

City of Longmont

General Fund

2008 Year-End Summary



Department of Finance
and Support Services

OVERVIEW

This is a year-end summary report for the City’s General Fund for 2008. The intent of this report is to focus on some key indicators within the General Fund.

The General Fund collected revenue of \$58 million in 2008 which was approximately 2.65% or \$1.5 million more than it received in 2007. Expenditures in 2008 totaled \$58.1 million which were 1.3% or \$750,000 more than the expenditures in 2007. Along with net transfers out of \$140,138 the overall change in the fund balance for 2008 was a decrease of \$318,837 to a fund balance of \$11,663,898 at December 31, 2008.

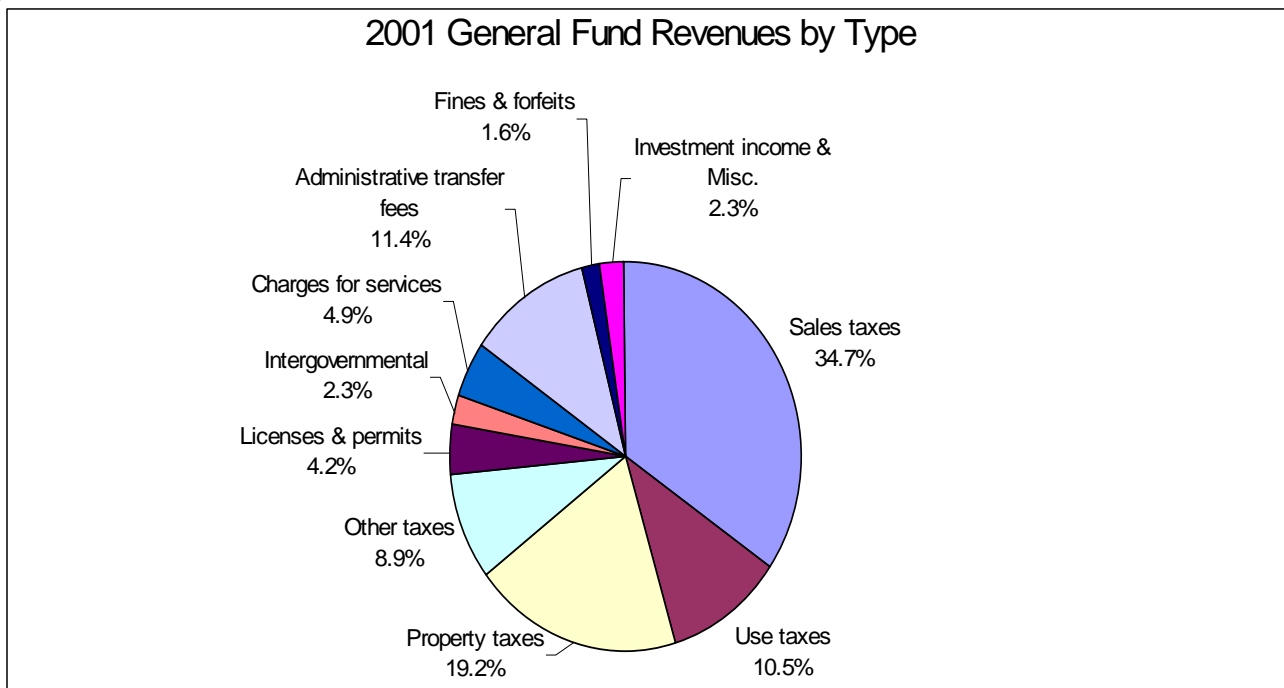
While expenditures and net transfers exceeded revenues by \$318,837, that outcome was much stronger than had been budgeted for 2008 as the original budget called for over \$1.85 million use of fund balance. The final 2008 General Fund budgeted expenditures were \$62.2 million. While \$3.82 million of that amount was not spent during 2008, encumbrances and carryovers of \$2.5 million left \$1.32 million of General Fund expenditure savings in 2008.

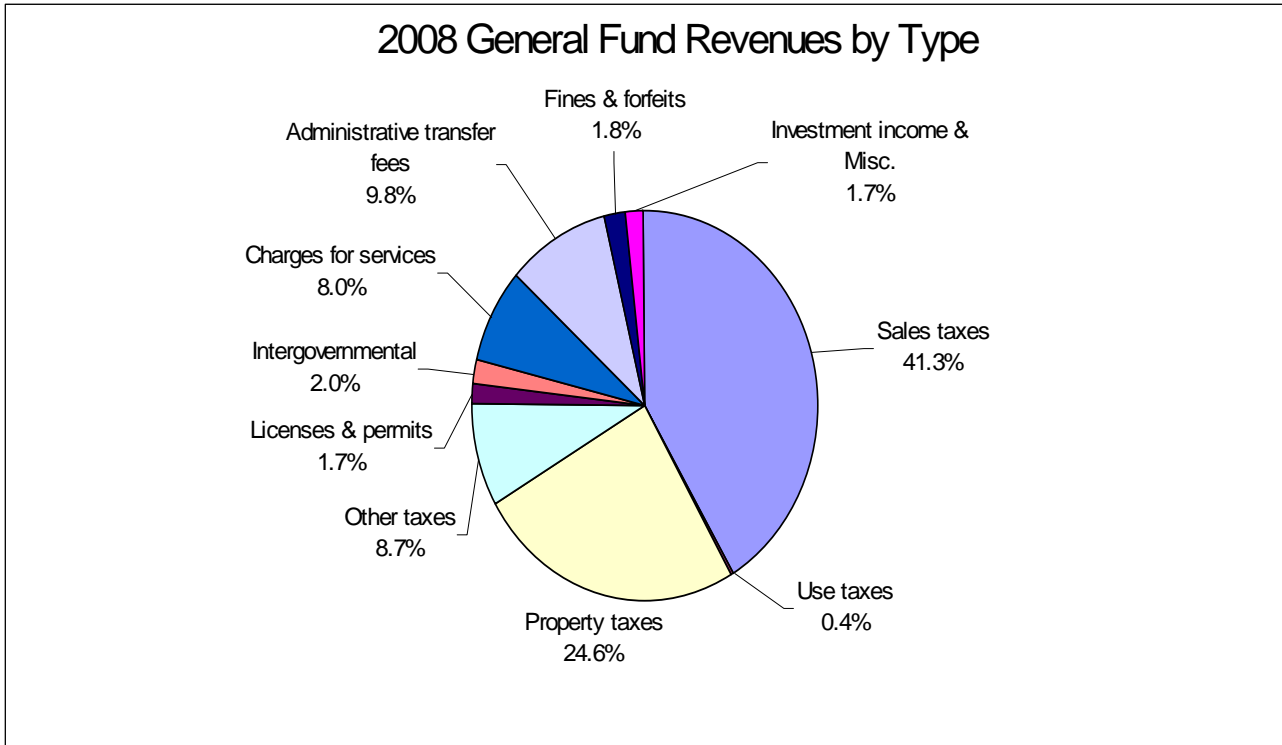
REVENUE ANALYSIS

Historically, sales and use tax has been the primary revenue source of the General Fund and thus has the most impact on the health of the fund. After reviewing this General Fund Summary in 2007 the City Council directed the staff to find a way to stabilize the impact that the volatile use tax was having on the General Fund. In the 2008 budget a new financial policy was adopted that directed most of the use tax revenue from the 2% tax split by the General Fund and the Public Improvement Fund to the Public Improvement Fund. As a result the General Fund for 2008 was mostly impacted by the sales tax and only a small portion of the use tax.

Building permit revenue is another revenue source that can be volatile and thus it also drives the health of a number of funds including the General Fund. Property taxes are a large source of revenue but actual collections are generally very stable in relation to the budgeted estimates.

Below is a comparison of General Fund revenues in 2008 to seven years earlier in 2001 followed by an individual analysis of the major components of those revenues.



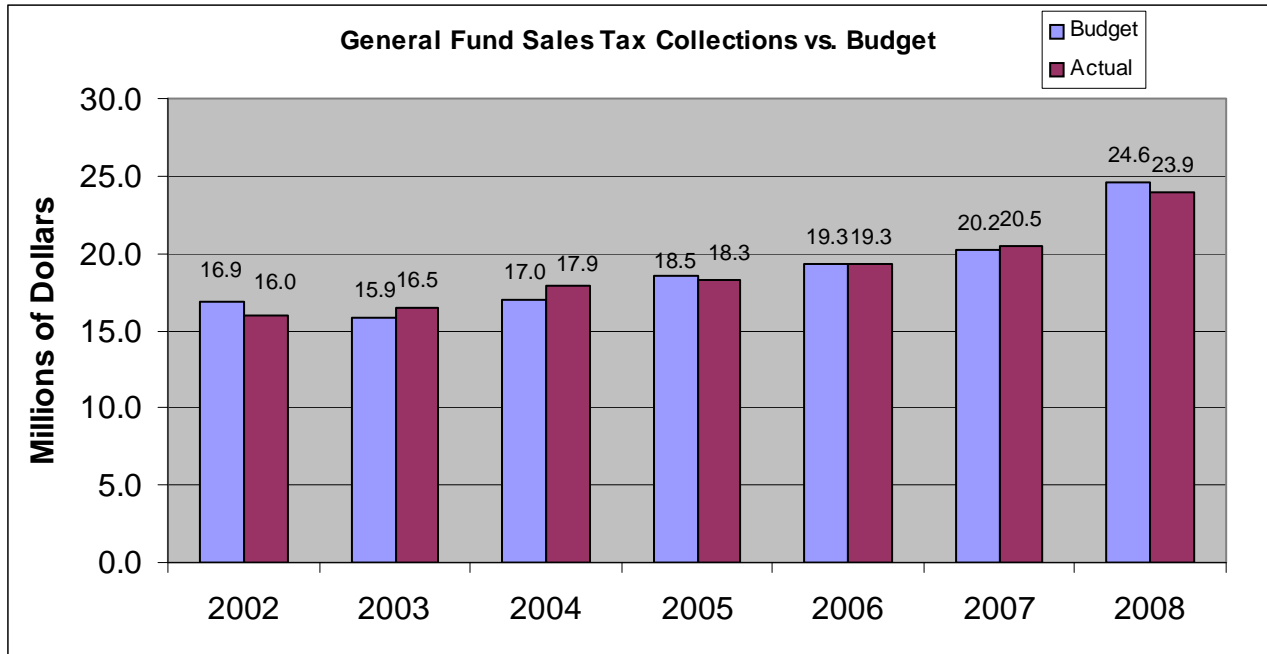


| | 2001 | | 2008 | |
|------------------------------|--------------|--------|---------------|--------|
| Sales Tax | \$16,357,535 | 34.7% | \$ 23,958,586 | 41.3% |
| Use Tax | 4,942,119 | 10.5% | 249,285 | 0.4% |
| Property Tax | 9,055,508 | 19.2% | 14,253,007 | 24.6% |
| Cigarette Tax | 238,719 | 0.5% | 199,546 | 0.3% |
| Franchise Taxes | 3,949,105 | 8.4% | 4,849,024 | 8.4% |
| Licenses & Permits | 1,983,945 | 4.2% | 979,493 | 1.7% |
| Intergovernmental | 1,103,498 | 2.3% | 1,136,607 | 2.0% |
| Charges for Services | 2,290,506 | 4.9% | 4,609,718 | 8.0% |
| Administrative Transfer Fees | 5,346,444 | 11.4% | 5,687,342 | 9.8% |
| Fines & Forfeits | 735,769 | 1.6% | 1,059,573 | 1.8% |
| Investment Income | 941,347 | 2.0% | 718,667 | 1.2% |
| Miscellaneous | 151,975 | 0.3% | 278,712 | 0.5% |
| | \$47,096,470 | 100.0% | \$57,979,560 | 100.0% |

A. Sales Taxes

Comparing General Fund revenues in 2008 to seven years earlier reveals that due to the change in allocation of use tax, sales taxes are a larger percentage of the total. While they were 34.7% of the total in 2001 they were 41.3% in 2008. The City experienced a decline of 0.89% in 2008 sales tax revenue under 2007 collections.

Some of the individual sales tax categories showed growth in 2008 including two of the largest revenue generators Food (3.9%) and Public Utility (4.5%). Other categories showing growth included Home Furnishings (0.2%); Lodging (5.2%); Manufacturing (67.5%); and the Unclassified category (0.6%) which is impacted by computers and leasing. Larger categories showing a decline in sales tax included General (3.9%); Lumber (2.4%); and Automotive (10.0%). Smaller categories also showing decreases included Professional (4.2%); Home Occupations (0.3%); and Apparel (3.5%).



For 2009 staff projected sales tax revenue to increase 1.63% over our final projected sales tax revenue for 2008. It will actually take a 4.4% increase over the final sales tax revenue for 2008 to reach the budgeted estimate for 2009. After three months our sales tax is down 5.5% in 2009.

B. Use Taxes

The comparison of 2008 revenue to 2001 indicates that use taxes have dropped considerably as a percentage of the total from 10.5% to 0.4%. This is a result of the change in the allocation of sales and use tax between the General Fund and the Public Improvement Fund with most of the use tax directed to the PIF. This change was made due to the volatility of the use tax and the continuing decline from this source of revenue in recent years. In 2008, the use tax revenue overall for the City declined 3.55% compared to 2007 collections. This confirms that the change in allocation of the more volatile use tax to the Public Improvement Fund had its intended effect by protecting the General Fund somewhat from that decline. The drop in use tax can be attributed to three sources: construction activity; primary employer activity; and vehicle sales.

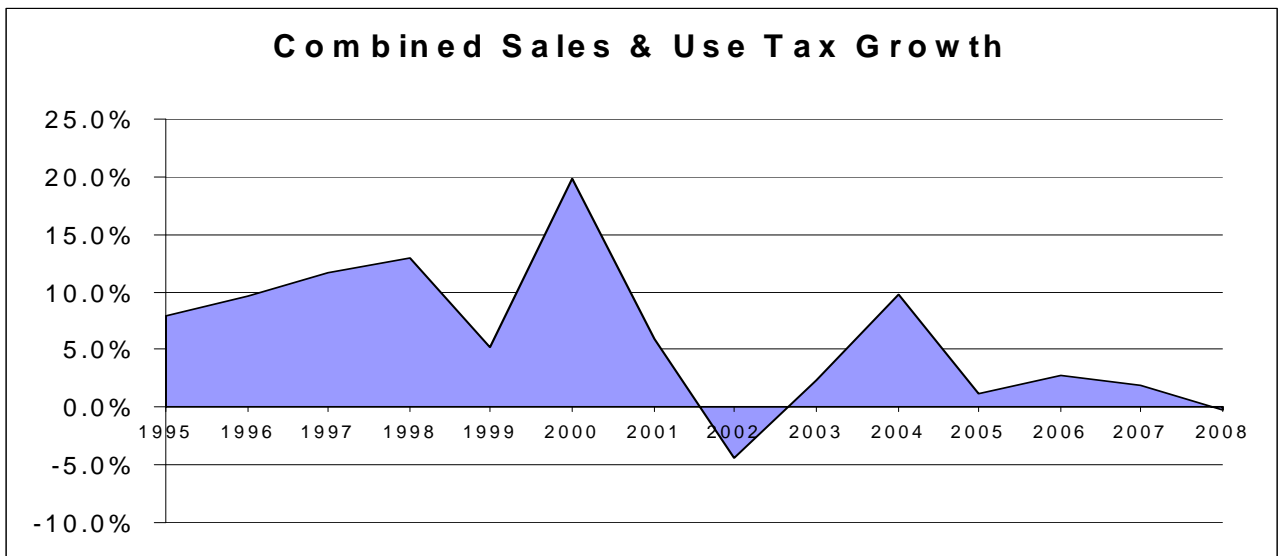
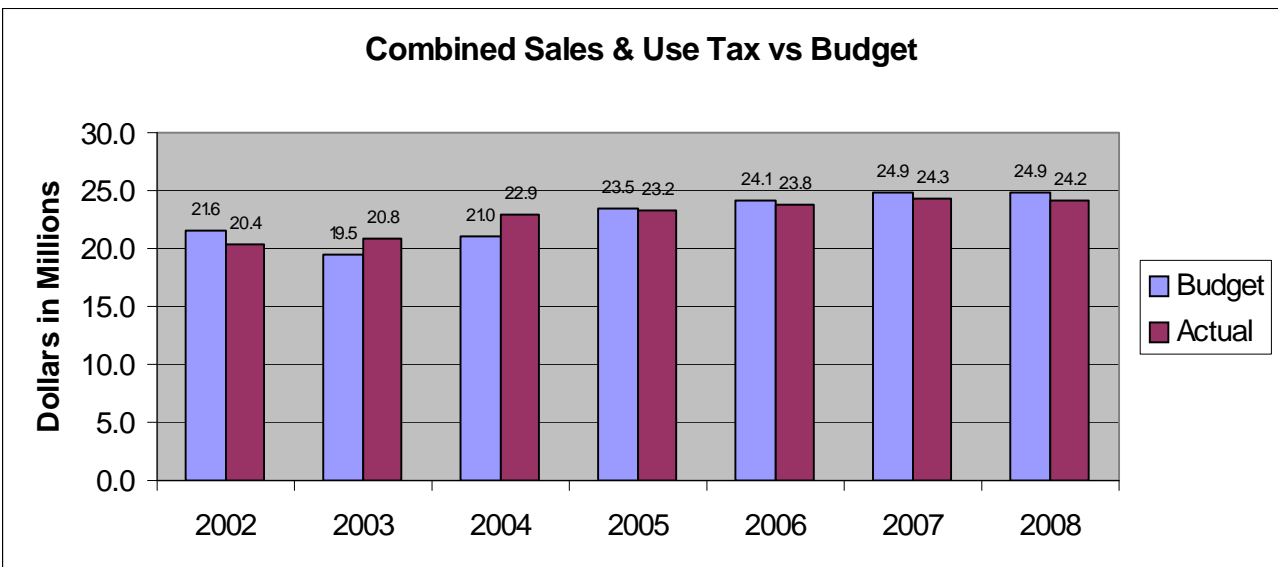
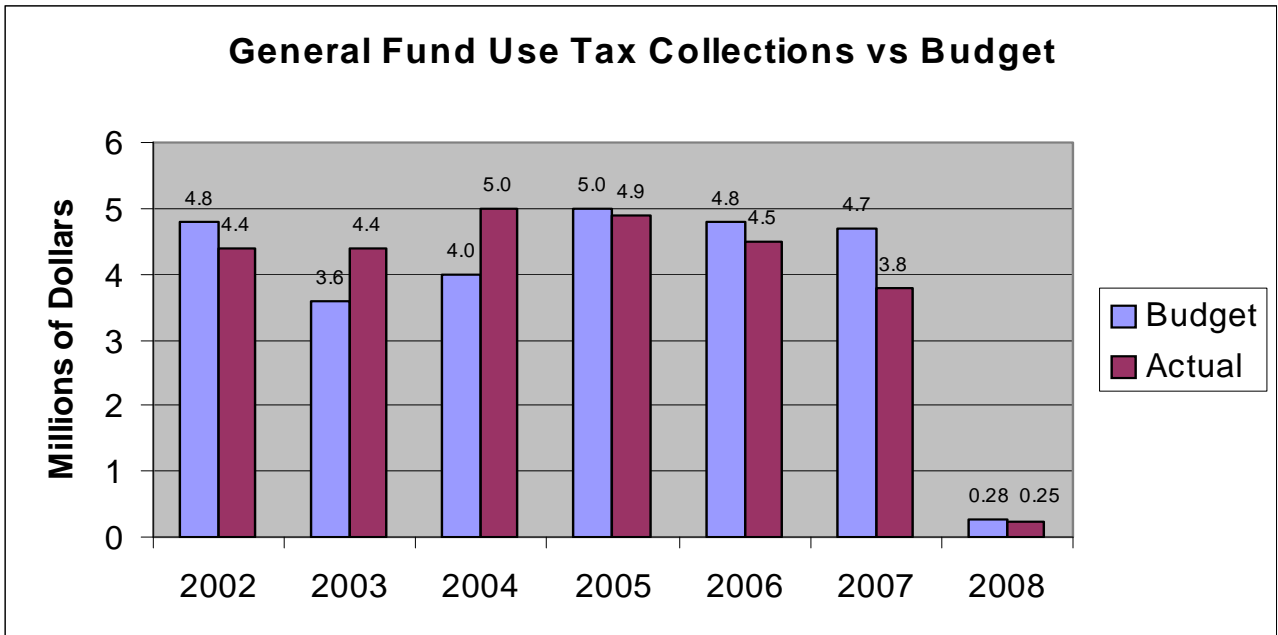
Use tax from the lumber category in 2008 was 164.7% below the 2001 level of revenue from this source. Total residential building permits in 2001 were 1,624 but in 2008 they were only 64. Commercial construction has also declined as the value of new construction permits in 2008 was \$15.9 million compared to \$39.2 million in 2001.

Tax on vehicle sales to Longmont citizens other than by Longmont dealers are collected and remitted to the City by Boulder and Weld counties. This revenue source in 2008 was down 5.5% below the 2001 level of revenue.

Other sources of use tax have also decreased since 2001 including Automotive (91.8%); Food (8.8%); Apparel (32.5%); and the Public Utility category (159%). The only categories showing much of an increase in use tax between 2001 and 2008 are the Professional category (57.8%); the Unclassified category (44.3%); and the Manufacturing category (17.8%) which increased 18.3% from 2007 to 2008.

In 2008, use tax collections dropped 3.55% from the previous year. This was a much worse result than the 4.28% growth projection utilized in the 2008 budget. Construction activity in the Lumber category; vehicles sales; and primary employer activity in the Professional category were primarily responsible for the difference.

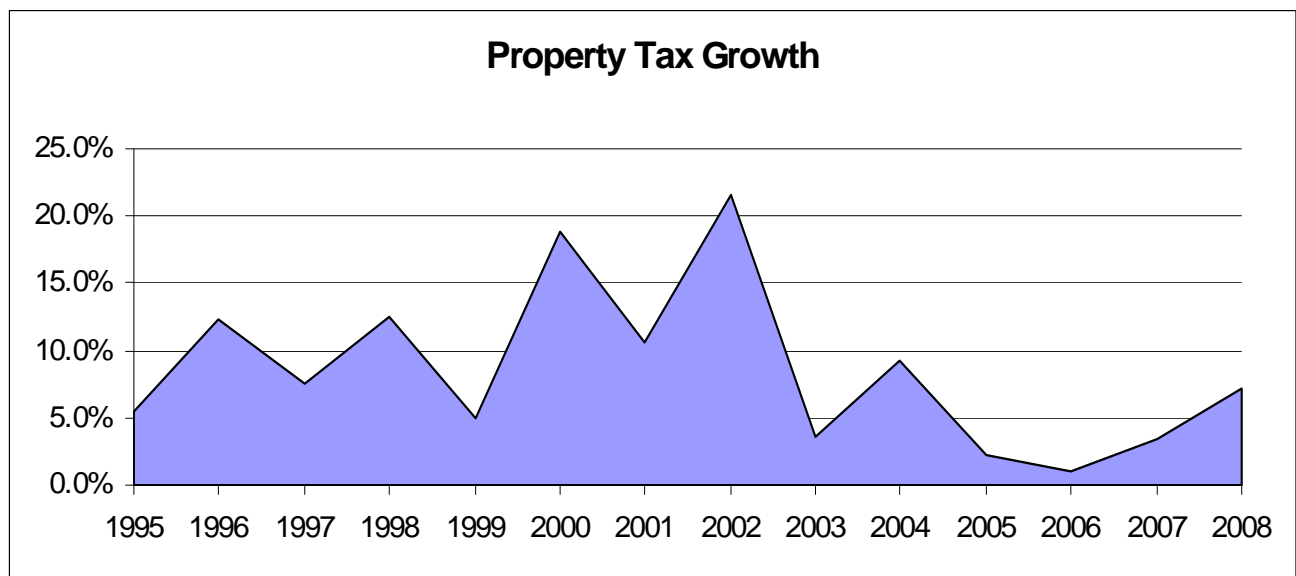
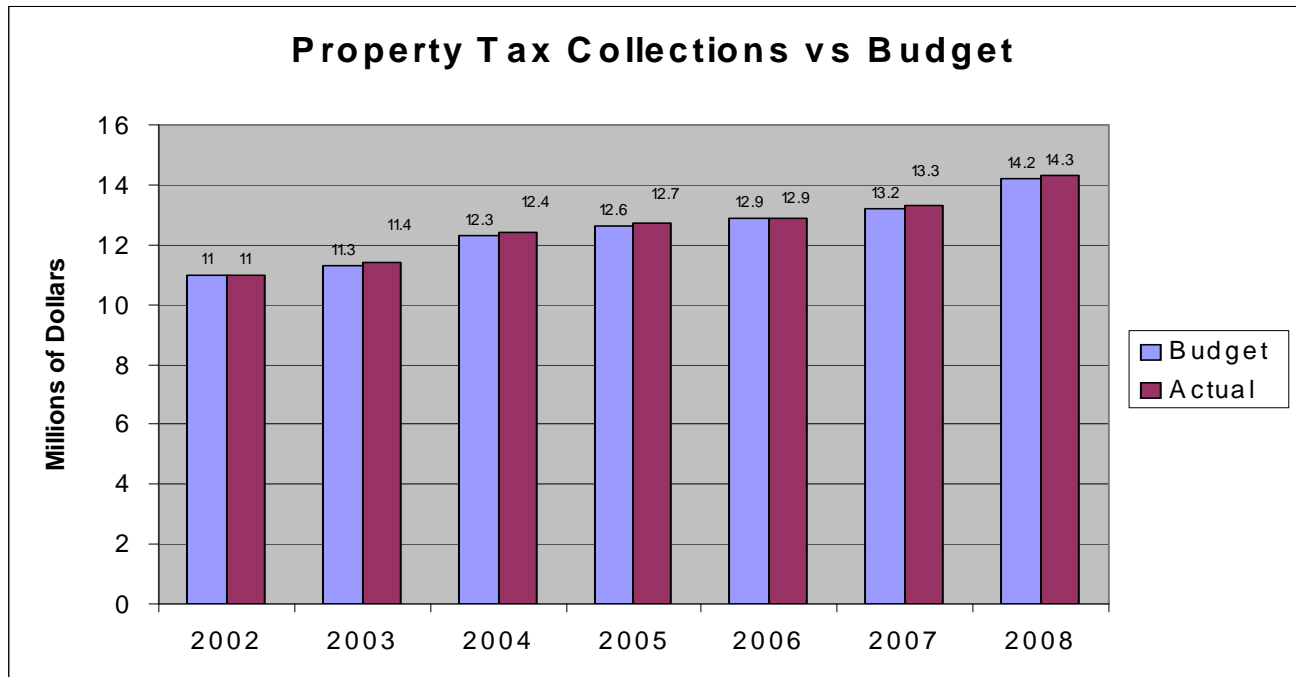
For 2009 staff projected use tax revenue to increase 2.35% from our final projected use tax revenue for 2008. Since 2008 use tax revenue was less than projected it will actually take a 6.6% increase over the final use tax revenue for 2008 to reach the budgeted estimate for 2009. After three months our use tax is down 26.9% in 2009. The categories driving the decrease so far in 2009 include Lumber; Manufacturing and County vehicle registrations.



Tax Rate: 1.7 1.7 1.7 1.7 1.66 1.65 1.63 1.61 1.624 1.7 1.7 1.7 1.7
 Note: The numbers in the chart above are impacted by changes to the tax rate allocated to the General Fund.

C. Property Taxes

Property taxes have increased 57.4% from 2001 to 2008 and they increased from 19.2% of the total General Fund revenue. While the mill levy has remained the same the revenue increase is due to growth in the assessed valuation from both new construction and growth in property values. Property tax revenue in 2008 was approximately 7.2% greater than in 2007. The 2009 budget included a 1.3% increase in property tax revenue. There is actually a lag effect of close to two years in property tax. Based on discussions with the County Assessor on the decrease in residential values our overall property tax revenue is expected to drop 3.5% to 4% in 2010 reflecting property values as of June 30, 2008. With continued stress in property values, we likely can not expect to recover that drop in property tax revenues before 2014. As the City approaches build-out in the future it is unlikely that we will experience significant growth from this source as new construction will be limited.



D. Franchise Taxes

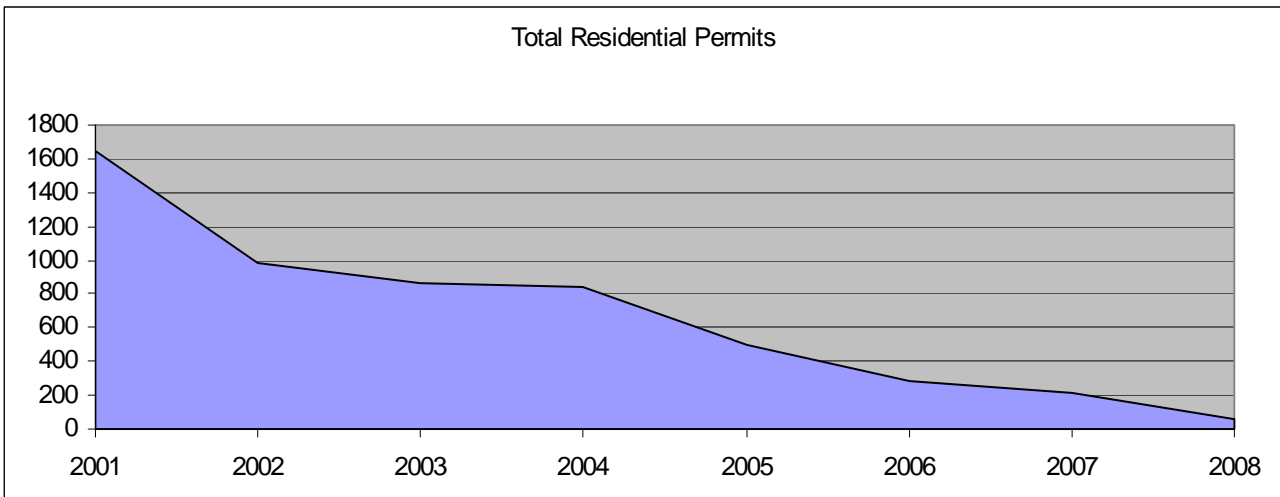
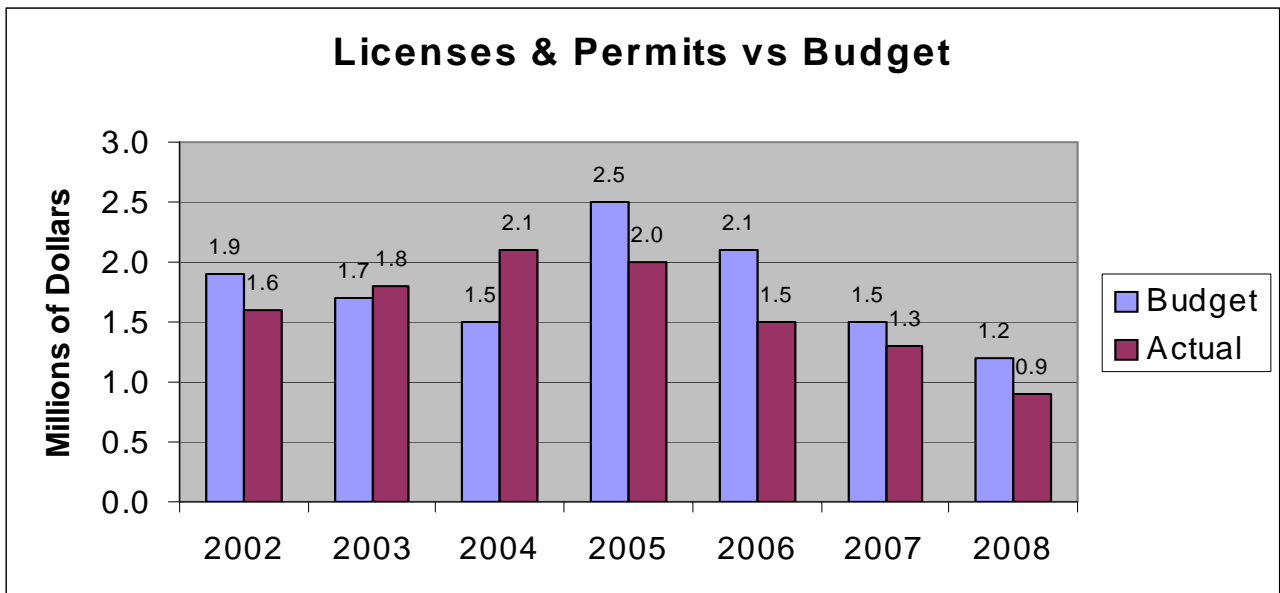
Franchise taxes have been a stable revenue source providing 8.4% of General Fund revenues in 2001 as well as in 2008. The telephone utility tax goes down as the number of land lines in the City diminish but the impacts are currently not significant. Revenue from the cable franchise have shown steady growth but seem to periodically be at risk from legislative actions.

E. Licenses & Permits

While there are some smaller licenses and permits included in this category 83% or more of it has always been driven by building permit activity. As discussed under use taxes residential permits dropped considerably from 2001 to 2008 as shown in the table below:

| Year | SFD Permits | Multi-Family Units | Total Residential |
|---------------|-------------|--------------------|-------------------|
| 2001 | 819 | 805 | 1,624 |
| 2002 | 675 | 284 | 959 |
| 2003 | 586 | 282 | 868 |
| 2004 | 530 | 320 | 850 |
| 2005 | 359 | 142 | 501 |
| 2006 | 186 | 122 | 308 |
| 2007 | 102 | 111 | 213 |
| 2008 | 54 | 10 | 64 |
| 2009 4 months | 42 | 0 | 42 |

The 2009 budget was based on a projection of 48 single family dwelling permits and 140 multi family unit permits. Through four months total building permits are up 6.5% but total valuation on permits is down 34.5%. While it appears likely that the single family projection will be reached the multi family projection does not appear attainable with one major project stalled. It is still possible that at the current rate of construction we could experience further revenue shortfalls in 2009 from this source.

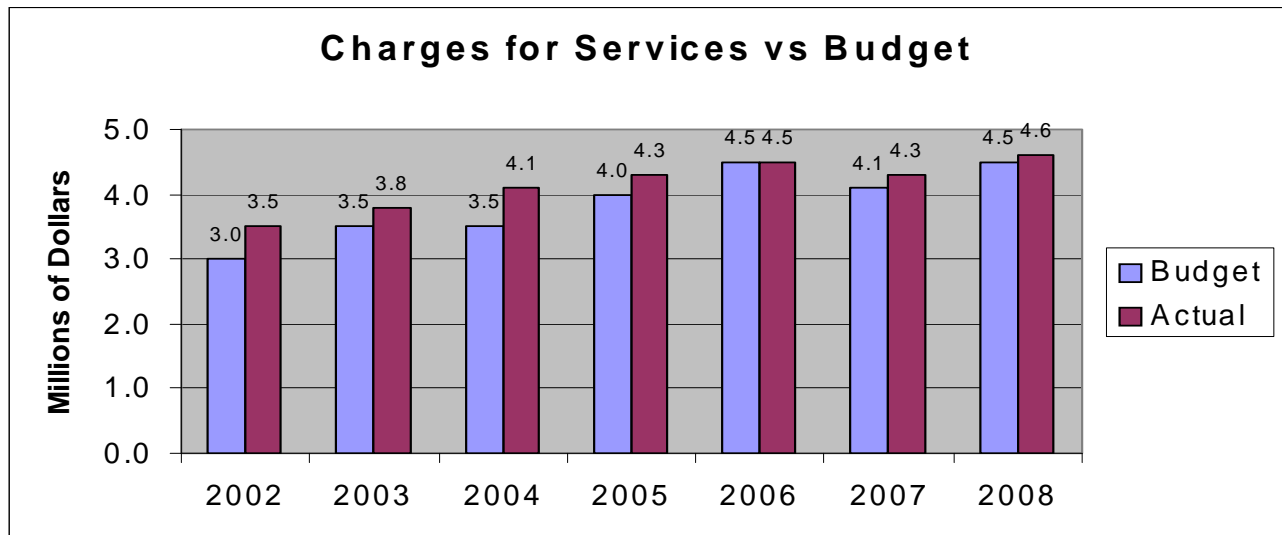


F. Intergovernmental

Intergovernmental revenue varies from year to year but it has generally gone down from 2.3% of total General Fund revenue in 2001 to 2.0% in 2008. Federal grants; School Resource Officer contributions from the School District; and revenue received from the Clover Basin Fire Protection District are the largest sources of intergovernmental revenue.

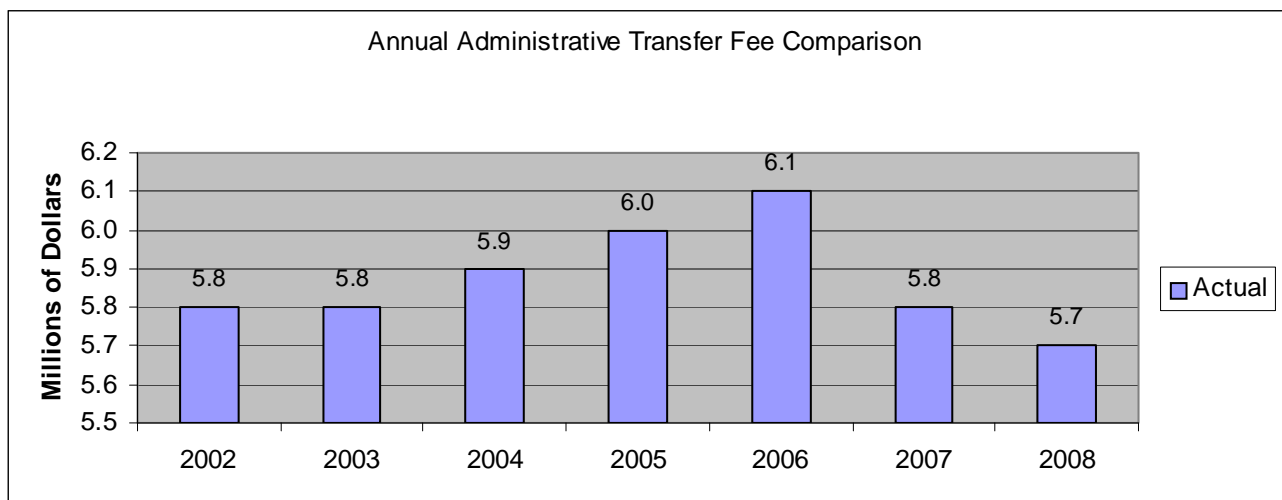
G. Charges for Services

There has been over 101% growth since 2001 in Charges for Services. With the recreation center opening in March of 2002 a better comparison would be that there has been 21.4% growth in Charges for Services since 2003, the first full year of recreation center operations. Besides recreation activity showing growth, there have also been increases in charges for zonings and hearings; fire inspections; criminal justice records; emergency dispatch; and plan check fees. From 2004 through 2006 plan check fee revenue exceeded \$500,000 but it dropped to \$309,899 in 2008. The 2009 budget includes an estimate of \$396,862 for plan check fees with only \$39,261 collected after four months.



H. Administrative Transfer Fees

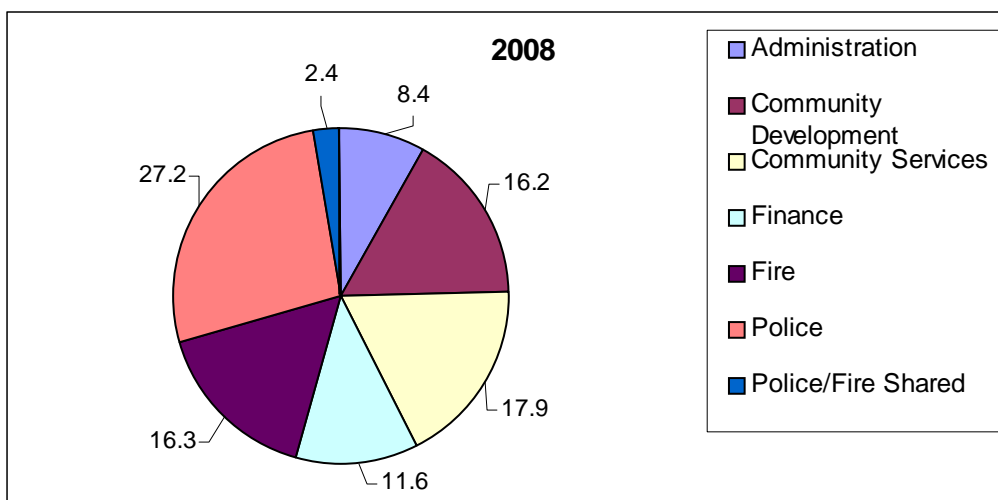
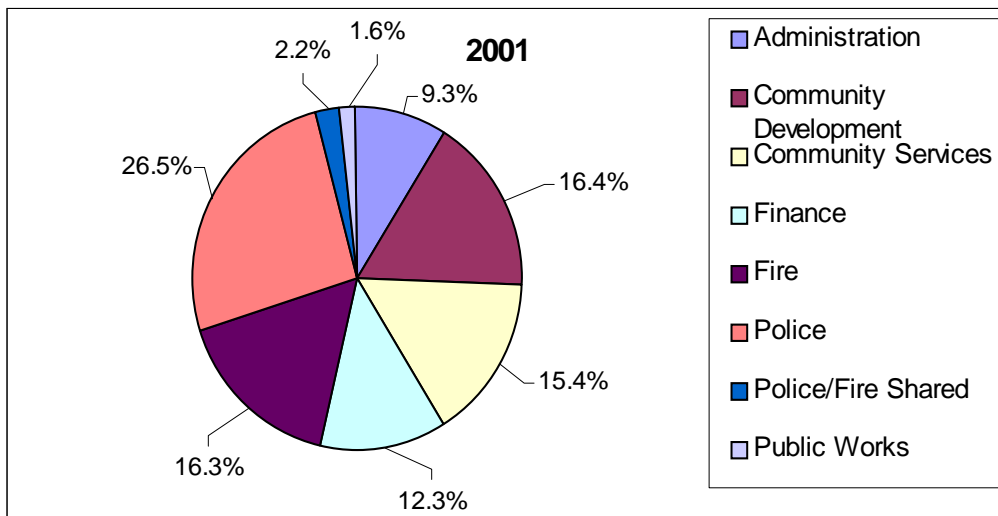
The General Fund includes a number of services that provide general support to the overall operations of the City. They include support services such as Human Resources, Legal, Accounting, Purchasing and Enterprise Technology Services to name a few. It also includes Utility Billing services that are cost-centered in the General Fund and provide billing services for five utility services billed to our customers. These costs attributed to the other enterprise and operating funds of the City are recovered through administrative transfer fees (ATF's). Since 2001 the ATF's have increased 6.4% but they have gone down from 11.4% of total General Fund revenue in 2001 to 9.8% in 2008. It should be noted that the ATF's decreased over \$425,000 in 2007 due to the removal of some public works services from the General Fund. Additionally, some of these support services have been subjected to budget reductions in recent years which in turn impacts the ATF.

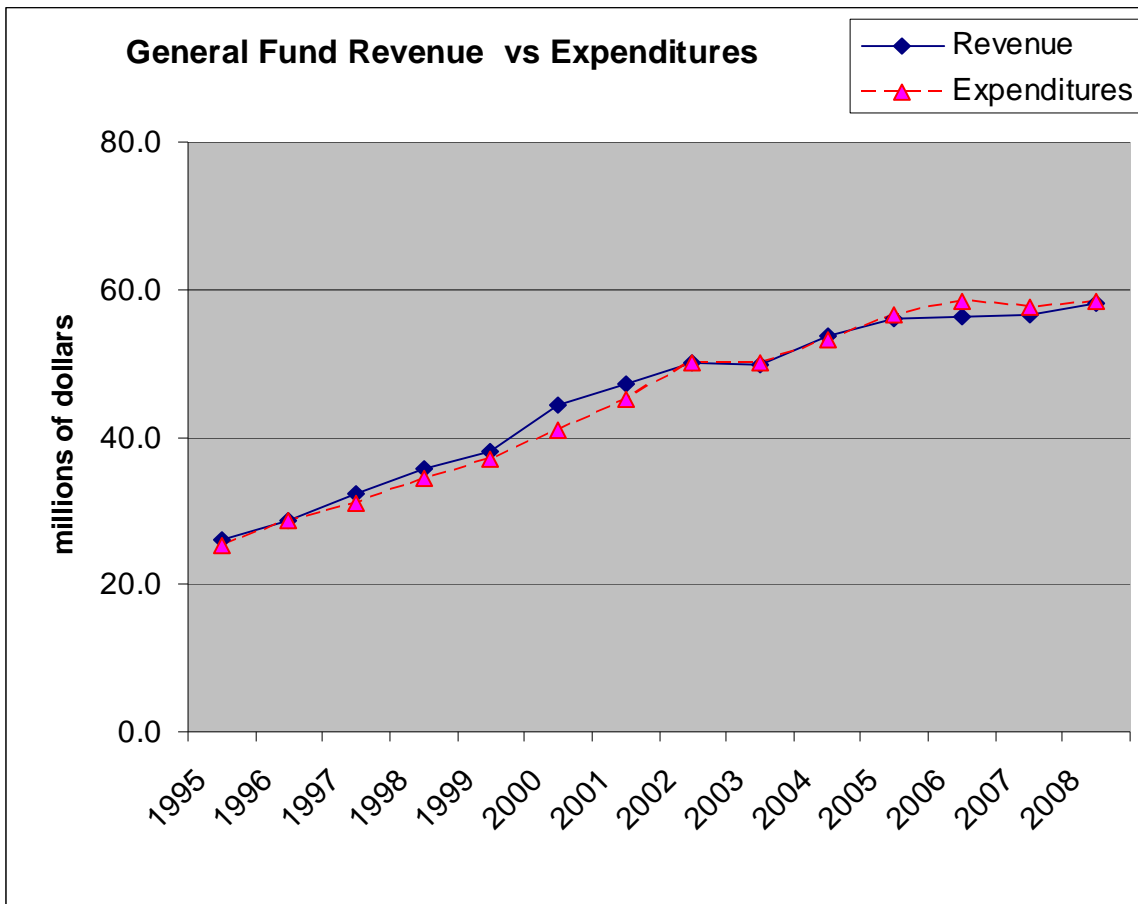


EXPENDITURE ANALYSIS

Expenditures are, of course, tied to our ability to fund them through revenues. Thus there is a similar overall growth in expenditures over time. Typically, about 75% of the General Fund is devoted to employee-related or personal service expenses. That percentage is higher in the public safety related departments and lower in other General Fund departments. A comparison of General Fund expenditures in 2001 and in 2008 is included below. Data for both years is presented consistent with the 2008 organization of services within departments.

| | 2001 | | 2008 | |
|-----------------------|------------|-------|------------|-------|
| Administration | 4,216,795 | 9.3% | 4,924,584 | 8.4% |
| Community Development | 7,378,676 | 16.4% | 9,429,196 | 16.2% |
| Community services | 6,935,970 | 15.4% | 10,453,357 | 17.9% |
| Finance | 5,552,006 | 12.3% | 6,752,001 | 11.6% |
| Fire | 7,354,980 | 16.3% | 9,488,851 | 16.3% |
| Police | 11,962,718 | 26.5% | 15,905,036 | 27.2% |
| Police/Fire shared | 1,007,026 | 2.2% | 1,400,352 | 2.4% |
| Public Works | 708,405 | 1.6% | | |
| | 45,116,576 | 100% | 58,353,377 | 100% |





A. Administration

Along with the services within the department of Administration this category also includes the City Manager, City Attorney, Mayor & Council and Non-departmental expenditures. Expenditures for 2008 included a one time expense of \$150,000 paid to the Longmont Humane Society. Without the Humane Society payment expenditures have grown 13.2% between 2001 and 2008. The total FTE in the Administration Department decreased from 35.75 FTE in 2001 to 33 FTE in 2008. Of the 2008 Administration Department expenditures (exclusive of the Humane Society payment) 61.9% are in the area of personal services which is primarily salary and benefits compared to 65% in 2001.

B. Community Development

Community Development expenditures have grown 27.8% from 2001 to 2008. Most of that growth has occurred in the Municipal Buildings service (87.3%) and the Parks service (23.9%). The Municipal Buildings service has been impacted by the opening of new facilities at the Quail campus and by increased utility costs. The Community Development department expenditures were just over 16% of total General Fund expenditures in both 2001 and 2008. The total number of FTE in the Community Development department decreased from 2001 (93.34 FTE) to 2008 (89 FTE). In 2008, 62.5% of the Community Development Department expenditures were for personal services compared to 66.9% in 2001.

C. Community Services

The Community Services department expenditures increased 50.7% from 2001 to 2008. Again, the recreation center opened in 2002 and the seasonal ice rink opened in 2004 which both increased expenditures accordingly. Recreation center expenditures in 2008 were \$1,236,812 and the ice rink expenditures were \$145,978. Removing these expenditures results in an increase of 30.8% from 2001 to 2008. Expenditures for Outside Agencies increased 57.3% since 2001 as City Council increased funding from 1.35% to 1.6% of General Fund operating revenues. Staffing in the Community Services Department increased from 81.53 FTE in 2001 to 87.7 FTE in 2008 but at least six of those FTE were simply adding benefits for temporary employees. Personal services expenditures were 66.4% of the Community Services Department expenditures in 2008 compared to 62.1% in 2001.

D. Finance

Expenditures in the Finance Department increased 21.6% from 2001 to 2008. The 2001 expenditures include the Warehouse service which has since moved to the Electric Fund. Adjusting for the Warehouse service results in a 28.6% increase in Finance expenditures from 2001 to 2008. Most of the increase in Finance is within Enterprise Technology Services (ETS) which increased 60.8% or over \$1 million. The ETS service increased by one FTE during that period but it also includes much of the annual ETS infrastructure cost for the organization. The total FTE in Finance increased from 62.7 in 2001 to 65.2 in 2008. In 2008, 65.8% of the Finance Department expenditures were for personal services compared to 75.9% in 2001.

E. Fire

Fire department expenditures increased 29% from 2001 to 2008. Fire expenditures are the same percentage of the General Fund in 2008 as in 2001 (16.3%). Only 1 net FTE has been added to the Fire Department from the General Fund between 2001(83.5 FTE) and 2008 (84.5 FTE). Of the 2008 Fire Department expenditures, 85.8% are in the area of personal services compared to 83.9% in 2001.

F. Police

The expenditures in the Police Department increased 33% from 2001 to 2008. Police expenditures grew from 26.5% of the General Fund in 2001 to 27.2% in 2008. Staffing in the Police Department from the General Fund has increased from 143.5 FTE in 2001 to 156.5 FTE in 2008. Of the 2008 Police Department expenditures 85.6% are in the area of personal services compared to 84.5% in 2001.

G. Police/Fire Shared

This service includes the Communications division and some shared expenses related to the Safety & Justice Center. Expenditures grew 39.1% from 2001 to 2008. Staffing from the General Fund increased by 1 FTE from 19 to 20 in 2005. This service is typically made up of personal services but due to capital expense for infrastructure in the communications center it was 84.1% personal services in 2008 compared to 94.5% in 2001.

H. Public Works

These are three services that had been a part of the General Fund during the period from 2001 to 2006. There was very little change in the amount of expenditures from 2001 to 2006 and the percentage of total fund expenditures dropped from 1.6% to 1.2%. These services were moved into the Streets and Storm Drainage Funds for 2007 as they were mostly being supported by administrative transfer fees from those funds.

| Department | 2001 | 2008 |
|---------------------------|---------------|---------------|
| Administration | 35.75 | 33.00 |
| Community Development | 93.34 | 89.00 |
| Community Services | 81.53 | 87.70 |
| Finance | 62.70 | 65.20 |
| Fire | 83.50 | 84.50 |
| Police | 143.50 | 156.50 |
| Communications | 19.00 | 20.00 |
| Public Works | 10.00 | - |
| General Fund total | 529.32 | 535.90 |

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| GF Budgeted Expenditures | 56,374,549 | 61,896,325 | 63,111,839 | 61,932,199 | 62,172,443 |
| GF Actual Expenditures | 53,127,567 | 56,620,695 | 58,336,841 | 57,460,198 | 58,353,377 |
| GF Actual + Encumbrances + carryover | 55,586,901 | 59,567,748 | 61,397,836 | 59,171,717 | 60,857,510 |
| % of budget committed | 98.6% | 96.2% | 97.3% | 95.5% | 97.9% |

FUND BALANCES

The fund balance of the General Fund at the end of each fiscal year is a measure of the financial status of the fund. The total fund balance identifies how much net assets are on hand in the fund but much of it is reserved or designated for various purposes. Below is a comparison of the breakdown of the General Fund fund balance at year end from 2004 through 2008.

| Fund Balance Breakdown | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|--------------|--------------|--------------|-------------|-------------|
| Reserved for encumbrances | 1,713,104 | 1,735,985 | 1,162,459 | 1,046,307 | 1,708,936 |
| Reserved for TABOR | 2,916,360 | 2,773,219 | 2,779,156 | 3,085,410 | 3,060,058 |
| Reserved for loans/notes receivable | 117,770 | 113,750 | 106,088 | 86,345 | 83,090 |
| Reserved for prepaid expenditures | 66,279 | 71,729 | 120,334 | 96,153 | 66,169 |
| Reserved for staff contracts | 100,248 | 104,532 | 105,636 | 111,291 | 114,489 |
| Reserved for police block grant | 9,664 | 3,408 | 59,100 | 63,376 | 55,879 |
| Reserved for donations | 5,048 | 5,048 | 5,048 | 17,750 | 6,748 |
| Designated for carryover projects | 746,230 | 1,211,068 | 1,898,536 | 665,212 | 795,197 |
| Designated for emergencies | 597,930 | 823,465 | 764,098 | 1,626,856 | 1,824,462 |
| Designated for subsequent years' expenditure: | 3,944,233 | 3,892,616 | 2,613,114 | 1,850,000 | 2,608,085 |
| Designated for future Council 1 time exp | | 993,825 | 993,825 | 907,566 | 407,566 |
| Undesignated | 4,285,943 | 2,171,284 | 1,128,399 | 2,426,469 | 933,219 |
| | \$14,502,809 | \$13,899,929 | \$11,735,793 | 11,982,735 | 11,663,898 |

With the exception of the final line item above, unreserved/undesignated fund balance, the amounts listed above are either "reserved" or "designated". "Reserves" are an indication that financial resources are not available for appropriation for any other purpose. "Designations" are indications that financial resources are earmarked for a specific purpose. Designations can be made either by the governing body or the chief executive officer. To designate fund balance only shows a preference to use financial resources for a specific purpose while to reserve fund balance reflects that either it is unavailable or it is legally segregated for a specific future use.

The following is an explanation of each of the line items making up the December 31, 2008 fund balance above.

Reserved for encumbrances \$ 1,708,936

Encumbrances represent Purchase Orders that were opened during the fiscal year, in this case 2008, that remain open and unpaid into 2009. These amounts have been budgeted during 2008 but, since they will not be expended until 2009 or later, they need to be re-appropriated in the year they are spent in.

Reserved for TABOR \$ 3,060,058

This is the reserve required by TABOR. Under TABOR, our citywide "fiscal year spending" for 2008 totaled \$102,001,939. The TABOR reserve is 3% of the "fiscal year spending" which was \$3,060,058.

Reserved for loans/notes receivable \$ 83,090

This amount represents notes for delinquent sales tax and employee PC loans. While this amount is an asset on the balance sheet it is not available until actual receipt so it is therefore classified as reserved.

Reserved for prepaid expenditures \$ 66,169

This amount represents payments of expenditures that are for services to be received in the next fiscal year. It represents payments like subscriptions, dues, and travel expenses. This amount is also shown as an asset on the balance sheet but, since it has been expended, it is not considered an available part of the fund balance.

Reserved for staff contracts \$ 114,489

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TABOR does not allow a government to have a multiple year fiscal obligation without voter approval unless there are cash reserves pledged irrevocably and held for payment in all future fiscal years. These reserves represent the amount the City has committed to pay in staff contracts. This reserve is updated each year to represent current costs.

Reserved for grants \$ 55,879

This amount represents grant revenues for the Dialogues for Immigrant Integration received in 2008 in advance of the related expenditures which will be expended in 2009. These expenses are generally unbudgeted and will be included in additional appropriation ordinances during 2009.

Reserved for donations \$ 6,748

This amount represents donations received for use for specific purposes. It includes \$2,775 for Memorial trees; and \$3,973 for the arson dog. These donations were received in previous years but the actual expense will not be incurred until 2009 or later. They will be re-appropriated during the year they are to be expended.

Designated for emergencies \$ 1,824,462

This designation represents the difference between the 3% TABOR reserve and the 8% emergency reserve required by our own financial policy. The financial policy requires a reserve of 8% of the budget.

Designated for carryover projects \$ 795,197

This amount represents a designation made by the City Manager. These are amounts budgeted for projects in previous fiscal years that are neither expended or encumbered but are still to be expended. Examples include \$240,000 for the Bohn Farm park; \$100,000 for Station area planning; \$60,822 for the Financial Management Information System/Human Resources Information System project; \$66,590 for ETS strategic plan initiatives; and \$32,672 for the emergency communications system upgrade. In the year they are expended, they will be re-appropriated, increasing that year's budget.

Designated for subsequent years' expenditures \$ 2,608,085

This amount represents the fund balance that is budgeted to be expended in the 2009 fiscal year. This line item generally reflects the amount of one-time expenses that are included in the subsequent year's budget.

Designated for future Council one-time expenditures \$ 407,566

This amount represents a portion of the fund balance that the City Council has set aside in recent budget processes for future one time expenditures yet to be determined.

Undesignated \$ 933,219

Unreserved, undesignated fund balance represents the amount of the fund balance that is available. In this case, it means that at the end of 2008, there is \$933,219 that has no appropriated or designated use during 2009. This amount is typically the starting point for what is available for one-time expenses in the 2010 budget. It may be necessary to utilize this balance in 2009 to offset possible revenue shortfalls.

Unfortunately, an unreserved undesignated fund balance of only \$933,219 is very low compared to year-end 2007 when it was over \$2.4 million which was budgeted for one-time expenses for the 2009 budget. It is less than we had available for one-time expenses in any year since 1995. It is not likely that we will be able to build on this balance through 2009 operations as expected revenue shortfalls in the General Fund will probably offset any expenditure savings we might generate. It may be more likely that we may need to rely on this fund balance to instead help to offset the revenue shortfalls. Thus in order to include one time expenses in the 2010 General Fund budget it may require that they be funded with ongoing revenues.

Over the years one-time expenditures have provided important resources to the services in the General Fund. The primary use has been for computer-related hardware, software and consulting. Other uses include such purchases as new vehicles, radio and telephone equipment, library equipment and materials, safety equipment for police and fire services, furniture at various facilities, building remodeling and security, and equipment to support new positions. Some other uses of the less tangible sort include grant matches, consulting services for planning and human resources, fleet recovery charges, equity transfers to the insurance funds, citizen satisfaction surveys and continuous improvement program expenses. Capital and one-time expenditures are a key component of the resources in our annual budgets that allow the essential city services to be provided to the citizens of Longmont.

Last year, the \$2.4 million fund balance grew to a total of \$2,608,085 that was budgeted for one time expenditures in 2009. Along with that \$2.6 million of General Fund fund balance for one time expenditures in 2009 there was \$225,501 of property tax and \$38,148 of incremental development revenue and \$4,400 of general ongoing revenue used for one time expenditures and another \$103,930 of one time expenses budgeted for 2009 with funding to be provided by transfers from other operating funds that benefit from the expenses. Primarily these are one time expenses for technology improvements within the Enterprise Technology Services budget for 2009. The \$2,980,064 of total one time expenditures originally budgeted for 2009 are broken down as follows (see appendix A for detail):

| | |
|---------------------------------------|-----------|
| Capital equipment | \$87,400 |
| Capital equipment - IT/technology | 814,934 |
| Software - non-capital | 4,195 |
| Equipment - non-capital | 129,927 |
| One time services or expenditures | 1,367,682 |
| Other expenses with 1 year commitment | 575,926 |

The final line item represents expenses that would be funded with ongoing revenues if they were available. Since they are funded with one time revenues they only have a one year commitment. In the past the City Council has directed staff to try and fund these types of expenses with ongoing revenue as opposed to one time revenue.

After adoption of the 2009 budget, as a major recession began to set in, staff revised projections for sales and use tax for 2009. In order to plan on generating expenditure savings to offset projected revenue shortfalls the \$2.98 million of originally budgeted one time expenses for 2009 were re-examined and the decision was made to defer \$1,165,695 of those expenses. The one time expenses presented in Appendix A are presented both as originally adopted and then indication is made whether those expenses were authorized or deferred for 2009.

OTHER FUNDS

Although this report is mostly targeted at the General Fund revenue and expenditures, there are a number of other funds that are impacted by some of the same concerns raised regarding General Fund revenue.

| Funds supported by sales and use tax | Percentage Supported In 2009 budget |
|---|--|
| Open Space Fund | 100% |
| Public Improvement Fund | 100% |
| Public Safety Fund | 100% |
| Street Improvement Fund | 64% |

| Funds supported by fees by building permits | Percentage Supported In 2009 budget |
|--|--|
| Affordable Housing Fund | 42% |
| Electric CIF Fund | 100% |
| Park Improvement Fund | 100% |
| Public Buildings CIF Fund | 100% |
| Sewer Construction Fund | 100% |
| Storm Drainage Fund | 2% |
| Transportation CIF Fund | 100% |
| Water Operating Fund | 3% |

General Fund 2008 Year-End Summary

For most of these funds, sales and use tax or fees from building permits support a significant percentage of the expenditures from these funds. Our 2009 budgets for these funds will be impacted accordingly by these revenues. In particular, the funds that are heavily supported by sales and use tax are a concern. Plans have been made to defer projects and expenses to offset projected shortfalls in these funds. In the 2009-2013 CIP document, beginning on page 205, are fund statements for all of the above funds except the Affordable Housing Fund. Some of the projects shown as funded during the five year period have been changed in either funding status or timing of the project given the continued reduction in revenue from both sales and use tax and building permits.

2009 General Fund One Time Expenses

| | | 2009 | | |
|--|--------------------------------|----------------|----------------|----------------|
| | | budget | authorized | deferred |
| Capital - Equipment | | | | |
| Memorial Building and Senior Center facilities equipment | Facilities Operations | 16,000 | 8,000 | 8,000 |
| Collections storage cabinetry | Museum | 25,000 | | 25,000 |
| Cargo caddy for replacement vehicle | Police | 2,000 | 2,000 | |
| Two person scissor lift for Rec Center | Recreation | 28,500 | | 28,500 |
| Upgrade to Senior Services van | Senior Services | 15,900 | 15,900 | |
| | | 87,400 | 25,900 | 61,500 |
| Capital - IT Equipment or Technology Improvements | | | | |
| Enhancements to budget and CIP systems | Budget | 30,000 | | 30,000 |
| Laptop computer holders for building inspector vehicles | Building Inspection | 540 | | 540 |
| Color printer for Youth Center | Children and Youth Resources | 6,000 | | 6,000 |
| Agenda Plus | City Clerk | 65,420 | | 65,420 |
| Live and On-Demand internet broadcast of public meetings | City Clerk | 30,000 | 30,000 | |
| Laptop computer holders for code inspector vehicles | Code Enforcement | 720 | | 720 |
| RMS server replacements | Enterprise Technology Services | 19,500 | 19,500 | |
| Domain controller | Enterprise Technology Services | 4,500 | | 4,500 |
| Replacement AS400 equipment | Enterprise Technology Services | 100,000 | 100,000 | |
| Critical ETS system upgrade & support | Enterprise Technology Services | 55,000 | 55,000 | |
| Packet analysis workstation | Enterprise Technology Services | 2,500 | | 2,500 |
| Hardware upgrades for Lotus Domino Model 550 | Enterprise Technology Services | 12,000 | 12,000 | |
| Storage area network disk | Enterprise Technology Services | 25,000 | | 25,000 |
| Spare fiber optic GBICs/cables | Enterprise Technology Services | 3,000 | | 3,000 |
| SNMP management expansion | Enterprise Technology Services | 5,000 | | 5,000 |
| Video server storage | Enterprise Technology Services | 7,500 | | 7,500 |
| Relocate secondary internet connection to DR site | Enterprise Technology Services | 4,000 | | 4,000 |
| Hot spare IP mux equipment | Enterprise Technology Services | 2,500 | | 2,500 |
| i5 capacity planning and performance tuning | Enterprise Technology Services | 13,000 | | 13,000 |
| Google mini boxes for internet and intranet indexing | Enterprise Technology Services | 6,000 | 6,000 | |
| DR firewall | Enterprise Technology Services | 8,100 | 8,100 | |
| Projector for ETS | Enterprise Technology Services | 1,500 | | 1,500 |
| Upgrade a replacement PC to a laptop | Forestry | 1,150 | | 1,150 |
| Server for public computers at the Library | Library | 6,107 | 6,107 | |
| Additional security cameras for Library | Library | 8,400 | 1,500 | 6,900 |
| Networked photocopier for Museum | Museum | 9,500 | | 9,500 |
| Networked color laser printer for Museum | Museum | 4,604 | | 4,604 |
| Large Format Copier Printer for Development Services Center | Planning | 5,600 | | 5,600 |
| Scanner/plotter/copier for Development Services Center | Planning | 1,000 | | 1,000 |
| Server for video storage in jail | Police | 18,000 | 18,000 | |
| Visual Statement Smart Roads traffic accident diagramming software | Police | 6,320 | 6,320 | |
| COPLINK Data Conversion and license costs | Police | 12,504 | 12,504 | |
| Overhead projector system for patrol briefing room | Police | 9,200 | | 9,200 |
| Audio visual package for detective conference room | Police | 7,000 | | 7,000 |
| New copier for Rec Center | Recreation | 16,000 | | 16,000 |
| New copier for Centennial Pool | Recreation | 13,000 | | 13,000 |
| Copy machine for Memorial Building | Recreation | 16,000 | | 16,000 |
| Additional security camera for Centennial Pool | Recreation | 1,150 | 1,150 | |
| Nortel OTM upgrade | Telephones | 18,500 | | 18,500 |
| Call detail reporting | Telephones | 17,500 | | 17,500 |
| Two new disc arrays for GIS hardware at PRPA. | Utility Billing | 13,320 | | 13,320 |
| Printer for Utility Billing | Utility Billing | 2,225 | | 2,225 |
| PC replacements | Various Divisions | 226,074 | 113,037 | 113,037 |
| | | 814,934 | 389,218 | 425,716 |

| | | 2009 | | |
|---|-----------------------------------|----------------|-------------------|-----------------|
| | | budget | authorized | deferred |
| Non-Capital Software | | | | |
| Software upgrades | City Manager | 530 | | 530 |
| Software upgrades | Community Relations | 195 | | 195 |
| Software upgrades | Community Services Administration | 130 | | 130 |
| Visiontek software licenses | Police | 1,590 | | 1,590 |
| NetMotion software licenses | Police | 550 | | 550 |
| Software upgrades for Centennial Pool | Recreation | 1,200 | | 1,200 |
| | | 4,195 | 0 | 4,195 |
| Non-Capital Small Equipment and Supplies | | | | |
| 2009 code books for Building Inspection | Building Inspection | 5,960 | 5,960 | |
| 2009 ICC code set on CD for Building Inspection | Code Enforcement | 1,060 | 1,060 | |
| Wi-Fi modems for heart defibrillator/monitors | Fire Operations | 490 | 490 | |
| Fire proof cabinet for paints and solvent | Museum | 826 | | 826 |
| Cold laminator for Museum | Museum | 1,779 | | 1,779 |
| Band saw for exhibits shop | Museum | 599 | | 599 |
| Vinyl cutter for Museum | Museum | 1,675 | | 1,675 |
| Bed edger for Neighborhood parks maintenance | Parks Maintenance | 1,300 | | 1,300 |
| Athletic Field Line Painter | Parks Maintenance | 2,500 | | 2,500 |
| Master plan storage cabinet | Planning | 1,650 | | 1,650 |
| Replacement bullet-proof vests | Police | 20,400 | 20,400 | |
| 4 telular phonecell units | Police | 3,200 | | 3,200 |
| Safety equipment for Police | Police | 15,700 | 15,700 | |
| Chairs for Police Service Technicians | Police | 5,500 | | 5,500 |
| Digital portable recorders | Police | 36,438 | 36,438 | |
| Digital SLR camera and accessories | Police | 1,000 | | 1,000 |
| 5 Moving Radar for patrol Cars and 3 laser guns | Police | 15,000 | 4,000 | 11,000 |
| Emergency equipment for selected Detective Vehicles | Police | 6,000 | | 6,000 |
| Reversible Call Out Jackets | Police | 1,350 | | 1,350 |
| Electric power washer for Rec Center | Recreation | 1,500 | | 1,500 |
| Replace lane lines and reel & saver | Recreation | 3,950 | | 3,950 |
| 5 power cords | Senior Services | 550 | 550 | |
| Hearing assistance receiver and transmitter | Senior Services | 1,500 | 1,500 | |
| | | 129,927 | 86,098 | 43,829 |
| One Time Services or Expenses | | | | |
| Mayor's Book Club materials and supplies | Children and Youth Resources | 21,000 | 15,000 | 6,000 |
| Longmont Head Start transportation contract services | Children and Youth Resources | 15,000 | 15,000 | |
| Citywide efficiency study | City Manager | 135,000 | | 135,000 |
| Newsletter | City Manager | 75,860 | 75,860 | |
| Seventh year funding for Longmont Multicultural Plan | Community Services Administration | 34,700 | 34,700 | |
| LifeLongmont Learning Messaging Campaign Support | Community Services Administration | 25,000 | 25,000 | |
| Dialogues on Immigrant Integration Initiative | Community Services Administration | 15,000 | 15,000 | |
| Affordable Housing fund contribution | Community Services Administration | 62,047 | | 62,047 |
| Live Well Longmont | Community Services Administration | 10,000 | | 10,000 |
| Retail opportunities study update | Economic Development | 20,000 | | 20,000 |
| Economic development plan | Economic Development | 75,000 | | 75,000 |
| Shop local campaign | Economic Development | 2,500 | 2,500 | |
| Magellan Center | Economic Development | 20,000 | 20,000 | |
| LSBA | Economic Development | 23,100 | 23,100 | |
| Additional funding for ED marketing | Economic Development | 17,000 | 17,000 | |
| SIRE consulting services for retention/forms & workflow | Enterprise Technology Services | 8,000 | | 8,000 |
| Prof services for knowledge transfer for websphere applications | Enterprise Technology Services | 16,000 | | 16,000 |
| PCI Audit | Enterprise Technology Services | 12,050 | | 12,050 |
| Building improvements for the Memorial and Isaak Walton sites | Facilities Maintenance | 2,500 | 2,500 | |

| | | 2009 | | |
|--|------------------------------|------------------|-------------------|-----------------|
| | | budget | authorized | deferred |
| One Time Services or Expenses continued | | | | |
| Callahan House painting of exterior surfaces | Facilities Operations | 15,000 | 15,000 | |
| Sand, restripe and refinish gym floor at Senior Center | Facilities Operations | 9,000 | | 9,000 |
| Enhanced diversity training | Human Resources | 20,000 | 20,000 | |
| Additional fireworks funding | Fire | 5,000 | | 5,000 |
| Longmont Council for the Arts | Mayor/Council | 5,500 | 4,950 | 550 |
| LCJP | Mayor/Council | 180,000 | 162,000 | 18,000 |
| RAQC | Mayor/Council | 11,000 | 9,900 | 1,100 |
| Sister Cities | Mayor/Council | 25,500 | 22,950 | 2,550 |
| LSO - 4th of July Concert | Mayor/Council | 10,000 | 9,000 | 1,000 |
| LSO - VB Auditorium | Mayor/Council | 20,000 | 18,000 | 2,000 |
| Greenwood Wildlife | Mayor/Council | 15,000 | 13,500 | 1,500 |
| LDDA holiday lights | Mayor/Council | 5,000 | 4,500 | 500 |
| LDDA support of events | Mayor/Council | 17,800 | 16,020 | 1,780 |
| Longmont Humane Society capital request | Mayor/Council | 75,000 | 67,500 | 7,500 |
| Promotional items for events | Mayor/Council | 5,000 | | 5,000 |
| Recognition for boards/commissions | Mayor/Council | 3,000 | | 3,000 |
| Council contingency one time amount | Mayor/Council | 72,625 | 72,625 | |
| Wildlife management and enhancement program | Parks | 50,000 | 50,000 | |
| Mosquito abatement program | Parks | 100,000 | 100,000 | |
| Year 2 of station planning for FasTracks | Planning | 50,000 | | 50,000 |
| Upgrade report taker lobby counter with bullet resistant glass | Police | 9,500 | 9,500 | |
| Tiburon consulting for ETS conversion to VMWare | Police | 35,000 | 35,000 | |
| Overtime - DUI enforcement | Police | 30,000 | 16,000 | 14,000 |
| Move wall in uni-sex restroom | Recreation | 3,000 | | 3,000 |
| Information and assistance consortium support | Senior Services | 3,000 | 3,000 | |
| Strategic plan support | Senior Services | 3,000 | | 3,000 |
| | | 1,369,691 | 895,105 | 472,577 |
| Other Expenses with One Year Commitment | | | | |
| Temporary wages for Early Education (Bright EYES) Coordinator | Children and Youth Resources | 18,470 | 18,470 | |
| Neutral Zone program operations | Children and Youth Resources | 7,000 | 7,000 | |
| Temporary wages for Code Enforcement | Code Enforcement | 33,587 | 33,587 | |
| Longmont Entrepreneurial Network (LEN) | Economic Development | 50,000 | 45,000 | 5,000 |
| Longmont Economic Gardening Initiative (LEGI) | Economic Development | 50,000 | 50,000 | |
| LAEC backfill | Economic Development | 15,000 | 7,020 | 7,980 |
| Temporary wages for Energy Management Coordinator | Facilities Operations | 48,672 | 48,672 | |
| Contracted tree trimming | Forestry | 75,000 | 75,000 | |
| Library electronic databases | Library | 40,562 | 10,141 | 30,422 |
| Library adult audio-visual materials | Library | 40,635 | 10,159 | 30,476 |
| Library book collection | Library | 34,000 | 8,500 | 25,500 |
| Library adult and children's audio-visual materials | Library | 38,000 | 9,500 | 28,500 |
| Temporary wages for citizen communications | City Manager | 10,000 | 10,000 | |
| Temporary wages for Neighborhood Resources Specialist | Neighborhood resources | 25,000 | 25,000 | |
| Contracted ROW maintenance | Right of Way Maintenance | 75,000 | 45,000 | 30,000 |
| Temporary wages for Senior Services Resource Specialist | Senior Services | 15,000 | 15,000 | |
| | | 575,926 | 418,048 | 157,878 |
| Total 2009 One Time Expenses | | 2,982,073 | 1,814,369 | 1,165,695 |