BUDGET 2017

TOWN OF FREDERICK

Built on What Matters

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January 1, 2017

Citizens of the Town of Frederick
Honorable Mayor Tony Carey
Frederick Board of Trustees

Dear Citizens, Mayor Carey and Board of Trustees of the Town of Frederick:

It is with great pleasure that I present to the Citizens and the Mayor and the Board of Trustees of the Town of Frederick with the 2017 Budget for the Town of Frederick. This is one of the most important decisions and processes that the Board of Trustee's undertake each year. This document is a result of the clear direction provided by the Board and the hard work and diligence of both the Board and the Town Staff. The budget represents operational and maintenance objectives, capital improvements, and anticipates the future needs of the organization for the benefit of the citizens we proudly serve.

As we embark into 2017, we expect to see progress and growth to continue. This budget represents feedback from the citizens, the goals and objectives that are established by the Board at the policy level, and the development of the first strategic plan ever established by the Town of Frederick.

While the financial resources available are limited in local government, we still continue to have healthy fund balance levels across all funds. These fund levels are based on policy provided by the Town Board in 2013 to attain 150 days unreserved fund balance levels. Only in the Street & Alley Fund were we not able to accomplish this, where approximately 87 days unreserved fund balance remain. This is a direct impact caused by the flood of 2013 where recovery from this natural disaster was fully completed in 2016. At the end of 2017, we anticipate an unreserved cash position across all funds of over $20 million.

General Fund

In 2017, we still anticipate the economic growth to continue. While 2016 revenues were higher than expected, we are conservative in our estimates and consequently anticipate a decrease in revenues in the approved budget revenues for 2017 by 12.2%. Based on this trend, a modest increase of 4.1% in expenses was approved for 2017, primarily associated with the long term development obligations.

Staffing levels will increase slightly due to the need for additional resources to serve the community including changing of a part-time planning to a full-time position, promotion of a police officer to sergeant classification, the addition of a part-time accountant, and a deputy town manager

At the end of 2017, the general fund will have an ending fund balance of 171 days unreserved fund balance or 46.8% of the total general fund budget operating costs. This is especially important for bond holders and investors when evaluating our financial condition which when recently evaluated by Standard and Poor's, provided the Town with a rating of AA.

Street & Alley Fund

As previously mentioned, the Town in 2016 completed recovery and reconstruction of all of the flood damaged roads from 2013. While this took more time than one would like, we were certainly ahead of the curve in terms of speed. Conversations with officials handling the storm recovery coordination and management estimate that it will be another 10 years before all communities have fully completed all construction and recovery efforts.

In 2017, we will continue to focus on roadway maintenance projects for the community. We plan to continue pavement maintenance, gravel road maintenance, sidewalk maintenance, and striping of roadways including downtown at a budgeted amount of $980,000.

The notable capital improvement project for 2017 is the construction of Tipple Parkway which is estimated at a total cost of $2.8 million. This project which enhances our transportation network, was an incentive provided to Agilent Technologies, Inc. The Department of Local Affairs will provide a 50% grant match for the project and the remaining balance will be reimbursed through Tax Increment Financing (TIF) by the Frederick Urban Renewal Authority.

The Town as per the direction of the Board will also be working to attempt to renew the solid waste service contract with Waste Connections. The experience overall has been positive and they continue to enable us to offer a more competitive price when compared to most of our neighboring communities.

Lastly in the Street & Alley Fund will be the debt services that are associated with Colorado Boulevard improvements since 2006. These debt services total $411,700. As always, the Town is committed to ensuring full and prompt payment to avoid negative impacts to its AA rating.

Water Fund

The Town continues to be aggressive with water acquisition as it is essential and critical to the continued growth of the community. It is the intent of staff to present to the Board for consideration a new cash-in-lieu rate to be proactive and address any gap that potentially may exist in the interim between now and the Northern Integrated Supply Project coming online.

To assist with meeting water needs, the Town will continue to expand its raw water supply to reduce the use of potable water on our park system. The Town has a strong position in the Lower Boulder Ditch Company water and fully optimizing the use of this water is critical for a proper balance in our water resources.

Lastly, as approved in the 2017 budget are the annual appropriations for Northern Integrated Supply (NISP) and Windy Gap water projects. These critical water projects for the community will ensure the ability for Frederick to meet long-term growth outlook as anticipated by the comprehensive plan which was adopted in 2016. These water projects continue to achieve

significant milestones towards issuance of a permit, while being actively concerned about minimizing environmental impacts to overall water quality.

Conservation Trust Fund

This fund is generated by lottery proceed revenues. Fund usage must be reported annually to the Department of Revenue and are generally earmarked in Frederick for park improvements and maintenance of parks.

Capital Facilities Fund

Capital Facilities revenue is generated through an impact fee of $1,500 charged for each new construction permit in the Town. The funds collected are utilized for capital projects in the community to meet the needs of the growth that is occurring. Funds collected at this time are designated for lease purchase payments of the Public Works Building constructed in 2014. This fund will also repay its loan to the open space fund for the infrastructure and utilities brought to the Public Works site. Full reimbursement due to this fund is expected not later than the end of 2020.

Storm Water Fund

The Town's storm water fund has been in an active capital improvement mode. This was primarily due to the need to make critical flood recovery repairs over the past three (3) years. Godding Hollow Parkway and Wetland Loop improvements were both designed and constructed to allow for the passage of a 100 years storm event. Phase 1 Bella Rosa Parkway improvements we also completed to replace a deteriorated 36" metal culvert with a 48" concrete culvert. The Town continues to pursue complimentary funding to complete Phase 2 of Bella Rosa Parkway which will also pass the 100 year storm event. All of this is to illustrate that the 2013 flood has caused an acceleration of our long-term capital improvements for storm water management in the community which had been scheduled over multiple fiscal years.

In 2017, the Town will continue this forward progress by making improvements to Tipple Parkway which will include construction of a box culvert to pass the 100 year storm underneath the new roadway. The remaining focus for 2017 in the storm water fund will be on the cleaning of the many drainage channels and structures in the community that need to be improved for more positive drainage flow. This will include multiple times of prescribed burns of areas and riprap for drainage channels to prevent irregular sediment deposition and erosion.

Historic Preservation Fund

The purpose of this fund is for historic preservation of important aspects of the Town of Frederick. In 2017, the Historic Preservation Commission will pursue a grant from the Colorado Historic Preservation Society for a grant to make structural improvements to the Old City Hall near Crist Park.

Park Fund

The Park Fund is designated for park maintenance and capital projects within the many parks that the Town owns and/or maintains. An impact fee of $500 is charged for new construction on

each permit. The impact fees are designated for capital projects. Also transfers from franchise fees are utilized for operations of this fund as there is no revenue stream for the maintenance of the Town parks from which to operate. In total, the Town maintains over 300 acres of park areas in at least 16 parks.

The major capital project for 2017 will be focused on Phase 1 construction of the skate park slated to be developed in the Frederick Recreation Area. A grant application has been submitted to GOCO and we hope to hear an award of this grant in late April. Also, additional funding has been committed for the Bella Rosa Golf Course for new equipment and trees installation to improve the challenge and experience at the golf course.

Open Space Fund

While the Open Space Fund is not an enterprise fund, it does function similar to one in the sense that it has designated revenue sources and only those revenues are used for expenses through the fund. Notable items in this budget will include development of several trail connections which will improve connectivity within the rapidly expanding multi-use path transportation network. Improvements to the Milavec Lake Trail that surrounds the lake will also be completed in 2017 as defined as a goal of the Board. Finally, the Town may pursue purchase of new land for open space purposes in the community, based on the ability to negotiate a purchase agreement.

Staffing

In 2017, several positions were approved by the Board and included in the budget. The inclusion of these positions are to meet areas were staffing levels are inordinately thin and difficulties exist to meet the needs of the community and customers with the current resources. The positions will help, but as the Town continues to grow, the need for additional resources will continue to exist. Those positions approved in 2017 are as follows:

Fund	Position	Comments
General	Promotion to Police Sergeant	Internal promotion for better coverage of shifts
General	Deputy/Assistant Town Manager	Board of Trustee Goal – Full-time
General	Planner 1	Part-time to Full-time status
General	Accountant 1	URA oversight and other financial needs – Part-time
Electric	Electric Ground man	Improvement of department operations – Full-time
Water, Park, Storm Water, & Open Space	(2) Public Works 1	Improvement of department operations – Full-time (2)

Current and Future Outlook

Frederick's 6.555 property tax mill levy is the 4th lowest mill levy out of the 30 municipalities in Weld County. From a tax perspective, this is an advantage for property owners in the community. However, with only $6.56 of every $100 paid in taxes going to the Town, the ability to provide critical, core services can be challenging. Additionally, out of the 30 municipalities in Weld County, Frederick has the 6th lowest sales tax rate at 2.5%. .5% of that is restricted which

leaves only 2.0% for general purposes. All of the other municipalities with tax rates lower than Fredericks have populations of less than 1,000, except for one, which has a population equal to 40% of Frederick's. Consequently, Frederick is asked to do more with less for its citizens and we hopefully continue to meet or exceed these expectation.

As mentioned during the budget work session and based on the information provided in the previous paragraph, it is imperative that the Town Board critically evaluate the need for additional revenue sources to meet the needs of the community and grow with the community responsibly. It was suggested that this may be in the form of sales taxes in which people, visitors and community members alike make a conscious choice if they desire to contribute to the revenue sources versus a mill levy, where the citizens are asked to contribute to the additional revenue. While each has its pros and cons, the sales tax revenue has a larger upside and can be dedicated for specific purposes such as street and alley or public safety purposes, where there is the greatest need in our community as we continues to grow.

Acknowledgement

This message would be remiss if it did not recognize the valuable and significant contributions provided by the department directors and their teams to identify the needs within the respective departments that align with their goals and objectives. Finally, this year the Town will be submitting its budget for the GFOA Distinguished Budget Award. Mitzi and her team in the Finance Department have dedicated a substantial amount of time to prepare the budget and provide critical analysis of data to make a comprehensive budget document we can all be proud of. Thank you to each and every one of you for your dedication, time, and support for this organization and the community.

Regards,

Matthew LeCerf
Town Manager

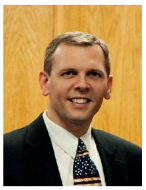
INTRODUCTION

INTRODUCTION

TOWN GOVERNMENT

Mayor Tony Carey

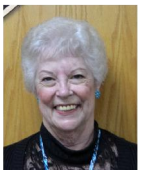
Mayor Pro Tem Laura Brown



Trustee Rafer Burnham

Trustee Salvatore DeSantis

Trustee Rocky Figurilli



Trustee Donna Hudziak

Trustee Fred Skates

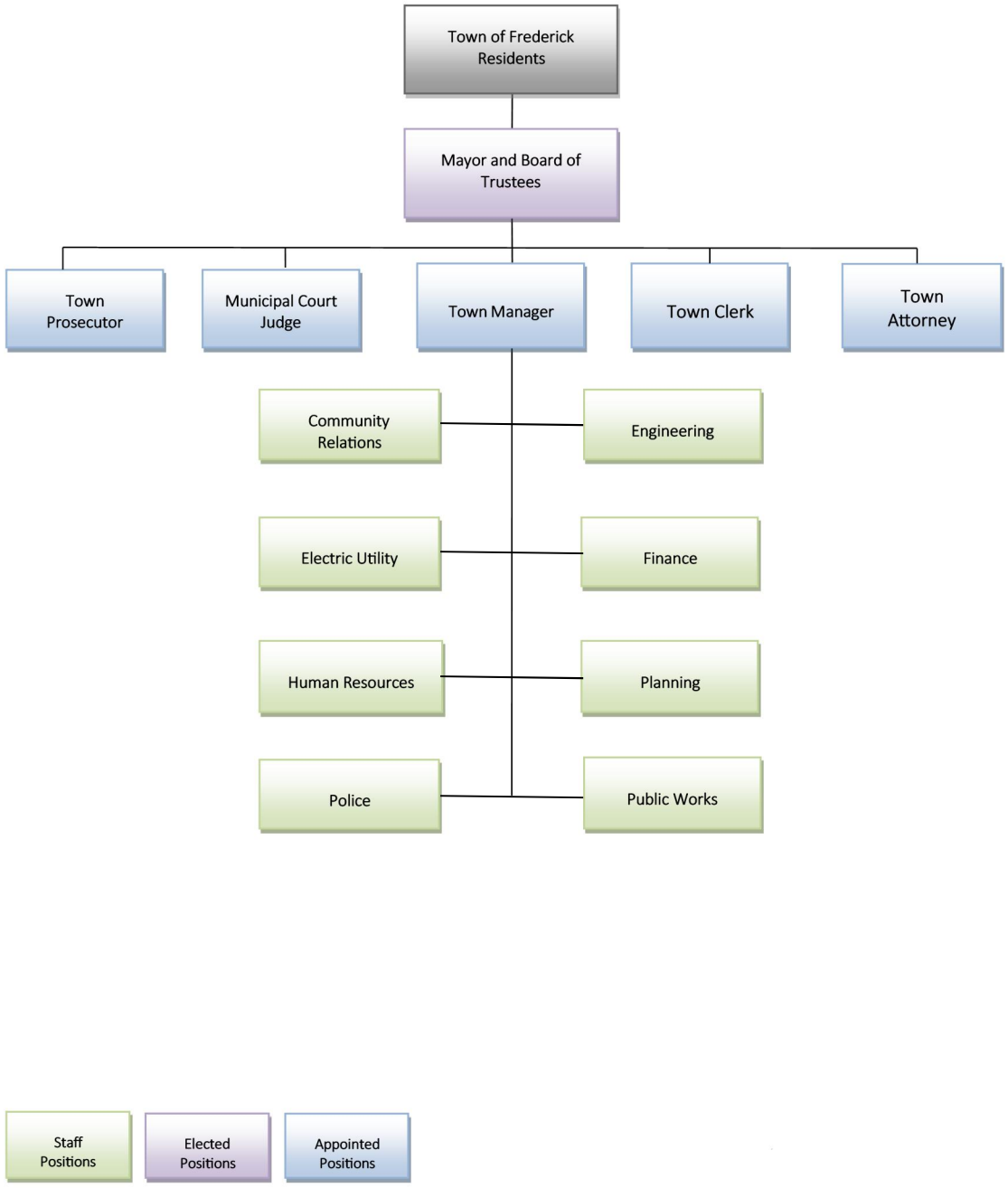
INTRODUCTION

TOWN MANAGER AND DEPARTMENT DIRECTORS

Matt LeCerf	Town Manager
Gary Barbour	Police Chief
Marco Carani	Public Works Director
Richard Leffler	Engineering Director
Meghan Martinez	Town Clerk
Mitzi McCoy	Finance Director
Lauren Mueller	Human Resources Director
Jennifer Simmons	Planning Director
Kent VanDyne	Electric Manager
Megan Williams	Community Relations Manager

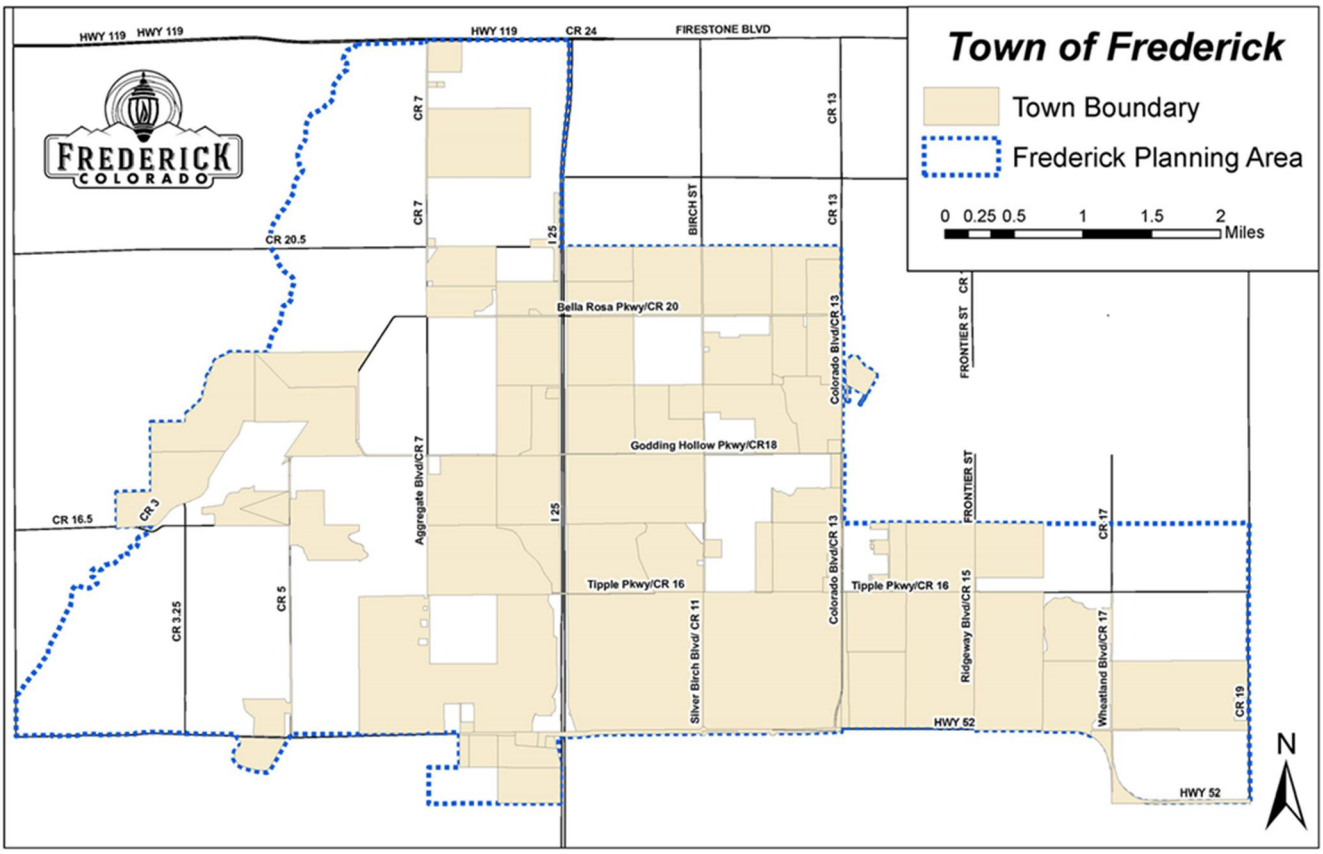
INTRODUCTION

ORGANIZATIONAL CHART



INTRODUCTION

LOCATION – TOWN MAP



INTRODUCTION

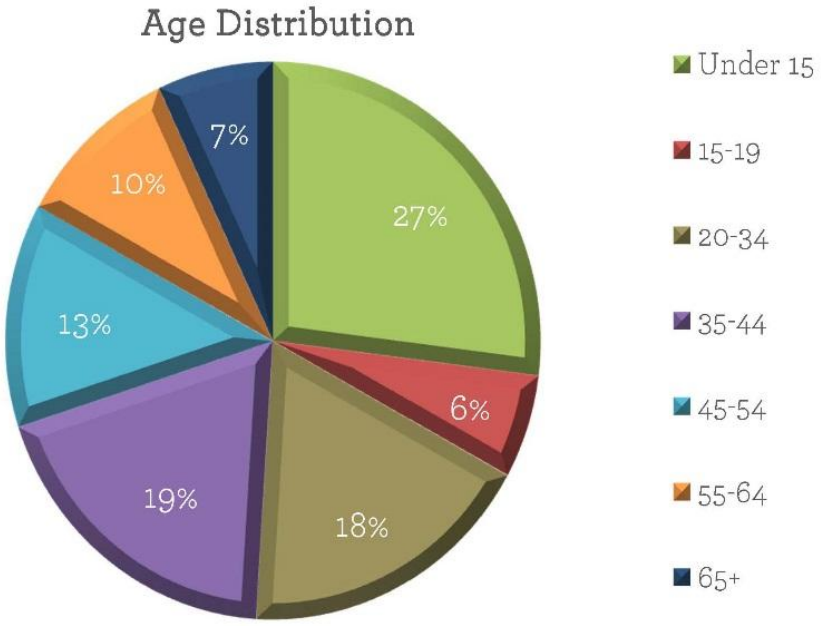
GENERAL INFORMATION

HISTORY AND LOCATION

The Town of Frederick was incorporated in 1907 and is located on Colorado's beautiful Front Range of the Rocky Mountains. The Town is comprised of 14 square miles of area, both east and west of Interstate 25, south of State Highway 119, and along State Highway 52. Its current population of over 11,000 residents enjoy the town's central location which allows easy access to the Denver and northern metropolitan areas. The transportation network opens up a wide variety of major attractions less than 30 minutes away. At the center of the Carbon Valley area, which includes Firestone, Dacono, Mead and Erie, Frederick plays the role of community hub for a larger population of 46,000.

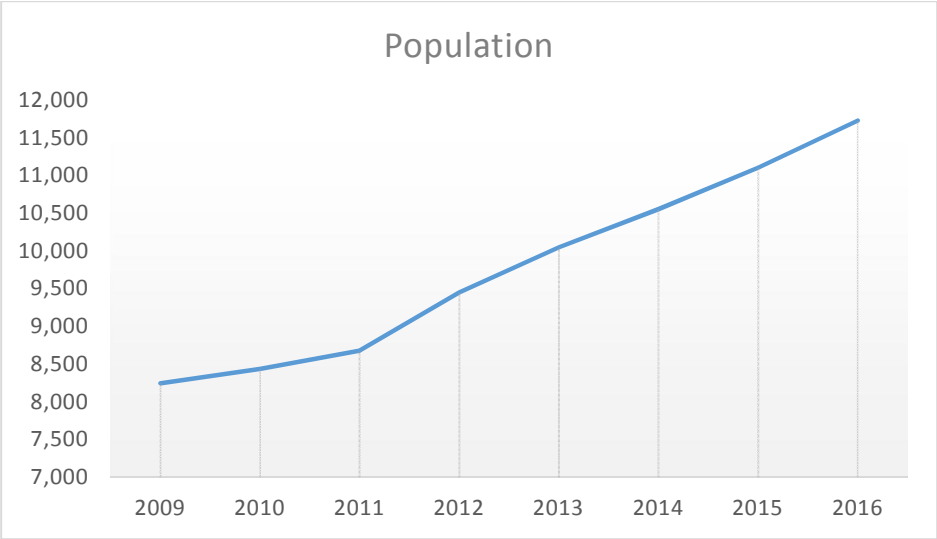
DEMOGRAPHICS

With a median age of 34.1, Frederick has a young population that has grown more than 34% in the past seven years. The current population is 11,729. 92.8% of persons over age 25 are high school graduates. 32.1% have a Bachelors degree or higher, and 5.6% have a Graduate degree. The median income is $83,043.



INTRODUCTION

POPULATION



EMPLOYMENT BY INDUSTRY

Occupation	% of Workforce
Management, business, science and arts	39.4%
Service occupations	14.6%
Sales and office	24.1%
Natural resources, construction, and maintenance	10.1%
Production, transportation and material moving	11.8%

MAJOR EMPLOYERS IN THE AREA

EMPLOYER	PERCENT OF TOTAL TOWN EMPLOYMENT
St. Vrain Valley School District	14.3%
Production Control Services	8.5%
Otterbox	6.6%
Sparton Medical Systems	6.2%
Premier Manufacturing	3.8%
Metal Sales Manufacturing	3.0%

INTRODUCTION

SCOPE OF SERVICES

The Town of Frederick provides the following major services:

Public Safety
Parks, Trails and Open Space
Town Facilities
Town Management and Public Representation
Economic Development
Community Development and Engineering
Support Services
Water Utility
Electric Utility
Storm Water Utility

EMPLOYEES AND BENEFITS

The Town currently has approximately 56 regular, full-time positions (exempt and non-exempt) for 2016. In addition, a varying number are employed on a seasonal/part-time basis. The Town of Frederick neither recognizes nor bargains with any employee union.

The Town operates under a Performance-Based Pay System. A benchmark survey is conducted every three years using a variety of resources to establish a salary schedule. Employees are evaluated annually and are eligible at that time to receive salary adjustments based on their performance. Actual salaries and benefits are calculated into the budget system assuming each authorized position is filled for the entire budget period.

Other benefits provided to Town employees include vacation leave, sick leave and paid holidays. Health care benefits include medical, dental, vision, disability plans and life insurance. The Town does offer pretax options on health care premiums which allow employees to realize tax savings.

The Town has established retirement plans for employees. Regular, full-time employees are eligible to participate in the plan. The Town will match up to six percent (6%) of the salary for the employees who choose to participate. Voluntary contributions up to the maximum allowed by law of the base wage are encouraged under the plan.

Employees of the Town that serve as sworn police officers are required to participate in a police pension plan with each officer required to contribute four and three quarter percent (4.75%) of their gross weekly wages. The Town contributes four percent (4%) of their gross weekly wages to the police pension and will match an additional two percent (2%) of their wages paid to the general retirement plan for a total of six percent (6%) for officers.

Frederick provides benefits for Life and Accidental Death and Disability for each employee who incurs disability or death. The total life insurance payout is $50,000.

BUDGET PROCESS

The budget has been structured and prepared using the guidelines of the Governmental Finance Officers Association (GFOA). Two sources, Governmental Accounting, Auditing and Financial Reporting (GAAFR) and the Governmental Accounting Standards Board (GASB) guide the financial reporting and annual budget process. The Town of Frederick prepares its budget on a calendar-year basis as required by state statute. The budget must be balanced or show a revenue surplus. "Balanced Budget" is defined as a "balance between total estimated expenditures and total anticipated revenues, including surpluses." This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance. The Town of Frederick's definition of a "Balanced Budget" does comply with the statutory requirements for the State of Colorado located in C.R.S. 29-1-103 (2).

BUDGET TERM

The budget term begins the first day of January and ends on the last day of December.

BASIS OF BUDGETING

The budget parallels the methods of accounting used for the Town's funds. Modified accrual basis is used for all governmental fund operations. Proprietary and fiduciary funds use full accrual basis. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred except for debt service and compensated absences. The Town considers the revenue and expenditures if collected or incurred within 60 days of the end of the fiscal period. Under the full accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when a liability is incurred without consideration of the timing of related cash flows. The basis of accounting used in the budget is the same as the basis of accounting used in the financial statements.

BUDGET RECOMMENDATION

The proposed budget provides a complete financial plan for each fund of the Town and includes appropriate financial statements for each type of fund showing comparative figures for the last completed fiscal year, comparative figures for the current year, and recommendations for the upcoming year.

INTRODUCTION

BUDGET PREPARATION

The budget process starts in the spring of each year at the Town Board goal setting sessions. During the goal setting sessions the Town Board establishes goals and objectives for the upcoming year and provides direction to the Town Manager for future budgets.

In May, the Finance Department prepares core data, including salary information, health insurance information, worker's compensation information, general insurance and other allocated costs. This data is presented with current period data and revenue projections for both the current year as well as the upcoming year. The worksheets containing this data are distributed in June to departments along with the Capital Improvement Plan worksheets, Capital Request Forms, Employee Education Request forms, and budget instructions.

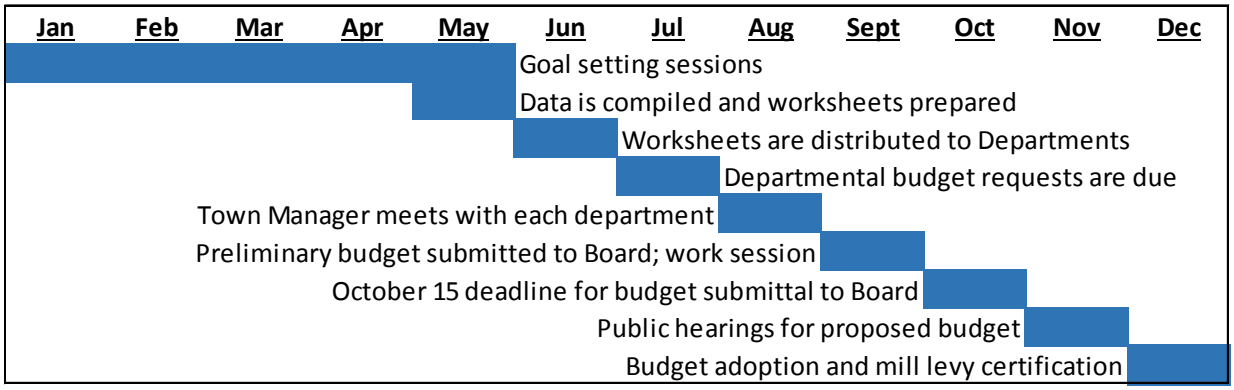
Departments review Board goals and objections and then meet internally to develop their budget requests. Each department must have their budget requests, along with all other budget related forms, submitted by the first week in July to the Finance department and the Town Manager. The Finance department compiles the documents and prepares them for the individual budget meetings between the Town Manager and the departments. The meetings usually take place early in the month of August. Upon conclusion of the meetings, decisions are made about what will be included in the Proposed Budget. The Proposed Budget document is submitted to the Town Board no later than October 15th with work sessions as requested and determined necessary by the Board following the submittal.

PUBLIC HEARINGS

The Town Manager's proposed budget is a matter of public record and is open to the public for inspection. At a minimum one public hearing is held on the proposed budget. Appropriate notice of the time and place of the hearing is placed in a newspaper of general circulation.

ADOPTION OF BUDGET AND APPROPRIATION OF FUNDS

In accordance with state statutes, on or before the fifteenth (15th) day of December, the Town Board shall adopt a balanced budget by ordinance for the ensuing year. The Board appropriates sums of money, as it deems necessary, to defray all expenditures.



BUDGET AMENDMENTS

The Adopted Budget can be amended during the year by presenting the Town Board with a Resolution for approval. Generally, budget amendments are used for one-time items such as project related grants, or other one-time expenses that could not have been reasonably predicted during the budget process.

SUPPLEMENTAL APPROPRIATION

The Town Board can make supplemental appropriations from actual and anticipated revenues and prior year reserves as long as the total amount budgeted does not exceed the actual or anticipated revenue total or the available reserve balance. No appropriation can be made which exceeds the revenues, reserves, or other funds anticipated or available except for emergencies due to accident or an unforeseen event arising after the adoption of the annual appropriation.

ENCUMBRANCE CARRYOVER

If a fund has unpaid purchase orders at the end of a fiscal year and a commitment for the expenditure of funds, those related appropriations are encumbered and carried over to the ensuing fiscal year as a reservation of fund balance. All other appropriations lapse at year-end.

BUDGET DECREASES

The budget can also be decreased below approved levels during the fiscal year. Changes in service demands, economic conditions, projected growth limits, and Board goals and direction may cause such budget reductions. Should the need arise, each service area is responsible for developing a plan to reduce expenses. If the Town Manager directs budget reductions, the Board will be informed immediately and the appropriations will be set aside through administrative action. While this administrative action does not lower the appropriations within a fund, expenditures

are prevented. If the circumstances leading to the reduction in budget change, the appropriation may be made available for expenditure.

LEVEL OF CONTROL AND BUDGET TRANSFERS

Control of expenditures is exercised at the fund level. Department Heads are responsible for all expenditures made against appropriations within their departments and may allocate resources within the fund. The Town may transfer appropriated monies between spending agencies within a fund or from one fund to another provided:

- The transfer is made from a fund in which the amount appropriated exceeds the amount needed to accomplish the purpose specified by the appropriation.
- The purpose for which the funds were initially appropriated no longer exists.
- A transfer may also include a subsidy of funding from one Fund to support program needs of another fund.

FINANCIAL POLICIES

FINANCIAL POLICIES

REVENUE POLICIES

The Town of Frederick strives to achieve and maintain a balanced and diverse revenue structure. Because Frederick is a community that is continuing to grow and change, annual revenues can vary widely and fluctuate a great deal and cannot always be used year to year as a sound revenue base. Major revenue sources in the General Fund are sales/use tax, property tax, severance taxes, franchise charges, fines and forfeitures, and user fees and charges.

With regard to user fees, the amount of a fee shall not exceed the overall cost of providing the facility, infrastructure, or service for which the fee is imposed. In calculating the cost of fees, direct and/or indirect costs may be included. The Town reviews all fees for licenses, permits, fines, and other miscellaneous charges as part of the annual budgetary process.

EXPENDITURE POLICIES

The General Fund is comprised of eight departments consisting of Town Board, Administration, Finance, Engineering, Planning, Police, Public Works and Buildings. Each department can be further broken down into a variety of divisions and/or programs. Expenditures are classified as the following:

- Personnel Services
- Contract Services
- Commodity
- Other Charges
- Capital Outlay
- Debt Service

Personnel Services includes salaries for full-time and part-time employees, overtime pay, insurance, retirement, and other personnel related costs.

Contract Services includes services that are typically provided by an outside vendor such as vehicle maintenance, SWAT team services, legal services, and audit services.

Commodity encompasses administrative costs such as office supplies, uniforms, small tools, ammunition, salt, sand and gravel, fuel and computers, to name a few.

Other Charges includes items such as insurance, memberships and subscriptions, costs associated with the K-9, Santa Cops, Fishing Clinic, among others.

Capital Outlay consists of fixed assets over $5,000 and a useful life of greater than one year. This expenditure area consists of major projects, land, buildings, and other infrastructure.

FINANCIAL POLICIES

TAXPAYERS' BILL OF RIGHTS (TABOR)

Colorado voters approved an amendment to the Colorado Constitution that placed limits on revenue and expenditures of the State and all local governments in 1992. Even though the limit is placed on both revenue and expenditures, the constitutional amendment ultimately applies to a limit on revenue collections. Growth in revenue is limited to the increase in the Denver-Boulder-Greeley Consumer Price Index plus Local Growth (new construction and annexation minus demolition). This percentage is added to the preceding year's revenue base, giving the dollar limit allowed for revenue collection in the ensuing year. Any revenue collected over the limit must be refunded in the subsequent year. Towns have the option of placing a ballot question before the voters asking for approval on retaining the revenue over the limit. Federal grants and/or gifts to the Town are not included in the revenue limit. Town "Enterprise Funds" (Electric, Storm Water and Water) are exempt from the imposed limits.

On November 4, 2013, voters within the Town approved the collection, retention and expenditure of the full revenue generated by the Town commencing on January 1, 2012 and subsequent years. Therefore the Town is not subject to the revenue limitations of the Tabor amendment.

RESERVES POLICY

A top priority of the Town Board is to improve the fiscal health of the Town. Revenue projections are conservative and authorized expenditures are closely monitored. In stable economic times, the combination of these two strategies leads to revenue collections higher than actual expenditures. The accumulation of these reserves protects the Town from uncontrollable increases in expenditures or unforeseen reductions in revenue, or a combination of the two. It also allows for the prudent financing of capital construction and replacement projects.

Undesignated Reserves

Article X, Section 20 of the Colorado Constitution requires a three percent (3%) reserve for emergencies. The use of this reserve is restricted to the purpose for which it was established and can be used solely for declared emergencies.

Designated Reserves

The Town Board has determined that additional reserves be established to provide for unforeseen reductions in revenues in the current year if budgeted revenues are less than actual revenues, and expenditures including encumbrances, are greater than actual. The reserve target is equal to 150 days of approved General Fund operating expenditures.

FINANCIAL POLICIES

CAPITAL IMPROVEMENT FUNDS

The Town has a significant financial investment in streets, public facilities, parks, natural areas, and other capital improvements. The Town Board voiced a commitment to, and investment in, the Town's capital projects. Costs for the capital projects are estimated based on present value and funding sources are identified for each project. Operating and maintenance costs are identified at the time projects are approved. A variety of funding sources have been identified for capital improvements, including Conservation Trust Funds, the Capital Facilities Fund, bonds and a variety of grant funds.

DEBT POLICIES

The Town of Frederick recognizes that the primary purpose of capital facilities is to support provision of services to residents. Using debt financing to meet the capital needs of the Town must be evaluated according to two tests: efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of capital improvements. In meeting the demand for additional capital facilities, the Town strives to balance the load between debt financing and "pay as you go" methods. The Town realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects. Through the rigorous testing of the need for additional debt financed facilities and the means by which the debt will be repaid, the Town strikes an appropriate balance between service demands and the amount of debt.

Occasionally, the Town uses lease purchase financing for the provision of new and replacement equipment and vehicles to ensure the timely replacement of equipment and vehicles and to decrease impact of the cost to the user department by spreading the costs over several years. This method can also be used to acquire real property. The type of lease that the Town uses is termed a conditional sales lease or capital lease, in effect a purchase rather than a rental. For purposes of securing credit ratings and monitoring annual debt service as a percentage of operating expenditures, lease purchase financing is considered a long-term liability of the Town, although subject to annual appropriation, and therefore will be issued under the same conditions as long-term debt.

CASH MANAGEMENT AND INVESTMENT POLICIES

Colorado Law governs general provisions for the Town's investment strategies. The investment policy for the Town shall apply to the investment of all general and special funds of the Town of Frederick over which it exercises financial control. The Town's objectives for cash management and investments are:

- Observe investment management objectives of safety, liquidity, and yield.
- Preservation of capital through the protection of investment principal.
- Maintenance of sufficient liquidity to meet the Town's cash needs.
- Diversification of the types and maturities of investments purchased to avoid incurring unreasonable credit or market risk regarding a specific security, maturity period, or institution.
- Maximization of the rate of return for prevailing market conditions for eligible securities.
- Conformance with all federal, state and other legal requirements.

The Town Board assigns responsibilities for the collection of Town funds and cash management functions to the Town Manager. The Finance Director is responsible for the investment of all funds. The standard of prudence to be used for managing the Town's assets is the "prudent man" standard of CRS 15-1-304 (CRS 24-75-601.1 (2)) rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived".

The Finance Director and designees are authorized to invest funds of the Town in accordance with the Town policies and Colorado Law in any of the following investments:

- *U.S. Treasury Obligations*: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding five years from the date of purchase.

- *Federal Instrumentality Securities*: Debentures, discount notes, callable securities, step-up securities, and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement. If a Federal Instrumentality Security carries a rating lower than the highest category by any NRSRO, the security is eligible for purchase subject to the following limitations: the final maturity (from the date of trade settlement) may not exceed the statutory limit stated in C.R.S. 24-75-601 and the security must be rated at least AA- or the equivalent by at least two NRSROs (Nationally Recognized Statistical Rating Organization), and not less by any. Subordinated debt shall not be purchased. For securities authorized in this paragraph, the Town shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.

- *Commercial Paper* issued by domestic corporations with maturities not exceeding 270 days from the date of purchase, which at the time of purchase is rated at least A-1, or the equivalent by at least two NRSROs, and rated not less by all NRSROs that rate the commercial

paper. If the commercial paper issuer has senior debt outstanding, it must be rated at least AA, or the equivalent at the time of purchase by at least two NRSROs, and rated not less by all NRSROs that rate the issuer. The aggregate investment in commercial paper, banker's acceptances, and corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- *Corporate Debt* with a maturity not exceeding three years from the date of trade settlement, issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent by at least two NRSROs, and rated not less by any NRSRO that rates it. The aggregate investment in corporate debt, commercial paper, and banker's acceptances shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- *Local Government Investment Pools* Pursuant to CRS 24-75-702 that 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of $1.00 per share; 3) limit assets of the pool to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more NRSROs.

- *Repurchase Agreements* with a termination date of 180 days or less collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in a. and b. above with a final maturity not exceeding ten years. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held by the Town's third-party custodian bank, and the market value of the collateral securities shall be marked-to-the market daily. Repurchase Agreements shall be entered into only with broker/dealers recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Approved Repurchase Agreement counterparties if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each NRSRO that rates them.

- *Non-Negotiable Certificates of Deposit* with a maturity not exceeding one year in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in CRS 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of

purchase, issuing banks shall meet the credit criteria set forth in the section of this investment policy, "Selection of Banks".

- *Eligible Banker's Acceptances* with maturities not exceeding 180 days, issued by FDIC insured state or national banks. Banker's Acceptances shall be rated at least A-1, or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the instrument. If the issuing bank has senior debt outstanding, it must be rate at least AA or the equivalent oat the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the bank. The aggregate investment in banker's acceptances, commercial paper, and corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- *Money Market Mutual Funds* registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of $1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more NRSROs.

RISK MANAGEMENT

The goal of the Town is to protect the assets of the Town and provide a safe work environment for the Town's employees. This goal is accomplished by planning for the negative consequences of any decision, process, or action by using risk control, risk retention, and risk transfer strategies. More specifically, the main features of this program are as follows:

- Delivering loss control programs such as defensive driving education, confined space entry education, safe lifting education, blood borne pathogens education, and a variety of other safety education measures to prevent or at least lessen the severity of workplace injuries, which saves money. Loss control also includes annual audits of Town facilities to detect safety hazards in order to make services safe for the public.
- Reviewing Town contracts for the proper insurance requirements and to ensure the Town is properly designated on the contractor insurance policy.
- Monitoring changes in the law at the federal and state level to determine if any changes affect the way the Town delivers services, which in turn create a liability for the Town.
- Developing the financial resources to pay for expected and unexpected losses. This might include managing a self-insurance fund to contain the cost of most losses and purchasing insurance policies to protect the Town against catastrophic losses.
- Complying with Colorado laws as they relate to operating a self-insurance program.

- Monitoring the exposure in all Town programs and services that may involve the Town in future liabilities.
- Establishing a Health and Safety Committee for employees.

BUDGET OVERVIEW

BUDGET OVERVIEW

FUND ACCOUNTING

Fund accounting is used both for budgeting and accounting purposes. Each fund is established for a specific purpose and is considered a separate accounting entity. The Board must approve or appropriate any expenditure from the various funds, including expenditures from reserves. The authorization is generally done prior to the beginning of each fiscal year, but can be done by the Town Board anytime during the year if funds are available. In government, "appropriate" or "appropriation" are used instead of "authorize" or "authorization". All of the Town of Frederick funds require appropriations before money can be expended.

TOWN FUND TYPES

GOVERNMENTAL

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds

PROPRIETARY

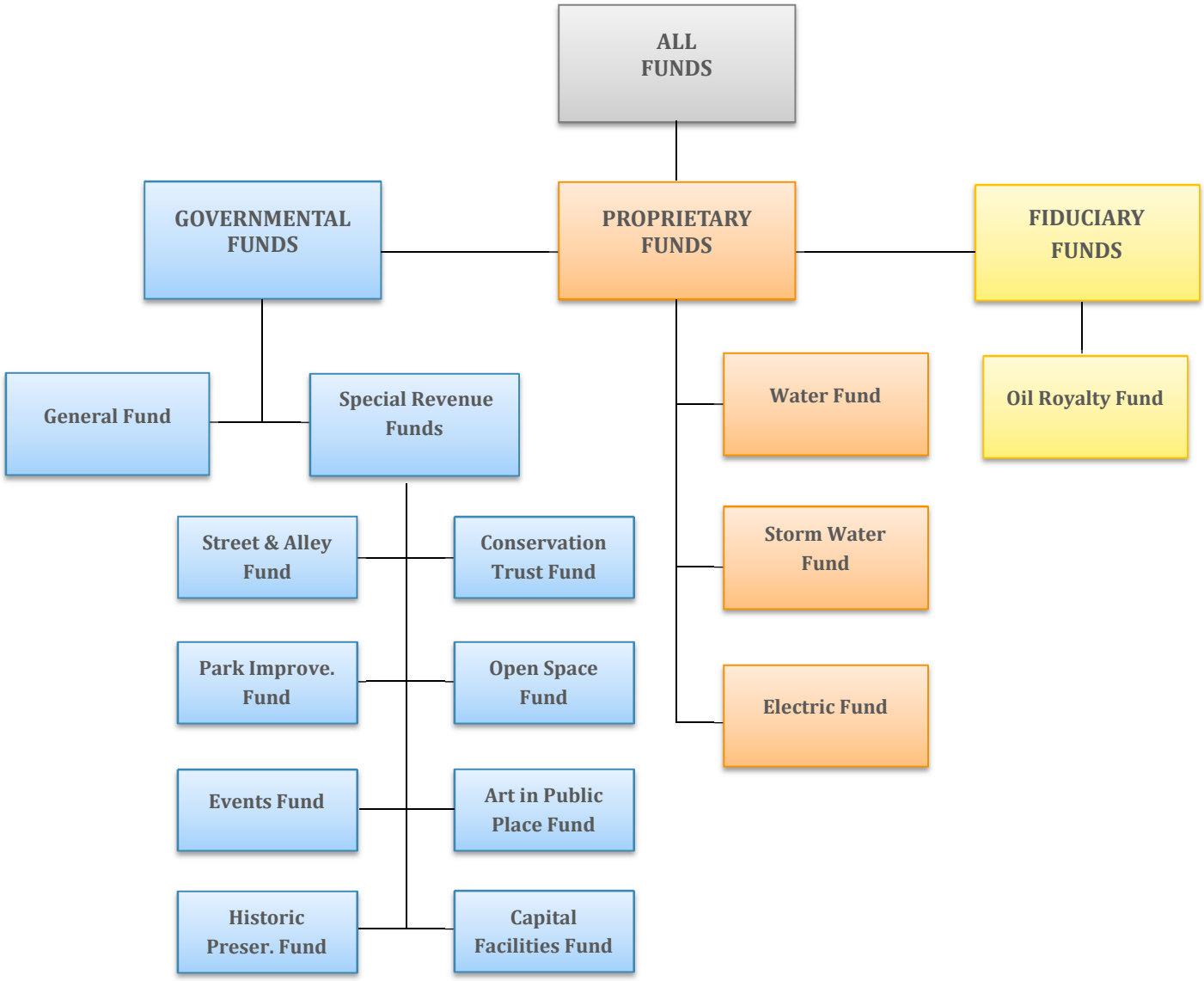
- Enterprise Funds
- Internal Service Funds

FIDUCIARY

- Trust and Agency Funds

BUDGET OVERVIEW

FUND STRUCTURE



BUDGET OVERVIEW

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the Town of Frederick not accounted for in other funds and is the Town's primary operating fund. This fund represents an accounting for the Town's ordinary operations financed from taxes and other general revenues and is the Town's most significant fund in relation to overall expenditures. Special Revenue Funds are established for the purpose of accounting for monies received by the Town of Frederick that are restricted in nature and can only be utilized for specific purposes. Financing is primarily provided by ad valorem property taxes, sales taxes and other taxes.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the Town of Frederick that are restricted in nature and can only be utilized for specific purposes.

STREETS AND ALLEY FUND

This fund was established to account for resources used for the acquisition, construction, and maintenance of assets and capital facilities that are associated with alleys and roads in the Town of Frederick. The revenues in this fund are primarily derived from motor vehicle related taxes, impact fees and grants.

CONSERVATION TRUST FUND

This fund was established as required by Section 31-25-220, Colorado Revised Statutes, 1973 to account for monies received from the State of Colorado for Conservation Trust Fund (lottery) purposes. Funding can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site. New conservation sites are defined in statute as being interests in land and water, acquired after establishment of a conservation trust fund, for park or recreation purposes, for all types of open space, including but not limited to flood plains, green belts, agricultural lands or scenic areas, or for any scientific, historic, scenic, recreation, aesthetic or similar purpose.

PARK IMPROVEMENT FUND

This fund was established in 1975 and amended in 2012 to account for resources used in the purchase of lands for additional parks and for the improvement of existing parks in the Town. Revenues for this fund are primarily impact fees, grants and transfers from other funds.

OPEN SPACE FUNDS

This fund was created in 2000 and amended in 2012 after voters approved a half percent sales tax to be used to acquire, preserve and develop on a limited basis open space land in and around the Town of Frederick. The primary revenue for this fund is the half percent sales tax.

CAPITAL FACILITIES FUNDS

Capital Facilities Funds are created to account for resources used for the acquisition, construction, and maintenance of assets and major capital facilities other than those financed by proprietary funds and trust funds. These funds are established to maintain a separate accounting of specific capital projects.

ART IN PUBLIC PLACES FUND

Created in 2012 by the Board of Trustees, the Art in Public Places Fund, provides a dedicated source of funds for the acquisition of works of art, the maintenance and repair of works of art and the expenses of the administration of Art in Public Places. The revenues for this fund are largely from the fee that is charged to internal funds for construction projects with values that exceed $25,000.

HISTORIC PRESERVATION FUND

In 2013, the book "Images of America, Around Frederick" was penned by author Sean Scott. Mr. Scott donated all of the royalties from the book to the Town of Frederick. This fund was established to account for those revenues.

EVENTS FUND

This fund was established in 2013 to create a more effective accounting method for events that receive sponsorships and donations in order to be successful. The revenues for this fund come from donations and transfers from the General Fund.

BUDGET OVERVIEW

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Town Board has decided that periodic determination of net income is appropriate for accountability purposes. The Town has three qualified Enterprise Funds including Water, Storm Water and Electric. These funds provide different combinations of utility services to 4,219 customers.

FIDUCIARY FUNDS

OIL ROYALTY TRUST FUND

The Board of Trustees designated the Frederick Oil Royalty Trust Fund to be used to support the Frederick High School Scholarship Program, community organization grants, economic development programs, and those governmental purposes as the Board may be designated from time to time. Revenues in this fund are primarily royalties and interest.

COMPONENT UNITS

FREDERICK URBAN RENEWAL AUTHORITY

The audited financial statements include the financial information for the Frederick Urban Renewal Authority. The Authority is a legally separate entity and as such is responsible for producing its own annual budget document. Consequently, the budget for the Authority is not included or considered part of the Town's budget.

NOTES AND ASSUMPTIONS

The following notes and assumptions were used to build the various detail budgets for revenues and expenditures and are applicable for all funds except in cases where specifically noted. The overall driving factors were established through joint efforts with the Town Manager, the Finance Department, and Town Board. Fund Balance is the excess or deficiency of the assets of a fund over its liabilities at any point in time. This is shown in the following schedules as Revenues minus Expenditures and plus Other Financing Sources (Uses) plus Beginning Fund Balance to derive the Ending Fund Balance.

BUDGET OVERVIEW

TOTAL COMBINED TOWN BUDGET

The 2017 Proposed Budget is balanced as defined in the introduction section of this document, with a "balance between total estimated expenditures and total anticipated revenues, including surpluses." This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance.

The budget shown below is a consolidated budget that contains all of the fund budgets for the organization.

2017 BUDGET - ALL FUNDS	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	Total All Funds	% of Total Rev & Exp.
BEGINNING BALANCE:	3,900,350	5,496,620	229,704	15,830,388	325,162	25,782,224	
REVENUES:							
CHARGES FOR SERVICES	-	710,000	-	5,475,850	-	6,185,850	30.76%
FINES AND FORFEITURES	101,500	-	-	-	-	101,500	0.50%
PROPERTY TAXES	1,305,060	-	-	-	-	1,305,060	6.49%
SALES TAXES	1,845,000	1,031,900	-	22,310	-	2,899,210	14.42%
LICENSES AND PERMITS	600,000	450,200	225,000	1,767,500	-	3,042,700	15.13%
MISCELLANEOUS	80,400	107,670	103,500	1,991,500	10,400	2,293,470	11.40%
OTHER TAXES	345,000	648,000	-	-	-	993,000	4.94%
GRANTS	75,130	3,216,158	-	-	-	3,291,288	16.36%
TOTAL REVENUES	4,352,090	6,163,928	328,500	9,257,160	10,400	20,112,078	100.00%
OTHER SOURCES/USES:							
TRANSFERS IN	414,000	684,547	-	-	-	1,098,547	
TRANSFERS OUT	40,860	438,810	153,337	465,540	-	1,098,547	
TOTAL OTHER SOURCES/USES	373,140	245,737	(153,337)	(465,540)	-	-	
EXPENDITURES:							
PERSONNEL SERVICES	3,788,070	1,079,830	-	1,121,855	-	5,989,755	23.24%
CONTRACT SERVICES	930,298	1,785,100	-	1,740,930	15,000	4,471,328	17.35%
COMMODITY	339,130	264,200	-	2,499,550	-	3,102,880	12.04%
OTHER CHARGES	474,770	333,900	-	2,186,100	45,900	3,040,670	11.80%
CAPITAL OUTLAY	503,000	5,330,658	-	1,847,200	-	7,680,858	29.81%
DEBT SERVICE	-	411,100	171,800	901,000	-	1,483,900	5.76%
TOTAL EXPENDITURES	6,035,268	9,204,788	171,800	10,296,635	60,900	25,769,391	100.00%
ENDING BALANCE:	2,590,312	2,701,497	233,067	14,325,373	274,662	20,124,911	

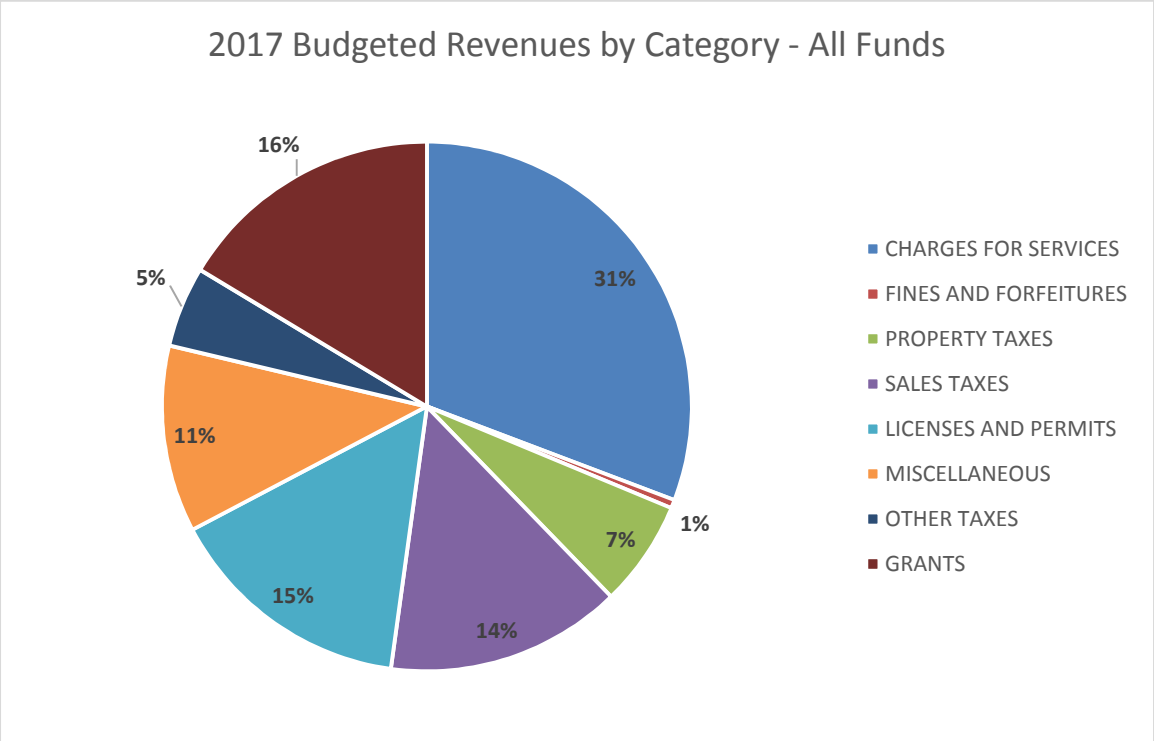
BUDGET OVERVIEW - REVENUES

REVENUE OVERVIEW

The Town strives to maintain a strong, diverse revenue base recognizing that a dependence upon any individual revenue source would make revenue yields more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The Town utilized the Colorado Legislative Council as the primary source for forecasted Denver-Boulder-Greeley Consumer Price Index (CPI). Additionally, the Town considers reports published by economists in the Colorado State Office of Planning and Budgeting. The methodology used for each revenue type is further explained under each revenue type. The following table identifies the CPI and for each year from 2012 to 2016 that were used in forecasting:

Year	2012	2013	2014	2015	2016
Consumer Price Index (CPI)	1.943%	2.771%	2.8%	1.176%	2.772%

The following chart consolidates and summarizes the Town's revenue by source:

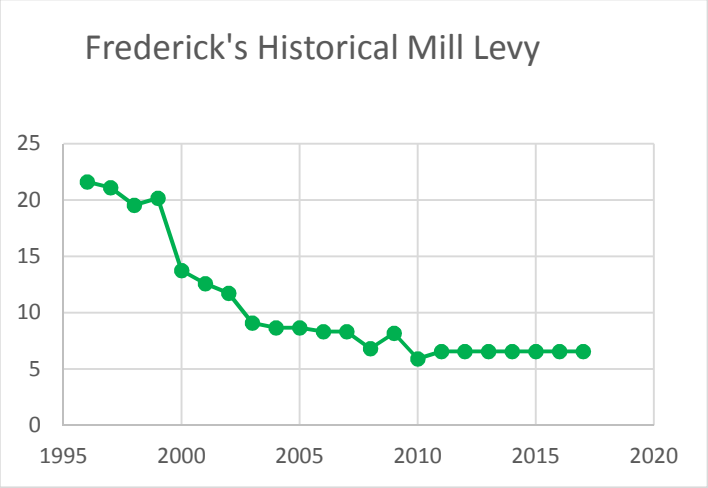


BUDGET OVERVIEW - REVENUES

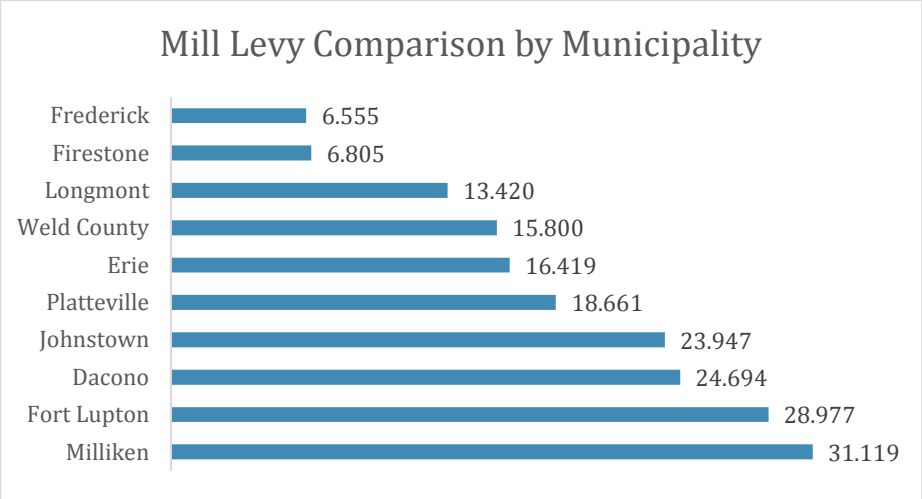
The following are descriptions of the Town's revenue resources, associated forecasting assumptions, and revenue trends.

PROPERTY TAX

Property taxes are levied on December 31, and attach as an enforceable lien on property as of January 1. Taxes are due January 1. Installation payments are due at the end of February and June 15th. Single payments are due on or before April 30th. Taxes are delinquent, if not paid, as of June 15th. If the taxes are not paid within subsequent periods, the property may be sold at a public auction. Weld County bills and collects all of the property taxes and remits collections to the Town on a monthly basis after deducting a one percent (1%) collection fee.



The mill levy rate for Frederick in 2017 will remain at the 2016 level of 6.555 mills. One mill represents $1 for every $1,000 in assessed property value. Property tax is calculated by multiplying the mill levy by the assessed valuation of a property. Property Tax revenue is forecast each year based on assessed valuations as determined by Weld County and applying the Town's current mill levy rate.



BUDGET OVERVIEW - REVENUES

SALES TAX

The Town of Frederick collects a two and a half percent (2.5%) tax on sales of tangible personal property and specific services. Sales taxes are collected by the retailer and are reported to the State of Colorado on either a monthly, quarterly, or annual basis. The State then collects Frederick's portion of the sales taxes and remits it to the Town monthly. Two percent (2.0%) of the Town's sales tax goes into the General Fund. The other half percent (.5%) goes into the Open Space Fund.

Frederick's economy is becoming more diverse and businesses are relatively stable, but the Town needs to plan for and provide a strong base for sales tax revenues. Sales taxes are forecasted using historical trends.

USE TAX

A use tax is levied as a complement to the Town sales tax at two and a half percent (2.5%) and is imposed upon taxable purchases where a sales tax was not legally imposed. The Use Tax consists of two (2) types, the Building Material Use Tax and the Motor Vehicle Use Tax. Depending upon the type of transaction, the use tax may be paid upon issuance of a building permit or upon purchase/registration of a motor vehicle. All use tax totals 2.5 cents on every dollar and is distributed in the same manner as the sales tax. Use taxes are projected using trend analysis based on actual revenues received during the past 7 years.

EXCISE TAX

Excise taxes are taxes on the sale, or production for sale, of specific goods or a tax on a good produced for sale, or sold, within a country or licenses for specific activities. In Frederick, there are two such taxes: tobacco and severance.

> *Tobacco Products Tax* - State of Colorado taxes wholesale distributors of tobacco products at the rate of 84 cents per pack. State tax stamps are issued to the distributors as evidence of payment. Each year an amount of State funds from the tax on tobacco products is distributed to counties and municipalities that do not impose any fee, license, or tax on cigarettes. The amount received is based on the proportion of State sales tax collected in each municipality. Tobacco tax revenue projections are calculated using trend analysis based on actual revenues received over the past 7 years.
>
> *Severance Tax* - Colorado severance tax is imposed upon nonrenewable natural resources that are removed from the earth in Colorado. The tax is calculated on the gross income from oil and gas and carbon dioxide production. 70% of the tax money collected is used by the State to fund grant programs. The remaining 30% is divided and distributed to counties and local governments. The division is based on the residence of certain mineral

and energy industry workers. Severance tax is difficult to project as the fluctuations from year to year can be substantial. Revenue projections for severance tax are forecasted using a combination of trend analysis as well as information that we receive from the oil and gas industry and other sources.

FRANCHISE CHARGES

The Town maintains two specific franchise charges, Cable Television Franchise Charge and Gas/Electric Franchise Charge.

Cable Franchise - This fee is compensation for the benefits and privileges granted under the Franchise Agreement. The fees are in consideration of permission to use Town streets and rights-of-way for the provision of cable services. The franchise fee is five percent (5%) of the gross revenues. Revenue projection is completed using trend analysis.

Gas/Electric Franchise Charge - The Town currently has a nonexclusive franchise agreement with the Kinder Morgan/Source Gas for the right to furnish, sell, and distribute natural gas to residents and businesses within the community. The agreement provides them with access to public property to provide these services. In consideration for this franchise, the Company pays the Town a sum equal to two percent. Revenue projection is completed using trend analysis.

FINES AND FORFEITURES

The Municipal Court assesses fees to parties found guilty of any municipal offense through the court system. This category also includes revenues from police activities such as fingerprinting and Santa Cops. These revenues are projected using trend analysis using actual data from the past 7 years.

LICENSES AND PERMITS

Licenses & Permits are established by ordinance that allows the Town to collect various licenses or permit fees. These licenses or permit fees allow the purchaser to perform or provide specific services or goods within the Town. There are several types of licenses and permits required within the Town. The following identifies the more significant licenses or permit fees.

Building Permit Fees – Building Permit Fees are based on the dollar valuation of the construction work to be performed. The valuation is determined using the cost per square foot published in the Building Safety Journal. Permit fees are established by ordinance and are budgeted based on local economic trends. Building Permit Fees are forecasted using current year's activity.

BUDGET OVERVIEW - REVENUES

INTERGOVERNMENTAL REVENUES

Intergovernmental Revenues are transfers from one fund into another fund.

CHARGES FOR SERVICES

User based fees are established to help defray the cost of operations such as park rentals, trash collection, and charges for utilities. Unless noted otherwise, these revenues are forecast using trend analysis of actual data for the past 5 years.

UTILITY CHARGES

Utility charges are user based fees that are charged for the participation with the Town's utility services. Those services include water, storm water and electric.

Water Charges – The water rates include both a base rate and a usage per thousand gallon rate for water consumption. The residential base rate includes the first 3,000 gallons of usage and is used for system improvements and maintenance of existing infrastructure. The 2017 budget includes no increase in the base rate and a 5% increase in the usage rate. Water revenues are heavily dependent on weather and can fluctuate substantially from year to year. Consequently, revenue projections are based on 10 years of data combined with a general analysis of the economic conditions in the area and information about the availability of water in the near-term.

Storm Water Charges - The storm water rate is based on the quantity of impermeable surface for each parcel or residential dwelling. Development decreases the ground surface that can absorb water, so the Town must accommodate this change by improving and increasing the drainage infrastructure to decrease the potential of flooding. Revenue projections are based on trend analysis using data for the past 3 years.

Electric Charges – The electric rate includes both a base rate and a usage per kilowatt hour rate for consumption. The base rate is used to maintain and improve the electrical system and to provide lighting for street lights and other shared lighting. Revenue projections are based on trend analysis using actual data for the past 3 years.

IMPACT FEES

Impact Fees are charged as a part of the building permit process and allow the Town to take into consideration the effect a new development will have on parks, open space, drainage and streets

among others. Forecasts are completed using trend analysis for the past three years as well as a general analysis of the economic conditions in the area.

OTHER REVENUES

The other revenue category includes revenue from investments, rents, insurance proceeds, reimbursement of expenses and other miscellaneous revenue sources.

REVENUE FROM OTHER AGENCIES - GRANTS

Revenue from grant programs will be recorded here. The Town makes an effort to secure grant funding whenever possible. Grants that the Town has received in the past include law enforcement grants such as LEAF and DUI grants as well as grants for park development and FEMA grants to rebuild after the community sustained damage from flooding. Grant revenues are projected based on the number of open grants available at the beginning of the budget year.

EVENTS & COMMUNITY ACTIVITIES

This category reflects revenues that can be contributed to specific community events and actions such as Miners Day, the Farmer's Market, Frederick in Flight as well as several other events. Trend analysis is used for these revenue projections.

CONSERVATION TRUST (LOTTERY) PROCEEDS

Municipal lottery proceeds are based upon the most current population estimates prepared by the Division of Local Government. Funds can only be used for the acquisition, development, and maintenance of new conservation sites, or for capital improvements to or maintenance of recreational purposes on any public site. Trend analysis is used to forecast these revenues.

SPECIFIC OWNERSHIP TAX

The Specific Ownership Tax is paid by owners of motor vehicles, trailers, semi-trailers, and trailer-coaches in lieu of all ad valorem taxes on motor vehicles. The amount of the tax paid is a function of the class, age, and value of the vehicle. Generally, the amount of tax paid decreases with the age of the vehicle. Specific Ownership Taxes for Class A vehicles, which includes any motor vehicle, truck, truck tractor, trailer or semi-trailer used to transport persons or property over public highways for compensation are paid to the County. The County then remits the Frederick's portion to the Town each month. The Town uses trend analysis to project these revenues.

BUDGET OVERVIEW - REVENUES

ROAD AND BRIDGE

Weld County imposes a separate countywide mill levy for construction and maintenance of roads and bridges. Funds are shared with local governments and are distributed based on the percent of assessed valuation to total countywide assessed valuation. Revenues are forecast using trend analysis.

HIGHWAY USER'S TAX

The Highway User's Tax Funds (HUTF) is a state collected, locally shared revenue. HUTF revenues are based on a variety of formulas that include revenues based on motor fuel taxes, driver's license, and motor vehicle registration fees. The HUTF is distributed monthly among the state, counties, and municipalities based on a formula that takes into account the number of vehicles registered and the miles of streets in each municipality relative to the same data in other municipalities. These funds may be spent on new construction, safety, reconstruction, improvement, repair and maintenance, and capacity improvements. These sources may not be used for administrative purposes. Highway User's Tax is forecast based on information provided by the state.

MOTOR VEHICLE REGISTRATION FEES

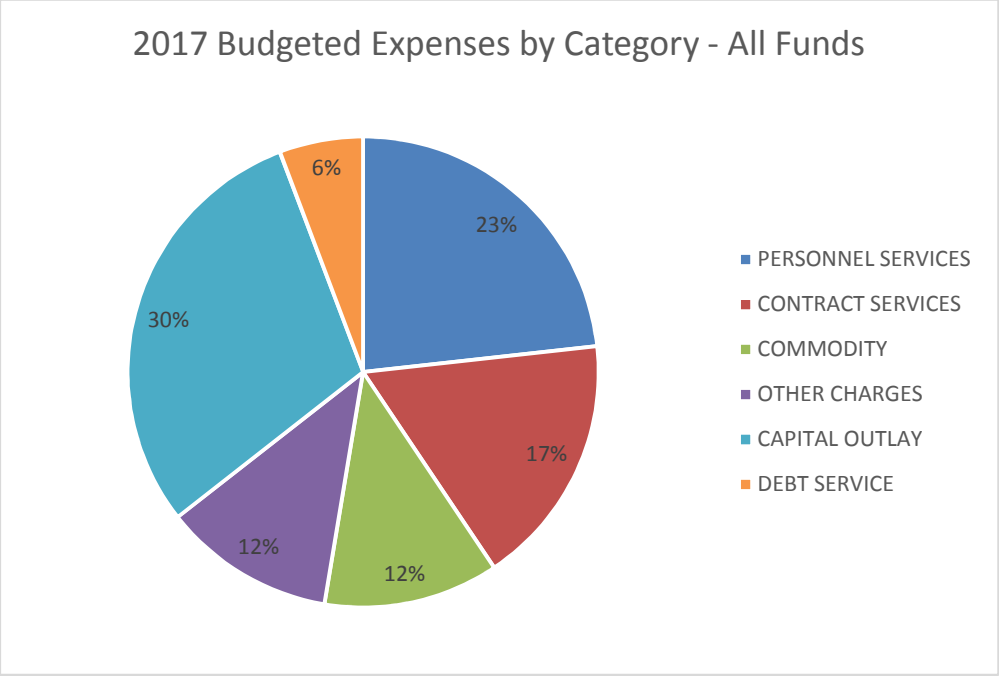
Motor Vehicle Registration Fees are State imposed on the registration of a vehicle. Fees are primarily based on the weight of the vehicle (as published by the manufacturer) and the age of the vehicle. In addition to the base fees, there are numerous add-on fees that are imposed. The revenue received by a county, or town is "actual" fees collected for the month based on the number and type of vehicles registered. Trend analysis is used to project future revenues.

BUDGET OVERVIEW - EXPENDITURES

EXPENDITURES/EXPENSE OVERVIEW

The Town of Frederick categorizes the expenses in each fund by function. The categories of expenses include: Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Each category is detailed below.

The following chart consolidates and summarizes the Town's expenses by category:



PERSONNEL SERVICES

This category includes all costs associated with Town personnel including salaries/wages, payroll taxes, unemployment taxes, health insurance, workers compensation insurance, and retirement contributions. Costs for this category are calculated by allocating each employees time and associated costs to the appropriate fund/funds. As a service based entity, this is one of the largest expenses for the Town as a whole.

CONTRACT SERVICES

The contract services category includes all expenses that the Town incurs with businesses or individuals on a regular contract type basis. Examples of such expenses include consulting

services, engineering services, legal services, architectural services, infrastructure maintenance, concrete replacement, economic development, crack sealing, street striping, billing services, utility bill printing, advertising, auditing, postage, copy machine maintenance, software maintenance, investment banking, etc.

COMMODITY

This category includes all items purchased in the normal course of business and includes items such as computers and software, fuel, general supplies, office supplies, small tools, small equipment, safety supplies, lab supplies, uniforms, meter supplies, vehicle supplies, ice slicer, mosquito control supplies, etc.

OTHER CHARGES

The other charges category includes items that are one-time or miscellaneous expenses including branding, commission grants, youth programming, Thanksgiving In A Box, general liability insurance, professional memberships, election expenses, Community BBQ Tour, depreciation, plant investment fees, electric rebates, tree voucher program, etc.

CAPITAL OUTLAY

Items expensed in this category must meet the requirements of a capital purchase. To qualify the item must have a purchase price that is $5,000 or greater and must have a life expectancy of more than one year. Examples of costs in this category include large equipment such as fork lifts, commercial mowers, street sweepers, plow trucks, electric transformers, new parks, new buildings, building remodels, infrastructure expansions, new waterlines, playground equipment, new streets, new trails, bridges, street lights, street widening, etc.

DEBT SERVICE

Debt service items are costs associated with approved debt issuances for the Town. The debt can be the result of a bond issuance, lease purchase, or other contractual obligation. The Town currently allows the individual funds account for their individual debt and does not roll it all together in a debt service fund.

BUDGET OVERVIEW - DEBT

DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of the Town of Frederick's debt service and financial obligations are appropriated each budget year.

LEGAL DEBT LIMIT

The Town of Frederick is a statutory Town. The Colorado Revised Statues provides that general obligation indebtedness for all purposes shall not at any time exceed 3 percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the Town.

As of December 31, 2016, the Town has general obligation debt outstanding. The Town's debt is within the legal debt limit as demonstrated by the table below:

Estimated Actual Value (determined by County Assessor)	$1,327,989,096
Debt Limit: 3% of Actual Value	$39,839,672
Total Bonded Debt	$3,535,000
Legal Debt Margin	$36,304,672
Total Bonded Debt Applicable to Limit as a % of Debt Limit	8.87%

The Town also has a lease purchase agreement for the Public Works Building. The payment is made out of the Capital Facilities Fund. The payment is $84,820 per year and the lease ends in July 2033.

Public Works Building	$2,056,976

GENERAL OBLIGATION BONDS, SERIES 2015A

In 2015, the Town of Frederick issued $3,030,000 of General Obligation Bonds to refinance debt that was originally issued in 2006 to reconstruct Colorado Blvd north of Highway 52 to Bella Rosa. This project included the median and lighting improvements.

The following is detail of principal and interest requirements by year:

2015A Sales & Use Tax Street Bond

Year	Principal	Interest	Total
2015	$240,000	$71,187.50	$311,187.50
2016	$220,000	$95,700.00	$315,700.00
2017	$225,000	$91,300.00	$316,300.00
2018	$225,000	$86,800.00	$311,800.00
2019	$235,000	$80,050.00	$315,050.00
2020	$240,000	$73,000.00	$313,000.00
2021	$245,000	$65,800.00	$310,800.00
2022	$260,000	$56,000.00	$316,000.00
2023	$270,000	$45,600.00	$315,600.00
2024	$280,000	$34,800.00	$314,800.00
2025	$290,000	$23,600.00	$313,600.00
2026	$300,000	$12,000.00	$312,000.00
Total	$3,030,000	$2,641,028	$3,765,837.50

GENERAL OBLIGATION BONDS, SERIES 2015B

In 2015, the Town of Frederick issued $1,105,000 of General Obligation Bonds to reconstruct sections of Colorado Blvd. and 5th Street for better traffic flow and to reduce accidents.

The following is detail of principal and interest requirements by year:

2015B Sales & Use Tax Street Bond

Year	Principal	Interest	Total
2015	$80,000	$16,397.78	$96,397.78
2016	$60,000	$36,000.00	$96,000.00
2017	$60,000	$34,800.00	$94,800.00
2018	$60,000	$33,600.00	$93,600.00
2019	$65,000	$31,800.00	$96,800.00
2020	$65,000	$29,850.00	$94,850.00
2021	$70,000	$27,900.00	$97,900.00
2022	$70,000	$25,800.00	$95,800.00
2023	$75,000	$23,000.00	$98,000.00
2024	$75,000	$20,000.00	$95,000.00
2025	$80,000	$17,000.00	$97,000.00
2026	$80,000	$13,800.00	$93,800.00
2027	$85,000	$10,600.00	$95,600.00
2028	$90,000	$7,200.00	$97,200.00
2029	$90,000	$3,600.00	$93,600.00
Total	$1,105,000	$331,347.78	$1,436,347.78

STRATEGIC PLAN

OUR STRATEGIC FOUNDATION

Our Mission

Provide a safe, inviting, and culturally vibrant community that fosters economic growth and opportunity through diversity and creativity, while preserving our heritage.

Our Vision

A diverse and progressive community rich in opportunity and tradition.

OUR STRATEGIC FOUNDATION

Strategic Foundation	Objectives & Strategies
Facilities & Infrastructure The Town of Frederick operates and maintains a broad range of facilities and infrastructure which are critical to our community, including buildings, roadways, water lines, storm water and electric utilities, etc. As the Town continues to grow, additional facilities and infrastructure will be necessary to meet the needs of the community and its residents. Limited federal and state funding necessitates that we balance the costs to provide, staff and maintain new assets with the demands of maintaining our existing facilities and infrastructure. We will continue to partner with other agencies and special districts such as the Central Weld County Water District, the Left Hand Water District and the St. Vrain Sanitation District to ensure service excellence for our citizens.	**I. Provide a high quality and reliable water supply and manage drainage appropriately.** A. Meet or exceed all State and Federal standards, and keep complete and accurate records of all testing and results B. Ensure new development provides system improvements that meet Town standards C. Maintain existing infrastructure in all areas of Town D. Partner with outside agencies when appropriate to continue to provide high quality, cost effective service to our customers **II. Maintain an adequate and safe transportation system.** A. Maintain acceptable levels of accessibility and service life for all roads with Town limits B. Maintain appropriate signage throughout Town C. Continue to explore options related to public transportation by partnering with State and Local agencies **III. Provide and maintain safe, reliable and cost effective electric service.** A. Partner with outside agencies as needed to meet the needs of our community B. Meet or exceed all Local, State and Federal standards related to safety, efficiency and reliability C. Continue to seek innovations related to electric service, in order to provide reliable and cost effective service to our customers

	IV. New and existing buildings and facilities. A. Ensure proper maintenance, upkeep and security for all Town-owned and leased buildings, structures, water storage facilities, equipment and material storage facilities, property, recreation areas and other Town assets B. Ensure new development is environmentally sound, sustainable, and can provide the resources necessary to support the cost of new infrastructure and facilities required to serve that development

OUR STRATEGIC FOUNDATION

Strategic Foundation

Economic & Community Vitality

Economic vitality refers to a community's capacity to be economically competitive, resilient and attractive to private and public enterprise. This requires strength to withstand the ups and downs of an economic cycle. To remain economically vital, Frederick must grow its economy, diversify its capital, and attract and retain talent. Community vitality refers to our town's diversity, adaptability, and sustainability as an inclusive and participative community. In order for our community to remain vital, we must maintain our local charm and character while accommodating new residential, commercial and light industrial development. Employing smart planning techniques will allow us to hold on to our small-town feel, while we continue to create diverse housing and business opportunities for residents and business owners alike. An economically vital Frederick will require a team effort

Objectives & Strategies

I. Economic Development.

A. Invest in public improvements, and encourage business, residential, and land owners to do the same

B. Support the efforts of the Frederick Downtown Business Association

C. Create an economic development plan with focuses on the Downtown area, industrial park development, retail corridors, and primary employment.

D. To continue downtown revitalization efforts, evaluate the value and need for a Business Improvement District (BID)

E. Diversify the economic revenue based by establishment of new commercial retail development

II. Neighborhood Livability.

A. Create neighborhoods with diverse housing types and affordability

B. Maintain and enhance attractive neighborhoods in compliance with the Town's Comprehensive Plan

C. Cultivate partnerships with residential neighborhoods and HOA's that foster quality neighborhoods

D. Direct and guide growth in the community through appropriate annexation, zoning, planning, and land use development

III. Community Vitality.

A. Promote a healthy community by providing opportunities for all community members to lead healthy and active lifestyles

B. Provide and maintain park and trail systems within and between neighborhoods

between regional organizations, neighboring municipalities and other public entities, and the private sector.	C. Actively engage with residents and other community members to promote awareness of and participation in town-sponsored and other community events and amenities D. Partner with special districts and other outside agencies to strengthen our position as a regional cultural and recreational destination E. Protect our Brand's integrity and use it to increase visibility and awareness of Frederick, both locally and regionally.

OUR STRATEGIC FOUNDATION

Strategic Foundation	Objectives & Strategies
Fiscal Responsibility & Operational Excellence The Town of Frederick will effectively manage its financial resources. Our staff will strive to deliver excellent services at the most reasonable cost. We will ensure that Frederick citizens receive great value for their tax dollars, and that Town programs, services and capital projects benefit the community as a whole. The Town will continuously refine and improve our effectiveness and methods of service delivery through process improvement and performance measures. We will identify and implement collaboration strategies with other public and private entities in order to ensure excellence. We will continue to strive for public trust and confidence.	**I. Maintain fiscal sustainability and flexibility.** A. Make prudent investments by maintaining a conservative portfolio that safeguards principle while maximizing returns B. Manage debt responsibly by borrowing only for substantial long-term assets C. Maintain our current assets in order to minimize the need for replacement D. Ensure the Capital Plan is sustainable so that reserves are appropriately funded and the operating impact of capital is sustainable and affordable **II. Enhance public trust and confidence.** A. Provide services in an open, honest and forthright manner, and encourage public engagement in local government B. Provide value and excellence to our customers by effectively balancing efficiency and cost containment with innovation and customer convenience C. Respect our customers by providing reasonable and responsible tax and utility rates, while ensuring that priority programs are maintained **III. Deliver efficient, effective and innovative government services.** A. Optimize the use of technology to drive efficiency and productivity, and continue to seek innovative ways to improve performance across all areas of the organization B. Continue to develop and implement safety initiatives to achieve safety goals, and

	continue to focus on employee health and wellness C. Promote a values-driven organizational culture that reinforces ethical behavior, encourages ongoing professional development, and empowers our employees to provide excellent internal and external customer service

Strategic Foundation	Objectives & Strategies
Community Safety The safety of our community and its citizens is of the utmost importance. A sense of safety is vital to the welfare and comfort of those who choose to live here, work here, or visit here. Our challenge is to help generate and foster a sense of community care and pride by partnering with residents to create and support a safe, healthy environment for all who call Frederick home. We will continuously work to promote enhanced levels of public safety, livability, and attractiveness of residential and commercial property throughout our town. We will continue to partner with neighboring municipalities and counties, as well as with special districts such as the Frederick-Firestone Fire Protection District to protect and preserve all we value about living and working in a safe and healthy community.	**I. Provide and maintain public safety in our community.** A. Enhance the public's perception of the importance of community safety through both formal and informal channels B. Be responsive and effective in dealing with reported crime C. Reduce traffic accidents through education, engineering and enforcement D. Respond to quality of life issues impacting the citizens of Frederick E. Ensure the Frederick Police Department has the necessary equipment and personnel training to provide safety and protection to our community and its citizens **II. Emergency Preparedness.** A. Partner with neighboring municipalities and cooperating agencies to maintain an effective Emergency Preparedness program B. Undergo regular training with all stakeholders so that we are well prepared in case of an emergency, and can assist citizens as needed during and after the emergency C. Maintain appropriate levels of financial reserve in the event of a financial emergency, so that the Town operations are minimally disrupted **III. Provide and maintain safe infrastructure in our community.** A. Require building inspections for both new construction and existing remodels in order to ensure uniform safety standards are met

	B. Partner with FFFPD to ensure timely fire inspections of Town-owned and leased buildings C. Provide community education on water and/or electric supply safety D. Maintain landscaping on Town-owned property so that parks and other amenities are safe, attractive, and accessible to our citizens

OUR STRATEGIC FOUNDATION

Strategic Foundation	Objectives & Strategies
Community Amenities The Town of Frederick is dedicated to providing its residents a wide array of regional recreational, cultural, educational and leisure amenities and events, which enhance their quality of life and encourage visitors to come and enjoy what Frederick has to offer. In addition to providing and maintaining numerous parks, trails, playgrounds and other recreational amenities, the Town enjoys close partnerships with special districts such as the Carbon Valley Park and Recreation District, the St. Vrain Valley School District, the High Plains Library District, and others.	**I. Maintain and enhance the current culture, park and trail systems.** A. Maintain the attractiveness and usability of our current amenities such as benches, shade structures, playground and other recreational equipment, historic buildings and public art pieces through regular maintenance and repair B. Maintain the health and beauty of our natural amenities such as Milavec Lake, Bulrush Wetlands and other open space areas C. Maintain an inventory, condition assessment and maintenance program for both natural and man-made amenities within our community to help preserve them for future generations **II. Plan, design and implement culture, park and trail improvements.** A. Provide innovative, creative and interactive features in parks, trails and cultural amenities to promote learning and creativity B. Develop a clear and strategic Public Art Plan that features a variety of mediums that reflect the vibrancy of our community C. Develop effective funding alternatives for current and future amenities

Our Strategic Goals

Our Strategic Goals are items that we aspire to accomplish within a one to ten year timeline and beyond. These goals demonstrate our Vision, exemplify our Mission, and inspire us to live our Values as a community so many are proud to call home.

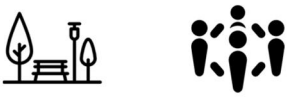
Short-Term Goals (0 – 3 year timeframe)

	Improve street lighting throughout Town.
	Assist in the development of a hotel / conference center.
	Use GPS to locate all used and unused utility lines within Town.
	Complete a Town-wide water service plan.
	Automate raw water meter readings (SCADA)
	Create an emergency plan for all Town owned buildings.
	Implement a cross-connection control program for the Town's water distribution system.
	Update the records management system in the Police department.
	Implement a succession planning program for all positions in the Town of Frederick.
	Improve drainage in the downtown area

Mid-Term Goals (4 – 6 year timeframe)

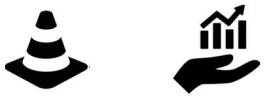
	Continue working on NISP and Windy Gap water projects
	Improve parking in Downtown Frederick
	MS4 Permitting
	Continue to improve sidewalk and trail connectivity both east and west of I-25
	Maintain our streets at a Remaining Service Life (RSL) of 13 or better
	Create a plan/policy regarding affordable housing and senior housing options within Frederick
	Rebrand all street signs in town with the new Frederick logo
	Perform updates to the amenities in Crist Park
	Install fitness stations/signage on trails throughout Frederick.

Long-Term Goals (7 – 10 year timeframe)

	Create a Civic Center complex to house government offices
	Work expansion of public transportation in and around Frederick
	Build a cultural/performing arts/multi-use center
	Move to raw water irrigation in all parks
	Continue to encourage economic development and retail expansion in Frederick
	Pave all gravel roads within the Town limits
	Widening of Hwy 52 – CDOT/Dacono partnership
	ADA compliance for all streets, sidewalks, and other public right-of-ways throughout Town

On-Going Goals

These goals do not have a strict timeline attached to them. They are things that we are always working on.

	Ensure that all master plans are updated regularly
	Keep Town's standards, codes, specs, etc. updated to ensure compliance with all local, state and federal laws
	Maintain existing infrastructure and facilities. Ensure proper care and maintenance of all Town assets
	Ensure sidewalk and trail connectivity in all new developments in Frederick
	Continue to seek state and federal grant funding opportunities
	Explore affordable housing options within Frederick
	Maintain a 100-day reserve fund balance in all funds, and a 150-day reserve fund balance in the general fund
	Continued process improvement training for Town staff, and continued work on succession planning
	Continued focus on economic development and retail expansion in Frederick. Attract primary job providers
	Continued emergency preparedness/EOC training

OUR STRATEGIC FOUNDATION

	Maintain safe playgrounds and parks by maintaining landscaping and trees and performing regular playground safety checks
	Focus on environmental protection by holding oil & gas companies accountable for following safety regulations and implementing public improvements

LONG RANGE PLAN

The Town of Frederick has a long-term plan for the General Fund that includes revenues and expenditures projected out for the next 9 years beyond the current year budgeted. This plan is helpful for the financial planning for this fund given a set of assumptions.

FORECAST ASSUMPTIONS

- Revenues
  - The revenue projections for the model have been calculated using trend analysis and economic factors for each category of revenue. An adjustment has been included in revenues beginning in 2019 that reflects an increase in the sales tax rate of 1.0%.
  - In 2019 we also anticipate that an economic development project consisting of 50 acres will begin construction generating additional sales and property tax revenues.
- Expenditures
  - The inflation factor used in the model is for expeditures is 2.125% for 2018 through 2020.
  - The inflation factor used in the model is for expeditures is 2.875% for 2021 through 2024.
  - The inflation factor used in the model is for expeditures is 3.25% for 2025 through 2026.
  - Capital expenditures have been projected based on our current equipment schedules and anticipated increases in staffing.

ANALYSIS

The plan as presented, depicts years where the revenues exceed the expenditures and years where the expenditures exceed revenues. In the years where expenditures exceed revenues, existing fund balance may be utilized to balance the budget. While this is an acceptable approach from a statutory perspective, it is not ideal. While it will allow the Town to meet existing service commitments, it will not meet the Board objective of maintaining a minimum of 150 days of operating costs in reserves. This long-term projection helps to show the potential resources that may be available and identify areas where additional resources are likely to be needed if the local residential growth trends remain the same as they have been in the recent past. There will be difficult decisions that have to be made in the near term to ensure long-term financial stability. The Town Manager has discussed this issue directly with the Mayor and Trustees.

LONG RANGE PLAN

General Fund	2015 Actuals	2016 Adopted Budget	2016 Projected Budget	2017 Projected	2018 Projected	2019 Projected
Beginning Fund Balance	4,047,480	4,318,974	4,318,974	3,900,350	2,590,312	1,641,285
Revenues:						
Taxes & Fees	3,958,849	3,495,795	3,923,930	3,496,560	4,034,009	5,602,918
Licenses & Permits	988,535	569,600	764,108	600,000	609,924	823,648
Fines & Forfeitures	105,128	105,000	105,000	100,000	113,451	112,763
Earnings on Investment	4,847	2,000	8,620	3,400	3,839	3,942
Miscellaneous Revenue	141,994	57,000	50,562	57,000	62,226	62,660
Grants & Contributions	167,437	53,000	528,000	95,130	80,028	100,546
Transfers In	76,046	650,000	-	414,000	400,000	400,000
Total Operating Revenues	5,442,836	4,932,395	5,380,220	4,766,090	5,303,477	7,106,477
Operating Expenditures:						
Administration	682,270	962,015	931,784	944,818	941,871	969,864
Finance	117,124	150,780	142,660	170,410	176,128	182,058
Courts Division	113,120	148,910	118,200	146,110	140,217	144,313
Legislative	295,921	489,395	648,215	497,990	460,858	468,185
Engineering	167,592	184,260	171,000	178,560	184,687	191,045
Planning	443,437	374,660	373,814	412,570	427,484	442,971
Police	2,384,660	2,797,755	2,638,572	2,811,960	2,981,771	3,090,215
Public Works & Buildings	335,948	447,195	378,515	369,850	379,487	389,431
Transfers Out	105,000	50,000	-	40,860	40,000	40,000
Total Operating Expenditures	4,645,071	5,604,970	5,402,760	5,573,128	5,732,504	5,918,081
Net Operating Revenues (Loss)	**797,765**	**(672,575)**	**(22,540)**	**(807,038)**	**(429,026)**	**1,188,396**
Capital Expenditures:						
Administration	76,046	650,000	47,646	400,000	400,000	400,000
Finance	0	0	0	0	0	0
Courts Division	0	0	0	0	0	0
Legislative	346,459	605,500	239,570	86,000	0	0
Engineering	0	0	0	0	0	0
Planning	0	0	0	0	0	0
Police	8,140	113,500	108,868	0	80,000	90,000
Public Works & Buildings	95,626	25,000	0	17,000	40,000	0
Total Capital Expenditures	526,271	1,394,000	396,084	503,000	520,000	490,000
Net Change in Fund Balance	271,494	(2,066,575)	(418,624)	(1,310,038)	(949,026)	698,396
Ending Fund Balance	4,318,974	2,252,399	3,900,350	2,590,312	1,641,285	2,339,681

2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected
2,339,681	2,976,894	3,708,594	4,434,489	5,178,686	5,825,091	6,434,964
5,850,381	6,081,465	6,307,858	6,522,729	6,741,804	6,961,311	7,184,481
834,926	860,428	868,569	901,988	929,022	953,914	972,362
112,074	111,386	110,697	110,009	109,320	112,779	112,929
4,048	4,158	4,273	4,392	4,515	4,643	4,776
51,159	59,656	59,750	59,886	60,067	60,293	60,565
111,574	120,558	127,316	136,023	147,623	159,377	165,863
400,000	400,000	400,000	-	-	-	-
7,364,162	7,637,650	7,878,462	7,735,027	7,992,351	8,252,317	8,500,975
978,831	1,012,299	1,046,964	1,082,869	1,120,062	1,160,681	1,202,799
188,209	195,048	202,143	209,505	217,143	225,321	233,812
148,549	153,556	158,739	164,106	169,663	175,761	182,082
475,639	487,798	500,273	513,070	526,200	542,195	558,679
197,641	204,910	212,453	220,282	228,408	237,076	246,076
459,052	476,418	494,453	513,183	532,637	553,209	574,582
3,270,834	3,394,975	3,591,914	3,728,560	3,938,495	4,159,110	4,320,402
399,695	412,447	425,628	439,253	453,339	469,091	485,402
40,000	40,000	40,000	40,000	40,000	40,000	40,000
6,158,450	6,377,450	6,672,567	6,910,829	7,225,946	7,562,444	7,843,834
1,205,713	**1,260,200**	**1,205,895**	**824,197**	**766,405**	**689,873**	**657,140**
408,500	400,000	400,000	0	0	0	0
0	40,000	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
160,000	88,500	80,000	80,000	120,000	80,000	80,000
0	0	0	0	0	0	0
568,500	528,500	480,000	80,000	120,000	80,000	80,000
637,213	731,700	725,895	744,197	646,405	609,873	577,140
2,976,894	3,708,594	4,434,489	5,178,686	5,825,091	6,434,964	7,012,105

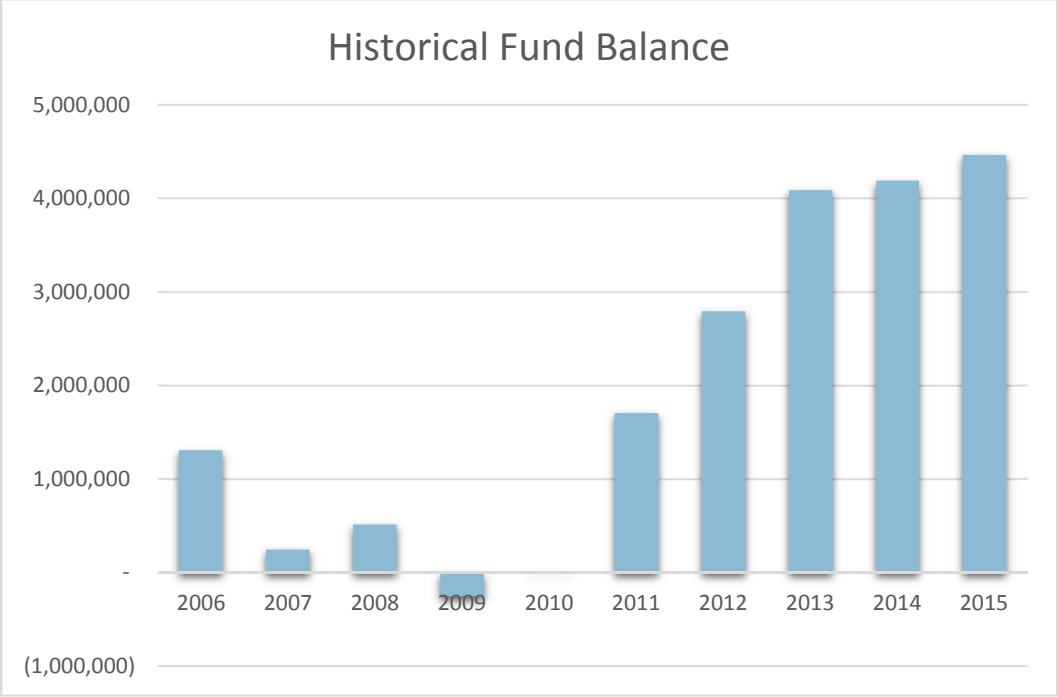
FUND SUMMARIES

GENERAL FUND

General Fund

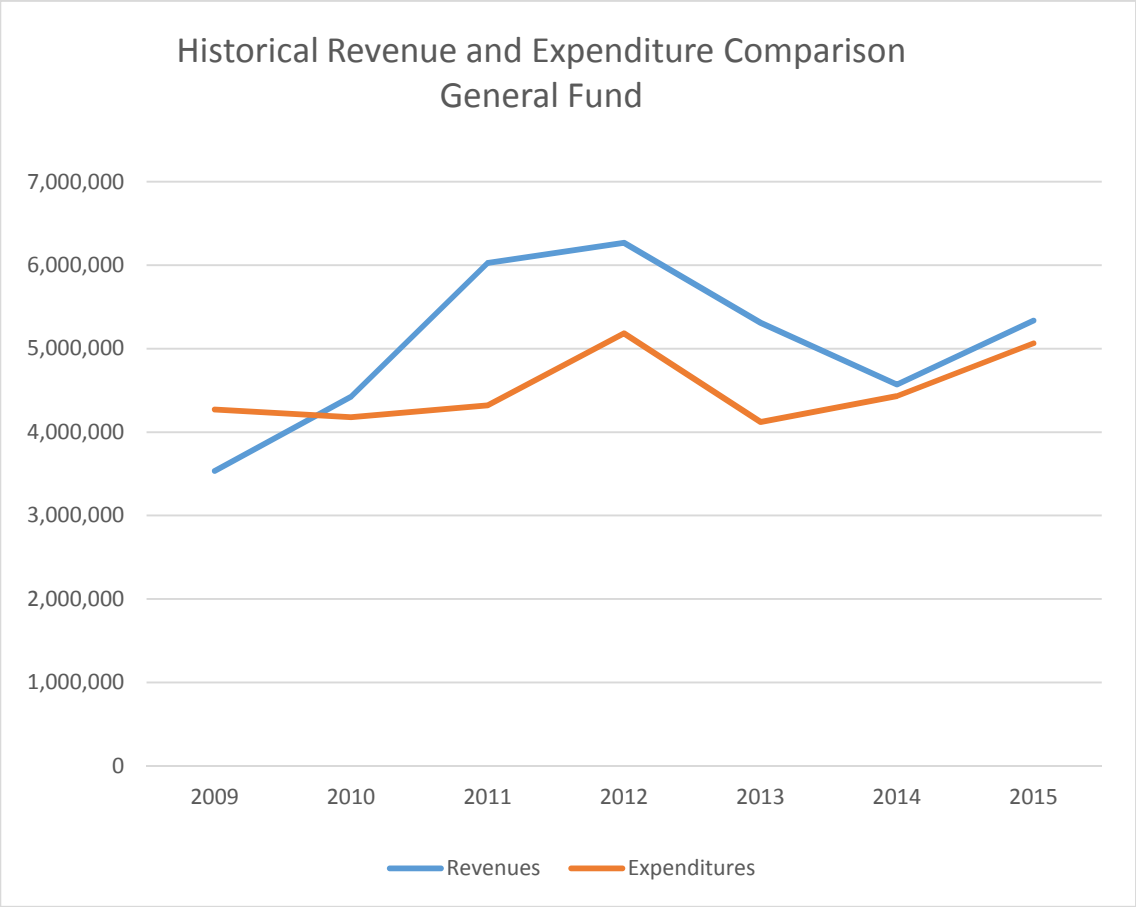
The General Fund accounts for all financial resources except those required by Federal, State or local regulation to be accounted for in another fund. The revenues and expenditures in this fund are accounted for using a modified accrual basis. Services that are included in the General Fund include: town administration, police protection, legal services, planning, engineering, human resources, and facility maintenance.

One of the primary goals of the Town is to maintain a healthy fund balance. In recent years, the revenue collected has exceeded expenditures which provided the Town an opportunity to build cash reserves that can be used when needed. Currently, the 2017 budget as planned provides the Town with reserves equivalent to 171 days of operating expenses. Prudent financial planning over the years has allowed the Town to maintain a rating of AA with Standard and Poor's. The following graph depicts the changes in the fund's balance for the Town. The fund balance reflects the impact of the recession beginning in 2007. The more recent economic rebound and resulting budget surpluses are also evident.



Note: The Historical Fund Balance chart combines the fund balance for the General Fund, Art in Public Places Fund, Events Fund, and the Historical Preservation Fund. The audited financials combine the 3 small governmental funds with the much larger General Fund for reporting purposes.

The increases in fund balance in recent years are the result of budget surpluses. A budget surplus occurs when the revenue received is higher than the expenses incurred. As the following graph illustrates, the Town has had budget surpluses in the General Fund from 2010 - 2015. Again, the recession that took place before 2010 is evident in its impact on revenues as is the economic upturn of more recent years.



While the ecomony is continuing to improve, the fund balance is expected to decrease in 2017. Revenue projections for the year have been conservatively estimated and expenditures have been estimated with just over a 4% increase compared to 2016. Revenues for the General Fund are primarily tax based. Currently, the Town has the 4th lowest mill levy in the county (a home in Frederick with a value of $250,000 pays the Town $130.44 per year in property taxes) and the 6th lowest sales tax rate in the county. When low tax rates are combined with very rapid residential

growth, demand for services increases faster than the revenue necessary to meet those expectations. In the long-term, to meet demand, an in-depth analysis will be critical for this fund, in terms of revenue streams as well as service levels.

The 2017 Budget includes revenues and transfers in totaling $4,766,090, a decrease of $166,305 compared to the 2016 Budget. This decrease is primarily due to conservative projections in revenue categories associated with fluctuating oil and gas production in the area. The 2017 Budget includes expenditures of $6,035,268 and transfers of $40,860. This amount is $922,842 lower than what was budgeted in 2016. The decrease is due to a decrease in planned capital projects in 2017 in the General Fund.

FUND SUMMARIES

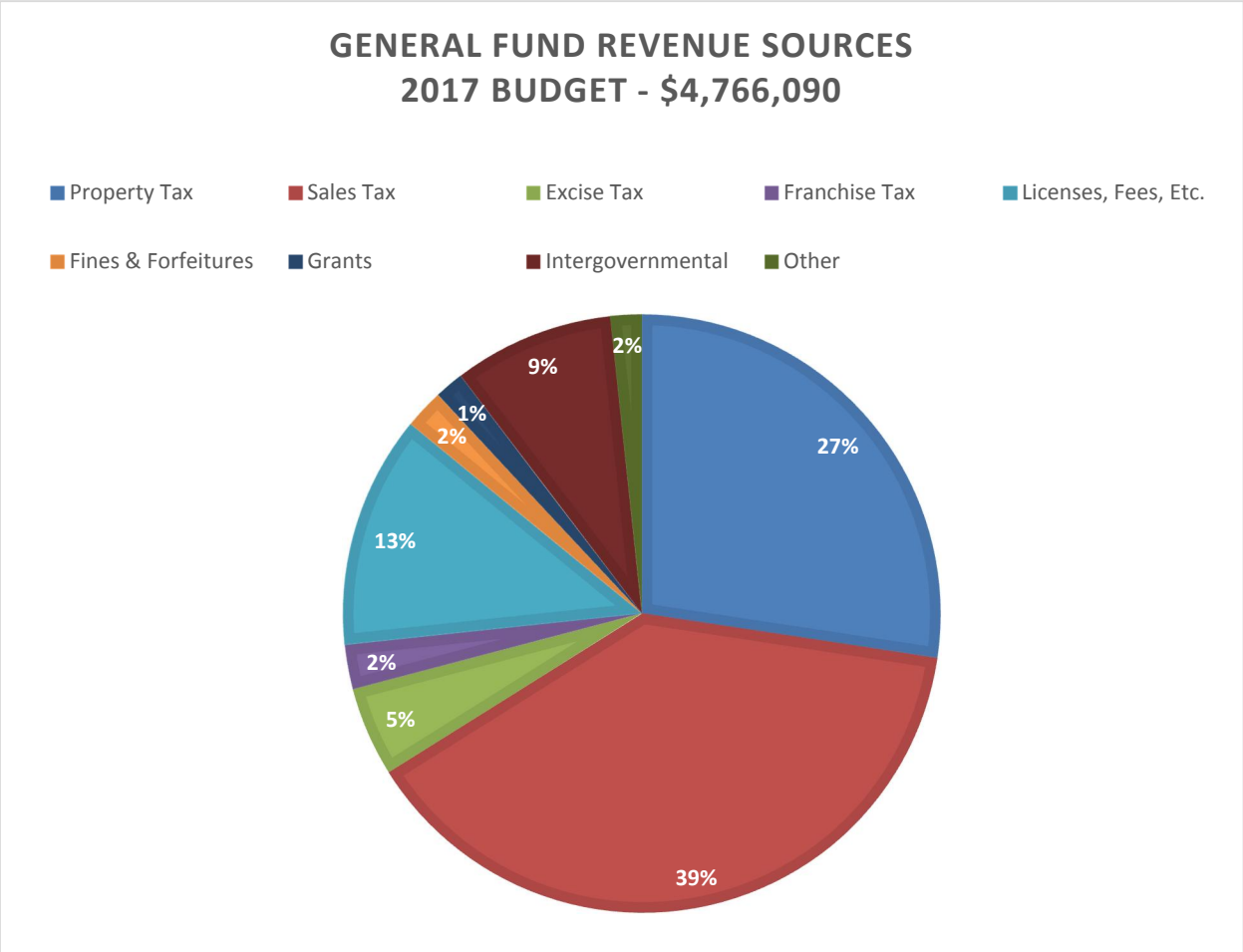
GENERAL FUND BUDGET

General Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	4,047,480	4,318,974	4,318,974	3,900,350
Revenues:				
Taxes & Fees	3,958,849	3,495,795	3,923,930	3,496,560
Licenses & Permits	988,534	569,600	764,108	600,000
Fines & Forfeitures	105,128	105,000	105,000	100,000
Earnings on Investment	4,847	2,000	8,620	3,400
Miscellaneous Revenue	141,994	57,000	50,562	57,000
Grants & Contributions	167,437	53,000	528,000	95,130
Transfers In	(28,954)	650,000	-	414,000
Total Operating Revenues	5,337,835	4,932,395	5,380,220	4,766,090
Expenditures:				
Administration	758,316	1,612,015	979,430	1,344,818
Finance	117,124	150,780	142,660	170,410
Courts Division	113,120	148,910	118,200	146,110
Legislative	642,380	1,094,895	887,785	583,990
Engineering	167,592	184,260	171,000	178,560
Planning	443,437	374,660	373,814	412,570
Police	2,392,800	2,911,255	2,747,440	2,811,960
Public Works & Buildings	431,574	472,195	378,515	386,850
Transfers Out	-	50,000	-	40,860
Total Expenditures	5,066,342	6,998,970	5,798,844	6,076,128
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**271,494**	**(2,066,575)**	**(418,624)**	**(1,310,038)**
Ending Fund Balance	**4,318,974**	**2,252,399**	**3,900,350**	**2,590,312**

FUND SUMMARIES

GENERAL FUND REVENUES

General Fund revenues are primarily made up of property taxes, excise taxes, licenses, fees, fines, grants, franchise taxes, donations, interest and other intergovernmental funds. Taxes make up 73% of the total revenues projected for 2017. The chart below shows the proportion of each major revenue source to the total General Fund Revenues.



FUND SUMMARIES

The General Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2017.

General Fund Revenue Sources		
Source	**Amount**	**% of Total**
Property Tax	1,305,060	27.38%
Sales Tax	1,845,000	38.71%
Excise Tax	231,000	4.85%
Franchise Tax	114,000	2.39%
Licenses, Fees, Etc.	600,000	12.59%
Fines & Forfeitures	101,500	2.13%
Grants	75,130	1.58%
Intergovernmental	414,000	8.69%
Other	80,400	1.69%

GENERAL FUND EXPENDITURES

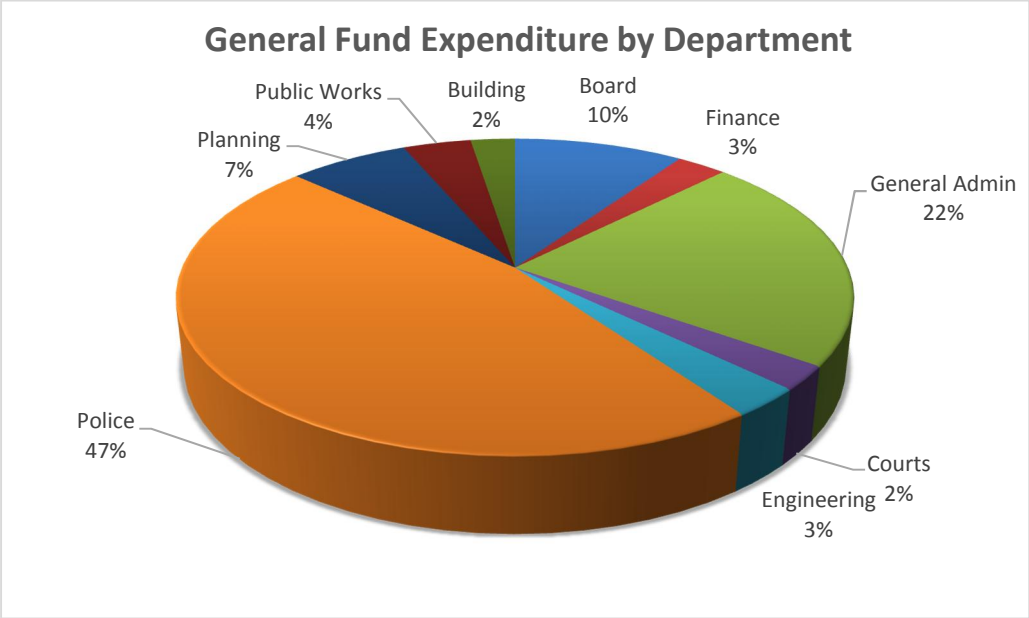
Expenditures in the General Fund are separated by department and/or division and then by category. The departments/divisions that exist in the General Fund are the Board, General Administration, Finance, Courts, Engineering, Police, Planning, Public Works and Buildings. The expense categories that are used include Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Capital Outlay for the 2017 Budget includes an expense of $86,000 for completion of the gateway project, $400,000 for obligations associated with development and $17,000 in needed building maintenance. The only recurring capital expense is the $400,000 which is also associated with a $400,000 interfund transfer to cover the costs.

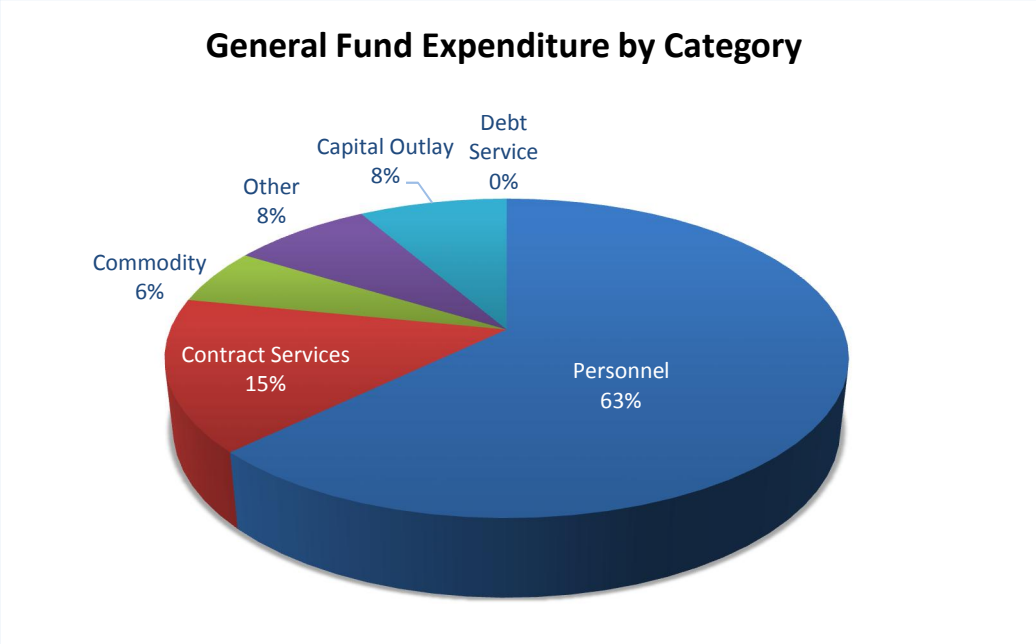
GENERAL FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Board	15,930	307,850	6,500	167,710	497,990	86,000	---	583,990
Finance	126,470	24,440	13,050	6,450	170,410	---	---	170,410
General Admin	533,245	257,888	23,830	129,855	944,818	400,000	---	1,344,818
Courts	76,620	63,150	5,100	1,240	146,110	---	---	146,110
Engineering	137,960	17,250	18,150	5,200	178,560	---	---	178,560
Police	2,385,280	110,700	208,950	107,030	2,811,960	---	---	2,811,960
Planning	349,015	19,620	36,850	7,085	412,570	---	---	412,570
Public Works	143,250	46,900	20,700	23,100	233,950	---	---	233,950
Building	20,300	82,500	6,000	27,100	135,900	17,000	---	152,900
Totals	$3,788,070	$930,298	$339,130	$474,770	$5,532,268	$503,000	$0	$6,035,268
Total Cash Available								$ 8,625,580
Ending Fund Balance								2,590,312
% of Total Budge	62.77%	15.41%	5.62%	7.87%	91.67%	8.33%	0.00%	100.00%

FUND SUMMARIES

The services that are provided by the General Fund are very labor intensive, especially with regard to police services and the expenditures reflect this with personnel costs making up 63% of the costs. The charts below detail the expenditures for the General Fund by department and by category.





GENERAL FUND

DEPARTMENT SUMMARIES

ADMINISTRATION

Administration Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	407,561	438,710	438,710	533,245
Contract Services	165,208	224,135	277,120	257,888
Commodity	20,265	25,990	13,100	23,830
Other Charges	89,227	273,180	200,500	129,855
Total Operating	682,261	962,015	929,430	944,818
Capital Outlay	76,046	650,000	50,000	400,000
Debt Service	-	-	-	-
Total Expenditures	758,307	1,612,015	979,430	1,344,818
FTE's	4.50	4.50	4.50	5.05

Overview and Description

The Town of Frederick General Administration office is made up of the Town Manager, Town Clerk, Human Resources, and Community Relations. Below is an overview of the specific tasks and responsibilities within the Administration.

TOWN MANAGER

The Town Manager is appointed by the Mayor and Town Board and serves at the pleasure of the Town Board. The Town Manager's Office is responsible for managing and coordinating the day to day operations of the Town and responsible for the enforcement of all policies, laws, and ordinances. The Town Manager implements the Town Board goals and objectives and is responsible for the coordination of all municipal programs and services and making recommendations to the Mayor and Town Board as appropriate concerning the operation, affairs and future needs of the Town. The Town Manager participates in Town Board meetings without the right to vote and to keep the Town Board advised on the operation, financial condition, and needs of the Town.

A duty that is the direct responsibility of the Town Manager is the preparation of the Town's annual budget. The budget reflects the expected revenue and projected expenses for the ensuing year, and is the subject of public hearings. The Town Manager, in carrying out the responsibilities

of fiscal planning and of other areas of Town government, has the authority to appoint the heads of the various administrative departments and divisions.

Anticipated this year will be the addition of a new Deputy Town Manager as directed by the Board during the May 2016 Board retreat. This will help to streamline projects and coordinate and give additional assistance to departments as work volume changes from time to time. This individual will operate as the CAO in the Town Manager's absence during any time.

TOWN MANAGER GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Identify and secure economic development opportunity at Colorado Blvd. and Hwy 52
	Establish at least 25 new primary jobs to the community
	Complete the improvements to Tipple Parkway between Silver Birch and East Frontage Road
	Complete cultural changes in the organization and ensure their place as the foundation of the organization
	Complete former Public Works redevelopment project

TOWN MANAGER KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of local business owners met with annually	62	77	83
	Percent completion – updating strategic plan	n/a	15%	100%
	Percent completion – succession planning	n/a	10%	40%
	Community Partner contacts/meetings (monthly average)	101	111	156
	Bond rating by Moody or Standard and Poor's	AA	AA	AA

COMMUNITY RELATIONS

Community Relations serves the communications, community programming and events function for the Town of Frederick. This includes public relations (PR) and media relations duties such as press releases, articles, press kits, press events (i.e. park openings, art dedications, etc.) and creating other communications for residents such as social media, the weekly email newsletter and the monthly newsletter that is included with utility bills. It also includes community programming such as the Community BBQ Tour and the Adopt a Place Program. The Community Relations Manager along with the ETS Manager are responsible for all facets of web design, implementation, project coordination, site appearance, navigation, search engine optimization, ongoing maintenance, content management and workflow. The Community Relations department is also responsible for the extension and protection of the new brand which includes marketing materials (the Community Spotlight, the general information brochure, etc.), local and regional advertising and advising other departments on the successful implementation of the brand in necessary projects as well as advocating for the proper use of the brand. Community Relations also coordinates and manages all of the town's community events such as Miners Day, Frederick in Flight, DIY Day, Chainsaws and Chuckwagons, Downtown Sounds, the weekly summer/fall Frederick Market and the Frederick Festival of Lights tree lighting in December. It also serves as chair of the Miners Day Committee and is responsible for coordinating youth programming throughout the community. Community Relations also supports other departments by creating

communications, marketing materials, and advising from a communications perspective on necessary projects.

COMMUNITY RELATIONS GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Create or enhance one community program/event in partnership with community organizations (FFFPD, CV library, CV Chamber of Commerce, CV Rec District)
	Extend the brand to a regional audience while continuing to promote locally
	Extend regional draw to multiple existing events
	Work with all departments to communicate about the work they are doing
	Focus on trends when researching, identifying and utilizing new communication tools
	Identify and create youth-centric partnerships in order to expand youth programming (Career Expo with FHS)
	Implement plan for new resident call initiative

COMMUNITY RELATIONS KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of Facebook engagements	53,480	144,893	163,627
	Number of visits to website	110,226	158,603	188,817
	Website Reading Ease Score	n/a	n/a	9.4
	Number of Frederick Flash Subscribers	362	545	801
	Number of monthly newsletter stories	98	112	126
	Number of press releases	35	33	29

HUMAN RESOURCES

The Human Resources department is responsible for the day to day management and the overall direction of the Town's Human Resources programs and activities. The Human Resources Director oversees all activities surrounding employee pay, benefits, performance evaluation, worker's compensation, safety and risk management, personnel policies and procedures, recruiting and staffing, and general liability insurance for the Town.

HUMAN RESOURCES GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Continue working on succession planning as necessary to ensure that operations continue successfully in the event a vacancy occurs
	Implement and evaluate the new CivicHR Performance Evaluation system to ensure timely and effective annual employee performance evaluations
	Continue working with the Safety Committee to evaluate all safety-related issues including emergency preparedness, in an attempt to reduce our costs related to personal injury and property loss claims

HUMAN RESOURCE KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Percent turnover	14.5%	10.2%	17.7%
	Number of vacant positions posted	5	5	9
	Property Casualty – number of claims	2	11	2
	Property Casualty – annual cost of claims	$1,954	$38,590	$500
	Workers Compensation Average time to report claim (in days)	1.67	1.86	.92
	Workers Compensation Annual cost of claims	$47,750	$58,797	$61,071

TOWN CLERK

The Frederick Town Clerk is the official keeper of all Town documents. This includes maintaining records, implementing the State Archive approved record retention and record retrieval. The clerk's office utilizes a program that is essentially an electronic filing cabinet that enables staff to access information easily. The clerk's office is responsible for completing all open records requests in a timely manner and managing the process in which said requests are completed.

The clerk's office is also responsible for assembling the packets for the Town Board meetings. In addition to assembling packets for the meetings, the clerk is responsible for documenting all meetings of the Board of Trustees. This includes minute preparation, recording of meetings and supervising the audio/visual tech student from the high school. The clerk is responsible for the publication and recording of all documents.

The clerk's office also administers all municipal regular and coordinated elections as well as handles all business and liquor licensing for the Town.

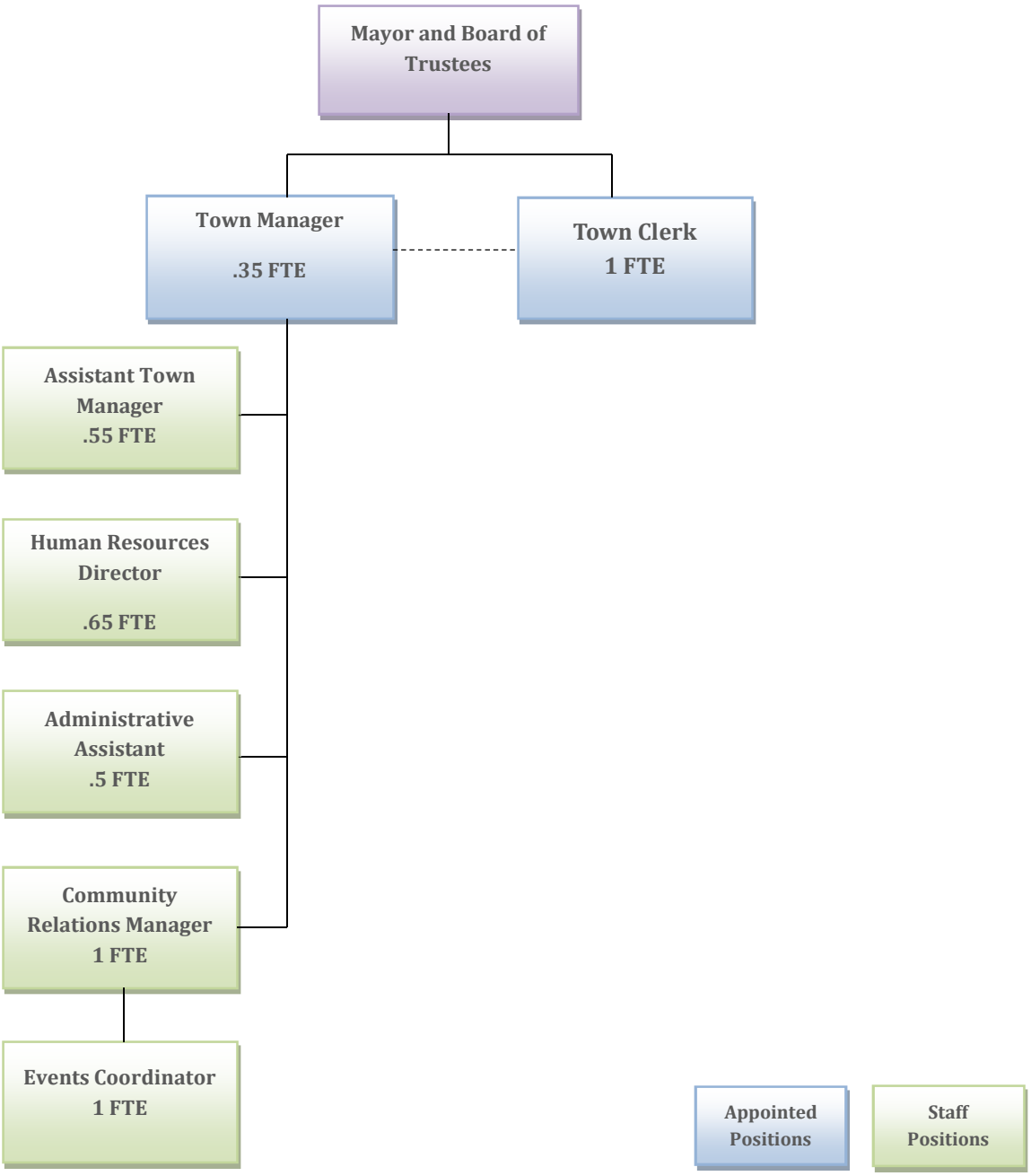
TOWN CLERK GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Continued Training / MMC Designation
	Improve Customer Service for Residents and Businesses
	Archiving and Management of all Ordinances and Resolutions
	Audit of All Development Files / Digitization of Essential Development Records
	Complete Records Management Plan and Best Practices

TOWN CLERK KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of agendas processed	63	116	89
	Number of records requests satisfied within 72 hours	35	38	44
	Number of Resolutions submitted for archiving	59	92	84
	Number of Resolutions and Ordinances digitized within 2 weeks of effective date	80	120	112
	Number of Minutes processed	36	54	48

ORGANIZATIONAL CHART – ADMINISTRATION DEPARTMENT – 5.05FTE*



*Note: FTE's that are less than 1 indicate that position is allocated between more than one fund.

TOWN BOARD

Town Board Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	14,729	15,555	15,555	15,930
Contract Services	230,208	374,840	261,040	307,850
Commodity	6,856	9,800	7,200	6,500
Other Charges	38,848	89,200	84,850	167,710
Total Operating	290,641	489,395	368,645	497,990
Capital Outlay	351,732	605,500	519,140	86,000
Debt Service	-	-	-	-
Total Expenditures	642,373	1,094,895	887,785	583,990
FTE's	0.00	0.00	0.00	0.00

Overview and Description

The Frederick Town Board is elected by the citizens of Frederick and serves at the pleasure and with honor as the elected body representing the citizens' and the Town's best interests. The Board is comprised of a Mayor and six (6) Trustees. The Mayor does not vote on items taken up for consideration during the regular board meetings unless there is a tie in which the Mayor will break the tie. Terms are four (4) years for each position and are staggered to ensure continuity and transfer of knowledge from previous Boards to standing Boards. Due to Colorado Law, members of the Board shall serve no more than eight (8) consecutive years in one position at which time the individual shall be term-limited. The Board of Trustees are responsible for setting the direction of the Town and adoption of the laws and policies of the Town. It is the task of the Manager of the Town to ensure this direction and the objectives of the Board are carried out.

The Board appoints the following positions:

- Town Manager
- Town Clerk
- Town Attorney

- Municipal Judge
- Town Treasurer

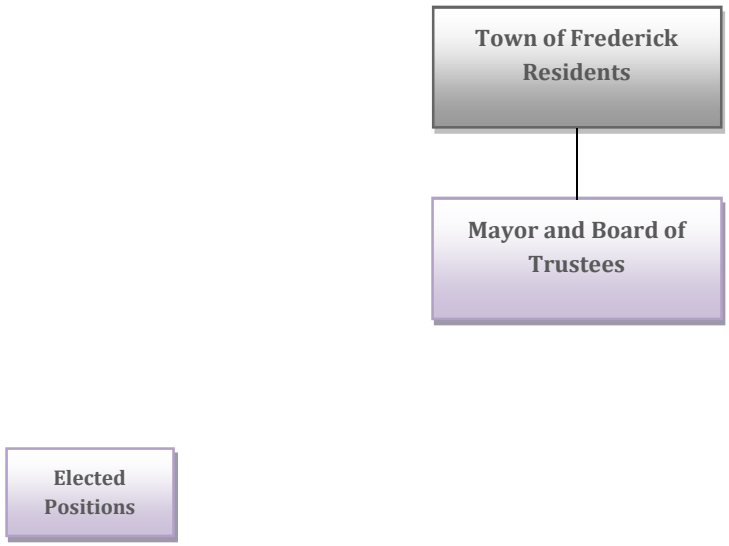
TOWN BOARD GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Conduct a Board retreat to identity goals and objectives for 2018
	Complete the assessment of electric utility purchase
	Make water acquisition and assets a priority
	Identify needs and if necessary pursue ballot measures that meet community needs

TOWN BOARD KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of Resolutions processed	59	92	84
	Number of Ordinances processed	21	28	28

ORGANIZATIONAL CHART – TOWN BOARD – 0 FTE



FINANCE

Finance Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	88,586	104,420	102,120	126,470
Contract Services	9,459	25,630	20,230	24,440
Commodity	13,757	14,050	14,050	13,050
Other Charges	5,312	6,680	6,260	6,450
Total Operating	117,114	150,780	142,660	170,410
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	117,114	150,780	142,660	170,410
FTE's	0.95	0.95	0.95	1.45

Overview and Description

The service mission of the Finance Department is "To provide quality municipal financial services to our customers through teamwork and trust - managing and optimizing the Town's financial affairs, and providing fiscal responsibility and accountability focused on the highest degree of customer service, honesty, and integrity." This mission generates the standards under which the Finance Department functions. Those standards are defined and delivered using the three basic systems every department shares: its people, its physical assets, and its processes.

The Finance Department provides a wide range of comprehensive financial support services to the Mayor, the Frederick Town Board, and all Town departments. These services include accounting, financial administration and reporting, budgeting, internal audits, treasury/cash management, investments, grant management, external audit management, asset management, billing and accounts receivable, accounts payable, purchasing, reception and cashiering.

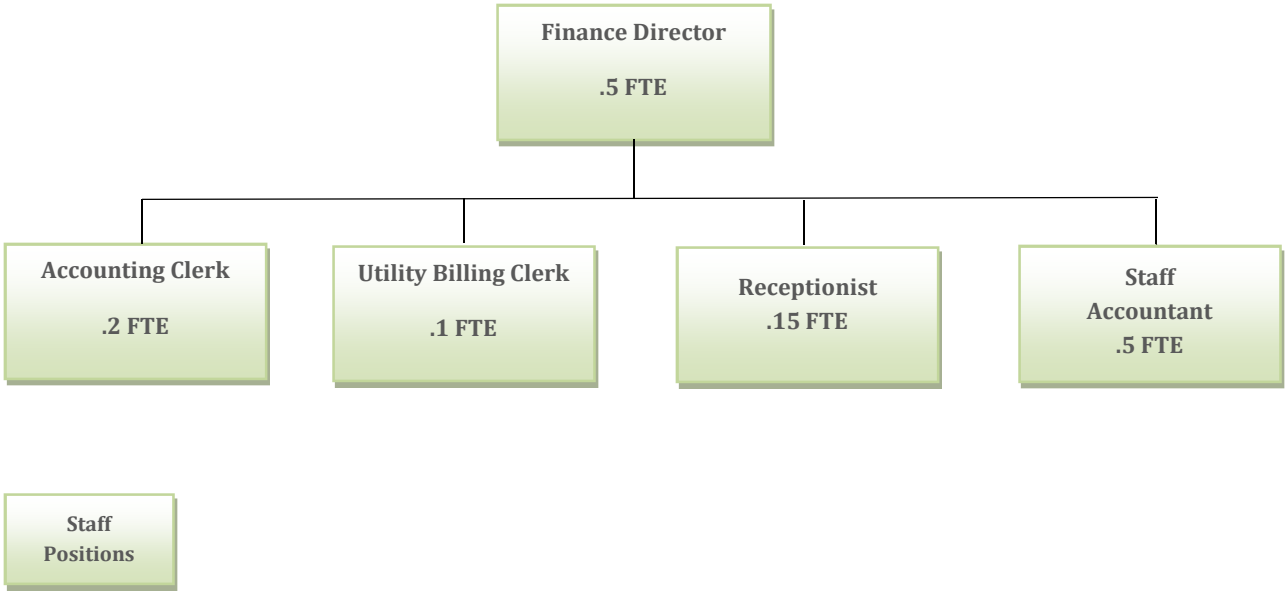
FINANCE GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Begin using metrics to measure performance
	Begin asset inventory for the Town
	Design property tax financial templates
	Rewrite Caselle reports for greater ease of use
	Succession planning for department

FINANCE PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Debt Per Capita	585.56	525.39	530.69
	Number of courtesy shut-off calls placed	902	1,314	1,463
	Percent of shut-off calls successfully delivered	83%	84%	87%
	Percentage use of smart meters	n/a	n/a	98%
	Average number of phone calls received each month	-	-	1457
	Number of new resident packets processed	n/a	n/a	459
	Number of AP invoices processed	2,731	2,825	3,452

ORGANIZATIONAL CHART – FINANCE DEPARTMENT - 1.45 FTE*



*Note: FTE's that are less than 1 indicate that position is allocated between more than one fund.

MUNICIPAL COURT

Courts Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	71,786	78,000	75,580	76,620
Contract Services	38,159	63,875	36,920	63,150
Commodity	1,498	5,750	4,500	5,100
Other Charges	1,670	1,285	1,200	1,240
Total Operating	113,113	148,910	118,200	146,110
Capital Outlay				
Debt Service	-	-	-	-
Total Expenditures	113,113	148,910	118,200	146,110
FTE's	1.00	1.00	1.00	1.00

Overview and Description

The Frederick Municipal Court is dedicated to providing an environment that instills confidence in, and respect for, the judicial system in general, and the Frederick Municipal Court. It is the mission of the Court to ensure that there is an accessible and open court process where due process of law and fundamental fairness are afforded to all who appear before the Court, and that customer service by administrative staff is of the highest priority.

The Town of Frederick Municipal Court convenes the first and second Thursdays of the month at the Town of Frederick Police Station/Municipal Court. Currently, Jeff Cahn presides as the Town's Municipal Judge. The Judge is appointed by the Town Board. The role of court is to adjudicate cases, protect the rights of parties and impose sentences consistent with community values.

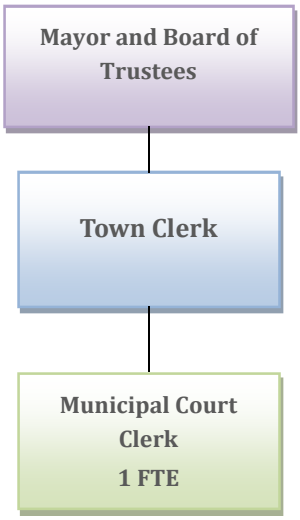
MUNICIPAL COURT GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Cooperation with Caselle to complete testing of on-line reporting to Department of Motor Vehicle
	Continue with Safe School meetings to maintain an open line of communication between Schools, Probation, Officers, Social Services and District Court.
	Research and pilot Laserfiche to achieve paperless court
	Complete training for restorative justice program, utilizing grant funding. Facilitate training for all participants

MUNICIPAL COURT KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of cases filed	825	674	683
	Number of early pays/no court appearance	341	215	239

ORGANIZATIONAL CHART – MUNICIPAL COURTS DIVISION – 1.0FTE



ENGINEERING

Engineering Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	123,470	140,050	132,850	137,960
Contract Services	28,975	19,310	16,000	17,250
Commodity	10,803	20,000	17,250	18,150
Other Charges	4,335	4,900	4,900	5,200
Total Operating	167,583	184,260	171,000	178,560
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	167,583	184,260	171,000	178,560
FTE's	1.55	1.60	1.60	1.60

Overview and Description

The Engineering Department includes the Building Division that manages the building permit process, and the Engineering Division that reviews development proposals and inspects construction of public improvements for compliance with adopted codes, construction standards and master plans. This department also manages transportation operations and pavement management/preservation programs; storm water and floodplain issues; and the Bulrush Wetland.

Enterprise funds managed by the Engineering Department are the water utility, including both potable and raw water irrigation supply and distribution and the storm water utility. These enterprise funds are self-supportive and funded entirely by impact fees assessed on new development and rates charged to customers for services that are provided to them.

The Building Division's top priority is to apply the Town's adopted Building Codes properly in order to ensure a safe building environment for our citizens and businesses. Public education is paramount, coupled with timely plan review and appropriate building code application and enforcement.

The Engineering Division ensures that existing and future residents and businesses served by the Town's transportation system and utilities receive safe, reliable and efficient services. The

division develops, updates, and implements master plans for each of these areas. This requires coordination with surrounding municipal, special district, county and state agencies. It also includes compliance with local, state and federal regulations.

Engineering provides services to most of the Town funds and as such, all fund specific goals and key performance indicators will be included in the individual fund summaries.

ENGINEERING GOALS

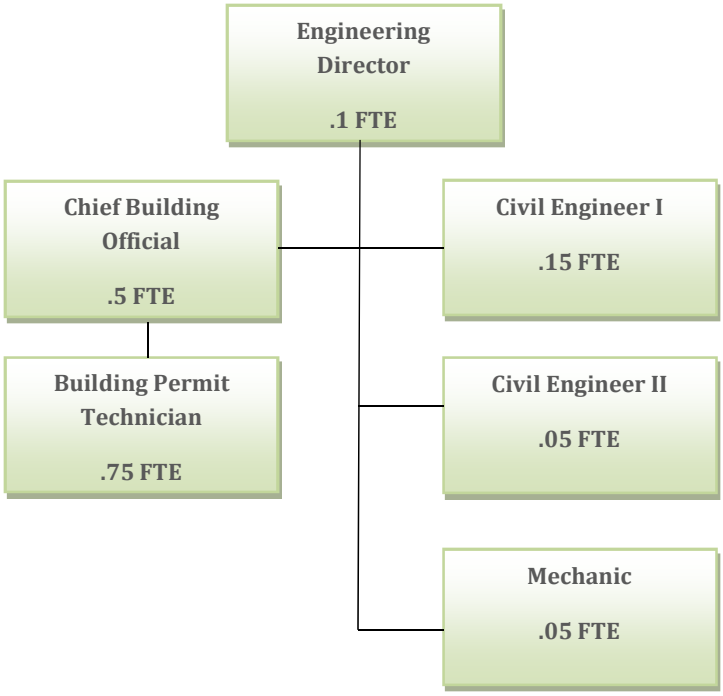
STRATEGIC FOUNDATION	2017 GOALS
	Monitor new code versions to begin evaluating next building code adoption
	Incorporate punch-list inspection list with new Design Standards.
	Promote building safety and education
	Evaluate new products and construction details as they become available
	Respond to questions or requests for information from citizens and prospective businesses in a timely manner. Continue to evaluate new customer needs as they arise during this rapid growth period.
	Scanning of all Building Division property files in order to accomplish a fully integrated digital storage of these files
	Continue to Coordinate with Planning to monitor development review.
	Implement Sign Management plan
	Implement Update of Standards Review

STRATEGIC FOUNDATION	2017 GOALS
	Draft Storm Water Ordinance in preparation for NPDES permitting plan
	Write and present Signal Management plan for adoption

ENGINEERING PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Permits issued	165	238	167
	Number of inspections performed	4,400	5,228	4,755
	Value of new commercial construction	-	$8,575,594	$25,643,975
	Number of development projects reviewed	18	41	25

ORGANIZATIONAL CHART – ENGINEERING DEPARTMENT – 1.60 FTE*



Staff Positions

*Note: FTE's that are less than 1 indicate that position is allocated between more than one fund.

PLANNING

Planning Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	303,325	300,100	295,400	349,015
Contract Services	99,454	33,060	37,210	19,620
Commodity	34,302	34,300	34,100	36,850
Other Charges	6,348	7,200	7,104	7,085
Total Operating	443,429	374,660	373,814	412,570
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	443,429	374,660	373,814	412,570
FTE's	2.60	2.80	2.80	3.30

Overview and Description

The Planning Department currently has the following positions: Planning Director, Planner III, Planner I, and ETS Manager. The department administers amendments to the Land Use Code and Comprehensive Plan. These amendments may be driven by developers, citizens, staff, the Board of Trustees, or Planning Commission. Accordingly, the department processes all land use applications for the Town. This includes annexations, zoning, concept plans, sketch plans, preliminary plats, final plats, conditional use plans, site plans, subdivision amendments, variances and waivers, minor modifications, as well as preliminary and final development plans. These applications may be developer or citizen driven.

Contacts to the department include requests for specific information related to ongoing developments, zoning inquiries/verifications, address verification, setback information, permitted use inquiries, questions of jurisdiction, and developers looking for property that will suit their vision. Staff spends considerable time coordinating elements of applications with the applicant and other staff/agencies reviewing the application.

Various fees and deposits are collected for applications and specific requests such as a zoning verification letter. Application fees are set fees to cover administrative costs that are not tracked for each project such as Town Clerk and Planning Commission Secretary time for processing of

packets and coordinating signatures on final documents. Additionally, the Town Clerk spends time coordinating final documentation prior to recording all necessary documents. Application deposits are established to estimate the cost of processing an application. Applicants sign an Agreement for Payment that establishes the understanding that they, the applicant, are responsible for paying for Town Staff (Engineering, Planning, and Attorney) time for review of the project. The deposit is simply an estimate of what the application might cost. If the project review costs less than the deposit, the Town refunds the difference. If the project review costs more than the deposit, the applicant is responsible for paying all costs above the deposit. The Finance Division processes a statement on a monthly basis to let applicants know the status of their deposit. When necessary, bills are generated for applicants.

The Planning Department administers the Town's GIS system. The addresses within the GIS system are used to populate both the Building Permit software as well as Caselle, the finance software. Specific mapping is completed to assist the Court, Police Department, Town Clerk, Engineering and Utilities, Community Relations Manager, and others as needed. An extensive set of online interactive mapping system has been implemented and continues to offer additional resources. The online map provides a variety of useful information to citizens, staff, land development, and real estate professionals.

The ETS Manager works directly with the IT consultant to manage the technology services designed to meet the computing, communication, application design and networking needs of the Town. Coordination of hardware and software implementation and installation throughout the Town is also managed by the ETS Manager. This position has allowed the Town to be pro-active in its ETS services while ensuring that the budgeted funds are used appropriately for upgrades and/or changes made in the technology infrastructure. This position is also responsible for management and maintenance for all GIS applications, capabilities and system requirements. The Manager along with the Community Relations Manager are responsible for all facets of web design, implementation, project coordination, site appearance, navigation, search engine, ongoing maintenance, content management and workflow.

The Planning Department is also responsible for providing staff to the Planning Commission and Parks, Open Space, and Trails Commission. These commissions are responsible for enacting the Comprehensive Plan and the Parks, Open Space, and Trails Master Plan and Downtown Plan. Coordination with the Engineering and Utilities Department and Public Works are essential for these plans to be successful.

Significant work is also spent managing the data related to Town owned properties such as parks and open space. New parks projects are generally designed and managed through Planning.

Additionally, the Planning Department has been the lead in implementing the Parks, Open Space, and Trails Master Plan.

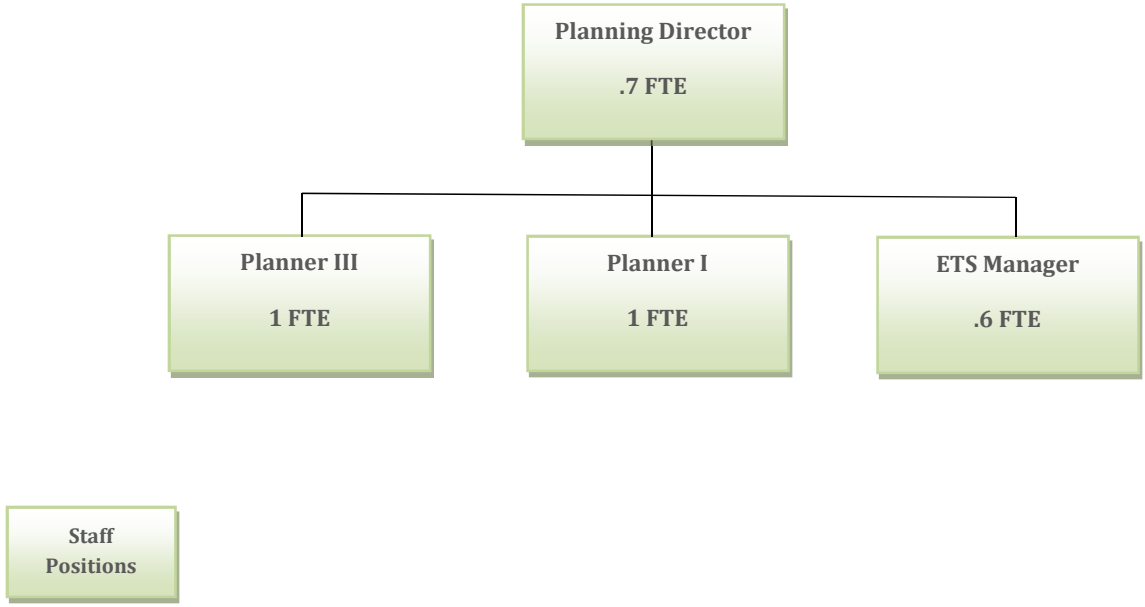
PLANNING GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Continued Amendments to Land Use Codes Articles 1, 2, 3, and 4
	Continued implementation of updated Comprehensive Plan.

PLANNING PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Area of Town in square miles	13.72	13.98	14.30
	Number of new projects processed	18	41	45
	Number of phone contacts to Planning Staff	2,886	3,215	3,210
	IT support calls received	2,965	3,025	3,175

ORGANIZATIONAL CHART – PLANNING DEPARTMENT –3.3 FTE*



*Note: FTE's that are less than 1 indicate that position is allocated between more than one fund.

POLICE

Police Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	2,060,709	2,340,540	2,259,170	2,385,280
Contract Services	69,267	105,565	63,697	110,700
Commodity	157,470	209,300	184,300	208,950
Other Charges	97,197	142,350	131,800	107,030
Total Operating	2,384,643	2,797,755	2,638,967	2,811,960
Capital Outlay	8,140	113,500	108,473	-
Debt Service	-	-	-	-
Total Expenditures	2,392,783	2,911,255	2,747,440	2,811,960
FTE's	22.75	22.50	22.50	23.10

Overview and Description

The police department has an authorized strength of eighteen police officers, one part-time police officer, two full-time community service officers, one full-time records supervisor/evidence technician, one part-time secretary, and three seasonal crossing guards.

There is at least one police officer on duty at all times every day. Schedules are structured to provide more officers during times of the day known for more calls for service. Due to staff schedules it frequently happens that there is only one Frederick police officer on duty, particularly on weekends and during the early hours of the morning. It has long been the practice for officers from all of the departments in this area, including the sheriff's office and the state patrol, to back each other up when needed. That sometimes means that a Frederick officer will respond to Firestone or Dacono to handle a call when officers in either of those jurisdictions are busy. In turn, the same assistance is provided to Frederick by officers from the other agencies. All officers in this area, except the state patrol, operate on the same radio network and are in constant contact with each other and with the Weld County Regional Communications Center.

Dispatch services are provided to all law enforcement agencies in Weld County, and all fire protection districts, by the Weld County Regional Communications Center, also referred to as Dispatch. This provides for all agencies to have the ability to communicate quickly with each other

when handling emergencies. This also provides for good coordination between agencies in the day to day provision of services to the public. The cost to agencies such as Frederick is low; much lower than the Town or the department could do on its own.

Much of the work done by officers can be reviewed by citizens on the Town web site by looking at the case reports for the police department. The case reports are thumbnail summaries of reports completed by the officers and they are posted weekly. Maps showing the locations of reported crimes are posted each month.

Patrol services are the majority of the work done by the department. Patrol officers are on duty twenty-four hours a day, seven days a week. These officers respond to calls for service and take proactive enforcement measures on their own.

Many reports of crime require additional investigation – to determine what happened, to identify those responsible, to recover stolen property, to gather evidence, to compile affidavits for filing in court, to serve search and arrest warrants, and to document all of it. The department has a detective to do this additional work in order to leave the patrol officers sufficient time to handle calls for service.

When fully staffed, the community services unit of the department has two community service officers. Their schedule provides that at least one is on duty seven days a week and mainly during daylight hours. These officers are not armed and they are not police officers under Colorado law. They receive a variety of training. They enforce municipal ordinances that regulate such things as weeds, rubbish, junk cars, and stray dogs. They usually are the ones who transport impounded dogs to the Longmont Humane Society. They assist at school crossings when crossing guards are absent. The St. Vrain Valley School District provides compensation to the Town for the crossing guards.

The department also provides certain fee-based services. Dog and cat licenses, vehicle identification number checks, fingerprints, sex offender registration, warrant service, clearance letters, color copies, and sign retrieval all have nominal fees.

The Town has an agreement with the St. Vrain Valley School District to provide a police officer at Frederick High School and Thunder Valley K-8 School during the school year. The school district pays for 37.5% of the officers' annual compensation for services as School Resource Officers. This is the busiest and one of the most important assignments for a police officer in this department.

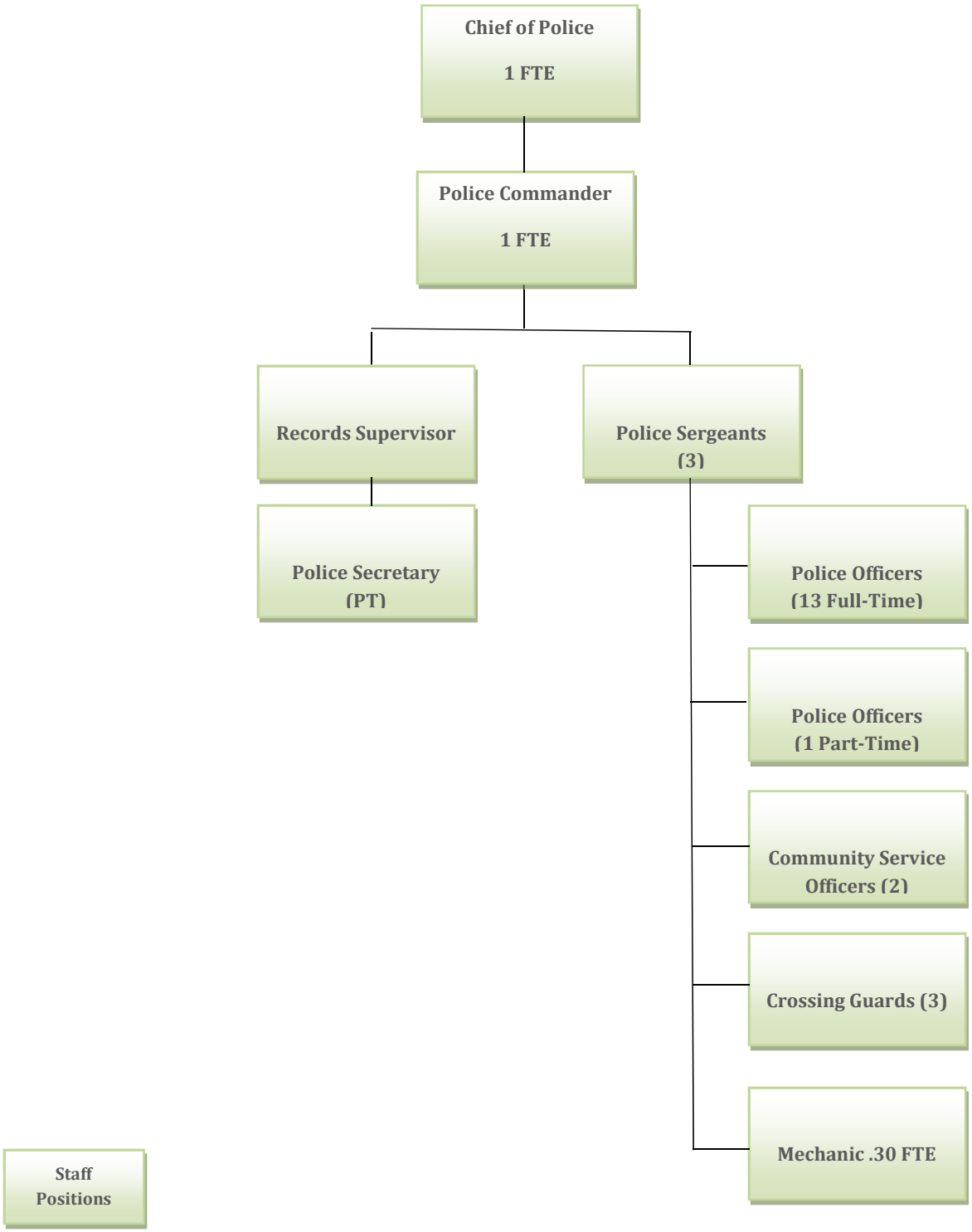
POLICE GOALS

STRATEGIC FOUNDATION	2017 GOALS
	To participate in at least one emergency management exercise.
	To maintain and support the school safety meetings with area educators and associated agencies.
	To pursue the functional objectives of the department.
	To pursue the resource objectives of the department.
	Appropriate and job-related training for all personnel
	Update the Police Procedure Manual.
	Training for Police Supervisors. (1) Seek appropriate training for police supervisors. (2) Apply for POST reimbursement when possible.
	Maintain regular meetings with the principal of Frederick High School and the principal of Thunder Valley K-8.
	Work with the Weld County Chiefs of Police Association to review and update the inter-agency pursuit agreement.
	Complete the training of all police officers through the Crisis Intervention Training course. Only one remains.
	Maintain and, where possible, add more neighborhoods to the Neighborhood Watch organization.

POLICE PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Total Calls for service (including high priority calls)	8,795	9,094	8,504
	Number of high priority calls (in progress crimes, accidents with injuries, and officer needs help calls)	1,646	1,750	1,837
	Adult arrests	370	361	347
	Juvenile detentions	119	119	115
	Workers compensation claims	5	3	4
	Workers compensation payment	$43,927	$58,505	$3,701
	Number of seatbelt enforcement grant hours	82	79	60
	Seatbelt grant dollars	$3,950	$3,831	$2,900
	Number of seatbelt enforcement officers	8	9	4
	Average maintenance costs per vehicle	Unknown	Unknown	$909

ORGANIZATIONAL CHART – POLICE DEPARTMENT – 23.1 FTE



PUBLIC WORKS

Public Works Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	99,278	151,635	143,445	143,250
Contract Services	38,833	44,120	46,820	46,900
Commodity	14,264	14,900	17,850	20,700
Other Charges	18,658	19,420	21,400	23,100
Total Operating	171,033	230,075	229,515	233,950
Capital Outlay	52,638	5,000	-	-
Debt Service	-	-	-	-
Total Expenditures	223,671	235,075	229,515	233,950
FTE's	1.50	1.70	1.70	1.70

Overview and Description

The Town of Frederick Public Works Department is responsible for the operations and maintenance of all town streets, (paved and unpaved), road right-of-ways, parks, open space, trails, water distribution system, storm water system and all Town owned buildings. To complete these priorities, the department is comprised of a Public Works Director, Public Works Supervisor, Public Works/Parks lead worker, 11 full-time employees, and 1 full-time Administrative Assistant. The Public Works Director and his supervisory staff coordinates these efforts to ensure the services delivered by the department are carried out and a reasonable level of service is attained. The administrative assistant within the department assists the efforts by handling calls and requests for services, coordinating service and work orders, and administrative duties for the director and supervisory staff. The remaining balance of the department is allocated within the various enterprise and general funds which they assist.

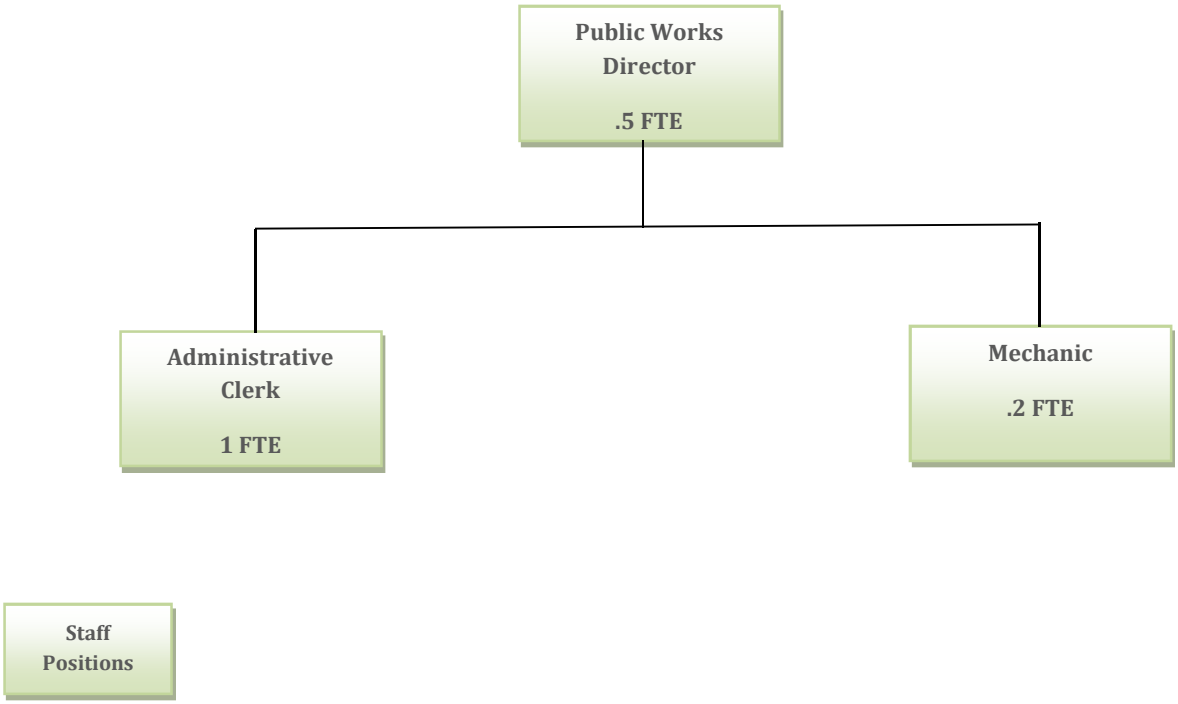
PUBLIC WORKS GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Cross training for all employees
	Continued education and certification in water, irrigation, horticulture, and tree maintenance
	Build a team support group
	Continue to promote safety awareness
	Complete all work requests submitted in a timely manner, Utilize electronic means when possible for submitting and clearing work requests
	Develop and implement proactive equipment and vehicle maintenance program and maintenance logs.
	Implement a safety program for all PW employees with regular safety trainings based upon APWA, AWWA and CIRSA standards.

PUBLIC WORKS KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of service orders processed	n/a	1,531	1,284
	Number of customer calls responded to within 24 hours	-	83%	85%
	Number of Submit-A-Request online complaints responded to within 24 hours	n/a	90%	95%
	Number of Submit-A-Request online complaints responded to within 48 hours	n/a	92%	96%
	Average preventative maintenance costs per vehicle	-	-	$850

ORGANIZATIONAL CHART – PUBLIC WORKS DEPARTMENT – 1.7 FTE*



*Note: FTE's that are less than 1 indicate that position is allocated between more than one fund.

BUILDINGS

Buildings Budget	2015 Actual	2016 Amended Budget	2016 Year End Projections	2017 Budget
Personnel Services	-	-	-	20,300
Contract Services	69,846	167,770	113,500	82,500
Commodity	76,475	5,500	5,500	6,000
Other Charges	18,579	43,850	30,000	27,100
Total Operating	164,900	217,120	149,000	135,900
Capital Outlay	42,988	20,000	-	17,000
Debt Service	-	-	-	-
Total Expenditures	207,888	237,120	149,000	152,900
FTE's	0.00	0.00	0.50	0.50

Overview and Description

The Building Fund is designed to handle the administrative, maintenance, and utility costs within all of the facilities of the Town. The Building Fund also can handle the development and construction of new facilities as necessary.

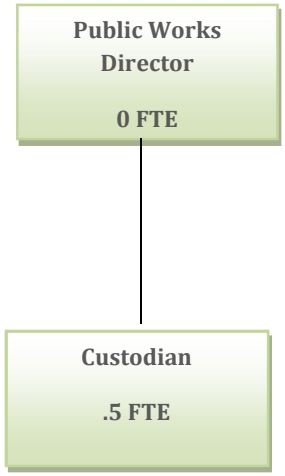
BUILDINGS GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Improve maintenance and cleaning to all Town Buildings
	Improve parking area/visitor friendly drainage

BUILDINGS KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Average preventative maintenance costs per building	1,977	2,629	5,451

ORGANIZATIONAL CHART – PUBLIC WORKS DEPARTMENT – .5 FTE*



Staff Positions

*Note: FTE's that are less than 1 indicate that position is allocated between more than one fund.

SPECIAL REVENUE FUNDS

STREET AND ALLEY FUND

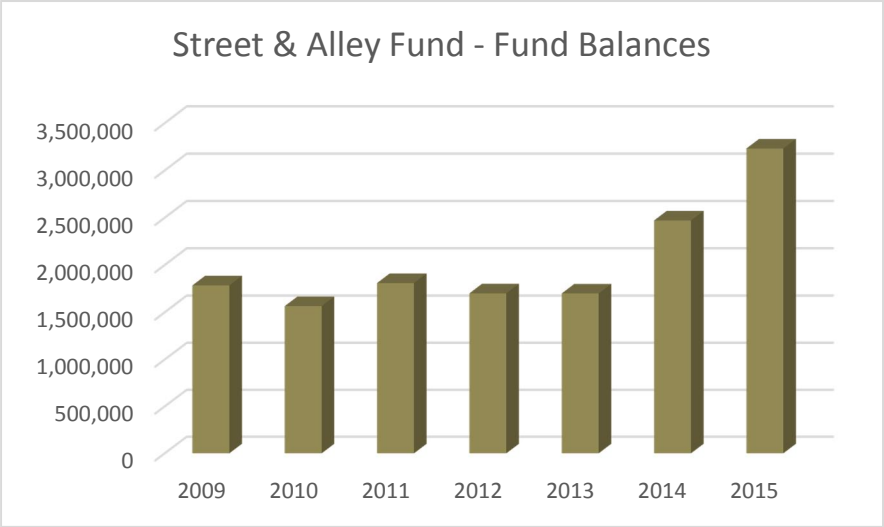
Street and Alley Fund

The Fund is responsible for the maintenance and preservation of over 89 centerline miles of paved roadways, MUTCD compliance of regulatory and street signs, snow plowing, pest control, and gravel road maintenance. The fund accomplishes these widespread tasks through a cooperative effort between Public Works and the Engineering Department.

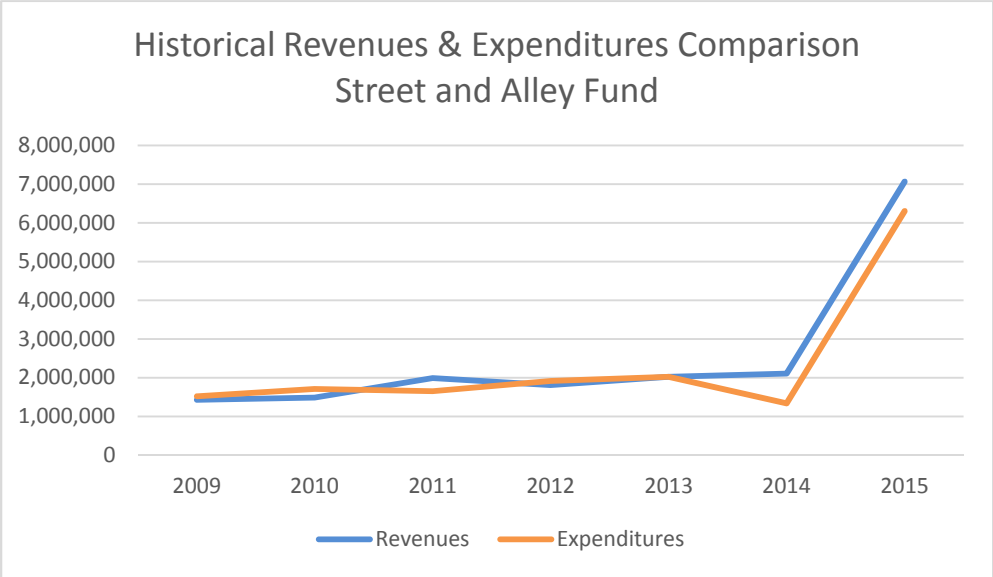
The Street and Alley Fund receives the majority of its funding from the collection of taxes and fees by Weld County and the State of Colorado including the Highway User Tax Funds. These taxes and fees are collected by the County and then forwarded to the Town on a monthly basis. Also included in the Street and Alley Fund are revenues and expenditures associated with residential trash collection services and road impact fees. Impact fees are collected at the time builders apply for a building permit for a new residence or business. The Town does allow builders to defer these impact fees until the time that final inspection occurs. These fees are used for the widening of arterial streets, improving intersections, installing traffic signal controls, or other improvement to Frederick's transportation system driven by the increased demand of customers and areas served by Frederick. Impact fees are managed by the Engineering Department to make improvements in conjunction with new development and as the need for more capacity is needed on an arterial street or at a specific intersection.

The Town is currently working to improve not only the streets in Frederick, but also the downtown alleys. In 2016, a seven-year paving program to pave the existing alleys began. Funding has been appropriated to continue the program in 2017.

STREET AND ALLEY FUND - FUND BALANCE AND FUND SUMMARY



The increases in fund balance in recent years is the result of budget surpluses. As the following graph illustrates, the Town has had budget surpluses in the Street and Alley Fund in 2011, 2014 and 2015. Due to the nature of the revenues in this fund, the recession that took place before 2010 is not evident in its impact on revenues unlike the economic upturn of more recent years.



Fund balance in 2017 is expected to decrease as operation, capital and transfers have increased in 2017 compared to estimated 2016 year-end figures. The capital items are primarily one-time expenses such as road expansion and alley paving. Operational costs have increased as the pavement maintenance program costs have increased and transfers have increased as there are infrastructure obligations that the Town expects to fulfill during the 2017 budget year.

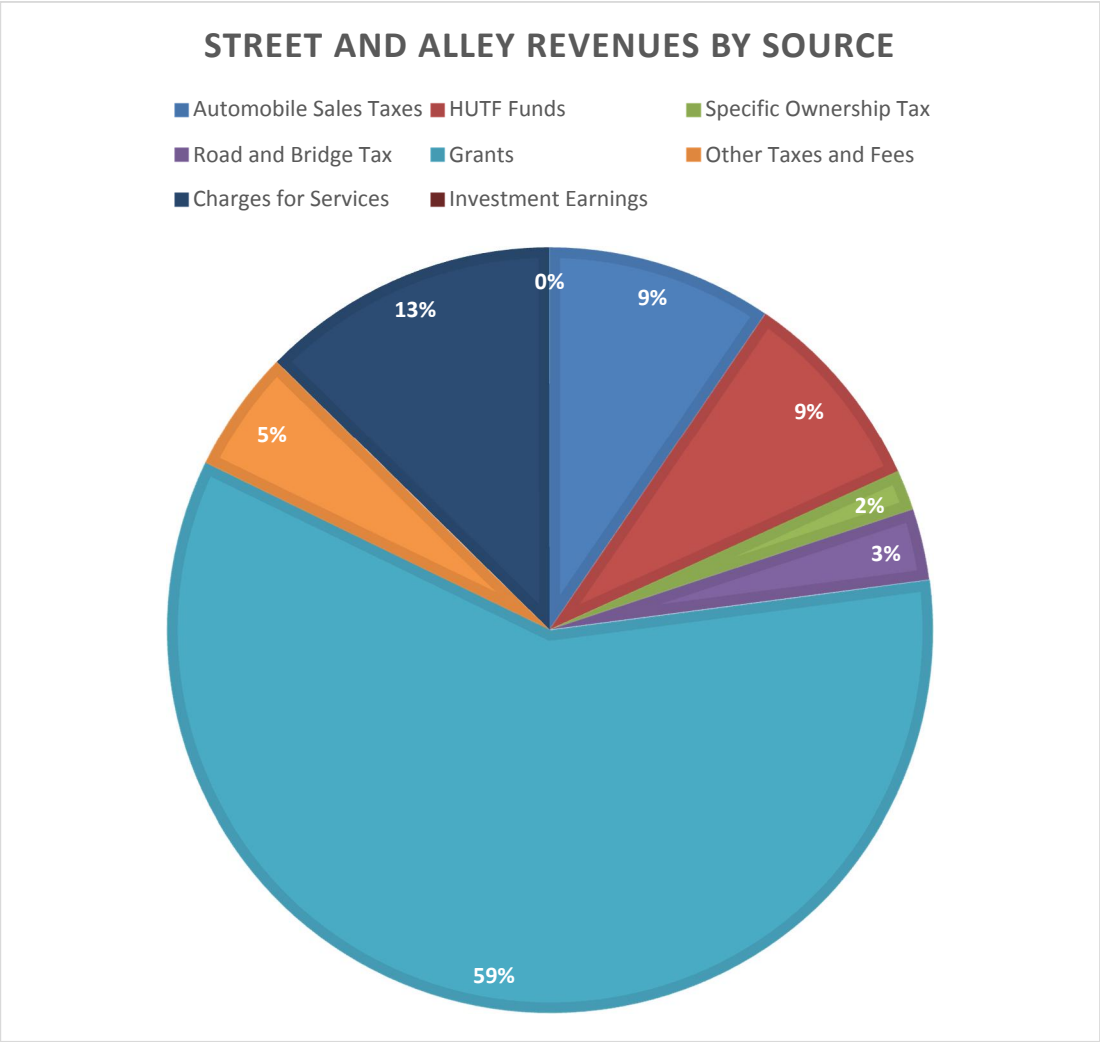
The 2017 budget for the Street and Alley Fund includes revenues of $4,835,108, an increase of $2,717,788 compared to the 2016 Budget. This increase is primarily due to expected grant revenues from DOLA that will be used for the improvement of Tipple Parkway. The 2017 Budget includes expenditures of $5,494,388 and transfers of $425,200. This amount is $2,273,320 lower than what was budgeted in 2016, but is higher than what is actually expected to be spent in 2016. The large variation between the 2016 Amended Budget and 2016 Year-End estimates is due to budget carryovers on 2015 projects and a budget amendment that was completed mid-year to increase budget appropriations to accommodate for the start of the improvement to Tipple Parkway. Unfortunately the project did not begin construction in 2016, so it was moved to the 2017 budget.

STREET AND ALLEY FUND BUDGET

Street & Alley Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	2,470,663	3,231,706	3,231,706	1,592,988
Revenues:				
Taxes & Fees	1,804,248	1,394,000	1,585,435	1,358,200
Charges for Services	509,071	522,120	531,862	610,000
Earnings on Investment	2,815	1,200	6,100	750
Miscellaneous Revenue	4,749,300	200,000	380,123	2,866,158
Total Operating Revenues	7,065,435	2,117,320	2,503,520	4,835,108
Expenditures:				
Operations	1,179,209	1,851,100	1,781,000	2,131,130
Capital	1,088,619	5,279,658	1,897,038	2,952,158
Debt Service	3,960,519	411,700	411,700	411,100
Transfers Out	76,046	650,450	52,500	425,200
Total Expenditures	6,304,392	8,192,908	4,142,238	5,919,588
Excess (Deficiency) of Revenues Over Expenditures	**761,042**	**(6,075,588)**	**(1,638,718)**	**(1,084,480)**
Ending Fund Balance	**3,231,706**	**(2,843,882)**	**1,592,988**	**508,508**

STREET AND ALLEY FUND REVENUES

Street and Alley Fund revenues are primarily made up of motor vehicle related taxes, impact fees and grants. The chart below shows the proportion of each major revenue source to the total Street and Alley Fund Revenues.



The Street and Alley Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2017.

Street & Alley Fund Revenue Sources		
Source	**Amount**	**% of Total**
Automobile Sales Taxes	460,000	9.51%
HUTF Funds	420,000	8.69%
Specific Ownership Tax	83,000	1.72%
Road and Bridge Tax	145,000	3.00%
Grants	2,866,158	59.28%
Other Taxes and Fees	250,200	5.17%
Charges for Services	610,000	12.62%
Investment Earnings	750	0.02%

STREET AND ALLEY FUND EXPENDITURES

The Street and Alley Fund contains operating expenses of $2,131,130, debt service expense of $411,100 and capital outlay of $3,377,358 with $2,952,158 of that being nonrecurring and $425,200 recurring. The nonrecurring capital outlay will fund the extension of Tipple Parkway and the recurring portion will fund development obligations of the Town through an interfund transfer.

STREET FUND EXPENSE SUMMARY

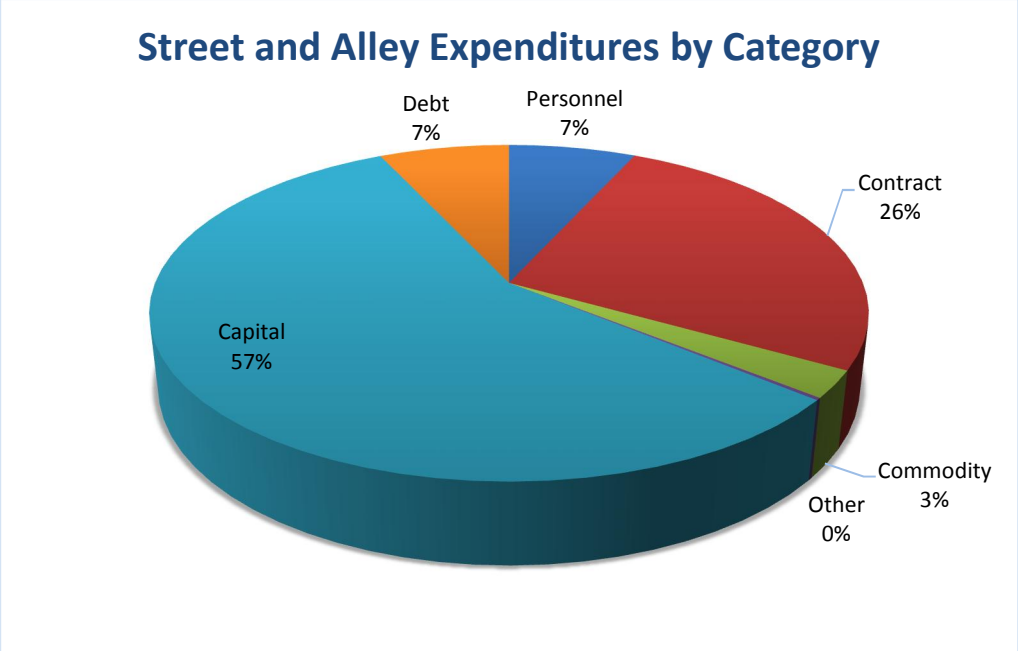
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Street & Alley Fund	401,480	1,561,750	154,800	13,100	2,131,130	3,377,358	411,100	5,919,588
Totals	$401,480	$1,561,750	$154,800	$13,100	$2,131,130	$3,377,358	$411,100	$5,919,588

Total Cash Available	$ 6,428,096
Ending Fund Balance	$508,508

PROJECTS FUNDED IN 2017 BUDGET

- Extension of Tipple Parkway from I-25 east frontage road to Silver Birch Blvd
- Pavement Maintenance Program
- Pavement Striping Program
- Concrete & sidewalks
- Road base and grading of WCR 16.5, WCR 20.5, and WCR 5
- Contractual road obligations
- Crack sealing and cross-walk painting
- Signal maintenance

The chart below details the expenditures for the Street and Alley Fund by category. Clearly in 2017 the biggest expenditure will be capital outlay which includes the costs for the extension of Tipple Parkway.



STREET AND ALLEY FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.85
Operations	3.95
Total	4.80

STREET AND ALLEY FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Street and Alley Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

STREET AND ALLEY FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Perform continued maintenance operations in an effort to increase and maintain a system wide Remaining Service Life (RSL) of at least 13 years.
	Improve bike/pedestrian safety at 5th & Colorado Blvd and improve upon channelization through the corridor.
	Complete Town traffic control plans as described with update of Town Design and Construction Standards
	Design and construction of Tipple Parkway paving and widening between I-25 and Silver Birch Parkway
	Synchronization of timing of all Town owned traffic signals and collection of additional traffic data
	Have 40% completion of traffic sign replacement
	Crack sealing maintenance program
	Regularly inspect roads for damages and necessary repairs
	Complete grader operator training and increase maintenance to a bi-weekly schedule

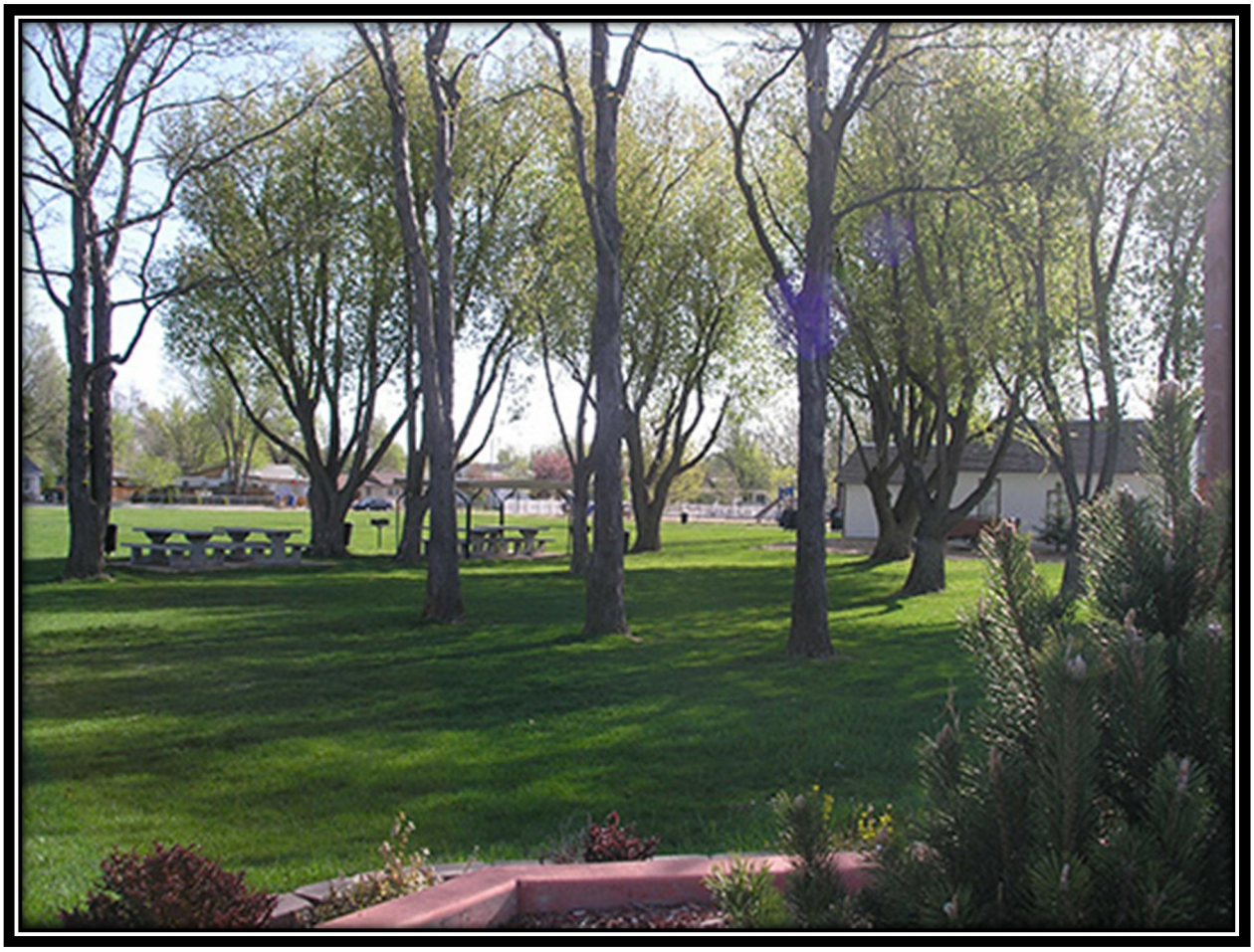
STREET AND ALLEY FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of center line miles	86.88	88.6	89.96
	Miles of road resurfaced	0	1	1
	Capital projects completed	0	0	1
	Maintenance funded	$86,000	$50,000	$948,000
	RSL of roadway	11.32	10.78	10.02

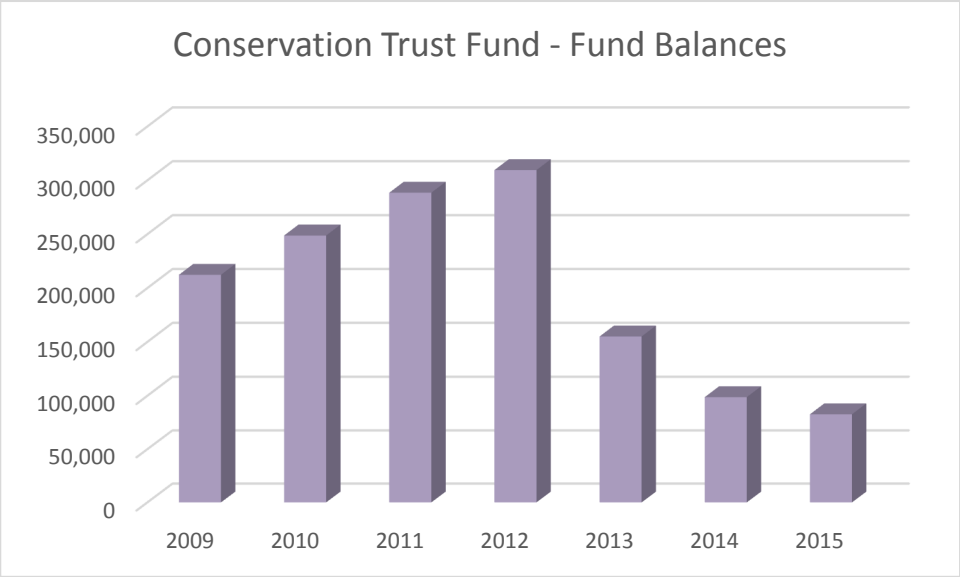
CONSERVATION TRUST FUND

Conservation Trust Fund

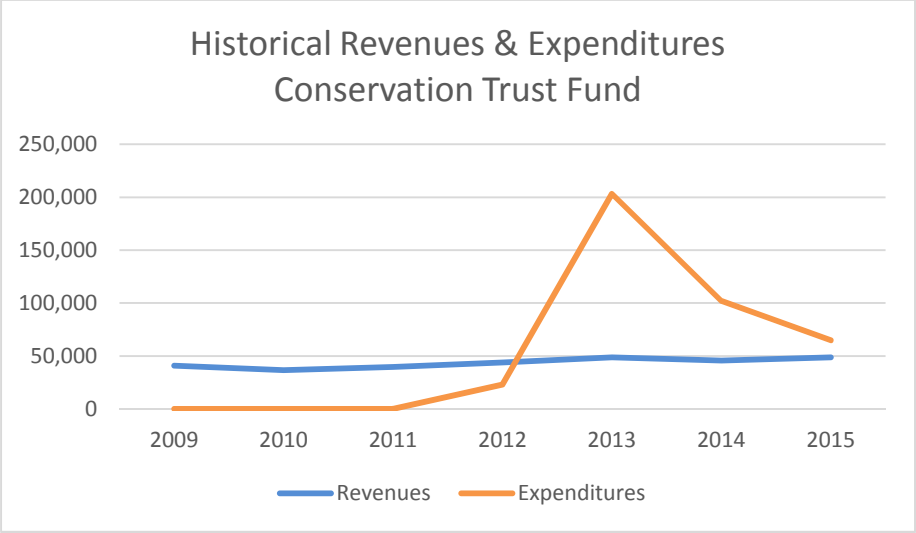
The Conservation Trust Fund was established so that the Town is eligible to receive funds from the State lottery proceeds. These revenues are distributed quarterly, on a per capita basis by the Department of Local Affairs. These funds are restricted in their use and can only be used for the acquisition, development, improvement and maintenance of new conservation sites, or for recreational purposes on a publicly owned site such as a park.



CONSERVATION TRUST FUND – FUND BALANCE AND FUND SUMMARY



The decreases in fund balance in 2013, 2014 and 2015 are the result of planned park improvements that were funded during those years. In 2017, fund balance is expected to increase as the Town saves for future improvements. As the following graph illustrates, the Town has had budget surpluses in the Conservation Trust Fund in 2010 through 2012. Due to the nature of the revenues in this fund, revenues remain fairly stable from one year to the next.



FUND SUMMARIES

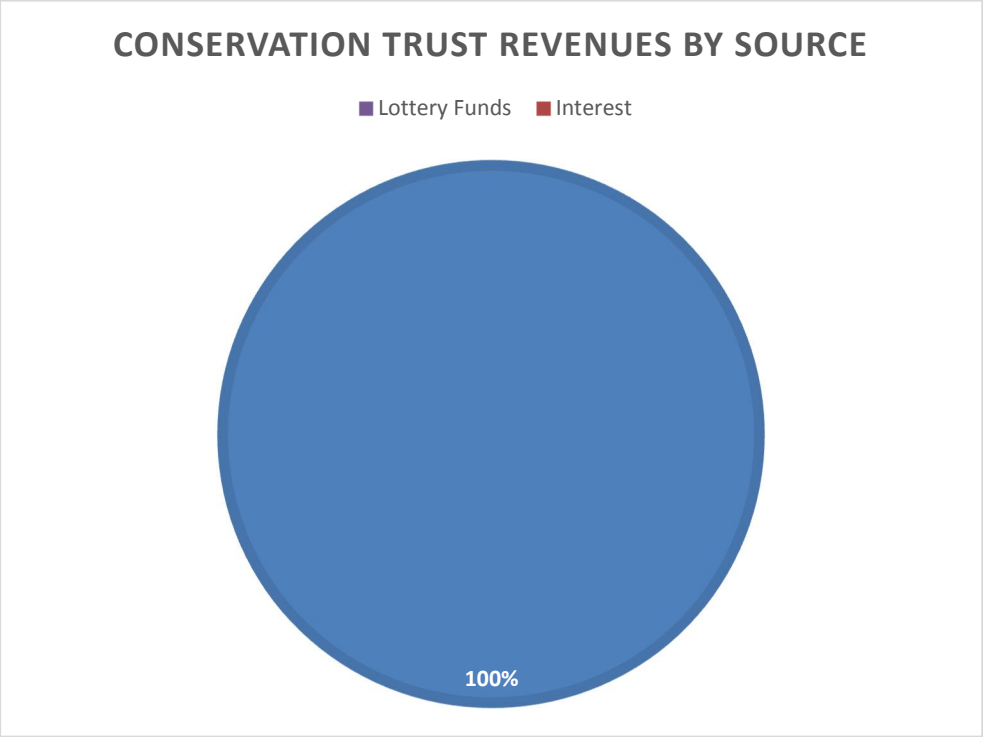
The 2017 Budget for the Conservation Trust Fund includes revenues of $48,650, an increase of $1,595 compared to the 2016 Budget. This increase is primarily due to an increased population in Frederick. The 2017 Budget includes expenditures of $15,000. This amount is $14,000 lower than what was expected in 2016.

CONSERVATION TRUST FUND BUDGET

Conservation Trust Fund	2015 Actuals	2016 Adopted Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	98,718	82,783	82,783	100,838
Revenues:				
Intergovernmental	48,749	47,000	47,000	48,600
Earnings on Investment	38	55	55	50
Total Operating Revenues	48,787	47,055	47,055	48,650
Expenditures:				
Other	-	-	-	-
Capital Outlay	64,722	45,250	29,000	15,000
Total Expenditures	64,722	45,250	29,000	15,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**(15,935)**	**1,805**	**18,055**	**33,650**
Ending Fund Balance	**82,783**	**84,588**	**100,838**	**134,488**

CONSERVATION TRUST FUND REVENUES

Conservation Trust Fund revenues come from State lottery proceeds and the interest that is earned on those funds as is illustrated below.



The Conservation Trust Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Conservation Trust Fund Revenue Sources		
Source	**Amount**	**% of Total**
Lottery Funds	48,600	99.90%
Interest	50	0.10%

CONSERVATION TRUST FUND EXPENSES

The Conservation Trust Fund does not have any normal operating costs as this fund is primarily used for capital improvements. The capital outlay in this fund is $15,000 which is nonrecurring and will be used for tree maintenance.

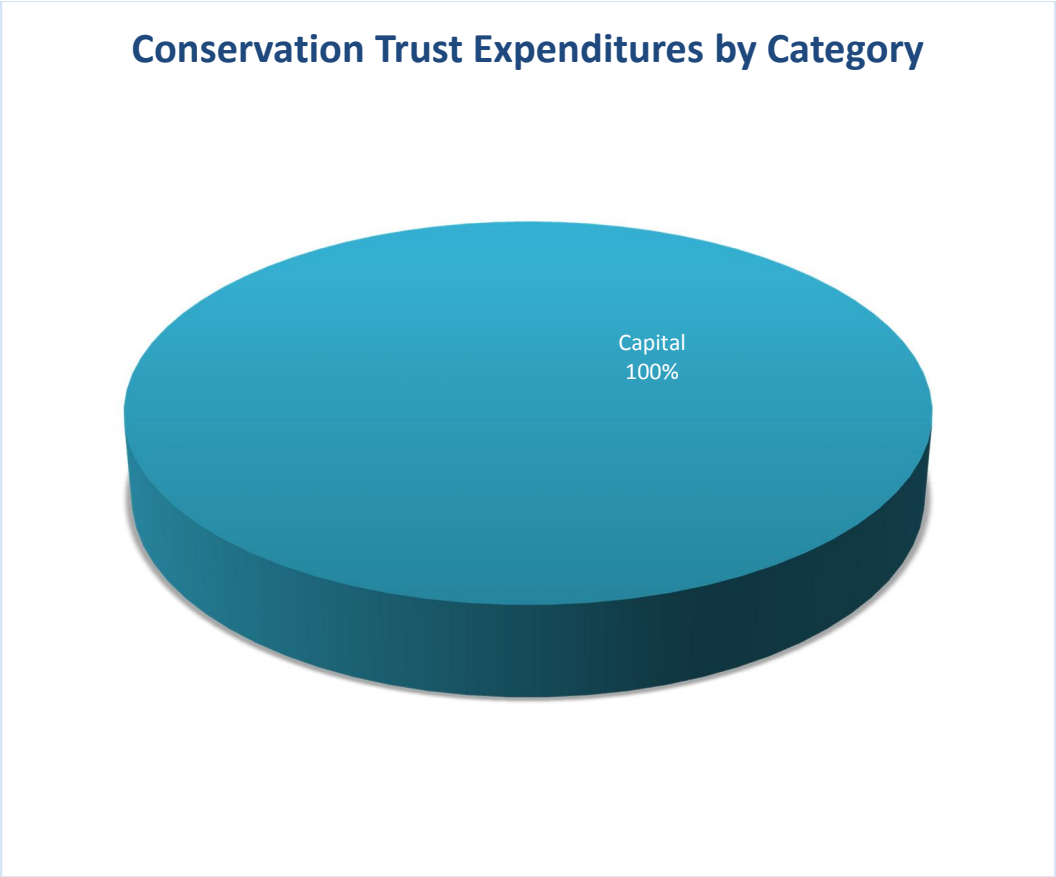
CONSERVATION TRUST FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Conservation Trust	0	0	0	0	0	15,000	---	15,000
Totals	$0	$0	$0	$0	0	$15,000	$0	$15,000
Total Cash Available								$ 149,488
Ending Fund Balance								134,488
% of Total Budget	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Tree specialist to maintain trees in public areas

The chart below details the expenditures for the Conservation Trust Fund by category. Clearly in 2017 the biggest expenditure will be capital outlay which includes the costs for tree maintenance in public areas.



CONSERVATION TRUST FULL TIME EMPLOYEEES

Department	No. of Full Time Employees
Administration & Operations	0
Total	0

CONSERVATION TRUST FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Conservation Trust Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

CONSERVATION TRUST FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Improve tree maintenance throughout Town owned properties

CONSERVATION TRUST FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of capital projects completed	3	2	1

PARK IMPROVEMENT FUND

Park Improvement Fund

The Parks Improvement Fund was created for the purchase, development, and maintenance of parks throughout the Town.

In 2010, the Parks, Open Space, and Trails Master Plan was completed. This plan provides a roadmap to achieve the goals established by the Board of Trustees. Using the Master Plan, the Parks, Open Space, and Trails Commission, a committee of composed of citizens, provides recommendations to the Board of Trustees on the topic of parks development and maintenance. The Commission recommends a number of projects for completion. They are:

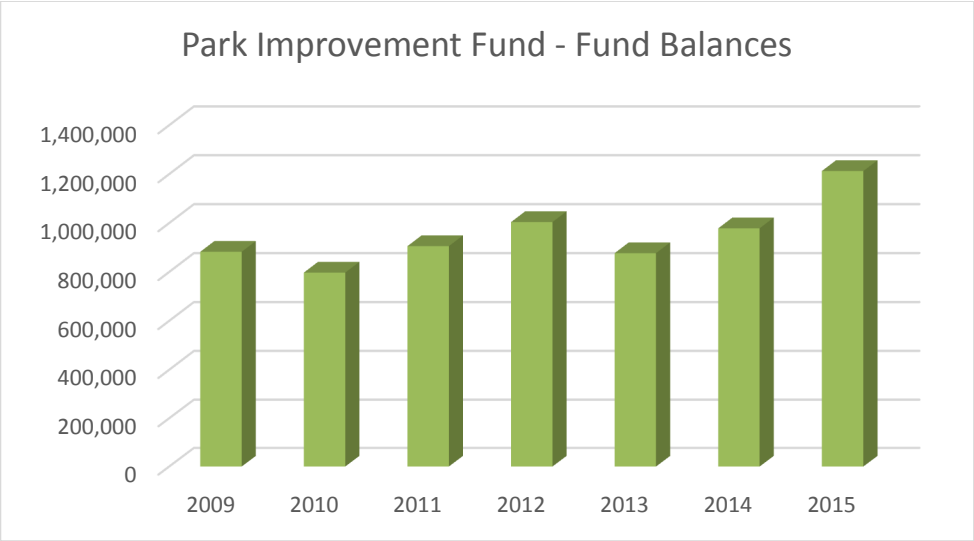
- Execution of Master Plan
- Hiring maintenance staff with knowledge of and responsibility for care of trees and landscaping
- Replacing dead trees with new trees
- Installing shrubs in the parks to meet park standards
- Improving ADA accessibility at parks
- Improving maintenance of play bays that currently have Engineered Wood Fiber (EWF)
- Creating an overall maintenance plan

Currently the Town maintains over 319 acres of parks. The facilities/parks that the Town maintains are shown in the chart below.

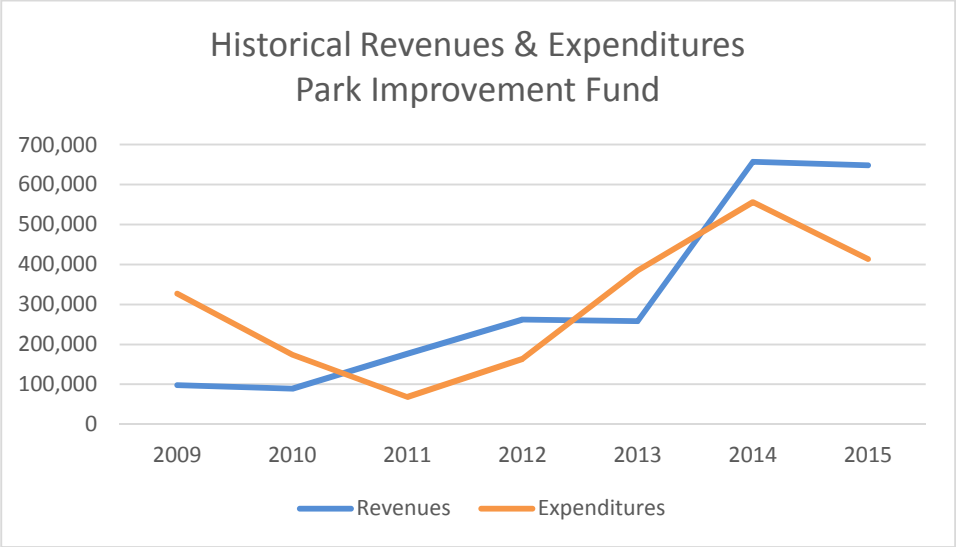
Facility Name	Location	Amenities
Bella Rosa Golf Course	5830 Bella Rosa Pkwy.	Golf Course
Bulrush Wetland Park	6140 Wetland Park Rd.	47 Acres of Parkland, Trails, Outdoor Classroom, Educational Signs, Bird Watching
Centennial Park	630 8th Street	Benches, Picnic Tables, Picnic Shelters, Playground, Restrooms, Trails, Art Features, Boulder Climbing Area, Multi-Use Field
Coal Ridge Park	305 ½ Warwick St.	Benches, Picnic Tables, Multi-use Field, Playground
Confluence Park	5549 Drake Way	Picnic Shelters, Picnic Tables
Countryside Park	7400 ½ Russell Cir.	Benches, Multi-Use Field, Picnic Shelters, Picnic Tables, Playground
Creekway	5724 Wetland Loop	Picnic Shelters, Picnic Tables

Facility Name	Location	Amenities
Crist Park	105 5th St.	Picnic Shelters, Picnic Tables, Splash Pad, Playground, Gazebo, Benches, Art Features, Restrooms
Eagle Valley Park	4819 Osprey Cir.	Benches, Multi-Use Field, Picnic Shelters, Picnic Tables, Playground
Firefighters Park	11 Walnut St.	Picnic Shelters, Picnic Tables, Playground, Sport Court
Fox Run Park	5365 Fox Run Blvd.	Benches, Picnic Shelter, Picnic Tables, Playground
Frederick Recreation Area	8201 Colorado Blvd.	129 Acres of Parkland, Basketball Court, Benches, Trails, Dog Park, Fishing, Horseshoe Pit, Non-motorized Boating, Pavilion, Picnic Shelters, Picnic Tables, Restrooms, Sport Court
No Name Creek West Park	9120 Harlequin Cir.	Picnic Shelters, Playground, Benches, Sport Court
No Name Eagle Park	5750 Pintail Way	Benches, Picnic Shelters, Picnic Tables, Playground
Rinn Valley Park	3390 Rinn Valley Dr.	Multi-Use Field, Picnic Shelters, Picnic Tables, Playground
Savannah Park	6201 ½ Ralston St.	Benches, Multi-Use Field, Picnic Shelters, Picnic Tables, Playground
Summit View Estates Park	5134 ½ Mount Pawnee Av.	Picnic Shelters, Picnic Tables, Playground, Sport Court

PARK IMPROVEMENT FUND - FUND BALANCE AND FUND SUMMARY



The decreases in fund balance in 2013 are the result of a combination of decreased revenues and increased expenditures during that year. As the following graph illustrates, the Town has had budget surpluses in the Park Improvement Fund in 2011, 2012, 2014, and 2015.



Note: This fund relies on revenues and transfers in - both are included as revenues in this chart.

FUND SUMMARIES

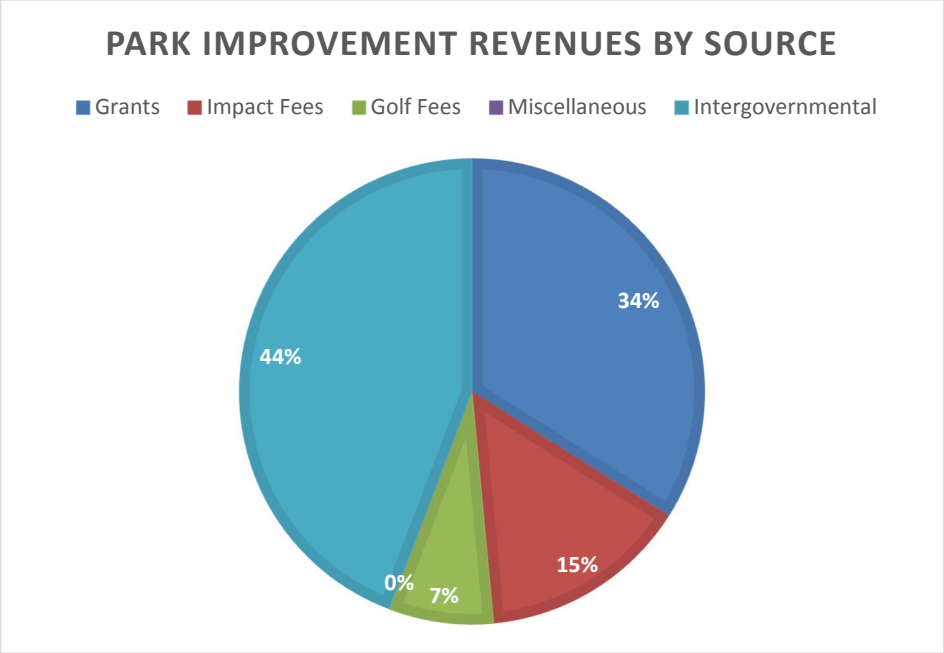
The 2017 Budget for the Park Improvement Fund includes revenues of $575,000 and transfers in of $455,850, an increase of $344,792 compared to the 2016 expected. This increase is due to anticipated grant revenues for the construction of a skate park. The 2017 Budget includes expenditures of $1,490,200. This amount is $757,510 higher than what was expected in 2016. The increase in budgeted expenditures is attributed to the cost of constructing a skate park. Overall, fund balance is expected to decrease as a result of the capital improvements.

PARK IMPROVEMENT FUND BUDGET

Park Improvement Fund	2015 Actuals	2016 Adopted Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	978,307	1,212,596	1,212,596	1,165,965
Revenues:				
Licenses and Permits	232,965	203,000	270,500	225,000
Earnings on Investment	1,056	-	1,950	-
Miscellaneous Revenue	1,015	-	758	350,000
Transfers In	412,850	412,850	412,850	455,850
Total Operating Revenues	647,886	615,850	686,058	1,030,850
Expenditures:				
Operations & Maintenance	364,499	572,970	513,240	780,700
Capital Lease	-	-	-	-
Capital Outlay	49,097	483,500	218,000	702,500
Transfers Out	-	3,000	1,450	7,000
Total Expenditures	413,596	1,059,470	732,690	1,490,200
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**234,290**	**(443,620)**	**(46,632)**	**(459,350)**
Ending Fund Balance	**1,212,596**	**768,976**	**1,165,964**	**706,615**

PARK IMPROVEMENT FUND REVENUES

Revenues for this fund are primarily impact fees, grants and transfers from other funds.



The Park Improvement Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Park Improvement Fund Revenue Sources		
Source	**Amount**	**% of Total**
Grants	350,000	33.95%
Impact Fees	150,000	14.55%
Golf Fees	75,000	7.28%
Miscellaneous	0	0.00%
Intergovernmental	455,850	44.22%

PARK IMPROVEMENT FUND EXPENDITURES

The Park Improvement Fund shows operating expenses of $780,700 and capital outlay of $709,500. The services provided by this fund are labor intense as illustrated below. The non-recurring capital outlay of $709,500 will fund the construction of a skate park.

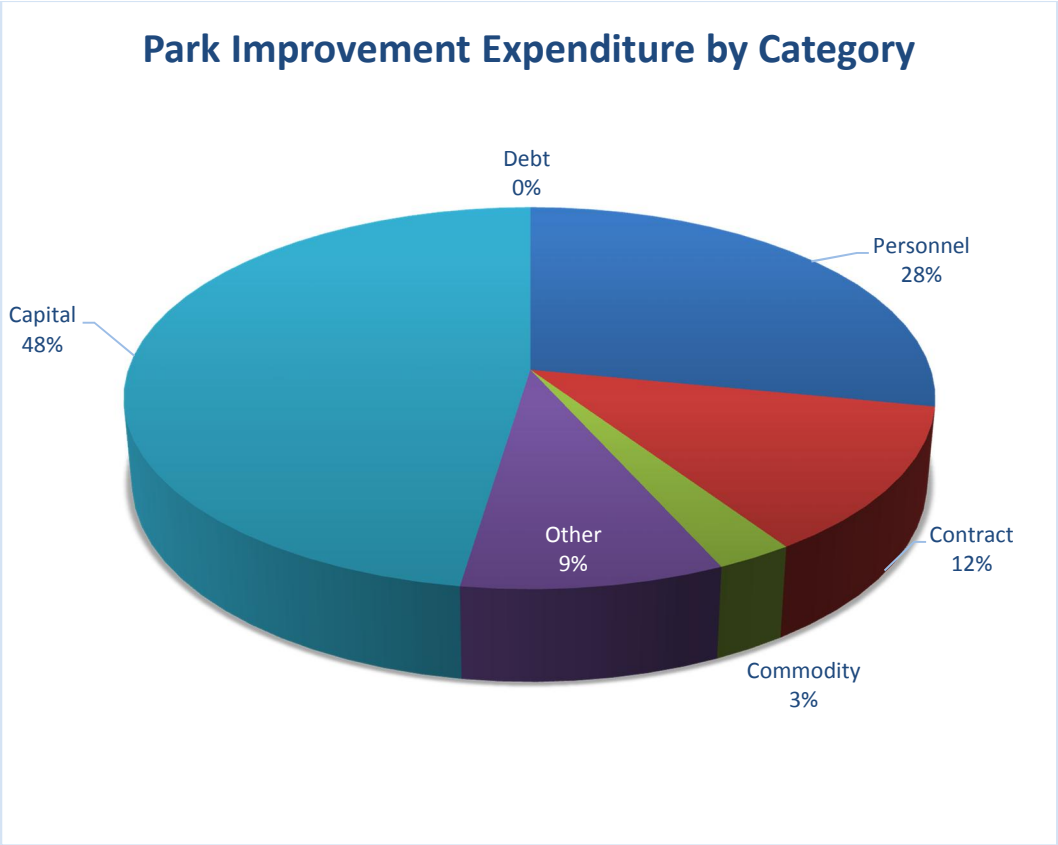
PARK IMPROVEMENT FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Park Imp. Fund	418,300	186,600	39,900	135,900	780,700	709,500	---	1,490,200
Totals	$418,300	$186,600	$39,900	$135,900	780,700	$709,500	$0	$1,490,200
Total Cash Available								$ 2,196,814
Ending Fund Balance								706,614
% of Total Budget	28.07%	12.52%	2.68%	9.12%	52.39%	47.61%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Construction of a skate park
- Painting of gazebos/shelters – Crist Park, Savannah Park
- Irrigation maintenance
- Bella Rosa improvements
- Tree voucher program

The chart below details the expenditures for the Park Improvement Fund by category. Clearly in 2017 the biggest expenditure will be capital outlay which includes the costs for construction of a skate park.



PARK IMPROVEMENT FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.40
Operations	6.93
Total	7.33

PARK IMPROVEMENT FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Park Improvement Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

PARK IMPROVEMENT FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Build Phase 1 of skate park in Frederick Recreation Area
	Build additional trail segments
	Improve the condition of the parks

PARK IMPROVEMENT FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Acreage of parks maintained	314.73	319.63	319.63
	Number of new trees planted	0	29	135

OPEN SPACE FUND

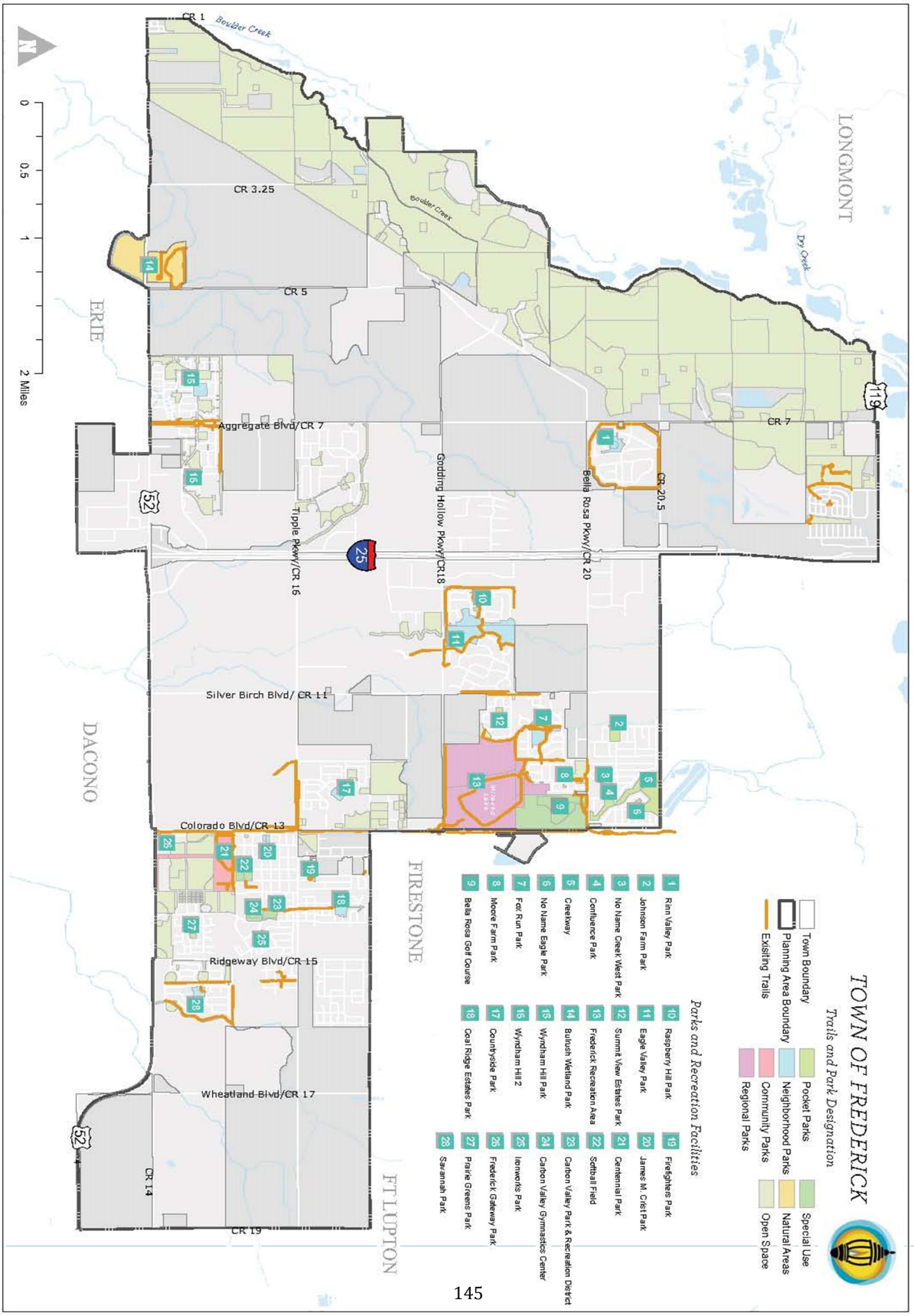
Open Space Fund

The Open Space Fund was created for the purchase, development, and maintenance of open space. The fund receives revenue from two sources: an open space fee that is assessed with each building permit for new construction and a ½ cent per dollar sales and use tax which became effective January 1, 2000.

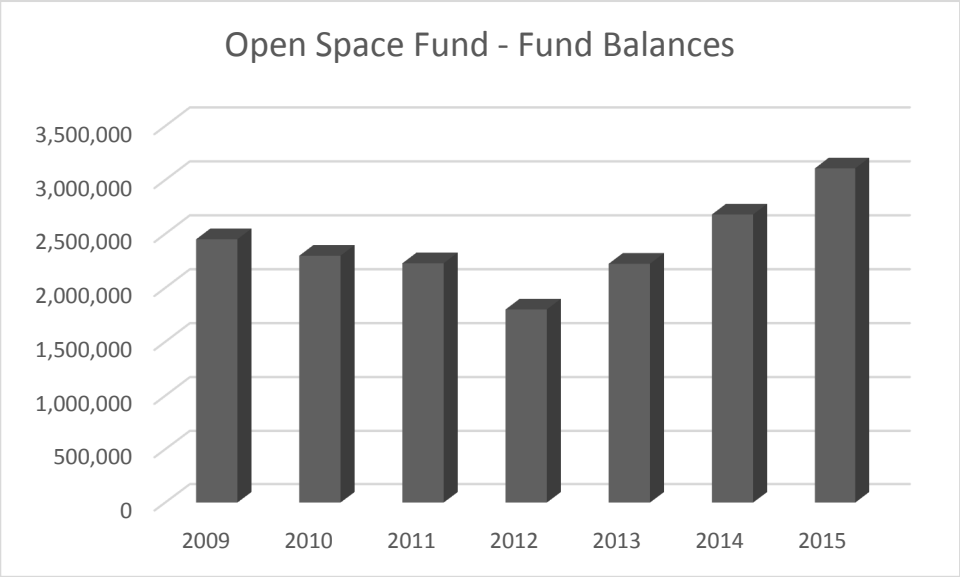
The use of the Open Space Fund is defined in Section 4.93 of the Municipal Code as being used for open space acquisition, development, and maintenance. As open space is intended to be "open", development of open space is limited.

Trails – At the end of the 2016 fiscal year, there were 15.2 miles of Town owned trails. The 2017 fiscal year includes funding for two new trail segments and improvements to the trail around Milavec Lake at Frederick Recreation Area. The two new trail segments will add a total of 1,730 linear feet of concrete path. With the 2017 improvements, there would be a total of 15.5 miles of Town owned trails. The improvements around Milavec will improve approximately 1.25 miles.

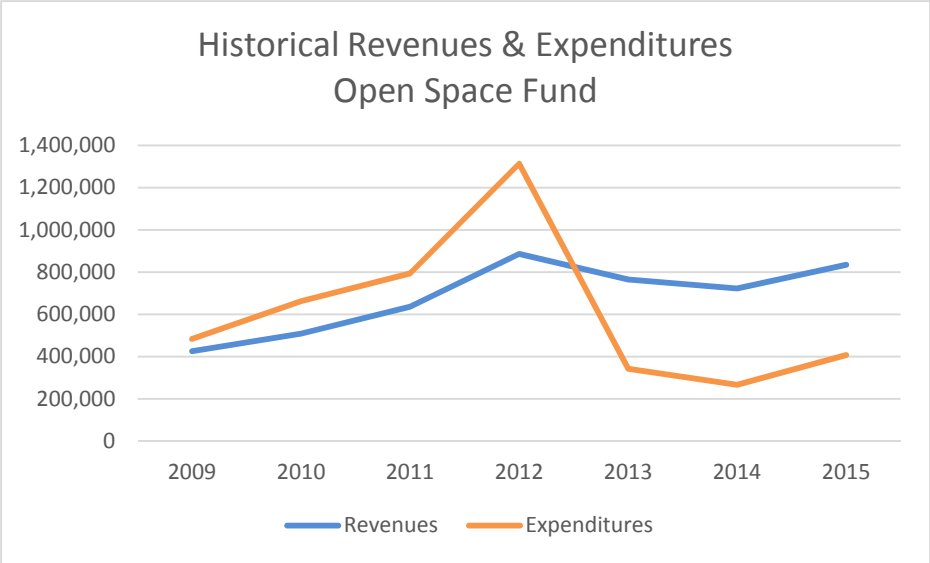
Open Space – The Town currently owns 406.16 acres of open space which is spread throughout Town. The 2017 budget includes funding for purchasing additional open space property.


TOWN OF FREDERICK
Trails and Park Designation
Town Boundary
Planning Area Boundary
Existing Trails
Pocket Parks
Neighborhood Parks
Community Parks
Regional Parks
Special Use
Natural Areas
Open Space
Parks and Recreation Facilities
1 Rim Valley Park
2 Johnson Farm Park
3 No Name Creek West Park
4 Confluence Park
5 Creekway
6 No Name Eagle Park
7 Fox Run Park
8 Moore Farm Park
9 Bella Rosa Golf Course
10 Raspberry Hill Park
11 Eagle Valley Park
12 Summit View Estates Park
13 Frederick Recreation Area
14 Butrush Wetland Park
15 Wyndham Hill Park
16 Wyndham Hill 2
17 Countryside Park
18 Coal Ridge Estates Park
19 Firefighters Park
20 James M. Crist Park
21 Centennial Park
22 Softball Field
23 Carbon Valley Park & Recreation District
24 Carbon Valley Gymnastics Center
25 Ironworks Park
26 Frederick Gateway Park
27 Prairie Greens Park
28 Savannah Park
LONGMONT
ERIE
DACONO
FIRESTONE
FT LUPTON
Boulder Creek
Dry Creek
CR 1
CR 3.25
CR 5
CR 7
CR 20.5
CR 14
CR 19
Aggregate Blvd/CR 7
Tipple Pkwy/CR 16
Godding Hollow Pkwy/CR18
Bella Rosa Pkwy/CR 20
Silver Birch Blvd/ CR 11
Colorado Blvd/CR 13
Ridgeway Blvd/CR 15
Wheatland Blvd/CR 17
119
52
25
N
0
0.5
1
2 Miles

OPEN SPACE FUND – FUND BALANCE AND FUND SUMMARY



The decreases in fund balance in 2009 through 2012 are the result of increased expenditures during those years. As the following graph illustrates, the Town has had budget surpluses in the Open Space Fund in 2013, 2014, and 2015.



Note: This fund relies on revenues and transfers in - both are included as revenues in this chart.

FUND SUMMARIES

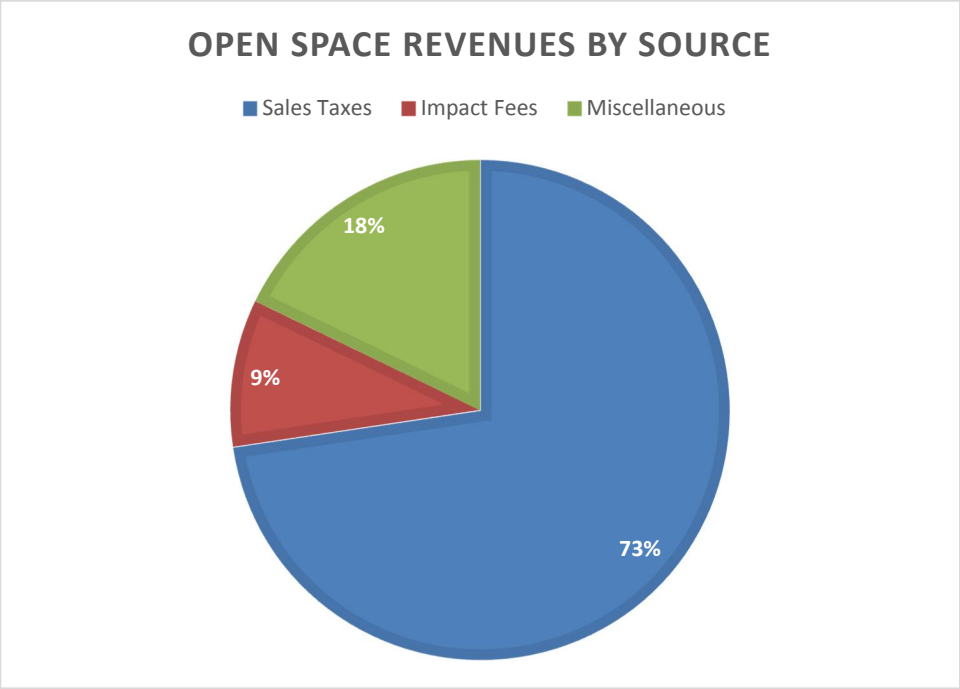
The 2017 Budget for the Open Space Fund includes revenues of $787,237, an increase of $40,017 compared to the 2016 expected. The 2017 Budget includes expenditures of $2,039,610. This amount is $661,231 higher than what was expected in 2016. The increase in budgeted expenditures is attributed to the cost of purchasing a conservation easement. Fund balance is expected to decrease due to the conservation easement and capital outlay for trail development.

OPEN SPACE FUND BUDGET

Open Space Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	2,680,399	3,107,972	3,107,972	2,476,814
Revenues:				
Taxes & Fees	828,409	788,882	743,820	646,900
Grants & Contributions	-	-	-	-
Earnings on Investment	2,455	1,000	3,200	1,000
Miscellaneous Revenue	4,090	-	200	139,337
Total Operating Revenues	834,953	789,882	747,220	787,237
Expenditures:				
Operations & Maintenance	236,788	393,400	314,300	372,000
Capital Outlay	169,029	780,250	629,000	1,661,000
Transfers Out	1,564	435,079	435,079	6,610
Total Expenditures	407,381	1,608,729	1,378,379	2,039,610
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**427,573**	**(818,847)**	**(631,159)**	**(1,252,373)**
Ending Fund Balance	**3,107,972**	**2,289,125**	**2,476,813**	**1,224,441**

OPEN SPACE FUND REVENUES

Revenues for this fund come from the ½ cent sales tax, impact fees, grants, transfers in and other miscellaneous sources. In the table above, the miscellaneous category includes transfers in from other funds.



The Park Improvement Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Open Space Fund Revenue Sources		
Source	**Amount**	**% of Total**
Sales Taxes	571,900	72.65%
Impact Fees	75,000	9.53%
Miscellaneous	140,337	17.83%

OPEN SPACE FUND EXPENDITURES

Expenditures in the Open Space Fund include operating costs of $372,000 and capital outlay of $1,667,610. The capital outlay is nonrecurring and will be used to construct trails and purchase a conservation easement.

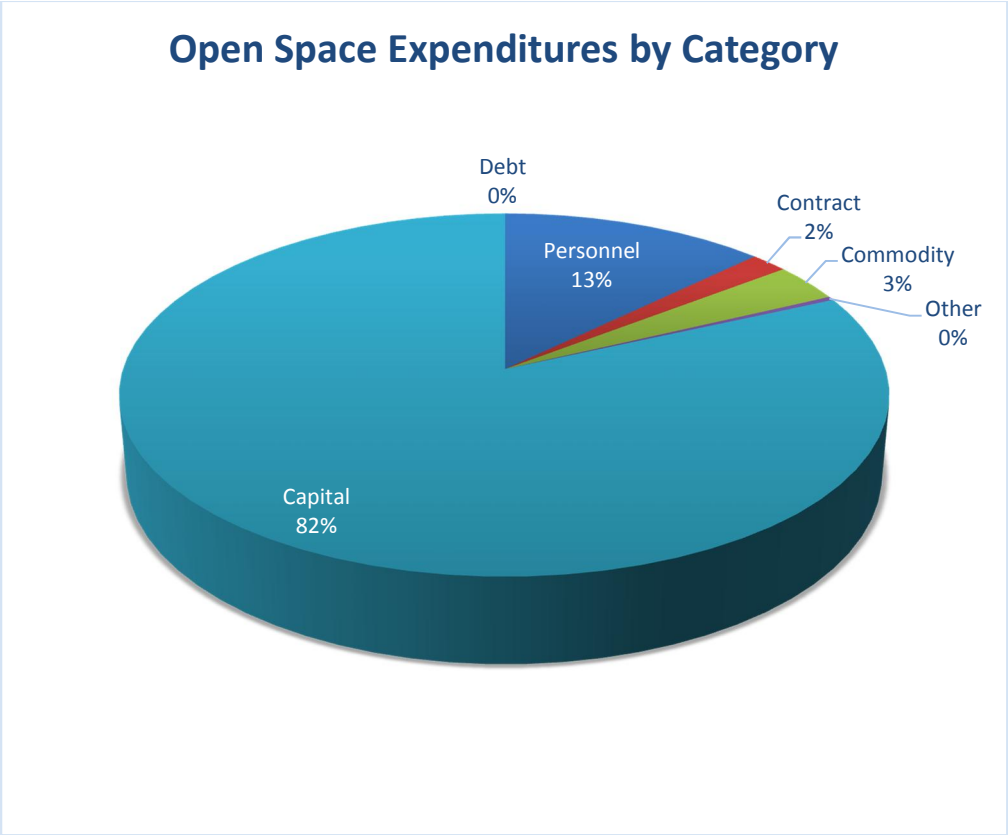
OPEN SPACE FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Open Space Fund	260,050	36,750	68,500	6,700	372,000	1,667,610	---	2,039,610
Totals	$260,050	$36,750	$68,500	$6,700	372,000	1,667,610	$0	$2,039,610
Total Cash Available								$ 3,264,051
Ending Fund Balance								$1,224,441
% of Total Budget	12.75%	1.80%	3.36%	0.33%	18.24%	81.76%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Acquiring a conservation easement
- Milavec trail improvements
- Trail improvements/extensions – No Name Creek and The Farm to Frederick Recreation Area.

The chart below details the expenditures for the Open Space Fund by category. Clearly in 2017 the biggest expenditure will be capital outlay which includes the costs for acquiring a conservation easement.



OPEN SPACE FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.45
Operations	3.18
Total	3.63

OPEN SPACE FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Open Space Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

OPEN SPACE FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Purchase conservation easement
	Install trail sections for the benefit of the community along Godding Hollow Parkway

OPEN SPACE FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Acreage of open space	406.16	406.16	406.16
	Miles of trails	14.6	15.2	15.2

EVENTS FUND

Events Fund

The Events Fund is responsible for the execution of the town's community events such as Miners Day, Frederick in Flight, DIY Day, Chainsaws and Chuckwagons, and the Frederick Festival of Lights tree lighting in December. Frederick prioritizes community events as a way to engage the community, bring neighbors together and give businesses the opportunity to connect with their community. Creating and enhancing unique events also creates a regional draw to showcase the Town of Frederick and further brand recognition with a regional audience. They also provide entertainment for residents in a growing community where typical entertainment venues haven't taken root yet. With many of the events occurring downtown, they are also an integral strategy for downtown revitalization.

The Events Fund is a relatively new fund as it was created in October 2013. Revenues are derived primarily from donations and transfers from other funds.

DIY DAY (May)

DIY Day is intended to reinforce our Built on What Matters brand and encourage folks to roll up their sleeves and learn something new. We hope the event will eventually have a regional draw and will showcase Frederick as a place where folks are always learning and doing. The event also allows local businesses and organizations to establish themselves as experts in their particular field, and make connections to local residents and potential customers.

FREDERICK IN FLIGHT (June)

Frederick in Flight is one of our biggest festivals, drawing folks from all over the region to see over thirty balloons take to the sky at once. The goal of the event is to showcase Frederick to a regional audience and attract folks into the Downtown Frederick area. We saw the impact of this regional draw through the increased attendance at the 2016 festival, so we have budgeted additional funds to accommodate larger crowds.

FUND SUMMARIES

CHAINSAWS AND CHUCKWAGONS (July)

Chainsaws and Chuckwagons serves not only as a fun, unique event for folks, but it also provides the town with interesting works of art that can be placed around town as part of the Art in Public Places Program. The event also brings a diverse selection of food trucks to the area, where there isn't a significant amount of food diversity. This event also serves as a regional draw, garnering a front page Denver Post story in the past.

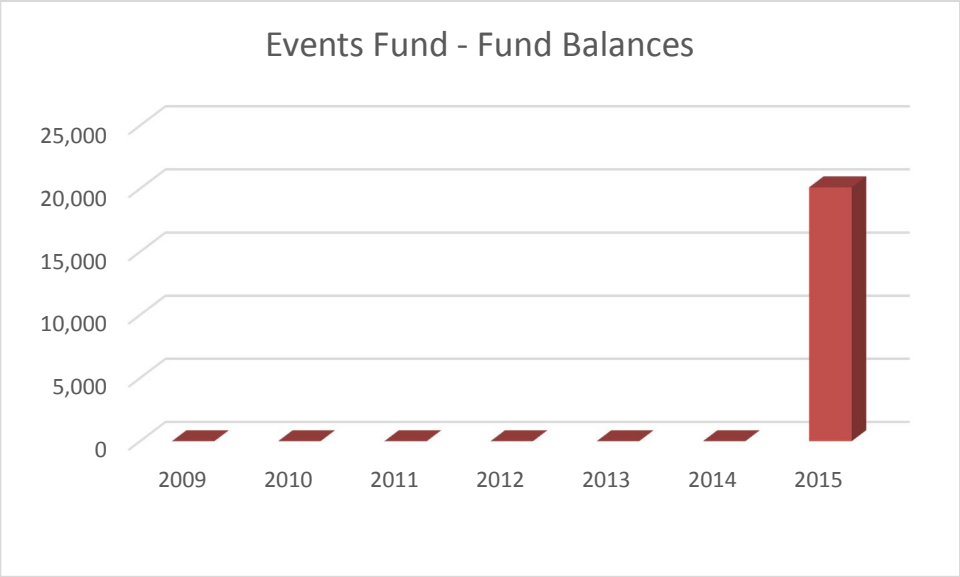
MINER'S DAY (September)

Miners Day started in 2002 with the goal of honoring the community's mining heritage with residents new and old alike who call this area home. Over time, it has turned into our biggest event with a parade, vendors, kid's activities, live music and an awesome fireworks finale. With the 2017 event being the 15th anniversary, we are aiming to commemorate the date with an even bigger celebration.

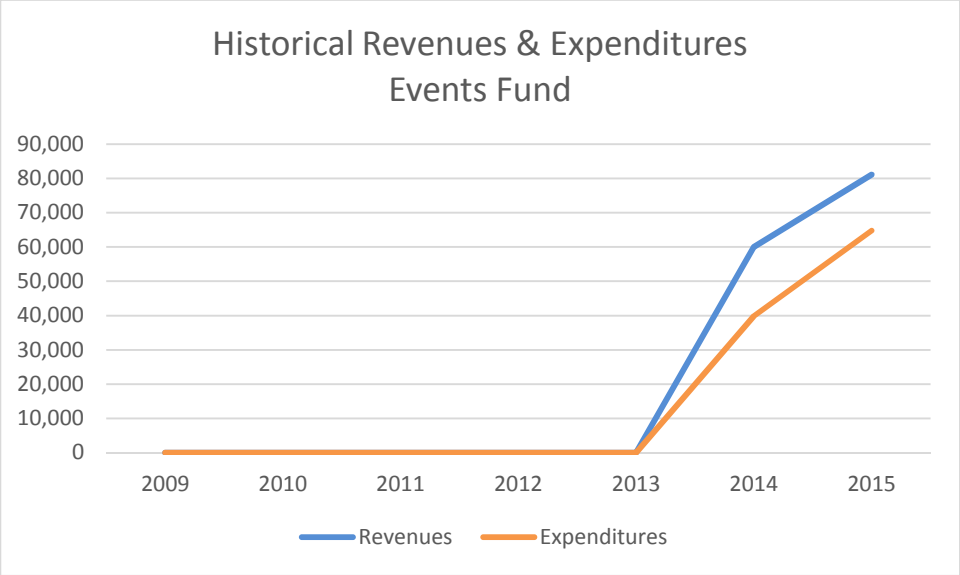
FESTIVAL OF LIGHTS (December)

The Frederick Festival of Lights acts as the closing finale of the larger Carbon Valley Holiday Festival. The event allows the local community to come together to celebrate the holiday season, see the park lit up and get out of the house in the dead of winter. We also partner with area schools for holiday music performances, which gives them the chance to perform for their community.

EVENTS FUND – FUND BALANCE AND FUND SUMMARY



As the following graph illustrates, the Town has had budget surpluses since the funds inception in 2013.



Note: This fund relies on revenues and transfers in - both are included as revenues in this chart.

FUND SUMMARIES

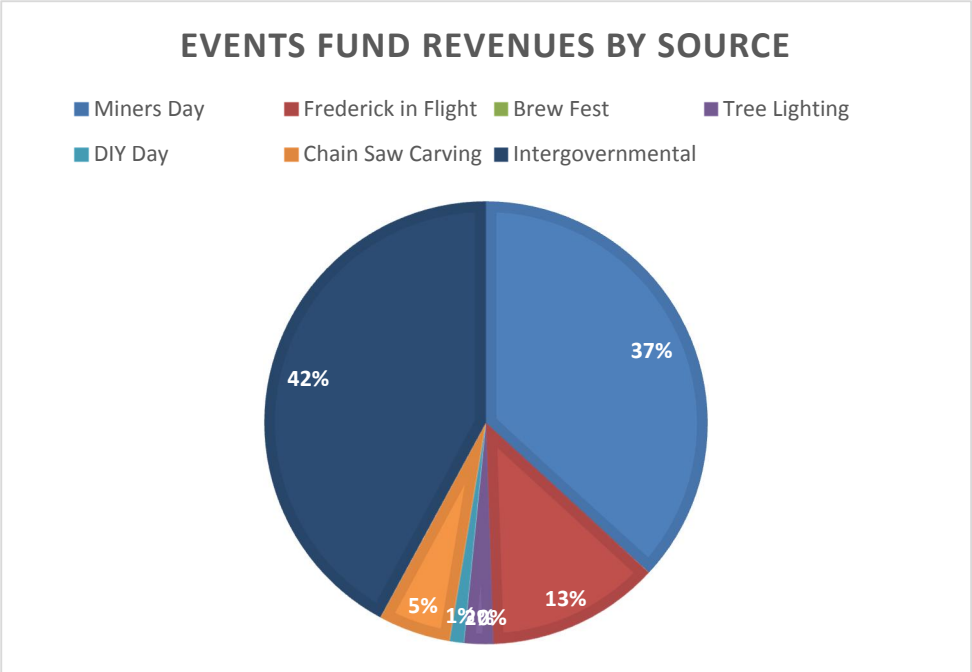
The 2017 Budget for the Events Fund includes revenues of $55,000, and transfers in of $40,000, a decrease of $5,187 compared to the 2016 expected. The 2017 Budget includes expenditures of $106,000. This amount is $15,000 higher than what was budgeted in 2016. Individual events budgets were increased in 2017 in an effort to expand the events and in response to the anticipated increase in attendance after attendance rates unexpectedly increased dramatically in 2016.

EVENTS FUND BUDGET

Events Fund	2015 Actuals	2016 Adopted Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	20,108	36,465	36,465	52,002
Revenues:				
Grants & Contributions	41,123	57,000	60,187	55,000
Miscellaneous Revenue	-	-	-	-
Transfers In	40,000	40,000	40,000	40,000
Total Operating Revenues	81,123	97,000	100,187	95,000
Expenditures:				
Operations	64,767	91,000	84,650	106,000
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	64,767	91,000	84,650	106,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**16,357**	**6,000**	**15,537**	**(11,000)**
Ending Fund Balance	**36,465**	**42,465**	**52,002**	**41,002**

EVENTS FUND REVENUES

Revenues for this fund come from event sponsorships, donations, and transfers in from other funds.



The Events Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Events Fund Revenue Sources		
Source	**Amount**	**% of Total**
Miners Day	35,000	36.84%
Frederick in Flight	12,000	12.63%
Brew Fest	0	0.00%
Tree Lighting	2,000	2.11%
DIY Day	1,000	1.05%
Chainsaws and Chuckwagons	5,000	5.26%
Intergovernmental	40,000	42.11%

EVENTS FUND EXPENDITURES

The Events Fund contains operating expenses related to hosting community events. The fund does not have any capital outlay or debt expense.

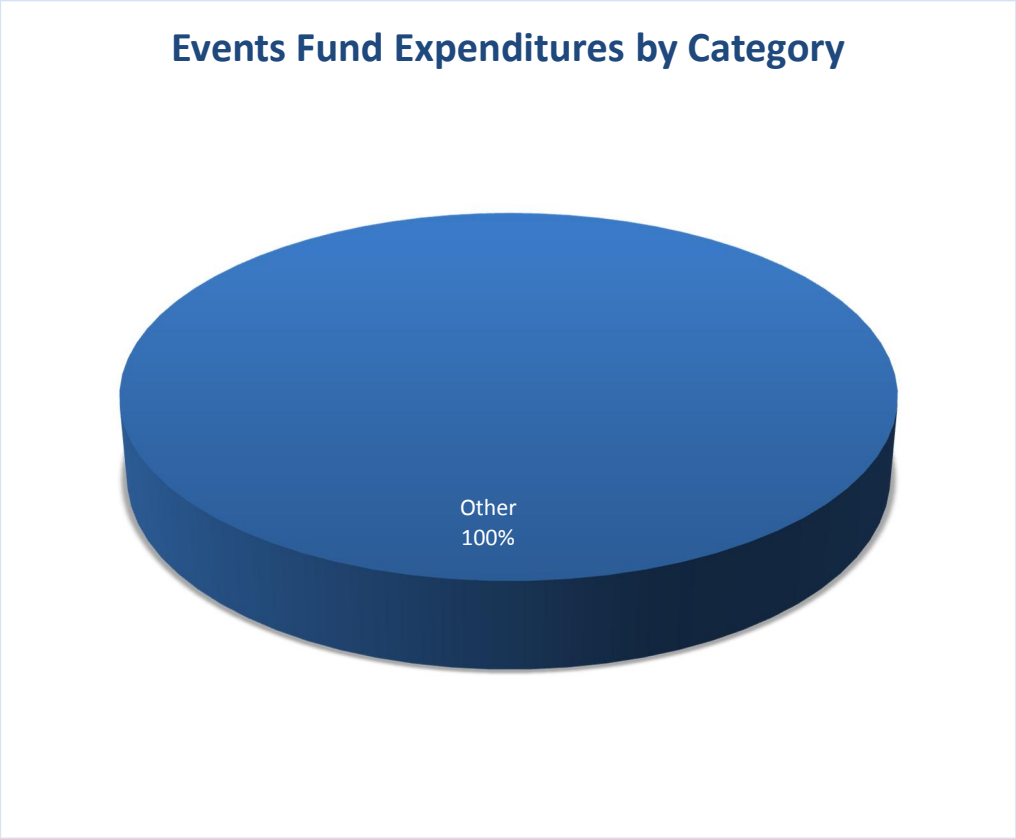
EVENTS FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Events	0	0	0	106,000	106,000	---	---	106,000
Totals	$0	$0	$0	$106,000	106,000	$0	$0	$106,000
Total Cash Available								$ 147,002
Ending Fund Balance								41,002
% of Total Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

PROJECTS FUNDED IN 2017 BUDGET

- Miners Day
- Frederick in Flight
- Chainsaws and Chuck Wagons
- Tree Lighting
- DIY Day

The chart below details the expenditures for the Events Fund by category. Due to the nature of this fund, the only expenditure category in 2017 is other charges. Personnel service related costs are not allocated to the Events Fund and instead are included in the General Fund.



EVENTS FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	0
Operations	0
Total	0

EVENTS FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Events Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

EVENTS FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Commemorate 15th Anniversary of Miners Day
	Recruit ten chainsaw carvers for Chainsaws and Chuck Wagons
	Continue strengthening existing community partnerships and forging new relationships with regional community organizations (DIY Day, CO Craft Beer Roundup, Relay for Life silent auction, etc.)
	Extend regional draw to multiple existing events

EVENTS FUND KEY PERFORMANCE INDICATORS

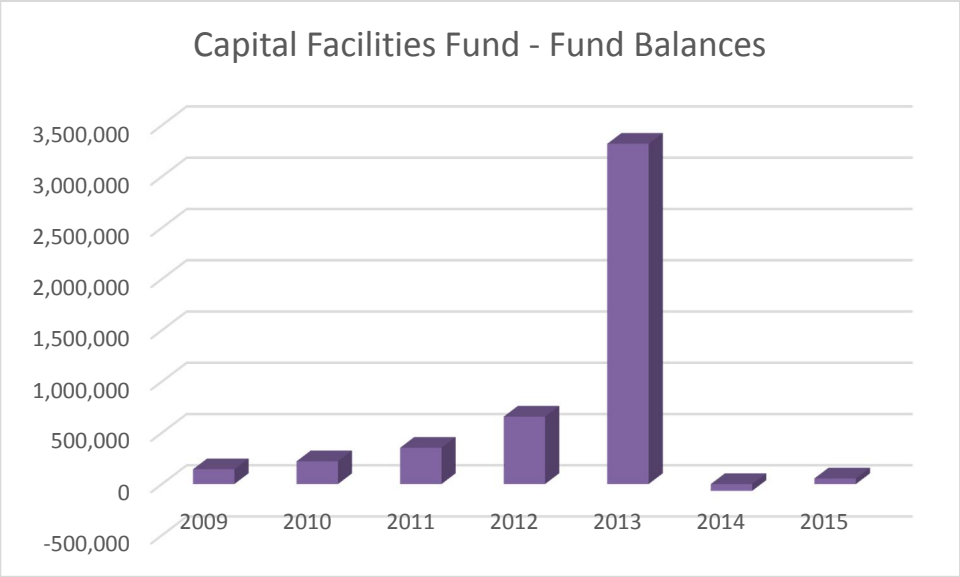
STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of events completed	24	24	24
	Number of volunteer hours at events	Unknown	Unknown	225
	Number of staff hours at events	Unknown	Unknown	310
	Sponsorship dollars received	$58,200	$52,850	$39,400

CAPITAL FACILITIES FUND

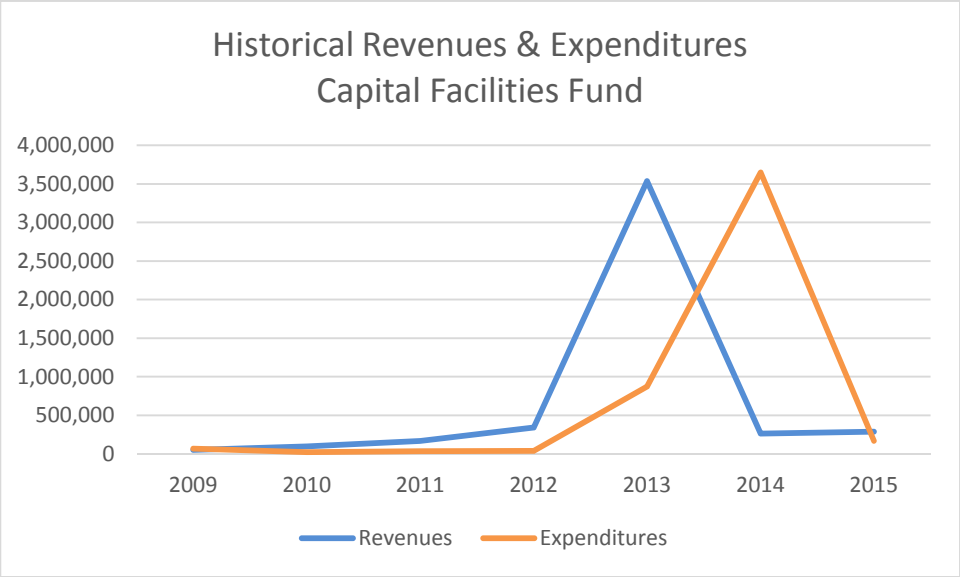
Capital Facilities Fund

The Capital Facilities Fund was created to account for resources used for the acquisition, construction, and maintenance of assets and major capital facilities other than those financed by proprietary funds and trust funds. This fund was established to maintain a separate accounting of specific capital projects.

CAPITAL FACILITIES FUND – FUND BALANCE AND FUND SUMMARY



As the following graph illustrates, the Town generally has small budget surpluses each year. The construction of a new public works facility impacted the revenues and expenditures in 2013 and 2014.



FUND SUMMARIES

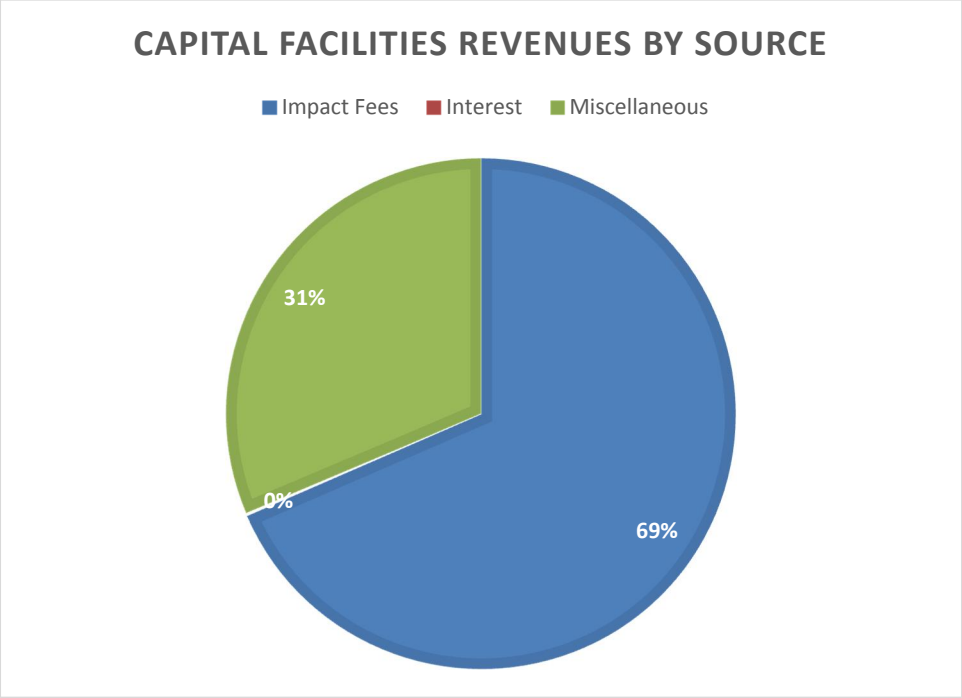
The 2017 Budget for the Capital Facilities Fund includes revenues of $328,500, a decrease of $16,450 compared to the 2016 estimates. The 2017 Budget includes expenditures of $325,137. This amount is $155,412 higher than what was budgeted in 2016. The increase is related to an increase in debt payments budgeted for this fiscal year.

CAPITAL FACILITIES FUND BUDGET

Capital Facilities Fund	2015 Actuals	2016 Adopted Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	(66,009)	54,394	54,394	229,704
Revenues:				
Taxes and Fees	268,914	225,000	344,000	225,000
Grants & Contributions	0	0	0	500
Miscellaneous Revenue	21,129	500	950	103,000
Transfers In	0	0	0	0
Total Operating Revenues	290,043	225,500	344,950	328,500
Expenditures:				
Capital Outlay	169,640	169,725	169,640	171,800
Transfers Out	0	0		153,337
Total Expenditures	169,640	169,725	169,640	325,137
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**120,403**	**55,775**	**175,310**	**3,363**
Ending Fund Balance	**54,394**	**110,169**	**229,704**	**233,067**

CAPITAL FACILITIES FUND REVENUES

Revenues for this fund come primarily from impact fees and transfers in from other funds.



The Capital Facilities Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Capital Facilities Fund Revenue Sources		
Source	**Amount**	**% of Total**
Impact Fees	225,000	68.49%
Interest	500	0.15%
Miscellaneous	103,000	31.35%

CAPITAL FACILITIES FUND EXPENDITURES

The expenditures in this fund are related to capital outlay and debt service only. Currently there is only debt service expense that is related to the lease purchase for the construction of the new Public Works building.

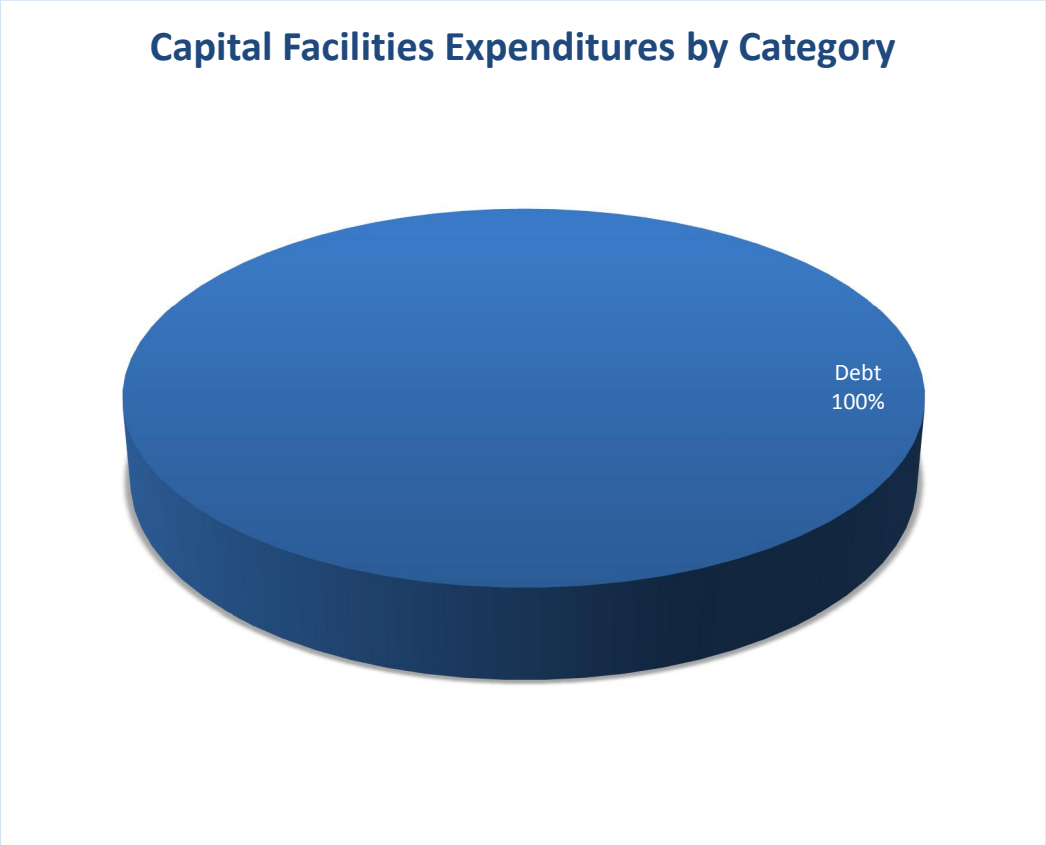
CAPITAL FACILITY FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Capital Facility	0	0	0	0	0	---	325,137	325,137
Totals	$0	$0	$0	$0	0	$0	$325,137	$325,137
Total Cash Available								$ 558,204
Ending Fund Balance								233,067
% of Total Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%

ITEMS FUNDED IN 2017 BUDGET

- Debt payments associated with capital facilities

The chart below details the expenditures for the Capital Facilities Fund by category. Due to the nature of this fund, the only expenditure category in 2017 is debt service.



When projects are funded by the Capital Facilities Fund, goals and key performance indicators are assigned that tie back into our strategic plan. Currently this fund does not have any new projects being funded in 2017.

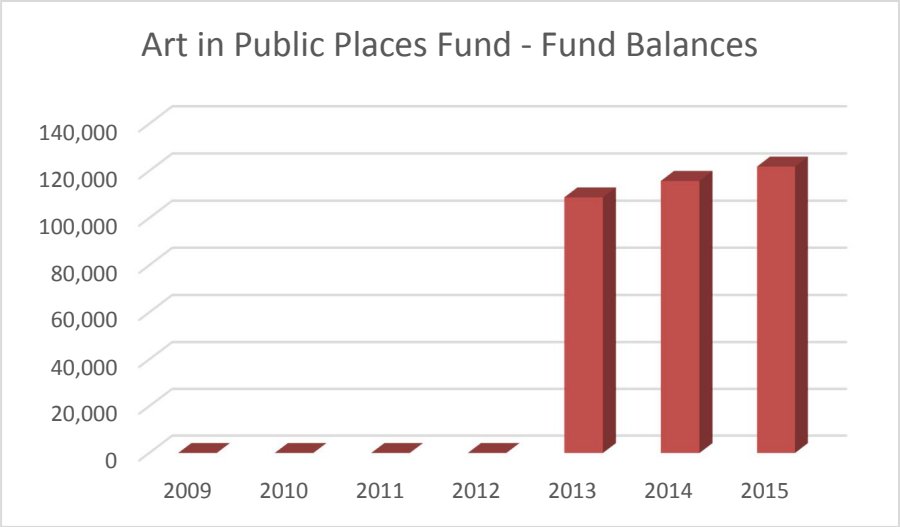
ART IN PUBLIC PLACES FUND

Art In Public Places Fund

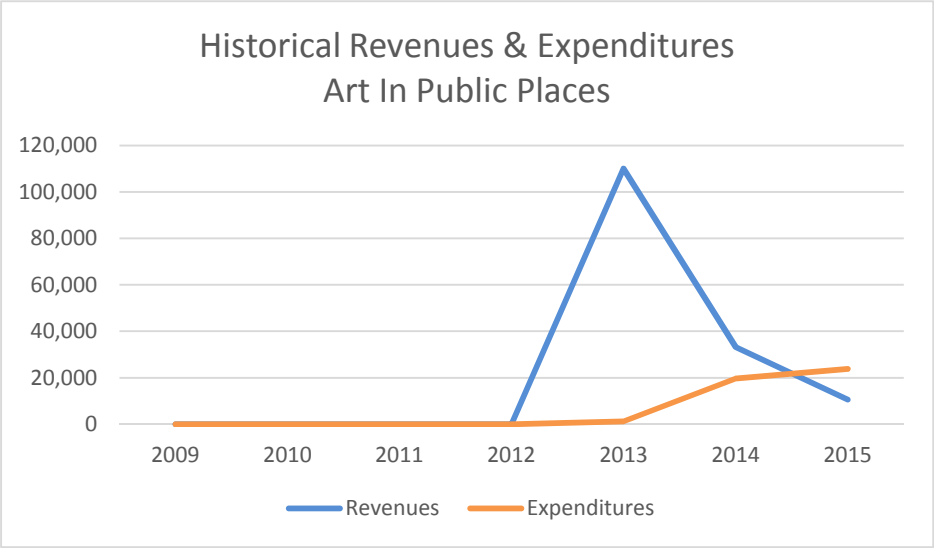
The Art in Public Places Program was created in 1999 to enhance the image of the Town through the creation and placement of art within the community. The fund was established in November 2012 by Ordinance 1107, to account for the dedicated revenues for the acquisition of works of art, maintenance and repair of works of art, and the expenses for the administration of Art in Public Places. Revenues for this fund are primarily transfers from other funds. The transfers are based on 1% of construction costs for capital projects costing more than $25,000.

The Art in Public Places program is administered by the Frederick Arts Commission. The commission is appointed by the Board of Trustees. Two of the commission's functions are to manage the Community Canvas Program and suggest placement of public art in the community. The commission seeks to place interesting a unique pieces of art throughout the community such as wood sculpture, bronze sculpture, murals of various mixed media, modern sculpture, and interactive pieces. The Community Canvas Program is a joint venture with Frederick Power and Light that seeks to highlight local artists within the community and brighten the area with unique utility box murals that add vibrancy and vitality to the community.

ART IN PUBLIC PLACES FUND – FUND BALANCE AND FUND SUMMARY



As the following graph illustrates, the Town revenues for this fund fluctuate a great deal. Historical expenditures have been fairly consistent, however, since there is a substantial fund balance in this fund, more art projects can be funded and higher expenditures are likely in the near future.



Note: This fund relies on revenues and transfers in - both are included as revenues in this chart.

FUND SUMMARIES

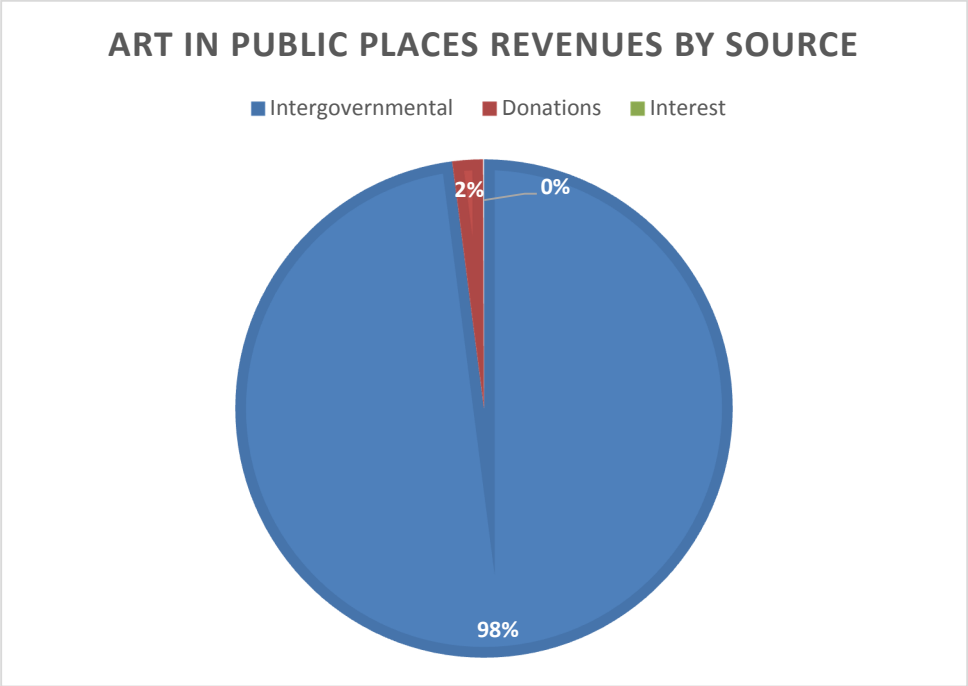
The 2017 Budget for the Art in Public Places Fund includes revenues of $1,030 and transfers in of $49,360, an increase of $27,040 compared to the 2016 Budget. The 2017 Budget includes expenditures of $72,200. This amount is $40,700 higher than what was budgeted in 2016. The anticipated increase is related to an art project in Frederick Recreation Area to compliment the new skate park.

ART IN PUBLIC PLACES BUDGET

Art in Public Places Fund	2015 Actuals	2016 Adopted Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	122,307	109,137	109,137	107,372
Revenues:				
Grants & Contributions	75	650	1,715	1,030
Miscellaneous Revenue	86	-	120	-
Transfers In	10,412	22,700	22,700	49,360
Total Operating Revenues	10,574	23,350	24,535	50,390
Expenditures:				
Operations & Maintenance	-	-	-	-
Capital Outlay	23,744	31,500	26,300	72,200
Transfers Out	-	-	-	-
Total Expenditures	23,744	31,500	26,300	72,200
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**(13,171)**	**(8,150)**	**(1,765)**	**(21,810)**
Ending Fund Balance	**109,137**	**100,987**	**107,372**	**85,562**

ART IN PUBLIC PLACES REVENUE

Revenues for this fund come from donations, art shows, and transfers from other funds. The transfers from other funds is by far the biggest revenue source. The Municipal Code in Frederick requires a contribution to the Art In Public Places Fund for all construction projects funded by the Town. The contribution amount is equal to 1% of the construction costs for all projects with a value that exceeds $25,000.



The Art in Public Places Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Art in Public Places Fund Revenue Sources		
Source	**Amount**	**% of Total**
Intergovernmental	49,360	97.96%
Donations	1,000	1.98%
Interest	30	0.06%

ART IN PUBLIC PLACES FUND EXPENDITURES

This fund has expenditures that are all related to art projects. The $72,200 in expenditures are classified as nonrecurring capital outlay.

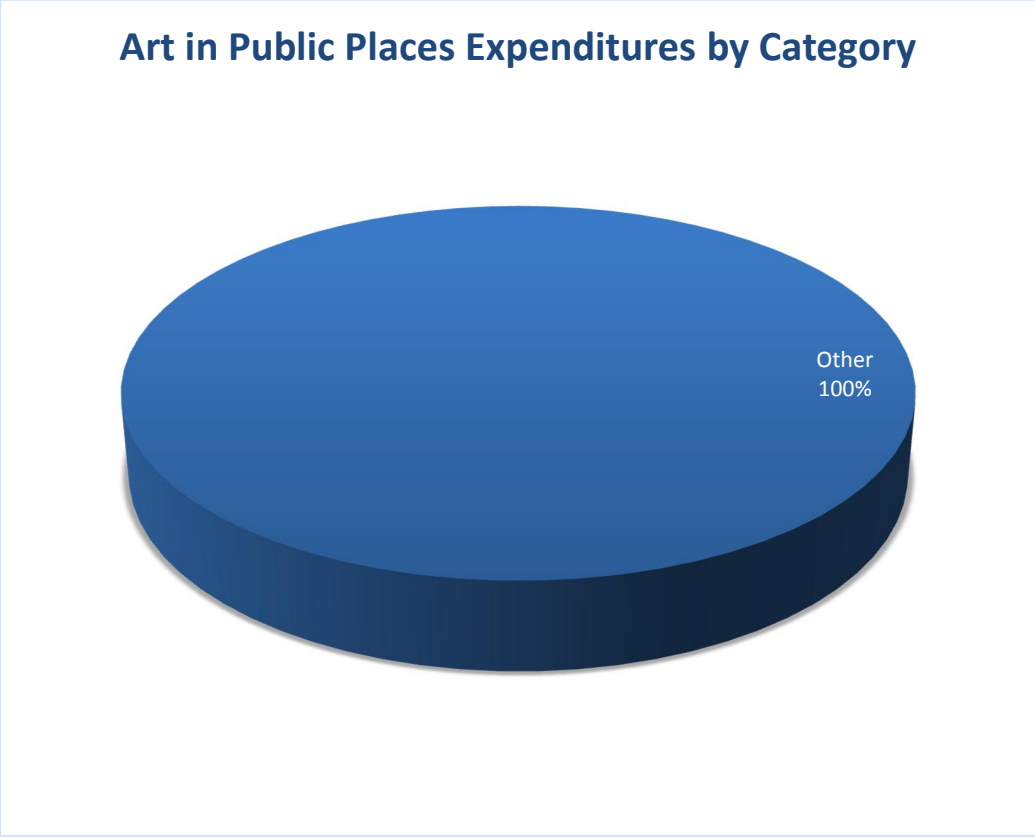
ART IN PUBLIC PLACES FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Public Art	0	0	0	0	0	72,200	---	72,200
Totals	$0	$0	$0	$0	0	$72,200	$0	$72,200
Total Cash Available								$ 157,762
Ending Fund Balance								85,562
% of Total Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

PROJECTS FUNDED IN 2017 BUDGET

- Master Art Plan
- Community Canvas Program
- Art Show
- Skate park art piece

The chart below details the expenditures for the Art in Public Places Fund by category. Due to the nature of this fund, the only expenditure category in 2017 is other charges.



ART IN PUBLIC PLACES FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Art in Public Places Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

ART IN PUBLIC PLACES FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Partnership with Town for art in skate park
	Completion of up to 4 additional utility boxes in Community Canvas Program
	Art in Public Places Master Plan

ART IN PUBLIC PLACES KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of new art pieces added	9	8	9
	Number of electrical boxes painted	1	2	1

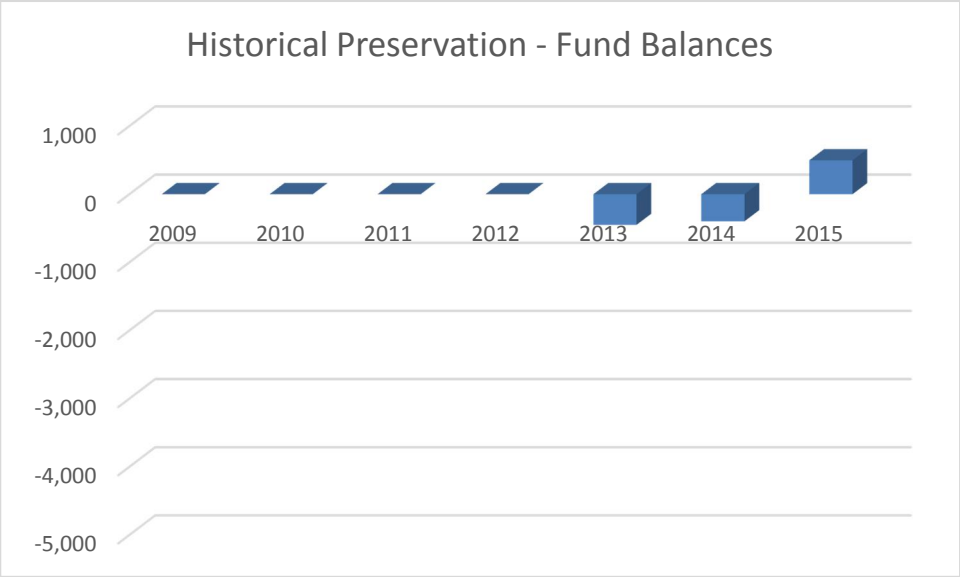
HISTORIC PRESERVATION FUND

Historic Preservation Fund

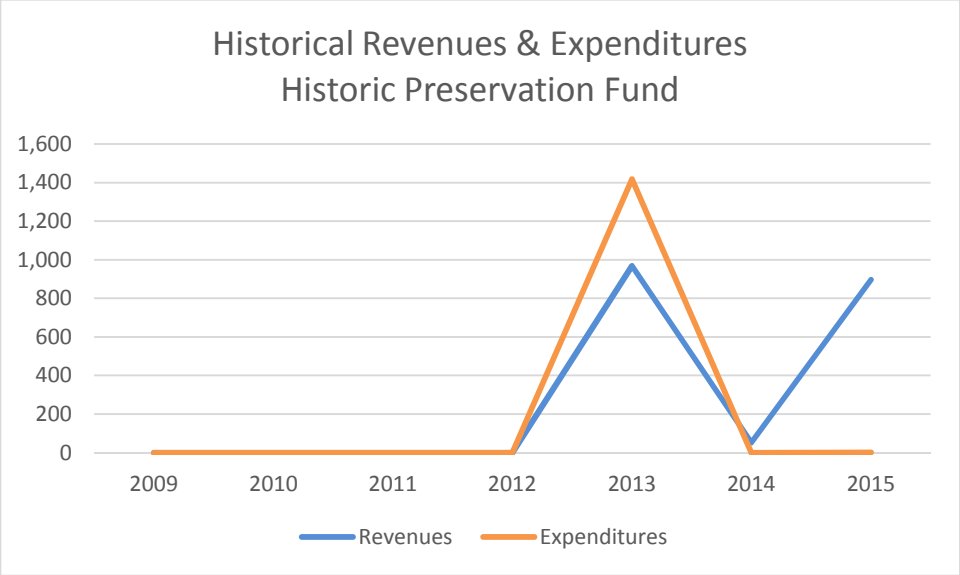
The Historic Preservation Fund was established September of 2013. In 2013 Historic Preservation Commission member W. Sean Scott authored Around Frederick a history book about Frederick. Mr. Scott requested that the royalty payments from the sale of his book be given to the Town. This fund is used to account for those royalties and any expenses deemed appropriate.

The Historic Fund is utilized by the Historic Preservation Advisory Commission. The Commission is appointed by the Board of Trustees and works to preserve the rich history of the Town of Frederick. To this end, the commission assists in the management of the Frederick Museum which is the only museum in the Tri Town area. The commission focuses on preservation of documents, cataloging and inventorying the Town's collection of historic items and assisting Town staff in the preservation in areas of historical significance.

HISTORICAL FUND - FUND BALANCE AND FUND SUMMARY



This is a fairly small fund with relation to fund balance and as the following graph illustrates, the Town revenues for this fund fluctuate a great deal as do the expenditures.



FUND SUMMARIES

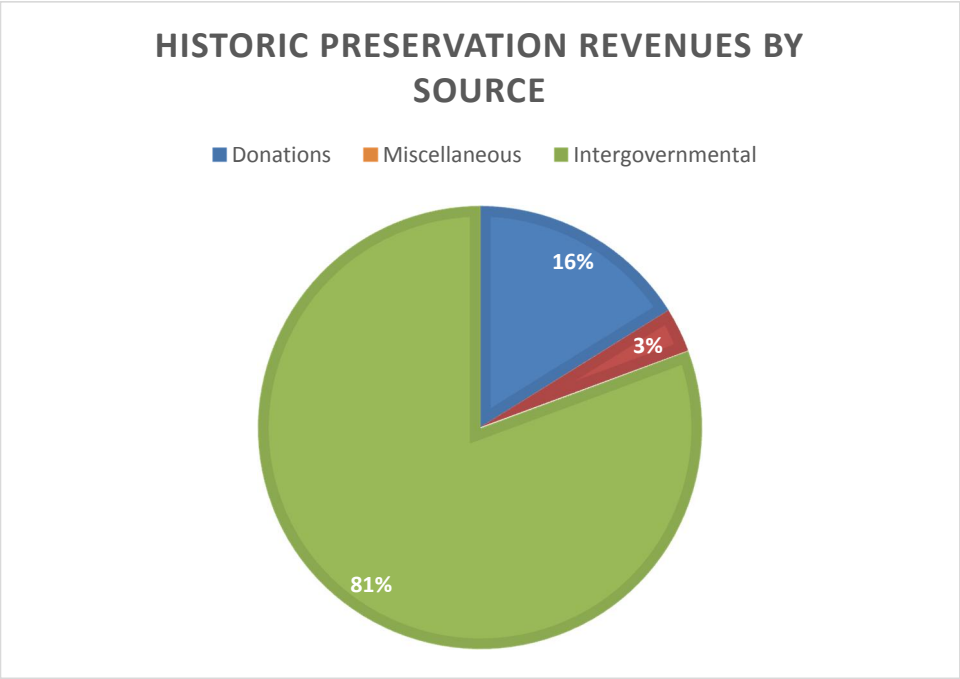
The 2017 Budget for the Historic Preservation Fund includes revenues of $1,240, a decrease of $1,260 compared to the 2016 Budget. The 2016 revenues were higher due to grant revenues that were anticipated. There is no grant revenues budgeted in 2017. The 2017 Budget includes expenditures of $1,000. This amount is $1,100 lower than what was budgeted in 2016.

HISTORIC PRESERVATION FUND BUDGET

Historic Preservation Fund	2015 Actuals	2016 Adopted Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	(398)	498	498	642
Revenues:				
Grants & Contributions	636	1,000	1,000	1,200
Miscellaneous Revenue	261	1,500	144	40
Transfers In	0	0	0	0
Total Operating Revenues	896	2,500	1,144	1,240
Expenditures:				
Operations & Maintenance	0	2,100	1,000	1,000
Capital Outlay	0	0	0	0
Transfers Out	0	0	0	0
Total Expenditures	0	2,100	1,000	1,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**896**	**400**	**144**	**240**
Ending Fund Balance	**498**	**898**	**642**	**882**

HISTORIC PRESERVATION FUND REVENUES

Revenues for this fund come from royalties, grants, donations and transfers in.



The Historic Preservation Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2017.

Historic Preservation Fund Revenue Sources		
Source	**Amount**	**% of Total**
Donations	200	16.13%
Miscellaneous	40	3.23%
Intergovernmental	1,000	80.65%

HISTORIC PRESERVATION FUND EXPENDITURES

The expenditures for this fund are all operational in nature.

HISTORIC PRESERVATION FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Events	0	0	1,000	0	1,000	---	---	1,000
Totals	$0	$0	$1,000	$0	1,000	$0	$0	$1,000
Total Cash Available								$ 1,882
Ending Fund Balance								882
% of Total Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

PROJECTS FUNDED IN 2017 BUDGET

- Shelving
- Storage racks

The chart below details the expenditures for the Historic Preservation Fund by category. Due to the nature of this fund, the only expenditure category in 2017 is commodity.

HISTORIC PRESERVATION FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Historic Preservation Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

HISTORIC PRESERVATION FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Installation of display and storage shelving units in museum

HISTORIC PRESERVATION KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of grants applied for	1	1	1
	Number of events participated in	2	2	2

PROPRIETARY FUNDS

WATER FUND

Water Fund

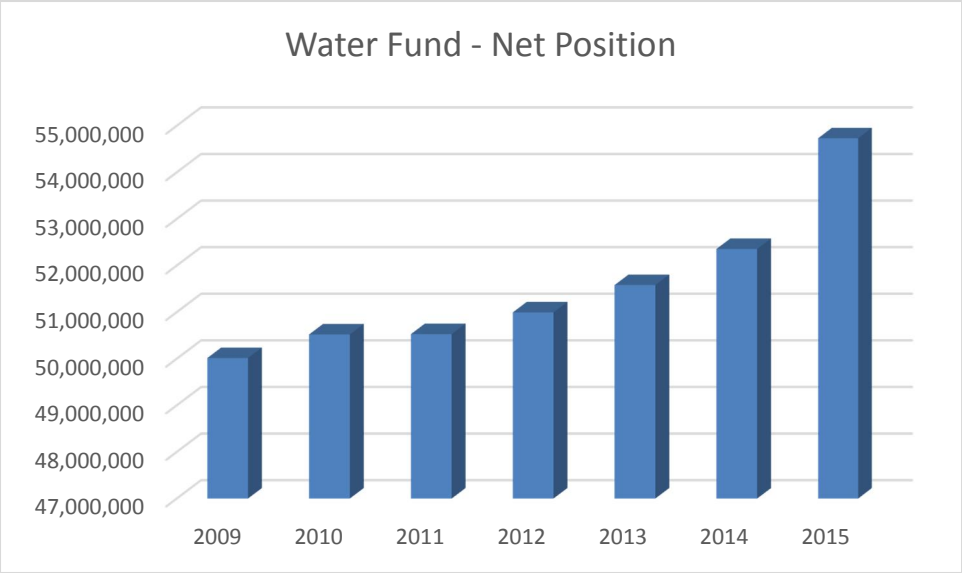
The Town of Frederick Water Fund is an enterprise fund responsible for the operations, maintenance, and capital related items of all of the Town water distribution system. This includes the repair and installation of lines into the system, reading of all meters for billing purposes, and monitoring the testing and compliance of the distribution system. The fund includes Plant Investment fees collected at the time builders apply for a building permit for a new residence or business. These fees are used for the extension of waterlines or other improvement to Frederick's water system driven by the increased demand by customers and areas serviced in Frederick. A major role of this fund, in recent years, has been to fund the development of a raw water irrigation system. This allows existing and future residents to use lower cost untreated irrigational water and preserve high quality mountain water supplies such as Colorado-Big Thompson (CBT) for potable water needs for the future demands of the water utility.

Before a building permit can be issued for any new construction, the permit applicant must dedicate water rights to the Town or pay the Town cash in lieu of the dedication requirement. The water dedication requirement for a single family dwelling unit with a 5/8" tap is 1.0 shares of CBT water. If a permit applicant pays cash in lieu, the cash is held in this fund and is used by the Town to purchase water rights to serve the property. The Town now has the ability to purchase some shares of CBT up to the cap as determined by the policies of Northern Water, who manages and operates the CBT system. The Town also considers opportunities to acquire native water rights through the purchase of shares in local irrigation companies.

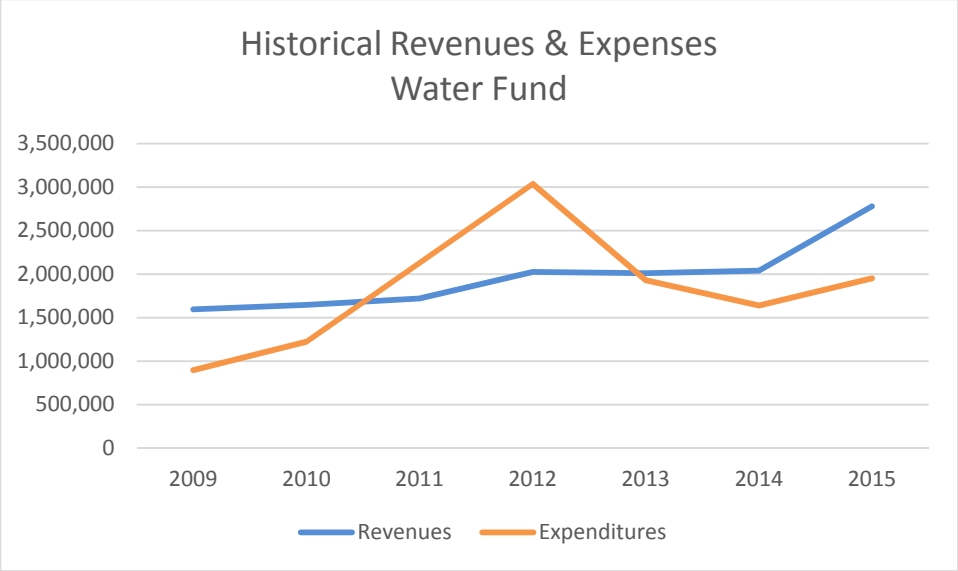
The Town Board has elected to participate in the Northern Integrated Supply Project (NISP) as the best alternative to meet the Town's potable water supply needs out to 2030. This high quality water supply would provide the Town with a firm yield of 2,600 acre feet of water per year based on its ownership in the project. NISP would develop a new water supply for the region by storing water that now flows unused out of Colorado, beyond what is required through river compacts. Following completion of the Supplemental Environmental Impact Study the project could move into the design phase.

In order to fund the NISP project, complete approved capital improvement projects, and maintain the existing infrastructure, it will be necessary to consider water rate increases.

WATER FUND - FUND BALANCE AND FUND SUMMARY



The increases in net position in recent years is the result of budget surpluses. As the following graph illustrates, the Town has had budget surpluses in the Water Fund in 2009, 2010, 2014 and 2015.



Note: This graph reflects operating revenues and expenses only.

FUND SUMMARIES

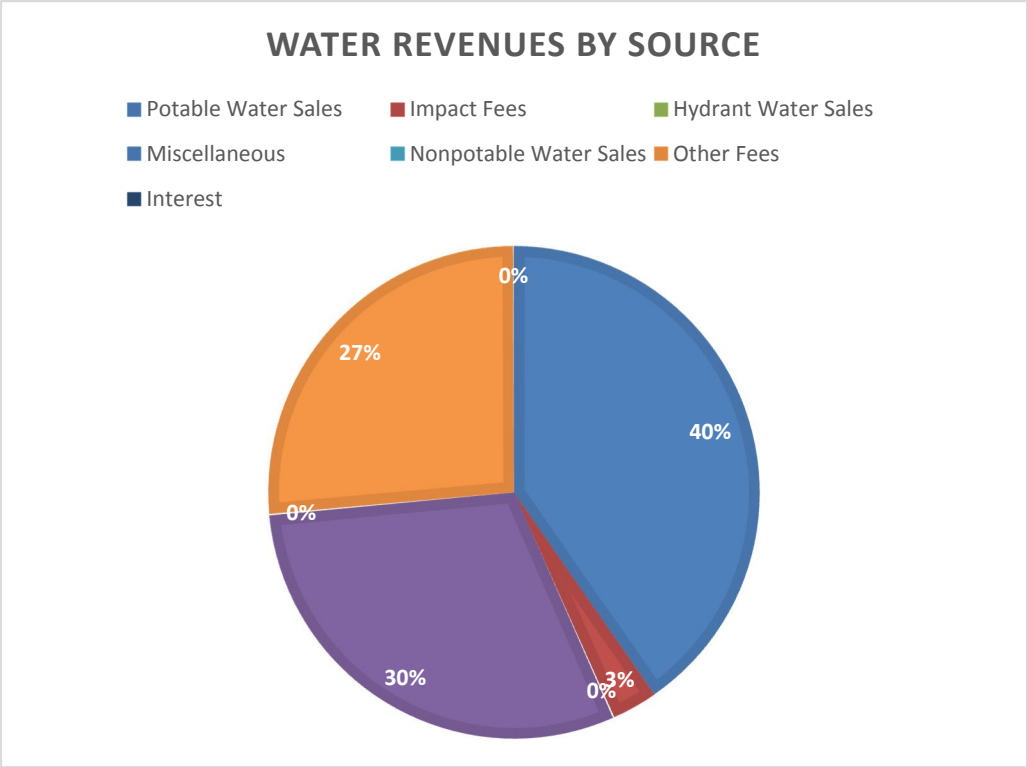
The 2017 Budget for the Water Fund includes total revenues of $5,010,500, with $3,357,000 being operating revenues. This is an increase of $361,050 compared to the 2016 Budget. This increase is primarily due to an expected increase in water share fees which are collected from developers when building permits are issued. The 2017 Budget includes total expenditures of $5,230,560 which includes transfers of $137,590. This amount is $2,572,820 lower than what was budgeted in 2016. The decrease is due to a decrease water acquisition budgeted during the year.

WATER FUND BUDGET

Water Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Net Position	52,356,154	54,731,995	54,731,995	53,302,988
Revenues:				
Charges for Services	2,749,001	1,944,750	2,815,700	2,030,000
Miscellaneous Revenue	28,219	1,506,500	1,496,904	1,507,000
Total Operating Revenues	2,777,220	3,451,250	4,312,604	3,537,000
Expenses:				
Operations and Maintenance	1,589,544	3,193,530	3,234,630	3,175,770
Capital	32,803	745,500	1,100,830	293,200
Impact	140,480	3,552,600	2,999,251	400,000
Depreciation	281,545	306,000	312,000	323,000
Debt	3,751	-	-	901,000
Transfers Out	-	5,750	9,600	137,590
Total Operating Expenses	2,048,122	7,803,380	7,656,311	5,230,560
Operating Income (Loss)	729,098	(4,352,130)	(3,343,707)	(1,693,560)
Non-Operating Revenues (Expenses)				
Tap Fees	155,650	120,000	140,000	120,000
Capital Investment Fees	1,485,443	1,074,000	1,769,000	1,350,000
Misc. Revenues	5,650	4,200	5,700	3,500
Interest Expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	1,646,743	1,198,200	1,914,700	1,473,500
Excess (Deficiency) of Revenues and Other Sources over Expenses	**2,375,841**	**(3,153,930)**	**(1,429,007)**	**(220,060)**
Ending Net Position	**54,731,995**	**51,578,065**	**53,302,988**	**53,082,928**

WATER FUND REVENUES

Water Fund revenues are primarily made up of water sales to customers, impact fees, tap fees, and hydrant water sales. The chart below shows the proportion of each major revenue source to the total Water Fund Revenues.



The Water Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2017.

Water Fund Revenue Sources		
Source	**Amount**	**% of Total**
Potable Water Sales	2,020,000	40.32%
Impact Fees	150,000	2.99%
Hydrant Water Sales	5,000	0.10%
Miscellaneous	1,507,500	30.09%
Non-potable Water Sales	5,000	0.10%
Other Fees	1,320,000	26.34%
Interest	3,000	0.06%

WATER FUND EXPENDITURES

The expenditures in this fund include operational costs of $3,705,370, debt service of $901,000, and capital outlayof $624,190. Of the $624,190 capital, $375,000 is recurring and is associated with infrastructure projects related to water acquisition (NISP and Windy Gap.) The remaining $249,190 is nonrecurring and is associated with water infrastructure.

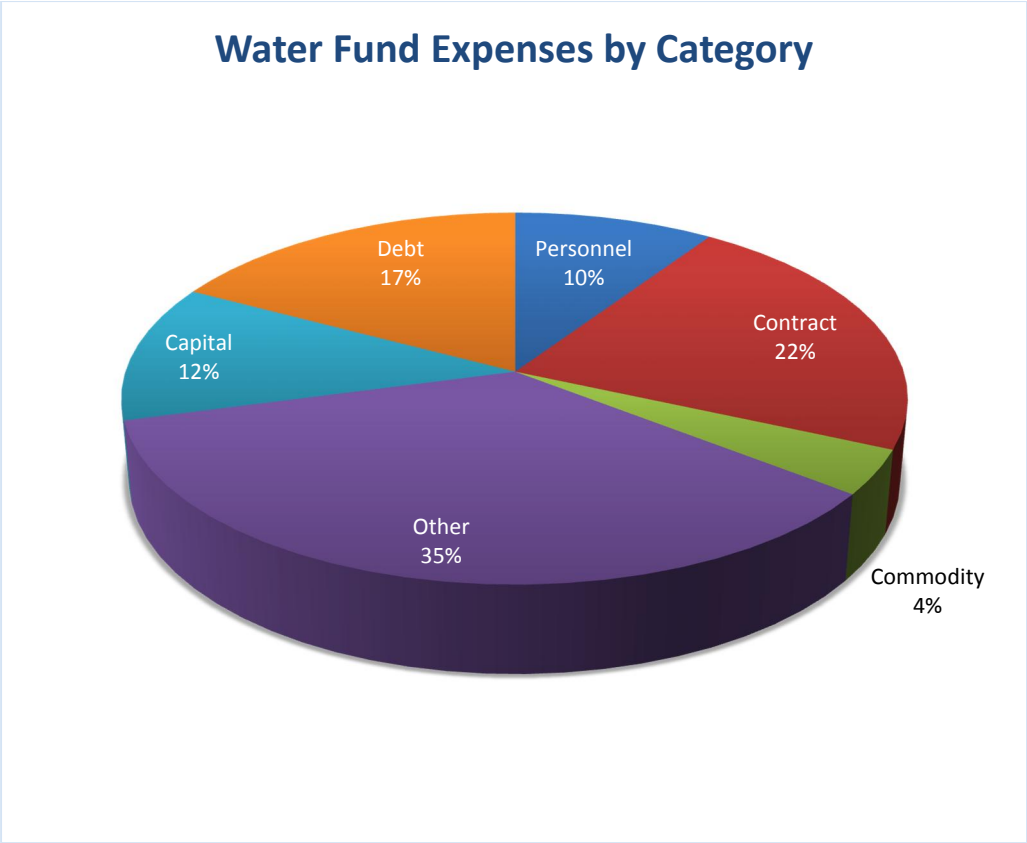
WATER FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Water Fund	492,920	1,161,000	203,850	1,847,600	3,705,370	624,190	901,000	5,230,560
Totals	$492,920	$1,161,000	$203,850	$1,847,600	3,705,370	624,190	$901,000	$5,230,560
Total Cash Available								$ 9,411,887
Ending Fund Balance								$4,181,327
% of Total Budget	9.42%	22.20%	3.90%	35.32%	70.84%	11.93%	17.23%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Retro fit meters for AMR
- Extend Johnson Farm, Coal Ridge and Fox Run Park raw water lines
- Add flow meter to Milavec Lake
- NISP
- Windy Gap
- Leak detection
- System mapping
- Water certifications

The chart below details the expenditures for the Water Fund by category. Clearly in 2017 the biggest expenditure will be "other" which includes pass through costs for new water taps that is paid to Central Weld County Water District.



WATER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	3.00
Operations	3.10
Total	6.10

WATER FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Water Fund establishes annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

WATER FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Equip all raw water meters with AMR units so they can be read remotely so that water use can be more accurately and efficiently tracked.
	Review ditch delivery and water source options for Wyndham Hill.
	Work with Northern Water and Army Corps of Engineers to acquire permit to construct NISP
	Add remote meter reading capabilities to all pump stations in Town
	Add flow meter to Parshall flume for Milavec Lake
	Manage a successful hydrant flushing program
	Manage a valve exercising program
	Meet all TTHM, HAA5 and lead and copper requirements
	Continue best practices for level of service

WATER FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of residential taps	3,635	3,752	3,904
	Average acre foot usage/tap	.46	.48	.42
	% unaccounted for	12	13	2
	Acre feet of non-potable water used	790	811	926
	Hydrants flushed	n/a	n/a	283

STORM WATER FUND

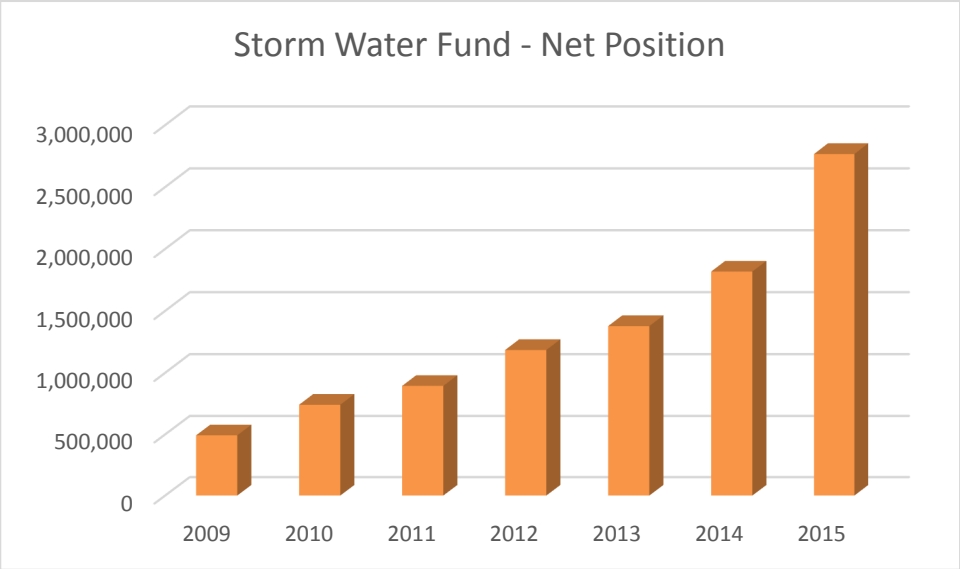
Storm Water Fund

The Storm Water Fund was established with the creation of the Storm Water Utility in 2008 for the purpose of protecting people and property from harm and damage resulting from uncontrolled and unplanned storm water runoff, allowing the movement of emergency vehicles during flood events, and minimizing inconveniences to businesses and citizens from storm events. This is accomplished by funding the construction, operation and maintenance of the storm water system along with the administration of the Storm Water Utility. This fund is an enterprise fund which means it is primarily supported by monthly fees charged to customers and by impact fees. The Utility service area includes the entire Frederick Town Limits and the unincorporated area of Evanston. Current fees are: Residential Flat Fee of $6.23/month, Industrial Fee of $34/acre/month, Commercial Fee of $45/acre/month, and Public Land Fee of $21/acre/month.

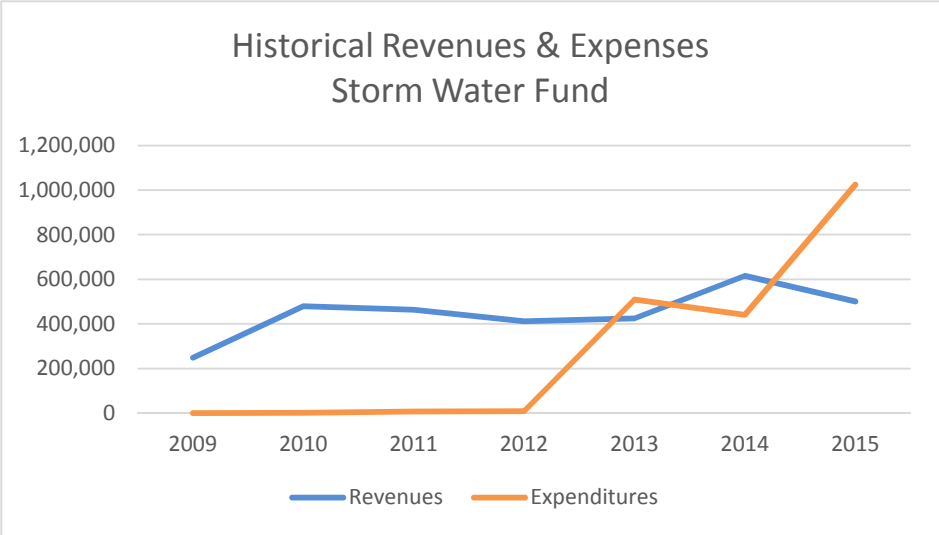
The Storm Water Fund is also responsible for the design and construction of capital improvements and the costs of capital equipment for the utility. Planned capital improvements are needed to serve new development and growth in the Town. Funding for new capital projects comes mainly from impact fees that are charged to new development.

The Capital Improvement Fees are set to insure that new development is contributing its fair share to the costs of construction of Capital Improvement Projects needed to support new development. Following a review of the Storm Water Capital Improvement Fees in 2011, current Fees were set at $977 per lot for single family residential units and $0.488 per square foot of building footprint and all asphalt, concrete, packed gravel or other type of hard or impervious material or surface coverage for multi-family, commercial and industrial uses. Capital Improvement Projects are identified in the “South Weld I-25 Master Drainage Plan” and the “Idaho Creek Master Drainage Study” as adopted by the Town Board.

STORM WATER FUND – FUND BALANCE AND FUND SUMMARY



The increases in net position in recent years are the result of budget surpluses. As the following graph illustrates, the Town has had budget surpluses in the Storm Water Fund in 2009, 2010, 2011, 2012, and 2014.



Note: This graph reflects operating revenues and expenses only.

FUND SUMMARIES

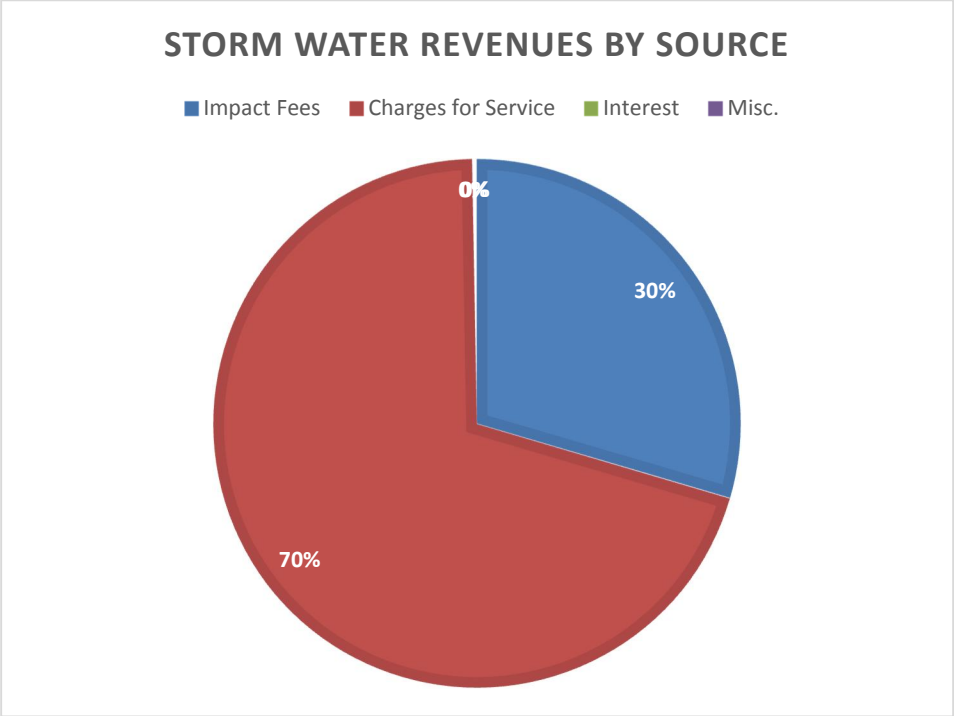
The 2017 Budget for the Storm Water Fund includes total revenues of $677,000 with $476,500 being operating revenues. This is an increase of $59,950 compared to the 2016 Budget. This increase is primarily due to an expected increase in storm water impact fees which are collected from developers when building permits are issued. The 2017 Budget includes total expenditures of $462,570 which includes transfers of $20,250. This amount is $1,763,375 lower than what was budgeted in 2016. The decrease is due to major flood damage repairs that were budgeted for and completed in 2016.

STORM WATER FUND BUDGET

Storm Water Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Net Position	1,817,505	2,766,705	2,766,705	2,422,200
Revenues:				
Charges for Services	458,502	465,000	465,000	475,000
Miscellaneous Revenue	2,709	5,000	1,000	1,500
Total Operating Revenues	461,212	470,000	466,000	476,500
Expenses:				
Operations and Maintenance	288,389	431,945	368,710	437,320
Capital Improvements	756,319	1,792,000	1,770,877	5,000
Transfer Out	1,782	2,000	-	20,250
Total Operating Expenses	1,046,490	2,225,945	2,139,587	462,570
Operating Income (Loss)	(585,278)	(1,755,945)	(1,673,587)	13,930
Non-Operating Revenues (Expenses)				
Capital Revenues	248,476	146,550	251,300	200,000
Misc. Revenues	1,286,003	-	1,077,032	-
Interest Expense		500	750	500
Total Non-Operating Revenues (Expenses)	1,534,478	147,050	1,329,082	200,500
Excess (Deficiency) of Revenues and Other Sources over Expenses	**949,200**	**(1,608,895)**	**(344,505)**	**214,430**
Ending Net Position	**2,766,705**	**1,157,810**	**2,422,200**	**2,636,630**

STORM WATER FUND REVENUES

Storm Water Fund revenues are primarily made up of customer receipts, and impact fees. The chart below shows the proportion of each major revenue source to the total Storm Water Fund Revenues.



The Storm Water Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2017.

Storm Water Fund Revenue Sources		
Source	**Amount**	**% of Total**
Impact Fees	200,000	29.54%
Charges for Service	475,000	70.16%
Interest	500	0.07%
Misc.	1,500	0.22%

STORM WATER FUND EXPENDITURES

Storm water expenditures for the 2017 Budget are operating in nature. There are no capital outlay or debt service costs.

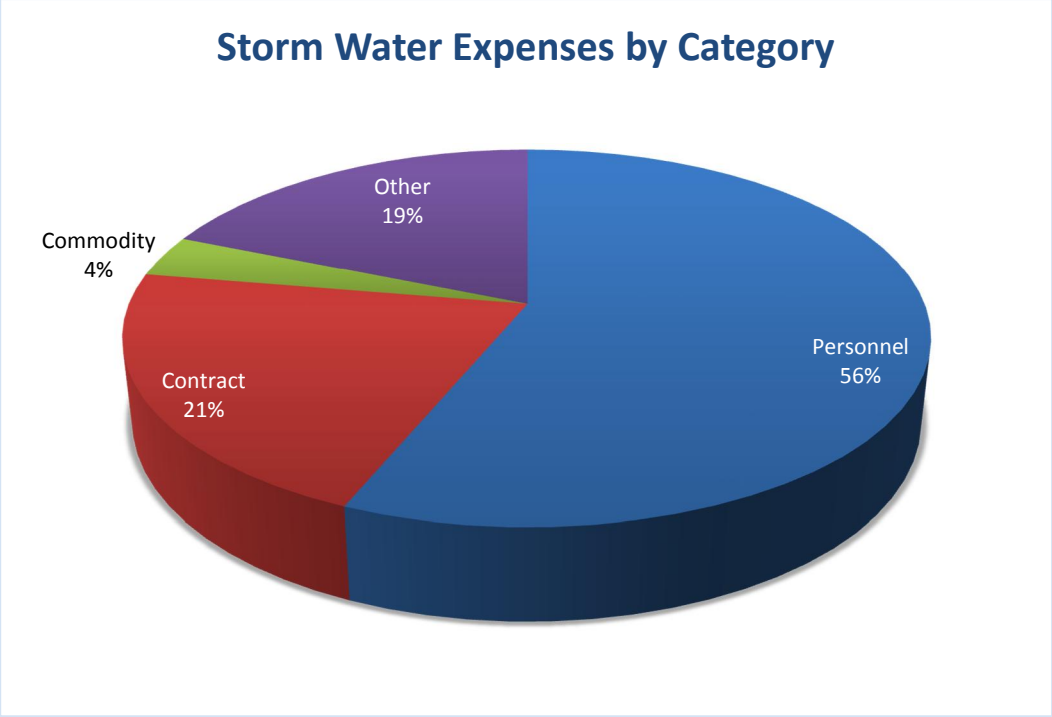
STORM WATER FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Storm Water Fund	260,220	99,050	16,600	86,700	462,570	---	---	462,570
Totals	$260,220	$99,050	$16,600	$86,700	462,570	$0	$0	$462,570
Total Cash Available								$ 726,883
Ending Fund Balance								264,313
% of Total Budget	56.26%	21.41%	3.59%	18.74%	100.00%	0.00%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Ditch maintenance
- Storm Water certification
- Drainage improvements

The chart below details the expenditures for the Water Fund by category. This fund is fairly labor intensive and the 2017 expenditures reflect that.



STORM WATER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.70
Operations	2.41
Total	3.11

STORM WATER FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Storm Water Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

STORM WATER FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Acquire funding for constructing Phase 2 of the WCR 20 Crossing T3-1, as described in the South Weld I-25 Master Drainage Plan, on No Name Creek with the installation of a larger culvert to accommodate larger base flows and add into GIS mapping
	Compile a comprehensive map in GIS of the existing storm water system from as-built drawings and field locations
	Completion of major drainage structures into a utility shape file
	Assess and secure funding, and begin construction to improve and expand downtown drainage issues.
	Continue maintaining the storm water conveyance system throughout the Town
	Review and evaluate utility and impact fees
	Cleaning on major No Name Creek drainage way improvement areas north of Tipple Pkwy

STORM WATER FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Capital projects completed	5	1	2

Before

After

ELECTRIC FUND

Electric Fund

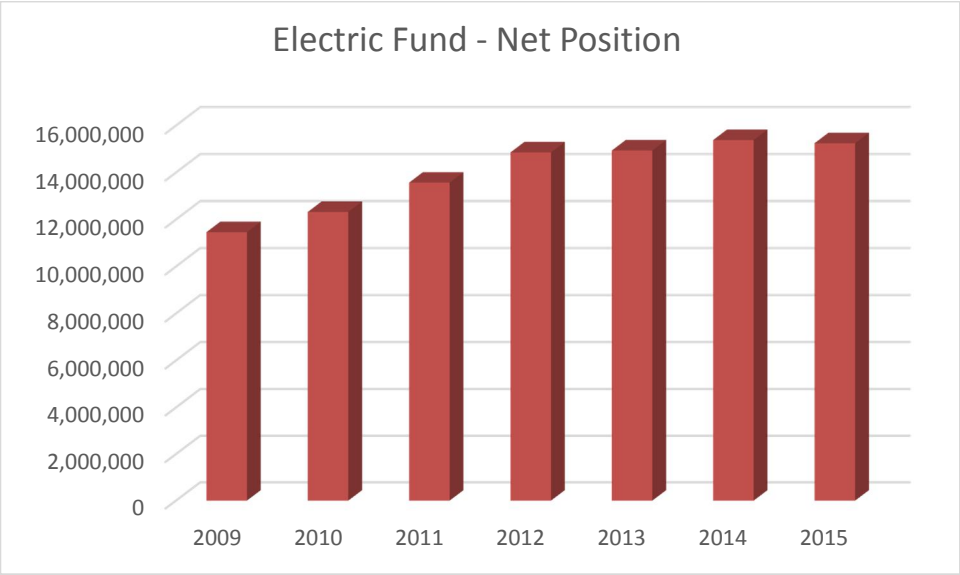
The Town of Frederick operates its own electric fund that does business under the name Frederick Power and Light. Frederick Power and Light is an enterprise system that provides Frederick customers, who live within the original Town boundaries, electric services. The enterprise has been in operation since 1913. Prior to 2014, the Town outsourced the operations of this fund. In 2014, the Town decided to bring the operations and maintenance in-house. This decision was made to with the intent of providing a more cost-effective option for our customers with a stable rate structure, reliable electric service and great customer service.

The Town is currently assessing the viability of expanding the electric utility to include the entire Town. As Frederick Power and Light continues to grow, it is important that we prove to the residents of our current service area that they will not lose quality of service, and in fact improve service from prior years.

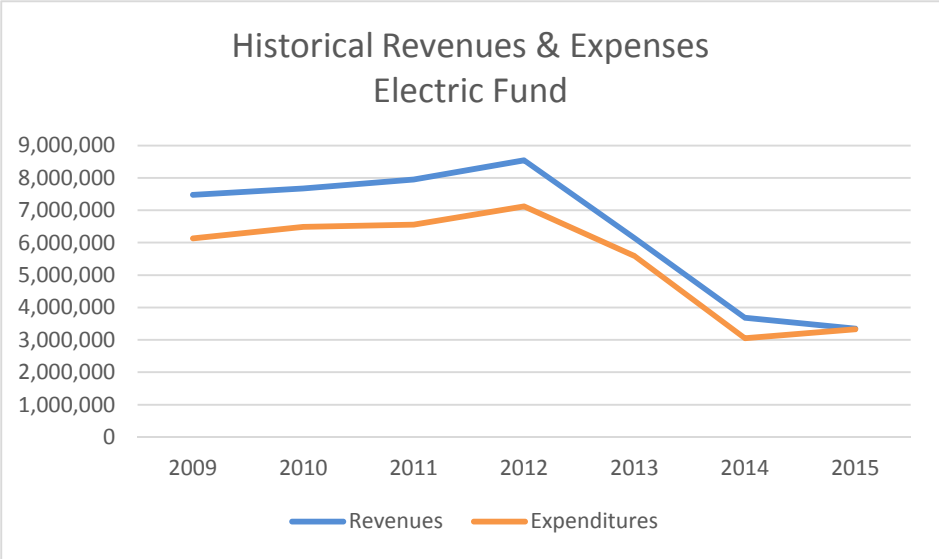
In 2015, in an effort to decrease costs and increase efficiency, the Town installed new AMI meters. These meters have allowed us to streamline electric meter reading and have almost completely eliminated the need for outside meter readers. The associated reduction in meter reading costs have enabled us to lower our kWh rates to our current customers.

As we move forward, additional effort is being made to further reduce operating costs as well as encourage conservation. Programs associated with this effort include renewable energy/net metering and the rebate program. Currently, rebates are offered to Frederick Power and Light customers for LED lighting, and for specific Energy Star Appliance purchases. The intent of these programs is to help our customers save money while increasing their efficiency in their homes. The financial outcome of increased efficiency by our customers is decreased costs associated with power purchases and more stable rate structures.

ELECTRIC FUND – FUND BALANCE AND FUND SUMMARY



Increases in net position is the result of budget surpluses. As the following graph illustrates, the Town has had budget surpluses in the Electric Fund in 2009, 2010, 2011, 2012, 2013 and 2014.



Note: This graph reflects operating revenues and expenses only.

FUND SUMMARIES

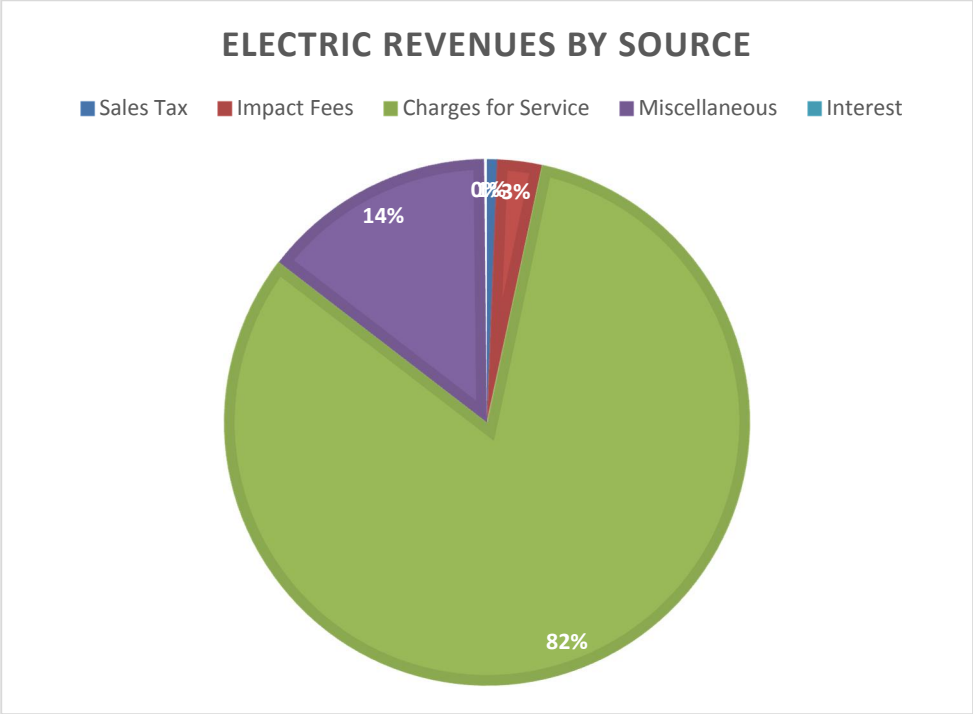
The 2017 Budget for the Electric Fund includes total revenues of $3,569,660 with $2,962,310 of that total coming from operating revenues. This is an increase of $550,260 compared to the 2016 Budget. This increase is primarily due to an expected increase in reimbursed expenses associated with new development. The 2017 Budget includes total expenditures of $5,069,045 which includes transfers of $307,700. This amount is $1,121,635 lower than what was budgeted in 2016 due to fewer capital improvements projects.

ELECTRIC FUND BUDGET

Electric Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Net Position	15,381,555	15,245,276	15,245,276	14,789,856
Revenues:				
Charges for Services	3,259,318	2,850,000	3,341,100	2,930,000
Sales Tax	24,517	19,500	26,000	22,310
Miscellaneous Revenue	34,645	300	7,870	10,000
Total Operating Revenues	3,318,479	2,869,800	3,374,970	2,962,310
Expenses:				
Operations and Maintenance	3,457,227	3,680,680	3,405,730	3,349,345
Capital Improvements	-	2,330,000	1,324,100	1,225,000
Depreciation	167,459	180,000	175,000	187,000
Debt	-	-	-	-
Transfer Out	-	-	-	307,700
Total Operating Expenses	3,624,686	6,190,680	4,904,830	5,069,045
Operating Income (Loss)	(306,206)	(3,320,880)	(1,529,860)	(2,106,735)
Non-Operating Revenues (Expenses)				
Capital Improvement Fees	134,777	97,500	143,500	97,500
Misc. Revenues	25,500	46,000	916,840	503,350
Interest Expense	9,651	6,100	14,100	6,500
Total Non-Operating Revenues (Expenses)	169,927	149,600	1,074,440	607,350
Excess (Deficiency) of Revenues and Other Sources over Expenses	**(136,279)**	**(3,171,280)**	**(455,420)**	**(1,499,385)**
Ending Net Position	**15,245,276**	**12,073,996**	**14,789,856**	**13,290,471**

ELECTRIC FUND REVENUES

Electric Fund revenues are primarily made up of customer receipts, sales taxes, miscellaneous and impact fees. The chart below shows the proportion of each major revenue source to the total Electric Fund Revenues.



The Electric Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2017.

Electric Fund Revenue Sources		
Source	**Amount**	**% of Total**
Sales Tax	22,310	0.62%
Impact Fees	97,500	2.73%
Charges for Service	2,930,000	82.08%
Miscellaneous	513,350	14.38%
Interest	6,500	0.18%

ELECTRIC FUND EXPENDITURES

Expenditures in the Electric Fund include operating costs of $3,836,345, no debt service and capital outlay of $1,232,700. The capital is nonrecurring and will fund system upgrades and undergrounding of some overhead lines.

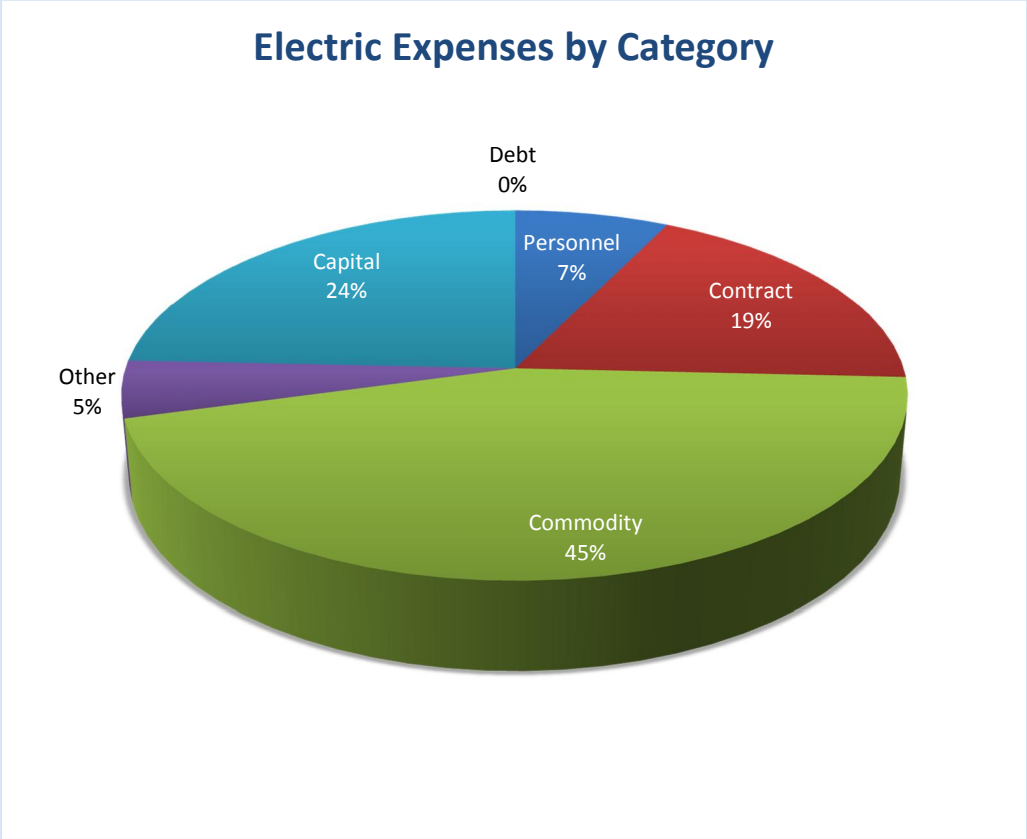
ELECTRIC FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Electric Fund	368,715	936,730	2,279,100	251,800	3,836,345	1,232,700	---	5,069,045
Totals	$368,715	$936,730	$2,279,100	$251,800	3,836,345	$1,232,700	$0	$5,069,045
Total Cash Available								$ 14,948,778
Ending Fund Balance								9,879,733
% of Total Budget	7.27%	18.48%	44.96%	4.97%	75.68%	24.32%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- PMH and switch cabinets
- Underground some of the overhead areas
- Infrastructure – new development
- 1 new full-time employee

The chart below details the expenditures for the Electric Fund by category. Clearly in 2017 the biggest expenditure will be commodities which includes the cost of purchased power.



ELECTRIC FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	1.95
Operations	2.00
Total	3.95

ELECTRIC FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Electric Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

ELECTRIC FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Balance electrical loads to provide a more reliable system for our customers
	Continue to be proactive with tree trimming maintenance program.
	Maintain program to recycle transformers that are out of service

ELECTRIC FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of appliance rebates processed	n/a	n/a	22
	Number of LED bulb rebates processed	n/a	n/a	92
	Number of solar rebates given	n/a	n/a	4
	HPS to LED street light replacements	n/a	n/a	49

FIDUCIARY FUNDS

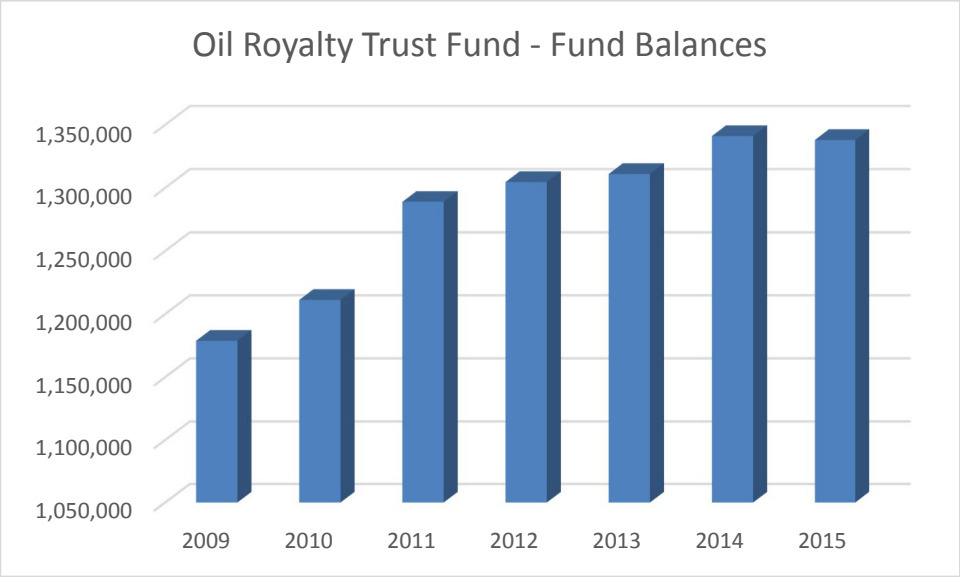
OIL ROYALTY TRUST FUND

Oil Royalty Trust Fund

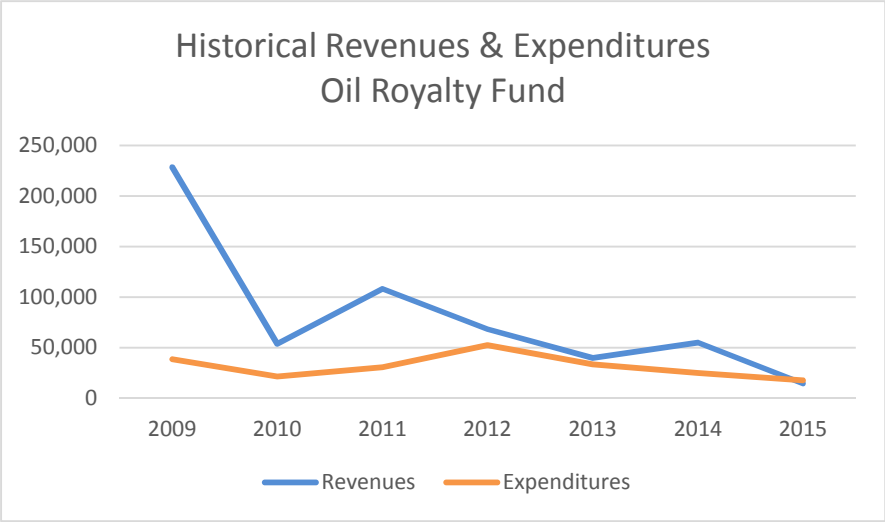
The Oil Royalty Trust Fund was established to receive revenues from oil royalties. The funds are then used for capital improvements, economic development purposes, and other community beneficial programs including donations to non-profit organizations and the Frederick Scholarship Program.

The Frederick Scholarship Program is administered by the Scholarship Commission who is appointed by the Board of Trustees. The program awards scholarships to residents of the Town of Frederick that seek continuing and higher education. The program focuses on areas of exemplary citizenship, commitment to community and higher education, scholastic and personal achievement, and personification of the Frederick Brand promise. The Community Funding Program is administered by the Board of Trustees, who oversee any and all requests for donations from non-profit organizations. This program allows these organizations to request support for initiatives, events, and programming that contributes to the positive image of Frederick. Requests must demonstrate a financial need and exhibit how the event connects to the Frederick Community.

OIL ROYALTY TRUST FUND - FUND BALANCE AND FUND SUMMARY



Increases in fund balance are the result of budget surpluses. As the following graph illustrates, the Town has had budget surpluses in the Oil Royalty Fund from 2009 through 2014.



The 2017 Budget includes total revenues of $10,400. This is a decrease of $24,600 compared to the 2016 Budget. This decrease is the result of decreased oil production in the area. The 2017

FUND SUMMARIES

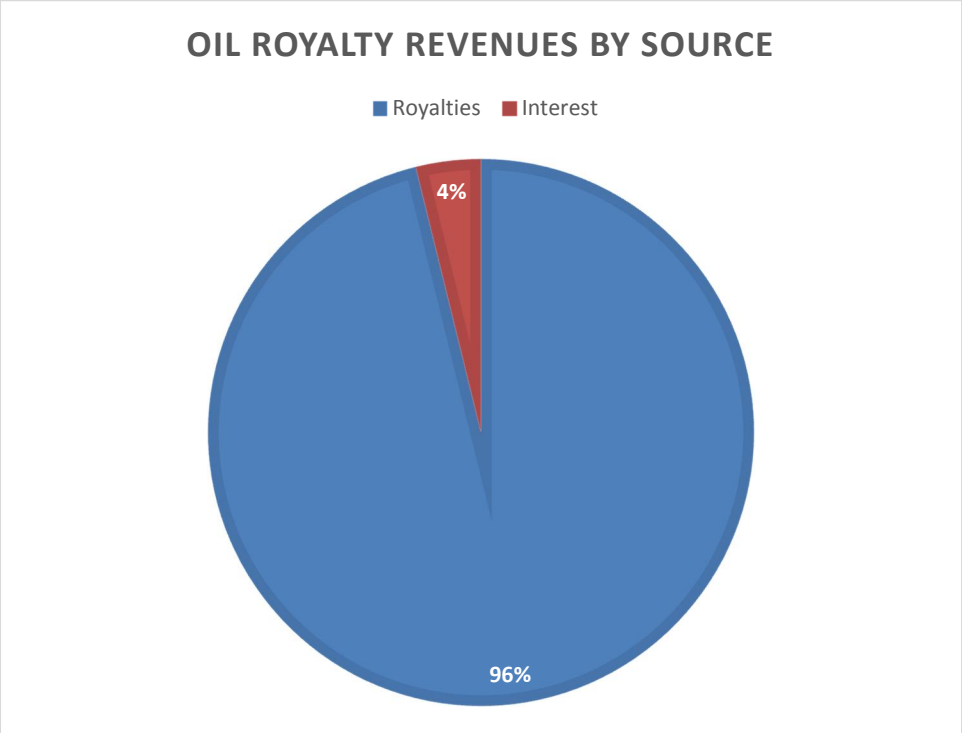
Budget for the Oil Royalty Trust Fund includes total expenditures of $60,900. This amount is $1,038,300 lower than what was budgeted in 2016. The transfer for capital project funding in 2016 was unusual for this fund, and budgeted expenses in 2017 are much more representative of a normal year for this fund.

OIL ROYALTY FUND BUDGET

Oil Royalty Trust Fund	2015 Actuals	2016 Amended Budget	2016 Year-End Estimates	2017 Adopted Budget
Beginning Fund Balance	1,341,089	1,337,942	1,337,942	325,162
Revenues:				
Intergovernmental	13,835	35,000	15,800	10,000
Earnings on Investment	694	-	420	400
Miscellaneous Revenue	-	-	-	-
Total Operating Revenues	14,529	35,000	16,220	10,400
Expenditures:				
Operations & Maintenance	17,676	99,200	29,000	60,900
Capital Outlay	-	-	-	-
Transfers Out	-	1,000,000	1,000,000	-
Total Expenditures	17,676	1,099,200	1,029,000	60,900
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**(3,147)**	**(1,064,200)**	**(1,012,780)**	**(50,500)**
Ending Fund Balance	**1,337,942**	**273,742**	**325,162**	**274,662**

OIL ROYALTY FUND REVENUES

Oil Royalty Trust Fund revenues are primarily made up of royalties collected from oil production in the area and interest. The chart below shows the proportion of each major revenue source to the total Oil Royalty Trust Fund Revenues.



The Water Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2017.

Oil Royalty Fund Revenue Sources		
Source	**Amount**	**% of Total**
Royalties	10,000	96.15%
Interest	400	3.85%

OIL ROYALTY FUND EXPENDITURES

The expenditures in this fund are all operating in nature. There are no capital outlay or debt service costs.

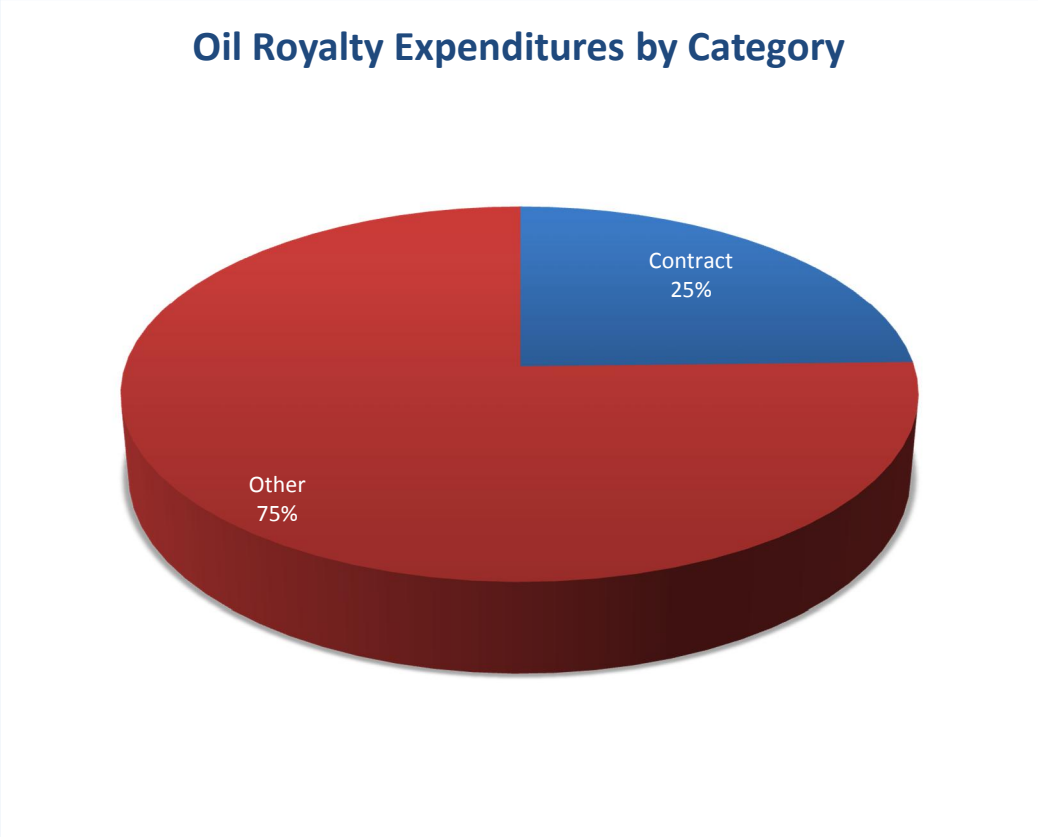
OIL ROYALTY FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Oil Royalty Fund	0	15,000	0	45,900	60,900	---	---	60,900
Totals	$0	$15,000	$0	$45,900	60,900	$0	$0	$60,900
Total Cash Available								$ 335,562
Ending Fund Balance								274,662
% of Total Budget	0.00%	24.63%	0.00%	75.37%	100.00%	0.00%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Scholarships
- Revolving Loan Program
- Donations to local programs

The chart below details the expenditures for the Oil Royalty Trust Fund by category. Clearly in 2017 the biggest expenditure will be "other" which includes scholarships and donations to local agencies.



OIL ROYALTY TRUST FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	0
Operations	0
Total	0

FUND SUMMARIES

OIL ROYALTY FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2017 Budget, the Oil Royalty Trust Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

OIL ROYALTY TRUST FUND GOALS

STRATEGIC FOUNDATION	2017 GOALS
	Continue to develop and fund scholarship program for local participants
	Support local non-profit organizations

OIL ROYALTY FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2014	2015	2016
	Number of scholarships funded	4	4	6
	Number of donations made to local non-profit organizations	9	10	4

APPENDIX

APPENDIX

Appendix

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Staffing Summary 236

APPENDIX

Glossary

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

APPROPRIATION: A legal authorization made by the Town Board to make expenditures for a specific purpose.

ASSESSED VALUATION: The estimated value placed on real and personal property by the appraiser for the County as the basis for levying property taxes. It is currently 7.96% of the market value.

ASSETS: Property owned that is regarded as having value

AUDIT: An official systemic inspection of an organizations accounts and of resource utilization.

BALANCED BUDGET: A balance between total estimated expenditures and total anticipated revenues, including surpluses.

BOND: A debt instrument that is generally used to borrow money for major capital projects, such as the construction of a building.

BUDGET: A financial plan of estimated expenditures for a given period of time and the estimated revenues that will fund them.

CAPITAL OUTLAY: Expenditures for the acquisition of capital assets. Capital items must cost more than $5,000 and have an expected life of greater than 1 year.

COMMODITY: Items that are purchased in the normal course of business such as office supplies, tools, small equipment, vehicle supplies, etc.

CONTRACT SERVICES: Services that are handled through a contract-type arrangement. This includes legal fees, engineering design services, architectural services, infrastructure maintenance services, etc.

CPI: Consumer price index.

DEBT: A financial obligation resulting from borrowed money.

DEBT SERVICE: Payment of interest and principle due on long-term debt.

DEPARTMENT: Major unit of organization in the Town.

DEPRECIATION: The decrease in value of physical assets due to wear and tear, deterioration, action of physical elements, or obsolescence.

DESIGNATED RESERVES: The portion of a fund's balance that is restricted for a specific purpose and is not available for appropriation.

DIVISION: Sub-unit of a department.

DOLA: Department of Local Affairs.

ENTERPRISE FUNDS: Funds that are self-supporting with the major revenue coming from user's fees.

ETS: Enterprise Technology Service

EXPENDITURES: Payment for goods or services, including operational expenses that require the current or future use of net current assets, debt and capital outlays.

FISCAL YEAR: The 12-month period to which the budget applies.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objections.

FUND BALANCE: On-hand available cash balances which are realized in prior fiscal years less current liabilities and are available for designation as a funding source for future budget years.

GENERAL FUND: Accounts for resources not accounted for in another fund.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): The authoritative accounting and financial reporting standard setting body for government entities.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATIONS (GFOA): A professional association of approximately 17,500 state, provincial, and local government finance officers in the United States and Canada.

GOVERNMENTAL FUND: Used to account for the sources, uses, and balances of a government's general government financial resources and the related governmental fund liabilities.

GRANT: Money given by an organization, often a government, to be used for a specific purpose.

IT: Information technology.

LEAF: Law Enforcement Assistance Fund

LEASE PURCHASE: A financial arrangement that permits the Town to pay for the use of buildings and equipment over a period of time with a lease that ultimately allows a purchase at the end of lease.

LEVY: To impose taxes, special assessments, or service charges for the support of city activities.

MEDIAN: A figure that lies at the midpoint of a frequency distribution. There are equal numbers above and below it.

MILL: A property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each $1,000 of assessed valuation.

MODIFIED ACCRUAL ACCOUNTING: A basis of accounting in which expenditures are accrued and revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and available.

NISP: Northern Integrated Supply Project – A proposed water storage and distribution project.

OPERATING BUDGET: The portion of the budget that pertains to daily operations providing basic governmental services. It includes items such as salaries, utilities and supplies.

OTHER CHARGES: One-time or miscellaneous expenses including things such as branding, commission grants, youth programming, general liability insurance, depreciation, etc.

PERSONNEL SERVICES: Salaries, wages, benefits and other employee related costs.

PROJECTION: Estimation of future revenues and/or expeditures.

PROPERTY TAX: Property taxes are levied on both real and personal property according to the property's assessed valuation and the tax rate applied.

PROPRIETARY FUNDS: Used to account for a government's continuing business-type organizations and activities.

REVENUE: Monies that the Town receives as income such as tax payments, fines, grants, and interest income.

SPECIAL REVENUE FUNDS: A fund that is used to account for resources which are restricted for a specific purpose.

TRANSFERS: Amounts transferred from one fund to another.

UNDESIGNATED RESERVES: The portion of a fund's balance that is not restricted for a specific purpose and is available for appropriation.

TRANSFER SUMMARY

	TRANSFERS IN	FROM	TRANSFERS OUT	TO
GENERAL FUND				
General Fund	400,000	Streets & Alley Fund	40,000	Events Fund
General Fund	14,000	Capital Facilities Fund	860	Art in Public Places Fund
SPECIAL REVENUE FUNDS				
Street & Alley Fund			400,000	General Fund
Street & Alley Fund			25,200	Art in Public Places Fund
Park Improvement Fund	135,600	Water Fund	7,000	Art in Public Places Fund
Park Improvement Fund	300,000	Electric Fund		
Park Improvement Fund	20,250	Storm Water Fund		
Open Space Fund	139,337	Capital Facilities Fund	6,610	Art in Public Places Fund
Capital Facilities Fund			139,337	Open Space Fund
Capital Facilities Fund			14,000	General Fund
Art In Public Places Fund	860	General Fund		
Art In Public Places Fund	25,200	Street & Alley Fund		
Art In Public Places Fund	7,000	Park Improvement Fund		
Art In Public Places Fund	6,610	Open Space Fund		
Art In Public Places Fund	1,990	Water Fund		
Art In Public Places Fund	7,700	Electric Fund		
Events Fund	40,000	General Fund		
PROPRIETARY FUNDS				
Water Fund			135,600	Park Improvement Fund
Water Fund			1,990	Art In Public Places Fund
Storm Water Fund			20,250	Park Improvement Fund
Electric Fund			300,000	Park Improvement Fund
Electric Fund			7,700	Art In Public Places Fund

FUND TRANSFERS

Fund transfers are used in multiple funds that the Town uses on an annual basis. The transfers into the General Fund are to offset financial obligations related to development as well a payback of expenses from previous years. The Park Improvement Fund is supported by revenues related to parks in addition to the transfers from the proprietary funds that serve as franchise fees. The transfer into the Open Space Fund represents the payback of monies loaned previously. The Art in Public Places Fund is is supported by a 1% fee charged to capital construction projects valued at greater than $25,000 and those funds are managed via transfers. The Events Fund is supplemented by a transfer from the General Fund.

APPENDIX

STAFFING SUMMARY

Fund/Department	2015 Actual	2016 Budgeted	2017 Budget
Governmental Funds			
General Fund:			
Administration	4.50	4.50	5.05
Finance	0.95	0.95	1.45
Courts Division	1.00	1.00	1.00
Planning	2.60	2.80	3.30
Police	22.10	22.90	23.10
Public Works	1.50	1.70	2.20
Engineering	1.55	1.60	1.60
General Fund Total	34.20	35.45	37.70
Street & Alley Fund	4.24	4.82	4.80
Conservation Trust Fund	0.00	0.00	0.00
Park Improvement Fund	5.27	5.36	7.33
Open Space Fund	2.51	3.57	3.63
Capital Facilities Fund	0.00	0.00	0.00
Events Fund	0.00	0.00	0.00
Art In Public Places Fund	0.00	0.00	0.00
Historic Preservation Fund	0.00	0.00	0.00
Proprietary Funds			
Water Fund	5.07	5.66	6.10
Storm Water Fund	3.06	3.81	3.11
Electric Fund	2.95	2.95	3.95
Fiduciary Funds			
Oil Royalty Fund	0.00	0.00	0.00
Total FTE's:	**57.30**	**61.62**	**66.62**

CHANGES TO FTE's IN 2017

There were 4 new full-time, 1 shift from part-time to full-time and 1 new part-time position approved in the 2017 Budget. Those positions include, a full-time Assistant Town Manager, 2 full-time Public Works employees, 1 full-time Electric employee, 1 Planning employee that will shift from a part-time employee to a full-time employee and 1 part-time Staff Accountant. All positions are allocated to different funds based on the amount of time spent in each fund. The table above reflects the allocations of all employees.