



Executive Summary



EXECUTIVE SUMMARY

2017 OPERATING EXPENDITURE BUDGET EXECUTIVE SUMMARY

The City's budget is the long-range plan by which financial policy is implemented and controlled. City Council's goals, City-wide objectives, ordinances, and resolutions provide policy direction that respond to the needs and desires of the community. The budget process is a continuous cycle that begins with City Council's strategic planning each January, continues through the planning and development stages of the budget, and finishes with final adoption of the budget by Council in November/December. The information included in the Executive Summary is intended to provide a brief but detailed overview of the changes between the 2016 Adopted Budget and the 2017 Proposed Budget. The following pages list proposed enhancements and service modifications by department and dollar amount; the items listed are anticipated to represent only a partial list of the reductions and additions proposed, with only the most significant items from each department listed. The amount shown is the net change to the department's respective budget.

The total budget for 2017 is \$86,151,997. The total City budget is comprised of the funds listed below. Department directors prepared their 2017 budgets with a zero percent increase in expenditures over the adopted 2016 budget, excluding increases for salaries, health care costs, and other types of expenditures beyond the control of the City (e.g. gas, asphalt, concrete, and other materials). Increases were also permitted for certain contractual obligations of the City, such as increases required by service providers. The zero percent increase over the 2016 Adopted Budget has made it more challenging for department directors to absorb cost increases while providing the same high level of service.

The items on the following pages include additional funds to support existing programs. The significant majority of these adjustments are incremental changes to existing City programs. Some changes were approved to current service levels in order to achieve Council's overall goals and objectives.

The 2017 Proposed Budget includes health care cost increases of 12%, 2%, and 7% for health, vision, and dental insurance costs, respectively, based on estimated projections. These changes represent an increase from the 2017 Adopted Budget.

The proposed General Fund budget for 2017 is \$57,743,169, excluding fund transfers. The 2017 General Fund budget represents a 5.6% increase from the Adopted 2016 Budget. This increase is primarily due to the City's contractual obligation with the public works and law enforcement service providers. Without the increases for these contractual obligations, the proposed 2017 General Fund budget would increase only 3.7% from the 2016 Adopted Budget. All increases are detailed in further pages of the document.

The proposed Capital Improvement Fund Budget for 2017 is \$16,451,000, an increase of 3.5% from the Adopted 2016 Budget. Also, Council has a policy direction to transfer funding from the fund balance of the General Fund to the Capital Improvement Fund's Major Capital Reserve line account in the amount equal to an amount that maintains the fund balance of the General Fund at 35%.

The proposed Open Space Fund Budget for 2017 is \$1,620,000, a decrease of 18.0% compared to the 2016 Adopted Budget. This decrease is primarily due SSPRD Neighborhood Park Improvements.

The proposed Conservation Trust Fund Budget for 2017 is \$302,500, which is a decrease of 24.8% from the 2016 Adopted Budget. The decrease is primarily due to the decrease of funds for Waco to Himalaya Trail. This budget includes additional funding for Center Park Maintenance.

Executive Summary



The proposed Land Use Fund Budget for 2017 is \$2,912,091, an increase of 0.5% compared to the 2016 Adopted Budget. This increase is due to compensation increases to keep the City's pay competitive and to recognize Staff's commitment to providing a high level of service to all citizens.

The proposed Centennial Urban Redevelopment Authority Fund Budget for 2017 is \$6,521,508, an increase of 0.02% from the Adopted 2016 Budget. The increase in funding is primarily due to contractual obligations of the Authority to collect and distribute sales and property taxes above the base amount specified in the Public Finance Agreement. The amounts above the base, as specified in the PFA, are to be passed through to the Southglenn Metropolitan district. These amounts are also budgeted as revenues in the Authority.

The proposed General Improvement District Fund budgets for 2017 are collectively \$601,710, an increase of 15.7% from the Adopted 2016 Budget. The City has four General Improvement Districts, or GIDs, including Walnut Hills, Foxridge, Cherry Park, and Antelope, each with a corresponding budgetary fund and dedicated revenue stream.

Listed below is a summary, by Fund, of the 2016 Adopted and 2017 Proposed Budgets and the percentage change between the two budgets.

Fund	2016 Adopted Budget	2017 Budget	\$ Change	% Change
General Fund	\$ 54,703,064	\$ 57,743,169	\$ 3,040,105	5.56%
Capital Improvement Fund	15,890,000	16,451,000	561,000	3.53%
Open Space Fund	1,975,000	1,620,000	(355,000)	-17.97%
Conservation Trust Fund	402,500	302,500	(100,000)	-24.84%
Land Use Fund	2,897,522	2,912,091	14,569	0.50%
Centennial Urban Redevelopment Authority Fund	6,520,467	6,521,508	1,041	0.02%
General Improvement District Funds	520,021	601,710	81,689	15.71%
Total	\$ 82,908,574	\$ 86,151,977	\$ 3,243,403	3.91%

The following is a detail summary of the more significant changes listed above by Fund and Department.



**City of Centennial
2017 Budget
Executive Summary of Budget Variances
2016 Adopted—2017 Proposed Budgets**

Variance Detail	Net Change
ALL FUNDS	
City-wide	
Health, vision and dental insurance costs are projected to increase by approximately 12 percent (12%), 2 percent (2%) and 7 percent (7%), respectively, based on estimated premium increases. These increases are the amounts attributable to the estimated rate increases in insurance premiums and do not include the total change in benefits due to higher or lower utilization.	\$ 58,843
	\$ 58,843
GENERAL FUND	
Elected Officials	
The 2017 Budget includes an increase in Dues and Memberships.	\$ 28,673
City Attorney's Office	
The 2017 Budget includes compensation increases pursuant to the contract negotiated during 2013 between the City and City Attorney, and includes a change to the overall rate structure as well as an annual increase consistent with the change in the Consumer Price Index (CPI).	\$ 7,047
City Clerk's Office	
The City's election costs are incurred through Arapahoe County and are pro-rated by participating municipalities based upon the total number of ballot issues and participating municipalities. Since this is an odd numbered year, the City will have candidates. With the IGA submitted to the City for the coordinated Election, the County has given an estimate of \$75,000 for 2017 Mail-ballot election based on voter turnout for Centennial in 2015.	\$ 75,000
The 2017 Budget includes a recurring increase in costs for records storage with Iron Mountain due to the Building Services and Community Development file conversion project and additional trip/box retrieval costs.	\$ 3,000
The 2017 Budget includes a recurring decrease in costs for Prosecution Services. Over the past 10 years, prosecution services to Liquor License Authority were minimal (less than \$1,000 per year).	\$ (2,000)
The 2017 Budget includes a recurring increase for Commission/Board Authority Services due to an expected increase in new license applications and violations.	\$ 1,900
City Manager's Office	
In 2017, the Senior and Youth Commission operations will be transferred to the Communications Department budget.	\$ (11,000)
Economic Development	
The 2017 Budget includes an increase in costs for consultant services which include: Retail Program, Data Analysis, Project Analysis and Annexation Analysis.	\$ 100,000
GENERAL FUND (continued)	



Variance Detail

GENERAL FUND (continued)	
Office of Technology & Innovation	
Information Technology - The 2017 Budget includes an increase to cover additional costs with managed services model as the contract will expire and for professional services to support the transition of the Office of Technology & Innovation department and various projects.	\$ 223,200
Information Technology - The 2017 Budget includes an increase in costs for Software Licensing and Maintenance for the City.	\$ 49,352
The 2017 Budget includes an increase in costs to fund backfill positions during the financial system replacement.	\$ 129,000
GIS - Beginning in 2017, GIS was separated from IT and shown as a separate division. The GIS services line item is shown separate from IT Outsourcing Services line item and was transferred from this line item to GIS Services. Note, there is no overall budget increase from this transfer.	\$ 60,000
Innovation - This a budget neutral impact due to receiving Bloomberg Grant Fund revenues in 2017. The i-team will use these funds to identify a second project in similar magnitude to GoCentennial in 2017. Note the City's grant match obligation will be fulfilled by funding the i-team Manager position in 2017.	\$ 135,271
The 2017 Budget includes reallocation of funding between line items based upon the anticipated needs of the department in 2017. These include a reduction in office rent, software, equipment, printing and publishing and miscellaneous costs, and an increase for meetings/training/travel.	\$ 3,822
The 2017 Grant Match funding is not required due to the Go Centennial Project. The remaining match will be used to cover the salary and benefits of the i-team Manager.	\$ (250,000)
Human Resources	
Beginning in 2016 going forward, Security Services has been moved to Central Services.	\$ (115,000)
The 2017 Budget includes an increase in benefits cost for the City of Centennial Wellness Program.	\$ 3,761
Consistent with the 2016 Budget, the 2017 Budget includes funding for employee compensation increases to keep the City's pay plan competitive and recognize Staffs commitment to providing a high level of service to all citizens. All increases are performance based and will be transferred to recipient departments during the 2017 budget year.	\$ 24,414
Communications	
The 2017 Budget includes funding for an additional cost in Printing & Marketing Material for the City's community activities and events. A portion was moved from the professional services line.	\$ 13,140
The 2017 Budget includes a decrease in professional services which were moved to the printing and marketing materials line item.	\$ (5,000)
The 2017 Budget includes funding for the miscellaneous line item for additioanl video and digital services.	\$ 5,000
Finance	
Sales tax collection and reporting services are performed by a third party contractor, PReMA. The 2017 Budget includes an increase for those services pursuant to the contract.	\$ 17,411



Variance Detail	Net Change
GENERAL FUND (continued)	
Nondepartmental	
The City has entered into certain agreements in an effort to promote economic development and re-development within the City. While the parties to the agreements and the various components therein are different, there are certain provisions in the agreements which require the City to share a portion of its sales and/or use tax, based on sales/use tax receipts, in order to reimburse the property owners for construction and maintenance of public improvements. The estimated sales/use tax incentive amounts and revenues have been included in the 2017 Budget.	\$ 150,948
The County Vendor and Treasurer's Fees represent fees paid to the County for the collection of property tax, certain sales tax, and automobile use tax. One percent (of total property tax collections) and five percent (of total sales and automobile use tax collections) fee is charged for collecting and processing payment to the City. The 2017 Budget includes a net increase in these fees as a result of increased projected revenues.	\$ 2,345
Central Services	
Beginning in 2016 going forward, Security Services has been moved to Central Services.	\$ 165,000
The 2017 Budget includes an increase in Dues & Memberships due to projected increases in annual renewal rates, as well as additional need within various departments.	\$ 636
The 2017 Budget includes an increase in Meetings/Training/Travel primarily to cover costs associated with staff training within the Office of Technology and Innovation for additional staff in the department.	\$ 23,140
Public Works	
The 2017 Budget includes additional funding to cover the cost of the service provider's contract including the FSA, incentive, the median maintenance programs, as well as recurring funding for the addition of 5 snow plows per Council approval at the April Budget Workshop.	\$ 1,182,005
The 2017 Budget includes recurring funding for an additional 320 tons of Ice Slicer per truck per year, or 1600 tons for 5 trucks.	\$ 166,400
The 2017 Budget includes recurring funding for 850 gallons of fuel per truck per year, or 4,250 gallons for 5 trucks.	\$ 7,480
Per Council direction at the September Budget Workshop, funds included as a placeholder in the 2017 Budget for tree removal in medians roadside maintenance and improvements.	\$ 25,000
Per the median subcommittee, the 2017 Budget includes additional funding to cover the cost for roadside maintenance and improvements.	\$ 100,000



Variance Detail

GENERAL FUND (continued)	
Facilities & Fleet	
The 2017 Budget includes cost to cover the contractual increase for facilities maintenance and cleaning services.	\$ 32,306
The 2017 Budget includes an increase in TMA Landscaping dues.	\$ 7,217
Reduction for one-time funding for equipment and furniture in 2016.	\$ (37,500)
The 2017 Budget includes additional funding for repairs and maintenance to the overflow parking lot, Centennial Center Park, Public Works facility, as well as the Civic Center Campus.	\$ 10,000
Reduction for one-time vehicle cost in 2016.	\$ (75,000)
Law Enforcement	
The City's Law Enforcement services are provided by the Arapahoe County Sheriff's Office. Based on contractual obligations, the City's Law Enforcement Budget is to increase annually, including an increase for costs beyond the control of the Sheriff's Office such as costs for gas, oil, and health care. The 2017 Budget includes the contractual increase for services.	\$ 825,308
Animal Services	
Animal Services are provided by third party contractors including the Humane Society of the Pikes Peak Region (HSPPR) and Animal Cremation Services. The 2017 Budget includes a placeholder for an increase in the cost of services for 2017.	\$ 13,258
Municipal Court	
The City's Law Enforcement services are provided by the Arapahoe County Sheriff's Office. Based on contractual obligations, the City's Law Enforcement budget is to increase annually, including an increase for costs beyond the control of the Sheriff's Office such as costs for gas, oil, and health care. The calculation for the allocation of indirect costs to the Municipal Court was updated for 2017.	\$ (50,488)
Community Development Administration	
The 2017 Budget includes a reduction for one-time funding to cover the cost associated with the Comprehensive Plan in 2016.	\$ (150,000)
Code Compliance	
Code Compliance services are provided by a third party contractor. The 2017 Budget includes an increase pursuant to the terms of the contract.	\$ 15,712



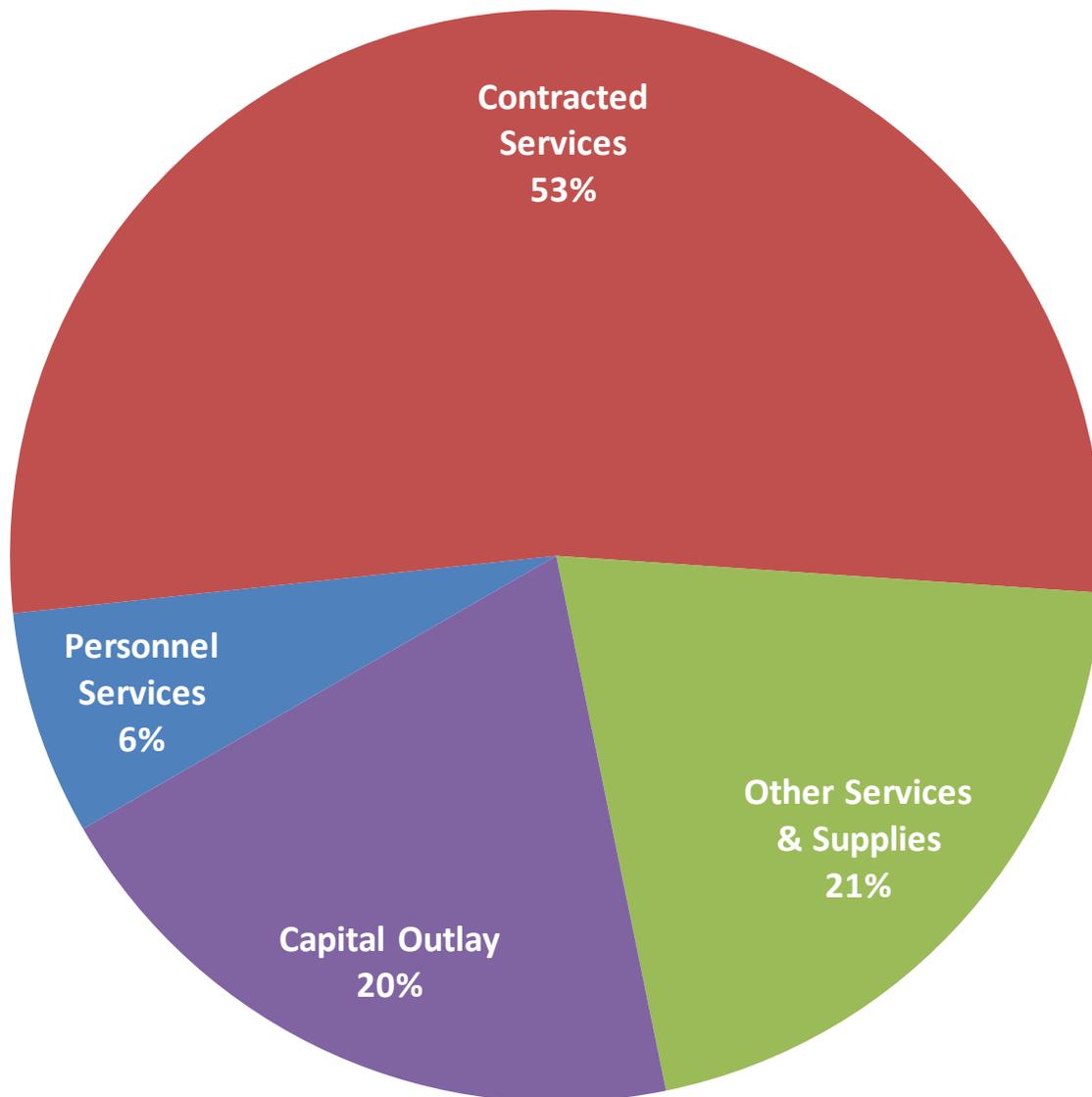
Variance Detail

Net Change

LAND USE FUND	
None.	\$ -
CAPITAL IMPROVEMENT FUND	
The 2017 Budget includes funding for several projects including the IT System Upgrades project and Street Rehabilitation items per Council approval at the April Budget Workshop and Neighborhood Traffic Management & Design.	\$ 7,991,000
Beginning with the 2015 Budget year, funds in excess of 35% of the General Fund balance are set aside for major capital projects.	\$ (7,430,000)
MISCELLANEOUS FUNDS	
Open Space	
The 2017 Budget includes a reduction as a result of the reallocation of funds from APRD and SSPRD to other City projects, including a \$500,000 set aside for Regional Partnership projects.	\$ (355,000)
Conservation Trust Fund	
The 2017 Budget includes an increase in funding (\$100,000) for costs associated with the maintenance for Centennial Center Park. Costs are directly related to the expected increase in costs associated with the upkeep of play structures, costs of equipment purchases to maintain the play structures and replacement of aging play structures and ground surfaces. It also includes a decrease of \$200,000 for Waco to Himalaya Trail.	\$ (100,000)
Centennial Urban Redevelopment Authority	
None.	\$ -
TOTAL NET CHANGE	\$ 3,134,444



All Funds - 2015 Actual Expenditure Summary by Budget Category





All Funds
2015 Actual Expenditure Summary by Department and Budget Category

	Personnel Services	Contracted Services	Other Services & Supplies	Capital Outlay	Total
Legislative					
Elected Officials	\$ 86,795	\$ 21,687	\$ 163,845	\$ -	\$ 272,327
City Attorney's Office	-	718,213	-	-	718,213
City Clerk's Office	267,154	52,411	48,483	-	368,048
City Management					
City Manager's Office	1,304,117	-	9,416	-	1,313,533
Office of Technology & Innovation	268,401	568,925	539,954	-	1,377,280
Administrative					
Human Resources	237,052	133,411	45,587	-	416,050
Communications	485,517	-	341,133	-	826,650
Financial					
Finance	975,411	899,716	405,372	-	2,280,499
Economic Development	-	76,100	35,384	-	111,484
Nondepartmental	-	482,953	4,814,839	-	5,297,792
Central Services	-	-	245,708	-	245,708
Public Works					
Public Works	296,864	11,344,409	1,000,994	-	12,642,267
Facilities & Fleet	-	-	1,159,707	-	1,159,707
Capital Improvement ¹	-	-	319,765	14,390,991	14,710,756
General Improvement Districts ²	-	85,925	231,827	-	317,752
Public Safety					
Public Safety	-	20,285,969	-	-	20,285,969
Animal Services	-	603,996	-	-	603,996
Municipal Court	343,001	1,743,471	356,317	-	2,442,789
Community Development					
Community Development Administration ⁴	833,571	3,226,255	372,360	-	4,432,186
Code Compliance	-	433,725	2,490	-	436,215
Culture & Recreation					
Culture & Recreation ³	29,175	-	240,680	941,825	1,211,680
Urban Redevelopment					
Urban Redevelopment ²	-	-	5,622,583	-	5,622,583
TOTAL EXPENDITURES	\$ 5,127,058	\$ 40,677,166	\$ 15,956,444	\$ 15,332,816	\$ 77,093,484

¹Capital Improvement Fund

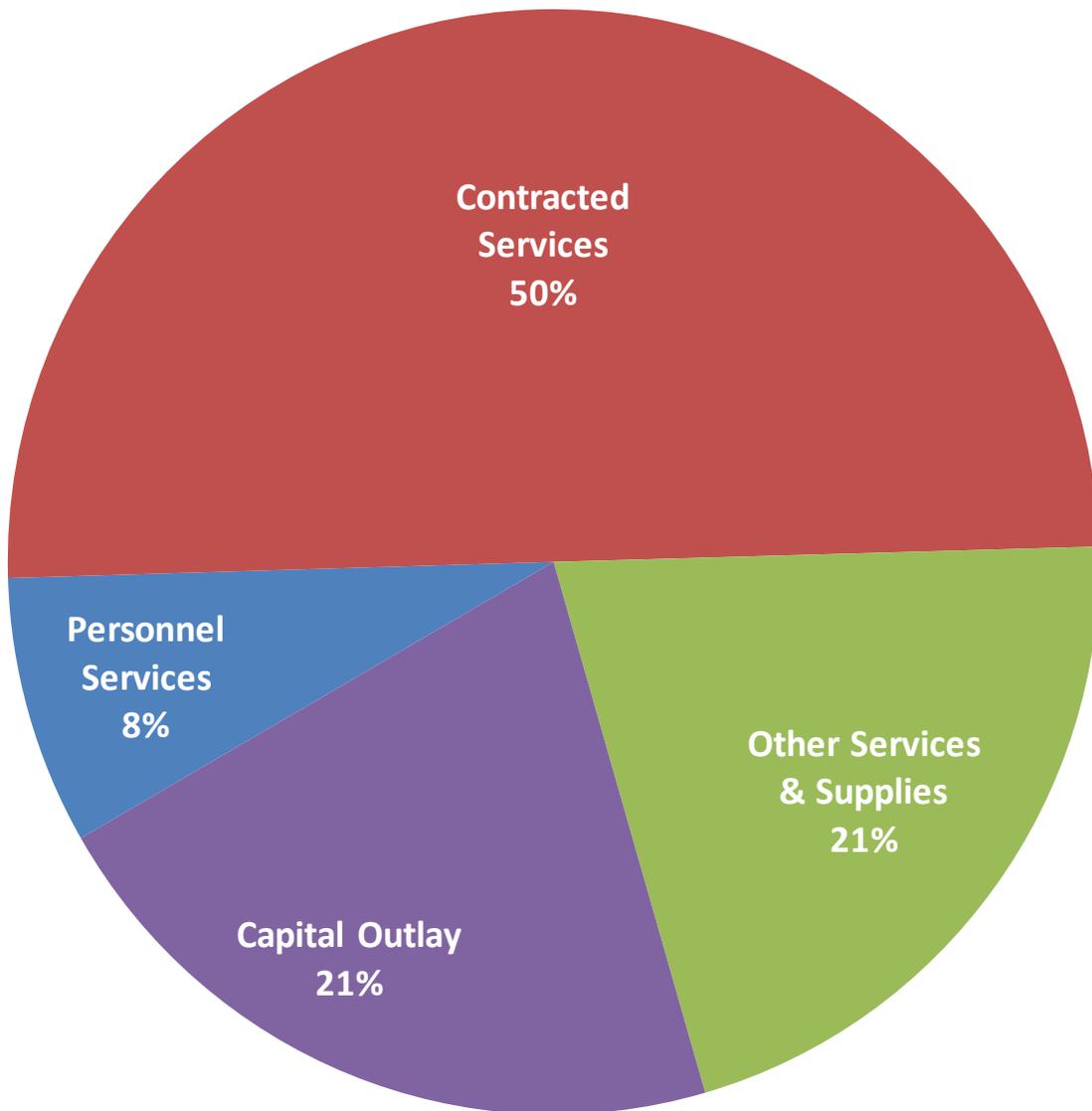
²Other Governmental Funds (Includes General Improvement Districts and CURA)

³Open Space and Conservation Trust Funds

⁴Includes Land Use Fund



All Funds - 2016 Adopted Expenditure Summary by Budget Category





All Funds
2016 Adopted Expenditure Summary by Department and Budget Category

	Personnel Services	Contracted Services	Other Services & Supplies	Capital Outlay	Total
<u>Legislative</u>					
Elected Officials	\$ 241,312	\$ 28,904	\$ 202,932	\$ -	\$ 473,148
City Attorney's Office	-	784,758	-	-	784,758
City Clerk's Office	267,226	61,128	54,615	-	382,969
<u>City Management</u>					
City Manager's Office	1,304,301	-	16,000	-	1,320,301
Office of Technology & Innovation	648,262	461,908	631,075	-	1,741,245
<u>Administrative</u>					
Human Resources	244,708	125,000	392,310	-	762,018
Communications	627,838	-	373,110	-	1,000,948
<u>Financial</u>					
Finance	1,401,462	807,898	440,073	-	2,649,433
Economic Development	-	150,000	84,000	-	234,000
Nondepartmental	-	497,680	4,680,924	-	5,178,604
Central Services	-	-	341,978	-	341,978
<u>Public Works</u>					
Public Works	365,724	12,050,590	1,108,843	-	13,525,157
Facilities & Fleet	-	-	801,925	84,500	886,425
Capital Improvement ¹	-	-	325,000	15,565,000	15,890,000
General Improvement Districts ²	-	219,122	300,899	-	520,022
<u>Public Safety</u>					
Public Safety	-	21,307,252	-	-	21,307,252
Animal Services	-	642,843	-	-	642,843
Municipal Court	433,921	1,798,004	145,330	-	2,377,255
<u>Community Development</u>					
Community Development Administration ⁴	907,886	2,090,596	524,865	-	3,523,347
Code Compliance	-	448,905	20,000	-	468,905
<u>Culture & Recreation</u>					
Culture & Recreation ³	80,000	-	412,500	1,885,000	2,377,500
<u>Urban Redevelopment</u>					
Urban Redevelopment ²	-	-	6,520,467	-	6,520,467
TOTAL EXPENDITURES	\$ 6,522,640	\$ 41,474,588	\$ 17,376,846	\$ 17,534,500	\$ 82,908,575

¹Capital Improvement Fund

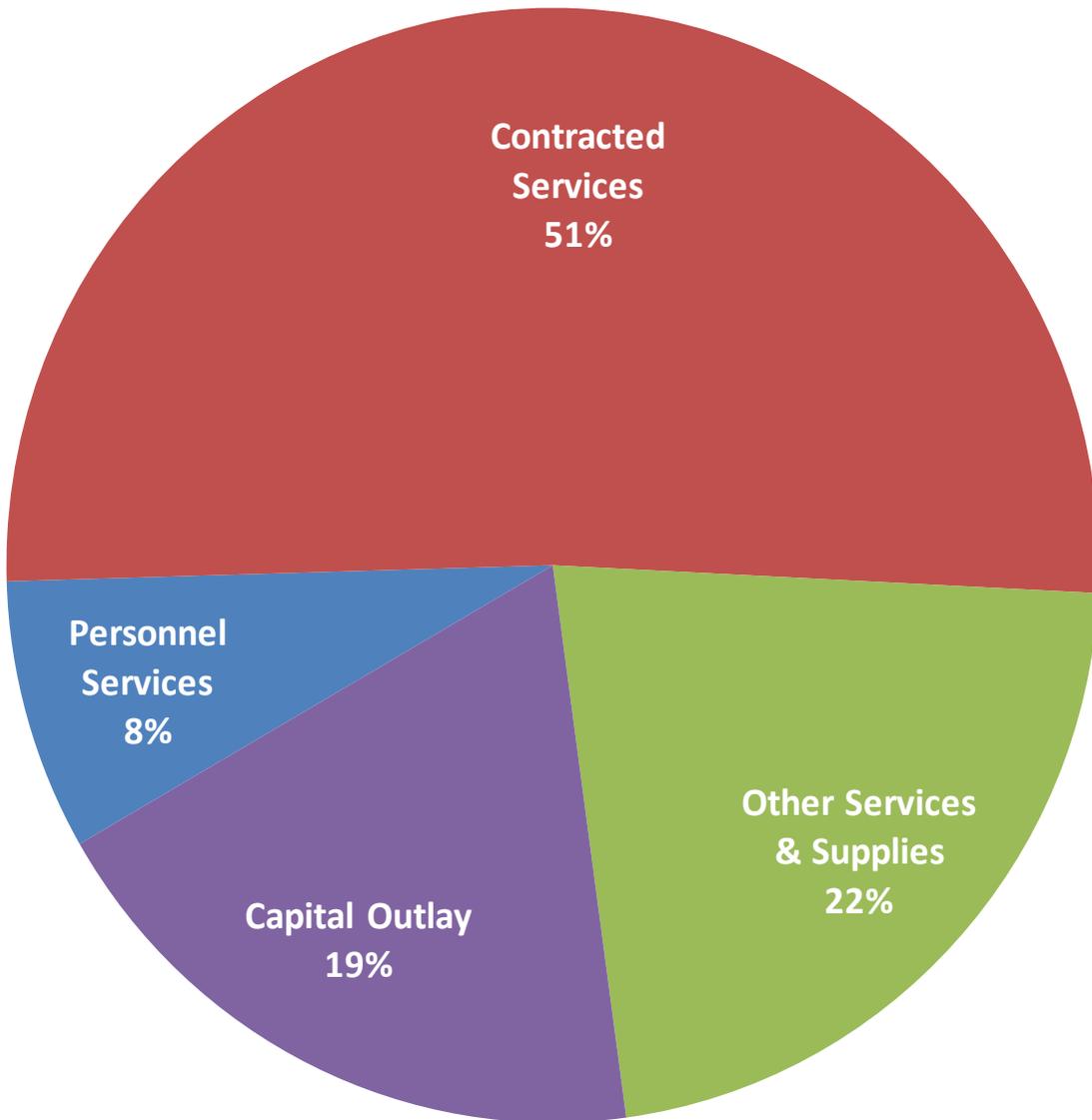
²Other Governmental Funds (Includes General Improvement Districts and CURA)

³Open Space and Conservation Trust Funds

⁴Includes Land Use Fund



All Funds - 2017 Expenditure Summary by Budget Category





All Funds
2017 Expenditure Summary by Department and Budget Category

	Personnel Services	Contracted Services	Other Services & Supplies	Capital Outlay	Total
Legislative					
Elected Officials	\$ 152,086	\$ -	\$ 230,605	\$ -	\$ 382,691
City Attorney's Office	-	791,805	-	-	791,805
City Clerk's Office	278,616	59,128	134,515	-	472,259
City Management					
City Manager's Office	1,345,144	-	5,000	-	1,350,144
Office of Technology & Innovation	1,145,560	924,100	522,968	-	2,592,628
Economic Development	-	200,000	84,000	-	284,000
Administrative					
Human Resources	250,974	10,000	417,125	-	678,099
Communications	619,251	-	397,250	-	1,016,501
Financial					
Finance	1,149,827	825,309	441,062	-	2,416,198
Nondepartmental	-	490,000	4,834,217	-	5,324,217
Central Services	-	-	530,754	-	530,754
Public Works					
Public Works	397,015	13,477,122	1,144,964	30,000	15,049,101
Facilities & Fleet	-	-	801,731	9,500	811,231
Capital Improvement ¹	-	-	1,611,000	14,840,000	16,451,000
General Improvement Districts ²	-	304,122	297,588	-	601,710
Public Safety					
Public Safety	-	22,132,560	-	-	22,132,560
Animal Services	-	656,199	-	-	656,199
Municipal Court	421,986	1,723,660	145,330	-	2,290,976
Community Development					
Community Development Administration ⁴	942,199	2,100,596	348,484	-	3,391,279
Code Compliance	-	464,617	20,000	-	484,617
Culture & Recreation					
Culture & Recreation ³	80,000	-	512,500	1,330,000	1,922,500
Urban Redevelopment					
Urban Redevelopment ²	-	-	6,521,508	-	6,521,508
TOTAL EXPENDITURES	\$ 6,782,658	\$ 44,159,217	\$ 19,000,602	\$ 16,209,500	\$ 86,151,977

¹Capital Improvement Fund

²Other Governmental Funds (Includes General Improvement Districts and CURA)

³Open Space and Conservation Trust Funds

⁴Includes Land Use Fund



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