

CITY AND COUNTY OF BROOMFIELD, COLORADO



2008 ANNUAL BUDGET IN BRIEF

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Mission Statement and Guiding Values

Mission Statement

Working in partnership with the community, the City and County of Broomfield provides excellent services in an efficient, respectful, and courteous manner to enhance and protect the environment and quality of life of Broomfield citizens.

Guiding Values

- *We are here to serve our citizens as advocates and problem solvers.*
- *We always treat our citizens and employees with dignity, respect, and equity.*
- *We are fiscally responsible.*
- *We are here to help Broomfield be a safe and enjoyable community filled with opportunity for citizens and employees.*
- *We care and we show it through our positive manner.*
- *We respond quickly and we follow-up.*
- *We value vision, diversity, and progressive thinking.*
- *We encourage new ideas and suggestions.*
- *We maximize opportunities to advance the interests of the community as a whole.*



Type and Organization of Government

The City of Broomfield was incorporated as a city in 1961 and established a home-rule, Council-Manager form of government by charter in 1974. The City boundaries fell within four counties. In November 1998 citizens approved a statewide Colorado constitutional amendment to allow Broomfield to become a City and County and on November 15, 2001 the City and County officially began county operations.

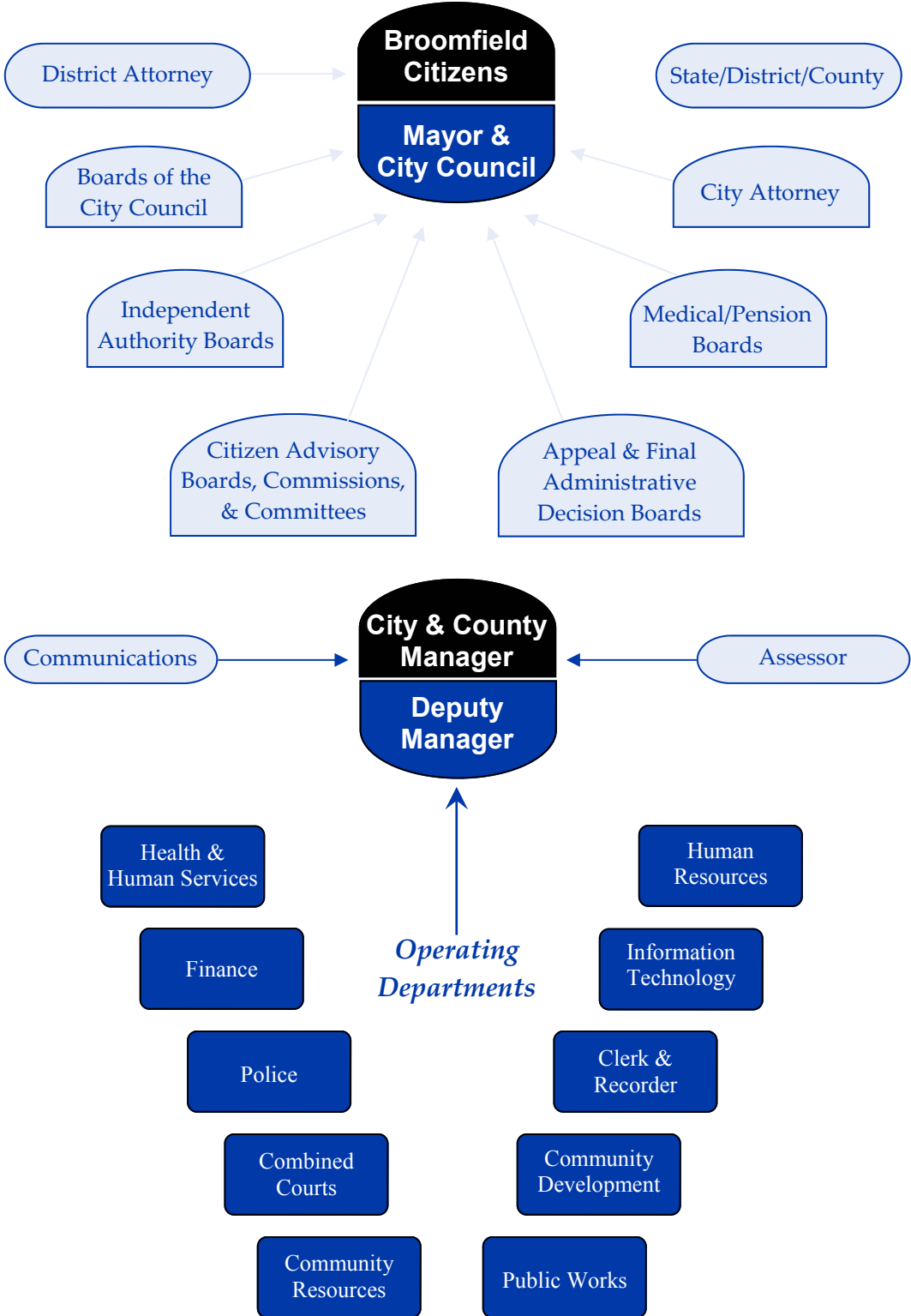
The City Council consists of a ten-member board and a Mayor who set policy for the City and County of Broomfield. City Council also serves as the County Board of Commissioners. The citizens of Broomfield elect two council members for each of five wards that serve staggered four-year terms. The Mayor serves as a leader of this board and is elected at-large for a two-year term. Elections are held every two years. The Council functions as the policy setting board for all City and County of Broomfield matters. The City and County Manager, City and County Attorney, Municipal Judge, and several citizen boards, report directly to the Council. The Manager is responsible for the implementation of City Council policy direction and the administration of City and County operations. The Manager serves as the chief executive officer for the organization. The Deputy City and County Manager reports to the Manager and serves in a similar capacity, with a focus on operations. There are 13 departments. Departments, depending on size and function, may provide services through several operating divisions.

The City and County of Broomfield provides a full range of municipal and county services. The only traditional services provided by some local governments, not currently provided by Broomfield are electric, gas, trash, golf and airport services. They are provided by private organizations or in the case of the airport, Jefferson County.

The organizational chart on the next page provides an illustration of how the City and County of Broomfield Government is organized.

Organizational Chart

City & County of Broomfield Government



Budget Development Process

General Budget Process

Broomfield's fiscal year is the calendar year. The planning and budget process begins early in the year for the following year's budget. Prior to the beginning of each fiscal year, the City Manager submits a proposed budget to the City Council. The proposed budget includes recommended expenditures (uses of funds) and the means of financing them (sources of funds). The total for all uses of funds cannot exceed the total for all sources of funds.

Public hearings are conducted to obtain citizen comments. Following the public hearings, the Council may adopt the budget with or without amendment. In amending the budget, Council may increase or decrease program and service levels contained within the proposed budget, except for those expenditures required by law or for debt service. Tax levies must be certified no later than December 15th of each year. Prior to this date, the budget is legally enacted through Council's passage of a resolution, which authorizes expenditures and obligations of Broomfield funds at the designated amounts and for the specified purposes contained within the budget.

Once the budget is enacted, the Manager is authorized to transfer budgeted amounts among programs and departments within a fund. However, revisions that alter the total expenditures of any fund require Council approval. All appropriations, except those for Capital Expenditures or Special Funds, lapse at year-end. However, services continue to operate in a seamless fashion, as appropriations associated with the next fiscal year are available immediately.

Multi-Faceted Planning Process

Several important planning stages are incorporated into the annual budget development process. Five of these stages are detailed below.

The City Council holds a **Council Focus Session** each year to identify short-term priorities for the current year and the upcoming budget development process. City Council's 2007 Priorities are listed on page 8.

In addition to the City Council focus session, the **Citizen Survey** helps direct short-term priorities. This survey is conducted every 2-3 years and focuses on quality of service provision and policy direction. Where applicable, survey responses are compared with ratings from other municipalities to provide benchmarking data. Specific policy questions help Council and management guide the budget to meet citizens' concerns and needs.

Budget Development Process

Capital infrastructure needs are projected in a **Five-Year Capital Improvements Plan**, which is updated each spring. The plan includes capital rehabilitation and asset replacement needs in addition to desires for new amenities, and expanded and new facilities. The plan assists with forecasting needs for enhanced capital revenues, such as bond funding, to meet large infrastructure needs. Projects are added to the plan through Citizen Committees and department staff. Funded capital projects that advance City Council priorities are noted in the Capital Improvements Section of the Annual Budget document.

Longer-term priorities are driven by the **City and County Comprehensive Plan**, which was updated in late 2005. This dynamic, 20-year policy document serves as the principle planning document addressing Broomfield’s goals and policies related to land use and other key community issues. These key issues and goals are summarized on page 9.

Finally, departments have submitted detailed goals highlighting what they would like to achieve in the next 1-2 years. These **department-specific goals** have been coded to tie with both the City Council Priorities and the Comprehensive Plan goals and can be found in the Department Details section of the Annual Budget document.

All of these planning processes drive the budget development and funding allocation decision making processes.

<i>January – April</i>	<i>City Council Sets Priorities for Coming Year</i>
	<i>Citizens/Committees Submit CIP Project Ideas to Staff</i>
<i>May – June</i>	<i>Departments Develop Next Year’s Operating and Capital Requirements</i>
<i>August – September</i>	<i>Departmental Budget Review</i>
<i>September</i>	<i>Citizen Suggestions and Input</i>
<i>October</i>	<i>Recommended Budget Presented to Council</i>
<i>October – November</i>	<i>Public Hearing on Proposed Budget;</i> <i>Council Adopts Budget Resolution</i>
<i>December</i>	<i>Budget Document Completed</i>

City Council Priorities

City Council holds a “Council Focus Session” in January of each year to identify priorities for the year. City Council Priorities play a significant role in the annual budget development process. The 2007 Council Priorities, which helped drive the 2008 budget process, are listed below.

2007 Priorities	
CC07-1	Try to Get a Hospital Located in Broomfield
CC07-2	Implement 120th Avenue Sub Area and Urban Renewal Corridor Plans
CC07-3	Focus on Getting Wadsworth Interchange Improvements Completed
CC07-4	Focus on Getting Unique Retailers to Locate in Broomfield
CC07-5	Feasibility Study to Expand Bay Aquatic Park
CC07-6	Library Expansion
CC07-7	Create a Green Broomfield
CC07-8	Restrict Conversion of Retail Uses from Becoming Non-Retail Uses
Ongoing Priorities	
CC06-1	Soundwall and Perimeter Fence Policy
CC06-2	Dog Park Implementation
CC06-3	Brunner Reservoir Plan (Implementation)
CC06-4	Internal Traffic Flow (Implementation)
CC06-5	Water Utility/Financial Plans and Reservoirs - Including Water Rate Structure and Reservoir
CC06-6	Manufacturing Jobs
CC06-7	Create a Healthy Broomfield
CC06-8	Civic Center Plan
CC06-9	Alternative Energy Resources
CC06-10	Internal Transportation Improvements (Implementation)
CC06-11	Preservation of Property Values
CC06-12	Lessen Local Burdens on Businesses
CC06-13	Health and Human Services Facility
CC06-14	Retail Owners/Tenants
CC06-15	Gaylord Type Resort Class Facility
CC06-16	Wi-Fi (Implementation)
CC06-17	Rental Ordinance

Comprehensive Plan

Broomfield's 2005 Comprehensive Plan was adopted following an extensive community information gathering and feedback process. The Plan is a dynamic 20-year policy document intended to be periodically updated to remain effective. It serves as the principal planning document addressing Broomfield's goals and policies related to land use and other key community issues. The Comprehensive Plan's key issues and goals are summarized in the ten functional elements below. These broad Comprehensive Plan goals have been tied to the more specific goals of each Department, throughout the Annual Budget Document.

2005 COMPREHENSIVE PLAN SUMMARY

Growth, Population & Change: Direct growth to strengthen Broomfield's desirable community characteristics and identity; and to seize opportunities that take advantage of Broomfield's physical characteristics and transportation advantages.

Land Use: Create an appropriate and sustainable land use pattern anchored by great neighborhoods and vibrant community activity centers that are linked to create an economic and environmentally sustainable community.

Transportation: Provide an efficient and well-maintained multi-modal transportation system that serves all segments of the population, effectively accommodates the demands of growth, facilitates convenient internal and regional accessibility, minimizing environmental impacts, and reduced dependence on the automobile.

Community Form & Identity: Broomfield is a community with residents who take pride in its small-town friendliness and can-do attitude. Broomfield's physical features include interconnected open lands and parks with distinct residential and commercial areas. All these elements combine to create a strong sense of place and identity.

Open Space, Parks, Recreation & Trails: Preserve and enhance those natural and recreational places that reflect the heart and soul of the community.

Economic Development: Promote the economic vitality of Broomfield through attraction, retention and expansion of business activity.

Community Services & Facilities: To provide quality services and facilities within our neighborhoods that reflect our commitment to making worthy investments in our community, that are examples of proactive and innovative government, and that empower all our citizens to increase their quality of life while ensuring that we care for those in need.

Environmental Stewardship: Broomfield will be a leader in implementing environmental stewardship policies that help to create a desirable and sustainable community now and for future generations.

Housing: Promote a balanced mix of housing types that will meet both current and future residents' changing needs and conditions and that will support the community's overall economic development goals.

Utilities: Provides a utility infrastructure system representing state-of-the-art equipment, construction, management and conservation techniques.

Comprehensive Plan Vision Statement

Broomfield: a City and County of diverse neighborhoods that inspire identity and unity; where its culture of excellence, leadership, self-determination, and innovation is nurtured and practiced; and where its businesses thrive and its citizens of all ages are proud to live.

See Appendix I of the 2008 Annual Budget for additional details regarding Comprehensive Plan goals and visit http://www.broomfield.org/planning/masterplan/FINAL_COMP_PLAN.pdf to view the 2005 Comprehensive Plan document.

Total 2008 Budget Summary

The budget serves as a policy document, financial plan, operations guide, and communications device. Each budget is developed several months before being implemented and is based on the best financial information known at the time. A Comprehensive Annual Financial Report, the official annual report of a government, is prepared at the close of each fiscal year and contains all basic financial statements for that year.

All of the individual revenue and expenditure categories described in the following sections of this Budget in Brief document come together to form the Combined City and County of Broomfield Total Budget.

The total 2008 Budget uses of funds for the City and County of Broomfield are \$253,905,059. This is an increase of 8.51% from the 2007 Budget of \$233,983,647. The increase is due primarily to a \$9.6 million increase for capital improvements and a \$9.1 million increase for reserves. The operating budget decreased 2.34% to \$106,240,018 primarily as a result of Broomfield's practice of zero based budgeting.

The budget achieves a ratio of revenues to expenditures in the general government funds of 1.01, and provides for the funding of all required debt service payments and payments for Certificates of Participation that were issued for capital improvement projects. The 2008 Budget continues Broomfield's practice of conservative revenue estimates. While Broomfield anticipates construction of new retail in 2008, store openings are not projected to occur until the 4th quarter. The budget maintains our service levels for citizens and has little growth in operating costs due to zero-based budgeting.

The Combined Budget is summarized on the following page.

Total 2008 Budget Summary

Combined City & County of Broomfield Total Budget Summary

Sources and Uses of Funds	Actual 2006	Original Budget 2007	Revised Estimate 2007	Budget 2008	Budget % Ch 2007-08
Sources of Funds					
Beginning Balance	\$ 131,851,131	\$ 128,388,176	\$ 168,705,466	\$ 122,287,834	-4.75%
Revenues					
Taxes					
Property Tax	\$ 24,361,218	\$ 25,308,089	\$ 25,272,153	\$ 28,169,920	11.31%
Sales Tax	39,634,126	39,592,642	40,552,321	42,216,465	6.63%
Use Tax - Building Materials	6,550,493	9,232,514	6,565,894	6,384,068	-30.85%
Use Tax - Vehicles	3,095,226	3,050,250	3,249,201	3,281,612	7.59%
Specific Ownership Tax	1,584,102	1,661,211	1,661,211	1,713,050	3.12%
Other Taxes	5,633,730	5,783,260	5,039,292	6,194,546	7.11%
Total Taxes	\$ 80,858,895	\$ 84,627,966	\$ 82,340,072	\$ 87,959,661	3.94%
Licenses & Permits	\$ 2,836,333	\$ 3,501,737	\$ 3,001,952	\$ 2,547,729	-27.24%
Intergovernmental Revenue	10,595,461	11,878,661	11,571,343	14,339,484	20.72%
Charges for Services	55,219,016	61,307,691	54,128,877	60,817,829	-0.80%
Contributions & Project Participations	958,141	384,026	1,169,680	855,223	122.70%
Fines & Forfeits	1,040,361	549,000	540,000	534,000	-2.73%
Interest Earnings & Misc Revenues	11,382,906	6,732,936	11,309,048	8,283,186	23.02%
Lease/Purchase Financing Proceeds	101,525	-	-	-	NA
Bond Proceeds	-	75,200,000	-	30,000,000	-60.11%
Fiduciary Plan Contributions	8,695,304	8,808,878	9,101,053	9,291,777	5.48%
Transfers from Fund Reserves	3,455,000	-	100,000	2,384,526	100.00%
Interfund Activities	25,345,244	30,934,091	31,038,603	25,527,590	-17.48%
Total Revenues	\$ 200,488,186	\$ 283,924,986	\$ 204,300,628	\$ 242,541,005	-14.58%
Total Sources of Funds	\$ 332,339,317	\$ 412,313,162	\$ 373,006,094	\$ 364,828,839	-11.52%
Less Interfund Activities	\$ 25,345,244	\$ 30,934,091	\$ 31,038,603	\$ 25,527,590	-17.48%
Net Total Sources of Funds	\$ 306,994,073	\$ 381,379,071	\$ 341,967,491	\$ 339,301,249	-11.03%
Uses of Funds					
Expenditures					
Operating Budget	\$ 90,951,038	\$ 108,790,424	\$ 107,389,106	\$ 106,240,018	-2.34%
Capital Improvements	37,074,015	116,157,460	105,623,120	125,780,814	8.28%
Lease/Purchase Payments	10,208,490	10,163,287	10,163,287	10,166,576	0.03%
Debt Service - Bonds	19,220,024	22,514,633	19,242,520	19,998,375	-11.18%
Fiduciary Funds - Expenditures	4,263,253	5,050,899	5,059,192	5,903,601	16.88%
Sub Total	\$ 161,716,820	\$ 262,676,703	\$ 247,477,225	\$ 268,089,384	2.06%
Additions to Reserves	\$ 1,917,031	\$ 2,241,035	\$ 3,241,035	\$ 11,343,265	406.16%
Total Uses of Funds	\$ 163,633,851	\$ 264,917,738	\$ 250,718,260	\$ 279,432,649	5.48%
Less Interfund Activities	\$ 25,345,244	\$ 30,934,091	\$ 31,038,603	\$ 25,527,590	-17.48%
Net Total Uses of Funds	\$ 138,288,607	\$ 233,983,647	\$ 219,679,657	\$ 253,905,059	8.51%
Ending Balance	\$ 168,705,466	\$ 147,395,424	\$ 122,287,834	\$ 85,396,190	-42.06%

The primary reason for the overall decrease in the ending balance is the reduction in the anticipated issuance of water revenue bonds from \$75.2 million to \$30 million.

Financial Policies

General Financial Goals

- Maintain and enhance the sound fiscal condition of the City and County.
- Maintain a financially viable organization that can provide a desired level of both city and county government services.
- Maintain financial flexibility in order to continually adapt to local and regional economic changes and community needs.

Operating Budget Policies

- Adopt a balanced budget by December 14th of each year.
- Prepare a preliminary budget calendar no later than March 31st of each year.
- Develop an annual operating budget by verifying or conservatively projecting revenues and expenditures for the current and forthcoming fiscal year.
- Balance the budget by ensuring current operating expenditures (excluding one-time transfers to Capital funds) are paid from current operating revenues.
- Provide for adequate maintenance and replacement of the City's capital equipment and infrastructure.
- Project equipment replacement and maintenance schedule needs for the next five years and update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.

Revenue Policies

- Develop and maintain a diversified and stable revenue system to provide shelter from short-term fluctuations in any one revenue source.
- Estimate annual revenues through an objective, analytical process, utilizing trends, judgmental, and statistical analyses as appropriate.

Expenditure Policies

- Maintain a level of expenditures, which will provide for the public well being and the safety of community residents.

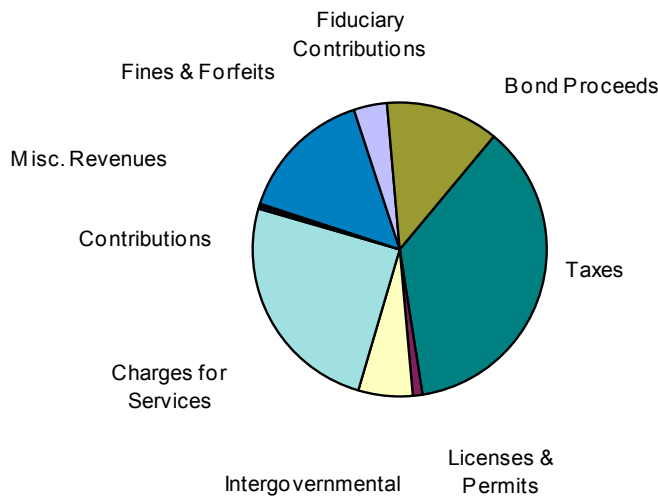
Utility Rates and Fees

- Set fees and user charges for each enterprise fund at a level that supports both direct and indirect costs of the activity. Indirect costs include the cost of annual depreciation of capital assets and overhead charges.
- Set utility license fees to cover the cost of growth related expenditures.

Major Revenues

Broomfield's major on-going revenue sources are sales and use taxes, property tax, charges for services, and intergovernmental revenues. These revenues sources support Broomfield's operations, capital improvements, and debt service requirements. The 2008 estimates for all revenue sources are summarized below, followed by descriptions of the major revenue categories.

2008 Total Revenues by Source		
Taxes	87,959,661	36.3%
Licenses & Permits	2,547,729	1.1%
Intergovernmental	14,339,484	5.9%
Charges for Services	60,817,829	25.1%
Contributions	855,223	0.4%
Fines & Forfeits	534,000	0.2%
Misc. Revenues	36,195,302	14.9%
Fiduciary Contributions	9,291,777	3.8%
Bond Proceeds	30,000,000	12.4%
Total	\$ 242,541,005	100.0%



Sales Tax

Broomfield's total sales tax rate is 4.15%, which is a general sales tax levied on retail sales of goods. Sales tax represents 48% of the total tax revenues expected to be collected in 2008. It is a revenue source that is directly impacted by current economic conditions. The addition of Flatiron Crossing Mall in 2001 and the surrounding retail areas have helped insulate Broomfield from downturns in retail sales. This 2.5 million square feet of retail area generates 51% of the sales tax collected. In the 2008 Budget, sales tax is estimated to be flat over the original budget projections for 2007. This conservative projection is due to new retail outlets opening in Broomfield in 4th Quarter of 2008 combined with the unknown effects of new retail opening in surrounding communities.

Revenues

Property Tax

Property tax is approximately 32% of the total tax revenues expected to be collected in 2008 and is expected to increase 11% over the 2007 original budget as a result of new construction and property value adjustments in 2007. No increase in the mill levy is proposed for 2008. Other units of government also levy a property tax, including school districts, and special districts. Broomfield's government sets only the City and County mill levy, which is currently 28.968 mills, and has no control over mill levies set by other governmental units.

Use Tax—Building Materials

The City use tax on building and construction materials is 4.15%. It is a one-time tax on materials that are purchased outside Broomfield, but are used and stored within Broomfield. For example, approximately 50% of the cost of a new home is attributed to building and construction materials, and the use tax applies to that 50%. If building and construction materials amounted to \$50,000, the use tax would be \$2,075. No increases in the tax rate are proposed for 2008. This revenue source can vary significantly from year-to-year depending on the amount of new construction that occurs in the City in any given year.

Charges for Services

Charges for services consist mainly of charges for water and sewer services and new service connection fees within Broomfield. In 2008, a 2.50% increase in the water usage rate and a 3.00% increase in the sewer usage rate are included in the budget. These increases will result in an estimated increase of \$1.65 per month for the average homeowner and are necessary to address rising utility costs. The 2008 Budget also includes a 3.5 % increase for water connection fees and a 1.5% increase for sewer connection fees. The increases in the connection fees are designed to have growth pay its own way for utility infrastructure.

Charges for recreation services are also included in this category and are designed to recover approximately 62% of the costs to provide those services, including center operations, programs, administration, and utility costs.

Intergovernmental Revenues

Intergovernmental revenues are revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes. The largest components of this category are State and Federal revenues for Human Services programs and benefits, such as child welfare, Temporary Aide to Needy Families (TANF), Colorado Works, child care, and food assistance. Allocations vary from year to year, but the state reimburses Broomfield for approximately 80% of benefits paid to county residents. The County supports approximately 20% of the cost of operations through a dedicated property tax mill levy and transfers from the County General Fund when necessary.

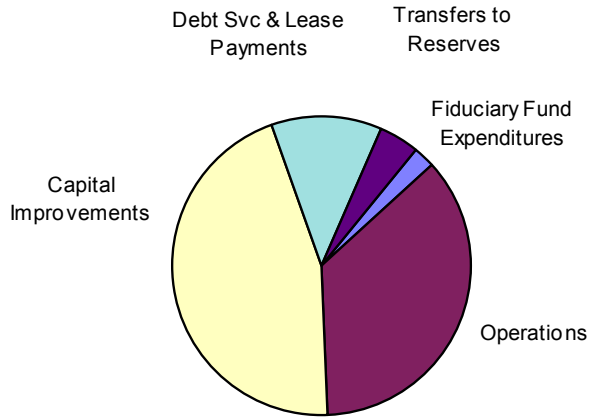
Expenditures

Major Expenditures

Broomfield’s major expenditure categories are operations, capital improvements, lease payments and debt service, reserves, and fiduciary fund expenditures related to health insurance and retirements. Operations and debt service tend to be consistent from year to year, while capital improvements and fiduciary fund expenditures will vary depending on projects and staff retirements budgeted in a given year. The 2008 estimates for all expenditure types are summarized below, followed by descriptions of the major expenditure categories.

2008 Expenditures by Type*		
Operations	90,770,195	35.7%
Capital Improvements	115,723,047	45.6%
Debt Svc & Lease Payments	30,164,951	11.9%
Fiduciary Fund Expenditures	5,903,601	2.3%
Transfers to Reserves	11,343,265	4.5%
Total	\$ 253,905,059	100.0%

*net of internal transfers



Operations

Operations represents 35.7% of the total budget in 2008 and consists of personnel, supplies, services, and capital outlay. Funding for Broomfield operations is spread among many “funds” designed to separate dedicated revenue streams, provide cost recovery information, and meet legal requirements. Some functions may be funded in two different funds. The breakdown of operations costs by function, regardless of fund, is summarized on the next page, followed by descriptions of operating expenditure categories.

Expenditures

2008 Operating Expenditures by Department*		
Police	\$ 19,782,053	21.8%
Public Works	15,264,993	16.8%
Water/Sewer/Water Rec	14,818,748	16.3%
Community Resources	7,371,841	8.1%
General Govt	7,832,530	8.6%
Participations & Contributions	1,385,135	1.5%
Finance	4,054,690	4.5%
Assessor	679,845	0.7%
Health & Human Svcs	11,776,104	13.0%
Information Tech	3,238,518	3.6%
Community Development	4,565,738	5.0%
Total 2008 Expenditures	\$ 90,770,195	100.0%

*net of internal transfers \$15,469,823

Personnel

Broomfield is a service organization and as a result, personnel costs have the most significant impact on the operations budget. Total personnel costs in 2008 are about \$52.1 million or approximately 58% of the operations budget. These costs include salaries, benefits, and health insurance. The 2008 Budget includes a net increase of 1.0 new position. This net increase is the result of several changes that are partially offset by decreases in other areas. These changes are a result of Broomfield's zero-based budgeting process. See Table 5B of the Annual Budget Document for a detailed listing of Broomfield's personnel complement.

Supplies and Services

Supplies include items under \$5,000 in value required for personnel to perform their jobs, such as office supplies, small tools, chemicals and lab supplies, fuel, and safety equipment. Services also include items required for personnel to perform their jobs, but that are generally provided by a third party, such as telephone and Internet charges, gas and electric costs, repair and maintenance services, advertising, and shipping charges.

Energy costs continue to put pressure on operating budgets. In 2008, the budget for natural gas/electricity and gasoline are increasing 7% and 6.69% respectively, due to rising rates and increased volume. Other costs increasing in 2008 include Human Services direct benefits (covered by additional revenues), Denver Water purchases, contracts with Adams County for Coroner and District Attorney services, and general liability insurance premiums.

Capital Outlay

New capital outlay is funded within each department's operating budget. This category includes items over \$5,000 in value, such as building improvements, office furniture, vehicles, and communications equipment. This category also includes special equipment related to specific areas of service provision, such as lawn mowers for the Parks division and water pumps and sanitization equipment for the water treatment plant.

Capital Improvements

Broomfield has a Five-Year Capital Improvement Program (CIP) that is updated annually. The CIP is a schedule of major project expenditures for public facilities and infrastructure (utilities, parks, roads, etc.), with estimated project costs, sources of funding, and timing of work. Each year, the entire Five-Year CIP is reviewed and updated. The current Five-Year CIP covers 2008 to 2012. The first year of the CIP is included in the annual budget each year. The entire cost of a given project is budgeted in the year in which it is approved to begin, but many projects can take multiple years to complete. For such multi-year projects, funds are spent down as work is performed and remaining project funds are rolled forward from year to year until the project is completed.

2008 CIP Highlights

- **Transportation:** Continued funding for large local street improvement projects, including undergrounding of overhead utility lines.
- **Building and Facilities:** Auditorium airflow improvements, library entry way and boiler piping improvements, a Citywide building energy assessment, and minor building repairs across the City and County.
- **Parks, Trails, and Amenities:** Trail construction, irrigation replacements, playground improvements, and various improvements at The Bay.
- **Vehicle Replacement:** Several vehicles will be purchased in 2008 to replace existing vehicles that have reached their useful life.

Most capital equipment outlays to replace existing items are funded in the Asset Replacement Fund, with the exception of Utility Fund (water, sewer, and water reclamation) purchases, which are found within those specific funds. The following policies guide the capital improvement budget process.

Capital Improvement Budget Policies

- Develop a multi-year plan for capital improvements, including Capital Improvement Program (CIP) design, development, implementation, and operating and maintenance costs.
- Identify estimated costs, potential funding sources, and projected annual operating costs for each capital project proposal before it is submitted to Council for approval.
- Coordinate development of the capital improvement budget with the development of the operating budget. All costs for internal professional services required to implement the CIP will be included in the operating budget for the year the CIP is to be implemented.

Expenditures

Debt Service and Lease Payments

Broomfield uses long-term debt to finance capital projects that cannot be funded from current revenues. Proceeds from long-term debt cannot be used for current, on-going operations.

Debt financing is the preferred method to finance capital projects that benefit multiple generations, such as public buildings, roads, and parks. Bonds and notes are issued to finance the construction of such projects. This method promotes generational equity by spreading project costs over multiple years, rather than consuming the resources of a single generation. It also increases the number of projects that would otherwise be able to be completed each generation. Debt service is the annual payment of principal and interest on Broomfield's total indebtedness.

Broomfield continues to effectively manage its debt service obligations. The City's general obligation debt outstanding at the end of 2008 will be \$1,330,000, which is well under the maximum levels of debt authorized by the City Charter with capacity to add \$95.9.

The City's bond rating by Moody's Investment Service is Aa-3. This high rating is evidence that Broomfield is viewed as a good investment by the investment community. This not only helps the City sell its bond issues, but also helps obtain the lowest possible interest rates.

Existing revenues support all current debt and obligations. Most debt instruments issued to date are revenue bonds. \$30 million in debt service and lease purchase payments are included in the 2008 Budget. Each of the obligations has a specific source or sources of revenue from which annual principal and interest payments are made. The amount of debt and certificates of participation supported by each fund is summarized below.

Debt Policies

- The City may use short-term debt to satisfy temporary or emergency cash flow needs. All short-term borrowing will be subject to Council approval by ordinance or resolution.
- Long-term borrowing will be used to finance capital improvements that cannot be funded from current revenues.
- Proceeds from long-term debt will not be used for current, on-going operations.

Reserves and Use of Reserves

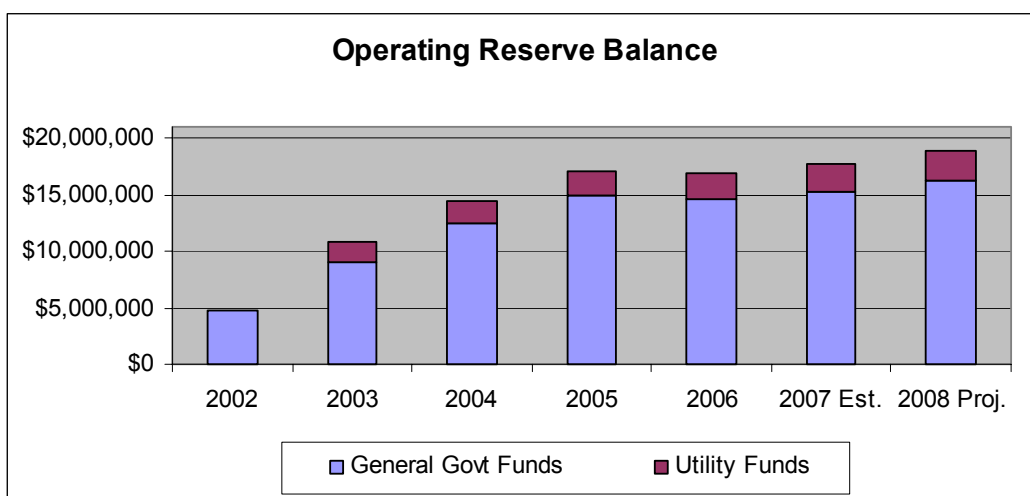
Broomfield maintains reserves. A reserve sets aside funds in the current and past years for the purpose of paying for capital needs, providing for obligations and liabilities, and meeting emergency needs. The following policies guide the set-up and maintenance of reserves.

Reserve Policies

- Maintain operating fund reserves for general government funds at a minimum of 10% of operating expenditures and debt service. The goal is to maintain 16.67% (or two months) of operating expenditures and debt service expenditures.
- Maintain enterprise funds (utility funds) reserves at a minimum of 10% of operating expenditures. The goal is to achieve 16.67% (or two months) of operating expenditures. In addition, utility funds (water, sewer, water reclamation) will maintain fund balances equal to two year's debt service expenditures. Finally, enterprise funds will maintain a reserve to cover "zero" coupon debt required by the sinking funds.
- The primary purpose of these reserves is to protect Broomfield's essential service programs and funding requirements during periods of economic downturn or other unforeseen catastrophic costs.
- City Council approval is required before expending reserves.

Reserve Levels

Broomfield has diligently increased reserves over the past several years. Maintaining a healthy level of reserves ensures the ability to meet capital outlay needs as they arise and provides for some stability in times of economic downturn or emergency. The 2008 Budget meets the reserve policies outlined above by maintaining reserves at 17.45% in the General Government Funds and 17.23-18.23% in the Enterprise Funds.



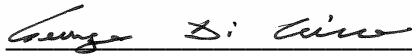
Financial Outlook

I am pleased to present to you the budget that continues to provide the quality programs and services our residents have come to expect and enjoy, and helps to ensure that the City and County of Broomfield continues to be a great place to live and work. Broomfield is, indeed, a quality community.

Broomfield's financial condition remains stable and strong. The 2008 Budget is balanced, meets all statutory requirements, and helps to implement Broomfield's Comprehensive and Long-Range Financial Plans and City Council's priorities.

I want to acknowledge all of the staff members who assisted in the preparation of this comprehensive budget document. Their efforts and professionalism are most appreciated. And, I want to thank the Mayor and City Council for your policy leadership and proud commitment to Broomfield.

Respectfully submitted,



George Di Ciero
City and County Manager

Contact Information

Assessor	303-464-5819
City Manager's Office	303-438-6300
<i>Citizen's Assistance Center</i>	303-438-6390
<i>Public Information</i>	303-438-6308
<i>Channel 8</i>	303-438-6354
<i>Website</i>	303-438-6327
Clerk and Recorder	303-464-5819
<i>Central Records</i>	303-464-5819
<i>Motor Vehicle</i>	303-464-5888
Community Development	303-438-6389
<i>Planning</i>	303-438-6284
<i>Engineering</i>	303-438-6380
<i>Building Inspections</i>	303-438-4249
<i>Code Enforcement</i>	303-438-6421
Community Resources	303-464-5803
<i>Paul Derda Recreation Center</i>	303-460-6900
<i>Broomfield Community Center</i>	303-464-5500
<i>The Bay Aquatic Park</i>	303-464-5520
<i>Mamie Doud Eisenhower Library</i>	720-887-2300
Courts Administration	720-887-2100
Finance	303-438-6357
<i>Utility Billing</i>	303-438-6319
Health and Human Services	720-887-2200
<i>Workforce Center</i>	720-887-2201
<i>Public Assistance Benefits</i>	303-464-5855
<i>Public Health</i>	720-887-2223
<i>CSU Extension Office</i>	720-887-2202
Human Resources	303-438-6320
<i>Job Line</i>	303-438-6475
Information Technology	303-438-6204
Police	303-438-6400
<i>Dispatch</i>	303-438-6400
<i>Records</i>	303-438-6420
<i>Animal Control</i>	303-438-6421
<i>Detention Center</i>	720-887-2000
<i>Victim Services</i>	303-438-6429
Public Works	303-464-5803
<i>Environmental Services</i>	303-438-6363
<i>After Hours Emergencies</i>	303-464-6400

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