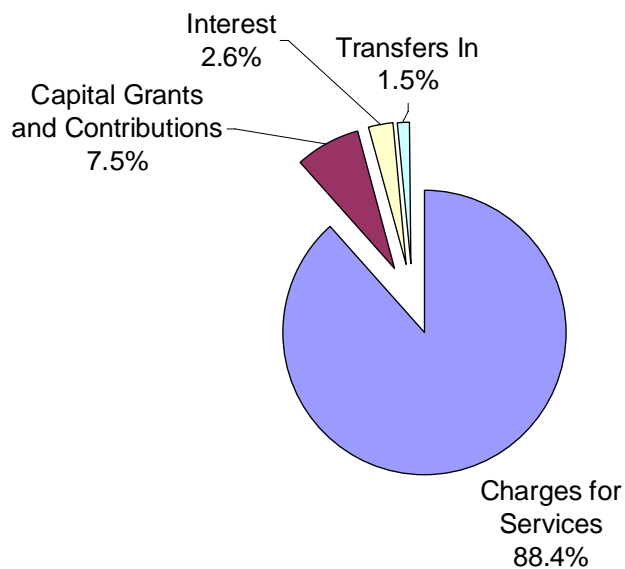


Chart 5: Revenues by Source - Business-type Activities



Total business-type revenues decreased \$16.8 million, or 26.7%, compared to 2008. This decrease was due primarily to a decrease of \$9.1 million, or 72.2%, in Capital Grants and Contributions, a \$4.0 million, or 8.8%, decrease in charges for services, and a \$2.8 million, or 70.0% loss in interest earnings.

Expenses of business-type activities increased \$2.9 million, or 5.7%, compared to 2008. The increase was due primarily to an increase in costs associated with providing utility services.

As can be seen from Charts 4 and 5, the City's Utility Enterprise accounts for the majority of its business-type activities, representing 90.9% of total business-type expenses, and charges for services provides the largest share of revenues (88.4%), followed by Capital Grants and Contributions (7.5%).

THE CITY'S FUNDS (ANALYSIS OF SPECIFIC FUNDS)

As explained earlier, the City of Westminster uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds- The focus of the City's *governmental funds* is to provide information in short-term inflows, outflows, and balances of spendable resources. This information is necessary to assess the City's financing requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

At December 31, 2009, the City's governmental funds reported a combined ending fund balance of \$97.5 million, a decrease of \$26.4 million, or 21.3%, compared to 2008. The reserved fund balance for capital projects decreased \$16.7 million which reflects the spend down of bond proceeds.

The unreserved fund balance decreased \$9.1 million, or 13.2%, to \$60.0 million compared to 2008. The decrease is predominately in the General Capital Improvement Fund and reflects money that is being used for capital projects. Unreserved fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the primary operating fund of the City. At the end of 2009, the unreserved fund balance of the General Fund was \$14.9 million, while total fund balance was \$19.8 million. Total fund balance increased in the General Fund by \$2.5 million, or 14.4%, compared to 2008. The unreserved fund balance represents 16.9% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance.

The original budget in the General Fund was \$93.7 million and was adopted in late 2008. Based on new revenue projections predicated on the downturn in the economy, the City reduced the budget \$0.7 million during 2009 to \$93.0 million. \$5.2 million of carryover from 2008 was put into the General Fund Stabilization Reserve and is included in ending fund balance. Actual General Fund expenditures and transfers out totaled \$88.2 million.

Charts 6 and 7 illustrate the Budget and Actual Revenue and Expenditures less transfers for the General Fund.

Chart 6: Budget and Actual Revenue by Source, less Transfers - General Fund

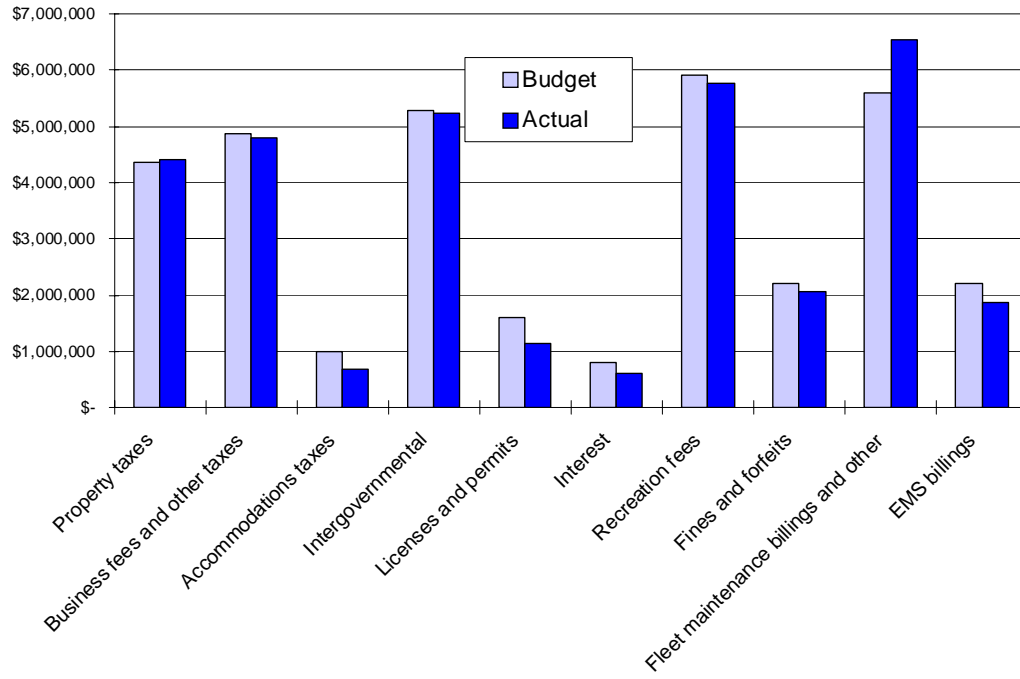
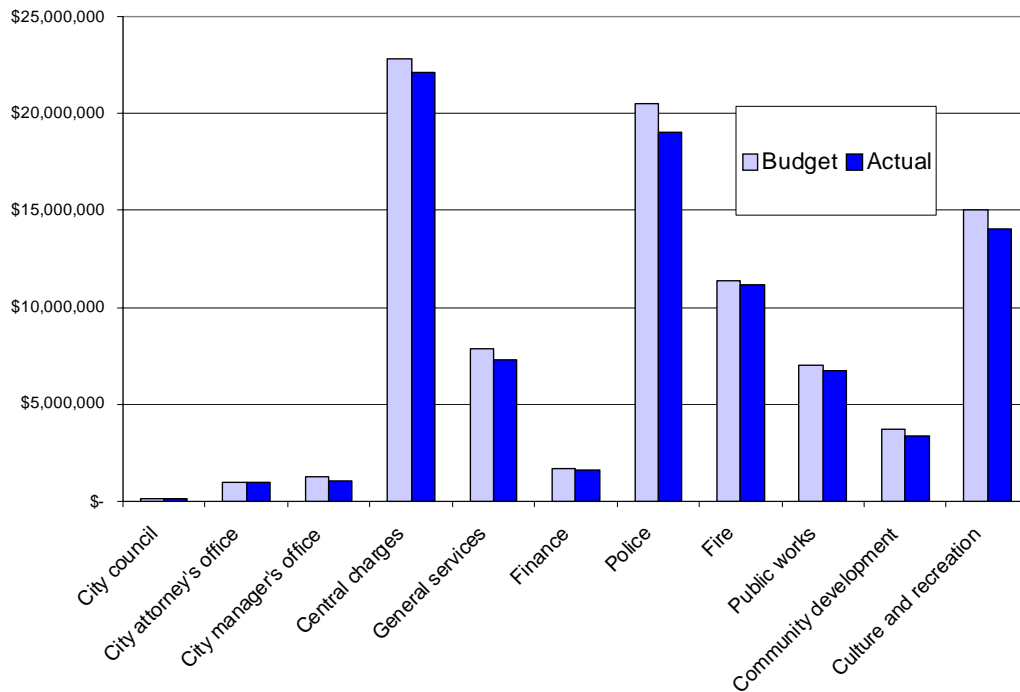


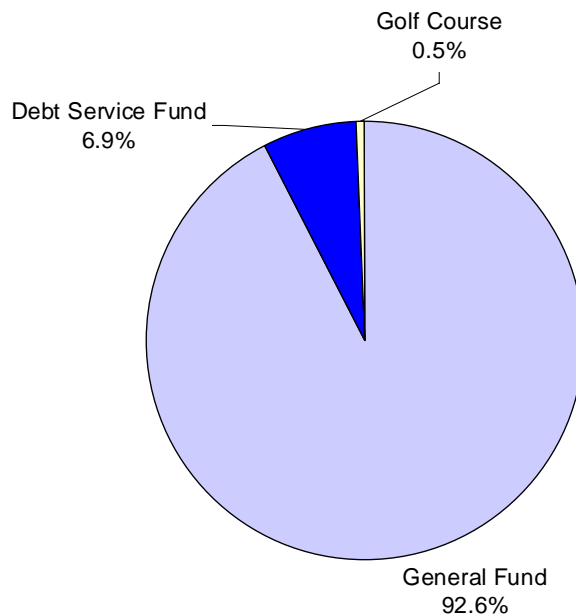
Chart 7: Budget and Actual Expenditures by Department, less Transfers - General Fund



The Sales and Use Tax Fund was established to collect the City's sales and use tax. Sales and use taxes are the primary funding source for the City's governmental funds. Once the sales and use tax is collected it is transferred to other funds. As Chart 8 illustrates, the majority (92.6%) of the sales and use tax is transferred to the General Fund.

Sales and use tax decreased \$4.4 million, or 6.1%, compared to 2008.

Chart 8: Transfers from Sales and Use Tax Fund



The General Capital Improvement Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the City, except those financed by the Enterprise Funds. At December 31, 2009, the fund had a fund balance of \$37.6 million.

The General Capital Improvement Fund revenues include accommodations taxes, interest, revenues from other governments, and transfers from other funds. The fund's revenues decreased by \$5.4 million. Intergovernmental revenues decreased \$1.5 million and accommodation taxes decreased \$1.3 million due to recording a portion of accommodations tax in the General Fund as well as the downturn in the economy. Interest also decreased \$1.6 million due to interest rates and spending down cash. Expenditures totaling \$25.1 million were \$7.1 million more than 2008.

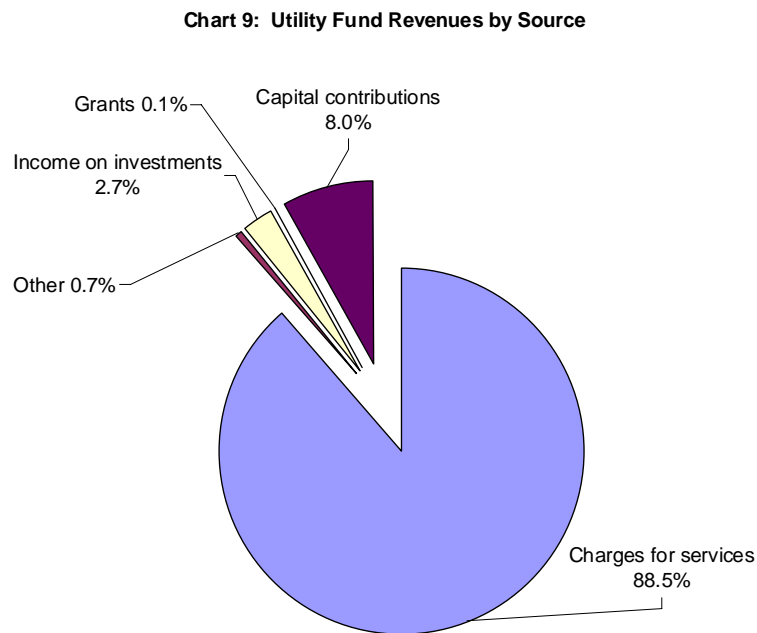
The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance decreased \$7.0 million from 2008. As of December 31, 2009, Fund Balance was \$23.2 million.

Revenue for the Westminster Economic Development Authority increased by \$1.3 million, or 11.2%, compared to 2008. This was primarily because of an increase in both property and sales tax increment. This was offset by a decrease in interest earnings.

Proprietary Funds- As already discussed, the City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Utility Fund, which accounts for the City's water, wastewater and storm drainage activity, ended 2009 with net assets equal to \$382.4 million. Of that amount, \$58.5 million is unrestricted. Net assets decreased \$6.5 million, or 1.7%, compared to 2008.

Operating revenues decreased \$3.6 million, or 8.6%, compared to 2008. Chart 9 illustrates both operating and non-operating revenues by source. The primary reason for the decrease in operating revenues is due to a wet and rainy summer.



Utility Fund operating expenses increased \$3.4 million, or 7.8%, compared to 2008. The primary reason is an increase in the expensing of costs associated with capital projects that did not meet the criteria to capitalize and the increase in the cost of contractual services.

The Golf Course Fund accounts for the City's two championship golf courses. Operating expenses exceeded operating revenues by \$1.0 million. The Golf Course Fund net assets decreased \$0.4 million, or 3.5%, to \$10.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As can be seen from Table 3, the City's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to \$777.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants, improvements, parks, infrastructure, water rights, machinery and equipment, joint venture assets and construction work in progress. The total increase in the City's investment in capital assets was

\$10.9 million, or 1.4%. Net capital assets of governmental activities increased \$7.3 million, or 1.9%, and business-type activities increased \$3.6 million, or 1.0%.

Table 3: Capital Assets at Year-end
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	restated	2009	restated
				2008		2008
Land and Property Rights	107.3	\$ 104.1	\$ 93.0	\$ 92.6	\$ 200.3	\$ 196.7
Buildings	39.7	40.9	154.5	156.0	194.2	196.9
Improvements Other than Buildings	26.1	27.0	114.5	110.8	140.6	137.8
Machinery	10.7	11.2	8.1	7.1	18.8	18.3
Parks	27.4	29.6	0.8	0.9	28.2	30.5
Ice Center	5.4	5.5	-	-	5.4	5.5
Construction in Progress	9.3	5.1	7.8	7.7	17.1	12.8
Infrastructure	172.5	167.7	-	-	172.5	167.7
Totals	<u>\$ 398.4</u>	<u>\$ 391.1</u>	<u>\$ 378.7</u>	<u>\$ 375.1</u>	<u>\$ 777.1</u>	<u>\$ 766.2</u>

Major capital asset activity during 2009 included the following:

Governmental Activities

- \$1.2 million for improvements on 112th Avenue – Federal Boulevard to Huron Street
- \$1.3 million for open space property
- \$3.4 million for improvements on 144th Avenue – Huron Street to Zuni Street
- \$4.9 million for the Big Dry Creek trail improvements at Wadsworth Boulevard

Business-type activities

- \$1.2 million for Zone 14 pump station
- \$1.8 million for 94th Avenue and Quitman lift station
- \$2.9 million for reclaimed raw water – system interconnection

Additional information on the City's capital assets can be found in Note 2F on pages 46-47.

Debt Administration

At December 31, 2009, the City's bond ratings carry investment grade ratings as follows (numbers in parentheses indicate the current rating after general recalibration as of May 3, 2010):

Bond Issue	Standard & Poors	Fitch Ratings	Moody's
Sales Tax Revenue	AA+	AA (AA+)	Not Requested
Sales Tax Revenue - POST	AA-	A+ (AA-)	Not Requested
General Obligation	Not Requested	Not Requested	Not Requested
Utility Enterprise	AA	AA+ (AAA)	A1 (Aa2)
Golf Course Enterprise	BBB	Not Requested	Not Requested
COPs-Ice Centre	AA-	Not Requested	Not Requested
COPs-All Others	AA-	Not Requested	Not Requested

The State of Colorado limits the amount of general obligation debt that cities can issue to 3% of the actual value of all taxable property within the City's corporate limits (CRS 31-15-302). The City's outstanding general obligation debt is significantly below this \$465.6 million state-imposed limit. See page 115 for the City's legal debt margin information.

Table 4 illustrates the City's total indebtedness:

Table 4: Outstanding Debt, at Year-end (in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenue Bonds (backed by specific tax and fee revenues)	\$ 65.0	\$ 69.7	\$ 14.1	\$ 16.0	\$ 79.1	\$ 85.7
Special Assessment Bonds	-	-	\$ -	-	-	-
WEDA Tax Increment Revenue Bonds	40.9	120.2	-	-	40.9	120.2
Notes and Mortgages	69.2	-	33.4	0.8	102.6	0.8
Leases	76.8	80.6	1.1	35.9	77.9	116.5
Total	\$251.9	\$ 270.5	\$ 48.6	\$ 52.7	\$ 300.5	\$ 323.2

Additional information on significant debt activity is disclosed in Management's Discussion and Analysis, Financial Highlights on page 2. Further information on the City's debt can be found in Note 21 on pages 49-51.

NEXT YEAR'S BUDGETS AND RATES

Budgets and Plans for 2010. In April, 2009, the City Council met in its annual 2-day strategic planning retreat, and accomplished the following:

- Affirmation of the City's Strategic Goals for the next five years, 2010-2014.
 1. Financially Sustainable City Government Providing Exceptional Services
 2. Safe and Secure Community
 3. Vibrant Neighborhoods and Commercial Areas
 4. Strong, Balanced Local Economy
 5. Beautiful and Environmentally Sensitive City

In addition, City Council met in September, 2009 to review adjustments to the 2010 budget presented by staff. The product of the City Council's budget review was an amendment to the 2010 budget on October 26, 2009. Highlights of the 2010 budget include the following:

- The 2010 General Fund operating expenditures are budgeted at \$96.4 million (including contingencies).
- The 2010 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$57.4 million, which is a 0.7% increase over the 2009 transfer payment of \$57.0 million.
- In 2010, the Contingency account is \$1 million in the General Fund. The 2010 General Reserve Fund is projected to be \$9.5 million, the General Fund Stabilization Reserve is projected to be \$2.8 million, the Utility Capital Project Reserve Fund is projected to be \$9.3 million and the Utility Rate Stabilization Reserve is projected to be \$7.3 million.
- The total number of full-time equivalent (FTE) staffing in 2010 is 982.674 FTE, a net decrease of 1.25 FTE. Although 982.674 FTE are authorized, the City is on a selective hiring freeze.
- In order to ensure reliable infrastructure throughout the City that accommodates continued growth, a proactive Capital Improvement Program (CIP) is recommended as a key component of the 2010 Budget. The total capital improvements for 2010 are \$9.1 million. 100% of the 2010 CIP will be funded on a "pay-as-you-go" basis.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Tammy Hitchens CPA, CPFO, Finance Director, as follows:

City of Westminster
4800 W. 92nd Ave
Westminster, CO 80031
303-658-2036
thitchen@cityofwestminster.us

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 7,274,814	\$ 4,935,676	\$ 12,210,490
Cash and cash equivalents with fiscal agent	115,217	-	115,217
Investments	74,464,638	49,222,496	123,687,134
Receivables:			
Taxes	21,559,644	-	21,559,644
Accounts	3,281,498	3,490,899	6,772,397
Note and leases	5,283,847	371,223	5,655,070
Grants	1,552,413	-	1,552,413
Interest	696,557	492,844	1,189,401
Internal balances	(2,057,628)	2,057,628	-
Inventory	2,383,105	1,348,918	3,732,023
Bond costs and other prepaid items	3,280,458	1,415,556	4,696,014
Deferred outflow of resources	441,000	-	441,000
Restricted assets:			
Cash and cash equivalents	271,541	789,740	1,061,281
Cash and cash equivalents with fiscal agent	23,904,582	-	23,904,582
Investments	2,779,477	4,771,701	7,551,178
Investments with fiscal agent	4,687,567	-	4,687,567
Capital assets:			
Non-depreciable assets	116,655,814	100,894,922	217,550,736
Depreciable assets, net	281,710,058	277,858,500	559,568,558
Other assets	-	916,734	916,734
Investment in joint venture	615,648	-	615,648
Total assets	<u>548,900,250</u>	<u>448,566,837</u>	<u>997,467,087</u>
LIABILITIES			
Accounts payable and other	12,211,701	3,288,455	15,500,156
Accrued liabilities	1,601,663	304,905	1,906,568
Unearned revenue	13,891,773	57,729	13,949,502
Accrued interest	948,952	200,601	1,149,553
Estimated claims	1,549,673	-	1,549,673
Non-current liabilities:			
Due within one year:	13,679,708	4,936,985	18,616,693
Due in more than one year:	241,846,928	45,904,678	287,751,606
Total liabilities	<u>285,730,398</u>	<u>54,693,353</u>	<u>340,423,751</u>
NET ASSETS			
Invested in capital assets, net of related debt	158,875,846	329,710,391	488,586,237
Restricted for:			
Emergencies	3,077,816	-	3,077,816
Capital projects	2,073,700	-	2,073,700
Open space conservation and improvements	9,811,256	-	9,811,256
Debt service	21,399,762	5,237,872	26,637,634
Other purposes	82,992	248,550	331,542
Unrestricted	67,848,480	58,676,671	126,525,151
Total net assets	<u>\$ 263,169,852</u>	<u>\$ 393,873,484</u>	<u>\$ 657,043,336</u>

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Governmental activities:				
General government	\$ 36,876,436	\$ 4,497,892	\$ 3,972,454	\$ 3,014,877
Public safety	31,552,454	4,225,333	289,663	-
Public works	13,941,301	1,777,317	-	-
Community development	12,454,872	400,784	-	1,222,580
Culture and recreation	20,368,098	6,249,434	37,883	2,875,810
Interest and fiscal charges	8,449,810	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	479,427	-	-	-
Total governmental activities	<u>124,122,398</u>	<u>17,150,760</u>	<u>4,300,000</u>	<u>7,113,267</u>
Business-type activities:				
Utility	48,678,931	37,785,693	-	3,418,904
Golf	4,017,357	2,730,028	-	-
Westminster Housing Authority	922,689	920,327	-	115,554
Total business-type activities	<u>53,618,977</u>	<u>41,436,048</u>	<u>-</u>	<u>3,534,458</u>
Total primary government	<u>\$ 177,741,375</u>	<u>\$ 58,586,808</u>	<u>\$ 4,300,000</u>	<u>\$ 10,647,725</u>

GENERAL REVENUES

Property taxes
Sales taxes
Use taxes
Property tax increment
Sales tax increment
Business fees and other taxes
Accommodations taxes
Intergovernmental not restricted to a specific purpose
Interest
Other

TRANSFERS

Total general revenues and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (25,391,213)	\$ -	\$ (25,391,213)
(27,037,458)	-	(27,037,458)
(12,163,984)	-	(12,163,984)
(10,831,508)	-	(10,831,508)
(11,204,971)	-	(11,204,971)
(8,449,810)	-	(8,449,810)
<u>(479,427)</u>	<u>-</u>	<u>(479,427)</u>
<u>(95,558,371)</u>	<u>-</u>	<u>(95,558,371)</u>
-	(7,474,334)	(7,474,334)
-	(1,287,329)	(1,287,329)
-	113,192	113,192
<u>-</u>	<u>(8,648,471)</u>	<u>(8,648,471)</u>
<u>(95,558,371)</u>	<u>(8,648,471)</u>	<u>(104,206,842)</u>
4,669,293	-	4,669,293
56,734,904	-	56,734,904
10,382,385	-	10,382,385
6,067,958	-	6,067,958
6,899,318	-	6,899,318
4,797,606	-	4,797,606
2,045,874	-	2,045,874
1,360,925	-	1,360,925
1,979,580	1,177,710	3,157,290
597,423	1,019	598,442
(748,349)	748,349	-
<u>94,786,917</u>	<u>1,927,078</u>	<u>96,713,995</u>
(771,454)	(6,721,393)	(7,492,847)
263,941,306	400,594,877	664,536,183
<u>\$ 263,169,852</u>	<u>\$ 393,873,484</u>	<u>\$ 657,043,336</u>

CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 1,984,752	\$ 285,692	\$ 3,313,272	\$ 342,936
Cash and cash equivalents with fiscal agent	1,005	-	-	-
Investments	20,315,835	2,924,330	33,914,499	3,510,276
Receivables:				
Taxes	4,403,582	6,384,481	-	9,061,632
Accounts	2,515,694	-	693,321	35,543
Notes and leases	4,755,000	-	194,847	334,000
Grants	7,690	-	721,550	-
Interest	180,543	26,334	299,249	36,646
Due from other funds	301,160	-	-	-
Inventory	804,680	-	-	1,578,425
Prepaid items	58,728	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	58,309
Cash and cash equivalents with fiscal agent	927,369	-	243,948	21,707,149
Investments	-	-	-	596,842
Investments with fiscal agent	-	-	900,367	-
Loans to other funds	120,000	-	1,125,000	-
Total assets	<u>\$ 36,376,038</u>	<u>\$ 9,620,837</u>	<u>\$ 41,406,053</u>	<u>\$ 37,261,758</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 5,040,043	\$ 2,649,228	\$ 2,821,588	\$ 1,248,830
Accrued liabilities	1,559,324	-	26,776	-
Due to other funds	-	-	-	-
Loans from other funds	-	-	-	3,445,000
Deferred revenue	9,931,551	-	946,397	9,395,632
Total liabilities	<u>16,530,918</u>	<u>2,649,228</u>	<u>3,794,761</u>	<u>14,089,462</u>
Fund balances:				
Reserved for:				
Emergencies	3,060,448	-	-	-
Debt service	927,369	-	-	20,472,393
Capital projects	-	-	1,144,315	1,754,196
Loans to other funds	120,000	-	1,125,000	-
Inventory and prepaids	863,408	-	-	1,578,425
Unreserved, reported in:				
General fund	14,873,895	-	-	-
Special revenue funds	-	6,971,609	-	(632,718)
Capital project funds	-	-	35,341,977	-
Total fund balances	<u>19,845,120</u>	<u>6,971,609</u>	<u>37,611,292</u>	<u>23,172,296</u>
Total liabilities and fund balances	<u>\$ 36,376,038</u>	<u>\$ 9,620,837</u>	<u>\$ 41,406,053</u>	<u>\$ 37,261,758</u>

Other Governmental Funds	Total Governmental Funds
\$ 121,946	\$ 6,048,598
-	1,005
1,248,211	61,913,151
1,709,949	21,559,644
6,775	3,251,333
-	5,283,847
823,173	1,552,413
41,317	584,089
-	301,160
-	2,383,105
-	58,728
213,232	271,541
1,026,116	23,904,582
2,182,635	2,779,477
3,787,200	4,687,567
-	1,245,000
<u>\$ 11,160,554</u>	<u>\$ 135,825,240</u>

\$ 50,050	\$ 11,809,739
8,427	1,594,527
158,788	158,788
-	3,445,000
<u>1,054,885</u>	<u>21,328,465</u>
<u>1,272,150</u>	<u>38,336,519</u>

17,368	3,077,816
159,864	21,559,626
6,253,316	9,151,827
-	1,245,000
-	2,441,833
-	14,873,895
3,620,530	9,959,421
(162,674)	35,179,303
<u>9,888,404</u>	<u>97,488,721</u>
<u>\$ 11,160,554</u>	<u>\$ 135,825,240</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009

Fund balances - total government funds \$ 97,488,721

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	638,592,450	
Less accumulated depreciation	<u>(245,613,928)</u>	392,978,522

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Bond costs	3,121,730	
Investment in joint venture	<u>615,648</u>	3,737,378

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest	(939,511)	
Premiums/Discounts on long term debt payable	1,448,286	
Governmental long term debt payable	(250,682,290)	
Compensated absences	(4,350,672)	
Post employment benefits	<u>(325,513)</u>	(254,849,700)

Certain revenue earned but not available classified as deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements.

Deferred revenue		7,436,692
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

		<u>16,378,239</u>
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Net assets of governmental activities		<u><u>\$ 263,169,852</u></u>
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CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
REVENUES				
Property taxes	\$ 4,407,801	\$ -	\$ -	\$ -
Sales taxes	-	52,609,957	-	-
Use taxes	-	9,706,038	-	-
Property tax increment	-	-	-	6,067,958
Sales tax increment	-	-	-	6,899,318
Business fees and other taxes	4,797,606	-	-	-
Accommodations taxes	676,157	-	1,369,717	-
Intergovernmental	5,237,324	-	5,413,165	91,439
Assessments	-	-	42,471	-
Licenses and permits	1,127,900	-	-	-
Interest	618,091	69,945	993,613	211,353
Contributions	-	-	341,739	-
Recreation fees	5,766,441	-	-	-
Fines and forfeitures	2,062,964	-	-	-
Fleet maintenance billings and other	6,544,888	-	-	-
EMS billings	1,858,670	-	-	-
Other	-	-	290,727	13,423
Total revenues	33,097,842	62,385,940	8,451,432	13,283,491
EXPENDITURES				
Governmental activities:				
General government	33,152,173	3,308,517	232,761	1,663,723
Public safety	30,217,929	-	-	-
Public works	6,754,884	-	-	-
Community development	3,381,262	-	-	-
Culture and recreation	14,036,487	-	-	-
Capital projects	-	-	24,835,374	4,127,100
Debt service:				
Principal	-	-	-	10,753,875
Interest and fiscal charges	-	-	-	4,640,821
Refunding bond issuance costs	-	-	-	1,003,757
Total expenditures	87,542,735	3,308,517	25,068,135	22,189,276
Excess of revenues over (under) expenditures	(54,444,893)	59,077,423	(16,616,703)	(8,905,785)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	562,530	-	-	-
Issuance of refunding debt	-	-	-	111,610,000
Payment to refunded bond escrow agent	-	-	-	(111,074,663)
Sale of capital asset	26,151	-	-	-
Transfers in	57,005,029	-	1,424,694	1,396,175
Transfers (out)	(648,000)	(61,516,757)	(1,447,382)	-
Total other financing sources (uses):	56,945,710	(61,516,757)	(22,688)	1,931,512
Net change in fund balances	2,500,817	(2,439,334)	(16,639,391)	(6,974,273)
Fund balances, beginning	17,344,303	9,410,943	54,250,683	30,146,569
Fund balances, ending	\$ 19,845,120	\$ 6,971,609	\$ 37,611,292	\$ 23,172,296

Other Governmental Funds	Total Governmental Funds
\$ 261,492	\$ 4,669,293
4,124,947	56,734,904
676,347	10,382,385
-	6,067,958
-	6,899,318
-	4,797,606
-	2,045,874
2,612,183	13,354,111
4,000	46,471
-	1,127,900
136,456	2,029,458
-	341,739
-	5,766,441
3,049	2,066,013
-	6,544,888
-	1,858,670
32,743	336,893
<u>7,851,217</u>	<u>125,069,922</u>
536,113	38,893,287
23,958	30,241,887
-	6,754,884
1,265,988	4,647,250
-	14,036,487
3,996,154	32,958,628
4,785,000	15,538,875
3,242,859	7,883,680
-	1,003,757
<u>13,850,072</u>	<u>151,958,735</u>
<u>(5,998,855)</u>	<u>(26,888,813)</u>
-	562,530
-	111,610,000
-	(111,074,663)
143,313	169,464
7,659,867	67,485,765
(4,621,975)	(68,234,114)
<u>3,181,205</u>	<u>518,982</u>
(2,817,650)	(26,369,831)
12,706,054	123,858,552
<u>\$ 9,888,404</u>	<u>\$ 97,488,721</u>

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Net Changes in fund balances - total government funds \$ (26,369,831)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts are the differences in the treatment of capital assets.

Expenditures for capital assets	24,362,004	
Less current year depreciation	<u>(16,614,003)</u>	7,748,001

In the governmental funds, the proceeds from the sale of assets increase financial resources, while in the statement of activities, only the gain/loss on the sale of assets is reported. These amounts are the differences in the treatment of the transactions involving capital assets.

Proceeds from sale of capital asset	(169,464)	
Loss on sale of capital assets	<u>(64,504)</u>	(233,968)

In governmental funds, issuance of long-term debt provide and principal repayments and bond issuance costs consume current financial resources and are reported as revenues and expenditures, while in government-wide reporting, these transactions are reported as adjustments to non-current liabilities, having no effect on net assets. These amounts are the differences in the treatment of long-term debt.

Issuance of lease	(562,530)	
Issuance of refunding debt	(111,610,000)	
Bond issuance costs	1,003,757	
Payments to refunding escrow agent - Other financing use	111,074,663	
Payments to refunding escrow agent - Interest and fiscal charges	59,928	
Principal payments	<u>19,597,009</u>	19,562,827

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond discount/premium and issuance costs	(380,266)	
Accrual of interest expense	(245,792)	
Adjustment to long-term compensated absences liability	(3,694)	
Adjustment to post employment benefit obligation	<u>121,898</u>	(507,854)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements until they become available. As a result, some revenues recognized in governmental funds may have been recognized in the statement of activities in prior years. These amounts are the difference in the treatment of revenue recognition.

Intergovernmental revenue	(614,802)	
Fines and forfeitures	58,302	
Recreation fees	<u>3,110</u>	(553,390)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(417,239)

Change in net assets of governmental activities \$ (771,454)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Utility Enterprise	Golf	Westminster Housing Authority	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,790,285	\$ 3,000	\$ 142,391	\$ 4,935,676	\$ 1,226,216
Investments	49,033,148	-	189,348	49,222,496	12,551,487
Receivables	3,972,091	5,235	377,640	4,354,966	142,633
Inventory	1,118,336	230,582	-	1,348,918	-
Bond costs and other prepaid items	1,344,038	59,640	11,878	1,415,556	100,000
Total current assets	<u>60,257,898</u>	<u>298,457</u>	<u>721,257</u>	<u>61,277,612</u>	<u>14,134,548</u>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	496,534	44,656	248,550	789,740	-
Investments	4,314,607	457,094	-	4,771,701	-
Loans to other funds	2,200,000	-	-	2,200,000	-
Capital assets:					
Non-depreciable assets	89,428,216	11,101,327	365,379	100,894,922	-
Depreciable assets, net	270,365,081	5,265,671	2,227,748	277,858,500	5,387,350
Other assets	906,090	-	10,644	916,734	-
Total non-current assets	<u>367,710,528</u>	<u>16,868,748</u>	<u>2,852,321</u>	<u>387,431,597</u>	<u>5,387,350</u>
Total assets	<u>427,968,426</u>	<u>17,167,205</u>	<u>3,573,578</u>	<u>448,709,209</u>	<u>19,521,898</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	3,198,459	29,847	60,149	3,288,455	401,962
Accrued liabilities	272,559	32,346	-	304,905	7,136
Due to other funds	-	142,372	-	142,372	-
Deferred revenues	-	57,729	-	57,729	-
Bonds payable, current portion	1,761,553	235,000	-	1,996,553	-
Notes payable, current portion	2,383,571	-	184,070	2,567,641	-
Lease payable, current portion	-	248,573	-	248,573	296,368
Other liabilities, current portion	115,726	8,492	-	124,218	875
Accrued interest	156,655	32,033	11,913	200,601	9,441
Estimated claims	-	-	-	-	1,549,673
Total current liabilities	<u>7,888,523</u>	<u>786,392</u>	<u>256,132</u>	<u>8,931,047</u>	<u>2,265,455</u>
Non-current liabilities:					
Bonds payable	7,786,914	4,545,000	-	12,331,914	-
Notes payable	28,692,521	-	2,672,793	31,365,314	-
Leases payable	-	826,793	-	826,793	856,788
Other liabilities	1,168,936	211,721	-	1,380,657	21,416
Total non-current liabilities	<u>37,648,371</u>	<u>5,583,514</u>	<u>2,672,793</u>	<u>45,904,678</u>	<u>878,204</u>
Total liabilities	<u>45,536,894</u>	<u>6,369,906</u>	<u>2,928,925</u>	<u>54,835,725</u>	<u>3,143,659</u>
NET ASSETS					
Invested in capital assets, net of related debt	319,168,738	10,511,632	30,021	329,710,391	4,234,194
Restricted for:					
Debt service	4,736,122	501,750	-	5,237,872	-
Other purposes	-	-	248,550	248,550	-
Unrestricted	58,526,672	(216,083)	366,082	58,676,671	12,144,045
Total net assets	<u>\$ 382,431,532</u>	<u>\$ 10,797,299</u>	<u>\$ 644,653</u>	<u>\$ 393,873,484</u>	<u>\$ 16,378,239</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities Enterprise Funds				Governmental Activities
	Westminster			Total	Internal Service Funds
	Utility Enterprise	Golf	Housing Authority		
Operating revenues					
Charges for services	\$ 37,476,945	\$ 2,728,363	\$ 920,327	\$ 41,125,635	\$ 13,011,356
Other	308,748	1,665	-	310,413	-
Total operating revenues	<u>37,785,693</u>	<u>2,730,028</u>	<u>920,327</u>	<u>41,436,048</u>	<u>13,011,356</u>
Operating expenses					
Personnel services	14,807,638	1,638,287	156,322	16,602,247	247,688
Contractual services	13,430,073	618,943	261,183	14,310,199	1,686,306
Commodities	1,171,390	517,117	163,911	1,852,418	2,024
Capital expense	6,182,127	410,756	-	6,592,883	118,386
Insurance and other expenses	47,502	-	29,063	76,565	10,820,857
Depreciation expense	10,842,313	554,228	171,830	11,568,371	1,002,692
Total operating expenses	<u>46,481,043</u>	<u>3,739,331</u>	<u>782,309</u>	<u>51,002,683</u>	<u>13,877,953</u>
Operating income (loss)	<u>(8,695,350)</u>	<u>(1,009,303)</u>	<u>138,018</u>	<u>(9,566,635)</u>	<u>(866,597)</u>
Non-operating revenues (expenses)					
Income on investments	1,152,830	17,191	7,689	1,177,710	294,379
Interest expense	(1,720,193)	(278,026)	(98,474)	(2,096,693)	(49,001)
Grants	17,238	-	-	17,238	-
Gain (loss) on disposition of capital assets	(255,997)	1,019	-	(254,978)	31,861
Other	(221,698)	-	(41,906)	(263,604)	107,293
Total non-operating revenues (expenses)	<u>(1,027,820)</u>	<u>(259,816)</u>	<u>(132,691)</u>	<u>(1,420,327)</u>	<u>384,532</u>
Income (loss) before contributions and transfers	<u>(9,723,170)</u>	<u>(1,269,119)</u>	<u>5,327</u>	<u>(10,986,962)</u>	<u>(482,065)</u>
Capital contributions	3,401,666	-	115,554	3,517,220	64,826
Transfers in	-	881,330	-	881,330	-
Transfers (out)	(132,981)	-	-	(132,981)	-
Change in net assets	<u>(6,454,485)</u>	<u>(387,789)</u>	<u>120,881</u>	<u>(6,721,393)</u>	<u>(417,239)</u>
Net assets - beginning , as restated	388,886,017	11,185,088	523,772	400,594,877	16,795,478
Net assets - ending	<u>\$ 382,431,532</u>	<u>\$ 10,797,299</u>	<u>\$ 644,653</u>	<u>\$ 393,873,484</u>	<u>\$ 16,378,239</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Utility Enterprise	Golf	Westminster Housing Authority		Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 37,528,024	\$ 2,729,699	\$ 918,532	\$ 41,176,255	\$ 12,999,102
Cash payments to employees for services	(14,705,627)	(1,621,675)	-	(16,327,302)	(237,297)
Cash payments to suppliers for goods and services	(21,517,831)	(1,520,933)	(586,772)	(23,625,536)	(12,616,044)
Other operating revenues (expenses)	308,748	-	-	308,748	-
Net cash provided by (used in) operating activities	<u>1,613,314</u>	<u>(412,909)</u>	<u>331,760</u>	<u>1,532,165</u>	<u>145,761</u>
Cash flows from noncapital financing activities:					
Payment on interfund loans	-	(174,976)	-	(174,976)	-
Transfer in	-	881,330	-	881,330	-
Transfer out	(132,981)	-	-	(132,981)	-
Net cash provided by (used in) noncapital financing activities	<u>(132,981)</u>	<u>706,354</u>	<u>-</u>	<u>573,373</u>	<u>107,293</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	(3,913,088)	(424,678)	(281,715)	(4,619,481)	(306,667)
Interest paid on long term debt	(1,821,361)	(272,592)	(95,786)	(2,189,739)	(50,174)
Acquisition and construction of capital assets	(14,151,619)	(58,078)	-	(14,209,697)	(748,800)
Proceeds from sale of capital assets	56,683	-	-	56,683	57,760
Contributions	2,112,021	-	-	2,112,021	-
Proceeds from grant/notes	17,238	-	-	17,238	-
Proceeds from lease	-	439,745	-	439,745	-
Net cash used in capital and related financing activities	<u>(17,700,126)</u>	<u>(315,603)</u>	<u>(377,501)</u>	<u>(18,393,230)</u>	<u>(1,047,881)</u>
Cash flow from investing activities:					
(Purchase) sale of investments	12,587,952	(7,025)	132,714	12,713,641	232,335
Interest received on investments	1,370,413	22,159	9,289	1,401,861	318,995
Net cash provided by (used in) investing activities	<u>13,958,365</u>	<u>15,134</u>	<u>142,003</u>	<u>14,115,502</u>	<u>551,330</u>
Net increase (decrease) in cash and cash equivalents	(2,261,428)	(7,024)	96,262	(2,172,190)	(243,497)
Cash and cash equivalents - beginning of year	<u>7,548,247</u>	<u>54,680</u>	<u>294,679</u>	<u>7,897,606</u>	<u>1,479,877</u>
Cash and cash equivalents - end of year	<u>\$ 5,286,819</u>	<u>\$ 47,656</u>	<u>\$ 390,941</u>	<u>\$ 5,725,416</u>	<u>\$ 1,236,380</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

	Business-type Activities Enterprise Funds				Governmental Activities
	Utility Enterprise	Golf	Westminster Housing Authority	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (8,695,350)	\$ (1,009,303)	\$ 138,018	\$ (9,566,635)	\$ (866,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	10,842,313	554,228	171,830	11,568,371	1,002,692
(Increase) decrease in accounts receivable	51,079	(329)	(1,795)	48,955	(12,255)
(Increase) decrease in inventory	(438,054)	40,516	-	(397,538)	-
(Increase) decrease in prepaid items	999	-	18,228	19,227	(97,300)
Increase (decrease) in deferred revenue	-	(8,359)	-	(8,359)	-
Increase (decrease) in accounts payable and other	(427,756)	(6,273)	5,479	(428,550)	(17,634)
Increase (decrease) in accrued liabilities	280,083	16,611	-	296,694	1,244
Increase (decrease) in estimated claims	-	-	-	-	135,611
Total adjustments	<u>10,308,664</u>	<u>596,394</u>	<u>193,742</u>	<u>11,098,800</u>	<u>1,012,358</u>
Net cash provided by (used in) operating activities	<u>\$ 1,613,314</u>	<u>\$ (412,909)</u>	<u>\$ 331,760</u>	<u>\$ 1,532,165</u>	<u>\$ 145,761</u>

Non-cash investing, capital, and financing activities:

- Developers contributed capital assets consisting of water and sewer lines of \$434,218
- A contribution of \$33,078 was reported in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority
- The unrecognized gain (loss) recorded to value the non-cash investments of the City's enterprise funds to fair value was \$1,061,767
- A capital contribution of \$115,554 was received by the Westminster Housing Authority from the General Government

**CITY OF WESTMINSTER, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2009**

	Volunteer Fire Pension
ASSETS	
Investments with fiscal agent	<u>\$ 2,458,162</u>
NET ASSETS	
Held in trust for pension benefits	<u><u>\$ 2,458,162</u></u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

		Volunteer Fire Pension
ADDITIONS		
Net investment income (loss)	\$	429,573
Total additions		<u>429,573</u>
 DEDUCTIONS		
Benefits		212,240
Administrative expense		17,585
Total deductions		<u>229,825</u>
 Change in net assets		 199,748
 Net assets - beginning		 2,258,414
 Net assets - ending	 \$	 <u><u>2,458,162</u></u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City (primary government) is a municipality governed by an elected mayor and six additional members of Council. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 14 are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units are, in substance, part of the City's operations, therefore data from these units are combined with the data of the City. The City's component units are all blended. All component units have a December 31 year-end.

Blended Component Units

The Westminster Housing Authority (WHA) (Enterprise Fund), Amherst General Improvement District (Special Revenue Fund), Sheridan Crossing General Improvement District (Special Revenue Fund), Westminster Economic Development Authority (WEDA) Fund (Special Revenue Fund), 136th Avenue General Improvement District (Special Revenue Fund), Mandalay Town Center General Improvement District (Special Revenue Fund), 144th Avenue General Improvement District (Special Revenue Fund), and the Promenade Parking Garage General Improvement District (Special Revenue Fund) are all governed by boards comprised of the City's elected officials. Each component unit governing body is substantially the same as the governing body of the City. In addition, the City has the ability to modify or approve the budgets of these entities and to appoint or designate new management in the case of the WHA.

Westminster Building Authority (WBA)

The City created the Westminster Building Authority as a non-profit corporation under State law (Articles 20 through 29, inclusive of Title 7 of the Colorado Revised Statutes). The Building Authority is intended to be the City's financing arm and, as such, allows the City to avoid paying fees to an outside third party financing corporation. WBA assigned its right to receive and enforce payments relating to debt service of these financial benefits to a trustee. WBA is not presented in the financial statements because it had no activity for the year ended December 31, 2009.

B. Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements focus on the City as a whole and the fund financial statements focus on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Fiduciary activities are excluded from the government-wide financial statements. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Government-Wide Statements

The government-wide statement emphasis is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the year.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net costs per functional category (Public Safety, Public Works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions.

Transfers between governmental funds and between enterprise funds are reported in total at the fund level, and are not carried forward to the government-wide statements; however, transfers between governmental funds and enterprise funds are reported in the respective activities columns of the Statement of Activities, resulting in elimination of transfer activity at the government-wide level.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, interest income, etc.).

Fund Financial Statements

The fund financial statement emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate (a) legal and covenant compliance, (b) the source and use of liquid resources, and (c) how the City's actual experience conforms to the budget plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each fund statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Reporting of Internal Service and Fiduciary Funds

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, net assets of internal service funds are consolidated with governmental activities when presented at the government-wide level. As appropriate, surplus or deficits are allocated back to customers in the entity-wide Statement of Activities as either

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

an expense or charge for services of the general government and are therefore not eliminated in the consolidation of interfund services provided and used.

The Volunteer Firefighter Pension Fund is presented in the Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets. Since these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, it is not incorporated into the government-wide statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, net assets, revenues and expenditures or expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has chosen to present additional funds as major funds, as allowed by GASB Statement 34. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements section.

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 45 days after year-end.

Sales taxes, property and other imposed taxes, as well as business fees and interest earnings associated with the current fiscal period are all susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of tax assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on long-term debt and certain compensated absences and claims and judgments, which are recognized when the obligations are due.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

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.

Sales and Use Tax Special Revenue Fund accounts for revenue from the City's 3% sales and use tax which was approved by Westminster voters. These funds are the primary funding

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source for the City's governmental operations and are pledged for various sales and use tax revenue bond issues subject to certain bond covenants. The fund also accounts for the .6% public safety tax, which was approved by Westminster voters in November 2003. Revenues from this tax must be used to improve and enhance the safety and security of Westminster residents.

General Capital Improvements Fund accounts for the financing and construction of projects ranging from parks, street improvements, and traffic signals to fire station construction and remodeling. Financing is provided by investment earnings, General Fund and Conservation Trust Fund revenues, intergovernmental revenues, contributions, bond proceeds and transfers.

Westminster Economic Development Authority Fund accounts for the monies for urban renewal activity. Financing is provided by the incremental increases of both property tax and sales tax within the boundaries of the Authority. Proceeds from bond issues are used to finance capital improvements.

Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, revenues, expenses, and transfers relating to the government's business and quasi-business activities—where *net income and capital maintenance are measured*—are accounted for through proprietary funds. The generally accepted accounting principles followed are generally those applicable to similar businesses in the private sector; the measurement focus is based upon determination of *net income, financial position, and cash flows*. Revenues earned and expenses incurred are recognized and classified in a government's proprietary funds in essentially the same manner as in business-type accounting and financial reporting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's proprietary funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB) of the committee on accounting procedures issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The following is a description of the major proprietary funds of the City:

Utility Fund accounts for all activities necessary to provide water, sewer and storm drainage services to City residents and some outside users, financing of such activities and related debt service.

Golf Course accounts for all activities necessary to operate and maintain two championship golf courses and finance the related debt service.

The City reports the following non-major proprietary fund:

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Westminster Housing Authority accounts for the operation of an apartment complex of 130 units, under Section 8 of the National Housing Act, including rental income, operational costs and debt service as well as other various low income housing redevelopment projects.

The City additionally reports the following Fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the City on a cost-reimbursement basis. The City has three internal service funds that are used for self-insurance purposes; property and liability, workers' compensation, and medical and dental insurance. In addition, the City has one internal service fund used for replacement of capital equipment.

Trust Funds account for assets held by the City in a trustee capacity on behalf of others under the terms of a formal trust agreement. Trust funds use the same measurement focus and basis of accounting as proprietary funds. The City has one pension trust fund that accounts for the assets of the City's volunteer firefighter pension plan.

D. Assets and Liabilities

Deposits and Investments

The City's cash and cash equivalents include amounts that are readily convertible to known amounts of cash and are not subject to significant risk from changes in interest rates.

Investments are reported at fair value. For cash and cash equivalents, the fair value approximates the carrying value. For long-term investments, fair value is determined via dealer quotes.

Receivables and Payables

The receivables for property taxes are recognized as of the lien date. Taxes are liened on January 1, certified to the counties in December, levied on January 1 of the following year, and subsequently paid in either one installment on April 30, or two installments on February 28 and June 15. Property taxes are recognized as receivables and deferred revenue when liened, and as revenue when available for collection in the following year. The respective counties bill and collect the City's property taxes.

Assessments are also enforceable liens on property. They are certified to the counties when liabilities for special improvement districts are established. Payments, billings, and collections are handled by the counties in the same manner as property taxes, or the City collects the assessments directly.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures/expenses when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Assets and Fund Statement Balance Sheets because their use is limited by

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applicable debt covenants. The General Fund; General Capital Improvement Capital Projects Fund; Westminster Economic Development Authority Special Revenue Fund; Parks, Open Space & Trails Special Revenue Fund; Golf Course Enterprise Fund; and the Utility Enterprise Fund have restricted assets which consist of bond proceeds and other cash and investments mandated by indenture to be segregated for the construction of various projects and payment of debt. The Westminster Housing Authority Fund has cash and deposits that are restricted due to the Department of Housing and Urban Development and/or debt requirements. The Conservation Trust Fund has restricted cash that are restricted due to the legal requirements of the program.

Capital Assets

Capital assets with a value of \$5,000 or more are recorded at historical cost. Major outlays for constructed capital assets and improvements are capitalized when the assets are placed in service and the improvements are complete. Donated capital assets are recorded at estimated fair value at the date of donation. Costs that do not add to the value of an asset or materially extend its useful life are not included in its capitalized value. Infrastructure includes all streets and other pavement, bridges, storm drainage, signs, and traffic signals. Capital assets are depreciated using the straight-line method generally over the following estimated useful lives:

<u>Capital Asset</u>	<u>Life Months</u>
Buildings and plants	360-480
Machinery and equipment	36-240
Improvements other than buildings	240-600
Parks	240
Infrastructure	120-600

Bond Premiums, Discounts, Deferred Loss on Refundings, and Issuance Costs

In the governmental funds, bond premiums, discounts, deferred loss on refundings and issuance costs are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities, in the government-wide statements) bond premiums, discounts, deferred loss on refundings and issue costs are deferred and amortized over the term of the bonds.

Other Long Term Liabilities

Compensated absences, post employment benefits other than pension (OPEB), and pollution remediation obligations are reported as Other Liabilities in the proprietary fund financial statements. In proprietary funds and in the government-wide statements, these liabilities are accrued when incurred.

In governmental funds, compensated absences and OPEB are considered long-term and therefore are not accrued as fund liabilities. Pollution remediation obligations are accrued when extinguishable with current financial resources; otherwise, they are not accrued.

Compensated absences and OPEB are liquidated by the fund in which an employee works. Governmental funds typically used to liquidate these liabilities include the General; Parks, Open Space & Trails; General Capital Improvement; Community Development Block Grant; Medical Dental Self Insurance; and Property & Liability Self Insurance Funds. Pollution remediation obligations are liquidated by the fund responsible for the remediation activity.

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Differences in the treatment of these liabilities between governmental fund statements and the Statement of Net Assets, Governmental Activities are accounted for in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.

E. Interfund Transactions

Interfund transactions are reflected as loans, services provided and used, reimbursements or transfers.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "loans to" and "loans from" other funds. In Governmental Funds, loans to other funds are offset by an equal reservation of fund balance to indicate that resources are not available for appropriation. Short term advances between funds are reported as "due to" and "due from" other funds.

Services provided and used are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges a benefiting fund for the costs and directly reduces its own costs related to the reimbursement.

All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The bank balance of the City's cash deposits at December 31, 2009 was \$3,751,112, of which \$750,000 was covered by Federal Deposit Insurance and \$3,001,112 was uninsured but collateralized in accordance with provision of the Colorado Public Deposit Protection Act (PDPA). An additional \$750,000 in Federal Deposit Insurance covers deposits held separately for the Westminster Economic Development Authority. The collateral is pooled and held in trust for all uninsured deposits as a group.

Investments

The City as a home rule municipality operating under its City Charter is allowed under Colorado State Statutes to promulgate and implement local standards for cash and investment management operations. It is the policy of the City to invest public funds in a manner that will provide preservation of capital, meet the daily liquidity needs of the City, diversify the City's investments, conform to all local rules and state statutes governing the investment of public funds, and generate market rates of return.

The adopted Investment Policy for the City authorizes all investments to be made in accordance with Colorado Revised Statutes. The provision of the City's Investment Policy apply to all investable funds of the City to include trust funds, bond ordinance accounts and reserve accounts. The reserve and trust accounts are further defined with additional investment guidelines. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of the City's funds.

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The City's principal investment objectives are:

- Preservation of capital and protection of investment principal
- Maintenance of sufficient liquidity to meet anticipated cash flows
- Diversification to avoid incurring unreasonable financial risks
- Attainment of a market rate of return as defined in Section XIII of the Investment Policy
- Conformance with all applicable City policies, State statutes and Federal regulations

The City's investments are subject to interest rate, credit and concentration of credit risk, which are mitigated by Colorado State Statutes as follows:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to less than seven years, unless matched to a specific cash flow.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by maintaining the weighted average maturity not to exceed three years.

Credit Risk. In accordance with its investment policy, the City manages its credit risk by requiring at the time of purchase that the security be rated by at least two nationally recognized credit rating agencies and further defined below and in the Investment policy.

The City's securities at December 31, 2009, are rated AAA by Standard and Poor's and AAA by Moody's Investors Services for its Agency securities. Corporate debt is rated at least AA- by Standard and Poor's and Aa3 by Moody's Investors Services. Commercial Paper is rated at least A-1 +by Standard and Poor's and P1 by Moody's Investors Services.

The City's investment policy follows Colorado Revised Statutes 24-75-602.1(j) and any changes enacted in the statutes relative to repurchase agreements. Collateral must have an original minimum fair value (including accrued interest) of 102% of the dollar value of the transaction; if the collateralized value drops below 101%, it is immediately restored to 102%. Collateral is held by the City's custodian bank as the safekeeping agent and marked to market daily.

Concentration of Credit Risk. In accordance with the City's investment policy, investments are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Percentage limitations used for measurements are based on the percentage of cost value of the portfolio as defined within the Investment Policy.

Local Government Investment Pools. At December 31, 2009, the City had invested \$1,244,447 in the Colorado Government Liquid Asset Trust (COLOTRUST) and \$1,163,960 in Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools.

COLOTRUST and CSAFE operate similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pooled shares. The pools are rated AAA by Standard and Poor's.

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The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by the pool. Investments of the pool comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits, and Money Market Funds.

Cash and Investments as reported on the financial statements at December 31, 2009.

Cash and cash equivalents	\$ 12,210,490
Cash and cash equivalents with agent	115,217
Investments	123,687,134
Restricted cash and cash equivalents	1,061,281
Restricted cash with agent	23,904,582
Restricted investments	7,551,178
Restricted investments with agent	4,687,567
Total per Statement of Net Assets:	<u><u>\$ 173,217,449</u></u>

Credit Quality Distribution for Securities as a Percentage of Total Investments

<u>Investment Type</u>	<u>S & P Rating</u>	<u>% of Total</u>
Local Investment - CSAFE	AAA	0.68%
Local Investment - COLOTRUST	AAA	0.73%
Commercial Paper	A-1+	0.00%
Corporate GE Capital	AA+	1.23%
Corporate New York Life Global Funding	AAA	1.19%
Corporate Metropolitan Life Global Funding	AA-	1.18%
Corporate Walmart	AA	1.81%
Corporate John Hancock GLOB FDG II	AA+	1.51%
Municipal - Westminster EDA	NR	2.96%
US Treasury Securities	N/A	10.86%
Federal Farm Credit Banks	AAA	18.64%
Federal Home Loan Bank System	AAA	25.69%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA	6.42%
Fannie Mae (Federal National Mortgage Association)	AAA	13.09%
First American Money Market Fund	AAAm	13.27%
First American Treasury Obligation	AAAm	0.74%

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<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>
Colorado Liquid Asset Trust (COLOTRUST)	\$ 1,244,447	-
Colorado Surplus Asset Fund (CSAFE)	1,163,960	-
Repurchase Agreements (FHLB)	8,879,246	-
Commercial Paper	-	-
US Treasuries	18,596,599	1.17
US Instrumentalities	95,689,138	1.36
Domestic Corporate Securities	11,854,917	0.72
Municipal	5,065,000	4.10
First American Money Market Fund	23,980,605	-
US Instrumentalities with Fiscal Agent	4,687,567	0.50
 Total Investments controlled by City	 \$ 171,161,479	
Portfolio weighted average maturity		1.77

B. Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2009 and the changes in fair value of such derivative instruments for the year then ended as reported in the 2009 financial statements are as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2009</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Governmental activities					
Cash flow hedges					
Pay-fixed interest rate swap	Deferred outflow of resources	\$ 441,000	Debt	\$ 441,000	\$ 61,205,000

The fair value of the interest rate swap is estimated using the zero-coupon method. This method calculates future net settlement payments required by the swap, assuming that the current forward rates implied by the 3 month Libor yield curve as of December 31, 2009 correctly anticipates future spot interest rates. These payments are then discounted using the spot rates implied by the then current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. The fair value calculation was completed by a consultant retained by the Westminster Economic Development Authority ("Authority") using a proprietary model.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Authority's hedging derivative instrument outstanding at December 31, 2009, along with the credit rating of the associated counterparty.

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<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009 Bank Loan (North Huron Urban Renewal)	\$ 61,205,000	5/8/2009	6/1/2016	Pay 4.51%; receive 65% of 1 month Libor + 2.30%	AA/Aa

Throughout the term of the interest rate swap the notional amount of the swap is identical to the outstanding principal balance of the loan and the settlement dates of the swap are the same as the interest payment dates (June 1, December 1) of the loan.

Risks

Credit risk. The Authority is exposed to credit risk on the hedging derivative instrument that is in asset positions. The counterparty for the interest rate swap is currently rated AA/Aa. The Authority does not require counterparty collateral to be posted in the event the counterparty's credit rating declines. At this time the derivative instrument is not in an asset position.

Interest rate risk. The Authority is exposed to interest rate risk on the pay fixed receive variable rate interest rate swap if the 1 month London Interbank Offered Rate (LIBOR) reference rate were to decline. If that were to happen the Authority's net payment on the swap would increase; however as this is an effective hedge, the interest rate paid on the loan would decline by a like amount.

Basis risk. The Authority is not exposed to basis risk on its pay fixed interest rate swap. This is because the reference rate that the authority pays on its variable rate loan is exactly the same as the variable reference rate the authority receives under the interest rate swap.

Termination risk. The Authority or its counterparty may terminate the derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a derivative instrument is in a liability position, the Authority then would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Rollover risk. The Authority is exposed to rollover risk on hedging derivative instruments used as hedges of debt that mature or may be terminated prior to the maturity of the debt. Currently both the pay variable loan and the derivative instrument have the same maturity date and therefore no rollover risk occurs. However, should the derivative instrument be subject to early termination for any reason, there would be rollover risk to the hedgeable item. It is the Authority's intention to hold the derivative to maturity.

Derivative Instrument Payments and Hedged Debt

As of December 31, 2009, aggregate debt service requirements of the Authority's hedged debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging derivative instruments will vary.

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Fiscal Year Ending December 31	Principal	Interest	Hedging Derivative Instrument, Net	Total
2010	\$ 2,125,000	\$ 1,520,418	\$ 1,239,927	\$ 4,885,346
2011	2,215,000	1,467,630	1,196,878	4,879,508
2012	2,315,000	1,416,477	1,148,135	4,879,612
2013	2,415,000	1,355,099	1,105,106	4,875,205
2014	2,525,000	1,295,107	1,056,182	4,876,289
2015	2,635,000	1,232,382	1,005,029	4,872,411
2016	46,975,000	585,061	474,225	48,034,286
Total:	<u>\$ 61,205,000</u>	<u>\$ 8,872,173</u>	<u>\$ 7,225,483</u>	<u>\$ 77,302,656</u>

C. Disaggregation of Receivables

	Taxes	Accounts	Leases and Notes	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 4,403,582	\$ 3,445,226	\$ 4,755,000	\$ 7,690	\$ 180,543	\$ 12,792,041
Sales and Use Tax	6,384,481	-	-	-	26,334	6,410,815
GCIF	-	693,321	194,847	721,550	299,249	1,908,967
WEDA	9,061,632	35,543	334,000	-	36,646	9,467,821
Other Governmental	1,709,949	6,775	-	823,173	41,317	2,581,214
Less: Allowance for Doubtful Accounts	-	(929,532)	-	-	-	(929,532)
Subtotal	<u>21,559,644</u>	<u>3,251,333</u>	<u>5,283,847</u>	<u>1,552,413</u>	<u>584,089</u>	<u>32,231,326</u>
Reconciliation of balances in fund financial statements to government wide financial statements	-	30,165	-	-	112,468	142,633
Total - Governmental Activities	<u>\$ 21,559,644</u>	<u>\$ 3,281,498</u>	<u>\$ 5,283,847</u>	<u>\$ 1,552,413</u>	<u>\$ 696,557</u>	<u>\$ 32,373,959</u>
Business-type Activities:						
Utilities	\$ -	\$ 3,484,105	\$ -	\$ -	\$ 487,986	\$ 3,972,091
Golf Course	-	-	2,223	-	3,012	5,235
Housing Authority	-	6,794	369,000	-	1,846	377,640
Total - Business-type Activities:	<u>\$ -</u>	<u>\$ 3,490,899</u>	<u>\$ 371,223</u>	<u>\$ -</u>	<u>\$ 492,844</u>	<u>\$ 4,354,966</u>

D. Leases and Notes Receivable

Description of notes and leases receivable

	Purpose of Issue	Amount Issued	Amount Outstanding	Scheduled Payments	Final Payment
PRIMARY GOVERNMENT					
Government Activities					
Catellus Development Corporation	Land SID assessment	\$ 194,847	\$ 194,847	one-time pymt	2010
Hyland Hills Park and Recreation District	Ice Centre Development Corp Building	6,997,500	4,755,000	semi-annually	Dec-2022
Colorado Rural Housing	Construction	334,000	334,000	annually	2011
Total Governmental Activities		<u>\$ 7,526,347</u>	<u>\$ 5,283,847</u>		

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Notes become receivable as the income is earned. Operating lease revenue is reported as income as it is earned. The net investment in a capital lease becomes receivable when benefits and risks associated with ownership of the property transfer to the lessee, typically at inception of the lease agreement.

The capital lease with Hyland Hills Parks and Recreation District represents a sub-lease for an undivided fifty percent interest in the Ice Arena to be paid over 25 years. In the event of default, Hyland Hills' interest would be reduced by two percent for each year the lease obligation was not met. The net interest rate on the lease is 5.247%.

The note with Catellus Development Corporation represents the final special assessment payment due on land purchased by Catellus.

The note with Colorado Rural Housing Development Corp is for the construction and purchase of a 12,000 square foot building located in the South Westminster Urban Renewal Area. The note requires minimum annual payments of interest and 20% of any surplus cash flow. It is anticipated that the loan will be repaid in 2011.

Annual Leases and Notes Payment Schedule

Capital Leases and Notes Receivable

Year Ending	Catellus	Hyland Hills	Colorado Rural Housing	Total
2010	\$ 194,847	\$ 265,000	\$ 334,000	\$ 793,847
2011	-	277,500	-	277,500
2012	-	292,500	-	292,500
2013	-	307,500	-	307,500
2014-2018	-	1,795,000	-	1,795,000
2019-2022	-	1,817,500	-	1,817,500
	<u>\$ 194,847</u>	<u>\$ 4,755,000</u>	<u>\$ 334,000</u>	<u>\$ 5,283,847</u>

E. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds:		
General Fund	Golf Course	\$ 142,372
General Fund	CDBG	158,788
Loans from/to other funds:		
General Fund	Westminster Economic Development Authority	120,000
General Capital Improvement	Westminster Economic Development Authority	1,125,000
Utility Fund	Westminster Economic Development Authority	<u>2,200,000</u>
	Total	<u>\$ 3,746,160</u>

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At December 31, 2009, the General Fund covered the overdrawn cash balance of the Golf Course Fund.

At December 31, 2009, the General Fund covered the overdrawn cash balance of the Community Development Block Grant Fund.

The loans to the WEDA Fund of \$3,445,000 were used to 1) pay for the redevelopment and revitalization of the Westminster Plaza Shopping Center and 2) pay for expenses associated with the redevelopment of an abandoned residential project within the Holly Park Urban Renewal Area. These interfund loans are expected to be repaid in the subsequent years.

For budget purposes, interfund loans are appropriated as "Other Financing Use" in the payor fund. On an actual basis, the interfund loan is only a balance sheet transaction; therefore, interfund loan transactions show a budget to actual variance in the budget comparison financial statements.

F. Capital Assets

	Primary Government			Ending Balance
	Beginning Balance	Additions	Deletions	
Governmental Activities				
Land	\$ 98,685,222	\$ 3,490,763	\$ (142,996)	\$ 102,032,989
Joint Venture	5,361,000	-	-	5,361,000
Construction in progress	5,048,022	4,213,803	-	9,261,825
Total non-depreciable assets	<u>109,094,244</u>	<u>7,704,566</u>	<u>(142,996)</u>	<u>116,655,814</u>
Buildings	74,432,475	1,200,858	-	75,633,333
Machinery and equipment	35,852,144	2,354,458	(797,435)	37,409,167
Improvements other than buildings	39,154,355	952,871	-	40,107,226
Parks	51,384,571	-	-	51,384,571
Ice Center	6,972,384	-	-	6,972,384
Infrastructure	311,155,591	12,944,208	-	324,099,799
Total depreciable assets	<u>518,951,520</u>	<u>17,452,395</u>	<u>(797,435)</u>	<u>535,606,480</u>
Less accumulated depreciation for:				
Buildings	(33,524,520)	(2,386,559)	-	(35,911,079)
Machinery and equipment	(24,609,771)	(2,819,298)	699,232	(26,729,837)
Improvements other than buildings	(12,108,537)	(1,932,186)	-	(14,040,723)
Parks	(21,782,417)	(2,206,927)	-	(23,989,344)
Ice Center	(1,452,580)	(145,258)	-	(1,597,838)
Infrastructure	(143,501,134)	(8,126,467)	-	(151,627,601)
Total accumulated depreciation	<u>(236,978,959)</u>	<u>(17,616,695)</u>	<u>699,232</u>	<u>(253,896,422)</u>
Net total depreciable assets	<u>281,972,561</u>	<u>(164,300)</u>	<u>(98,203)</u>	<u>281,710,058</u>
Governmental activities capital assets, net	<u>\$ 391,066,805</u>	<u>\$ 7,540,266</u>	<u>\$ (241,199)</u>	<u>\$ 398,365,872</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,334,442
Public safety	2,098,040
Public works	6,591,140
Community development	2,060,179
Culture and Recreation	5,053,467
Unallocated depreciation-Internal Service Funds	479,427
Total Depreciation expense	<u>\$ 17,616,695</u>

CITY OF WESTMINSTER, COLORADO
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DECEMBER 31, 2009

Primary Government (continued)				
	Beginning Balance as Restated	Additions	Deletions	Ending Balance
Business-type activities:				
Land	\$ 20,041,766	\$ -	\$ -	\$ 20,041,766
Water rights	72,525,397	518,334	-	73,043,731
Construction in progress	7,728,879	80,546	-	7,809,425
Total non-depreciable assets	<u>100,296,042</u>	<u>598,880</u>	<u>-</u>	<u>100,894,922</u>
Buildings and plants	223,173,952	4,515,696	-	227,689,648
Improvements other than buildings	162,121,365	7,389,683	(33,853)	169,477,195
Parks	1,551,253	-	-	1,551,253
Machinery and equipment	15,538,277	2,839,888	(571,720)	17,806,445
Total depreciable assets	<u>402,384,847</u>	<u>14,745,267</u>	<u>(605,573)</u>	<u>416,524,541</u>
Less accumulated depreciation for:				
Buildings and plants	(67,174,577)	(6,013,417)	-	(73,187,994)
Improvements other than buildings	(51,281,307)	(3,715,228)	2,230	(54,994,305)
Parks	(673,733)	(77,562)	-	(751,295)
Machinery and equipment	(8,499,638)	(1,762,164)	529,355	(9,732,447)
Total accumulated depreciation	<u>(127,629,255)</u>	<u>(11,568,371)</u>	<u>531,585</u>	<u>(138,666,041)</u>
Net total depreciable assets	<u>274,755,592</u>	<u>3,176,896</u>	<u>(73,988)</u>	<u>277,858,500</u>
Business-type activities capital assets, net	<u>\$ 375,051,634</u>	<u>\$ 3,775,776</u>	<u>\$ (73,988)</u>	<u>\$ 378,753,422</u>

Depreciation expense was charged to business-type functions as follows:

Utility	\$ 10,842,313
Golf	554,228
Westminster Housing Authority	171,830
Total Depreciation expense	<u>\$ 11,568,371</u>

The following is a summary of the machinery and equipment purchased by capital lease with a liability outstanding as of December 31, 2009.

2009 Leased Assets

	Historical Cost	Accumulated Depreciation	Net Book Value
General Capital Outlay Replacement	2,895,789	(652,647)	2,243,142
General Government	3,064,047	(502,789)	2,561,258
Golf Course Enterprises	1,245,659	(623,456)	622,203
Unallocated	4,920,000	-	4,920,000
Total	<u>\$ 12,125,495</u>	<u>\$ (1,778,892)</u>	<u>\$ 10,346,603</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

G. Disaggregation of Payables

Payables at December 31, 2009, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Activities:					
General	\$ 2,744,188	\$ 2,295,855	\$ 1,559,324	\$ -	\$ 6,599,367
Sales and Use Tax	478,320	2,170,908	-	-	2,649,228
GCIF	2,661,599	159,989	26,776	-	2,848,364
WEDA	300,580	948,250	-	-	1,248,830
Other Governmental	50,050	-	8,427	-	58,477
Subtotal	<u>6,234,737</u>	<u>5,575,002</u>	<u>1,594,527</u>	<u>-</u>	<u>13,404,266</u>
Reconciliation of balances in fund financial statements to government wide financial statements					
Internal service funds	401,962	-	7,136	9,441	418,539
Total - Governmental Activities	<u>\$ 6,636,699</u>	<u>\$ 5,575,002</u>	<u>\$ 1,601,663</u>	<u>\$ 948,952</u>	<u>\$ 13,822,805</u>
Business-type Activities:					
Utilities	\$ 3,042,218	\$ 156,241	\$ 272,559	\$ 156,655	\$ 3,627,673
Golf Course	26,261	3,586	32,346	32,033	94,226
Housing Authority	60,149	-	-	11,913	72,062
Total - Business-type Activities	<u>\$ 3,128,628</u>	<u>\$ 159,827</u>	<u>\$ 304,905</u>	<u>\$ 200,601</u>	<u>\$ 3,793,961</u>

H. Interfund Transfers

Transfers are indicative of funding for City operations, capital projects, debt service, or governmental subsidies. The following schedule briefly summarizes the City's transfer activity:

TRANSFERS FROM OTHER FUNDS	TRANSFERS TO OTHER FUNDS					Totals
	General Fund	General Capital Improvement Fund	Westminster Economic Development Authority	Non-Major Governmental Funds	Golf Course Fund	
General Fund	\$ -	\$ 80,000	\$ 200,000	\$ -	\$ 368,000	\$ 648,000
Sales Tax Fund	56,979,880	-	-	4,251,877	285,000	61,516,757
General Capital Improvement Fund	25,149	-	1,196,175	180,000	46,058	1,447,382
Non-Major Governmental Funds	-	1,211,713	-	3,227,990	182,272	4,621,975
Utility Fund		132,981				132,981
Totals	<u>\$ 57,005,029</u>	<u>\$ 1,424,694</u>	<u>\$ 1,396,175</u>	<u>\$ 7,659,867</u>	<u>\$ 881,330</u>	<u>\$ 68,367,095</u>

Reconciliation of Transfers between Governmental and Business-Type Activities:

From the Utility Fund to the General Capital Improvement Fund for Tap Fees	\$ (132,981)
From the General Fund to the Golf Course Fund for relief of interfund loans	(368,000)
From the General Capital Improvement Fund to the Golf Course Fund for relief of interfund loans	(46,058)
From the Sales Tax Fund to the Golf Course Fund to assist with debt service obligations	(285,000)
From the Open Space Fund to the Golf Course Fund to assist with debt service obligations	(182,272)
Total transfers between Governmental and Business Type Activities Funds	<u>\$ (1,014,311)</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

I. Long Term Debt

Long-term liability activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and leases payable:					
Revenue bonds	\$ 69,740,000	\$ -	\$ (4,785,000)	\$ 64,955,000	\$ 4,655,000
Tax increment bonds	120,155,000	41,160,000	(120,420,000)	40,895,000	1,680,000
Loans	-	70,450,000	(1,290,000)	69,160,000	2,385,000
Capital leases	80,627,717	562,530	(4,364,801)	76,825,446	4,980,913
	<u>270,522,717</u>	<u>112,172,530</u>	<u>(130,859,801)</u>	<u>251,835,446</u>	<u>13,700,913</u>
Add:					
Bond premium	3,468,342	-	(328,799)	3,139,543	271,365
Bond discount and deferred amount on refundings	<u>(3,898,490)</u>	<u>(1,117,517)</u>	<u>428,178</u>	<u>(4,587,829)</u>	<u>(319,783)</u>
Total bonds and leases payable	<u>270,092,569</u>	<u>111,055,013</u>	<u>(130,760,422)</u>	<u>250,387,160</u>	<u>13,652,495</u>
Other liabilities:					
Compensated absences	4,366,851	6,679,319	(6,676,545)	4,369,625	27,213
OPEB	448,581	356,873	(476,603)	328,851	-
Derivative	-	441,000	-	441,000	-
Total other liabilities	<u>4,815,432</u>	<u>7,477,192</u>	<u>(7,153,148)</u>	<u>5,139,476</u>	<u>27,213</u>
Governmental activities long-term liabilities	<u>\$ 274,908,001</u>	<u>\$ 118,532,205</u>	<u>\$ (137,913,570)</u>	<u>\$ 255,526,636</u>	<u>\$ 13,679,708</u>
	Beginning Balance as restated	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds, notes and leases payable:					
Revenue bonds	\$ 15,945,000	\$ -	\$ (1,870,000)	\$ 14,075,000	\$ 1,945,000
Notes	35,915,842	-	(2,549,802)	33,366,040	2,532,644
Capital leases	835,300	439,745	(199,679)	1,075,366	248,573
	<u>52,696,142</u>	<u>439,745</u>	<u>(4,619,481)</u>	<u>48,516,406</u>	<u>4,726,216</u>
Add:					
Bond/Notes premium	989,190	-	(93,229)	895,961	93,228
Bond discount and deferred amount on refundings	<u>(82,256)</u>	<u>-</u>	<u>6,677</u>	<u>(75,579)</u>	<u>(6,677)</u>
Total bonds, notes and leases payable	<u>53,603,076</u>	<u>439,745</u>	<u>(4,706,033)</u>	<u>49,336,788</u>	<u>4,812,767</u>
Other liabilities:					
Compensated absences	919,337	1,398,137	(1,365,634)	951,840	9,718
OPEB	83,634	70,681	(10,071)	144,244	-
Pollution Remediation	495,362	-	(86,571)	408,791	114,500
Total other liabilities	<u>1,498,333</u>	<u>1,468,818</u>	<u>(1,462,276)</u>	<u>1,504,875</u>	<u>124,218</u>
Business-type activities long-term liabilities	<u>\$ 55,101,409</u>	<u>\$ 1,908,563</u>	<u>\$ (6,168,309)</u>	<u>\$ 50,841,663</u>	<u>\$ 4,936,985</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

Description of Individual Debt Issues Outstanding - Summarized below are the City's debt issues outstanding at December 31, 2009.

Revenue Bonds	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Sales and Use Tax Refunding Series 2001	Refunding/112th Ave Improvements	\$ 13,275,000	\$ 2,910,000	4.0% - 5.0%	12/01/21
Sales and Use Tax Revenue Series 2002	136th Avenue & I-25 Interchange	15,090,000	11,935,000	3.40% - 5.25%	12/01/22
Sales and Use Tax Revenue Series 2007A	Refunding/Street Improvements	10,715,000	9,195,000	4.0% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007B	Refunding/Open Space Purchases	13,680,000	11,360,000	4.0% - 5.5%	12/01/16
Sales and Use Tax Refunding Series 2007C	Refunding/Street Improvements	10,910,000	9,555,000	4.0% - 5.25%	12/01/16
Sales and Use Tax POST Series 2007D	Open Space Purchases/Facility Improv	20,000,000	<u>20,000,000</u>	4.0% - 5.0%	12/01/31
Total Governmental Activities			<u>64,955,000</u>		
Water/Wastewater Revenue Series 2001	Refunding	20,990,000	9,295,000	3.6% - 5.5%	12/01/14
Golf Course Revenue Bonds Series 1998	Heritage Golf Course Construction	6,300,000	<u>4,780,000</u>	5.0% - 5.55%	12/01/23
Total Business-type Activities			<u>14,075,000</u>		
Total Revenue bonds			<u>\$ 79,030,000</u>		

Annual debt service requirements to maturity for revenue bonds are as follows:

Year	Governmental Activities			Year	Business-type Activities		
	Principal	Interest	Total		Principal	Interest	Total
2010	\$ 4,655,000	\$ 3,050,404	\$ 7,705,404	2010	\$ 1,945,000	\$ 689,040	\$ 2,634,040
2011	4,835,000	2,862,929	7,697,929	2011	2,030,000	607,950	2,637,950
2012	5,040,000	2,666,221	7,706,221	2012	2,115,000	523,250	2,638,250
2013	5,260,000	2,438,659	7,698,659	2013	2,205,000	430,315	2,635,315
2014	5,490,000	2,203,614	7,693,614	2014	2,315,000	318,965	2,633,965
2015-2019	18,610,000	7,273,115	25,883,115	2015-2019	1,715,000	779,175	2,494,175
2020-2024	10,015,000	3,936,675	13,951,675	2020-2024	1,750,000	249,750	1,999,750
2025-2029	7,520,000	1,942,288	9,462,288	Total	<u>\$ 14,075,000</u>	<u>\$ 3,598,445</u>	<u>\$ 17,673,445</u>
2030-2031	3,530,000	253,413	3,783,413				
Total	<u>\$ 64,955,000</u>	<u>\$ 26,627,318</u>	<u>\$ 91,582,318</u>				

Tax Increment Bonds and Loans	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
WEDA Revenue Refunding Bonds Series 2009	Westminster Plaza Redevelopment	\$ 5,330,000	\$ 5,065,000	3.800%	12/01/17
WEDA Revenue Refunding Bonds Series 2009	Mandalay Gardens Urban Renewal	35,830,000	35,830,000	(1)	12/01/28
Total Tax Increment Bonds			<u>\$ 40,895,000</u>		
WEDA Revenue Loan Series 2009	North Huron Urban Renewal	62,375,000	61,205,000	4.510%	12/01/16
WEDA Revenue Loan Series 2009	South Sheridan Urban Renewal	8,075,000	7,955,000	4.950%	12/01/28
Total Tax Increment Loans			<u>69,160,000</u>		
Total Governmental Activities			<u>\$ 110,055,000</u>		

Annual debt service requirements to maturity for tax increment bonds and loans are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2010	\$ 4,065,000	\$ 4,799,694	\$ 8,864,694
2011	4,250,000	4,624,272	8,874,272
2013	4,450,000	4,444,579	8,894,579
2013	4,655,000	4,248,788	8,903,788
2014	4,880,000	4,047,883	8,927,883
2015-2019	61,685,000	10,264,235	71,949,235
2019-2023	12,965,000	4,464,181	17,429,181
2024-2028	13,105,000	1,417,066	14,522,066
Total	<u>\$ 110,055,000</u>	<u>\$ 38,310,698</u>	<u>\$ 148,365,698</u>

(1) The Series 2009 WEDA Mandalay Gardens Renewal Refunding Bonds have a variable interest rate is based on LIBOR. The interest rate as of 12/31/09 is 0.25%

CITY OF WESTMINSTER, COLORADO
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Capital Leases	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Capital lease	09 Copier Portion of Joint Lease	\$ 34,990	\$ 23,902	4.850%	10/15/10
Capital lease	09 Parks Equipment	527,540	433,070	4.85%	10/15/14
Capital lease	05 Energy Saving Equipment	2,262,993	1,514,257	4.029%	10/15/16
Capital lease	03 Fire truck	288,476	74,068	3.20%	10/15/10
Capital lease	05 Fire truck	472,039	184,692	4.27%	10/15/12
Capital lease	07 Fire truck	396,932	242,025	4.10%	01/15/14
Capital lease	07 Bobcat	40,626	16,061	4.64%	04/15/11
Capital lease	08 Fire truck	603,450	464,858	3.52%	01/15/15
Capital lease	08 Pumper Truck	216,475	187,513	3.48%	10/15/15
Capital lease - Certificates of Participation 98	Ice Centre	13,995,000	9,510,000	4.65% - 5.4%	01/15/23
Capital lease - Certificates of Participation 01	Public Safety Building	18,740,000	13,875,000	4.15% - 5.25%	11/15/22
Capital lease - Certificates of Participation 05	144th & I-25 interchange	17,130,000	15,210,000	3.25% - 5.0%	11/15/25
Capital lease - Broomfield/Westminster Foundation	Metzger Farm Open Space	4,920,000	3,330,000	4.0% - 5.0%	11/15/16
Capital lease - Certificates of Participation 07	Refunding/Cap Fac & Streets	32,210,000	31,760,000	4.0% - 5.0%	11/15/25
Total Governmental Activities			<u>76,825,446</u>		
Golf Course capital lease	09 Golf Portion of Joint Lease	439,745	392,911	4.85%	04/15/14
Golf Course capital lease	06 Maintenance Equipment	582,144	312,918	4.32%	04/15/13
Golf Course capital lease	07 Maintenance Equipment	547,000	369,537	4.85%	04/15/14
Total Business-type Activities			<u>1,075,366</u>		
Total Capital Leases			<u>\$ 77,900,812</u>		

Annual debt service requirements to maturity for capital leases are as follows:

Governmental Activities				Business-type Activities			
Year	Principal	Interest	Total	Year	Principal	Interest	Total
2010	4,980,913	3,504,034	8,484,947	2010	\$ 248,573	\$ 44,131	\$ 292,704
2011	5,073,403	3,292,840	8,366,243	2011	285,071	33,059	318,130
2012	5,289,359	3,079,021	8,368,380	2012	298,253	19,879	318,132
2013	5,444,695	2,847,191	8,291,886	2013	198,324	6,712	205,036
2014	5,632,104	2,613,220	8,245,324	2014	45,145	826	45,971
2015-2019	28,324,972	9,334,168	37,659,140	Total	\$ 1,075,366	\$ 104,607	\$ 1,179,973
2020-2024	19,245,000	3,164,190	22,409,190				
2025	2,835,000	128,363	2,963,363				
Total	<u>\$ 76,825,446</u>	<u>\$ 27,963,027</u>	<u>\$ 104,788,473</u>				

Notes	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Colorado Water Power Authority Note 97	Reclamation Facility	\$ 13,246,525	\$ 6,718,258	4.54%	06/01/17
Colorado Water Power Authority Note 98	Reclamation Facility	4,085,697	1,865,210	3.96%	06/01/17
Colorado Water Power Authority Note 00	Northwest Water Treatment Plant	14,998,357	9,019,135	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Plant	15,440,000	12,692,500	3.32%	06/01/25
Housing Authority Mortgage	Refinance/Capital Projects	3,600,000	2,606,169	(2)	01/09/22
Brownfields Note	Remediation of South Westminster Property	413,000	293,757	2%	02/01/16
Rehfeld Note	Purchase of water shares	180,000	171,011	4%	03/31/23
Total Business-type Activities			<u>\$ 33,366,040</u>		

Annual debt service requirements to maturity for notes are as follows:

Business-Type Activities			
Year	Principal	Interest	Total
2010	2,532,644	1,345,394	\$ 3,878,038
2011	2,614,146	1,256,850	3,870,996
2012	2,699,492	1,170,049	3,869,541
2013	2,790,244	1,079,697	3,869,941
2014	2,878,657	987,420	3,866,077
2015-2019	13,422,766	3,151,918	16,574,684
2020-2024	5,903,091	1,012,034	6,915,125
2025-2029	525,000	36,138	561,138
Total	<u>\$ 33,366,040</u>	<u>\$ 10,039,500</u>	<u>\$ 43,405,540</u>

(2) The Housing Authority Mortgage bears interest at a variable yearly rate based on the Prime Rate. The interest rate as of 12/31/09 is 3.25%.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

J. Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets, Net of Related Debt is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Assets are liquid assets which have third party limitations on their use. Restricted net assets are reported by major category, which include Emergencies; Capital projects; Open space conservation and improvements; and Debt service. Non major categories have been aggregated as Restricted for Other.

Unrestricted Net Assets represent assets that do not have any third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

Governmental activities:

Capital Assets \$ 398,365,872

Issue	Amount Outstanding	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Total Capital Related Debt	Less Unspent Proceeds	Net Capital Related Debt
Related Debt					
2001 sales tax revenue bond	\$ 2,910,000	\$ 133,157	\$ 3,043,157	\$ -	\$ 3,043,157
2002 sales tax revenue bond	11,935,000	273,952	12,208,952	-	12,208,952
2007A sales tax revenue refunding bond	9,195,000	(33,721)	9,161,279	-	9,161,279
2007B open space sales tax refunding bond	11,360,000	8,444	11,368,444	-	11,368,444
2007C sales tax revenue refunding bond	9,555,000	(89,657)	9,465,343	-	9,465,343
2007D open space revenue bond	20,000,000	378,096	20,378,096	5,957,631	14,420,465
2009 WEDA Mandalay Gardens	35,830,000	(766,450)	35,063,550	-	35,063,550
2009 WEDA North Huron	61,205,000	(437,236)	60,767,764	-	60,767,764
2009 WEDA South Sheridan	7,955,000	(157,316)	7,797,684	-	7,797,684
Capital Lease	76,825,446	(632,058)	76,193,388	-	76,193,388
Total Governmental Activities	\$ 246,770,446	\$ (1,322,789)	\$ 245,447,657	\$ 5,957,631	239,490,026

Invested in capital assets, net of related debt \$ 158,875,846

Business-type activities:

Capital Assets \$ 378,753,422

Related Debt					
2001 Utility Refunding Revenue Bonds	9,295,000	253,466	9,548,466.00	\$ -	\$ 9,548,466
1998 Golf Course Revenue Bonds	4,780,000	-	4,780,000.00	-	4,780,000
Water Notes	30,466,114	609,979	31,076,093.00	-	31,076,093
Capital Leases	1,075,366	-	1,075,366.00	-	1,075,366
2002 Mortgage Note	2,606,169	(43,063)	2,563,106.00	-	2,563,106
Total Business Type Activities	\$ 48,222,649	\$ 820,382	49,043,031.00	\$ -	49,043,031

Invested in capital assets, net of related debt \$ 329,710,391

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

K. Pledged Revenues

The City has pledged a portion of future sales and use tax and property tax revenues to repay sales and use tax revenue bonds as follows:

- \$13,275,000 issued in 2001 to refund the Series 1991 refunding and improvement bonds originally issued for capital improvements.
- \$15,090,000 issued in December 2002 to finance its portion of a joint construction project with the City of Thornton for an interchange at 136th Avenue and Interstate 25.
- \$10,715,000 issued in March 2007 to provide new funding for street improvements and to refund certain of the City's outstanding Series 1997A sales and use tax revenue refunding and improvement bonds, originally issued to refund certain outstanding 1992A sales and use tax revenue bonds, originally issued for capital improvements.
- \$10,910,000 issued in October 2007 to provide new funding for street improvements and to refund certain of the City's outstanding Series 1997A sales and use tax revenue refunding and improvement bonds.
- \$13,680,000 issued in March 2007 to refund certain of the City's outstanding series 1997B sales and use tax revenue bonds originally issued for public improvements.
- \$20,000,000 issued in December 2007 to finance the acquisition, development, enhancement, and maintenance of open space and parkland throughout the City.

These bonds are payable solely from sales and use tax revenue collections. Current year, principal and interest of \$8,026,959 were paid from sales and use tax revenue totaling \$52,065,469. Total principal and interest payments remaining on the bonds is \$91,582,318 payable through December 2031.

The Westminster Economic Development Authority has pledged a portion of future sales and property tax revenues to repay tax increment variable rate revenue refunding bonds and loans, as follows:

- \$6,460,000 originally issued in 1997 to finance the redevelopment in the South Westminster Urban Renewal Area. The bonds were refunded in 2009 to tax increment revenue refunding bonds.
- \$38,455,000 originally issued in 2003 to finance redevelopment in the Mandalay Gardens Urban Renewal Area. The bonds were refunded in 2006 to tax-exempt tax increment revenue bonds and again in 2009 as tax increment adjustable rate Revenue Refund bonds.
- \$68,300,000 originally issued in 2005 to finance new development in the North Huron Urban Renewal Area. The bonds were refunded in 2009 with a loan.
- \$8,320,000 originally issued in 2007 to finance the redevelopment in the South Sheridan Urban Renewal Area. The bonds were refunded in 2009 with a loan.

Tax increment variable rate revenue bonds and loans are payable from incremental sales taxes and property taxes generated by increases above the base value of retail sales and assessed valuation in the urban renewal area plus interest earnings. Current year, principal, interest and fees of \$15,394,696 were paid with incremental net pledged revenues totaling \$11,196,111. Total principal and interest remaining on the bonds is \$148,365,698, payable through December 1, 2018.

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The Utility Enterprise has pledged future water and waste water revenues, excluding any special assessments and net of specified operating expenses, to repay:

Colorado Water Resource and Power Development Authority Notes:

- \$13,246,525 issued in May 1997 to construct a Reclamation Facility
- \$4,085,697 issued in April 1998 to construct a reclamation facility
- \$14,998,357 issued in April 2000 to construct the NW Water Treatment Facility
- \$15,400,000 issued in May 2005 to expand the Big Dry Creek Treatment Facility

Revenue Bonds

- \$20,990,000 issued in December 2001 to refund 1992 and 1994 General Obligation bonds

The notes and bonds are payable solely from water and waste water net revenues. For the current year, principal and interest paid totaled \$5,734,448 and water and waste water net revenues totaled \$4,047,280. Total principal and interest payments remaining on the bonds and notes is \$50,349,264, payable through December 2025.

The City has pledged has pledged future golf course facilities revenues, net of specified operating expenses, as follows:

- \$6,300,000 issued in July 1998. Proceeds from the bonds provided financing for the acquisition, construction, and purchase of equipment for Legacy Ridge Golf Course, the Heritage at Westmoor Golf Course, and any subsequent golf course facilities acquired by the City after the issuance of the bonds.

These bonds are payable solely from golf course facilities net revenues. For the current year, principal and interest paid totaled \$499,415 and net golf course revenues totaled (\$455,075). Total principal and interest payments remaining on the bonds is \$6,988,895, payable through December 2023.

NOTE 3 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; employee injury on the job; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the City carries excess insurance. The City self-funds the deductible portion of all claims. There were no reductions in insurance coverage from 2008 to 2009. The City has never had any settlements that exceeded insurance coverage.

Medical and Dental Self-Insurance Internal Service Fund

The City established a dental program effective January 1, 1984. The purpose of this program is to pay the dental claims of eligible City employees and their covered dependents. As of January 1, 2003, the City entered into an Administrative Service Only (ASO) with Great West Healthcare ("GW"), whereby the City pays GW a separate amount for administrative costs, insurance taxes, and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The program covers individual losses up to \$2,000,000 lifetime benefit for the PPO and for out-of-network POS plan services. The lifetime benefit for POS in-network services is unlimited. The program provides a

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specific stop loss of \$150,000 per individual per year. The City has recorded a liability in this fund totaling \$757,591 for open and estimated claims not yet reported at December 31, 2009.

Workers' Compensation Self-Insurance Internal Service Fund

The City established a self-insured program for workers' compensation claims effective January 1, 1986. The purpose of this program is to pay workers' compensation claims of City employees and to reduce total annual workers' compensation costs to the City. The program covers individual losses up to \$350,000 per claim plus \$100,000 corridor deductible. Greater individual losses are covered by an excess insurance policy with statutory limits per occurrence purchased from an outside company. The City has recorded a liability totaling \$552,597 for open claims and estimated claims not yet reported at December 31, 2009.

Property and Liability Self-Insurance Internal Service Fund

The City established a program for property and liability claims effective January 1, 1988. The purpose of this program is to pay property and liability claims against the City and to reduce total annual insurance coverage cost to the City. The program covers property losses for the total insured value of all property owned by the City up to a maximum of \$501,000,000 and in-state liability losses of up to \$150,000 per person with a \$600,000 per occurrence limit as set forth by statutory liability limits for public jurisdictions. For losses in excess of program limits, the City carries excess liability coverage that also covers the City for federal acts and out-of-state claims. In addition to property insurance including boiler and machinery, the program covers automobile liability, general liability, police professional, error and omissions, crime, fiduciary liability.

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$239,485 for open claims at December 31, 2009.

Changes in the balances of claim liabilities for all plans follow:

Year	Beginning Balance		Incurred Claims	Cumulative Claim Payments	Ending Balance	
	Unpaid Claims				Unpaid Claims	
2008	\$ 1,135,049	\$	8,144,334	\$ 7,865,321	\$	1,414,062
2009	1,414,062		7,813,997	7,678,386		1,549,673

B. Public Entity Risk Pools

The Colorado Intergovernmental Risk Sharing Agency ("CIRSA") was formed by an intergovernmental agreement by member municipalities pursuant to the provisions of regulation 24-10-115.5, C.R.S. (1982 Repl. Vol.), as amended, 29-1-201 et seq., C.R.S. (1977 Repl. Vol.), as amended, 29-13-102, C.R.S. (1977 Repl. Vol.), as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities, which are members of the Colorado Municipal League. The City only participates in the property and casualty coverage of the pool and does not participate in the worker's compensation coverage. As of December 31, 2009, there were 196 member municipalities and 25 special districts, including the City of Westminster, in the property and casualty pool.

The purpose of CIRSA is to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. CIRSA provides insurance coverage for property, liability, fiduciary, crime, police

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professional, and errors and omissions. The deductible amount paid by the City per each incident in 2009 was \$250,000 for property and \$250,000 for liability. Coverages are as follows.

- 1) Property/excess property: total insured value for City property up to the \$501,000,000 pool limit.
- 2) General liability (claims subject to the Governmental Immunity Act): to \$150,000 per person and \$600,000 per occurrence. (Claims not subject to Government Immunity Act up to \$500,000,000 limit)
- 3) Auto liability (claims not subject to the Governmental Immunity Act): to \$1,500,000 per occurrence.
- 4) Excess law enforcement liability and public officials' errors and omissions liability coverage: to \$5,000,000.
- 5) Crime: to \$150,000 any one claim and annual aggregate.
- 6) Supplemental defense costs (claims subject to the Governmental Immunity Act): to \$50,000 per claim/occurrence.
- 7) Excess crime to \$2,000,000 any one claim and annual aggregate.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available from insurance providers and under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs although it is not legally required to do so.

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to indemnify, in accordance with the Bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA are dedicated to the exclusive benefit of its members. The Bylaws constitute the substance of the intergovernmental contract among the members. Continued membership in CIRSA must be periodically approved by the City Council. The Board of Directors, which is elected by the membership for two-year terms, governs CIRSA. All actions of the membership require a majority vote for all the members present at a meeting.

C. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

City Council and the WEDA Board have approved Economic Development Assistance packages as part of an active Economic Development program. As a result of these packages, the City will rebate certain future incremental revenues as outlined in the agreements.

Various suits and claims are pending against the City as of December 31, 2009. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that

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adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the City.

D. Construction and Other Significant Commitments

At December 31, 2009, the City had commitments for the acquisition and construction of various major capital projects and facilities in the capital projects and enterprise funds as shown below.

Funding of these future expenditures for the capital projects funds has been provided for through investment earnings; operating transfers from the General, Sales & Use Tax, Parks, Open Space & Trails Sales & Use Tax, Conservation Trust funds; sales and use tax revenue bond proceeds; tax increment variable rate bond proceeds; and Community Development Block Grants.

Funding of these future expenditures in the Utility Fund has been provided for through water and wastewater rates and tap fees, as well as bond proceeds. Funding for future expenditures in the General Capital Outlay Replacement Fund are provided for through charges for services and periodic transfers from the General and Sales and Use Tax funds.

	Appropriation 12/31/2009	Cumulative Expenditures 12/31/2009	Authorized Available 12/31/2009
Governmental activities:			
General Capital Improvement Fund	\$ 42,363,892	\$ 8,951,992	\$ 33,411,900
Westminster Economic Development Authority	1,750,554	-	1,750,554
Non-major governmental funds	16,295,865	9,320,889	6,974,976
General Capital Outlay Replacement Fund	3,009,923	-	3,009,923
Total Governmental activities	<u>\$ 63,420,234</u>	<u>\$ 18,272,881</u>	<u>\$ 45,147,353</u>
Business-type activities			
Utility Fund	\$ 44,866,498	\$ 7,809,452	\$ 37,057,046

E. Denver Water Board Raw Water Leases

The City has the right to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from the Denver Water Board. The fiscal period for each year's water usage runs from July 1 to June 30. Permitted usage varies from month-to-month and peaks during the summer months. The 2009 rate charged per acre-foot by the Denver Water Board is \$237.87. The 2009 annual lease cost based on this rate was \$425,000.

F. Perpetual Agreement

In December 2003, the City amended its perpetual water rights lease exchange contract dated January 7, 1982 with the City of Thornton. The amended contract provides that Westminster can perpetually lease from Thornton 2.0 million gallons per day of treated water with the option to increase or decrease this amount by 10%. Westminster has the option to purchase up to 2.7 millions gallons per day. The agreement stipulates that Westminster shall pay for treated water delivered to it at a rate equal to the lowest rate charged by Thornton for treated water to any water utility customer within the City of Thornton. The rate at December 31, 2009, was \$3.28 per thousand gallons for an annual cost of \$2,154,960.

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G. Employee Retirement Plans

Plan Description The City provides pension benefits, through two defined contribution pension plans, for all of its regular full-time employees and part-time employees who work at least 20 hours per week and are over age 18. The Police Plan includes Police Officers. The General Employee Plan includes all other employees.

Both employee plans are established by separate ordinances as single-employer, defined contribution plans, qualified under IRS guidelines. When employees change job status, their pension balance is moved from their old plan to the appropriate new plan through a transfer. The City does not participate in Social Security.

Long-term disability and death benefits are provided as employee benefits apart from the Pension Plans.

The Plan provisions and requirements are established by Municipal Ordinance and determined to be a qualified Pension Plan by the Internal Revenue Service. The Plan Ordinance grants the Pension Board members and Trustee the authority to administer, interpret, and apply the requirements of the Plan document. Any changes to the Plan Document are subject to City Council approval and require Internal Revenue Service determination of qualification.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Earnings differ between participants in Westminster's plans because investments are self-directed; from eligible options, participants choose where to invest contributions to their account. Investment options are selected by the pension boards.

Eligible employees hired on or after January 6, 1986 must participate from the date of employment. Employees hired before that date were given the option to begin participation on January 6, 1986 or wait until they had completed 22 months of service with the City. Before January 6, 1986, employees could not participate until completing 22 months of service, at which time participation was mandatory.

Contributions and plan provisions of the two plans are the same. The mandatory employee contribution is 10% of base pay. Employees may elect to contribute in excess of the mandatory contribution. Voluntary contributions may be made on an after tax basis. The City contributes 10.25% of each employee's base pay beginning when the employee has completed 22 months of service with the City. The City has no other obligations to fund any employee pension plan.

All contributions and earnings are fully vested at all times. All administrative costs of the plans are borne by the participants of each plan. Administrative costs and fees charged by fund managers, are netted against earnings and allocated to the two plans based on either the dollars in the plan or the number of participants in the plan, depending on the type of expense.

No plan administration is performed by the City of Westminster other than transmitting contributions to the identified employee accounts. The Charles Schwab Corporation provides administration for the plans and assists employees with their self-directed investments.

Summary of Contributions For the year ended December 31, 2009, contributions actually made to the two plans equaled required contributions and were as follows:

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Required contributions to the two plans, and contributions actually made were as follows:

	Police Pension Plan	General Employee Pension Plan	Total
City contributions at 10.25%	\$ 1,143,782	\$ 3,267,569	\$ 4,411,351
Mandatory employee contributions at 10%	1,213,117	3,533,998	4,747,115
Voluntary employee contributions up to 10%	11,539	75,519	87,058
Rollover contributions	-	34,069	34,069

H. State Fire and Police Pension Plan (FPPA Defined Benefit Plan)

Effective September 1, 2004, the City of Westminster began contributing to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid firefighters of the City of Westminster are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the City of Westminster are established by statute. The contribution rate for the last three years to the Statewide Defined Benefit Plan for active plan members was either 8% or 10% of covered salary depending on date of hire, and for the employer was either 8% or 10% of covered salary, again depending on date of hire.

The City of Westminster's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2009, 2008, 2007 were \$1,708,355, \$1,637,615, and \$1,547,993, respectively, equal to the required contributions for each year. The following exhibit shows a detailed history of Annual Required Contributions (ARC) and actual contributions made to the plan:

Description	2007	2008	2009	Total
Employee Contribution 10%	\$ 588,171	\$ 606,866	\$ 609,913	\$ 1,804,950
Employee Contribution 8%	178,893	206,765	234,969	620,627
Employee Drop Program 10% *	13,865	10,353	18,592	42,810
Employer Contribution 10%	588,171	606,866	609,913	1,804,950
Employer Contribution 8%	178,893	206,765	234,968	620,626
Total	<u>\$ 1,547,993</u>	<u>\$ 1,637,615</u>	<u>\$ 1,708,355</u>	<u>\$ 4,893,963</u>

*The FPPA Deferred Retirement Option Plan (DROP) is part of the Statewide Defined Benefit Plan designed for members who are eligible to retire, but instead choose to continue employment for a specified period of time not to exceed five years. The City has no liability to match DROP program employee contributions.

Prior to 1997, the State of Colorado made a one-time contribution to fund future service costs for all firefighters hired prior to January 1, 1997. These members do not make contributions to the Statewide Death and Disability Plan. Aggregate contributions totaling 2.6% of payroll were made

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to the Statewide Death and Disability Plan in 2009 for firefighters hired on or after January 1, 1997, of which 1.9% and 0.7% were funded by the City and plan members, respectively. The contribution rate may vary from year to year, depending on actuarial experience.

I. Volunteer Firefighter Pension Fund

The City has fiduciary responsibility for a single-employer defined benefit retirement system (“the plan”) established by the Volunteers, which is included in the City’s financial reports as a pension trust fund.

Summary of Significant Accounting Policies

Basis of Accounting. Financial statements of the plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

Plan Description and Contribution Information

At December 31, 2009, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	32
Terminated volunteers entitled to benefits but not receiving them	0
Active plan members	<u>0</u>
Total	<u>32</u>

Plan Description. The plan provides retirement benefits as well as death and disability benefits. Participants become fully vested after 20 years of active service. Retirement benefits are payable upon vesting for any volunteer who terminates after 10 years but prior to 20 years of active service allowed by State Statutes. The benefit is equal to the full retirement benefit at the date of termination prorated by the number of years of service accrued. Surviving spouses of deceased retirees may receive up to 50% of the retirement benefit until remarriage.

Volunteers may retire upon completion of 20 years of service even though not all of the service was earned in the same fire department. If they first became volunteers prior to June 2, 1977, the retirement benefit is paid from the pension fund of each department for which they served at least five years. The amount paid is equal to 1/20 of the monthly retirement benefit being paid by that department at the date of termination from the department for each year of service with that department.

Contributions. An actuarial study performed on January 1, 2009, states that the current level of assets in the fund are in excess of the amount needed to pay the capped maximum of \$700 per month and all prorated amounts by \$734,385. Therefore, no additional contributions are required at this time by either the Volunteers or the City. State statutes govern contribution requirements. For 2009, the City’s annual pension cost of \$0 for the Volunteer Firefighter Pension Plan was equal to the City’s required and actual contributions. The required

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contribution was determined as part of the 2009 actuarial valuation using the entry age actuarial cost method. The following exhibit shows a history of Annual Required Contributions (ARC) and Actual Contributions made to the plan:

Year Ended 31-Dec	Required Contribution	Actual Contribution	Percentage Contributed
2004	-	-	100%
2005	-	-	100%
2006	-	-	100%
2007	-	-	100%
2008	-	-	100%
2009	-	-	100%

(Note: From 2004 – 2009, there was no active plan members and therefore, no actual or required contributions.)

Funding for the plan was provided through a property tax levy prior to 1987. The levy was eliminated in 1987 because the plan was over-funded. No annual employer contributions have been required. Therefore, the pension liability for the plan, determined in accordance with Statement No. 27 of the Government Accounting Standards Board (GASB), “*Accounting for Pensions by State and Local Government Employer*,” is zero, as it was previously reported prior to implementation of GASB Statement 27. Since Volunteers do not contribute to the plan, no plan assets are distributed if a volunteer is terminated prior to vesting.

Current Status of the Plan. All volunteer firefighters have retired. After the last volunteer firefighter retired, the volunteer firefighter program was dissolved by the City Council as required by state law. As required by Colorado State Law, Council prior to dissolving the plan established the final benefit. The maximum benefit for a volunteer beneficiary has been permanently capped. With the approval of the Volunteer Fire Pension Board and the City Council of Westminster, the assets of the plan were transferred to the Fire and Police Pension Association of Colorado (FPPA) as allowed by C.R.S., 31-31-705. This statute allows FPPA to manage the funds of the plan and pay beneficiaries. Administrative costs and fees of the plan are netted against investment earnings on a prorated basis. The City of Westminster retains responsibility for administration and the liability of the plan. Investments of the funds are invested under the concept of an agent multiple-employer plan. When the last participant of the plan passes away, the residual assets will transfer to the City and can only be used for fire related purposes.

The FPPA audited annual financial report may be obtained by calling 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

Funded Status and Funding Progress-Volunteer Firefighter Pension Plan

Based on an amortization period of twenty years using the entry age actuarial cost method on an open level dollar amount basis, expected contributions exceed the amount recommended to fund the plan. The entry age actuarial cost method does not yield an unfunded actuarial liability.

Because Volunteers are not paid, no projected salary increases or cost-of-living adjustments are included in the actuarial assumptions.

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The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

	2009
Actuarial Value of Assets	\$ 2,710,097
Actuarial Accrued Liability (AAL)	1,975,712
Excess/(Shortfall) of Assets over AAL	734,385
Funded Ratio	137%

Actuarial Methods and Assumptions

The actuarial valuation and annual required contributions (ARC) were determined using the entry age actuarial cost method since the plan has been dissolved and benefits capped. The actuarial assumptions used in the 2009 actuarial valuation included:

- a) Actuarial cost method: Entry Age
- b) Amortization method: Level Dollar – Open
- c) Remaining amortization period: 20 years
- d) Asset valuation method: Actuarial Value, based on a three-year moving average of expected and actual market values
- e) Investment rate of return: 8.0%
- f) No projected salary increases
- g) No cost of living increases
- h) Inflation rate: 3.5%

J. Retiree Health Program

Program Description. The Retiree Health Program (Program) is a single-employer defined benefit healthcare plan administered by the City of Westminster. The Program provides medical, dental, and vision insurance benefits to eligible retirees and their dependents until age 65 or upon becoming Medicare eligible. Benefits are provided for active employees and retirees under the same health care plan.

The Program offers self funded PPO and POS programs as well as a fully funded HMO. The dental benefit component is self funded and the vision benefit is paid solely by the participants in the Program.

Funding Policy. The Program provisions and requirements are established and may be amended by Council policy. The City funds OPEB expense on a pay-as-you-go basis. Program claims and fees for the self funded plan, and expected premiums for the fully funded plan totaled \$714,100 during 2009. Program members receiving benefits contributed \$227,426 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City’s pay-as-you-go program funding totaled \$486,674 during the year.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45).

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The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover current year costs plus amortization for a portion of the unfunded accrued actuarial liability for Program benefits. The City implemented GASB 45 prospectively on January 1, 2007, and reports the net OPEB obligation at transition as zero in accordance with the provisions of the statement. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Program, and changes in the City's net OPEB obligation.

Annual Required Contribution	\$ 427,554
Contributions made	(486,674)
Increase (Decrease) in net OPEB obligation	<u>(59,120)</u>
Net OPEB obligation - beginning of year	532,215
Net OPEB obligation - end of year	<u><u>\$ 473,095</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for years 2007-2009 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	\$ 360,000	44.20%	\$ 159,034
12/31/2008	391,882	4.80%	532,215
12/31/2009	427,554	113.83%	473,095

Funded Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$4,000,000. The covered payroll (annual payroll of active employees covered by the Program) was \$52,697,614. The ratio of the UAAL to covered payroll was 7.6 percent.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial accrued liability for benefits relative to the covered payroll of employees covered by the Program.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the City and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the City and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long term perspective of the calculations.

In the January 1, 2009 valuation, the projected Unit Credit with benefits attribution method was used. The actuarial assumptions included a 5.25 percent investment rate of return to calculate

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the ARC on a pay-as-you-go basis, which is the rate expected on short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years. It is calculated assuming a level percentage of projected payroll on an open basis. Payroll is assumed to increase at 3.5% per year. The annual trend rates for health care costs applied on a select and ultimate basis are 11% and 5%, respectively. Select trends are reduced 0.5% each year until reaching the ultimate trend.

A separate financial report is not issued for the Retiree Medical Program.

K. Tax Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

In November 2002, Westminster voters approved a ballot measure that exempts the City from the spending and revenue limits of the amendment.

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

At December 31, 2009, amounts required as Emergency Reserves in compliance with the Amendment total \$3,060,448 for the general government and an aggregate of \$17,368 for applicable component units. These amounts are shown as reservations of fund balance in the General and respective non-major funds as well as a restriction of Net Assets on the Statement of Net Assets.

L. Jointly Governed Organization

The Woman Creek Reservoir Authority was formed in 1996 to oversee facilities constructed to protect the City's main drinking water supply from hazards flowing from the former nuclear weapons manufacturing facility at Rocky Flats. Rocky Flats is located west of the City of Westminster between the Cities of Golden and Boulder. The U.S. Department of Energy funded this water protection project through a grant. The purpose of the grant is to provide a sufficient investment pool to generate investment earnings to cover the annual operating expenses of the Authority and cover any large rehabilitation costs which may arise. The Cities of Northglenn, Westminster, and Thornton participate equally in the administration and operation of the Authority. Each City appoints one member of the three-member board of directors for the Authority. The Authority has no employees.

The Authority is not financially accountable for any other organization nor is the Authority a component unit of any other primary governmental entity.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

M. Joint Ventures

Hyland Hills Park and Recreation District-City of Westminster Ice Centre Intergovernmental Agreement. The City entered into an intergovernmental agreement (IGA) with Hyland Hills Park and Recreation District on January 29, 1998. The City agreed to finance (through the Westminster Building Authority) and construct a three sheet Ice Centre and Hyland Hills agreed to operate the Ice Centre pursuant to a sub-lease. The sub-lease calls for Hyland Hills to make lease payments to the City equivalent to one-half of the rental obligation due from the City to the Westminster Building Authority. The agreement entitles Hyland Hills to an undivided fifty percent interest in the Ice Centre, which in the event of default, would be reduced by two percent for each year the lease obligation was not met. The City receives one-half of the net revenues received from the operation of the Ice Centre. There are not separate financial statements for the joint venture.

Broomfield-Westminster Open Space Foundation. The City entered into an intergovernmental agreement with The City and County of Broomfield on December 12, 2005, to create the Broomfield-Westminster Open Space Foundation (Foundation), a nonprofit corporation qualifying under section 501 (c) (3) of the Internal Revenue Code, to function as a public foundation. The sole purpose of the nonprofit corporation is to acquire, finance, own, and operate approximately 150 acres of undeveloped land known as the Metzger Property. The board of directors for the Foundation is comprised of an equal number of directors appointed by each City, and one additional impartial director selected by Broomfield and Westminster. Acquisition of the property was financed in 2006 from grants, donations, gifts, contributions from public and private entities, and issuance of financial obligations by the Foundation. The cities agree to their share of payments as set forth in the By-Laws of the Foundation. The City accrues one-half ownership interest in the property based on annual lease rental payments set forth in the financing document. The City records its interest in the Metzger Farm as a capital lease payable and as Joint Venture Land valued at \$4,920,000. At December 31, 2009, the City's fifty percent equity interest in the Foundation is \$615,648.

Financial statements for the Broomfield-Westminster Open Space Foundation may be obtained by contacting the City of Westminster Finance Department, 303-430-2400, extension 2040.

N. Component Unit of another Government with Joint Venture Characteristics

The City of Westminster entered into an intergovernmental agreement with the City of Northglenn to establish the Church Ditch Water Authority (the Authority) on October 29, 2004. The Authority is responsible for the operation, maintenance, and continued development of Church Ditch. The effects of water resource development by the Authority benefit both cities and other contractual users of the Church Ditch. The Authority (a governmental entity), which replaced the Church Ditch Company (a private carrier ditch company), was created to maximize operating efficiencies, streamline the rate setting process, and provide for management of easement and property ownership issues. The Authority is governed by a Board of Directors consisting of two directors appointed by the City of Northglenn, and one director appointed by the City of Westminster. The City owns one-third of the Church Ditch while Northglenn owns the other two-thirds. The City of Northglenn reports the Church Ditch Authority as a discretely presented component unit; the City of Westminster, as the minority participant in the Authority, reports an equity interest of one-third of the Authority's net assets as "Other Assets" in the Utility Fund.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

O. Intergovernmental Agreement

In September 1995, the City entered into an intergovernmental agreement with the State of Colorado, Department of Higher Education for the construction and operation of the College Hill Library at Front Range Community College. This agreement called for the City and Front Range College to jointly build, furnish, equip, staff, operate and maintain the College Hill Library. The library has been fully operational since April 7, 1998. The intergovernmental agreement calls for the City to pay Front Range Community College its proportionate share of operating expenses. This agreement allows the City to occupy space in the facility for up to 50 years. After 33 years, either party may terminate this agreement by giving 2 years' written notice to the other party. Thus, the City would enjoy a minimum of 35 years.

P. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2009, Industrial Revenue Bonds outstanding aggregated \$14,675,000.

Q. Arbitrage Compliance

All bond issues for the City of Westminster have been evaluated to determine arbitrage compliance and liability position. For issues where all proceeds have been spent, the City has no liability. For recent issues where proceeds have not been fully spent, no potential liability exists.

R. Property Held for Resale

WEDA acquired the abandoned portions of a townhome project within the Holly Park urban renewal area with the intention to clean-up the abandoned areas and ready the land for sale. The demolition of the uncompleted buildings and re-grading as well as improving the landscaping, restoring the irrigation system and general maintenance and upkeep of the property has yielded a redevelopment site of approximately 5.7 acres. At December 31, 2009, the property was reported as inventory in the financial statements at the fair market value of \$850,000. In December, 2009, WEDA also acquired an abandoned restaurant site in the Westminster Center Urban Reinvestment Plan Area as part of the overall reinvestment project. It is anticipated that the building will be demolished in 2010. No further activity on the site will occur until disposal and use of the property is determined as part of the final development agreement for the project area. At December 31, 2009, the property was reported as inventory in the financial statements at the fair market value of \$728,425.

S. Pollution Remediation

The State of Colorado, Department of Labor and Employment, Division of Oil and Public Safety recognizes the City of Westminster as the sole responsible party for the pollution remediation of a leak from underground gas storage tanks at the Municipal Service Center

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

discovered in 1986. A feasibility study performed by a consultant estimated the value of recovery costs on January 1, 2008 at \$550,000 for the remediation method selected by the City, Mobil Enhanced Fluid Recovery.

The consultant provided cost estimates based on well readings and current costs for monitoring, operations and maintenance, and site closure over a 13-15 year period. At December 31, 2009, the pollution remediation liability was \$408,791. Changes in the cost elements are likely to occur as a result of new information and data collected. The cost estimation is between -30% and +50%.

T. Debt Refinancings

On May 08, 2009 the Westminster Economic Development Authority (WEDA) entered into a \$62,375,000 7-year term loan to advance refund \$64,885,000 of outstanding WEDA Tax Increment Adjustable Rate Revenue Bonds, Series 2005. The interest rate on the loan is determined as 60% of one-month LIBOR plus a margin of 2.30%. It is swapped into a fixed rate of 4.51% by an exchange rate agreement. The net proceeds of the Loan were used to immediately redeem the 2005 bonds plus accrued interest. As a result, the 2005 Series bonds are fully redeemed and the liability for those bonds has been removed from the City's ledgers.

The City advance refunded the 2005 Series bonds due to a credit downgrade of the direct pay Letter of Credit bank in the fall of 2008, which subsequently led investors to tender bonds back to the Bank.

On June 5, 2009 the Westminster Economic Development Authority (WEDA) issued \$5,330,000 of WEDA Tax Increment Revenue Refunding Bonds, Series 2009 with a coupon rate of 3.80% to advance refund \$5,330,000 of outstanding WEDA Tax Increment Revenue Bonds, Series 1997. The net proceeds of \$5,330,000 were used to immediately redeem the 1997 bonds. As a result, the 1997 Series bonds are considered to be fully redeemed and the liability for those bonds has been removed from the City's ledgers. The City then purchased all of the Series 2009 bonds as an eight-year investment.

The City advance refunded the 1997 Series bonds due to the bank choosing not to renew the direct pay Letter of Credit agreement.

On June 16, 2009 the Westminster Economic Development Authority (WEDA) entered into a \$8,075,000 fixed 3-year loan with a coupon rate of 4.95% to advance refund \$7,904,000 of outstanding WEDA Tax Increment Adjustable Rate Revenue Bonds, Series 2007. After the initial 3-year period, the interest rate will be reset. The net proceeds of \$8,075,000 were used to immediately redeem the 2007 bonds plus accrued interest. As a result, the 2007 Series bonds are considered to be fully redeemed and the liability for those bonds has been removed from the City's ledgers.

The City advance refunded the 2007 Series bonds due to a downgrade of the direct pay Letter of Credit bank in the fall of 2008, which subsequently led investors to tender bonds back to the Bank.

On September 23, 2009 the Westminster Economic Development Authority (WEDA) issued \$35,830,000 of WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds, Series 2009 with a weekly interest rate reset mode to advance refund \$35,347,125 of outstanding WEDA Tax Increment Adjustable Rate Revenue Bonds, Series 2006. The net proceeds of

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

\$35,830,000 were used to immediately redeem the 2006 bonds plus accrued interest. As a result, the 2006 Series bonds are considered to be fully redeemed and the liability for those bonds has been removed from the City's ledgers.

The City advance refunded the 2006 Series bonds due to a downgrade of the direct pay Letter of Credit bank in the fall of 2008, which subsequently led investors to tender bonds back to the Bank.

U. Restatements

Beginning Net Assets for the Utility Enterprise Statement of Revenues, Expenditures, and Changes in Net Assets has been restated to reflect a prior year transfer of capital improvements to the Woman Creek Reservoir Authority, as follows:

Net Assets - Utility Enterprise	
December 31, 2008, as originally stated	\$ 408,508,563
Decrease in net capital assets, net of related debt	(19,622,546)
Net Assets - Utility Enterprise	
December 31, 2008, as restated	<u><u>\$ 388,886,017</u></u>

Beginning Net Assets for the Government-wide, Statement of Activities, Business-type activities has been restated to reflect a prior year transfer of capital improvements to the Woman Creek Reservoir Authority, as follows:

Net Assets - Business-type activities	
December 31, 2008, as originally stated	\$ 420,217,423
Decrease in net capital assets, net of related debt	(19,622,546)
Net Assets - Business-type activities	
December 31, 2008, as restated	<u><u>\$ 400,594,877</u></u>

V. Subsequent Events

On April 8, 2010 the City entered into a \$117,000 loan with the Colorado Historical Foundation Revolving Loan Fund, the proceeds of which in part were used for rehabilitation of the Shoenberg Farm barn. The provisions of this loan call for the City to pay a fixed rate of interest calculated as 3% per annum. Interest payments are made on a semi-annual basis on April 1 and October 1 of each year beginning on October 1, 2010. All unpaid principal, accrued and unpaid interest, and all other sums due are payable in full at the maturity date of April 1 2015.

On May 25, 2010, the City's Utility Enterprise issued \$29.505 million in revenue bonds. Council previously approved a Reimbursement Resolution in August 2009 to reimburse expenses incurred for various capital projects prior to the bond sale.

W. Accountability

At December 31, 2009 the Community Development Block Grant Fund had a negative fund balance of \$162,674. Management expects this negative balance to be eliminated upon reimbursement by the Department of Housing and Urban Development for program expenditures.

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Property taxes	\$ 4,374,017	\$ 4,374,017	\$ 4,407,801	\$ 33,784
Business fees and other taxes	4,865,305	4,865,305	4,797,606	(67,699)
Accommodations taxes	995,500	995,500	676,157	(319,343)
Intergovernmental	5,034,622	5,289,349	5,237,324	(52,025)
Licenses and permits	1,597,600	1,597,600	1,127,900	(469,700)
Interest	799,989	799,989	618,091	(181,898)
Recreation fees	5,910,792	5,913,569	5,766,441	(147,128)
Fines and forfeits	2,211,050	2,211,050	2,062,964	(148,086)
Fleet maintenance billings and other	5,315,381	5,597,331	6,544,888	947,557
EMS billings	2,220,434	2,220,434	1,858,670	(361,764)
Total revenues	<u>33,324,690</u>	<u>33,864,144</u>	<u>33,097,842</u>	<u>(766,302)</u>
EXPENDITURES				
Governmental activities:				
General government				
City council	159,659	130,234	119,416	10,818
City attorney's office	956,270	952,614	933,188	19,426
City manager's office	1,201,582	1,253,678	1,071,344	182,334
Central charges	23,925,189	22,855,254	22,109,460	745,794
General services	7,850,458	7,824,003	7,307,870	516,133
Finance	1,647,225	1,638,775	1,610,895	27,880
Public safety				
Police	20,378,884	20,540,705	19,048,984	1,491,721
Fire	11,473,157	11,365,007	11,168,945	196,062
Public works				
Community development	7,133,147	7,005,518	6,754,884	250,634
Culture and recreation	3,702,889	3,700,662	3,381,262	319,400
Culture and recreation	15,240,690	15,050,038	14,036,487	1,013,551
Total governmental activities	<u>93,669,150</u>	<u>92,316,488</u>	<u>87,542,735</u>	<u>4,773,753</u>
Excess of revenues over (under) expenditures	<u>(60,344,460)</u>	<u>(58,452,344)</u>	<u>(54,444,893)</u>	<u>4,007,451</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	562,530	562,530	-
Sale of capital asset	-	-	26,151	26,151
Transfers in	59,709,449	57,005,029	57,005,029	-
Transfers (out)	(80,000)	(648,000)	(648,000)	-
Total other financing sources (uses):	<u>59,629,449</u>	<u>56,919,559</u>	<u>56,945,710</u>	<u>26,151</u>
Net change in fund balance	(715,011)	(1,532,785)	2,500,817	4,033,602
Fund balances, beginning	715,011	1,532,785	17,344,303	15,811,518
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,845,120</u>	<u>\$ 19,845,120</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SALES AND USE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 53,337,125	\$ 55,401,001	\$ 52,609,957	\$ (2,791,044)
Use taxes	11,801,700	6,836,384	9,706,038	2,869,654
Interest	230,000	230,000	69,945	(160,055)
Total revenues	<u>65,368,825</u>	<u>62,467,385</u>	<u>62,385,940</u>	<u>(81,445)</u>
EXPENDITURES				
Governmental activities:				
General government	-	3,308,517	3,308,517	-
Total expenditures	<u>-</u>	<u>3,308,517</u>	<u>3,308,517</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(65,368,825)	(61,516,757)	(61,516,757)	-
Total other financing sources (uses):	<u>(65,368,825)</u>	<u>(61,516,757)</u>	<u>(61,516,757)</u>	<u>-</u>
Net change in fund balance	-	(2,357,889)	(2,439,334)	(81,445)
Fund balances, beginning	-	2,357,889	9,410,943	7,053,054
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,971,609</u>	<u>\$ 6,971,609</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Property tax increment	\$ 6,011,038	\$ 6,219,492	\$ 6,067,958	\$ (151,534)
Sales tax increment	9,065,075	7,494,159	6,899,318	(594,841)
Intergovernmental	-	93,000	91,439	(1,561)
Interest	-	131,038	211,353	80,315
Other	57	57	13,423	13,366
Total revenues	<u>15,076,170</u>	<u>13,937,746</u>	<u>13,283,491</u>	<u>(654,255)</u>
EXPENDITURES				
Governmental activities:				
General government	2,209,762	3,216,641	1,663,723	1,552,918
Capital projects	9,547,512	5,877,653	4,127,100	1,750,553
Debt service:				
Principal	4,319,496	11,682,371	10,753,875	928,496
Interest and fiscal charges	4,971,183	5,877,632	4,640,821	1,236,811
Bond issuance costs	-	1,062,799	1,003,757	59,042
Total expenditures	<u>21,047,953</u>	<u>27,717,096</u>	<u>22,189,276</u>	<u>5,527,820</u>
	-	-	-	
Excess of revenues over (under) expenditures	<u>(5,971,783)</u>	<u>(13,779,350)</u>	<u>(8,905,785)</u>	<u>4,873,565</u>
OTHER FINANCING SOURCES (USES)				
Issuance of refunding debt	-	118,260,000	111,610,000	(6,650,000)
Payment to bond escrow agent	-	(117,181,664)	(111,074,663)	6,107,001
Transfers in	293,000	1,196,176	1,396,175	199,999
Total other financing sources (uses):	<u>293,000</u>	<u>2,274,512</u>	<u>1,931,512</u>	<u>(343,000)</u>
Net change in fund balance	(5,678,783)	(11,504,838)	(6,974,273)	4,530,565
Fund balances, beginning	26,304,124	26,304,124	30,146,569	3,842,445
Fund balances, ending	<u>\$ 20,625,341</u>	<u>\$ 14,799,286</u>	<u>\$ 23,172,296</u>	<u>\$ 8,373,010</u>

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CITY OF WESTMINSTER, COLORADO
Schedules of Funding Progress
December 31, 2009

Retiree Health Program

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost		Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Method	Method				
1/1/2007 (a)	\$ -	\$	3,198,000	\$ 3,198,000	0%	\$ 48,655,116	6.6%
1/1/2009	-		4,000,000	4,000,000	0%	52,697,614	7.6%

(a) GASB 45 was implemented as of January 1, 2007; therefore, actuarial information on the Retiree Health Program is not available prior to that date

Volunteer Firefighter Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age Actuarial Cost		Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Method	Method				
12/31/2003	\$ 3,012,526	\$	2,343,745	\$ 668,781	128.50%	(a)	NA
12/31/2005	2,910,768		2,259,116	651,652	128.80%	(a)	NA
12/31/2007	3,213,932		2,100,669	1,113,263	153.00%	(a)	NA
12/31/2009	2,710,097		1,975,712	734,385	137.00%	(a)	NA

(a) Volunteer firefighters are not paid; therefore comparison of the over-funded actuarial accrued liability to covered payroll is not applicable.

CITY OF WESTMINSTER, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009

Budgetary Information

A biennial city budget is legally adopted according to applicable generally accepted accounting principles for each fund type, except for the Investigation Recovery Special Revenue Fund, Volunteer Firefighter Pension Fund, internal service self insurance funds, and capital projects funds. Appropriations lapse at year end for legally adopted operating budgets.

Project-length budgets are adopted for all capital projects. At year end, appropriations for incomplete capital projects are carried forward to the following year. The General Capital Improvements Capital Projects Fund, Westminster Economic Development Authority Fund, Community Development Block Grant Fund, Parks, Open Space and Trails Fund, Conservation Trust Fund, and the Utility Enterprise Fund, budget for capital projects.

The General Capital Outlay Replacement Fund uses project length budgeting for capital outlay replacements of fleet vehicles and other equipment. Like capital project budgets, unspent appropriations are carried forward to the following year.

Budgetary comparison schedules for funds with project length budgets include current year and continuing appropriations from the prior year.

The legal level of budgetary control is the department level. Transfers of appropriations between departments and/or funds require the approval of the City Council.

See the disclosure on Construction and Other Significant Commitments, page 57 for detail on the continuing appropriations for capital project and project length budgets.

NON-MAJOR FUNDS

Governmental Activities Funds

Special Revenue Funds

Parks, Open Space & Trails Sales and Use Tax Fund - accounts for revenues from the City's 0.25 percent sales and use tax which was approved by Westminster voters. Spending is restricted to land acquisition to preserve open space and scenic vistas, and up to one-half of the revenues may be used for the development of additional park land, trails, and enhancement of existing parks.

Sheridan Crossing General Improvement District (GID) Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of greenbelt areas within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Amherst General Improvement District (GID) Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of greenbelts within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

136th Avenue General Improvement District (GID) Fund – accounts for revenues provided for and expenditures associated with the building of an interchange within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Promenade Parking Garage General Improvement District (GID) Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of a parking garage within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Mandalay Town Center General Improvement District (GID) Fund – accounts for revenues provided for and expenditures associated with debt service for infrastructure improvements within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

144th Avenue General Improvement District (GID) Fund – accounts for revenues provided for and expenditures associated with debt service for infrastructure improvements within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Conservation Trust Fund - accounts for lottery proceeds received from the State of Colorado. Spending is restricted to the development or improvement of City parks. The City's share is determined by population data and the existence of special recreational districts.

Investigation Recovery Fund - accounts for proceeds from police seizures, forfeitures and restitutions. Spending is restricted by both Federal and State law to Police Department equipment, commodities, and/or training needs above budgeted amounts.

Debt Service Funds

General Debt Service Fund - accumulates monies for payment of the following bond issues:

- a) 2001 Sales and Use Tax Revenue Refunding Bonds of \$13,275,000 due in annual installments through December 1, 2021; interest at 4.0 to 5.0 percent. Financing is provided by the City's 3 percent sales and use tax.
- b) 2002 Sales and Use Tax Revenue Bonds of \$15,090,000 due in annual installments through December 1, 2022, interest at 3.40 to 5.25 percent. Financing is provided by the City's 3 percent sales and use tax.
- c) 2007A Sales and Use Tax Revenue Refunding Bonds of \$10,715,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.50 percent. Financing is provided by the City's 3 percent sales and use tax.
- d) 2007B Special Purpose Sales and Use Tax Revenue Refunding Bonds of \$13,680,000 due in annual installments through December 1, 2016, interest at 4.0 to 5.5 percent. Financing is provided by the City's .25 percent open space sales and use tax.
- e) 2007C Sales and Use Tax Revenue Refunding Bonds of \$10,910,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.25 percent. Financing is provided by the City's 3 percent sales and use tax.
- f) 2007D Special Purpose Sales and Use Tax Revenue Bonds of \$20,000,000 due in annual installments through December 1, 2031, interest at 4.0 to 5.0 percent. Financing is provided by the City's .25% percent open space sales and use tax.

Capital Projects Funds

Community Development Block Grant Fund - accounts for monies received from the Federal government through Community Development Block Grant entitlements. Funds are used to finance low income and senior housing. Additional financing is provided by General Fund revenues and investment earnings.

Internal Service Funds

Medical and Dental Self-Insurance Fund - accounts for the resources and payment of dental and medical claims of employees and their covered dependents.

Workers' Compensation Self-Insurance Fund - accounts for the resources and payment of workers' compensation claims of employees.

Property and Liability Self-Insurance Fund - accounts for the payment of property and liability claims against the City from resources accumulated for this purpose.

General Capital Outlay Replacement Fund – accounts for the replacement of the City's fleet and other capital assets.

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CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Special Revenue Funds			
	Parks Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID
ASSETS				
Cash and cash equivalents	\$ 16,154	\$ 68,116	\$ 17,151	\$ 663
Investments	165,348	697,228	175,558	6,783
Receivables:				
Taxes	1,478,237	103,589	61,294	10,198
Accounts	-	499	315	1,119
Grants	540,000	-	-	-
Interest	16,607	6,266	1,576	176
Restricted assets:				
Cash and cash equivalents	128,160	-	-	-
Cash and cash equivalents with fiscal agent	1,026,116	-	-	-
Investments	1,311,840	-	-	-
Investments with fiscal agent	3,787,200	-	-	-
Total assets	<u>\$ 8,469,662</u>	<u>\$ 875,698</u>	<u>\$ 255,894</u>	<u>\$ 18,939</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 47,673	\$ 301	\$ 724	\$ -
Accrued liabilities	4,541	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	540,000	103,589	61,294	10,198
Total liabilities	<u>592,214</u>	<u>103,890</u>	<u>62,018</u>	<u>10,198</u>
Fund balances:				
Reserved for:				
Emergencies	-	3,744	2,171	7,048
Debt service	-	-	-	331
Capital projects	6,253,316	-	-	-
Unreserved, reported in:				
Special revenue funds	1,624,132	768,064	191,705	1,362
Capital project funds	-	-	-	-
Total fund balances	<u>7,877,448</u>	<u>771,808</u>	<u>193,876</u>	<u>8,741</u>
Total liabilities and fund balances	<u>\$ 8,469,662</u>	<u>\$ 875,698</u>	<u>\$ 255,894</u>	<u>\$ 18,939</u>

Special Revenue Funds

Promenade Parking Garage GID	Mandalay Town Center GID	144th Avenue GID	Conservation Trust	Investigation Recovery	Total
\$ 39	\$ 289	\$ 188	\$ -	\$ 5,496	\$ 108,096
394	2,954	1,921	-	56,261	1,106,447
157	27,912	28,562	-	-	1,709,949
-	3,020	1,688	-	134	6,775
-	-	-	-	-	540,000
3	259	185	13,609	1,420	40,101
-	-	-	85,072	-	213,232
-	-	-	-	-	1,026,116
-	-	-	870,795	-	2,182,635
-	-	-	-	-	3,787,200
<u>\$ 593</u>	<u>\$ 34,434</u>	<u>\$ 32,544</u>	<u>\$ 969,476</u>	<u>\$ 63,311</u>	<u>\$ 10,720,551</u>
\$ -	\$ -	\$ -	\$ 1,352	\$ -	\$ 50,050
-	-	-	-	-	4,541
-	-	-	-	-	-
157	27,912	28,562	-	-	771,712
<u>157</u>	<u>27,912</u>	<u>28,562</u>	<u>1,352</u>	<u>-</u>	<u>826,303</u>
-	2,690	1,715	-	-	17,368
436	-	2,267	-	-	3,034
-	-	-	-	-	6,253,316
-	3,832	-	968,124	63,311	3,620,530
-	-	-	-	-	-
436	6,522	3,982	968,124	63,311	9,894,248
<u>\$ 593</u>	<u>\$ 34,434</u>	<u>\$ 32,544</u>	<u>\$ 969,476</u>	<u>\$ 63,311</u>	<u>\$ 10,720,551</u>

CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

(Continued)

	<u>Debt Service</u>	<u>Capital Project</u>	Total
		Community Development	Other Governmental Funds
	Debt Service	Block Grant	
ASSETS			
Cash and cash equivalents	\$ 13,850	\$ -	\$ 121,946
Investments	141,764	-	1,248,211
Receivables:			
Taxes	-	-	1,709,949
Accounts	-	-	6,775
Grants	-	283,173	823,173
Interest	1,216	-	41,317
Restricted assets:			
Cash and cash equivalents	-	-	213,232
Cash and cash equivalents with fiscal agent	-	-	1,026,116
Investments	-	-	2,182,635
Investments with fiscal agent	-	-	3,787,200
Total assets	<u>\$ 156,830</u>	<u>\$ 283,173</u>	<u>\$ 11,160,554</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other	\$ -	\$ -	\$ 50,050
Accrued liabilities	-	3,886	8,427
Due to other funds	-	158,788	158,788
Deferred revenue	-	283,173	1,054,885
Total liabilities	<u>-</u>	<u>445,847</u>	<u>1,272,150</u>
Fund balances:			
Reserved for:			
Emergencies	-	-	17,368
Debt service	156,830	-	159,864
Capital projects	-	-	6,253,316
Unreserved, reported in:			
Special revenue funds	-	-	3,620,530
Capital project funds	-	(162,674)	(162,674)
Total fund balances	<u>156,830</u>	<u>(162,674)</u>	<u>9,888,404</u>
Total liabilities and fund balances	<u>\$ 156,830</u>	<u>\$ 283,173</u>	<u>\$ 11,160,554</u>

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds			
	Parks	Sheridan		
	Open Space & Trails	Crossing GID	Amherst GID	136th Ave GID
REVENUES				
Property taxes	\$ -	\$ 99,219	\$ 62,828	\$ 20,695
Sales taxes	4,124,947	-	-	-
Use taxes	676,347	-	-	-
Intergovernmental	950,000	7,218	4,552	213,707
Assessments	-	-	-	-
Interest	(31,280)	18,349	4,991	539
Fines and forfeits	-	-	-	-
Other	32,743	-	-	-
Total revenues	<u>5,752,757</u>	<u>124,786</u>	<u>72,371</u>	<u>234,941</u>
EXPENDITURES				
Governmental activities:				
General government	-	28,578	40,731	295,457
Public safety	-	-	-	-
Community development	1,265,988	-	-	-
Capital projects	2,960,763	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>4,226,751</u>	<u>28,578</u>	<u>40,731</u>	<u>295,457</u>
Excess of revenues over (under) expenditures	<u>1,526,006</u>	<u>96,208</u>	<u>31,640</u>	<u>(60,516)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	143,313	-	-	-
Transfers in	180,000	-	-	-
Transfers (out)	(3,896,258)	-	-	-
Total other financing sources (uses):	<u>(3,572,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,046,939)	96,208	31,640	(60,516)
Fund balances - beginning	9,924,387	675,600	162,236	69,257
Fund balances - ending	<u>\$ 7,877,448</u>	<u>\$ 771,808</u>	<u>\$ 193,876</u>	<u>\$ 8,741</u>

Special Revenue Funds

Promenade Parking Garage GID	Mandalay Town Center GID	144th Ave GID	Conservation Trust	Investigation Recovery	Total
\$ 173	\$ 46,618	\$ 31,959	\$ -	\$ -	\$ 261,492
-	-	-	-	-	4,124,947
-	-	-	-	-	676,347
-	41,556	24,402	756,938	-	1,998,373
-	-	-	-	-	-
-	1,509	801	49,878	5,367	50,154
-	-	-	-	3,049	3,049
-	-	-	-	-	32,743
<u>173</u>	<u>89,683</u>	<u>57,162</u>	<u>806,816</u>	<u>8,416</u>	<u>7,147,105</u>
168	102,138	69,041	-	-	536,113
-	-	-	-	23,958	23,958
-	-	-	-	-	1,265,988
-	-	-	509,033	-	3,469,796
-	-	-	-	-	-
-	-	-	-	-	-
<u>168</u>	<u>102,138</u>	<u>69,041</u>	<u>509,033</u>	<u>23,958</u>	<u>5,295,855</u>
5	(12,455)	(11,879)	297,783	(15,542)	1,851,250
-	-	-	-	-	143,313
-	-	-	-	-	180,000
-	-	-	(725,717)	-	(4,621,975)
-	-	-	(725,717)	-	(4,298,662)
5	(12,455)	(11,879)	(427,934)	(15,542)	(2,447,412)
431	18,977	15,861	1,396,058	78,853	12,341,660
<u>\$ 436</u>	<u>\$ 6,522</u>	<u>\$ 3,982</u>	<u>\$ 968,124</u>	<u>\$ 63,311</u>	<u>\$ 9,894,248</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Debt Service</u>	<u>Capital Project</u>	
		Community Development	Total Other Governmental
	Debt Service	Block Grant	Funds
REVENUES			
Property taxes	\$ -	\$ -	\$ 261,492
Sales taxes	-	-	4,124,947
Use taxes	-	-	676,347
Intergovernmental	275,742	338,068	2,612,183
Assessments	4,000	-	4,000
Interest	86,302	-	136,456
Fines and forfeits	-	-	3,049
Other	-	-	32,743
Total revenues	<u>366,044</u>	<u>338,068</u>	<u>7,851,217</u>
EXPENDITURES			
Governmental activities:			
General government	-	-	536,113
Public safety	-	-	23,958
Community development	-	-	1,265,988
Capital projects	-	526,358	3,996,154
Debt service:			
Principal	4,785,000	-	4,785,000
Interest and fiscal charges	3,242,859	-	3,242,859
Total expenditures	<u>8,027,859</u>	<u>526,358</u>	<u>13,850,072</u>
Excess of revenues over (under) expenditures	<u>(7,661,815)</u>	<u>(188,290)</u>	<u>(5,998,855)</u>
OTHER FINANCING SOURCES AND (USES)			
Sale of asset	-	-	143,313
Transfers in	7,479,867	-	7,659,867
Transfers (out)	-	-	(4,621,975)
Total other financing sources (uses):	<u>7,479,867</u>	<u>-</u>	<u>3,181,205</u>
Net change in fund balance	(181,948)	(188,290)	(2,817,650)
Fund balances - beginning	338,778	25,616	12,706,054
Fund balances - ending	<u>\$ 156,830</u>	<u>\$ (162,674)</u>	<u>\$ 9,888,404</u>

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 4,332,357	\$ 3,972,357	\$ 4,124,947	\$ 152,590
Use taxes	896,029	746,029	676,347	(69,682)
Intergovernmental	-	540,000	950,000	410,000
Interest	31,000	31,000	(31,280)	(62,280)
Other	88,832	108,685	32,743	(75,942)
Total revenues	<u>5,348,218</u>	<u>5,398,071</u>	<u>5,752,757</u>	<u>354,686</u>
EXPENDITURES				
Governmental activities:				
Community development	1,519,956	1,824,809	1,265,988	558,821
Capital projects	9,216,065	9,216,065	2,960,763	6,255,302
Total expenditures	<u>10,736,021</u>	<u>11,040,874</u>	<u>4,226,751</u>	<u>6,814,123</u>
Excess of revenues over (under) expenditures	<u>(5,387,803)</u>	<u>(5,642,803)</u>	<u>1,526,006</u>	<u>7,168,809</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	-	142,996	143,313	317
Transfers in	180,000	180,000	180,000	-
Transfers (out)	(4,008,262)	(3,896,258)	(3,896,258)	-
Total other financing sources (uses):	<u>(3,828,262)</u>	<u>(3,573,262)</u>	<u>(3,572,945)</u>	<u>317</u>
Net change in fund balance	(9,216,065)	(9,216,065)	(2,046,939)	7,169,126
Fund balances, beginning	9,216,065	9,216,065	9,924,387	708,322
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,877,448</u>	<u>\$ 7,877,448</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 99,551	\$ 99,551	\$ 99,219	\$ (332)
Intergovernmental	8,400	8,400	7,218	(1,182)
Interest	22,574	22,574	18,349	(4,225)
Total revenues	<u>130,525</u>	<u>130,525</u>	<u>124,786</u>	<u>(5,739)</u>
EXPENDITURES				
Governmental activities:				
General government	63,493	63,493	28,578	34,915
Total expenditures	<u>63,493</u>	<u>63,493</u>	<u>28,578</u>	<u>34,915</u>
Net change in fund balance	67,032	67,032	96,208	29,176
Fund balances, beginning	644,517	644,517	675,600	31,083
Fund balances, ending	<u>\$ 711,549</u>	<u>\$ 711,549</u>	<u>\$ 771,808</u>	<u>\$ 60,259</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 AMHERST GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 62,780	\$ 62,780	\$ 62,828	\$ 48
Intergovernmental	5,300	5,300	4,552	(748)
Interest	4,244	4,244	4,991	747
Total revenues	<u>72,324</u>	<u>72,324</u>	<u>72,371</u>	<u>47</u>
EXPENDITURES				
Governmental activities:				
General government	55,942	55,942	40,731	15,211
Total expenditures	<u>55,942</u>	<u>55,942</u>	<u>40,731</u>	<u>15,211</u>
Net change in fund balance	16,382	16,382	31,640	15,258
Fund balances, beginning	141,462	141,462	162,236	20,774
Fund balances, ending	<u>\$ 157,844</u>	<u>\$ 157,844</u>	<u>\$ 193,876</u>	<u>\$ 36,032</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
136TH AVENUE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 218,446	\$ 9,992	\$ 20,695	\$ 10,703
Intergovernmental	16,500	224,954	213,707	(11,247)
Interest	3,500	3,500	539	(2,961)
Total revenues	<u>238,446</u>	<u>238,446</u>	<u>234,941</u>	<u>(3,505)</u>
EXPENDITURES				
Governmental activities:				
General government	19,715	295,457	295,457	-
Total expenditures	<u>19,715</u>	<u>295,457</u>	<u>295,457</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>218,731</u>	<u>(57,011)</u>	<u>(60,516)</u>	<u>(3,505)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(263,007)	-	-	-
Total other financing sources (uses):	<u>(263,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(44,276)	(57,011)	(60,516)	(3,505)
Fund balances, beginning	65,561	65,561	69,257	3,696
Fund balances, ending	<u>\$ 21,285</u>	<u>\$ 8,550</u>	<u>\$ 8,741</u>	<u>\$ 191</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 PROMENADE PARKING GARAGE GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 168	\$ 168	\$ 173	\$ 5
Total revenues	<u>168</u>	<u>168</u>	<u>173</u>	<u>5</u>
EXPENDITURES				
Governmental activities:				
General government	168	168	168	-
Total expenditures	<u>168</u>	<u>168</u>	<u>168</u>	<u>-</u>
Net change in fund balance	-	-	5	5
Fund balances, beginning	425	425	431	6
Fund balances, ending	<u>\$ 425</u>	<u>\$ 425</u>	<u>\$ 436</u>	<u>\$ 11</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property taxes	\$ 46,631	\$ 46,631	\$ 46,618	\$ (13)
Intergovernmental	40,400	40,400	41,556	1,156
Interest	950	950	1,509	559
Total revenues	<u>87,981</u>	<u>87,981</u>	<u>89,683</u>	<u>1,702</u>
EXPENDITURES				
Governmental activities:				
General government	103,699	103,699	102,138	1,561
Total expenditures	<u>103,699</u>	<u>103,699</u>	<u>102,138</u>	<u>1,561</u>
Excess of revenues over (under) expenditures	<u>(15,718)</u>	<u>(15,718)</u>	<u>(12,455)</u>	<u>3,263</u>
Net change in fund balance	(15,718)	(15,718)	(12,455)	3,263
Fund balances, beginning	19,026	19,026	18,977	(49)
Fund balances, ending	<u>\$ 3,308</u>	<u>\$ 3,308</u>	<u>\$ 6,522</u>	<u>\$ 3,214</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
144TH AVENUE GENERAL IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property taxes	\$ 33,844	\$ 33,844	\$ 31,959	\$ (1,885)
Intergovernmental	30,000	30,000	24,402	(5,598)
Interest	710	710	801	91
Total revenues	<u>64,554</u>	<u>64,554</u>	<u>57,162</u>	<u>(7,392)</u>
EXPENDITURES				
Governmental activities:				
General government	<u>20,508</u>	<u>76,508</u>	<u>69,041</u>	<u>7,467</u>
Total expenditures	<u>20,508</u>	<u>76,508</u>	<u>69,041</u>	<u>7,467</u>
Excess of revenues over (under) expenditures	<u>44,046</u>	<u>(11,954)</u>	<u>(11,879)</u>	<u>75</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(56,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>(56,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(11,954)	(11,954)	(11,879)	75
Fund balances, beginning	15,033	15,033	15,861	828
Fund balances, ending	<u>\$ 3,079</u>	<u>\$ 3,079</u>	<u>\$ 3,982</u>	<u>\$ 903</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 625,000	\$ 625,000	\$ 756,938	\$ 131,938
Interest	-	-	49,878	49,878
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>806,816</u>	<u>181,816</u>
EXPENDITURES				
Capital projects	844,165	1,019,165	509,033	510,132
Total expenditures	<u>844,165</u>	<u>1,019,165</u>	<u>509,033</u>	<u>510,132</u>
Excess of revenues over (under) expenditures	<u>(219,165)</u>	<u>(394,165)</u>	<u>297,783</u>	<u>691,948</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(725,717)	(725,717)	-
Total other financing sources (uses):	<u>-</u>	<u>(725,717)</u>	<u>(725,717)</u>	<u>-</u>
Net change in fund balance	(219,165)	(1,119,882)	(427,934)	691,948
Fund balances, beginning	219,165	1,119,882	1,396,058	276,176
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,124</u>	<u>\$ 968,124</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 263,007	\$ 275,742	\$ 12,735
Assessments	-	-	4,000	4,000
Interest	75,000	75,000	86,302	11,302
Total revenues	<u>75,000</u>	<u>338,007</u>	<u>366,044</u>	<u>28,037</u>
EXPENDITURES				
Debt service:				
Principal	4,785,000	4,785,000	4,785,000	-
Interest and fiscal charges	3,248,461	3,248,461	3,242,859	5,602
Total expenditures	<u>8,033,461</u>	<u>8,033,461</u>	<u>8,027,859</u>	<u>5,602</u>
Excess of revenues over (under) expenditures	<u>(7,958,461)</u>	<u>(7,695,454)</u>	<u>(7,661,815)</u>	<u>33,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,969,373	7,479,867	7,479,867	-
Total other financing sources (uses):	<u>7,969,373</u>	<u>7,479,867</u>	<u>7,479,867</u>	<u>-</u>
Net change in fund balance	10,912	(215,587)	(181,948)	33,639
Fund balances, beginning	(10,912)	215,587	338,778	123,191
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,830</u>	<u>\$ 156,830</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Operating revenues				
Charges for services	\$ 40,574,370	\$ 40,574,370	\$ 37,476,945	\$ (3,097,425)
Other	510,000	577,532	308,748	(268,784)
Total operating revenues	<u>41,084,370</u>	<u>41,151,902</u>	<u>37,785,693</u>	<u>(3,366,209)</u>
Operating expenses				
Personnel services	15,180,697	15,208,333	14,807,638	400,695
Contractual services	12,606,951	14,626,470	13,430,073	1,196,397
Commodities	2,010,487	1,903,257	1,171,390	731,867
Capital expense	50,388,245	59,960,176	20,326,547	39,633,629
Insurance and other expenses	-	50,000	47,502	2,498
Total operating expenses	<u>80,186,380</u>	<u>91,748,236</u>	<u>49,783,150</u>	<u>41,965,086</u>
Operating income (loss)	<u>(39,102,010)</u>	<u>(50,596,334)</u>	<u>(11,997,457)</u>	<u>38,598,877</u>
Non-operating revenues (expenses)				
Income on investments	2,748,621	2,748,621	1,152,830	(1,595,791)
Debt service	(6,303,419)	(6,273,019)	(5,532,113)	740,906
Grants	-	21,965	17,238	(4,727)
Disposition of assets	-	-	56,684	56,684
Total Non-operating revenues (expenses)	<u>(3,554,798)</u>	<u>(3,502,433)</u>	<u>(4,305,361)</u>	<u>(802,928)</u>
Income (loss) before contributions and transfers	<u>(42,656,808)</u>	<u>(54,098,767)</u>	<u>(16,302,818)</u>	<u>37,795,949</u>
Capital contributions	7,020,000	7,020,000	2,138,217	(4,881,783)
Transfers in	11,041,474	24,580,192	36,299,922	11,719,730
Transfers (out)	(11,041,474)	(36,432,904)	(36,432,903)	1
Change in net assets	<u>\$ (35,636,808)</u>	<u>\$ (58,931,479)</u>	<u>(14,297,582)</u>	<u>\$ 44,633,897</u>
Adjustments to GAAP basis				
Debt				
Principal payments			3,913,088	
Amortization of prepaid bond sale expense			(221,698)	
Amortization of premiums and discounts			(90,216)	
Accrued interest adjustment			(10,952)	
Capital assets				
Acquisitions			14,144,420	
Net book value of disposals			(312,681)	
Capital contributions			1,263,449	
Depreciation			(10,842,313)	
Change in net assets, GAAP basis			<u>\$ (6,454,485)</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 3,336,142	\$ 2,968,142	\$ 2,728,363	\$ (239,779)
Other	-	-	1,665	1,665
Total operating revenues	<u>3,336,142</u>	<u>2,968,142</u>	<u>2,730,028</u>	<u>(238,114)</u>
Operating Expenses				
Personnel services	1,641,588	1,640,588	1,638,287	2,301
Contractual services	1,104,860	1,079,381	794,958	284,423
Commodities	546,478	554,578	517,117	37,461
Capital expense	10,923	469,047	475,482	(6,435)
Total operating expenses	<u>3,303,849</u>	<u>3,743,594</u>	<u>3,425,844</u>	<u>317,750</u>
Operating income (loss)	<u>32,293</u>	<u>(775,452)</u>	<u>(695,816)</u>	<u>79,636</u>
Non-operating revenues (expenses)				
Income on investments	-	-	17,191	17,191
Debt service	(499,565)	(499,565)	(499,565)	-
Other	-	-	1,019	1,019
Total non-operating revenues (expenses)	<u>(499,565)</u>	<u>(499,565)</u>	<u>(481,355)</u>	<u>18,210</u>
Income (loss) before transfers	(467,272)	(1,275,017)	(1,177,171)	97,846
Issuance of leases	-	439,745	439,745	-
Transfers in	467,272	835,272	881,330	46,058
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	143,904	<u>\$ 143,904</u>
Adjustments to GAAP basis				
Debt				
Principal payments			401,263	
Issuance of leases			(439,745)	
Amortization of premiums and discounts			(4,418)	
Accrued interest adjustment			709	
Capital assets				
Acquisitions			64,726	
Depreciation			(554,228)	
Change in net assets, GAAP basis			<u>\$ (387,789)</u>	

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 890,172	\$ 890,172	\$ 920,327	\$ 30,155
Total operating revenues	<u>890,172</u>	<u>890,172</u>	<u>920,327</u>	<u>30,155</u>
Operating expenses				
Personnel services	149,809	149,809	156,322	(6,513)
Contractual services	261,790	269,690	261,183	8,507
Commodities	169,680	169,680	163,911	5,769
Insurance and other expenses	35,616	35,616	29,063	6,553
Total operating expenses	<u>616,895</u>	<u>624,795</u>	<u>610,479</u>	<u>14,316</u>
Operating income (loss)	<u>273,277</u>	<u>265,377</u>	<u>309,848</u>	<u>44,471</u>
Non-operating revenues (expenses)				
Income on investments	2,232	2,232	7,689	5,457
Debt service	(276,542)	(376,542)	(368,276)	8,266
Other	(906)	(906)	(41,906)	(41,000)
Total non-operating revenues (expenses)	<u>(275,216)</u>	<u>(375,216)</u>	<u>(402,493)</u>	<u>(27,277)</u>
Change in net assets	<u>\$ (1,939)</u>	<u>\$ (109,839)</u>	(92,645)	<u>\$ 17,194</u>
Adjustments to GAAP basis				
Debt				
Principal payments			281,715	
Accrued interest adjustment			(11,913)	
Capital assets				
Capital contributions			115,554	
Depreciation			(171,830)	
Change in net assets, GAAP basis			<u>\$ 120,881</u>	

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 365,690	\$ 308,940	\$ 272,832	\$ 278,754	\$ 1,226,216
Cash and cash equivalents with fiscal agent	114,212	-	-	-	114,212
Investments	3,743,181	3,162,298	2,792,693	2,853,315	12,551,487
Receivables:					
Accounts	-	25,698	4,467	-	30,165
Interest	32,773	28,813	25,057	25,825	112,468
Prepaid items	-	-	-	100,000	100,000
Total current assets	<u>4,255,856</u>	<u>3,525,749</u>	<u>3,095,049</u>	<u>3,257,894</u>	<u>14,134,548</u>
Non-current assets:					
Capital assets:					
Depreciable assets, net	-	-	-	5,387,350	5,387,350
Total assets	<u>4,255,856</u>	<u>3,525,749</u>	<u>3,095,049</u>	<u>8,645,244</u>	<u>19,521,898</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	321,515	12,818	53,361	14,268	401,962
Accrued liabilities	2,740	-	4,396	-	7,136
Lease payable, current portion	-	-	-	296,368	296,368
Other liabilities, current portion	875	-	-	-	875
Accrued interest	-	-	-	9,441	9,441
Estimated claims	757,591	552,597	239,485	-	1,549,673
Total current liabilities	<u>1,082,721</u>	<u>565,415</u>	<u>297,242</u>	<u>320,077</u>	<u>2,265,455</u>
Non-current liabilities:					
Leases payable	-	-	-	856,788	856,788
Other liabilities	16,883	-	4,533	-	21,416
Total non-current liabilities	<u>16,883</u>	<u>-</u>	<u>4,533</u>	<u>856,788</u>	<u>878,204</u>
Total liabilities	<u>1,099,604</u>	<u>565,415</u>	<u>301,775</u>	<u>1,176,865</u>	<u>3,143,659</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	4,234,194	4,234,194
Unrestricted	3,156,252	2,960,334	2,793,274	3,234,185	12,144,045
Total net assets	<u>\$ 3,156,252</u>	<u>\$ 2,960,334</u>	<u>\$ 2,793,274</u>	<u>\$ 7,468,379</u>	<u>\$ 16,378,239</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Activities				Total
	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Operating revenues					
Charges for services	\$ 9,994,548	\$ 1,091,885	\$ 1,373,707	\$ 551,216	\$ 13,011,356
Total operating revenues	<u>9,994,548</u>	<u>1,091,885</u>	<u>1,373,707</u>	<u>551,216</u>	<u>13,011,356</u>
Operating expenses					
Personnel services	91,849	5,685	150,154	-	247,688
Contractual services	1,048,186	139,248	498,872	-	1,686,306
Commodities	-	1,685	339	-	2,024
Capital Expense	-	-	-	118,386	118,386
Insurance and other expenses	9,672,815	646,245	501,797	-	10,820,857
Depreciation	-	-	-	1,002,692	1,002,692
Total operating expenses	<u>10,812,850</u>	<u>792,863</u>	<u>1,151,162</u>	<u>1,121,078</u>	<u>13,877,953</u>
Operating income (loss)	<u>(818,302)</u>	<u>299,022</u>	<u>222,545</u>	<u>(569,862)</u>	<u>(866,597)</u>
Non-operating revenues (expenses)					
Income on investments	75,921	80,069	65,292	73,097	294,379
Interest expense	-	-	-	(49,001)	(49,001)
Gain (loss) on disposition of capital assets	-	-	-	31,861	31,861
Other	107,293	-	-	-	107,293
Total non-operating revenues (expenses)	<u>183,214</u>	<u>80,069</u>	<u>65,292</u>	<u>55,957</u>	<u>384,532</u>
Income (loss) before contributions and transfers	<u>(635,088)</u>	<u>379,091</u>	<u>287,837</u>	<u>(513,905)</u>	<u>(482,065)</u>
Capital contributions	-	-	-	64,826	64,826
Change in net assets	<u>(635,088)</u>	<u>379,091</u>	<u>287,837</u>	<u>(449,079)</u>	<u>(417,239)</u>
Net assets - beginning	3,791,340	2,581,243	2,505,437	7,917,458	16,795,478
Net assets - ending	<u>\$ 3,156,252</u>	<u>\$ 2,960,334</u>	<u>\$ 2,793,274</u>	<u>\$ 7,468,379</u>	<u>\$ 16,378,239</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Cash flows from operating activities:					
Cash received from customers	\$ 9,994,548	\$ 1,084,098	\$ 1,369,240	\$ 551,216	\$ 12,999,102
Cash payments to employees for services	(92,080)	-	(145,217)	-	(237,297)
Cash payments to suppliers for goods and services	(10,324,862)	(916,079)	(1,128,375)	(246,728)	(12,616,044)
Net cash provided by (used in) operating activities	<u>(422,394)</u>	<u>168,019</u>	<u>95,648</u>	<u>304,488</u>	<u>145,761</u>
Cash flows from noncapital financing activities:					
Miscellaneous	107,293	-	-	-	107,293
Net cash provided by (used in) noncapital financing activities	<u>107,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,293</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(306,667)	(306,667)
Interest paid on long term debt	-	-	-	(50,174)	(50,174)
Acquisition and construction of capital assets	-	-	-	(748,800)	(748,800)
Proceeds from sale of capital assets	-	-	-	57,760	57,760
Net cash (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,047,881)</u>	<u>(1,047,881)</u>
Cash flow from investing activities:					
(Purchase) sale of investments	145,285	(272,936)	(189,778)	549,764	232,335
Interest received on investments	87,221	82,080	68,077	81,617	318,995
Net cash provided by (used in) investing activities	<u>232,506</u>	<u>(190,856)</u>	<u>(121,701)</u>	<u>631,381</u>	<u>551,330</u>
Net increase (decrease) in cash and cash equivalents	(82,595)	(22,837)	(26,053)	(112,012)	(243,497)
Cash and cash equivalents - beginning of year	458,449	331,777	298,885	390,766	1,479,877
Cash and cash equivalents - end of year	<u>\$ 375,854</u>	<u>\$ 308,940</u>	<u>\$ 272,832</u>	<u>\$ 278,754</u>	<u>\$ 1,236,380</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ (818,302)</u>	<u>\$ 299,022</u>	<u>\$ 222,545</u>	<u>\$ (569,862)</u>	<u>\$ (866,597)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	1,002,692	1,002,692
(Increase) decrease in accounts receivable	-	(7,788)	(4,467)	-	(12,255)
(Increase) decrease in prepaid items	-	2,700	-	(100,000)	(97,300)
Increase (decrease) in accounts payable and other	97,580	(6,689)	(80,183)	(28,342)	(17,634)
Increase (decrease) in accrued liabilities	(1,263)	-	2,507	-	1,244
Increase (decrease) in estimated claims	299,591	(119,226)	(44,754)	-	135,611
Total adjustments	<u>395,908</u>	<u>(131,003)</u>	<u>(126,897)</u>	<u>874,350</u>	<u>1,012,358</u>
Net cash provided by (used in) operating activities	<u>\$ (422,394)</u>	<u>\$ 168,019</u>	<u>\$ 95,648</u>	<u>\$ 304,488</u>	<u>\$ 145,761</u>

Non-cash investing, capital, and financing activities:

- The unrecognized gain (loss) recorded to value the non-cash investments of the City's internal service funds to fair market value was \$243,129
- Capital assets contributed from governmental activities to the General Capital Outlay Replacement Internal Service Fund totaled \$64,826

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL OUTLAY REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 1,065,465	\$ 194,375	\$ 551,216	\$ 356,841
Total operating revenues	<u>1,065,465</u>	<u>194,375</u>	<u>551,216</u>	<u>356,841</u>
Operating expenses				
Capital expense	4,563,147	3,925,619	1,065,572	2,860,047
Total operating expenses	<u>4,563,147</u>	<u>3,925,619</u>	<u>1,065,572</u>	<u>2,860,047</u>
Operating income (loss)	<u>(3,497,682)</u>	<u>(3,731,244)</u>	<u>(514,356)</u>	<u>3,216,888</u>
Non-operating revenues (expenses)				
Income on investments	-	-	73,097	73,097
Debt service	-	-	(366,283)	(366,283)
Disposition of assets	-	-	57,760	57,760
Total Non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(235,426)</u>	<u>(235,426)</u>
Change in net assets	<u>\$ (3,497,682)</u>	<u>\$ (3,731,244)</u>	<u>(749,782)</u>	<u>\$ 2,981,462</u>
Adjustments to GAAP basis				
Debt				
Principal payments			306,667	
Accrued interest adjustment			10,615	
Capital assets				
Acquisitions			947,186	
Net book value of disposals			(25,899)	
Capital contributions			64,826	
Depreciation			(1,002,692)	
Change in net assets, GAAP basis			<u>\$ (449,079)</u>	

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STATISTICAL SECTION

Table

Financial Trends Information

These schedules contain trend information to help the reader understand how the city's financial performance and well being are changed over time.

Net Assets by Component	1
Changes in Net Assets	2
Fund Balance of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4

Revenue Capacity Information

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales and use tax.

Sales and Use Tax Revenue	5
Direct and Overlapping Sales and Use Tax Rates	6
Principal Sales and Use Taxpayers by Industry	7

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	8
Direct and Overlapping Governmental Activities Debt	9
Legal Debt Margin Information	10
Pledged Revenue Coverage	11

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the city's financial activity take place.

Demographic and Economic Statistics	12
Principal Employers	13

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Full Time Equivalent City Government Employees by Function/Program	14
Operating Indicators by Function/Program	15
Capital Asset Statistics by Function/Program	16

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Table 1
City of Westminster
Net Assets by Component
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities								
Invested in capital assets, net of related debt	\$158,875,846	\$160,998,545	\$177,034,028	\$174,180,185	\$198,949,426	\$182,883,693	\$188,252,570	\$194,284,140
Restricted	36,445,526	30,686,285	30,387,925	45,756,100	3,978,822	3,275,792	4,427,178	4,588,769
Unrestricted	67,848,480	72,256,476	62,116,184	32,614,076	53,798,749	60,247,261	65,813,768	63,022,215
Total governmental activities net assets	\$263,169,852	\$263,941,306	\$269,538,137	\$252,550,361	\$256,726,997	\$246,406,746	\$258,493,516	\$261,895,124
Business-type activities								
Invested in capital assets, net of related debt	\$329,710,391	\$343,627,745	\$321,320,685	\$296,968,005	\$288,116,734	\$280,402,901	\$276,220,697	\$265,141,364
Restricted	5,486,422	3,424,753	3,406,636	3,384,483	3,371,769	3,939,139	690,739	854,757
Unrestricted	58,676,671	73,164,925	83,341,972	96,573,378	81,944,889	74,959,025	74,913,867	79,999,022
Total business-type activities net assets	\$393,873,484	\$420,217,423	\$408,069,293	\$396,925,866	\$373,433,392	\$359,301,065	\$351,825,303	\$345,995,143
Primary government								
Invested in capital assets, net of related debt	\$488,586,237	\$504,626,290	\$498,354,713	\$471,148,190	\$487,066,160	\$463,286,594	\$464,473,267	\$459,425,504
Restricted	41,931,948	34,111,038	33,794,561	49,140,583	7,350,591	7,214,931	5,117,917	5,443,526
Unrestricted	126,525,151	145,421,401	145,458,156	129,187,454	135,743,638	135,206,286	140,727,635	143,021,237
Total primary government net assets	\$657,043,336	\$684,158,729	\$677,607,430	\$649,476,227	\$630,160,389	\$605,707,811	\$610,318,819	\$607,890,267

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2002.

Note: Prior year transactions affecting the beginning Net Assets were restated in the reporting year as follows:

2006: \$401,667 decrease GCORF depreciation expense, \$1,098,603 Utility Fund increase construction expense, \$1,132,332 Governmental

Activities decrease depreciation expense, \$8,889,537 increase construction expense, \$692,455 decrease loss on disposal of assets

2005: \$535,927 Government Activities accreted interest subtracted from capital lease payable

2004: \$839,626 WEDA decrease interest expense, \$839,626 General Fund increase interest expense, \$1,894,844 Governmental Activities accreted interest added to capital lease payable

Table 2
City of Westminster
Changes in Net Assets
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Governmental activities:								
General government	\$36,876,436	\$37,827,492	\$30,083,440	\$26,755,382	\$28,375,433	\$27,373,824	\$23,149,819	\$16,535,561
Public safety	31,552,454	31,797,184	30,077,636	29,526,569	28,211,005	25,188,099	21,748,704	20,257,253
Public works	13,941,301	13,748,911	14,501,794	14,385,925	7,793,659	6,669,236	6,259,809	6,434,332
Community development	12,454,872	17,656,461	14,059,071	24,290,269	14,849,423	20,668,261	3,492,112	3,853,280
Culture and recreation	20,368,098	17,307,667	17,829,533	11,481,246	13,498,043	13,487,779	12,773,283	13,462,288
Capital projects	0	0	0	0	0	7,761,325	2,556,076	9,017,184
Interest and fiscal charges	8,449,810	7,845,618	7,394,096	9,052,813	2,964,876	4,721,589	3,621,023	4,149,821
Unallocated depreciation	479,427	488,012	1,095,078	1,099,897	11,354,543	11,885,480	10,327,198	9,502,822
Total governmental activities expenses	124,122,398	126,671,345	115,040,648	116,592,101	107,046,982	117,755,593	83,928,024	83,212,541
Business-type activities:								
Utility	48,678,931	45,569,405	40,329,042	37,840,442	30,937,189	31,668,693	30,161,907	29,375,900
Golf	4,017,357	4,128,726	3,410,562	3,301,699	3,171,327	3,534,028	3,170,192	3,181,173
Westminster Building Authority	0	0	0	0	68,559	120,821	149,035	82,313
Westminster Housing Authority	922,689	969,722	995,606	947,135	1,325,012	996,062	818,719	791,391
Total business-type activities expenses	53,618,977	50,667,853	44,735,210	42,089,276	35,502,087	36,319,604	34,299,853	33,430,777
Total primary government expenses	\$177,741,375	\$177,339,198	\$159,775,858	\$158,681,377	\$142,549,069	\$154,075,197	\$118,227,877	\$116,643,318
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$4,497,892	\$5,666,074	\$7,432,044	\$5,319,186	\$5,591,578	\$6,297,375	\$2,821,007	\$1,881,594
Public safety	4,225,333	4,096,692	4,053,890	4,498,935	4,195,334	3,692,640	3,223,216	3,381,639
Public works	1,777,317	1,527,937	0	0	0	0	159,478	148,593
Community development	400,784	246,084	77,884	117,934	178,163	228,753	295,462	203,494
Culture and recreation	6,249,434	6,908,729	5,753,903	6,297,123	5,913,673	5,649,992	5,873,713	5,951,419
Operating grants and contributions	4,300,000	5,486,482	5,748,908	5,329,834	4,165,796	4,716,909	5,210,404	4,847,307
Capital grants and contributions	7,113,267	8,736,385	14,261,659	10,067,149	10,400,100	9,012,841	7,334,926	9,160,429
Total governmental activities revenues	28,564,027	32,668,383	37,328,288	31,630,161	30,444,644	29,598,510	24,918,206	25,574,475

Business-type activities:										
Charges for services:										
Utility	37,785,693	41,355,962	37,009,477	37,639,880	34,574,051	29,890,164	31,528,197	33,425,886		
Golf	2,730,028	3,137,704	3,197,655	2,993,881	2,932,389	2,825,291	2,925,457	3,172,925		
Westminster Building Authority	0	0	0	0	15,655	17,020	17,847	464,451		
Westminster Housing Authority	920,327	901,313	902,899	887,721	878,870	835,157	794,098	780,092		
Operating grants and contributions	0	0	0	0	0	0	0	0		
Capital grants and contributions	3,534,458	12,590,561	7,809,021	15,704,276	14,934,514	11,002,884	9,305,522	15,459,049		
Total business-type activities revenues	44,970,506	57,985,540	48,919,052	57,225,758	53,335,479	44,570,516	44,571,121	53,302,403		
Total primary government revenues	\$73,534,533	\$90,653,923	\$86,247,340	\$88,655,919	\$83,780,123	\$74,169,026	\$69,489,327	\$78,876,878		

Net (expense)/revenue										
Governmental activities	(\$95,558,371)	(\$94,002,962)	(\$77,712,360)	(\$84,961,940)	(\$76,602,338)	(\$88,157,083)	(\$59,009,818)	(\$57,638,066)		
Business-type activities	(8,648,471)	7,317,687	4,183,842	15,136,482	17,833,392	8,250,912	10,271,268	19,871,626		
Total primary government net expense	(\$104,206,842)	(\$86,685,275)	(\$73,528,518)	(\$69,825,458)	(\$58,768,946)	(\$79,906,171)	(\$48,738,550)	(\$37,766,440)		

General revenues and other changes in net assets

Governmental activities:										
Taxes										
Property taxes	\$10,737,251	\$9,020,419	\$6,348,656	\$5,272,024	\$4,600,304	\$4,331,501	\$4,185,561	\$3,957,730		
Sales taxes	63,634,222	65,369,753	60,290,173	56,725,466	54,419,354	52,568,207	42,803,354	42,351,380		
Use taxes	10,382,385	12,436,326	13,610,159	12,634,095	11,683,748	11,422,307	10,454,839	10,409,135		
Business fees and other taxes	4,797,606	5,137,132	4,556,637	4,300,682	4,185,604	3,950,630	3,828,966	3,362,214		
Accommodations taxes	2,045,874	2,627,010	1,425,434	1,239,740	1,078,023	945,908	914,662	984,772		
Intergovernmental not restricted to a specific purpose	1,360,925	1,079,951	1,052,427	1,060,315	818,642	1,086,271	1,071,316	2,932,758		
Interest	1,979,580	6,043,261	6,496,200	5,760,231	3,087,962	1,043,447	1,242,606	1,984,889		
Other	597,423	1,420,276	1,980,122	2,152,680	991,884	434,985	(11,042,785)	883,813		
Gain on Sale of Assets	0	604,571	0	0	0	0	0	0		
Special Item	0	(14,825,447)	0	0	0	0	0	0		
Transfers	(748,349)	(507,121)	(1,059,672)	(1,035,000)	5,521,091	2,181,901	6,039,079	421,459		
Total governmental activities	94,786,917	88,406,131	94,700,136	88,110,233	86,386,612	77,965,157	59,497,598	67,288,150		
Business-type activities:										
Interest	1,177,710	3,978,172	5,899,913	4,325,952	1,802,480	822,480	1,597,971	2,278,365		
Other	0	0	0	0	17,546	584,271	0	0		
Gain on Sale of Assets	1,019	895,150	0	4,093,643	0	0	0	0		
Transfers	748,349	507,121	1,059,672	1,035,000	(5,521,091)	(2,181,901)	(6,039,079)	(421,459)		
Total business-type activities	1,927,078	5,380,443	6,959,585	9,454,595	(3,701,065)	(775,150)	(4,441,108)	1,856,906		
Total primary government	\$96,713,995	\$93,786,574	\$101,659,721	\$97,564,828	\$82,685,547	\$77,190,007	\$55,056,490	\$69,145,056		

Change in net assets										
Governmental activities	(\$771,454)	(\$5,596,831)	\$16,987,776	\$3,148,293	\$9,784,274	(\$10,191,926)	\$487,780	\$9,650,084		
Business-type activities	(6,721,393)	12,698,130	11,143,427	24,591,077	14,132,327	7,475,762	5,830,160	21,728,532		
Total primary government	(\$7,492,847)	\$7,101,299	\$28,131,203	\$27,739,370	\$23,916,601	(\$2,716,164)	\$6,317,940	\$31,378,616		

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2002. Prior period adjustments affecting expenses are noted in Table 1

Table 3
City of Westminster
Fund Balances, Governmental Funds
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
General fund								
Reserved	\$4,971,225	\$5,299,062	\$5,203,223	\$6,539,253	\$7,623,125	\$7,387,538	\$5,277,981	\$4,544,041
Unreserved	14,873,895	12,045,241	9,859,229	11,015,978	10,172,500	11,058,947	10,154,348	8,928,901
Total general fund	\$19,845,120	\$17,344,303	\$15,062,452	\$17,555,231	\$17,795,625	\$18,446,485	\$15,432,329	\$13,472,942
All other governmental funds								
Reserved	\$32,504,877	\$49,434,107	\$55,624,752	\$41,493,854	\$51,749,047	\$13,894,852	\$32,396,047	\$16,042,228
Unreserved, reported in:								
Special revenue funds	9,959,421	10,975,428	12,304,218	7,472,186	14,949,783	3,161,386	4,821,194	5,388,104
Capital project funds	35,179,303	46,104,714	41,475,007	33,713,081	47,985,815	40,797,055	42,654,999	47,822,846
Total all other governmental funds	\$77,643,601	\$106,514,249	\$109,403,977	\$82,679,121	\$114,684,645	\$57,853,293	\$79,872,240	\$69,253,178

Note: Prior to the implementation of GASB statement 34 in fiscal year 2002, data for this table was categorized in a different format and was reported in thousands. The data to produce compatible statements is not readily available and has been omitted.

Table 4
City of Westminster
Changes in Fund Balance, Governmental Funds
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Revenues								
Taxes and business fees	\$91,597,338	\$94,590,640	\$86,231,059	\$80,172,007	\$76,079,765	\$73,218,549	\$61,979,807	\$60,886,283
Intergovernmental	13,354,111	14,316,029	12,626,793	14,815,789	9,821,702	9,891,407	10,262,233	12,453,039
Assessments	46,471	42,886	149,199	160,425	932,647	629,422	807,875	930,306
Licenses and permits	1,127,900	2,133,832	2,654,027	2,616,662	2,101,468	2,321,833	2,293,599	1,971,068
Interest	2,029,458	6,102,824	6,554,612	5,781,155	3,119,849	1,043,728	1,248,030	1,976,892
Contributions	341,739	771,595	4,349,528	1,460,160	4,850,163	3,128,934	1,320,656	2,596,908
Recreation fees	5,766,441	6,379,855	5,735,111	5,867,809	5,311,991	5,072,051	5,352,397	5,360,607
Fines and forfeits	2,066,013	1,977,465	2,164,544	2,512,044	2,222,848	1,991,265	1,634,836	1,727,538
Fleet maintenance billings and other	6,544,888	6,886,037	5,058,804	3,699,601	3,425,398	2,988,540	2,330,473	2,185,566
EMS billings	1,858,670	2,026,555	2,020,583	1,937,237	1,814,699	1,492,350	1,435,730	1,357,273
Miscellaneous and other	336,893	973,939	80,040	10,737	376,850	254,296	382,841	909,050
Total revenues	125,069,922	136,201,657	127,624,300	119,033,626	110,057,380	102,032,375	89,048,477	92,354,530
Expenditures								
Current:								
General government	38,893,287	38,981,777	32,017,213	29,101,545	29,270,288	29,781,843	23,558,895	20,005,285
Public safety	30,241,887	30,411,901	28,794,062	28,183,148	27,315,730	24,067,713	20,913,186	21,176,733
Public works	6,754,884	6,753,727	7,238,076	7,071,716	6,506,687	6,635,754	6,208,225	6,418,668
Community development	4,647,250	9,807,146	6,634,975	15,393,627	6,608,216	8,168,892	6,157,124	7,479,348
Culture and recreation	14,036,487	14,009,673	13,456,076	12,868,421	12,407,022	11,683,528	11,417,127	11,843,837
Capital projects	32,958,628	26,018,509	29,413,964	49,866,552	45,506,648	51,364,097	42,732,128	33,809,251
Debt service:								
Principal	15,538,875	4,920,000	5,480,000	5,240,000	14,411,670	4,910,000	4,960,000	5,840,000
Interest and fiscal charges	8,887,437	7,519,672	8,836,684	8,706,148	7,570,896	4,309,524	3,893,883	4,010,977
Total expenditures	151,958,735	138,422,405	131,871,050	156,431,157	149,597,157	140,921,351	119,840,568	110,584,099
Excess of revenues over (under) expenditures	(\$26,888,813)	(\$2,220,748)	(\$4,246,750)	(\$37,397,531)	(\$39,539,777)	(\$38,888,976)	(\$30,792,091)	(\$18,229,569)
Other financing Sources (Uses)								
Issuance of bonds	535,337	0	29,485,488	0	68,300,000	9,000,000	38,525,000	15,513,231
Issuance of notes	0	0	0	0	0	0	260,000	0
Issuance of leases	562,530	32,792	40,626	5,045,733	20,651,235	488,414	250,523	354,785
Sale of capital asset	169,464	1,071,525	702,109	1,140,880	5,484,526	8,213,870	1,739,299	0
Transfers in	67,485,765	75,333,568	72,740,073	71,995,567	85,070,154	67,737,574	59,112,666	60,553,119
Transfers (out)	(68,234,114)	(75,840,689)	(74,489,469)	(73,030,567)	(83,785,646)	(65,555,673)	(53,073,587)	(61,118,141)
Total other financing sources (uses)	518,982	597,196	28,478,827	5,151,613	95,720,269	19,884,185	46,813,901	15,302,994
Special item: Write-off of note receivable							(3,443,361)	
Net change in fund balances	(26,369,831)	(1,623,552)	24,232,077	(32,245,918)	56,180,492	(19,004,791)	12,578,449	(2,926,575)
Debt Service as a percentage of noncapital expenditures	19.1%	10.5%	13.0%	12.6%	23.5%	9.4%	11.4%	12.1%

Note: Prior to the implementation of GASB statement 34 in fiscal year 2002, data for this table was categorized in a different format and was reported in thousands. The data to produce compatible statements is not readily available and has been omitted.

Table 5
City of Westminster
Sales and Use Tax Revenue
Last ten fiscal years

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate
2000	\$ 52,976,028	\$ -	4,640,778	3.25%
2001	53,742,758	-	4,785,062	3.25%
2002	48,502,461	-	4,258,055	3.25%
2003	49,042,179	-	4,216,011	3.25%
2004	49,700,220	10,025,888	4,264,405	3.85%
2005	51,359,026	10,353,701	4,390,375	3.85%
2006	53,640,060	11,040,410	4,679,093	3.85%
2007	56,966,362	11,927,367	5,006,603	3.85%
2008	60,528,509	12,196,830	5,080,740	3.85%
2009	57,689,144	11,526,169	4,801,294	3.85%

Source: City Sales Tax Division

¹ The Public Safety Sales and Use Tax was implemented January 1, 2004

² The Open Space Sales and Use Tax was implemented January 1, 1985

Table 6
City of Westminster
Sales and Use Tax Rates
Last ten fiscal years

Fiscal Year	City Direct Rates					Overlapping Rates ³		
	City Sales and Use Tax	Public Safety		Open Space		Adams County Sales Tax	Jefferson County Sales Tax	RTD/CD/FD Sales Tax
		Sales and Use Tax ¹	Sales and Use Tax ²	Sales and Use Tax ²	Total Direct Tax Rate			
2000	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2001	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2002	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2003	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2004	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	0.80%
2005	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	1.20%
2006	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	1.20%
2007	3.00%	0.60%	0.25%	0.25%	3.85%	0.75%	0.50%	1.20%
2008	3.00%	0.60%	0.25%	0.25%	3.85%	0.75%	0.50%	1.20%
2009	3.00%	0.60%	0.25%	0.25%	3.85%	0.75%	0.50%	1.20%

Source: City Sales Tax Division

¹ The Public Safety Sales and Use Tax was implemented January 1, 2004

² The Open Space Sales and Use Tax was implemented January 1, 1985

³ Overlapping rates are those of county governments and tax districts within the City of Westminster. Not all overlapping rates apply to all sales transactions.

**Table 7
City of Westminster** **Principal Sales and Use Tax Payers by Category
Current Year and Nine Years Ago**

Category	Fiscal Year 2009			Fiscal Year 2000		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Department and Discount Stores	\$20,007,091	1	27.0%	\$11,015,642	1	19.1%
Utility	8,178,109	2	11.0%	5,501,789	3	9.5%
Restaurants	7,814,379	3	10.6%	4,596,842	5	8.0%
Grocery Stores	4,893,153	4	6.6%	5,446,327	4	9.5%
Automobile Use	4,709,742	5	6.4%	5,617,065	2	9.7%
Home Improvement/Hardware Stores	2,771,684	6	3.7%	1,348,492	7	2.3%
Appliance/Computer/Electronics	1,423,096	7	1.9%	3,267,203	6	5.7%

Source: City Sales Tax Division

Note: Due to requirements under the City Code, the names of the largest revenue payers are confidential. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Table 8
City of Westminster
Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Revenue Bonds	Tax Incremental Bonds	Special Assessment Bonds	Capital Leases	Notes	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes			
2000	\$475,000	\$64,403,000	\$6,460,000	\$1,120,000	\$54,092,000	\$1,147,000	\$2,990,000	\$28,848,000	\$3,263,000	\$33,374,000	\$196,172,000	5.8%	\$1,943
2001	390,000	68,905,000	6,460,000	995,000	70,932,000	1,096,000		27,907,000	2,771,000	32,350,000	211,806,000	6.1%	2,098
2002		78,680,000	6,460,000	860,000	69,838,548	1,042,500		33,330,000	2,797,763	32,123,610	225,132,421	6.3%	2,145
2003		73,895,000	44,955,000	715,000	68,555,883	260,000		31,575,000	2,532,048	30,494,150	252,982,081	7.4%	2,498
2004		69,525,000	44,835,000	555,000	68,503,976	9,000,000		29,720,000	2,656,970	28,845,784	253,641,730	6.7%	2,386
2005		64,730,000	112,970,000		85,369,906			27,850,000	1,939,127	42,281,591	335,140,624	8.4%	3,093
2006		59,775,000	112,685,000		86,810,539			25,900,000	2,250,782	40,327,316	327,748,637	7.8%	2,988
2007		74,330,000	120,485,000		83,852,128			23,880,000	2,507,662	38,068,147	343,122,937	7.9%	3,127
2008		69,740,000	120,155,000		80,627,717			15,945,000	835,300	35,915,842	323,218,859	7.2%	2,905
2009		64,955,000	110,055,000		76,826,446			14,075,000	1,075,366	33,366,040	300,352,852	7.0%	2,747

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹Personal income and population data can be found on Table 12

Table 9
City of Westminster
Direct and Overlapping Governmental Activities Debt
As of December 31, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Adams County School District # 12	\$369,524,845	27.67%	\$102,247,525
Adams County School District # 50	99,335,000	48.04%	47,720,534
Apex Park & Recreation District	9,055,000	7.08%	641,094
Arvada Fire Protection District	4,955,000	0.02%	991
Bradburn Metro # 2	5,232,000	100.00%	5,232,000
Bradburn Metro # 3	6,630,000	100.00%	6,630,000
Church Ranch Metro District	3,165,000	99.99%	3,164,684
Countrydale Highlands Metro District	1,952,250	100.00%	1,952,250
Countrydale Metropolitan District	26,625,000	100.00%	26,625,000
Hunnington Trail Metropolitan District	3,000,000	100.00%	3,000,000
Hyland Hills Park & Recreation	13,440,000	56.36%	7,574,784
Jefferson County School District # R-1	628,823,015	8.15%	51,257,018
NBC Metropolitan District	9,140,000	100.00%	9,140,000
North Metro Fire and Rescue	24,630,000	0.23%	56,649
Southwest Adams Fire Protection District	1,005,000	0.06%	603
Westglenn Metro District	1,915,000	99.53%	1,906,000
Subtotal, overlapping debt			\$267,149,132
City Direct debt			306,101,983
Total direct and overlapping debt			\$573,251,115

Source: Assessed value data used to estimate applicable percentages provided by Adams County and Jefferson County Governments. Debt outstanding data provided by each governmental unit. City direct debt details can be found on Table 8.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident. And therefore responsible for repaying the debt, of each overlapping government.

Table 10
City of Westminster

Legal Debt Margin Information
Last ten fiscal years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$178,511,000	\$227,241,000	\$234,971,185	\$246,800,481	\$281,817,584	\$295,891,298	\$442,722,260	\$465,221,634	\$389,694,751	\$465,566,291
Total net debt applicable to limit	54,092,000	70,932,000	69,838,548	68,555,883	68,503,976	85,369,906	86,810,539	83,852,128	85,685,000	77,901,812
Legal debt margin	\$124,419,000	\$156,309,000	\$165,132,637	\$178,244,598	\$213,313,608	\$210,521,392	\$355,911,721	\$381,369,506	\$304,009,751	\$387,664,479

Total net debt applicable to the limit
as a percentage of debt limit

	30.30%	31.21%	29.72%	27.78%	24.31%	28.85%	19.61%	18.02%	21.99%	16.73%
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Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value - 2008 for 2009 taxes ¹	
Adams County portion of the City	\$657,821,260
Jefferson County portion of the City	577,481,300
Total assessed value	<u>\$1,235,302,560</u>

Debt limit (3% of actual value²)

\$465,566,291

Debt applicable to limit:

Bonded debt - general obligation only

\$0

Installment of lease/purchase contracts for

purchase of property or equipment³

77,900,812

77,900,812

Less deductions allowed by law:

0

Total net debt applicable to limit

77,900,812

Legal debt margin

\$387,665,479

¹ Source Adams County and Jefferson County Abstract of Assessments

²CRS 31-15-302 (3% limit)

³Included in general obligation indebtedness per Section 11.1 of City Charter

Table 11
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	Utilities Revenue Bonds						Coverage
	Applicable Revenues	Less:		Debt Service		Coverage	
		Operating Expenses	Net Pledged Revenue	Principal	Interest		
2000	\$39,474,222	(\$20,251,468)	\$19,222,754	\$1,925,175	\$1,570,119	5.50	
2001	51,304,532	(21,624,093)	29,680,439	2,276,642	2,374,294	6.38	
2002	46,755,525	(21,221,685)	25,533,840	2,624,450	2,174,864	5.32	
2003	39,875,011	(20,835,380)	19,039,631	2,947,007	2,078,044	3.79	
2004	38,998,008	(24,955,155)	14,042,853	3,060,531	1,621,526	3.00	
2005	46,724,597	(23,011,461)	23,713,136	3,400,839	1,931,352	4.45	
2006	51,879,413	(29,305,618)	22,573,795	3,832,679	2,393,501	3.63	
2007	47,716,690	(30,278,159)	17,438,531	3,947,987	2,148,085	2.86	
2008	52,890,292	(34,178,877)	18,711,415	9,913,352	2,159,562	1.55	
2009	38,962,225	(34,914,945)	4,047,280	3,913,088	1,821,361	0.71	

Fiscal Year	Golf Course Enterprise Revenue Bonds						Coverage
	Applicable Revenues	Less:		Debt Service		Coverage	
		Operating Expenses	Net Pledged Revenue	Principal	Interest		
2000	\$2,958,351	(\$2,127,655)	\$830,696	\$0	\$336,908	2.47	
2001	3,160,330	(2,569,223)	591,107	50,000	336,908	1.53	
2002	3,172,925	(2,324,672)	848,253	100,000	334,658	1.95	
2003	2,925,457	(2,328,521)	596,936	170,000	330,058	1.19	
2004	2,825,291	(2,711,319)	113,972	175,000	322,153	0.23	
2005	2,932,389	(2,461,158)	471,231	185,000	313,840	0.94	
2006	2,993,881	(2,587,855)	406,026	195,000	304,868	0.81	
2007	3,197,655	(2,625,270)	572,385	205,000	295,313	1.14	
2008	3,137,704	(2,848,731)	288,973	215,000	285,165	0.58	
2009	2,730,028	(3,174,737)	(444,709)	225,000	274,415	(0.89)	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

Source: City's Treasury Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	Sales and Use Tax Revenue Bonds						Coverage
	Sales and Use Tax Collections	Operating Expenses	Net Pledged Revenue	Debt Service			
				Principal	Interest	Coverage	
2000	\$52,764,730	(\$299,043)	\$52,465,687	\$3,225,000	\$2,791,093	8.72	
2001	53,731,435	(308,218)	53,423,217	2,525,000	2,396,009	10.86	
2002	47,863,679	(335,176)	47,528,503	4,110,000	2,325,018	7.39	
2003	48,562,246	(342,094)	48,220,152	3,525,000	2,810,913	7.61	
2004	49,306,412	(289,190)	49,017,222	3,055,000	2,648,318	8.59	
2005	49,659,495	(279,048)	49,380,447	3,395,000	2,524,233	8.34	
2006	51,643,775	(315,515)	51,328,260	3,470,000	2,386,885	8.76	
2007	51,799,803	(393,333)	51,406,470	1,985,000	1,394,198	15.21	
2008	51,438,718	(410,638)	51,028,080	3,450,000	1,896,409	9.54	
2009	47,712,522	(434,255)	47,278,267	3,605,000	1,747,921	8.83	

Parks Open Space Trails Sales and Use Tax Revenue Bonds

Fiscal Year	Sales and Use Tax Revenue Bonds						Coverage
	Sales and Use Tax Collections	Operating Expenses	Net Pledged Revenue	Debt Service			
				Principal	Interest	Coverage	
2000	\$4,652,437	(\$24,920)	\$4,627,517	\$1,085,000	\$1,280,799	1.96	
2001	4,812,077	(25,685)	4,786,392	1,150,000	1,218,796	2.02	
2002	4,272,085	(27,931)	4,244,154	1,205,000	1,166,411	1.79	
2003	4,224,170	(28,508)	4,195,662	1,260,000	1,109,861	1.77	
2004	4,259,760	(24,084)	4,235,676	1,315,000	1,049,626	1.79	
2005	4,372,363	(23,239)	4,349,124	1,400,000	970,116	1.83	
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496	1.97	
2007	4,963,410	(32,757)	4,930,653	0	448,126	11.00	
2008	5,068,261	(34,198)	5,034,063	1,140,000	1,513,780	1.90	
2009	4,823,367	(36,165)	4,787,202	1,180,000	1,494,038	1.79	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

Source: City's Treasury Division

Table 11
City of Westminster
1997 Westminster Economic Development Authority (WEDA) Revenue Bonds
Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	Less:			Net Pledged Revenue	Debt Service		Total Debt Service	Coverage
	Gross Pledged Revenues	Operating Expenses	Interest and Fees		Principal	Interest and Fees		
2000	\$681,469	(\$382,565)	\$298,904	\$0	\$344,236	\$344,236	0.87	
2001	788,684	(218,474)	570,210	0	272,835	\$272,835	2.09	
2002	885,073	(237,444)	647,629	0	180,178	\$180,178	3.59	
2003	753,373	(240,964)	512,409	30,000	157,700	\$187,700	2.73	
*2004	636,455	(1,186,496)	(550,041)	120,000	156,451	\$276,451	(1.99)	
**2005	4,259,439	(240)	4,259,199	165,000	224,849	\$389,849	10.93	
2006	501,933	(3,115)	498,818	215,000	282,392	\$497,392	1.00	
2007	516,158	(80,113)	436,045	270,000	313,378	\$583,378	0.75	
2008	505,684	(364,424)	141,260	330,000	206,828	\$536,828	0.26	
***2009	262,399	(3,254)	259,145	0	33,436	\$33,436	7.75	

*Record interfund loan
 **Record write-off of portion of interfund loan and interest
 ***Refunded in 2009 as WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009

Fiscal Year	Less:			Net Pledged Revenue	Debt Service		Total Debt Service	Coverage
	Gross Pledged Revenues	Operating Expenses	Capitalized Interest		Available for Debt Service	Interest and Fees		
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2001	0	0	0	0	0	0	0	N/A
2002	0	0	0	0	0	0	0	N/A
2003	10,963	0	10,963	195,438	206,401	0	195,438	1.06
2004	250,881	0	250,881	882,932	1,133,813	0	882,932	1.28
2005	1,513,135	(2,637)	1,510,498	1,569,189	3,079,687	0	1,569,188	1.96
*2006	356,308	0	356,308	582,016	938,324	70,000	405,245	2.32
2007	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	N/A
2009	0	0	0	0	0	0	0	N/A

*Refunded in 2006 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006

Source: City's Sales Tax Division

Table 11
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

	WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2005										Total Debt Service	Interest and Fees	Total Debt Service	Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Debt Service	Principal	Debt Service	Interest and Fees				
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	
2001	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2002	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2003	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2004	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2005	150,255	0	150,255	1,399,574	1,549,829	0	1,399,574	1,399,574	0	1,399,574	1,399,574	1,399,574	1.11	
2006	898,979	0	898,979	2,721,347	3,620,326	0	2,721,347	2,721,347	0	2,721,347	2,721,347	2,721,347	1.33	
2007	3,469,600	(6,103)	3,463,497	1,439,736	4,903,233	0	2,868,641	2,868,641	0	2,868,641	2,868,641	2,868,641	1.71	
2008	6,369,646	(116,079)	6,253,567	0	6,253,567	0	2,316,866	2,316,866	0	2,316,866	2,316,866	2,316,866	2.70	
*2009	2,245,860	(42,450)	2,203,410	0	2,203,410	5,925,000	792,075	792,075	0	792,075	6,717,075	6,717,075	0.33	

*Refunded in 2009 with WEDA Tax Increment Loan Series 2009 (North Huron Project)

	WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006										Total Debt Service	Interest and Fees	Total Debt Service	Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Debt Service	Principal	Debt Service	Interest and Fees				
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	
2001	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2002	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2003	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2004	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2005	0	0	0	0	0	0	0	0	0	0	0	0	N/A	
2006	2,124,836	(8,130)	2,116,706	640,675	2,757,381	0	1,336,471	1,336,471	0	1,336,471	1,336,471	1,336,471	2.06	
2007	3,154,147	(14,067)	3,140,080	0	3,140,080	250,000	1,609,735	1,609,735	0	1,609,735	1,859,735	1,859,735	1.69	
2008	3,126,504	(23,084)	3,103,420	0	3,103,420	0	1,298,745	1,298,745	0	1,298,745	1,298,745	1,298,745	2.39	
*2009	2,798,958	(27,004)	2,771,954	0	2,771,954	2,857,875	1,056,631	1,056,631	0	1,056,631	3,914,506	3,914,506	0.71	

*Refunded in 2009 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009

Source: City's Sales Tax Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2007											
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service			Interest and Fees	Principal	Total Debt Service	Coverage
					Revenues	Debt Service	Principal				
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2001	0	0	0	0	0	0	0	0	0	0	N/A
2002	0	0	0	0	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	0	0	0	0	N/A
2007	24,974	0	24,974	183,171	208,145	0	183,171	0	183,171	183,171	1.14
2008	722,502	(550,629)	171,873	282,866	454,739	0	282,866	0	282,866	282,866	1.61
*2009	563,172	(401,776)	161,396	156,055	317,451	416,000	128,584	416,000	544,584	544,584	0.58

*Refunded in 2009 with WEDA Tax Increment Loan Series 2009 (South Sheridan Project).

WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009											
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Total Debt Service			Coverage			
					Interest and Fees	Principal	Total Debt Service				
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A			
2001	0	0	0	0	0	0	0	N/A			
2002	0	0	0	0	0	0	0	N/A			
2003	0	0	0	0	0	0	0	N/A			
2004	0	0	0	0	0	0	0	N/A			
2005	0	0	0	0	0	0	0	N/A			
2006	0	0	0	0	0	0	0	N/A			
2007	0	0	0	0	0	0	0	N/A			
2008	0	14,245	14,245	0	0	0	0	N/A			
2009	114,757	(26,663)	88,094	265,000	121,697	386,697	386,697	0.23			

Source: City's Sales Tax Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009									
Less:					Debt Service				
Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Total Debt Service	Coverage
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2001	0	0	0	0	0	0	0	0	N/A
2002	0	0	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	0	N/A
2009	740,921	(6)	0	740,915	0	376,662	376,662	376,662	1.97

WEDA Tax Increment Loan Series 2009 (North Huron Project)									
Less:					Debt Service				
Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees	Total Debt Service	Total Debt Service	Total Debt Service	Total Debt Service	Coverage
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2001	0	0	0	0	0	0	0	0	N/A
2002	0	0	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	0	N/A
2009	4,529,320	(350,701)	1,170,000	1,911,157	1,170,000	1,911,157	3,081,157	3,081,157	1.36

Source: City's Sales Tax Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

	WEDA Tax Increment Loan Series 2009 (South Sheridan Project)					Total Debt Service	Coverage
	Gross Pledged Revenues	Less: Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees		
2000	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2001	0	0	0	0	0	0	N/A
2002	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	N/A
2009	1,429,709	(637,131)	792,578	120,000	220,579	340,579	2.33

Source: City's Sales Tax Division

Table 12
City of Westminster
Demographic and Economic Statistics
Last ten fiscal years

Fiscal Year	Population ¹	Total Personal Income ²	Per Capita Personal Income (Weighted Avg.) ³	Unemployment Rate ⁴
2000	100,940	\$3,383,925,644	\$33,524	4.0%
2001	100,940	3,487,975,928	34,555	3.6%
2002	104,948	3,548,890,279	33,816	5.8%
2003	101,278	3,421,865,455	33,787	4.7%
2004	106,312	3,772,383,228	35,484	4.4%
2005	108,351	3,988,361,227	36,810	4.7%
2006	109,671	4,205,211,476	38,344	4.0%
2007	109,724	4,328,502,076	39,449	3.9%
2008	111,257	4,476,759,166	40,238	5.6%
2009	109,353	4,304,395,718	39,362	7.7%

Source:

- ¹ Population - City of Westminster Planning Dept. (estimate method revised beginning 2009)
- ² Total Personal Income - Product of Per Capita Personal Income by Population
- ³ Per Capita Personal Income - US Bureau of Economic Analysis 2000 -2007 weighted average for Adams and Jefferson Counties. 2008 and 2009 estimated using CPI-U for all urban consumers.
- ⁴ Unemployment Rate obtained from the Colorado Department of Labor and calculated as a weighted average based on rates for Adams and Jefferson Counties

Table 13
City of Westminster **Principal Employers**
Current Year and Nine Years Ago

Employer	Fiscal Year 2009			Fiscal Year 2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total Employment
Avaya (Lucent/Bell Labs)	1,200	1	3.22%	4,200	1	12.27%
Centura Health / St. Anthony's North	799	2	2.15%	750	3	2.19%
Ball Corporation	628	3	1.69%	886	2	2.59%
LPS Asset Management Solutions (F	500	4	1.34%			
McKesson Information Systems	475	5	1.28%			
Alliance Data Systems	428	6	1.15%			
Tri State Generation	400	7	1.07%	300	6	0.88%
Trimble Navigation	290	8	0.78%			
Kaiser Permanente (Huron)	275	9	0.74%	235	10	0.69%
Kaiser Permanente (Sheridan)	263	10	0.71%			
Global Crossing Conferencing				544	4	1.59%
Mobile Tool International				450	5	1.31%
Level 3 Communications				275	7	0.80%
Western Gas Resources				250	8	0.73%
North Metro Community Services				239	9	0.70%

Source: City Economic Development Division

Table 14
City of Westminster
Full-time Equivalent City Employees by Function/Program
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
General Government								
City Attorney's Office	13.95	13.95	13.95	12.65	12.65	12.80	12.30	12.30
City Manager's Office	16.90	11.90	11.90	12.90	12.50	12.90	12.90	12.90
Finance	29.00	28.00	28.00	27.00	27.00	28.00	26.00	26.00
General Services	76.33	75.83	75.83	75.83	75.33	77.33	73.83	73.83
Public Safety								
Fire Department	142.50	142.50	141.50	140.00	140.00	139.50	104.50	101.50
Police Department	275.30	277.30	276.30	273.30	269.30	269.20	229.20	219.80
Public Works								
Street Maintenance	26.00	26.00	26.00	25.75	24.75	25.75	25.75	25.75
Infrastructure	0.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00
Community Development								
Administration	7.60	7.60	7.60	7.10	7.10	7.10	7.10	7.60
Economic Development	0.00	4.00	4.00	3.50	2.50	2.50	2.50	2.00
Planning Division	14.70	14.70	14.70	15.20	15.20	14.20	14.20	14.20
Building Division	18.50	18.50	18.50	18.50	18.50	18.50	17.50	17.50
Engineering Division	14.50	14.50	16.00	16.50	16.50	17.00	17.00	16.00
Open Space	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Westminster Housing Authority	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Culture and Recreation								
Administration	10.20	10.20	10.20	10.20	11.00	11.00	10.00	16.00
Parks Services	49.40	49.40	49.40	49.40	49.40	52.00	50.00	48.00
Library Services	42.20	42.20	42.20	42.20	40.73	42.20	42.20	42.20
Recreation Programs	16.50	15.30	13.80	12.60	11.80	11.80	12.30	16.30
Recreation Facilities	65.30	65.30	65.80	66.00	63.00	69.50	72.00	68.00
Utilities								
Administration	46.80	45.70	45.20	40.45	36.85	36.25	33.75	33.75
Water Resources & Treatment	52.75	51.75	51.75	49.25	50.25	45.60	45.60	41.60
Field Operations	42.00	42.00	42.00	47.00	47.00	48.00	48.00	51.00
Golf Courses								
Legacy Ridge	10.50	10.50	10.50	10.50	10.50	11.00	11.00	11.00
The Heritage	10.50	10.50	10.50	10.50	10.50	11.00	11.00	11.00
Total	983.92	981.12	979.13	973.82	959.85	970.62	886.12	875.72

Source: City Annual Pay Plan
 Note: Data prior to 2002 is not readily available and has been omitted.

Table 15
City of Westminster
Operating Indicators by Function/Program
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Public Safety								
Total Fire/EMS Incidents	7,980	8,058	8,147	8,277	7,883	7,312	7,514	7,448
EMS Transports by fire department	4,493	4,622	4,687	4,661	4,486	3,921	3,926	3,873
Police emergency responses	1,361	1,858	2,827	3,082	2,878	2,791	3,084	3,194
Traffic Citations (municipal)	10,536	9,771	11,897	15,666	16,684	14,843	12,538	15,681
Public Works								
Curb miles swept	8,004	7,361	6,166	7,306	7,634	7,379	7,379	7,282
Lane miles rehabilitated	98	133	77	160	112	103	98	85
Community Development								
Official Development Plans processed	123	176	242	191	186	150	153	117
Building Permits issued	5,978	4,244	3,986	3,992	3,908	4,239	4,535	4,491
Culture and Recreation								
Library circulation	1,533,879	1,475,611	1,435,330	1,464,817	1,472,460	1,399,389	1,249,686	1,207,707
Facility participants	675,855	924,843	811,064	805,880	698,826	671,037	733,565	619,579
Program registrants	91,640	88,483	90,652	80,972	78,160	66,237	76,779	87,918
Utilities								
Water gallons treated (in millions)	5,825	6,241	5,795	6,628	6,533	5,917	6,180	6,724
Water customers	31,659	31,730	31,519	31,245	31,127	31,484	31,272	29,927
Wastewater gallons treated (in millions)	3,649	2,345	2,552	2,359	2,417	2,251	2,252	2,256
Wastewater customers	30,299	30,296	30,145	29,992	29,806	30,113	29,929	28,651
Golf Courses								
Paid golf rounds played	51,825	58,300	58,678	55,220	50,210	49,498	49,997	51,285
Golf course acres maintained	414	414	414	414	414	414	414	414

Source: City's Performance Measures Team

Note: Data prior to 2002 is not readily available and has been omitted.

Police Emergency Response number decreases beginning in 2008 due to new data extracting and cleaning process.

Table 16
City of Westminster
Capital Asset Statistics by Function/Program
Last eight fiscal years

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Public Safety								
Fire stations	6	6	6	6	6	6	6	6
Patrol Units	62	59	56	53	52	52	45	45
Public Works								
Total Lane Miles	1,061	1,057	1,054	1,053	1,025	1,021	1,013	988
Community Development								
Traffic Signals	109	105	103	102	92	90	87	84
Culture and Recreation								
Libraries	2	2	2	2	2	2	2	2
Open Space sites	188	157	153	132	126	125	119	106
Neighborhood, community & citywide parks	52	52	51	50	50	48	45	45
Utilities								
Water mains	508	504	509	492	481	478	492	449
Treatment plants (water & wastewater)	4	4	4	4	4	4	4	4
Golf Courses								
Golf Courses	2	2	2	2	2	2	2	2

Source: City's Performance Measures Team
 Note: Data prior to 2002 is not readily available and has been omitted.

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Swanhorst & Company LLC

Honorable Mayor and Members of the City Council
City of Westminster
Westminster, Colorado

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the City of Westminster, and have issued our report thereon dated June 2, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Volunteer Firefighter Pension Fund, a pension trust fund of the City of Westminster, as described in our report on the City of Westminster's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Westminster's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Westminster's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Westminster's internal control over financial reporting.

Our consideration of the City of Westminster's internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Westminster's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2009 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Westminster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management and the City Council in a separate letter dated June 2, 2010.

The City of Westminster's response to the findings identified in our audit is described in the accompanying management's response to findings and questioned costs. We did not audit the City of Westminster's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swanburn & Company LLP

June 2, 2010

Swanhorst & Company LLC

Honorable Mayor and Members of the City Council
City of Westminster
Westminster, Colorado

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the City of Westminster with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City of Westminster's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Westminster's management. Our responsibility is to express an opinion on the City of Westminster's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Westminster's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Westminster's compliance with those requirements.

In our opinion, the City of Westminster complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the City of Westminster is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Westminster's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Westminster's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the City of Westminster's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management and the City Council in a separate letter dated June 2, 2010.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Submitted by Compasany, LLC

June 2, 2010

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- **Material** weaknesses identified? yes no
- **Significant deficiencies** identified that are not considered to be **material weaknesses**? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- **Material** weaknesses identified? yes no
- **Significant deficiencies** identified that are not considered to be **material weaknesses**? yes none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

yes no

Identification of major programs:

- 14.218 Community Development Block Grant
- 14.253 ARRA - Community Development Block Grant
- 14.317 ARRA - Section 8 Housing Assistance Payments Program Special Allocations
- 14.856 Lower Income Housing Assistance Program
- 20.205 Highway Planning and Construction
- 20.205 ARRA - Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.

(Continued)

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009

Financial Statement Findings

2009-1 Financial Reporting

Criteria	The City is responsible to implement internal controls designed to ensure that financial information is accurate and timely.
Condition	The City reported a significant adjustment, in the amount of \$19,622,546, to prior period financial statements.
Context	The City has joint ownership in a separate entity. During the year ended December 31, 2009, the City identified certain capital assets owned by the separate entity that were also reported in the City's accounting records.
Effect	The City removed the capital assets owned by a separate entity from its accounting records, and as a result, was required to restate prior year financial statements.
Cause	In past years, the City approved various significant agreements that were administered by different City departments. It appears that financial information and other details of these agreements was not always communicated to the Finance Department, where responsibility for the accounting records resides.
Recommendation	We recommend that the City continue to evaluate the process for communicating information between departments related to significant agreements, and continue to evaluate the related transactions for proper treatment in the accounting records.

Views of Responsible Officials and Planned Corrective Actions

See accompanying management's response to findings and questioned costs.

CITY OF WESTMINSTER, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2009

2008-1 Financial Reporting

In the current fiscal year, the City reported a similar adjustment to prior period financial statements. See 2009-1.

2008-2 Schedule of Expenditures of Federal Awards

Corrective action was taken regarding this prior audit finding.

**CITY OF WESTMINSTER, COLORADO
MANAGEMENT'S RESPONSE TO FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009**

2009-1: FINANCIAL REPORTING

Westminster City Council authorized an intergovernmental agreement on July 22, 1996 to form the Woman Creek Reservoir Authority (WCRA). As part of the agreement, land and improvements were to be conveyed by the City of Westminster to the WCRA. The actual purchase and sale agreement, which specified the assets to be transferred, was not signed until June 23, 1998. At that time, land was removed from the books of the City and recorded on the books of WCRA; however, the respective improvements totaling \$19,622,546 erroneously continued to be reported by the City. A restatement of the Utility Fund net assets was made to correct this prior year transaction.

In 2009, staff evaluated internal controls for communicating information between departments relative to significant accounting transactions. As a result, new processes were implemented to strengthen consistency in the financial information sharing process. Staff believes these new protocols will prospectively alleviate this finding.

Swanhorst & Company LLC

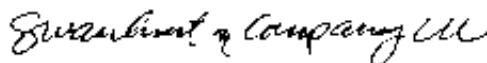
Honorable Mayor and Members of the City Council
City of Westminster
Westminster, Colorado

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the City of Westminster, and have issued our report thereon dated June 2, 2010. These financial statements are the responsibility of the City of Westminster's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



June 2, 2010

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CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

<u>Grant Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>		
Community Development Block Grant	14.218	\$ 480,966
ARRA-Community Development Block Grant ARRA Entitlement Grants	14.253	45,393
Lower Income Housing Assistance Program	14.856	430,111
ARRA-Section 8 Housing Assistance Payments Program Special Allocations	14.317	38,524
Subtotal		<u>994,994</u>
<u>Department of Energy</u>		
ARRA-Passed through the Governor's Energy Office for the State of Colorado, Energy Efficiency and Conservation Block Grant (EECBG) Program	81.128	8,298
Subtotal		<u>8,298</u>
<u>Department of Justice</u>		
Missing Children's Assistance	16.543	3,756
Edward Byrne Memorial Justice Assistance Grant Program	16.738	70,335
ARRA-Edward Byrne Memorial Justice Assistance Grant Program	16.804	20,013
Subtotal		<u>94,104</u>
<u>Office of National Drug Control Policy</u>		
Pass through the City and County of Broomfield, High Intensity Drug Trafficking Areas (HIDTA)	07.9999	40,561
Subtotal		<u>40,561</u>
<u>Department of Homeland Security</u>		
Passed through Colorado Department of Local Affairs, National Urban Search and Rescue (US&R) Response System Emergency Management Performance Grants	97.025 97.042	731 49,650
Assistance to Firefighters	97.044	4,000
Homeland Security Grant Program	97.067	1,823
Staffing for Adequate Fire and Emergency Response	97.083	15,047
Subtotal		<u>71,251</u>
<u>Department of Transportation</u>		
Passed through the Colorado Department of Transportation, Highway Planning and Construction	20.205	711,515
ARRA-Highway Planning and Construction	20.205	260,000
Federal Transit Formula Grants	20.507	75,000
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	24,900
State and Community Highway Safety	20.600	3,800
Subtotal		<u>1,075,215</u>
<u>Department of Education</u>		
Passed through Colorado Department of Health, Safe & Drug Free Schools & Communities	84.186	1,019
Subtotal		<u>1,019</u>
<u>Institute of Museum and Library Services</u>		
Passed through Colorado Department of Education, Library Services and Technology Act Grants to States Program	45.310	6,493
Subtotal		<u>6,493</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 2,291,935</u>

All grants are direct except for those passed through by the State of Colorado

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Westminster			
		YEAR ENDING : December 2009			
This Information From The Records Of (example - City of _ or County of _ City of Westminster		Prepared By: Phone:	Shherri Rickard 303-658-2365		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,157,373		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,661,251		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	2,277,763		
2. General fund appropriations	14,828,348	b. Snow and ice removal	569,027		
3. Other local imposts (from page 2)	1,566,947	c. Other			
4. Miscellaneous local receipts (from page 2)	3,051,877	d. Total (a. through c.)	2,846,790		
5. Transfers from toll facilities		4. General administration & miscellaneous			
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,220,753		
a. Bonds - Original Issues		6. Total (1 through 5)	17,886,167		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	3,535,842		
7. Total (1 through 6)	19,447,172	b. Redemption	3,352,931		
B. Private Contributions	7,000	c. Total (a. + b.)	6,888,773		
C. Receipts from State government (from page 2)	3,247,626	2. Notes:			
D. Receipts from Federal Government (from page 2)	399,442	a. Interest	1,357,102		
E. Total receipts (A.7 + B + C + D)	23,101,240	b. Redemption	1,451,500		
		c. Total (a. + b.)	2,808,602		
		3. Total (1.c + 2.c)	9,697,375		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	27,583,542		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	77,296,410	5,374,500	50,995,160	31,675,750	
1. Bonds (Refunding Portion)		5,374,500	48,187,618		
B. Notes (Total)	30,953,500	39,018,100	2,160,160	67,811,440	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	80,152,576	23,101,240	27,583,542	75,670,274	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2009

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	108,238
b. Other local imposts:		b. Traffic Fines & Penalties	1,855,686
1. Sales Taxes	1,148,668	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	418,279	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,566,947	h. Other	1,087,953
c. Total (a. + b.)	1,566,947	i. Total (a. through h.)	3,051,877
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,853,401	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	399,442
c. Motor Vehicle Registrations	335,485	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	58,740	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	394,225	g. Total (a. through f.)	399,442
4. Total (1. + 2. + 3.f)	3,247,626	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	276,302	629,491	905,793
b. Engineering Costs			0
c. Construction:			
(1). New Facilities	217,732	0	217,732
(2). Capacity Improvements	0	6,627,377	6,627,377
(3). System Preservation	0	172,388	172,388
(4). System Enhancement & Operation	0	234,083	234,083
(5). Total Construction (1) + (2) + (3) + (4)	217,732	7,033,848	7,251,580
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	494,034	7,663,339	8,157,373
			(Carry forward to page 1)

Notes and Comments:

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WESTMINSTER

Staff Report

City Council Study Session
June 21, 2010



SUBJECT: Proposed 2011 Operating Budget Priorities/Core Services Adjustments

PREPARED BY: Steve Smithers, Assistant City Manager
Barbara Opie, Budget & Special Projects Manager
Aric Otzelberger, Senior Management Analyst
Ben Goldstein, Management Analyst

Recommended City Council Action:

- Provide Staff with feedback on the items highlighted below as they relate to preparations for the proposed 2011 Operating Budget.

Summary Statement

- The intent for the discussion at Monday night's Study Session is to apprise City Council of what the City Manager will be proposing in the 2011 Budget and for City Council to provide Staff with any feedback regarding these recommendations and proposed core services adjustments, focusing on the General, Utility, Fleet Maintenance and Risk Management Funds operating budgets. No specific decisions by City Council are expected since those will be made after the public meetings/hearings and the Budget Retreat are held. Council's final decisions will be made with the adoption of the Budget in October.
- Staff continues to refine the proposed 2011 budget; therefore, City Council may see some minor modifications in the final proposed budget that is distributed in September.
- Department Heads will be in attendance at Monday night's Study Session to provide more details about these priorities if needed and answer any questions that City Council may have with regard to any specific items.

Expenditure Required: None at this time

Source of Funds: General, Utility, Fleet Maintenance and Risk Management Funds

Policy Issue

- Does City Council agree with the overall 2011 operating priorities and core services adjustments as proposed by Staff?

Alternative

- City Council can provide Staff with alternative approaches to 2011 operating priorities, core services adjustments and revenue options as deemed appropriate.

Background Information

Foundational Information for 2011 Budget – This current recession, now known as the Great Recession, is the longest and hardest since the Great Depression of the 1930's and it has significantly impacted the City of Westminster. Sales and use tax collections for 2009 were down 7.3% compared to 2008. Sales and use tax figures for 2010 are starting to look a little better, but regardless of any modest revenue improvements, the City has long-term financial challenges that are structural in nature and difficult decisions are necessary in order to position Westminster on a financially sustainable road for the future.

While the current recession has placed significant financial pressure on the City, Westminster's financial challenges are due to several factors that have developed over time. Sales and use taxes serve as the primary revenue for the City of Westminster's operating budget. When Westminster had a growth-based local economy (1990 through 1999), sales and use tax collections increased by 135%. The City had significant growth-based use tax collections and sales at the Westminster Mall were several million dollars higher than they are today. From 2000 through 2009, the City experienced a slumping economy, slowing construction activity as the City approaches build-out and declining sales at the Mall (over 70% decline for the decade). Total general sales and use tax collections for the decade of 2000-2009 declined by 10.4%. The City collects less general sales and use tax today than it collected in 2001, even while costs for personnel, health insurance, supplies, energy and other items continue to increase and place pressure on the organization and the services and programs delivered.

This is not a sustainable model. The City has worked very hard over the past decade to balance the budget. The City has diversified its retail base with The Orchard Town Center, The Shops at Walnut Creek, Target stores, Wal-Mart stores, Lowe's, support for small businesses and others. This diversification strategy has worked. The City would be in much worse shape financially if those developments had not occurred. Further, the City continues to work for the long term, sustainable redevelopment of the mall site into a new, urban downtown with a mix of retail, office, residential and entertainment uses that will provide a sustainable revenue stream to the City for the long term (Westminster Center Urban Reinvestment Project). However, despite these actions, the City must do more to make sure that it operates in a more sustainable mode for the future. Even as the mall site is redeveloped and becomes, once again, a viable, vibrant place, the City will still not have the kind of growth-based revenue that it experienced in the 1990's simply because the City is essentially built out (i.e., large parcels of undeveloped land simply no longer exist within the City limits).

As with any organization, when revenues were increasing at over 13% per year, it was easy for the City to fund new programs and activities. Staff would develop and implement more ways to provide more services, Council would come up with new ideas for services and citizens would make requests for additional services that were frequently granted. Westminster is a better City today for having

experienced that prosperous time; however, given the new reality of a more constrained revenue picture, the City cannot continue to operate in that mode and expect to be sustainable.

Based on the realities outlined above, Staff commenced work in November 2009 on a Core Service process intended to provide City Council with a meaningful review of the services and programs offered within the City of Westminster. Staff developed a prioritized inventory of services and programs and presented this inventory for City Council's consideration at City Council's Strategic Plan Retreat in April 2010. At that retreat and a follow up Study Session meeting, City Council provided feedback and direction to Staff and the prioritized inventory of services and programs was amended and refined. Staff utilized this Core Services prioritized inventory to examine operations and to propose necessary reductions to the 2011 Budget in a strategic manner.

Besides working through Core Services, City Council will be revisiting their Strategic Plan, goals and priorities later this week for 2011 and 2012. In the meantime, Staff has utilized the 2009 and 2010 City Council Goals listed below for the initial development of the 2011 Budget:

- Financially Sustainable City Government Providing Exceptional Services
- Safe and Secure Community
- Vibrant Neighborhoods and Commercial Areas
- Strong, Balanced Local Economy
- Beautiful and Environmentally Sensitive City

Recent Budget History – Since 2002, significant changes to the City's operating budget have been needed as a result of the economic downturn impacting the nation and the Front Range. Following the downturn, revenue growth has been modest each year, and escalating costs in areas such as health insurance, fuel, and energy have continued to pressure the organization. Experiencing two recessions within a decade has made providing services and programs to the community more challenging. This section provides a brief summary of the modifications made to the City's operating budget since 2004.

FY 2004 – In October 2003, City Council adopted an amendment to the 2004 General Fund Budget that included a projected revenue reduction of \$1.6 million between what was originally included within the Adopted 2004 Budget (October 2002) versus what was included within the revised 2004 (October 2003) revenue projections.

FY 2005/2006 – In October 2004, City Council adopted the 2005/2006 Biennial Budget. Departments prepared their 2005/2006 proposed budgets with a 1% increase from their reduced 2004 budgets (with the exception of the Police and Fire Departments, who had an increase of 1% on their original General Fund budget and 3% on their public safety tax budget – i.e., 3% on their approximately \$4.5 million FY 2004 budget increase).

FY 2007 – Departments prepared their 2007 proposed budgets with a 0% increase from their 2006 budgets (with the exception of the Police and Fire Departments, who had an increase of 2% over their 2006 budgets due to the public safety sales tax, and the Utility Fund operations, who had an increase of 2% over their 2006 budgets due to water sales and system repair and replacement needs).

FY 2008 – Departments prepared their 2008 proposed budgets with a 1% increase from their 2007 budgets (with the exception of the Police and Fire Departments, who had an increase of 2% over their 2007 budgets due to the public safety sales tax, and the Utility Fund operations, who had an increase of 2% over their 2007 budgets due to water sales and system repair and replacement needs).

FY 2009/FY 2010 – Departments prepared their 2009 budget with a 0% increase from their Amended 2008 Budget, with the exception of the Police and Fire Departments, who had an increase of 2% over their 2008 budget due to the public safety sales tax, and the Utility Fund operations, who had an increase of 2% over their 2008 budget due to water sales and system repair and replacement needs. Departments prepared their 2010 budget with a 1% increase from their 2009 budget, with the exception of the Police and Fire Departments, who had an increase of 2% over their 2009 budget due to the public safety sales tax, and the Utility Fund operations, who had an increase of 1.5% over their 2009 budget due to water sales and system repair and replacement needs.

Due to the recession and reduced revenues, the City made \$15.7 million worth of budget adjustments over these two years. However, many of these adjustments were “one-time” fixes, including \$6.9 million of one-time revenues in 2010, and do not exist as options to help the City address budget challenges in 2011.

FY 2011 – In developing the proposed 2011 Budget, Departments were asked to utilize the Core Services inventory and prioritization process and identify 6% in potential reductions. This was deliberate to allow the departments the use of the Core Services prioritization process as a means to identify areas for modification, reduction or elimination. While the total reduction citywide is projected at 5-6% (or \$4-5 million) for the General Fund, some departments proposed 2010 Budgets will reflect 6% or greater in reductions while others will be less than 6%. The information included within this Staff Report reflects these efforts and includes Staff’s recommendation on permanent changes to City services and programs.

Budget Development Process Reminders – In November of 2000, Westminster voters approved a City Charter amendment that allows the City Council to adopt a formal two-year budget. The first official biennial budget was adopted with the 2003/2004 Budget in October 2002. Staff is again recommending adoption of a biennial 2011/2012 City Budget this October. Staff will return in August to review the proposed 2012 operating priorities and 2011/2012 Capital Improvement Program (CIP) priorities with City Council at a Study Session.

The entire proposed Budget for fiscal years 2011 and 2012 will be submitted to City Council at the beginning of September for review. After reviewing the proposed Budget for several weeks, City Council is scheduled to meet on Saturday, September 25, for the Budget Retreat to deliberate on final funding decisions on staffing levels, programs, services, and capital projects.

This Staff Report mainly highlights the proposed core services adjustments proposed by Staff. Several proposed operating priorities for 2011 are also highlighted. As a reminder for City Council, the operating budgets, pursuant to City fiscal policies, are funded by recurring revenue such as sales and property taxes in the General Fund and by monthly water and sewer charges in the Utility Fund. The Capital Improvement Program (CIP) priorities, which City Council is scheduled to discuss in August, are funded by one-time revenues, such as park development fees, building use taxes, utility tap fees and carryover funds.

This Staff Report and associated budget development and Core Services work is approximately one month ahead of the traditional budget development schedule. As such, Staff anticipates that some items included may change slightly as the budget is finalized over the balance of the summer. Also, based on the feedback provided at Monday’s Study Session from City Council, additional changes may be necessary.

Proposed 2011 Operating Priorities/Core Services Adjustments

Citywide, Staff is proposing \$5,093,557 worth of Core Services adjustments and reductions in the General, Utility, Fleet Maintenance and Risk Management Funds. This includes \$4,158,922 in Core Services adjustments in the General Fund, which represents an approximate 4.3% reduction compared to the City's Amended 2010 Operating Budget. In the Utility Fund, Staff is proposing \$694,395 in Core Services adjustments (1.9% reduction compared to Amended 2010 Operating Budget). Due to declining tap fee revenue, business cost increases, and long term repair and replacement needs, Core Services adjustment are necessary in the Utility Fund.

This Staff Report highlights 2011 operating priorities and Core Services adjustments proposed for 2011, organized by Fund and Department. At the end of each item, Staff lists the following Core Services information in parenthesis: Service Business proposed item is related to, Prioritization Tier (I, II or III), total dollar impact.

Overall, City Council will see several proposed program eliminations, including the transfer of the City's "Fastrack" Domestic Violence Program, the elimination of the City's Rental Housing Inspection Program (if license and fee is not pursued), the closure of King's Mill Pool, the elimination of holiday lighting on 72nd Avenue, reduction in School Resource Officers located in the Jefferson County middle schools from three to one, and the elimination of two recreation program events (Mother/Daughter Tea and Mother/Son Bingo). These items are discussed in depth under the appropriate department section. Most proposed items represent subtle changes in service delivery to customers. Staff has been adjusting services and absorbing additional workload over the past 18 months, so many of these service delivery changes have already been felt; Staff has reached, and in some cases exceeded, capacity in certain service areas and additional reductions are necessary and proposed in this Staff Report.

PROPOSED STAFFING ADJUSTMENTS FOR 2011

As the City is in the service business, accordingly the City's single largest expense is salaries. Many of Staff's proposed Core Services adjustments involve the elimination or reduction of staffing positions. Proposing to eliminate or reduce staff is very difficult; however, these recommendations are necessary to reduce ongoing operating costs and position Westminster for a sustainable future. Staff is proposing the elimination of 76.023 FTE, reflecting a reduction of approximately 7.7% of the City's total authorized workforce (2010 authorized staffing level totals 982.674 FTE). Of these, 49.623 FTE are currently vacant (65%); 3.550 FTE represent voluntary reductions in hours (5%); and the remaining 22.850 FTE are filled and would represent reduction in staffing (30%). Specific positions are highlighted in the department sections of this Staff Report; a summary table of impacted departments follows.

Department	Vacant	Voluntary Reduction	Potential Reduction in Staffing	TOTAL REDUCTION
GENERAL FUND				
City Attorney’s Office	0.750	0.200	0.000	0.950
City Manager’s Office	1.600	0.000	0.500	2.100
Community Development	2.000	0.500	3.000	5.500
Finance	1.500	0.250	0.500	2.250
Fire (1)	7.500	0.200	0.500	8.200
General Services	2.050	0.000	3.700	5.750
Parks, Recreation & Libraries (2)	19.673	0.200	3.200	23.073
Police (3)	10.000	0.000	4.200	14.200
Public Works & Utilities (Street Division)	0.000	2.000	0.000	2.000
<i>General Fund Total</i>	<i>45.073</i>	<i>3.350</i>	<i>15.600</i>	<i>64.023</i>
UTILITY FUND				
Finance	1.050	0.200	0.000	1.250
Information Technology	0.000	0.000	1.000	1.000
Public Works & Utilities	2.000	0.000	5.250	7.250
<i>Utility Fund Total</i>	<i>3.050</i>	<i>0.200</i>	<i>6.250</i>	<i>9.500</i>
OTHER FUNDS				
Fleet Maintenance	1.500	0.000	1.000	2.500
Risk Management	0.000	0.000	0.000	0.000
<i>Other Funds Total</i>	<i>1.500</i>	<i>0.000</i>	<i>1.000</i>	<i>2.500</i>
GRAND TOTAL	49.623	3.550	22.850	76.023

- (1) Due the amount of time needed for the recruitment, selection, and training of new Firefighters, Staff is proposing the use of attrition for the overall reduction of commissioned personnel in the Fire Department. The total of 7.5 FTE in the “Vacant” column includes 3.0 FTE that are proposed to be eliminated through attrition over the next year. The remaining 0.5 FTE reflected in the “Potential Reduction in Staffing” column is a civilian position.
- (2) Of the total “Vacant” positions for Parks, Recreation and Libraries, 7.648 FTE are Lifeguard positions that are technically vacant from a FTE point but are currently filled as hourly staff. For the past several years, these dollars (approximately \$177,000) have been utilized for hourly lifeguards versus full-time lifeguards as a pilot project. As this pilot staffing project has been successful, Staff is proposing a housekeeping adjustment to the Pay Plan to reflect the official elimination of the 7.648 FTE. However, the budgeted funds and associated temporary staffing will remain for City Park Recreation Center and Swim and Fitness Center, retaining current staffing levels (albeit temporary in nature) at these pool facilities.
- (3) In the Police Department, all of the 4.2 FTE in the “Potential Reduction in Staffing” column are civilian positions and do not reflect any potential reductions to sworn personnel.

Besides proposed reductions in force, Staff is proposing to freeze pay at 2010 levels for all employees in 2011. This means that no step, merit nor across-the-board salary increases would occur in 2011. Administrative Officers (City Manager, City Attorney, Presiding Judge, Department Heads, and Division Managers) salaries were frozen for 2010 at 2009 levels; the wage freeze is proposed to continue for 2011. These moves are consistent with what other cities in the region are doing and should not impact the City from a competitive salary perspective. It is Staff’s intent that these proposed measures in 2011 and other cost cutting moves will allow the City to adjust salaries in the future.

PROPOSED CORE SERVICES ADJUSTMENTS FOR 2011

ALL FUNDS

Citywide

- Commencing in 2011, Staff is proposing to reinstate a regular replacement schedule for the City's portable radios. In 2007, the City received new radios across all operations as a component of the Nextel re-banding project for radio communications. Sprint-Nextel purchased these radios as part of their obligation under this re-banding project. Due to the new radios, the City did not budget for replacement radios from 2008 – 2010. Due to needs associated with normal wear-and-tear and a desire to avoid a large capital expenditure in one year, Staff proposes to once again start budgeting for replacement radios in 2011 (as was done in the past before the Nextel re-banding project). In 2011, Staff proposes \$140,600 for radio replacements. This will fund radio replacements in Police (20), Fire (10), Public Works and Utilities (14) and Parks, Recreation and Libraries (7).
- City Council approved the second energy performance contract (EPC) in May 2010. As noted in the agenda memorandum, the ten year financing annual lease payments will be paid from the projected energy and water savings commencing in 2011. The improvements are anticipated to be completed in the spring 2011 and six months lease payments will commence in 2011. Projected savings in the electricity and water accounts of impacted departments (Fire, General Services, Parks Recreation & Libraries/Golf, Police and Public Works & Utilities) will be transferred as part of the proposed 2011 Budget to the Central Charges budget for the annual lease payment (totaling \$146,059 in 2011). An additional \$98,863 of capital contribution and construction interest payments will be made in 2011 from the Building Operations and Maintenance Capital project pursuant to the original financing. Commencing in 2012, the full \$308,096 of projected energy and water savings will cover the costs associated with the EPC annual lease payment; impacted departments' electrical and water accounts will have funds transferred to Central Charges to cover the full amount.
- Staff is proposing to fund capital outlay within the various departments' operating budgets for new and replacement equipment at approximately the same funding level as in 2010. In 2010, the amount budgeted for capital outlay totaled approximately \$2.4 million across all funds; this includes the approximate \$1 million funded in the General Capital Outlay Replacement Fund (GCORF) for General Fund department replacement vehicles. Staff believes this funding level is adequate to ensure that employees are able to productively perform their job duties in a safe and efficient manner.

GENERAL FUND

City Attorney's Office

- Staff is proposing to eliminate the City's Fast-Track Domestic Violence Program (FTP). City Council authorized the funding for a FTP in Municipal Court in April 1991. The program, which was implemented three months later, consists of the expedited handling of domestic violence (DV) cases (assaults, criminal mischief, harassments) through the Municipal Court system, intervention by a victim advocate to assist the victim in the case, and close involvement on the part of the probation section of the Municipal Court to ensure that the cases are handled in accordance with the Municipal Court's sentencing order. Other metro area cities that have DV programs are Aurora, Lakewood, and Wheat Ridge. This program represents a duplication of services provided by both Adams and Jefferson Counties.

Under the FTP, the suspect is taken into custody on a no bond hold, and he/she is required to appear in the Municipal Court on the next business day that the Municipal Court is in session. At this appearance, the defendant is advised of his/her rights and enters a plea. If a guilty plea is entered, the defendant is served a protection order and meets with a full-time City probation

officer. If a not guilty plea is entered, a protection order is implemented and bond is set. Historically, the FTP has realized an 86 percent overall conviction rate (guilty verdict as well as guilty pleas) with a 31 percent recidivism rate. This can be compared with Jefferson County's 77 percent conviction rate and 40 percent recidivism rate. In 2009, 70 percent of Westminster defendants were required to undergo some type of domestic violence treatment with 44 percent receiving a jail sentence. In 2009, the Westminster Municipal Court processed 373 new domestic violence case filings. Approximately 60 percent of these cases involved summons issued in Adams County while the balance involved arrests in Jefferson County. While domestic violence case filings comprise, on average, approximately 10% of the criminal cases filed with the municipal court in any given year, they constitute 50% of the jury trials. Approximately 13% of DV cases are tried in court.

While not requiring juror participation, these domestic violence cases require similar staffing. Approximately 30% of prosecution work time is dedicated to preparation and court presentation of these cases during arraignments, motion hearings, pre-trials, continuances, sentencings, probation violation hearings, and trials. Additionally, one full time probation officer, victim advocate, and court marshal are required to support the program. Twenty percent of court clerical time is dedicated to processing these cases from filing to closure of the case file. The City's Domestic Violence Program currently requires a total of 4.45 FTE comprised of the following staff:

- 0.2 FTE Associate Judge
- 0.75 FTE Prosecuting Attorney
- 1.0 FTE Court Officer (Police Officer)
- 0.5 FTE Deputy Court Clerk
- 1.0 FTE Victim Advocate
- 1.0 FTE Probation Officer

The total cost of this staffing is \$250,362. The financial savings that would result from elimination of the program would be offset by an estimated \$137,500 received from fines and court fees from these cases. The net annual savings achieved by elimination of this program would be \$112,862.

If the City were to eliminate this program, DV cases would be filed in the County Courts. Staff contacted the County Court Prosecutors to let them know that the City was considering eliminating this program. Don Quick, Adams County District Attorney, expressed concerns about this workload increase on his staff. The prosecution of DV cases in County Courts would require additional travel time for Westminster Police Officers who are required to testify in these cases. However, the Police Department does not believe that this will have a significant impact on Officer staffing since the Officer travel time will be offset by the savings that will be realized from the reduction in prisoner transports.

As far as the impact on the community is concerned, it is noteworthy that since 1991, when Westminster implemented its FTP, both Adams and Jefferson Counties have adopted their own Fast-Track Domestic Violence Programs that include all of the elements of the City's program. Westminster's DV program duplicates the services currently provided by both Adams and Jefferson Counties.

One of the downsides of transferring the FTP to the counties is the "turnaround time." As stated above, Westminster's program is in effect within 24 hours. In Adams County, the process is initiated within 72 hours. A defendant can be advised and bond out of jail unsupervised. They then must return before the judge within 72 hours with a plea. If a plea of guilty is entered, they

may go to jail or be assigned to a volunteer probation officer. Later, they set a time for a first meeting with that volunteer. Another disadvantage, as noted above, is the conviction and recidivism rates. Westminster's FTP and prosecutorial history are more aggressive. Mr. Quick expressed concern that his office would be strained to provide the same level of service to domestic violence victims as the City provides since his office is currently being asked to reduce its budget by 5-10%.

If Council concurs with Staff's recommendation to eliminate the City's Fast-Track Domestic Violence Program, Staff is recommending that it be phased out over a period of twelve months. This is due to the fact that there are currently approximately 600 cases that are in some phase of prosecution, warrant or probation status, and it will take a year for the majority of these cases to be processed. Thus, if the program were to be discontinued in mid-July 2010, it would still require some level of staffing through July 2011.

As an alternative to eliminating the City's program, the City could to apply for possible grants (such as the "VALE" grant) and consider raising the City's fine schedule to assist with funding the City's program. If directed by Council to do so, Staff could research the viability of grant funding a portion of the City's program. Initial information available indicates that grant amounts awarded to other jurisdictions have been on the order of \$40,000 to \$50,000 per year and have not been awarded on a continuing basis but additional research would be needed. Staff can evaluate the City's current fine levels and recommend changes to raise sufficient funds to cover City costs if that is the direction in which Council would like to proceed. Municipal Court fines can be adjusted by the Presiding Judge and would not require City Council action.

Specifically in the City Attorney's Office, Staff is proposing the elimination of a 0.75 FTE Assistant Prosecuting Attorney. This position is currently vacant. **(Prosecution of Ordinance Violations, II, -\$51,500)**

- Staff proposes to reduce general legal services by reducing a 1.0 FTE Assistant City Attorney II to a 0.8 FTE Assistant City Attorney II. This is a voluntary reduction in FTE. In order to offset this proposed reduction in FTE, Staff proposes to contract out telecommunication reviews (primarily cellular tower location review), certain reviews on water issues and certain reviews of bond documents. **(Legal Preparation/Review of Ordinances, Contracts, Bonds and other Written Instruments, III, -\$20,316)**

City Manager's Office

- The City Manager is proposing that he will take a 5% pay reduction for 2011. The City Manager requested that his wage be frozen in 2010 at the 2009 rate in conjunction with the Administrative Officers. Recognizing the significant impact of this current recession and the need to make significant budget reductions, including the elimination of staff, the City Manager believes this pay reduction is appropriate given the other sacrifices the organization is making for 2011. **(City Management/Administration, I, -\$10,000)**
- Staff proposes to eliminate the 0.8 FTE Neighborhood Outreach Coordinator position. This position is currently vacant. This position's City Council Community Outreach Program responsibilities have been shifted to the Public Information Office and the Human Services Board support shifted to the Management Team in the City Manager's Office. Staff continues to focus on the Council Community Outreach Program efforts and will continue to work with City Council on strategic events given limited staff resources. **(City Council Outreach and Citizen Engagement, II, -\$44,489)**
- Staff proposes to eliminate the 0.8 FTE Public Information Specialist position. This position has been vacant for a number of years and Public Information staff has adjusted the number of special

projects taken on and been more strategic in communication efforts. By permanently eliminating this position and taking on the additional City Council Community Outreach Program efforts, Public Information will need to be highly strategic in the number of special projects taken on throughout the year. **(Various Public Information, N/A, -\$42,883)**

- Staff proposes to eliminate the 0.5 FTE Secretary from the City Manager’s Office support staff. This position is currently filled. Current responsibilities of accounts payable and Council support will have to be transferred to existing support staff and some responsibilities will have to be eliminated, including weekly newspaper clippings. **(Various City Management/ Administration, N/A, -\$18,857)**
- The citywide direct mail distribution of *City Edition* is proposed to be eliminated in 2011. Savings projected in both printing and postage would reduce the 2011 budget by \$43,500. This proposal includes an opt-in alternative for citizens to continue to receive *City Edition* via direct mail and anticipates a maximum of 6,000 addresses taking advantage of that option. Printed copies will continue to be distributed at key City facilities and locations within the community but this proposal is for the elimination of the citywide direct mail function. **(PIO Print Products, I, -\$43,500)**
- Economic Development proposes the elimination of the Business Advisory Group (BAG). Staff reviewed the overall business services program to determine the best return on dollars spent for Westminster’s business community. Though the Business Appreciation Event (BAE) has been reviewed for cost savings, it is an excellent direct outreach to the majority of the business community. To retain the BAE, other programs are recommended to be cut, including the BAG. BAG was created in 1991 by the City Manager with the mission to provide feedback to the City on all matters relative to or impacting the business community. Staff believes that an effective alternative to BAG will be the utilization of ad hoc focus groups on issues of importance, as was successfully done with the recent creation of the Small Business Grant program. **(Business Retention, I, -\$2,300)**
- Eliminate the Economic Development Division’s financial participation in ribbon cuttings and special events. Staff will continue to participate in these types of events but will not contribute financially to them. **(Various Economic Development, N/A, -\$1,000)**
- Staff proposes the reduction of funds allocated for printing, marketing and advertising materials related to economic development efforts. This will eliminate the City’s exposure in the Jefferson Economic Council (JEC) Images and Metro North Chamber Images magazines; Staff will focus advertising resources in the Colorado Real Estate Journal. This will reduce the funding for public relations and communications pieces. **(Economic Development Marketing, Promotions and Project Facilitation, I, -\$15,700)**
- The reduction of JEC and Adams County Economic Development (ACED) membership fees from \$8,500 each by \$3,500, resulting in the City having ex-officio roles on these boards. Staff would remain active in the organizations and participate as appropriate. However, as part of this reduction is a proposed reallocation of funds, increasing membership fees to the Metro Denver Economic Development Council (MDEDC) from \$1,500 to \$2,500. This is more reflective of the actual existing partnership, the source of potential prospects, participation in Site Selection Conference and other outreach efforts through this superregional economic development partner. **(Business Recruitment, Attraction & Expansion, III, -\$6,000)**

Central Charges

- Based on City Council direction provided on May 3, the funding for the Human Services Board recommended agencies is proposed to be reduced from \$156,000 in 2010 to \$80,000 in 2011. **(Human Services Board Program, III, -\$76,000)**
- Community Mediation Concepts (CMC) has provided mediation services for the City of Westminster, on a referral basis, since 1999. CMC works primarily with the Westminster Police

Department, the City Prosecutor's Office and through Westminster citizen self-referrals. CMC mediation services are offered to the entire Westminster community at no cost to individuals and entities utilizing the services, helping individuals address disputes and issues including but not limited to neighborhood parking, juveniles, property and fence lines, noise and disturbing the peace, trees and landscaping, barking dogs, and other situations where citizens would expect City of Westminster Staff to resolve the problem. However, since the peak in 2002 of 101 cases, the utilization of this free service has declined significantly; 2009 usage was 32 cases. Based on this reality, Staff has terminated the 2010 service contract with CMC effective the end of June and proposes to eliminate the funding in the 2011 Budget. **(Responding to Citizen Concerns, II, -\$12,500)**

- Staff is proposing to eliminate funding for the senior transit program in Jefferson County. This program has been run by the Seniors Resource Center (not the County) for many years. It has been a tremendous success story from its inception. Several years ago, the City joined Jefferson County and the other cities in the county in making an annual contribution of \$15,000 for this service; however, this annual contribution is not necessary for the on-going provision of services to Westminster residents. In contrast, Staff is recommending that the funding for the ALift program in Adams County continue at the funding level of \$26,420. ALift was started in 2000 after successive attempts by two non-profits to operate and finance a senior transit program failed. Adams County took the lead and the cities representing the suburban/urban entities in the north metro area joined with the County in developing the plan for a new service. The initial funding for the program came from a \$250,000 grant from RTD. The program has since operated using Federal, State and local funds. The combined local contributions are about \$200,000 per year. These are used for the matching funds required for the Federal and State Grants, for capital purchases, reserves and funding a portion of the ALift's annual operating budget (approximately \$540,000 in 2010). The program continues to be run by the local entities (City of Westminster Deputy City Manager, Matt Lutkus, chaired the council for its first seven years) who contract with the Seniors Resource Center to both provide and broker the transportation services. As one of the larger entities, Westminster has had a significant leadership role in the ALift and can claim a lot of credit in its success. It is often cited a model for collaboration in the running of a regional transit service. The program allows us to leverage a relatively small contribution toward Federal, State and private foundation dollars into a tangible benefit for our citizens, many of whom could not otherwise afford to pay for this service. As such, the Jefferson County contribution for the Senior Resource Center provided senior transit is proposed to be eliminated while the Adams County funding for ALift is proposed to be retained in 2011. **(General Services Administration of Citywide Functions, I, -\$15,000)**
- Staff is proposing to eliminate the Employee Medical Expense budgeted within Central Charges. These funds were previously budgeted for random drug screens, which have been absorbed within Human Resources' (HR) operating budget. HR has reduced costs by conducting only pre-employment drug screens versus pre-employment physicals for office staff and therefore these funds are no longer needed. **(Management of Budgeted Citywide Employee Expenses, I, -\$12,000)**
- Retirement contributions by the City are proposed to be reduced slightly as a result of the proposed reduction in force outlined within this Staff Report. While less staff will be employed by the City of Westminster in the long term, much of the anticipated savings have been reflected in the Amended 2010 Budget due to the strategic hiring freeze in effect at the time the amendment was presented to City Council. Upon approval of staffing reduction proposals, Staff will complete projections based on the eliminations and reclassifications. This projection may vary in the final budget proposal. **(Management of Budgeted Citywide Employee Expenses, I, -\$100,000)**
- Medical/dental/life/short term disability/long term disability benefits are projected to reduce as a result of the proposed reduction in force. Rising costs are projected at approximately an 8%

increase from the 2010 budget that reduce the savings resulting from the reduction in staffing. These estimates will be revised after renewals for health care benefits are analyzed in July 2010 and a strategy for coverage and plan design is finalized. **(Management of Budgeted Citywide Employee Expenses, I, -\$170,175)**

- Staff is projecting an increase cost associated with unemployment insurance due to reduction in force tapping this benefit. **(Management of Budgeted Citywide Employee Expenses, I, +\$200,000)**
- Other miscellaneous reductions, including the reduction of the after hours customer service representative at City Council and Study Session meetings on Monday evenings and reduction of the electronic media contract services account. The after hours customer service will still be provided for Boards and Commissions meetings and other after hours events but given that there are traditionally one or two uniformed Police Officers at the City Council and Study Session meetings, the need for this position is unnecessary. **(Administration of Citywide Functions, I, -\$7,600)**
- A decrease in certificates of participation (COP's) payments by \$134,400 is projected in 2011 primarily associated with the refinancing of the Public Safety Center issue funded in the Central Charges budget. Between the original reduction anticipated for 2011 from the amended 2010 budgeted plus this refinancing, the total savings to Central Charges is \$618,481. **(Debt Management & Administration, II, -\$618,481)**
- Increase in equipment rental costs associated with replacement vehicles acquired in the General Capital Outlay Replacement Fund (GCORF). In 2011, Staff is recommending that existing vehicles be budgeted within GCORF truly reflecting the like-for-like costs of replacements. Previously, General Fund departments had to budget for any existing additional equipment attached to these vehicles, such as light bars, racks, snow plows, etc., as a capital outlay item within their operating budget. Commencing in 2011, only proposed upgrades to existing vehicles and/or proposed new vehicles will be reflected in the General Fund departments' operating budgets. As a result of this change, the equipment rental fee paid from the General Fund into GCORF is proposed to increase by \$125,700. A corresponding reduction associated with vehicle replacements is reflected in General Fund department capital outlay proposed budgets. **(Citywide Budget Development and Management, I, +\$125,700)**

Community Development

- Staff proposes to eliminate the 1.0 FTE Capital Projects Coordinator in Community Development Administration. This position is currently vacant. The primary responsibilities associated with this position have been reassigned to other Staff in Community Development. The proposed elimination of this position would require Staff to scale back on certain activities associated with the City's public art program. This position used to manage cell tower lease contracts; however, Staff is exploring an alternative management arrangement with a consultant to accomplish these tasks. The consultant would be compensated directly from lease payments from the cellular companies. **(Arts Initiative/Public Art and Property Management, III, -\$94,492)**
- The Engineering Division currently has four Engineering Inspector positions. Current and projected development activity does not support this staffing level. Staff proposes to eliminate a 1.0 FTE Engineering Inspector - Indexed position. This position is currently filled. Due to the decreased development activity associated with the City's more "built-out" state, Staff does not anticipate any major service impacts associated with the proposed elimination of this position. Associated with this proposed elimination, Staff would move forward to fill the Department's authorized, frozen ODP Inspector position. The Engineering Inspectors are qualified to compete for this position. **(Development Review and Inspection/Compliance, I, -\$52,393)**
- Staff is proposing licensing and an associated fee for the City's rental housing inspection program. The City has conducted a rental housing inspection program since 1997. This program

consists of systematic inspections of multi-family residential units as well as complaint-based inspections on other types of units. There are currently 10,216 rental units in the City's rental housing inspection program. To date, the program has been funded through General Fund dollars and no fees or licenses have been required. Staff is proposing to offset the cost of providing this service through the establishment of a licensing program and associated fee. Staff is proposing a \$40 per unit inspection fee for multi-family rental properties in the City of Westminster. This fee would generate approximately \$170,000 per year and fully support the costs associated with the rental housing inspection program. Property owners of units where inspections are required every two years (units are older than 20 years) would essentially pay \$20 per unit per year, or \$1.67 per unit per month. Property owners of units requiring inspection once every four years (units between 6 and 20 years old) would pay approximately \$0.84 per unit per month. The rental housing inspection program is currently staffed with 2.5 FTEs including a 1.0 Lead Housing Inspector, a 1.0 FTE Housing Inspector-Indexed and a 0.5 FTE Secretary. These positions are currently filled. If the proposed licensing program and associated fee is unacceptable to City Council, Staff proposes elimination of the program due to Core Services analysis and needed budget reduction in the City's General Fund in 2011. This would result in the elimination of the 2.5 FTE associated with this program. From a service perspective, the elimination of the rental housing inspection program could result in certain health, sanitation and life-safety issues in rental units in the City not being identified or addressed. The 2.5 FTE are included in the total proposed staffing reductions table at the beginning of this Staff Report; if City Council concurs with this new fee, then the total staff to be reduced citywide will decrease by 2.5 FTE. A potential alternative to the complete elimination of the rental housing inspection program would be to eliminate the systematic inspection program and establish a housing program based on complaints only. A complaint based program could be staffed with a single inspector who would respond to problem properties as needed or as requested by the public or City Staff. It would not be feasible to charge for complaint based inspections, so there would not be any revenue offset for the position, but this proposal will allow the City to respond to housing complaints that will otherwise not be addressed. Most jurisdictions with adopted housing codes address their enforcement in this manner. If this alternative is selected, then Staff will have to evaluate additional reductions or identify offsetting revenues to retain this position. **(Rental Housing Inspection, III, -\$170,000)**

- Staff is proposing adjustments to staffing levels for the City's administration of the federal Community Development Block Grant (CDBG) program. Staff proposes to reduce the current 1.0 FTE Community Development Program Coordinator to 0.5 FTE. Staff proposes to consolidate CDBG work in a different arrangement with the remaining 0.5 FTE Community Development Program Coordinator and the 1.0 CDBG Technician position. Total savings for this proposed reduction is estimated at \$38,729, but \$9,958 of this savings would be reflected in the City's CDBG Fund. The remaining savings of \$28,771 would be in the General Fund, which was absorbing the difference not funded by CDBG due to the federal regulation limiting administrative costs to 20% of annual grant award. This staffing change is a voluntary reduction. With this proposed reduction, Staff does not anticipate any major impacts to the City's CDBG program. This proposed elimination would reduce the level of activity in historic preservation, as this position has been heavily involved in the City's overall historic preservation activities. Some historic preservation activities have already been transferred to other Community Development Staff and other historic preservation activities will be reduced. **(Historic Preservation Program, III, -\$28,771)**
- Staff is proposing an \$84,584 reduction to professional services in the Planning Division. In 2010, funds were budgeted and approved by City Council to update the City's Comprehensive Land Use Plan (CLUP). This one-time expense is not necessary in 2011, so therefore the overall budget for professional services is proposed to be reduced. This proposed reduction will not have

any impact on the Planning Division's service level, as this dollar amount is associated with the 2010 CLUP update. **(Long Range Planning for the City, II, -\$84,584)**

- Due to current and projected decreased development activity in the future, Staff proposes to eliminate a 0.5 FTE Assistant Building Plans Analyst-Indexed position. This position is currently filled and is indexed to development activity, which has fallen below the minimum required activity level. This position assists with the Expedited Tenant Finish Review Process, which will remain in place despite this reduction and is why Staff is not recommending a complete elimination of this position. Due to the decreased development activity level, Staff does not anticipate any significant service level impacts. Associated with this proposed elimination, Staff proposes to fill an authorized, frozen 0.4 FTE Building Inspector position in order to continue to offer timely and effective inspection services; the current Assistant Building Plans Analyst incumbents are qualified and may compete for the vacant General Building Inspector position. **(Building Permit Issuance and Inspection, I, -\$27,335)**
- Due to the actual nature of work being performed, Staff proposes to move 0.5 FTE of a Senior Engineer from the Stormwater Fund into the General Fund. The Senior Engineer is currently fulfilling many of the former assignments of the vacant Capital Projects Coordinator (proposed for elimination in 2011). These assignments are related to General Fund activities. There is no service impacts related to this item; it is merely a housekeeping item shifting the funding source of salaries. An Engineer-Indexed funded out of the City's General Capital Improvement Fund (GCIF) is backfilling some of the stormwater responsibilities of the Senior Engineer and is being proposed to move from the GCIF into the Stormwater Fund (offsetting some of the General Fund cost impact of moving the 0.5 FTE Senior Engineer into the General Fund). This position was indexed to the number of CIPs assigned to the Engineering Division in a calendar year and the funding level for these projects. Given the long term nature of Stormwater projects and the significant amount of capital improvements needed per the 2007 Storm Drainage Study over a 35 year period, the index associated with the Engineer position is proposed to be eliminated. **(Stormwater Management, I, +\$44,756)**
- To help support City Council's Strategic Plan Goal of "Beautiful and Environmentally Sensitive City," Staff is proposing dollars to fund training, accreditation efforts and membership dues for the LEED program (Leadership in Energy and Environmental Design) for Staff in the Planning Division. This is a program of the U.S. Green Building Council and is seen as the definitive source for strategies and techniques to improve the sustainability of the built environment and to reduce the carbon footprint of built structures. Staff is planning to utilize this LEED knowledge in the development review process. The Division is reallocating \$2,125 within its 2011 operating budget to cover this new training. **(Development Review and Inspection/Compliance, I, \$0)**

Finance

- Staff is proposing the reduction of a 1.0 FTE Revenue Service Representative in the Treasury Division. New computer system efficiencies and procedural changes have modified the workload and reduced the need for this position. This position is currently vacant. **(City Revenue Collection, III, -\$35,917)**
- Staff is proposing the reduction of 0.25 FTE Sales Tax Technician (-\$12,875). Staff is also proposing to eliminate the printing of returns/coupon books and need for postage for the mailing of the books in the Sales Tax Division. Staff is proposing that all licensed businesses within the City of Westminster be required to file their return electronically, which will decrease workload and save other costs associated with paper return filing. This FTE change is a voluntarily reduction. **(Tax Collection, I, -\$19,575)**
- A reduction of a 0.5 FTE Accounting Technician in Retirement Administration is proposed. The key responsibilities of this position have been absorbed by existing staff due to system efficiencies

and procedural changes. This position is currently vacant. **(General Accounting and Financial Reporting, I, -\$20,754)**

- Staff is proposing a reduction of 0.5 FTE Accounting Technician in the Accounting Division. The key responsibilities of this position will be absorbed by existing staff and ancillary duties eliminated. This position is currently filled. **(General Accounting and Financial Reporting, I, -\$24,750)**
- In an effort to be green and save money, Staff proposes to eliminate printed paystubs. Employees will still have the option to print out their paystubs via the City's intranet or request a single copy from Finance. **(Payroll, I, -\$1,500)**
- An increase of \$20,000 is proposed to cover additional audit expenses, as the Accounting Division will be going out to bid for the annual audit services. Currently, the City is paying approximately \$40,000 less than the other cities in the area. It is the hope that the increase in funding budgeted will allow for a less constrained selection process, while continuing to be fiscally prudent. **(Tax Collection/ Compliance/ Administration, I, +\$20,000)**

Fire

- A reduction of 3.0 FTE Firefighter I positions is proposed. Currently, staffing levels on the three shifts are uneven, with 40 FTE on two shifts and 39 FTE on the third. The result of this reduction will be fewer fire engines with four personnel and a reduction of operation of the fifth ambulance to 50%. Citizens should not notice any decrease in service. These positions are currently vacant or will be eliminated through attrition. **(Emergency Response to Calls, I, -\$132,753)**
- Staff is proposing to reduce a 1.0 FTE Management Analyst position in Fire Administration. This reduction will result in decreased ability to perform data analysis and special projects. A portion of this work has been absorbed by current staff. This position is currently vacant. **(Administrative Functioning, I, -\$53,604)**
- A voluntary reduction of 0.2 FTE for the 1.0 FTE Emergency Management Coordinator, reducing the position to 0.8 FTE. A portion of the remaining 0.8 FTE will be paid for with emergency preparedness grant funds, reducing the portion supported by the General Fund (the 0.2 FTE salary savings is projected at \$17,580). This reduction is voluntary and will result in decreased participation in regional meetings. This position is currently filled. The grant funding that will offset this position's salary has been utilized over the last several years for emergency preparedness supplies and materials (\$20,000); as such, the total savings to the General Fund includes not only the reduction in FTE but also the reallocation of grant funds from supplies to salaries. **(Emergency Management, I, -\$37,580)**
- Staff is proposing to reduce a 1.0 FTE Fire Lieutenant/Fire Prevention Specialist in the Fire Prevention Bureau, which will result in a 20% reduction in the Fire Prevention Bureau. However, some of the institutional facilities' inspection responsibilities will be shifted to the Public Education Officer, who currently conducts school inspections. This position is currently filled. **(Fire Prevention, II, -\$72,603)**
- A total reduction of 1.0 FTE Secretary position is proposed. Of this 1.0 FTE, 0.5 FTE is currently filled and the remaining 0.5 FTE is vacant and has never been filled since it was authorized in 2007. **(Fire Prevention, II, -\$39,662)**
- Staff is proposing the reduction of 2.0 FTE EMS Field Coordinators. This reduction is a result of a restructuring in the Emergency Medical Service (EMS) section. 1.0 FTE was a new position authorized in 2010 but never funded or filled; the other 1.0 FTE remains vacant. The current staffing level of 1.0 FTE EMS Coordinator and 2.0 FTE EMS Field Coordinators is believed to be adequate to oversee the paramedics and overall EMS program. **(Administrative Functioning, I, -\$60,336)**
- A reclassification is proposed for the 1.0 FTE Field Training Officer from a Fire Captain to a Fire Lieutenant. This reclassification will result in a better match of job duties, responsibilities and

title. This position is soon to become vacant due to a retirement at the end of June. **(Administrative Functions, I, -\$4,275)**

- The Fire Department is implementing a new records management and report writing computer software system. Upon the conclusion of this implementation, there will be an annual \$10,000 maintenance fee that the department is reallocating funds within its operating budget in 2011 to cover the associated costs. **(Administrative Functions, I, \$0)**

General Services

- A total of 1.7 FTE are proposed to be reduced in General Services associated with the transition of all domestic violence cases to the existing county programs as noted in detail in the City Attorney's Office section of this Staff Report. In General Services, the associated reductions with this program include: a 1.0 FTE Probation Officer in the Probation Services area of Municipal Court (-\$54,365) that is currently filled; a reduction of 0.2 FTE of the current 0.8 FTE Associate Judge in Municipal Court (-\$21,839) that is currently filled; and a reduction of 0.5 FTE Deputy Court Clerk in the Municipal Court (-\$22,325) that is currently filled. **(Court Activities and Probation Services, I, -\$98,529)**
- Staff is proposing a reduction of 1.0 FTE Deputy Court Clerk in the Municipal Court. The permanent reduction of this position will result in increased workloads for the remaining Clerks. This position is currently vacant. **(Court Activities, I, -\$44,650)**
- Staff is proposing the elimination of the 0.5 Secretary (-\$21,811) and associated training and supply costs in the Environmental and Administration Services Office (supporting Environmental Services and the Volunteer Program). Existing staff in Human Resources will provide support on most of this position's duties and temporary support may be utilized on an as needed basis for duties that can not be taken on by Human Resources. This position is currently filled. **(Internal and Community Education and Outreach, III, -\$22,711)**
- Staff is proposing the elimination of a 0.5 Messenger position in the City Clerk's Office. With the elimination of this position, all City Council and SPIRIT Symposium food pickup and delivery is being handled by other departments, courier service has been restricted to City limits, and numerous reductions to current internal mail services have been made. This position has been vacant since the end of March 2010. **(Messenger, III, -\$18,934)**
- Staff is proposing an elimination of 0.8 FTE Employee Development Analyst and reclassification of the 0.2 FTE Employee Development Analyst to the Human Resources Administration position in the Human Resources Division. The reduction of this position will result in some reductions in the frequency of course offerings and the breadth of the classes offered in-house. Additionally, the Leadership Development Class will only be offered every third year. The Employee Development Analyst position is currently filled. The proposed reclassification of 0.2 FTE will increase 0.8 FTE Human Resource Administrator position to a 1.0 FTE and will help to reduce the impact from the elimination of the 0.8 Employee Development Analyst. The Human Resources Analysts/Senior Human Resources Analysts will also be assuming some training responsibilities. **(Employee Development, III, -\$50,385)**
- Staff is proposing a reduction of 0.5 FTE Secretary in the Building Operations and Maintenance Division. The reduction of this position will result in shifting of duties previously completed by the Secretary to maintenanceworkers. This position is currently filled. **(Facility Maintenance, I, -\$21,881)**
- Staff is proposing a reduction of 0.5 FTE Senior Maintenance Worker in the Building Operations and Maintenance Division. The permanent reduction of this position will result in an increased workload for existing pool maintenance staff and use of temporary contract labor when needed. By utilizing temporary contract labor when needed, a slowed response to activities and reduced availability to address preventive maintenance may ultimately increase the incident of emergency maintenance requests. This position is currently vacant. **(Facility Maintenance, I, -\$22,521)**

- Staff is proposing a reduction of 0.25 FTE Custodian in the Building Operations and Maintenance Division. The reduction of this position will result in increased workload for the remaining staff. Staff will need to change their schedules to accommodate the weekend and afterhours oversight of contract custodial support, resulting in less availability of maintenance workers to address maintenance activities during the normal work-hours. This position is currently vacant. **(Custodial Services, II, -\$8,807)**
- Staff is proposing a reduction in professional services funding in the Administration Division. In order to accommodate the increased workload from the Green Team during 2009 and 2010, the Division outsourced more complex environmental research and audit work. The reduction in funding will result in eliminating this external contract support and reduce the time available to Staff for coordination of the Green Team and their overall activities. **(Environmental and Administration Services, I, -\$2,500)**
- Staff is proposing the elimination of the Day Porter service. This program was a partnership with Goodwill and provided part-time employment for one of their employees. This service provided daily custodial support for City Hall, which now be assumed by City employees on an as needed basis. **(Custodial Services, II, -\$20,000)**
- Staff is proposing the elimination of advertising open citywide positions in local metropolitan area newspapers by the Human Resources Division. Through efficiencies gained through the NeoGov system (electronic job application system) and a general shift of information to the City's website, Staff does not anticipate an impact on recruitment efforts for vacant positions. There is no impact on staffing for this reduction. **(Recruitment/Selection, I, -\$15,000)**
- Staff is proposing a reduction in drug screening, resulting from fewer pre-employment screenings and random testing due to smaller workforce. This reduction is proposed in the Human Resources Division. **(Recruitment/Selection, I, -\$5,000)**
- Staff is proposing to eliminate the e-Learning option for training of City employees funded in the Human Resources Division. Staff has found that the e-Learning program is not as successful in educating employees because it does not have as great of transference to work productivity. Employees will still receive traditional training and have the option to utilize webinars in their areas of expertise. **(Employee Development, I, -\$6,500)**
- Staff is proposing a reduction by half in outreach funding for the Environmental Advisory Board public event take-away items provided at various community events. This will not impact the core function of the Environmental Advisory Board. **(Internal and Community Education and Outreach, III, -\$1,000)**
- Staff is proposing the elimination of the annual volunteer appreciation gift provided each year at the annual volunteer appreciation barbeque. No gift will be provided at the volunteer appreciation event. **(Internal and Community Education and Outreach, III, -\$3,000)**

Parks, Recreation & Libraries

- Staff proposes the elimination of a 1.0 FTE Secretary position in PR&L Administration. This position is currently filled. This proposed elimination will have an internal departmental impact on support services provided to division managers and recreation specialists. Other staff will be assigned to absorb some of these duties and other project and assignment capacity will be reduced. **(Administration, N/A, -\$43,762)**
- Staff proposes the elimination of a 1.0 FTE Equipment Operator position in Park Services/ Design Development section. This position is currently filled. This proposed elimination will result in fewer staff hours available for park construction and renovation activities. Some of this work will be offset by other Park Services personnel and seasonal staff. However, this proposed elimination will increase the amount of time for Staff to address construction and renovation needs in the City's 54 parks. From an overall operational perspective in Park Services, the demand for new

construction is decreasing while the need for maintenance and renovation is increasing. **(Construction and Infrastructure Maintenance, I, -\$49,339)**

- Staff proposes to eliminate a 1.0 Crewleader position and 2.0 FTE Parksworker I/II positions in the Park Services Division. The Parksworker II position is currently filled and the Crewleader and Parksworker I positions are currently vacant. Park Services Staff will work to offset this proposed 3.0 FTE elimination to Park Services operations through efficiency improvements and revised staffing assignments. Park Services is also proposing to reorganize the Division structure (net neutral cost) to improve flexibility and the sharing of Staff resources between park operations, open space, construction/renovation activities, athletic field maintenance and greenhouse activities. However, this proposed reduction in FTE will reduce routine park maintenance schedules and will increase the amount of time between regular maintenance activities in certain parks, athletic fields and open space properties. **(Maintenance of Parks and Public Facilities/Open Space Maintenance, Athletic Field Maintenance, I/I/II, -\$120,160)**
- Staff proposes to eliminate two part-time custodians at the Promenade on weekends. This would result in a reduction of 0.4 FTE. 0.2 FTE is currently vacant and 0.2 FTE is currently filled. The responsibilities of these two part-time custodian positions (general clean-up and trash removal) would be absorbed by other Staff or through contractual services. **(Promenade, III, -\$12,956)**
- Staff proposes to reduce a 1.0 FTE Landscape Architect II by 0.2 FTE to a 0.8 FTE. This is a voluntary FTE reduction that would work for the Department from an operational perspective. This reduction will not have a significant impact on services, but it will reduce the work capacity of landscape architect staffing. **(Master Planning and Design, I, -\$14,400)**
- Park Services and Design Development are proposing to reduce their seasonal labor accounts by \$49,407. This would reflect a 15.5% reduction to the Amended 2010 Budget total for Park Services and Design Development seasonal labor (not including Promenade). This proposal is anticipated to result in reductions to landscape maintenance, infrastructure repair, trash removal and general cleaning. Park Services is also proposing to reorganize the Division structure (net neutral cost) to improve flexibility and the sharing of Staff resources between park operations, open space, construction/renovation activities, athletic field maintenance and greenhouse activities. **(Maintenance of Parks and Public Facilities/Open Space Maintenance, Athletic Field Maintenance, I/I/II, -\$49,407)**
- Based on core services discussions, Staff proposes to significantly reduce holiday lighting and decorations at City Hall and the Public Safety Center, most notably the elf village at City Hall. Staff would continue to provide holiday lighting on a smaller scale and would maintain some budgeted funds for repair and replacement of existing materials. In “hard dollar” costs, this proposed change would result in \$14,000 of budget savings. However, in “soft dollar” staffing costs, this reduction in holiday decorations (including the elimination of the elf village) would allow approximately \$22,655 in Staff resources to be devoted to higher-priority core services, such as park and open space maintenance, renovation and repair. If City Council concurs, Staff will implement these changes in 2010 (i.e., eliminate the elf village this year). **(Holiday Decorations, III, -\$14,000)**
- Based on core services prioritization, Staff proposes elimination of the holiday lighting at 72nd Avenue and Federal Boulevard. This is the only area in the City that is not a City facility where the City utilizes Staff and other resources to install, maintain and remove a holiday lighting display. Due to proposed staffing reductions and a focus on the prioritization of resources on core services, Staff recommends the elimination of this lighting display. “Hard dollar” budget savings on materials and maintenance would total \$9,800 under this proposal. However, additional “soft dollar” staffing costs would total approximately \$32,600 and allow these resources to be devoted to higher-priority core services, such as park and open space maintenance, renovation and repair. If City Council concurs, Staff will implement this change in 2010 (i.e., eliminate the 72nd Avenue holiday lighting this year). **(Holiday Decorations, III, -\$9,800)**

- Over the years, the City has added numerous sidewalks at various locations throughout the City to its snow removal efforts. However, with many of these areas, the City has no legal obligation to perform the snow removal. Staff proposes to cease snow removal operations on certain sidewalks where the City has no obligation to perform snow removal and is providing a higher level of service that is not sustainable. These areas include sidewalks that are typically the responsibility of HOAs, neighborhoods or businesses. The “hard dollar” savings for this item is \$3,500, but the “soft dollar” staffing savings is estimated at \$21,900. These resources would be reallocated to improve snow removal operations in certain “challenging areas,” such as where the freeze and thaw cycle creates hazardous conditions and to improve overall snow fighting response with existing resources. **(Snow Operations, II, -\$3,500)**
- Based on core services analysis, Staff proposes to reduce the level of service provided by the Department’s Greenhouse operations. Two components of reductions are proposed: reduction of summer planting beds and elimination of in-house winter growing (i.e. poinsettia) operations. Staff proposes to reduce the number of annual beds planted in the City by Greenhouse Staff by approximately 25%. Currently, the City plants annuals in 171 planting beds across the City during the summer months. Through this proposed reduction, Staff would no longer plant annuals in beds at less visible sites at several City facilities and parks. Staff would also reduce the number of beds planted along 72nd Avenue. Currently, the equivalent of 82 planting beds are located along a ¾ of a mile stretch of 72nd Avenue; most are located between Lowell Boulevard and Federal Boulevard. These planting beds along 72nd Avenue represent 48% of the City’s current total number of planting beds. This proposed reduction totals \$1,550 in “hard dollar” costs associated with a reduction in plant materials. However, Staff would realize “soft dollar” staffing cost savings between \$20,000 to \$30,000 (FTE and seasonal) that could be reallocated to higher Department priorities, including the maintenance of parks and open space. Planting and maintaining the current level of annual beds across the City requires a significant amount of staff resources. With proposed FTE reductions in Park Services, Staff feels that this reduced level of service for Greenhouse Operations is necessary to help offset these reductions. In addition to the annual plant bed program maintained during the summer months, Staff proposes to shut the greenhouse down from July through January. Under this proposal, Staff would no longer grow poinsettias or indoor plants. Staff would purchase 290 poinsettias to place at certain City facilities and for certain City events. Staff would discontinue all “poinsettia trees” located at City Hall and City Park Recreation Center. Total “hard dollar” cost savings for a partial season shutdown of the Greenhouse totals \$6,640, not including the cost to purchase 290 poinsettias projected at \$1,885. This would result in a net savings of \$4,755. As with the reduction in the annual bedding plant program, the proposed elimination of grow operations for poinsettias and indoor plants would have “soft dollar” staffing savings that could be reallocated to higher priorities. During the fall/winter Greenhouse shutdown, the Greenhouse Staff (2.0 FTE) will be reassigned to assist with open space and forestry operations. The Greenhouse Operations are funded in the General Capital Improvement Fund through the Community Enhancement Program (CEP), therefore the savings of \$6,305 is not reflected in the General Fund totals. **(Greenhouse Operations, III, \$0)**
- A total of \$353,870 of right-of-way and median contract maintenance is proposed to be eliminated from the General Fund operating budget in the Park Services Division and charged to the Community Enhancement Program (CEP) funded in the General Capital Improvement Fund for 2011 and into the future. The CEP is funded by the City’s accommodations tax and its purpose is to improve and maintain the visual appearance of the City. Staff believes these are appropriate expenditures to be made out of the CEP. Some of the areas included in this contractual maintenance total are the 136th Avenue bridge at I-25, U.S. 36 and Federal Boulevard, 72nd Avenue, the 144th Avenue interchange, 144th Avenue, Lowell Boulevard and Zuni Street. In addition, a total of \$16,050 new maintenance, irrigation and plant replacement costs associated with new medians added to the City are proposed to be absorbed within the total CEP budget.

This includes new landscaped medians on 144th Avenue between Jason Street and Zuni Street (+\$5,550), new landscaped medians on Zuni Street (+\$2,500), new landscaped “plaza” areas on Lowell Boulevard at Turnpike Drive (+\$3,000) and new landscaped additions at the Big Dry Creek Wastewater Treatment Plant (+\$5,000). These areas will be maintained through contractual services. The City will be re-bidding all median and right-of-way contractual maintenance in 2011. Depending on the bid environment and prices, the Department may have to absorb additional costs as well. **(Right-of-Way, Median and Gateway Maintenance, III, -\$353,870)**

- In addition to the proposed reduction in custodial positions, Staff is proposing additional budget reductions for the Promenade. These adjustments include the following proposed reductions: staffing for seasonal labor (-\$5,200), contractual services for Ice Centre parking lot and grounds maintenance (-\$1,500), contractual services for Promenade East (-\$2,000) and contractual services for Promenade West (-\$4,000). These proposed reductions will reduce the overall level of maintenance in the listed areas. Also, Staff is proposing to eliminate holiday lighting and decorations at the Promenade. There are no “hard dollar” costs associated with this proposed elimination, as the materials for the lighting are funded through Common Area Maintenance (CAM) charges for the Promenade. However, the proposed elimination of the holiday lighting would provide approximately \$14,100 in “soft dollar” staffing savings. These Staff resources would then be devoted to other priorities at the Promenade and would help offset the proposed staffing and contractual services reductions. **(Promenade, III, -\$12,700)**
- Administration is proposing reductions to several operating accounts to help meet necessary budget adjustments. These proposed reductions include: the elimination of park dedications and Gold Medal award application preparation (-\$10,000), overtime and special event shirts/jackets (-\$1,500) and career development (-\$4,000). **(Administration, N/A, -\$15,500)**
- Park Services is proposing reductions to several operating accounts to help meet necessary budget adjustments. These proposed reductions include: landscape supplies, building and grounds items, meeting expenses, career development, uniforms and mileage. **(Various, N/A, -\$28,174)**
- Based on a thorough assessment of hours of utilization for library services, Staff recommends changes to hours at the Irving Street Library. Staff proposes closing the Irving Street Library at 8:00 PM Monday through Wednesday and at 5:00 PM on Thursday. Currently, the Irving Street Library closes at 9:00 PM Monday through Thursday. Staff analysis shows that Thursday evening is the slowest time at the Irving Street Library and has the least usage by patrons. In addition, usage of the Irving Street Library is general less after 8:00 PM on weekdays. This proposed adjustment would reduce service hours by 364 per year, thereby saving 1,664 staff hours. Accordingly, Staff recommends the reduction of a 0.8 FTE Library Clerk I/II position. This position is currently vacant. Besides accommodating this necessary budget reduction, this adjustment to hours would allow staff to be reallocated to busier hours at the Irving Street Library, thereby providing enhanced customer service. **(Various, N/A, -\$28,104)**
- Based on a thorough assessment of hours of utilization for library services, Staff recommends reducing hours at College Hill Library to allow for fewer than the intergovernmental agreement (IGA) required 65 hours of operation per week. The current IGA with Front Range Community College for operation of the library requires that the College Hill Library remain open at least 65 hours per week. Staff will approach Front Range Community College to try and renegotiate the IGA to allow for additional reductions in hours to allow for early closure. If this negotiation is unsuccessful, Staff proposes a minimum of closing College Hill Library at 8:00 PM on Thursday. College Hill Library is currently open until 9:00 PM from Monday through Thursday. Under the current IGA, the City can only reduce operations of College Hill Library by one hour. Thursday from 8:00 PM to 9:00 PM is consistently the slowest hour of usage at the library. This proposed early closure would result in a 52 hour service reduction per year and reduce staffing needs by 364 hours or 0.175 FTE. Related to this proposed change to hours, Staff is proposing the

elimination of a 0.550 FTE Library Associate II and a 0.475 FTE Library Shelver. Both of these positions are currently vacant. **(Various, N/A, -\$30,559)**

- Also related to hours of operation, Staff proposes closing both College Hill and Irving Street Libraries for more holidays. Additional holiday closures would include President's Day and Martin Luther King Jr. Day. For 2010, Staff has reached agreement with FRCC Administration to increase the number of holiday closures to include the day after Thanksgiving, Christmas Eve, New Year's Eve and July 5 (as July 4th is on a Sunday in 2010). Staff proposes to continue the closures on the day after Thanksgiving, Christmas Eve, New Year's Eve in 2011. For each additional day of closure, the libraries would reduce staffing needs by 247.5 hours. This would result in budget savings for temporary salary hours. In addition, less substitute coverage would be needed, thereby reducing staffing costs. The proposed holiday closures would not violate the IGA for College Hill with Front Range Community College. These proposed holiday closures would actually place the College Hill Library schedule more in line with FRCC closures and general activity levels. Currently, many library patrons assume that the libraries are closed on these days and most other libraries in the metropolitan area are closed on these holidays. **(Various, N/A, -\$40,000)**
- Staff proposes the elimination of 2.0 FTE Guest Relations Clerks at the City's recreation facilities and reallocating part of these salary costs to temporary salaries. These positions are currently vacant. This proposed reduction is anticipated to have a minimal impact on overall customer service. Staff will utilize more existing "substitutes" to fill in hours where coverage is needed due to the proposed reduction in FTE staffing levels. The budget savings shown is the net difference between the 2.0 FTE and funds that would be necessary to cover additional substitute hours. **(Various, N/A, -\$22,724)**
- Staff proposes the elimination of 2.5 FTE Recreation Aides at the City's recreation facilities. These positions are currently vacant and would include the elimination of the following Recreation Aides: 1.0 FTE City Park Recreation Center, 0.5 FTE West View Recreation Center, 0.5 FTE City Park Fitness Center and 0.5 FTE Swim and Fitness Center. Staff proposes to retain 2.1 FTE Recreation Aides at the following recreation centers: 0.5 FTE West View Recreation Center, 0.5 FTE City Park Fitness Center, 0.5 FTE Swim and Fitness Center and 0.6 FTE at The MAC. In addition, Staff proposes the creation of a gym supervisor position for City Park Recreation Center. This temporary position would be a new position title in the Instructor Pay Plan. The budget savings shown is the difference between the proposed elimination of the 2.5 FTE and the cost of the hours necessary for the proposed gym supervisor position. **(Various, N/A, -\$60,945)**
- Staff proposes the elimination of 2.0 FTE custodian positions at the City's recreation centers. These positions are currently vacant. This proposed elimination would include 1.0 FTE at The MAC and 1.0 FTE at City Park Recreation Center. As the City has done in the past, most recently at Swim and Fitness Center, Staff proposes to shift custodial responsibilities previously associated with these positions to contractual services. Staff proposes to shift \$54,120 from regular salaries for these positions to contractual services. The net budget savings is shown. **(Various, N/A, -\$7,912)**
- Staff proposes to eliminate a 0.5 FTE Adult Sports Program Assistant. This position is currently vacant. In lieu of this position, Staff proposes to create a combined "sports section" in the Recreation Programs Division and proposes to upgrade a 1.0 FTE Recreation Specialist-Facilities and Programs to a Sports Program Coordinator, which will help streamline operations and best utilize existing staffing levels. The savings shown are the net difference between the elimination of the 0.5 FTE Adult Sports Program Assistant and the upgrade of the 1.0 FTE Recreation Specialist-Facilities and Programs. **(Recreation Program – Adults, II, -\$12,188)**
- Staff proposes the elimination of a 0.5 FTE Facility Assistant at City Park Recreation Center. This position is currently a 1.0 FTE (40 hours) and in order to offset this 20-hour reduction in

supervision hours, existing supervisors and some recreation specialists at City Park Recreation Center will increase their supervisory responsibilities associated with building supervision. Staff would also utilize 0.1 FTE from West View Recreation Center to provide the necessary facility coverage at City Park Recreation Center. **(Various, N/A, -\$29,439)**

- Staff proposes to eliminate a 0.5 FTE Recreation Specialist at City Park Fitness Center. This position is currently vacant. This position was created after a reduction in Assistant Supervisor hours at City Park Fitness Center and was intended to assist with the SilverSneakers program, special needs and building supervision. The position is vacant. **(Various, N/A, -\$24,932)**
- In order to focus resources on core service areas, Staff proposes eliminating “announcers” at adult softball leagues. Staff proposes to retain scorekeepers. Staff has evaluated operations and identified that scorekeepers can effectively fulfill both their duties and the duties of announcers at adult softball games. **(Recreation Programs – Adult Sports, II, -\$5,129)**
- Staff proposes ceasing operations of Kings Mill pool in 2011 and terminating the lease for the facility at Kings Mill with Jefferson County Head Start. Both the pool and the facility at Kings Mill have major capital needs (totaling approximately \$436,400), especially the facility (major systems, roof, etc.). Based on core services discussions on overall priorities, these capital needs are cost prohibitive. From an operational standpoint, ceasing pool operations would save \$20,000 in staffing costs and \$4,000 in chemical and supplies. The proposed revenue loss with this proposed closure is estimated at \$8,900, thereby resulting in a net savings of \$15,100. Staff proposes to continue to operate Countryside outdoor pool and the City has other aquatic recreation opportunities available at City Park Recreation Center and the Swim and Fitness Center. Staff proposes to maintain the park site, tennis courts, multi-use turf field and parking lot at the Kings Mill site. If Council is supportive of Staff’s recommendation to cease operations of Kings Mill pool, Staff will examine what to do with the pool structure and building, and will bring back a recommendation for City Council’s consideration. A cellular tower currently exists on the site that would have to be considered as well. If City Council is supportive of terminating the lease for the facility at Kings Mill, Staff will notify Jefferson County Head Start and will coordinate closure of the facility after that organization is able to find a different facility where they can offer their programming. Head Start is already looking at difference locations. Staff is anticipating that the neighborhood may have concerns regarding the proposed pool closure and recommends notifying the neighborhood about the future closure as soon as possible. **(Recreation Facilities – Leisure/Wellness Amenities, I, -\$15,100)**
- Due to the need to prioritize reduced staffing resources, Staff recommends discontinuing the City’s participation in the 9 News Health Fair at City Park Recreation and Fitness Centers. Over the years, the coordinators of this event have shifted more responsibility to City Staff. As a result, in 2010, Staff spent approximately 500 hours to prepare and host this event. This equals an estimated \$10,000 in “soft dollar” staffing costs and takes Staff away from primary responsibilities. Also, as set-up for this event takes place one-day in advance of the event, there is a revenue loss associated with the event, as many parts of the facilities are closed in preparation. In addition, event organizers have recently required the City to cover the costs of supplies such as printing, gloves, scales, food for volunteers, etc. While this is a worthwhile event, it takes Staff away from providing core services. In 2010, there were 171 9 News Health Fair sites in Colorado, so residents will have other locations to go to if they choose to participate in this event. **(Rental Space, III, -\$2,000)**
- In order to improve efficiency and streamline operations, Staff is proposing a reduction in weekend hours at West View Recreation Center and the Swim and Fitness Center. Staff proposes closing these two facilities one hour earlier (6:00 PM versus 7:00 PM) on Saturday and Sunday. These two facilities would remain open until 9:00 PM from Monday through Friday. This earlier weekend closure will allow Staff to manage the proposed reduction in recreation staffing and would help maintain needed staffing during busier times of the week. Staff anticipates a minimal

impact to this proposed adjustment, but the City could lose some guests to facilities with more extended hours on the weekends. Hours at City Park Fitness Center and City Park Recreation Center would remain unchanged in 2011. **(Various, N/A, -\$4,000)**

- Staff proposes the elimination of the Mother/Son Bowling Event. Staff feels that this elimination is necessary to maintain the quality of other programs that are higher priority based on core services. Attendance at this event has dropped from a high of 225 to 117 and it is no longer covering its costs. Staff is also recommending the elimination of the Mother/Daughter Tea. This event is currently covering its hard costs, but as with the Mother/Son Bowling Event, Staff feels this elimination is necessary to meet budget reductions and to focus resources on other higher priority programs. This event has also dropped in attendance from a high of 250 to 145 participants. Staff proposes to reallocate resources associated with these two programs to other programs that have greater utilization. **(Recreation Programs – Youth Activities, II, -\$5,260)**
- Staff proposes reductions to various recreation programs. These reductions will significantly limit the ability of the City to add any new recreation programs. In certain cases, these proposed reductions will require Staff to reduce participation levels in existing classes. Proposed reductions include youth classes (-\$4,240), the elimination of one summer concert and associated supplies (-\$3,500) and a reduction in entertainment at the Westminster Faire (-\$5,500). In addition, Staff proposes initiating a nominal fee (\$3/child) for the Mayor’s Easter Egg Extravaganza (+\$1,500 in projected revenue). [The City currently charges \$4/participant for the annual Halloween carnival; this fee has been in place for several years.] Staff is also recommending reductions to supplies and other items in marketing, adult sports, adult activities, youth sports, preschool, arts, The MAC, the Westminster Sports Center, youth activities and special events. The budget savings shown reflect the net difference between expenditures reductions and revenue impacts. **(Various, N/A, -\$39,640)**
- Based on actual energy usage over the last several years, Staff is recommending a reduction to budgets for electricity, gas and water at the Sports Center, MAC, West View Recreation Center and Swim and Fitness Center. **(Various, N/A, -\$48,000)**
- Staff is proposing general budget reductions to all of the City’s recreation facilities in supplies, temporary salaries and contractual services. These proposed adjustments will have an impact on guest services, particularly in Fitness programming. Staff is proposing a \$16,000 reduction in this area. These proposed reductions will significantly limit the ability of the City to add any new recreation programs and will require Staff to reduce participation levels in some existing classes. **(Various, N/A, -\$43,293)**
- Staff proposes to eliminate drop-in child care at West View Recreation Center. This proposed elimination would reduce expenditures by \$6,000 and reduce revenues by an estimated \$1,000. This elimination will have an impact on guests who currently utilize this service. In 2009, there were 806 “uses” of the drop-in child care at West View, down from 1,419 uses in 2008. In comparison, the drop-in child care at City Park saw 5,195 uses in 2009. **(Recreation Facilities and Programs – Special Needs, III, -\$5,000)**
- Staff proposes to reduce 7.648 FTE lifeguard positions and transfer the \$177,993 in budgeted dollars associated with these positions to temporary salary accounts for City Park Recreation Center (\$127,434) and Swim and Fitness Center (\$50,559). For the past several years, these dollars have been utilized for hourly lifeguards versus full-time lifeguards as a pilot. As this pilot has been successful in more effectively using personnel resources, this proposed shift would officially move these funds to the appropriate account and would reflect Staff’s desire to continue to utilize hourly lifeguards to meet the staffing needs currently budgeted in regular salaries accounts. These FTE are not currently filled as permanent FTE but rather as hourly lifeguards. **(Recreation Facilities – Leisure/Wellness Amenities, I, \$0)**
- Staff proposes to reduce the number of hours offered to boat owners to inspect/spray their boats as part of the zebra/quagga mussel prevention program at Standley Lake Regional Park. Currently,

hours for inspection and spraying run from 7:30 AM to 8:30 PM seven days a week. Staff recommends reducing hours of service to begin at 11 AM to end at 7:00 PM, seven days a week. Staff does not anticipate any major issues with the revised hours and the proposed revision to the hours will still allow for convenient, “after-work” hours for boat owners to utilize inspection and spraying services. This proposed change to hours will allow for an 80 hour per week reduction in the number of hours needed for seasonal park rangers (25 week season). This proposed \$20,908 reduction will be split between the General Fund and the Utility Fund. **(Standley Lake – Aquatic Nuisance Species Program, I, -\$10,454)**

Police

- Based on core services discussions, Staff proposes to eliminate a 1.0 FTE Animal Management Officer. This position is currently vacant. This proposed elimination would reduce Animal Management staffing from 4.5 FTE to 3.5 FTE. This proposed reduction will result in some animal management duties being shifted to Patrol Officers and likely will require a reduction in hours of operation. **(Neighborhood Services – Animal Management, III, -\$39,478)**
- Staff proposes to eliminate 2.0 FTE Traffic Accident Investigator positions. 1.0 FTE is currently filled and 1.0 FTE position is currently vacant. This proposed elimination would reduce the level of Traffic Accident Investigator staffing from 6.0 FTE to 4.0 FTE. Based on this proposed elimination, some accident investigation and report writing duties would be transferred to Patrol and Traffic Officers. **(Traffic Services, II, -\$113,718)**
- Per Staff’s proposal to eliminate the City’s “fast-track” domestic violence program outlined in the City Attorney’s Office section of this Staff Report, Staff is proposing the elimination of 2.0 FTE associated with this program in the Police Department. This proposed elimination includes a 1.0 FTE Police Officer in the Court Marshall Unit and a 1.0 FTE Victim Advocate. Both positions are currently filled. The City currently has 8.0 FTE vacant police officer positions, so the proposed elimination of the 1.0 FTE Police Officer would reduce staffing in the Court Marshall Unit, but the individual currently in this position would be moved to Patrol. Currently for Victim Services, the Police Department has a 1.0 Victim Services Coordinator and 3.0 FTE Victim Advocates. A majority of responsibilities associated with these positions are associated with the City’s domestic violence program. If City Council is supportive of transferring the City’s domestic violence program back to the counties, the elimination of this position will not have a major effect on service levels. **(Investigation Services, I, -\$100,333)**
- Based on core services discussions, Staff proposes to eliminate a 1.0 FTE Public Information Officer. This position is currently filled. The City currently has 8.0 FTE vacant police officer positions, so the proposed elimination of the 1.0 FTE Public Information Officer would reduce staffing in public information, but the individual currently in this position would be moved to Patrol. This proposed elimination would reduce public information staffing in the Police Department from 3.0 FTE to 2.0 FTE. This proposed elimination would reduce some activities related to media releases, media inquiries and community outreach efforts. **(Community and Public Services, III, -\$47,920)**
- Based on core services discussions, Staff proposes to eliminate a 1.0 FTE Liquor Investigations Officer. This position is currently filled and is a civilian liquor enforcement position. Some duties and responsibilities associated with this position would be shifted to the Department’s Intelligence Officer. Staff would discontinue certain proactive liquor enforcement efforts under this proposed elimination and be more reactive in nature. **(Investigation Services, I, -\$54,365)**
- Based on core services discussions, Staff proposes to eliminate 2.0 FTE School Resource Officers (SROs) in the middle schools. These positions are currently filled. The City currently has 8.0 FTE vacant police officer positions, so the proposed elimination of the 2.0 FTE would reduce staffing in the Department’s School Resource Officer (SRO) program to 6.0 FTE, but the individuals currently in these positions would be moved to Patrol. This proposed elimination

would remove dedicated SROs from the three Jefferson County School District middle schools in the City (Wayne Carl, Moore and Mandalay). The City would devote 1.0 FTE SRO to the three middle schools Jefferson County and this officer would split time between the three schools. Adams School District 50 does not have any middle schools within the City and Adams District 12 does have one SRO dedicated to Silver Hills Middle School. Adams District 12 pays for one-half of the salary of the SRO and therefore Staff proposes to maintain the SRO at Silver Hills. Staff recommends maintaining the dedicated SROs at all of the high schools located within the City. **(Patrol Services, I, -\$95,840)**

- Staff proposes to eliminate a 1.0 FTE Criminalist/Senior Criminalist. This position is currently vacant. This proposed elimination would reduce the Department's criminalist staff from 4.0 FTE to 3.0 FTE. This proposed elimination would reduce resources for crime scene processing activities. **(Investigation Services, I, -\$44,620)**
- Staff proposes to eliminate 1.3 FTE Police Records Technician positions. These 1.3 FTE are currently vacant. This proposed elimination would reduce police records technician staff from 12.3 FTE to 11.0 FTE. Workload associated with this 1.3 FTE have been transferred to other police records technician staff members and some responsibilities have been eliminated. **(Police Records Management, II, -\$54,579)**
- Based on the City's success with its graffiti eradication, abatement and enforcement efforts, Staff proposes to eliminate the current temporary position in the Department's graffiti unit. This position is currently filled. However, due to the temporary nature of the position, the proposed elimination of this position would occur after the individual currently in this position leaves employment with the City in this role in 2010. Based on performance measurement data and outcomes, Staff believes that the Department's 1.0 FTE Neighborhood Services Specialist will be able to maintain the high level of graffiti eradication and abatement services currently being provided by the Department's graffiti unit. **(Neighborhood Services – Graffiti, III, -\$19,000)**
- Staff proposes a 1.5 FTE reduction in the Department's Communication Section (Dispatch). This includes the proposed elimination of a 1.0 FTE Communications Supervisor and a 0.5 FTE Communications Specialist. Both of these positions are currently vacant; the Communications Supervisor position was authorized by City Council in the City's Adopted 2009 Budget, but the position has never been filled due to the City's strategic hiring freeze. The proposed elimination of the 0.5 FTE Communications Specialist would reduce Communications Specialist staffing from 30.0 FTE to 29.5 FTE. Emergency and non-emergency calls are not anticipated to diminish in the future, so existing Staff will have to absorb additional workload. **(Emergency/ Non-Emergency Communications, I, -\$75,577)**
- Staff proposes the elimination of a 1.0 FTE Report Specialist in the Patrol Division. This position is currently filled. This proposed elimination would reduce Report Specialist staffing from 3.0 FTE to 2.0 FTE. The number of police reports needed in the future is not anticipated to diminish; reporting writing and other duties associated with this position would be absorbed by Patrol Officers under this proposed elimination. **(Patrol Services, I, -\$47,572)**
- Staff is proposing to reduce two 1.0 FTE Secretary positions to two 0.8 FTE positions. One of these positions is currently vacant and one is currently filled. This proposal would reduce secretarial staffing from 4.5 FTE to 4.1 FTE. One secretary works for a section manager and the other works for a Division Head (Deputy Chief). Under this proposal, both secretaries would work an eight-hour, Monday through Thursday schedule. This proposal will have a slight reduction on the amount of administrative support available to certain operations. **(Various, N/A, -\$17,362)**
- Based on actual expenditures in previous years and the continued ability of the Department to effectively manage overtime costs, Staff proposes a \$69,000 reduction to the Department's overtime budget. This proposed reduction would be applied in Neighborhood Services (-\$6,000), Records and Property (-\$8,000), Investigations (-\$15,000) and Communications (-\$40,000).

Patrol overtime is proposed at the same level as in the Amended 2010 Budget. The Department will continue its efforts to effectively manage overtime, but the nature of police work does add some unpredictability to overtime expenditures in the future. **(Various, N/A, -\$69,000)**

- Across the Department, Staff is proposing reductions to multiple commodities accounts. Primarily, Staff is proposing reductions to various supply budgets. These reductions will limit quantities of certain items and Staff will work to manage these reductions. **(Various, N/A, -\$48,000)**

Public Works & Utilities

- Staff is proposing reorganization to the Street Division. This reorganization is a result of the core services evaluation and streamlining operations to maximize the limited resources available for street repair and rehabilitation. This reorganization includes the following changes in staffing:
 - Staff is proposing a reduction of 2.0 FTE Street Supervisors in the Street Division (-\$152,126) to allow for a flatter organizational structure and better management span of control; there will be a limited impacts on service delivery as a result of these changes. Duties currently under the Street Supervisor positions will be assumed by the new management structure including Foreman, Street Project Specialist, and Pavement Management Coordinator.
 - The reorganization includes the proposed upgrade of a 1.0 FTE Street Inspector to a 1.0 FTE Street Projects Specialist (+\$3,000) in order to cover increased contractual maintenance duties. This position will also oversee the remaining Street Inspections in a supervisory capacity.
 - 2.0 FTE Lead Operators are proposed to be upgraded to 2.0 FTE Foremen (+\$5,582). The Foremen will report directly to the Division Manager and be responsible for the supervision of the maintenance groups. This will allow for increased communication and division of labor among the leadership group.
 - Staff is proposing an upgrade of 1.0 FTE Lead Street Operator to 1.0 FTE Pavement Management Coordinator (+\$3,000); this position upgrade will assume the duties of maintaining and enhancing the pavement management program, as well as assisting with the contractual maintenance associated with street rehabilitation.
 - Staff has proposed an increase in temporary salaries of \$42,000 to assist with equipment operations, concrete repair, and other duties. This will help absorb some of the workload without increased pension, salary, or benefit costs. **(Pavement Preservation/ Rehabilitation/ Replacement, I, -\$98,544)**
- In an effort to close the current budget gap, Staff has proposed a reduction of 22% in concrete replacement funding used to repair and replace curb, gutters, and sidewalks. This reduction will be larger (by \$118,000) if the proposed increase of \$1.00/month to the current \$3.00 monthly Infrastructure Fee is not implemented in 2011. See the proposed revenue enhancements section at the end of this Staff Report for more information on the proposed Infrastructure Fee increase. **(Pavement Preservation/ Rehabilitation/ Replacement, I, -\$182,000)**
- Staff is proposing to eliminate the fall lane line repainting on select collector streets, resulting in a 6% reduction to the Restriping budget. Staff is confident that once a year restriping will be adequate for select streets. **(Pavement Preservation/ Rehabilitation/ Replacement, I, -\$10,000)**
- Staff is proposing to reduce the amount of asphalt materials used to repair and replace streets. **(Pavement Preservation/ Rehabilitation/ Replacement, I, -\$50,000)**
- Staff is proposing an increase in the street lighting account because of escalating utility costs. This increase is resulting from recent cost increases of approximately 8 percent for electricity and rising maintenance costs. Staff is currently working with Xcel Energy to control maintenance costs and reduce the total energy usage by the City for streetlights; however, costs continue to escalate. The amount budgeted for street lights in 2010 totals \$1,969,952 and it is anticipated that

the City will spend in excess of \$2.35 million in 2010. For 2011, Staff is proposing a budget for street light and repair costs will total \$2,157,043, which is the maximum amount that Staff believes is affordable in the 2011 Budget. **(Street Lighting, III, +\$187,091)**

UTILITY FUND

Central Charges

- As noted in the General Fund, Staff is proposing to eliminate the Employee Medical Expense budgeted within Central Charges. **(Management of Budgeted Citywide Employee Expenses, I, -\$2,000)**
- Retirement contributions by the City are proposed to be reduced slightly as a result of the proposed reduction in force as noted in the General Fund section of this Staff Report. Upon approval of staffing reduction proposals, Staff will complete projections based on the eliminations and reclassifications. This projection may vary in the final budget proposal. **(Management of Budgeted Citywide Employee Expenses, I, -\$45,000)**
- Medical/dental/life/short term disability/long term disability benefits are projected to increase despite the proposed reduction in force. Rising costs are projected at approximately an 8% increase from the 2010 Budget and fewer positions are proposed to be eliminated in the Utility Fund. These estimates will be revised after renewals for health care benefits are analyzed in July 2010 and a strategy for coverage and plan design is finalized. **(Management of Budgeted Citywide Employee Expenses, I, +\$93,037)**

Finance

- Staff is proposing the reduction of 1.25 FTE Revenue Service Representatives in the Treasury Division. Automation and process improvements have resulted in decreased workload and improved efficiencies; remaining key responsibilities can be absorbed by existing staff. 1.0 FTE is currently vacant; 0.20 FTE is a voluntary reduction of a 0.8 FTE Revenue Service Representative; and the 0.05 FTE is vacant being cleaned up from previous staffing changes in the past. **(Utility Billing and Collection, I, -\$53,708)**
- In an effort to be green and save money, Staff has proposed mandatory electronic filing for all licensed businesses. This change will result in reduced bank charges resulting from the lock box; this lock box costs has been charged to the Utility Fund when a new contract was awarded several years ago in efforts to streamline payment. A portion of the Utility Fund transfer payment was reduced as an offset at the time. **(Tax Collection, I, -\$11,730)**
- The City pays a percentage based on customers' use of credit cards to pay for recreation services, programs and utility bills. As the use of credit cards to pay for utility bills continues to increase in popularity, the Treasury Division has experienced a corresponding increase in credit card/bank fees. The projections for 2011 reflect a projected increase of \$14,872. **(Utility Billing and Collection, I, +\$14,872)**

Information Technology

- Staff is proposing a reduction of a 0.5 FTE Help Desk Technician. Existing staff will assume the duties performed by this position. This position is currently filled. **(Help Desk, III, -\$25,750)**
- Staff is proposing to reclassify the remaining 0.5 FTE Help Desk Technician to a 0.5 FTE Systems Analyst. This reclassification better matches staff resources with IT service demands. By reclassifying this FTE, the Help Desk Technician position will no longer exist within IT. Staff is confident that existing FTE will be able maintain existing service levels. This position is currently filled. **(Help Desk, III, +\$3,674)**
- A reduction of a 0.5 FTE Network Administrator is proposed. The City is in the process of completing a major data and voice network infrastructure upgrade and will shift to a maintenance mode, as opposed to the design and build mode of the last ten years. That fact, coupled with

improved administration and management tools has reduced the workload for the Network Administrator position at this technical skill level. This position is currently filled. **(Network Access and Telecommunication Services, I, -\$41,484)**

- Staff is proposing to reclassify the remaining 0.5 Network Administrator position to a 0.5 FTE Network Systems Technician. This support-level technical position will provide routine voice and data network maintenance, replacement hardware installation and basic trouble shooting services for day-to-day maintenance. While this 0.5 FTE will not replace the skills and time lost with the elimination of the Network Administrator, it will help to somewhat reduce the impact. **(Network Access and Telecommunication Services, I, -\$11,728)**
- As a result of legal mandates the City has been forced to expand its services with Postini to include email archiving. Previously Postini only provided filtering software; the expanded service is an example of where departments have absorbed the costs of unfunded mandates. The City will now be archiving all e-mail and voicemail for a minimum of three years in compliance of State archiving regulations. Staff is reallocating \$20,000 within the proposed 2011 IT Department budget to cover this expense. **(Disaster Recovery and Business Continuity, II, \$0)**

Public Works & Utilities

- A reorganization is proposed to the Utility Operations Division in order to streamline operations and reduce staffing expenses, while maintaining the highest service level possible. The reorganization will reflect the new job duties associated with the changing needs of the utility, and allow for greater efficiency and effectiveness among the workgroups. The services impacted are tied to the Metering service business and Utility Operations-Field Operations service business. This will help promote the long term viability of the Utility Fund. Overall, the Division is proposing to eliminate the unique titles and responsibilities associated with the Meter Shop operations, making the position titles more uniform within the Division to allow greater flexibility in the utilization of staff resources.
 - Staffing changes proposed for the reorganization include the proposed downgrade of 1.0 FTE Foreman to Utilities Systems Specialist. This position will be responsible for the backflow preventer program and serve as a lead worker for the other utility technicians. This position is currently filled (-\$4,798).
 - Staff is proposing the reclassification of 4.0 FTE Meter Repairworker positions to Maintenanceworker/Senior Maintenanceworker positions, bringing the total Maintenanceworker/Senior Maintenanceworkers to 14.0 FTE in the Utility Operations Division.
 - As part of the reorganization, Staff is proposing that the 4.0 FTE Indexed Maintenanceworker positions within the now 14.0 FTE Maintenanceworkers be reduced. The duties will be shifted to remaining employees in the work groups. Three of the four positions being eliminated are currently filled (-\$164,768).
 - 2.0 FTE Meter Technicians are proposed to be reclassified as Utilities Technicians and will have no fiscal impact. These positions are currently filled.
 - Also proposed for reclassification is a 1.0 FTE Lead Meter Repairworker to Utilities Technician and will have no fiscal impact. This position is currently filled.
 - The proposed reclassifications are important for streamlining the Pay Plan and aligning duties with titles. With the proposed reclassifications and staffing changes, a moderate impact will be experienced in the level of service Utility Operations is able to provide to customers in responding to customer service inquiries and performing preventative maintenance on the infrastructure. **(Metering and Utility Operations-Field Operations, III, -\$169,566)**

- Staff is proposing a reduction of 1.0 FTE ODP Inspector in the Utilities Planning & Engineering Division. This position is currently filled; however, the person will be transferred to the vacant 1.0 FTE Reclaimed Analyst position. **(Reclaimed Water Treatment, III, -\$55,000)**
- A 1.0 FTE Senior Management Analyst is proposed to be reduced in the Utility Operations Division. The key responsibilities of this position will be absorbed and others eliminated. This position is currently filled. **(Utility Operations-Field Operations, I, -\$72,053)**
- Staff is proposing a reduction of a 0.25 FTE Special Projects Coordinator-Indexed in the Administration Division. The position duties associated with the Rocky Flats closure and monitoring will be assumed by existing staff. This position is currently filled. **(Management and Financial Administration, II, -\$19,365)**
- Staff is proposing the elimination of a portion of the water quality testing that is not mandated for regulatory compliance by state or federal authorities. These reductions include some invasive species monitoring and testing for heavy metals in the raw water. The invasive species monitoring is now done by water quality staff. These changes will not affect the quality of the drinking water or jeopardize compliance with the Safe Drinking Water Act. **(Water Quality Assurance & Regulatory Compliance, I, -\$46,000)**
- Staff is proposing to reduce operating and maintenance costs at Jim Baker Reservoir based on historical costs and needs. Staff does not anticipate any impact on operations. **(Water Supply Operations, I, -\$12,000)**
- Staff has proposed the reduction in new meter set purchases by 50%. This reduction is based on projected reduction in demand for water taps in 2011. This reduction is independent from changes to staffing. **(Metering, III, -\$45,000)**
- Staff is proposing an increase in the street cut impact fees budget to account for fee increases. This increase proposed for 2011 is expected to cover the fee increases implemented mid-2010. **(Replacement and Maintenance, II, +\$125,000)**
- The elimination of the seasonal program in Field Operations is proposed. This reduction will result in an increased workload for full time staff and reduced levels of hydrants and valve infrastructure maintenance. **(Replacement and Maintenance, II, -\$45,000)**
- Staff is proposing to eliminate the right-hand drive Jeep. With upgrades in metering technology, the vehicle is no longer needed. In addition, the Jeep also has a history of high maintenance costs. **(Metering, III, -\$2,150)**
- The reduction of 500 Transponder and 250 Meter Body replacements is proposed. With the recent change to the new meters, there is still some time before the City will begin experiencing a high fail rate. This reduction has no impact on staffing. **(Metering, III, -\$75,000)**
- Staff is proposing an increase in the overtime (+\$25,400) and chemicals (\$67,250) accounts in the Water Fund to address increased cost projections, bringing the proposed 2011 budget in line with anticipated 2010 actual costs. **(Potable Water Treatment, I, +\$92,650)**
- Staff is anticipating significant increases in the electricity account in 2011 over 2010 based on recent rate increases and the impact they will have on peak load demand. Staff is in the process of analyzing the potential impacts on 2010 and 2011, anticipating that the cost implications will be significant. Included within the proposed 2011 Budget is an increase of \$27,820 based on the rate structure in place as of May; however, Xcel Energy recently released a new rate structure with increased costs for peak demand that will have significant impacts on water and wastewater energy costs. Staff is updating the projected energy costs based on this new rate structure and will return with an update for City Council with the proposed 2012 Budget in August. **(Potable Water Treatment, I, and Wastewater Collection System, II, +\$27,820)**
- A reduction of 1.0 FTE Special Projects Coordinator is proposed in the Wastewater Fund. This position is currently responsible for contract management, research, and general administrative duties. Existing staff will absorb the majority of the duties of this position. This position is currently filled. **(Wastewater Collection System, II, -\$77,457)**

- Staff is proposing the elimination of some wastewater effluent quality testing that is not mandated for regulatory compliance. The testing to be eliminated includes testing for heavy metals and other non-regulated items in the waste stream. The elimination of test will not affect the quality of the City's effluent water. **(Wastewater Effluent Quality Assurance & Regulatory Compliance, I, -\$7,000)**
- Based on actual expenditure levels experienced in 2009, Staff is recommending the reduction of the Gas Recovery System budget. This reduction is based on a future need assessment. **(Facility/ Equipment Maintenance, II, -\$45,000)**
- Staff is proposing the reduction in citywide sewer inspections and cleaning from three years to a four year rotation. The reduction will reduce the ability to monitor and administer repairs; it may also increase the risk of system failures and sewer backups. Recent investments in the sewer system will minimize this risk. **(Wastewater Collection System, II, -\$107,000)**
- Staff is proposing to reduce general contractual services related to maintenance and inspection of manholes, sewer inlets, and the like. This will increase reliance on in-house existing maintenance staff. **(Wastewater Collection System, II, -\$40,000)**
- The parts budget for lift station repairs is proposed to be reduced based on the strategy of conducting capital improvement projects to replace lift stations before major mechanical failures. **(Wastewater Collection System, II, -\$10,000)**

Parks, Recreation & Libraries

- Staff proposes to reduce the number of hours offered to boat owners to inspect/spray their boats (zebra/quagga mussel prevention program) at the Standley Lake Regional Park. The Utility Fund pays for a portion of the Standley Lake operations budget associated with zebra/quagga mussel prevention. As noted in the General Fund section of this Staff Report, Staff recommends reducing hours of service to begin at 11 AM to end at 7:00 PM, seven days a week. This proposed change to hours will allow for an 80 hour per week reduction in the number of hours needed for seasonal park rangers (25 week season). This proposed \$20,908 reduction will be split between the General Fund and the Utility Fund. **(Standley Lake – Aquatic Nuisance Species Program, I, -\$10,454)**

FLEET MAINTENANCE FUND

- Staff is proposing the elimination of 1.0 Mechanic in the Fleet Division. The reduction of this position will result in the use of additional contract support within the Division. The amount of savings reflected is net of the salary reduction and contract services increase with this change. This position is currently filled. **(Vehicle Maintenance, II, -\$31,161)**
- Staff is proposing reduction of 0.5 FTE Secretary within the Fleet Division. This reduction will result in some of the duties being assigned to other staff within the Division. This position is currently vacant. **(Vehicle Maintenance, II, -\$18,288)**
- Staff is proposing the elimination of a 1.0 Senior Maintenance Worker in the Fleet Division. This elimination will result in the outsourcing of all parts management and contracting of parts services within the Division. This position is soon to become vacant due to a resignation. It is anticipated that significant annual savings will be realized by outsourcing parts services. **(Vehicle Maintenance, II, -\$45,042)**
- Staff is proposing a reduction of on-call hours for Monday through Friday to weekends only. This reduction will reduce costs by matching work more closely to the 40-hour schedule. As a result of the reduction, emergency work orders received after hours Monday through Friday will be held until the following morning. **(Vehicle Maintenance, II, -\$8,000)**
- Staff is proposing a reduction in funding for vehicle preventative maintenance. The proposed reduction will be achieved by more closely matching preventative maintenance with the manufactures' recommendations; currently some vehicles are services on a more frequent

schedule. Staff is not anticipating a significant effect on vehicle reliability or longevity. **(Vehicle Maintenance, II, -\$15,000)**

- Staff has proposed the outsourcing of the parts operation for the Fleet Division. This shift in service delivery is expected to produce ongoing savings gained through the reduction or elimination of parts costs, parts running, and administrative paperwork. **(Vehicle Maintenance, II, -\$41,564)**
- With Staff's proposed outsourcing of the parts operation, the initial conversion is expected to have one-time benefits. As part of the negotiation for outsourcing, the vendor is anticipated to buy the City's existing parts supply at fair market value. Staff does not anticipate any negative impact on operations through the complete and immediate reduction of the City's parts inventory. **(Vehicle Maintenance, II, \$165,000 in one-time revenues to the City)**

RISK MANAGEMENT FUND

- Staff is proposing the restructuring of the Risk Management Office and creating a 1.0 FTE Risk Analyst. This new position will replace a 1.0 FTE Risk Management Specialist position that is shared 0.5 FTE between two staff. One 0.5 FTE is currently vacant and the other is filled. **(Property & Liability, I, Workers' Compensation, II, Safety and Loss Control, III, +\$9,574).**
- Staff is proposing reductions to miscellaneous property liability and workers' compensation accounts. These reductions reflect projected reductions in insurance premiums, savings by bringing claims administrative services in-house, reduction in surety bond costs and projected savings in reduced claims due to a reduced workforce. In addition, reductions to career development, supplies, and reference materials are proposed. **(Property & Liability, I; Workers' Compensation, II; Safety and Loss Control, III; -\$90,759)**

PROPOSED REVENUE ENHANCEMENTS FOR 2011

Based on City Council's direction during the Core Services discussion at the Strategic Plan retreat in April, Staff is proposing a limited number of revenue enhancements for 2011. The three proposed revenue adjustments were briefly discussed with City Council at the May 17 Study Session; more information follows.

- Infrastructure Fee – Per City Council direction from the May Study Session, Staff is moving forward with the recommended increase the City's Infrastructure Fee by \$1.00 per month commencing in 2011 and increasing it by \$1.00 in 2012 and again in 2013. The current Infrastructure Fee is \$3.00 and is split between street lighting expenses (\$2.00) and concrete replacement (\$1.00). The proposed new rate would increase to \$4/month in 2011, \$5/month in 2012, and \$6/month in 2013. The proposed increase would result in an additional \$12 per year per resident for this fee in 2011 and result in an additional \$356,110 in revenue to help fund the City's rising costs of providing street lights (electricity and maintenance) and concrete replacement (curb, gutter, sidewalk). In 2009, the City's Infrastructure Fee generated \$1,068,331 in revenue. Based on anticipated costs, Staff is proposing in the operating budget \$2,157,043 for street light energy and maintenance, and \$618,000 for concrete replacement for a total cost of \$2,775,043 in 2011. Under the proposed fee increase in 2011, Staff would anticipate the Infrastructure Fee to generate approximately \$1,424,440 in revenues. This level of revenue would cover approximately 51% of the City's anticipated street light and concrete replacement expenses in 2011. Xcel Energy rate increases and maintenance activities continue to place significant pressure on the City's street light budget. The rate increase proposed over the three year period will assist the City in offsetting the escalating street light and concrete replacement costs.
- Rental Housing Licensing and Inspection Fee – As noted under the Community Development section of this Staff Report, Staff is proposing a license program and associated fee for the City's Rental Housing Inspection Program. As noted, the 2.5 FTE currently staffing this program are

proposed to be eliminated if this new licensing and inspection fee is not implemented. Based on an inspection fee of \$40/unit, a total of approximately \$170,000/year is projected that will offset the staff costs. If this new fee is not implemented and the 2.5 FTE is eliminated, then a corresponding reduction in the budget will occur. For more information, please refer back to the detailed description under the Community Development Department section of this Staff Report.

- Vendor's Fee – Per City Council direction from the May Study Session, Staff is moving forward with the recommended elimination of the City's current vendor's fee for sales tax collection to be implemented in 2011. The vendor's fee is a portion of the total dollar amount of sales tax owed to the City that businesses are permitted to retain as "compensation" for collecting and remitting the tax. Currently, the vendor's fee is "capped" at \$100 per return filed. Most of the vendor fee dollars retained by businesses are retained by larger retailers. Over the years, many businesses have utilized technology and software systems, including the City's electronic filing service, that have greatly reduced the amount of time necessary to prepare and submit sales and use tax returns to the City. Many cities in the Denver metropolitan area do not offer a vendor's fee and many jurisdictions have eliminated their vendor's fees over the past several years. If the City's current vendor's fee is eliminated, Staff anticipates an additional \$500,000 in sales tax revenue in 2011 that will assist in closing the gap in the projected revenue shortfall.
- Utility Fee Rates – Consistent with the long range fiscal plan for the Utility Fund, Staff will be returning later this summer with recommended rate increases for water and wastewater sales and tap fees for 2011 and 2012. The biennial rate increase is consistent with the long range fiscal plan to address the ongoing repair and replacement of the aging infrastructure of the City's utility system and to ultimately fund this repair and replacement from rate income and transition away from tap fees, which will be a declining source of income as the City reaches buildout in the future.

The core services changes included within this Staff Report represent the major operating budget changes proposed in the 2011 Budget. Staff will be in attendance at Monday night's Study Session to provide more details about these proposed items and answer any questions that City Council may have with regard to any of these items.

Respectfully submitted,

J. Brent McFall

City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 21, 2010



SUBJECT: Personnel Policies and Rules and General Leave Benefit Modifications

PREPARED BY: Dee Martin, Human Resources Administrator
Debbie Mitchell, Human Resources Manager

Recommended City Council Action

Review City Manager modifications to the Personnel Policies and Rules and consider a proposed modification to General Leave benefits.

Summary Statement

Personnel Policies and Rules are adopted by the City Manager with required notification given to City Council on any changes made each year. The City Manager is planning to modify the Personnel Policies and Rules on June 29, 2010. The modifications to the rules include adjustments necessary to move to a focused work week schedule, general leave usage, accruals and cash out provisions, reduction in force provisions and other miscellaneous changes.

The modification to the regular work week of approximately 300 employees is proposed to take place on August 2, 2010, for a one year pilot period. As a result, the general leave transition for 2010 has been defined for employees in a memo from the City Manager. This memo addresses single transition year issues (e.g. general leave bank annual accruals and minimums and maximum allowable leave). The planned Personnel Policy and Rules changes reflect full year modifications.

Additional changes to the City's General Leave accrual program are recommended in an effort to limit the ever rising unlimited liability as it relates to General Leave bank cash value at separation from the City. The primary adjustment will cap the General Leave accrual rate at the 10-15 years of service rate for employees hired after June 30, 2010. The changes include adjustments to current practices that provide a more consistent approach to leave usage in the categories of floating holidays, personal business as well as in provisional pay.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Is the City council comfortable with the Personnel Policy and Rule changes to be promulgated by the City Manager?

Does the City wish to reduce the general leave accrual rate for employees hired after June 30, 2010?

Alternatives

Direct the City Manager to revise the proposed changes in Personnel Policies and Rules in a manner more acceptable to City Council. Limit the incremental increases of general leave accrual rates for current employees at the 10-15 year accumulation rate. This alternative would reduce the expense of general leave cash out at an earlier time but would likely have a negative impact on employee morale.

Make no change to general leave accrual rates for the future. This alternative would force the organization to commit more money or increase position vacancy length at separation to cover the ever increasing cost of general leave cash outs.

Background Information

The City Manager plans on implementing modifications to the Personnel Policies and Rules on June 29, 2010. The specific changes are attached to this memorandum. Changes to the Personnel Policies and Rules are made administratively by the City Manager and reviewed on at least an annual basis with City Council. The modifications to the rules include adjustments necessary to move to a focused work week schedule, general leave usage and cash out provisions, reduction in force process modifications, and other miscellaneous changes. The City Manager is in the process of modifying the Reduction In Force Administrative Memorandum as well. This Administrative Memorandum modifies a seniority based selection process to a competency and performance based approach to be utilized in upcoming reduction in force decisions. It also provides for a competitive interactive selection process.

The proposed modification of the regular work week for approximately 300 of the City's 986 employees, if implemented, is scheduled to take effect August 2, 2010, for a one year pilot period. This business hour change translates into a four 10-hour day workweek for employees, eliminating Friday as a work day. Modifications to the holiday schedule and associated general leave accrual changes are being made Citywide to standardize the tracking and use of vacation and holiday leave in the present general leave bank system.

The general leave 2010 transition year adjustments are defined for employees in a separate memo from the City Manager. Single transition year issues (e.g. general leave bank annual accruals and minimums and maximum leave usage) necessary to move to from one system to another in the middle of a calendar year are articulated in this memorandum. Full year changes are outlined in the Personnel Policies and Rules.

Summary of Personnel Policies and Rules changes

Focused Work Week related changes:

- General Leave accrual rates will reflect the move of holiday leave into a separate holiday leave bank (i.e., leave accrual rates will be reduced to account for holiday leave tracking in a separate bank).

- Creation of a Holiday Bank with eight designated holidays and one floating holiday of 10 hours each (prorated for Fire personnel working at 1.4 full time equivalency (FTE) or 14 hours per holiday)
 - This change eliminates the Friday after Thanksgiving as a designated holiday and reflects the 10 hour work day of the majority of City employees
 - Paid City holidays will be as follows:
 - New Year's Day
 - Martin Luther King, Jr. Day
 - Presidents' Day
 - Memorial Day
 - 4th of July / Independence Day
 - Labor Day
 - Thanksgiving
 - Christmas
 - Floating Holiday
- Movement of the former balance of Holiday hours (six) to maximum allowable vacation (previously 96 hours of holiday, the new bank has 90 hours)
- Elimination of the combined Holiday and Vacation Schedule (no longer necessary with Holiday Leave Bank broken out separately)
- Holidays falling on a Friday or Saturday will be observed on the preceding Thursday
- Holidays falling on a Sunday will be observed on the following Monday

Other General Leave Changes:

- Limit the General Leave accrual rate at the 10-15 year rate for employees hired after June 30, 2010.
 - The City's unfunded liability for cash out of general leave continues to grow with a current balance of over 336,500 hours in leave banks with a cash value of over \$4,000,000. The focused work week will likely result in less general leave usage creating a greater future liability. Capping the accrual rate at the 10-15 year mark allows employees to accrue 190 hours per year of general leave (vacation, sick time and other leave) plus the holiday bank of 90 hours of additional paid time off per year. The current maximum annual accrual of leave is based on an employee with over 20 years of service and is at 238 hours. This change will not impact current employee accrual rates and is future focused.
- Establish guidelines for use of Personal Business Leave
 - Personal Business Leave is limited to 24 hours and has been used inconsistently throughout the organization, in some cases as a supplement to vacation leave. The rules change will support the original intended use for business appointments as well as school and family needs by limiting use to a minimum of one hour and a maximum of five hours each time and is not available to extend vacation or holiday time. This leave also meets the requirements of the Parental Involvement in K-12 Education Act of 2009 (18 hours per academic year) designated leave required by Colorado statute.
- Modify Provisional appointment pay timeframe
 - Emergency Fire personnel at 1.4 FTE may receive provisional pay when they are working in an acting capacity for 112 hours. This change creates a consistent pattern for pay based on the intent of allowing provisional pay for acting responsibilities of at least two weeks in duration. Proration based on FTE is a standard practice throughout the Personnel Policies and Rules pay and benefit provisions.

- Parental leave proration
 - Emergency Fire Personnel will receive additional Parental leave hours based on a proration of the 1.4 FTE from the present 80 hours to 112 hours. This change creates a consistent pattern of proration for benefits.
- Eliminate Floating Holiday cash out opportunity
 - Employees on a shift schedule have been able to cash out floating holidays. Their ability to take floating holidays is the same as employees not on a shift schedule. Under the personnel rules change, floating holidays are not available to create a cash benefit. This change in policy is consistent with the original policy intent of providing employees with a holiday to be utilized as leave.

Additional Personnel Policy and Rule Changes:

- Addition of a definition for Reduction in Force
 - The definition created is consistent with the reduction in force administrative memorandum. “An action which may include temporary and/or permanent layoffs, elimination of positions, partial reduction in FTE, job transfers and reclassifications.”
- Replacement of Reemployment and Recall definitions
 - Use of Eligibility list is the option for reemployment as outlined in the Administrative Memorandum defining reduction in force procedures.

These modifications to the Personnel Policies and Rules will assist this organization in the smooth operation of providing service to the community while at the same time providing a consistent, fair and reasonable set of benefits to employees addressing Council’s Strategic Plan goal of Financially Sustainable City Government. Input has been solicited and received from Department Heads on all the changes and General Leave changes have been reviewed with employees in meetings with the City Manager, via e-mail messages and at the Employee Advisory Committee. Staff will be requesting City Council to approve changes in general leave benefits on June 28, 2010, through adoption of a resolution. Other personnel policy changes will be adopted administratively by the City Manager and distributed to employees.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

City of Westminster ***DRAFT***
Personnel Policies and Rules
June 29, 2010



--DRAFT --

PERSONNEL POLICIES AND RULES

June 29, 2010

I. INTRODUCTION

The purpose of this document is to implement and explain the provisions of the City Charter, the City Code and City administrative policy with regard to a personnel management system. It contains important information about organization-wide work rules, hiring and promotion practices, leave and other benefits, compensation, disciplinary actions, the grievance process and other issues that are important and of interest to employees. Therefore, all employees should be familiar with the contents of this document and should be certain all updates that they receive are incorporated into this document.

These policies and rules are not a contract and impose no legally enforceable obligation on the City of Westminster. The nature, terms or conditions of employment of the City's employees cannot be changed by any oral representations or any other writing. In the event of conflict between this disclaimer and any other statement, oral or written, present or future, concerning terms and conditions of employment, this disclaimer shall control.

All Administrative Officers are at-will employees. An Administrative Officer, or the City, may terminate the employment at any time, with or without notice, warning, procedure or formality, for any reason or no reason, with the City's only obligation being payment of wages earned and benefits vested through the last day worked.

Non-exempt and Exempt employees may be terminated for cause. Cause for termination of these employees is not limited to those set forth in these policies and rules, nor must the reason for termination be like or of seriousness similar to those described in these policies and rules.

Employee--Regular:

An employee who has been appointed to a full-time authorized Non-exempt or Exempt position in the municipal service, and who has successfully completed the initial probationary period.

Employee--Seasonal:

An employee who has received an appointment to a temporary position for a specified period of time, normally for a designated season.

Employee--Short-Term Disability:

An employee who is appointed to this category is receiving short-term disability pay and has an authorized medical professional certification stating that they are unable to return to work in their authorized position.

Employee--Substitute:

An employee who has received an appointment to a temporary position for part-time, occasional work on a “substitute” as needed, or on-call basis, or to fill in for absences and staffing shortages on a part-time or full-time basis.

Employee--Temporary:

An employee who has received an appointment to a position for a specific period of time generally not to exceed one (1) year with a maximum of two (2) years.

Employee--Temporary--Benefited:

An employee who has received an appointment for a period of time generally not to exceed one (1) year with a maximum of two (2) years, who is serving in a temporary benefited position.

Employee--Temporary--Benefited--Indexed:

An employee ~~appointed to~~ who has received an appointment to serve for a temporary period of time indexed to a particular workload level, funding source or other criteria established by City Council.

Employee--Temporary--Intern:

An employee who has received an appointment to a temporary position in an intern capacity for a period of up to three (3) years.

Employee--Temporary--Special Project:

An employee who has received an appointment to a temporary position for a specified project.

Examination:

A written, oral, physical, or skill test, or a combination of these tests, specifically used to assist in evaluating an applicant's qualifications for a particular position.

Job Split:

A position that is filled by two (2) or more employees who are assigned independent duties and responsibilities and in which the employees are treated as part-time equivalents.

Job Title:

The title assigned to any particular class and used for reference to that class.

Layoff:

The separation of an employee from municipal service, which has been made necessary by lack of work or funds or other reasons not related to fault, delinquency, or misconduct on the part of the employee. This term shall include those separations initially expected to be temporary, as well as those resulting from the elimination of a position.

Legally Prescribed Drug:

A prescription or other written approval from a physician for the use of a drug in the course of medical treatment which includes the patient's name, the name of the substance, quantity/amount to be taken, and the period of authorization.

MRO:

Medical Review Officer.

On-call Duty:

A mandatory requirement to remain readily accessible through telephone or pager communications and within a specified radius of a work site in order to be available to report to work within a specified period of time if the need arises.

On-call Status:

A mandatory requirement to carry a pager or telephone in order to be available to report to emergency calls if the need arises.

Original Appointment:

The appointment of a person to a benefited position in the municipal service.

Outside Employment:

Any work other than the employee's primary position in the City performed for monetary compensation. This includes self-employment and positions which may or may not be in the City organization.

Overtime Pay:

Monetary compensation for hours worked beyond the work period designated for FLSA compliance.

Position:

A group of current duties and responsibilities requiring the full, temporary, or part-time services of one (1) employee.

Probationary Period:

A working test period following an original appointment, a promotion, a lateral transfer or a demotion during which an employee is required to demonstrate the ability to satisfactorily perform and learn in the assigned position.

Progression:

A series of related positions where employees are allowed to move to higher level positions upon achievement of established criteria.

Promotion:

The movement of an employee from a position of one class to a position of another class, usually as a result of a competitive recruitment process.

Promotional Examination:

An examination for positions in a particular class for which admission is limited to employees who meet the qualifications set forth in the job specifications.

Reclassification:

The official determination by the City Manager and or City Council that a position be assigned to a class different from the one to which it was previously assigned.

Reduction in Force (RIF):

An action which may include temporary and/or permanent layoffs, partial reduction in Full-Time Equivalent (FTE), job transfers and reclassifications.

Reemployment List:

A list of persons who have been regular employees in a particular class, and who are entitled to have their names certified for appointment to a position in that class.

Relative:

The employee's spouse, child, stepchild, grandchild, parent, grandparent, brother, sister, half brother or half sister, or any of those relationships arising through adoption.

SAMHSA:

Substance Abuse and Mental Health Services Administration.

Scheduled Work Day:

The hours specified by the department head or division manager for which an employee receives the employee's base salary.

Scheduled Work Period:

The work period specified by the department head or division manager as the period during which an employee shall work for the employee's base salary.

Separation:

The voluntary or involuntary severing of an employee's employment with the City.

Substance Abuse:

Is the use of alcohol or substances so that an employee would test positive for alcohol or controlled substances while on duty or on call for duty, including the use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

Substance Assistance Team (SAT):

Is a group of employees that can assist the supervisor in making decisions that comply with these rules, protect employee and public safety and promote consistence in substance screening decisions. Members are also available as resources to employees with questions pertaining to the administration of this policy.

IV. ORGANIZATION FOR PERSONNEL ADMINISTRATION

(A) City Council:

The City Council is the ultimate personnel policymaking authority for the City of Westminster.

(B) Personnel Board:

The Personnel Board consists of five (5) members and two (2) alternates, all of whom are Westminster citizens appointed by Council for terms not to exceed two (2) years. The Board serves as an advisory body to the City Manager and Human Resources Manager on matters pertaining to personnel administration. The Board also has the authority and responsibility to hear and make findings and a decision when a regular employee files an appeal in accordance with the provisions set out in the City Code and these rules.

(C) City Manager:

The City Manager is responsible for the effective administration and periodic revision of these rules, and for advising Council and the Board of appropriate improvements to the City Code and Charter. The City Manager may designate individuals to carry out these administrative functions.

(D) Human Resources Manager:

The Human Resources Manager is the City Manager's authorized representative to administer and to implement the City's personnel management program. The Human Resources Manager is responsible for the following:

1. Preparing and recommending position classification and pay plans, and directing the continuous administration of these plans;
2. Acting as the City's EEO, HIPAA, ADA, and FMLA Officer as these laws relate to employee conduct and treatment;
3. Developing and administering such recruiting, examination and selection programs as may be necessary to obtain qualified applicants for municipal service;
4. Certifying appointments, promotions, demotions, discipline, reductions in force and other personnel actions directed toward employees;
5. Establishing and maintaining personnel records and an employee roster;
6. Exercising leadership in the development of effective personnel administration within the various City departments, and encouraging development of programs for the improvement of employee effectiveness, efficiency, job knowledge and training, in cooperation with department and division management and others;
7. Administering the employee grievance procedure;

(E) Amendment of the Classification Plan:
Council approval of the job titles and pay ranges in the pay plan constitutes approval of the classification plan.

(F) Reclassification of Positions:
Whenever the duties and responsibilities of a position change substantially, the Human Resources Manager shall review the change of duties and recommend to the City Manager an appropriate reclassification. The City Manager shall then make the final decision as to whether a position is to be reclassified. An employee who is occupying a reclassified position shall continue in the position only if the employee's division manager and the Human Resources Manager determine through evaluation that the employee is qualified for a position in the new class. If the employee is not qualified for a position in the new class, the Human Resources Manager may transfer the employee to an appropriate position if a vacancy for which the employee is qualified exists; otherwise, the employee shall be laid off and may be placed on an reemploymenteligibility list for a period of up to one (1) year, awaiting possible appointment to a position for which the employee is qualified. If departmental restructure results in fewer positions than current employees, then a competitive process may be used to select the most qualified candidate(s).

The Human Resources Manager may determine that a regular employee be given the opportunity to demonstrate competence in the reclassified position and in such cases the employee may be placed on probation for a period of six (6) months in the new position.

(G) Employment of Relatives:

Applicants who are related to existing employees will be denied placement in positions where:

1. One relative would directly exercise supervisory, appointment, dismissal authority, or disciplinary action over the other relative/fiancé;
2. One relative would audit, verify, receive, or be entrusted with monies received or handled by the other relative/fiancé, unless audit procedures or security measures are in place to ensure system integrity and fraud prevention;
3. One relative would have direct access to the employer's confidential information, including payroll and personnel records unless audit procedures or security measures are in place to ensure system integrity or fraud prevention; or,
4. One relative's position in the City could potentially represent a conflict of interest as a result of personal, financial or business connections outside the organization.

In the event a separation or transfer is necessary to achieve compliance with this section, the employees affected will be given the opportunity to determine first between themselves which one will be separated or transferred should a vacancy exist for which the person opting for transfer is qualified. In the event the relatives do not make such a choice in writing within seven (7) calendar days of the Human Resources Manager's request to transfer or terminate, the Human Resources Manager shall choose which employee is to be separated or transferred based on past job performance and the City's needs.

(H) Employment Process:

Employment offers may be made on a conditional basis. Conditional offers may be contingent on successful completion of criminal background checks, certification and education verification, credit and/or reference checks and other various employment related testing, including polygraphs, and non-medical psychological assessments.

When acceptable information is received in the pre-employment and/or pre-qualification for reclassification process, candidates will be made a final offer. Post-offer substance screens, physicals and medical psychological assessments may be required. Final offers are subject to passing mandated post-offer assessments. New benefited employees must complete a benefited orientation on the first date of benefited employment. Temporary or Seasonal employees may be required to complete a non-benefited orientation prior to employment.

Employees may be ineligible to receive some benefits until they have completed the required paperwork and election materials. The City may terminate employment if required documentation is not provided within lawful timeframes.

(I) Nondiscrimination:

No action affecting the employment status of any employee or applicant for a position in the municipal service, including examination, appointment, promotion, demotion, suspension, or removal shall be taken or withheld by reason of race, color, sex, national origin, political, or religious affiliation, age, disability or Vietnam veteran status.

- (J) Promotional/Transfer Examinations:
Promotional/Transfer examinations may be limited to employees who meet the minimum qualifications. Admission to promotional/transfer examinations may be restricted by the Human Resources Manager to regular employees of a specific division or department when such action is in the best interest of the City as determined by the Human Resources Manager in consultation with the appropriate division manager.
- Promotional/Transfer examinations shall be conducted in the same manner as original appointment examinations.
- (K) Rehire of Former Employees:
An employee who has separated from the municipal service may be re-employed only by complying with all conditions prescribed in the rules in effect at the time of reemployment. All accrued rights, privileges, or benefits of previous City employment are null and void upon separation.
- (L) Retention of Applications:
Only applications filed or renewed during the filing period may be considered unless the application is received from a centralized recruitment service in which the City participates.
- (M) Filing Period:
To be accepted for consideration, applications and required supplemental information must be delivered to the Human Resources Division after the posting of the position and before the end of the day of the closing date specified in the announcement or advertisement.
- (N) Disqualification from Consideration:
The Human Resources Manager may automatically remove from consideration the application of an applicant who the Human Resources Manager determines:
1. Is found to lack the minimum qualifications described in the job description;
 2. Has used, or attempted to use, political influence or bribery to secure advantage in consideration for appointment;
 3. Has made a false or misleading statement of any material fact or has practiced, or attempted to practice, deception or fraud in the application or examination; or,
 4. Has otherwise violated provisions of the Charter, City Code or these rules.
- (O) Restriction of Total Number of Candidates:
The Human Resources Manager may limit the maximum number of candidates who may be considered for a position to those who the Human Resources Manager deems to be the best qualified for the position.
- (P) Notification of Selection Results:
Persons selected to interview for a specific position opening with the City shall be notified of the selection results in a timely fashion.

- (Q) Certification:
The Human Resources Manager shall certify to the division manager the best qualified applicants for each position opening based on the results of the selection procedures and the number and quality of applicants. The division manager shall then make the final selection from those certified. The division manager may reject all those certified, should the position or work assignment change significantly due to reorganization or redirection of work effort. The Human Resources Manager will then recruit and conduct a new selection process.

In the event no qualified applicant applies for a position opening, the Human Resources Manager and the division manager shall determine what, if any, action should be taken to secure qualified applicants or fill the position vacancy according to these rules.

- (R) Temporary, Intern, Instructor, Substitute, Hourly or Seasonal Positions:
Recruitment, selection, and appointment to temporary, instructor, intern, substitute, hourly and seasonal positions may not be subject to the procedures applicable to filling regular full-time and part-time or indexed position openings. The Human Resources Manager and division manager shall coordinate the procedure to be utilized in filling temporary positions.

- (S) Administrative Officers and Exempt Positions:
Selection procedures for each individual position will be established by the Human Resources Manager and approved by the affected department head, or City Manager if an administrative officer position.

- (T) Job Share and Job Split Positions:
Employees may be allowed to participate in job share or job split positions when such positions are beneficial to the City and to the employees. The affected department head or division manager, along with the Human Resources Manager, will consider proposals for job share or job split positions submitted by current employees and applicants; however, the decision to allow or disallow job share or job split positions rests with the respective division manager.

Job share and job split positions shall be counted in terms of full-time equivalents (FTE's) and not in terms of the individuals. Employees in a job share or job split position who are otherwise eligible to receive benefits shall receive vacation and other benefits on a pro rata basis. However, the combined pay or paid hours of the position shall not exceed what would normally be allowed for one person in the position. The job share or job split will not result in a position with less than one-half (0.5) FTE.

- (U). Recall~~Re-employment:~~
Regular employees whom the Human Resources Manager deems to have a satisfactory employment record with more than one (1) year of service within their current position and promotional probationary employees who are laid off, transferred or reclassified to another position may ~~have the right~~ be placed on an eligibility list for consideration to be return re-employed in to their previous or similar former position for a period of one (1) year following the date of separation. ~~Recall rights to an employee's original position may also be extended to those employees who had previously been transferred or reassigned due to reduction in force. Regular employees may be placed on an appropriate reemployment list if such a a reemployment list is established at the time of lay off, which would expire one (1) year from the date of separation from municipal service.~~ Employees may be subject to testing and certification requirements to ensure

that the employee is qualified for the position upon ~~re-employment~~^{recall}. Military veterans may be eligible to receive preference points for rehire as defined by ~~fall under~~ the Colorado Constitution Act. X11, section 15.

(V) Eligibility Lists:

The Human Resources Manager shall administer and maintain such eligibility lists as are deemed necessary and appropriate for ~~reemployment~~, promotion, reduction in force or original appointment. These lists may be established for a period of up to twelve (12) months and may be ranked or unranked.

(W) Medical Examinations:

Original appointments, transfers, promotions or reclassifications may be contingent upon the prospective employee being certified by a City contracted Health Care Provider as capable of satisfactorily performing the essential tasks of the position and may include a substance screen.

Under appropriate circumstances, and at the request of the Division Manager, the Human Resources Manager may require a current employee to submit to a physical fitness test, psychological assessment, and a physical or mental examination by a qualified health care professional to re-certify that the employee is capable of performing the essential functions of the position.

It is the responsibility of the employee to maintain physical and mental fitness for the position. It shall be cause for dismissal if the result of a physical or mental examination indicates that the employee is no longer capable of performing essential functions of the position.

(X) Residence:

Employees who serve in an emergency or on-call capacity may be required to live within a certain radius of the City of Westminster or to meet a designated response time as determined by the City Manager or the department head.

(Y) Moving Expense:

The hiring department may authorize the payment of moving expense(s) for staff at the discretion of, and with the limitations imposed, by the City Manager.

(Z) Categories of Appointment:

All appointments by an appointing authority shall be made into one of the following categories: regular, probationary, part-time regular, temporary, temporary benefited indexed, temporary intern, temporary special projects, seasonal, instructor, substitute, hourly, provisional, emergency, Administrative Officer and short-term disability. A description of these follows:

1. Regular Appointment:

After a full-time Non-exempt or Exempt employee has successfully completed the probationary period, the employee shall receive a regular appointment with the City. Regular Non-exempt or Exempt employees can only be terminated pursuant to the provisions in Section X. Employees in this classification are eligible for the fringe benefits approved by City Council.

2. Probationary Appointment:

All Non-exempt and Exempt employees new to a regular or part-time regular

position shall be considered probationary until they have up to one (1) year of satisfactory service in their position or as otherwise provided in Section VIII. Probationary employees are subject to termination after a hearing at any time in accordance with the procedures specified in Section VIII. Probationary employees are eligible for fringe benefits if filling a regular FTE or Administrative Officer FTE.

3. Part-Time Regular Appointment:

Non-Exempt part-time employees will be paid at an hourly rate. Part-time Exempt employees will be paid on a salaried basis, prorated based on their full-time equivalency. Employees in positions authorized at twenty (20) or more hours per week are eligible for City fringe benefits and some benefits may be prorated. After a part-time Non-exempt or Exempt employee has successfully completed the probationary period, the employee shall receive a regular part-time appointment with the City. Employees of this category are subject to termination for cause pursuant to Section X. Authorized hours are determined by the full-time equivalency (FTE) assigned to the position. An employee may work beyond the authorized FTE, however, only the authorized FTE will be considered in determining an employee's level of benefits.

4. Temporary Appointment:

Employees in this category are appointed to other than a temporary benefited position for a temporary period of time. Temporary employees shall be paid at an hourly rate and are not eligible for any City fringe benefits. Employees in this category are subject to termination by the division manager at any time without cause. A temporary employee shall generally be terminated after one (1) year and not to exceed two (2) years.

5. Temporary Benefited Indexed Appointment:

Employees in this category are indexed to a particular workload level, funding source or any other criteria established by City Council.~~predetermined workload~~ When the workload falls below the indexed level, the employee must be terminated subject to such notice provisions as may be established by the City Manager. Medical and dental insurance shall be provided and such other benefits as may be granted at the discretion of the City Manager. Temporary benefited indexed employees are subject to termination by the division manager at any time with or without cause.

6. Temporary Intern Appointment:

Employees in this category serve in an intern capacity for up to three (3) years. Medical and dental insurance may be provided and such other benefits as may be granted at the discretion of the City Manager. Temporary intern employees are subject to termination by the division manager at any time with or without cause.

7. Temporary Special Project Appointment:

Employees in this category receive~~An employee who has received~~ a temporary appointment for a specified project ~~period of time,~~ generally not to exceed one (1) year. Employees in this category do not receive benefits except that the City Manager may determine that medical and dental benefits be provided. Special project employees are subject to termination by the division manager at any time with or without cause. A special project employee may be terminated due to cessation of funds for the project for which the employee was hired.

8. Seasonal Appointment:
Employees in this category are those appointed for a specified period of time, normally a designated season. Seasonal classifications are listed in the Seasonal section of the annual pay plan. Seasonal employees shall be paid at an hourly rate and are not eligible for any City fringe benefits. Employees in this category are subject to termination by the division manager at any time with or without cause. Seasonal employees will be terminated at the end of each season.
9. Instructor Appointment:
Employees in this category are those appointed to provide specific instructional activities conducted on behalf of the City on a part-time, periodic or occasional basis. Instructor classifications are listed in the hourly section of the annual pay plan. There is no limit to the amount of time an employee may hold a position in this capacity. An instructor's work is part-time, scheduled work. Supervisors may limit the time frame for the instructor employment based on class schedules or recreation program periods. Employees in this category shall be paid on an hourly basis and are not eligible for any City fringe benefits. Employees in this category are subject to termination by the division manager at any time with or without cause.
10. Substitute Appointment:
Employees in this category are those appointed to provide services working part-time or full-time, occasional work on a "substitute" as needed, or on-call basis, to fill in for absences, staffing shortages or workload peaks. There is no limit to the length of time an employee may hold a position in this capacity. Substitute employees shall be paid on an hourly basis and are not eligible for any City fringe benefits. Employees in this category are subject to termination by the division manager at any time with or without cause.
11. Hourly Appointment:
Employees in this category are appointed to provide services on an hourly basis in specifically designated areas and work an intermittent schedule with no defined number of hours. This classification is specified in the Hourly section of the annual pay plan. Employees in this group are able to work an unlimited number of hours every year, and there is no limit to the length of time an employee may hold a position in this capacity. Employees shall be paid an hourly rate and are not eligible for any City fringe benefits. Employees in this category are subject to termination by the division manager at any time with or without cause.
12. Provisional Appointment:
A department head or division manager may make a provisional appointment when a critical position vacancy occurs and, due to the length of time required to fill it or because of an extended leave of absence, it becomes necessary to appoint a replacement on a "provisional" basis. An appointment shall be considered provisional should the individual serving in the temporarily vacant position having a higher pay classification be required to do so for a period of more than eighty (80) consecutive work hours, or one-hundred and twelve (112) hours for firefighting and emergency medical personnel. Should a temporary appointment, originally intended not to exceed eighty (80), or one-hundred and twelve (112) hours consecutive hours, extend beyond eighty (80) hours, or one-hundred and

~~twelve (112) hours.~~ payment for the provisional status shall be made retroactively. ~~An employee serving in provisional status for less than eighty (80) hours shall not receive provisional pay.~~

Provisional pay for Non-exempt employees serving in Non-exempt positions on a provisional basis shall be moved to the first step of the range of the vacant position or will receive up to a five percent (5%) increase over their current salary, whichever is higher, as long as the increase does not exceed the last step of the range for the vacancy. Employees serving on a provisional basis in an Exempt or Administrative Officer position shall receive the level of compensation determined by the Human Resources Manager. Salaries established will remain the same during the entire provisional appointment unless otherwise authorized by the Division Manager.

The employee may be allowed by the Human Resources Manager to credit the time served in a provisional status toward completion of the probationary period, should a probationary appointment to the position occur immediately subsequent to the provisional appointment.

13. Emergency Appointment:

In an emergency, to prevent undue delay or serious interferences with the provision of necessary public services, a division manager may make emergency appointments for a period not to exceed ninety (90) calendar days. Successive emergency appointments involving the same employee shall not be made. Emergency appointments may be made without regard to the formal selection provisions of these rules. Approval of the Human Resources Manager must be obtained prior to an emergency appointment. Emergency appointed employees are not eligible for any City fringe benefits.

14. Administrative Officer Appointment:

Administrative Officer positions receive salaries within the parameters of the existing pay plan as determined by department heads, with the approval of City Manager. Part-time Administrative Officers will be paid on a salaried basis, prorated based on their full-time equivalency. Administrative Officers are entitled to the fringe benefits approved by City Council.

Administrative Officers shall be subject to termination at the discretion of the City Manager. Such employees who are involuntarily separated shall be eligible for severance pay as determined by length of service and position as provided below, except that in the event that the employee is terminated because of the employee's conviction of any illegal action, the City has no obligation to provide severance compensation.

a. Department Heads:

Department Heads will be granted six (6) months of full pay and benefits upon involuntary separation.

b. All Other Administrative Officers:

Administrative Officers will be granted three (3) months of full pay and benefits upon involuntary separation.

VIII. PROBATION

(A) Objective of Probation:

The probationary period shall be regarded as an integral part of the selection process and shall be utilized for closely observing the employee's work, for overseeing the employee's adjustment to his/her new position, and for dismissing any employee who is determined by the department head not to be suited or appropriate in the position for which the employee was hired. If there is doubt about the probationary employee's appropriateness or suitability for City work or ability to perform the work or meet the City standards, the probationary employee in question should be dismissed. Probationary employees are subject to termination at any time during the probation period.

(B) Duration of Probation:

Employees filling regular or part-time regular authorized Non-exempt or Exempt positions, either through an ~~initial-original~~ appointment, appointment from an eligibility list or re-classification as a result of a reduction in force, ~~or reemployment eligibility after being laid off from their positions for more than one hundred eighty (180) calendar days~~, shall be required to serve a normal probationary period of up to twelve (12) months. The probationary period may be reduced or extended in six (6) month increments to a maximum of twelve (12) additional months upon written request of the division manager and concurrence of the Human Resources Manager.

All regular or part-time regular employees who are promoted or transferred into a different classification shall be required to serve a probationary period of up to six (6) months. The probationary period for promoted employees may be reduced or extended upon written request of the division manager and concurrence of the Human Resources Manager. Reasons for a reduction in the probationary period shall include, but not be limited to; the determination by the division manager that adequate time has elapsed to fully assess the qualifications and abilities of the employee. Reasons for extension of the probationary period shall include, but not be limited to, below standard job performance, excessive absence, poor attitude toward work, non-adjustment to City work environment, or inability on the part of the supervisor to adequately assess the employee's suitability for the position. Any period of employment under a temporary appointment may be counted as part of the probationary period at the discretion of the Human Resources Manager where the temporary service is applicable to the position being filled and where there is no break between temporary and probationary employment.

The probationary position will end upon completion of the designated probationary period and when notified in writing thereof by the division manager. Probationary employees shall also be notified in writing when their probation period will be extended or when they will not attain regular status upon completion of the designated probationary period. A copy of this notification shall be sent to the Human Resources Manager.

(C) Dismissal During Probation:

At any time during the probationary period, the department head may dismiss an employee if, after the employee has an opportunity to respond to the reasons for the dismissal, the department head determines that the dismissal is appropriate. Prior to taking the dismissal action, the department head shall consult with the Human Resources Manager and a City Attorney Office representative. The official notification of removal

(F) On-Call Status:

Any employee may be required to carry a pager or telephone and asked to respond whenever possible to emergency calls for additional work. Employees are expected to respond to pages and telephone calls the majority of the times the supervisor calls them. It is understood that there will be times when the employee is unavailable because they are out of town, have previous personal commitments they are unable to change, or are under the influence of alcohol or drugs. If the employee is not required to respond within the twenty (20) minute time frame required for paid mandatory on-call duty, the employee will not be compensated for wearing a pager or cell phone. If a Non-exempt employee is called in to work in this situation, they will be compensated with overtime pay for those hours actually worked outside of their normal work schedule.

(G) General Leave:

This leave may be provided to regular and benefited probationary employees to use for: vacations, holidays, illness, off-the-job injury, medical/dental appointments, personal business, child care emergencies, pregnancies, facility closures, family emergencies, parental leave, family leave, bereavement leave, elder care, City- sponsored events, or for any other valid absence as determined by the employee's supervisor. Employees will be allowed to use General Leave when participating in City-sponsored events, e.g., golf tournament and Holy COW Stampede.

General Leave accrual and available maximum allowable will be pro-rated based on authorized benefited FTE. General Leave accrued shall be in working hours upon completion of each full pay period. The amount of General Leave to be charged shall be determined by adding, to the nearest quarter hour, the total working hours absent. There shall be no maximum on the amount of General Leave that may accrue.

(H) General Leave Accrual Rate

The following schedules shall be used to calculate the amount of General Leave accruing to each employee except firefighting and emergency medical personnel working an average of one-hundred and twelve (112) hours in a two (2) week period, for years of continuous municipal service:

General Employees Hired Before June 30, 2010:

<u>Years of Continuous Municipal Service</u>	<u>Accrual Rate Hours Per Pay Period</u>	<u>Accrual Rate Hours Per Year</u>
Less than 5	<u>5.45</u> 8.9 hours	<u>142</u> 232 hours
5 – 10	<u>6.37</u> 9.82 hours	<u>166</u> 256 hours
10 – 15	<u>7.29</u> 10.74 hours	<u>190</u> 280 hours
15 – 20	<u>8.21</u> 11.66 hours	<u>214</u> 304 hours
Over 20	<u>9.13</u> 12.58 hours	<u>238</u> 328 hours

General Employees Hired After June 30, 2010:

<u>Years of Continuous Municipal Service</u>	<u>Accrual Rate Hours Per Pay Period</u>	<u>Accrual Rate Hours Per Year</u>
<u>Less than 5</u>	<u>5.45</u>	<u>142</u>
<u>5 – 10</u>	<u>6.37</u>	<u>166</u>
<u>Over 10</u>	<u>7.29</u>	<u>190</u>

The following schedules shall be used to calculate the amount of General Leave accruing to each firefighting or emergency medical personnel required to work an average of one hundred and twelve (112) hours in a two (2) week period:

Firefighting or Emergency Medical Personnel Hired Before June 30, 2010:
~~working an average of one hundred and twelve (112) hours in a two (2) week period:~~

<u>Years of Continuous Municipal Service</u>	<u>Accrual Rate <u>Hours</u> Per Pay Period</u>	<u>Accrual Rate <u>Hours</u> Per Year</u>
Less than 5	7.63 12.47 hours	199 325 hours
5 - 10	8.90 13.74 hours	232 358 hours
10 - 15	10.20 15.04 hours	266 392 hours
15 - 20	11.47 16.31 hours	299 425 hours
Over 20	12.77 17.61 hours	333 459 hours

Firefighting or Emergency Medical Personnel Hired After June 30, 2010:

<u>Years of Continuous Municipal Service</u>	<u>Accrual Rate <u>Hours</u> Per Pay Period</u>	<u>Accrual Rate <u>Hours</u> Per Year</u>
Less than 5	<u>7.63</u>	<u>199</u>
5 - 10	<u>8.90</u>	<u>232</u>
Over 10	<u>10.20</u>	<u>266</u>

(I) General Leave Request and Approval:

Any employee wishing to use General Leave must obtain prior written approval from the employee's supervisor. If the circumstances surrounding the absence make prior notification and approval impractical, e.g. illness, off-the-job injury, or unusual child care emergencies, then the employee shall make every effort to notify the supervisor not later than thirty (30) minutes prior to the normal scheduled starting time. Departments may establish earlier notification requirements, should unique work group needs necessitate additional lead time notice. Upon notification, the supervisor may grant General Leave, if determined that the workload demand is manageable with the absence of the employee.

All grants of General Leave must be accurately reported on time sheets.

(J) Personal Business Leave:

This leave will be limited to twenty-four (24) hours each calendar year and must be approved in advance by the employee's supervisor. **Approved personal business leave is restricted to increments of a minimum of one (1) hour and a maximum of five (5) hours, and not taken in conjunction with holiday or vacation leave.**

Employees are eligible to take paid or unpaid leave in compliance with State law as outlined in the "Parental Involvement in K-12 Education Act" of 2009. Up to eighteen (18) hours per academic year, with a maximum of six (6) hours a month, may be taken as paid personal business leave, or unpaid family leave for the purpose of academic activity, parent teacher conference, special education services, drop out prevention, attendance, truancy, and disciplinary issues.

(K) Leave for Probationary Employee:

Probationary employees shall be entitled to use General Leave the same as regular employees except for vacations. Probationary employees may schedule a vacation only after six (6) months of continuous employment, unless a written waiver from the division manager is obtained. The limitation on vacation use does not apply to employees on promotional probation

(L) General Leave for Vacations:

Employees shall be allowed to take at least the minimum annual vacation in not less than one (1) hour units during each full calendar year of service with prior approval as established by the schedule below. Employees not using the minimum amount of annual vacation for any full calendar year of employment will have their leave bank reduced by the difference between the vacation used and the minimum vacation required for the year. This reduction of leave hours will take place the following year. No cash value shall be given to the unused minimum vacation leave that an employee is charged. It is the intent of the City as reflected in this provision to strongly encourage employees to take minimum vacation leave each year using General Leave. Employees must have leave hours in their leave bank to cover requested vacation leave time unless a prior advance of General Leave is obtained from the Human Resources Manager. Advances for vacation leave will be made in very limited circumstances.

The Human Resources Manager may waive the required reduction of an employee's General Leave balance by the amount of unused minimum Annual Vacation Leave, if the employee experienced considerable absence during the calendar year due to illness or for other valid reasons as determined by the Human Resources Manager. Employees wishing a waiver shall submit a written request through their division manager for submission to the Human Resources Manager for approval.

(only a movement in position – no change)

The time at which an employee may take vacation shall be determined by the division manager. Employees who have been allowed to exceed the scheduled maximum allowable annual vacation during one calendar year will have the following calendar year's maximum allowable vacation time decreased by the excess of the prior year.

The charts below show the minimum and maximum leave for progressively higher number of years of service for employees. ~~normally required to work holidays and all other employees.~~ During the calendar year in which the employee's fifth (5th), tenth (10th), fifteenth (15th) and twentieth (20th) employment anniversary date occurs, employees will have the advantage of using the lower length of service required minimum and may, at their option, use up to the maximum of the higher length of service.

1. The schedule for minimum and maximum allowable vacation each calendar year for all employees except firefighting and emergency medical personnel ~~employees working an average of one hundred and twelve (112) hours in a two (2) week period those normally required to work holidays throughout the year~~ shall be as follows:

Years of Continuous Service	Minimum Annual Vacation <u>Leave</u> <u>Hours</u>	Maximum Allowable Annual Vacation <u>Leave</u> <u>Hours</u>
Less than 5	40	126 20 hours
5 - 10	48	150 44 hours
10 - 15	64	174 68 hours
15 - 20	72	198 92 hours
Over 20	80	222 16 hours

2. ~~Employees normally required to work holidays throughout the year (e.g. many police and plant operations personnel) shall determine minimum and maximum allowable vacation/holiday leave using the following schedule:~~

Years of Continuous Service	Minimum Annual Vacation/Holiday <u>Leave</u>	Maximum Annual Vacation/Holiday <u>Leave</u>
Less than 5	120 hours	216 hours
5-10	128 hours	240 hours
10-15	144 hours	264 hours
15-20	152 hours	288 hours
Over 20	160 hours	312 hours

2. For firefighting and emergency medical personnel, working an average of one hundred and twelve (112) hours in a two (2) week period, minimum and maximum allowable vacation/~~holiday~~ leave shall be determined using the following schedule:

Years of Continuous Service	Minimum Annual Vacation /Holiday <u>Leave Hours</u>	Maximum Annual Vacation /Holiday <u>Leave Hours</u>
Less than 5	168 56	177 303 hours
5 - 10	179 67	211 337 hours
10 - 15	202 90	244 370 hours
15 - 20	213 101	278 404 hours
Over 20	224 112	311 437 hours

~~The time at which an employee may take vacation shall be determined by the division manager. Employees who have been allowed to exceed the scheduled maximum allowable annual vacation during one calendar year will have the following calendar year's maximum allowable vacation time decreased by the excess of the prior year.~~

(M) Extended General Leave Program:

The purpose of this program is to provide an opportunity for an extended paid leave of absence to an employee who has a large number of accrued and available leave hours to pursue personal, recreational, or educational interest. In order to be eligible for the program, an employee must have a minimum of five (5) years continuous municipal service with the City and must have sufficient General Leave hours so that the balance of General Leave in the employee's leave bank at the end of the extended leave is at least one-hundred and sixty (160) hours or two-hundred and twenty-four (224) hours for firefighting and emergency medical personnel. An employee may match non-vacation General Leave hours with vacation leave hours up to the limits set forth below. An employee may not be eligible for this program sooner than five (5) years after returning from a prior extended leave under this section. In order to participate in the program, an employee must file a written request with the department head no less than ninety (90) days prior to the requested commencement date. The request must be approved by the department head and reviewed by the Human Resources Manager. The department head may delay the commencement date to accommodate department scheduling needs, but may not delay the commencement date longer than one (1) year.

Employees must continue employment at least ninety (90) days beyond their return to work after an extended leave. If an employee resigns prior to the ninety (90) day limit, General Leave balances will be reduced by fifty percent (50%) of the "other" General Leave utilized while on extended leave.

Employees must match annual vacation leave with the additional General Leave hours used. The maximum additional General Leave which an employee may use in this program is as follows:

Years of Service	Annual Vacation Hours that can be used in Extended General Leave Program	Maximum Additional Extended Paid General Leave	Total Hours
5-10	144	288	288
10 & over	168	336	336

The maximum additional General Leave which may be used by firefighting and emergency medical personnel in this program is as follows:

Years of Service	Annual Vacation Hours that can be used in Extended General Leave Program	Maximum Additional Extended Paid General Leave	Total Hours
5-10	202	404	404
10 & over	235	470	470

(N)

General Leave for Holidays:

Benefited employees shall be allowed Holiday Leave. ~~Employees~~ Designated holidays associated with facility closures are noted below. Each holiday is ten (10) hours for full-time benefited employees and fourteen (14) hours for firefighting and emergency medical personnel required to work an average of one hundred and twelve (112) hours in a two (2) week period. Part-time employees who receive benefits shall receive a prorated number of holiday leave hours based on their authorized FTE. ~~working a twenty-four (24) hour shift schedule.~~ Holiday availability and usage will be tracked in a separate Holiday Leave Bank. Employees may use designated holiday leave ~~only on/or after the Holiday occurs.~~

Employees who ~~do~~ work a designated holiday (or the actual day of New Years, Fourth of July, or Christmas) may cash out that holiday in the same pay period or use the Holiday Leave at a later date during the calendar year. Administrative Officers are ineligible for holiday cash out. Unused Holiday Leave has no cash value and will not be carried over into the next year. An employee who works a schedule that does not take into consideration any City holidays, such as police, fire, and plant operations personnel, may cash out any designated holiday during the pay period in which it occurs. These employees may not cash out a holiday beyond the criteria defined in this paragraph.

~~Designated Holidays: not normally work on scheduled holidays shall have each holiday charged automatically against General Leave unless the employee actually works the holiday. Holidays that shall automatically be charged against General Leave of all employees, except those normally subject to work holidays, shall be as follows:~~

1. The first (1st) of January (New Year's Day)
2. The third (3rd) Monday of January (Martin Luther King, Jr. Day)
3. The third (3rd) Monday of February (Presidents' Day)
4. The last Monday of May (Memorial Day)
5. The Fourth (4th) of July (Independence Day)
6. The first (1st) Monday of September (Labor Day)
7. The fourth (4th) Thursday ~~)and immediate follo~~ (Thanksgiving Day)
- ~~8. The Friday of November (Thanksgiving)~~
- ~~9.8~~ The twenty-fifth (25th) of December (Christmas Day)

~~If a~~ Holidays falling on a Friday or Saturday shall be observed on the preceding ~~Friday~~ Thursday; ~~if the h~~ holidays falling on a Sunday shall be observed on the following Monday.

In addition to the ~~nine-eight (98) designated scheduled~~ holidays, ~~all full-time~~ employees shall be allowed a receive ~~twenty-four (24) hours to be used as a~~ Floating Holiday. The Floating Holiday is available at the beginning of the year and may be used any time during the calendar year with supervisory approval. Floating Holiday leave has no cash value for any employee. ~~Firefighting and emergency medical personnel required to work an average of one hundred and twelve (112) hours in a two (2) week period will receive thirty three point six (33.6) hours for their floating holidays.~~

~~Part-time employees who receive benefits shall receive a prorated number of floating holiday leave hours based on the number of hours they are authorized to work per work period.~~

~~The actual number of normal working hours the employee was absent during the holiday shall be the number of hours charged against General Leave. The first eight (8) hours shall be recorded as holiday leave and, when an employee's shift is longer than eight (8) hours, the number of hours greater than eight (8) shall be recorded as vacation leave. If the employee works the normally scheduled hours on a holiday, then those hours shall not be charged against General Leave unless the employee elects to receive pay for the holiday as provided in subsection (N) of this Section.~~

~~An employee who works a schedule that does not take into consideration any City holidays, such as police, fire, and plant operations personnel, shall not have General Leave charged for holidays as is the case with other City employees. These employees shall be specifically identified to the Human Resources Division in order to provide for accurate accounting of General Leave. These categories of employees will then be allowed to take General Leave for vacation at other times during the year as scheduled per department policy or receive pay for the holiday as provided for in subsection (N) of this Section.~~

Any special holidays that may be proclaimed during the year by the Mayor and City Council will be in addition to this Holiday schedule~~shall not be charged to General Leave, but shall be in addition to General Leave.~~

~~(N) (First paragraph moved and updated to General Leave for Holidays paragraph – second paragraph deleted not necessary.....) Pay for Holiday Work:~~

~~An employee who works a schedule that does not take into consideration City holidays (e.g. police, fire, and plant operations personnel including those employees responding to emergency situations, such as snow removal and water main breaks) shall be eligible to receive compensation for both the hours worked and the General Leave hours for the holiday. Non-exempt employees whose schedules do not take into consideration any City holidays may be allowed to receive pay for the floating holiday at any time during the year. The City Manager may grant exceptions to Exempt employees' and Administrative Officers' holiday cash-out limitations.~~

~~Employees who are not on the combined vacation/holiday leave schedule are eligible to receive pay for hours worked on the holiday and the General Leave for that holiday. If an employee's shift is longer than eight (8) hours, the first eight (8) hours of additional pay shall be recorded as holiday leave and the remainder recorded as vacation leave, personal, or floating holidays if available. Employees who are on the combined vacation/holiday leave schedule will have the total leave hours charged to their combined vacation/holiday leave~~

(O) General Leave for Illness:

Any illness or off-the-job injury necessitating employee absence shall be charged against General Leave. Employees may be required to have a duly Licensed Health Care provider sign an excuse for any absence of this nature of ~~twenty-four~~three (3) –(24) or more working ~~hours~~days or when deemed appropriate by the division manager or the Human Resources Manager.

(P) Major Illness Leave:

Any serious health condition, major illness, psychological disorder, medical operation, pregnancy or off-the-job injury that necessitates employee absence in excess of eighty (80) working hours may be charged to Major Illness Leave. Only the amount of leave that is in excess of eighty (80) hours may be charged against Major Illness Leave to a maximum of four hundred and eighty (480) hours in any one (1) twelve (12) month period, not to exceed nine hundred and sixty (960) hours in a three (3) year period. Leave for pregnancy is considered major illness leave but is not included in this nine hundred and sixty (960) hours maximum over a three (3) year period.

For firefighting and emergency medical personnel required to work an average of one hundred and twelve (112) hours in a two (2) week period, any serious health condition, major illness, psychological disorder, medical operation, pregnancy or off-the-job injury that necessitates employee absence in excess of one hundred and twelve (112) working hours may be charged to Major Illness Leave; only the amount of leave that is in excess of one hundred and twelve (112) hours may be charged against Major Illness Leave to a maximum of six hundred and seventy-two (672) hours in any one twelve (12) month period, not to exceed one thousand three hundred and forty-four (1344) hours in a three (3) year period. Leave for Pregnancy is considered major illness leave but is not included in this one thousand three hundred and forty-four (1344) hours maximum over a three (3) year period.

The work hours required to reach the Major Illness Leave threshold and the Major Illness Leave hours need not be consecutive, as long as all of the hours of absence are the direct result of one injury or illness.

Firefighting, Emergency Medical Personnel and Sworn Police Officers will be moved to a limited duty assignment upon notification of pregnancy. Other pregnant personnel may be assigned to other limited duty assignments with written authorization and documentation from a duly Licensed Health Care Provider or at the discretion of the Human Resources Manager.

(R) Birth of a Child/Adoption Leave:

Employees who are adopting a child and fathers of newborn children may use up to eighty (80) hours of their General Leave for Parental Leave during a three (3) month period beginning at the date of adoption or birth. Employees have fifteen (15) days to complete and turn in any additional documentation once Family and Medical Leave Act (FMLA) paperwork is turned in to the Benefits Specialist. If paperwork is not received, the employee's leave may be delayed until the certification is submitted.

(S) Family Leave:

Family Leave is for employees who are the primary care providers for their parent, spouse, or child. This may include childcare leave used for emergency or unusual circumstances (i.e., unexpected loss of a childcare provider or for care of an ill child). This leave is not intended for ongoing anticipated events such as childcare needs, vacations, school days off, or for extending parental leave or pregnancy leave. Family leave is up to five (5) consecutive days in duration. Leave after five (5) days must qualify under Family and Medical Leave Act (FMLA) provisions.

(T) Bereavement Leave:

Bereavement Leave is generally between ~~one ten (10) and to forty (five 40) hours~~(5) days and requires supervisor approval. Factors regarding the duration are: out-of-town travel, requirements of employee to handle funeral arrangements and relationship of employee to deceased.

(U) Family and Medical Leave Act Provisions (FMLA):

Employees who have been employed with the City for at least twelve (12) months and who have worked at least one thousand two hundred and fifty (1250) hours for the City during the previous twelve (12) month period are entitled to Family Leave benefits in accordance with the Family and Medical Leave Act (FMLA) of 1993.

FMLA benefits shall consist of twelve (12) work weeks of leave during any twelve (12) month period for one (1) or more of the following reasons:

1. Because of the birth of a child of the employee and in order to care for such child;
2. Because of the placement of a child with the employee for adoption or foster care;
3. In order to care for the spouse, or a child, or parent, of the employee, if such spouse, child, or parent has a serious health condition; or,
4. Because of the employee's own serious health condition that interferes with the employee's ability to perform the essential functions of the employee's position.

(V) Absence Without Pay:
Non-exempt employees who have exhausted accrued General Leave, or who do not qualify for any type of leave with pay under the provisions of this section and who are absent from work, shall not be paid for such absence unless specifically authorized, in writing, by the Human Resources Manager. Multiple occurrences of use of leave without pay shall be cause for disciplinary action up to and including dismissal.

(W) Payment for Unused General Leave:
Upon separation, benefited employees shall receive full payment for General Leave that could have been used for vacation according to the maximum allowable vacation schedule for the calendar year in which the employee terminates minus the leave hours that have already been used for vacation, and receive one-half (1/2) payment for any additional accumulated General Leave hours. Employees in the first (1st) year of municipal service are eligible to receive only one-half (1/2) pay for all unused General Leave hours.

Leave ~~shall not be authorized during is not available~~ the last two (2) weeks of employment. Any absence will be charged to vacation hours.

(X) Injury Leave and other Workers' Compensation Benefits:
All employees receiving fringe benefits shall be granted leave with pay in the event of an injury incurred on-the-job which renders them incapable of performing their normal duties unless it can be shown that said injury occurred as the result of the carelessness or negligence of the injured employee. Injury Leave shall be provided for a period not to exceed four hundred and eighty (480) hours per injury. Firefighting and emergency medical personnel who work an average of one hundred and twelve (112) hours in a two (2) week period are granted six hundred and seventy-two (672) hours of injury leave per injury. Injury leave may terminate prior to the end of four hundred and eighty (480) / six hundred and seventy-two (672) hours if any of the following occurs:

1. A ruling is made of permanent disability;
2. The licensed Health Care Provider releases the employee to return to work in a Limited Duty capacity; or,
3. The employee is declared capable of performing the normal duties of the employee's position by a licensed Health Care Provider.

If, prior to release for normal duties, it is determined by the licensed Health Care Provider that the employee is capable of performing limited work assignments, the employee shall immediately report for duty under the conditions set forth in the licensed Health Care Provider's certificate in accordance with Section IX.

If a holiday occurs during the time an employee is under approved injury leave, the hours will be charged to injury leave and will not be charged to General Leave. FMLA Leave will run simultaneously with On-the Job-Injury Leave.

In the event that an employee has exhausted the maximum hours of injury leave for a work-related injury, and is still unable to return to work in either a normal duty or limited assignment capacity in a regular position, the employee becomes eligible for compensation in accordance with the Colorado Workers' Compensation Act, C.R.S.

convert the hours worked to compensatory time hours. An employee may use accrued compensatory time by indicating on the time sheet that the absence is to be charged to compensatory time.

Except as allowed below, no employee shall be permitted to accrue more than sixty (60) hours of compensatory time. If an employee has accrued the maximum number of compensatory time hours permitted, all overtime hours worked shall be compensated with overtime pay, regardless of whether the employee submits a request to receive compensatory time. If the compensatory time is not used within six (6) months of accrual, it will be paid. If compensatory time is cashed out for this reason, payment shall be made at the regular rate earned by the employee at the time the employee receives such payment. Upon transfer to an Exempt position or separation from employment, an employee shall be paid for unused compensatory time at the average regular rate received by the employee during the last three (3) years or the final regular rate of the employee, whichever is higher. Other than these three situations, compensatory time cannot be cashed out for pay.

Under no circumstances shall an employee be required to accept compensatory time instead of overtime pay. No employee shall be required to maintain a minimum balance of compensatory time. Compensatory time shall not be used for imposing or effecting disciplinary action.

Upon approval of the Human Resources Manager, departments experiencing significant shifts in operational needs may extend the opportunity to employees to accrue up to one hundred and sixty (160) hours of compensatory time to be utilized in a twelve (12) month period.

Any department, division, group or individual may be precluded from accumulating compensatory time if a department head determines that accumulation and use of compensatory time is not feasible or is not in the best interests of the City. If the department head makes this determination, written notice shall be provided to the Accounting Division in Finance. Such preclusion from the accumulation of compensatory time may last for an indefinite time period.

(FF) Administrative Leave:

In recognition of administrative officer's and Exempt employees' regular extra work hours; employees will receive twenty four (24) hours of Administrative Leave. Department heads, the Executive Secretary to the City Manager, and the City Clerk will receive sixteen (16) additional hours of Administrative Leave per year in recognition of their work schedules. Administrative Leave is pro-rated according to the employees' start date during the first (1st) year of employment. Department heads have the latitude of providing all of their Administrative Officers and Exempt employees with additional leave hour(s) in recognition of extraordinary work demands for that year.

Administrative Leave for other than department heads will be approved in advance within each department by the supervisor. Administrative Leave can be taken without explanation with the stipulation that it will be granted by the supervisor with consideration for departmental needs and priorities. Department heads' Administrative Leave must be approved in advance by the City Manager.

XII. SEPARATIONS

(A) Resignation:

In order to leave the municipal service in good standing, a written resignation is required two (2) weeks prior to the last day of work unless otherwise agreed to by the employee's supervisor or division manager receiving the notification of resignation.

(B) Layoffs:

1. Medical Layoff:

A layoff of an employee may be necessary as a result of the employee's inability for physical or psychological reasons as a result of a disability to perform the essential duties of the employee's position. A separation resulting from medical or psychological reasons normally would take place after the employee has exhausted Major Illness Leave and Short-Term Disability Leave, or, in the case of on-the-job injuries, Injury Leave; or earlier if it is evident from a physician's report that the employee will not be able to return to work in accordance with Section IX.

2. Organizational Layoff:

Layoffs may also be required as a result of budgetary cutbacks, the end of an indexed authorization, organizational changes, restructuring or changes in City services. In the event a layoff is necessitated, the criteria for determining which employees shall be laid off shall be based on the employees' performance in their positions and not on seniority. ~~When all other criteria are equal, seniority may be used as a determining factor.~~—Guidelines for implementing a reduction in force for economic and other reasons may be issued by the City Manager.

Employees, who are to be laid off from City employment as a result of medical or psychological reasons, a reduction in force, or other reason not related to a disciplinary measure, shall be given the opportunity for a pre-separation meeting. The meeting shall be called by the appointing authority no sooner than twenty-four (24) hours after the employee has received notification of the layoff. The intent of this meeting is to provide an opportunity for the appointing authority to present information regarding the layoff and to give the employee an opportunity to present any additional information that the employee believes should be considered.

The names of regular and part-time employees who have been laid off may be placed on an appropriate eligibility list for up to one-year. In addition, at the discretion of the City Manager, based on available resources, the City may provide to employees who are to be laid off an extension of medical and dental insurance for a period of up to six (6) months from the date of layoff; assistance in finding another position within the City; out-placement counseling; and counseling and assistance with transition during the period prior to layoff. Employees negatively impacted by a reduction in force may be eligible for a layoff package as approved by the City Manager.

A department head may, with the approval of the Human Resources Manager, appoint an employee who is to be laid off to an existing vacancy for which the employee is qualified.

(B) Retirement:

City of Westminster City Council Study Session Notes
June 7, 2010

Mayor Nancy McNally called the Study Session to order at 6:36 PM. All Councillors were in attendance, except Chris Dittman, Mary Lindsey, and Mark Kaiser.

City Staff in attendance included: City Manager Brent McFall; City Attorney Marty McCullough; Assistant City Manager Steve Smithers; Deputy City Manager Matt Lukus; Budget and Special Projects Manager Barbara Opie; Human Resource Manager Debbie Mitchell; Senior Project Coordinator Tony Chacon; Senior Public Information Specialist Joe Reid III; Senior Management Analyst Aric Otzelberger; and Management Analyst Ben Goldstein.

Guests in attendance included: June Younger

2010 Home Funding Allocation

Staff presented Council with an update on changes to the Home Funding Program. The primary change is that Housing and Urban Development (HUD) now requires Councils approval by resolution for the execution of funding. Currently, the City has slightly over \$600,000 in available funding. Staff proposed reallocating \$100,000 to one sub-account and \$50,000 to another sub-account, bringing all accounts up to a balance of at least \$100,000. Council concurred with Staff's recommendation and directed staff to bring this item back for official action.

Focused Workweek

City Manager Brent McFall provided Council with information regarding the proposed shift in operational hours from five eight hour days to four ten hour days, a focused workweek. The proposed change would impact employees at City Hall, Municipal Court, and a few other administrative offices. The change would effect approximately 300 employees, as 58 percent of the nearly 1000 City employees, are already working some form of a focused workweek. Staff noted that the recommendation to proceed was not based on the premise of significant cost savings, although staff does expect some modest saving in energy costs and reduced overtime. Customer services is the primary focus of the shift in hours, as under the new hours of 7:00am to 6:00pm Monday through Thursday, customers would be able to do their business at City Hall when it works for them. Staff anticipates a boost in employee retention and recruitment because of the new schedule.

In a pre-implementation survey 67 percent of effected employees were in support of the change in hours, with only 19 percent of employees opposed and the remainder neutral. Of the 92 percent of effected employees who responded to the survey, 75 percent were confident that they would be able to adjust there personal routine to fit the proposed focused workweek. Addressing childcare needs for effected employees was at the top of the list for both Staff and Council. In anticipation of these concerns, the Human Resources Department conducted a survey of local childcare providers and is confident that numerous solutions exist for effected employees with concerns. Human Resources will provide additional resources for employees, such as tips for healthy quick meal preparation, managing stress in a time of change, and other tips.

Council directed Staff to put together a communication plan for effected employees, residents, and customers. Staff noted that in their preliminary work they have already developed a draft communication plan, including signage on the effected facilities and word of mouth communication with regular customers. Staff noted that they would begin communicating immediately following Council directive to pursue the focused workweek. It was Council's directive, per the finding of the extensive research conducted, to bring back the focused workweek schedule of 7:00am to 6:00pm Monday through Thursday for City Hall and other effected facilities for official at an upcoming City Council meeting.

Board Appointments

Council concurred on the appointment of Bill Lang to the Environmental Advisory Board.

Executive Session

See separate notes

Mayor McNally adjourned the Study Session at 7:42 PM.