

TOWN OF FREDERICK



2019 ANNUAL BUDGET





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Frederick
Colorado**

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morrill

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, 2018**. 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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LETTER OF TRANSMITTAL

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January 1, 2019

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 2019 Budget for the Town of Frederick. This is one of the most important processes and decisions the Board of Trustees undertake each year. This 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 2019 calendar year. This document is a result of the 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 on 2019, we expect to see growth and development continue while we deliver high level services to the community. The Town of Frederick budget is developed through a collaborative process between and with citizens, the 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 include a focus to achieve Frederick's mission and a trajectory toward the community vision. For 2019, the individual components that facilitate this direction continue to be embodied in the Frederick Strategic Plan, *Our Strategic Foundation*. The foundations and strategies of the strategic plan as supported 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 and Economic Vitality

Strategy 1: Economic 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 and Infrastructure

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: Fiscal Responsibility and 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 2019 budget development, we continued to create meaningful links back to *Our Strategic Foundation* by transitioning to 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 and how those dollars accomplish elements of the community's strategic plan, which as a result will create outcomes that achieve our organizational mission. In addition, a Program Based Budget will provide the Board and community the opportunity to provide critical and meaningful feedback on which programs they want to see additional emphasis placed. This will allow financial resources to be allocated appropriately to meet the demands of those programs.

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 2019, we anticipate this to be 151 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 2019. Expenditures include both expenditures and transfers out. Projected fund balance at the end of 2019 is \$26,354,620.

Fund	Revenue Resources	Estimated Expenditures
General Fund	\$9,242,753	\$10,072,100
Street and Alley Fund	\$3,090,400	\$3,748,133
Water Fund	\$33,844,955	\$21,567,250
Storm Water Fund	\$758,400	\$877,720
Electric Fund	\$27,739,410	\$28,925,255
Conservation Trust Fund	\$51,240	\$70,250
Golf Fund	\$450,715	\$644,880
Open Space Fund	\$1,021,500	\$1,911,171
Park Fund	\$2,204,850	\$2,920,574
Capital Facilities Fund	\$2,176,900	\$170,800
Events Fund	\$116,900	\$126,500
Historic Preservation Fund	\$1,050	\$1,000
Art in Public Places Fund	\$33,478	\$140,500
Oil Royalty Improvement Fund	\$1,018,400	\$62,000
Total	\$81,750,951	\$71,238,133

General Fund

In 2019, we anticipate economic growth to continue. We are projecting 2018 General Fund revenues to come in higher than budgeted by approximately 57.7 percent or \$1,460,611. The majority of these revenues are associated with an increase in sales taxes, building and developer fees, reimbursement expenses and transfers into the General Fund for long term developer obligations and repayment of an interfund loan.

At the end of 2019, the General Fund is expected to have an ending unreserved fund balance of 151 days or 41.3 percent 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 from 2018: 158.8% | \$4,036,315
 - Total Revenues: \$6,577,753
 - 2018 Sales Tax is expected to increase slightly compared to 2018 Projected End of Year Budget
 - Building Permit Revenue is expected to increase slightly compared to 2018 Budget
 - Transfers into the General Fund are primarily for developer obligations for infrastructure; repayment of \$3,000,000 interfund loan for the purchase of water in 2018; new mechanic costs
- Expenditures:
 - Total Expenditures increase from 2018: 19.8% | \$1,223,887
 - Total Expenditures: \$7,407,100
 - Transfers out of the General Fund include the transfer of \$1,950,000 to the Capital Facilities Fund; \$675,000 transfer to the Park Fund for the skate park project; \$40,000 transfer for Events Fund support
- Staffing:
 - New Mechanic
 - New Police Officer
- Capital:
 - Two (2) New Vehicle Purchases
 - One (1) Police Vehicle
 - One (1) Engineering Vehicle
 - Developer obligations \$250,000
 - Public Works building security

Street and Alley Fund

The 2019 budget for the Street and Alley Fund will see a decrease of expenditures compared to the projection for 2018 by approximately 12.8% or \$551,002. The decrease can be directly attributed to reductions in significant Capital Improvement Projects (CIP) for the community.

In 2019, we will continue to focus on roadway maintenance projects including the pavement maintenance program, concrete alley projects, roadway striping, gravel road maintenance and sidewalk maintenance. In addition, funding is included to complete the final paving and marking

of 5th and 3rd Streets as part of the Downtown Drainage Project that was mostly completed in late 2018.

The notable capital improvement project for 2019 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 and 2016. This improvement is a cooperative project between Frederick, Dacono and the Colorado Department of Transportation. This project was included in the 2018 budget and is planned for construction in 2019.

Lastly, debt services in the amount of \$411,850, associated with Colorado Boulevard improvements since 2006, are included in the Street and Alley Fund. As always, the town is committed to ensuring full and prompt payment to avoid negative impacts to its AA rating.

- Revenues:
 - Total Revenues decrease from 2018: -25.2% | -\$1,042,994
 - Total Revenues: \$3,090,400
 - Grants: \$415,000 (HSIP)
- Expenditures:
 - Total Expenditures decrease from 2018: -23.1% | -\$551,002
 - Total Expenditures: \$3,748,133
 - Debt Services
 - Street Sweeper: \$53,000
 - Roadway Bond: \$411,850
- Capital:
 - Downtown Drainage and Roadway Improvement Project completion
 - I-25/Highway 52 acceleration lane (HSIP)
 - Downtown alley improvements
 - Traffic Study - CR 15 to 12

Water Fund

The town continues to be proactive in the planning for new water sources in which 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. In addition, funds have been budgeted for a water study in 2019 in order for the town to evaluate its water needs and ensure that water rates are appropriate.

Due to the sale of Frederick Power and Light to United Power for \$18,000,000, the Electric Fund will be closed in 2019. As a result, funds remaining in the Electric Fund will be transferred into the Water Fund. This intergovernmental transfer accounts for the most of the significant increase in revenue budgeted for 2019 in the Water Fund.

- Revenues:
 - Total Revenues increase from 2018: 372.5% | \$26,681,455
 - Total Revenues: \$33,844,955
 - Water Consumption rate change + 5%

- Expenditures:
 - Total Expenditures decrease from 2019: -3.5% | -\$780,765
 - Total Expenditures: \$21,567,250
- Capital:
 - Raw Water master plan
 - Water study
 - Windy Gap Water Project \$2,010,000
 - NISP Project \$1,990,000

Conservation Trust Fund

This fund is generated by lottery proceed revenues. Fund usage must be reported annually to the Department of Revenue and is 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 increase from 2018: 3.4% | \$1,700
 - Total Revenues: \$51,240
- Expenditures:
 - Total Expenditures increase from 2018: -60.6% | -\$108,000
 - Total Expenditures: \$70,250
- Capital:
 - Tree Program installation
 - Coal Ridge Pour-in-Place improvements

Capital Facilities Fund

Capital Facilities revenue is generated through an impact fee 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 increase from 2018: 865.4% | \$1,951,400
 - Total Revenues \$2,176,900
 - Transfer in from General Fund: \$1,950,000
- Expenditures:
 - Total Expenditures decrease from 2018: -1.9% | -\$3,292
 - Total Expenditures: \$170,800
 - Public Works facility debt service

Storm Water Fund

The town's Storm Water Fund will continue to focus on maintenance and upkeep of its drainage and storm water network. In addition, funds have been budgeted for the installation of a storm pipe under Highway 52, as well as for the completion of a storm water master plan that will focus

on developing a dynamic long-term planning document for the town's storm water management program.

- Revenues:
 - Total Revenues increase from 2018: 11.0% | \$74,900
 - Total Revenues: \$758,400
- Expenditures:
 - Total Expenditures decrease from 2018: -40.8% | \$605,030
 - Total Expenditures: \$877,720
- Capital:
 - Storm Water master plan
 - Highway 52 drainage project
 - Frederick Recreation Area (FRA) drainage report

Electric Fund

The Electric Fund is one of four enterprise funds owned and operated by the Town of Frederick. The fund will be closed in 2019 after the sale of Frederick Power and Light to United Power for \$18,000,000 in January 2019. Once the fund is closed, the balance of revenues will be transferred into the Water Fund.

- Revenues:
 - Total Revenues decrease from 2018: -617.3% | -\$23,872,460
 - Total Revenues: -\$27,739,410
 - Sale of Utility Revenues: \$18,000,000
 - Transfer of fund balance to Water Fund upon Electric Fund closure
- Expenditures:
 - Total Expenditures increase from 2018: 389.8% | \$23,019,135
 - Total Expenditures: \$28,925,255
 - Transfer Out: \$27,416,655
- Capital:
 - Completion of developer electric infrastructure projects

Golf Course Fund

In late 2017, the town took over full operation of the town's golf course and the Golf Fund was established during the 2018 budget process. In 2017, an allocation was made from the General Fund to help get the Golf Course Fund operating independently to the highest extent possible.

- Revenues:
 - Total Revenues increase from 2018: 19.2% | \$72,451
 - Total Revenues: \$450,715
- Expenditures:
 - Total Expenditures decrease from 2018: -4.0% | -\$26,531
 - Total Expenditures: \$644,880
- Capital:
 - Pro Sweeper

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 decrease from 2018: -10.4% | -\$13,600
 - Total Revenues: \$116,900
- Expenditures:
 - Total Expenditures increase from 2018: -15.7% | -\$23,500
 - Total Expenditures: \$126,500

Park Improvement 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 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 Park Fund includes \$1,600,000 in funding for the town's skate park project.

- Revenues:
 - Total Revenues increase over 2018: 9.4% | \$190,300
 - Total Revenues: \$2,204,850
- Expenditures:
 - Total Expenditures increase over 2018: 20.5% | \$497,554
 - Total Expenditures: \$2,920,574
- Capital:
 - Skate park construction
 - Playground improvements
 - Trail construction
 - National Fitness Campaign

Open Space Fund

While the Open Space Fund is not an enterprise fund, it does function similar to one in that it has designated revenue sources and only those revenues are used for expenses through the fund. These revenues include a dedicated one-half (.5) percent sales tax and a capital impact fee for open space exclusively. Notable items in this budget includes a component of the skate park and trail construction this calendar year.

- Revenues:
 - Total Revenues increase from 2018: 7.2% | \$68,300
 - Total Revenues: \$1,021,500

- Expenditures:
 - Total Expenditures decrease from 2018: -39.4% | -\$1,243,395
 - Total Expenditures: \$1,911,171
- Capital:
 - Safe Routes To School (SRTS) project
 - Stake Park construction
 - Trail construction
 - POST master plan update

Current and Future Outlook

Frederick's 6.555 property tax mill levy is the fourth 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 sixth lowest sales tax rate at 2.5 percent. One half (.5) percent of that is restricted which leaves only two (2) percent for general purposes. All of the other municipalities with tax rates lower than Frederick have populations of less than one thousand except for one, which has a population equal to forty percent of Frederick's population. Consequently, Frederick must do more with less for its citizens and we continue to meet or exceed those expectations.

As discussed previously and based on the information provided in the previous paragraph, the town should continue to critically evaluate the need for additional revenue sources to meet the needs of the community and grow responsibly with the community. It has been discussed previously that this may be in the form of sales taxes in which visitors and community members alike make a conscious choice 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 infrastructure or public safety, where there is the greatest need in our community as we continue to grow.

Acknowledgement

I want to recognize the valuable and significant contributions provided by the department directors and their teams to identify and communicate the needs within their respective departments that align with the community's goals and objectives. Most notably, the Finance team has 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.

Sincerely,



Kirstyn Jovanovich
Acting Town Manager

INTRODUCTION



TOWN GOVERNMENT



Mayor Tony Carey



Mayor Pro Tem Laura Brown



Trustee Tracie Crites



Trustee Salvatore "Sam" DeSantis



Trustee Rocky Figurilli



Trustee Dan March

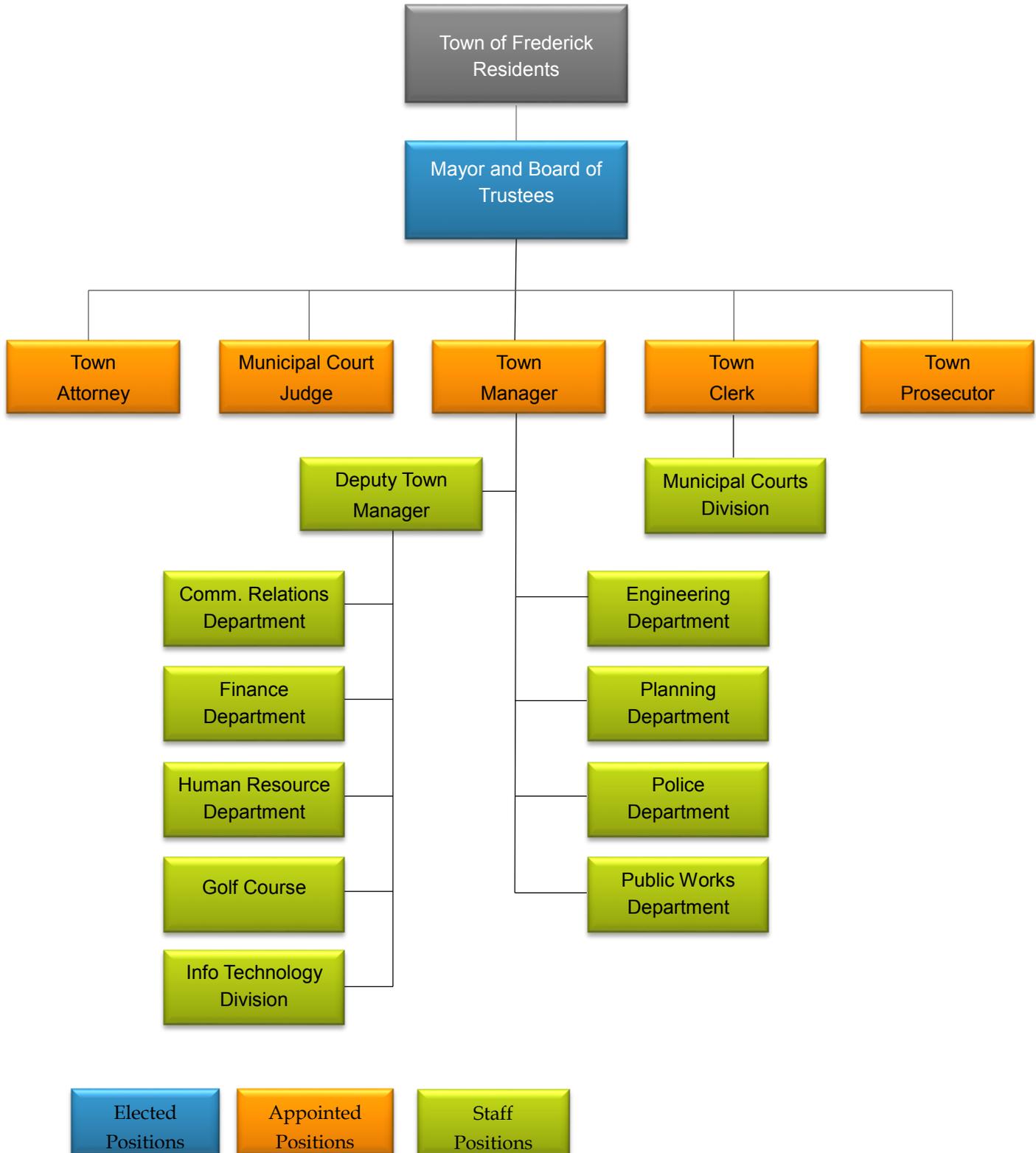


Trustee Rusty O'Neal

TOWN MANAGER AND DEPARTMENT DIRECTORS

Kirstyn Jovanovich	Acting 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

ORGANIZATIONAL CHART



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

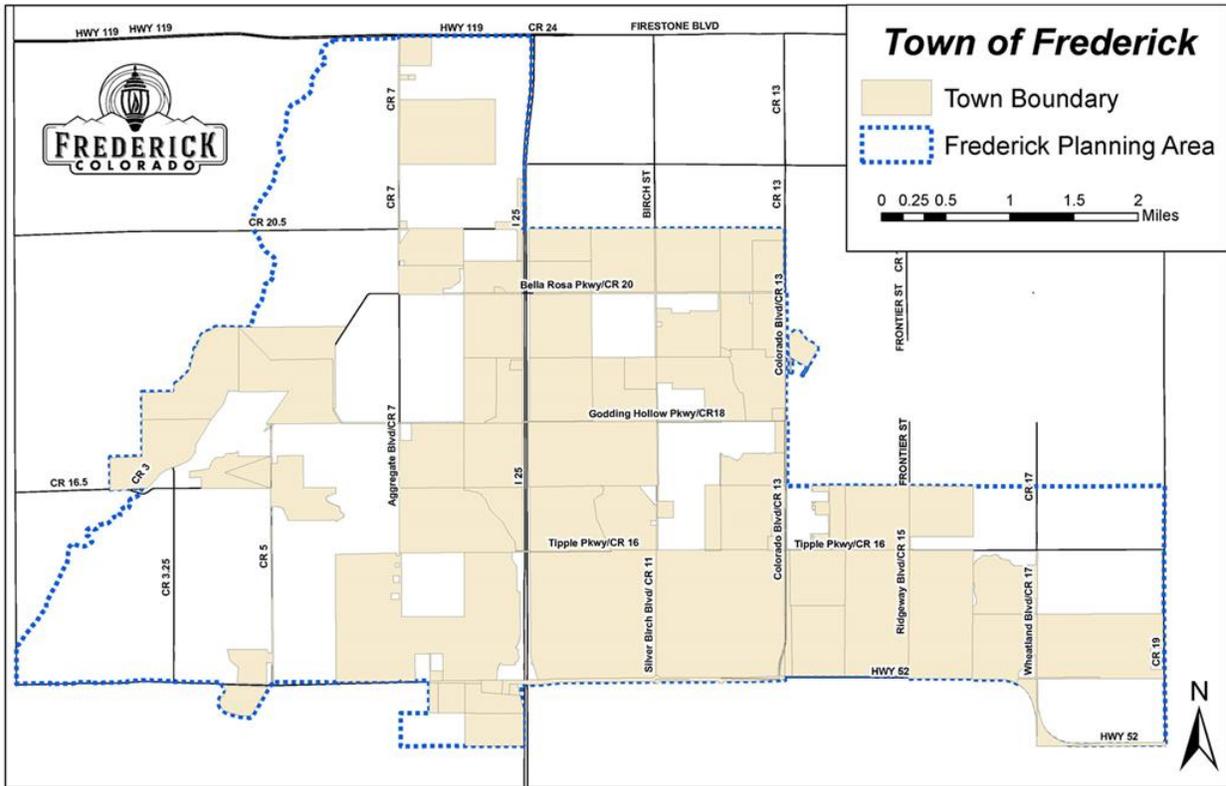
Commissioners are appointed by the Board of Trustees based on their personal and professional backgrounds relevant to the policy topic. The commission structure provides an excellent opportunity to gain community input in policy-making for the Town of Frederick.

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.

TOWN MAP



GENERAL INFORMATION

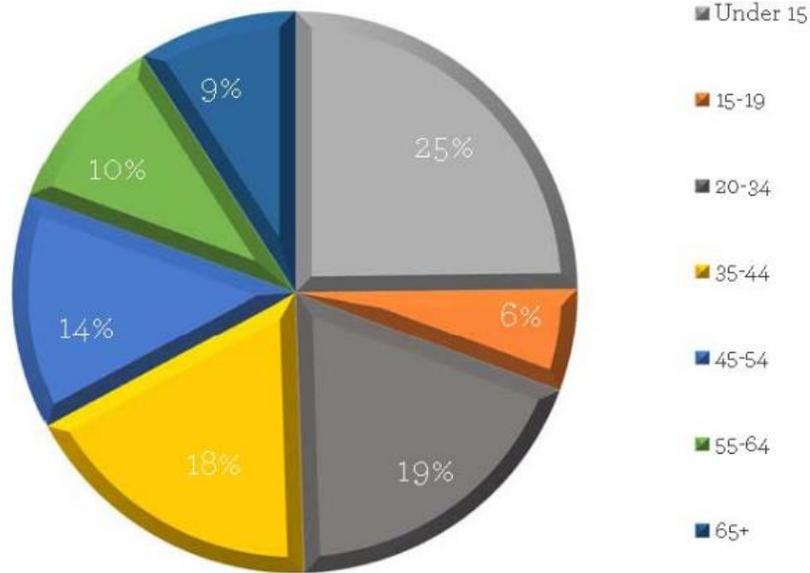
History and Location

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 13,000 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 55,000.

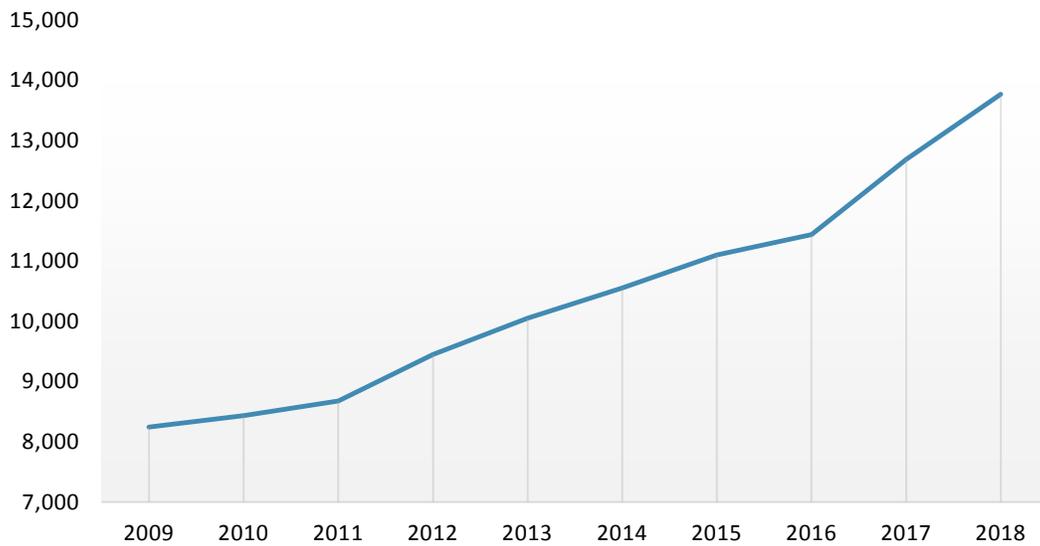
Demographics

With a median age of 35.2, Frederick has a young population that has grown more than 46 percent in the past seven years. The current population is approximately 13,769. Approximately 95.8 percent of the population has a high school degree or higher, 27.5 percent have a Bachelor’s degree or higher and ten (10) percent have a graduate/professional degree. The median income is \$92,000.

Age Distribution



Population



Employment by Industry

Occupation	% of Workforce
Management, business, science and arts	41.6%
Service occupations	16%
Sales and office	22.1%
Natural resources, construction, and maintenance	8.2%
Production, transportation and material moving	12.1%

Major Employers in the Area

EMPLOYER	PERCENT OF TOTAL TOWN EMPLOYMENT
St. Vrain Valley School District	14.6%
Otterbox	9.9%
Sparton Medical System of CO	9.4%
Varra Companies, Inc.	6.1%
Premier Manufacturing	5.7%
Transwest Truck Trailer and RV	4.6%

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 64 regular, full-time positions (exempt and non-exempt) for 2019. 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. In 2019, each officer must contribute five and a quarter percent (5.25%) of their gross weekly wages and the town contributes four percent (4.0%) to the police pension. The town will match an additional two percent (2%) of their wages paid to the general retirement plan for a total of six percent (6%) for officers.

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

Budget Process

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

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>	<p><u>Budget Response & Refinement</u> Town staff respond to inquiries from Town Board and make modifications as suggested</p>
November	<p><u>Budget Public Hearing(s)</u> Residents comment on the proposed budget and offer suggestions to the Town.</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 Frederick Business Association meetings, home owner association meetings, chamber of commerce meetings, etc.

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 15, with work sessions as requested and determined necessary by the Board following the submittal.

Public Hearings

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

Adoption of Budget and Appropriation of Funds

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

Budget Amendments

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

Supplemental Appropriation

The Town Board can make supplemental appropriations from actual and anticipated revenues and prior year reserves as long as the total amount budgeted does not exceed the actual or anticipated revenue total or the available reserve balance. No appropriation can be made which

exceeds the revenues, reserves or other funds anticipated or available except for emergencies due to accident or an unforeseen event arising after the adoption of the annual appropriation.

Encumbrance Carryover

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

Budget Decreases

The budget can also be decreased below approved levels during the fiscal year. Changes in service demands, economic conditions, projected growth limits, 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



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, 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:** 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 Santa Cops and 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.
- **Debt Service**

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.

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. Estimated costs for capital projects are 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 Fund, 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, which in effect is a purchase rather than a rental. For purposes of securing credit ratings and monitoring annual debt service as a percentage of operating expenditures, lease purchase financing is considered a long-term liability of the town, although subject to annual appropriation, and therefore will be issued under the same conditions as long-term debt.

CASH MANAGEMENT AND INVESTMENT POLICIES

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

- Observe investment management objectives of safety, liquidity and yield.
- Preservation of capital through the protection of investment principal.
- Maintenance of sufficient liquidity to meet the town's cash needs.
- Diversification of the types and maturities of investments purchased to avoid incurring unreasonable credit or market risk regarding a specific security, maturity 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 Nationally Recognized Statistical Rating Organization (NRSRO), the security is eligible for purchase subject to the following limitations: the final maturity (from the date of trade settlement) may not exceed the statutory limit stated in C.R.S. 24-75-601 and the security must be rated at least AA- or the equivalent by at least two NRSROs, and not less by any. Subordinated debt shall not be purchased. For securities authorized in this paragraph, the town shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.
- **Commercial Paper:** Issued by domestic corporations with maturities not exceeding 270 days from the date of purchase, which at the time of purchase is rated at least A-1, or the equivalent by at least two NRSROs, and rated not less by all NRSROs that rate the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated at least AA, or the equivalent at the time of purchase by at least two NRSROs, and rated not less by all NRSROs that rate the issuer. The aggregate investment in commercial paper, banker's acceptances, and corporate debt shall not exceed 50 percent of the town's investment portfolio, and no more than 5 percent 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 percent of the town's investment portfolio, and no more than 5 percent 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 percent of the dollar value of

the transaction. Collateral shall be held by the town's third-party custodian bank, and the market value of the collateral securities shall be marked-to-the market daily. Repurchase Agreements shall be entered into only with broker/ dealers recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Approved Repurchase Agreement counterparties if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each NRSRO that rates them.

- **Non-Negotiable Certificates of Deposit:** With a maturity not exceeding one year in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in CRS 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of purchase, issuing banks shall meet the credit criteria set forth in the section of this investment policy, "Selection of Banks".
- **Eligible Banker's Acceptances:** With maturities not exceeding 180 days, issued by FDIC insured state or national banks. Banker's Acceptances shall be rated at least A-1, or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the instrument. If the issuing bank has senior debt outstanding, it must be rate at least AA or the equivalent at 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 percent of the town's investment portfolio, and no more than 5 percent 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 levels to determine if any changes affect the way the town delivers services, which in turn create a liability for the town.
- Developing the financial resources to pay for expected and unexpected losses. This might include managing a self-insurance fund to contain the cost of most losses and purchasing insurance policies to protect the town against catastrophic losses.
- Complying with Colorado laws as they relate to operating a self-insurance program.
- Monitoring the exposure in all town programs and services that may involve the town in future liabilities.
- Establishing a Health and Safety Committee for employees.

COMPLETE FINANCIAL POLICY DOCUMENT

The Financial Policies section of the Town of Frederick 2019 Budget document does not include the full verbiage of the town's Financial Policies. In an effort to reduce the length of this document, the portions that are included here are most specific to the budget. The Town of Frederick's Financial Policies are available in their entirety at www.frederickco.gov.

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

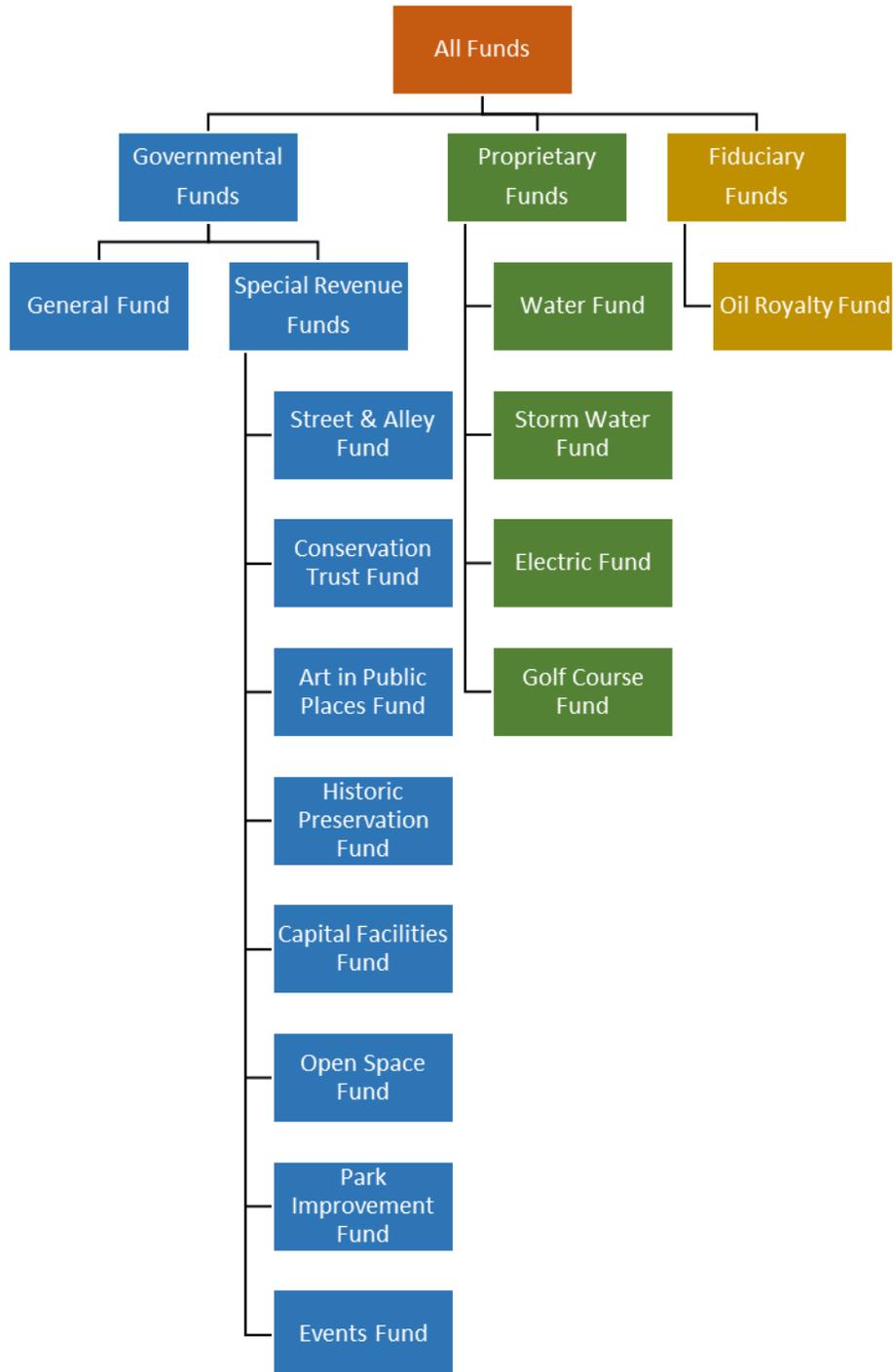
Enterprise Funds

Internal Service Funds

Fiduciary

Trust and Agency Funds

FUND STRUCTURE



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	✓									
Art in Public Places Fund	✓									
Historic Preservation Fund	✓									
Proprietary Funds										
Water Fund	✓	✓	✓	✓						
Storm Water Fund	✓	✓	✓	✓						
Golf Course Fund			✓							✓
Electric Fund	✓		✓						✓	
Fiduciary Funds										
Oil Royalty Fund						✓				

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. Financing is primarily provided by ad valorem property taxes, sales taxes and other taxes.

Special Revenue Funds

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

Streets and Alley Fund

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

Conservation Trust Fund

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

Park Improvement Fund

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

Open Space Fund

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 a half percent sales tax.

Capital Facilities Fund

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 the Art in Public Places program. 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.

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 four qualified Enterprise Funds including Water, Electric, Storm Water and Golf Course.

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 (FURA). 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.

TOTAL COMBINED TOWN BUDGET

The 2019 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.

2019 BUDGET - ALL FUNDS	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	Total All Funds	% of Total Rev. & Exp.
BEGINNING BALANCE:	3,440,658	4,723,379	1,348,038	11,088,099	351,955	20,952,129	
REVENUES:							
CHARGES FOR SERVICES	-	692,900		3,865,700	-	4,558,600	11.89%
FINES AND FORFEITURES	110,000	-		-	-	110,000	0.29%
PROPERTY TAXES	1,838,153	-		-	-	1,838,153	4.80%
SALES TAXES	2,558,000	1,453,000		6,025	-	4,017,025	10.48%
LICENSES AND PERMITS	822,500	486,000	226,400	452,185	-	1,987,085	5.18%
MISCELLANEOUS	261,100	933,520	500	22,018,915	18,400	23,232,435	60.61%
OTHER TAXES	348,000	522,000		-	-	870,000	2.27%
GRANTS	35,000	1,684,550		-	-	1,719,550	4.49%
TOTAL REVENUES	5,972,753	5,771,970	226,900	26,342,825	18,400	38,332,848	100.00%
OTHER SOURCES/USES:							
TRANSFERS IN	3,270,000	747,478	1,950,000	36,471,655	1,000,000	43,439,133	
TRANSFERS OUT	2,665,000	330,728	-	40,443,405	-	43,439,133	
TOTAL OTHER SOURCES/USES	605,000	416,750	1,950,000	(3,971,750)	1,000,000	-	
EXPENDITURES:							
PERSONNEL SERVICES	4,447,425	1,352,300	-	1,163,690	-	6,963,415	25.03%
CONTRACT SERVICES	976,648	1,957,600	-	1,813,720	30,000	4,777,968	17.17%
COMMODITY	426,819	285,217	-	592,540	-	1,304,576	4.69%
OTHER CHARGES	465,795	203,120	1,000	2,050,550	32,000	2,752,465	9.89%
CAPITAL OUTLAY	1,090,413	4,324,343	-	5,972,200	-	11,386,956	40.93%
DEBT SERVICE	-	464,850	169,800	-	-	634,650	2.28%
TOTAL EXPENDITURES	7,407,100	8,587,430	170,800	11,592,700	62,000	27,820,030	100.00%
ENDING BALANCE:	2,611,311	2,324,669	3,354,138	21,866,474	1,308,355	31,464,947	

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 ten (10) percent or more.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
GENERAL FUND				

Fund Balance Available for Appropriation	3,440,658	2,611,311	(829,347)	-24.1%
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Discussion:

The anticipated General Fund ending fund balance decreases primarily due to transfers to the Parks Fund (\$675,000) and to the Capital Facilities Fund (\$1,950,000), as well as increased costs associated with potential developer obligations in the amount of \$700,000, a new engineering vehicle and a new police car. The increased outflow of funds has been counterbalanced with increased revenues from sales taxes and transfers in. 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.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
STREET AND ALLEY FUND				

Fund Balance Available for Appropriation	1,584,536	926,803	(657,733)	-41.5%
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Discussion:

The revenues and expenditures for this fund contain substantial grant revenues (\$415,000), as well as capital project costs associated with those grant revenues (\$578,000). Additional large outflows include a traffic study in the amount of \$115,000 and alley paving \$150,000. Generally speaking, all other recurring revenues and expenses are relatively stable.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
CONSERVATION TRUST FUND				

Fund Balance Available for Appropriation	33,737	14,727	(19,010)	-56.3%
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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 2019, the available funds will be utilized to create one ADA compliant playground surface in Coal Ridge Park.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
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PARK IMPROVEMENT FUND

Fund Balance Available for Appropriation **1,423,440** **707,716** **(715,724)** **-50.3%**

Discussion:

In 2019, this fund anticipates and budgets for substantial grant revenues (\$540,000) and transfers in (\$675,000) 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 \$1,600,000. Additional expenditures for this fund include improvements to Countryside Park (\$45,000), Centennial Park Phase 1 (\$100,000) and the installation of fitness stations (\$120,000). The remaining decrease in fund balance is associated with an additional mechanic, a new mower, new equipment for the mechanic and increased utility costs.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
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OPEN SPACE FUND

Fund Balance Available for Appropriation **1,428,440** **538,769** **(889,671)** **-62.3%**

Discussion:

The decrease in fund balance in this fund is associated with capital expenditures. The 2019 budget includes expenditures of \$1,392,793 for trail construction and skate park construction. Grant revenues offsetting these capital projects totals \$328,500. This fund is restricted and consequently builds up large fund balances until projects that meet the requirements of funding are ready to move forward.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
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OIL ROYALTY FUND

Fund Balance Available for Appropriation **351,955** **1,308,355** **956,400** **271.7%**

Discussion:

The increase in fund balance in this fund is associated with interfund transfers of \$1,000,000. Generally, revenues and expenditures for this fund have been projected as remaining stable.

	Anticipated FY 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
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CAPITAL FACILITIES FUND

Fund Balance Available for Appropriation **1,348,038** **3,354,138** **2,006,100** **148.8%**

Discussion:

The increase in fund balance in this fund is due to a transfer from the General Fund in the amount of \$1,950,000 combined with a small decrease in expenditures associated with debt. 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 2019 Beginning Balance	Anticipated FY 2019 Ending Balance	Increase (Decrease)	Percent Change
ART IN PUBLIC PLACES FUND				
Fund Balance Available for Appropriation	182,374	75,352	(107,022)	-58.7%
<u>Discussion:</u> The decrease in fund balance in this fund is associated with an expense for an art piece (\$120,000) to be placed in the skate park.				
EVENTS FUND				
Fund Balance Available for Appropriation	68,777	59,177	(9,600)	-14.0%
<u>Discussion:</u> The fund balance decrease in this fund is associated with slightly more conservative revenue estimates for 2019.				
GOLF COURSE FUND				
Fund Balance Available for Appropriation	204,601	10,436	(194,165)	-94.9%
<u>Discussion:</u> This is a new fund as of November 2017. There is limited financial assistance provided to this fund in 2019 from other Town funds.				
WATER FUND				
Fund Balance Available for Appropriation	3,330,732	15,608,437	12,277,705	368.6%
<u>Discussion:</u> The increase in fund balance is primarily attributed to the Water Fund absorbing the proceeds from the elimination of the Electric Fund in January 2019. Additionally, there was a five (5) percent increase in water consumption rates, a three (3) percent increase in the base rates and increases 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.				
ELECTRIC FUND				
Fund Balance Available for Appropriation	1,185,845	0	(1,185,845)	100.0%
<u>Discussion:</u> This fund is to be eliminated in 2019 as Frederick Light and Power is being sold to United Power in January 2019.				

SUMMARY OF CAPITAL EXPENDITURES

The following summary includes capital expenditures of town funds that exceed \$100,000.

GENERAL FUND

Project Description	Capital Expenditure Amount	Recurring?
Development Obligations	\$250,000	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 four to five years. No additional staffing or resources will be required to maintain this once the financial obligations have been met.

Development Obligations	\$700,000	No
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Discussion:

This capital expenditure is related to development obligations in the form of road improvements on William Bailey. There will be minimal impact to ongoing maintenance expenses for this project.

STREET AND ALLEY FUND

Project Description	Capital Expenditure Amount	Recurring?
Acceleration Lane at Hwy 52 and I-25	\$415,000	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	\$163,000	No
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Discussion:

This project has been 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.

Alley Paving	\$150,000	Yes
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Discussion:

This project involves the paving of downtown alleyways. This is the third year of the project. It is expected that there are four more years before all of them have been completed. This project helps with drainage and accessibility in the downtown area.

Traffic Study - Cty Rd 15 to 12	\$115,000	No
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Discussion:

This traffic study is a one-time expense.

PARK IMPROVEMENT FUND

Project Description	Capital Expenditure Amount	Recurring?
Skate Park Construction	\$1,600,000	No

Discussion:

The initial project will be partially funded through a grant and donation. 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 six and eight percent. Long-term, we expect additional capital requirements will be necessary to maintain this asset to the desired level.

National Fitness Campaign	\$120,000	No
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Discussion:

This project is primarily 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 around one percent. Long-term we expect very limited if any additional capital requirements to be necessary to maintain this asset to the desired level.

Centennial Park Plan and Phase 1	\$100,000	No
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Discussion:

This element will be determined with the completion of the master design process for this park. This may include shelters, equipment, playground and/or other similar improvements. There will be a long-term impact in our operational costs to maintain this improvement. We expect an increase of approximately two percent for the additional improvement maintenance.

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	\$992,000	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.

ART IN PUBLIC PLACES FUND

Project Description	Capital Expenditure Amount	Recurring?
Skate Park Interactive Art	\$120,500	No

Discussion:

This is intended to be an interactive art piece that is installed at the new skate park. Costs associated with ongoing maintenance of the piece are expected to be minimal for the first five years at less than one percent.

WATER FUND

Project Description	Capital Expenditure Amount	Recurring?
Northern Integrated Supply Project (NISP)	\$1,990,000	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	\$2,010,000	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 estimated annual assessment of less than \$75,000 per year that will be rolled into our operational costs.

Summit View Raw Water	\$200,000	No
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Discussion:

This project will extend the town's raw water infrastructure into the Summit View neighborhood. The use of raw water is far more cost-effective in the long range than using potable water for outdoor irrigation. There will be a small increase to long-term maintenance costs for the lines, but that will more than be offset by the reduced cost of purchasing water.

Raw Water Master Plan	\$200,000	No
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Discussion:

This project is a master plan for the extension of the town's raw water infrastructure. Long term, the use of raw water is far more cost-effective in the long range than using potable water for outdoor irrigation, so it is expected that this plan will help the town recognize savings on water and help conserve potable water for other uses.

Raw Water Metering	\$100,000	No
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Discussion:

This project involves the installation of raw water meters as part of the extension of the town's raw water infrastructure.

Water Study	\$100,000	No
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Discussion:

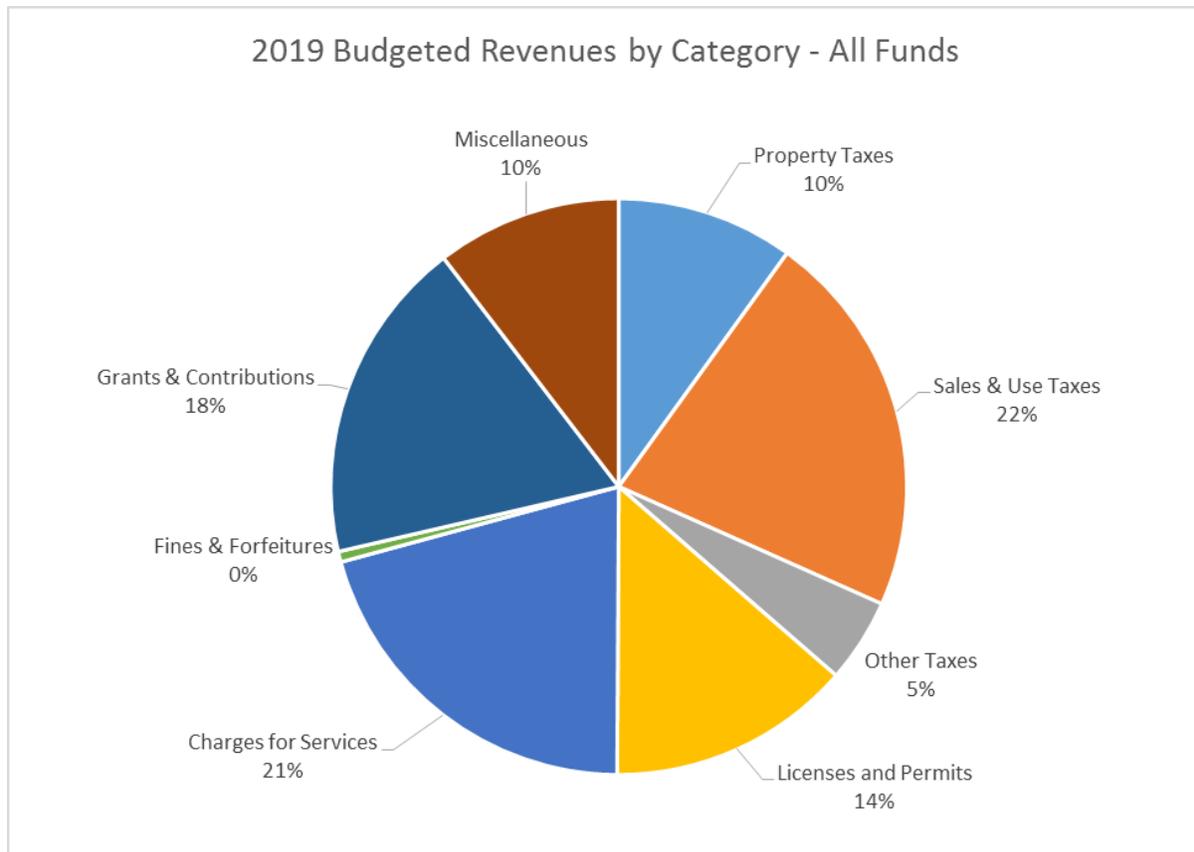
This project will allow the town to review its water needs and ensure that rates that the town charges are appropriate.

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 2014 to 2018 that were used in forecasting:

Year	2014	2015	2016	2017	2018
Consumer Price Index (CPI)	2.8%	1.176%	2.772%	2.4%	3.0%

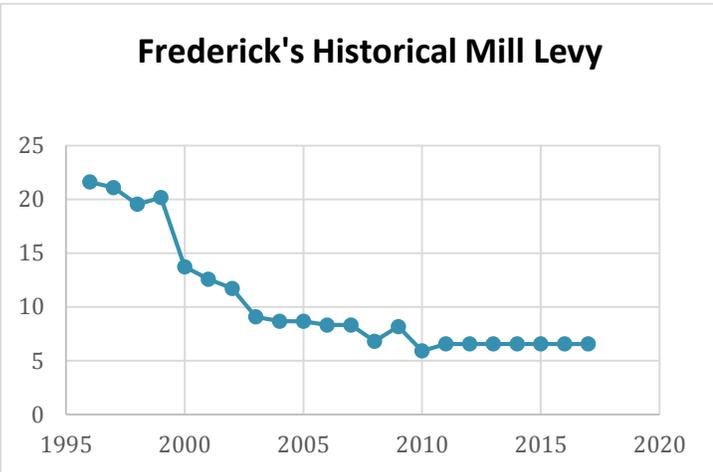
The following chart consolidates and summarizes the town’s revenue by source:



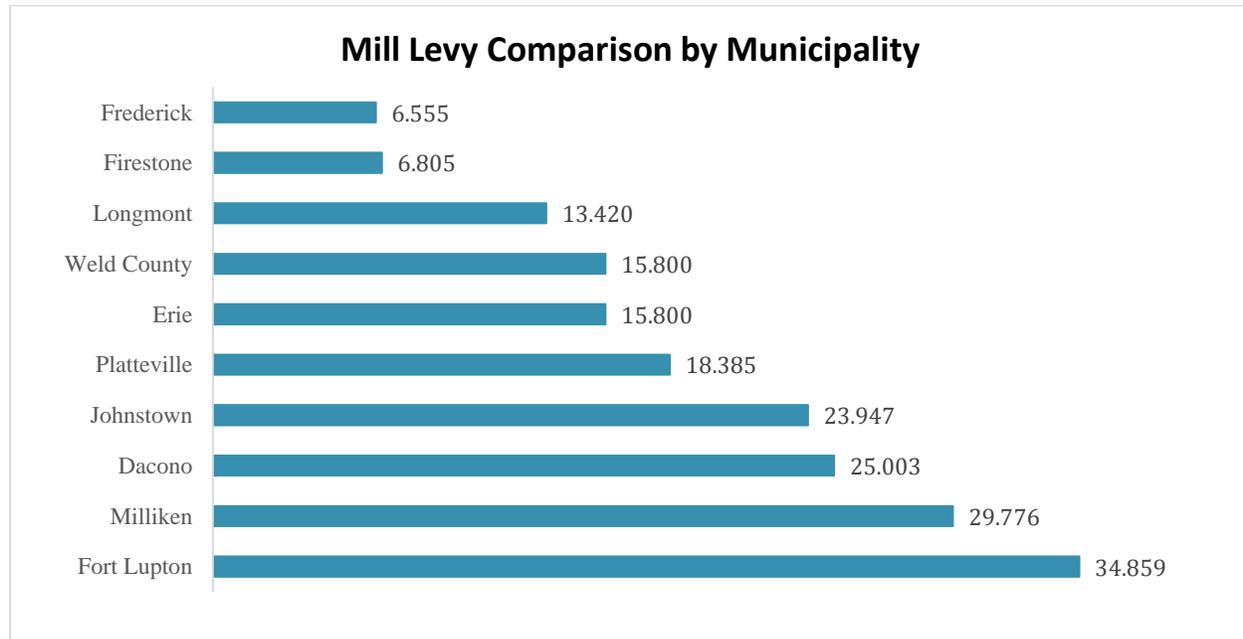
The following are descriptions of the town’s revenue resources, associated forecasting assumptions and revenue trends.

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 30. 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 2019 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.



Property Tax Revenues by Category				
Category	2017 Budget Taxes Levied	2018 Budget Taxes Levied	2019 Budget Taxes Levied	% Change 2017 to 2018
Vacant Land	27,543	43,880	32,845	-25.1%
Residential	552,566	664,235	700,357	5.4%
Commercial	286,531	330,430	303,221	-8.2%
Industrial	106,379	119,547	155,922	30.4%
Agricultural	4,491	5,524	5,515	-0.2%
Oil & Gas	134,173	557,397	459,007	-17.7%
State Assessed	190,106	195,198	181,211	-7.2%
Minerals	3,410	2,528	74	-97.1%
Total Revenue	1,305,199	1,918,739	1,838,154	

The changes in property tax revenues can vary substantially by category. One of the most volatile categories is Oil and Gas because the valuation depends on well production, which is calculated annually. For the 2019 budget, several categories showed substantial changes despite the fact that 2018 was not a reassessment year and values were not adjusted unless there was new construction. 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 conservative in the revenue estimates in this category in an effort to eliminate any serious shortfall.

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.

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. Seventy percent (70%) of the tax money collected is used by the State to fund grant programs. The remaining thirty percent (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.

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 - 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.

Utility Charges

Utility charges are user based fees that are charged for the participation with the town's utility services. Those services include water and storm water. 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 2019 budget includes a three percent (3%) increase in the base rate and a five percent (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.

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 revenue is being eliminated in January 2019, as the utility is being sold to an outside entity.

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.

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 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 2019, the town has been awarded funds to construct a skate park, construct a Safe Routes to School trail and add an acceleration lane on Highway 52 from I-25.

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 Users Tax

The Highway Users Tax Fund (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 Users Tax is forecast based on information provided by the state.

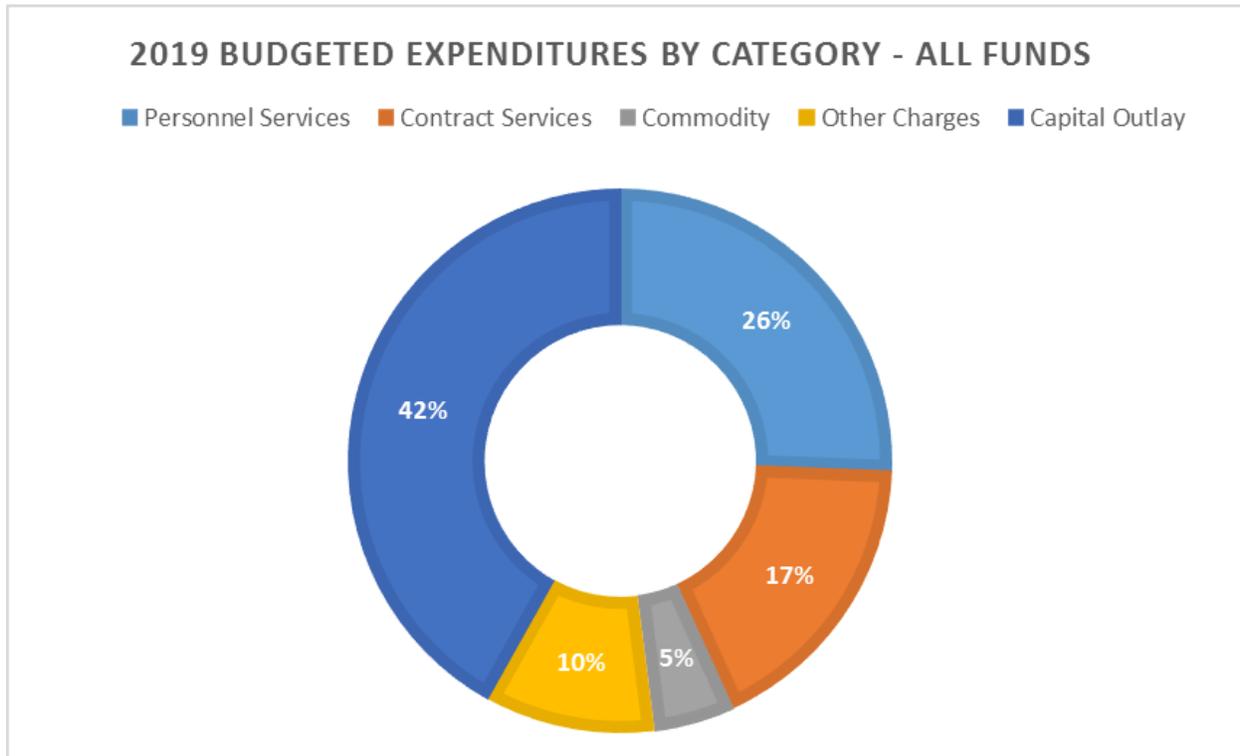
Motor Vehicle Registration Fees

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.

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 2019 Budgeted Expenditures by Category chart does not include 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 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 sale 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 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.

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, 2018, 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)	\$1,860,044,987
Debt Limit: 3% of Actual Value	\$55,801,349
Total Bonded Debt	\$2,965,000
Legal Debt Margin	\$52,836,349
Total Bonded Debt Applicable to Limit as a Percent of Debt Limit	5.31%

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	\$1,858,503
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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	\$133,908
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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:

2015A Sales & Use Tax Street Bond

Year	Principal	Interest	Total
2015	\$240,000	\$71,188	\$311,188
2016	\$220,000	\$95,700	\$315,700
2017	\$225,000	\$91,300	\$316,300
2018	\$225,000	\$86,800	\$311,800
2019	\$235,000	\$80,050	\$315,050
2020	\$240,000	\$73,000	\$313,000
2021	\$245,000	\$65,800	\$310,800
2022	\$260,000	\$56,000	\$316,000
2023	\$270,000	\$45,600	\$315,600
2024	\$280,000	\$34,800	\$314,800
2025	\$290,000	\$23,600	\$313,600
2026	\$300,000	\$12,000	\$312,000
Total	\$3,030,000	\$735,838	\$3,765,838

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 Parkway.

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

2015B Sales & Use Tax Street Bond

Year	Principal	Interest	Total
2015	\$80,000	\$16,398	\$96,398
2016	\$60,000	\$36,000	\$96,000
2017	\$60,000	\$34,800	\$94,800
2018	\$60,000	\$33,600	\$93,600
2019	\$65,000	\$31,800	\$96,800
2020	\$65,000	\$29,850	\$94,850
2021	\$70,000	\$27,900	\$97,900
2022	\$70,000	\$25,800	\$95,800
2023	\$75,000	\$23,000	\$98,000
2024	\$75,000	\$20,000	\$95,000
2025	\$80,000	\$17,000	\$97,000
2026	\$80,000	\$13,800	\$93,800
2027	\$85,000	\$10,600	\$95,600
2028	\$90,000	\$7,200	\$97,200
2029	\$90,000	\$3,600	\$93,600
Total	\$1,105,000	\$331,348	\$1,436,348

STRATEGIC FOUNDATION





Our Mission

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

Our Vision

A diverse and progressive community rich in opportunity and tradition.

FACILITIES AND INFRASTRUCTURE

Strategic Foundation

Objectives & Strategies

<p>Facilities & Infrastructure</p>  <p>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.</p>	<ul style="list-style-type: none"> I. Provide a high quality and reliable water supply and manage drainage appropriately. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> A. Partner with outside agencies as needed to meet the needs of our community B. Meet or exceed all Local, State and Federal standards related to safety, efficiency and reliability C. Continue to seek innovations related to electric service, in order to provide reliable and cost effective service to our customers IV. New and existing buildings and facilities. <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 assets B. Ensure new development is environmentally sound, sustainable, and can provide the resources necessary to support the cost of new infrastructure and facilities required to serve that development
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ECONOMIC AND COMMUNITY VITALITY

Strategic Foundation

Objectives & Strategies

<p style="text-align: center;">Economic & Community Vitality</p>  <p>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 between regional organizations, neighboring municipalities and other public entities, and the private sector.</p>	<ul style="list-style-type: none"> I. Economic Development. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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 C. Actively engage with residents and other community members to promote awareness of and participation in town-sponsored and other community events and amenities D. Partner with special districts and other outside agencies to strengthen our position as a regional cultural and recreational destination E. Protect our Brand’s integrity and use it to increase visibility and awareness of Frederick, both locally and regionally.
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FISCAL RESPONSIBILITY AND OPERATIONAL EXCELLENCE

Strategic Foundation

Objectives & Strategies

Fiscal Responsibility & Operational Excellence



The Town of Frederick will effectively manage its financial resources. Our staff will strive to deliver excellent services at the most reasonable cost. We will ensure that Frederick citizens receive great value for their tax dollars, and that town programs, services and capital projects benefit the community as a whole. The town will continuously refine and improve our effectiveness and methods of service delivery through process improvement and performance measures. We will identify and implement collaboration strategies with other public and private entities in order to ensure excellence. We will continue to strive for public trust and confidence.

- I. Maintain fiscal sustainability and flexibility.**
 - A. Make prudent investments by maintaining a conservative portfolio that safeguards principle while maximizing returns
 - B. Manage debt responsibly by borrowing only for substantial long-term assets
 - C. Maintain our current assets in order to minimize the need for replacement
 - D. Ensure the Capital Plan is sustainable so that reserves are appropriately funded and the operating impact of capital is sustainable and affordable
- II. Enhance public trust and confidence.**
 - A. Provide services in an open, honest and forthright manner, and encourage public engagement in local government
 - B. Provide value and excellence to our customers by effectively balancing efficiency and cost containment with innovation and customer convenience
 - C. Respect our customers by providing reasonable and responsible tax and utility rates, while ensuring that priority programs are maintained
- III. Deliver efficient, effective and innovative government services.**
 - A. Optimize the use of technology to drive efficiency and productivity, and continue to seek innovative ways to improve performance across all areas of the organization
 - B. Continue to develop and implement safety initiatives to achieve safety goals, and continue to focus on employee health and wellness
 - C. Promote a values-driven organizational culture that reinforces ethical behavior, encourages ongoing professional development, and empowers our employees to provide excellent internal and external customer service

COMMUNITY SAFETY

Strategic Foundation

Objectives & Strategies

<p style="text-align: center;">Community Safety</p> <div style="text-align: center;">  </div> <p>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.</p>	<ul style="list-style-type: none"> I. Provide and maintain public safety in our community. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> A. Require building inspections for both new construction and existing remodels in order to ensure uniform safety standards are met B. Partner with FFFPD to ensure timely fire inspections of town-owned and leased buildings C. Provide community education on water and/or electric supply safety D. Maintain landscaping on town-owned property so that parks and other amenities are safe, attractive, and accessible to our citizens
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COMMUNITY AMENITIES

Strategic Foundation

Objectives & Strategies

<p style="text-align: center;">Community Amenities</p>  <p>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.</p>	<ul style="list-style-type: none"> I. Maintain and enhance the current culture, park and trail systems. <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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
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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>

MID-TERM GOALS (4 - 6 year timeframe)

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

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>

ON-GOING GOALS

These goals are a continuous focus for the Town of Frederick.

	<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

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 one percent (1.0%) increase in the sales tax rate beginning in 2021.
- 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 percent for 2019 through 2020.
- The inflation factor used in the model for expenditures is 2.875 percent for 2021 through 2024.
- The inflation factor used in the model for expenditures is 3.25 percent 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 and 2019 as the only years when expenditures and transfers exceed the revenues. In 2018, existing fund balance will be utilized to balance the budget. In 2019, the shortage is due to a transfer to the Capital Facilities Fund in the amount of \$1,950,000

and a transfer of \$675,000 to the Parks Fund. Both of these transfers are for future capital improvement projects. While this is an acceptable approach from a statutory perspective, it is not ideal. Despite using fund balance to balance the budget in 2018 and 2019, 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.

General Fund	2017 Actuals	2018 Adopted Budget	2018 Projected Budget	2019 Projected	2020 Projected	2021 Projected
Beginning Fund Balance	4,733,789	5,521,628	5,521,628	3,440,658	2,611,311	2,737,099
Revenues:						
Taxes & Fees	4,357,300	4,288,738	4,950,292	4,745,653	5,224,149	6,195,939
Licenses & Permits	1,030,909	766,500	1,316,420	822,500	806,441	1,024,038
Fines & Forfeitures	117,732	100,000	107,945	110,000	113,451	112,763
Earnings on Investment	81,002	8,200	14,470	12,600	3,839	3,942
Miscellaneous Revenue	45,261	52,000	97,557	42,000	62,226	62,660
Grants & Contributions	194,882	95,000	284,365	240,000	80,028	100,546
<i>Transfers In</i>	14,000	300,000	300,000	3,270,000	400,000	400,000
Total Operating Revenues	5,841,086	5,610,438	7,071,050	9,242,753	6,690,134	7,899,888
Operating Expenditures:						
Administration	702,168	962,015	1,004,438	1,116,183	985,366	1,014,777
Finance	111,879	150,780	178,965	193,255	189,783	196,075
Courts Division	138,621	148,910	127,330	135,915	132,798	136,856
Legislative	397,812	489,395	346,839	442,050	394,173	400,499
Engineering	149,988	184,260	187,625	209,345	201,793	208,499
Planning	363,105	374,660	452,945	381,905	474,695	490,297
Police	2,522,584	2,797,755	2,964,020	3,329,642	3,237,537	3,353,539
Public Works & Buildings	354,290	447,195	367,795	508,392	388,202	398,585
<i>Transfers Out</i>	265,000	(300,000)	3,069,000	2,665,000	40,000	40,000
Total Operating Expenditures	5,005,447	5,254,970	8,698,957	8,981,687	6,044,346	6,239,128
Net Operating Revenues (Loss)	835,639	355,468	(1,627,907)	261,066	645,788	1,660,760
Capital Expenditures:						
Administration	0	650,000	300,000	950,000	400,000	400,000
Finance	0	0	0	0	0	0
Courts Division	0	0	0	0	0	0
Legislative	0	605,500	0	0	0	0
Engineering	0	0	24,500	26,000	0	0
Planning	0	0	0	0	0	0
Police	47,800	113,500	128,563	49,800	80,000	90,000
Public Works & Buildings	0	25,000	0	64,613	40,000	0
Total Capital Expenditures	47,800	1,394,000	453,063	1,090,413	520,000	490,000
Net Change in Fund Balance	787,839	(1,038,532)	(2,080,970)	(829,347)	125,788	1,170,760
Ending Fund Balance	5,521,628	4,483,096	3,440,658	2,611,311	2,737,099	3,907,859

2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
3,907,859	4,897,104	5,909,502	6,913,799	7,861,866	8,707,294	9,510,043
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
4,897,104	5,899,502	6,913,799	7,861,866	8,707,294	9,510,043	10,247,287

FUND SUMMARIES



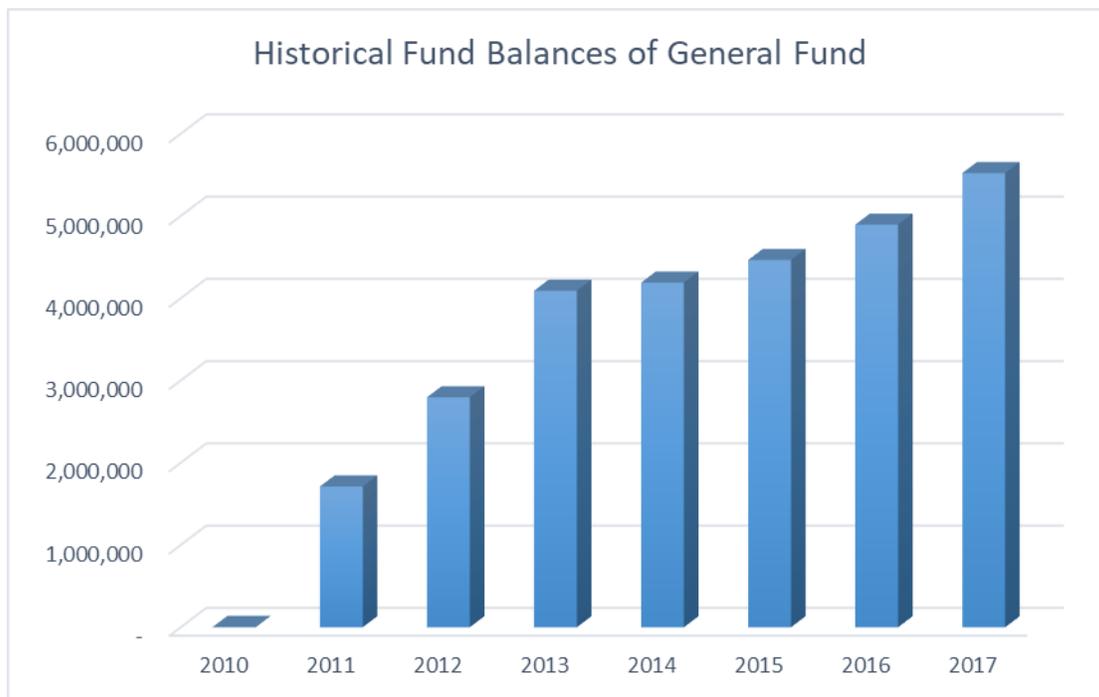
GENERAL FUND



GENERAL FUND

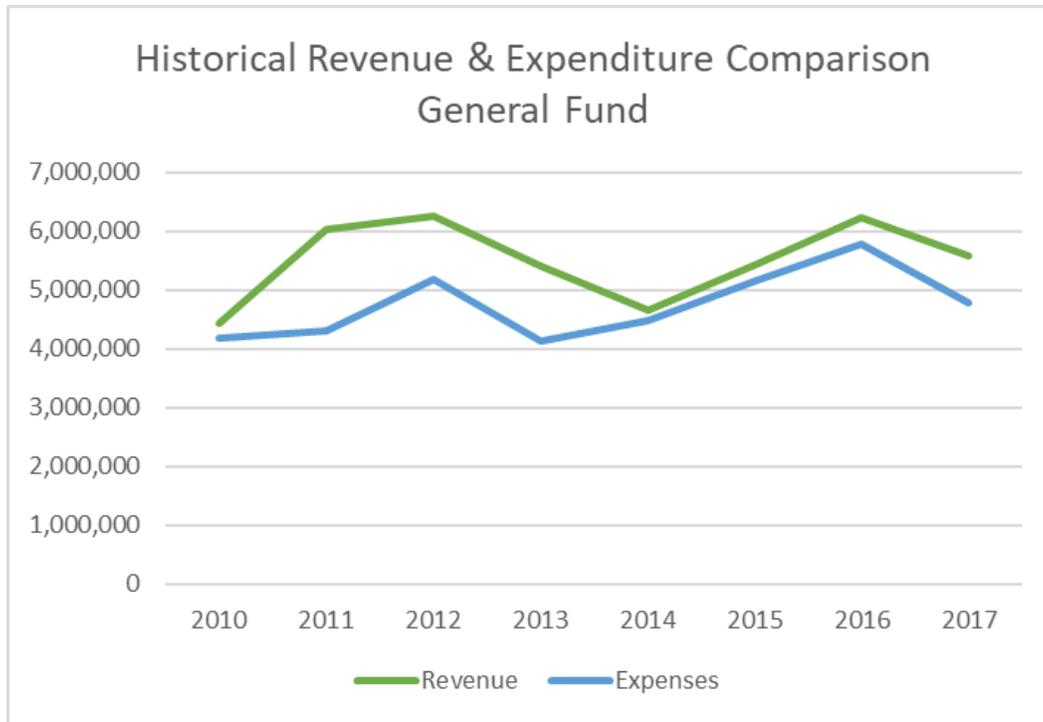
The General Fund accounts for all financial resources except those required by federal, state or local regulation to be accounted for in another fund. The revenues and expenditures in this fund are accounted for using a modified accrual basis. Services that are included in the General Fund include town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

One of the primary goals of the town is to maintain a healthy fund balance. In recent years, the revenue collected has exceeded expenditures, which has provided the town an opportunity to build cash reserves that can be used when needed. Currently, the 2019 budget as planned provides the town with reserves equivalent to 151 days of operating expenses. Prudent financial planning over the years has allowed the town to maintain its AA rating with the credit-rating agency 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 three (3) small governmental funds with the much larger general fund for reporting purposes.

The increases in fund balance in recent years are the result of budget surpluses. A budget surplus occurs when the revenue received is higher than the expenses incurred. As the following graph illustrates, the town has had budget surpluses in the General Fund every year since 2010.



While the economy is continuing to improve, the fund balance in 2019 is expected to decrease. Revenue projections for the year have been conservatively estimated and expenditures have been estimated with just over a 2.4 percent increase compared to 2018. 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.

The 2019 Budget includes revenues of \$5,972,753 and net transfers in of \$3,270,000 for a total of \$9,242,753, an increase of \$3,632,315 compared to the 2018 Budget. This increase is primarily due the transfers in. The transfer in of \$3,000,000 is abnormal and is expected to be a one-time occurrence from the Water Fund. The remaining transfer in of \$250,000 is expected to continue each year as these transfers in are intended to cover the cost of prior development obligations. Additional increases in revenues are associated with sales tax revenues, building permit revenues and business licenses issuances. New businesses in the Town of Frederick have contributed to the increase in sales tax collections and strong economic growth in the area has resulted in higher building permit and business license revenues. The 2019 Budget includes expenditures of

\$7,407,100, and transfers out of \$2,665,000. The transfers out include a \$1,950,000 transfer to the Capital Facilities Fund for future capital improvements, \$40,000 to the Events Fund and a \$675,000 transfer to the Parks Improvement Fund for the construction of a skate park. The actual expenditures amount is \$1,102,286 higher than what was budgeted in 2018. The increase is primarily due to the completion of a developer obligation with a cost of \$700,000, the addition of one full-time police officer, one additional police vehicle, an additional mechanic and equipment for that position and a replacement vehicle for engineering.



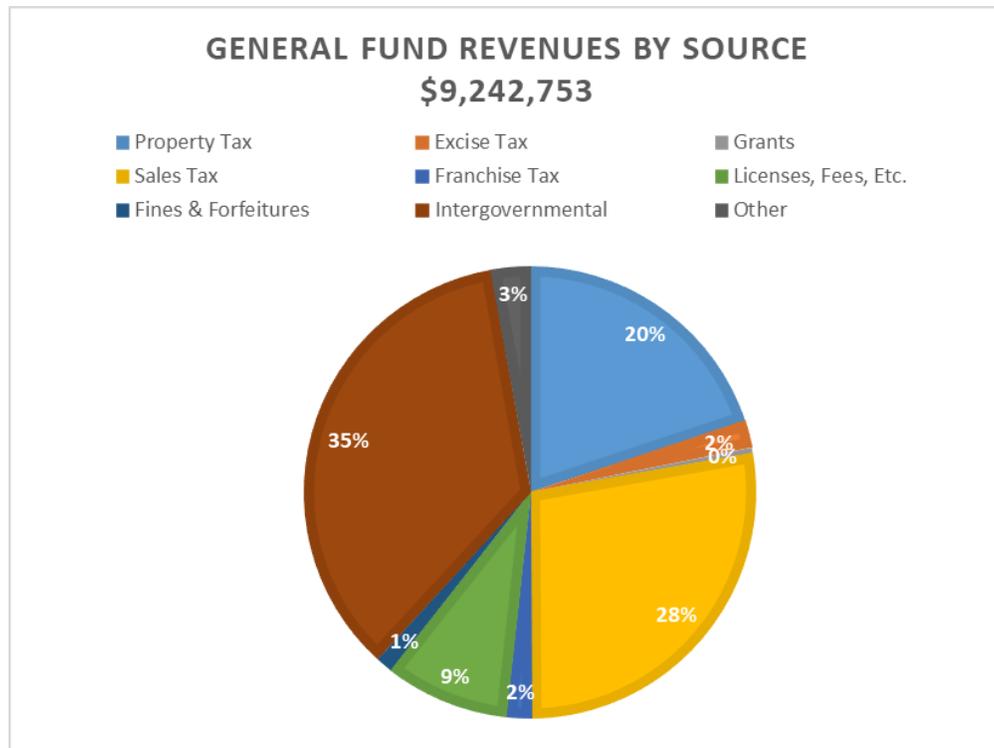
1 Town Hall - Administration Building

GENERAL FUND BUDGET

General Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	4,733,789	5,521,628	5,521,628	3,440,658
<u>Revenues:</u>				
Taxes & Fees	4,357,297	4,288,738	4,950,292	4,745,653
Licenses & Permits	1,030,910	766,500	1,316,420	822,500
Fines & Forfeitures	117,732	100,000	107,945	110,000
Earnings on Investment	22,773	8,200	14,470	12,600
Miscellaneous Revenue	84,426	52,000	97,557	42,000
Grants & Contributions	213,948	95,000	284,365	240,000
<i>Transfers In</i>	(251,000)	(2,769,000)	(2,769,000)	3,270,000
Total Operating Revenues	5,576,086	2,541,438	4,002,049	9,242,753
<u>Expenditures:</u>				
Administration	702,168	1,256,943	1,304,438	2,066,183
Finance	111,879	183,715	178,965	193,255
Courts Division	138,621	138,730	127,330	135,915
Legislative	397,812	432,290	346,839	442,050
Engineering	149,988	221,325	212,125	235,345
Planning	363,105	459,645	452,945	381,905
Police	2,570,384	3,224,021	3,092,583	3,379,442
Public Works & Buildings	354,290	388,145	367,794	573,005
<i>Transfers Out</i>	-	-	-	2,665,000
Total Expenditures	4,788,247	6,304,814	6,083,019	10,072,100
Excess (Deficiency) of Revenues and Other Sources over Expenditures	787,839	(3,763,376)	(2,080,970)	(829,347)
Ending Fund Balance	5,521,628	1,758,252	3,440,658	2,611,311

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 52 percent (52%) of the total revenues projected for 2019. Typically, taxes make up approximately 76 percent of the total revenues, but the \$3,270,000 in transfers in in 2019 have dramatically shifted that percentage. 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 2019.

General Fund Revenue Sources		
Source	Amount	% of Total
Property Tax	1,838,153	20%
Excise Tax	181,500	2%
Grants	35,000	0%
Sales Tax	2,558,000	28%
Franchise Tax	167,000	2%
Licenses, Fees, Etc.	822,500	9%
Fines & Forfeitures	110,000	1%
Intergovernmental	3,270,000	35%
Other	260,600	3%

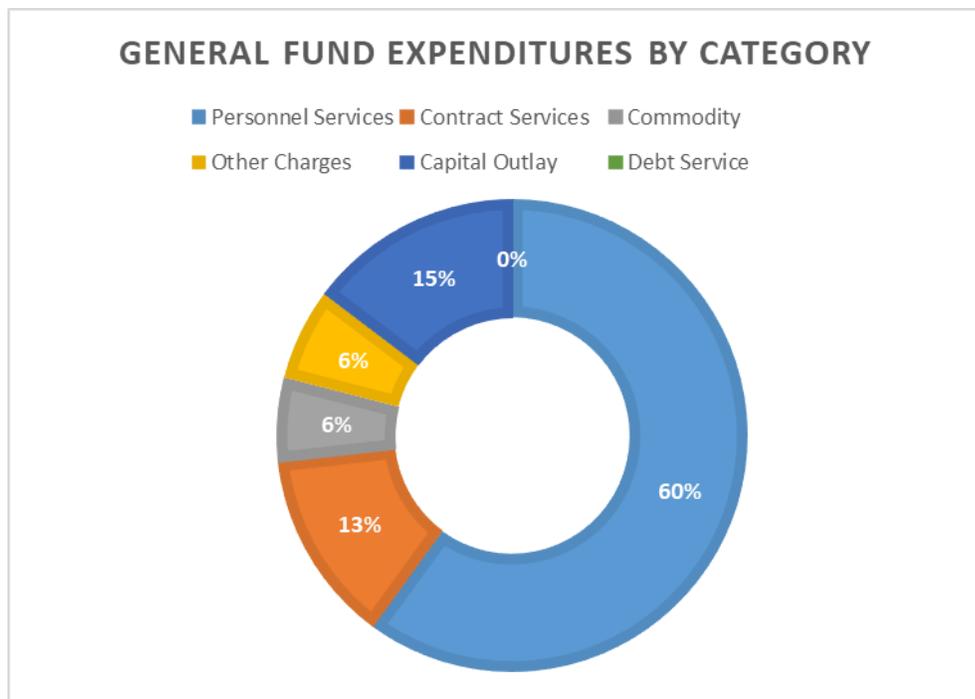
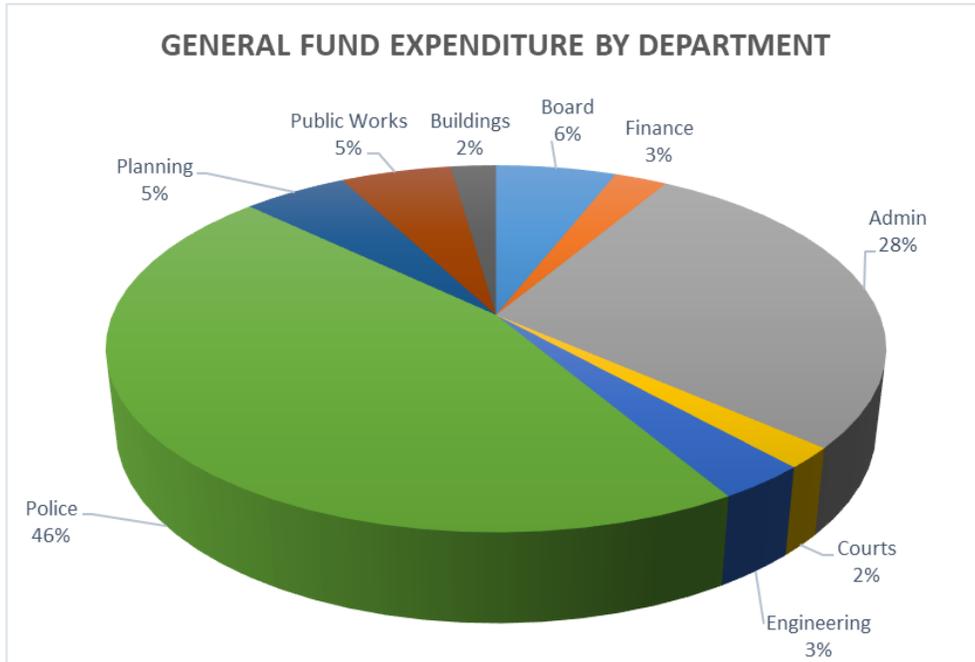
General Fund Expenditures

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 2019 Budget includes an expense of \$950,000 for obligations associated with development, \$26,000 for a replacement engineering vehicle, \$49,800 for a new police vehicle and \$64,613 for new equipment for a new mechanic and building security. The only recurring expense is the \$250,000 which is associated with a \$250,000 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	17,200	287,150	2,020	135,680	442,050	---	---	442,050
Finance	157,100	17,200	12,055	6,900	193,255	---	---	193,255
General Admin	686,160	204,171	93,102	132,750	1,116,183	950,000	---	2,066,183
Courts	82,600	46,850	5,295	1,170	135,915	---	---	135,915
Engineering	157,600	27,330	19,040	5,375	209,345	26,000	---	235,345
Police	2,808,460	171,427	230,260	119,495	3,329,642	49,800	---	3,379,442
Planning	278,600	74,220	23,495	5,590	381,905	---	---	381,905
Public Works	233,330	46,300	35,552	27,250	342,432	64,613	---	407,045
Building	26,375	102,000	6,000	31,585	165,960	---	---	165,960
Totals	\$4,447,425	\$976,648	\$426,819	\$465,795	\$6,316,687	\$1,090,413	\$0	\$7,407,100
Total Cash Available								\$ 10,018,411
Ending Fund Balance								2,611,311
% of Total Budget	60.04%	13.19%	5.76%	6.29%	85.28%	14.72%	0.00%	100.00%

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 sixty percent (60%) of the costs. The charts below detail the expenditures for the General Fund by department and by category.



GENERAL FUND DEPARTMENT SUMMARIES

ADMINISTRATION

Administration Budget	2017 Actual	2018 Approved Budget	2018 Year End Projections	2019 Budget
Personnel Services	455,409	562,740	610,235	686,160
Contract Services	126,521	211,838	215,838	204,171
Commodity	24,892	34,700	34,700	93,102
Other Charges	95,346	147,665	143,665	132,750
Total Operating	702,168	956,943	1,004,438	1,116,183
Capital Outlay	-	300,000	300,000	950,000
Debt Service	-	-	-	-
Total Expenditures	702,168	1,256,943	1,304,438	2,066,183
FTE's	5.05	5.20	5.20	5.55

Overview and Description

The Town of Frederick Administration office is made up of the Town Manager, Town Clerk, Human Resources, Community Relations and Information Technology (IT). Below is an overview of the specific tasks and responsibilities within Administration. This is the first year that IT has been included in the Administration budget so there is an increase in costs to accommodate that shift. The other large increase in the 2019 budget is in Capital Outlay, which will be used to meet developer obligations.

Town Manager

The Town Manager is appointed by the Mayor and Board of Trustees and serves at the pleasure of the Town Board. The Town Manager's office, which consists of the Town Manager and Deputy Town Manager, 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

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

Town Manager Goals and Key Performance Indicators (KPI)

Strategic Foundation: Fiscal Responsibility and Operational Excellence				
Objective:				
Maintain fiscal sustainability and flexibility				
Strategy:				
Manage debt responsibly by borrowing only for substantial long-term assets				
Measure	2016	2017	2018	Comments
<i>Performance:</i>				
Bond Rating	AA	AA	AA	
Strategic Foundation: Economic and Community Vitality				
Objective:				
Community vitality				
Strategy:				
Partner with special districts and other outside agencies to strengthen our position as a regional cultural and recreational destination				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
No. of community partner and local business contacts, annually	198	193	150	
Strategic Foundation: Fiscal Responsibility and Operational Excellence				
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide value and excellence to our customers by effectively balancing efficiency and cost containment with innovation and customer convenience.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of cross-trained positions (Eligible/Actual)	N/A	N/A	N/A	New KPI
<i>Performance:</i>				
Successes realized from succession planning	N/A	3	1	

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 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 and Key Performance Indicators (KPI)

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Neighborhood livability				
Strategy:				
Cultivate partnerships with residential neighborhoods and home owner associations that foster quality neighborhoods.				
Measure	2016	2017	2018	Comments
Workload:				
Number of Community BBQ Tour stops	12	12	12	
Performance:				
Number of residents attending	1,067	1,154	1,036	

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Community vitality				
Strategy:				
Actively engage with residents and other community members to promote awareness of and participation in town-sponsored and other community events and amenities.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of Facebook posts	392	377	369	
<i>Performance:</i>				
Number of Facebook Engagements	163,627	99,652	373,455	
Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest and forthright manner, and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload</i>				
Average Number of hours spent on the website per week	N/A	N/A	N/A	New KPI
<i>Performance:</i>				
Website Readability Score	9.4	9.1	9.3	
<i>Performance:</i>				
Visits to Website	179,132	168,399	219,858	
Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest and forthright manner, and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of Frederick Flash editions	51	50	49	
<i>Performance:</i>				
Number of Frederick Flash subscribers	801	1,064	1,270	
<i>Performance:</i>				
Percentage of Frederick Flash clicks	9.02%	7.16%	7.71%	

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, training, staffing and general liability insurance for the town.

Human Resources Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
<i>Objective:</i>				
Deliver efficient, effective and innovative government services				
<i>Strategy:</i>				
Optimize the use of technology to drive efficiency and productivity.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of payroll checks issued	1,777	1,880	1,976	
<i>Performance:</i>				
Percent of payroll checks issued correctly, with no errors	97%	97%	97%	
Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
<i>Objective:</i>				
Deliver efficient, effective and innovative government services				
<i>Strategy:</i>				
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.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of trainings made available for employees	1	1	1	
<i>Performance:</i>				
Percent of employees participating in town sponsored training	100%	100%	100%	

Strategic Foundation: Fiscal Responsibility and Operational Excellence

Objective:

Deliver efficient, effective and innovative government services

Strategy:

Continue to develop and implement safety initiatives to achieve safety goals, and continue to focus on employee health and wellness.

Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of hours dedicated to risk management efforts	200	400	500	
<i>Performance:</i>				
Score obtained on the CIRSA property/casualty audit. Passing score is 80%	86%	92%	92%	

Strategic Foundation: Fiscal Responsibility and Operational Excellence

Objective:

Deliver efficient, effective and innovative government services

Strategy:

Continue to develop and implement safety initiatives to achieve safety goals, and continue to focus on employee health and wellness.

Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of worker's compensation claims	14	16	10	
<i>Performance:</i>				
Average number of days to submit an injury to workers compensation insurance once the injury has been reported to Human Resources	1	1	1	

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 an electronic filing program 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 and recording of meetings. 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. In addition, the Town Clerk supervises the Clerk of Court.

Town Clerk Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Fiscal Responsibility and Organizational Excellence		
Objective:				
Enhance Public Trust and Confidence				
Strategy:				
Provide services in an open, honest, and forthright manner; and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of Open Records Requests received	44	49	53	
<i>Performance:</i>				
Number of Open Records Requests closed within 3 day timeframe	44	49	53	
<i>Performance:</i>				
Percentage of open records requests completed	100%	100%	100%	

Strategic Foundation:		Fiscal Responsibility and Organizational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest, and forthright manner; and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of meeting minutes processed	35	33	28	
<i>Performance:</i>				
Percentage of meeting minutes presented for adoption at the following meeting	100%	100%	100%	

Strategic Foundation:		Fiscal Responsibility and Organizational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest, and forthright manner; and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of Agendas Processed	89	54	58	Board, FURA, LLA
<i>Performance:</i>				
Percentage of agendas distributed at least 3 days prior to meeting	100%	100%	100%	

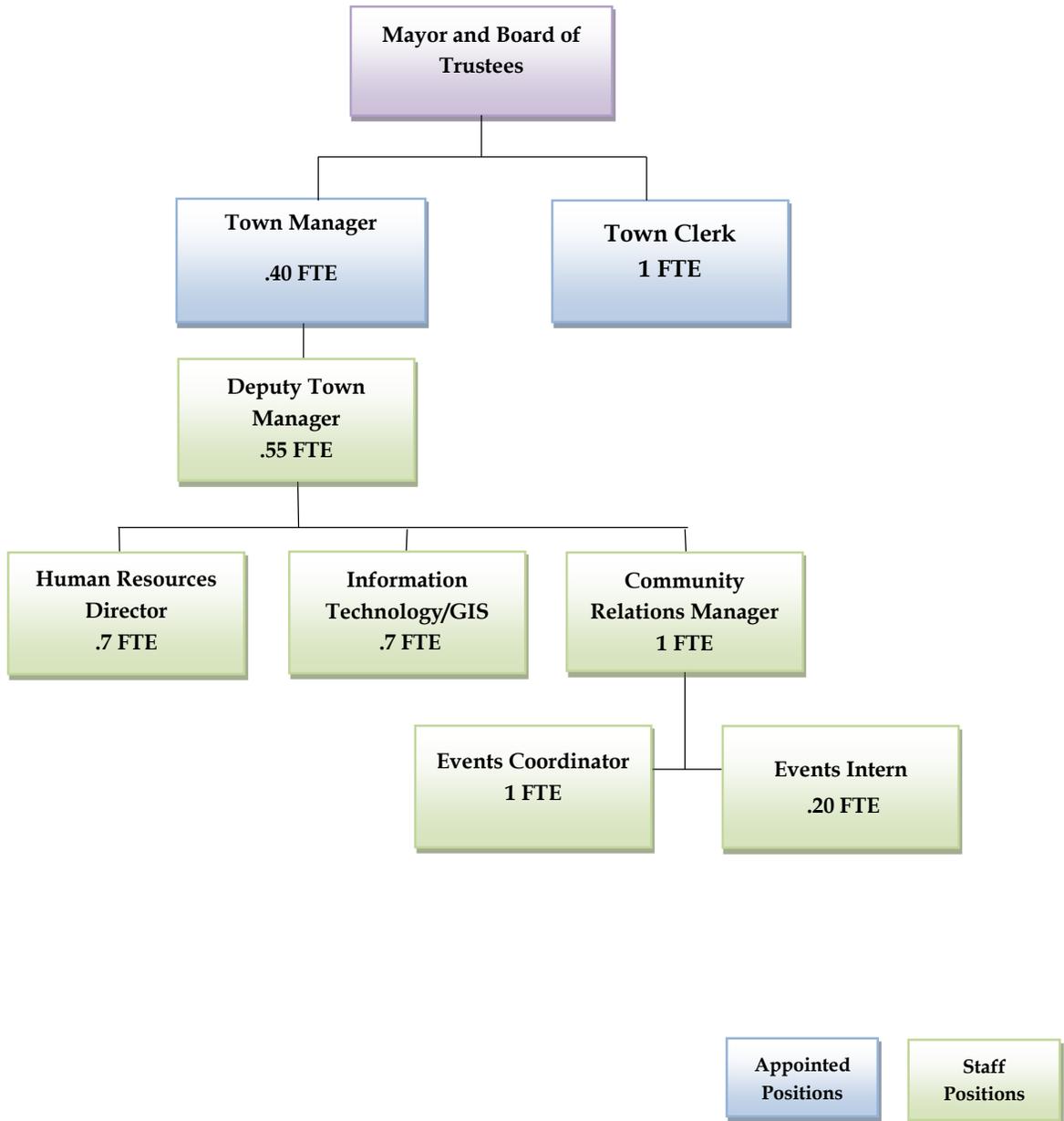
Strategic Foundation:		Fiscal Responsibility and Organizational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest, and forthright manner; and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of ordinances adopted and eligible for codification and/or indexing	28	22	39	
<i>Performance:</i>				
Percentage of ordinances codified and/or indexed	100%	100%	100%	

Strategic Foundation:		Fiscal Responsibility and Organizational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest, and forthright manner; and encourage public engagement in local government.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of Liquor License Applications received	14	15	17	Includes temporary use applications
<i>Performance:</i>				
Number of Liquor License Applications Processed/Completed within 90 Days	14	15	16	

Information Technology

The Information Technology (IT) division is a newly formed division for the Town of Frederick. IT refers to anything related to computing technology such as networking, hardware, software, the Internet and the people that work with these technologies. It is the use of computers to store, retrieve, transmit and manipulate data or information. Prior to 2019, this function existed primarily within the Planning Department in the General Fund with commodity costs being shared by all departments. As this is a newly formed division, data and information regarding the performance for this division is in the process of being compiled and will be available in the 2020 Budget.

ORGANIZATIONAL CHART
ADMINISTRATION DEPARTMENT - 5.55 FTE*



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

TOWN BOARD

<u>Town Board Budget</u>	2017 Actual	2018 Approved Budget	2018 Year End Projections	2019 Budget
Personnel Services	15,545	15,930	16,830	17,200
Contract Services	178,011	248,450	222,800	287,150
Commodity	15,380	7,000	7,200	2,020
Other Charges	70,169	160,910	100,009	135,680
Total Operating	279,105	432,290	346,839	442,050
Capital Outlay	118,707			-
Debt Service	-	-	-	-
Total Expenditures	397,812	432,290	346,839	442,050
FTE's	0.00	0.00	0.00	0.00

Overview and Description

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

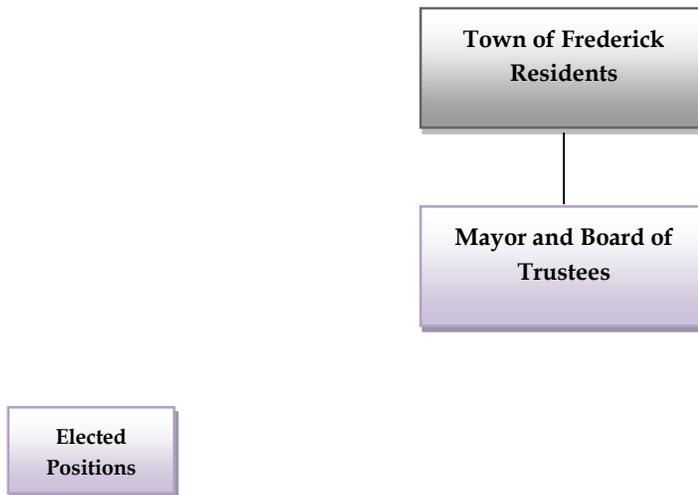
Town Clerk
Municipal Judge

The 2019 Budget for the Town Board reflects an increase in legal expenses, election expenses and miscellaneous expenses which includes the Community BBQ Tour. The Community BBQ tour schedule for 2019 is as follows:

Date	Location
June 5, 2019	Wyndham Hill Pool
June 12, 2019	Prairie Greens Clubhouse
June 19, 2019	Crist Park
June 26, 2019	Moore Farm Park
July 10, 2019	Carriage Hills Park
July 17, 2019	Rinn Valley Park
July 24, 2019	Raspberry Hill Park
July 31, 2019	Savannah Park
August 7, 2019	Countryside Park
August 14, 2019	Fox Run Park
August 21, 2019	No Name Creek West Park
August 28, 2019	Summit View Park

ORGANIZATIONAL CHART

TOWN BOARD - 0 FTE



FINANCE

Finance Budget	2017 Actual	2018 Approved Budget	2018 Year End Projections	2019 Budget
Personnel Services	95,752	132,495	132,495	157,100
Contract Services	6,946	20,150	15,400	17,200
Commodity	5,334	24,550	24,550	12,055
Other Charges	3,847	6,520	6,520	6,900
Total Operating	111,879	183,715	178,965	193,255
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	111,879	183,715	178,965	193,255
FTE's	1.20	1.25	1.25	1.75

Overview and Description

The Finance Department provides a wide range of comprehensive financial support services to the Mayor and Board of Trustees, Town Manager 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 cashing. Additionally, the finance department provides support to the Frederick Urban Renewal Authority (FURA) 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. The 2019 Budget reflects increases in personnel costs as a result of changes in allocations due to the sale of Frederick Power and Light. Additional changes include decreases in costs associated with IT as IT has been consolidated and included in the Administration budget.

Finance Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide services in an open, honest and forthright manner.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Did Comprehensive Annual Financial Report meet the requirements for the Certificate of Excellence from GFOA.	Yes	Yes	Yes	
<i>Performance:</i>				
Consecutive years that the Comprehensive Annual Financial Report received the Certificate of Excellence from GFOA.	3	4	N/A	
Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
Objective:				
Enhance public trust and confidence				
Strategy:				
Provide value and excellence to our customers by effectively balancing efficiency and cost containment.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Produce a budget that shows long term sustainability and is eligible for GFOA's Distinguished Budget Award.	N/A	Yes	Yes	
<i>Performance:</i>				
Consecutive number of years Budget document received GFOA Distinguished Budget Award	N/A	1	2	
Strategic Foundation:		Fiscal Responsibility and Operational Excellence		
Objective:				
Deliver efficient, effective, innovative government services				
Strategy:				
Optimize the use of technology to drive efficiency and productivity.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of shut-off calls placed	1,463	1,365	1,292	
<i>Performance:</i>				
Percent of shut-off calls successfully delivered	84%	87%	90%	

Strategic Foundation: Fiscal Responsibility and Operational Excellence

Objective:

Deliver efficient, effective, innovative government services

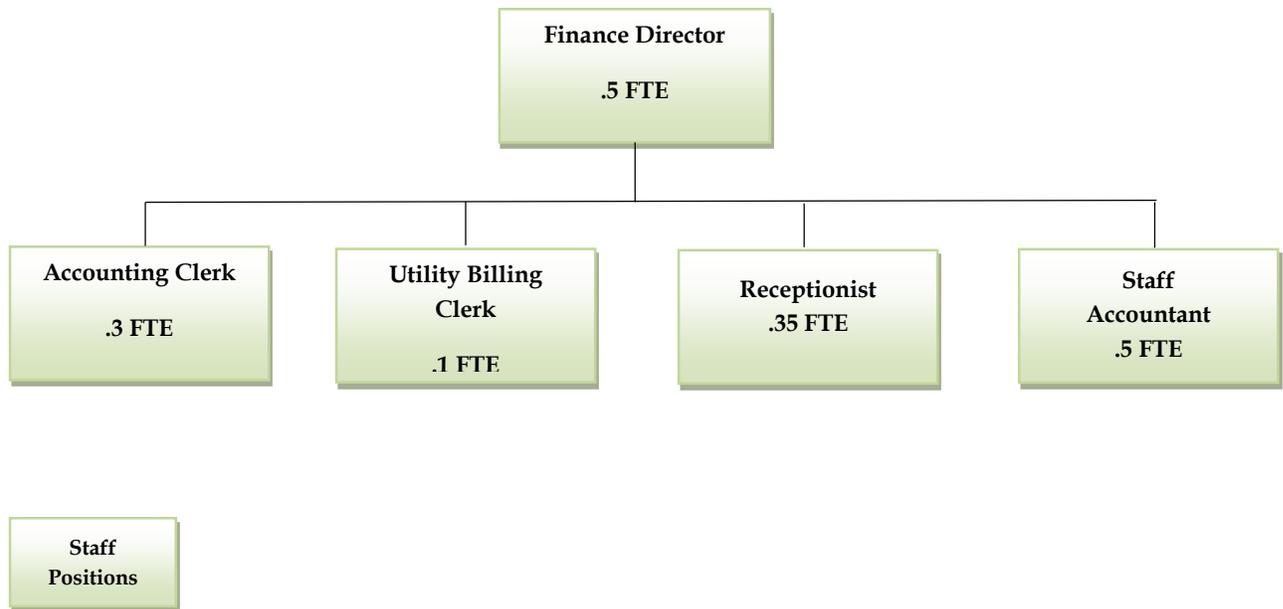
Strategy:

Optimize the use of technology to drive efficiency and productivity.

Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of AP invoices processed	3,452	3,231	3,807	
<i>Performance:</i>				
Percentage of AP checks issued correctly the first time	98%	99%	99%	

ORGANIZATIONAL CHART

FINANCE DEPARTMENT - 1.75 FTE*



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

MUNICIPAL COURT

	2017	2018	2018	2019
<u>Municipal Court Budget</u>	Actual	Approved Budget	Year End Projections	Budget
Personnel Services	75,237	79,480	79,480	82,600
Contract Services	58,495	49,500	41,400	46,850
Commodity	3,757	8,250	5,400	5,295
Other Charges	1,132	1,500	1,050	1,170
Total Operating	138,621	138,730	127,330	135,915
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	138,621	138,730	127,330	135,915
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 specifically. It is the mission of the court to ensure 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.

The 2019 budget reflects changes in salaries and health insurance costs as well as increases in contract service costs for legal fees and the addition of video arraignment.

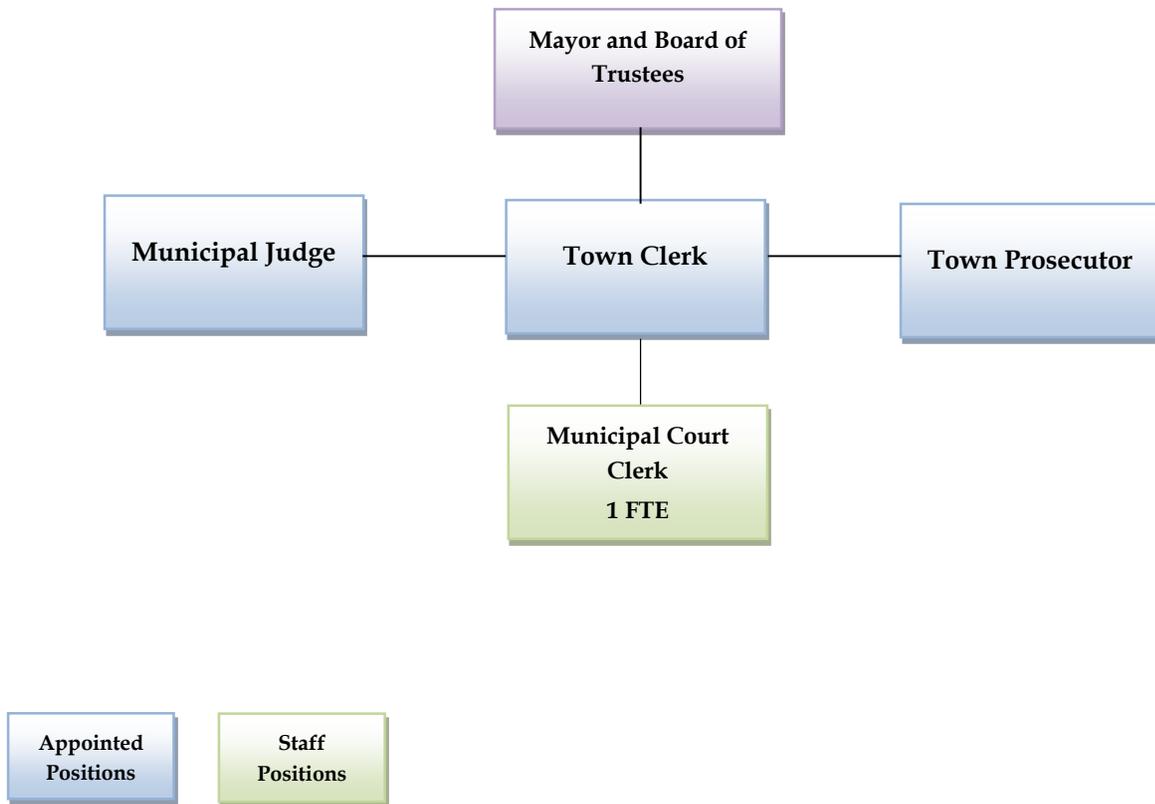
Municipal Court Goals and Key Performance Indicators (KPI)

Strategic Foundation: Community Safety				
Objective:				
Provide and maintain public safety in our community				
Strategy:				
Enhance the public's perception of the importance of community safety through both formal and informal channels.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of cases that were eligible for and offered the opportunity to participate in the restorative justice		1	3	
<i>Performance:</i>				
Number of participants that completed the program		1	0	
Strategic Foundation: Fiscal Responsibility and Operational Excellence				
Objective:				
Deliver efficient, effective and innovative government services				
Strategy:				
Continue to seek innovative ways to improve performance across all areas of the organization.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of cases	N/A	811	804	
<i>Performance:</i>				
Percentage of cases closed within 90 days	N/A	N/A	85%	
Strategic Foundation: Fiscal Responsibility and Operational Excellence				
Objective:				
Deliver efficient, effective and innovative government services				
Strategy:				
Continue to seek innovative ways to improve performance across all areas of the organization.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of files maintained	N/A	811	804	
<i>Performance:</i>				
Percentage of files that can be retrieved in less than 15 minutes that meet established standards for completeness and accuracy	N/A	N/A	98%	

Strategic Foundation: Fiscal Responsibility and Operational Excellence				
Objective:				
Deliver efficient, effective and innovative government services				
Strategy:				
Continue to seek innovative ways to improve performance across all areas of the organization.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Total number of cases with fines assessed	N/A	N/A	743	
<i>Performance:</i>				
Percentage of cases collected within the designated timeframe	N/A	N/A	85%	

ORGANIZATIONAL CHART

MUNICIPAL COURTS DIVISION - 1.0 FTE



ENGINEERING

Engineering Budget	2017 Actual	2018 Approved Budget	2018 Year End Projections	2019 Budget
Personnel Services	128,577	141,515	141,515	157,600
Contract Services	8,248	29,010	22,810	27,330
Commodity	9,305	19,600	18,100	19,040
Other Charges	3,858	5,200	4,200	5,375
Total Operating	149,988	195,325	186,625	209,345
Capital Outlay	-	26,000	25,500	26,000
Debt Service	-	-	-	-
Total Expenditures	149,988	221,325	212,125	235,345
FTE's	1.90	1.90	1.90	1.90

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.

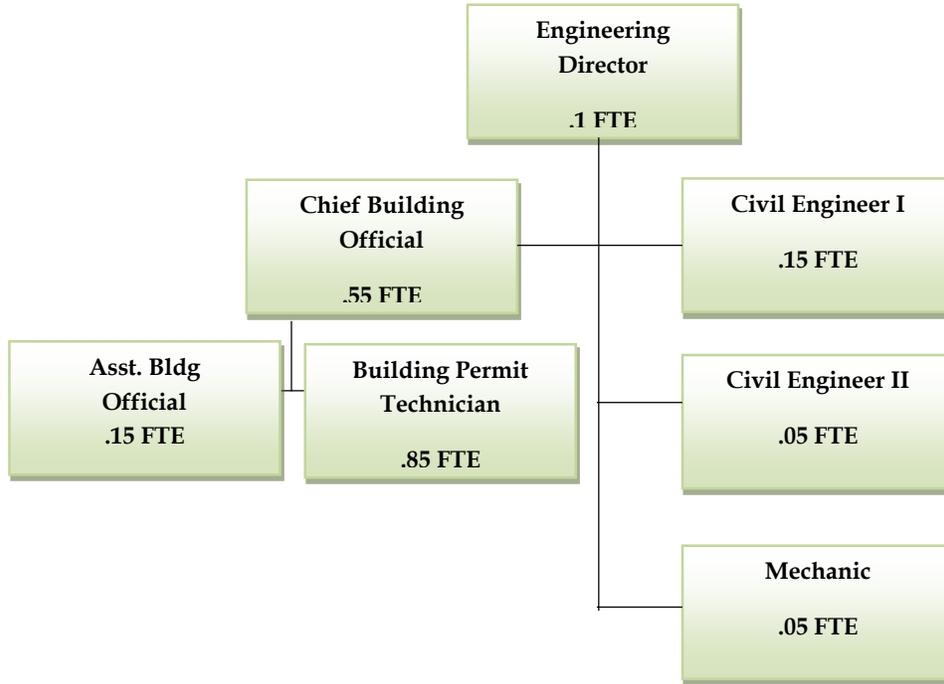
The Building Division's top priority is to apply the town's adopted building codes properly in order to ensure a safe building environment for our citizens and businesses. Public education is paramount, coupled with timely plan review and appropriate building code application and enforcement.

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

Engineering Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safe infrastructure in our community					
Strategy:					
Require building inspections for both new construction and existing remodels in order to ensure standards are met.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Pending permit applications	N/A	N/A	30		
<i>Performance:</i>					
Average days from permit application submittal to permit issued (commercial/residential)	N/A	N/A	4		
Strategic Foundation:		Facilities and Infrastructure			
Objective:					
Provide a high quality and reliable water supply and manage drainage appropriately					
Strategy:					
Ensure new development provides system improvements that meet town standards.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of development applications received	N/A	N/A	45		
<i>Performance:</i>					
Average number of hours to review and complete each submittal	N/A	N/A	3		
Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain safe infrastructure in our community					
Strategy:					
Require building inspections for both new construction and existing remodels in order to ensure standards are met.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of calls/emails regarding building permit questions	N/A	N/A	5		
<i>Performance:</i>					
Percentage of calls/emails returned within a 24-hour period.	N/A	N/A	100%		

**ORGANIZATIONAL CHART
ENGINEERING DEPARTMENT - 1.90 FTE***



**Staff
Positions**

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

PLANNING

	2017	2018	2018	2019
Planning Budget	Actual	Approved Budget	Year End Projections	Budget
Personnel Services	292,878	326,220	326,220	278,600
Contract Services	25,282	76,100	69,400	74,220
Commodity	40,275	50,375	50,975	23,495
Other Charges	4,670	6,950	6,350	5,590
Total Operating	363,105	459,645	452,945	381,905
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	363,105	459,645	452,945	381,905
FTE's	3.30	3.40	3.40	2.70

Overview and Description

The Planning Department currently has the following positions: Planning Director, Planner II and Planner I. 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 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 any town staff 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 Department 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 in coordination with the Administration Department. 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, Community Relations, 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 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 Public Works Departments 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.

The Planning Department budget has changed substantially. In 2019, the IT functions for the town that were previously housed in the Planning Department have been moved to the Administration Department resulting in a more than fifteen percent decrease in the overall budget for Planning.

Planning Goals and Key Performance Indicators (KPI)

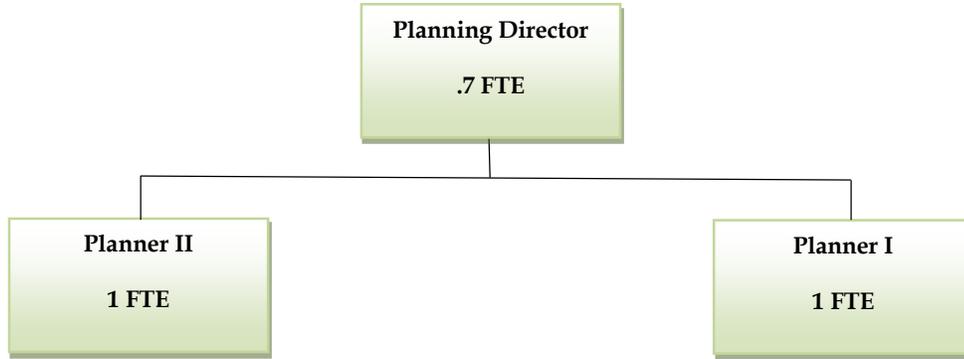
Strategic Foundation:		Economic and Community Vitality		
Objective:				
Neighborhood livability				
Strategy:				
Direct and guide growth in the community through appropriate annexation, zoning, planning and land use development.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Total development applications submitted	46	50	54	
<i>Performance:</i>				
Average number of days for planning department's first application review	21	21	17	

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Neighborhood livability				
Strategy:				
Direct and guide growth in the community through appropriate annexation, zoning, planning and land use development.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of land use code and comprehensive plan amendments	12	7	2	
<i>Performance:</i>				
Number of land use code and comprehensive plan amendments approved by the Board	5	6	2	

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Neighborhood livability				
Strategy:				
Direct and guide growth in the community through appropriate annexation, zoning, planning and land use development.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of annexation applications submitted	1	2	3	Each annexation plat is counted as an individual annexation
<i>Performance:</i>				
Number of annexation applications approved	1	1	3	Each annexation plat is counted as an individual annexation

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Community vitality				
Strategy:				
Actively engage with residents and other community members to promote awareness of and participation in town-sponsored and other community events and amenities.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of temporary use applications submitted.	16	20	10	
<i>Performance:</i>				
Average number of days for resolution	16	20	22	

ORGANIZATIONAL CHART
PLANNING DEPARTMENT - 2.7 FTE*



Staff
Positions

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

POLICE

	2017	2018	2018	2019
<u>Police Budget</u>	Actual	Approved Budget	Year End Projections	Budget
Personnel Services	2,144,637	2,528,420	2,528,420	2,808,460
Contract Services	95,119	117,600	107,600	171,427
Commodity	211,904	296,850	217,250	230,260
Other Charges	118,725	117,550	110,750	119,495
Total Operating	2,570,385	3,060,420	2,964,020	3,329,642
Capital Outlay	-	163,601	128,563	49,800
Debt Service	-	-	-	-
Total Expenditures	2,570,385	3,224,021	3,092,583	3,379,442
FTE's	23.10	24.90	24.90	26.90

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, also known as dispatch.

Dispatch services are provided to all law enforcement agencies in Weld County, including all fire protection districts, by the Weld County Regional Communications Center. This provides for all agencies to have the ability to communicate quickly with each other when handling emergencies. This also provides for good coordination between agencies in the day to day provision of services to the public. The cost to agencies such as Frederick is low; much lower than the town could do on its own.

Much of the work done by officers can be reviewed by citizens on the town website 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 two detectives 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 police officers at Frederick High School and Thunder Valley K-8 School during the school year. The school district pays for a portion 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.

The Police Department's 2019 budget shows increases in costs as a result of one full-time officer position being added, increased contractual costs for Emergency Operations Management, increased software and hardware costs and one additional police vehicle and related emergency vehicle equipment.

Police Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safety in our community					
Strategy:					
Be responsive and effective in dealing with reported crime.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of criminal offenses (not traffic, code or service calls)	439	424	404		
<i>Performance:</i>					
Average number of days for a case to be reviewed and closed or released to another jurisdiction	N/A	N/A	N/A	New KPI	
Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safety in our community					
Strategy:					
Enhance public perception of the importance of community safety through formal and informal channels.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of Community Outreach events attended by PD	N/A	N/A	58		
<i>Performance:</i>					
Number of officer hours participating in outreach programs	N/A	N/A	433		
Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safety in our community					
Strategy:					
Respond to quality of life issues impacting the citizens of Frederick					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of code warnings issued	1,073	651	491	In 2017, documentation process changed	
<i>Performance:</i>					
Number of property abatements – non-voluntary compliance	2	1	11	In 2018, abatement process changed	
<i>Performance:</i>					
Number of warnings brought into compliance within 30 days - voluntary compliance	2	1	7	In 2018, abatement process changed	

Strategic Foundation: Community Safety

Objective:

Provide and maintain public safety in our community

Strategy:

Ensure that the Frederick Police Department has the necessary personnel training to provide safety and protection.

Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Maintain Colorado POST required minimum training standards	24hrs/5	24 hrs/5	24hrs/5	
<i>Performance:</i>				
Percentage of officers to complete POST required training	100%	100%	100%	

Strategic Foundation: Community Safety

Objective:

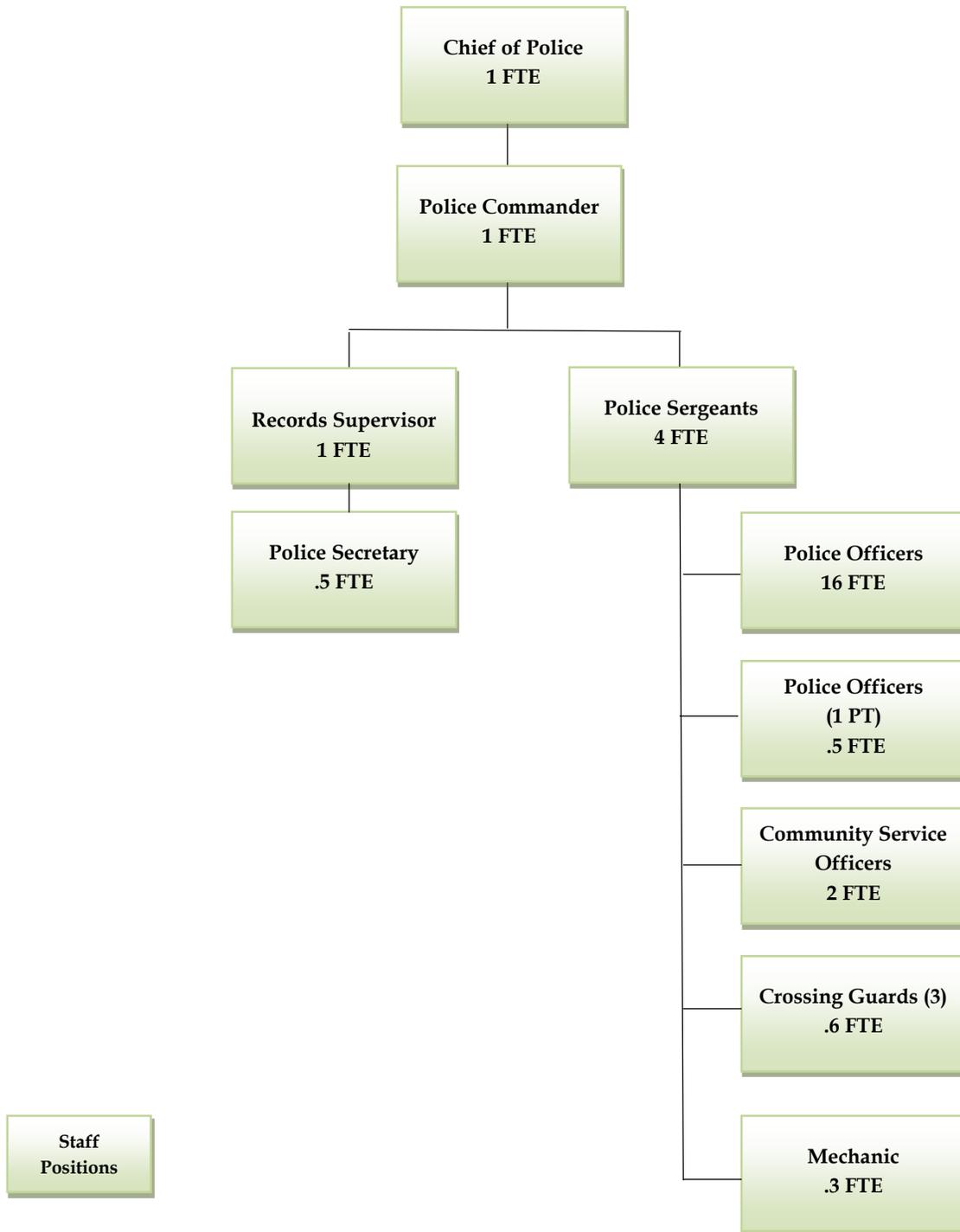
Provide and maintain public safety in our community

Strategy:

Be responsive and effective in dealing with reported crime.

Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of calls for service	887	9,988	10,855	
<i>Performance:</i>				
Written reports	N/A	N/A	N/A	New KPI

ORGANIZATIONAL CHART
POLICE DEPARTMENT - 26.90 FTE



PUBLIC WORKS

	2017	2018	2018	2019
<u>Public Works Budget</u>	Actual	Approved Budget	Year End Projections	Budget
Personnel Services	143,359	150,745	150,745	233,330
Contract Services	29,531	45,250	42,250	46,300
Commodity	19,965	16,450	15,300	35,552
Other Charges	24,439	24,250	26,250	27,250
Total Operating	217,294	236,695	234,545	342,432
Capital Outlay	-	10,000	-	64,613
Debt Service	-	-	-	-
Total Expenditures	217,294	246,695	234,545	407,045
FTE's	1.70	1.70	1.70	2.25

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, two supervisors, twelve full-time maintenance employees, one full-time mechanic, one full-time mechanic supervisor and one full-time Administrative Assistant. The Public Works Director and his supervisory staff coordinate these efforts to ensure the services delivered by the department are carried out and a high level of service is attained. The administrative assistant within the department assists these 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.

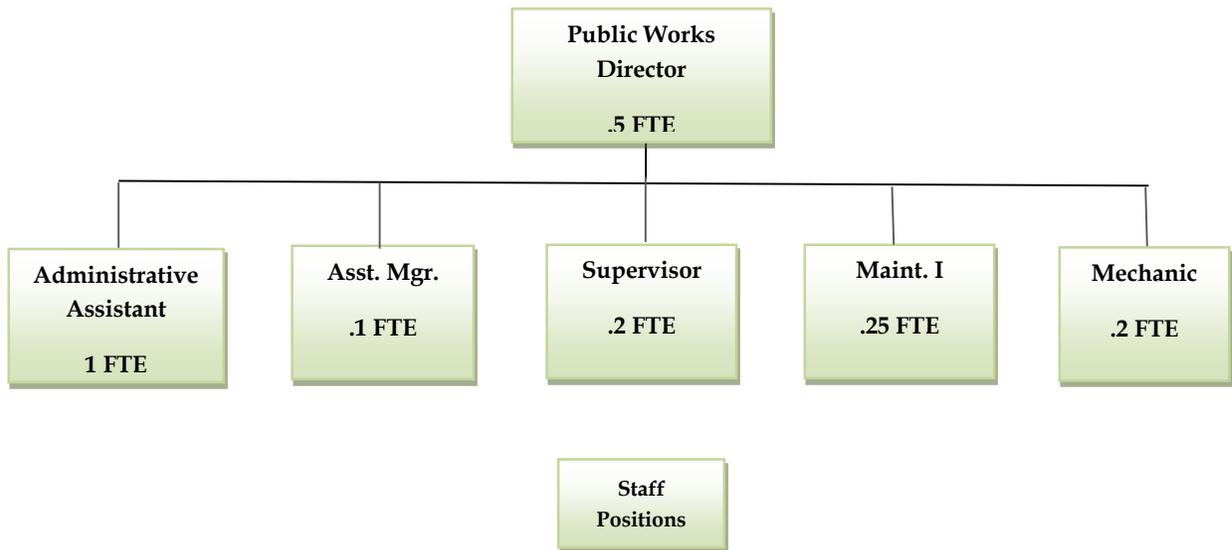
The 2019 Budget for Public Works has increased as a result of employee allocation changes, the addition of a full-time mechanic, the equipment needed for the mechanic and additional security equipment for the public works facility.

Public Works Goals and Key Performance Indicators (KPI)

Strategic Foundation:	Facilities and Infrastructure			
Objective:	New and existing buildings and facilities			
Strategy:	Ensure proper maintenance, upkeep and security for all Town owned and leased assets.			
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of scheduled preventative maintenance services	N/A	N/A	18	
<i>Performance:</i>				
Percentage of completed preventative maintenance services	N/A	N/A	100%	
<i>Workload:</i>				
Number of unscheduled/emergency maintenance/repairs services	N/A	N/A	30	
<i>Performance:</i>				
Percentage of unscheduled/emergency repairs completed within 48 hours	N/A	N/A	75%	

ORGANIZATIONAL CHART

PUBLIC WORKS DEPARTMENT - 2.25 FTE*



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

BUILDINGS

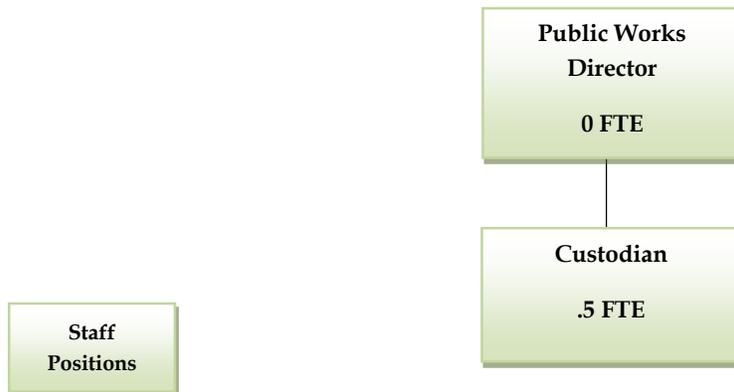
Buildings Budget	2017 Actual	2018 Approved Budget	2018 Year End Projections	2019 Budget
Personnel Services	21,398	24,650	24,650	26,375
Contract Services	86,712	83,200	74,500	102,000
Commodity	5,402	4,500	5,000	6,000
Other Charges	23,484	29,100	29,100	31,585
Total Operating	136,996	141,450	133,250	165,960
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	136,996	141,450	133,250	165,960
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. The 2019 Budget has increased primarily as a result of increases in costs for utility services.

ORGANIZATIONAL CHART

BUILDINGS DEPARTMENT - .5 FTE*



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

SPECIAL REVENUE FUNDS



STREET AND ALLEY FUND



STREET AND ALLEY FUND

The Fund is responsible for the maintenance and preservation of over 91 centerline miles of paved roadways, Manual on Uniform Traffic Control Devices (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 Departments.

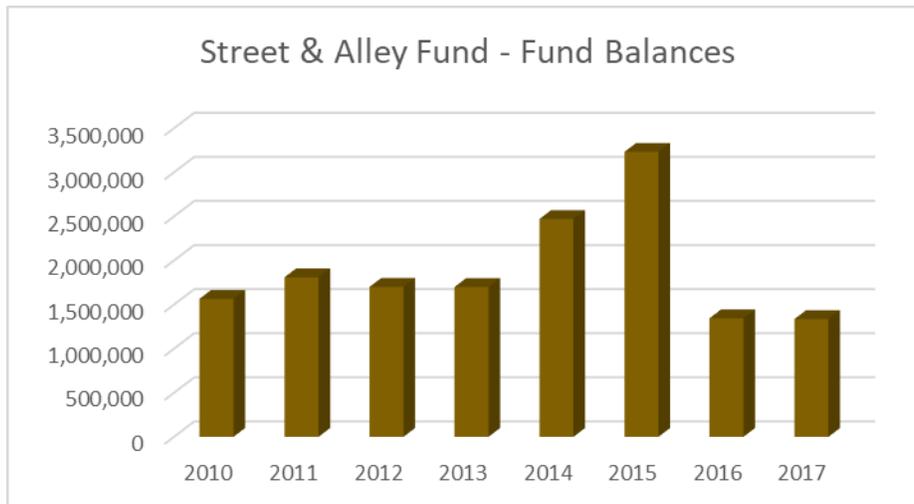
The Street and Alley Fund receives the majority of its funding from the collection of taxes and fees by Weld County and the State of Colorado including the Highway User Tax Funds (HUTF). These taxes and fees are collected by the County and then forwarded to the town on a monthly basis. Also included 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 allows 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 2019.

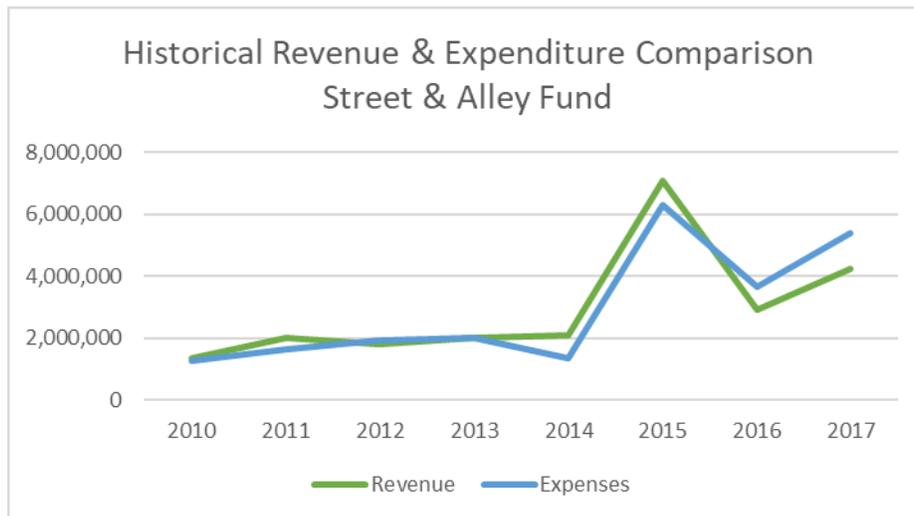


2 Concrete Alley Project

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 2019 is expected to decrease from the 2018 levels as revenues do not include any grant funding for capital projects.

The 2019 budget for the Street and Alley Fund includes revenues of \$3,090,400 a decrease of \$1,042,994 compared to the 2018 Budget. This decrease is primarily a result of lower grant revenues that are expected in 2019. In 2019, the town budgeted for \$415,000 in grant funding. The Highway Safety Improvement Program (HSIP) grant is intended to fund an acceleration lane at the intersection of I-25 and Hwy 52. The 2019 Budget includes expenditures of \$3,495,003 and transfers of \$253,130, for a total of \$3,748,133. This amount is \$1,128,952 lower than what was

budgeted in 2018. The decrease is attributed to \$1,243,950 less in capital spending on streets projects and a slight increase in general operations costs. In 2019, the town’s capital projects are approximately \$771,050 and include an acceleration lane at the intersection of Highway 52 and I-25, as well as alley paving and final completion to the downtown drainage repaving project that was started and nearly completed in 2018.



3 - 5th and Oak Streets Before Downtown Drainage Project



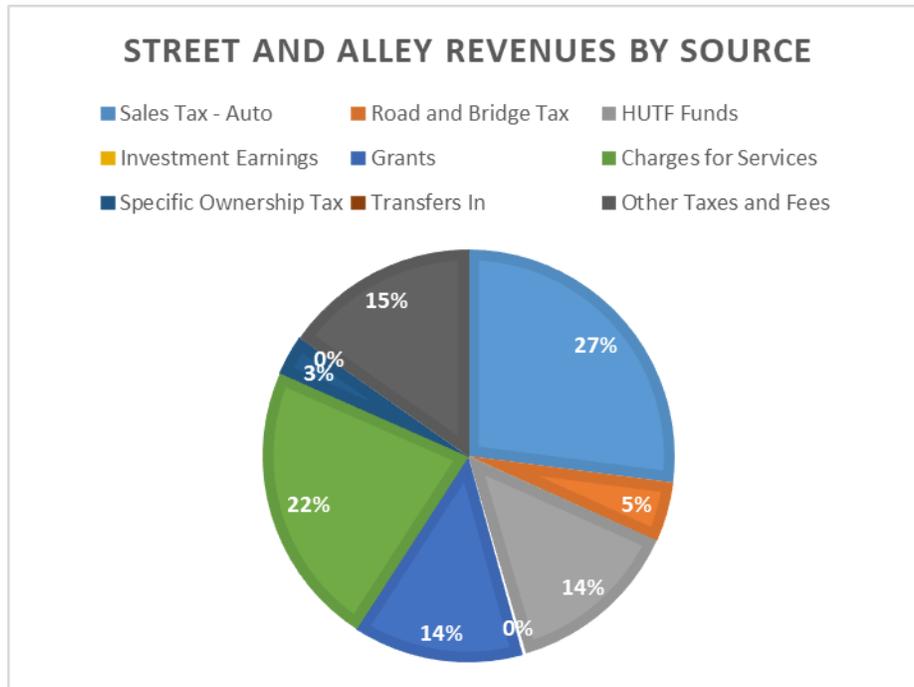
4 - 5th and Oak Streets After Downtown Drainage Project

Street and Alley Fund Budget

Street & Alley Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	2,499,046	1,335,671	1,335,671	1,584,536
<u>Revenues:</u>				
Taxes & Fees	2,169,769	1,596,400	2,357,816	1,974,000
Charges for Services	660,612	645,000	676,000	692,900
Earnings on Investment	13,774	500	9,000	7,500
Miscellaneous Revenue	1,393,695	1,184,494	798,184	416,000
<i>Transfers In</i>	-	707,000	707,000	-
Total Operating Revenues	4,237,850	4,133,394	4,548,000	3,090,400
<u>Expenditures:</u>				
Operations	2,340,844	2,211,085	2,110,135	2,370,953
Capital	2,763,790	2,068,000	1,591,000	824,050
Debt Service	285,000	285,000	285,000	300,000
<i>Transfers Out</i>	11,591	313,000	313,000	253,130
Total Expenditures	5,401,225	4,877,085	4,299,135	3,748,133
Excess (Deficiency) of Revenues Over Expenditures	(1,163,375)	(743,691)	248,865	(657,733)
Ending Fund Balance	1,335,671	591,980	1,584,536	926,803

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 2019.

Street and Alley Fund Revenue Sources		
Source	Amount	% of Total
Sales Tax - Auto	836,000	27%
Road and Bridge Tax	145,000	5%
HUTF Funds	425,000	14%
Investment Earnings	7,500	0%
Grants	415,000	13%
Charges for Services	692,900	22%
Specific Ownership Tax	97,000	3%
Transfers In	0	0%
Other Taxes and Fees	472,500	15%

Street and Alley Fund Expenditures

The Street and Alley Fund contains operating expenses of \$2,512,233, debt service expense of \$464,850 and capital outlay of \$771,050, all of which is non-recurring. The non-recurring capital outlay will fund the acceleration lane on Highway 52, alley pavement and the remaining downtown drainage and pavement improvements. The acceleration lane is grant funded.

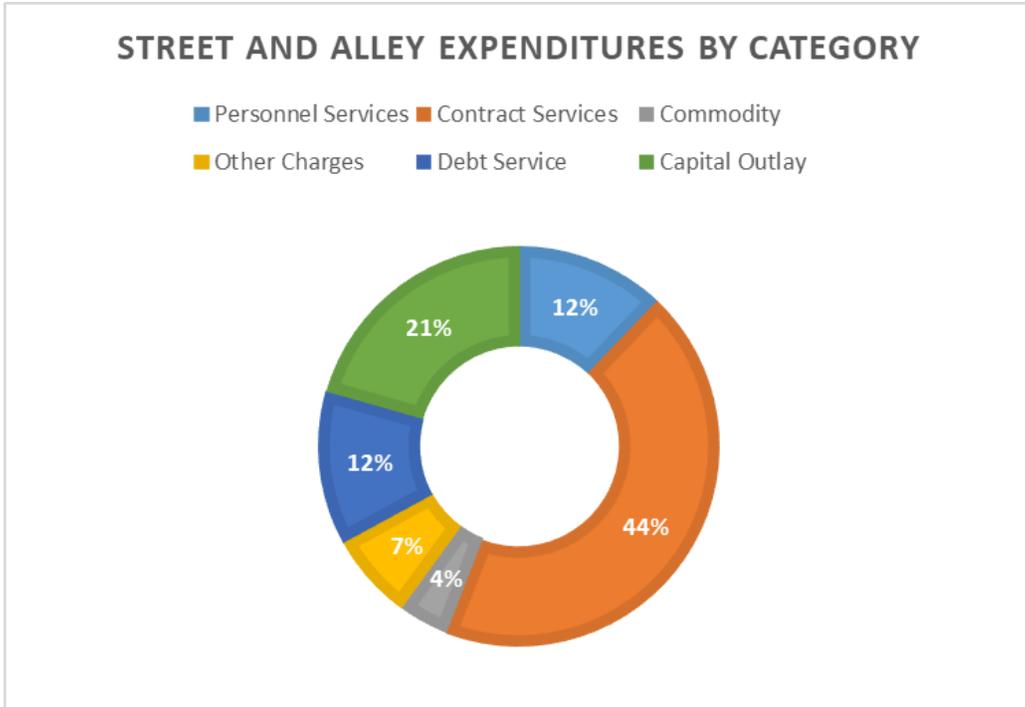
STREETS FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
General Admin	453,650	400	13,353	259,230	726,633	---	411,850	1,138,483
Engineering	0	845,000	2,900	1,500	849,400	728,000	---	1,577,400
Public Works	0	797,150	136,800	2,250	936,200	43,050	53,000	1,032,250
Totals	\$453,650	\$1,642,550	\$153,053	\$262,980	\$2,512,233	\$771,050	\$464,850	\$3,748,133
Total Cash Available								\$ 4,674,936
Ending Fund Balance								926,803
% of Total Budget	12.10%	43.82%	4.08%	7.02%	67.03%	20.57%	12.40%	100.00%

Projects Funded in 2019 Budget

- Addition of an acceleration lane at Highway 52 and I-25 (HSIP Project)
- Completion of downtown drainage pavement improvements
- Pavement Maintenance Program
- Pavement Striping Program
- Concrete and sidewalks
- Contractual road obligations
- Crack sealing and crosswalk painting
- Signal maintenance

The chart below details the expenditures for the Street and Alley Fund by category. In 2019, the largest expenditure will be contract services which includes a traffic study, infrastructure maintenance costs and refuse collection and electronic recycling costs. Capital projects include the construction of an acceleration lane on Highway 52 at I-25, completion of the downtown drainage project, pavement improvements and the concrete alleys program.



Street and Alley Fund Full Time Employees

Department	No. of Full Time Employees
Administration	.85
Operations	4.00
Total	4.85

Street and Alley Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Street and Alley Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Street and Alley Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safety in our community					
Strategy:					
Respond to quality of life issues impacting the citizens of Frederick.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of calls/emails regarding transportation concerns	N/A	N/A	40		
<i>Performance:</i>					
Percentage of transportation related calls/emails responded to in 48 hour period	N/A	N/A	97%		
Strategic Foundation:		Facilities and Infrastructure			
Objective:					
Maintain an adequate and safe transportation system					
Strategy:					
Maintain acceptable levels of accessibility and service life for all roads within Town Limits.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Completed annual inspection and updates to the town's roadway rating system	N/A	N/A	Yes		
<i>Performance:</i>					
Percentage of roads/streets that have a remaining service life greater than or equal to 13	N/A	N/A	67.2%		
Strategic Foundation:		Facilities and Infrastructure			
Objective:					
Maintain an adequate and safe transportation system					
Strategy:					
Maintain acceptable levels of accessibility and service life for all roads within Town Limits.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of street right-of-way permit applications submitted	N/A	N/A	44		
<i>Performance:</i>					
Average number of days to complete the review	N/A	N/A	2		

Strategic Foundation:		Facilities and Infrastructure		
Objective:				
Maintain an adequate and safe transportation system				
Strategy:				
Maintain acceptable levels of accessibility and service life for all roads within Town limits.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Miles of roads scheduled for crack-sealing	26	26	26	
<i>Performance:</i>				
Miles of roads that were crack-sealed	26	26	26	
<hr/>				
<i>Workload:</i>				
Number of pothole service orders received	N/A	N/A	8	
<i>Performance:</i>				
Average days to complete pot hole service orders	N/A	N/A	1	
<hr/>				
Strategic Foundation:		Facilities and Infrastructure		
Objective:				
New and existing buildings and facilities				
Strategy:				
Ensure proper maintenance, upkeep and security for all Town owned and leased assets.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of scheduled preventative maintenance services	N/A	N/A	18	
<i>Performance:</i>				
Percentage of completed preventative maintenance services	N/A	N/A	100%	
<hr/>				
<i>Workload:</i>				
Number of unscheduled/emergency maintenance/repairs services	N/A	N/A	30	
<i>Performance:</i>				
Percentage of unscheduled/emergency repairs completed within 48 hours	N/A	N/A	75%	

Strategic Foundation:		Facilities and Infrastructure		
Objective:				
Maintain an adequate and safe transportation system				
Strategy:				
Maintain acceptable levels of accessibility and service life for all roads within Town limits.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Miles of streets in Town to be serviced by street sweeper	76	76	78	
<i>Performance:</i>				
Average number of times each street is swept per year	N/A	N/A	5	

CONSERVATION TRUST FUND



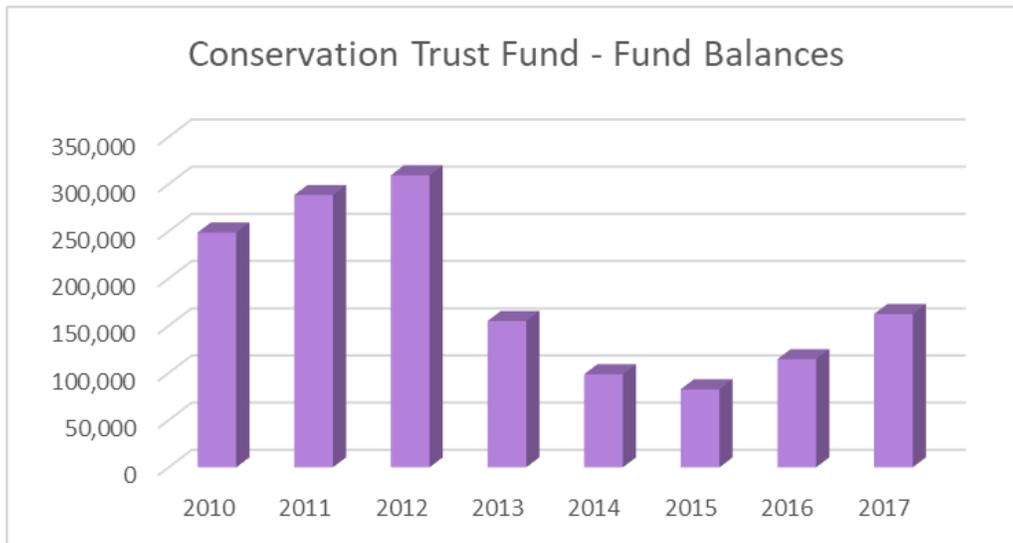
CONSERVATION TRUST FUND

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 (DOLA). 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.

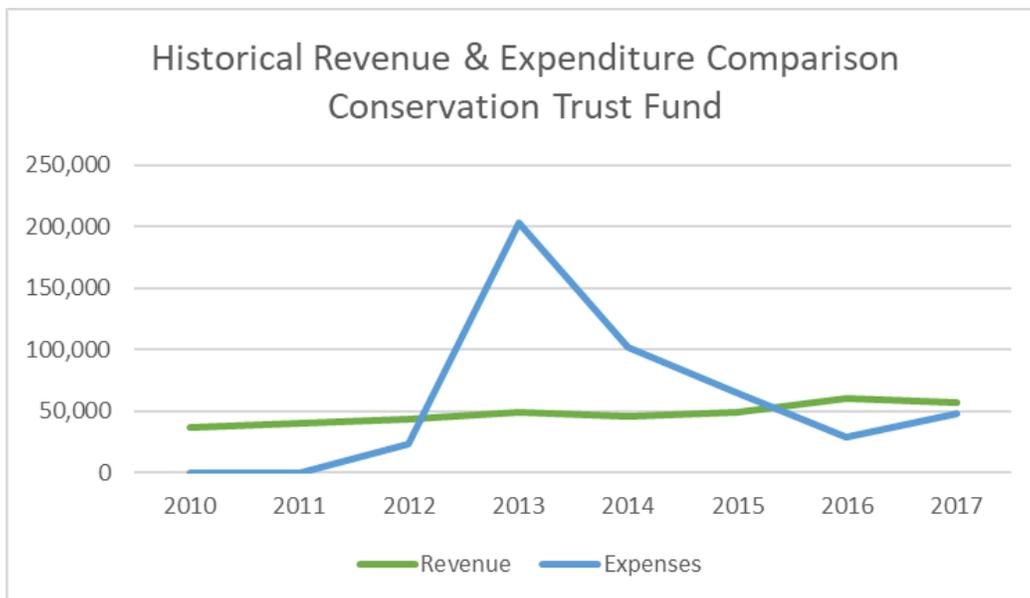


5 Pour in Place Playground

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.



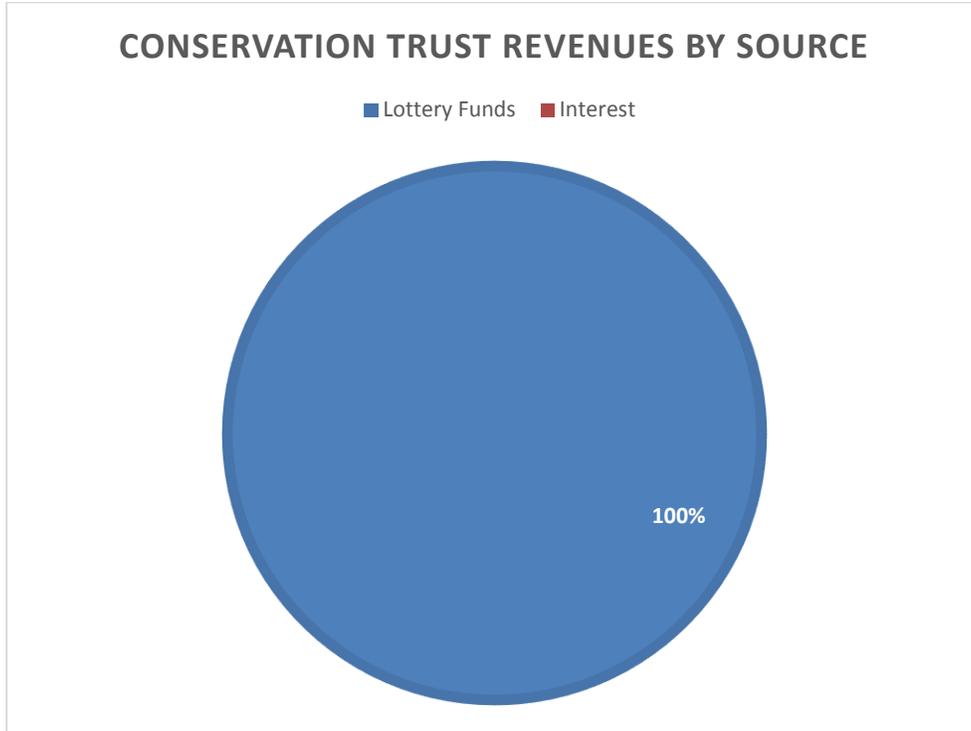
The 2019 Budget for the Conservation Trust Fund includes revenues of \$51,240, an increase of \$1,700 compared to the 2018 Budget. This increase is primarily due to an increased population in Frederick. The 2019 Budget includes expenditures of \$70,250. This amount is \$108,000 lower than what was budgeted in 2018.

Conservation Trust Fund Budget

Conservation Trust Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	114,646	162,447	162,447	33,737
<u>Revenues:</u>				
Intergovernmental	56,422	49,500	49,500	51,200
Earnings on Investment	52	40	40	40
Total Operating Revenues	56,474	49,540	49,540	51,240
<u>Expenditures:</u>				
Other	8,673	15,000	15,000	15,000
Capital Outlay	-	163,250	163,250	55,250
Total Expenditures	8,673	178,250	178,250	70,250
Excess (Deficiency) of Revenues and Other Sources over Expenditures	47,801	(128,710)	(128,710)	(19,010)
Ending Fund Balance	162,447	33,737	33,737	14,727

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 2019.

Conservation Trust Fund Revenue Sources		
Source	Amount	% of Total
Lottery Proceeds	51,200	99.92%
Interest	40	0.08%

Conservation Trust Fund Expenses

The Conservation Trust Fund does not have any normal operating costs as this fund is primarily used for capital improvements. The capital outlay in this fund is \$70,250 which is nonrecurring and will be used to install ADA compliant playground surfaces in Coal Ridge Park 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
Operations	0	15,000	0	55,250	70,250	---	---	70,250
Totals	\$0	\$15,000	\$0	\$55,250	\$70,250	\$0	\$0	\$70,250

Total Cash Available \$ 84,977

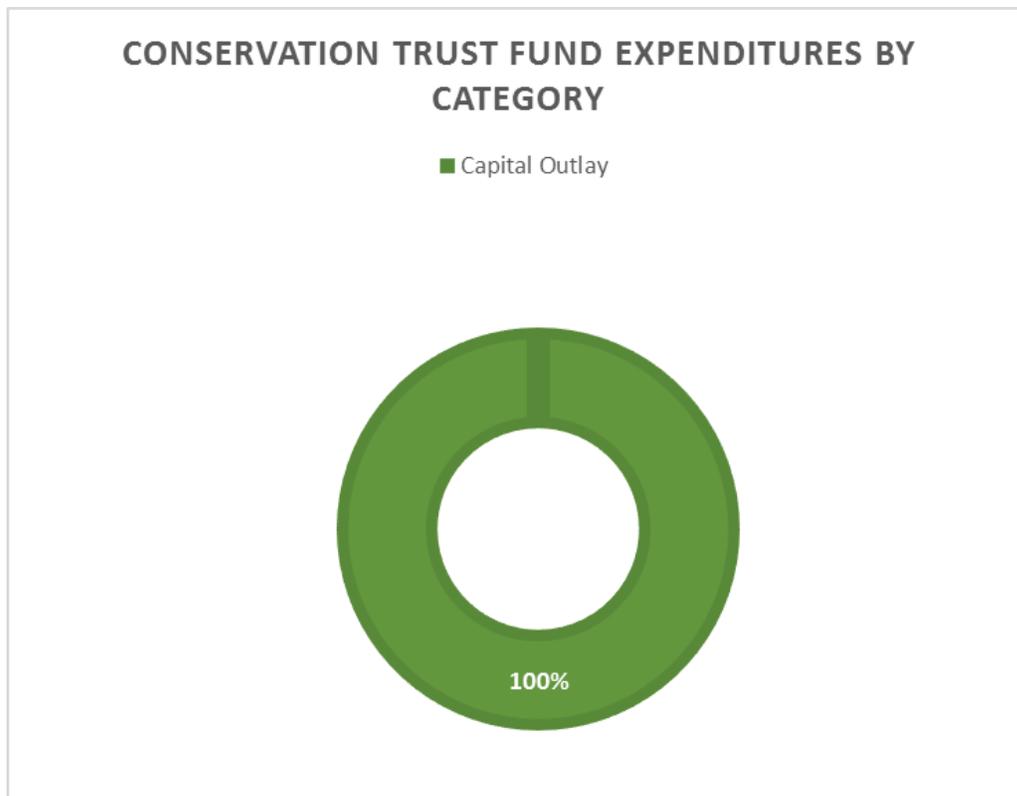
Ending Fund Balance 14,727

% of Total Budget 0.00% 21.35% 0.00% 78.65% 100.00% 0.00% 0.00% 100.00%

Projects Funded in 2019 Budget

- Installation of ADA compliant surface in the playground in Coal Ridge Park
- New trees

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 Fund Full Time Employees

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

Conservation Trust Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Conservation Trust Fund does establish goals and key performance indicators that tie back to our strategic plan and are detailed below.

Conservation Trust Fund Goals and Key Performance Indicators

Strategic Foundation:	Community Amenities			
Objective:				
Maintain and enhance the current culture, park and trail system				
Strategy:				
Maintain the attractiveness and usability of our current amenities such as benches, shade structures and playgrounds.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of capital improvement projects budgeted	N/A	2	1	
<i>Performance:</i>				
Number of capital projects completed within the budgetary cycle	N/A	2	1	

PARK IMPROVEMENT FUND



PARK IMPROVEMENT FUND

The Park 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.

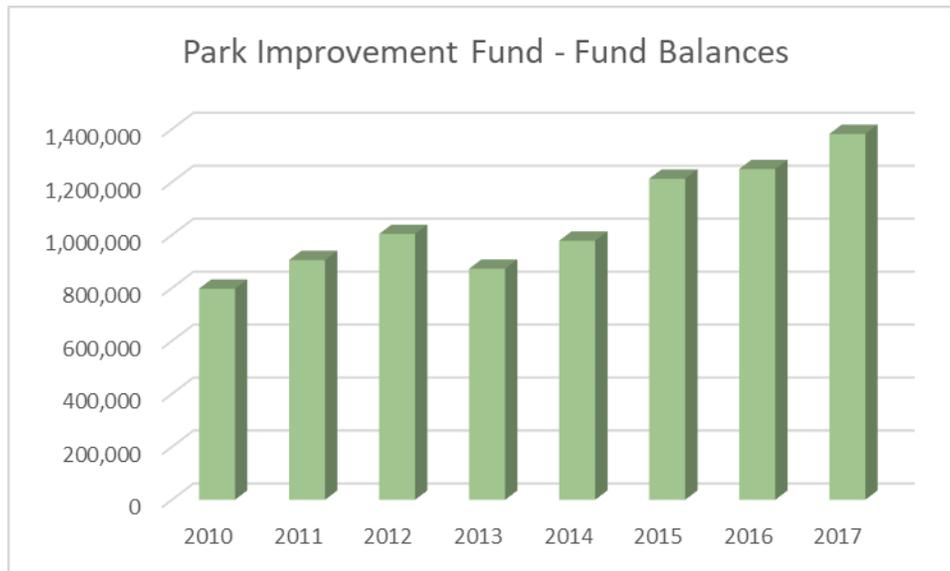
Facility Name	Location	Amenities
Bulrush Wetland Park	6140 Wetland Park Rd.	47 acres of parkland, trails, outdoor classroom, educational signs, bird watching
Centennial Park	630 8 th Street	Benches, picnic tables, picnic shelters, playground, restrooms, trails, art features, boulder climbing area, multi-use field, fitness stations
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, bocce courts
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

Facility Name	Location	Amenities
Fox Run Park	5365 Fox Run Blvd.	Benches, picnic shelter, picnic tables, playground, basketball court, swings, trails, pickle ball court
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

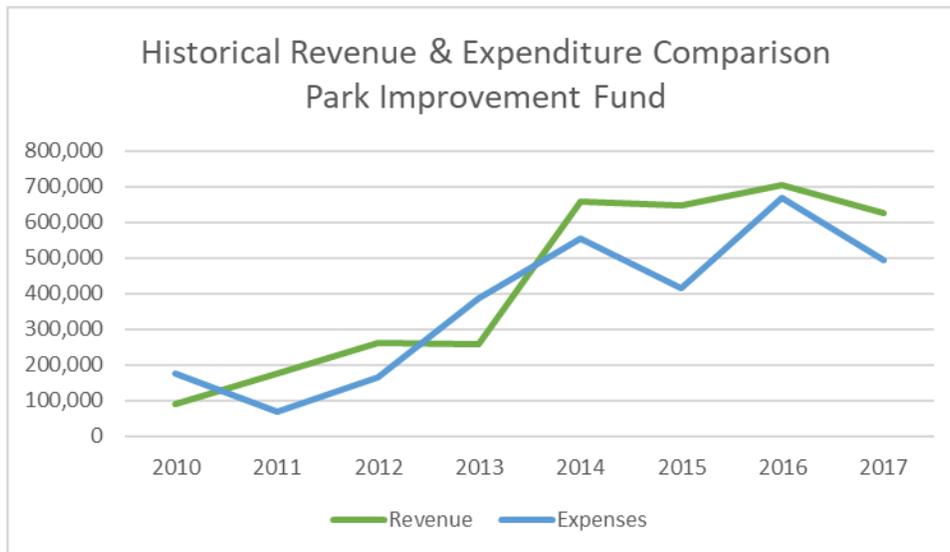


6 Frederick Recreation Area

Park Improvement Fund - Fund Balance and Fund Summary



The decreases in fund balance in 2013 were 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, and 2014 through 2017.



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

The 2019 Budget for the Park Improvement Fund includes revenues of \$1,124,000 and transfers in of \$1,080,850, a decrease of \$265,550 compared to the 2018 Budget. The 2018 Budget originally included revenues that were associated with the skate park construction which did not occur in 2018. Consequently, the 2019 revenue estimates are \$1,363,922 higher than the 2018 year-end estimates because the grant revenues were shifted from 2018 to 2019. The 2019 Budget includes

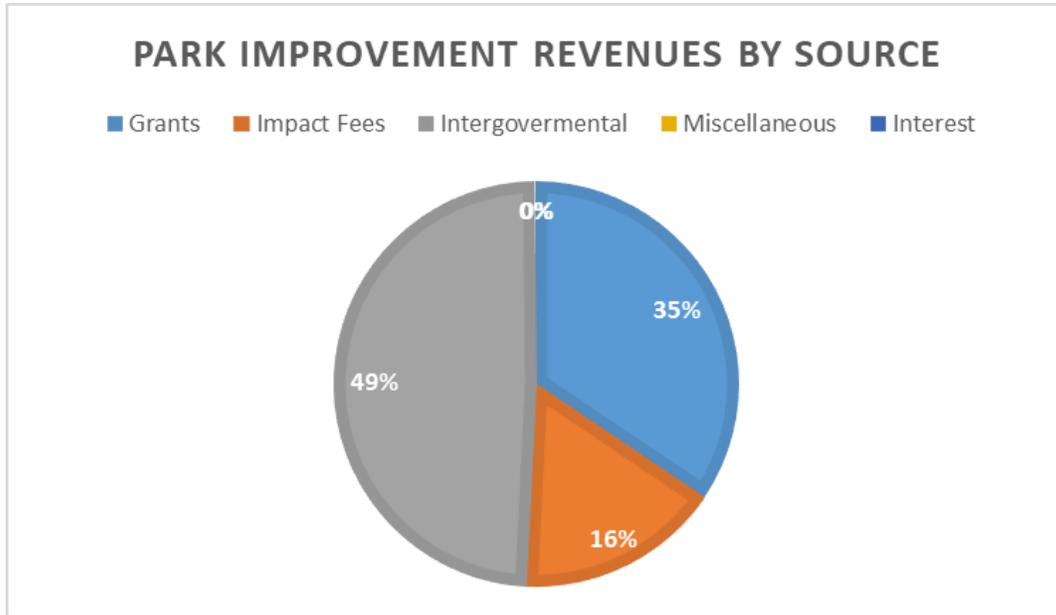
expenditures of \$2,920,574. This amount is \$497,554 higher than what was budgeted in 2018. The increase in budgeted expenditures is attributed to several capital projects including the cost of constructing a skate park.

Park Improvement Fund Budget

Park Improvement Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	1,249,302	1,381,582	1,381,582	1,423,440
<u>Revenues:</u>				
Licenses and Permits	368,315	257,500	368,420	362,800
Earnings on Investment	5,774	1,200	1,200	1,200
Miscellaneous Revenue	20,000	1,755,850	15,458	760,000
<i>Transfers In</i>	230,850	455,850	455,850	1,080,850
Total Operating Revenues	624,939	2,470,400	840,928	2,204,850
<u>Expenditures:</u>				
Operations & Maintenance	489,609	771,755	770,870	876,574
Capital Lease	-	-	-	-
Capital Outlay	3,050	1,635,265	12,200	2,027,000
<i>Transfers Out</i>	-	16,000	16,000	17,000
Total Expenditures	492,659	2,423,020	799,070	2,920,574
Excess (Deficiency) of Revenues and Other Sources over Expenditures	132,280	47,380	41,858	(715,724)
Ending Fund Balance	1,381,582	1,428,962	1,423,440	707,716

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 2019.

Park Improvement Fund Revenue Sources		
Source	Amount	% of Total
Grants	760,000	34%
Impact Fees	360,000	16%
Intergovernmental	1,080,850	49%
Miscellaneous	2,800	0%
Interest	1,200	0%

Park Improvement Fund Expenditures

The Park Improvement Fund shows operating expenses of \$893,574 and capital outlay of \$2,027,000. The services provided by this fund are labor intensive as illustrated below. The non-recurring capital outlay of \$2,027,000 will fund the construction of a skate park, as well as other capital projects detailed below.

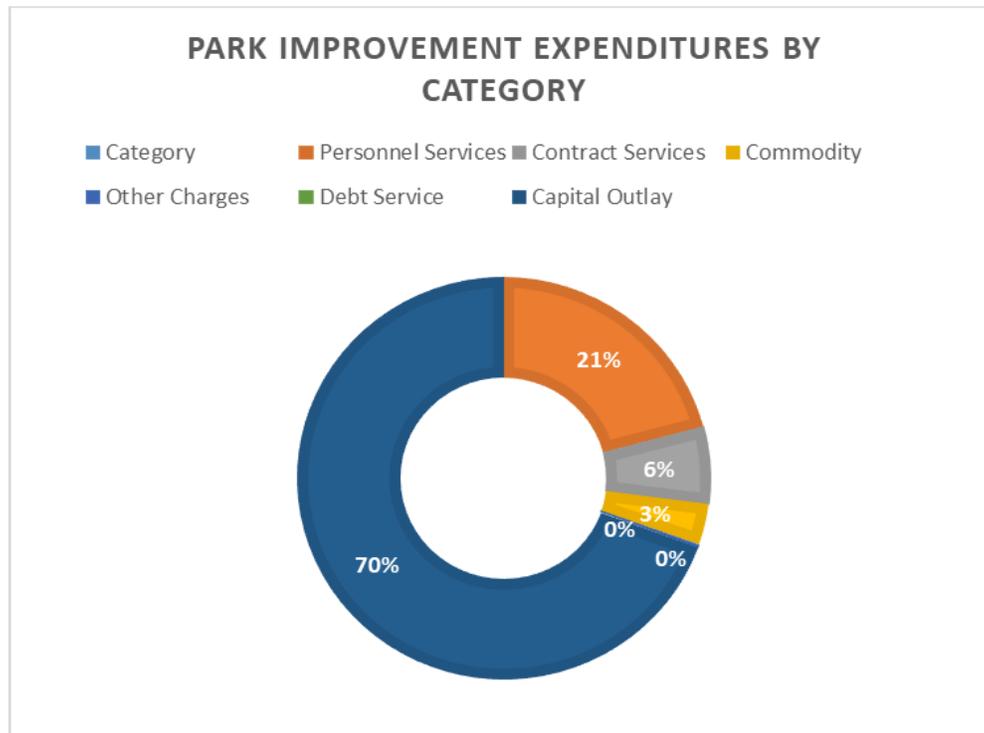
PARK IMPROVEMENT FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Park Improvement	609,850	180,350	95,304	8,070	893,574	2,027,000	---	2,920,574
Totals	\$609,850	\$180,350	\$95,304	\$8,070	\$893,574	\$2,027,000	\$0	\$2,920,574
Total Cash Available								\$ 3,628,290
Ending Fund Balance								707,716
% of Total Budget	20.88%	6.18%	3.26%	0.28%	30.60%	69.40%	0.00%	100.00%

Projects Funded in 2019 Budget

- Construction of a skate park
- Improvements to Countryside
- Centennial Park Phase 1
- Shelter in Fox Run
- Installation of fitness stations in Centennial Park

The chart below details the expenditures for the Park Improvement Fund by category. In 2019, 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	.60
Operations	8.80
Total	9.40

Park Improvement Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Park Improvement Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Park Improvement Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Economic and Community Vitality			
Objective:					
Community vitality					
Strategy:					
Provide and maintain park and trail systems within and between neighborhoods.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of park improvement projects planned	N/A	3	1		
<i>Performance:</i>					
Percentage of projects completed on schedule	N/A	100%	100%		
Strategic Foundation:		Community Amenities			
Objective:					
Maintain and enhance the current culture, park and trail system					
Strategy:					
Maintain the attractiveness and usability of our current amenities such as benches, shade structures and playgrounds					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Acres of parks	N/A	319	319		
<i>Performance:</i>					
Average star rating of the parks	3	3.2	3.5		

OPEN SPACE FUND



OPEN SPACE FUND

The Open Space Fund was created for the purchase, development and maintenance of open space. The fund receives revenue from two sources: an open space fee that is assessed with each building permit for new construction and a one-half (.5) cent per dollar sales and use tax which became effective January 1, 2000.

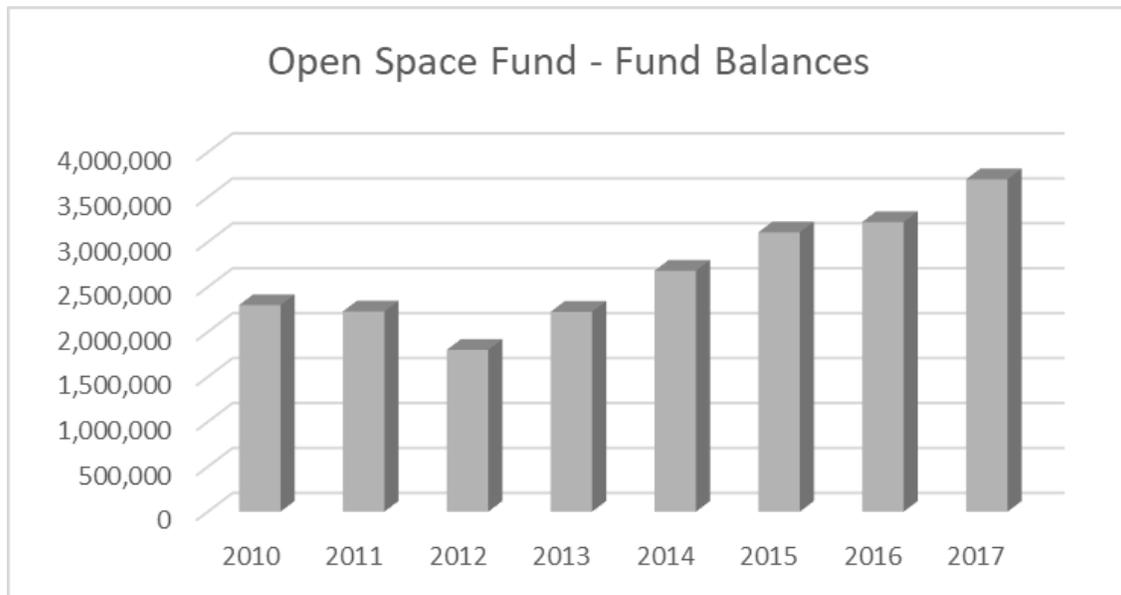
The use of the Open Space Fund is defined in Section 4.93 of the Municipal Code as being used for open space acquisition, development and maintenance. As open space is intended to be “open”, development of open space is limited.

Trails - At the end of the 2018 fiscal year, there were 15.95 miles of town-owned trails. The 2019 fiscal year includes funding for new trail segments from Sandpiper to Wetland and Bella to Harlequin. The new trail segments will add 2,040 linear feet of concrete path. With the 2019 improvements, there will be a total of 16.30 miles of town-owned trails.

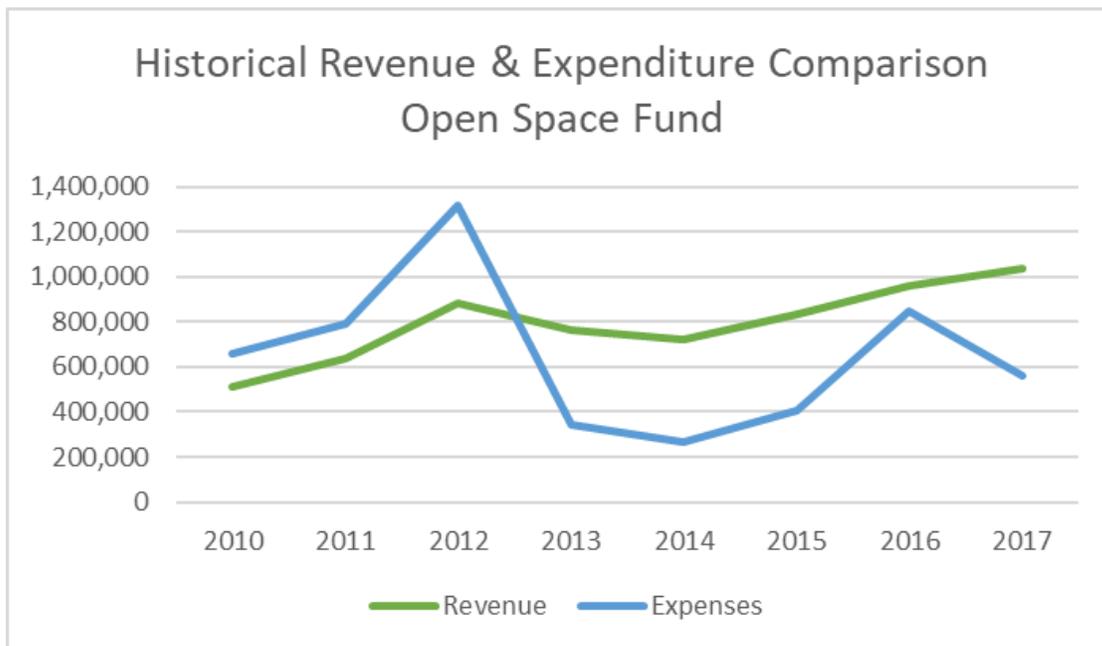
Open Space - The town currently owns approximately 593 acres of open space which is spread throughout town.



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 from 2013 through 2017.



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

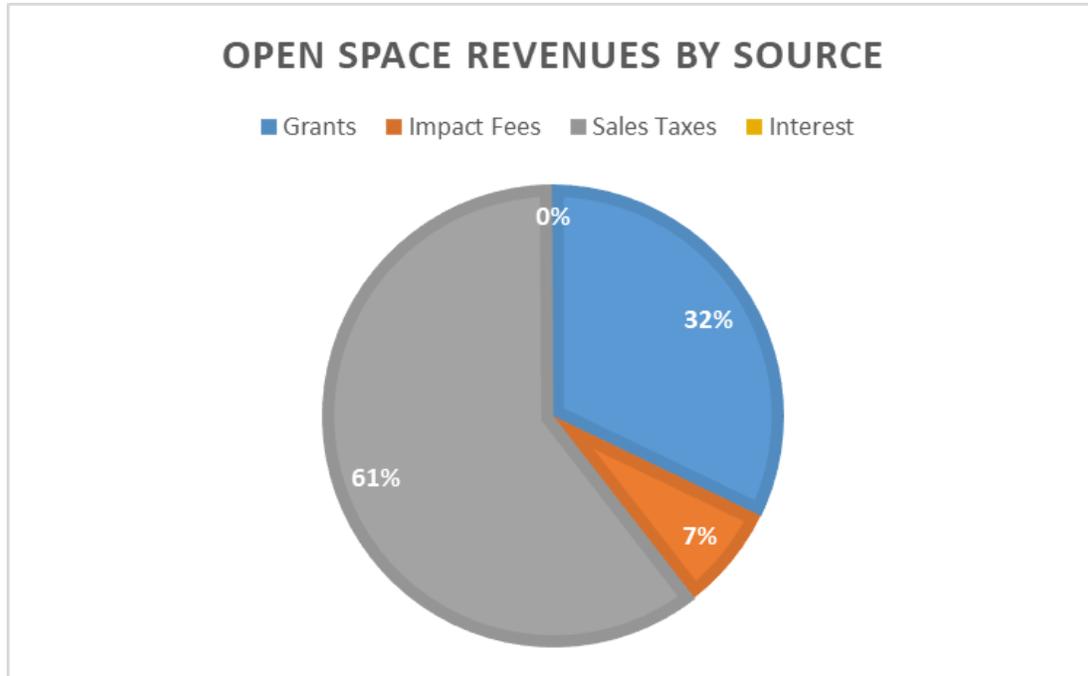
The 2019 Budget for the Open Space Fund includes revenues of \$1,021,500, an increase of \$68,300 compared to the 2018 Budget. The 2019 Budget includes expenditures of \$1,911,171. This amount is \$1,243,395 lower than what was budgeted in 2018. In 2018, expenditures were higher because there was money appropriated for additional open space acquisition, which was completed in 2018.

Open Space Fund Budget

	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Open Space Fund				
Beginning Fund Balance	3,222,536	3,696,748	3,696,748	1,428,440
<u>Revenues:</u>				
Taxes & Fees	1,024,857	648,700	894,450	692,000
Grants & Contributions	-	-	-	25,000
Earnings on Investment	12,367	1,000	1,000	1,000
Miscellaneous Revenue	-	303,500	24,302	303,500
Total Operating Revenues	<u>1,037,224</u>	<u>953,200</u>	<u>919,752</u>	<u>1,021,500</u>
<u>Expenditures:</u>				
Operations & Maintenance	248,591	346,305	327,960	1,004,573
Capital Outlay	311,347	2,803,010	2,860,100	846,000
Transfers Out	3,074	5,251	-	60,598
Total Expenditures	<u>563,012</u>	<u>3,154,566</u>	<u>3,188,060</u>	<u>1,911,171</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>474,212</u>	<u>(2,201,366)</u>	<u>(2,268,308)</u>	<u>(889,671)</u>
Ending Fund Balance	<u>3,696,748</u>	<u>1,495,382</u>	<u>1,428,440</u>	<u>538,769</u>

Open Space Fund Revenues

Revenues for this fund come from a one-half (.5) cent sales tax, impact fees, grants, transfers in and other miscellaneous sources. In the previous table, the miscellaneous category includes transfers in from other funds.



The Open Space Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2019.

Open Space Fund Revenue Sources		
Source	Amount	% of Total
Grants	328,500	32%
Impact Fees	75,000	7%
Sales Taxes	617,000	60%
Interest	1,000	0%

Open Space Fund Expenditures

Expenditures in the Open Space Fund include operating costs of \$505,378 and capital outlay of \$1,405,793. The capital outlay includes funds for the Safe Routes to School project and trail extension projects.

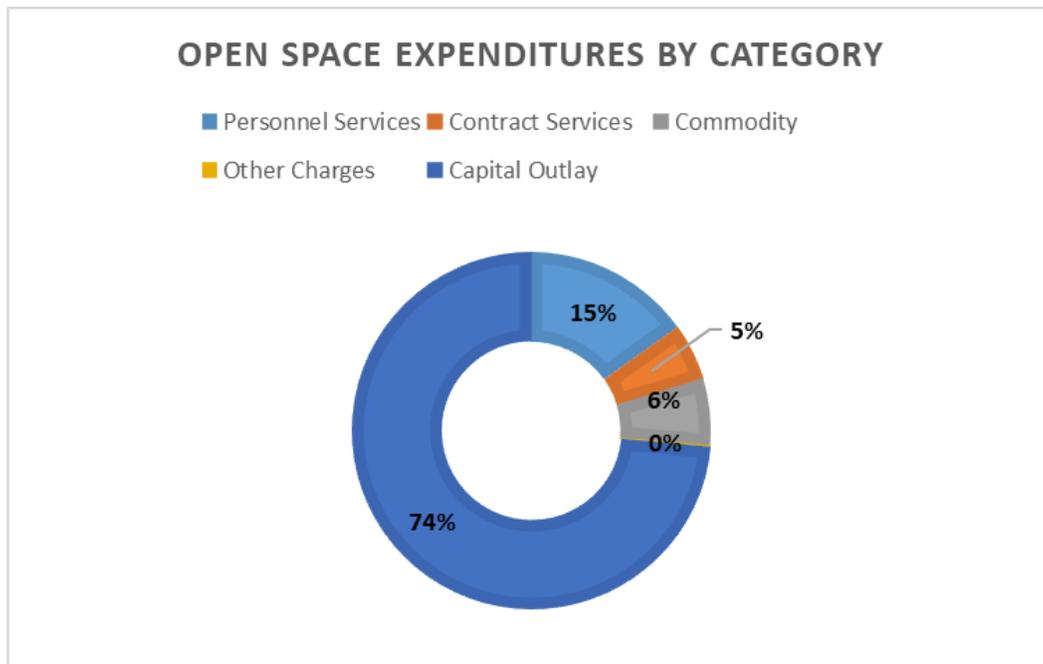
OPEN SPACE IMPROVEMENT FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Open Space	288,800	99,700	113,428	3,450	505,378	1,405,793		1,911,171
Totals	\$288,800	\$99,700	\$113,428	\$3,450	\$505,378	\$1,405,793	\$0	\$1,911,171
Total Cash Available								\$ 2,449,940
Ending Fund Balance								538,769
% of Total Budget	15.11%	5.22%	5.94%	0.18%	26.44%	73.56%	0.00%	100.00%

Projects Funded in 2019 Budget

- Safe Routes to School trail
- Trail improvements/extensions in No Name Creek and No Name Creek Estates West
- Skate park construction

The chart below details the expenditures for the Open Space Fund by category. Clearly in 2019, the biggest expenditure will be capital outlay, which includes the costs for the Safe Routes to School trail, skate park construction and trail expansion.



Open Space Fund Full Time Employees

Department	No. of Full Time Employees
Administration	.65
Operations	3.15
Total	3.80

Open Space Fund Goals and KPI's

In addition to the projects that have been funded in the 2019 Budget, the Open Space Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Open Space Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Community vitality				
Strategy:				
Provide and maintain park and trail systems within and between neighborhoods.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Linear feet of trails added	100	100	1,013.5	
<i>Performance:</i>				
Percent of trail projects completed on time and budget	0	65%	100%	
Strategic Foundation:		Community Amenities		
Objective:				
Maintain and enhance the current culture, park and trail system				
Strategy:				
Maintain the attractiveness and usability of our current amenities such as benches, shade structures and playgrounds.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Acres of open space/wetlands to maintain	406	406	406	
<i>Workload:</i>				
Miles of trails to maintain	15.2	15.5	15.95	

EVENTS FUND



EVENTS FUND

The Events Fund is responsible for the execution of the town's community events such as Miners Day, Frederick in Flight, DIY Day, Chainsaws and Chuckwagons, Tiny Terror Town 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 4

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 21 - 23

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.



CHAINSAWS & CHUCKWAGONS - JULY 17 - 20

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 21

This year marks the 16th 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.



TINY TERROR TOWN - OCTOBER 26

Tiny Terror Town is the Town's annual Halloween event where the community can discover the tiniest frights on the Front Range, including the world's tiniest haunted house! This is a family friendly event that serves as a safe place for kids and families to trick-or-treat and enjoy Halloween activities. Event is from 4 pm to 8 pm in Crist Park.

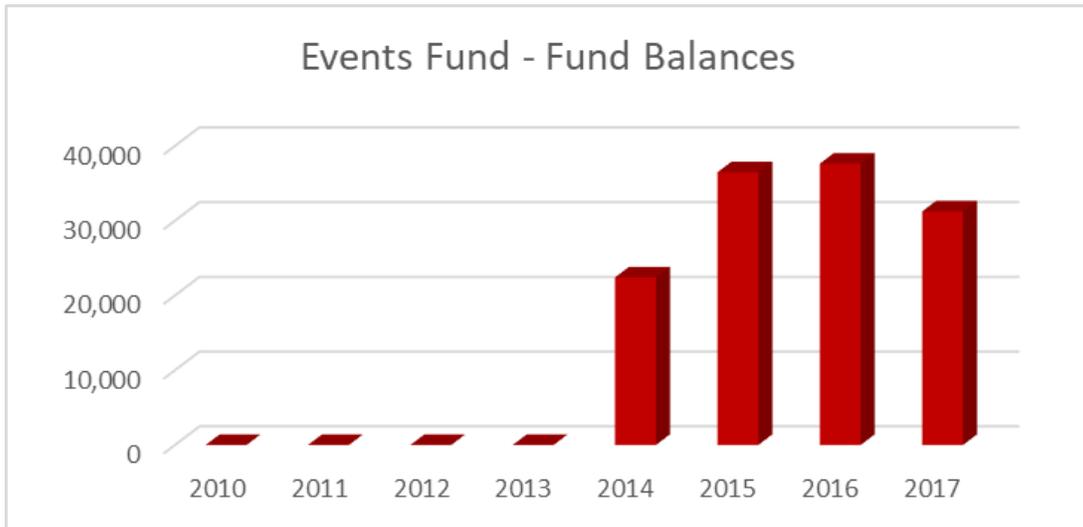


FESTIVAL OF LIGHTS - DECEMBER 7

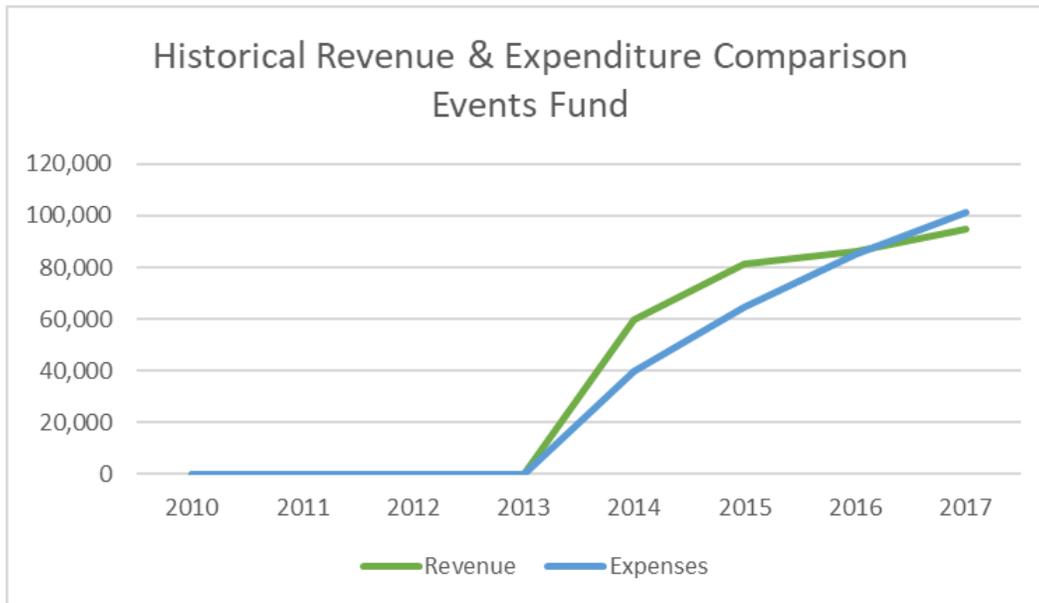
The annual tree lighting ceremony will include traditional festival fun including horse-drawn carriage rides, hot cocoa, ice carving, live music and photos with Santa. It's an amazing start to the holiday season.



Events Fund - Fund Balance and Fund Summary



As the following graph illustrates, the town has had budget surpluses since the fund’s inception in 2013.



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

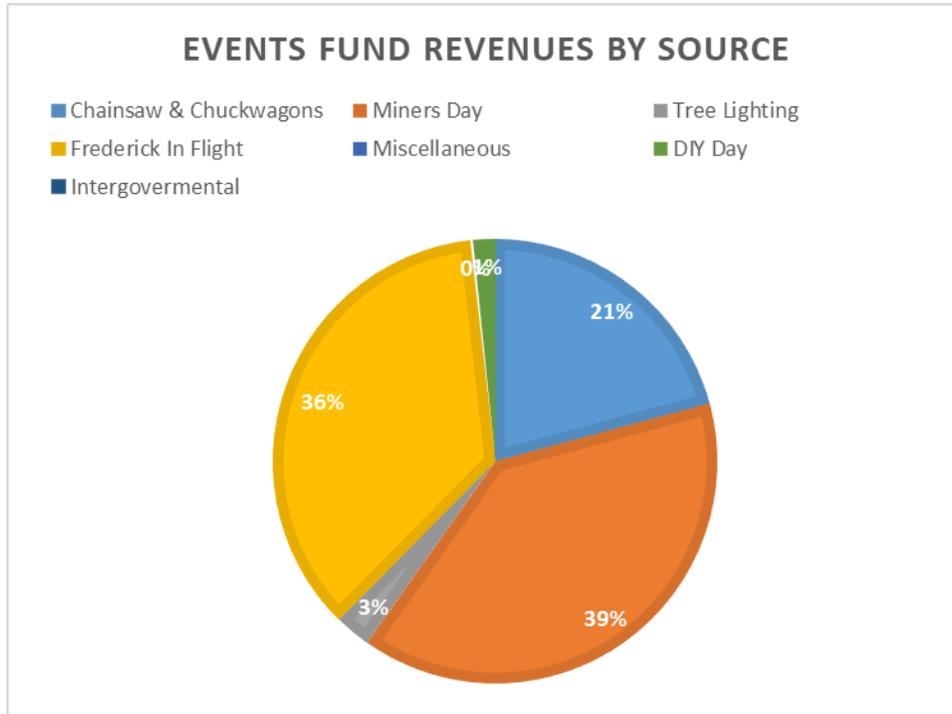
The 2019 Budget for the Events Fund includes revenues of \$76,900 and transfers in of \$40,000, a decrease of \$13,600 compared to the 2018 Budget. The 2019 Budget includes expenditures of \$126,500. This amount is \$23,500 lower than what was budgeted in 2018. Individual events budgets were generally steady in 2018 and there is a decrease in capital in 2019.

Events Fund Budget

Events Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	37,349	31,231	31,231	68,777
<u>Revenues:</u>				
Grants & Contributions	55,045	61,500	117,096	76,900
Miscellaneous Revenue	-	-	-	-
<i>Transfers In</i>	40,000	69,000	69,000	40,000
Total Operating Revenues	95,045	130,500	186,096	116,900
<u>Expenditures:</u>				
Operations	101,163	121,000	121,000	126,000
Capital Outlay	-	29,000	27,550	500
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	101,163	150,000	148,550	126,500
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(6,118)	(19,500)	37,546	(9,600)
Ending Fund Balance	31,231	11,731	68,777	59,177

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 2019.

Events Fund Revenue Sources		
Source	Amount	% of Total
Chainsaw & Chuckwagons	16,000	14%
Miners Day	30,000	26%
Tree Lighting	2,000	2%
Frederick In Flight	27,500	24%
Miscellaneous	200	0%
DIY Day	1,200	1%
Intergovernmental	40,000	34%

Events Fund Expenditures

The Events Fund contains operating expenses related to hosting community events. The fund rarely has any capital or debt-related expenses.

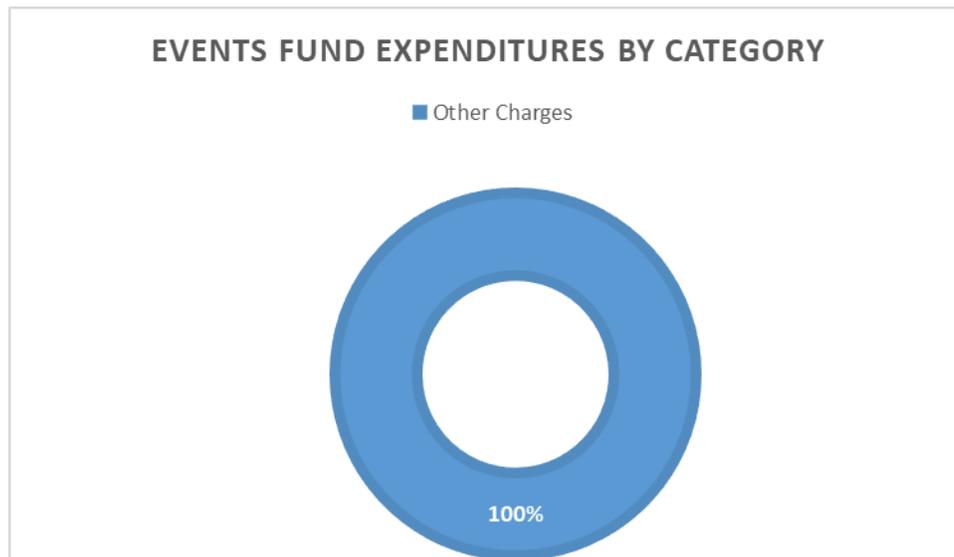
EVENTS FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Events	0	0	0	126,500	126,500	---	---	126,500
Totals	\$0	\$0	\$0	\$126,500	\$126,500	\$0	\$0	\$126,500
Total Cash Available								\$ 185,677
Ending Fund Balance								59,177
% of Total Budget	0.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%

Projects Funded in 2019 Budget

- Miners Day
- Frederick in Flight
- Chainsaws and Chuckwagons
- Tree Lighting
- DIY Day
- Tiny Terror Town

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

Events Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Events Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Events Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation: Economic and Community Vitality				
Objective:				
Community vitality				
Strategy:				
Actively engage with residents and other community members to promote awareness of and participation in town-sponsored and other community events and amenities.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of Events offered	24	24	25	
<i>Performance:</i>				
Number of Volunteer Hours	225	280	796	
Strategic Foundation: Economic and Community Vitality				
Objective:				
Community vitality				
Strategy:				
Partner with special districts and other outside agencies to strengthen our position as a regional cultural and recreational destination.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Hours spent on Sponsorship Recruitment	N/A	N/A	N/A	
<i>Performance:</i>				
Sponsorship Dollars	\$39,400	\$60,575	\$116,895	

CAPITAL FACILITIES FUND



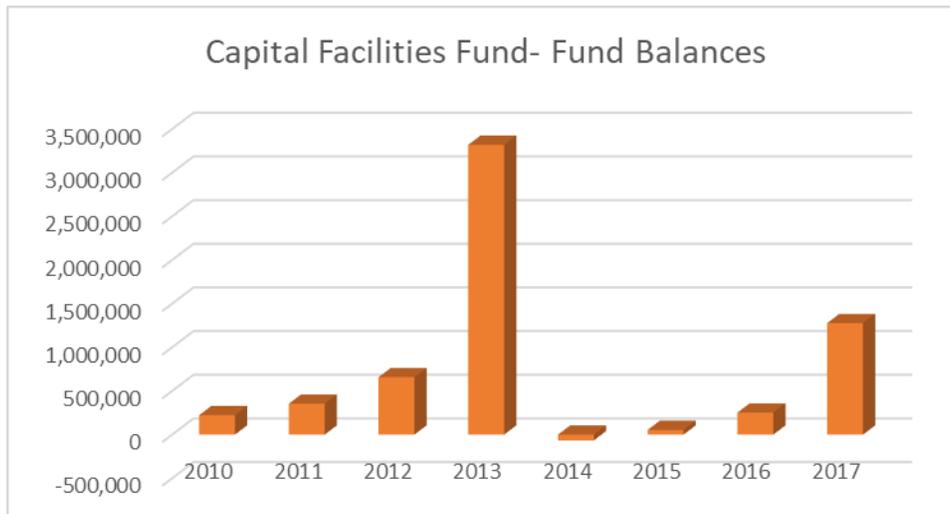
CAPITAL FACILITIES FUND

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

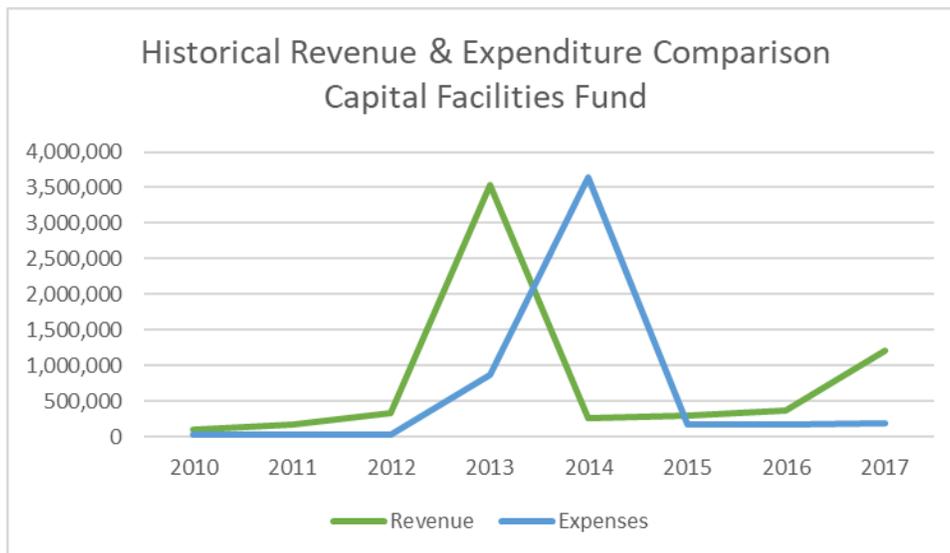


7 Public Works Facility Under Construction

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.



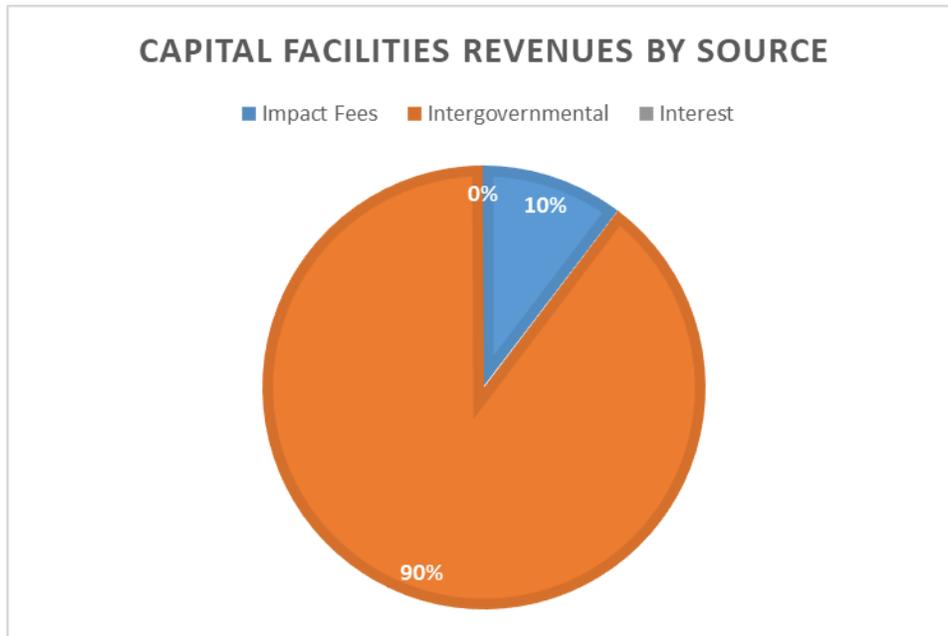
The 2019 Budget for the Capital Facilities Fund includes revenues of \$226,900 and transfers in of \$1,950,000, an increase of \$1,951,400 compared to the 2018 Budget. The transfer into the fund is intended to be used on future capital facilities projects. The 2019 Budget includes expenditures of \$170,800. This amount is \$3,292 lower than what was budgeted in 2018.

Capital Facilities Fund Budget

Capital Facilities Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	252,233	1,277,190	1,277,190	1,348,038
<u>Revenues:</u>				
Taxes and Fees	364,875	225,000	243,000	225,000
Grants & Contributions	-	-	-	-
Miscellaneous Revenue	850,954	500	1,940	1,900
<i>Transfers In</i>	-	-	-	1,950,000
Total Operating Revenues	1,215,829	225,500	244,940	2,176,900
<u>Expenditures:</u>				
Capital Outlay	190,872	174,092	174,092	170,800
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	190,872	174,092	174,092	170,800
Excess (Deficiency) of Revenues and Other Sources over Expenditures	1,024,957	51,408	70,848	2,006,100
Ending Fund Balance	1,277,190	1,328,598	1,348,038	3,354,138

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 2019.

Capital Facilities Fund Revenue Sources		
Source	Amount	% of Total
Impact Fees	225,000	10%
Intergovernmental	1,950,000	90%
Interest	1,900	0%

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 related to the lease purchase for the construction of the public works building.

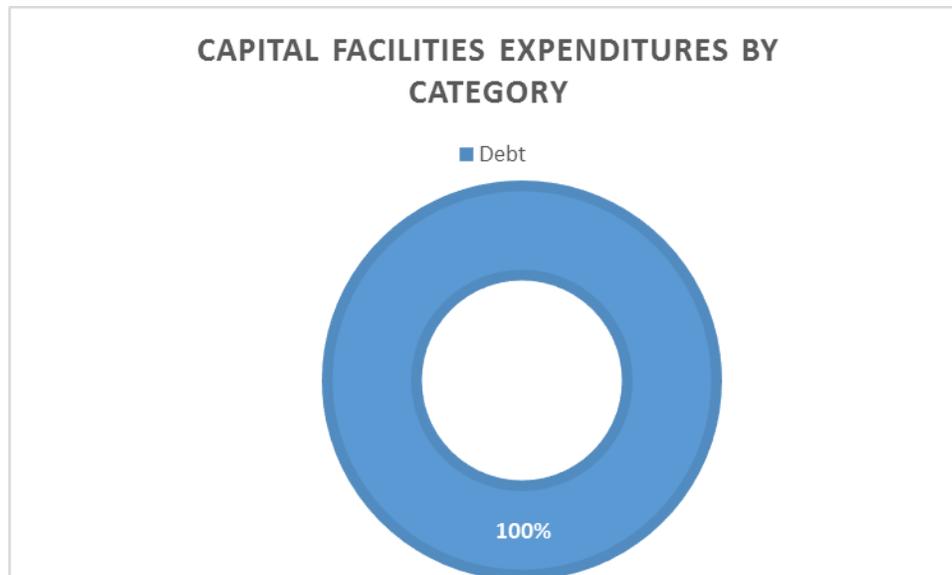
CAPITAL FACILITIES FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Capital Facilities	0	0	0	1,000	1,000	---	169,800	170,800
Totals	\$0	\$0	\$0	\$1,000	\$1,000	\$0	\$169,800	\$170,800
Total Cash Available								\$ 3,524,938
Ending Fund Balance								3,354,138
% of Total Budget	0.00%	0.00%	0.00%	0.59%	0.59%	0.00%	99.41%	100.00%

Items Funded in 2019 Budget

- Debt payments associated with capital facilities

The chart below details the expenditures for the Capital Facilities Fund by category. Due to the nature of this fund, the only expenditure category in 2019 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 2019.

GOLF COURSE FUND



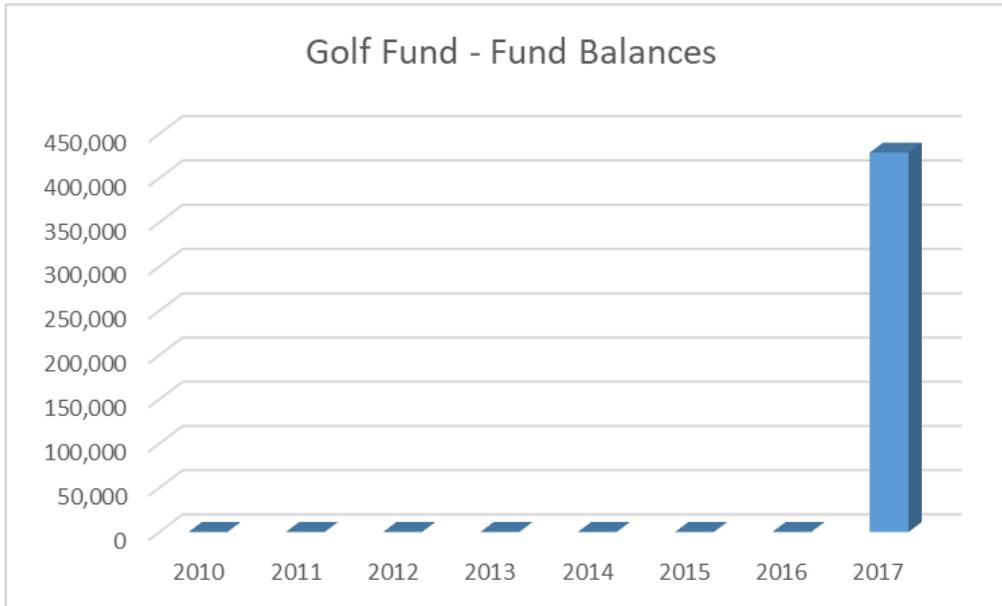
GOLF COURSE FUND

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 started 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 and Nine and Wine and Nine.

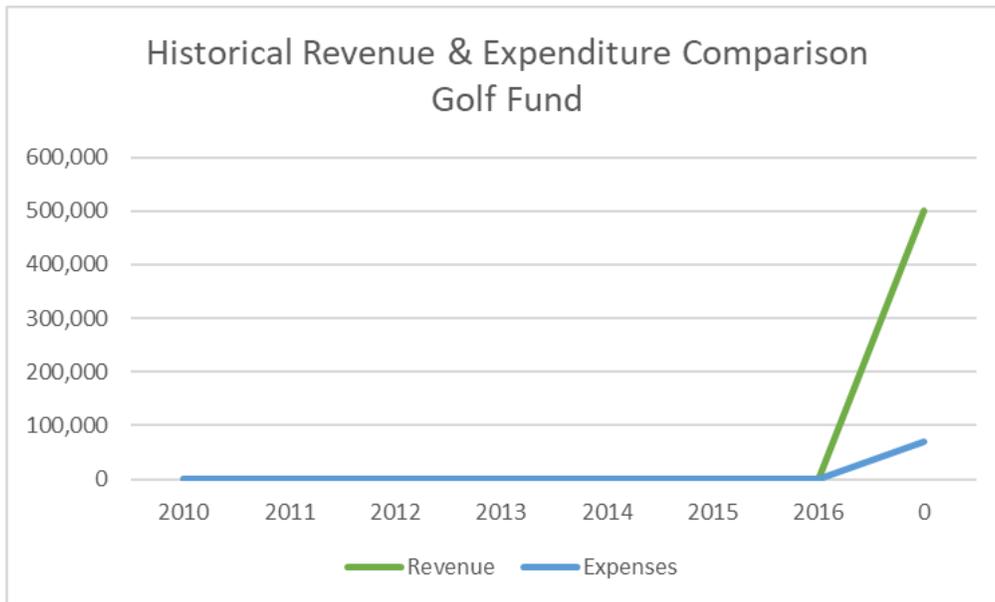


8 Bella Rosa Golf Course

Golf Course Fund - Fund Balance and Fund Summary



As a new fund for the Town of Frederick, the Golf Course Fund has limited historical data to report. The fund was started in 2017 using a transfer of funds from the General Fund.



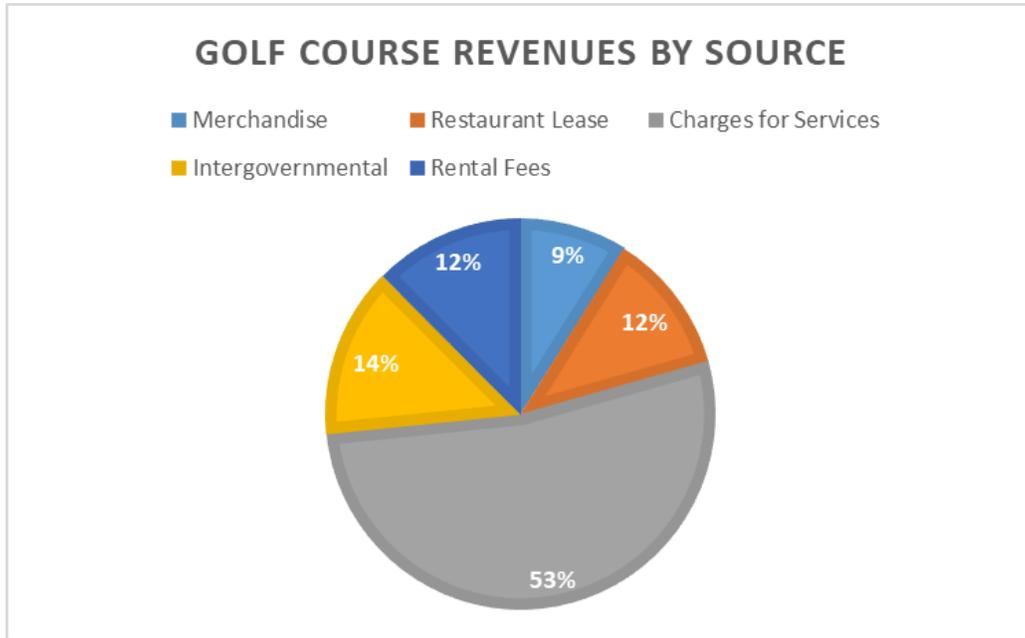
The 2019 Budget for the Golf Course Fund includes revenues of \$450,715 and expenditures of \$644,880.

Golf Course Fund Budget

Golf Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	-	428,627	428,627	204,601
<u>Revenues:</u>				
Grants & Contributions	-	-	-	-
Miscellaneous Revenue	49,479	378,264	375,285	450,715
<i>Transfers In</i>	450,000	-	-	-
Total Operating Revenues	499,479	378,264	375,285	450,715
<u>Expenditures:</u>				
Operations & Maintenance	70,852	600,411	547,541	632,680
Capital Outlay	-	71,000	51,770	12,200
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	70,852	671,411	599,311	644,880
Excess (Deficiency) of Revenues and Other Sources over Expenditures	428,627	(293,147)	(224,026)	(194,165)
Ending Fund Balance	428,627	135,480	204,601	10,436

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 2019.

Golf Course Revenue Sources		
Source	Amount	% of Total
Merchandise	40,000	9%
Restaurant Lease	53,000	12%
Charges for Services	237,800	53%
Intergovernmental	63,500	14%
Rental Fees	56,415	13%

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 second year that the town is operating the course, all of the expenses are fairly new and the 2019 Budget expenditures were projected based on existing contracts for items such as the golf carts. The capital expenditures of \$12,200 are expected to be recurring as it is for purchases of equipment. 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.

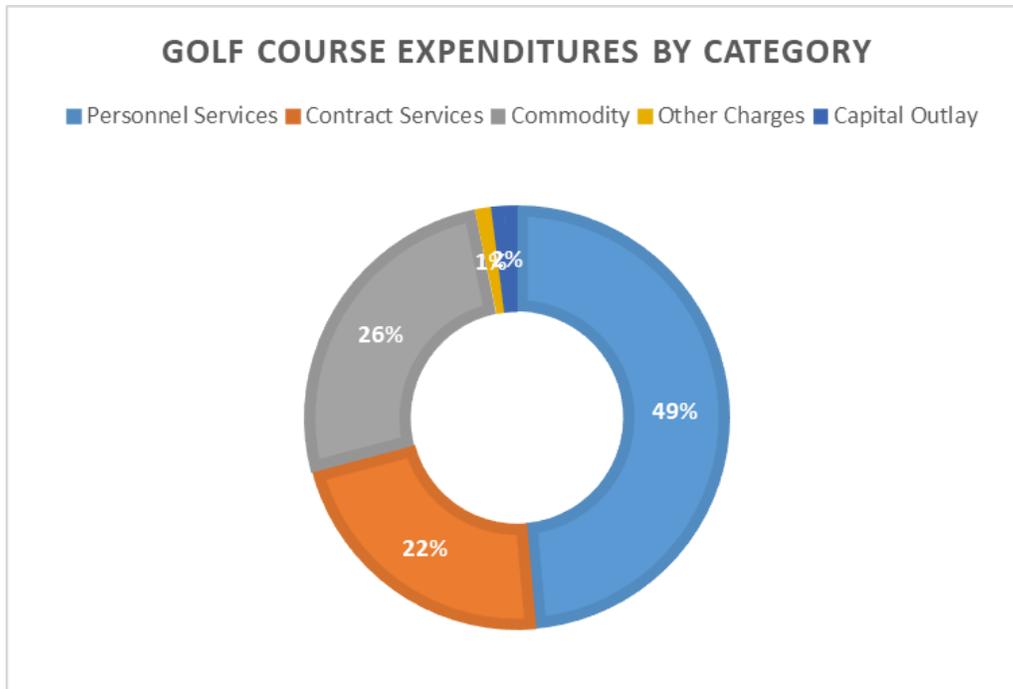
GOLF FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Golf Fund	313,350	143,820	167,110	8,400	632,680	12,200	---	644,880
Totals	\$313,350	\$143,820	\$167,110	\$8,400	\$632,680	\$12,200	\$0	\$644,880
Total Cash Available								\$ 655,316
Ending Fund Balance								10,436
% of Total Budget	48.59%	22.30%	25.91%	1.30%	98.11%	1.89%	0.00%	100.00%

Projects Funded in 2019 Budget

- Golf cart leases
- Marketing program
- Equipment

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	.10
Operations	5.50
Total	6.60

Golf Course Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Golf Course Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Golf Course Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Community Amenities			
Objective:					
Plan, design and implement culture, park and trail improvements					
Strategy:					
Provide amenities to promote learning and creativity.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of participants registered for junior golf	N/A	N/A	100		
<i>Performance:</i>					
Number of participants that completed junior program	N/A	N/A	98		
Strategic Foundation:		Economic and Community Vitality			
Objective:					
Community vitality					
Strategy:					
Actively engage with residents to promote participation in town-sponsored and other community events and amenities.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of golf outings rounds scheduled	N/A	N/A	525		
<i>Performance:</i>					
Number of golf outing rounds played	N/A	N/A	410		

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Community vitality				
Strategy:				
Promote a healthy community by providing for community members to lead healthy and active lifestyles.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of annual passes sold	N/A	N/A	55	19 represent senior passes
<i>Performance:</i>				
Annual pass revenue	N/A	N/A	\$27,540	
<i>Performance:</i>				
Average number of rounds played by each annual pass holders	N/A	N/A	\$25	
Strategic Foundation:		Economic and Community Vitality		
Objective:				
Community vitality				
Strategy:				
Promote a healthy community by providing for community members to lead healthy and active lifestyles.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of punch cards sold		N/A	N/A	83
<i>Performance:</i>				
Punch card revenues		N/A	N/A	\$6,460

ART IN PUBLIC PLACES FUND



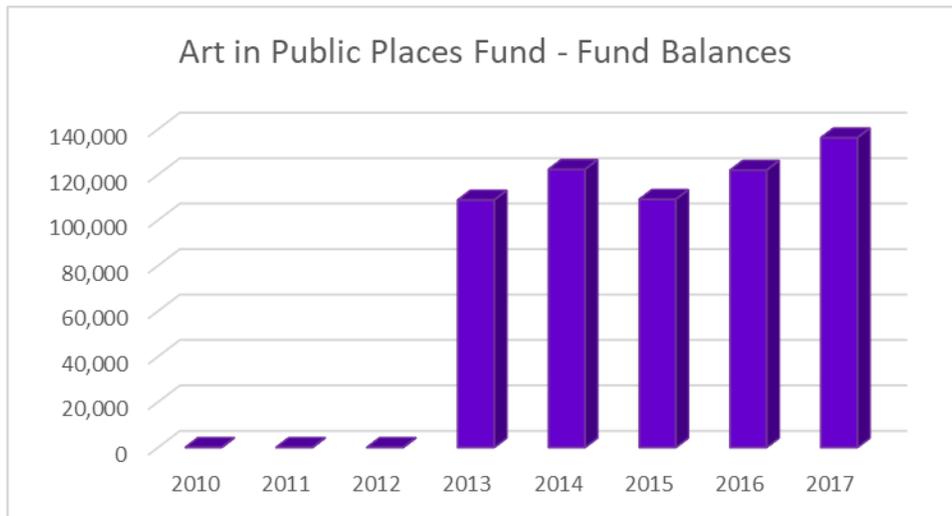
ART IN PUBLIC PLACES FUND

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

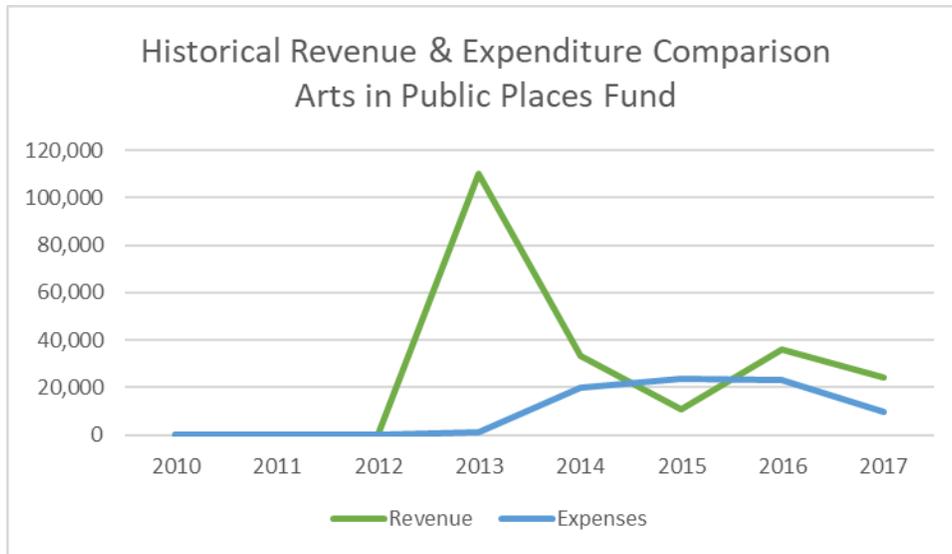
The Art in Public Places program is administered by the Frederick Arts Commission. The Commission is appointed by the Board of Trustees. One of the commission's core functions is to suggest placement of public art in the community. The Commission seeks to place interesting a unique pieces of art throughout the community such as wood sculpture, bronze sculpture, murals of various mixed media, modern sculpture and interactive pieces.



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.

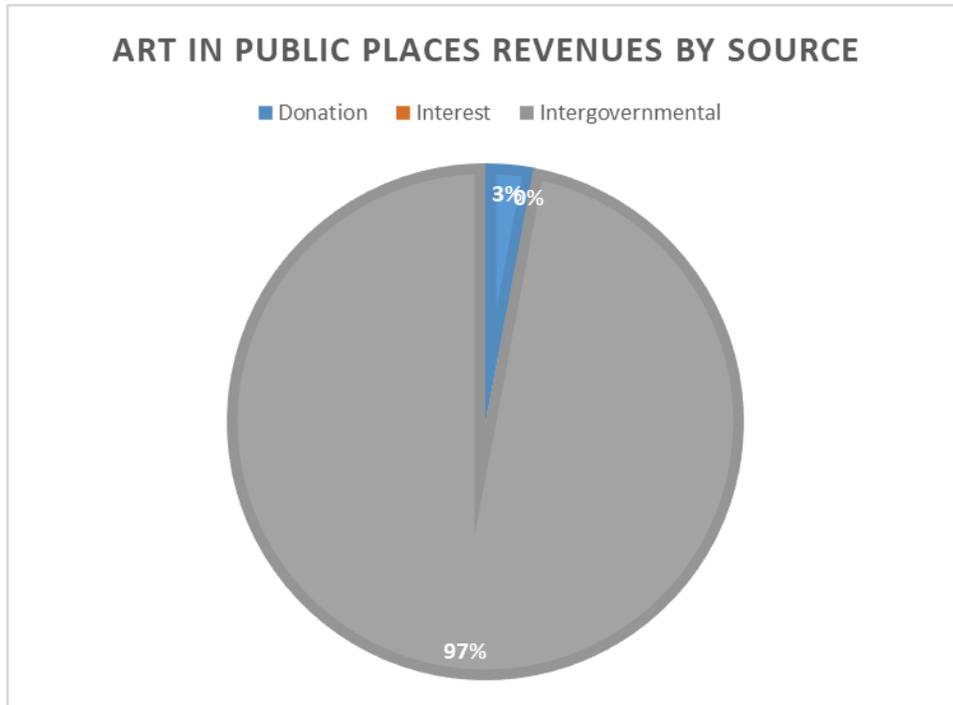
The 2019 Budget for the Art in Public Places Fund includes revenues of \$1,000 and transfers in of \$32,478, a decrease of \$23,653 compared to the 2018 Budget. The 2019 Budget includes expenditures of \$140,500. This amount is \$78,500 higher than what was budgeted in 2018. The primary budgeted project that is included in the 2019 budget is funding for art for the skate park.

Art in Public Places Budget

Art in Public Places Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	121,959	136,242	136,242	182,374
<u>Revenues:</u>				
Grants & Contributions	-	-	-	-
Miscellaneous Revenue	1,681	1,030	1,030	1,000
<i>Transfers In</i>	22,358	56,101	56,102	32,478
Total Operating Revenues	24,039	57,131	57,132	33,478
<u>Expenditures:</u>				
Operations & Maintenance	9,756	-	-	20,000
Capital Outlay	-	62,000	11,000	120,500
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	9,756	62,000	11,000	140,500
Excess (Deficiency) of Revenues and Other Sources over Expenditures	14,283	(4,869)	46,132	(107,022)
Ending Fund Balance	136,242	131,373	182,374	75,352

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 one percent 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 2019.

Art in Public Places Fund Revenue Sources		
Source	Amount	% of Total
Donation	1,000	3%
Interest	0	0%
Intergovernmental	32,478	97%

Art in Public Places Fund Expenditures

This fund has expenditures that are related to art projects. The \$120,500 in expenditures are classified as nonrecurring capital outlay.

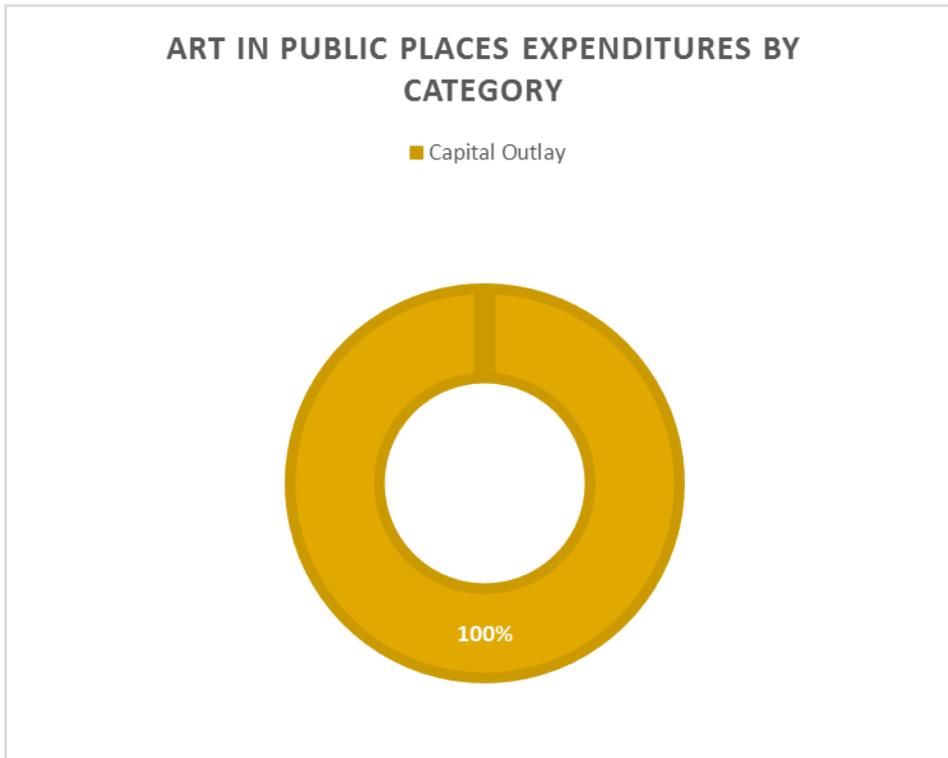
ART IN PUBLIC PLACES FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Art in Public Places	0	20,000	0	0	20,000	120,500	---	140,500
Totals	\$0	\$20,000	\$0	\$0	\$20,000	\$120,500	\$0	\$140,500
Total Cash Available								\$ 215,852
Ending Fund Balance								75,352
% of Total Budget	0.00%	14.23%	0.00%	0.00%	14.23%	85.77%	0.00%	100.00%

Projects Funded in 2019 Budget

- Skate park art piece

The chart below details the expenditures for the Art in Public Places Fund by category. Due to the nature of this fund, the only expenditure category in 2019 is capital outlay.



Art in Public Places Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Art in Public Places Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Art in Public Places Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Community Amenities		
Objective:				
Plan, design, and implement culture, park and trail improvements				
Strategy:				
Provide innovative, creative, and interactive features in parks, trails, and cultural amenities to promote learning and creativity.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of new art pieces placed in the community	10	14	14	
<i>Performance:</i>				
Number of new art pieces placed within 90 days of completion of the piece	10	4	4	
Strategic Foundation:		Community Amenities		
Objective:				
Maintain and enhance the current culture, park and trail systems				
Strategy:				
Maintain condition assessment and maintenance program for man-made amenities.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of art pieces that received regular maintenance	3	41	35	
<i>Performance:</i>				
Percentage of art pieces that needed maintenance and received it.	100%	100%	100%	

HISTORIC PRESERVATION FUND



HISTORIC PRESERVATION FUND

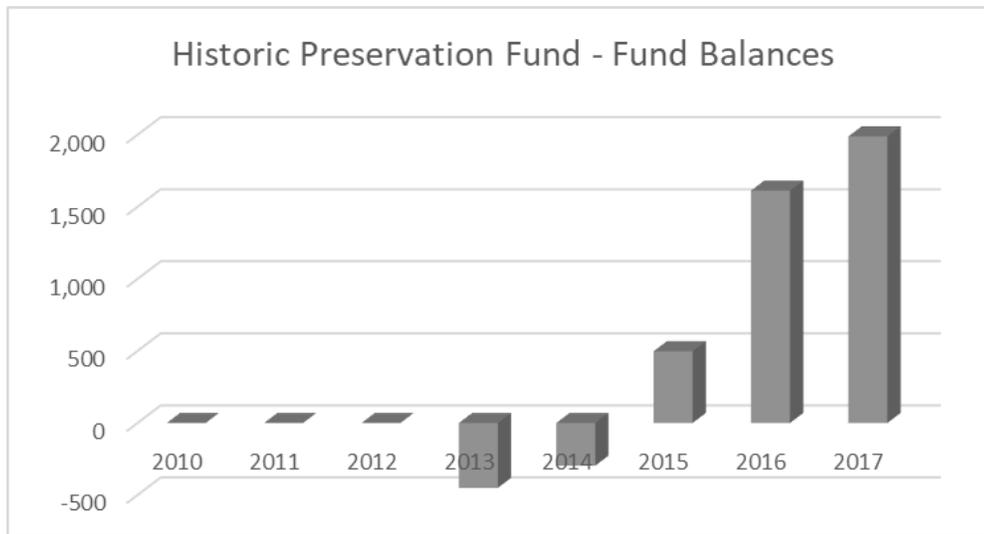
The Historic Preservation Fund was established September of 2013. In 2013 Historic Preservation Commission member W. Sean Scott authored *Around Frederick* a history book about Frederick. Mr. Scott requested that the royalty payments from the sale of his book be given to the town. This fund is used to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

The Historic Fund is utilized by the Historic Preservation Advisory Commission. The Commission is appointed by the Board of Trustees and works to preserve the rich history of the Town of Frederick. To this end, the Commission assists in the management of the Frederick Museum which is the only museum in the 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.

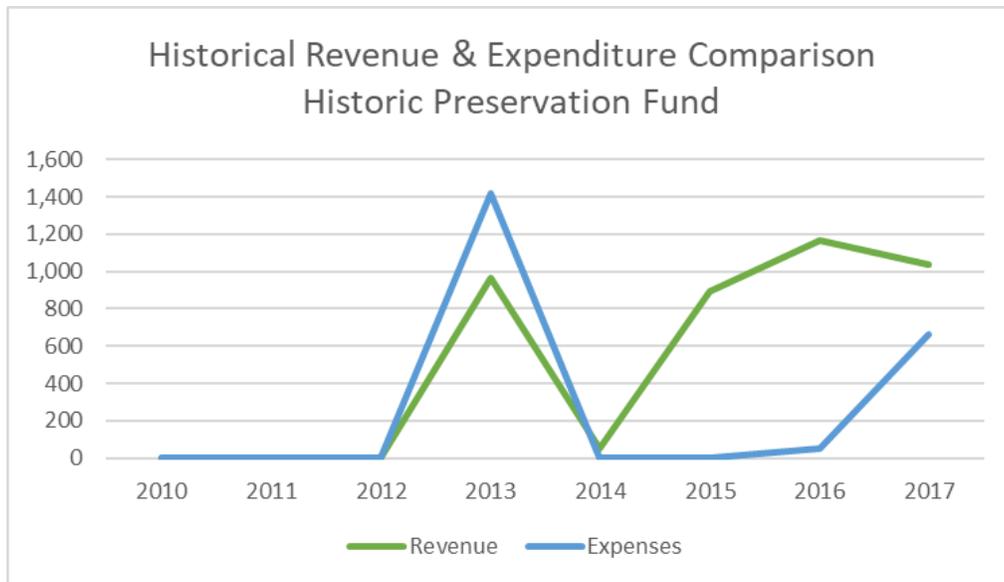


9 Historic City Hall in Crist Park

Historic Preservation 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.



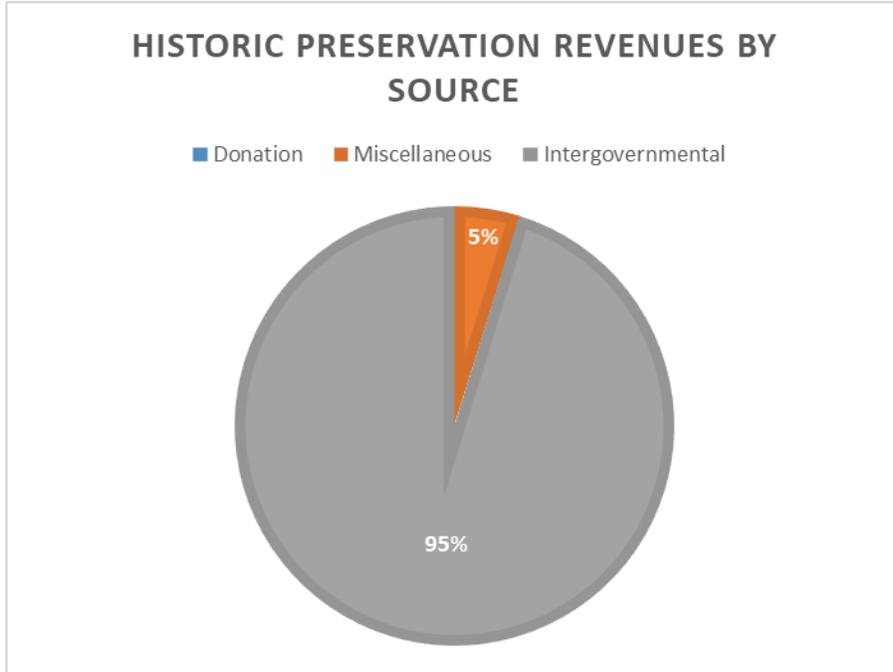
The 2019 Budget for the Historic Preservation Fund includes revenues of \$1,050. There are no grant revenues budgeted in 2018. The 2019 Budget includes expenditures of \$1,000. This amount reflects no change from the 2018 budget.

Historic Preservation Fund Budget

Historic Preservation Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	1,613	1,989	1,989	2,075
<u>Revenues:</u>				
Grants & Contributions	1,000	1,200	1,000	1,000
Miscellaneous Revenue	39	40	86	50
<i>Transfers In</i>	-	-	-	-
Total Operating Revenues	1,039	1,240	1,086	1,050
<u>Expenditures:</u>				
Operations & Maintenance	663	1,000	1,000	1,000
Capital Outlay	-	-	-	-
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	663	1,000	1,000	1,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	376	240	86	50
Ending Fund Balance	1,989	2,229	2,075	2,125

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 2019.

Historic Preservation Fund Revenue Sources		
Source	Amount	% of Total
Donation	0	0%
Miscellaneous	50	5%
Intergovernmental	1,000	95%

Historic Preservation Fund Expenditures

The expenditures for this fund are all operational in nature.

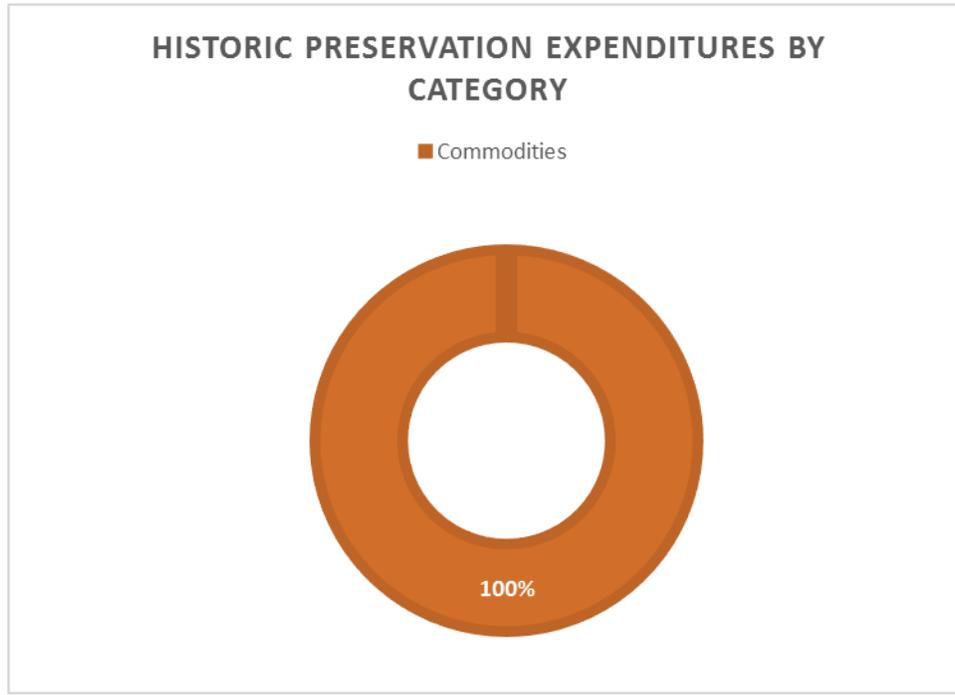
HISTORIC PRESERVATION FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Historic Preservation	0	0	1,000	0	1,000	---	---	1,000
Totals	\$0	\$0	\$1,000	\$0	\$1,000	\$0	\$0	\$1,000
Total Cash Available								\$ 3,125
Ending Fund Balance								2,125
% of Total Budget	0.00%	0.00%	100.00%	0.00%	100.00%	0.00%	0.00%	100.00%

Projects Funded in 2019 Budget

- *Around Frederick* book purchase

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 2019 is commodities.



Historic Preservation Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Historic Preservation Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Historic Preservation Fund Goals and Key Performance Indicators

Strategic Foundation:		Community Amenities		
Objective:				
Plan, design and implement culture, park and trail improvements				
Strategy:				
Provide Innovate, creative, and interactive features in parks, trails and cultural amenities to promote learning and creativity.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of town events that the Historic Commission could participate in	N/A	N/A	1	
<i>Performance:</i>				
Number of events that the Historic Commission did participate in	N/A	N/A	1	

PROPRIETARY FUNDS



WATER FUND



WATER FUND

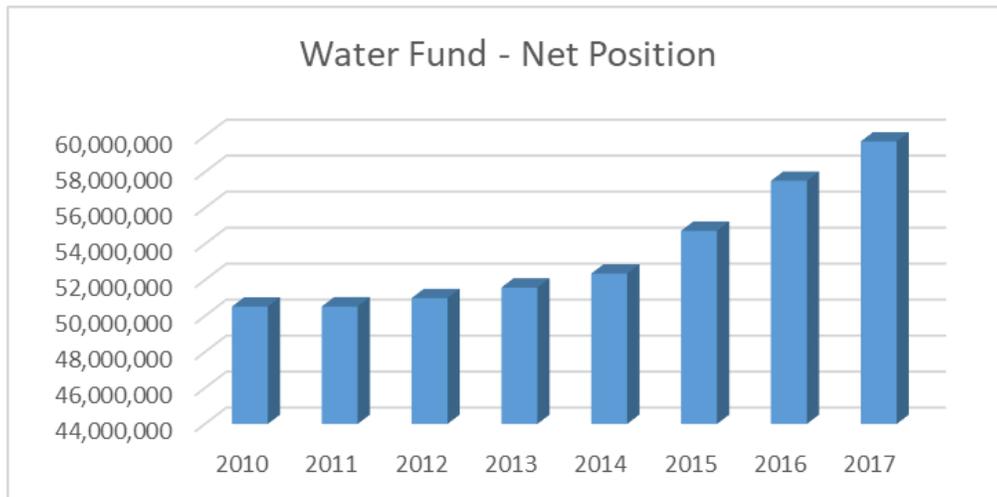
The Town of Frederick Water Fund is an enterprise fund responsible for the operations, maintenance and capital related items of all of the town water distribution system. This includes the repair and installation of lines into the system, reading of all meters for billing purposes, and monitoring the testing and compliance of the distribution system. The fund includes plant investment fees collected at the time builders apply for a building permit for a new residence or business. These fees are used for the extension of waterlines or other improvement to Frederick's water system driven by the increased demand by customers and areas serviced in Frederick. In recent years, a major role of this fund 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 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. 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.

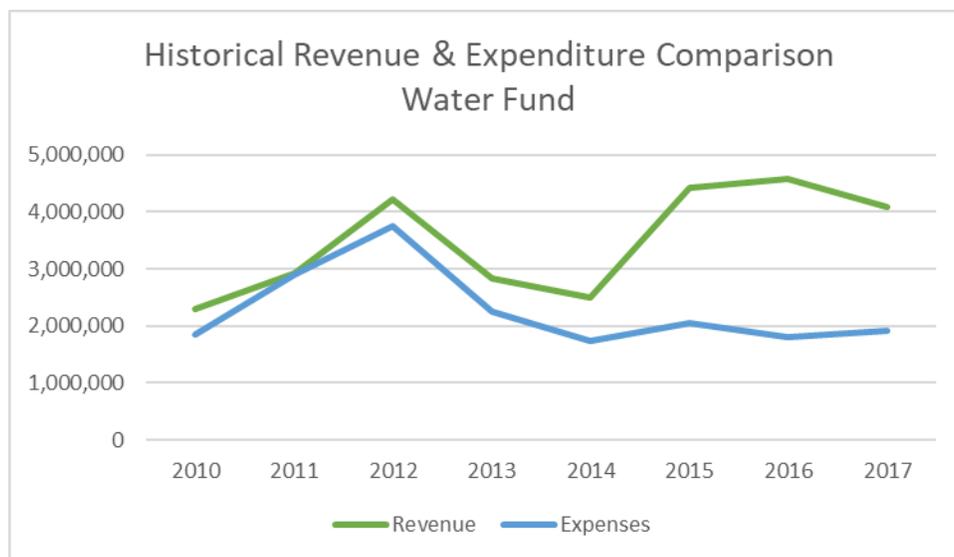
The Town Board has elected to participate in the Northern Integrated Supply Project (NISP) as the best alternative to meet the town's potable water supply needs out to 2030. This high quality water supply would provide the town with a firm yield of 2,600 acre feet of water per year. NISP would develop a new water supply for the region by storing water that now flows unused out of Colorado, beyond what is required through river compacts.

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

Water Fund - Fund Balance and Fund Summary



The increases in net position in recent years is the result of budget surpluses. As the following graph illustrates, the town has had budget surpluses in the Water Fund since 2010.



Note: This graph reflects all revenues and expenses.

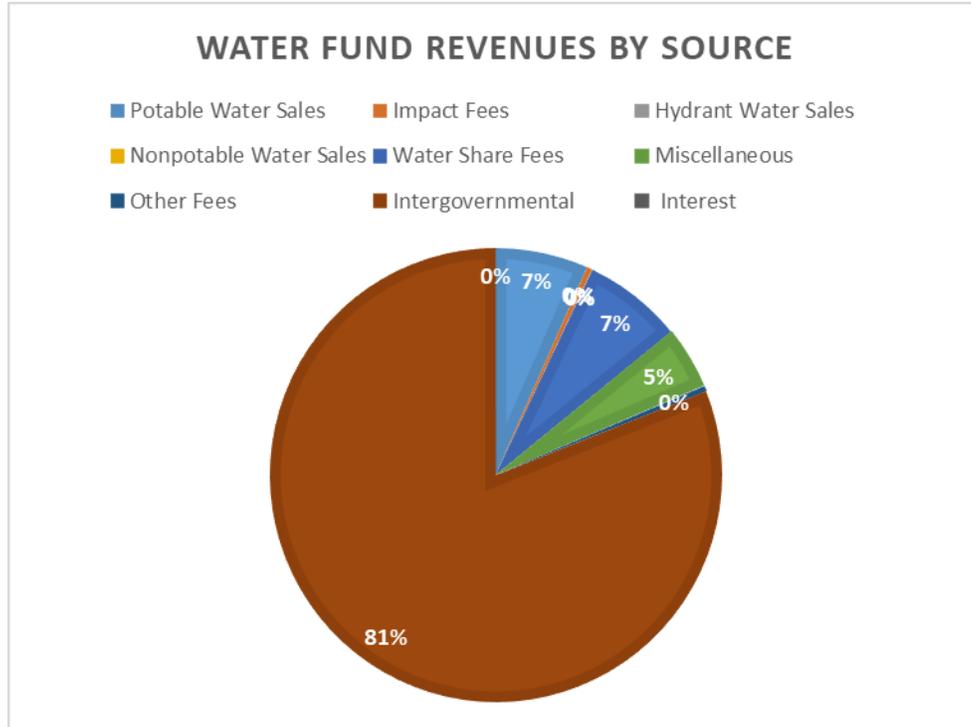
The 2019 Budget for the Water Fund includes total revenues of \$33,844,955. This is a substantial increase over past years as the Water Fund will receive funds from the Electric Fund in 2019, a transaction with a value of approximately \$27,416,655, due to the sale of the utility and the closure of the Electric Fund. The 2019 Budget includes total expenditures of \$21,567,250 which includes a debt payment of \$13,000,000. The debt payment will retire all debt that the fund has. Other costs anticipated in 2019 include capital costs of \$4,675,000 for participation in NISP and Windy Gap.

Water Fund Budget

Water Fund	2017 Actuals	2018 Actuals Jan - Nov	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	57,508,296	59,696,148	59,696,148	59,696,148	58,037,755
<u>Revenues:</u>					
Charges for Services	2,792,922	2,686,287	2,597,000	2,810,631	2,257,000
Miscellaneous Revenue	67,937	974,793	1,512,500	15,454,512	28,929,155
Total Operating Revenues	2,860,859	3,661,080	4,109,500	18,265,143	31,186,155
<u>Expenses:</u>					
Operations and Maintenance	1,590,277	1,656,300	3,431,015	1,799,221	3,523,300
Capital	-	668,182	18,566,000	19,239,600	4,675,000
Depreciation	304,165	283,363	351,000	351,000	365,000
Debt	335	-	-	-	13,000,000
Transfers Out	10,765	-	5,750	-	3,950
Total Operating Expenses	1,905,542	2,607,845	22,353,765	21,389,821	21,567,250
Operating Income (Loss)	955,317	1,053,235	(18,244,265)	(3,124,678)	9,618,905
<u>Non-Operating Revenues (Expenses)</u>					
Tap Fees	110,681	70,070	125,000	66,400	125,000
Capital Investment Fees	1,116,094	1,392,862	2,925,000	1,395,885	2,529,800
Misc. Revenues	5,760	3,890	4,000	4,000	4,000
Interest Expense	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	1,232,535	1,466,822	3,054,000	1,466,285	2,658,800
Excess (Deficiency) of Revenues and Other Sources over Expenses	2,187,852	2,520,057	(15,190,265)	(1,658,393)	12,277,705
Ending Fund Balance	59,696,148	62,216,205	44,505,883	58,037,755	70,315,460

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 2019.

Water Fund Revenue Sources		
Source	Amount	% of Total
Potable Water Sales	2,230,000	6.59%
Impact Fees	129,800	0.38%
Hydrant Water Sales	15,000	0.04%
Nonpotable Water Sales	12,000	0.04%
Water Share Fees	2,400,000	7.09%
Miscellaneous	1,501,000	4.43%
Other Fees	134,000	0.40%
Intergovernmental	27,416,655	81.01%
Interest	6,500	0.02%

Water Fund Expenditures

The expenditures in this fund include operational costs of \$3,892,250, capital outlay of \$4,675,00 and debt service of \$13,000,000. Of the \$4,675,000 capital, \$4,000,000 is recurring and is associated with infrastructure projects related to water acquisition (NISP.) The remaining \$675,000 is nonrecurring and is associated with water infrastructure and a water study.

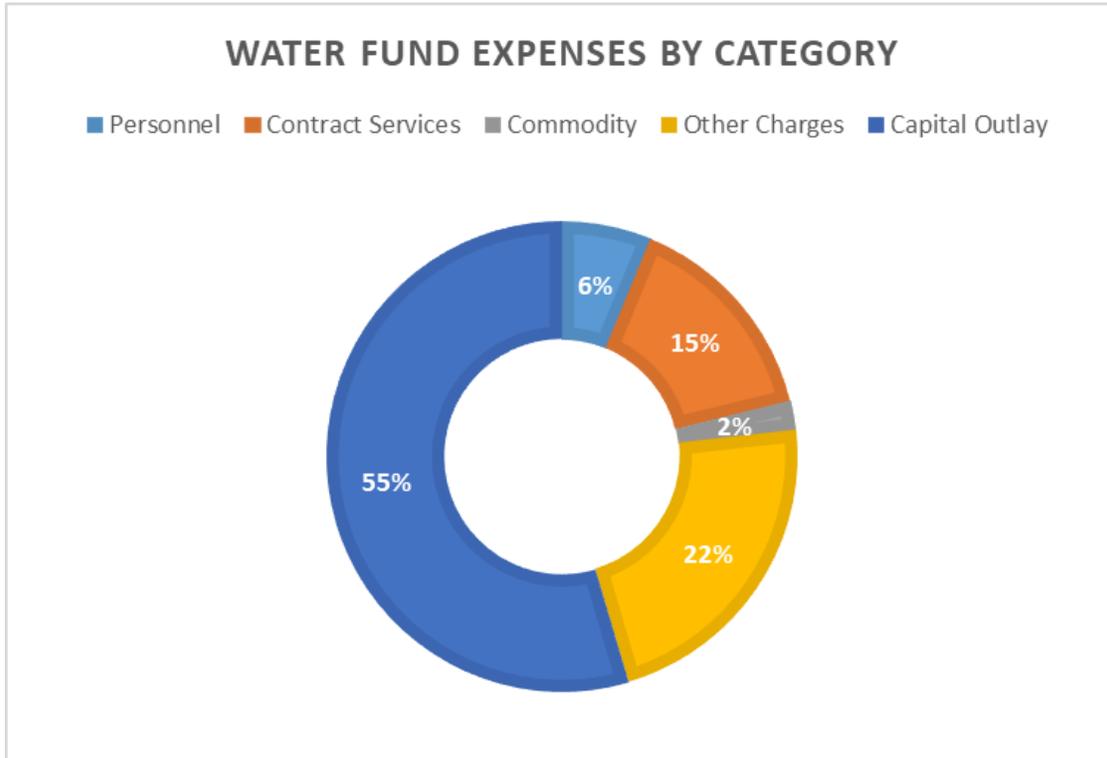
WATER FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
General Admin	316,350	151,700	0	22,000	490,050	---	---	490,050
General Operations	216,940	0	23,860	377,700	618,500	---	13,000,000	13,618,500
Engineering	0	1,073,000	0	1,501,000	2,574,000	4,675,000	---	7,249,000
Public Works	0	60,000	149,700	0	209,700	---	---	209,700
Totals	\$533,290 #	\$1,284,700	\$173,560	\$1,900,700	\$3,892,250	\$4,675,000	\$13,000,000	\$21,567,250
Total Cash Available								\$ 37,175,687
Ending Fund Balance								15,608,437
% of Total Budget	2.47%	5.96%	0.80%	8.81%	18.05%	21.68%	60.28%	100.00%

Projects Funded in 2019 Budget

- Raw water master plan
- NISP
- Windy Gap
- Raw water line extension
- Raw water meter upgrade
- Water study
- Wyndham Hill raw water pond

The chart below details the expenditures for the Water Fund by category. Clearly in 2019 the biggest expenditure will be for Debt and 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	2.20
Operations	3.75
Total	5.95

Water Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Water Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Water Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safety in our community					
Strategy:					
Respond to quality of life issues impacting the citizens of Frederick.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of calls/emails regarding water concerns	N/A	N/A	26		
<i>Performance:</i>					
Percentage of water related calls/emails responded to in 48 hour period	N/A	N/A	95%		
Strategic Foundation:		Facilities & Infrastructure			
Objective:					
Provide a high quality and reliable water supply and manage drainage appropriately					
Strategy:					
Ensure new development provides system improvements that meet Town standards.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Total number of plans/items submitted	N/A	N/A	35		
<i>Performance:</i>					
Average number of hours for engineering department's first application review	N/A	N/A	2		
Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain safe infrastructure in our community					
Strategy:					
Provide community education on water.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of community/outreach events offered	N/A	N/A	1		
<i>Performance:</i>					
Number of community/outreach events supported	N/A	N/A	1		

Strategic Foundation:		Facilities and Infrastructure			
Objective:					
Provide a high quality and reliable water supply and manage drainage appropriately					
Strategy:					
Ensure new development provides system improvements that meet Town standards.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Linear feet of new raw water infrastructure installed	N/A	N/A	931		
<i>Performance:</i>					
Acres of park maintained with raw water	N/A	N/A	149.19		
Strategic Foundation:		Facilities and Infrastructure			
Objective:					
Provide a high quality and reliable water supply and manage drainage appropriately					
Strategy:					
Maintain existing infrastructure in all areas of Town.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of fire hydrants flushed annually		194	204	175	
<i>Performance:</i>					
Percentage of hydrants flushed annually		80%	84%	72%	

STORM WATER FUND



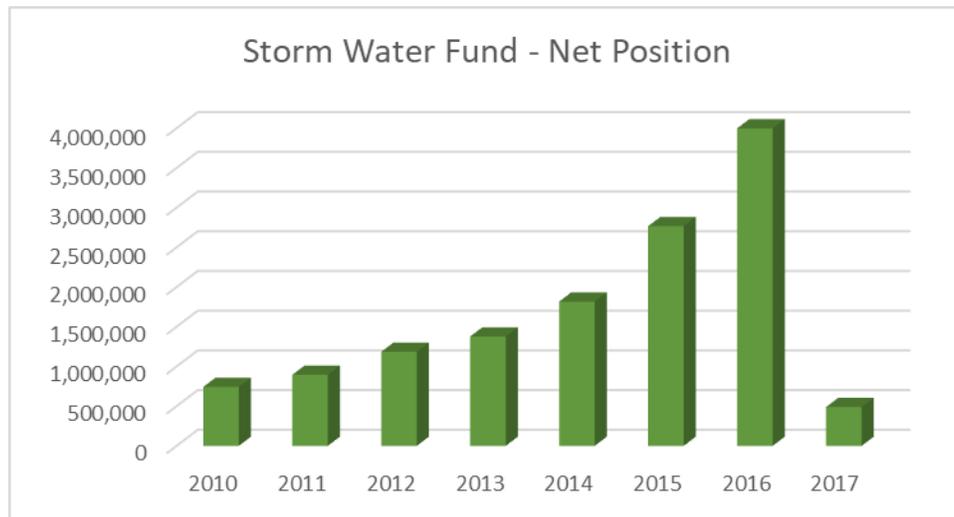
STORM WATER FUND

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.

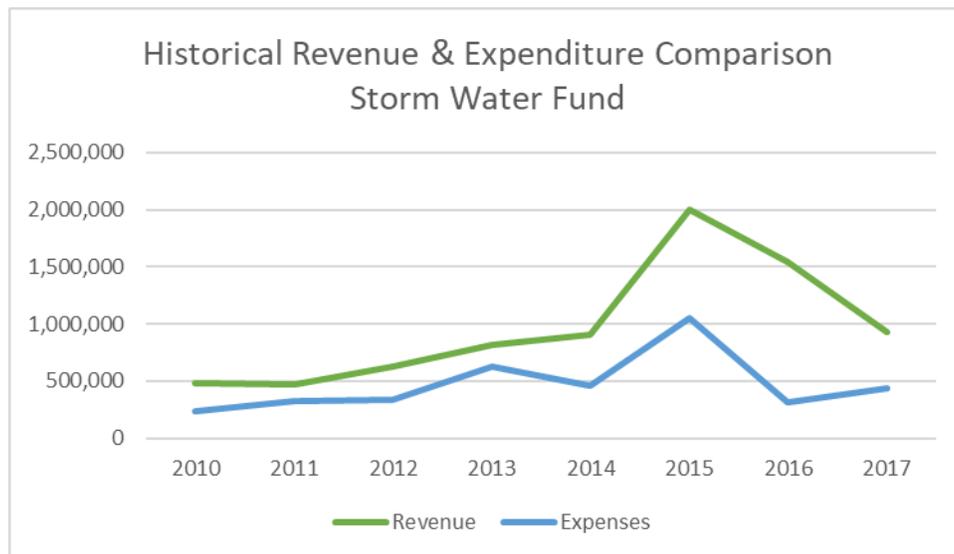
The Storm Water Fund is also responsible for the design and construction of capital improvements and the costs of capital equipment for the utility. Planned capital improvements are needed to serve new development and growth in the town. Funding for new capital projects comes mainly from impact fees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

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.

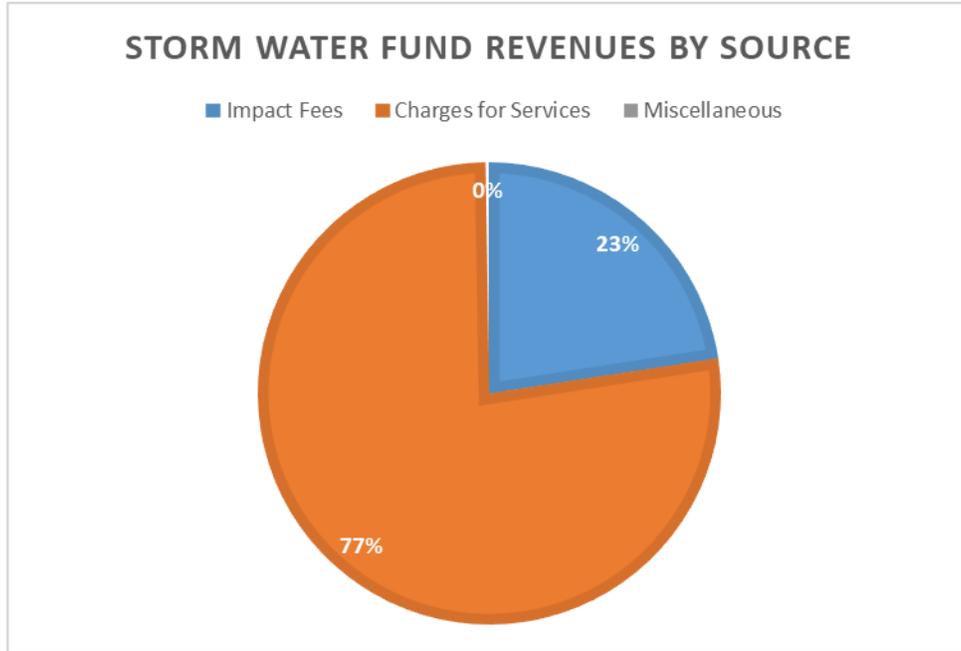
The 2019 Budget for the Storm Water Fund includes total revenues of \$758,400 with \$584,900 being operating revenues. This is an increase of \$74,900 compared to the 2018 Budget. This increase is primarily due to an approved increase in storm water rates. The 2019 Budget includes total expenditures of \$877,720. This amount is \$605,030 lower than what was budgeted in 2018 due primarily to the decrease in capital projects and associated transfers.

Storm Water Fund Budget

Storm Water Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	3,998,418	4,487,618	4,487,618	4,127,952
<u>Revenues:</u>				
Charges for Services	510,441	510,000	560,000	584,900
Miscellaneous Revenue	525	2,000	29,750	2,000
Total Operating Revenues	510,966	512,000	589,750	586,900
<u>Expenses:</u>				
Operations and Maintenance	433,733	775,750	635,000	876,720
Capital Improvements	-	-	-	-
Transfer Out	-	707,000	707,000	1,000
Total Operating Expenses	433,733	1,482,750	1,342,000	877,720
Operating Income (Loss)	77,233	(970,750)	(752,250)	(290,820)
<u>Non-Operating Revenues (Expenses)</u>				
Capital Revenues	405,512	171,000	392,084	171,000
Misc. Revenues	-	-	-	-
Interest Expense	6,455	500	500	500
Total Non-Operating Revenues (Expenses)	411,967	171,500	392,584	171,500
Excess (Deficiency) of Revenues and Other Sources over Expenses	489,200	(799,250)	(359,666)	(119,320)
Ending Fund Balance	4,487,618	3,688,368	4,127,952	4,008,632

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 2019.

Storm Water Fund Revenue Sources		
Source	Amount	% of Total
Impact Fees	171,000	23%
Charges for Services	584,900	77%
Miscellaneous	2,000	0%

Storm Water Fund Expenditures

Storm water expenditures for the 2019 Budget are both operating and capital in nature. The capital expenses of \$320,000 are nonrecurring and will fund a storm master plan, drainage reports for Frederick Recreation Area 2 and a storm pipe at Hwy 52.

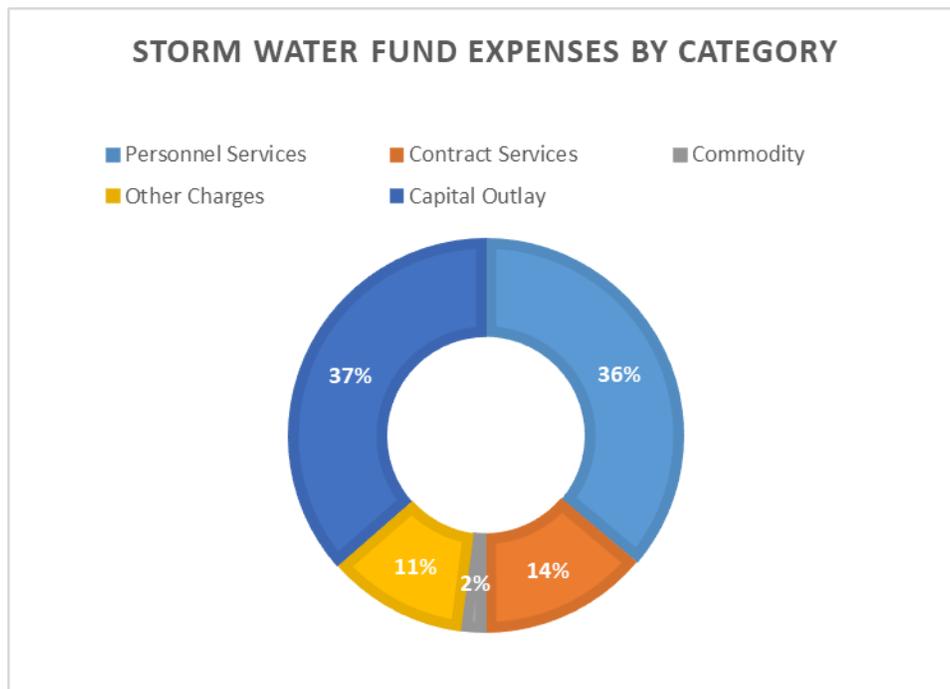
STORM WATER FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
General Operations	317,050	22,950	11,670	99,500	451,170	---	---	451,170
Engineering	0	3,000		1,000	4,000	320,000	---	324,000
Public Works	0	95,650	6,900	0	102,550	---	---	102,550
Totals	\$317,050	\$121,600	\$18,570	\$100,500	\$557,720	\$320,000	\$0	\$877,720
Total Cash Available								\$ 2,014,994
Ending Fund Balance								1,137,274
% of Total Budget	36.12%	13.85%	2.12%	11.45%	63.54%	36.46%	0.00%	100.00%

Projects Funded in 2019 Budget

- Storm Water Master Plan
- Frederick Recreation Area 2 drainage project
- Storm pipe installation under Hwy 52

The chart below details the expenditures for the Storm Water Fund by category. This fund is fairly capital and labor intensive and the 2019 expenditures reflect that.



Storm Water Full Time Employees

Department	No. of Full Time Employees
Administration	.70
Operations	3.70
Total	4.40

Storm Water Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Storm Water Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Storm Water Fund Goals and Key Performance Indicators

Strategic Foundation:		Community Safety			
Objective:					
Provide and maintain public safety in our community					
Strategy:					
Respond to quality of life issues impacting the citizens of Frederick.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of calls/emails concerning drainage	N/A	N/A	5		
<i>Performance:</i>					
Percentage of drainage related calls/emails responded to in 48 hour period	N/A	N/A	95%		
Strategic Foundation:		Facilities and Infrastructure			
Objective:					
Provide a high quality and reliable water supply and manage drainage appropriately					
Strategy:					
Ensure new development provides system improvements that meet Town standards.					
Measure	2016	2017	2018	Comments	
<i>Workload:</i>					
Number of floodplain permit applications	N/A	N/A	2		
<i>Performance:</i>					
Percentage of permits reviewed within two weeks	N/A	N/A	100%		

Strategic Foundation:		Facilities and Infrastructure		
Objective:				
Provide a high quality and reliable water supply and manage drainage appropriately				
Strategy:				
Ensure that new development provides system improvements that meet Town standards.				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Total number of plans/items submitted	27	28	41	
<i>Performance:</i>				
Average number of hours for engineering department's first application review	3	3	3	

ELECTRIC FUND



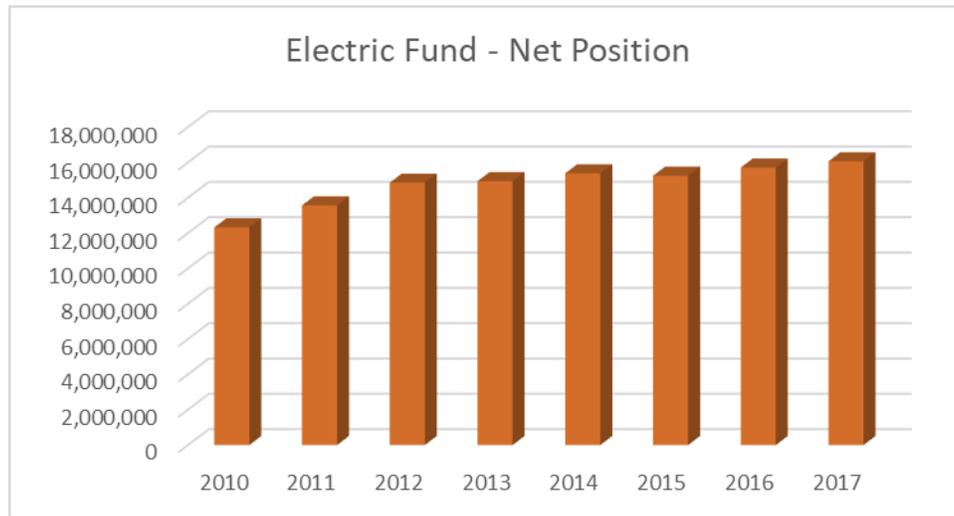
ELECTRIC FUND

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. In 2018, the citizens of Frederick voted to sell Frederick Power and Light to United Power. This transaction will be completed on January 17, 2019. Since the utility will still be in operation for a period in January, the 2019 budget does include revenues and expenditures for that period of time. While revenues and expenditures are generally substantially less than what has been appropriated, the expenditures for capital projects remains quite high as the Town of Frederick is working diligently with local developers to get electric infrastructure in place in new subdivisions before transferring service to the new service provider.

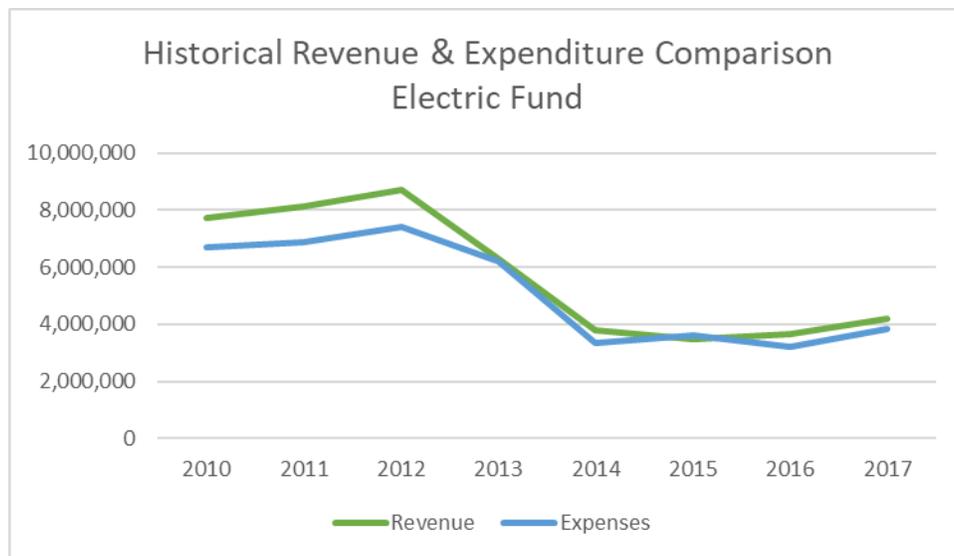


10 Community Canvas Project Artwork

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 through 2014, and again in 2016 and 2017.



Note: This graph reflects all revenues and expenses.

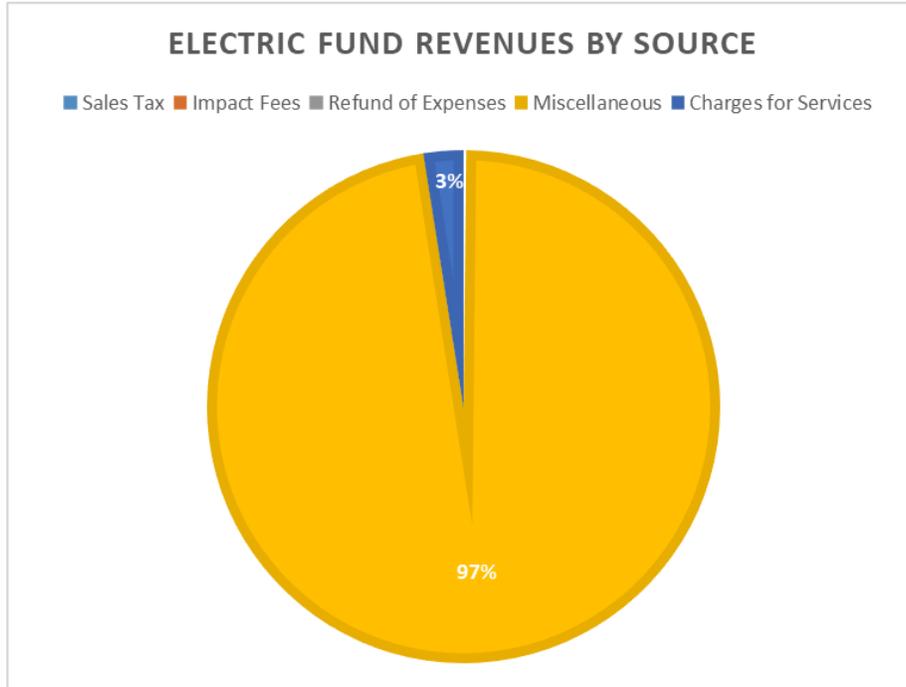
The 2019 Budget for the Electric Fund includes total revenues of \$27,739,410 with \$18,000,000 of that total coming from the sale of the electric infrastructure. The 2019 Budget includes total expenditures of \$28,925,255, which includes transfers of \$27,416,655 to the Water Fund.

Electric Fund Budget

Electric Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	15,706,747	16,062,797	16,062,797	6,296,172
<u>Revenues:</u>				
Charges for Services	3,378,778	3,000,000	3,000,000	690,000
Sales Tax	20,812	24,100	3,600	6,025
Miscellaneous Revenue	55,477	35,000	21,000	5,000
Total Operating Revenues	3,455,067	3,059,100	3,024,600	701,025
<u>Expenses:</u>				
Operations and Maintenance	3,656,759	3,873,120	12,424,545	518,600
Capital Improvements	-	1,835,000	1,825,000	965,000
Depreciation	196,081	198,000	198,000	25,000
Debt	-	-	-	-
Transfer Out	-	-	-	27,416,655
Total Operating Expenses	3,852,840	5,906,120	14,447,545	28,925,255
Operating Income (Loss)	(397,773)	(2,847,020)	(11,422,945)	(28,224,230)
<u>Non-Operating Revenues (Expenses)</u>				
Capital Improvement Fees	159,163	97,500	105,820	21,385
Misc. Revenues	550,899	699,350	1,538,500	27,014,000
Interest Expense	43,761	11,000	12,000	3,000
Total Non-Operating Revenues (Expenses)	753,823	807,850	1,656,320	27,038,385
Excess (Deficiency) of Revenues and Other Sources over Expenses	356,050	(2,039,170)	(9,766,625)	(1,185,845)
Ending Fund Balance	16,062,797	14,023,627	6,296,172	5,110,327

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 2019.

Electric Fund Revenue Sources		
Source	Amount	% of Total
Sales Tax	6,025	0%
Impact Fees	26,385	0%
Refund of Expenses	14,000	0%
Miscellaneous	27,000,000	97%
Charges for Services	690,000	2%
Interest	3,000	0%

Electric Fund Expenditures

Expenditures in the Electric Fund include operating costs and capital costs shown below:

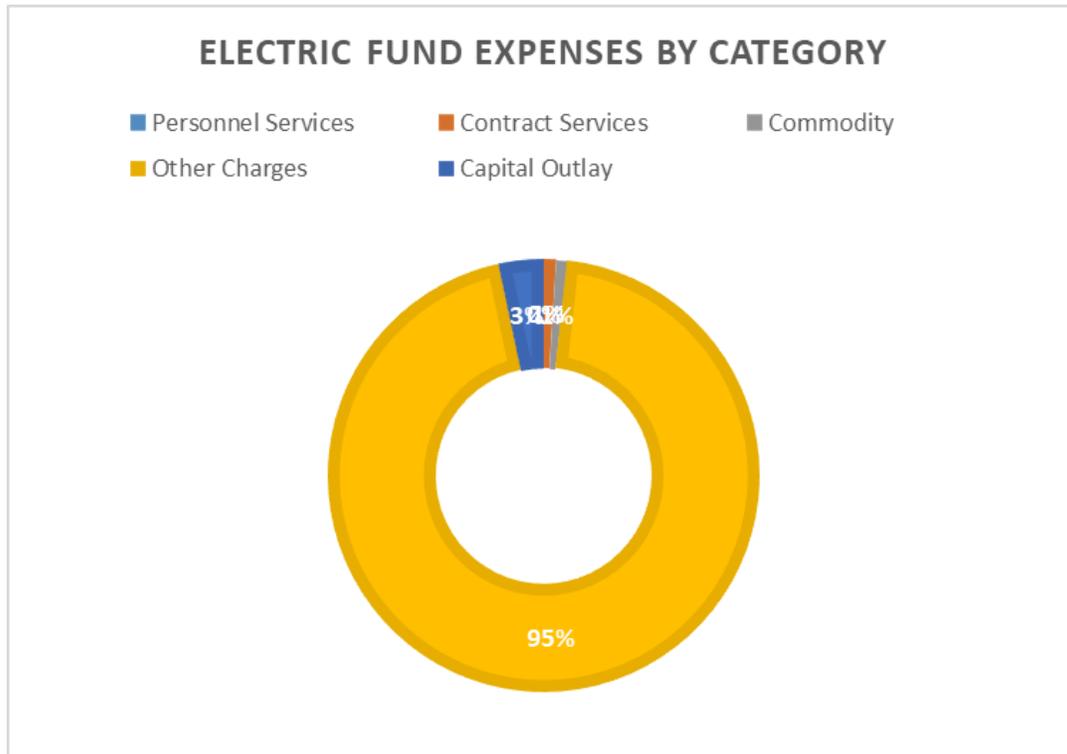
ELECTRIC FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
General Operations	0	263,600	233,300	27,463,355	27,960,255 0	965,000		28,925,255 0
Totals	\$0	\$263,600	\$233,300	\$27,463,355	\$27,960,255	\$965,000	\$0	\$28,925,255
Total Cash Available								\$ 34,035,582
Ending Fund Balance								5,110,327
% of Total Budget	0.00%	0.91%	0.81%	94.95%	96.66%	3.34%	0.00%	100.00%

Projects Funded in 2019 Budget

- Completion of infrastructure for new subdivisions

The chart below details the expenditures for the Electric Fund by category. In 2019, the largest expenditure will be miscellaneous, which is an intergovernmental transfer to the Water Fund when the Electric Fund is closed in 2019.



Electric Fund Full Time Employees

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

FIDUCIARY FUNDS



OIL ROYALTY TRUST FUND



OIL ROYALTY TRUST FUND

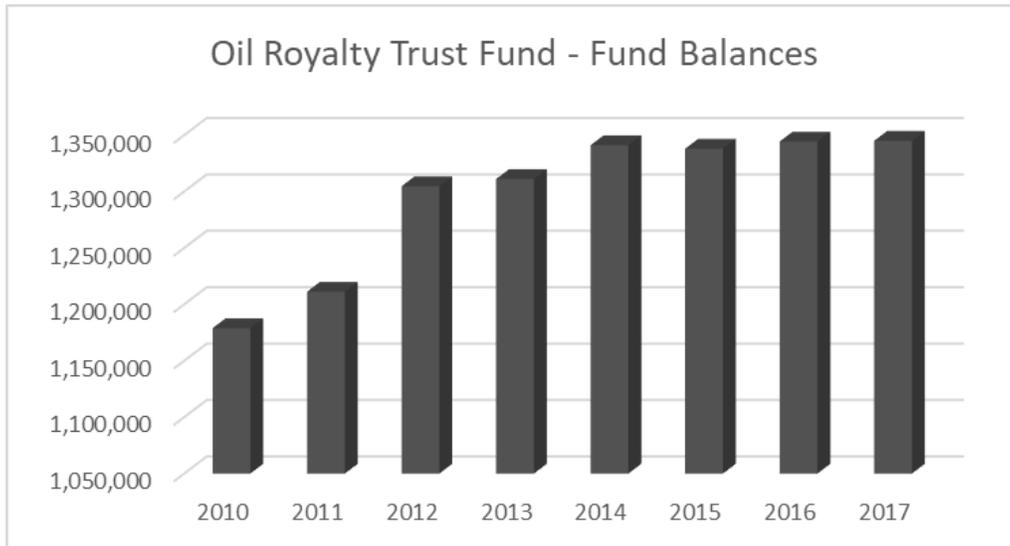
The Oil Royalty Trust Fund was established to receive revenues from oil royalties. The funds are then used for capital improvements, economic development purposes, and other community beneficial programs including donations to non-profit organizations and the Frederick Scholarship Program.

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.

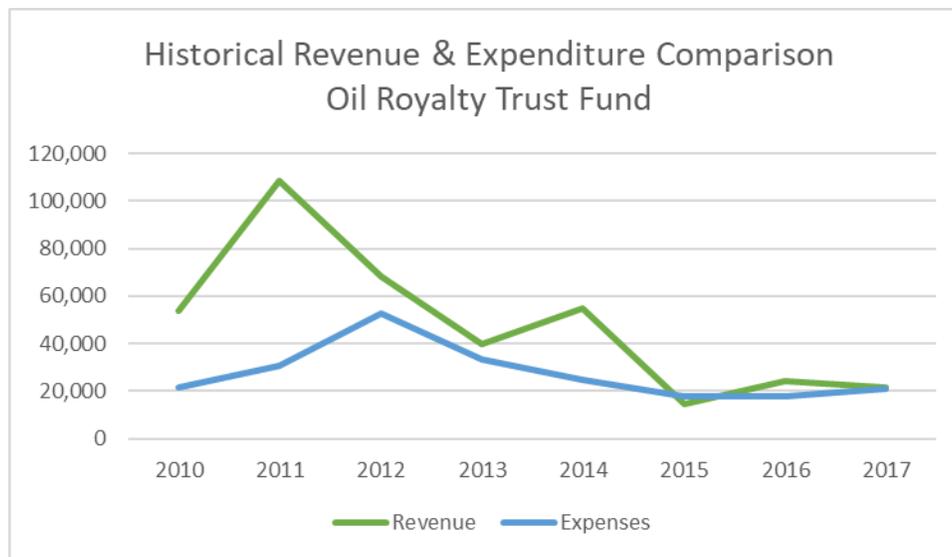
2018 Scholarship Recipients



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 through 2014, and then again in 2016 and 2017.



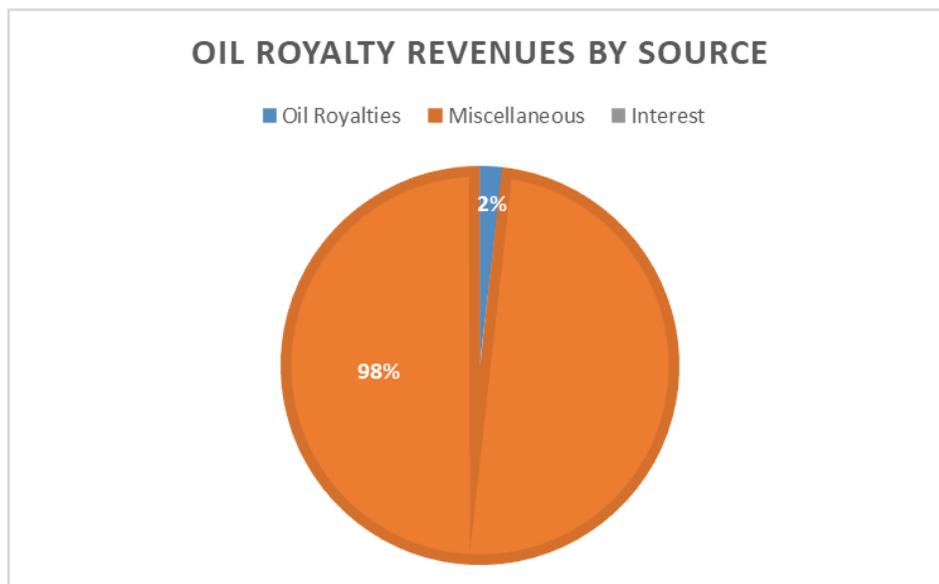
The 2019 Budget includes total revenues of \$1,018,400. This is an increase of \$1,000,000 compared to the 2018 Budget. This increase is the result of a transfer in to eliminate an interfund loan. The 2019 Budget for the Oil Royalty Trust Fund includes total expenditures of \$62,000. This amount is \$1,000 lower than what was budgeted in 2018.

Oil Royalty Trust Fund Budget

Oil Royalty Trust Fund	2017 Actuals	2018 Adopted Budget	2018 Year-End Estimates	2019 Proposed Budget
Beginning Fund Balance	1,344,319	1,344,938	1,344,938	351,955
<u>Revenues:</u>				
Intergovernmental	19,000	18,000	58,717	18,000
Earnings on Investment	2,732	400	400	400
Miscellaneous Revenue	-	-	-	1,000,000
Total Operating Revenues	21,732	18,400	59,117	1,018,400
<u>Expenditures:</u>				
Operations & Maintenance	21,112	63,000	1,052,100	62,000
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	21,112	63,000	1,052,100	62,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	619	(44,600)	(992,983)	956,400
Ending Fund Balance	1,344,938	1,300,338	351,955	1,308,355

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 Oil Royalty Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2019.

Oil Royalty Revenue Sources		
Source	Amount	% of Total
Oil Royalties	18,000	2%
Miscellaneous	1,000,000	98%
Interest	400	0%

Oil Royalty Fund Expenditures

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

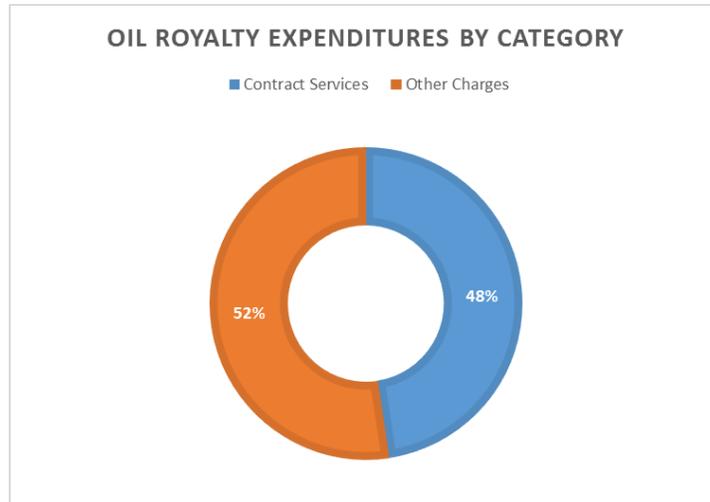
OIL ROYALTY IMPROVEMENT FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Oil Royalty	0	30,000	0	32,000	62,000	---	---	62,000
Totals	\$0	\$30,000	\$0	\$32,000	\$62,000	\$0	\$0	\$62,000
Total Cash Available								\$ 1,370,355
Ending Fund Balance								1,308,355
% of Total Budget	0.00%	48.39%	0.00%	51.61%	100.00%	0.00%	0.00%	100.00%

Projects Funded in 2019 Budget

- Scholarships
- Donations to local programs
- Annexations

The chart below details the expenditures for the Oil Royalty Trust Fund by category. In 2019, the largest 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

Oil Royalty Trust Fund Goals and KPIs

In addition to the projects that have been funded in the 2019 Budget, the Oil Royalty Trust Fund establishes goals and key performance indicators that tie back to our strategic plan and are detailed below.

Oil Royalty Trust Fund Goals and Key Performance Indicators (KPI)

Strategic Foundation:		Economic and Community Vitality		
Objective:				
Community Vitality.				
Strategy:				
Partner with special districts and other outside agencies to strengthen our position as a regional cultural and recreational destination				
Measure	2016	2017	2018	Comments
<i>Workload:</i>				
Number of community grant applications received	6	8	9	
<i>Performance:</i>				
Percentage of community grant applications funded	100%	100%	100%	

APPENDIX



GLOSSARY OF TERMS

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.

ANNUAL BUDGET: A budget applicable to a single fiscal year.

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 one year.

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

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

CPI: Consumer price index.

DEBT: A financial obligation resulting from borrowed money.

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

DEPARTMENT: Major unit of organization in the town.

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

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

DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM: A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

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. The Town of Frederick's fiscal year begins January 1 and ends December 31.

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.

GAAP: Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

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

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

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

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

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

IT: Information technology.

LEAF: Law Enforcement Assistance Fund

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

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

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

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

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

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

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

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

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

PROJECTION: Estimation of future revenues and/or 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.

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

TRANSFER SUMMARY

	Transfers In	From	Transfers Out	To
GENERAL FUND				
General Fund	20,000	Golf Fund	675,000	Park Improvement Fund
General Fund	3,000,000	Water Fund	1,950,000	Capital Facilities Fund
General Fund	250,000	Street and Alley Fund	40,000	Events Fund
SPECIAL REVENUE FUNDS				
Street & Alley Fund			250,000	General Fund
Street & Alley Fund			3,130	Art in Public Places Fund
Park Improvement Fund	675,000	General Fund	17,000	Art in Public Places Fund
Open Space Fund			5,598	Art in Public Places Fund
Open Space Fund			55,000	Golf Fund
Events Fund	40,000	General Fund		
Oil Royalty Fund	1,000,000	Water Fund		
Capital Facilities Fund	1,950,000	General Fund		
Art in Public Places	3,130	Street and Alley Fund		
Art in Public Places	17,000	Park Improvement Fund		
Art in Public Places	5,750	Water Fund		
Art in Public Places	1,000	Storm Water Fund		
Art in Public Places Fund	5,598	Open Space Fund		
PROPRIETARY FUNDS				
Water Fund	27,416,655	Electric Fund	3,000,000	General Fund
Water Fund			1,000,000	Oil Royalty Fund
Water Fund			9,000,000	Electric Fund
Water Fund			5,750	Art in Public Places Fund
Storm Water Fund			1,000	Art in Public Places Fund
Electric Fund	9,000,000	Water Fund	27,416,655	Water Fund
Golf Fund	55,000	Open Space Fund	20,000	General Fund

Fund Transfers

Fund transfers are used in multiple funds that the town uses on an annual basis. The transfers into the General Fund are to offset financial obligations related to development as well a payback of expenses from previous years. The Park Improvement Fund is supported by revenues related to parks in addition to the transfers from the proprietary funds that serve as franchise fees. The transfer into the Open Space Fund represents the payback of monies loaned previously. The Art in Public Places Fund is supported by a one percent 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.

STAFFING SUMMARY

Fund/Department	2017 Actual	2018 Budgeted	2019 Budget
Governmental Funds			
<u>General Fund:</u>			
Administration	5.05	5.20	5.55
Finance	1.45	1.45	1.75
Courts Division	1.00	1.00	1.00
Planning	3.30	3.30	2.70
Police	23.10	24.90	26.90
Public Works	2.20	1.70	2.25
Engineering	1.60	1.60	1.90
Buildings	0.50	0.50	0.50
General Fund Total	38.20	39.65	42.55
Street & Alley Fund	4.80	4.65	4.85
Conservation Trust Fund	0.00	0.00	0.00
Park Improvement Fund	7.33	7.86	9.40
Open Space Fund	3.63	3.09	3.80
Capital Facilities Fund	0.00	0.00	0.00
Events Fund	0.00	0.00	0.00
Golf Course Fund	0.00	4.65	6.60
Art In Public Places Fund	0.00	0.00	0.00
Historic Preservation Fund	0.00	0.00	0.00
Proprietary Funds			
Water Fund	6.10	6.10	5.95
Storm Water Fund	3.11	2.85	4.40
Electric Fund	3.95	3.95	0.00
Fiduciary Funds			
Oil Royalty Fund	0.00	0.00	0.00
Total FTE's:	67.12	72.80	77.55

Changes to FTEs in 2019

There were two additional full-time positions, and one part-time position approved in the 2019 Budget. The positions added town-wide include one full-time police officer, one full-time public works mechanic and one part-time golf shop technician. 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.

