



BUDGET 2018

TOWN OF FREDERICK

Built on What Matters



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Frederick
Colorado**

For the Fiscal Year Beginning

January 1, 2017

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Town of Frederick, Colorado**, for its Annual Budget for the fiscal year beginning **January 1, 2017**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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January 1, 2018

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 the 2018 Budget for the Town of Frederick. This is one of the most important processes and decisions the Board of Trustees undertake each year. The budget, which is compliant with state statute and follows the modified accrual method outlines the direction, and presents the goals and outcomes that will be achieved during the 2018 calendar 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.

Budget Development and Foundation

As we embark into 2018, we expect to see growth and development continue while we deliver a high level of services to the community. The Town of Frederick budget is developed through a collaborative process between and with the Citizens, Board of Trustees, and Staff. All three are instrumental in the process and its success. The key factors that guide the development of the budget includes a focus to achieve the Mission of Frederick and a trajectory toward the Vision of the organization. For the 2018 fiscal year, the individual components that facilitate this direction are embodied in *Our Strategic Foundation*. The Foundations and Strategies of the strategic plan as support by the Board of Trustees include:

Foundation 1: Community Amenities

Strategy 1: Maintain and enhance the current culture, park and trail systems.

Strategy 2: Plan, design and implement culture, park and trail improvements.

Foundation 2: Community & Economic Vitality

Strategy 1: Economic Development for both primary employers and retail development.

Strategy 2: Neighborhood Livability.

Strategy 3: Community Vitality.

Foundation 3: Community Safety

Strategy 1: Provide and maintain public safety in our community.

Strategy 2: Emergency Preparedness.

Strategy 3: Provide and maintain safe infrastructure in our community.

Foundation 4: Facilities & Infrastructure

Built on What Matters.

Strategy 1: Provide a high quality and reliable water supply and manage drainage appropriately.

Strategy 2: Maintain an adequate and safe transportation system.

Strategy 3: Provide and maintain safe, reliable and cost effective electric service.

Strategy 4: New and existing buildings and facilities.

Foundation 5: Financial Responsibility & Operational Excellence

Strategy 1: Maintain fiscal sustainability and flexibility.

Strategy 2: Enhance public trust and confidence.

Strategy 3: Deliver efficient, effective and innovative government services.

As part of the 2018 budget development, we began to create meaningful links back to *Our Strategic Foundation*, by beginning the process of developing a Program Based Budget (PBB). When our transition to PBB is complete, we will have a more transparent and comprehensive understanding of where dollars are allocated, how they work towards or accomplish elements of the strategic plan which as a result will create outcomes that achieve the mission of the organization. Also, through PBB, the Board and community will be able to provide critical feedback on which programs they want to see additional emphasis in and we can allocate financial resources appropriately to meet the demands of the program.

Budget – By the Numbers

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 to achieve 150 days unreserved general fund balance level. At the end of 2018, we anticipate this to be 204 days for the general fund.

The following tables contain basic statistics for the Town Budget. Revenue resources include both estimated beginning Fund Balance, revenues and transfers in for fiscal year 2018. Expenditures include both expenditures and transfers out. Projected ending fund balance is \$21,923,981.

Revenue Resources	
General Fund	\$ 9,492,431
Street & Alley Fund	\$ 5,205,910
Water Fund	\$ 12,262,748
Storm Water Fund	\$ 1,636,093
Electric Fund	\$ 14,065,359
Conservation Trust Fund	\$ 197,836
Golf Fund	\$ 680,571
Open Space Fund	\$ 4,437,823
Park Fund	\$ 3,144,707
Capital Facilities Fund	\$ 503,834
Events Fund	\$ 163,499
Historic Preservation Fund	\$ 2,093
Public Art Fund	\$ 216,980
Oil & Gas Royalty Fund	\$ 1,337,619
TOTAL ALL FUNDS	\$ 53,347,503

Estimated Expenditures		
General Fund	\$	6,252,213
Street & Alley Fund	\$	4,657,085
Water Fund	\$	6,348,015
Storm Water Fund	\$	1,382,750
Electric Fund	\$	5,906,120
Conservation Trust Fund	\$	178,250
Golf Fund	\$	671,411
Open Space Fund	\$	3,154,566
Park Fund	\$	2,423,020
Capital Facilities Fund	\$	174,092
Events Fund	\$	150,000
Historic Preservation Fund	\$	1,000
Public Art Fund	\$	62,000
Oil & Gas Royalty Fund	\$	63,000
TOTAL ALL FUNDS	\$	31,423,522

General Fund

In 2018, we still anticipate the economic growth to continue. While 2017 revenues are estimated to be slightly lower than projected, we expect an increase of 20.2% which equates to \$930,809 additional fund dollars for 2018 when compared to the 2017 projections. The majority of these revenues are associated with an increase in property taxes and transfers into the general fund for long term developer obligations.

At the end of 2018, the general fund will have an ending fund balance of 204 days unreserved fund balance or 55.8% of the total general fund budget operating costs. This is especially important for bond holders and investors when evaluating our financial condition. The Town continues to champion its AA rating.

- Revenues:
 - Total Revenues increase 20.2%
 - Total Revenues \$5,541,438
 - 2018 City Sales tax decrease by \$100,000 compared to the 2017 Projected End of Year Budget
 - Building Permit Revenue is expected to drop slightly compared to 2017
 - Transfers into the General Fund are primarily for developer obligations for infrastructure
- Expenditures:
 - Expenditures increase 13.2%
 - Total Expenditures \$6,183,213
 - Personnel costs and health increases were approximately 5% and 8% respectively for 2018
- Staffing:
 - New Deputy Town Manager that was not filled in 2017
 - New Part-Time Accountant that was not filled in 2017
 - New Police Officer
- Capital:

- 2 New Vehicle Purchases
 - 1 Police Vehicle
 - 1 Engineering Vehicle
- Developer Obligations \$300,000
- Public Works Catwalk Construction

Street & Alley Fund

The 2018 fiscal year budget for Street & Alley will see a decrease of expenditures compared to the projection for 2017 by approximately 11.8% or \$623,425. The decrease can be directly attributed to a reduction in Capital Improvement Projects (CIP) for the community and completion of the Tipple Parkway improvements in 2017.

In 2018, we will continue to focus on roadway maintenance projects for the community. We plan to continue striping of roadways, pavement, gravel road, and sidewalk maintenance at a budgeted amount of \$795,000.

The notable capital improvement project for 2018 is the roadway and storm water infrastructure improvements in downtown Frederick. The Town has submitted a grant application to the Department of Local Affairs. If approved the grant may award up to a 50% match of the project which is estimated at \$1,400,000. Another notable capital project is the acceleration lane eastbound on Highway 52 from the northbound off ramp of I-25. At this location there have been 200 reported accidents between 2012 - 2016. This improvement is a cooperative project between Frederick, Dacono, and the Colorado Department of Transportation.

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.

- Revenues:
 - Total Revenues increase 7.25%
 - Total Revenues \$4,133,394
 - Grant and Transfer In \$1,891,494
- Expenditures:
 - Expenditures decrease 11.8%
 - Total Expenditures \$4,657,085
 - Debt Services
 - Street Sweeper \$53,000
 - Roadway Bond \$405,400
- Capital:
 - Downtown Drainage & Roadway Improvements
 - HSIP – I-25/Highway 52 acceleration lane
 - Downtown Alleyway Improvements

Water Fund

The Town continues to be proactive in the planning for new water sources that the Town is an active and engaged partner. Specifically, the Town is involved with both the Northern Integrated Supply Project (NISP) and the Windy Gap Water Project. As part of this, the Town may

consider a new policy on cash in lieu collection to ensure the ability of the Town to afford future debt service payments for NISP. The dramatic increase in revenue for 2018 can primarily be attributed to the proposed cash in lieu policy change. In 2018, we plan to pay for 100% of our obligation costs for the construction of the Windy Gap Project (\$1.6 M) which is a major contributor to the increase in expenditures for 2018 compared to 2017 end of year projections.

The Town will continue to expand its raw water supply to reduce the reliance and 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.

- Revenues:
 - Total Revenues increase 37.0%
 - Total Revenues \$7,163,500
 - Water Consumption Rate Change + 5%
- Expenditures:
 - Expenditures increase 29.6%
 - Total Expenditures \$6,348,015
- Capital:
 - Windy Gap Project Construction \$1.6 M
 - NISP Annual Cost \$556,000
 - Raw Water Expansion

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. For these purposes, we focus on the cost of physical assets rather than the personnel costs for ease of tracking and reporting requirements. In the fund, we attempt to collect revenues over several years to focus on large capital needs at the various park and open space areas.

- Revenues:
 - Total Revenues flat compared to 2017
 - Total Revenues \$49,540
- Expenditures:
 - Expenditures increase 1088%
 - Total Expenditures \$178,250
- Capital:
 - Tree Program Installation
 - Fox Run Park Improvements
 - Crist Park Pour-in-Place Improvements

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.

- Revenues:
 - Total Revenues decrease 35.4%
 - Total Revenues \$225,500
- Expenditures:
 - Expenditures decrease 46.1%
 - Total Expenditures \$174,092
 - PW Facility Debt Service

Storm Water Fund

The Town's storm water fund will continue its storm water capital improvement projects in 2018 by focusing efforts on the downtown. These will be coordinated with the street improvements in the downtown. Consequently, a transfer has been made to the street and alley fund to cooperatively work to get on the downtown's success.

The Board also expressed a desire to see additional attention, work, and improvement on the Town's maintenance of its drainage and storm water network. To accommodate this request by the Board, an increase in monthly rates may be necessary to improve the service.

- Revenues:
 - Total Revenues slight decrease compared to 2017
 - Total Revenues \$683,500
- Expenditures:
 - Expenditures increase 203%
 - Total Expenditures \$1,382,750
- Capital:
 - Transfer out for Downtown Improvements
 - VacCon Truck

Electric Fund

The Electric Fund is one of three enterprise funds owned and operated by the Town of Frederick. The Town provides a high level of services and at a more affordable rate compared to immediate area competition in the Town.

We continue to make improvements to enhance and establish a more reliable distribution system that is balanced, and where opportunities exist, is looped for redundancy. This is due to the fact that prior to the Town fully operating the system in house, the utility was neglected with little to no capital improvements to the system. Consequently, the expenditures continue to be higher than revenues to improve the system.

- Revenues:
 - Total Revenues increase 5.1%
 - Total Revenues \$3,866,950
 - Power Sales \$3,000,000
- Expenditures:

- Expenditures increase 24.5%
- Total Expenditures \$5,906,120
- Legal Costs \$300,000
- Power Purchase \$2.3 M
- Capital:
 - Subdivision Utility Installation
 - Main Feeder Replacement

Golf Course Fund

In November 2017, the Town was compelled to take back full operation of the Town's golf course. Consequently, the golf course has been taken out of the Park Fund for 2018 and established as a standalone operation. We are optimistic that this fund will be able to maintain its own costs annually. In 2017, an allocation was made from the general fund to help get the golf course fund operating independently to the extent possible. Consequently, benchmarking changes from the prior fiscal year has not been measured.

- Revenues:
 - Total Revenues \$378,264
- Expenditures:
 - Total Expenditures \$671,411
- Staffing:
 - FTE
 - Head Professional/General Manager
 - G.C. Superintendent
 - Assistant Superintendent
 - PT/Seasonal
 - Clubhouse Attendants (3)
 - G.C. Maintenance Seasonal (3)
- Capital:
 - Tractor
 - Mowers (2)

Events Fund

The purpose of this fund is for the coordination and celebration of the Town's many community events. The Town hosts Miners Day, Frederick in Flight, Tree lighting, Chainsaws and Chuckwagons, DIY Day, and Tiny Terror Town. These events continue to bring the community and visitors to the community together to celebrate the Town and its people. An allocation from the general fund is provided and the remaining balance is funded through sponsorships.

- Revenues:
 - Total Revenues increase 25.8%
 - Total Revenues \$130,500
- Expenditures:
 - Expenditures increase 38.8%
 - Total Expenditures \$150,000
- Capital:
 - Event Vehicle

- Event Fencing

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 \$1700 is charged for new construction on each permit and these funds are designated for capital projects. Also transfers from franchise fees are utilized for operations of this fund as there is no meaningful 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 Town continues to pursue financing support for the construction of Phase 1 of the skate park slated to be developed in the Frederick Recreation Area. A grant application has been submitted to Great Outdoors Colorado (GOCO) and we hope to hear an award status on this grant in late April 2018. The change in revenues and expenditures compared to 2017 are directly attributed to this capital project from a grant (revenue) and cost (expenditure) perspectives.

- Revenues:
 - Total Revenues increase 122.7%
 - Total Revenues \$2,014,550
- Expenditures:
 - Expenditures increase 136.7%
 - Total Expenditures \$2,423,020
- Capital:
 - Skate park construction
 - Playground Improvements
 - Trail Construction

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. These revenues include a dedicated .5% sales tax and a capital impact fee for open space exclusively. Notable items in this budget will include acquisition of property, a small component of the skate park, and a substantial amount of trail construction this calendar year.

The Board also asked for the organization to increase their focus on maintenance of right of way mowing and control of the weeds and open space. Accordingly, an additional staff member was included and increases from the preliminary budget to achieve this objective were incorporated into the budget.

- Revenues:
 - Total Revenues increase 15.6%
 - Total Revenues \$953,200
- Expenditures:
 - Expenditures increase 460.7%
 - Total Expenditures \$3,154,556
- Staffing:
 - New Maintenance Worker

- Capital:
 - Property Acquisition
 - Stake park Construction
 - Trail Construction
 - Pond Aeration
 - Bridge Construction

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 \$1,000 of assessed property value 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 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. 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

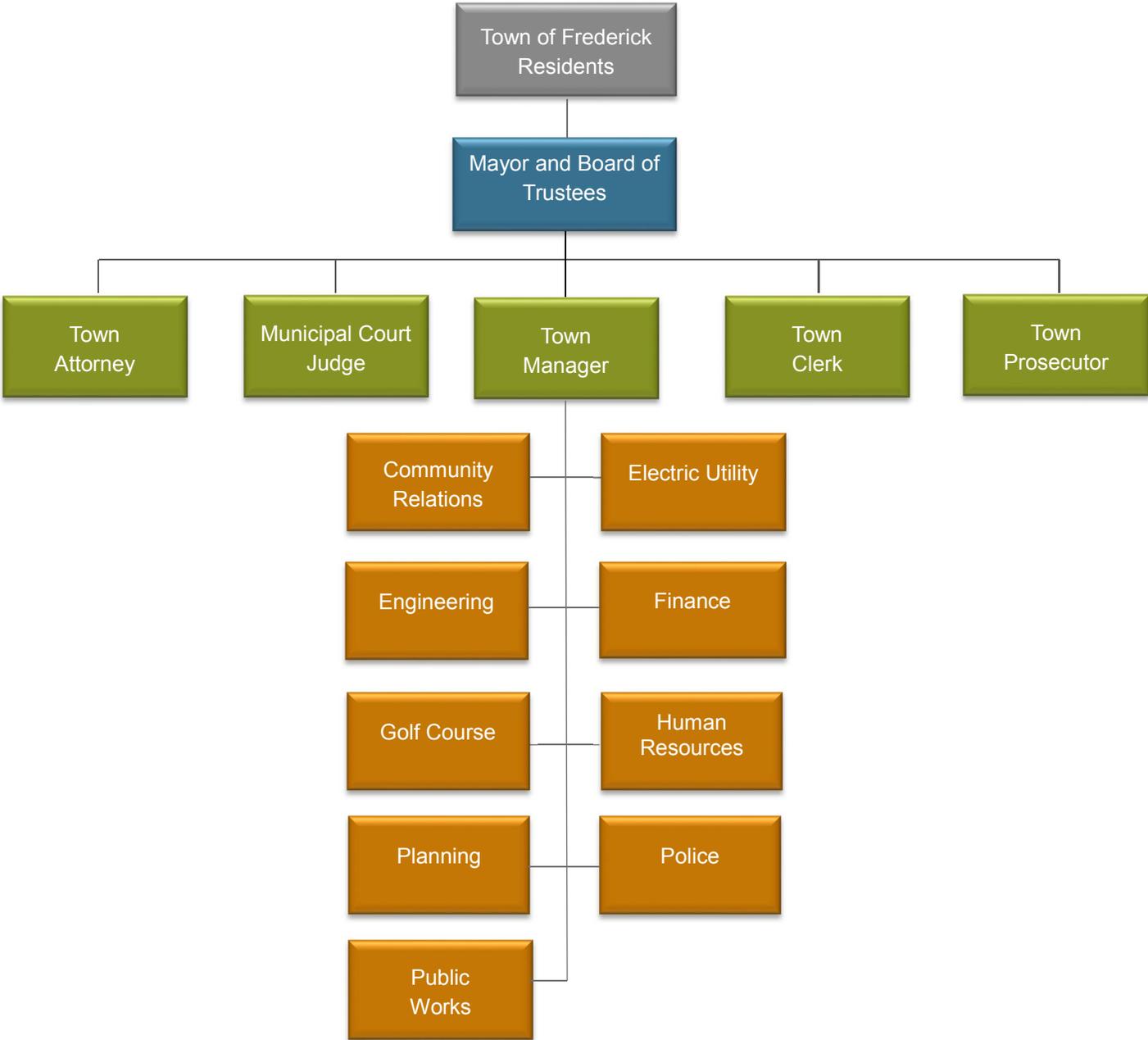
INTRODUCTION

TOWN MANAGER AND DEPARTMENT DIRECTORS

Matt LeCerf	Town Manager
Kevin Ash	Engineering Director
Marco Carani	Public Works Director
Meghan Martinez	Town Clerk
Mitzi McCoy	Finance Director
Lauren Mueller	Human Resources Director
Todd Norris	Police Chief
Tim Schwartz	Golf Course General Manager
Jennifer Simmons	Planning Director
Kent VanDyne	Electric Utility Manager
Megan Williams	Community Relations Manager

INTRODUCTION

ORGANIZATIONAL CHART



Elected Positions	Appointed Positions	Staff Positions
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INTRODUCTION

BOARDS AND COMMISSIONS

Commissions at the Town of Frederick serve in an advisory capacity to the Board of Trustees. Commissions have been established for the primary topics critical to the operation of Frederick town government. Current Boards and Commissions for the Town of Frederick include the following:

- Building Appeals Board
- Frederick Arts Commission
- Historic Preservation Advisory Commission
- Parks, Open Space & Trails Commission
- Planning Commission
- Urban Renewal Authority
- Scholarship Commission

CITIZEN PARTICIPATION

Commissioners are appointed by the Board of Trustees based on their personal and professional backgrounds relevant to the policy topic. The commission structure provides an excellent opportunity to gain community input in policy-making for the Town of Frederick.

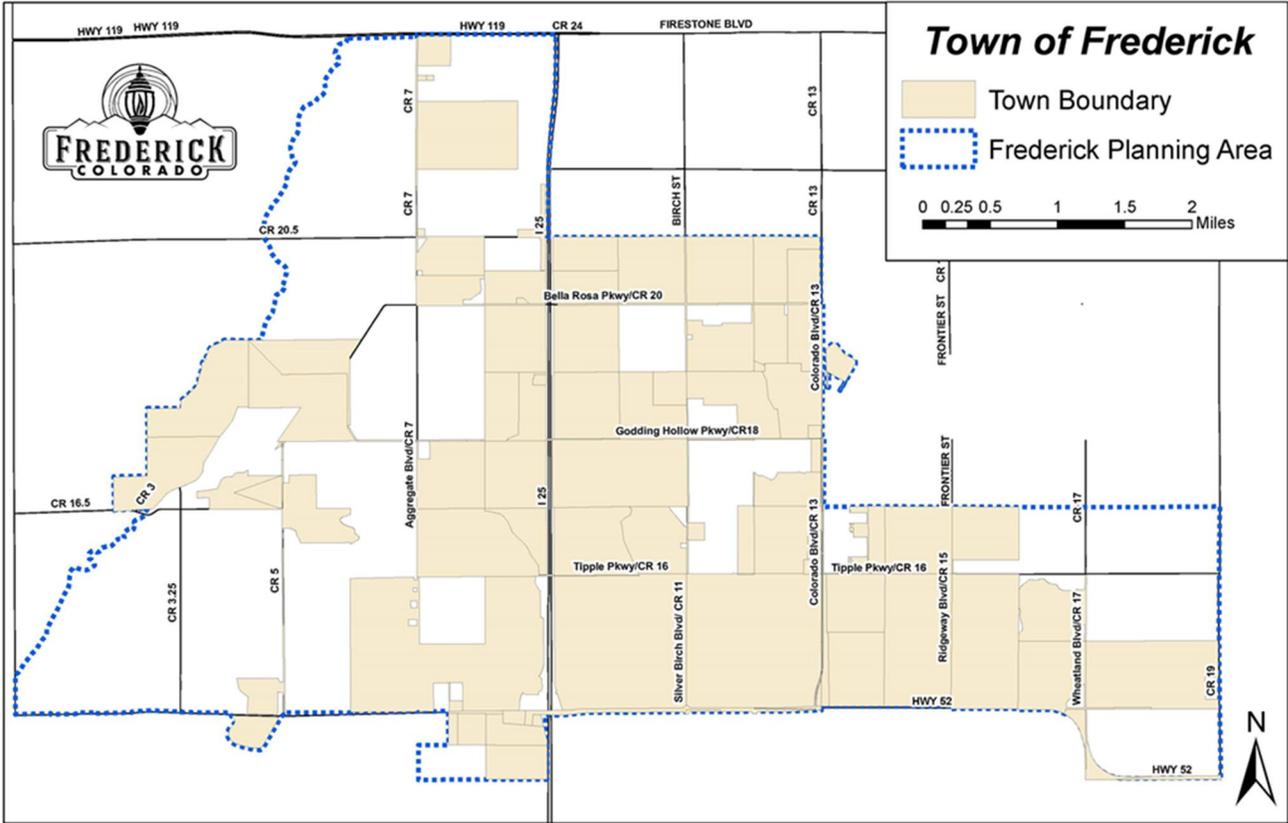
The Town of Frederick greatly appreciates the efforts of citizen volunteers in studying special community issues, obtaining public comment on key projects, and offering recommendations to the Board of Trustees on any number of matters.

STAFF REPRESENTATION

Each commission is staffed by at least one designated member of the Town's professional staff. That staff member is responsible for overseeing and maintaining membership on the respective commission.

INTRODUCTION

LOCATION – TOWN MAP



INTRODUCTION

GENERAL INFORMATION

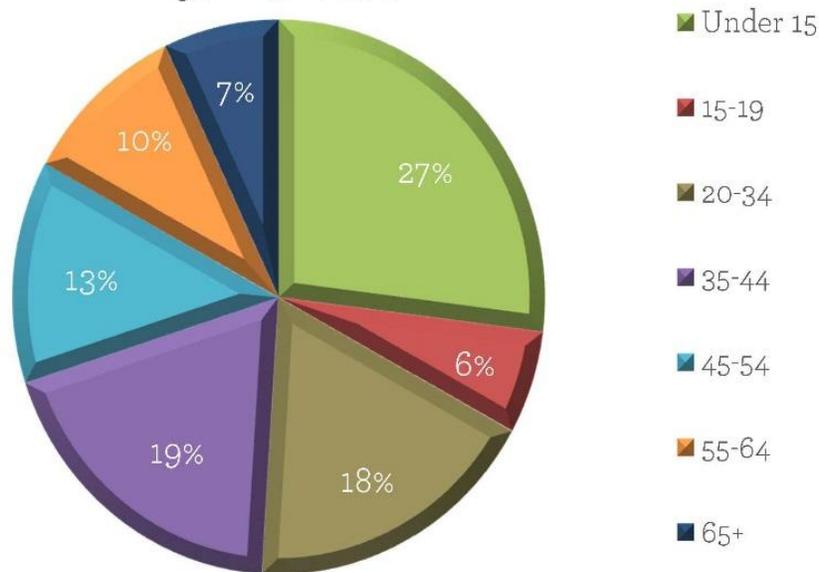
HISTORY AND LOCATION

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 12,000 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 also includes Firestone, Dacono, Mead and Erie, Frederick plays the role of community hub for a larger population of 46,000.

DEMOGRAPHICS

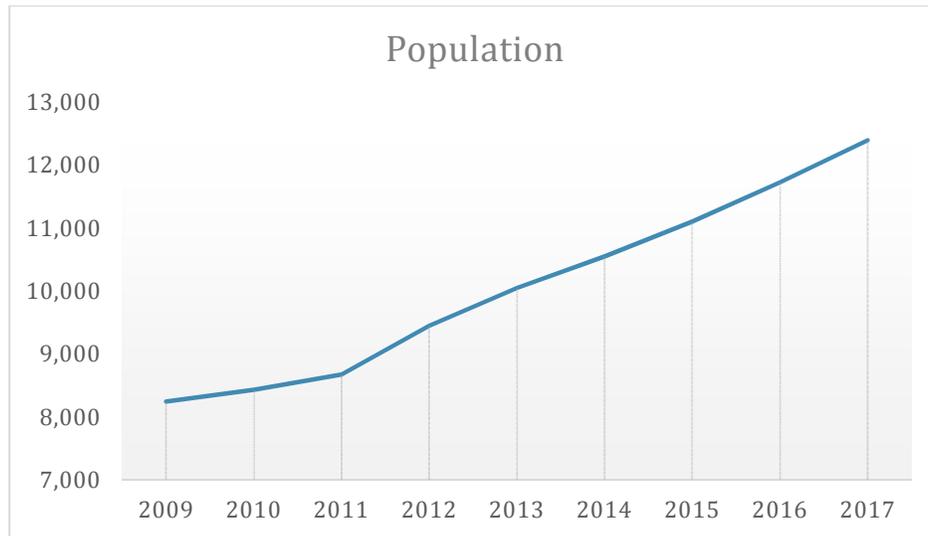
With a median age of 34.1, Frederick has a young population that has grown more than 42% in the past seven years. The current population is approximately 12,393. 95.6% of persons over age 25 are high school graduates. 28.8% have a Bachelor’s degree or higher, and 8.3% have a Graduate/Professional degree. The median income is \$89,386.

Age Distribution



INTRODUCTION

POPULATION



EMPLOYMENT BY INDUSTRY

Occupation	% of Workforce
Management, business, science and arts	43.9%
Service occupations	17.5%
Sales and office	19.4%
Natural resources, construction, and maintenance	8.0%
Production, transportation and material moving	11.2%

MAJOR EMPLOYERS IN THE AREA

EMPLOYER	PERCENT OF TOTAL TOWN EMPLOYMENT
St. Vrain Valley School District	9.4%
Otterbox	6.6%
Premier Manufacturing	3.8%
Transwest Truck Trailer	3.0%
Metal Sales Manufacturing	3.0%
Production Control Services	2.7%

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
- Golf Course Facility

EMPLOYEES AND BENEFITS

The Town currently has approximately 57 regular, full-time positions (exempt and non-exempt) for 2017. 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, 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. Each officer must contribute five percent (5.0%) of their gross weekly wages and the Town contributes four percent (4.0%) 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.

INTRODUCTION

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” complies 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 DEVELOPMENT PROCESS

Month	Residents	Mayor & Town Board	Town Administration
January		<p><u>Budget Guidance</u> Town Board holds goal setting sessions to identify priorities and level of service expectations for the upcoming budget year.</p>	
February			
March			
April			
May			
June	<p><u>Civic Engagement</u> Residents are encouraged to attend Community BBQ's and other events, including Town Board meetings to discuss how the Town should invest resources and focus to achieve outcomes.</p>		<p><u>Capital Improvement Plan</u> CIP Plan is updated</p> <p><u>Town Manager identifies Budget Priorities</u> Town Manager defines priorities based on Board direction</p>
July			<p><u>Proposed Budget Development</u> Departments prepare proposals and make recommendations based on priority and service level. The Town Manager develops a balanced Proposed Budget within the Town Board guidance</p>
August			
September		<p><u>Proposed Budget</u> Staff presents Proposed Budget for consideration no later than October 15th.</p>	
October		<p><u>Budget Work Sessions</u> Town staff meets with the Town Board to provide background information on the Proposed Budget. The Town Board requests additional information on specific budget issues from staff.</p>	
November	<p><u>Budget Public Hearing(s)</u> Residents comment on the proposed budget and offer suggestions to the Town.</p>		<p><u>Budget Response & Refinement</u> Town staff respond to inquiries from Town Board and make modifications as suggested</p>
December		<p><u>Final Budget Adoption</u> The Town Board makes final decisions and adopts the Town of Frederick Budget for the upcoming fiscal year. Must be completed no later than December 15th.</p>	

Note: This table does not include monthly Civic Engagement processes such as the Downtown Business Association meetings, the Home Owner Association meetings, Chamber of Commerce meetings, etc.

INTRODUCTION

BUDGET PREPARATION

The budget process starts early 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 June, the Finance Department prepares core data, including salary information, health insurance information, workers' 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 then distributed to departments along with the Capital Improvement Plan worksheets, Capital Request Forms, Employee Education Request forms, and budget instructions.

Departments review Board goals and objectives 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.

INTRODUCTION

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 changes, 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 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 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 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, 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 these items. This strategy also decreases the 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:

FINANCIAL POLICIES

- 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 periods, 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 Nationally Recognized Statistical Rating Organization (NRSRO), 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

FINANCIAL POLICIES

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

FINANCIAL POLICIES

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 out 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 random 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.

FINANCIAL POLICIES

- 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” is 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

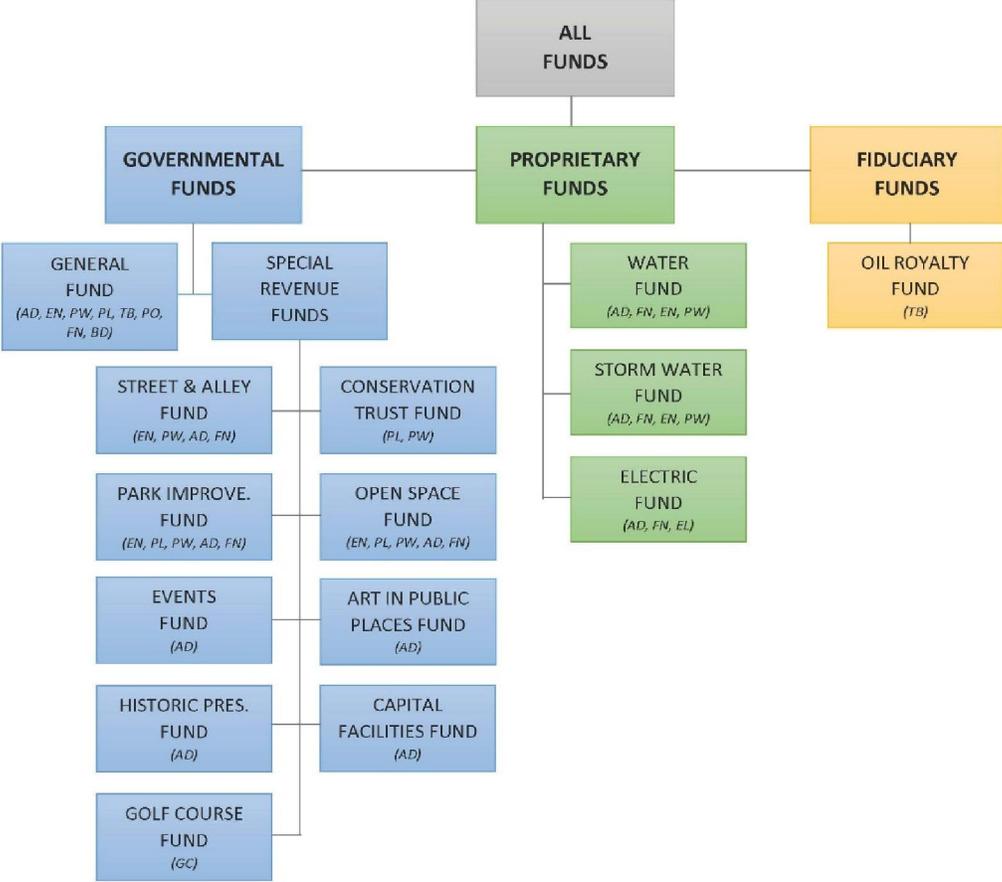
- Enterprise Funds
- Internal Service Funds

FIDUCIARY

- Trust and Agency Funds

BUDGET OVERVIEW

FUND STRUCTURE



Departments that operate/maintain budget items in each fund are noted in the chart as follows:

<i>EN</i>	<i>PW</i>	<i>PL</i>	<i>TB</i>	<i>AD</i>	<i>PO</i>	<i>BD</i>	<i>FN</i>	<i>EL</i>	<i>GC</i>
Engineering	Public Works	Planning	Town Board	Admin	Police	Buildings	Finance	Electric Utility	Golf Course

BUDGET OVERVIEW

DEPARTMENT INVOLVEMENT BY FUND

The chart below lists each of the funds that the Town maintains and indicates which departments are active within each fund.

	Admin	Engineering	Finance	Public Works	Planning	Town Board	Police	Buildings	Electric	Golf Course
Governmental Funds										
General Fund	✓	✓	✓	✓	✓	✓	✓	✓		
Special Revenue Funds										
Street and Alley Fund		✓	✓	✓						
Conservation Trust Fund				✓	✓					
Park Improvement Fund				✓	✓					
Open Space Fund				✓	✓					
Events Fund	✓									
Capital Facilities Fund	✓									
Golf Course Fund										✓
Art in Public Places Fund	✓									
Historic Preservation Fund	✓									
Proprietary Funds										
Water Fund	✓	✓	✓	✓						
Storm Water Fund	✓	✓	✓	✓						
Electric Fund	✓		✓						✓	
Fiduciary Funds										
Oil Royalty Fund						✓				

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.

BUDGET OVERVIEW

OPEN SPACE FUNDS

This fund was created in 2000 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 capital 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.

GOLF COURSE FUND

This fund was established in 2017 to manage the accounting functions for the operation of the Town’s municipal golf course. The Town took over the management of the course on November 1, 2017. It is the intent of the Town for this fund to eventually be classified as an Enterprise Fund but at this point in time the fund does not meet the State legal requirements to do so.

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 the Board may designate 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 2018 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.

	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	Total All Funds	% of Total Rev. & Exp.
2018 BUDGET - ALL FUNDS							
BEGINNING BALANCE:	3,881,993	6,331,600	278,334	16,250,250	1,319,219	28,061,396	
REVENUES:							
CHARGES FOR SERVICES	-	869,364	-	6,113,350	-	6,982,714	29.47%
FINES AND FORFEITURES	101,000	-	-	-	-	101,000	0.43%
PROPERTY TAXES	1,918,738	-	-	-	-	1,918,738	8.10%
SALES TAXES	2,025,000	1,248,700	-	24,100	-	3,297,800	13.92%
LICENSES AND PERMITS	766,500	597,900	225,500	2,053,500	-	3,643,400	15.37%
MISCELLANEOUS	110,200	573,410	-	3,523,000	18,400	4,225,010	17.83%
OTHER TAXES	344,000	656,000	-	-	-	1,000,000	4.22%
GRANTS	45,000	2,484,494	-	-	-	2,529,494	10.67%
TOTAL REVENUES	5,310,438	6,429,868	225,500	11,713,950	18,400	23,698,156	100.00%
OTHER SOURCES/USES:							
TRANSFERS IN	300,000	1,287,951	-	-	-	1,587,951	
TRANSFERS OUT	69,000	334,251	-	1,184,700	-	1,587,951	
TOTAL OTHER SOURCES/USES	231,000	953,700	-	(1,184,700)	-	-	
EXPENDITURES:							
PERSONNEL SERVICES	3,962,195	1,468,556	-	1,227,635	-	6,658,386	22.32%
CONTRACT SERVICES	885,098	1,671,600	-	1,893,950	30,000	4,480,648	15.02%
COMMODITY	462,275	408,900	-	2,585,250	-	3,456,425	11.58%
OTHER CHARGES	495,645	224,100	-	2,245,400	33,000	2,998,145	10.05%
CAPITAL OUTLAY	378,000	6,784,525	-	4,499,950	-	11,662,475	39.09%
DEBT SERVICE	-	405,400	174,092	-	-	579,492	1.94%
TOTAL EXPENDITURES	6,183,213	10,963,081	174,092	12,452,185	63,000	29,835,571	100.00%
ENDING BALANCE:	3,240,218	2,752,087	329,742	14,327,315	1,274,619	21,923,981	

BUDGET OVERVIEW

ANALYSIS OF SIGNIFICANT CHANGES IN ANTICIPATED FUND BALANCE

The following analysis focuses on available fund balances of Town funds anticipated to increase or decrease by 10% or more.

General Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	3,881,993	3,240,218	(641,775)	-16.5%

Discussion:

The anticipated General Fund Ending Fund balance decreases primarily due to costs associated with potential developer obligations in the amount of \$300,000, increased staffing (Deputy Town Manager, Police Office, part-time Staff Accountant), a new building inspection vehicle, and a new police car. Despite the decrease in fund balance, this fund is financially healthy and has maintained more than the 150 days minimum reserves set by the Board of Trustees.

Street and Alley Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	1,072,516	548,825	(523,691)	-48.8%

Discussion:

The revenues and expenditures for this fund contain substantial grant revenues (\$1,184,494) and transfers (\$707,000), as well as capital project costs associated with those grant revenues (\$2,300,000). Revenues associated with motor vehicle sales taxes were forecast conservatively showing a decrease from 2017 estimates due to slower sales reported in the 4th quarter of 2017. Generally speaking, all other recurring revenues and expenses are relatively stable.

Conservation Trust Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	148,296	19,586	(128,710)	-86.8%

Discussion:

This fund's revenues are lottery funds from the state. The fund is restricted in both revenues and qualified expenditures. As such, this fund frequently builds up a substantial fund balance before larger, more impactful capital projects are completed. No large capital projects have been completed in recent years, so in 2018, the available funds will be utilized to create two ADA compliant playground surfaces in local parks.

Park Improvement Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	1,130,157	721,687	(408,470)	-36.1%

Discussion:

In 2018, this fund anticipates and budgeted for substantial grant revenues (\$1,300,000) for the construction of a skate park. The expected cost for the skate park that is to be paid out of the park fund is \$1,646,265. The remaining decrease in fund balance is associated with an additional parks employee.

BUDGET OVERVIEW

	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Open Space Fund				
Fund Balance Available for Appropriation	3,484,623	1,283,257	(2,201,366)	-63.2%

Discussion:

The decrease in fund balance in this fund is associated with capital expenditures. The 2018 budget includes expenditures of \$1,290,010 for trail construction, skate park construction, pond aeration and a bridge. Additionally, \$1,500,000 was budgeted for the potential purchase of a conservation easement. This fund is restricted and consequently does build up large fund balances until projects that meet the requirements of funding are ready to move forward.

	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Golf Course Fund				
Fund Balance Available for Appropriation	302,307	9,160	(293,147)	-97.0%

Discussion:

This is a new fund as of November 2017. Consequently, the initial fund balance came from a transfer from the General Fund. It is the intention of the Town for this fund to be self sustaining long-term.

	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Capital Facilities Fund				
Fund Balance Available for Appropriation	278,334	329,742	51,408	18.5%

Discussion:

This fund is utilized for construction and financing of capital facility projects. When there are no active projects, this fund's fund balance will steadily increase.

	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Historic Preservation Fund				
Fund Balance Available for Appropriation	853	1,093	240	28.1%

Discussion:

The increase in the fund balance is associate with a slight increase in anticipated revenues for 2018.

	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Events Fund				
Fund Balance Available for Appropriation	32,999	13,499	(19,500)	-59.1%

Discussion:

The fund balance decrease in this fund is associated with one-time capital purchases for this fund. Generally this fund does not have capital expenditures, but in 2018, funds were budgeted to purchase a vehicle that can be used for events and event fencing.

BUDGET OVERVIEW

Water Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	5,099,248	5,914,733	815,485	16.0%

Discussion:

The increase in fund balance is attributed to a 5% increase in water consumption rates as well as an increase in water share fees for new customers. This fund is likely to issue debt in the upcoming years to finance additional resources for the Town, so a strong fund balance is imperative.

Storm Water Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	952,593	253,343	(699,250)	-73.4%

Discussion:

The decrease in fund balance is directly tied to a \$707,000 transfer into the Street and Alley Fund for a capital project that will have a drainage component in the downtown area. This is not a recurring transfer.

Electric Fund	Anticipated FY 2018 Beginning Balance	Anticipated FY 2018 Ending Balance	Increase (Decrease)	Percent Change
Fund Balance Available for Appropriation	10,198,409	8,159,239	(2,039,170)	-20.0%

Discussion:

The decrease in fund balance is due to increased capital spending on infrastructure and replacement of transformers. The combined budget for those items is \$1,192,900. Additionally budgeted expenditures increased include, professional costs \$150,000, purchased power \$150,000. Other small line items associated with greater customer demand have also increased. With rising costs of operations, this fund is in the process of a rate review with a possible increase being recommended in the spring of 2018.

BUDGET OVERVIEW

SUMMARY OF CAPITAL EXPENDITURES

The following summary includes capital expenditures of Town funds that exceed \$250,000.

General Fund

<u>Project Description</u>	<u>Capital Expenditure Amount</u>	<u>Recurring?</u>
Development Obligations	\$300,000	Yes

Discussion:

This capital expenditure is related to new development infrastructure obligations of the Town. It is anticipated that this amount will continue to recur for the next 5 to 6 years. No additional staffing or resources will be required to maintain this once the financial obligations have been met.

Street & Alley Fund

<u>Project Description</u>	<u>Capital Expenditure Amount</u>	<u>Recurring?</u>
Acceleration Lane at Hwy 52 and I-25	\$500,000	No

Discussion:

This additional lane on Hwy 52 is a joint project between the Town of Frederick, the City of Dacono and the Colorado Department of Transportation. The Town of Frederick is acting as project manager and will not have any financial responsibility to maintain the road once the improvements have been completed.

Downtown Roadway and Drainage Improvements	\$1,413,000	No
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Discussion:

This project is partially grant funded and is intended to improve the roadways and drainage problems in the downtown area. Near-term cost impacts include reduced labor costs associated with managing the ice problems in the winter in the downtown area. Long term maintenance costs are expected to stay the same as this is a replacement project and is not adding any additional infrastructure.

Park Improvement Fund

<u>Project Description</u>	<u>Capital Expenditure Amount</u>	<u>Recurring?</u>
Skate Park Construction	\$1,646,265	No

Discussion:

The initial project will be partially grant funded. There will be short and long term impacts to our operating budget to maintain this new area. Generally, we expect to see an increase in operating costs between 6% and 8%. Long-term we expect additional capital requirements will be necessary to maintain this asset to the desired level.

BUDGET OVERVIEW

Open Space Fund

Project Description	Capital Expenditure Amount	Recurring?
Skate Park Construction	\$400,000	No

Discussion:

The initial project will be partially grant funded. There will be some impacts to our operating budget to maintain this new area. Generally, we expect to see an increase in operating costs between 6% and 8%.

Trails	\$583,000	No
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Discussion:

The initial project will be partially grant funded. There will be some impacts to our operating budget to maintain this new area. Generally, we expect to see an increase in operating costs around 2%.

Land Acquisition	\$1,500,000	No
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Discussion:

Open Space land typically has lower costs for maintenance than park land due to the fact that it generally is kept in a natural state. Long-term cost implications can vary depending on addition of trails and other amenities. At this time, the impact on operational costs is expected to be minimal.

Water Fund

Project Description	Capital Expenditure Amount	Recurring?
Northern Integrated Supply Project	\$556,000	Yes

Discussion:

NISP is a project that will provide additional future water supplies. This is a complicated project with many participants and substantial short and long-term costs. Currently, the Town is closely monitoring all activity and changes and is making proactive changes in our financial approach to this project.

Windy Gap Water Project	\$1,600,000	No
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Discussion:

Participation in the Windy Gap project will provide the Town with additional future water supplies. This is a one-time capital expenditure that will have an annual assessment that will be rolled into our operational costs. That assessment is expected to be less than \$30,000 per year.

Storm Water Fund

Project Description	Capital Expenditure Amount	Recurring?
Downtown Drainage	\$707,000	No

Discussion:

This project is partially grant funded and is intended to improve the roadways and drainage problems in the downtown area. Near-term cost impacts include reduced labor costs associated with managing the ice problems in the winter in the downtown area. Long term maintenance costs are expected to stay the same as this is a replacement project and is not adding any additional infrastructure.

BUDGET OVERVIEW

Electric Fund		
<u>Project Description</u>	<u>Capital Expenditure Amount</u>	<u>Recurring?</u>
Install 1000MCM Feeder and Line Extension	\$1,130,000	No

Discussion:

This project will increase reliability and expand the system. The short and medium impact on costs should be minimal from a labor and maintenance perspective after the initial installation is complete.

Developer Infrastructure	\$660,000	No
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Discussion:

This will expand the electric infrastructure to accomodate new development. These outlays will be reimbursed to the Town by developers. Long-term costs will increase due to required system maintenance. Short-term costs increases will be purchased power to service new development.

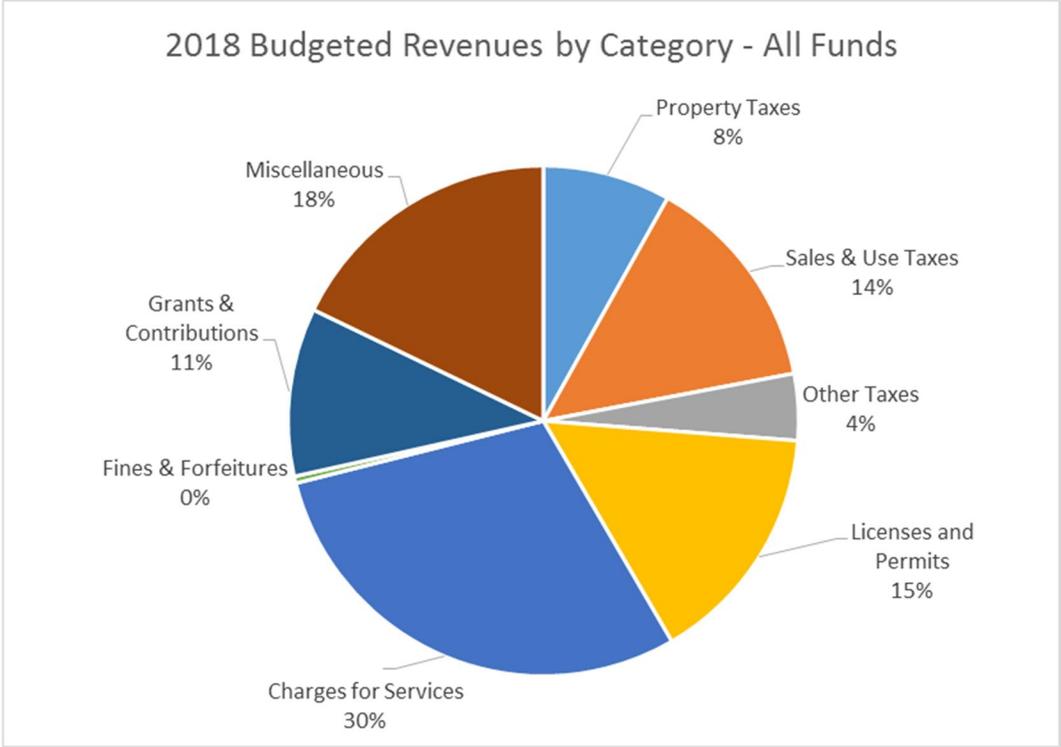
BUDGET OVERVIEW - REVENUES

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 for each year from 2013 to 2017 that were used in forecasting:

Year	2013	2014	2015	2016	2017
Consumer Price Index (CPI)	2.771%	2.8%	1.176%	2.772%	2.4%

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

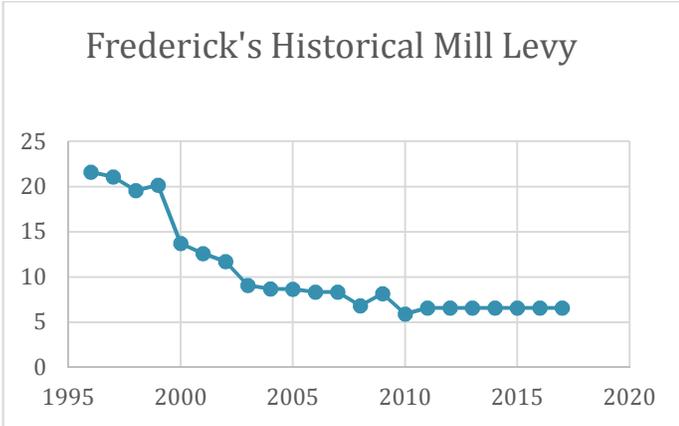


BUDGET OVERVIEW - REVENUES

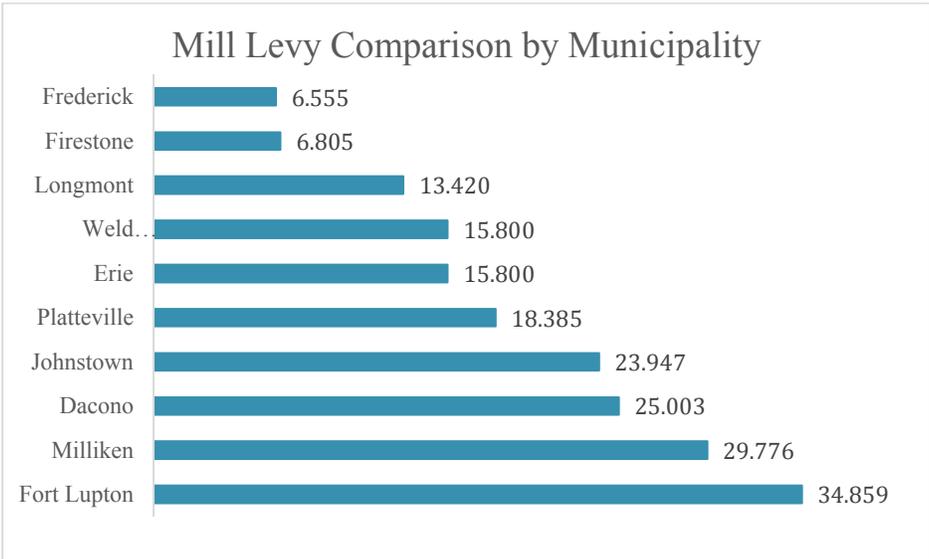
The following are descriptions of the Town’s revenue resources, associated forecasting assumptions, and revenue trends.

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 2018 will remain at the 2017 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

Property Tax Revenues by Category				
Category	2016 Budget Taxes Levied	2017 Budget Taxes Levied	2018 Budget Taxes Levied	% Change 2017 to 2018
Vacant Land	40,003	27,543	43,880	59.3%
Residential	516,246	552,566	664,235	20.2%
Commercial	280,446	286,392	330,430	15.4%
Industrial	102,496	106,379	119,547	12.4%
Agricultural	4,502	4,491	5,524	23.0%
Oil & Gas	387,422	134,173	557,397	315.4%
State Assessed	206,236	190,106	195,198	2.7%
Minerals	2,520	3,410	2,528	-25.9%
Total Revenue	1,539,870	1,305,060	1,918,739	

The changes in property tax revenues can vary substantially by category. One of the most volatile categories is Oil & Gas because the valuation depends on well production, which is calculated annually. For the 2018 budget, nearly all categories showed substantial increases as 2017 was a reassessment year so values were adjusted accordingly. The budget projections for property tax revenues are based on the Certification of Valuation which is provided annually by Weld County. The Town does not make any adjustments to the calculations that they provide.

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.

Sales taxes are forecasted using historical trends for the past five years combined with knowledge of new businesses that are locating in the Town. While the businesses in Frederick have been stable, sales tax revenue is often one of the first indicators when there is a downward shift in the economy. Consequently, the Town is very conservative in the revenue estimates in this category in an effort to eliminate any serious shortfall.

BUDGET OVERVIEW - REVENUES

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, 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 seven years as well as knowledge of new housing developments and approximate timelines for that development. The Town based the 2018 budgeted figures on 150 new homes built in the community in 2018.

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 over the past seven 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 Charges.

BUDGET OVERVIEW - REVENUES

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 and actual data from the past seven years.

LICENSES AND PERMITS

Licenses and permits are established by ordinance to allow the Town to collect various licenses or permit fees. These licenses and 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.

INTERGOVERNMENTAL REVENUES

Intergovernmental Revenues are transfers from any 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.

BUDGET OVERVIEW - REVENUES

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. These revenues are projected using trend analysis and knowledge of upcoming rate changes.

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 2018 budget includes no increase in the base rate and a 5% increase in the usage rate.

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. A rate increase is to be considered in spring 2018.

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. This category of revenues is being reviewed with a possible base rate increase being reviewed the first quarter of 2018.

IMPACT FEES

Impact Fees are charged as a part of the building permit process and allow the Town to take into consideration the affect a new development will have on parks, open space, drainage and streets among others. Impact fees are forecast using the current year's activities. Impact fees in all funds were calculated based on an anticipated 150 new homes in the community in 2018.

OTHER REVENUES

The other revenue category includes revenue from investments, rents, insurance proceeds, reimbursement of expenses and other miscellaneous revenue sources. Trend analysis is used for forecasting these revenues.

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

BUDGET OVERVIEW - REVENUES

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 funds are budgeted based on knowledge of upcoming grant applications that have been submitted or awarded to the Town. In 2018, the Town is being considered for an award for a downtown street project and an award to construct a skate park.

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

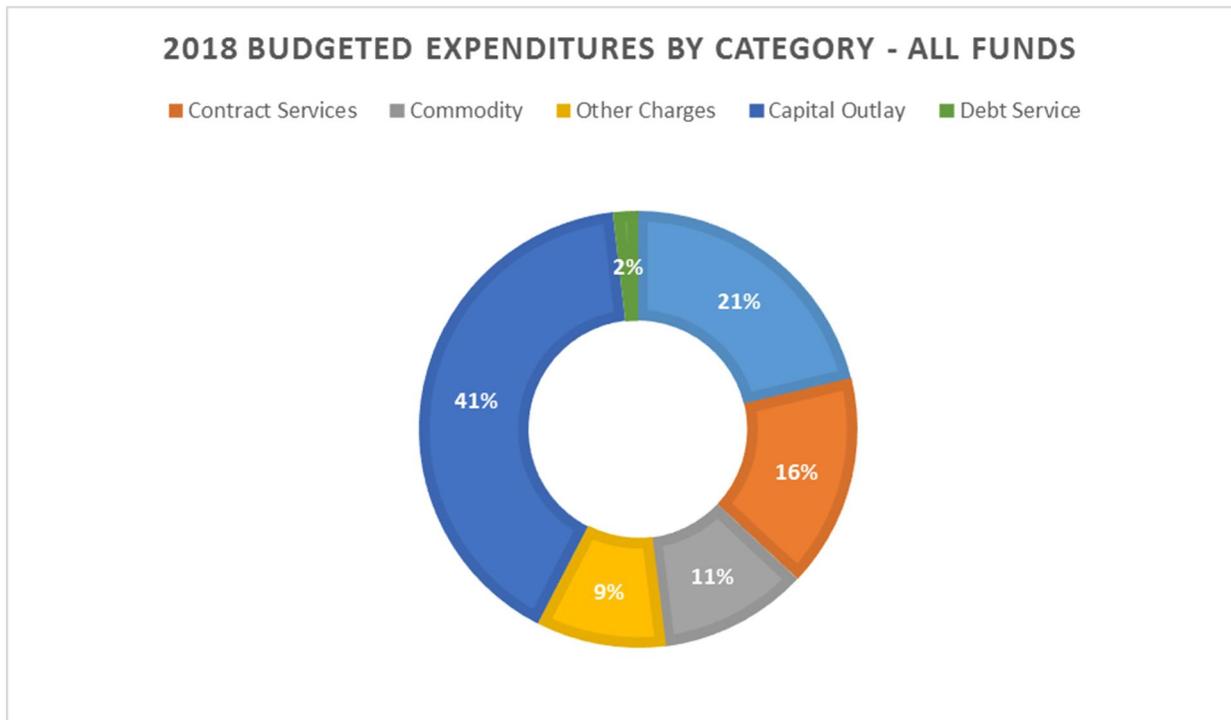
Motor Vehicle Registration Fees are state imposed on the registration of a vehicle. Fees are primarily based on the weight of the vehicle (as published by the manufacturer) and the age of the vehicle. In addition to the base fees, there are numerous add-on fees that are imposed. The revenue received 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 expenditures by category:



Note: The 2018 Budgeted Expenditures by Category chart includes transfers.

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 basis. Examples of such expenses include consulting services, engineering

BUDGET OVERVIEW - EXPENDITURES

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

This 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 Statutes provides that general obligation indebtedness for all purposes shall not at any time exceed three percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the Town.

As of December 31, 2017, 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)	\$1,784,510,121
Debt Limit: 3% of Actual Value	\$53,535,304
Total Bonded Debt	\$3,250,000
Legal Debt Margin	\$50,285,304
Total Bonded Debt Applicable to Limit as a % of Debt Limit	6.07%

The Town 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 2033.

Public Works Building	\$2,056,975
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The Town also has a lease purchase agreement for a street sweeper. The payment is made out of the Street and Alley Fund. The payment is \$46,967.72 per year and the lease ends in 2021.

Street sweeper	\$176,309
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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:

BUDGET OVERVIEW - DEBT

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 north of Highway 52 to Bella Rosa.

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

Community Safety



Facilities & Infrastructure

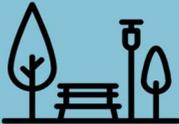


Fiscal Responsibility & Operational Excellence



Built On What Matters

Community Amenities



Community & Economic Vitality



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

OUR STRATEGIC FOUNDATION

	<p>IV. New and existing buildings and facilities.</p> <ul style="list-style-type: none">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 assetsB. 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
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OUR STRATEGIC FOUNDATION

Strategic Foundation

Objectives & Strategies

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

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

OUR STRATEGIC FOUNDATION

<p>between regional organizations, neighboring municipalities and other public entities, and the private sector.</p>	<ul style="list-style-type: none">C. Actively engage with residents and other community members to promote awareness of and participation in town-sponsored and other community events and amenitiesD. Partner with special districts and other outside agencies to strengthen our position as a regional cultural and recreational destinationE. Protect our Brand’s integrity and use it to increase visibility and awareness of Frederick, both locally and regionally.
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OUR STRATEGIC FOUNDATION

Strategic Foundation

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.

Objectives & Strategies

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

OUR STRATEGIC FOUNDATION

	<p>continue to focus on employee health and wellness</p> <p>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</p>
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OUR STRATEGIC FOUNDATION

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

OUR STRATEGIC FOUNDATION

	<ul style="list-style-type: none">B. Partner with FFFPD to ensure timely fire inspections of Town-owned and leased buildingsC. Provide community education on water and/or electric supply safetyD. Maintain landscaping on Town-owned property so that parks and other amenities are safe, attractive, and accessible to our citizens
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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 FOUNDATION

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)

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

OUR STRATEGIC FOUNDATION

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.

OUR STRATEGIC FOUNDATION

Long-Term Goals (7 – 10 year timeframe)

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

OUR STRATEGIC FOUNDATION

On-Going Goals

These are things that we are always working on.

	<p>Ensure that all master plans are updated regularly</p>
	<p>Keep Town's standards, codes, specs, etc. updated to ensure compliance with all local, state and federal laws</p>
	<p>Maintain existing infrastructure and facilities. Ensure proper care and maintenance of all Town assets</p>
	<p>Ensure sidewalk and trail connectivity in all new developments in Frederick</p>
	<p>Continue to seek state and federal grant funding opportunities</p>
	<p>Explore affordable housing options within Frederick</p>
	<p>Maintain a 100-day reserve fund balance in all funds, and a 150-day reserve fund balance in the general fund</p>
	<p>Continued process improvement training for Town staff, and continued work on succession planning</p>
	<p>Continued focus on economic development and retail expansion in Frederick. Attract primary job providers</p>
	<p>Continued emergency preparedness/EOC training</p>
	<p>Maintain safe playgrounds and parks by maintaining landscaping and trees and performing regular playground safety checks</p>
	<p>Focus on environmental protection by holding oil & gas companies accountable for following safety regulations and implementing public improvements</p>

LONG RANGE PLAN

LONG RANGE PLAN

The Town of Frederick has completed a ten-year financial forecast in order to provide a long-term view of the General Fund's operating budget. The Town uses this multi-year financial forecasting as a planning and communication tool. The revenue and expenditure assumptions are updated annually to reflect current decisions made by the Town Board as well indicate current economic trends while anticipating future outcomes based on continuous monitoring of the economic climate in the area. The financial forecast model combines projections of future revenues and expenditures based on historical analysis and economic factors with planned improvements, expected changes, expirations of grants, and future changes in service delivery.

FORECAST ASSUMPTIONS

- Revenues
 - Sales tax revenues have been adjusted to include a 1.0% increase in the sales tax rate beginning in 2019.
 - 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 for expenditures is 2.125% for 2018 through 2020.
 - The inflation factor used in the model for expenditures is 2.875% for 2021 through 2024.
 - The inflation factor used in the model for expenditures is 3.25% for 2025 through 2027.
 - Capital expenditures have been projected based on our current equipment schedules. Annual expenditure changes as the result of capital purchases, such as increases in insurance premiums after adding new vehicles to the fleet, have been factored in on an annual basis.
 - Staffing costs and staffing level increases have been projected based on the current level of growth in the community. For the financial plan, one full-time officer has been added each of the following years: 2019, 2021, 2023, 2025, 2026, and 2027. Other staffing assumptions include adding a full-time Deputy Town Clerk in 2024, changing a part-time Staff Accountant to a full-time position in 2021, adding an additional full-time Planner in 2021 and a new full-time Engineer in 2022.

ANALYSIS

The plan as presented, depicts 2018 as the only year when expenditures exceed the revenues. In 2018, existing fund balance will be utilized to balance the budget. While this is an acceptable

LONG RANGE PLAN

approach from a statutory perspective, it is not ideal. Despite using fund balance to balance the budget in 2018, the Board objective of maintaining a minimum of 150 days of operating costs in reserves is still being met. This long-term projection helps to show the potential resources that may be available and identify areas where additional resources are likely needed if the local residential growth trends remain the same as they have been in the recent past.

LONG RANGE PLAN

General Fund	2016 Actuals	2017 Adopted Budget	2017 Projected Budget	2018 Projected	2019 Projected	2020 Projected
Beginning Fund Balance	4,318,974	4,733,789	4,733,789	3,881,994	3,240,218	2,866,006
Revenues:						
Taxes & Fees	4,336,187	3,496,560	3,716,239	4,288,737	4,724,149	6,195,939
Licenses & Permits	1,004,770	600,000	815,180	766,500	806,441	1,024,038
Fines & Forfeitures	104,833	100,000	100,000	100,000	113,451	112,763
Earnings on Investment	13,521	3,400	9,700	8,200	3,839	3,942
Miscellaneous Revenue	162,582	77,000	57,000	52,000	62,226	62,660
Grants & Contributions	528,881	75,130	179,370	95,000	80,028	100,546
<i>Transfers In</i>	-	373,140	14,000	300,000	400,000	400,000
Total Operating Revenues	6,150,773	4,725,230	4,891,490	5,610,437	6,190,134	7,899,888
Operating Expenditures:						
Administration	849,810	962,015	822,540	956,943	985,366	1,014,777
Finance	108,670	150,780	162,860	183,715	189,783	196,075
Courts Division	118,823	148,910	142,010	138,730	132,798	136,856
Legislative	601,125	489,395	448,930	432,290	394,173	400,499
Engineering	154,317	184,260	173,470	195,325	201,793	208,499
Planning	365,021	374,660	424,185	459,645	474,695	490,297
Police	2,627,096	2,797,755	2,790,780	3,060,420	3,237,537	3,353,539
Public Works & Buildings	369,843	447,195	355,750	378,145	388,202	398,585
<i>Transfers Out</i>	50,000	-	280,860	69,000	40,000	40,000
Total Operating Expenditures	5,244,706	5,554,970	5,601,385	5,874,213	6,044,346	6,239,128
Net Operating Revenues (Loss)	906,067	(829,740)	(709,895)	(263,776)	145,788	1,660,760
Capital Expenditures:						
Administration	95,902	650,000	0	300,000	400,000	400,000
Finance	0	0	0	0	0	0
Courts Division	0	0	0	0	0	0
Legislative	293,097	605,500	120,900	0	0	0
Engineering	0	0	0	26,000	0	0
Planning	0	0	0	0	0	0
Police	85,738	113,500	21,000	42,000	80,000	90,000
Public Works & Buildings	16,515	25,000	0	10,000	40,000	0
Total Capital Expenditures	491,252	1,394,000	141,900	378,000	520,000	490,000
Net Change in Fund Balance	414,815	(2,223,740)	(851,795)	(641,776)	(374,212)	1,170,760
Ending Fund Balance	4,733,789	2,510,049	3,881,994	3,240,218	2,866,006	4,036,766

LONG RANGE PLAN

2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected
4,036,766	5,026,011	6,038,409	7,042,707	7,990,773	8,836,201	9,638,951
6,457,644	6,703,223	6,943,114	7,173,904	7,408,235	7,643,274	7,882,257
1,039,268	1,068,801	1,081,056	1,118,672	1,149,989	1,179,250	1,202,156
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	-	-	-	-
8,175,767	8,467,782	8,726,204	8,602,886	8,879,748	9,159,616	9,428,545
1,025,216	1,060,341	1,096,724	1,208,412	1,250,413	1,296,101	1,343,486
257,599	267,099	276,960	287,194	297,816	309,138	320,894
141,058	145,926	150,969	156,193	161,607	167,501	173,614
406,938	417,380	428,094	439,087	450,366	464,087	478,228
215,453	296,727	307,731	319,154	331,011	343,630	356,736
580,473	601,599	623,518	646,260	669,856	695,111	721,329
3,541,978	3,675,313	3,881,772	4,028,276	4,248,421	4,480,218	4,653,101
409,307	422,499	436,139	450,244	464,829	481,082	497,914
40,000	40,000	40,000	40,000	40,000	40,000	40,000
6,618,021	6,926,884	7,241,907	7,574,820	7,914,320	8,276,867	8,585,302
1,557,746	1,540,898	1,484,297	1,028,066	965,428	882,750	843,244
408,500	400,000	400,000	0	0	0	0
0	50,000	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	26,000
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	538,500	480,000	80,000	120,000	80,000	106,000
989,246	1,002,398	1,004,297	948,066	845,428	802,750	737,244
5,026,011	6,028,409	7,042,707	7,990,773	8,836,201	9,638,951	10,376,194

FUND SUMMARIES

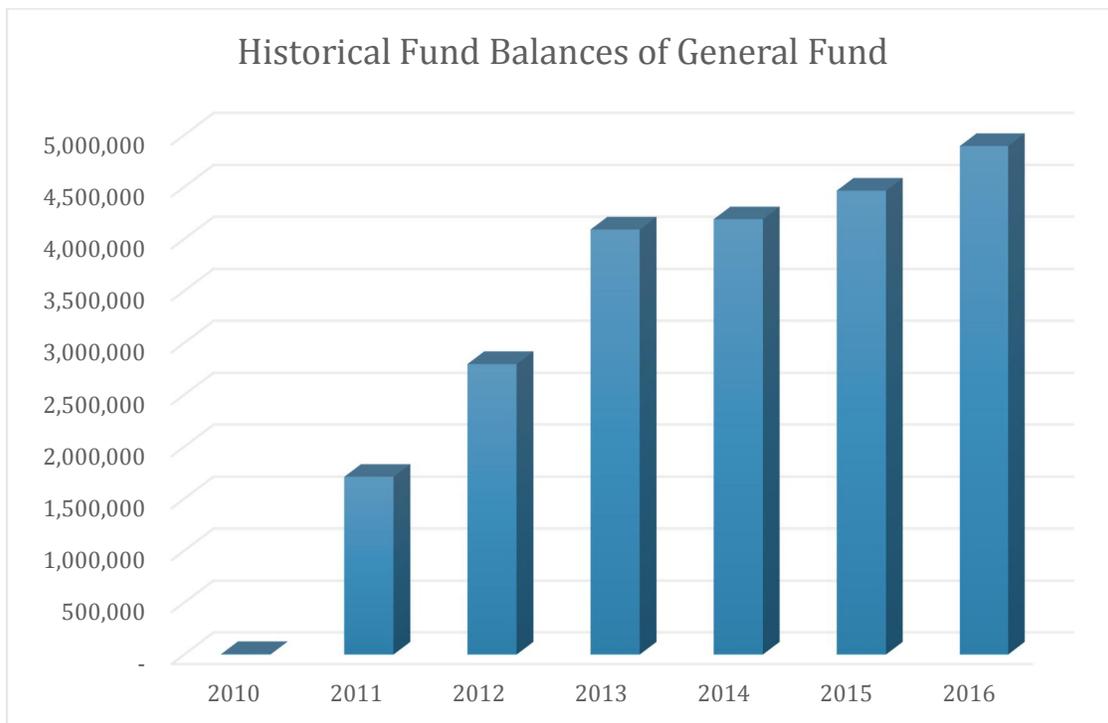
GENERAL FUND

FUND SUMMARIES

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.

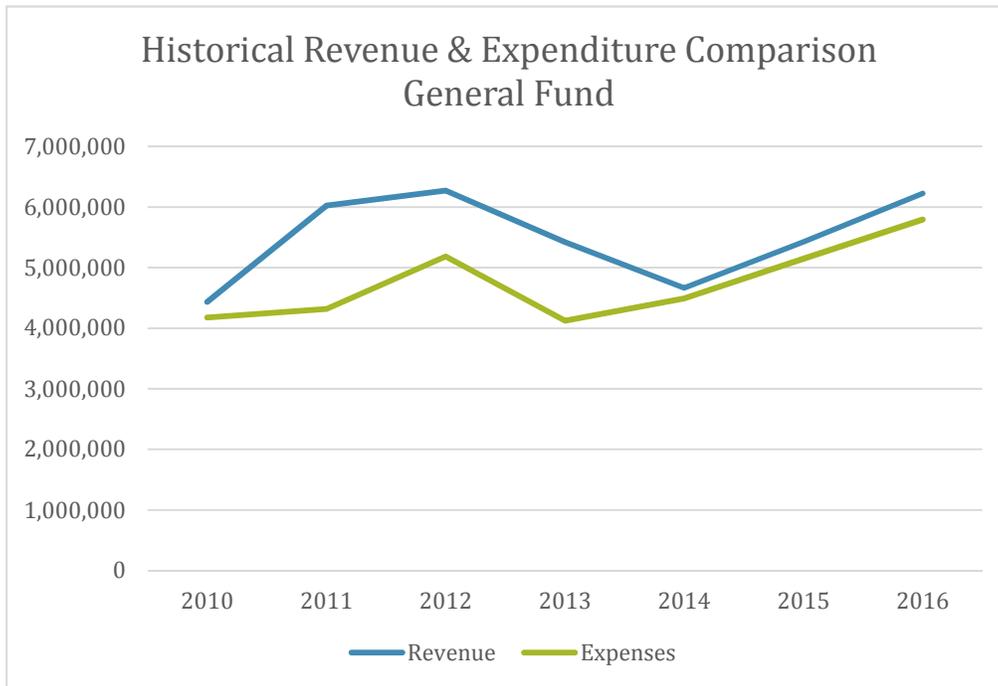
One of the primary goals of the Town is to maintain a healthy fund balance. In recent years, the revenue collected has exceeded expenditures which provided the Town an opportunity to build cash reserves that can be used when needed. Currently, the 2018 budget, as planned provides the Town with reserves equivalent to 204 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 funds balance for the Town. The fund balance in 2010 reflects the impact of the recession that began in 2007. The more recent economic rebound and resulting 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.

FUND SUMMARIES

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 every year since 2010.



While the economy is continuing to improve, the fund balance in 2018 is expected to decrease. Revenue projections for the year have been conservatively estimated and expenditures have been estimated with just over a 2.4% increase compared to 2017. Revenues for the General Fund are primarily tax based. Currently the Town has the fourth lowest mill levy and the sixth lowest sales tax rate in the county. When low taxes are combined with very rapid residential growth, demand for services increases faster than the revenue necessary to meet those expectations. A Town of Frederick resident with a home valued at \$250,000 currently pays \$117.99 in property taxes to the Town. In the long-term, to meet the demand, an in-depth analysis will be critical for this fund in terms of revenue streams as well as service levels.

FUND SUMMARIES

The 2018 Budget includes revenues of \$5,310,438 and net transfers in of \$231,000 for a total of \$5,541,438, an increase of \$816,208 compared to the 2017 Budget. This increase is primarily due to increased revenue projections associated with property tax revenues, increasing oil and gas production in the area and a transfer from the Streets Fund to meet potential developer commitments. The 2018 Budget includes expenditures of \$6,183,213. This amount is \$147,945 higher than what was budgeted in 2017. The increase is primarily due to the addition of one full-time Police Officer, one additional police vehicle, and a replacement vehicle for building inspections.



FUND SUMMARIES

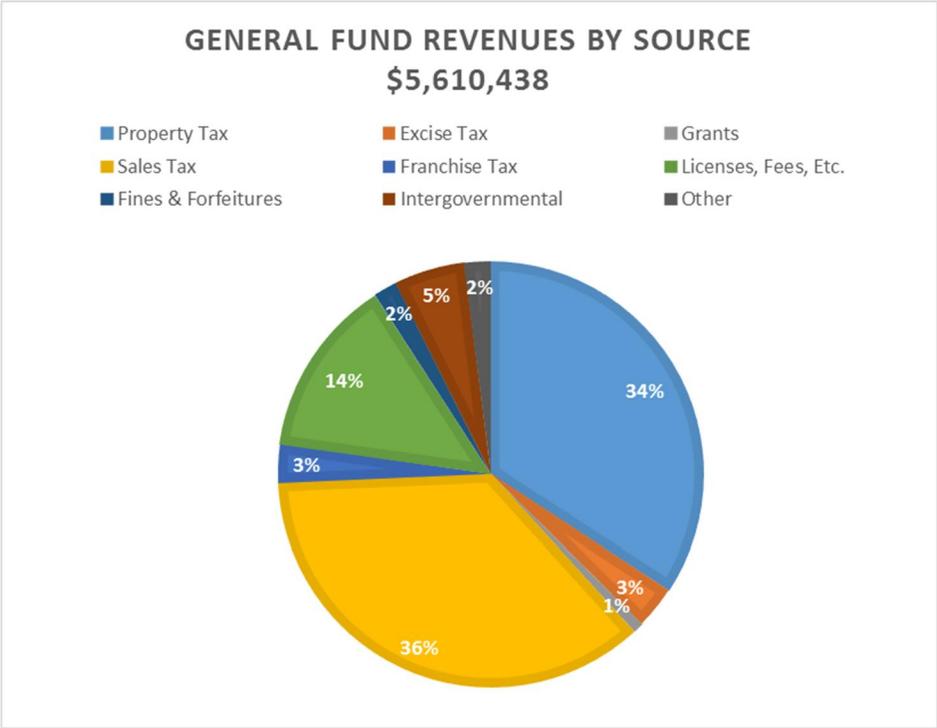
GENERAL FUND BUDGET

General Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	4,318,974	4,733,789	4,733,789	3,881,993
Revenues:				
Taxes & Fees	4,336,187	3,496,560	3,714,739	4,287,738
Licenses & Permits	1,004,770	600,000	815,180	766,500
Fines & Forfeitures	104,833	100,000	101,500	101,000
Earnings on Investment	13,521	3,400	9,700	8,200
Miscellaneous Revenue	53,443	57,000	57,000	52,000
Grants & Contributions	638,021	95,130	179,370	95,000
<i>Transfers In</i>	(50,000)	373,140	(266,860)	231,000
Total Operating Revenues	6,100,773	4,725,230	4,610,629	5,541,438
Expenditures:				
Administration	945,712	1,344,818	822,540	1,256,943
Finance	108,670	170,410	162,860	183,715
Courts Division	118,823	146,110	142,010	138,730
Legislative	894,222	583,990	569,830	432,290
Engineering	154,317	178,560	173,470	221,325
Planning	365,021	412,570	424,185	459,645
Police	2,712,834	2,811,960	2,811,780	3,102,420
Public Works & Buildings	386,358	386,850	355,750	388,145
<i>Transfers Out</i>				
Total Expenditures	5,685,957	6,035,268	5,462,425	6,183,213
Excess (Deficiency) of Revenues and Other Sources over Expenditures	414,815	(1,310,038)	(851,796)	(641,775)
Ending Fund Balance	4,733,789	3,423,751	3,881,993	3,240,218

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 76% of the total revenues projected for 2018. The chart below shows the proportion of each major revenue source to the total General Fund Revenues.



The General Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2018.

General Fund Revenue Sources		
Source	Amount	% of Total
Property Tax	1,918,738	34%
Excise Tax	181,000	3%
Grants	45,000	1%
Sales Tax	2,025,000	36%
Franchise Tax	163,000	3%
Licenses, Fees, Etc.	766,500	14%
Fines & Forfeitures	101,000	2%
Intergovernmental	300,000	5%
Other	110,200	2%

FUND SUMMARIES

GENERAL FUND EXPENDITURES

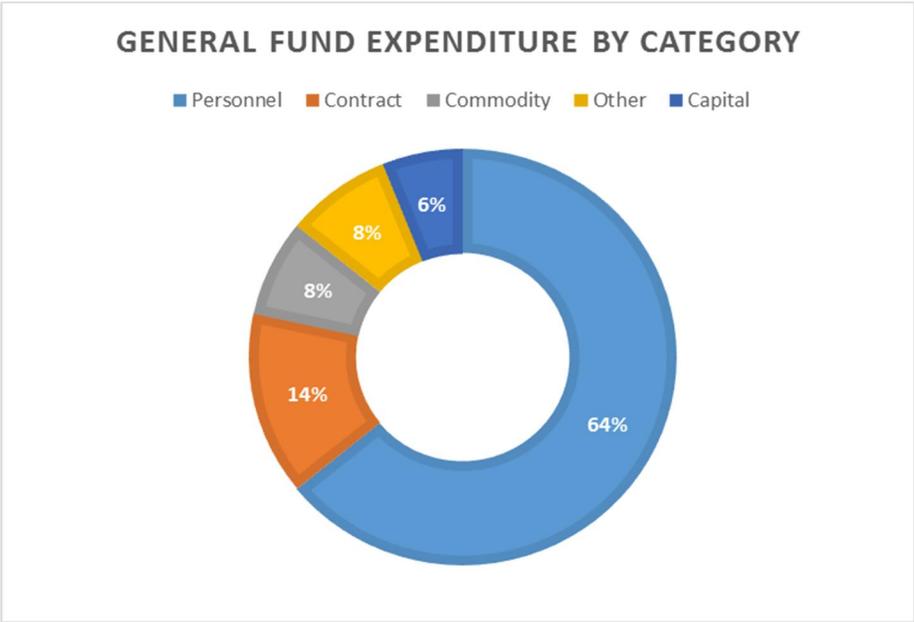
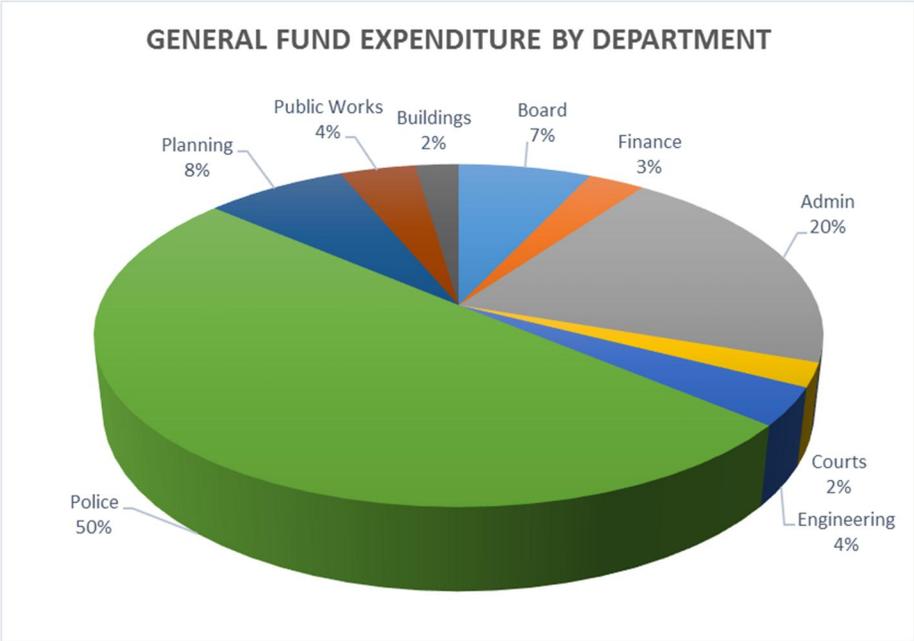
Expenditures in the General Fund are separated by department and/or division and then by category. The departments/divisions that exist in the General Fund are the Town Board, General Administration, Finance, Courts, Engineering, Police, Planning, Public Works and Buildings. The expense categories that are used include Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Capital outlay for the 2018 Budget includes an expense of \$300,000 for obligations associated with development, \$26,000 for a building permit vehicle, \$42,000 for a new police vehicle, and \$10,000 for a new catwalk for the wash bay at public works. The only recurring expense is the \$300,000 which is associated with a \$300,000 transfer in to cover the costs associated with the development obligations.

GENERAL FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Board	15,930	248,450	7,000	160,910	432,290	---	---	432,290
Finance	132,495	20,150	24,550	6,520	183,715	---	---	183,715
General Admin	562,740	215,838	34,700	143,665	956,943	300,000	---	1,256,943
Courts	79,480	49,500	8,250	1,500	138,730	---	---	138,730
Engineering & Util	141,515	29,010	19,600	5,200	195,325	26,000	---	221,325
Police	2,528,420	117,600	296,850	117,550	3,060,420	42,000	---	3,102,420
Planning	326,220	76,100	50,375	6,950	459,645	---	---	459,645
Public Works	150,745	45,250	16,450	24,250	236,695	10,000	---	246,695
Building	24,650	83,200	4,500	29,100	141,450	---	---	141,450
Totals	\$3,962,195	\$885,098	\$462,275	\$495,645	\$5,805,213	\$378,000	\$0	\$6,183,213
Total Cash Available								\$ 9,423,431
Ending Fund Balance								3,240,218
% of Total Budget	64.08%	14.31%	7.48%	8.02%	93.89%	6.11%	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 64% of the costs. The charts below detail the expenditures for the General Fund by department and by category.



GENERAL FUND
DEPARTMENT SUMMARIES

FUND SUMMARIES

ADMINISTRATION

<u>Administration Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	431,761	533,254	508,345	562,740
Contract Services	253,824	257,888	183,700	215,838
Commodity	27,329	23,830	29,330	34,700
Other Charges	136,897	129,855	101,165	143,665
Total Operating	849,811	944,827	822,540	956,943
Capital Outlay	95,902	400,000	-	300,000
Debt Service	-	-	-	-
Total Expenditures	945,713	1,344,827	822,540	1,256,943
FTE's	4.50	5.05	5.05	5.20

Overview and Description

The Town of Frederick 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 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 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

FUND SUMMARIES

of fiscal planning and of other areas of Town government, has the authority to appoint the heads of the various 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 by coordinating and giving additional assistance to departments as work volume changes from time to time. This individual will operate as the CAO in the Town Managers absence during any time.

TOWN MANAGER GOALS

STRATEGIC FOUNDATION	2018 GOALS
	Identify and secure economic development opportunity at Colorado Blvd. and Hwy 52
	Establish at least 10 new primary jobs in the community
	Secure \$1 million in grant opportunities
	Continue to educate and promote the financial stability and resiliency of the Town
	Leverage Town dollars with \$1 million in grant expenditures
	Complete cultural changes in the organization and ensure their place as the foundation of the organization
	Complete the former Public Works redevelopment project

FUND SUMMARIES

TOWN MANAGER KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of local business owners met with annually	77	83	100
	Percent completion – succession planning	15%	40%	100%
	Percent completion – updating strategic plan	15%	100%	100%
	Community Partner contacts/meetings (monthly average)	111	115	93
	Bond rating by Moody’s or Standard and Poor’s	AA	AA	AA
	Successes realized from Succession Planning	n/a	n/a	3

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 is 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

FUND SUMMARIES

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	2018 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)
	Execute Community-wide survey
	Implement more business community outreach

FUND SUMMARIES

STRATEGIC FOUNDATION	2018 GOALS
	Expand volunteer program
	Broaden sponsorship program

COMMUNITY RELATIONS KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of Facebook engagements	144,893	163,627	99,652
	Number of visits to website	158,603	188,817	168,399
	Website Reading Ease Score	n/a	9.4	9.1
	Number of Frederick Flash Subscribers	545	801	1,064
	Number of monthly newsletter stories	112	126	129
	Number of press releases	33	29	31

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.

FUND SUMMARIES

HUMAN RESOURCES GOALS

STRATEGIC FOUNDATION	2018 GOALS
	Continue working on the Succession Planning Model
	Evaluate staff's training needs to ensure compliance with all federal and state requirements.
	Continue working with the Safety Committee to evaluate all safety-related issues including emergency preparedness
	Continue to evaluate pay structure for all positions

HUMAN RESOURCE KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Percent turnover	10.2%	17.7%	21.5%
	Number of vacant positions posted	5	9	17
	Property Casualty - number of claims	11	2	8
	Property Casualty - annual cost of claims	\$38,590	\$500	\$100,466
	Workers Compensation Average time to report claim (in days)	1.86	.92	.80
	Workers Compensation Annual cost of claims	\$58,797	\$61,071	\$170,093

FUND SUMMARIES

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	2018 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
	Successful completion of 2018 Regular Municipal Election

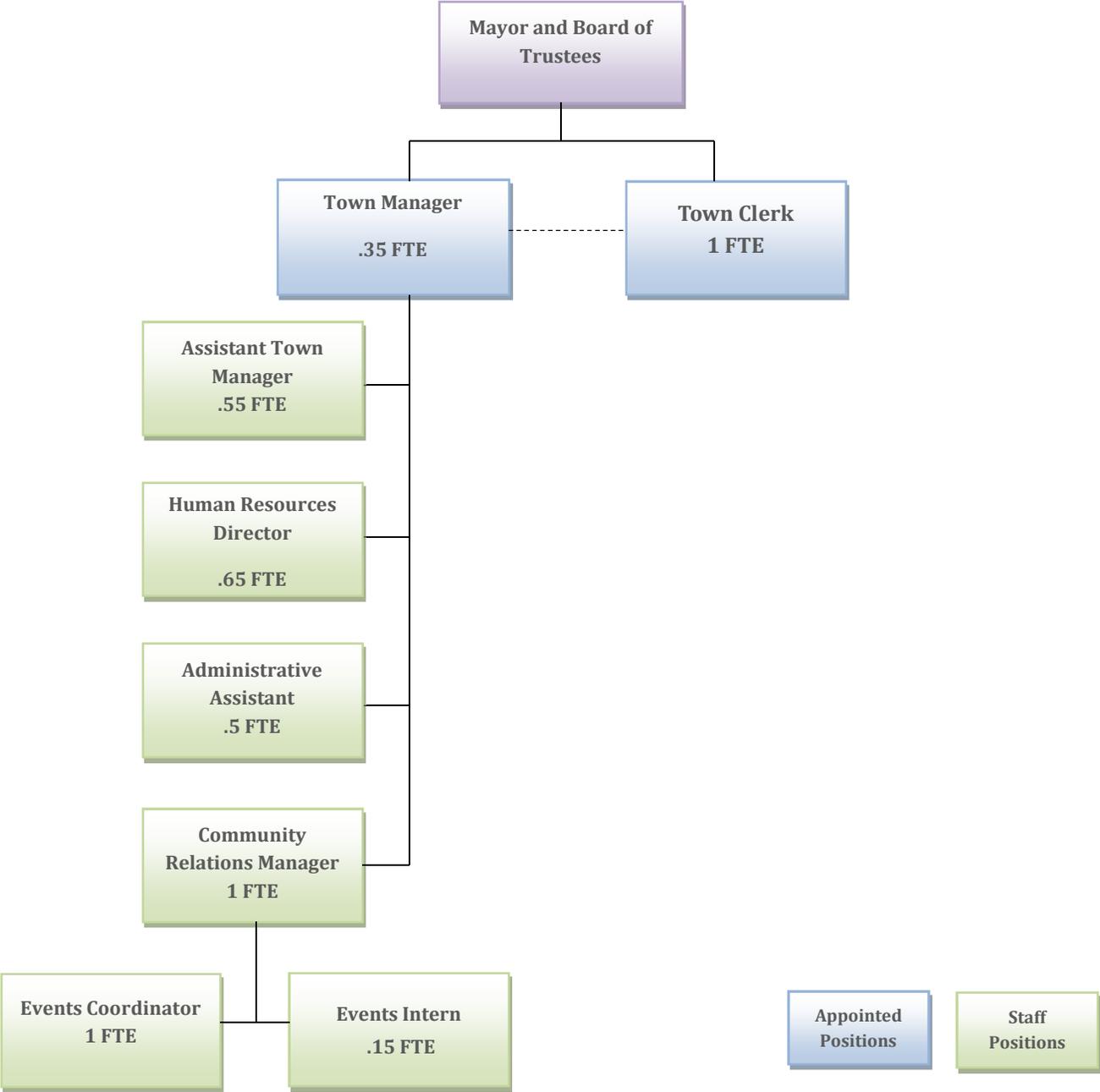
FUND SUMMARIES

TOWN CLERK KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of agendas processed	116	89	54
	Number of records requests	38	44	49
	Number of Resolutions submitted for archiving	92	84	76
	Number of Ordinances published	28	28	20
	Number of Minutes processed	54	48	23

FUND SUMMARIES

ORGANIZATIONAL CHART – ADMINISTRATION DEPARTMENT – 5.20FTE*



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

FUND SUMMARIES

TOWN BOARD

<u>Town Board Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	15,665	15,930	15,930	15,930
Contract Services	230,147	307,850	255,540	248,450
Commodity	7,531	6,500	18,750	7,000
Other Charges	345,510	167,710	158,710	160,910
Total Operating	598,853	497,990	448,930	432,290
Capital Outlay	295,369	86,000	120,900	-
Debt Service	-	-	-	-
Total Expenditures	894,222	583,990	569,830	432,290
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 Citizen's 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 Town Manager to ensure this direction and the objectives of the Board are carried out.

The Board appoints the following positions:

Town Manager
Town Attorney
Town Treasurer

Town Clerk
Municipal Judge

FUND SUMMARIES

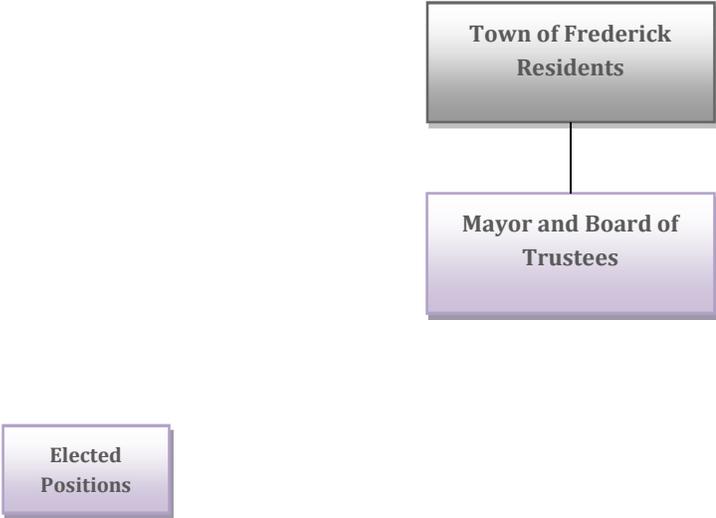
TOWN BOARD GOALS

STRATEGIC FOUNDATION	2018 GOALS
	Conduct a Board retreat to identify goals and objectives for 2018 and 2019
	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

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of Resolutions processed	92	84	76
	Number of Ordinances processed	28	28	20

ORGANIZATIONAL CHART – TOWN BOARD – 0 FTE



FUND SUMMARIES

FINANCE

	2016	2017	2017	2018
<u>Finance Budget</u>	Actual	Approved Budget	Year End Projections	Budget
Personnel Services	95,749	126,470	126,470	132,495
Contract Services	5,077	24,440	16,640	20,150
Commodity	4,853	13,050	13,050	24,550
Other Charges	2,991	6,450	6,700	6,520
Total Operating	108,670	170,410	162,860	183,715
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	108,670	170,410	162,860	183,715
FTE's	0.95	1.45	0.95	1.45

Overview and Description

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. Additionally the Finance Department provides support to the Frederick Urban Renewal Authority by assisting with the long-term projections, performing tax increment financing analysis, managing tax collections and disbursements in accordance with various contracts with other taxing districts.

FUND SUMMARIES

FINANCE GOALS

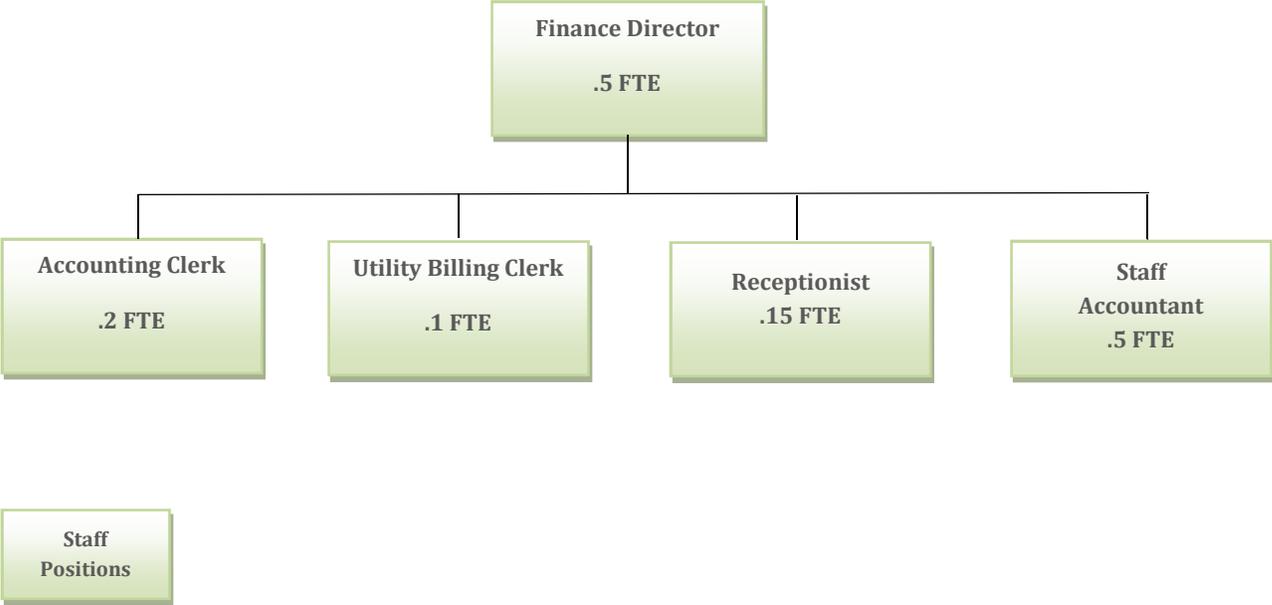
STRATEGIC FOUNDATION	2018 GOALS
	Continue to develop metrics to measure performance
	Begin asset inventory for the Town
	Implement new budget software
	Succession planning for department

FINANCE PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Debt Per Capita	525.39	530.69	442.45
	Number of courtesy shut-off calls placed	1,314	1,463	1,365
	Percent of shut-off calls successfully delivered	84%	87%	87.2%
	Number of electric smart meters in use	n/a	2,180	2,370
	Percentage use of smart meters	n/a	98%	98%
	Average number of phone calls received each month	-	1,457	1,419
	Number of new resident packets processed	n/a	459	550
	Number of AP invoices processed	2,825	3,452	3,231

FUND SUMMARIES

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.

FUND SUMMARIES

MUNICIPAL COURT

<u>Municipal Court Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	75,483	76,620	76,620	79,480
Contract Services	35,437	63,150	58,950	49,500
Commodity	6,723	5,100	5,100	8,250
Other Charges	1,180	1,240	1,340	1,500
Total Operating	118,823	146,110	142,010	138,730
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	118,823	146,110	142,010	138,730
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.

FUND SUMMARIES

MUNICIPAL COURT GOALS

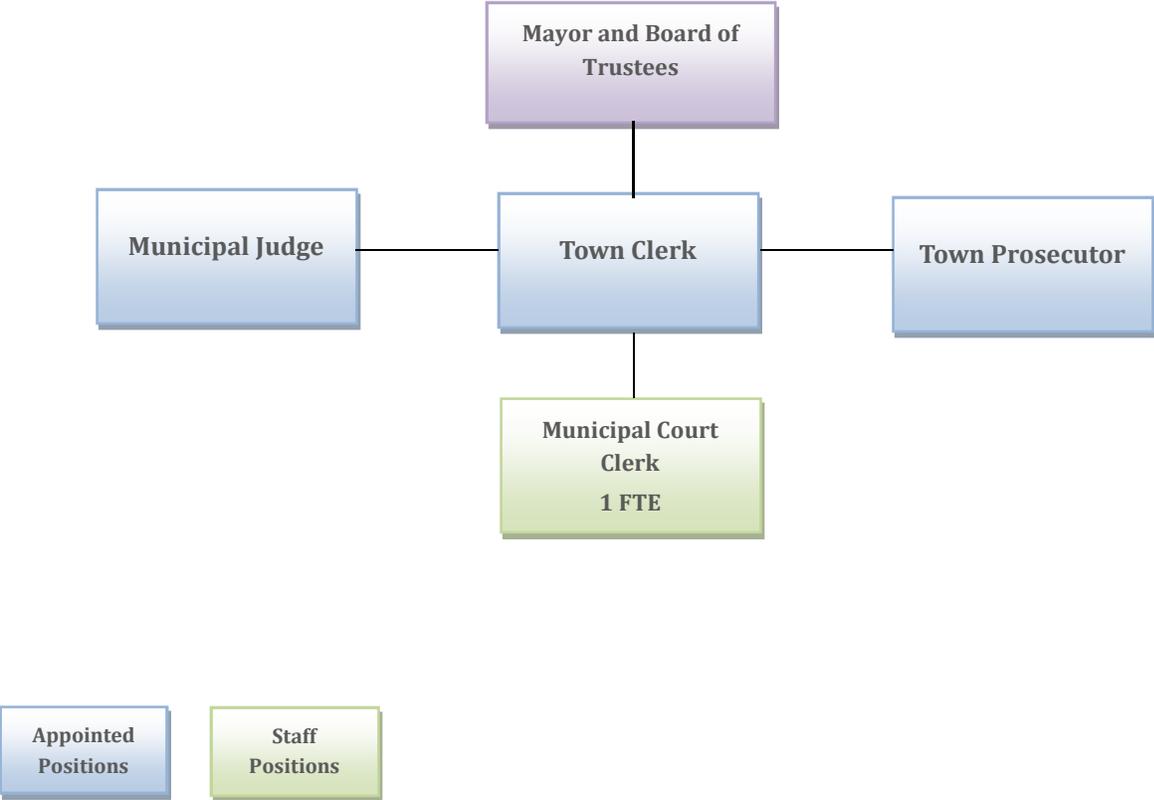
STRATEGIC FOUNDATION	2017 GOALS
	Cooperation with Caselle to complete testing of on-line reporting to Department of Motor Vehicle
	Implement on-line reporting to Department of Motor Vehicles through Caselle
	Research and pilot Laserfiche to achieve paperless court
	Continue with Safe School Meetings to maintain an open line of communication between schools, Probation Officers, Social Services and Court
	Create policy and procedures for collection cases
	Sustain Restorative Justice Program

MUNICIPAL COURT KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of cases filed	674	683	804
	Number of early pays/no court appearance	215	239	315

FUND SUMMARIES

ORGANIZATIONAL CHART – MUNICIPAL COURTS DIVISION – 1.0FTE



FUND SUMMARIES

ENGINEERING

<u>Engineering Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	130,689	137,960	140,310	141,515
Contract Services	12,239	17,250	13,050	29,010
Commodity	7,758	18,150	15,250	19,600
Other Charges	3,632	5,200	4,860	5,200
Total Operating	154,318	178,560	173,470	195,325
Capital Outlay	-	-	-	26,000
Debt Service	-	-	-	-
Total Expenditures	154,318	178,560	173,470	221,325
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 Wetlands.

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, 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

FUND SUMMARIES

coordination with surrounding municipal, special district, county and state agencies. It also includes compliance with local, state and federal regulations.

ENGINEERING GOALS

STRATEGIC FOUNDATION	2018 GOALS
	Monitor new code versions to begin evaluating next building code adoption
	Incorporate punch-list inspection list with new Design Standards.
	Monitor new code versions to begin evaluating next building code adoption. This includes the 2015 or 2018 ICC I-Code Series and the 2017 National Electric Code (NEC)
	Incorporate punch-list inspection list with new Design Standards
	Promote building safety and education
	Scanning of all Building Division property files in order to accomplish a fully integrated digital storage of these files
	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
	Implement Sign Management plan
	Implement Update of Standards Review
	Draft Storm Water Ordinance in preparation for NPDES permitting plan

FUND SUMMARIES

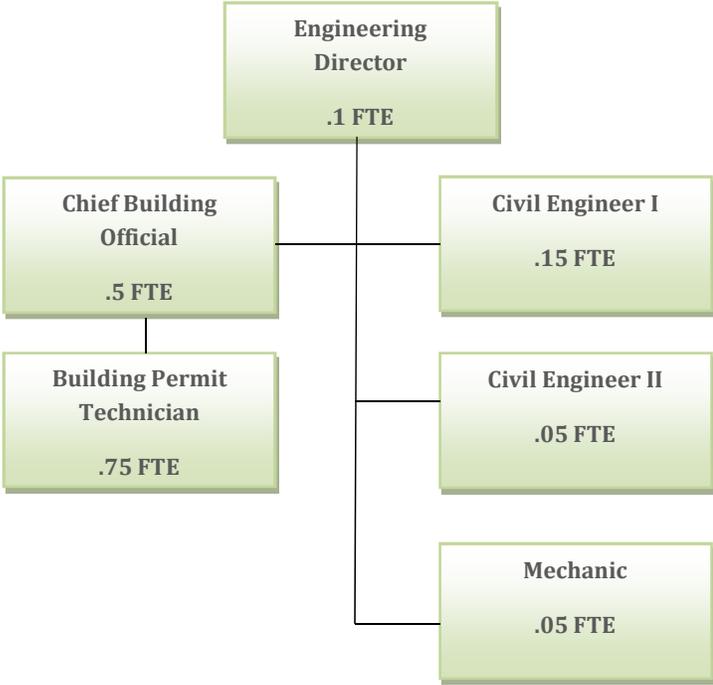
STRATEGIC FOUNDATION	2018 GOALS
	Write and present Signal Management plan for adoption
	Continue to coordinate with Planning to monitor development review

ENGINEERING PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Permits issued	238	167	229
	Number of inspections performed	5,228	4,755	5,282
	Value of new commercial construction	\$6,175,594	\$3,680,000	\$58,068,534
	Number of development projects reviewed	41	25	35

FUND SUMMARIES

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.

FUND SUMMARIES

PLANNING

<u>Planning Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	286,326	349,015	349,015	326,220
Contract Services	37,662	19,620	25,950	76,100
Commodity	33,723	36,850	42,500	50,375
Other Charges	7,310	7,085	6,720	6,950
Total Operating	365,021	412,570	424,185	459,645
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	365,021	412,570	424,185	459,645
FTE's	2.60	3.30	3.30	3.30

Overview and Description

The Planning Department currently has the following positions: Planning Director, Planner II, 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 or temporary use. 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

FUND SUMMARIES

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, 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 utility billing software. Specific mapping is completed to assist the Court, Police Department, Town Clerk, Engineering and Utilities, Community Relations Manager, Public Works and others as needed. An extensive set of online interactive mapping system has been implemented and continues to be updated 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 I/T 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 is responsible for all facets of web design, implementation, project coordination, site appearance, navigation, 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.

FUND SUMMARIES

PLANNING GOALS

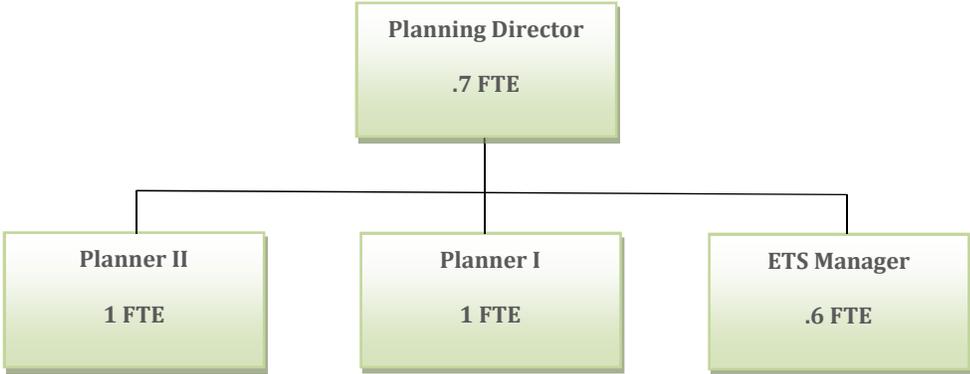
STRATEGIC FOUNDATION	2018 GOALS
	Continued Amendments to Land Use Codes Articles 1, 2, 3, and 4
	Continued implementation of updated Comprehensive Plan.

PLANNING PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Area of Town in square miles	13.98	14.30	14.38
	Number of new projects processed	41	45	40
	Number of phone contacts to Planning Staff	3,215	3,210	3,336
	IT support calls received	3,025	3,175	3,500

FUND SUMMARIES

ORGANIZATIONAL CHART – PLANNING DEPARTMENT –3.3 FTE*



Staff
Positions

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

FUND SUMMARIES

POLICE

<u>Police Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	2,204,745	2,385,280	2,385,280	2,528,420
Contract Services	76,081	110,700	90,400	117,600
Commodity	177,636	208,950	202,050	296,850
Other Charges	140,504	107,030	113,050	117,550
Total Operating	2,598,966	2,811,960	2,790,780	3,060,420
Capital Outlay	113,868	-	21,000	42,000
Debt Service	-	-	-	-
Total Expenditures	2,712,834	2,811,960	2,811,780	3,102,420
FTE's	22.10	23.10	23.10	24.90

Overview and Description

The police department has an authorized strength of nineteen police officers, a 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 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

FUND SUMMARIES

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 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 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.

FUND SUMMARIES

POLICE GOALS

STRATEGIC FOUNDATION	2018 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.
 	Maintain regular meetings with the principal of Frederick High School and the principal of Thunder Valley K-8.
 	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.

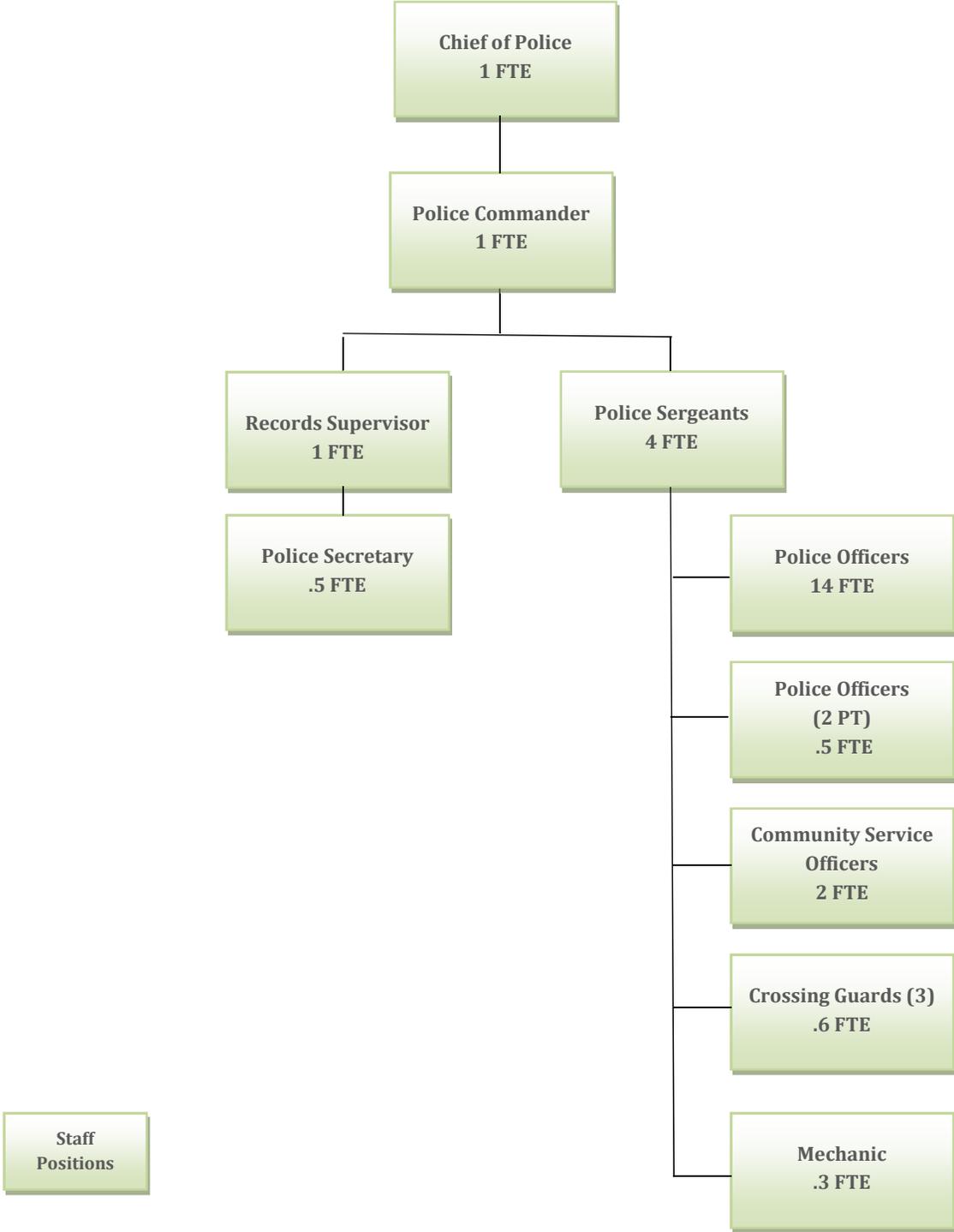
FUND SUMMARIES

POLICE PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Total Calls for service (including high priority calls)	9,094	8,504	9,988
	Number of high priority calls (in progress crimes, accidents with injuries, and officer needs help calls)	1,750	1,837	1,177
	Adult arrests	361	347	314
	Juvenile detentions	119	115	88
	Workers compensation claims	3	4	6
	Workers compensation payment	\$58,505	\$3,701	\$39,477
	Number of seatbelt enforcement grant hours	79	60	30
	Seatbelt grant dollars	\$3,831	\$2,900	\$1,615
	Number of seatbelt enforcement officers	9	4	3
	Average maintenance costs per vehicle	Unknown	\$909	\$871

FUND SUMMARIES

ORGANIZATIONAL CHART – POLICE DEPARTMENT – 24.90 FTE



FUND SUMMARIES

PUBLIC WORKS

	2016	2017	2017	2018
<u>Public Works Budget</u>	Actual	Approved Budget	Year End Projections	Budget
Personnel Services	137,740	143,250	144,100	150,745
Contract Services	46,386	46,900	34,150	45,250
Commodity	20,723	20,700	20,550	16,450
Other Charges	21,553	23,100	24,050	24,250
Total Operating	226,402	233,950	222,850	236,695
Capital Outlay	-	-	-	10,000
Debt Service	-	-	-	-
Total Expenditures	226,402	233,950	222,850	246,695
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, 12 full-time employees, 1 full-time Mechanic 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.

FUND SUMMARIES

PUBLIC WORKS GOALS

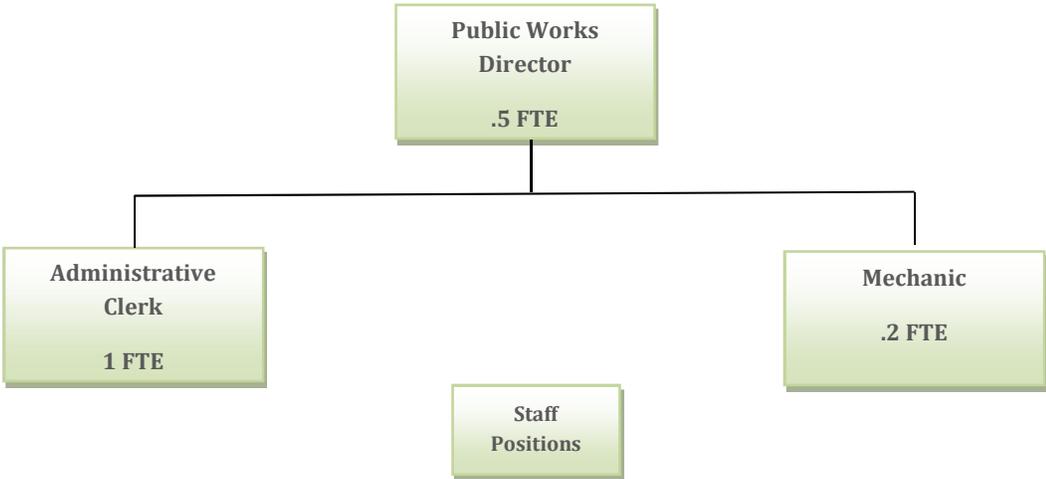
STRATEGIC FOUNDATION	2018 GOALS
 	Cross training for all employees
 	Continued education and certification
	Build a team support group
 	Increase safety awareness
	Complete all work requests submitted in a timely manner, Utilize electronic means when possible for submitting and clearing work requests.
	Improve 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.

FUND SUMMARIES

PUBLIC WORKS KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of service orders processed	1,531	1,284	1,646
	Number of customer calls responded to within 24 hours	83%	85%	90%
	Number of Submit-A-Request online complaints responded to within 24 hours	90%	95%	95%
	Number of Submit-A-Request online complaints responded to within 48 hours	92%	96%	96%
	Average preventative maintenance costs per vehicle	-	\$850	\$450

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.

FUND SUMMARIES

BUILDINGS

<u>Buildings Budget</u>	2016 Actual	2017 Approved Budget	2017 Year End Projections	2018 Budget
Personnel Services	10,427	20,300	20,300	24,650
Contract Services	104,038	82,500	82,000	83,200
Commodity	4,380	6,000	4,600	4,500
Other Charges	24,596	27,100	24,500	29,100
Total Operating	143,441	135,900	131,400	141,450
Capital Outlay	16,515	17,000	1,500	-
Debt Service	-	-	-	-
Total Expenditures	159,956	152,900	132,900	141,450
FTE's	0.50	0.50	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

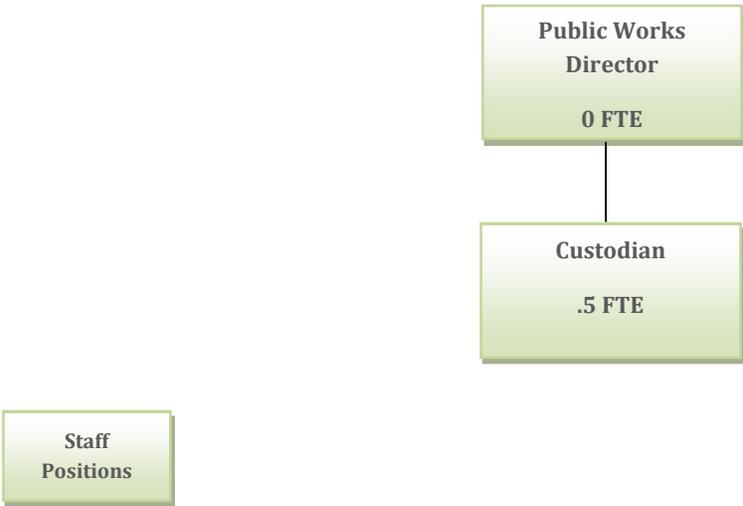
STRATEGIC FOUNDATION	2018 GOALS
	Improve maintenance and cleaning to all Town Buildings
	Improve parking area/visitor friendly drainage

FUND SUMMARIES

BUILDINGS KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Average preventative maintenance costs per building	2,629	5,451	5,833

ORGANIZATIONAL CHART – BUILDINGS DEPARTMENT – .5 FTE*



*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

FUND SUMMARIES

Street and Alley Fund

The Fund is responsible for the maintenance and preservation of over 91 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 the Public Works and Engineering Department.

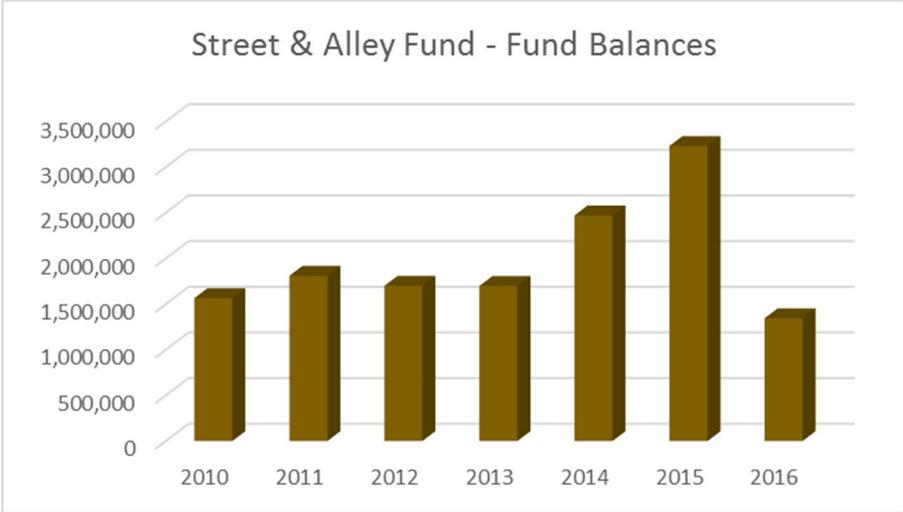
The Street and Alley Fund receives the majority of its funding from the collection of taxes and fees by Weld County and the State of Colorado including the Highway User Tax Funds. These taxes and fees are collected by the County and then forwarded to the Town on a monthly basis. Also included in the 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 on an arterial street or at a specific intersection increases.

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 2018.

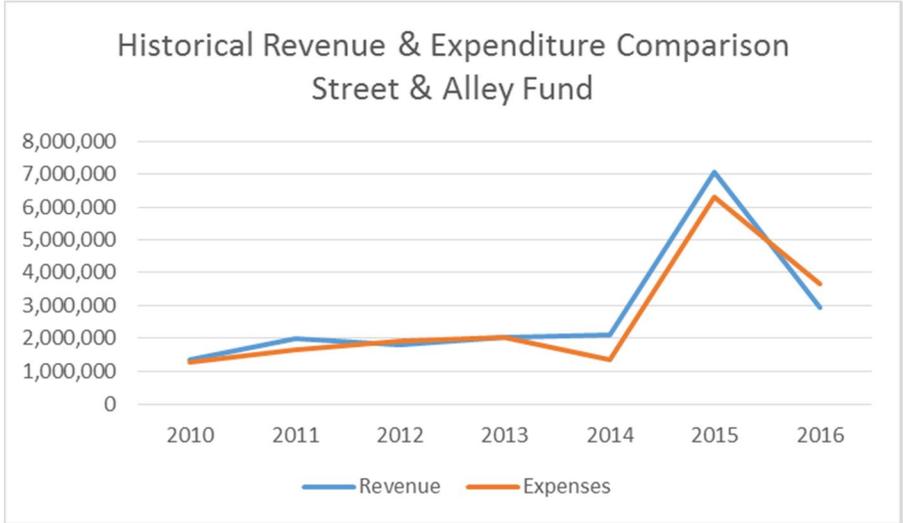


FUND SUMMARIES

STREET AND ALLEY FUND - FUND BALANCE AND FUND SUMMARY



The increase 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 2010, 2011, 2014 and 2015.



Fund balance in 2018 is expected to increase from the 2017 levels as costs for operations, capital and debt service are expected to be lower than what was projected for the end of 2017.

FUND SUMMARIES

The 2018 budget for the Street and Alley Fund includes revenues of \$4,133,394 a decrease of \$701,714 compared to the 2017 Budget. This decrease is primarily a result of lower grant revenues that are expected in 2018. In 2017, the Town budgeted for \$2,866,158 in grant funding while in 2018 the Town expects to receive \$1,184,494, part of which is a Highway Safety Improvement Program grant and part is from Colorado State Department of Local Affairs grant. The 2018 Budget includes expenditures of \$4,344,085 and transfers of \$313,000. This amount is \$1,262,503 lower than what was budgeted in 2017. The decrease is attributed to \$1,006,358 less in capital spending on streets projects and a decrease in our pavement maintenance budget of \$267,000. In 2017 the Town extended Tipple Parkway, which was approximately a \$2.9 million project. In 2018, the Town's capital projects are approximately \$2.0 million and include an acceleration lane at the intersection of Highway 52 and I-25 as well as street improvements downtown that are related to drainage.



FUND SUMMARIES

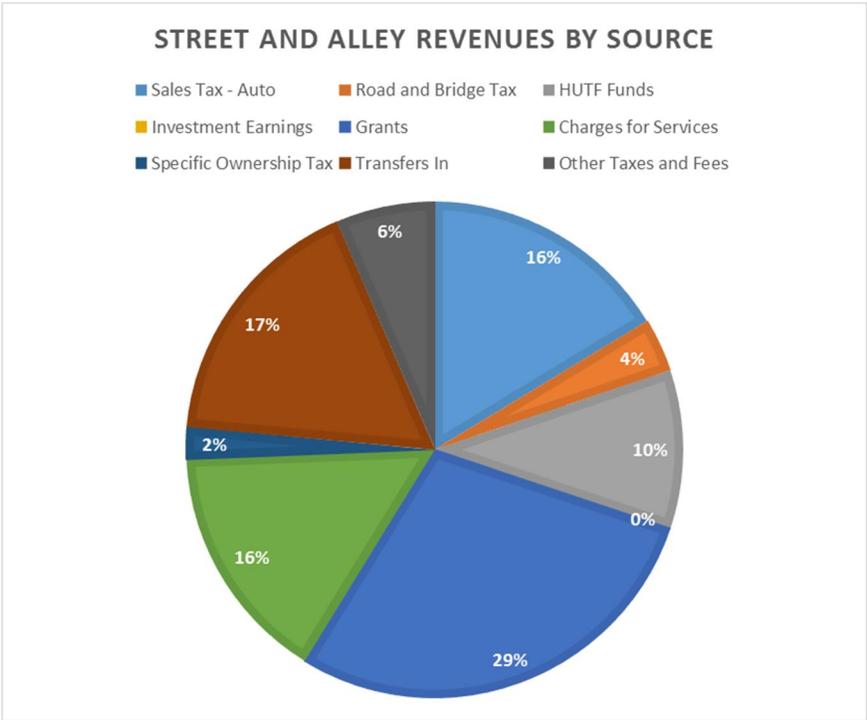
STREET AND ALLEY FUND BUDGET

Street & Alley Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	3,231,706	2,499,046	2,499,046	1,072,516
<u>Revenues:</u>				
Taxes & Fees	2,054,085	1,358,200	1,839,100	1,596,400
Charges for Services	585,305	610,000	610,000	645,000
Earnings on Investment	9,840	750	750	500
Miscellaneous Revenue	286,163	2,866,158	1,404,130	1,184,494
Total Operating Revenues	<u>2,935,394</u>	<u>4,835,108</u>	<u>3,853,980</u>	<u>4,133,394</u>
<u>Expenditures:</u>				
Operations	1,738,714	2,131,130	2,046,050	1,870,685
Capital	1,504,085	2,952,158	2,810,360	2,068,000
Debt Service	411,700	411,100	411,100	405,400
<i>Transfers Out</i>	13,554	425,200	13,000	313,000
Total Expenditures	<u>3,668,053</u>	<u>5,919,588</u>	<u>5,280,510</u>	<u>4,657,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(732,659)</u>	<u>(1,084,480)</u>	<u>(1,426,530)</u>	<u>(523,691)</u>
Ending Fund Balance	<u>2,499,046</u>	<u>1,414,566</u>	<u>1,072,516</u>	<u>548,825</u>

FUND SUMMARIES

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 2018.

Street and Alley Fund Revenue Sources		
Source	Amount	% of Total
Sales Tax - Auto	675,000	16%
Road and Bridge Tax	145,000	4%
HUTF Funds	425,000	10%
Investment Earnings	500	0%
Grants	1,184,494	29%
Charges for Services	645,000	16%
Specific Ownership Tax	86,000	2%
Transfers In	707,000	17%
Other Taxes and Fees	265,900	6%

FUND SUMMARIES

STREET AND ALLEY FUND EXPENDITURES

The Street and Alley Fund contains operating expenses of \$1,870,685, debt service expense of \$405,400 and capital outlay of \$2,381,000 with all of that being non-recurring. The non-recurring capital outlay will fund the acceleration lane on Highway 52, and downtown drainage and pavement improvements. Both capital projects are at least partially grant funded.

STREET FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Street & Alley Fund	403,035	1,319,750	136,600	11,300	1,870,685	2,381,000	405,400	4,657,085
Totals	\$403,035	\$1,319,750	\$136,600	\$11,300	\$1,870,685	\$2,381,000	\$405,400	\$4,657,085

Total Cash Available \$ 5,205,910

Ending Fund Balance \$548,825

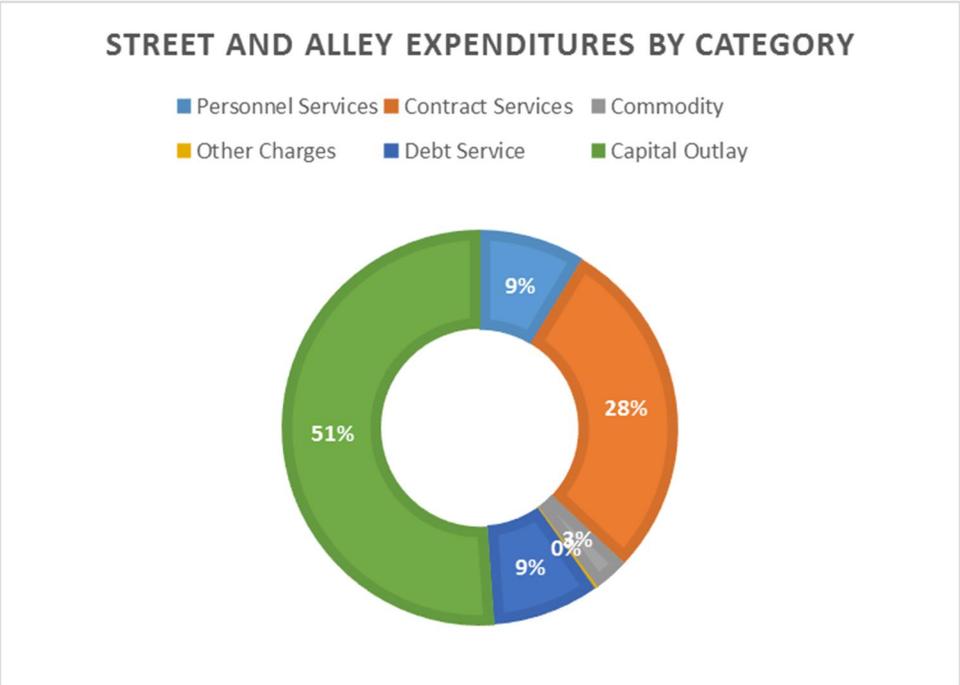
% of Total Budget	8.65%	28.34%	2.93%	0.24%	40.17%	51.13%	8.71%	100.00%
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PROJECTS FUNDED IN 2018 BUDGET

- Addition of an acceleration lane at Highway 52 and I-25
- Downtown drainage and pavement improvements
- 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

FUND SUMMARIES

The chart below details the expenditures for the Street and Alley Fund by category. Clearly in 2018 the biggest expenditure will be capital outlay which includes the costs for the addition of an acceleration lane on Highway 52 and downtown drainage and pavement improvements.



STREET AND ALLEY FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.75
Operations	3.90
Total	4.65

FUND SUMMARIES

STREET AND ALLEY FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 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 5 th & Colorado Blvd and improve upon channelization through the corridor.
	Complete Town traffic control plans as described with update of Town Design and Construction Standards
	Synchronization of timing of all Town owned traffic signals and collection of additional traffic data.
	Improve bike/pedestrian safety at 5 th and Colorado Blvd and improve upon channelization through the corridor
	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

FUND SUMMARIES

STREET AND ALLEY FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of center line miles	88.6	89.96	91.97
	Miles of road resurfaced	1	1	2
	Capital projects completed	0	1	1
	Maintenance funded	\$50,000	\$948,000	\$848,490
	RSL of roadway	10.78	10.02	10.27



CONSERVATION
TRUST
FUND

FUND SUMMARIES

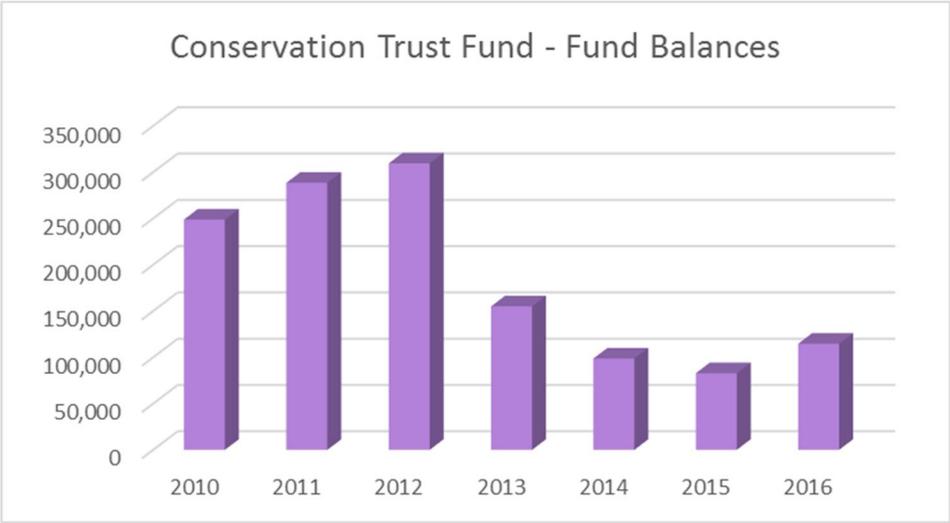
Conservation Trust Fund

The Conservation Trust Fund was established so that the Town is eligible to receive funds from 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.

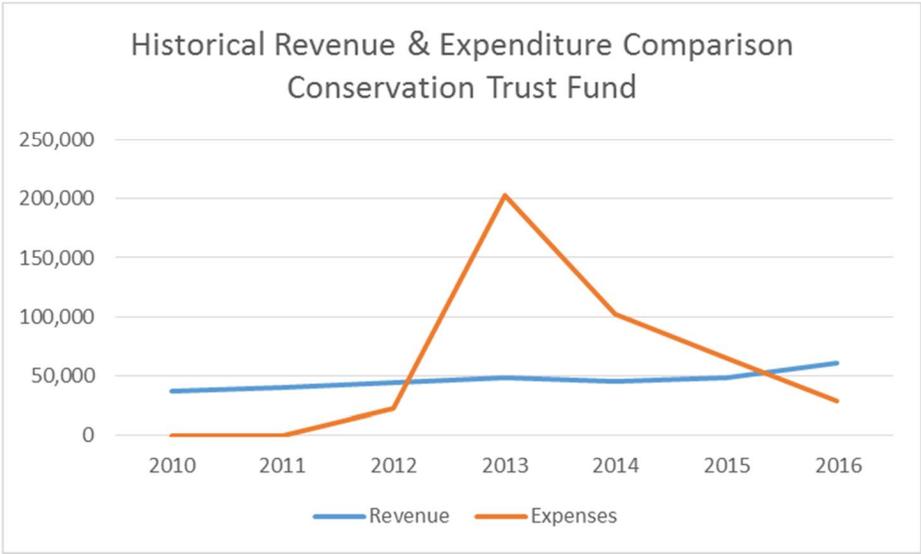


FUND SUMMARIES

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. 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 2018 Budget for the Conservation Trust Fund includes revenues of \$49,540, an increase of \$890 compared to the 2017 Budget. This increase is primarily due to an increased population in Frederick. The 2018 Budget includes expenditures of \$178,250. This amount is \$163,250 higher than what was budgeted in 2017.

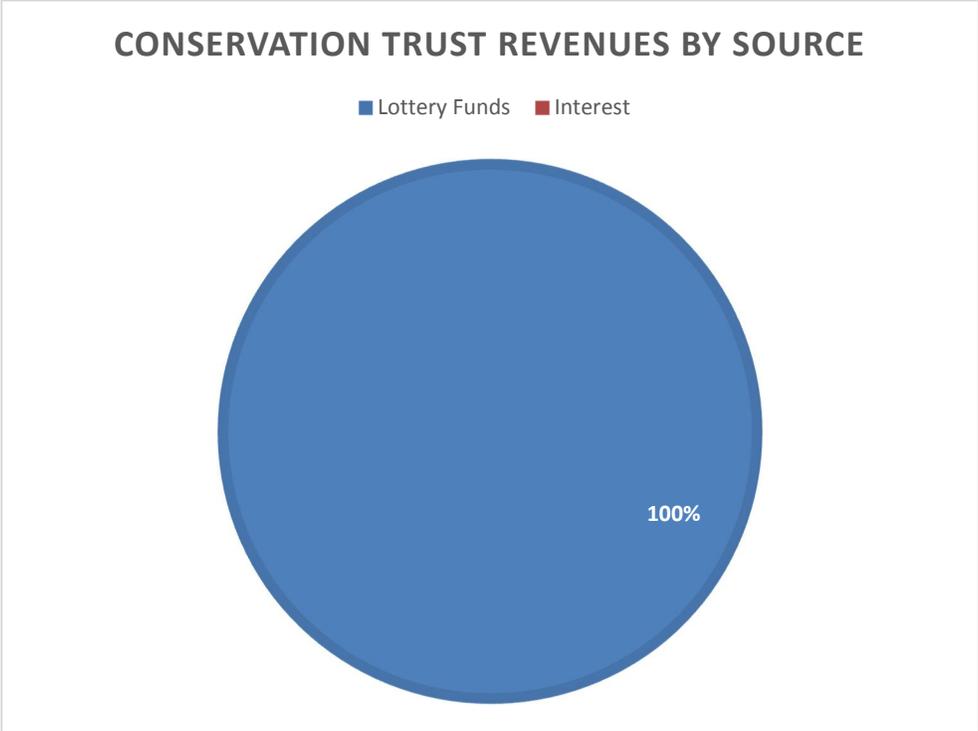
CONSERVATION TRUST FUND BUDGET

Conservation Trust Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	82,783	114,646	114,646	148,296
<u>Revenues:</u>				
Intergovernmental	60,809	48,600	48,600	49,500
Earnings on Investment	36	50	50	40
Total Operating Revenues	60,845	48,650	48,650	49,540
<u>Expenditures:</u>				
Other	-	-	-	-
Capital Outlay	28,982	15,000	15,000	178,250
Total Expenditures	28,982	15,000	15,000	178,250
Excess (Deficiency) of Revenues and Other Sources over Expenditures	31,863	33,650	33,650	(128,710)
Ending Fund Balance	114,646	148,296	148,296	19,586

FUND SUMMARIES

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 2018.

Conservation Trust Fund Revenue Sources		
Source	Amount	% of Total
Lottery Funds	49,500	99.92%
Interest	40	0.08%

FUND SUMMARIES

CONSERVATION TRUST FUND

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 \$178,250 which is nonrecurring and will be used to install ADA compliant playground surfaces in two parks and to plant new trees in the parks.

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	178,250	---	178,250
Totals	\$0	\$0	\$0	\$0	0	\$178,250	\$0	\$178,250

Total Cash Available \$ 197,836

Ending Fund Balance 19,586

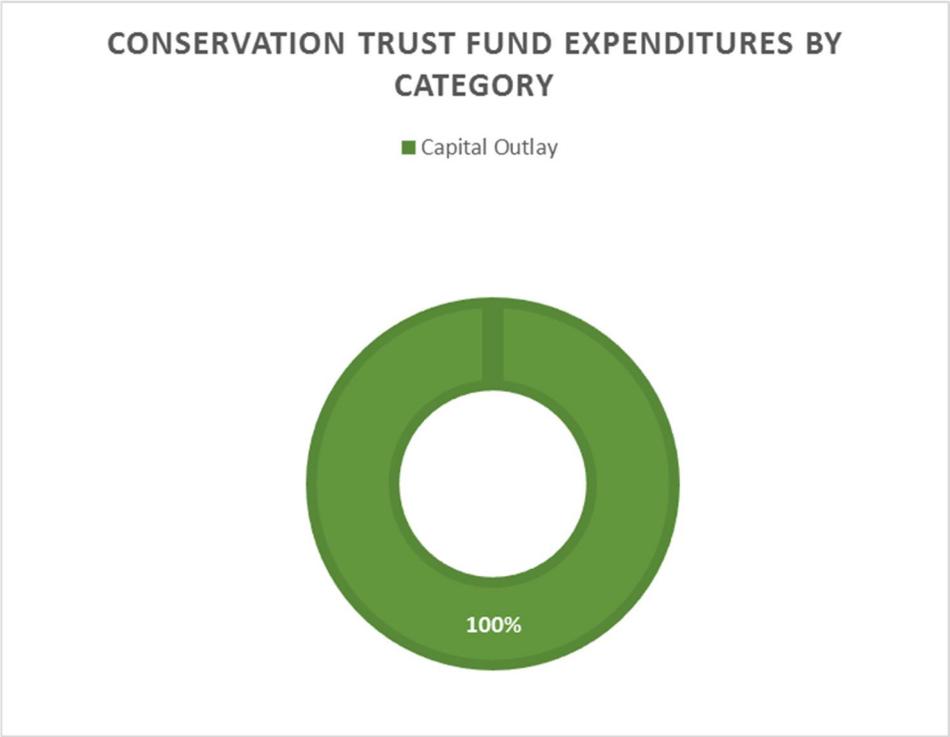
% of Total Budget 0.00% 0.00% 0.00% 0.00% 0.00% 100.00% 0.00% 100.00%

PROJECTS FUNDED IN 2018 BUDGET

- Installation of ADA compliant surface in the playground in Crist Park
- Installation of ADA compliant surface in the playground in Fox Run Park
- New trees
- Museum plantings

FUND SUMMARIES

The chart below details the expenditures for the Conservation Trust Fund by category. The only category of expenditure will be capital outlay which includes the costs for playground improvements, and the planting of new trees.



CONSERVATION TRUST FULL TIME EMPLOYEEES

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

FUND SUMMARIES

CONSERVATION TRUST FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
 	Improve safety surfacing in existing play bays to meet required depths and ADA accessibility
 	Improve tree maintenance throughout Town owned properties

CONSERVATION TRUST FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of capital projects completed	1	0	4

PARK
IMPROVEMENT
FUND

FUND SUMMARIES

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. The Parks, Open Space, and Trails Commission, a committee composed of citizens, uses the Master Plan to provide recommendations to the Board of Trustees on the topics of parks, open space and trail 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
Bulrush Wetland Park	6140 Wetland Park Rd.	47 Acres of Parkland, Trails, Outdoor Classroom, Educational Signs, Bird Watching
Centennial Park	630 8 th 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 Shelter, Picnic Tables, Multi-use Field, Playground
Confluence Park	5549 Drake Way	Picnic Shelters, Picnic Tables
Countryside Park	5730 Russell Cir.	Benches, Multi-Use Field
Creekway	5724 Wetland Loop	Picnic Shelters, Picnic Tables
Crist Park	105 5 th St.	Picnic Shelters, Picnic Tables, Splash Pad, Playground, Gazebo, Benches, Art Features, Restrooms

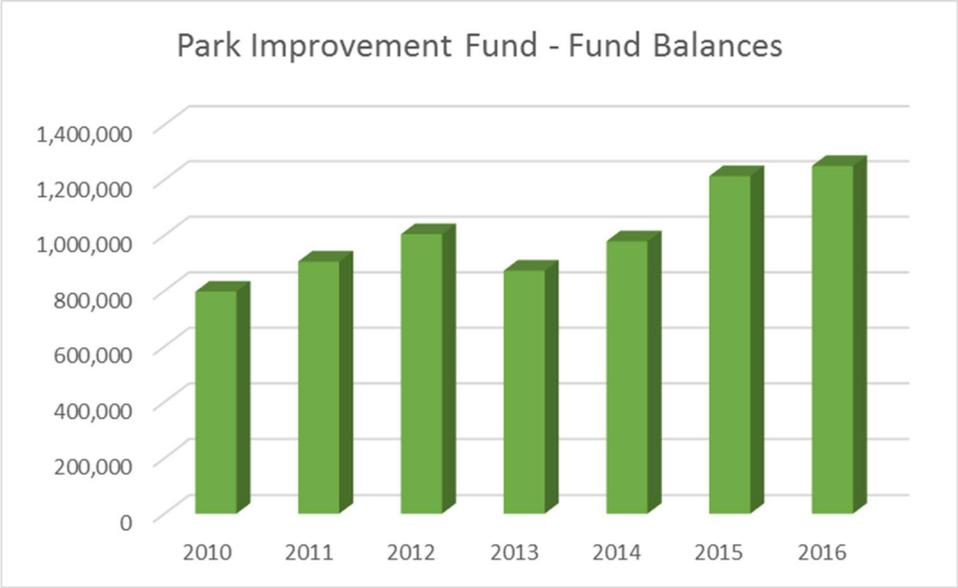
FUND SUMMARIES

Facility Name	Location	Amenities
Eagle Valley Park	4819 Osprey Cir.	Benches, Multi-Use Field, Picnic Shelters, Picnic Tables, Playground, Trails
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, Basketball Court, Swings, Trails
Frederick Entryway Park	6016 Colorado Blvd.	Art Features, Benches, Trails, Water Feature
Frederick Recreation Area	8201 Colorado Blvd.	129 Acres of Parkland, Basketball Court, Benches, Trails, Dog Park, Fishing, Horseshoe Pits, Non-motorized Boating, Pavilion, Picnic Shelters, Picnic Tables, Restrooms, Sport Court
No Name Creek West Park	9120 Harlequin Cir.	Picnic Shelters, Picnic Tables, Slide, Playground, Benches, Sport Court, Volleyball
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, Trails
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

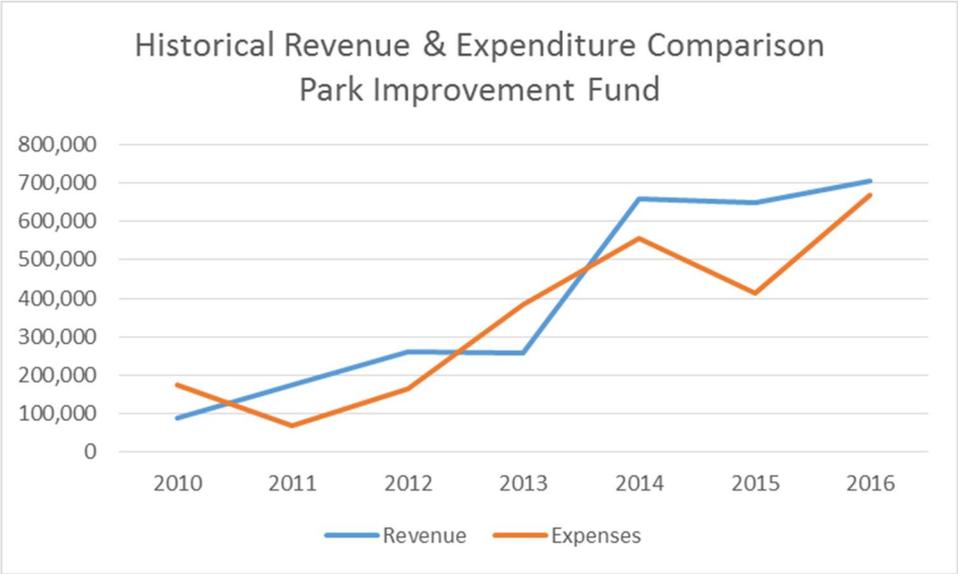


FUND SUMMARIES

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, 2015 and 2016.



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

FUND SUMMARIES

The 2018 Budget for the Park Improvement Fund includes revenues of \$1,558,700 and transfers in of \$455,850, an increase of \$983,700 compared to the 2017 Budget. This increase is due to anticipated grant revenues for the construction of a skate park. The 2018 Budget includes expenditures of \$2,423,020. This amount is \$932,820 higher than what was budgeted in 2017. The increase in budgeted expenditures is attributed to the cost of constructing a skate park.

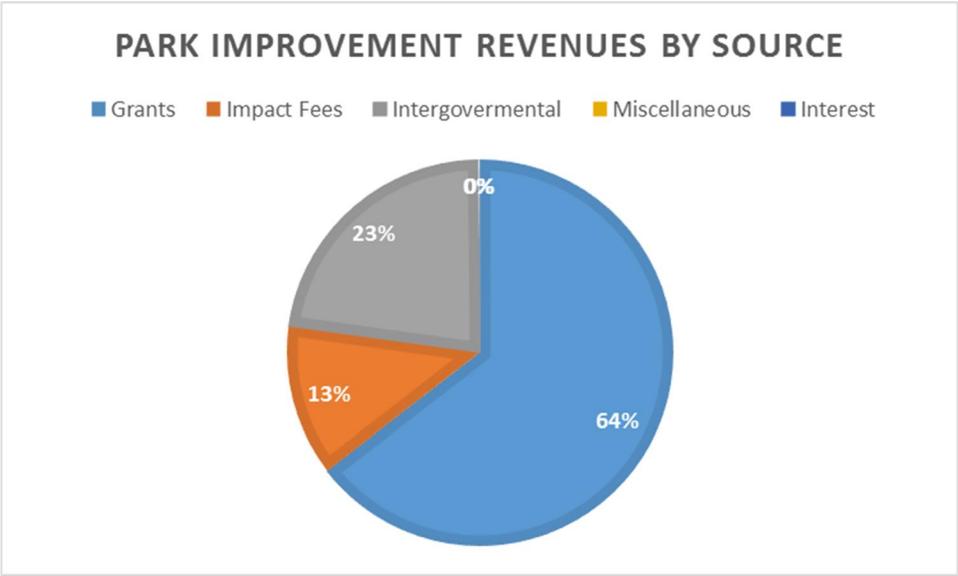
PARK IMPROVEMENT FUND BUDGET

Park Improvement Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	1,212,597	1,249,303	1,249,303	1,130,158
<u>Revenues:</u>				
Licenses and Permits	287,750	575,000	273,590	258,700
Earnings on Investment	3,248	-	-	-
Miscellaneous Revenue	458	-	400,100	1,300,000
<i>Transfers In</i>	412,850	455,850	230,850	455,850
Total Operating Revenues	704,305	1,030,850	904,540	2,014,550
<u>Expenditures:</u>				
Operations & Maintenance	474,776	781,209	600,650	771,755
Capital Lease	-	-	-	-
Capital Outlay	192,824	701,991	423,035	1,635,265
<i>Transfers Out</i>	-	7,000	-	16,000
Total Expenditures	667,600	1,490,200	1,023,685	2,423,020
Excess (Deficiency) of Revenues and Other Sources over Expenditures	36,706	(459,350)	(119,145)	(408,470)
Ending Fund Balance	1,249,303	789,953	1,130,158	721,688

FUND SUMMARIES

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 2018.

Park Improvement Fund Revenue Sources		
Source	Amount	% of Total
Grants	1,300,000	65%
Impact Fees	255,000	13%
Intergovernmental	455,850	23%
Miscellaneous	2,500	0%
Interest	1,200	0%

FUND SUMMARIES

PARK IMPROVEMENT FUND EXPENDITURES

The Park Improvement Fund shows operating expenses of \$771,755 and capital outlay of \$1,651,265. The services provided by this fund are labor intensive as illustrated below. The non-recurring capital outlay of \$1,651,265 will fund the construction of a skate park.

PARK IMPROVEMENT FUND EXPENSE SUMMARY

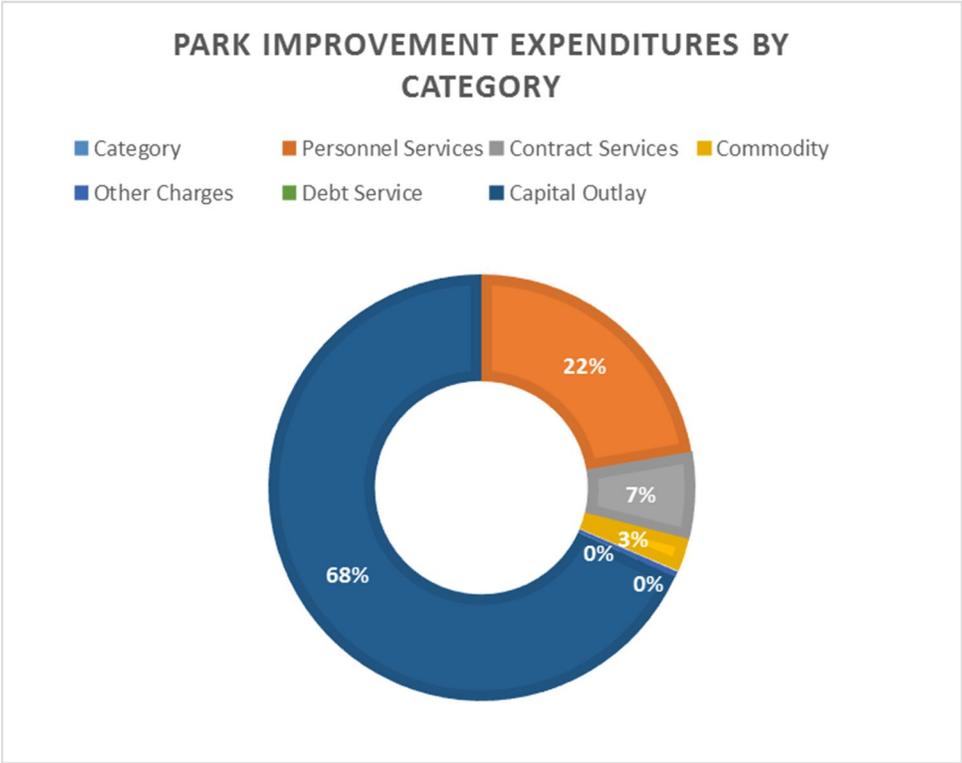
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Park Imp. Fund	541,255	159,400	60,000	11,100	771,755	1,651,265	---	2,423,020
Totals	\$541,255	\$159,400	\$60,000	\$11,100	771,755	\$1,651,265	\$0	\$2,423,020
Total Cash Available								\$ 3,144,707
Ending Fund Balance								721,687
% of Total Budget	22.34%	6.58%	2.48%	0.46%	31.85%	68.15%	0.00%	100.00%

PROJECTS FUNDED IN 2017 BUDGET

- Construction of a skate park
- Playground repair and improvements in Fox Run Park
- Concrete maintenance
- Benches
- Tree voucher program

FUND SUMMARIES

The chart below details the expenditures for the Park Improvement Fund by category. Clearly in 2018 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	7.46
Total	7.86

FUND SUMMARIES

PARK IMPROVEMENT FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
	Build skate park at Frederick Recreation Area
	Build additional trail segments
	Improve the condition of the parks

PARK IMPROVEMENT FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2015	2016	2017
	Acreage of parks maintained	319.63	319.63	319.63
	Number of new trees planted	29	137	38



OPEN SPACE FUND

FUND SUMMARIES

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.

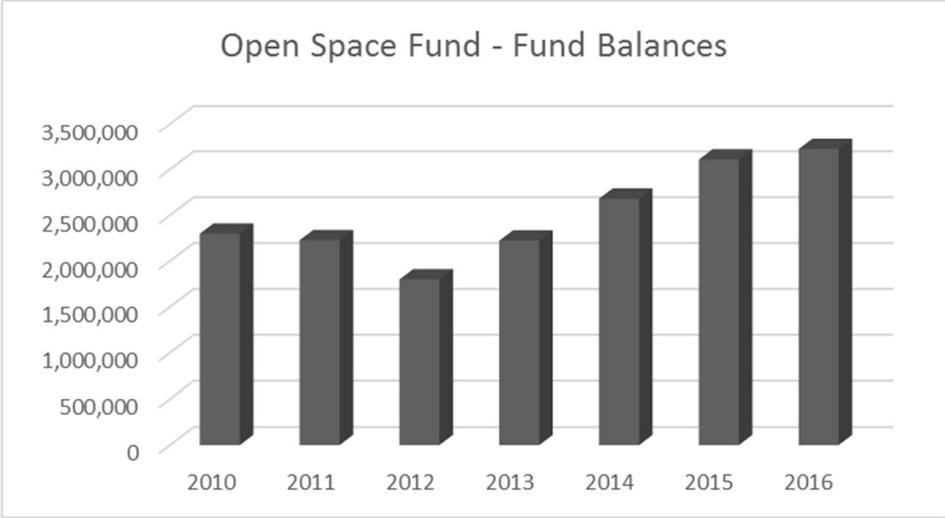
Trails – At the end of the 2017 fiscal year, there were 15.75 miles of Town owned trails. The 2018 fiscal year includes funding for new trail segments in Eagle Valley and Angel View. The new trail segments will add 911 linear feet of concrete path. With the 2018 improvements, there will be a total of 15.92 miles of Town owned trails.

Open Space – The Town currently owns 406.16 acres of open space which is spread throughout Town. The 2018 Town budget includes funding for purchasing additional open space property.

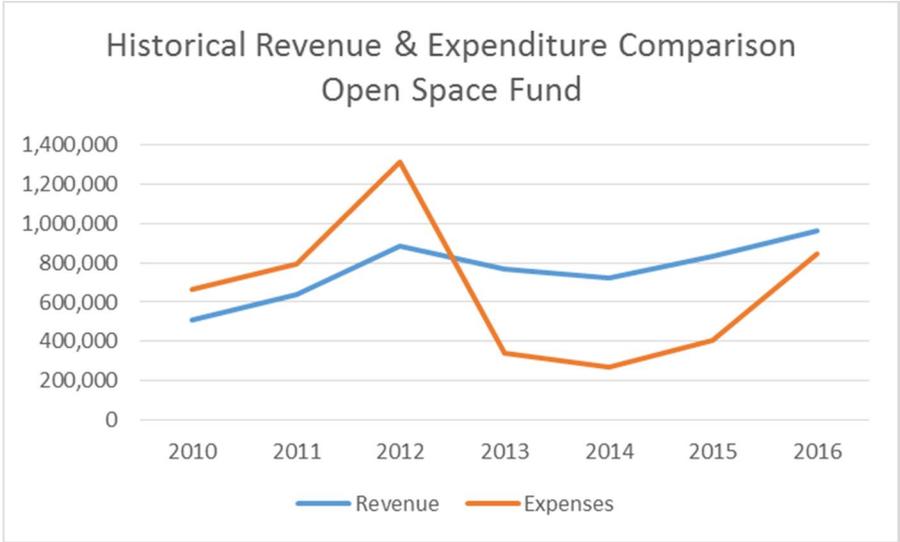


FUND SUMMARIES

OPEN SPACE FUND – FUND BALANCE AND FUND SUMMARY



The decreases in fund balance in 2010 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 through 2016.



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

FUND SUMMARIES

The 2018 Budget for the Open Space Fund includes revenues of \$953,200, an increase of \$165,963 compared to the 2017 Budget. The 2018 Budget includes expenditures of \$3,154,566. This amount is \$1,114,956 higher than what was budgeted in 2017. The increase in budgeted expenditures is attributed to the cost of purchasing a conservation easement, as well as construction of trails that are both Town and grant funded.

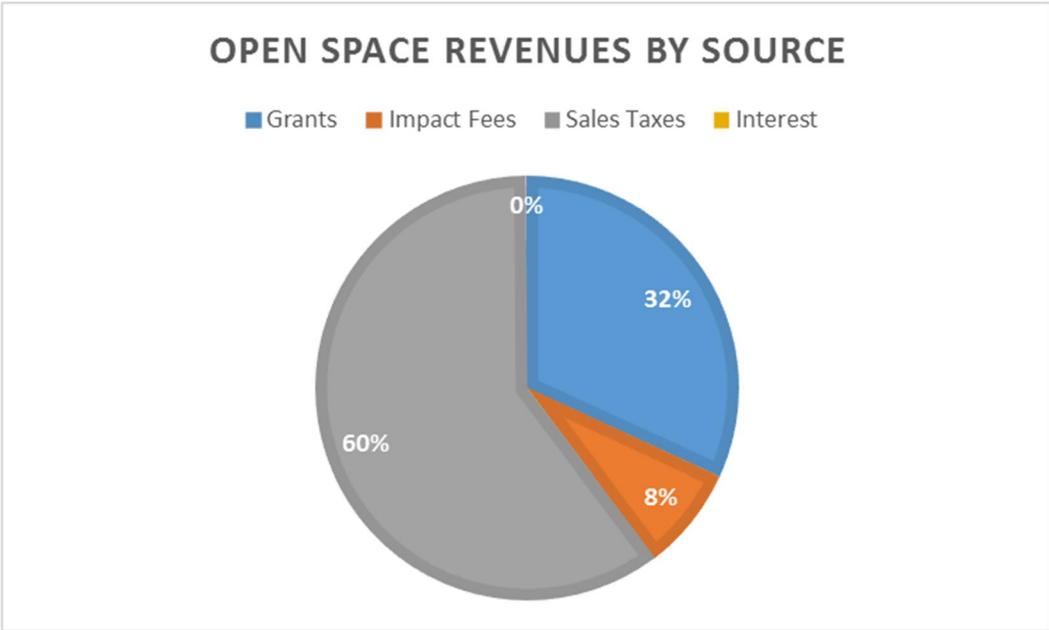
OPEN SPACE FUND BUDGET

Open Space Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	3,107,973	3,222,536	3,222,536	3,484,624
<u>Revenues:</u>				
Taxes & Fees	948,366	646,900	684,400	648,700
Grants & Contributions	-	-	-	-
Earnings on Investment	5,881	1,000	1,000	1,000
Miscellaneous Revenue	9,638	139,337	139,337	303,500
Total Operating Revenues	<u>963,886</u>	<u>787,237</u>	<u>824,737</u>	<u>953,200</u>
<u>Expenditures:</u>				
Operations & Maintenance	297,165	372,000	314,650	346,305
Capital Outlay	548,615	1,661,000	248,000	2,803,010
<i>Transfers Out</i>	3,543	6,610	-	5,251
Total Expenditures	<u>849,323</u>	<u>2,039,610</u>	<u>562,650</u>	<u>3,154,566</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>114,563</u>	<u>(1,252,373)</u>	<u>262,087</u>	<u>(2,201,366)</u>
Ending Fund Balance	<u>3,222,536</u>	<u>1,970,163</u>	<u>3,484,623</u>	<u>1,283,258</u>

FUND SUMMARIES

OPEN SPACE FUND REVENUES

Revenues for this fund come from a 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 2018.

Open Space Fund Revenue Sources		
Source	Amount	% of Total
Grants	303,500	32%
Impact Fees	75,000	8%
Sales Taxes	573,700	60%
Interest	1,000	0%

FUND SUMMARIES

OPEN SPACE FUND EXPENDITURES

Expenditures in the Open Space Fund include operating costs of \$346,305 and capital outlay of \$2,808,261. The capital outlay is nonrecurring and will be used for a conservation easement and to construct trail expansions.

OPEN SPACE FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Open Space Fund	229,605	54,700	55,000	7,000	346,305	2,808,261	---	3,154,566
Totals	\$229,605	\$54,700	\$55,000	\$7,000	346,305	2,808,261	\$0	\$3,154,566

Total Cash Available \$ 4,437,823

Ending Fund Balance \$1,283,257

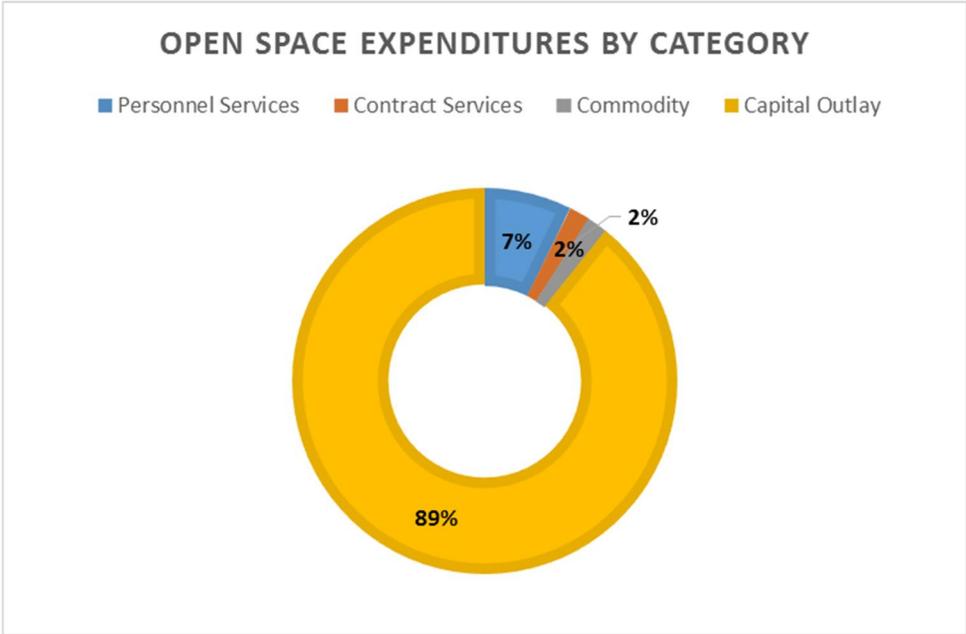
% of Total Budget	7.28%	1.73%	1.74%	0.22%	10.98%	89.02%	0.00%	100.00%
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PROJECTS FUNDED IN 2018 BUDGET

- Acquiring a conservation easement
- Safe Routes to school trail
- Trail improvements/extensions – Eagle Valley and Angel View
- Pond Aeration improvements

FUND SUMMARIES

The chart below details the expenditures for the Open Space Fund by category. Clearly in 2018, the biggest expenditure will be capital outlay, which includes the costs for acquiring a conservation easement and trail expansion.



OPEN SPACE FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.25
Operations	2.84
Total	3.09

FUND SUMMARIES

OPEN SPACE FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
	Purchase conservation easement
	Install trail sections that enhance neighborhood connectivity and along Godding Hollow Parkway

OPEN SPACE FUND KEY PERFORMANCE INDICATORS

STRATEGIC FOUNDATION	KEY PERFORMANCE INDICATORS	2015	2016	2017
	Acreage of open space	406.16	406.16	406.16
	Miles of trails	15.2	15.2	15.75



EVENTS FUND

FUND SUMMARIES

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.

FREDERICK DIY DAY - MAY 5

DIY Day is an event where local professionals and local experts come out and share their knowledge and expertise and help our residents learn something new. This event is intended to reinforce our Built on What Matters brand and encourage folks to roll up their sleeves and expand their talents.



FREDERICK IN FLIGHT – JUNE 22 - 24

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. Balloons launch in the mornings Friday, Saturday and Sunday and there is a balloon glow Saturday evening.



FUND SUMMARIES

CHAINSAWS & CHUCKWAGONS – JULY 18 – 21

Chainsaws & Chuckwagons is a fun, unique event that features a four-day carving competition where professional chainsaw carvers transform large logs into works of art. There are food trucks, live entertainment, and quick carve auctions.



MINERS DAY – SEPTEMBER 15

This year marks the 15th year that Miner's Day will bring the community together to celebrate our history with entertainment, food and fun! The parade kicks off the day's events at 10:00 am and the fun continues all day with live music, kid's events, food trucks, a beer garden and vendor booths. The day ends with an amazing fireworks show that begins at 9:30 pm.



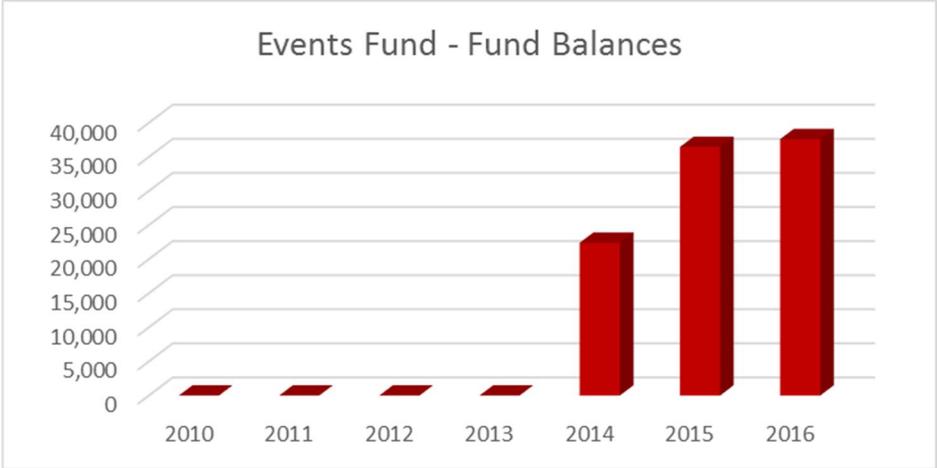
FESTIVAL OF LIGHTS – DECEMBER 1

The annual tree lighting ceremony will include traditional festival fun including horse-drawn carriage rides, hot cocoa, ice carving, live music and photo's with Santa. It's an amazing start to the holiday season.

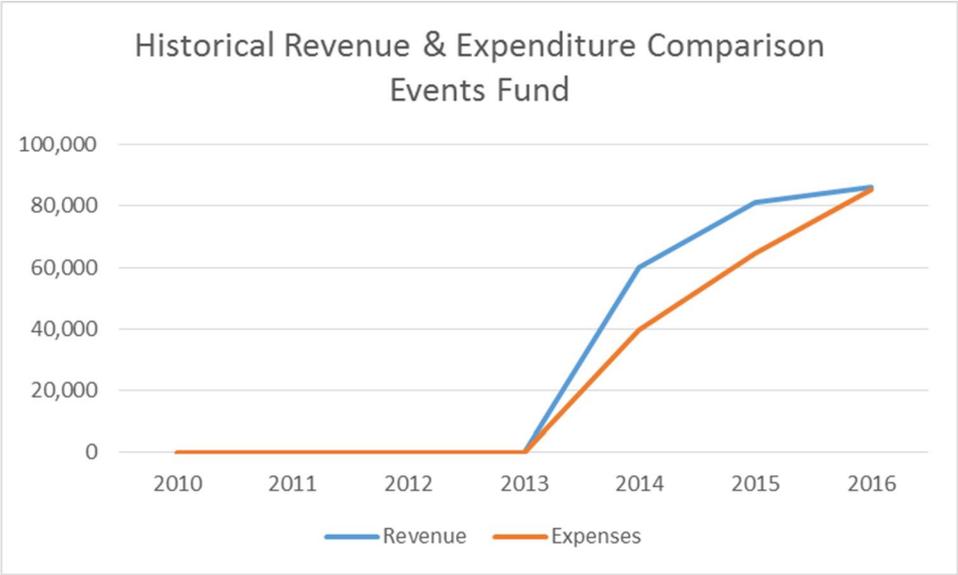


FUND SUMMARIES

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 2018 Budget for the Events Fund includes revenues of \$61,500, and transfers in of \$69,000, an increase of \$35,500 compared to the 2017 Budget. The 2018 Budget includes expenditures of \$150,000. This amount is \$44,000 higher than what was budgeted in 2017. Individual events budgets were increased in 2018 in an effort to expand the events and in response to the anticipated increase in attendance after attendance rates unexpectedly increased dramatically in 2016. There is also the purchase of an events van and event fencing included in the 2018 budget.

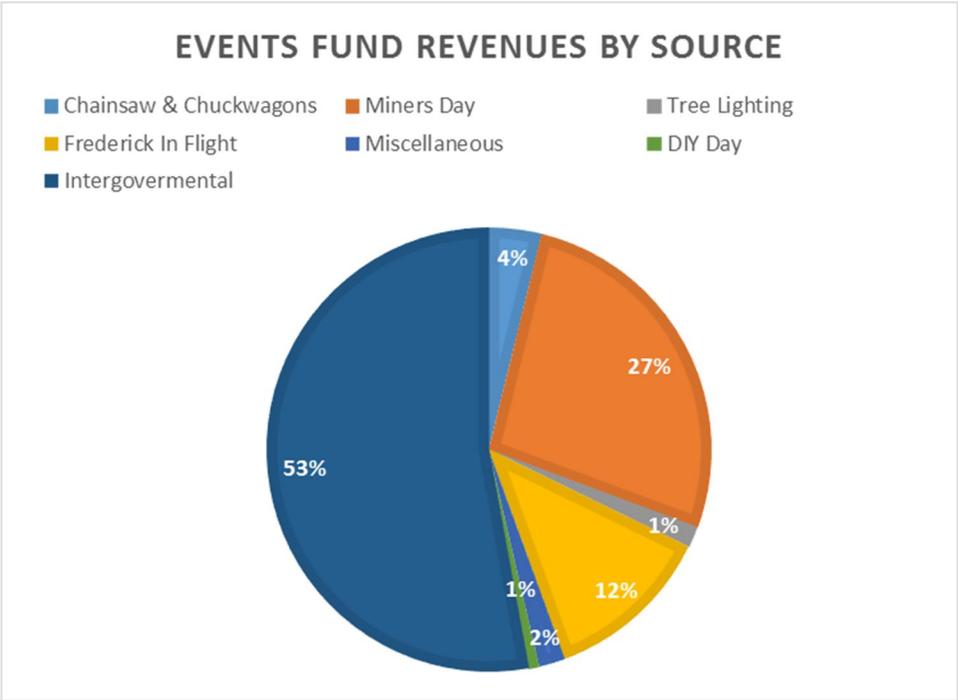
EVENTS FUND BUDGET

Events Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	36,465	37,349	37,349	32,999
<u>Revenues:</u>				
Grants & Contributions	46,135	55,000	63,700	61,500
Miscellaneous Revenue	-	-	-	-
<i>Transfers In</i>	40,000	40,000	40,000	69,000
Total Operating Revenues	86,135	95,000	103,700	130,500
<u>Expenditures:</u>				
Operations	85,250	106,000	108,050	121,000
Capital Outlay	-	-	-	29,000
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	85,250	106,000	108,050	150,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	885	(11,000)	(4,350)	(19,500)
Ending Fund Balance	37,349	26,349	32,999	13,499

FUND SUMMARIES

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 2018.

Events Fund Revenue Sources		
Source	Amount	% of Total
Chainsaw & Chuckwagons	5,000	4%
Miners Day	35,000	28%
Tree Lighting	2,000	2%
Frederick In Flight	16,000	13%
Miscellaneous	2,500	2%
DIY Day	1,000	1%
Intergovernmental	69,000	55%

FUND SUMMARIES

EVENTS FUND EXPENDITURES

The Events Fund contains operating expenses related to hosting community events. The fund rarely has any capital or debt related expenses. In 2018, there is \$29,000 of capital outlay expense to purchase a van that can be used for event purposes and to purchase event fencing. Both are nonrecurring.

EVENTS FUND EXPENSE SUMMARY

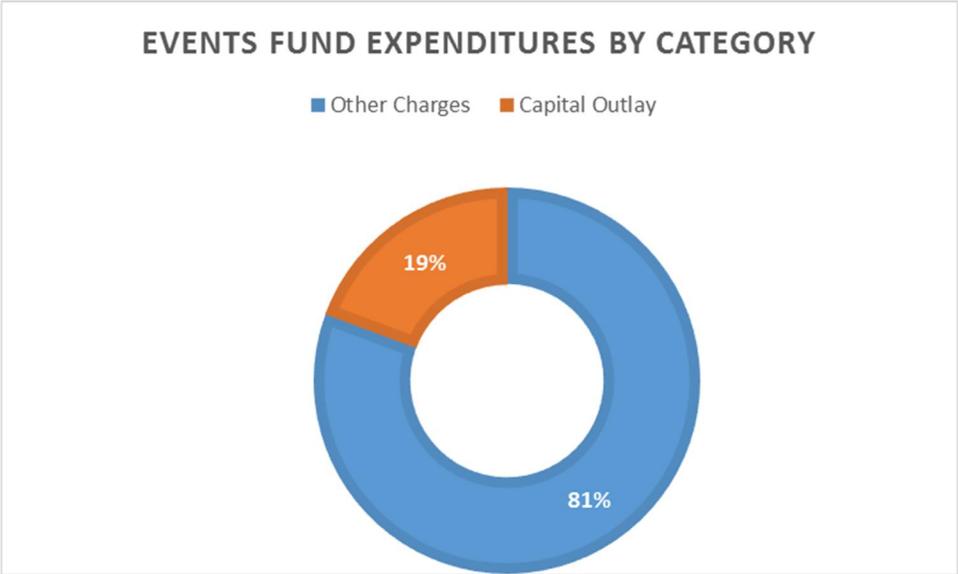
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Events	0	0	0	121,000	121,000	29,000	---	150,000
Totals	\$0	\$0	\$0	\$121,000	121,000	\$29,000	\$0	\$150,000
Total Cash Available								\$ 163,499
Ending Fund Balance								13,499
% of Total Budget	0.00%	0.00%	0.00%	80.67%	80.67%	19.33%	0.00%	100.00%

PROJECTS FUNDED IN 2018 BUDGET

- Miners Day
- Frederick in Flight
- Chainsaws and Chuckwagons
- Tree Lighting
- New Event
- Events van
- Event fencing

FUND SUMMARIES

The chart below details the expenditures for the Events Fund by category.



EVENTS FUND FULL TIME EMPLOYEES

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

FUND SUMMARIES

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	2018 GOALS
 	Broaden sponsorship program
 	Expand volunteer program
	Create new Halloween event
	Revamp farmers market to bolster attendance

EVENTS FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of events completed	24	24	24
	Number of volunteer hours at events	Unknown	225	280
	Number of staff hours at events	Unknown	310	300
	Sponsorship dollars received	\$52,850	\$39,400	\$60,575

CAPITAL FACILITIES FUND

FUND SUMMARIES

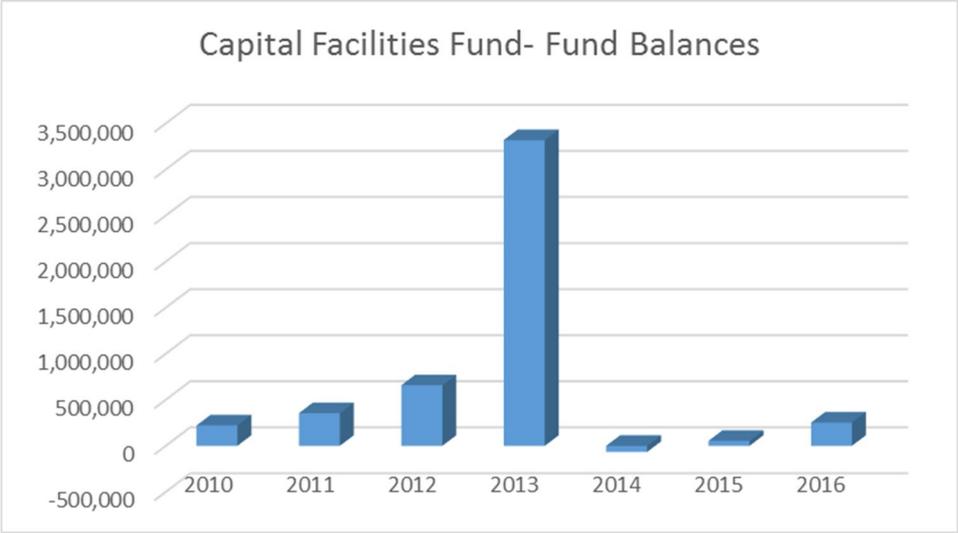
Capital Facilities Fund

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.

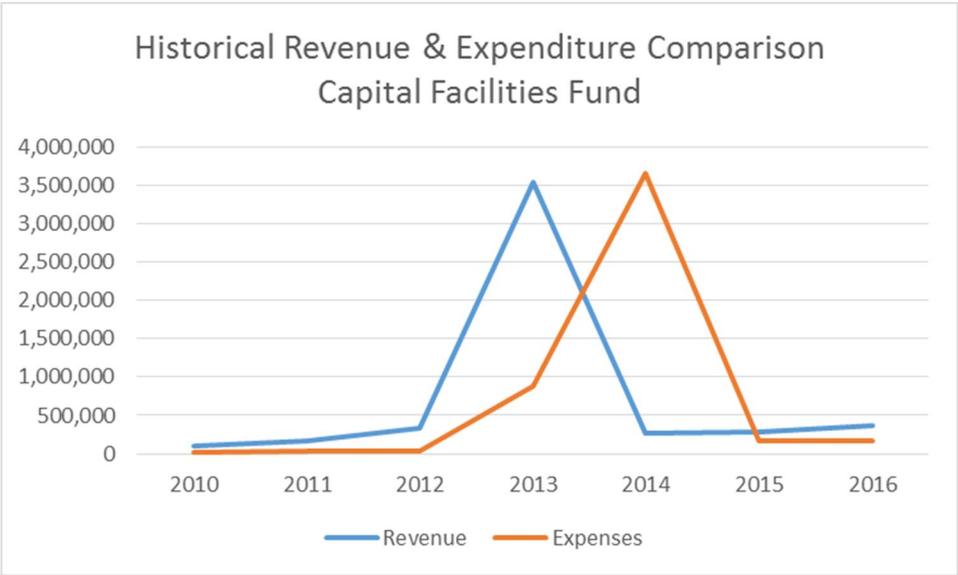


FUND SUMMARIES

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 2018 Budget for the Capital Facilities Fund includes revenues of \$225,500, a decrease of \$103,000 compared to the 2017 Budget. The 2018 Budget includes expenditures of \$174,092. This amount is \$151,045 lower than what was budgeted in 2017. The decrease is related to a transfer out that occurred in 2017 and not in 2018.

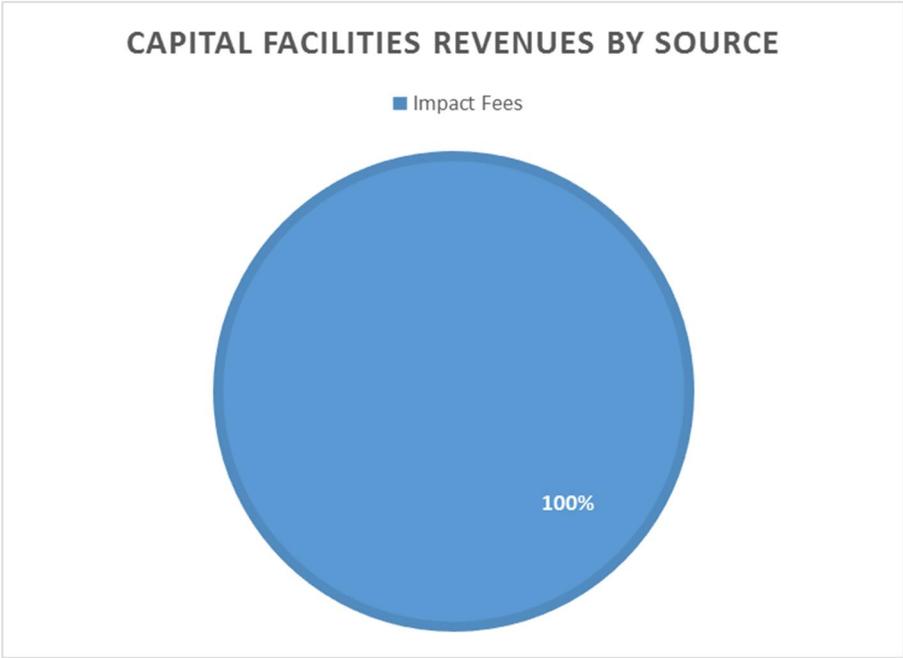
CAPITAL FACILITIES FUND BUDGET

Capital Facilities Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	54,394	252,233	252,233	278,334
<u>Revenues:</u>				
Taxes and Fees	365,500	225,000	245,000	225,000
Grants & Contributions	-	-	-	-
Miscellaneous Revenue	1,979	103,500	104,079	500
<i>Transfers In</i>	-	-	-	-
Total Operating Revenues	367,479	328,500	349,079	225,500
<u>Expenditures:</u>				
Capital Outlay	169,640	171,800	169,641	174,092
<i>Transfers Out</i>	-	153,337	153,337	-
Total Expenditures	169,640	325,137	322,978	174,092
Excess (Deficiency) of Revenues and Other Sources over Expenditures	197,839	3,363	26,101	51,408
Ending Fund Balance	252,233	255,596	278,334	329,742

FUND SUMMARIES

CAPITAL FACILITIES FUND REVENUES

Revenues for this fund come primarily from impact fees, interest 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 2018.

Capital Facilities Fund Revenue Sources		
Source	Amount	% of Total
Impact Fees	225,000	100%
Interest	500	0%

FUND SUMMARIES

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 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	---	174,092	174,092
Totals	\$0	\$0	\$0	\$0	0	\$0	\$174,092	\$174,092

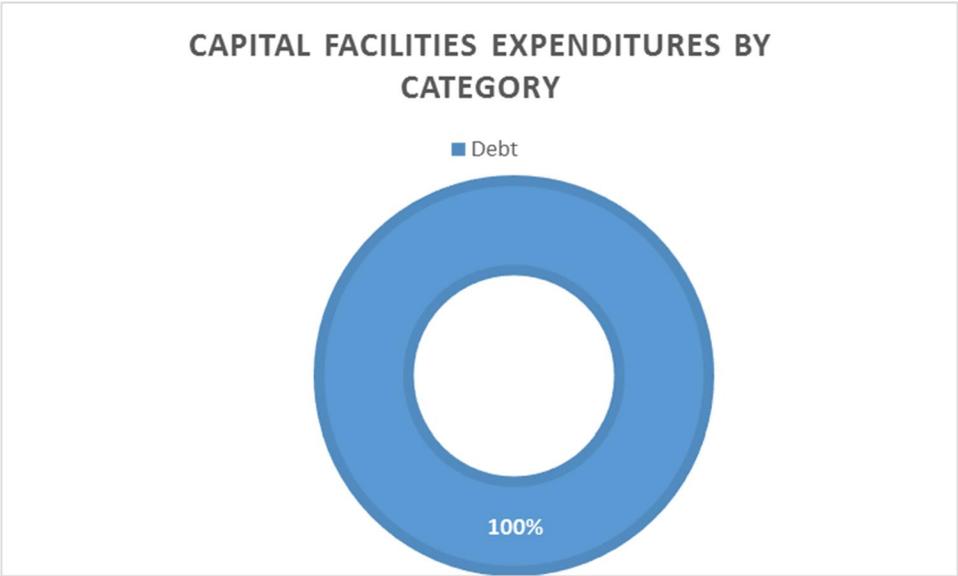
Total Cash Available								\$ 503,834
Ending Fund Balance								329,742
% of Total Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%

ITEMS FUNDED IN 2018 BUDGET

- Debt payments associated with capital facilities

FUND SUMMARIES

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 2018 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 2018.

GOLF COURSE FUND

FUND SUMMARIES

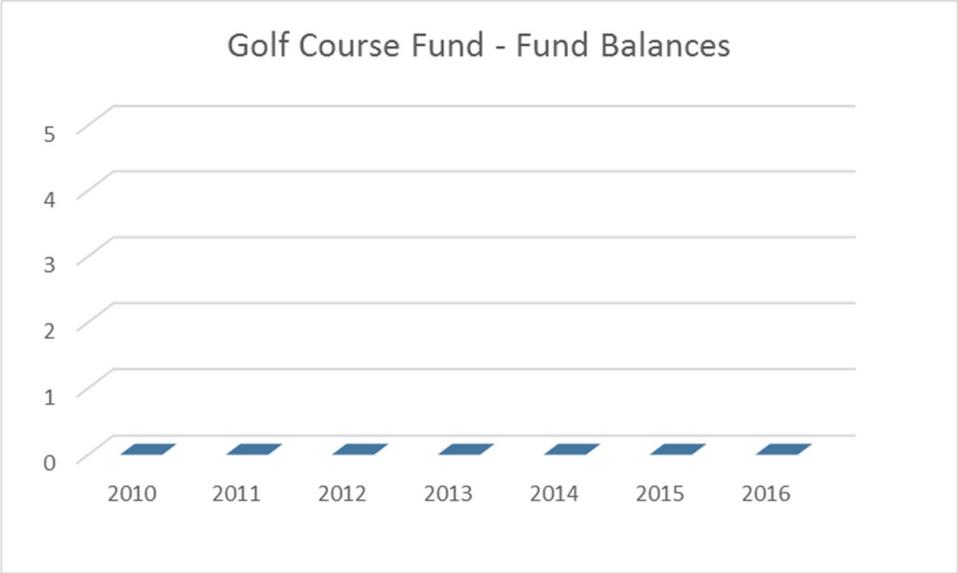
Golf Course Fund

The Golf Course Fund was created in 2017 to account for the operation of the Town owned Bella Rosa Golf Course which was previously included in the Park Improvement Fund. Bella Rosa is a regulation nine-hole golf course. The facility includes the golf course, a pro shop, and a restaurant. The course is open year round and offers residents and visitors with an opportunity to get out and get some exercise and social time. The Golf Course offers a Men's League, a Women's League and Youth programming focused on getting the next generation excited about the sport of golf. Beginning in 2018, Bella Rosa will be hosting many new events focusing on introducing a new audience to the sport. Some of these events include glow ball, family golf day, craft beer & nine and wine & nine.

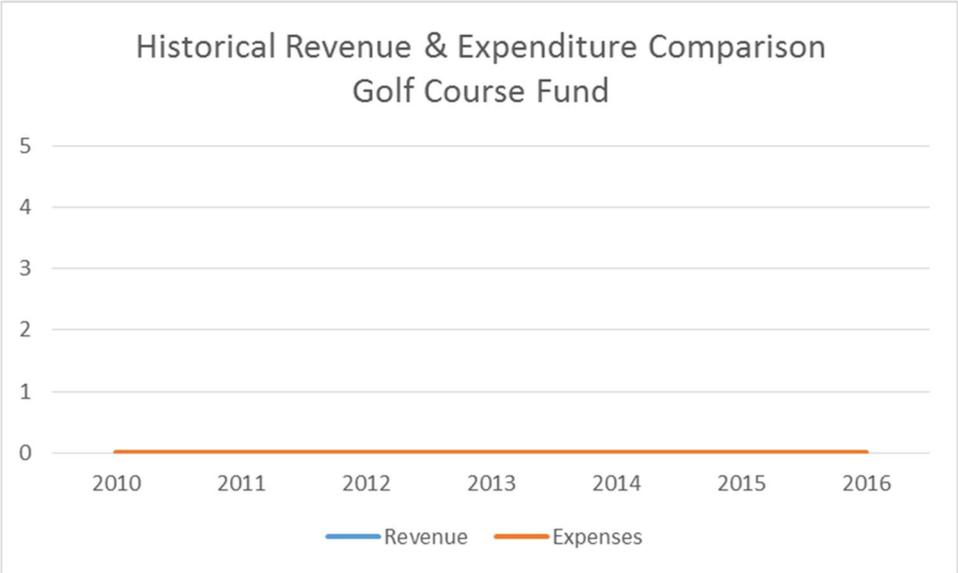


FUND SUMMARIES

GOLF COURSE FUND – FUND BALANCE AND FUND SUMMARY



As a new fund for the Town of Frederick, the Golf Course Fund does not have any historical data to report. The fund was started in 2017 using a transfer of funds from the General Fund.



FUND SUMMARIES

The 2018 Budget for the Golf Course Fund includes revenues of \$378,264. The 2018 Budget includes expenditures of \$671,411.

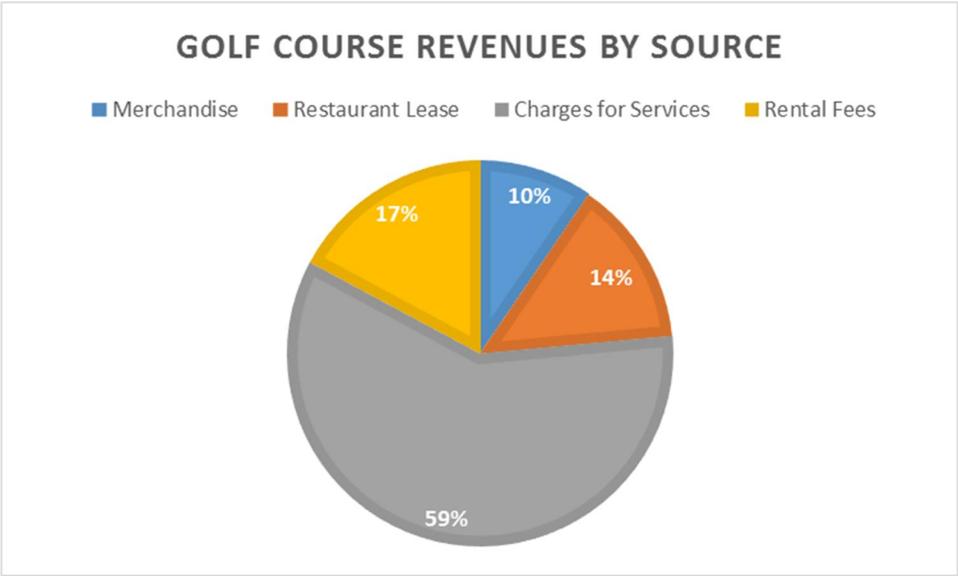
GOLF COURSE FUND BUDGET

Golf Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	-	-	-	302,307
<u>Revenues:</u>				
Grants & Contributions	-	15,250	15,250	378,264
Miscellaneous Revenue	-	-	-	-
<i>Transfers In</i>	-	450,000	450,000	-
Total Operating Revenues	-	465,250	465,250	378,264
<u>Expenditures:</u>				
Operations & Maintenance	-	81,752	85,752	600,411
Capital Outlay	-	77,191	77,191	71,000
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	-	158,943	162,943	671,411
Excess (Deficiency) of Revenues and Other Sources over Expenditures	-	306,307	302,307	(293,147)
Ending Fund Balance	-	306,307	302,307	9,160

FUND SUMMARIES

GOLF COURSE FUND REVENUE

Revenues for this fund come from green fees, the driving range, club rentals, cart rental, merchandise sales, the restaurant lease, lessons and other miscellaneous sources.



The Golf Course Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2018.

Golf Course Revenue Sources		
Source	Amount	% of Total
Merchandise	36,000	10%
Restaurant Lease	53,000	14%
Charges for Services	224,364	59%
Rental Fees	64,900	17%

FUND SUMMARIES

GOLF COURSE FUND EXPENDITURES

The expenditures in this fund are all related to the operation and maintenance of Bella Rosa Golf Course. As this is the first year that the Town is operating the course, all of the expenses are new and the 2018 Budget expenditures were projected based on existing contracts for items such as the golf carts. The capital expenditures of \$71,000 are expected to be recurring as it is for purchases of mowers. It is anticipated that the recurring costs will be lower in future years as not all of the equipment should need to be replaced at one time.

GOLF FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Golf Fund	294,661	137,750	156,300	11,700	600,411	71,000	---	671,411
Totals	\$294,661	\$137,750	\$156,300	\$11,700	600,411	71,000	\$0	\$671,411

Total Cash Available \$ 680,571

Ending Fund Balance \$9,160

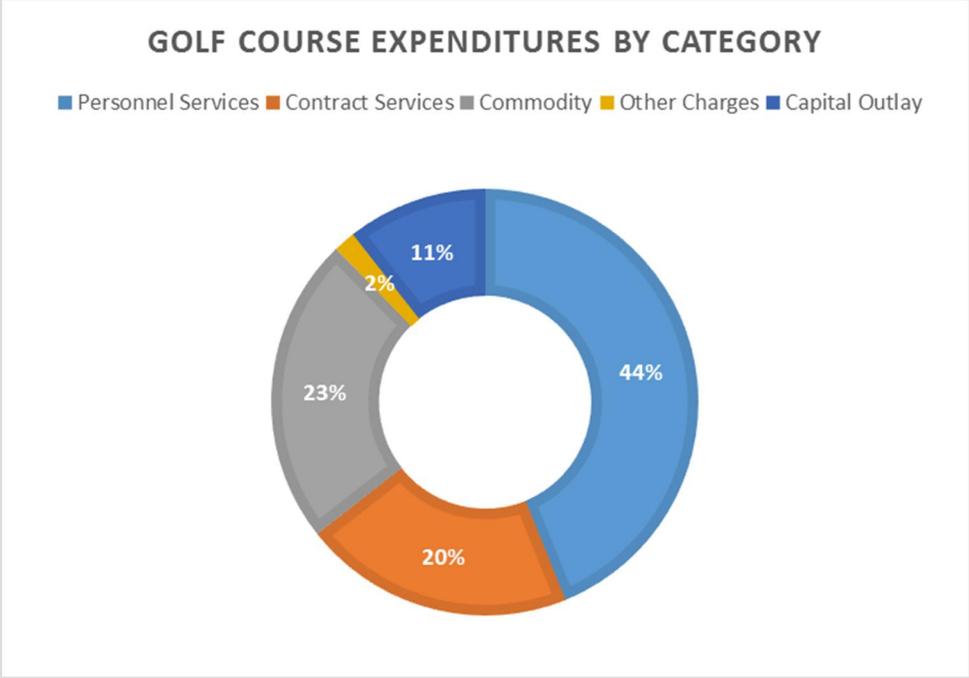
% of Total Budget	43.89%	20.52%	23.28%	1.74%	89.43%	10.57%	0.00%	100.00%
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PROJECTS FUNDED IN 2018 BUDGET

- Golf cart leases
- Marketing program
- Mowers

FUND SUMMARIES

The chart below details the expenditures for the Golf Course Fund by category.



GOLF COURSE FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.50
Operations	4.15
Total	4.65

FUND SUMMARIES

GOLF COURSE FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 Budget, the Golf Course Fund does establish annual goals and key performance indicators that tie back to our strategic plan and are detailed below.

GOLF COURSE FUND GOALS

STRATEGIC FOUNDATION	2018 GOALS
	Create golfer development programs for adults and children.
	Increase the number of golf outings and league rounds.
	Increase the number of annual passes sold

GOLF COURSE KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of rounds played	unknown	unknown	unknown
	Acreage of maintained turf	unknown	unknown	95
	Number of golf carts in rental fleet	unknown	unknown	25

ART IN PUBLIC
PLACES
FUND

FUND SUMMARIES

Art in Public Places Fund

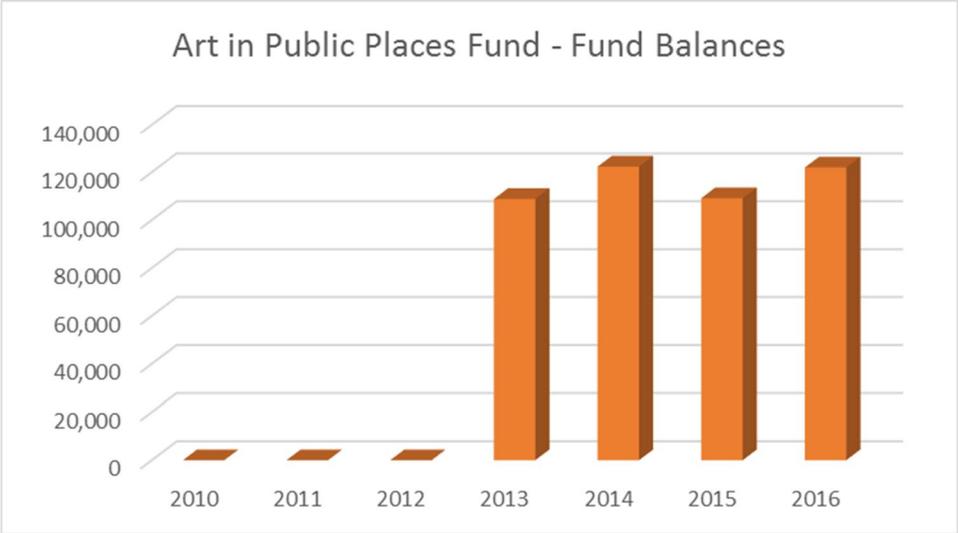
The Art in Public Places Program was created in 1999 to enhance the image of the Town through the creation and placement of art within the community. The fund was established in November 2012 by Ordinance 1107, to account for the dedicated revenues for the acquisition of works of art, maintenance and 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 and 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.

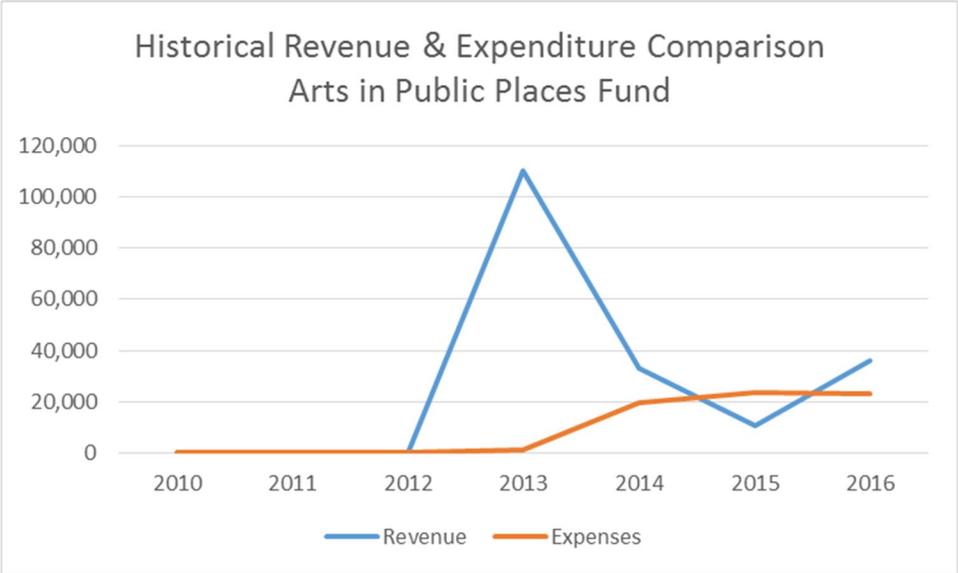


FUND SUMMARIES

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 2018 Budget for the Art in Public Places Fund includes revenues of \$1,030 and transfers in of \$56,101, an increase of \$6,741 compared to the 2017 Budget. The 2018 Budget includes expenditures of \$62,000. This amount is \$10,200 lower than what was budgeted in 2017. The budgeted projects include the Community Canvas Program and funding for art for the skate park.

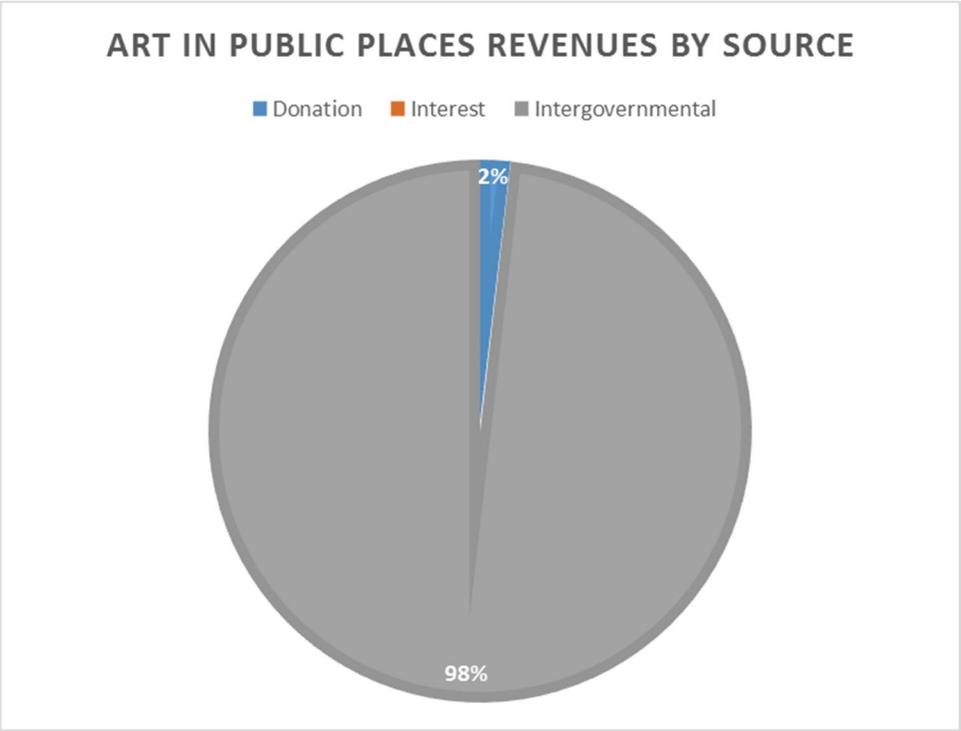
ART IN PUBLIC PLACES BUDGET

Art in Public Places Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	109,137	121,959	121,959	159,849
<u>Revenues:</u>				
Grants & Contributions	1,367	1,000	1,000	1,000
Miscellaneous Revenue	35	30	30	30
<i>Transfers In</i>	34,647	49,360	49,360	56,101
Total Operating Revenues	36,049	50,390	50,390	57,131
<u>Expenditures:</u>				
Operations & Maintenance	-	-	-	-
Capital Outlay	23,226	72,200	12,500	62,000
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	23,226	72,200	12,500	62,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	12,823	(21,810)	37,890	(4,869)
Ending Fund Balance	121,959	100,149	159,849	154,980

FUND SUMMARIES

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 2018.

Art in Public Places Fund Revenue Sources		
Source	Amount	% of Total
Donation	1,000	2%
Interest	30	0%
Intergovernmental	56,101	98%

FUND SUMMARIES

ART IN PUBLIC PLACES FUND EXPENDITURES

This fund has expenditures that are related to art projects. The \$62,000 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	62,000	62,000	---	---	62,000
Totals	\$0	\$0	\$0	\$62,000	62,000	\$0	\$0	\$62,000

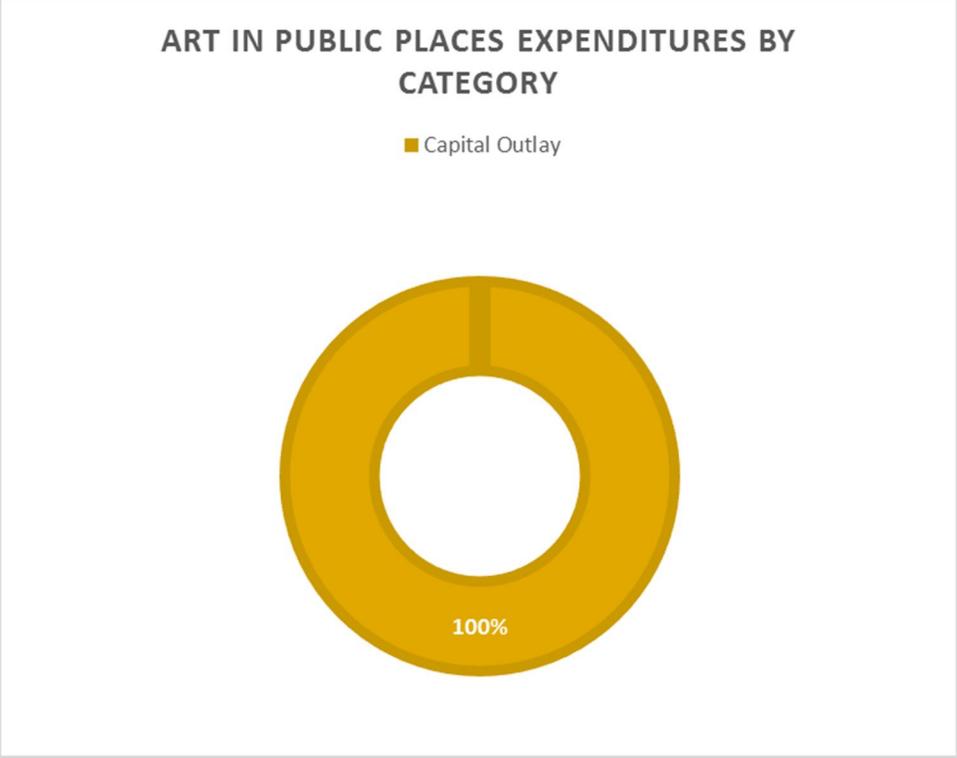
Total Cash Available								\$ 216,980
Ending Fund Balance								154,980
% of Total Budget	0.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%

PROJECTS FUNDED IN 2018 BUDGET

- Community Canvas Program
- Skate park art piece

FUND SUMMARIES

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 2018 is capital outlay.



FUND SUMMARIES

ART IN PUBLIC PLACES FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
	Partnership with Town for art in skate park
	Completion of up to 3 additional utility boxes in Community Canvas Program
	Art in Public Places Master Plan

ART IN PUBLIC PLACES KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of new art pieces added	8	9	12
	Number of electrical boxes painted	2	1	2

HISTORIC
PRESERVATION
FUND

FUND SUMMARIES

Historic Preservation Fund

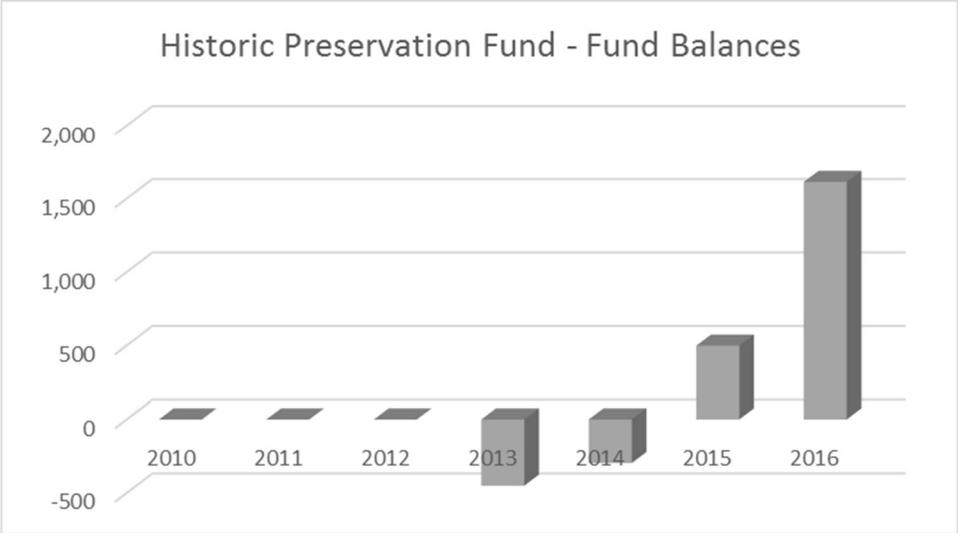
The Historic Preservation Fund was established September of 2013. In 2013 Historic Preservation Commission member W. Sean Scott authored [Around Frederick](#) a history book about Frederick. Mr. Scott requested that the royalty payments from the sale of his book be given to the Town. This fund is used 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 Carbon Valley 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.

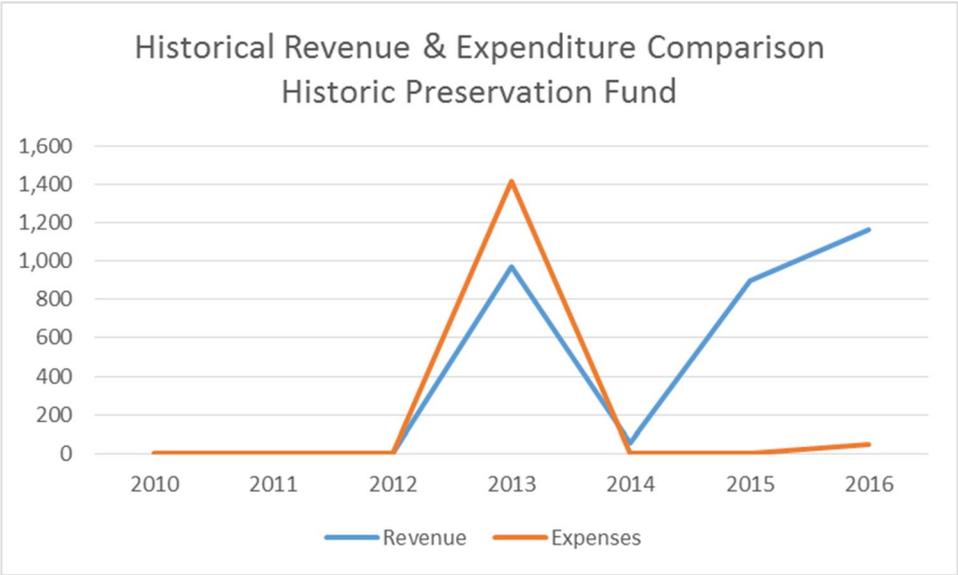


FUND SUMMARIES

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 2018 Budget for the Historic Preservation Fund includes revenues of \$1,240, no change from what was budgeted in 2017. There are no grant revenues budgeted in 2017. The 2018 Budget includes expenditures of \$1,000. This amount also reflects no change from the 2017 budget.

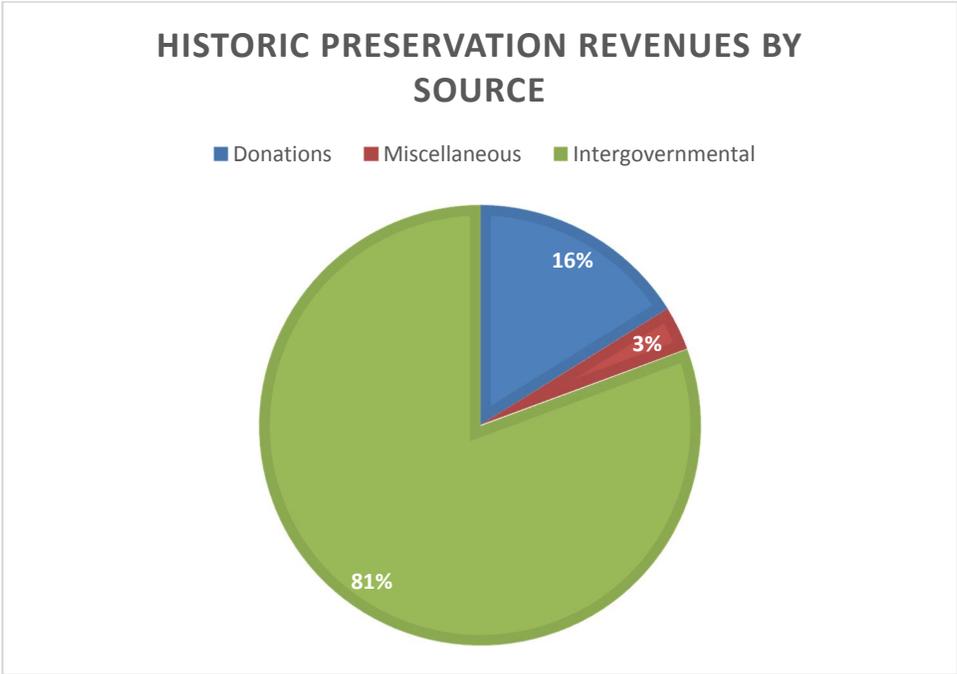
HISTORIC PRESERVATION FUND BUDGET

Historic Preservation Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	498	1,613	1,613	853
<u>Revenues:</u>				
Grants & Contributions	1,000	200	200	200
Miscellaneous Revenue	166	1,040	40	1,040
<i>Transfers In</i>	-	-	-	-
Total Operating Revenues	1,166	1,240	240	1,240
<u>Expenditures:</u>				
Operations & Maintenance	51	1,000	1,000	1,000
Capital Outlay	-	-	-	-
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	51	1,000	1,000	1,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	1,115	240	(760)	240
Ending Fund Balance	1,613	1,853	853	1,093

FUND SUMMARIES

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 2018.

Historic Preservation Fund Revenue Sources		
Source	Amount	% of Total
Donation	200	16%
Miscellaneous	40	3%
Intergovernmental	1,000	81%

FUND SUMMARIES

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 \$ 2,093

Ending Fund Balance 1,093

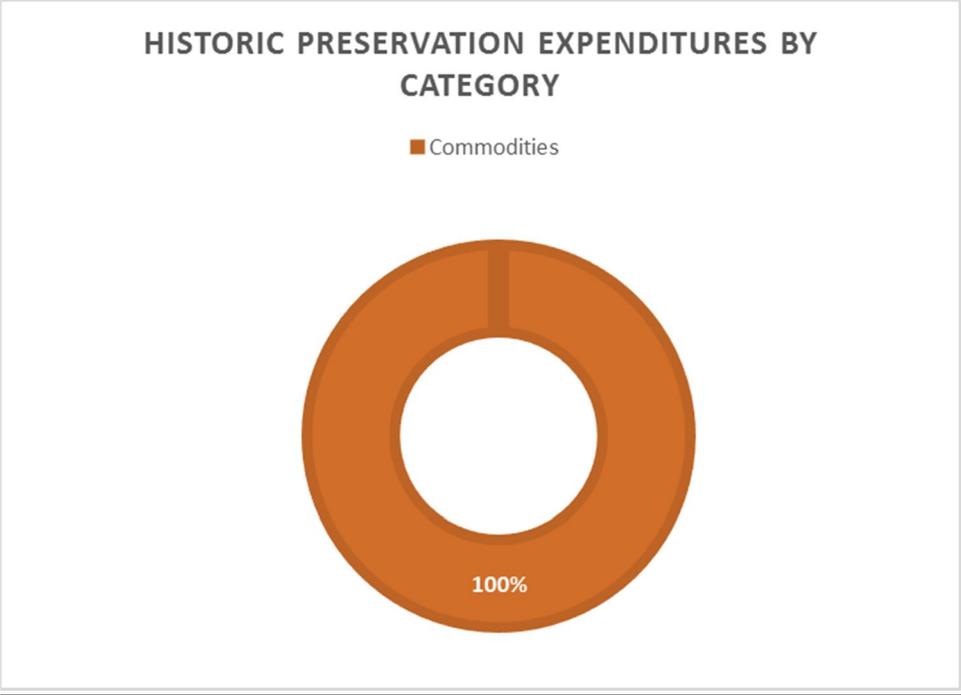
% of Total Budget 0.00% 0.00% 100.00% 0.00% 100.00% 0.00% 0.00% 0.00%

PROJECTS FUNDED IN 2018 BUDGET

- Shelving
- Around Frederick book purchase

FUND SUMMARIES

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 2018 is commodities.



FUND SUMMARIES

HISTORIC PRESERVATION FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
	Installation of display and storage shelving units in museum
	Participation in at least four Town events

HISTORIC PRESERVATION KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of grants applied for	1	1	0
	Number of events participated in	2	2	7

PROPRIETARY
FUNDS

WATER FUND

FUND SUMMARIES

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.

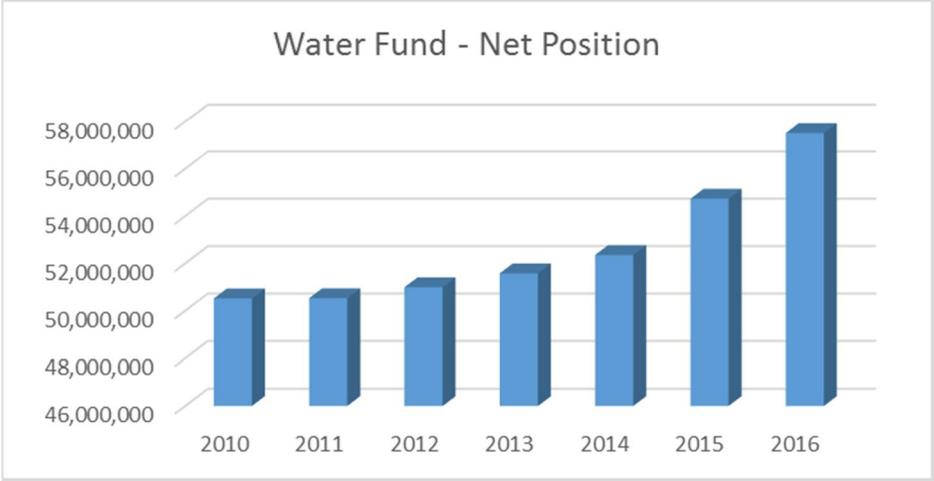
Before a building permit can be issued for any new construction, the permit applicant must dedicate water rights to the Town or at the discretion of the Town Board, pay the Town cash in lieu of the dedication requirement. The water dedication requirement for a single family dwelling unit with a 5/8" 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. 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. Concurrent with the completion of the Final Environmental Impact Study the project is in the preliminary design phase.

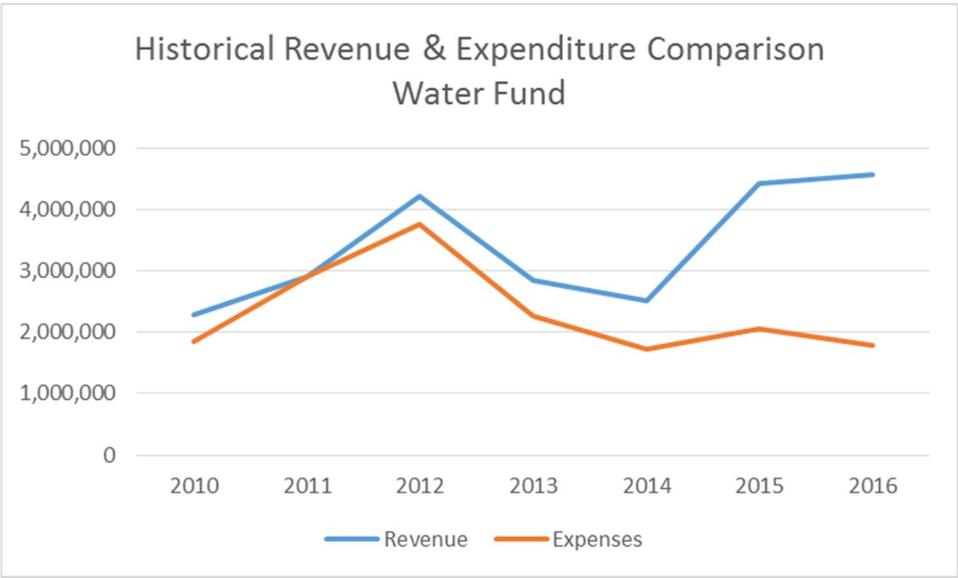
In order to fund the NISP project, complete approved capital improvement projects, and maintain the existing infrastructure, it will be necessary to consider water rate increases.

FUND SUMMARIES

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 since 2010.



Note: This graph reflects all revenues and expenses.

FUND SUMMARIES

The 2018 Budget for the Water Fund includes total revenues of \$7,163,500, an increase of \$2,153,000 compared to the 2017 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 2018 Budget includes total expenditures of \$6,348,015 which includes transfers of \$137,590. This amount is \$1,113,695 higher than what was budgeted in 2017. The increase is due to capital costs associated with the Windy Gap water project.

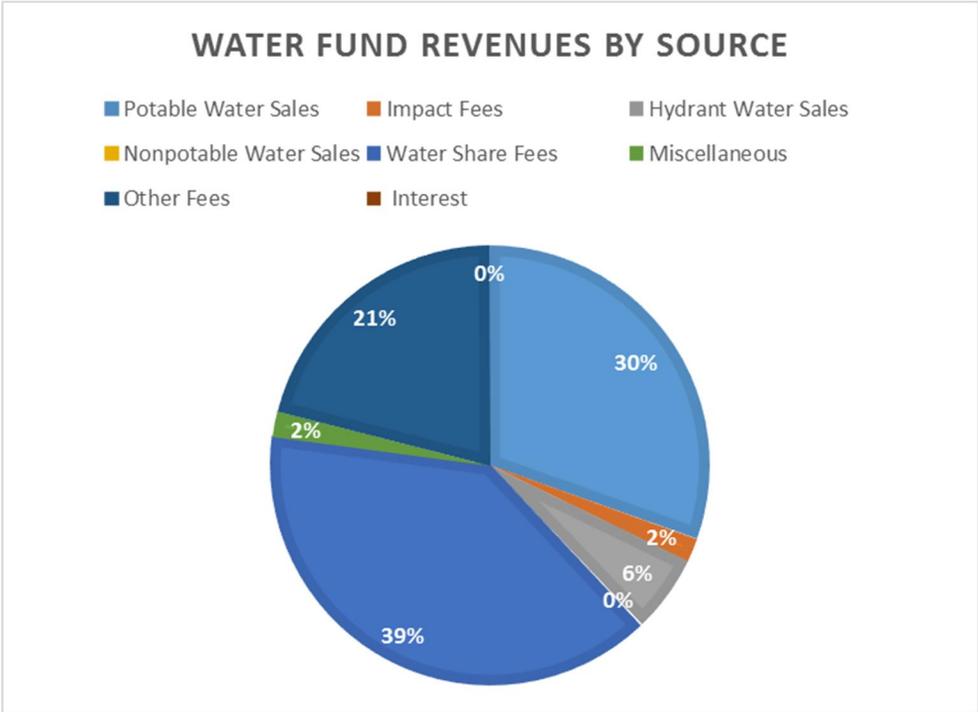
WATER FUND BUDGET

Water Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	54,731,998	57,508,296	57,508,296	57,841,751
Revenues:				
Charges for Services	2,979,086	2,030,000	2,768,840	2,597,000
Miscellaneous Revenue	62,817	1,507,000	1,520,500	1,512,500
Total Operating Revenues	3,041,903	3,537,000	4,289,340	4,109,500
Expenses:				
Operations and Maintenance	1,500,891	4,258,879	3,496,334	3,756,065
Capital	58,792	246,691	482,691	2,566,000
Impact	46,877	400,000	20,000	22,000
Depreciation	279,656	323,000	-	-
Debt	4,775	-	896,335	-
Transfers Out	10,765	5,750	-	3,950
Total Operating Expenses	1,901,756	5,234,320	4,895,360	6,348,015
Operating Income (Loss)	1,140,147	(1,697,320)	(606,020)	(2,238,515)
Non-Operating Revenues (Expenses)				
Tap Fees	138,950	120,000	120,000	125,000
Capital Investment Fees	1,491,281	1,350,000	814,375	2,925,000
Misc. Revenues	5,920	3,500	5,100	4,000
Interest Expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	1,636,151	1,473,500	939,475	3,054,000
Excess (Deficiency) of Revenues and Other Sources over Expenses	2,776,298	(223,820)	333,455	815,485
Ending Fund Balance	57,508,296	57,284,476	57,841,751	58,657,236

FUND SUMMARIES

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 2018.

Water Fund Revenue Sources		
Source	Amount	% of Total
Potable Water Sales	2,180,000	30%
Impact Fees	125,000	2%
Hydrant Water Sales	405,000	6%
Nonpotable Water Sales	12,000	0%
Water Share Fees	2,800,000	39%
Miscellaneous	135,000	2%
Other Fees	1,500,000	21%
Interest	6,500	0%

FUND SUMMARIES

WATER FUND EXPENDITURES

The expenditures in this fund include operational costs of \$3,778,065 and capital outlay of \$2,569,950. Of the \$2,569,950 capital, \$556,000 is recurring and is associated with infrastructure projects related to water acquisition (NISP.) The remaining \$2,013,950 is nonrecurring and is associated with water infrastructure and Windy Gap.

WATER FUND EXPENSE SUMMARY

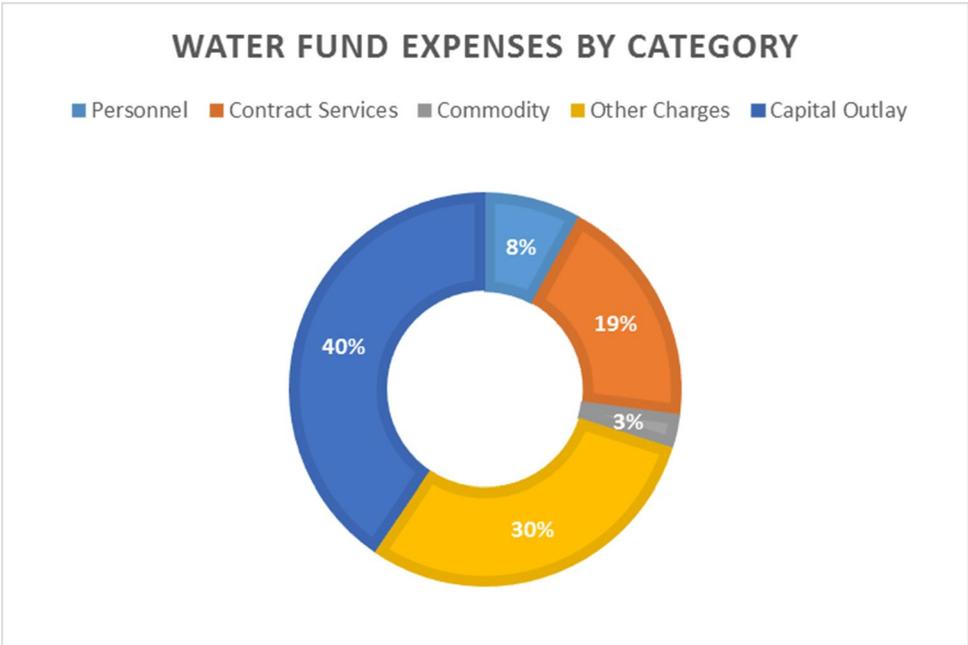
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Water Fund	504,790	1,213,975	178,200	1,881,100	3,778,065	2,569,950	---	6,348,015
Totals	\$504,790	\$1,213,975	\$178,200	\$1,881,100	3,778,065	2,569,950	\$0	\$6,348,015
Total Cash Available								\$12,262,748
Ending Fund Balance								\$5,914,733
% of Total Budget	7.95%	19.12%	2.81%	29.63%	59.52%	40.48%	0.00%	100.00%

PROJECTS FUNDED IN 2018 BUDGET

- Garden in a Box
- Waterline abandonment
- Raw water design
- NISP
- Windy Gap
- Raw water line extension
- Raw water meter upgrade
- Tie in for meter vault with Central Weld County Water District
- Wyndham Hill raw water pond
- Trench shoring box

FUND SUMMARIES

The chart below details the expenditures for the Water Fund by category. Clearly in 2018 the biggest expenditure will be for Capital Outlay which includes costs for the NISP and Windy Gap water projects. The other charges category is also a large expenditure because it includes pass through costs for new water taps that are paid to Central Weld County Water District.



WATER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	2.70
Operations	3.40
Total	6.10

FUND SUMMARIES

WATER FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
	Equip all raw water meters with AMR units so they can be read remotely so 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
	Equip all raw water meters with AMR units so they can be read remotely
	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

FUND SUMMARIES

WATER FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of residential taps	3,752	3,904	4,008
	Average ac-ft. usage/tap	.48	.42	.39
	% unaccounted for	-13	-2	5
	Acre feet of non-potable water used	174	248	338



STORM WATER FUND

Storm Water Fund

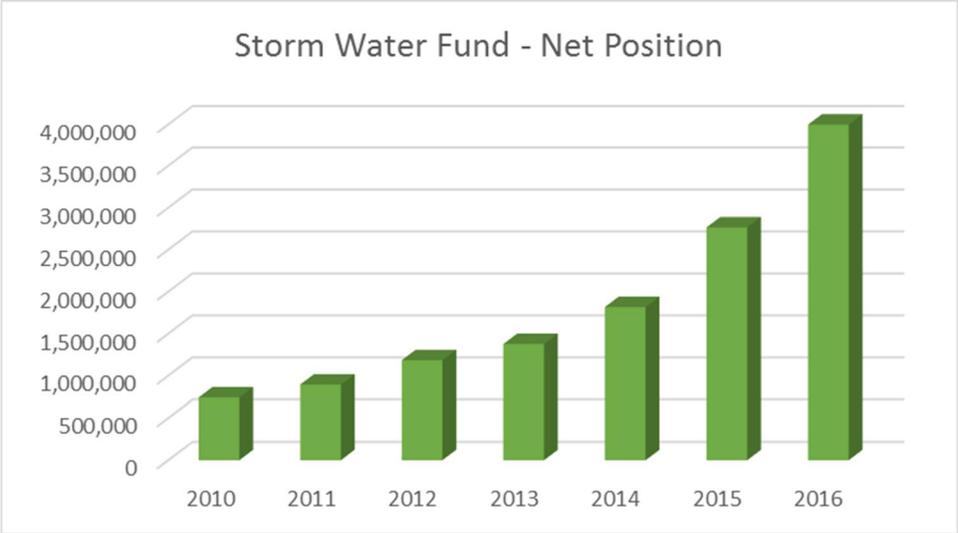
The Storm Water Fund was established with the creation of the Storm Water Utility in 2008 for the purpose of protecting people and property from harm and damage resulting from uncontrolled and unplanned storm water runoff, allowing the movement of emergency vehicles during flood events, and minimizing 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.

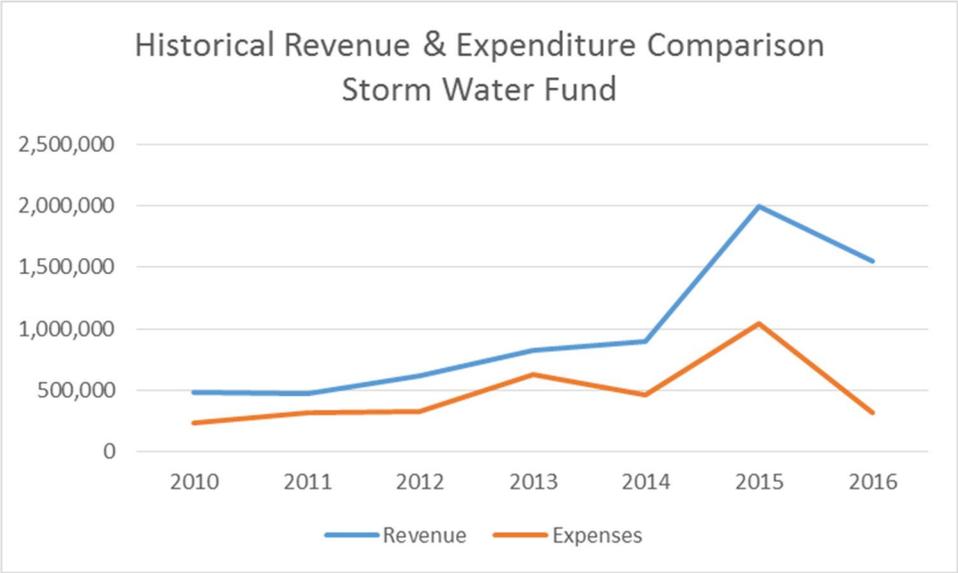
The Capital Improvement Fees are set to ensure that new development is contributing its fair share to the costs of construction of Capital Improvement Projects needed to support new development. Following a review of the Storm Water Capital Improvement Fees in 2011, current Fees were set at \$977 per 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.

FUND SUMMARIES

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 since 2010.



Note: This graph reflects all revenues and expenses.

FUND SUMMARIES

The 2018 Budget for the Storm Water Fund includes total revenues of \$683,500 with \$512,500 being operating revenues. This is an increase of \$6,500 compared to the 2017 Budget. This increase is primarily due to an expected increase in storm water rates. The increase in rates is expected to total \$1.02 for each residential customer on a monthly basis. The 2018 Budget includes total expenditures of \$1,382,750 which includes transfers of \$707,000 for a downtown drainage and streets repair project. This amount is \$920,180 higher than what was budgeted in 2017 due primarily to the transfers increase and the addition of a combo truck for storm water pipe cleanout.

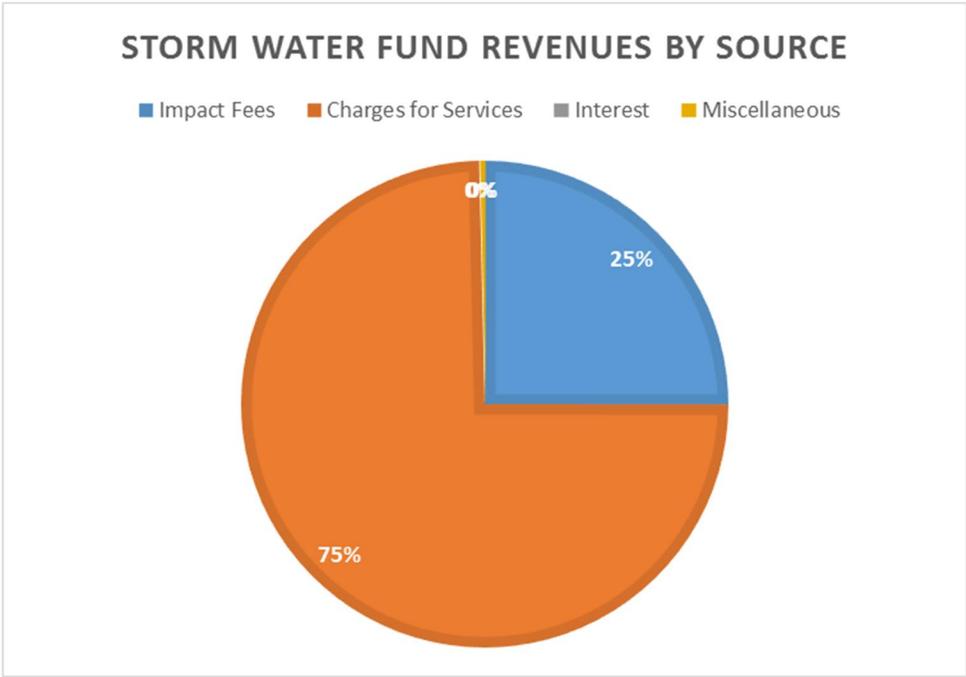
STORM WATER FUND BUDGET

Storm Water Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	2,766,706	3,998,419	3,998,419	4,247,329
<u>Revenues:</u>				
Charges for Services	479,924	475,000	475,000	510,000
Miscellaneous Revenue	15,392	1,500	1,500	2,000
Total Operating Revenues	495,316	476,500	476,500	512,000
<u>Expenses:</u>				
Operations and Maintenance	333,926	462,570	456,090	675,750
Capital Improvements	-	-	-	-
<i>Transfer Out</i>	-	-	-	707,000
Total Operating Expenses	333,926	462,570	456,090	1,382,750
Operating Income (Loss)	161,390	13,930	20,410	(870,750)
<u>Non-Operating Revenues (Expenses)</u>				
Capital Revenues	267,883	200,000	228,000	171,000
Misc. Revenues	800,811	-	-	-
Interest Expense	1,628	500	500	500
Total Non-Operating Revenues (Expenses)	1,070,323	200,500	228,500	171,500
Excess (Deficiency) of Revenues and Other Sources over Expenses	1,231,713	214,430	248,910	(699,250)
Ending Fund Balance	3,998,419	4,212,849	4,247,329	3,548,079

FUND SUMMARIES

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 2018.

Storm Water Fund Revenue Sources		
Source	Amount	% of Total
Impact Fees	171,000	25%
Charges for Services	510,000	75%
Interest	500	0%
Miscellaneous	2,000	0%

FUND SUMMARIES

STORM WATER FUND EXPENDITURES

Storm water expenditures for the 2018 Budget are both operating and capital in nature. The capital expenses of \$802,000 are nonrecurring and will fund downtown storm water projects via a funds transfer of \$707,000. The remaining capital expense is for FRA drainage and the purchase of a combo truck to clean drainage pipes.

STORM WATER FUND EXPENSE SUMMARY

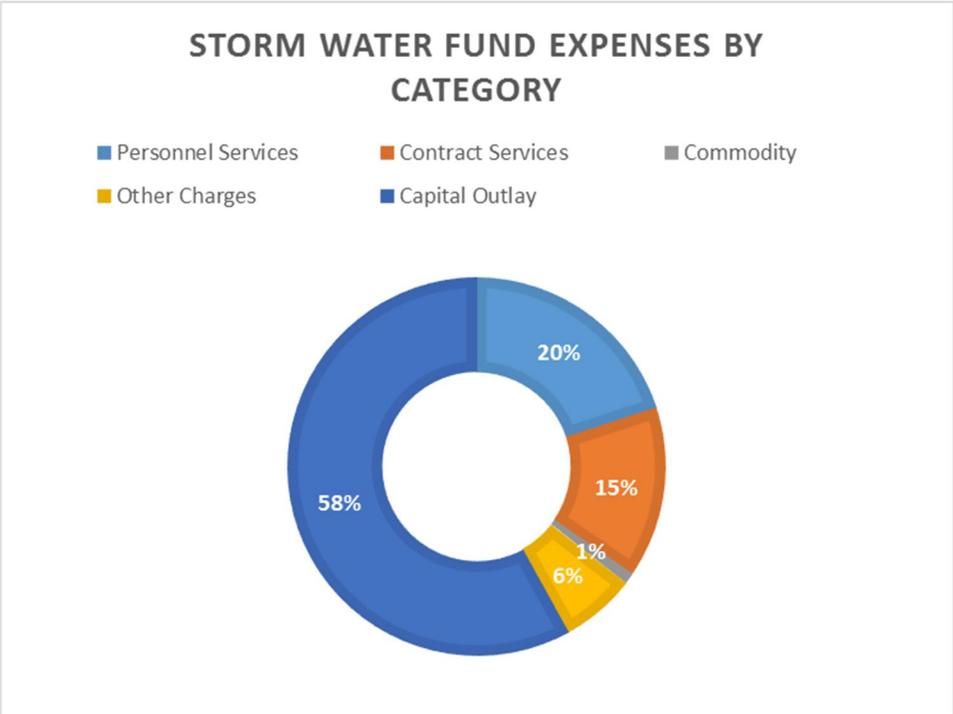
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Storm Water Fund	276,200	202,400	13,150	89,000	580,750	802,000	---	1,382,750
Totals	\$276,200	\$202,400	\$13,150	\$89,000	580,750	\$802,000	\$0	\$1,382,750
Total Cash Available								\$ 1,636,093
Ending Fund Balance								253,343
% of Total Budget	19.97%	14.64%	0.95%	6.44%	42.00%	58.00%	0.00%	100.00%

PROJECTS FUNDED IN 2018 BUDGET

- Clear trees in No Name Creek through FRA
- Downtown drainage plans
- Frederick Recreation Area 2 drainage project
- Storm line cleaning
- Ditch cleaning
- Culvert cleaning
- Purchase combo truck for storm water pipe cleanout

FUND SUMMARIES

The chart below details the expenditures for the Storm Water Fund by category. This fund is fairly labor intensive and the 2018 expenditures reflect that.



STORM WATER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.65
Operations	2.20
Total	2.85

FUND SUMMARIES

STORM WATER FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 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

FUND SUMMARIES

STORM WATER FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Capital projects completed	1	2	1



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 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.

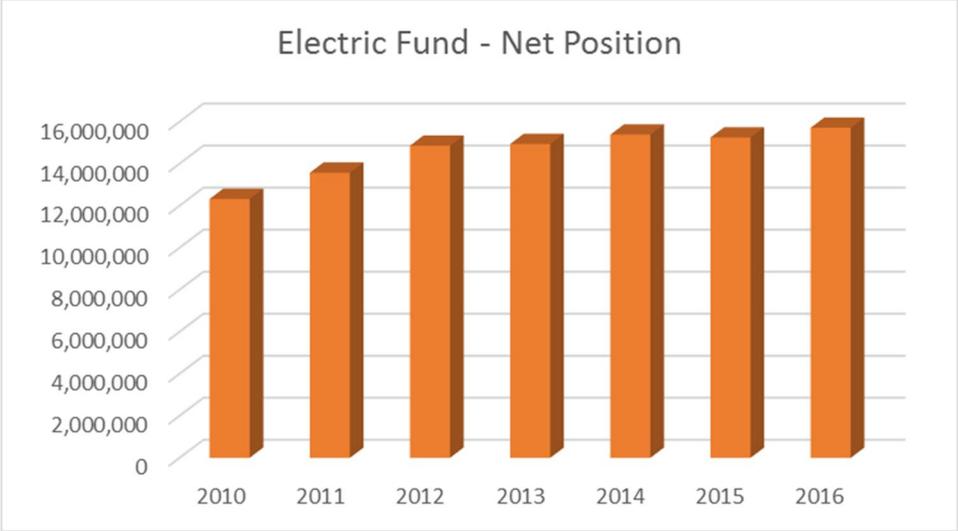
In 2015, in an effort to decrease costs and increase efficiency, the Town installed new AMI meters. These meters have allowed us to streamline electric meter reading and have almost completely eliminated the need for outside meter readers. The associated reduction in meter reading costs have enabled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

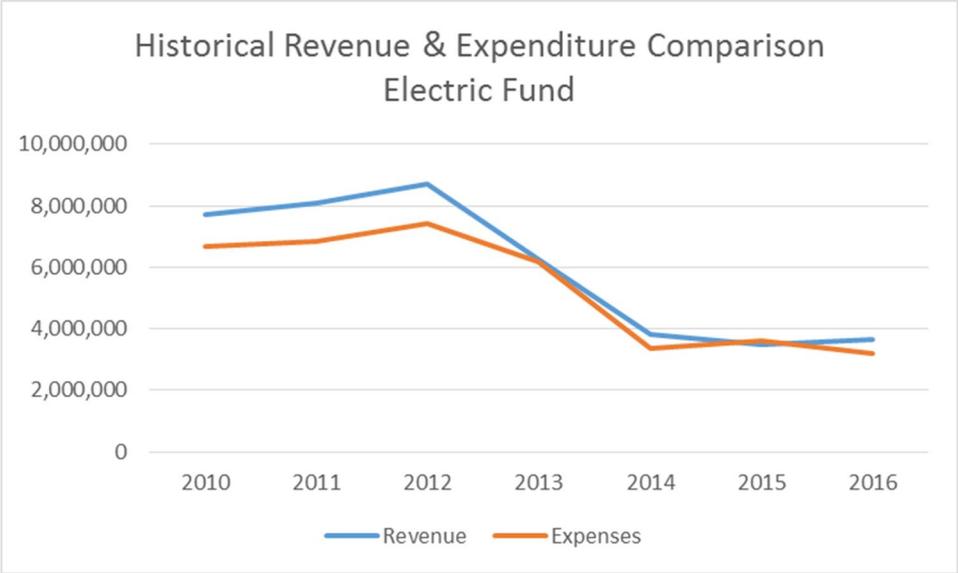


FUND SUMMARIES

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 2010 – 2014 and again in 2016.



Note: This graph reflects all revenues and expenses.

FUND SUMMARIES

The 2018 Budget for the Electric Fund includes total revenues of \$3,866,950 with \$3,013,350 of that total coming from operating revenues. This is an increase of \$297,290 compared to the 2017 Budget. This increase is primarily due to an expected increase in reimbursed expenses associated with new development and a base rate increase that will cost each residential customer an additional \$2.88 per month. The 2018 Budget includes total expenditures of \$5,906,120 which includes transfers of \$307,700. This amount is \$837,075 higher than what was budgeted in 2017 due to an increased number of capital improvement projects.

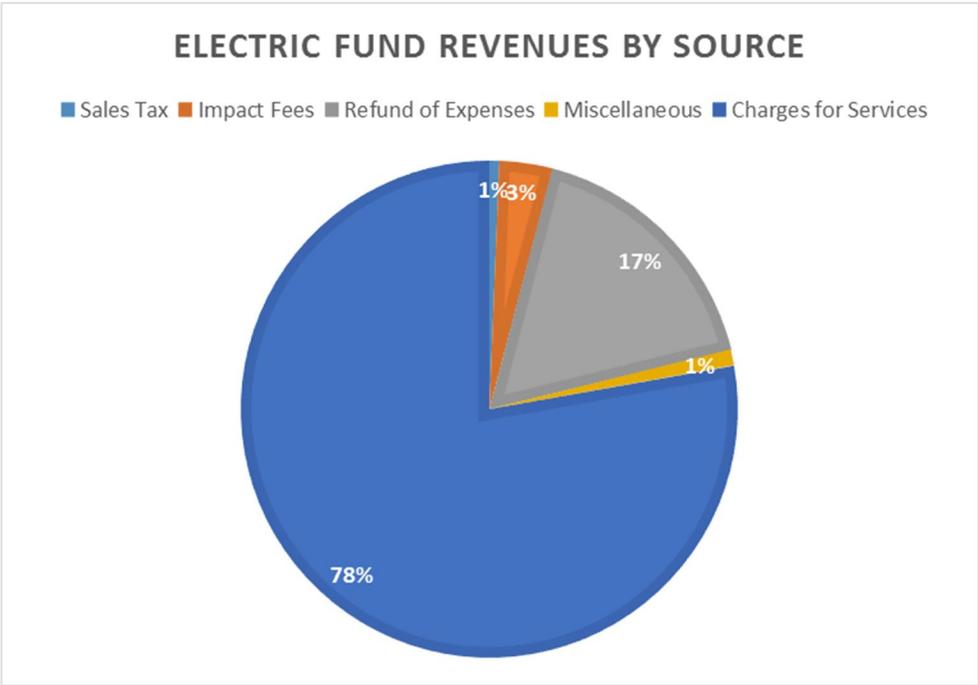
ELECTRIC FUND BUDGET

Electric Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	15,245,276	15,706,747	15,706,747	14,642,602
<u>Revenues:</u>				
Charges for Services	3,392,988	2,930,000	3,150,000	3,000,000
Sales Tax	26,898	22,310	22,310	24,100
Miscellaneous Revenue	11,088	2,350	2,350	2,350
Total Operating Revenues	3,430,974	2,954,660	3,174,660	3,026,450
<u>Expenses:</u>				
Operations and Maintenance	3,312,389	3,528,653	3,542,325	3,855,220
Capital Improvements	-	1,345,692	1,005,000	1,835,000
Depreciation	178,458	187,000	187,000	198,000
Debt	-	-	-	-
<i>Transfer Out</i>	4,512	7,700	7,700	17,900
Total Operating Expenses	3,495,359	5,069,045	4,742,025	5,906,120
Operating Income (Loss)	(64,385)	(2,114,385)	(1,567,365)	(2,879,670)
<u>Non-Operating Revenues (Expenses)</u>				
Capital Improvement Fees	154,559	132,500	110,000	97,500
Misc. Revenues	345,229	476,000	386,720	732,000
Interest Expense	26,068	6,500	6,500	11,000
Total Non-Operating Revenues (Expenses)	525,857	615,000	503,220	840,500
Excess (Deficiency) of Revenues and Other Sources over Expenses	461,471	(1,499,385)	(1,064,145)	(2,039,170)
Ending Fund Balance	15,706,747	14,207,362	14,642,602	12,603,432

FUND SUMMARIES

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 2018.

Electric Fund Revenue Sources		
Source	Amount	% of Total
Sales Tax	24,100	1%
Impact Fees	132,500	3%
Refund of Expenses	660,000	17%
Miscellaneous	39,350	1%
Charges for Services	3,000,000	78%
Interest	11,000	0%

FUND SUMMARIES

ELECTRIC FUND EXPENDITURES

Expenditures in the Electric Fund include operating costs of \$4,053,220, and capital outlay of \$1,852,900. The capital is nonrecurring and will fund system upgrades and new infrastructure.

ELECTRIC FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Electric Fund	446,645	937,375	2,393,900	275,300	4,053,220	1,852,900	---	5,906,120
Totals	\$446,645	\$937,375	\$2,393,900	\$275,300	4,053,220	\$1,852,900	\$0	\$5,906,120

Total Cash Available \$ 14,065,359

Ending Fund Balance 8,159,239

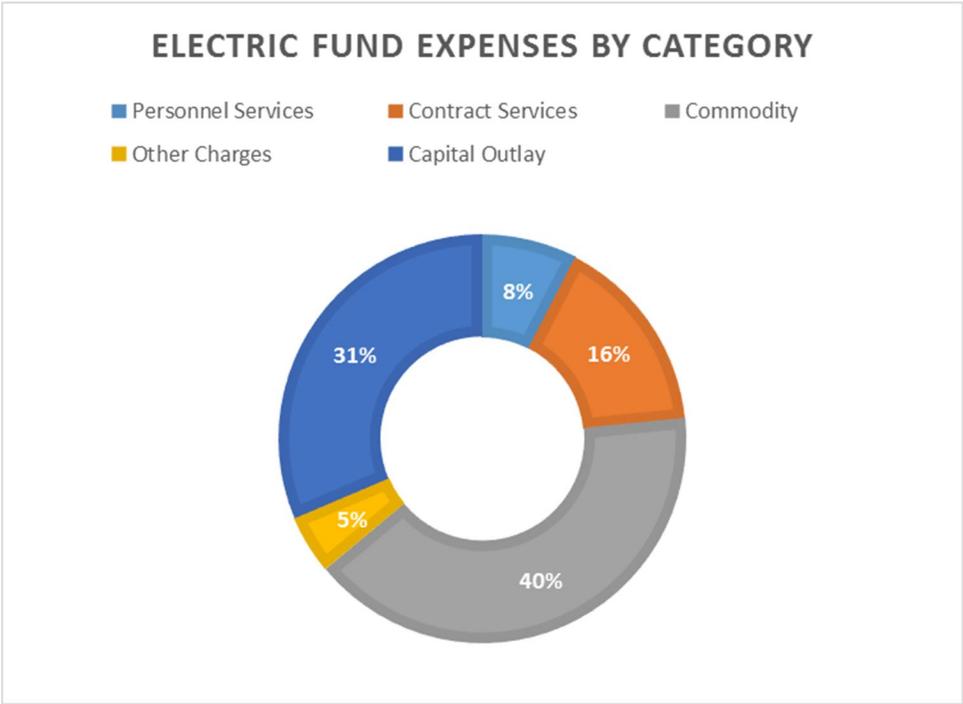
% of Total Budget	7.56%	15.87%	40.53%	4.66%	68.63%	31.37%	0.00%	100.00%
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PROJECTS FUNDED IN 2018 BUDGET

- 1000 MCM feeder from Bella Rosa to Colorado Blvd
- Tipple extension project completion
- New development – Westview, Maple Ridge II
- Maintenance program
- Elster Health Map software
- Transformer purchases

FUND SUMMARIES

The chart below details the expenditures for the Electric Fund by category. Clearly in 2018 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

FUND SUMMARIES

ELECTRIC FUND GOALS AND KPI'S

In addition to the projects that have been funded in the 2018 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	2018 GOALS
	Balance electrical loads to provide a more reliable system.
	Continue tree trimming maintenance program.
	Maintain program to recycle electric meters and old transformers that are out of operation.

ELECTRIC FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of appliance rebates processed	n/a	22	19
	Number of LED bulb rebates processed	n/a	92	112
	Number of solar rebates given	n/a	4	11
	HPS to LED street light replacements	n/a	49	46

FIDUCIARY
FUNDS

OIL ROYALTY
TRUST
FUND

Oil Royalty Trust Fund

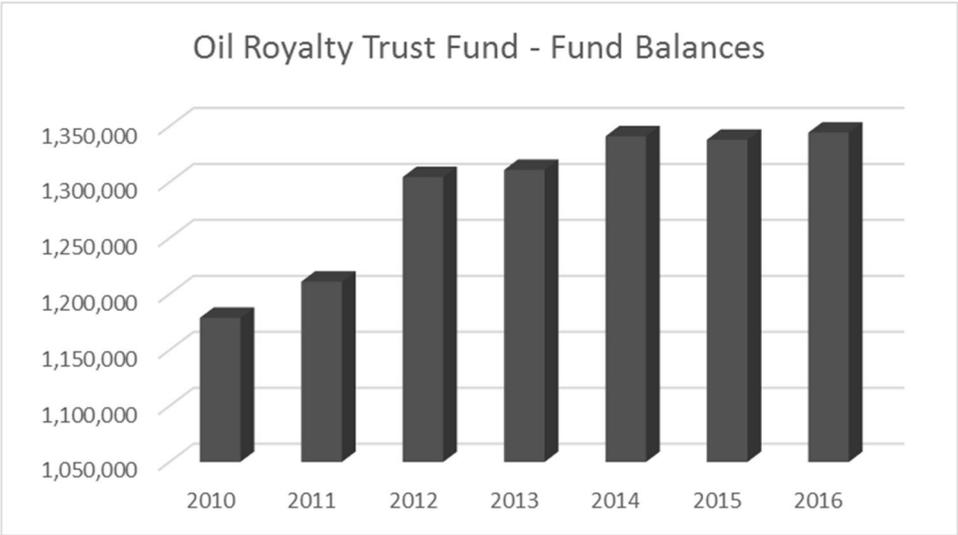
The Oil Royalty Trust Fund was established to receive revenues from Oil Royalties. The funds are then used for capital improvements, economic development purposes, and other community beneficial programs including donations to non-profit organizations and the Frederick Scholarship Program.

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.

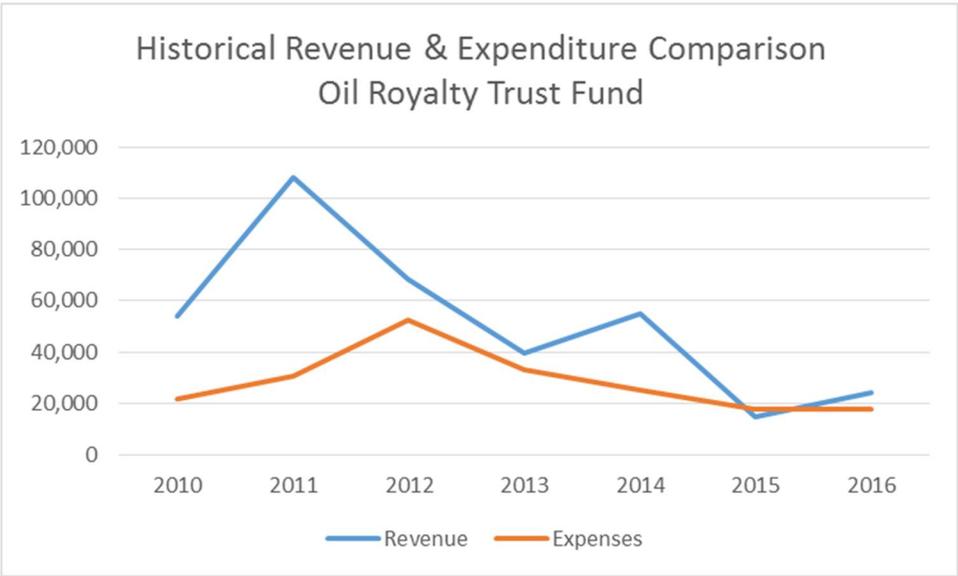


FUND SUMMARIES

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 2010 – 2014 and then again in 2016.



FUND SUMMARIES

The 2018 Budget includes total revenues of \$18,400. This is an increase of \$8,000 compared to the 2017 Budget. This increase is the result of increased oil production in the area. The 2018 Budget for the Oil Royalty Trust Fund includes total expenditures of \$63,000. This amount is \$2,100 higher than what was budgeted in 2017. The increase in this fund is linked to potential annexations.

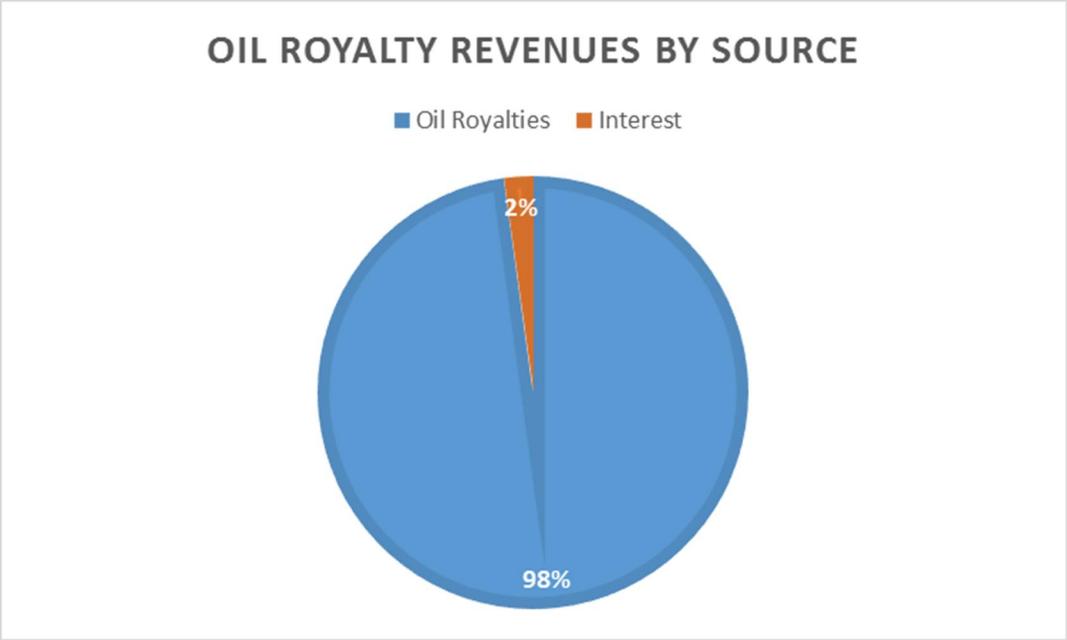
OIL ROYALTY FUND BUDGET

Oil Royalty Trust Fund	2016 Actuals	2017 Adopted Budget	2017 Year-End Estimates	2018 Proposed Budget
Beginning Fund Balance	1,337,942	1,344,319	1,344,319	1,319,219
<u>Revenues:</u>				
Intergovernmental	24,159	10,000	10,000	18,000
Earnings on Investment	-	400	400	400
Miscellaneous Revenue	-	-	-	-
Total Operating Revenues	24,159	10,400	10,400	18,400
<u>Expenditures:</u>				
Operations & Maintenance	17,782	60,900	35,500	63,000
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	17,782	60,900	35,500	63,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	6,377	(50,500)	(25,100)	(44,600)
Ending Fund Balance	1,344,319	1,293,819	1,319,219	1,274,619

FUND SUMMARIES

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 2018.

Oil Royalty Revenue Sources		
Source	Amount	% of Total
Oil Royalties	18,000	98%
Interest	400	2%

FUND SUMMARIES

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	30,000	0	33,000	63,000	---	---	63,000
Totals	\$0	\$30,000	\$0	\$33,000	63,000	\$0	\$0	\$63,000

Total Cash Available \$ 1,337,619

Ending Fund Balance 1,274,619

% of Total Budget	0.00%	47.62%	0.00%	52.38%	100.00%	0.00%	0.00%	100.00%
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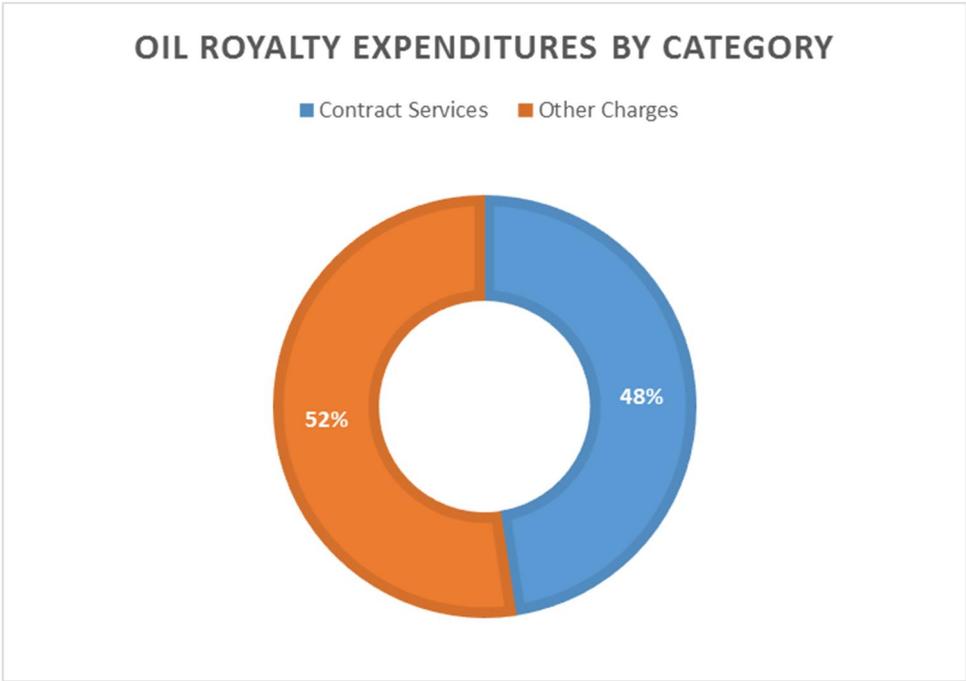
PROJECTS FUNDED IN 2017 BUDGET

- Scholarships
- Donations to local programs
- Annexations

FUND SUMMARIES

OIL ROYALTY FUND EXPENDITURES

The chart below details the expenditures for the Oil Royalty Trust Fund by category. Clearly in 2018, the biggest expenditure will be other charges, 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 2018 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	2018 GOALS
	Continue to develop and fund scholarship program for local participants
	Support local non-profit organizations

OIL ROYALTY FUND KEY PERFORMANCE INDICATORS

<u>STRATEGIC FOUNDATION</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	Number of scholarships funded	4	6	7
	Number of donations made to local non-profit organizations	10	4	8

APPENDIX

APPENDIX

Appendix

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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.

APPENDIX

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 objectives.

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

APPENDIX

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 expenditures.

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.

APPENDIX

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

APPENDIX

TRANSFER SUMMARY

	Transfers In	From	Transfers Out	To
GENERAL FUND				
General Fund	300,000	Streets & Alley Fund	69,000	Events Fund
SPECIAL REVENUE FUNDS				
Street & Alley Fund	707,000	Storm Water	300,000	General Fund
Street & Alley Fund			13,000	Art in Public Places Fund
Park Improvement Fund	135,600	Water Fund		
Park Improvement Fund	300,000	Electric Fund		
Park Improvement Fund	20,250	Storm Water Fund		
Park Improvement Fund			16,000	Art in Public Places Fund
Open Space Fund			5,251	Art in Public Places Fund
Events Fund	69,000	General Fund		
Art in Public Places	16,000	Park Improvement		
Art in Public Places	5,251	Open Space Fund		
Art in Public Places	13,000	Streets & Alley Fund		
Art in Public Places	17,900	Electric Fund		
Art in Public Places Fund	3,950	Water Fund		
PROPRIETARY FUNDS				
Water Fund			135,600	Park Improvement Fund
Water Fund			3,950	Art in Public Places Fund
Storm Water Fund			20,250	Park Improvement Fund
Storm Water Fund			707,000	Street & Alley Fund
Electric Fund			300,000	Park Improvement Fund
Electric Fund			17,900	

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 as 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 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	2016 Actual	2017 Budgeted	2018 Budget
Governmental Funds			
<u>General Fund:</u>			
Administration	4.50	5.05	5.20
Finance	0.95	1.45	1.45
Courts Division	1.00	1.00	1.00
Planning	2.60	3.30	3.30
Police	22.10	23.10	24.90
Public Works	1.50	2.20	1.70
Engineering	1.55	1.60	1.60
Buildings	0.50	0.50	0.50
General Fund Total	34.70	38.20	39.65
Street & Alley Fund	4.24	4.80	4.65
Conservation Trust Fund	0.00	0.00	0.00
Park Improvement Fund	5.27	7.33	7.86
Open Space Fund	2.51	3.63	3.09
Capital Facilities Fund	0.00	0.00	0.00
Events Fund	0.00	0.00	0.00
Golf Course Fund	0.00	0.00	4.65
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	6.10	6.10
Storm Water Fund	3.06	3.11	2.85
Electric Fund	2.95	3.95	3.95
Fiduciary Funds			
Oil Royalty Fund	0.00	0.00	0.00
Total FTE's:	57.80	67.12	72.80

CHANGES TO FTE's IN 2018

There were six full-time positions, four part-time and three seasonal positions approved in the 2018 Budget. The positions added, Town wide include, one full-time Police Officer, one full-time Public Works Technician, one full-time Deputy Town Manager, one part-time Staff Accountant, one full-time Golf Pro, one full-time Golf Course Superintendent, one full-time Golf Course Maintenance Worker, three part-time Golf Course Attendants, two part-time seasonal Golf Course Maintenance Workers. 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.