



February 2008 • Published by the City of Centennial

SPECIAL HOME RULE EDITION



GOALS OF THE HOME RULE CHARTER

In November 2007, the Centennial Home Rule Charter Commission was charged with drafting a timeless document that would serve as a foundation for the functioning of the City of Centennial. As work progressed, it became clear there were many different ways to achieve this common purpose. Although every commission member had his/her own vision of how to reach the ultimate goal, all agreed that some of the most important concepts we needed to include in our City's government are:

- Transparency
- Efficiency
- Protection for citizens
- Lean government

The Commission has addressed these goals in specific ways, with the hope that the charter will stand the test of time while effectively serving the citizens.

Please take a moment to read how the commission has addressed these principles.

CONTINUED ON PAGE 5



Cathy Noon, Centennial Home Rule Charter Commission Chair

Dear Citizens of Centennial,

On November 6, 2007, the citizens of Centennial voted to form a 21 member Home Rule Charter Commission, charged with drafting a charter for the City within 120 days. That task has been completed and now the charter will come to a vote of the citizens on June 10, 2008. The opportunity for Centennial to become a home rule city is an important step to bring municipal government closer to the citizens who live in our prospering city.

The Home Rule Charter Commission met weekly to draft the charter we are proposing to you now. The Commissioners elected to write this charter came from a broad array of backgrounds and most have an extensive volunteer resume in the Centennial community. Some had previously served as elected Centennial or Arapahoe County officials; several members are on city boards or have served on city committees, but other members are novices to city government. No matter their previous experience, the commissioners were conscientious, thoughtful, passionate, and above all, committed to the process. As we sat through each and every (long!) meeting, no old or new thought was dismissed, no detail too small, and all 21 contributed to this Centennial Home Rule Charter.

To prepare the best document for Centennial, the Commission studied Colorado municipal law and home rule documents from other Colorado cities, spoke with city government professionals, and worked with Centennial legal staff. Of course, the public was always included in this process with opportunities to observe and speak at each of our weekly meetings, at two public hearings, and to post comments on our interactive web page dedicated to the charter process.

This newsletter will give you a broad understanding of the proposed Home Rule Charter and answer questions we know each citizen will want answered. The entire charter is available online and in the City of Centennial Offices. We hope you will read it, call or attend our town meetings for more information, and vote on June 10th.

On behalf of the Charter Commission, I want to thank you for the opportunity to craft a "constitution" for Centennial. It was a privilege.

Regards,
Cathy Noon, Chair
Centennial Home Rule Charter Commission

A BRIEF HISTORY OF HOME RULE

As we Centennial citizens ponder whether to become Colorado's 93rd home rule municipality, it is important to realize the history of home rule and learn what this may mean to Centennial.

Indeed, dialogue and debate similar to those we are engaging in today were taking place in the United States as early as 1875, when Missouri became the first state to adopt home rule. By embracing home rule, Missouri enabled its larger cities to begin writing their own constitutions, resulting in their citizens having more local control of their municipal governments. California became the second home rule state in 1879, and by the middle of the Progressive Era (1900-1920), a number of other states had adopted home rule, thereby empowering their cities with the freedom to write their own constitutions to fit their individual local needs.

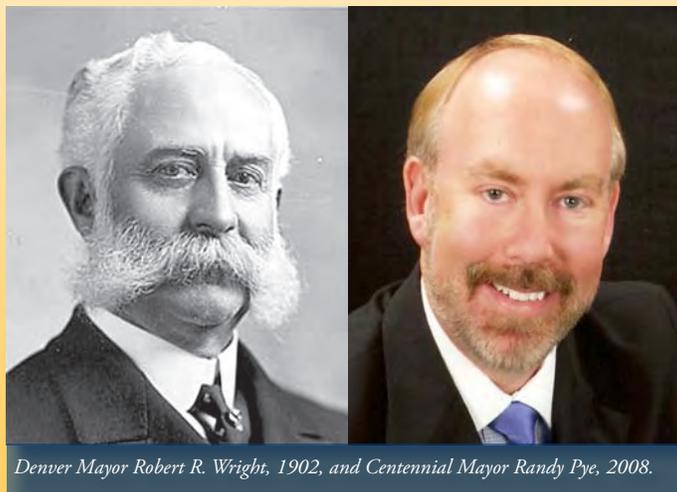
Colorado was one of these states, adopting home rule in 1902. The Colorado movement was fueled by Denver activists, who were determined to take control of their government away from state politicians, and to carve the consolidated city and county of Denver out of Arapahoe County.

In 1904, Denver became Colorado's first home rule city under Mayor Robert Wright. Just one month later, Mayor Robert Speer was elected, and from then until his death in 1918, Speer used the power of the home rule charter to pave streets and install utilities and street lights, and to create a master plan that resulted in parks, parkways, and a number of beautification projects, changing the face of Denver forever.

Although home rule was adopted primarily to address Denver's concerns, soon Colorado Springs and Grand Junction (1909), Pueblo (1911), Durango and Delta (1912), and Boulder (1917) also had their own home rule charters.

The popularity of "going home rule" then appears to have largely subsided until after World War II. In the decades that have followed since, virtually all of Colorado's largest municipalities, and a number of

smaller ones, too, have become home rule. The larger ones include Canon City (1945), Fort Collins (1954), Alamosa (1957), Greeley, Englewood, and Westminster (1958), Littleton (1959), Longmont and Aurora (1961), Arvada (1963), Cherry Hills Village (1966), Thornton, Montrose, and Golden (1967), Greenwood Village (1968), Commerce City and Aspen (1970), Broomfield (1974), Northglenn (1975), Wheat Ridge (1976), Breckenridge (1979), Lafayette (1981), Lakewood (1983), Parker (1984), Castle Rock (1987), Loveland (1996), Lone Tree (1998), Brighton (2000), and Windsor (2003).



Denver Mayor Robert R. Wright, 1902, and Centennial Mayor Randy Pye, 2008.

In 1970, Colorado voters approved an amendment to the Colorado Constitution that marked the beginning of home rule as we know it today. One of this amendment's most important provisions was that it allowed the many towns with fewer than 2,000 residents to become home rule, something that previously had been prohibited. This amendment led to the Colorado Municipal League-drafted Municipal Home Rule Act of 1971.

So where is Colorado today? Currently, more than 90 percent of Coloradans living in a city or town reside in a home rule municipality. Of Colorado's 271 total municipalities, 92 have their own home rule charters. Black Hawk is Colorado's smallest home rule municipality, with a population of just 255 residents. The largest is Denver, for whom Colorado first adopted the whole notion of home rule more than a century ago.

And where is Centennial today? Centennial stands out as the anomaly when it comes to home rule. Of the 33 most heavily populated cities in Colorado, Centennial, with nearly 100,000 residents, is the only one NOT to have a home rule charter.

At the present time, Centennial is one of 179 Colorado municipalities still governed by state statute. All except Centennial have populations of fewer than 15,000 residents; 146 of these have fewer than 5,000 residents.

Why has Centennial not become home rule? It's simply because we are a new city, created less than eight years ago. In the September 12, 2000 Centennial incorporation election, voters were asked just one question (paraphrased): "Do you want to incorporate this unincorporated area of Arapahoe County?" When voters said "Yes" to this question, we became a city governed by the state's laws—a statutory city—with the understanding that within a few years after incorporating, voters would be asked to take this next major step—joining the other

cities our size in becoming home rule. As planned, voters are being asked now to take this next step.

Centennial's process of "going home rule" began in the November 2007 election, when voters said "Yes" to forming Centennial's Home Rule Charter Commission, and they elected 21 commissioners to create Centennial's charter—our city's municipal constitution. In late February 2008, after countless hours of study, discussion, citizen input and debate, the commissioners completed the writing of this charter.

The City now has the opportunity to become Colorado's 93rd home rule municipality. By joining all other large cities that are governed by home rule, we will be governed by our own set of principles and standards that will give us the ability to address our community's specific needs and issues.

THE DOLLARS AND CENTS OF HOME RULE

What it means financially

What are the primary financial benefits of Home Rule?

Currently, the Colorado Department of Revenue (DOR) collects the City's sales tax. Collecting our own City's sales tax is one of the most significant financial benefits of becoming home rule. Self-collection means self-governance and management of the City's largest revenue source—sales tax. Other financial benefits include:

- Accelerated receipt of revenues
- Local control of tax base/exemptions
- More effective collection/enforcement
- Better customer service and response for local businesses and taxpayers

Why does the State currently collect the City's sales tax?

All statutory cities are required by law to have the state act as the collection and enforcement agency for sales tax collections.

What is the City's current sales tax rate?

Centennial's sales tax rate is 2.5 percent. The average city sales tax in the metro area is 3.3 percent.

Can the City increase the tax base or the rate of tax without a vote?

No, the Taxpayer's Bill of Rights (TABOR) requires that all changes in tax rate or tax policy resulting in a net revenue gain must be approved by the voters. This has been true for Centennial as a statutory city and it will continue to be the law as a home rule City.

The commission has drafted this charter to ensure there will always be a vote of the people before any new taxes can be imposed or tax rates can be increased, even if TABOR is repealed.

Are there estimates of how much additional revenue the City might generate with home rule self-collection?

Although formal studies have not been completed, most home rule Colorado cities that have gone to self-collection have indicated increases in revenue upwards of 25 percent which could be up to an additional \$4.7 million per year in the City's general fund.

Centennial has requested the state Department of Revenue (DOR) to conduct more than 74 audits of Centennial businesses within the last three years (to see whether they are reporting their sales tax collection and whether it is being paid to Centennial). To date, only four audits have been completed by the DOR, resulting in roughly \$340,000 in additional revenue to the City.

Why can a city collect its own sales tax revenue more efficiently and thoroughly than the state can?

Priorities

Due to limited resources, the state's focus is primarily on state revenues, so the administration, collection and enforcement of local revenues is a lower priority for the state.

Investment of Revenues

When the state Department of Revenue (DOR) collects the City's sales tax, there is a lag time of 30 to 45 days between when the

tax is collected and the day the City receives the revenue from the state. During that time, the state has invested the City's sales tax money, and earned interest that is not given to the City. Self-collection provides immediate cash throughout the reporting month and immediate investment of City funds, instead of waiting for the DOR to submit revenue to the City.

What will it cost the City to self-collect (administer/enforce)?

Increased revenues are expected to be three times greater than the costs to manage the program.

Can you break it down into specifics for me?

- As a home rule City, Centennial's sales tax base and tax administration need not be uniform with the state sales tax and collection efforts by the state Department of Revenue (DOR). The Taxpayer's Bill of Rights (TABOR) does require a vote of the people for any change in tax rate or tax policy resulting in a net revenue gain.
- Home rule allows local governments the right to determine their own exemptions from the tax, specific to their own environment.
- Home rule allows local governments to determine their own administrative procedures relative to sales and use tax collection/enforcement efforts.



Although formal studies have not been completed, most home rule Colorado cities that have gone to self-collection have indicated increases in revenue upwards of 25 percent which could be up to an additional \$4.7 million per year in the City's general fund.

QUESTIONS AND ANSWERS *How Home Rule Affects Us*

Why should I approve the charter? What does it do for me?

Centennial has always embraced the guiding principle of self-governance. The Home Rule Charter continues and strengthens that principle, without growing government. Centennial was also rooted in the desire and need to protect our tax base. Becoming home rule provides for even stronger protection of our tax base, helping us to ensure that the taxes we already pay come back to benefit us.

What will the charter do TO me?

The charter itself will have no effect on your day-to-day life. In terms of governance, the Charter Commission has carefully balanced the citizen's rights and wishes for a voice in governmental decisions with the need for the City Council to govern effectively and efficiently. That balance will result in an accountable government which represents the interests of the people.

What is the difference between a home rule and a statutory city?

In general, a statutory city gains its authority from Colorado statutes. In other words, the state government decides what the City can and cannot do. Municipal home rule is based on the theory that the citizens of a city should have the right to decide how their local government is organized and how their local problems should be solved. Of course, a home rule city's actions must still be constitutional, and matters that are considered to be of statewide concern are still governed by the state. Home rule status makes it possible for local governments to have control over matters of local concern.

Will having home rule get rid of term limits for our City's elected officials? Or will it "reset the clock" on term limits of those currently in office?

No. The charter leaves in place the term limits that are in the state Constitution (limit of two terms of four years each for City Council members and the Mayor). The "clock" will not be "reset."

Will our City sales tax increase? If we become a home rule city, will we have a food tax?

Not by simply becoming a home rule city. Becoming home rule gives the City more options for the tax base. Any new sales taxes or changes in the sales tax base are still subject to the Taxpayer's Bill of Rights, found in the Colorado Constitution and require a vote of the people.

Will our property tax increase?

No, nothing about becoming a home rule city will make our property tax increase.

Will our franchise and other fees change?

Not by simply becoming a home rule city. The Charter Commission has spent many hours discussing various legislative processes regarding the passage of franchise and other fees. The Commission has drafted the charter to require a majority of the entire Council to approve new or increased franchise fees, as opposed to a majority of a quorum, which is the current standard.

When we become a home rule city, will we ban pit bulls? Will home rule enable the City Council to change laws having to do with guns? What happened to the promise of a virtual city with minimal government?

The Charter Commission has been committed to writing a charter that focuses

on governmental structure and process. These questions are really about governmental policy. As a statutory city, we have been constrained by state statutes that do not allow us to implement some ordinances (like breed-specific dog bans), and as a home rule city it would be possible to pass such ordinances. But adopting a home rule charter does not automatically put into place these types of ordinances. In fact, the charter has language that leaves in place existing ordinances. Changes to these ordinances will be a policy decision for the City Council.

Will home rule get us better snowplowing for our neighborhood streets?

This is more of a question of policy, priorities and finances. Becoming a home rule city might provide for higher revenues (see the section of this newsletter about finances), but how those revenues are spent will be a decision made by City Council.

Why are we going for home rule now?

Isn't it too early?

There is no timetable for becoming home rule. Some cities choose to become a home rule city when they incorporate as a city. Some have remained statutory and have no plans to become home rule (these are all much smaller cities than Centennial). Because we are missing out on sales tax revenue that is owed to the City, it could be argued that consideration of becoming home rule is coming not a moment too soon.

As a seven-year-old city, with a pool of active citizens and elected officials who now have some municipal experience under their belts, this is a great time to pursue home rule.

CONTINUED ON PAGE SIX

DID YOU KNOW?

Right now, local businesses collect sales tax from you which go to the City to provide services to all of us. But as a statutory city, Centennial does not have the ability to know if the amount the City receives is the amount the customers have paid.

By becoming home rule, the City will be able to check whether those sales taxes, which you have already paid, are being sent to Centennial, or somewhere else. Our City has a responsibility to find that money and make sure that it is being used to benefit our community.



MUNICIPAL HOME RULE DEFINED

“Simply stated, municipal ‘home rule’ is a form of government under the control of local citizens rather than state government. It is “self-government,” meaning municipal rather than state control over the organization and operation of local government activities. Home rule does not relate to nor confer any enhanced authority relative to powers of the federal government. Home rule relates to state-local relations, not federal-local relations.”....

“In Colorado, municipal home rule derives its authority directly from the Colorado Constitution. It affords citizens of cities and towns that adopt a local charter freedom from the need for state enabling legislation and protection from state interference in “both local and municipal matters.”....

.... “Home rule has established a political atmosphere and legal ground rules that have:

- enabled home rule municipalities to utilize diverse powers, organizations and procedures without the need for state enabling legislation;
- protected home rule municipalities from state interference in matters local and municipal in nature; and
- helped establish and preserve an

atmosphere of state respect for local control for other local governments, resulting in fairly broad statutory authority for non-home rule local governments and often a disinclination on the part of state officials to micromanage local governments; yet

- maintained for state government the flexibility and prerogative to manage and control matters that are of state or mixed state and local concern without home rule being an obstacle.”....

....“Municipal home rule has immeasurably strengthened local control enjoyed by citizens and facilitated flexibility and diversity among communities in addressing their needs and desires.” As with any form of government, “the effectiveness depends on the quality, dedication and integrity of those public officials and employees in office and on the expectations and participation of local citizens.”

The copy above was taken from “An Overview of Municipal Home Rule– A handbook for municipal officials” written by Kenneth Bueche, Former Executive Director of CML and was published by the Colorado Municipal League (CML) in August 2006, .



Arapahoe County Sheriff Grayson Robinson: “Home rule status would benefit the citizens of Centennial by giving the City Council the authority and flexibility to legislate in areas not addressed by the state, in public safety and other arenas.”

GOALS, CONT'D.

TRANSPARENCY

An underlying principle of the Charter Commission is that Centennial’s government must be accessible and responsive to its citizens. With this transparency in mind, the Commission included the following items in the charter:

- reaffirm the use of Colorado’s open meetings law
- place restrictions on the use of emergency ordinances

The Commission welcomed citizen input while writing the charter by:

- providing opportunity for public comment at all meetings
- holding two public hearings
- accessibility to all documents and comments accessible to the public on an Internet WIKI site (www.CentennialCharter.com) to solicit ideas and suggestions.

The proposed charter allows the City Council to decide where and how to publicize meeting notices. Notices may be published on the City’s Website or in a newspaper in order to make the information more available to the citizens. In addition, giving City Council the opportunity to respond to city needs by ordinance allows the Council the flexibility to change with the times and respond quickly to the needs of the citizens.

CONTINUED ON PAGE 7

MORE INFORMATION

To learn more about Centennial’s proposed Home Rule Charter, please attend one of the following public information meetings. Representatives of the 21-person Home Rule Charter Commission will be available to answer questions.

Saturday, May 3, 2008
10:00 a.m. – Noon
Southglenn Library
7500 S. University Blvd.

Tuesday, May 6, 2008
7:00 p.m. – 9:00 p.m.
Smoky Hill Library
5430 S. Biscay Cir.

Saturday, May 10, 2008
11:00 a.m. – 1:00 p.m.
Koebel Library
5955 S. Holly St.

Wednesday, May 21, 2008
5:00 p.m. – 7:00 p.m.
Castlewood Library
6739 S. Uinta St.

QUESTIONS AND ANSWERS *continued*

Why does the charter change the Clerk and Treasurer positions?

This is an issue that the Charter Commission spent many hours discussing. After serious consideration and public input, the Commission decided to draft a charter that limits the number of City elected officials to the current eight Council Members, two from each ward /district and the Mayor.

City Clerk

In the past, Centennial's elected City Clerk has been assigned specific statutory duties. These functions have been limited to: (1) verbally announcing matters on the agenda during City Council meetings; (2) recording and preparing minutes of the City Council meeting; and (3) attesting (signing) documents to verify that the signatures on the document are those of the Mayor or Mayor Pro Tem. This is a part-time elected position and is compensated at \$700 per month.

The duties of a modern City Clerk, including management of records and elections, require professional training, a professional salary, and a full-time position. Nearly all similarly sized municipalities in Colorado have established the City Clerk position as a professional, full-time position. The "City Clerk" title carries the expectation of a high level of expertise and responsibility that can only be ensured through a hiring and appointment process with a defined job description and specific qualifications.

City Treasurer

The City of Centennial's elected Treasurer has limited duties and is compensated at \$700 per month. Management of financial transactions for the City of Centennial is a full-time daily process. Centennial maintains a Finance Department consisting of a full-time Finance Director, a full-time Accounting Director, and seven

full-time finance and accounting professionals with the requisite education, experience, and professional certifications to conduct the City's financial business. Oversight of this department is assured by an annual independent audit, required by statute of all city governments, and performed by certified accountants trained in the legal complexities of city finances. The City Council is ultimately responsible for the finances of the City.

The decision to phase out the positions of elected City Clerk and elected Treasurer was based on the importance of:

- Smaller Government and Saving Money: To give the elected positions of Treasurer and Clerk more responsibility and authority would have meant growing the government through increased salaries and staffs. The Charter Commission chose to keep Centennial's government lean.
- Efficiency: Eliminates conflicts and redundancies between elected and staff positions in these departments. These are administrative positions that are more appropriately hired and contracted than campaigned for and elected.
- Professional excellence: Hiring of professionals in the Clerk and Finance offices ensures that all staff meet qualifications set by the City Manager. Job performance is ensured by employment rather than a recall election (which is the only way to remove an elected official).

HOME RULE ELECTION CALENDAR

May 12, 2008: Last day to register to vote in the Home Rule Charter Election. You may register by coming to the City Clerk's office at 12503 East Euclid Drive, Suite 200, Centennial, 80111 or to the Arapahoe County Clerk offices located at 12600 East Arapahoe Road, Centennial, 80111 and at 5334 South Prince Street, Littleton, 80166.

May 16 - May 27, 2008: Ballots will be mailed to active registered Centennial voters. The ballot will contain only one question for voters to consider

whether to approve the proposed Home Rule Charter. The entire proposed charter will be available prior to the election on the City's Website at www.CentennialColorado.com and in the City Offices.

June 10, 2008 Election Day!
Mail ballot deadline. **Ballots must be RECEIVED by 7:00 p.m. on this date.**

Ballots may be mailed or delivered in person to the City office drop-off site.

To access a voter registration form, visit www.sos.state.co.us or www.co.arapahoe.co.us/departments.



GOALS, CONT'D.

EFFICIENCY

Within reason, the Commission sought to eliminate cumbersome bureaucracy to allow government officials to “get things done”. This means organizing day to day City operations like a business, having professionals fill positions that require a lot of skill and minimizing the bureaucratic process. Some of the charter elements that help meet this goal include:

- eliminating bonding of elected officials, relying instead on adequate insurance coverage and effective fiscal management practices, including mandated annual independent audits
- decreasing the number of council members required to call a special meeting from four to two
- establishing a full time professional (hired) Finance Director position and omitting the elected treasurer position that has limited responsibilities
- establishing a full time professional (hired) City Clerk position and omitting the

- elected city clerk position that has limited responsibilities
- adopting a City Council/City Manager form of government
- outlining requirements for citizen initiatives

PROTECTION FOR CITIZENS

The Commission worked to protect the rights of citizens. This charter illustrates the citizens’ right to be active, to be heard, and to elect people they trust and believe in.

To assure that issues are adequately researched, considered and supported to protect citizens, the Commission set guidelines within the charter related to the governance process. The charter assures the voice of the citizens will be heard.

Here’s how your rights are protected:

- requiring a vote of the people for new or increased taxes
- formally establishing an audit committee and an investment committee
- requiring a two-third vote of City Council for matters regarding eminent domain
- keeping term limits

- lessening the wait time for recall (from 180 days to 90 days)
- keeping the minimum of 5% of citizen signatures needed for initiatives and referenda
- empowering City Council to create an election commission
- tightening emergency ordinance procedures

LEAN GOVERNMENT

A lean government is an important principle upon which Centennial was founded. In its decision-making, the Charter Commission is respecting this still-present desire to minimize government. A home rule charter streamlines government operations while ensuring that sufficient checks and balances are in place to guarantee government accountability to the voters. The Charter Commission has studied the governments of home rule cities across the state and incorporated their best practices into the charter.

THE CHARTER COMMISSION

This newsletter was researched and developed by the 21 member Centennial Home Rule Charter Commission...

- | | |
|--------------------------|--------------------------------|
| Debra Armbruster | Dave Hunt |
| John Brackney | Becky Lennon, Vice Chairperson |
| Peg Brady | Rhonda Livingston |
| Gail Coombs | Cathy Noon, Chairperson |
| Gerry Cummins, Secretary | Patrick Pratt |
| Shannon Gish | Susan Rosser |
| Lynn Goering | William C. Stokey |
| Richard Goering | Don Strickland |
| Mike Hamrick | Andrea Suhaka |
| Dave Hanna | Kathy Turley |
| Laura Hoepfner | |



“Two principles guide us; the best government is the one closest to the people and that America was founded on the declaration

that we are governed by laws not men, the creation of this Charter honors these American traditions.” John Brackney, President South Metro Chamber of Commerce and a member of the Centennial Home Rule Charter Commission

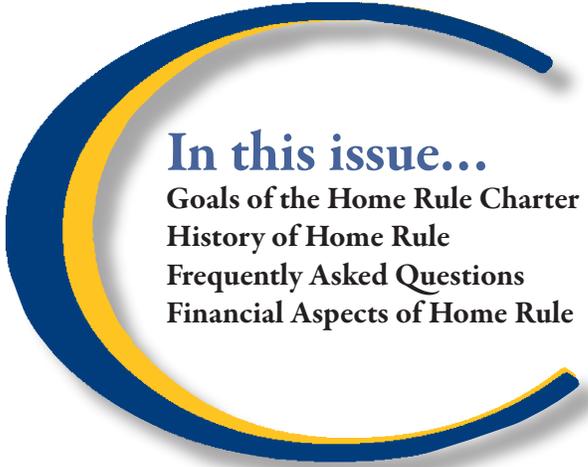
HOW CENTENNIAL COMPARES

See how Centennial compares to other metro area home rule cities. Centennial is the seventh largest City in the metro area.

City	Population	City	Population
Lone Tree	10,041	Centennial	102,522
Greenwood Village	14,587	Arvada	105,455
Englewood	32,250	Westminster	109,671
Littleton	41,881	Lakewood	146,364
Parker	42,642	Aurora	307,998
Broomfield	48,469	Denver	582,474

Source: DRCOG 2006 Population and Household Estimates

For more information about the Home Rule Charter or to request a presentation to a civic group please call Maureen Juran at **303-754-3391**. You may also visit www.CentennialCharter.com.



In this issue...

- Goals of the Home Rule Charter
- History of Home Rule
- Frequently Asked Questions
- Financial Aspects of Home Rule

It All Adds Up

How much time has the Commission volunteered while writing the charter?

21 Commission members met 15 times for about 4 hours at each meeting = 1260 person hours

- plus** time spent researching issues, reviewing meeting minutes, reviewing memos and drafts of the Charter, etc.
- plus** publicity committee meetings, writing of updates, interviews with reporters
- plus** reports to the City Council, Homeowners Associations, community groups
- plus** preparation of PowerPoint presentations and newsletter

- plus** time spent posting comments on the Charter Commission Website and conversing with interested parties
- plus** the many hours donated by our WIKI master to create our website
- plus** the many hours donated by our Secretary preparing the minutes for each meeting
- plus** the attendance at every meeting by our designated alternate

**equals one well-researched, well-considered,
well-written Home Rule Charter**



The 21 Member Home Rule Commission