



# WESTMINSTER

## Staff Report

TO: The Mayor and Members of the City Council

DATE: July 10, 2013

SUBJECT: Study Session Agenda for July 15, 2013

PREPARED BY: J. Brent McFall, City Manager

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

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

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

### CITY COUNCIL REPORTS

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

### PRESENTATIONS

6:30 P.M.

1. Human Services Board (HSB) Recommended 2014 Funding
2. Proposed FY2012 Carryover Appropriation into FY2013

### EXECUTIVE SESSION

1. Receive legal advice from the City Attorney concerning Senate Bill 25, pursuant to WMC 1-11-3(C) (8) and CRS 24-6-402(4)(b). ~ verbal

### INFORMATION ONLY ITEMS

1. 2013 Second Quarter City Council Expenditure Report
2. Technical Energy Audit EPC Phase III

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

Respectfully submitted,

J. Brent McFall  
City Manager



WESTMINSTER

## Staff Report

City Council Study Session  
July 15, 2013



SUBJECT: Human Services Board (HSB) Recommended 2014 Funding

PREPARED BY: Ben Goldstein, Management Analyst

### Recommended City Council Action

Review the human services agencies recommended for funding by the Human Services Board in 2014 and provide Staff direction on any changes City Council believes are necessary.

### Summary Statement

- The Human Services Board (HSB) reviews, evaluates and recommends to City Council funding levels for each budget year based on submittals from outside human service agencies and other non-profit organizations, considering how to best allocate funds to provide human services to the residents of Westminster.
- The purpose of this Staff Report is to provide City Council an update on the budget allocation process of the Human Services Board and their recommendations for agency funding for 2014.

**Expenditure Required:** \$90,000

**Source of Funds:** 2014 General Fund - Central Charges Budget

## **Policy Issue**

Does City Council concur with the HSB recommended agencies to be funded in 2014?

## **Alternative**

Direct Staff to work with the HSB to allocate funding to agencies in a different manner than what is recommended by the HSB for 2014 in this Staff Report. This is not recommended as the HSB spent many hours interviewing and debating the agencies recommended. As an alternative, Staff would recommend that City Council provide direction on specific funding changes desired.

## **Background Information**

The Human Services Board (HSB) makes recommendations to City Council for the allocation of funds to support the mission of providing assistance to Westminster residents through clothing, food, shelter, and mental and physical health services.

The members of the Human Services Board are Dennis White (Chair), Tom Bruchmann, Sam Dixon, Alison O'Kelly, and David Aragoni. Councillor Mark Kaiser serves as the City Council liaison and Ben Goldstein as the HSB staff liaison.

The HSB conducted mandatory interviews with agencies on the evenings of June 17, 18, and 19. The interview sessions averaged approximately four hours each evening.

The HSB reviewed current annual budgets and financial audits of all agencies and programs that applied for funding. In the review process, HSB members were most concerned about the number of Westminster residents served, the program's service area, and if the program had applied for, solicited, and/or received funds from additional counties and municipalities within the program's service area. The HSB suggested that all programs apply for and solicit funds from counties and municipalities within the program's service area.

Requests for 2014 HSB funding decreased by nearly \$40,000 from 2013 funding requests. The HSB received 26 applications for funding requests totaling \$185,887 for 2014 HSB funds. Twenty-four (24) agencies were interviewed, as two agencies did not attend their scheduled interviews, and 22 were ultimately recommended for 2014 funding. In 2013, the HSB received 28 applications for funding requests totaling \$225,097. For 2013, 24 programs were funded for a total of \$80,000. In the Adopted 2014 Budget, the City Council increased the available funds for HSB from \$80,000 to \$90,000 in an effort to meet some of the increased need in the community.

Below is a summary of the 2014 funding application cycle:

- 26 – applications submitted by requesting agencies, and offered interviews
- 24 – agencies actually interviewed (2 agencies were “no shows”)
- 22 – programs recommended for 2014 HSB funding to Council
- 2 – programs that regularly apply did not submit an application for 2014 funding (Growing Home and Senior Resource Center)

- 0 – new agencies applied for 2014 funding
- 4 – agencies were not recommended for 2014 funding (Access Housing, St. Anthony North Health Foundation, Family Tree, and Westminster 7:10 Rotary); 2 of these agencies (Access Housing and Family Tree) did not attend their mandatory interviews

The programs funded through the HSB for 2013 and those recommended for 2014 are included on the attached spreadsheet (Attachment A). This spreadsheet includes the list of agencies requesting funding and the requested dollar amount for 2014. A brief description of the services each program provides Westminster residents and a summary of why the Board did not recommend the four agencies for funding is also attached (Attachment B).

### **HSB Challenges and Changes**

The 2014 HSB review process completed all interview sessions with all current Board members in attendance. One of the board members resigned shortly before applications were distributed and a replacement board member was not selected for this funding cycle. In reviewing the application and interview schedule distribution process, which includes contacting and following up with agencies to ensure receipt of HSB materials, the HSB concluded that all agencies were properly informed. Staff mailed a hard-copy HSB application to all requesting agencies and made the application available for download from the City's website. After the submittal deadline of May 15, Staff then mailed all agencies submitting an application a letter containing an interview date and time, and also called them.

In 2011, HSB funding saw a reduction from \$156,000 in 2010 funding (due to the 2008/2009 recession) to the 2011 funding level of \$80,000, which was maintained for 2012 and 2013. Due to socioeconomic factors, the Board continues to face the challenge of serving an increase in need in the community and therefore City Council increased the budget to \$90,000 for 2014.

The Board worked together to review and develop criteria used to rank each agency based on number of Westminster residents served, the program's service area, and if the program had applied for, solicited, and/or received funds from additional counties and municipalities within the program's service area. Additionally, the Board worked to ensure that agencies with a variety of mission types were recommended for funding.

The Board used the established criteria to provide full funding to three agencies, CASA, Denver Hospice and Food bank of the Rockies, who they believe exemplified value and quality service to Westminster residents. The Board recommended some level of funding for all but four agencies as part of the 2014 funding process, with only a handful of agencies receiving over \$5,000.

Upon conclusion of the funding decisions for 2014, the Board discussed possible changes in the process for future years, including the possibility of reviewing all applications and only conducting interviews for new agencies or those agencies for which the Board has additional questions. Currently, the Board interviews all applicants that successfully complete the application.

Staff requests direction from City Council on the HSB recommendations to be incorporated in the Adopted 2014 Budget. Staff will be in attendance at Monday's Study Session to receive direction and answer questions Council may have about the 2014 Human Services Board recommendations.



<b>2014 Human Services Board Funding Recommendations</b>							
<b>AGENCY</b>	<b>MISSION TYPE</b>	<b>2011 AWARD</b>	<b>2012 AWARD</b>	<b>2013 REQUEST</b>	<b>2013 AWARD</b>	<b>2014 REQUEST</b>	<b>2014 RECOMMENDED</b>
A Precious Child	Children's Services	\$0	\$0	\$10,000	\$0	\$10,000	\$1,000
Access Housing	Affordable Housing	\$1,000	\$1,000	\$5,000	\$1,000	\$5,000	\$0
Adams County Housing Authority	Affordable Housing	\$0	\$1,500	\$20,000	\$1,500	\$6,739	\$2,500
Alternatives to Family Violence	Domestic Violence	\$1,000	\$1,500	\$15,000	\$2,500	\$10,000	\$2,500
Audio Information Network	Visually Impaired	\$1,000	\$1,000	\$1,500	\$1,000	\$1,500	\$1,000
CASA of Adams County	Children's Services	\$2,500	\$2,500	\$3,500	\$3,500	\$3,500	\$3,500
Catholic Charities of Denver (North Area CARES)	Affordable Housing	\$6,000	\$5,000	\$7,000	\$5,000	\$7,000	\$5,000
Center for People With Disabilities (CPWS)	Disabled Services	\$0	\$0	\$5,000	\$1,500	\$5,000	\$1,500
Children's Outreach Project	Children's Services	\$3,500	\$3,500	\$3,500	\$3,500	\$5,000	\$3,500
Clinica Campesina Family Health Services, Inc.	Health Care	\$10,000	\$9,000	\$0	\$0	\$10,000	\$9,000
Colorado Homeless Families	Shelter/Food/Other	\$1,000	\$2,000	\$15,000	\$3,000	\$7,000	\$4,000
Community Health Centers	Children's Services	\$10,000	\$9,000	\$10,000	\$9,000	\$10,000	\$9,000
Community Reach Center (ADCO Mental Health)	Mental Health	\$0	\$0	\$15,000	\$0	\$5,000	\$1,000
Denver Hospice	Hospice Care	\$4,500	\$4,000	\$7,000	\$4,000	\$4,000	\$4,000
Family Tree, Inc.	Shelter/Food/Other	\$1,000	\$1,000	\$4,597	\$1,000	\$6,798	\$0
FISH Inc.	Food Bank	\$5,500	\$5,500	\$6,500	\$5,500	\$6,500	\$5,500
Food Bank of the Rockies	Food Bank	\$4,500	\$4,500	\$5,000	\$5,000	\$5,000	\$5,000
Growing Home - Interfaith Hospitality Network (IHN)	Housing/Food/Other	\$1,000	\$1,000	\$10,000	\$1,000	\$0	\$0
Have a Heart Project, Inc.	Children's Services	\$5,000	\$5,000	\$10,000	\$5,000	\$15,000	\$5,000
Inter-Church ARMS	Shelter/Food/Other	\$1,000	\$1,500	\$8,000	\$2,500	\$8,000	\$2,500
Jefferson Center for Mental Health	Mental Health	\$7,500	\$6,500	\$16,000	\$6,500	\$10,000	\$7,500
Kempe Children's' Fund	Children's Services	\$1,000	\$1,000	\$2,000	\$1,000	\$12,250	\$1,000
North Metro CAC (Children's Advocacy Program)	Children's Services	\$1,000	\$1,500	\$5,000	\$1,500	\$0	\$0
Project Angel Heart	Food	\$0	\$1,000	\$5,000	\$2,000	\$5,000	\$2,000
Ralston House (Arvada Child Advocacy Center)	Children's Services	\$1,000	\$1,000	\$2,500	\$2,000	\$5,000	\$4,000
Senior Hub	Senior Citizens	\$10,000	\$9,500	\$14,000	\$10,000	\$16,000	\$10,000
Senior Resource Center	Senior Citizens	\$1,000	\$1,000	\$6,000	\$1,500	\$0	\$0
St. Anthony North Health Foundation	Health Care	\$0	\$0	\$10,000	\$0	\$3,600	\$0
Westminster 7:10 Rotary	Children's Services	\$0	\$0	\$3,000	\$0	\$3,000	\$0
<b>Total</b>		<b>\$80,000</b>	<b>\$80,000</b>	<b>\$225,097</b>	<b>\$80,000</b>	<b>\$185,887</b>	<b>\$90,000</b>

**– 2014 HSB AGENCY DESCRIPTIONS –**

**A Precious Child** – Devoted to making a positive impact in the lives of disadvantaged and displaced children by improving their quality of life and meeting their basic needs.

**Adams County Housing Authority** – Offers programs for families in Adams County, which provide housing, personal development opportunities, counseling, financial assistance and educational services through networking and collaboration. ACHA creates an environment conducive for growth and development in order to promote self-sufficiency.

**Alternatives to Family Violence** – Provides safety and empowerment to those affected by domestic violence, while promoting non-violence as a social value. They strive to be the first resource for families affected by domestic violence in Adams County.

**Audio Information Network (Radio Reading Service of the Rockies)** – Provides audio reading of newspapers, magazines and other reading materials through a series of radio and televised broadcasts for the blind and hearing impaired community of Colorado.

**CASA (Court Appointed Special Advocates) of Adams County** – Provides advocacy services to abused and neglected children who are involved in the court system through no fault of their own.

**Catholic Charities of Denver (North Area CARES)** – Provides emergency services that meet the human needs existing within the broader community. Services provided include: limited financial assistance for rent, medical prescriptions, job-related transportation costs, temporary shelter, and a 2-3 day supply of emergency food with a referral to a larger food bank.

**Center for People with Disabilities (CPWD)** – Provides independent living assistance for individuals who encounter difficulties in the pursuit of independent living.

**Children's Outreach Project** – Offers an integrated, quality, early childhood and kindergarten education to typical, accelerated and developmentally delayed children.

**Clinica Campesina Family Health Services Inc.** – Provides medical care and health promotion services to the medically underserved, low-income households, and minority people on a sliding fee scale basis.

**Colorado Homeless Families** – Provides transitional housing and support services for homeless families with children, helping them become self-sufficient within eighteen months to two years.

**Community Health Centers** – Provides extended health care services to students and families receiving free or reduced lunch within the Adams 50 School District.

**Community Reach Center** (formally Adams County Mental Health) – Provides mental health care to residents of Adams County including outpatient counseling, a 24-hour crisis line, treatment programs and programs designed to provide education and training to prepare individuals for employment and independent living.

**Denver Hospice** – Provides specialized care and support for terminally ill individuals and their families while increasing community awareness of death and grief as a natural part of life.

**FISH Inc.** – Provides area residents with short term, emergency staple foods.

**Food Bank of the Rockies** – Creates an efficient means of channeling food to participating agencies (food banks) that assist the needs of the hungry. Food is provided to shelters, emergency assistance programs, child welfare centers, senior citizen nutrition programs, churches, synagogues, community centers and halfway houses.

**Have a Heart Project, Inc.** – Provides for the basic needs of food and clothing for elementary age children and their families in the Adams County School District 50 area.

**Inter-Church ARMS (Inter-Church Arvada Resources for Ministry and Service)** – Provides financial aid through this non-profit coalition of twelve Westminster-area churches; combines volunteer and financial resources to help people who are striving to create and maintain their independence.

**Jefferson Center for Mental Health** – Promotes mental health and provides quality mental health services to persons with emotional problems and/or serious mental illness.

**Kempe Children's Fund** – Provides an on-call physician and social worker 24 hours a day, seven days a week, to evaluate and treat approximately 1,000 children who are suspected victims of sexual, physical or emotional abuse each year.

**Project Angel Heart** – Provides meal services to clients with life threatening illnesses; referrals come from hospitals, social workers, renal care units, and the visiting nurse association.

**Ralston House (Arvada Child Advocacy Center)** – Offers a child-friendly, safe place for young children to come during the investigative process of their outcries of sexual abuse.

**The Senior Hub – Meals on Wheels** delivers hot or frozen meals to homebound residents that are unable to prepare nutritious meals themselves, are unable to travel independently to a senior center or restaurant to obtain a balance meal and unable to afford the purchase of meals **respite & In-Home Supportive Services** assists those living at home alone with simple, non-medical assistance.

## – APPLICANTS NOT RECOMMENDED FOR FUNDING IN 2014 –

**Access Housing** – Provides housing support services to homeless residents to self-sufficiency in job search, education, and household skills. Despite a long history of being funded by the Human Services Board, Access Housing did not attend their scheduled interview time and was thus not recommended for 2014 funding. Agencies are informed in the application of the general interview schedule and sent a letter informing them of their specific interview time; City staff also calls each agency confirming their scheduled interview time.

**Family Tree, Inc.** – Offers services to help people be safe, strong, and self-reliant. Services provided include: emergency shelter and support services for victims of domestic abuse, comprehensive supportive housing assistance for homeless families and individuals, emergency shelter and outreach services for youth in crisis, and out-client services for families experiencing abuse, divorce, or separation. Despite a long history of being funded by the Human Services Board, Family Tree did not attend their scheduled interview time and was thus not recommended for 2014 funding. Agencies are informed in the application of the general interview schedule and sent a letter informing them of their specific interview time; City staff also calls each agency confirming their scheduled interview time. Family Tree made contact with Staff the week of June 24 to apologize for missing their interview and said that “they just spaced it.”

**St. Anthony North Health Foundation** – Provides medical care and health promotion services to the medically underserved, low-income households. The program of focus for this application year was aimed at healthy eating. The Board did not feel the agency provided enough value to change the funding priorities from past years. Additionally, the Board felt that the Foundation could pursue funding from the for-profit hospital they are associated with.

**Westminster 7:10 Rotary** – Works to address children's literacy through a program that aims to deliver a book a month to needy children from birth to 5 years of age and encourage the child's parent to make reading a part of the child's life. The Human Services Board did not recommend funding for this agency because it was not convinced that the program was meeting a need that could not be met by public libraries. Additionally, the Board felt that more pressing human services needs exist in the community.





## Staff Report

City Council Study Session Meeting  
July 15, 2013



SUBJECT: Proposed FY2012 Carryover Appropriation into FY2013

PREPARED BY: Barbara Opie, Assistant City Manager  
Steve Smithers, Deputy City Manager

### Recommended City Council Action

Direct Staff to prepare an ordinance for City Council consideration appropriating the FY2012 carryover funds as outlined in this Staff Report and bring this item back for official action at the next regularly scheduled Council meeting.

### Summary Statement

- The City Council annually reviews and appropriates carryover funds from the previous year's budget into the current year budget for the following:
  - those items and services included in the previous year's budget but not received or provided until the current year's budget;
  - new items and services not included in the previous year's budget or funds that were identified as available for these new priorities in late 2012, but the items or services were not received or provided until the current year's budget; and
  - existing or new capital projects and key operating priorities for which funds are needed and carryover funds are available.
- Total funding of \$15,577,208 to be appropriated for the items recommended in this Staff Report comes from unrestricted revenues and unexpended 2012 funds in the various amounts identified.
- Staff is requesting that City Council review the proposed carryover items included within this Staff Report and direct Staff to bring back an ordinance appropriating FY2012 carryover funds into the FY2013 budgets of the General, General Fund Stabilization Reserve, General Capital Improvement, Utility, Utility Reserve, Storm Drainage, General Capital Outlay Replacement, Golf Course, and POST Funds.
- One of the high priority carryover recommendations is to allocate \$350,000 to the General Fund Stabilization Reserve and \$204,000 to the General Reserve Fund. This continues City Council's policy of maintaining a healthy reserve to address future economic downturns.

Staff Report - Proposed FY2012 Carryover Appropriation into FY2013

July 15, 2013

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- The carryover appropriation takes place annually once the audit is completed for the prior year and carryover amounts are finalized.
- Staff will be in attendance at Monday night's Study Session to answer questions on the proposed use of carryover funds.

**Expenditure Required:** \$15,577,208

**Source of Funds:** 2012 Carryover from the General, Utility, Storm Drainage, Sales & Use Tax, General Capital Improvement, General Capital Outlay Replacement, Golf Course, and POST Funds

## **Policy Issue**

Should the City appropriate 2012 carryover funds as proposed?

## **Alternatives**

1. City Council could decide not to appropriate any of these funds at this time. This is not recommended as many of the carryover requests are for items and services that have already received City Council approval during the FY2012 Budget process as priority expenditures for the City.
2. City Council could choose to approve the carryover appropriation for only previously appropriated operating items. Staff recommends utilizing the carryover funds for the previously appropriated operating items as well as the new operating and capital improvement projects noted in this memorandum to maximize the use of these funds in providing services to residents and businesses.

## **Background Information**

The annual financial audit was completed last month. Upon completion of the annual audit, the City Council reviews and appropriates carryover funds from the previous year's budget into the current year budget for the following:

- o those items and services included in the previous year's budget but not received or provided until the current year's budget;
- o new items and services not included in the previous year's budget or funds that were identified as available for these new priorities in late 2012, but the items or services were not received or provided until the current year's budget; and
- o existing or new capital projects and key operating priorities for which funds are needed and carryover funds are available.

As noted in the June 24 Staff Report on Service Analyses, Staff is conducting an analysis of the City's Capital Improvement Program (CIP) on a variety of levels – ongoing staff oversight and management, long-term funding needs of the General Capital Improvement Fund (GCIF), and carryover impacts annually on the entire CIP. Staff has conducted some preliminary analysis and is discussing potential alternatives for funding, budgeting and prioritizing of the GCIF with an eye on financial sustainability in a “built-out” city. Staff will return to City Council for further, broader discussions in the future, but at this time Staff is focusing on how the City appropriates carryover to the CIP as a whole.

Under current practices, all carryover, including the CIP funding, is typically appropriated at the same time in July or August annually. However, since carryover is such a substantial and critical funding component of the City's CIP, particularly in the GCIF, Staff recommends continuing to appropriate carryover for operating budgets annually in July or August but only appropriating funds for critical capital projects at that same time; the remaining funds would be incorporated into the biennial budget development or mid-year budget review process. “Critical” is defined as having an immediate need for the execution of a contract or key purchase of equipment necessary to keep a project moving forward. Non-critical capital project funding from carryover will be incorporated into the following year's CIP plan and reviewed more comprehensively through the normal budget process. This will cause the five-year CIP plan to look larger in the first two years with “actual” carryover built in and lower in the out years with estimated carryover built in as Staff will continue its practice of conservative budgeting. Staff believes by incorporating the carryover into the next year's budget process that greater transparency of available funding is possible as well as helping truly line up

Council priorities in one comprehensive CIP document. This modified approach for carryover is incorporated in the recommendations contained in this Staff Report; the remaining carryover (\$3,580,122) will be incorporated into the 2014 CIP budget that City Council will consider in September with the mid-year budget review. A substantial amount of the recommended 2012 Utility Fund carryover is proposed to be appropriated at this time to the Utility Fund's Rate Stabilization Reserve (RSR) and Capital Project Reserve (CPR) pursuant to the Utility Fund Fiscal Policy adopted in January 2011.

#### PROPOSED RE-APPROPRIATION OF OPERATING ITEMS PREVIOUSLY APPROVED IN 2012

Certain items were budgeted and ordered in 2012 but were not received until 2013. In addition, certain services, authorized in 2012, were not fully performed by the end of the year. Under standard accounting procedures, these remaining funds should be re-appropriated in the new year to complete the desired purchase or service. Staff recommends the funds described below be re-appropriated in 2013.

#### GENERAL FUND

City Manager's Office – One item totaling \$6,000 to complete updates to the web and marketing information related specifically to economic development. These items were not completed during 2012 due to additional meetings with Atlas Advertising required in order to encompass a new brand and marketing message.

Fire Department – One item totaling \$16,919 from the annual Emergency Management Performance Grant (EMPG) used for emergency management operations in 2013. The City receives quarterly reimbursement from the Colorado Division of Emergency Management. Due to Congressional appropriation delays, the City received first, second, third, and fourth quarter payments at the end of November 2012 totaling \$45,860.52. The amount requested for carryover is what remains unexpended and will be spent on Emergency Management Operations in 2013.

Parks, Recreation & Libraries – One item totaling \$6,397 in scholarship funds, received in 2012 from citizens and recreation program participants, for the Westminster Youth Scholarship Fund. These funds are intended to supplement registration fees for City-sponsored recreation programs for individuals needing financial assistance. These funds will be available for scholarships in 2013.

#### UTILITY FUND

Public Works & Utilities – One item totaling \$100,606 for the purchase and installation of a dump body and snow removal equipment to the newly purchased tandem axle cab and chassis truck per the City's specifications for the Utilities Operation Division in the Public Works and Utilities Department. City Council approved the purchase in May 2012. The order was placed with O.J. Watson in July 2012; however, due to delays on O.J. Watson's part, the delivery was delayed until January 2013.

#### PROPOSED APPROPRIATION OF NEW OPERATING ITEMS

Staff recommends utilizing some of the General and Utility Funds' carryover moneys available to help address new high priority spending needs in the funds identified below. The items listed below are intended to be proactive measures to help minimize the impact on future budgets for needed items.

#### GENERAL FUND

Central Charges – Six items totaling \$1,323,000 as follows:

1. \$100,000 for General Leave Buyback. This program allows employees to receive payment for unused general leave up to 24 hours at a 75% rate. This program was an annual budgeted item

eliminated in 2002 due to the City's tight financial status and has been funded periodically since then through carryover funds; it was last funded in 2008 with 2007 carryover. This program helps reduce the City's unfunded liability of general leave at today's dollars instead of an increasing pay rate in the future. An additional \$67,000 is requested in the Utility Fund for this program (total = \$167,000).

2. \$169,000 for miscellaneous studies and projects unanticipated in 2013. A total of \$121,428 was budgeted in the professional services account in 2013. These funds represent savings in the Central Charges 2012 operating budget and are proposed to offset additional costs associated with special projects, PW&U Director recruitment, facilitation services, federal lobbyist services, hoarder cleanup and special studies that might arise per City Council and Staff requests. Included in this amount are funds proposed for succession management (\$50,000) efforts. As more tenured staff commence their transition to retirement, the City is greatly concerned about the transfer of important operations knowledge. These funds are proposed to be utilized, on a case by case basis where appropriate, to allow for overlap with new staff, contract services as needed or other opportunities that will ease the transition and allow for appropriate transfer of knowledge.
3. \$200,000 for South Westminster Urban Renewal Area (URA). For 2013, it is anticipated that the cash available in South Westminster URA will not be sufficient to cover all of the obligations for the URA. Obligations include debt service, economic development agreement payments and interfund loan payments. In order to have sufficient cash to fulfill the listed obligations for 2013, Staff proposes that the General Fund transfer these funds to the Westminster Economic Development Authority Fund for the South Westminster URA and assist with these obligations.
4. \$350,000 to the General Fund Stabilization Reserve (GFSR) created in 2009. The current balance is \$4,027,016 according to the 2012 audit. Per the Adopted 2013 Budget, an additional \$250,000 will be added to the GFSR from the Sales & Use Tax Fund plus projected interest earning of \$41,555. Per City Council adopted policy, the GFSR target range is between 5% and 10% of the total Sales and Use Tax Fund revenues budgeted for the year, as funding allows. For 2013, the Sales and Use Tax Fund revenues budgeted totals \$69,670,593; therefore, the target range for 2013 is between \$3,483,530 (5%) to \$6,967,059 (10%). The current GFSR balance is 5.8% of the 2013 Sales and Use Tax Fund total. The funds proposed through carryover, added to the 2013 budgeted amount, will bring the total GFSR balance to \$4,668,571 or 6.7%.
5. \$204,000 to the General Reserve Fund. The current balance is \$9,535,384 according to the 2012 audit. Per the Adopted 2013 Budget, an additional \$109,291 will be added to the General Reserve from projected interest earnings, which will bring the balance to 10% as anticipated through the Adopted 2013 Budget (as of 12/31/2013). Per City practice, the City retains 10% of the General Fund budget as the General Reserve Fund target. For 2013, the General Fund, excluding contingency, adopted budget totals \$96,461,094; therefore, the 10% target for 2013 is \$9,646,109. The current General Reserve Fund balance is 9.9% as of 1/1/2013 of the 2013 General Fund. The funds proposed through carryover, added to the 2013 budgeted amount, will bring the total General Fund balance to \$9,848,675 or 10.2%.
6. \$300,000 to transfer to the Property Liability Fund. Senate Bill 13-023 was signed into law during the 2013 State Legislative Session. This new law increases the damages cap under Colorado Governmental Immunity Act from \$150,000 to one person in a single occurrence and \$600,000 for an injury for 2 or more persons in any single occurrence to \$350,000 to one person and \$990,000 for an injury to 2 or more persons. City Council officially opposed this legislation. Staff is uncertain of the full impact of this legislation but believes it is wise to increase the Property Liability Reserve in anticipation of potentially larger claims. The Property Liability Fund balance is \$3,646,978 as of 12/31/2012 per the audit. A total of \$500,000 is proposed, which includes \$300,000 in the General Fund and \$200,000 in the Utility Fund.

Fire Department – Two items totaling \$27,950 as follows:

1. \$9,950 for the purchase of Advanced Life Support Training Simulators to implement and sustain a new fire station-based training program that allows responders to be available in their districts while receiving training. Currently Staff must attend training outside of their fire station districts for any hands-on emergency medical training. Two training devices are proposed for purchase. Adult Airway Management Trainer Torsos allow for a variety of trainings and essential in improving overall intubation success rates by emergency responders; Staff is requesting to purchase five simulators for a total of \$5,900. In addition, six cardiac simulators are proposed for purchase for a total of \$4,050 that will present a variety of heart rhythms to personnel through an actual cardiac monitor requiring the provider to appropriately interpret the data so the correct patient care can be provided.
2. \$18,000 is proposed for consultants, trainers, and additional career development in the Fire Department. These funds will allow for follow-up consultations on the Fire Department (FD) Strategic Plan that was initiated in 2011 and finalized in 2012. In addition, funds are requested to bring a nationally recognized speaker on organization leadership, team building and strategic leadership to facilitate discussions for a FD Organizational Leadership Training. Finally, funds are requested to support FD efforts for additional trainings offered outside of the City's Training program and potentially bring in a nationally recognized expert on EMS delivery systems in an urban/suburban environment for EMS system quality assurance.

General Services – One item totaling \$12,000 for final contract work by Tami Cannon for codification and quality control of the Westminster Municipal Code. Work commenced on this effort in 2012 and funds are requested to complete this project in 2013, which includes drafting ordinances and preparing them for City Council consideration.

Community Development – One item totaling \$24,375 in temporary salaries to hire a temporary Planner II to assist with the significant increase in workload, both in volume and complexity, within the Planning Division. There are a number of important projects underway and pending in the very near future, including master planning the WURP site, completing the update to the Comprehensive Land Use Plan (CLUP), updating the Westminster transit-oriented development plan for the commuter rail station, etc.

Public Works & Utilities – One item totaling \$6,000 for the Street Division to improve a small segment of sidewalk along 112<sup>th</sup> Avenue, roughly between Sheridan Boulevard and Westminster Boulevard, where Xcel Energy placed a transformer in the middle of the concrete sidewalk, forcing pedestrians and bicyclists to take a small path made from asphalt around the transformer. This fix will install a concrete sidewalk in lieu of the asphalt path around the transformer and include reflective signage sheeting on the transformer to help alert pedestrians/bicyclists of the shift in sidewalk route. This amount will be added to the City's annual concrete replacement contract.

Parks, Recreation & Libraries – One item totaling \$70,000 for the development of a Strategic Plan for the Parks, Recreation & Libraries Department. This initiative involves the completion of a citizen survey specific to PR&L operations. This effort will enable the department to be more strategic with the implementation and delivery of services moving forward.

UTILITY FUND

Central Charges – Two items totaling \$267,000 as follows:

1. \$67,000 for General Leave Buyback. Staff is recommending that a total of \$167,000 from carryover (\$100,000 from the General Fund and \$67,000 from the Utility Fund) be allocated to

this program to reduce the City's liability of general leave at today's dollars instead of an increasing pay rate in the future. This amount is attributable to the Utility Fund.

2. \$200,000 to transfer to the Property Liability Fund. Staff is recommending that a total of \$500,000 from carryover (\$300,000 from the General Fund and \$200,000 from the Utility Fund) be allocated to the Property Liability Fund due to the passage Senate Bill 13-023, which increases the damages cap under Colorado Governmental Immunity Act.

#### UTILITY RESERVE FUND – WATER AND WASTEWATER

Staff proposes appropriating a total of \$28,510 to the Wastewater Rate Stabilization Reserve (RSR) and \$5,913,467 to the Capital Project Reserve (CPR). In addition, Staff proposes reallocating \$342,116 from the Water RSR to the Water CPR pursuant to the Utility Fund Fiscal Policy as noted below.

1. Rate Stabilization Reserve – The RSR was established and funded to meet a specific risk such as revenue loss related to a certain level of water demand curtailment. The reserve is designed to minimize or mitigate service cuts and/or rate impacts. Impacts to the rate stabilization reserves are determined by the annual performance of rates versus the budgeted rate revenue. The target level for this reserve is set at 25% of budgeted revenues for the Water Fund and 10% of budgeted revenues for the Wastewater Fund. The RSR has an upper limit of 140% of the target and a lower limit of 70% of the target. Staff recommends appropriating \$28,510 in carryover for the RSR for the Wastewater Fund to keep the Wastewater balance within the upper portion of the reserve balance target range and reallocating \$342,116 from the Water RSR to the Water CPR to keep the Water balance within the reserve balance target range. The current Water RSR balance is \$11,154,365 and the Wastewater RSR balance is \$1,688,100 per the 2012 audit. The current Water RSR balance exceeds the 140% upper limit of \$10,812,249 by \$342,116 and pursuant to the City Council adopted Utility Fund Fiscal Policy, these funds should be reallocated to the CPR.
2. Capital Project Reserve – This reserve was created to establish and maintain a Capital Improvement Program capable of sustaining long-term utility capital requirements. The City established the CPR to accumulate funds in excess of near-term needs. This policy is intended to foster timely system reinvestment, while providing resources for periodic increases in outlays without undue rate burden. Staff recommends appropriating \$4,777,768 in carryover to the CPR in the Water Fund plus the \$342,116 reallocation from the Water RSR and appropriating \$1,135,699 to the CPR in the Wastewater Fund. The current Water balance is \$19,983,591 and the Wastewater balance is \$2,772,259 per the 2012 audit.

#### GOLF COURSE FUND

One item totaling \$450,000 transferring cash funds from Legacy Ridge Golf Course to The Heritage Golf Course to address the yearend negative cash situation. As City Council will recall, at the conclusion of each year, The Heritage Golf Course has been in a negative cash situation due to the normal cash flow of operations at the golf course. This has been the case for many years and has been remedied each year in a variety of ways – a short term inter-fund loan at yearend, a short term loan between golf courses at yearend, etc. Per the 2012 annual audit, the Golf Course Fund ended the year in a positive cash situation overall of \$522,228; however, this balance reflects Legacy Ridge covering the negative yearend cash situation of The Heritage. Based on the overall cash balance between the funds, Staff recommends reallocating carryover cash balance from Legacy Ridge to The Heritage in attempts to address the negative cash balance situation by resetting the base for The Heritage (i.e., so it does not automatically start the year in a negative cash situation). This will cover The Heritage's yearend 2012 negative cash balance of \$350,749 as well as position the golf course to start the year with a positive cash balance of \$99,251. Legacy Ridge will retain a healthy cash balance (approximately \$422,000) despite reallocating funds to The Heritage. Additional funds are available

for carryover consideration for capital projects but will be submitted to City Council for consideration with the mid-year budget review in September.

#### STORM DRAINAGE FUND

Public Works & Utilities – One item totaling \$35,880 for the annual street sweeping contract for 2013 managed by the Street Division. After a second request for bids returned more reasonable pricing than the original request provided in late 2012 for the 2013 season, the bid amount plus contingency was still over the budgeted amount. These funds address the overage for the 2013 street sweeping contract.

#### PARKS, OPEN SPACE & TRAILS (POST) FUND

Community Development – Two items totaling \$1,266,139 as follows:

1. \$841,139 for the purchase of open space land. The majority of this amount reflects the open space funds that were received in 2012 for grants received in prior years for land purchases that will be available towards land purchases for open space in 2013.
2. \$425,000 to repay the Utility Fund for a promissory note issued in December 2010 for the purchase of 20.5 Church Ditch inches when the City acquired the 47-acre Lower Church Lake and 9.2-acre Loon Lake from the Carlson family. The original terms of the purchase were interest only annual payments of \$21,250 (5% interest) for seven years and a balloon payment of \$425,000 due in 2017; the promissory note was secured by the City's Utility Enterprise Fund. Since funds are available within the POST Fund, Staff recommends paying off the note at this time, freeing up \$21,250/year. If City Council approves these funds and the note is paid off in August 2013, this would save approximately \$70,833 from September 2013 through 2016 in interest payments.

#### PROPOSED APPROPRIATION FOR EXISTING OR NEW CAPITAL PROJECTS

Staff has completed a review of potential capital improvement projects for the balance of carryover funds. However, as noted, Staff is recommending that carryover funds be appropriated only for the critical Capital Improvement Program (CIP) projects listed below at this time; these are projects with an immediate need to execute a contract or complete an equipment purchase to keep a project moving forward prior to yearend. Non-critical capital project funding from carryover (\$3,580,122) will be incorporated into the 2014 mid-year budget amendment process with City Council in September. Higher than anticipated revenues and better than anticipated expenditure savings in the General, Utility, Sales & Use Tax, General Capital Improvement, GCORF, and POST Funds are proposed to be utilized for these projects.

#### GENERAL CAPITAL IMPROVEMENT FUND

A total of \$1,947,814 for capital projects is proposed to be appropriated into the General Capital Improvement Fund (GCIF) as follows:

1. \$15,000 for the JD Edwards (JDE) System Upgrade project. Staff commenced a software development project during 2012 but was unable to be completed due to staff turnover. The project is 75% complete and involves integrating the Training Administration program into JDE. The consolidation of two separate databases will reduce administration data entry time and errors in employee training records and registration. These funds will allow the hiring of a consultant to complete the work.
2. \$49,240 for the Laserfiche Upgrades project. This new ongoing capital project will be utilized for Laserfiche license purchases, software support and upgrades, and consulting services as needed and function like the other various software replacement/upgrade capital projects. With the hiring of an Information/Records Administrator in early 2013, the ongoing maintenance and associated upgrades for this records management software was identified as needing additional attention.



This project will allow for key upgrades to occur in 2013; future funding needs will be reviewed and evaluated with the mid-year 2014 budget.

3. \$282,227 for the Microsoft Software Replacement/Upgrades project. Through the year-end close out process, this project was closed in error prior to moving the funds into the new account and therefore rolled into available carryover funds. Staff is requesting the funds be reallocated back into this project for the original intended purpose, which is the future upgrade of the Microsoft software. The same is being requested in the Utility Fund (\$98,961) associated with the Utility Fund's share of the cost for future upgrades.
4. \$35,000 for the Computer Aided Dispatch project. Through the year-end close out process, this project was closed in error prior to moving the funds into the new account and therefore rolled into available carryover funds. Staff requests the funds be reallocated back into this project for the original intended purpose, which is the future upgrade or replacement of the Computer Aided Dispatch system utilized by the Police and Fire Departments.
5. \$10,000 is proposed for a new project to commence the replacement and updating of cubicle furniture within City Hall. The current cubicle system was acquired in 1988 and has been adapted over the last 25 years to meet current needs. Staff has been challenged over the last several years to match existing fabrics and cubicle configurations within the current cubicle system, which is slowly being phased out. As City Hall is the "corporate headquarters" of City operations, Staff believes it is important to retain the appearance standards adopted when this facility was opened. These funds are simply to commence the selection process for a potential new cubicle system. Funding for future replacement will need to occur over multiple years and will be incorporated into future five-year CIP budgets as funding allows.
6. \$400,000 for the Arterial Roadway Grinding/Resurfacing project. As City Council is aware, the ongoing funding for arterial roadway maintenance and improvements is a growing concern. Staff is recommending that funds be added to this year's capital project that, weather permitting, will allow the following additional roadways to be repaired in 2013: (a) Wadsworth Boulevard: 90<sup>th</sup> Place to 103<sup>rd</sup>; (b) 94<sup>th</sup> Avenue: Larkbunting to Independence Street; (c) 76<sup>th</sup> Avenue: Knox Court to Sheridan Boulevard; and (d) 128<sup>th</sup> Avenue: Huron Street to I-25 Bridge. Staff is pursuing reimbursement from Jefferson County for the segment of Wadsworth Boulevard that is within the unincorporated area. Any work that is not completed this year will be included within the 2014 program.
7. \$400,000 is proposed for bridge enhancements associated with the Colorado Department of Transportation's (CDOT) replacement of the Federal Boulevard Bridge over the Burlington Northern/Santa Fe railroad tracks in south Westminster. Staff has been working with CDOT's design team to identify potential upgrades that will help improve the southern entrance to the City and help highlight the significant investments the City is making in this area. These funds are proposed now as CDOT will be advertising their project in January 2014. Any enhancements to the bridge the City desires will need to have a formal intergovernmental agreement completed this fall, obligating funding, to have them included within CDOT's request for proposals.
8. \$500,000 for the Westminster Center Urban Reinvestment Project (WURP) Master Planning efforts that will be undertaken as the City and the Westminster Economic Development Authority (WEDA) become the master developers for the former Westminster Mall site. These funds will be transferred to WEDA for the planning and architectural services contract with Torti Gallas and Partners and other consulting contracts necessary related to the WURP.
9. \$114,000 is proposed to be appropriated into The Heritage Golf Course Back Nine Land Acquisition capital project from Jefferson County open space attributable share revenues. These funds will be utilized towards purchasing the land associated with the back nine holes owned by and leased from the Rocky Mountain Metropolitan Airport. Through previous Council actions, \$2.186 million has been accumulated towards the purchase price of \$2.3 million; the amount proposed from carryover will close the remaining gap in funding needed. Approval has been

received from the Federal Aviation Administration for the sale; final approval from the Jefferson County Commissioners is needed to complete the transaction.

10. \$67,347 is proposed to be appropriated into Community Enhancement-Travel Ways capital project from accommodations tax revenues. These funds will be utilized towards the amount owed to CDOT for the enhancements to the US 36 and Sheridan Boulevard landscaping project.
11. \$75,000 for consulting services to develop a comprehensive Open Space Management Plan as discussed with City Council at the June 24 Post Council meeting concerning Service Analyses. This is the proposed first step in realigning POST funds for open space maintenance and management. Commencing the master planning efforts in the fall of 2013 will allow for better resource allocation with the development of the 2015/2016 budget next summer. These funds are proposed from the POST revenues transferred into the GCIF.

#### UTILITY FUND

A total of \$2,748,961 for capital projects is proposed to be appropriated into the Utility Fund as follows:

1. \$98,961 for the Microsoft Software Replacement/Upgrades project. As noted in the GCIF, these funds were previously appropriated into the Major Software Upgrades project in the Utility Fund. Staff is requesting the funds be reallocated back into this project for the original intended purpose, which is the future upgrade of the Microsoft software. These funds are in addition to the amount included within the GCIF for future upgrades.
2. \$300,000 for design work associated with the Hydropillar Water Tank. As City Council is aware, repair of the City's water tanks is a high priority for utility operations. Staff is proposing to move this project forward from 2015 as originally approved within the adopted Five-Year CIP Plan. Staff would like to commence design this year to allow mid-2014 construction; this is contingent upon City Council moving funding forward from the 2015 budget to 2014 through the mid-year budget review. This tank has become a higher priority for repair.
3. \$1,500,000 for the Northwest Water Treatment Facility Storage Tank Major R&R project. This project is currently included within the adopted Five-Year CIP Plan in the Adopted 2014 Budget. Moving the funds forward to 2013 will allow for construction to occur before the 2014 high water demand season.
4. \$850,000 for the creation of two capital projects in the Utility Fund that would function like the General Capital Outlay Replacement Fund (GCORF) for vehicle and copier replacements. Since the GCORF was created in 2002, Staff has discussed the creation of a similar mechanism to help smooth the costs associated with large equipment replacement purchases in the Utility Fund. Staff is currently working on a 15 year vehicle replacement plan to better gauge large equipment costs looming in the near future and to level those costs out as smoothly as possible based on needs, priorities and operating considerations. Establishing a Water Capital Outlay Replacement project (proposed initial balance \$500,000) and a Wastewater Capital Outlay Replacement project (proposed initial balance \$350,000) will help address the ebbs and flows of equipment replacement costs and allow any savings achieved during the purchase process to be retained within these accounts to help offset future years' expenses. If City Council concurs with this strategy, any Utility Fund vehicle and copier replacements scheduled for 2014 would be moved to these accounts through the mid-year 2014 budget amendment process and future replacements would be budgeted here accordingly. This will result in a decrease in Public Works & Utilities operating budgets and an associated increase in the Utility Fund CIP budget since the funds will be included there.

#### STORM DRAINAGE FUND

One project totaling \$8,256 for the Big Dry Creek Wetland Mitigation at the Wastewater Treatment Facility. This project was closed as part of the year-end close out process prior to final invoices being

received and processed. As such, these final payments for mitigation were processed and should be charged to this project. These funds are requested to cover these final payments and the project can be closed.

#### GENERAL CAPITAL OUTLAY REPLACEMENT FUND (GCORF)

A total of \$975,818 is proposed to be distributed as follows:

1. \$143,639 into the Citywide Copier Replacement account. These funds will be added to the current balance within this account originally established as the City Hall Copier Replacement account (Staff recommends renaming the project account to Citywide Copier Replacements). Funds will be authorized for use by City Council during future years when revenues impact the City's ability to fund replacement copiers. As City Council may recall, Staff commenced a pilot program with City Hall only copiers in the 2013 budget and have found that through a variety of issues, primarily stemming from complications in lease-purchasing copier machines, copier replacements are recommended to be programmed on a citywide basis for cash purchases through GCORF, and through the new capital outlay replacement accounts proposed in the Utility Fund. These funds are the result of 2012 vehicle auction proceeds and interest earnings in GCORF. Normally these funds are recommended to be allocated into the general or public safety tax vehicle replacement accounts in GCORF, but since both have approximately \$1 million in fund balance, Staff recommends this one-time appropriation to help build up a balance for future copier replacements.
2. \$832,179 for radio purchases associated with the radio system replacement project. City Council authorized in January 2013 the purchase of a new radio system with a P-25 digital interoperable simulcast capabilities. The City's current system is 20 years old is approaching end-of-life status. The radio system replacement project replaces major radio system components and dispatch equipment; it also requires the replacement of all existing radios with radios compatible with the new P-25 system. The cost of the radio replacements will total between \$1.2 million and \$1.4 million and was not part of the base radio system replacement project budget City Council approved in January. The Police Department was awarded an Urban Area Security Initiatives Grant in the amount of \$275,000 and the Fire Department was awarded an Assistance to Firefighters Grant in the amount of \$144,604; these funds have not been appropriated. With the grants and the proposed carryover funds, the amount available for radio replacements will total \$1,251,783. Should additional funds be needed for radio replacements, funds from the GCORF general or public safety tax vehicle accounts may be recommended to cover any shortfall. As such, these funds for replacement radios are proposed to be appropriated into the GCORF to allow the project to proceed in a timely manner.

These proposed carryover items support all five of the City's Strategic Plan Goals: Strong Balanced Local Economy; Financially Sustainable City Government Providing Exceptional Services; Safe and Secure Community; Vibrant Neighborhoods in One Livable Community; and Beautiful and Environmentally Sensitive City.

Staff will be in attendance at Monday's Study Session to answer any questions City Council might have about the proposed use of 2012 carryover funds as outlined in this Staff Report.

Respectfully submitted,

J. Brent McFall  
City Manager



WESTMINSTER

## Staff Report

Information Only Staff Report  
July 15, 2013



SUBJECT: 2013 Second Quarter City Council Expenditure Report

PREPARED BY: Ben Goldstein, Management Analyst  
Valerie White, Administrative Secretary

### Summary Statement

This report is for City Council information only and requires no action by City Council.

The attached document is a listing of all 2013 City Council posted expenditures from January 1 through June 30, 2013.

### Background Information

The following report is a listing of City Council expenditures by each account for January 1 through June 30, 2013, as posted by June 30, 2013. As of June 30, 2013, 49.6% of 2013 had elapsed and Council spent 38.7%, or \$98,219.36, of its revised 2013 budget that totals \$254,094.

The budget is a planning tool and represents a best estimate regarding actual expenditures. If you have any questions about items included in this report, please contact Ben Goldstein at 303-658-2007 or at [bgoldstein@cityofwestminster.us](mailto:bgoldstein@cityofwestminster.us).

The quarterly expenditure report for City Council ties to the Strategic Plan Goal of a “Financially Sustainable City Government Providing Exceptional Services,” as Staff and Council work together to continually find greater efficiency in City operations.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

EXPENDITURE	DATE	DESCRIPTION	PAID TO:	
<b>SALARIES - MAYOR/COUNCIL</b>		<b>(ACCT: 10001010.60800.0000)</b>		
(\$249.86)	01/01/13	2012 YE Salary Accrual Reversal	Council	
\$3,498.06	01/13/13	Salaries	Council	
\$3,498.06	01/27/13	Salaries	Council	
\$3,498.06	02/10/13	Salaries	Council	
\$3,498.06	02/24/13	Salaries	Council	
\$3,498.06	03/10/13	Salaries	Council	
\$3,498.06	03/24/13	Salaries	Council	
\$3,498.06	04/07/13	Salaries	Council	
\$3,498.06	04/21/13	Salaries	Council	
\$3,498.06	05/05/13	Salaries	Council	
\$3,498.06	05/19/13	Salaries	Council	
\$3,498.06	06/02/13	Salaries	Council	
\$3,498.06	06/16/13	Salaries	Council	
\$41,726.86	TOTAL		<i>% of account budget expended year-to-date</i>	45.16%
\$92,400.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	36.36%
\$50,673.14	BALANCE			

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
<b>COUNCIL ALLOWANCE</b>		<b>(ACCT: 10001010.61100.0000)</b>		
\$1,081.50	01/13/13	Council Allowance	Council	
\$1,081.50	01/27/13	Council Allowance	Council	
\$1,081.50	02/01/13	Council Allowance	Council	
\$1,081.50	02/10/13	Council Allowance	Council	
\$1,081.50	02/24/13	Council Allowance	Council	
\$1,081.50	03/10/13	Council Allowance	Council	
\$1,081.50	04/07/13	Council Allowance	Council	
\$1,081.50	04/21/13	Council Allowance	Council	
\$1,081.50	05/05/13	Council Allowance	Council	
\$1,081.50	05/19/13	Council Allowance	Council	
\$1,081.50	06/02/13	Council Allowance	Council	
\$1,081.50	06/16/13	Council Allowance	Council	
\$12,978.00	TOTAL		<i>% of account budget expended year-to-date</i>	<b>50.00%</b>
\$25,956.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<b>10.22%</b>
\$12,978.00	BALANCE			

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

EXPENDITURE	DATE	DESCRIPTION	PAID TO:	
<b>MILEAGE REIMBURSEMENT</b>			<b>(ACCT: 10001010.61200.0000)</b>	
\$263.29	04/22/13	1st Quarter Mileage Reimbursement - McNally	Nancy McNally	
\$195.49	05/16/13	1st Quarter Mileage Reimbursement - Lindsey	Mary Lindsey	
\$458.78	TOTAL		<i>% of account budget expended year-to-date</i>	15.29%
\$3,000.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	1.18%
\$2,541.22	BALANCE			
<b>MEETING EXPENSES</b>			<b>(ACCT: 10001010.61400.0000)</b>	
\$20.00	01/09/13	1/9 Business After Hours & Expo McNally, Briggs, Major, Lindsey	MNCC	
\$1,430.00	01/23/13	1/23/13 ADCOG Dinner	Legacy Ridge	
(\$260.00)	02/19/13	1/23/13 ADCOG Dinner - Commerce City	City of Westminster	
(\$130.00)	02/19/13	1/23/13 ADCOG Dinner - ADCO Commissioners	City of Westminster	
(\$130.00)	02/19/13	1/23/13 ADCOG Dinner - Arvada	City of Westminster	
(\$78.00)	02/19/13	1/23/13 ADCOG Dinner - Aurora	City of Westminster	
(\$78.00)	02/19/13	1/23/13 ADCOG Dinner - Bennett	City of Westminster	
(\$156.00)	02/19/13	1/23/13 ADCOG Dinner - Brighton	City of Westminster	
(\$26.00)	02/19/13	1/23/13 ADCOG Dinner - Broomfield	City of Westminster	
(\$130.00)	02/19/13	1/23/13 ADCOG Dinner - Federal Heights	City of Westminster	
(\$182.00)	02/19/13	1/23/13 ADCOG Dinner - Northglenn	City of Westminster	
\$182.00	02/19/13	1/23/13 ADCOG Dinner - Northglenn	City of Westminster	
(\$130.00)	02/19/13	1/23/13 ADCOG Dinner - Northglenn	City of Westminster	
(\$182.00)	02/19/13	1/23/13 ADCOG Dinner - Thornton	City of Westminster	
\$68.15	02/20/13	2/20 Briefing Sen. Tochtrop - McNally, McFall, Smithers, D Tomlinson	City Grille	
\$46.48	02/25/13	DRCOG Board Workshop - Lodging	Nancy McNally	
\$74.95	03/06/13	3/6 Briefing with Sen. Ulbarri - McNally, McFall, Smithers, D Tomlinson	Katie Mullins	
\$125.34	03/12/13	Digital Printing and Finishing of Community Outreach Postcard	Market Direct	
\$212.55	03/15/13	ADCO Executive Committee Breakfast	Mimi's Café	
\$30.00	03/18/13	Bouquet for Senior Hub Volunteer Luncheon	Senior Hub	

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>
\$21.67	03/20/13	3/20 Community Summit- fruit	Mary Joy Barajas
\$227.25	03/20/13	3/20 Community Summit Dinner	The Garlic Knot
\$18.16	03/31/13	Briefing - Briggs, McFall	Perkins
\$22.36	03/31/13	Briefing - Atchison, McFall	Black Eyed Pea
\$250.00	04/29/13	3/21 JEC Industry Appreciation Awards Breakfast - McNally, Atchison, Briggs, Kaiser, Lindsey	123Sign Up
\$10.06	04/29/13	Briefing with Senator Kraft-Tharp, McFall, McNally, Smithers, Tomlinson	Panera
\$5.88	04/29/13	Briefing with Senator Kraft-Tharp, McFall, McNally, Smithers, Tomlinson	Panera
\$20.86	04/29/13	Briefing with Senator Kraft-Tharp, McFall, McNally, Smithers, Tomlinson	Panera
\$150.00	04/29/13	DC Breakfast - State of Housing - McNally, Atchison, Briggs, Lindsey, Winter	MNCC
\$100.00	04/29/13	Politics and Pints - Briggs, Lindsey	MNCC
\$4.19	04/29/13	Briefing with Senator Kraft-Tharp, McFall, McNally, Smithers, Tomlinson	Panera
\$30.00	05/06/13	Law Day Bkfst -McNally, Kaiser, Lindsey	Broomfield/Adams Bar Association
\$131.30	05/13/13	Strategic Plan Retreat Supplies	Office Max
\$1,562.80	05/13/13	Strategic Plan Retreat Dinner	The Heritage Grill



**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
\$1,850.00	05/28/13	Community Summit Facilitation	Lyle Sumek Associates, Inc.	
\$290.26	06/03/13	ADCO Dinner - Council, McFall, Smithers, ADCO	Cheeky Monk	
\$98.51	06/03/13	Strategic Plan Interview - McNally, McFall, Sumek	Bonefish	
\$46.92	06/11/13	Soda for Strategic Plan Retreat	Canteen Refreshments	
\$73.24	06/12/13	Dinner for the Potential Candidates Forum 6/12	MD	
\$35.09	06/12/13	6/12 Westy's Best tapping - lunch Atchison, J Carroll, Nick (videographer)	Herb Atchison	
\$18.00	06/18/13	ADCOG Dinner - McNally	Adams County Commissioners	
\$5,674.02	TOTAL		<i>% of account budget expended year-to-date</i>	<b>36.49%</b>
\$15,550.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<b>6.12%</b>
\$9,875.98	BALANCE			

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

EXPENDITURE	DATE	DESCRIPTION	PAID TO:	
<b>CAREER DEVELOPMENT</b>		<b>(ACCT: 10001010.61800.0000)</b>		
\$887.59	02/25/13	2/12-2/14 DC US 36 MCC Lobbying - Airfare \$426.60; lodging \$419.08; meals\$21.98; misc \$20	Nancy McNally	
\$1,803.86	03/26/13	NLC Conference - Reg. \$525; airfare \$602.90; lodging \$586.24; meals \$68.72; misc \$21	Nancy McNally	
\$318.26	04/03/13	NLC Conference - meals purchased for Council	McFall	
\$2,524.94	04/03/13	NLC Conference - Reg. \$755.00; airfare \$455.80; lodging \$1172.48; meals \$61.66; misc \$80	Scott Major	
\$2,571.35	06/19/13	NLC Conference - Reg. \$895.00; airfare \$595.95; lodging \$879.36; meals \$137.36; misc \$63.68	Mary Lindsey	
\$2,995.28	04/24/13	NLC Conference - Reg. \$715.00; airfare \$425.90; lodging \$1465.60; meals \$226.49; misc \$162.29	Mark Kaiser	
\$50.00	04/10/13	Membership - Atchison	ICSC	
\$1,509.85	06/10/13	ICSC Conference - Reg \$490.00; airfare \$339.80; lodging \$412.83 ; meals \$77.80 ; misc \$189.42	Herb Atchison	
\$12,661.13	TOTAL		<i>% of account budget expended year-to-date</i>	26.27%
\$48,205.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	18.97%
\$35,543.87	BALANCE			

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>
<b>TELEPHONE</b>		<b>(ACCT: 10001010.66900.0000)</b>	
\$20.00	01/03/13	Council iPad - McNally	Verizon Wireless
\$20.00	01/10/13	Council iPad - Briggs	Verizon Wireless
\$20.00	01/10/13	Council iPad - Lindsey	Verizon Wireless
\$20.00	01/10/13	Council iPad - Kaiser	Verizon Wireless
\$20.00	01/18/13	Council iPad - Major	Verizon Wireless
\$20.00	02/03/13	Council iPad - Atchison	Verizon Wireless
\$20.00	02/10/13	Council iPad - McNally	Verizon Wireless
\$20.00	02/10/13	Council iPad - Briggs	Verizon Wireless
\$20.00	02/13/13	Council iPad - Lindsey	Verizon Wireless
\$20.00	02/18/13	Council iPad - Kaiser	Verizon Wireless
\$20.00	03/03/13	Council iPad - Major	Verizon Wireless
\$20.00	03/10/13	Council iPad - Atchison	Verizon Wireless
\$20.00	03/10/13	Council iPad - McNally	Verizon Wireless
\$20.00	03/13/13	Council iPad - Briggs	Verizon Wireless
\$20.00	03/18/13	Council iPad - Lindsey	Verizon Wireless
\$20.00	04/04/13	Council iPad - Kaiser	Verizon Wireless
\$20.00	04/10/13	Council iPad - Major	Verizon Wireless
\$20.00	04/10/13	Council iPad - Atchison	Verizon Wireless

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
\$20.00	04/10/13	Council iPad - McNally	Verizon Wireless	
\$20.00	04/14/13	Council iPad - Briggs	Verizon Wireless	
\$20.00	04/18/13	Council iPad - Lindsey	Verizon Wireless	
\$20.00	05/03/13	Council iPad - Kaiser	Verizon Wireless	
\$20.00	05/10/13	Council iPad - Major	Verizon Wireless	
\$20.00	05/10/13	Council iPad - Atchison	Verizon Wireless	
\$20.00	05/10/13	Council iPad - McNally	Verizon Wireless	
\$20.00	05/13/13	Council iPad - Briggs	Verizon Wireless	
\$20.00	05/19/13	Council iPad - Lindsey	Verizon Wireless	
\$20.00	06/03/13	Council iPad - Kaiser	Verizon Wireless	
\$20.00	06/08/13	Council iPad - McNally	Verizon Wireless	
\$20.00	06/08/13	Council iPad - Lindsey	Verizon Wireless	
\$20.00	06/13/13	Council iPad - Briggs	Verizon Wireless	
\$20.00	06/13/13	Council iPad - Major	Verizon Wireless	
\$640.00	TOTAL		<i>% of account budget expended year-to-date</i>	<i>38.10%</i>
\$1,680.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<i>0.66%</i>
\$1,040.00	BALANCE			
<b>PC REPLACEMENT FEE</b>		<b>(ACCT: 10001010.66950.0000)</b>		
\$1,470.00	01/31/13	PC Replacement Fee	Cost Allocation	
\$1,470.00	TOTAL		<i>% of account budget expended year-to-date</i>	<i>100.00%</i>
\$1,470.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<i>0.00%</i>
\$0.00	BALANCE			

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
<b>SPECIAL PROMOTIONS</b>		<b>(ACCT: 10001010.67600.0000)</b>		
\$200.00	02/28/13	2/28 Annual Five Star Gala Sponsorship - McNally (2), Atchison (2), Briggs (2), Major (2), Lindsey, McFall	Adams County Schools	
\$100.00	05/02/13	Sponsorship for Dodgeball Tournament Team	Westminster High School	
\$300.00	TOTAL		<i>% of account budget expended year-to-date</i>	8.57%
\$3,500.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	1.38%
\$3,200.00	BALANCE			
<b>OTHER CONTRACTUAL SERVICE</b>		<b>(ACCT: 10001010.67800.0000)</b>		
\$750.00	01/01/13	2013 ACMCYA Banquet Sponsorship	Adams County Mayors & Commissioners' Youth Award (ACMCYA)	
\$425.00	01/27/13	2013 Annual Gala Tickets - McNally (2), Briggs (2), Kaiser (2), Lindsey	Metro North Chamber of Commerce (MNCC)	
\$200.00	01/28/13	After Prom Sponsorship	Pomona High School	
\$62.52	02/26/13	2/25 Supplies for ACMCYA Reception	Melissa Diaz	
\$67.29	02/27/13	2/25 Dessert for ACMCYA Reception	Costco	

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
\$1,500.00	02/28/13	2/28 Annual Five Star Gala - McNally (2), Atchison (2), Briggs (2), Major (2), Lindsey, McFall	Adams County Schools	
\$25.00	05/02/13	Children's Outreach Breakfast - Briggs	Children's Outreach	
\$250.00	05/20/13	For a Child Sake Golf Tourney Hole Sponsorship	Specialty Enterprises	
\$500.00	05/28/13	A Lot to Give Golf Tournament	Front Range Community College Foundation	
\$176.00	05/29/13	Graduation Ad in Westminster Window	Colorado Community Media	
\$6,500.00	06/10/13	Strategic Plan Facilitator Fee	Lyle Sumek Associates, Inc.	
\$10,000.00	06/19/13	2013 Contribution	North Metro Arts Alliance	
\$20,455.81	TOTAL		<i>% of account budget expended year-to-date</i>	<b>38.68%</b>
\$52,885.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<b>20.81%</b>
\$32,429.19	BALANCE			

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
<b>SUPPLIES</b>		<b>(ACCT: 10001010.70200.0000)</b>		
\$8.50	01/28/13	Name Tag for Atchison	Signs By Tomorrow	
\$14.65	02/08/13	Alphabetical Sorter	Office Max	
\$136.71	02/28/13	Covers for ACMCYA Certificates	Trainer's Warehouse	
\$26.99	03/04/13	Inkjet Ink for Council Family Room Printer	Target	
\$56.14	04/19/13	Strategic Plan Easel Pads	Office Max	
\$34.82	04/30/13	Snacks for strategic Plan Retreat	Petty Cash	
\$277.81	TOTAL		<i>% of account budget expended year-to-date</i>	<b>6.25%</b>
\$4,448.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<b>1.75%</b>
\$4,170.19	BALANCE			
<b>FOOD</b>		<b>(ACCT: 10001010.70400.0000)</b>		
\$61.30	01/07/13	1/7 Council Dinner	Li's Chinese	
\$60.00	01/14/13	1/14 Council Dinner	Dickey's BBQ	
\$28.44	01/16/13	Council Dessert/Soda	Melissa Diaz	
\$54.45	01/28/13	1/28 Council Dinner	Papa J's	
\$47.05	02/04/13	2/4 Council Dinner	Black Jack Pizza	
\$94.50	02/11/13	2/11 Council Dinner	Double D's	
\$74.35	02/25/13	2/25 Council Dinner	Los Lagos	
\$7.96	02/26/13	Tea for Council	Valerie White	
\$64.95	03/04/13	3/4 Council Dinner	Dickey's BBQ	
\$18.50	03/04/13	3/4 Dessert for Council Dinner	Nothing Bundt Cakes	
\$156.39	03/06/13	Council Soda	Canteen Refreshments	
\$109.40	03/18/13	3/18 Council Dinner	The Garlic Knot	

**2nd Quarter 2013 City Council Expenditure Report  
(as of June 30, 2013)**

<b>EXPENDITURE</b>	<b>DATE</b>	<b>DESCRIPTION</b>	<b>PAID TO:</b>	
\$19.68	03/19/13	Cookies for Council Dinner	Walmart	
\$60.60	03/25/13	3/25 Council Dinner	Li's Chinese	
\$54.00	04/03/13	4/1 Council Dinner	Wishbone	
\$50.72	04/09/13	4/8 Council Dinner	Black Jack Pizza	
\$81.35	04/16/13	4/15 Council Dinner	Los Lagos	
\$109.40	04/22/13	4/22 Council Dinner	The Garlic Knot	
\$60.00	05/08/13	5/6 Council Dinner	Dickey's BBQ	
\$7.87	05/15/13	Cookies for Council Dinner	Petty Cash	
\$66.00	05/15/13	5/13 Council Dinner	Li's Chinese	
\$54.60	05/21/13	5/20 Council Dinner	Black Jack Pizza	
\$76.35	06/04/13	6/3 Council Dinner	Los Lagos	
\$125.11	06/11/13	Council Soda	Canteen Refreshments	
\$33.98	06/13/13	Cookies for Council Dinner	Petty Cash	
\$1,576.95	TOTAL		<i>% of account budget expended year-to-date</i>	<i>31.54%</i>
\$5,000.00	BUDGET	2013 APPROVED BUDGET	<i>% of total City Council budget</i>	<i>1.97%</i>
\$3,423.05	BALANCE			
<b>\$254,094.00</b>	<b>TOTAL 2013 CITY COUNCIL BUDGET</b>			
<b>\$98,219.36</b>	<b>TOTAL 2013 CITY COUNCIL EXPENDITURES THROUGH 06/30/2013</b>			
<b>\$155,874.64</b>	<b>BALANCE</b>			
<b>38.7%</b>	<b>PERCENT OF BUDGET EXPENDED THROUGH 6/30/2013</b>			





## Staff Report

Information Only Staff Report  
July 15, 2013



SUBJECT: Technical Energy Audit EPC Phase III  
PREPARED BY: Tom Ochtera, Energy and Facilities Projects Coordinator

### Summary Statement

This Staff Report is for information only, no City Council action is requested.

On January 2, 2013, City Staff released an RFP and later selected a vendor for a Phase III Technical Energy Audit (TEA) and possible Energy Performance Contract (EPC). This staff report summarizes the three portions of the proposed TEA contracts, outlining how the City is moving forward with energy efficiency and stewardship efforts.

### Background Information

In 2007 and again in 2009, City Council authorized Energy Performance Contracts (EPCs) with Siemens Industries, Inc. These EPCs resulted in significant energy and maintenance cost savings in facilities and parks across the City. In January 2013, City Staff released an RFP to select an Energy Services Company (ESCO) to provide the City with a Phase III Energy Performance Contract. Ameresco was selected to perform these services. The first portion of the EPC process is to conduct Technical Energy Audits on facilities to determine what energy conservation measures may result in energy and maintenance cost savings if implemented in an EPC. These Technical Energy Audits have also been accurately described as simply Energy Audits in previous phases.

The EPC has been selected as the method to deliver energy and maintenance savings projects at these facilities for several reasons. First, it combines the known capital improvement projects with as yet undetermined energy efficiency opportunities to provide better value than each of these tasks separately. Second, this method creates measurable savings results with pointed responsibility on the part of the ESCo through guaranteed energy savings. Third, performance contracting requires that the energy and maintenance cost savings be cash flow positive upon completion of the projects. This means that the City is consistently paying less for operating its facilities than it was paying. Fourth, performance contracting brings together experts from various fields to insure the right individuals are designing and engineering these solutions in collaboration with City operating staff. Fifth, interest rates continue to be very low and the City is able to take advantage of these low rates and reserve capital for other City projects.

The two previous phases of performance contracting were successfully completed in 2011. At this time, Phase I is complete and closed out. Phase I included significant indoor lighting retrofits, replacement of rooftop units, interlocks for overhead doors and heaters at the fire stations, pool boiler

replacement and other projects resulting in an estimated \$189,383 in annual savings. Phase II is in the measurement and verification process that follows the completion of the work to insure that the energy savings guarantee is being met. This will continue for two more years. Phase II included exterior and lighting retrofits, boiler replacements (6), the added automation at City Hall and the Public Safety Center, liquid pool cover, utility tracking systems, golf cart recharging station timers, and other projects resulting in an estimated \$318,000 in annual savings.

The current Phase III project will review the Utility Fund water treatment facilities and related systems that have not had energy audits in the past. In addition, this project will re-look at several General Fund facilities for deeper energy efficiency retrofits. Finally, the audit will look at Solar Photovoltaic opportunities city-wide for further energy cost savings.

### **Utility Fund Technical Energy Audit**

The Utility Fund TEA will investigate energy savings opportunities at the four water, wastewater and reclaimed water treatment plants. There are several energy conservation measures that the audit will focus on. These are based on regulatory changes that are expected in upcoming years, on-going maintenance and operational challenges, expected capital improvement projects, and energy saving measures. The expectation is that these projects, if implemented, will result in energy and maintenance cost savings that exceeds annual debt service to finance the implemented projects.

The Utility Fund TEA is split into two phases: preliminary TEA and Final TEA. This was done to allow the greatest number of measures to be reviewed for their feasibility, and then refined down to completing the audit only on the projects that are expected to pay for themselves through savings. It is important to note that costs for the TEA, including engineering and design, will be folded into the financing package for those projects that are selected for implementation.

In the upcoming weeks City staff, will request authorization from Council to enter into the Preliminary Technical Energy Audit (TEA) portion of the EPC project.

### **General Fund Technical Energy Audit**

Similar to the Utility Fund, the General Fund Technical Energy Audit (TEA) will focus primarily on buildings that use the most energy across the City that are operated by Building Operations and Maintenance Division. Again, the audit will focus on portions of the building that are operations and maintenance challenges, planned capital improvement projects, and energy efficiency opportunities. Also, similar to the Utility Fund TEA, the General Fund TEA is split into two phases, Preliminary TEA and Final TEA. This creates the opportunity to broadly review these facilities first, then refine the list of potential projects down to only those that will reasonable pay for themselves over time. The types of projects and estimated return on investment will be determined in the preliminary phase. The design and engineering, final cost estimates, and financing options will be determined in the Final TEA for only the projects that are deemed viable and feasible. Again, the costs for the Preliminary and Final TEA will be folded into the financing package for those projects that are implemented, and the annual savings generated from the selected projects will exceed the annual financing payments. There will be some expenses incurred for projects that are reviewed preliminarily but do not make the cut for further investigation.

In the upcoming weeks, City Staff will request authorization from Council to enter into the Preliminary TEA portion of the EPC project.

### **Solar Photovoltaic Opportunities TEA (Solar PV)**

In general, because of the consistency and intensity of sunlight in Colorado, solar photovoltaic (PV) arrays make sense; but they don't make sense in every situation. There are physical constraints (site orientation, space availability, nearby energy consumption, shading, infrastructure, etc.) and financial constraints (cost of energy, cost of PV panels, utility incentives, tax incentives, financing, etc.). In order to determine whether or not Solar PV makes sense for the City at a particular location, it takes a good deal of site selection, engineering, cost estimating, and calculations of energy production. In order to determine where Solar PV makes the most sense for the City, a Technical Energy Audit is planned. This TEA will review all potential sites across the City, determine which locations fit within the physical and financial constraints, and develop the financing options for the City to review and potentially implement.

City staff is investigating three methods of financing these potential Solar PV sites: municipal lease, Power Purchase Agreement, and Community Solar Gardens. The municipal lease is a lease with tax exempt status and is a very low-cost method of financing the acquisition of equipment. The Power Purchase Agreement is a financing method whereby a solar developer leases property from an owner for a solar photovoltaic array, and the owner purchases electricity from the solar array. The Solar Garden is a newer financing method whereby solar garden "members" purchase shares of the solar array, and in return, receive utility bill credits from the sale of the electricity to the Utility. Each of these financing methods has advantages and disadvantages in terms of overall cost, capital investment, community benefit, complexity, and their ability to be combined with an Energy Performance Contract.

The City has four existing Solar PV systems. These systems are financed through a Power Purchase Agreement (PPA) with Main Street Power Company. In the Power Purchase Agreement, the City agreed to allow Main Street Power to install, operate and maintain Solar PV on the rooftops of city-owned facilities. In return, the City buys the energy generated by the panels at a reduced price when compared to Xcel Energy's prices. These systems will be five years old in 2014, which triggers a "fair market-value" buy-out opportunity. The City is not obligated to buy the systems, but it may be advantageous to do so for the energy cost savings it generates. One portion of the Solar PV TEA will investigate and recommend the best value of the three buy-out options: buying the systems, maintaining the existing PPA, or have a third party acquire the system to incorporate the new possible systems.

The Energy Services Company, Ameresco, which is doing the other two TEAs will be conducting this TEA as well. By including a Solar TEA in the scope of work of the Phase III EPC, this affords an opportunity to leverage the energy cost savings of the Solar PV installations into the energy cost savings for the other projects. This increases the cost savings potential, and therefore, increases the number and/or scope of projects that can be implemented in the traditional EPC model for both Utility and General Funds. Like the other TEAs, there is no up-front cost to the City for projects that are implemented. The costs for this TEA will be folded into the financing package for the Solar PV sites that are implemented. There will be some costs for Solar PV projects that are deemed to be both physically and financially feasible, but are not selected for implementation by the City.

In the upcoming weeks City Staff, will request authorization from Council to enter into the Solar PV TEA portion of the EPC project.

The Technical Energy Audits for the Utility Fund facilities, General Fund facilities, and Solar PV, are the first step toward possible future Energy Performance Contracting projects. After the Preliminary TEAs are complete, the City will have the opportunity to select projects, including solar PV arrays for further design in the Final TEA. These TEAs and the work that results from them, further City Council's goals of a Financially Sustainable City Government Providing Exceptional Services and a Beautiful and Environmentally Sensitive City.

Respectfully submitted,

J. Brent McFall  
City Manager